



Weekly Trading Summary: May 5 - 9, 2024

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- ❖ Price increases in the share indices and the bond indices. The Fear Index decreased.
- ❖ A tailwind for the trading was reports of a possibility for a deal.
- ❖ The yield on 10-year government bonds in Israel decreased to 4.6%, similar to the trend in the US.
- ❖ In the tracking funds market - there were increased purchases of funds tracking the S&P 500 index, and continued purchases of funds tracking the TA-125 index. The public this week purchased funds tracking CPI-linked corporate bonds.
- ❖ In the active funds market, the flow of funds to the money market funds continued. In addition, funds were invested in funds investing in bonds in Israel.

Trading on the TASE in the past week took place against the background of the continued escalation in fighting on the Northern Border, and the IDF's entry into Rafah, while the parties to the deal for the release of the abductees have not yet reached an agreement. Despite this, there was a positive effect on reports of a possible deal.

Last weekend, Turkey froze maritime trade with Israel in order to exert pressure on Israel over the fighting in Gaza. A report published by the US investment bank J.P. Morgan noted that the Turkish boycott will have a limited impact.

The Fear Index remained almost unchanged this week at 16 points – similar to its level at the beginning of the year.

In overseas markets, trading took place against the background of the publication of financial statements for the first quarter of 2024 by public companies. The publication of US employment data, according to which the unemployment rate increased to 3.9% in April from 3.8% in March, and the weakness of additional adjusted data indicating a slowdown in economic activity, support expectations of an interest rate cut.

Eurozone growth data indicate positive GDP growth of 0.3% for the major economies in the first quarter of 2024, after stagnation for five quarters. These data, together with annual inflation data of about 2.4% in April, close to the target of 2%, reinforce expectations of a first interest rate cut this year by the ECB at the upcoming revision date in June.



The Bank of England (BOE) announced today (May 9) that it is keeping the **interest rate** unchanged at **5.25%**.

The price of Brent crude oil decreased this week, reaching US\$ **84** per barrel towards the end of the week while **the price of gold** increased this week to US\$ **2,309** per ounce - an increase of 8% and 12%, respectively, since the beginning of the year (commodities data correct as of Wednesday).

The TA-35 and TA-90 indices increased this week by **3.3%** and **2.7%**, respectively, at the same time of an increase of 2.3% on average in the Dow Jones and S&P 500 indices in the US, and also in the STOXX 50 index in Europe (overseas data correct as of Wednesday).

Price increases characterized the sectoral indexes, led by the **TA-Technology** and **TA Tech-Elite** indices which increased this week by **6.0%** and **5.4%**, respectively.

The **TA Banks-5** index almost unchanged this week (**+0.2%**), against the background of the publication of the decision by the international credit rating agency S&P regarding the downgrade of the large banks – Leumi and Hapoalim from A to A-, about three weeks after it first lowered Israel's credit rating.

Price increases characterized **the bond indices**.

The price increases were led by the **CPI-linked government bonds** included in the **Tel Gov 10+ non-linked** index, which increased in this week by **1.1%**.

The yield to maturity of 10-year non-linked government bonds decreased this week by 0.1%, reaching **4.6%** at the end of the week. This is similar to the yield to maturity of 10-year US government bonds, which decreased at the same time by 0.1%, reaching 4.5% towards the end of the week.

In the Tracking Funds market (ETFs and open-end funds), there were purchases this week of US\$ **235** million:

- **In the funds tracking international share indices**, net purchases increased, mainly of funds tracking the S&P 500 index, to about US\$ **140** million, following purchases of US\$ 35 million in the previous two weeks.
- **In the funds tracking domestic share indices**, there were continued net purchases, mainly of funds tracking the TA-125 index, in the amount of US\$ **55** million, following net purchases of US\$ 50 million in the previous two weeks.
- **In the funds tracking domestic bond indices** there were net purchases totaling US\$ **40** million, mainly of funds tracking CPI-linked corporate bond indices, after no material activity was recorded in these funds in the previous two weeks.



In the active funds, inflows to the **money market funds** continued, totaling US\$ **190** million this week, following a US\$ **240** million that was invested in these funds in the previous two weeks. **The active funds investing in bonds on the TASE** received a net US\$ **45** million this week, following immaterial activity in these funds in the past two weeks.

Share Offerings

- ❖ US\$ **12** million was raised by a rights issue and a private allocation In the shares market on the TASE In the past week:

Company Name	Sector / Activity	Amount (in \$ millions)	Public offering / Private allocation
1. Netanel Menivim	Investment Properties in Israel	11	Rights issue
2. Cannassure	Medical Cannabis	1	Private allocation

Corporate Bond Offerings

- ❖ In the bond market, US\$ **239** million dollars were raised this week in three public issues and a private allocation to classified investors:

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
3. Namco Realty (foreign)	Investment Properties Overseas	148	Public offering	New	Non-linked	4.3	6.25%	AA
4. Aviv Construction	Construction	34 Est.	Public offering	Listed	Non-linked	1.7	6.5%	Baa1
5. Solaer	Renewable energy	30	Private allocation	Listed	CPI-linked	2.5	4.4%	Unrated
6. Vitania	Investment Properties in Israel	27	Public offering	Listed	CPI-linked	3.9	3.1%	A2

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

- ❖ This week, the **Ministry of Finance** raised US\$ **920** million by public offering of bonds on the TASE, following the raising of US\$ 1,150 million in the previous week. 66% of the amount raised was by non-linked bonds, and 34% by CPI-linked bonds.



- ❖ This week, **the Bank of Israel** sold M.K.M. T-Bills to the public totaling NIS **40** billion par value, following the NIS 38 billion par value raised last month. Out of this, NIS 26 billion par value in M.K.M. T-Bills for maturity in 3 months, and NIS 14 billion par value in M.K.M. T-Bills for maturity in a year.

Miscellaneous

❖ Composite State-of-the-Economy Index

The Bank of Israel announced that the Composite State of the Economy Index for the month of March 2024 decreased by 0.05%, following a decrease of a similar amount in the previous month. The decrease in the CPI reflects renewed moderation, after showing economic recovery in December 2023 and January 2024.

Share Indices

Market Value Indices	Week change	YTD change
TA-35	3.3%	7.4%
TA-90	2.7%	8.6%
TA-125	3.1%	7.2%
TA-SME60	0.8%	9.8%
Sectoral Indices	Week change	YTD change
TA-Tech-Elite	5.4%	8.4%
TA Banks-5	0.2%	0.4%
TA Oil & Gas	2.3%	9.2%
TA Real Estate	1.2%	0.4%

Bond Indices

Index	Week change	YTD change
Tel Gov CPI-Linked	0.1%	-1.0%
Tel Gov-SHEKEL	0.5%	-1.2%
Tel Bond - 60	0.3%	2.0%
Tel Bond-SHEKEL	0.5%	1.0%

Currencies:

Currency	Week change	YTD change
Dollar/NIS	0.1%	3.1%
Euro/NIS	0.3%	0.0%

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<p>The Tel-Aviv Stock Exchange features in April 2024:</p> <ul style="list-style-type: none"> 536 companies listing equities. 519 ETFs (including 36 ETFs – cross listing). 38 series of government bonds. 699 series of corporate bonds. 48 Series of TASE UP bonds. 1,771 mutual funds. Market Cap. (US\$ billions): Equities - 267 Government bonds - 170 Corporate bonds – 122 	<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. There are currently 49 companies dually listed on TASE.</p>
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