



FLASH ANALYSIS ON INFLATION DEVELOPMENTS

2025
NOVEMBER

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. Assessments of inflation developments have key importance in monetary policy decision-making. The MNB attaches a high priority to informing the general public on a continuous basis and thereby to improving the transparency and predictability of its decisions. Consistent with this principle, the Magyar Nemzeti Bank produces publicly available analyses of its assessments of inflation developments and the extent of medium-term inflationary effects on a monthly basis.

The publicly available analyses and the related statistical databases are accessible on the MNB's website at:

<https://www.mnb.hu/en/publications/studies-publications-statistics/flash-analysis-on-inflation-developments>

ASSESSMENT OF INFLATION DATA FOR NOVEMBER 2025

Consumer prices rose by 3.8 percent year-on-year in November 2025, and as such, after one year, the indicator is within the central bank's tolerance band again. Compared to the 4.3 percent observed in October, the annual growth rate of prices fell by 0.5 percentage points. Standing at 4.1 percent, core inflation fell by 0.1 percentage point compared to October. Core inflation excluding indirect tax effects fell to 3.8 percent (Chart 1 and Chart 2). In monthly terms, the price of the representative consumer basket and the core inflation basket increased by 0.1 percent. Incoming inflation data was lower than the forecast of the September Inflation Report, while underlying inflation developments were in line with the projection.

The fall in the annual consumer price index was primarily driven by a decrease in the inflation of fuel and unprocessed food prices. Within core inflation, annual price dynamics fell in the case of all the main groups. The Bank's measures of underlying inflation developments capturing persistent inflationary trends, calculated on a year-on-year basis, remained broadly unchanged. The inflation of sticky-price products and core inflation excluding processed food was 5.4 percent and 4.6 percent, respectively. The inflation of tradables and market services excluding price restriction measures was 5.6 percent (Chart 3).

In a shorter-term (annualised 3-month-on-3-month) comparison, inflation fell while core inflation rose (Chart 4). The price of the basket calculated excluding fuel and regulated product prices was up by 0.1 percent from the previous month (Chart 5). Month-on-month core inflation excluding processed food prices, which better reflect underlying developments, rose by 0.2 percent (Chart 6). In November, the monthly repricing was lower than the 2017-2020 average for food and tradables, while for market services, it was higher.

Below is a brief analysis of price changes across the main product categories.

The annual inflation of *tradables* fell from 2.7 percent to 2.6 percent (Chart 7). On a monthly basis, tradables prices remained unchanged (Chart 8). Non-durables prices were down by 0.1 percent compared to October. Durables prices rose by 0.2 percent, which was caused by a rise in furniture prices.

The annual price index of *market services* fell from 7.4 percent to 7.2 percent (Chart 9). On a monthly basis, prices rose by 0.3 percent, which was primarily explained by the increase of catering services prices (Chart 10).

According to the MNB's classification, *food* inflation was -0.2 percent, with unprocessed food prices falling by 0.8 percent and processed food prices rising by 0.1 percent in annual terms within the product group (Chart 11). According to the HCSO data release, food prices increased by 3.2 percent, which includes, among others, the 8.2 percent rise in restaurant meal prices. Annual food inflation is restrained by the price margin restrictions introduced in mid-March. Food prices fell by 0.1 percent month-on-month (Chart 12). Compared to October, unprocessed food prices fell by 0.2 percent, driven primarily by seasonal food price developments. However, a considerable price decrease was seen in pork prices as well. Processed food prices remained broadly unchanged month-on-month.

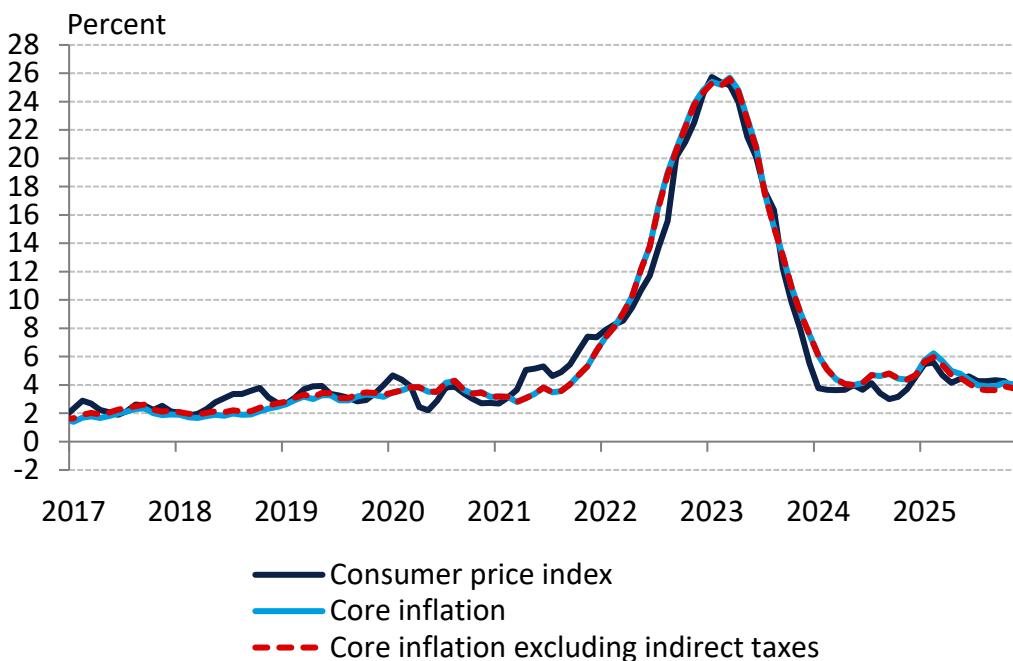
Fuel prices were down by 5.0 in annual terms. On a monthly basis, fuel prices fell by 0.6 percent, which was driven by a decrease in global fuel prices.

In annual terms, the prices of regulated products and services rose by 7.5 percent, with piped gas prices rising by 22.0 percent. The price rise of piped gas in the past 12 months contributed to November inflation by 0.4 percentage points. The higher average residential gas price was caused by an increase in household gas consumption due to colder weather than last year, which increased the share of consumption above the volume limit of the lower regulated price. Compared to the previous month, regulated prices remained unchanged, while piped gas prices fell by 0.4 percent.

Households' inflation expectations remain at a higher level than during the period when the inflation target was achieved (Chart 13). *Companies' expectations for retail sales price changes* rose slightly, while *price expectations for services* fell. Both remained at a subdued level in November (Chart 14).

Budapest, 9 December 2024

Chart 1 Consumer price index, core inflation and core inflation excluding indirect taxes
annual change



Note: Seasonally unadjusted core inflation.

Chart 2 Inflation decomposition
annual change

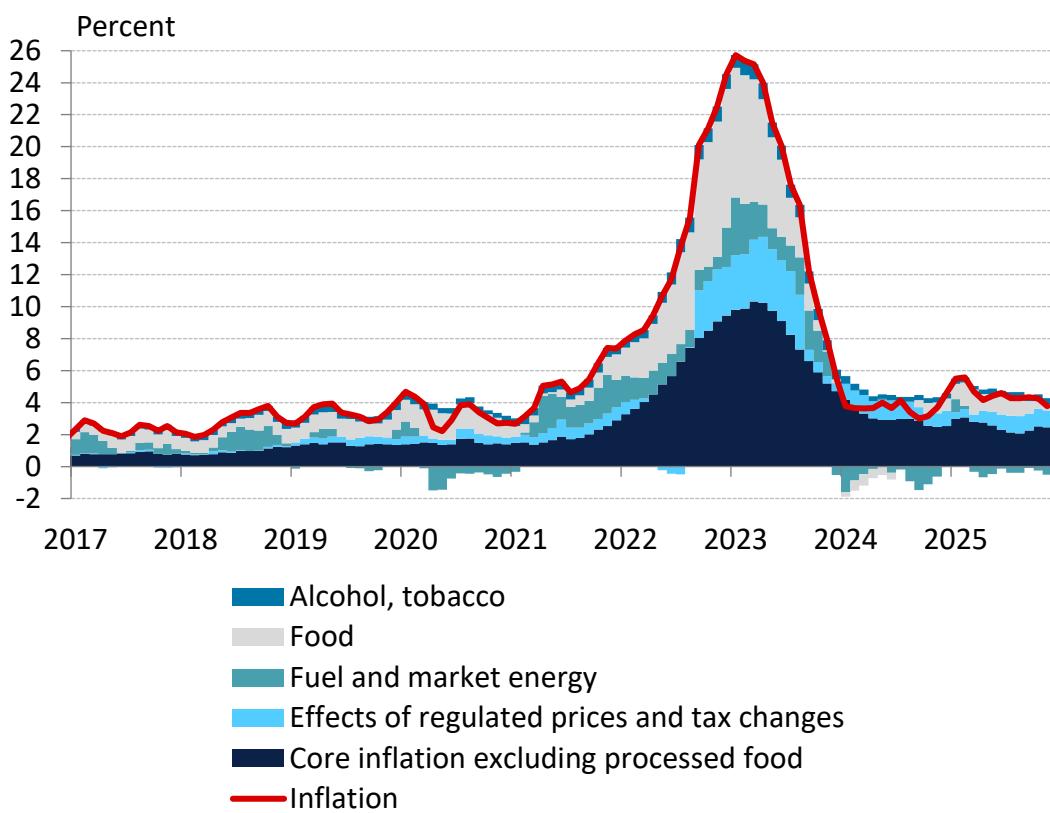
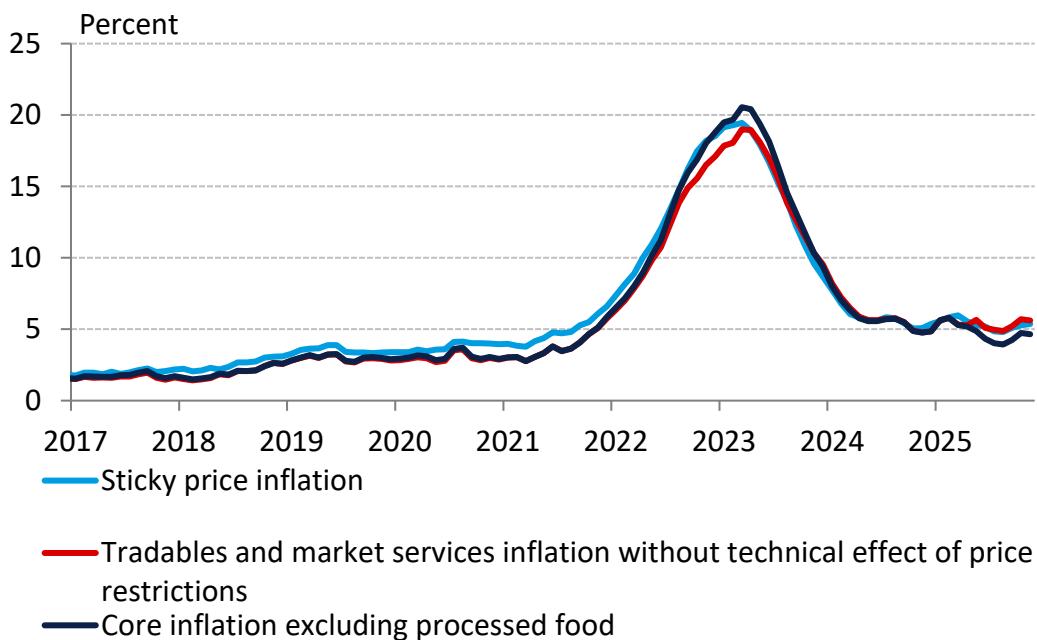


Chart 3 Underlying inflation indicators
annual percentage changes excluding indirect taxes



Note: Inflation of sticky-price products is composed of items of the consumer price index where maximum 15 percent of elementary prices change monthly on average. MNB calculation based on data released by the HCSO. Core inflation excluding processed foods with unchanged content is equivalent with the earlier demand sensitive inflation. The new name is justified by the fact that the previous name might be ambiguous in a period of significant cost shocks with general effects.

Chart 4 3-month annualised change in inflation and core inflation
based on seasonally adjusted data

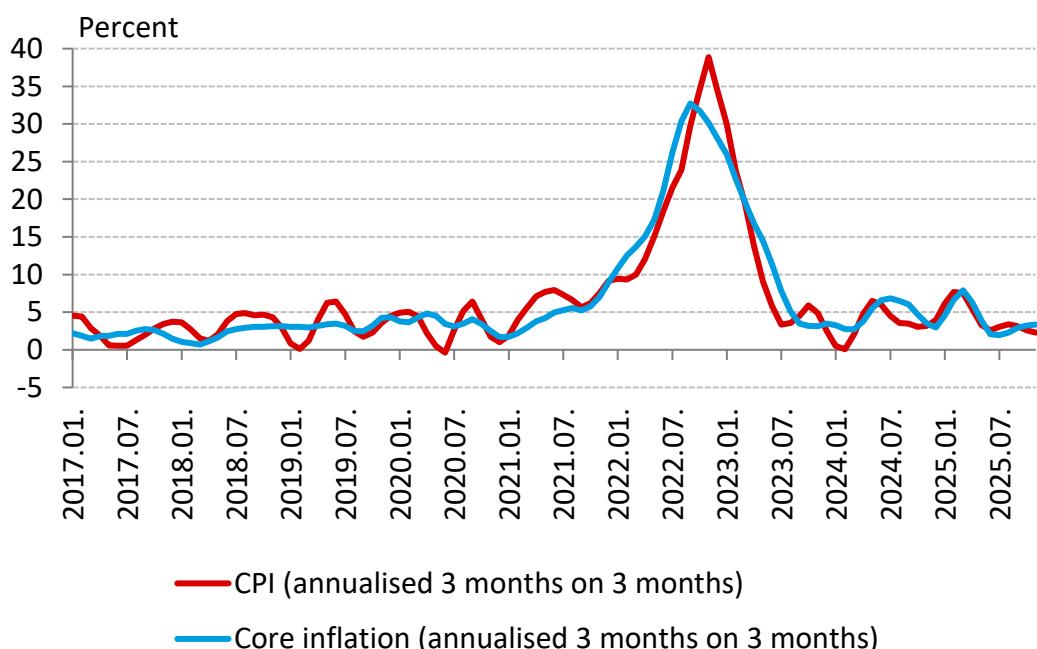


Chart 5 Monthly changes in consumer prices excluding fuel and regulated products prices
tax-adjusted, seasonally unadjusted monthly percentage changes

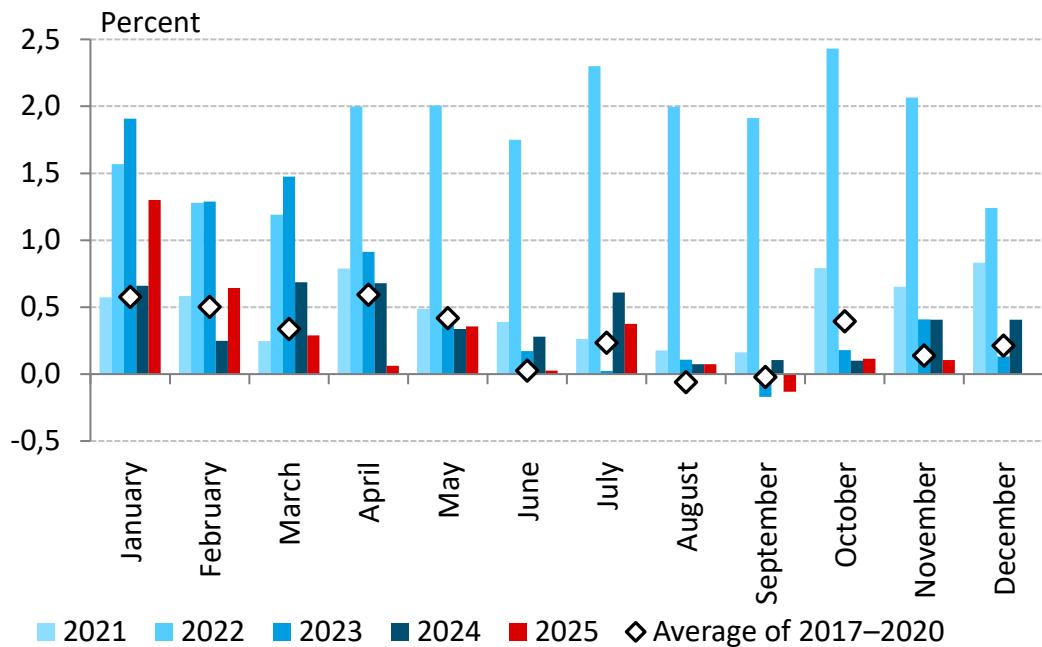


Chart 6 Monthly change in core inflation excluding processed food
tax-adjusted, seasonally unadjusted monthly percentage changes

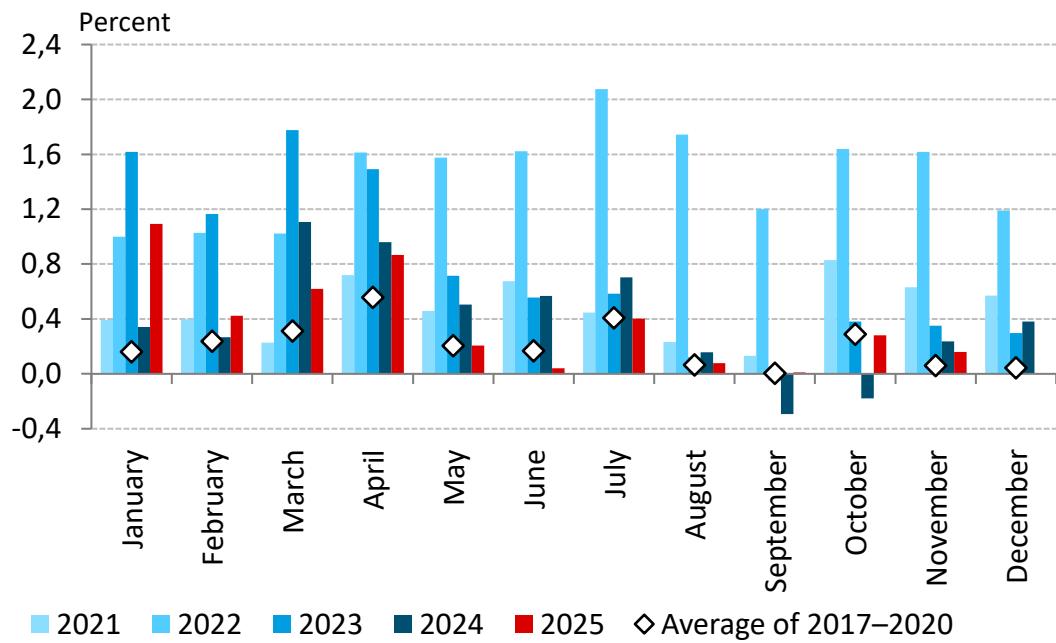


Chart 7 Inflation of tradable goods
seasonally unadjusted annual change

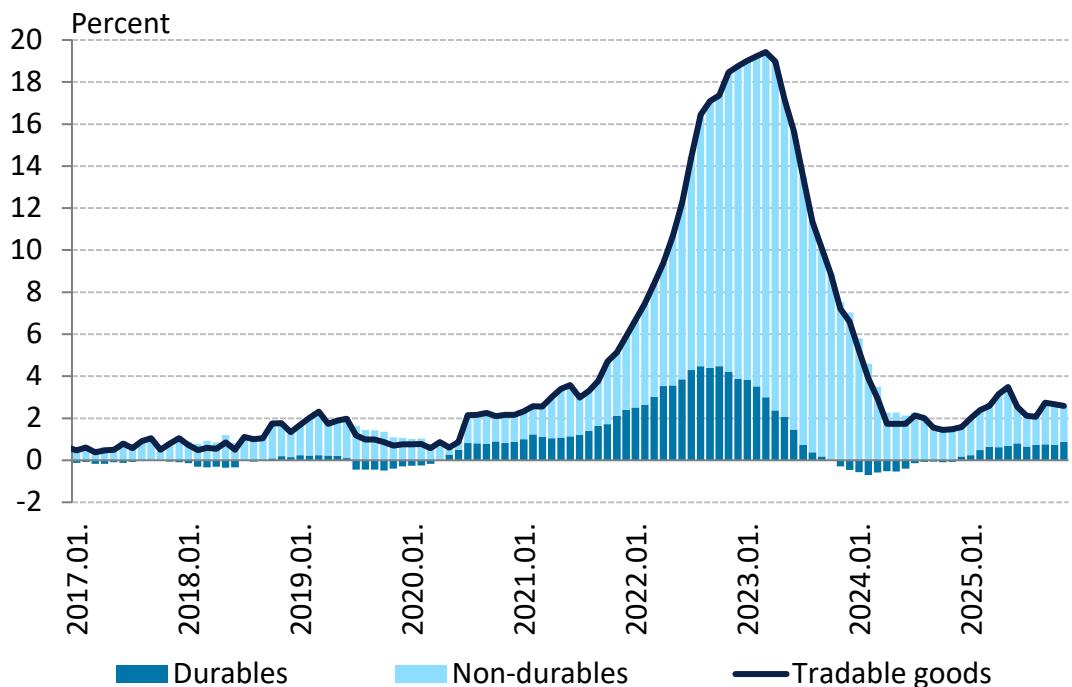


Chart 8 Monthly changes in tradables prices
seasonally unadjusted monthly change

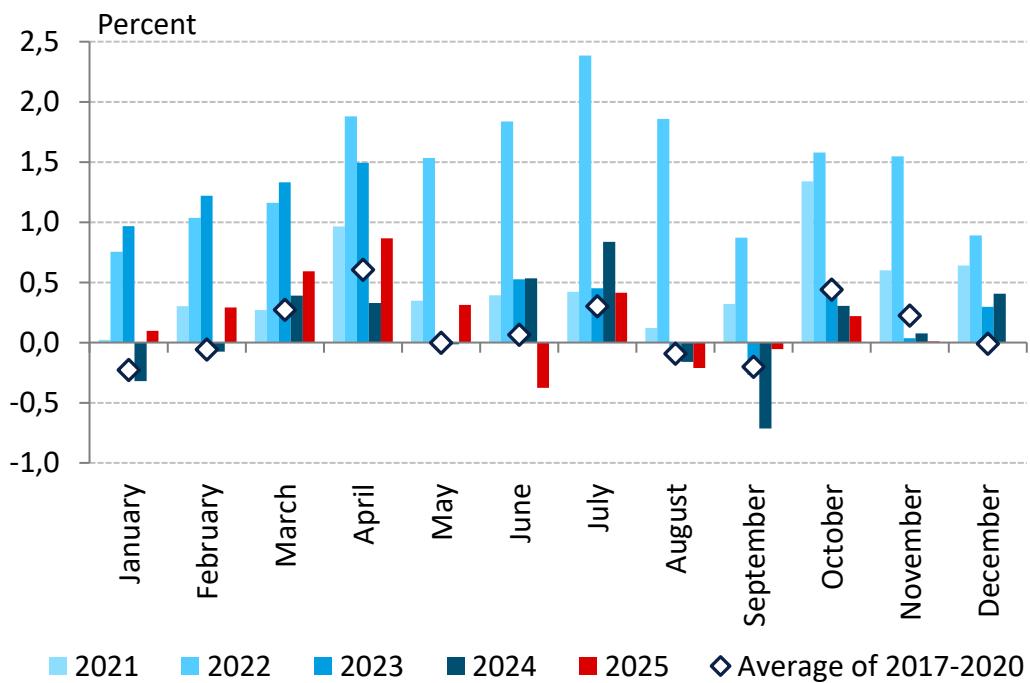


Chart 9 Market services inflation
seasonally unadjusted annual change

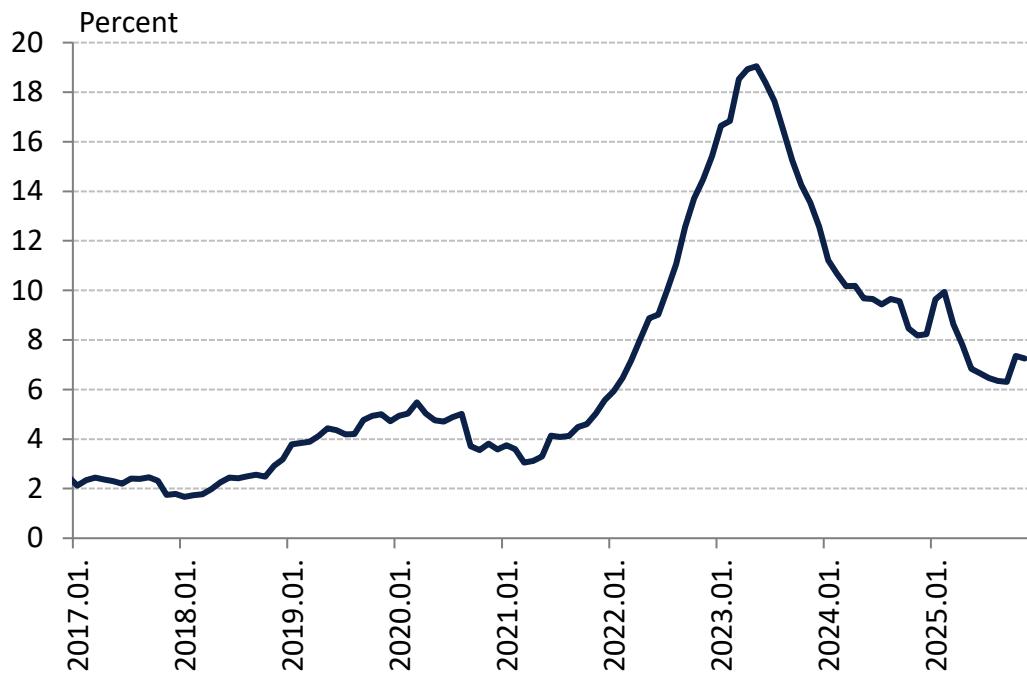


Chart 10 Monthly changes in market prices
seasonally unadjusted monthly change

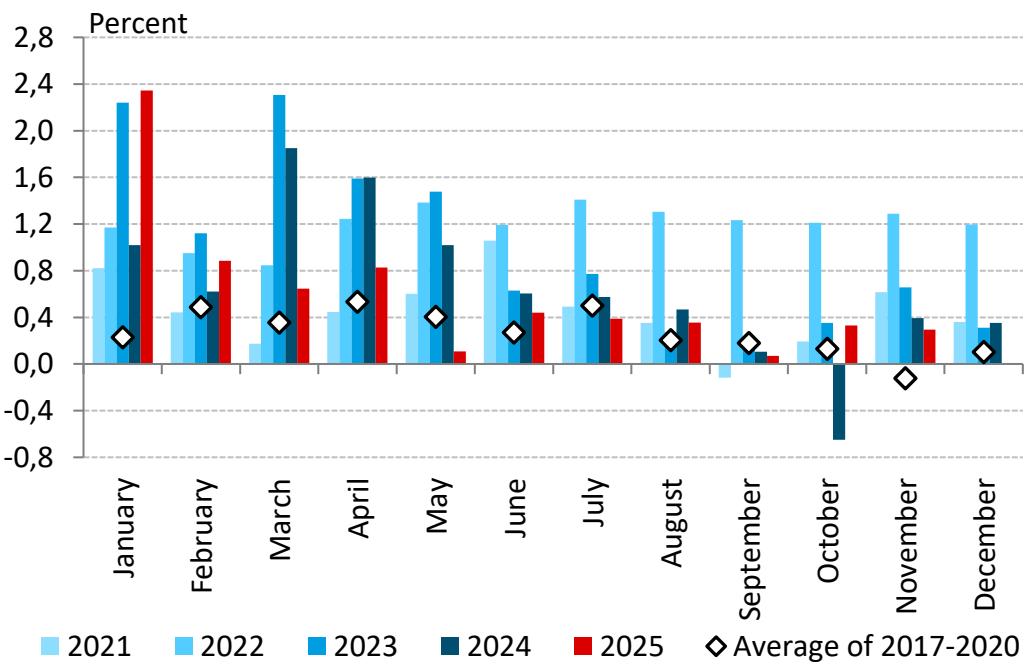
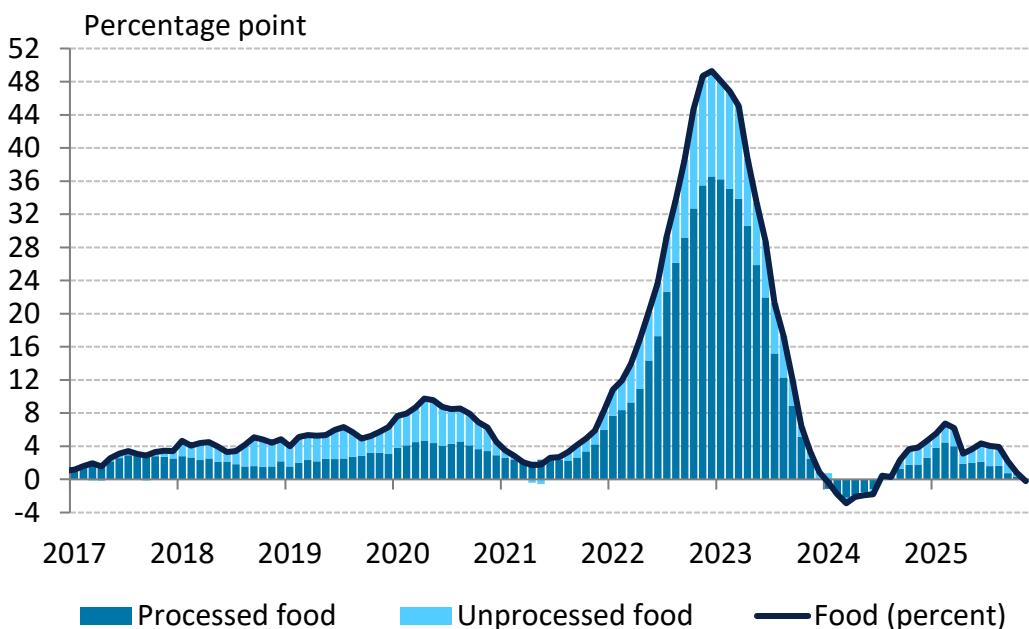
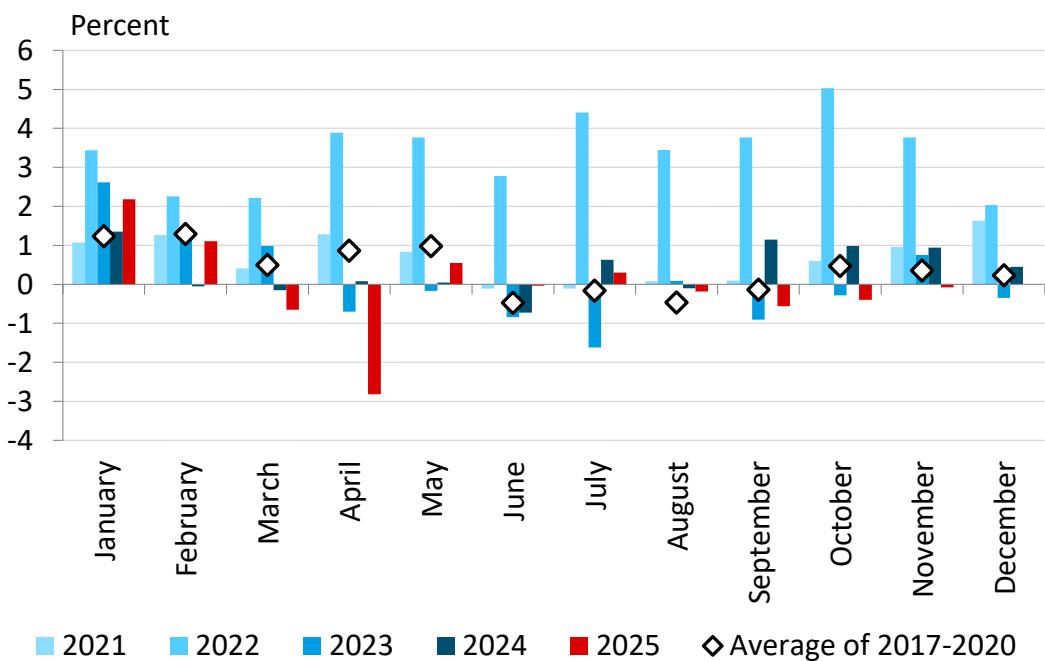


Chart 11 Food inflation
seasonally unadjusted annual change



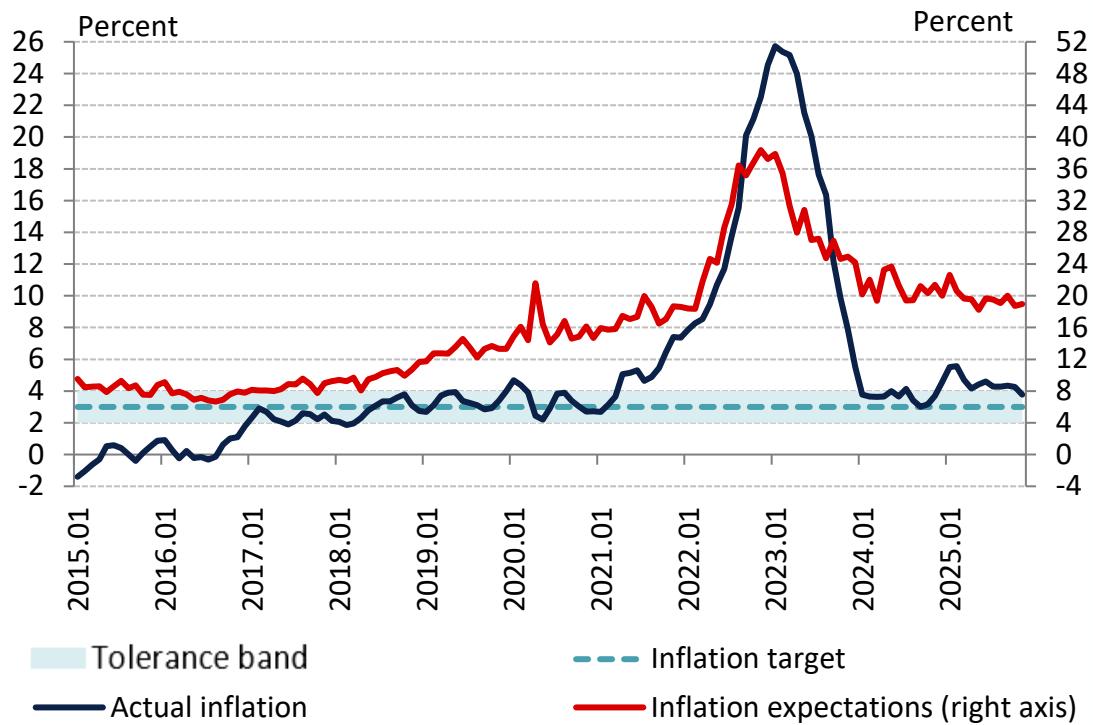
Note: The difference in food price inflation calculated by the HCSO and the MNB is explained by methodological differences. The MNB classifies food-related services as market services (restaurant meals, workplace meals, canteen goods) and the prices of regulated goods and services (school meals, nursery and kindergarten meals), and some beverages as non-durable industrial goods (coffee, tea, soft drinks).

Chart 12 Monthly changes in food prices
seasonally unadjusted monthly change



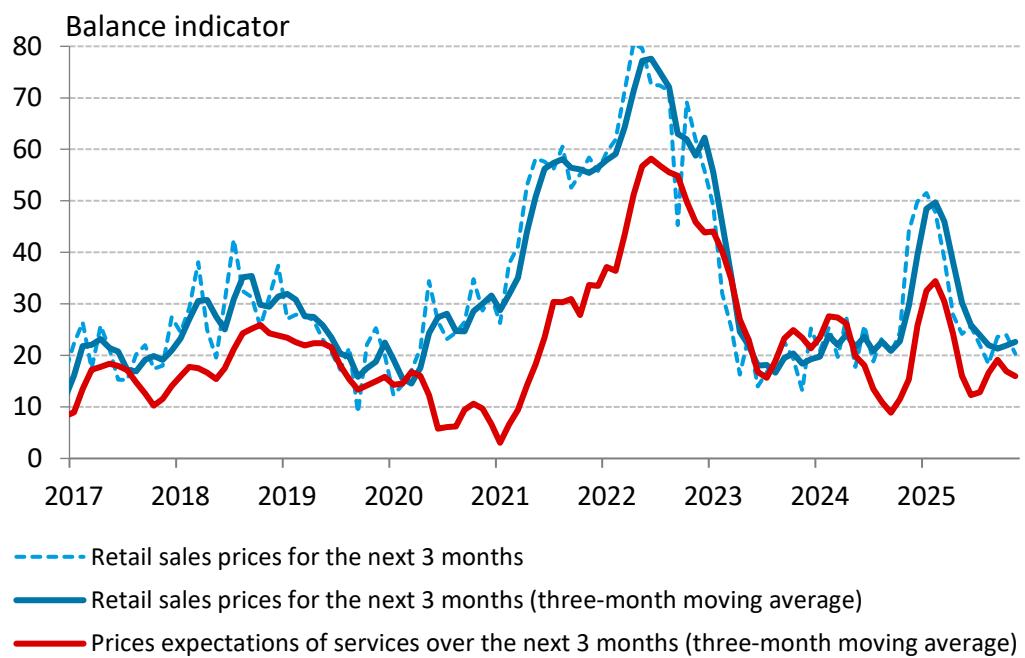
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Chart 13 Households' inflation expectations



Source: HCSO, European Commission, GKI, MNB

Chart 14 Developments in expectations for retail sales price changes and services price changes



Source: MNB calculation based on data released by the European Commission

Table 1 Annual change in the consumer price index and contribution of the measures of underlying inflation

| Consumer price index, November 2025 (HCSO) | | | | | |
|--|-----|--|-----|--|-----|
| 3.8% (annual change) | | | | | |
| MNB underlying inflation indicators (MNB calculation) | | | | | |
| Contribution of sticky price inflation (percentage points), weight 40.8% | 2.2 | Contribution of core inflation excluding processed foods (percentage points), weight 52.9% | 2.4 | Contribution of core inflation excluding taxes (percentage points), weight 65.3% | 2.5 |
| Contribution of other items (percentage points), weight 59.2% | 1.6 | Contribution of other items (percentage points), weight 47.1% | 1.3 | Contribution of other items (percentage points), weight 34.7% | 1.3 |

Source: HCSO and the MNB's own calculations.

The sum of contributions may differ from the official figures due to rounding.