



# ECONOMIC INDICATORS

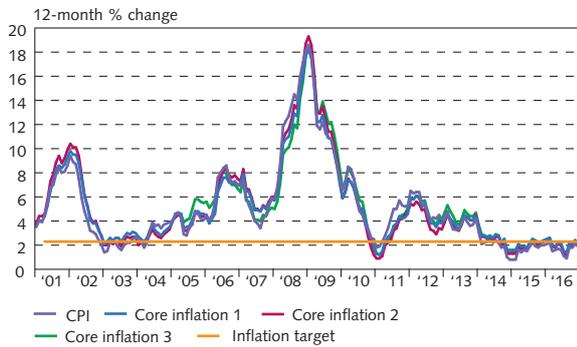
## CENTRAL BANK OF ICELAND

### Contents

- 2 *I Inflation and inflation expectations*
- 5 *II Output and demand*
- 8 *III Foreign trade and external economic conditions*
- 13 *IV Labour market and wages*
- 16 *V Public finances*
- 18 *VI Asset markets*
- 20 *VII Financial markets*

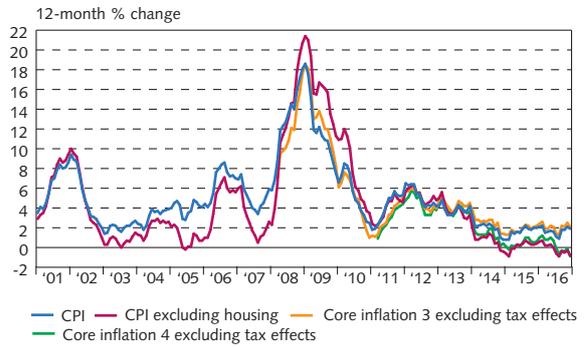
# I Inflation and inflation expectations

I-1 Consumer price inflation and core inflation



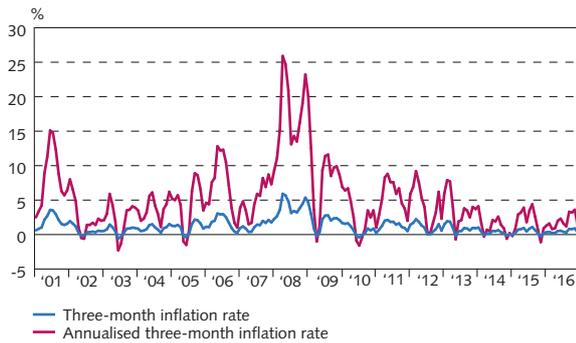
Overall index and measures of underlying inflation. Core index 1 excludes prices of agricultural products and petrol, and Core index 2 excludes prices of public services as well. Core index 3 is Core index 2 excluding the effects of changes in real interest rates on the housing component of the CPI. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-2 Inflation: various measures



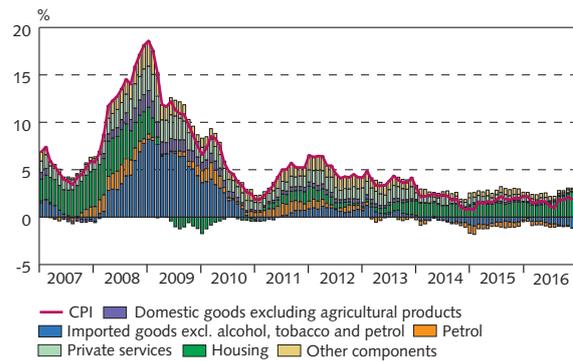
Core index 4 is the consumer price index excluding prices of agricultural products, petrol, public services and owner-equivalent rent. Monthly data.  
Source: Statistics Iceland.

I-3 Seasonally adjusted inflation



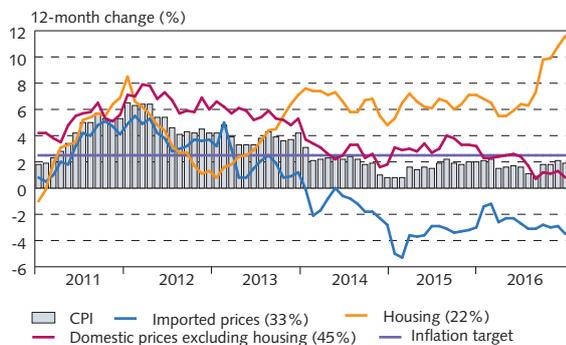
This inflation measurement is very volatile but indicates how inflation pressures are developing. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-4 Components of CPI inflation



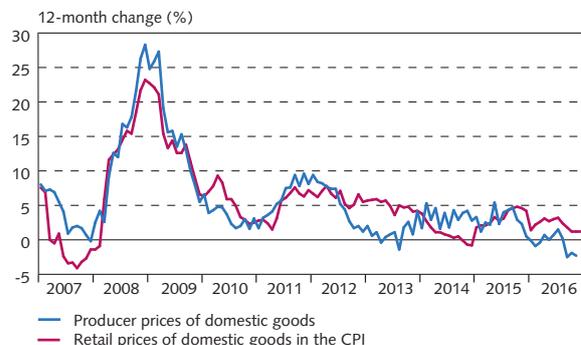
Contribution of individual items to 12-month inflation. Monthly data.  
Source: Statistics Iceland.

I-5 Imported and domestic inflation



Imported inflation is estimated using imported food and beverages and the price of new motor vehicles and spare parts, petrol, and other imported goods. Domestic inflation is estimated using the price of domestic goods and the price of private and public services. The figures in parentheses show the current weight of these items in the CPI. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-6 Production and retail prices of domestic goods

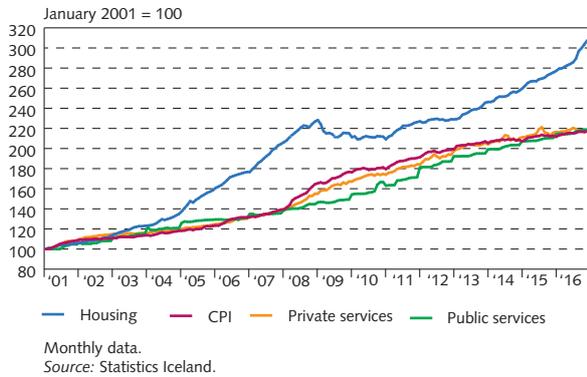


Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

# I Inflation and inflation expectations

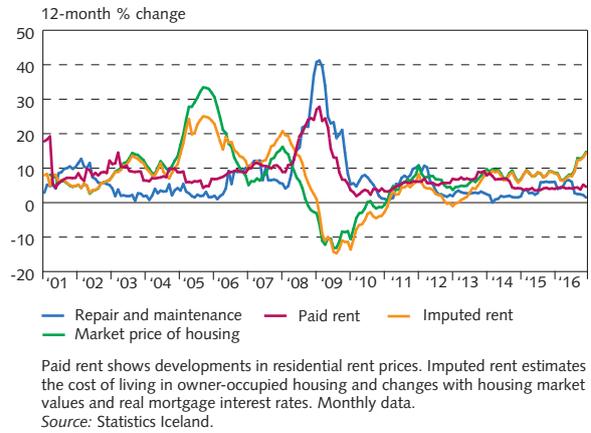
I-7

Price developments: housing and services



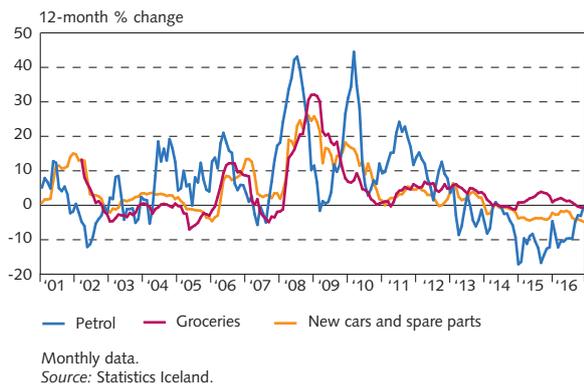
I-8

Price developments: housing



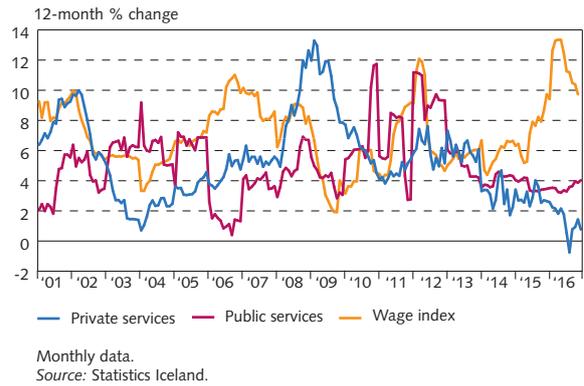
I-9

Price developments: various components



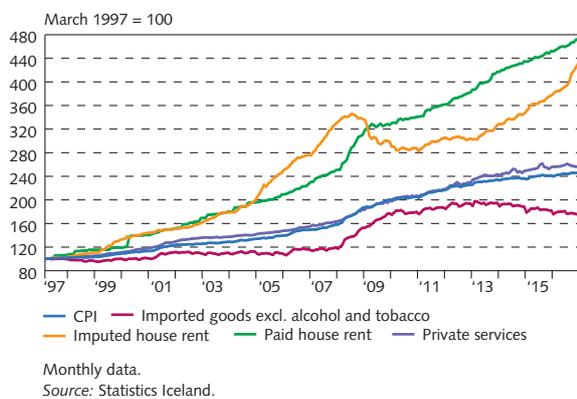
I-10

Price developments: wages and services



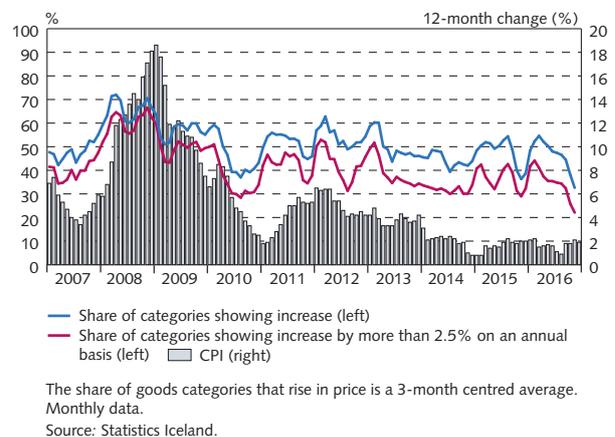
I-11

Price developments: goods, housing and services



I-12

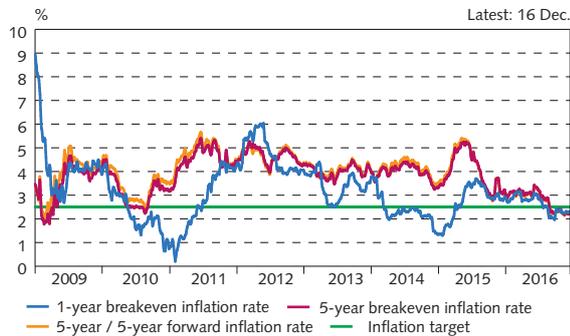
Distribution of price increases in the CPI



# I Inflation and inflation expectations

I-13

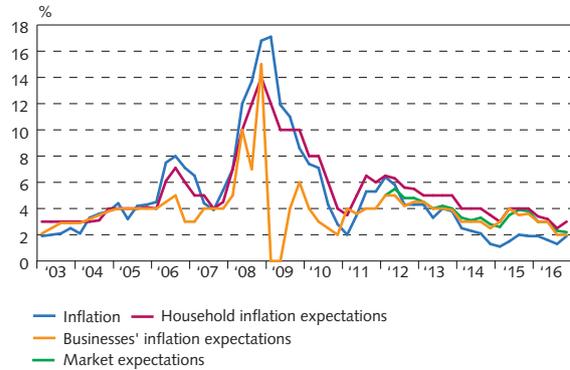
Breakeven inflation expectations



Breakeven inflation expectations are calculated from yield spreads between nominal and index-linked Government and Government-backed bonds (5-day moving averages). Daily data.  
Source: Central Bank of Iceland.

I-14

Inflation expectations of businesses, households and market one year ahead and current inflation



Inflation expectations according to surveys carried out by Gallup and the Central Bank. Respondents are asked about inflation 12 months ahead and median figures are used. Businesses' inflation expectations were measured on an irregular basis before 2006Q3 so until then measurements are interpolated. Quarterly data.  
Sources: Gallup, Statistics Iceland, Central Bank of Iceland.

I-15

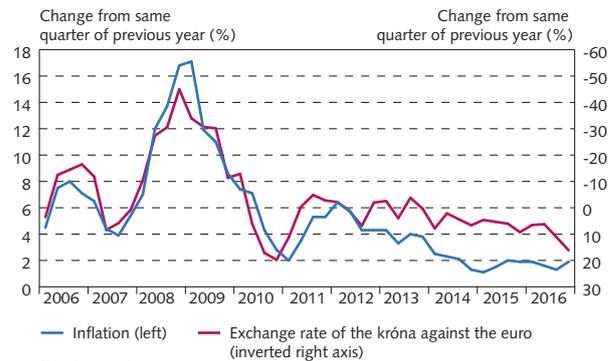
Import price levels and exchange rate developments



Import-weighted exchange rate index and price of imported goods in the CPI. The import exchange rate index is published with a one-month time lag, as price level measurements are carried out at mid-month.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-16

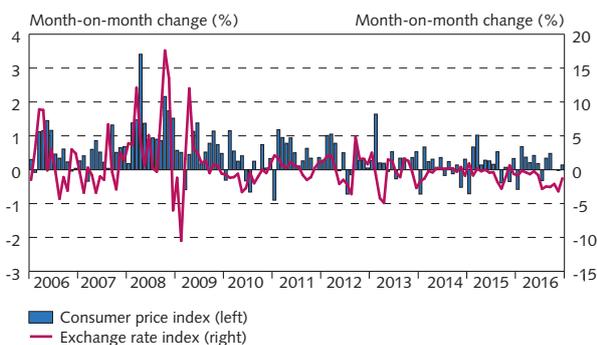
Inflation and exchange rate against euro



Quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-17

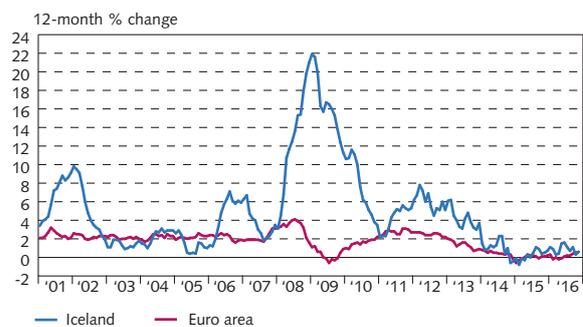
Price level and exchange rate developments



The exchange rate index is calculated based on a narrow trade basket. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

I-18

Inflation in Iceland and Europe

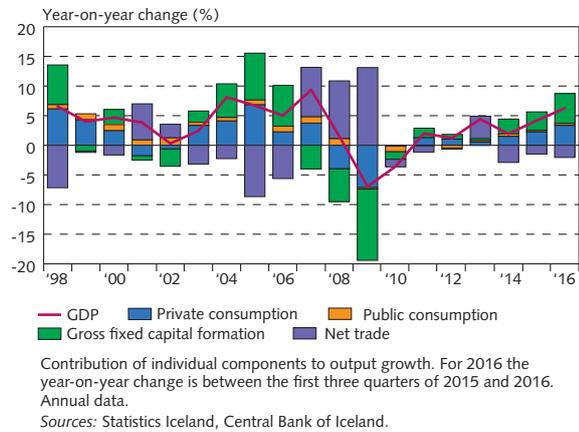


Harmonised indices of consumer prices. Monthly data.  
Source: Statistics Iceland.

## II Output and demand

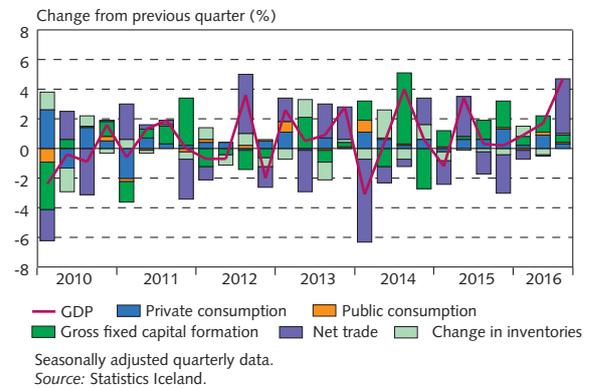
II-1

Contribution of individual components to output growth



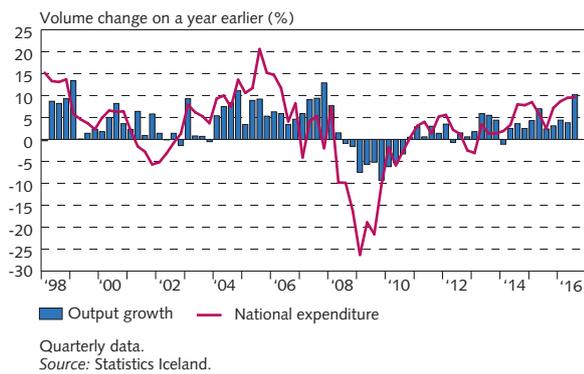
II-2

Contribution of individual components to output growth



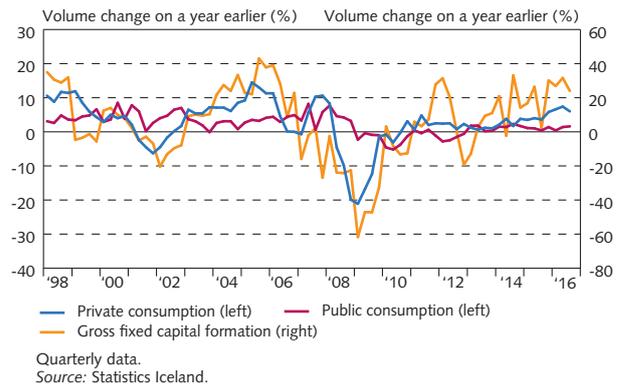
II-3

Output growth and national expenditure



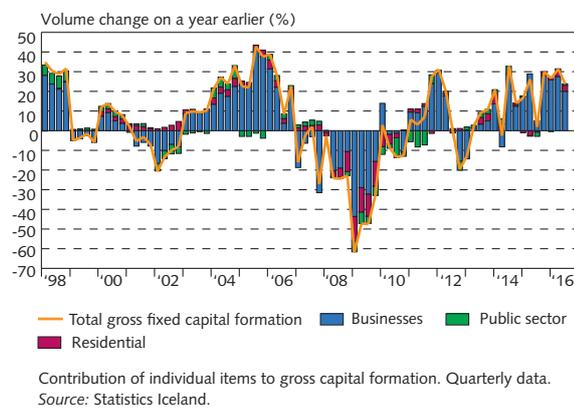
II-4

Private consumption, public consumption and gross fixed capital formation



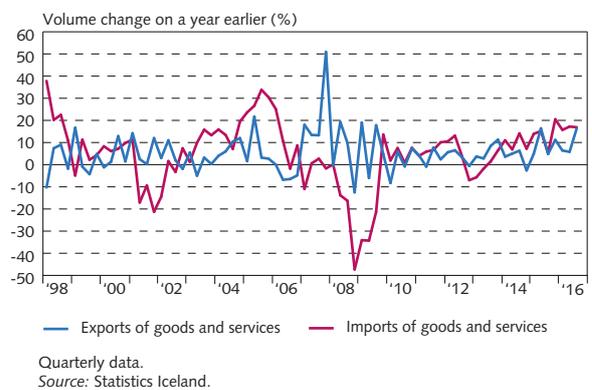
II-5

Gross fixed capital formation



II-6

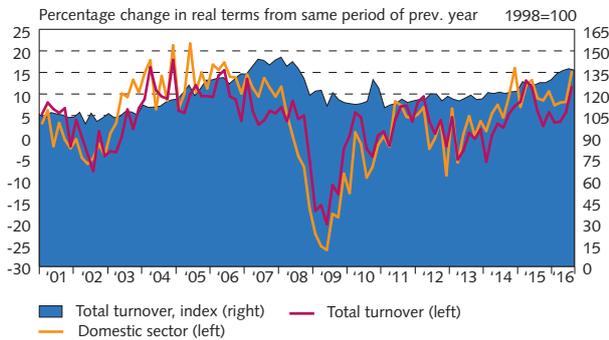
Foreign trade



## II Output and demand

II-7

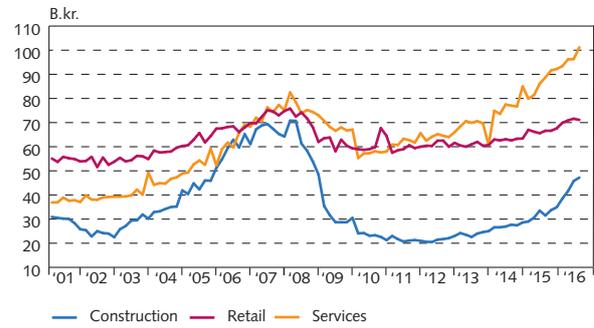
Turnover according to VAT returns



Deflated by the CPI. Seasonally adjusted data for two-months periods.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-8

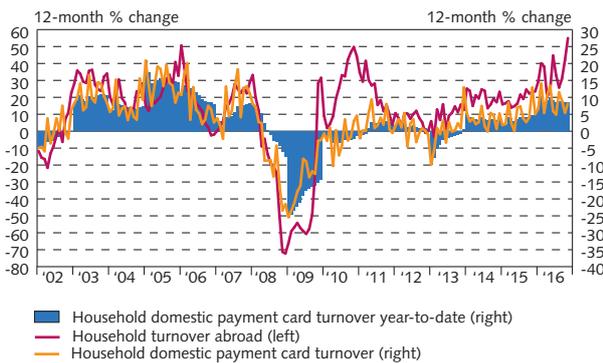
Turnover according to VAT returns



Deflated by the CPI. Retail sector is deflated by the CPI excluding housing and petrol, and construction sector is deflated by the CPI. Seasonally adjusted data for two-month periods.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-9

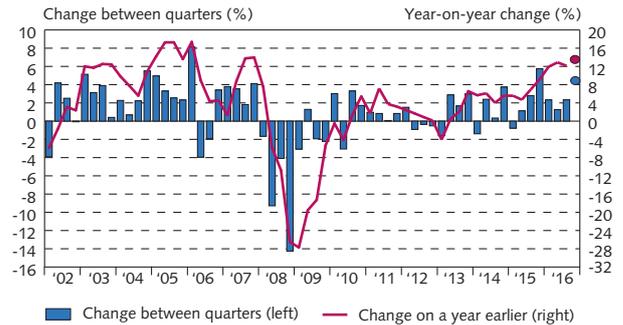
Payment card turnover



Debit and credit card turnover deflated by the CPI less housing costs. Turnover abroad is deflated by the exchange rate index. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-10

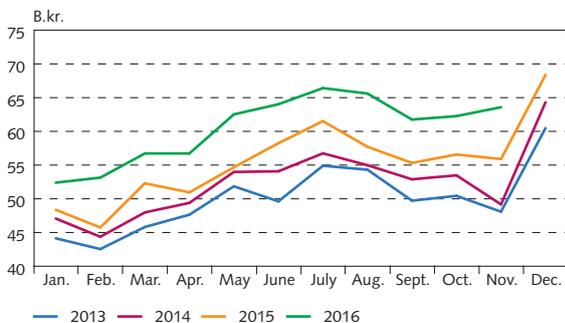
Total household payment card turnover



Seasonally adjusted debit and credit card turnover deflated by the CPI less housing costs. Turnover abroad is deflated by the exchange rate index. Points show 2-month average of values in October and November. Quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-11

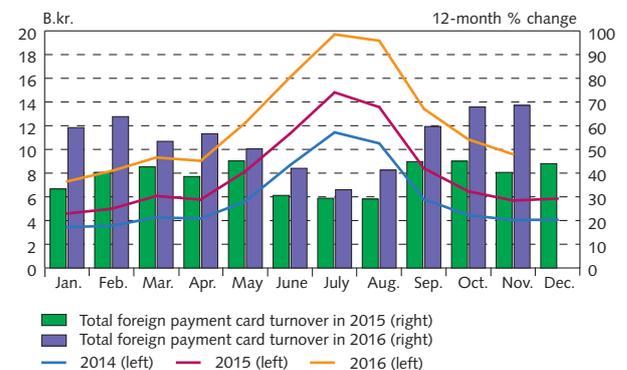
Household payment card turnover



Debit and credit card turnover deflated by the CPI excluding the housing component. Foreign turnover deflated by the import-weighted exchange rate index. Based on latest monthly prices and exchange rates. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

II-12

Foreign payment card turnover in Iceland

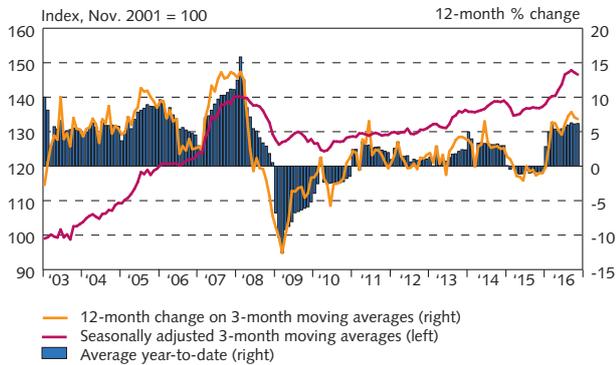


Foreign payment card turnover deflated by the CPI less housing costs. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

## II Output and demand

II-13

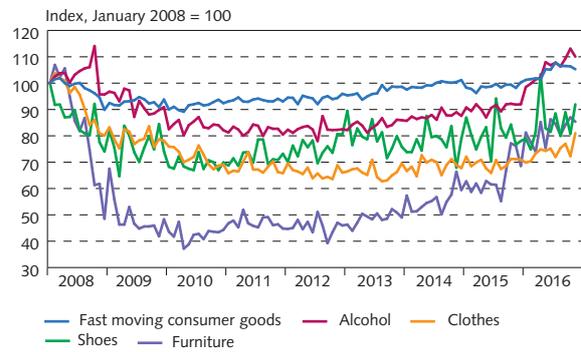
Groceries turnover



Deflated by price of groceries in CPI. Monthly data.  
Sources: Icelandic Centre for Retail Studies, Central Bank of Iceland.

II-14

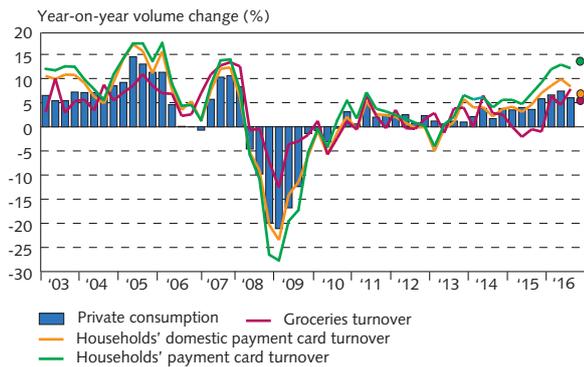
Retail indices



Seasonally adjusted. Deflated by price indices of each component. Monthly data.  
Sources: Icelandic Centre for Retail Studies, Central Bank of Iceland.

II-15

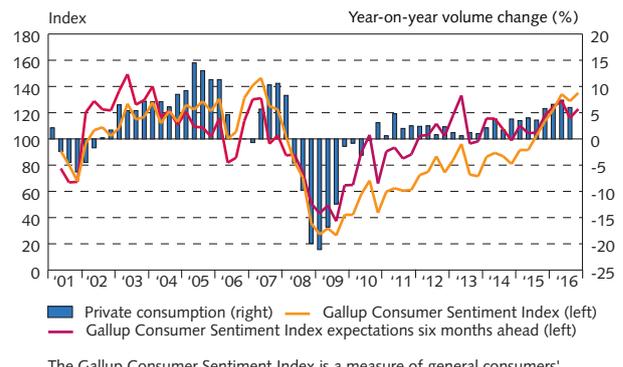
Private consumption, groceries and payment card turnover



Points show 2-month average of values in October and November. Quarterly data.  
Sources: Icelandic Centre for Retail Studies, Statistics Iceland, Central Bank of Iceland.

II-16

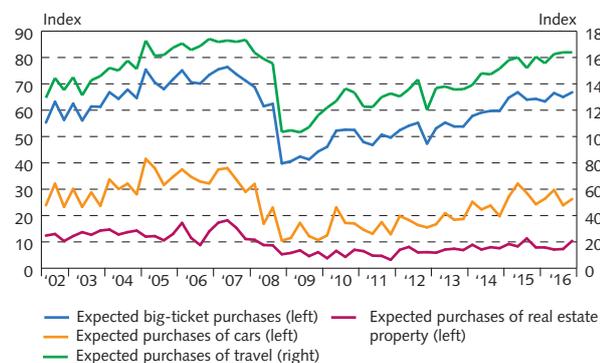
Private consumption and Gallup Consumer Sentiment Index



The Gallup Consumer Sentiment Index is a measure of general consumers' sentiment towards the economy and the labour market. Quarterly data.  
Sources: Gallup, Statistics Iceland.

II-17

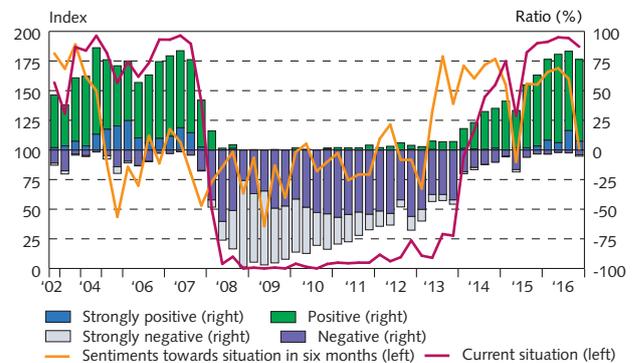
Indices of expected big-ticket purchases



Indices of expected big-ticket purchases are based on Gallup consumer sentiment survey. The index for expected big-ticket purchases is an average of the other three indices. Quarterly data.  
Source: Gallup.

II-18

Corporation expectations towards the economic situation and outlook

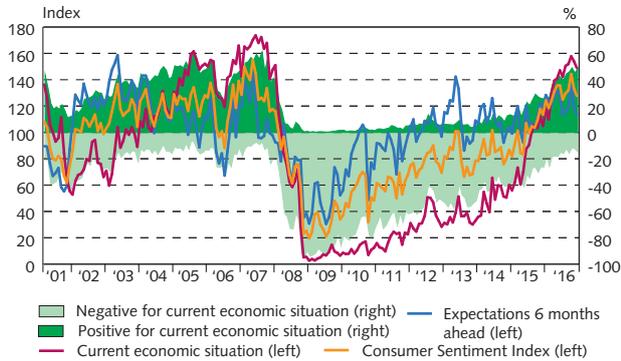


The Business sentiment indices are based upon Gallup's survey of the largest companies in Iceland conducted 4 times a year. The columns show the sentiments towards the current situation of the economy.  
Source: Gallup.

## II Output and demand

II-19

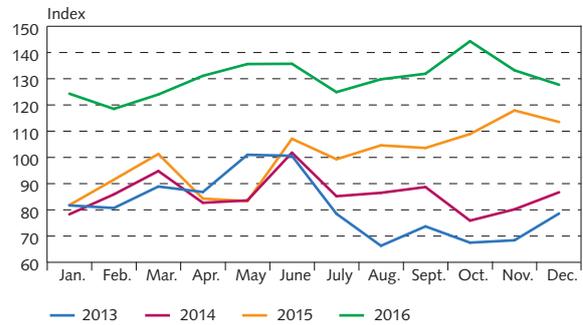
Consumer sentiment (Gallup)



The Gallup Consumer Sentiment Index is a measure of general consumers' sentiment towards the economy and the labour market. Monthly data.  
Source: Gallup.

II-20

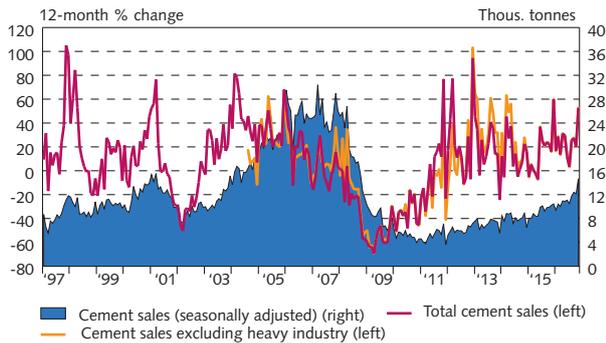
Consumer sentiment (Gallup)



The Gallup Consumer Sentiment Index is a measure of general consumers' sentiment towards the economy and the labour market. Monthly data.  
Source: Gallup.

II-21

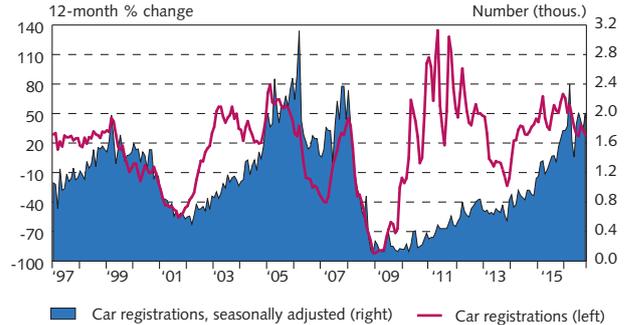
Cement sales



3-month moving average. Monthly data.  
Sources: Aalborg Portland hf., Sementsverksmiðjan hf., Central Bank of Iceland.

II-22

New registration of motor vehicles

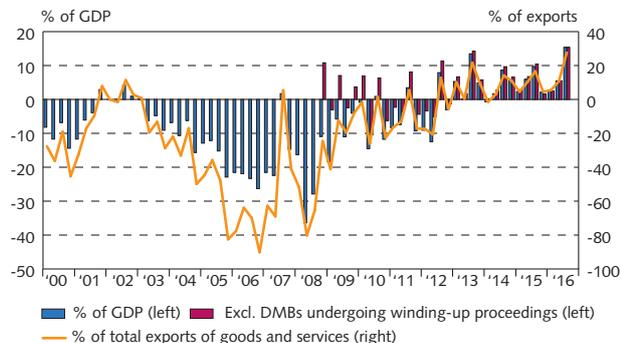


3-month moving average. New motor vehicle registrations include new and used vehicles in all categories (passenger cars, motor coaches and delivery and transport vehicles). Monthly data.  
Sources: The Icelandic Transport Authority, Statistics Iceland, Central Bank of Iceland.

## III Foreign trade and external economic conditions

III-1

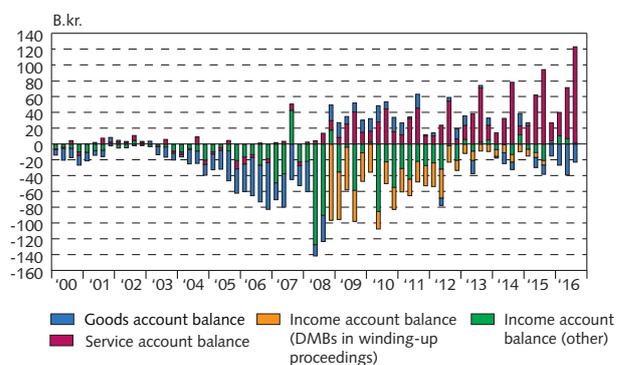
Current account balance



Current account balance excluding DMBs undergoing winding-up proceedings is also adjusted for the failed DMBs' financial intermediation services indirectly measured (FISIM). From 2016 there is no difference between these figures and official figures for current account balance. Quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

III-2

Components of current account

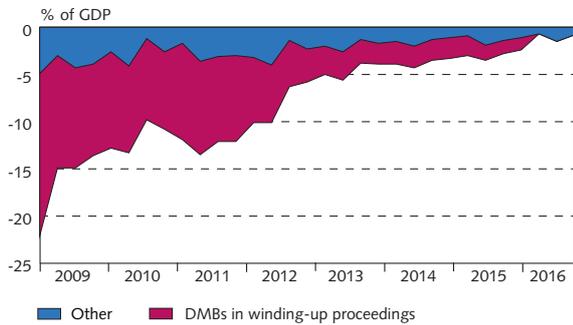


From 2016 there is no difference between income account balance (other) and income account balance total, because the share of DMBs in WuP was wound up year-end 2015. Net current transfers are included in primary income. Quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

### III Foreign trade and external economic conditions

III-3

Net foreign interest payments

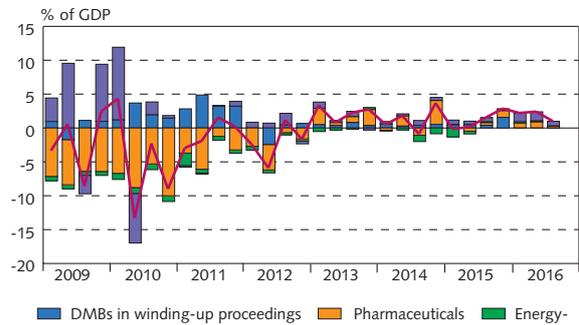


From 2016 there is no difference between income account balance (other) and income account balance total, because the share of DMBs in WuP was wound up year-end 2015. Net current transfers are included in primary income. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-4

Net returns on foreign direct investment

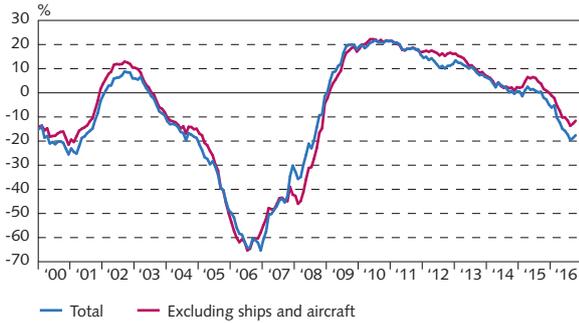


From 2016 the share of DMBs in WuP is zero. Holding companies were established to hold the assets and liabilities of the former estates in line with the compositional proposals in December 2015 and are now categorized as "Other". Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-5

Merchandise trade balance as percentage of merchandise exports

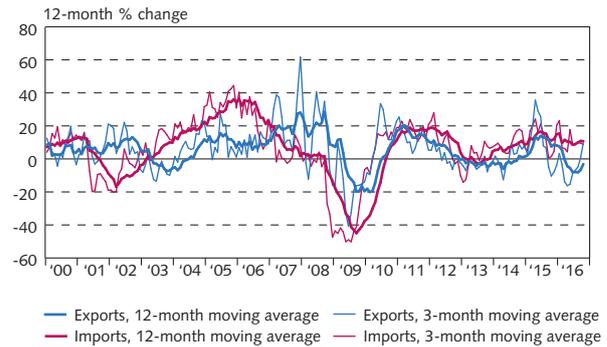


12-month moving averages. Monthly data.

Source: Statistics Iceland.

III-6

Merchandise imports and exports at constant exchange rates

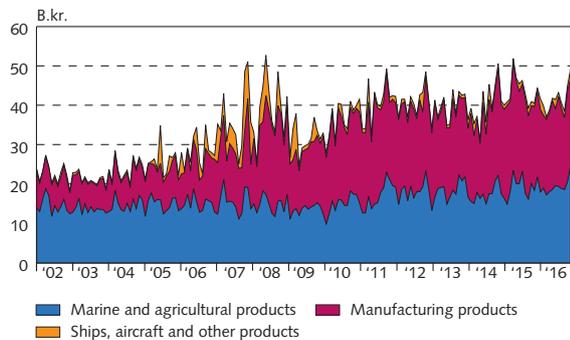


Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-7

Components of merchandise exports

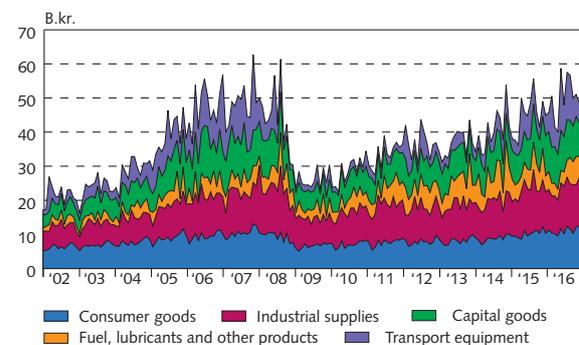


Merchandise export values at constant exchange rates based on monthly average export-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

III-8

Components of merchandise imports



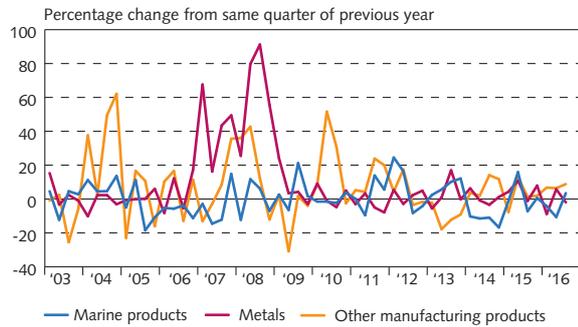
Merchandise import values at constant exchange rates based on import-weighted exchange rate index (broad trade basket). Monthly data.

Sources: Statistics Iceland, Central Bank of Iceland.

### III Foreign trade and external economic conditions

III-9

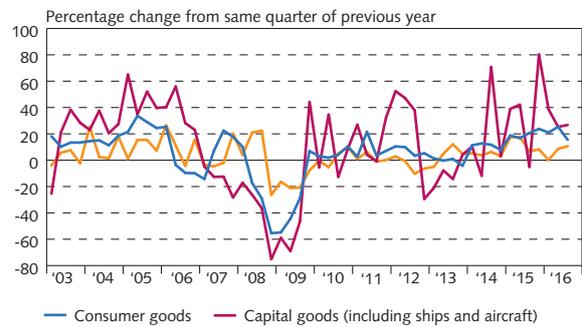
Volume changes on main export products



Quarterly data.  
Source: Statistics Iceland.

III-10

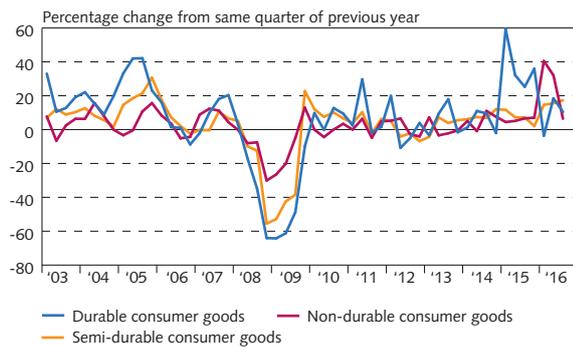
Volume changes on main import products



Quarterly data.  
Source: Statistics Iceland.

III-11

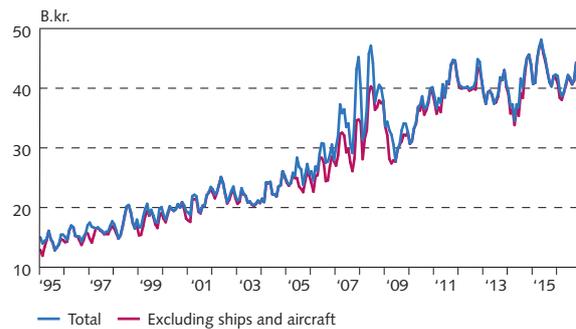
Volume changes on imported consumer goods



Non-durable consumer goods are disposable items such as tobacco and pharmaceuticals. Semi-durables are products that are neither disposable nor durable, such as clothing. Consumer durables are products with a long life-time, such as household appliances. Quarterly data.  
Source: Statistics Iceland.

III-12

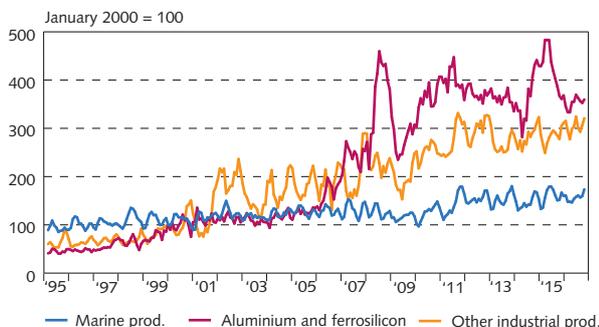
Merchandise exports



Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

III-13

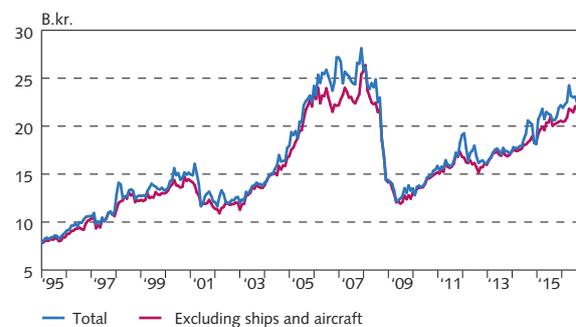
Merchandise exports by category



Exported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

III-14

Seasonally adjusted merchandise imports

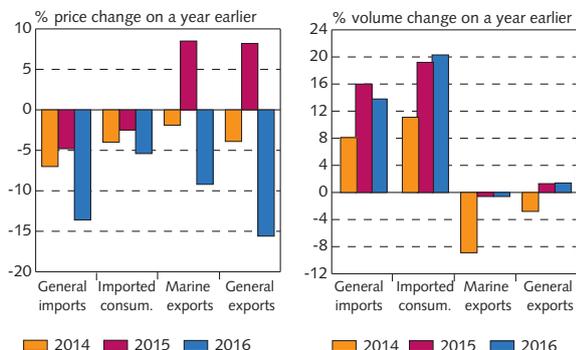


Imported merchandise value calculated as a 3-month moving average at constant exchange rates based on export-weighted exchange rate index (broad trade basket). The index of foreign price levels is calculated by weighting together the consumer price indices in main trading partner countries using a currency basket. Monthly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

### III Foreign trade and external economic conditions

III-15

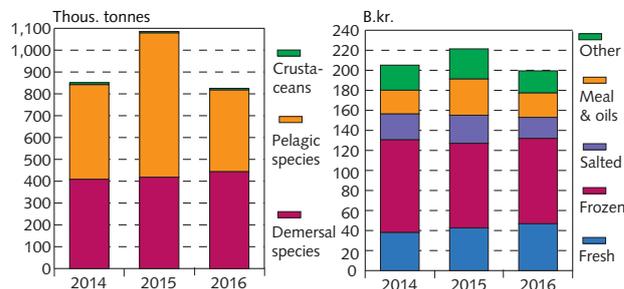
Merchandise trade  
January - October



Cumulative price and volume indices from beginning of year. General imports are total imports excluding ships, aircraft, and sundry items (residual). General exports are total exports excluding ships, aircraft, and sundry items (residual). Monthly data.  
Source: Statistics Iceland.

III-16

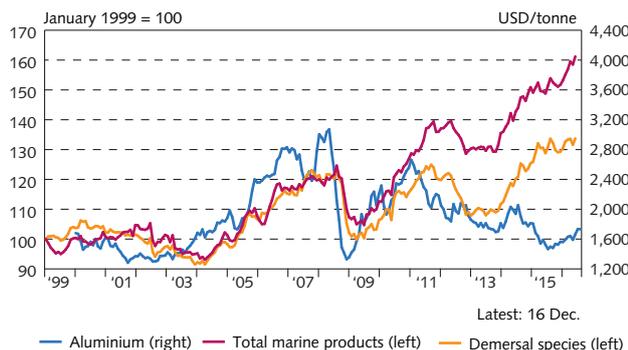
Foreign trade and external economic conditions  
January-November



Cumulative catch volume from beginning of year. Cumulative value of marine exports from beginning of year; nominal fob value. Monthly data.  
Sources: Directorate of Fisheries, Statistics Iceland.

III-17

Export prices



Foreign currency prices of marine products are calculated by dividing marine products prices in Icelandic krónur by the export-weighted trade basket. LME aluminium prices are in US dollars. Monthly averages plus most recent aluminium prices.  
Sources: London Metal Exchange, Statistics Iceland, Central Bank of Iceland.

III-18

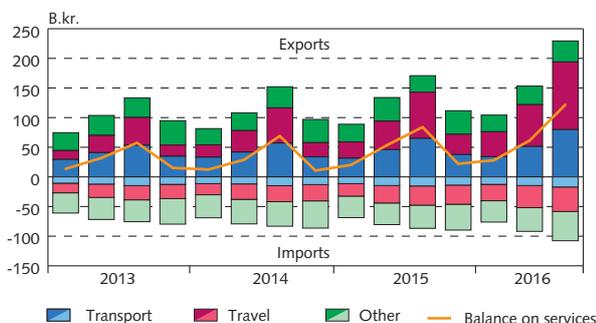
Aluminium production



Annual aluminium production for 2016 is production in January-October. Monthly data.  
Source: Statistics Iceland.

III-19

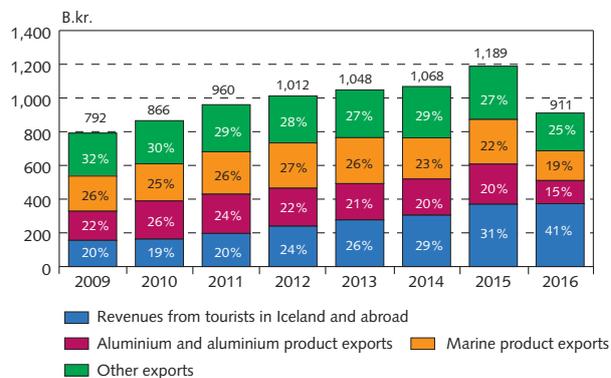
Services imports and exports



Quarterly data at constant exchange rates.  
Sources: Statistics Iceland, Central Bank of Iceland.

III-20

Goods and services exports

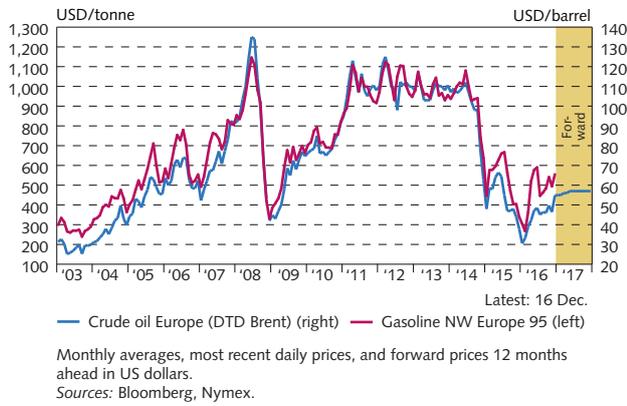


Revenues from tourists in Iceland and abroad is the sum of "Travel" and Item 1.2.1, "Passenger transport by air". Annual and quarterly data.  
Sources: Statistics Iceland, Central Bank of Iceland.

### III Foreign trade and external economic conditions

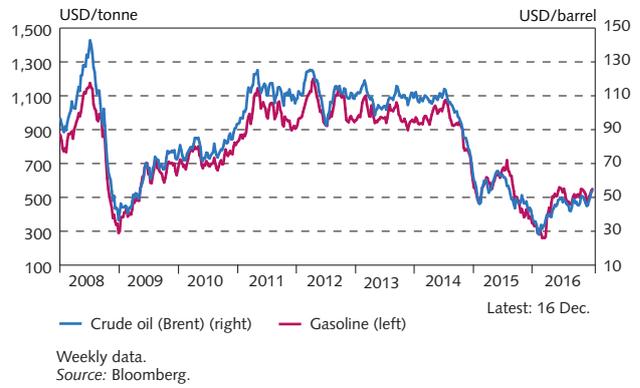
III-21

Global crude oil and gasoline prices



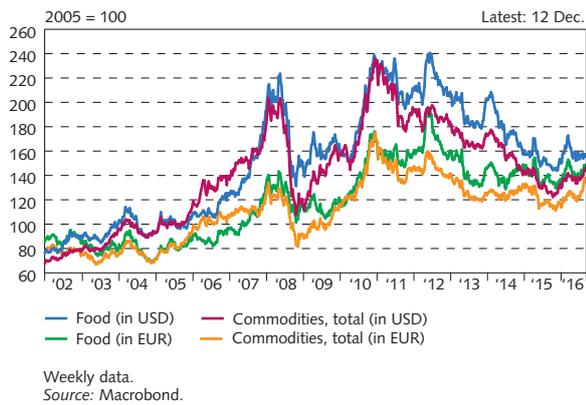
III-22

Global crude oil and gasoline prices



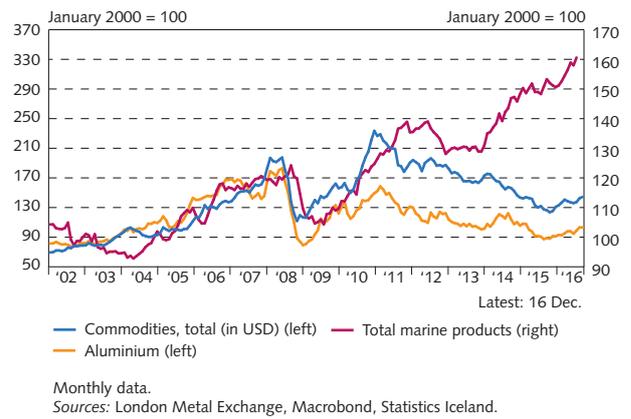
III-23

Commodity prices in international markets



III-24

Global commodity prices and Icelandic export prices



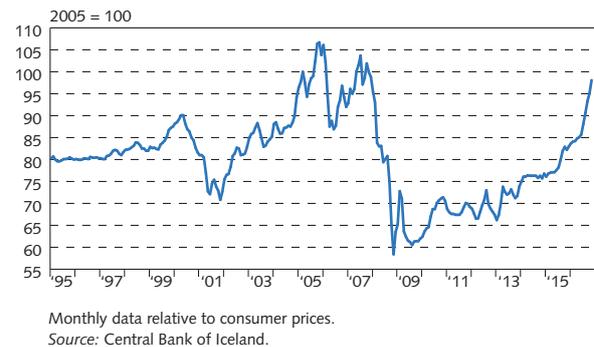
III-25

Real exchange rate



III-26

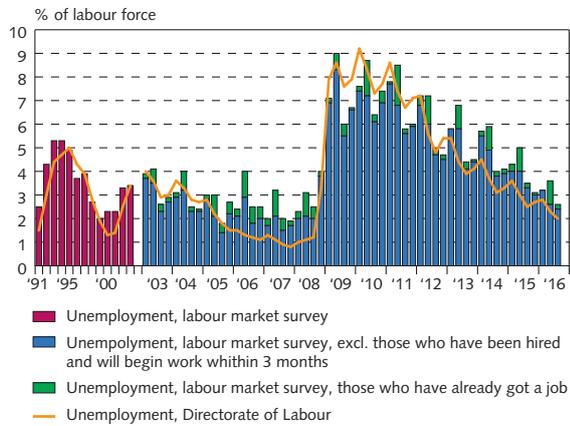
Real exchange rate



## IV Labour market and wages

IV-1

Unemployment rate

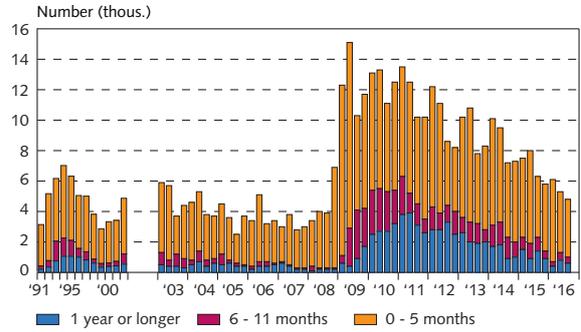


Until 2003, the Statistics Iceland labour market survey included only one week in April and one week in November; however, since January 2003, it has been continuous and the results published quarterly. As a result, figures from January 2003 and thereafter are not entirely comparable with earlier figures. Quarterly data.

Sources: Directorate of Labour, Statistics Iceland.

IV-2

Unemployment by duration

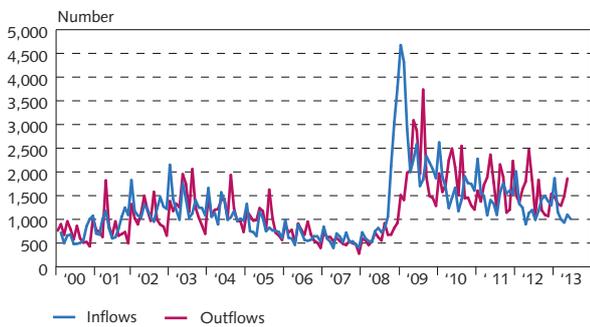


Until 2003, the Statistics Iceland labour market survey included only one week in April and one week in November; however, since January 2003, it has been continuous and the results published quarterly. As a result, figures from January 2003 and thereafter are not entirely comparable with earlier figures. Quarterly data.

Source: Statistics Iceland.

IV-3

Unemployment register: Inflows and outflows

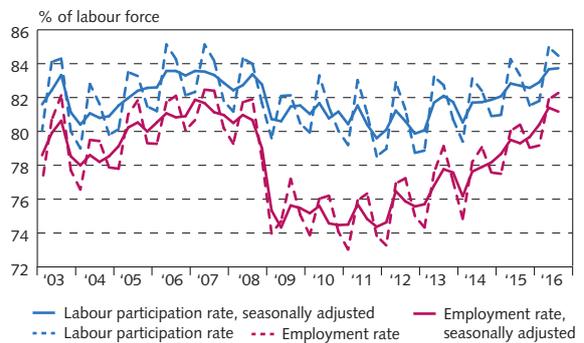


Monthly data.

Source: Directorate of Labour.

IV-4

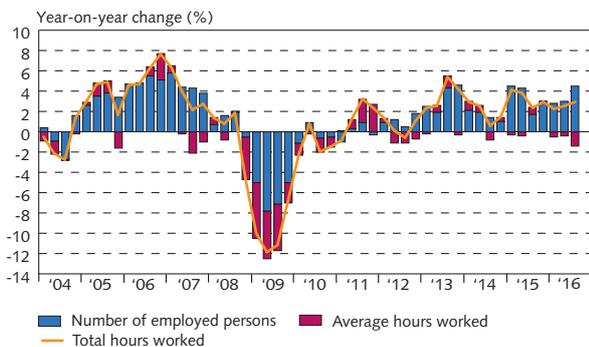
Labour participation rate and employment rate



Source: Statistics Iceland.

IV-5

Employment and hours worked for employed persons

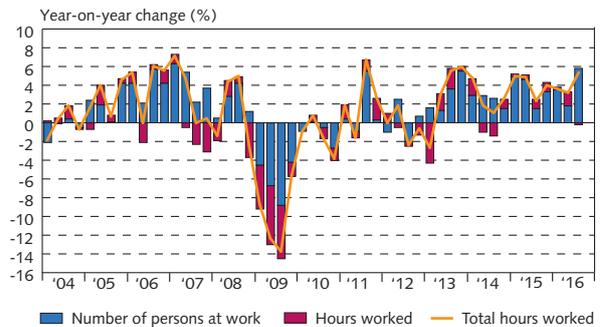


Employed persons are those who worked at least one hour during the reference week or were absent from work that they were hired to carry out. Quarterly numbers based on monthly data averages.

Source: Statistics Iceland.

IV-6

Employment and hours worked for persons at work



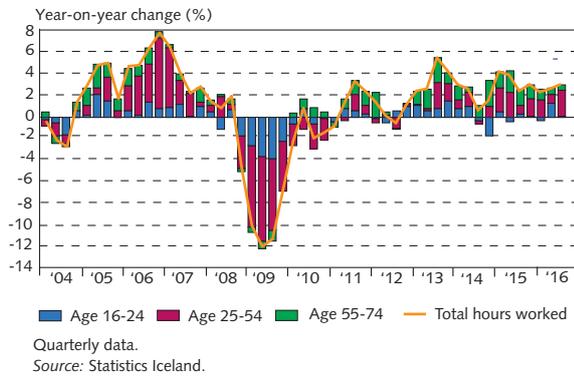
Persons at work are those who worked one hour or more during the reference week. Quarterly data

Source: Statistics Iceland.

## IV Labour market and wages

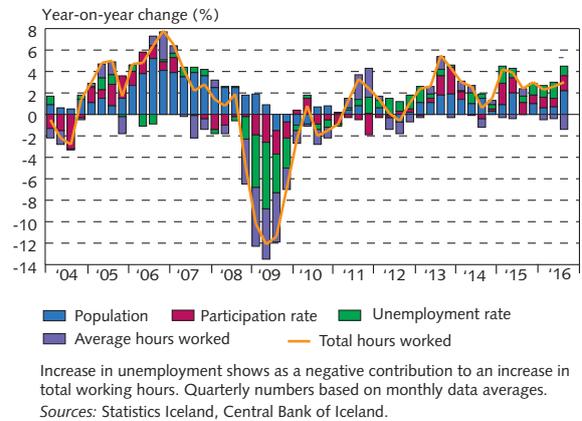
IV-7

Total working hours



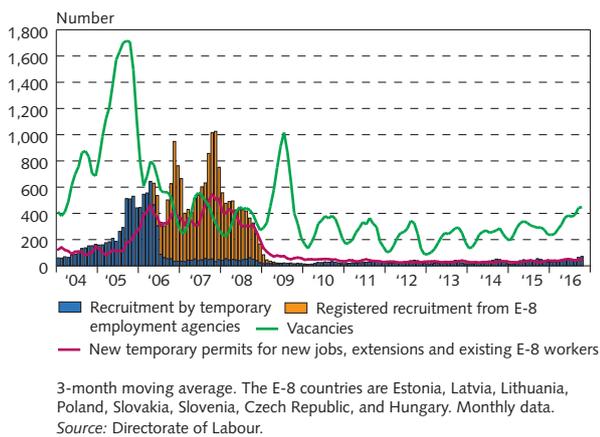
IV-8

Total working hours



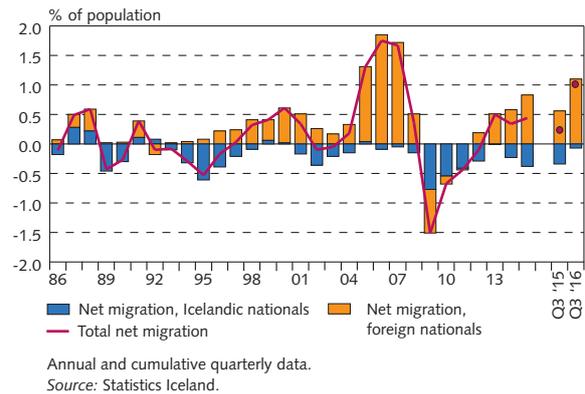
IV-9

Vacancies and foreign labour



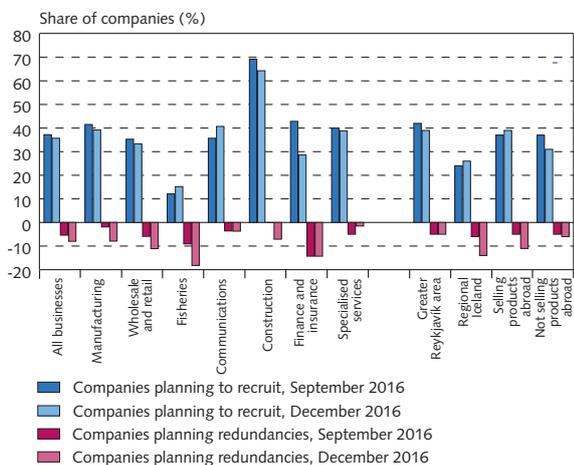
IV-10

Migration



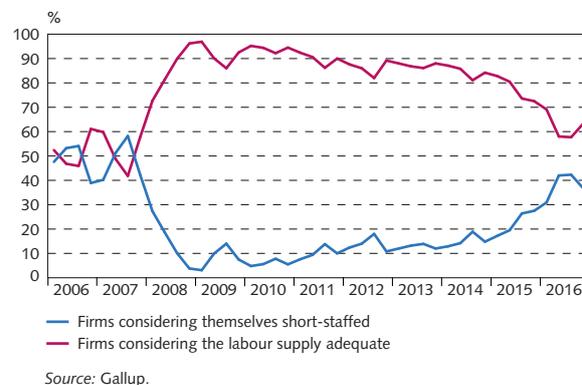
IV-11

Companies planning to change staffing levels during the next 6 months



IV-12

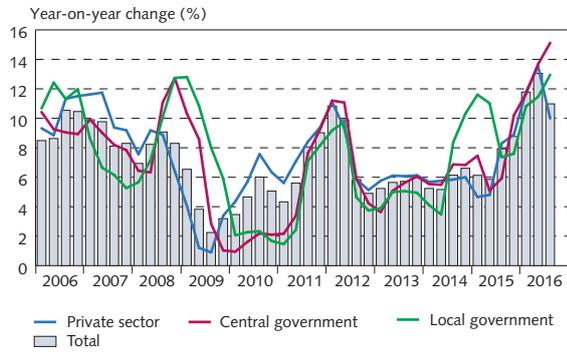
Labour supply



## IV Labour market and wages

IV-13

Wage changes by sector

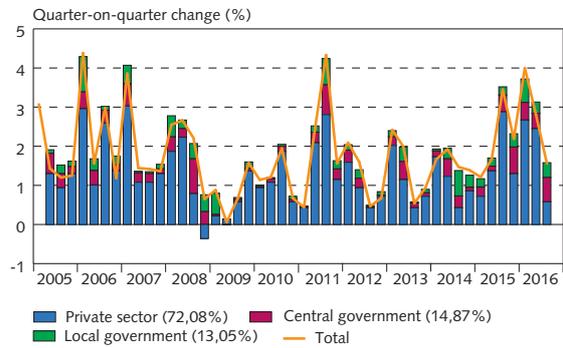


Until 2016 the quarterly wage index for the private sector is based on NACE Rev. 1.1. From 2016 and onwards the quarterly wage index for the private sector is based on NACE Rev. 2.0. Also, additional economic activities have been added. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

IV-14

Sector contribution to wage growth

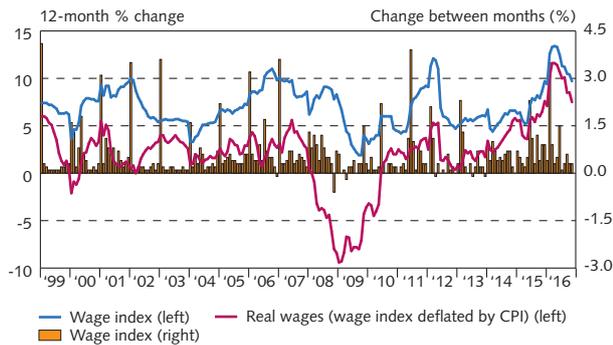


Until 2016 the quarterly wage index for the private sector is based on NACE Rev. 1.1. From 2016 and onwards the quarterly wage index for the private sector is based on NACE Rev. 2.0. Also, additional economic activities have been added. The figures in parentheses show the weight of these items in the wage index. Quarterly data.

Sources: Statistics Iceland, Central Bank of Iceland.

IV-15

Nominal and real wages

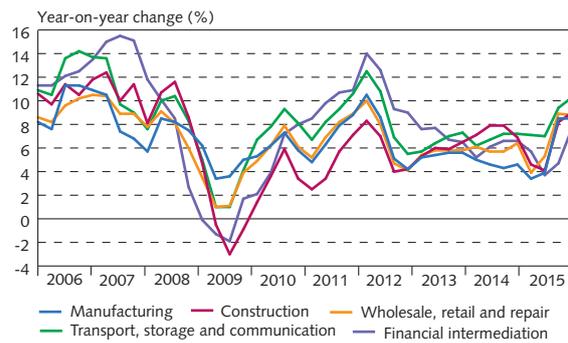


Real wages are the wage index deflated by the CPI. Monthly data.

Source: Statistics Iceland.

IV-16

Private sector wage index by sector

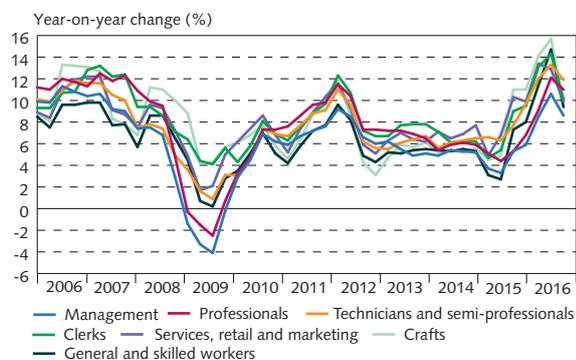


Sectors are defined according to ISAT 95 classification system. ISAT 95 is a classification system based on the sector classification system of the European Union. Quarterly data.

Source: Statistics Iceland.

IV-17

Private sector wage index by occupational group

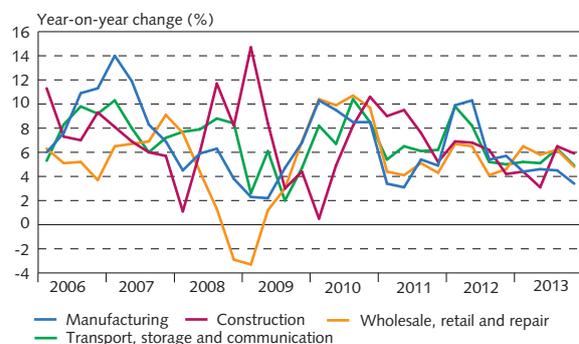


Occupational groups are defined according to ISTARF 95 classification system. Quarterly data.

Source: Statistics Iceland.

IV-18

Private sector labour cost index by sector

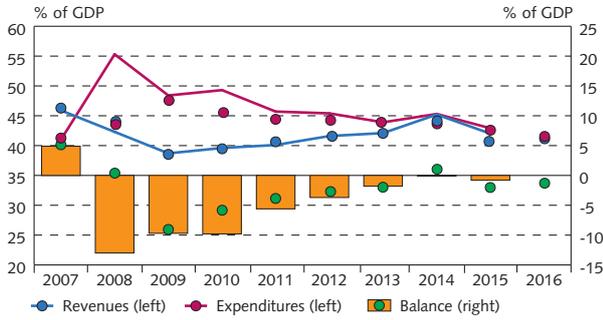


Total labour cost excluding irregular bonuses per hour. Sectors are defined according to ISAT 95 classification system. Quarterly data.

Source: Statistics Iceland.

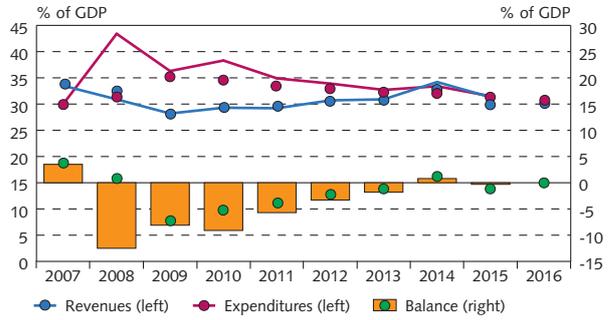
# V Public finances

V-1 Public sector revenues, expenditures and balance



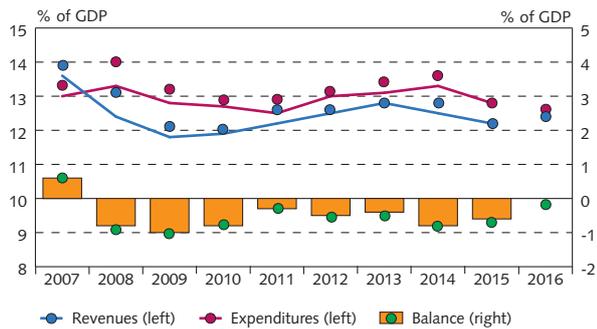
Lines and columns show annual data. Dots show first three quarters of the year. Revenues are adjusted for 384,3 b.kr. stability contributions in Q1 2016. Annual and quarterly data.  
Source: Statistics Iceland.

V-2 Treasury revenues, expenditures and balance



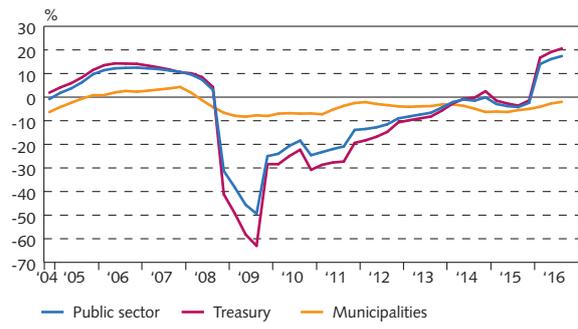
Lines and columns show annual data. Dots show first three quarters of the year. Revenues are adjusted for 384,3 b.kr. stability contributions in Q1 2016. Annual and quarterly data.  
Source: Statistics Iceland.

V-3 Local government revenues, expenditures and balance



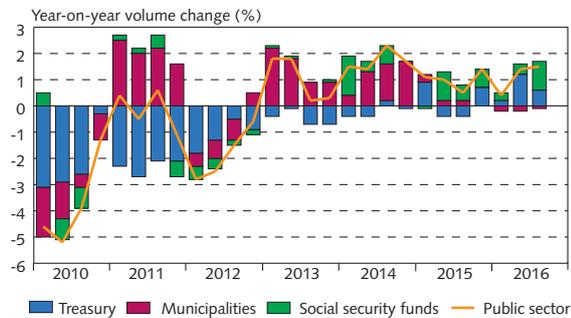
Lines and columns show annual data. Dots show first three quarters of the year. Annual and quarterly data.  
Source: Statistics Iceland.

V-4 Income balance as share of income



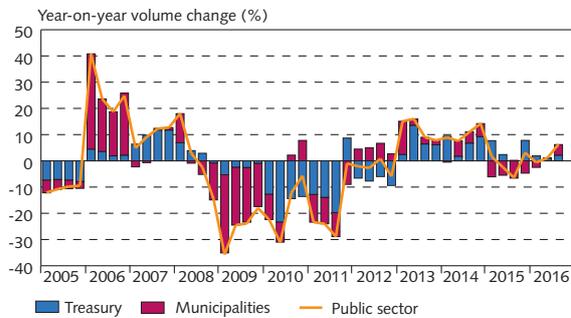
Four quarter moving average. Quarterly data.  
Source: Statistics Iceland.

V-5 Public consumption



Quarterly data.  
Source: Statistics Iceland.

V-6 Investment

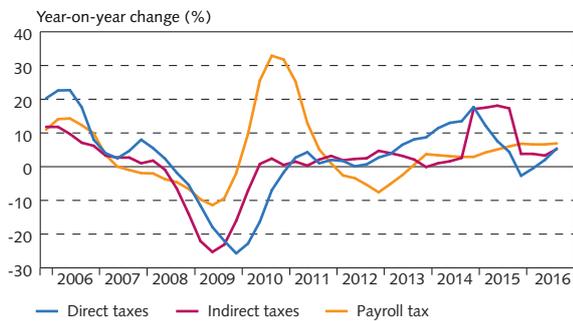


Quarterly data.  
Source: Statistics Iceland.

## V Public finances

V-7

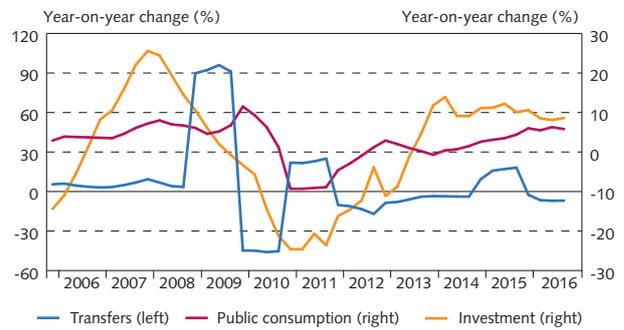
Tax revenues



Four quarter moving averages, deflated by the CPI. Quarterly data.  
Source: Statistics Iceland.

V-8

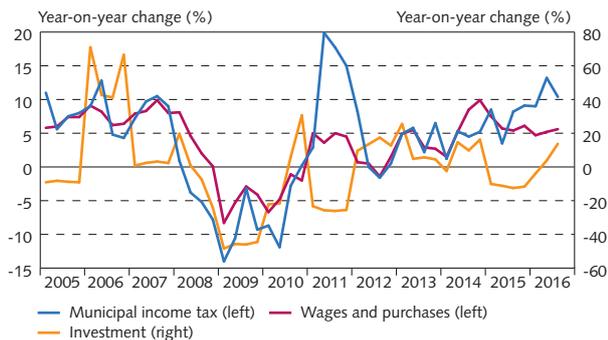
Treasury expenditures by type



Four quarter moving averages, deflated by the CPI. Quarterly data.  
Source: Statistics Iceland.

V-9

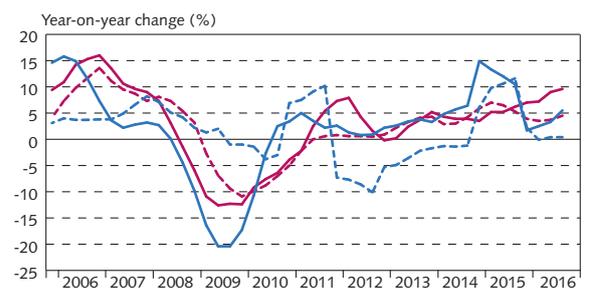
Local government revenues and expenditures



Deflated by the CPI. Quarterly data.  
Source: Statistics Iceland.

V-10

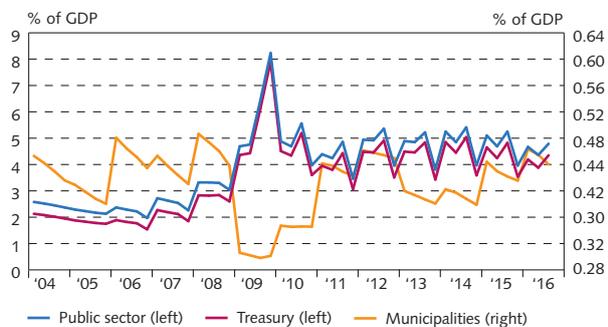
Treasury and local government revenues and expenditures



Treasury expenditures adjusted for a 192 b.kr. transfer on Q4 2008. Four quarter moving averages, deflated by the CPI. Quarterly data.  
Source: Statistics Iceland.

V-11

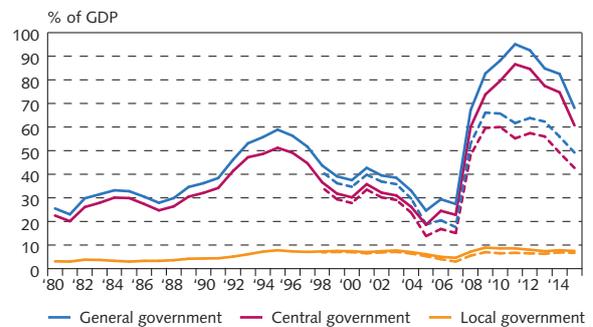
Public sector interest expense



Quarterly data.  
Source: Statistics Iceland.

V-12

Debt of general, central, and local government

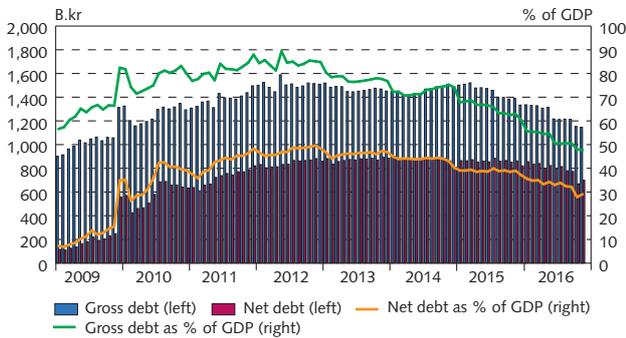


Solid lines show gross debt and broken lines show net debt. Net debt is gross debt less currency and deposits. Annual data.  
Sources: Ministry of Finance and Economic Affairs, Statistics Iceland, Central Bank of Iceland.

## V Public finances

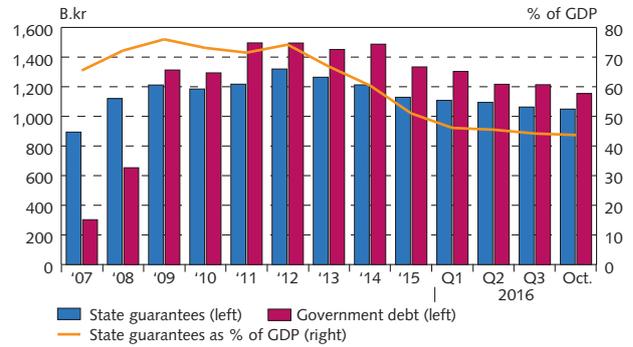
V-13

Changes in central government debt



V-14

State guarantees and gross debt



## VI Asset markets

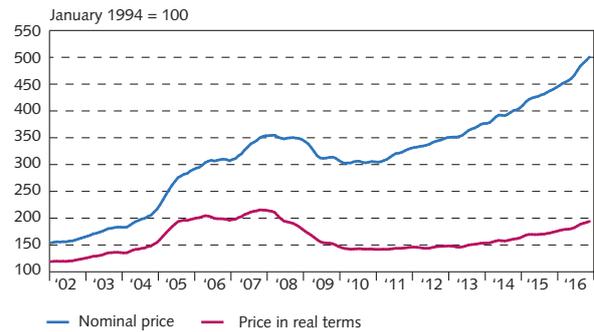
VI-1

Housing market prices and turnover in greater Reykjavík



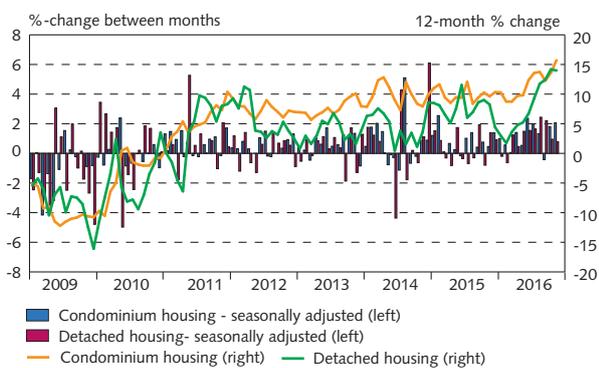
VI-2

Housing market prices in greater Reykjavík



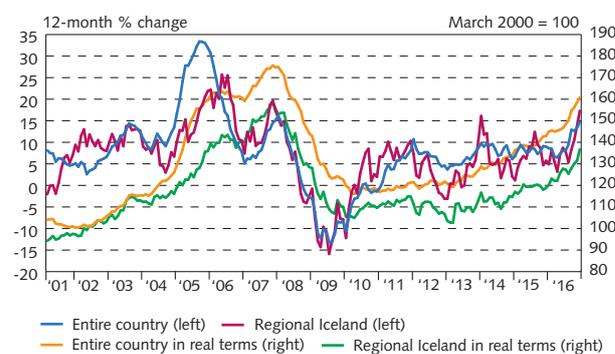
VI-3

House prices in greater Reykjavík



VI-4

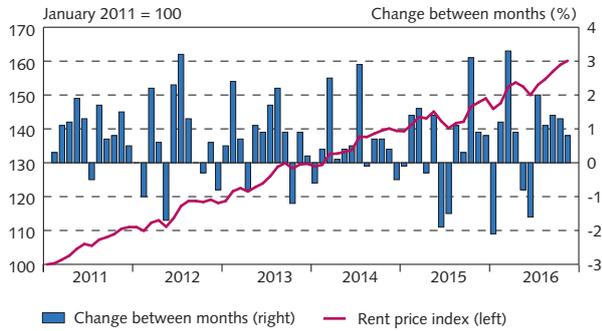
Market price of residential housing



# VI Asset markets

VI-5

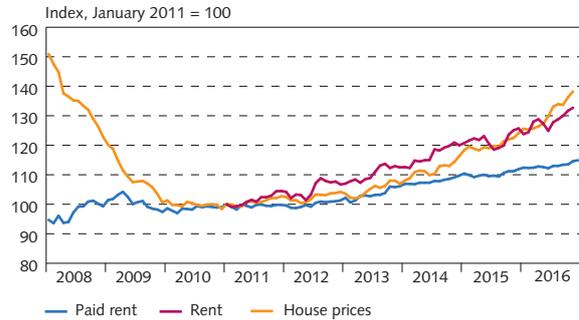
Rent price index in greater Reykjavík



Monthly data.  
Source: Registers Iceland.

VI-6

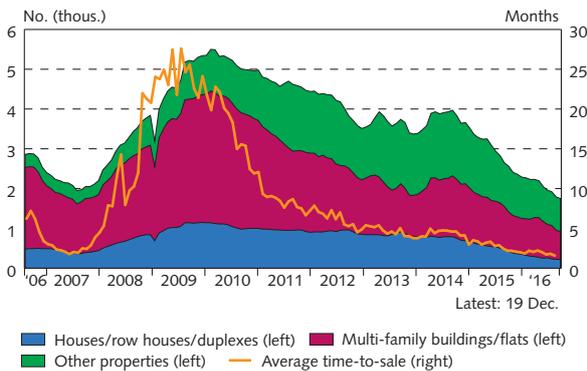
Rent, house prices and paid rent in real terms



Rent and house price are for greater Reykjavík, paid rent is for the whole country. Monthly data.  
Sources: Registers Iceland, Statistics Iceland.

VI-7

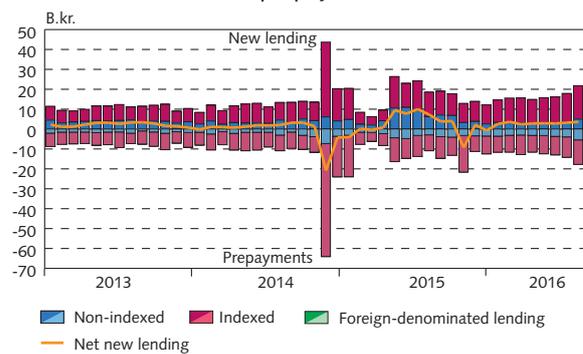
Advertised property and average time to sale



Monthly average of advertisements on Morgunbladid real estate website. The count is carried out by property code so as to avoid a repeat count of the same property. Monthly seasonally adjusted turnover is according to the number of officially registered purchase agreements. The average time to sale is the length of time (in months) that it takes to sell advertised property divided by the turnover for the month in question.  
Sources: Morgunbladid Real Estate Website (mbl.is), Registers Iceland.

VI-8

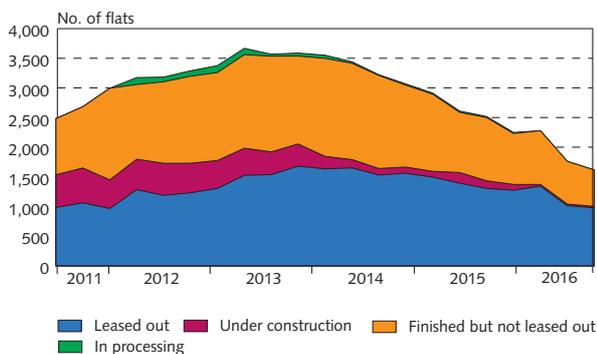
New DMB mortgage lending to households and prepayments of older loans



Net new lending consists of new lending net of prepayments of older loans. Most recent figures are preliminary. Monthly data.  
Source: Central Bank of Iceland.

VI-9

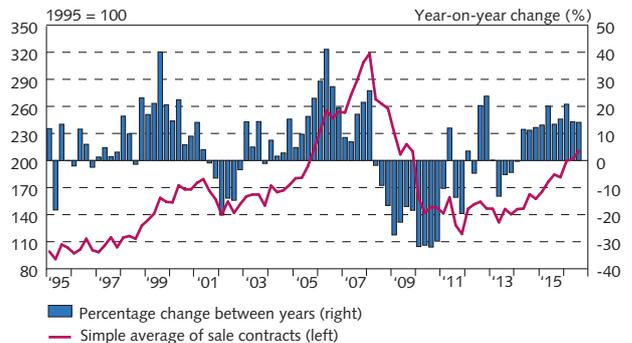
Residential housing owned by financial institutions nationwide



Classified by status. The financial institutions are: Arion Bank, Hilda, Hömlur, Íslandsbanki, Housing Financing Fund, Klettur, Landey, MP Bank, and KM. Quarterly data.  
Source: Central Bank of Iceland.

VI-10

Commercial property real prices in greater Reykjavík

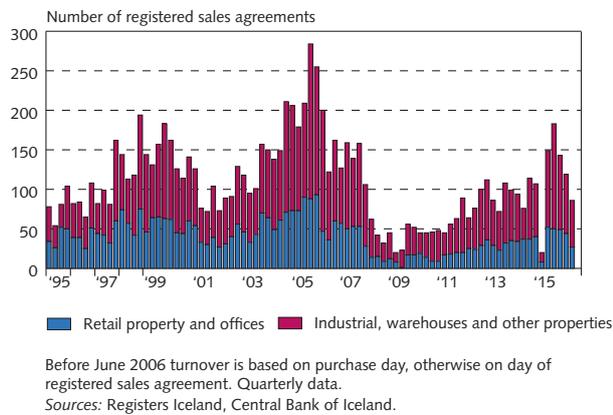


Weighted average of industrial, retail, and office housing. Data are subject to uncertainty due to sparsity and divergence of measurements. Latest data is preliminary. Quarterly data.  
Sources: Registers Iceland, Central Bank of Iceland.

## VI Asset markets

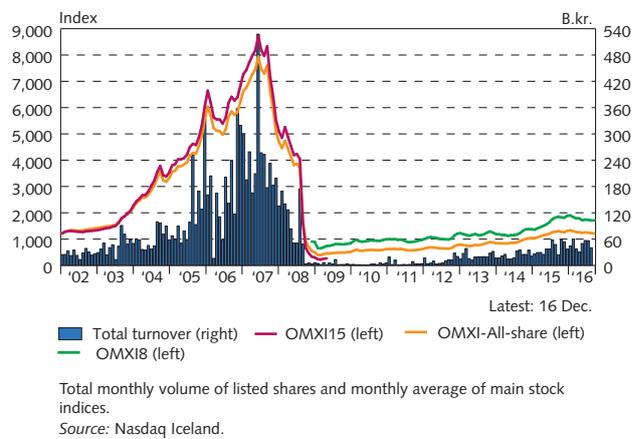
VI-11

### Turnover of commercial properties



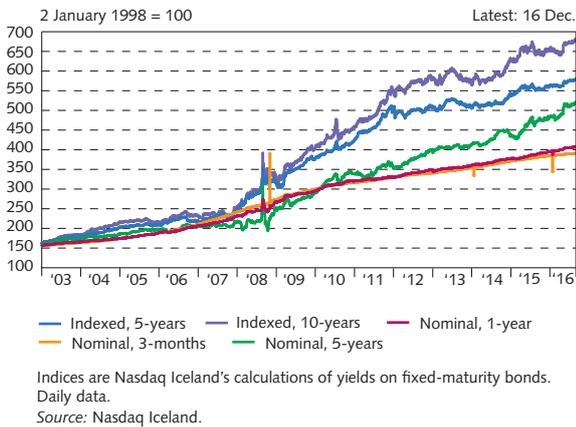
VI-12

### Equity market



VI-13

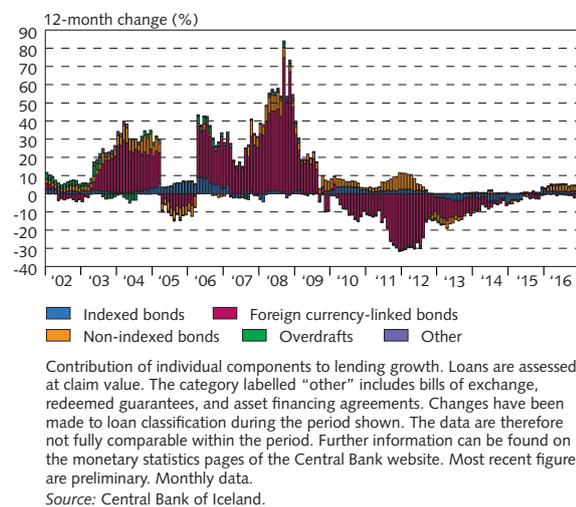
### Bond indices



## VII Financial markets

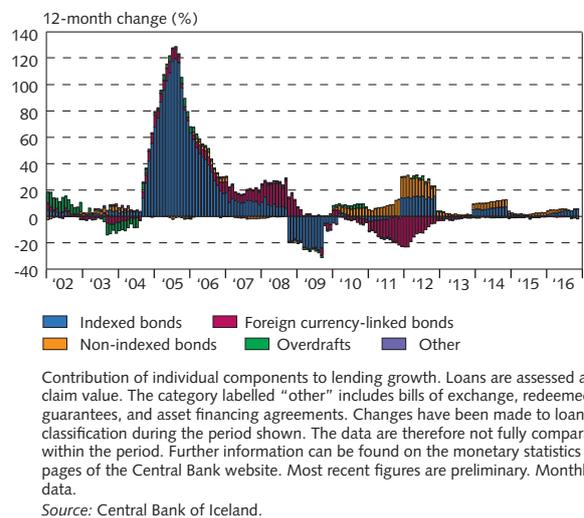
VII-1

### DMB lending to businesses



VII-2

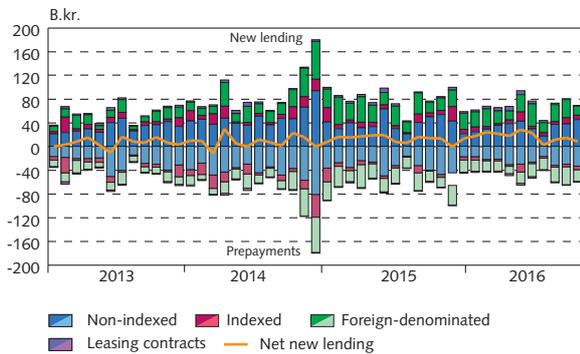
### DMB lending to households



## VII Financial markets

VII-3

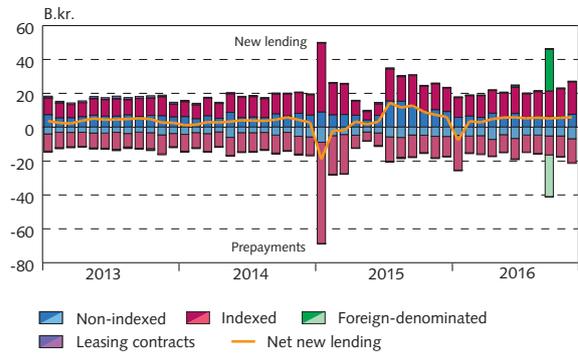
Net new lending from DMBs and HFF to firms



Net new lending consists of new lending net of prepayments of older loans. Most recent figures are preliminary. Monthly data.  
 Source: Central Bank of Iceland.

VII-4

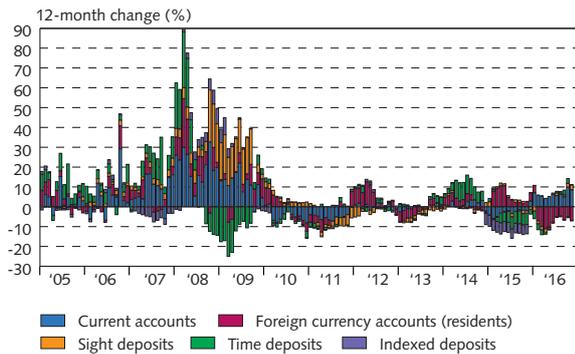
Net new lending from DMBs and HFF to households



Net new lending consists of new lending net of prepayments of older loans. Most recent figures are preliminary. Monthly data.  
 Source: Central Bank of Iceland.

VII-5

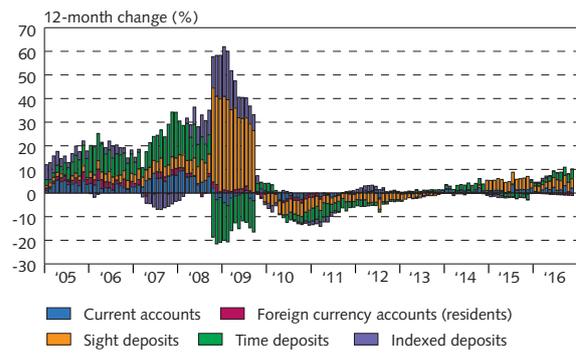
Companies' deposits



Contribution of individual components to deposit growth. Term deposits include money market accounts and other non-sight deposits. Further information can be found on the monetary statistics pages of the Central Bank website. Data from October 2008 are preliminary. Monthly data.  
 Source: Central Bank of Iceland.

VII-6

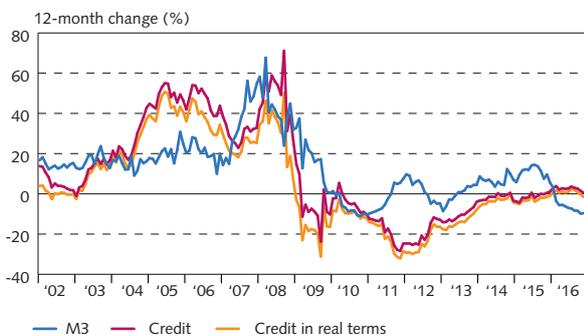
Household deposits



Contribution of individual components to deposit growth. Term deposits include money market accounts and other non-sight deposits. Indexed deposits include pension savings, indexed vacation allowance accounts, and other indexed savings. Further information can be found on the monetary statistics pages of the Central Bank website. Data from October 2008 are preliminary. Monthly data.  
 Source: Central Bank of Iceland.

VII-7

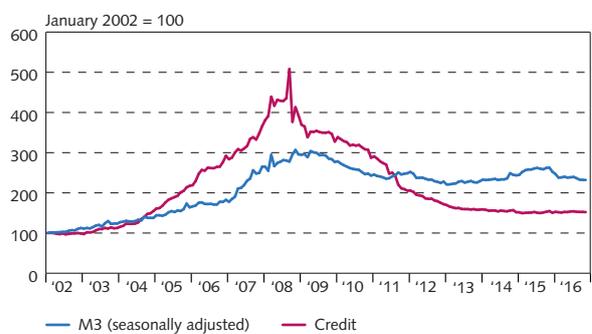
M3 and domestic bank credit



Loans are assessed at claim value. The series "credit in real terms" represents loans deflated by the CPI. Changes have been made to loan classification during the period shown. The data are therefore not fully comparable within the period. Further information can be found on the monetary statistics pages of the Central Bank website. Data from October 2008 are preliminary. Monthly data.  
 Sources: Statistics Iceland, Central Bank of Iceland.

VII-8

Real M3 and domestic bank credit

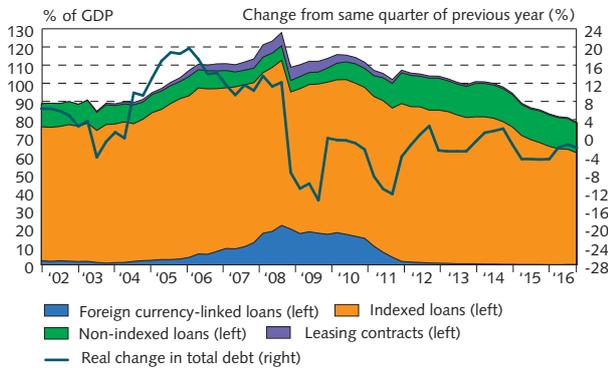


Lending and M3 are deflated by the CPI. Loans are assessed at claim value. Changes have been made to loan classification during the period shown. The data are therefore not fully comparable within the period. Further information can be found on the monetary statistics pages of the Central Bank website. Data from October 2008 are preliminary. Monthly data.  
 Sources: Statistics Iceland, Central Bank of Iceland.

## VII Financial markets

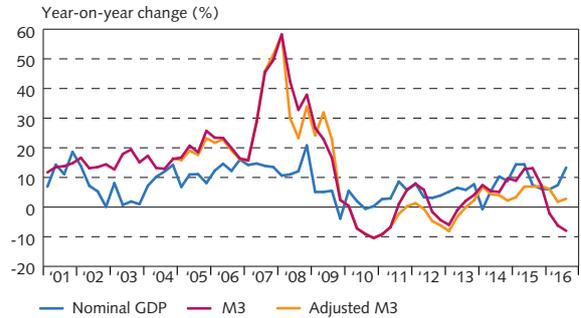
VII-9

Households' loans from financial corporations



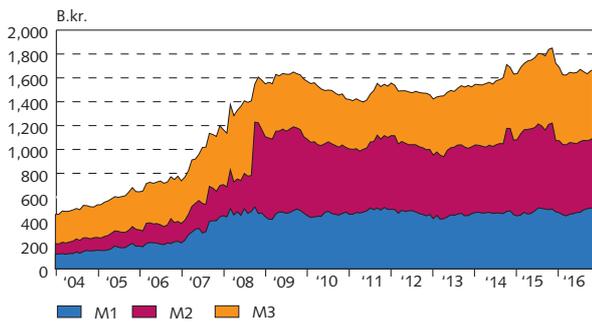
VII-10

Nominal GDP and M3



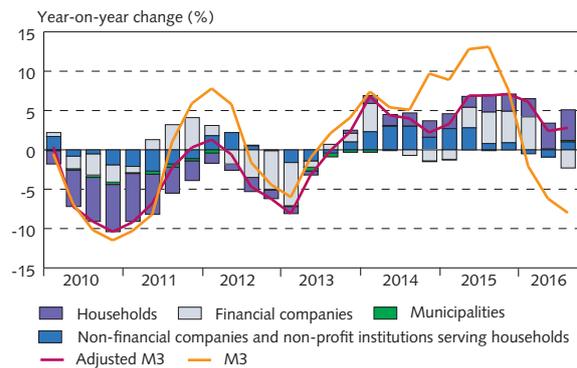
VII-11

M3 and domestic bank credit



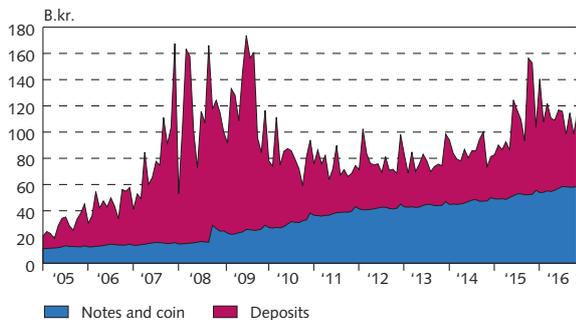
VII-12

Components of money holdings



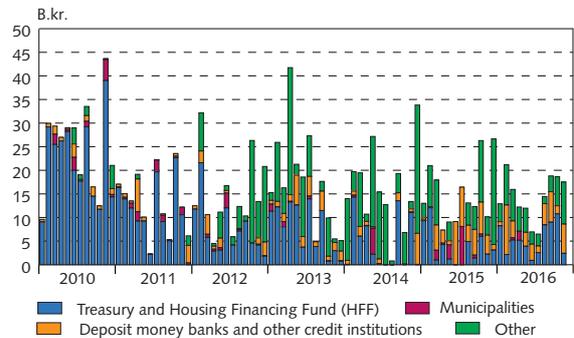
VII-13

Base money (M0)



VII-14

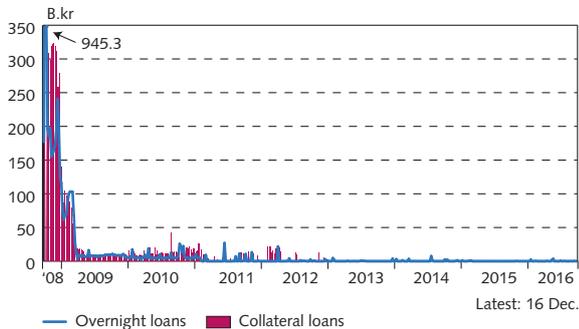
Bond auctions



## VII Financial markets

VII-15

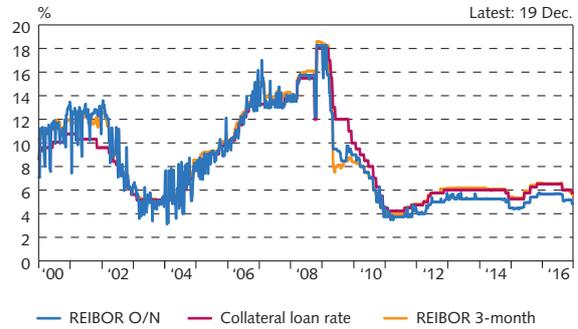
Central Bank collateral loans and overnight loans



Weekly data.  
Source: Central Bank of Iceland.

VII-16

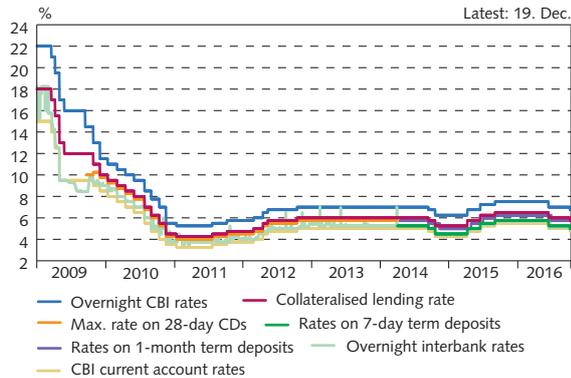
Central Bank collateral loan rate and money market interest rates



Weekly data.  
Source: Central Bank of Iceland.

VII-17

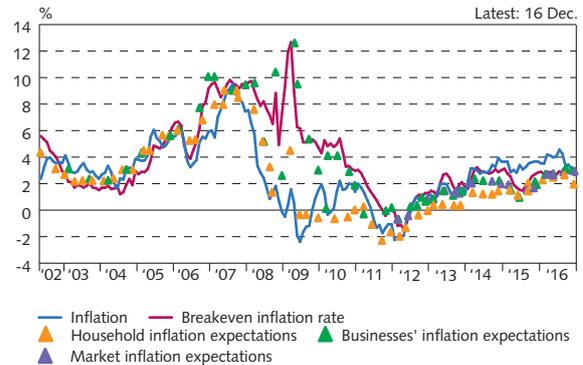
Central Bank of Iceland and short-term market interest rates



Daily data.  
Source: Central Bank of Iceland.

VII-18

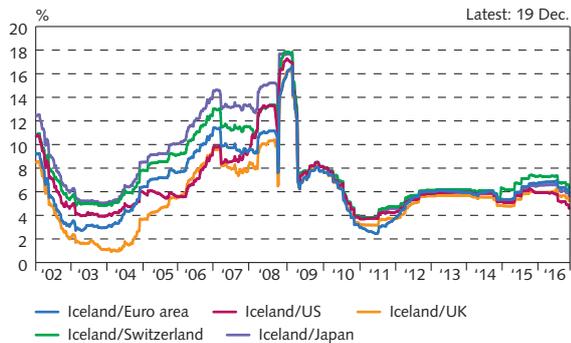
Central Bank of Iceland real interest rates



According to 12-month inflation. Real interest rates according to breakeven inflation rate on Treasury notes are calculated based on Treasury note (RIKB 13 0517) and Treasury bond (RIKS 15 1001) yields until June 2004, and on the difference between the nominal and indexed yield curves onwards (monthly average). Until April 2009, the Bank's effective policy rate was the seven-day collateralised lending rate, and from April to September 2009 it was the current account rate. From September 2009 to May 2014, the effective policy rate was the average of the current account rate and the maximum rate on 28-day CDs. From May 2014, the effective rate is the Bank's seven day term deposit rate. Monthly data.  
Sources: Gallup, Statistics Iceland, Central Bank of Iceland.

VII-19

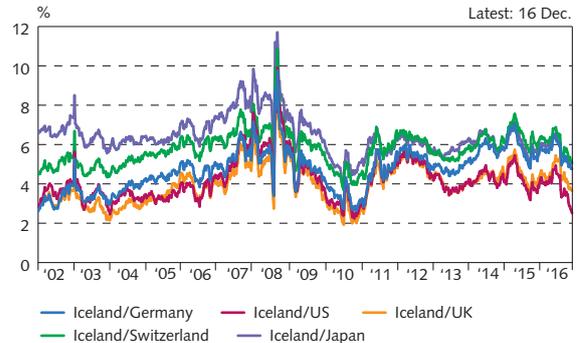
Short-term interest rate differential



3-month interbank rates. Weekly data.  
Source: Macrobond.

VII-20

Long-term interest rate differential

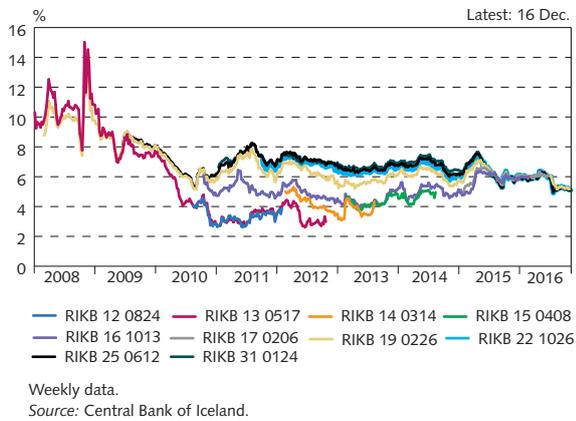


Yields on non-indexed 10-year Treasury bonds are used. For Iceland, RIKB 13 0517 is used until end-February 2008, RIKB 19 0226 is used from the beginning of March 2008 until end-October 2011, RIKB 22 1026 is used from the beginning of November 2011 until end-December 2013, and RIKB 25 0612 is used thereafter. Weekly data.  
Sources: Macrobond, Central Bank of Iceland.

## VII Financial markets

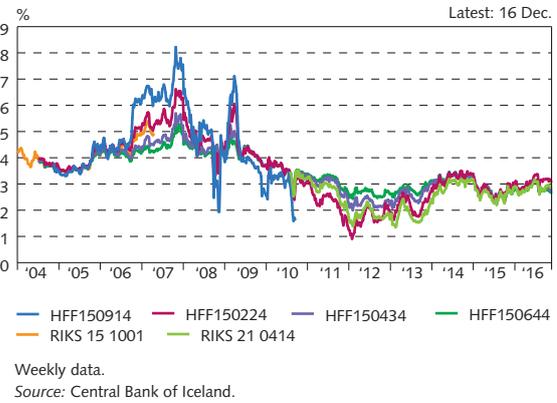
VII-21

Yields on nominal Treasury bonds



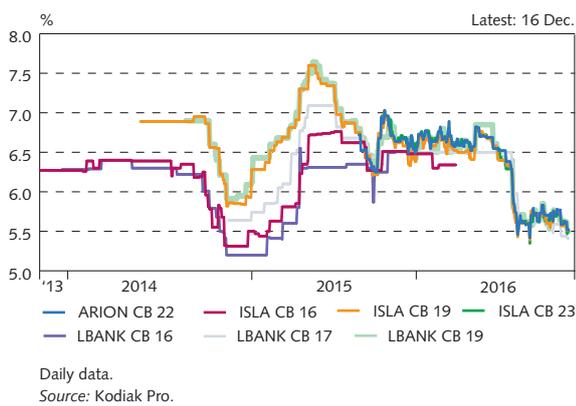
VII-22

Yields on indexed bonds



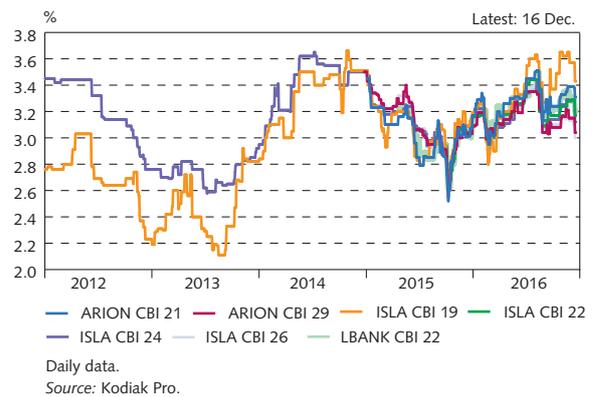
VII-23

Yields on DMB nominal covered bonds



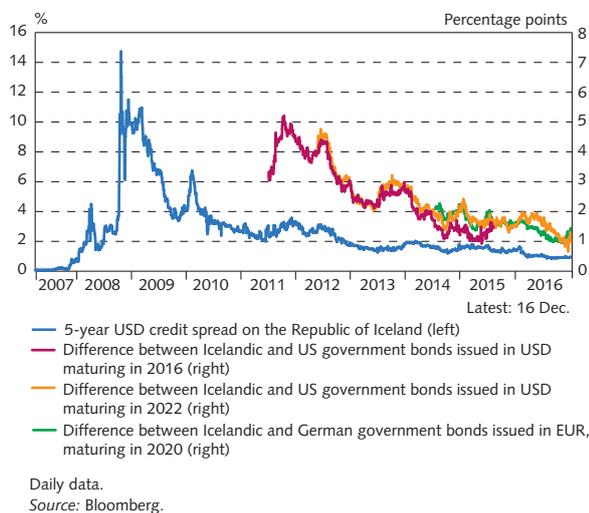
VII-24

Yields on DMB indexed covered bonds



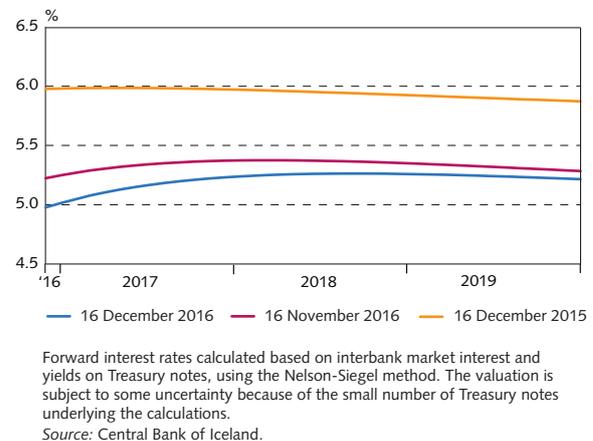
VII-25

Risk premia on the Icelandic Treasury



VII-26

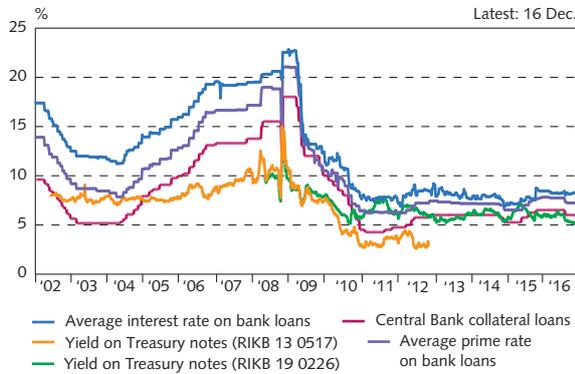
Forward market interest rates



## VII Financial markets

VII-27

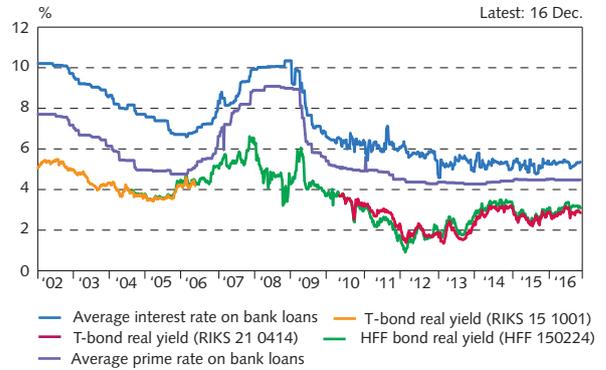
Average nominal interest rates



Due to changes in calculation methods, figures from February 2007 onwards are not fully comparable with data from earlier periods. Weekly data.  
Source: Central Bank of Iceland.

VII-28

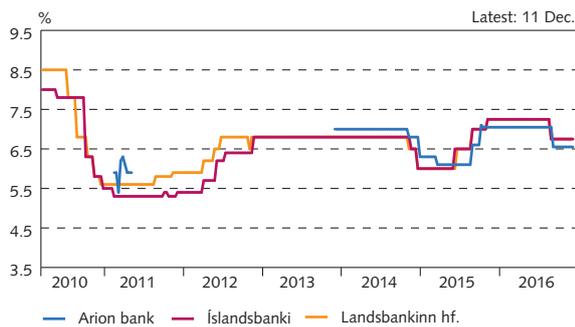
Average indexed interest rates



Due to changes in calculation methods, figures from February 2007 onwards are not fully comparable with data from earlier periods. Weekly data.  
Source: Central Bank of Iceland.

VII-29

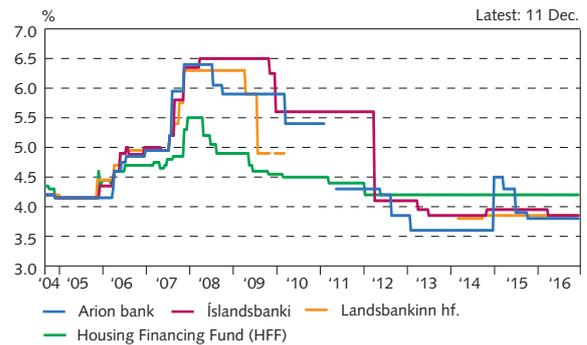
Interest rates on nominal housing loans



Lowest floating rates for non-indexed housing loans. No data for Arion bank for the time periods 11 March 2010 - 11 February 2011 and 11 May - 1 December 2013. 10-day data.  
Source: Central Bank of Iceland.

VII-30

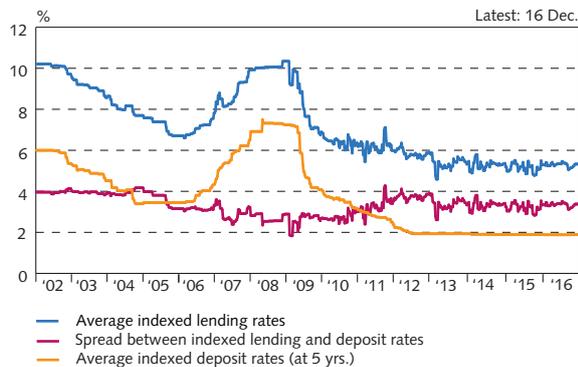
Interest rates on indexed housing loans



Lowest fixed rates for indexed housing loans. Housing Financing Fund interest rates are indexed housing loan rates with prepayment penalty for December 2005 onwards, and without prepayment before that time. 10-day data.  
Sources: Housing Financing Fund, Central Bank of Iceland.

VII-31

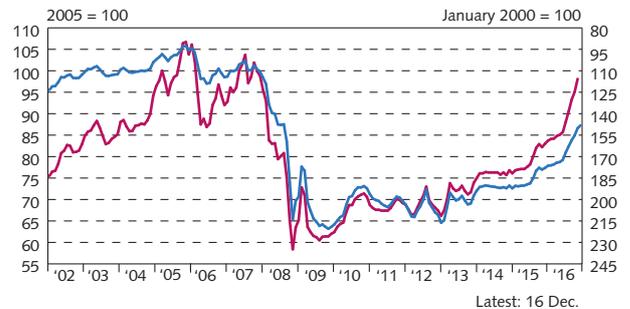
Bank lending and deposit rates



Due to changes in calculation methods, figures from February 2007 onwards are not fully comparable with data from earlier periods. Weekly data.  
Source: Central Bank of Iceland.

VII-32

Nominal and real effective exchange rate of the króna

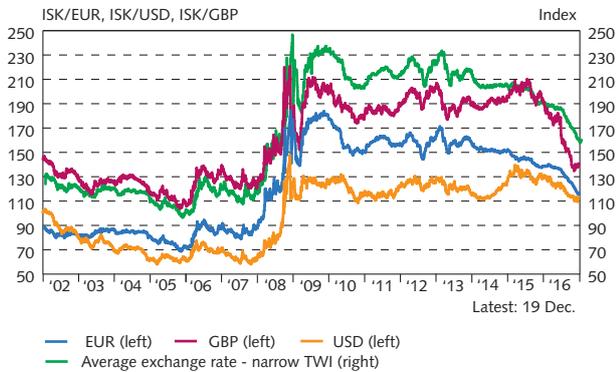


Monthly data.  
Source: Central Bank of Iceland.

## VII Financial markets

VII-33

Exchange rate of foreign currencies against the króna

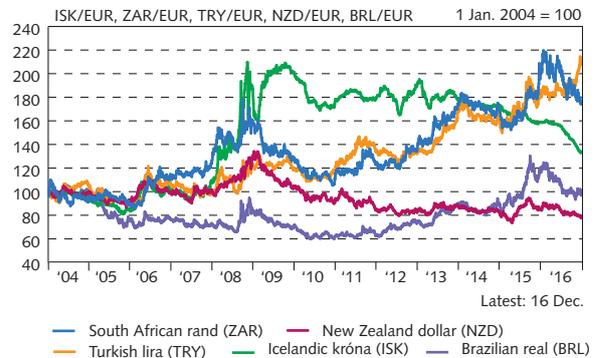


Daily data.

Source: Central Bank of Iceland.

VII-34

Exchange rate of the euro against high-yielding currencies

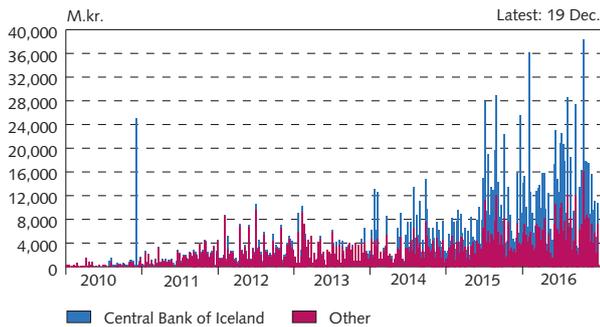


Daily data.

Source: Macrobond.

VII-35

FX-market turnover

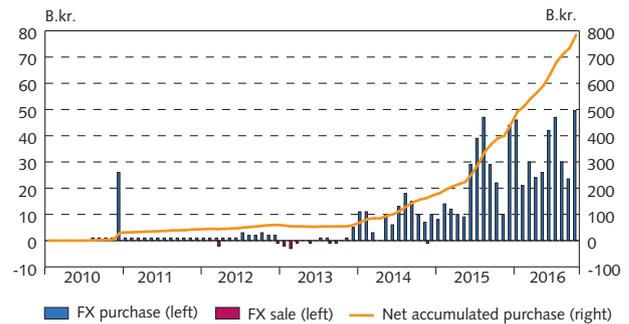


Weekly data.

Source: Central Bank of Iceland

VII-36

Central Bank intervention in foreign exchange market

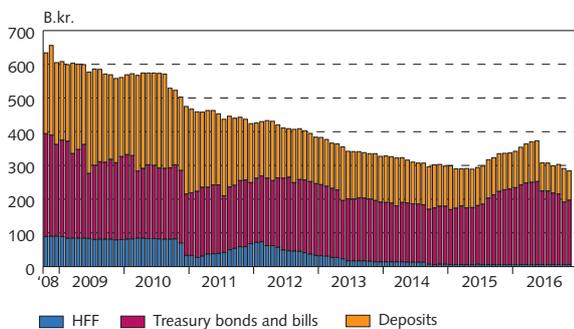


Monthly data.

Source: Central Bank of Iceland.

VII-37

Non-residents' króna assets

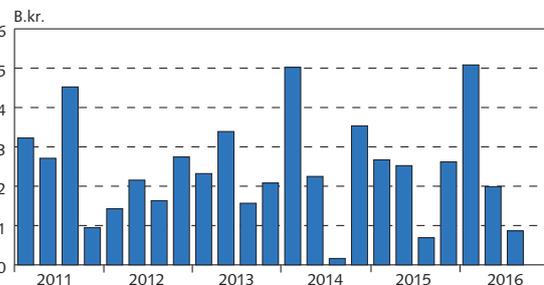


Monthly data.

Sources: Icelandic Securities Depository, Central Bank of Iceland.

VII-38

Non-residents' repatriation of domestic interest payments



The figures above are based on information provided to the Central Bank by domestic financial institutions, on non-residents' foreign exchange transactions involving payments of interest and indexation on deposits with domestic financial institutions and ISK-denominated bonds issued by domestic parties. In comparing the amounts, it should be borne in mind that regulatory provisions on foreign exchange transactions involving interest payments have changed between periods. The Central Bank considers data from the years 2009 and 2010 not reliable enough for official publication. The data imply, however, that foreign exchange transactions resulting from non-residents' interest payments have been on the decline between these periods. Quarterly data.

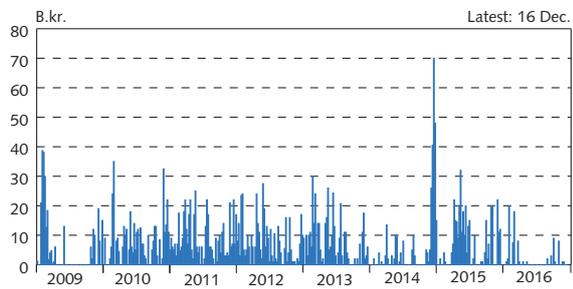
Source: Central Bank of Iceland.

## VII Financial markets

---

VII-39

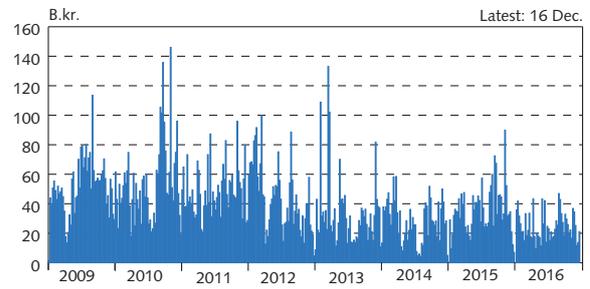
Turnover on the interbank market for krónur



Weekly data.  
Source: Central Bank of Iceland.

VII-40

Bond market turnover



Weekly data.  
Source: Nasdaq Iceland.