

## CROWDED AT THE TOP: HAREL AND THE PHOENIX HEAD THE SECTOR IN TERMS OF MARKET CAP, A LONG WAY IN FRONT OF THE REST OF THE COMPANIES

■ The two companies posted a positive yield in February, which was characterized by a mixed trend in share yields in the sector ■ The Menorah Mivtachim share has posted a 16% yield since the start of the year, making it the fourth largest company in the insurance sector

At the end of February, **Harel** remained the insurance company with the highest market cap, but there is crowding at the top of the table. Harel's share ended the month up 0.59% and with a market cap of 5.46 billion shekels, followed immediately by the **Phoenix**, whose shares jumped 3.14% in February, taking it to a market cap of 5.39 billion shekels. Only 70 million shekels divide the two companies from each other.

The strengthening of the Harel share during the month came on the backdrop of a number of announcements, including financing of a deal for the purchase of airplanes, the signing on a global agreement with **Suisse Re** and the deal for making claims payments via **BIT**. The Phoenix posted increases during

the month, following topping the 2017 service index and the signing of an agreement by **Delek Holdings** for the sale of its Phoenix shares.

**Migdal** posted the highest yield in February, at 7.8%, strengthening its position as the third largest company in the sector, with a market cap of 3.78 billion shekels. Going back a year, the share was showing a negative yield of -5.08%. The good performance in the last month comes on the backdrop of the appointment of a new Chairman.

Since the start of 2019, **Menorah Mivtachim's** share has posted the sharpest increase, of almost 16%, following its 3.97% increase in February. The sharp increase in its share price brought Menorah Mivtachim to fourth in the market cap rankings with a market cap of

2.88 billion shares, overtaking **Clal Insurance**. Clal Insurance has lost a fifth of its value in the last 12 months. **Direct Insurance** posted a 2.45% drop in value in February, taking it to a market cap of 2.86 billion shekels, putting it in sixth position, 20 million shekels behind Clal Insurance.

In general, the sector continued expanding in February, despite the mixed trend in insurance company shares. The **TA Insurance Plus Index** was up 1.56% in February, adding 600 million shekels to its value. This happened whilst investors are trying to understand whether the new risk tariffs will be good for insurance company earnings.

In terms of dividends, Direct Insurance tops the dividend yield rankings, at 5.8%, followed by Harel at 3.9%.

### Insurance Companies yields

Insurance share	Market cap – billion shekels	February yield	Yield from start of year	Yield one year back	Dividend yield*
<b>Harel</b>	5.46	0.59%	5.73%	-4.74%	3.93%
<b>The Phoenix</b>	5.39	3.14%	10.63%	4.03%	2.34%
<b>Migdal</b>	3.78	7.8%	12.72%	-5.08%	1.71%
<b>Menorah Mivtachim</b>	2.92	3.97%	15.92%	-2.43%	1.79%
<b>Clal Insurance</b>	2.88	-2.86%	-1.48%	-18.06%	*
<b>Direct Insurance</b>	2.86	-2.45%	1.77%	-12.43%	5.79%
<b>Ayalon</b>	0.4	-3.9%	1.78%	-36.11%	*
<b>TA Insurance Plus Index</b>	27.8	1.56%	7.66%	-5.75%	*