Currencies: Buffers or amplifiers of shocks?

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Reykjavík Economic Conference 2026
28 May 2026

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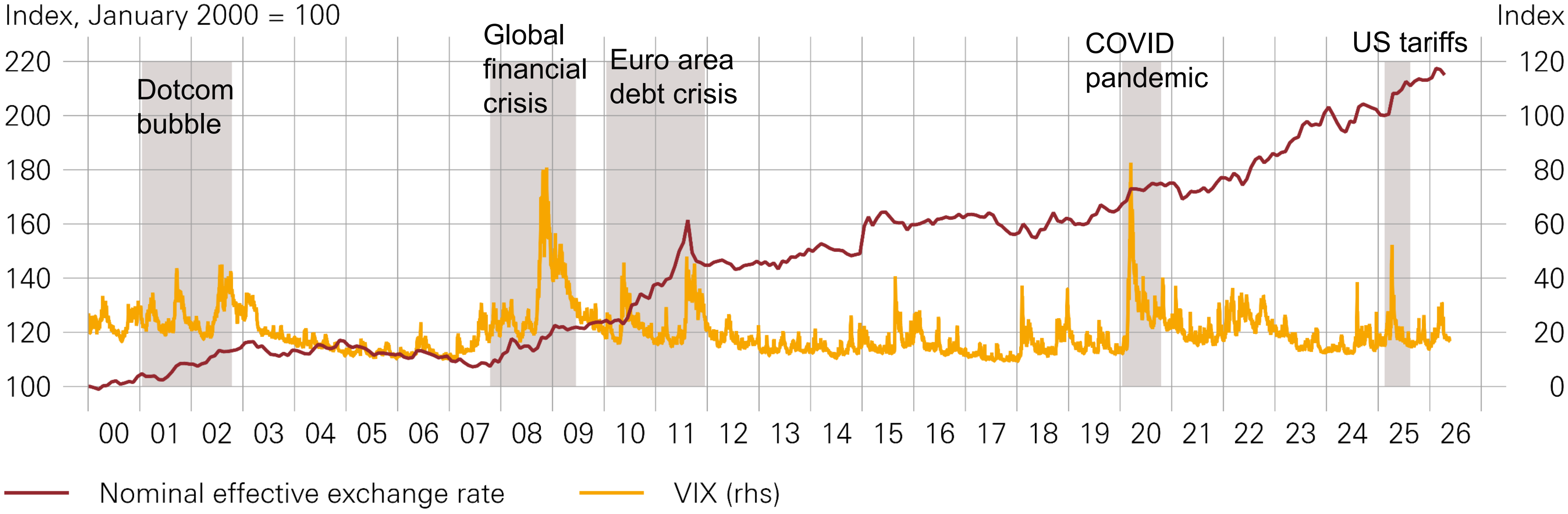
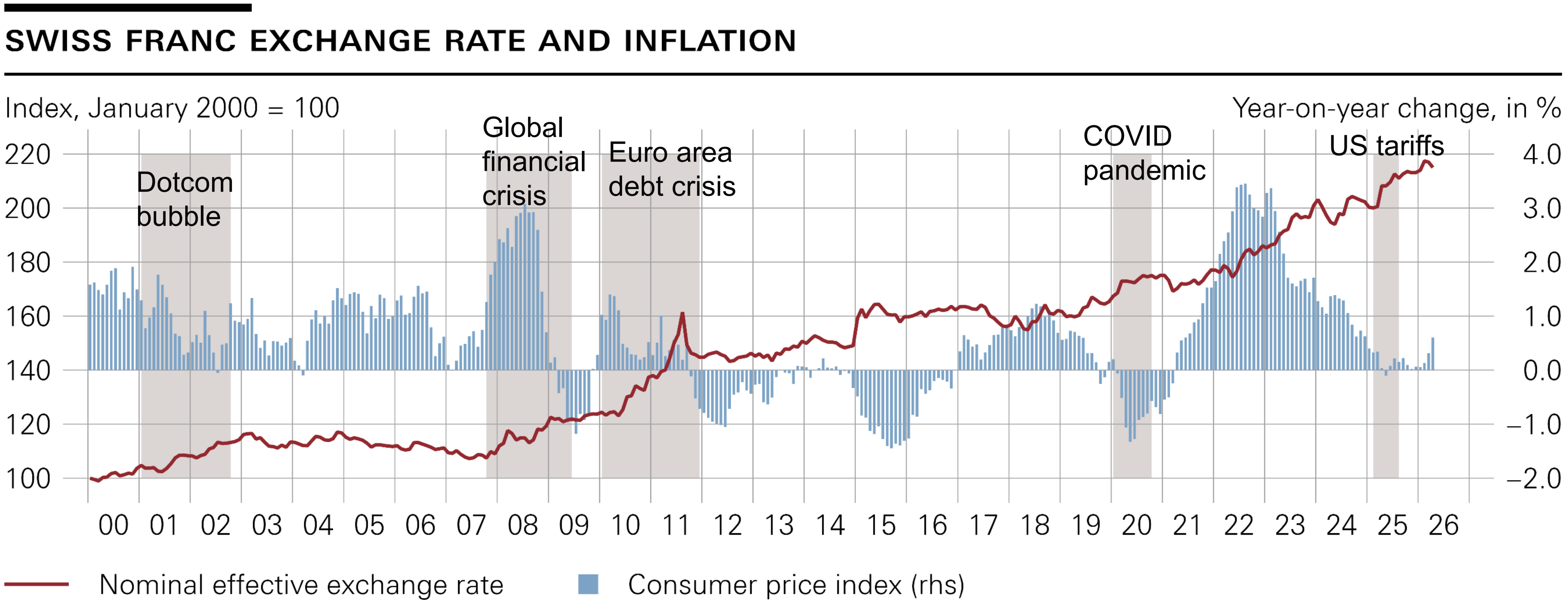
The Swiss franc is a safe-haven currency – it tends to appreciate when global uncertainty is high

SWISS FRANC EXCHANGE RATE AND VIX



Source(s): LSEG Datastream, SNB

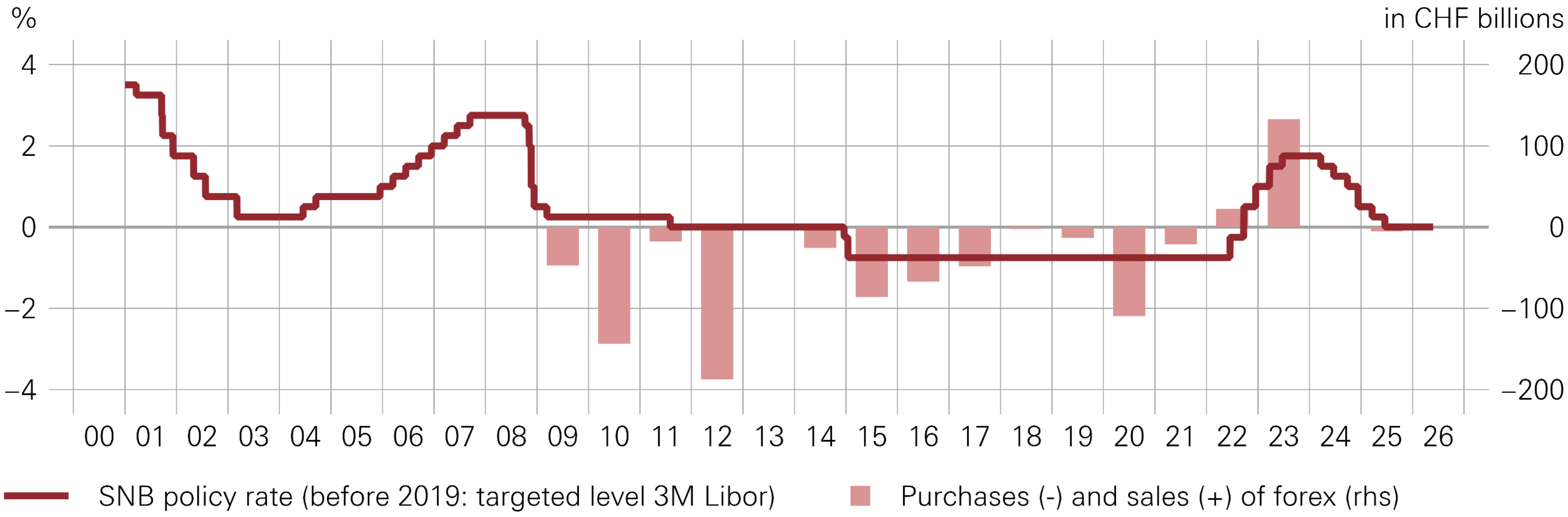
Global economic shocks have repeatedly been followed by a stronger Swiss franc and significant decreases in inflation



Source(s): SFSO, SNB

The SNB's main instrument is the policy rate – foreign-exchange interventions may be used if necessary

SNB POLICY RATE AND FOREIGN EXCHANGE INTERVENTIONS

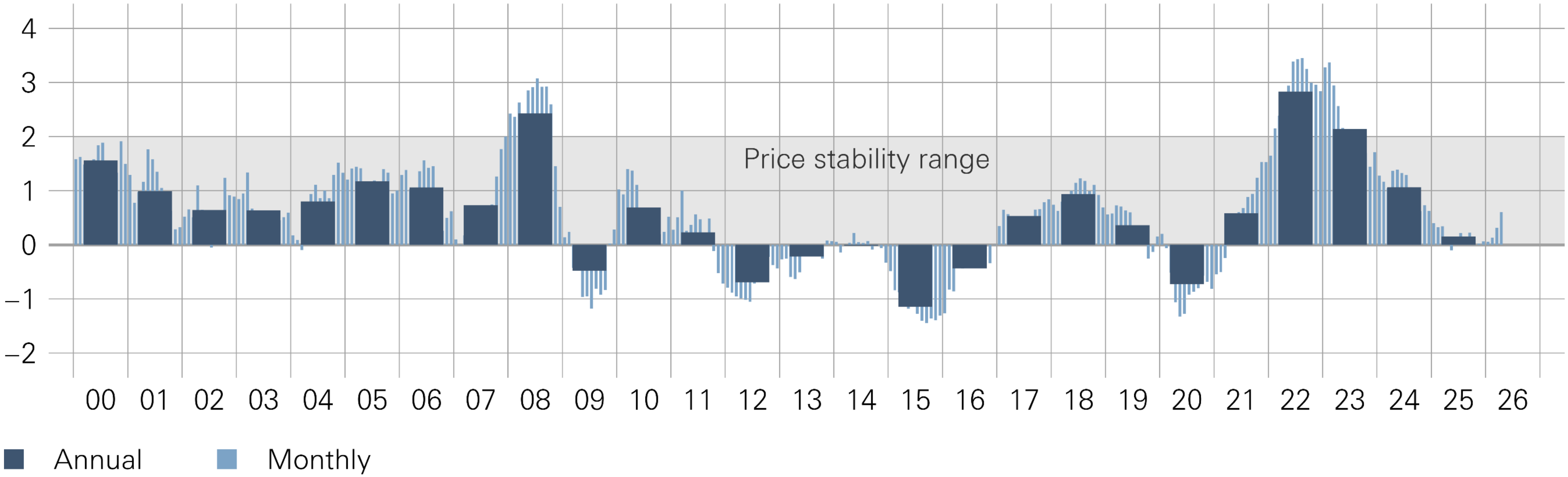


Source(s): SNB

Inflation meets the objective of medium-term price stability

CONSUMER PRICES

Year-on-year change in %



Source(s): LSEG Datastream

Thank you for your attention!

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