

Quarterly Bulletin
4/2025 December

SCHWEIZERISCHE NATIONALBANK
BANQUE NATIONALE SUISSE
BANCA NAZIONALE SVIZZERA
BANCA NAZIUNALA SVIZRA
SWISS NATIONAL BANK



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Monetary policy report

Report for the attention of the Governing Board of the Swiss National Bank for its quarterly monetary policy assessment of December 2025

The report describes economic and monetary developments in Switzerland and explains the inflation forecast. It shows how the SNB views the economic situation and the implications for monetary policy it draws from this assessment. The first section ('Monetary policy decision of 11 December 2025') is an excerpt from the press release published following the assessment.

This report is based on the data and information available as at 11 December 2025. Unless otherwise stated, all rates of change from the previous period are based on seasonally adjusted data and are annualised.

Key points

- On 11 December 2025, the SNB decided to leave its policy rate at 0%. Inflationary pressure in the medium term was virtually unchanged compared to the previous quarter. The monetary policy helps to keep inflation within the range consistent with price stability and supports economic development.
- Global economic growth was stronger than expected in the third quarter of 2025. Although US tariffs and trade policy uncertainty weighed on the global economy, economic development in many countries has thus far remained more resilient than had been assumed.
- Swiss GDP contracted in the third quarter. This was mainly due to a further decline in value added in the pharmaceuticals industry, following a strong rise in the first quarter. The economic outlook for Switzerland has improved slightly with the reduction in US tariffs agreed in November and somewhat better economic development abroad. Growth is expected again in the coming quarters.
- Inflation in Switzerland fell from 0.2% in August to 0.0% in November. Lower inflation in the hotel industry, as well as for rents and clothing, contributed in particular to this decline. Inflation expectations were largely unchanged and within the range consistent with price stability.
- Yields on long-term Confederation bonds rose marginally from mid-September. The Swiss franc depreciated slightly in trade-weighted terms. Prices for Swiss shares and residential real estate increased. Growth in mortgage lending continued to rise, while growth momentum in the broad monetary aggregates stabilised.

1 Monetary policy decision of 11 December 2025

Swiss National Bank leaves SNB policy rate unchanged at 0%

The Swiss National Bank is leaving the SNB policy rate unchanged at 0%. Banks' sight deposits held at the SNB will be remunerated at the SNB policy rate up to a certain threshold. The discount for sight deposits above this threshold still stands at 0.25 percentage points. The SNB remains willing to be active in the foreign exchange market as necessary.

Inflation in recent months has been slightly lower than expected. In the medium term, however, inflationary pressure is virtually unchanged compared to the last monetary policy assessment. The monetary policy helps to keep inflation within the range consistent with price stability and supports economic development. The SNB will continue to monitor the situation and adjust its monetary policy if necessary, in order to ensure price stability.

Inflation has declined slightly since the last monetary policy assessment. It decreased from 0.2% in August to 0.0% in November. Lower inflation in the hotel industry, as well as for rents and clothing, contributed in particular to this decline.

Inflationary pressure in the medium term is virtually unchanged compared to the previous quarter. Although the conditional inflation forecast is somewhat lower in the short term than in September, there is only little change in the medium term. The forecast is within the range of price stability over the entire forecast horizon (chart 1.1). It puts average annual inflation at 0.2% for 2025, 0.3% for 2026 and 0.6% for 2027 (table 1.1). The forecast is based on the assumption that the SNB policy rate is 0% over the entire forecast horizon.

Global economic growth was stronger than expected in the third quarter. Although US tariffs and trade policy uncertainty weighed on the global economy, economic development in many countries has thus far remained more resilient than had been assumed. Inflation remained elevated in the US, while in the euro area it was close to target.

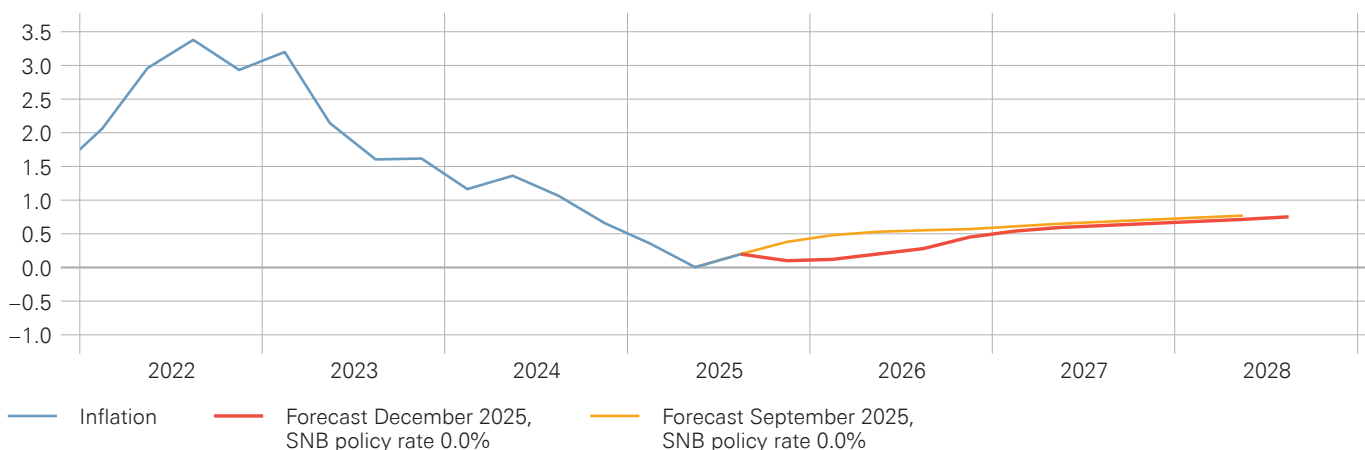
In its baseline scenario, the SNB anticipates that growth in the global economy will be moderate over the coming quarters. Inflation in the US is likely to remain elevated for some time. In the euro area, on the other hand, inflation is expected to stay close to target.

Uncertainty has decreased somewhat compared to the last monetary policy assessment. That said, the baseline scenario for the global economy is still subject to significant risks. For example, US tariffs and trade policy uncertainty could yet weigh more heavily on global economic momentum than observed thus far. It is also possible that trade barriers may be raised again. At the same time, however, it cannot be ruled out that the global economy will continue to develop better than expected in the coming quarters.

Chart 1.1

CONDITIONAL INFLATION FORECAST OF DECEMBER 2025

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



Source(s): SFSO, SNB

Swiss GDP contracted in the third quarter. The decline was due in particular to the pharmaceuticals industry. Value added there had risen strongly in the first quarter because deliveries to the US had been brought forward in anticipation of possible tariffs. There was a countermovement in the second quarter, which continued in the third quarter. Value added rose slightly in the other manufacturing industries and in services. Owing to this subdued economic development overall, unemployment has risen further in recent months.

The economic outlook for Switzerland has improved slightly due to the lower US tariffs and somewhat better development globally. For 2025 as a whole, the SNB expects GDP growth of just under 1.5%. For 2026, it expects growth of around 1%. In this environment, unemployment is likely to continue to rise somewhat.

The main risk to the economic outlook for Switzerland is the development of the global economy.

Monetary policy strategy at the SNB

The SNB has a statutory mandate to ensure price stability while taking due account of economic developments.

The SNB has specified the way in which it exercises this mandate in a three-part monetary policy strategy. First, it regards prices as stable when the Swiss consumer price index (CPI) rises by less than 2% per annum. This allows it to take account of the fact that the CPI slightly overstates actual inflation. In addition, the SNB allows inflation to fluctuate somewhat with

the economic cycle. Second, the SNB summarises its assessment of inflationary pressure and of the need for monetary policy action in a quarterly inflation forecast. This forecast, which is based on the assumption of a constant SNB policy rate, shows how the SNB expects the CPI to move over the next three years. Third, the SNB implements its monetary policy by setting the SNB policy rate and seeks to keep the short-term secured Swiss franc money market rates close to this rate. If necessary, the SNB may also use additional monetary policy measures to influence the exchange rate or the interest rate level.

Table 1.1

OBSERVED INFLATION IN DECEMBER 2025

	2022				2023				2024				2025				2022	2023	2024
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Inflation	2.1	3.0	3.4	2.9	3.2	2.1	1.6	1.6	1.2	1.4	1.1	0.7	0.4	0.0	0.2		2.8	2.1	1.1

Source(s): SFSO

CONDITIONAL INFLATION FORECAST OF DECEMBER 2025

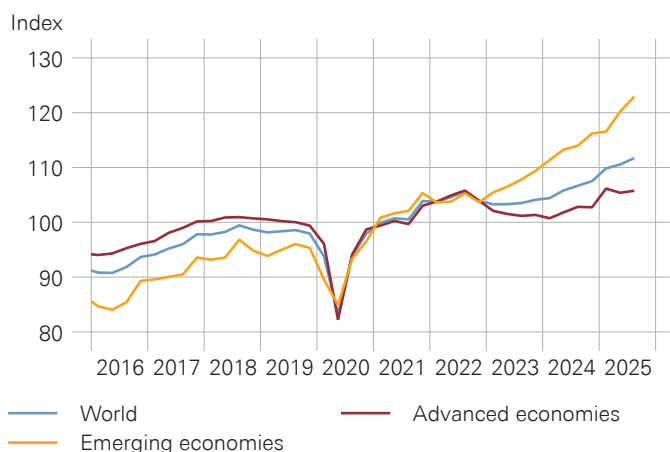
	2025				2026				2027				2028				2025	2026	2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Forecast September 2025, SNB policy rate 0.0%			0.2	0.4	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.8		0.2	0.5	0.7	
Forecast December 2025, SNB policy rate 0.0%			0.1	0.1	0.2	0.3	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.8		0.2	0.3	0.6	

Source(s): SNB

Chart 2.1

GLOBAL GOODS TRADE

Average in depicted period = 100



Source(s): CPB Netherlands Bureau for Economic Policy Analysis, LSEG Datastream

2 Global economic environment

Global economic growth was stronger than expected in the third quarter. Although US tariffs and trade policy uncertainty weighed on the global economy, economic development in many countries has thus far remained more resilient than had been assumed. Global trade in goods continued to increase (chart 2.1). Investment was also higher than expected, this being due, among other things, to strong spending on artificial intelligence (AI).

Inflation remained elevated in the US. However, since the downside risks to employment have increased, monetary policy there has nonetheless been eased further. In the euro area, inflation was close to target and key interest rates were left unchanged.

In its baseline scenario, the SNB anticipates that growth in the global economy will be moderate over the coming quarters. Among the factors supporting this are the further monetary policy easing over the course of 2025, as well as more expansionary fiscal policy in some countries. Inflation in the US is likely to remain elevated for some time. In the euro area, on the other hand, inflation is expected to stay close to target.

Uncertainty has decreased somewhat compared to the last monetary policy assessment. That said, the baseline scenario for the global economy is still subject to significant risks. For example, US tariffs and trade policy uncertainty could yet weigh more heavily on global economic momentum than observed thus far. It is also possible that trade barriers may be raised again. At the same time, it cannot be ruled out that the global economy

Table 2.1

BASELINE SCENARIO FOR GLOBAL ECONOMIC DEVELOPMENTS

	2021	2022	2023	2024	Scenario	
					2025	2026
GDP, year-on-year change in percent						
Global ¹	6.6	3.8	3.5	3.3	3.3	3.0
US	6.2	2.5	2.9	2.8	2.0	1.9
Euro area	6.4	3.7	0.6	0.8	1.4	1.2
China	8.6	3.1	5.4	5.0	5.0	4.5
Oil price in USD per barrel						
	70.8	102.4	83.6	81.3	69.3	64.0

¹ World aggregate as defined by the IMF, PPP-weighted.

Source(s): LSEG Datastream, SNB

will continue to develop better than expected in the coming quarters.

The SNB's forecasts for the global economy are based on assumptions about oil prices and the EUR/USD exchange rate. The SNB is assuming an oil price for Brent crude of USD 64 per barrel, compared with USD 67 in the last baseline scenario, and an exchange rate of USD 1.16 to the euro, unchanged from the last baseline scenario. Both correspond to the 20-day average when the current baseline scenario was drawn up.

INTERNATIONAL FINANCIAL AND COMMODITY MARKETS

Since the last monetary policy assessment, events in international financial markets have primarily been dominated by economic developments as well as uncertainty about how the spread of AI will affect future economic performance and corporate earnings. Furthermore, in the US, many government services were suspended during a six-week shutdown. As a result, the amount of US economic data published was lower than usual, which contributed to the uncertainty in the financial markets.

Yields on long-term government bonds saw little change in many advanced economies, including in the US and the major euro area member states. In Japan, yields continued to rise in anticipation of a more expansionary fiscal policy under the new government. In the UK, by contrast, the prospect of a more restrictive fiscal policy led to a decline in yields (charts 2.2 and 2.3).

Share prices increased further, supported in particular by solid corporate earnings in the US technology industry. Nevertheless, the government shutdown in the US, concerns about the solvency of some US regional banks and fears that US technology stocks might be overvalued resulted in temporary price losses. Most recently, however, the MSCI World Index was above its mid-September level. The index for the implied volatility of stocks in the US derived from options prices (VIX) rose significantly at times, but was latterly back at a level similar to that in mid-September (chart 2.4).

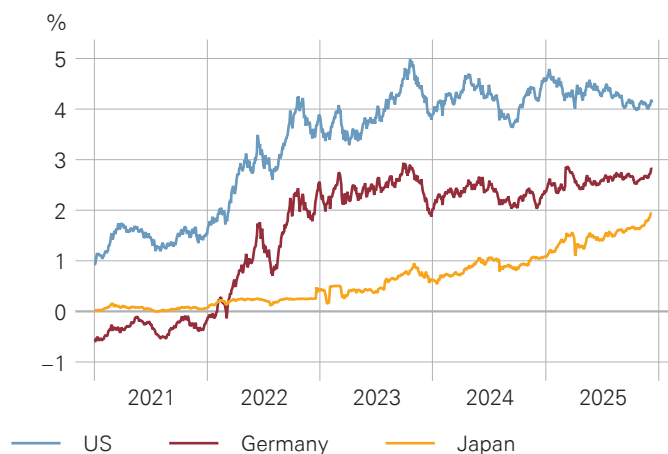
The US dollar appreciated slightly in trade-weighted terms, while the yen and pound sterling weakened. The euro remained stable on a trade-weighted basis (chart 2.5).

Oil prices declined compared to mid-September. This was due in large part to increases in output in many oil-producing countries. New sanctions against Russian oil producers as well as attacks by Ukraine on Russia's oil industry caused oil prices to rise only briefly. Brent crude latterly stood at USD 62 per barrel, down from USD 69 at the time of the last monetary policy assessment. Prices for industrial metals, by contrast, rose slightly. In addition, the gold price reached a new high in October, before trending sideways (chart 2.6).

Chart 2.2

INTERNATIONAL LONG-TERM INTEREST RATES

10-year government instruments

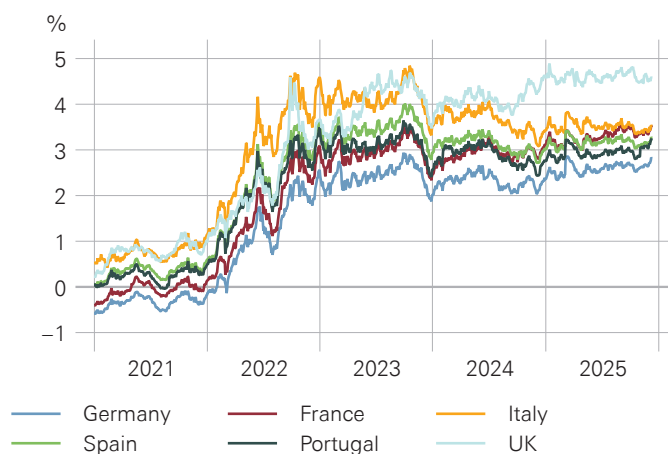


Source(s): LSEG Datastream

Chart 2.3

EUROPEAN LONG-TERM INTEREST RATES

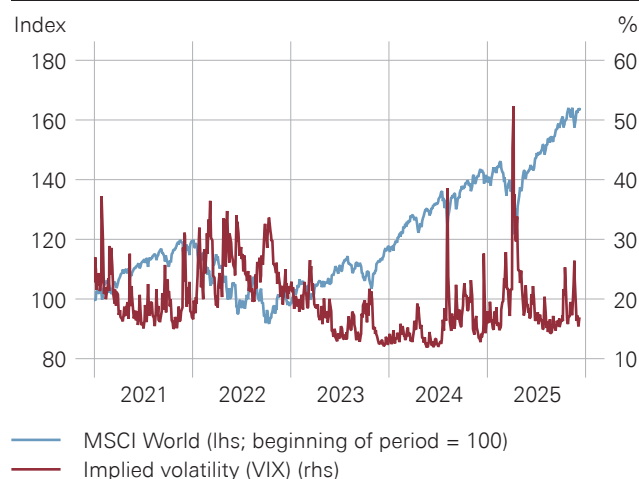
10-year government instruments



Source(s): LSEG Datastream

Chart 2.4

STOCK MARKETS



Source(s): LSEG Datastream

Chart 2.5

EXCHANGE RATES

Trade-weighted

Index, beginning of period = 100

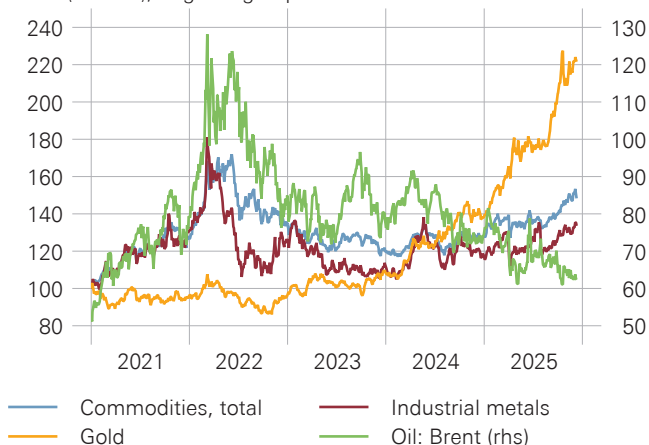


Source(s): LSEG Datastream

Chart 2.6

COMMODITY PRICES

Index (in USD), beginning of period = 100 USD/barrel

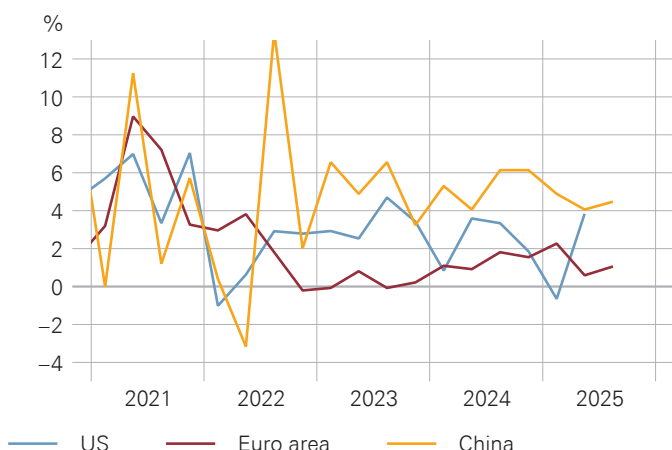


Source(s): Bloomberg, LSEG Datastream

Chart 2.7

REAL GDP

Change from previous period



Source(s): LSEG Datastream

UNITED STATES

As of mid-December, there was still no GDP estimate available in the US for the third quarter owing to the shutdown of many government services. However, economic indicators suggest that GDP is likely to have risen strongly again, following growth of 3.8% in the previous quarter (chart 2.7). Private consumption saw robust growth, supported by the recent significant increase in household wealth. Momentum in IT investment is also likely to have been dynamic due to strong spending on AI.

The government shutdown occurred because Congress failed to agree on a budget for the 2026 fiscal year by the end of September. As a result, many federal agencies (including the statistics offices) had to suspend operations for six weeks at the beginning of the fourth quarter. Due to the shutdown, GDP growth in Q4 is likely to be subdued. However, a catch-up effect is expected for the first quarter of 2026.

Trade policy conditions have changed little since September. Following a new trade agreement with China in October, including mutual tariff reductions, US tariffs are slightly lower overall than at the time of the last monetary policy assessment in September. Nevertheless, they remain significantly higher than at the beginning of the year for virtually all countries, China included.

US tariffs and trade policy uncertainty will still weigh on economic momentum in the short term. However, the increase in wealth and the dynamic development of the AI industry continue to be a source of support. In addition, monetary policy was eased further in October and December.

Due to the strong economic expansion in Q3 and a somewhat improved outlook, the SNB is raising its GDP forecast for 2025 compared with September, to 2.0%. The greater resilience of the US economy is also reflected in a higher forecast for 2026, of 1.9% (table 2.1). The future course of US trade policy remains unclear. The growth forecast is therefore subject to considerable uncertainty.

As a result of the government shutdown, US consumer prices were published late and, in mid-December, were only available up to September. Inflation stood at 3.0% in September, thus remaining at an elevated level (chart 2.10). Core inflation was also at 3.0% (chart 2.11). This reflected, among other things, price increases for goods as a result of tariffs. Services inflation, too, was above average. Inflation as measured by the personal consumption expenditure deflator – the index used by the US Federal Reserve to set its 2% inflation target – stood at 2.8% in September. Owing to the US tariffs, inflation is expected to remain elevated for some time.

Due to concerns about a deterioration in the labour market situation, the Fed lowered its target range for the federal funds rate by 25 basis points in both October and

December, to 3.5–3.75% (chart 2.12). It also decided in October not to reduce its balance sheet further as of December.

EURO AREA

In the euro area, GDP expanded by 1.1% in the third quarter (chart 2.7). The economy thus picked up somewhat after having been rather subdued in the first half of the year, excluding special factors (exports to the US brought forward, volatile developments in Ireland). Although the deliveries to the US affected by US tariffs declined, exports increased overall. Investment was also higher.

Employment growth was moderate in Q3, and the unemployment rate remained historically low in September, at 6.4% (chart 2.9).

Economic signals for the short term latterly improved somewhat. The composite purchasing managers' index (PMI) continued to recover slightly, driven primarily by the services sector (chart 2.8). Consumer sentiment also improved somewhat, due in part to the easing of political uncertainty in France. Overall, moderate GDP growth is expected for the fourth quarter. Trade tensions are likely to continue to have a slightly dampening effect. At the same time, the monetary policy easing over the course of the year is still providing positive impetus.

In the medium term, economic momentum should pick up somewhat, mainly due to a more expansionary fiscal policy centred on higher defence spending in the euro area member states and on infrastructure investment in Germany.

The SNB anticipates GDP expansion in the euro area of 1.4% for 2025 and 1.2% for 2026 (table 2.1). The forecast is slightly higher than in September, partly because the economy is proving somewhat more resilient amid the trade tensions, and partly because of a more expansionary fiscal policy.

Consumer price inflation was virtually unchanged between September and November, latterly standing at 2.2%, close to the ECB's target of 2% (chart 2.10). Core inflation remained somewhat elevated at 2.4%, which was attributable to an above-average increase in prices for services (chart 2.11).

The ECB left its key interest rates unchanged in October. The deposit facility rate has thus remained at 2.0% since June (chart 2.12). Since the end of 2024, proceeds from securities maturing under the asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP) are no longer reinvested by the ECB, with the result that the portfolio is shrinking by EUR 40–45 billion per month (around 0.7% of the current balance sheet).

Chart 2.8

PMI COMPOSITE¹

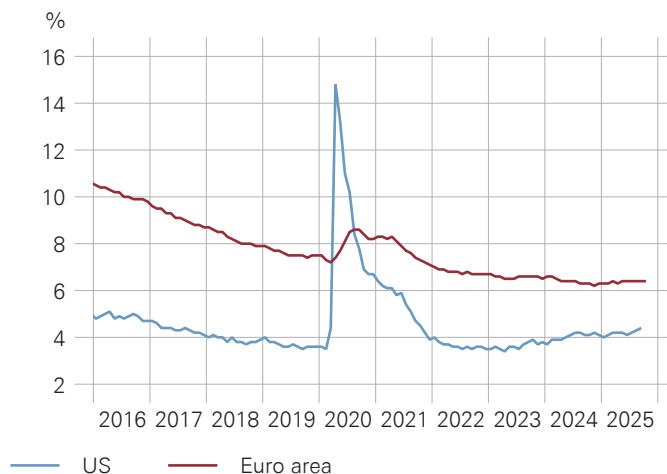


¹ Manufacturing and services sector combined.

Source(s): S&P Global

Chart 2.9

UNEMPLOYMENT RATES



Source(s): LSEG Datastream

Chart 2.10

CONSUMER PRICES

Year-on-year change

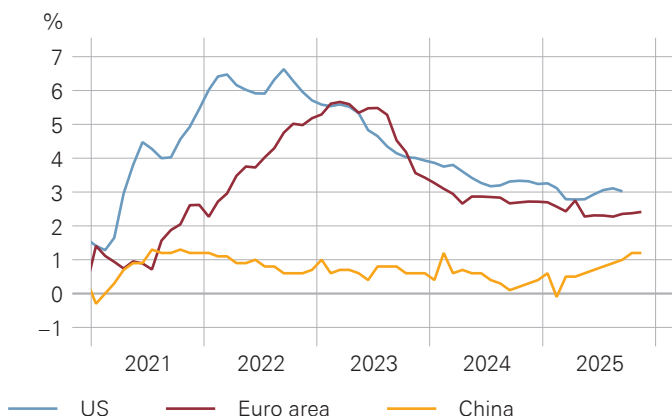


Source(s): LSEG Datastream

Chart 2.11

CORE INFLATION RATES¹

Year-on-year change

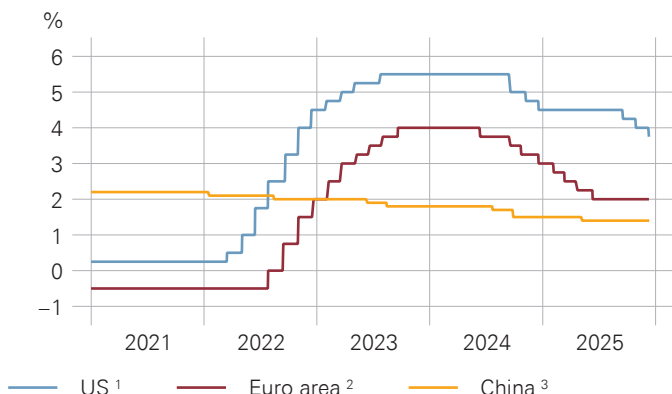


¹ Excluding food and energy.

Source(s): LSEG Datastream

Chart 2.12

OFFICIAL INTEREST RATES



¹ Federal funds rate (upper limit of target range).

² Deposit facility rate.

³ Reverse repo rate (7-day).

Source(s): LSEG Datastream

CHINA

In China, GDP grew by 4.5% in the third quarter, following growth of 4.1% in Q2 (chart 2.7). Most industries developed favourably, with the high-tech sector in particular remaining very dynamic. Construction and real estate services were the only industries to see a decrease in value added. Exports of goods continued to rise overall, although deliveries to the US declined slightly once again due to the increased US tariffs.

At the end of October, China and the US agreed to mutual tariff reductions as part of a new one-year trade agreement. As a result, China’s goods deliveries to the US are likely to pick up again somewhat; nevertheless, US tariffs on goods from China remain higher than at the beginning of the year. In addition, the trade agreement should allow Chinese companies to plan with somewhat more certainty. China’s government also continues to support activity with an expansionary economic policy, with investment in infrastructure to be expanded via special loans from state-owned banks.

Given the surprisingly solid economic development in Q3, a somewhat more expansionary fiscal policy and the recent easing of the trade conflict with the US, the SNB is revising its growth expectations for China slightly upwards to 5.0% for 2025 and 4.5% for 2026 (table 2.1).

Consumer price inflation returned to positive territory in recent months and stood at 0.7% in November (chart 2.10). Food inflation recovered from its previously weak level, and core inflation increased further to 1.2% (chart 2.11).

3 Economic developments in Switzerland

Swiss GDP contracted in the third quarter.¹ This was mainly due to a further decline in value added in the pharmaceuticals industry, following a strong rise in the first quarter when deliveries of pharmaceutical products to the US were brought forward in anticipation of possible tariffs. Value added rose slightly in the other manufacturing industries and in the services sector. Owing to this subdued economic development overall, unemployment increased further in recent months.

The economic outlook for Switzerland has improved slightly with the reduction in US tariffs agreed in November and somewhat better economic development abroad. The SNB expects GDP growth of just under 1.5% for 2025 as a whole and around 1% for 2026. In this environment, unemployment is likely to continue to rise somewhat.

The main risk to the economic outlook for Switzerland is the development of the global economy.

OUTPUT AND DEMAND

The SNB takes a wide range of indicators into account when assessing the economic situation. While GDP contracted in Q3, the available indicators point to a recovery for the fourth quarter.

Decline in GDP in Q3 2025

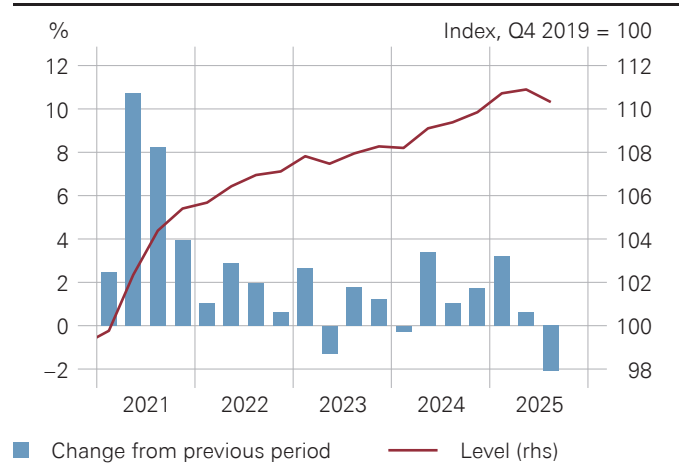
According to the estimate by the State Secretariat for Economic Affairs (SECO), GDP was down by 2.1% in the third quarter of 2025 (chart 3.1). This was largely attributable to a significant decrease in value added in the pharmaceuticals industry. Value added in this industry had risen strongly in Q1 because deliveries of pharmaceuticals to the US had been brought forward in anticipation of possible tariffs. There was a countermovement in the second and third quarters. The energy industry as well as construction also saw a decline in value added in Q3. Developments in other industries, on the other hand, were positive. In manufacturing, excluding chemicals and pharmaceuticals, value added rose slightly despite high US tariffs, and the services sector expanded as well.

¹ The GDP figures commented on and forecast by the SNB in the press release and Quarterly Bulletin are adjusted for sporting events (cf. Glossary).

Chart 3.1

REAL GDP

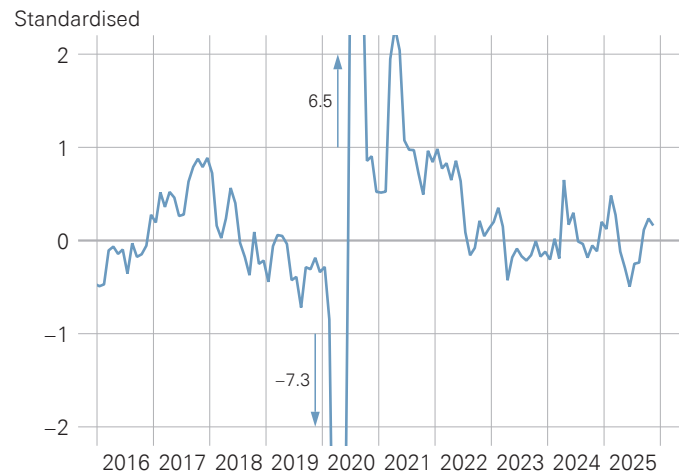
Adjusted for sporting events



Source(s): SECO

Chart 3.2

SNB BUSINESS CYCLE INDEX



Source(s): SNB

Chart 3.3

MANUFACTURING PMI AND KOF ECONOMIC BAROMETER



Source(s): KOF Swiss Economic Institute, UBS

On the expenditure side, both domestic demand and foreign trade were weak (table 3.1). While private consumption recorded average growth, investment in construction and equipment contracted. Exports were also down overall due to the weak development of the pharmaceuticals industry. Imports rose slightly.

Improvement in manufacturing

The available indicators point to a recovery in economic activity in the fourth quarter. The outlook for manufacturing already started to improve again in October. The services sector is likely to continue making a positive contribution to growth.

The SNB's Business Cycle Index and the KOF Economic Barometer aim to assess the overall economic growth momentum using a broad data base (charts 3.2 and 3.3). Both indicators were weak in the summer but rose again in recent months, signalling an upturn in economic activity in Q4.

The US tariff policy, which was tightened in August, primarily affected manufacturing. The PMI and the KOF survey results for manufacturing thus initially declined significantly (chart 3.3). In October, sentiment in manufacturing already picked up again somewhat despite the high tariffs. In mid-November, Switzerland and the US agreed on a reduction in US tariffs. The PMI thus improved further in November. The talks held by the SNB's delegates for regional economic relations with companies paint a similar picture; they also suggest an upturn in manufacturing (cf. 'Business cycle signals', pp. 28 et seq.).

Table 3.1

REAL GDP AND COMPONENTS

Growth rates on previous period in percent, seasonally adjusted, annualised

	2021	2022	2023	2024	2023 Q4	2024 Q1	Q2	Q3	Q4	2025 Q1	Q2	Q3
Private consumption	2.2	4.9	1.4	2.4	1.4	3.1	3.3	2.6	1.1	0.4	1.7	1.5
Government consumption	2.9	-0.6	1.4	1.3	2.2	0.2	0.2	2.1	2.4	0.5	2.6	-0.8
Investment in fixed assets	3.6	1.0	2.2	0.4	-3.2	3.8	1.6	-2.7	0.8	-0.1	-3.3	-0.6
Construction	-3.1	-6.9	-1.5	-1.4	-1.3	-3.2	0.1	0.1	-1.7	0.5	-1.9	-0.7
Equipment	7.0	4.7	3.8	1.2	-3.9	6.9	2.3	-3.8	1.9	-0.3	-3.8	-0.5
Domestic final demand	2.7	2.9	1.6	1.6	0.1	2.9	2.4	0.9	1.2	0.3	0.3	0.6
Change in inventories ¹	-0.6	0.6	1.6	-0.2	2.0	2.2	-11.0	7.0	-1.3	-1.5	2.6	4.7
Total exports ^{2,3}	11.5	5.8	-2.0	3.0	5.3	1.4	22.6	-16.8	9.5	21.6	-14.4	-10.6
Goods ²	12.1	4.4	-3.3	2.7	7.0	-3.6	32.3	-22.9	14.2	32.3	-22.4	-15.7
Goods excluding merchanting ²	13.4	5.2	1.2	5.5	-12.5	7.4	41.2	-16.3	25.5	16.4	-14.8	-25.0
Services ³	10.2	9.6	1.2	3.6	1.4	13.1	4.4	-2.0	0.5	1.7	5.4	0.4
Total imports ^{2,3}	4.8	6.6	1.1	3.7	8.4	12.2	1.2	-6.8	7.3	17.3	-13.1	2.5
Goods ²	4.5	8.2	0.8	4.2	12.4	15.0	-1.4	-6.8	14.3	33.4	-17.3	-3.1
Services ³	5.1	4.3	1.5	2.9	2.8	8.5	4.9	-6.9	-1.7	-1.1	-7.0	10.6
Net exports ^{3,4}	4.0	0.4	-1.8	0.0	-0.9	-5.0	12.3	-6.8	2.0	4.4	-2.2	-7.3
GDP³	5.9	3.5	1.3	1.2	1.2	-0.3	3.4	1.0	1.7	3.2	0.6	-2.1

1 Contribution to growth in percentage points (including statistical discrepancy).

2 Excluding valuables (non-monetary gold and other precious metals, precious stones and gems as well as works of art and antiques).

3 Adjusted for sporting events.

4 Contribution to growth in percentage points.

Source(s): SECO

LABOUR MARKET

The labour market continued to slow in the wake of the latterly subdued economic development. Employment stagnated, while unemployment increased. Difficulties in recruiting staff eased further.

Stagnating employment

According to the national job statistics (JOBSTAT), the seasonally adjusted number of full-time equivalent positions remained unchanged in the third quarter, having declined in the previous quarter. Developments in the various sectors were mixed. The number of jobs in manufacturing and construction declined further, while in services, new jobs were created (chart 3.4). According to the Employment Statistics (ES), the seasonally adjusted number of persons employed also stagnated.

Rising unemployment

In recent months, the number of unemployed persons continued to rise according to figures published by SECO, albeit at a somewhat slower pace than in the first half of the year. Excluding seasonal fluctuations, 140,000 people were registered as unemployed at the end of November. The seasonally adjusted unemployment rate was up from 2.9% in August to 3.0% in November. The unemployment rate calculated by the Swiss Federal Statistical Office (SFSO) in line with the definition of the International Labour Organization (ILO) declined slightly from 4.9% in Q2 to 4.8% in Q3, having risen in the second quarter (chart 3.5).

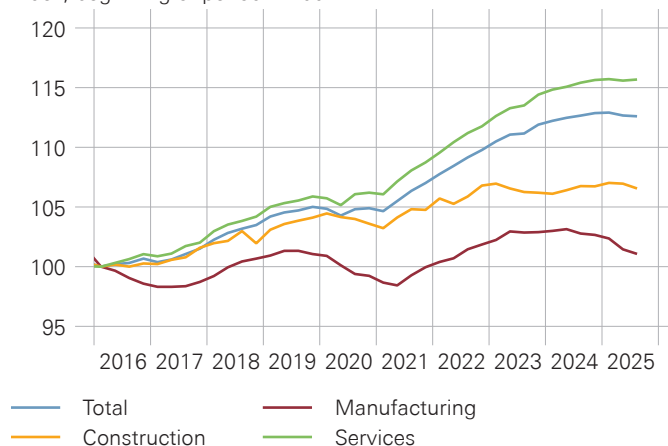
Recruitment situation eases further

According to JOBSTAT, companies continued to have trouble finding suitable personnel. However, the recruitment difficulties eased further in the third quarter (chart 3.6).

Chart 3.4

FULL-TIME EQUIVALENT JOBS

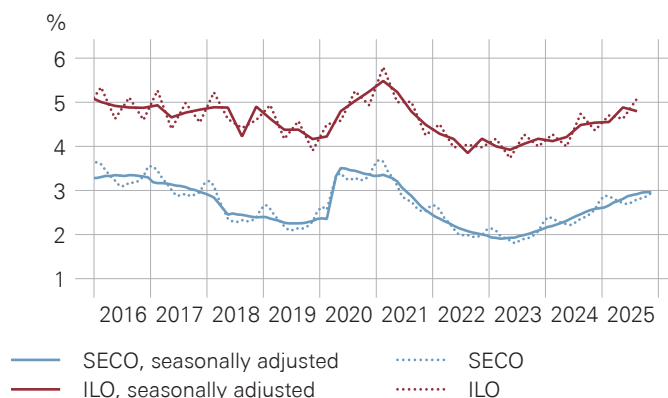
Index, beginning of period = 100



Source(s): SFSO; seasonal adjustment: SNB

Chart 3.5

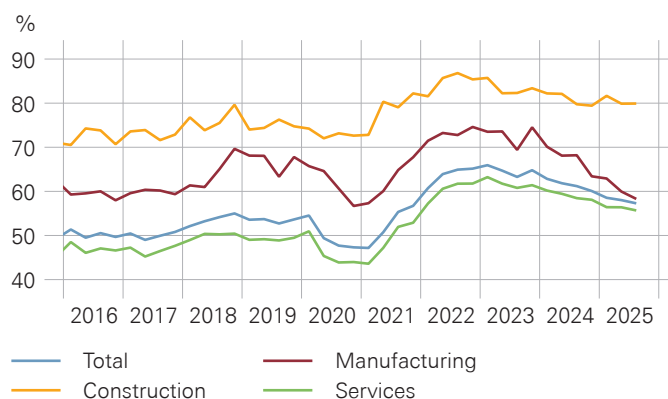
UNEMPLOYMENT RATE



SECO: Unemployed persons registered with the regional employment offices, as a percentage of the labour force (economically active persons).
ILO: Unemployment rate based on International Labour Organization definition.
Source(s): SECO, SFSO

Chart 3.6

RECRUITMENT DIFFICULTIES

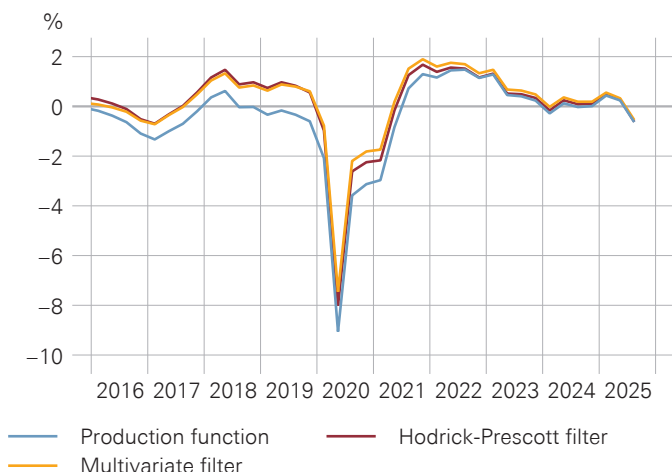


Share of companies that had difficulties or did not succeed in recruiting qualified staff. Only companies that are actively recruiting qualified staff are taken into account. Estimate based on the national job statistics (JOBSTAT).

Source(s): SFSO, SNB

Chart 3.7

OUTPUT GAP



Source(s): SNB

CAPACITY UTILISATION

Output gap slightly negative

The output gap, defined as the percentage deviation of actual GDP from estimated aggregate potential output, shows how well production capacity in an economy is being utilised. In the case of overutilisation the gap is positive, and in the case of underutilisation it is negative.

According to estimates of the output gap, capacity utilisation declined in Q3 as economic activity decreased. The estimate by means of a production function shows a slightly negative output gap for the third quarter, as do estimates using other methods (chart 3.7).

Capacity utilisation varies between sectors

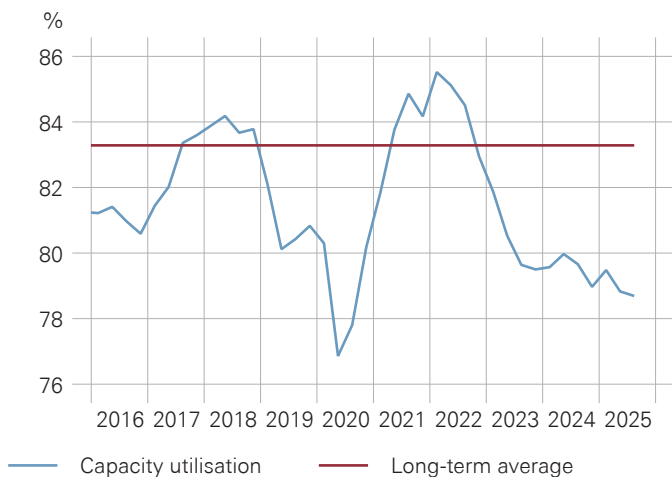
In addition to the estimation of the aggregate output gap, surveys also play an important role in assessing utilisation levels. Overall, these surveys indicate somewhat better capacity utilisation than the output gap estimates.

According to the surveys conducted by KOF, technical capacity utilisation in manufacturing remained considerably below the long-term average (chart 3.8). In most areas of the services sector, by contrast, utilisation was still moderately above average. The available indicators thus pointed to an average level of utilisation for the economy as a whole.

As regards the labour situation, companies indicated overall that staffing levels were adequate in the third quarter, i.e. neither too low nor too high. However, the situation varied from one industry to another. While staffing levels in construction and some services industries were still considered to be tight, companies in manufacturing reported that levels were too high.

Chart 3.8

CAPACITY UTILISATION IN MANUFACTURING



Source(s): KOF Swiss Economic Institute

OUTLOOK

The economic outlook for Switzerland has improved slightly with the reduction in US tariffs agreed in November and somewhat better economic development abroad. Having declined in Q3, GDP is expected to expand again in the coming quarters.

The export-weighted PMI abroad remains relatively low and thus signals little impetus from global manufacturing (chart 3.9). Nevertheless, the business prospects for the coming months in particular have improved according to the KOF surveys (chart 3.10). The employment outlook based on various company surveys also points to positive, albeit moderate, economic growth (chart 3.11).

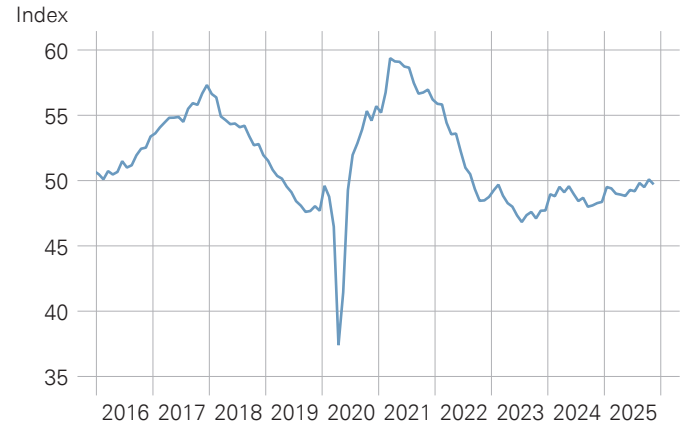
The SNB expects GDP growth of just under 1.5% for the current year and around 1% for 2026. In this environment, unemployment is likely to continue to rise somewhat.

The economic outlook for Switzerland remains uncertain. The main risk is the development of the global economy.

Chart 3.9

MANUFACTURING PMI ABROAD

Export-weighted, 27 countries



Source(s): International Monetary Fund – Direction of Trade Statistics (IMF – DOTS), LSEG Datastream, SNB

Chart 3.10

BUSINESS SITUATION

Average across all KOF surveys



Source(s): KOF Swiss Economic Institute

Chart 3.11

EMPLOYMENT OUTLOOK

Seasonally adjusted, standardised



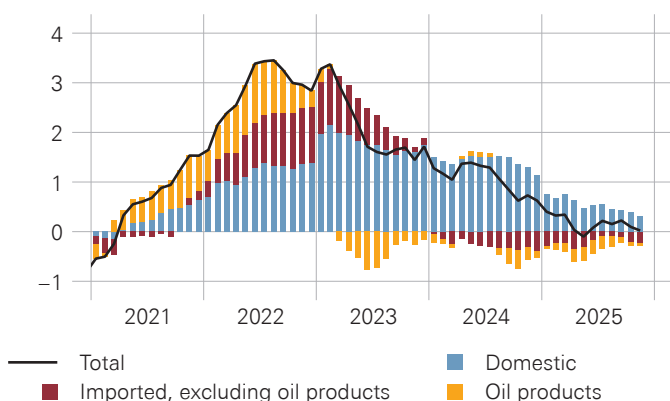
1 Seasonal adjustment: SNB.

Source(s): KOF Swiss Economic Institute, SFSSO, SNB regional network

Chart 4.1

CPI: DOMESTIC AND IMPORTED GOODS AND SERVICES

Year-on-year change in CPI in percent. Contribution of individual components, in percentage points.

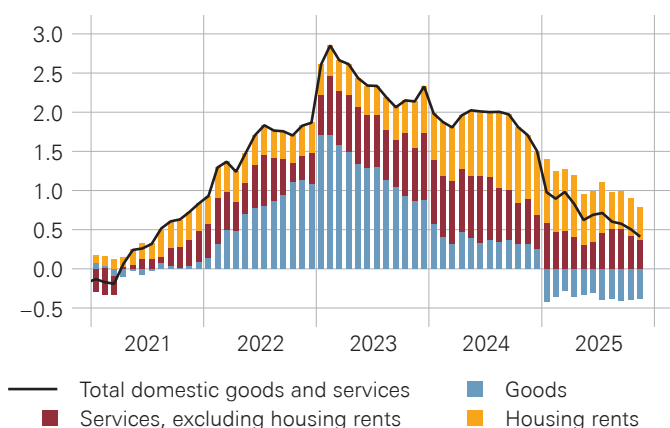


Source(s): SFSO, SNB

Chart 4.2

CPI: DOMESTIC GOODS AND SERVICES

Year-on-year change in domestic CPI in percent. Contribution of individual components, in percentage points.



Source(s): SFSO, SNB

Table 4.1

SWISS CONSUMER PRICE INDEX AND COMPONENTS

Year-on-year change in percent

	2024	2024	2025			2025			
		Q4	Q1	Q2	Q3	Aug	Sep	Oct	Nov
Overall CPI	1.1	0.7	0.4	0.0	0.2	0.2	0.2	0.1	0.0
Domestic goods and services	1.9	1.7	1.0	0.7	0.6	0.6	0.6	0.5	0.4
Goods	1.7	1.3	-1.6	-1.5	-1.8	-1.7	-1.8	-1.8	-1.7
Services	2.0	1.8	1.7	1.3	1.3	1.3	1.3	1.2	1.0
Private services excluding housing rents	1.6	1.1	1.3	0.8	1.1	1.2	1.1	0.9	0.8
Housing rents	3.3	3.6	3.3	2.8	2.1	1.9	1.9	1.9	1.6
Public services	0.6	0.5	0.1	0.3	0.4	0.5	0.5	0.5	0.5
Imported goods and services	-1.5	-2.5	-1.6	-2.3	-1.2	-1.3	-0.9	-1.3	-1.3
Excluding oil products	-1.2	-1.7	-1.2	-1.3	-0.5	-0.5	-0.5	-1.1	-1.2
Oil products	-3.7	-8.8	-4.2	-9.3	-7.4	-8.3	-4.9	-3.3	-2.4

Source(s): SFSO, SNB

4

Prices and inflation expectations

The inflation rate as measured by the consumer price index (CPI) fell from 0.2% in August to 0.0% in November. Lower inflation in the hotel industry, as well as for rents, clothing and shoes, contributed in particular to this decline. Core inflation also decreased, pointing to a slowdown in the underlying inflation dynamics.

Most indicators for short and longer-term inflation expectations saw only little change this quarter. Inflation expectations thus remained within the range consistent with price stability.

CONSUMER PRICES

Decline in annual CPI inflation

Annual CPI inflation receded by 0.2 percentage points compared to August and stood at 0.0% in November (chart 4.1, table 4.1). This decline was attributable to lower domestic inflation. The contribution made by domestic goods and services decreased from 0.5 percentage points in August to 0.3 percentage points in November, while that of imported goods and services was unchanged at -0.3 percentage points in November.

Lower domestic inflation

Prices for domestic goods and services rose by 0.4% year on year in November, 0.2 percentage points slower than in August (chart 4.2, table 4.1). This was the result of a decline in inflation for domestic services, from 1.3% in August to 1.0% in November. Meanwhile, inflation for domestic goods remained unchanged at -1.7% in the same period.

Inflation for domestic services excluding housing rents decreased from 1.0% in August to 0.7% in November. This decline was chiefly attributable to prices in the hotel industry. Housing rent inflation fell by 0.3 percentage points to 1.6% in November. This decrease reflected, among other things, the effect of the decline in the reference interest rate in March 2025.

The mortgage reference rate receded by a further 0.25 percentage points in September, to 1.25% (chart 4.3). This second decrease is likely to affect housing rent inflation for the first time in February 2026, as reference rate changes typically do not pass through for several months owing to contractual notice periods.

Imported inflation unchanged

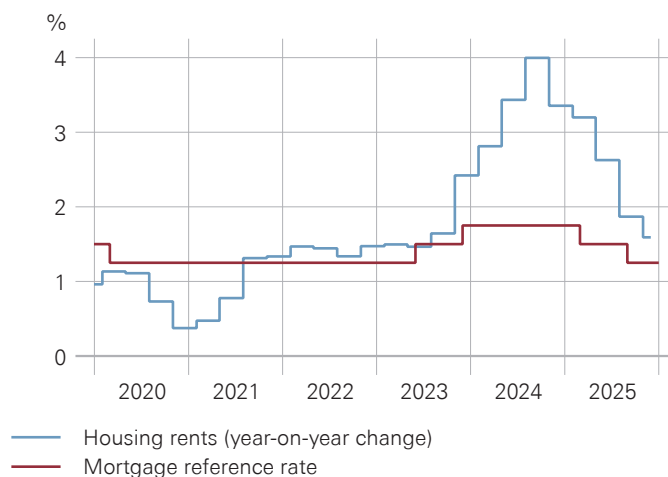
At -1.3%, imported inflation remained unchanged in November compared to August. Inflation for oil products rose from -8.3% in August to -2.4% in November. This increase was balanced out by inflation for other imported goods and services, which decreased from -0.5% to -1.2% over the same period. This was mainly attributable to prices for clothing and shoes, as well as for new cars and bicycles.

Lower core inflation

The various core inflation metrics were lower in November than in August. The SFSO core inflation rate 1 (SFSO1) declined from 0.7% in August to 0.4% in November. The core inflation rate as measured by the SNB's trimmed mean (TM15) receded in the same period, from 0.6% to 0.4% (chart 4.4).

Chart 4.3

HOUSING RENTS

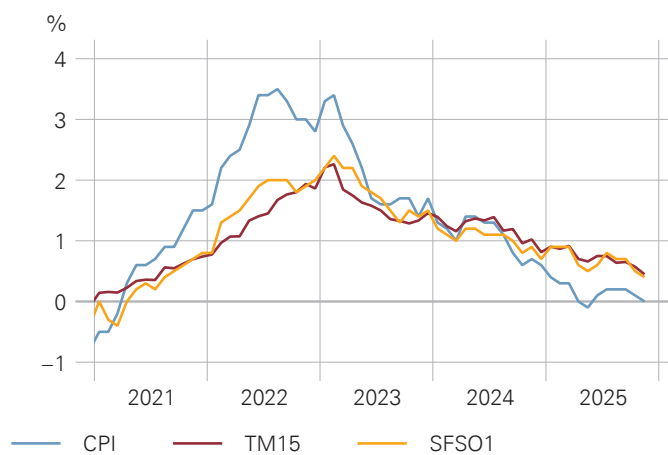


Source(s): Federal Office for Housing (FOH), SFSO

Chart 4.4

CORE INFLATION RATES

Year-on-year change

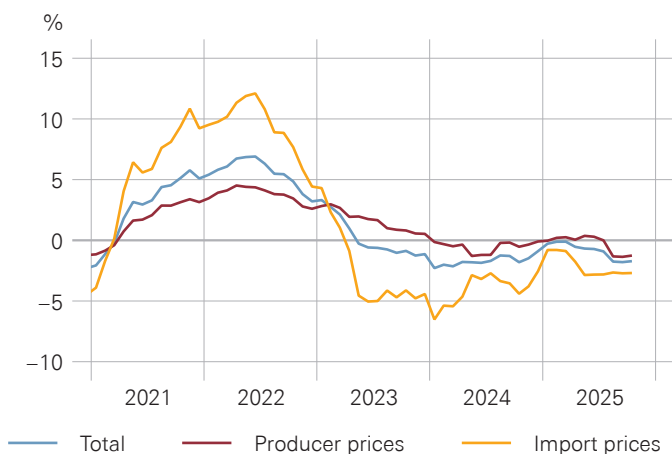


Source(s): SFSO, SNB

Chart 4.5

PRODUCER AND IMPORT PRICES

Year-on-year change



Source(s): SFSO

Chart 4.6

SHORT-TERM PRICE AND INFLATION EXPECTATIONS

Aggregate responses from SECO survey on consumer sentiment and UBS CFA financial market survey



Source(s): CFA Society Switzerland, SECO, UBS

PRODUCER AND IMPORT PRICES

Producer and import price inflation virtually unchanged

Inflation as measured by the producer and import price index hardly changed between August and October, and stood at -1.7% in October (chart 4.5). Inflation for both producer and import prices remained virtually unchanged compared with August.

INFLATION EXPECTATIONS

Short-term inflation expectations largely stable

Most indicators for short-term inflation expectations saw only little change this quarter.

The index on the expected development of prices over the next twelve months – which is based on the SECO consumer sentiment survey – was marginally higher compared with the previous quarter (chart 4.6). The survey conducted in October indicated that still roughly four out of five households anticipate an increase in prices.

The index based on the joint monthly financial market survey by UBS and the CFA Society Switzerland also rose slightly compared with Q3 (chart 4.6). Approximately 70% of survey respondents latterly anticipated unchanged inflation rates.

The talks conducted by the SNB’s delegates for regional economic relations with company representatives showed unchanged short-term inflation expectations in the fourth quarter (chart 10 in ‘Business cycle signals’). Expected annual inflation for the next six to twelve months stood at around 0.7%, as in the previous quarter.

The forecast of the banks and economic institutions participating in the monthly survey conducted by Consensus Economics for expected inflation in 2025 was around 0.2% in November, the same as in September (chart 4.7). For 2026, the panel of experts anticipates a rise in inflation to 0.5%, 0.1 percentage points lower than in Q3.

Little change overall in longer-term inflation expectations
Most indicators for longer-term inflation expectations have hardly changed since September.

Based on the latest available UBS CFA financial market survey (September), average expectations for a time horizon of three to five years stood at 0.7% (chart 4.8). Meanwhile, company representatives interviewed by the SNB’s delegates for regional economic relations in the fourth quarter of 2025 put inflation for the same time frame at around 1.0%, compared with 1.1% in the previous quarter.

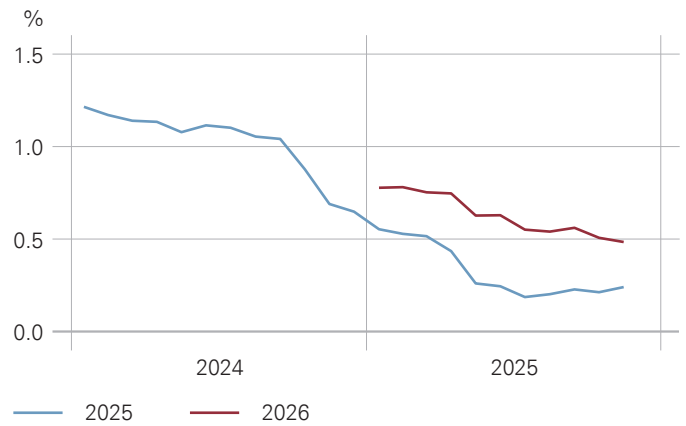
According to the Consensus Economics survey conducted in October, the long-term inflation expectations (six to ten years) of participating banks and economic institutions were around 1.1%, as against 1.0% in Q3.

Survey results on longer-term inflation expectations are thus still within the range consistent with price stability, which the SNB equates to a rise in the CPI of between 0% and 2% per year.

Chart 4.7

SHORT-TERM INFLATION EXPECTATIONS FROM CONSENSUS ECONOMICS

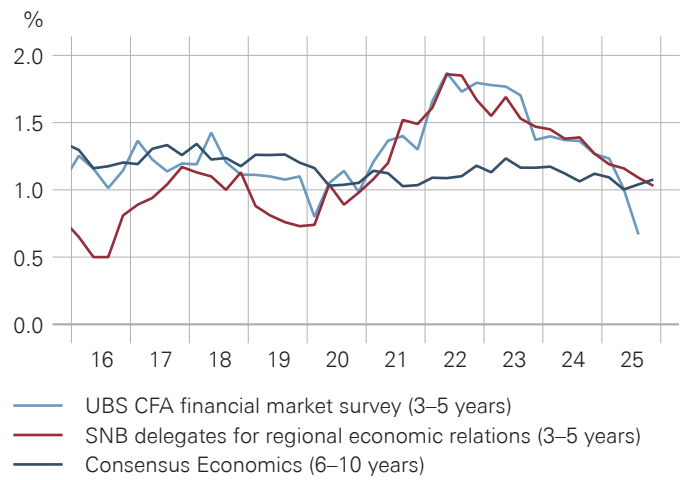
Monthly forecasts for annual inflation



Source(s): Consensus Economics Inc.

Chart 4.8

LONGER-TERM INFLATION EXPECTATIONS



Source(s): CFA Society Switzerland, Consensus Economics Inc., SNB, UBS

Yields on long-term Confederation bonds rose marginally compared with the September monetary policy assessment. The Swiss franc depreciated somewhat against the currencies of major trading partners. Prices on the Swiss stock market increased significantly. Residential real estate prices and annual growth rates for mortgage lending continued to rise. Growth momentum in the broad monetary aggregates stabilised.

MONETARY POLICY MEASURES SINCE SEPTEMBER 2025 ASSESSMENT

Monetary policy unchanged

At its monetary policy assessment of 25 September 2025, the SNB decided to leave its policy rate unchanged at 0%. It also reaffirmed its willingness to be active in the foreign exchange market as necessary. Inflationary pressure was virtually unchanged compared to the previous quarter. The SNB's monetary policy helped keep inflation in the medium term within the range consistent with price stability and supported economic development.

The SNB stated it would continue to monitor the situation closely and adjust its monetary policy if necessary, in order to ensure price stability.

Remuneration of sight deposits

By remunerating sight deposits, the SNB influences the interest rate level on the money market, so that the short-term secured money market rates remain close to the SNB policy rate. The SNB uses a system of tiered remuneration. This encourages liquidity redistribution between sight deposit account holders and thereby promotes an active money market.

Sight deposits up to the threshold were remunerated at an interest rate of 0%, while the rate for sight deposits above the threshold was -0.25%. A discount of 0.25 percentage points relative to the SNB policy rate thus applied to sight deposits above the threshold.

Absorption of sight deposits via repo transactions and SNB Bills

The SNB continued to absorb sight deposits above the thresholds. For this purpose, repo transactions with a term of one week were auctioned daily, while SNB Bills with terms ranging from one month to one year were auctioned on a weekly basis. With this absorption, the SNB reduced the supply of sight deposits in the money market. Together with the remuneration of sight deposits, this ensured that the short-term secured Swiss franc money market rates remained close to the SNB policy rate.

Outstanding liquidity-absorbing repo transactions have averaged CHF 68.2 billion since the September assessment. In the same period, the average level of outstanding SNB Bills amounted to CHF 78.5 billion.

Sight deposits at the SNB lower

Sight deposits held at the SNB were slightly lower than at the time of the September monetary policy assessment. In the week ending 5 December 2025 (last calendar week before the assessment), they amounted on average to CHF 461.9 billion. This was lower than in the week ending 19 September 2025, the last calendar week preceding the September assessment (CHF 472.3 billion). Over the weeks between these two assessments, they averaged CHF 466.4 billion. Of this amount, CHF 443.5 billion were sight deposits of domestic banks and the remaining CHF 22.9 billion were other sight deposits.

Statutory minimum reserves averaged CHF 47.2 billion between 20 August 2025 and 19 November 2025. Overall, banks exceeded the minimum reserve requirement by CHF 401.4 billion (previous period: CHF 392.3 billion).

MONEY AND CAPITAL MARKET INTEREST RATES

SARON close to SNB policy rate

As in the previous quarters, SARON – the average overnight interest rate on the secured money market – fluctuated within a narrow range slightly below the SNB policy rate (chart 5.1). In mid-December, it stood at -0.04%, the same level as in mid-September.

Long-term interest rates marginally higher

Yields on long-term Confederation bonds have changed only little since the September monetary policy assessment (chart 5.2). Amid a global rise in yields at the beginning of December, the yield on ten-year Confederation bonds also rose somewhat. In mid-December it stood at 0.32%, marginally higher than in mid-September (0.21%).

Slight upward shift in yield curve

Since the September monetary policy assessment, the Confederation bond yield curve has shifted upward somewhat, especially for medium-term maturities (chart 5.3). This shift occurred mainly at the beginning of December in connection with a global increase in yields following statements by ECB officials that contributed to adjustments in expectations regarding the development of short-term interest rates. In addition, there were indications of portfolio restructuring by key participants in the European bond market, mainly affecting bonds with longer maturities. This also led to movements in Confederation bond yields.

In mid-December, yields on Confederation bonds with maturities of up to three years were in negative territory, compared with mid-September when yields were negative for bonds with maturities of up to five and a half years.

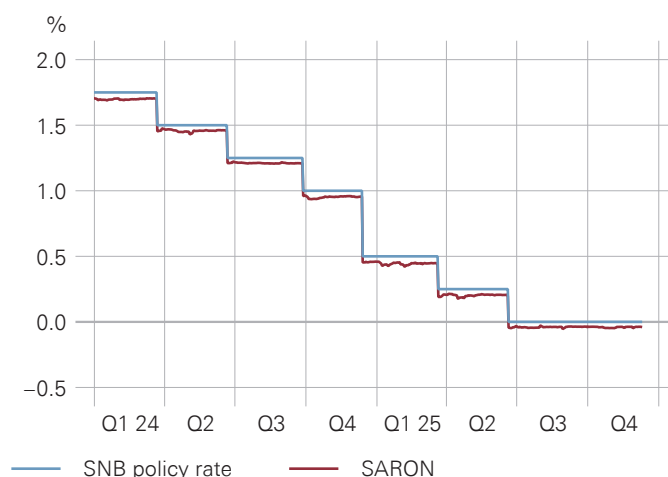
Real interest rates stable

Real interest rates – the difference between nominal interest rates and inflation expectations – are an important factor in the saving and investment decisions of companies and households.

Given that long-term nominal interest rates and long-term inflation expectations (chapter 4) have both changed only little since mid-September, long-term real interest rates were at around the same levels in mid-December as at the time of the September assessment.

Chart 5.1

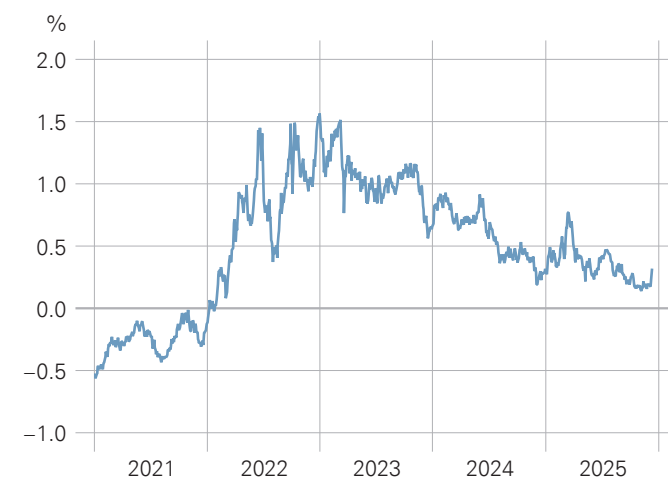
SNB POLICY RATE AND SARON



Source(s): Bloomberg, SIX Swiss Exchange Ltd, SNB

Chart 5.2

10-YEAR SWISS CONFEDERATION BOND YIELD

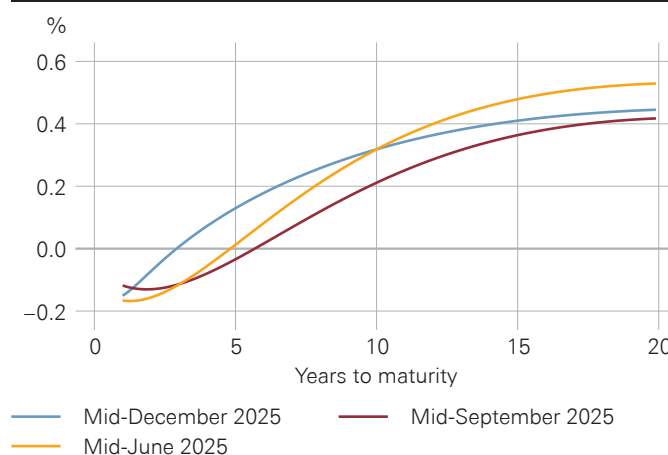


Source(s): SNB

Chart 5.3

TERM STRUCTURE OF CONFEDERATION BONDS

Nelson-Siegel-Svensson method



Source(s): SNB

Chart 5.4

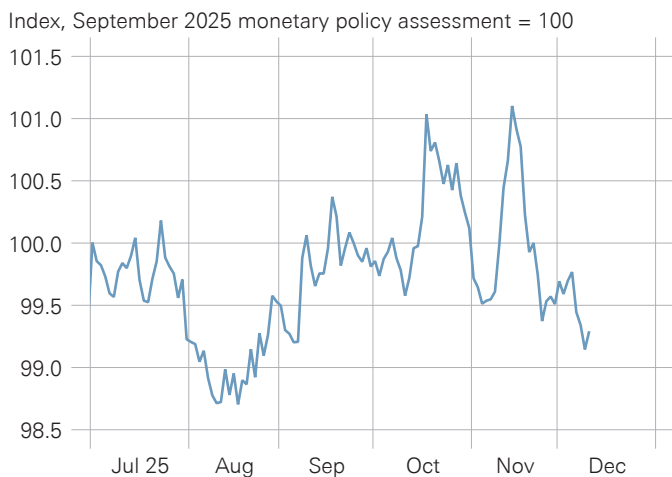
EXCHANGE RATES



Source(s): SNB

Chart 5.5

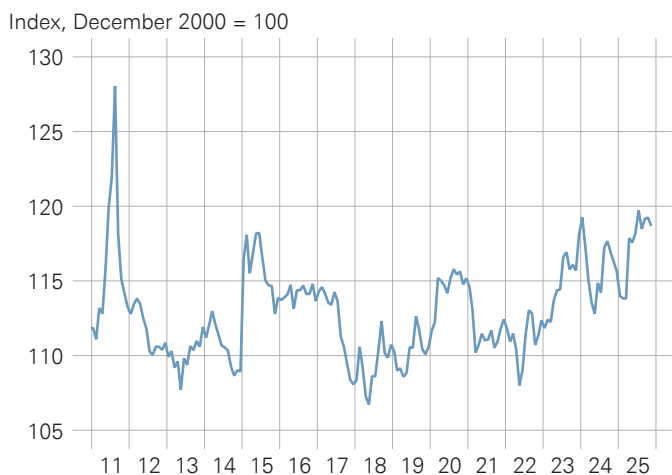
NOMINAL EXTERNAL VALUE OF SWISS FRANC



Source(s): SNB

Chart 5.6

REAL EXTERNAL VALUE OF SWISS FRANC



Source(s): SNB

EXCHANGE RATES

Swiss franc depreciation against euro and US dollar

The Swiss franc lost around 0.3% against the euro and some 1.4% against the US dollar since the September monetary policy assessment (chart 5.4). In mid-December, one euro was worth CHF 0.94, while one dollar was CHF 0.81.

Over the past three months, the Swiss franc exchange rate against the euro fluctuated only little, between just under CHF 0.92 and around CHF 0.94. The fluctuations in the Swiss franc exchange rate against the US dollar were also relatively low. Political uncertainty in France at the beginning of October and an agreement on lower tariffs on Swiss exports to the US in mid-November both saw the Swiss franc temporarily appreciate by about one centime.

Nominal external value slightly weaker

In mid-December, the Swiss franc was 0.7% weaker in trade-weighted terms than at the time of the September assessment (chart 5.5). A 4.1% appreciation of the Swiss franc against the Japanese yen (index weighting: 2.3%) was more than balanced out by the depreciation against the euro (index weighting: 39.4%) and the US dollar (index weighting: 16.8%) and a 2.2% loss in value against the Chinese yuan (index weighting: 9.5%).

Real external value stabilising

The real external value of the Swiss franc increased significantly in the first half of the year and reached a multi-year high in July (chart 5.6). It has stabilised in recent months. Since the beginning of the year, the appreciation of the Swiss franc in real terms has been weaker than the nominal appreciation in the same period, this because inflation was higher abroad than in Switzerland.

SHARE AND REAL ESTATE PRICES

Swiss share prices significantly higher

In the quarter under review, the Swiss Market Index (SMI) fluctuated more strongly than in the previous quarter (chart 5.7). Positive news seems to have dominated in investors' view, in particular the announcement of an agreement on lower tariffs on Swiss exports to the US, with the result that in mid-December the SMI was 7.9% higher than it had been at the time of the September assessment.

Volatility briefly higher on Swiss stock market

The volatility index derived from options on SMI futures contracts is an indicator of how uncertainty is gauged on the stock market (chart 5.7). As measured by this index, uncertainty increased from mid-September to mid-November. Among other things, this reflected higher uncertainty about global economic development and concerns about an overvaluation of shares of US technology companies (chapter 2). By mid-December, however, following the announcement of an agreement on lower tariffs on Swiss exports to the US, the volatility index had fallen back to a level below average by historical standards (since 1999).

Development of sector indices mixed

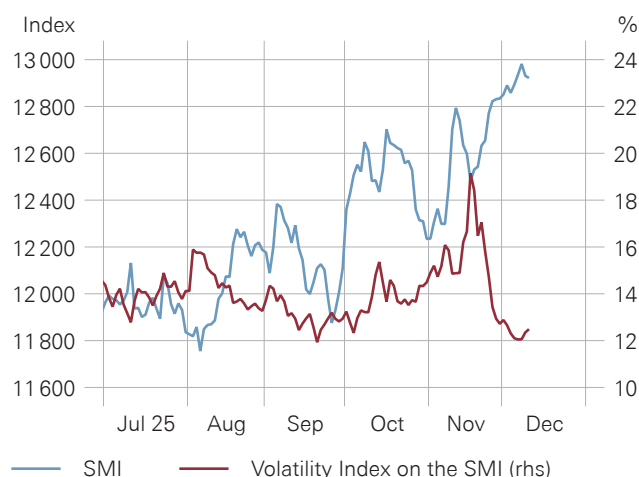
Chart 5.8 shows the movements of the four most important sector indices in the Swiss Performance Index (SPI), which is broader based than the SMI. From mid-September onwards, the development of the sector indices was mixed. However, all four indices rose in mid-November immediately after the announcement of the agreement on lower tariffs on Swiss exports to the US. In mid-December, the sector indices were between 0.1% (financials) and 13.4% (healthcare) higher than at the time of the September assessment.

Continued rise in residential real estate prices

Transaction prices for residential real estate rose further in Q3 2025 (chart 5.9). Growth momentum for privately owned apartments and for apartment buildings, which include residential investment property of private and institutional investors, significantly exceeded the average of the last ten years, while for single-family houses it was broadly in line with the long-term average.

Chart 5.7

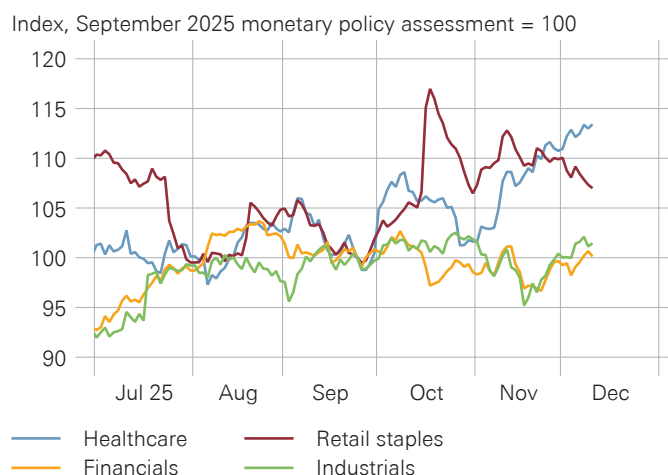
SHARE PRICES AND VOLATILITY



Source(s): SIX Swiss Exchange Ltd

Chart 5.8

SELECTED SPI SECTORS

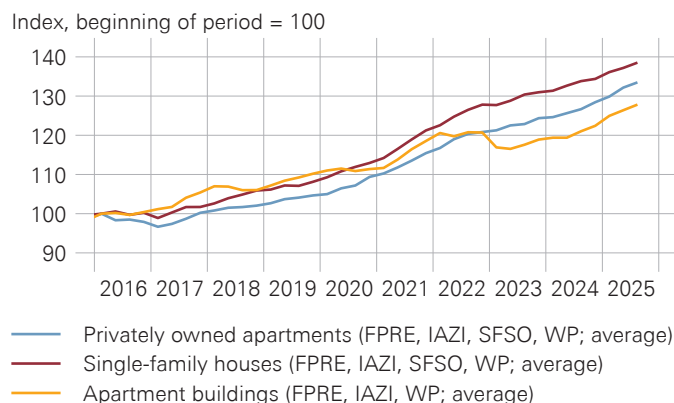


Source(s): SIX Swiss Exchange Ltd

Chart 5.9

TRANSACTION PRICES FOR RESIDENTIAL REAL ESTATE

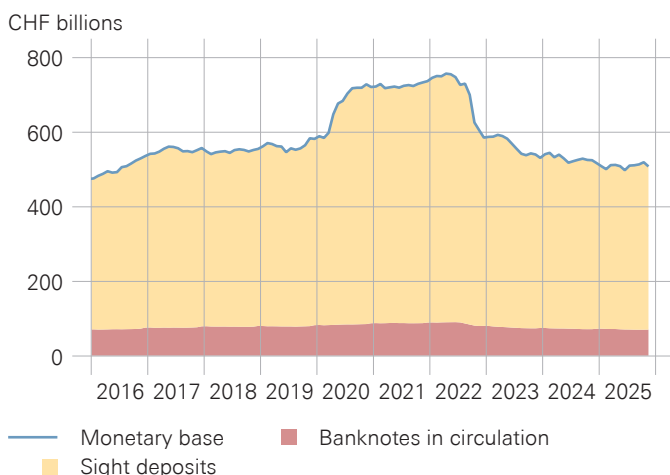
Nominal (hedonic)



Source(s): Fahländer Partner Raumentwicklung (FPRE), IAZI, SFSO (from 2017), Wüest Partner (WP)

Chart 5.10

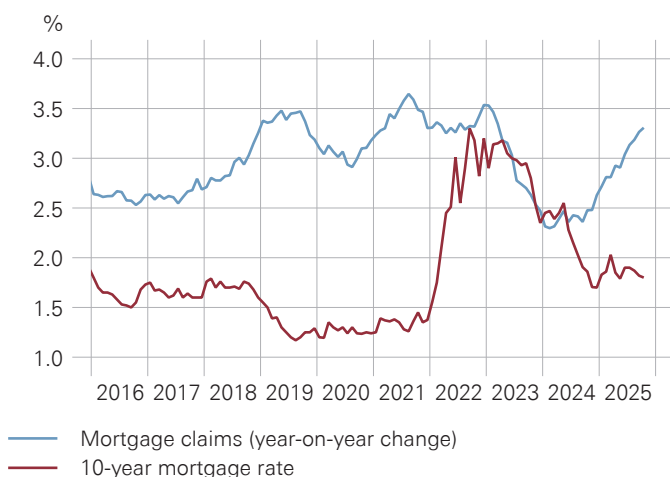
MONETARY BASE



Source(s): SNB

Chart 5.11

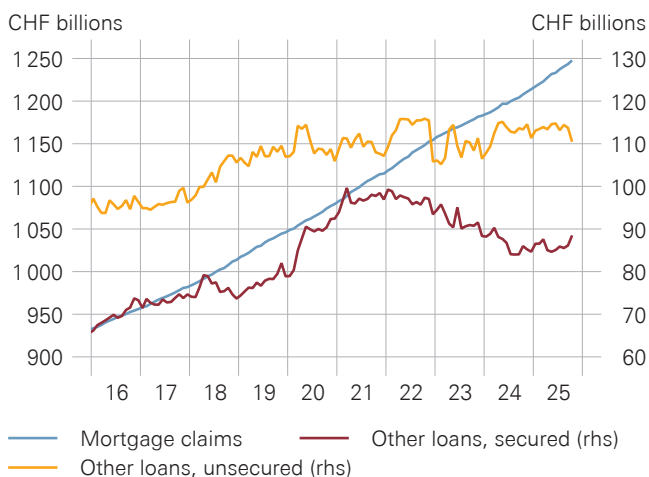
MORTGAGE CLAIMS AND INTEREST RATES



Source(s): SNB

Chart 5.12

MORTGAGE CLAIMS AND OTHER LOANS



Source(s): SNB

MONETARY AND CREDIT AGGREGATES

Little change in monetary base

Having declined significantly in 2022 and 2023 amid the tightening of monetary policy, the monetary base has changed only little since. In November 2025, the monetary base averaged CHF 508.3 billion, which was CHF 3.2 billion lower than in August 2025 (chart 5.10).

Growth momentum in broad monetary aggregates stabilising

After declining over a prolonged period, the broad monetary aggregates have risen again year on year since the end of 2024 (table 5.1). The increase in the growth of monetary aggregates reflected the more pronounced decline in capital market interest rates (chart 5.2) relative to interest rates on bank deposits since 2023. This increased the incentive to hold short-term bank deposits. Furthermore, lending growth and the associated creation of deposits also contributed to the increase in the broad monetary aggregates. These factors remained the most important drivers of growth in monetary aggregates in recent months.

In November, the M1 aggregate (currency in circulation, as well as sight deposits and transaction accounts of resident bank customers) rose by 21.1% year on year, compared with growth of 21.8% in August. The M2 aggregate (M1 plus savings deposits) increased by 15.7% year on year in November and M3 (M2 plus time deposits) by 4.8%, compared with rises of 16.6% (M2) and 4.5% (M3) in August.

Higher growth in mortgage claims

In line with interest rate movements in the capital market, published interest rates for fixed-rate mortgages declined through to December 2024. However, since the beginning of 2025, they have stabilised, as have capital market interest rates. The ten-year mortgage rate stood at around 1.8% at the end of October 2025 (chart 5.11).

Still supported by the decline in interest rates through to the end of 2024, growth in banks' mortgage claims picked up over the course of 2025. Growth in mortgage claims stood at 3.3% in October, compared to an average of 2.4% in 2024 (chart 5.11, table 5.1).

Decrease in other loans reflects developments in foreign currency lending

Other loans fluctuate considerably more strongly than mortgage claims (chart 5.12), making the interpretation of monthly values for annual growth rates more difficult. The following paragraph therefore discusses quarterly figures.

The volume of unsecured other loans has remained largely stable since 2020, with any fluctuations primarily attributable to developments in other loans to financial corporations. By contrast, the volume of secured other loans has declined since 2022, mainly due to foreign currency loans and, to a lesser extent, repayments of COVID-19 loans. While other loans in Swiss francs, which account for 80% of this loan category, were up 2.7% year on year in Q3 2025, other loans in foreign currencies contracted by 4.8% (table 5.1).

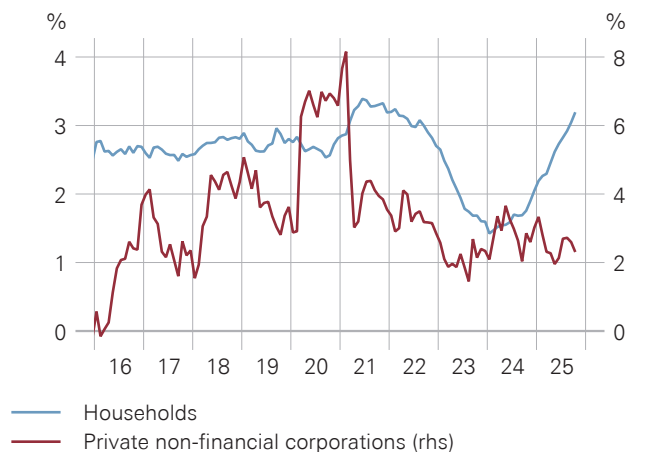
Lending growth by sector

In addition to a breakdown by loan type and currency, lending can also be assessed by borrowing sector. This approach shows that bank loans to households and non-financial corporations continued to grow year on year (chart 5.13). At the end of October 2025, loans to households recorded a year-on-year increase of CHF 29.1 billion (3.2%) and loans to non-financial corporations a rise of CHF 8.5 billion (2.3%).

Chart 5.13

LOANS TO HOUSEHOLDS AND CORPORATIONS

Year-on-year change



Source(s): SNB

Table 5.1

MONETARY AGGREGATES AND BANK LOANS

Year-on-year change in percent

	2024	2024	2025	2025	2025	2025	2025	2025
		Q4	Q1	Q2	Q3	Sep	Oct	Nov
M1	-9.1	-0.6	6.1	14.1	21.2	20.6	21.5	21.1
M2	-5.0	2.2	7.4	12.5	16.3	15.8	16.2	15.7
M3	0.0	1.7	2.3	3.6	4.4	4.0	4.8	4.8
Bank loans, total ^{1,3}	1.9	2.1	2.5	2.3	2.9	3.0	2.8	
Mortgage claims ^{1,3}	2.4	2.5	2.8	3.0	3.2	3.3	3.3	
Households ^{2,3}	1.7	1.9	2.3	2.7	2.9	3.0	3.1	
Private corporations ^{2,3}	4.2	4.0	3.8	3.5	3.8	3.9	3.8	
Other loans ^{1,3}	-0.9	-0.3	0.7	-1.5	1.3	1.1	-0.2	
Secured ^{1,3}	-5.9	-5.5	-2.5	-3.0	2.1	2.5	2.9	
Unsecured ^{1,3}	3.3	4.0	3.3	-0.3	0.7	0.1	-2.6	
In CHF ^{1,3}	2.2	2.0	2.0	0.8	2.7	2.0	-0.4	
In other currencies ^{1,3}	-12.1	-9.3	-4.4	-10.8	-4.8	-2.8	0.5	

1 Monthly balance sheets (domestic bank offices, positions vis-à-vis domestic non-banks, all currencies).

2 Credit volume statistics (domestic bank offices, positions vis-à-vis domestic non-banks, all currencies).

3 Growth rates for the bank loans item and its components include information provided by banks on changes in their classification practices. Consequently, they may deviate from growth rates published on the SNB's data portal, data.snb.ch.

Source(s): SNB

Business cycle signals

Results of the SNB company talks

Fourth quarter of 2025

Report submitted to the Governing Board of the Swiss National Bank for its quarterly monetary policy assessment

The appraisals presented here are based on discussions between the SNB's delegates for regional economic relations and members of management at companies throughout Switzerland. In its evaluation, the SNB aggregates and interprets the information received. A total of 238 company talks were conducted between 7 October and 25 November.

Regions

Central Switzerland
Eastern Switzerland
Fribourg/Vaud/Valais
Geneva/Jura/Neuchâtel
Italian-speaking Switzerland
Mittelland
Northwestern Switzerland
Zurich

Delegates

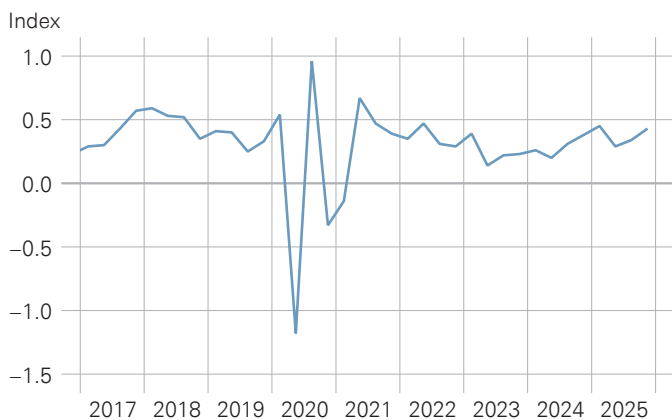
Astrid Frey
Urs Schönholzer
Aline Chabloz
Jean-Marc Falter
Fabio Bossi
Roland Scheurer
Daniel Hanimann
Marco Huwiler

Key points

- According to the talks with company representatives, growth momentum in the Swiss economy has increased slightly in the fourth quarter. The services sector and construction continue to record solid growth in turnover, and parts of manufacturing also report a certain upturn in what has until now been weak momentum.
- Despite the improved economic momentum, personnel and technical capacity in manufacturing are still significantly underutilised. Owing to the low capacity utilisation, profit margins are under pressure. Companies cite US tariffs and the strong Swiss franc as additional challenges.
- Companies strongly affected by US tariffs are responding with a range of measures, including in individual cases the relocation of steps in the manufacturing process to the US, something that was barely mentioned in the previous quarter.
- Wage growth has weakened slightly. The companies visited expect average wage growth of 1.3% in 2026, down from 1.6% this year.
- Companies' expectations with regard to turnover are cautiously positive. Despite the agreed reduction in US tariffs, uncertainty among companies remains high.

Chart 1

TURNOVER



Developments in real turnover compared to the previous quarter. Positive (negative) index values signal an increase (decrease).

Source(s): SNB

Chart 2

CAPACITY UTILISATION



Utilisation of technical capacity and/or business infrastructure compared to a normal level. A positive (negative) index value signals utilisation is higher (lower) than normal.

Source(s): SNB

CURRENT SITUATION

Slight increase in growth momentum

According to the talks with company representatives, growth momentum in the Swiss economy has increased slightly in the fourth quarter (chart 1). Besides the services sector and construction, growth is also being driven by parts of the manufacturing sector, which has started to pick up speed again somewhat. This is being supported by continued high demand for life science products and an increase in spending on transport infrastructure, energy infrastructure and defence. However, not all manufacturing companies have been able to benefit from this. Various companies, mainly in the mechanical engineering, metals and watchmaking industries, continue to report subdued business activity. Companies are suffering from the US tariffs and a reluctance to invest among their customers prompted by geopolitical uncertainties. Dampened demand from the German automotive industry, as well as subdued activity in some parts of China’s economy, are also having a curbing effect.

Personnel and technical capacity underutilised

Even though the Swiss economy is showing solid growth, technical capacity utilisation remains below normal (chart 2). Companies also describe staff levels as too high. However, there are still significant differences between the sectors. In manufacturing, utilisation remains low and staff levels are much too high. Services companies, by contrast, report that their infrastructure is only slightly underutilised and that for the most part their staff levels match demand. In construction, technical capacity utilisation is somewhat higher than usual and staff levels are rather tight.

Easier recruitment

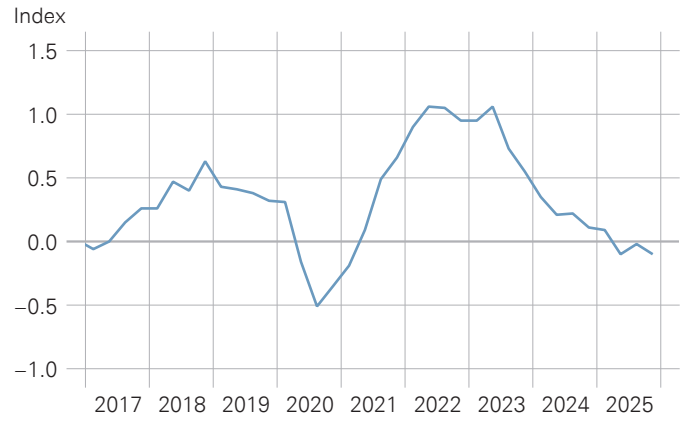
The effort involved in filling vacancies has been at a level considered normal for several quarters now (chart 3). The recruitment situation has also eased significantly in some professions that have seen a severe shortage of specialist staff in recent years. The availability of IT specialists, for example, is no longer considered to be tight. Exceptions in this area include profiles requiring AI expertise.

Margin situation mixed

Companies report that profit margins remain at solid levels overall (chart 4). There are still, however, pronounced differences between the sectors. Robust margins are reported above all by companies in the services sector and construction. Margins at manufacturing companies, by contrast, are frequently under pressure, primarily owing to low production capacity utilisation. Companies cite the burden of US tariffs and the strong Swiss franc as additional challenges.

Chart 3

RECRUITMENT DIFFICULTIES

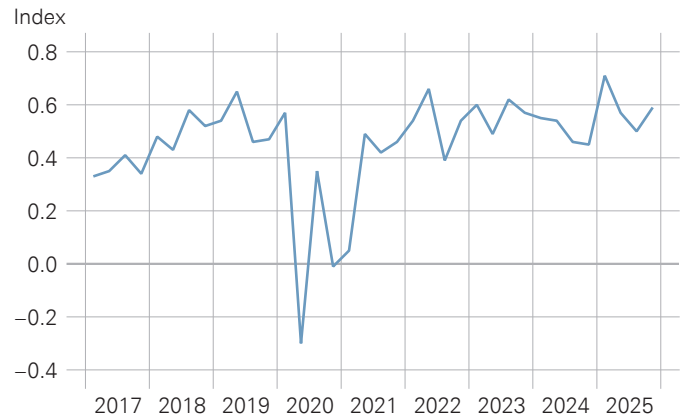


Difficulties in recruiting new staff. Positive (negative) index values signal a more difficult (easier) recruitment situation.

Source(s): SNB

Chart 4

CHARACTERISATION OF MARGINS



Characterisation of the margin situation. Negative (positive) index values signal an uncomfortable (comfortable) margin situation.

Source(s): SNB

Companies' response to US tariffs varies

Since 7 August 2025, an additional tariff rate of 39% has applied to goods imports to the US from Switzerland and Liechtenstein. This does not apply to pharmaceutical products. On 14 November 2025, Switzerland, Liechtenstein and the US signed a declaration of intent that provides for the additional tariff to be restricted to 15%. The reduction in tariffs had not entered into force at the time the talks with company representatives in Q4 were concluded.

Just under a quarter of the companies visited report that their business has been negatively impacted by the US tariffs. Nearly one in ten companies, predominantly in the mechanical engineering, electrical engineering, metals and watchmaking industries, are feeling significant negative effects. These are noticeable above all in profit margins. Somewhat more than a third of the companies affected say they are bearing the entire cost of tariffs themselves. Another third share the cost of tariffs with customers. The remaining companies, just under a third, pass on the entire cost of tariffs to their customers. However, passing on the costs puts pressure on profit margins all the same, since it entails a noticeable reduction in demand in some cases.

The companies affected are responding to US tariffs with a range of measures (chart 5). Various companies have begun to relocate parts of their manufacturing to countries subject to lower US tariffs, often to countries neighbouring Switzerland. This mostly involves specific

steps at the end of the production chain. A few companies are now also relocating parts of their manufacturing to the US, something that was barely mentioned through into the third quarter. Other companies are not relocating existing production facilities but are instead expanding their capacity abroad rather than in Switzerland. In some cases, this involves accelerating existing plans.

There are occasional examples of exporters temporarily suspending deliveries to the US, but hardly any of the companies affected see a permanent withdrawal from the US as an option. Even so, the tariff situation is prompting companies to focus more strongly on sales markets in other regions.

A few are also adopting cost-cutting measures such as short-time working and staff reductions to compensate for declining demand. In addition, companies are working even harder on their efficiency to maintain their competitiveness.

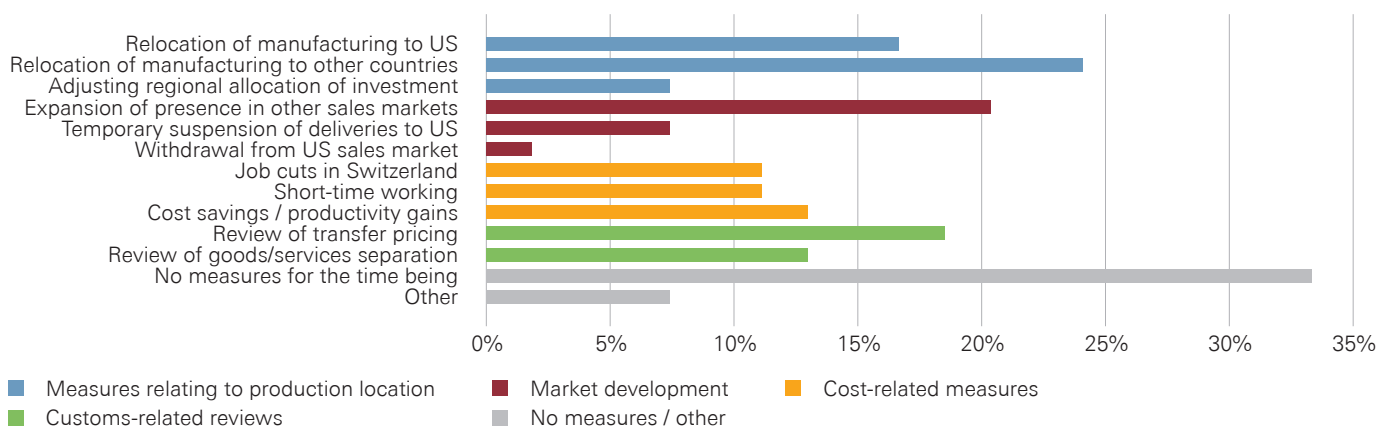
Some of those affected by tariffs have also looked into adjusting their transfer prices or separating the goods and services components of their products. Given that there is little scope for doing so, however, significant reductions in the tariff burden are not possible.

Some companies are not taking any measures at present. These are primarily companies that are only slightly affected by tariffs, for example because the US market is not particularly important to them.

Chart 5

MEASURES OF AFFECTED COMPANIES IN RESPONSE TO US TARIFFS

Measures mentioned by the 54 companies (23% of the companies surveyed) which consider the question to be relevant. Shares of answers in percent; multiple answers possible.



Source(s): SNB

DEVELOPMENTS IN INDIVIDUAL INDUSTRIES

Mixed developments in manufacturing

Manufacturing is being supported by demand for goods and services for transport infrastructure, the energy industry, defence and life sciences. Goods and services for the domestic construction sector are also increasingly in demand.

At the same time, the capital goods industry still faces multiple challenges. Generally, demand for capital goods remains muted because of the continuing high level of geopolitical uncertainty. Manufacturing companies exporting to the US are suffering the effects of the US tariffs. Companies also still find themselves confronted with subdued demand from the German automotive industry. Companies are also experiencing headwinds in the Chinese sales market.

The situation in the watchmaking industry is similarly challenging. Utilisation has been low for several quarters; companies were reporting that inventories were too high even before the introduction of US tariffs in the spring. Now the US tariffs are creating an additional burden. While it has been possible to absorb some of the effects with existing inventories in the US, the prospect of a reduction in tariffs is being viewed with relief.

Subdued business activity in trade industry

Momentum in retail is subdued. Companies are still reporting a shift in demand to the low-price segment. Particularly in this segment, however, companies are facing increasing competition from online providers in Asia. When it comes to foods, customers are occasionally buying higher-quality products. But even there, some companies report that customers are increasingly opting for low-cost alternatives. In the motor vehicle trade, demand is said to be subdued and price sensitivity high. Ongoing uncertainty regarding the choice of drive type is dampening willingness to buy.

Developments in wholesale and logistics vary depending on the sales market. Companies are observing solid growth in goods and services for construction, pharmaceutical products and foodstuffs. By contrast, companies focused on customers in manufacturing are experiencing subdued demand.

Encouraging booking figures in hotel industry

The hotel industry reports that guest numbers are stable at a high level. According to companies, bookings for the upcoming festive season and winter sports holidays are encouraging, including in particular from guests from Switzerland. Several companies also report strong demand on the part of individual guests from the US and Middle East who are not especially price sensitive. Demand from Europe, by contrast, remains rather muted.

In food services, there is still a lack of positive impetus. Companies are feeling the effects of muted consumer sentiment and subdued demand from business customers.

Solid business activity in ICT, management consulting and financial industry

Business activity in the information and communications technology (ICT) industry remains solid, albeit somewhat less dynamic than in previous years. Demand for digitalisation and process automation solutions, including the growing application of artificial intelligence, is supporting orders. Some companies, however, are feeling a reluctance to invest among their manufacturing customers.

In consulting, demand for auditing services and support is developing solidly because of new regulatory requirements, while the development of strategic consulting services remains subdued. Increased construction activity is supporting business of planning and engineering firms.

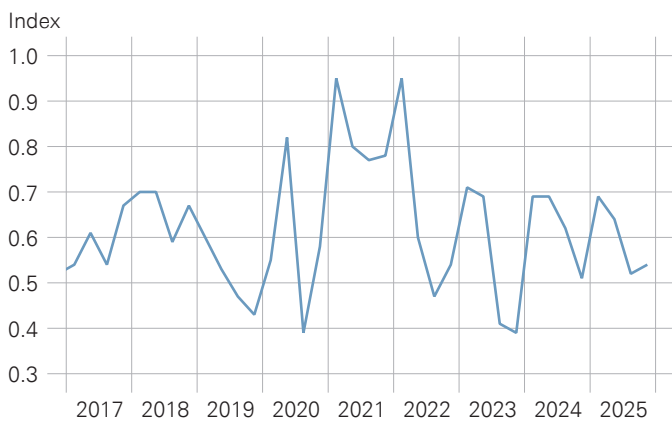
Providers of financial services and insurance report robust business activity. Demand for credit remains stable and banks are able to cushion pressure on margins in their interest business. Wealth management is being supported by the positive performance of the stock markets.

Robust business activity in construction

The construction sector reports a solid order situation. Demand for public infrastructure construction continues to provide support. In addition, the order situation in residential construction and in renovation is robust. Construction companies attribute this to the shortage of housing and low interest rates. Demand from manufacturing remains rather subdued, with projects being postponed owing to the high level of uncertainty. Company representatives often cite the influence of political decisions on their business activity. This includes the reform of residential property taxation recently approved by Swiss voters. Since the new regulations will limit the deductibility of renovation work, companies expect a short-lived increase in demand before they enter into force.

Chart 6

EXPECTED TURNOVER

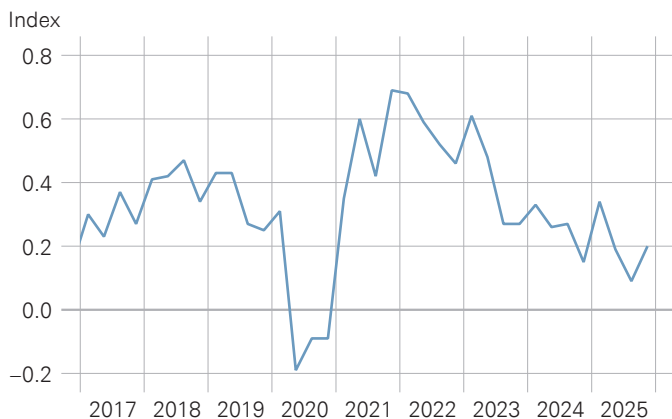


Expected developments in real turnover over the coming two quarters. Positive (negative) index values indicate turnover is expected to be higher (lower).

Source(s): SNB

Chart 7

EXPECTED EMPLOYMENT

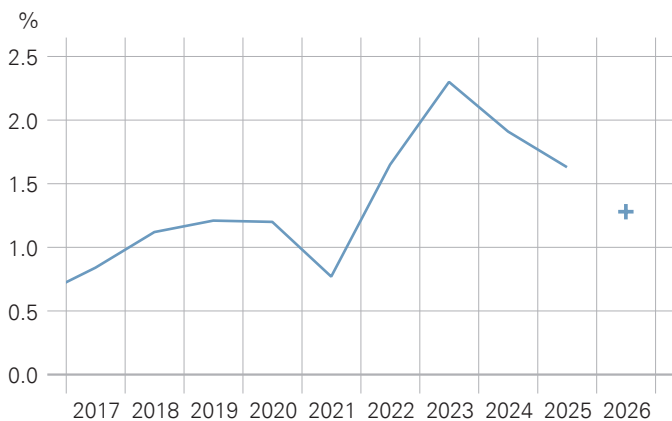


Expected developments in staff numbers over the coming two quarters. Positive (negative) index values indicate an expected increase (decrease).

Source(s): SNB

Chart 8

WAGE INCREASES



Expected average wage increase for the coming year (cross) and agreed annual wage increases (line).

Source(s): SNB

OUTLOOK

Business outlook cautiously positive

Companies are cautiously positive when it comes to their turnover expectations for the next two quarters (chart 6). By comparison with the previous quarter’s interviews, which took place after the increase in US tariffs at the beginning of August, the business prospects for manufacturing have improved. At the same time, even after the signing on 14 November 2025 of a declaration of intent to reduce tariffs to a maximum of 15%, uncertainty regarding US trade policy remains elevated. In addition to tariffs, general economic developments, exchange rate fluctuations and geopolitical conflicts are further factors contributing to the uncertainty. In particular, some companies point to the tense situation regarding the procurement of rare earths from China.

Cautious investment plans – moderate workforce expansion

Companies plan to increase their capital spending marginally in the next two quarters, whereas in the previous quarter they were still expecting it to stagnate. Manufacturing companies are continuing to concentrate on maintenance, as well as replacement investments and measures to increase efficiency. Plans to expand domestic production capacity are rather rare. Services companies are also investing cautiously, but overall expect to increase spending on their IT infrastructure.

At the same time, companies expect to increase staff numbers moderately in the next two quarters (chart 7). Companies in the services and construction sectors in particular anticipate an increase in their workforce. Staffing plans in manufacturing vary depending on current staff utilisation. Overall, a marginal increase in the workforce is expected.

Slowing in wage growth

The companies visited expect average wage growth of 1.3% in 2026, down from 1.6% this year (chart 8). In view of the current low rate of inflation, and with the recruitment situation having largely returned to normal, general pay rises will be somewhat lower. Mostly, increases are being granted on an individual basis. In manufacturing, what is in some cases a tense earnings situation is limiting the scope for pay rises.

Slight increase in purchase and sales prices expected

For the next two quarters, companies expect purchase and sales prices to rise slightly (chart 9). On the procurement side, services companies in particular refer to further price increases for software licences, cloud services, AI applications and IT security. In construction, robust demand momentum is supporting prices of raw materials such as concrete and cement. Manufacturing companies, by contrast, expect hardly any increases in purchase prices. They point to global economic developments, which are weighing on steel prices, for example. Electricity and gas prices are also expected to decline. Some companies mention that the strong Swiss franc is having a dampening effect on the purchase prices of imported goods.

On the sales side, companies are trying to pass on the pay rises and increases in some purchase prices to their customers. However, the scope for price adjustments, which are often made at the beginning of the year, is in many cases limited by the tight competitive situation.

INFLATION EXPECTATIONS

The delegates also ask company representatives about their own short and long-term inflation expectations.

There has been no change in short-term inflation expectations as measured by the consumer price index. The average for the next six to twelve months (chart 10) is 0.7%. However, inflation expectations over a three to five-year horizon have declined marginally, now averaging 1.0% versus 1.1% the previous quarter.

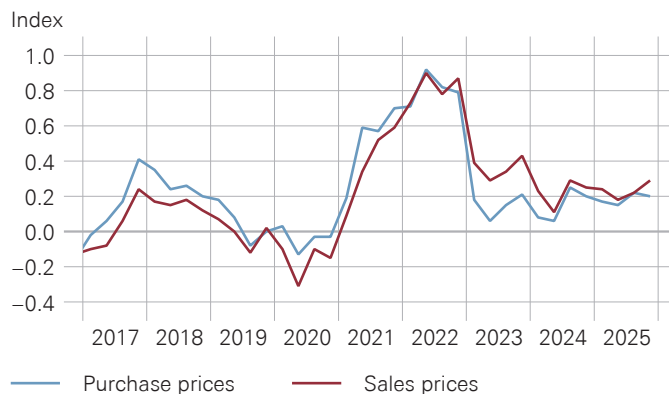
About this report

Each quarter, the SNB's delegates for regional economic relations hold more than 200 talks with company executives. The selection of companies reflects the industrial structure of the Swiss economy based on GDP and employment. Industries subject to stronger cyclical fluctuations are somewhat over-represented, while public administration and agriculture are not taken into consideration. As a rule, the companies in the sample have at least 50 employees. The sample changes each quarter.

In the talks, the SNB's delegates capture primarily qualitative information. The discussions are nevertheless structured in such a way as to allow the delegates to grade part of the qualitative

Chart 9

EXPECTED CHANGE IN PURCHASE AND SALES PRICES

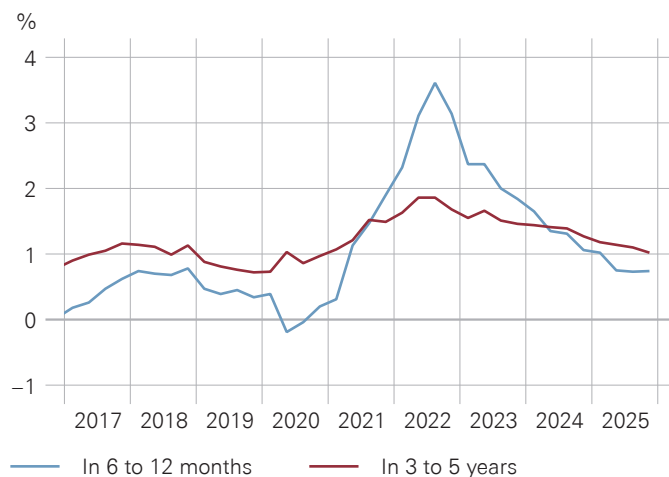


Expected price development for the next 12 months. Positive (negative) index values indicate higher (lower) prices are expected.

Source(s): SNB

Chart 10

EXPECTED INFLATION



Source(s): SNB

information received according to a numeric scale. The five-tier scale ranges from 'substantially higher' or 'much too high' (+2), 'slightly higher' or 'somewhat high' (+1), 'the same' or 'normal' (0), 'slightly lower' or 'somewhat low' (-1), to 'substantially lower' or 'much too low' (-2). The index values shown in the charts represent an average of the findings from all companies visited.

Further information can be found in the 'Business cycle signals' reports at www.snb.ch, The SNB/Regional economic relations.

Acknowledgements

The SNB would like to thank the representatives from around 900 companies that have consented to take part in interviews with the delegates for regional economic relations during the course of 2025. In doing so, they have made a significant contribution to the evaluation of economic developments. The companies listed below have agreed that their names may be published:

A

A. Reinhard
Nutzfahrzeuge AG
A.H. Meyer & Cie AG
Aare Energie AG
Abbott Products
Operations AG
ACO AG
Actega Schmid Rhyner AG
Acutronic Schweiz AG
Adcubum AG
Adecco Group AG
ADM International Sàrl
Adnovum AG
Adolf Kühner AG
Adragos Jura
Aepli Metallbau AG
Aerne Engineering AG
Aeschbach Chocolatier AG
Aevis Victoria SA
Affidea Suisse
AFG Management
Consulting SA
AFRY Svizzera SA
Agie Charmilles SA
Agrano AG
Aimé Pouly SA
AISA Automation
Industrielle SA
Akris AG
Aldi Suisse AG
Alfred Müller AG
Algra tec AG
Allseas Group SA
Alpuriget SA
Also Schweiz AG
Alternative Bank
Schweiz AG
Aluminium Laufen AG
Liesberg
AMAC Aerospace
Switzerland AG
AMAG Group AG
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Ampac Flexibles AG
Amplifon AG
Amstein SA
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Angst AG
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Antaès SA
Aqua-Spa-Resorts AG
arag
Gebäudereinigungs AG
Aregger AG
Arlewo AG
Arnold Magnetic
Technologies AG
Arosa Bergbahnen AG
Arte Konferenzzentrum AG
Arthur Flury AG
Arthur Weber AG
Ascensia Diabetes Care
Assos of Switzerland
GmbH
Astoria Betriebs AG
Astrocast SA
Atar Roto Presse SA
ATM Global Logistics SA
atokalpa
Atupri
Gesundheitsversicherung
Auto Marti AG
Autobritt Automobiles SA
Autoneum
Auto-Trachsler AG
Avadis Vorsorge AG
Avolta AG
AVS Systeme AG
AZ Direct AG
Azurea Technologie
Horlogere SA

B

Bachem AG
Bäckerei Wälchli
Bad Schinznach AG
Baker & McKenzie
Baloise
Baloise Bank AG
Banca Zarattini & Co SA
Bank CIC (Schweiz)
Bank Vontobel AG
Bank WIR
Banque Bonhôte & Cie SA
Banque Cantonale
Neuchâteloise
BASF Schweiz AG
Baumann Koelliker Gruppe
Baumeler Reisen AG

Baur au Lac
Bavarian Nordic Berna
GmbH
BBT Software AG
BDO AG
Beer AG
Belimo Holding AG
Belimport SA
Belvédère Hotels Scuol
Benninger Guss AG
Berest AG
Bergbahnen Destination
Gstaad AG
Bergbahnen Engelberg-
Trübsee-Titlis AG
Bering AG
Berit Klinik AG
Bernensis Hotel AG,
Interlaken
Berner Kantonalbank AG
Bernhard Polybau AG
Bertholet + Mathis SA
Bertschi AG
Bezirks-Sparkasse
Dielsdorf
Biberbau AG
Bibus AG
BIC-BRED (Suisse) SA
Bigler AG Fleischwaren
Biketec GmbH
Bindella Unternehmungen
Binelli Group
Bio Partner Schweiz AG
Biosensors Europe
Biosynth AG
Birsterminal AG
BitHawk AG
Blaser Café AG
BLS AG
Blu Restaurant & Lounge,
Locarno
BMC Switzerland AG
BMW (Schweiz) AG
Bobst Group SA
Bolliger & Tanzi SA
Boost Holding AG
Bordier & Cie SA
Borer Chemie AG
Boss Info AG
Boston Consulting Group

Boucledor SA
Brauch Transport AG
Brauerei
Schützengarten AG
Briner Winterthur
Bringen Group
Bristol Myers Squibb SA
Bruderer AG
Brugg Group AG
Brunni-Bahnen
Engelberg AG
Brütsch Elektronik AG
Bucher Travel Inc.
Büchi Labortechnik AG
Bühler Group
Bulgari Horlogerie SA
Bunge SA
Burckhardt Architektur AG
Bürgenstock Hotels AG
Bütikofer Automobile AG
Buzz Brothers Sàrl

C

C Staffing Agency Sàrl
C. Vanoli AG
Cachet Hotel Collection
Café Gschwend AG
Caffé Chicco d'oro SA
Camillo Vismara SA
Campofelice SA
Cantin SA
Capita Customer
Services AG
Cargill International SA
Carhartt-WIP
Carlo Bernasconi AG
Carrosserie Hess AG
Carthesio SA
Casinò Admiral SA
Casinò Lugano SA
CCHE Lausanne SA
Cebi Micromotors
Switzerland SA
Cellcosmet
Cerutti Toitures SA
CGC Energie SA
Chocolat Bernrain AG
Chocolat Stella SA
Chopfab Boxer AG
Chromos Group AG

CI Tech Sensors AG	Dosim SA	Farmacie Pedroni	Generali (Schweiz)
Ciclissimo	Dottikon ES Holding AG	Ferroflex Group AG	Holding AG
Ciolina AG	Dransenergie SA	Ferrovia Monte	Genève-Tours SA
Cippà Trasporti SA	Dreier AG	Generoso SA	Geogrid AG
Cisco Systems	DS Smith Packaging	Ferrovie Luganesi SA (FLP)	Gericke AG
CKW AG	Switzerland AG	Ferrum AG	GF Casting Solutions
Clientis BS Bank	Dubat SA	Festo Microtechnology AG	Novazzano
Schaffhausen	Dubois-Dépraz SA	filofibra sa	GGZ Gartenbau
Clinica Ars Medica	duotec Operations SA	Finnova AG Bankware	Genossenschaft Zürich
Clinica Hildebrand	Dyconex AG	Fintelligence AG	Ghelma AG Baubetriebe
Clinica Sant'Anna		Five Informatik AG	GI Group SA
Cochi SA	E	FKG Dentaire Sàrl	Giannini Graniti SA
Coldtec AG	E. Weber & Cie AG	Fleuriot Fleurs SA	Gilli Garten AG
Comet AG	E. Weber AG	Florin AG	Givaudan SA
Cometel SA	E.M.S. Electro Medical	Flückiger Electricité SA	Gloor
Comibit SA	Systems SA	Flughafen Zürich AG	Präzisionswerkzeuge AG
Commerzbank Schweiz	EAO Group	Flumroc AG	Google Switzerland
Compagnie financière	easyCab medical AG	FNAC (Suisse) SA	GPV Switzerland SA
tradition SA	Eberhard	Fondation Polyval	Green Group
Confiserie Sprüngli AG	Unternehmungen	Fontana Print SA	Greubel Forsey SA
Consitex SA	EBP Schweiz AG	Fordras SA	Group Best Mountain
Constellium Valais SA	ecco-jäger Früchte und	Forster Gruppe AG	Resort
Constri AG	Gemüse AG	Fortyseven	Groupe Friderici
Convisa Holding AG	Eckold AG	Forvis Mazars	Groupe Goutte
CordenPharma Fribourg SA	Ecolab (Schweiz) GmbH	Foselev Suisse SA	Groupe Grisoni
Corti Spleiss Gruppe	Edifea SA	Fr. Sauter AG	Groupe Orllati
Cotecna Inspection SA	EFCO	Franscella SA	Groupe R Holding
Crevoisier SA	Befestigungstechnik AG	Free Shop Frontiera SA	Groupe Richard Mille
CSC Impresa di	EFG Bank AG	Frieden SA	Groupe Romande Energie
costruzione SA	Egg-Telsa SA	Fritz Born AG	Groupe T2i
CSL Behring AG	Elcotherm SA	Fritz Schiess AG	Groupe Vidy-Med
CTA AG	Elia Colombi SA	Fritz Studer AG	Groupe Von Arx
Curaden AG	Embassy Jewel AG	Fromagerie Moléson	Gruppo Multi SA
CV VC AG	Emch+Berger AG Bern	Frutt Resort AG	Gruppo Ospedaliero
	Emil Egger AG	Fuchs-Movesa AG	Moncucco
D	Emil Gisler Holding AG	Furrer + Frey AG	Gruppo Sicurezza SA
DAC System	Emme SA	Fust/Swiss Household	GS Swiss PCB AG
Daetwyler Gruppe	emmental versicherung	Services AG	Gstaad Saanenland
Darest Informatic SA	Enclustra GmbH		Tourismus
das team ag	Endress + Hauser AG	G	GTS Trasporti SA
Datamars SA	Energie Service	G. Bianchi AG	Gustav Spiess AG
dbi services SA	Biel/Bienne	G. Leclerc Transport AG	Gut AG Gebäudetechnik
De Rham SA	Energy Schweiz AG	Galenica AG	GVS Agrar AG
Del West (Europe) SA	Enilive Suisse SA	Galvano Wullimann AG	GWF AG
Dell Technologies	Ennio Ferrari Impresa	GAM Investment	
Deloitte AG	Generale SA	Management	H
Delta Personal AG	Ente Ospedaliero	(Switzerland) AG	Haco AG
Demo Scope AG	Cantonale EOC	Garaio AG	Hans Eberle AG
Detecon (Schweiz) AG	Erich Keller AG	Gasser Ceramic AG	Hans Fischer Logistik AG
Devillard SA	ESA Centre romand	Gastrag AG	Hans Gassler AG
Diametal AG	Estheco Sàrl	GE Vernova	Hans Hassler AG
Diction AG	Etavis Elettro-Impianti SA	Gebr. Kuoni Transport AG	Hans Kohler AG
Die Mobiliar	Eugen Seitz AG	Gebrüder Hodel AG	Hans Leutenegger SA
Digmesa AG	Évéquoz SA	Gehrig AG	Häring & Co AG
Dillena SA	Expersoft Systems AG	Bauunternehmung Wil	HAS Healthcare Advanced
Dimab Groupe	EY Schweiz AG	Geistlich Pharma AG	Synthesis
Dnata Switzerland AG		Genedata AG	Häusermann + Partner AG
Donada SA	F	General Dynamics	Heidelberg Schweiz AG
Dorier SA	F. Bernasconi et Cie SA	European Land Systems	Helvetia Versicherungen
Dosenbach-Ochsner AG	F. Hoffmann-La Roche AG	– Mowag GmbH	Henri Harsch HH SA

Herbamed AG	Insoft Systems AG	Kraftwerke Hinterrhein AG	Marti Gruppe
Herrmann AG	Integra Biosciences AG	Kreativ Beck AG	Bauunternehmung
Kunststoffwerk	Interiman Group	Kunz Kunath AG	Marvinpac SA
Herzog Bau und	Inventx AG	Kuoni Viaggi	Masaba SA
Holzbau AG	Investas AG	Kuratle Group	Maulini SA
Herzog Küchen AG	Ipsos (Suisse) SA	Kursaal Bern AG	Maurice Lacroix SA
Hevron SA	Irtec SA		Mavala SA
Hiag Holding AG	Ismecca Europe	L	mawiGroup SA
Highlight	Semiconductor SA	Laboratoire d'analyses	Max Zeller Söhne AG
Communications AG	(groupe Cohu)	médicales Dr Luc	maxon motor ag
Hilding Anders	Itecor Suisse SA	Salamin SA	Mc PaperLand / Andreas
Switzerland AG	IVF Hartmann AG	Lagap SA	Kümin AG
Hinduja Banque		Lamprecht Transport AG	McDonald's
(Suisse) SA	J	laRegion	Familienrestaurant
Hirslanden Klinik Aarau	Jacquet SA	Laubscher Präzision AG	Amacker Philippe
Hitachi Energy AG	Jakob AG	Laufen Schweiz AG	McDonald's Restaurant
HKM SA	Jakob Müller Holding	Lausanne Palace	Goran Radovic
HLS Hotels & Spa AG	Jean Cron AG	Le Coultre SA	McDonald's Suisse
HofGast AG	Jean Gallay SA	Léguriviera Groupe	Medela AG
Hôtel de la Paix, Lausanne	Jean Singer et Cie SA	LEMO	Medena AG
Hotel de la Paix, Lugano	JeanShop Abbigliamento	Lenovo (Schweiz) GmbH	Medgate AG
Hotel Schweizerhof	Jenni Energietechnik AG	Les Bains de Lavey SA	Medics Labor AG
Grindelwald AG	Jenny Science AG	Les Toises	Medistri SA
Hotel Schweizerhof,	Jesa SA	Let's Go Fitness	Medtronic International
Lenzerheide	Jobprofi GmbH	LGT Capital Partners Ltd.	Trading Sàrl
Hotel Schweizerhof,	Jordi AG	Linnea SA	Meier + Cie AG
Luzern	Jörg Lienert AG	Lipomed AG	Menz AG
Hotel Zurigo Downtown	Jörimann Gruppe	Livesystems AG	Merck
Hübscher Holzbau AG	Jos. Berchtold AG	LLB (Schweiz) AG	Metallux SA
Humard Automation SA	Josias Gasser	Loeb Holding AG	Metro Boutiques AG
Hunkeler AG Paper	Baumaterialien AG	Longemalle Collection	Metrohm AG
Processing	Jost Transport (Umzüge &	Lonstroff AG	Micarna SA
Hunn Gartenmöbel AG	Mulden) AG	Lonza	Michael Page International
Hunziker AG	JT International AG	Losinger Marazzi AG	(Switzerland) SA
Hunziker AG Thalwil	Dagmersellen	Lotti Impianti SA	Miele AG Schweiz
Hupac Intermodal SA	Jungbunzlauer	Louis Bélet SA	Migros
Hürlimann Bau AG	Jura Elektroapparate AG	Louis Dreyfus Company	Mikron Tool
Huwiler & Portmann AG	Just Schweiz AG	Suisse SA	Mikrop AG
HWT Haus- und	Jutzler AG	Luzerner Kantonalbank AG	Mineralquelle Eptingen AG
Wassertechnik AG		Lyreco Switzerland AG	MKS PAMP SA
	K		Mode Weber
I	K. Dysli AG	M	Mondaine Watch Ltd
IBSA Institut	Kablan AG	Maag Group	Morant AG
Biochimique SA	Kalt Maschinenbau AG	Maagtechnic AG	Morath AG
Ideal-Tek SA	Karl Morf AG	Mäder Group	Moser Schaffhausen AG
Identitas AG	Kästli Bau AG	Magazine zum Globus AG	Mövenpick Gruppe
Ilapak International SA	Kawe AG	Magellan.ch SA	MS Direct Group AG
Ilem SA	Kempinski Palace	Magnolia International AG	Müller-Martini
IM Maggia Engineering SA	Engelberg	Maillefer Instruments	Manufacturing AG
Imbach + Cie AG	Kern Tunneltechnik SA	Makies AG	MultiNet
Implenia Suisse SA	Kessler & Co SA	Manor	Communication AG
Incyte	Kistler Group	Manotel SA	Mungo
Industrielle Betriebe	Klinik Gut AG	Manufacture de boîtes de	Befestigungstechnik AG
Interlaken AG	Knecht Brugg Holding AG	montres MRP SA	myStromer AG
Ineos Europe AG	KNF Flodos AG	Manufactures d'Outils	
Infoniqa Schweiz AG	Koch AG	Dumont SA	N
Infopro Digital	Komax Holding AG	Maréchaux Holding AG	Naef Immobilier
Schweiz GmbH	Kommodities Partners SA	Marina Gastro AG	Natur- und Tierpark
Infras AG	KPMG AG	Mario Ravasi SA	Goldau
innosolv AG	KPT Versicherungen AG		Nestlé Suisse SA

Netstal Maschinen AG	Pilet & Renaud SA	Resort Hof Weissbad	Schwab-Feller AG
Neugass Kino AG	Pillet SA	Rey AG	Schwab-Guillod AG
New Work	Pirmin Jung Schweiz AG	Rhätische Bahn AG	Schwarz Stahl
Nidwaldner Kantonalbank	Pistor AG	Rheinmetall Air	Schweiter
Niederer Kraft Frey AG	PJ made SA	Defence AG	Technologies AG
Niru (Swiss) SA	PK Bau AG	Rigi Bahnen AG	Schweizer Electronic AG
Notter Gruppe	PKB Privatbank AG	Ritschard SA	Schweizerische Hagel-
Nova Werke AG	PKF Fiduciaire SA	Rivopharm SA	Versicherungs-
Novae Restauration SA	PKZ Burger-Kehl & Co. AG	Robotec Solutions AG	Gesellschaft
Novametal SA	Planted Foods AG	Roche Diagnostics	Schweizerische
Novartis	Planzer Transport AG	International Ltd.	Schiffahrtsgesellschaft
Nozomi Networks Sagl	Plastex SA	Rohde & Schwarz AG	Untersee und Rhein AG
NStCM	Plastigum AG	Roland Berger AG	Schweizerische
Nuova Energia Ticino SA	Poli Bau AG	Roland Murten AG	Südostbahn AG
Nussbaum Matzingen AG	Polymetrix AG	Rommelag Engineering	Scintilla AG
NZZ Mediengruppe	Polypoint AG	Switzerland AG	Scrasa SA
O	Ports Francs et Entrepôts	Rosset & Cie	Sécheron SA
O. Aeschlimann AG	de Genève SA	Rotho Kunststoff AG	Securitas AG
OBI Bau- und	PPCmetrics AG	Rothschild & Co	Selectchemie AG
Heimwerkermärkte	Prelco SA	Rotronic AG	Sercab Group SA
Systemzentrale	Prestige Gourmand SA	Roulin Frères SA	Services industriels de
(Schweiz) GmbH	PriceWaterhouse-	RRG Suisse SA	Lausanne
Obstberg AG	Coopers AG	Ruckstuhlgaragen	Seven Group
OBT AG	Prisma SA	Ruco AG	Seven-Air Gebr. Meyer AG
Obwaldner Kantonalbank	ProConcept SA	RWD Schlatter AG	SFMI Le Noirmont SA
Oertli Instrumente AG	Proderma AG	S	SGA Management SA
Ofac société coopérative	Produits Epagny SA	SA Vini Bée	Shopping Arena St. Gallen
Officine idroelettriche di	Profilpress AG	Sabag Holding AG	Siegfried Holding AG
Blenio SA	Prosegur SA	Saint-Gobain Isover SA	Signal AG
Olwo AG	Provisur Technologies	Salt	Sigrist-Photometer AG
Optic 2000	GmbH	Samsic Facility SA	Sintetica SA
Optotune Switzerland AG	Puliconsult SA	Sanitas Troesch AG	SJB Kempter Fitze AG
Orimpex SA	Q	Sanofi-Aventis (Suisse) SA	Skan Group AG
Oris SA	QIM Info SA	Santex Rimar AG	Sky-Frame AG
Osmopharm SA	QoQa	SAR Recycling SA	SMB Medical SA
Ospena Group AG	R	Sarix SA	Smood SA
Otis SA	R. Audemars SA	Sarna Plastec AG	Smurfit Westrock
Otto Fischer	Rahn+Bodmer Co.	Säuberlin & Pfeiffer SA	Swisswell AG
OYM AG	Raiffeisenbanken	Sauter Bachmann AG	Socorex
P	Randstad (Schweiz) AG	SBB Cargo	Soeder AG
Palo Alto SA	Rapelli SA	International AG	Sogood SA
Panetarium AG	Rapp AG	Schaepi Grundstücke AG	Solo Swiss SA
Paprec AG	Rauscher & Stoecklin AG	Schellenberg Wittmer AG	Solothurnische
Park Hyatt Zürich	Realstone SA	Scheuchzer SA	Gebäudeversicherung
Parker Meggitt	Régence Production SA	Schiller AG	Somazzi Dario Materiali da
Patek Philippe SA	Regine Group	Schilliger Holz AG	costruzione SA
Patric métal SA	Regionalverkehr	Schilthornbahn AG	Sonepar Suisse SA
Penta-Electric AG	Bern-Solothurn AG	Schlagenhauf Gruppe	Sotax AG
Perlen Industrieholding AG	Reglatronic SA	Schlatter Industries AG	Spaeter Ticino SA
Permamed AG	Regloplas AG	Schneider Sanitaires SA	SPAG Schnyder, Plüss AG
Pfefferlé & Cie SA	Rehaklinik Zihlschlacht AG	Schneider und Cie AG	Sphinx Werkzeuge AG
Pfiffner International AG	Reishauer AG	Schnetzer Puskas	Spirig HealthCare AG
Pharmacie populaire SA	Rémy Montavon SA	Ingenieure	Spross Holding AG
Phoenix Mecano	Repo SA	Schnider AG Transporte	St. Claraspital
Solutions AG	Repower AG	und Recycling	St. Galler Kantonalbank
Piaget SA	Rero AG	Schroder & Co. Bank AG	St. Gallisch-
Pibor Iso SA	ResMed Schweiz GmbH	Schuler 1694 AG	Appenzellische
Pilatus-Bahnen AG	Resonetics SA	Schurter Holding AG	Kraftwerke AG
		Schwabe Pharma AG	Stahlton Bauteile AG
			Stalder Extrusion SA

Stanzwerk AG
Steeltec AG
STI Holding AG
Stiftung Gurten-Park im
Grünen
Stirnemann AG,
Baumaschinen
Stoosbahnen AG
Strabag AG
Straumann Group
Streuli Bau AG
Strüby Holzbau AG
Suitenhotel Parco Paradiso
Sunrise AG
Sushizen SA
Suter Inox AG
Suteria Chocolata AG
Sutter Begg
Swatch Group SA
Swiss Caps AG
Swiss Holiday Park AG
Swiss International Air
Lines Ltd
Swiss Krono AG
Swiss Life AG
Swiss Prime Site AG
SwissFactory.Group AG
swissgrid ag
SwissP Defence AG
Sword Group
Sygnum Bank AG
Syngenta AG

T

T&N ICT Solutions
Taillens SA
Tamedia Espace AG
Tarchini Group
Taurus SA
Team Marketing AG
TeamWork
Management SA
Tecnomatic SA
Tecnopinz SA
Tenconi SA
Tensol Rail SA
TEQ SA
Textil-Service Frei AG
The Chedi Andermatt
The Machines Yvonand SA
Thema Consulting SA
Thommen-Furler AG
Thurgau Travel AG
thyssenkrupp Materials
Schweiz AG
Tillotts Pharma
Tobi Seeobst AG
Toldo Strassen- und
Tiefbau AG
Trafag AG

Trafigura Holding GmbH
Trans Gottardo SA
Transports publics
fribourgeois
Traveco Transporte AG
Travys SA
TreBiPi Group SA
Trisa AG
Trumpf Schweiz AG
Trümpi AG
Truvag AG
Tschümperlin & Co AG
Tusa precision tools SA
Twerenbold Reisen Gruppe
TXT e-Swiss SA
Typ AG

U

UBS AG
Ultra Marine Food SA
Unigestion SA
Unione Farmaceutica
Distribuzione SA
update Fitness AG
urbaplan SA
Urner Kantonalbank
Usines Métallurgiques de
Vallorbe SA
Uster Technologies AG

V

valfor Avocats Sàrl
Vardeco SA
Varioprint AG
Vaudaux SA
Vaudoise Assurances
Holding SA
Velomania SA
Vending Service AG
Verkehrsbetriebe
Luzern AG
Verkehrshaus der Schweiz
Verwo AG
Vianco AG
Viteos SA
Vivavis Schweiz AG
Volare Group
Von Bergen SA
vonRoll casting ag
Vorwerk Schweiz AG
VP Bank (Schweiz) AG
Vyntra
V-Zug Gruppe

W

Waldhotel Arosa
Walker Gruppe
Walter + Bai AG
Warteck Invest AG
Wascosa AG

Webrepublic AG
Weinmann-Energies SA
Weleda AG
Wenger + Wirz AG
werner sutter & co. ag
Werthanor SA
WIKA Schweiz AG
Willy A. Bachofen AG
Windlin Gruppe
WinGD AG
Winkler Livecom AG
wirbauen AG
Wirz AG
Bauunternehmung
Witschi Electronic AG
Work & Work SA
World Economic Forum
WSP Ingénieurs
Conseils SA
Wüest AG
Würth AG
Wyon AG

Y

Ypsomed AG

Z

Zehnder Group AG
Ziegler (Schweiz) AG
Zindel United
Zollner Electronics GmbH
Zubi
Zugerland
Verkehrsbetriebe AG
Zühlke
Zur Rose Suisse AG
Zürich Marriott Hotel
zweifel metall ag

1

1a hunkeler AG

2

25hours Hotels Zürich

Chronicle of monetary events

The chronicle summarises the most recent monetary events.
For events dating further back, please refer to the **press releases** and **chronicle of monetary events** at www.snb.ch.

At its quarterly assessment of 11 December, the SNB leaves its policy rate unchanged at 0%. Banks' sight deposits held at the SNB are remunerated at the SNB policy rate up to a certain threshold. The discount for sight deposits above this threshold still stands at 0.25 percentage points. The SNB remains willing to be active in the foreign exchange market as necessary. Inflationary pressure in the medium term was virtually unchanged compared to the previous quarter. The monetary policy helps to keep inflation within the range consistent with price stability and supports economic development. The SNB stresses that it will continue to monitor the situation and adjust its monetary policy if necessary, in order to ensure price stability.

December 2025

At its quarterly assessment of 25 September, the SNB leaves its policy rate unchanged at 0%. Banks' sight deposits held at the SNB are remunerated at the SNB policy rate up to a certain threshold. The discount for sight deposits above this threshold still stands at 0.25 percentage points. The SNB remains willing to be active in the foreign exchange market as necessary. Inflationary pressure was virtually unchanged compared to the previous quarter. Monetary policy helps to keep inflation within the range consistent with price stability and supports economic development. The SNB stresses that it will continue to monitor the situation and adjust its monetary policy if necessary, in order to ensure price stability.

September 2025

At its quarterly assessment of 19 June, the SNB lowers its policy rate to 0%. Banks' sight deposits held at the SNB are remunerated at the SNB policy rate up to a certain threshold. The discount for sight deposits above this threshold remains unchanged at 0.25 percentage points. The SNB remains willing to be active in the foreign exchange market as necessary. With the easing of monetary policy, the SNB counters the lower inflationary pressure compared with the previous quarter. The SNB stresses that it will continue to monitor the situation closely and adjust its monetary policy if necessary, to ensure inflation remains within the range consistent with price stability over the medium term. It also mentions that a negative SNB policy rate can have undesirable side-effects and presents challenges for many economic agents.

June 2025

At its quarterly assessment of 20 March, the SNB lowers its policy rate to 0.25%. Banks' sight deposits held at the SNB are remunerated at the SNB policy rate up to a certain threshold, and at 0% above this threshold. The SNB also remains willing to be active in the foreign exchange market as necessary. The SNB's easing of monetary policy ensures that monetary conditions remain appropriate, given the low inflationary pressure and the heightened downside risks to inflation. The SNB stresses that it will continue to monitor the situation closely and adjust its monetary policy if necessary, to ensure inflation remains within the range consistent with price stability over the medium term.

March 2025

At its quarterly assessment of 12 December, the SNB lowers its policy rate to 0.5%. Banks' sight deposits held at the SNB are remunerated at the SNB policy rate up to a certain threshold, and at 0% above this threshold. The SNB also remains willing to be active in the foreign exchange market as necessary. The SNB's easing of monetary policy takes the reduction in inflationary pressure into account. The SNB stresses that it will continue to monitor the situation closely and adjust its monetary policy if necessary, to ensure inflation remains within the range consistent with price stability over the medium term.

December 2024

Glossary

Annualised	Data is said to be annualised when it is converted to an annual value. When → GDP increases by 1% from one quarter to the next, the annualised growth is 4.06%.
Baseline scenario	The SNB's baseline scenario comprises forecasts for what it considers to be the most likely global economic development for the coming three calendar years. It serves as an important basis for the domestic economic and → inflation forecasts.
Basket of goods	The basket of goods represents an average household's expenditure on goods and services. It is determined on the basis of a household survey and is used to calculate the → Swiss consumer price index.
Bond	A bond is a → security. The buyer of a bond (creditor) makes a specific amount of money available to the bond issuer for a specific period. The issuer repays this amount to the creditor at the end of the term, and in most cases also pays → interest.
Business cycle, business cycle conditions	Business cycle refers to deviations in economic activity from the long-term trend. In addition to → real → GDP, the business cycle is also reflected in a variety of other economic → indicators (e.g. unemployment and consumer confidence indices). A business cycle lasts from the beginning of an upturn and all the way through the economic downturn to its end (→ recession).
Capacity utilisation	Capacity utilisation measures the degree of utilisation of the technical capacities (e.g. machines and equipment) of a company or an industry.
Capital	Capital refers on the one hand to financing resources (→ equity and → debt capital) and on the other to a → factor of production (e.g. machinery).
Capital market	The capital market supplements the → money market, and is a market for raising and investing funds with a term of more than one year. A distinction is made between the market for → equity capital (→ shares), and the market for → debt capital (→ bonds).
Collateral	In credit transactions, the debtor can provide the creditor with collateral (→ secured loan) in order to reduce the risk for the creditor and thus the → interest. The creditor can take possession of the collateral if the debtor is unable to pay the agreed interest or make the repayment.
Consumer price index	→ Swiss consumer price index
Core inflation	Core inflation is a measure of → inflation that excludes goods and services with particularly volatile prices (e.g. energy and food). Core inflation thus captures the underlying development of prices and the trend in inflation. The SNB calculates core inflation using a trimmed mean. This does not involve excluding specific categories of goods and services; instead, each month the 15% of items in the → CPI basket with the largest and the 15% with the smallest price changes are excluded. Overall, therefore, the 30% of goods with the most volatile prices are excluded.
Corporate bond	A corporate bond is a → bond issued by a company.
Countercyclical capital buffer	The countercyclical capital buffer is a → macroprudential measure which contributes towards → financial stability. If the capital buffer is activated, banks are required to hold more → capital. The capital buffer can be targeted at the entire credit market or just individual sectors, e.g. the mortgage market.
Debt capital	Debt capital refers to the borrowings and provisions of a company.
Deflation	Deflation denotes a sustained decrease in the general price level over time.
Delegates for regional economic relations	The delegates for regional economic relations represent the SNB in the various regions of Switzerland, collect information on economic development through their contacts to companies in those regions and, as ambassadors of the SNB, explain its policies. They are supported by the Regional Economic Councils. The SNB maintains representative offices in Basel, Berne, Geneva, Lausanne, Lucerne, Lugano, St Gallen and Zurich.
Equity	Equity is the difference between a company's assets and liabilities (→ debt capital).
Excess reserves	Excess reserves are → sight deposits held by banks at the SNB that exceed their → minimum reserve requirement.
Exchange rate	The exchange rate is the rate at which two currencies are exchanged. It is expressed as the price of one currency in units of another currency. If the exchange rate is adjusted for the price development of the countries concerned, it is referred to as the real exchange rate; if it is measured against the currencies of trading partners, it is referred to as the → trade-weighted exchange rate.
Factors of production	Factors of production are the inputs (primarily labour and → capital) used in the production of goods and services.

Final demand, domestic	Domestic final demand is the sum of private and public consumption plus construction and equipment investment (e.g. new machines).
Financial stability	A financial system is stable if its individual components – banks, financial markets and financial market infrastructures (e.g. stock exchanges) – fulfil their individual functions and are resilient to potential disruptions.
Fine-tuning operations	Fine-tuning operations refer to measures taken by a central bank to curb excessive volatility in short-term → interest rates on the → money market. This can be carried out using → repo transactions, for example.
Fiscal policy	Government measures (receipts and expenditure) that aim to influence → business cycle conditions.
Foreign exchange	Foreign exchange comprises credit balances and claims denominated in a foreign currency.
Foreign exchange market interventions	When a central bank intervenes in the foreign exchange market, it buys or sells its domestic currency against a foreign currency with the aim of influencing the → exchange rate.
Full-time equivalent (FTE)	The full-time equivalent is the unit of measure for the number of full-time employees that would be needed to complete the working hours of full-time and part-time employees.
Futures contract	A futures contract governs a transaction that has to be performed at a future point in time specified in the contract.
Government bond	A government bond is a → bond issued by a public-law institution.
Government consumption	Government consumption measures government consumption expenditure, i.e. current spending on goods and services provided by the government to the citizens of a country (e.g. schools, healthcare, defence).
Gross domestic product (GDP)	Gross domestic product indicates the total value of all final goods and services produced in a country during a period, after subtracting the cost of intermediate goods. → Real GDP is the most important measure of an economy's → value added.
Hodrick-Prescott filter (HP filter)	The Hodrick-Prescott filter is a tool for calculating a trend in a data series. For example, deviations of → real → GDP from trend are used in business cycle analysis.
ICT industry	The ICT industry comprises those companies active in information and communications technology.
Indicator	An indicator is a statistical metric or data series that, for example, provides information on → business cycle conditions.
Inflation, inflation rate	Inflation is a sustained increase in the general price level over time. Inflation reduces the → purchasing power of money. In Switzerland, inflation is measured using the → Swiss consumer price index (CPI). The inflation rate denotes the percentage change in the index compared to the previous year.
Inflation forecast, conditional	The SNB publishes a forecast of movements in the → inflation rate over the coming three years every quarter at its → monetary policy assessment. The forecast is conditional because it is based on the assumption that the SNB will not change the → SNB policy rate over the forecast horizon. The SNB bases its monetary policy decisions on the inflation forecast.
Interest, interest rate	Interest is the price a borrower pays to the creditor in return for the latter making a sum of money available for a certain period. Its level is influenced by the term and the financial standing (creditworthiness and solvency) of the debtor as well as the quality of any → collateral. Interest is expressed as a percentage of the loan (interest rate) and usually refers to a time period of one year.
Interest differential, interest margin transaction	The difference between → interest rates on investments which vary, for example, according to currency or risk, is called the interest rate differential. An interest margin transaction uses the interest differential between various financial products to generate profit.
KOF Economic Barometer	The KOF Economic Barometer is an → indicator that shows how the Swiss → business cycle is likely to develop in the near future. It has been published by the KOF Swiss Economic Institute at ETH Zurich since the 1970s.
Liquidity	Liquidity has three meanings in economics. First, being liquid refers to the ability to make due payments at any time and without restriction. Second, liquidity describes the funds required for this purpose. Banks exchange liquidity via the → money market, and the SNB can influence liquidity with → repo transactions, among other things. Third, a market is considered liquid if transactions can be effected without triggering significant price movements.
Macroprudential measure	Regulatory requirement for banks, for example, which contributes to → financial stability.
Mandate	Mandate refers to the SNB's statutory tasks. Article 99 of the Federal Constitution entrusts the Swiss National Bank, as an independent central bank, with the conduct of monetary policy in the interests of the country as a whole. The National Bank Act sets this out in detail, explaining that the SNB is required to ensure → price stability and, in so doing, to take due account of economic developments (art. 5 para. 1 NBA).
MEM industries	MEM industries refers to the companies in the mechanical engineering, electrical engineering and metals industries.

Merchanting	Merchanting refers to a Swiss-domiciled company purchasing goods outside Switzerland and then directly reselling them unchanged to a customer outside Switzerland, without the goods passing through Switzerland.
Minimum reserves, minimum reserve requirement	In order to facilitate the smooth functioning of the → money market, banks are required to hold minimum reserves against a certain percentage of their Swiss franc short-term liabilities (e.g. customer deposits). The minimum reserves are composed of cash in Swiss francs and → sight deposits held at the SNB. The minimum reserves form the basis for calculating the → thresholds for the domestic banks.
Monetary aggregate, broad	The broad monetary aggregate, in contrast to the → monetary base, is the stock of money held by households and companies outside the banking sector. It comprises money held on bank accounts and cash.
Monetary base	The monetary base is composed of the sum of banknotes in circulation plus the → sight deposits of domestic commercial banks held at the SNB. The monetary base is also referred to as the M0 monetary aggregate.
Monetary conditions	The interest rate level and the → exchange rate determine monetary conditions. The SNB uses → monetary policy instruments to influence monetary conditions in order to fulfil its → mandate.
Monetary policy	Monetary policy is the use of → monetary policy instruments by the central bank to set appropriate → monetary conditions and thereby fulfil its statutory → mandate.
Monetary policy assessment	As a rule, the SNB conducts a monetary policy assessment every quarter. Based on economic developments both domestically and abroad as well as → monetary conditions in Switzerland, the SNB Governing Board decides whether → monetary policy is to remain unchanged, or be tightened or eased.
Monetary policy instruments	In order to set appropriate → monetary conditions, the SNB uses monetary policy instruments such as → repo transactions and → foreign exchange market interventions.
Monetary policy strategy	The SNB's monetary policy strategy sets out how it operationalises its statutory → mandate. The strategy, which has been in place since 2000, consists of three elements: the definition of → price stability, the conditional → inflation forecast over the subsequent three years, and the implementation of monetary policy by means of the → SNB policy rate and, if needed, additional measures.
Money market	The money market is the market for raising and investing short-term → liquidity. Here, banks in particular grant short-term loans to each other, either secured against → collateral (→ repo transactions) or unsecured. Short-term liquidity is defined as liquidity with a term of up to one year.
Mortgage loan	A → secured loan for which real estate serves as the collateral.
Multivariate filter (MV filter)	Multivariate filters are used, for example, in business cycle analysis. In contrast to the → HP filter, MV filters use multiple → indicators to calculate a trend in a data series.
Negative interest	Between January 2015 and September 2022, the SNB charged negative interest on sight deposits above a certain exemption threshold. The negative interest rate corresponded to the → SNB policy rate.
Nominal	Nominal is the term used when an economic variable is not adjusted to reflect price development (→ nominal interest rate).
Nominal interest rate	→ Interest rates are usually stated in nominal terms, i.e. they do not take into account that, during → inflation, the → purchasing power of money is lower after the credit transaction expires than before the credit transaction.
Open market operations	Open market operations are a type of → monetary policy instrument. In contrast to → standing facilities, the use of open market operations is initiated by the SNB, rather than a commercial bank.
Option	An option is the right to either buy (call option) or sell (put option) a → share, for example, at a fixed price on a specific date. This right can be securitised and traded on exchanges.
Other loans	According to the SNB's definition, the other loans category comprises all loans granted to households and companies that are not → mortgage loans. They can be secured or unsecured (→ secured loan).
Output gap	The output gap is defined as the percentage deviation of → real → GDP from the estimated → potential output. If actual economic output falls below potential output, the output gap is negative and the economy is thus underutilised.
Personal consumption expenditure (PCE) deflator	The personal consumption expenditure (PCE) deflator measures the development of prices for all domestic and foreign goods and services consumed by households. Unlike the → consumer price index, it is not based on a specific → basket of goods, rather it takes all current consumer spending into account.
PMI composite	The purchasing managers' index is based on surveys of production in manufacturing and services. It is an important → indicator of overall economic activity. A value above 50 points is considered a growth signal.
PMI manufacturing	The purchasing managers' index is based on surveys and is an important → indicator of activity in the manufacturing sector. The Swiss index is composed of sub-indices covering production, order volume, delivery times, inventory, purchases and number of employees. A value above 50 points is considered a growth signal.

Potential growth	Potential growth refers to the change in → potential output.
Potential output, production potential	Potential output or production potential is the level of → real → GDP at normal utilisation of the → factors of production. Potential output is estimated using tools such as the → HP filter.
Price stability	According to the SNB's definition, price stability is considered to prevail when → inflation, as measured by the → Swiss consumer price index, is below 2%, and there is also no → deflation.
Production function	A production function describes the relationship between inputs (→ factors of production) and the resulting output (goods and services).
Purchasing power	The purchasing power of money indicates how many goods and services in a fixed → basket of goods can be bought with one unit of money. If → inflation prevails, purchasing power decreases over time.
Real	Real is the term used when an economic variable is adjusted to reflect price development (→ real rate of interest).
Real rate of interest	Adjusting the → nominal interest rate for the loss of → purchasing power due to → inflation over the duration of a credit transaction gives the real interest rate. The real rate of interest is thus calculated as the difference between the → nominal interest rate and the → inflation rate.
Recession	A recession is an economic downturn. There is no uniform definition, but a recession is often said to occur when → real → GDP falls for at least two consecutive quarters.
Refinancing	Refinancing has two meanings in economics. First, refinancing is when commercial banks raise funds on the → money market or → capital market. Second, it refers to the replacement of maturing debt by means of new debt.
Repo transactions, repo rate	In a repo transaction, the cash taker sells → securities to the cash provider and simultaneously agrees to repurchase securities of the same type and quantity at a later date. Economically, a repo transaction is a → secured loan. The → interest rate used in a repo transaction is called the 'repo rate'. The SNB can use repo transactions to steer → liquidity in the → money market. It can provide liquidity or, using a reverse repo, absorb liquidity.
Risk premium	A risk premium reflects the valuation of the risk associated with a financial instrument.
SARON	SARON (Swiss Average Rate Overnight) is the interest rate for → repo transactions in Swiss francs with overnight maturity. It is based on → transaction prices and trade quotes. The SNB has been focusing on SARON in seeking to keep the short-term Swiss franc money market rates close to the → SNB policy rate.
Seasonal adjustment	Seasonal adjustment is a statistical method to remove regular seasonal effects (such as the rise in unemployment in the winter months) from time series so that → business cycle conditions, for example, can be more easily identified.
Secured money market rate	The secured money market rate is the → interest for → secured loans on the → money market which are usually concluded as → repo transactions (→ SARON).
Secured/covered loan	A secured or covered loan, in contrast to an unsecured (uncovered) loan, is a loan where the debtor provides → collateral. The main type of secured loan is a → mortgage loan.
Security	A security certifies a property right (e.g. the right to receive an interest payment). The most important securities traded on a market are → shares and → bonds.
Share	A share or → stock is a → security with which the buyer acquires a participation in a company.
Sight deposits at the SNB	Banks use their sight deposits held at the SNB to carry out transactions (e.g. payments) for their customers. In addition to sight deposits held by domestic banks, total sight deposits include sight liabilities towards the Confederation, sight deposits of foreign banks and institutions, as well as other sight liabilities.
SNB Bills	SNB Bills are interest-bearing debt certificates issued by the SNB and denominated in Swiss francs. They were first issued in autumn 2008. The SNB uses this instrument to temporarily absorb → liquidity from the market. The amount of the SNB Bill is withdrawn from the counterparty's sight deposit at the SNB, and the SNB increases the liability item SNB debt certificates. SNB Bills have a maximum term of 12 months. They are eligible as → collateral in → repo transactions with the SNB.
SNB policy rate	The SNB implements its → monetary policy by setting the SNB policy rate. It seeks to keep the short-term secured Swiss franc money market rates close to the SNB policy rate. → SARON is the most representative of these rates.
Sporting-event adjustment	Adjustment for sporting events smooths the data associated with such events symmetrically throughout the year in which the event takes place. This involves the → gross domestic product, the → value added by the entertainment industry, and the import and export of services. Adjusted for sporting events, the data provides a clearer picture of the economic situation as they are no longer affected by the fluctuations caused by major sporting events.
Standing facilities	Standing facilities are a type of → monetary policy instrument. In contrast to → open market operations, the use of standing facilities is initiated not by the SNB, but by a commercial bank.
Stock	→ share

Swap, interest rate swap	A swap is a financial transaction in which the contracting parties exchange payment flows. In an interest rate swap, one contracting party pays the other a variable → interest rate linked to a market interest rate and in return receives fixed interest payments contractually determined in advance.
Swiss consumer price index (CPI)	The Swiss consumer price index (CPI), which is compiled by the Swiss Federal Statistical Office (SFSO), measures the average development of prices for goods and services consumed by households in Switzerland. The CPI is calculated every month based on a → basket of goods representative of household consumption.
Threshold	If the → SNB policy rate is 0% or positive, → sight deposits at the SNB up to a certain threshold are subject to interest (or 'remuneration') at the SNB policy rate. Sight deposits above this threshold are remunerated at the SNB policy rate minus a discount. Sight deposits which are held to meet minimum reserve requirements are not remunerated. If the SNB policy rate is 0%, the threshold per sight deposit account holder is at least CHF 10 million. For domestic banks, the threshold corresponds to the three-year average of the → minimum reserve requirements, multiplied by the applicable threshold factor.
Trade-weighted exchange rate	The trade-weighted or effective → exchange rate is the value of an economy's currency vis-à-vis the currencies of its trading partners. It is calculated using bilateral exchange rates with trading partners, with weightings dependent on trading activity.
Transaction price	The price at which a transaction is actually executed, as opposed to a bid or ask price.
Unemployment rate	The rate of unemployment is the ratio of the number of unemployed people to the number of people in the labour force (i.e. those employed and unemployed), expressed as a percentage.
Utilisation of credit lines	Depending on the type of loan, a borrower can decide whether to use the maximum amount granted by the bank or just some of it. Utilisation refers to the amount drawn down.
Value added	Value added measures the economic output of a sector or industry. It is defined as the difference between the value of goods and services produced in a given sector and the value of inputs obtained from other sectors. Total value added of all sectors, adjusted for taxes and subsidies, gives → GDP.
Volatility	Volatility describes the extent of fluctuations in given variables, e.g. share prices or → interest rates, over a certain period of time.
Yield	Yield refers to the return on financial assets or investments and is usually expressed as a percentage of the → capital invested.
Yield curve	The yield curve, also known as the term structure of interest rates, graphically represents the → yields of fixed-interest investments of the same quality with different maturities. Typically, the yields of → government bonds are used. The yield curve usually slopes upwards as investors demand a → risk premium for bonds with longer maturities.

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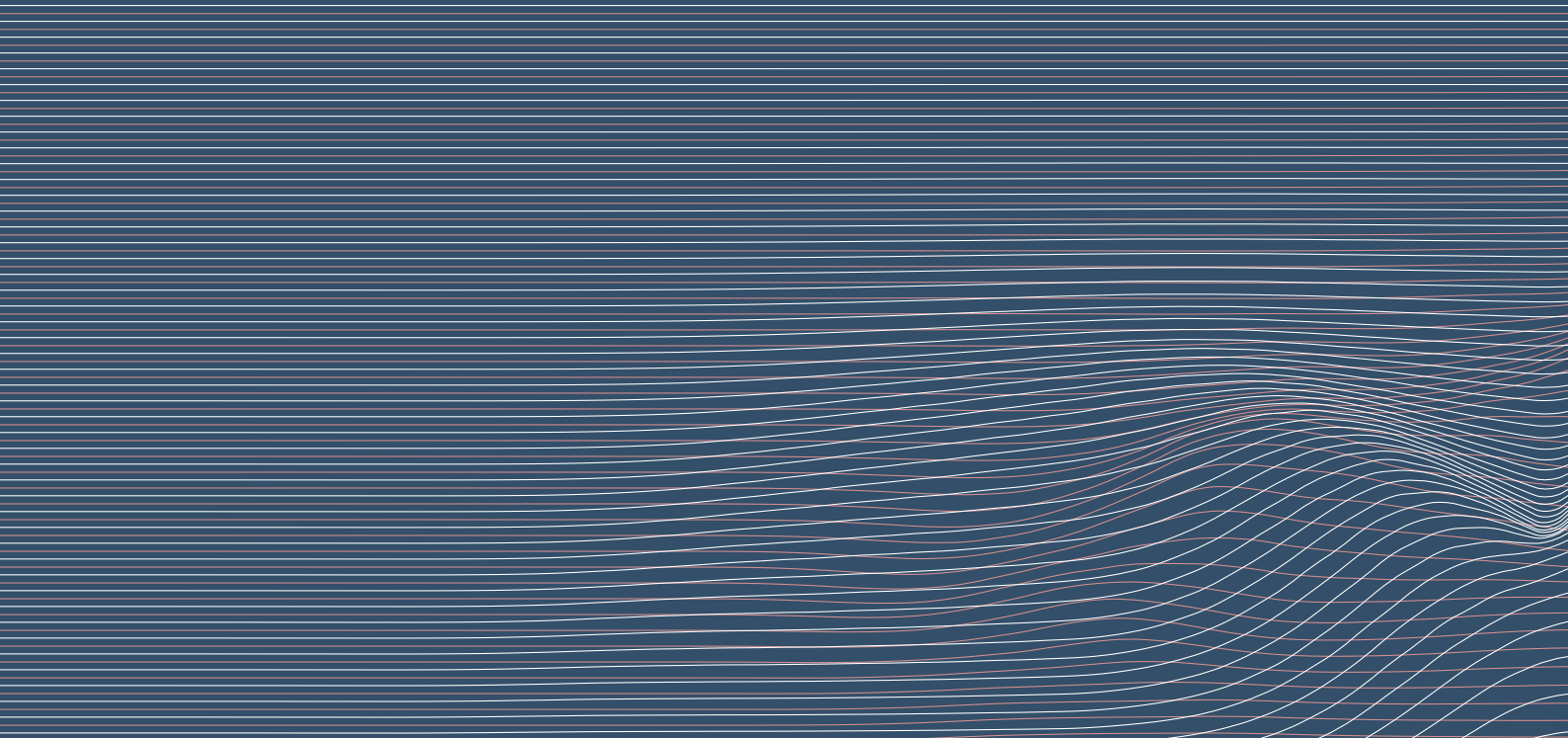
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