



BANK OF ISRAEL
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The monthly Index of Economic Activity¹ increased by 0.5 percent in January. The index this month reflects the average monthly growth estimate for the three months from November 2025 to January 2026. The Index was positively influenced by data on credit card purchases in January, trade industry revenue and Industrial Production Index data for November, retail trade index data for November and December, and goods import and financial index data for January. In contrast, figures for actual employment and for gasoline consumption in December, net indirect tax and VAT receipts in December and January, and goods exports in January moderated the increase in the index (Tables 1 and 2).

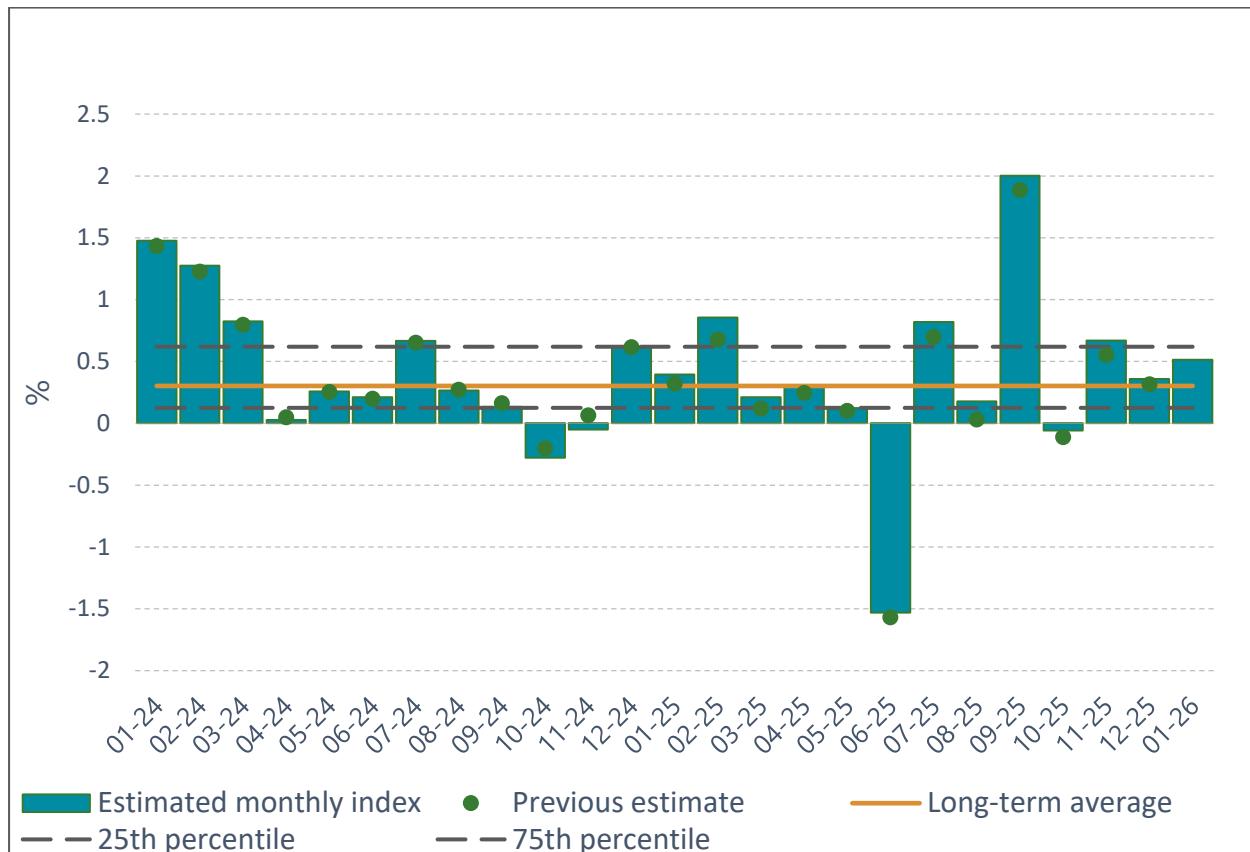
The pace of increase of the index is higher than the long-term growth trend (about 0.3 percent).

The Index for recent months was revised upward with the completion of data that were previously missing, as well as due to an upward revision of actual GDP data for the third quarter of 2025.

Figure 1 presents the Index data over the past two years. Table 1 presents the contributions of the Index's components to the overall estimate and revisions to the Index, and Table 2 presents the monthly rate of change in the Index's components.

¹ The monthly Index of Economic Activity reflects the three-month average of the estimated monthly growth of GDP. The estimate is based on a model developed at the Bank of Israel (Ginker and Suhoy, 2021).

FIGURE 1: The Monthly Index of Economic Activity



,Table 1 | Contribution of the Index Components to the Total Estimate in Recent Months by Group
(percentage points, unless otherwise specified)

Group	August	September	October	November	December	January
Credit card purchases	-0.120	0.110	-0.092	0.060	0.032	0.030
Industry indices	-0.474	0.484	-0.339	0.178	0.161	0.213
Export indices	-0.109	0.031	-0.076	0.039	0.037	-0.020
Import indices	-0.091	0.096	-0.087	0.097	-0.010	0.054
Labor market	-0.117	0.152	-0.020	0.024	-0.005	-0.014
Tax data	0.005	0.006	0.028	-0.010	-0.018	-0.027
Financial indices	-0.021	-0.057	-0.044	0.010	0.034	0.068
Purchasing managers indices	0.000	0.001	0.002	0.001	-0.003	-0.003
Gasoline consumption	-0.052	0.071	-0.011	0.016	-0.005	-0.004
Actual GDP data	0.859	0.808	0.282	-0.042	-0.163	-0.082
Long-term trend	0.298	0.298	0.298	0.298	0.298	0.298
Total estimate	0.176	2.001	-0.058	0.670	0.358	0.513
Previous estimate	0.030	1.885	-0.113	0.552	0.314	

* The table presents the contribution of each group of components in the monthly index, such that the monthly estimate constitutes the sum of the contributions of each of the components detailed in the table. Some of the raw data influence the monthly estimate with a lag or influence the estimates of several months.

Table 2 | Changes in the Index Components in Recent Months
(monthly rates of change, percent, seasonally adjusted)

Group	Series	August	September	October	November	December	January
Credit card purchases	Index of credit card purchases by private consumers	-4.3	2.7	-0.5	2.0	-0.2	0.6
Industry indices	Index of revenue in the services industries	-2.1	5.3	-2.6	-1.3		
	Index of revenue in the trade industries	-5.2	1.8	0.5	0.4		
	Index of retail trade - total, except fuel, fertilizers, and natural gas	-1.5	1.0	-0.8	0.2	0.4	
	Residential building starts - total	1.5	14.3				
	Index of employees' actual work hours - manufacturing, mining and quarrying	-1.1	-0.3	-0.9	4.0		
	Index of number of employees - manufacturing (excl. diamonds)	0.4	0.2	0.2	0.2		
	Industrial production index - construction inputs	-6.2	3.0	0.5	2.4		
	Industrial production index - total (excl. mining and quarrying)	5.0	-5.4	1.5	6.2		
	Industrial production index - mixed-high technology	-1.9	4.2	-1.4	-2.1		
Export indices	Receipts in respect of total goods exports	6.6	11.1	-13.7	2.9	8.4	
	Net goods exports - total (excl. ships, aircraft, and diamonds)	-7.4	1.2	4.1	0.6	1.8	-0.1
	Goods exports - total manufacturing (excl. diamonds)	-7.3	2.0	4.5	1.4	1.5	-0.5
	Goods exports - manufacturing - mixed-high technology	-5.3	-4.4	11.3	3.4	2.0	-1.7
	Receipts in respect of exports of other services (excl. tourism, transportation, and insurance)	6.3	-2.7	-3.0	6.6	15.2	
	Exports of other services (excl. startups) and tourism services	-9.5	8.7	5.9	-3.0		
	Exports of other services	-7.8	9.8	15.0	-14.7		
Import indices	Goods imports - consumption goods	-10.4	4.5	1.0	2.5	-7.2	9.5
	Goods imports - durable consumption goods	-14.9	10.6	-2.4	6.2	-21.9	20.7
	Goods imports - investment assets other than ships and aircraft	-15.9	12.7	-0.2	2.1	-16.4	
	Goods imports - production inputs	-7.9	-0.1	-0.2	4.4	0.9	-0.7
Labor market	Employees minus absentees	-0.3	0.7	0.1	0.2	-0.5	
	Employee posts - total - Israelis	0.2	0.1	0.7	0.3	0.1	
	Job vacancies	0.8	2.0	1.8	0.2	0.8	
	Total wage payments (real)	-0.4	1.3	0.9	0.3	0.2	
Tax data	VAT - gross	0.5	2.0	0.0	1.7	-2.2	-0.3
	VAT - net, excl. VAT on defense imports - minus legislative changes	11.3	-10.3	13.1	-4.9	-10.6	10.1
	Income tax - net	1.7	-0.2	-6.5	10.0	-2.6	
	Indirect taxes - as defined by the Tax Authority - minus legislative changes	10.1	-4.5	5.8	-1.3	-4.2	-0.6
Financial indices	NASDAQ 100 index	2.8	3.7	3.6	0.1	1.5	0.6
	Price of a barrel of oil on the London Exchange	-3.4	0.5	-5.5	-0.5	-3.2	4.9
	General equities and convertibles index	-1.3	1.7	5.3	3.4	5.1	8.4
Purchasing managers index	Purchasing managers index - US	48.9	48.9	48.8	48.0	47.9	52.6
Gasoline consumption	Gasoline consumption	1.0	-0.2	-0.1	2.2	-4.4	