

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
The Securities Exchange Act of 1934

For the month of September, 2010

ALON HOLDINGS BLUE SQUARE - ISRAEL LTD.

(Translation of registrant's name into English)

2 Amal Street, Rosh Ha'ayin 48092, Israel

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F X

Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- N/A

Attached hereto and incorporated by reference herein are the following documents:

1. Press release entitled "Alon Holdings Blue Square - Israel Ltd. announces Midroog Ltd. notice of "A1" rating to series A and B debentures issued in 2003 to private investors by the Company".
2. A translation of Midroog's report, provided by Midroog.

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ALON HOLDINGS BLUE SQUARE - ISRAEL LTD. ANNOUNCES MIDROOG LTD. NOTICE OF "A1" RATING TO SERIES A AND B DEBENTURES ISSUED IN 2003 TO PRIVATE INVESTORS BY THE COMPANY

ROSH HAAYIN, Israel – September 15, 2010 – Alon Holdings Blue Square – Israel Ltd. (NYSE: BSI) (the "Company") announced today, that further to its announcement dated August 10, 2010, regarding the Midroog Ltd. (an Israeli rating agency, a 51% subsidiary of Moody's ("Midroog")) rating of "A1" for potential future issuances of up to NIS 500 million (approximately US\$ 132.7 million) of debentures, Midroog has announced the application of A1 rating to the debentures Series A and B issued in 2003 to private investors by the Company.

A translation of Midroog's report provided by Midroog can be found in the SEC internet site at www.sec.gov under the Company's filings. The official report published by Midroog is in Hebrew.

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Alon Holdings Blue Square – Israel Ltd. (hereinafter: "Alon Holdings") operates in three reporting segments: In its supermarket segment, Alon Holdings is the second largest food retailer in the State of Israel. As pioneer of modern food retailing in the region, Alon Holdings, through its 100% subsidiary, Mega Retail Ltd., currently operates 207 supermarkets under different formats, each offering a wide range of food products, "Near Food" products and "Non-Food" products at varying levels of service and pricing. In its "Non-Food" segment, Alon Holdings, through its 85% subsidiary Bee Group Retail Ltd., operates specialist outlets in self operation and franchises and offers a wide range of "Non-Food" products as retailer and wholesaler. In its Real Estate segment, Alon Holdings, through its TASE traded 78.35% subsidiary Blue Square Real Estate Ltd., owns, leases and develops yield generating commercial properties.

This press release contains forward-looking statements within the meaning of safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may include, but are not limited to, plans or projections about our business and our future revenues, expenses and profitability. Forward-looking statements may be, but are not necessarily, identified by the use of forward-looking terminology such as "may," "anticipates," "estimates," "expects," "intends," "plans," "believes," and words and terms of similar substance. Forward-looking statements involve known and unknown risks, uncertainties and other factors

that may cause actual events, results, performance, circumstance and achievements to be materially different from any future events, results, performance, circumstance and achievements expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the following: our ability to compete effectively against low-priced supermarkets and other competitors; the effect of the recession in Israel on the sales in our stores and on our profitability; quarterly fluctuations in our operating results that may cause volatility of our ADS and share price; risks associated with our dependence on a limited number of key suppliers for products that we sell in our stores; the effect of an increase in minimum wage in Israel on our operating results; the effect of any actions taken by the Israeli Antitrust Authority on our ability to execute our business strategy and on our profitability; the effect of increases in oil, raw material and product prices in recent years; the effects of damage to our reputation or to the reputation to our store brands due to reports in the media or otherwise; and other risks, uncertainties and factors disclosed in our filings with the U.S. Securities and Exchange Commission (SEC), including, but not limited to, risks, uncertainties and factors identified under the heading "Risk Factors" in our Annual Report on Form 20-F for the year ended December 31, 2009. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except for our ongoing obligations to disclose material information under the applicable securities laws, we undertake no obligation to update the forward-looking information contained in this press release.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: September 15, 2010

ALON HOLDINGS BLUE SQUARE -
ISRAEL LTD.

By: _____
Elli Levinson Sela, Adv.
General Counsel & Corporate Secretary

Alon Holdings Blue Square – Israel Ltd.

Rating Action | September 2010

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ALON HOLDINGS BLUE SQUARE – ISRAEL LTD.

Rating of Series A and B	A1
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Midroog affirms the A1 rating of Series A and B bonds previously issued to private investors by Alon Holdings Blue Square- Israel Ltd. (the "**Company**") as follows:

Bond Series	Issue Date	Par Value on Issue Date (NIS M)	Annual interest rate	Par Value as of June 30, 2010 (NIS M)	Linkage	Fair Value on June 30, 2010	Bond Repayment Years
A	Aug. 2003	200	5.9%	200	CPI	229	2012-2014
B (convertible)	Aug. 2003	200	5.9%	7.5	CPI	8.5	2011

Pursuant to the August 2010 rating report, Midroog is announcing the application of the A1 rating to the bonds of Series A and B. The Series A and B bonds do not carry any collateral.

For details on the key rating rationale, see the initial rating report of August 2010 on the Midroog website: [Alon Holdings in Blue Square -Israel Ltd.](#)



Financial Terms

Interest expenses Interest	Net financing expenses from Income Statement
Cash flow interest expenses Cash Interest	Financing expenses from income statement after adjustments for non-cash flow expenditures from statement of cash flows.
Operating Profit EBIT	Pre-tax profit + financing + non-recurring expenses/profits.
Operating profit before amortizations EBITA	EBIT + amortization of intangible assets.
Operating profit before depreciation and amortizations EBITDA	EBIT + depreciation + amortization of intangible assets.
Operating profit before depreciation, amortization and rent/leasing EBITDAR Assets	EBIT + depreciation + amortization of intangible assets + rent + operational leasing.
Financial Debt Debt	Company's total balance sheet assets.
Net Financial Debt Net Debt	Short term debt + current maturities of long-term loans + long-term debt + liabilities on operational leasing
Capital base Capitalization (CAP)	Debt - cash and cash equivalent – long-term investments
Capital investments Capital Expenditures (Capex)	Debt + total shareholders' equity (including minority interest) + long-term deferred taxes in balance sheet
Funds from Operations* Funds from Operations (FFO)	Gross investments in equipment, machinery and intangible assets
Cash flow from operating activity* Cash Flow from Operations (CFO)	Cash flow from operations before changes in working capital and before changes in other asset and liabilities items
Operating cash flow* Retained Cash Flow (RCF)	Cash flow from operating activity according to consolidated cash flow statements
Free Cash Flow* Free Cash Flow (FCF)	Funds from operations (FFO) less dividend paid to shareholders
	Cash flow from operating activity (CFO) - CAPEX - dividends

* It should be noted that in IFRS reports, interest payments and receipts, tax and dividends received from investees will be included in the calculation of operating cash flows even if they are not entered in cash flow from operating activity.



Rating Scale

Investment grade	Aaa	Obligations rated Aaa are those that, in Midroog's judgment, are of the highest quality and involve minimal credit risk.
	Aa	Obligations rated Aa are those that, in Midroog's judgment, are of high quality and involve very low credit risk.
	A	Obligations rated A are considered by Midroog to be in the upper-end of the middle rating, and involve low credit risk.
	Baa	Obligations rated Baa are those that, in Midroog's judgment, involve moderate credit risk. They are considered medium grade obligations, and could have certain speculative characteristics.
Speculative Investment	Ba	Obligations rated Ba are those that, in Midroog's judgment, contain speculative elements, and involve a significant degree of credit risk.
	B	Obligations rated B are those that, in Midroog's judgment, are speculative and involve a high credit risk.
	Caa	Obligations rated Caa are those that, in Midroog's judgment, have weak standing and involve a very high credit risk.
	Ca	Obligations rated Ca are very speculative investments, and are likely to be in, or very near to, a situation of insolvency, with some prospect of recovery of principal and interest.
	C	Obligations rated C are assigned the lowest rating, and are generally in a situation of insolvency, with poor prospects of repayment of principal and interest.

Midroog applies numerical modifiers 1, 2 and 3 in each of the rating categories from Aa to Caa. Modifier 1 indicates that the bond ranks in the higher end of the letter-rating category. Modifier 2 indicates that the notes are in the middle of the letter-rating category; and modifier 3 indicates that the notes are in the lower end of the letter-rating category.



Report No: CRA050910000M

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All the information contained herein on which Midroog relied was submitted to it by sources it believes to be reliable and accurate. Midroog does not independently check the correctness, completeness, compliance, accuracy or reliability of the information (hereinafter: the "information") submitted to it, and it relies on the information submitted to it by the rated Company for assigning the rating.

The rating is subject to change as a result of changes in the information obtained or for any other reason, and therefore it is recommended to monitor its revision or modification on Midroog's website www.midroog.co.il. The ratings assigned by Midroog express a subjective opinion, and they do not constitute a recommendation to buy or not to buy notes or other rated instruments. The ratings should not be referred as endorsements of the accuracy of any of the data or opinions, or attempts to independently assess or vouch for the financial condition of any company. The ratings should not be construed as an opinion on the attractiveness of their price or the return of notes or other rated instruments. Midroog's ratings relate directly only to credit risks and not to any other risk, such as the risk that the market value of the rated debt will drop due to changes in interest rates or due to other factors impacting the capital market. Any other rating or opinion given by Midroog must be considered as an individual element in any investment decision made by the user of the Information contained in this document or by someone on his behalf. Accordingly, any user of the information contained in this document must conduct his own investment feasibility study on the Issuer, guarantor, debenture or other rated document that he intends to hold, buy or sell. Midroog's ratings are not designed to meet the investment needs of any particular investor. The investor should always seek the assistance of a professional for advice on investments, the law, or other professional matters. Midroog hereby declares that the Issuers of notes or of other rated instruments or in connection with the issue thereof the rating is being assigned, have undertaken, even prior to performing the rating, to render Midroog a payment for valuation and rating services provided by Midroog.

Midroog is a 51% subsidiary of Moody's. Midroog's rating process is entirely independent of Moody's and Midroog has its own policies, procedures and independent rating committee; however, its methodologies are based on those of Moody's. For more information on Midroog's rating process, please see the relevant pages of this website.