



Source: Gettyimages

Swiss franc: Between structural appreciation and cyclical depreciation

20 February 2026, 08:17 UTC, written by Michael Bolliger

The Swiss franc is expected to remain a rock of stability in 2026: Global uncertainties, high debt levels, and Switzerland's stable conditions should continue to drive strong demand for the franc. This poses a challenge for the Swiss export industry. However, the current strength of the franc is unlikely to be sufficient to trigger systematic interventions by the SNB, especially as cyclical factors—such as a possible recovery in Europe—could temporarily weaken the franc.

The Swiss franc appears set to retain its role as a perceived safe-haven currency this year. In early February, the EURCHF briefly fell below the 0.91 mark—a level last reached when the lower limit was abolished. The franc is also trading stronger against the US dollar, after appreciating by over 12 percent in 2025. This renewed appreciation reflects an environment characterized by geopolitical uncertainty, subdued growth, and heightened market sensitivity to risks. In such an environment, investors seek as much stability as possible, for example, in the franc.

According to our foreign exchange survey, business leaders see political and geopolitical events as the main reason for the ongoing strength of the franc. Economic uncertainties and the monetary policies of major central banks also play a role. While Switzerland stands out as comparatively robust with low inflation and solid public finances, growth prospects

This educational report has been prepared by UBS Financial Services, Inc. Please see important disclaimers and disclosures at the end of the document.

in the eurozone remain fragile, and the dollar is weighed down by political uncertainties and rising debt. As this situation is unlikely to change in the near term, we do not expect the structural appreciation pressure on the franc to disappear.

This view is shared by Swiss companies according to our [survey](#) (available in German and French): By the end of 2026, the 300 Swiss firms surveyed expect, on average, a EURCHF exchange rate of 0.91 and a USDCHF rate of 0.78, i.e., exchange rates that are expected to move sideways. For many companies, however, the strength of the franc does not appear to be an existential problem. They report that the appreciation against the US dollar has had no effect or even a positive effect—for example, because they are heavily import-oriented or the US is not a key sales market. The situation is different for exporters whose revenues are highly dependent on the dollar: For about half of them, the combination of franc appreciation and higher US tariffs has had a clearly negative impact. For 11 percent, exports to the US are no longer profitable at current exchange rates. If the USDCHF rate were to fall to 0.70-0.75, almost half of these companies would consider their US exports unprofitable.

The economic outlook also remains subdued. Although sentiment has improved slightly following the customs agreement reached between Switzerland and the US in November, more companies overall expect lower rather than higher growth in 2026. This assessment aligns with our forecast of 0.9 percent growth for the current year. Only with a possible recovery of the German economy in the second half of 2026 is Switzerland likely to return closer to its trend growth. This expected recovery in Germany—and thus in the European economy as a whole—is also the main reason our currency specialists expect the EURCHF to appreciate to 0.95 by summer. According to our estimates, the franc is overvalued against the euro. If this does not occur, the franc is unlikely to lose its role as a perceived safe-haven currency against the euro this year.

Despite the strength of the franc, low inflation, and subdued growth, the Swiss National Bank (SNB) currently sees little reason for intervention. The policy rate is likely to remain at zero percent over the next twelve months. Continued appreciation of the franc would likely dampen inflation further and increase the risk of negative monthly readings, but overall inflation should remain above zero in 2026. Foreign exchange interventions are possible in this environment, but we believe they will remain selective. In our view, the conditions for a sustained weakening of the franc are not in place; our foreign exchange survey confirms this.

Our conclusion? The environment is certainly challenging for the domestic export sector; however, systematic currency interventions also come with costs—political, economic, and social. In an environment where easy decisions are increasingly rare, the SNB has chosen to avoid monetary activism. Accordingly, structural strength in the franc is likely to remain a reality, even if phases of consolidation are possible. For investors, it may well be worthwhile in this environment to hedge part of their foreign currency portfolio, especially against the dollar, despite the historically high relative costs.

Disclaimer

Hong Kong / Singapore: For Global Wealth Management clients of UBS AG Singapore / Hong Kong branch, please refer to the [HK/SG Marketing Material Disclaimer](#) .

This document is prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland), its subsidiaries or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. In the USA, UBS Financial Services Inc. is a subsidiary of UBS AG and a member of FINRA/SIPC. Additional Disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.

This document and the information contained herein are provided solely for your information and UBS marketing purposes. Nothing in this document constitutes investment research, investment advice, a sales prospectus, or an offer or solicitation to engage in any investment activities. This document is not a recommendation to buy or sell any security, investment instrument, or product, and does not recommend any specific investment program or service.

Information contained in this document has not been tailored to the specific investment objectives, personal and financial circumstances, or particular needs of any individual client. Certain investments referred to in this document may not be suitable or appropriate for all investors. In addition, certain services and products referred to in the document may be subject to legal restrictions and/or license or permission requirements and cannot therefore be offered worldwide on an unrestricted basis. No offer of any product will be made in any jurisdiction in which the offer, solicitation, or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation, or sale.

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document's accuracy, sufficiency, completeness or reliability. All information and opinions expressed in this document are subject to change without notice and may differ from opinions expressed by other business areas or divisions of UBS Group. UBS is under no obligation to update or keep current the information contained herein. **The views and opinions expressed in this material by third parties are not those of UBS.** Accordingly, UBS does not accept any liability over the content shared by third parties or any claims, losses or damages arising from the use or reliance of all or any part thereof.

All pictures or images ("images") herein are for illustrative, informative or documentary purposes only and may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. Unless expressly stated, no relationship, association, sponsorship or endorsement is suggested or implied between UBS and these third parties. Any charts and scenarios contained in the document are for illustrative purposes only. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. Historical performance is no guarantee for, and is not an indication of future performance.

Nothing in this document constitutes legal or tax advice. UBS and its employees do not provide legal or tax advice. This document may not be redistributed or reproduced in whole or in part without the prior written permission of UBS. To the extent permitted by the law, neither UBS, nor any of its directors, officers, employees or agents accepts or assumes any liability, responsibility or duty of care for any consequences, including any loss or damage, of you or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it.

Additional Disclaimer relevant to Credit Suisse Wealth Management: Except as otherwise specified herein and/or depending on the local entity from which you are receiving this document, this document is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website <https://www.credit-suisse.com>. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.

Please visit <https://www.ubs.com/global/en/wealth-management/insights/chief-investment-office/marketing-material-disclaimer.html> to read the full legal disclaimer applicable to this document.

© UBS 2026. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.