

TEL AVIV STOCK EXCHANGE
הבורסה לניירות ערך תל אביב

MONTHLY REVIEW
TASE RESEARCH UNIT

Markets Enter the Final Quarter: Elections, the Fed, Bond Yields and Oil Prices in Focus

Monthly Review – September 2026 / October 5, 2026

Flagship Indices Led the Gains, While Second-Tier Shares Lagged Behind

The Tel Aviv Stock Exchange ended September on a positive note, with the large-cap indices continuing to outperform second-tier shares. The TA-35 Index rose by 1.58%, bringing its year-to-date return to 15.76%, while the TA-90 Index declined by 2.73%, widening the performance gap with large-cap shares. Against the backdrop of the interest rate cut to 3.25% and a moderate inflation environment, insurance and technology shares stood out positively, while the energy and real estate sectors showed weakness and weighed on the broader market.

The Interest Rate Cut in Israel Did Not Prevent Bond Yields from Rising

The Israeli bond market ended September on a negative note, despite the Bank of Israel's decision to cut the interest rate by 0.25 percentage points to 3.25%. At the same time, interest rates and government bond yields rose in the U.S. and Europe amid inflation concerns and rising energy prices, putting pressure on the local market as well, particularly on long-term government bonds. While the long-term Tel Gov indices led the declines during the month, the Tel Bond indices demonstrated relative resilience and posted more moderate declines, with most continuing to show positive year-to-date returns ranging between 2% and 4%.

The IPO Market Continues to Expand: 21 New Share Companies and 5 Dual Listings Since the Beginning of the Year

The IPO market remained active in 2026, with 21 new companies joining trading on TASE, raising an aggregate amount of NIS 7.8 billion and listing at a combined post-money market capitalization of NIS 33.6 billion. During September, Pasternak Shoham raised NIS 70 million in an IPO, while BioHarvest joined this year's dual listings, bringing their number to five. The figures reflect continued interest among private and international companies in the local capital market, despite market volatility during the year.

Robust Bond Issuance Despite the Jewish New Year Holidays

The corporate bond market continued to demonstrate strong activity in September, with companies raising NIS 17.7 billion through public offerings, despite the reduced number of trading days due to the Jewish new year holidays. The banking sector led issuance activity, raising NIS 7.4 billion during the month and NIS 54 billion since the beginning of the year. At the same time, new issuers continued to enter the market, with Oranim Al Hayam completing its first public bond offering, joining 18 companies that have raised debt on TASE for the first time since the beginning of the year, for an aggregate amount of NIS 8.87 billion. The high issuance volumes, together with robust activity in the commercial paper market, indicate continued investor demand and the central role of the debt market as a key source of financing for Israeli companies.

Inflows into Bond Funds Continue to Lead the Mutual Funds Industry

The mutual funds industry continued to grow during September 2026, recording net inflows of NIS 6.4 billion and bringing cumulative net inflows since the beginning of the year to NIS 53.5 billion. Most of the funds continued to flow into money market funds and funds investing in local bonds, with active and passive bond funds attracting NIS 26 billion net since the beginning of the year, making bond funds the main driver of inflows in the industry. At the same time, funds investing in overseas shares recorded inflows, while funds focused on the local stock market continued to record redemptions. The trend reflects investors' preference for relatively conservative investment channels amid the prevailing interest rate environment and market volatility.

Stock Market

Markets Enter the Final Quarter: Elections, the Fed, Bond Yields and Oil Prices in Focus

Israel: Flagship Indices Continued to Lead the Market, While Second Tier Shares Showed Weakness

The Tel Aviv Stock Exchange ended the Jewish new year holiday month on a positive note, with the large-cap indices continuing to outperform second-tier shares. The TA-35 Index rose by 1.58% during the month, bringing its year-to-date gain to 15.76%, while the TA-125 Index rose by 0.47% in September, bringing its cumulative return since the beginning of the year to 11.25%. In contrast, the TA-90 Index declined by 2.73% in September, further widening the performance gap between the TA-35 and TA-90 indices, with a negative 3.08% cumulative return since the beginning of the year.

The Bank of Israel's decision to cut the interest rate by 0.25% to 3.25% was a key focus during the month. The decision was made against the backdrop of a relatively moderate inflation environment. The Consumer Price Index for August rose by 0.7%, mainly due to higher energy prices, which led to increases in fuel prices and airfares. Despite the monthly increase, annual inflation remained at 1.5%, near the lower end of the Bank of Israel's price stability target range, while inflation expectations for the next twelve months stood at only 2.0%.

The insurance sector continued to stand out positively in September, with the TA-Insurance Index rising by 5.21%, bringing its year-to-date gain to 46.5%, while the TA-Insurance and Financial Services Index rose by 4.74% and recorded a cumulative year-to-date return of 37.07%. Technology and defense shares also recovered during the month following the declines recorded in August. The TA-Technology Index rose by 1.54%, bringing its cumulative year-to-date return to 11.58%, while the TA-Defense Index gained 1.74% during the month but remained down 17.04% since the beginning of the year.

The energy sector stood out negatively, with the TA-Energy Utilities Index declining by 7.73%, the TA-Renewable Energy Index losing 5.87%, and the TA-Oil & Gas Index declining by 4.02%. Despite the interest rate cut during the month, the real estate sector struggled to benefit from the lower rate environment. The TA-Real Estate Index declined by 3.58% in September and by 9.85% since the beginning of the year, while the TA-Construction Index lost 2.56% during the month and remained down 12.54% year-to-date.

In summary, TASE continued to demonstrate relative resilience, supported by a favorable inflation environment and monetary easing. However, the gains were not evenly distributed across companies and sectors. While large-cap companies, particularly insurance and technology shares, continued to lead the market, the energy and real estate sectors, as well as second-tier shares, showed relative weakness.

Global Markets: Bond Yields Continue to Rise, While Technology Shares Remain Strong

Global stock markets presented a mixed picture during September. The sharp rise in government bond yields, the strengthening of the U.S. dollar and higher energy prices weighed on most markets, while technology shares continued to benefit from the momentum surrounding artificial intelligence.

In the United States, significant performance divergences were recorded among the major indices. The Nasdaq-100 Index rose by 3.3% during September and continued to lead performance, supported by gains in technology and semiconductor shares. In contrast, the S&P 500 Index declined by 0.35% during the month, while the Dow Jones Index lost 4.12%.

Weakness in the U.S. market was broader during September, with the Russell 2000 Index declining by 5.3% and the S&P 500 Equal Weight Index falling by 4.8%, indicating that most U.S. shares underperformed the major indices. At the sector level, technology rose by 4.5% and communication services by 4.3%, while financials and real estate recorded sharp declines.

The key macroeconomic event of the month was the 0.25% interest rate hike in the United States. At the same time, the yield on the 10-year U.S. Treasury rose sharply by 54 basis points during the month, ending September at around 5.3%, one of the highest levels recorded in recent years.

European markets showed more pronounced weakness. Germany's DAX Index declined by 4.03%, France's CAC 40 Index lost 4.16%, and the UK's FTSE 100 Index fell by 1.96%. Rising bond yields, high energy prices and inflation concerns continued to weigh on market sentiment.

Following a month in which rising bond yields were at the center of attention, the coming week is also expected to be influenced primarily by developments in the U.S. bond market. The key question is whether rising yields, together with high oil prices, will continue to put pressure on equity markets, or whether more moderate economic data will allow markets to stabilize.

The focus this week will be on the release of the Federal Reserve meeting minutes on Wednesday. Investors will look for indications regarding the future path of interest rate policy following the September rate hike. Any hawkish signals from Fed officials could lead to a further rise in bond yields and weighs on stock markets.

Several key macroeconomic indicators are also scheduled for release:

- **Monday, October 5** – U.S. ISM Services PMI, which is expected to indicate continued expansion in economic activity.
- **Wednesday, October 7** – Release of the Federal Reserve meeting minutes.
- **Thursday, October 8** – U.S. weekly jobless claims and the release of the European Central Bank (ECB) meeting minutes.
- **Friday, October 9** – University of Michigan Consumer Sentiment Index, including household inflation expectations.

As for TASE, investors are expected to continue monitoring three key variables: the yield on the 10-year U.S. Treasury, oil prices and the U.S. dollar exchange rate. These three factors are expected to continue influencing sentiment in the local market, particularly ahead of the Bank of Israel's next interest rate decision, scheduled for October 21.

Index Name	Monthly Return (MONTH)	Year-to-Date (YTD)
TA-35	1.58%	15.76%
TA-90	-2.73%	-3.08%
TA-125	0.47%	11.25%
NDX	3.3%	20.00%
SPX	-0.35%	11.92%
DJI	-4.12%	6.51%
DAX	-4.03%	2.89%
FTSE 100	-1.96%	9.45%
CAC 40	-4.16%	0.44%

For further information please contact the Research Unit: hadarr@tase.co.il or phone: 076-816-0544

Investor Movements: Institutional Investors Continue to Channel Funds into the Local Market, While Foreign Investors Increase Exposure to Bank Shares for the Second Consecutive Month

Despite September being a shortened trading month due to the Jewish new year holidays, trading activity in the stock market remained relatively high. Average daily trading volume in shares, both on and off TASE, totaled NIS 4.1 billion, 20% higher than the average daily trading volume in 2025 and 23% higher than in the corresponding month last year. These figures reflect continued investor interest in the local capital market, against the backdrop of positive momentum in the flagship indices and continued inflows from institutional investors and mutual funds.

Institutional investors continued to increase their exposure to the local stock market during September, with net purchases of NIS 1.0 billion. Since the beginning of the year, their net purchases have totaled NIS 4.5 billion. Purchases during the month were led mainly by technology shares, totaling NIS 856 million net, alongside net purchases of ETFs totaling NIS 692 million and bank shares totaling NIS 655 million. In contrast, institutional investors recorded net sales of financial services shares and real estate, and construction shares totaling NIS 296 million and NIS 269 million, respectively.

Mutual funds also continued to demonstrate strong demand for the local stock market, with net purchases of NIS 1.1 billion during the month. Since the beginning of the year, their net purchases have totaled NIS 8.4 billion. Most of the investments were concentrated in technology, bank and insurance shares, which continued to attract positive investor flows.

Foreign investors were also net buyers in September, increasing their exposure to the local stock market by NIS 70.1 million net. A sectoral breakdown of their activity during the month indicates a certain shift in their investment preferences. Foreign investors purchased real estate and construction shares totaling NIS 202 million net and bank shares totaling NIS 142 million net. This marked the second consecutive month of net purchases of bank shares by foreign investors, following the first seven months of the year, during which they were the dominant sellers in the sector, with cumulative net sales of NIS 4.8 billion.

In contrast, foreign investors continued to reduce their exposure to technology shares, with net sales of NIS 754 million during the month. Most of these sales were concentrated in Elbit Systems, totaling NIS 280 million net, Nova, NIS 233 million net, and Next Vision, NIS 231 million net. As a result, despite foreign investors being net buyers of Israeli shares overall during the month, they showed a clear preference for bank and real estate shares over technology shares.

Israeli resident corporations, on the other hand, continued to be net sellers in the market. Net sales totaled NIS 2.7 billion during September, bringing cumulative net sales since the beginning of the year to NIS 16.5 billion. Most of the sales were concentrated in ETFs, totaling NIS 1.1 billion net, technology shares, NIS 645 million net, and foreign-listed funds, NIS 597 million net.

In summary, institutional investors and mutual funds continued to lead demand in the local stock market, while foreign investors stood out for their return to net purchases of bank shares following an extended period of net selling.

Market	Investor Type	Net Purchases During the Trading Month (NIS Million)	Net Purchases 2026 YTD (NIS Million)
STOCK	Mutual Fund	1,055.9	8,419.8
STOCK	Provident/pension Fund/Insurance company	1,035.4	4,503.9
STOCK	Israeli Investor - Individual	627.0	2,849.4
STOCK	Portfolio Manager/Portfolio Manager Client	85.4	3,105.3

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STOCK	Foreign Residents	70.1	2,701.9
STOCK	Local Member Nostro	-7.9	-135.6
STOCK	ETN/ETF Market Maker	-165.0	-4,969.2
STOCK	Israeli Investor - Corporate	-2,700.9	-16,475.5

Israeli Investors Maintain High Exposure to the Local Stock Market

Continued demand from institutional investors, mutual funds and retail investors in recent years is also reflected in the composition of the Israeli public's asset portfolio. Bank of Israel data for the end of the second quarter of 2026 show that the free float value of shares traded on TASE reached NIS 1.4 trillion, compared with NIS 440 billion in June 2010. This represents an increase of more than threefold over close to 16 years, which has accelerated particularly over the past two years against the backdrop of the sharp gains in the local stock market.

At the same time, the share of local shares in the public's financial asset portfolio increased from 11.5% in June 2024 to 18.4% in June 2026, approaching levels recorded following the global financial crisis. The increase reflects a combination of capital flows into the local market and the strong returns recorded on TASE, which significantly increased the value of assets held by the public.

As a result, shares traded on TASE have become one of the main drivers of growth in the financial wealth of the Israeli public, with a growing share of households' asset portfolios now influenced by developments in the local capital market.

Yields:

The percentage change is calculated based on the closing price on 30-09-26, compared with the closing price of the following periods:

MTD : 31-08-26 | YTD 2026: 31-12-25

Category	Index	Last Price 30-09-26	% Change MTD	% Change 2026 YTD
Market Cap. Indices	TA-125	4,075.6	0.47%	11.25%
Market Cap. Indices	TA-35	4,204.0	1.58%	15.76%
Market Cap. Indices	TA-90	3,691.2	-2.73%	-3.08%
Market Cap. Indices	TA-SME60	1,324.1	-0.03%	4.99%
Sector Indices	TA-Finance	11,108.4	1.77%	23.11%
Sector Indices	TA-RealEstate	1,343.3	-3.58%	-9.85%
Sector Indices	TA-Biomed	136.6	-0.52%	6.47%
Sector Indices	TA-Technology	2,183.8	1.54%	11.58%
Sector Indices	TA-Oil & Gas	2,916.2	-4.02%	-7.67%
Sector Indices	TA-Communication & InformationTechnology	2,218.9	-1.85%	-9.99%
Sector Indices	TA Tech - Elite	1,161.1	-0.46%	2.95%
Sector Indices	TA-Construction	1,812.2	-2.56%	-12.54%
Sector Indices	TA-Investment Properties in Israel	1,338.2	-2.12%	-6.75%
Sector Indices	TA-Bank	8,224.8	-1.37%	5.70%

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Sector Indices	TA Infrastructures	3,907.0	-4.53%	8.78%
Sector Indices	TA Defense	3,270.0	1.74%	-17.04%
Sector Indices	TA-Israel Energy	3,315.9	-5.84%	-
Sector Indices	TA Renewable Energy	2,991.4	-5.87%	-
Sector Indices	TA Software	2,603.2	-0.01%	-
Sector Indices	TA-Insurance	16,889.4	5.21%	46.50%

Bond Market:

Government Bonds Led the Declines in September, While Tel Bond Indices Continued to Show Resilience Amid Rising Yield Pressures

The Israeli bond market ended September on a negative note, with the yield to maturity on 10-year Israeli government bonds closing at 4.08% on September 30, 2026, its highest level since March 2026, following several months of declining yields and rising bond prices. Trading during the month took place against the backdrop of the Bank of Israel's interest rate cut to 3.25%, a moderate inflation environment and continued expectations for further interest rate cuts, alongside 0.25 percentage point interest rate hikes in the U.S. and Europe, a sharp rise in U.S. bond yields and higher global energy prices.

The main impact during the month was felt in the government bond market. Long-term shekel-denominated Tel Gov indices led the declines, with the Tel Gov-Shekel 10+ Index falling by 2.21% during the month, the Tel Gov-Shekel 5+ Index declining by 1.75%, and the Tel Gov-Shekel 5-10 Index falling by 1.12%. The CPI-linked segment also showed weakness, with the Tel Gov CPI-Linked 10+ Index declining by 1.50% and the Tel Gov CPI-Linked 15+ Index falling by 1.57% during the month. Despite the decline in September, most government bond indices continue to post positive returns since the beginning of the year.

At the same time, the corporate bond market demonstrated relative resilience compared with the government bond market, recording more moderate declines. Although some Tel Bond indices also declined during September, most continue to post higher positive returns since the beginning of the year. The Tel Bond CPI-Linked 1-3 Index gained 4.10% year-to-date, the Tel Bond 40 CPI-Linked Index rose by 3.64%, the Tel Bond CPI-Linked 3-5 Index gained 3.49%, the Tel Bond CPI-Linked Index rose by 3.45%, and the Tel Bond 100 CPI-Linked Index gained 3.36%.

September was particularly negative for the U.S. government bond market. A combination of persistent inflation, high energy prices, relatively strong economic activity and expectations that the Fed would need to maintain a high-interest rate environment for an extended period led to a sharp increase in yields across the yield curve. The yield to maturity on the 10-year U.S. Treasury rose from 4.79% to 5.29% during September, while the 2-year yield increased from 4.39% to 4.88% and the 30-year yield climbed from 5.27% to 5.64%. The rise in yields reflected market expectations that U.S. interest rates would remain elevated for an extended period, alongside inflation concerns and a higher fiscal risk premium.

However, the release of U.S. employment data last Friday led to some change in market expectations. The U.S. economy added only 29 thousand jobs in September, the unemployment rate rose to 4.2%, and wage growth continued to moderate. Following the data, the probability of an additional interest rate hike at the Fed's next meeting declined significantly, with markets once again pricing primarily a scenario in which interest rates remain unchanged.

In summary, the rise in U.S. government bond yields weighed primarily on Israel's government bond segment, particularly on long-term bond indices. In contrast, the corporate bond segment continued to demonstrate

relative resilience, with most Tel Bond indices still posting positive year-to-date returns in the 2%-4% range, compared with weaker performance among government bond indices.

Percentage changes are based on closing prices as of: Start of Month – August 30, 2026 | Start of Year – December 31, 2025

Index	Last Price 30-09-26	% Change MTD	% Change 2026 YTD
Tel Bond CPI 5-10	449.2	-0.24%	3.31%
Tel Bond Shekel 5-10	447.2	-1.13%	2.46%
Tel Bond Shekel 100	463.0	-0.62%	2.93%
Tel Bond Shekel-50	450.7	-0.69%	2.87%
Tel Bond Yields CPI Linked	475.9	0.12%	4.77%
Tel Bond-20 CPI Linked	437.1	-0.17%	2.74%
Tel Bond-40 CPI Linked	416.5	-0.03%	3.64%
Tel Bond-60 CPI Linked	428.6	-0.10%	3.24%
Tel Bond-CPI Linked	435.9	0.00%	3.45%
Tel Bond-CPI Linked 1-3	422.3	0.37%	4.10%
Tel Bond-CPI Linked 3-5	426.9	-0.01%	3.49%
Tel Bond-CPI Linked A	440.8	0.19%	4.77%
Tel Bond-Non Linked	427.9	-0.56%	2.14%
Tel Bond-Shekel	456.9	-0.59%	2.13%
Tel Bond-Shekel 1-3	483.5	0.05%	3.12%
Tel Bond-Shekel 3-5	441.8	-0.68%	0.76%
Tel Gov - CPI Linked	395.5	-0.41%	1.02%
Tel Gov - CPI Linked 2-5	318.1	0.21%	3.11%
Tel Gov - CPI Linked 5-10	404.9	-0.26%	1.81%
Tel Gov - CPI Linked 10+	385.0	-1.50%	-2.67%
Tel Gov - Shekel	530.7	-0.89%	2.26%
Tel Gov - Shekel 0-2	376.7	0.27%	3.10%
Tel Gov - Shekel 2-5	483.2	-0.29%	2.76%
Tel Gov - Shekel 5-10	524.6	-1.12%	2.06%
Tel Gov - Shekel 5+	680.1	-1.75%	1.58%
Tel Gov - Shekel 10+	520.2	-2.21%	1.25%
Tel Gov-CPI-Linked, 15+ Years	373.4	-1.57%	-3.47%

Equity and Bond Issuance Market:

Equity Issuance

21 New Companies Have Joined TASE Since the Beginning of the Year, with a Combined Post-Money Market Capitalization of NIS 33.6 billion

5 Companies Have Completed Dual Listings Since the Beginning of the Year

During September 2026, equity capital raised in the primary market totaled NIS 110 million. Of this amount, NIS 70 million was raised through the initial public offering (IPO) of Pasternak Shoham, which operates in two areas:

1. **Portfolio Management** – Providing portfolio management services under which the company's clients grant it power of attorney to manage their securities and financial asset portfolios, which are held in accounts with a TASE member (trading accounts). As of the prospectus date, the group manages NIS 3.3 billion in assets in this area of activity.

1. **Hosted Mutual Funds** – This operating model enables the company to serve as the de facto investment manager of mutual funds without obtaining an independent mutual fund management license, thereby participating in the mutual fund management industry. Under this arrangement, the official fund manager is an external entity that provides the company with the operational, administrative and regulatory infrastructure required for the funds' activities, while the company is responsible for investment management and investment decisions. As of the prospectus date, the group manages NIS 6 billion in assets in this area of activity.

Since the beginning of the year, 21 new companies have joined trading on TASE through IPOs, raising an aggregate amount of NIS 7.8 billion and listing at a combined post-money market capitalization of NIS 33.6 billion. Among the largest IPOs of the year were Tidhar (NIS 1,722 million), Bagira (NIS 855 million) and Rafa Laboratories (NIS 600 million). In addition, during September, BioHarvest completed a dual listing of its shares, joining the four companies that have completed dual listings on TASE this year: Alpha Tau Medical, Palo Alto Networks, InPlay and Odysight.

The following companies conducted their 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	1/26	521	3,256
2	Urban Brand	2486	Real Estate & Construction - Construction	1/26	26	96
3	AllTrade Recycling	2535	Industrials - Chemicals, Rubber & Plastics	2/26	150	450
4	Prodalim	2534	Industrials - Food	2/26	369	2,353
5	Smart Shooter	2536	Technology - Defense	3/26	260	841
6	Gabay Group	2483	Real Estate & Construction - Construction	3/26	174	874
7	D.S.I.T.	2528	Technology - Defense	3/26	52	249
8	Minrav	155	Real Estate & Construction - Construction	3/26	360	1,535
9	Best Group	2559	Real Estate & Construction - Construction	6/26	400	2,909
10	Rustic	2563	Industrials - Food	6/26	200	933
11	Bagira	2547	Technology - Defense	6/26	855	3,390
12	Tidhar	2557	Real Estate & Construction - Construction	6/26	1,722	7,854

13	Galaam	2568	Industrials - Food	6/26	303	1,030
14	T&M	2558	Commerce & Services - Services	6/26	400	756
15	Almeda Real	2548	Real Estate & Construction - Income-Producing Real Estate Abroad	6/26	325	974
16	Cando Drones	2578	Technology - Defense	7/26	18	93
17	Sola Renewable Energies	2550	Technology - Renewable Energy	7/26	55	249
18	Rapac Energy	2556	Technology - Renewable Energy	7/26	420	1,696
19	Rafa Laboratories	2561	Biomed - Pharma	7/26	600	1,460
20	Avisror	2573	Real Estate & Construction - Construction	8/26	530	2,304
21	Pasternak Shoham	2586	Financial Services - Financial Services	9/26	70	313
	Total through September 2026				**7,810**	**33,615**

Bond Issuance: Robust Corporate Bond Issuance Activity Despite the Reduced Number of Trading Days Due to the Jewish New Year Holidays

Since the Beginning of the Year, 18 Companies Have Raised Debt on TASE for the First Time, for an Aggregate Amount of Approximately NIS 8.87 billion

The corporate bond market continued to demonstrate strong activity during September 2026, with companies raising NIS 17.7 billion through public offerings. Despite the reduced number of trading days due to the Jewish new year holidays, issuance volume remained high, reflecting companies' continued ready access to the capital market and steady investor demand for tradable debt instruments.

The banking sector remained at the center of issuance activity and continued to lead the bond issuance market. Since the beginning of the year, banks have raised more than NIS 54 billion. During September, Mizrahi-Tefahot Bank led issuance activity, raising NIS 4.26 billion, followed by Bank Hapoalim, which raised NIS 1.82 billion. The continued high level of issuance by the banking sector reflects strong demand for bank bonds and the growing use of the capital market as a key source of financing.

At the same time, September also saw new companies enter the bond market. Oranim Al Hayam completed its first public bond offering, raising NIS 600 million and joining the group of companies raising funds in the tradable bond market.

In the sectoral breakdown of bond issuances, the banking sector led with NIS 7.4 billion, accounting for 42% of total monthly issuance. It was followed by the Real Estate & Construction sector, with NIS 4.2 billion, representing 23.8% of total issuance. The Energy and Oil & Gas Exploration sector raised NIS 2.05 billion (11.6%), while the Insurance sector raised NIS 1.48 billion (8.4%).

Alongside activity in the tradable bond market, robust activity continued in the commercial paper (CP) market. NIS 2.8 billion was raised in this market during the month, with Mizrahi-Tefahot Bank and First International Bank raising a combined NIS 1.9 billion, while Phoenix Gama raised an additional NIS 0.5 billion.

In summary, the local bond market continued to serve as a key source of financing for Israeli companies, with the banking sector standing out as the largest issuer. The high issuance volumes, alongside the entry of new issuers

and continued robust activity in the commercial paper market, reflect the depth of the local bond market and continued investor demand for relatively conservative investment channels.

The following is the list of bond issuances in September 2026:

Company Name	Security No.	Sector	Sub-Sector	Amount Raised (NIS)
Mizrahi Tefahot Issuing	1247428	Banks	Banks	2,500,000,000
NewMed Energy	1247170	Energy and Oil & Gas Exploration	Oil & Gas Exploration	1,751,596,000
Tidhar	1247360	Real Estate & Construction	Construction	1,090,625,000
Bank Hapoalim Ltd.	1247063	Banks	Banks	1,000,000,000
Mizrahi Tefahot Issuing	1247444	Banks	Banks	1,000,000,000
First International Issuing	1247246	Banks	Banks	911,192,000
Nofar Energy	1247337	Technology	Renewable Energy	852,479,000
Bank Hapoalim Ltd.	1247055	Banks	Banks	821,000,000
Mizrahi Tefahot Issuing	1243096	Banks	Banks	758,625,000
Blue Square Real Estate	1174556	Real Estate & Construction	Income-Producing Real Estate in Israel	670,083,750
Oranim Al Hayam	1247386	Real Estate & Construction	Income-Producing Real Estate in Israel	600,000,000
Menora Mivtachim Capital	1247295	Insurance	Insurance	500,000,000
Phoenix Gama	1247832	Financial Services	Financial Services	500,000,000
Migdal Insurance Capital	1239540	Insurance	Insurance	480,133,120
Universal Motors	1192616	Commerce & Services	Commerce	445,869,924
Jerusalem Finance & Issuing	1247667	Banks	Banks	432,940,000
AFI Properties	1241967	Real Estate & Construction	Income-Producing Real Estate Abroad	422,256,000
Alony Hetz	1229384	Real Estate & Construction	Income-Producing Real Estate in Israel	409,419,486
Tidhar	1247378	Real Estate & Construction	Construction	395,437,000
Ashtrom Properties	1247493	Real Estate & Construction	Income-Producing Real Estate in Israel	391,550,000
Keystone Infra	1247725	Investment & Holdings	Investment & Holdings	313,072,000
Ashdod Refinery	1247154	Energy and Oil & Gas Exploration	Energy	300,000,000
Direct Finance Group	1247212	Financial Services	Non-Bank Credit	294,631,000
Harel Issuing	1228345	Insurance	Insurance	249,999,666
Harel Issuing	1228352	Insurance	Insurance	249,999,666
Argo Properties	1247857	Real Estate & Construction	Income-Producing Real Estate Abroad	190,600,000
Albar	1207943	Commerce & Services	Services	119,952,000
Strawberry Fields REIT, Inc.	1247543	Real Estate & Construction	Income-Producing Real Estate Abroad	51,591,759
Total				**17,703,052,371**

Full Sector Breakdown (September 2026):

Sector	Amount Raised (NIS)	Share of Total Issuance
Banks	7,423,757,000	41.9%
Real Estate & Construction	4,221,562,995	23.8%
Energy and Oil & Gas Exploration	2,051,596,000	11.6%
Insurance	1,480,132,452	8.4%
Technology	852,479,000	4.8%
Financial Services	794,631,000	4.5%
Commerce & Services	565,821,924	3.2%
Investment & Holdings	313,072,000	1.8%
Total	17,703,052,371	100.0%

Mutual Funds Market

Inflows into Bond Funds Continue to Lead the Active and Passive Mutual Funds Industry

The mutual funds industry continued to grow during September 2026, recording net inflows of NIS 6.4 billion. This brought cumulative net inflows since the beginning of the year to NIS 53.5 billion. As of the end of September 2026, assets under management in the active and passive mutual funds industry totaled NIS 849.4 billion, an increase of NIS 97.1 billion compared with year-end 2025.

The bulk of year-to-date inflows continued to be concentrated in money market funds, which attracted NIS 30.8 billion net. At the same time, active and passive funds investing in local bonds continued to attract significant demand, recording net inflows of NIS 1.5 billion during September. Since the beginning of the year, cumulative net inflows into this segment have totaled NIS 26 billion.

Inflows into funds investing in overseas shares also continued. During September, these funds attracted NIS 1.3 billion net, bringing cumulative net inflows since the beginning of the year to NIS 2.4 billion.

In contrast, active and passive funds investing in the local stock market recorded net redemptions of NIS 104 million during the month, bringing cumulative net redemptions since the beginning of the year to NIS 6.5 billion

Fund Type	Number of Funds as of Last Trading Day	Fund Assets as of Last Trading Day	Net Creations/Redemptions in September 2026	Net Creations/Redemptions in 2026
Traditional Funds (Excluding Money Market Funds)	1,090	259,330	1,087	22,100
Money Market Funds	71	217,291	3,580	30,788
Total Traditional Funds	1,161	476,621	4,666	52,888
ETFs	465	222,864	346	-10,914
Index-Tracking Funds	840	149,920	1,430	11,512
Total Passive Funds	1,305	372,784	1,775	598
Total Funds	2,466	849,405	6,442	53,486

TASE Equity Indices Return to Net Inflows, While Tel Bond Indices Complete a Full Year of Consecutive Inflows

The passive mutual funds industry recorded net inflows of NIS 1.8 billion during September, bringing cumulative net inflows since the beginning of 2026 to NIS 598 million. ETFs recorded net inflows of NIS 346 million during the month, while since the beginning of the year they have recorded net redemptions of NIS 10.9 billion. In contrast,

index-tracking funds continued to attract most of the inflows, recording NIS 1.4 billion net during September and NIS 11.5 billion net since the beginning of the year.

Passive funds investing in overseas shares continued to enjoy strong demand during September, attracting NIS 1.1 billion net. Since the beginning of the year, cumulative net inflows into this category have totaled NIS 1.2 billion. Most of the inflows during the month were concentrated in products tracking the S&P 500 Index, which attracted NIS 866 million net, alongside products tracking MSCI indices, which attracted NIS 130 million net, and the Nasdaq-100 Index, which attracted NIS 114 million net.

Products tracking TASE equity indices also continued to attract significant demand. During September, products tracking TASE indices attracted NIS 764 million net, bringing cumulative net inflows since the beginning of the year to NIS 3 billion. Most of the inflows were directed to the TA-125 Index, which attracted NIS 386 million net, and the TA-90 Index, which attracted NIS 379 million net. In addition, the TA-Insurance Index attracted NIS 51.5 million net during the month.

Alongside the inflows into the flagship indices, redemptions from products tracking the TA-Banks Index continued. During September, these products recorded net redemptions of NIS 760 million, bringing cumulative net redemptions since the beginning of the year to NIS 12.1 billion.

Tel Bond Indices Continue to Attract Inflows During the Holiday Period

Passive products tracking TASE bond indices attracted NIS 331 million net during September, bringing cumulative net inflows since the beginning of the year to NIS 5.7 billion.

Tel Bond indices accounted for most of the inflows, attracting NIS 223 million net during the month and bringing cumulative net inflows since the beginning of the year to NIS 4.2 billion. At the same time, products tracking government bond indices attracted NIS 108 million net during September and NIS 1.6 billion net since the beginning of the year.

Another notable trend during the month was demand for investment products tracking global bond markets. During September, the public invested NIS 253 million net in overseas bonds through ETFs and index-tracking funds traded on TASE. This provides retail investors with exposure to the high yields available on overseas government bonds, easily and in shekels through TASE.

investment Category	Number of Funds as of Last Trading Day	Fund Assets as of Last Trading Day	Net Creations/Redemptions in September 2026	Net Creations/Redemptions in 2026
Israeli Equities	226	128,779	78	-7,468
Overseas Equities	543	156,020	1,125	1,243
Local Bonds	436	79,533	387	6,521
Other*	100	8,452	186	302
Total	**1,305**	**372,784**	**1,775**	**598**

***Other includes leveraged funds, commodities, digital assets, overseas bonds, and other investment categories.**

Robust Inflows into Active Mutual Funds Despite a Shortened Trading Month Due to the Holidays

The active mutual funds industry continued to demonstrate strong performance in September 2026, recording net inflows of NIS 4.7 billion, despite the relatively limited number of trading days due to the Jewish new year holidays. This brought cumulative net inflows since the beginning of the year to NIS 52.9 billion.

As in recent months, money market funds and local bond funds continued to lead inflows. Money market funds attracted NIS 3.6 billion net during September, bringing cumulative net inflows since the beginning of the year to NIS 30.8 billion. At the same time, local bond funds attracted NIS 1.15 billion net during the month, bringing cumulative net inflows since the beginning of the year to NIS 19.5 billion. Together, these two categories attracted NIS 50.3 billion net, accounting for 95% of total net inflows into the industry since the beginning of the year.

Among local bond funds, All Bond Funds stood out, attracting NIS 837 million net during the month, alongside Israel Government Bond Funds, which attracted NIS 615 million net.

Active funds investing in overseas shares also continued to record positive inflows. During September, funds in this category attracted NIS 194 million net, bringing cumulative net inflows since the beginning of the year to NIS 1.15 billion. In contrast, active funds investing in Israeli shares recorded net redemptions of NIS 182 million during the month. Nevertheless, the category has recorded cumulative net inflows of NIS 918 million since the beginning of the year.

As of the end of September 2026, the active mutual funds industry managed NIS 476.6 billion in assets through 1,161 mutual funds. Money market funds remained the largest category, with NIS 217.3 billion in assets under management, followed by local bond funds with NIS 183.4 billion.

Investment Category	Number of Funds as of Last Trading Day	Fund Assets as of Last Trading Day	Net Creations/Redemptions in September 2026	Net Creations/Redemptions in 2026
Israeli Equities	141	37,886	-182	918
Overseas Equities	121	14,481	194	1,145
Local Bonds	648	183,434	1,152	19,525
Money Market Funds	71	217,291	3,580	30,788
Other*	180	23,527	-78	513
Total	1,161	476,621	4,666	52,888

***Other includes flexible funds, digital asset funds, funds available exclusively to foreign residents, funds of funds, leveraged and strategy funds, and overseas bond funds.**

TAF Index Family Launched as a New Benchmark for Active Mutual Funds

In September 2026, TASE launched the **TAF** (Tel Aviv Funds) Index Family, comprising 14 benchmark indices for active mutual funds and covering close to 77% of the industry's assets. The indices enable investors and investment managers to compare fund performance against the relevant benchmark group within each investment category.

The first month of activity for the indices was characterized by relative stability, with the TAF Money Market & Corp Index the only index to post a positive return, of 0.3%. In contrast, most indices recorded moderate declines of up to 0.5%, against the backdrop of weakness in the stock and bond markets during the month. Among the equity indices, the TAF Israel All Cap Equity Index declined by 0.3%, while the TAF Israel Large & Mid Cap Index fell by 0.5%. In the bond segment, the TAF Israel Government Bonds Index declined by 0.5%, while the TAF Israel Bonds Index also fell by 0.5%.

In summary, the first month of activity for the TAF indices was characterized by relative stability and moderate returns across most investment categories. In addition to serving as benchmarks for the active mutual funds industry, the new indices represent a further step toward enhancing transparency and standardization in the local investment market.

Index	September 2026 Change
TAF Shekel Money Market Composite	0.26%
TAF Israel Bonds 70/30	-0.19%
TAF Israel Bonds & Convertibles (!)	-0.22%
TAF Israel Bonds 85/15	-0.26%
TAF Israel All Cap	-0.28%
TAF Israel Bonds & Convertibles	-0.31%
TAF Israel Bonds 80/20	-0.34%
TAF Israel Bonds 90/10	-0.38%
TAF Government Bonds	-0.45%
TAF Israel Bonds	-0.48%
TAF Israel Bonds (!)	-0.50%
TAF Israel Large & Mid Cap	-0.52%

Representative Exchange Rates

The Shekel Weakened Against the U.S. Dollar Amid a Broader Strengthening of the Dollar Globally

The local foreign exchange market showed mixed trends during September, with the shekel weakening against the U.S. dollar while continuing to strengthen against the major European currencies. As of September 30, the exchange rates stood at NIS 3.063 per U.S. dollar, NIS 3.475 per euro and NIS 4.060 per British pound. During the month, the U.S. dollar appreciated by 1.7% against the shekel, while the euro and the British pound weakened by 0.5% and 0.4%, respectively, against the shekel.

Despite the shekel's depreciation against the U.S. dollar in September, it continued to demonstrate relative strength against the major currencies on a year-to-date basis. As of the end of September, the U.S. dollar remained 3.7% below its level at the beginning of the year, while the euro and the British pound were 6.9% and 5.2% lower, respectively, against the shekel.

Developments in the local foreign exchange market occurred against the backdrop of a significant strengthening of the U.S. dollar globally. The U.S. Dollar Index (DXY) rose by 2.0% during September, from 99.4 points at the end of August to 101.5 points at the end of September. After falling to a low of 98.8 points at the beginning of the month, the index shifted to a nearly continuous upward trend through month-end.

Currency	Last Rate 30-09-26	% Change MTD	% Change 2026 YTD
USD	3.0630	2.5%	-4.0%
EUR	3.4752	0.3%	-7.2%
GBP	4.0602	0.3%	-5.4%

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