

Embargo

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Introductory remarks by the Governing Board

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Chairman of the Governing Board / Vice Chairman of the Governing Board / Member of the
Governing Board

Swiss National Bank

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Ladies and gentlemen

On behalf of the Governing Board, it is my pleasure as Chairman to welcome you to the SNB's news conference. After our introductory remarks, we will as usual be pleased to take any questions you may have.

Monetary policy decision

I will begin with our monetary policy decision. We have decided to leave the SNB policy rate unchanged at 0%. Banks' sight deposits held at the SNB will be remunerated at the SNB policy rate up to a certain threshold. The discount for sight deposits above this threshold still stands at 0.25 percentage points. Given the conflict in the Middle East, our willingness to intervene in the foreign exchange market has increased. We thereby counter a rapid and excessive appreciation of the Swiss franc, which would jeopardise price stability in Switzerland.

Our conditional inflation forecast for the coming quarters is higher than in December due to the rise in energy prices. Medium-term inflationary pressure, however, has remained virtually unchanged since the last monetary policy assessment. Our monetary policy helps to keep inflation within the range consistent with price stability and supports economic development. We will continue to monitor the situation closely and adjust our monetary policy if necessary, in order to ensure price stability over the medium term.

Inflation forecast

I would now like to address the development of inflation in more detail. As expected, inflation has risen slightly since the last monetary policy assessment, from 0.0% in November to 0.1% in February. This increase was driven in particular by higher goods inflation.

With the rise in energy prices due to the escalation in the Middle East, inflation is likely to increase more strongly in the coming quarters. As a result, our conditional inflation forecast in the short term is higher than in December. In the medium term, it is slightly lower due to the stronger Swiss franc. The forecast is within the range of price stability over the entire forecast horizon (cf. chart). It puts average annual inflation at 0.5% for 2026, 0.5% for 2027 and 0.6% for 2028 (cf. table). Our forecast is based on the assumption that the SNB policy rate is 0% over the entire forecast horizon.

I will now hand over to Antoine Martin, who will address the global economic outlook.

Global economic outlook

Global economic growth was solid in the fourth quarter. Despite US tariffs and trade policy uncertainty, international trade in goods and investment continued to grow, thanks in part to high spending on artificial intelligence. Consumer spending also supported growth. While inflation remained elevated in the US, in the euro area it stayed close to the central bank's target. Key rates were left unchanged in both currency areas.

With the conflict in the Middle East, the economic outlook has become considerably more uncertain. In our baseline scenario, we anticipate that the increase in energy prices will raise inflation in many countries in the short term. Furthermore, global economic growth is likely to temporarily slow somewhat, partly as higher inflation is likely to weigh on consumers' purchasing power. On the other hand, the easing of monetary policy last year as well as the more expansionary fiscal policy in some countries are having a supportive effect.

The global economic outlook is subject to significant risks, in particular owing to the situation in the Middle East. For instance, energy prices could rise more strongly than expected in the baseline scenario, which would considerably increase inflation and substantially constrain economic growth. Potential supply chain disruptions and heightened uncertainty could also weigh on growth. In addition to the situation in the Middle East, the trade policy outlook also remains uncertain.

This brings us to the situation in Switzerland, which Petra Tschudin will present.

Swiss economic outlook

Swiss GDP grew again in the fourth quarter, having contracted in the previous quarter. This is due to the fact that value added in the pharmaceuticals industry rose once again following its marked decline in the third quarter. Services continued to expand. Unemployment stabilised and stood at the same level in February as at the time of the last monetary policy assessment.

The economic outlook for Switzerland for the coming months is uncertain. In the shorter term, growth could be rather subdued, with a certain upturn to be expected in the medium term. We currently expect growth of around 1% for 2026 as a whole, followed by around 1.5% in 2027.

The main risk to the economic outlook for Switzerland is the development in the global economy. In particular, the situation in the Middle East could curb global economic activity and increase upward pressure on the Swiss franc.

I will now hand back to Martin Schlegel.

Monetary policy outlook

Ladies and gentlemen, allow me now to return to our monetary policy.

I will start with exchange rate developments. Since 2020, the Swiss franc has appreciated significantly on a nominal, trade-weighted basis. To assess longer-term exchange rate movements, price developments in Switzerland and abroad must also be taken into account. The appreciation of the Swiss franc was considerably smaller in real terms than in nominal terms, since the increase in prices in Switzerland was much less pronounced than in other countries. Thus despite some fluctuations, the Swiss franc showed little overall change in real terms against the euro and the US dollar between 2020 and 2025.

In times of uncertainty, the Swiss franc is sought after as a safe haven. Since our monetary policy assessment in December, it has appreciated. With the escalation in the Middle East, the upward pressure has increased once again. On a trade-weighted basis, the Swiss franc has increased by around 2.5% since mid-December.

What does this mean for monetary conditions? These result from the interest rate level and the exchange rate. With the appreciation of the Swiss franc, monetary conditions have tightened compared with the monetary policy assessment in December. Swiss franc appreciation reduces imported inflation and dampens economic activity.

At the same time, interest rates in Switzerland are significantly lower than in other countries. This interest rate differential makes investments in Swiss francs less attractive and thus counters the upward pressure on the franc. The expansionary effect of low interest rates is also evident in the robust growth in lending. Our monetary policy is thus supporting economic development.

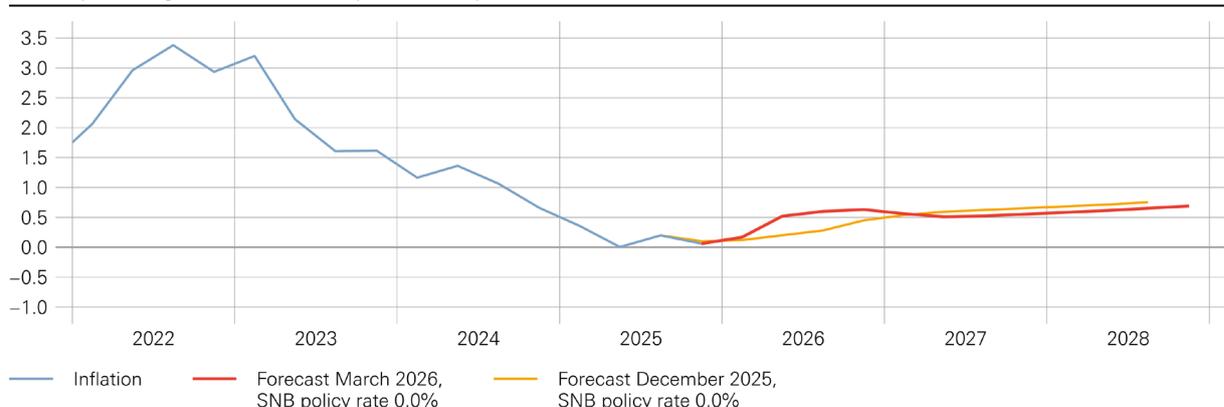
Our conditional inflation forecast for the coming quarters is higher than in the previous quarter due to the rise in energy prices. In the medium term, inflationary pressure is virtually unchanged. We have therefore decided to leave the SNB policy rate at 0%.

Uncertainty about inflation and economic development is currently elevated. We will therefore continue to monitor the situation closely and adjust our monetary policy if necessary, to ensure appropriate monetary conditions. A rapid and excessive appreciation of the Swiss franc poses a risk to price stability. To counter this risk, our willingness to intervene in the foreign exchange market has increased.

Ladies and gentlemen, thank you for your attention. We will now be pleased to take your questions.

CONDITIONAL INFLATION FORECAST OF MARCH 2026

Year-on-year change in Swiss consumer price index in percent



Source(s): SFSO, SNB

OBSERVED INFLATION IN MARCH 2026

	2022				2023				2024				2025				2023	2024	2025
	Q1	Q2	Q3	Q4															
Inflation	2.1	3.0	3.4	2.9	3.2	2.1	1.6	1.6	1.2	1.4	1.1	0.7	0.4	0.0	0.2	0.1	2.1	1.1	0.2

Source(s): SFSO

CONDITIONAL INFLATION FORECAST OF MARCH 2026

	2025				2026				2027				2028				2026	2027	2028
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Forecast December 2025, SNB policy rate 0.0%					0.1	0.1	0.2	0.3	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.8	0.3	0.6	
Forecast March 2026, SNB policy rate 0.0%					0.2	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.5	0.5	0.6

Source(s): SNB