

---

# Monetary policy spillovers: the case of Switzerland

Alain Gabler  
Swiss National Bank

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



# The euro area



Source: europa.eu

---

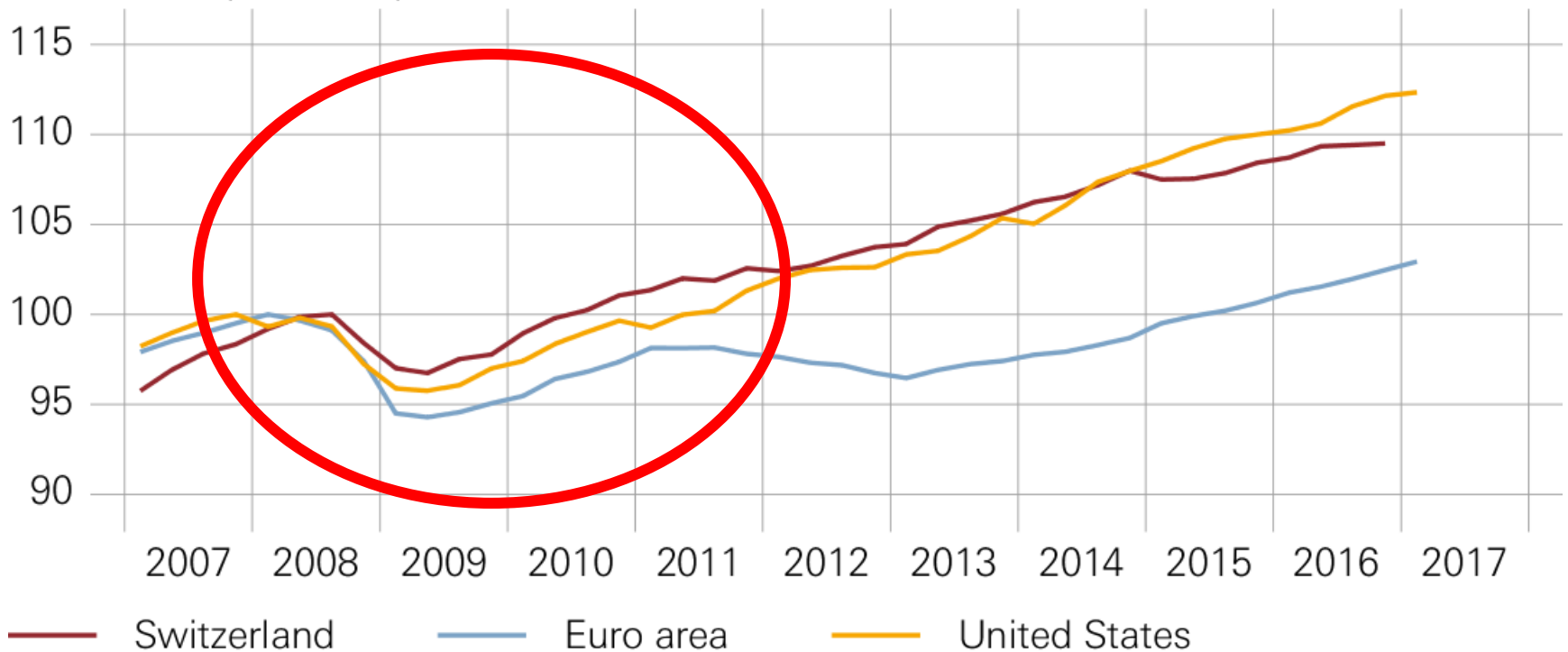
1<sup>st</sup> phase:

Demand slump following the onset of the financial crisis (2008–2011)

# Evolution of GDP across countries

## REAL GDP, GLOBAL

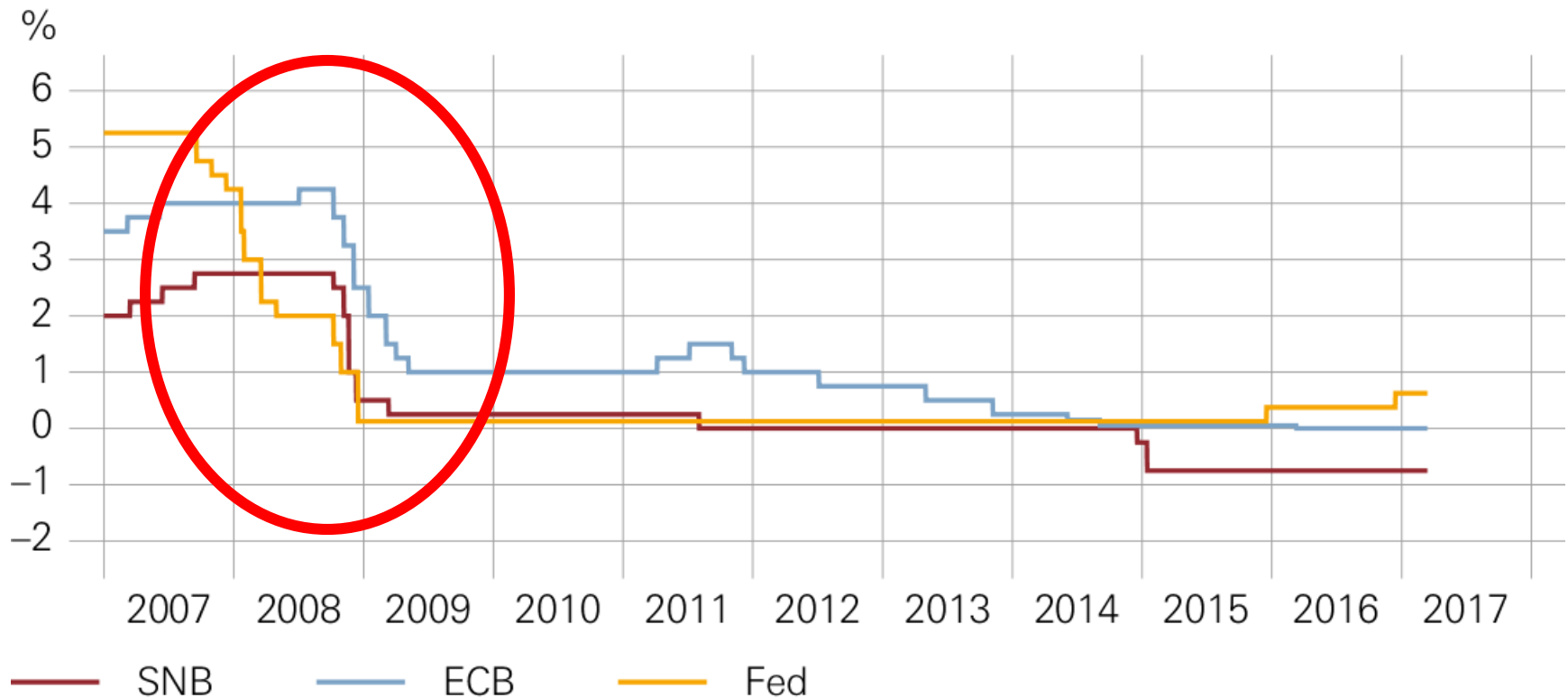
Index 100 = pre-crisis peak



Source: SNB

# Interest rates cut after the onset of the global financial crisis

## OFFICIAL INTEREST RATES



Sources: SNB, Bloomberg

# Strong appreciation of the Swiss franc

## NOMINAL EXCHANGE RATES

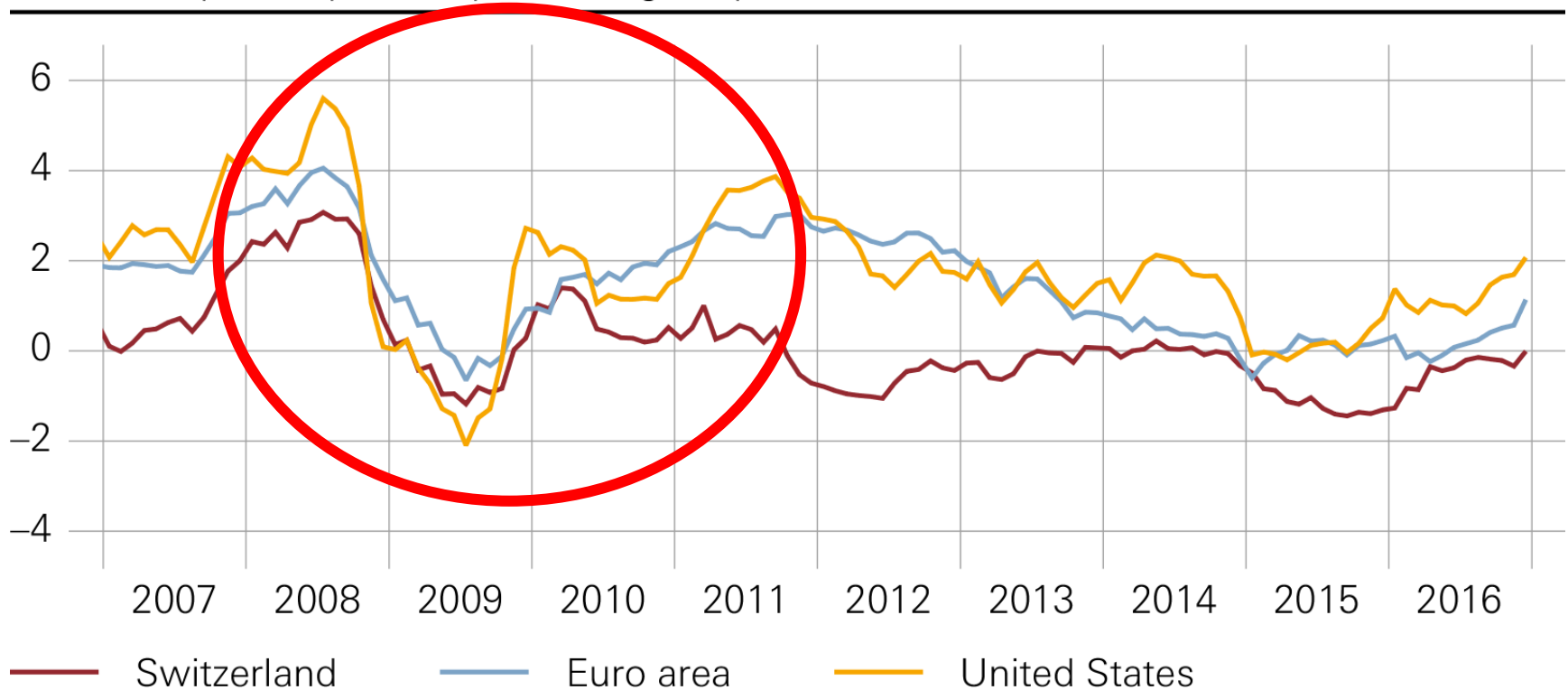


Sources: SNB, Bloomberg

# Swiss inflation just above zero between 2010 and mid-2011

## INFLATION

Consumer prices, year-on-year change in percent



Sources: IMF, SFSO, Thomson Reuters Datastream

---

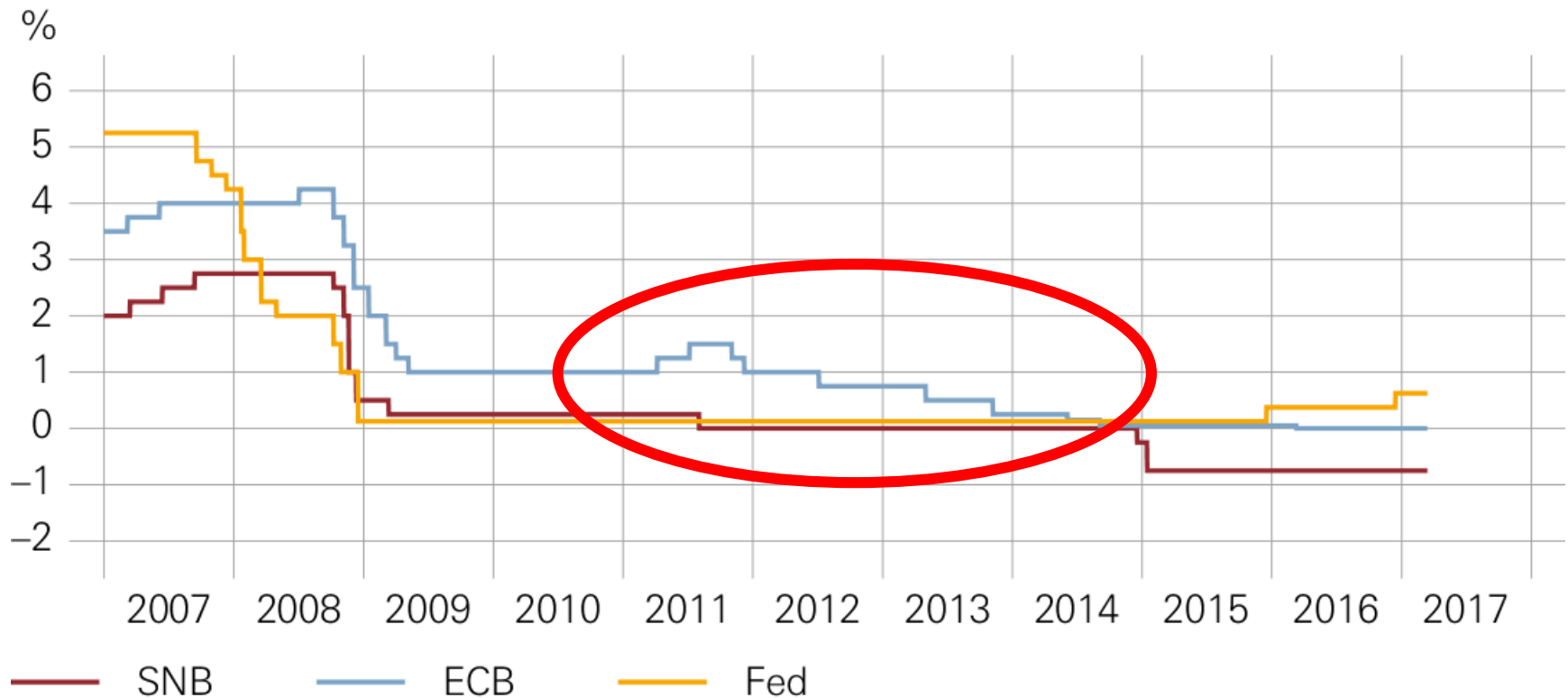
2<sup>nd</sup> phase:

The euro crisis and fears about the future of the euro area (2011–2014)



# Reversal of interest rate hikes by ECB

## OFFICIAL INTEREST RATES



Sources: SNB, Bloomberg

# Strong appreciation of the Swiss franc

## NOMINAL EXCHANGE RATES



Sources: SNB, Bloomberg

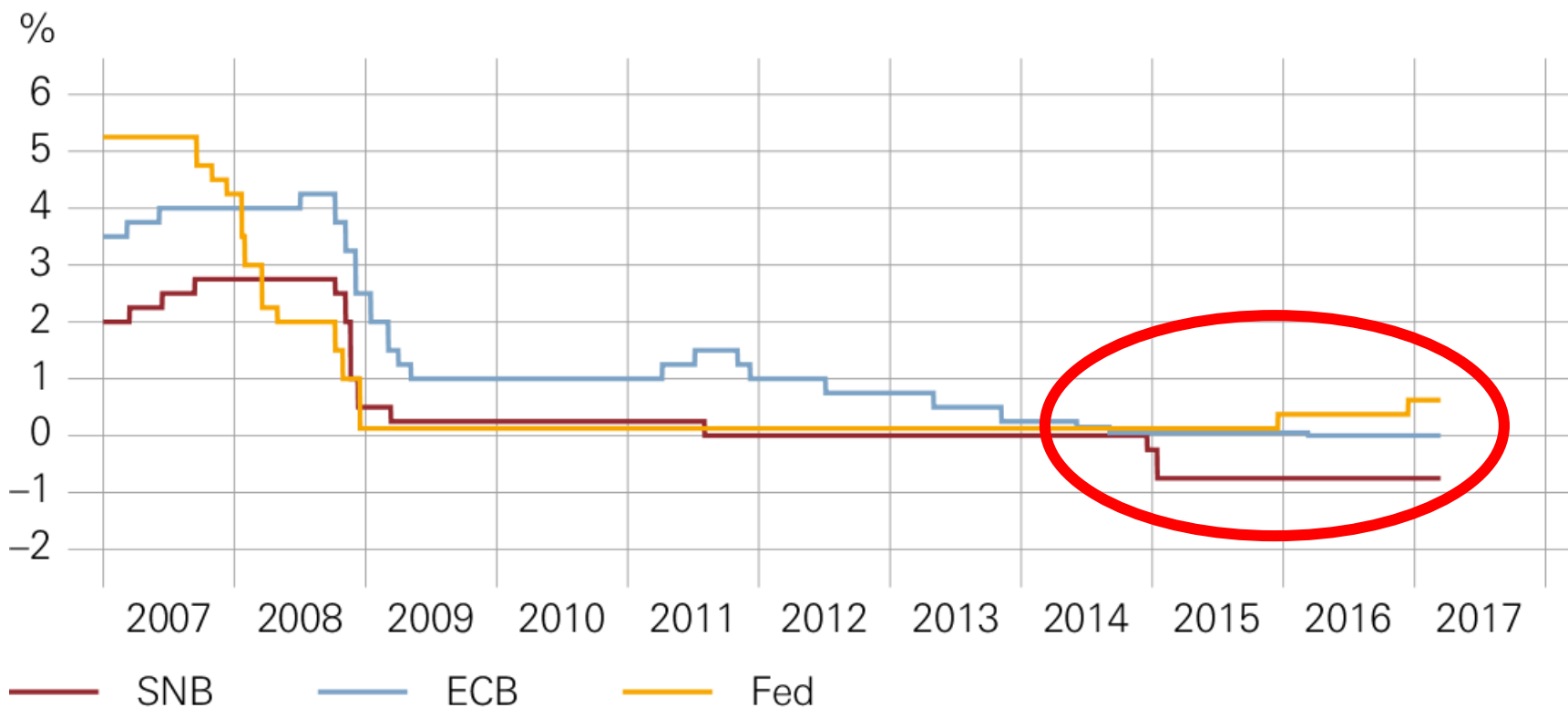
---

3<sup>rd</sup> phase:

Further monetary policy expansion  
in the euro area (from mid-2014)

# Further monetary policy easing by the ECB

## OFFICIAL INTEREST RATES



Sources: SNB, Bloomberg

# Depreciation of the euro

## EURUSD



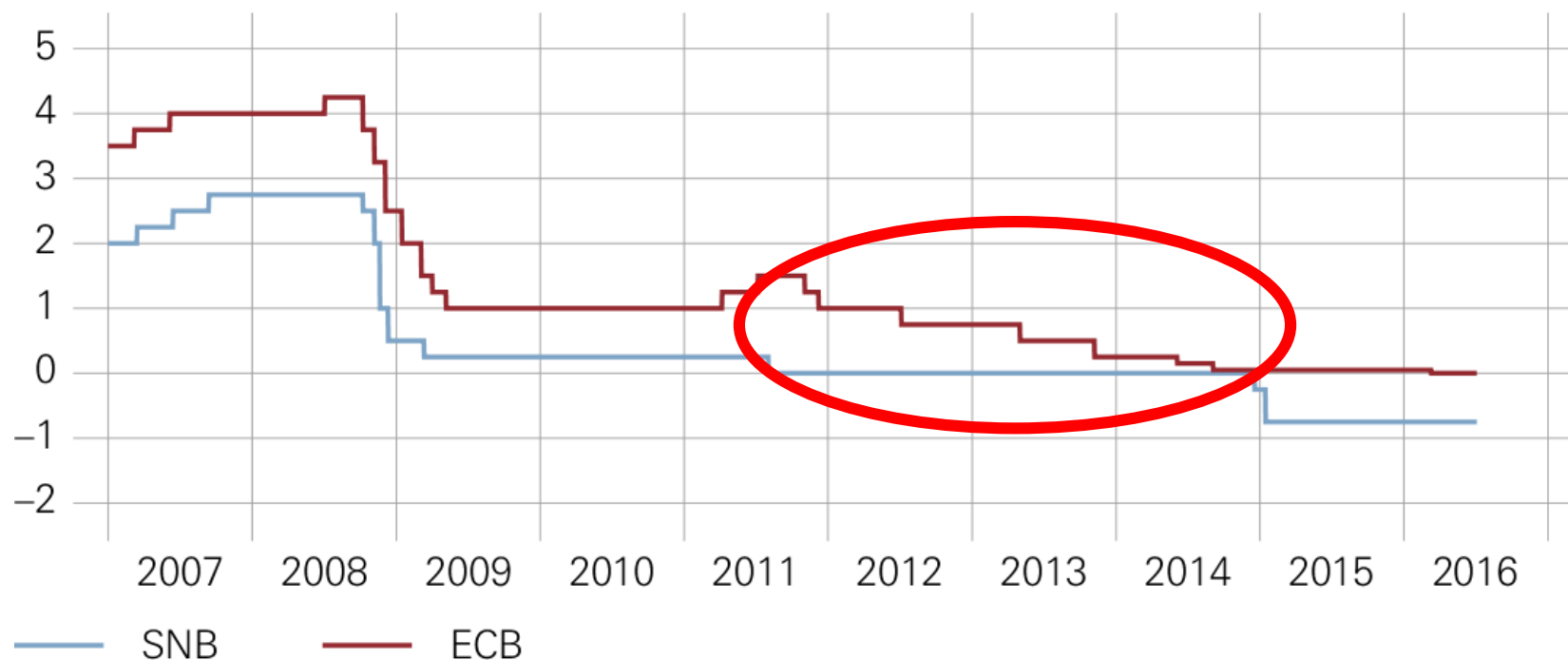
Sources: SNB, Bloomberg

05.05.2017 11:30:21

# Shrinking interest rate differential between Switzerland and the euro area

## OFFICIAL INTEREST RATES

In %



Sources: SNB MAP, Bloomberg

08.05.2017 15:17:49

# Discontinuation of the minimum exchange rate

## NOMINAL EXCHANGE RATES

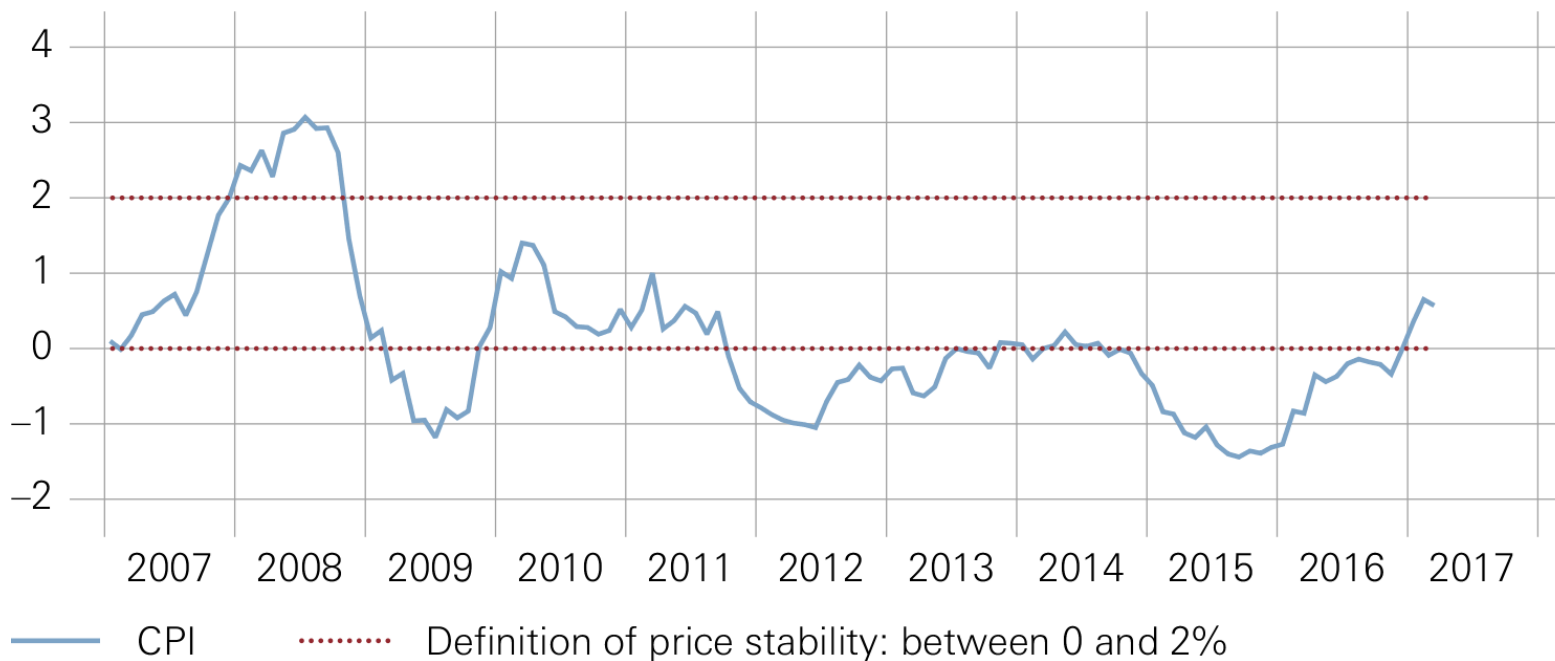


Sources: SNB, Bloomberg

# Low Swiss inflation

## CONSUMER PRICE INDEX

Year-on-year change in percent



Source: Swiss Federal Statistical Office



# Conclusion

- Expansive monetary policy in the euro area has led to an appreciation of the Swiss franc against the euro
- Unconventional monetary policies in Switzerland have helped to limit this appreciation

---

# Thank you for your attention!

© Swiss National Bank

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

