

Interest rate forecast

The SNB is lowering its key interest rate in March

The SNB reduced the key interest rate from 1.75 to 1.5 percent in its monetary policy assessment for March. It justified the interest rate cut by citing the significant fall in inflation in recent months, the real appreciation of the Swiss franc over the past year and below-trend economic growth in Switzerland.

The SNB is likely to make two further interest rate cuts of 0.25 percentage points each in June and September. We are expecting a key interest rate of 1 percent at the end of the year. The SNB's interest rate cuts are coming sooner than we anticipated, but we do not foresee more than three reductions overall.

Yields on Swiss government bonds and mortgage interest rates have moved sideways since the beginning of the year. The bond markets had already priced in three interest rate cuts of 0.25 percentage points each in the run-up to the SNB's assessment. These are already reflected in the current longer-term interest rates. Longer-term Swiss interest rates are therefore also likely to trend sideways in the coming quarters. Mortgage interest rates linked to SARON, on the other hand, are likely to benefit from the SNB's further interest rate cuts in the next few quarters, as the SARON interest rate is closely linked to the SNB's key interest rate.

(Status as per 21.03.2024. Source: UBS Switzerland AG)

Long-term interest rate trend in %

Remark: Rates through the end of 2010 are based on Libor, and on SARON from 2011.



Sources: Bloomberg, UBS Switzerland AG

The effective interest rate of the product is calculated using the margin + compounded SARON of the accounting period. When calculating the interest rate, the compounded SARON can never be less than zero.

Interest rate forecast in figures

	21/03/24	30/06/24	31/12/24	30/06/25	31/12/25
SARON	1.69	1.25	1.00	1.00	1.02
Swap 3 years	1.04	1.05	0.87	0.88	0.94
Swap 5 years	1.05	1.09	0.97	0.96	1.02
Swap 10 years	1.19	1.20	1.12	1.10	1.17

Sources: Bloomberg, UBS Switzerland AG

Please note that the stated interest rate is in part a forecast and the actual interest rate may be higher or lower.

Historical developments and financial market scenarios are not reliable indicators of future performance. If this material contains forecasts, such statements are forward looking and therefore involve various risks and uncertainties. They are not a guarantee of future developments in interest rates.

Credit Suisse Financing

Our solution for your mortgage

For the right mix of security and flexibility, we recommend a combination of different mortgages and terms. This allows you to factor in possible interest rate risks and reduce the risk that you will have to renew the entire mortgage amount at high interest rates. Our recommendation is tailored to your individual risk profile, which we divide into three categories:

Your strategy

Security-oriented

You have a low tolerance for interest rate fluctuations not require flexibility and have a medium to long time horizon.

Balanced

You are prepared to accept average fluctuations in interest rates, are looking for medium flexibility, and have a medium time horizon.

Dynamic

You are prepared to accept strong fluctuations in interest rates are looking for a high degree of flexibility, and have a relatively short time horizon.

Further information

The Financing Experts at Credit Suisse will be happy to advise you and recommend the best product solution for your individual needs.

Call us at 0844 100 114*

For more information visit our website at credit-suisse.com/mortgages

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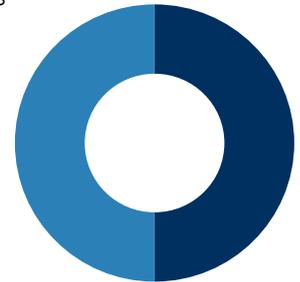
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Our proposal for the product mix in the current interest rate environment – depending on your individual risk profile

Security-oriented

Fix mortgages with different terms

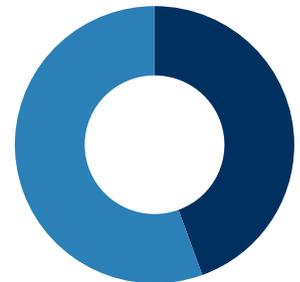
- 3-year Fix mortgage 50%
- 5-year Fix mortgage 50%



Balanced

Combination of Fix and SARON mortgages

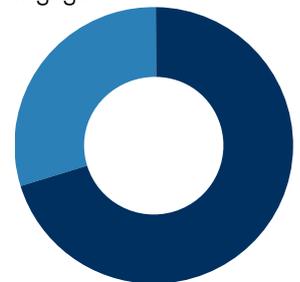
- 1-year SARON mortgage (3-month tranche), 40%
- 5-year Fix mortgage 60%



Dynamic

Combination of Fix and SARON mortgages

- 1-year SARON mortgage (3-month tranche), 70%
- 3-year Fix mortgage 30%



Source: Credit Suisse