



**MINUTES
OF THE MONETARY COUNCIL MEETING
18 NOVEMBER 2025**

Time of publication: 2 p.m. on 3 December 2025

Article 3 (1) of the MNB Act (Act CXXXIX of 2013 on the Magyar Nemzeti Bank) defines achieving and maintaining price stability as the primary objective of the Magyar Nemzeti Bank. The MNB's supreme decision-making body is the Monetary Council. The Council convenes as required by circumstances, but at least twice a month, according to a pre-announced schedule. At the second scheduled meeting each month, members consider issues relevant to decisions on interest rates. Abridged minutes of the Council's rate-setting meetings are released regularly, before the next policy meeting takes place. The minutes present the decision makers' assessment of current economic conditions and the factors they consider when deciding on the base rate. Until December 2013, the Monetary Council presented the information underlying its assessments as part of the abridged minutes. In order to provide more detailed information, background materials will henceforth appear as a separate publication with enhanced content under the title 'Macroeconomic and financial market developments', at the same time as the abridged minutes.

The minutes are available on the MNB's website at:

<http://www.mnb.hu/en/monetary-policy/the-monetary-council/minutes>

THE COUNCIL'S ASSESSMENT AND INTEREST RATE DECISION

The primary objective of the Magyar Nemzeti Bank (MNB) is to achieve and maintain price stability. Without prejudice to its primary objective, the Magyar Nemzeti Bank preserves financial stability and supports the Government's economic policy, as well as its policy on environmental sustainability.

Following the review of macroeconomic and financial market developments, the Monetary Council discussed the details of the monetary policy decision proposal. In the decision makers' assessment, there was still considerable uncertainty surrounding global growth and inflation developments. Certain Council members highlighted that although global commodity and food prices had decreased in the recent period, ongoing assessment of the persistence of these changes was necessary. The decision makers pointed out that, according to the assessment of the world's leading central banks, the external inflation environment was, overall, surrounded by upside risks.

The Council was unanimous in its view that in addition to the international monetary policy and interest rate environment, the risk assessment of Hungary was also a key factor. In the decision makers' view, the changes in global risk assessment shaped the latter significantly. Certain members called attention to the fact that Hungarian long-term yields had risen. Others stressed that closely monitoring the developments in international government securities markets was also crucial. Several members pointed out that the forint market had remained stable during the year, parallel to which the domestic currency had strengthened. Members also highlighted that the exchange rate of the forint against the euro was being closely monitored, in relation to the corporate repricings at the start of next year as well.

When assessing domestic inflation developments, members highlighted that inflation data for October was at a similar level as in the previous months and remained above the central bank tolerance band. In the assessment of several members, underlying inflation was still strong. Decision makers highlighted that the annual price index of tradables was high in a regional comparison, while the inflation of services was still inconsistent with price stability. However, some members pointed out that the price of tradables had remained broadly unchanged, while food prices had fallen in past months. The decision makers called attention to the fact that incoming inflation data was in line with the baseline projection in the September Inflation Report.

Regarding households' inflation expectations, the Council emphasised that they were still not at a level that was consistent with price stability, despite the decrease observed in recent months. Council members agreed that maintaining the stability of the foreign exchange market was of key importance in lowering inflation expectations.

Decision makers highlighted that the extension of price restriction measures, as well as the timing of their withdrawal impacted the expected future path of inflation. Several members pointed out that the extent of repricings in early 2026 was surrounded by significant uncertainty. The Council was in agreement that the projection in the December issue of the Inflation Report was going to be crucial from the perspective of next year's monetary policy stance, and that tight monetary conditions had to be maintained to achieve the 3 percent inflation target in a sustainable manner.

Regarding real economic developments, certain Council members highlighted that the structure of domestic growth continued to be characterised by duality. Several members pointed out that during the past period, amid weak economic growth, labour market tightness had eased, which may have a moderating effect on prices. The September current account surplus was considered as a favourable development. Regarding the measures affecting the budget, as well as this year's and next year's increased budget deficit, certain members highlighted the upside risks to inflation and the uncertainty surrounding them, while others drew attention to the aspects related to Hungary's risk assessment. The Council also agreed that changes in external balance and fiscal developments would have to be closely monitored in the future as well, especially with the upcoming reviews of credit rating agencies.

In the context of the November decision, the Monetary Council discussed one single option for decision, i.e. leaving the base rate unchanged. In line with its stability-oriented approach, the Council decided unanimously to leave the base rate unchanged at its meeting. In the decision makers' view, a careful and patient approach to monetary policy remained necessary in the current changing environment, and there was agreement that changing the forward guidance was not warranted. In the Council members' assessment, maintaining tight monetary conditions was warranted.

Votes cast by individual members of the Council:

In favour of maintaining the base rate at 6.50 percent, maintaining the overnight collateralised lending rate at 7.50 percent and maintaining the interest rate on the overnight central bank deposit at 5.50 percent:	11	Éva Búza, József Dancsó, Péter Gottfried, Kolos Kardkovács, Zoltán Kovács, Zoltán Kurali, Andrea Mager, Dániel Palotai, Levente Sipos-Tompa, Mihály Varga, Barnabás Virág
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The following members of the Council were present at the meeting:

Éva Búza

József Dancsó

Péter Gottfried

Kolos Kardkovács

Zoltán Kovács

Zoltán Kurali

Andrea Mager

Dániel Palotai

Levente Sipos-Tompa

Mihály Varga

Barnabás Virág

The Council will hold its next policy meeting on 16 December 2025. The minutes of that meeting will be published at 2 p.m. on 14 January 2026.