

WEEKLY REVIEW

TASE RESEARCH UNIT

July Ends Higher Led by Bank Shares; Market Cap Reaches a Record High of More Than NIS 3 trillion; Palo Alto Networks to Join the TA-35 and TA-125 Indices This Thursday (August 6)

Monthly Review – July 2026 / August 3, 2026

Stock Market

Banking and insurance shares led the market during July, with the TA-Banks Index surging 10.45% during the month (+1.93% year-to-date), followed by the TA-Oil & Gas Index (+9.17%), the TA-Finance Index (+7.15%) and the TA-Insurance Index (+6.15%). On the downside, the weakest performers were the TA-Construction Index (-4.96%), the TA-Technology Index (-3.99%) and the TA-Real Estate Index (-3.12%). The flagship indices closed the month higher. The TA-35 Index rose 2.03% in July, bringing its year-to-date gain to 14.26%. The TA-125 Index advanced 1.52%, increasing its year-to-date gain to 11.14%, while the TA-90 Index continued to lag behind, rising by only 0.39% during July and 0.67% since the beginning of the year.

Investor Movements: Institutional investors increased their exposure to the local stock market by NIS 1.7 billion net during July, with purchases concentrated mainly in semiconductor shares (NIS 1.1 billion net). Foreign investors, by contrast, reduced their exposure to the local stock market by NIS 391 million net during July, although they have still increased their exposure by NIS 2.1 billion net since the beginning of the year.

Key Market Event This Week: Palo Alto Networks will join the TA-35 and TA-125 indices on August 6, 2026.

Bond Market

Declines in government bonds - despite the Bank of Israel's interest rate cut, which lowered the interest rate by 0.25% to 3.5%, the rise in global yields outweighed this. The yield on Israel's 10-year government bond increased from 3.69 to 3.852%, following the sharp rise in the yield on the U.S. 10-year Treasury bond, which climbed from 4.422% to 4.745%.

The long-term shekel segment absorbed most of the pressure: the Tel-Gov General Index dropped by 0.30% (but is still up 2.24% since the beginning of the year), and the declines were concentrated in the long term (the Tel-Gov Shekel 10+ dropped by 1.59%), while the short-term bonds were supported by the interest rate cut.

liquidity reform in the Tel Bond indices kicks off in the August index rebalancing: 87 series of 49 issuers do not meet the new criteria, and NIS 725 million is expected to be removed from the indices.

Equity and Bond Issuance

Robust corporate bond issuance activity led by the banking sector – July concluded with NIS 14.5 billion in public offerings, and NIS 122 billion since the beginning of the year. The banks took the lead (48% of the monthly fundraising): Bank Hapoalim issued NIS 6 billion and Bank Leumi NIS 1 billion. Five new bond companies joined the market."

Equity Issuance Market – NIS 1.4 billion was raised during July, of which NIS 1.1 billion in four IPOs (Rafa Laboratories, Rapac Energy, Sola, and Cando Drones). Since the beginning of the year, 19 new companies joined TASE, raising NIS 7.2 billion and traded at a combined market cap of NIS 31 billion (most notably: Tidhar, Bagira, and Rami Levy Real Estate).

Stock Market

July Ends Higher Led by Bank Shares; Stock Market Cap Reaches a Record High of More Than NIS 3 trillion.

The local and global markets were affected during July by concerns over a potential regional escalation in the Middle East and elevated oil prices. WTI crude oil surged during the month from $68 per barrel to $85 per barrel, weighing on investor sentiment, contributing to higher bond yields, and increasing market volatility. Against this backdrop, trading on the Tel Aviv Stock Exchange reflected a mixed sectoral performance, yet the market ultimately closed the month in positive territory. Gains were led by bank and insurance shares, which posted sharp increases during the month. The TA-Banks Index surged by 10.45%, following a prolonged period of notable underperformance relative to the TA-35 Index. Nevertheless, on a year-to-date basis, the index continues to significantly lag the benchmark, with a gain of only 1.93%, compared with 14.26% for the TA-35 Index. Other prominent gainers included the TA-Insurance Index, which rose by 6.15%, the TA-Oil & Gas Index, which advanced 9.17%, and the TA-Finance Index, which increased by 7.15%.

The flagship indices traded in a moderate positive trend: The TA-35 Index rose by 2.03% during July, bringing its year-to-date gain to 14.26% (as of July 31, 2026), while the TA-125 Index advanced 1.52%, increasing its year-to-date gain to 11.14%. In contrast, the TA-90 Index continued to lag, rising by only 0.39% in July and 0.67% since the beginning of the year, reflecting substantial underperformance relative to the flagship indices. Supported by the rise in share prices, total stock market capitalization surpassed the NIS 3 trillion threshold in July and increased by 51% since the beginning of the year.

On the downside, technology, real estate and construction shares stood out as the weakest performers. The TA-Technology Index declined by 3.99%, the TA-Real Estate Index fell by 3.12%, and the TA-Construction Index dropped by 4.96%. The weakness in these sectors weighed heavily on the TA-90 Index and widened its performance gap versus both the TA-35 and TA-125 indices.

The key market event this week is the inclusion of Palo Alto Networks in the flagship TA-35 and TA-125 indices through the fast-entry track, as part of the quarterly index rebalancing that will take effect this coming Thursday (August 6, 2026). The inclusion will be implemented in three stages: an initial weight of 1.25%, increasing to 2.5% in November and reaching the maximum index weight of 5% in February 2027.

Meanwhile, Wall Street delivered mixed performance during July, as geopolitical tensions weighed on investor sentiment. The S&P 500 Index ended the month unchanged, declining by 0.06%, while the Nasdaq 100 Index fell by 6.59%, reflecting profit-taking in technology shares and concerns regarding elevated valuation levels. Looking ahead, the U.S. earnings season is expected to reach its peak in the coming week, with results scheduled to be released by several leading companies, including Caterpillar, Merck, McDonald's, Pfizer, Eli Lilly, Disney, Shopify, and Uber. These earnings reports, together with U.S. labor market data expected later this week, may influence market direction in the short term.

Performance Gap Versus Global Markets: The TA-35 Index Leads

Against the backdrop of these performances, TASE has returned to leading global returns since the beginning of the year. The TA-35 Index (14.26%) outperformed the S&P 500 Index, which rose by 10.13%, the NASDAQ 100 Index, which gained 12.38%, the Dow Jones Index, which advanced 10.17%, and Germany's DAX Index, which increased by 4.65%. On a monthly basis, global indices presented a mixed picture in July. The S&P 500 Index declined by 0.06%, the NASDAQ 100 Index fell by 6.59%, while Germany's DAX Index rose by 2.53%, a performance backdrop that was relatively favorable for the local capital market.

Investor Movements: Institutional Investors Increased Exposure to the Local Market and Semiconductor Shares Following Sharp Declines in July

Average daily trading volume in shares, both on and off TASE, totaled NIS 4.6 billion in July 2026 – 17% lower than the average daily trading volume since the beginning of 2026, but 33% higher than the average daily trading volume in 2025. The decline in trading volumes in July is attributed, among other factors, to the seasonality typical of the summer months, during which trading activity usually declines.

During July, institutional investors increased their exposure to the local stock market by NIS 1.7 billion net. Purchases were concentrated mainly in semiconductor shares, totaling NIS 1.1 billion net, following the sharp declines recorded in global semiconductor shares during the month (the SOX Index declined by 22% during July 2026). Within the sector, institutional investors' purchases stood out in Tower, with net purchases totaling NIS 591 million, Nova, with net purchases totaling NIS 384.2 million, and Camtek, with net purchases totaling NIS 143.9 million. In addition, purchases were recorded in bank shares totaling NIS 545 million net, insurance shares totaling NIS 226 million net, and defense shares totaling NIS 150 million net. In contrast, net sales of ETFs totaled NIS 726 million.

Since the beginning of 2026, institutional investors have purchased semiconductor shares totaling NIS 1.9 billion net, bank shares totaling NIS 1.7 billion net, pharma shares totaling NIS 1.6 billion net, and insurance shares totaling NIS 1.5 billion net. At the same time, net sales were recorded in income properties in Israel shares, totaling NIS 1.4 billion, ETFs totaling NIS 1.3 billion, and renewable energy shares totaling NIS 1.1 billion.

Foreign investors, by contrast, reduced their exposure to the local stock market in July by NIS 391 million net. Nevertheless, since the beginning of the year, they have still increased their exposure to the local market by NIS 2.1 billion net. During the month, purchases stood out in Bank Hapoalim, totaling NIS 353.3 million net, Enlight Energy, totaling NIS 193.5 million net, and Generation Capital, totaling NIS 92.2 million net. In contrast, net sales were recorded in Tower, totaling NIS 453 million, Mizrahi Tefahot, totaling NIS 338 million, Nova, totaling NIS 165.5 million, and Delek Group, totaling NIS 164.8 million.

In summary of foreign investors' activity since the beginning of the year, net sales were recorded in bank shares, totaling NIS 5.3 billion, software and internet shares totaling NIS 1.1 billion, and pharma shares totaling NIS 863 million. In contrast, foreign investors increased their exposure to

semiconductor shares by NIS 3.8 billion net, renewable energy shares by NIS 2.6 billion net, and energy shares by NIS 1.5 billion net.

The change calculated is based on the following periods:
Start Month - 30/06/2026 | Start Year - 31/12/2025

Category	Index Name	Last Rate	% Change vs Start Month	% Change vs Start Year
Sector Indices	TA-Bank	7931.19	10.45%	1.93%
Sector Indices	TA-Oil & Gas	2989.38	9.17%	-5.35%
Sector Indices	TA-Finance	10186.05	7.15%	12.89%
Sector Indices	TA-Insurance	14378.31	6.15%	24.72%
Sector Indices	TA Software	2462.68	2.50%	-
Market Cap. Indices	TA-35	4149.5	2.03%	14.26%
Market Cap. Indices	TA-125	4071.76	1.52%	11.14%
Sector Indices	TA-Israel Energy	3559.01	0.70%	-
Market Cap. Indices	TA-90	3833.87	0.39%	0.67%
Sector Indices	TA Global-BlueTech	665.13	0.28%	5.20%
Sector Indices	TA Defense	3778.5	-0.31%	-4.14%
Sector Indices	TA-Cleantech	1310.64	-0.55%	40.84%
Sector Indices	TA-Industrials	3948.79	-1.23%	16.94%
Market Cap. Indices	TA-Growth	2270.08	-1.33%	-3.66%
Sector Indices	TA Renewable Energy	3481.44	-1.50%	-
Sector Indices	TA-Energy Utilities	4049.42	-2.06%	36.30%
Market Cap. Indices	TA-SME60	1381.28	-2.12%	9.52%
Sector Indices	TA Tech - Elite	1238.22	-2.32%	9.78%
Sector Indices	TA-Biomed	135.86	-2.76%	5.93%
Sector Indices	TA-RealEstate	1422.98	-3.12%	-4.50%
Sector Indices	TA-Technology	2306.72	-3.99%	17.86%

Bond Market:

Government Bond Market Declined in July Amid Concerns Over Regional Escalation Despite Interest Rate Cut

The Israeli government bond market ended July 2026 with declines, against the backdrop of concerns over a potential regional escalation in the Middle East. This came despite the Bank of Israel Governor's decision at the beginning of the month to lower the interest rate by an additional 0.25%, bringing the key interest rate to 3.5% as of the end of July 2026. The rise in global bond yields outweighed the moderating effect of the interest rate cut and led to declines in government bond prices.

The increase in Israeli bond yields to maturity was in line with the renewed rise in U.S. Treasury yields to maturity. The yield on Israel's 10-year government bond, which stood at 3.69% at the end of June, increased to 3.852% by last Friday's close. The yield on Israel's 3-year government bond closed at 3.599%, compared with 3.25% at the end of June. At the same time, the yield on the

U.S. 10-year Treasury rose sharply from 4.422% at the end of June to 4.745% at last Friday's close.

The Tel Gov Index declined by 0.30% in July yet maintained a positive year-to-date gain of 2.24%. The Tel Gov CPI-Linked Index fell by 0.09% during July while generating a cumulative gain of 1.33% since the beginning of the year. Meanwhile, the Tel Gov-Shekel Index underperformed, declining by 0.64% during July, while still recording a year-to-date gain of 2.76%. The pressure was concentrated mainly in the nominal fixed-rate segment, while the CPI-linked segment demonstrated relative resilience, supported in part by inflation expectations driven by higher energy prices.

Most of the declines were concentrated in the long end of the yield curve. The Tel Gov-Shekel 10+ Index declined by 1.59%, while the Tel Gov CPI-Linked 15+ Index fell by 0.77%. In contrast, shorter-duration indices remained stable and even recorded modest gains, with the Tel Gov CPI-Linked 0-2 Index advancing 0.57% and the Tel Gov-Shekel 0-2 Index rising 0.25%. The performance along the yield curve reflects the impact of geopolitical concerns and the global yield environment, which weighed predominantly on long-term bonds, while shorter-term bonds benefited from the interest rate cut.

Liquidity Reform in the Tel Bond Indices Kicks Off in the Upcoming August Rebalancing

The TASE liquidity reform will come into effect for the first time as part of the Tel Bond index rebalancing scheduled for August 27, 2026, introducing liquidity requirements as a condition for inclusion in the Tel Bond and All Bond indices. The reform, approved in June 2026, was designed with investors' interests in mind and aims to improve index quality by strengthening the liquidity component, ensuring that constituent bond series meet a high trading standard, and enhancing the suitability of the indices for index-tracking investment products.

According to a simulation conducted by TASE, 87 bond series issued by 49 issuers currently do not meet the new eligibility criteria. Of these, 61 series are expected to be removed from the indices, while 28 series that would otherwise have been added will not be included unless a market maker is appointed. In total, close to NIS 725 million in assets (1.6% of index-tracking assets) are expected to be removed from the Tel Bond indices, assuming the status of the relevant bond series remains unchanged by the record date of August 10, 2026. Companies that do not meet the requirements may still take measures to improve liquidity, including appointing a market maker, before that date. To illustrate the scale of the market, total assets under management (AUM) tracking the Tel Bond and All Bond indices currently stand at NIS 53 billion, representing an increase of NIS 3 billion over the past year. At the same time, total bond issuance volume during the first half of 2026 amounted to NIS 138 billion, compared with NIS 88 billion during the corresponding period last year and NIS 187 billion during all of 2025.

The change calculated is based on the following periods:
Start Month - 30/06/2026 | Start Year - 31/12/2025

Category	Index Name	Last Rate	% Change vs Start Month	% Change vs Start Year
Tel-Gov Indices	Tel Gov - CPI Linked 0-2	283.73	0.57%	2.87%
Non-Government Bonds Indices	Tel Bond-CPI Linked 1-3	419.34	0.52%	3.38%
Tel-Gov Indices	Tel Gov - CPI Linked 2-5	316.51	0.40%	2.60%
Non-Government Bonds Indices	Tel Bond-CPI Linked 3-5	425.73	0.31%	3.21%
Non-Government Bonds Indices	Tel Bond-40 CPI Linked	415.58	0.31%	3.41%
Non-Government Bonds Indices	Tel Bond CP	107.32	0.30%	2.35%
Non-Government Bonds Indices	Tel Bond-CPI Linked	434.66	0.26%	3.17%
Tel-Gov Indices	Tel Gov - Shekel 0-2	374.66	0.25%	2.55%
Non-Government Bonds Indices	Tel Bond-60 CPI Linked	427.82	0.17%	3.04%
Non-Government Bonds Indices	Tel Bond-20 CPI Linked	436.46	0.01%	2.60%
Non-Government Bonds Indices	Tel Bond-Shekel 1-3	482.12	0.00%	2.81%
Non-Government Bonds Indices	Tel Bond-CPI Linked 5-15	449.84	-0.03%	2.96%
Tel-Gov Indices	Tel Gov - CPI Linked	396.67	-0.09%	1.33%
Tel-Gov Indices	Tel Gov - CPI Linked 5-10	405.16	-0.12%	1.87%
Tel-Gov Indices	Tel Gov - Shekel 2-5	482.96	-0.20%	2.71%
Tel-Gov Indices	Tel Gov-Non Linked	466.62	-0.30%	2.75%
Tel-Gov Indices	Tel-Gov	403.24	-0.30%	2.24%
Non-Government Bonds Indices	Tel Bond-Shekel	458.37	-0.33%	2.47%
Non-Government Bonds Indices	Tel Bond-Shekel 3-5	443.44	-0.35%	1.14%
Tel-Gov Indices	Tel Gov - CPI Linked 5+	398.44	-0.43%	0.36%
Tel-Gov Indices	Tel Gov - Shekel	533.35	-0.64%	2.76%
Non-Government Bonds Indices	Tel Bond-Shekel 5-15	451.52	-0.71%	3.41%
Tel-Gov Indices	Tel Gov - CPI Linked 10+	391.71	-0.77%	-0.98%
Tel-Gov Indices	Tel Gov - Shekel 5-10	529.28	-0.79%	2.97%
Tel-Gov Indices	Tel Gov - Shekel 5+	688.99	-1.23%	2.90%
Tel-Gov Indices	Tel Gov - Shekel 10+	528.36	-1.59%	2.83%

Equity and Bond Issuance Market:

Robust Corporate Bond Issuance Activity Continued in July, Led by the Banking Sector

The corporate bond market maintained robust issuance activity during July 2026, with NIS 14.5 billion raised through public offerings. Since the beginning of the year, public bond offerings have totaled a record NIS 122 billion, excluding overseas issuances and TASE UP offerings, reflecting the strength of the local bond market and growing demand for corporate bonds.

The banking sector led issuance activity during July. Bank Hapoalim issued two bond series, raising an aggregate amount of NIS 6 billion, followed by Bank Leumi, which raised NIS 1 billion - this after the month of June was led by Mizrahi Bank with NIS 5 billion in bond issuances. Since the beginning of the year, Israeli banks have raised NIS 41 billion. Structured bond issuers raised NIS 4.2 billion during July, bringing cumulative fundraising since the beginning of the year to NIS 21.7 billion. The energy and oil & gas exploration sector raised an aggregate amount of NIS 6.3 billion since the beginning of the year.

In terms of sector distribution of July issuances, the banking sector accounted for NIS 7.0 billion, representing 48% of total monthly issuance volume. It was followed by financial instruments (structured bonds), which raised NIS 4.2 billion (29%), and the real estate and construction sector, which raised NIS 2.1 billion (14%). The remaining issuance activity was distributed among the technology sector (renewable energy), which raised NIS 0.7 billion (5%), the commerce and services sector, which raised NIS 390 million (3%), and the investment and holding companies' sector, which raised NIS 200 million (1%). Five new issuers joined the corporate bond market during July: IBI Interest Rates and Deposits, S.Y. Leonardo, Amim, Avigam Entrepreneurship and Negev Group.

At the same time, the commercial paper (CP) market raised NIS 1.35 billion during July. Among the notable issuances in this market, Bank Leumi raised NIS 1 billion at a spread of 0.02%, while Ampa and Fox raised a combined NIS 350 million at a spread of 0.15%.

Company Name	Security No.	Sector	Sub-Sector	Amount Raised (NIS)
Shmuel Baruch Entrepreneurship and Construction Ltd.	124541	Real Estate & Construction	Construction	59,306,000
Negev Group*	1245356	Commerce & Services	Commerce	87,296,000
Ampa Ltd.	1245323	Real Estate & Construction	Income-Producing Real Estate in Israel	250,000,000
Aviad Deposits Ltd.	1245273	Financial Instruments	Structured Bonds	825,384,000
Fox-Wizel Ltd.	1245158	Commerce & Services	Retail Chains	100,000,000
IBI Interest Rates and Deposits Ltd.*	1245125	Financial Instruments	Structured Bonds	950,000,000
Sunflower Renewable Investments Ltd.	1245042	Technology	Renewable Energy	200,000,000
S.Y. Leonardo Urban Renewal Ltd.*	1245091	Real Estate & Construction	Construction	43,405,000
Sapir Deposits Ltd.	1236876	Financial Instruments	Structured Bonds	821,410,000
Almogim Holdings Ltd.	1245026	Real Estate & Construction	Construction	120,879,000
Bank Leumi Le-Israel Ltd.	1245000	Banks	Banks	1,002,338,000
Megureit Israel Ltd.	1240860	Real Estate & Construction	Income-Producing Real Estate in Israel	370,799,104
Michal Deposits Ltd.	1244938	Financial Instruments	Structured Bonds	600,000,000
Azorim Investment, Development and Construction Co. Ltd.	1223486	Real Estate & Construction	Construction	406,184,745
Econergy Renewable Energy Ltd.	1244862	Technology	Renewable Energy	500,000,000
Daniel Deposits Ltd.	1244821	Financial Instruments	Structured Bonds	1,000,000,000
Israel Shipyards Industries Ltd.	1244847	Investment & Holdings	Investment & Holdings	200,000,000

Discount Investment Corporation Ltd.**	6390405	Real Estate & Construction	Income-Producing Real Estate in Israel	203,790,325
Amim Entrepreneurship Ltd.*	1244680	Real Estate & Construction	Construction	188,000,000
Baran Group Ltd.	1244474	Commerce & Services	Services	200,000,000
Bank Hapoalim Ltd.	1244524	Banks	Banks	1,729,928,000
Bank Hapoalim Ltd.	1244532	Banks	Banks	4,289,942,000
Avigam Entrepreneurship and Management (2012) Ltd.*	1244490	Real Estate & Construction	Income-Producing Real Estate in Israel	166,000,000
The Israel Land Development Company Ltd.	1232941	Real Estate & Construction	Income-Producing Real Estate in Israel	256,138,340
Total				**14,570,800,514**

* New issuer
** As provided in the source table

Sector Distribution of Corporate Bond Issuances in July 2026

Sector	Amount Raised (NIS)	Share of Total Issuance
Banks	7,022,208,000	48.2%
Financial Instruments (Structured Bonds)	4,196,794,000	28.8%
Real Estate & Construction	2,064,502,514	14.2%
Technology (Renewable Energy)	700,000,000	4.8%
Commerce & Services	387,296,000	2.7%
Investment & Holdings	200,000,000	1.4%
Total	**14,570,800,514**	**100.0%**

Equity Issuance Market

19 New Companies Joined TASE Since the Beginning of the Year with a Combined Market Cap of NIS 31 billion at Issuance.

3 Companies Completed Dual Listings

During July 2026, equity capital raised in the primary market totaled NIS 1.4 billion. Of this amount, NIS 1.1 billion was raised through IPOs by four companies: Rafa Laboratories (NIS 600 million), Rapac Energy (NIS 420 million), Sola Renewable Energies (NIS 55 million) and Cando Drones (NIS 18 million). In addition, Delek Group completed an in-kind dividend distribution of shares in Delek Development.

Since the beginning of the year, 19 new companies have joined trading on TASE through IPOs, raising an aggregate amount of NIS 7.2 billion and listing at a combined post-money market capitalization of NIS 31 billion. Among the largest IPOs of the year were Tidhar, which raised NIS 1,722 million, Bagira, which raised NIS 855 million, and Rami Levy Real Estate, which raised NIS 521 million. In addition, three companies completed dual listings on TASE during the year: Palo Alto Networks, InPlay and Odysight.

Companies Conducting Initial Public Offerings (IPOs) in 2026

#	Company Name	Issuer No.	Sector	IPO Date	Amount Raised (NIS million)	Post-Money Market Capitalization (NIS million)
1	Rami Levy Real Estate	2508	Real Estate & Construction – Income-Producing Real Estate in Israel	Jan-26	521	3,256
2	Urban Brand	2486	Real Estate & Construction – Construction	Jan-26	26	96
3	AllTrade Recycling	2535	Industrials – Chemicals, Rubber & Plastics	Feb-26	150	450
4	Prodalim	2534	Industrials – Food	Feb-26	369	2,353
5	Smart Shooter	2536	Technology – Defense	Mar-26	260	841
6	Gabay Group	2483	Real Estate & Construction – Construction	Mar-26	174	874
7	D.S.I.T.	2528	Technology – Defense	Mar-26	52	249
8	Minrav	155	Real Estate & Construction – Construction	Mar-26	360	1,535
9	Best Group	2559	Real Estate & Construction – Construction	Jun-26	400	2,909
10	Rustic	2563	Industrials – Food	Jun-26	200	933
11	Bagira	2547	Technology – Defense	Jun-26	855	3,390
12	Tidhar	2557	Real Estate & Construction – Construction	Jun-26	1,722	7,854
13	Glilam	2568	Industrials – Food	Jun-26	303	1,030
14	T&M	2558	Commerce & Services – Services	Jun-26	400	756
15	Allmed Real	2548	Real Estate & Construction – Income-Producing Real Estate Abroad	Jun-26	325	974
16	Cando Drones	2578	Technology – Defense	Jul-26	18	93
17	Sola Renewable Energies	2550	Technology – Renewable Energy	Jul-26	55	249
18	Rapac Energy	2556	Technology – Renewable Energy	Jul-26	420	1,696
19	Rafa Laboratories	2561	Biomed – Pharma	Jul-26	600	1,460
	Total through July 2026				**7,210**	**30,999**

Mutual Funds Market

Mutual Funds Industry in July: Inflows into Local Bond and Money Market Funds Alongside Renewed Exposure to Overseas Shares

The mutual funds industry recorded net inflows of NIS 3.1 billion during July and cumulative net inflows of NIS 39.7 billion since the beginning of the year. The bulk of the monthly inflows was directed to money market funds, which attracted NIS 3.7 billion net during July and NIS 23.6 billion

net since the beginning of 2026. As of July 30, 2026, the size of the active and passive mutual funds market stood at NIS 822.4 billion, and since the beginning of the year, cumulative net inflows amounted to NIS 39.8 billion, while the active and passive mutual funds market expanded by NIS 70.1 billion. During July, funds investing in local bonds recorded net inflows of NIS 3.3 billion, bringing cumulative net inflows since the beginning of the year to NIS 22.2 billion. Funds investing abroad recorded net inflows of NIS 1.4 billion during the month, although they have posted cumulative net redemptions of NIS 1.3 billion since the beginning of the year. In contrast, funds investing in Israeli shares recorded net redemptions of NIS 5.0 billion during July, led by ETF outflows. Since the beginning of the year, these funds have recorded cumulative net redemptions of NIS 6.7 billion.

Fund Type	Number of Funds as of Last Trading Day	Fund Assets as of Last Trading Day	Net Creations/Redemptions During the Latest Trading Week	Net Creations/Redemptions in July 2026	Net Creations/Redemptions in 2026
Traditional Funds (Excluding Money Market Funds)	1,083	255,485	134	2,203	19,395
Money Market Funds	70	208,154	153	3,694	23,564
Total Traditional Funds	1,153	463,639	287	5,898	42,959
ETFs	463	215,254	741	-4,206	-12,081
Index-Tracking Funds	827	143,544	56	1,429	8,896
Total Passive Funds	1,290	358,798	797	-2,777	-3,185
Total Funds Industry	2,443	822,437	1,083	3,120	39,774

Money Market Funds and Active Funds Investing in Local Bonds Continued to Lead the Active Funds Industry

The active mutual funds industry recorded net inflows of NIS 5.9 billion during July 2026 and a substantial NIS 42.9 billion inflow since the beginning of the year. As of July 30, 2026, assets under management in the active mutual funds industry stood at NIS 463.6 billion, representing an increase of NIS 57.2 billion compared with the end of 2025. Mutual funds investing in local bonds attracted NIS 2.1 billion net during July 2026, bringing cumulative net inflows since the beginning of the year to NIS 16.7 billion. Funds investing in shares abroad recorded net inflows of NIS 200 million during the month and cumulative net inflows of NIS 704 million since the beginning of the

year. In contrast, funds investing in Israeli shares recorded net redemptions of NIS 139 million during July, while posting cumulative net inflows of NIS 1.2 billion since the beginning of the year.

Investment Category	Assets Under Management as of Last Trading Day	Weekly Net Flows	July 2026 Net Flows	YTD Net Flows
Israeli Equities	38,064	-64	-139	1,270
Overseas Equities	13,273	10	200	704
Local Bonds*	180,589	198	2,168	16,742
Money Market Funds	208,154	153	3,694	23,564
Other	23,560	-10	-26	679
Total	463,639	287	5,898	42,959

*** Includes the following categories: general local bonds, local government bonds, and local corporate and convertible bonds.**
**** Includes the following categories: funds for foreign residents only, digital assets, overseas bonds, leveraged and strategy funds, fund of funds, and flexible funds.**

Passive Mutual Funds Market - Index-Tracking Funds Continued to Lead Inflows Alongside ETF Redemptions

The passive mutual funds market recorded net redemptions of NIS 2.8 billion during July 2026 and cumulative net redemptions of NIS 3.2 billion since the beginning of 2026. The decline was driven primarily by the ETF market, which recorded cumulative net redemptions of NIS 12.1 billion since the beginning of the year, alongside continued inflows into index-tracking funds, which attracted NIS 8.9 billion net since the beginning of the year. ETFs recorded net redemptions of NIS 4.2 billion during July, led by funds tracking the TA-Banks Index, which recorded net redemptions of NIS 5.0 billion, and the TA-Insurance Index, which recorded net redemptions of NIS 644 million. At the same time, funds tracking the TA-125 Index attracted NIS 445 million net, while funds tracking the TA-35 Index recorded net inflows of NIS 128 million. Index-tracking mutual funds recorded net inflows of NIS 1.4 billion during July 2026, led by funds tracking Tel Bond indices, which recorded net inflows of NIS 598 million, followed by funds investing in shares abroad, which attracted NIS

485.8 million net and funds investing in government bonds, which recorded net inflows of NIS 165.6 million.

Investment Category	Assets Under Management as of Last Trading Day	Weekly Net Flows	July 2026 Net Flows	YTD Net Flows
Israeli Equities	**126,647**	**422**	**-5,066**	**-6,768**
Overseas Equities	**145,599**	**253**	**1,225**	**-2,009**
Local Bonds*	**78,512**	**134**	**1,133**	**5,550**

Other	8,039	-12	-71	42
Total	358,798	797	-2,777	-3,185

*** Includes the following categories: local corporate and convertible bonds, general local bonds, combined local bonds and local government bonds.**

**** Includes the following categories: other, digital assets, commodities and leveraged funds.**

Representative Exchange Rates

The Shekel Takes a Breather: Weaker in July, Yet Still Among the Best Performers Since the Beginning of the Year

The shekel weakened against the major currencies during July 2026. The U.S. dollar appreciated by 2.7% to NIS 3.057 per dollar, the euro rose by 3.7% to NIS 3.519 per euro, and the British pound advanced by 4.3% to NIS 4.1093 per pound. Despite the correction recorded during the month, the shekel continues to demonstrate strength since the beginning of the year, having appreciated by 4.2% against both the U.S. dollar and the British pound, and by 6.0% against the euro. This trend reflects the decline in Israel's risk premium, improved investor sentiment and positive foreign exchange flows recorded during the first half of the year.

For most of July, the U.S. dollar strengthened against a basket of major currencies, supported by heightened geopolitical uncertainty in the Middle East, demand for safe-haven assets and hawkish messaging from the Federal Reserve. The U.S. Dollar Index (DXY) climbed to 101.51 points on July 27, its highest level since the beginning of 2026. Toward the end of the month, however, the dollar weakened, with the DXY Index ending July at 99.80 points, reflecting a monthly decline of 1.15%. The weakening of the dollar towards the month-end helped ease pressure on the shekel, although it did not prevent the local currency from posting monthly depreciation against the major currencies.

Currency	Representative Rate (July 31, 2026)	Change Since Beginning of July 2026	Change Since Beginning of 2026
USD/ILS	3.0570	2.7%	-4.2%
GBP/ILS	4.1093	4.3%	-4.2%
EUR/ILS	3.5190	3.7%	-6.0%

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