



## ISK depreciated slightly against EUR but appreciated against USD in April

*The Icelandic króna depreciated against the euro in April but appreciated against the US dollar and the pound sterling. At the end of the month, the euro stood at ISK 149.6, compared to ISK 148.1 at the end of March, and the US dollar stood at ISK 123.8, compared to ISK 126.3 at the end of March.*

Turnover in the interbank foreign exchange market was ISK 33.5bn (EUR 223m) in April. The CBI's share was ISK 8.0bn (EUR 53m) of this amount, or 24% of total turnover.

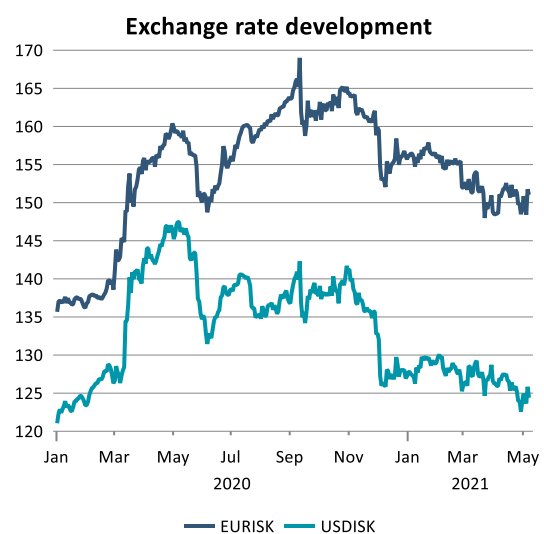
In addition to regular sales, the CBI intervened two days in April. On Friday 9 April, the CBI sold EUR 11m in excess of regular sales and on Wednesday 28 April, it bought EUR 9m. The CBI's net sales of foreign currency in April were ISK 5.3 bn (EUR35m).

At the end of April, the CBI announced that it would discontinue regular foreign exchange sales as of Monday, 3 May.

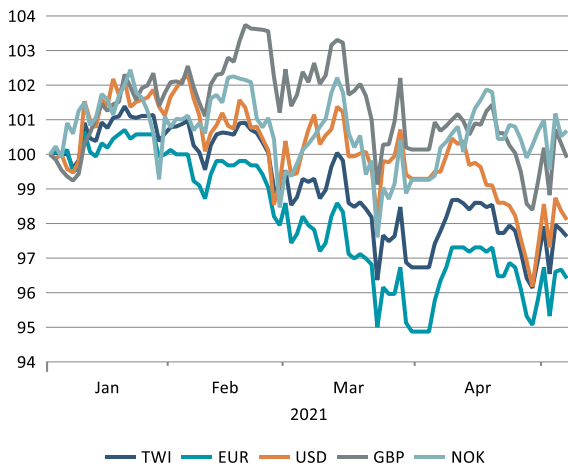
The real exchange rate based on relative prices was 1.1% higher in March than in the same month in 2020, the nominal exchange rate 2.8% weaker

	30.4.21	YTD	1M	3M	12M
TWI	194.4	-3.0%	0.3%	-3.6%	-7.1%
EUR	149.6	-4.2%	1.0%	-4.2%	-6.1%
USD	123.8	-2.6%	-2.0%	-3.7%	-15.4%
GBP	172.2	-0.8%	-0.9%	-2.5%	-6.0%
DKK	20.1	-4.1%	1.0%	-4.2%	-5.8%
NOK	15.0	0.7%	1.4%	-0.4%	5.4%
SEK	14.7	-5.5%	1.7%	-4.7%	-1.5%
CHF	136.0	-5.8%	1.7%	-5.9%	-9.9%
JPY	1.14	-7.9%	-0.3%	-7.5%	-17.2%

Source: Kodíak

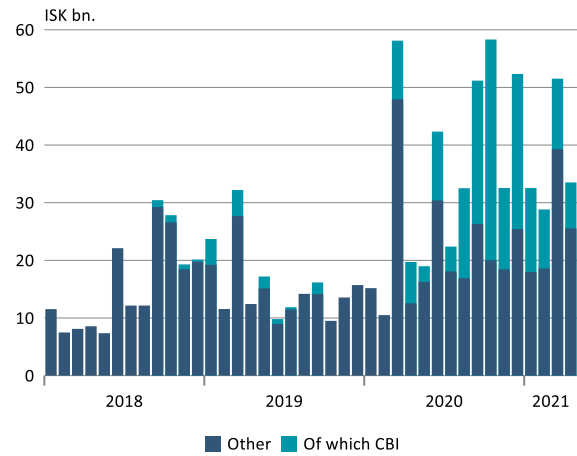


The Icelandic *króna* has appreciated against the currencies of most of Iceland's main trading partners year to date.



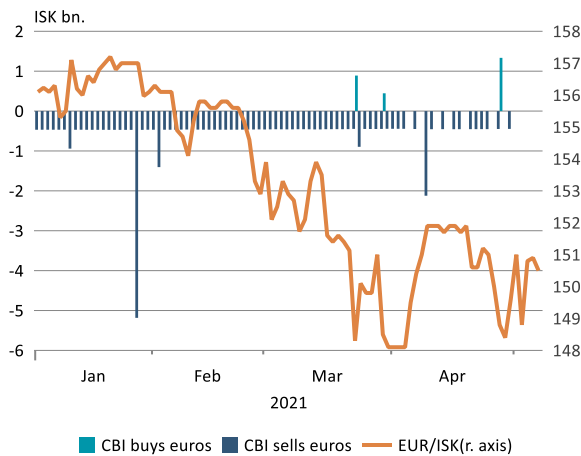
Source: Macrobond

Turnover in the FX market was ISK 33.5bn (EUR 223m). The CBI's share was ISK 8bn (24%).



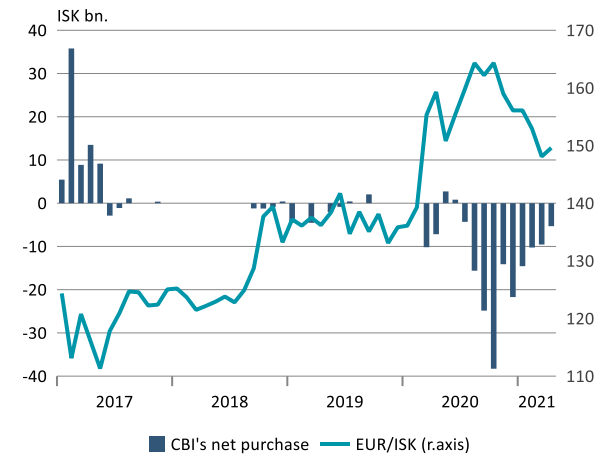
Source: Macrobond

In addition to regular sales, the CBI intervened two days in April.



Source: Macrobond

The CBI's net sale of foreign currency was ISK 5.3bn (EUR 35m) in April.



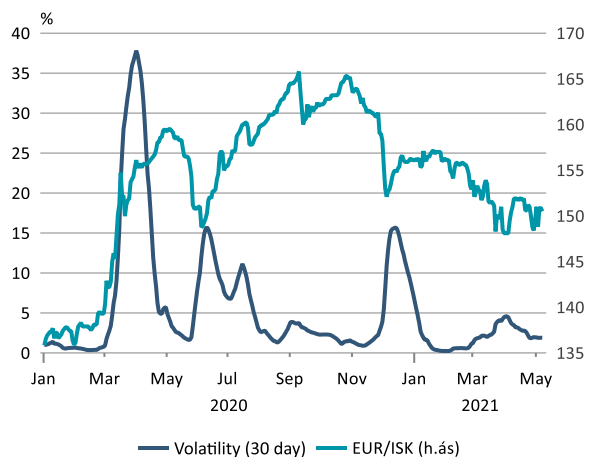
Source: Macrobond

Gross foreign exchange reserves were ISK 857bn (EUR 5.8bn) at end of March.



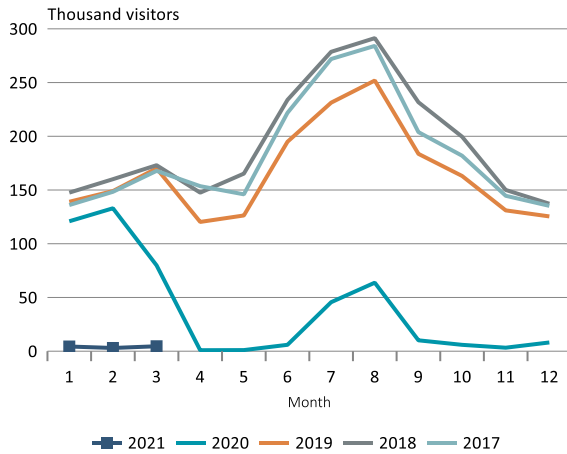
Source: Macrobond

The volatility of the Icelandic *króna* decreased in April.



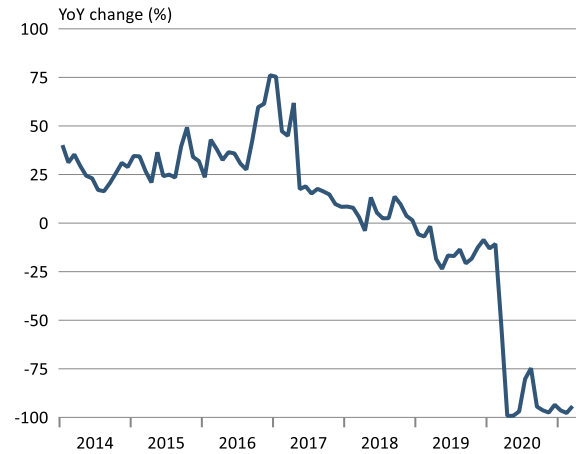
Source: Macrobond

4,600 foreign visitors travelled through Keflavík International Airport in March.



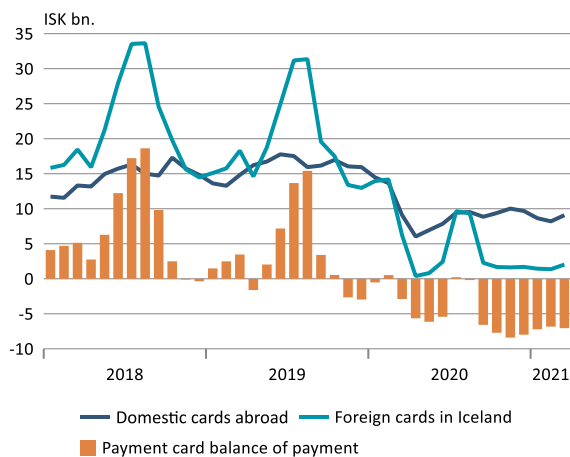
Source: Macrobond

Foreign travellers through Keflavík International Airport decreased by 94% YoY.



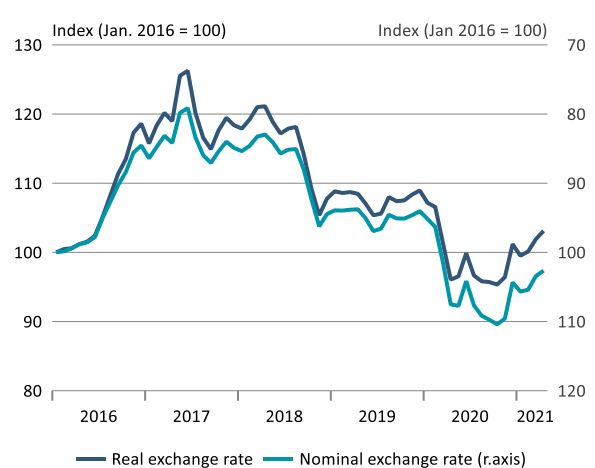
Source: Macrobond

The payment card balance was negative by ISK 7.0bn in March



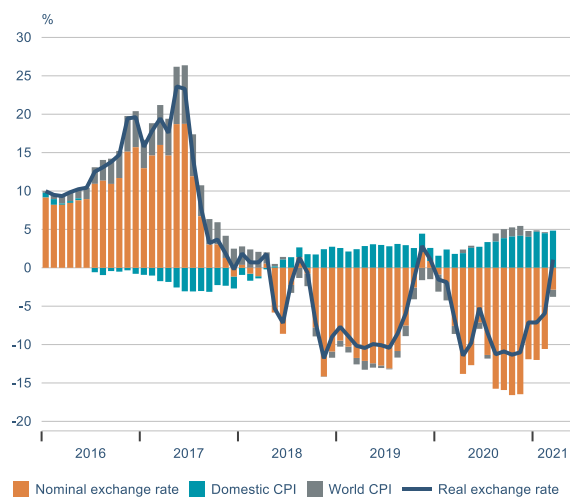
Source: Macrobond

The real exchange rate was 1.1% higher in March than in 2020, the nominal exchange rate was 2,8 % weaker.



Source: Macrobond

The contribution of domestic inflation to changes in the real exchange rate was +4.8%, the contribution of international inflation was -0.9%.





The contents and form of this document were produced by employees of Landsbankinn Economic Research (hagfraedideild@landsbankinn.is) and are based on information available to the public when the analysis was compiled. Assessment of this information reflects the views of Economic Research's employees on the analysis date, which may change without notice.

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