



PRESS CONFERENCE FOLLOWING THE MONETARY COUNCIL'S DECISION ON 26 AUGUST 2025





MAIN MESSAGES: THE DECISIONS OF THE MONETARY COUNCIL IN AUGUST

- **The Council is committed to the achievement of the inflation target in a sustainable manner. A cautious and patient approach to monetary policy remains warranted.**
- **Maintaining financial market stability and anchoring inflation expectations remain key.**
- **In line with the stability-oriented approach, the Monetary Council left the base rate unchanged at 6.50 percent at today's meeting.**
- **The Monetary Council's forward guidance did not change.**



MAIN MESSAGES: MACROECONOMIC AND FINANCIAL MARKET ASSESSMENT

GLOBAL ENVIRONMENT

- The global growth outlook improved slightly. Market sentiment became more favourable. However, ongoing trade and geopolitical tensions continue to create an uncertain global economic environment.
- Energy prices decreased slightly since the previous interest rate decision.
- According to market pricing, the interest rate environment in the United States may ease in the coming months.

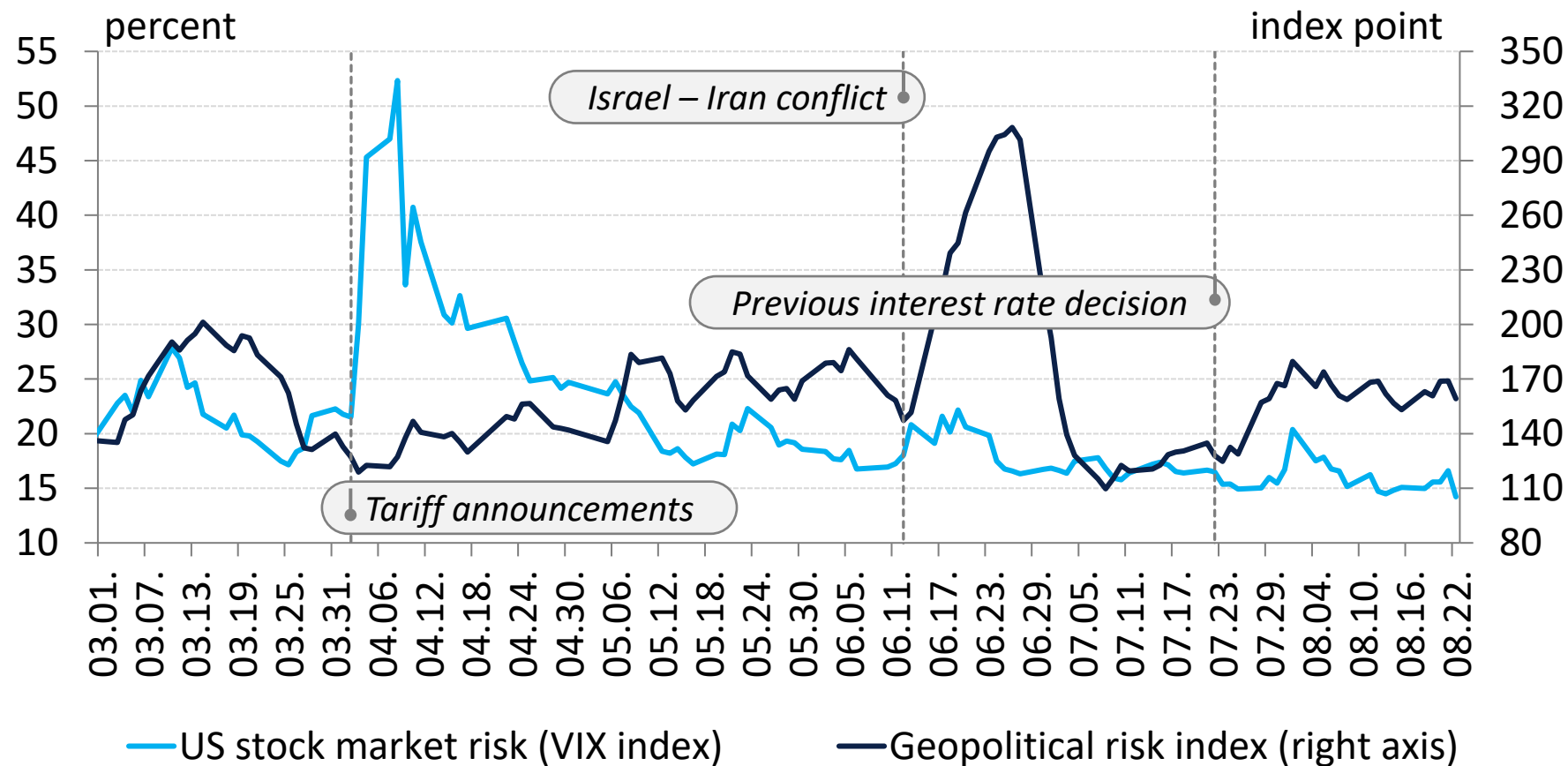
DOMESTIC MACROECONOMIC DEVELOPMENTS

- Hungarian economy remained subdued in 2025 Q2. GDP rose by 0.1 percent year-on-year.
- In July, inflation decreased to 4.3 percent. Price restriction measures had a significant diminishing effect on inflation, however, strong corporate repricings can still be observed outside their scope.
- Household inflation expectations have remained at a high level.



RISK APPETITE IS MAINLY INFLUENCED BY TARIFF ANNOUNCEMENTS AND GEOPOLITICAL CONFLICTS

THE US EQUITY MARKET VOLATILITY INDEX AND THE GEOPOLITICAL RISK INDEX SINCE THE BEGINNING OF MARCH 2025

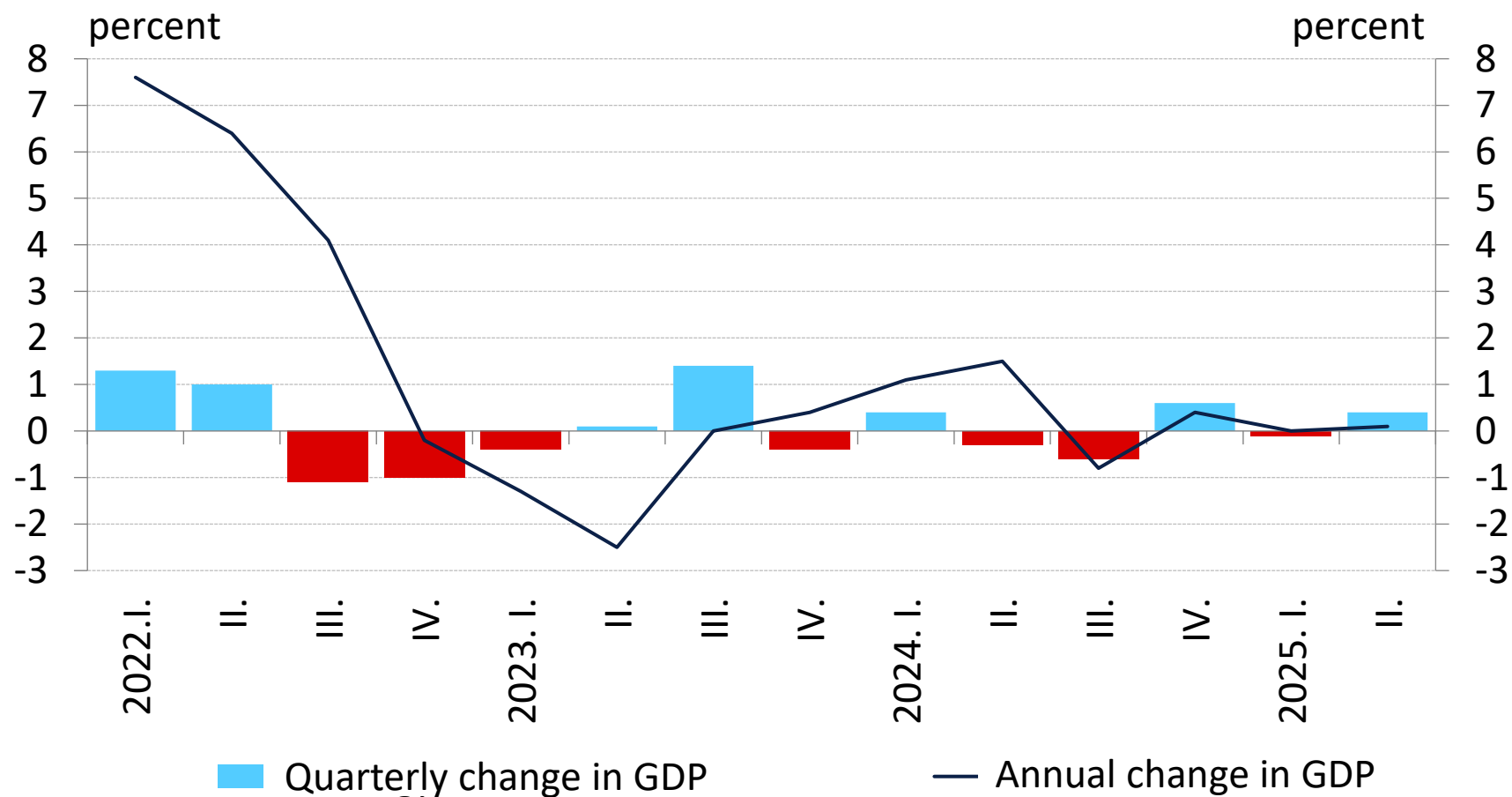


Note | 7-day moving average of the daily geopolitical risk index.
Source | Bloomberg, Matteo Iacovello



HUNGARIAN ECONOMY REMAINED SUBDUED IN 2025 Q2

ANNUAL AND QUARTERLY CHANGES IN GDP



Note | Quarterly change is based on seasonally and calendar-adjusted data.

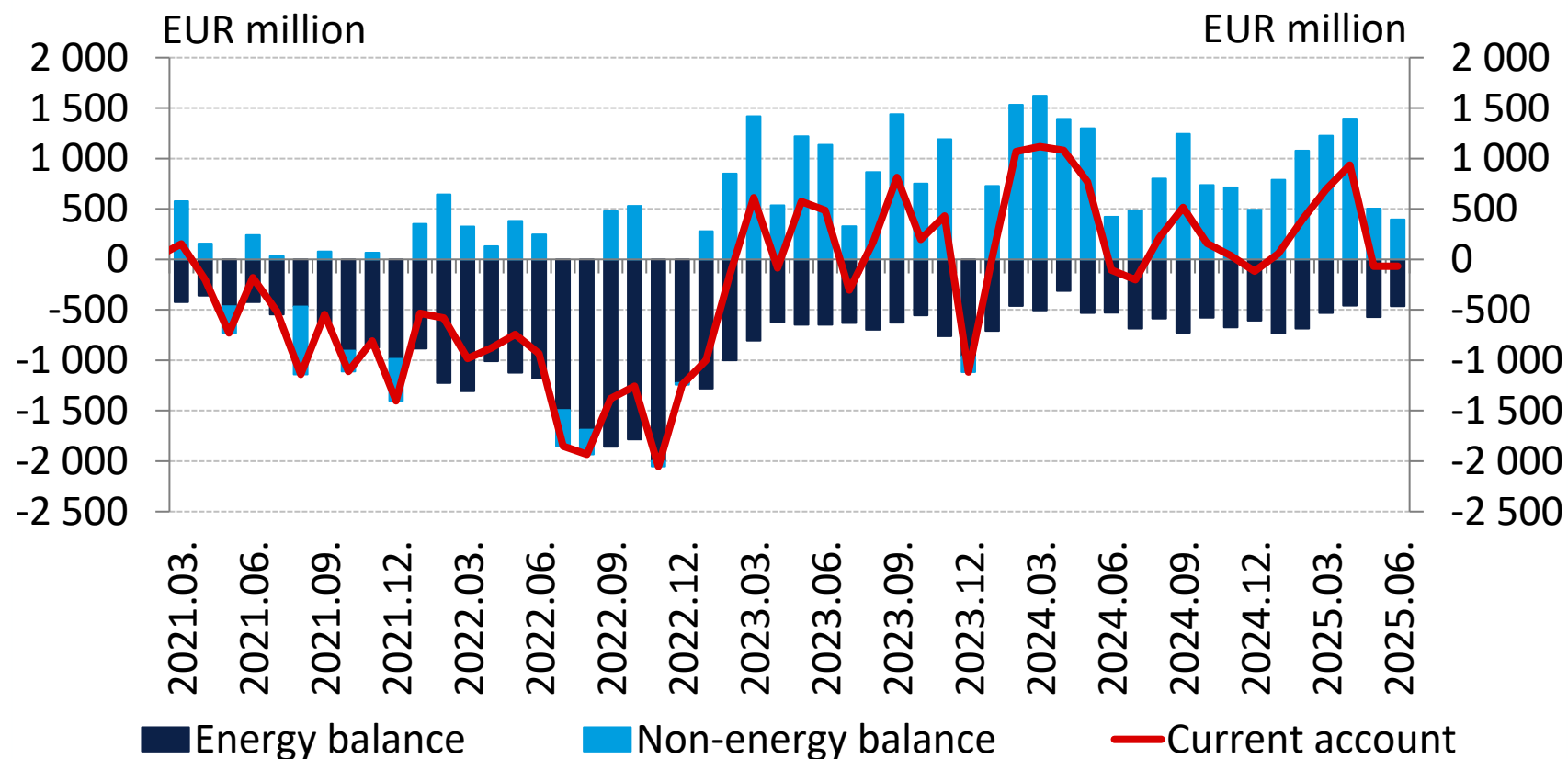
Source | HCSO | 5



THE CURRENT ACCOUNT SHOWED A SMALL DEFICIT SIMILAR TO THE PREVIOUS MONTH

The decline in the balance was partially due to one-off items in addition to a slight decrease in goods export and a small increase in goods import.

DEVELOPMENTS IN THE CURRENT ACCOUNT AND ENERGY BALANCE



Note | The last monthly value of the energy balance is estimated.

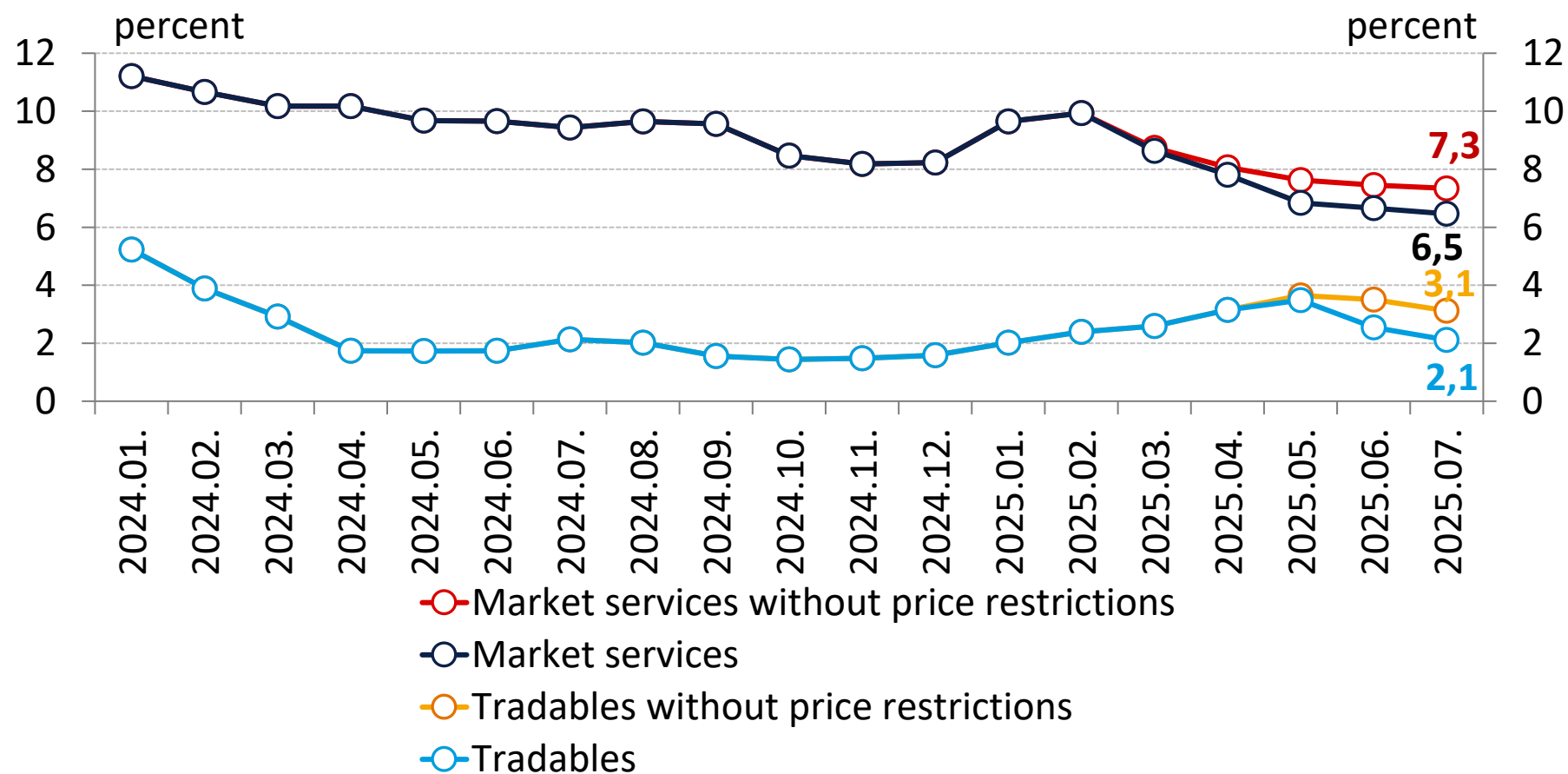
Source | MNB



PRICE RESTRICTIONS REDUCED DOMESTIC INFLATION BY 1.5 PERCENTAGE POINTS OVERALL

However, strong corporate repricing continues to be observed.

INFLATION OF MARKET SERVICES AND TRADABLES

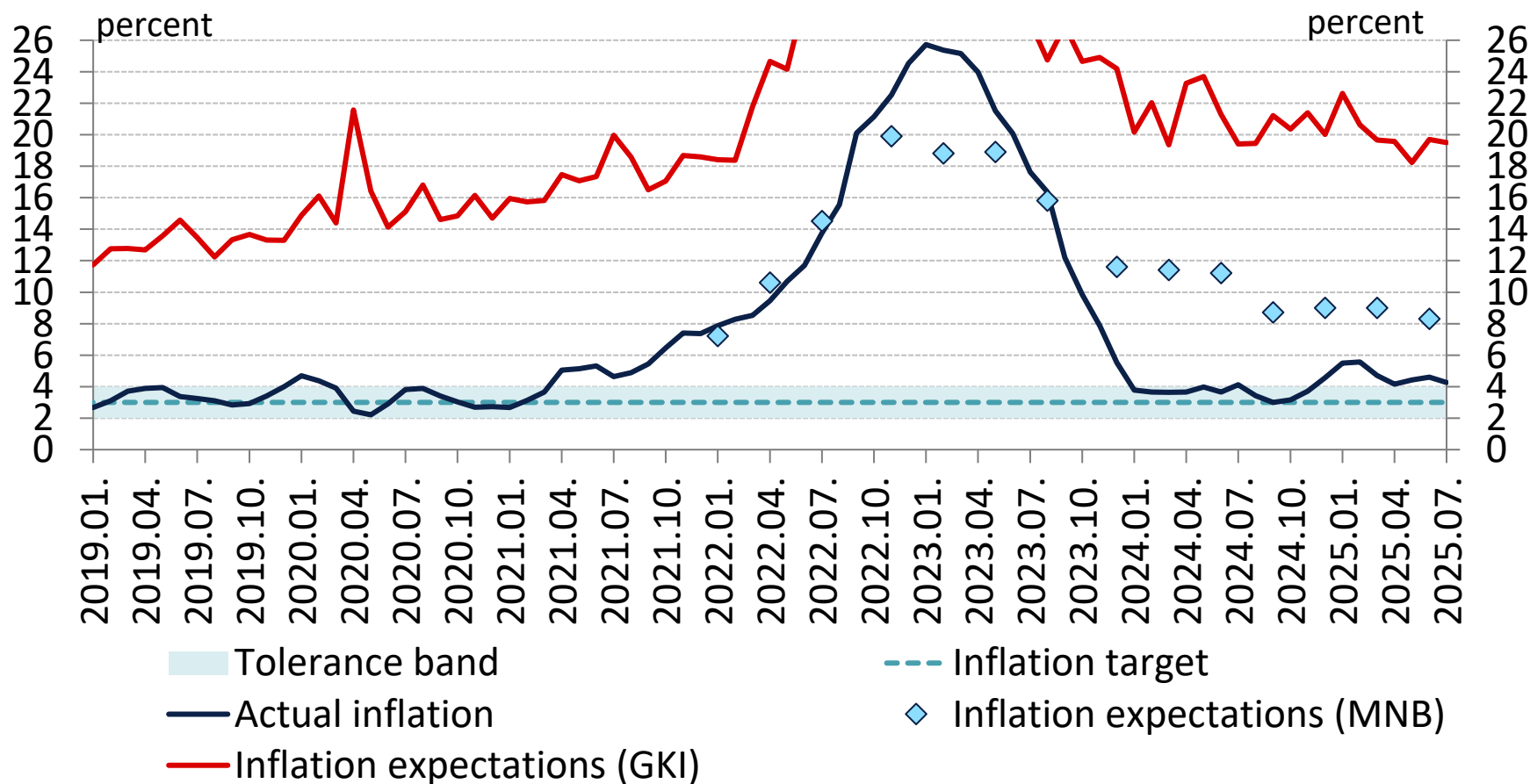




HOUSEHOLD INFLATION EXPECTATIONS REMAIN AT HIGH LEVELS

Anchoring expectations in line with the central bank's target contributes to sustainable economic growth.

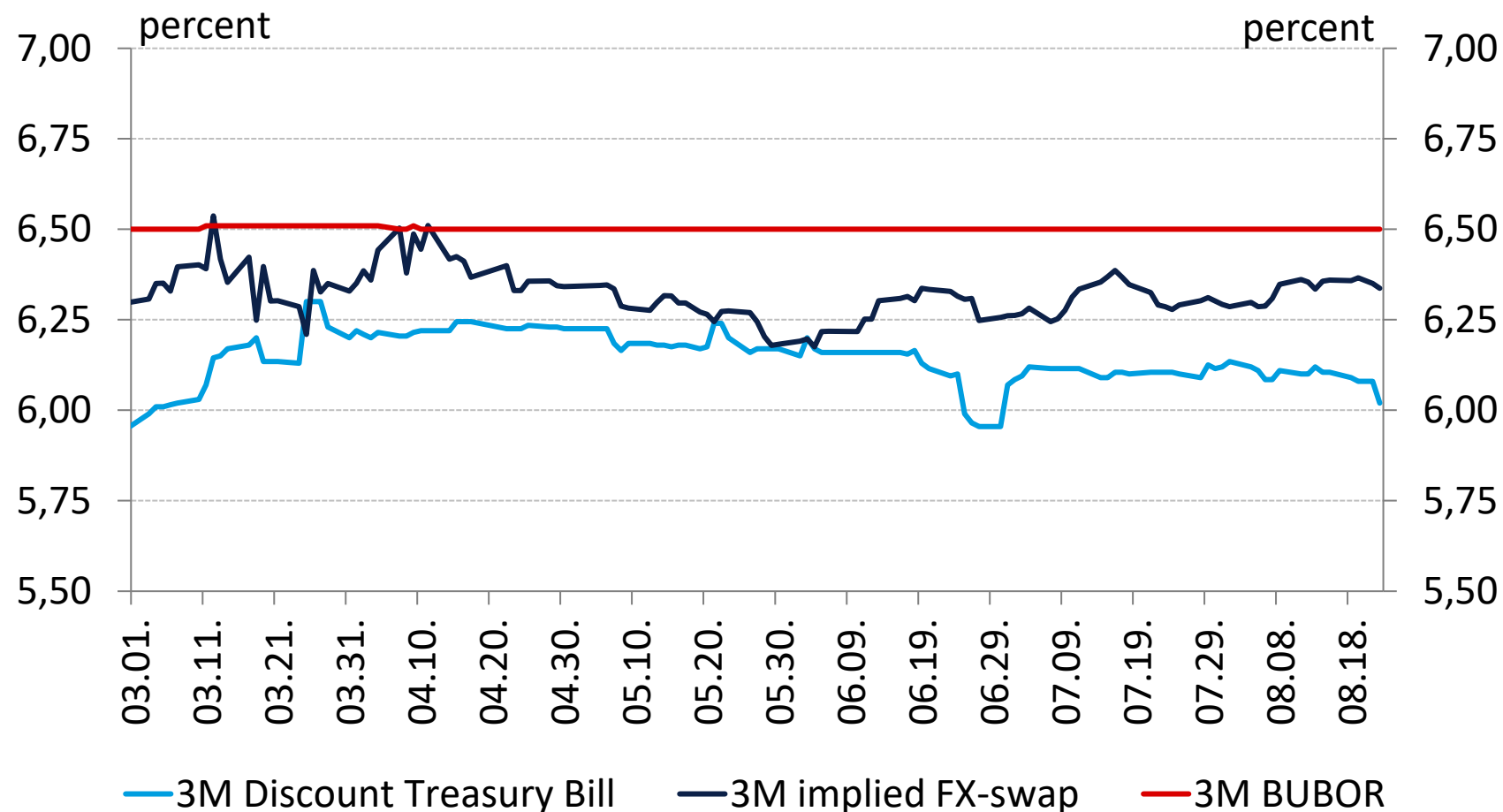
HOUSEHOLD INFLATION EXPECTATIONS





SHORT-TERM MONEY MARKET YIELDS, WHICH ARE IMPORTANT FOR TRANSMISSION, ARE STABLE

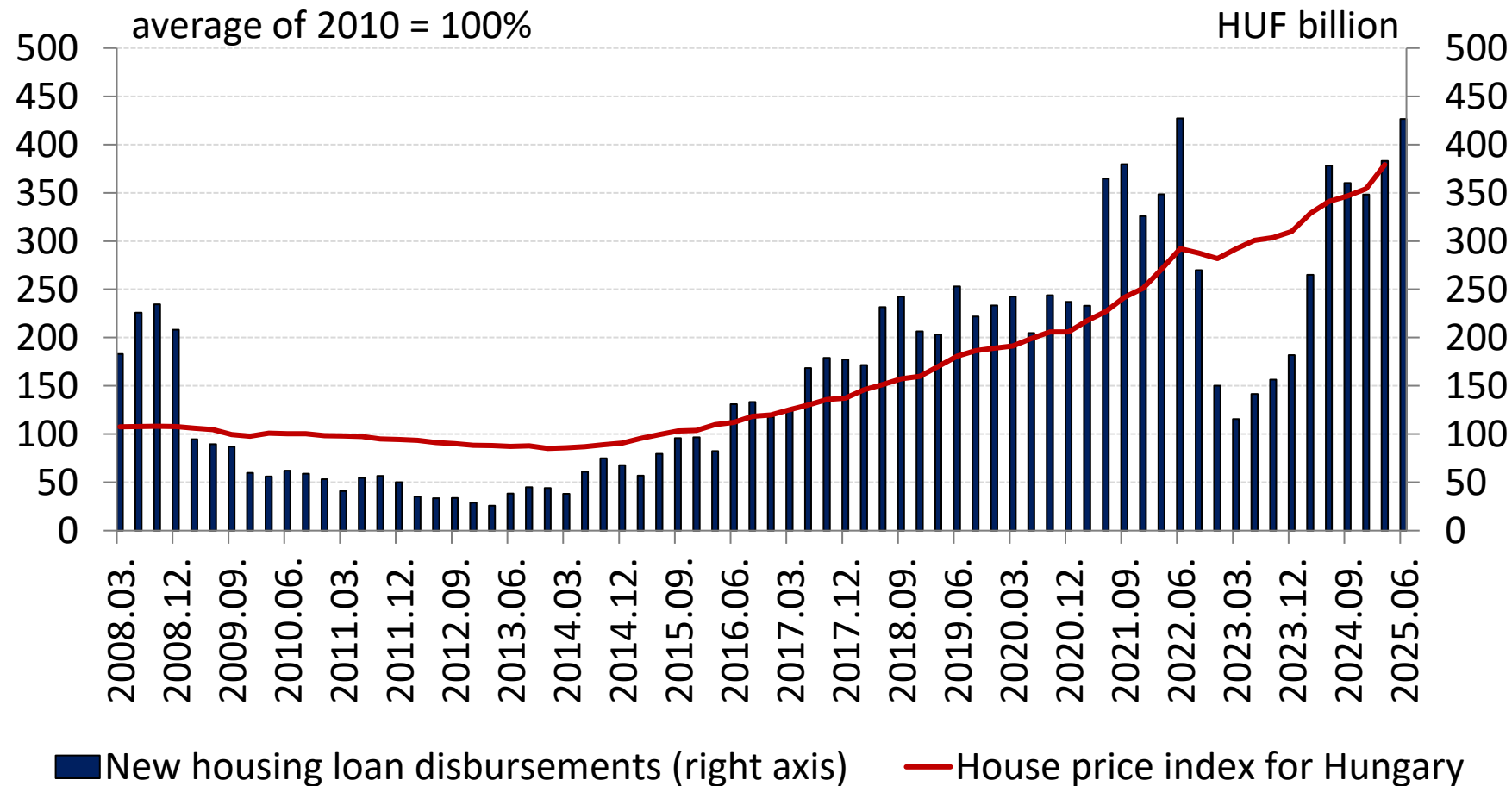
3-MONTH FORINT YIELDS





THE HIGH DYNAMICS OF HOUSING LOANS MAY PERSIST DUE TO EXCESS DEMAND POTENTIALLY RESULTING FROM THE HOME START PROGRAMME

DEVELOPMENTS IN NEW HOUSING LOAN DISBURSEMENTS AND THE MNB NOMINAL HOUSE PRICE INDEX





MAINTENANCE OF TIGHT MONETARY CONDITIONS IS WARRANTED

In line with the stability-oriented approach, the Monetary Council left the base rate unchanged at 6.50 percent at today's meeting. The interest rate corridor also remained unchanged.

- In the Council's assessment, **a careful and patient approach remains warranted.**
- **By ensuring a positive real interest rate,** the Bank contributes to the anchoring of inflation expectations and to the achievement of the inflation target in a sustainable manner.
- In the Council's assessment, **maintaining tight monetary conditions is warranted.**
- **The forward guidance did not change.**



THANK YOU FOR YOUR
ATTENTION!