



## First month of non-intervention by the Central Bank since before the pandemic

*The Icelandic króna strengthened against the currencies of Iceland's main trading partners in November, apart from the US dollar. The CBI did not intervene in the market in November, the first month of non-intervention since before the pandemic.*

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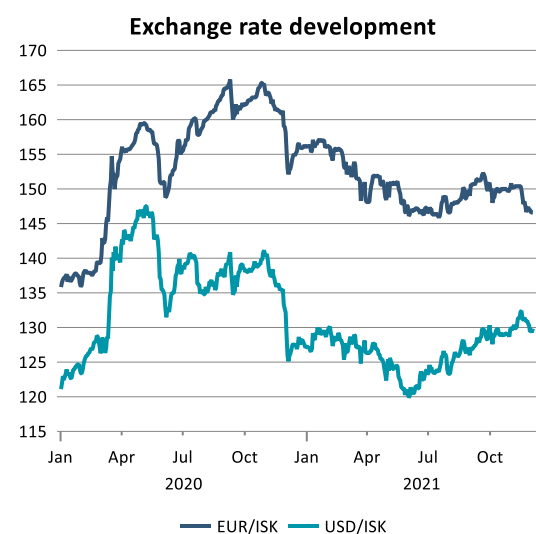
At the end of November, the euro stood at ISK 147.0 compared to 149.8 at the end of October and the US dollar at 129.8 compared to 129.4 at the end of October. The trade-weighted index fell (the króna strengthened) by 1.9% in November.

Turnover in the foreign exchange market was ISK 16.4 bn. (EUR 101 m.) in November and decreased by 32% between months.

The Central Bank did not intervene in the interbank market for foreign exchange in November. This is the first month since February 2020, i.e. before the pandemic, which the CBI does not intervene. The CBI's net sale of foreign currency from February 2020 is ISK 155 bn. (EUR 966m.).

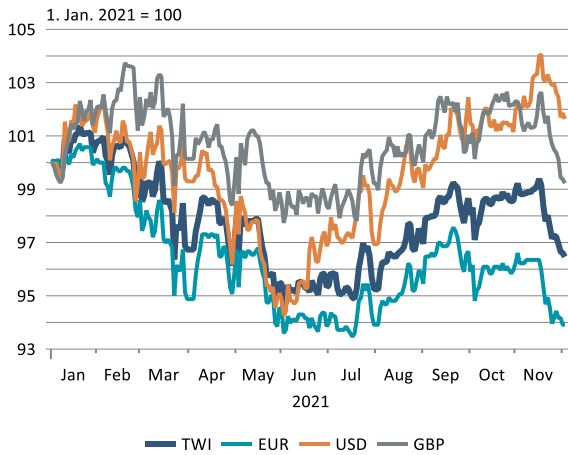
	30/11/2021	YTD	1M	3M	12M
TWI	193.8	-3.3%	-1.9%	-0.7%	-5.5%
EUR	147.0	-5.8%	-1.9%	-1.7%	-7.5%
USD	129.4	1.7%	0.5%	2.3%	-2.5%
GBP	172.6	-0.6%	-2.7%	-0.9%	-2.5%
DKK	19.8	-5.8%	-1.8%	-1.7%	-7.5%
NOK	14.3	-4.2%	-6.9%	-1.9%	-5.1%
SEK	14.3	-8.2%	-5.2%	-2.9%	-8.5%
CHF	140.9	-2.4%	-0.2%	1.7%	-3.9%
JPY	1.15	-7.1%	1.5%	-0.4%	-10.0%

Source: Kofiak



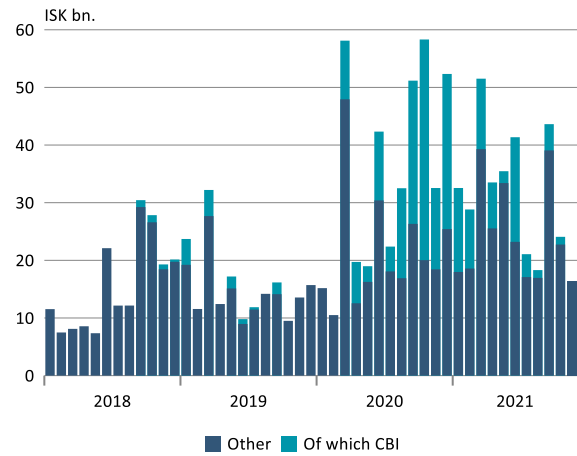
Source: Macrobond

The Icelandic *króna* has appreciated against the currency of Iceland's main trading partners year to date, except for the USD.



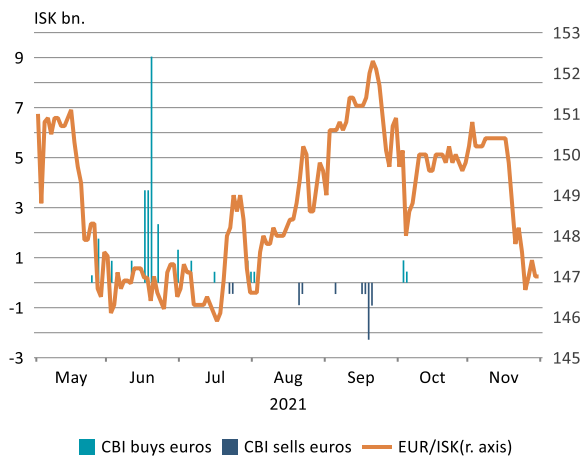
Source: Macrobond

Turnover in the FX market was ISK 16.3bn (EUR 101m) in November.



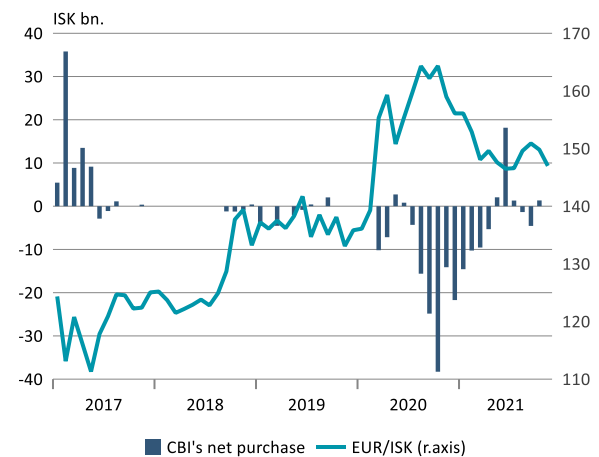
Source: Macrobond

The CBI did not intervene in the FX market in November.



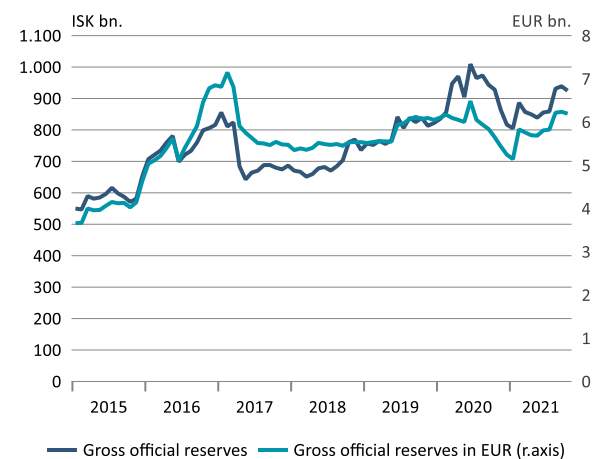
Source: Macrobond

November is the first month of non-interference by the CBI since before the pandemic.



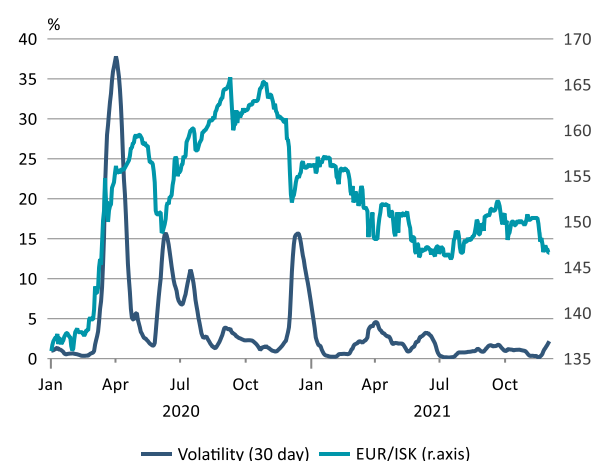
Source: Macrobond

Gross foreign exchange reserves were ISK 920bn (EUR 6.2bn) at the end of October.



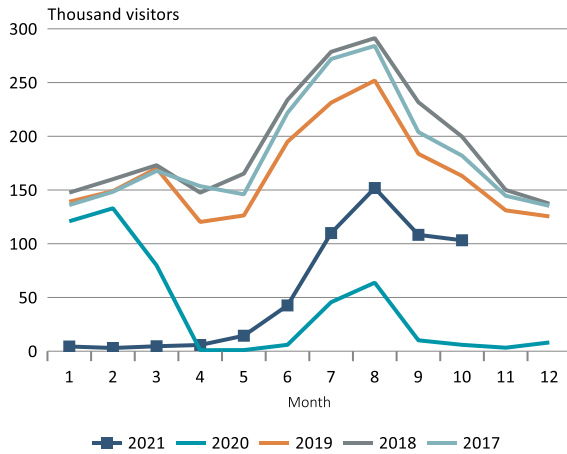
Source: Macrobond

The volatility of the *króna* against the euro increased in November.



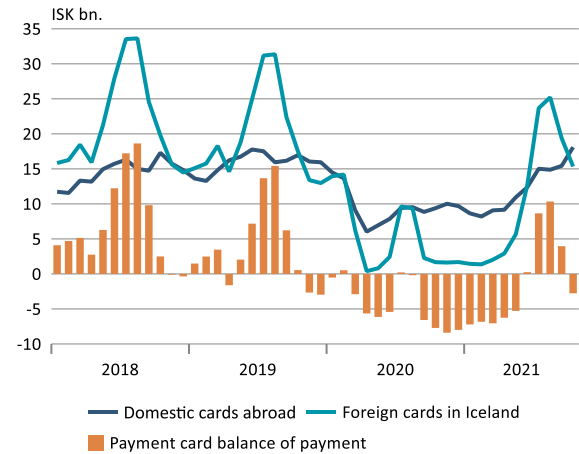
Source: Macrobond

103,200 foreign visitors travelled through Keflavík International Airport in October.



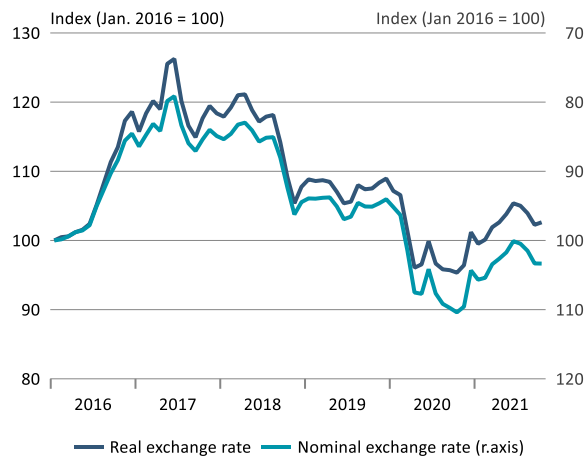
Source: Macrobond

The payment card balance was negative by ISK 2.7bn in October.



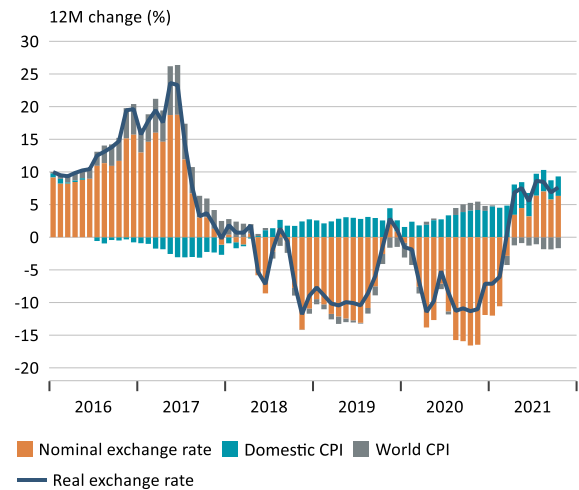
Source: Macrobond

The real exchange rate was 7.6% higher in October 2021 than in October 2020; the nominal exchange rate was 6.3% stronger.

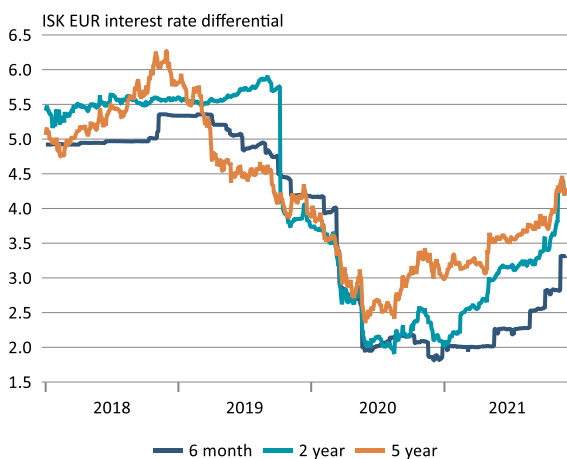


Source: Macrobond

The contribution of domestic inflation to changes in the real exchange rate was +3.0%; the contribution of international inflation was -1.7%.



The interest rate differential with the euro has widened significantly.



Heimild: Macrobond



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