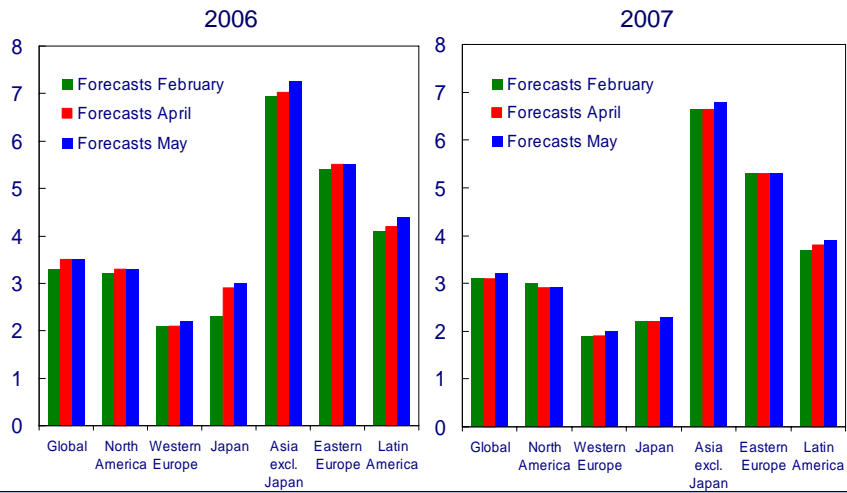


# Executive Board meeting

## 31 May 2006

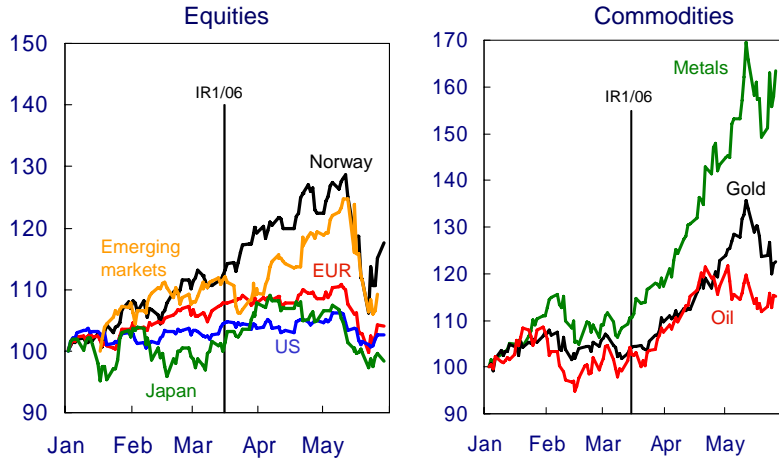
# Growth forecasts Consensus Forecasts

Forecasts for GDP growth published at different times. Per cent



### Equities and commodities

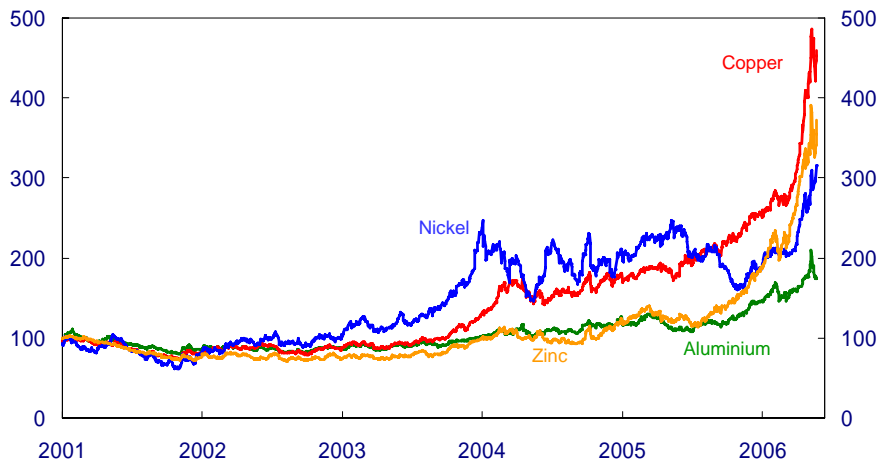
Indices, 1 January 2006 = 100. Daily figures. 1 January – 29 May 2006



Sources: STOXX, S&P500, Nikkei, Oslo Stock Exchange, FTSE and EcoWin 3

### Metal prices

USD. Indices, 1 Jan 2001 = 100. Daily figures. 1 Jan 2001 - 26 May 2006



Source: EcoWin 4

### Spread between US government bonds and government bonds of emerging economies<sup>1)</sup>

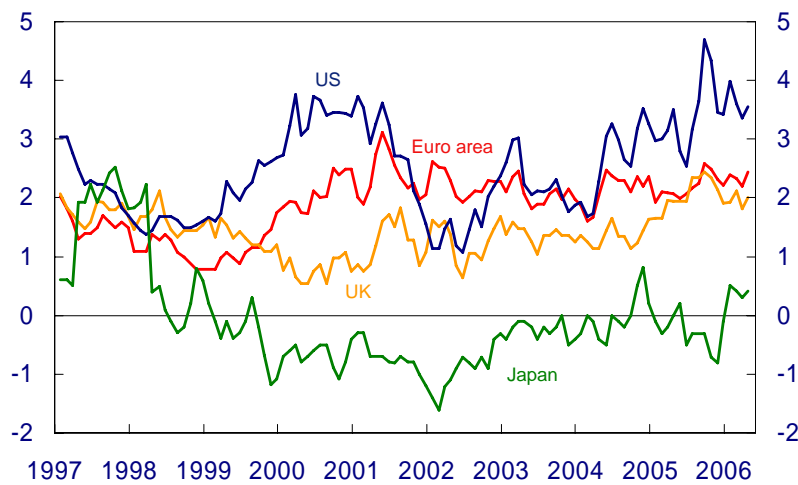
Basis points. 1.1.2000 – 29.5.2006



Source: EcoWin 5

### Consumer prices (CPI/HICP)

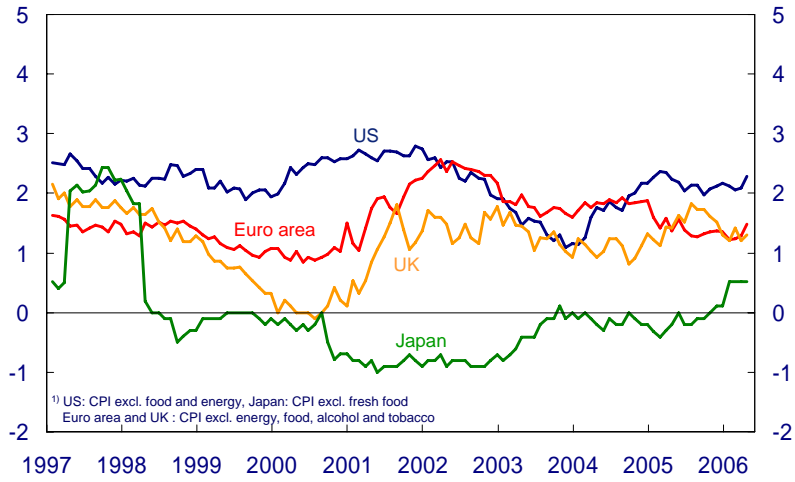
12-month change. January 1997 – April 2006. Per cent



Source: EcoWin/National statistics 6

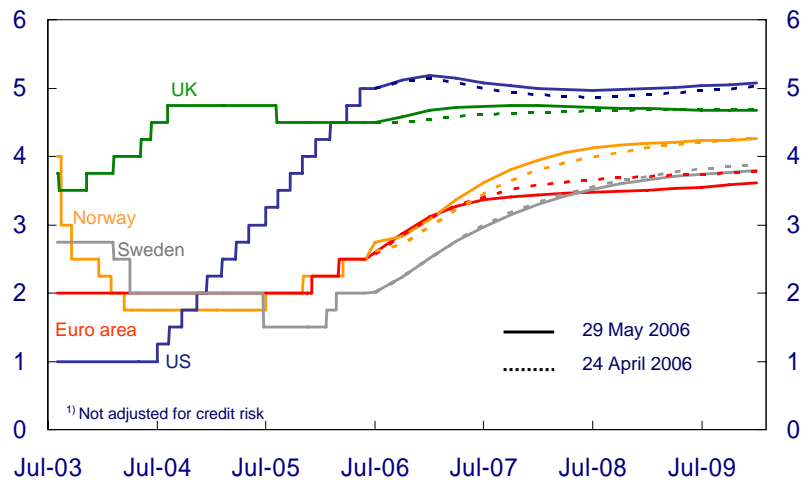
### Core inflation

CPI/HICP-core. 12-month change. January 1997 - April 2006. Per cent



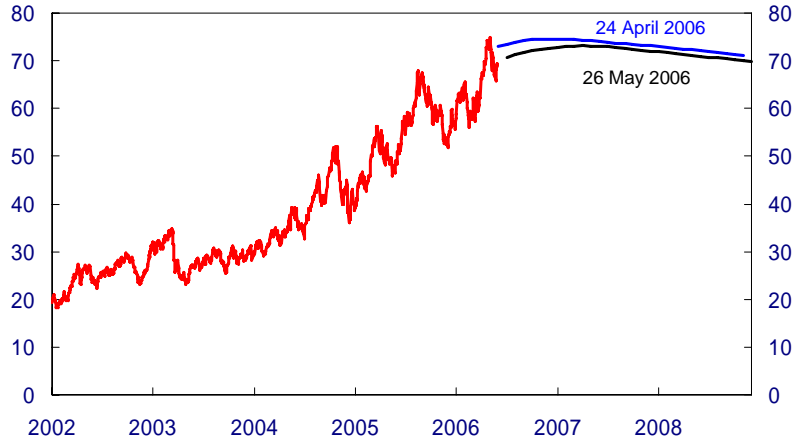
Source: EcoWin/National statistics 7

### Actual and expected key rates<sup>1)</sup>



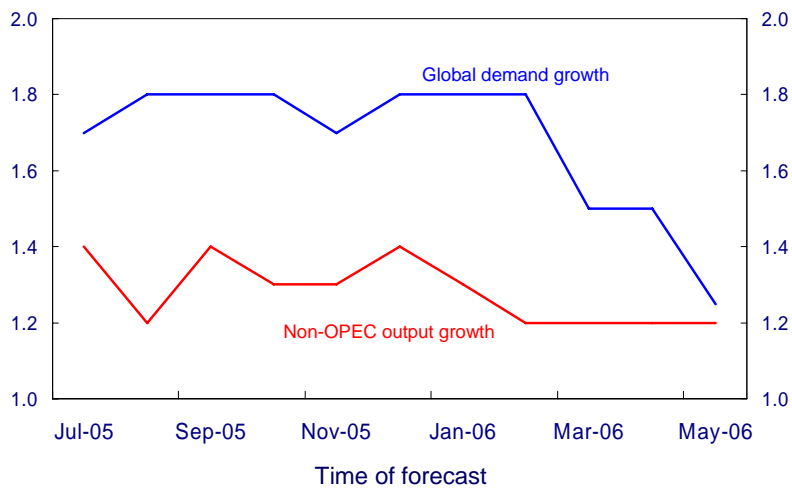
Sources: Reuters and Norges Bank 8

### Oil price Brent Blend and futures prices USD per barrel. Daily figures. January 02 – December 08



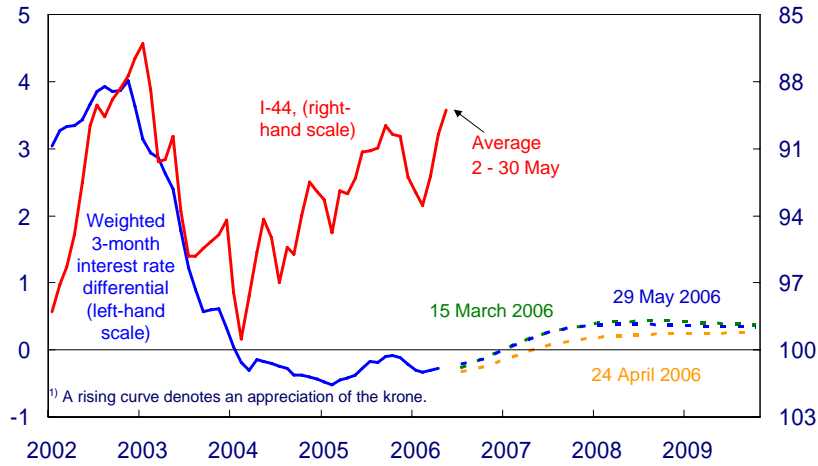
Sources: Norges Bank and EcoWin 9

### IEA forecasts for growth in oil demand and output in 2006 Changes in million barrels per day on previous year



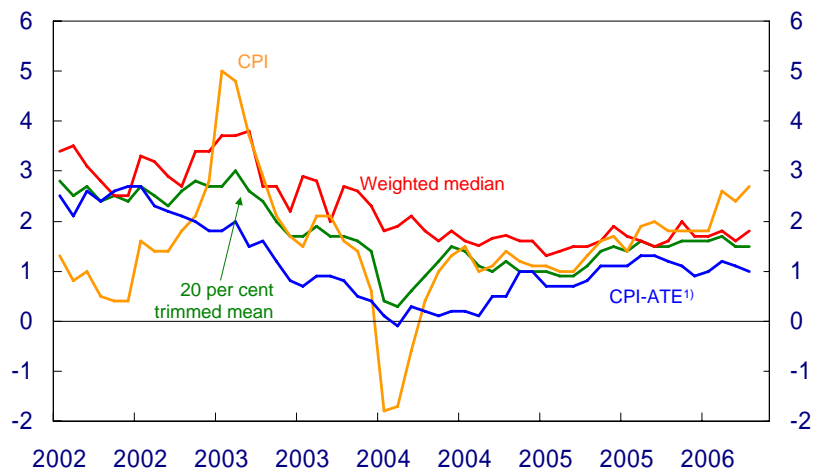
Source: International Energy Agency 10

### 3-month interest rate differential and import-weighted exchange rate (I-44) <sup>1)</sup>. January 2002 – December 2009



Sources: Bloomberg and Norges Bank 11

### Various inflation indicators 12-month change. January 2002 – April 2006. Per cent

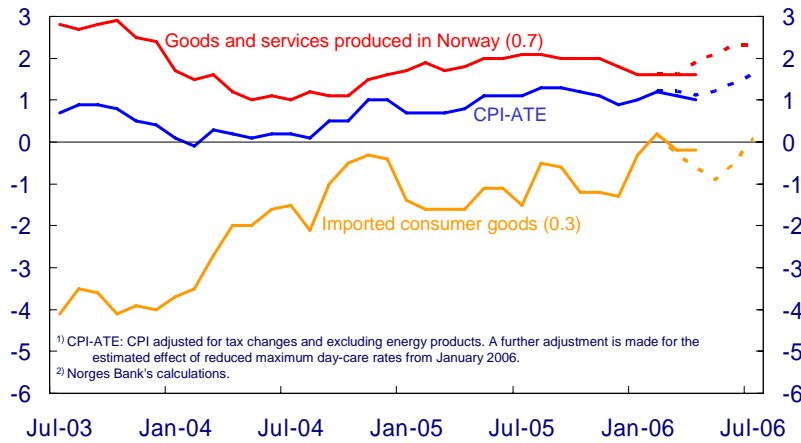


<sup>1)</sup> Adjusted for the estimated effect of reduced maximum day-care rates from January 2006.

Sources: Statistics Norway and Norges Bank 12

### CPI-ATE<sup>1)</sup>

Total and broken down into imported and domestically produced goods and services<sup>2)</sup> Historical inflation and projections IR 1/06 (broken line).  
12-month change. Per cent

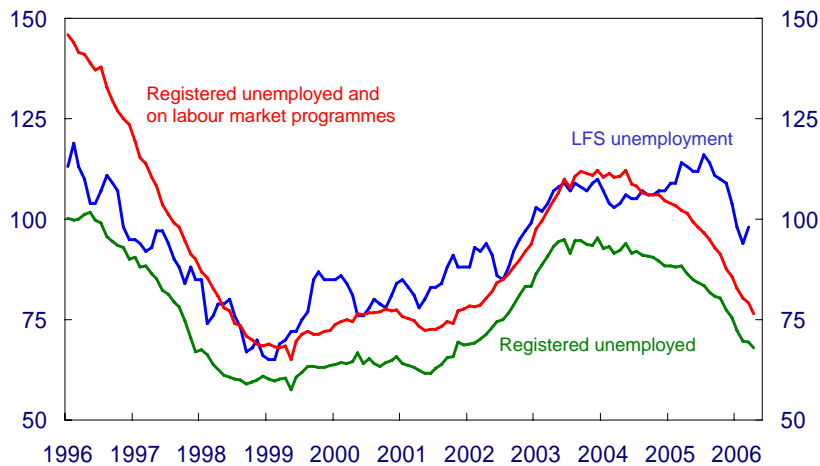


<sup>1)</sup> CPI-ATE: CPI adjusted for tax changes and excluding energy products. A further adjustment is made for the estimated effect of reduced maximum day-care rates from January 2006.  
<sup>2)</sup> Norges Bank's calculations.

Sources: Statistics Norway and Norges Bank 13

### Number of unemployed

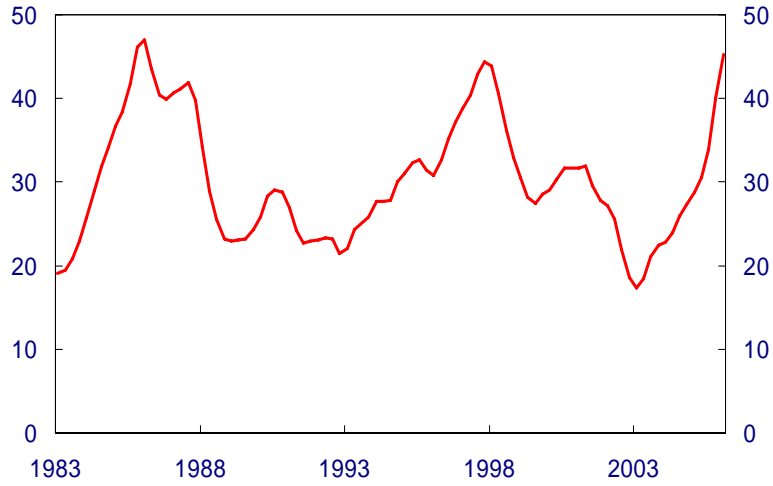
LFS, registered unemployed and persons on labour market programmes.  
In thousands. Seasonally adjusted



Sources: Statistics Norway and the Directorate of Labour 14

### Business tendency survey

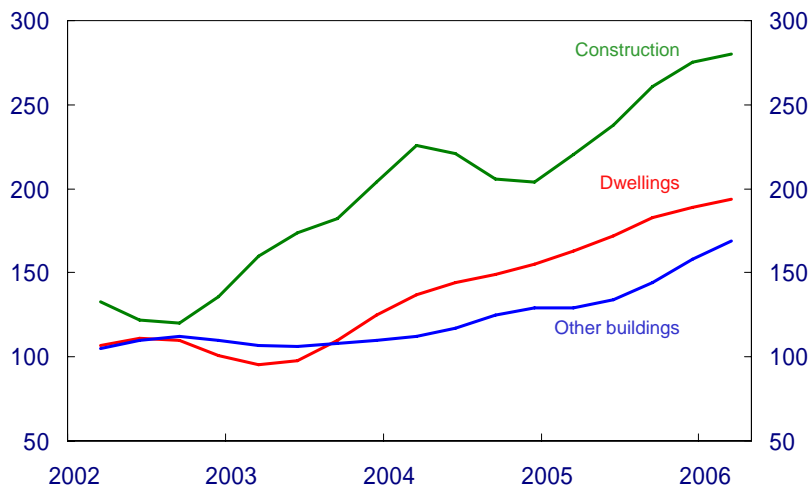
Indicator of resource shortages. Smoothed. Per cent. 83 Q1 – 06 Q1



Source: Statistics Norway 15

### New orders construction

Trend. Value index, 2000 = 100. 2002 Q1 - 2006 Q1

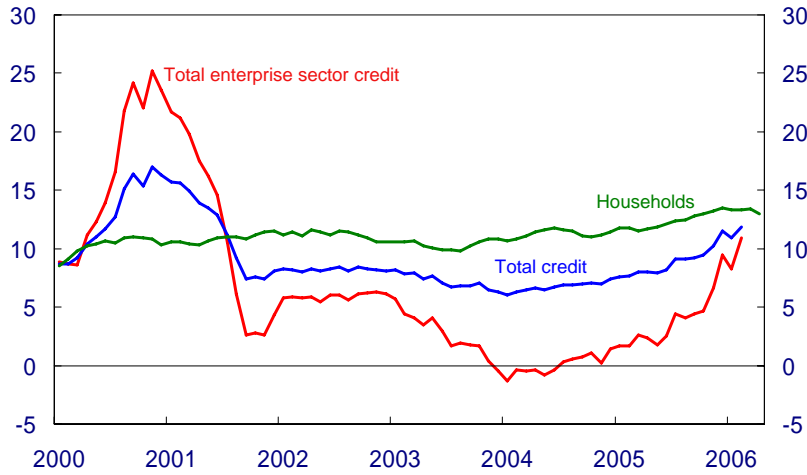


Source: Statistics Norway 16



### Credit growth

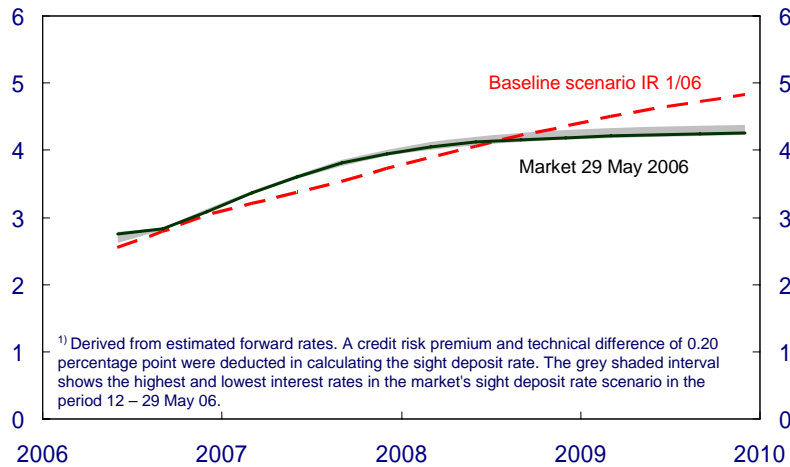
Total credit, mainland Norway (C3). Domestic credit to households (C2).  
12-month growth. Per cent



Source: Norges Bank 17

### Sight deposit rate in baseline scenario and market expectations regarding the sight deposit rate<sup>1)</sup>

Per cent. 06 Q2 – 09 Q4

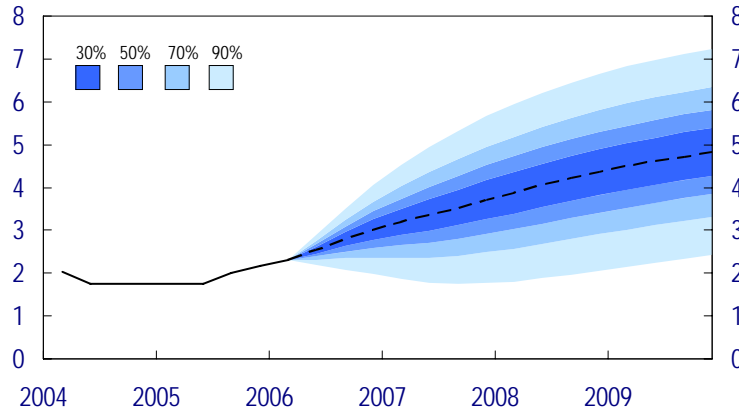


<sup>1)</sup> Derived from estimated forward rates. A credit risk premium and technical difference of 0.20 percentage point were deducted in calculating the sight deposit rate. The grey shaded interval shows the highest and lowest interest rates in the market's sight deposit rate scenario in the period 12 – 29 May 06.

Source: Norges Bank 18

### Sight deposit rate in baseline scenario from *Inflation Report 1/06* with fan chart

Per cent. Quarterly figures. 04 Q1– 09 Q4



Source: Norges Bank 19

### Monetary Policy Strategy - Inflation Report 1/06

- The Executive Board's assessment is that the sight deposit rate should be in the interval 2¼ – 3¼ per cent in the period to the publication of the next *Inflation Report* on 29 June, conditional on economic developments that are broadly in line with the projections.
- The interest rate may gradually – in small, not too frequent steps – be brought back towards a more normal level. The objective of bringing inflation back to target and anchoring inflation expectations nevertheless implies that monetary policy remains expansionary.

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