TEL AVIV STOCK EXCHANGE
הבורסה לניירות ערך תל אביב



WEEKLY REVIEW

TASE RESEARCH UNIT

The Coalition, Iran and Earnings Season: Three Key Tests for the Israel Capital Market in the Coming Week

TASE Trading Review: November 2–6, 2026

Stock Market – Political Uncertainty and a Semiconductor Sell-Off: Flagship Indices Fell by 3% During Index Rebalancing Week

Stock markets in Israel and globally declined over the past week. On TASE, political uncertainty surrounding the formation of the government and concerns over a potential security escalation weighed on the market, while in the U.S. a sharp sell-off was recorded in semiconductor and technology shares. On a weekly basis, the TA-35, TA-125 and TA-90 indices declined by 3%, while the TA-SME60 Index fell by 4.26%. On Thursday, alongside the semi-annual equity index rebalancing, sharp declines were recorded, but on Friday the indices recovered a significant portion of the losses. Since the beginning of the year, the TA-35 and TA-125 indices still show positive returns of 8.53% and 4.37%, respectively, while the TA-90 and TA-SME60 indices are down 8.9% and 8.2%, respectively.

Investor Movements – Foreign Investors Sold Technology Shares, While Institutional Investors Bought

During a week of market declines and political uncertainty, foreign investors and local institutional investors were the main buyers in the stock market, recording net purchases of NIS 757 million and NIS 371 million, respectively. However, their activity presented a mirror image across the major sectors: institutional investors recorded net purchases of NIS 609 million in technology shares, while foreign investors recorded net sales of NIS 632 million. In biomed, the pattern was reversed, with foreign investors purchasing more than NIS 1 billion in Teva shares, while institutional investors were net sellers.
Some of these flows were affected by the index rebalancing on Thursday, when trading turnover reached an exceptional NIS 19.4 billion. Accordingly, activity in some shares also reflects technical adjustments by index-tracking funds.

Bond Market – Weakness Concentrated at the Long End of the Yield Curve

The government bond market showed significant divergence across the yield curve. Short- and medium-term shekel-denominated bonds remained relatively stable, while weakness was concentrated at longer maturities. The Tel Gov-Shekel 5+ Index declined by 0.59%, while the Tel Gov-Shekel 10+ Index fell by 1.01%. The divergence is even more pronounced on a year-to-date basis, with the Tel Gov-Shekel 10+ Index down 0.4%, compared with gains of 3.6% and 3.3% in the Tel Gov-Shekel 0-2 and 2-5 indices, respectively.

Mutual Funds Market – Investors Remain Cautious, Favoring Money Market Funds Over Local Equity and Bond Funds

The mutual funds industry recorded net inflows of NIS 540 million during the latest trading week, bringing cumulative net inflows since the beginning of 2026 to NIS 62 billion. As of November 5, 2026, total AUM in the mutual funds industry stood at NIS 840.7 billion, an increase of NIS 88.5 billion compared with year-end 2025.

Exchange Rates – U.S. Dollar Surges 14% in Five Months and Crosses NIS 3.22 on Friday

The shekel recorded a particularly weak week amid political uncertainty and sharp declines in U.S. markets. The representative U.S. dollar exchange rate rose by 2.44% during the week to NIS 3.194 per U.S. dollar, its highest level since the beginning of the year, and crossed NIS 3.22 on Friday. The euro and British pound also appreciated against the shekel by 2.27% and 2.17%, respectively. In contrast, the U.S. Dollar Index (DXY) rose by only 0.3% globally.

Stock Market

The Coalition, Iran and Earnings Season: Three Key Tests for the Capital Market in the Coming Week

Political Uncertainty and a Semiconductor Sell-Off: Flagship Indices Fell 3% During Index Rebalancing Week

Equity markets in Israel and globally declined over the past week. On TASE, political uncertainty surrounding the formation of the government and concerns over a potential security escalation weighed on the market. In the U.S., the midterm election results raised concerns that conditions for the development of data centers could become more restrictive, while the sell-off in semiconductor and technology shares peaked on Thursday. On that day, the Philadelphia Semiconductor Index plunged by more than 12%, its second-sharpest daily decline on record, while Nasdaq recorded its steepest daily decline in 19 months.

On a weekly basis, the TA-35 Index declined by 2.90%, the TA-125 Index by 2.86%, and the TA-90 Index by 2.97%. The TA-SME60 Index stood out negatively, falling by 4.26%. On Thursday, when the semi-annual equity index rebalancing also took place, the TA-35 Index fell by 3.69%, the TA-125 Index by 3.38%, and the TA-90 Index by 2.23%. On Friday, the indices recovered a significant portion of the losses, with the TA-35 rising by 3.09%, the TA-125 by 2.81%, and the TA-90 by 1.84%. Since the beginning of the year, the TA-35 and TA-125 indices still show positive returns of 8.53% and 4.37%, respectively. The TA-90 and TA-SME60 indices remain down 8.9% and 8.2%, respectively, year-to-date.

Sector Rotation on Wall Street, While Declines on TASE Were Broad-Based, Except for Banks

On Wall Street, performance differences between sectors were significantly greater than the declines in the major indices themselves. Solar energy shares surged by 13.4%, while traditional energy shares declined by 12%. The technology sector fell by 8.2%, while communication services gained 4.9%. Financial, healthcare and defense shares also showed relative strength, with financials rising by 1.2% and defense shares declining by only 1.3%.

On TASE, no similar sector rotation was recorded, with almost all sector indices declining. The TA-Defense Index led the losses, plunging by 11.39% during the latest trading week. It was followed by the TA-Technology Index, which fell by 6.62%, the TA Tech-Elite Index by 5.62%, and the TA-Insurance Index by 5.15%. The TA-Insurance Index still shows a year-to-date return of 25.49%. Domestic sectors that are not directly exposed to the semiconductor sell-off also declined: the TA-Construction Index fell by 3.50%, the TA-Real Estate Index by 2.66%, and the TA-Infrastructures Index by 1.54%. The only exception was the TA-Banks Index, which rose by 1.86%.

Semi-Annual Index Rebalancing: NIS 19.4 billion in Turnover and Changes to Index Compositions

On Thursday's index rebalancing day, trading turnover reached NIS 19.4 billion, the second-highest level recorded in the past decade. This was more than four times the average daily trading volume since the beginning of the year, which stood at NIS 4.7 billion. NIS 14 billion, representing around 72% of total turnover, was concentrated in the closing auction, as index-tracking funds adjusted their holdings. In 37 TA-125 constituent shares, turnover exceeded NIS 100 million. Teva led with turnover of NIS 2 billion, followed by Palo Alto Networks with NIS 1 billion. Palo Alto Networks' weight in the TA-35 and TA-125 indices was increased in the second of three stages, while its share price declined by 8.28%.

Several changes were made to the index compositions:

- **TA-35 Index:** El Al and Doral Energy moved up from the TA-90 to the TA-35, while Dimri, Shufersal and Kenon moved from the TA-35 to the TA-90. The TA-35 index returned to 35 constituent shares after temporarily expanding to 36 following Palo Alto Networks' inclusion through the fast-entry track in August.

- **TA-90 and TA-125 Indices:** Six new shares were added. Three of them, Tidhar, Avisror and Bagira, are new companies that completed IPOs on TASE since the beginning of the year. The other three are Alpha Tau, which completed a dual listing on TASE, Telsys and Afcon Holdings.

Following the rebalancing, the weight of technology shares in the TA-35 increased, as did the weight of real estate shares in the TA-90 index.

Ahead of the October Consumer Price Index

Israel's October Consumer Price Index is scheduled for release this coming Sunday. We expect the index to rise by approximately 0.2%, with increases in food, clothing and footwear prices partly offset by lower prices for overseas flights. The annual inflation rate is expected to moderate from 1.6% to 1.4%, while inflation over the next 12 months is expected to stand at 2.3%.

Unlike previous election periods, when Israel's risk premium tended to decline following the elections as political uncertainty subsided, the current election cycle has seen an increase in the risk premium amid continued uncertainty even after the publication of the results. Israel's 5-year CDS has risen from 53 basis points two months before the elections to 59 basis points currently. Nevertheless, the current level is not exceptional and is similar to the level recorded on the eve of October 7, 2023.

Close to one week after the CPI release, on November 23, the Bank of Israel is expected to announce its interest rate decision. We expect the Bank to leave the interest rate unchanged at 3.25%. Despite the moderate inflation environment, the increase in the risk premium and the weakening of the shekel limit the Bank of Israel's room for further monetary easing. Greater political clarity that supports a decline in the risk premium and renewed appreciation of the shekel could allow the Bank to resume its interest rate reduction path at a later stage.

Wall Street: Fourth Consecutive Week of Nasdaq Declines

Concerns over a slowdown in data center development were concentrated in U.S. states where opposition has increased over data centers' electricity consumption and its impact on electricity prices. Delays in the construction of data centers could also postpone purchases of processors and servers, prompting investors to reassess the expected pace of orders for semiconductors and related equipment. On Thursday, Nvidia fell by 9.3%, while the sell-off expanded across all 11 sectors of the S&P 500. On Friday, some semiconductor shares recovered, with Nvidia rising by 2.8% and Micron gaining 5.1%. On a weekly basis, the Nasdaq-100 declined by 4.91%, marking its fourth consecutive week of losses. The S&P 500 fell by 2.67%, while the Dow Jones declined by 0.94%.

Looking Ahead: Trading Week of November 9–13

In the local market, two factors are expected to determine market direction: the earnings season, which is now at its peak, and developments in the political arena. Many companies are scheduled to publish third quarter results this week, which could influence trading trends, particularly following the broad-based declines recorded over the past week. At the same time, investors will continue to monitor negotiations over the formation of the government. Progress toward a stable coalition could reduce the risk premium and support both shares and the shekel. Delays or indications of another round of elections could add further pressure.

Most major dual-listed shares return to TASE with negative arbitrage gaps. Palo Alto Networks returns with a negative gap of 4.38%, Tower with a negative gap of 4.31%, NICE with a negative gap of 2.83%, and Camtek with a negative gap of 2.66%. In contrast, Nova returns with a positive arbitrage gap of 2.13%, while Teva returns with a positive gap of 2.06%.

Key Global Macro Release: U.S. October CPI on Tuesday at 15:30 Israel Time

According to economists' forecasts, annual U.S. inflation is expected to rise from 3.7% to 3.9%. Following the strong employment report, markets are pricing in a high probability of a 25-basis-point interest rate hike in December. A higher-than-expected core inflation reading could strengthen expectations for a rate hike, push bond yields higher and support the U.S. dollar globally. A more moderate reading could ease pressure on technology shares.

Index	Weekly Change (%)	YTD Change (%)
TA-35	-2.90%	8.53%
TA-125	-2.86%	4.37%
TA-90	-2.97%	-8.89%
S&P 500	-2.67%	8.78%
NASDAQ 100	-4.91%	7.43%
DJI	-0.94%	8.05%
DAX	0.01%	5.43%
CAC 40	2.13%	2.86%
FTSE 100	-0.47%	10.44%

Investor Movements: A Mirror Image as Foreign Investors Sold Technology Shares While Institutional Investors Bought

During a week marked by market declines, political uncertainty and the index rebalancing, foreign investors and local institutional investors were the main buyers in the stock market. Foreign investors recorded net purchases of NIS 757 million, while institutional investors purchased NIS 371 million net. On the sell side, mutual funds stood out amid redemptions from domestic equity funds, alongside Israeli corporations.

Although both groups were net buyers of shares overall, their activity moved in opposite directions across nearly all major sectors. In technology, institutional investors recorded net purchases of NIS 609 million, while foreign investors recorded net sales of NIS 632 million. In biomed, the pattern was reversed: foreign investors purchased more than NIS 1 billion in Teva shares, while institutional investors sold the share. The banking sector was the only sector in which both groups were net buyers.

It should be noted that some of these flows were affected by the index rebalancing carried out on Thursday, when trading turnover reached an exceptional NIS 19.4 billion. Index-tracking funds adjusted their holdings, Palo Alto Networks' index weight increased in the second stage, and several shares moved between indices. Therefore, activity in Teva, Palo Alto Networks and Doral Energy reflect, in part, technical adjustments rather than solely changes in investor preferences.

Foreign Investors: Political Uncertainty Did Not Deter Buying

Foreign investors were the largest buyers in the stock market during the past week, recording net purchases of NIS 757 million. Since the beginning of the year, their cumulative net purchases have totaled NIS 4.4 billion. Buying continued even during a week in which uncertainty surrounding the formation of the government weighed on the shekel and the equity indices. This is not the first time: during previous periods of political uncertainty in Israel, foreign investors did not necessarily rush to exit the local market, with their decisions primarily influenced by global considerations and company valuations.

Foreign investors' purchases were concentrated in the biomed sector, totaling NIS 1.06 billion net, almost entirely in Teva. In bank shares, they recorded net purchases of NIS 375 million, led by Bank Hapoalim with NIS 395 million and Bank Leumi with NIS 127 million. They also purchased NIS 174 million net in ETFs. In contrast, foreign

investors recorded significant sales of dual-listed technology shares. They sold NIS 401 million net in Palo Alto Networks and NIS 369 million net in Tower, against the backdrop of the sell-off in semiconductor and technology shares on Wall Street. They also sold NIS 86 million net in Nofar Energy and NIS 73 million net in Next Vision. Within the sector, foreign investors purchased NIS 142 million net in Gilat and NIS 114 million net in Qualitau.

Institutional Investors

Local institutional investors, including pension funds, provident funds and insurance companies, continued to increase their equity exposure. They recorded net purchases of NIS 371 million during the week, bringing cumulative net purchases since the beginning of the year to NIS 6 billion. In technology, institutional investors mainly purchased shares sold by foreign investors, including NIS 213 million net in Tower and NIS 134 million net in Palo Alto Networks. Purchases of Palo Alto Networks were also made against the backdrop of the increase in the share's index weight. Institutional investors also purchased NIS 156 million net in Elbit Systems and NIS 49 million net in Nayax. In the banking sector, institutional investors recorded net purchases of NIS 105 million, led by Discount Bank with NIS 70 million.

In contrast, institutional investors recorded net sales of NIS 257 million in ETFs, mainly funds tracking the TA-Insurance and TA-35 indices. They also recorded net sales of NIS 90 million in biomed shares, almost entirely in Teva, and NIS 76 million in insurance shares, mainly Phoenix. In addition, institutional investors sold NIS 100 million net in Doral Energy, despite the share's inclusion in the TA-35 Index during the week.

Investor Movements:

Market	Investor Type	Net Purchases During the Trading Week (NIS Million)	Net Purchases During Current Month (NIS Million)	Net Purchases 2026 YTD (NIS Million)
STOCK	Foreign Residents	757.0	757.0	4,378.6
STOCK	Provident/pension Fund/Insurance company	370.6	370.6	6,003.3
STOCK	Israeli Investor - Individual	139.4	139.4	3,510.1
STOCK	Local Member Nostro	3.6	3.6	-134.6
STOCK	Portfolio Manager/Portfolio Manager Client	3.2	3.2	3,790.5
STOCK	ETN/ETF Market Maker	-146.6	-146.6	-4,733.8
STOCK	Israeli Investor - Corporate	-485.4	-485.4	-20,511.0
STOCK	Mutual Fund	-641.7	-641.7	7,696.9

Yields:

The percentage change is calculated based on the closing price on 06-11-26, compared with the closing price of the following periods:

Last Week: 30-10-26 | MTD: 30-10-26 | YTD 2026: 31-12-25

Category	Index	Last Price 06-11-26	% Change Last Week	% Change MTD	% Change 2026 YTD
Market Cap. Indices	TA-125	3,823.6	-2.86%	-2.86%	4.37%
Market Cap. Indices	TA-35	3,941.1	-2.90%	-2.90%	8.53%
Market Cap. Indices	TA-90	3,469.8	-2.97%	-2.97%	-8.89%
Market Cap. Indices	TA-SME60	1,158.1	-4.26%	-4.26%	-8.17%
Sector Indices	TA-Finance	10,294.3	-1.70%	-1.70%	14.09%
Sector Indices	TA-RealEstate	1,277.5	-2.66%	-2.66%	-14.27%
Sector Indices	TA-Biomed	127.0	-3.12%	-3.12%	-0.99%
Sector Indices	TA-Technology	1,937.9	-6.62%	-6.62%	-0.99%
Sector Indices	TA-Oil & Gas	2,954.9	-3.19%	-3.19%	-6.44%
Sector Indices	TA-Communication & Information Technology	2,067.9	-4.32%	-4.32%	-16.12%
Sector Indices	TA Tech - Elite	1,043.8	-5.62%	-5.62%	-7.45%
Sector Indices	TA-Construction	1,673.3	-3.50%	-3.50%	-19.24%
Sector Indices	TA-Investment Properties in Israel	1,268.3	-2.27%	-2.27%	-11.63%
Sector Indices	TA-Bank	8,057.8	1.86%	1.86%	3.56%
Sector Indices	TA Infrastructures	3,753.4	-1.54%	-1.54%	4.50%
Sector Indices	TA Defense	2,800.2	-11.39%	-11.39%	-28.96%
Sector Indices	TA-Israel Energy	3,202.6	-2.90%	-2.90%	-
Sector Indices	TA Renewable Energy	2,726.3	-2.68%	-2.68%	-
Sector Indices	TA Software	2,604.3	-1.83%	-1.83%	-
Sector Indices	TA-Insurance	14,467.4	-5.15%	-5.15%	25.49%

Bond Market:

Government Bonds: Weakness Concentrated at the Long End of the Yield Curve

The domestic government bond market showed significant divergence across the yield curve this week. Short- and medium-term shekel-denominated bonds remained stable and even posted modest gains, while weakness was concentrated at the long end. The Tel Gov-Shekel 0-2 Index rose by 0.09% and the Tel Gov-Shekel 2-5 Index gained 0.08%, compared with a decline of 0.59% in the Tel Gov-Shekel 5+ Index and 1.01% in the Tel Gov-Shekel 10+ Index.

The divergence is even more pronounced on a year-to-date basis. The Tel Gov-Shekel 10+ Index has moved into negative territory, with a return of -0.4%, while the Tel Gov-Shekel 0-2 and 2-5 indices have gained 3.6% and 3.3%, respectively. Weakness was even more pronounced at the long end of the CPI-linked segment, with the Tel Gov CPI-Linked 10+ and 15+ indices down 5.6% and 6.7%, respectively, since the beginning of the year.

The performance reflects pressure concentrated at the long end of the yield curve, which is more sensitive to changes in the risk premium and long-term interest rate and inflation expectations, while short- and medium-term maturities continue to demonstrate relative resilience.

Corporate Bonds: Broad-Based Declines, Mainly in CPI-Linked and Longer-Duration Bonds

The corporate bond market also ended the week lower. Among CPI-linked indices, the Tel Bond 20, Tel Bond 40 and Tel Bond 60 indices declined by 0.57%, 0.60% and 0.58%, respectively, while the Tel Bond CPI-Linked Index fell by 0.58%. Sharper declines were recorded in the Tel Bond CPI-Linked Yields Index, which fell by 1.39%, and the Tel Bond CPI-Linked A Index, which declined by 1.09%.

Declines in the shekel-denominated segment were generally more moderate. The Tel Bond-Shekel Index fell by 0.34%, the Tel Bond Shekel 100 Index by 0.31%, the Tel Bond Shekel-50 Index by 0.36%, and the Tel Bond Shekel 5-10 Index by 0.52%.

Despite the weekly weakness, most Tel Bond indices continue to post positive year-to-date returns. Among the notable performers are the Tel Bond CPI-Linked 1-3 Index, up 4.0%, the Tel Bond CPI-Linked A Index, up 3.38%, the Tel Bond 40 CPI-Linked Index, up 3.05%, and the Tel Bond CPI-Linked Yields Index, up 2.89%.

In summary, the week was characterized by weakness in the bond market, with the most significant declines concentrated in long-term government bonds. Corporate bonds also recorded broad-based declines, although most Tel Bond indices continue to post positive returns since the beginning of the year.

Ministry of Finance to Complete the Second of Five Planned November Issuances

The Ministry of Finance is expected to maintain a weekly issuance pace of close to NIS 2.8 billion, consistent with a fiscal deficit of 4% of GDP, and raise a total of NIS 14 billion through five issuances during November. Issuance will remain concentrated in intermediate maturities, with close to 77% of the planned offerings allocated to series maturing between 2030 and 2037. Following the completion of November's first issuance last week, the second issuance is scheduled for today, November 9, totaling NIS 2.8 billion. The issuance will comprise six series: three shekel-denominated series totaling NIS 1.35 billion, two CPI-linked series totaling NIS 950 million, and NIS 500 million in floating-rate bonds. The composition reflects an increased allocation to CPI-linked bonds in the November issuance program following the strong demand recorded for this segment recently.

U.S.: Sharp Technology Share Declines Support Demand for Safe-Haven Assets

The U.S. bond market benefited this week from a shift toward safe-haven assets amid declines in technology shares and concerns over a slowdown in investment in AI infrastructure. The yield on the 10-year U.S. Treasury declined from 4.94% at the end of October to 4.86% at the end of the week.

In contrast, the strong employment report increased expectations of another interest rate hike by the Fed. The decline in yields therefore primarily reflects increased market concerns rather than necessarily an easing of inflation risks. The upcoming inflation data will be important in determining the next direction of the bond market.

The shape of the yield curve is therefore also important. If upcoming inflation data indicates that inflationary pressures are moderating, current yield levels could continue to attract demand. Conversely, an upside surprise in the CPI or weak demand for bonds could reverse part of this week's decline in yields, particularly at the intermediate and long ends of the curve.

Europe: Broad Decline in Yields, While France's Risk Premium Remains Elevated

European government bond yields also declined during the week. The yield to maturity on the 10-year German government bond fell from 3.34% at the end of the previous week to 3.22%, while the French 10-year government

bond yield declined from 4.93% to 4.76%. As a result, the France-Germany yield spread narrowed by 5 basis points to 153.9 basis points.

France's risk premium narrowed slightly. However, it remains significantly above its 82-basis-point average over the past year and continues to reflect concerns over France's fiscal trajectory, political uncertainty and financing costs. Germany continues to benefit from its status as a safe-haven asset, while French government debt continues to require a substantial risk premium even during a period of broadly declining yields.

Yields:
The percentage change is calculated based on the closing price on 06-11-26, compared with the closing price of the following periods:

Last Week: 30-10-26 | MTD: 30-10-26 | YTD 2026: 31-12-25

Category	Index	Last Price 06-11-26	% Change Last Week	% Change MTD	% Change 2026 YTD
Tel-Bond Indices	Tel Bond CPI 5-10	445.8	-0.72%	-0.72%	2.54%
Tel-Bond Indices	Tel Bond Shekel 5-10	443.2	-0.52%	-0.52%	1.54%
Tel-Bond Indices	Tel Bond Shekel 100	461.2	-0.31%	-0.31%	2.53%
Tel-Bond Indices	Tel Bond Shekel-50	448.4	-0.36%	-0.36%	2.33%
Tel-Bond Indices	Tel Bond Yields CPI Linked	467.4	-1.39%	-1.39%	2.89%
Tel-Bond Indices	Tel Bond-20 CPI Linked	434.9	-0.57%	-0.57%	2.24%
Tel-Bond Indices	Tel Bond-40 CPI Linked	414.1	-0.60%	-0.60%	3.05%
Tel-Bond Indices	Tel Bond-60 CPI Linked	426.4	-0.58%	-0.58%	2.70%
Tel-Bond Indices	Tel Bond-CPI Linked	433.6	-0.58%	-0.58%	2.92%
Tel-Bond Indices	Tel Bond-CPI Linked 1-3	421.8	-0.28%	-0.28%	4.00%
Tel-Bond Indices	Tel Bond-CPI Linked 3-5	425.0	-0.56%	-0.56%	3.02%
Tel-Bond Indices	Tel Bond-CPI Linked A	435.0	-1.09%	-1.09%	3.38%
Tel-Bond Indices	Tel Bond-non-linked	425.8	-0.35%	-0.35%	1.64%
Tel-Bond Indices	Tel Bond-Shekel	454.6	-0.34%	-0.34%	1.63%
Tel-Bond Indices	Tel Bond-Shekel 1-3	483.5	-0.16%	-0.16%	3.10%
Tel-Bond Indices	Tel Bond-Shekel 3-5	438.6	-0.44%	-0.44%	0.04%
Tel-Gov Indices	Tel Gov - CPI Linked	391.6	-0.59%	-0.59%	0.04%
Tel-Gov Indices	Tel Gov - CPI Linked 2-5	318.7	-0.18%	-0.18%	3.31%
Tel-Gov Indices	Tel Gov - CPI Linked 5-10	402.7	-0.59%	-0.59%	1.24%
Tel-Gov Indices	Tel Gov - CPI Linked 10+	373.3	-1.26%	-1.26%	-5.62%
Tel-Gov Indices	Tel Gov - Shekel	529.8	-0.25%	-0.25%	2.08%
Tel-Gov Indices	Tel Gov - Shekel 0-2	378.5	0.09%	0.09%	3.60%

	Tel-Gov Indices	Tel Gov - Shekel 2-5	485.9	0.08%	0.08%	3.33%
	Tel-Gov Indices	Tel Gov - Shekel 5-10	524.6	-0.04%	-0.04%	2.06%
	Tel-Gov Indices	Tel Gov - Shekel 5+	673.8	-0.59%	-0.59%	0.63%
	Tel-Gov Indices	Tel Gov - Shekel 10+	511.8	-1.01%	-1.01%	-0.40%
Tel-Gov Indices	Tel Gov-CPI-Linked, 15+ Years	361.1	-1.33%	-1.33%	-6.65%	

Equity and Bond Issuance Market

Equity Issuance

During the latest trading week, two equity offerings were completed, both in the Real Estate & Construction sector, raising a combined NIS 219.4 million. Electra Real Estate raised NIS 199 million through the exercise of rights, while Yaaz Entrepreneurship raised NIS 20.4 million.

Company Name	Security No.	Sector	Sub-Sector	Amount Raised (NIS)
Electra Real Estate	1094044	Real	Real Estate & Construction	199,006,733
Yaaz Entrepreneurship	1227321	Real	Real Estate & Construction	20,430,000

Bond Issuance

During the latest trading week, three bond offerings were completed, raising a combined NIS 2.36 billion. Most of the amount, NIS 2.08 billion, representing 88% of total issuance, was raised through two offerings by financial instrument companies. In addition, Carasso Real Estate completed a bond issuance of NIS 276 million.

Company Name	Security No.	Security Type	Security Name	Sub-Sector	Linkage	Duration	Spread as of 11/06/2026	Amount Raised (NIS)
Michal Deposits	1249457	Structured Bonds	Michal Deposits Bond E	Financial Instruments	Shekel	1	0.37	1,154,000,000
IBI Interest & Deposits	1249499	Structured Bonds	IBI Bond B	Financial Instruments	Shekel	1	0.35	926,150,000
Carasso Real Estate	1216233	Corporate Bond	Carasso Real Estate Bond B	Real Estate & Construction				

Mutual Funds Market

Investors Remain Cautious: Preference for Money Market Funds Over Local Bond and Equity Funds

The mutual funds industry recorded net inflows of NIS 540 million during the latest trading week, bringing cumulative net inflows since the beginning of 2026 to NIS 62 billion. As of November 5, 2026, total assets under management in the mutual funds industry stood at NIS 840.7 billion, NIS 88.5 billion higher than at year-end 2025.

Traditional Funds: Local Bond Funds, a Key Driver of 2026 Inflows, Shifted to Redemptions Amid Heightened Uncertainty

Traditional funds recorded net inflows of NIS 818 million during the latest trading week. However, the entire amount was attributable to money market funds, which attracted NIS 1.54 billion net. Excluding money market funds, traditional funds recorded net redemptions of NIS 723 million. Redemptions were concentrated mainly in funds investing in local bonds, at NIS 463 million or 64% of total redemptions. General Bond Funds led the redemptions, with NIS 368 million net, followed by Government Bond Funds, with net redemptions of NIS 83

million, and Corporate and Convertible Bond Funds, with NIS 12 million. Alongside bond funds, funds investing in Israeli shares recorded net redemptions of NIS 192 million.

Since the beginning of the year, traditional funds have attracted NIS 56.6 billion net. Money market funds have accounted for NIS 36.6 billion of this amount, while their assets under management have increased by 25% to NIS 223.7 billion. Money market funds now account for almost half of the assets managed by traditional funds. Traditional funds excluding money market funds have attracted NIS 20 billion net since the beginning of the year, of which NIS 18.4 billion, or 92%, was directed to local bond funds. General Bond Funds led year-to-date inflows with NIS 9.9 billion net, followed by Government Bond Funds with NIS 7.4 billion and Corporate and Convertible Bond Funds with NIS 1.1 billion. Overseas equity funds attracted NIS 1.1 billion net since the beginning of the year, while Israeli equity funds attracted only NIS 254 million net.

After Inflows of NIS 4.9 billion Year-to-Date, Political Uncertainty Is Also Reflected in the TA-35 and TA-125

Passive funds recorded net redemptions of NIS 278 million during the latest trading week. Redemptions were led by funds investing in local shares, from which NIS 524 million net was redeemed amid uncertainty surrounding the formation of the government. Redemptions were concentrated in TASE's leading indices. The TA-Insurance Index led with net redemptions of NIS 139.4 million, followed by the TA-35 Index with NIS 117.6 million. Funds tracking the TA-90 Index recorded net redemptions of NIS 87.3 million, while the TA-125 and TA-SME60 indices recorded net redemptions of NIS 54.5 million and NIS 53.7 million, respectively. In contrast, overseas equity funds attracted NIS 214 million net during the week. The redemptions from funds tracking the TA-35 and TA-125 indices are particularly notable against the year-to-date trend, as both indices have led inflows since the beginning of the year. Funds tracking the TA-35 have attracted NIS 3.2 billion net year-to-date, while funds tracking the TA-125 have attracted NIS 1.7 billion net. In contrast, funds tracking the TA-90 have recorded net redemptions of NIS 2.1 billion, funds tracking the TA-Insurance Index NIS 1 billion, and funds tracking the TA-SME60 Index NIS 149 million. In other words, investors have favored large-cap shares throughout the year, although these funds were not immune to redemptions during the latest week.

Data as of the Trading Day of November 5, 2026
(NIS millions)

Fund Type	Fund Assets as of Last Trading Day	Net Creations/Redemptions – Latest Trading Week	Net Creations/Redemptions – November 2026 MTD	Net Creations/Redemptions – 2026 YTD
Traditional Funds (Excluding Money Market Funds)	251,276	-723	-723	20,025
Money Market Funds	223,687	1,541	1,541	36,550
Total Traditional Funds	**474,963**	**818**	**818**	**56,574**
ETFs	219,363	-321	-321	-6,570
Index-Tracking Funds	146,364	44	44	12,003
Total Passive Funds	**365,727**	**-278**	**-278**	**5,432**
Total Funds	**840,691**	**540**	**540**	**62,006**

Exchange Rates

U.S. Dollar Surges 14% in Five Months and Breaks Above NIS 3.22 on Friday, While the Shekel Came Under Heavy Pressure This Week

During the latest trading week, the representative U.S. dollar exchange rate jumped by 2.44% against the shekel, from NIS 3.118 to NIS 3.194 per U.S. dollar, its highest representative rate since the beginning of the year. On Friday morning, the dollar also crossed the NIS 3.22 level. The euro and British pound also appreciated sharply against the shekel during the latest trading week, rising by 2.27% and 2.17%, respectively. In contrast, the U.S. Dollar Index (DXY) rose by only 0.3% during the week. The main factor behind the dollar's appreciation against the shekel during the trading week was the inconclusive election result, which led the market to begin pricing in a prolonged period of transition government and the possibility of another round of elections. On Tuesday, with the dollar already trading at around NIS 3.16, the U.S. President announced an intention to suspend security assistance, adding another layer of uncertainty regarding the economic implications and the future of relations between the two countries. In addition, Thursday's sharp decline in the S&P 500 and Nasdaq added further pressure on the shekel. The Nasdaq recorded its sharpest daily decline in 19 months amid concerns over tighter regulation of artificial intelligence following the U.S. midterm elections. When overseas shares decline, Israeli institutional investors may need to adjust their foreign exchange hedges by purchasing U.S. dollars. As a result, the Wall Street decline created additional pressure on the shekel.

From Lowest Level Since 1993 to Annual Peak

The latest trading week marked the culmination of a broader trend. On May 29, 2026, the representative U.S. dollar exchange rate stood at NIS 2.811, its lowest level since 1993. This marked the end of an exceptional period of shekel appreciation. In April 2025, the U.S. dollar traded at NIS 3.80, and about a year later it fell below NIS 3 for the first time in 31 years, reaching its lowest level since July 1993. The shekel's appreciation was driven by three main factors: the sharp decline in Israel's risk premium, U.S. dollar inflows from the technology sector, and unprecedented U.S. dollar sales by institutional investors. As the value of their Wall Street holdings increased, institutional investors sold U.S. dollars to hedge their foreign currency exposure.

Since May, however, the trend has reversed. The Bank of Israel cut its interest rate while interest rates abroad increased, widening the interest rate differential in favor of the U.S. dollar. This was compounded by political uncertainty in Israel and elevated capital market volatility since June against the backdrop of geopolitical developments. As a result, the U.S. dollar has appreciated by 14% in about five months, returning to around the level at which it began the year.

What Could Affect USD/NIS in the Coming Week

In the domestic market, the key factor will be progress toward the formation of a broad and stable government. A scenario involving another round of elections or delays in approving the 2027 state budget could increase Israel's risk premium, significantly reduce the likelihood of an interest rate cut over the coming year, and add further pressure on the shekel.

The percentage change is calculated based on the Representative rate on 06-11-26, compared with the Representative rate for the following periods:

Last Week: 30-10-26 | MTD: 30-10-26 | YTD 2026: 31-12-25

Currency	Last Rate 06-11-26	% Change Last Week	% Change MTD	% Change 2026 YTD
USD	3.1940	2.4%	2.4%	0.1%

EUR	3.5724	2.3%	2.3%	-4.6%
GBP	4.2789	2.2%	2.2%	-0.3%

Fund Indices:

The data is current through 05/11/2026 (Does not include Last Friday)
Tel Aviv Stock Exchange Trading Week Review: 02/11/2026 - 06/11/2026
Last Day - 04/11/2026 | Last Week - 30/10/2026 | Start Month - 30/10/2026 | Start Year - 31/12/2025

Category	Indices Name	Last Rate 05/11/2026	% Change vs Last Day	% Change vs Last Week	% Change vs Start Month
Fund Indices	TAF Money Market & Corp	100.59	0.00%	0.04%	0.04%
Fund Indices	TAF Israel Gov Bonds	99.44	-0.05%	-0.20%	-0.20%
Fund Indices	TAF Corp&Convertibles	99.05	-0.19%	-0.51%	-0.51%
Fund Indices	TAF Israel Bonds	98.99	-0.14%	-0.44%	-0.44%
Fund Indices	TAF Corp&Convertibles(!)	98.70	-0.27%	-0.73%	-0.73%
Fund Indices	TAF Israel Bonds (!)	98.48	-0.21%	-0.68%	-0.68%
Fund Indices	TAF Israel Bonds 85/15	98.44	-0.38%	-0.81%	-0.81%
Fund Indices	TAF Israel Bonds 90/10	98.25	-0.37%	-0.86%	-0.86%
Fund Indices	TAF Israel Bonds 80/20	97.30	-0.61%	-1.35%	-1.35%
Fund Indices	TAF Israel Bonds 70/30	97.23	-0.75%	-1.45%	-1.45%
Fund Indices	TAF Israel All Cap Equity	90.68	-2.82%	-5.04%	-5.04%
Fund Indices	TAF Israel Large&Mid CAP	90.03	-3.02%	-5.34%	-5.34%

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