MNI SNB Preview: December 2025

By Moritz Arold
December 8, 2025

Executive Summary:

- The SNB are expected to keep policy rates unchanged at 0.00%, with a cut back into negative territory highly improbable given inflation has remained within the SNB's defined range of price stability since June
- The rate outlook is likely to continue to be characterized by a high bar to further cuts, with focus on any messaging on how far the Bank are from such a move given inflation undershot the latest Q4 forecasts by almost 0.3pp
- The Swiss – US tariffs deal brings levies down to 15 and alleviates any concern over earlier, steeper rates which weighed on Q3 GDP growth
- The SNB's FX communications paragraph is likely to remain materially unchanged given limited net moves in the trade-weighted CHF since September

Policy decision due at 08:30GMT / 09:30CEST, Thursday 11 December 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 – Likely to Remain Neutral

The SNB are likely to keep the policy rate on hold at 0.00% at Thursday's meeting after inflation appears to be tracking below the SNB's average Q4 forecast of 0.4% Y/Y but is expected to pick up. Market pricing mirrors this view, with implied odds for a further cut sitting at a mere ~6%.

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. A noticeable revision of the current figure of 0.7% could provide a signal for market pricing ahead, with around 7bps of easing priced through June 2026. 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. That would be implied if the end-of-horizon forecast was to move dangerously close to the 0% lower target bound, and risks going into the meeting are tilted to the downside as a function of the inflation undershoot. Further colour on this can be expected for the press conference.

Figure 1: Q4 CPI To Date Prints Below SNB September Forecast

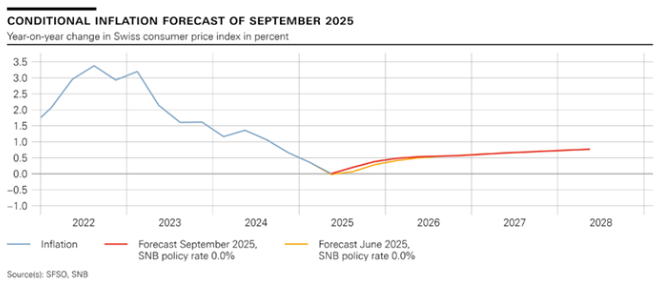
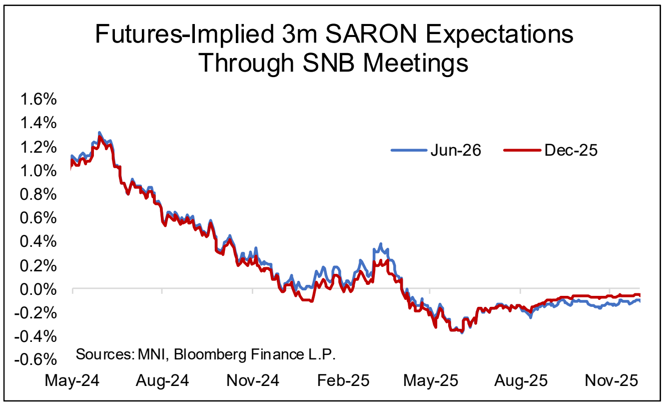


Figure 2: Jun-26 SNB Pricing Trending Marginally Hawkish Over Last Couple Of Months



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 did not mention this any more in his introductory remarks ahead of the Q&A, as he did back in June. Any new rhetoric here would warrant attention, providing additional colour around where the SNB currently stands in their considerations around a further cut.

Sources: MNI, Bloomberg Finance L.P., Analyst previews, SNB

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 September 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".

Figure 3: Seasonally-Adjusted Services Momentum Has Slowed Since September

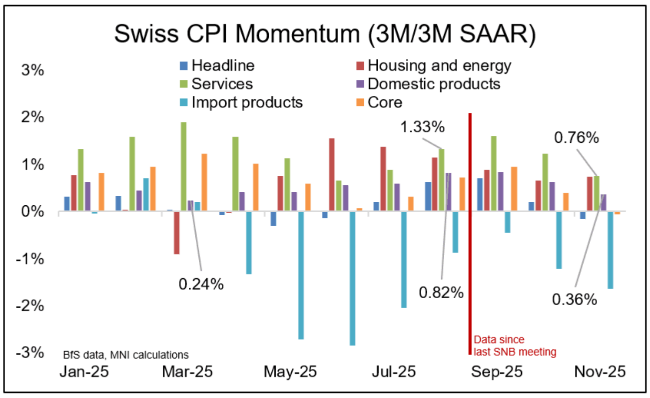
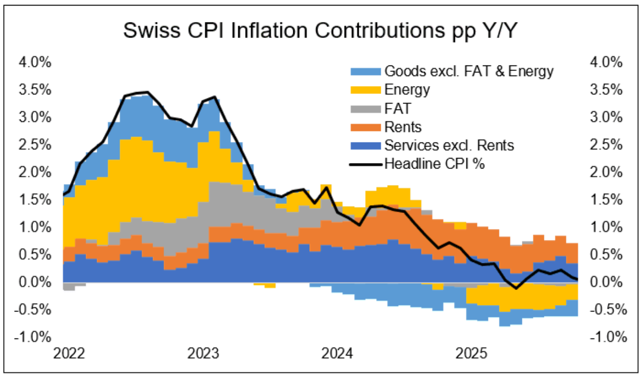


Figure 4: Services ex-Rents CPI Contributions Have Seen Limited Net Move Since September

Swiss Inflation Metrics	Nov % Y/Y	Oct % Y/Y	Nov pp contr	Contr Δ vs Oct
Headline CPI	**0.02%**	**0.10%**	-	-
Core	**0.39%**	**0.49%**	**0.349**	**-0.093**
Goods	**-1.55%**	**-1.58%**	**-0.596**	**0.015**
Services	**1.00%**	**1.15%**	**0.621**	**-0.090**
Energy and Fuels	**-4.79%**	**-5.21%**	**-0.261**	**0.022**
Domestic	0.41%	0.51%	0.315	-0.074
Imported	-1.27%	-1.26%	-0.292	-0.001
Food & Non-alc Bev	-0.37%	-0.55%	-0.042	0.023
Alcohol & Tobacco	1.74%	1.23%	0.045	0.014
Clothing	-0.25%	-0.36%	-0.010	0.004
Housing & Energy	0.55%	0.76%	0.148	-0.051
Household	-2.62%	-1.77%	-0.082	-0.029
Heathcare	-0.03%	-0.11%	-0.004	0.013
Transport	-1.74%	-1.74%	-0.193	0.000
Communication	0.43%	-0.02%	0.011	0.012
Recreation	0.79%	0.69%	0.072	0.005
Education	2.59%	2.59%	0.020	0.000
Hospitality	0.69%	1.25%	0.074	-0.049
Other	-0.28%	0.01%	-0.016	-0.017



Sources: MNI, Bloomberg Finance L.P., Analyst previews, SNB

Macroeconomic Developments Since September Meeting

Swiss November CPI Surprises To Downside

Swiss CPI inflation printed below consensus at 0.02% Y/Y in November (vs 0.1% cons, 0.10% prior), and -0.2% M/M (-0.1% cons). Core CPI was also a tenth below consensus, at 0.4% Y/Y (vs 0.5% cons and prior).

- This means Q4 average inflation to date prints below the SNB forecast. Despite this, a more material undershoot with repeated readings below 0% would likely be needed for the SNB to cut into negative territory.
- The main categories indicated that downside came from housing inflation, while restaurants and hotels inflation also slowed. Key categories below (all Y/Y):
  - Domestic 0.4% vs 0.5% prior
  - Imported -1.3% vs -1.3% prior
  - Services 1.0% vs 1.1% prior
  - Goods -1.6% vs -1.6% prior
  - Energy and fuels -4.8% vs -5.2% prior
  - Housing rentals (quarterly update) 1.6% vs 1.9% prior

Looking at the details of the Swiss CPI print shows the following:

- Housing rentals contributed -0.05pp to the change in headline CPI (this only updates quarterly and is likely to remain persistent)
- Hospitality also contributed -0.05ppt to the change in headline CPI (coming from hotels, volatile package holidays playing only a minor part)
- Food and energy both contributed around +0.02ppt each, to partially offset this.
- These were the major drivers, for detailed calculations, see chart / table above.

What remains on net is a soft print which, while by itself is very unlikely to prompt an SNB cut into negative territory, warrants further monitoring. This applies especially as the downside this time was centred around domestic categories - which the SNB has flagged previously when looking at underlying inflationary pressures.

- Having said that, it's not so clear what their stance is on the housing slowdown, with some previous comments suggesting that they merely view it as a lagged function of headline which may imply less feedthrough to policy. Also, we don't know what number they had pencilled in for rentals, either. So it's hard to know if this is the driver of the surprise, or if it is more broad-based.

Seasonal Adjusted CPI Data Shows Services, Domestic Above Lows

A rough seasonal adjustment of Swiss CPI data shows momentum in services and domestic categories remaining above their respective cycle lows despite some downside since the last SNB meeting in September. This supports the narrative that there is some room for further inflation downside before the SNB felt pressured to cut into negative territory.

- We calculate momentum as a 3m/3m annualized rate. For services, this stands at 0.76% (vs 1.33% before the SNB September meeting), and 0.36% for domestic inflation (vs 0.82% before the Sep meeting).

Q3 GDP Unrevised, Net Exports Drag Heavily

Swiss GDP growth was unrevised in the final Q3 release at a very weak -0.5% Q/Q on a sports-event and seasonally-adjusted basis, following Q2's 0.2% (upwardly revised by 0.1pp). "The negative result is largely down to the chemical and pharmaceutical industry, where strong exports gave way to a compensatory decline. Below-average growth in the services sector failed to offset the downturn in the industrial sector.", SECO comments.

- While undoubtedly weak, we do not see how the (singular) print should move the needle for the SNB, which views its monetary policy already as "accommodative". This applies especially as a key obstacle in Q3, the

Sources: MNI, Bloomberg Finance L.P., Analyst previews, SNB

39% tariffs on exports to the US, have now been mitigated for the most part. Downside pressure on inflation for continued headline CPI readings below 0% would likely be needed to put an SNB cut below 0% firmly on the table again.
- Across an expenditure split, goods exports stand out negatively, seeing the second consecutive negative quarter at -4.2% Q/Q (excl. valuables) after US tariff front-running supported here in H1. Elsewhere, government consumption as well as investment contracted marginally in Q3, while private consumption expanded by 0.4% sequentially. See tables below for details.

Employment Declines In Q3 Shouldn't Deter SNB On Hold

Swiss employment declined in Q3 on a sequential comparison, but not as much as GDP, implying unfavourable productivity developments for last quarter. Despite pronounced weakness in the Swiss economy in Q3, barring new shocks, the expectation remains for the SNB to remain on hold for the foreseeable future as a cut into negative territory would have to be warranted by renewed downside pressure in inflation below 0%.

Little Net Change In Monthly Labour Market Data Ahead Of SNB

The Swiss labour market has seen little net move in November after seeing less impact by a softer external sector (than GDP) in Q3. This should support the case for a hold at the upcoming (Dec 11) SNB meeting.

- The seasonally adjusted unemployment rate, as expected, remained at 3.0% in November. It remains on a gradual uptrend since 2023.
- Vacancies meanwhile increased slightly since October, now standing at 36,880 (35,994 September, 36,841 November 2024) in seasonally adjusted terms.

September Meeting Minutes Summary

On balance, the SNB meeting minutes from the September decision suggest the Governing Board was quite far away from a cut into negative rates territory last time, infitting with the initial policy statement. Key excerpts below:

- "The Governing Board concluded that a further easing of monetary policy was not appropriate."
- "The inflation forecast and the economic outlook support the case for not changing monetary policy."
- "Medium and long-term inflation expectations are still well anchored within the range consistent with price stability."
- "At present, there are hardly any signs of the negative effects of the tariffs spreading from the export-oriented industries affected to other parts of the economy. Despite the tariffs, the overall economic situation is not currently giving cause for concern. Most economic indicators continue to point to moderate growth. However, uncertainty remains high."
- "The Governing Board also confirmed that it remains willing to be active in the foreign exchange market as necessary. The Governing Board will continue to monitor the situation closely and adjust monetary policy if necessary, to ensure that inflation remains within the range consistent with price stability over the medium term."
- "Geopolitical shocks could lead to money flowing into currency areas regarded as safe havens by investors. This could result in an appreciation of the Swiss franc. This risk is currently being countered somewhat by the relatively high interest rate differential with other countries. The discussion with the specialists also addressed whether the current favourable risk sentiment in financial markets is sustainable given the trade policy risks and geopolitical risks."

Sources: MNI, Bloomberg Finance L.P., Analyst previews, SNB

Policymakers' Key Commentary Since September Meeting

Key quotes of board members after the September meeting:

<table>
<tr><td>Schlegel, Nov 21</td><td>No near-term monetary policy signals in Chairman Schlegel's scheduled remarks at the "SNB and its watchers 2025" conference, in which he details the SNB's decision making process on monetary policy matters. Perhaps most interestingly, he reiterates the SNB's risk management approach, which his predecessor Jordan had used as rationale for a surprise cut back in Q2 2024:
"When making a monetary policy decision, the Governing Board takes a broad perspective. It considers the prevailing risks and performs a comprehensive cost/benefit analysis of various options. In doing so the SNB pursues a risk management approach, which allows for the fact that the decision is being taken under uncertainty about future developments. The aim of the risk management approach is to reach a monetary policy decision that is appropriate for a number of probable scenarios. Here, the Governing Board does not simply rely on forecasts for various scenarios, but it also uses its own judgement."</td></tr>
<tr><td>Tschudin, Nov 21</td><td>SNB's Tschudin acknowledges US tariff announcements "weighed" on Swiss growth in Q2 in her slide set on "Monetary Policy Challenges".
Elsewhere, Tschudin mentions inflation will rise slightly in next quarters – this is fully in line with the messaging from the September meeting.</td></tr>
<tr><td>Tschudin, Nov 13</td><td>Tschudin strikes a content tone at the SNB's money market event in Geneva in her speech about "Bank funding costs: latest developments from a monetary policy perspective". She concludes that the SNB's monetary policy continues to have the desired effects on funding markets. Key excerpts and charts below:
"We observe that the interest rates at which banks secure funding in the financial market have fallen less sharply than the general level of interest rates. This means that bank funding costs in the financial market have increased relatively speaking, which can affect the pricing and granting of loans."
However, "credit growth in Switzerland has remained robust overall. The volume of mortgage lending, which makes up over 85% of total credit volume, is currently growing at a rate of around 3%. This development is in line with our model forecasts."
"Following our policy rate cuts, both funding and lending rates fell markedly, despite rising relative to swap rates. This shows that monetary policy transmission via the credit markets is working. Credit growth has accelerated as a result. Our monetary policy easing is thus having the intended effect."</td></tr>
<tr><td>Martin, Nov 12</td><td>In line with previous rhetoric so far: "Inflation seen rising slightly in next quarters", re-upping the conditional inflation forecast from the September meeting.</td></tr>
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Sources: MNI, Bloomberg Finance L.P., Analyst previews, SNB

Central Bank Watch - SNB

December 04, 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	0.0	0.2	↓	-0.1	↑					-1.21
Core CPI YoY	% y/y	0.4	0.7	↓	0.5	↓					-1.53
Producer & Import Prices	% y/y	-1.7	-0.9	↓	-0.5	↓					-1.03
Economic Activity		**Current**	**3m ago**	**3m Chg**	**6m ago**	**6m Chg**	**2Y History**	**Hit / Miss**	**Vs Trend**	**Surprise Index**	**Z-Score**
Manufacturing PMI	Index	49.7	49.0	↑	42.1	↑					1.14
KOF Leading Indicator	Index	101.7	97.0	↑	97.3	↑					1.25
Industrial Output	%y/y	2.4	2.1	↑	8.9	↓					-0.12
GDP QoQ	%QoQ	-0.5	0.2	↓	0.7	↓					-1.76
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	4.82	4.61	↑	3.06	↑					1.15
CH Household Credit Tota	CHF bn	1055.6	1047.5	↑	1038.1	↑					1.43
Foreign Currency Reserve	CHF bn	724.9	716.5	↑	703.0	↑					0.94
Total Sight Deposits	CHF bn	458.5	472.3	↓	444.9	↑					-0.43
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	2.7	0.8	↑	0.9	↑					1.01
Consumer Confidence	Index	-37.0	-33.0	↓	-42.0	↑					-0.11
Unemployment Rate SA	K	3.0	2.9	↑	2.8	↑					1.05
Registered Job Openings	% y/y	32670	37865	↓	38142	↓					-1.84
Markets		**Current**	**3m ago**	**3m Chg**	**6m ago**	**6m Chg**	**2Y History**	**Hit / Miss**	**Vs Trend**	**Surprise Index**	**Z-Score**
Equity Market (SMI)	Index	12925	12188	↑	12227	↑					1.68
SW 10-Year Yield	%	0.18	0.31	↓	0.27	↓					-0.89
SW Yield Curve (2s-10s)	bps	28.7	41.1	↓	45.0	↓					-0.97
BIS CHF Nominal EER	Index	120.52	120.77	↓	118.93	↑					0.95

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 we've seen all see a hold of the policy rate in the upcoming meeting, while often flagging risks of a cut in meetings further ahead.

Bank of America:

- "We expect the SNB to leave policy rate unchanged at 0%; negative rates remain a risk. A Swiss inflation profile gradually accelerating from here remains the central argument behind our SNB call."
- "We reiterate our view that the zero-interest-rate-policy (ZIP) will stay in place till 2027."
- "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". We regard negative rates as a risk contingent on a meaningful deterioration in the Swiss inflation outlook, ie, below the 2-0% target band on a persistent basis."
- "In the new round of SNB conditional forecasts, we expect a small downward revision to 2Q25-1Q26 inflation. Thus, new annual averages for SNB projections should be 0.2% this year, 0.4% in 2026 and 0.7% in 2027."

Goldman Sachs:

- "While the SNB is widely expected to keep rates on hold next week, our 2026 forecasts paint a mixed picture for monetary policy. We maintain our view that the SNB will hold its policy rate at 0% for the foreseeable future as the governing council members have repeatedly noted that the hurdle for negative rates is high, but we see risks skewed to the downside."
- "We expect inflation to pick up only gradually and see inflation below the SNB's September forecast throughout 2026."

Sources: MNI, Bloomberg Finance L.P., Analyst previews, SNB

Nomura:
- "Our central forecast is for the SNB's policy rate to remain at 0.00% for the foreseeable future, as we believe inflation will accelerate, preventing the need to reduce the policy rate"
- "The latest inflation and GDP growth data were both weak. However, we expect the SNB to forecast inflation to rise again and continued GDP growth in 2026, so a rate cut will likely not be required, particularly as the bar to a negative policy rate is high."
- "The SNB purchased CHF5.1bn of FX in Q2 following limited interventions in 2024, suggesting it remains willing to use this policy tool to curb disinflation"

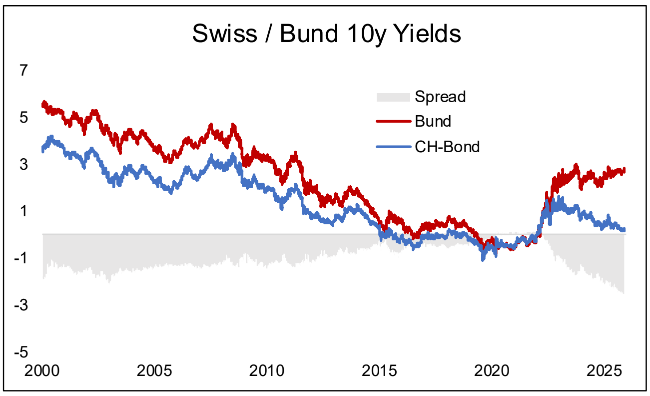
Scotia:
- "Despite negative Q3 economic growth, the SNB is expected to refrain from adopting negative rates and remain patient as it monitors inflation dynamics."
- "A key risk, however, is what happens to the franc. It dramatically strengthened after 'Liberation Day' which challenges the inflation outlook through import prices. If the FOMC eases as we expect and the dollar softens over 2026 then renewed appreciation of the franc could pose fresh challenges."

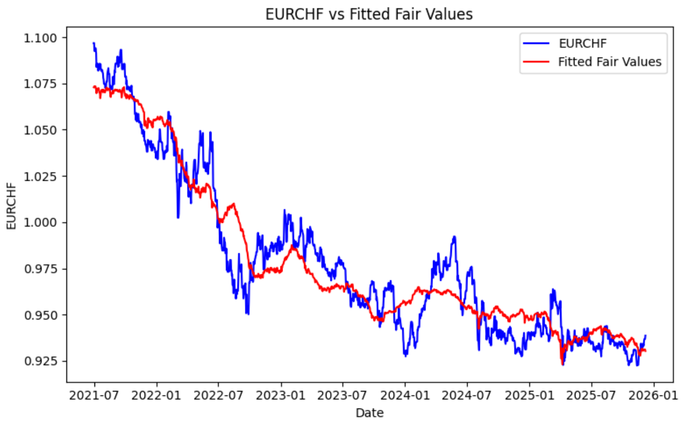
SEB:
- "Even if inflation has fallen in Oct and Nov, we do not expect a cut into negative territory especially not as growth indicators are pointing somewhat higher. Though risk is skewed to the downside especially of ECB would surprise with cuts and if Fed cuts more severely than expected."
- "CHF remains at strong levels versus both EUR and USD, but since the last rate decision it has depreciated slightly versus both. That lessens the probability of a change in policy on activity in the foreign exchange market."

UniCredit:
- "The SNB is likely to hold its key rate at 0.0%"
- "Assuming a steady SNB meeting outcome, the CHF will likely remain firm against both the USD and the EUR."

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.





Sources: MNI, Bloomberg Finance L.P., Analyst previews, SNB

Appendix 2: MNI Policy Team Coverage

MNI SNB WATCH: **Bar Still Set High For Return To Negative Rates**

By Les Commons

LONDON

The Swiss National Bank is likely to leave interest rates unchanged at its 11 December meeting, with market focus on any communications from policymakers over their willingness to return to negative rates.

President Martin Schlegel has said many times in recent months that the bar is significantly higher for cutting interest rates when they are already at zero than when they are in positive territory - and little seems to have shifted to suggest a move away from the current 0% stance.

Economic data has been mixed overall as disappointing hard GDP data in Q3 combining with a more upbeat tone in the latest activity surveys. GDP was down 0.5% q/q, the biggest contraction since the early days of Covid and worse than expected by economists who were already weighing the trade spat with the U.S.

The latest PMI indicators have been encouraging, however, as was the KOF barometer published recently. According to economists, the improved outlook in Swiss business confidence reflects developments in the rest of Europe, Switzerland's main export market.

The recently-signed Memorandum of Understanding with the U.S. regarding a reduction in tariffs on Swiss goods to 15% from the current 39% could bring a further improvement in the Swiss business cycle, though uncertainty remains over when the agreement will be implemented. This could once again lead companies to postpone investments and exports to the U.S.

INFLATION OUTLOOK

Meanwhile, headline inflation has been lower than expected. In September, the SNB forecast an average inflation rate of 0.4% year-on-year in Q4 2025, but the latest FSO points to an average between 0 and 0.1% yoy. Furthermore, falling oil prices and lower predicted electricity prices from January increase the risk that inflation will turn negative again in early 2026.

Current low inflation rates largely reflect the past appreciation of the exchange rate, which stabilised in the second half of 2025, along with other factors beyond the SNB's control, including falling commodity prices. However, policymakers will be under pressure to prevent low inflation from becoming entrenched in private sector expectations.

That said, only a large downward revision to the SNB’s conditional inflation forecast pointing to a prolonged period of very low, if not negative, inflation would probably justify the return of negative rates, given the messaging from the Board. Such a downward revision seems unlikely at the current juncture as market attach only a 25% probability to this development materialising in 2026.

-0- Dec/05/2025 13:04 GMT

Sources: MNI, Bloomberg Finance L.P., Analyst previews, SNB