

Investing in Israeli Companies

Foreign interest in Israeli stocks is increasing

As of May 2010, Israel was classified as a developed market, and no longer as an emerging one. The MSCI* Israel Index is included in the MSCI World Index, which includes most developed markets, and in the MSCI EAFE Index, which includes only Europe, Australasia and the Far East. Israel's emerging market status has meant that it constituted 2.8% of the Emerging Markets index and 13% of the MSCI EMEMEA index, which includes emerging markets in Europe, the Middle East and Africa. Now that Israel is classified as a developed market, Israeli companies comprise approximately 0.4 percent of the World Index. Bank of America Merrill Lynch estimated Israel would rank 18th of the 24 developed market countries and have similar weightings to Denmark and Belgium, but higher than Portugal, Ireland, Greece, New Zealand and Norway.

Investing in dual listed companies

An easily accessed group of Israeli stocks is the 46 or so dual-listed companies, those traded on both Wall Street and the TASE. A list of these companies can be found [here](#).

Two index funds focusing on a broad range of Israeli companies can be purchased in the U.S. The AMIDEX35™ (AMDEX) is a market capitalization weighted index, consisting of the 35 highest capitalized Israeli companies publicly traded on the TASE, NASDAQ, or NYSE. Bloomberg L.P. independently calculates and publishes the AMIDEX35™ Index.

The iShares MSCI Israel Capped Investable Market Index Fund (EIS) seeks investment results that correspond generally to the price and yield performance, before fees and expenses, of the MSCI Israel Capped Investable Market Index.

The Tel Aviv Stock Exchange (TASE)

Israeli and Israeli-affiliated companies are traded in several markets including Tel Aviv, New York, London and Germany. To trade shares listed in Tel Aviv, U.S. investors can go through one of the five major international investment firms that are members of the Tel Aviv Stock Exchange: Citigroup, Deutsche Bank, HSBC, Merrill Lynch and UBS. Check with your own broker as well about trading foreign securities - other firms may have affiliate relationships with Israeli banks and brokerages that enable retail investors to buy and sell on the TASE.

Trading on the TASE is transacted Sunday to Thursday and clearing is executed Sunday to Friday. The TASE is closed to trading on Jewish [holidays](#). The [Israel Securities Authority](#) is the national securities regulator of Israel.

Globes, Israel's largest English business daily can be accessed [here](#).

The JCRC does not endorse or support any specific investment products.

* Morgan Stanley Capital International

