



PREVIEW: Norges Bank Policy Announcement on Thursday, 26th March 2026

- Expected to keep rates steady at 4.00%.
- Analysts believe that the Bank's MPR/verbal guidance will shift hawkishly, citing sticky inflation and the recent conflict in Iran.
- SEB believes the updated MPR will indicate a 50% chance of a hike this year, with the terminal rate to be lifted to 3.50%.

Overview: Norges Bank is expected to keep rates unchanged at 4.00%, although some analysts say a rate hike cannot be ruled out. Aside from the decision itself, the focus will be on any changes to the MPR and/or verbal guidance, which analysts expect to turn more hawkish to reflect the recent energy price shock at a time of already elevated inflation. In brief, SEB expects the rate path to be revised higher to imply around a 50% chance of a hike this year, while Nordea says policymakers will use the meeting to "prepare everyone" for future rate increases.

Data: Focus has been on the lack of progress on inflation, with the February report showing headline Y/Y inflation remaining well above the Bank's 2.00% target at 2.70%, while core inflation printed at 3.00% (Norges Bank forecast 2.6%). From a growth perspective, mainland GDP rose 0.4% Q/Q in Q4, matching expectations; this is slightly below the Bank's 0.5% forecast, while the overall figure for the period was negative. Pessimism is exacerbated by the Iranian conflict, which could further dampen the region's growth outlook. Finally, the labour market remains fairly stable, with the latest jobless rate at 2.2% (prev. 2.30%).

Analyst Commentary: Analysts at SEB and Nordea expect the Bank to keep rates on hold in March, but to use the occasion to guide markets in a more hawkish direction. SEB expects the updated MPR to indicate a 50% chance of a hike this year, with the terminal rate raised to 3.50% (vs the December MPR of 3.2%). Meanwhile, Nordea analysts expect hawkish guidance at the meeting and pencil in a 25bps hike at the June confab; they conclude by writing that the key policy rate is more likely to be at 4.50% than 4.00% by year-end.

Current MPR (provided in December 2025): 2026: 3.9%, 2027: 3.4%, 2028: 3.2%.

Last Meeting: At the January meeting, Norges Bank held its policy rate at 4%, as expected. The accompanying statement was largely a reiteration, including the line that "if the economy evolves broadly as currently envisaged, the policy rate will be reduced further in the course of the year".

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