



Communications

P.O. Box, CH-8022 Zurich
Telephone +41 58 631 00 00
communications@snb.ch

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Monetary policy assessment of September 2026: Summary of discussion

At the monetary policy assessment of 22 and 23 September 2026, the Governing Board of the Swiss National Bank decided to leave the SNB policy rate unchanged at 0%. The SNB communicated its monetary policy decision to the public on 24 September 2026.

The decision was preceded by an analysis and discussion of the monetary policy conditions and the economic conditions. Areas covered included the situation on the financial markets, monetary indicators, international conditions, the economic situation and the economic outlook for Switzerland.

The decision was taken by Martin Schlegel (Chairman of the Governing Board), Antoine Martin (Vice Chairman of the Governing Board) and Petra Tschudin (Member of the Governing Board).

In addition to the Members of the Governing Board, the following also took part on the first day of the assessment: Alternate Members of the Governing Board Attilio Zanetti, Rosmarie Schlup, Sébastien Kraenzlin and Thomas Moser; representatives of the Economic Affairs, Money Market and Foreign Exchange, Financial Stability, International Monetary Cooperation and Secretariat General divisions; and representatives of the Communications unit.

On the second day, the Members of the Governing Board and the Alternate Members of the Governing Board held the final consultation with a select group of experts before the monetary policy decision was taken. In attendance were the heads of the Economic Affairs, Money Market and Foreign Exchange, Financial Stability, International Monetary Cooperation and Secretariat General divisions, as well as senior staff from the Monetary Policy Analysis, Forecast and Analysis International, Regional Economic Relations, Economic Data Science, Forecast and Analysis Switzerland, and Communications units.



Summary

Financial markets

The assessment started with a report from the Money Market and Foreign Exchange division on developments in financial markets.

Since the monetary policy assessment in June, international financial markets have been primarily driven by the renewed increase in tensions in the Middle East and tighter monetary policy abroad. Against the backdrop of a robust global economy and rising energy prices, the prospect of elevated inflation led to a pronounced increase in market interest rates worldwide. Stock markets were robust despite the higher interest rates, with the energy and US technology industries developing positively on the back of solid corporate results.

The Governing Board and the Alternate Members of the Governing Board closely examined the Swiss franc exchange rate, which had depreciated by around 3% in trade-weighted terms since the last monetary policy assessment in June. This depreciation was in line with the widened interest rate differentials between Switzerland and other countries, which – together with the low volatility of the Swiss franc exchange rate – increased the attractiveness of the franc as a funding currency in carry trades. Since the June monetary policy assessment, there had been little safe-haven demand for the Swiss franc.

The Governing Board and the Alternate Members of the Governing Board discussed further the reasons for the rise in interest rates in global bond markets. These included increased expectations of interest rate rises in the major currency areas due to higher energy prices and inflation. Other reasons were the robust economic situation, uncertainty surrounding fiscal policy abroad and the high volume of bond issuance by companies in the artificial intelligence (AI) space.

Monetary indicators

The Economic Affairs division presented analyses of the monetary indicators.

The period since the June assessment saw an upward shift in the yield curve for Confederation bonds. The Swiss franc depreciated against the euro and the US dollar. On the Swiss stock market, prices were close to their June levels. Residential real estate prices continued their upward trend. Growth in the broad monetary aggregates declined, while lending growth barely changed.

The Governing Board and the Alternate Members of the Governing Board discussed the current monetary conditions. On the one hand, there had been a significant depreciation of the Swiss franc; on the other, a slight rise in interest rates. As the depreciation of the Swiss franc outweighed the rise in interest rates, monetary conditions had eased overall since the June monetary policy assessment. The Governing Board and the Alternate Members of the Governing Board also took note of the well-anchored inflation expectations. They concluded that monetary policy is continuing to have an expansionary effect and that the excess liquidity is consistent with price stability over the medium term.

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The Governing Board and the Alternate Members of the Governing Board also discussed developments in the area of financial stability.

International conditions

The Economic Affairs division presented the analysis of global economic developments.

Global economic growth was stronger than expected in the second quarter. Global trade also expanded further. The global economy thus remained resilient. Despite the decline in purchasing power due to higher energy prices, consumer spending barely slowed. Other sources of support were high AI-related expenditure and increasing momentum in manufacturing. In many countries, inflation is above central banks' targets, notably due to the higher energy prices. Key interest rates were raised in the euro area and in the US. These developments also influence the new international baseline scenario of the Economic Affairs division, on which the forecasts for Switzerland are based. According to this scenario, inflation is likely to remain elevated for some time. Growth in the global economy is likely to continue to be moderate over the coming quarters. Owing to the situation in the Middle East, uncertainty about the global economic outlook remains high. An additional increase in energy prices would raise inflation further and dampen economic growth. The trade policy environment also remains uncertain.

The Governing Board and the Alternate Members of the Governing Board noted that the future course of inflation abroad is likely to be largely determined by the development of energy prices. Owing to capacity constraints at crude oil refining facilities, the prices of processed oil products, such as petrol, diesel and heating oil, have risen more strongly than the price of crude oil in recent months. So far, there have been only limited signs of global inflationary pressure spreading as a result of rising energy prices. Furthermore, the labour markets are operating at normal capacity, meaning that they are not currently exerting significant inflationary pressure. The topic of food inflation was also raised. The biggest risks cited for the global economy were the conflict in the Middle East, trade tensions, high stock valuations in the technology industry, and fiscal policy risks. Despite its current resilience, the global economy remains vulnerable to these risks.

In the discussion with the experts, the Governing Board and the Alternate Members of the Governing Board also addressed the question of whether investment in AI companies could increase potential growth. In the medium term, such investment could have a positive impact on productivity. The renewal of existing public infrastructure (e.g. in the transport industry) could also have a similar effect.

Economic situation in Switzerland

The Economic Affairs division first reported on the quarterly company talks conducted by the SNB's delegates for regional economic relations between July and September.

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The surveyed companies reported robust turnover growth in the third quarter. In manufacturing, business activity gathered pace. Services companies continued to show solid momentum and order books in the construction industry remained full. Companies anticipate a robust rise in turnover in the coming quarters as well and are therefore planning to increase hiring. An increase in purchase prices is expected and, to a somewhat lesser extent, in sales prices. Companies' inflation expectations are again somewhat lower for the short term, but remain unchanged for the medium term. Wage increases are likely to be moderate again next year.

Together with the delegates for regional economic relations, the Governing Board and the Alternate Members of the Governing Board discussed developments in the various industries. According to the companies surveyed, turnover growth in the third quarter was broad-based – including at manufacturing companies, which had faced rather subdued development in turnover in the preceding quarters. However, certain companies in the watchmaking industry, as well as some automotive suppliers, saw little momentum. Capacity utilisation in manufacturing improved but remained below average overall.

It was pointed out in the discussion that although unemployment rose slightly in the second quarter, employment also increased. When assessing the labour market situation, both of these indicators must be taken into account.

The delegates had also discussed the issue of the hot summer and drought with the companies surveyed. Heat was cited as a stress factor in specific industries, notably in the case of department stores (fewer walk-in customers) and construction (high temperatures prevented work from taking place at certain locations and on certain days). At the same time, tourism businesses in the mountains experienced strong demand. Overall, the impact on the economy as a whole is likely to be low.

The Governing Board and the Alternate Members of the Governing Board noted that the Swiss franc exchange rate was mentioned less frequently by company representatives in their talks with the delegates for regional economic relations than in the past. Another issue discussed was the purchase prices anticipated by companies. Companies expected higher prices for oil-based products, but also higher fees for software and cloud solutions. Delivery times have tended to be longer, due in part to geopolitical tensions. However, supply chain disruptions of the kind experienced during the coronavirus crisis have not been observed.

The Governing Board and the Alternate Members of the Governing Board also enquired about the pass-through of higher procurement costs for petrol and diesel to sales prices at filling stations. In the delegates' view, the scale and pace of this pass-through depend, among other things, on the purchasing policies of filling stations and on competitive conditions.

The Economic Affairs division then gave an overview of the latest developments in consumer prices in Switzerland. Inflation continued to rise as expected since the last monetary policy assessment, and stood at 0.8% in August. The increase was once again attributable to imported inflation, stemming from further increases in prices for oil products. Core inflation

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also rose somewhat latterly. The core inflation rate calculated by the SNB using a trimmed mean (TM15) stood at 0.6% in August.

The Governing Board and the Alternate Members of the Governing Board noted that the increase in the inflation rate as measured by the consumer price index was mainly attributable to higher prices for oil products. Core inflation, by contrast, has remained relatively stable in recent months, although it has risen slightly of late. Overall, since the beginning of the year price developments for both goods and services have been roughly in line with the long-term average. The increase in inflation in August was due not only to a rise in prices for oil products but also in charges for in-patient hospital services. In the context of higher energy prices, the Governing Board and the Alternate Members of the Governing Board discussed the risk of second-round effects. The longer oil prices remain at a high level, the greater the risk of second-round effects; however, there are currently hardly any signs of this materialising. The risk of second-round effects is also largely determined by aggregate capacity utilisation, cost developments at companies and their ability to pass higher costs through to their sales prices.

Economic outlook for Switzerland

The Economic Affairs division presented its assessment of recent economic developments and the baseline scenario for the Swiss economy.

GDP growth was exceptionally strong in the second quarter due to unusually robust performance in the chemicals/pharmaceuticals industry. However, even without this one-off effect, growth was solid and broad-based. Labour market conditions improved latterly. Employment increased and unemployment rose only slightly.

Moderate growth is forecast for the coming quarters. Further growth stimuli are expected from abroad. Moreover, monetary policy and the depreciation of the Swiss franc are likely to have had a supportive effect over recent months. GDP growth of between 1.5% and 2.0% is expected for 2026. The surprisingly strong growth in the second quarter, revised data for 2025 and the weaker Swiss franc have contributed to the upward revision. The SNB continues to expect GDP growth of around 1.5% for 2027. Inflation is likely to increase again somewhat in the short term due to higher energy prices, but to remain within the range consistent with price stability over the entire period. Uncertainty remains high. The main risk to the economic and inflation outlook stems from developments in the global economy. A further deterioration of the situation in the Middle East would curb global economic activity more strongly. Additional risks stem from the trade policy environment and exchange rate developments.

The Governing Board and the Alternate Members of the Governing Board took note of the solid growth in the economy and discussed the high volatility of pharmaceutical exports. It is uncertain whether pharmaceutical exports will continue to grow at this pace. The Governing Board and the Alternate Members of the Governing Board also considered the potential impact of the increasing use of AI on the labour market. If the use of AI leads to a rise in structural unemployment, this could dampen consumption. However, it is still too early to

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make any statements about this. Unemployment in the services sector – in the IT and finance industries, among others – is currently somewhat higher than might be expected given the economic situation. It is unclear whether this is due to AI or to other causes. Finally, the Governing Board and the Alternate Members of the Governing Board addressed possible second-round effects as a risk with regard to the development of inflation.

Monetary policy decision

At the beginning of the second day of the monetary policy assessment, the Governing Board summarised the previous day's presentations regarding the background situation, the economic situation and the scenarios for the global and Swiss economies, as well as the inflation forecast. Thereafter, the Money Market and Foreign Exchange division again addressed the situation in the financial markets and reported on the implementation of monetary policy in the money and foreign exchange markets.

The Economic Affairs division then summarised the background situation for the monetary policy decision. Medium-term inflationary pressure is only slightly higher compared with the monetary policy assessment in June. Inflation rose further over the past quarter, primarily due to oil products. GDP growth was exceptionally strong in the second quarter. The available indicators currently show that the robust growth momentum continued in the third quarter. Signals from the labour market, on the other hand, were mixed. Although employment growth was solid in the second quarter, unemployment rose again slightly in the period since the June monetary policy assessment and is somewhat elevated by historical standards.

In light of its discussion of the outlook for inflation and the economy, the Governing Board deemed current monetary conditions appropriate to ensure price stability over the medium term. The rise in inflation since the beginning of the year has been largely attributable to the increase in oil product prices. There are still no signs of second-round effects, and core inflation has risen only slightly. At the same time, medium-term inflationary pressure is only slightly higher, and the new conditional inflation forecast shows that inflation is within the range consistent with price stability over the entire forecast horizon. The Governing Board therefore decided to leave the SNB policy rate unchanged at 0%. The SNB is also willing to be active in the foreign exchange market as necessary to ensure appropriate monetary conditions. An increased willingness to intervene is no longer necessary in the current environment.