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Press release

Swiss National Bank lowers interest target range

Concern over euro/Swiss franc exchange rate

The Swiss National Bank will lower the target range for the three-month Libor with immediate effect by 0.5 percentage points to 1.75 % - 2.75 %. This step has been taken in reaction to the marked and rapid appreciation of the Swiss franc vis-à-vis the euro witnessed in the past few days. The rise of the Swiss franc rate against the euro at a time of declining economic growth fills the National Bank with great concern. Should the Swiss franc rate remain at the present level, this would lead to an undesirably restrictive monetary policy.

The appreciation of the Swiss franc reflects the increased political uncertainties. At the present time it cannot be predicted how long these will last. The National Bank will follow further developments on the foreign exchange market very carefully. It will make use of its room for manoeuvre in monetary policy if necessary.

Swiss National Bank