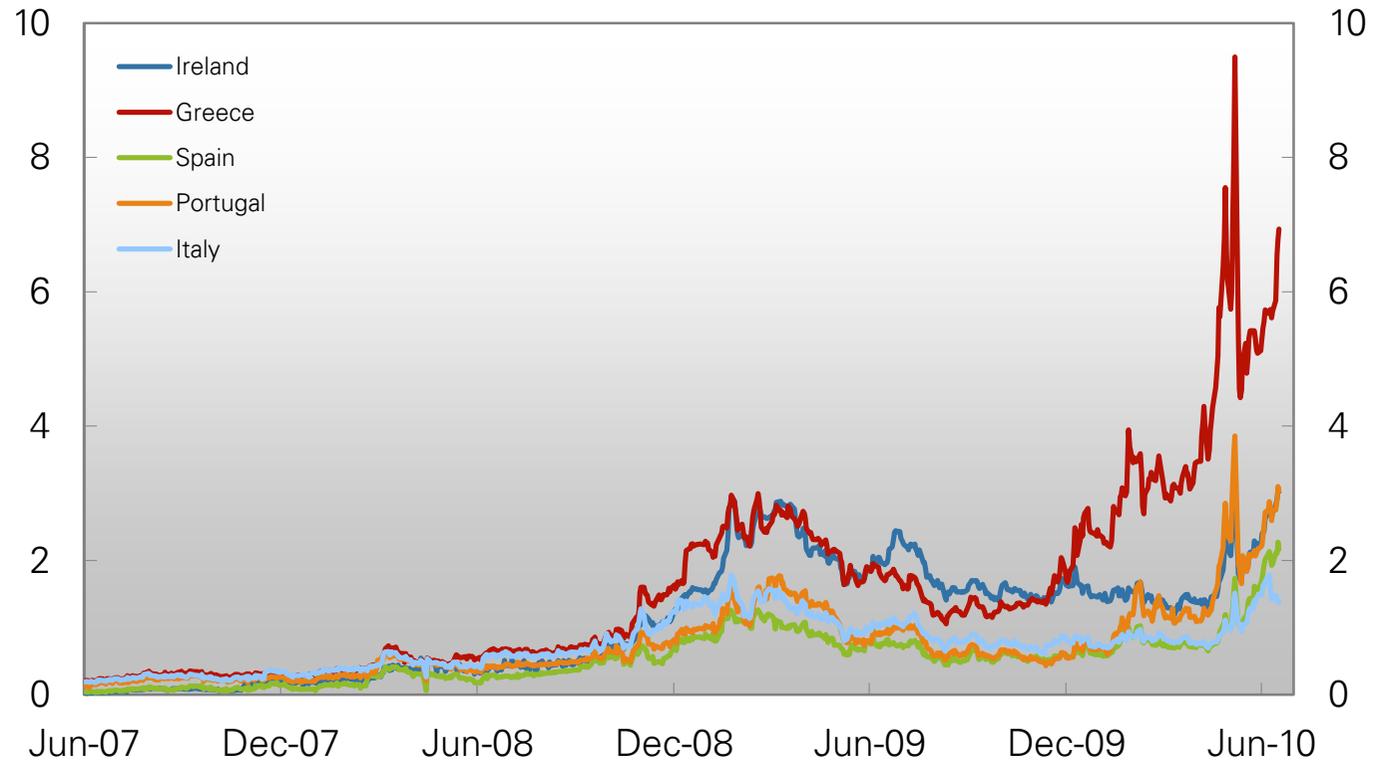
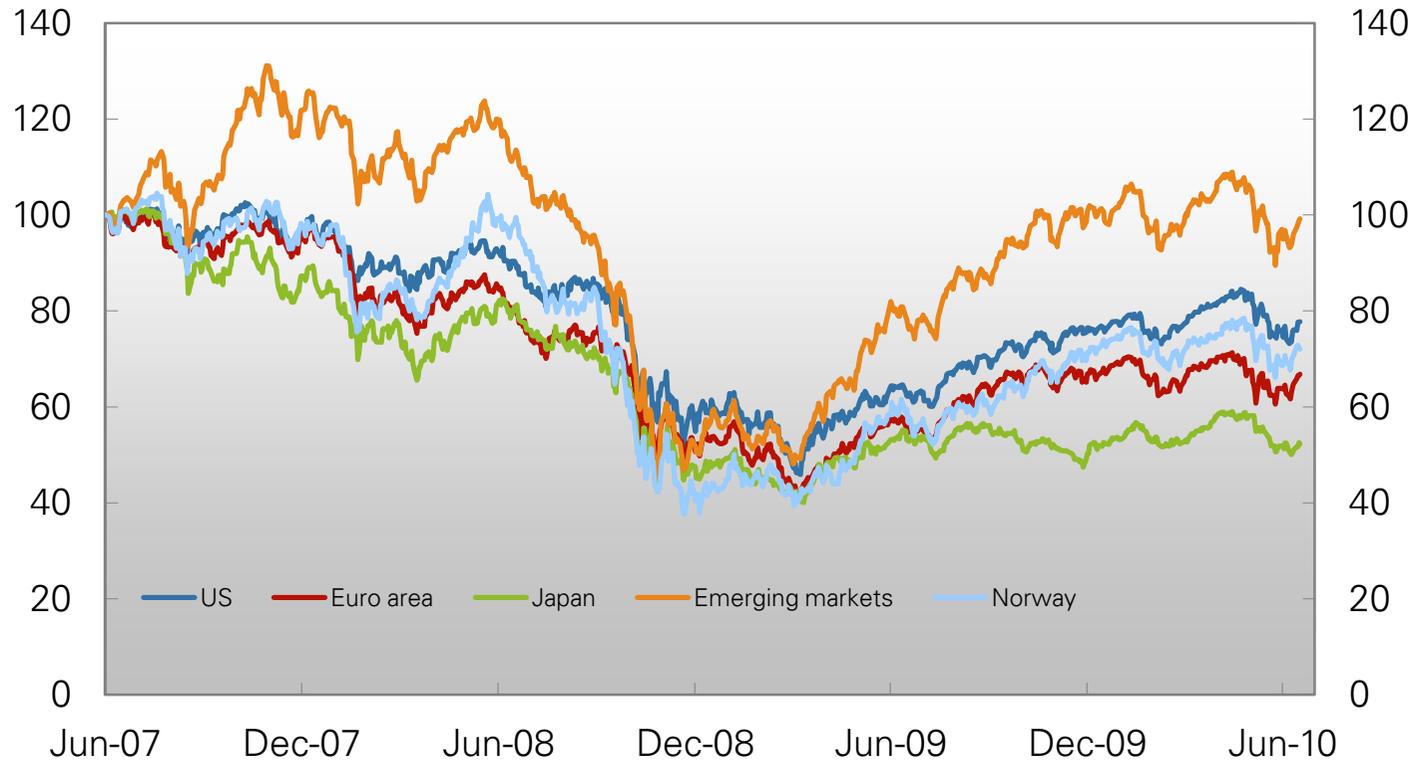


Chart 1.1 Yield spreads against German 10-year government bonds.
Percentage points. 1 June 2007 – 17 June 2010



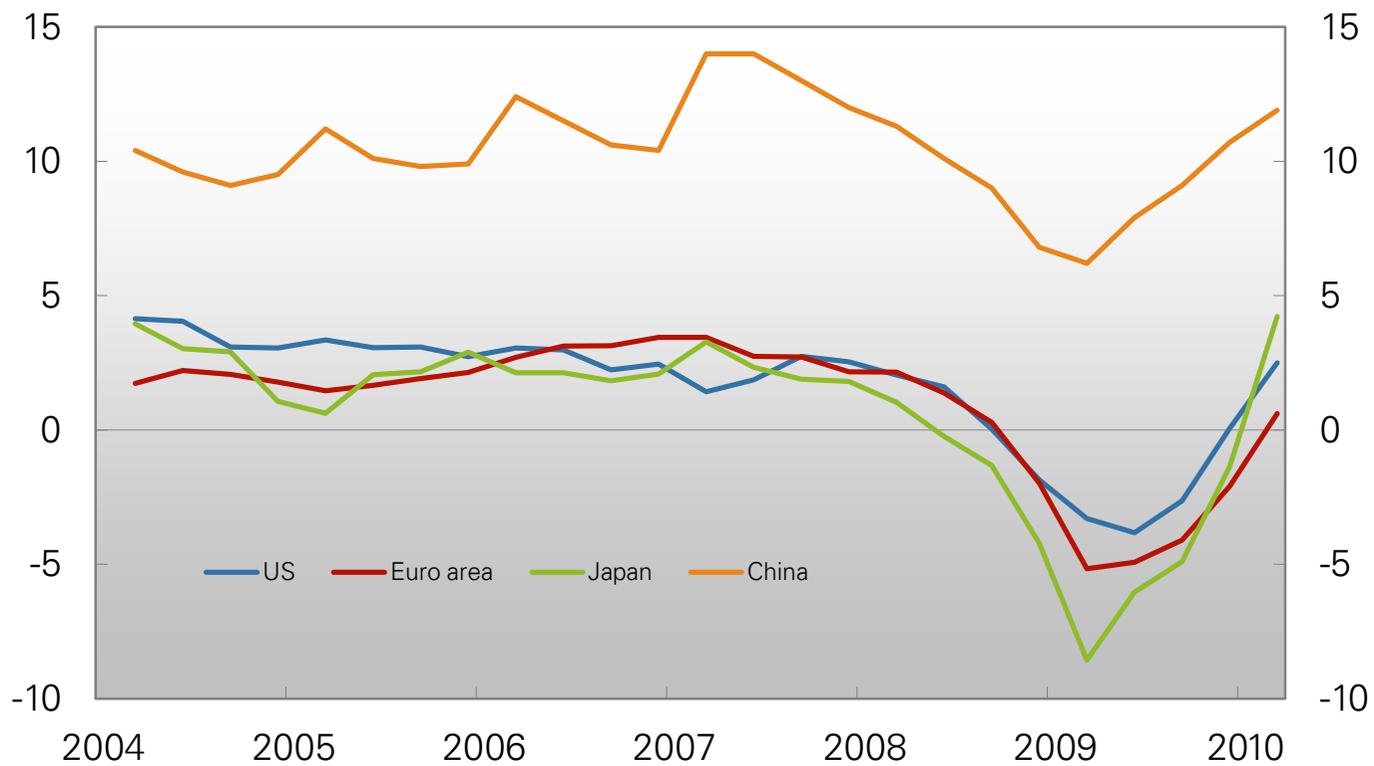
Source: Thomson Reuters

Chart 1.2 Developments in equity markets. Index.
1 June 2007 = 100. 1 June 2007 – 17 June 2010



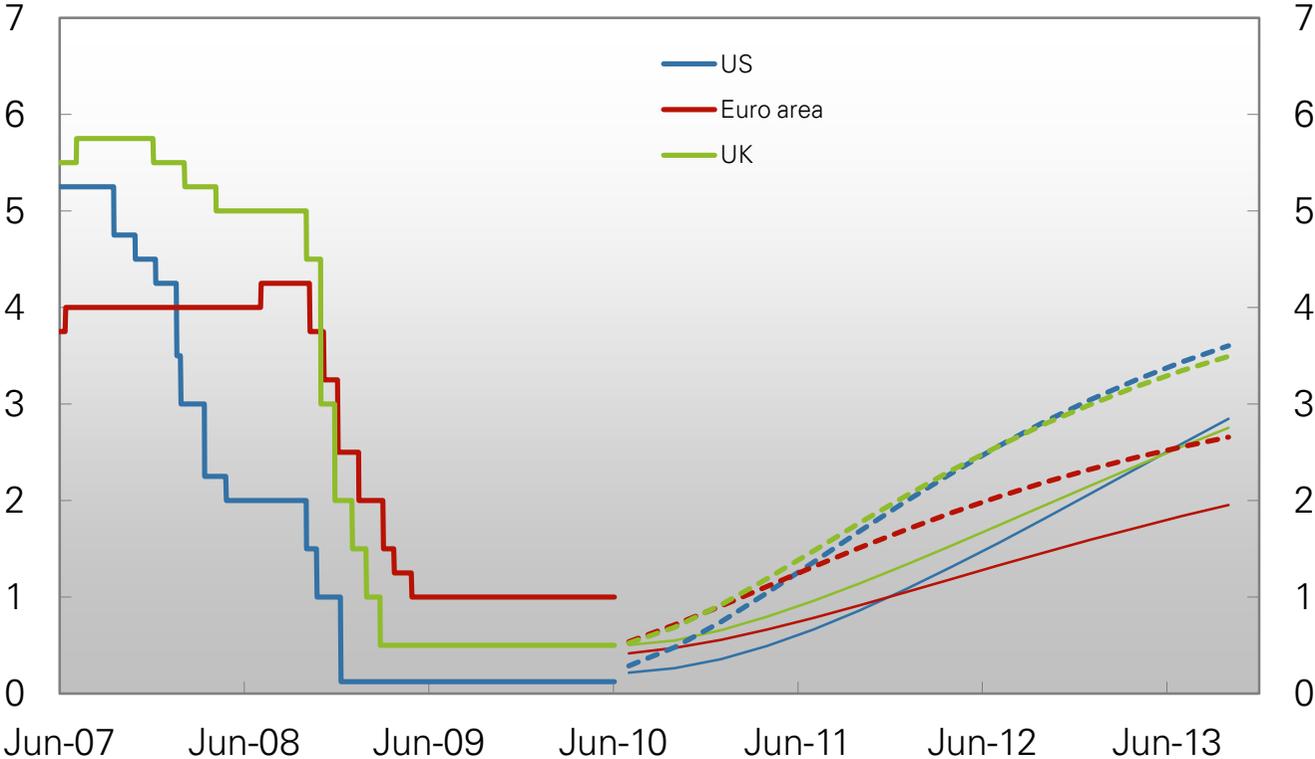
Source: Thomson Reuters

Chart 1.3 GDP in advanced economies and China. 4-quarter change. Per cent. 2004 Q1 – 2010 Q1



Source: Thomson Reuters

Chart 1.4 Key rates and estimated forward rates as at 24 March 2010 and 17 June 2010.¹⁾ Per cent. 1 June 2007 – 31 December 2013²⁾

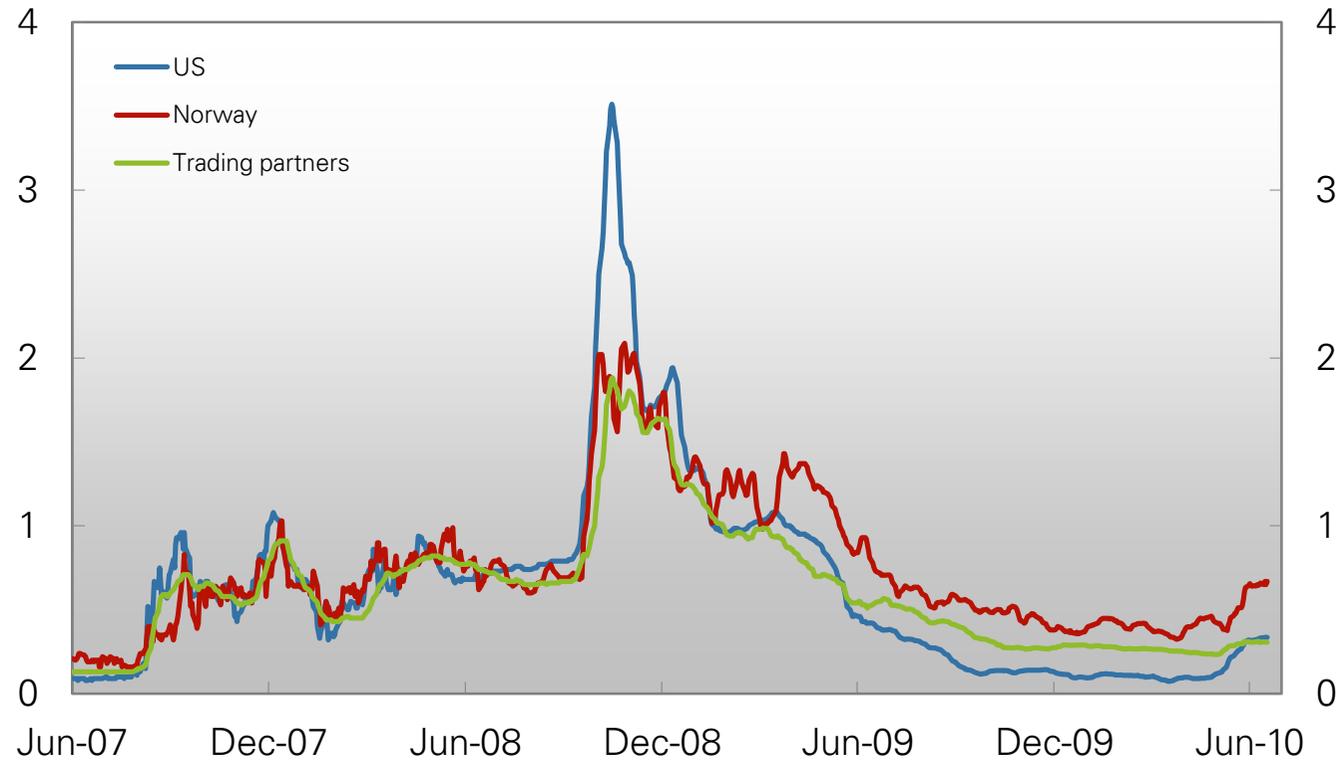


1) Broken lines show estimated forward rates as at 24 March 2010. Thin lines show forward rates as at 17 June 2010. Forward rates are based on Overnight Indexed Swap (OIS) interest rates

2) Daily figures from 1 June 2007 and quarterly figures as at 17 June 2010

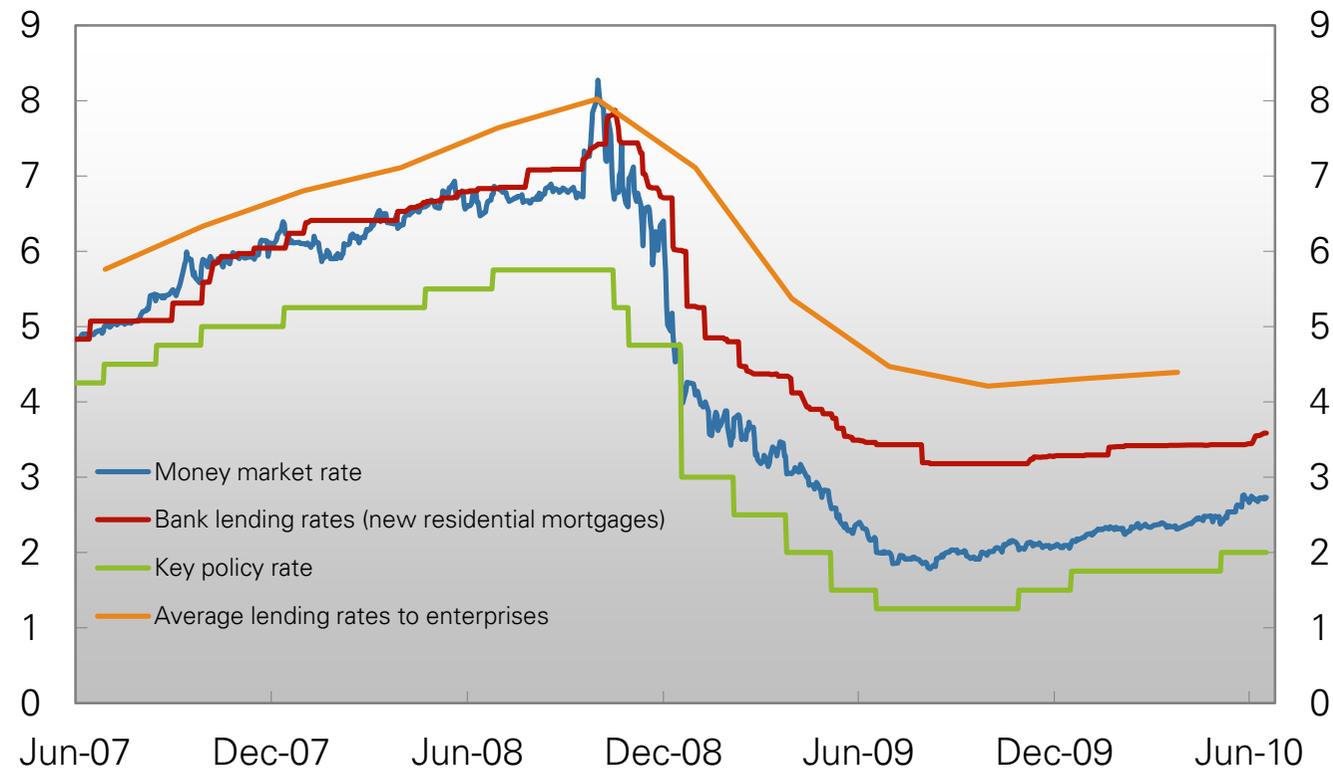
Sources: Bloomberg L.P. and Norges Bank

Chart 1.5 Difference between 3-month money market rate and key rate expectations¹⁾. Percentage points. 5-day moving average.
1 June 2007 – 17 June 2010



1) Expected key rates are derived from Overnight Indexed Swap (OIS) rates. Norges Bank's projections for market key rate expectations are used for Norway
Sources: Bloomberg L.P., Thomson Reuters and Norges Bank

Chart 1.6 Key policy rate, money market rate¹⁾, weighted bank lending rates on new loans²⁾ and average lending rates to enterprises³⁾. Per cent.
1 June 2007 – 17 June 2010



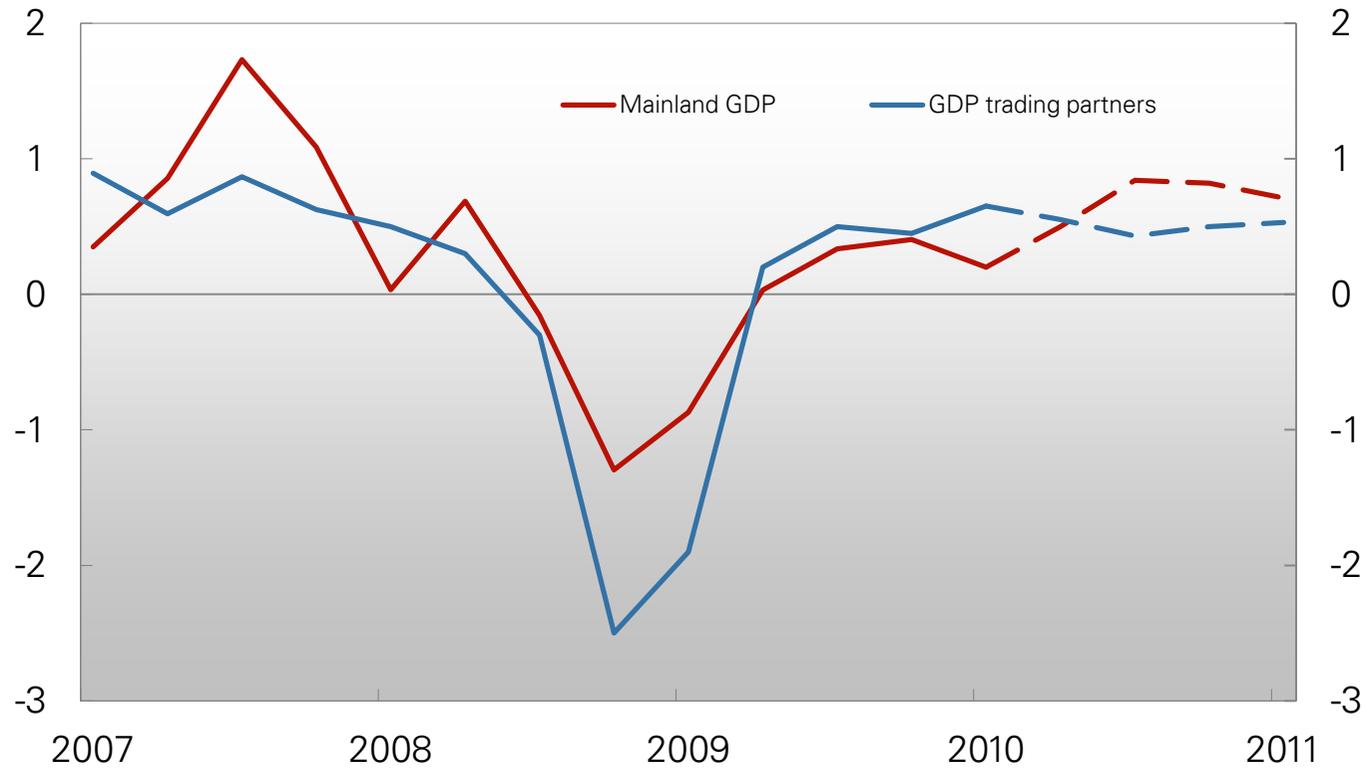
1) 3-month NIBOR (effective)

2) Interest rate on new residential mortgages of NOK 1m within 60% of purchase price with variable interest rate. Figures for the 20 largest banks, weighted according to market share

3) Non-financial enterprises. 2007 Q2 – 2010 Q1

Sources: Norsk familieøkonomi AS, Statistics Norway and Norges Bank

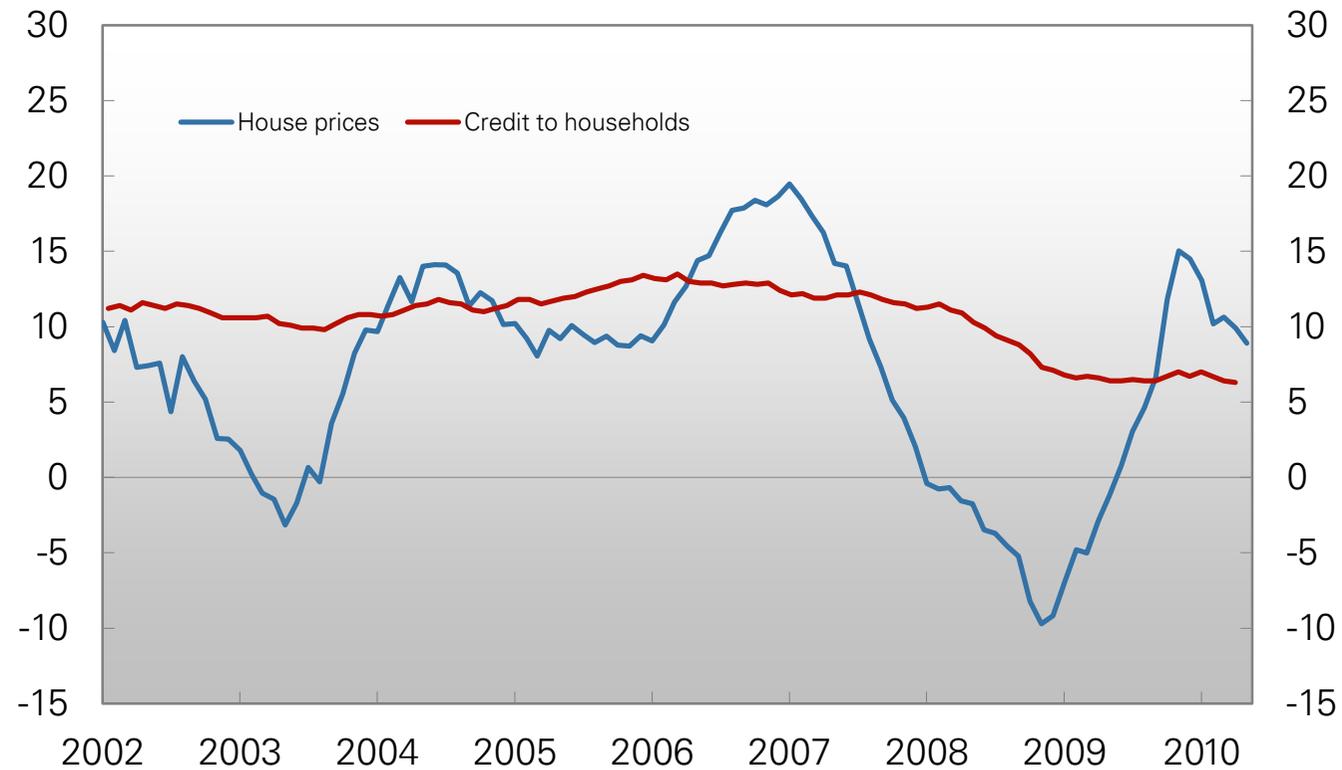
Chart 1.7 GDP. Norway and trading partners. Quarterly change. Seasonally adjusted. Per cent. 2007 Q1 – 2011 Q1¹⁾



1) Projections from 2010 Q2

Sources: Statistics Norway, OECD, Thomson Reuters and Norges Bank

Chart 1.8 Credit to households ¹⁾ and house prices.
12-month change. Per cent. January 2002 – May 2010²⁾

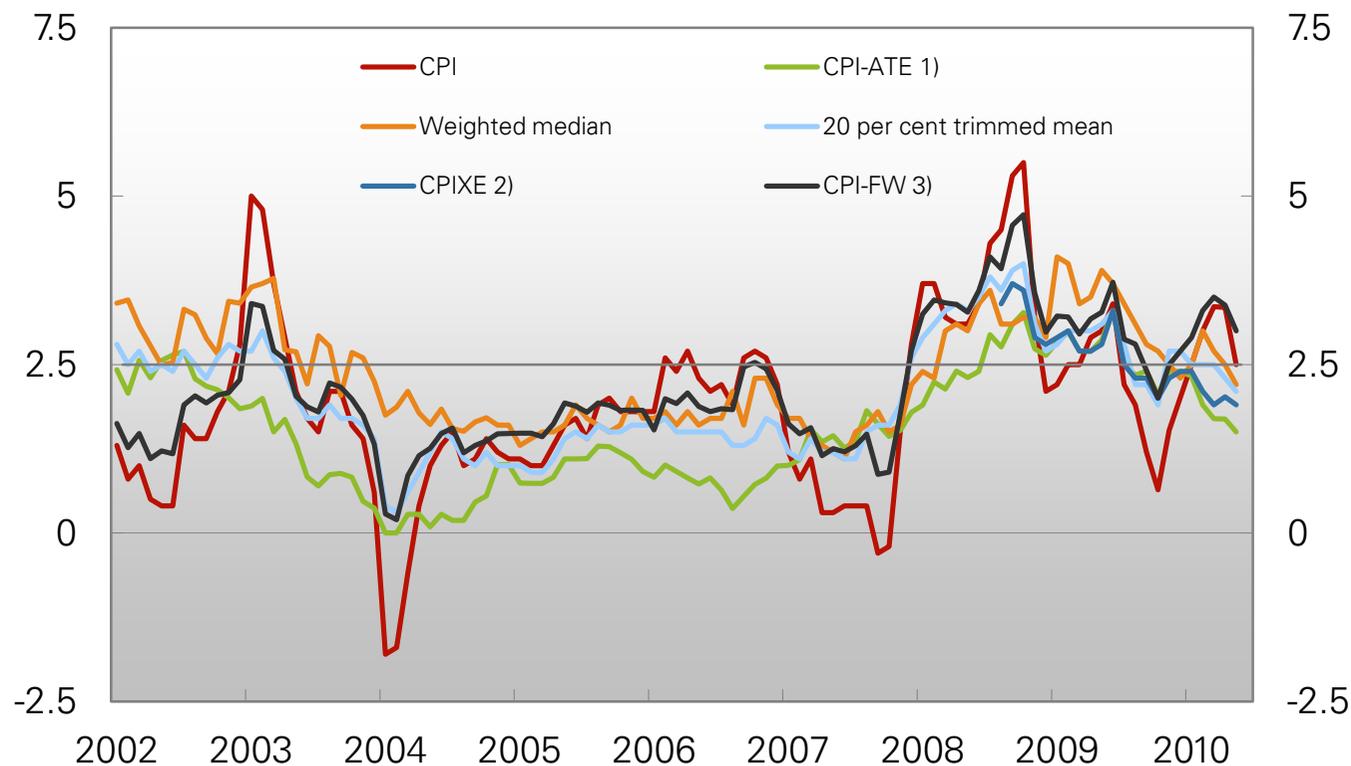


1) Credit from domestic sources, C2

2) House prices to May. Credit growth to April

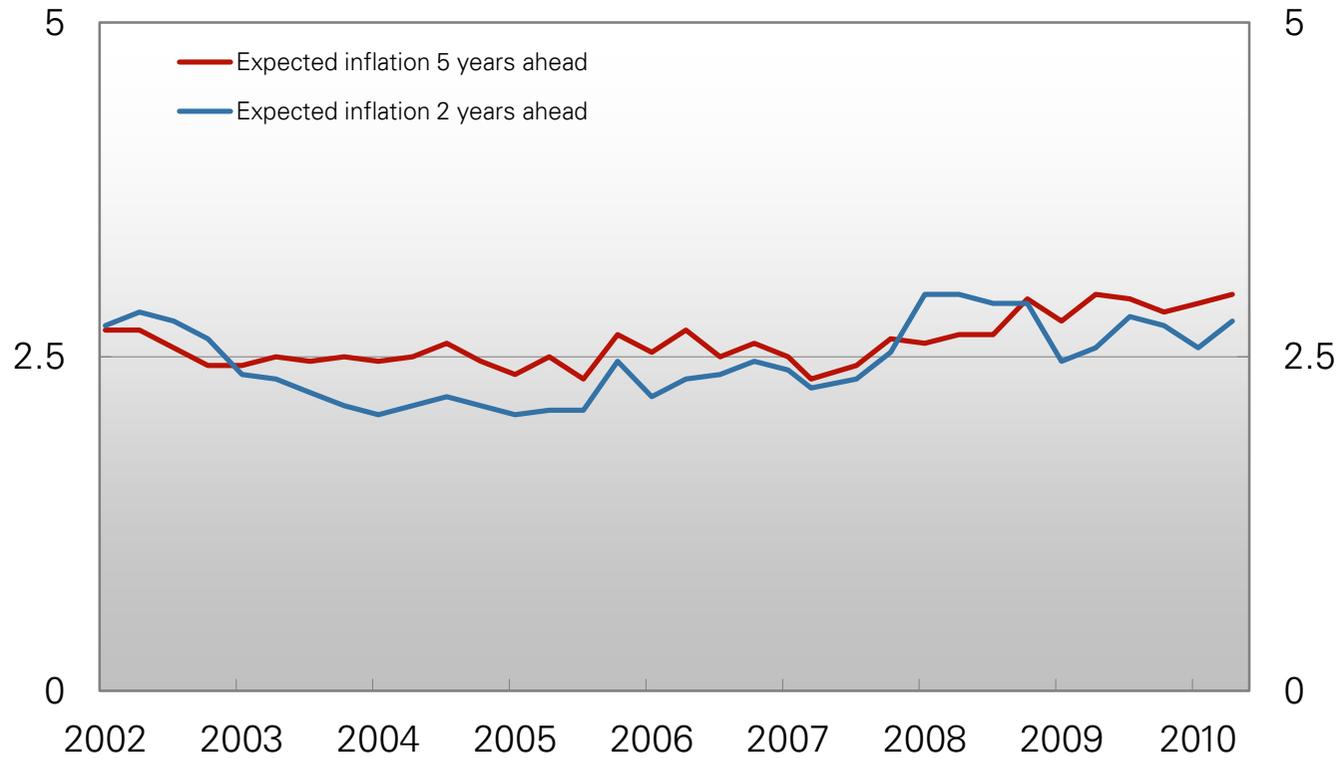
Sources: Statistics Norway, OPAK, the real estate industry (NEF, EFF, FINN.no and ECON Pöyry), OBOS and Norges Bank

Chart 1.9 Consumer prices. 12-month change. Per cent.
January 2002 – May 2010



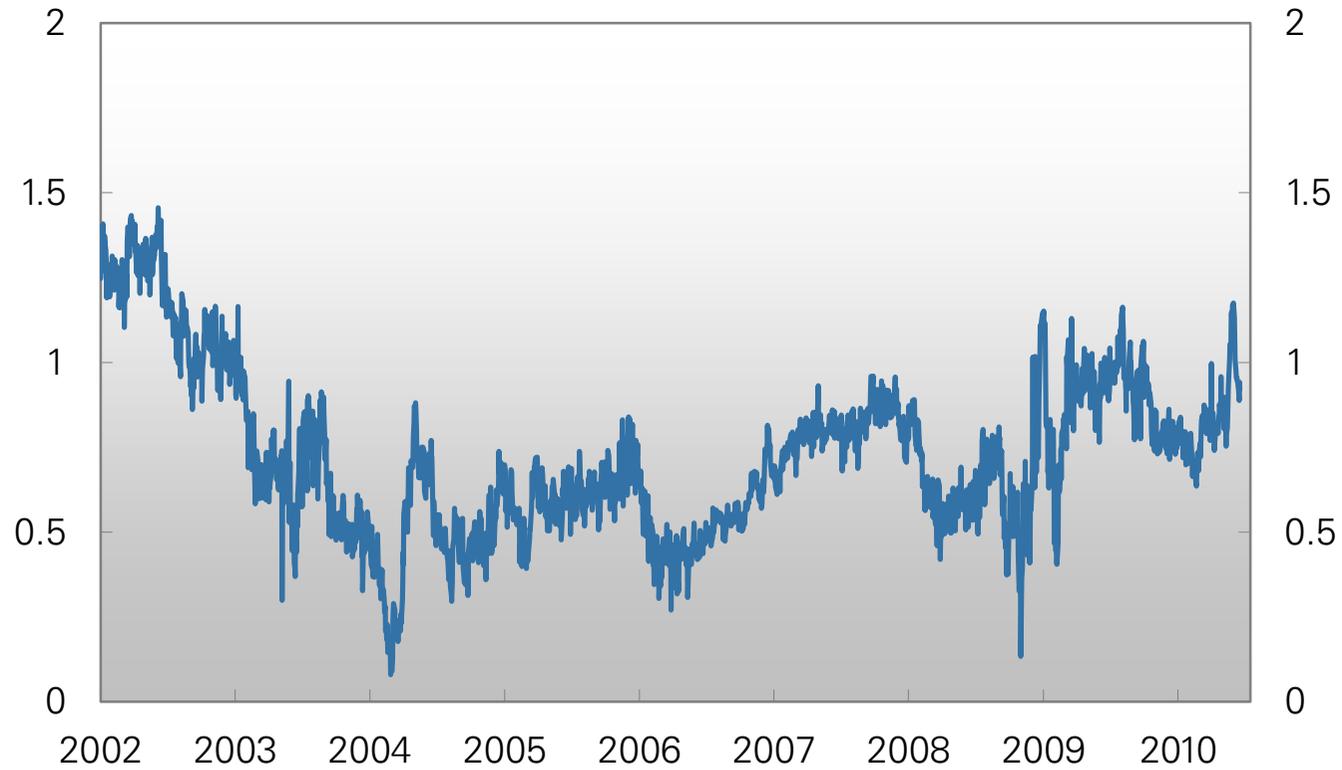
1) CPI adjusted for tax changes and excluding energy products
 2) CPI adjusted for tax changes and excluding temporary changes in energy prices. CPIXE is a real time series. See *Staff Memo 7/2008* and *3/2009* from Norges Bank for a description of the CPIXE
 3) CPI adjusted for frequency of price changes. See *Economic commentaries 7/2009* from Norges Bank for a description of the CPI-FW
 Sources: Statistics Norway and Norges Bank

Chart 1.10 Expected consumer price inflation 2 and 5 years ahead.¹⁾
Per cent. 2002 Q1 – 2010 Q2



1) Average of expectations of employer/employee organisations and economists (financial industry experts, macro analysts and academia)
Sources: TNS Gallup and Perduco

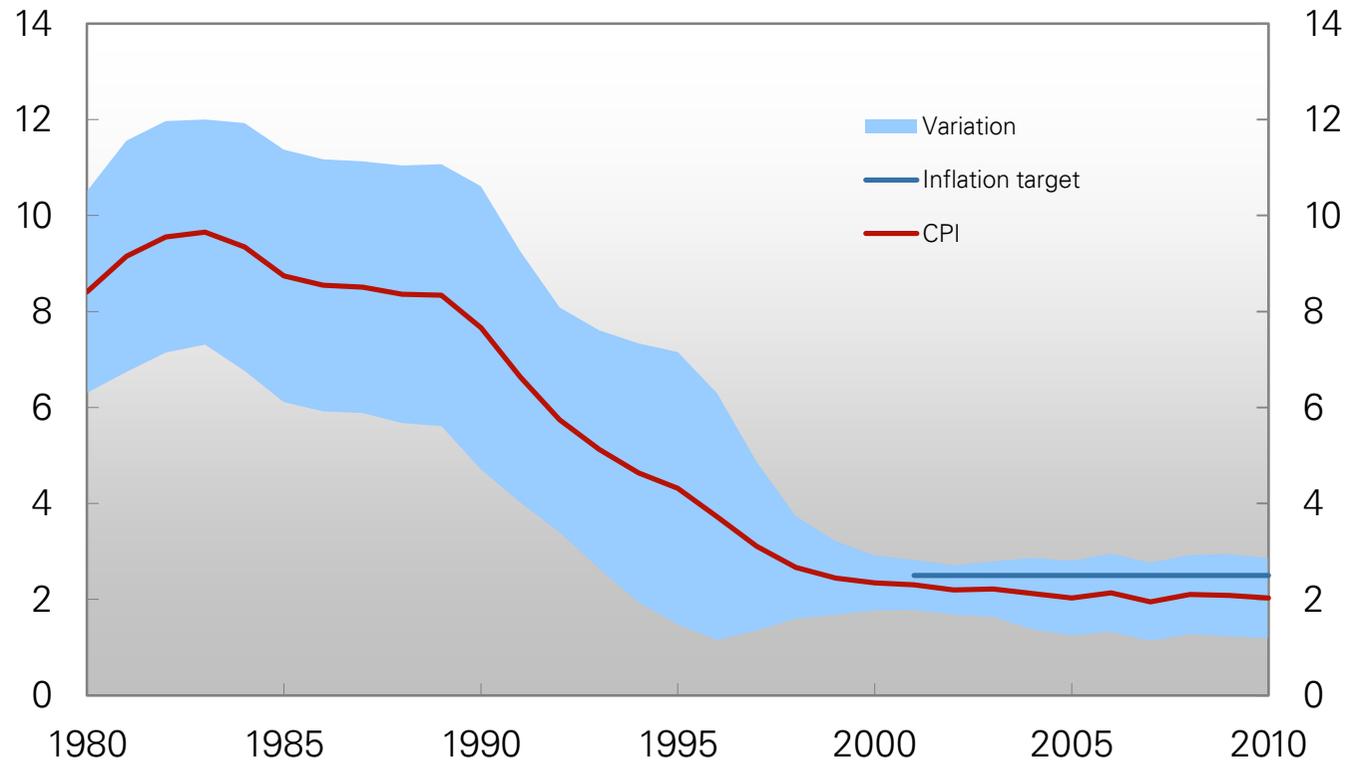
Chart 1.11 5-year forward rate¹⁾ differential 5 years ahead between Norway and the euro area. Percentage points. 1 January 2002 – 17 June 2010



1) Based on swap rates

Sources: Thomson Reuters and Norges Bank

Chart 1.12 Inflation. Moving 10-year average¹⁾ and variation²⁾ in CPI³⁾.
Per cent. 1980 – 2010



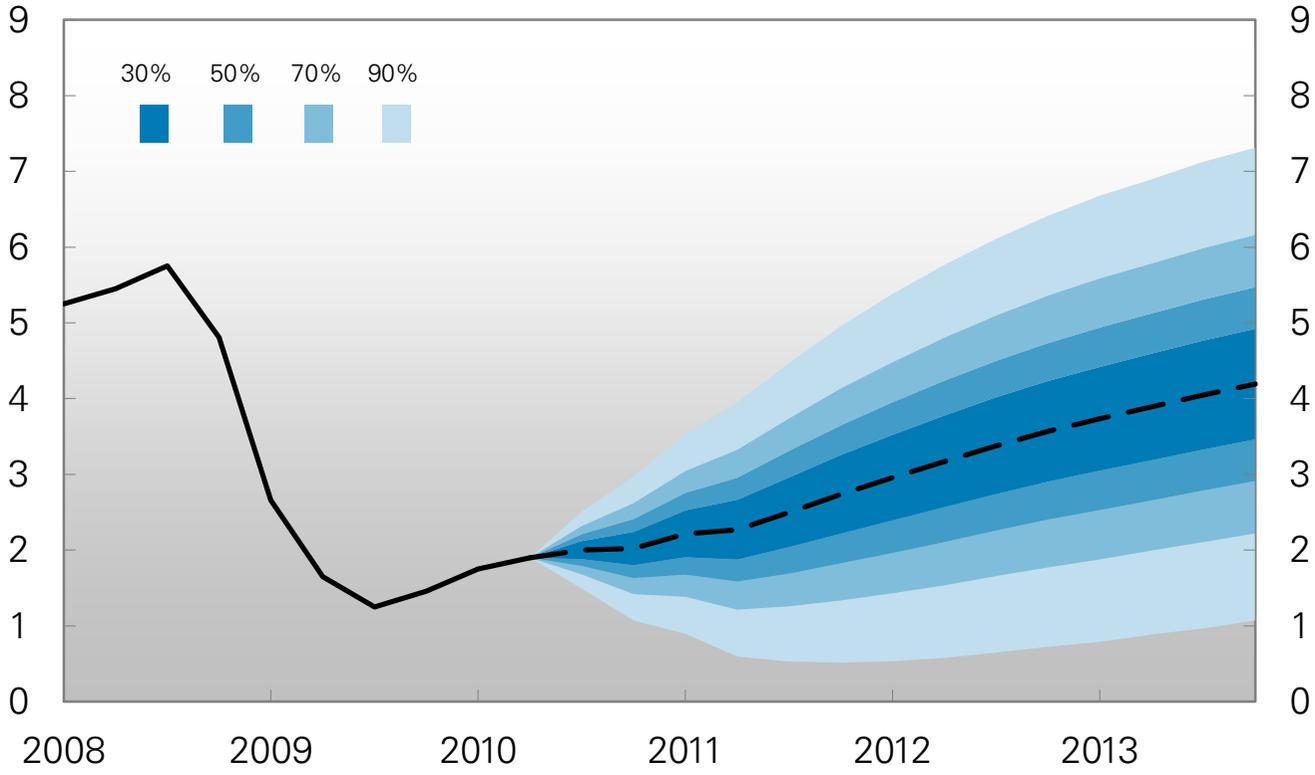
1) The moving average is calculated 10 years back

2) The band around the CPI is the variation in the CPI adjusted for tax changes and excluding energy products in the average period, measured by +/- one standard deviation

3) Projections for CPI in this *Report* form the basis for this estimate

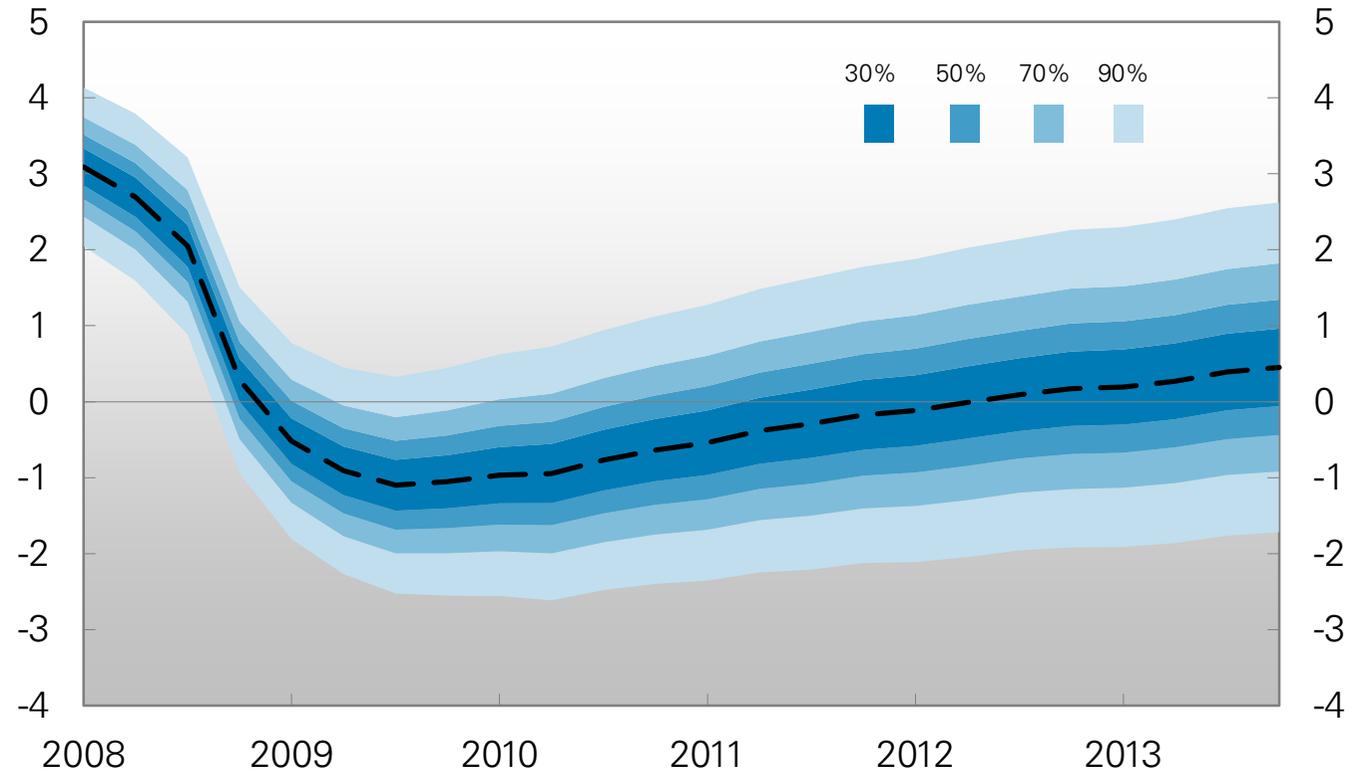
Sources: Statistics Norway and Norges Bank

Chart 1.13a Projected key policy rate in the baseline scenario with fan chart.
Per cent. 2008 Q1– 2013 Q4



Source: Norges Bank

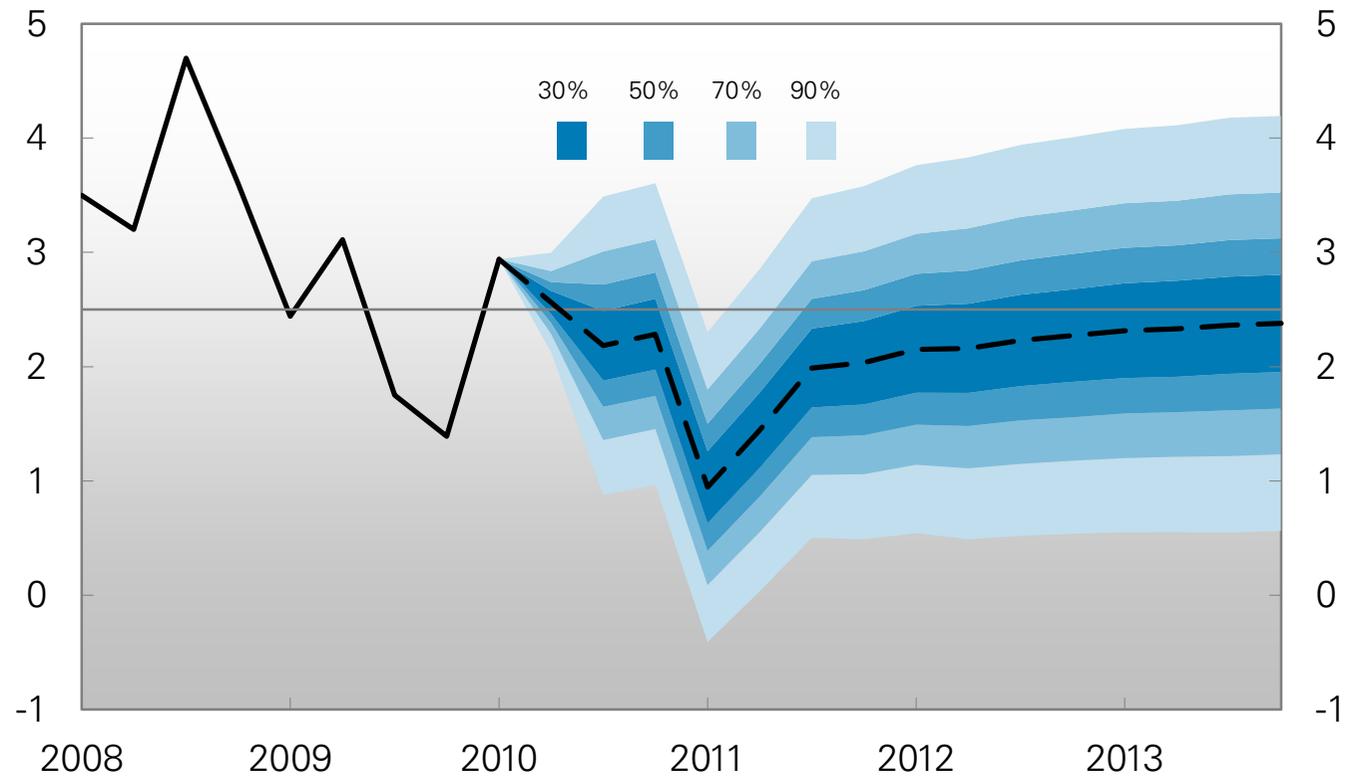
Chart 1.13b Estimated output gap¹⁾ in the baseline scenario with fan chart.
Per cent. 2008 Q1 – 2013 Q4



1) The output gap measures the percentage deviation between mainland GDP and projected potential mainland GDP

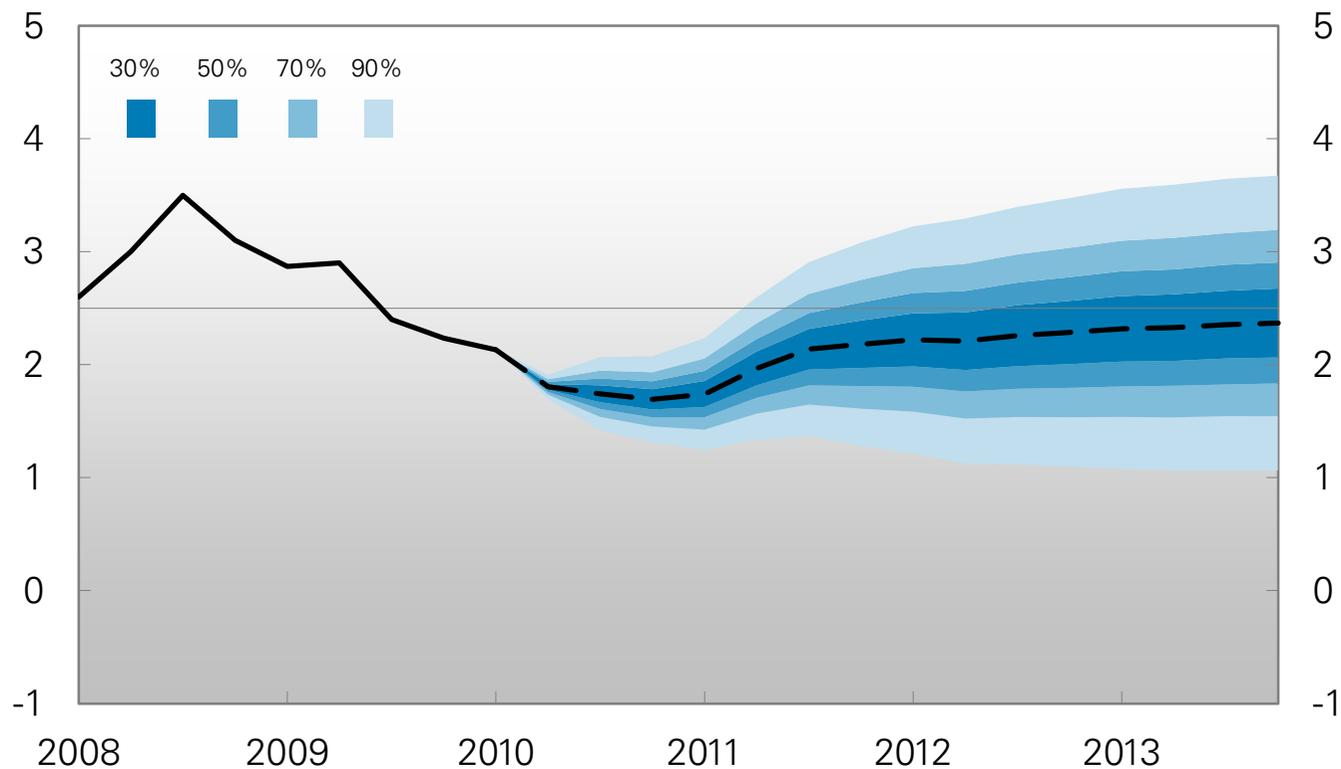
Source: Norges Bank

Chart 1.13c Projected CPI in the baseline scenario with fan chart.
4-quarter change. Per cent. 2008 Q1 – 2013 Q4



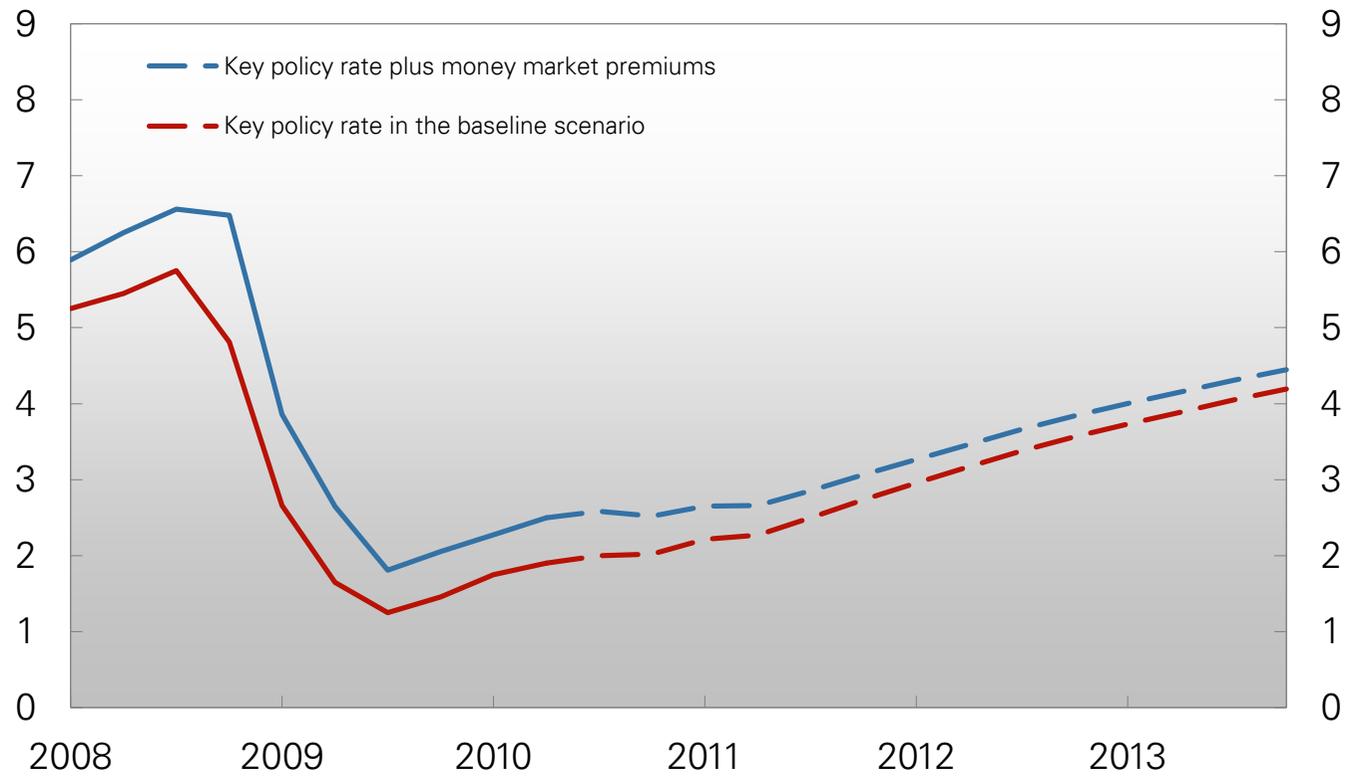
Sources: Statistics Norway and Norges Bank

Chart 1.13d Projected CPIXE¹⁾ in the baseline scenario with fan chart.
 4-quarter change. Per cent. 2008 Q1 – 2013 Q4



1) CPI adjusted for tax changes and excluding temporary changes in energy prices. As from August 2008, CPIXE is a real time series. See *Staff Memo 7/2008* and *3/2009* from Norges Bank for a description of the CPIXE
 Source: Norges Bank

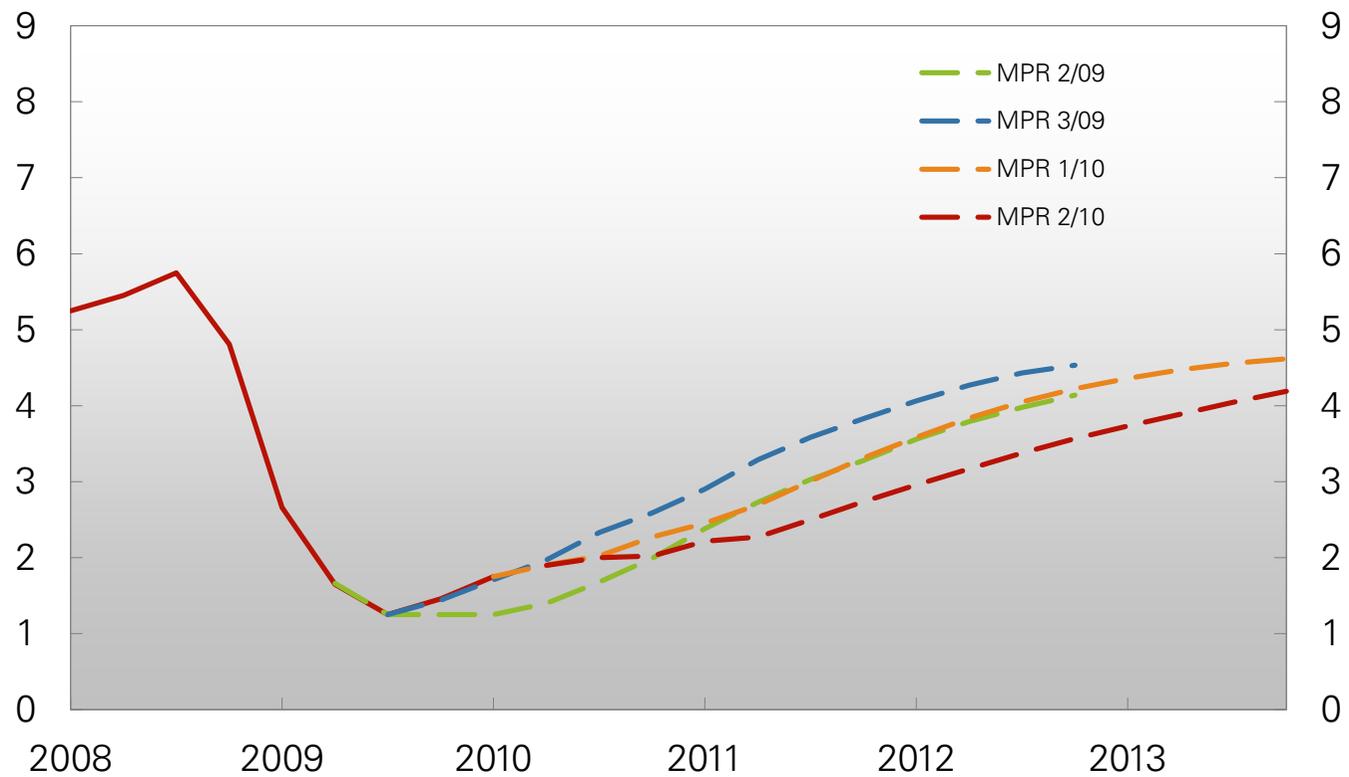
Chart 1.14 Key policy rate in the baseline scenario and key policy rate plus premiums in the Norwegian money market.¹⁾ Per cent. 2008 Q1 – 2013 Q4



1) Norges Bank's projections from 2010 Q3

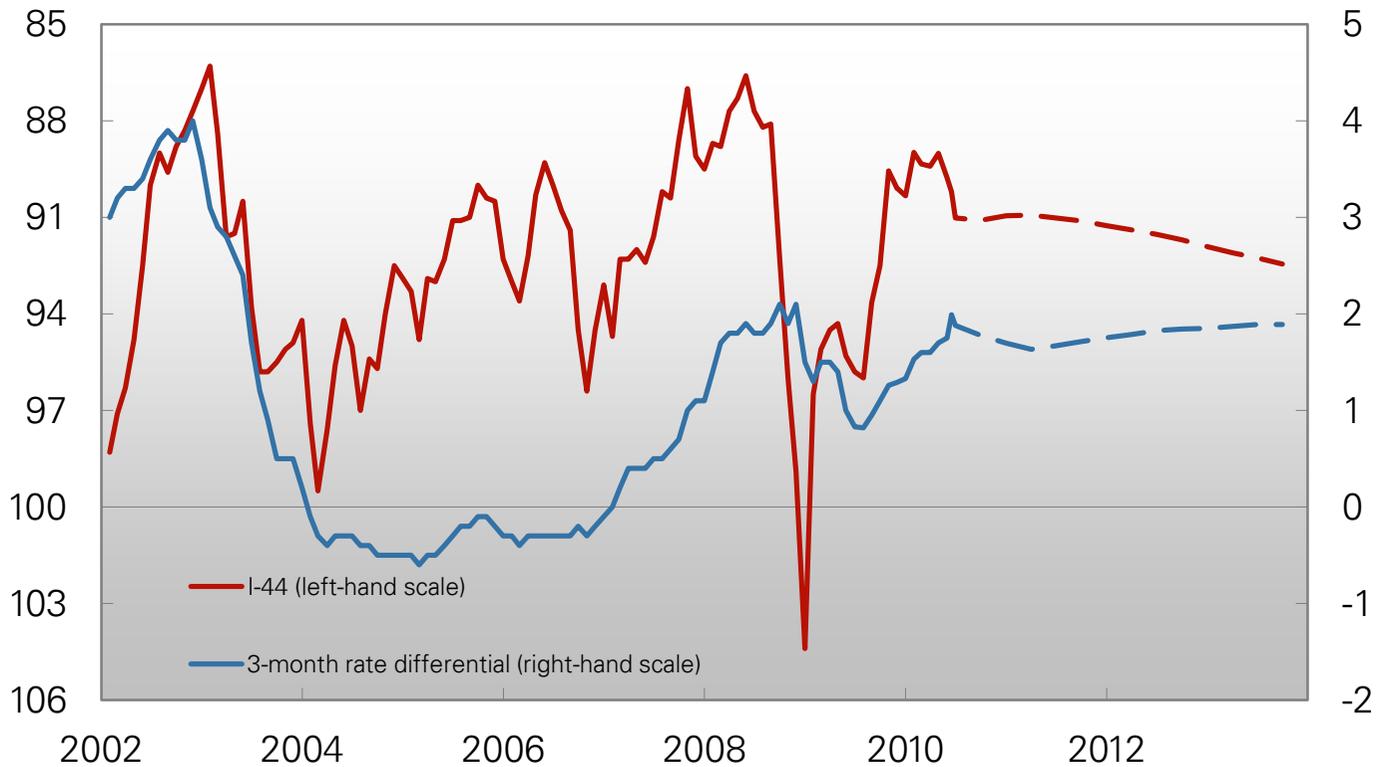
Source: Norges Bank

Chart 1.15 Key policy rate in the baseline scenario in MPR 2/09, MPR 3/09, MPR 1/10 and MPR 2/10. Per cent. 2008 Q1 – 2013 Q4



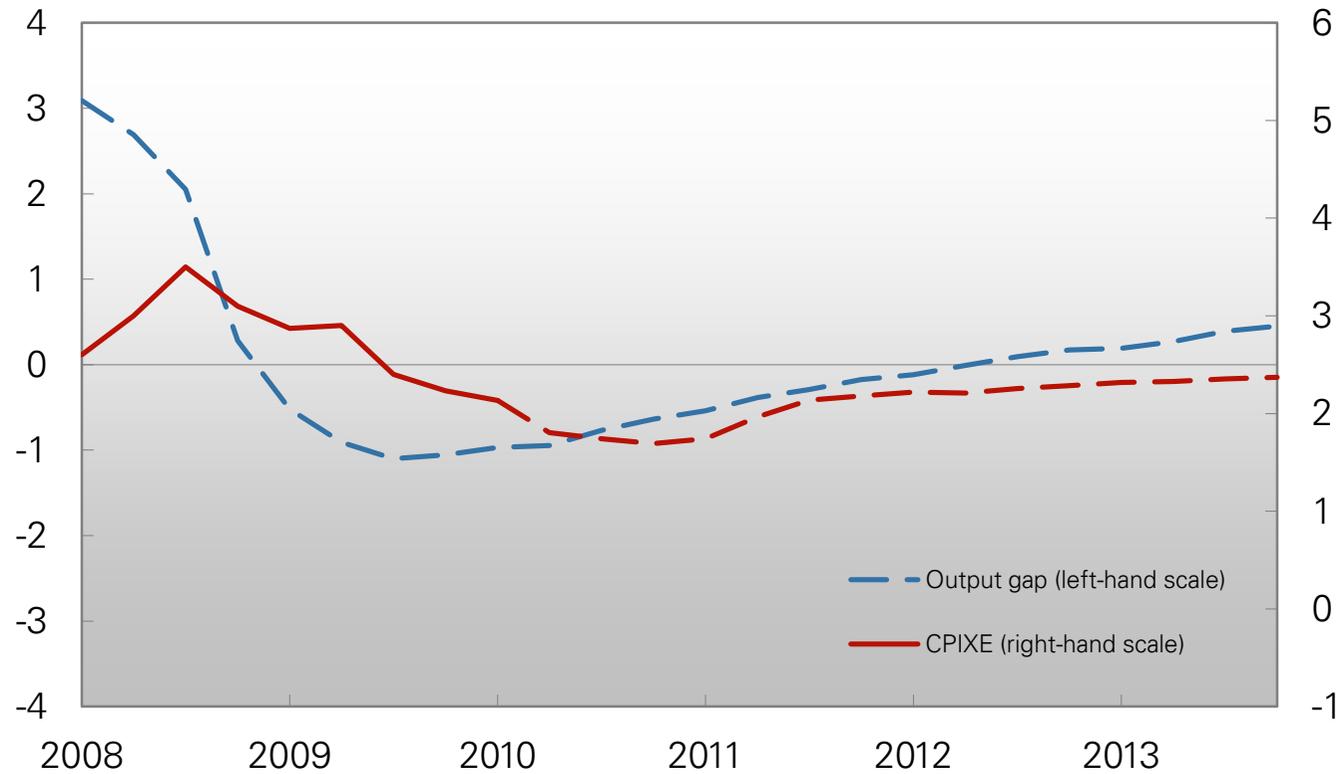
Source: Norges Bank

Chart 1.16 Three-month money market rate differential between Norway and trading partners and the import-weighted exchange rate index (I-44)¹⁾. Monthly- (historical) and quarterly figures (ahead). January 2002 – December 2013



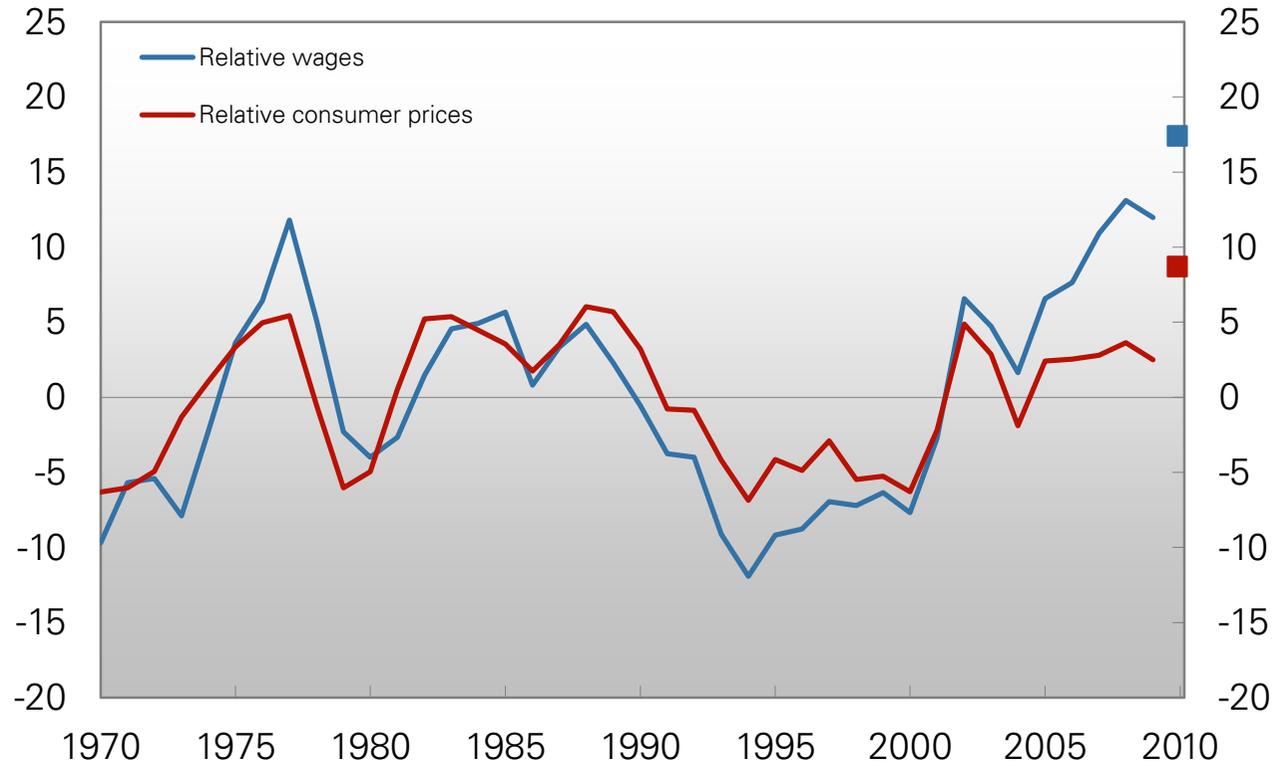
1) A rising curve indicates a stronger krone exchange rate
Sources: Thomson Reuters and Norges Bank

Chart 1.17 Projected inflation¹⁾ and output gap in the baseline scenario.
Per cent. 2008 Q1 – 2013 Q4



1) CPI adjusted for tax changes and excluding temporary changes in energy prices.
From August 2008, CPIXE is a real time series. See *Staff Memo 7/2008* and
3/2009 from Norges Bank for a description of the CPIXE
Source: Norges Bank

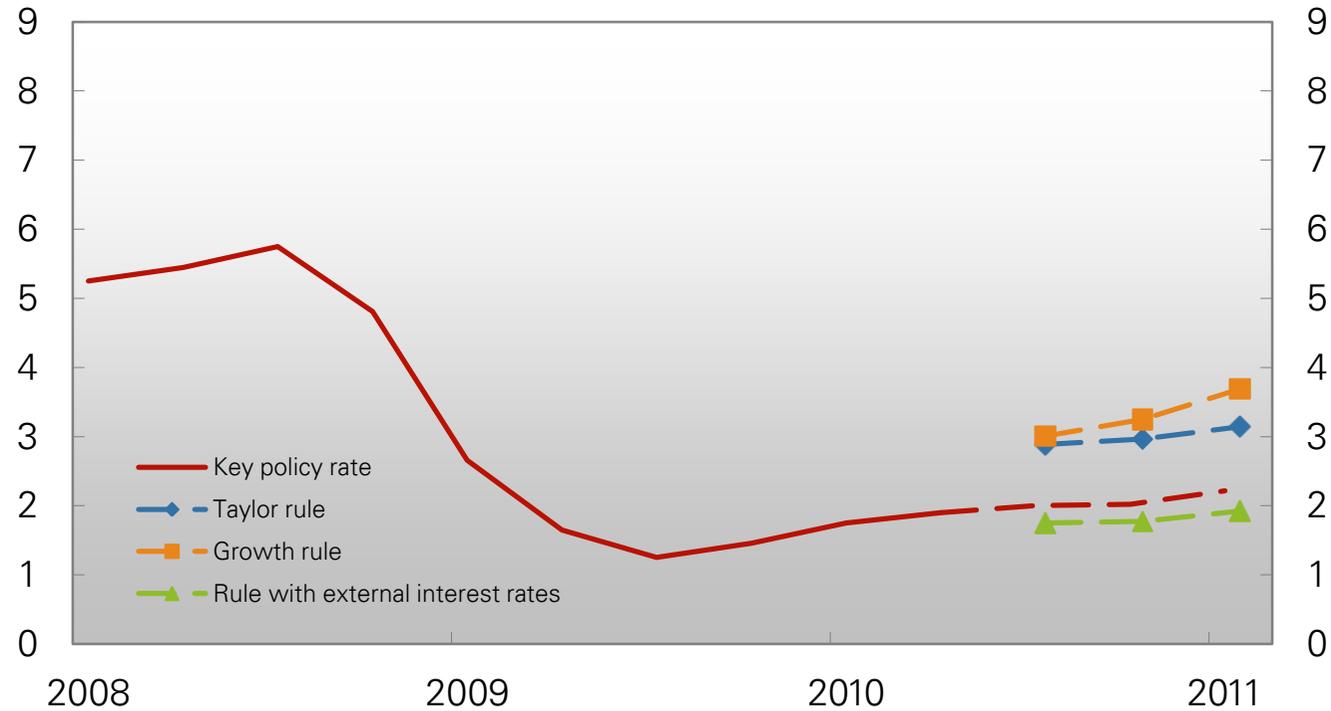
Chart 1.18 Real exchange rate. Deviation from mean over the period 1970 – 2009. Per cent. 1970 – 2010¹⁾



1) The squares show the average so far in 2010. A rising curve indicates weaker competitiveness

Sources: Statistics Norway, Technical Reporting Committee on Income Settlements, Ministry of Finance and Norges Bank

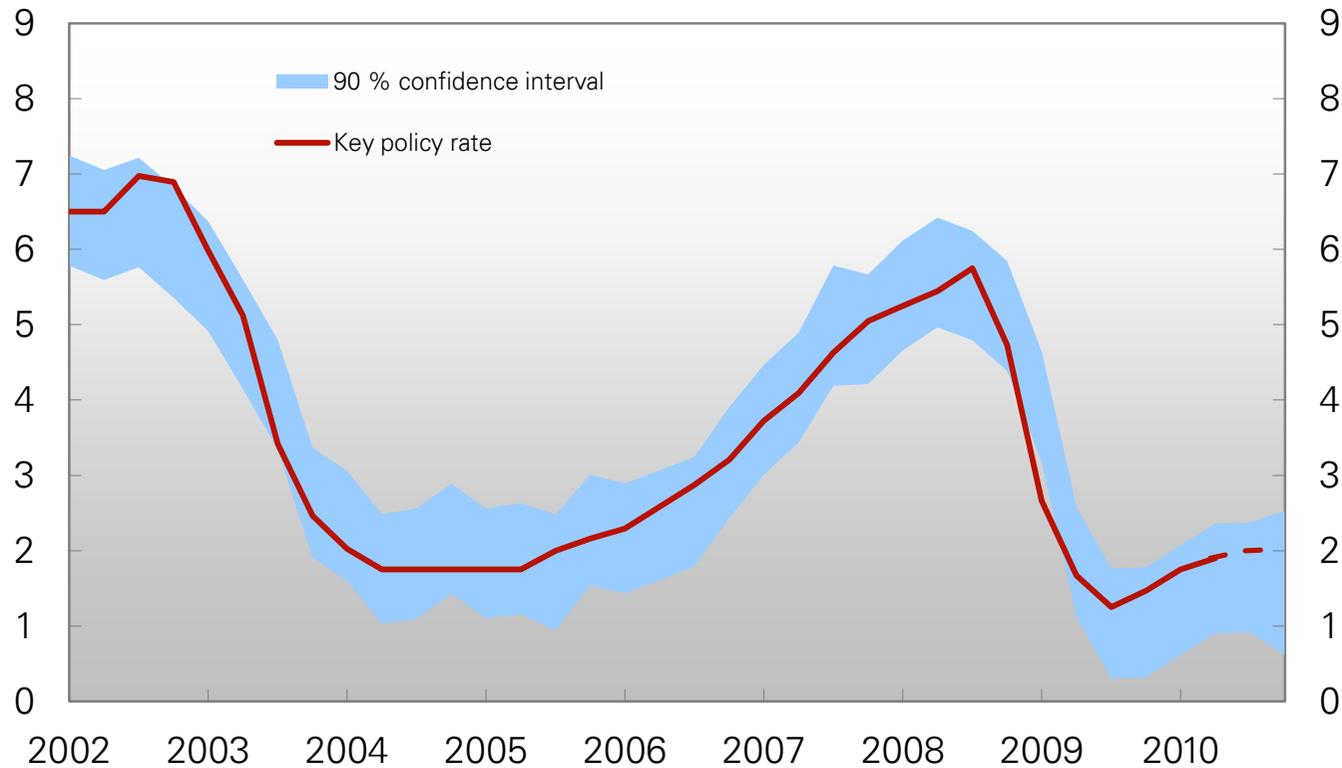
Chart 1.19 Key policy rate and calculations based on simple monetary policy rules¹⁾. Per cent. 2008 Q1 – 2011 Q1



1) The calculations are based on Norges Bank's projections for the output gap, consumer prices adjusted for tax changes and excluding temporary changes in energy prices (CPIXE) and three-month money market rates. To ensure comparability with the key policy rate, the simple rules are adjusted for risk premiums in three-month money market rates

Source: Norges Bank

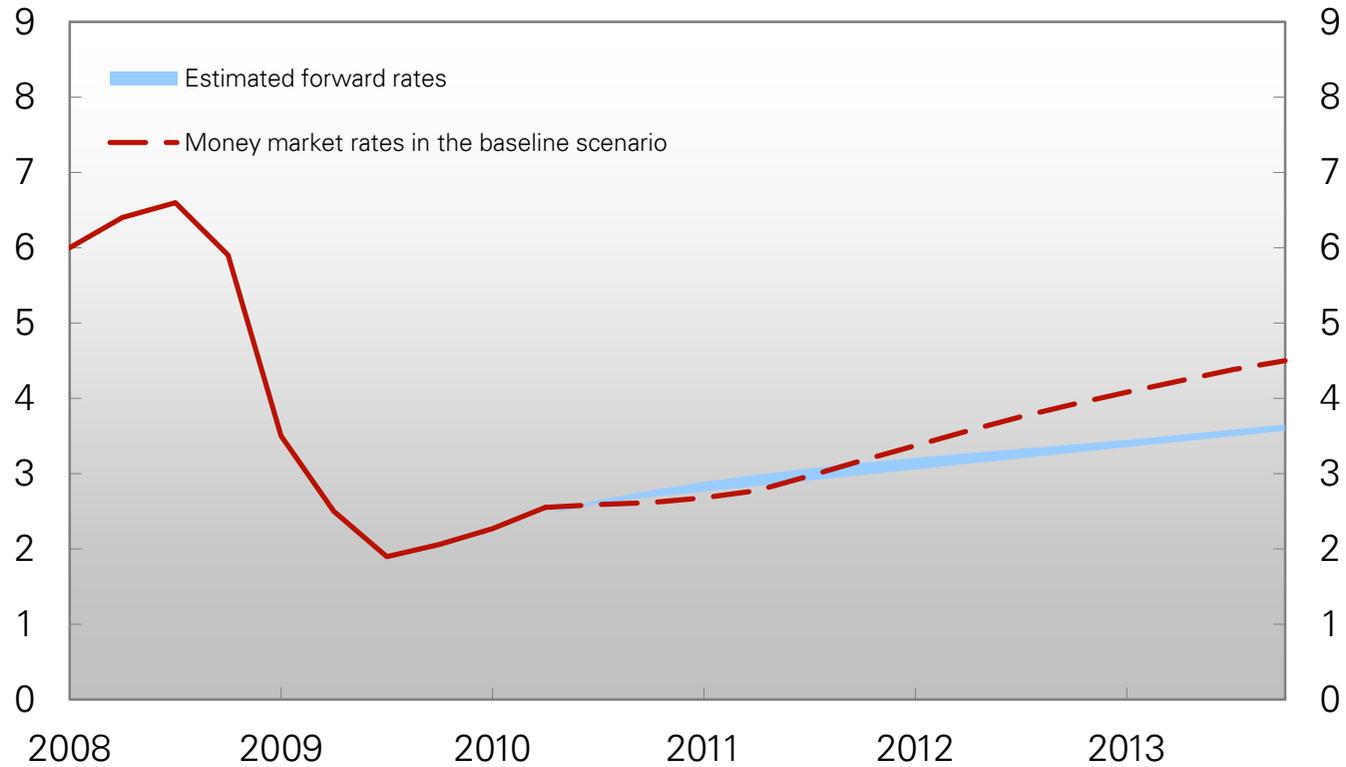
Chart 1.20 Key policy rate and interest rate developments that follow from Norges Bank's average pattern of interest rate setting.¹⁾ Per cent.
2002 Q1 – 2010 Q4



1) Interest rate movements are explained by developments in inflation, mainland GDP growth, wage growth and key rates among trading partners. The equation is estimated over the period 1999 Q1 – 2010 Q2. See *Staff Memo 3/2008* for further discussion

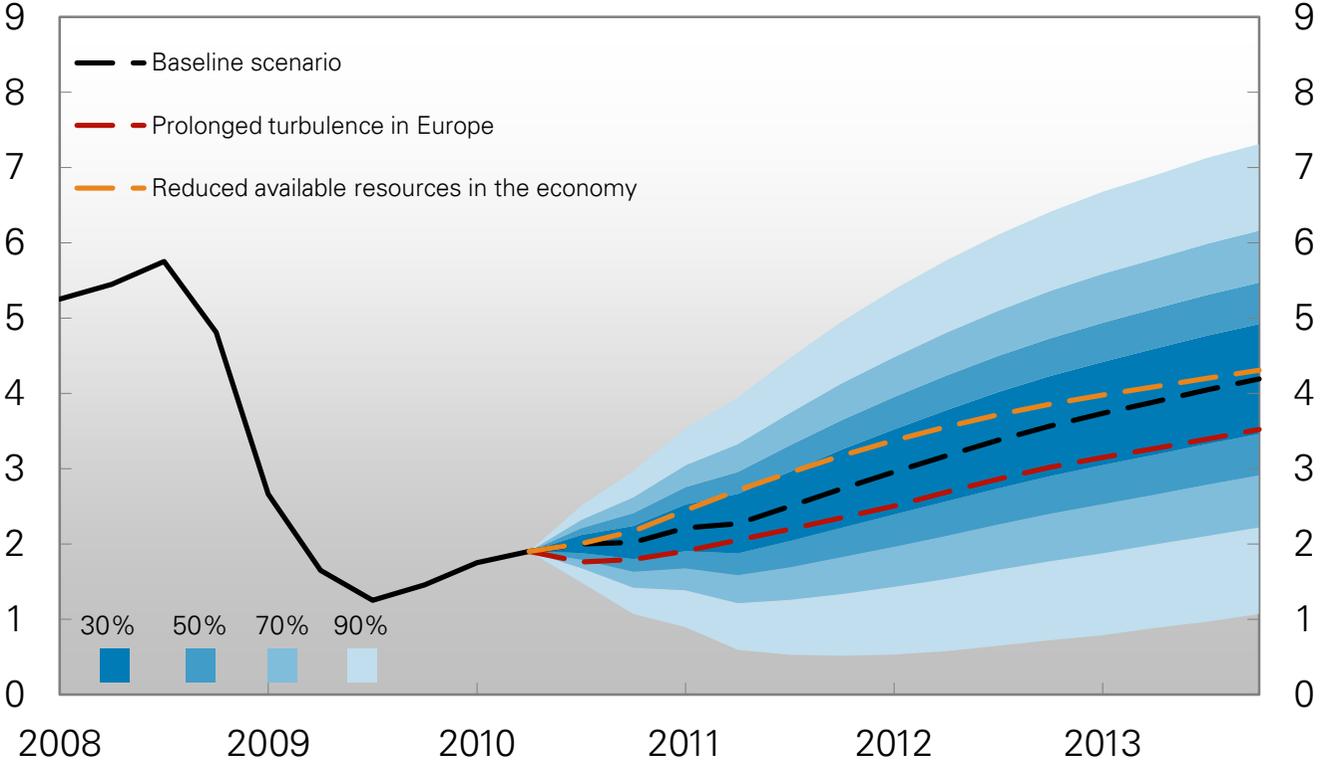
Source: Norges Bank

Chart 1.21 Three-month money market rates in the baseline scenario and estimated forward rates¹⁾. Per cent. 2008 Q1 – 2013 Q4



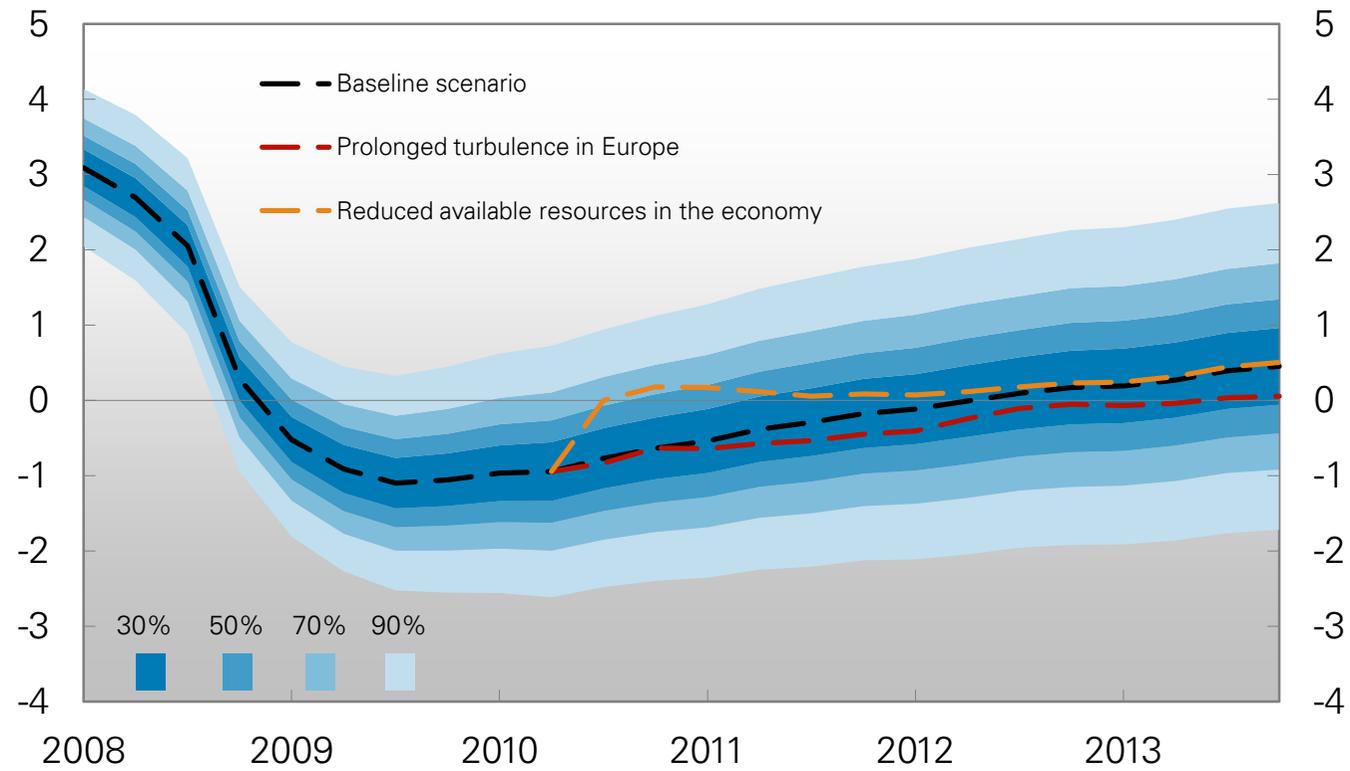
1) Forward rates are based on money market rates and interest rate swaps. The blue band shows the highest and lowest forward rates in the period 4 - 17 June 2010
Sources: Thomson Reuters and Norges Bank

Chart 1.22a Key policy rate in the baseline scenario and in the alternative scenarios. Per cent. 2008 Q1 – 2013 Q4



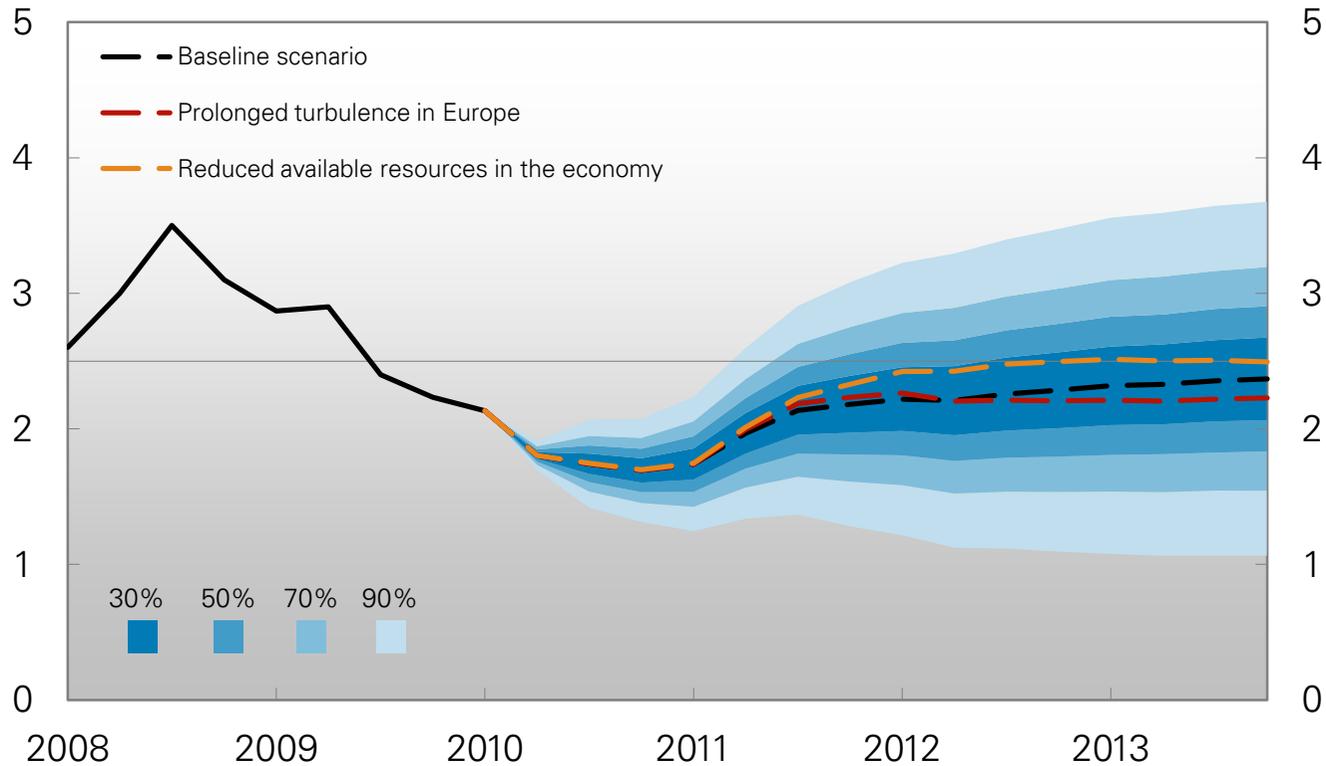
Source: Norges Bank

Chart 1.22b Output gap in the baseline scenario and in the alternative scenarios. Per cent. 2008 Q1 – 2013 Q4



Source: Norges Bank

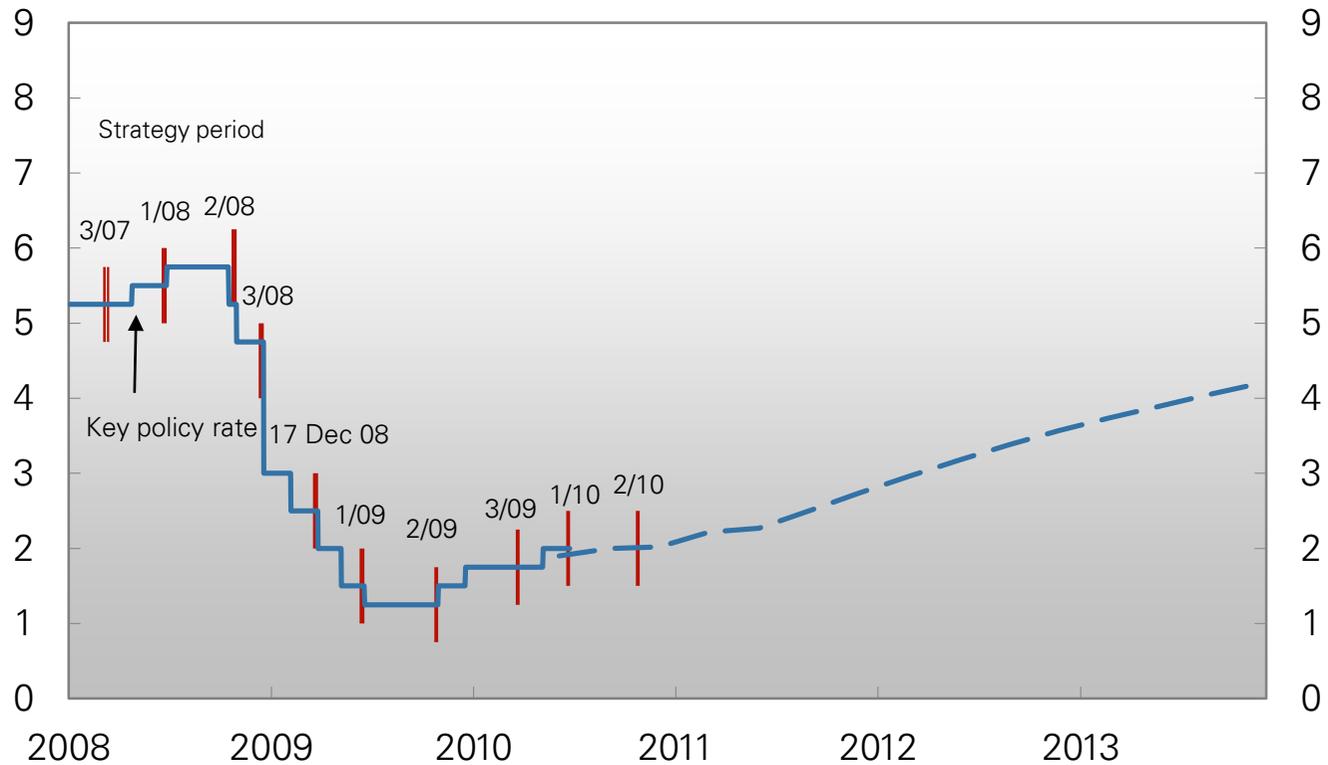
Chart 1.22c CPIXE¹⁾ in the baseline scenario and in the alternative scenarios. 4-quarter change. Per cent. 2008 Q1 – 2013 Q4



1) CPI adjusted for tax changes and excluding temporary changes in energy prices. As from August 2008, CPIXE is a real time series. See *Staff Memo 7/2008* and *3/2009* from Norges Bank for a description of the CPIXE

Source: Norges Bank

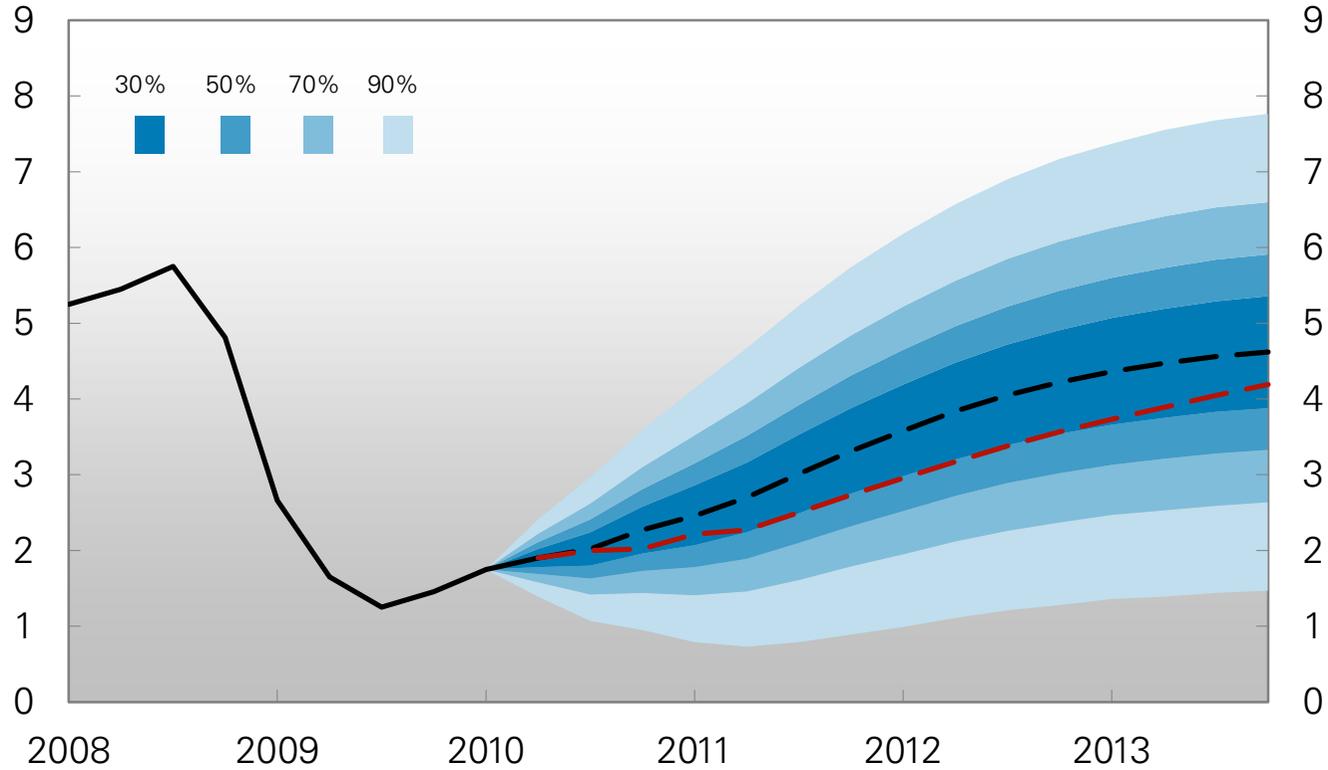
Chart 1.23 Interval for the key policy rate at the end of each strategy period, actual developments¹⁾ and projected key policy rate in the baseline scenario. Per cent. January 2008 – December 2013



1) The Executive Board's decision of 23 June 2010 is not shown in the chart

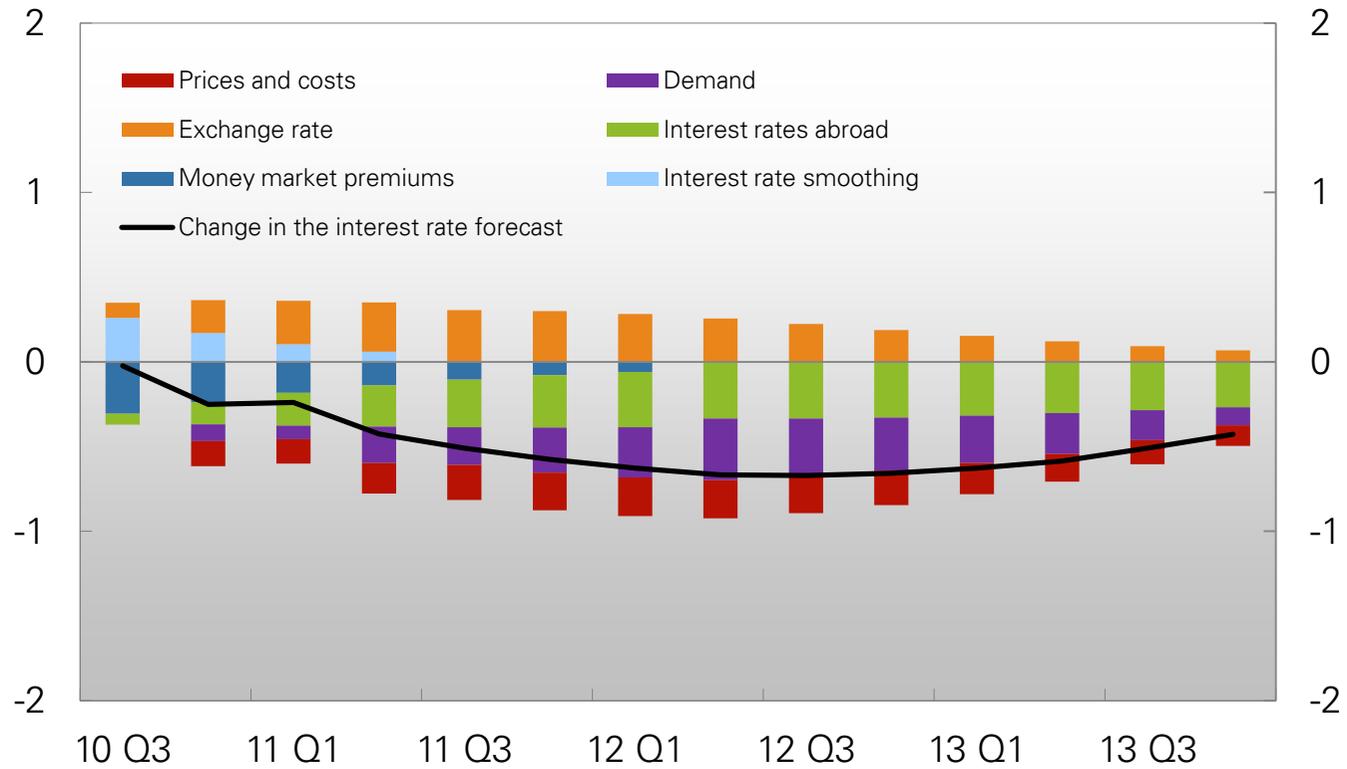
Source: Norges Bank

Chart 1 Key policy rate in the baseline scenario in MPR 1/10 with fan chart and key policy rate in the baseline scenario in MPR 2/10 (red line).
Per cent. Quarterly figures. 2008 Q1 – 2013 Q4



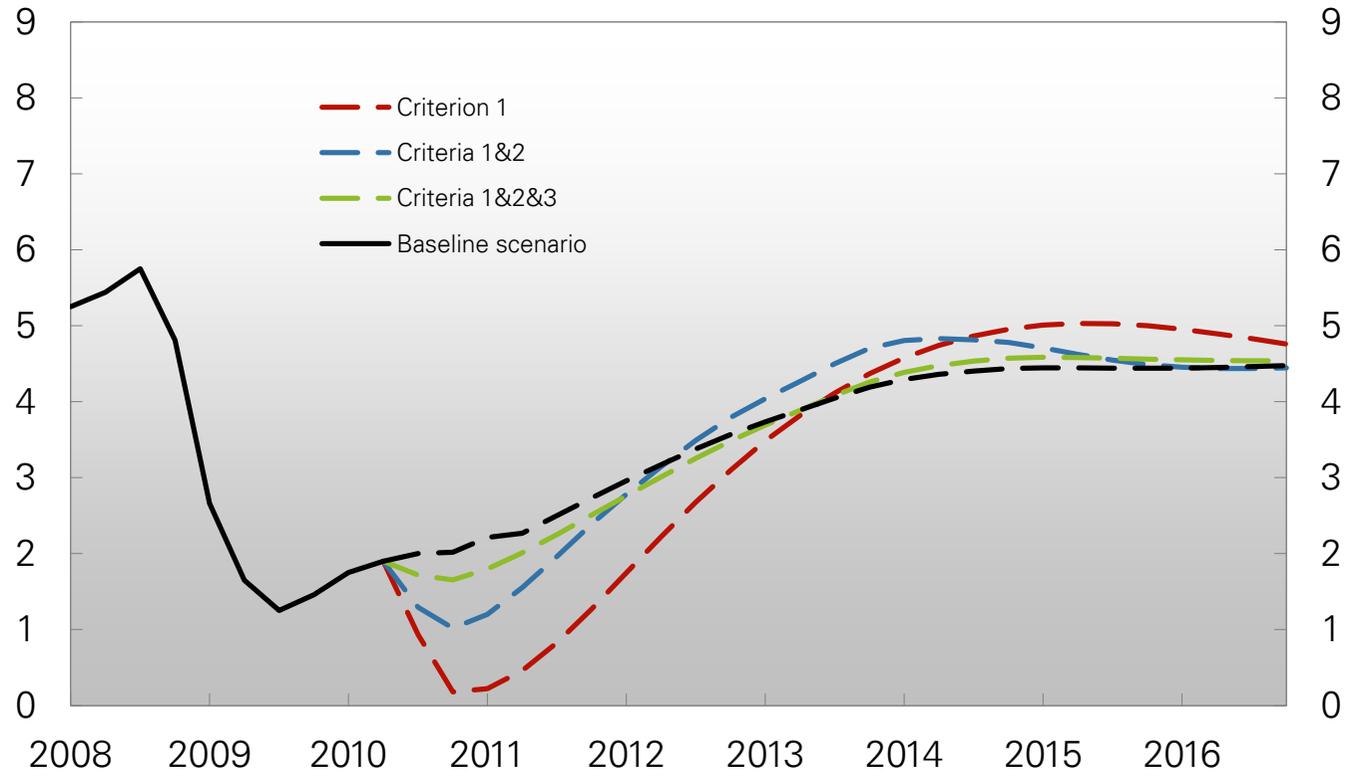
Source: Norges Bank

Chart 2 Factors behind changes in the interest rate forecast since MPR 1/10.
 Accumulated contribution. Percentage points. 2010 Q3 – 2013 Q4



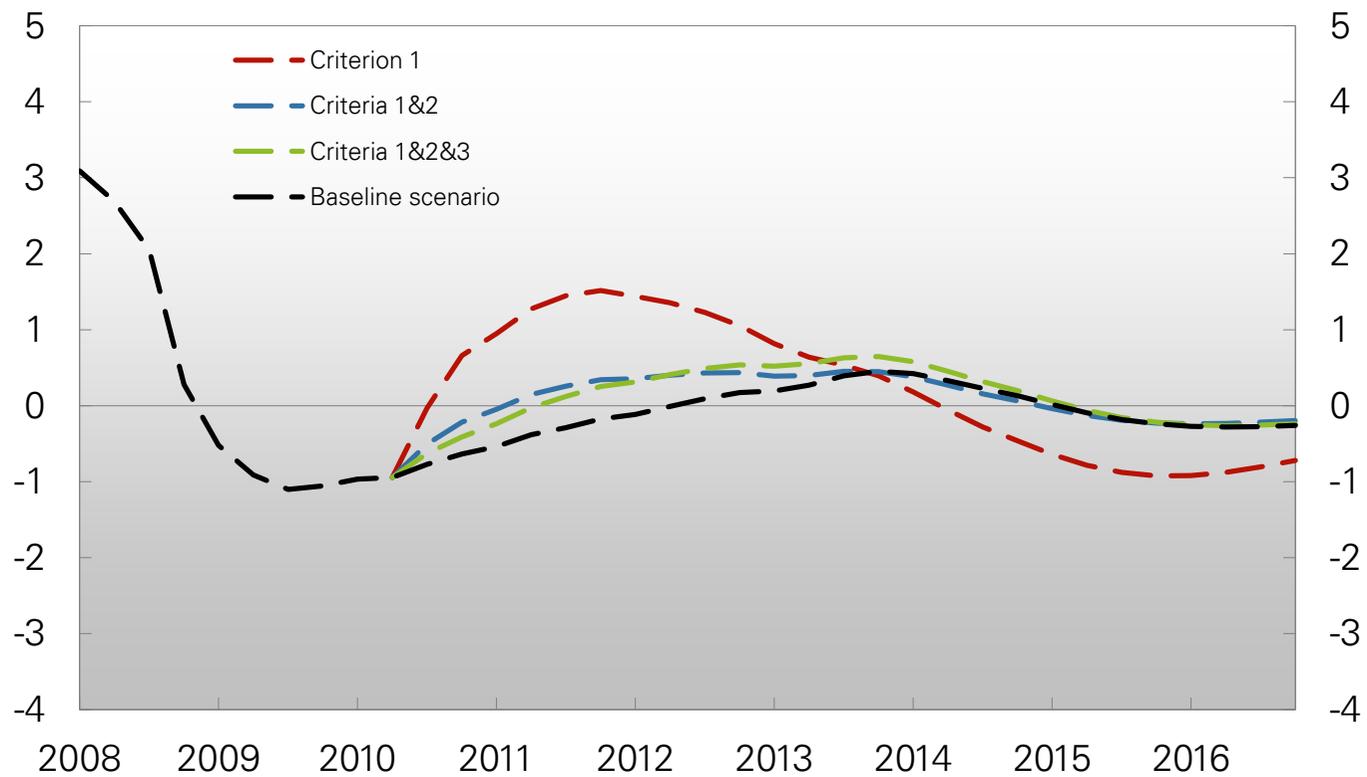
Source: Norges Bank

Chart 1 Key policy rate. Per cent. 2008 Q1 – 2016 Q4



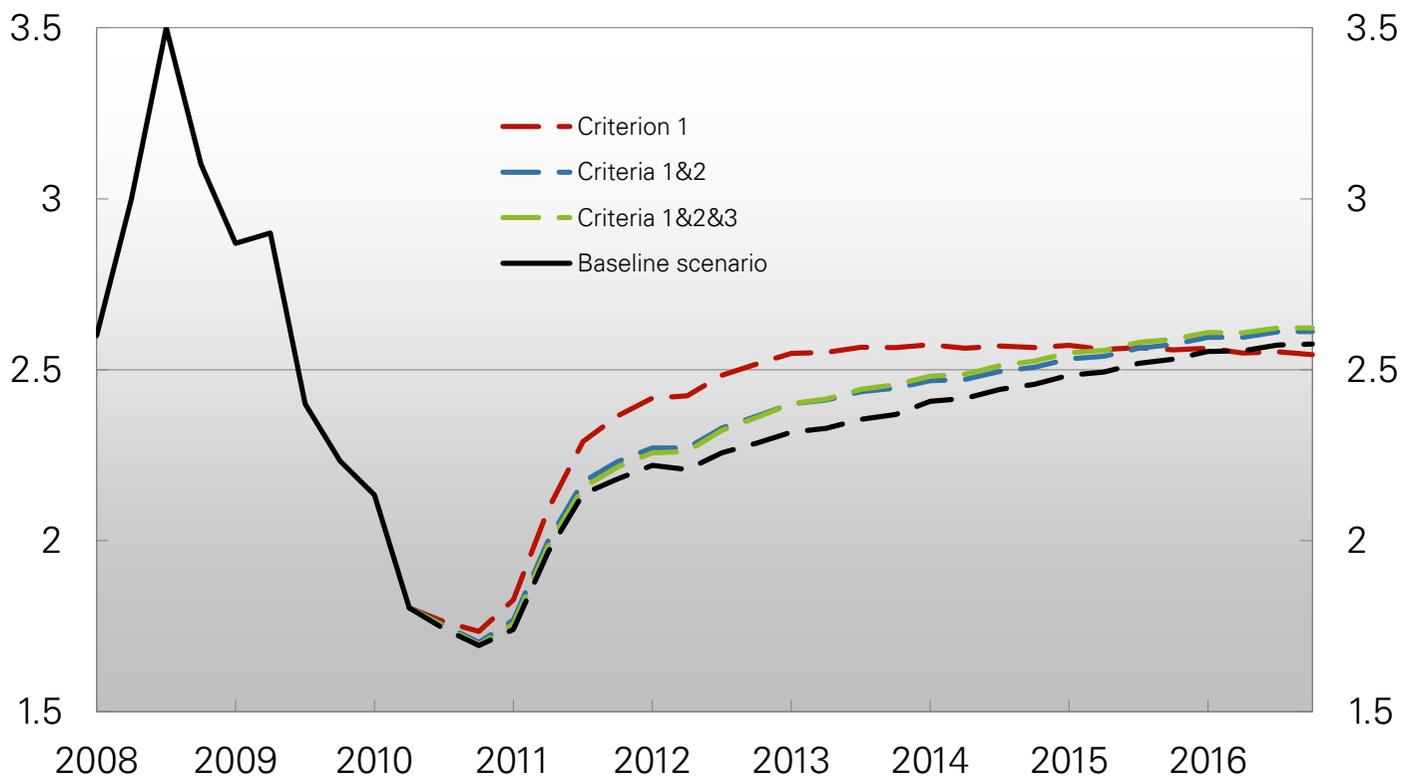
Source: Norges Bank

Chart 2 Output gap. Per cent. 2008 Q1 – 2016 Q4



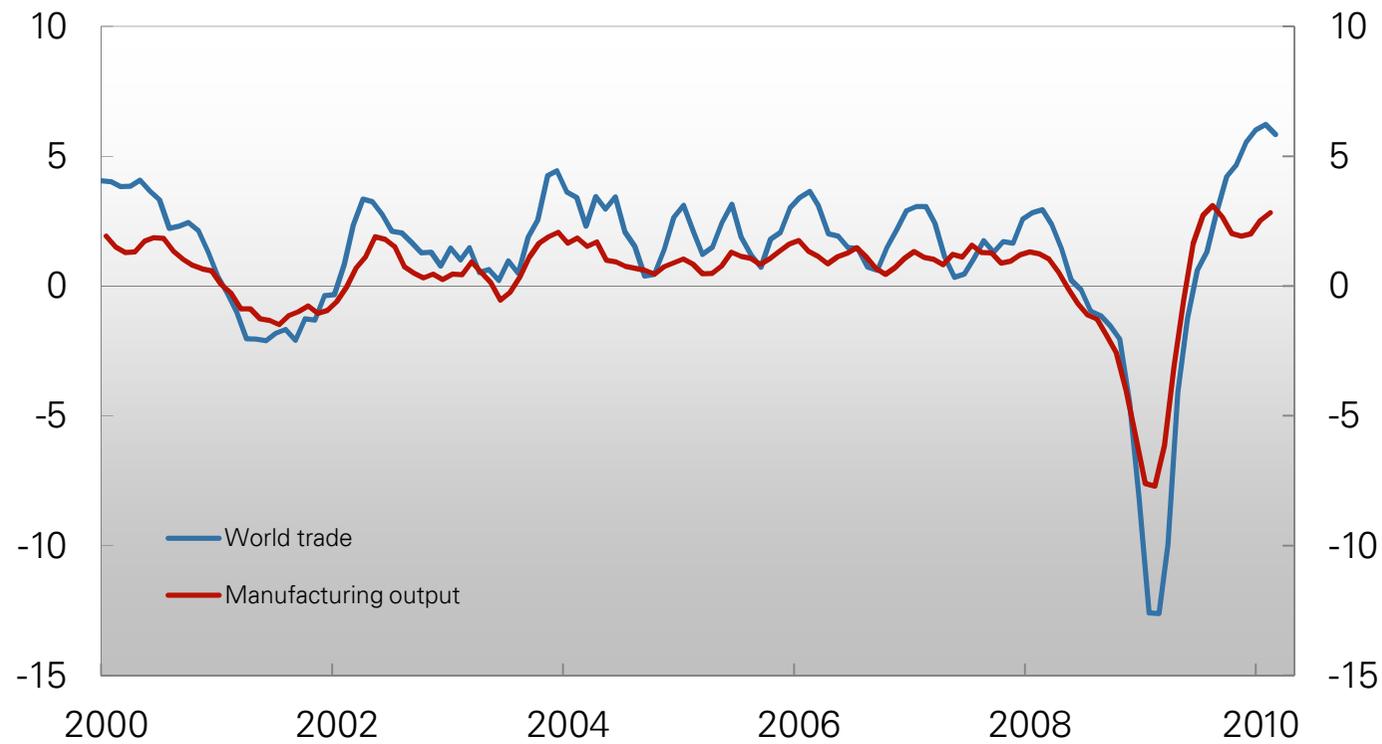
Source: Norges Bank

Chart 3 CPIXE. 12-month change. Per cent. 2008 Q1 – 2016 Q4



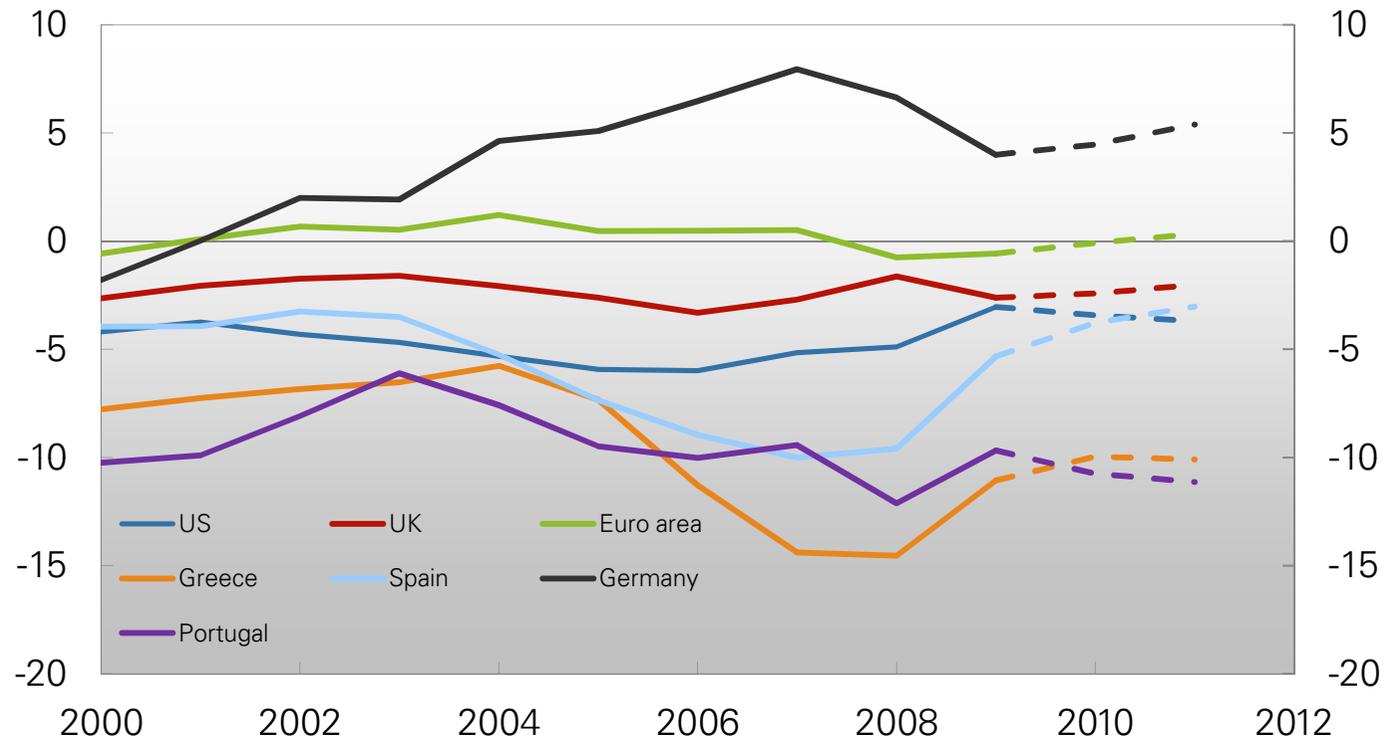
Source: Norges Bank

Chart 2.1 Indicator of world trade and manufacturing output. Past three months over previous three months. Percentage change. January 2000 – March 2010



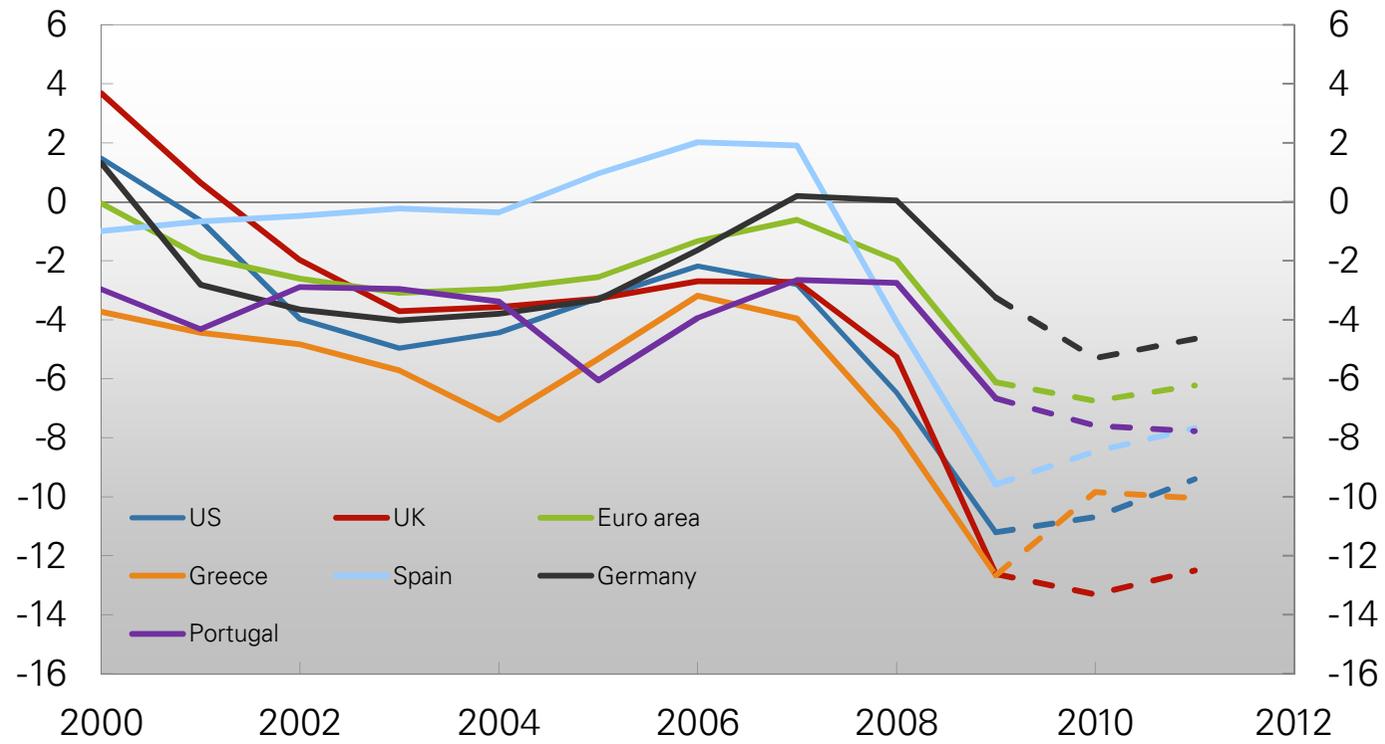
Source: CPB Netherlands Bureau for Economic Policy Analysis

Chart 2.2 Current account. As a percentage of nominal GDP. 2000 – 2011.
Projections from OECD for 2010 – 2011



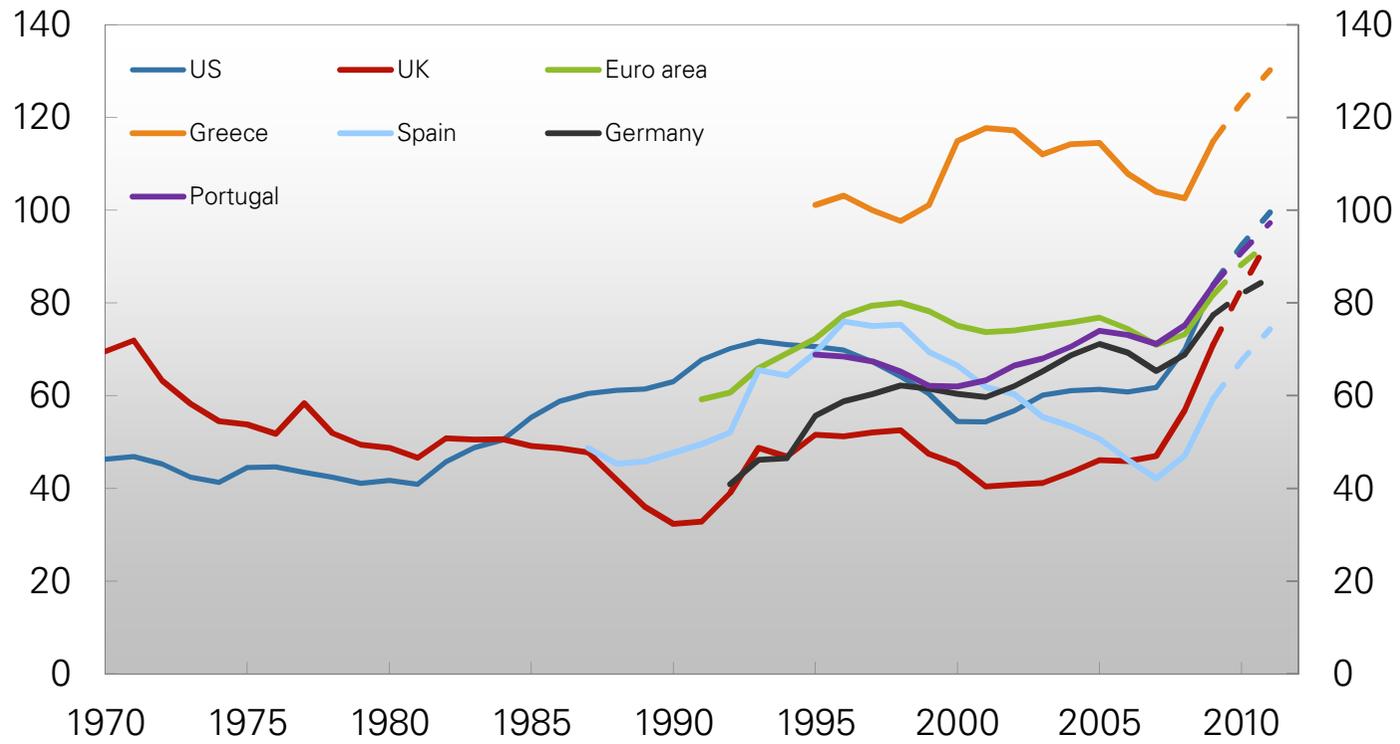
Source: OECD Economic Outlook 87

Chart 2.3 General government fiscal balances. As a percentage of nominal GDP. 2000 – 2011. Projections from OECD for 2010 – 2011



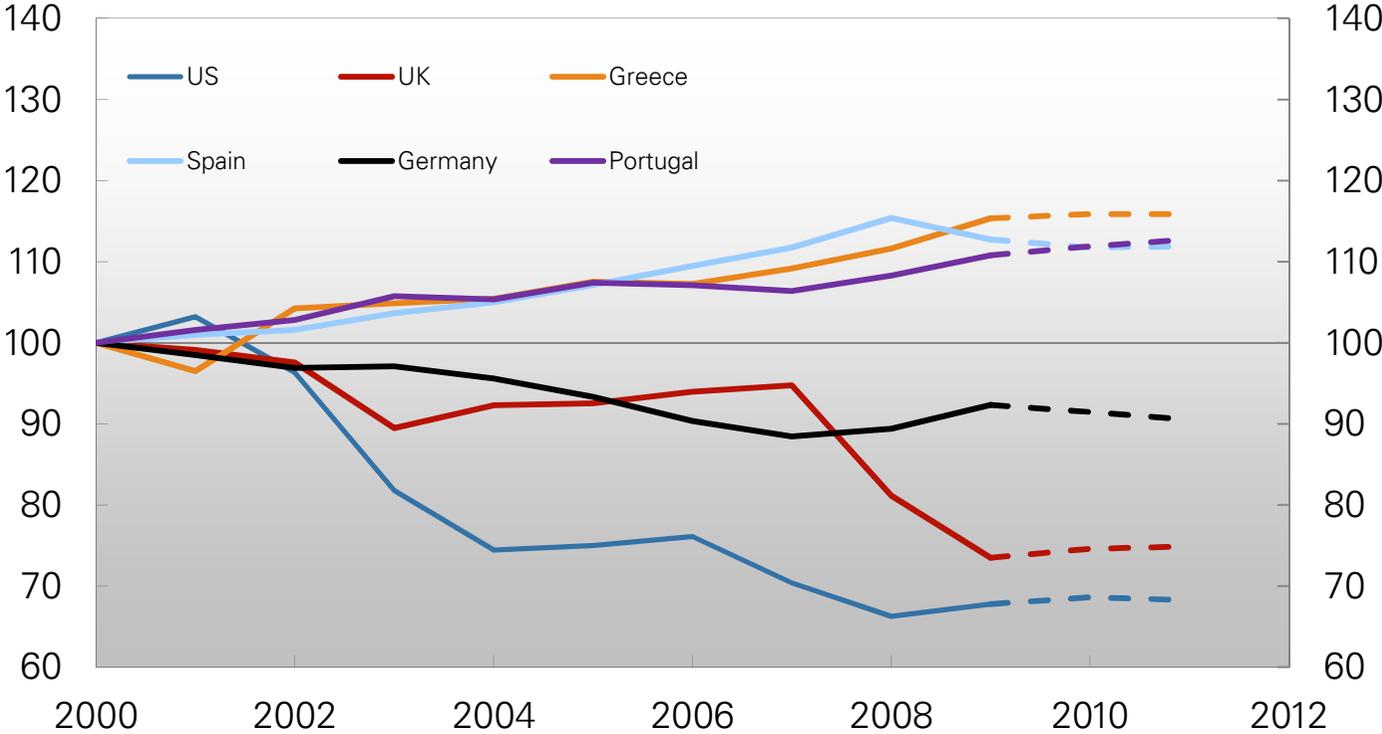
Source: OECD Economic Outlook 87

Chart 2.4 Government gross debt. As a percentage of nominal GDP. 2000 – 2011. Projections from OECD for 2010 – 2011



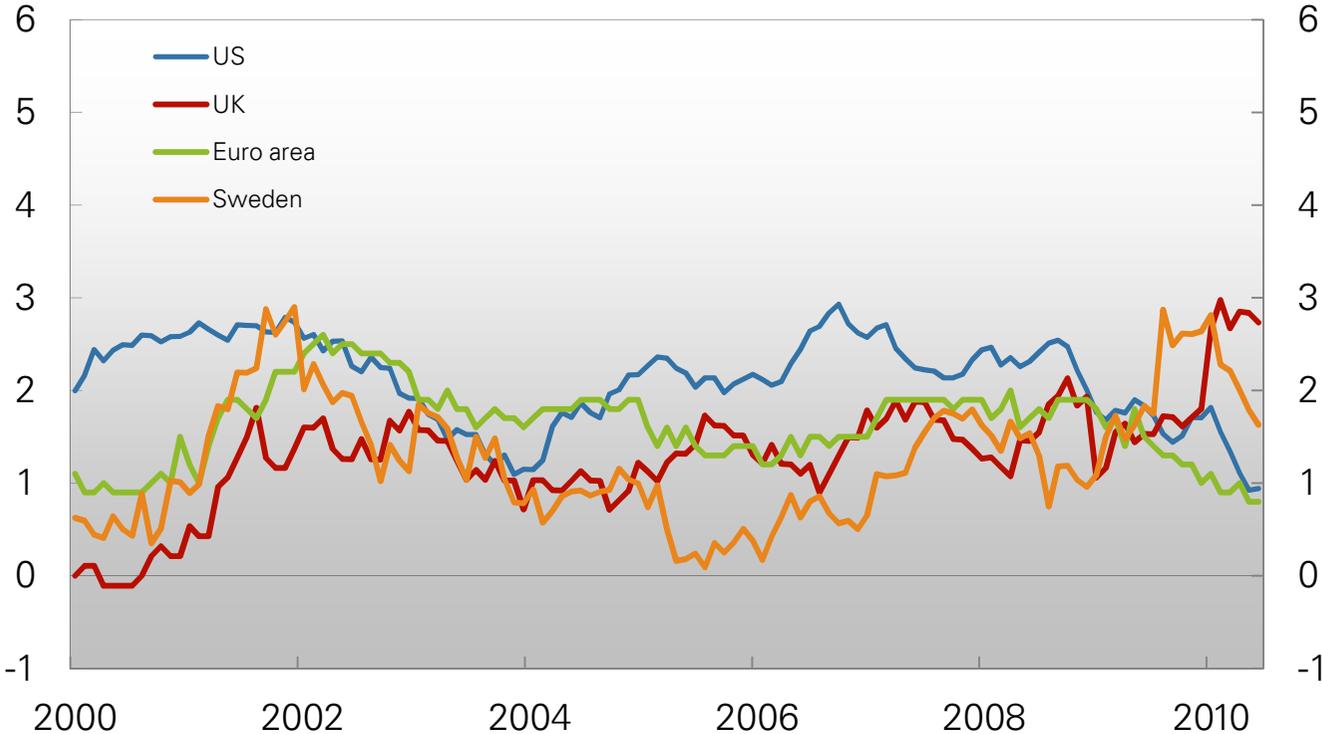
Source: OECD Economic Outlook 87

Chart 2.5 Relative labour costs in common currency¹⁾. Index, 2000 = 100. 2000 – 2011. Projections from the European Commission for 2010 – 2011



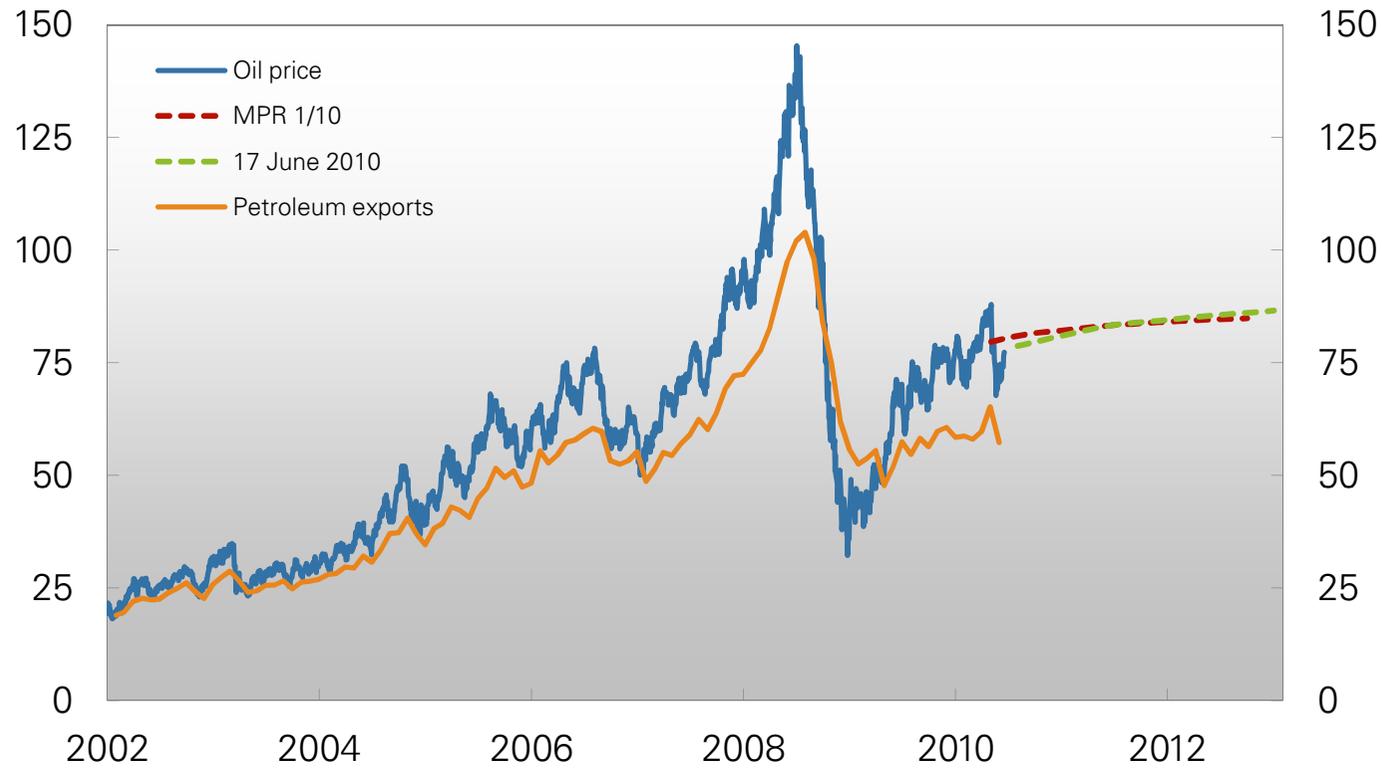
1) Relative to the rest of the EU-15
Source: EU Commission

Chart 2.6 Consumer prices excluding food and energy¹⁾. 12-month change. Per cent. January 2000 – May 2010



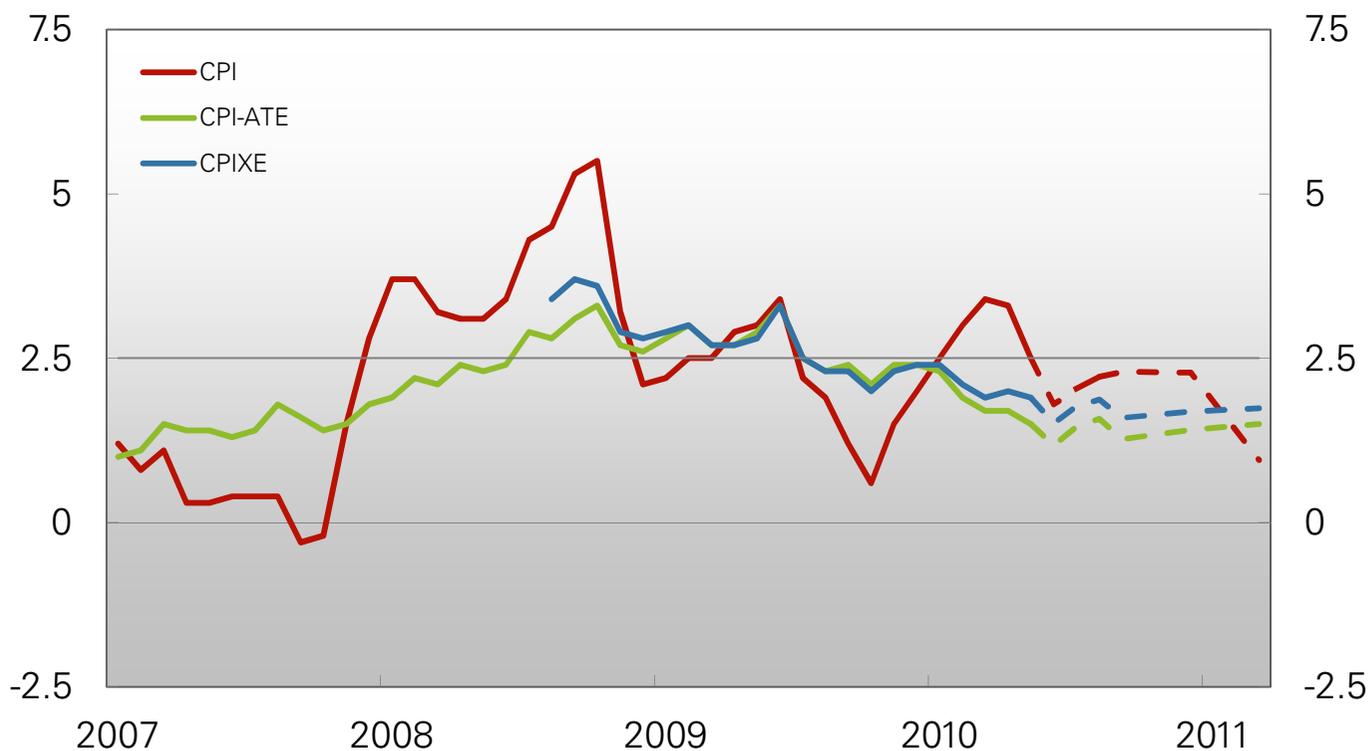
1) HICP excluding energy, food alcohol and tobacco for the euro area, UK and Sweden
Source: Thomson Reuters

Chart 2.7 Oil price (Brent Blend) and prices for Norwegian petroleum exports¹⁾.
1 January 2002 – 17 June 2010. In USD per barrel. Oil futures prices (broken lines)
MPR 1/10 and 17 June 2010



1) Weighted average of Norwegian crude oil and gas exports
Sources: Statistics Norway, Thomson Reuters and Norges Bank

Chart 2.8 CPI, CPI-ATE¹⁾ and CPIXE²⁾. 12-month change. Per cent.
January 2007 – March 2011³⁾



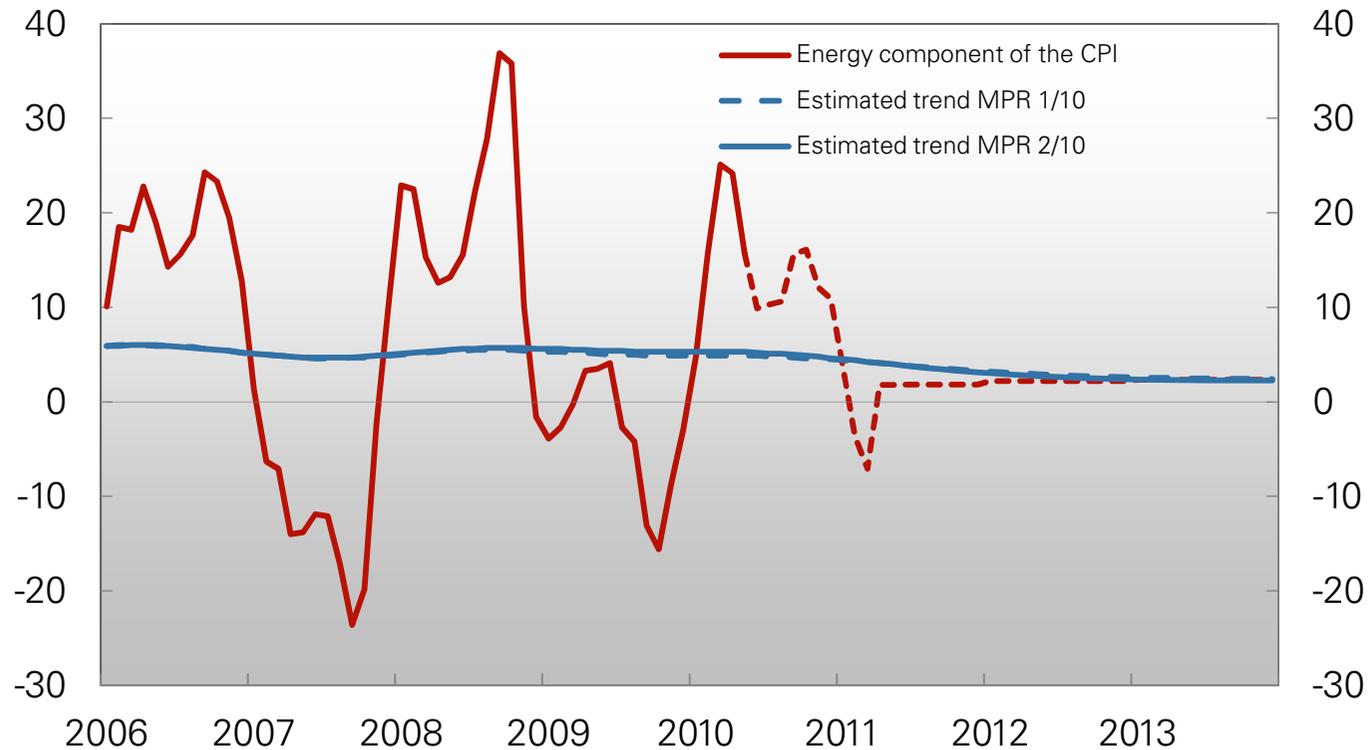
1) CPI adjusted for tax changes and excluding energy products

2) CPI adjusted for tax changes and excluding temporary changes in energy prices. Real time figures. See *Staff Memo 7/2008* and *3/2009* from Norges Bank for a description of CPIXE

3) Projections for June 2010 – March 2011 (broken lines). Monthly figures to September 2010, then quarterly figures

Sources: Statistics Norway and Norges Bank

Chart 2.9 Energy component of the CPI¹⁾ and estimated trend²⁾.
12-month change. Per cent. January 2006 – December 2013³⁾



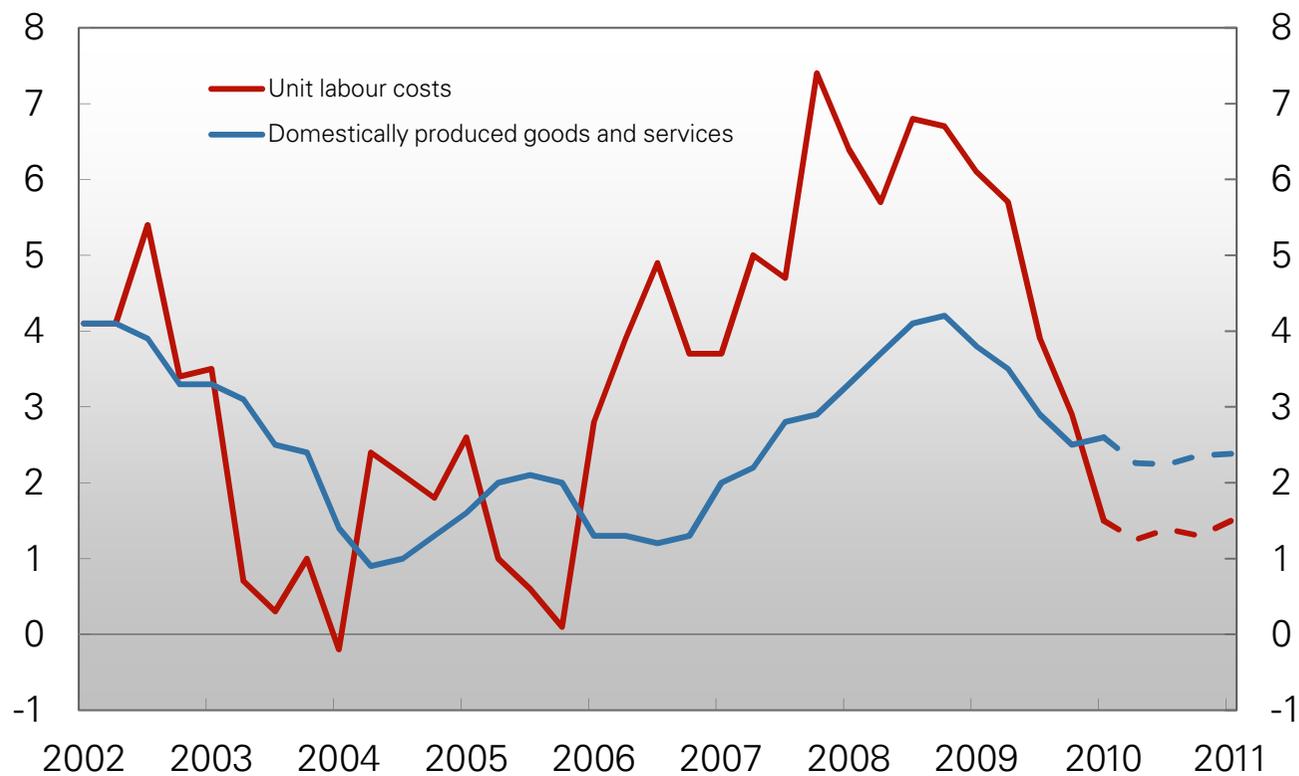
1) The product groups Electricity, gas and other fuels and Fuels and lubricants

2) The trend is estimated using an HP filter on the actual and projected movements of energy prices in the CPI, see *Staff Memo 2008/7* and *Staff Memo 2009/3* from Norges Bank

3) Projections for June 2010 – December 2013 (broken line)

Sources: Nord Pool, Statistics Norway and Norges Bank

Chart 2.10 Unit labour costs in mainland Norway and prices for domestically produced goods and services in the CPI-ATE¹⁾.
Four-quarter change. Per cent. 2002 Q1 – 2011 Q1²⁾

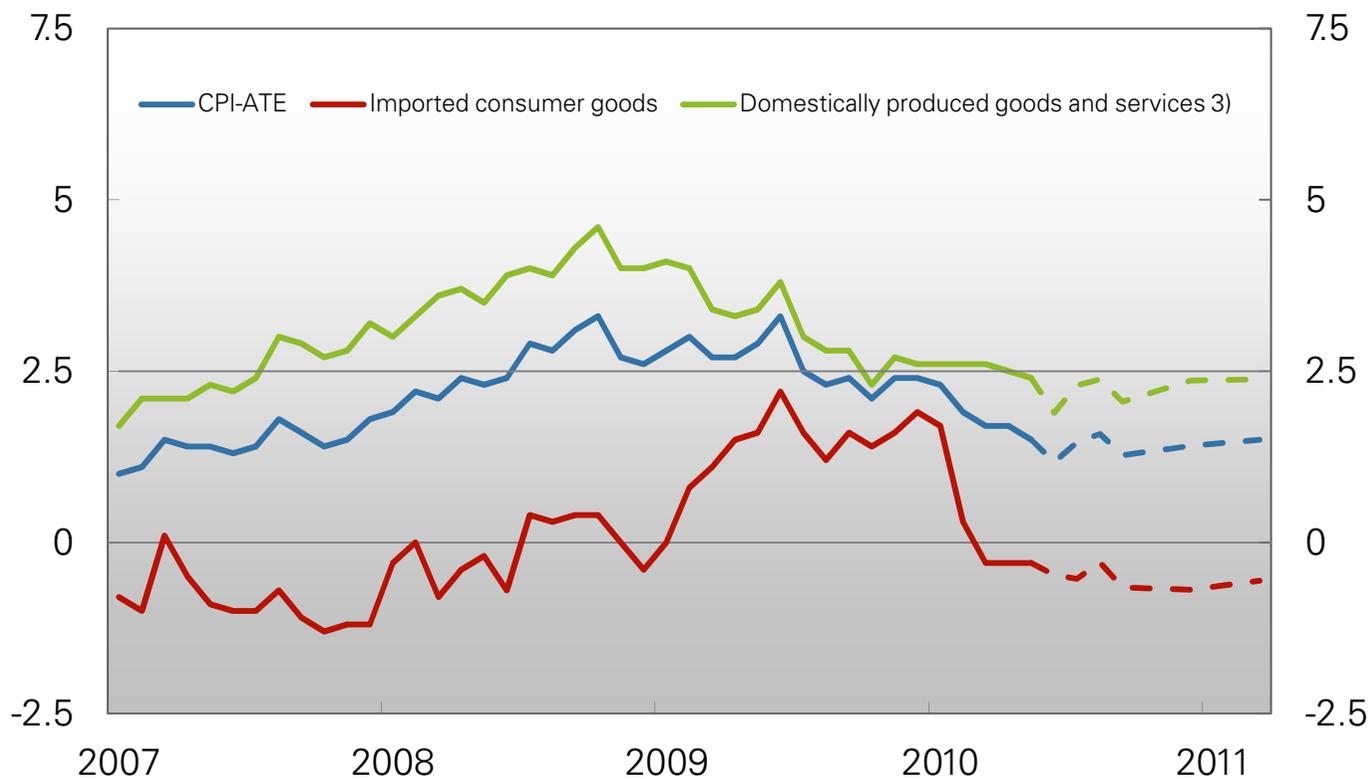


1) Norges Bank's estimates

2) Projections for 2010 Q2 – 2011 Q1(broken lines)

Sources: Statistics Norway and Norges Bank

Chart 2.11 CPI-ATE¹⁾. Total and by supplier sector.
12-month change. Per cent. January 2007 – March 2011²⁾



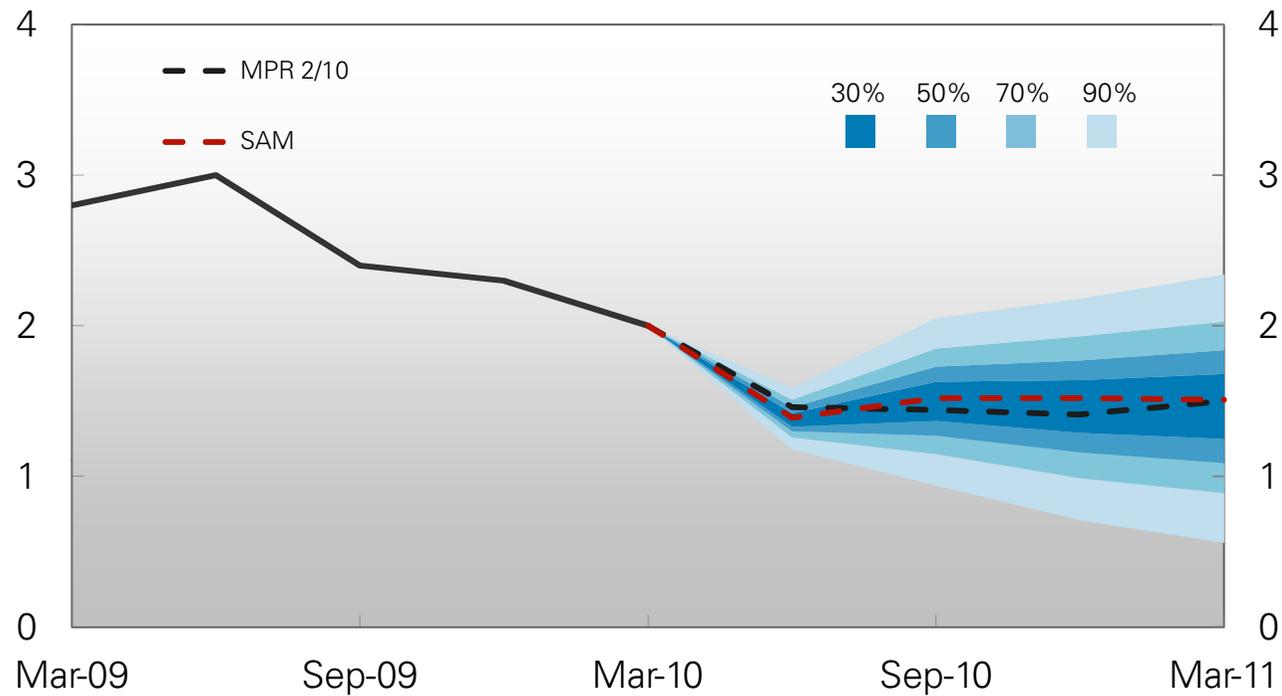
1) CPI adjusted for tax changes and excluding energy products

2) Projections for June 2010 – March 2011 (broken lines). Monthly figures to September 2010, then quarterly figures

3) Norges Bank's estimates

Sources: Statistics Norway and Norges Bank

Chart 2.12 CPI-ATE¹⁾. Actual figures, baseline scenario and projections by SAM²⁾ with fan chart. Four-quarter change. Per cent. 2009 Q1 – 2011 Q1³⁾



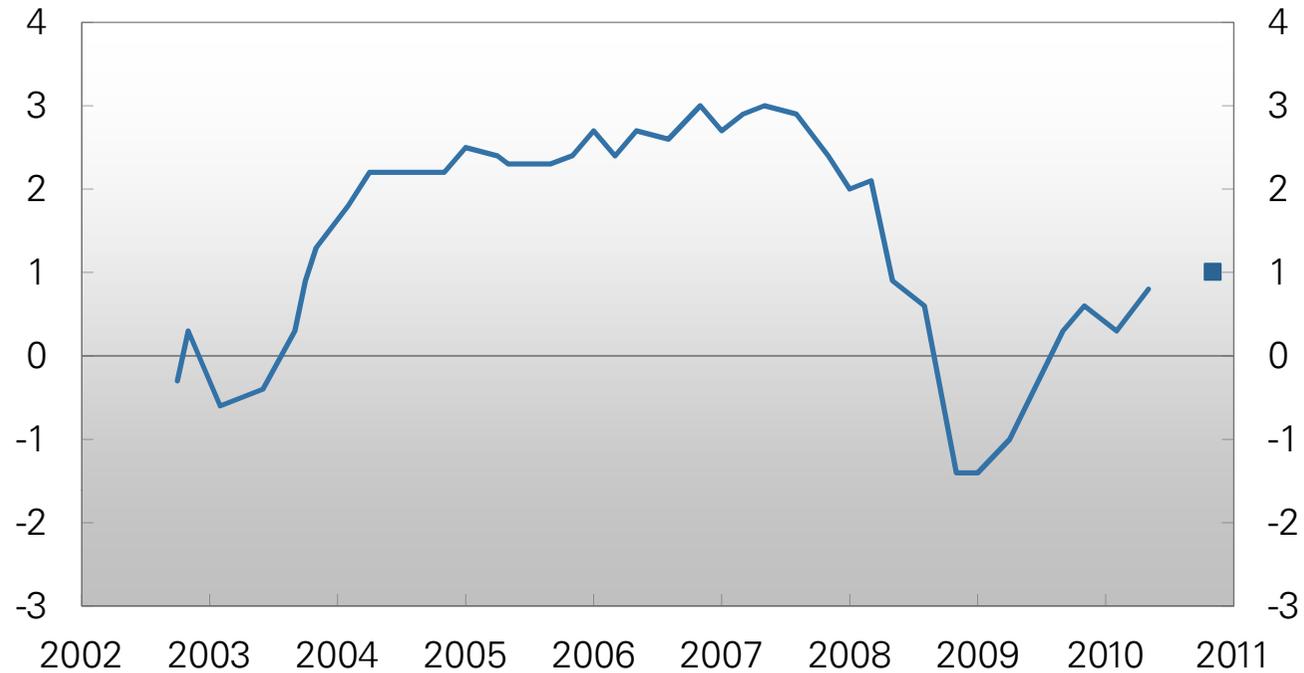
1) CPI adjusted for tax changes and excluding energy products

2) System for averaging models for short-term forecasting

3) Projections for 2010 Q2 – 2011 Q1 (broken lines)

Sources: Statistics Norway and Norges Bank

Chart 2.13 Indicator of actual change in production past three months and expected change in production next six months. Index¹⁾.
October 2002 – November 2010²⁾

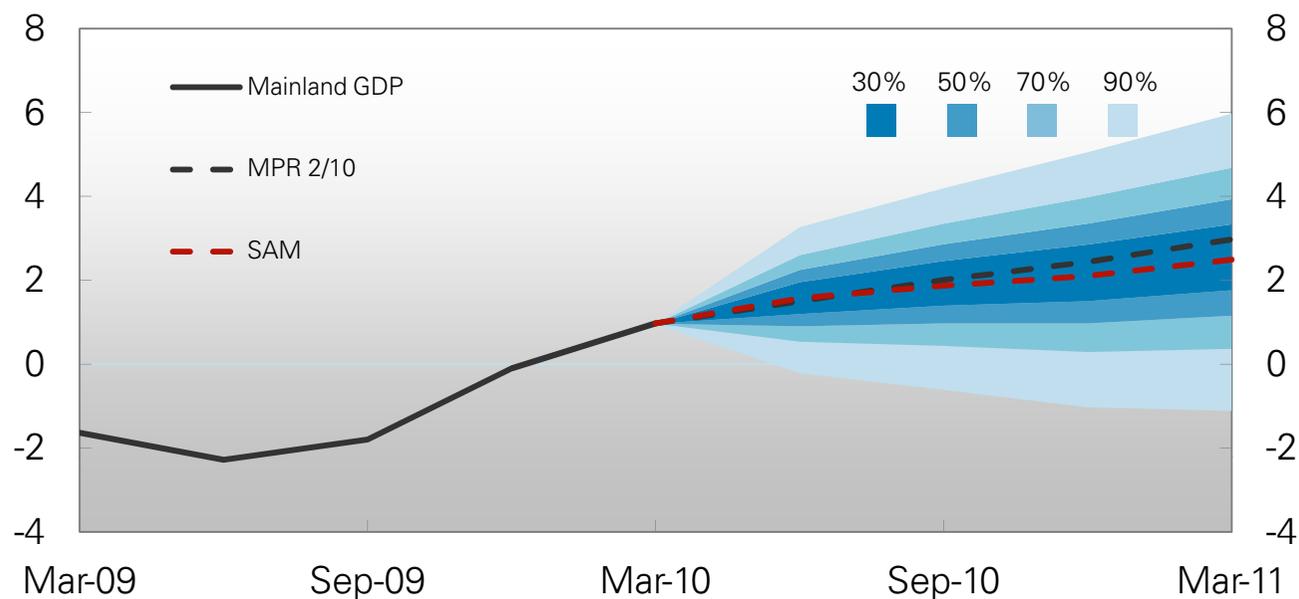


1) The scale runs from -5 to +5, where -5 indicates a sharp fall and +5 indicates strong growth. See article "Norges Bank's regional network" in *Economic Bulletin* 2/09 for further information

2) Last observation May 2010

Source: Norges Bank's regional network

Chart 2.14 Mainland GDP. Actual figures, baseline scenario and projections by SAM¹⁾ with uncertainty fan. Four-quarter change. Volume. Seasonally adjusted. Per cent. 2009 Q1 – 2011 Q1²⁾

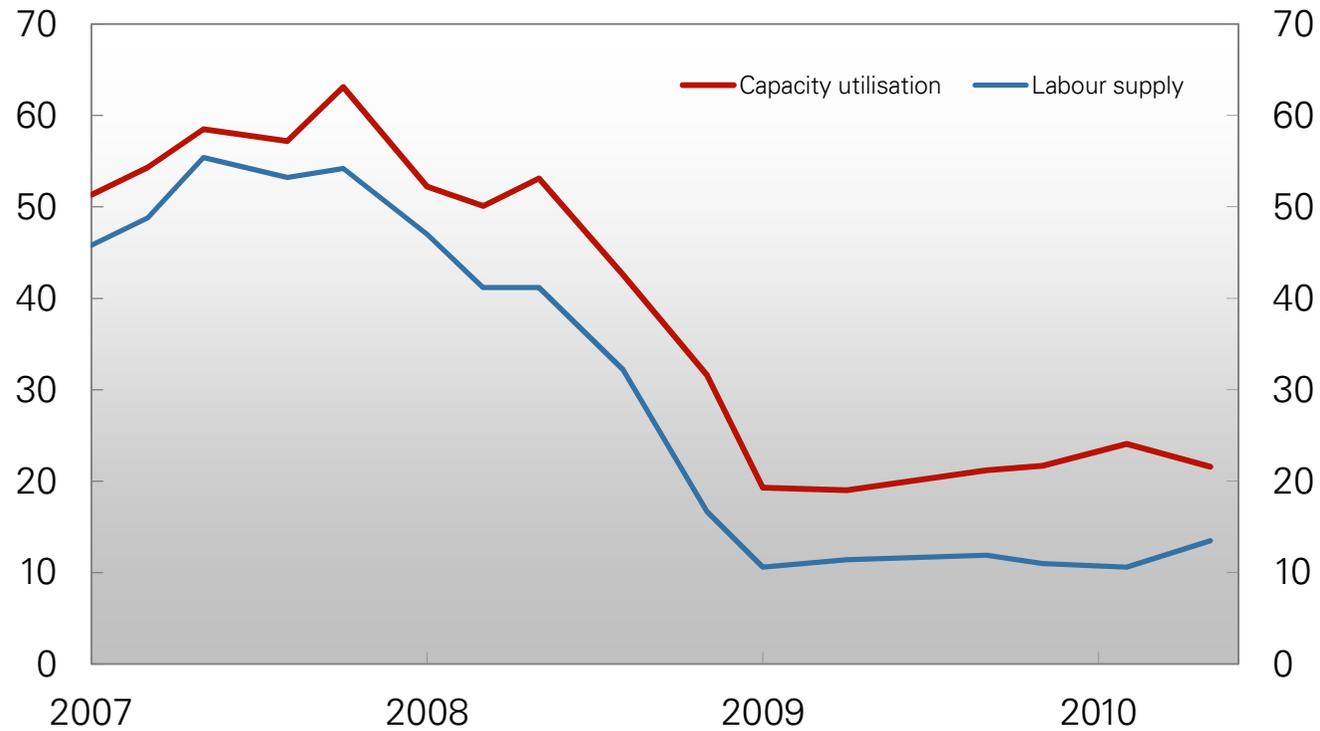


1) System for Averaging Models for short-term forecasting

2) Projections for 2010 Q1 – 2011 Q1 (broken lines). Projection for 2010 Q1 is based on quarterly national accounts and new information concerning production in building and construction from *Economic Survey 3/2010* from Statistics Norway

Sources: Statistics Norway and Norges Bank

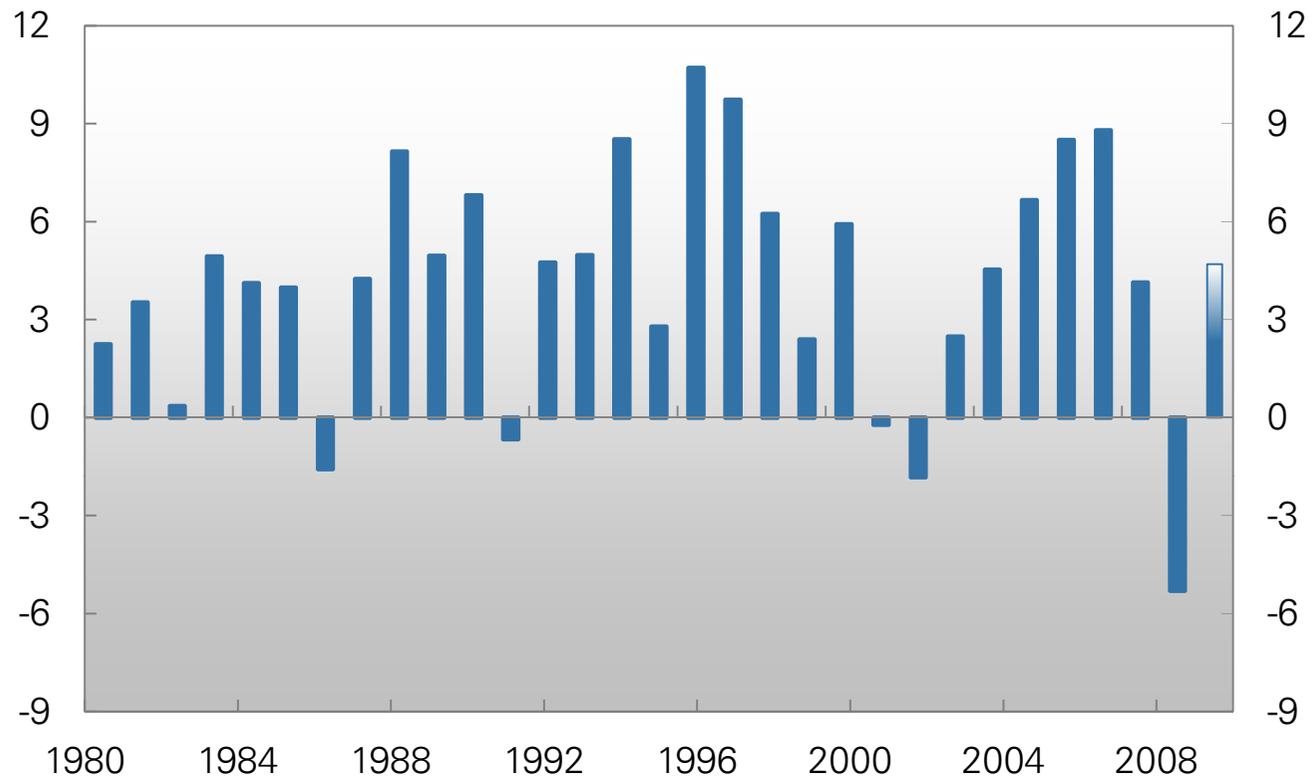
Chart 2.15 Capacity utilisation and labour supply.¹⁾ Per cent.
January 2007 – May 2010



1) Share of contacts that will have some or considerable problems accommodating an (unexpected/expected) increase in demand, and the share of contacts where production is constrained by labour supply

Source: Norges Bank's regional network

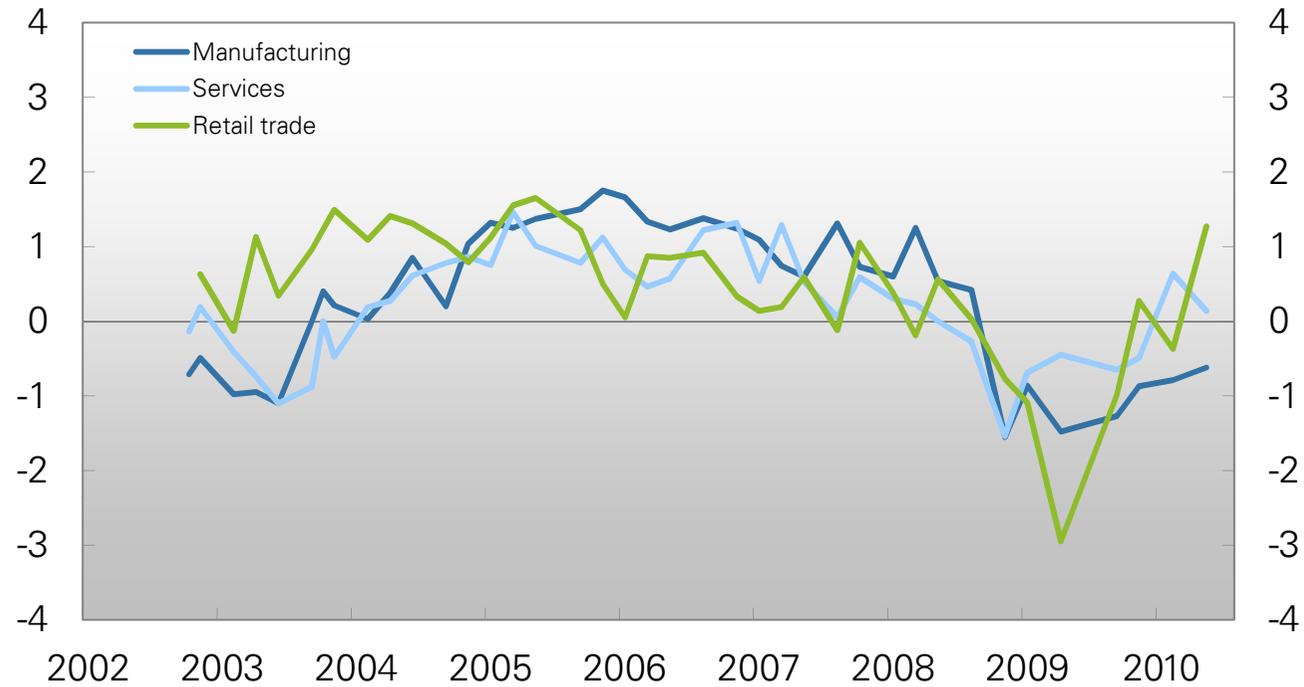
Chart 2.16 Exports from mainland Norway. Annual change. Volume.
Per cent. 1980 – 2010¹⁾



1) Projections for 2010

Sources: Statistics Norway and Norges Bank

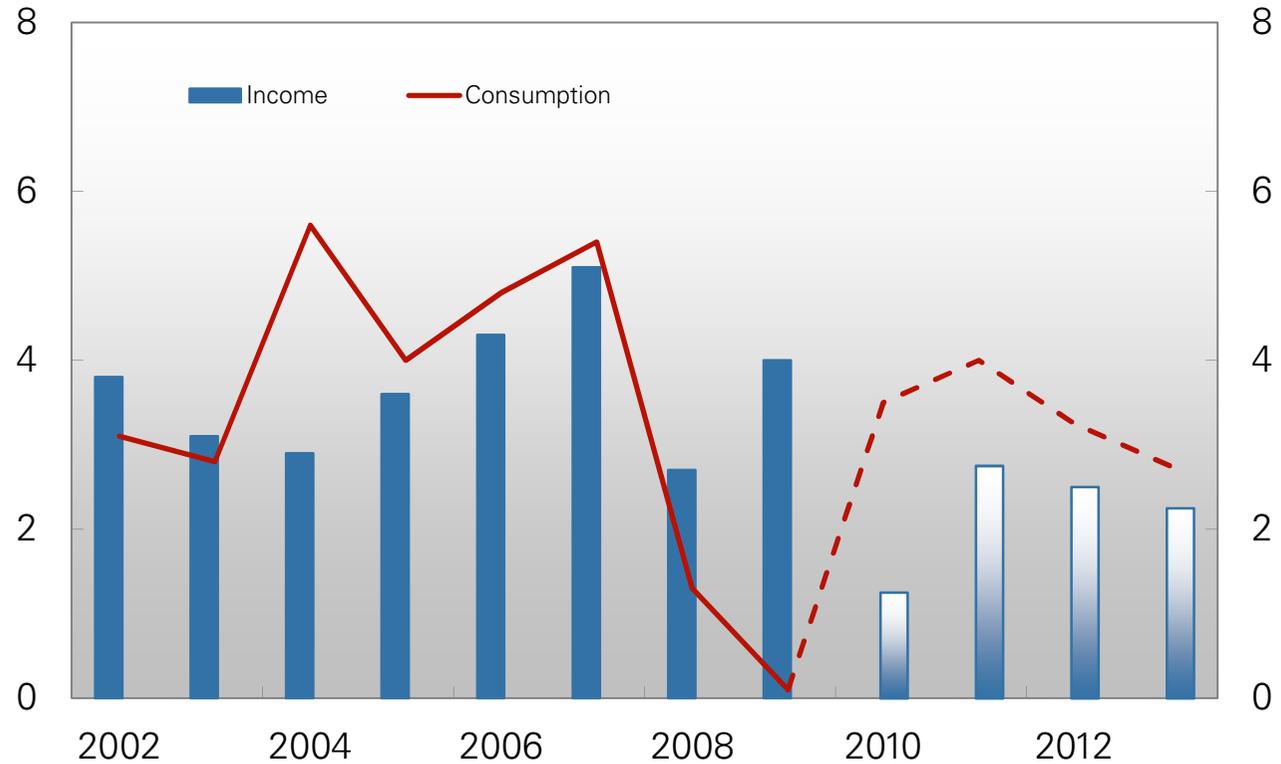
Chart 2.17 Investment plans for next 12 months compared with past 12 months. Index¹⁾. October 2002 – May 2010



1) The scale runs from -5 to +5, where -5 indicates a sharp fall and +5 indicates strong growth. See article "Norges Bank's regional network" in *Economic Bulletin 2/09* for further information

Source: Norges Bank's regional network

Chart 2.18 Household real disposable income¹⁾ and consumption²⁾. Annual change. Per cent. 2002 – 2013³⁾



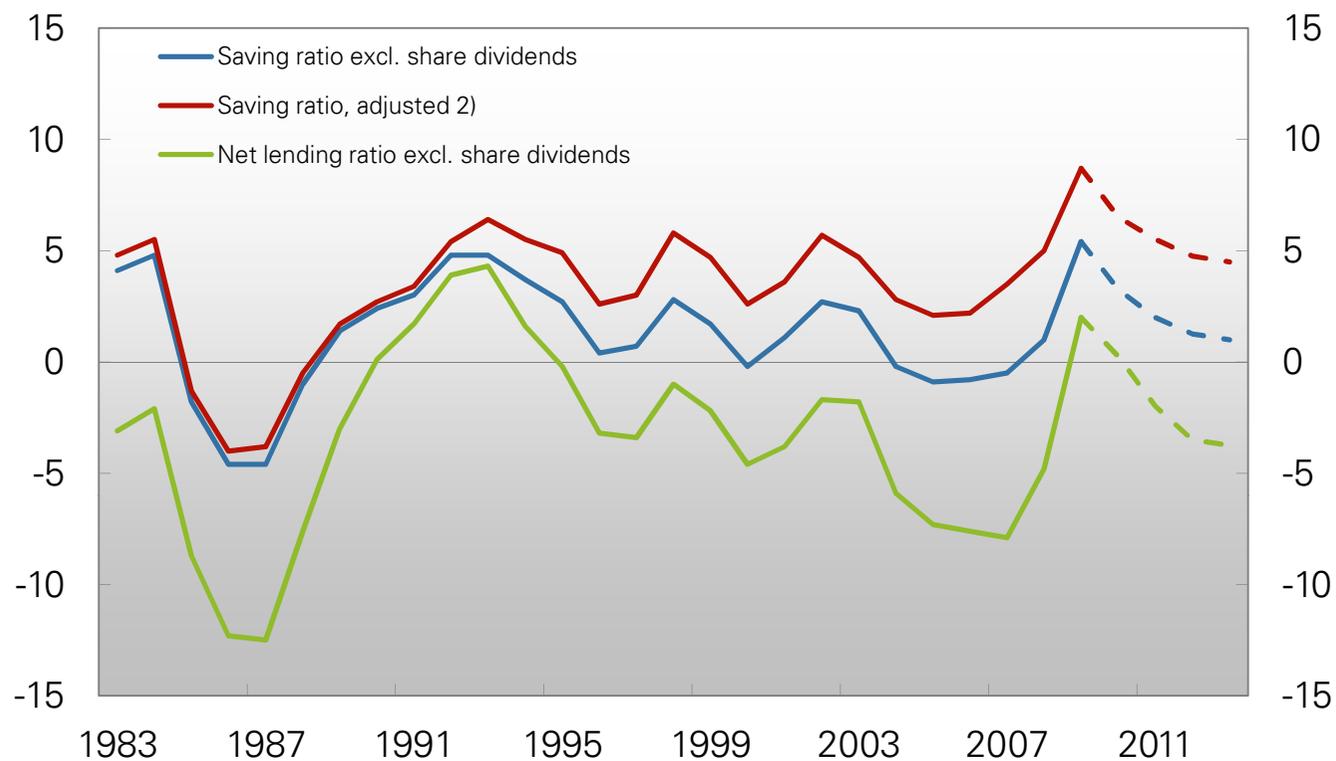
1) Excluding share dividends

2) Includes consumption in non-profit organisations. Volume

3) Projections for 2010 – 2013 (broken line)

Sources: Statistics Norway and Norges Bank

Chart 2.19 Household saving and net lending as a share of disposable income. Per cent. 1983 – 2013¹⁾

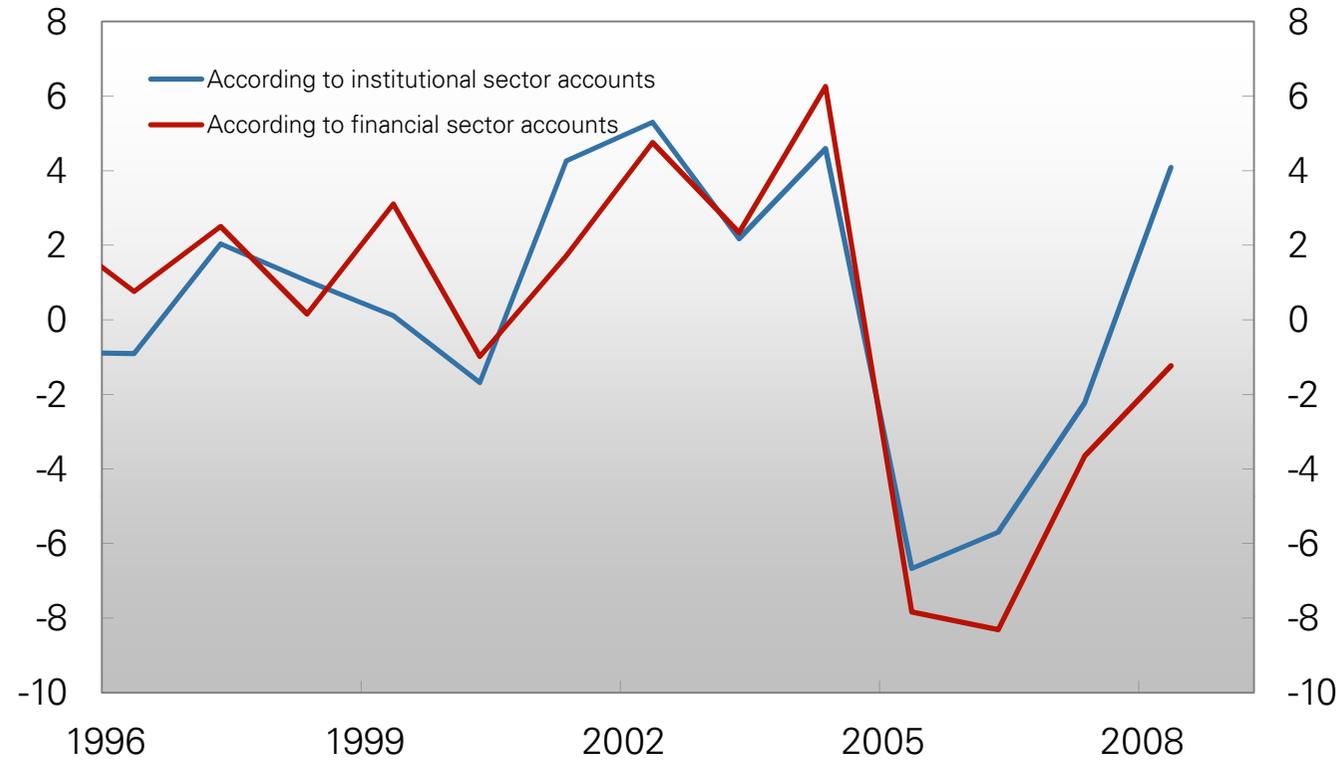


1) Projections for 2010 – 2013 (broken lines)

2) Adjusted for estimated reinvested share dividends for 2000 – 2005 and redemption/reduction of equity capital for 2006 – 2013

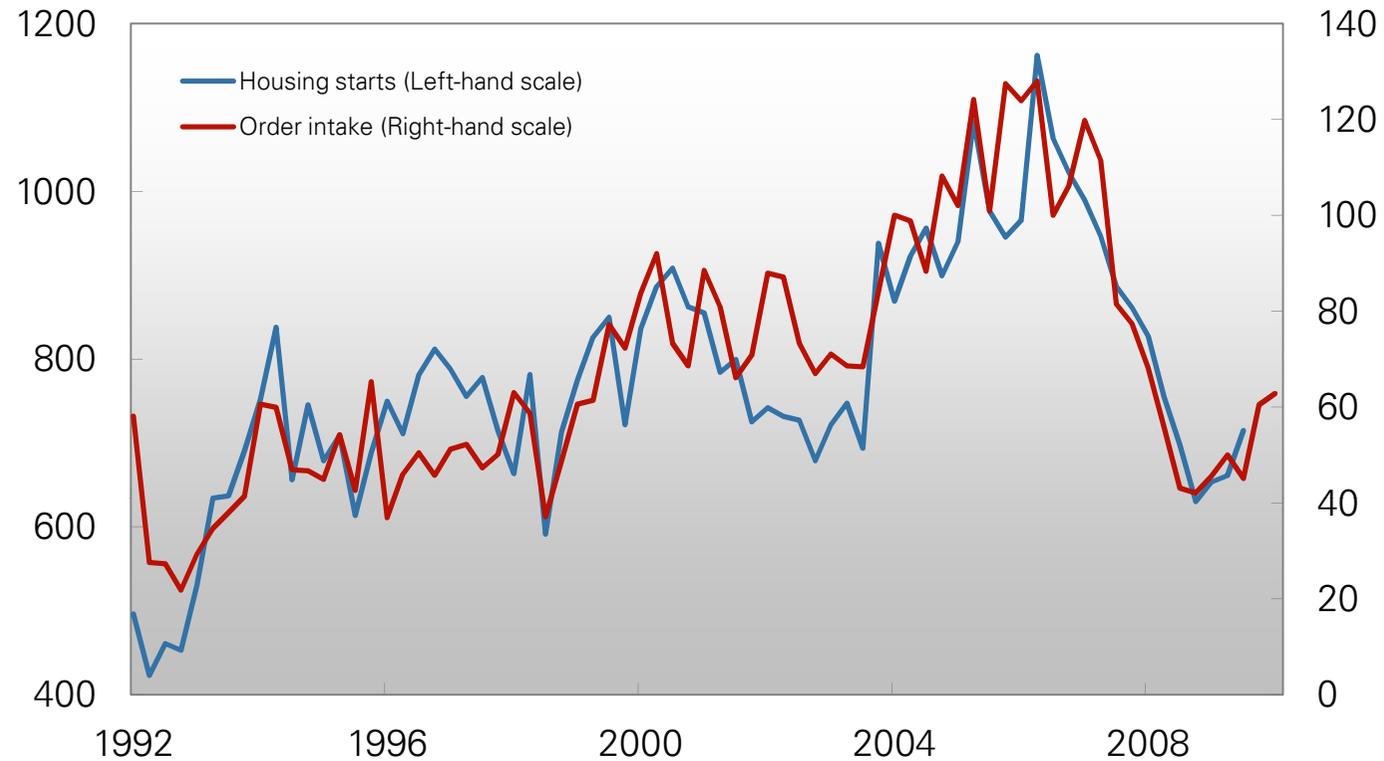
Sources: Statistics Norway and Norges Bank

Chart 2.20 Household net lending as a share of disposable income. Per cent.
1996 – 2009



Source: Statistics Norway

Chart 2.21 Housing starts¹⁾ and order intake for construction of new residential buildings²⁾. 1992 Q3 – 2010 Q1

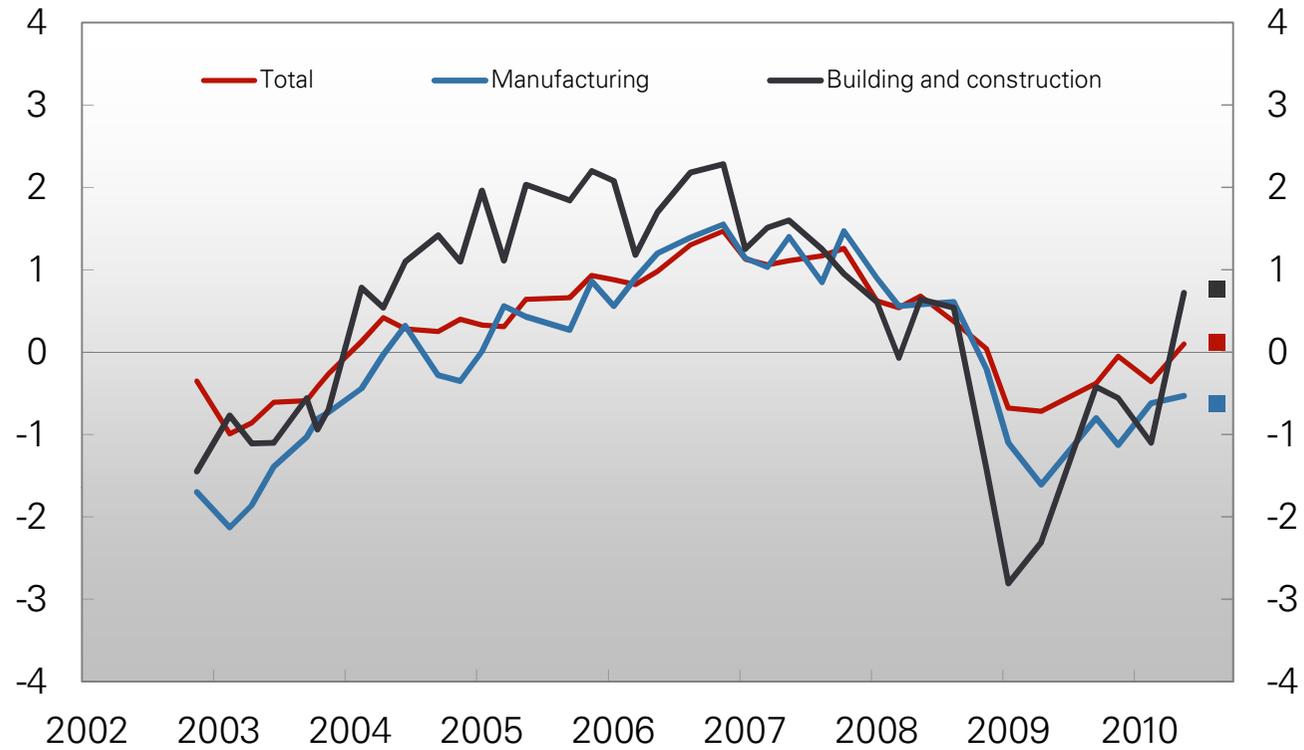


1) In 1000s of square meters. Seasonally adjusted

2) Value index deflated by the price index for housing investments in the national accounts. Displaced two quarters forward

Sources: Statistics Norway and Norges Bank

Chart 2.22 Indicator of actual change in employment and expected change in employment in next three months.¹⁾ Per cent. October 2002 – August 2010²⁾

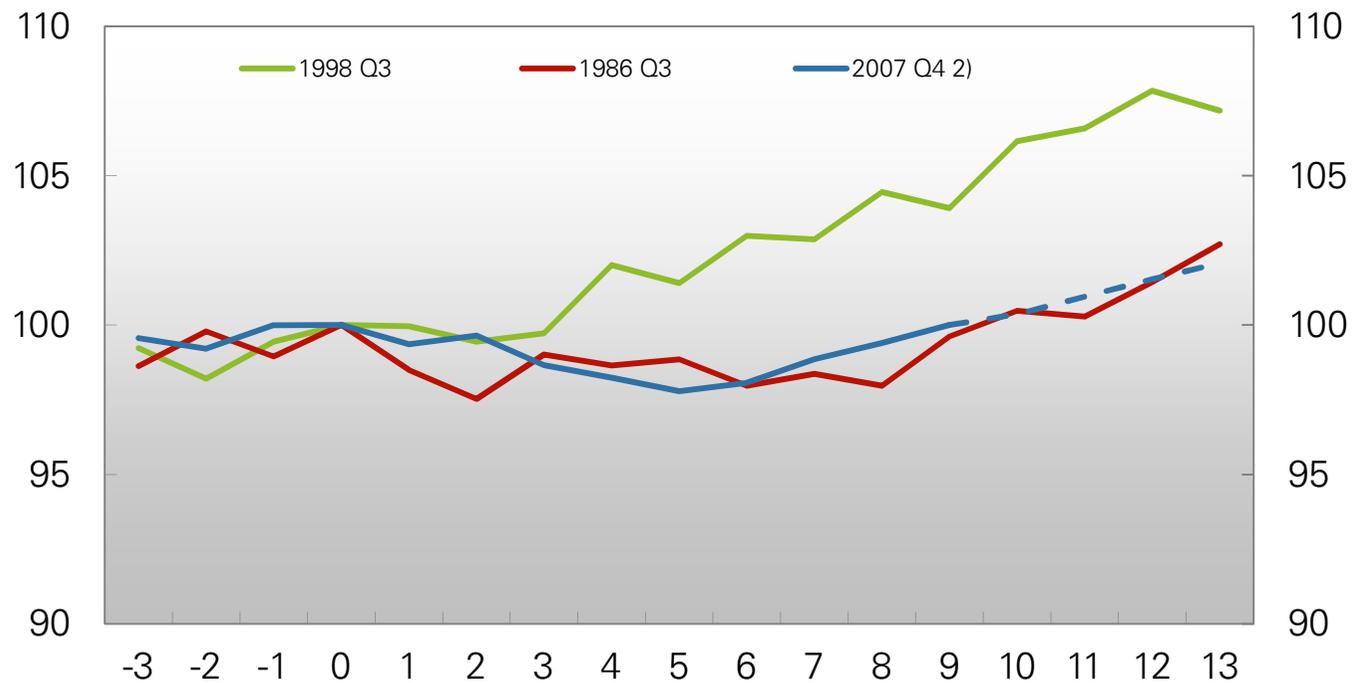


1) Mixed indicator until 2004. Split in to "last 3 months" and "3 months ahead" as from 2005

2) Last observation May 2010

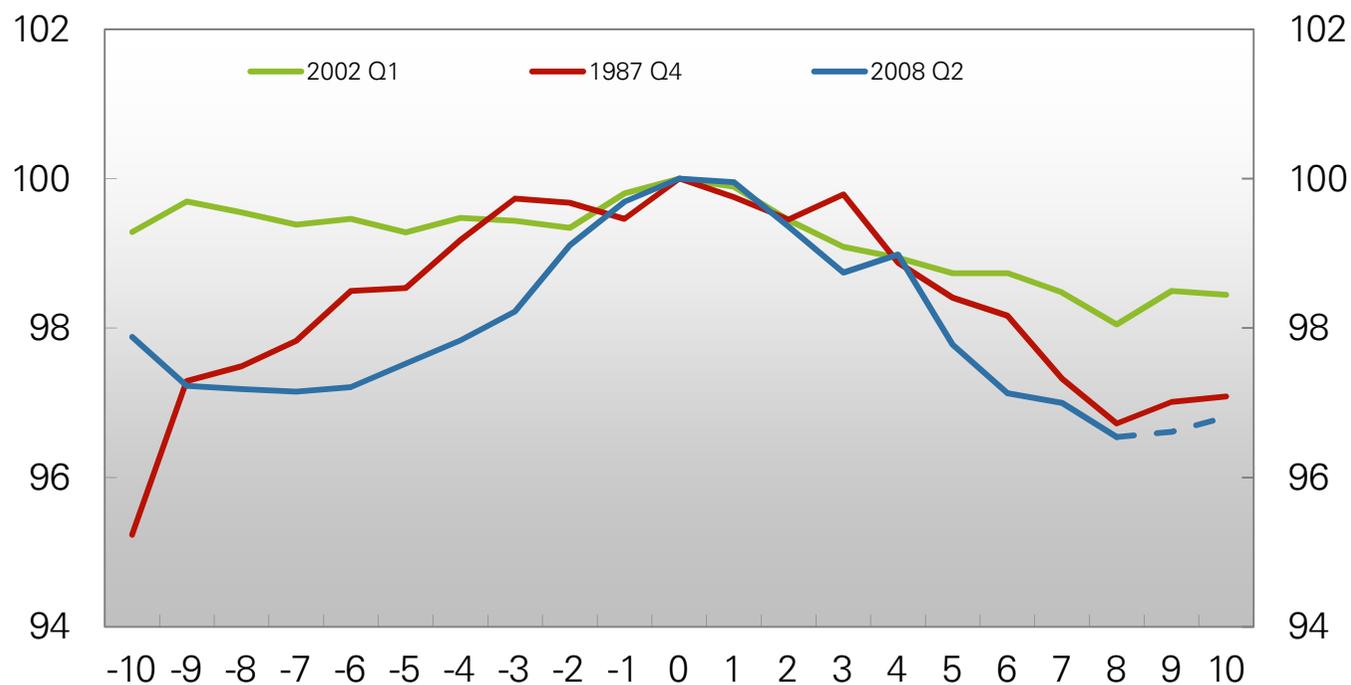
Source: Norges Bank's regional network

Chart 2.23 Developments in mainland productivity after a business cycle peak. GDP per person-hour. Seasonally adjusted quarterly figures. Index¹⁾



1) The index is set at 100 in the quarter when capacity utilisation was at its peak. Series labels refer to the peak quarter. Capacity utilisation is estimated using an HP filter
 2) Projections for 2010 Q2 – 2011 Q1 (broken line)
 Sources: Statistics Norway and Norges Bank

Chart 2.24 Developments in the labour force participation rate around the highest observation in the series. Labour force as share of population aged 15 – 74. Seasonally adjusted quarterly figures.¹⁾



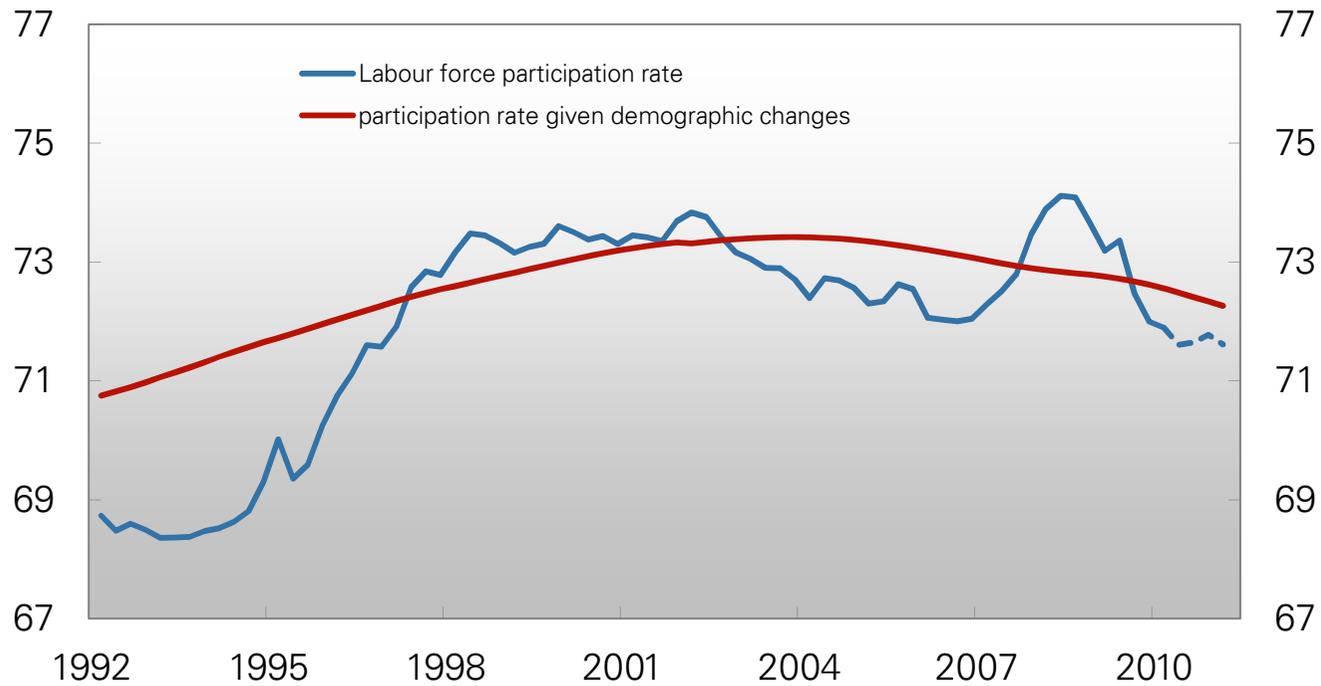
1) The index is set at 100 in the quarter when labour force participation was at its peak.

Series labels refer to the peak quarter

2) Projections for 2010 Q1 – 2010 Q4 (broken line)

Sources: Statistics Norway and Norges Bank

Chart 2.25 Actual labour force participation rate and developments in labour force participation rate given demographic changes. Per cent. Seasonally adjusted quarterly figures. 1992 Q1 – 2011 Q2¹⁾

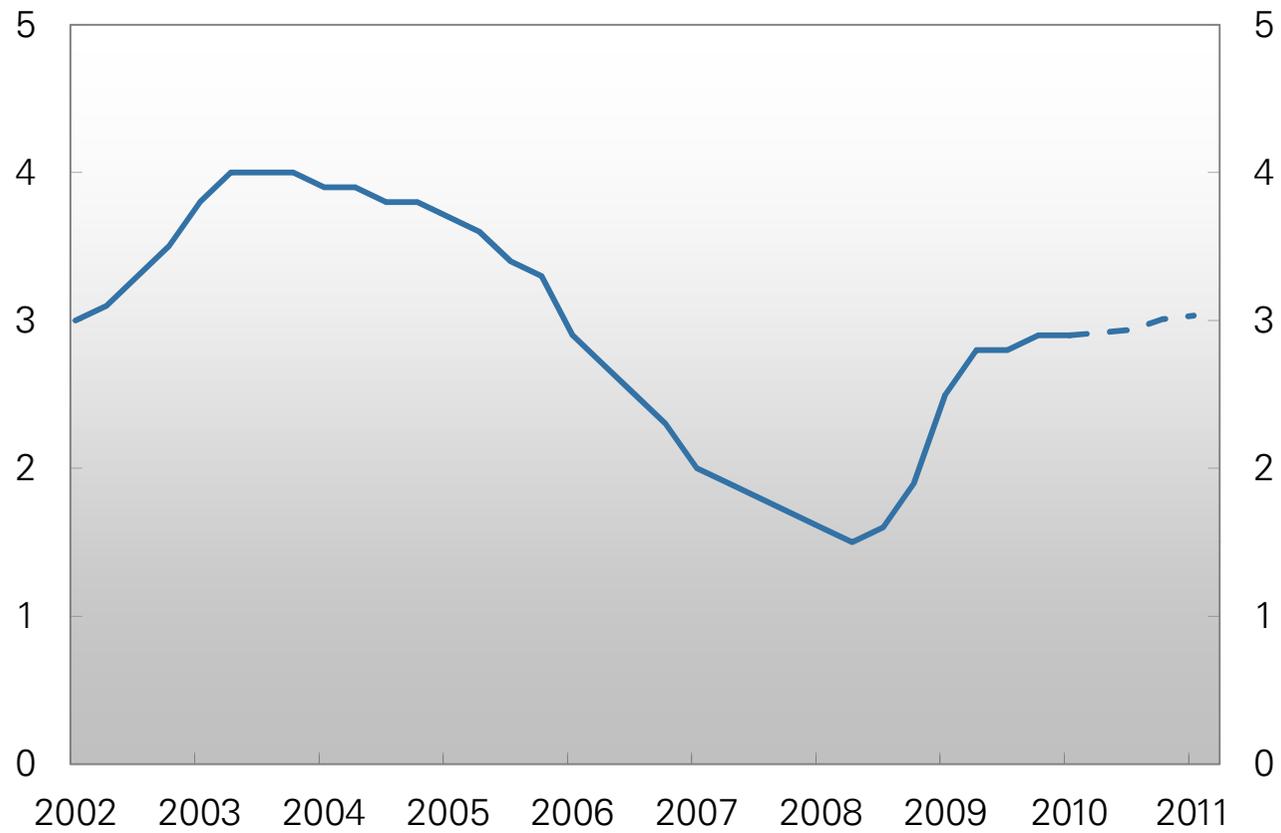


1) Average labour force participation rate given unchanged labour force participation in each age group from 2007

2) Projections for 2010 Q2 – 2011 Q1 (broken line)

Sources: Statistics Norway and Norges Bank

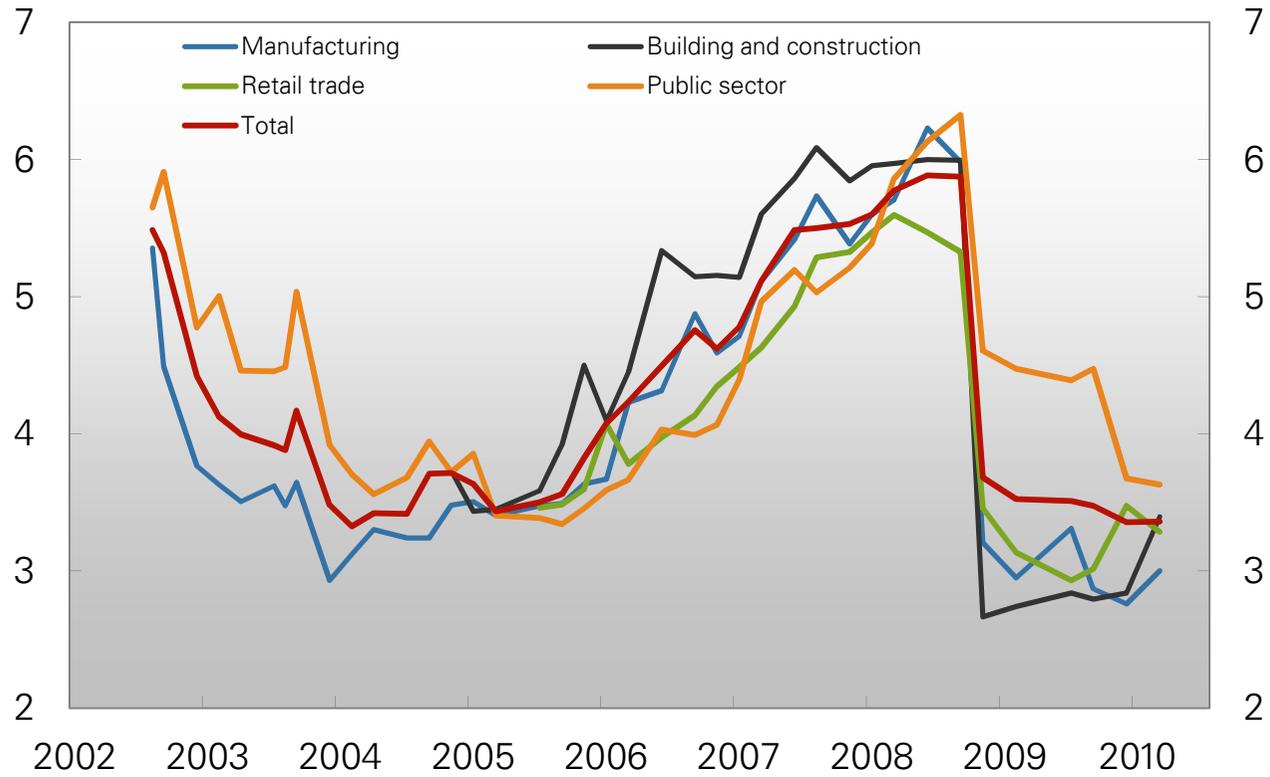
Chart 2.26 Registered unemployment. Percentage of labour force.
Seasonally adjusted. 2002 1Q – 2011 1Q¹⁾



1) Projections for 2010 Q2 – 2011 Q1 (broken line)

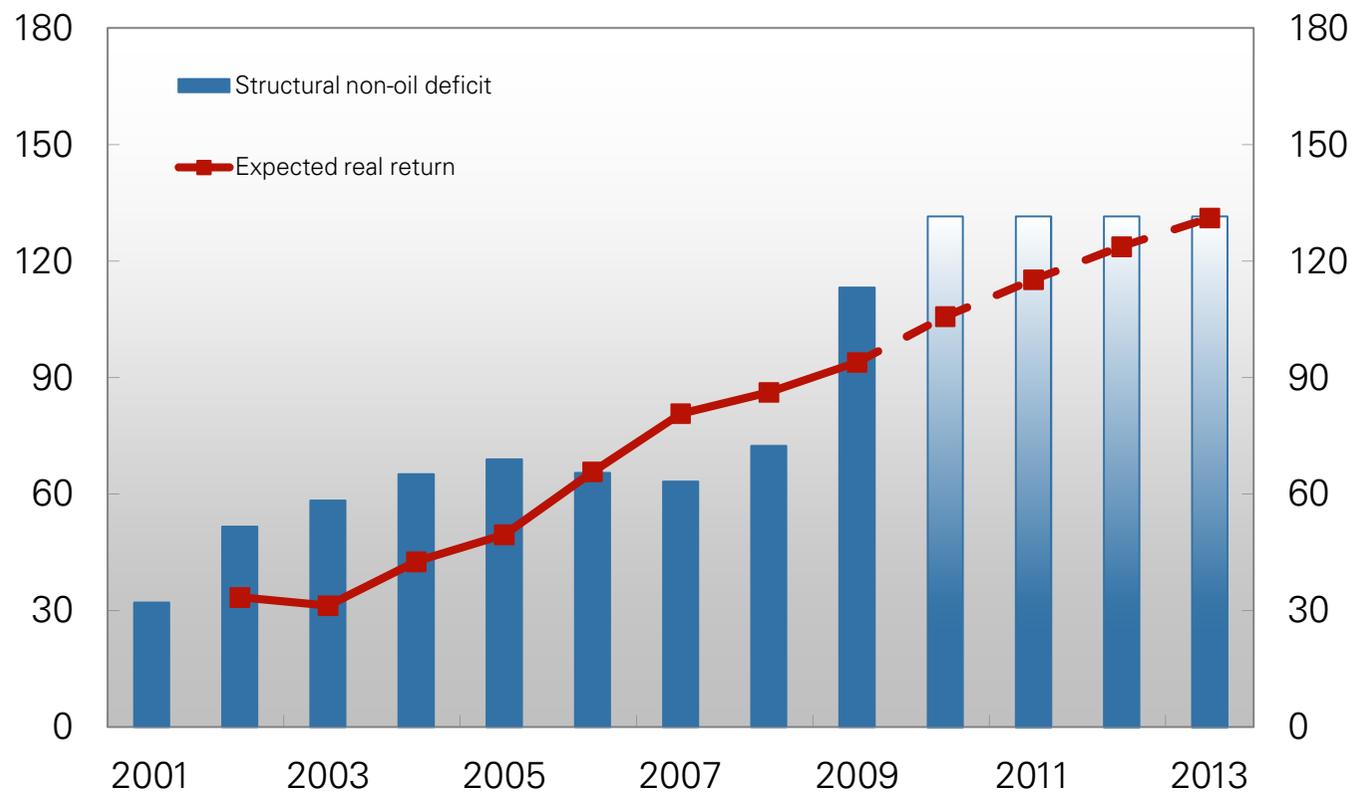
Sources: Norwegian Labour and Welfare Administration, Statistics Norway and Norges Bank

Chart 2.27 Expected annual wage growth each year. Per cent.
October 2002 – May 2010



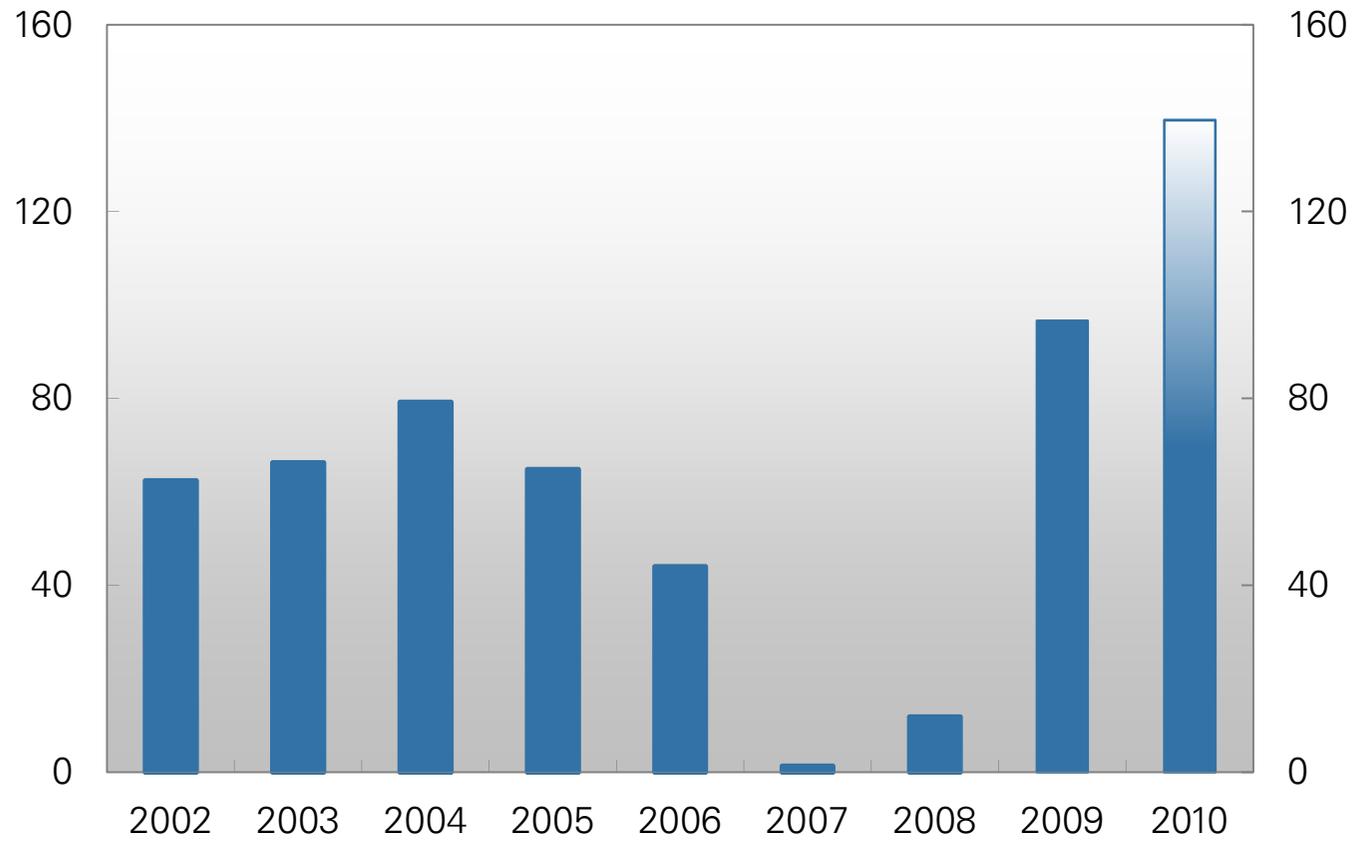
Source: Norges Bank's regional network

Chart 2.28 Structural, non-oil deficit and expected real return on the Government Pension Fund Global. In billions of 2010 NOK. 2001 – 2013¹⁾



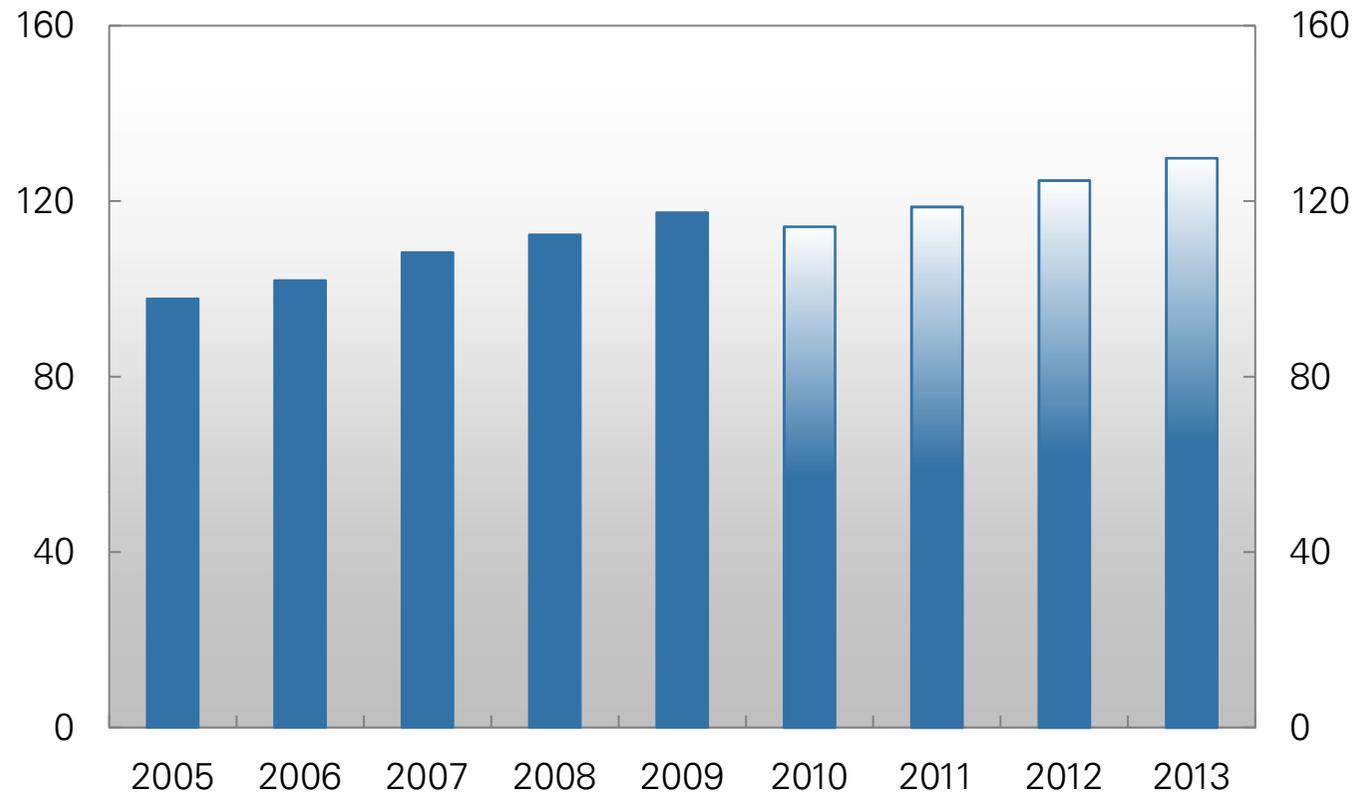
1) Projections for 2010 – 2013 (broken line)
Sources: Ministry of Finance and Norges Bank

Chart 2.29 Non-oil budget deficit. In billions of NOK. 2002 – 2010¹⁾



1) Projections for 2010
Source: Ministry of Finance

Chart 2.30 Petroleum investment. Fixed 2007 prices. In billions of NOK.
2005 – 2013¹⁾



1) Projections for 2010 – 2013

Sources: Statistics Norway and Norges Bank