

**Communications**

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## **Relaxation of monetary policy**

### **Swiss National Bank lowers target range for three-month Libor by 50 basis points to 1.5%–2.5%**

The Swiss National Bank (SNB) is lowering the three-month Libor target range by 50 basis points to 1.5%–2.5% with immediate effect. It intends to hold the rate in the middle of the target range for the time being.

The global economic outlook has deteriorated more severely than anticipated, which will impact growth in Switzerland in the next few quarters; growth in 2009 might even be negative. Moreover, the economic slowdown, the decline in the price of oil and the appreciation of the Swiss franc are reinforcing the expected drop in inflation.

Today's relaxation of monetary policy provides an impetus to economic activity, and will not jeopardise the return to price stability.

The SNB will continue to provide the Swiss franc money market with liquidity in a generous and flexible manner, and will keep a close watch on the movement of the franc on the foreign exchange market.