

MNI Norges Bank Preview: March 2026

Statement / Monetary Policy Assessment release: 09:00GMT / 10:00CET, Thursday 26 March 2026

Press conference (in Norwegian): 09:30GMT / 10:30CET, Thursday 26 March 2026

MNI Point of View – The Question is: How Hawkish?

March 24 2026, by Emil Lundh

Norges Bank is expected to hold the deposit rate at 4.00%, but **the overall tone of the meeting is likely to be hawkish owing to a significant upward revision to the March MPR rate path projection**. While we agree with consensus that a hold is the most likely outcome, **a plausible tail risk is that the Board delivers a pre-emptive hike in March**.

Expectations for a hawkish pivot had been cemented before the Iran war started, following the significantly higher than expected January inflation reading. Other domestic indicators (e.g. registered unemployment, wage bargaining signals and mainland GDP) also suggest the economy is not in need of further easing.

Fallout from the Iran war has pushed up oil and gas prices and driven a sharp hawkish repricing in foreign rate expectations – these factors provide an additional hawkish impulse into Norges Bank’s rate path framework. The stronger exchange rate will provide a sole dovish offset, in our view.

The December MPR rate path was consistent with 2x25bp cuts this year, but Governor Wolden-Bache never endorsed this as a base case in her verbal communications. Her annual address in mid-February also removed guidance that rates would likely be lowered during the course of 2026. **We expect the March MPR rate path to fully remove implied cuts over the next 1-2 years, and embed a material implied probability of a hike in Q2/Q3.** The policy statement is likely to stress heightened vigilance on inflation, and the potential for rate hikes to combat high domestic price growth. From mid-2027, we expect the rate projection to move lower again as implied hike pricing is unwound.

Could Norges Bank hike? Not our base case, but yes. In January, the Board noted that it was paying “special attention” to still-elevated inflation, and that was before the much higher-than-expected January inflation reading. The Iran war has since added fresh hawkish impetus to the outlook. We think if the Board did choose to hike, it could rationalise it by revising its neutral rate estimate higher (thereby maintaining the current level of restrictiveness). Factors arguing against a move in March include: (i) the lessons learnt from the March and June 2025 decisions, where markets and analysts were caught offguard by rate changes (this communication issue was emphasised in the **latest Norges Bank Watch Report**), (ii) the pullback in capacity utilisation measures in the Q1 Regional Network Survey, which suggest policy may still be having a slightly restrictive impact and (iii) it’s still too early to assess the full impact of the war on domestic growth and inflation.

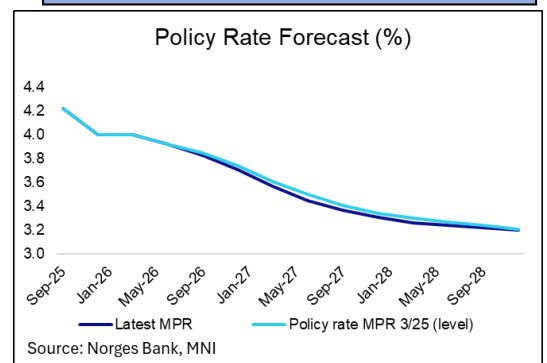
At the time of writing, markets price a ~20% implied probability of a rate hike in March (according to latest estimates from SEB). As noted above, we think the risks of a hike are greater than this. However, current Dec26-Mar27 NOK FRA pricing of ~4.80% (just under 50bps above the 3M NIBOR rate) is probably fair. Given Norges Bank already has quite a high deposit rate, the Board won’t feel pressured to deliver too aggressive a hiking cycle to try and contain CPI-ATE inflation pressures.

Analysts unanimously expect Norges Bank to remain on hold and make a hawkish guidance pivot in March. Most previews we have seen suggest Norges Bank is likely to remain on hold through 2026, while Nordea are a hawkish outlier expecting a hike in June.

Finally, Norges Bank will **release** its “Summary of Committee Deliberations” alongside the March policy statement and MPR. From the press release: “The intention is to provide more nuances and details regarding the monetary policy deliberations than has been the case so far, but Committee members’ names will be omitted”.

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March MPR Rate Path Discussion: Hawkish Drivers From Multiple Sources

High Domestic Inflation and Possible Upside Wage Risks

The “Prices and wages” component is likely to be the largest hawkish contributor to the March MPR rate path revision.

CPI-ATE inflation was 3.0% Y/Y in February, comfortably above Norges Bank’s 2.6% December MPR projection. The forecast error came after the January inflation reading was much higher than expected. In the first two months of the year, services ex-rent and rents have displayed considerably stickiness. Domestic consumer goods inflation also remains elevated. One offset is that the stronger NOK will likely dampen imported inflation pressures in the months ahead, but Norges Bank will be primarily concerned about domestic price developments. Higher than expected inflation meant that the Technical Calculation Committee for Wage Settlements (TBU) estimated 2026 CPI inflation at 3.2% (vs an initial 3.0% estimate in February), well above Norges Bank’s December MPR projection. This estimate provides an anchor for ongoing 2026 wage bargaining rounds, suggesting risks to Norges Bank’s 4.2% wage growth projection may be tilted to the upside. That said, the Q1 Regional Network Survey’s (RNS) wage growth metric was in line with Norges Bank at 4.2%, providing some modest offset to the hawkish signal. We discount Norges Bank’s Q1 Expectations Survey, which was conducted before the January inflation print was known.

One dovish offset to the medium-term inflation outlook came from the RNS’ capacity utilisation metrics. The share of contacts having problems accommodating a rise in demand fell to 32% (vs 33% prior), a 2-year low. Meanwhile, the share of contacts reporting a shortage of labour was 21% (vs 22% prior), also a two-year low. This may contain upward revisions in parts of the March MPR rate path.

Fairly Resilient Domestic Economy

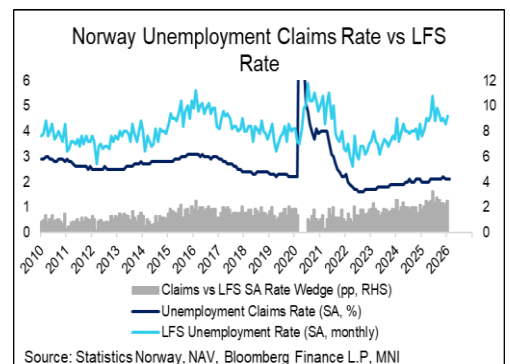
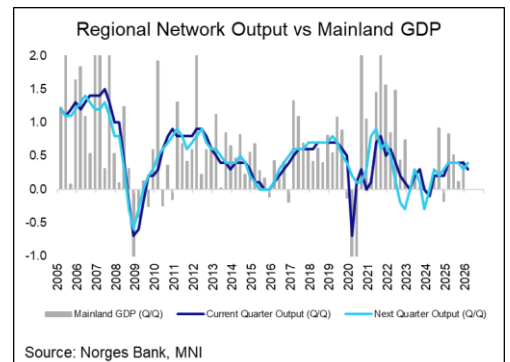
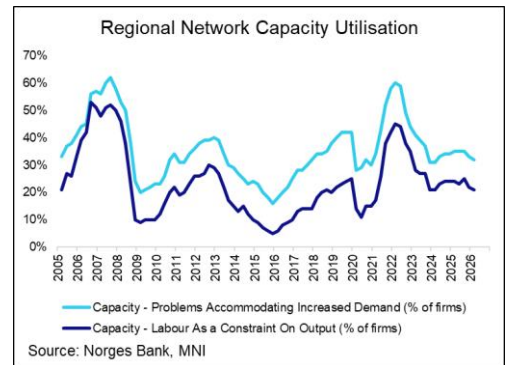
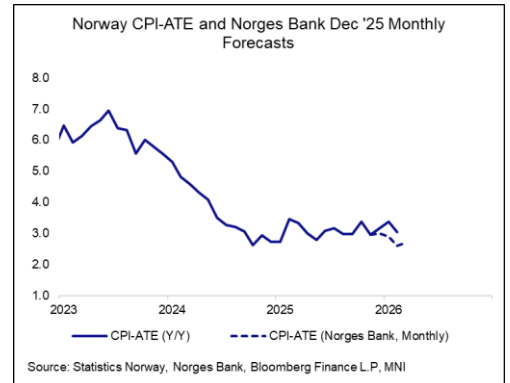
Both the mainland economy and labour market seem to be coping well with a 4.00% deposit rate. Overall, we expect “domestic demand” to have a broadly neutral/slightly hawkish impact on the March MPR rate path.

Q4 mainland GDP was 0.4% Q/Q, a touch below Norges Bank’s 0.5% projection. However, 4Q/4Q growth of 1.8% exceeded the bank’s forecast by two tenths. In Q4, consumption was weaker than expected, but this was offset by solid domestic investment growth. Meanwhile, the Q1 RNS saw steady output expectations of 0.3% Q/Q in Q1, with a pickup seen in Q2 to 0.4% Q.Q. Investment expectations were revised up to 3.6% (vs 3.3% in December), reflecting a rise in manufacturing and retail investment and a fall in oil services. Note that Norwegian households are shielded from much of recent energy price increases owing to government subsidies, reducing the downside growth risk that many economies are facing as a result of the Iran war.

The registered unemployment rate has been at 2.1% for three months, below Norges Bank’s 2.2% projection. Vacancies have also been pretty steady for a few months now. In the LFS data, the unemployment rate has been hovering around 4.5% since November. Finally, employment in both the RNS and the national accounts has been steadily positive over the past few quarters.

A Hawkish Tail Risk to Consider: Neutral Rate Revision

A fairly resilient domestic activity backdrop and elevated domestic inflation suggest the economy is coping relatively well with 4.00% deposit rates. We think it’s plausible that Norges Bank could upgrade its real neutral rate estimate up from the current 0.25% - 1.50% range. On net, a neutral rate revision would prompt an upward revision to the March MPR rate path. It could also be used as a justification to hike rates as soon as March in our tail risk scenario. That said, we think the capacity utilisation signals in the RNS could be enough to argue against both a neutral rate revision and an unexpected rate hike.



Iran War Fallout Will Push Up Petroleum Rate Path Component

With the front-month Brent crude future at \$100/bbl, and European TTF futures at E56/Mwh, energy prices have risen significantly. This will have a hawkish impact on the March rate path, with Norwegian energy emerging as one of the few (non-Russian) alternatives to the Middle East while the Strait of Hormuz is closed.

A by-product of this is that oil and gas companies' investment estimates may be revised higher in the coming quarters – also having a hawkish rate path impact. However, the next oil and gas investment survey is not released until May 28, so there is uncertainty around the magnitude of this effect.

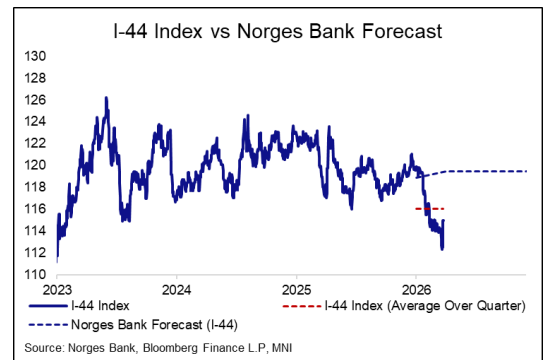
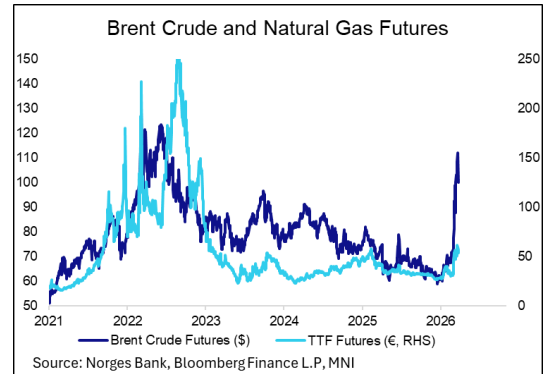
Exchange Rate Should Provide a Dovish Offset

Despite the sharp weakening in NOK on Monday 23rd, we still expect the exchange rate to provide a significant dovish offset to the March MPR rate path revisions. The krone had been a significant beneficiary of the Iran war fallout, with terms of trade effects dominating weak risk sentiment. Prior to the war, NOK had also benefited from the significant hawkish repricing of Norges Bank rate expectations following the January inflation reading. At the time of writing, the I-44 effective exchange rate index is 115.0, well below the December MPR Q1 average forecast of 119.5.

Hawkish Foreign Rate Repricing Offset by Weaker Global Growth

On net, we think “external factors” will push up the March MPR rate path owing to a significant hawkish repricing in key trading partner’s implied policy rates. However, the downward risk to the global growth outlook from the Iran war may provide some offset.

Norges Bank has announced details of its **certificates** programme, but we don’t expect any changes to the money market premium assumptions in the March MPR rate path. A downward revision was already seen in December to account for this.



Sell Side Previews (A-Z)

Summary of Analyst Views (Sorted A-Z)



Institution	Terminal Policy Rate	Rate Outlook
Bank of America	3.50	"Our base case of one cut this year (June) has clearly become too narrow - higher January and February inflation readings and upside energy risks could easily push 2026 CPI averages above 3%. We therefore postpone the cut to 1Q27 (March), when inflation should be back on a more encouraging trajectory. As a result, we now see Norges Bank on hold for the whole year, with two cuts next year and an unchanged terminal rate of 3.5%."
Danske Bank	3.50% in 12M	Our base case remains that the risk of second-round effects on global inflation is moderate, and that the probability of rate hikes in European countries is still below 50%. In that case, there will be room for one or two rate cuts later this year, if wage and price growth slows down as we expect.
DNB	4.00	"We expect the rate path to indicate a modest upside risk through most of this year, before signalling rate cuts next year. Today's Regional Network survey points to a activity outlook in line with Norges Bank's forecast, and support Norges Bank's view of declining capacity utilisation."....."We maintain our call that Norges Bank will keep the policy rate on hold for several years, despite its possible signals of rate cuts next year."
Goldman Sachs	3.25 (Semi-annual cuts in 2027 and H1 2028)	We continue to expect Norges Bank to stay on hold at 4% this year, with semi-annual cuts over next years to an unchanged terminal rate of 3.25%. Although the shock is both growth- and inflation-promoting for Norway, we see a higher hurdle for Norges Bank to restart the hiking cycle from an already restrictive 4% policy rate. We would expect Norges to hike twice this year in the adverse scenario and hike three times to the cycle-high of 4.75% in the severely adverse case but would expect rates to return to the same 3.25% terminal rate in both scenarios.
Handelsbanken	N/A	"While Norges Bank is still expected to stick to its strategy of keeping rates unchanged next week, there is a non-trivial risk of a rate hike, in our view. The main development, however, will be a significant upward revision of the rate path. We do not think Norges Bank will merely cancel the one to two rate cuts previously signalled for this year. Instead, we expect the rate path to be lifted sufficiently to point towards a rate hike already before summer, and at the very least by the end of the third quarter."
JP Morgan*	N/A	"Our base case assumes the Bank will want to take more time, but there is an outside chance of a hike next week. We assume the rate path will remain downward sloping in the medium term, however, consistent with the energy shock fading and some normalization in the rate path from its current restrictive level."
Morgan Stanley	3.75 (Cut in Jun27)	"Our current call is for the Norges Bank to remain on hold for the remainder of this year, with the next move being a rate cut in June 2027. We see an upside risk to this call if wage settlements come in significantly stronger, or if the oil and gas price increase proves to be more persistent leading to more pass-through to core inflation"
Nordea	4.25 (Hike in Jun26)	"Inflation is much higher than Norges Bank has assumed and the energy price shock increase the inflation-burden further. We think they will hike to 4.25% in June and that there is a greater chance that the key rate is 4.5% than 4% by year end"
Nomura	4.00	"In light of the recent sticky inflation and upside inflation risks from the conflict in Iran, we no longer forecast another rate cut from Norges Bank, expecting the policy rate to remain at 4.00% for the foreseeable future, but highlight elevated uncertainty over this forecast due to geopolitics"
SEB	3.50 (Cuts in Dec26 and Mar27)	"A rate hike at the upcoming meeting cannot be ruled out. That said, we continue to lean towards a "high for longer" outcome. Further tightening would likely require a more persistent shift in inflation dynamics or a need to reinforce the credibility of the inflation target – both possible, but not our base case. We therefore expect Norges Bank to remain on hold at 4.00% on Thursday, albeit with a more hawkish tilt in the Committee's guidance". SEB's base case is for 25bp cuts in December 2026 and March 2027
UniCredit	N/A	We are revising our Norges Bank call in response to heightened geopolitical uncertainty. Prior to the Iran war, we expected the bank to resume its easing cycle in March. We now see it remaining on hold for most of the forecast horizon, as higher energy prices support growth while keeping inflation above target. Overall, the outlook has shifted towards a more hawkish policy path.

Source: Analyst previews. Terminal rate forecast left blank if not explicitly outlined in preview/recent research

Bank of America

- **March Rate Decision:** Hold at 4.00%
- **March Guidance:** "We cannot rule that out completely (Norges Bank can be volatile), but we think the risks are fairly limited at these NOK levels. In a moment of very high uncertainty, we would expect Norges Bank to backtrack on the easing bias and highlight the elevated uncertainty ahead. Considering the recent dataflow and market movements, we think the new path won't show any cuts this year. We would expect the path to imply just a slight probability of a hike later this year (towards the end of 2Q/3Q), followed by cuts in 2027."
- **Rate Outlook:** "Our base case of one cut this year (June) has clearly become too narrow - higher January and February inflation readings and upside energy risks could easily push 2026 CPI averages above 3%. We therefore postpone the cut to 1Q27 (March), when inflation should be back on a more encouraging trajectory. As a result, we now see Norges Bank on hold for the whole year, with two cuts next year and an unchanged terminal rate of 3.5%. In our base-case scenario of an energy shock that is not too protracted, we still doubt Norges Bank will need to hike this year. Instead, we think they will opt to stay on hold for longer at the current level of rates (which, in Norges Bank's estimates, remains restrictive)."

Danske Bank

- **March Rate Decision:** Hold at 4.00%
- **March Guidance:** “Higher ongoing inflation, an increased inflation risk from higher energy prices and higher global rates mean that NB will most likely signal an unchanged policy rate for the rest of the year, and one cut per year in 2027-29, so that the policy rate will end around 3.25% at the end of the forecast period.”
 - “Our calculation of the interest rate path shows a clear risk that this will indicate a likelihood of a rate hike during the year. However, the great uncertainty associated with developments in the Middle East suggests that the NB will be more cautious in giving clear signals about interest rate developments at this junction. Instead, we expect that NB will emphasise that uncertainty has increased, but that it is too early to conclude what effects the unrest will have on growth and inflation”
- **Rate Outlook:** “Our base case remains that the risk of second-round effects on global inflation is moderate, and that the probability of rate hikes in European countries is still below 50%. In that case, there will be room for one or two rate cuts later this year, if wage and price growth slows down as we expect.”

DNB

- **March Rate Decision:** Hold at 4.00%
- **March Guidance:** “We expect the rate path to indicate a modest upside risk through most of this year, before signalling rate cuts next year. Today’s Regional Network survey points to a activity outlook in line with Norges Bank’s forecast, and support Norges Bank’s view of declining capacity utilisation.”
- **Rate Outlook:** “We maintain our call that Norges Bank will keep the policy rate on hold for several years, despite its possible signals of rate cuts next year.”

Goldman Sachs

- **March Rate Decision:** Hold at 4.00%
- **Rate Outlook:** “We continue to expect Norges Bank to stay on hold at 4% this year, with semi-annual cuts over next years to an unchanged terminal rate of 3.25%. Although the shock is both growth- and inflation-promoting for Norway, we see a higher hurdle for Norges Bank to restart the hiking cycle from an already restrictive 4% policy rate. We would expect Norges to hike twice this year in the adverse scenario and hike three times to the cycle-high of 4.75% in the severely adverse case but would expect rates to return to the same 3.25% terminal rate in both scenarios.”

Handelsbanken

- **March Rate Decision:** Hold at 4.00%
- **March Guidance:** “While Norges Bank is still expected to stick to its strategy of keeping rates unchanged next week, there is a non-trivial risk of a rate hike, in our view. The main development, however, will be a significant upward revision of the rate path. We do not think Norges Bank will merely cancel the one to two rate cuts previously signalled for this year. Instead, we expect the rate path to be lifted sufficiently to point towards a rate hike already before summer, and at the very least by the end of the third quarter.”

JP Morgan

- **March Rate Decision:** Hold at 4.00%
- **March Guidance:** JP Morgan expect “a net upward impact of around 20bp for the 2026 average rate path, although there is likely to be a skew higher in the early part of the year due to oil. That would point towards a temporary rate hike. The Norges Bank can use its judgement factor to dampen this message if it wishes. We assume it will use the process to engineer a path that implies a good chance of a hike at the subsequent meeting in June, and then be open to following up on that if inflation matches the new forecast path (and assuming other European central banks are hiking too)”.
 - “It is reasonable to ask whether the Norges Bank could pre-empt all of this and simply hike next week. The case for that would be the pre-existing inflation issues it has, and how they will interact with a further inflation shock and the awkward timing of the current wage negotiations. Our base case assumes the Bank will want to take more time, but there is an outside chance of a hike next week. We assume the rate path will remain downward sloping in the medium term, however, consistent with the energy shock fading and some normalization in the rate path from its current restrictive level.”

Morgan Stanley

- **March Rate Decision:** Hold at 4.00%
- **March Guidance:** “The uncertainty around the inflation and growth outlook is too high, and with Norges Bank safely in restrictive territory, there is no need to rush. However, we expect the statement to significantly focus on upside risks...” The policy rate path should be revised upwards, and we expect the forward guidance to signal that the policy rate will remain unchanged for a longer time than previously thought”.
 - “We note risk of a small probability of a rate hike to be priced in for 2026 on the back of stronger wage growth, although it is not our baseline. We still see inflation declining in 2027 due to the downward sloping oil and gas price futures curve and base effects. Therefore, we expect some probability of rate cuts to be left in. However, we think they will be pushed towards the middle of 2027, after the 2027 wage settlement.”
- **Rate Outlook:** “Our current call is for the Norges Bank to remain on hold for the remainder of this year, with the next move being a rate cut in June 2027. We see an upside risk to this call if wage settlements come in significantly stronger, or if the oil and gas price increase proves to be more persistent leading to more pass-through to core inflation”

Nomura

- **March Rate Decision:** Hold at 4.00%
- **March Guidance:** “The Bank is likely to revise up its forecast for inflation and sound more hawkish than at the last meeting, owing to recent upside inflation surprises, which occurred even before the conflict in the Middle East. However, it will also highlight elevated uncertainty over its forecasts.”
- **Rate Outlook:** “In light of the recent sticky inflation and upside inflation risks from the conflict in Iran, we no longer forecast another rate cut from Norges Bank, expecting the policy rate to remain at 4.00% for the foreseeable future, but highlight elevated uncertainty over this forecast due to geopolitics.”

Nordea

- **March Rate Decision:** Hold at 4.00%
- **Rate Outlook:** “Inflation is much higher than Norges Bank has assumed and the energy price shock increase the inflation-burden further. We think they will hike to 4.25% in June and that there is a greater chance that the key rate is 4.5% than 4% by year end”.

SEB

- **March Rate Decision:** Hold at 4.00%
- **March Guidance:** “A rate hike at the upcoming meeting cannot be ruled out. That said, we continue to lean towards a “high for longer” outcome. Further tightening would likely require a more persistent shift in inflation dynamics or a need to reinforce the credibility of the inflation target – both possible, but not our base case. We therefore expect Norges Bank to remain on hold at 4.00% on Thursday, albeit with a more hawkish tilt in the Committee’s guidance.”
 - “We expect the short-end of the path to be lifted, implying a ~50% chance of a rate hike this year, while the long-end may signal a terminal rate around 3.50% (prev. 3.20%). This is in line with the upper end of Norges Bank’s estimate for the neutral policy rate (2.25-3.50%). Risks are skewed to the upside and relates to an even larger upward revision to the inflation trajectory.”
- **Rate Outlook:** SEB’s base case is for 25bp cuts in December 2026 and March 2027.

UniCredit

- **March Rate Decision:** Hold at 4.00%
- **Rate Outlook:** “We are revising our Norges Bank call in response to heightened geopolitical uncertainty. Prior to the Iran war, we expected the bank to resume its easing cycle in March. We now see it remaining on hold for most of the forecast horizon, as higher energy prices support growth while keeping inflation above target. Overall, the outlook has shifted towards a more hawkish policy path.”