
Spillovers from the global financial cycle: Lessons from Switzerland

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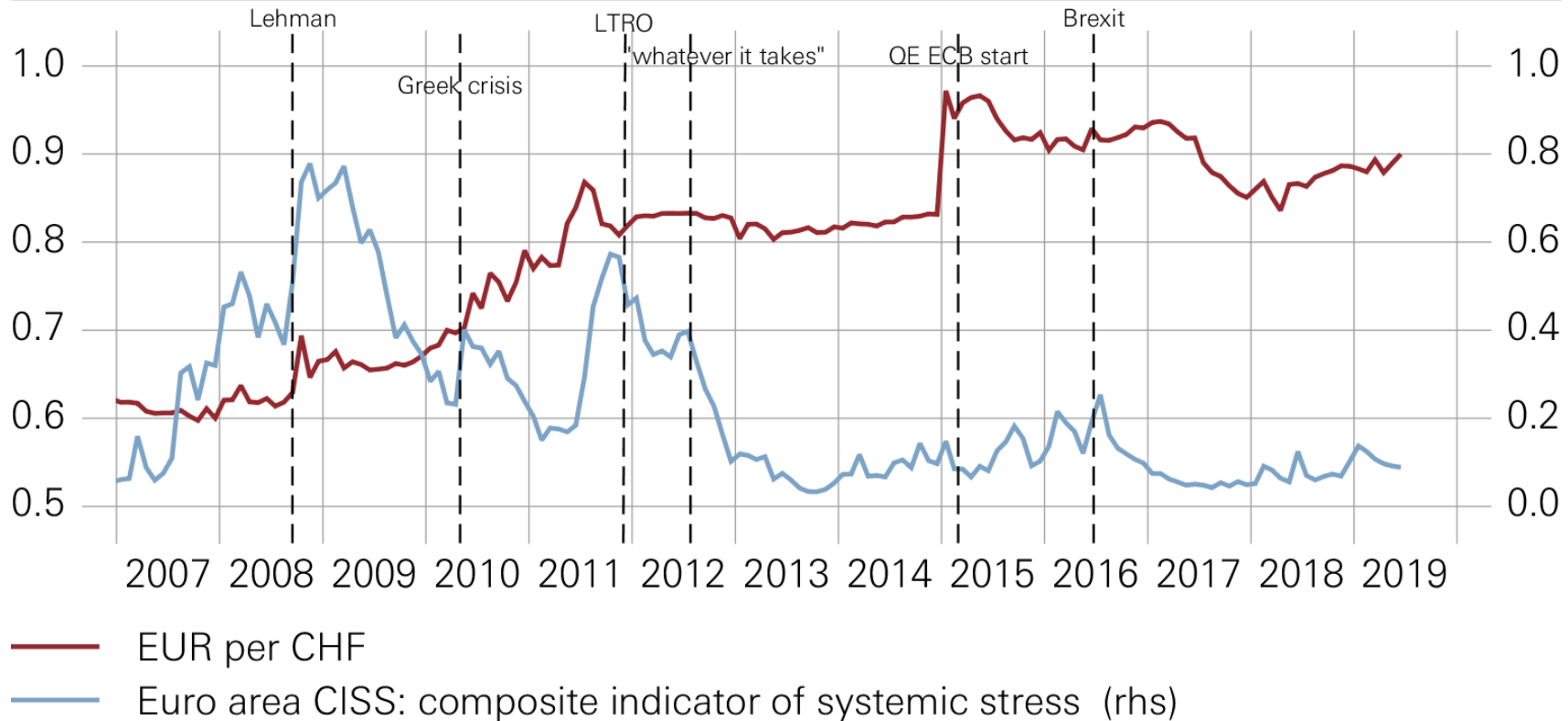
Presentation at BNB-BIS conference
Sofia, 8 July 2019

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Shocks to the global financial cycle affect Switzerland via its exchange rate

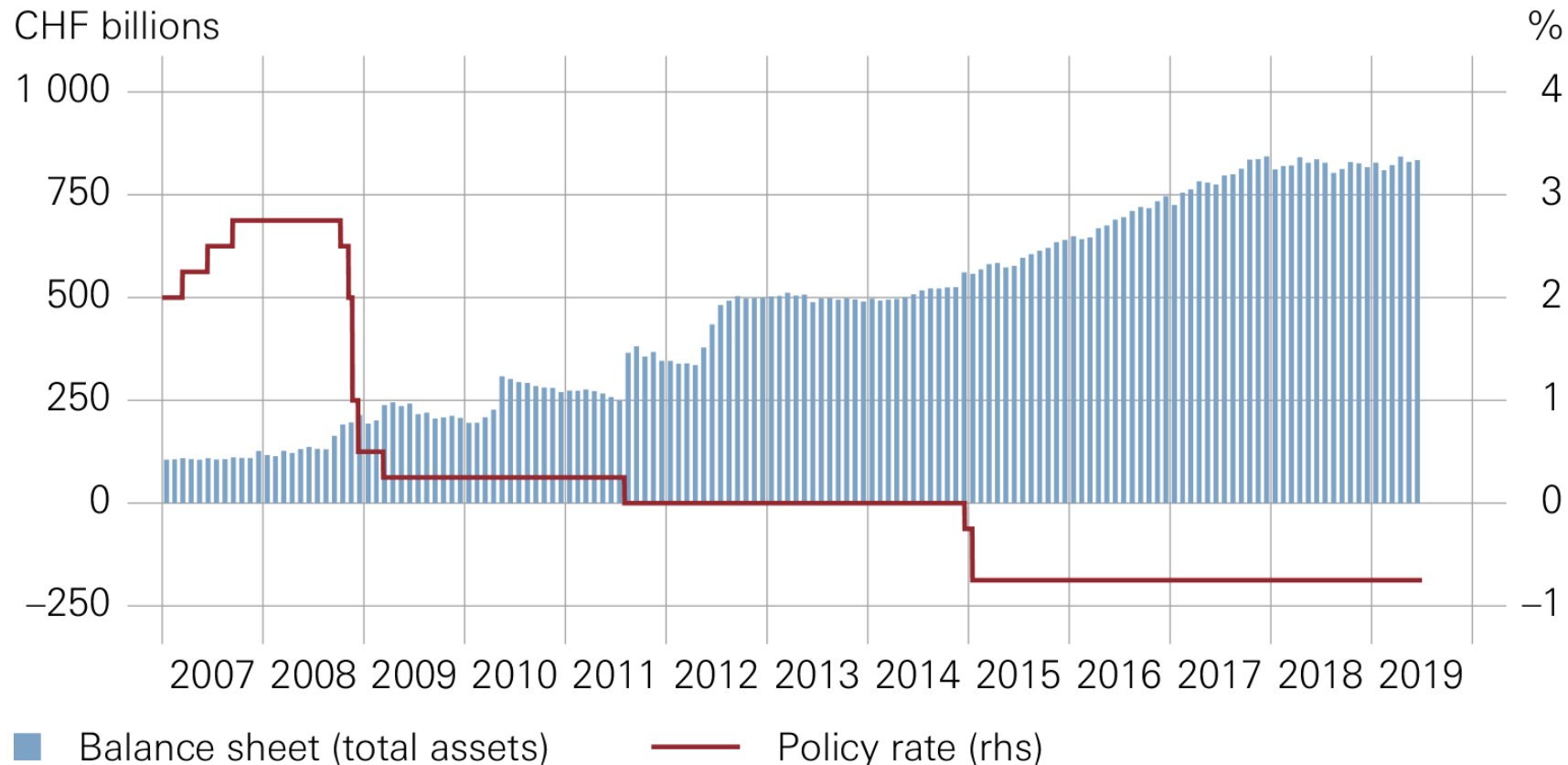
EURO AREA FINANCIAL SYSTEM STRESS AND SWISS FRANC



Sources: ECB, Thomson Reuters Datastream

Unconventional policy tools helped to cushion spillovers from the global financial cycle ...

SNB BALANCE SHEET AND POLICY RATE



... and to stabilise the real effective exchange rate

REAL EFFECTIVE FRANCO EXCHANGE RATE

Index, January 2007 = 100

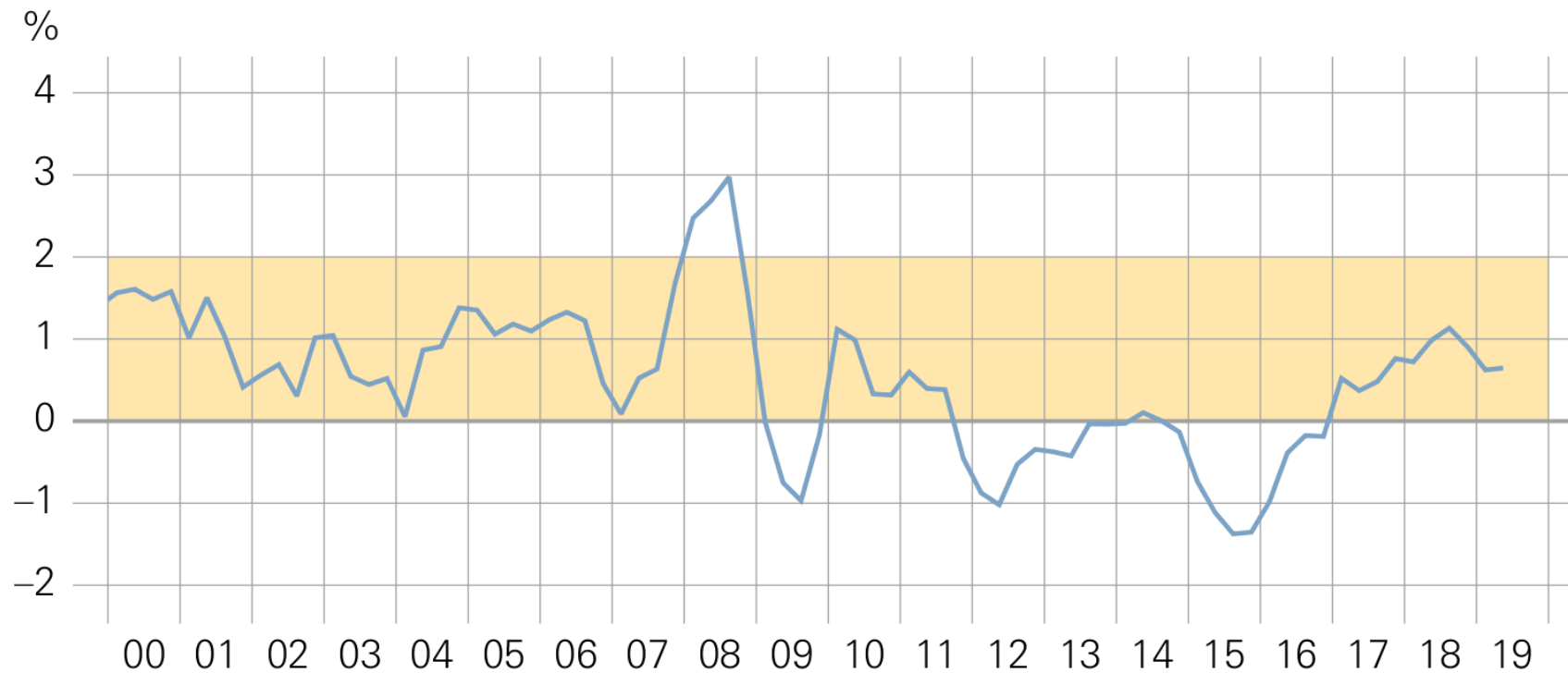


Source: SNB

The SNB has been able to control medium-run inflation dynamics

SWISS CPI INFLATION

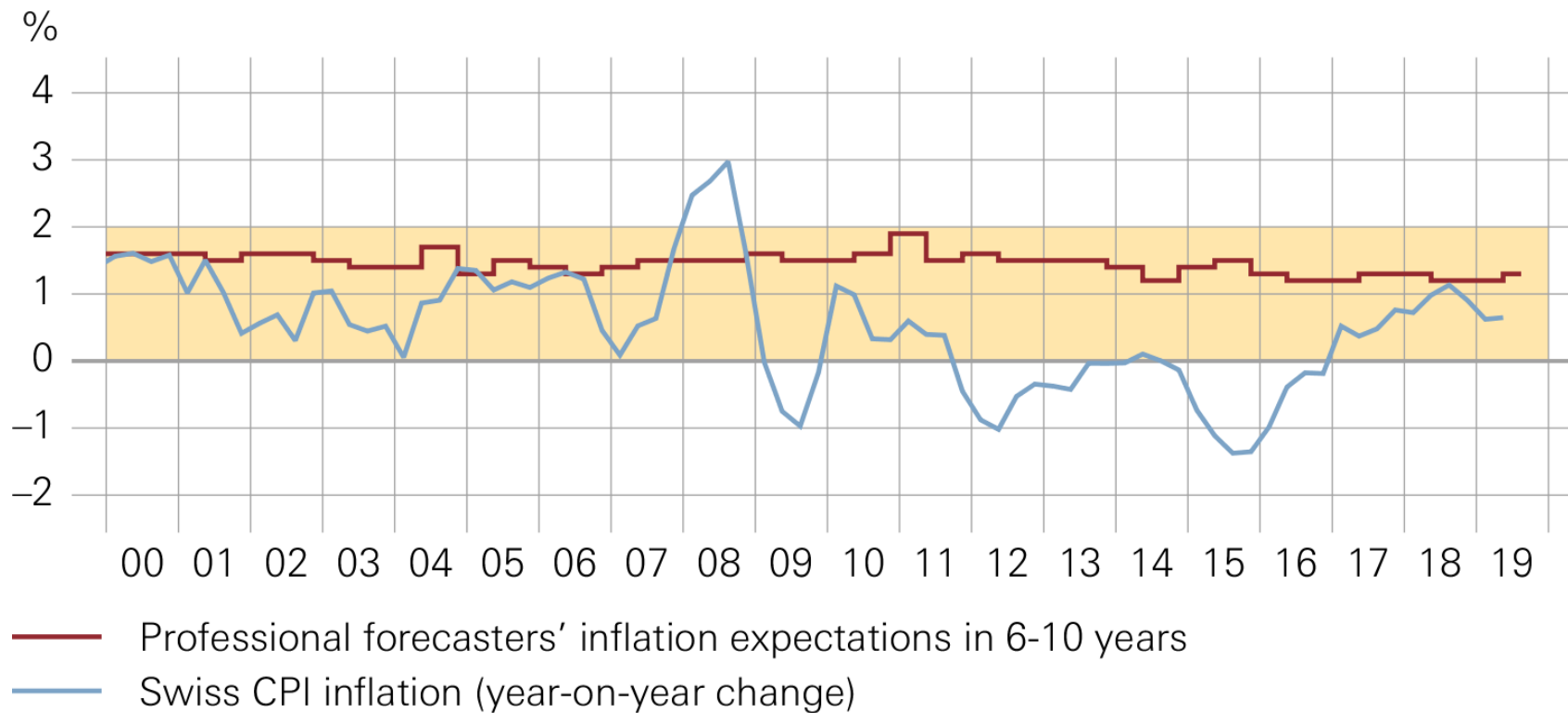
Year-on-year change



Sources: SFSO, SNB

Long-term inflation expectations have remained well anchored

LONG-TERM INFLATION EXPECTATIONS

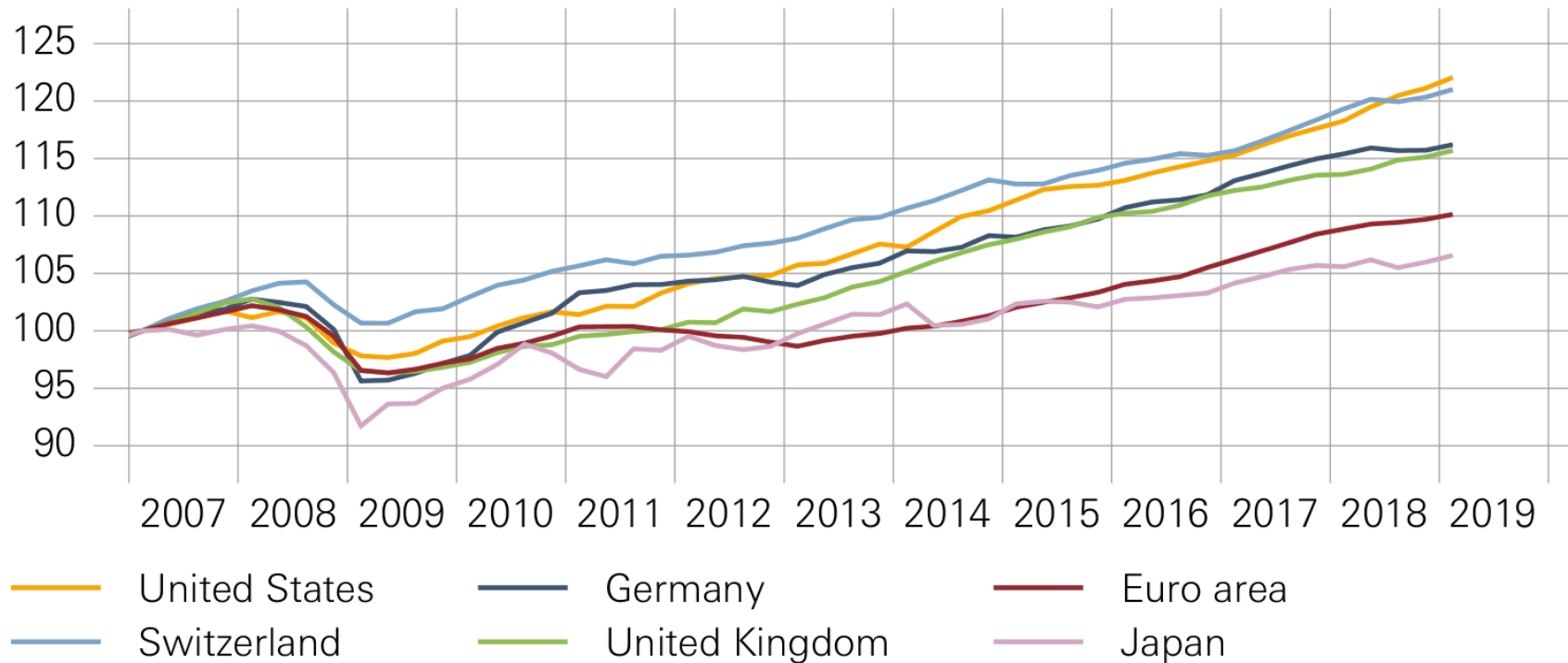


Sources: Consensus Economics, SFSO, SNB

The SNB's monetary policy has served the Swiss economy well

REAL GDP LEVEL

Index, Q1 2007 = 100



Sources: SECO, SNB, Thomson Reuters Datastream

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