



**MINUTES
OF THE MONETARY COUNCIL MEETING
26 MAY 2026**

Time of publication: 2 p.m. on 10 June 2026

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. From May 2026 onwards, the minutes of the Monetary Council meetings are divided into two parts. The first part presents the Monetary Council's assessments and the considerations behind their decision. The second part contains several pieces of background information related to the macroeconomy and financial markets in the form of charts; these served as the basis for the decision makers' assessment.

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

<https://www.mnb.hu/en/monetary-policy/the-monetary-council/minutes/2026>

1. 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 interest rate decision proposal. The decision makers agreed that geopolitical tensions posed upside risks to the inflation outlook, while the global growth outlook had deteriorated. Several Council members highlighted that interest rate hike expectations had increased when it came to the world's leading central banks and central banks in the CEE region. In the Council's assessment, the uncertain global economic environment warranted a careful approach to monetary policy.

Regarding the inflation data for April, the decision makers noted that the incoming data was close to the lower bound of the tolerance band and was below the projection in the March Inflation Report. Certain Council members mentioned that the continued disinflation of market services and the decline in households' inflation expectations were also favourable developments.

In the Council's assessment, high energy and commodity prices posed upside risks regarding Hungary's inflation outlook; as well as the expected rise in agricultural prices due to these factors and the low-precipitation weather. Council members mentioned the decrease in domestic risk premia and the appreciation of the forint as disinflationary factors. Moreover, certain decision makers remarked that the trajectory of inflation could also be shaped by government decisions regarding regulated fuel prices and price margin caps.

The Council members highlighted that, in parallel with the significant decrease in domestic risk premia, government bond yields had declined, and the forint had strengthened against the euro. However, the persistence of these developments remained to be seen. In the decision makers' assessment, it depended on the developments related to EU funds, expectations regarding the adoption of the euro, and fiscal policy, among others. Certain members highlighted the current account surplus in relation to Hungary's external vulnerability.

Regarding the macroeconomic outlook, several Council members pointed out that many of the details of the Government's economic policy programme were not yet known, and neither was the

programme's impact on the budget. Several decision makers highlighted that in the next period, incoming data and information would allow for a more certain assessment of the macroeconomic and inflation outlook in the June Inflation Report.

Based on the Council's assessment, amid the uncertainty surrounding the inflation outlook, a stability-oriented approach remained warranted. Financial market stability was crucial in achieving the inflation target in a sustainable manner.

In the context of the May decision, the Monetary Council discussed two options for decision, i.e. leaving the base rate unchanged at 6.25 percent and reducing the base rate by 25 basis points to 6.00 percent. Ten Council members supported leaving the base rate unchanged. Decision makers agreed that maintaining the predictability of monetary policy increased the Bank's room for manoeuvre and helped achieve price stability. Moreover, they emphasised that in the uncertain environment, as much information as possible was needed regarding the persistence of favourable developments. Arguments in favour of reducing the base rate included that underlying inflation was more favourable than previously expected and real interest rates were high in a regional comparison, in addition to the effects of lower risk premia on the inflation outlook.

The Council highlighted that a careful and patient approach to monetary policy remained necessary and reaffirmed its commitment to the achievement of the inflation target in a sustainable manner. In the decision makers' assessment, price stability could be achieved through tight monetary conditions. The Council would continue to assess incoming macroeconomic data and financial market developments in terms of their impact on the inflation outlook, as well as the persistence of the decline in risk premia, based on which they would take decisions on the base rate in a cautious and data-driven manner.

Votes cast by individual members of the Council:

In favour of maintaining the base rate at 6.25 percent, maintaining the overnight collateralised lending rate at 7.25 percent and maintaining the interest rate on the overnight central bank deposit at 5.25 percent:	10	Péter Benő Banai, Éva Búza, József Dancsó, Kolos Kardkovács, Zoltán Kovács, Zoltán Kurali, Andrea Mager, Dániel Palotai, Levente Sipos-Tompa, Mihály Varga
In favour of reducing the base rate to 6.00 percent, reducing the overnight collateralised lending rate to 7.00 percent and reducing the interest rate on the overnight central bank deposit to 5.00 percent:	1	Péter Gottfried

The following members of the Council were present at the meeting:

Péter Benő Banai

Éva Búza

József Dancsó

Péter Gottfried

Kolos Kardkovács

Zoltán Kovács

Zoltán Kurali

Andrea Mager

Dániel Palotai

Levente Sipos-Tompa

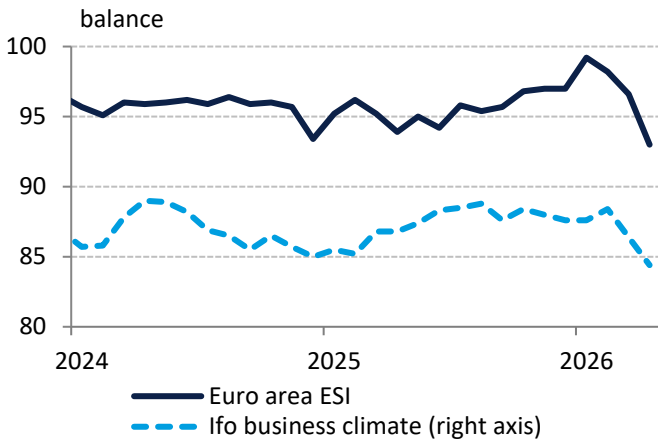
Mihály Varga

The Monetary Council will hold its next policy meeting on 23 June 2026. The minutes of that meeting will be published at 2 p.m. on 8 July 2026.

2. MACROECONOMIC AND FINANCIAL MARKET DEVELOPMENTS

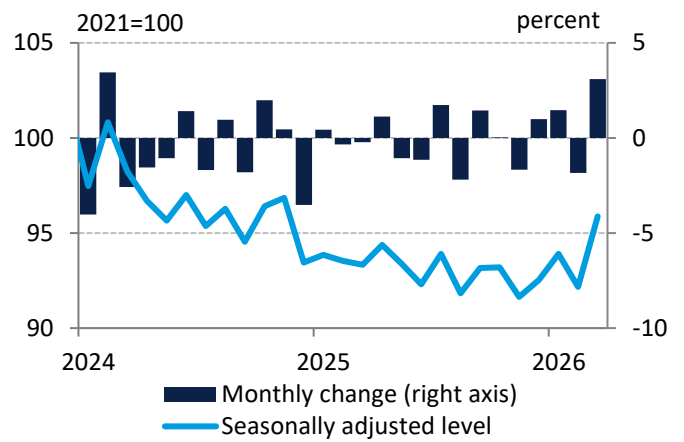
Macroeconomic developments

Chart 1: Business climate in Hungary's export markets



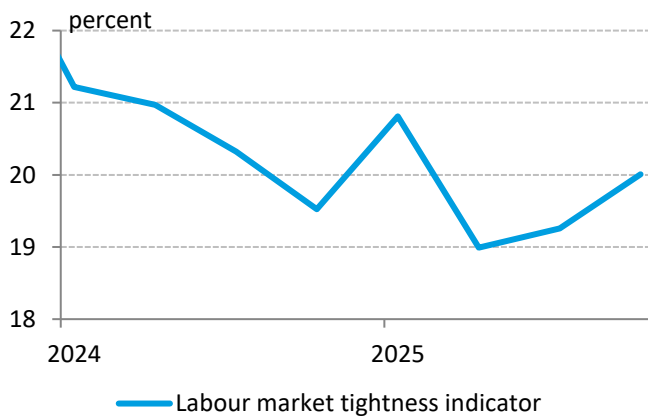
Source: European Commission, Ifo

Chart 2: Domestic industrial production



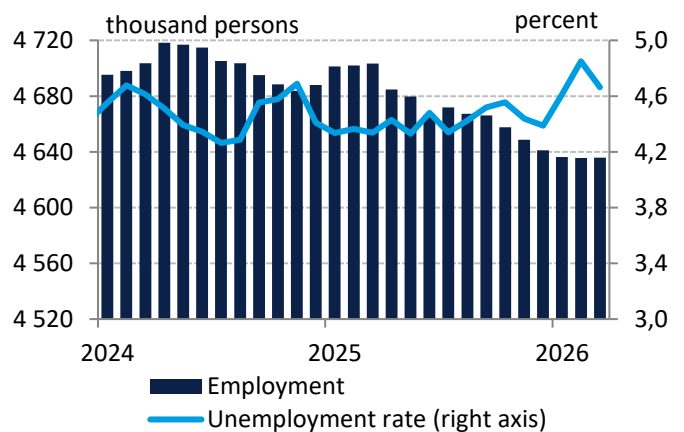
Source: HCSO

Chart 3: Labour market tightness



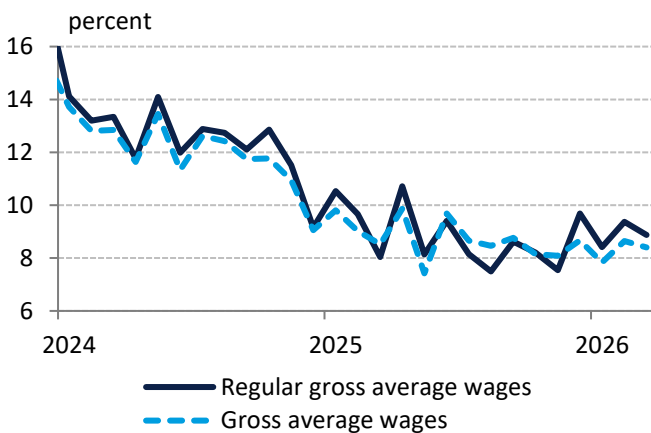
Note: The number of vacancies in the private sector as a percentage of the unemployed. Seasonally adjusted quarterly data. Source: HCSO, MNB calculation

Chart 4: Employment and unemployment rate



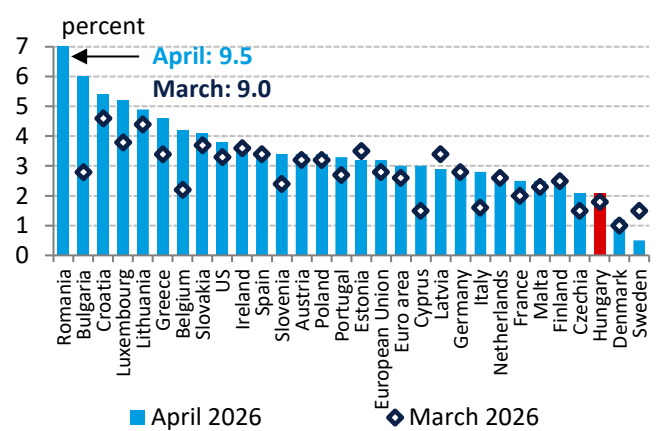
Note: Data based on the HCSO's 3-month moving average methodology. In the case of employment, seasonally and calendar adjusted data. Source: HCSO, MNB

Chart 5: Private sector wage growth



Source: HCSO

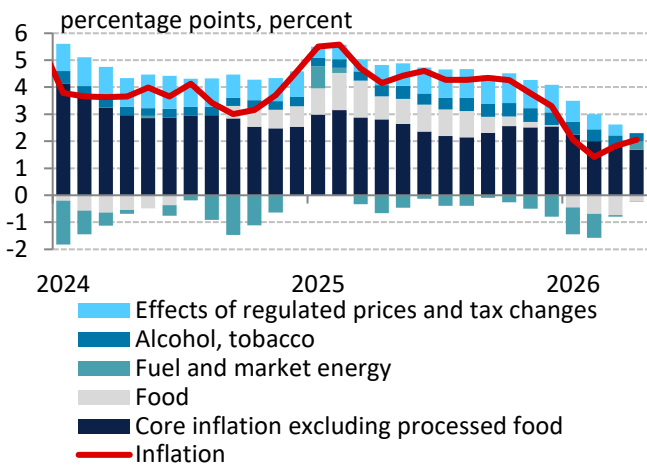
Chart 6: International inflation environment



Note: HICP data for EU member states, national CPI data for Hungary and the US.

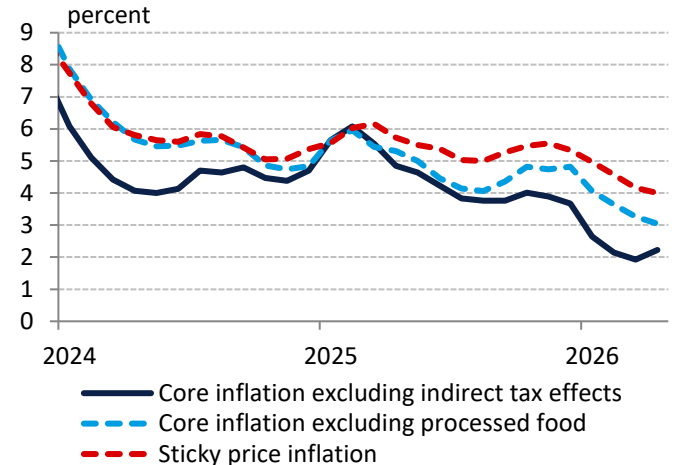
Source: Eurostat, Trading Economics, HCSO

Chart 7: Decomposition of inflation



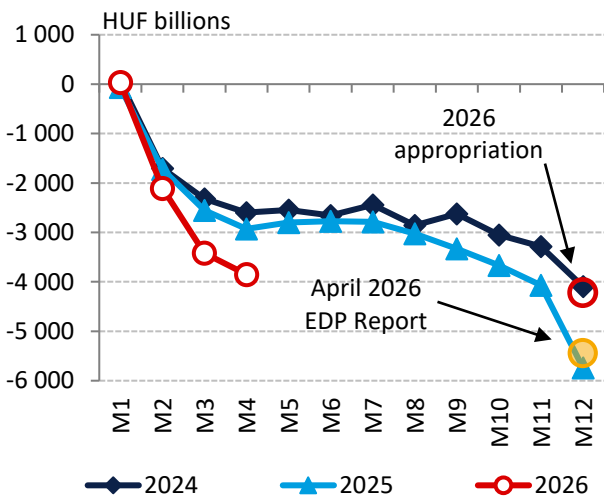
Source: MNB calculation based on HCSO data

Chart 8: Measures of underlying inflation



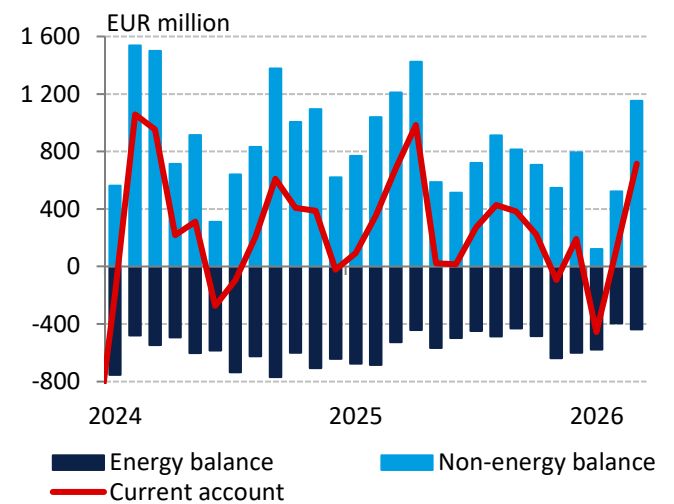
Source: MNB calculation based on HCSO data

Chart 9: Year-to-date cumulative cash balance



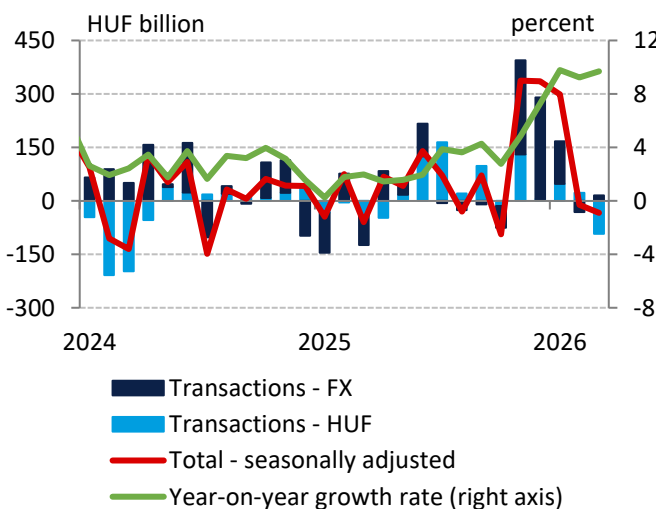
Source: 2026 Budget Act, Hungarian State Treasury, April 2026 EDP Report

Chart 10: Current account and energy balance



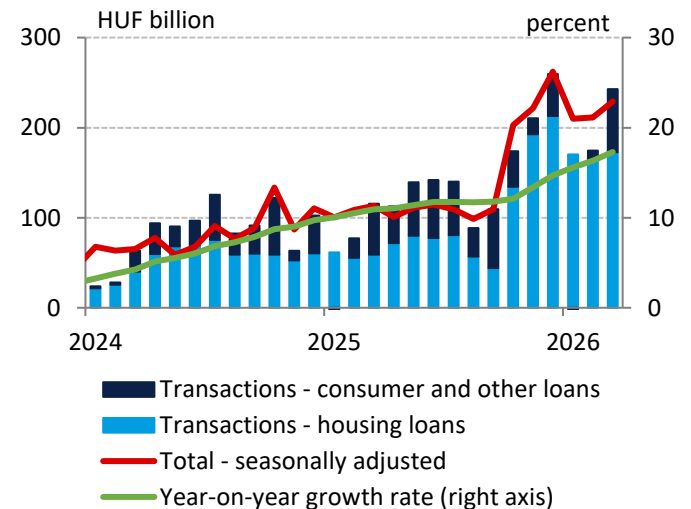
Note: The last monthly value of the energy balance is estimated. Source: MNB, HCSO

Chart 11: Net borrowing by non-financial corporations



Source: MNB

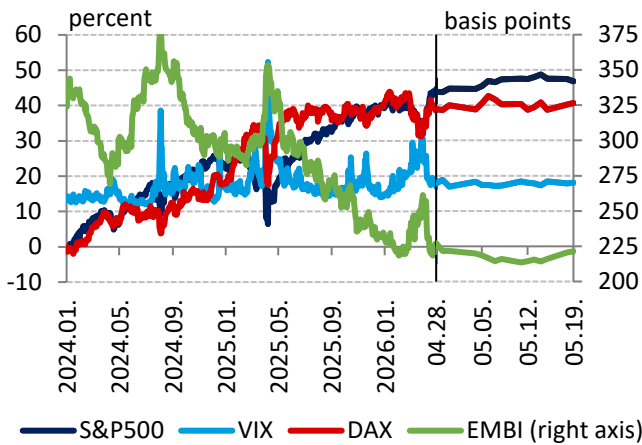
Chart 12: Net borrowing by households



Source: MNB

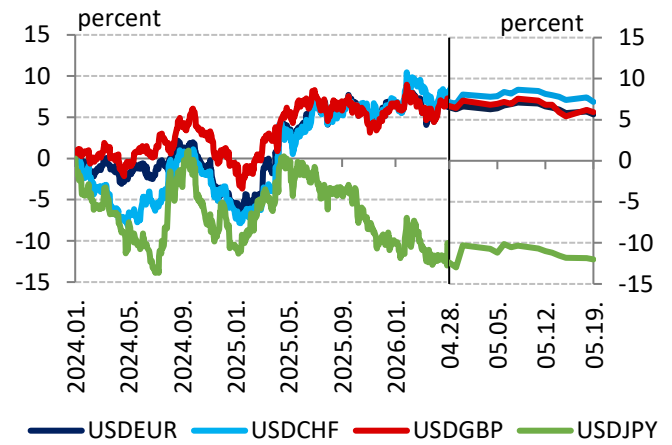
Financial market developments

Chart 13: Stock indices and risk indicators



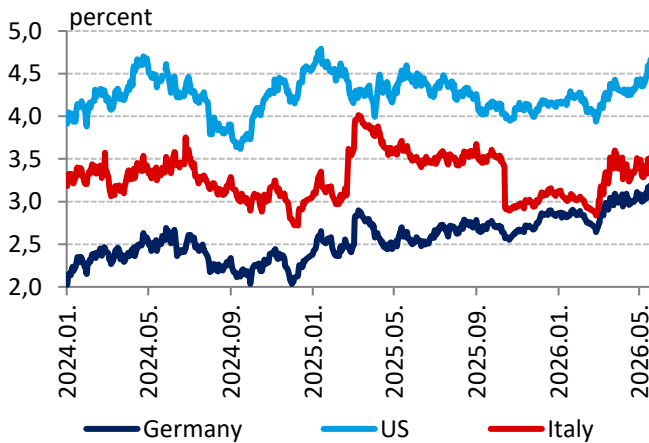
Note: Stock indices (S&P500 and DAX) normalised to the beginning of 2024. Source: Bloomberg

Chart 14: Developed market foreign exchange rates



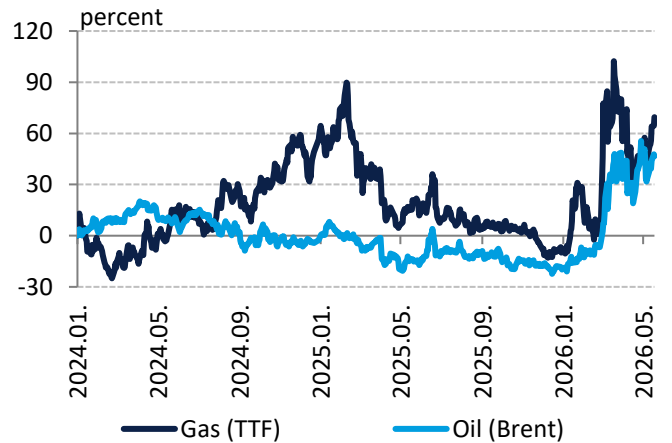
Note: Positive values indicate appreciation of the variable (second) currency. Source: Bloomberg

Chart 15: 10-year zero-coupon government bond yields



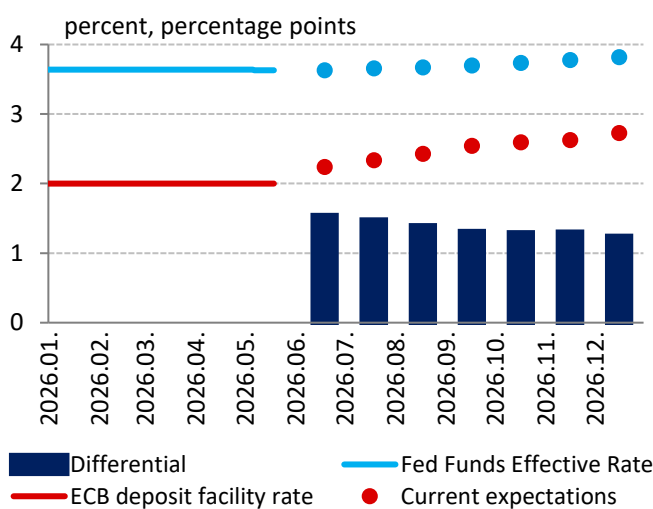
Source: Bloomberg

Chart 16: Global energy prices



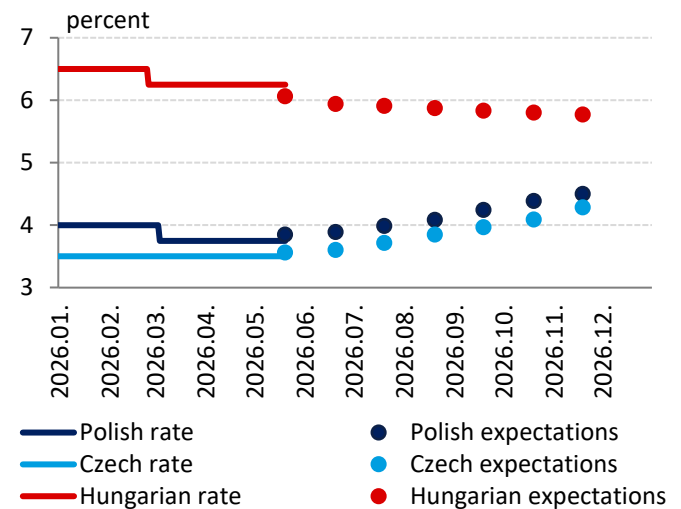
Note: The indicators are normalised to the beginning of January 2024. Source: Bloomberg

Chart 17: Market expectations for Fed and ECB interest rates



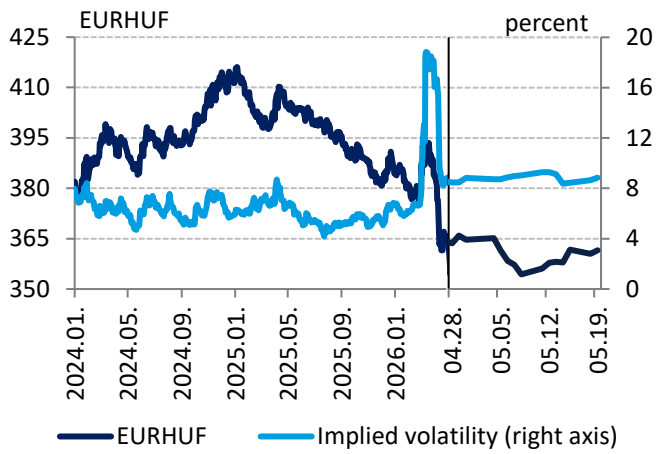
Note: Based on forward pricing. Source: Bloomberg

Chart 18: Market expectations for regional interest rates



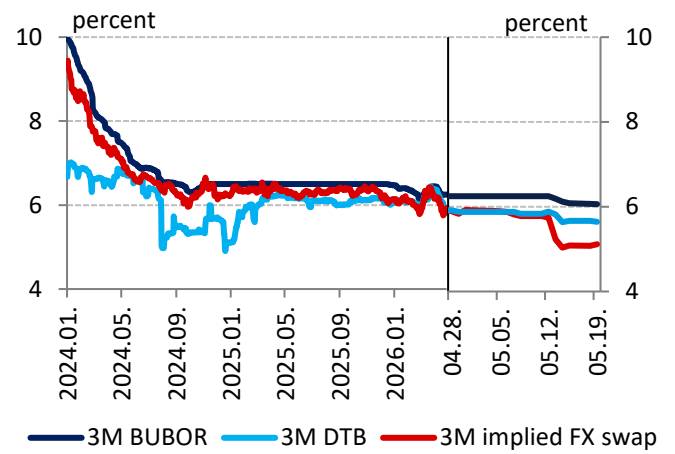
Note: Based on forward pricing. Source: Bloomberg

Chart 19: Forint exchange rate and implied volatility



Source: Bloomberg

Chart 20: 3-month forint yields



Source: MNB, Reuters