



MINUTES OF THE MONETARY COUNCIL MEETING 21 OCTOBER 2025

Time of publication: 2 p.m. on 5 November 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, the global economic outlook had somewhat improved. However, due to continued trade and geopolitical tensions, uncertainty remained. As a result, international financial markets reacted sensitively to incoming news and information. The decision makers highlighted that the decrease in global inflation had slowed down. In the past period, global commodity and food prices decreased. However, the persistence of the observed decrease remained to be seen.

Several decision makers pointed out that among the globally important central banks, the Federal Reserve was expected to continue to cut interest rates, while in the region, the Polish central bank had lowered its policy rate in October. However, in addition to the international monetary political environment, the development of Hungary's risk perception had to also be considered. The decision makers pointed out that in a volatile international financial market environment, emerging economies were particularly vulnerable to rapid changes in risk perception. They emphasised that in addition to the strengthening of the forint observed during the year, the changes in investor and market sentiments would have to be closely monitored.

When assessing domestic inflation developments, several Members pointed out that despite price and profit margin restriction measures, inflation was above the central bank tolerance band in September as well. Underlying inflation was strong. Certain Council members pointed out that on a monthly basis, price dynamics fell in the case of tradables and food. Regarding this, they emphasised that the persistence of these developments was yet to be seen, and that monitoring the repricing practices of companies was of key importance. The decision makers called attention to the fact that inflation data for September was in line with the Inflation Report's baseline scenario. Moreover, they pointed out that in the coming period, incoming data and information would also have to be considered from the perspective of whether they pointed towards the realisation of any of the identified risk scenarios. Some decision makers highlighted that the

phasing out of price restriction measures at the end of November was going to have a price-rising effect. Several Members stressed that short-term corporate price expectations indicated subdued dynamics. Regarding households' inflation expectations, the decision makers emphasised that despite a slight decrease, they were still not at a level that was consistent with price stability. They also pointed out that maintaining the stability of the foreign exchange market was of key importance in mitigating inflation expectations. The members of the Monetary Council affirmed that strict monetary conditions had to be maintained to reach the 3 percent inflation target in a sustainable manner.

Regarding real economic developments, certain Council members highlighted the continued strong consumption dynamics, while others pointed out the weak industrial data for August. Several decision makers considered the fact that the current account surplus increased in August as a favourable development. According to the Council members, changes in external balance and fiscal developments would have to be closely monitored in the future as well.

In the context of the October 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 October meeting. In the Council members' view, the Bank could still make the most effective contribution to sustainable economic growth by achieving price stability and maintaining financial market stability.

In the decision makers' assessment, changing the forward guidance was not warranted. The Council agreed that in the current changing environment, a careful and patient approach to monetary policy remained necessary. 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:	10	Éva Búza, József Dancsó, Péter Gottfried, Kolos Kardkovács, Zoltán Kovács, Zoltán Kurali, Andrea Mager, 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

Levente Sipos-Tompa

Mihály Varga

Barnabás Virág

The Council will hold its next policy meeting on 18 November 2025. The minutes of that meeting will be published at 2 p.m. on 3 December 2025.