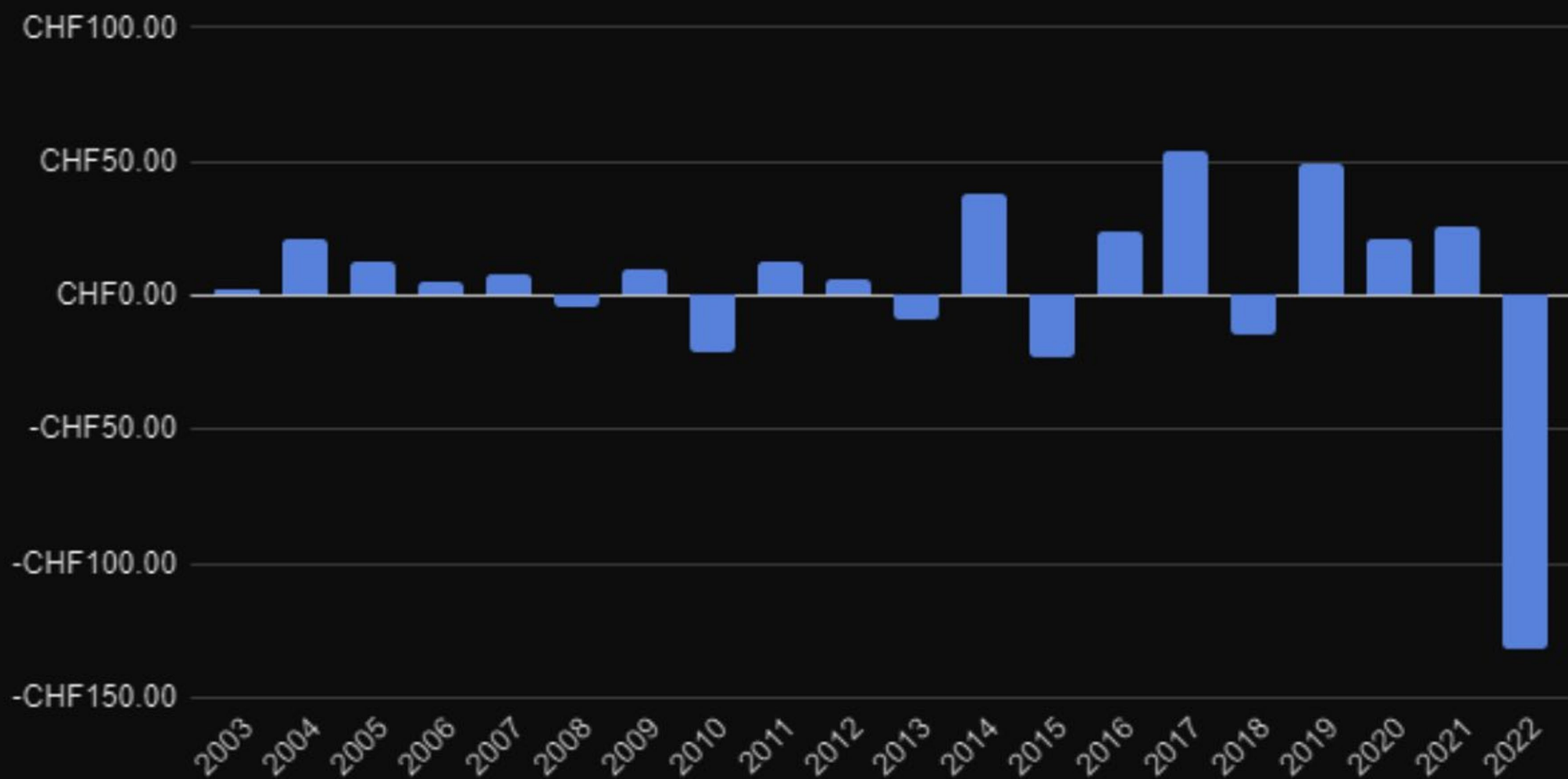


# Pertes de la BNS et turbulences financières : quel impact sur l'économie ?

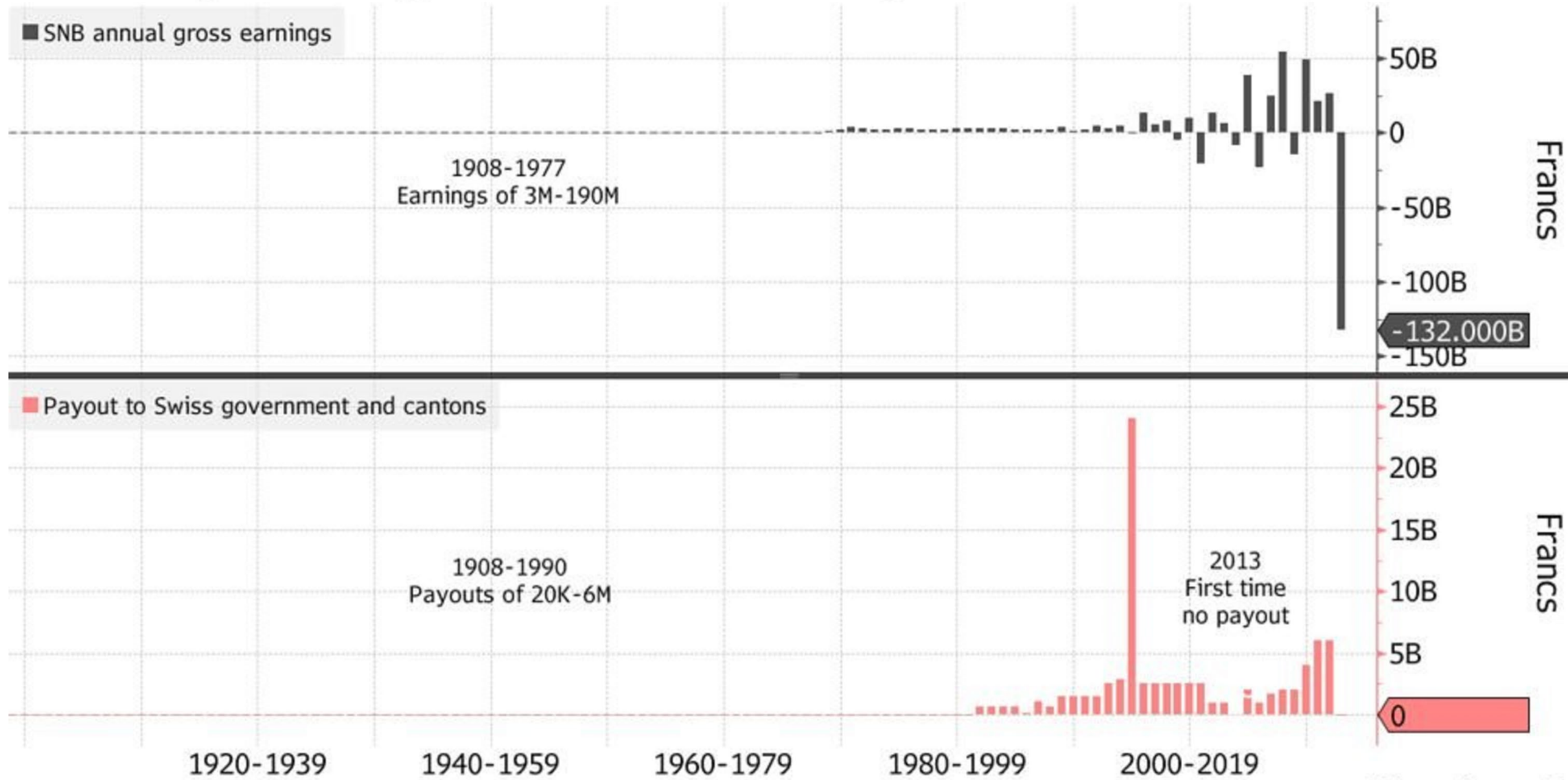
Michel Santi, économiste et financier

Journées romandes des arts et métiers | 22 juin 2023

# Swiss National Bank reported profits from 2003-2023 (in billions CHF)



# SNB Reports Highest Loss in History



Source: Swiss National Bank

Bloomberg

Perte BNS (2022) =  
132 milliards de CHF  
SOIT à 18% du PIB national

Plus importante contreperformance depuis  
sa création il y a 116 ans

Coût de 15'000 francs à chaque citoyen  
suisse

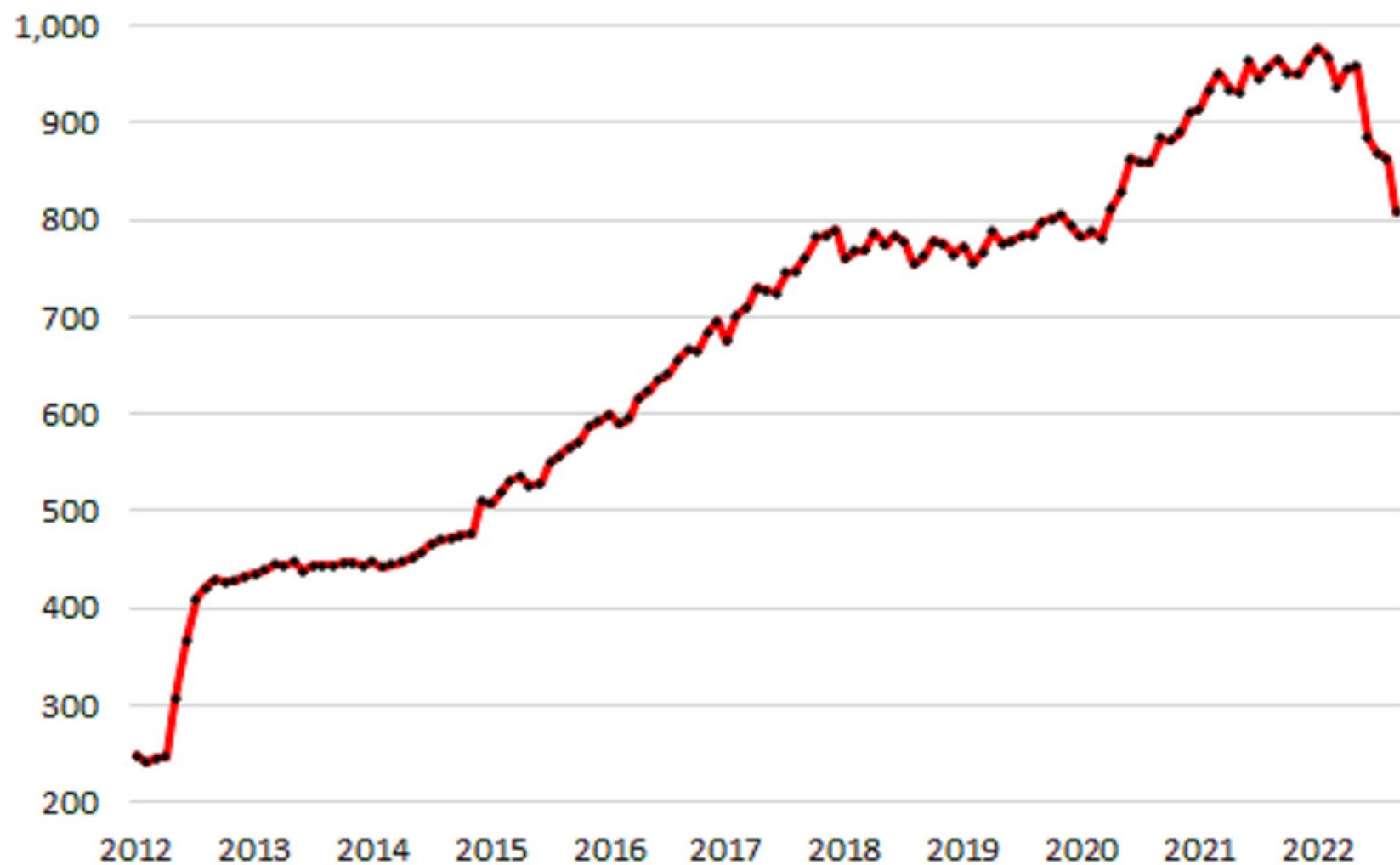
Les fonds propres de la BNS (l'actif net de la  
banque centrale = valeur de ses  
investissements - ses dettes) :

66 milliards au 31.12.22

200 milliards au 31.12.21

## Swiss National Bank Foreign Currency Investments

CHF, billions



Source: SNB

WOLFSTREET.com

# Fed's Total Assets, From Crisis to Crisis

Trillion \$, week ending Wednesday



Source: Fed H.4.1. Balance Sheet

WOLFSTREET.com

# ECB Assets: TLTRO III & Other Loans, Trillion €

Each gridline = €200 billion



The Federal Open Market Committee (FOMC): FED

1. Jerome H. Powell - Chair of the Board of Governors of the Federal Reserve System.
2. John C. Williams - President of the Federal Reserve Bank of New York.
3. Randal K. Quarles - Vice Chair for Supervision of the Board of Governors.
4. Michelle W. Bowman - Member of the Board of Governors.
5. Lael Brainard - Member of the Board of Governors.
6. Richard H. Clarida - Vice Chair of the Board of Governors.
7. Mary C. Daly - President of the Federal Reserve Bank of San Francisco.
8. Charles L. Evans - President of the Federal Reserve Bank of Chicago.
9. Esther L. George - President of the Federal Reserve Bank of Kansas City.
10. Loretta J. Mester - President of the Federal Reserve Bank of Cleveland.
11. Christopher J. Waller - Member of the Board of Governors.
12. James Bullard - President of the Federal Reserve Bank of St. Louis.
13. Raphael W. Bostic - President of the Federal Reserve Bank of Atlanta.
14. Neel T. Kashkari - President of the Federal Reserve Bank of Minneapolis.
15. Eric S. Rosengren - President of the Federal Reserve Bank of Boston.
16. Robert S. Kaplan - President of the Federal Reserve Bank of Dallas.

Les membres du Directoire BCE :

- Christine Lagarde, président de la BCE.
- Luis de Guindos, vice-président de la BCE.
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- Deputy Governor. HIMINO Ryozi.
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- Member of the Policy Board. NOGUCHI Asahi.
- Member of the Policy Board. NAKAGAWA Junko.
- Member of the Policy Board. TAKATA Hajime.

Direction Générale BNS:

Thomas Jordan

Martin Schlegel

Andréa Maechler





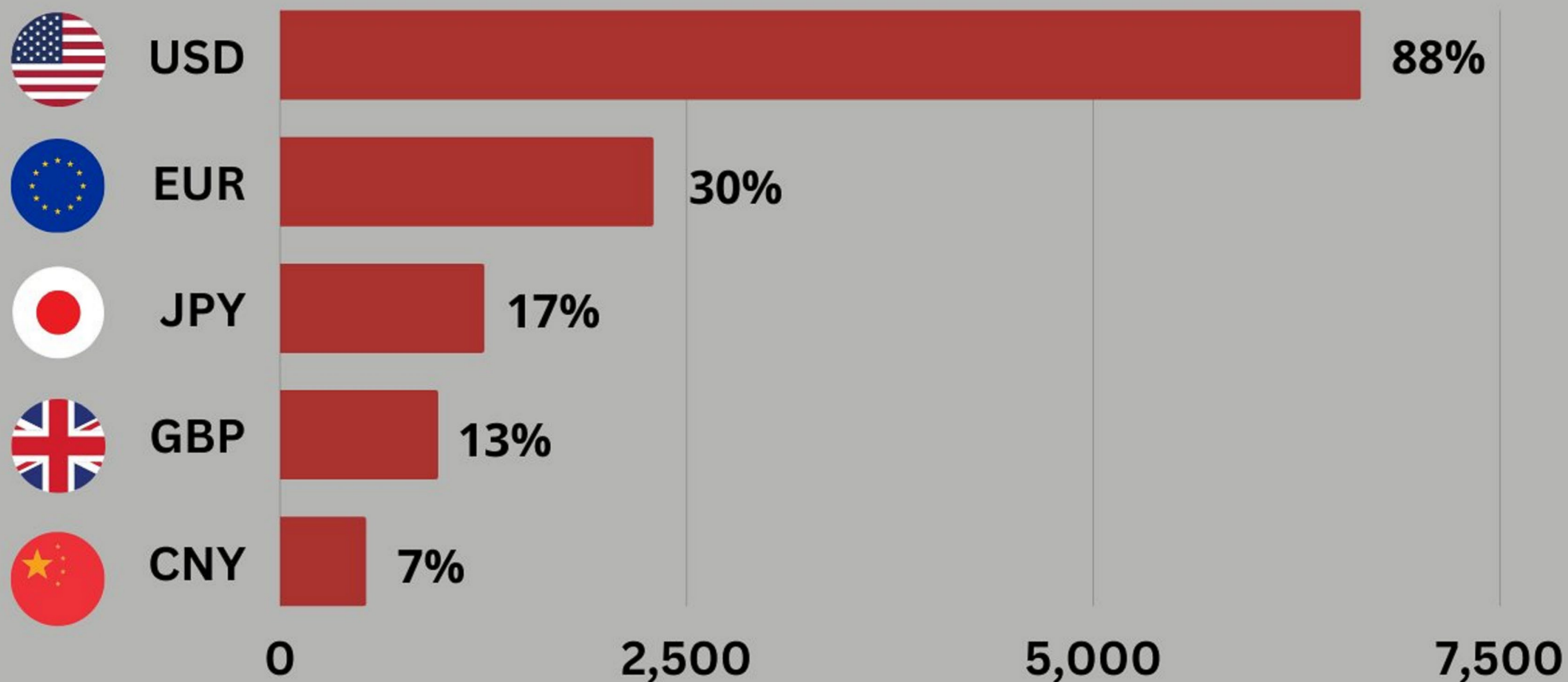
Published on TradingView.com, May 28, 2023 12:11:24 UTC

OANDA:EUR/CHF, 1M 0.97077 O:0.98528 H:0.98662 L:0.96773 C:0.97076



# 5 TOP TRADED CURRENCIES

Turnover in USD bn and share of all trades



FORM 13F INFORMATION TABLE

| <u>COLUMN 1</u>       | <u>COLUMN 2</u>       | <u>COLUMN 3</u> |             | <u>COLUMN 4</u>                                | <u>COLUMN 5</u>        |                |                  | <u>COLUMN 6</u>              | <u>COLUMN 7</u>      | <u>COLUMN 8</u>            |                              |                            |
|-----------------------|-----------------------|-----------------|-------------|--|------------------------|----------------|------------------|------------------------------|----------------------|----------------------------|------------------------------|----------------------------|
| <u>NAME OF ISSUER</u> | <u>TITLE OF CLASS</u> | <u>CUSIP</u>    | <u>FIGI</u> | <u>VALUE</u><br><i>(to the nearest dollar)</i> | <u>SHRS OR PRN AMT</u> | <u>SH/ PRN</u> | <u>PUT/ CALL</u> | <u>INVESTMENT DISCRETION</u> | <u>OTHER MANAGER</u> | <u>VOTING AUTH. - SOLE</u> | <u>VOTING AUTH. - SHARED</u> | <u>VOTING AUTH. - NONE</u> |

[Repeat as Necessary]

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

|  |
|--|
| OMG APPROVAL   |
| OMB Number: 3235-0006                                |
| Expires: September 30, 2025                          |
| Estimated average burden<br>hours per response: 23.8 |

Form 13F

INFORMATION REQUIRED OF INSTITUTIONAL INVESTMENT MANAGERS  
PURSUANT TO SECTION 13(f) OF THE SECURITIES EXCHANGE ACT OF 1934  
AND RULES THEREUNDER

GENERAL INSTRUCTIONS

1. Rule as to Use of Form 13F. Institutional investment managers (“Managers”) must use Form 13F for reports to the Commission required by Section 13(f) of the Securities Exchange Act of 1934 [15 U.S.C. 78m(f)] (“Exchange Act”) and rule 13f-1 [17 CFR 240.13f-1] thereunder. Rule 13f-1(a) provides that every Manager which exercises investment discretion with respect to accounts holding Section 13(f) securities, as defined in rule 13f-1(c), having an aggregate fair market value on the last trading day of any month of any calendar year of at least \$100,000,000 shall file a report on Form 13F with the Commission within 45 days after the last day of such calendar year and within 45 days after the last day of each of the first three calendar quarters of the subsequent calendar year.
2. Rules to Prevent Duplicative Reporting. If two or more Managers, each of which is required by rule 13f-1 to file a report on Form 13F for the reporting period, exercise investment discretion with respect to the same securities, only one such Manager must include information regarding such securities in its reports on Form 13F.

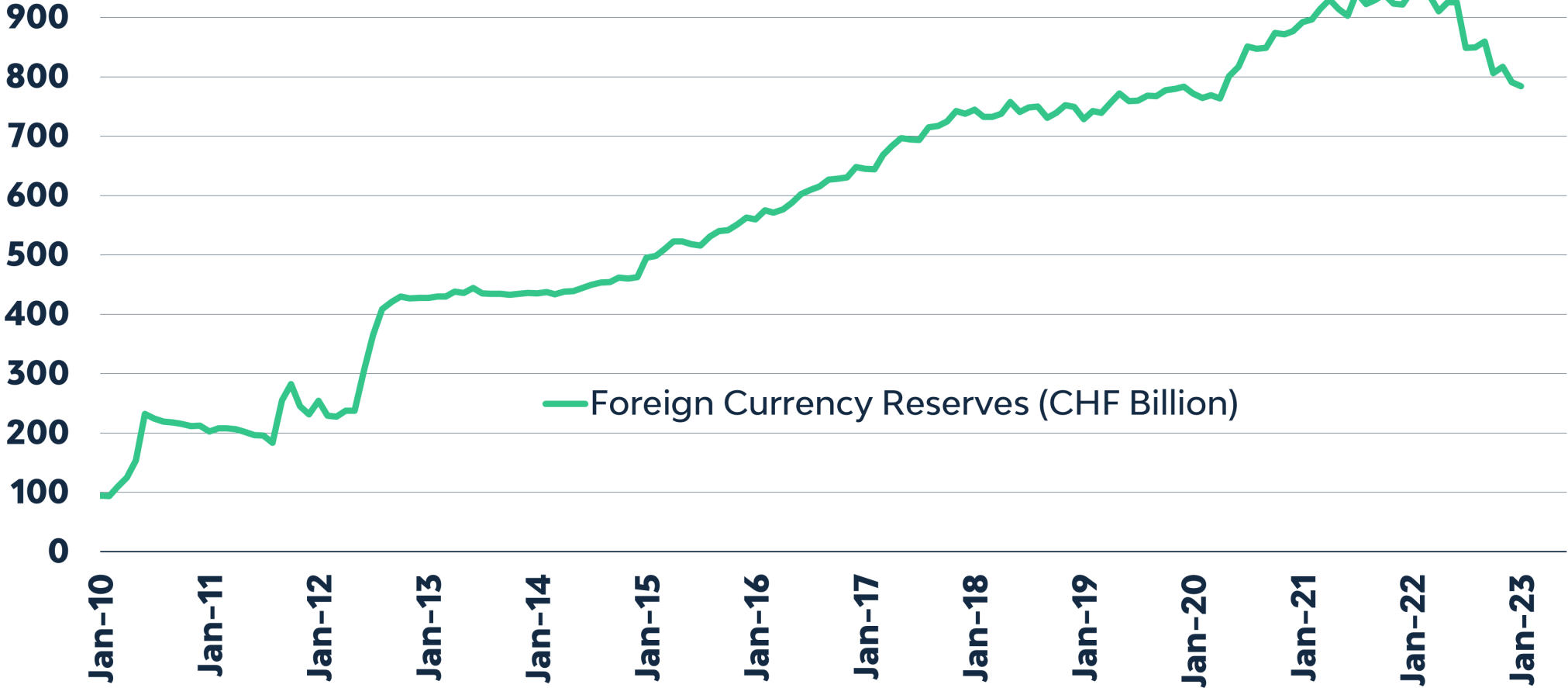
A Manager having securities over which it exercises investment discretion that are reported by another Manager (or Managers) must identify the Manager(s) reporting on its behalf in the manner described in Special Instruction 5.

A Manager reporting holdings subject to shared investment discretion must identify the other Manager(s) with respect to which the filing is made in the manner described in Special Instruction 7.

3. Filing of Form 13F. Rule 13f-1(a)(1) provides that a Manager must file a Form 13F report with the Commission within 45 days after the end of the calendar year and each of the first three calendar quarters of the subsequent calendar year. Form 13F must be filed electronically on the Commission’s Electronic Data Gathering, Analysis, and Retrieval (“EDGAR”) system, unless a hardship exemption has been granted. As required by Section 13(f)(5) of the Exchange Act, a Manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, must file with the appropriate regulatory agency for the bank a copy of every Form 13F report filed with the Commission pursuant to this subsection by or with respect to such bank. Filers can satisfy their obligation to file with other regulatory agencies by sending a copy either electronically (provided the Manager removes or blanks out the confidential access codes) or in paper.

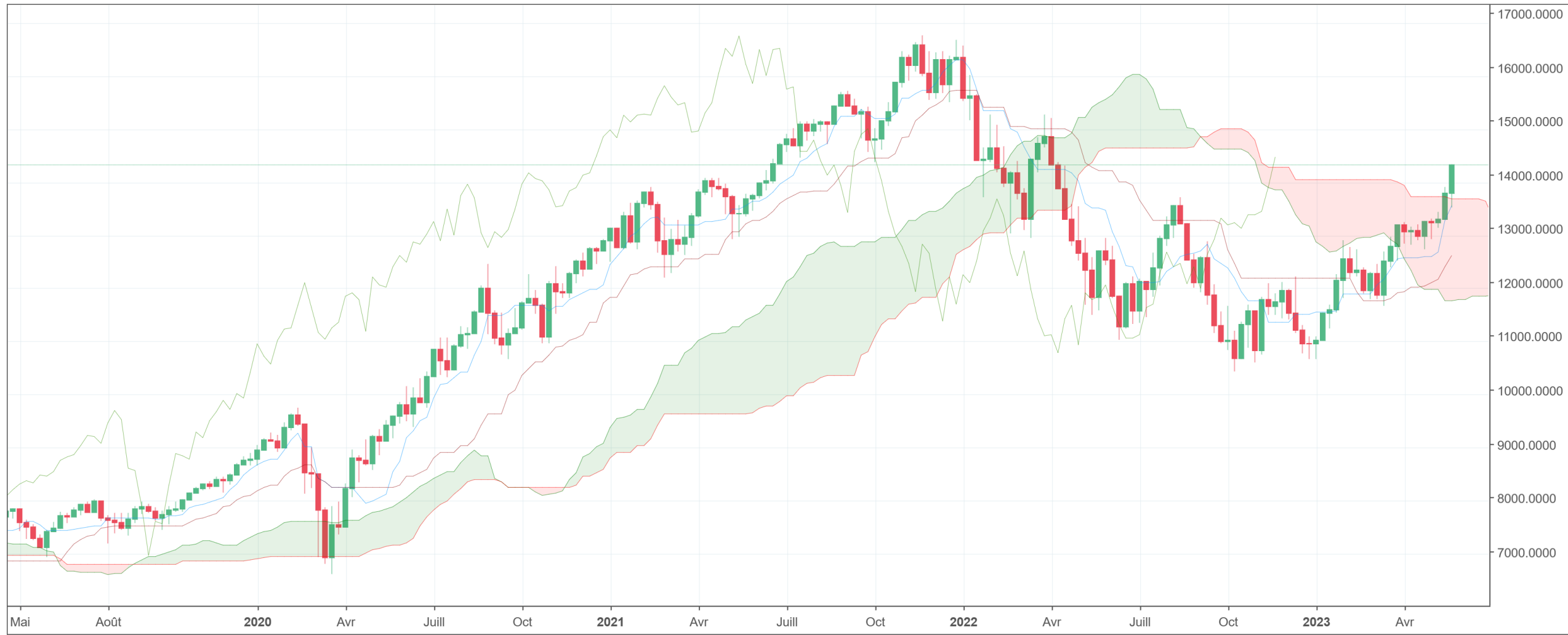
# Swiss National Bank- FX Reserves

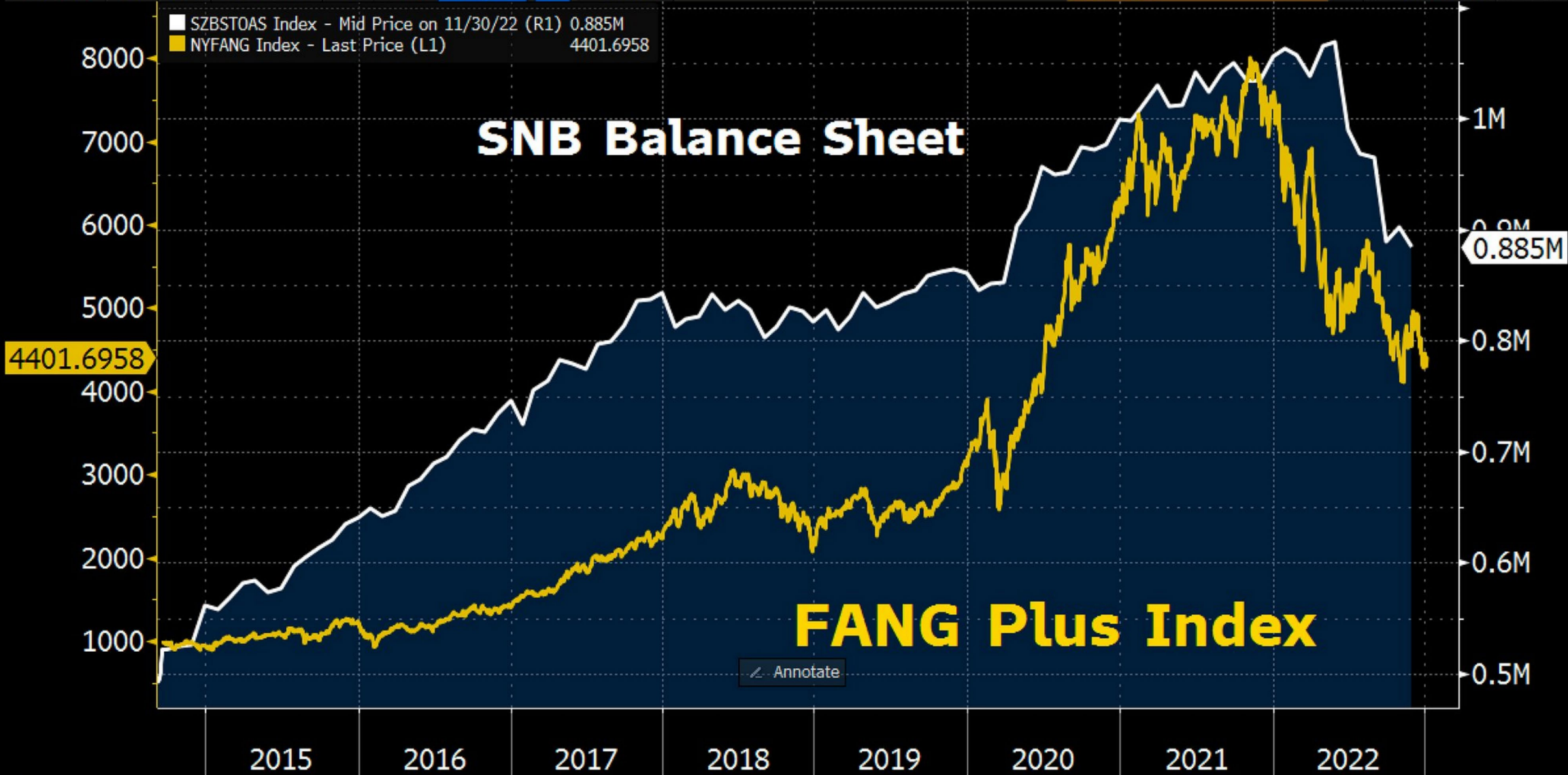
true insights



Source: True Insights, IMF

OANDA:US Nas 100, 1W 14328.9 ▲ +387.3 (+2.78%) O:13791.4 H:14332.8 L:13526.8 C:14328.9







## Five-year data for the US securities holdings of the Swiss National Bank

Swiss National Bank filings at the Securities and Exchange Commission (quarterly 13F holdings report)

| Year                                  | 2018 |      |      |      | 2019 |      |      |      | 2020 |      |      |      | 2021 |      |      |      | 2022 |      |      |      |
|---------------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Quarter                               | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   | Q1   | Q2   | Q3   | Q4   |
| Value of US stocks holdings in USD bn | 82   | 87   | 94   | 78   | 91   | 93   | 94   | 97   | 94   | 118  | 128  | 141  | 150  | 162  | 157  | 166  | 177  | 148  | 140  | 139  |
| Number of entries (companies)         | 2484 | 2526 | 2520 | 2536 | 2507 | 2554 | 2520 | 2506 | 2480 | 2438 | 2430 | 2490 | 2482 | 2642 | 2621 | 2719 | 2691 | 2740 | 2714 | 2678 |

## Une Banque Centrale boulimique

31.12.21

APPLE : 12'000'000'000 \$

AMAZON : 5'000'000'000 \$

TESLA, ALPHABET, META : 3'000'000'000 \$

2022 :

Liquidation 5'700'000 actions Apple et 624'000 actions Tesla...

CARVANA :

31.12.21 : 67 millions \$ acquis à une moyenne de 231 \$ l'action

30.9.22 : 20 \$

SOIT - 90% en 9 mois !

31.12.22 : Carvana = 5 \$

VALEANT Pharmaceuticals :

31.12.21 : 1.8 million d'actions à de 260 \$ en moyenne

31.12.22 : VALEANT = 10 \$

The Washington joint statement on gold was a coordinated effort aiming at clarifying the intentions of the participants in a market prone to rumours and secrecy. Of the 1,300 tonnes of gold which the Swiss National Bank intended to sell, 1170 tonnes were included in the 2000-tonne total sales quota of the Washington Agreement. In other words, the SNB ended up being the main beneficiary of the agreement. Formally, the initiative for the Washington Agreement did not come from the SNB. Nonetheless, the SNB's unilateral announcement in June 1999 of its intention to sell 1300 tonnes of its gold reserves certainly contributed to setting in motion the process that led to the September 1999 joint statement issued by the fifteen European central banks.

### III. Selling strategy

The Washington Agreement now set the parameters for the SNB's selling program. The practical details were negotiated in the months following the signature of the agreement. Annual quotas were assigned for each period going from October to the following September. As you can see in Figure 4, the SNB was allowed to sell 120 tonnes of gold between October 1999 and September 2000, 200 tonnes for the next 12 months, 283 tonnes between October 2001 and September 2002, 283 tonnes again between October 2002 and September 2003, 284 tonnes between October 2003 and September 2004 and 130 tonnes after September 2004. The participating central banks agreed to eliminate the possibility of hedging the gold price risk for the entire five year period. However, flexibility was maintained in hedging the gold price risk for the selling quota within each current 12-month sub-period. In other words, forward sales or option programs were possible for the annual allocations only. On the other hand, there were no limitations on hedging currency risk. The SNB was therefore free to hedge the expected USD proceeds from the sales against the Swiss franc.

At the outset, the SNB decided to use the BIS as its selling agent. Between May 2000 and March 2001, the BIS sold 220 tonnes on behalf of the SNB. For the first 120 tonnes, the SNB paid the BIS a fixed commission while the performance risk resided with the SNB. For the next 100 tonnes, the BIS agreed to pay the average price of the AM and PM London gold fixing plus a small fixed premium.

In April 2001, the Governing Board decided that there was no reason to continue to sell through the BIS. The SNB now had the necessary professionals, know-how, trading resources and contacts to the international gold market to trade directly. Two types of selling operations were subsequently pursued: spot sales in the market and sales programs with price caps.

Over the next three and a half years, 730 tonnes were sold directly in the spot market. For these sales, the SNB used 25 counterparties in four different continents. In an effort to receive consistently competitive pricing, the Governing Board allowed the SNB traders to become two-way participants in the market. In other words, traders were allowed to buy gold on an intra-day basis up to two thirds of the daily allocated sales volume. Overall, the sales had to be conducted within a clearly defined corridor which was structured around daily sales volumes of approximately one tonne (Figure 5). Typically, the Bank of England was used for the physical settlement of these operations.

Apart from spot operations, 350 tonnes were sold through option programs. In a typical program, the buyer committed to buy 50 tonnes of gold spread evenly over several months and to pay the daily average AM and PM London Fixing plus a premium. In order to increase this premium, the SNB accepted to fix a cap to the maximum selling price. In other words, the programs were based on the idea of selling gold on a spot basis and writing out-of-the-money call options. In an effort to obtain competitive premiums, each program was allotted in an auction between three major dealers. Considering the high variance of the bids we received, this auction procedure proved suitable. The realized premium varied between USD 1.4 and USD 3.5 per ounce. These modest premiums reflected the SNB's prudence in choosing the caps. At the time of the relevant auctions, these were far above the market price. This explains why, despite an overall bullish market, the strike levels were only attained on two occasions, namely in February 2003.

While the possibility of hedging the gold price risk was limited by the Washington agreement, the SNB was allowed to hedge the USD/CHF risk associated with the expected proceeds of the gold sales. Originally, the Governing Board decided to hedge 20% of the expected proceeds in USD. In December 2000, it increased this hedging proportion to 35% and maintained it throughout the entire sales program.

Overall, the gold sales proceeds amounted to CHF 21.1bn, or CHF 16,241 per Kg. Expressed in USD, the average selling price was USD 351,40 per ounce, which was 17.2 USD higher than the average London fixing price between Mai 2000 and March 2005 (334,2 USD). The bulk of this excess

## Philipp M Hildebrand: SNB gold sales - lessons and experiences

Speech by Dr Philipp M Hildebrand, Member of the Governing Board of the Swiss National Bank, at the Institute for International Economics, Washington, DC, 5 May 2005.

\* \* \*

### I. Introduction

I am pleased to be in Washington today and would like to thank Fred Bergsten and his colleagues at the Institute for International Economics for providing me with this opportunity to talk about the recently completed gold sales of the Swiss National Bank (SNB).

In June 1999, the Governing Board of the SNB decided that half of its then gold reserves of 2590 tonnes were no longer required for monetary purposes and that it would inform the market and the public accordingly. This decision contributed to the process that eventually led to the first central bank agreement on gold sales. This so called Washington Agreement provided the framework for the subsequent gold sales of the Swiss National Bank, the ECB and thirteen European national central banks. Under this agreement, the SNB's realized sales of 1170 tonnes which represented the bulk of the total sales of 2000 tonnes for all participating central banks. The SNB completed its gold selling program on March 30, 2005 after selling a residual 130 tonnes under the second central bank agreement on gold sales. After completion of the gold sales and the distribution of the proceeds from the sales to the Swiss government and the 26 cantons, the SNB's balance sheet will consist of approximately CHF 90bn. With the remaining 1290 tonnes of gold reserves, the SNB retains roughly 20 percent of its assets in gold. By international comparison, the SNB continues to hold a very significant stock of gold.

During the remainder of my talk, I would like to address what strike me as the most relevant issues that came up in connection with these gold sales. I will begin by outlining the historical context of the SNB's Governing Board's decision to declare 50% of its then gold reserves as no longer necessary for monetary purposes. As you will see, a number of constitutional and legislative changes were necessary for that policy decision to result in actual gold sales. I will then outline how the SNB designed, revised and implemented its selling strategy. Finally, I will attempt to draw some tentative lessons from these gold sales, some of which might be of interest to those central banks or international institutions that are considering gold sales or have recently begun to sell gold.

### II. Historical context

In 1999, the SNB held 2590 tonnes of gold on its balance sheet. At that time, the SNB's gold stock represented 30% of U.S. gold reserves. In relative terms, Switzerland's position was extreme among the G10 countries. As you can see in Figures 1 and 2, Switzerland held more than five times the amount of gold on a per capita basis than the second-ranked Netherlands. Similarly, its gold holdings as a proportion to imports also far exceeded those of any other G10 country. In light of this extreme position, it is legitimate to ask why the issue of gold sales did not arise much earlier in Switzerland.

For one thing, public opinion in Switzerland generally held gold in high esteem as a symbol of monetary stability. More importantly, however, a reduction in the gold stock required a fundamental reform of the legal framework of the Swiss monetary system. The process leading up to this reform was lengthy and complex. As you know, Switzerland is proud of its political system of direct democracy and consensual government. On the whole, these traditions have served the country well. Comprehensive legal reforms, however, often require substantially more time than in other democratic traditions.

Despite the fact that Switzerland had been under a flexible exchange rate regime since the breakdown of Bretton Woods, the Swiss franc remained legally linked to gold. For practical reasons, this legal link of the Swiss franc to gold had lost its monetary policy relevance. Nonetheless, it prevented the Swiss National Bank from buying or selling gold at any other price than the official parity of CHF 4'595 per kg. In the late 1990s, this parity was three times lower than the price of gold in the open market. The official parity also determined the valuation of the gold stock on the SNB's balance sheet. In order to eliminate these residual relics of the gold standard and enable a change in the SNB's gold policy, the Swiss Constitution as well as the Coinage Act needed to be amended first.

## OR

En 2000, la BNS détenait 2600 tonnes d'or

8% de l'ensemble des réserves des  
banques centrales mondiales.

30% des réserves du pays le plus riche du  
monde, les États-Unis d'Amérique !

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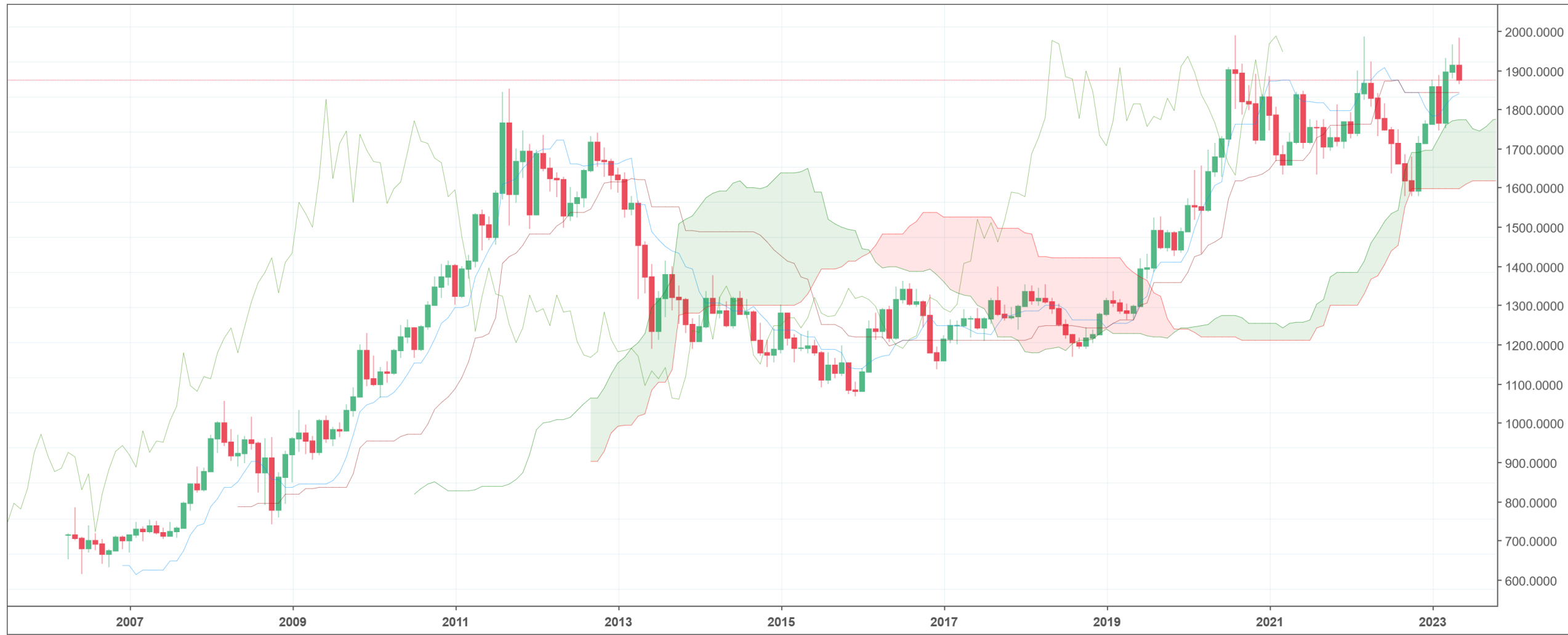
1'300 tonnes vendues à une moyenne de  
351.40 \$/l'once

1300 tonnes d'or = 41'795'910 onces  
1950 – 350 = 1600 X 41'795'910 =

**67'000'000'000 francs suisses**

Published on TradingView.com, May 28, 2023 12:54:35 UTC

OANDA:Or, 1M 1946.930 O:1989.535 H:2067.073 L:1936.815 C:1946.930



## **Soll die Schweizerische Nationalbank den Franken an den Euro binden?**

Ernst Baltensperger, Andreas M. Fischer und Thomas J. Jordan\*

With the introduction to stage three of European Monetary Union in 1999, the question arises whether an exchange rate peg to the euro is an optimal monetary strategy for the Swiss National Bank. This article analyses the pros and cons of such a strategy. It is argued that the claimed advantages of a fixed peg – reduction in exchange rate volatility and the elimination of an appreciating trend – are only marginal. However, the costs of a pegging strategy – the effects arising from higher interest rates and the National Bank's lost reputation – are substantial. Furthermore, successful implementation of such a strategy may be difficult. The article concludes by arguing that the current strategy of a flexible and independent monetary policy is preferred to the option of pegging the exchange rate.

JEL Classification: E20, E42, E50, F20, F30.

Keywords: Monetary Policy, Exchange Rate System, Euro, Switzerland.

### **1 Einleitung**

Nach dem Übergang zur dritten Stufe der Europäischen Währungsunion auf Beginn dieses Jahres stellt sich für die schweizerische Geldpolitik die Frage, ob eine Anbindung des Frankens an den Euro eine optimale Strategie darstellen würde. Mitunter wird in Politik und Wissenschaft argumentiert, dass ein Anbinden des Frankens an den Euro keine nennenswerten Nachteile für die schweizerische Volkswirtschaft zur Folge habe, dafür aber umso gewichtigere Vorteile bringe, indem die Wechselkursvolatilität eliminiert und der historische Aufwertungsdruck auf den Schweizerfranken zum Stillstand gebracht würde. Dieser Aufsatz argumentiert, dass solche Überlegungen zu kurz greifen. Die Konsequenzen eines Anbindens sind wesentlich vielschichtiger und problematischer als dies die Befürworter einer solchen Strategie wahrhaben wollen. Ein sorgfältiges Abwägen der Auswirkungen der verschiedenen geldpolitischen

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\* Ernst Baltensperger ist ordentlicher Professor für Volkswirtschaftslehre an der Universität Bern und externer Berater der Schweizerischen Nationalbank. Andreas M. Fischer und Thomas J. Jordan sind wissenschaftliche Berater der Schweizerischen Nationalbank und Privatdozenten an der Universität Bern. Die Autoren vertreten ihre persönliche Meinung.