



The Icelandic króna depreciated in August

The Icelandic króna depreciated against the currencies of our main trading partners in August. At the end of the month, the euro stood at ISK 149.6, compared to ISK 146.9 at the end of July. The CBI intervened two days in August, selling euros both days.

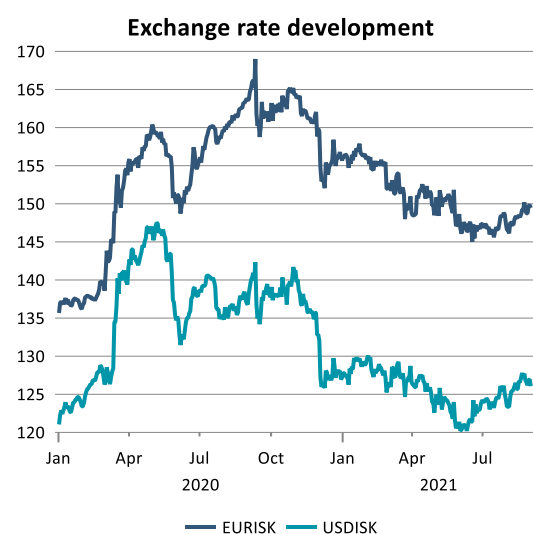
The Icelandic króna weakened against the currencies of our main trading partners in August. At the end of the month, the euro stood at ISK 149.6 compared to ISK 146.9 at the end of July and the US dollar stood at ISK 126.4 compared to ISK 123.3 at the end of July.

Turnover in the foreign exchange market amounted to ISK 18,3bn (EUR 123m) in August and decreased by 13% between months. The CBI's share was ISK 1.3bn (7% of total turnover).

Of the 21 trading days in August, SÍ intervened two days. On Friday 20 August it sold EUR 6m and on Monday 23 August it sold EUR 3m.

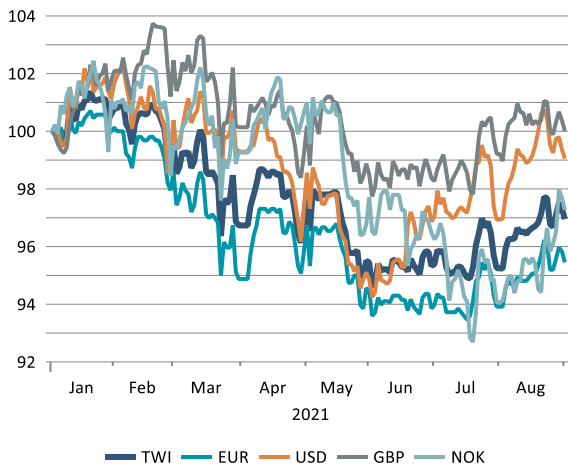
	31/08/2021	YTD	1M	3M	12M
TWI	195.1	-2.7%	2.2%	1.9%	-7.9%
EUR	149.6	-4.2%	2.0%	1.4%	-8.9%
USD	126.4	-0.6%	2.5%	4.5%	-8.1%
GBP	174.2	0.4%	1.2%	1.5%	-5.0%
DKK	20.1	-4.1%	2.1%	1.4%	-8.8%
NOK	14.6	-2.3%	3.9%	1.0%	-7.2%
SEK	14.7	-5.4%	2.3%	0.9%	-7.8%
CHF	138.5	-4.0%	1.8%	3.1%	-9.1%
JPY	1.15	-6.7%	2.4%	4.4%	-11.4%

Source: Kódiak



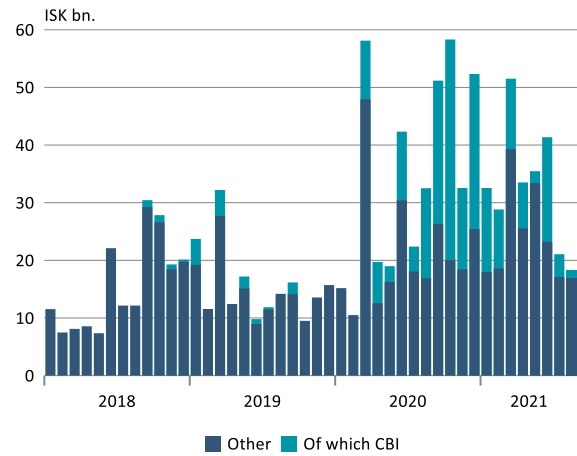
Source: Macrobond

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



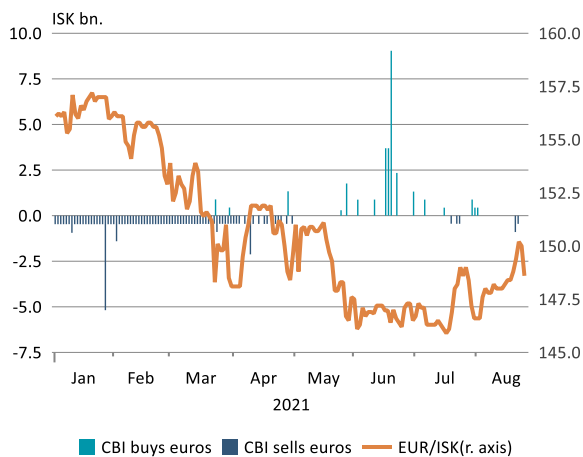
Source: Macrobond

Turnover in the FX market was ISK 18,3bn (EUR 123m) in July. The CBI's share was ISK 1.3bn (7% of total turnover).



Source: Macrobond

The CBI intervened two days in August. Both days it sold euros.



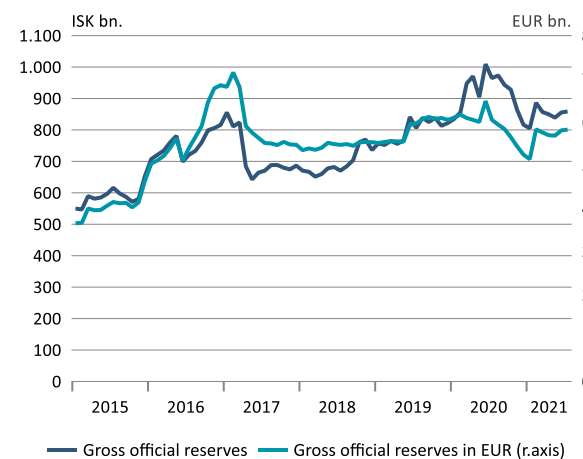
Source: Macrobond

The CBI's net sale of foreign currency was ISK 1.3bn (EUR 9m) in August.



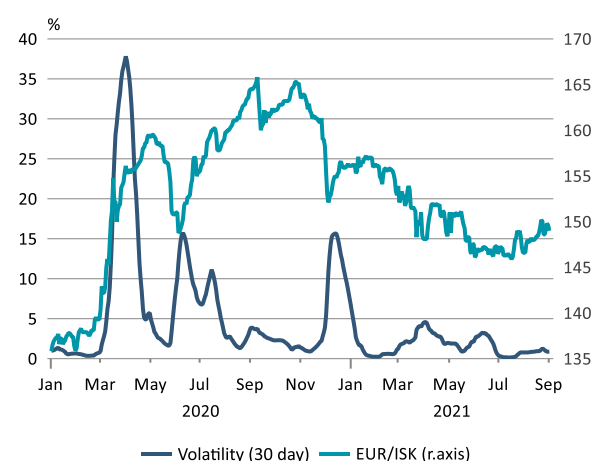
Source: Macrobond

Gross foreign exchange reserves were ISK 859bn (EUR 5.8bn) at the end of July.



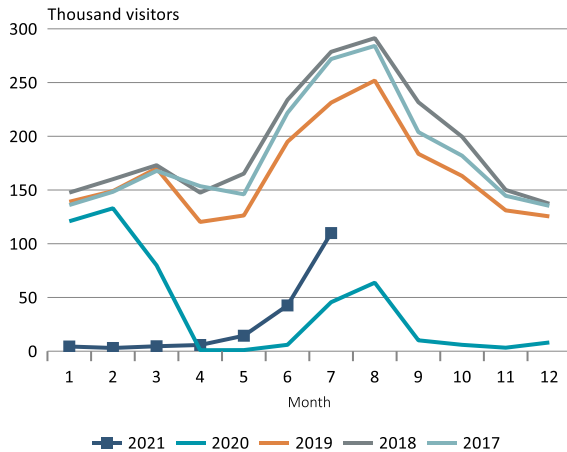
Source: Macrobond

Changes in the volatility of the *króna* against the euro in August were insignificant.



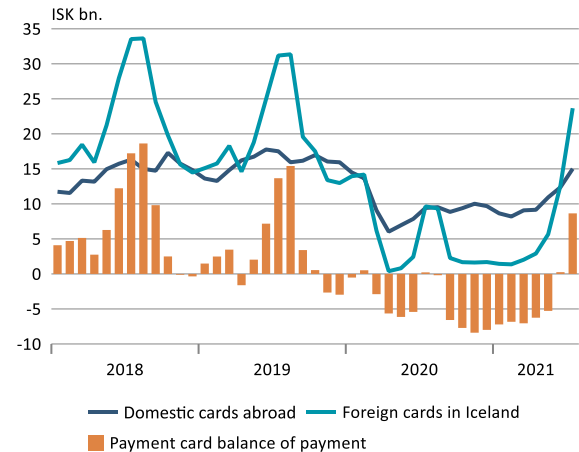
Source: Macrobond

109,900 foreign visitors travelled through Keflavík International Airport in July.



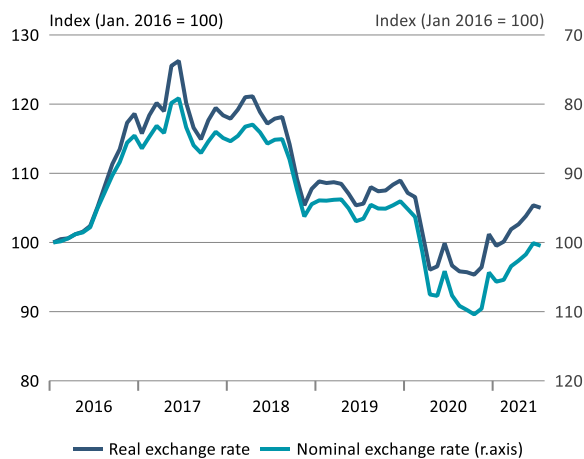
Source: Macrobond

The payment card balance was positive by ISK 8,6bn in July.



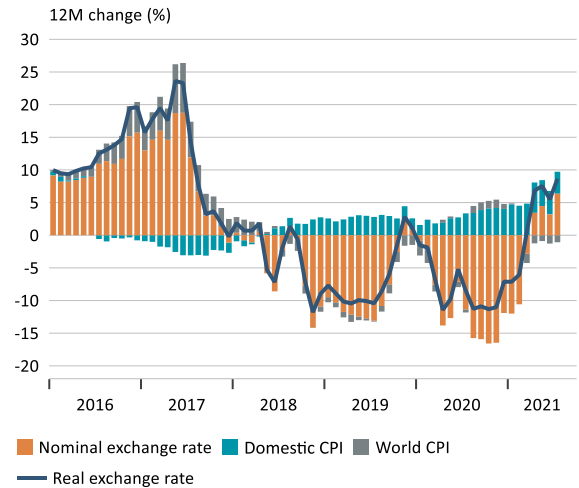
Source: Macrobond

The real exchange rate was 8.6% higher in July 2021 than in July 2020; the nominal exchange rate was 6.4% stronger.



Source: Macrobond

The contribution of domestic inflation to changes in the real exchange rate was +3.4%; the contribution of international inflation was -1.1%.



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