

MNI SNB Preview: March 2026

By Moritz Arold
March 17, 2026

Executive Summary:

- An unchanged decision, keeping the policy rate at 0.00%, is the most likely outcome at Thursday’s meeting
- Focus will be on any signals on the balance of risks around CHF appreciation on the one hand and higher energy prices on the other, with inflation close to the lower boundary of the SNB’s definition of price stability
- Key to watch in the press statement will be the FX communications paragraph, as well as the conditional inflation forecast
- Schlegel’s opening remarks and later Q&A may then contain more comments on the monetary policy outlook, but the bank is likely to stick to its meeting-by-meeting approach to preserve optionality

Policy decision due at 0830GMT/0930CEST, Thursday 19 March 2026, 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](#).

Link to minutes from last meeting [here](#).

MNI Point of View – Caught in Franc-Fuel Crossfire

The base case for SNB decision sees a hold at 0.00% as most likely after inflation appears to be tracking in line with the SNB’s average Q1 forecast of 0.1% Y/Y. Market pricing mirrors this view and appears roughly sensible, with OIS pricing on net implying little chance of a move in either direction.

The policy rate announcement will be accompanied by the usual press statement. Immediate focus should be on the SNB’s **FX communications**, and on any change to the key phrase “willing to be active as necessary” in foreign exchange markets. This follows a recent emailed statement reading “In light of international developments, our readiness to intervene in the foreign exchange market has increased. We are prepared to intervene in the foreign exchange market to curb a rapid and excessive appreciation of the Swiss franc, which would jeopardize price stability in Switzerland”, after February saw the SNB’s official real, trade weighted CHF index above 120 for the first time since 2011. Implementation of this verbal jawboning into the official press statement would represent a more formal adoption of the policy and likely act CHF-negative over the near term, while sights deposit data suggests little action has been taken so far.

In addition, the **conditional inflation forecast** will provide guidance on how the SNB assesses the current balance of risks around CHF valuations and energy prices with respect to Swiss CPI. Inflation has been running close to the lower-end of the SNB’s price stability target in recent quarters but looks to print in line with the December forecast at an average of 0.1% so far in Q1. **Pay particular attention to the end-of-horizon forecasts here**, with a full 2028 figure to be published for the first time. The last meeting published forecasts up to Q3 2028, beyond which markets expect 0.8% to be maintained. A push higher / lower would be a key hawkish / dovish signal impacting rate pricing for meetings later this year.

Figure 1: CPI Q1 To Date Prints Roughly In Line With SNB December Forecast

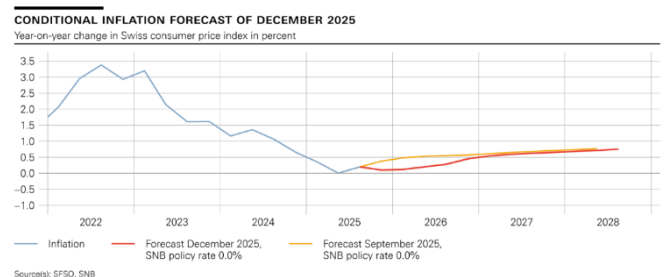
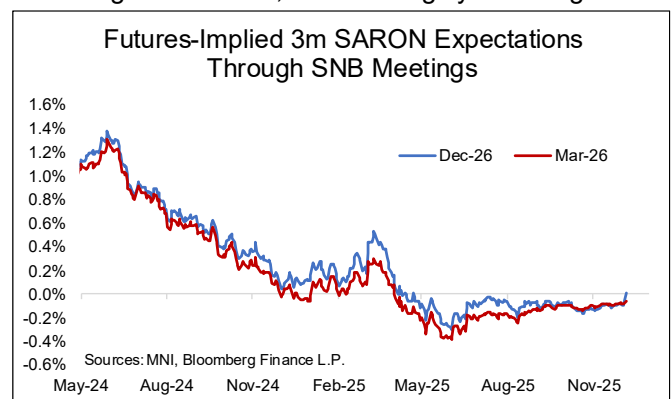


Figure 2: Dec-26 SNB Pricing Saw Hawkish Tilt Following Iran Conflict, Mar-26 Largely Unchanged

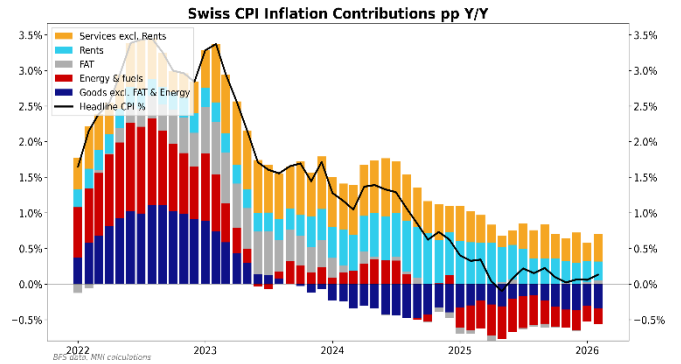


Having said that, the **rates outlook** will most likely be kept open, with the SNB to maintain its meeting-by-meeting approach to preserve optionality. Any unexpected change to December's neutral rhetoric ("*continue to monitor the situation closely and adjust its monetary policy if necessary*") in either the press statement or Schlegel opening remarks would warrant attention, providing additional colour around where the SNB currently stands in their considerations around a change to the policy rate.

Finally, the **press conference** will provide further colour on the key considerations from above. Should Schlegel provide comments here that will still be taken into account but may mean a little less sharp of a signal than an inclusion in the written statements.

Figure 4: Services ex-Rents CPI Contributions Have Recovered Since Spring 2025

Swiss Inflation Metrics	Feb % Y/Y	Jan % Y/Y	Feb pp contr	Contr Δ vs Jan
Headline CPI	0.13%	0.06%	-	-
Core	0.38%	0.46%	0.318	-0.064
Goods	-1.37%	-1.34%	-0.518	-0.013
Services	1.04%	0.91%	0.650	0.087
Energy and Fuels	-4.38%	-4.31%	-0.227	-0.003
Domestic	0.65%	0.52%	0.503	0.099
Imported	-1.61%	-1.52%	-0.362	-0.024
Food & Non-alc Bev	-0.30%	-0.40%	-0.031	0.011
Alcohol & Tobacco	2.47%	1.86%	0.084	0.021
Clothing	-1.24%	-0.86%	-0.030	-0.010
Housing & Energy	0.70%	0.78%	0.177	-0.019
Household	-1.26%	-1.30%	-0.042	0.001
Healthcare	-0.19%	-0.09%	-0.034	-0.019
Transport	-1.78%	-2.01%	-0.195	0.022
Communication	-0.26%	-0.02%	-0.009	-0.008
Recreation	1.18%	1.57%	0.089	-0.028
Education	2.59%	2.59%	0.021	0.000
Hospitality	0.86%	-0.43%	0.084	0.125
Insurance, Finance	1.16%	0.43%	0.027	0.016
Other	0.19%	0.76%	0.006	-0.019



SNB Market Pricing For Meetings Ahead

- CHF-denominated STIR pricing has followed its core peers to some degree following the continued conflict in Iran, now pricing around 17bps of tightening by year-end but is down from hawkish extremes of around a full 25bp hike priced on March 13.
- With Switzerland being an energy importer, the net effect of the Iran shock so far should be inflationary for the country despite CHF having appreciated in real, trade-weighted terms since the onset of the conflict. This takes away from CHF-negative FX intervention risks which were floated by the SNB in early March, stating that there was a higher readiness to act.
- Specifically, SNB-dated OIS contracts price a low chance for a move in any direction at the upcoming March and June meetings, and price 10bps of cumulative tightening through September, and 17bps tightening through December.

Context on historical SNB policy moves below:

- In 2022, the SNB was quite late within G10 (only succeeded by the ECB if abstracting from Japan) with the start of its hiking cycle, citing as follows in their June 2022 press release: "Since March, there has been a further considerable and broad-based increase in inflation in many countries. The war in Ukraine has been a significant factor here, too, in that the prices of many commodities have risen as a result. In addition, persisting supply bottlenecks have led to further price increases for various goods".
- However, Swiss inflation already ran at 2.9% Y/Y at that stage - well above the 2% upper limit of the SNB's target, and of course much higher than the 0.1% Y/Y observed most recently in February data. Post-covid, Swiss inflation took 17 months to rise from cycle lows to the mentioned 2.9%, 13 of those from a positive Y/Y rate.

December Meeting Minutes Summary

SNB comments in a two-sided fashion on their decision to hold rates unchanged at the December meeting in their summary minutes:

- They found that there was "currently no need for monetary policy action. Neither a tightening of monetary policy nor a further easing of monetary policy would be appropriate at this juncture."
- This is a change in rhetoric from September's "the Governing Board concluded that a further easing of monetary policy was not appropriate" and underscores that the SNB is far away from a cut into negative territory.
- Having said that, the new phrasing was no big surprise as they also appeared quite content with where rates are at the current juncture in the December press conference.

Policyholders' Key Commentary Since December Meeting

Key quotes of board members after the December meeting:

<p>Martin, Mar 4</p>	<ul style="list-style-type: none"> Reiterates rhetoric from emailed statement: “Our willingness to intervene, our readiness to intervene, is higher given the recent political event”
<p>SNB Communications, Mar 2</p>	<ul style="list-style-type: none"> “In light of international developments, our readiness to intervene in the foreign exchange market has increased. We are prepared to intervene in the foreign exchange market to curb a rapid and excessive appreciation of the Swiss franc, which would jeopardize price stability in Switzerland”
<p>Schlegel, Feb 24</p>	<p>As per Bloomberg:</p> <ul style="list-style-type: none"> “Swiss inflationary pressures have barely changed, which is why the SNB opted to hold interest rates at zero in December” “Negative inflation readings are possible in some months in 2026; won’t trigger immediate alarm at SNB” “SNB is ready to intervene in FX markets if necessary” “SNB focuses on medium-term inflation” “SNB expects Swiss growth around 1% this year” “A big part of growth currently stems from services, while manufacturing is weak” “Swiss companies say it became easier to find staff, according to surveys the central bank conducts”
<p>Schlegel, Feb 2</p>	<ul style="list-style-type: none"> “Our rates are at zero, we are ready to go negative if needed, but the bar simply is higher” “My biggest worry is price stability, and we’ll do everything that’s needed to fulfill that mandate” Monetary policy situation is “not easy,” even if monetary policy conditions currently are “adequate.” “The appreciation of the franc is difficult for the export industry, it’s a big challenge for many companies” Asked about the Swiss economy, Schlegel described growth as “moderate” and “below average.”

mni Central Bank Watch - SNB

March 17, 2026

MNI SNB Data Watch List							2Y History	Hit / Miss	Vs Trend	Surprise Index	Z-Score
Inflation											
CPI	% y/y	0.1	0.0	↑	0.2	↓					-0.82
Core CPI YoY	% y/y	0.4	0.4	→	0.6	↓					-1.06
Producer & Import Prices	% y/y	-2.2	-1.7	↓	-0.9	↓					-1.26
Economic Activity											
Manufacturing PMI	Index	47.4	49.6	↓	48.2	↓					0.09
KOF Leading Indicator	Index	104.2	101.5	↑	97.3	↑					1.15
Industrial Output	%y/y	-0.7	2.0	↓	2.1	↓					-0.95
GDP QoQ	%QoQ	0.1	-0.4	↑	0.1	→					-0.40
Monetary Analysis											
Money Supply M3	%y/y	5.06	4.81	↑	4.61	↑					1.39
CH Household Credit Total	CHF bn	1066.5	1055.6	↑	1047.5	↑					1.31
Foreign Currency Reserve	CHF bn	710.0	727.4	↓	715.2	↓					-1.37
Total Sight Deposits	CHF bn	459.8	458.5	↑	472.3	↓					-0.62
Consumer / Labour Market											
Retail Sales YoY	% m/m	-1.1	2.1	↓	1.0	↓					-1.55
Consumer Confidence	Index	-30.0	-34.0	↑	-40.0	↑					1.08
Unemployment Rate SA	K	3.0	3.0	→	2.9	↑					0.72
Registered Job Openings	% y/y	48145	32670	↑	37865	↑					1.45
Markets											
Equity Market (SMI)	Index	12952	12834	↑	12188	↑					2.78
SW 10-Year Yield	%	0.36	0.19	↑	0.31	↑					-0.52
SW Yield Curve (2s-10s)	bps	30.8	30.4	↑	41.1	↓					-0.25
BIS CHF Nominal EER	Index	124.28	121.28	↑	120.80	↑					1.12

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.

Macroeconomic Developments Since December Meeting

February CPI Slightly Above Consensus

Swiss CPI inflation printed slightly above consensus at 0.1% Y/Y in February (vs 0.0% cons; 0.1% prior), and 0.6% M/M (0.5% cons). Core CPI was marginally lower than previously, at 0.4% Y/Y (0.5% prior).

- This means Q1 average inflation to date prints in line with the 0.1% SNB forecast from the December meeting.
- The main categories show domestic inflation as an upside driver while imported has moved a little lower amid the recent franc appreciation. Key categories below (all Y/Y):
 - Domestic 0.6% vs 0.5% prior
 - Imported -1.6% vs -1.5% prior
 - Services 1.0% vs 0.9% prior
 - Goods -1.4% vs -1.3% prior
 - Energy and fuels -4.4% vs -4.3% prior
 - Housing rental 1.4% vs 1.6% prior

Q4 GDP Data Shows Solid Domestic Final Demand

Swiss final Q4 GDP confirmed the flash release on the headline sports event-adjusted figure. "In the fourth quarter of 2025, Switzerland's GDP adjusted for sporting events grew by 0.2%, following a fall of 0.4% in the previous quarter. This stabilised overall economic development at the end of the year. Performance varied across sectors. Economic activity was supported by domestic demand."

- On drivers by expenditure: "Domestic final demand (+0.5%) had a stabilising effect. Private consumption (+0.4%) once again grew solidly: in addition to purchases of clothing and shoes, spending increased on housing and energy as well as on healthcare. Furthermore, construction investment (+1.0%) recorded significant growth in light of increased activity in building construction. Value added in construction (+0.6%) increased accordingly. Investment in equipment (+0.6%) also increased, mainly supported by investment in research and development. Against the backdrop of broadly robust domestic demand, imports (+2.7%) increased overall."

KOF Index Remains Firm In February

The February KOF index outperformed against expectations, coming in at 104.2 (103.0 cons; 103.3 January, revised from 102.5).

- "The positive developments are reflected in the demand side indicator bundles which are included in the Barometer. Both the indicator bundles for consumption as well as for foreign demand show a favourable outlook. The developments among the production side indicator bundles are mixed. In particular, the indicator bundle for manufacturing is experiencing a setback."
- "Within the producing industry (manufacturing and construction), the sub-indicators for stockpiling of intermediate goods as well as for the general business situation are particularly under pressure. These negative developments are, inter alia, cushioned by a more favourable outlook for the sub-indicators for employment prospects and for exports."

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 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 Grew 0.2% Q/Q in Q4

Total employment (excluding agriculture) in Switzerland rose by 0.2% Q/Q and 0.2% Y/Y in Q4 2025.

- "Compared with previous quarter, seasonally-adjusted employee numbers in enterprises grew by 12 700 jobs (+0.2%) in the 4th quarter 2025. In the same quarter, there was a slight upward trend in the secondary sector, with 5600 additional jobs (+0.5%), while the tertiary sector saw an increase of 7800 jobs (+0.2%)."
- "Enterprises reported a total of 86 000 vacancies in the 4th quarter 2025. Year on year, this was a decline of 3900 jobs (-4.3%). Both the secondary (-8.0%) and tertiary sectors (-3.2%) had fewer vacancies. Vacancies represented 1.5% of all jobs, 1.7% of secondary sector jobs and 1.5% of tertiary sector jobs."
- "Weighted by the number of employees, 36.2% of enterprises reported difficulties in recruiting qualified labour in the 4th quarter of 2025. In comparison with the previous quarter, this is a decrease of 0.1 percentage points. The situation has eased somewhat in both the secondary and tertiary sectors (-0.2 and -0.1 percentage points respectively).
- "The share of enterprises announcing an increase in the number of jobs in the short-term was 10.1% in the 4th quarter 2025 (9.8% in the previous quarter) and those planning to reduce their workforce represented

5.2% (5.4% in the previous quarter). The employment outlook indicator has risen compared to the previous quarter (1.03; +0.2%)."

Swiss Government Furthers Process Of 10-Year VAT Increase

The Swiss government is furthering the process of a 10-year VAT increase to fund additional defense spending.

- From the statement: "The Federal Council [today] opened the consultation process on the temporary increase in value added tax, the creation of an armaments fund and the amendment of the value added tax law [...] The proposal requires an amendment to the Federal Constitution, a new law on the defense fund, and adjustments to the Value Added Tax Act. The consultation period lasts until the end of May 2026. The aim is to hold a referendum on the constitutional amendment in the summer of 2027 so that the temporary VAT increase can take effect on January 1, 2028. This will address the current threat situation and strengthen security and defense."
- We did some back-of-the-envelope calculations on CPI impacts when the proposal first launched [here](#), concluding an upper limit of ~0.5pp in 2028 assuming full feedthrough.
- As mentioned, referendum approval is still outstanding, and is not a given looking at past outcomes on similar proposals.

Sell-Side Analysts Summary (A-Z)

All analysts we've seen see a hold of the policy rate in the upcoming meeting.

Bank of America:

- "We expect the SNB to stay on hold, with the statement showing increased readiness to intervene in FX markets."
- "Focus is on how the SNB balances safe haven FX pressures with energy risks, given the low starting point of inflation."
- "Safe-haven flows are the obvious consequence of recent military action, with renewed downward pressure on Swiss inflation. However, inflation risks from higher energy prices have led markets to rapidly reassess central bank pricing, including for the SNB. At the same time, a strong CHF could help shield Switzerland from the risks of a new terms-of-trade shock, as the 2022 crisis demonstrated. As the Middle East situation increase the option value of waiting (to better assess the scale and persistence of the new shock), we think the SNB is better positioned than peers to pause. Considering inflation risks and the FX channel, we think the SNB is more likely to move less and/or later than European peers should the shock persist."

BNY:

- "The SNB has already given a stern warning to markets that sharp appreciation in the franc under current conditions will face intervention. Nonetheless, over the past two weeks, there has been general acceptance of a stronger franc, especially through the EURCHF channel, which continues to generate the bulk of franc nominal effective exchange rate appreciation. As import prices may rise in the near term, allowing franc strength – within a reasonable pace – is a strong enough expression of vigilance, but all options will likely remain on the table."

Goldman Sachs:

- "Swiss inflation picked up slightly in February and the conflict in the Middle East should further increase inflationary pressures through higher energy prices, moving inflation away from 0%, the lower end of the SNB's price stability range. We thus continue to expect the SNB to hold the policy rate at 0.0% at next week's meeting."

Nomura:

- "We expect the SNB to leave its policy rate unchanged at 0.00% at its 19 March meeting."
- "While inflation remains low, it is still positive and has been in line with the SNB's December forecast so far in 2026. We expect the SNB to continue to forecast rising inflation this year and also to highlight upside risks to inflation from a global energy price shock, although Swiss consumers are less affected by higher global energy costs than many of their European neighbours."
- The CHF has appreciated notably this year, which presents a key downside risk to inflation through imported products; the Middle East conflict likely adds to appreciation pressures. Therefore, we expect the policy statement to continue to highlight that the SNB remains willing to be active in the foreign exchange market as necessary."

Scotia:

- “Thursday’s policy rate decision by the Swiss National Bank is unlikely to budget from 0%. Markets are priced for no action until hike risk after 2027.”
- “Inflation is running close to 0% y/y and the SNB has been reticent to broach negative territory to date despite underperforming on its inflation mandate. Upside risk to inflation from higher oil prices and the Swiss franc’s depreciation during the war with Iran are likely to be welcomed particularly since the franc is still firmer than it previously was and the duration of the shock to energy prices is uncertain.”

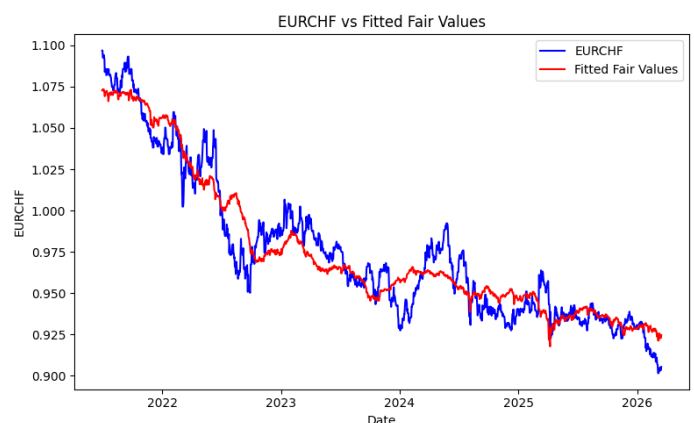
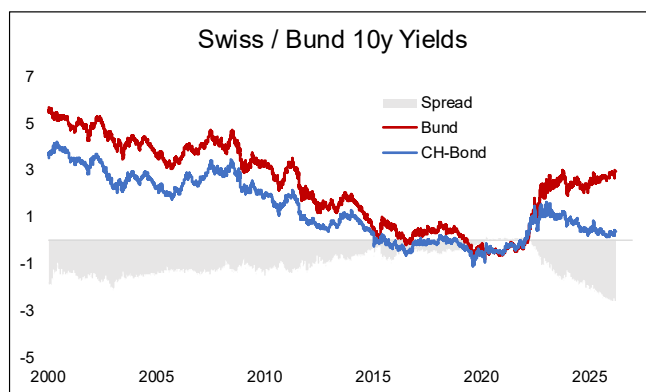
SEB:

- “We and consensus expect SNB to leave the rate unchanged at 0.0% which would be the third time they remain at 0.0% after having cut in June 2025. The market is pricing in a 28% probability of a cut, but given all the uncertainty with the war in Iran and higher energy prices it is most likely that central banks will wait until more uncertainty has resolved before cutting any rates. Even more so for SNB which previously has stated that “the bar for introducing negative rates is higher than for a reduction in interest rates in positive territory”
- “Market focus will be on any hints on intervention in the currency market, as SNB on 2 March issued an exceptional statement saying that its willingness to intervene had increased and they were prepared to act against rapid excessive CHF appreciation. However, so far it is not known if they have acted.”

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.



Unauthorized disclosure, publication, redistribution or further dissemination of this information may result in criminal prosecution or other severe penalties. Any such authorization requires the prior written consent of Market News International. Redistribution of this information, even at the instruction of your employer, may result in personal liability or criminal action unless such redistribution is expressly authorized in writing by Market News International. Violators will be prosecuted. This information has been obtained or derived from sources believed to be reliable, but we make no representation or warranty as to its accuracy or completeness. This is not an offer or solicitation of an offer to buy/sell. Copyright © 2025 Market News International, Inc. All rights reserved.