

Interest rate forecast for companies



Mortgages from UBS key4 mortgages in the current interest rate environment – May 2023

Interest rate trends: uncertainty and volatility on the bond markets

After a real roller coaster ride in March, the bond market calmed down in April. Interest rates for Swiss government bonds moved sideways for all major maturities. The same applies to mortgage interest rates.

However, it is uncertain how long this calm period will last. The bond markets are still waiting to see which direction the note-issuing banks will ultimately take. Will they continue to raise their key interest rates sharply to break stubborn core inflation? This suggests a higher interest rate level. Or are the note-issuing banks afraid of a banking crisis and a recession? This implies a lower interest rate level.

In recent quarters, the markets have fluctuated between these two scenarios, leading to high volatility on the bond markets. Until the note-issuing banks signal that key interest rate hikes are coming to an end, uncertainty and hence volatility on the interest rate markets are likely to persist.

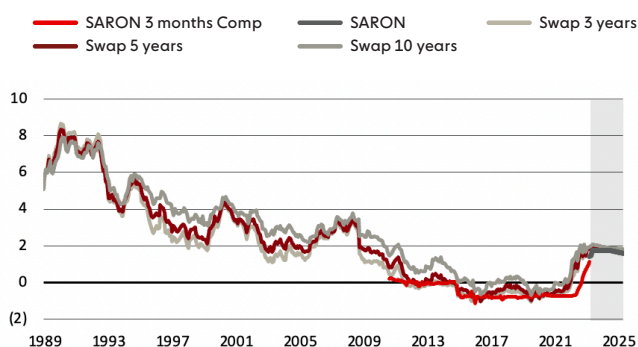
Further interest rate increases by the Swiss National Bank are already expected by the capital market, which means that government bond yields and mortgage interest rates will probably move sideways or slightly downward in the coming quarters. However, due to the high level of uncertainty, we are still seeing this interest rate trend across a broad spectrum.

The perfect real estate financing for every need

The type of financing has a significant effect on the profitability of your investment properties. We offer you tailor-made financing models and support you in optimizing your earnings through the whole life cycle of your properties.

- With a fixed-rate Mortgage or a fixed-rate from UBS key4 mortgages Loan, we fix the capital, duration and interest rate in the long term. This makes calculating costs easy.
- If you are looking for highly flexible, short-term financing, we recommend UBS key4 mortgages fixed advances, a UBS key4 mortgages Floating Rate loan or a UBS key4 mortgages saron flex mortgage.

Long-term interest rate trend in %



Sources: Bloomberg, UBS Switzerland AG
This is only an indicative interest rate. The effective interest rate is calculated using the margin + Compounded Saron of the accounting period. The Compounded Saron cannot be negative.

Interest rate forecast in figures

	04.05.23	30.06.23	31.12.23	30.06.24	31.12.24
SARON	1.42	1.75	1.75	1.76	1.68
Swap 3 years	1.74	1.94	1.83	1.72	1.63
Swap 5 years	1.76	1.98	1.87	1.77	1.70
Swap 10 years	1.88	2.08	1.98	1.90	1.86

Sources: Bloomberg, UBS Switzerland AG
Please note that the stated interest rate is in part a forecast and the actual interest rate may be higher or lower.

UBS key4 mortgages offer attractive combinations for all mortgage profiles under any interest rate conditions

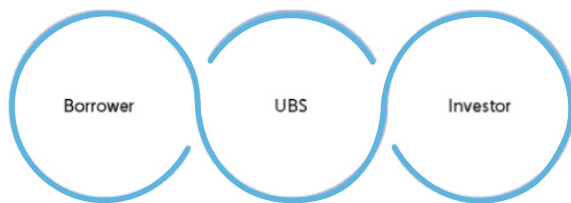
Interest rate level	UBS key4 fixed-rate mortgage			UBS key4 saron mortgage
	short	medium	long	
high	●	●	●	●
decreasing	●	●	●	●
normal	●	●	●	●
rising	●	●	●	●
low	●	●	●	●

● suitable ● suitable under certain conditions ● not suitable

With an overall limit under Real Estate financing von UBS key4 mortgages, you have maximum flexibility for covering your financial needs thanks to a variety of loan usage options.

What you can expect from UBS key4 mortgages




UBS key4 mortgages is a platform for financing investment property, where borrowers and Swiss institutional investors searching for reliable long-term financing opportunities in the Swiss real estate sector can meet. Place just one request and you will receive multiple offers at the best possible conditions from the range of available products. The offers are easy to compare and the choice of investor is completely up to you.



- ✓ Always at your side
We assess and broker requests and take care of the entire administration.
- ✓ Several offers
With one request you will receive several attractive offers.
- ✓ Transparent costs
There are no hidden costs. You only pay fees if you take out a mortgage.

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