



Report of the monetary discussions held at the Bank of Israel regarding management of the foreign exchange reserves Update of the Asset Allocation in the Monetary Committee Benchmark

The discussion was held on July 26, 2023.

Background:

Due to market developments since the beginning of the year, the Markets Department presented its recommendation to lengthen the duration on the dollar portion of the Monetary Committee's allocation by half a year—from 2.5 years to 3 years.

The Department explained its reasoning for the recommendation in the appropriateness of financial conditions in the US market, and in long-term considerations that support a change in the composition of the US government bond holdings and expansion of duration.

Discussion

The Committee discussed the Markets Department's recommendation.

Decision of the Monetary Committee:

The Committee approved the Markets Department's recommendation to expand the duration on the dollar portion in the Monetary Committee's allocation by half a year, from 2.5 years to 3 years.

The decision was reached unanimously.

Participants in the discussion:

Members of the Monetary Committee

Prof. Amir Yaron, Governor of the Bank of Israel, and Monetary Committee Chairperson

Mr. Andrew Abir, Deputy Governor of the Bank of Israel

Dr. Adi Brender, Director of the Research Department

Prof. Naomi Feldman

Prof. Zvi Hercowitz

Other participants in the discussion:

Mr. Nadav Eshel, Governor's office

Mr. Tal Biber, Head of the Markets Division, Markets Department

Mr. Mickey Blank, Markets Department
Ms. Françoise Ben-Zur, Head of the Financial Division, Markets Department
Dr. Golan Benita, Director of the Markets Department
Mr. Oren Hadjes, Markets Department
Ms. Hagit Vaknin, Markets Department
Mr. Mark Yohai, Markets Department
Mr. Dor Lev, Markets Department
Mr. Roe Levy, Markets Department
Mr. Arad May, Secretariat of the Monetary Committee and Supervisory Council
Mr. David Krausz, Markets Department