



ISK appreciated in February

At the end of February, the EUR/ISK stood at 152.9, compared to 156.1 at the end of January, appreciating during the month. Both turnover and fluctuation was similar as in January. The CBI continued its regular programme of currency sales.

The ISK appreciated in February against the currencies of all main trading partners. At the end of the month, the EUR/ISK stood at 152.9, compared to 156.1 at the end of January, the USD/ISK stood at 126.2, compared to 129.0 at the end of January.

FX market turnover contracted MoM

Turnover in the FX interbank market in February was ISK 28.8 bn (EUR 186 m) and contracted by 11% between months. Of that amount, the CBI's share was ISK 10.2 bn (EUR 66 m), representing 36% of total turnover.

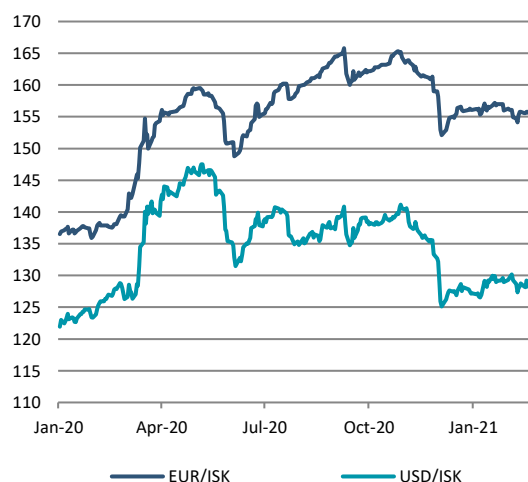
In addition to its regular sale programme of EUR 3 m per business day, the CBI intervened in the market once in January, selling EUR 6 m on 2 February.

The CBI has announced its intention of continuing its regular sale programme until the end of March.

	28.2.2021	YTD	1M	3M	12M
TWI	197.8	-1.3%	-1.7%	-3.5%	7.6%
EUR	152.9	-2.0%	-2.0%	-3.8%	9.8%
USD	126.2	-0.8%	-2.2%	-4.9%	-0.1%
GBP	175.6	1.2%	-0.2%	-0.8%	7.9%
DKK	20.6	-2.0%	-2.0%	-3.8%	10.3%
NOK	14.7	-1.5%	-0.8%	-2.4%	9.8%
SEK	15.1	-3.1%	-2.0%	-3.5%	15.5%
CHF	139.2	-3.6%	-3.8%	-5.1%	6.3%
JPY	1.19	-3.8%	-3.9%	-6.9%	2.2%

Source: CBI

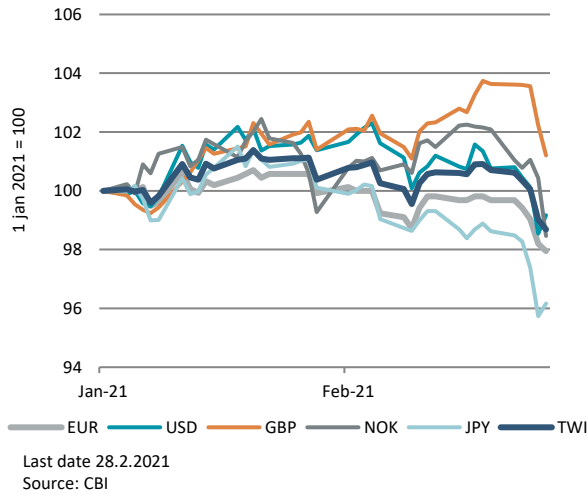
Exchange rate development



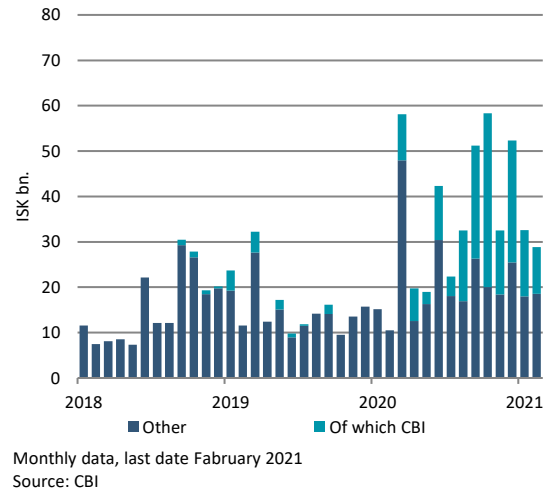
Last date 28.2.2021
Source: CBI



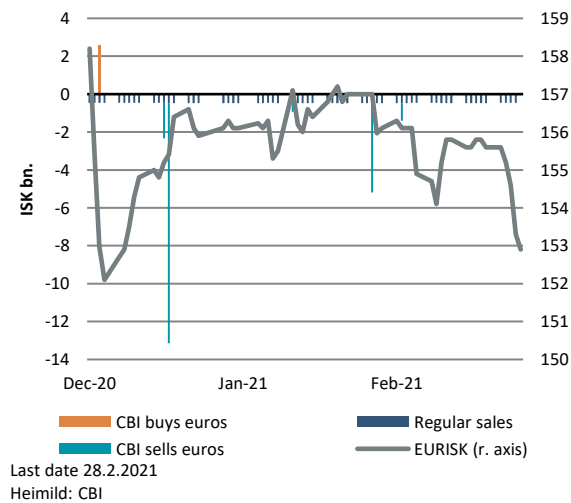
The Icelandic *króna* has appreciated against the currencies of most of Iceland's main trading partners year to date.



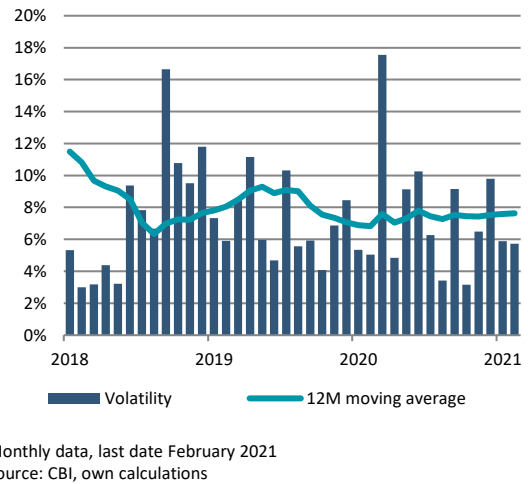
Turnover in the FX market in February totalled ISK 28.8 bn (EUR 186 m). The CBI's share was 36%.



In addition to its regular sale programme, the CBI intervened in the market once in February, selling EUR 6 m on 2 February.



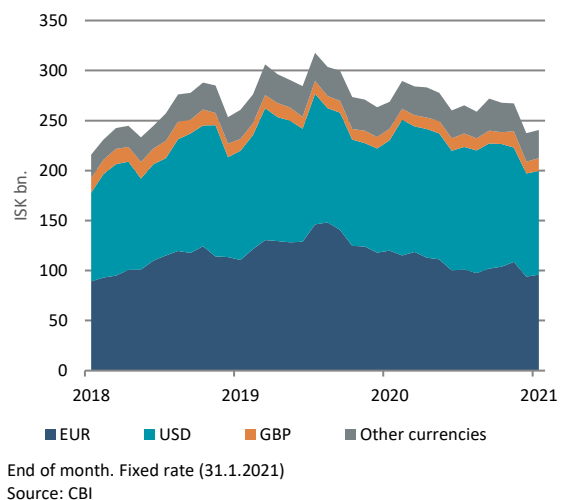
Fluctuations of the ISK against the EUR were similar as in January.



The foreign reserves decreased by EUR 70 m in January.

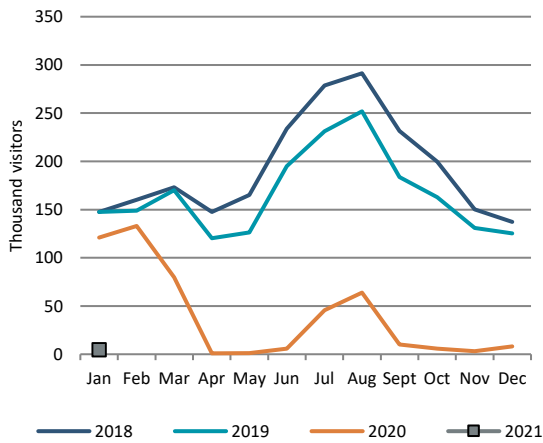


Domestic deposits on FX accounts, measured at a fixed rate, increased by ISK 3.4 bn (1.4%) in January.



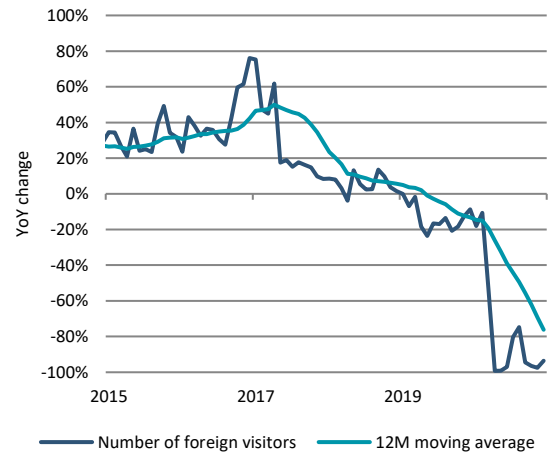


4,362 foreign visitors travelled through Keflavik International Airport in January.



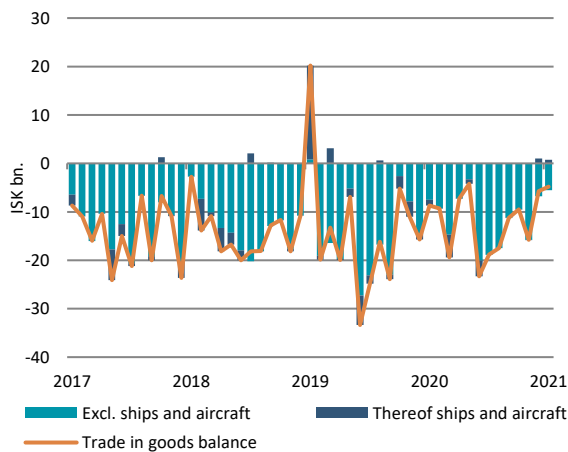
Source: Icelandic Tourist Board

Foreign travellers through Keflavik International Airport decreased by 96% YoY.



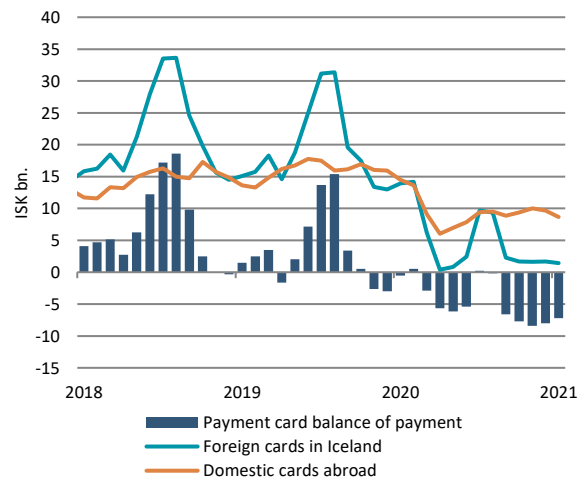
Monthly data, last date January 2021
Source: Icelandic Tourist Board

The foreign trade deficit was ISK 5.6 bn in January, less vessels and aircraft.



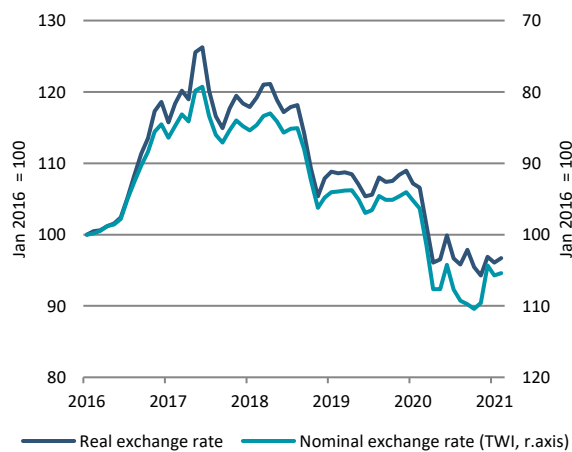
Monthly data, last date January 2020
Source: Statistics Iceland

The payment card balance was negative by ISK 7.2 bn in January.



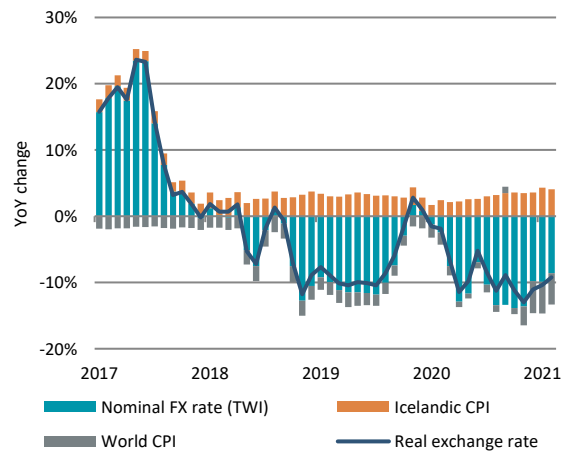
Monthly data, last date January 2020
Source: CBI

The real exchange rate based on price levels was 9.2% lower in February than in the same month of 2020.



Last date February 2021, February 2021 own calculations.
Source: CBI, Statistics Iceland, Landsbankinn Economic Research

The contribution of nominal exchange rate changes to the 12M change in the real exchange rate in January is -8.6 pp, the contribution of Icelandic inflation is 4.1 pp.



Last date February 2021, February 2021 own calculations.
Source: CBI, Statistics Iceland, Landsbankinn Economic Research



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