Mihály Varga
Governor | Magyar Nemzeti Bank

Press Conference
17 November 2026

PRESS CONFERENCE FOLLOWING THE MONETARY COUNCIL'S DECISION ON 17 NOVEMBER 2026

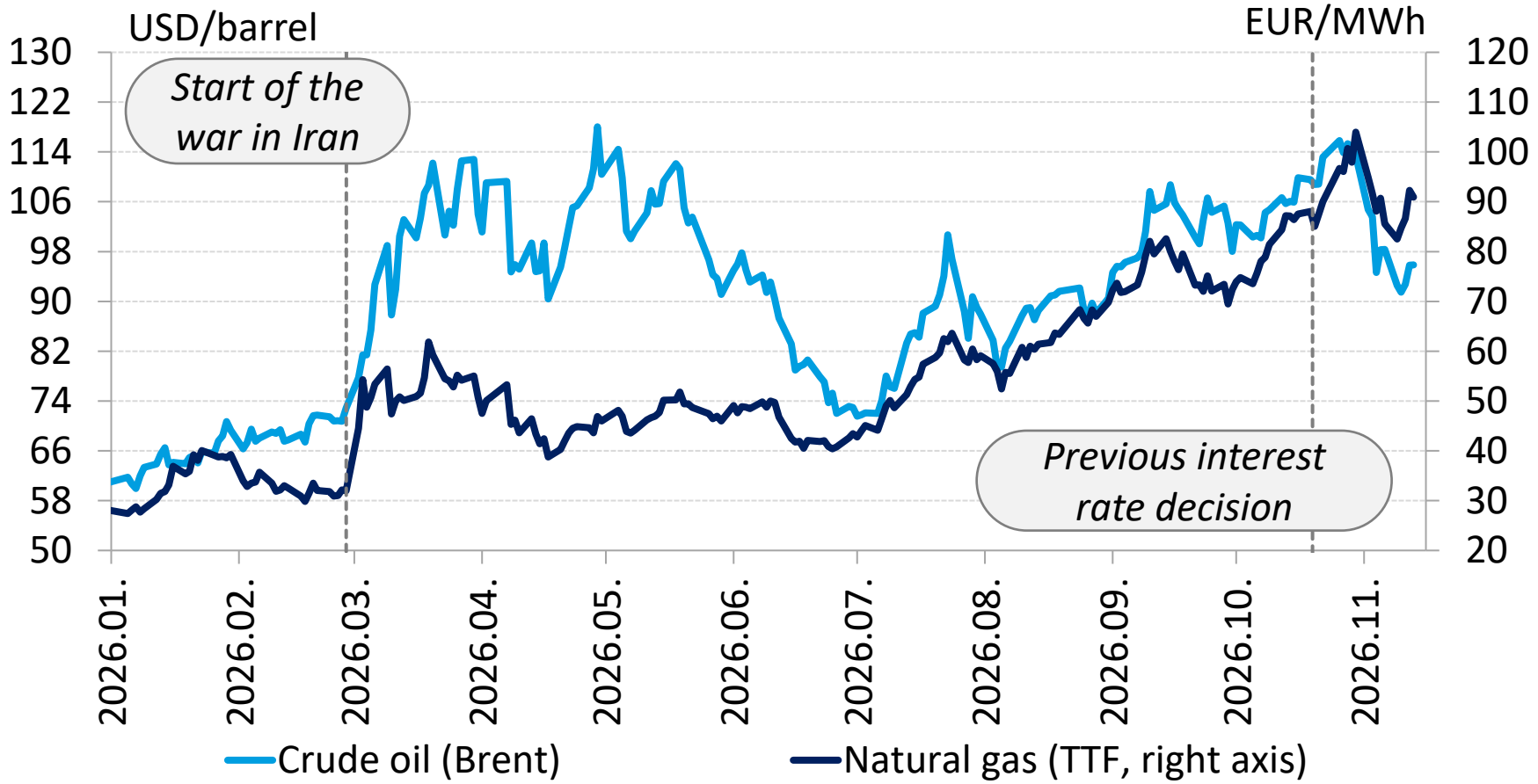
KEY MESSAGES: THE MONETARY COUNCIL'S ASSESSMENT AND DECISION

- **The Monetary Council is committed to achieving the inflation target in a sustainable manner.**
- **The Monetary Council kept the base rate unchanged at 5.50 percent at today's meeting.**
- Amidst uncertainty surrounding the global economic and financial market outlook, **Hungary's risk assessment has remained stable in recent months.**
- The high level and volatility of energy prices, the uncertain international yield environment, as well as the uncertainty regarding external conditions **warrant a cautious and data-driven monetary policy approach.**
- The persistence of Hungary's favourable risk assessment and inflation outlook, together with the easing of uncertainty in the external environment would **increase the room for monetary policy, which the Council will assess based on the December Inflation Report.**

GLOBAL OIL PRICES HAVE DECREASED SINCE THE PREVIOUS INTEREST RATE DECISION AMID GREAT VOLATILITY

European gas prices are at a high level. European gas storage levels remain low.

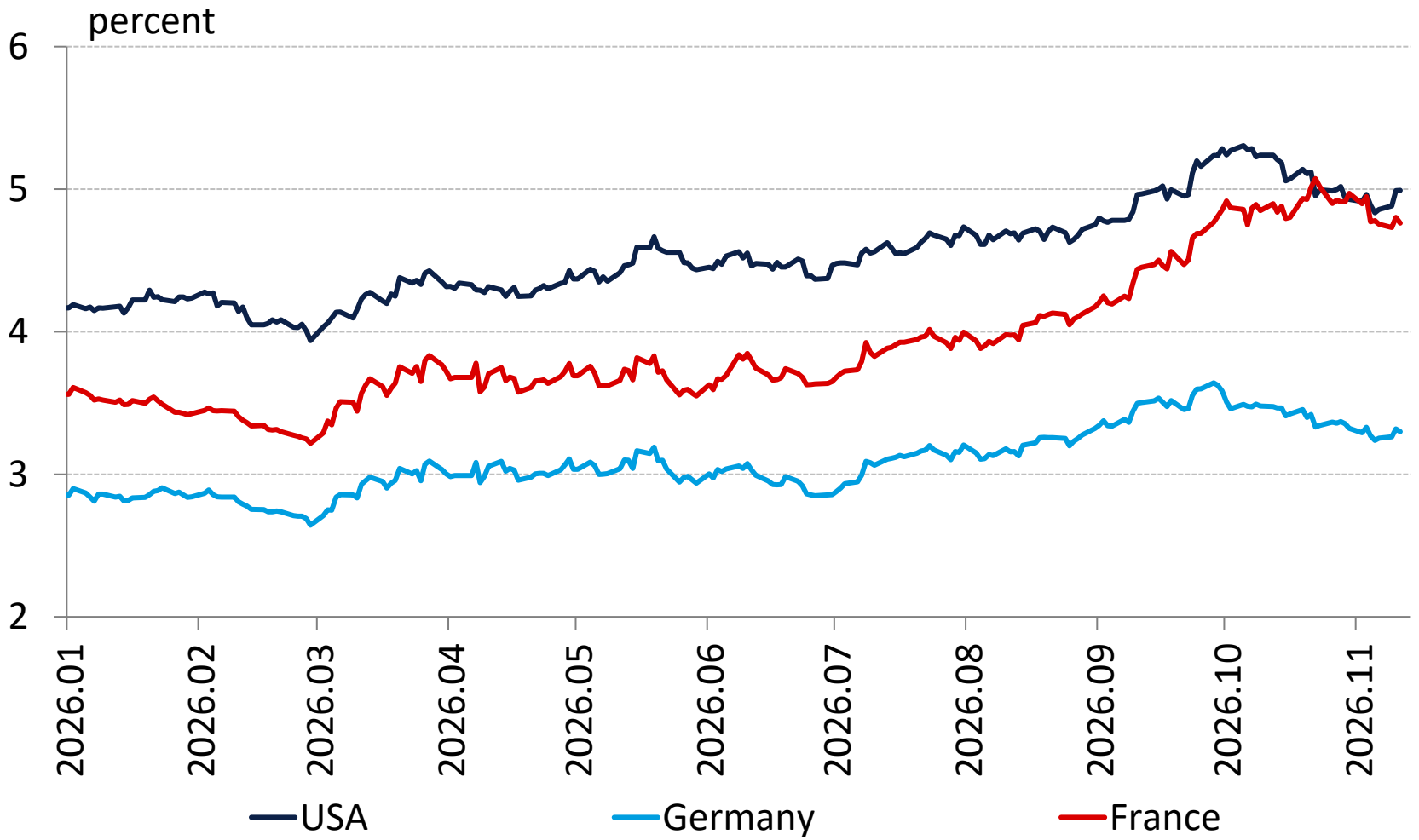
OIL AND GAS PRICES



Source | Bloomberg

DEVELOPED MARKET LONG-TERM YIELD ENVIRONMENT REMAIN UNCERTAIN

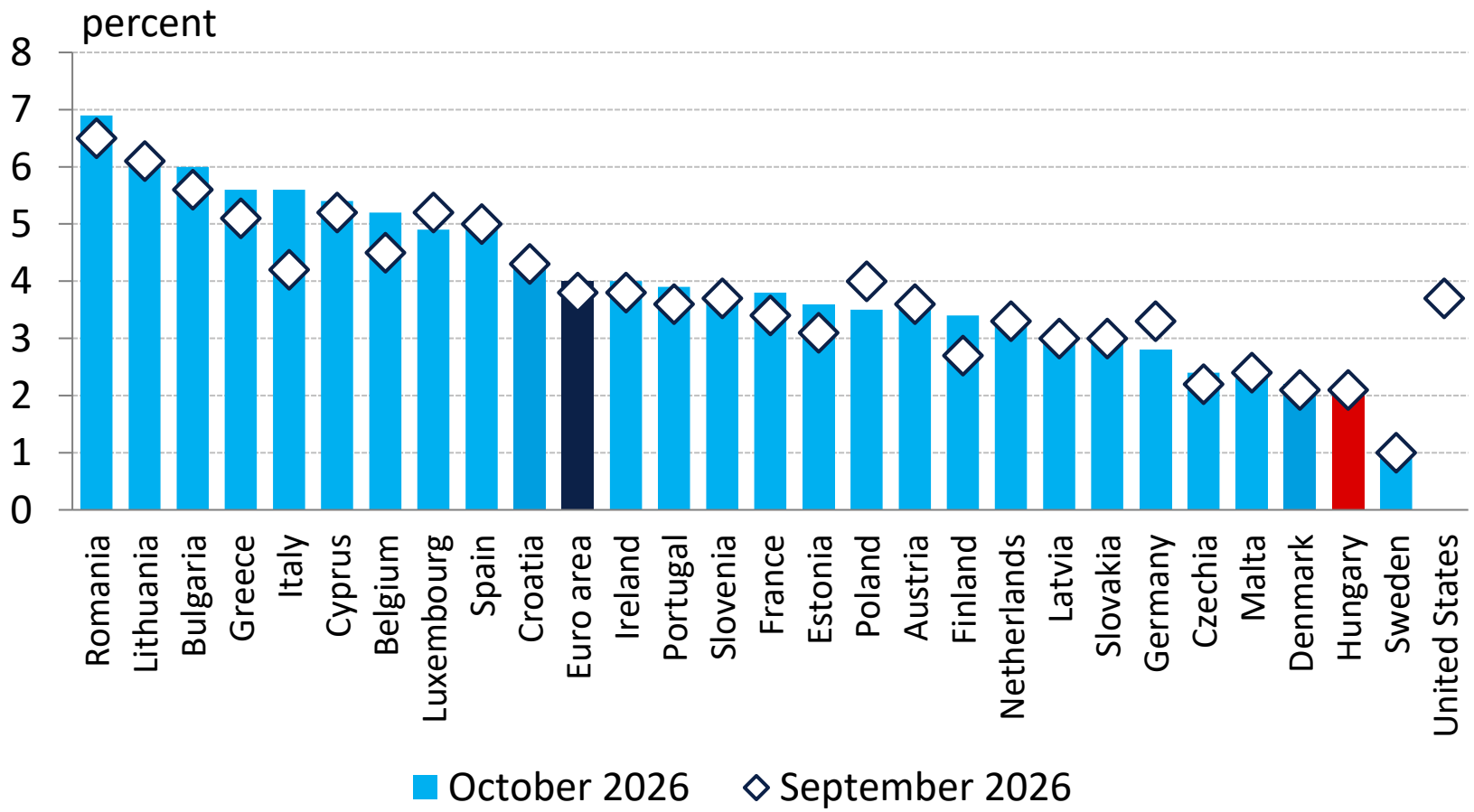
LONG-TERM YIELDS IN DEVELOPED MARKETS



Source | Bloomberg

INFLATION RATES ARE ABOVE THE TARGETS OF THE WORLD'S LEADING CENTRAL BANKS

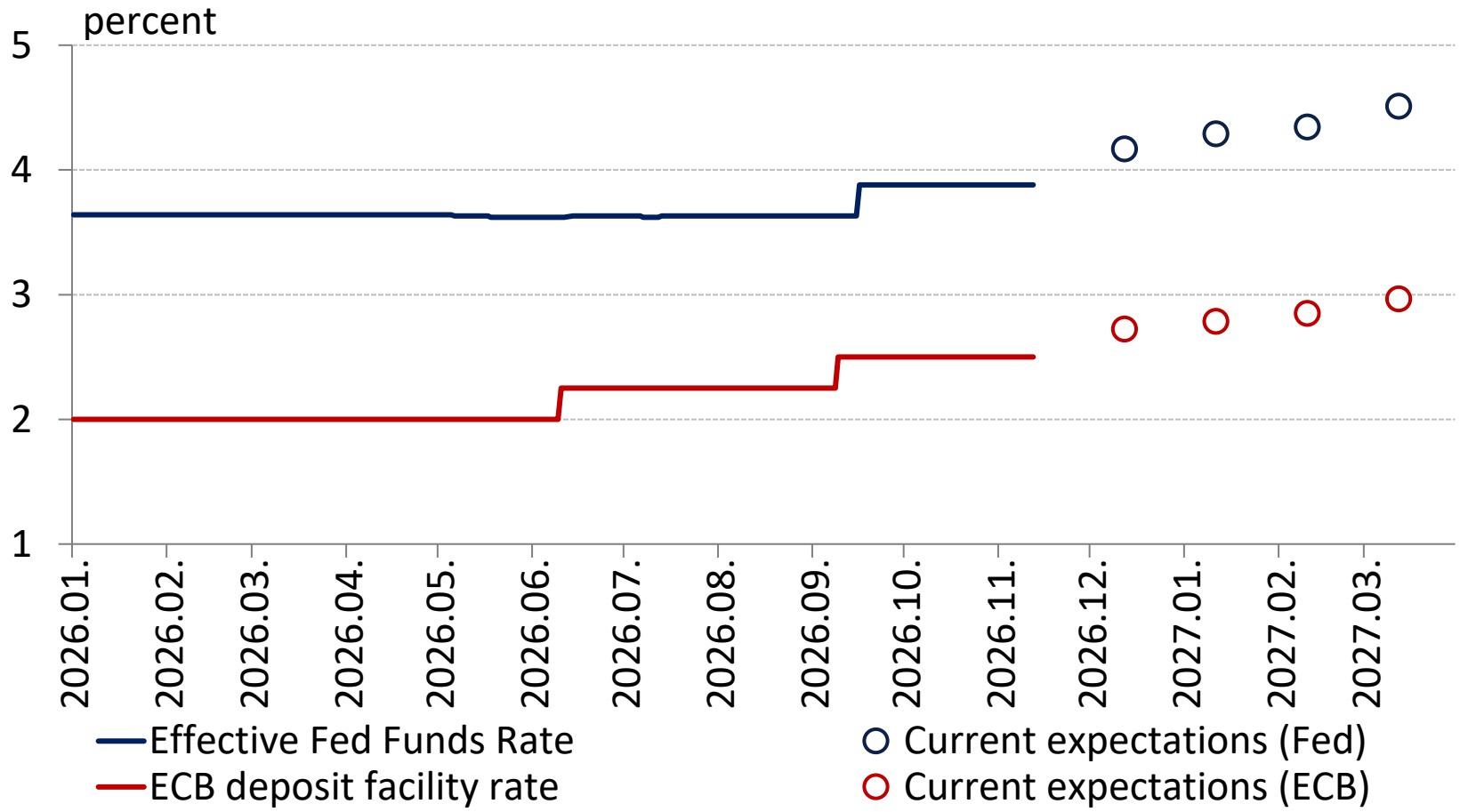
INTERNATIONAL INFLATION ENVIRONMENT



Notes | HICP data. Where unavailable: CPI data.
U.S. annual inflation data for October is unavailable due to a lack of data release.
Source | Eurostat, Trading Economics

MARKETS PRICE IN INTEREST RATE HIKES FROM BOTH THE ECB AND THE FED

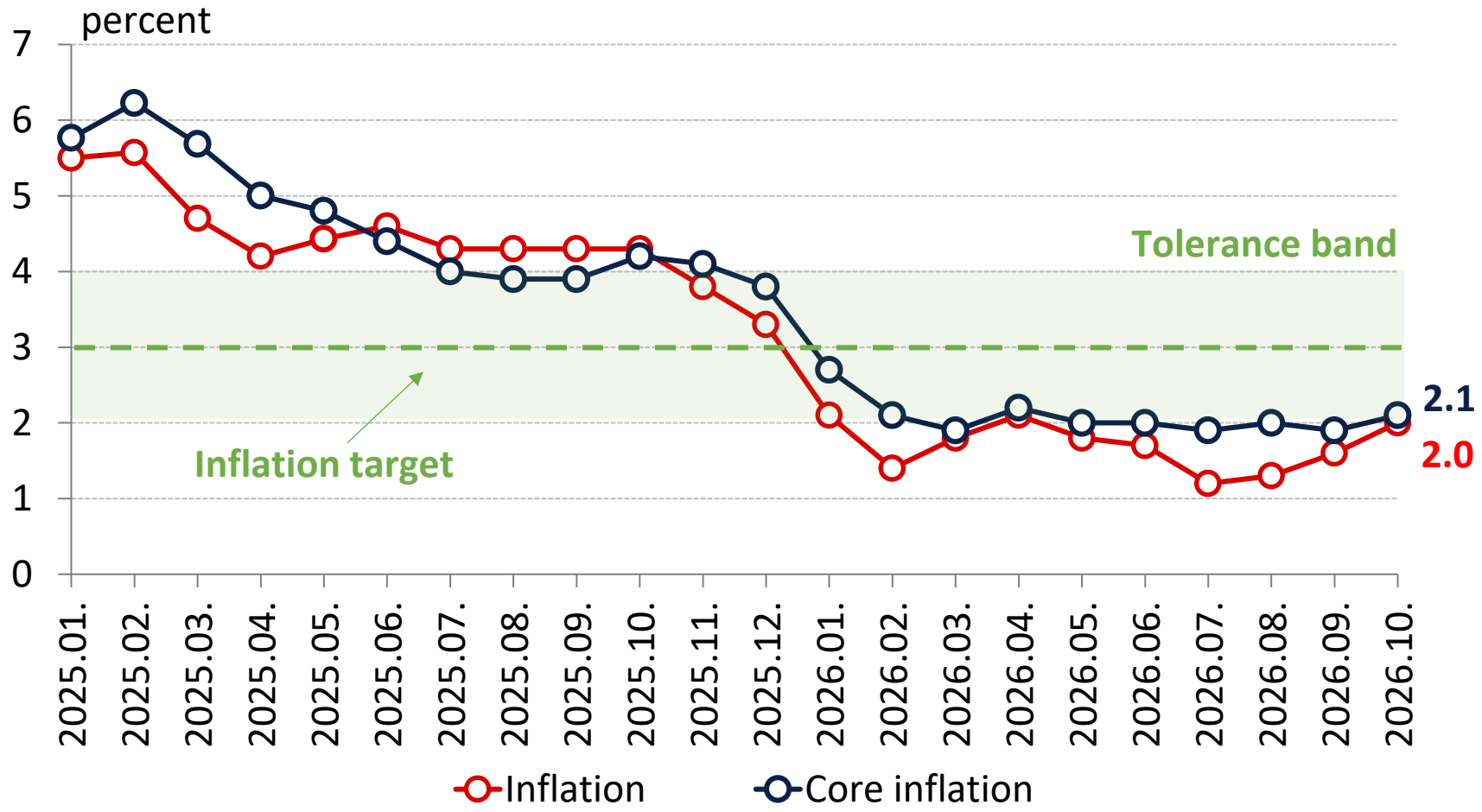
THE EXPECTED INTEREST RATE PATH OF THE FEDERAL RESERVE AND THE EUROPEAN CENTRAL BANK, BASED ON MARKET PRICING



Source | Bloomberg

HOUSEHOLDS' EXPECTATIONS ARE MODERATE, AND INFLATION IS AT THE LOWER BOUND OF THE TOLERANCE BAND

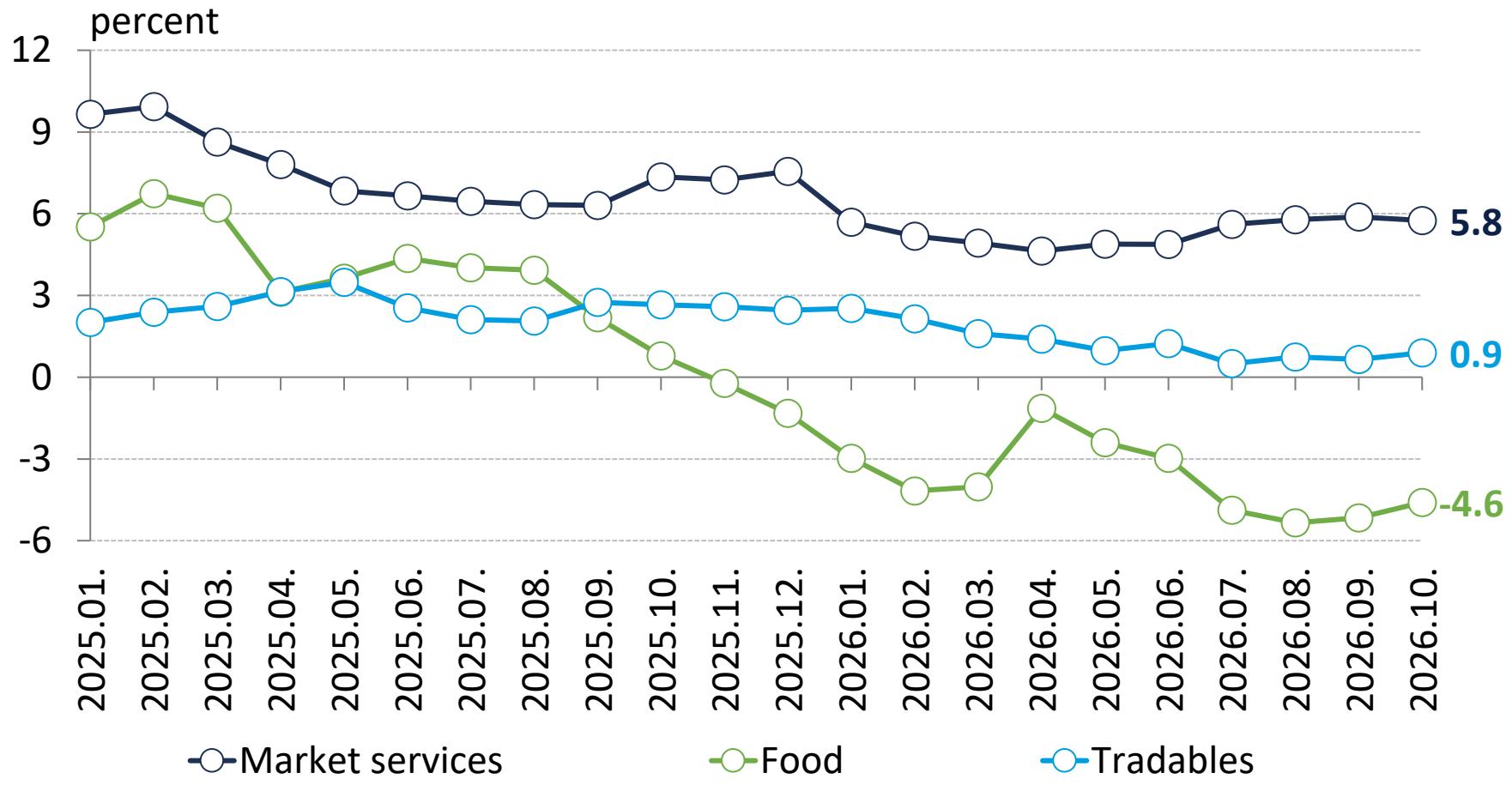
INFLATION AND CORE INFLATION



Notes| The MNB's inflation target will be 2.5 percent from 1 January 2028; the ±1 percentage point tolerance band around the target will remain unchanged. Source | HCSO

FOOD PRICES HAVE DECLINED, WHILE MARKET SERVICES INFLATION REMAINS HIGH

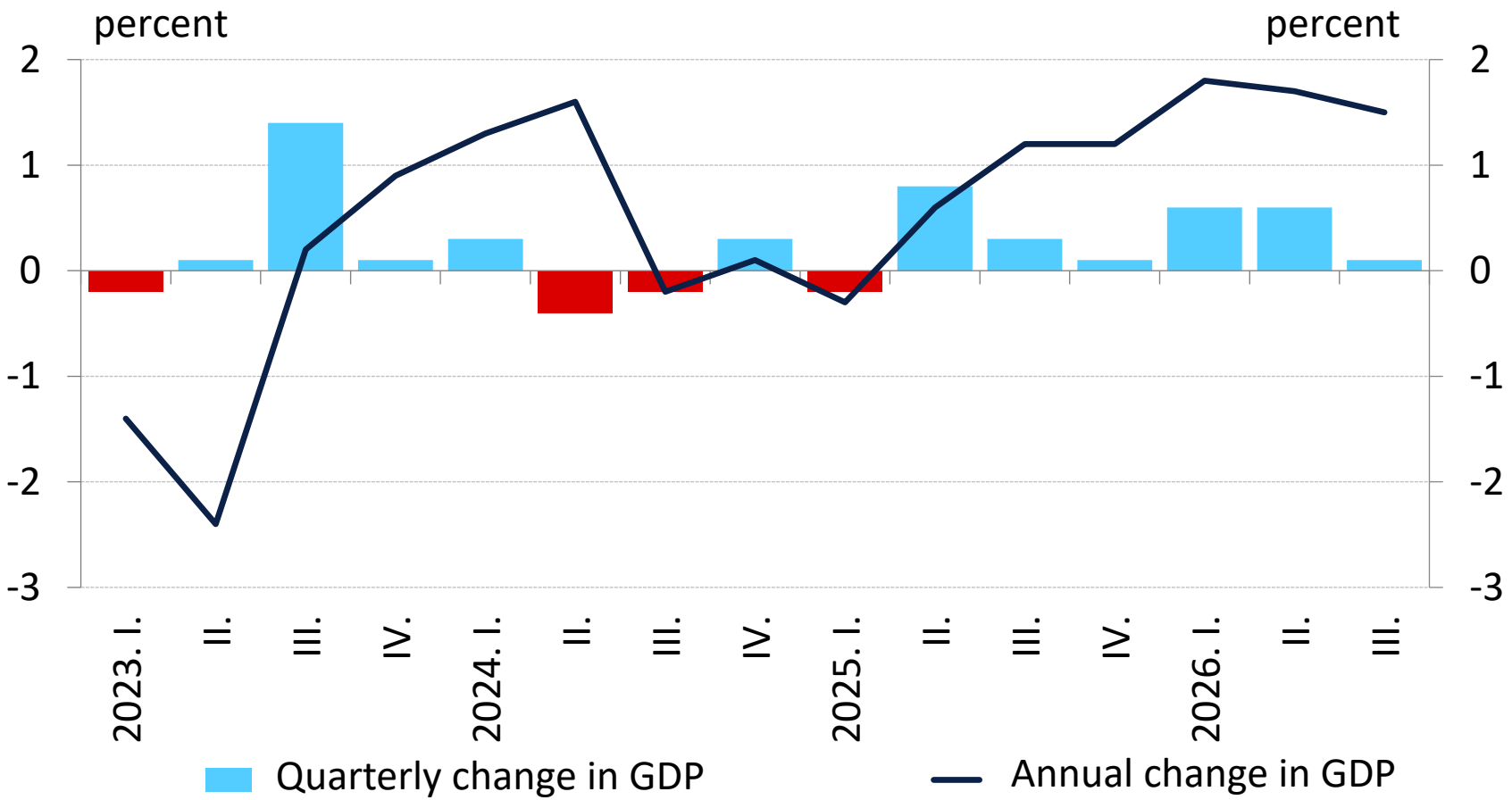
ANNUAL PRICE CHANGES OF MAIN INFLATION GROUPS



Note | Breakdown according to the MNB's classification.
Source | HCSO, MNB

HUNGARY'S GDP GREW BY 1.5 PERCENT IN 2026 Q3

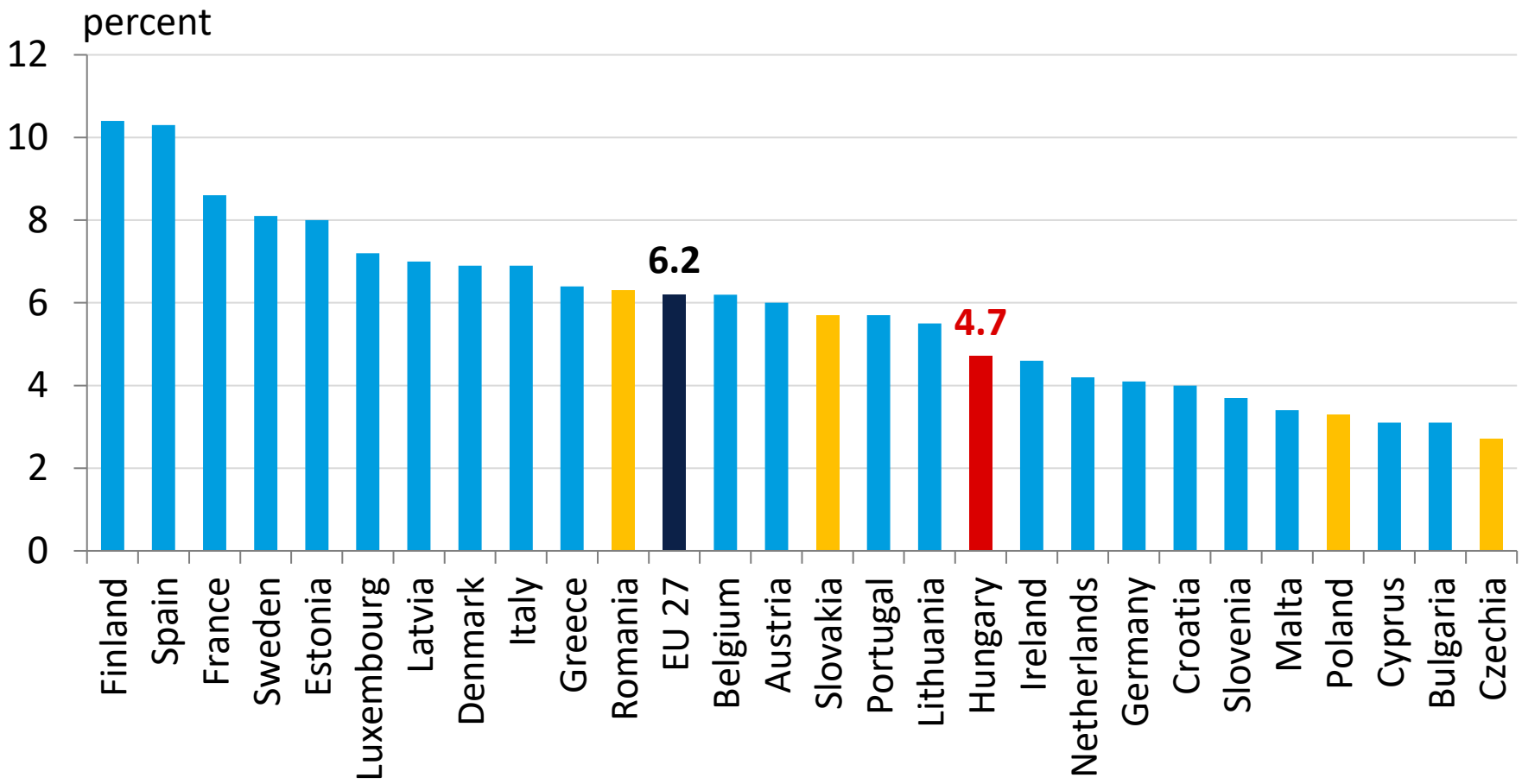
ANNUAL AND QUARTERLY CHANGES IN GDP



Note | Quarterly change based on seasonally and calendar adjusted data.
Source | HCSO

THE UNEMPLOYMENT RATE REMAINS LOW IN AN INTERNATIONAL COMPARISON

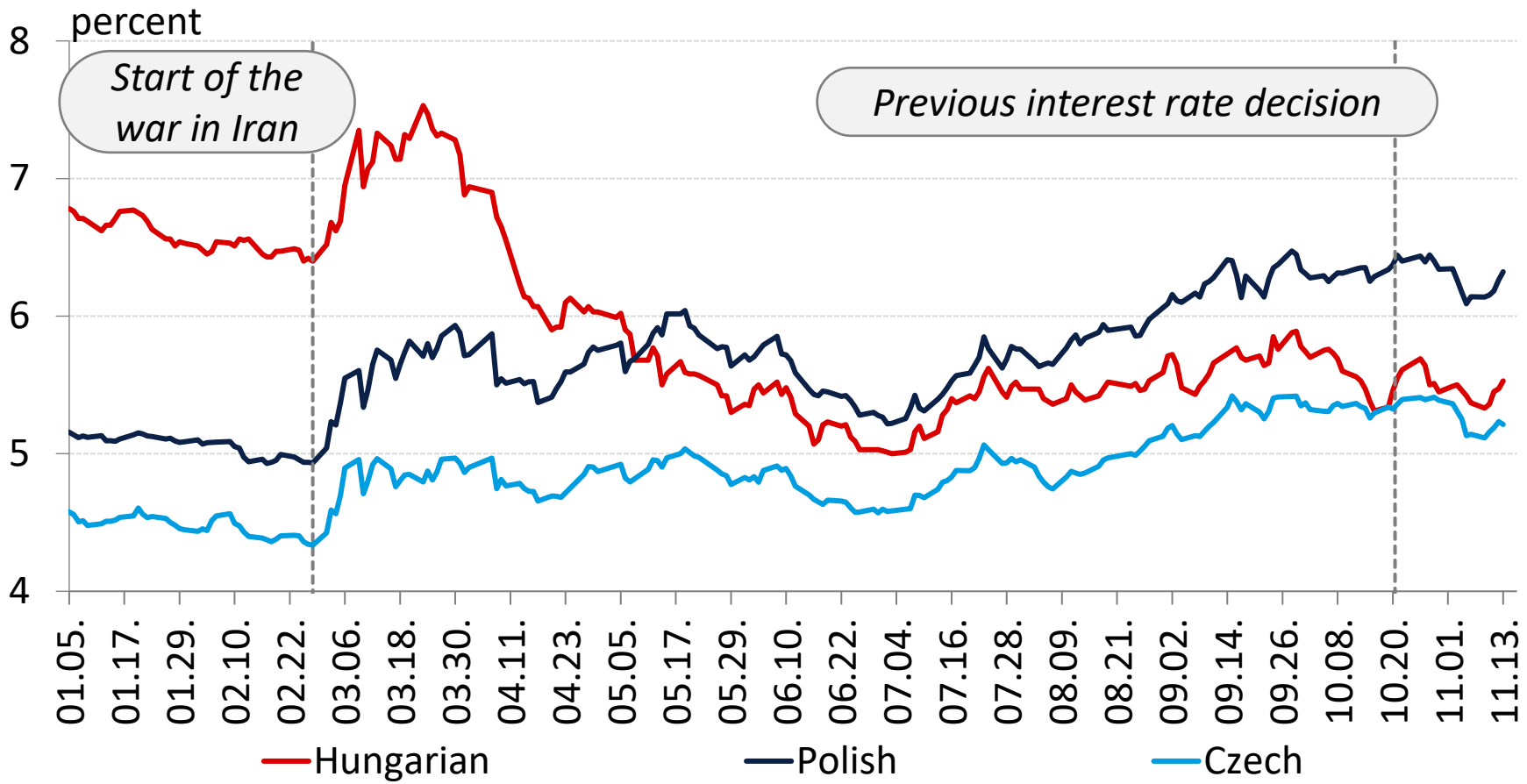
UNEMPLOYMENT RATES IN THE EUROPEAN UNION



Note | Seasonally adjusted data for September 2026. The figure for Hungary is based on the 3-month moving average data of the HCSO.
Source | Eurostat, HCSO

THE IMPROVEMENT IN HUNGARY'S RISK ASSESSMENT HAS PERSISTED IN RECENT MONTHS

10-YEAR HUNGARIAN, CZECH AND POLISH GOVERNMENT BOND YIELD

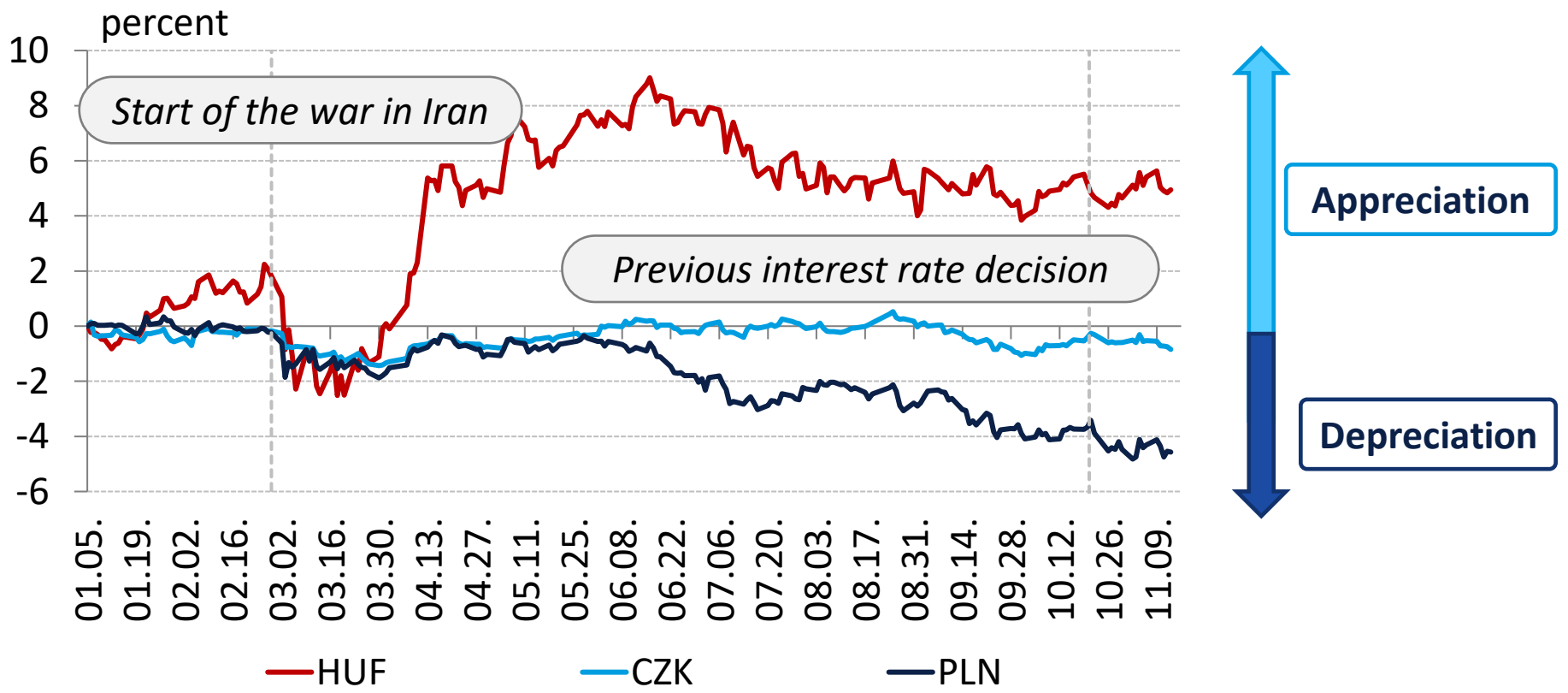


Source | Bloomberg

THE EXCHANGE RATE HAS REMAINED IN THE STRONGER RANGE OBSERVED IN RECENT MONTHS

Maintaining the stability of the foreign exchange market supports the anchoring of inflation expectations and thus contributes to the achievement of price stability.

EXCHANGE RATE OF CEE CURRENCIES AGAINST THE EURO



Source | Bloomberg

THE MONETARY COUNCIL IS COMMITTED TO ACHIEVING THE INFLATION TARGET IN A SUSTAINABLE MANNER

The Monetary Council kept the base rate unchanged at 5.50 percent at today's meeting.

- **Hungary's risk assessment has remained stable in recent months.**
- The government strengthened its commitment to euro adoption, which may **increase the room for monetary policy.**
- The uncertainty regarding external conditions **warrants a cautious and data-driven monetary policy approach.**
- Maintaining interest rate conditions is currently necessary to achieve **the 2.5 percent inflation target** in a sustainable manner over the monetary policy horizon.

THE MONETARY COUNCIL'S FORWARD GUIDANCE

„The Monetary Council is committed to achieving the inflation target in a sustainable manner. *In addition to ensuring positive real interest rates, maintaining the stability of financial markets, especially that of the foreign exchange market, supports the anchoring of inflation expectations and thus contributes to achieving price stability. The persistence of Hungary's favourable risk assessment and inflation outlook, together with the easing of uncertainty in the external environment,* ***would increase the room for monetary policy, which the Council will assess based on the December Inflation Report"***

THANK YOU FOR YOUR ATTENTION!