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Press Release

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KOF Economic Barometer: Swiss Currency Shockwave is Losing its Power

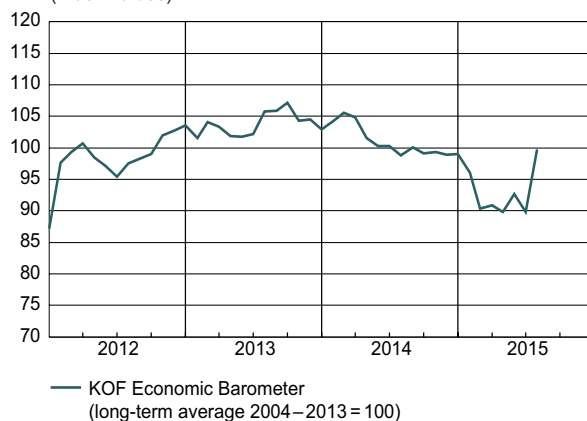
The KOF Economic Barometer increased by 10 points to 99.8 points in July 2015 (from revised 89.8 in June). The Barometer thus jumps back to its long-term mean value. While the strong Swiss franc continues to place a burden on the Swiss economy, however, the first shockwave after the abandon of the minimum price is clearly losing its power.

The KOF Economic Barometer is once again approaching its long-term mean value in July 2015. The Economic Barometer is displaying changes of the overall economic production at an early stage. The increase of the Barometer is therefore a reaction to the unfavourable development since the cancellation of the minimum price of the Swiss franc. The increase of the Barometer to the long-term mean value does not yet mean that the Swiss economy is in "normal mode" again. However, the KOF Barometer does indicate that the Swiss economy hopes to be able to come to terms with the first shock of the Swiss franc in the next few months.

Admittedly, the increase of the Barometer is not very broadly based. In particular, it is based on the development of some individual indicators regarding the prime costs, exporters' expectations and the competitors' position in the manufacturing sector. After clearly negative tendencies in

KOF Economic Barometer

(Index values)



Values for the past months

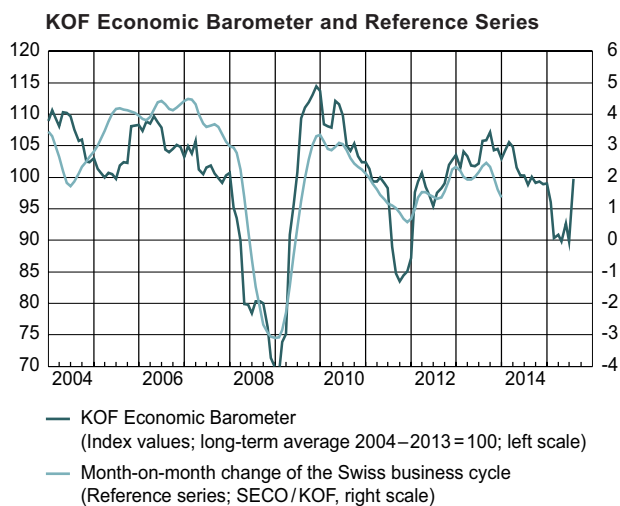
Current level/Level a month ago

| | | |
|---------|-------|-------|
| 2014-07 | 98.8 | 98.8 |
| 2014-08 | 100.1 | 100.1 |
| 2014-09 | 99.2 | 99.2 |
| 2014-10 | 99.4 | 99.4 |
| 2014-11 | 98.9 | 98.9 |
| 2014-12 | 99.0 | 99.0 |
| 2015-01 | 96.1 | 96.1 |
| 2015-02 | 90.3 | 90.3 |
| 2015-03 | 90.9 | 90.9 |
| 2015-04 | 89.8 | 89.8 |
| 2015-05 | 92.7 | 92.7 |
| 2015-06 | 89.8 | 89.7 |
| 2015-07 | 99.8 | |

the previous months, there has now been a countermovement in these variables. Also in the hotel and catering sector the prospects are no longer quite as gloomy as they were. The partial indicators for the banking sector and construction indicate a stable development on the existing path. According to the indicators, consumption is likewise expected to stabilise on the current path. Only the international environment presents itself slightly less favourable in July than before.

KOF Economic Barometer and Reference Series

The KOF Economic Barometer is a composite leading indicator for the Swiss economy. The latest version comprises 217 indicator variables, which are combined based on statistically determined weights. The indicator variable selection and their weights are updated annually after the release of the previous year's annual Gross Domestic Product (GDP) data by the Swiss Federal Statistical Office. Last year's revision took place in October. Our new reference series is the smoothed continuous growth rate of Swiss GDP according to the new System of National Accounts ESGV 2010, released at the end of September 2014.



For detailed information on the KOF Economic Barometer and on the October 2014 revision, see:
<http://www.kof.ethz.ch/en/indicators/economic-barometer/>

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