



FX Market

Monthly Overview

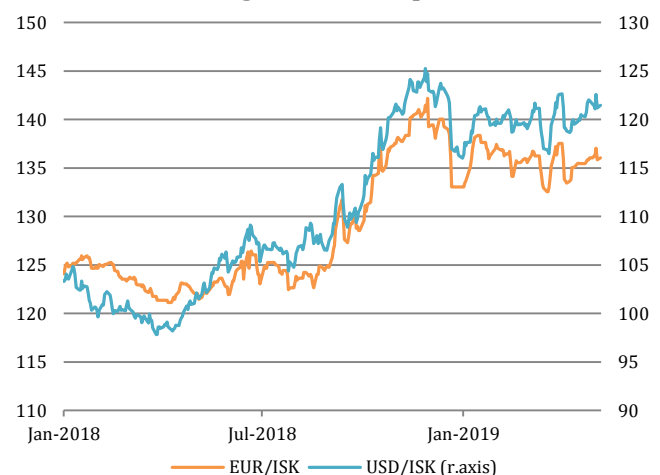
7 May 2019

- In April, the Icelandic króna (ISK) depreciated slightly against the currencies of all main trading partners, except for the Swedish krona.
- At the end of day yesterday (6.5.2019), the euro stood at 135.9 and had appreciated by 2.1% since the beginning of the year. The US dollar stood at 121.4 and had appreciated by 4.7% since the beginning of the year
- Turnover in the FX market in April was ISK12.4bn as compared with ISK 32.2bn in March.
- The Central Bank did not intervene in the market in April. The Bank's last intervention was when WOW air ceased operations on 28 March, when it sold 6 million euros (ISK 0.8bn).
- The number of foreign passenger departures from Iceland through Keflavik International Airport decreased by 18.5% year-on-year in April, April being the first full month after WOW ceased operations. WOW air accounted for 36% of the seat offering to and from Keflavik Airport during the period April-October last year. The number of passengers travelling to Iceland with Icelandair increased by 44% between years in April.
- The real exchange rate in March was 9.8% lower in March than in the previous month. The nominal exchange rate was 11.2% weaker.

	06.05.2019	YTD	1M	3M	12M
TWI	180.1	3.5%	1.8%	-0.1%	13.8%
EUR	136.1	2.3%	1.9%	-0.6%	12.0%
USD	121.5	4.7%	2.2%	0.9%	19.6%
GBP	159.0	7.4%	2.7%	2.1%	15.8%
DKK	18.2	2.3%	2.1%	-0.6%	11.8%
NOK	13.9	3.8%	0.9%	-1.2%	10.5%
SEK	12.7	-3.1%	-0.6%	-2.9%	10.1%
CHF	119.3	0.9%	0.4%	-0.7%	17.5%
JPY	1.10	3.6%	3.1%	0.1%	17.9%

Source: Thomson Reuter Eikon

Exchange rate developments

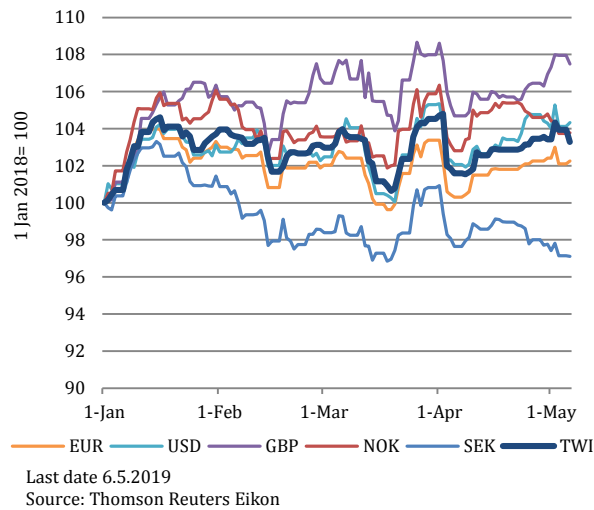


Last date 6.5.2019

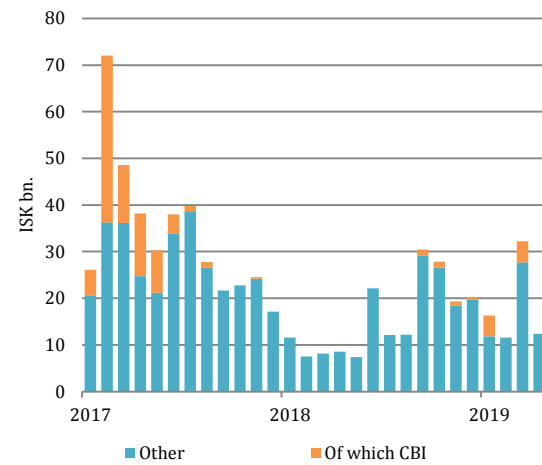
Source: Thomson Reuters Eikon



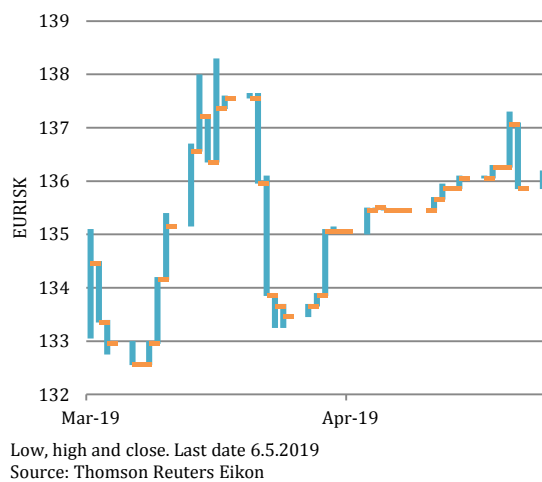
Since the beginning of the year, the Icelandic *króna* has depreciated against the currencies of most of Iceland's main trading partners.



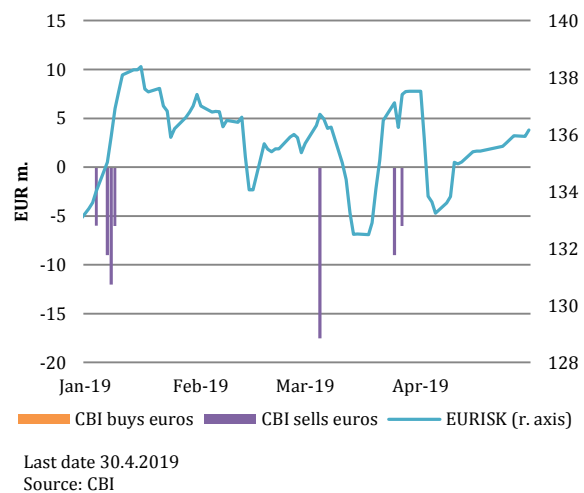
Turnover in the interbank foreign exchange market decreased MoM in April



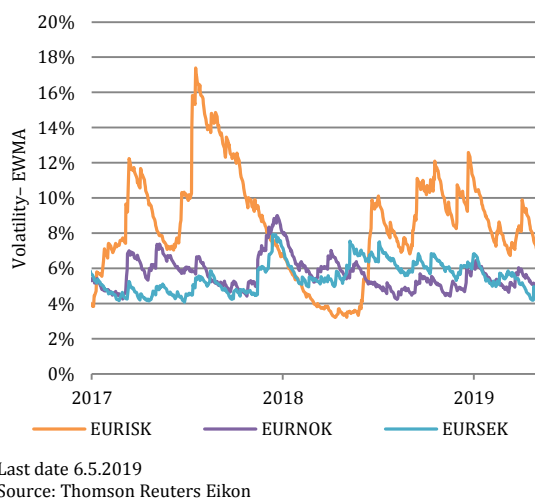
The ISK depreciated slightly against the euro in April.



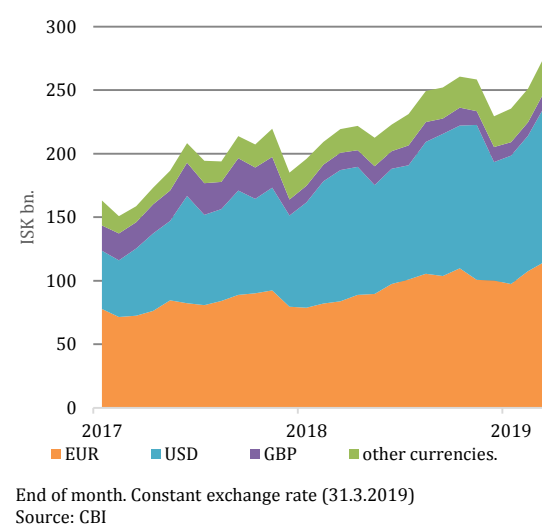
The CBI has not intervened in the interbank foreign exchange market since the end of March.



The volatility of the Icelandic *króna* against the euro is somewhat higher than that of the Norwegian and Swedish kronas.

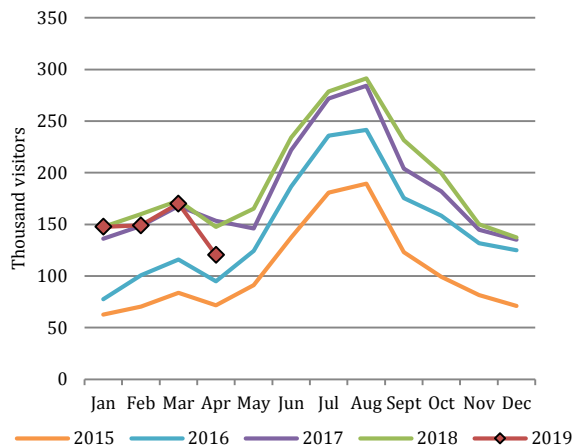


Adjusted for exchange rate fluctuations, domestic deposits in foreign currency accounts increased by ISK 49bn (21%) during the first three months of the year.



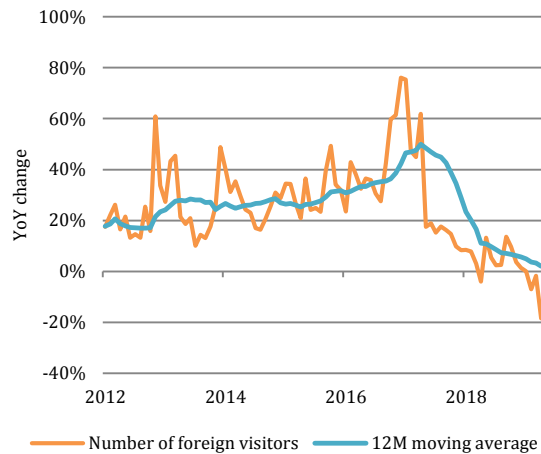


Some 120,000 foreign visitors travelled through Keflavik International Airport in April.



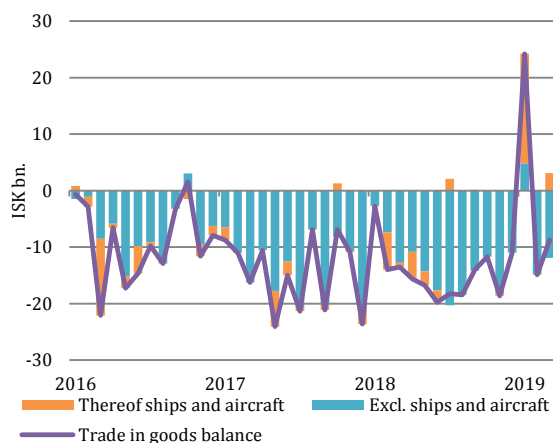
Source: The Icelandic Tourist Board

This is a YoY decrease of 18.5%.



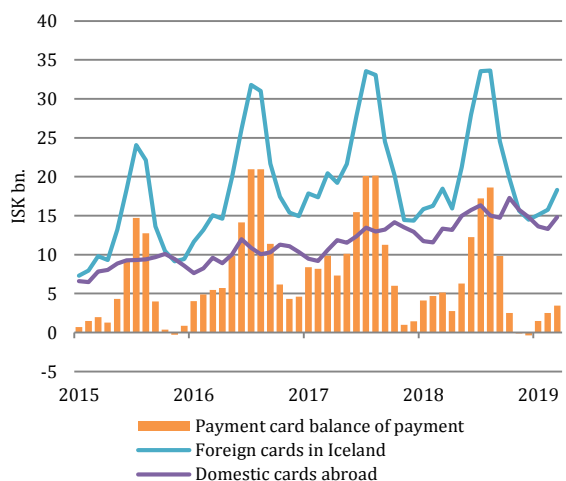
Monthly data, last date April 2019
Source: The Icelandic Tourist Board

The trade deficit in goods amounted to ISK 8.8bn in March.



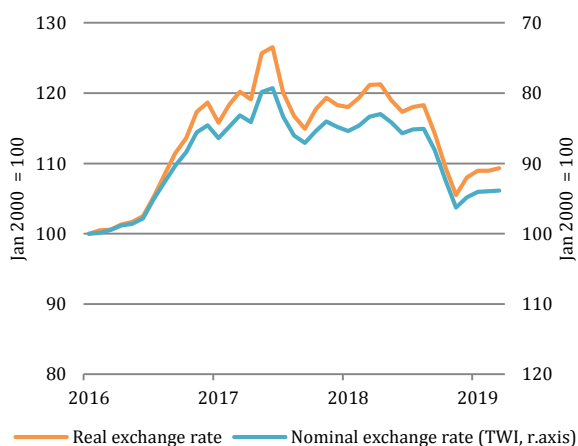
Monthly data, last date March 2019
Source: Statistics Iceland

The external balance on payment card turnover was positive by ISK 3.5bn in March.



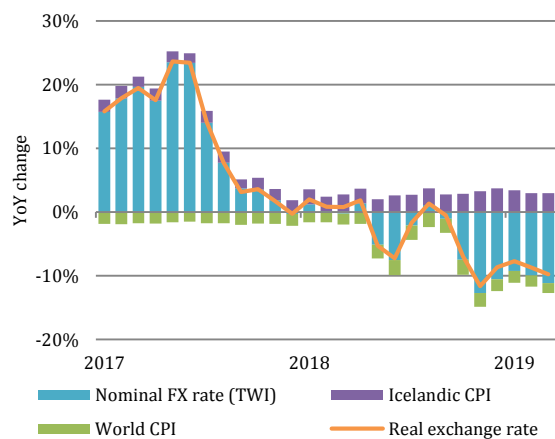
Monthly data, last date March 2019
Source: CBI

The real exchange rate in February was 13.6% weaker than at its peak in June 2017; the nominal exchange rate was 15.5% weaker.



Monthly averages, last date March 2019
Source: CBI

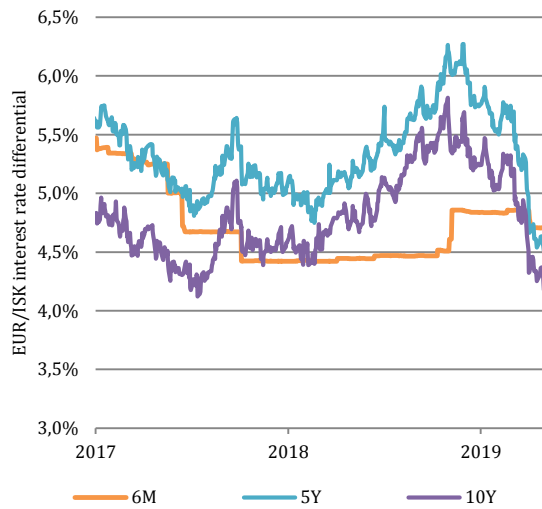
The change in the real exchange rate is mainly caused by changes to the nominal exchange rate.



Monthly averages, last date March 2019
Source: CBI, Statistics Iceland

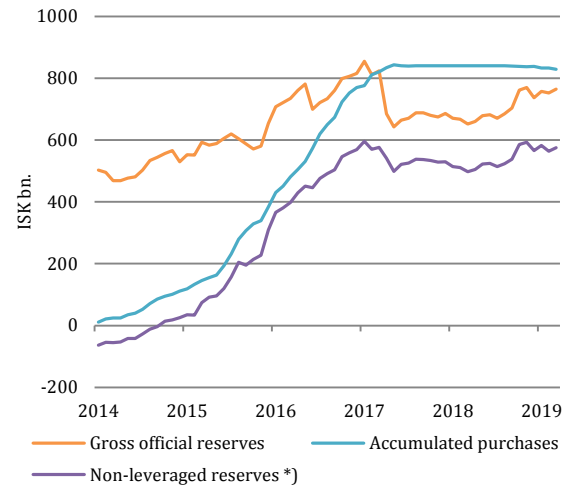


The long-term interest rate differential with the euro is narrower than the short-term.



Last date 3.5.2019
Source: Thomson Reuters Eikon

The foreign exchange reserve less Treasury and CBI liabilities in foreign currencies is ISK 574bn.



*) Foreign currency reserves less debt owed by the CBI and the Treasury in foreign currencies.
EOM. Last date 31.3.2019
Source: Central Bank of Iceland

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