

Norwegian central bank remains on track for December rate hike

With little news on the Norwegian economy since the central bank's last meeting in December, the policy statement had little to say beyond acknowledging the brightening outlook



After the Norges Bank's significant policy move in December - when it shifted the expected first rate hike forward by two quarters to December 2018 - today's meeting was always unlikely to see much action. Interest rates remain unchanged at 0.50%, and the policy statement does little more than note that the data since December has evolved broadly in line with the bank's expectations. At the margin, external news has been a bit better than anticipated, with oil prices rising and the global economic upswing advancing further at the start of 2018.

That means the NB remains on track to deliver its first rate hike this December, though that will ultimately depend on a continued recovery in inflation figures and oil prices holding up over 2018. Should there be a material setback in either of those key data points, or a sharper than expected fall in house prices, the NB could choose to hold off on hiking rates until Q1 2019. But for now, the outlook looks bright.