

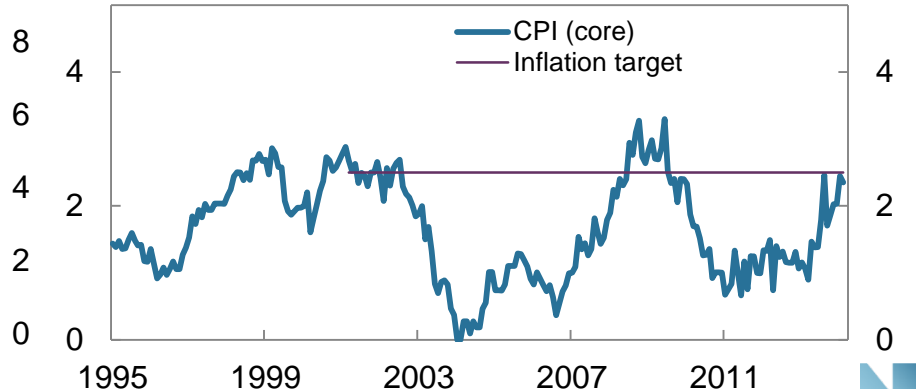
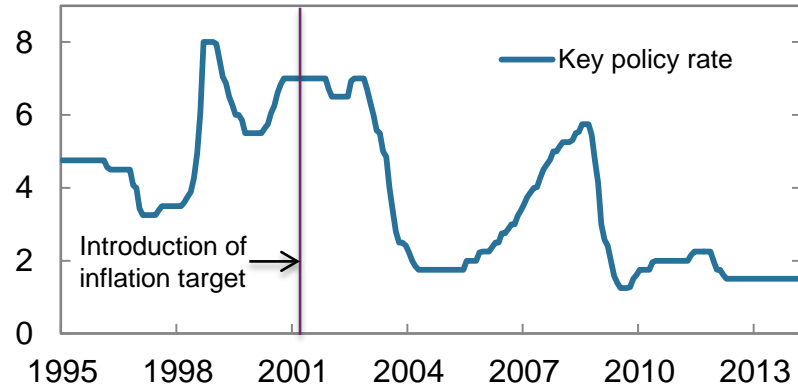
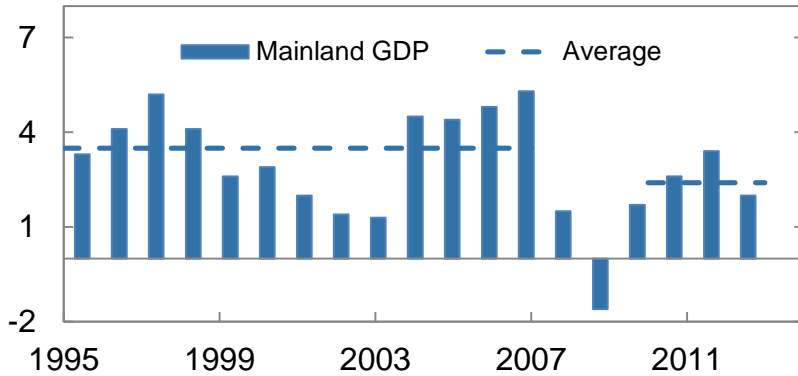


A DECADE OF FORWARD GUIDANCE IN NORWAY

GOVERNOR ØYSTEIN OLSEN, APRIL 8 2014

The Norwegian economy

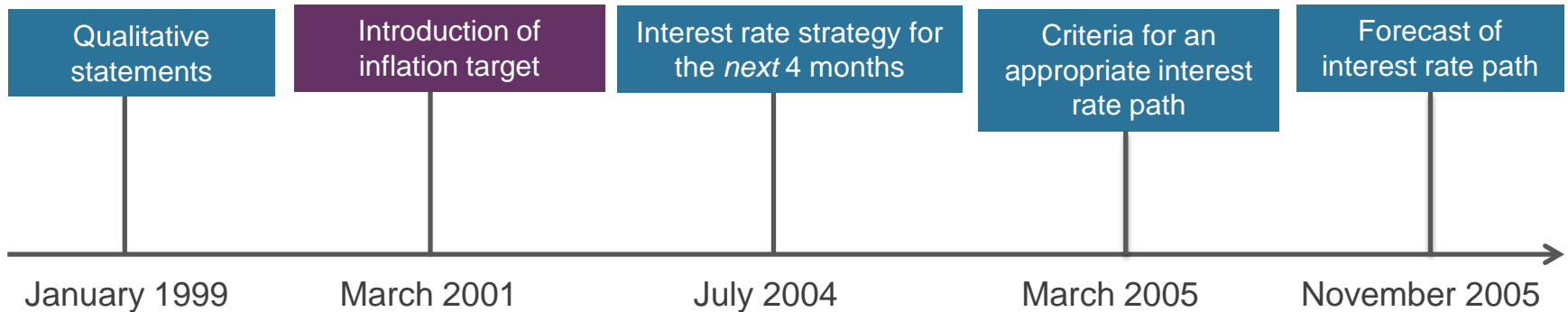
Percent



Sources: Statistics Norway and Norges Bank

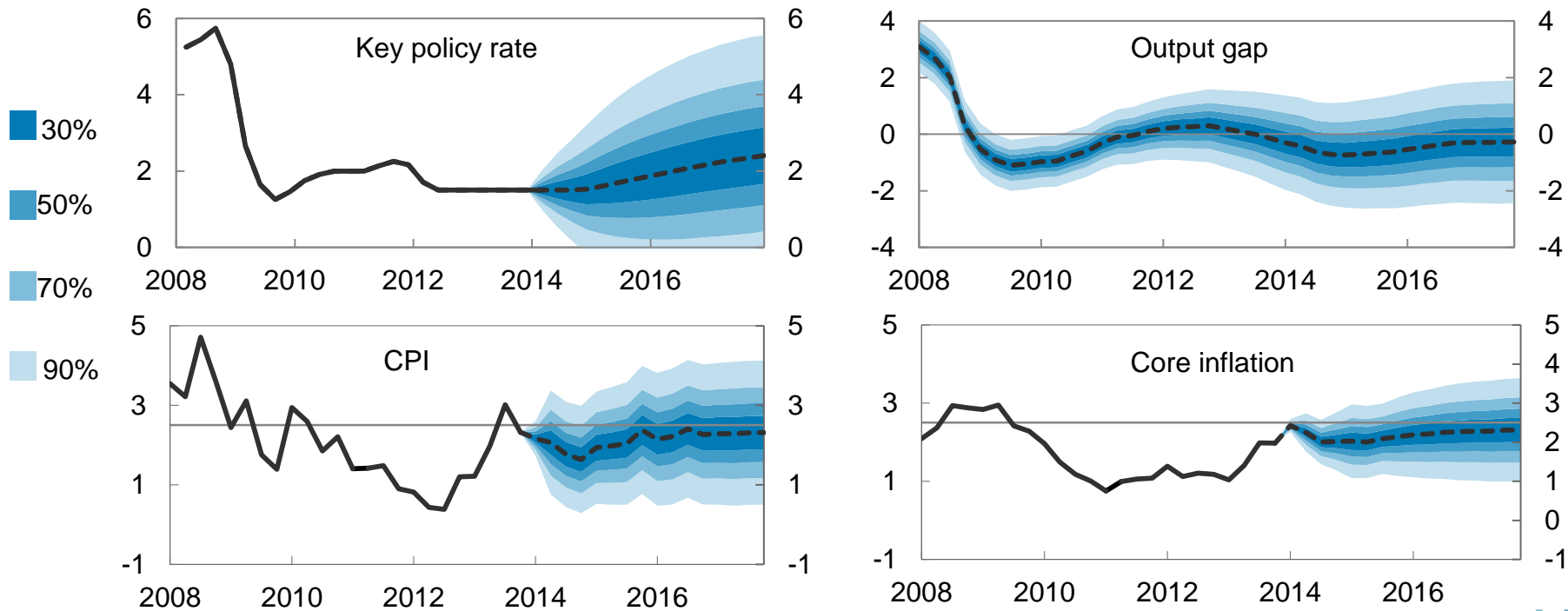


Timeline: The first years of Norges Bank forward guidance



Our interest rate forecast is conditional

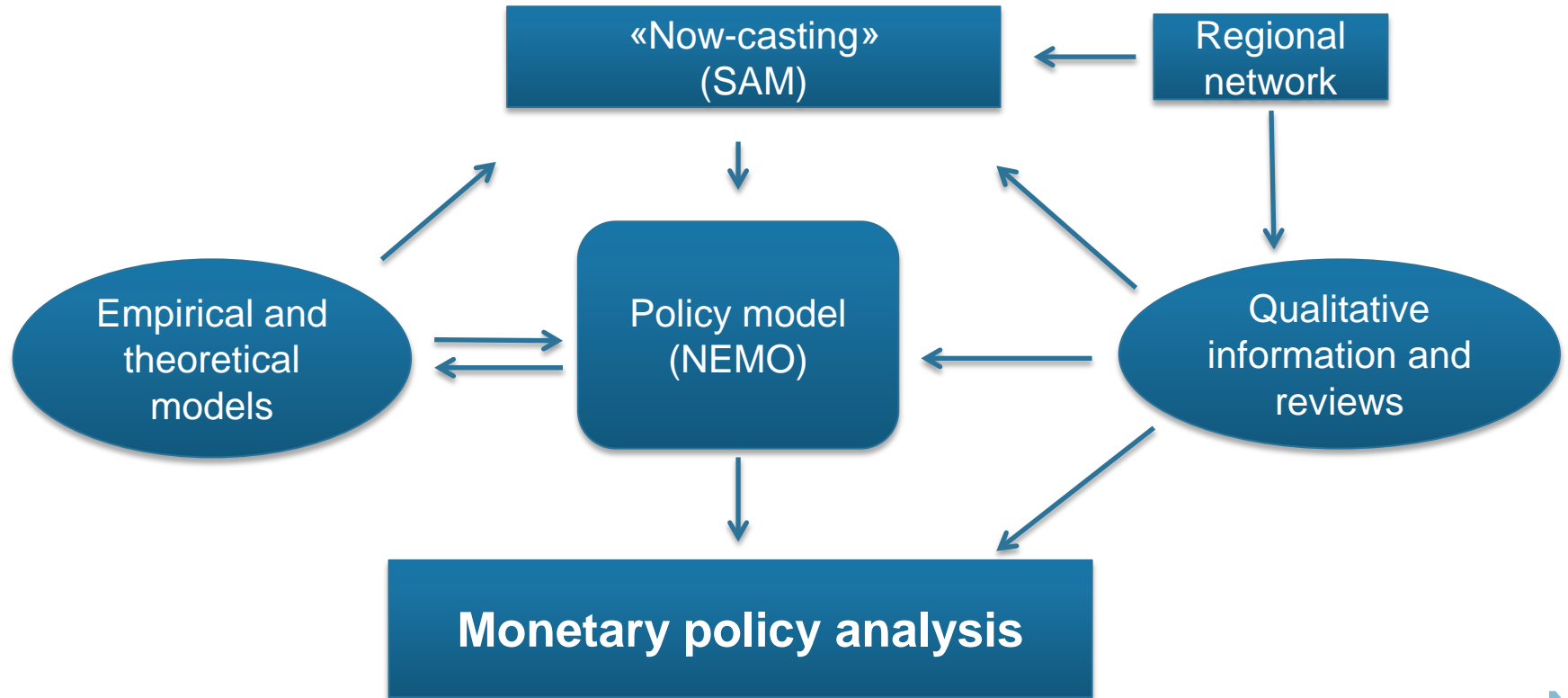
Projections from Monetary Policy Report 1/14. Percent



Sources: Statistics Norway and Norges Bank

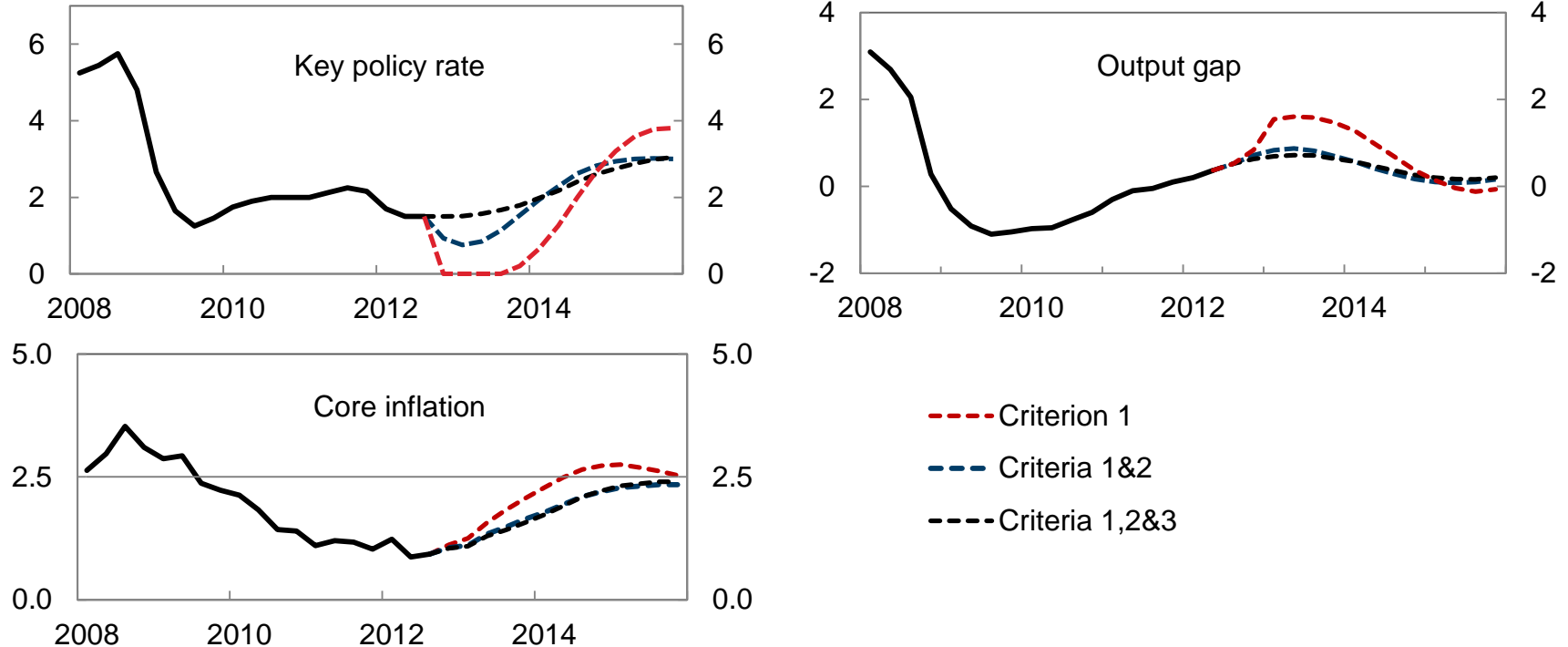


The system for monetary policy analysis and forecasting



Criteria for an appropriate interest rate path

Analysis from Monetary Policy Report 3/12. Percent

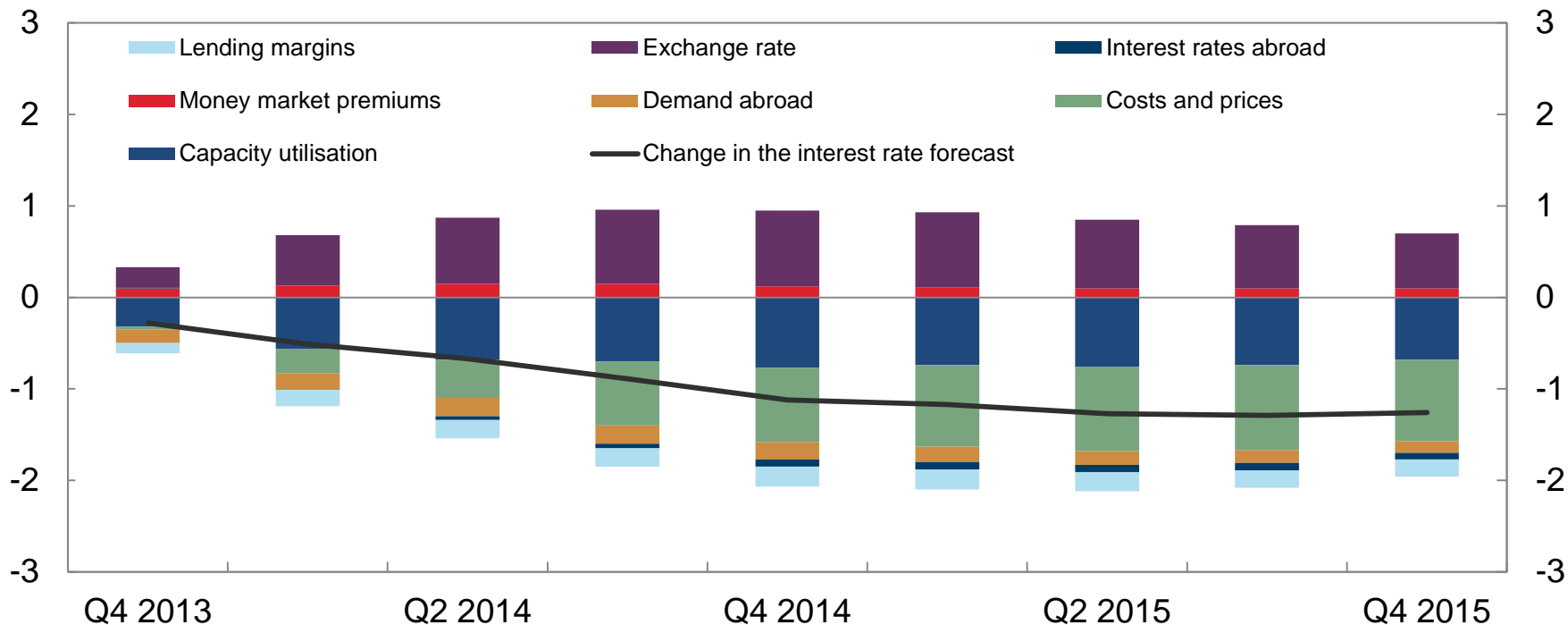


Sources: Statistics Norway and Norges Bank



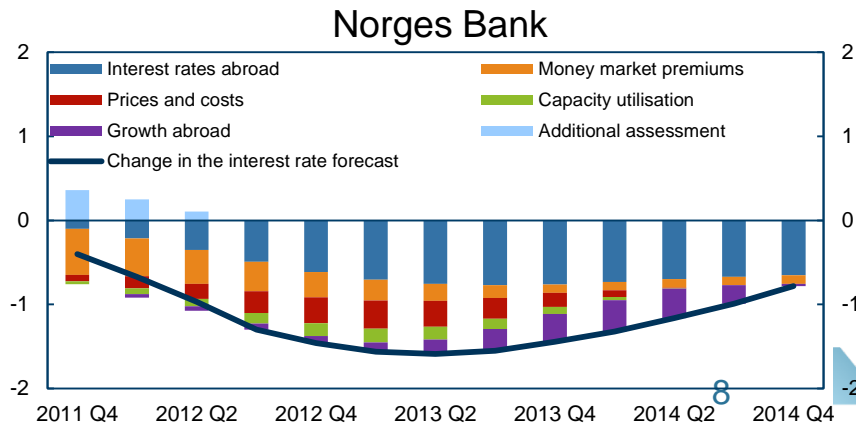
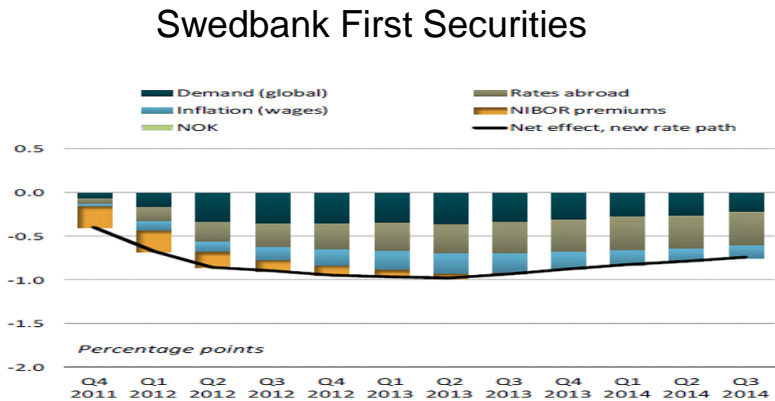
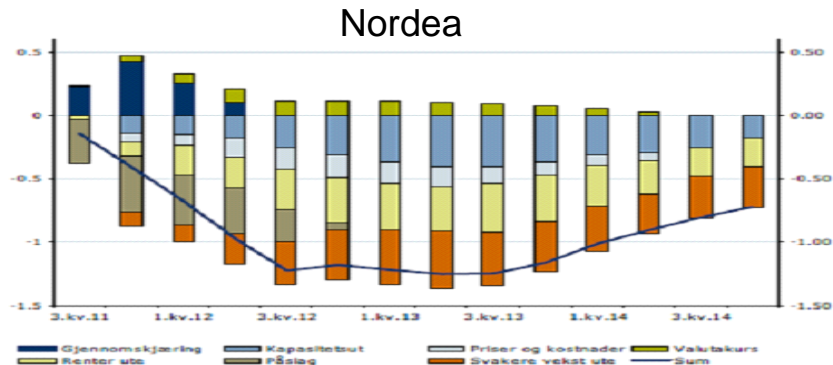
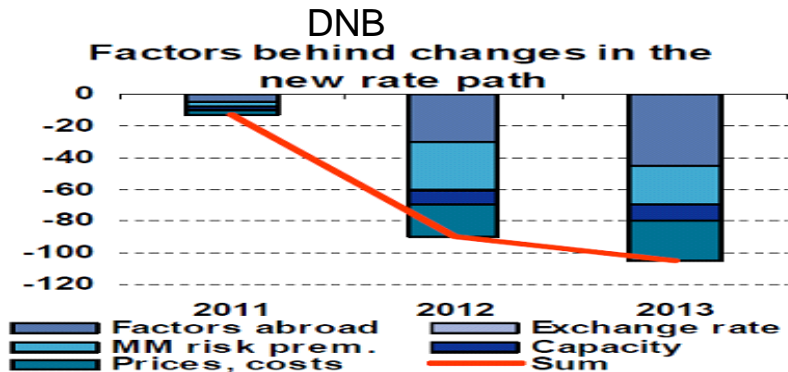
Decomposition of change in the interest rate path

Factors behind change in path between MPR 3/12 and MPR 4/13. Percentage points



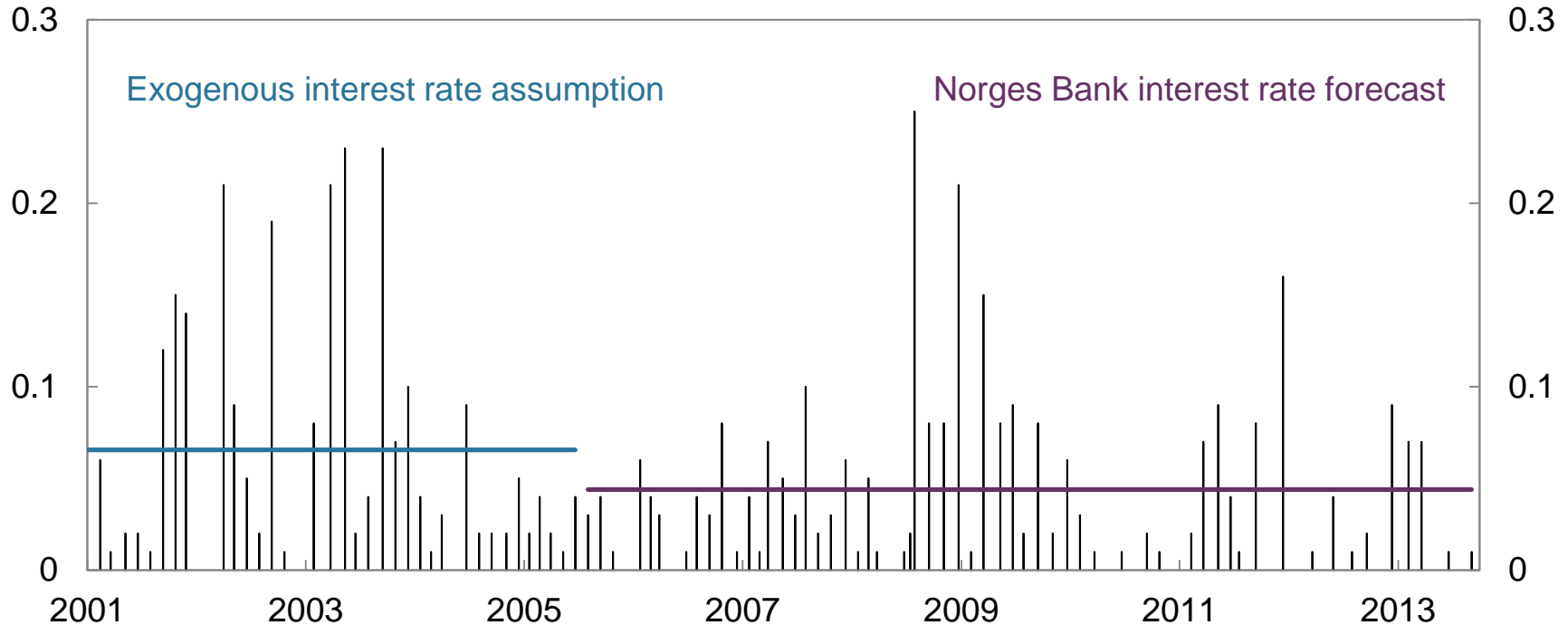
Decomposition of change in the interest rate path: Forecasts

Actual decomposition in MPR 3/11 and market analysts' forecasts



Changes in money market rates after policy announcements

In absolute terms. Percentage points. 12-month market rates. March 2001–December 2013

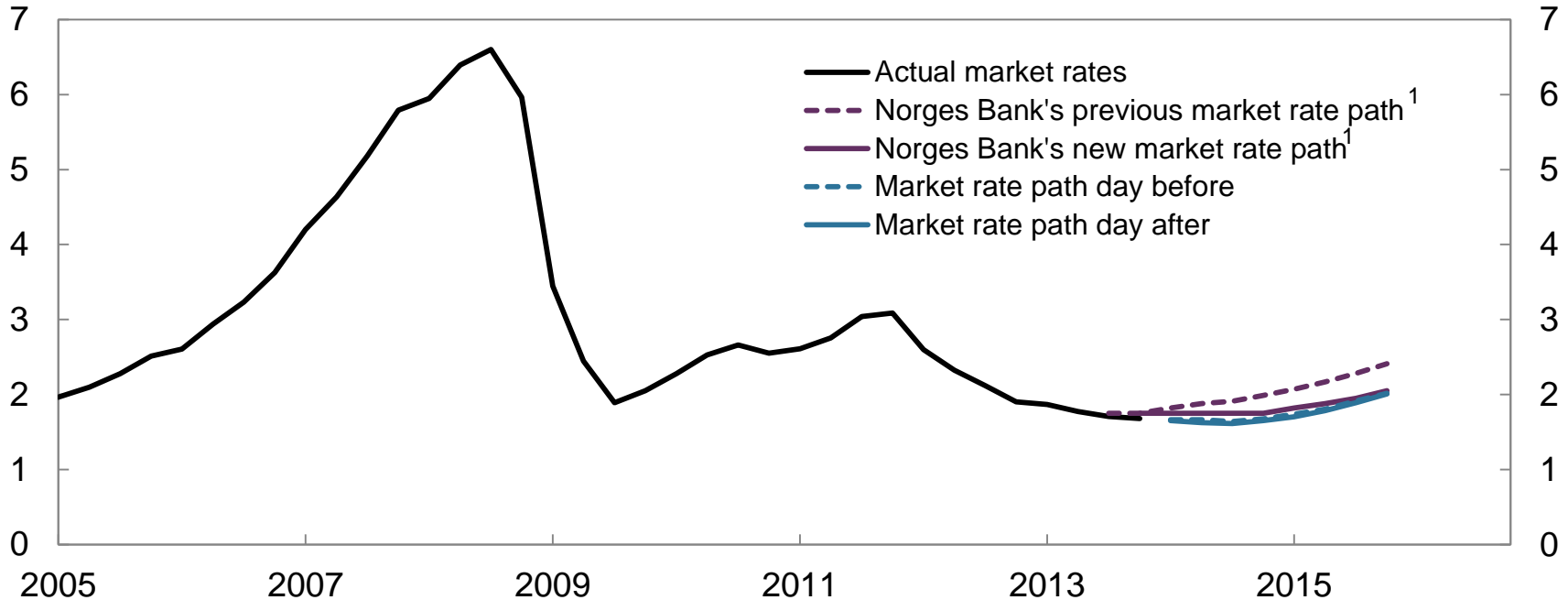


Sources: Thomson Reuters and Norges Bank



December 2013: Small market reactions after policy announcement

Percent



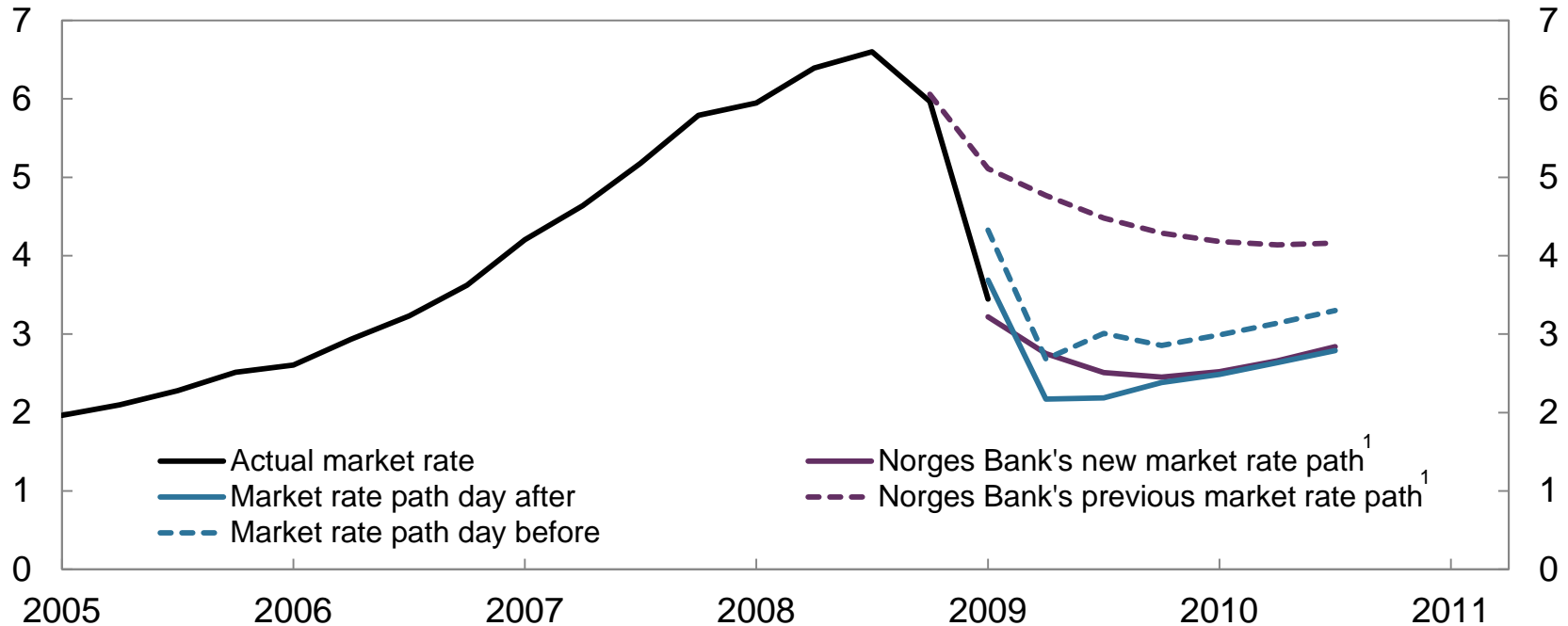
¹ Norges Bank's market rate path is calculated as Norges Bank's forecast for the key policy rate plus an estimated 3-month interbank risk premium.

Source: Norges Bank



December 2008: Market rates shifted down markedly after policy announcement

Percent



¹ Norges Bank's market rate path is calculated as Norges Bank's forecast for the key policy rate plus an estimated 3-month interbank risk premium.

Source: Norges Bank



Interest rate expectations one year ahead

