TEL AVIV STOCK EXCHANGE
הבורסה לניירות ערך תל אביב



MONTHLY REVIEW

TASE RESEARCH UNIT

Four Key Factors in Focus This Week: Technology Shares, the U.S. Midterm Elections, Government Formation and Regional Risk

Tel Aviv Stock Exchange Trading Month Review: 01/10/2026 - 30/10/2026

Stock Market – Israel: Despite Declines in October, the Benchmark Indices Continue to Outperform Global Indices Year-to-Date

The Tel Aviv Stock Exchange ended October with declines. The TA-35 Index fell by 3.45% during the month but remained up 11.77% year-to-date. The TA-125 Index declined by 3.42% in October but was up 7.44% year-to-date. In contrast, the TA-90 Index fell by 3.12% during the month, bringing its year-to-date decline to 6.10%. The weakness was even more pronounced among small-cap shares, with the TA-SME60 Index losing 8.65% in October. Most sector indices also recorded declines. The TA-Insurance Index fell by 9.69% in October but continued to stand out with a 32.3% gain year-to-date. The TA-Finance Index declined by 5.73%, the TA-Technology Index by 4.97%, the TA-Construction Index by 4.31%, and the TA-Banks Index by 3.82%. In contrast, the TA-Oil & Gas Index stood out with a gain of 4.67%, while the TA-Software Index rose by 1.91%.

Investor Movements: Foreign Investors Increased Their Exposure Following the Elections

Despite the market decline and political uncertainty, most investor groups were net buyers in October. Foreign investors recorded net purchases of NIS 920 million; pension funds, mutual funds and insurance companies recorded net purchases of NIS 1.13 billion; and portfolio managers and their managed clients recorded net purchases of NIS 682 million. In contrast, Israeli corporations recorded net sales of NIS 3.55 billion. Foreign investors were particularly active during the three trading days following the elections, recording net purchases of NIS 439 million, of which NIS 235 million flowed into bank shares. Private investors and portfolio managers were also net buyers during this period, while institutional investors recorded net sales of NIS 169 million. Nevertheless, institutional investors were significant net buyers over October as a whole, with net purchases of NIS 1.8 billion. Purchases of Elbit Systems, Tower, Next Vision and Nova were particularly notable.

Bond Market – Political Gridlock Increased Uncertainty in the Local Bond Market, While U.S. Yields Declined

The Israeli bond market showed a mixed trend in October, with weakness concentrated mainly in long-term government bonds. The Tel Gov-CPI Linked 15+ Index declined by 2.0%, while the Tel Gov-CPI Linked 10+ Index fell by 1.8%. In contrast, the shorter segments of the yield curve recorded moderate gains.

The weakness intensified following the elections, amid political gridlock and increased uncertainty. The yield on the 10-year Israeli government bond rose during the month from 4.031% to 4.1566%, with most of the increase occurring following the publication of the election results. In contrast, the yield on the 10-year U.S. Treasury declined from 4.986% to 4.929%.

Active Bond Market: NIS 14.1 billion Raised in October, Led by Banks and Financial Instruments

The corporate bond market continued to record robust activity in October, with NIS 14.1 billion raised. The financial instruments and banking sectors together accounted for close to three-quarters of the total amount raised, at NIS 5.63 billion and NIS 4.97 billion, respectively.

Among the notable offerings, Bank Leumi raised NIS 4 billion, while Bank Discount raised NIS 1 billion. In addition, Aviad Deposits entered the public bond market for the first time, raising NIS 1.14 billion. Additional funds were raised by companies in investment and holdings, real estate and construction, and insurance sectors.

In addition to bond issuances, Bank Leumi and Bank Discount raised NIS 1.83 billion through commercial paper in October.

Mutual Funds Market: The Industry Continues to Grow

The mutual funds industry continued to grow in October, recording net inflows of NIS 7.8 billion, bringing total net inflows from the beginning of the year to NIS 61.4 billion. AUM in active and passive funds reached NIS 853.8 billion at the end of the month, an increase of 13.5% since the beginning of the year. Passive funds stood out in October with net inflows of NIS 5.2 billion, of which NIS 4.7 billion were recorded in ETFs. Active funds recorded net inflows of NIS 2.6 billion, with money market funds standing out with net inflows of NIS 3.9 billion.

Stock Market

Four Factors in Focus This Week: Technology Shares, U.S. Midterm Elections, Government Formation and Regional Risk

Political Uncertainty and Declines in Global Technology Shares Weighed on Markets in October

Stock markets ended October amid heightened volatility. In Israel, the political uncertainty following the inconclusive election results weighed on market sentiment toward the end of the month, while in the U.S., declines in technology shares intensified amid concerns over the scale of investment in artificial intelligence and companies' ability to translate these investments into earnings and cash flows.

Israel: Despite Declines in October, the Benchmark Indices Continue to Stand Out Year-to-Date Compared with Global Indices

The Tel Aviv Stock Exchange ended October with declines. The TA-35 Index fell by 3.45% during the month but remained up 11.77% year-to-date. The TA-125 Index declined by 3.42% and remained up to 7.44% year-to-date, while the TA-90 Index fell by 3.12% in October, bringing its year-to-date decline to 6.10%. Weakness was more pronounced among small-cap shares, with the TA-SME60 Index losing 8.65%. Most sector indices also recorded sharp declines. The TA-Insurance Index fell by 9.69% but continued to stand out with a 32.3% gain year-to-date. The TA-Finance Index declined by 5.73%, the TA-Technology Index by 4.97%, the TA-Banks Index by 3.82%, and the TA-Construction Index by 4.31%. In contrast, the TA-Oil & Gas Index stood out with a gain of 4.67%, while the TA-Software Index rose by 1.91%.

Moody's Updated Its Outlook for Israel on Friday: Improved Economic Prospects Alongside Political Risks

Last Friday, Moody's published an update to its economic forecasts for Israel, raising its growth forecasts for 2026 and 2027 to 5% and 6%, respectively, compared with 3.7% and 5% in its previous forecast. At the same time, the agency lowered its 2026 fiscal deficit forecast from 5.9% to 5% of GDP and its debt-to-GDP forecast from 70.1% to 68.5%, partly due to higher-than-expected revenues.

Alongside the improvement in its economic and fiscal forecasts, Moody's continued to point to political and institutional risks. The agency noted that the composition of the next government is not expected to have an immediate impact on Israel's credit quality. However, developments relating to the independence of the judiciary, institutional checks and balances, and Israel's foreign relations will continue to be significant factors in its credit assessment. Israel's credit rating remained at Baa1 with a stable outlook.

The Updated Composition of the Equity Indices Will Take Effect This Thursday

The new composition of the equity indices will take effect this Thursday, **November 5**. As part of the update, El Al and Doral will join the TA-35 Index, while Dimri, Shufersal and Kenon will move from the TA-35 Index to the TA-90 Index. At the same time, the TA-90 Index will include several companies that have recently joined TASE, including Tidhar, Avisror, Bagira and Alpha Tau.

The current update also illustrates the continued increase in the threshold for inclusion in the benchmark indices and the rapid inclusion of newly listed companies in the leading indices. The inclusion threshold for the TA-35 Index in the current update stands at NIS 14.3 billion, compared with NIS 4.3 billion in February 2017. Over the same period, the threshold for the TA-90 Index increased from NIS 823 million to NIS 2.6 billion.

The index update is expected to generate substantial activity by passive investment products. Close to NIS 85 billion is currently managed in products tracking the three benchmark indices: the TA-35, TA-90 and TA-125. The increase in Palo Alto's weight in the TA-35 and TA-125 indices to 2.5% is expected to generate passive demand of NIS 900 million, while the increase in Teva's market value, with the share currently above the index weight cap, is expected to result in adjustments and supply of NIS 1.3 billion. Equity trading volume on the index update day

could reach NIS 18 billion, compared with an average daily trading volume of NIS 4.7 billion since the beginning of the year.

Global Markets: Technology Shares Led the Declines

Wall Street recorded significant divergence among the leading indices in October, against the backdrop of weakness in technology shares. The S&P 500 Index declined by 0.9%, while the Nasdaq-100 Index recorded a sharper decline of 6.6%, although it remained up 12.42% year-to-date. Declines in technology shares intensified during the final days of the month.

Investors began placing greater emphasis not only on the pace of growth in the AI sector, but also on the scale of capital expenditure, its impact on cash flows, and the length of time required for these investments to generate meaningful returns. Intel shares, for example, plunged by 29% on the final trading day of October after the company's outlook disappointed investors.

Looking Ahead to November: U.S. Elections, Government Formation in Israel and Concerns over Escalation

The first trading week of November is expected to begin amid a high level of uncertainty. The U.S. midterm elections will be held on November 3, with the results determining control of Congress and potentially affecting U.S. economic, regulatory and energy policies.

In Israel, markets are expected to continue closely monitoring developments and potential surprises in the government formation process. As long as there is no clear political outcome, sentiment in the capital market, bond market and the shekel may remain sensitive to political developments.

Geopolitical risk adds another layer of uncertainty. The oil market continues to price in a risk premium reflecting concerns over a possible escalation in the Middle East following the U.S. midterm elections and potential disruptions to shipping routes through the Strait of Hormuz. Accordingly, four factors are expected to remain in focus at the beginning of November: the U.S. midterm elections, developments in the formation of Israel's government, the risk of regional escalation, and continued volatility in technology shares amid elevated AI-related investment.

Index	Monthly Return (MONTH)	Year-to-Date (YTD)
NDX	-6.65%	12.42%
TA-35	-3.45%	11.77%
TA-125	-3.42%	7.44%
TA-90	-3.12%	-6.10%
SPX	-0.93%	10.73%
CAC	0.06%	-2.21%
UKX	1.17%	8.04%
DJI	1.70%	7.71%
DAX	2.46%	5.42%

Investor Movements: Foreign Investors Took Advantage of Post-Election Declines to Increase Exposure to the Israeli Capital Market

October was characterized by market declines and heightened volatility amid uncertainty surrounding the elections and the lack of a clear political outcome. At the same time, market activity increased significantly: average daily trading volume in shares, on and off the TASE, amounted to NIS 5.1 billion, 52% higher than the average daily trading volume in 2025 and 23% higher than the average volume in September 2026.

Despite the declines, most investor groups were net buyers during October. Pension funds, provident funds and insurance companies recorded net equity purchases of NIS 1.13 billion; foreign investors recorded net purchases of NIS 920 million; portfolio managers and their managed clients recorded net purchases of NIS 682 million; and Israeli retail investors recorded net purchases of NIS 521 million. In contrast, Israeli corporations stood out with net sales of NIS 3.55 billion during the month.

Investor behavior immediately following the elections was particularly notable. During the three trading days following the elections, foreign investors recorded net equity purchases of NIS 439 million, of which NIS 235 million were directed toward bank shares. The data indicate that foreign investors increased their exposure to the Israeli capital market specifically after the elections, during trading days characterized by political uncertainty and market declines.

Israeli retail investors were also net buyers during the three trading days following the elections, recording net purchases of NIS 214 million, while portfolio managers and their managed clients recorded net purchases of NIS 137 million. In contrast, Israeli corporations recorded net sales of NIS 504 million, while mutual funds recorded net sales of NIS 215 million.

Institutional investors presented an interesting picture: during the three trading days following the elections, they recorded net equity sales of NIS 169 million. However, over October as a whole, institutional investors were significant net buyers, with net purchases of NIS 1.8 billion. During the month, they notably increased their exposure to several shares, including Elbit Systems, with net purchases of NIS 700 million; Tower, NIS 448 million; Next Vision, NIS 325 million; and Nova, NIS 291 million.

Overall, despite the market declines and heightened political uncertainty, stock market activity remained robust during October. Foreign investors stood out by increasing their exposure during the three trading days immediately following the elections, particularly to bank shares, while institutional investors reduced their exposure during those three days but remained significant net buyers over October as a whole.

Investor Movements:

Market	Investor Type	Net Purchases During the Trading Month (NIS Million)	Net Purchases 2026 YTD (NIS Million)
STOCK	Provident/pension Fund/Insurance company	1,128.8	5,632.7
STOCK	Foreign Residents	919.7	3,621.6
STOCK	Portfolio Manager/Portfolio Manager Client	682.0	3,787.3
STOCK	Israeli Investor - Individual	521.3	3,370.7
STOCK	ETN/ETF Market Maker	382.1	-4,587.1
STOCK	Local Member Nostro	-2.5	-138.1
STOCK	Mutual Fund	-81.2	8,338.6
STOCK	Israeli Investor - Corporate	-3,550.1	-20,025.6

Yields:

The percentage change is calculated based on the closing price on 30-10-26, compared with the closing price of the following periods:

MTD : 30-09-26 | YTD 2026: 31-12-25

Category	Index	Last Price 30-10-26	% Change MTD	% Change 2026 YTD
Market Cap. Indices	TA-125	3,936.3	-3.42%	7.44%
Market Cap. Indices	TA-35	4,059.0	-3.45%	11.77%
Market Cap. Indices	TA-90	3,576.1	-3.12%	-6.10%
Market Cap. Indices	TA-SME60	1,209.7	-8.65%	-4.09%
Sector Indices	TA-Finance	10,472.1	-5.73%	16.06%
Sector Indices	TA-RealEstate	1,312.4	-2.30%	-11.93%
Sector Indices	TA-Biomed	131.1	-4.01%	2.20%
Sector Indices	TA-Technology	2,075.2	-4.97%	6.03%
Sector Indices	TA-Oil & Gas	3,052.4	4.67%	-3.36%
Sector Indices	TA-Communication & InformationTechnology	2,161.3	-2.60%	-12.33%
Sector Indices	TA Tech - Elite	1,106.0	-4.75%	-1.94%
Sector Indices	TA-Construction	1,734.1	-4.31%	-16.31%
Sector Indices	TA-Investment Properties in Israel	1,297.7	-3.03%	-9.58%
Sector Indices	TA-Bank	7,910.7	-3.82%	1.67%
Sector Indices	TA Infrastructures	3,812.1	-2.43%	6.13%
Sector Indices	TA Defense	3,160.1	-3.36%	-19.83%
Sector Indices	TA-Israel Energy	3,298.3	-0.53%	-
Sector Indices	TA Renewable Energy	2,801.4	-6.35%	-
Sector Indices	TA Software	2,653.0	1.91%	-
Sector Indices	TA-Insurance	15,252.6	-9.69%	32.30%

Bond Market:

Political Gridlock Increased Uncertainty in the Local Bond Market, While U.S. Yields Declined

The Israeli bond market showed mixed performance in October, with weakness concentrated mainly in long-term government bonds. Over the month, long-term CPI-linked government bonds stood out on the downside: the Tel Gov-CPI Linked 15+ Index declined by 2.0%, while the Tel Gov-CPI Linked 10+ Index fell by 1.8%. In contrast, the shorter segments of the yield curve posted moderate gains, with the Tel Gov-Shekel 0–2 and Tel Gov-Shekel 2–5 indices rising by 0.4% and 0.5%, respectively.

Weaknesses intensified during the final trading week amid the political gridlock and heightened uncertainty following the elections. The yield on Israel's 10-year government bond rose during the month from 4.031% to 4.1566%, an increase of 13 basis points, with most of the rise occurring following the publication of the election results. At the same time, the Tel Gov-Shekel 10+ Index declined by 1.14% during the final trading week, while the Tel Gov-Shekel 5+ Index fell by 0.92%.

The corporate bond market demonstrated relative resilience over the month, with most Tel Bond indices recording moderate changes in October. However, the final week also saw weakness in shekel-denominated corporate bond indices. Nevertheless, most Tel Bond indices continued to post positive returns year-to-date, led by the Tel Bond-CPI Linked A, Tel Bond-CPI Linked Yields and Tel Bond-CPI Linked 1–3 indices, which gained 4.3%–4.5% year-to-date.

In the U.S., the trend was reversed in October. The yield on the 10-year U.S. Treasury declined during the month from 4.986% to 4.929%. During the month, the Federal Reserve left interest rates unchanged, while developments in interest-rate expectations and lower yields toward the end of the month supported bond prices.

As a result, a divergence emerged between the Israeli and U.S. bond markets toward the end of October. While the yield on the 10-year U.S. Treasury declined during the month, the yield on Israel's 10-year government bond increased, with most of the rise occurring after the elections. This divergence highlights the growing impact of the political gridlock and heightened domestic uncertainty on the pricing of the Israeli bond market toward the end of the month.

Successful Trading in Dual-Listed Government Bonds Led to an Expansion of the Listing

Alongside volatility in the bond market, the dual listing of Israel government bonds denominated in foreign currency was expanded on October 28, with four additional series admitted to trading on the Tel Aviv Stock Exchange. The move follows trading activity in dual-listed government bonds and the market-making program launched in June 2026 to improve liquidity in the existing series. From the launch of the program through October 23, the combined trading volume in these series amounted to NIS 360 million.

The dual listing enables investors to purchase foreign currency-denominated government bonds in shekels while maintaining exposure to the U.S. dollar or euro. The four new series also expand the range of maturities available to investors and include two U.S. dollar-denominated series maturing in 2033 and 2035, with annual yields to maturity of 5.73% and 5.85%, respectively, and two euro-denominated series maturing in 2032 and 2037, with yields of 4.19% and 4.51%, respectively.

Yields:
The percentage change is calculated based on the closing price on 30-10-26, compared with the closing price of the following periods:
MTD: 30-09-26 | YTD 2026: 31-12-25

Category	Index	Last Price 30-10-26	% Change MTD	% Change 2026 YTD
Tel-Bond Indices	Tel Bond CPI 5-10	449.0	-0.03%	3.28%
Tel-Bond Indices	Tel Bond Shekel 5-10	445.5	-0.38%	2.07%
Tel-Bond Indices	Tel Bond Shekel 100	462.7	-0.08%	2.85%
Tel-Bond Indices	Tel Bond Shekel-50	450.0	-0.17%	2.69%
Tel-Bond Indices	Tel Bond Yields CPI Linked	474.0	-0.40%	4.35%
Tel-Bond Indices	Tel Bond-20 CPI Linked	437.4	0.08%	2.83%
Tel-Bond Indices	Tel Bond-40 CPI Linked	416.6	0.03%	3.67%
Tel-Bond Indices	Tel Bond-60 CPI Linked	428.9	0.06%	3.30%
Tel-Bond Indices	Tel Bond-CPI Linked	436.1	0.06%	3.52%
Tel-Bond Indices	Tel Bond-CPI Linked 1-3	423.0	0.19%	4.29%
Tel-Bond Indices	Tel Bond-CPI Linked 3-5	427.3	0.10%	3.60%
Tel-Bond Indices	Tel Bond-CPI Linked A	439.8	-0.23%	4.52%
Tel-Bond Indices	Tel Bond-Non Linked	427.3	-0.14%	1.99%
Tel-Bond Indices	Tel Bond-Shekel	456.2	-0.15%	1.98%
Tel-Bond Indices	Tel Bond-Shekel 1-3	484.2	0.14%	3.26%
Tel-Bond Indices	Tel Bond-Shekel 3-5	440.6	-0.27%	0.49%
Tel-Gov Indices	Tel Gov - CPI Linked	394.0	-0.38%	0.64%
Tel-Gov Indices	Tel Gov - CPI Linked 2-5	319.3	0.36%	3.49%
Tel-Gov Indices	Tel Gov - CPI Linked 5-10	405.1	0.03%	1.85%
Tel-Gov Indices	Tel Gov - CPI Linked 10+	378.1	-1.80%	-4.42%
Tel-Gov Indices	Tel Gov - Shekel	531.1	0.07%	2.33%
Tel-Gov Indices	Tel Gov - Shekel 0-2	378.2	0.40%	3.51%
Tel-Gov Indices	Tel Gov - Shekel 2-5	485.5	0.48%	3.25%
Tel-Gov Indices	Tel Gov - Shekel 5-10	524.8	0.05%	2.11%
Tel-Gov Indices	Tel Gov - Shekel 5+	677.8	-0.34%	1.23%
Tel-Gov Indices	Tel Gov - Shekel 10+	517.0	-0.62%	0.61%

Tel-Gov Indices	Tel Gov-CPI-Linked, 15+ Years	365.9	-2.00%	-5.40%

Equity and Bond Issuance Market

Robust Activity in the Bond Market: NIS 14.1 billion Raised in October, Led by Banks and Financial Instruments

The corporate bond market continued to record robust activity in October 2026, with total funds raised amounting to NIS 14.1 billion. The banking sector continued to stand out in terms of issuance activity, with Bank Leumi raising NIS 4 billion and Bank Discount raising an additional NIS 1 billion. At the same time, October also saw new companies enter the bond market. Aviad Deposits conducted its first public bond offering, raising NIS 1.14 billion. Overall, the financial instruments sector raised NIS 5.63 billion during the month.

By sector, financial instruments and banks stood out, together accounting for close to three-quarters of total funds raised in October. The financial instruments sector led with NIS 5.63 billion, representing around 40% of the monthly total, followed by the banking sector with NIS 4.97 billion, or around 35%. The investment and holdings sector raised NIS 1.16 billion, accounting for around 8.2% of the monthly total, led by Generation Capital's bond issuance. The real estate and construction sector raised NIS 1.08 billion, or around 7.7%, while the insurance sector raised NIS 680 million, or around 4.8%. Additional funds were raised in the technology and commerce and services sectors.

Alongside activity in the bond market, funds were also raised through commercial paper, with Bank Discount and Bank Leumi raising a combined total of NIS 1.83 billion during October.

Equity Issuance: Weakness in the Issuance Market in October Amid Market Volatility

The primary and secondary equity issuance markets were relatively weak in October, against the backdrop of heightened market volatility. During the month, equity raised in the primary market amounted to only NIS 16 million, with most of the amount raised by Givot PU.

Alongside the limited issuance activity, the merger between **Israel Canada and Acro** was completed, under which Israel Canada allocated shares to Acro shareholders at a ratio of 1:1.457. Acro's controlling shareholders will receive consideration of NIS 1.24 billion. At the same time, Acro's bond series were converted into Israel Canada bond series.

Since the beginning of 2026, **21 new companies have joined TASE through initial public offerings (IPOs)**, raising a combined total of NIS 7.8 billion and listing at an aggregate post-money valuation of NIS 33.6 billion.

Ministry of Finance Issuances

The Ministry of Finance completed four government bond issuances in October, raising a total of NIS 11.2 billion. Issuance was concentrated in shekel-denominated bonds and medium-term maturities. 58% was raised through non-linked shekel-denominated bonds and 34% through CPI-linked bonds, while 82% of the total amount raised was allocated to series maturing between 2030 and 2037. The remainder was allocated to longer-term series and floating-rate bonds. Demand remained strong during the month, with auction prices remaining close to market levels.

Looking ahead to November, the Ministry of Finance is expected to maintain a weekly issuance pace of NIS 2.8 billion, consistent with a fiscal deficit of 4% of GDP, and to raise NIS 14 billion through five issuances. The focus is expected to remain on medium-term maturities, with 77% of the total issuance allocated to series maturing between 2030 and 2037. The issuance mix is expected to be somewhat more balanced, with 51% in shekel-denominated bonds and 36% in CPI-linked bonds, compared with 58% and 34%, respectively, in October. The remainder is expected to be raised through floating-rate bonds and long-term shekel-denominated series.

Mutual Funds Market

The Mutual Funds Industry Continues to Grow

The mutual funds industry continued to grow in October 2026, recording net inflows of NIS 7.8 billion, bringing total net inflows since the beginning of the year to NIS 61.4 billion. As of the end of October, assets under management in active and passive funds amounted to NIS 853.8 billion, compared with NIS 752.3 billion at the end of 2025, **an increase of NIS 101.6 billion, or 13.5%, since the beginning of the year.** The increase reflects both net inflows into the industry and changes in the value of assets under management. Passive funds stood out in October with net inflows of NIS 5.2 billion, of which NIS 4.7 billion were recorded in ETFs. Active funds recorded net inflows of NIS 2.6 billion, mainly driven by NIS 3.9 billion in net inflows into money market funds.

Data as of the trading day of October 29, 2026 NIS millions	Number of Funds – Last Trading Day	Fund Value – Last Trading Day	Net Inflows (Redemptions) – October 2026	Net Inflows (Redemptions) – 2026
Traditional Funds (Excluding Money Market Funds)	1,090	256,480	-1,300	20,785
Money Market Funds	71	221,871	3,941	34,821
Total Traditional Funds	1,161	478,351	2,641	55,607
ETFs	467	225,715	4,716	-6,149
Index-Tracking Funds	843	149,757	481	11,959
Total Passive Funds	1,310	375,473	5,196	5,809
Total Funds, NIS millions	**2,471**	**853,823**	**7,837**	**61,416**

Passive Funds Raised Approximately NIS 5.2 billion in October, Led by Investments in Foreign Equities

The passive funds industry recorded net inflows of NIS 5.2 billion in October, bringing cumulative net inflows since the beginning of 2026 to NIS 5.8 billion. As of October 29, assets under management in passive funds amounted to NIS 375.5 billion.

The most notable trend during the month was the strong net inflows into products investing in foreign shares, which totaled NIS 8 billion. Most of these inflows were recorded in ETFs tracking the S&P 500 Index, in which institutional investors invested NIS 7 billion during the month. Since the beginning of the year, products investing in foreign shares have recorded net inflows of NIS 9.2 billion.

In contrast, products investing in Israeli shares recorded net redemptions of NIS 2.9 billion in October, bringing total net redemptions since the beginning of the year to NIS 10.4 billion. Most of the redemptions in October continued to be concentrated in products tracking the TA-Banks Index, which recorded net redemptions of NIS 2.8 billion.

Products tracking other TASE equity indices recorded moderate net inflows of NIS 75 million in October. Net inflows were concentrated in products tracking the TA-90 Index, which recorded NIS 371 million in net inflows, partially offset by net redemptions of NIS 149 million from products tracking the TA-Insurance Index and NIS 90 million from products tracking the TA-35 Index.

Products investing in the local bond market recorded moderate net redemptions of NIS 142 million in October. Nevertheless, the year-to-date trend remained positive, with net inflows of NIS 6.4 billion.

Data as of the trading day of October 29, 2026 NIS millions	Number of Funds – Last Trading Day	Fund Value – Last Trading Day	Net Inflows (Redemptions) – October 2026	Net Inflows (Redemptions) – 2026
Israeli Equities	229	122,539	-2,881	-10,370
Foreign Equities	543	164,694	7,968	9,193
Israeli Bonds	436	79,417	-142	6,402
Other*	102	8,823	252	584
Total	**1,310**	**375,473**	**5,196**	**5,809**

Other includes Leveraged Funds, Commodities, Other, Digital Assets and Foreign Bonds.

Money Market Funds Continue to Lead Inflows into the Active Funds Industry

The active mutual funds industry recorded net inflows of NIS 2.6 billion in October 2026, bringing cumulative net inflows since the beginning of the year to NIS 55.6 billion. As of October 29, assets under management in the industry amounted to NIS 478.4 billion across 1,161 funds.

Money market funds continued to lead inflows, recording net inflows of NIS 3.9 billion in October and NIS 34.8 billion since the beginning of the year. Assets under management in money market funds reached NIS 221.9 billion, accounting for 46% of total assets in the active funds industry.

In contrast, the other investment categories recorded net redemptions in October. Israeli bond funds recorded net redemptions of NIS 655 million, although they continued to stand out with cumulative net inflows of NIS 18.9 billion since the beginning of the year. Funds investing in Israeli shares recorded net redemptions of NIS 450 million, while funds investing in foreign shares recorded moderate net redemptions of NIS 42 million.

Overall, the strong inflows into money market funds offset redemptions in the other investment categories, enabling the active funds industry to end October with positive net inflows. Since the beginning of the year, money market funds and Israeli bond funds have continued to account for the bulk of inflows, with combined cumulative net inflows of NIS 53.7 billion.

Data as of the trading day of October 29, 2026 NIS millions	Number of Funds – Last Trading Day	Fund Value – Last Trading Day	Net Inflows (Redemptions) – October 2026	Net Inflows (Redemptions) – 2026
Israeli Equities	141	36,484	-450	458
Foreign Equities	121	14,458	-42	1,105
Israeli Bonds	648	182,295	-655	18,868
Money Market Funds	71	221,871	3,941	34,821
Other*	180	23,243	-153	354
Total	**1,161**	**478,351**	**2,641**	**55,607**

***Other includes Flexible Funds, Digital Assets, Foreign Residents Only, Funds of Funds, Leveraged and Strategy Funds, and Foreign Bonds.**

Representative Exchange Rates

Between a Global Strengthening of the U.S. Dollar and the Israeli Elections: The Shekel Weakened in October

In the local foreign exchange market, the shekel weakened against the major currencies in October. The representative exchange rate of the U.S. dollar rose by 1.8% during the month, reaching NIS 3.1180 on October 30. Nevertheless, since the beginning of the year, the U.S. dollar remained 2.3% lower against the shekel. The euro appreciated by 0.5% in October, with its representative exchange rate reaching NIS 3.4932 on October 30, while the pound sterling recorded a sharper increase of 3.1%, reaching NIS 4.1880.

The U.S. dollar's appreciation against the shekel coincided with a moderate strengthening of the U.S. currency globally, particularly against the euro, although the trend was not uniform across all currencies. The DXY U.S. Dollar Index ended October at around 101.9 points, recording a moderate monthly increase of 0.4%.

The U.S. dollar's performance during October was largely influenced by changes in expectations regarding U.S. monetary policy and developments in government bond yields over the course of the month. Relatively strong growth and inflation data supported expectations of continued restrictive monetary policy during the month, providing support for the U.S. dollar. U.S. economic growth stood at an annualized rate of 3.4% in the third quarter, and by the end of the month, markets were still pricing in a 70% probability of an interest rate hike in December. However, the U.S. dollar's strength moderated later in the month. The decline in U.S. Treasury yields and some moderation in expectations of further monetary tightening reduced support for the U.S. currency. Toward the end of the month, volatility in technology shares and financial reporting results added to these developments.

Alongside global trends, volatility in the shekel increased toward the end of October around the Israeli elections. The shekel strengthened ahead of the elections but reversed course afterward, reflecting the market's response to the election results and continued political uncertainty. Accordingly, movements in the dollar-shekel exchange rate toward the end of the month reflected not only developments in the U.S. dollar in global markets, but also the impact of domestic political uncertainty.

The percentage change is calculated based on the Representative rate on 30-10-26, compared with the Representative rate of the following periods:

MTD : 30-09-26 | YTD 2026: 31-12-25

Currency	Last Rate 30-10-26	% Change MTD	% Change 2026 YTD
USD	3.1180	1.8%	-2.3%
EUR	3.4932	0.5%	-6.7%
GBP	4.1880	3.1%	-2.4%

Fund Indices:

The data is current through 29/10/2026 (Does not include Last day)

The percentage change is calculated based on the current closing price compared with the closing price of the following periods:

Last Day - 28/10/2026 | MTD - 30/09/2026 | Start Year - 31/12/2025

Category	Indice Name	Last Rate 29/10/2026	% Change vs Last Day	% Change vs Start Month
Fund Indices	TAF Money Market & Corp	100.53	0.00%	0.27%
Fund Indices	TAF Israel Gov Bonds	99.64	0.06%	0.09%
Fund Indices	TAF Corp&Convertibles	99.50	0.02%	-0.19%
Fund Indices	TAF Israel Bonds	99.38	0.02%	-0.14%
Fund Indices	TAF Israel Bonds 85/15	99.35	-0.01%	-0.39%
Fund Indices	TAF Corp&Convertibles(!)	99.33	-0.01%	-0.45%
Fund Indices	TAF Israel Bonds 90/10	99.16	0.01%	-0.46%
Fund Indices	TAF Israel Bonds (!)	99.04	0.00%	-0.46%
Fund Indices	TAF Israel Bonds 70/30	99.00	-0.01%	-0.81%
Fund Indices	TAF Israel Bonds 80/20	98.80	0.00%	-0.86%
Fund Indices	TAF Israel All Cap Equity	96.80	0.03%	-2.93%
Fund Indices	TAF Israel Large&Mid CAP	96.52	-0.03%	-2.98%

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