Norges Bank policy announcement on 22nd January 2026

- **Norges Bank is widely expected to keep rates unchanged at 4.00%, in line with the rate path set out at the December meeting.**
- **Recent inflation figures have printed above the Bank's own forecast; labour market is showing signs of improvement, whilst activity remains subdued.**
- **Analysts expect the Bank to avoid any dovish guidance, instead favouring a reiteration of previous commentary.**

Overview: Norges Bank is widely expected to keep rates unchanged at 4.00%, in line with the rate path set out at the December meeting. Recent data are unlikely to give policymakers sufficient evidence to adjust rates, despite the latest CPI readings coming in above the bank's own forecasts. On activity, the labour market is improving, although growth remains subdued. In its accompanying commentary, UBS expects the Bank to reiterate its December message. Further out, analysts at Goldman Sachs believe Norges Bank will cut in March and September, and again in Q1 2027, taking the key policy rate to a terminal level of 3.25%. Note, the January meeting is not an MPR, and as such we do not get updated forecasts.

Data: For this meeting, policymakers will assess a hotter-than-expected CPI report that eclipsed both market consensus and Norges Bank's own forecasts, although much of the upside was driven by Christmas-related components such as food and transport. CPI-ATE printed at 3.1% Y/Y, versus the bank's forecast of 3.0% Y/Y. On activity, the unemployment rate edged down to 2.1% in December, slightly below Norges Bank's forecast of 2.2%. Elsewhere, the latest Business Tendency Survey showed weak manufacturing activity in Q4 while pointing to a rebound in Q1.

NOK: The NOK has strengthened since the last announcement, with EUR/NOK falling to 11.7230 from 11.9688, a move of around 2%, which should ease policymakers' concerns that currency weakness could reignite inflation pressures.

Analyst Commentary: SEB says the accompanying statement is likely to avoid dovish language to "avoid triggering a weaker NOK", while UBS expects the bank to reiterate its December message. Goldman Sachs sees three further cuts to the terminal rate, two in 2026 and one in 2027, with analysts arguing that inflation, activity and labour market metrics favour faster easing than current guidance.

Last Meeting: The December meeting saw policymakers hold rates, as expected, and leave the MPR largely unchanged. On the data front, the Bank flagged risks to the inflation target if rates are cut too early, while Governor Bache also said NOK weakness could slightly lift inflation prospects.