

MNI SNB Preview: September 2025

By Moritz Arold
September 23, 2025

Executive Summary:

- Markets and analysts see a hold at 0.00% at Thursday's meeting as most likely, with a cut into negative territory appearing improbable given inflation has remained within the SNB's defined range of price stability for three months now.
- US tariffs at 39% remain of some concern for the Swiss economy leading to downside pressure on GDP estimates but should not move the needle for near-term SNB policy.
- The rates outlook is likely to continue to be characterized by a high bar to further cuts into negative territory, a comment on that may or may not make it into the press statement but will anyways be discussed in the subsequent media conference.
- The SNB's FX communications paragraph is likely to remain materially unchanged given a limited move in the trade-weighted CHF since the June meeting.
- For the first time, additional colour on the governing board decision making process will be provided four weeks after the meeting with the new meeting summaries.

Policy decision due at 07:30GMT/08:30BST/09:30CEST, Thursday 25 September 2025, followed by press conference with Governing Board incl. Chairman Schlegel

Link to press release (likely URL based on previous meetings) [here](#).

Link to press conference [here](#).

MNI Point of View – Avoid Negativity

Analysts see a base case of an SNB policy rate hold at 0.00% as most likely at Thursday's meeting after inflation appears to be tracking slightly above the SNB's average Q3 forecast of 0.1% Y/Y. Market pricing mirrors this view and appears roughly sensible, with implied odds for a renewed cut gradually having been pared from around 25% shortly after the June meeting to a mere 5% at typing.

The policy rate announcement will be accompanied by the usual press statement. Immediate focus should be on the SNB's **conditional inflation forecast**, which will provide guidance on how high the SNB judges the risk of inflation moving below target medium-term. Pay particular attention to the end-of-horizon 2027 figure here, which will likely headline right after the rate announcement. A noticeable revision of the current figure of 0.7% could provide a signal for market pricing of SNB meetings further ahead, with around 11bps of easing being priced through June 2026 currently. The Governing Council has consistently flagged its focus is on ensuring price stability in the medium term, and signalled it would not hesitate to take action if that was threatened – which would be implied if that end-of-horizon forecast was to move dangerously close to the 0% lower target bound. Further colour on this can be expected for the press conference.

While the **rate outlook** was kept neutral last time in the press statement ("continue to monitor the situation closely and adjust its monetary policy if necessary"), Chairman Schlegel hinted at a high bar to be met for a further cut into negative territory in his introductory remarks ahead of the Q&A ("aware

Figure 1: CPI Q2 To Date Marginally Above SNB June Forecast

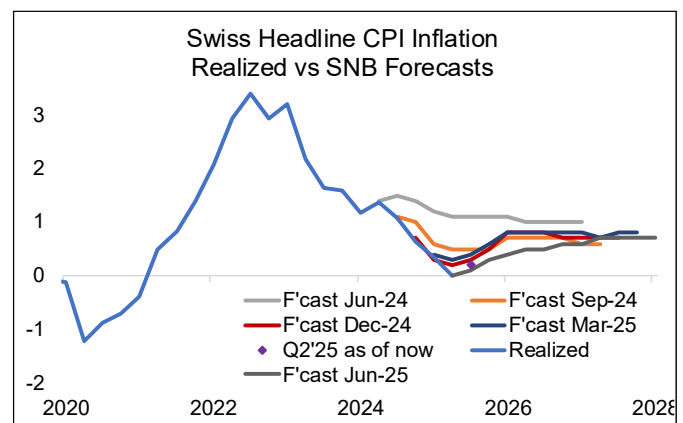
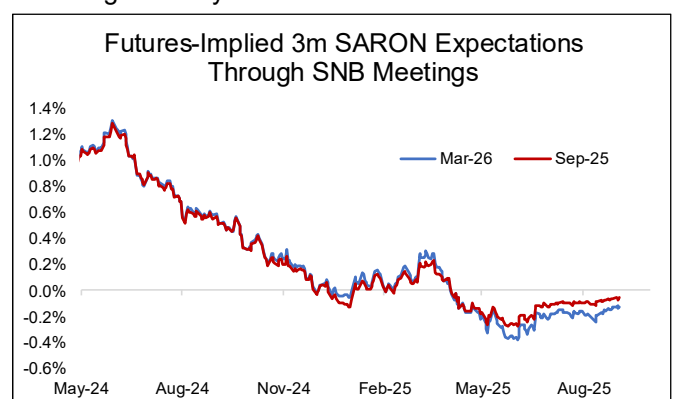


Figure 2: Sep-25 SNB Pricing Saw Hawkish Trend And Declining Volatility Over Last Months



that negative interest can have undesirable side-effects and presents challenges for many economic agents"). While an unchanged, neutral press statement on this remains very possible this time, we would also not be surprised if the SNB's concerns about negative rates might filter through to the headline paragraph. It would be questionable if such a potential addition would represent an underlying policy shift given Schlegel's repeated rhetoric on this (see 'Policymakers' Key Commentary Since March Meeting' section, page 5).

Focus is additionally on the SNB's **FX communications**, and on any change to the key phrase "willing to be active as necessary" in foreign exchange markets. With CHF seeing little net change in effective terms since the June meeting, the SNB appears unlikely to escalate its previous rhetoric. This continues to apply especially as Switzerland was added to the US currency manipulator "monitoring list" this summer, which prompted the SNB to renew its "commitment to adhere to the FX Global Code", flagging it does "not seek to prevent adjustments in the balance of trade or to gain unfair competitive advantages for the Swiss economy".

SNB To Start Publishing Meeting Summaries from September Meeting

- SNB Chairman Schlegel has announced that the SNB will start publishing meeting summaries from the September meeting. We see no signal for SNB near-term monetary policy from the announcement:
- "Starting with the next quarterly assessment, we will publish a summary of our monetary policy discussions. The summary will be published four weeks after the monetary policy decision. It will cover the two days of the monetary policy assessment and provide our view of the economic and monetary situation. The new summary will present the main points from the Governing Board's discussions. It aims to promote a better understanding of how we apply our monetary strategy to the situation at hand", SNB Chairman Schlegel said on September 10 at his speech before the Ticino Bankers' Association.
- "The summary will not include details of individual positions. Rather it will present the deliberations and decision of the Governing Board collectively", Schlegel adds.

Figure 3: Seasonally-Adjusted Services Momentum Has Accelerated Since June

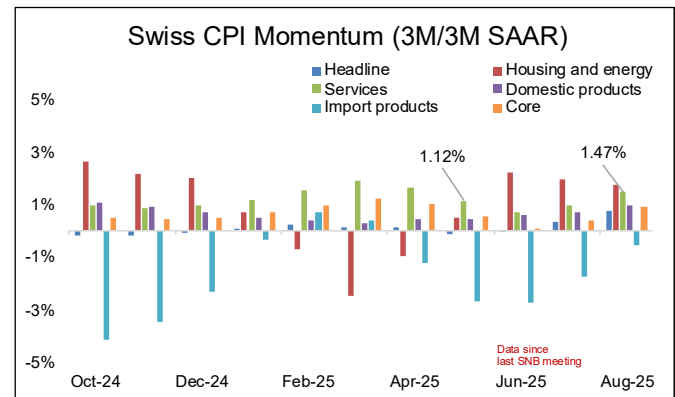
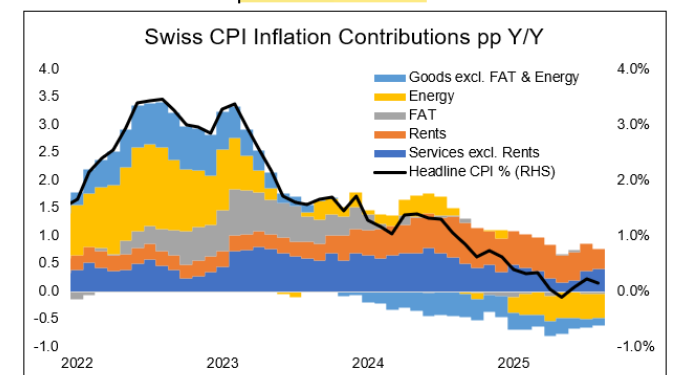


Figure 4: Services ex-Rents CPI Contributions Have Recovered Since June Meeting

Swiss Inflation Metrics	Aug % Y/Y	Jul % Y/Y	Aug pp contr	Contr Δ vs Jul
Headline CPI	0.15%	0.22%	-	-
Core	0.68%	0.81%	0.609	-0.122
Goods	-1.57%	-1.65%	-0.613	0.030
Services	1.23%	1.38%	0.769	-0.095
Energy and Fuels	-7.72%	-8.07%	-0.438	0.025
Domestic	0.60%	0.71%	0.466	-0.085
Imported	-1.33%	-1.41%	-0.312	0.020
Food & Non-alc Bev	-0.54%	-0.57%	-0.067	0.005
Alcohol & Tobacco	0.92%	1.33%	0.022	-0.011
Clothing	2.25%	0.16%	0.080	0.040
Housing & Energy	0.61%	1.03%	0.160	-0.104
Household	-1.10%	-1.26%	-0.032	0.008
Healthcare	-0.07%	-0.07%	-0.010	0.000
Transport	-2.38%	-2.38%	-0.268	0.003
Communication	0.46%	1.00%	0.011	-0.015
Recreation	0.50%	0.69%	0.062	-0.018
Education	2.59%	0.85%	0.020	0.014
Hospitality	1.80%	1.60%	0.167	0.020
Other	0.14%	0.26%	0.007	-0.007



Macroeconomic Developments Since March Meeting

August CPI Details Show Higher Non-Housing Services

Swiss CPI inflation printed unchanged and in line with consensus on a rounded basis at 0.2% Y/Y in August, with -0.1% M/M a tenth below consensus. Core CPI meanwhile decelerated to 0.7% Y/Y (vs 0.8% cons and prior).

- On an unrounded basis, CPI was 0.15% Y/Y in August.
- This means average Q3 to date inflation continues to track marginally above the 0.1% forecast given by the SNB in its June meeting. Continued positive prints in Swiss inflation should skew near term policy expectations away from further easing into negative rates territory.
- Looking at the main categories, services inflation accelerated marginally despite a noticeable housing rental decrease on the category's quarterly update. Imported inflation meanwhile moved higher, meanwhile:
 - Domestic 0.6% vs 0.7% prior
 - Imported -1.3% vs -1.9% prior
 - Services 1.2% vs 1.1% prior
 - Goods -1.6% vs -1.6% prior
 - Energy and fuels -7.7% vs -8.1% prior
- Looking at the individual categories' contributions, a clothing jump to 2.3% Y/Y stands out, the highest yearly rate since August 2023. The largest negative contributor looking at the larger categories were housing rentals, falling from 2.6% to 1.9% Y/Y. Further details see figure 4.

Retail Sales Pull Back In July After A Strong June

Swiss retail sales started Q3 on a soft note, with volumes dipping -0.5% M/M in July although it did follow an upward revised 1.9% M/M in July (initially seen at 1.5%).

- On a broader view, the three-month average of the Y/Y at 1.5% continues to print around its long-term average having pared some of its drop seen earlier in Q2 (this average needed having swung from 0.0% Y/Y in May to 3.9% Y/Y in June and then 0.7% Y/Y most recently in July).
- Sequential retail sales weakness was rather broad-based in July, with only the "others" category (excl. fuel, clothing, food) printed positively this time. Clothing underperformed at -4.0% M/M, more than reversing July's 3.7% jump.

Q2 Headline GDP Unrevised, Weaker Industry But Services Grow

Swiss Q2 growth came in in line with the flash release at 0.1% Q/Q on a sports-event and seasonally-adjusted basis, following Q1's 0.8%. "Industrial value added and exports declined sharply, whereas the services sector delivered broad based growth", SECO comments.

- We'd argue that from a monetary policy perspective, the print should point away from an SNB cut into negative territory at the September meeting as per Chairman Schlegel's previous comments that the bar for such a move is high. Focus is rather on inflation developments, and we'd not expect current growth momentum to be a trigger for a deflationary spiral in the country.
- SECO also updated its Swiss growth forecast with the GDP release, now standing at 1.2% in 2025 and 0.8% in 2026 (from 1.3% in 2025 and 1.2% in 2026). "A severe recession is not currently expected. However, the economic impact could be significant for certain sectors and companies", they comment following the 39% tariffs levied by the US on Swiss imports now.
- Regarding sectoral drivers on the GDP print, manufacturing and construction both stand out negatively in Q2. Sequential growth was positive in the other main categories. Across an expenditure split, exports decreased materially but less than their jump in Q1.

KOF Lower But Above May Levels Following 39% US Tariffs

The Swiss KOF index deteriorated more heavily than consensus expected but only to levels last seen in May in its first print incorporating the 39% tariffs levied by the US on Swiss imports. Specifically, the indicator came in at 97.4 in August (98.0 consensus, 101.3 July).

- "The majority of the indicator bundles included in the KOF Economic Barometer reflect this downward tendency. The outlook for the indicator bundles for manufacturing and hospitality is particularly dampened. The negative developments are slightly cushioned by the indicator bundle for foreign demand which shows an improved outlook this month", according to the KOF.

KOF Survey Eyes Softer Wage Growth, But Real Still Positive

Swiss wage growth expectations stand at 1.3% for the next year according to a KOF survey, vs 1.6% in a previous survey from July 2024. This would mean real wage growth of "less than 1%" on KOF inflation assumptions or just 0.2% on firms' inflation expectations, but it would help avoid an outright deflationary environment even if the release notes a tariff-related caveat.

- Those real wage growth expectations are based on KOF's inflation forecast of 0.5% and firms' inflation expectations of around 1%.
- KOF comments on the survey: "On the one hand, this decline [relative to last year's result] is likely to reflect the easing of the shortage of skilled workers on the Swiss labour market. On the other hand, it is likely to reflect the sharp drop in consumer price inflation in Switzerland in recent months. If inflation falls during the year, there is less need to adjust wages next year in line with past inflation. However, as these figures were collected before 1 August, the decline is not attributable to the high industrial tariffs that the US has recently imposed on Swiss companies. The tariffs are likely to have further reduced wage growth expectations, particularly in US-oriented companies in the industrial sector".
- Around 4500 Swiss companies took part in the KOF survey. Swiss Q2 employment data is scheduled for release tomorrow.

Weak Q2 Industrial Production Confirms GDP Commentary

Swiss industrial output declined in Q2, printing -2.46% Q/Q, the weakest consecutive print since Q1 2023 but that's coming from a very strong 3.63% in Q1.

- The print confirms the expected slowdown in Swiss manufacturing after the statistics office commented on last week's Q2 flash GDP (0.1% Q/Q) as "the negative performance in industry has been counterbalanced by gains in the services sector".
- Across sectors, pharmaceuticals stood out at -10.8% Q/Q but that comes after a record 18.2% in Q1 which was helped by US tariff front-loading. On an index level, encouragingly, the sector did see its second best quarter on record in Q2.
- Current tariff levels of 39% levied by the US on Swiss imports should weigh on industrial production in the country mid-term.

Policymakers' Key Commentary Since March Meeting

Key quotes of board members after the June meeting:

Martin, Aug 27	“At this stage, we do not see any risks of deflationary developments, and our forecasts show a jump in inflation in the coming quarters” “Inflation dynamics in Switzerland are unlikely to be dramatically disrupted by the dollar’s recent movements” “Past experience teaches us that negative rates have worked, but that they create more challenges for banks, investors and also households, which take more risks. This phenomenon can have long-term negative effects.” - Interview with L' Agefi
Schlegel, Sep 8	“We are aware that negative interest rates can have undesirable side effects, for example for savers and pension funds [...] The hurdle to reintroducing them is high.” “In monetary policy, you can’t wait around when a decision needs to be made. Otherwise you have to take stronger countermeasures later on.” - US tariffs will “initially create a lot of uncertainty [...] Many companies are investing less, which is having a negative impact on the economy.” - Interview with Migros

September 22, 2025

MNI SNB 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	0.2	-0.1	⬆️	0.3	⬇️					-1.12
Core CPI YoY	% y/y	0.7	0.5	⬆️	0.9	⬇️					-0.23
Producer & Import Prices	% y/y	-1.8	-0.7	⬇️	-0.1	⬇️					-2.10
Economic Activity		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Manufacturing PMI	Index	49.0	42.1	⬆️	49.6	⬇️					1.02
KOF Leading Indicator	Index	97.4	98.8	⬇️	102.4	⬇️					-0.91
Industrial Output	%y/y	-0.1	8.9	⬇️	2.1	⬇️					-0.69
GDP QoQ	%QoQ	0.1	0.4	⬇️	0.3	⬇️					-1.49
Monetary Analysis		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Money Supply M3	%y/y	4.70	3.06	⬆️	1.68	⬆️					1.53
CH Household Credit Total	CHF bn	1047.5	1038.1	⬆️	1032.8	⬆️					1.66
Foreign Currency Reserve	CHF bn	715.1	703.6	⬆️	735.4	⬇️					-0.27
Total Sight Deposits	CHF bn	472.3	444.9	⬆️	437.4	⬆️					1.31
Consumer / Labour Market		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Retail Sales YoY	% m/m	0.7	0.8	⬇️	2.7	⬇️					0.03
Consumer Confidence	Index	-40.0	-37.0	⬇️	-34.0	⬇️					-1.11
Unemployment Rate SA	K	2.9	2.8	⬆️	2.7	⬆️					1.00
Registered Job Openings	% y/y	39805	42530	⬇️	30422	⬆️					0.19
Markets		Current	3m ago	3m Chg	6m ago	6m Chg	2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Equity Market (SMI)	Index	12110	12227	⬇️	13004	⬇️					0.60
SW 10-Year Yield	%	0.22	0.27	⬇️	0.46	⬇️					-0.84
SW Yield Curve (2s-10s)	bps	32.9	45.0	⬇️	27.3	⬆️					0.24
BIS CHF Nominal EER	Index	121.13	118.61	⬆️	114.62	⬆️					0.87

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 Finance L.P.

Sell-Side Analysts Summary (A-Z)

Analysts tilt towards predicting a hold of the policy rate in the upcoming meeting.

Bank of America:

- “We expect the SNB to stay on hold next week, leaving policy rates at 0%. We maintain our view that the zero-interest-rate-policy (ZIP) will stay in place in the quarters ahead. In the statement, we anticipate an unchanged reference to SNB willingness “to be active in the foreign exchange market as necessary” as well as “adjust its monetary policy if necessary to ensure inflation remains within the range consistent with price stability over the medium term”. Negative rates are a risk, contingent on a meaningful deterioration in the outlook.”
- “The SNB toolkit is two-sided, with the policy tools being rates and FX intervention. Since the start of its easing cycle, the SNB has shown that its policy tool preferences are skewed towards rates. Now that it has embraced a zero-interest-rate-policy as of June, we think discretionary FX interventions could be an additional policy tool of choice, especially in the context of uncertainty-triggered safe-haven flows.”

Barclays:

- “The decision is indeed relatively straightforward: inflation has remained weak so far but failed to underperform SNB's already low forecast, a necessary condition for further cuts, given the central bank's unwillingness to go negative ‘lightly’.”
- “We do not expect any change in communication. We think President Schlegel will continue to signal that the bar for negative rates is high and argue that the data so far have done little to challenge that. At the same time, he will reiterate that ‘if it's really necessary, we won't hesitate’ to do it.”
- “Forecasts changes are likely to be minor [...] We still expect the end of forecast horizon inflation at 0.7%, as in June, and we will take any downgrade/upgrade as dovish/hawkish.”
- “Recent price action suggests that front-end long positioning is much lighter. We think our Z5Z6 flattener (Entry: 3.5bp, Current: -2bp, Target: -6.5bp) can trade deeper into negative territory (though as a higher beta version of this trade investors can consider outright long in Z6 or H7, given there is now only little easing priced left in Z5).”

BNY:

- “The Swiss National Bank is expected to keep rates on hold despite the significant pick-up in economic headwinds since the June decision.”
- “Data is showing clear sign of deterioration, and we have calibrated our franc view to some extent, but for now fundamentals are manageable and SNB President Schlegel recent noted that the bar for additional easing is ‘high’.”
- “We believe the SNB will stay on hold for now, barring material downside revisions in the conditional inflation forecast, but if U.S. tariffs are permanent, then a reassessment will be necessary.”

CIBC:

- “The bank remain reluctant to embrace a return to negative rates, SNB vice President Martin recently detailed that he does not embrace deflationary developments, suggesting a lack of appetite for additional easing. Moreover, SNB President Schlegel detailed back in June that rates below zero prompt difficulties for both business and savers.”
- “Given that prices remain in line with that expected in June it seems that immediate policy inertia can be expected. However, given the risks of prices coming in below expectations, not least should rental inflation continue to moderate into Q4, we can expect pressure on the SNB to cut into December, currently 6.6bps are priced, to amplify. Although the bank will likely hold in September we remain mindful of the risks of negative rates into year-end.”

EFG Bank:

- “SNB will keep its policy rate unchanged at 0.00%. While it will keep all options open, it is unlikely to provide precise guidance on future monetary policy. There are many reasons for not lowering interest rates below 0% again. The main one is the rebound in inflation between June and August, within the 0-2% target range.”
- “The main downside risk to inflation stems from the strength of the Swiss franc, which has appreciated by more than 10% against the USD after Liberation Day.”
- “Schlegel's comments signal that the bar for further rate cuts below 0% is currently quite high.”
- “The other major unknown is the impact of the 39% tariffs announced by the US on Swiss GDP growth. The shock appears sustainable for now, partly because pharmaceuticals and gold, which account for more than half of Swiss exports to the US, are exempt from tariffs, at least for now.”

JP Morgan:

- “We do not expect the SNB to be much of a market mover as a hold is nearly fully priced and the governing council has little reason to stray away from recent (hawkish) rhetoric”
- “Instead, they emphasised that EUR/CHF is little changed and the USD/CHF rally is more a function of the dollar and is less pronounced in real terms, reminded us again of the SNB stance that the bar for negative rates is high given negative consequences, and hinted that the inflation outlook still broadly holds.”
- “We expect this rhetoric to continue next week, and for governor Schlegel to continue emphasising that they will go negative if really necessary, but that there is a high bar for it. While this would not be news, such headlines may still attract the market’s attention in a way that supports the franc.”
- “We do not expect a change to the two-sided intervention language. Our proxies recently showed that the sizable June intervention was indeed a one-off, and not part of a broader CHF-weakening campaign. We hold franc longs into the meeting via short GBP/CHF and long an RV fiscal basket of Scandi and CHF longs vs GBP, JPY and USD.”

Goldman Sachs:

- “We now expect the SNB to hold its policy rate at 0% (versus our previous expectation of a 25bp cut) at next week’s meeting”
- “First, inflation has been slightly higher than expected [...] inflation printed slightly above the SNB’s June forecast and above the lower bound of the SNB’s price stability range, with August headline inflation at 0.2%yoy. Inflation momentum also increased slightly.”
- “Second, while the near-term economic outlook remains weak due to the 39% reciprocal tariffs implemented by the US administration in August, weak activity has not further lowered inflation so far and we expect growth to pick up in 2026.”
- “Third, our ECB forecast has turned more hawkish since June, which should support the exchange rate with the Euro Area, Switzerland’s most important trading partner.”
- “Finally, SNB Chair Martin Schlegel recently reiterated that the hurdle to reintroducing negative rates was high. We thus see the SNB on hold at 0% from here (vs. -0.25% before).”

MUFG:

- “SNB to weigh up again whether to return to negative rates”
- “Swiss franc strength is continuing to prove persistent this year, and will likely remain a concern for the SNB given inflation in Switzerland is well below their 2.0% target.”
- “SNB officials including President Schlegel have clearly indicated that there is a higher hurdle to reimpose negative rates given the undesirable side effects. There is also optimism after recent trade talks between the US and Switzerland that a deal will be done to lower the tariff rate. As a result, we are not expecting this week’s SNB meeting to weaken the Swiss franc.”

Nomura:

- “We expect the SNB to leave its policy rate unchanged at 0.00%”
- “Inflation has trended slightly above the SNB’s forecast in the latest data, suggesting the deflation threat has eased. Hence, we believe the SNB will be comfortable leaving the policy rate at its current level.”
- “Hawkishness from the ECB at recent meetings suggests the ECB is unlikely to cut its policy rate again for the foreseeable future, limiting the prospect of CHF appreciation from further ECB cuts.”
- “We will be closely monitoring the SNB’s comments for any evidence of concerns about the economic impact of US tariffs or continued CHF strength.”
- “Our central forecast for the SNB’s policy rate reflects our expectation that it will remain at 0.00% for the foreseeable future, as we believe inflation will accelerate, preventing the need to reduce the policy rate. Evidence of a hit to economic activity from US tariffs could prompt a rate cut in the future, but if inflation is moving in a clear upward direction, it would be unlikely to cause a policy rate cut on its own.”

Rabobank:

- “While the SNB is not averse to using the element of surprise in its policy announcements to engineer a move lower in the value of the CHF, a move back to negative rates from the current rate of zero would be a big step given the potential impact on Switzerland’s financial system.”
- “Some respite was offered to policymakers by the as expected release of August CPI inflation at 0.2% y/y. This was the third consecutive month that inflation held above zero and technically within the SNB’s target of less than

2%. That said, against the backdrop of 39% US trade tariffs, policymakers are likely to hold open the door for negative rates."

- "It is likely a relief to SNB policy makers that the downtrend in EUR/CHF in recent years has given way to a more consolidative tone. We attribute this, at least in part, to the strength of the EUR this year following the changes to Germany's debt brake and potentially to the smaller Trump tariff handed to the EU relative to Switzerland. That said, the safe haven appeal of the CHF suggests that the currency is vulnerable to bouts of buying pressure should geopolitical tensions rise. In the absence of the latter, we expect EUR/CHF to edge higher to 0.96 on a 12-month view."

Scotia:

- "Negative rates should not be ruled out. The SNB has been battling franc strength all year long with no clear signs it is subsiding."
- "The drivers of the Swiss dilemma may be idiosyncratic as markets have sought CHF as a safe haven during trade wars and in light of Trump's massive tariffs against the country. They cannot, however, be fully ignored."

SEB: We and consensus expect SNB to remain at 0.0% after having cut by 25 bps at the previous meeting in June.

- "Even if inflation and growth remain low, we do not expect a cut into negative territory."
- "CHF remains at strong levels versus both EUR and USD, but intervening in the FX market to weaken it does not seem prudent with the US Trump administration keeping a keen eye on FX manipulation."

Societe Generale (via MT Newswires via Bloomberg):

- SocGen see a hold at 0%.
- "Barring currency intervention -- unlikely -- the bar is high for a sustainable turnaround"

UBS (from September 2):

- "We stick to our baseline of no further SNB rate cuts with the bar for negative rates remaining high. For the SNB to consider negative rates would in our view require a combination of a much weaker Swiss growth outlook, a narrowing of the SNB-ECB rate differential due to ECB rate cuts and persistent CHF appreciation pressure that together would substantially worsen the medium-term inflation outlook."
- "In case of further safe haven flows, and especially given the high hurdle for negative policy rates, we assume FX interventions would be the first line of defence."
- "However, we do make a small change to our SNB view in response to the trade escalation and no longer expect a rate hike in September 2026, given that subdued growth and inflation may last longer due to the tariffs. We now expect the first rate hike in December 2026, coinciding with the first ECB rate hike."

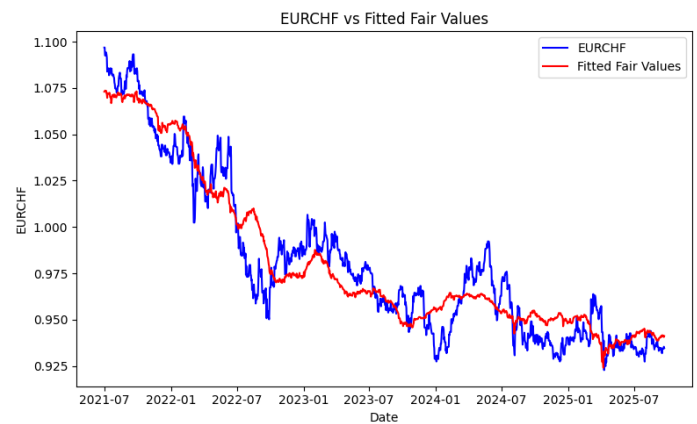
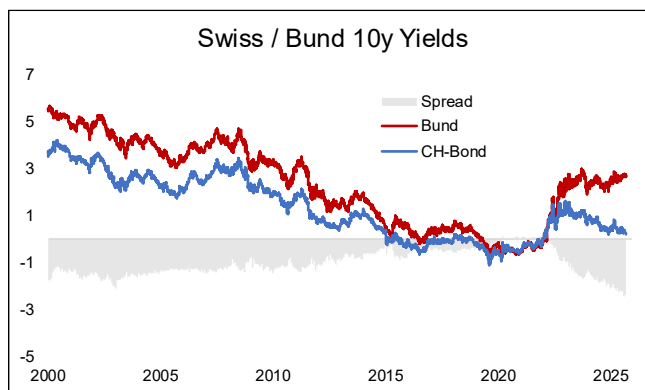
UniCredit:

- "The SNB is likely to hold its key rate at 0% after cutting six times in a row by a total of 175bp."
- "A steady SNB would likely leave the CHF firm against the USD and the EUR. The SNB has recently indicated that it must learn to live with a strong franc."

Appendix 1: Additional Charts

Two additional charts below:

- On the left CH-Bond vs Bund 10y yields.
- On the right looking at CHF against a “fair value” comparison, regressing the cross-section of EURCHF daily closes since mid-2021 on the SNB’s foreign currency holdings, a risk aversion coefficient, the Swiss bond-Bund 10y yield spread, the relative consumer price level between the Eurozone and Switzerland, and the relative level of the SMI vs the DAX.



Appendix 2: MNI Policy Team Coverage

MNI SNB WATCH: Rates Seen On Hold At Zero

By Les Commons
Sep 22, 2025

LONDON - The Swiss National Bank looks certain to keep its policy rate unchanged at 0% this week, with policymakers unwilling to take rates back into negative territory any time soon.

But the SNB board will keep all options open and is unlikely to provide precise guidance on future policy moves.

Headline inflation has recovered since the last rate cut in June, and sits within the 0-2% target range, with moderate price pressures pointing to a gradual further increase in the coming months and into 2026. The labour market has also seen some signs of stabilisation, and nominal wage growth has accelerated in early 2025. (See [MNI SNB WATCH: Back To Zero As Inflation Turns Negative](#).)

RISKS

The main downside risk to inflation remains Swiss franc strength, which has appreciated by more than 10% against the dollar since "Liberation Day".

The impact on GDP and inflation from 39% American tariffs remains uncertain, though the shock appears sustainable for now, partly because pharmaceuticals and gold, which account for more than half of Swiss exports to the U.S., are exempt from the levy.

Sectors in which Swiss companies are market-leaders such as luxury watches and precision mechanics, should also be only moderately affected.

MEDIUM-TERM PRICE STABILITY

SNB President Martin Schlegel has repeatedly emphasised that the key objective of monetary policy remains price stability "in the medium term," so temporary deviations outside the 0-2% target range can be tolerated, implying that the bar for further rate cuts below 0% is currently quite high.

One big change for SNB watchers in this decision cycle will be the inaugural publication of meeting minutes, expected four weeks after the decision, with the aim of increasing transparency. This initiative brings the SNB closer to the established practice of other major central banks, but it is still unclear just how much information will be provided in addition to the policy statement and the post-decision press conference.

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