



FX Market

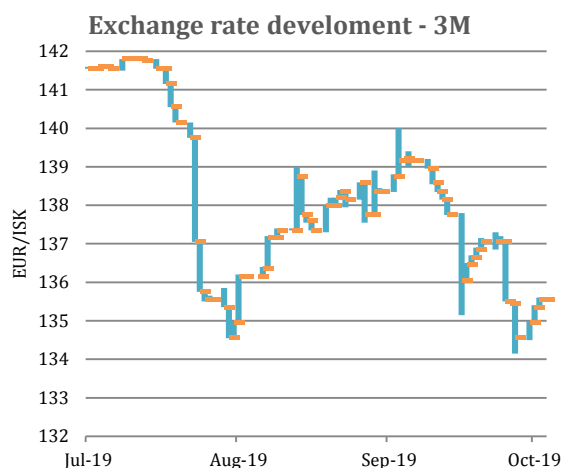
Monthly Overview

4 October 2019

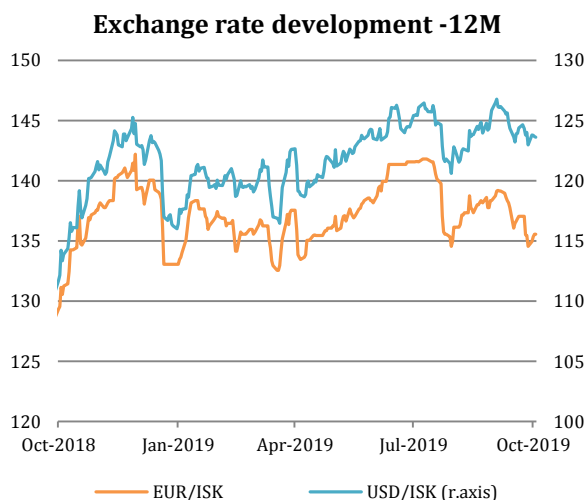
- The króna appreciated in September. At the end of the month, the euro stood at ISK 135, compared with 138.4 at the end of August.
- Turnover in the interbank foreign exchange market increased slightly MoM in September. The turnover was EUR 118m (ISK16.2 bn), compared to EUR 103m (ISK 14.2bn) in August.
- The CBI intervened once in the market in September, it bought EUR 15m (ISK 2bn) on September 16. The króna appreciated 1.2% against the euro that day.
- The real effective exchange rate in August was 8.5% lower than in the same month the year before and is 14.5% weaker than when it was highest in June 2017. The nominal rate in August was 10.1% weaker than it was in July 2018.

	3.10.2019	YTD	1M	3M	12M
TWI	179.2	3.0%	-2.3%	-3.9%	4.1%
EUR	135.6	1.9%	-2.6%	-4.3%	3.4%
USD	123.6	6.6%	-2.5%	-1.5%	8.2%
GBP	152.4	2.9%	-0.5%	-3.4%	3.1%
DKK	18.2	1.9%	-2.7%	-4.3%	3.2%
NOK	13.5	0.9%	-2.7%	-7.8%	-2.4%
SEK	12.5	-4.4%	-3.0%	-7.1%	-0.8%
CHF	123.7	4.7%	-3.7%	-2.7%	7.5%
JPY	1.16	9.2%	-3.4%	-0.7%	15.9%

Source: Thomson Reuter Eikon



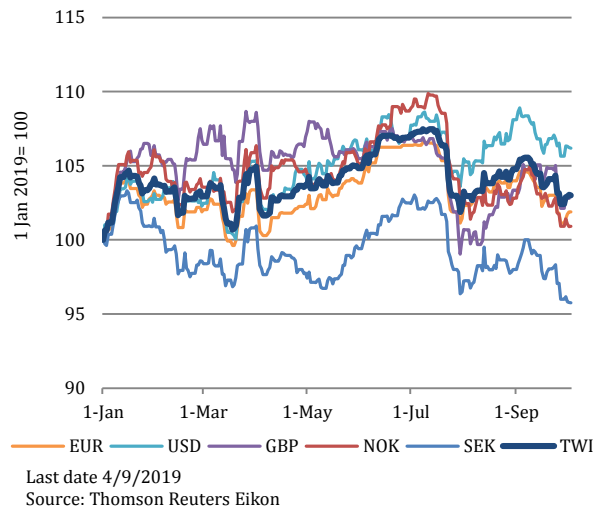
Low, high and close. Last date 3/10/2019
Source: Thomson Reuters Eikon



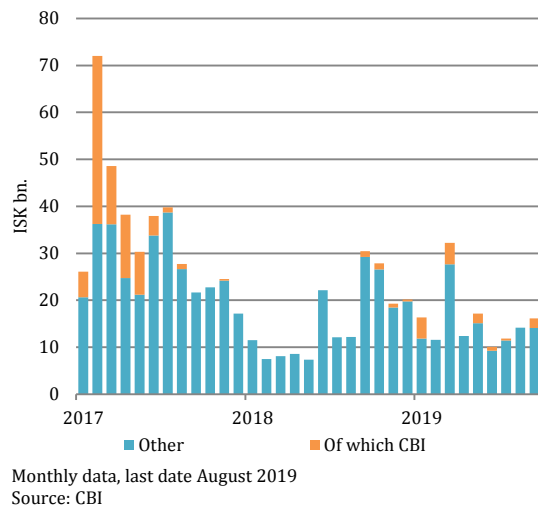
Last date 3/10/2019
Source: Thomson Reuters Eikon



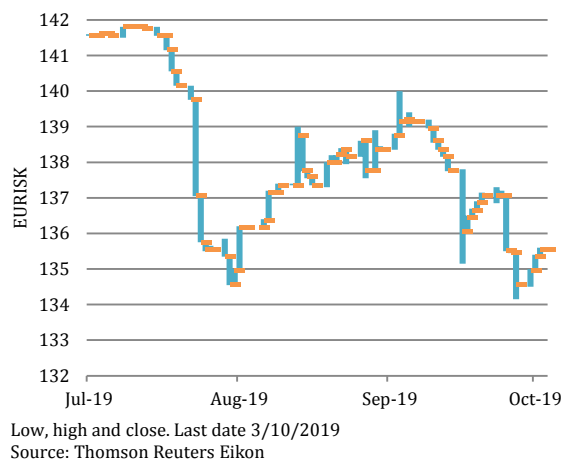
Since the beginning of the year, the Icelandic *króna* has depreciated against the currencies of most of Iceland's main trading partners.



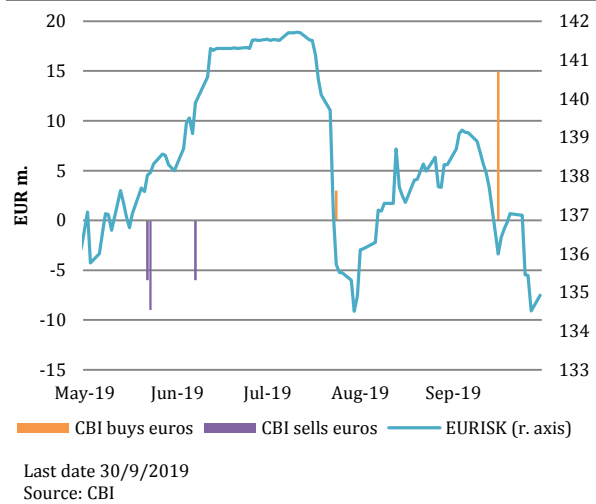
Turnover in the interbank foreign exchange market increased slightly MoM in September.



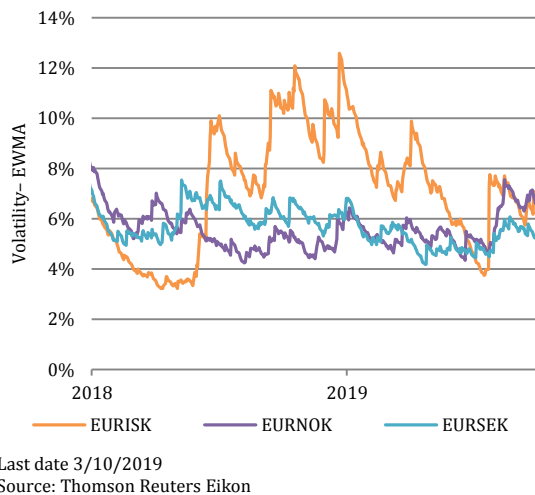
The *króna* has appreciated against the euro | September



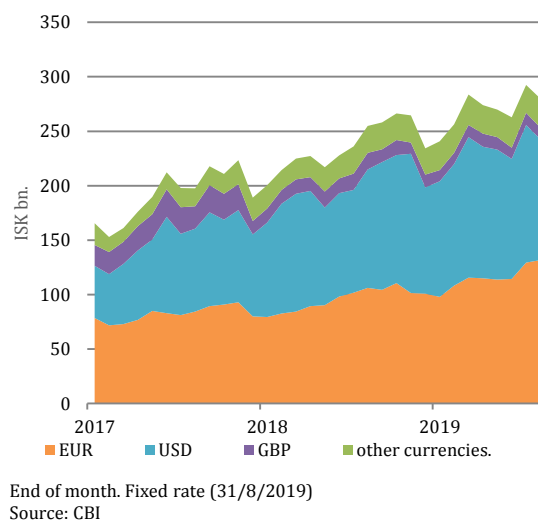
The CBI intervened in the market once in September, it bought EUR 15m on September 16



The volatility of the *króna* against the euro increased slightly in September.

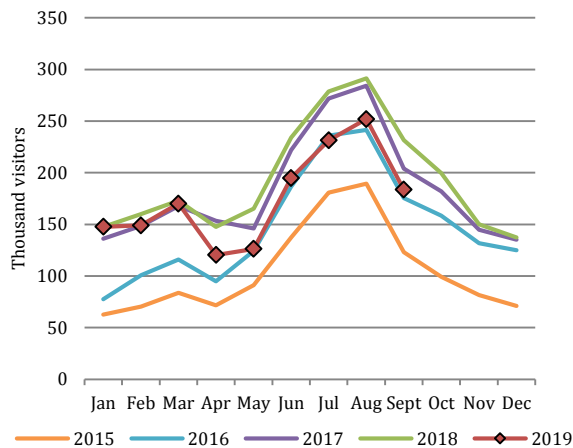


Domestic deposits in foreign currency accounts decreased by ISK 13bn (4.5%) in August.



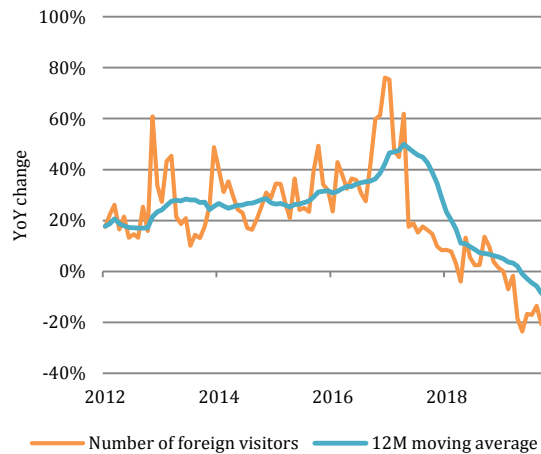


Some 184,000 foreign visitors travelled through Keflavik International Airport in September.



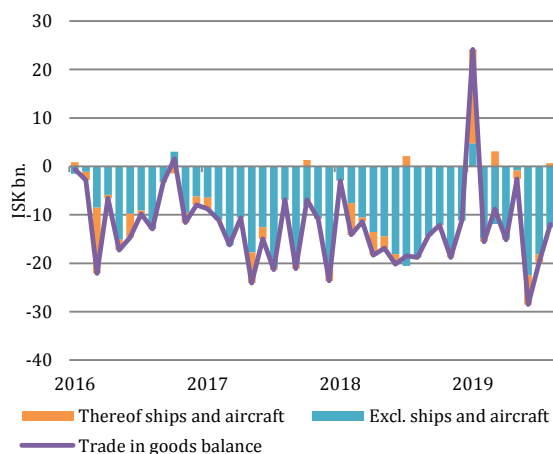
Source: Icelandic Tourist Board

Number of foreign visitors through Keflavik International Airport decreased 20.7% YoY in September.



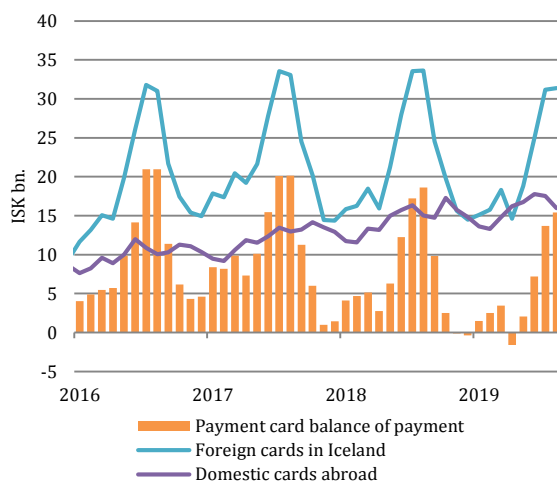
Monthly data, last date September 2019
Source: Icelandic Tourist Board

Excluding ships and aircraft, the trade in goods deficit was ISK 12.7 in August.



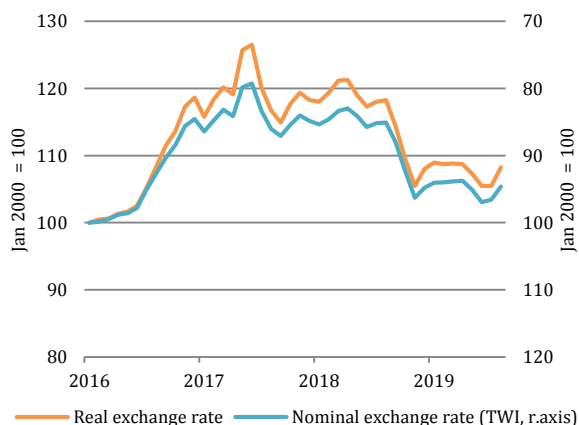
Monthly data, last date August 2019
Source: Statistics Iceland

The external balance on payment card turnover was ISK 15.4bn in July, an ISK 3.2bn (14%) decrease YoY.



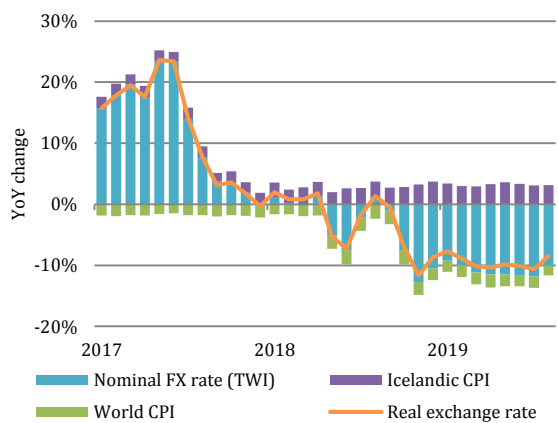
Monthly data, last date August 2019
Source: CBI

The real exchange rate in August was 8,5% lower than in August 2018; the nominal exchange rate was 10.1% weaker.



Monthly averages, last date August 2019
Source: CBI

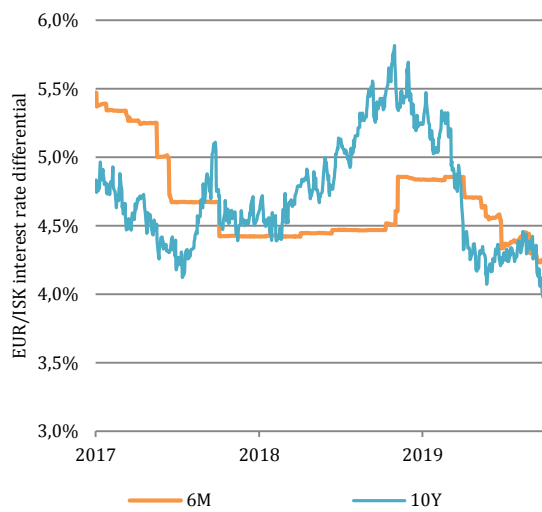
Real exchange rate changes result mainly from the development of the nominal exchange rate.



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

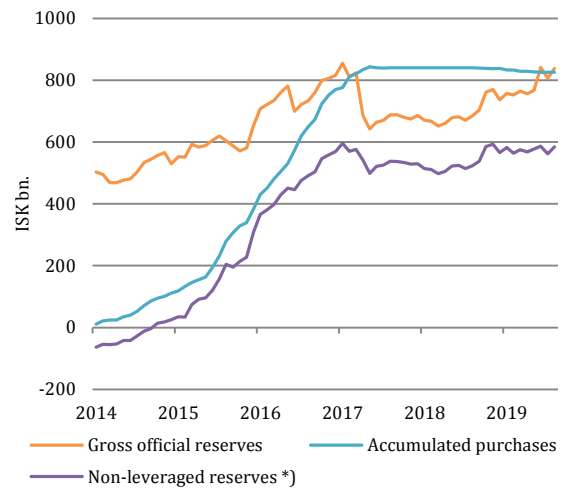


The long-term interest rate differential with the euro is less than the short-term.



Last date 2/10/2019
Source: Thomson Reuters Eikon

Non-leveraged reserves are unchanged this year to date.



*) Foreign currency reserves net of debt owed by the CBI and the Treasury in foreign currencies.
End of month. Last date 31/7/2019
Source: CBI, GDM

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