

MNI Norges Bank Review: January 2026

Key Link: Rate decision including Monetary Policy Statement, Committee's Assessment and Press Conference (in Norwegian)

Key Dates

- Q4 National Accounts: 9 February, 2026
- January Inflation Report: 10 February, 2026
- Next Monetary Policy Decision (including MPR): 26 March, 2026

MNI Point of View – “Special Attention” On Inflation

22 January 2026, by Emil Lundh

Norges Bank held the policy rate at 4.00% as unanimously expected. Key guidance was unchanged relative to December:

"The outlook is uncertain, but if the economy evolves broadly as currently envisaged, the policy rate will be reduced further in the course of the year"... "The Committee judges that a restrictive monetary policy is still needed. Inflation is still too high".

As such, there was minimal market reaction in NOK FX and rates.

The Committee's Monetary Policy Assessment noted that "special attention" was given to still-elevated inflation. While not surprising given CPI-ATE is still above 3.0% Y/Y, it confirms the Board's cautious approach to easing. For comparison in December, "special attention" was given to "the fact that unpredictable conditions for international cooperation and trade are creating uncertainty about the outlook for inflation and growth both internationally and in Norway".

Although the December MPR rate path leaned in favour of 2x25bp cuts this year, verbal guidance remains that it is consistent with "one to two rate cuts in the course of 2026". There remains a wide range of analyst easing expectations for 2026, with JP Morgan still expecting no cuts (albeit with a significant risk of a June cut) and Danske Bank expecting quarterly cuts starting in June. Goldman Sachs, Morgan Stanley and TD Securities continue to forecast a March cut for now.

Some excerpts from the Monetary Policy Assessment:

- On the labour market: **"New labour market information points in slightly different directions."**
 - "According to the Labour Force Survey, there was little change in unemployment through autumn last year"... "Registered unemployment fell to 2.1 percent in December, which was slightly lower than expected."
 - "On the other hand, the latest figures for the number of salaried employees may indicate that employment was somewhat lower in the fourth quarter than projected. The number of new job vacancies declined somewhat through the second half of last year."
- On inflation: **"The Committee gave special attention to the fact that inflation is above target and that underlying inflation has been close to 3 percent for some time. "**
 - "The rapid rise in prices for food and many services is contributing to keeping inflation elevated. Households' housing costs, which represent a large portion of the CPI, are still rising at a fast pace. The strong growth in business costs over the past years will likely restrain disinflation ahead, but lower wage growth is expected to push down inflation further out. "

The press conference lasted just 15 minutes, with Governor Wolden Bache sending no new signals. On the recent geopolitical developments, the Governor noted that:

“The current geopolitical situation is tense and is causing uncertainty, including about the economic outlook. The US threatened at the weekend to raise tariffs on goods from Norway and other countries that have had military personnel in Greenland. Yesterday evening, after the Committee took its monetary policy decision, it was announced that the tariff increases would not be imposed. The Committee’s assessment is that the announced tariff increases would likely have had a limited impact on the Norwegian economy”.

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