



PREVIEW: Norges Bank Policy Announcement on Thursday, 19th June 2025

- Norges Bank is expected to keep rates steady at 4.50%; a Reuters Poll showed 23/26 economists favour a hold, 3 see a 25bps cut. Market pricing assigns a 90% probability to a hold.
- Inflation figures play in favour of a cut, but resilient GDP/labour metrics bide time for policy makers.
- Focus will be the accompanying MPR, which will likely be subject to minor downward adjustments; path currently indicates two 25bps cuts this year (albeit heavily skewed to just one).

OVERVIEW: At the June MPR, Norges Bank is expected to keep rates steady at 4.50%. Recent data has shown a continued moderation in core inflation, with both the M/M and Y/Y metrics cooling more than expected. But other economic indicators have remained resilient, allowing policymakers to hold rates steady at this meeting and wait for further certainty regarding the tariff situation. More focus therefore will be on the accompanying rate path, which will likely be revised a touch lower – but still indicate two 25bps cuts this year.

LAST MEETING: As a reminder, the last Norges Bank meeting was a damp squib; the Bank kept rates steady at 4.50% and reiterated cautious language that “restrictive monetary policy is still needed” and “if the policy rate is lowered prematurely, prices may continue to rise rapidly”.

DATA: On inflation specifically, CPI-ATE printed at 2.8% (prev. 3.00%) and below the Bank’s forecast of 3.1% Y/Y. Following the inflation report, SEB suggested that it will not spark a cut in June and rather underpins the current rate path, which indicates two rate cuts for this year (albeit heavily skewed to just one). It is worth noting that whilst these metrics play in favour of a cut in June, other economic indicators suggest that Norway’s economy is holding up well, with the labour market remaining resilient and stronger than-expected Mainland GDP growth in Q1.

ANALYST COMMENTARY / MPR: Analysts at SEB research believe that Norges Bank will keep its Policy Rate steady in June, highlighting that strong economic activity and labour data plays in favour of a “gradual approach”. On the rate path, analysts write that it will be subject to minor downward adjustments; their own extrapolation sees Norges Bank delivering a cut in September and then in December. Nordea also shares the view that the new path will be lowered and believes it will point towards a first cut in September and interestingly see a chance of it pointing towards a cut in August.

CURRENT PATH: Q1-2025 4.50%, Q2-2025 4.49%, Q3-2025 4.38%, Q4-2025 4.21%, 3.42% Q4-2026, Q4-2027 3.11%.

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