



# FX Market

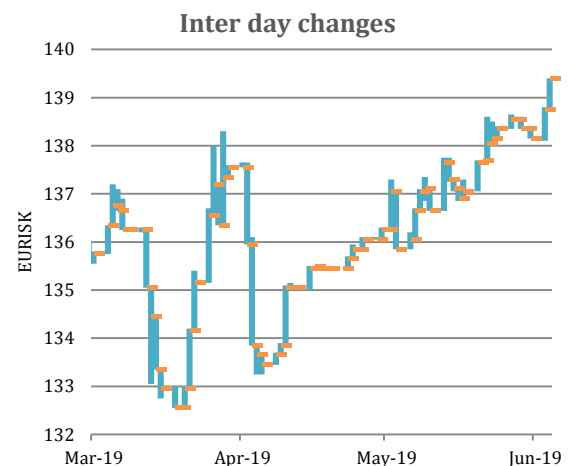
## Monthly Overview

5 June 2019

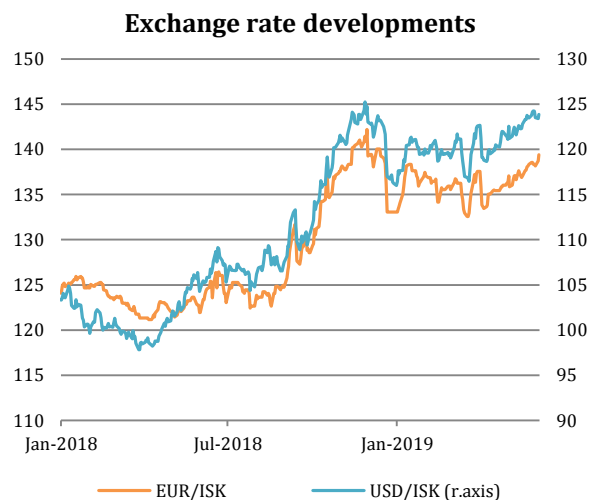
- After having appreciated somewhat the first couple of days of April, the Icelandic króna has been slowly depreciating.
- At the end of day yesterday (4 June), the euro stood at 139.4, 4.5% higher than the lowest daily closing value in the first weeks of April (133.45).
- The CBI sold EUR 15m against the depreciation on 22 and 23 May. Otherwise, the CBI has stayed on the sideline.
- Since the beginning of the year, the Icelandic króna has weakened against the currencies of our main trading partners, with the exception of the Swedish krona.
- Turnover in the foreign exchange market in May was ISK 17.2bn as compared with ISK 12.4bn in April. The CBI's share in the month's turnover was ISK 2bn (12%).
- The real exchange rate in April was 10.6% lower than in April 2018. The nominal rate was 11.5% weaker.
- Domestic party deposits in foreign currency accounts (at constant exchange rates) declined by ISK 10bn (3.3%) in April. This is the first month this year that these deposits contract.

	04.06.2019	YTD	1M	3M	12M
TWI	183,6	5,5%	2,0%	2,0%	13,3%
EUR	139,4	4,8%	2,6%	2,2%	13,0%
USD	123,9	6,8%	2,2%	3,0%	17,5%
GBP	157,3	6,2%	-1,5%	-0,7%	12,1%
DKK	18,7	4,8%	2,6%	2,2%	12,6%
NOK	14,2	6,2%	2,3%	2,5%	9,7%
SEK	13,1	0,1%	3,3%	1,9%	9,0%
CHF	124,8	5,6%	4,7%	3,8%	17,0%
JPY	1,15	8,2%	5,0%	6,5%	19,3%

Source: Thomson Reuter Eikon



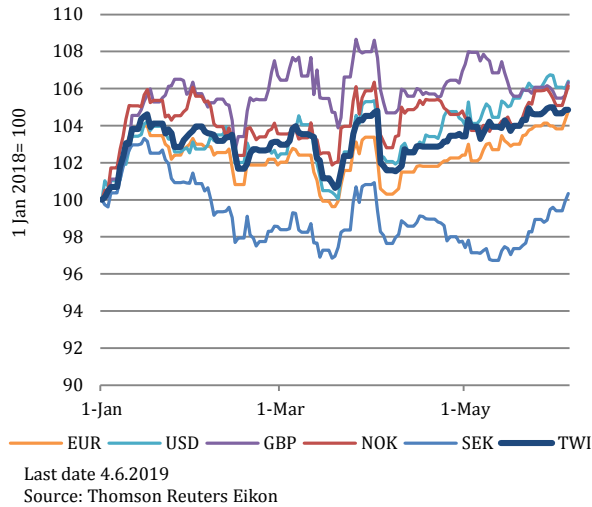
Low, high and close. Last date 4.6.2019  
Source: Thomson Reuters Eikon



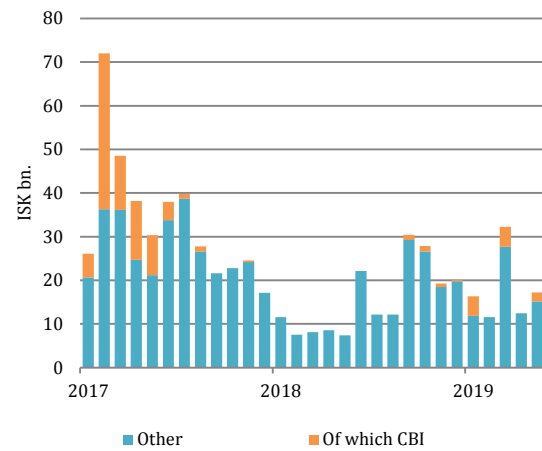
Last date 4.6.2019  
Source: Thomson Reuters Eikon



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

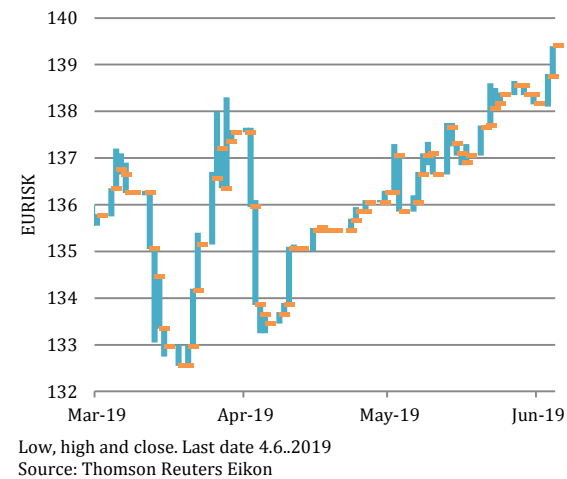


Turnover in the interbank foreign exchange market increased slightly MoM in May.

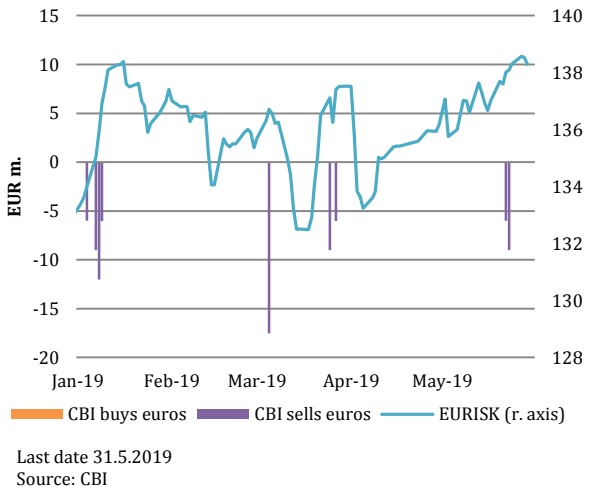


Source: CBI

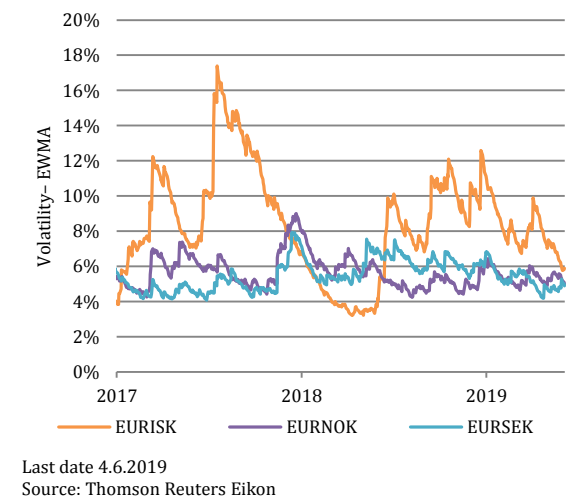
The ISK has depreciated slowly against the euro since the beginning of April.



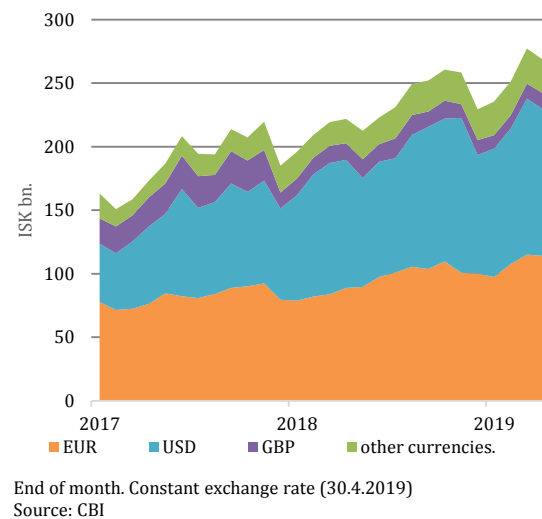
The CBI sold EUR 15m against depreciation on 22 and 23 May.



The volatility of the Icelandic *króna* against the euro is trending towards the same pattern as the Swedish and Norwegian krona.

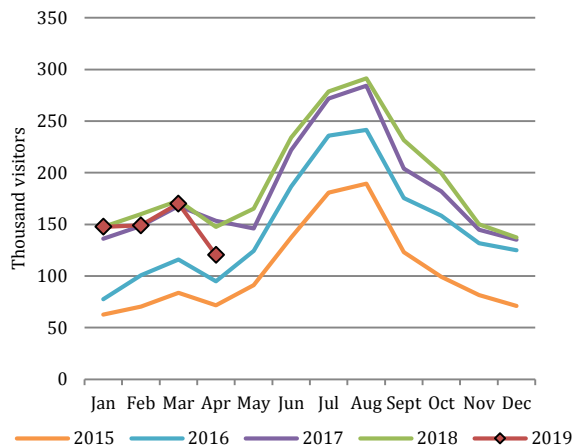


Domestic deposits in foreign currency accounts decreased by ISK 10bn (3.3%) in April.



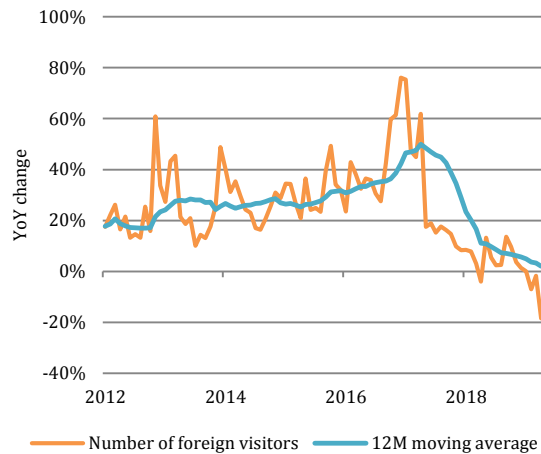


Some 120,000 foreign visitors travelled through Keflavik International Airport in April.



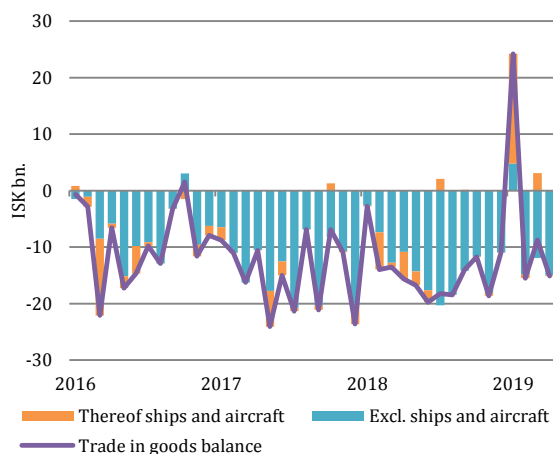
Source: The Icelandic Tourist Board

This is a YoY decrease of 18.5%.



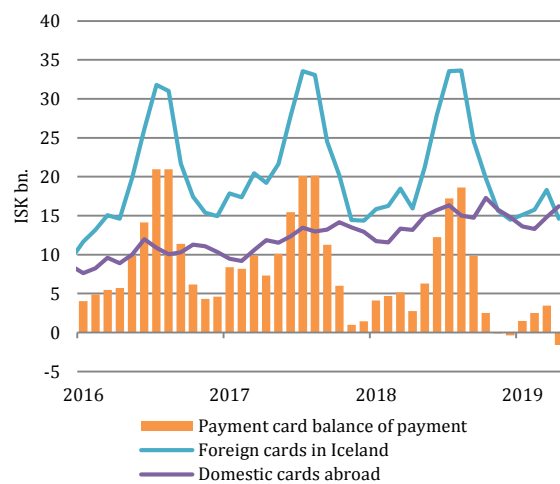
Monthly data, last date April 2019  
Source: The Icelandic Tourist Board

The trade deficit in goods amounted to ISK 15bn in April.



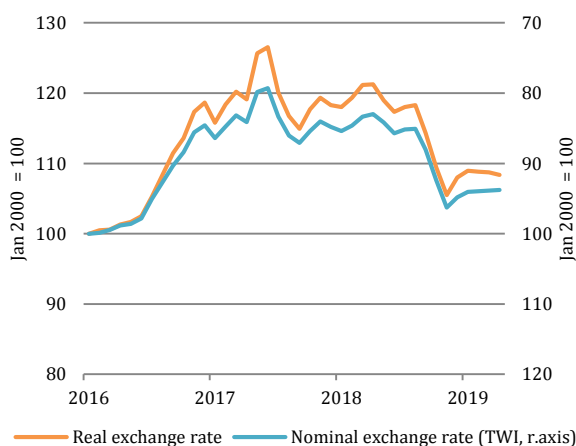
Monthly data, last date April 2019  
Source: Statistics Iceland

The external balance on payment card turnover was negative by ISK 1.6n in March.



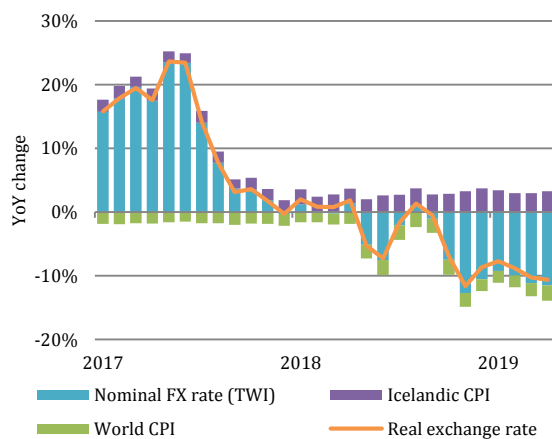
Monthly data, last date April 2019  
Source: CBI

The real exchange rate in April was 10.6% weaker than in April 2018; the nominal exchange rate was 11.5% weaker.



Monthly averages, last date April 2019  
Source: CBI

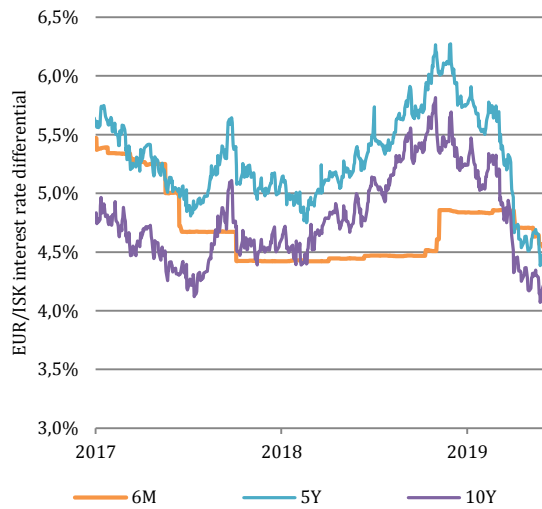
The change in the real exchange rate is mainly caused by changes to the nominal exchange rate.



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

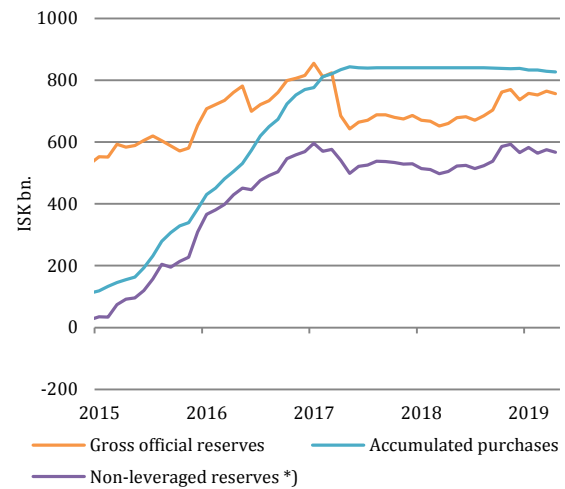


The long-term interest rate differential with the euro is narrower than the short-term.



Last date 3.6.2019  
Source: Thomson Reuters Eikon

The foreign exchange reserve less Treasury and CBI liabilities in foreign currencies is ISK 570bn.



\*) Foreign currency reserves less debt owed by the CBI and the Treasury in foreign currencies.  
End of month. Last date 30.4.2019  
Source: CBI, GDM

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