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Press release

The Swiss National Bank lowers its interest rate target range by 0.5 percentage points

Continued concern over exchange rate development of Swiss franc

The Swiss National Bank will lower the target range for the three-month Libor with immediate effect by 0.5 percentage points to 0.75 % -1.75 %. It intends to keep the three-month Libor rate in the middle of the adjusted target range. With this step, the National Bank is reacting to the rapid appreciation of the Swiss franc against the major currencies, which has led to an undesirable tightening of monetary conditions in Switzerland. This jeopardises the economic recovery, which is taking hold more slowly than anticipated. The outlook for price stability, however, remains favourable. The increase in the Swiss national consumer price index in April was mainly due to special factors.

The rise of the Swiss franc is attributable to special economic and political uncertainties. At present, it is hardly possible to assess whether this climate will persist. The National Bank will monitor further developments carefully and will make use of its room for manoeuvre in monetary policy if necessary.

Swiss National Bank