



PRESS CONFERENCE FOLLOWING THE MONETARY COUNCIL'S DECISION ON 20 OCTOBER 2026





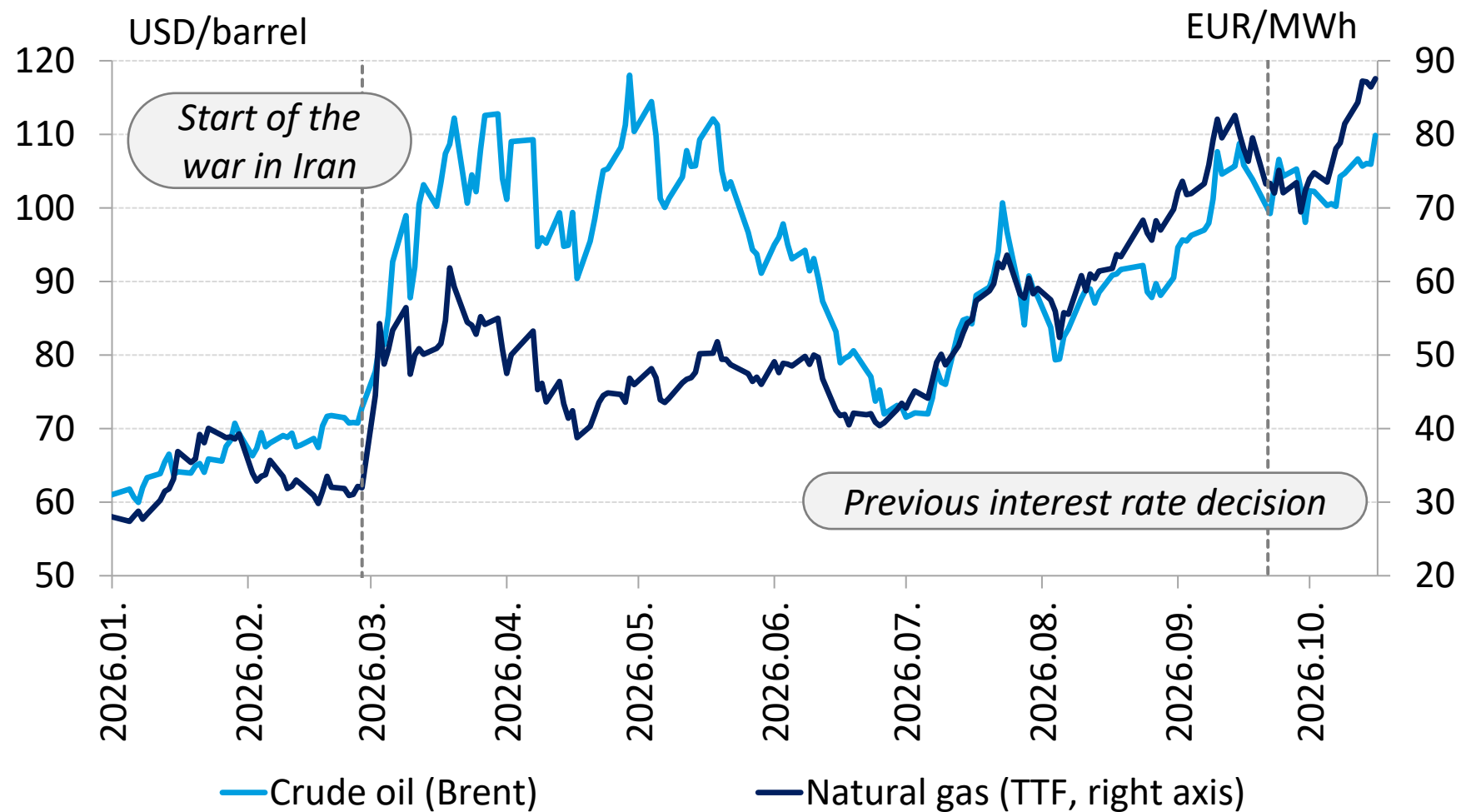
KEY MESSAGES: THE MONETARY COUNCIL'S ASSESSMENT AND DECISION

- **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.**
- The high level of energy prices, the rising yield environment, as well as the uncertainty surrounding the global economic and financial market outlook **warrant a careful approach to monetary policy.**
- **Domestic economic policy measures, as well as their market reception, have an effect on the room for manoeuvre of monetary policy.**
- In the coming months, the Council will **take decisions on the level of the base rate in a cautious and data-driven manner.**



GLOBAL OIL AND GAS PRICES REMAINED HIGH

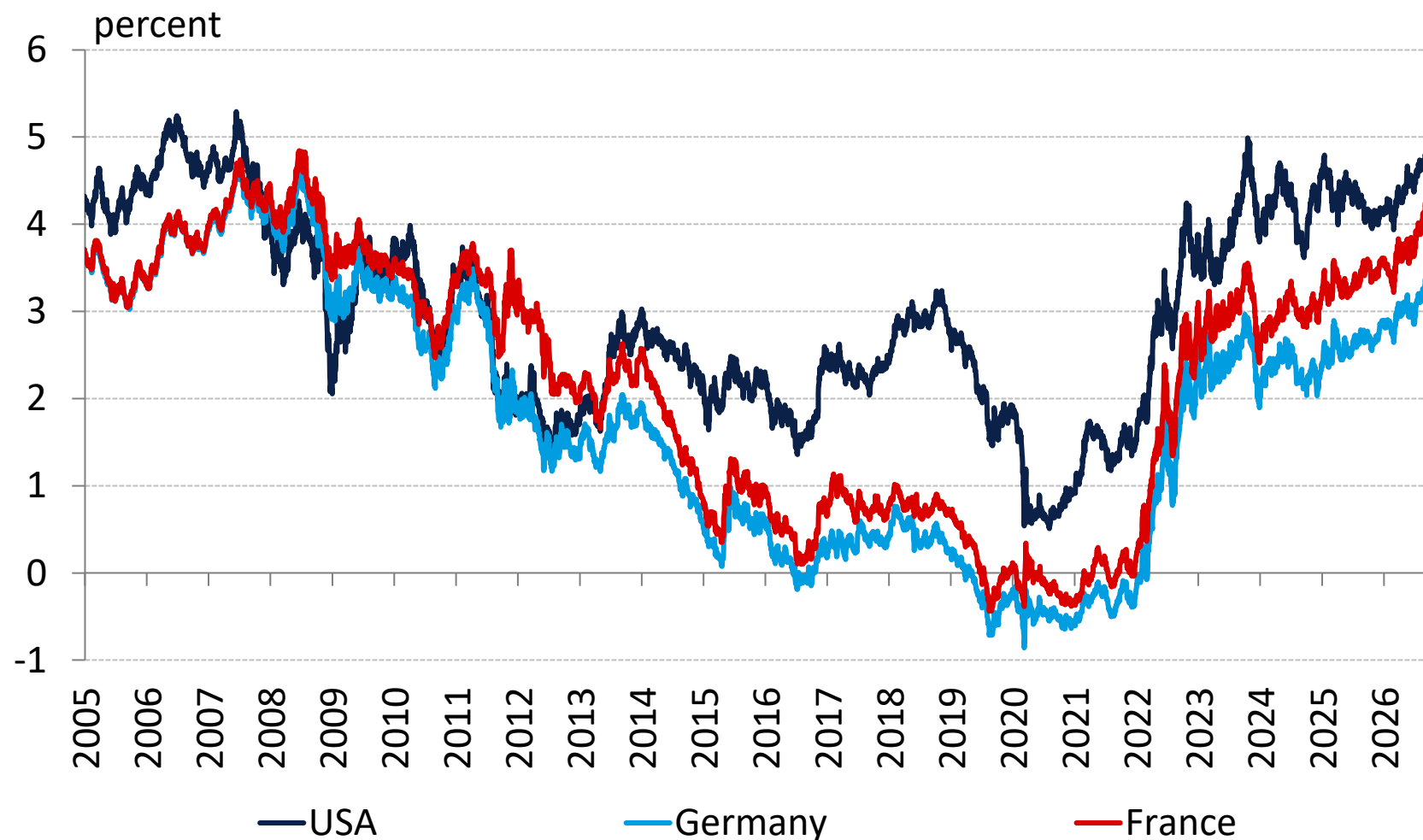
OIL AND GAS PRICES





LONG-TERM YIELDS IN DEVELOPED MARKETS INCREASED FURTHER

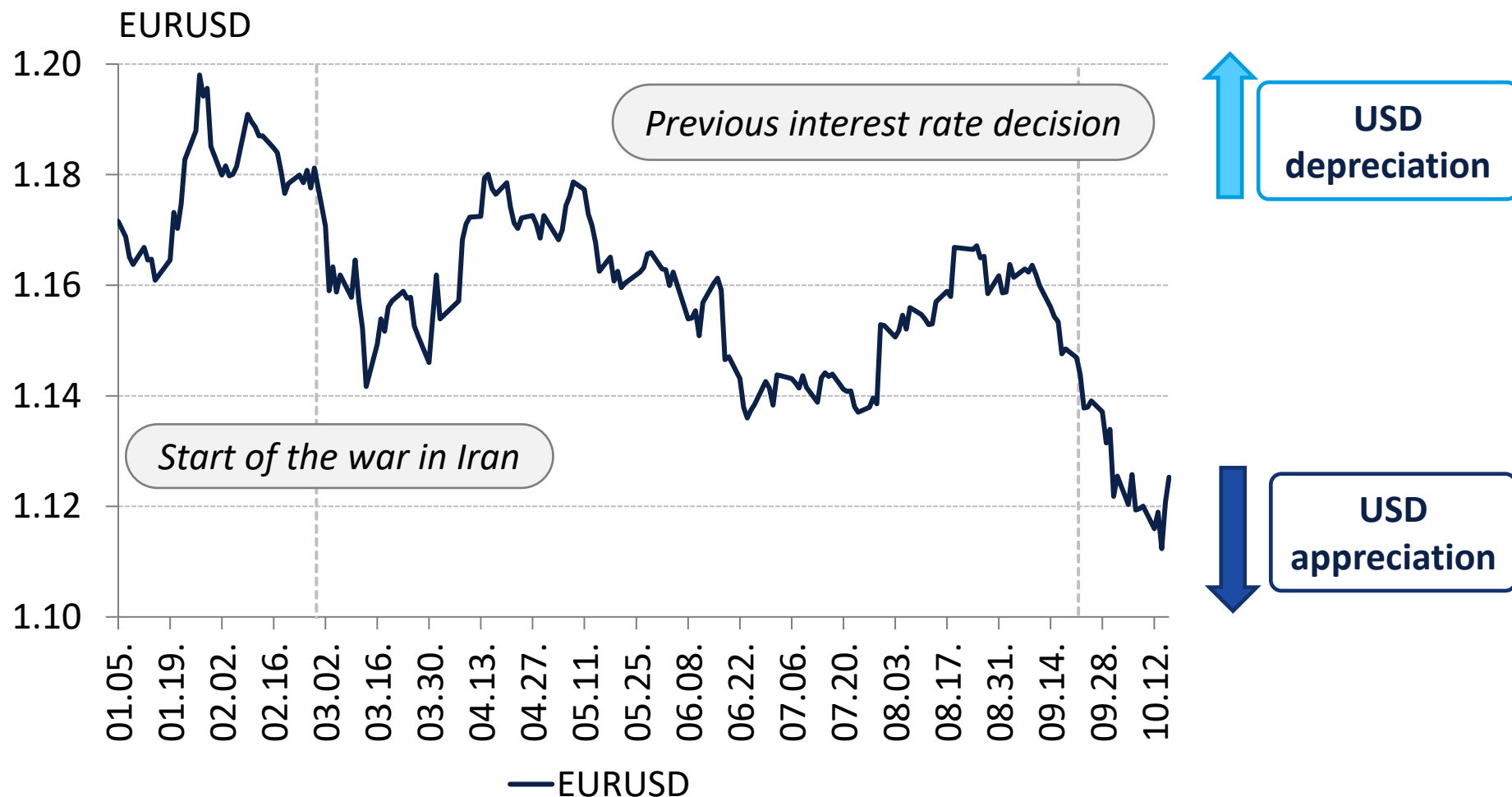
LONG-TERM YIELDS IN DEVELOPED MARKETS





THE US DOLLAR STRENGTHENED

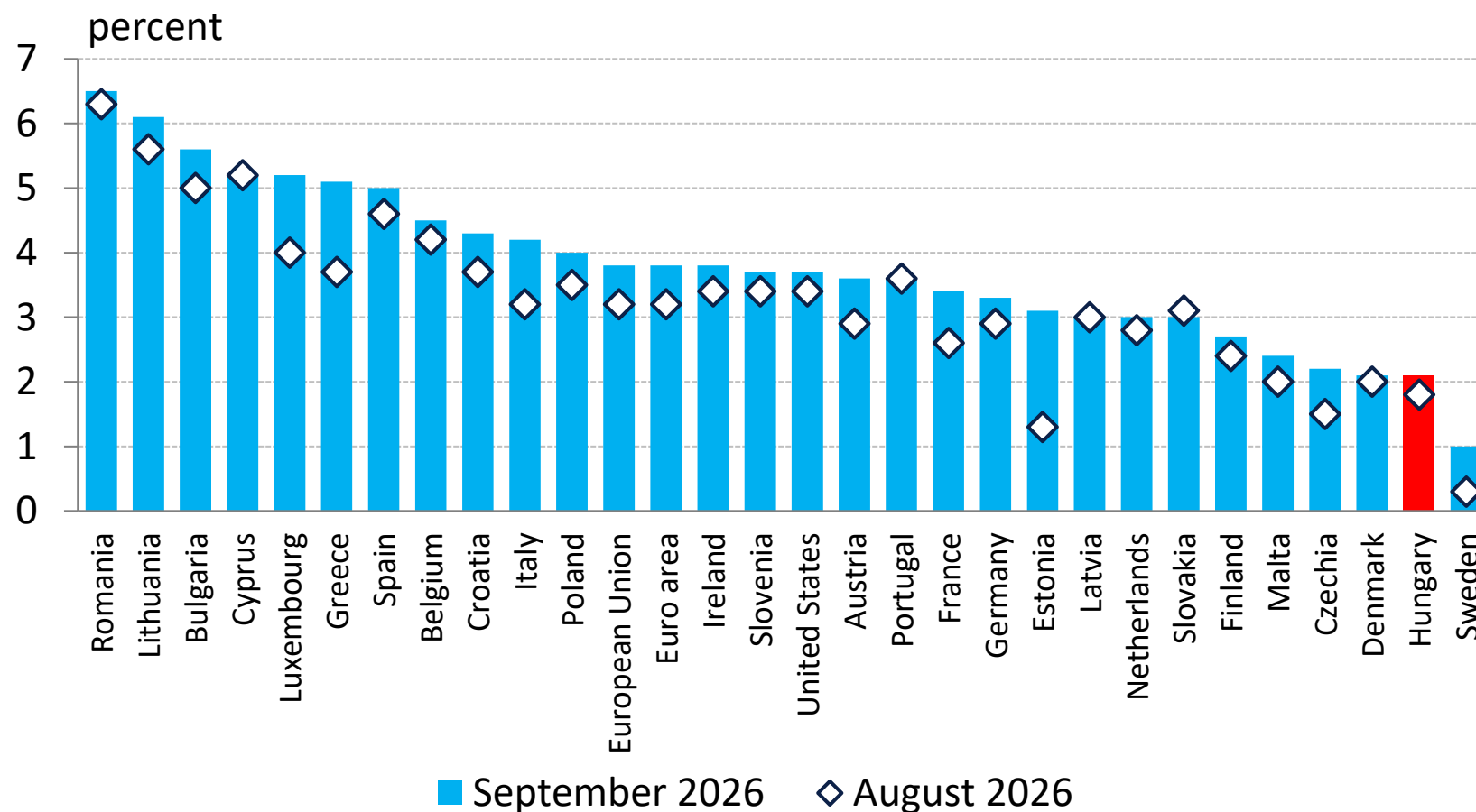
EUR-USD EXCHANGE RATE DEVELOPMENTS





THE EXTERNAL INFLATION ENVIRONMENT REMAINS HIGH

INTERNATIONAL INFLATION ENVIRONMENT



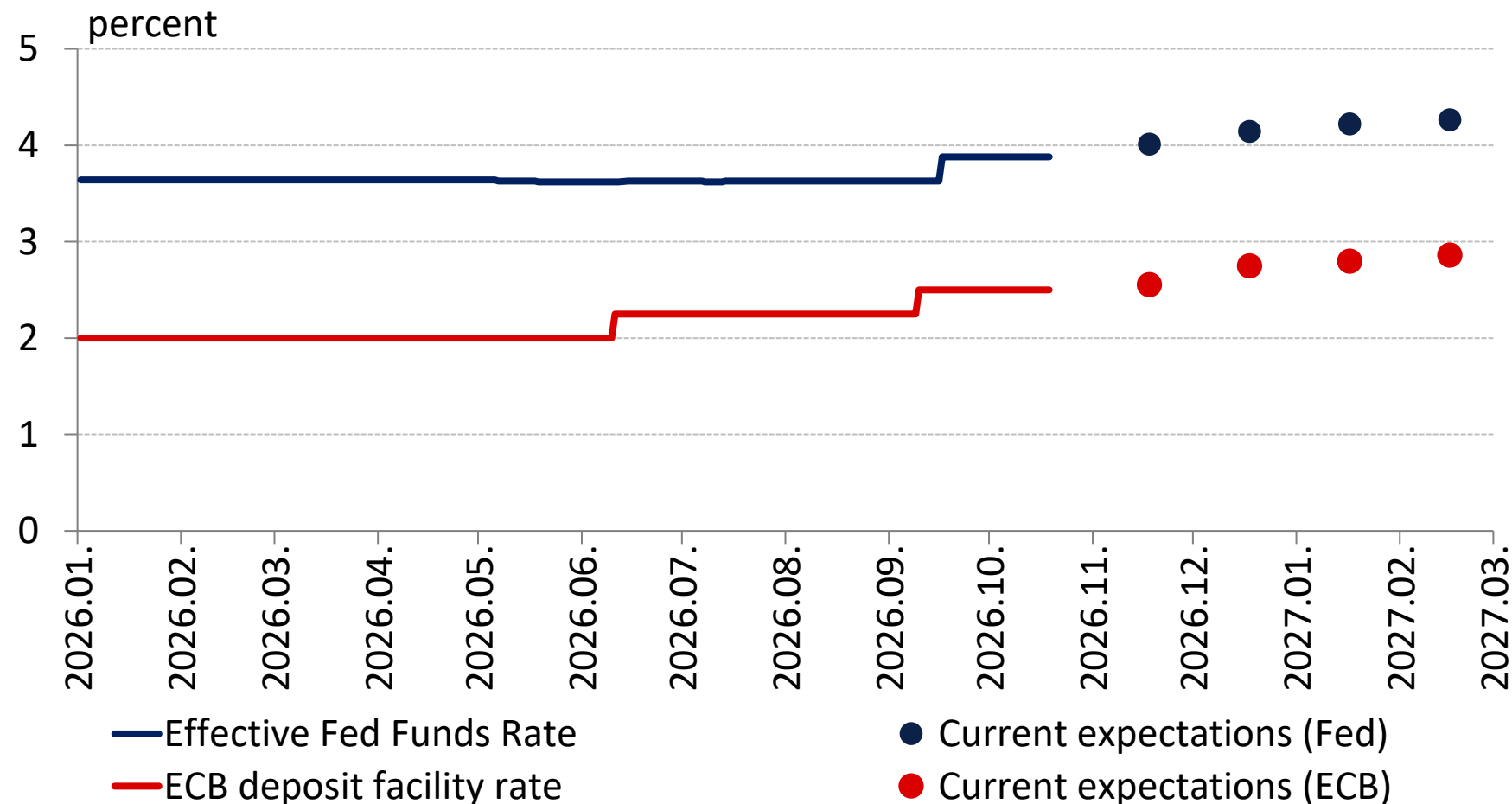
Notes | HICP data. In case of the US: CPI data.

Source | Eurostat, Trading Economics | 6



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

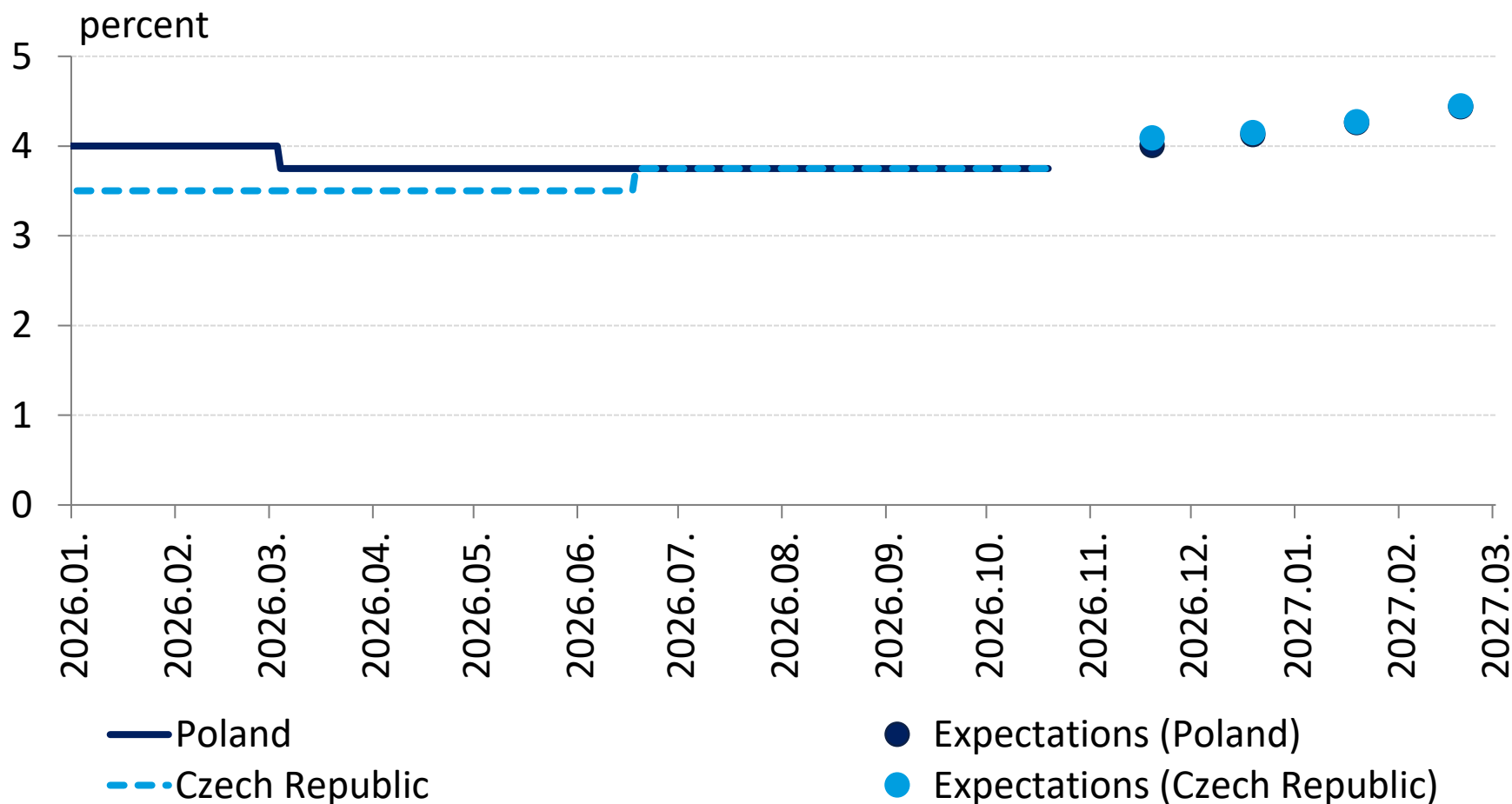
THE EXPECTED INTEREST RATE PATH OF THE FEDERAL RESERVE AND THE EUROPEAN CENTRAL BANK, BASED ON MARKET PRICING





MARKETS EXPECT THE POLISH AND THE CZECH CENTRAL BANKS TO INCREASE INTEREST RATES

INTEREST RATES OF CEE CENTRAL BANKS AND INTERBANK INTEREST RATE EXPECTATIONS BASED ON MARKET PRICING

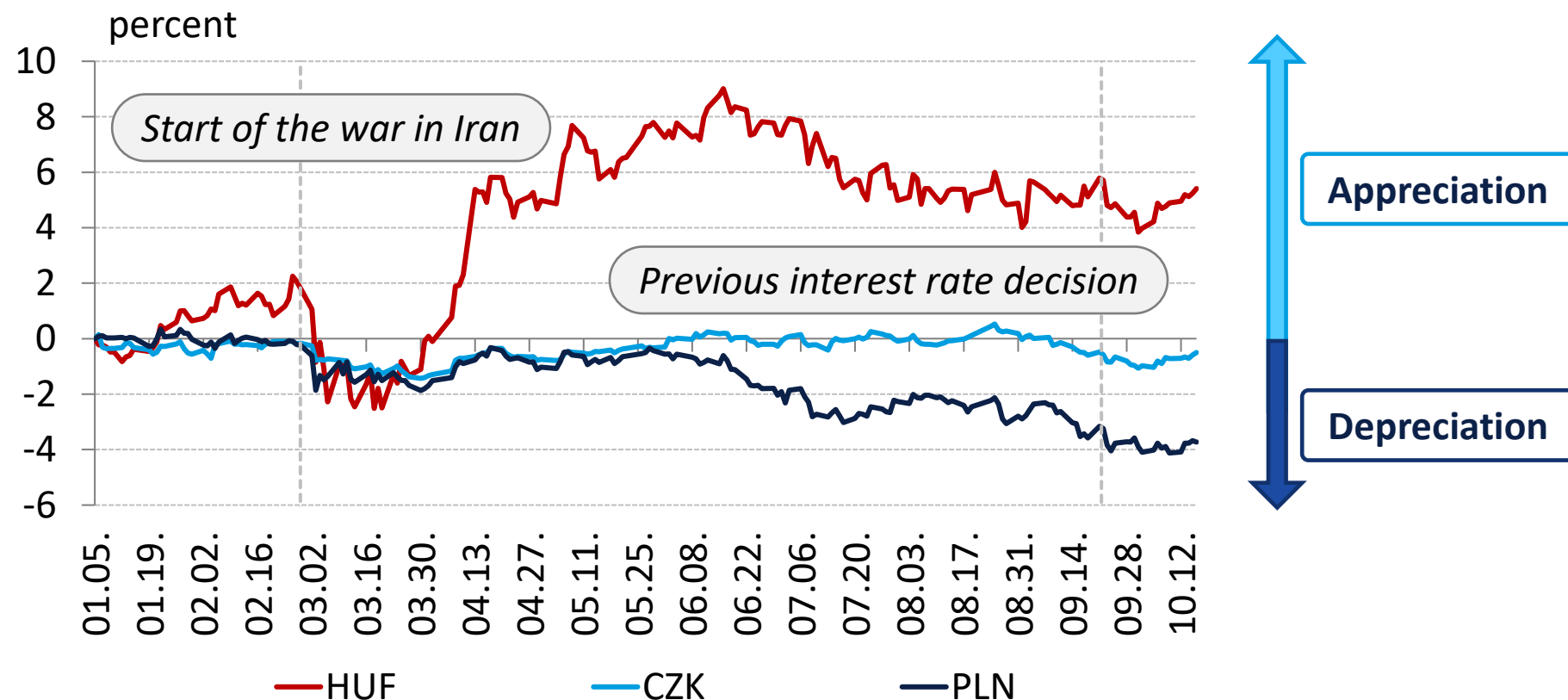




THE EXCHANGE RATE REMAINED IN THE STRONGER RANGE OBSERVED IN RECENT MONTHS

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

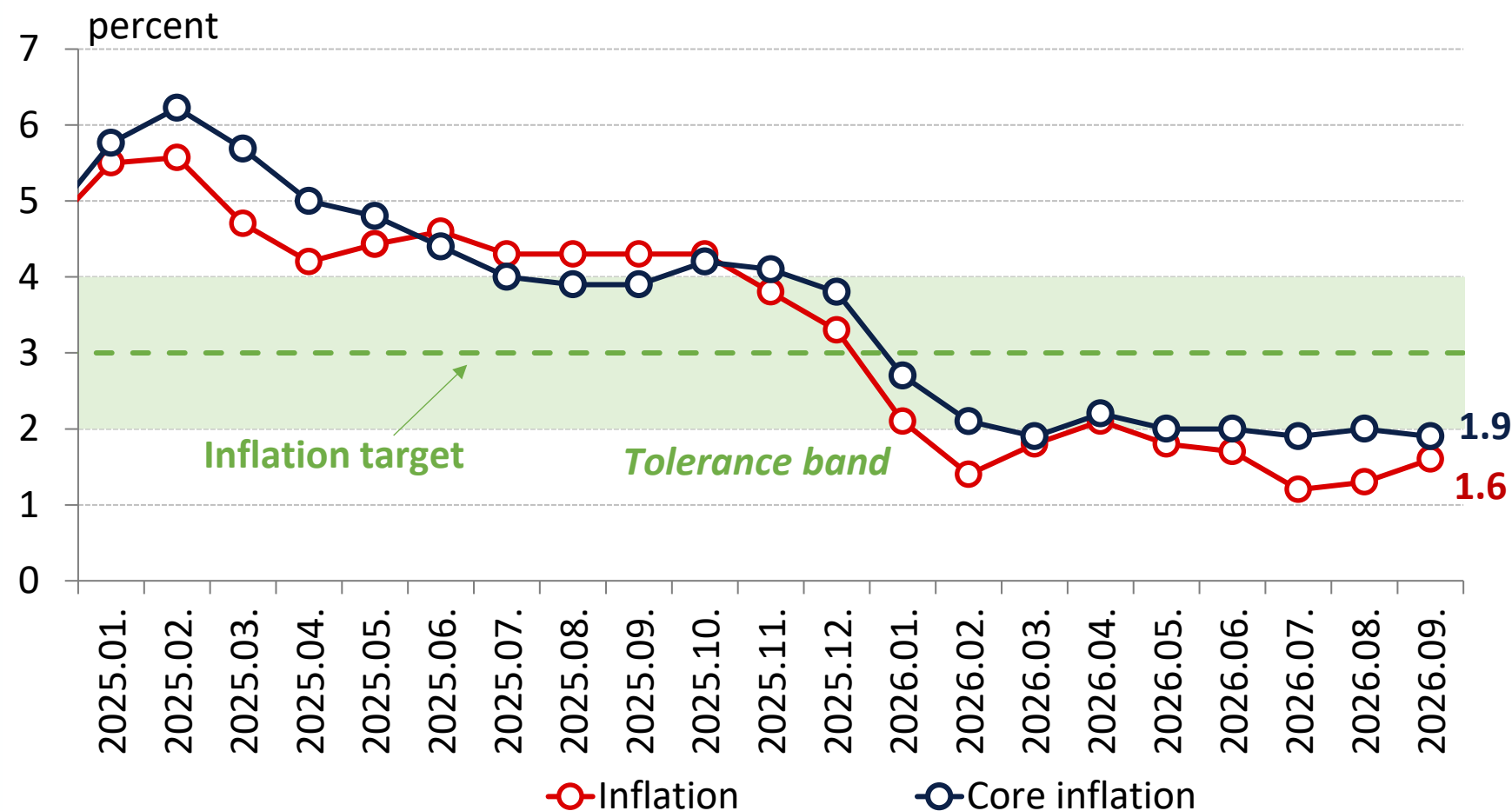
EXCHANGE RATE OF CEE CURRENCIES AGAINST THE EURO





HOUSEHOLDS' EXPECTATIONS ARE MODERATE, AND INFLATION IS BELOW THE CENTRAL BANK'S TOLERANCE BAND

INFLATION AND CORE INFLATION

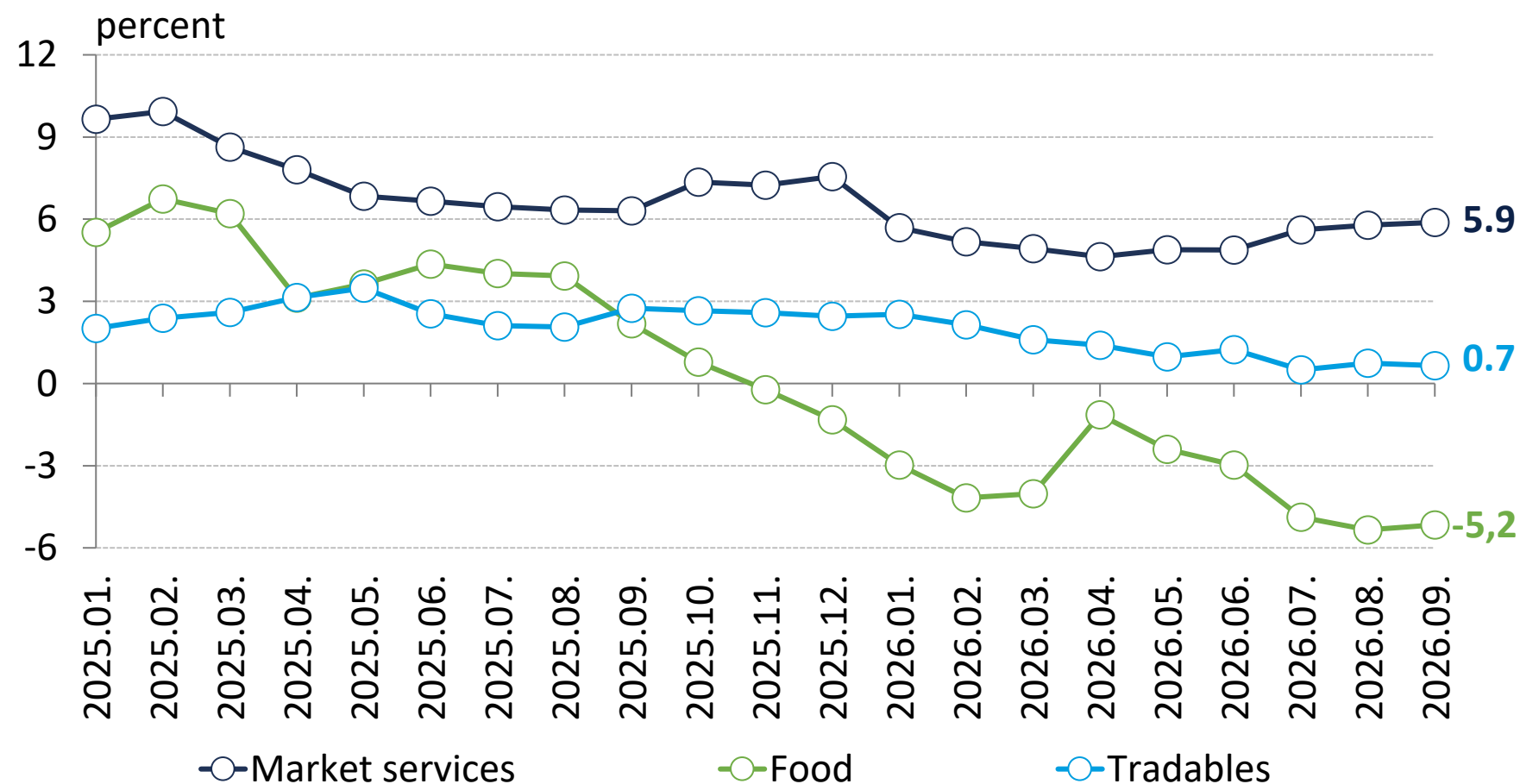


Notes | The MNB's inflation target will be 2.5 percent from 1 January 2028; the ± 1 percentage point tolerance band around the target will remain unchanged. Source | HCSO | 10



FOOD PRICES HAVE DECLINED, WHILE MARKET SERVICES INFLATION REMAINS HIGH

ANNUAL PRICE CHANGES OF MAIN INFLATION GROUPS



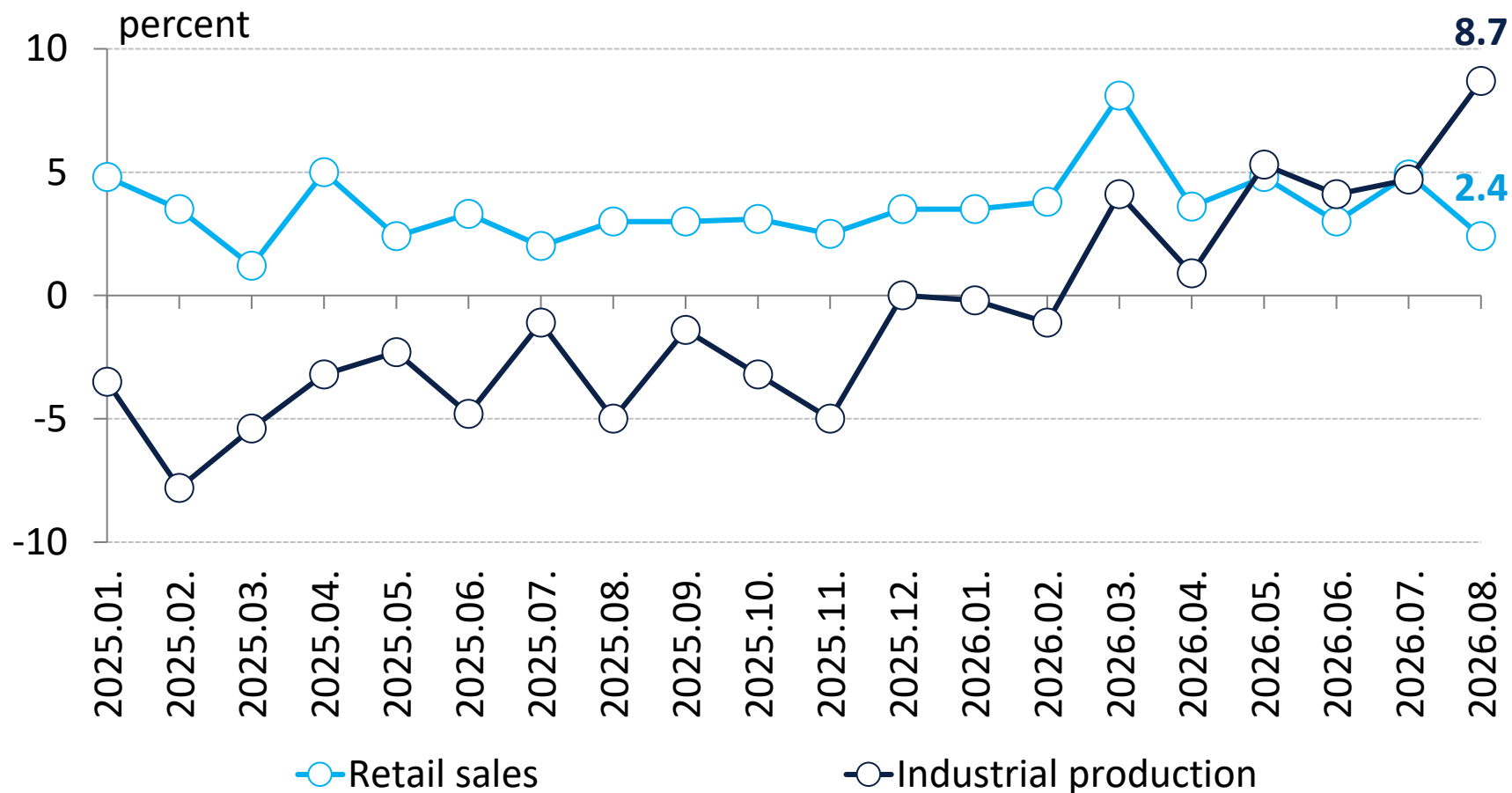
Note | Breakdown according to the MNB's classification.

Source | HCSO, MNB | 11



THE GROWTH OF INDUSTRIAL PRODUCTION AND RETAIL SALES CONTINUED

ANNUAL RATE OF CHANGE OF RETAIL SALES AND INDUSTRIAL PRODUCTION

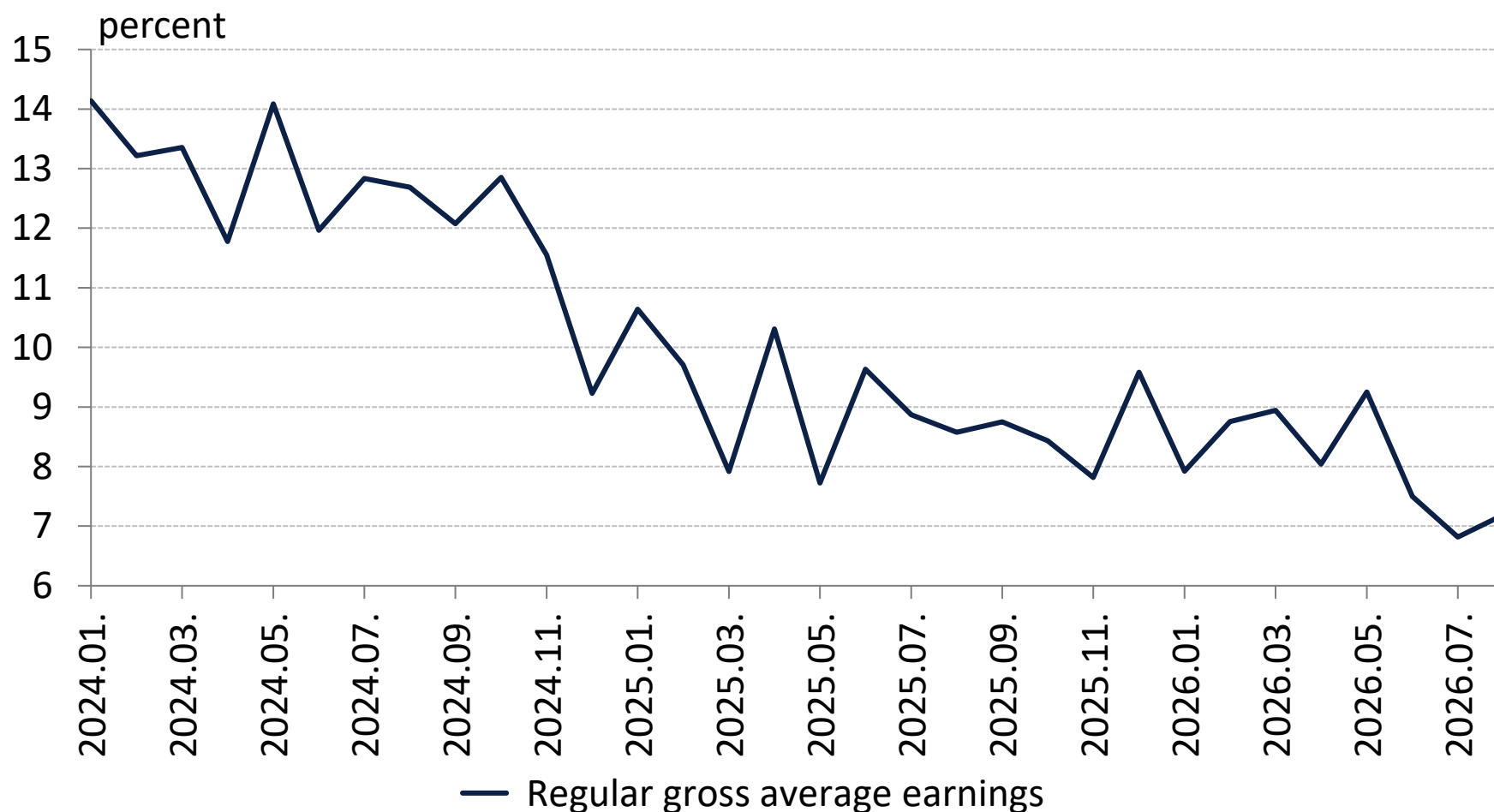


Note | Calendar adjusted data.
Source | HCSO, MNB | 12



REAL WAGE GROWTH IS STRONG, BUT NOMINAL WAGE DYNAMICS ARE SLOWING DOWN

NOMINAL WAGE DYNAMICS IN THE PRIVATE SECTOR





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.

- The high level of energy prices, the rising yield environment, as well as the uncertainty surrounding the global economic and financial market outlook **warrant a careful approach to monetary policy.**
- Maintaining the current interest rate conditions is necessary to achieve **the 2.5 percent inflation target** in a sustainable manner over the monetary policy horizon.
- Looking ahead, **Hungary's risk assessment will be influenced by economic policy measures**, expectations regarding **the adoption of the euro**, as well as **the external market environment.**



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. **Economic policy measures, as well as their market reception, have an effect on the room for manoeuvre of monetary policy.** The Council is constantly assessing the inflation outlook, global developments, and Hungary's risk premia, based on which **it will take decisions on the level of the base rate in a cautious and data-driven manner.**”*



THANK YOU FOR YOUR
ATTENTION!