

MONETARY POLICY

Advanced question

Monetary policy decisions

The Swiss National Bank implements its monetary policy by influencing the interest rate level in the money market. It sets the SNB policy rate, which it then publishes. The SNB reviews its monetary policy at quarterly assessments (March, June, September, December). If necessary, however, it may also adjust its policy rate at other times.

Put yourself in the place of the SNB's Governing Board and imagine that you have to make an interest rate decision today.

Based on the available data regarding the current state of the economy,¹ what figure would you set for the SNB policy rate? Explain your decision, stating the economic considerations behind it.

¹ Please refer to the current version of the business cycle trends from iconomix for an assessment: [iconomix.ch › Module › Konjunkturtendenzen](https://www.iconomix.ch/Module/Konjunkturtendenzen) or [iconomix.ch › Modules › Tendances conjoncturelles](https://www.iconomix.ch/Modules/Tendances-conjoncturelles) (not available in English).