

# Investments - Flash

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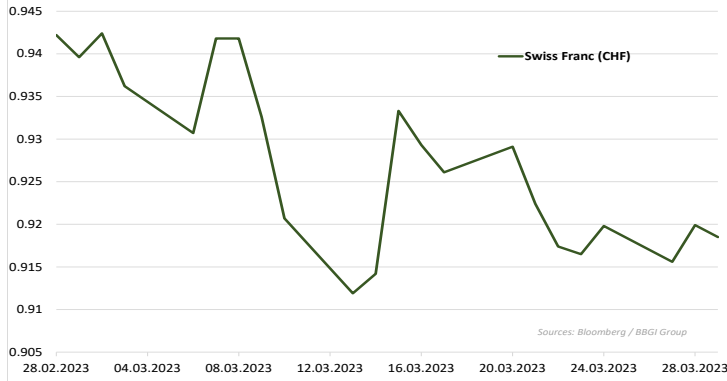
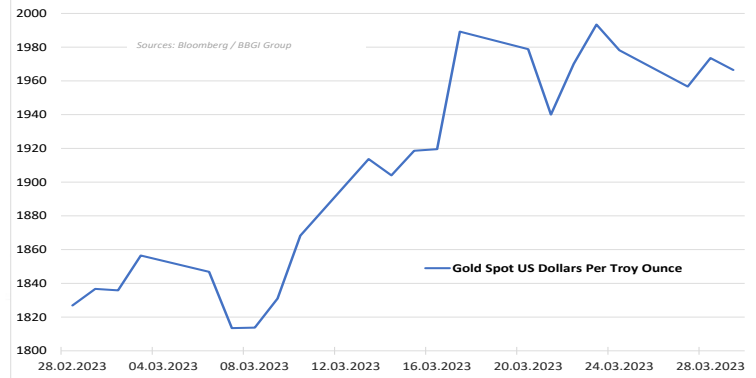
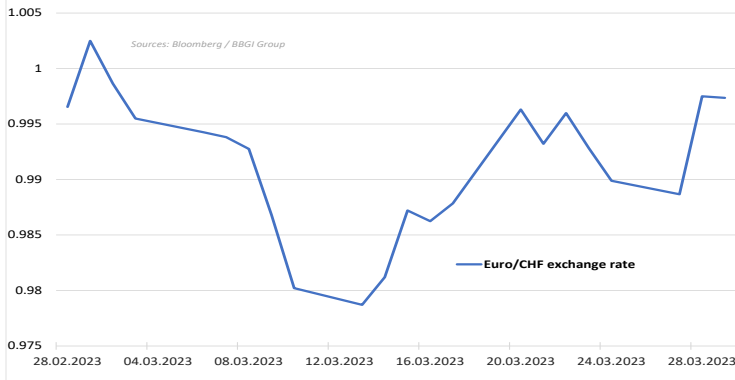
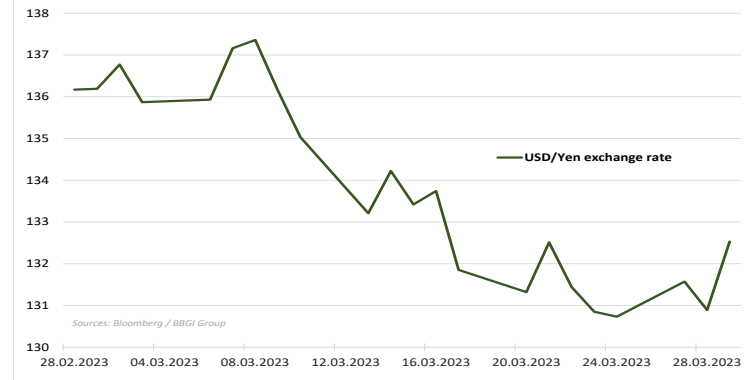


## THE SWISS FRANC IS STILL IN SHOCK

### Switzerland's financial stability is in question

The banking crisis of the last few days has had a major impact on the financial stability of Switzerland, which had never imagined to face a major crisis situation such as the one posed by the risk of bankruptcy of the country's second systemic bank. In a few hours, a situation that was considered to be under control deteriorated to the point of requiring an emergency rescue by CS to avoid the worst. Fifteen years after the SNB's rescue of UBS, this transaction, sometimes described as the purchase of shame, will certainly leave lasting and bitter traces in Switzerland, but also among the international clientele of Swiss banks, who will not fail to be concerned about what remains of the reputation of prudence and solidity of the Swiss financial center. The credibility of the banking sector is thus damaged and also undermines the perception of the solidity of the Swiss franc and its character as a safe haven.

At the emergence of the banking crisis in the US, the franc was initially in demand, gaining +3.3% against the US dollar, which was losing -2% against the euro and -4% against the yen. After the CS crisis weekend, the yen remains after gold (+7.7%) the main safe-haven asset and appreciates by +4.5%, against lower increases of the euro (+2.6%) and the CHF (+2.5%). It is a relief to see that the Swiss crisis has not had any major repercussions on the value of the Swiss franc to date. The week of crisis was followed by an expected increase in the SNB's key interest rates of 0.5% and 0.25% by the Fed, thus reinforcing the yield differential in favor of the franc. It is probably a little too early to determine the long-term implications of this transaction, but it seems that the status of the franc, still in shock, is not immediately in question.


**Evolution of the Swiss Franc (CHF)**

**Evolution of Gold Spot \$/OZ**

**Evolution of EUR/CHF exchange rate**

**Evolution of USD/JPY exchange rate**


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