

MNI Norges Bank Preview: November 2025

Statement / Monetary Policy Assessment release: 09:00GMT / 10:00CET, Thursday 6 November 2025

Press conference (in Norwegian): 09:30GMT / 10:30CET, Thursday 6 November 2025

MNI Point of View – Steady Rates, Steady Guidance

4 November 2025, by Emil Lundh

Norges Bank is unanimously expected to hold the deposit rate at 4.00% on Thursday. The November decision will not be accompanied by an updated MPR or rate path projection, only a concise Monetary Policy Assessment. **Norges Bank rarely makes meaningful policy rate or guidance pivots at these interim meetings, so the base case is for a short policy statement with no new signals.**

We expect the September guidance to be retained: “The economic outlook is uncertain, but if the economy evolves broadly as currently projected, the policy rate will be reduced further in the course of the coming year”.

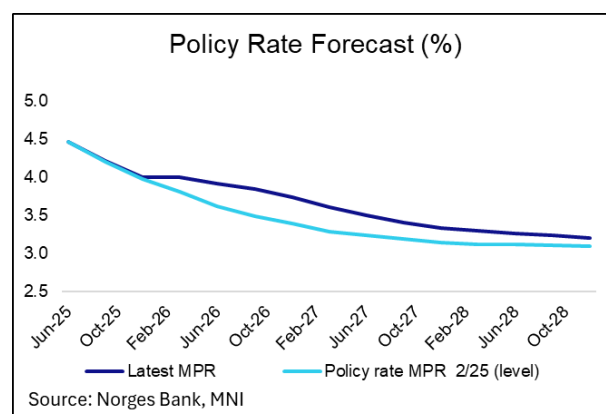
The September decision was best described as being a “hawkish cut”, with the updated rate path being consistent with one rate cut per year in the coming three years, implying a slow burn to a terminal rate of around ~3.25%. That said, domestic developments since September have been dovish on net, with CPI-ATE inflation printing below the September MPR projections and registered unemployment ticking up unexpectedly. While these developments may get some airtime in November, they are more relevant for the December decision. **We think risks over the next 12 months are tilted in favour of more easing than implied by the September MPR rate path.**

Markets are positioned for a straightforward decision in November. EURNOK 1-week implied vols saw no discernible uptick last Thursday upon capturing the decision. Meanwhile, there is virtually no implied probability of a rate change in NOK rates markets. Looking ahead, latest estimates from SEB suggest there are 3bps of easing priced through year-end, with just over 50bps of cuts priced through the end of next year. This suggests markets price one more 25bp rate cut than implied by the September rate path – pricing we deem as fair.

Analysts are unanimous in expecting no policy rate or guidance changes in November. However, there remains a range of views around the magnitude and pace of easing in 2026. Some analysts (e.g. JP Morgan) see no more cuts as their base case, while others (e.g. Danske Bank, Goldman Sachs, Morgan Stanley) expect three more cuts to a terminal of 3.25%.

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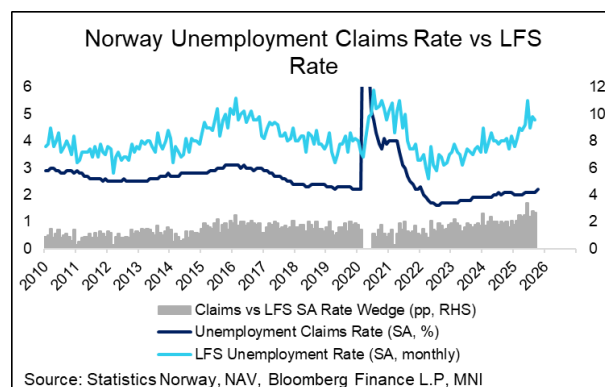
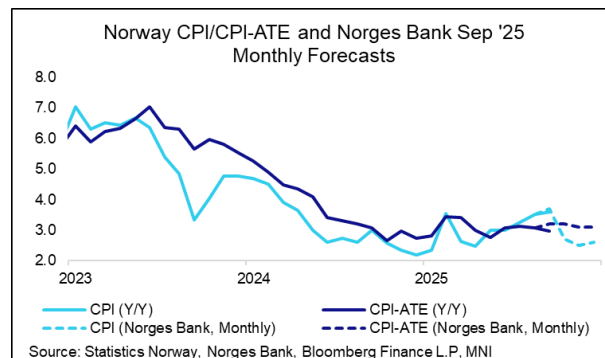
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Macro Update: Signs Of Softness Emerging, But No Major Concerns Yet

Norges Bank will not provide an updated rate path in November. However, developments since September have been dovish on net, supporting a downward revision to a hypothetical November rate path (JP Morgan estimate that “it would have been lowered 0-10bps across the curve”). That said, signs of economic softness have not been stark enough to motivate a guidance tilt in November. The Board will want to receive clearer signals from the final Q3 GDP report and the Q4 Regional Network Survey (RNS) ahead of the December decision before judging whether the output gap has widened more materially than initially expected.

There has only been one inflation report since the September decision. September CPI-ATE inflation was 2.98% Y/Y (vs 3.07% prior), below the 3.1% consensus and 3.2% Norges Bank MPR projection. Details of the report indicated a continued pullback in services inflation was offset by higher-than-expected food and goods inflation outcomes. There was a broad-based pullback in Norges Bank’s underlying inflation metrics in September, but we caution that seasonally adjusted inflation was still above the 2% target on an annualised basis.



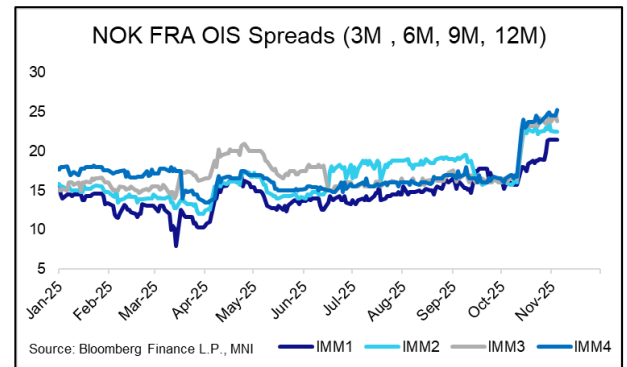
Labour market data has also been dovish on net. Registered unemployment moved above Norges Bank projections in October to a seasonally adjusted 2.2% (vs 2.1% prior and cons). This series will be worth monitoring ahead of the December meeting. Norges Bank is sensitive to unexpected increases in the unemployment rate – it was one factor contributing to the surprise rate cut in June. The September LFS data (which can be volatile month-to-month) also contained some dovish elements related to employment and wages.

Other data that supports a more dovish stance than September include an easing of non-financial corporate lending growth, easing retail sales momentum and a pullback in the manufacturing PMI and Statistics Norway’s industrial confidence metric. However, inflation and labour market data (alongside the national accounts and RNS) are far more important inputs to monitor.

The 2026 budget proposal suggests the fiscal impulse will ease from next year. Total structural non-oil deficit spending is expected to be 2.8% of Government pension fund assets, in line with Norges Bank’s September MPR projection. Meanwhile, the “fiscal thrust” was estimated at 0.1pp, suggesting a broadly neutral impulse to mainland GDP.

Oil price and exchange rate developments since September have been broadly offsetting, so shouldn’t play a major role at the November decision. Although off mid-October lows, Brent crude prices have still fallen around 5% from September decision levels. Weaker oil prices generally have a downward impact on Norges Bank’s rate path projections. However, this is offset a little by the associated ~1% weakening in the NOK effective exchange rate over the same period.

A more technical factor that would have had a dovish impact on Norges Bank's hypothetical rate path is a larger money market premium, illustrated by the recent widening in FRA/OIS spreads. In mid-October, Norges Bank announced the introduction of Central Bank certificates as a new instrument to absorb excess liquidity. Following a consultation with relevant participants, the bank aims to start issuing certificates during 2026. Existing liquidity operations under the quota system (F-loans, F-deposits) will remain in place. This announcement drove a near-10bp widening in FRA/OIS spreads, a reaction which has proved sticky.



- A reminder that Norges Bank aims to maintain total liquidity (i.e. central bank reserves) between NOK30-4bln. Structural liquidity is much higher than this level, so Norges Bank provides F-deposits to drain excess liquidity and ensure the target range is met.
- Structural liquidity in the Norwegian banking system has increased in recent years because “government debt borrowing over time has been lower than transferred dividends from Norges Bank and the government's actual borrowing requirements”. As of this year, the Government also stopped sterilising increases in Norges Bank FX reserves with issuance (meaning Norges Bank now purchases NOK FX in daily operations to prevent unwanted rises in central bank reserves).
- Norges Bank writes that “The effects of high structural liquidity have been evident in the Norwegian money market in recent years...Money market spreads have reached very low levels as structural liquidity has increased...At the same time, turnover in the interbank market has fallen....Both of these trends indicate that banks have less need to insure themselves against liquidity risk and that they are redistributing liquidity among themselves in the money market to a lesser extent”.
- “Central bank certificates will be used to draw down central bank reserves over longer periods. The certificates will be made available for purchase by both banks and other non-bank investors (the public)”.
- SEB have written that “FRA-OIS [are] pricing a fast liquidity tightening, but we believe it will take time before the program is fully implemented and operational. By March we see Nibor-Ois closer to 18bps with downside risk – this means implied pricing for March 26 FRA might be closer to -5bps than the current implied -11bps”.

MNI Norges Bank Data Watch List											
Inflation		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
CPI	% y/y	3.6	3.0	⬆️	2.6	⬆️					0.38
Core CPI	% y/y	3.0	3.1	⬇️	3.4	⬇️					-0.55
PPI	% y/y	-2.8	-1.0	⬇️	11.5	⬇️					-0.71
Oil Price (Brent Active)	\$bn	64.84	69.62	⬇️	60.38	⬆️					-0.20
Economic Activity		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
PMI Manufacturing	Index	47.7	51.1	⬇️	46.2	⬆️					-1.39
GDP	% m/m	0.3	-0.1	⬆️	-0.4	⬆️					0.11
Industrial Man Prod	% m/m	0.7	-1.7	⬆️	1.4	⬇️					0.30
Monetary Analysis		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
M3 Money Supply	% y/y	8.8	8.2	⬆️	7.5	⬆️					1.48
Credit Indicator	% y/y	3.8	4.1	⬇️	3.8	⬆️					-0.78
Non-Fin Corp Credit	% y/y	1.7	2.4	⬇️	2.2	⬇️					-1.22
Household Credit	% y/y	4.4	4.3	⬆️	4.1	⬆️					1.50
Consumer / Labour Market		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Retail Sales	% m/m	-0.5	0.0	⬇️	0.7	⬇️					-0.47
Consumer Confidence (Q)	Index	-3.6	-9.1	⬆️	-13.4	⬆️					1.44
Unemployment Rate	%	2.0	2.2	⬇️	2.0	⬆️					-0.85
Ave Monthly Earnings (Q)	% y/y	5.3	5.2	⬆️	5.2	⬆️					-0.63
Markets		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
OBX	Index	1529	1541	⬇️	1409	⬆️					1.23
Norway 10-Year Yield	%	3.97	3.92	⬆️	3.84	⬆️					0.48
NW Yield Curve (2s-10s)	bps	17.5	35.9	⬇️	22.3	⬇️					-1.01
NOK TWI	Index	75.98	75.45	⬆️	74.97	⬆️					0.29

Note: For quarterly data the 3m ago column will display the previous data point and the 6m ago column will display the data point prior to that.
Source: MNI, Bloomberg

Sell Side Previews (A-Z)

Summary of Analyst Views (Sorted A-Z)

Institution	Rate Outlook
Citi	We see the Norges Bank on hold at 4.0% next week and the message to remain as hawkish as in September. An easing bias will probably remain, but any hint to another near-term rate cut is unlikely.
Danske Bank	We expect Norges Bank (NB) to keep the policy rate unchanged at 4.00% at the MPC meeting next week and to signal that the policy rate is not likely to be changed at the December meeting either....Overall, NB is left in a situation where inflation is lower, and unemployment is higher than expected. This should clearly turn the monetary policy stance in a dovish direction, but we doubt NB will go there already at this junction as the deviations are too small, and it needs to see more data. However, we still see limited, if any, positive effects on the rate-sensitive part of the economy after two rate cuts. While NB, consensus and market pricing are positioned for the first rate cut not to arrive until June, we consider our case for a March cut to have strengthened since the September meeting
DNB	We expect Norges Bank to keep the policy rate unchanged at 4.00%. The short-term data have been broadly in line with Norges Bank's view on the economy, but with a tilt for lower rates. We hold our call for a rate cut in June 2026
Goldman Sachs	Following the September meeting guidance, we changed our forecast and no longer expect cuts this year, so the meeting next week should see Norges Bank on hold. Going forward, however, we see inflation, activity and the labour market picture as consistent with slightly faster easing than currently guided for. We continue to expect Norges Bank to resume the quarterly 25bp cuts from Q1 next year, most probably from the March meeting, and ease to a higher terminal rate of 3.25% in 2026Q3. At the same time, if the labour market continues deteriorating at a faster pace and inflation keeps undershooting, we could see Norges Bank moving slightly earlier against its recent hawkish guidance. We thus increase the probability of a faster cuts scenarios to 15% (from 10% before).
Handelsbanken	We expect Norges Bank to remain on hold at next week's meeting, consistent with the September forecasts. The combination of a low and stable unemployment rate and still elevated inflation argues against near-term easing, in our view.
JP Morgan	While Norges Bank has delivered several surprises this year, we see a very low risk of a surprise cut next week (or in December) No change to forward guidance or the balance of risk assessment. The bank's general reaction function will likely be a hot topic again at the press conference No rate path is presented next week, but we estimate it would have been lowered 0-10bps across the curve....We expect no further easing within our forecast horizon (end-2026). While we have expressed downside risks to the bank's near-term core inflation forecast—which could open the door for cuts—we see upside risks further out. Thurs, we expect core to be stuck around 3%oya until end-2026. Among other things, this is based on signs of stronger demand-driven inflation, elevated labor costs, and base effects in 2H26 (due to childcare prices).
Morgan Stanley	We expect Norges Bank to return to its pause mode next Thursday. Norges Bank is in no rush to cut, and as August confirmed, non-projection meetings are simple pulse checks. We think that the policy rate path presented in September will be endorsed, and we expect the standard statement that restrictive policy is still needed to stay. While core inflation in September surprised to the downside, it will not be enough to sway Norges Bank away from its September guidance. We expect the next two core inflation prints to come below Norges Bank's forecasts, which could lead to a re-assessment of rate cut probabilities in December, however not a cut. In order to restart the easing cycle, we think Norges Bank will want to see the strength of price resets in January 2026, and at least the initial signals from the 2026 wage settlement. This data will only be available by the time of the March 2026 meeting. We continue to expect Norges Bank cutting three times next year, down to 3.25%.
Nomura	We expect Norges Bank to leave its policy rate unchanged at 4.00%. Following September's 25bp cut, we think it is too soon to cut the policy rate again, with inflation above target and economic activity indicators fairly robust. In September, Norges Bank's policy rate forecast was consistent with one rate cut per year in the coming three years. We project a slightly faster, semiannual pace of cuts with the next in March.
Nordea	Norges Bank will keep its key rate at 4% next week and confirm their communication from September that they are in no hurry to reduce rates further. In its September report they indicated one cut of 25bp each year the next three years with the next cut next autumn. New information since September indicates that a new rate path now, had Norges Bank made one, would have been more or less on top of the one from September.
SEB	Norges Bank is widely expected to stay on hold at 4.00% at its interim decision on Nov 6, as the Committee has signalled a pause to assess the need for further policy easing. While economic and inflation data have, on balance, surprised to the downside since September, additional evidence is required to judge the scope and pace of future cuts. We expect the Committee to avoid offering new policy signals and instead reiterate that "the policy rate will be reduced further in the course of the coming year". Market reactions are therefore likely to be muted....We expect core inflation to normalise faster than envisaged by Norges Bank, most notably from mid-2026. Hence, we expect 1-2 rate cuts from June 2026, aligning well with current pricing.

Source: Analyst previews

MNI Policy Team View

MNI NORGES WATCH: Likely To Hold, With Little Cut Timing Steer

By David Robinson

Oct 31, 2025

LONDON - Norges Bank is expected to leave policy on hold at its November meeting having delivered what was widely described as a "hawkish cut" in September, when it lowered the policy rate by 25 basis points to 4.0% but published a rate path and commentary for only one cut per year over the coming three years.

September's rate path, which will not be updated until December, was higher than its predecessor and left analysts debating when the next cut would come, but Governor Ida Wolden Bache is unlikely to give any precise steer on timing when the decision is announced on Thursday.

The shallow path pointed towards the second half of next year, but some analysts predict that the move could come much earlier.

Norges Bank's approach now is to avoid offering meeting specific policy guidance, after it came in for criticism for clearly guiding towards a March cut which did not materialise. September's cut was not fully priced, with investors unsure whether the Board might not wait until December. November's meeting was never in play, as it provides no new forecast round.

"We are conscious that giving very precise signals about what to do at the next meeting can be given too large weight, and to a large extent have been interpreted as a promise," Wolden Bache said in an interview with MNI after the September meeting. (See MNI INTERVIEW: Norges Bank Head Tilts Against Precise Guidance)

Data and events since September have not pointed to the need for any comprehensive rethink of Norges Bank's assessment. While the target core inflation measure CPI-ATE dipped 0.1 percentage point to 3.0% on the year in September, 0.2 points below Norges Bank's forecast, the government's 2026 budget unveiled this month showed more fiscal stimulus coming down the tracks. There were tax cuts on income and consumption and at 2.8% of the sovereign wealth fund (GPF) the structural oil deficit is near the fiscal rule's maximum allowed withdrawal of 3%.

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