

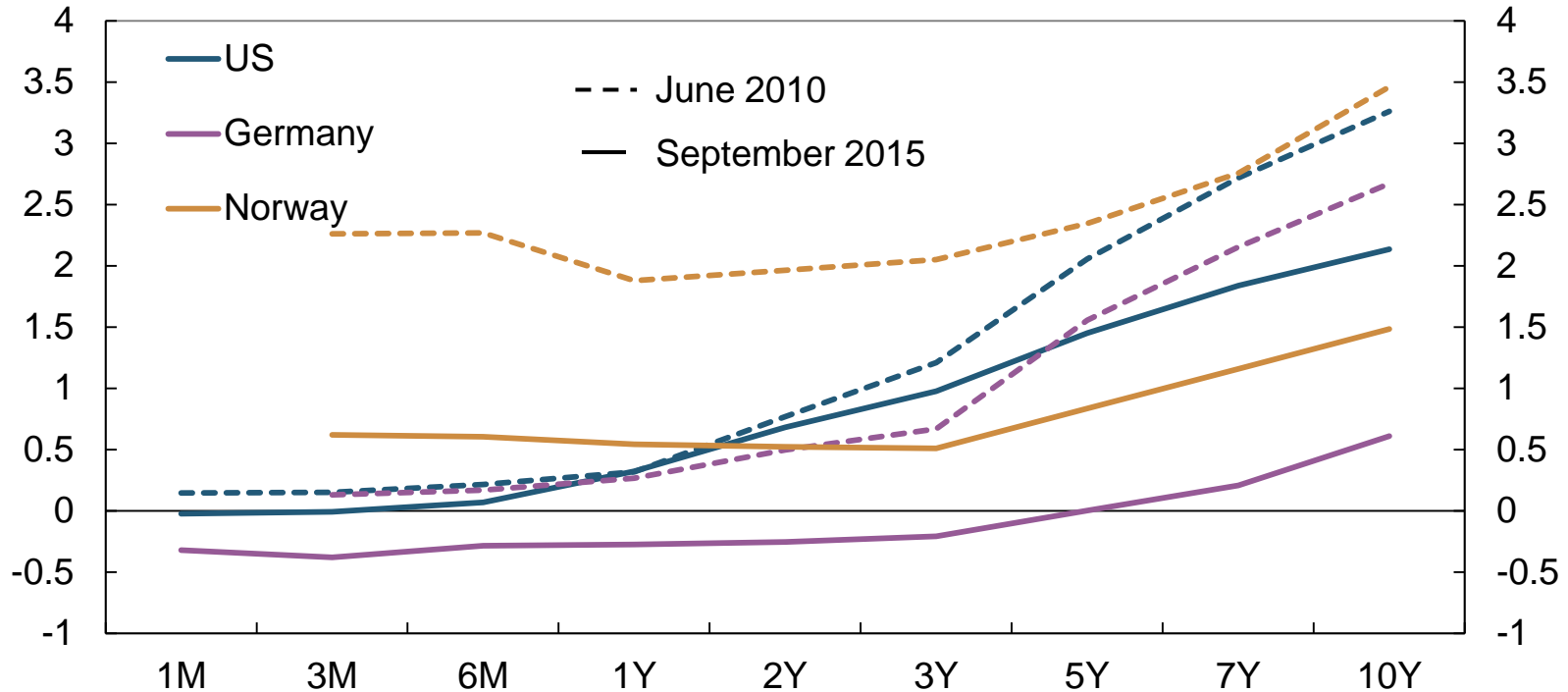


HOW CENTRAL BANKS INFLUENCE INTEREST RATES

GOVERNOR ØYSTEIN OLSEN
CENTRE FOR MONETARY ECONOMICS (CME)
OSLO, 1 OCTOBER 2015

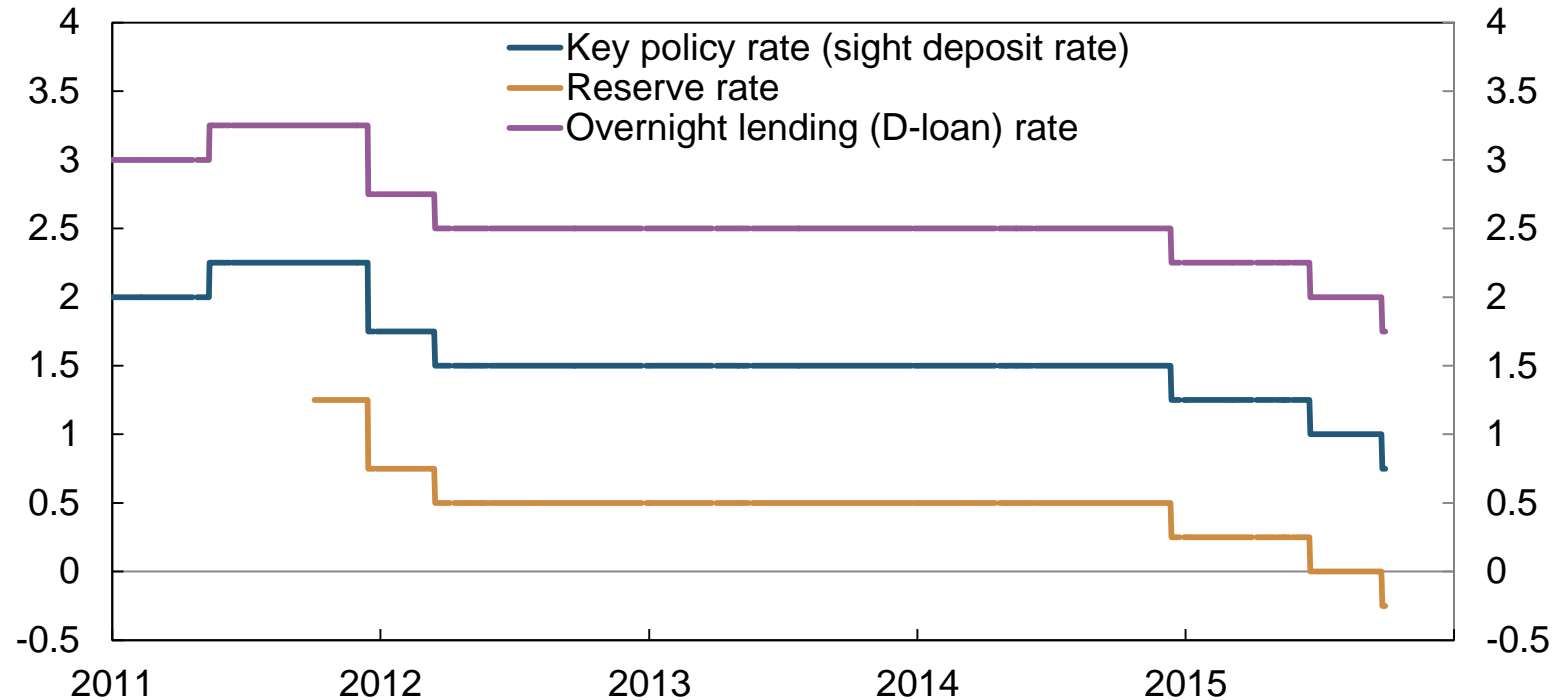
International yield curves

Percent. June 2010 and September 2015



Norges Bank interest rates

Percent



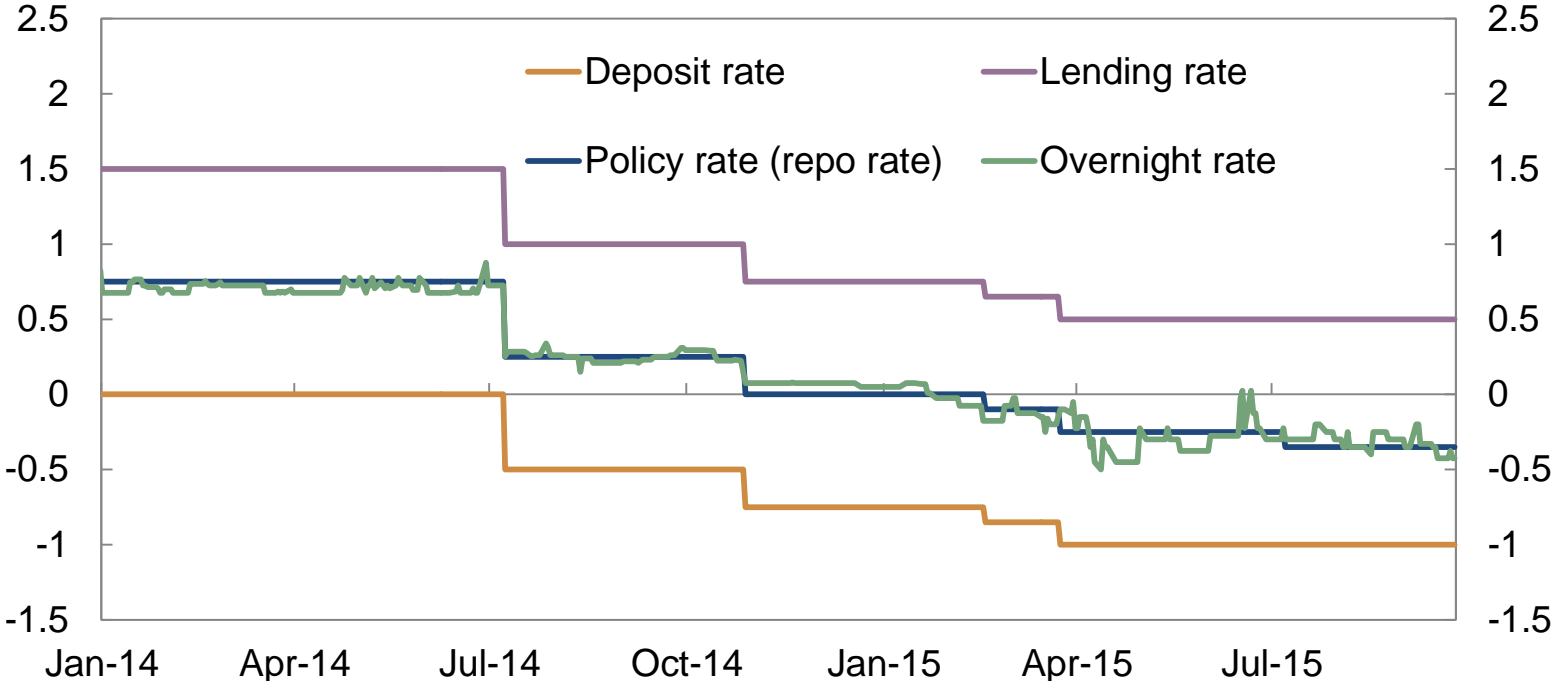
Norges Bank interest rates and market rate

Percent



Sveriges Riksbank interest rates

Percent

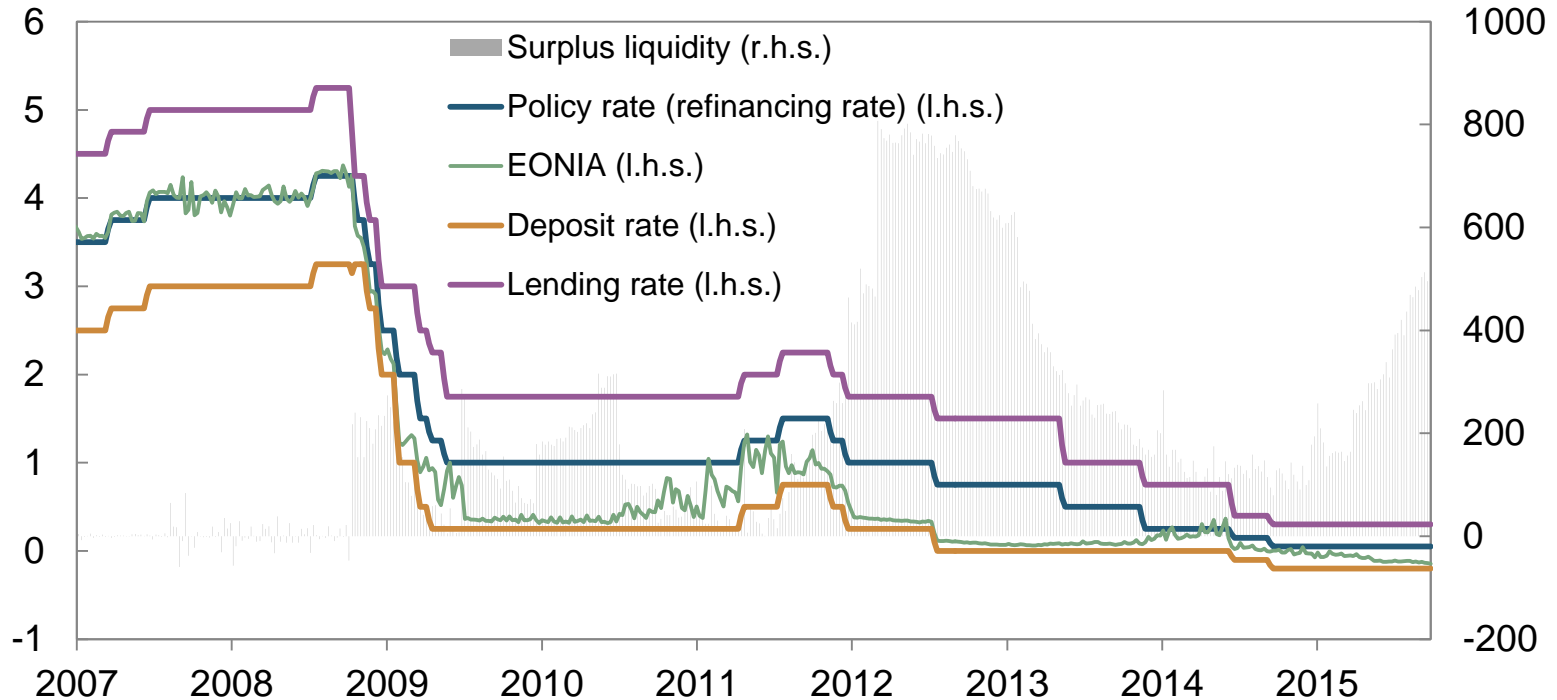


Source: Bloomberg



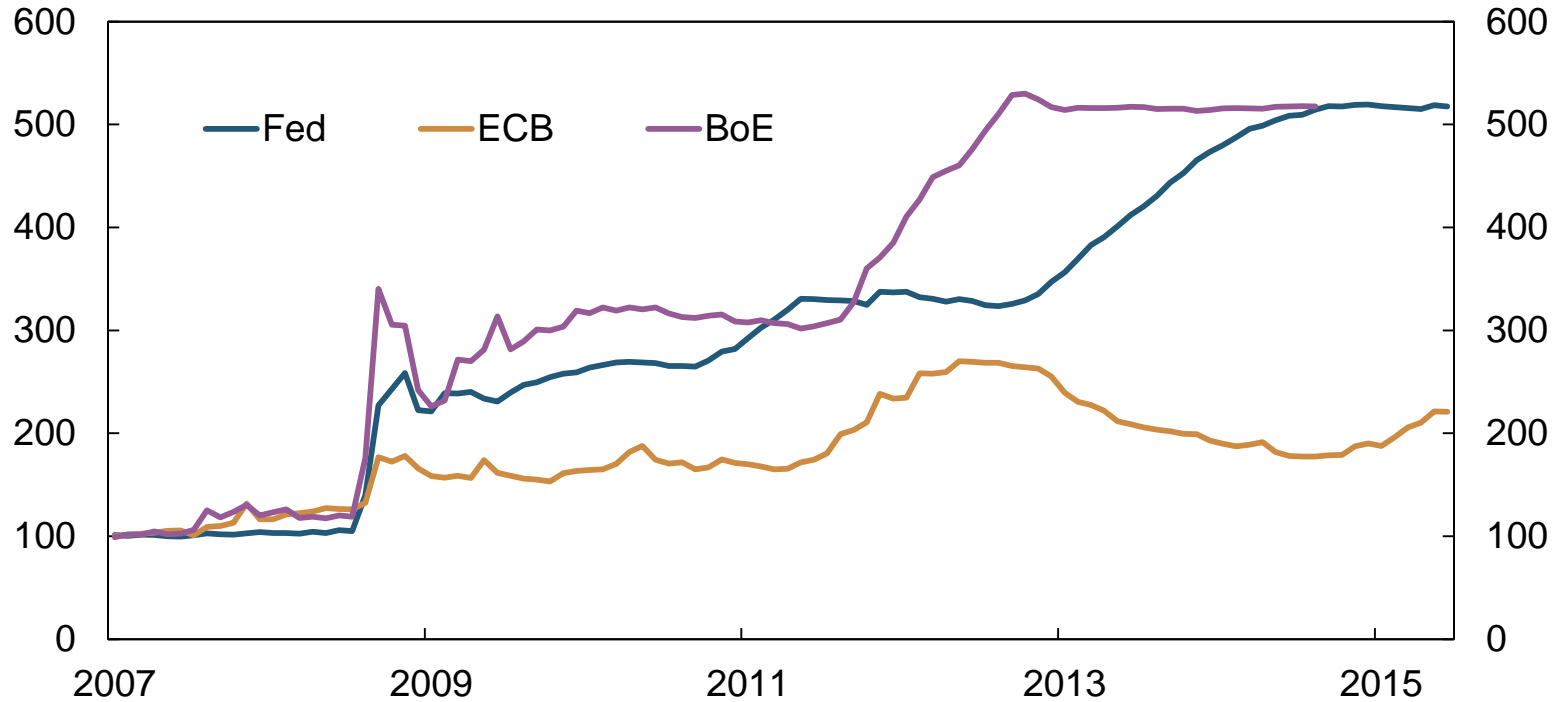
ECB interest rates and liquidity in the banking system

Percent and in billions of EUR



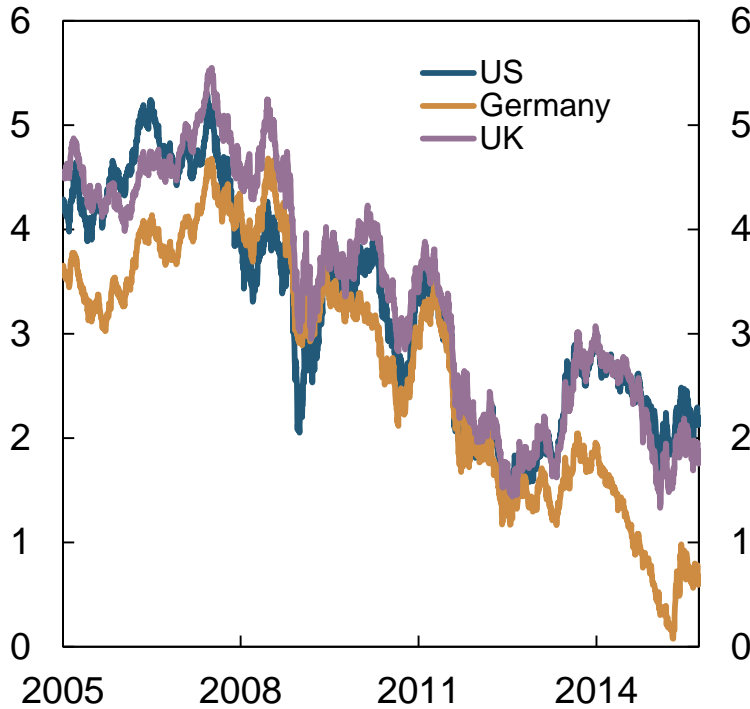
Central bank reserves

Index. 2007=100

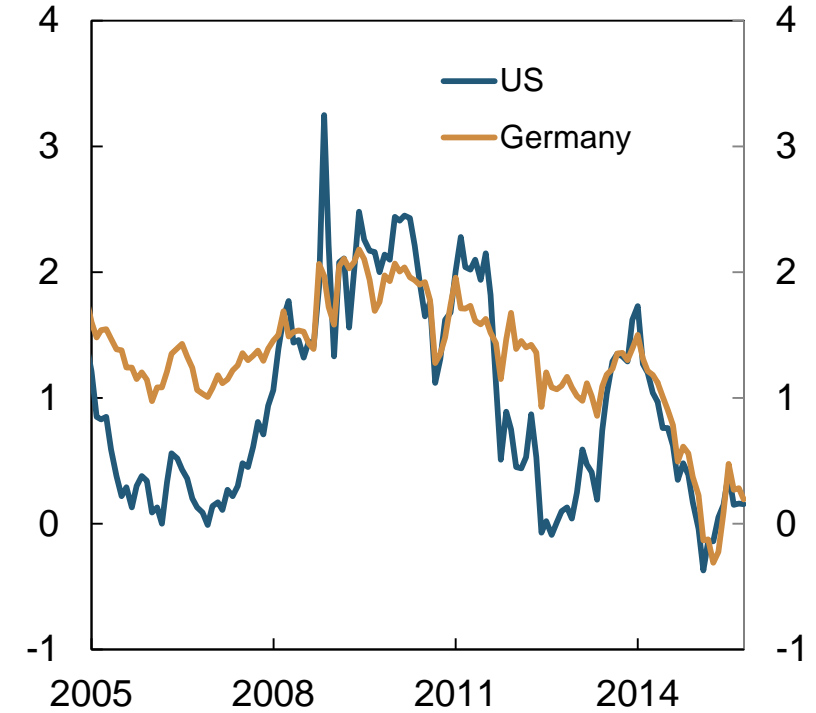


Long-term yields and term premiums

Ten-year government bond yields

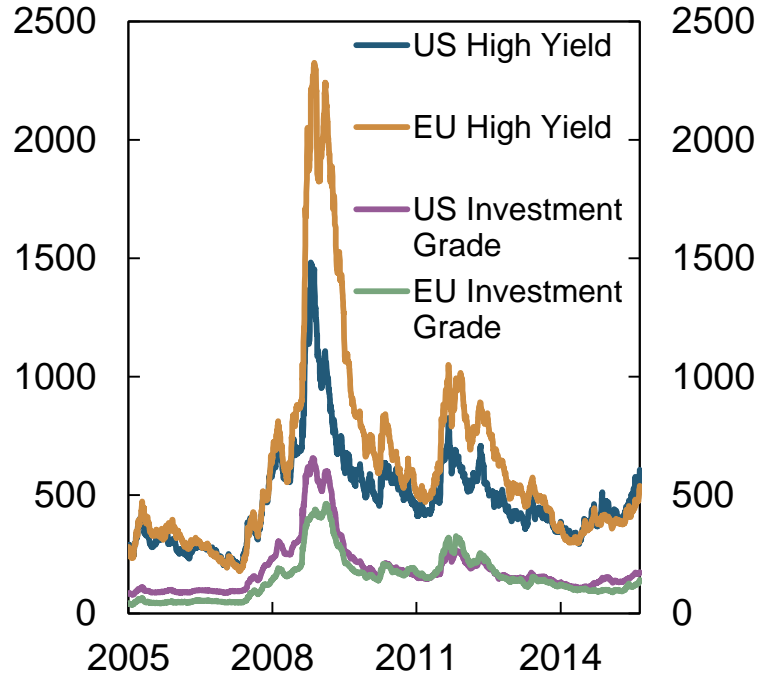


Estimated term premiums. Ten-year maturity

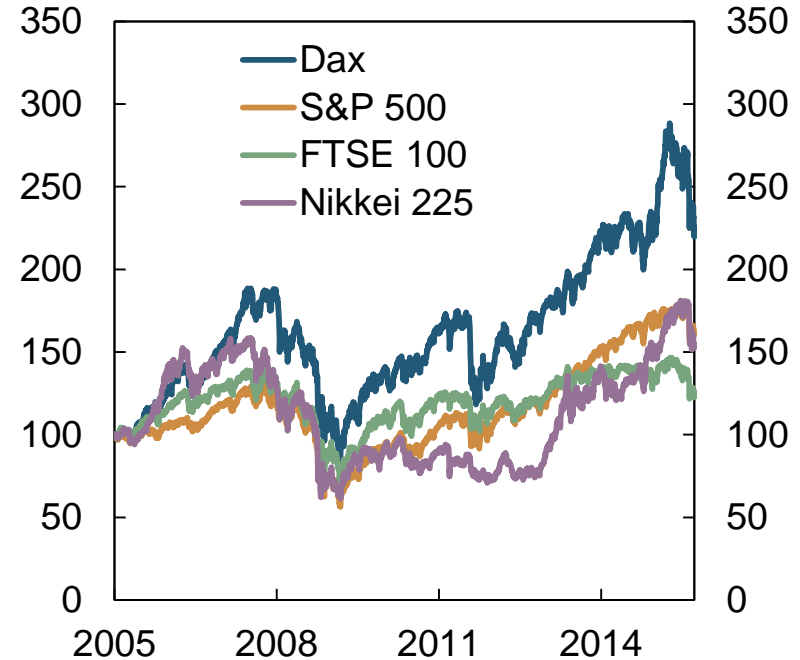


Credit premiums and equity prices

Credit premiums. US and euro area

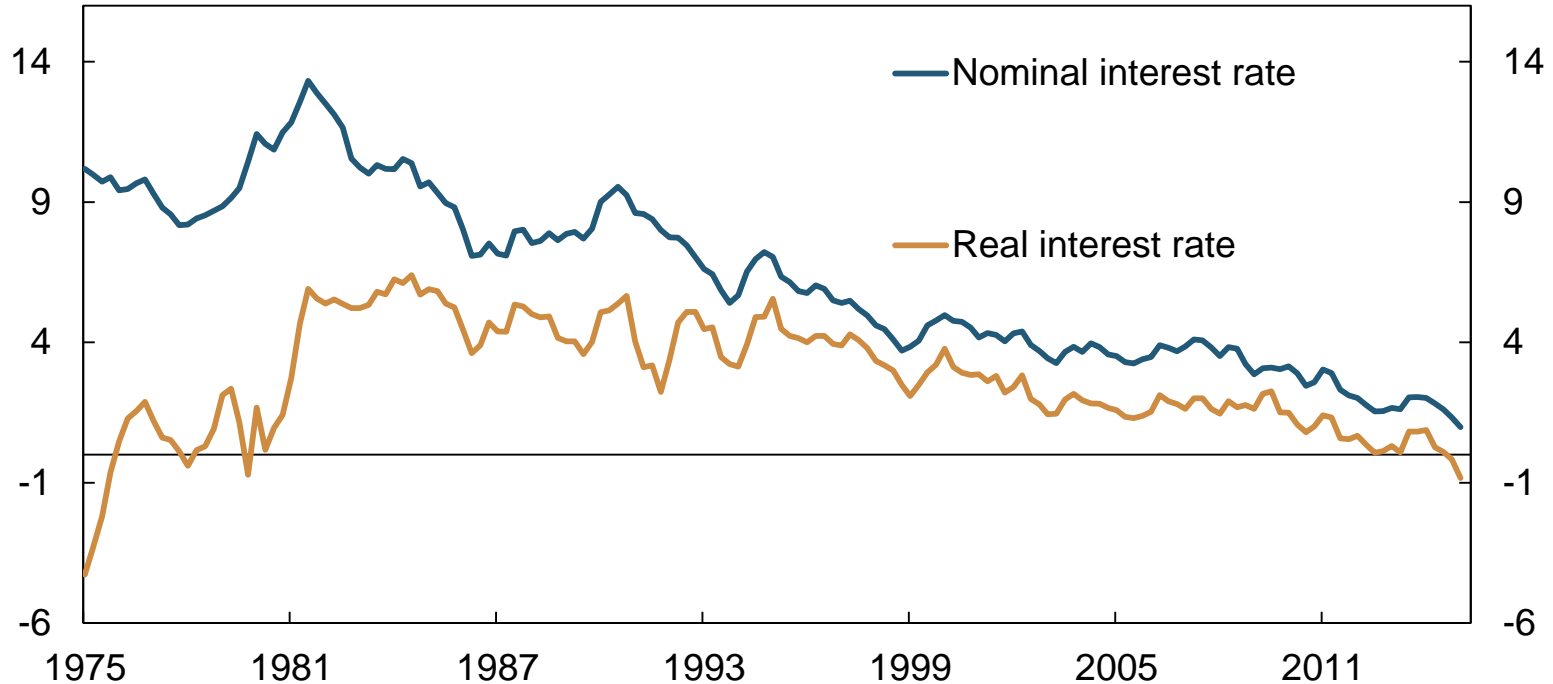


International equity indices



Nominal and real interest rates

Ten-year government bond yields, average of G5 countries¹⁾

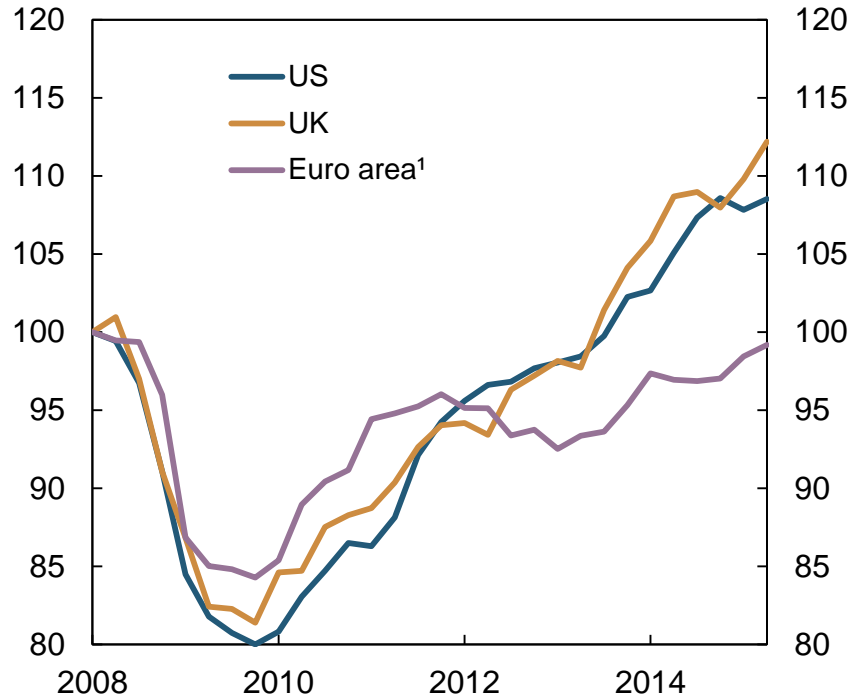


1) US, UK, Germany, France and Japan. The real interest rate is the nominal rate minus the rise in the GDP deflator.
Source: IMF

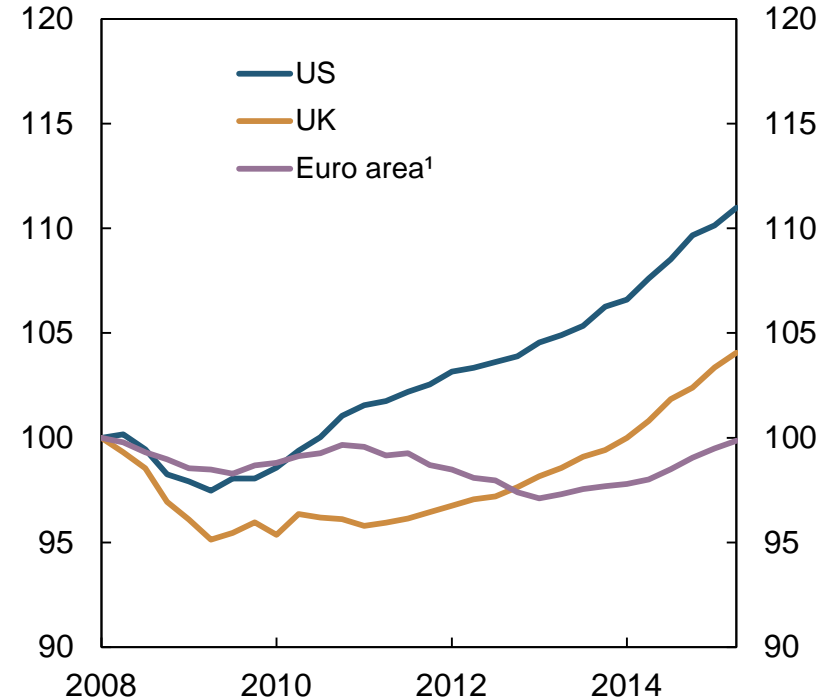


Investment and consumption

Private investment



Private consumption



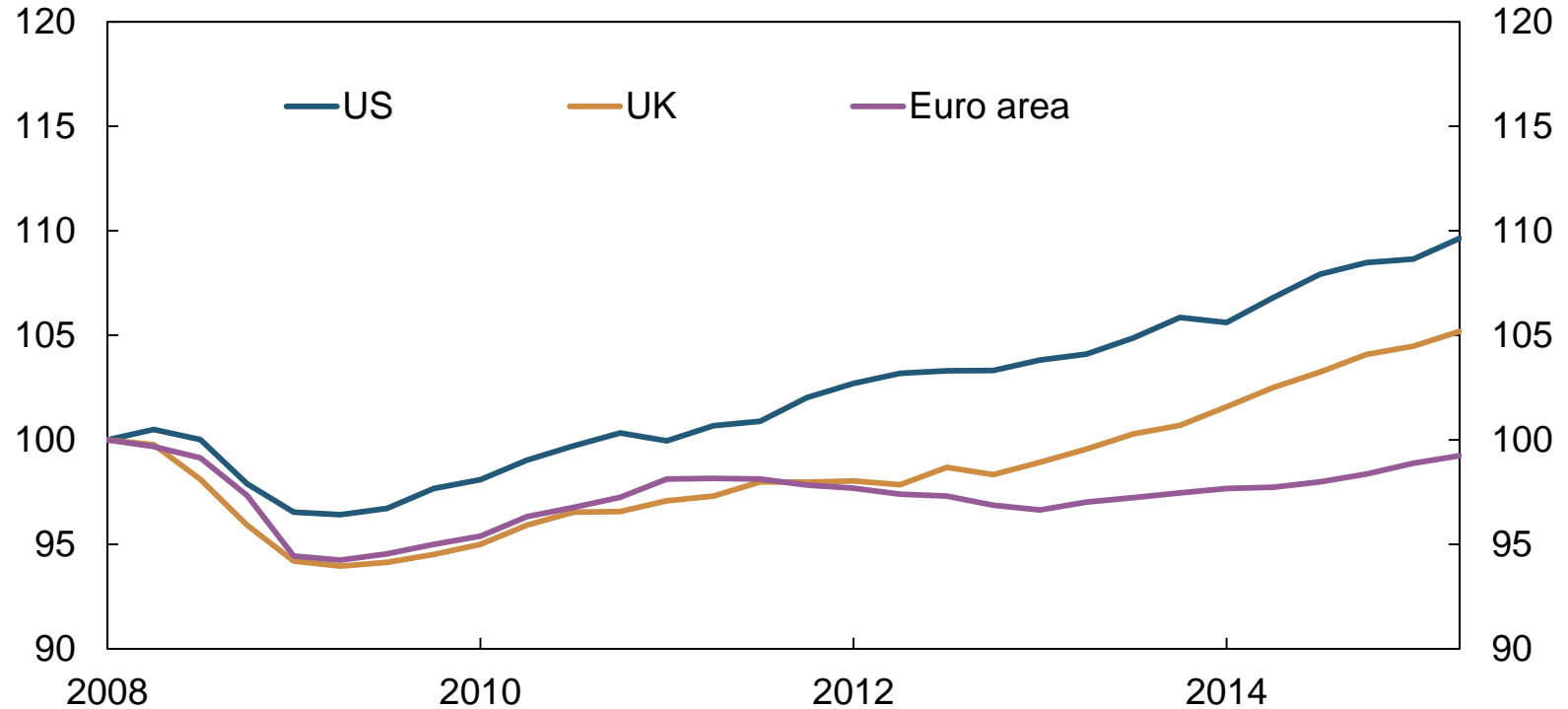
1) Germany, France, Belgium, Netherlands and Finland (GDP-weighted)

Sources: Thomson Reuters and Norges Bank



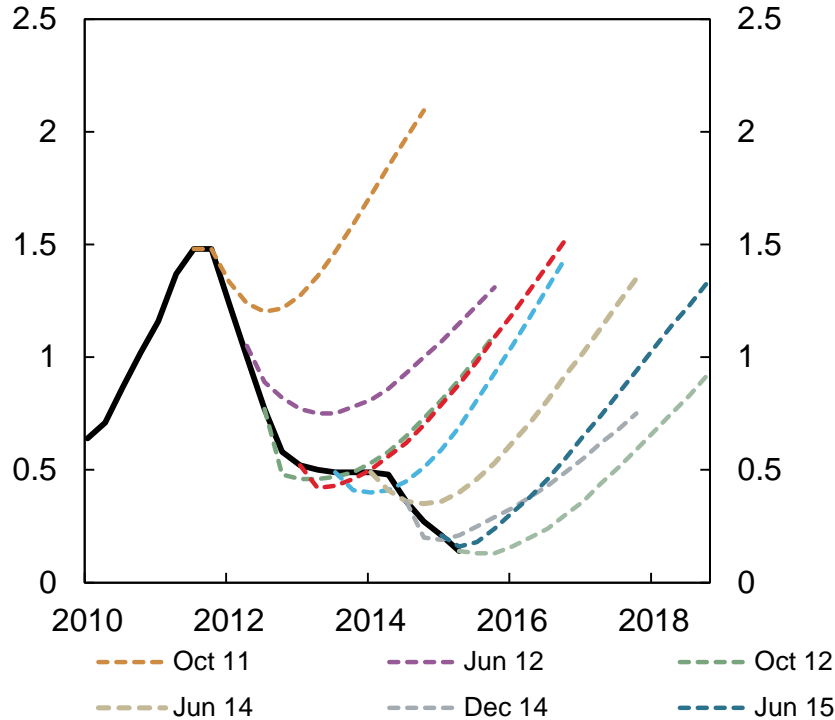
GDP

Volume index. 2008 Q1 = 100

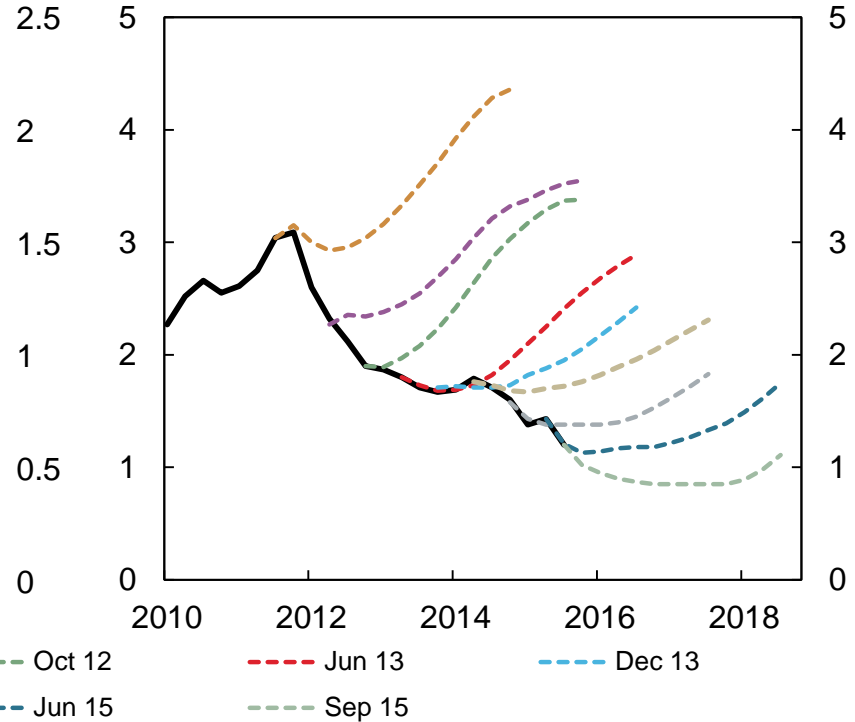


Money market rates

Trading partners

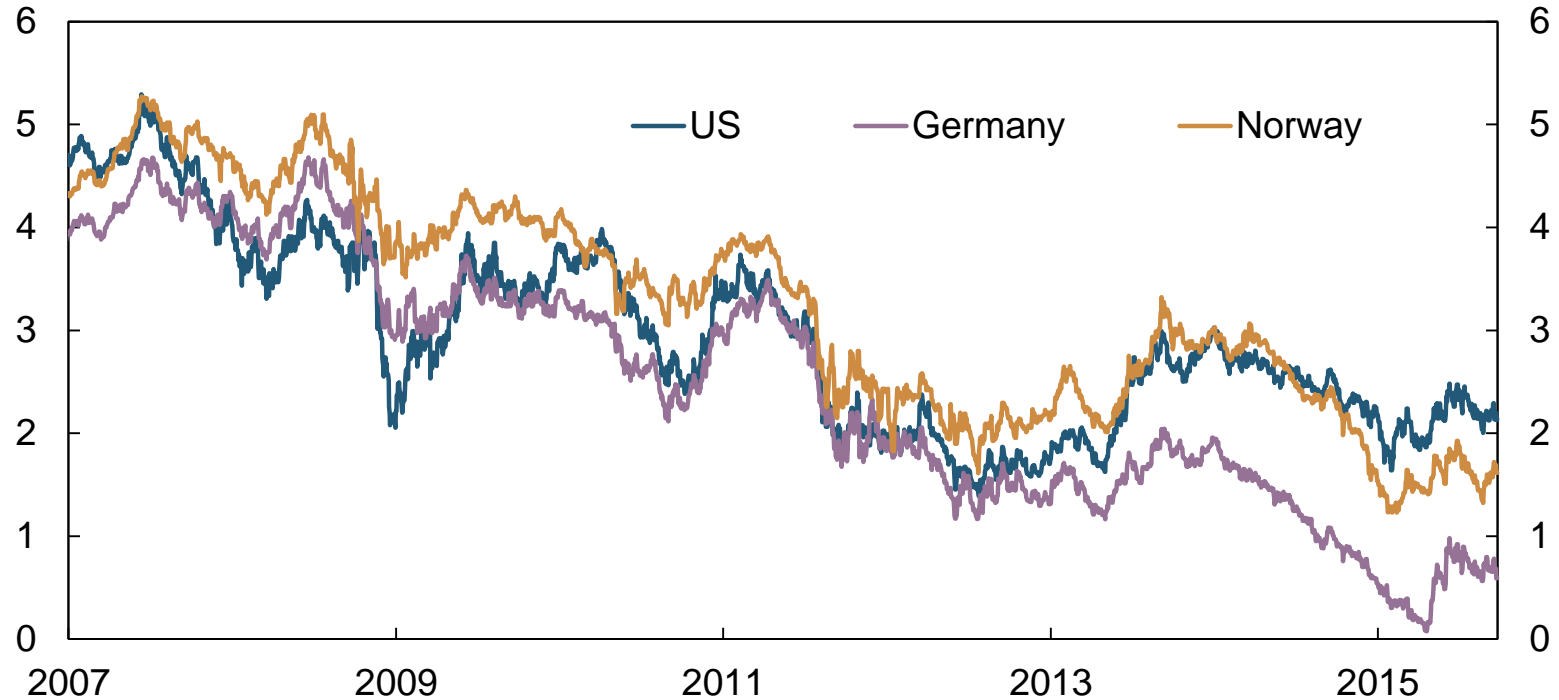


Norway



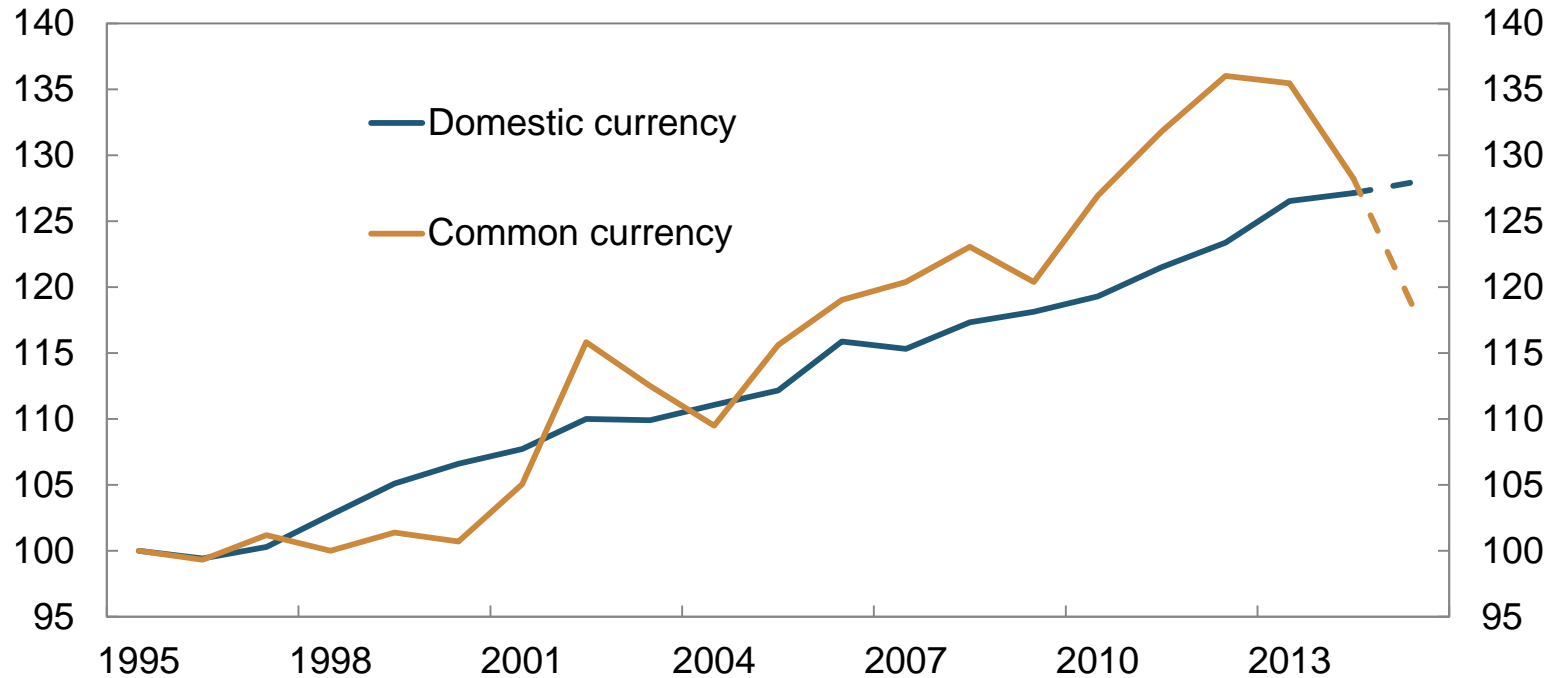
Yields on 10-year government bonds

Percent



Labour costs relative to trading partners

Hourly labour costs. Index. 1995 = 100. Projections for 2015





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