



MINUTES OF THE MONETARY COUNCIL MEETING 22 SEPTEMBER 2026

Time of publication: 2 p.m. on 7 October 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. From 1 January 2028, the inflation target will be set at 2.5 percent and the symmetric, ± 1 percentage point tolerance band will be retained. Without prejudice to its primary objective, the MNB 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 as well as the forecast in the September Inflation Report, the Monetary Council discussed the details of the interest rate decision proposal. Regarding international developments, it was noted that inflation in several member states in the euro area was currently above the central bank's target. Several Council members highlighted that global oil prices were high and volatile, which represented an inflationary risk on a global scale. Certain decision makers pointed out that European gas prices had risen significantly, and refilling storage facilities may come at a higher price. Several Council members highlighted that the world's leading central banks had raised interest rates recently, and based on market expectations, further interest rate hikes were probable. Decision makers agreed that geopolitical tensions created an uncertain global economic environment, which affected monetary policy's room for manoeuvre in Hungary.

Regarding inflation developments, several Council members remarked that since the start of the year, the rate of price increases had remained close to or below the lower bound of the tolerance band. Domestic inflation was low even in a European comparison. However, the higher external inflation environment represented a risk to the future path of inflation. Several Council members stressed that the outcome of the year-end salary negotiations was of key importance for future inflation developments. Certain Council members pointed out that households' and companies' inflation expectations were lower than at the beginning of the year, remaining close to levels consistent with price stability. However, several decision makers called attention to the fact that even though inflation readings were moderate in both a historical and European comparison, the medium-term inflation outlook was the key consideration for monetary policy. In connection with this, several decision makers highlighted that according to the September Inflation Report, the rate of price increases would temporarily rise above 3 percent in 2027.

From 2028 onwards, the Bank's medium-term inflation target will be set at 2.5 percent, which the Monetary Council took into account in its September decision. Council members agreed that they were committed to achieving the inflation target in a sustainable manner, which required a cautious and careful monetary policy in the current environment.

The Council determined that the risk premia of domestic assets were characterised by relative stability. The decision makers highlighted that the exchange rate had remained in the stronger range observed in recent months and continued to have a disinflationary effect. The Council agreed that in addition to favourable domestic developments, inflation risks in the external environment had a significant effect on the inflation outlook. Certain decision makers remarked that maintaining financial market stability, especially in the foreign exchange market, supported the anchoring of inflation expectations, thereby contributing to achieving price stability. Council members agreed that looking ahead, Hungary's risk assessment would be primarily influenced by expectations regarding the fiscal path and the adoption of the euro, as well as the external market environment. Several decision makers pointed out that the uncertainty surrounding the fiscal outlook may decrease in the autumn, which was of particular importance regarding the development of risk premia.

In the context of the September decision, the Monetary Council discussed a single policy option, i.e. maintaining the base rate at 5.50 percent, which all Council members were in favour of. The decision makers stressed that due to the uncertain global economic and financial market environment, leaving the base rate unchanged at the September meeting was warranted to achieve the inflation target in a sustainable manner. However, several Council members underlined that inflation was moderate, while the risk premia of domestic assets were stable. The decision makers also pointed out that Hungary's real interest rate was still above regional levels. On the other hand, certain Council members noted that forward-looking real interest rates – that is, rates calculated from expected inflation and interest rate levels – showed an upward trend in developed economies.

Several Council members highlighted that information that could significantly shape either the inflation outlook or Hungary's risk assessment was expected in the coming months. In accordance with this, the decision makers were in favour of returning to a data-driven approach and agreed that it was necessary to take decisions on the level of 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 5.50 percent, maintaining the overnight collateralised lending rate at 6.50 percent and maintaining the interest rate on the overnight central bank deposit at 4.50 percent:	11	Péter Benő Banai, Éva Búza, József Dancsó, Péter Gottfried, Kolos Kardkovács, Zoltán Kovács, Zoltán Kurali, Andrea Mager, Dániel Palotai, Levente Sipos-Tompa, Mihály Varga
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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

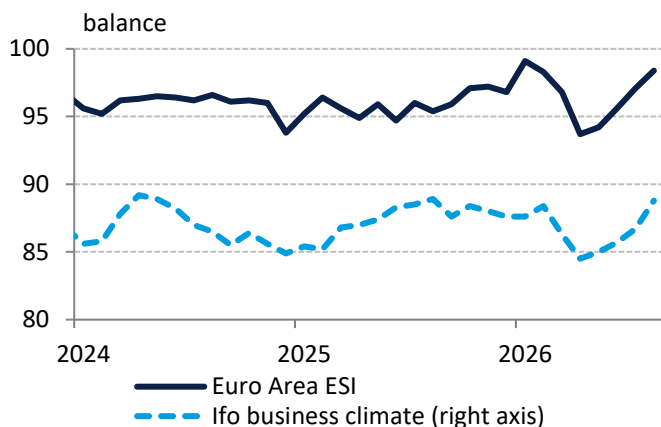
Mihály Varga

The Monetary Council will hold its next policy meeting on 20 October 2026. The minutes of that meeting will be published at 2 p.m. on 4 November 2026.

2. MACROECONOMIC AND FINANCIAL MARKET DEVELOPMENTS

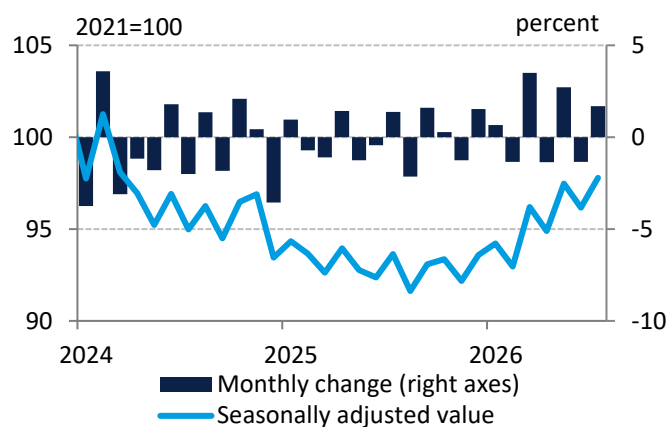
Macroeconomic developments

Chart 1: Business climate in Hungary's export markets



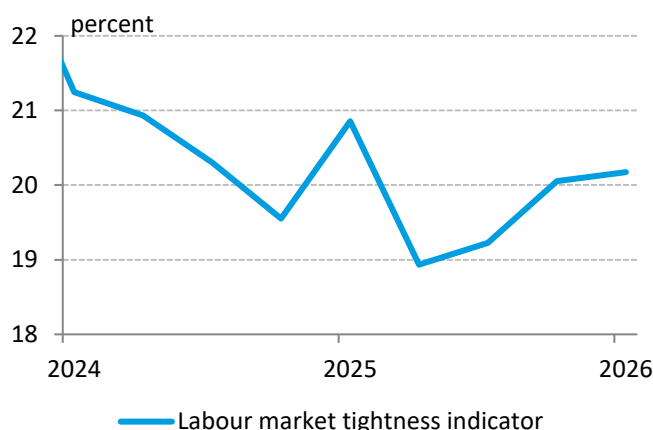
Source: European Commission, Ifo

Chart 2: Domestic industrial production



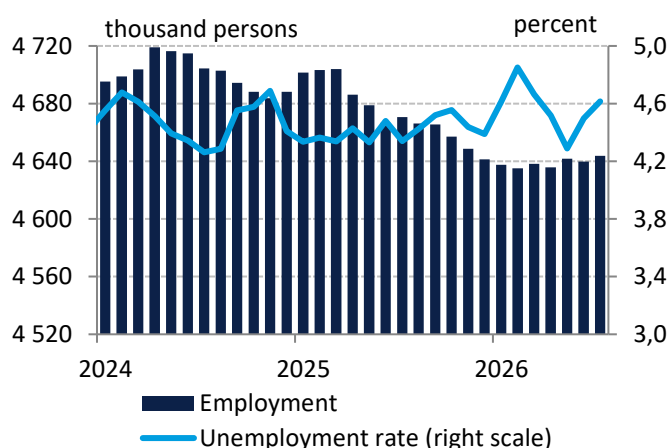
Source: HCSO

Chart 3: Labour market tightness



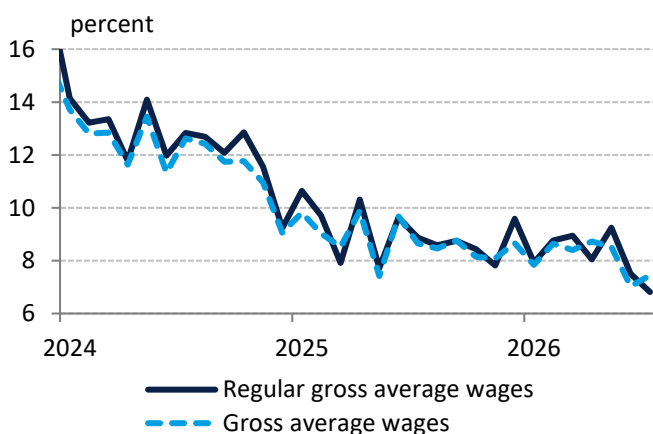
Note: The number of vacancies in the private sector as a percentage of the unemployed. Seasonally adjusted quarterly data. Source: HCSO, MNB calculation

Chart 4: Employment and the unemployment rate



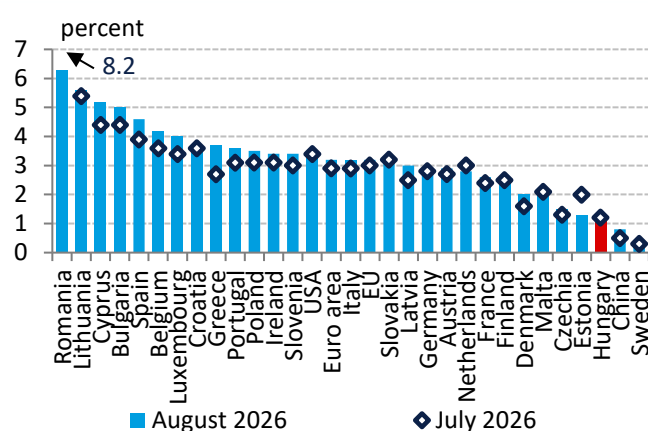
Note: Data based on the HCSO's 3-month moving average methodology. In the case of employment, seasonally and calendar adjusted data. Source: HCSO, MNB

Chart 5: Wage dynamics in the private sector



Source: HCSO

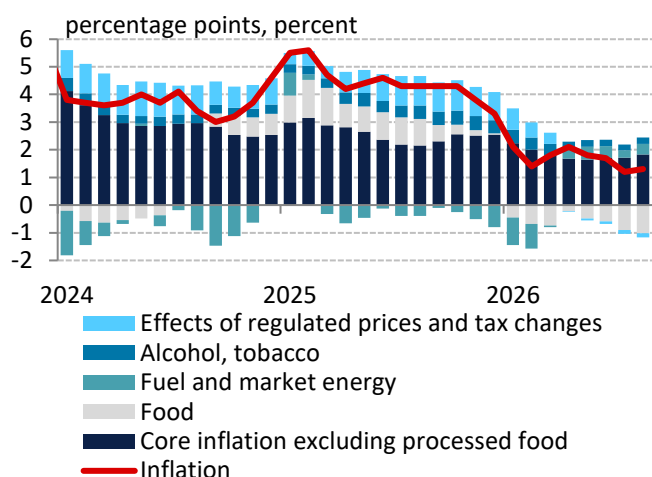
Chart 6: International inflation environment



Note: HICP inflation rates for European Union countries; CPI inflation rates for Hungary and the other countries.

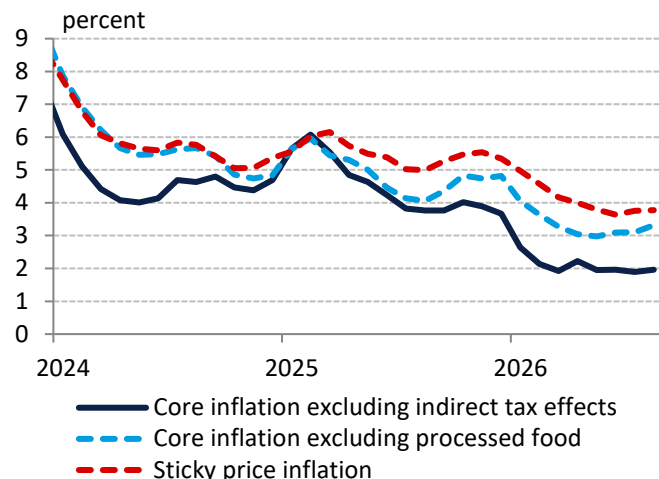
Source: Eurostat, Trading Economics, HCSO

Chart 7: Decomposition of inflation



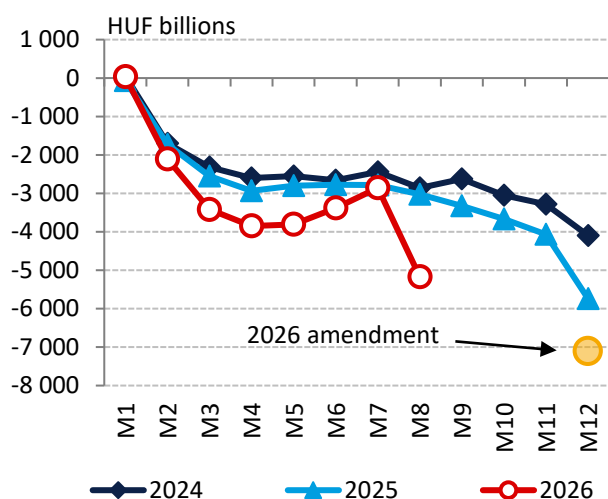
Source: MNB calculation based on HCSO data

Chart 8: Measures of underlying inflation



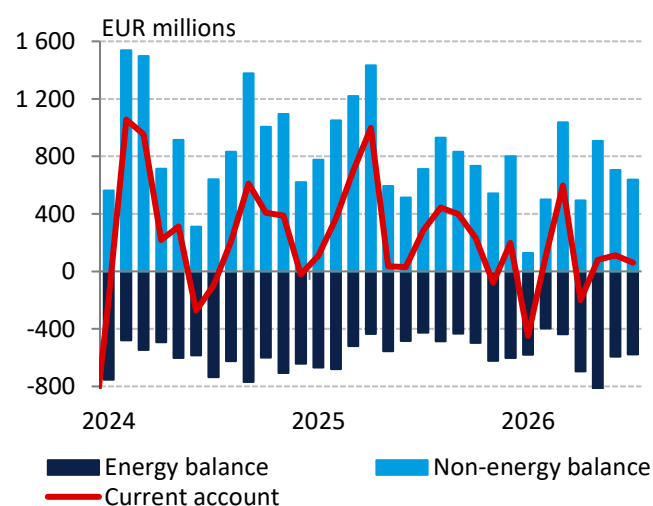
Source: MNB calculation based on HCSO data

Chart 9: Year-to-date cumulative cash balance



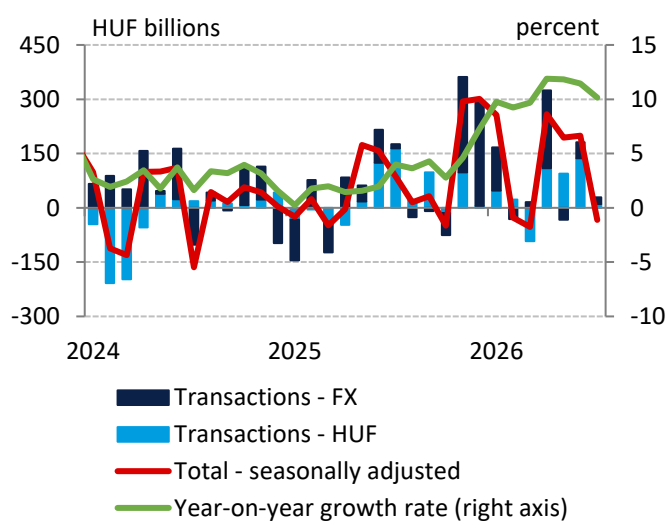
Source: Hungarian State Treasury, amended bill on the 2026 budget

Chart 10: Current account and energy balance



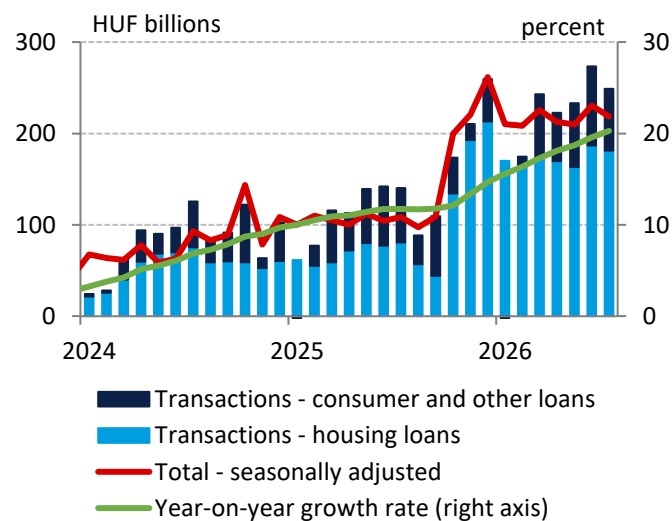
Source: MNB, HCSO

Chart 11: Net borrowing by non-financial corporations



Source: MNB

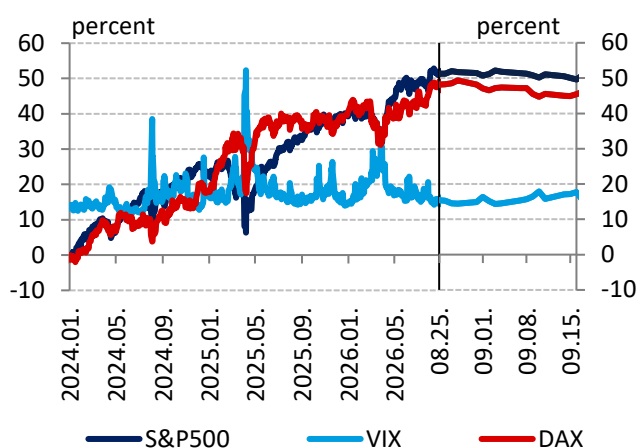
Chart 12: Net borrowing by households



Source: MNB

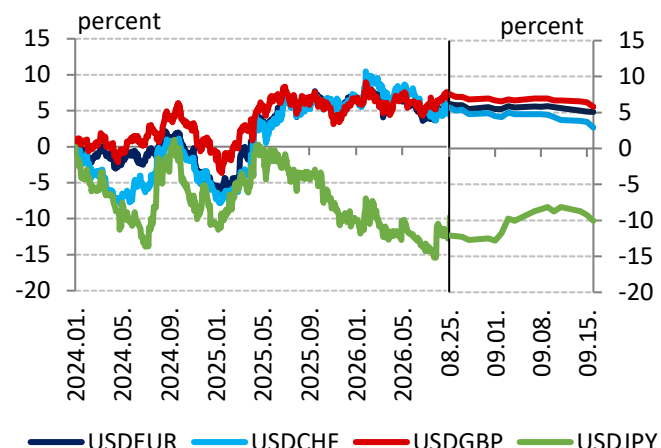
Financial market developments

Chart 13: Stock indices and VIX



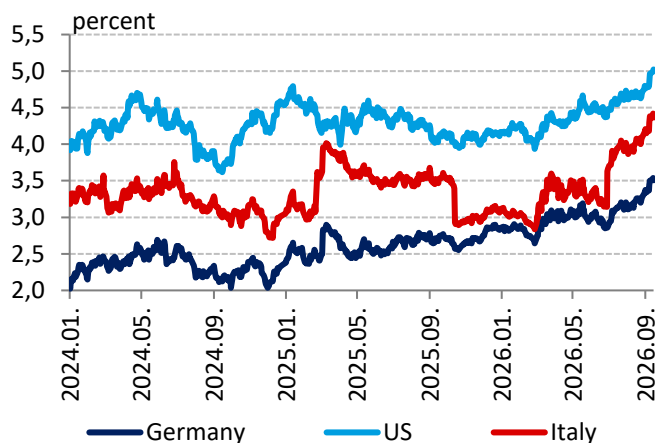
Note: Stock indices (S&P500 and DAX) normalised to the beginning of 2024. Source: Bloomberg

Chart 14: Developed market foreign exchange rates



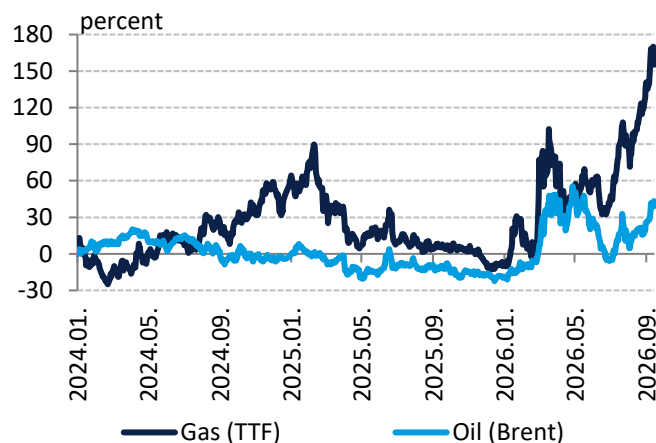
Note: Positive values indicate the appreciation of the variable (second) currency. Source: Bloomberg

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



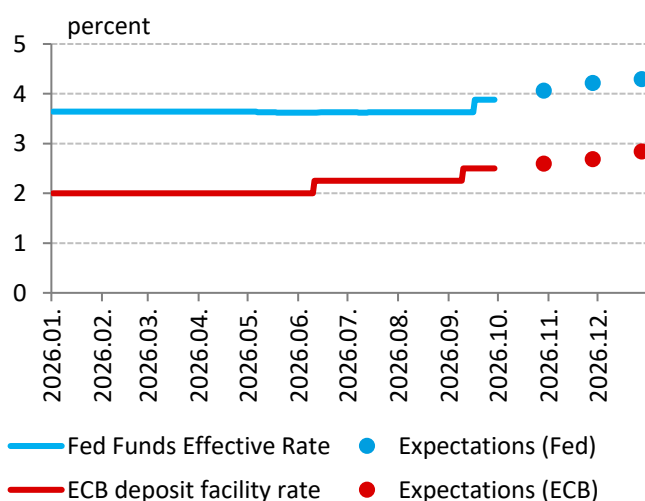
Source: Bloomberg

Chart 16: Global energy prices



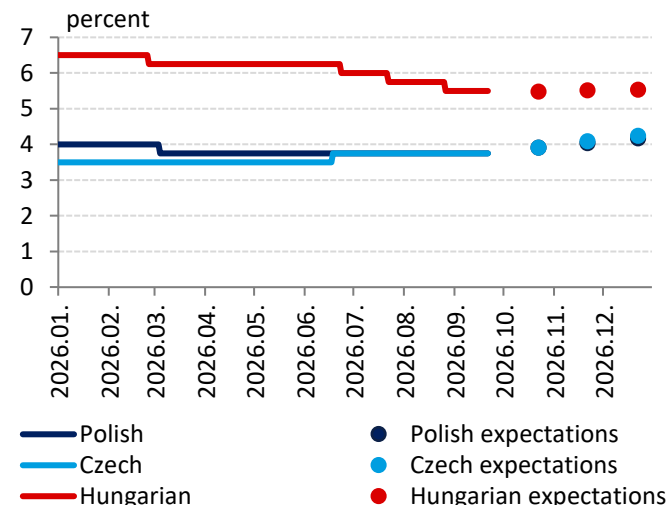
Note: The indicators are normalised to the beginning of January 2024. Source: Bloomberg

Chart 17: Market pricing for the Fed and ECB interest rates



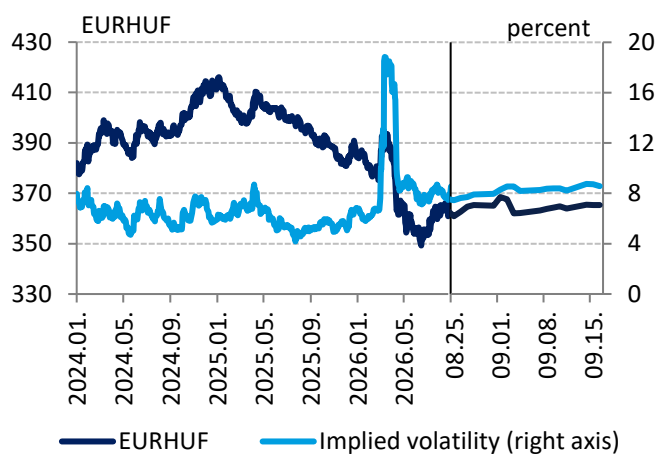
Source: Bloomberg

Chart 18: Market pricing for regional interest rates



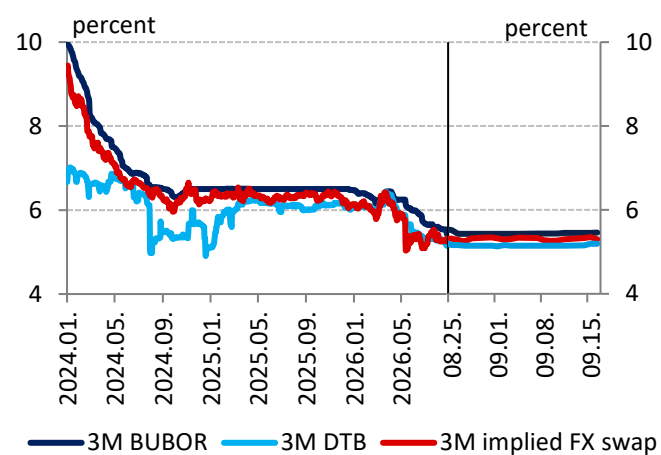
Note: Based on forward pricing. Source: Bloomberg

Chart 19: EUR/HUF exchange rate and implied volatility



Source: Bloomberg

Chart 20: 3-month forint yields



Source: MNB, Reuters