



The *króna* unchanged against the euro in March

The Icelandic króna remained broadly unchanged against the euro in March but weakened against the US dollar. The Central Bank intervened four times in the foreign exchange market, buying euros twice and selling euros twice.

The Icelandic *króna* weakened against the euro in the first half of March. This weakening was reversed in the second half of the month and the *króna* was roughly in the same position against the euro at the end of March (EURISK = 142.0) as at the end of February (EURISK = 141.8).

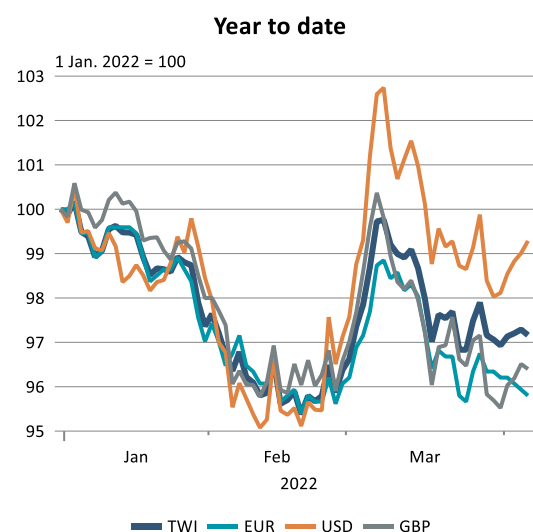
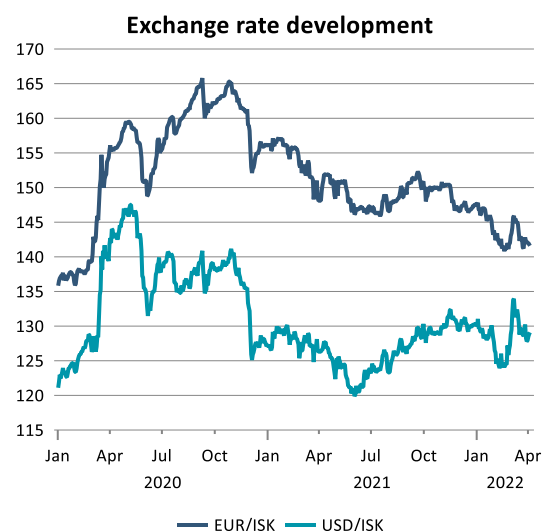
The US dollar strengthened against the euro in March, so that the price of the US dollar rose in terms of ISK. The exchange rate index rose (the *króna* weakened) by 0.6%.

Turnover in the foreign exchange market was ISK 50.3bn. (EUR 350m) in the month which is similar to February. The Central Bank's (CBI) share of the month's turnover was ISK 12.6bn (EUR 87m), which represents 25% of total turnover.

The CBI intervened in the market four times in March. In the first half of the month, the CBI sold euros on two different days against weakening of the *króna*. In the second half of the month, the CBI bought euros on two separate days against strengthening of the *króna*.

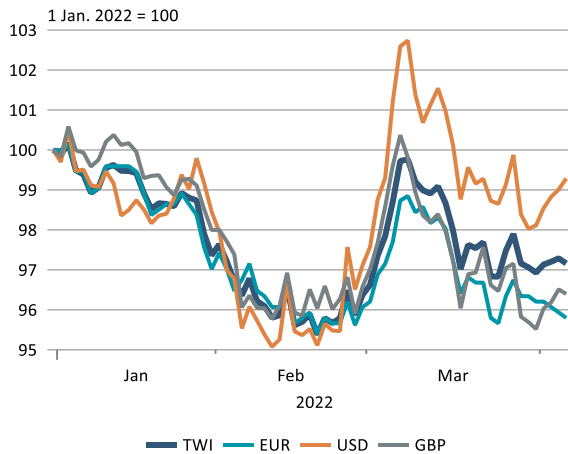
	31/03/2022		YTD	1M	3M	12M
TWI	189.6		-3.1%	0.6%	-3.1%	-2.2%
EUR	142.0		-3.8%	0.1%	-3.8%	-4.1%
USD	127.9		-1.9%	1.0%	-1.9%	1.3%
GBP	167.9		-4.5%	-1.1%	-4.5%	-3.4%
DKK	19.1		-3.8%	0.2%	-3.8%	-4.1%
NOK	14.6		-1.0%	2.6%	-1.0%	-1.3%
SEK	13.7		-4.6%	2.7%	-4.6%	-5.0%
CHF	138.3		-3.2%	0.8%	-3.2%	3.4%
JPY	1.05		-7.2%	-4.2%	-7.2%	-7.9%

Source: Macrobond



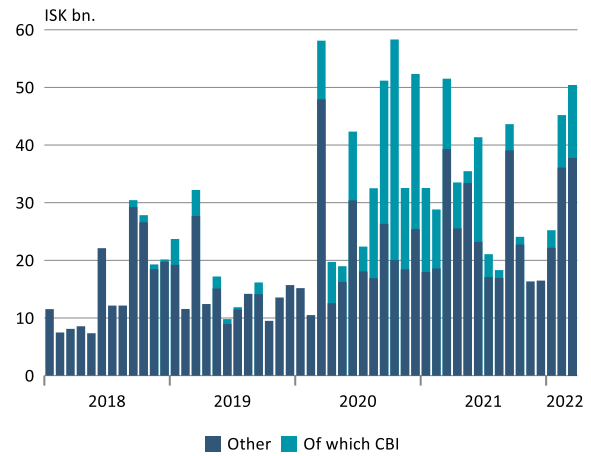


The *króna* has appreciated against the currencies of our main trading partners year-to-date.



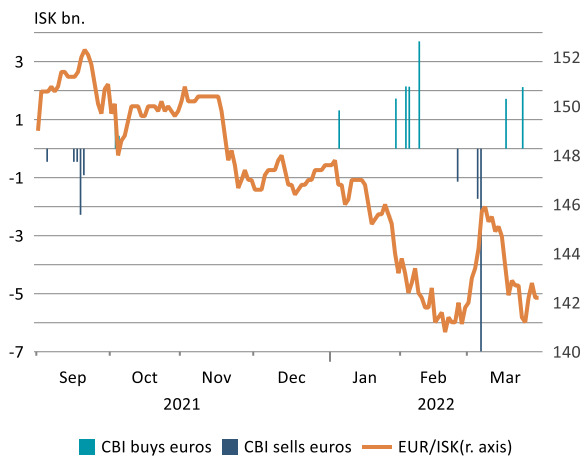
Source: Macrobond

Turnover in the FX market was ISK 50.3bn (EUR 350m) in February. The CBI's share was ISK bn (EUR 64m).



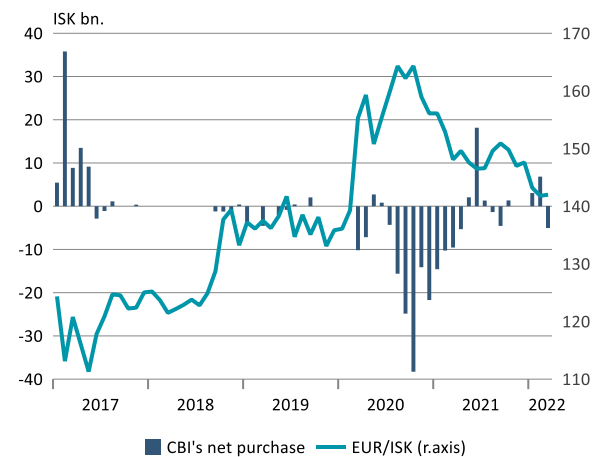
Source: Macrobond

The CBI sold euros against weakening of the *króna* in the first half of the month and bought euros against strengthening of the *króna* in the second half.



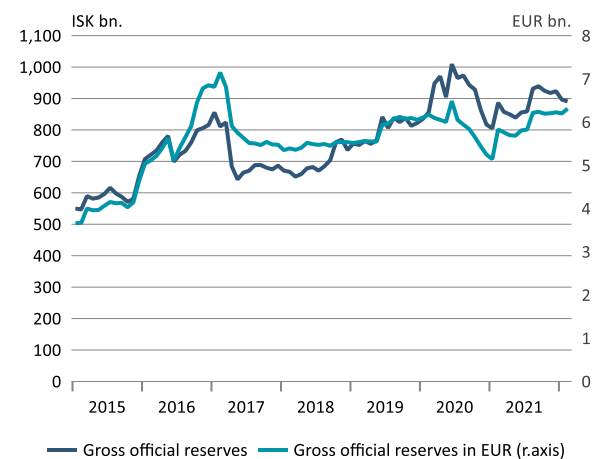
Source: Macrobond

The CBI's net sales of foreign currency in March amounted to ISK 4.9bn (EUR 33m).



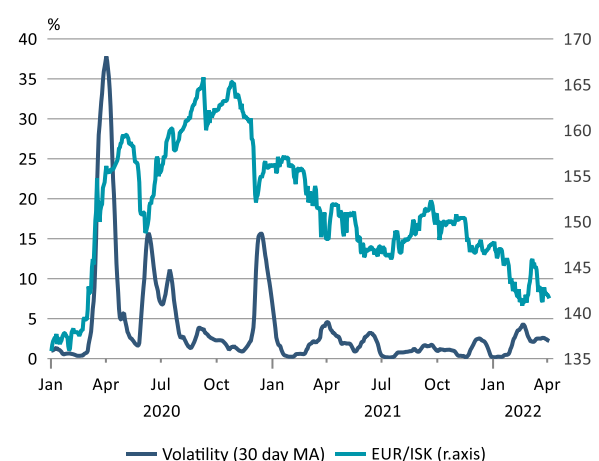
Source: Macrobond

Gross foreign exchange reserves were ISK 8901bn (EUR 6.3bn) at the end of February.



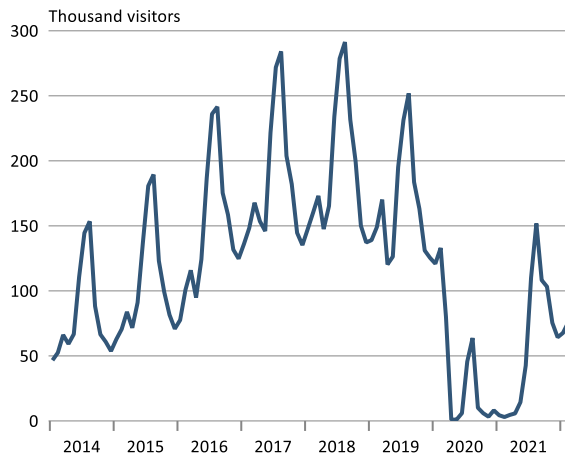
Source: Macrobond

The volatility of the *króna* against the euro was roughly unchanged in March

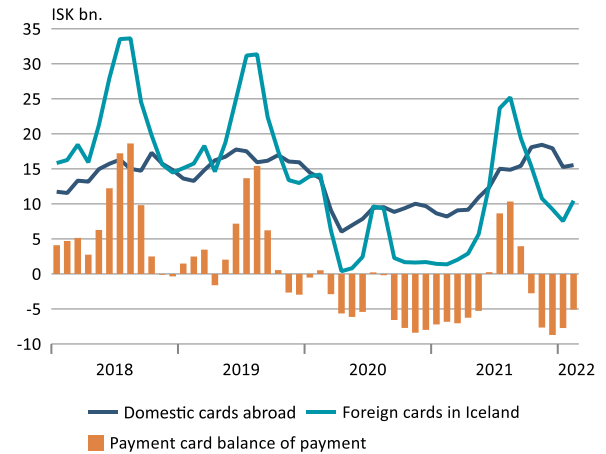


Source: Macrobond

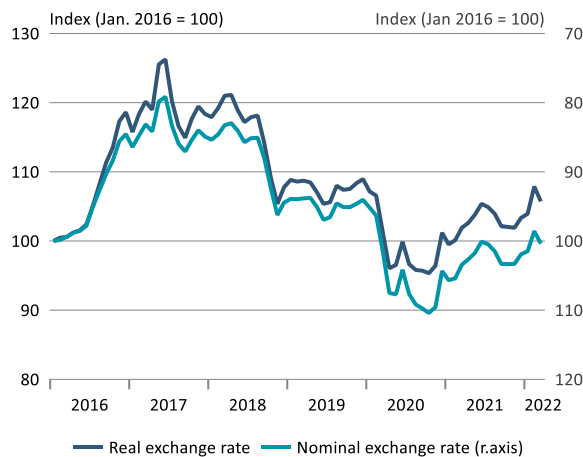
75,800 foreign visitors travelled through Keflavík International Airport in February.



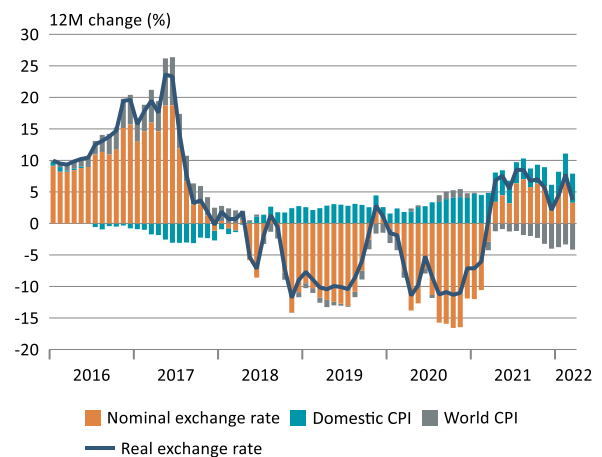
The payment card balance was negative by ISK 5.0bn in February.



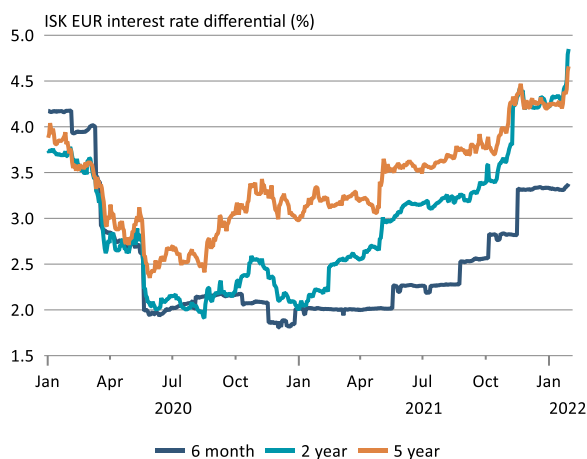
The real exchange rate was 3.7% higher in March 2022 than the same month the previous year; the nominal exchange rate was 3.3% stronger.



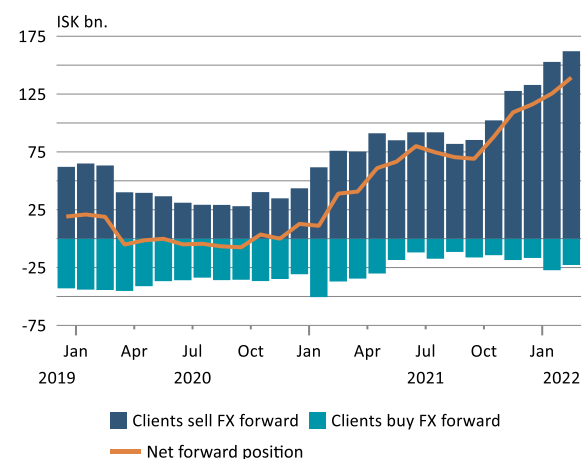
The contribution of relative price changes to the real exchange rate was 0.4 percentage point.



The interest rate differential with the euro was roughly unchanged in March.



At the end of February, commercial banks' net forward FX position involving the króna against foreign currency was ISK 140 bn.





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