

MNI SNB Review: March 2026

19 March 2026 – By Moritz Arold

Executive Summary:

- **SNB held its policy rate at 0.0%, meeting market and analyst consensus**
- **The meeting had a dovish tilt, with a marginally downwardly revised medium-term inflation forecast, forceful language against CHF appreciation and Schlegel not ruling out negative rates in the press conference**
- **Having said that, Schlegel did imply that the bank's current inflation base case is based on energy prices retracing in the not-too-distant future, and further upward pressure on oil could also filter through to inflation longer term**
- **Market pricing saw some net dovish adjustments over the decision, as the bank signalled it is quite far away from hikes at the current juncture, which is also reflected in EURCHF reaching 2-week highs in the aftermath of the decision**

Link to press release [here](#)

Governing board opening remarks incl. monetary policy outlook [here](#)

Replay of the news conference [here](#)

MNI Point of View – Hike Out of the Question For Now

The SNB keeps rates unchanged at 0.00% as expected but signalling around the decision tilts a little dovish in our reading.

In the initial **press statement**, the language on FX intervention was propped up, mirroring a recent emailed statement: "Given the conflict in the Middle East, the SNB's willingness to intervene in the foreign exchange market has increased. The SNB thereby counters a rapid and excessive appreciation of the Swiss franc, which would jeopardise price stability in Switzerland."

The rates outlook meanwhile was kept neutral in the statement: "The SNB will continue to monitor the situation closely and adjust its monetary policy if necessary, in order to ensure price stability over the medium term."

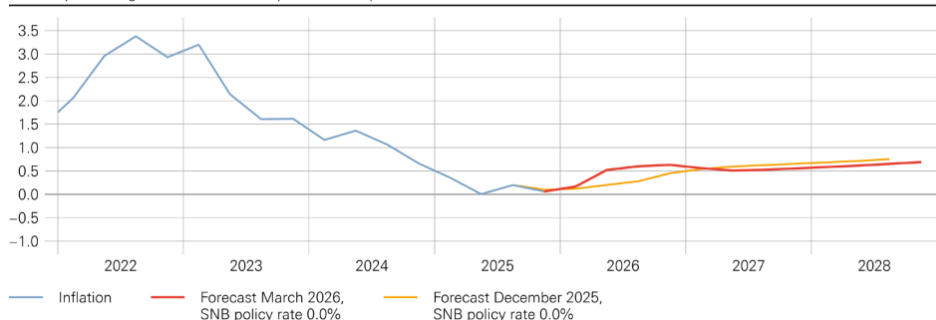
Yearly CPI projections have been revised higher in the short term but are tilting marginally lower on the medium term: 0.5% 2026 (from 0.3%), 0.5% 2027 (0.6%), 0.6% 2028 (new); 0.7% end-of-horizon at Q4 2028, (from 0.8% end-of-horizon seen last Dec).

In his **opening remarks**, Schlegel repeated his forceful language on FX while he does say that "inflationary pressure is virtually unchanged" since December. From our perspective, **with the current messaging, it would take a meaningful shift towards higher expected CPI to tilt the SNB towards hiking again**. Key comments from Schlegel opening remarks below:

- "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"
- "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."

CONDITIONAL INFLATION FORECAST OF MARCH 2026

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



Source(s): SFSO, SNB

- "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%."

The **press conference** was highlighted by Schlegel not dialling back from the net-dovish message, with him reluctant to weigh the risks of a stronger CHF against higher energy prices against each other – but stressing his concerns around a stronger franc. On negative rates, Schlegel kept his options open: "The bar remains higher for such a move as we've flagged previously. Negative rates would pose big issues for the Swiss economy, and monetary policy transmission is also different with negative interest rates. Having said this, if necessary, we are ready and willing to re-apply this tool anytime, to fulfil our mandate of price stability in the medium term".

Having said this, Schlegel did imply that the bank's current base case for inflation is based on energy prices retracing in the not too distant future, and further upward pressure on oil could also filter through to inflation more longer term: "If energy pares back rather quickly, there will be little changes to our base case. However, if energy prices continue to rise, and would remain elevated for an extended time, there would be plausible scenarios where we would have a more pronounced effect on inflation and also global growth." See below a rough transcript of the press conference Q&A.

The **market reaction** of the decision saw the dovish tilt in communications filter through mainly over the press Q&A. EURCHF reached 2-week highs of 0.9130 after breaking above its 20-day EMA yesterday for the first time since mid-January which may have exacerbated the squeeze higher this morning. The 50-day EMA for the cross intersects at 0.9140. In terms of rates reaction, alongside this dynamic, an erroneous headline from Bloomberg that stated a higher likelihood to use negative rates may have impacted short-term price action. This was later corrected to properly reflect the reiteration that such a move would require a "higher bar" than a more conventional rate reduction. December-expiry SARON futures saw pronounced volatility this session, settling at levels of 99.80 in the aftermath of the Q&A, a net adjustment of +0.04 before the Bank of England decision started to weigh.

Rough Transcript of Post-Announcement Q&A

Q: I was wondering, what influence did the middle east conflict have on your decision today? Was it inflation, that rising energy will push inflation up, or that CHF appreciation will pressure inflation lower? And how will you react to the franc appreciation – will you intervene, and have you intervened more already? More colour on that please.

- > We decided to leave interest rates unchanged at 0%. Inflation is higher in the near term because of higher energy prices but in the medium term inflation is virtually unchanged. In the light of the middle east conflict, we also increased our willingness to intervene to dampen the rapid and excessive appreciation of the Swiss franc, to ensure price stability. You mentioned both effects that we see at the moment – higher energy prices, in the near term this pushes inflation up, but we also see that because of the higher uncertainty, demand for the franc is up – we reacted to this with the higher readiness to intervene.

Q: Is the priority here on franc of inflation?

- > Our mandate is clear – price stability. To achieve that, we have two tools – interest rates and foreign exchange intervention, and of course, the SNB is ready to use both tools which we have.

Q: Mr. Schlegel, you sat on the SNB's FX desk yourself at some point - how strong is the appreciation pressure on CHF currently in a historical context? Did negative interest rates become more likely over the last couple of weeks?

- > The Franc has had safe haven characteristics for a long time, over the last decades – when there is uncertainty, we see appreciation pressure on CHF - comparing that historically is tricky. We can say that the moves we saw over the last couple of weeks have been typical for a time period of elevated uncertainty.
- > On negative interest rates, the bar remains higher for such a move as we've flagged previously. Negative rates would pose big issues for the Swiss economy, and monetary policy transmission is also different with negative interest rates. Having said this, if necessary, we are ready and willing to re-apply this tool anytime, to fulfil our mandate of price stability in the medium term.

Q: Can you expand on what "increased" readiness to act on FX means exactly?

- > I can just repeat the phrasing here – we are more ready to act in this environment. We are assuming that this will also be seen internationally, however, our mandate is centred around Switzerland, and we are using all measures we have to fulfil this mandate.

Q: The conditional inflation forecast. How high is the spread between the different scenarios here? I have seen a Goldman Sachs scenario which projected inflation going towards 2%. Is the current projection characterized with typical levels of uncertainty or is uncertainty higher? Can we depend on the projection?

- > We do define a core scenario / base case which is what we publish but in each meeting we do also calculate through other scenarios. In fact, uncertainty is strongly elevated at the moment, as a lot depends on how quickly energy prices pare back. If energy prices pare back rather quickly, there will be little changes to our base case. However, if energy prices continue to rise, and would remain elevated for an extended time, there would be plausible scenarios where we would have a more pronounced effect on inflation and also global growth. Uncertainty is high at the moment.

Q: On CHF intervention. There seem to be opposing signals internationally – you are still on the US list of currency manipulators but have at the same time done a statement together with the US Treasury saying you are not intervening to influence trade etc. How does this field of tension look like currently?

- > Switzerland is on the monitoring list of the US but we are not declared a currency manipulator. We had the joint statement with the US last autumn – that is a statement and not a deal – so we have, together with the US Treasury agreed that we are acting on FX to ensure monetary conditions remain appropriate and price stability is ensured. We do not intervene to give Swiss exporters an unfair advantage or prevent adjustments in the Swiss current account. This is common practice which we have put in place for years now.

Q: On the CHF appreciation again. Nick Hayek from Swatch Group for example says the SNB is caring not enough about the Swiss export industry. How serious are you about that / what is your statement here?

- > We know the Swiss export industry very well - we are in regular and close contact with around 1000 enterprises yearly on that. We have great respect for these enterprises and are aware they are not in an easy role. When the SNB does monetary policy, we look at monetary conditions in total - both rates and FX, and these have to remain appropriate for us to fulfil our mandate.

Q: Say the middle east conflict persists. Which risk scenario do you see more plausible then - CPI overshooting on energy prices, or undershooting on a stronger CHF? Which of these risks would you weigh stronger in such a scenario?

- > These are of course not independent of each other. What I can say is that we have full commitment to our price stability goal. One key factor here is also CHF, yes, since imported goods makes imported goods cheaper, and weighs on Swiss economic activity. You can't look at any of these scenarios in isolation [remains non-committal here]

Q: Again on FX, have you already intervened, is there some limit or level you've planned, and how is the scope here [going past "readiness"]

- > For the SNB, it is very important that the market understands our approach here. That is, we have an increased willingness in the FX markets to intervene, as we've said, to dampen a rapid and excessive appreciation of the Swiss franc. On an operational level, we ask you to wait for the next data release (quarterly data).

Q: So you reckon there may be more interventions this year than last year?

- > No need to speculate on this. The year is still young

Q: Why not actually cut rates with inflation being quite low and economic growth forecasts being lowered? That would be more of a longer term approach?

- > A: We aim to have appropriate monetary conditions in Switzerland. With rates at 0% and the current exchange rate, monetary conditions are appropriate – so there is no need for us to adjust here.

Q: You have mentioned your higher readiness to intervene. What would be needed for this readiness to go back to neutral?

- > This is also a question on the future of monetary policy. We are meeting regularly but can also review our policy anytime, and adjust as necessary [again non-committal]

Q: The SNB is also responsible for financial stability in Switzerland – the second largest banking group in the country has published that their mortgage portfolio stands at around E230bln. A 10% writeoff here would mean a wipeout of the equity capital of the Raiffeisen Group. Now we have seen in the last weeks the struggles in middle east real estate. Against that context, how do you view real estate risks in Switzerland?

- > The SNB is well aware of certain vulnerabilities of financial markets with respect to real estate valuations. Prices are difficult to explain with fundamentals, which underpins these vulnerabilities. We are trying to foster robust conditions here and are absolutely monitoring conditions as closely as possible.

Q: You have flagged CHF as a safe haven. Can you elaborate what has the biggest impact here on markets? Interest rate differentials? Any changes here in the last year or so?

- > The safe haven characteristics are something CHF has had for a long time – that is nothing new. Interestingly, this can be looked at over different timeframes. What you will see if you look closely is that CHF correlations with other safe havens can be very high over the very short term, that comes on the back of almost mechanical market reactions, for example when markets buy US Treasuries they also go for the franc. Over the longer term, the question is who buys the franc then – our analyses show that a large amount of CHF

Q: Switzerland will vote in summer on a 10mln cap to the Swiss population. I reckon that you can't comment on your preference here, but just from an economic view, what would that mean for Switzerland and the SNB, putting in this cap?

- > You have anticipated this correctly, can't comment in any way here. We can live with any political developments, take them as a given and adjust accordingly. Any projections we would do at this stage would be quite political, so to keep our independence, we have to keep quiet on the topic.

Q: Have you intervened so far in FX this year?

- > Quarterly data will be released in June.

Q: What does come after "higher readiness" to intervene?

- > [jokingly] You will see what that means when the time has come.

Sellside Analyst Summaries (A-Z, partially sourced via Bloomberg)

Bak Economics:

- "The SNB stayed within expectations. Interest rates will remain where they are for the foreseeable future, despite high levels of uncertainty. Given the real depreciation of the Swiss franc – inflation is significantly lower in Switzerland than abroad – the focus is solely on short-term exchange rate developments. The SNB underscored this point by stating that its readiness to intervene is "elevated."

Bantleon:

- “Should the conflict in the Middle East remain temporary (a maximum of three months), the Swiss National Bank (SNB) is likely to keep its key interest rate at 0.00%. However, the longer the crisis lasts, the greater the risk that the key interest rate will have to be lowered back into negative territory. In this case, with regard to Switzerland, the negative effect on growth would outweigh the positive effect on inflation.”

EFG:

- “The SNB left interest rates unchanged, clearly indicating that it will prioritize interventions in the foreign exchange markets over interest rate cuts in order to counteract an unjustified tightening of the financial environment in Switzerland. Since inflation is expected to remain at the lower end of the target range of 0-2% on average over the entire forecast period, the SNB is signalling that it sees no need to raise interest rates in the near future. Rather, highlighting the numerous downside risks to global growth, the SNB points out that it will maintain an overall accommodative monetary policy for the foreseeable future, which is why excessive appreciation of the currency must be avoided.”

Goldman Sachs:

- “The Swiss National Bank (SNB) kept the policy rate at 0.0% again today, in line with our forecast and consensus expectations. It signalled "increased" willingness to intervene in the FX market to counter rapid and excessive appreciation of the Swiss Franc. We continue to see the SNB on hold from here but see risks around the policy rate path skewed to the upside, as a prolonged conflict in the Middle East could push energy prices higher for longer and inflation could approach the upper end of the SNB's price stability range—a risk also noted by the SNB. The SNB could intervene temporarily in FX markets to reduce volatility of the Swiss Franc and dampen the speed of Franc appreciation.”

ING:

- “With a benign inflation outlook due to a strong Swiss franc, the Swiss National Bank (SNB) sees little need to change rates, reinforcing a dovish stance despite higher energy prices”
- “These extremely benign inflation prospects are, in our view, a rather “dovish” signal. With such inflation forecasts, the SNB is very clearly not considering having to raise rates in the coming months. This strongly confirms our forecast of unchanged rates over the coming quarters and indicates that the rate hike expected by the market by the end of the year appears very unlikely at this stage.”
- “We see this as a sign that the SNB’s concerns currently focus more on the deflationary effect of the conflict in the Middle East (via an excessive appreciation of the Swiss franc) than on the inflationary effects of rising global energy prices.”
- “That said, the SNB once again stressed that foreign exchange market interventions are intended to be used in the event of “rapid and excessive” appreciation, i.e. a tool it uses more when volatility in global markets strongly impacts the Swiss franc. During the press conference, the SNB also emphasised that it is the real evolution of the Swiss franc that matters, not the nominal one.”
- “In the coming months, we believe that the inflation differential between Switzerland and its trading partners will widen, as inflation is likely to rise much more in other countries following higher energy prices than in Switzerland. As a result, even if global uncertainty keeps the nominal value of the Swiss franc elevated in the coming months, real appreciation is likely to be more limited. This could allow the SNB to be more relaxed about exchange rate developments going forward.”

Julius Bär:

- “The clearest message of its communication is its increased willingness to intervene in the foreign exchange market. This indicates that the SNB currently considers a strengthening of the Swiss franc to be the most immediate risk to price stability. Due to rising energy prices, the central bank has slightly raised its conditional inflation forecast for the coming quarters, but expects little change in inflationary pressure in the medium term. We continue to assume that foreign exchange market interventions will remain the key instrument for counteracting a rapid and sharp appreciation of the Swiss franc and maintain our forecast of unchanged monetary policy for 2026.”

LBBW:

- “There was no pressure on the central bank to lower the key interest rate into negative territory. Inflation is currently within the central bank's comfort zone. The interesting question this time was how the Swiss National Bank (SNB) would react to the appreciation of the Swiss franc. At the beginning of March, the central bank already intervened verbally. To stop further appreciation of the franc, the SNB announced, in unusually clear terms, that its readiness to intervene in the

foreign exchange market had been increased. [...] Active intervention in the foreign exchange market remains a balancing act for the SNB if it wants to avoid suspicion of foreign exchange manipulation from the US government. Looking ahead to the next few months, the franc's status as a safe haven is likely to remain dominant given the ongoing global uncertainty. Therefore, we expect the strength of the franc to persist for the time being. However, the SNB is unlikely to tolerate any further significant appreciation.”

Lloyds:

- “Geopolitics and inflation risks come with different implications for the Swiss economy. The SNB have been quick to realise that, CHF appreciation already having a restrictive effect. Downside growth risks present a bigger problem than any inflationary pressures from energy. With rates differentials shifting against the Swiss franc too, we abandon our long CHF idea.”

Lombard Odier:

- “As expected, the SNB has revised its conditional short-term inflation forecast upwards, but slightly downwards, as consumers will ultimately have less disposable income due to price increases driven primarily by oil and gas prices. While the Swiss franc has appreciated by about 2% trade-weighted since the beginning of the year, we believe this should still be tolerable for the SNB. We maintain our view that the SNB will continue to primarily focus on dampening volatility in the foreign exchange market rather than considering interest rate changes. It can justify its position by citing the prevailing uncertainty and thus adopt a wait-and-see approach.”

LUKB:

- “The SNB's message is essentially: keep calm and carry on. I expect it to see through the temporary, energy-driven inflation spike resulting from the Iran conflict and keep the key interest rate at 0% for the remainder of the year. The fact that the SNB expects a temporary rise in inflation is also reflected in its inflation forecasts, which it has raised for this year. For the medium and longer term, however, they remain almost unchanged. In my view, it would only consider a change of course in the event of persistently higher inflation expectations or a significant economic downturn. The probability of the latter is increasing. At the same time, the SNB underscores its readiness to intervene in the foreign exchange market if the Swiss franc becomes excessively strong.”

Migrosbank:

- “Having exhausted its conventional options with the interest rate cut to 0 percent in June 2025, the Swiss National Bank's (SNB) hands are tied. According to the central bank, it will only introduce negative interest rates if the economic environment threatens price stability in the medium term. This sets a high bar, not least because the collateral damage, particularly to real estate prices, savings accounts, and the central bank's reserves, would be considerable. Furthermore, the SNB emphasized its readiness to intervene in the foreign exchange market, if necessary, to counteract pressure on the Swiss franc. This was likely the case, for example, in the middle of the second week of March, when the exchange rate against the euro fell below 90 centimes. Since then, the Swiss franc has weakened somewhat but remains a sought-after safe haven.”

Nomura:

- “According to the SNB's analysis, CHF has risen by 2.5% on a trade-weighted basis since mid-December. We believe this strengthening is likely to cause the SNB to intervene with FX purchases in Q1. Indeed, Chairman Schlegel confirmed at the press conference that Switzerland's accord with the US means that the SNB can intervene in the FX market. We believe the SNB will leave its policy rate unchanged at 0.00% for the foreseeable future. We forecast inflation to accelerate in the months ahead, supporting the view that another rate cut will not be necessary.”

Oddo BHF:

- “We expect the SNB to keep its key interest rate at 0% in 2026. Stability remains the central bank's guiding principle as it seeks to mitigate the disinflationary effect of the strong Swiss franc while navigating the heightened uncertainty caused by the conflict in the Middle East. A return to negative interest rates would increase the risk of exacerbating existing deflationary tendencies, especially given that core inflation, excluding rents, is currently at -0.3% year-on-year. Conversely, raising interest rates into positive territory would likely lead to further appreciation of the franc, thereby increasing

pressure on imported inflation. The recent rise in global energy prices is likely to exert temporary upward pressure on inflation without impacting the key interest rate. Against this backdrop, maintaining the current monetary policy stance appears to be the most balanced solution.”

Postfinance:

- “The fact that the Swiss National Bank (SNB) is keeping its key interest rate unchanged despite the challenging economic environment demonstrates one thing above all: it is determined to avoid negative interest rates. However, the strategy involving foreign exchange interventions carries risks. Extensive foreign exchange interventions could put the SNB in the crosshairs of US policymakers. In the current geopolitical context, this would be particularly unfavorable. For private customers, however, the decision means stability in savings and financing conditions for the time being.”

Raiffeisen:

- “Whether negative interest rates could nevertheless occur depends, not least, on exchange rate developments. A strong and abrupt appreciation of the Swiss franc leads to imported deflation. In conjunction with weakened demand, this carries the risk of a broad-based decline in prices. However, this does not apply to temporary, crisis-related exchange rate fluctuations. In such a case, the SNB prefers to counteract the situation, if necessary, with foreign exchange market interventions. The SNB also declared an increased readiness to intervene in the wake of the Iran-Iraq War. However, for a sustained strengthening of the Swiss franc, the economies of the eurozone and the US would have to be significantly more affected, followed by interest rate cuts. This would reduce the interest rate spread with Switzerland and make the franc more attractive. Then the SNB could also lower its key interest rate again. However, the hurdle for this remains high.”

Safra Sarasin:

- “The SNB has changed its language on FX interventions. They are warning more clearly that they are ready to intervene against a stronger Swiss franc due to the conflict in the Middle East. I believe that they have already been intervening in the FX market in recent weeks. The key factor for not cutting rates this week was likely that the domestic economy is still growing moderately, as are wages and domestic prices. The policy stance is sufficiently expansionary to support the domestic economy. The economic problems are centered in the export sector. FX interventions are the best targeted measure to prevent further damage to the export sector, which is why they should be the policy tool of choice now. We expect the SNB's policy rates to remain unchanged this year, even if the ECB decides to raise rates later. We expect an exchange rate of 0.91 EUR/CHF by the end of this year.”

VP Bank:

- “Currently, the Swiss monetary authorities are in a comfortable position. However, if the conflict in the Middle East were to persist and the inflation rate were to rise significantly due to even higher energy prices, while the Swiss franc appreciated in its role as a safe haven currency, the situation would be more complex. It should be noted that the franc would likely appreciate against the euro, but not against the dollar – the greenback has the upper hand in geopolitical crises. In such a situation, the SNB could raise interest rates, and any foreign exchange market interventions would have to be mitigated through repo transactions and T-bills. Therefore, the SNB cannot afford to be completely relaxed.”

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