SwissTreasurer

Comparison: SNB vs. US Fed Monetary Policy

Generated by AI, November 14, 2026

While the US Federal Reserve (Fed) holds its benchmark interest rate in a range of 3.75% to 4.00% and is considering further hikes, the Swiss National Bank (SNB) leaves its policy rate at 0.00%. This wide interest rate differential reflects differing inflation and economic conditions across the two regions.

Feature	Swiss National Bank (SNB)	US Federal Reserve (Fed)
Current Policy Rate	**0.00%** (unchanged since June 2025)	**3.75% – 4.00%**
Inflation Pressure	Moderate (1.5% in October 2026, within the 0–2% target range)	Elevated (above the 2% target, driven by energy and service prices)
Monetary Stance	Wait-and-see, first moderate rate hikes only expected in 2027	Restrictive, further rate hike likely in December 2026
Exchange Rate Focus	Strong focus on the Swiss franc to maintain price stability	Focus on domestic economy, labor market, and price stability

Why the SNB Maintains Significantly Lower Rates

- **Lower inflation pressure in Switzerland:** Energy expenses account for only about 5% of the Swiss consumer price index, softening the impact of global energy price shocks compared to the US.
- **Moderating effect of the Swiss franc:** The traditional strength of the Swiss franc lowers import costs and acts as a natural monetary tightening.
- **Outlook for Switzerland:** Although the economy remains resilient and inflation has edged slightly higher, economists (including those at Zürcher Kantonalbank) expect only moderate rate increases toward 0.50% to 0.75% over the course of 2027.