

# Executive Board Meeting

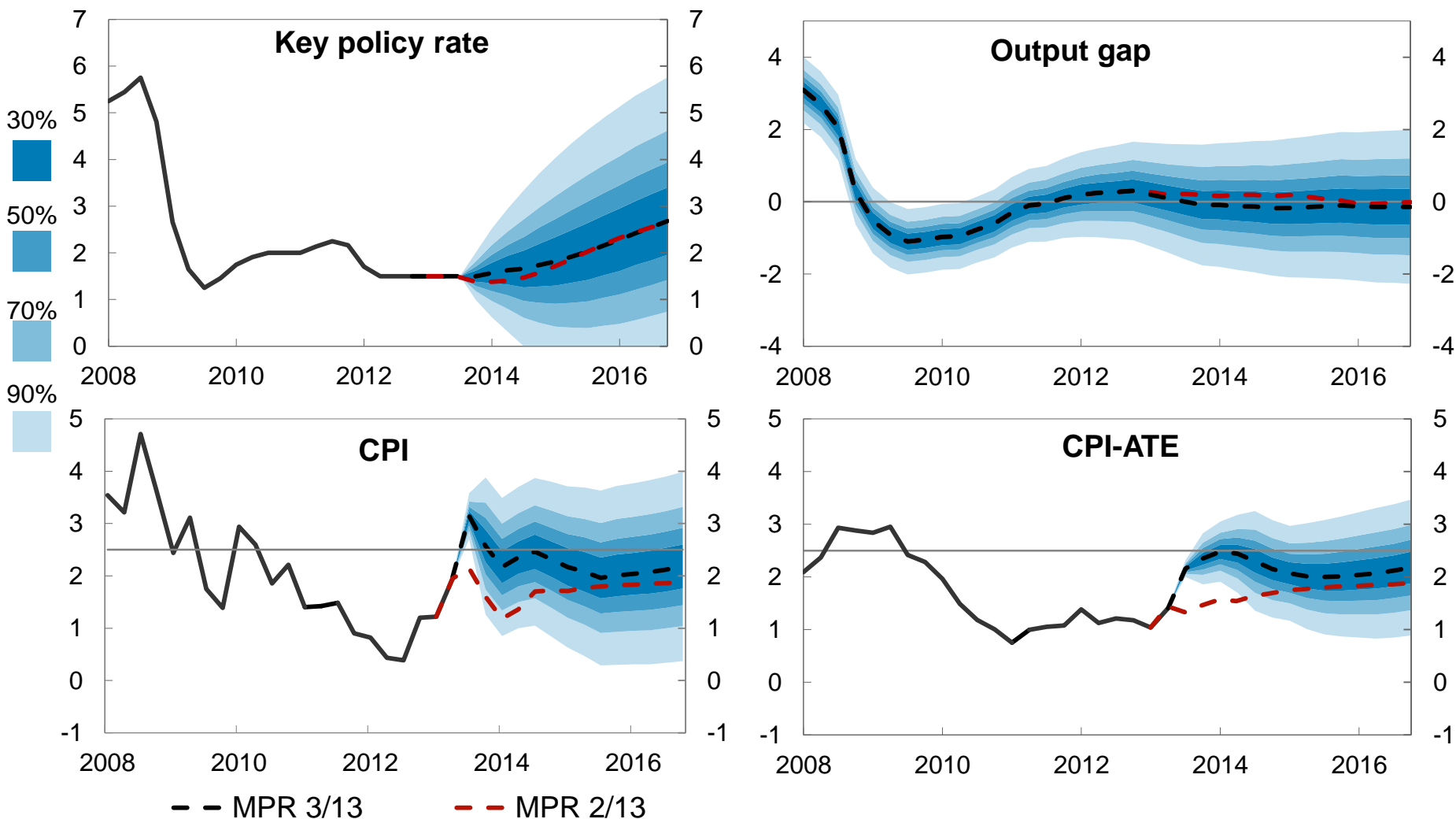
18 September 2013

# Criteria for an appropriate countercyclical capital buffer

1. Banks should become more resilient during an upturn
2. The size of the buffer should be viewed in the light of other requirements applying to banks
3. Stress in the financial system should be alleviated

# Baseline scenario in MPR 3/13

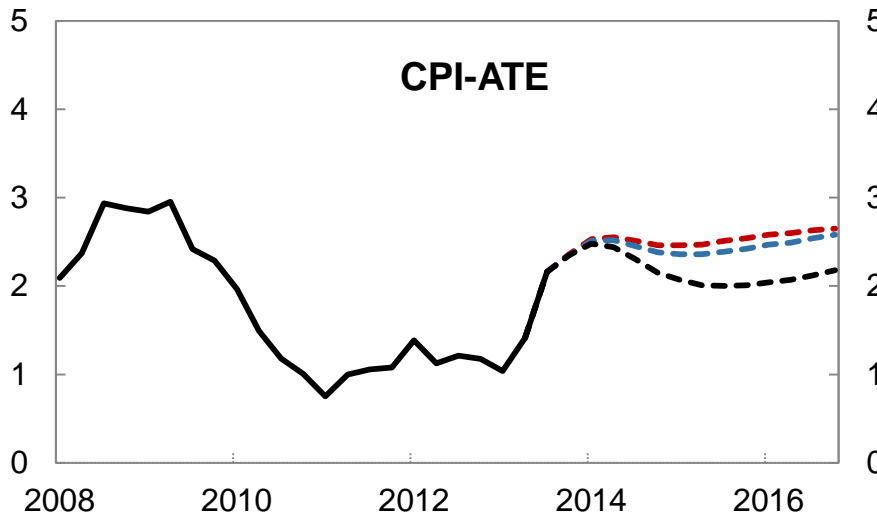
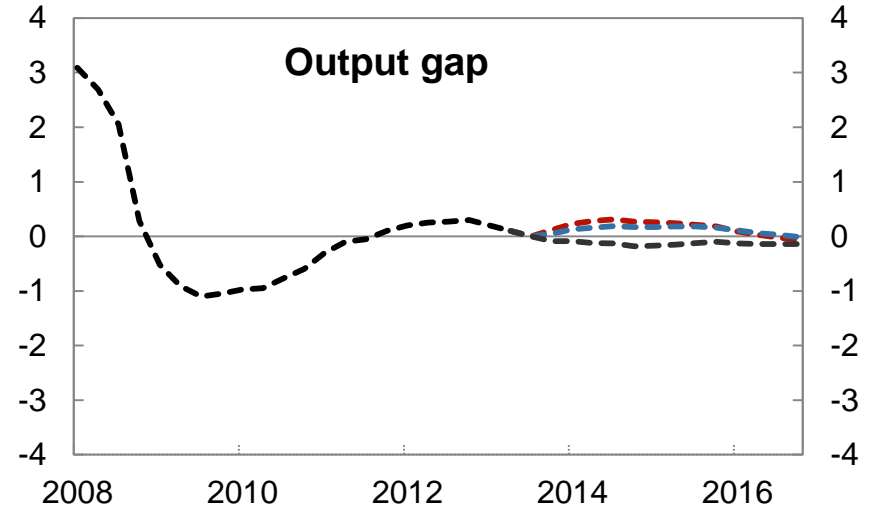
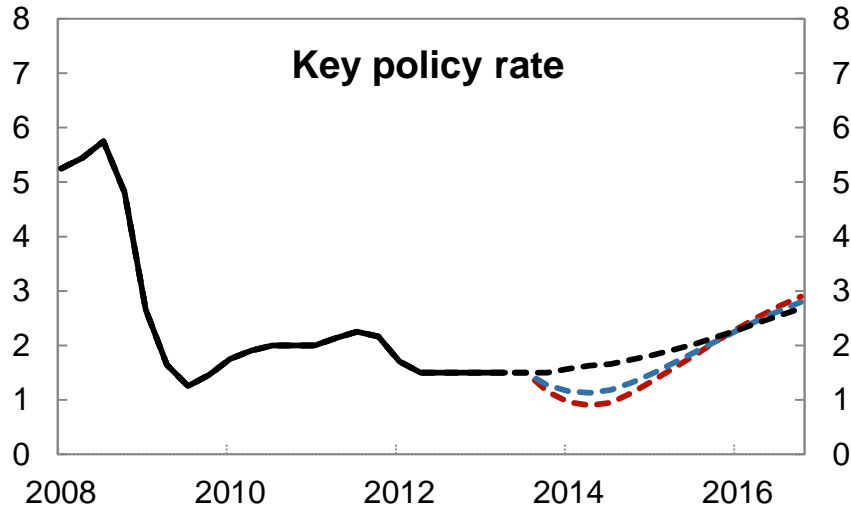
Percent. 2008 Q1 – 2016 Q4



Sources: Statistics Norway and Norges Bank

# Criteria for an appropriate interest rate path

Percent. 2008 Q1 – 2016 Q4

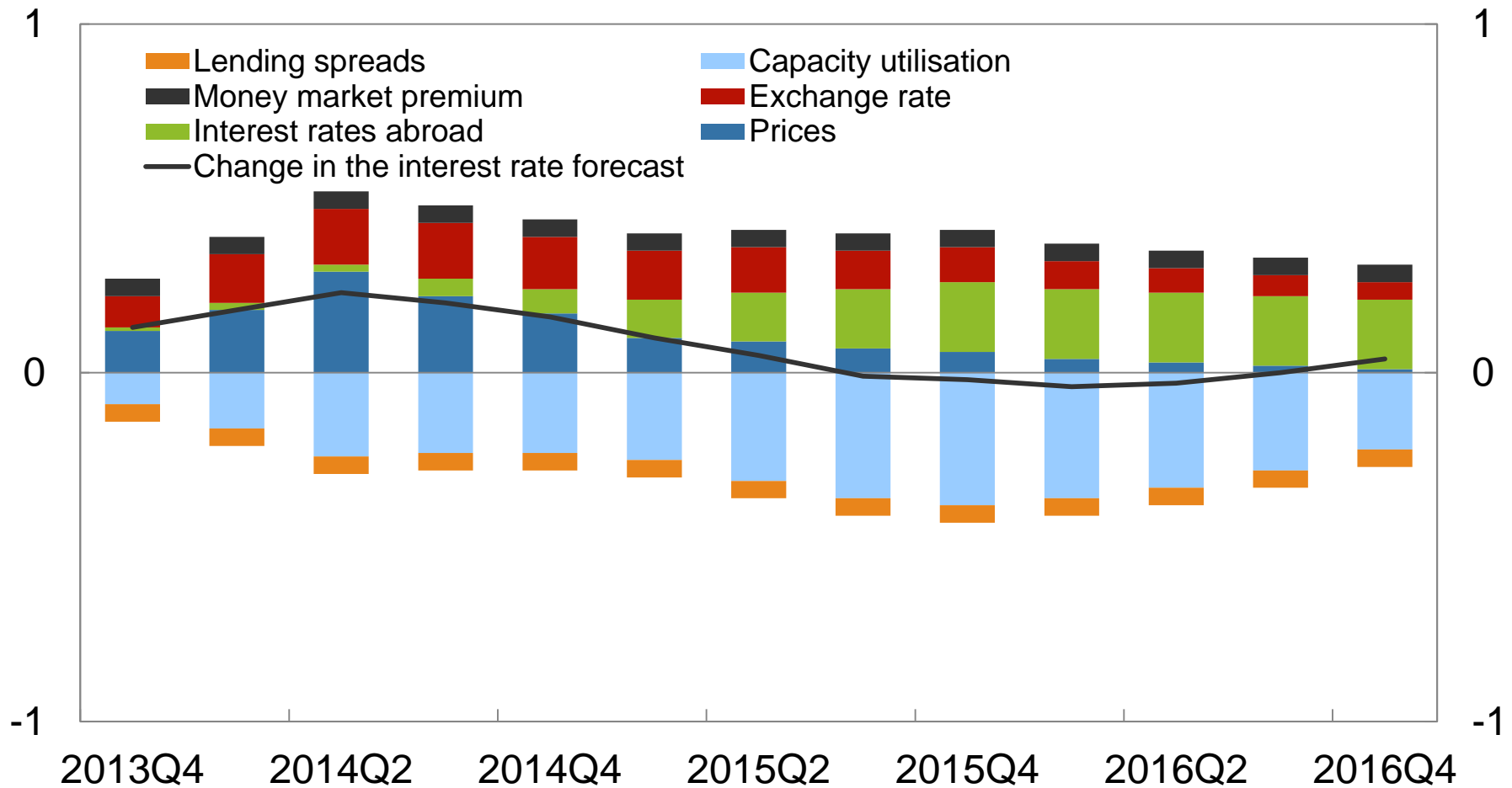


--- Criterion 1    - - - Criteria 1&2    - - - Criteria 1,2&3

Sources: Statistics Norway and Norges Bank

# Factors behind changes in the interest rate path since MPR 2/13

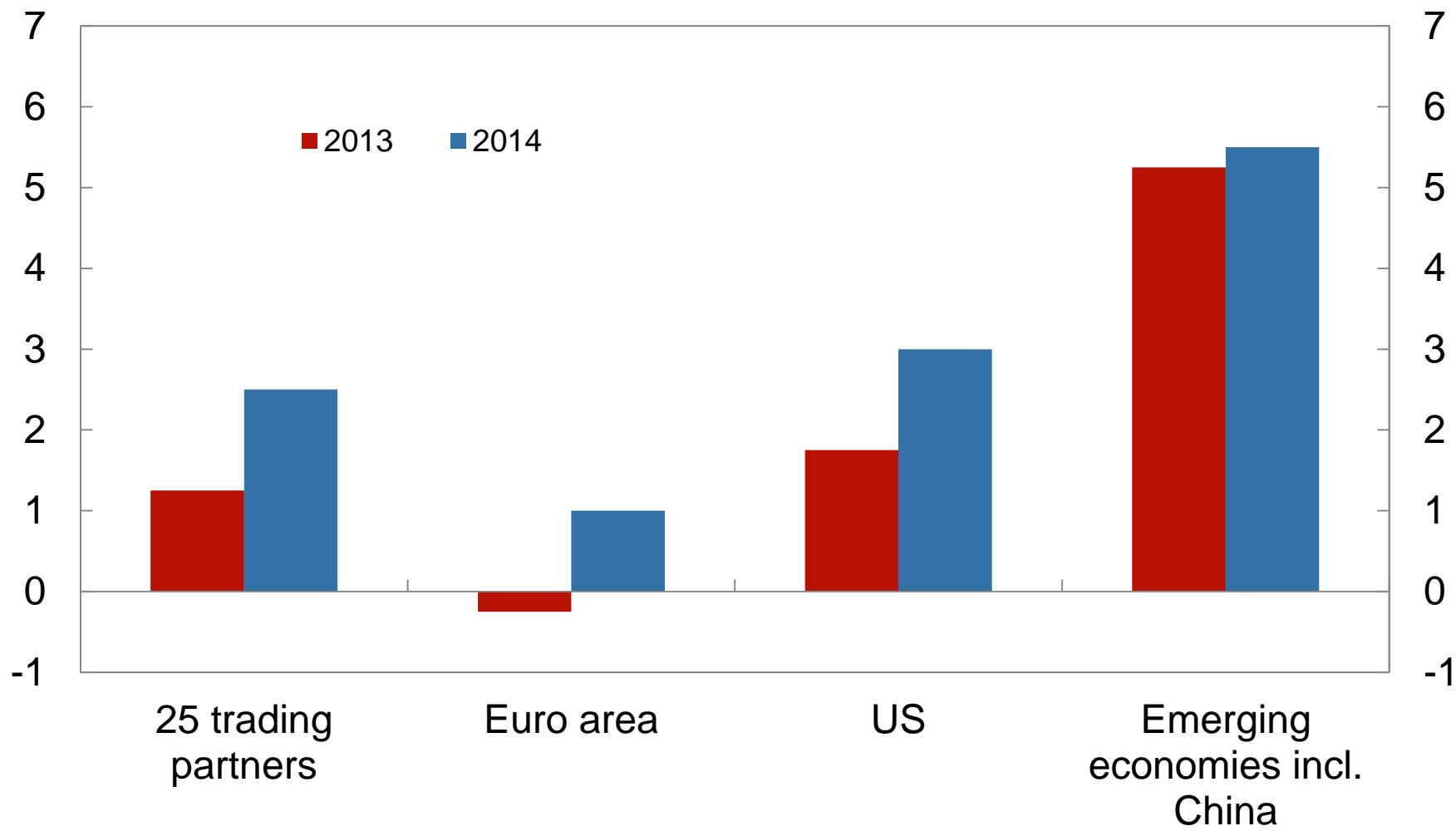
Accumulated contribution. Percentage points. 2013 Q4 – 2016 Q4



Source: Norges Bank

# GDP projections

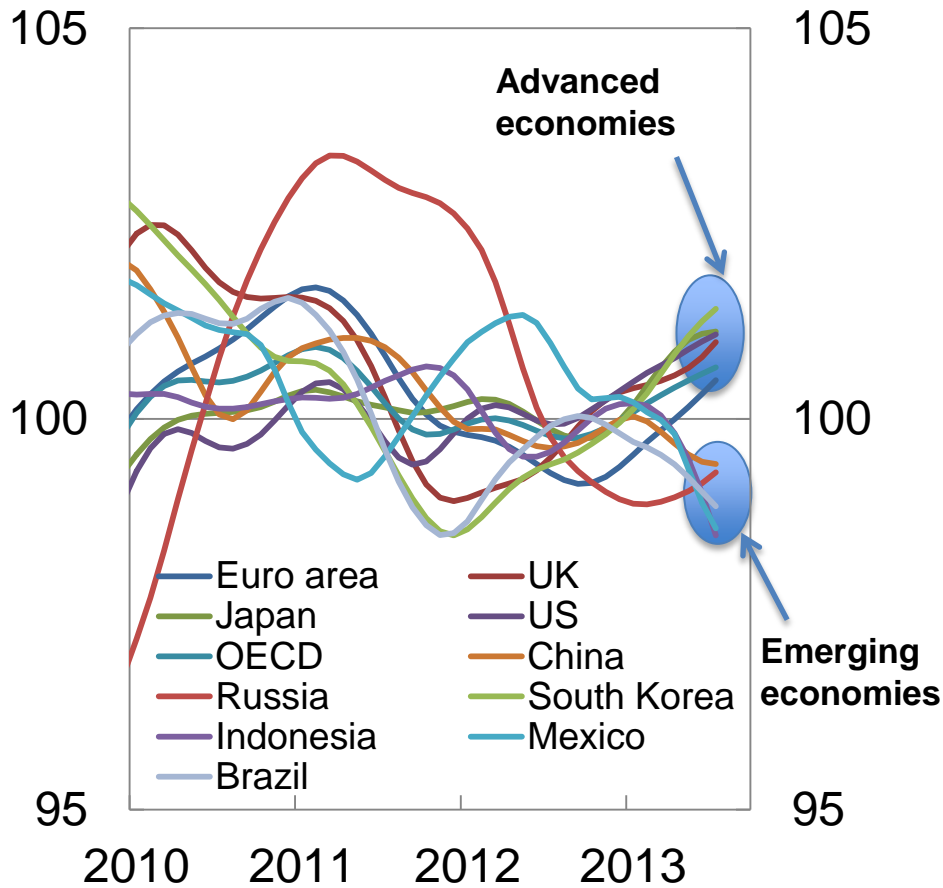
Annual growth. Percent



Source: Norges Bank

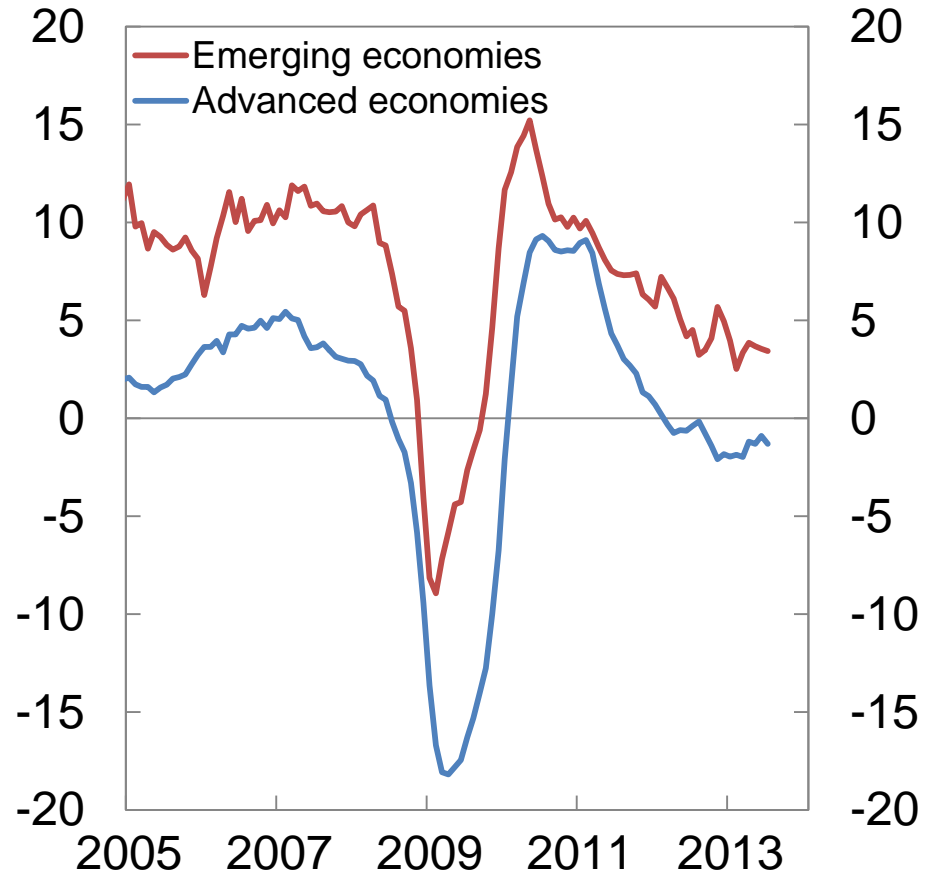
# OECD leading indicator

January 2010 – July 2013



# Manufacturing output 25 TP

Export weights. 12-month growth, 3-month moving average. January 2005 – July 2013



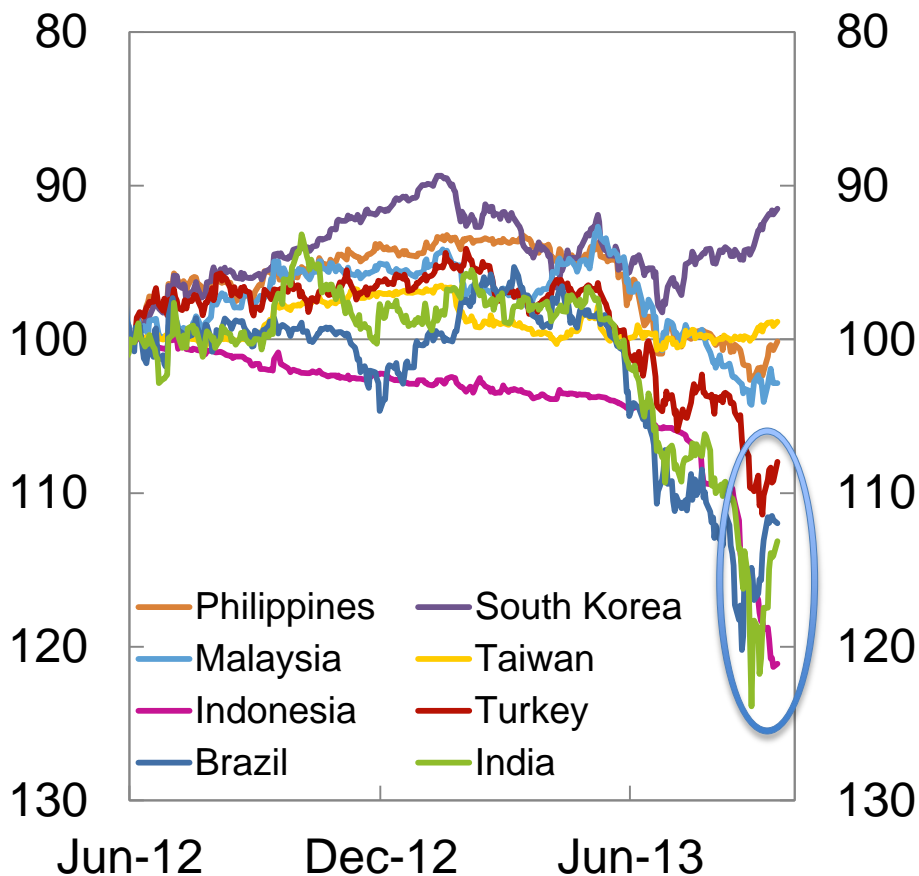
Sources: Thomson Reuters and Norges Bank

# Emerging economies

## Exchange rates<sup>1)</sup>

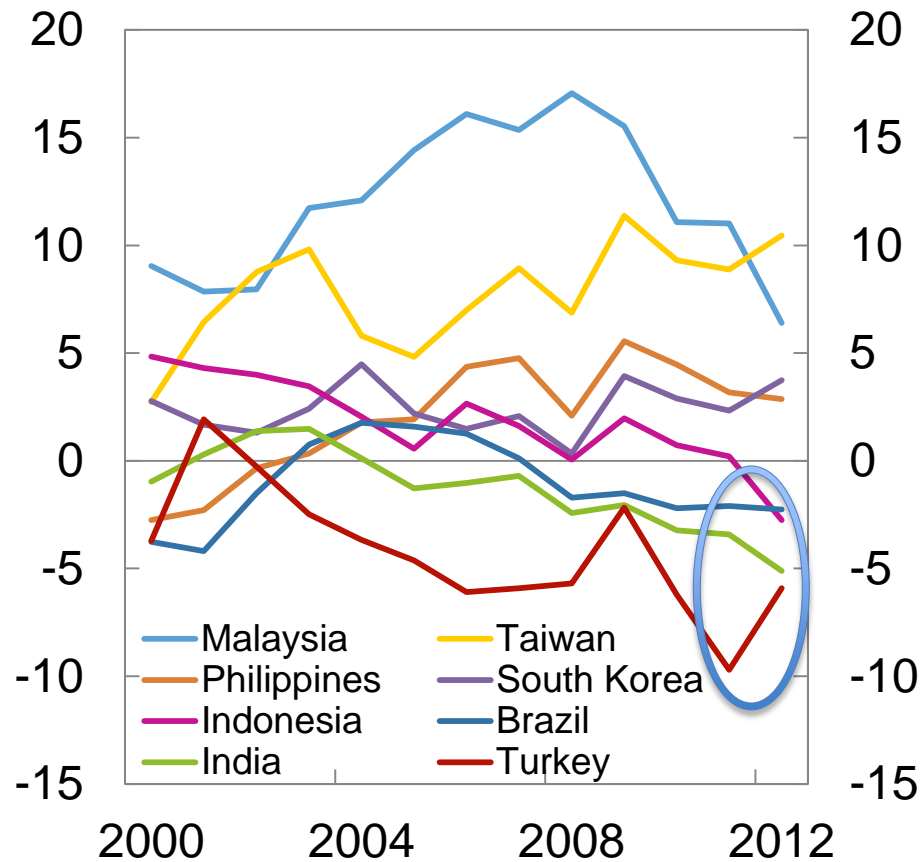
Index. 1 Jun. 2012 = 100.

1 June 2012 – 16 September 2013



## Current account balances

As percentage of GDP. Annual figures. 2000 - 2012



1) In local currency units per US dollar

Sources: IMF, Thomson Reuters and Norges Bank

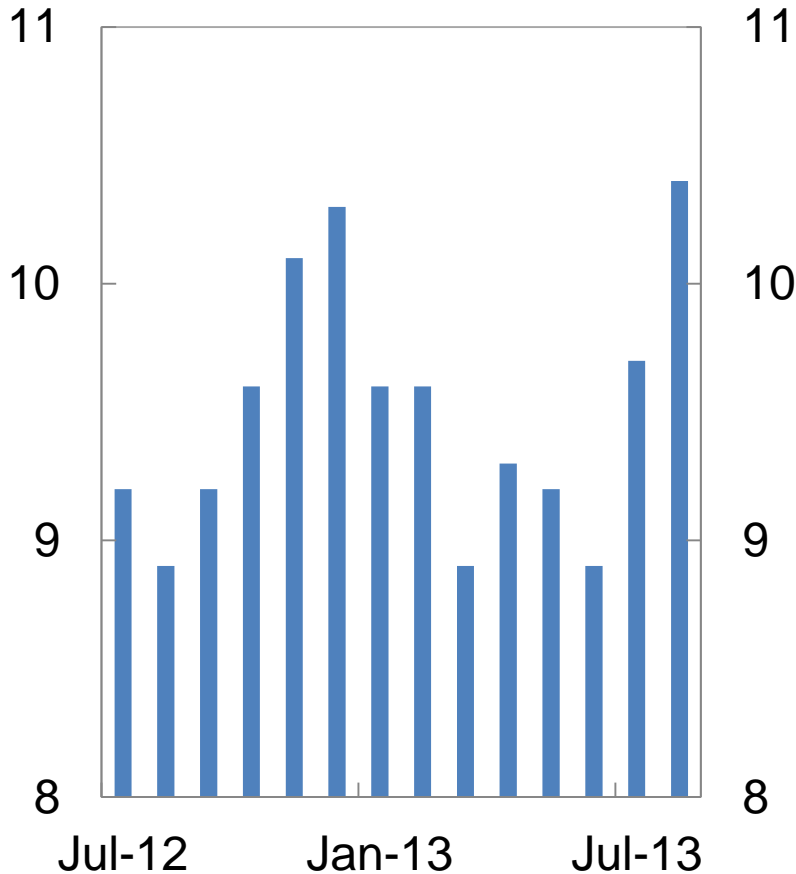


# China

## Manufacturing output

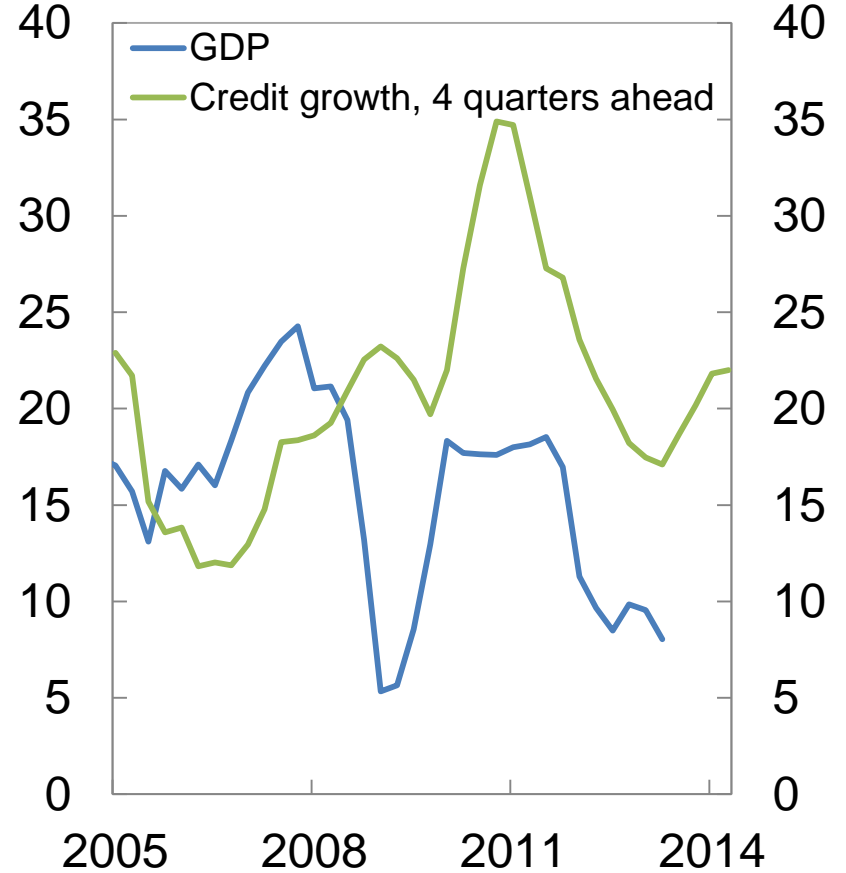
12-month change.

July 2012– August 2013



## Growth in nominal GDP and credit growth

Four-quarter growth. 2005 Q1–2013 Q2



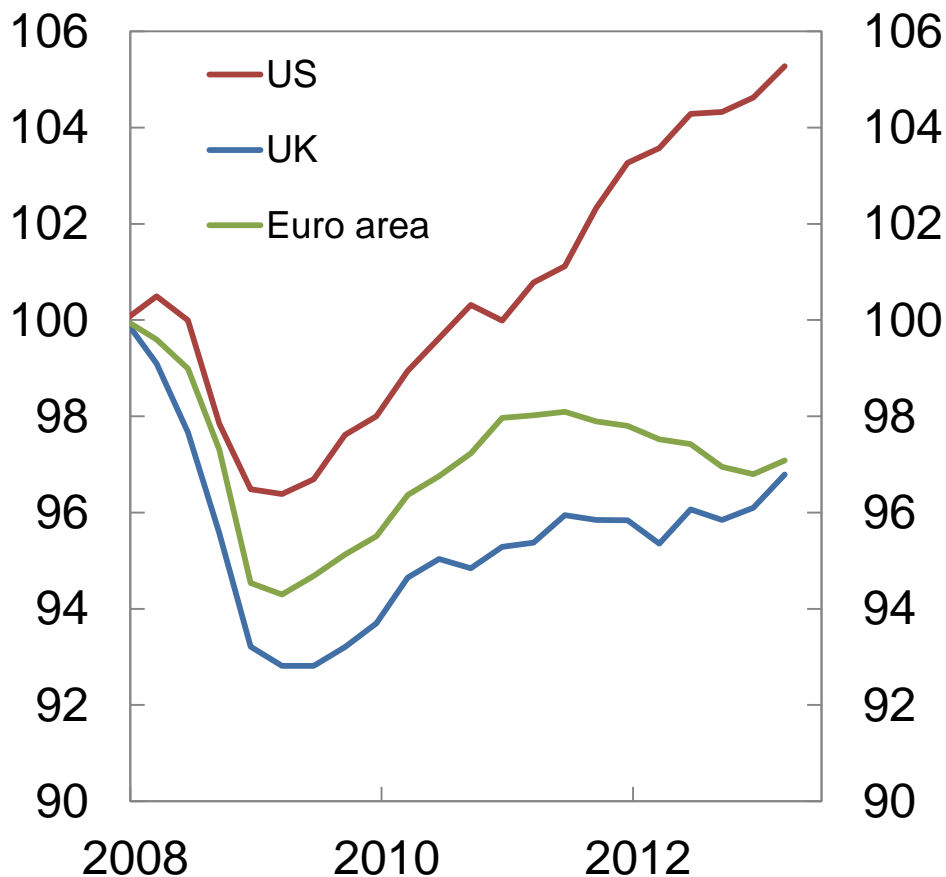
Sources: CEIC, Thomson Reuters and Norges Bank

# Advanced economies

## GDP at constant prices

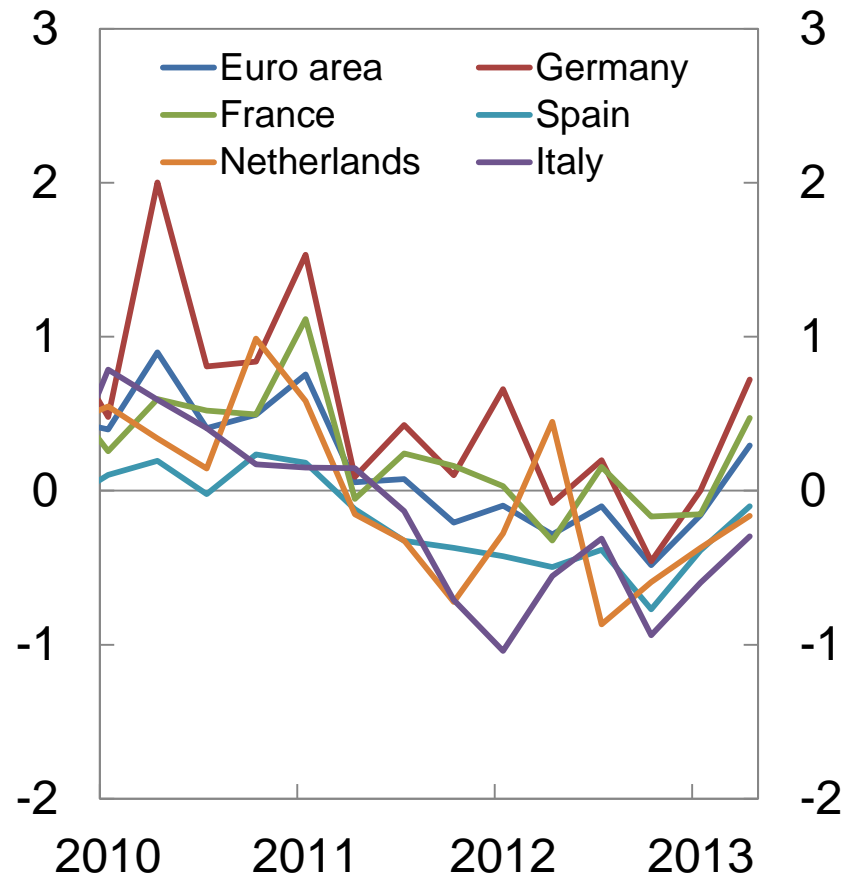
Index. 2008 Q1 = 100.

2008 Q1 - 2013 Q2



## Quarterly GDP growth

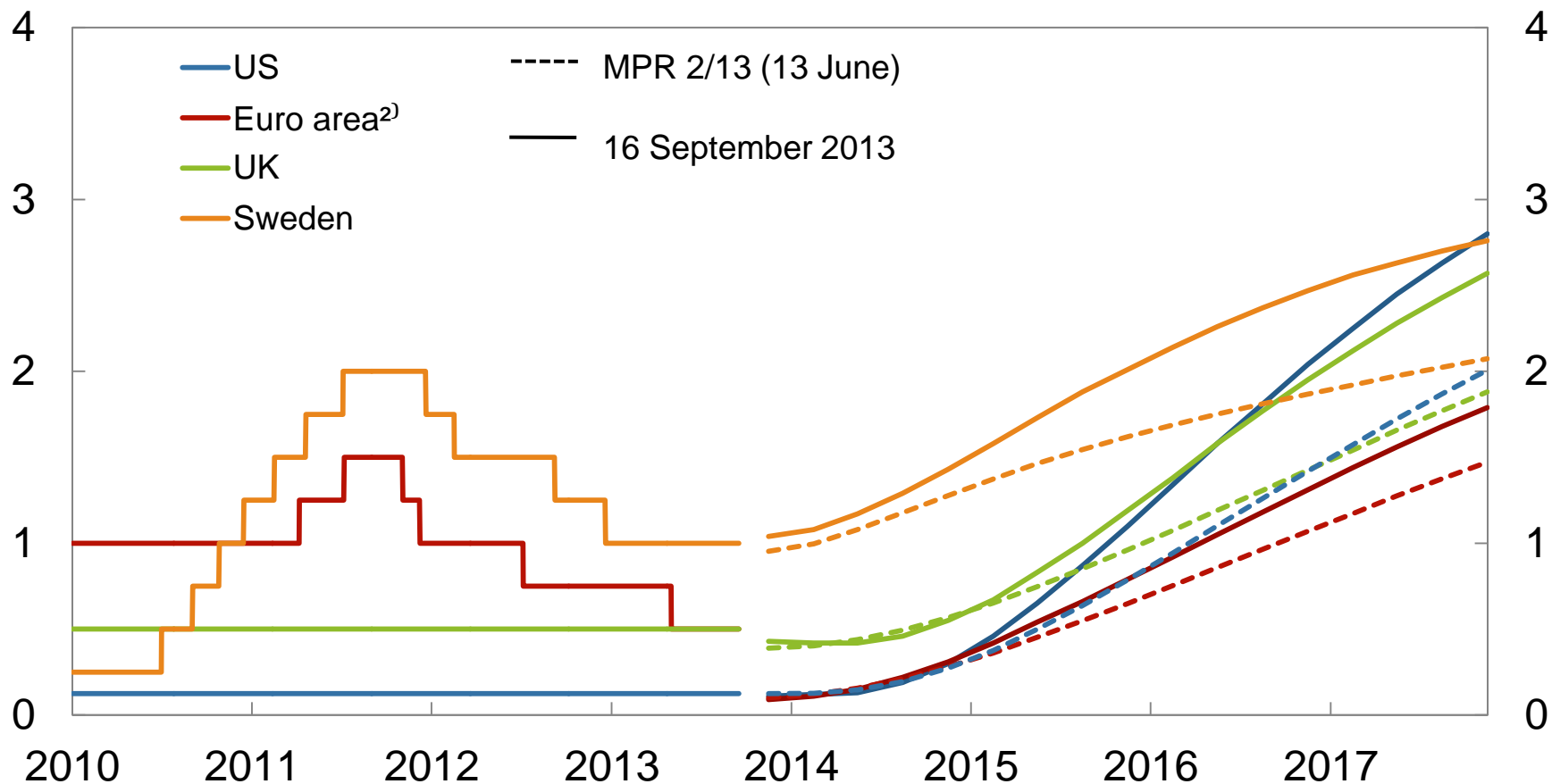
2010 Q1 – 2013 Q2



Sources: Thomson Reuters and Norges Bank

# Expected key rates

Percent. 1 January 2010 – 31 December 2017<sup>1)</sup>

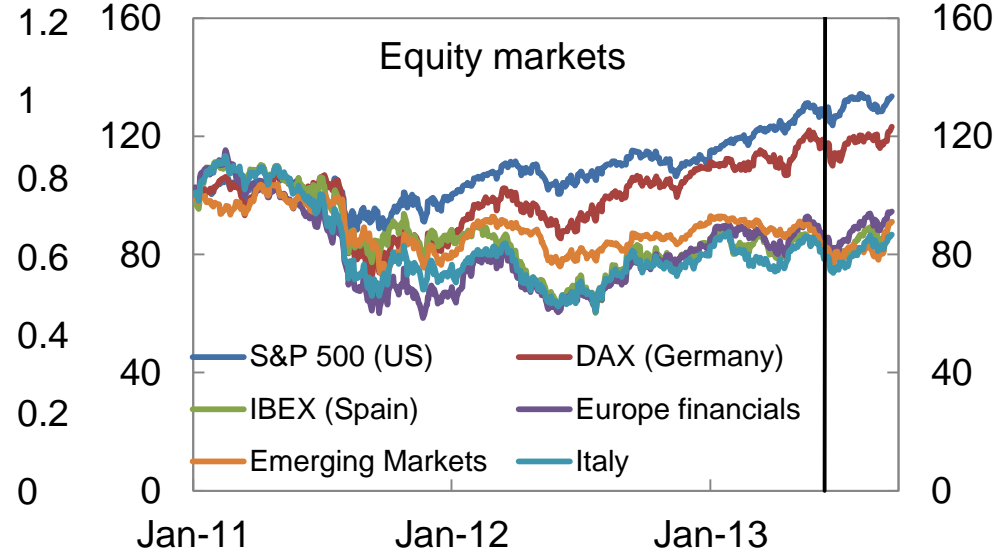
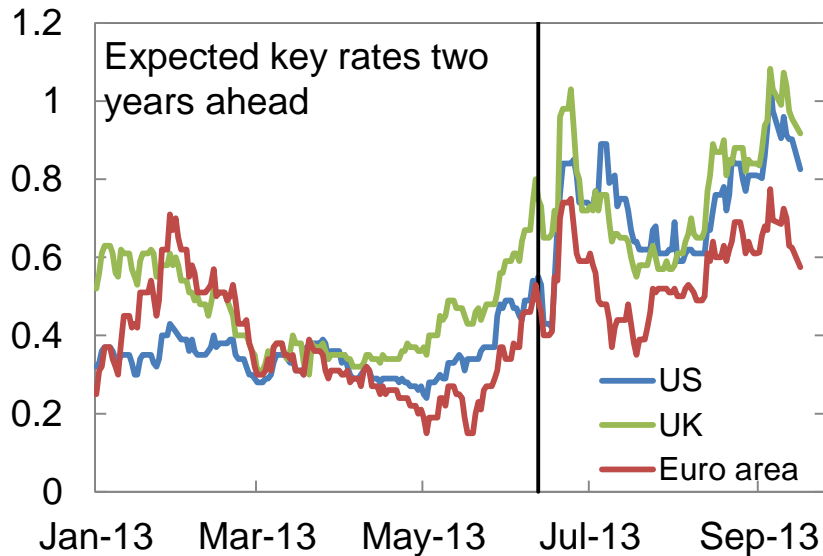
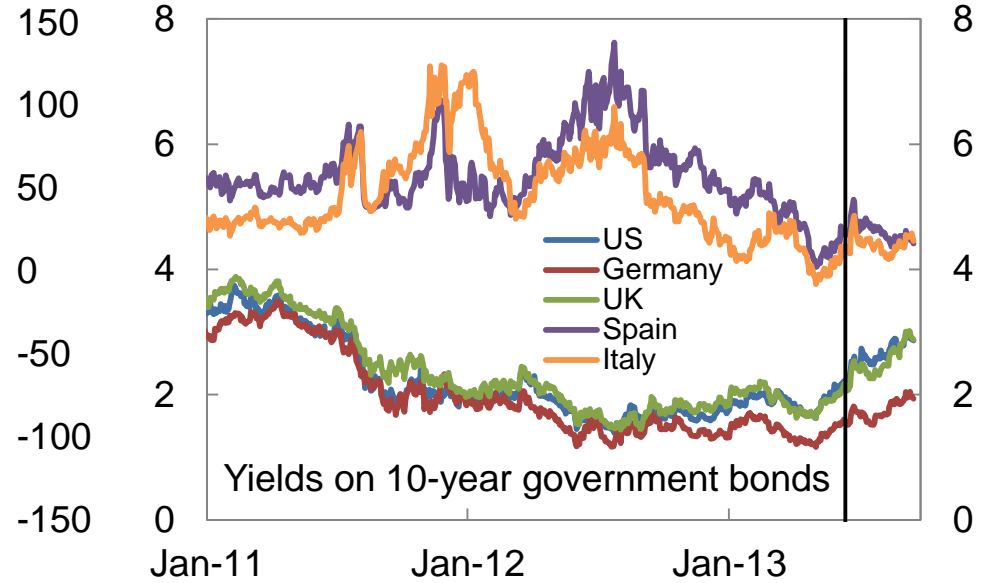
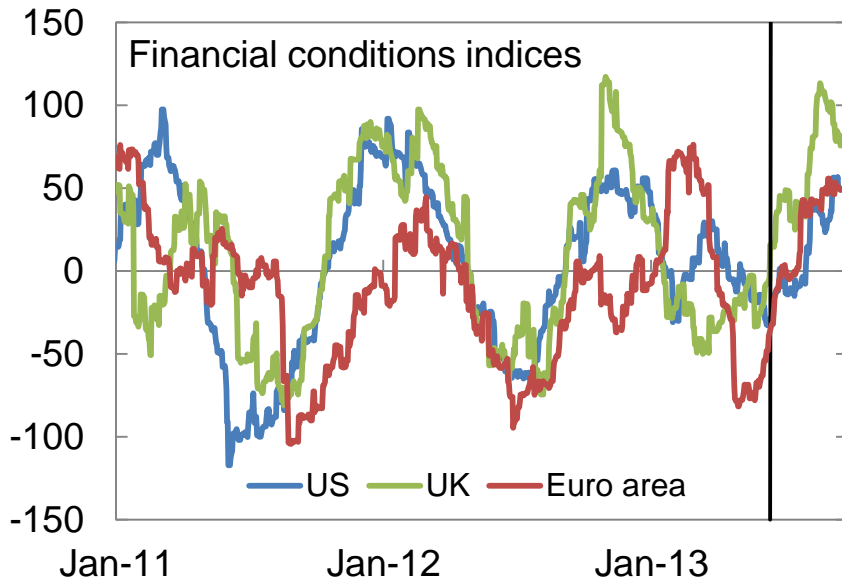


1) Expected key rates are derived from Overnight Index Swap (OIS) rates. Daily figures from 1 January 2010 and quarterly figures from 2013 Q3

2) EONIA in the euro area

Sources: Thomson Reuters, Bloomberg and Norges Bank

# Financial markets

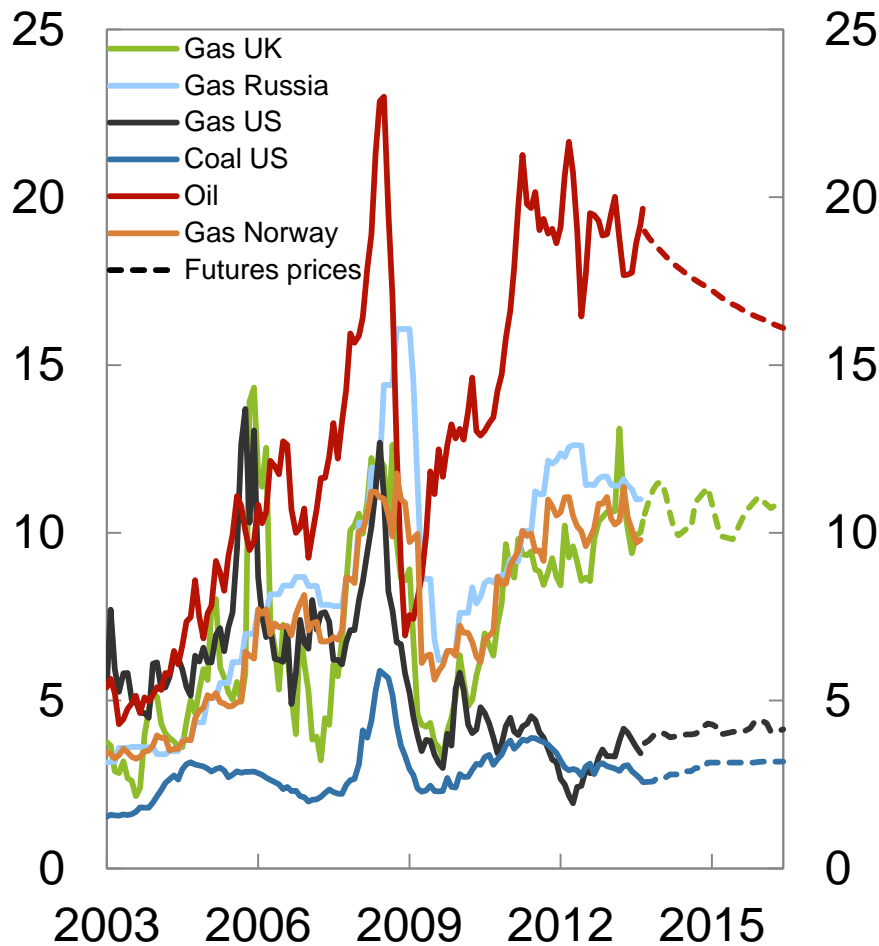


Source: Bloomberg

# Prices for coal, crude oil and natural gas

USD per MMBtu.<sup>1)</sup>

January 2003 – July 2016

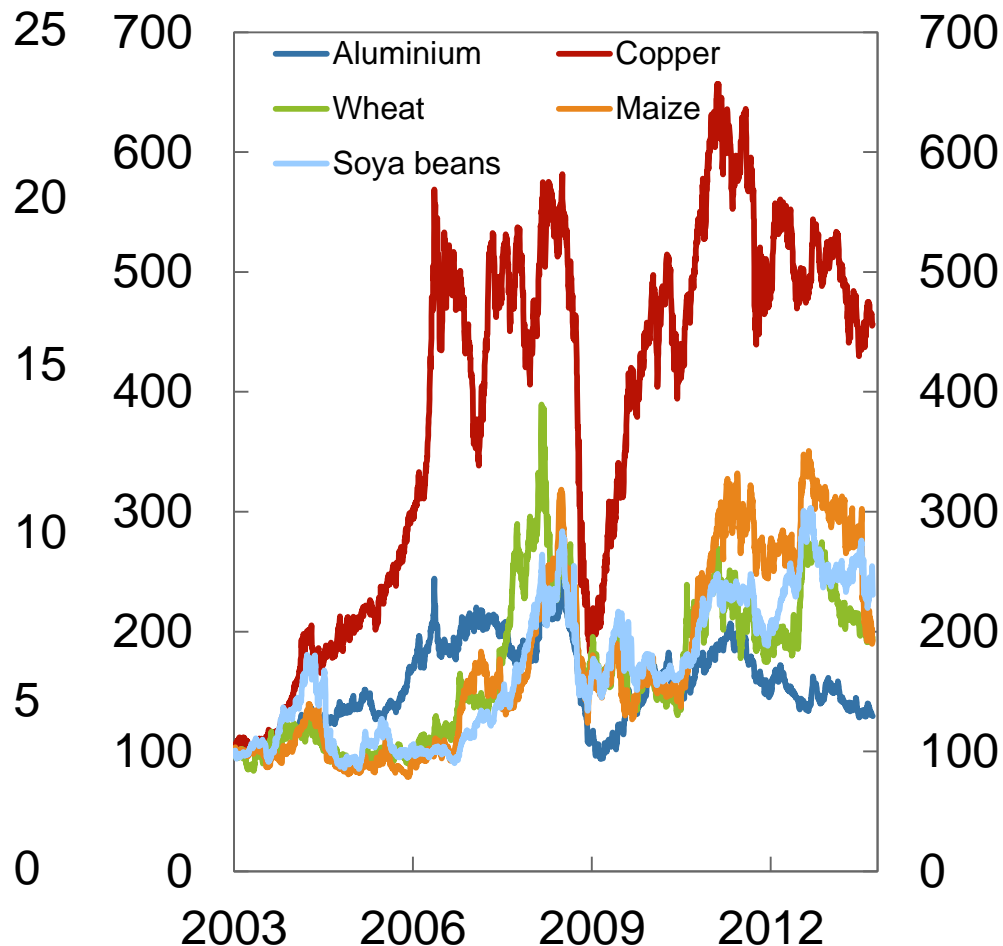


1) Million British thermal unit

# Commodity prices

Index. 2 January 2003 = 100

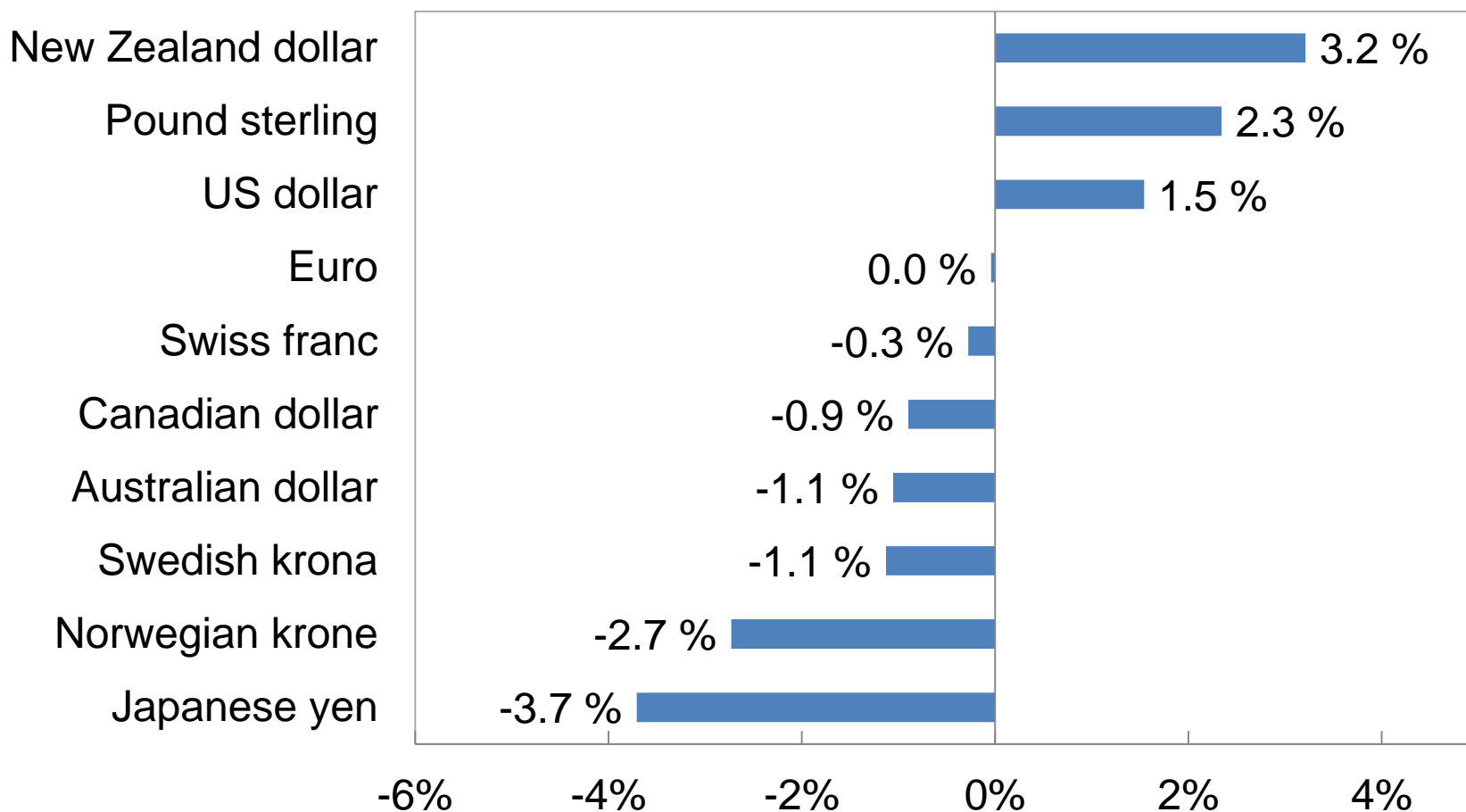
2 January 2003 – 16 September 2013



Sources: IMF, Ministry of Finance, Thomson Reuters, Statistics Norway, CME Group and Norges Bank

# International exchange rates

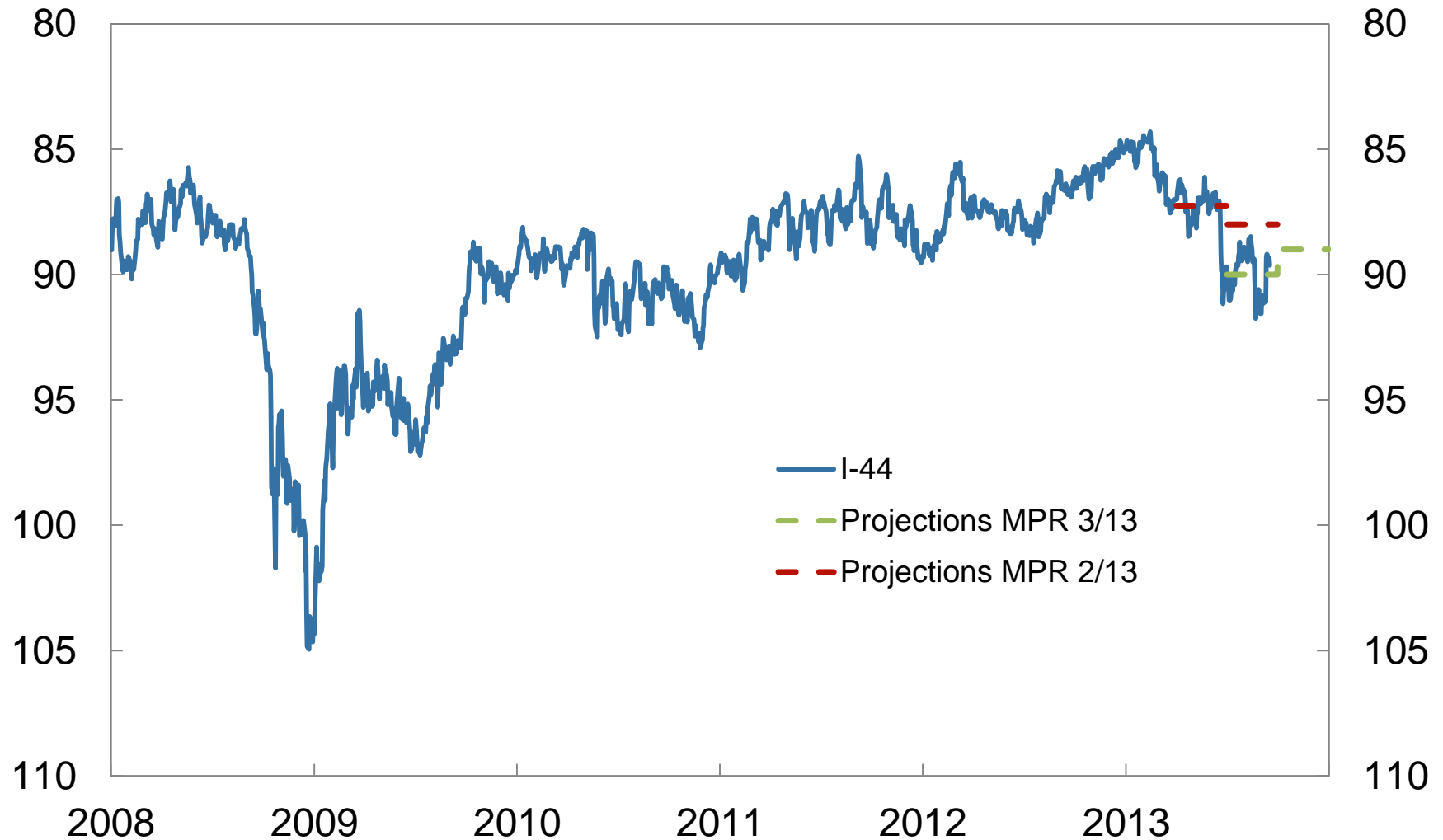
Effective exchange rates, G10 currencies. Percent. Change from 19 June 2013. At 16 September 2013



Source: Bloomberg

# Import-weighted exchange rate index (I-44)<sup>1)</sup>

1 January 2008 – 16 September 2013

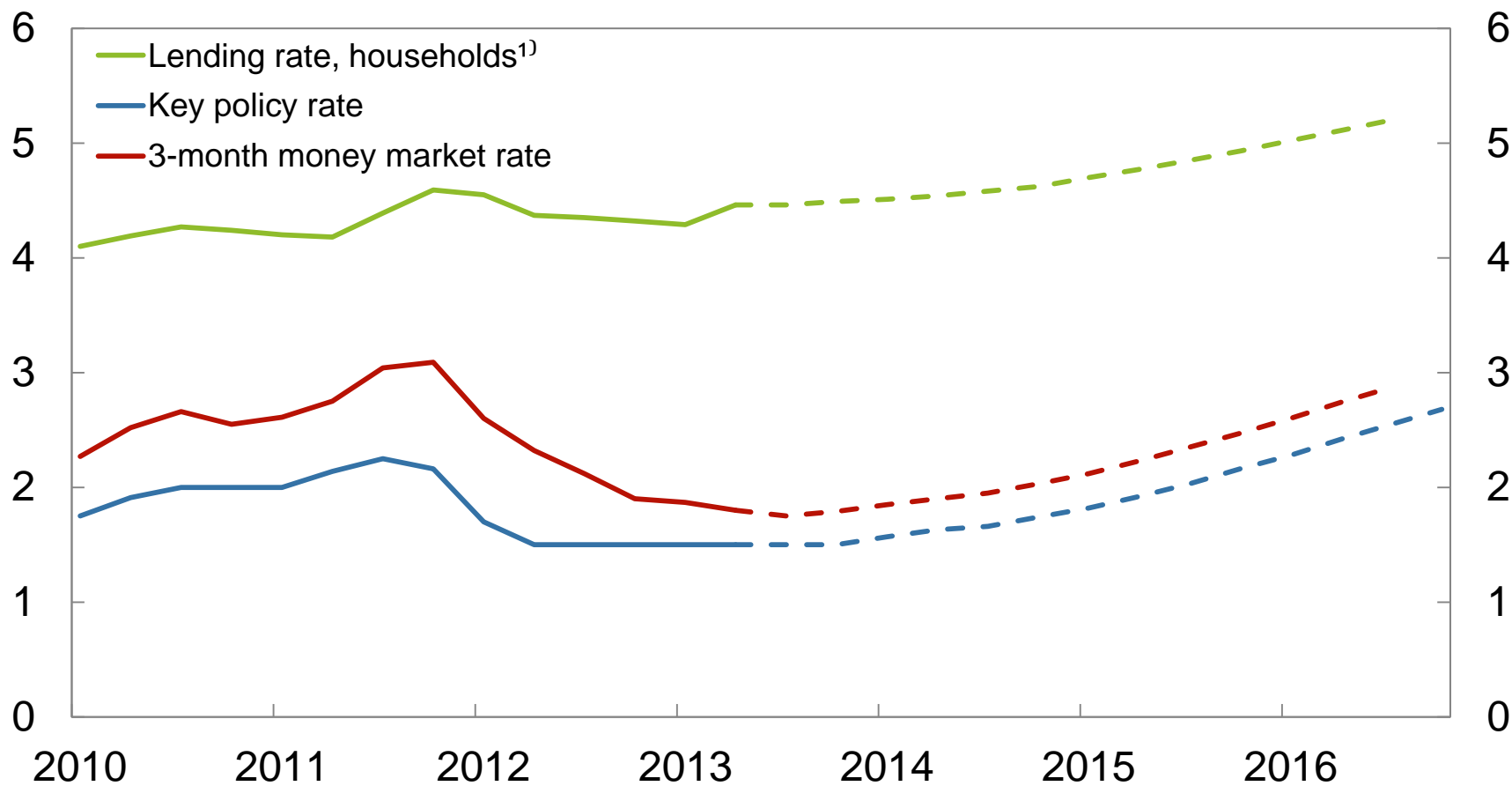


1) A positive slope denotes a stronger krone exchange rate

Source: Norges Bank

# Interest rate projections

Percent. 2010 Q1 – 2016 Q4



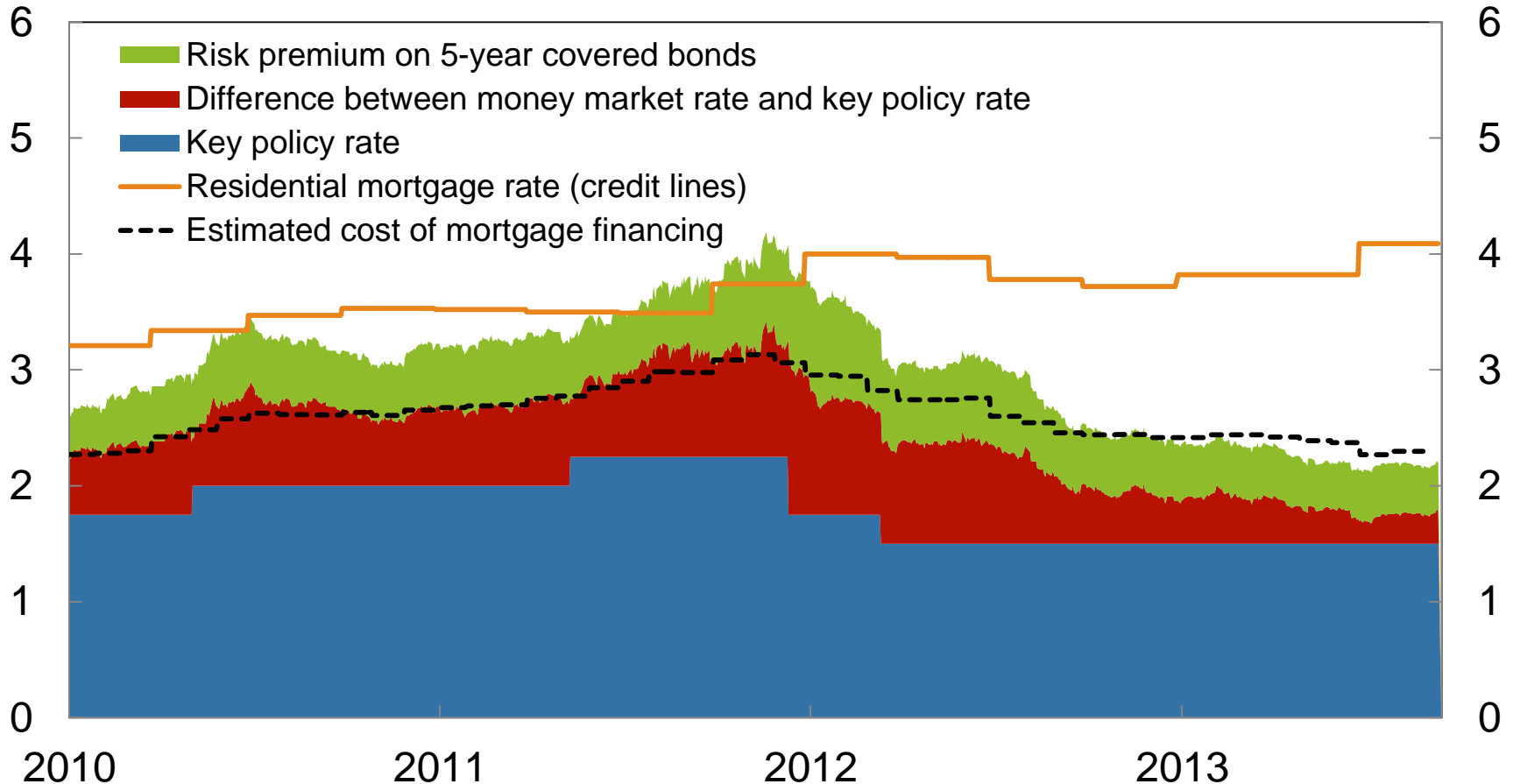
1) Average interest rate on all loans to households from banks and mortgage companies

Sources: Statistics Norway and Norges Bank



# Mortgage lending rates and funding costs

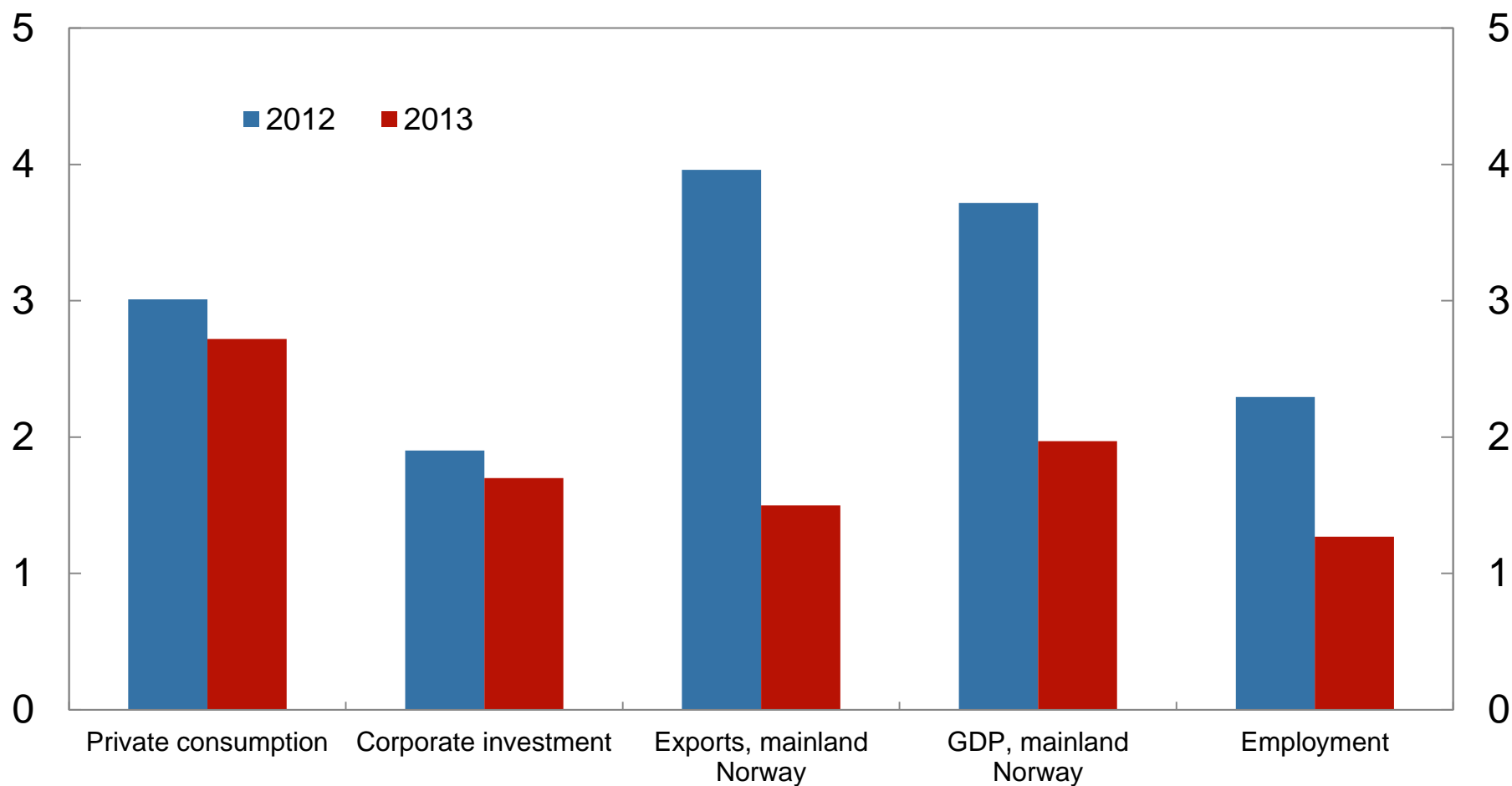
Percent. 1 January 2010 – 16 September 2013



Sources: DNB Markets, Statistics Norway and Norges Bank

# Lower growth in the Norwegian economy

Semi-annual growth<sup>1)</sup>

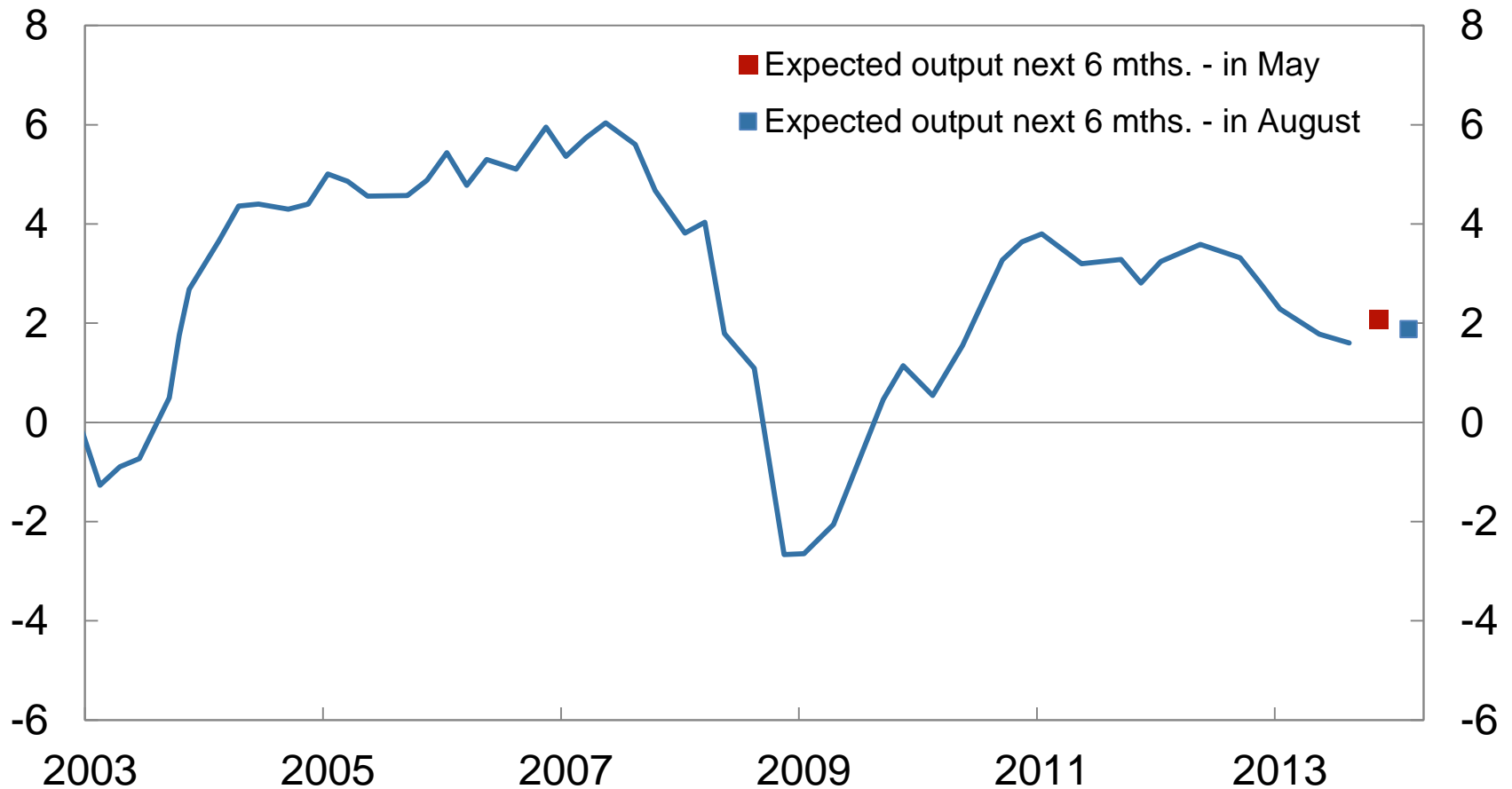


1) Growth compared with same half of previous year.

Source: Statistics Norway

# Norges Bank's regional network – output growth

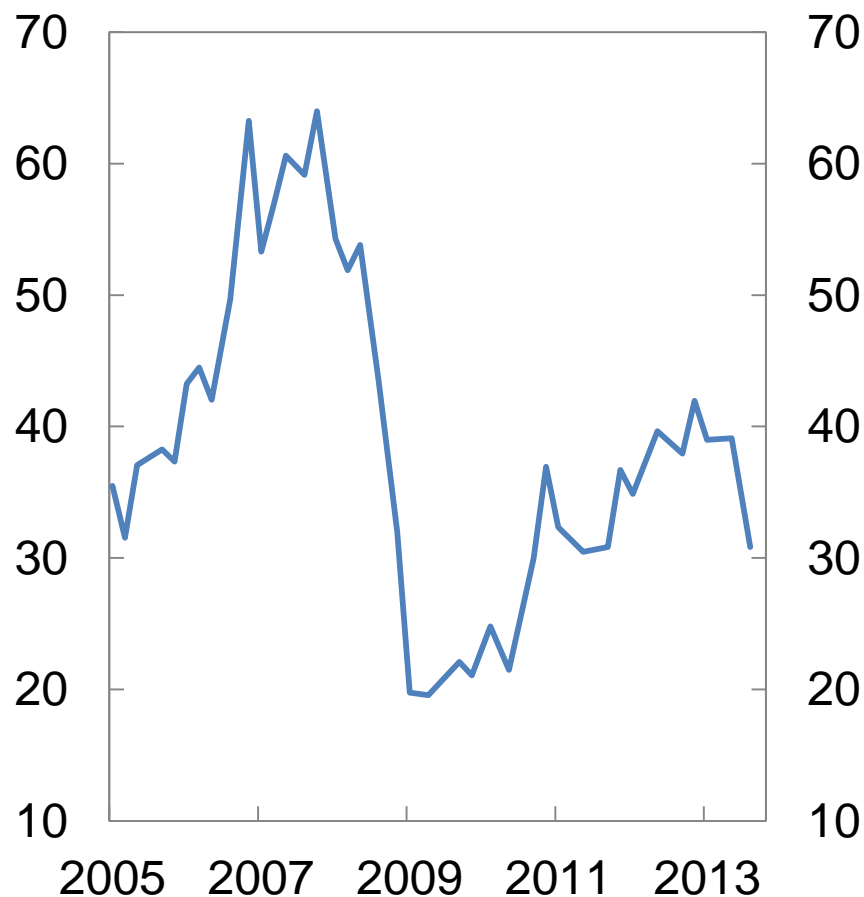
Aggregated. Past 3 months and expected growth next 6 months. Percent



Source: Norges Bank

# Capacity constraints, regional network<sup>1)</sup>

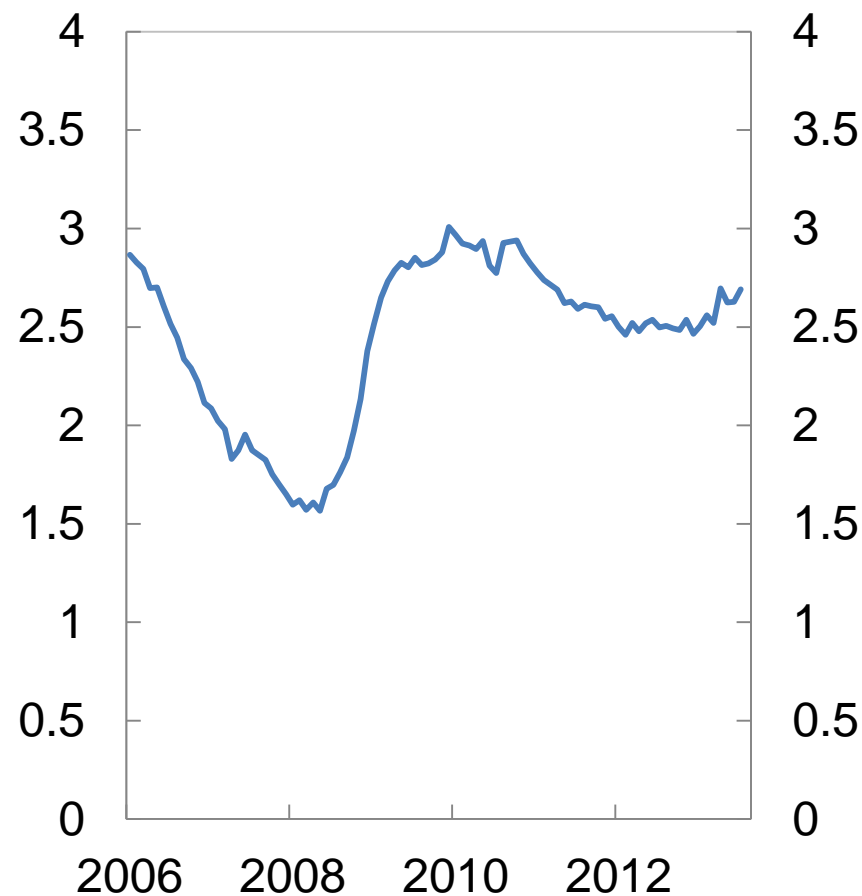
Percent. 2005 Q1 – 2013 Q3



# Unemployment rate

Seasonally adjusted

February 2006 – August 2013

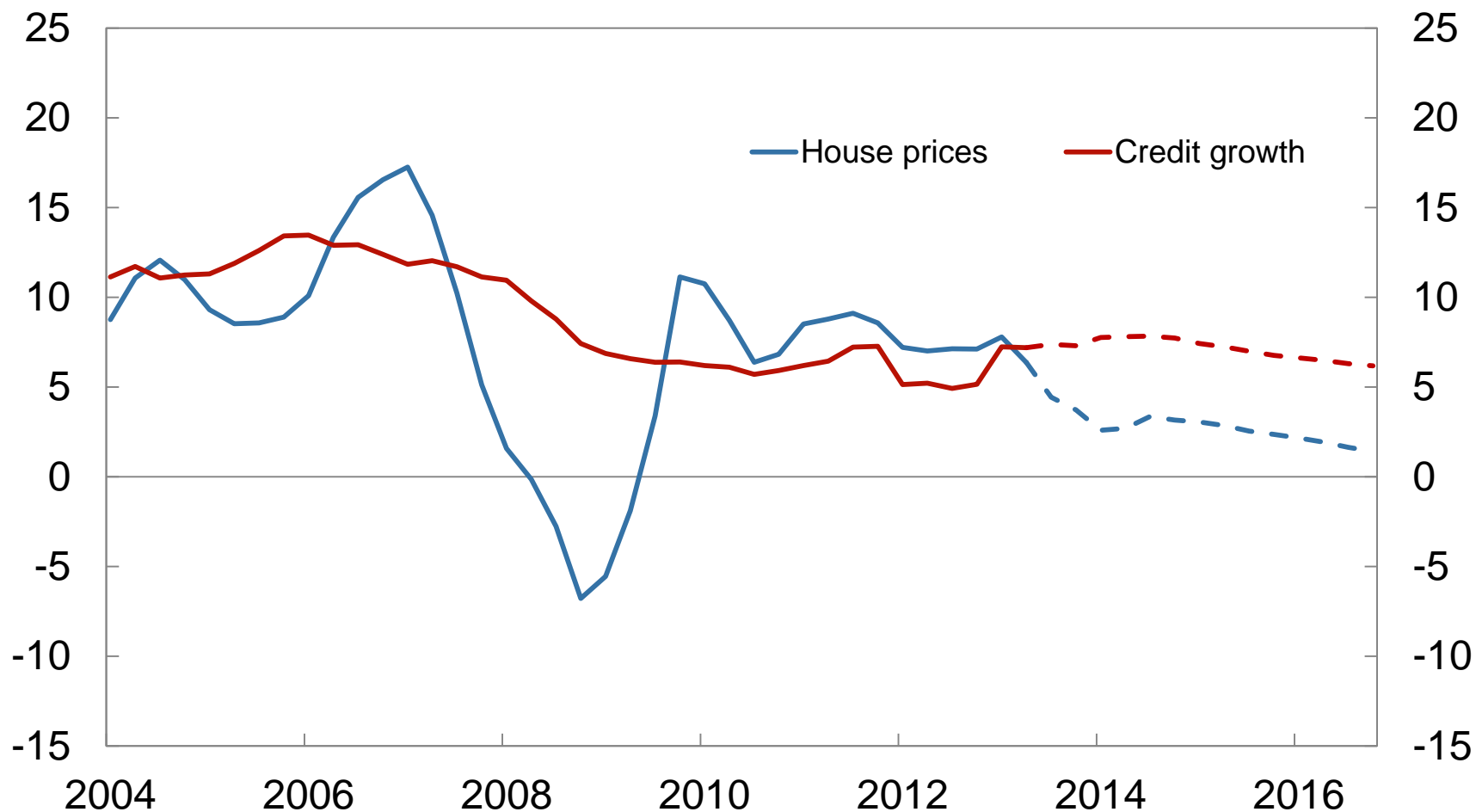


1) Share of contacts that will have some or considerable problems accommodating an increase in demand

Sources: NAV and Norges Bank

# Household credit growth and house prices

Four-quarter change. Percent. 2004 Q1 – 2016 Q4<sup>1)</sup>

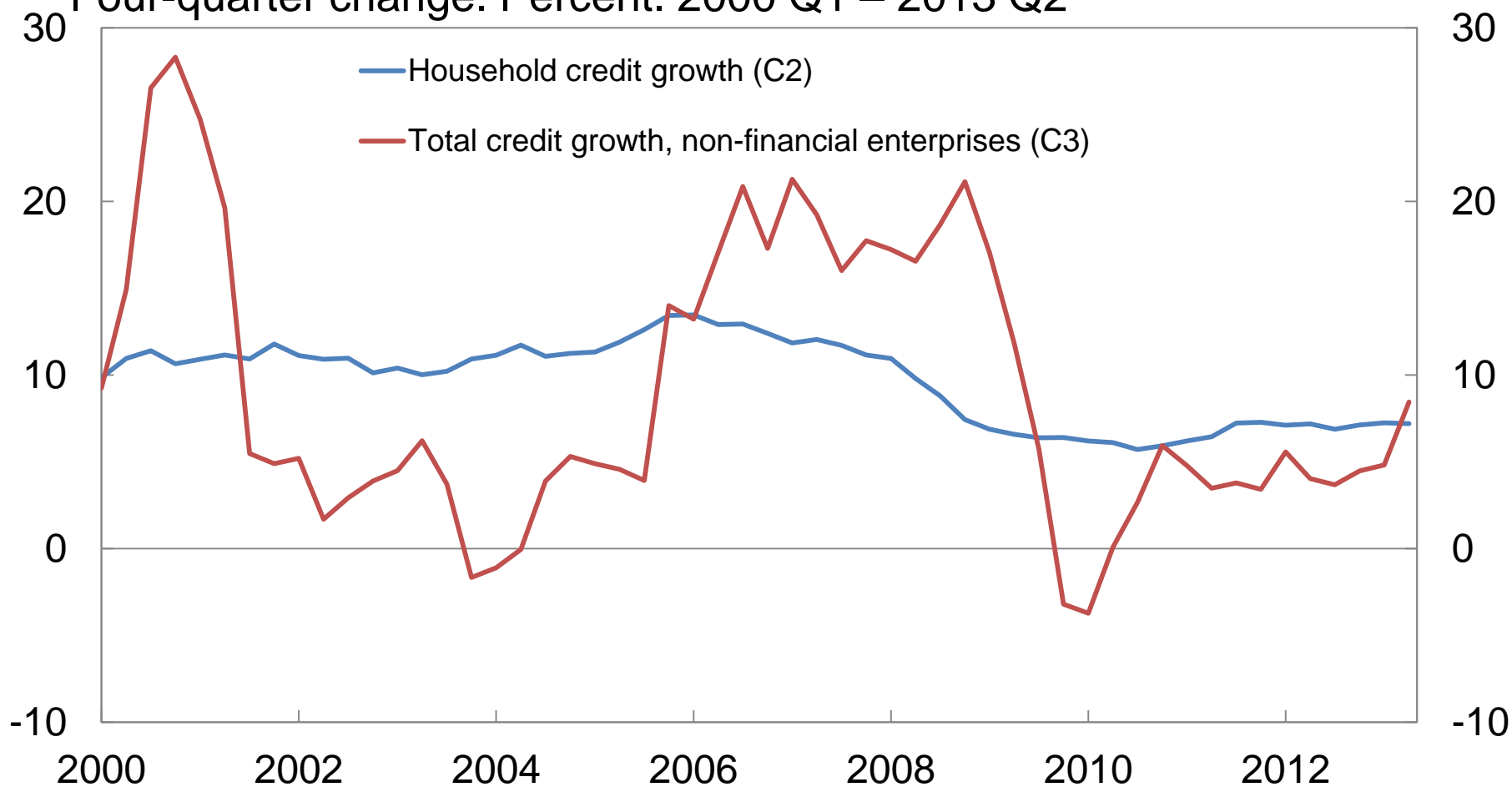


1) House prices to 2013 Q2. Projected to 2016 Q4.

Sources: Statistics Norway, the real estate sector (NEF, EFF, FINN.no and Eiendomsverdi) and Norges Bank

# Credit growth, households and non-financial enterprises

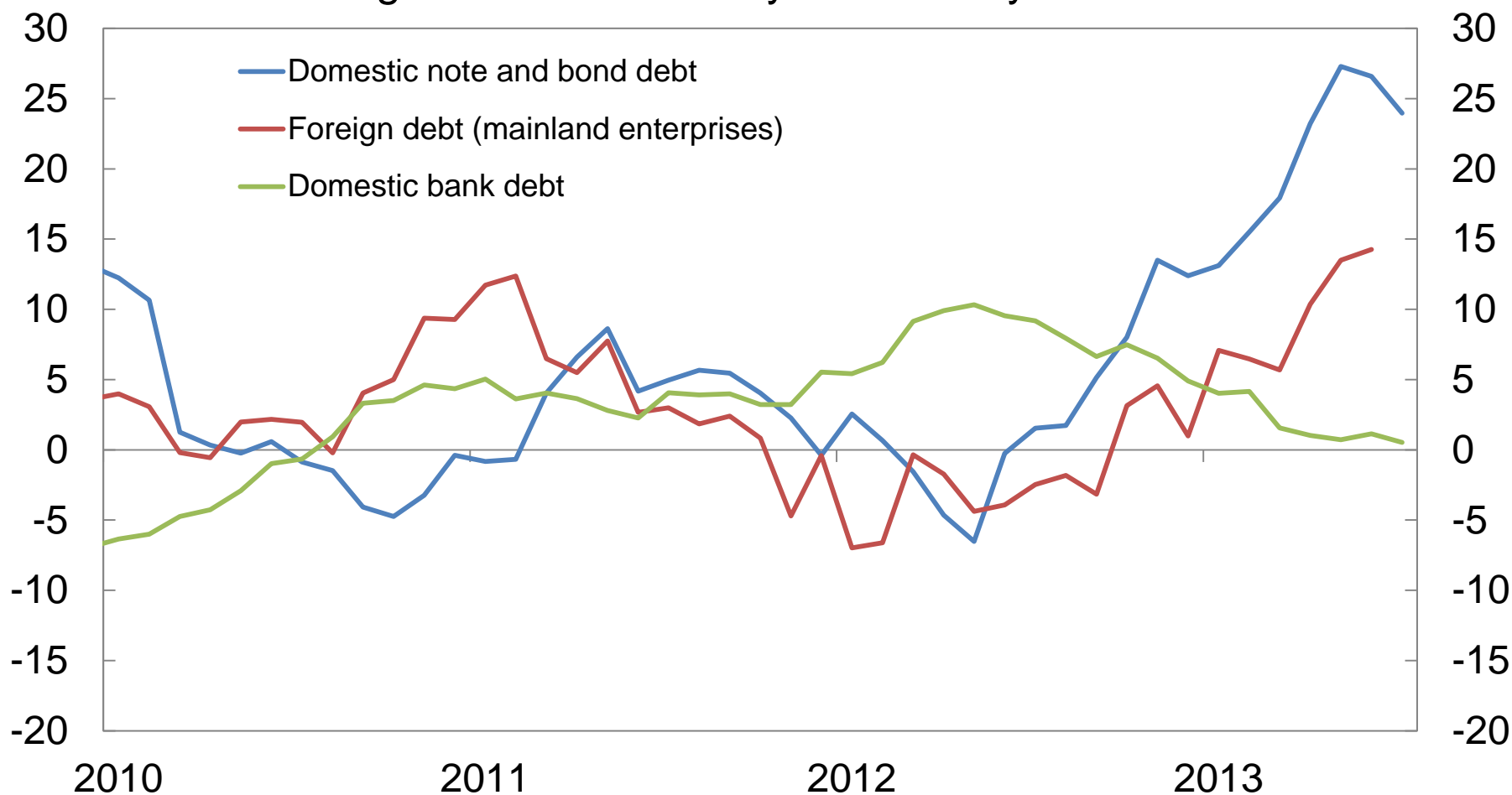
Four-quarter change. Percent. 2000 Q1 – 2013 Q2



Sources: Statistics Norway and Norges Bank

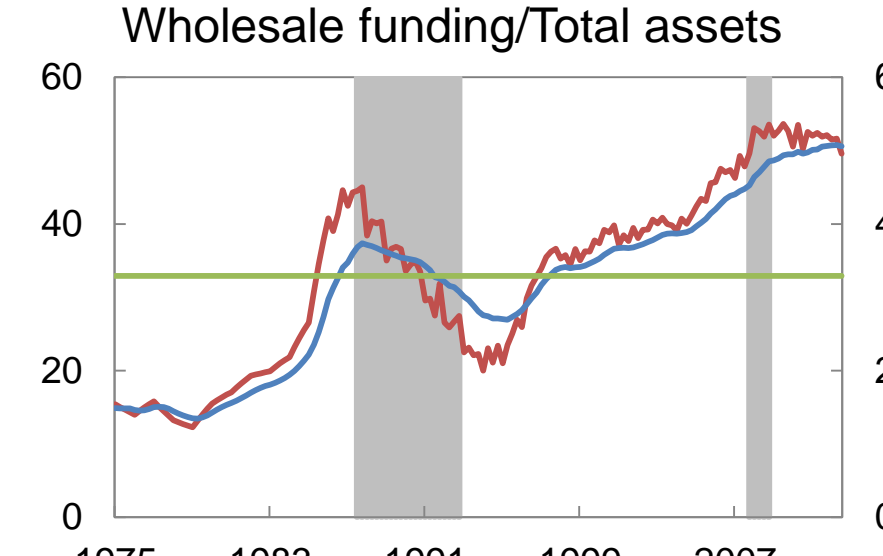
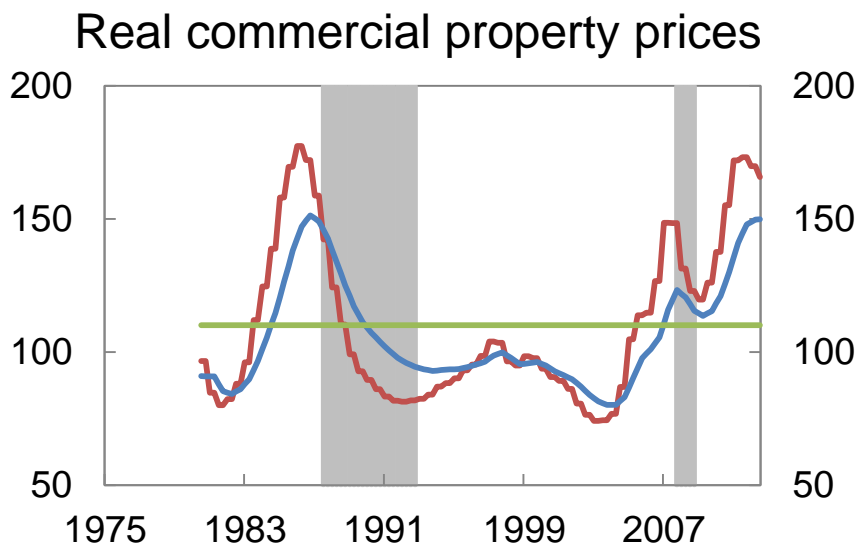
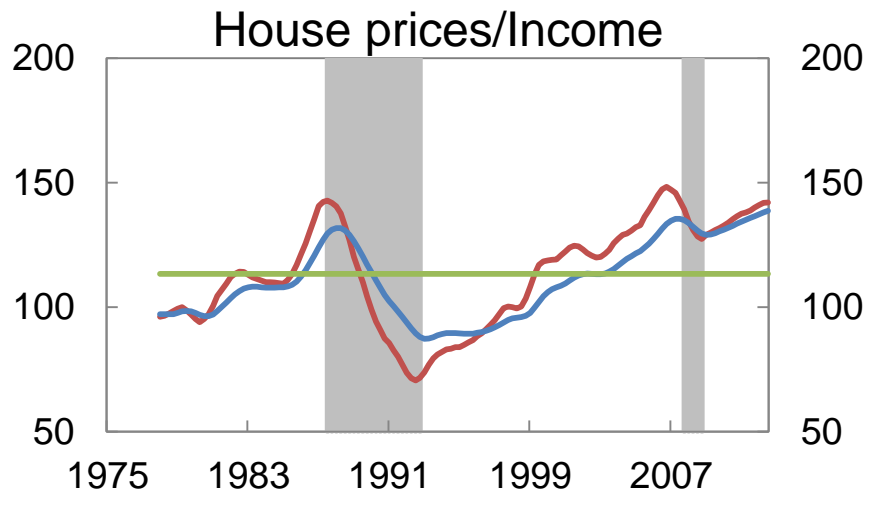
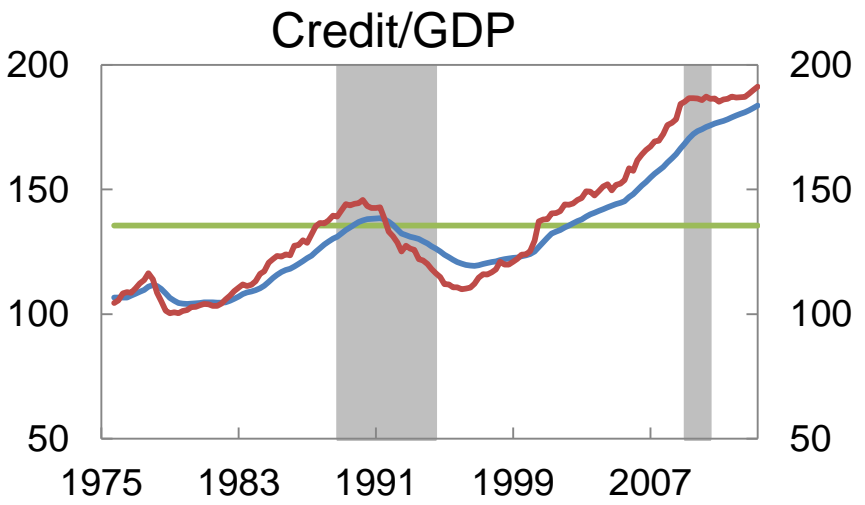
# Credit growth, non-financial enterprises, by source

12-month change. Percent. January 2010 – July 2013



Sources: Statistics Norway and Norges Bank

# Key indicators of financial imbalances

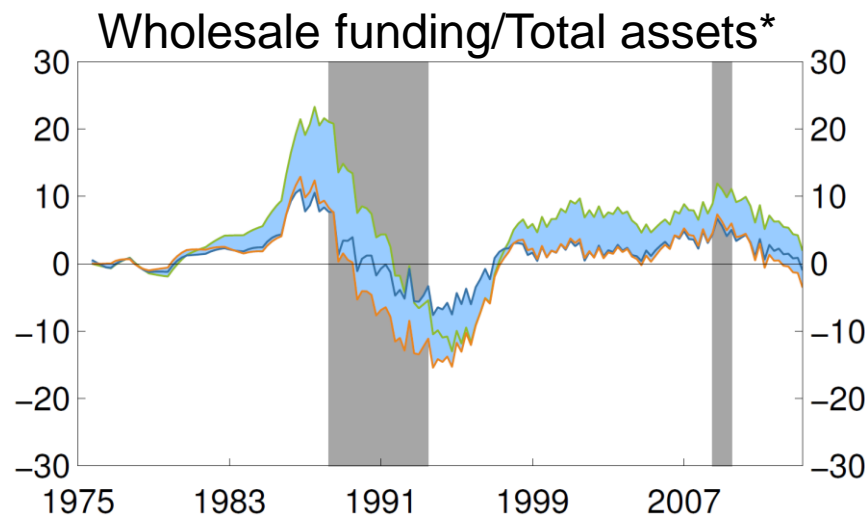
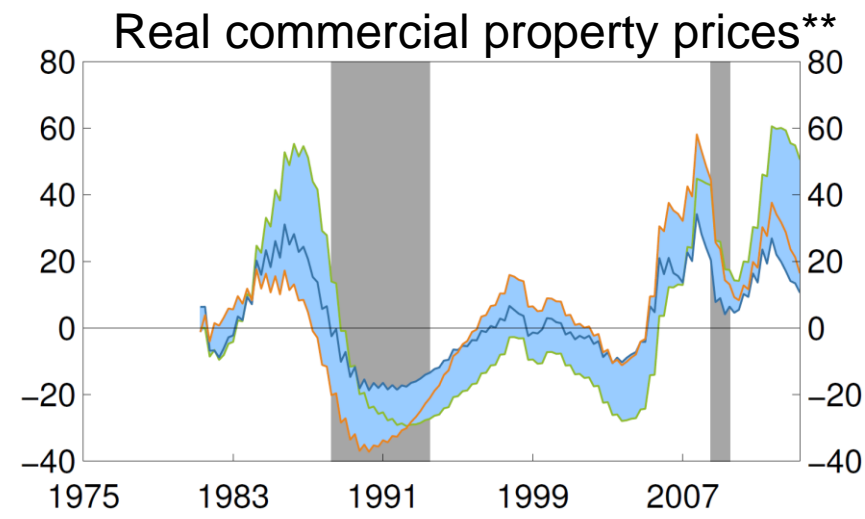
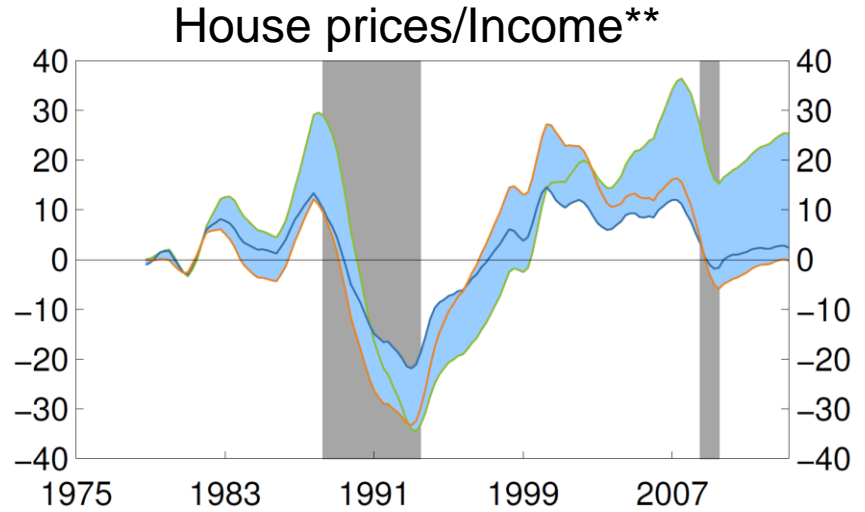
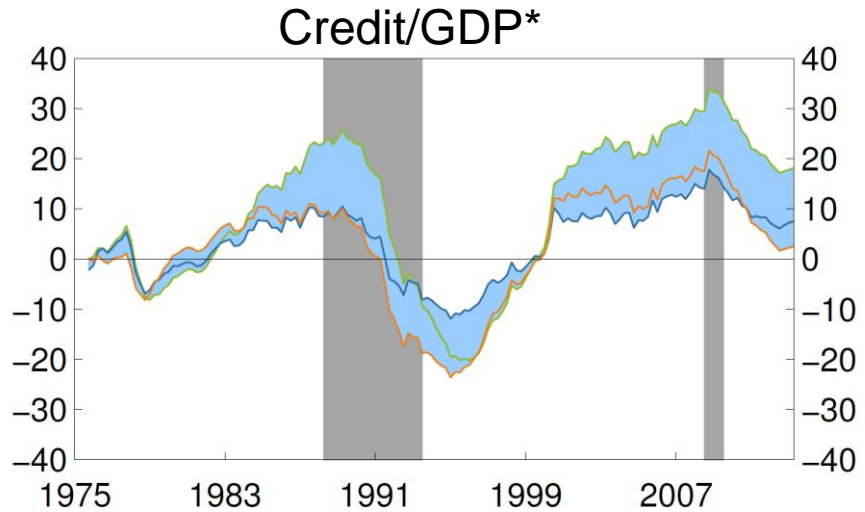


— Indicator                      — Average  
— Trend using augmented HP filter

Sources: Statistics Norway, IMF and Norges Bank



# Key indicators. Deviation from trend

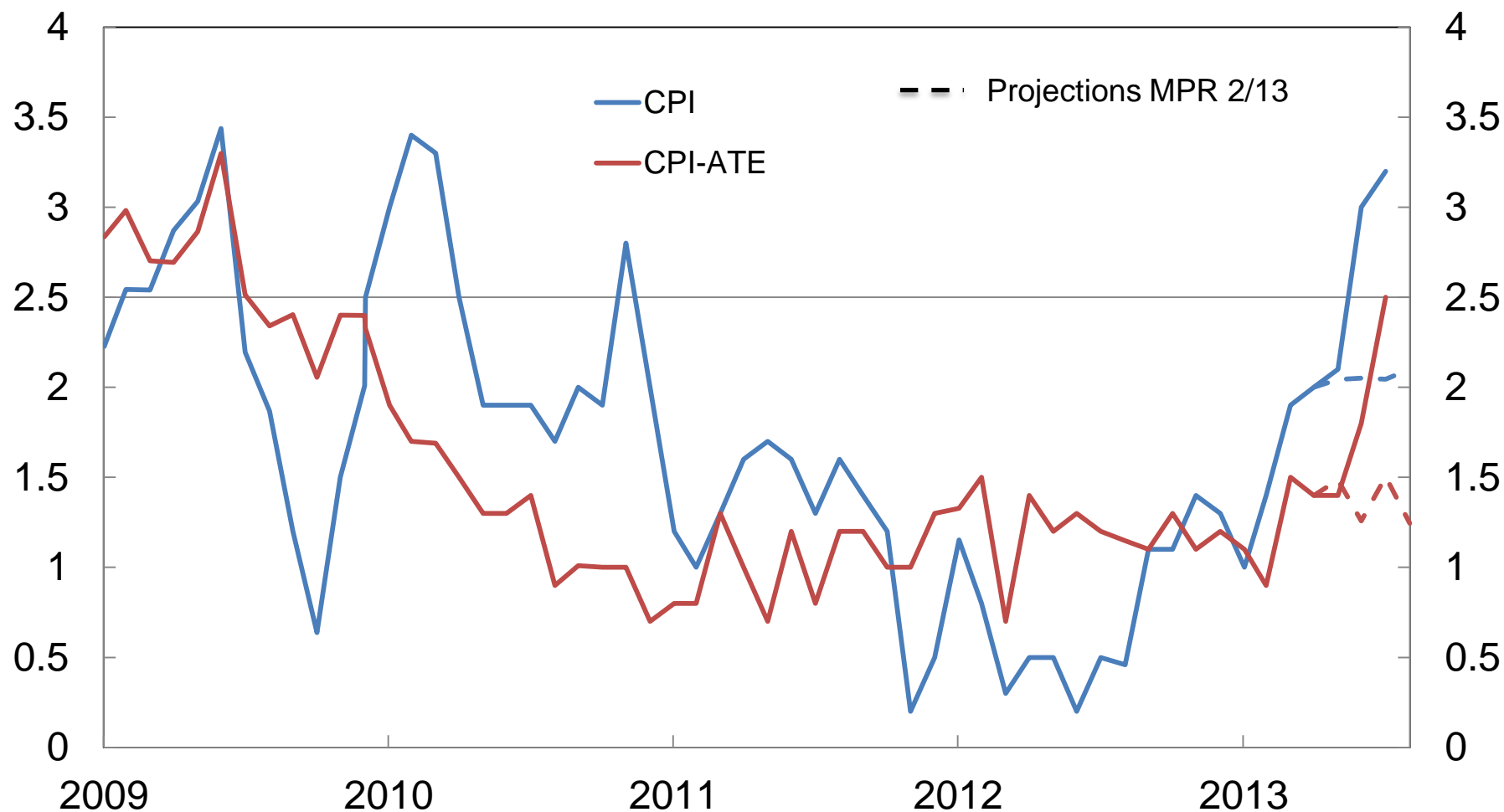


- Augmented HP filter
- Average for\* past 10 years/\*\*recursive throughout period
- One-sided HP filter

Sources: Statistics Norway, IMF and Norges Bank

# CPI and CPI-ATE

12-month change. Percent. January 2009 – August 2013<sup>1)</sup>

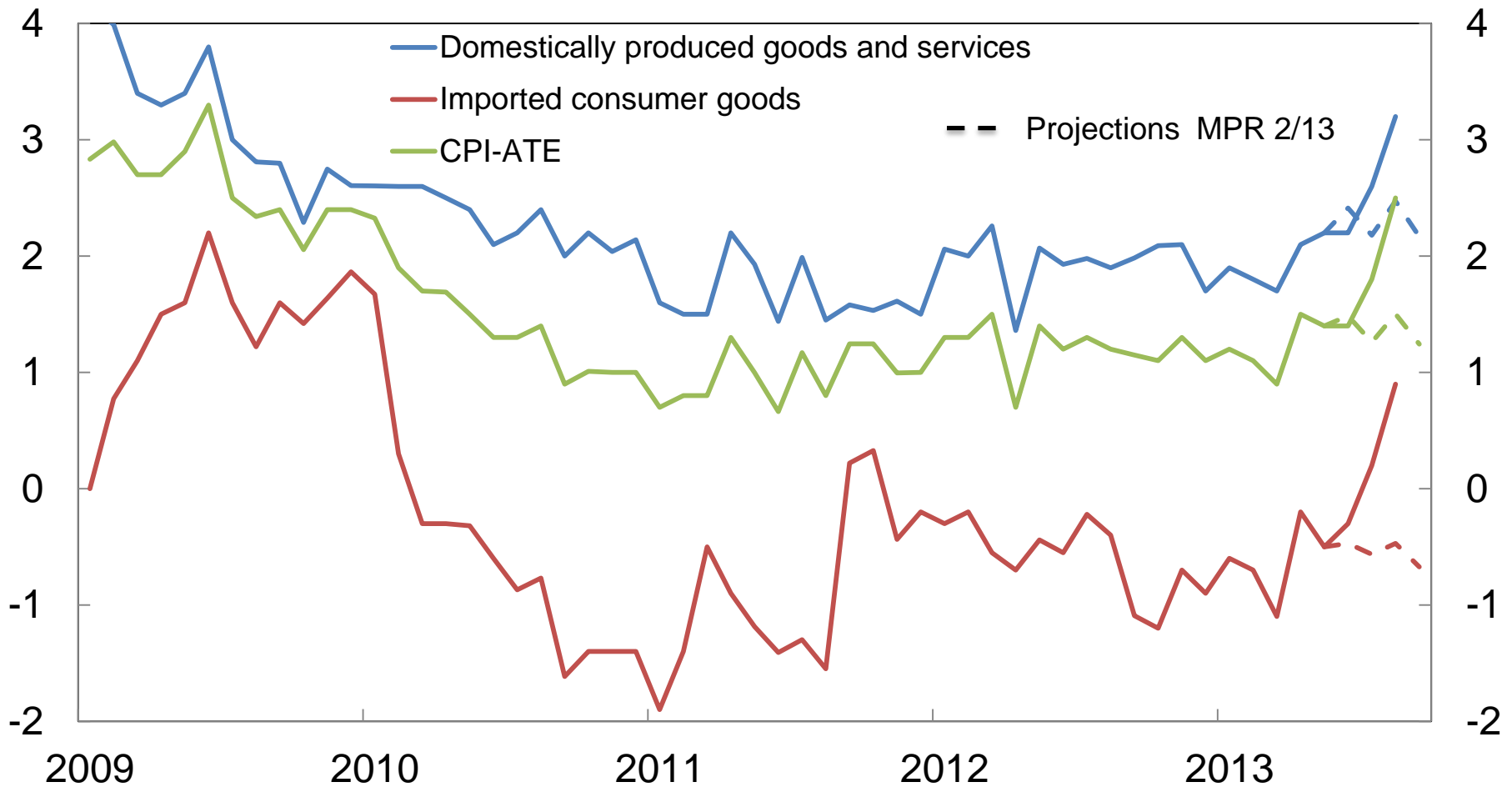


1) Projections to September 2013

Sources: Statistics Norway and Norges Bank

# CPI-ATE. Total and by supplier sector

12-month change. Percent. January 2009 – August 2013<sup>1)</sup>

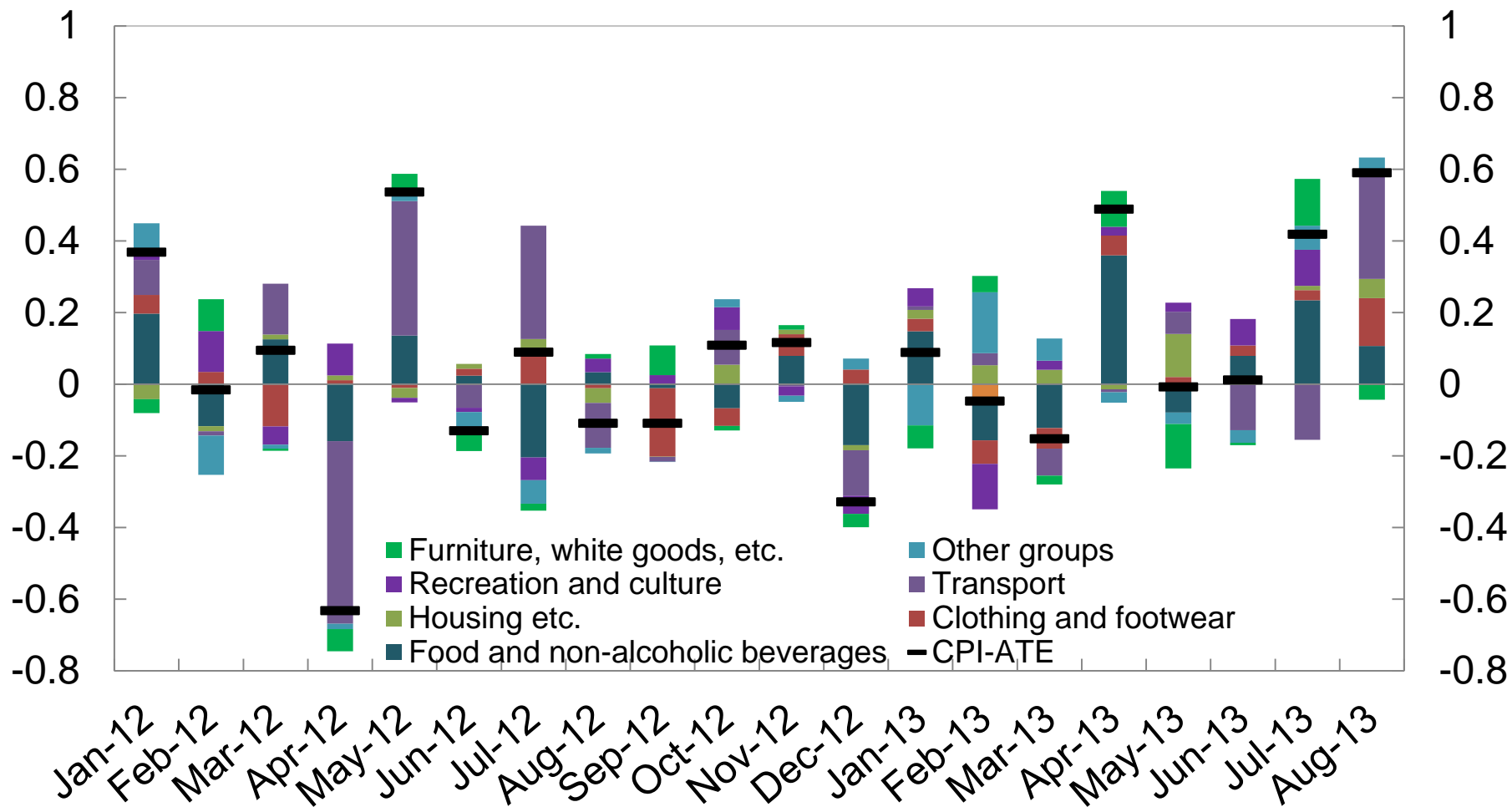


1) Projections to September 2013

Sources: Statistics Norway and Norges Bank

# CPI-ATE

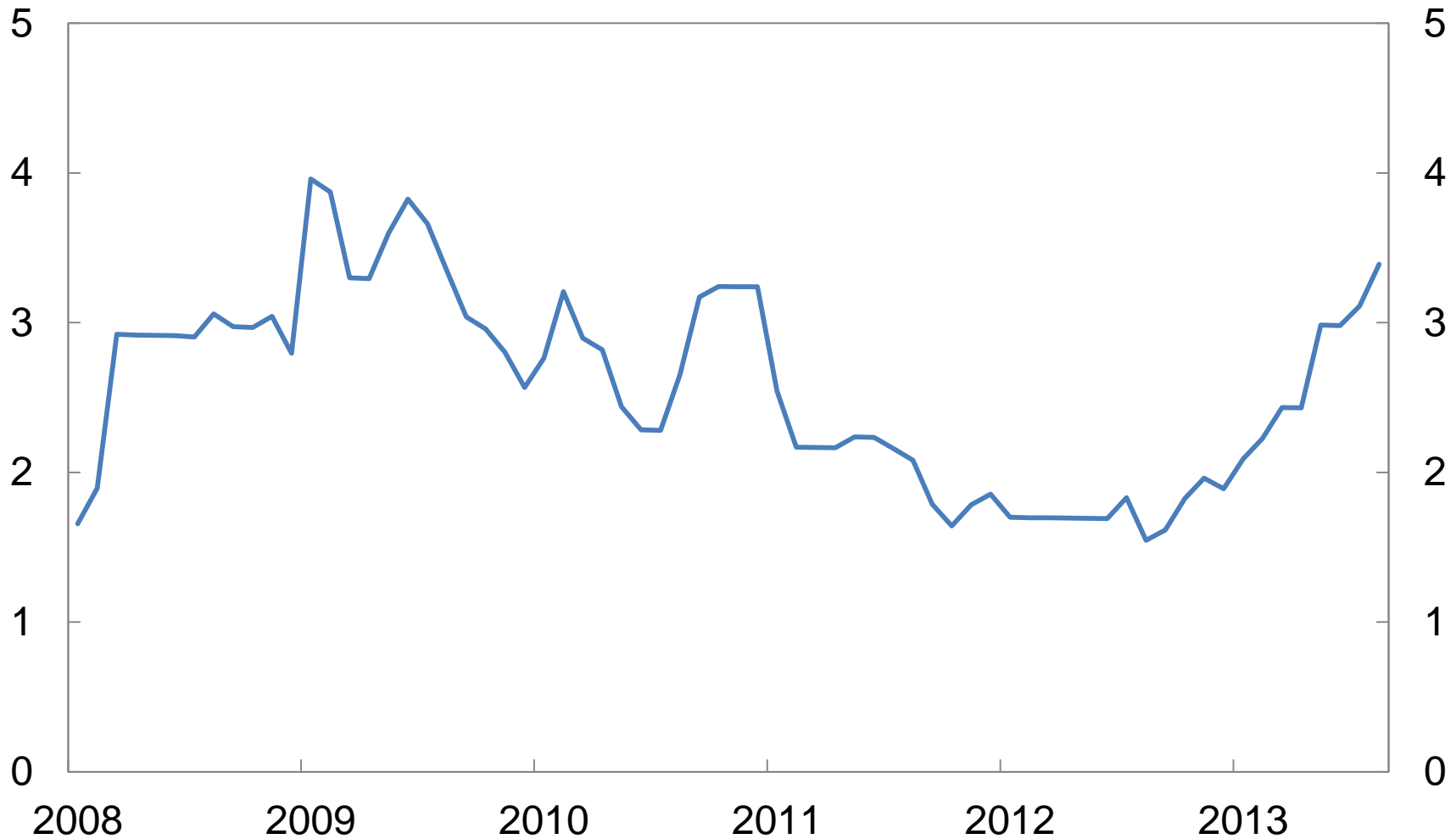
Contribution from product groups to change in twelve-month CPI-JAE inflation. Percentage points. January 2012 – August 2013



Sources: Statistics Norway and Norges Bank

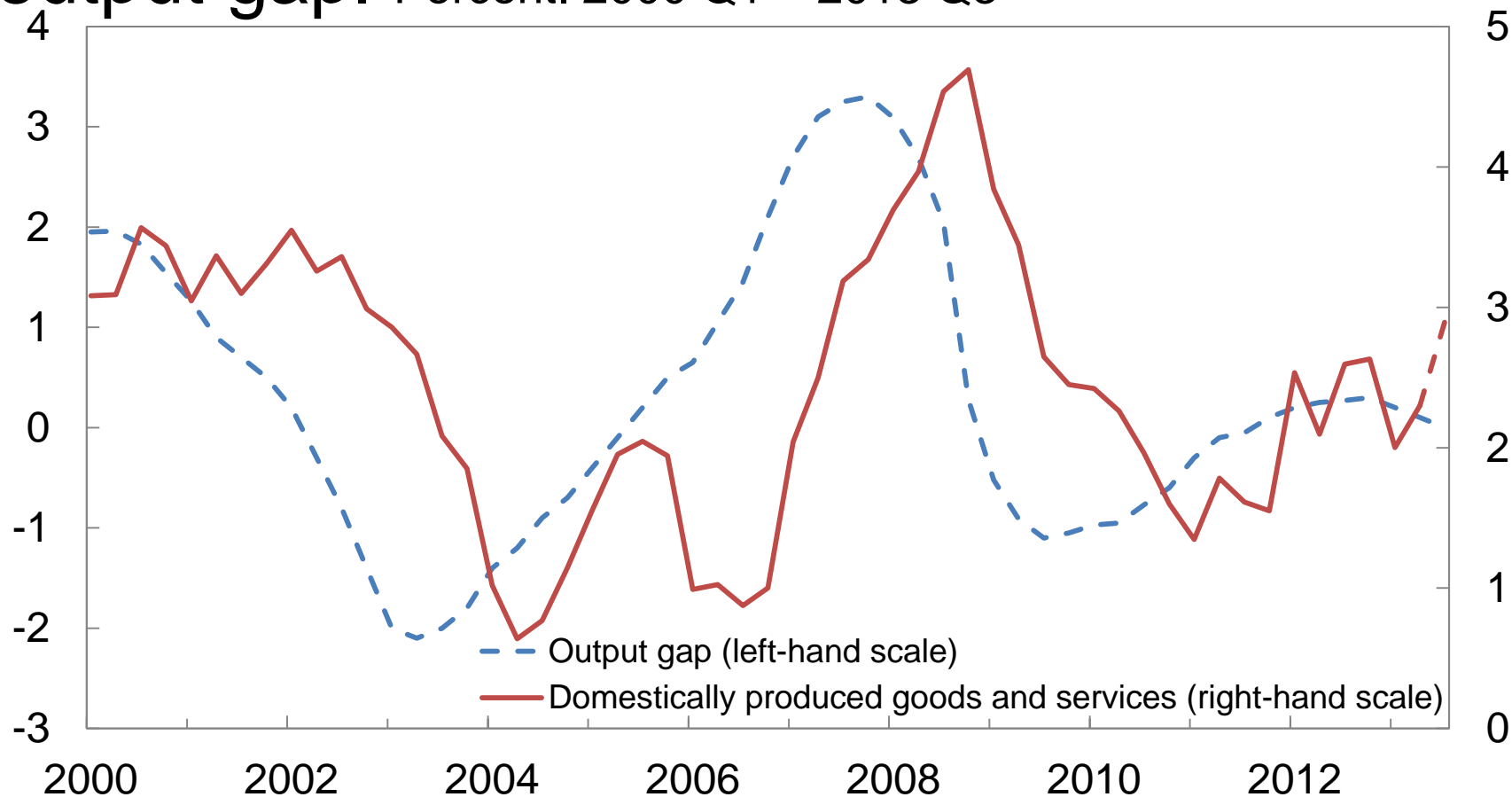
# House rents in the CPI-ATE

12-month change. Percent. January 2008 – August 2013



Source: Statistics Norway

# Domestically produced goods and services excluding house rents in the CPI-ATE and output gap. Percent. 2000 Q1 – 2013 Q3<sup>1)</sup>



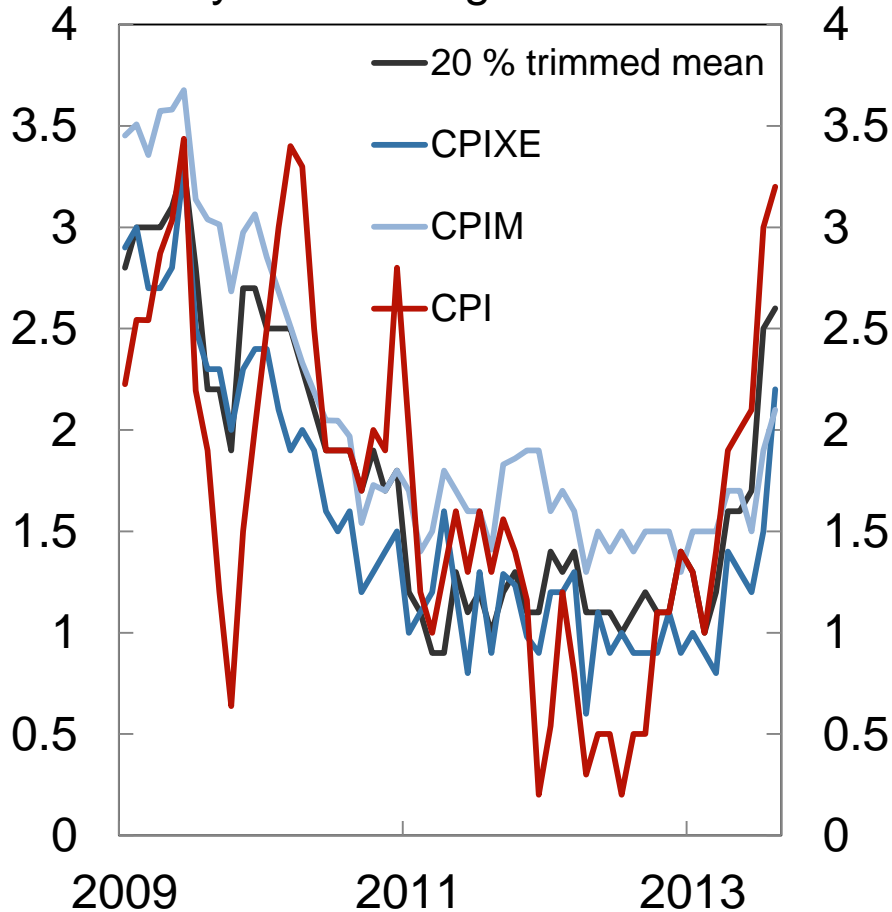
1) Projections for 2013 Q3

Sources: Statistics Norway and Norges Bank

# Indicators of underlying inflation

12-month change. Percent.

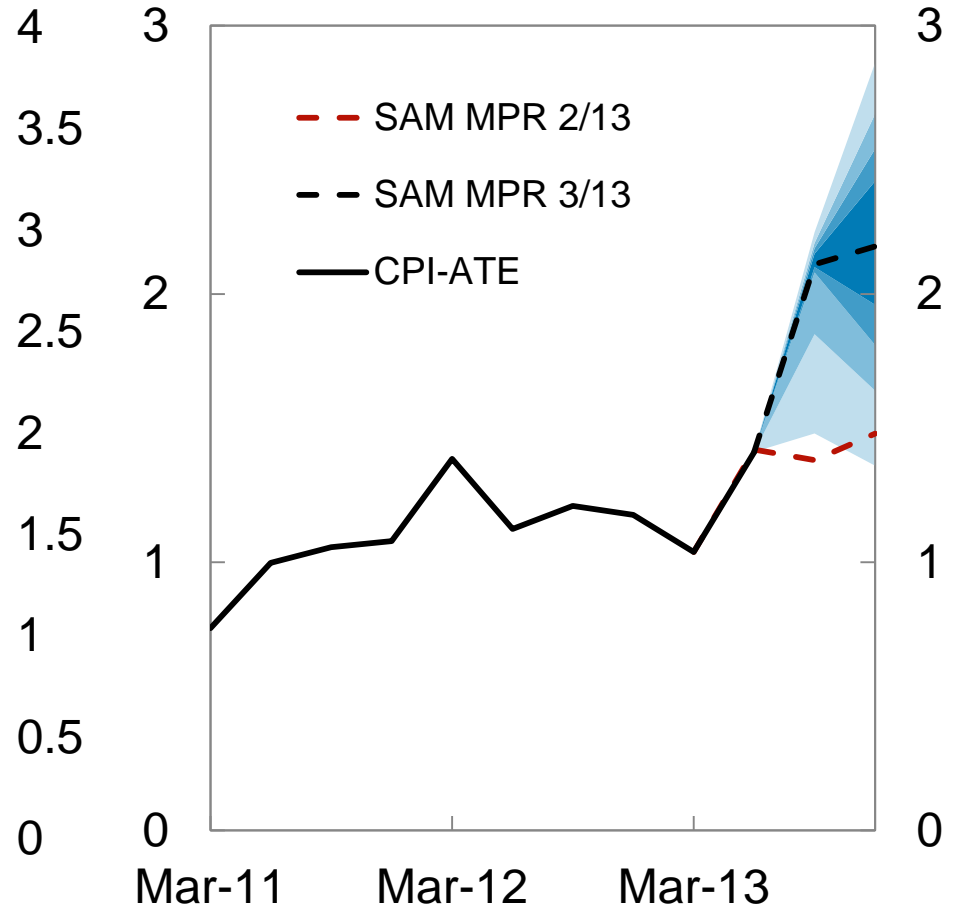
January 2009 – August 2013



# CPI-ATE

Actual figures and projections from SAM. Four-quarter change. Percent.

2011 Q1 – 2013 Q4



Sources: Statistics Norway and Norges Bank

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18 September 2013