

Change of Input Data for Analytics of the FTSE Israeli Inflation-Linked Securities Index

Currently, FTSE Russell uses a EUR HIPC Inflation curve to interpolate the Israeli inflation rate, which is used to project the nominal cashflows for the analytics of Israeli inflation linked bonds. FTSE Russell will use a rate interpolated from an Israeli inflation curve for nominal cashflow projection. The implementation will be released on Sunday, March 15th, affecting FTSE Israeli Inflation-Linked Securities Index.

The table below shows the projected impact on yield to maturity (YTM), optional adjusted spread (OAS), nominal duration, and nominal convexity.

Impact on the FTSE Israeli Inflation-Linked Securities Index

	YTM	OAS	nominal duration	nominal convexity
EUR HIPC curve (current)	0.338	-32.000	9.431	1.540
Israeli Inflation curve (new)	0.690	3.000	9.421	1.538

Source: FTSE Russell, data as of February 27, 2020

Please contact us at fi.index@ftserussell.com with any comments or questions.

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