

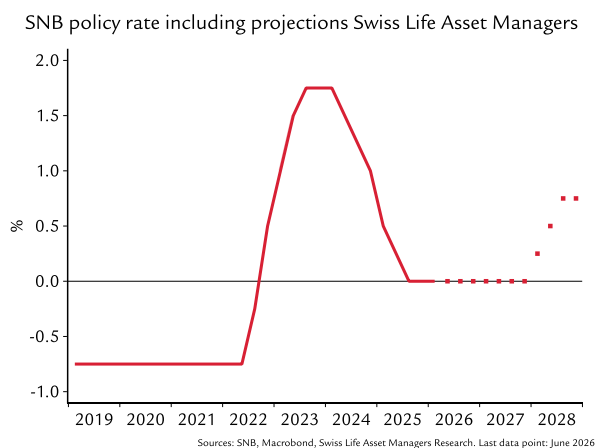
June 2026

## At a glance

Following the ECB's interest rate hike of 25 basis points last week, the SNB did not follow suit and instead left its key interest rate at 0.0%, as expected. In addition to still moderate domestic inflation, the latest developments in the Middle East, including for the first time tangible signs of possible political convergence, dampened inflation risks, which further supports the wait-and-see approach of the SNB. At the same time, the central bank is underlining its continued willingness to intervene on the foreign exchange market in order to stop the Swiss franc from appreciating excessively.

Overall, the Swiss market environment thus favours ongoing stability rather than rising interest rates, which is why we do not expect any tightening of monetary policy in the foreseeable future.

## Extended zero interest rate environment



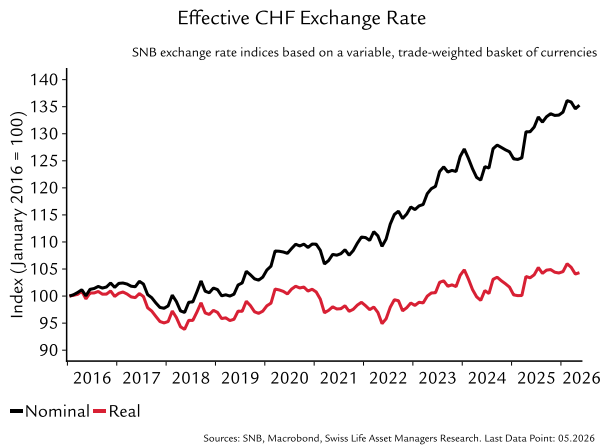
On 11 June 2026, the ECB raised key interest rates by 25 basis points and revised the expected inflation in its baseline scenario upwards due to higher energy costs. The market continues to price in slightly higher key

interest rates in the eurozone, albeit to a lesser extent recently, and is putting the SNB in a somewhat more comfortable position due to the widening interest rate differential.

Against this backdrop, we see no direct need for the SNB to take action: at 0.6%, realised inflation was at a very moderate level in May 2026, and the updated conditional inflation forecast also remains between 0.5% and 0.8% over the forecast horizon.

We therefore continue to expect an extended zero interest rate environment in Switzerland and only believe monetary policy will gradually normalise to 0.75% starting in 2028. Any faster tightening by the SNB would only be expected if there were a series of policy rate hikes by the ECB, which is less likely given the current inflation outlook. From today's perspective, we do not expect a scenario such as in 2022/23 involving a 2.5% increase in the SNB key interest rate within five quarters.

## Real strength of the franc puts nominal appreciation into perspective



The SNB continues to signal an increased willingness to intervene in the foreign exchange market and allow

the Swiss franc to depreciate – but according to estimates, actual interventions have remained limited in recent months.

Since January 2016, the Swiss franc (trade-weighted according to the SNB method) has strengthened by around 35%. However, the decisive factor for foreign trade is not the nominal exchange rate, but the inflation-adjusted and therefore real exchange rate: this only rose by around 4% over the same period.

While it cannot be denied that the Swiss franc has appreciated, this is much less pronounced than it appears at first glance in nominal terms. This limits both the potential scope and probability of any interventions that may be made. In addition, the recent key interest rate hike by the ECB eased some pressure on the SNB here as well.

## Contact



**Brian Buchmann**  
**Head CHF Bonds & Mortgages**  
brian.buchmann@swisslife-am.com  
[in](#)@bbuchmann



**Marc Brüttsch**  
**Chief Economist**  
marc.bruetsch@swisslife-am.com  
[in](#)@marc\_brüttsch

**If you have any questions or if you would like to subscribe to this publication,**  
please send an e-mail to: [info@swisslife-am.com](mailto:info@swisslife-am.com).

For more information visit our website at: [www.swisslife-am.com/research](http://www.swisslife-am.com/research)



**Released and approved by the Macroeconomic Research Department, Swiss Life Investment Management Holding Ltd, Zurich**

Swiss Life Asset Managers may have acted upon or used research recommendations before they were published. The contents of this document are based upon sources of information believed to be reliable, but no guarantee is given as to their accuracy or completeness. This document includes forward-looking statements which are based on our current opinions, expectations and projections. We undertake no obligation to update or revise any forward-looking statements. Actual results could differ materially from those anticipated in the forward-looking statements.

**France:** This publication is distributed in France by Swiss Life Asset Managers France, 153 rue Saint-Honoré, F-75001 Paris to its clients and prospects. **Germany:** This publication is distributed in Germany by Swiss Life Asset Managers Deutschland GmbH, Clever Strasse 36, D-50668 Köln, Swiss Life Asset Managers Luxembourg, Niederlassung Deutschland, Darmstädter Landstraße 125, D-60598 Frankfurt am Main and BEOS AG, Kurfürstendamm 188, D-10707 Berlin. **UK:** This publication is distributed by Swiss Life Asset Managers UK Ltd., 55 Wells Street, London W1T 3PT. **Switzerland:** This publication is distributed by Swiss Life Asset Management Ltd., General-Guisan-Quai 40, CH-8022 Zürich. **Norway:** This publication is distributed by Swiss Life Asset Managers Holding AS, Haakon VII's gt 1, NO-0161 Oslo. **Italy:** This publication is distributed by Swiss Life Asset Managers Luxembourg, succursale Italia, Via San Prospero 1, I-20121 Milano. **Denmark:** This publication is distributed by Swiss Life Asset Managers Danmark, filial af Swiss Life Asset Managers Luxembourg, Luxembourg Frederiksgade 11, 1. tv, 1265 København K.