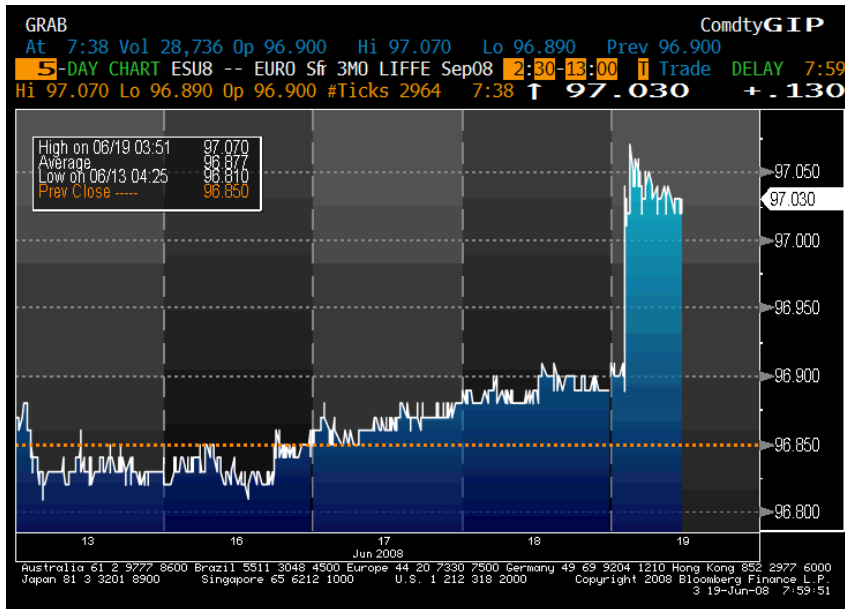




SNB

MGA report that market pricing for a near term hike in Swiss rates is overdone proves to be correct as SNB holds rates steady.

SUMMARY The odds have grown that the SNB could hike rates this week, but on balance it has good reasons to wait and keep its policy options open. While modest tightening is conceivable at some point as insurance against second-round inflation effects, market expectations that the SNB will eventually raise the three-month LIBOR target to 3.25%—and possibly beyond—are overdone for now.



Source: Bloomberg

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