



PRESS CONFERENCE FOLLOWING THE MONETARY COUNCIL'S DECISION ON 21 OCTOBER 2025





MAIN MESSAGES:

THE DECISIONS OF THE MONETARY COUNCIL IN OCTOBER

- The Council is committed to the achievement of the inflation target in a sustainable manner.
- By ensuring tight monetary conditions, the 3 percent inflation target can be achieved in a sustainable manner in early 2027.
- In the current economic situation, maintaining **the stability of the foreign exchange market is of key importance** in reducing inflation expectations.
- Accordingly, a **cautious and patient** approach to monetary policy remains 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 Monetary Council's forward guidance did not change.



MAIN MESSAGES: MACROECONOMIC AND FINANCIAL MARKET ASSESSMENT

GLOBAL ENVIRONMENT

- **The global economic environment is still uncertain.** The decrease in global inflation has slowed.
- **International financial markets react sensitively** to trade and geopolitical developments.
- According to market pricing, **the interest rate environment in the United States may ease further, while European interest rates may remain unchanged** in the coming months.

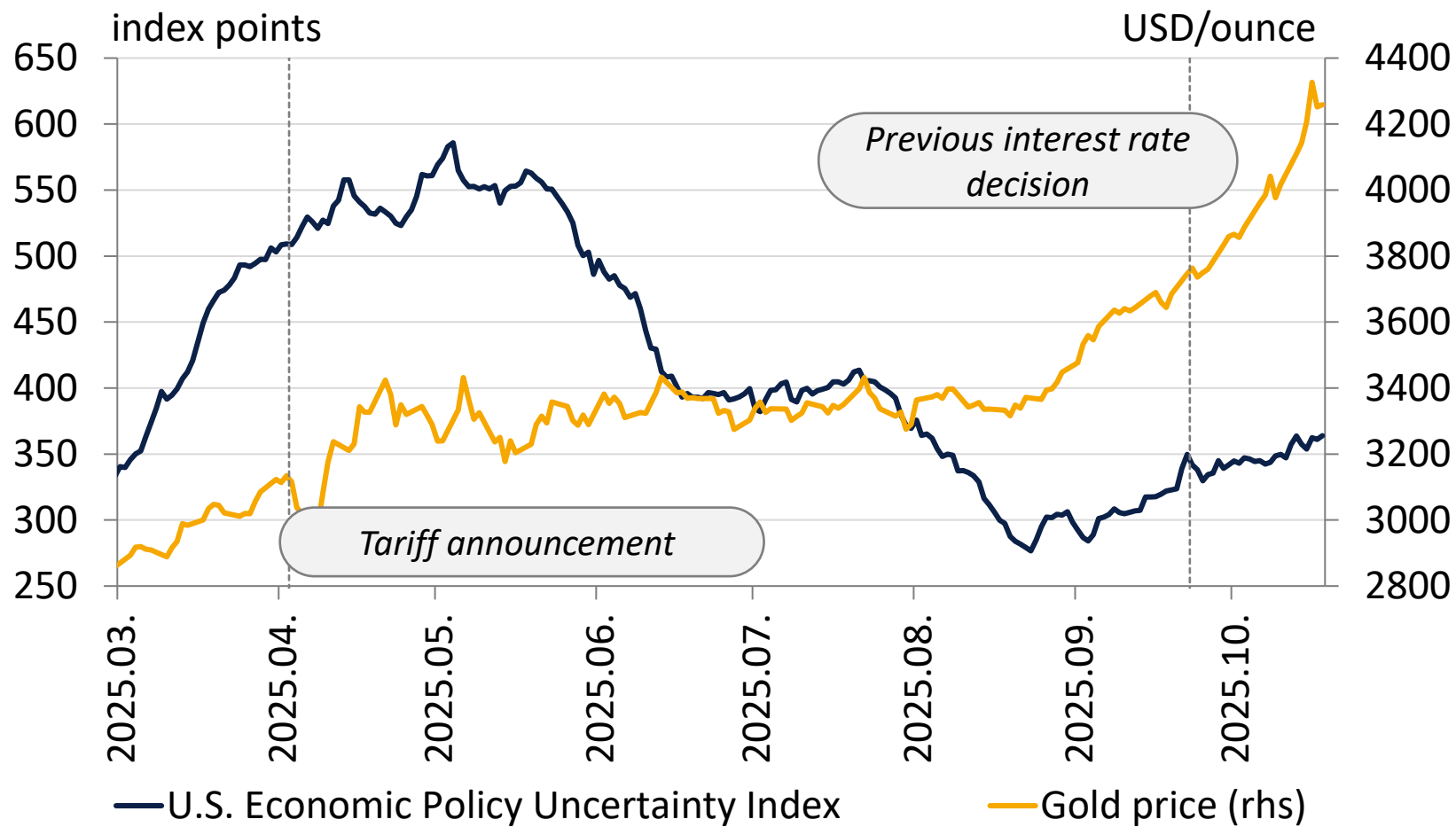
DOMESTIC MACROECONOMIC DEVELOPMENTS

- **In Hungary, real economic developments are characterised by duality.**
- **In September, inflation was 4.3 percent, similar to the previous month.** Price restriction measures had a significant diminishing effect on inflation. However, **underlying developments remain strong.**
- **Although household inflation expectations decreased slightly, they remain at a high level.**



GLOBAL INVESTOR SENTIMENT IS STILL DETERMINED BY THE UNCERTAIN ENVIRONMENT

U.S. ECONOMIC POLICY UNCERTAINTY INDEX AND GOLD PRICE



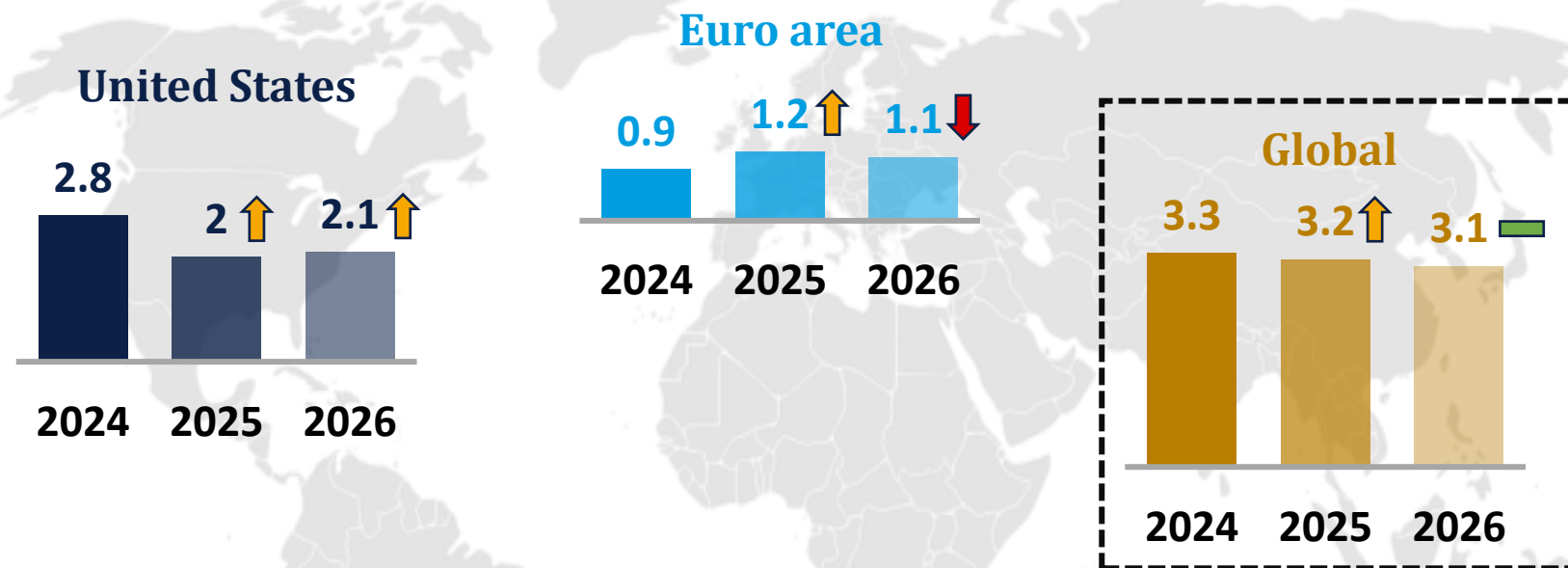
Note | 30 days moving average for the daily Economic Policy Uncertainty Index.

Source | Bloomberg, Baker et al. (2016) | 4



STABLE GROWTH IS EXPECTED IN THE GLOBAL ECONOMY, BUT UNCERTAINTY REMAINS

EXPECTED PATH FOR REAL GDP IN CERTAIN REGIONS



Compared to the IMF's July forecast:

↑ Increased

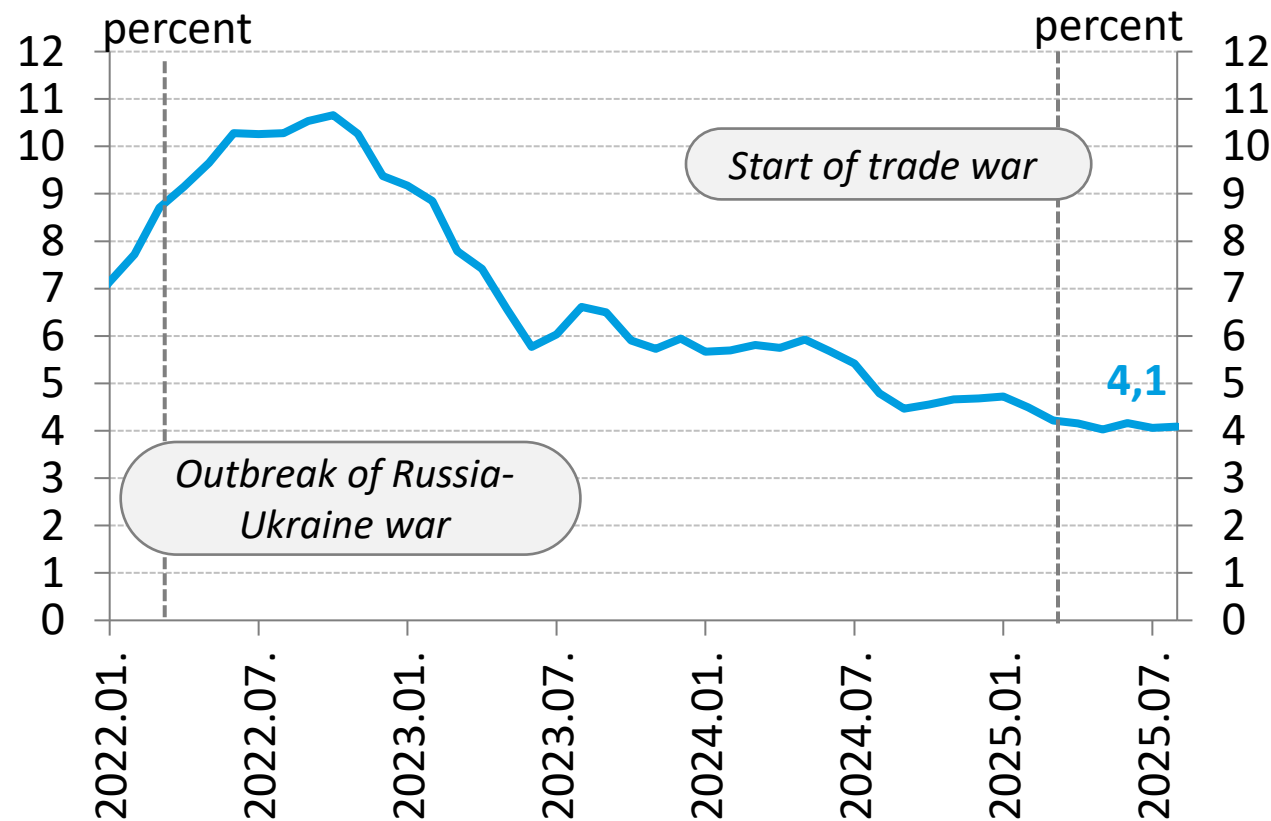
— No change

↓ Decreased



GLOBAL DISINFLATION HAS SLOWED, AND THE PACE OF PRICE INCREASES IS STUCK ABOVE THE CENTRAL BANK TARGET IN SEVERAL COUNTRIES

INFLATION IN OECD COUNTRIES (AVERAGE)



Inflation

Above target

20 countries

Close to target

11 countries

Below target

6 countries

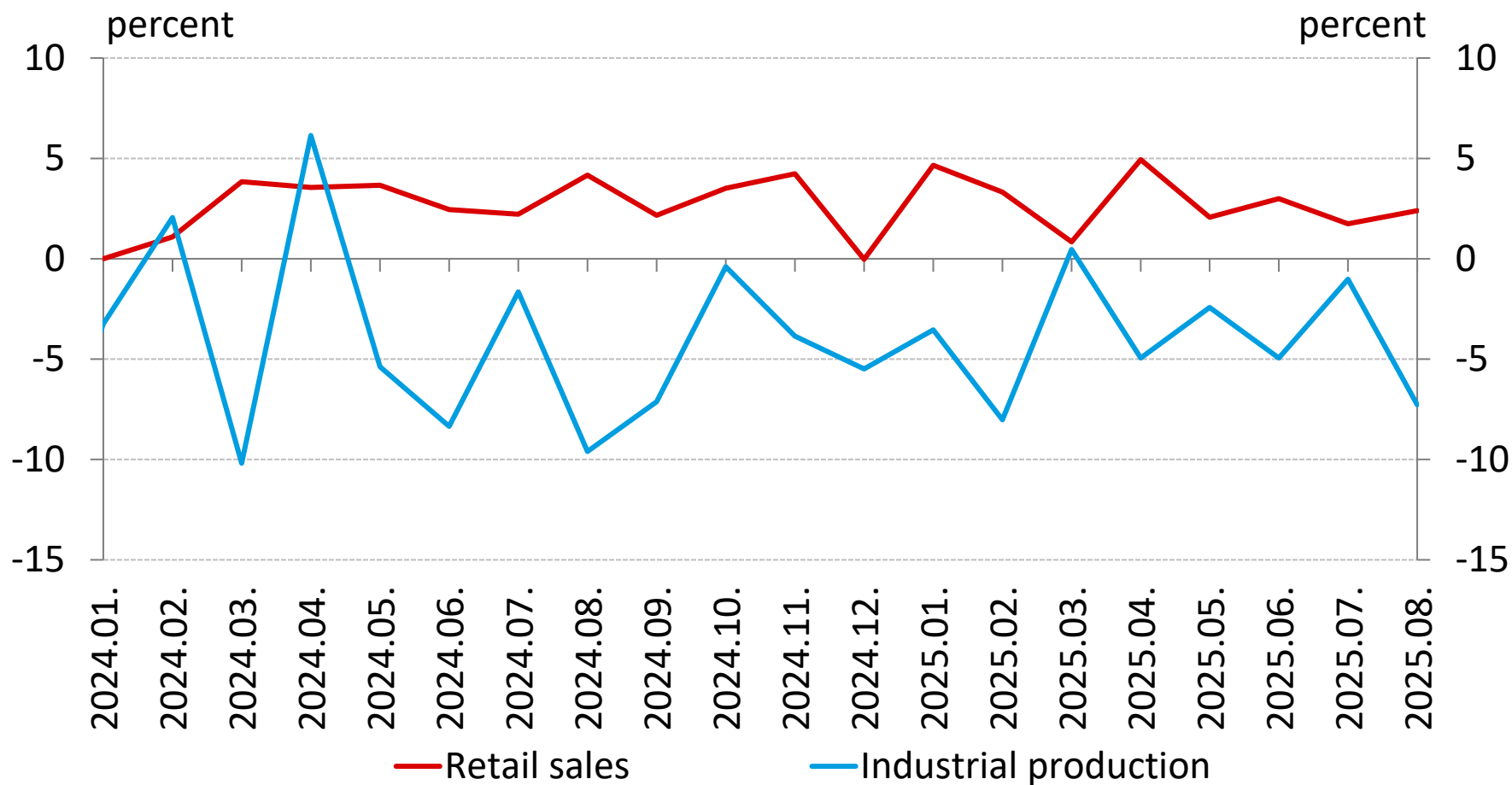
Note | On the right, information is based on data from August 2025. In the case of Australia: Q2 2025 data. In the OECD database, inflation data is not available for New Zealand.

Source | OECD | 6



IN HUNGARY, REAL ECONOMIC DEVELOPMENTS ARE CHARACTERISED BY DUALITY

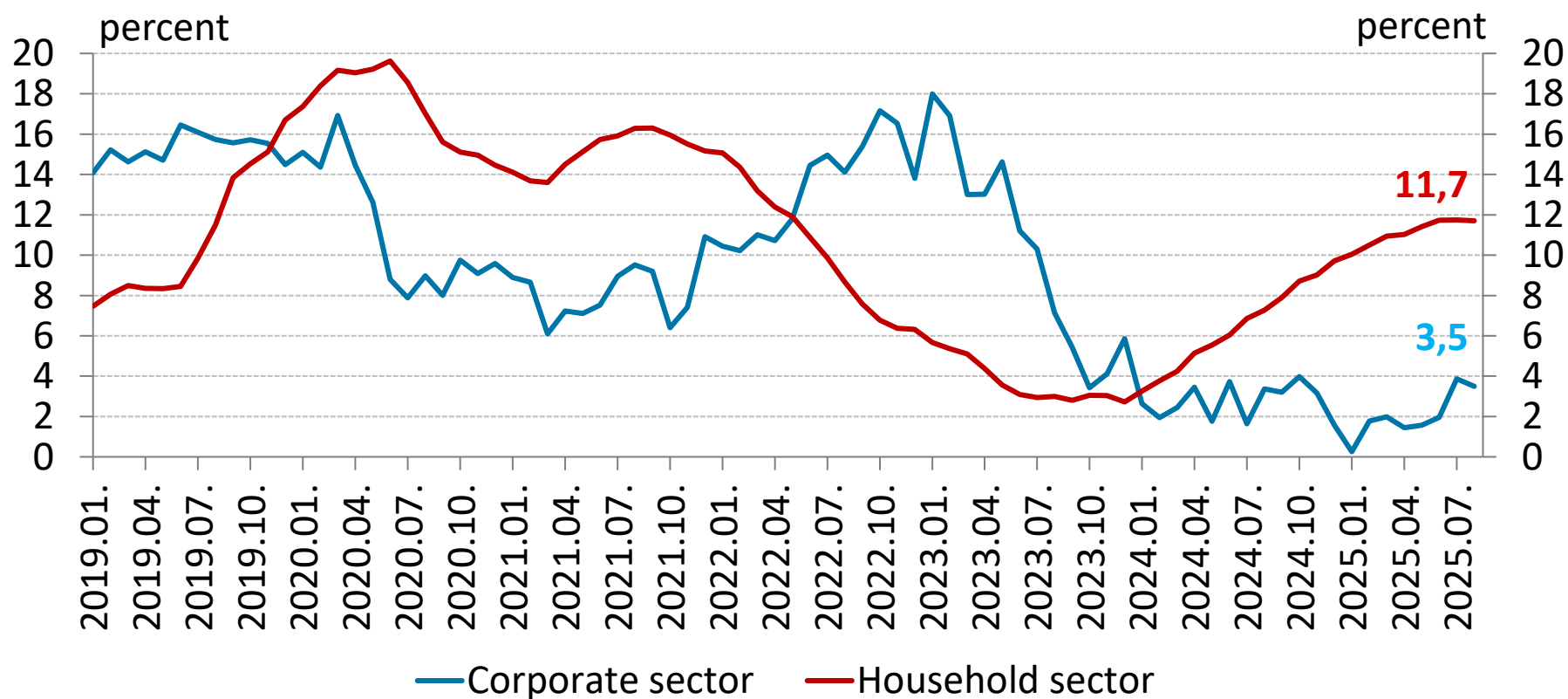
ANNUAL CHANGES IN INDUSTRIAL PRODUCTION AND RETAIL TRADE





HOUSEHOLD CREDIT GROWTH IS SUBSTANTIAL, WHILE CORPORATE LENDING GROWTH IS SUBDUED

ANNUAL GROWTH RATE OF CORPORATE AND HOUSEHOLD LOANS OUTSTANDING



Note | Transaction-based, i.e. growth rate calculated on the basis of the value of new disbursements adjusted for repayments, exchange rate effects and other stock changes. To obtain the growth rate, we also took into consideration the repayments received by Sberbank between March 2022 and August 2022.

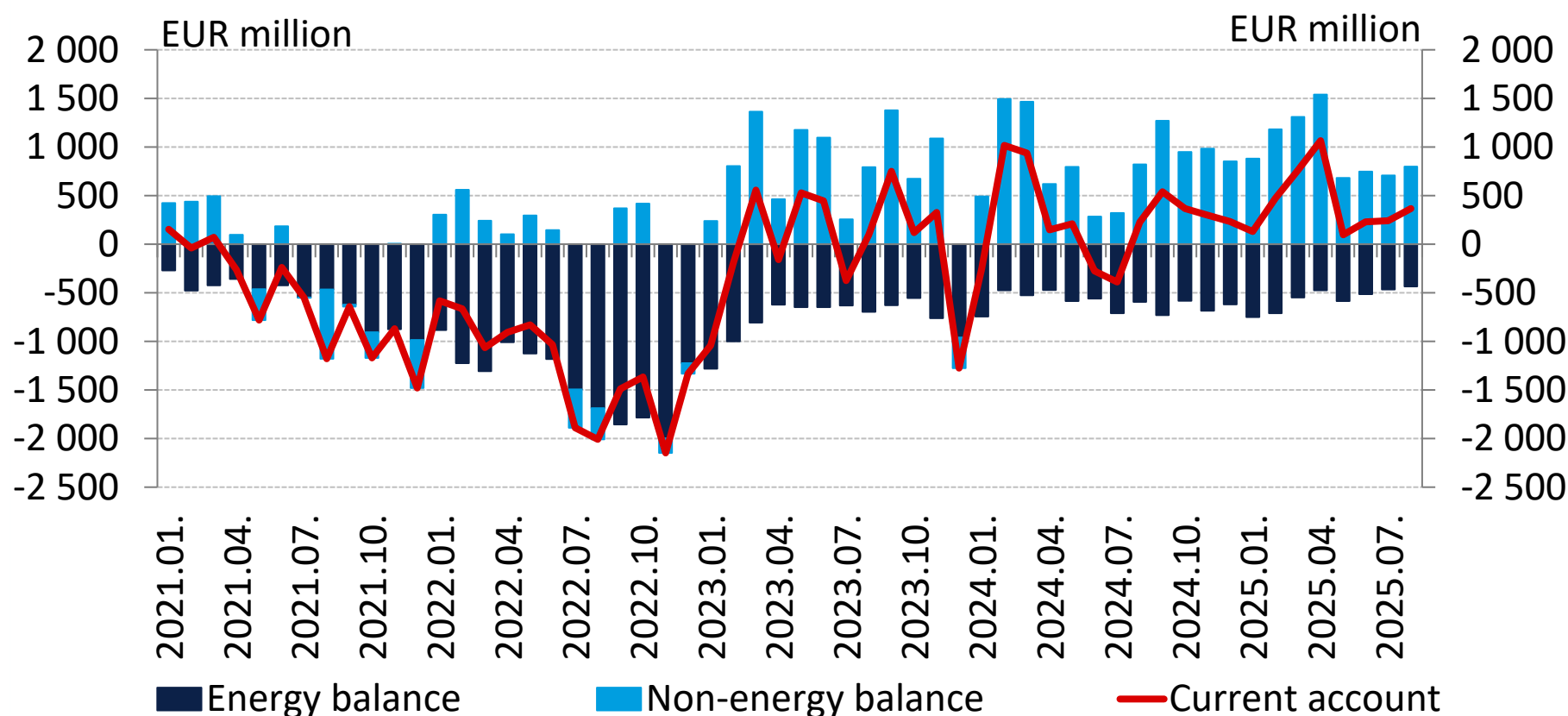
Source | MNB



THE CURRENT ACCOUNT BALANCE SHOWED A SURPLUS IN AUGUST

The surplus will undergo a slight, temporary decline in all of 2025. However, from 2026 onwards, the external balance position will strengthen further.

DEVELOPMENTS IN THE CURRENT ACCOUNT AND ENERGY BALANCE



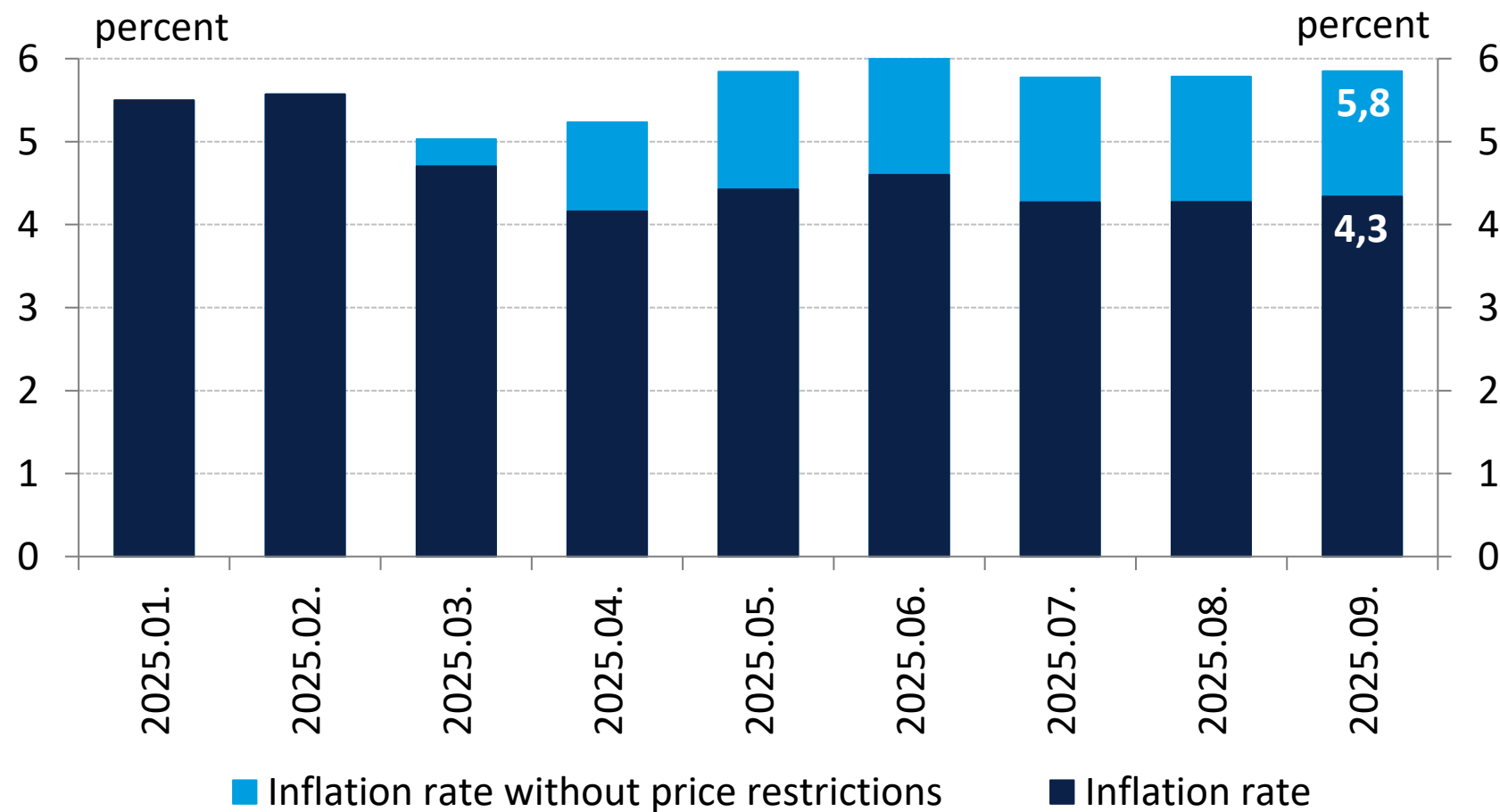
Note | The last monthly value of the energy balance is estimated.

Source | MNB



ALTHOUGH PRICE RESTRICTIONS REDUCE DOMESTIC INFLATION, UNDERLYING DEVELOPMENTS REMAIN STRONG

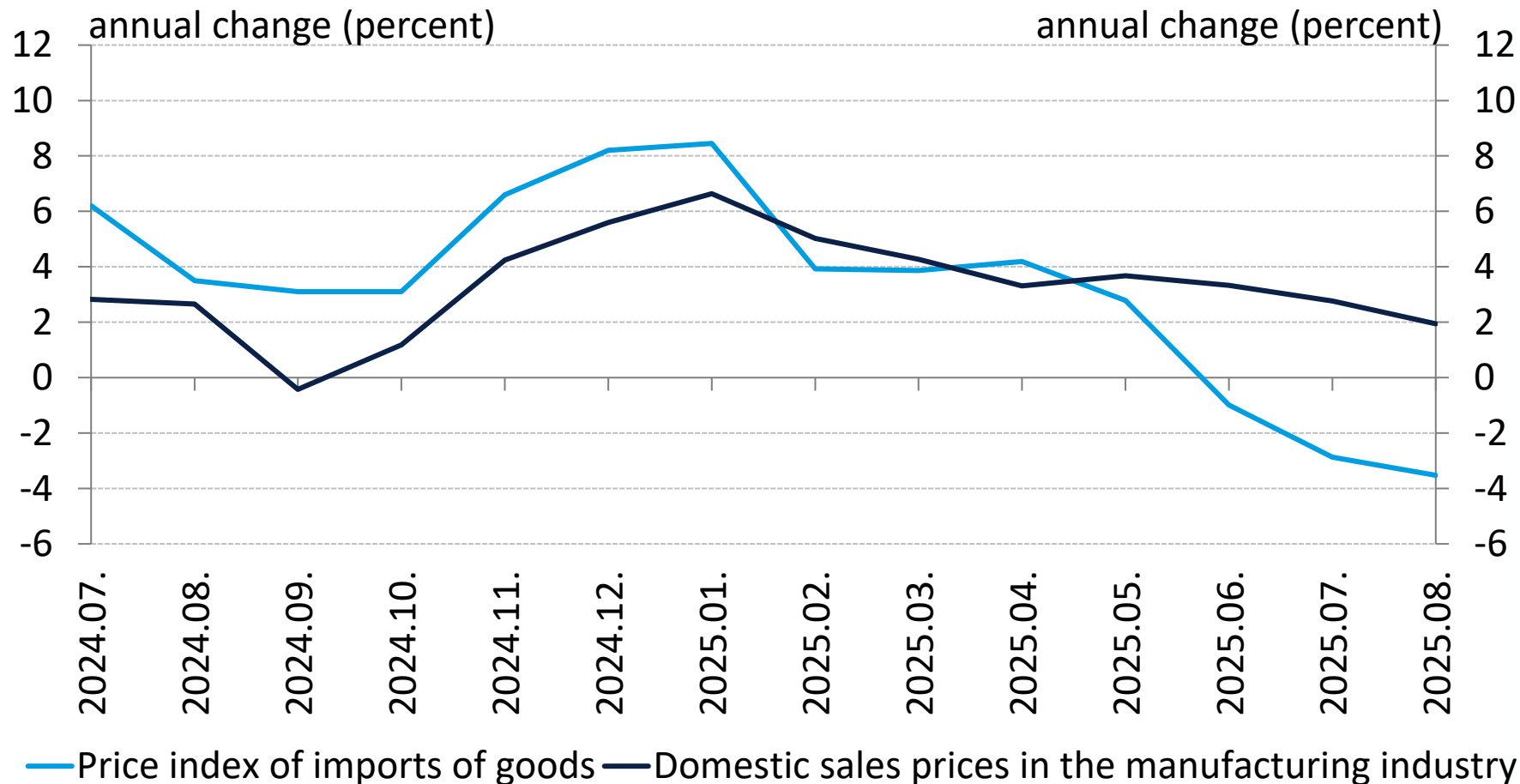
INFLATION DEVELOPMENTS





THE IMPACT OF THE FORINT STRENGTHENING IS INCREASINGLY SEEN IN INPUT PRICES, PASS-THROUGH TO CONSUMER PRICES MAY BE GRADUAL

ANNUAL CHANGES OF PRODUCER PRICES FOR MANUFACTURED GOODS AND IMPORT PRICES

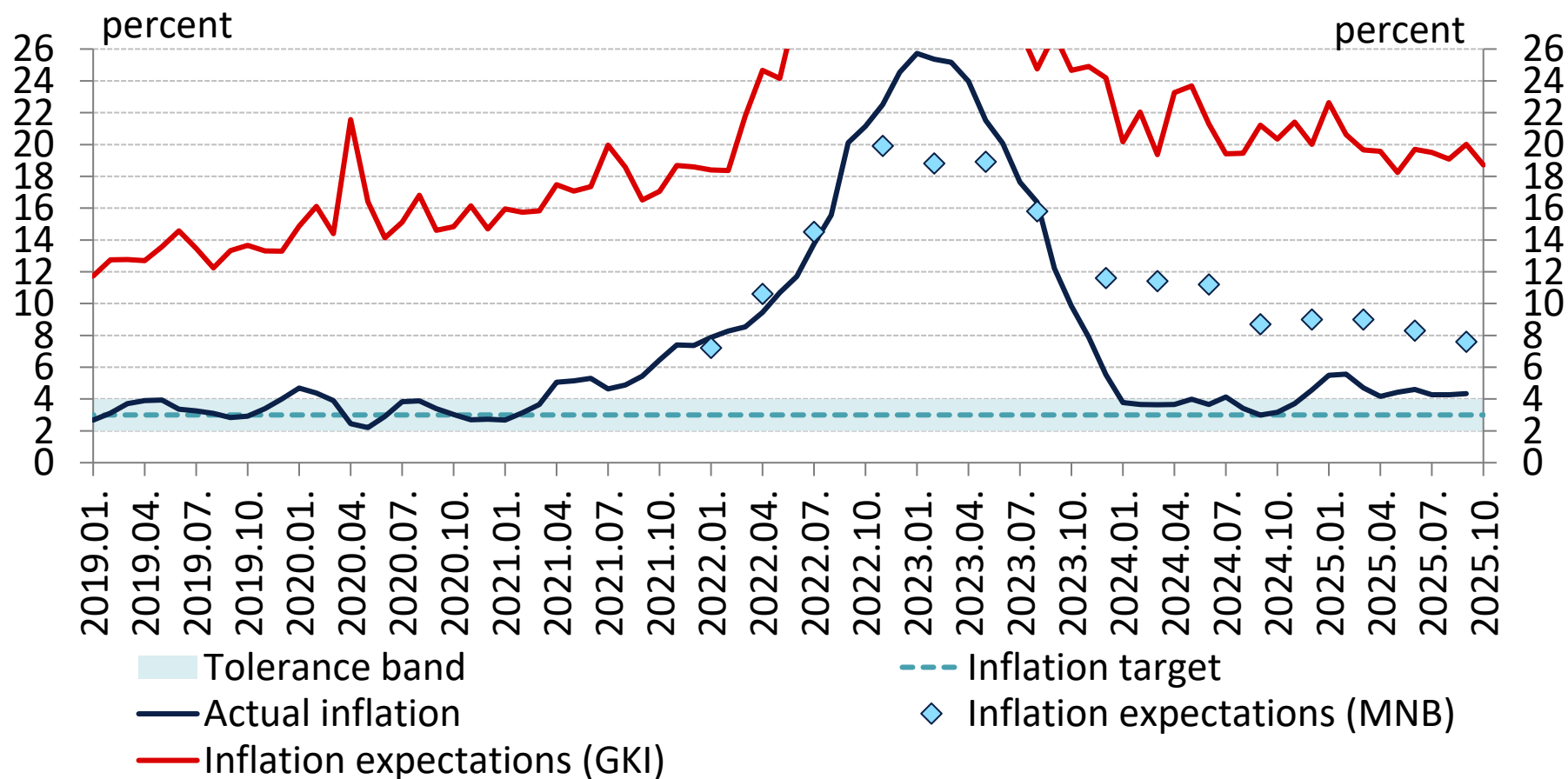




HOUSEHOLD INFLATION EXPECTATIONS DECREASED SLIGHTLY BUT REMAIN AT A HIGH LEVEL

Maintaining the stability of the foreign exchange market is of key importance in reducing inflation expectations.

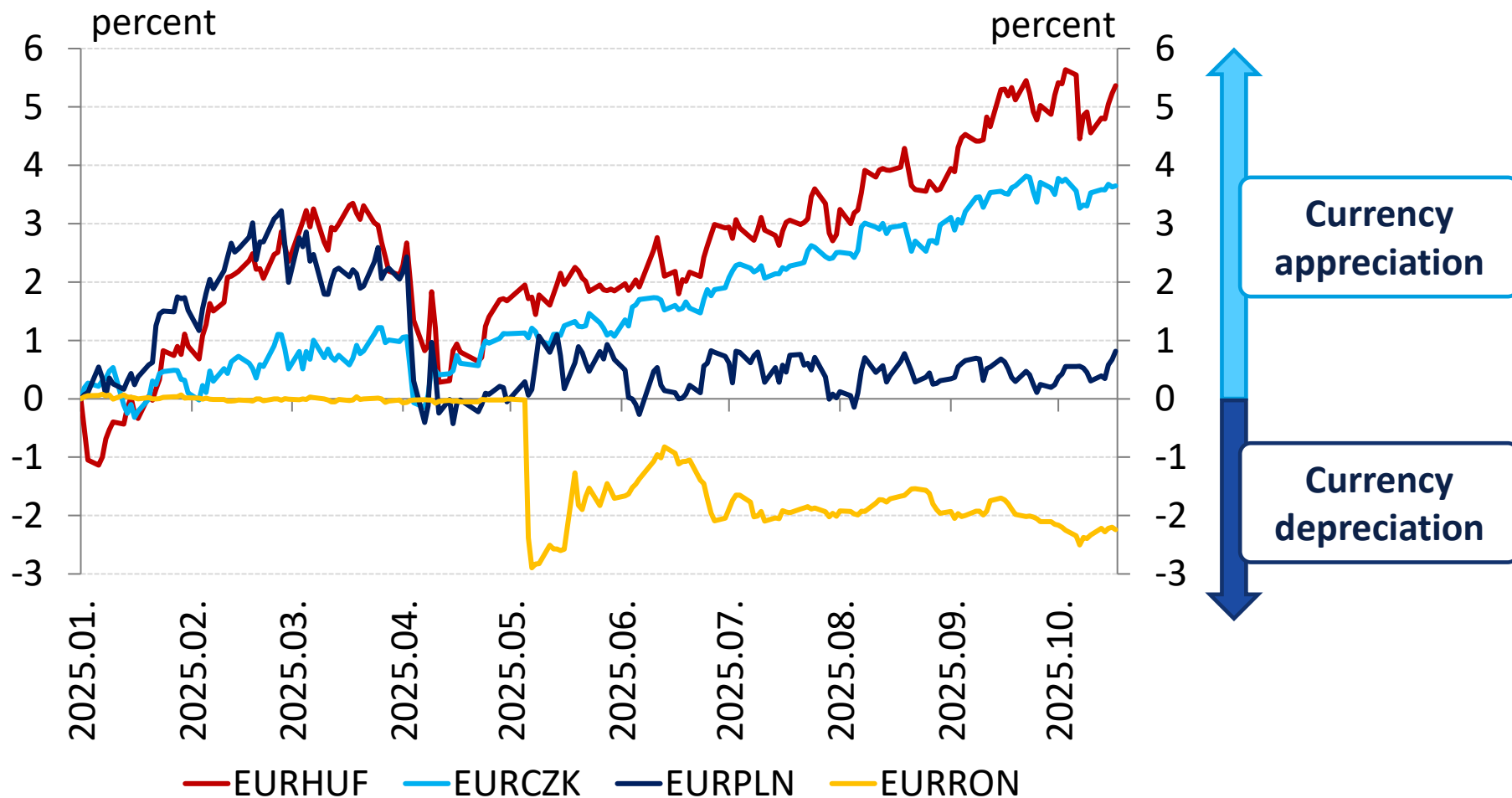
HOUSEHOLD INFLATION EXPECTATIONS





FORINT APPRECIATION SUPPORTS DISINFLATION

EXCHANGE RATES IN THE REGION SINCE THE START OF THE YEAR





MAINTAINING 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!