



Weekly Trading Summary: March 31 – April 4, 2024

- ❖ Price decreases in the share indices and a mixed trend in the bond indices.
- ❖ Against the backdrop of the escalation on the Northern Border - the Fear Index increased and crossed the 19-point mark for the first time this year, reaching 24 points at the end of the week. The dollar strengthened by 1.0% against the shekel.
- ❖ The international rating agency Fitch left Israel's credit rating unchanged at A+ but lowered the Outlook from "Stable" to "Negative".
- ❖ Vigilance is increasing ahead of the interest rate update in the economy this coming Monday (April 8).
- ❖ In the tracking funds – purchases stood out of funds tracking domestic share indices, mainly the Bank Shares Index, and of funds tracking domestic bond indices, mainly Tel Bond-Shekel and Tel Bond-60, and purchases increased of funds tracking the S&P 500 index.
- ❖ In the active funds, the flow increased of investment in money market funds, and the flow continued of funds investing in bonds on the TASE.

Trading on the TASE in the first week of April, opened with the end of publication of the annual financial statements by public companies, on Sunday, and was conducted against the background of the escalation on the Northern Border.

The international rating agency **Fitch** announced this week (April 2) that it is leaving **Israel's credit rating unchanged at the level of A+** and removing Israel from "Negative Watch", but it is lowering the rating outlook from "Stable" to "Negative". This is different from the credit rating agency **Moody's**, which lowered Israel's credit rating two months ago.

Fitch states in its announcement that the lowering of the outlook reflects the combination of the fiscal uncertainty arising from the duration of the war and its intensity, and the risk of regional escalation, as the agency anticipates a continued increase in the government deficit and GDP debt ratio in the near term.

Vigilance is increasing in the economy ahead of the interest rate update this coming Monday (April 8).

Trading in overseas markets this week on leading exchanges was shortened, due to the Easter Festival and national holidays in China and Hong Kong. This



week it was announced that the **annual inflation rate in the Eurozone**, in the last 12 months, decreased from 2.6% in February 2023 to **2.4%** as of the end of March.

The **TA-35** and **TA-90** indices decreased by **2.8%**, each, at the same time as a decrease of 1.7% and 0.8% in the Dow Jones and S&P 500 indices in the USA, respectively, and a negligible decrease of about 0.3% in the STOXX 50 index in Europe (overseas data as of Wednesday).

Price decreases characterized most of the industry indices, led by the **TA-Construction** and **TA-Banks5** indices which decreased by **5.7%** and **5.0%** respectively.

An exception this week were the **TA-Dual Listing** and **TA Global-BlueTech** which increased by **1.0%** and **0.5%** respectively.

The **Fear Index** increased and for the first time this year crossed the 19-point mark and reached **24** points at the end of the week, compared with 16 points at the end of the previous week.

A mixed trend characterized **the bond indices**.

Price increases characterized the **linked corporate bonds**, in which the CPI-linked which increased by **0.3%** this week.

The **Tel Bond-Dollar** index stood out this week with an increase of **2.5%**, at the same time as the dollar strengthened against the shekel by 0.5%.

In contrast, decreases in prices characterized **the government bonds**, primarily the shekel bonds included in the **Tel Gov-Shekel 10+** index which decreased by **1.9%** this week.

The yield to maturity of the 10-year shekel government bond increased by 0.2% this week and reached **4.6%** at the end of the week. This is similar to the yield to maturity of the 10-year US government bond which rose by 0.2% at the same time and reached 4.4% towards the end of the week.

In the Tracking Funds market (ETFs and open-end funds), purchases of **funds tracking domestic share indices**, mainly the Bank Shares Index, stood out this week and amounted to US\$ **170** million, differing from the trend in the previous week when sales were recorded in the amount of US\$ 415 million.

In addition, purchases were recorded this week of **funds tracking domestic bond indices**, mainly the Tel Bond-Shekel and Tel Bond-60 indices, in the amount of US\$ **65** million, this after immaterial activity in these funds in the previous week.



Purchases of funds tracking international share indices, especially the S&P 500 index, also increased this week, amounting to US\$ **105** million, after purchases in the amount of US\$ 45 million the previous week.

In the active funds inflows into **the money market funds** increased and amounted this week to US\$ **275** million, compared with the amount of US\$ **110** million that was invested in these funds the previous week.

In addition, investments in **the active funds investing in bonds on the TASE** continued and amounted to US\$ **50** million this week, following a similar amount of US\$ 35 million that was invested in these funds the previous week.

Share Offerings

- ❖ **EI AI Airlines** raised US\$ **139** million this week in a public share offering - the largest since the beginning of the year. The package in the offering included option warrants without compensation, so the effective price was about 24% lower than the share price on the TASE prior to the offering. In the tender, a surplus demand was recorded of 1.3 times the quantity offered, and in light of this, the actual effective share price was 16% lower than the share price on the TASE prior to the offering.
- ❖ The biomed company **BioLine RX**, whose shares are traded simultaneously on the NASDAQ stock exchange (symbol: BLRX), raised US\$ 6 million this week in a private allocation of shares to classified investors abroad.

Corporate Bond Offerings

- ❖ In the bond market, US\$ **546** million were raised this week in three issues to the public:

Company Name	Sector / Activity	Amount (in \$ millions)	Public offering / Private allocation	Listed / New Series	Linkage Type	Average Duration	Interest / Yield to maturity	Rating "Maalot"/ "Midroog" Rating
1. Property and Building	Investment Properties in Israel	355	Public offering	New	Non-linked	3.4	6.63%	A+
2. Clalbit	Insurance	123	Public offering	Listed	Non-linked	8	5.7%	AA-/ Aa3/
3. Extell Limited (foreign)	Construction	68 (estimate)	Public offering	Listed	Non-linked	2.9	8.1%	A3

Government Bond/M.K.M. T-bills Offerings

- ❖ This week, the **Ministry of Finance** raised US\$ **1,035** million by public issue of bonds on the TASE, of which a planned raising of US\$ 4.2 billion in April,



following the raising of US\$ 930 million in the previous week. 69% of the amount raised by non-linked bonds, and 31% raised by CPI-linked bonds.

- ❖ The **Bank of Israel** sold M.K.M. T-bills to the public this week amounting to NIS **38** billion par value, following the raising of NIS 36 billion par value in the previous month. Out of this, NIS 26 billion par value in M.K.M. T-bills for maturity in 3 months, and NIS 12 billion par value in M.K.M. T-bills for maturity in one year.

Miscellaneous

❖ Deletion of a Dual-Listed Company

The software and internet company **My Size**, whose shares are traded simultaneously on the NASDAQ Stock Exchange (Symbol: MYSZ), deleted its shares from trading on the TASE on March 31, 2024.

❖ Composite State-of-the-Economy Index

The Bank of Israel announced that the **Composite State of the Economy Index for the month of February 2024** increased by **0.5%** following an increase of 0.4% in the previous month. The increase in the index indicates the continued gradual recovery of the economy from the impact of the "Swords of Iron" war. The war continued in February but its effect on activity continued to weaken.

Share Indices

Market Value Indices	Week change	YTD change
TA-35	-2.8%	4.1%
TA-90	-2.8%	7.5%
TA-125	-2.8%	4.7%
TA-SME60	-0.1%	8.2%
Sectoral Indices	Week change	YTD change
TA-Tech-Elite	-0.3%	6.7%
TA Banks-5	-5.0%	-1.5%
TA Oil & Gas	-4.0%	5.7%
TA Real Estate	-4.4%	-2.0%



Bond Indices

Index	Week change	YTD change
Tel Gov CPI-Linked	-0.2%	-0.7%
Tel Gov-SHEKEL	-0.6%	-1.3%
Tel Bond - 60	0.1%	1.4%
Tel Bond-SHEKEL	0.0%	0.9%

Currencies:

Currency	Week change	YTD change
Dollar/NIS	1.0%	2.5%
Euro/NIS	1.4%	0.6%

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<p>The Tel-Aviv Stock Exchange features in March 2024:</p> <ul style="list-style-type: none"> 535 companies listing equities. 522 ETFs (including 36 ETFs – cross listing). 36 series of government bonds. 695 series of corporate bonds. 47 Series of TASE UP bonds. 1,803 mutual funds. <p>Market Cap. (US\$ billions):</p> <ul style="list-style-type: none"> Equities - 282 Government bonds - 172 Corporate bonds – 124 	<p>The Tel Aviv Stock Exchange Ltd. was founded in September 1953. The TASE group, which consists of the stock exchange, the TASE Clearing House, TASE Nominee company and the Derivatives Clearing House, provides local and international investors with trading and clearing in securities, including stocks, corporate bonds, government bonds, index-tracking products and derivatives.</p>	<p>Companies traded in the USA and on the London Stock Exchange (Main Market) can dual list their shares on the TASE. Dual listing which does not entail significant costs, imposes no additional regulatory burden and offers continuous trading from 10:00 to 23:00 (Israeli time) for companies listed in the USA.</p> <p>There are currently 49 companies dually listed on TASE.</p>
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