

## Norway: Central bank leaves policy on hold

No change in policy as Norwegian economy still recovering from oil price shock



As expected, Norge's Bank left policy unchanged this morning, with the key interest rate remaining at 0.5%. There were no new forecasts published at this meeting, and little news in the data since the previous meeting in September.

The Norwegian economy is still recovering from the 2014-15 oil price shock. Having nudged its interest rate forecast up slightly in June and September, the NB has tentatively started the tightening cycle, though a first rate hike is not forecast until mid-2019. If the domestic economy continues to recover and the major central banks deliver gradually tighter policy, we think the NB could end up bringing the first rate hike forward a little.