



FLASH ANALYSIS ON INFLATION DEVELOPMENTS

2025
OCTOBER

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 OCTOBER 2025

Consumer prices rose by 4.3 percent year-on-year in October 2025. Since August, the rate of price rises has remained unchanged. Core inflation increased by 0.3 percentage points compared to August and stood at 4.2 percent. Core inflation excluding indirect tax effects rose to 3.9 percent (Chart 1 and Chart 2). In monthly terms, the price of the representative consumer basket remained unchanged, while the core inflation basket rose by 0.2 percent. The incoming data was in line with the projection in the September Inflation Report.

The Bank's measures of underlying inflation developments capturing persistent inflationary trends, calculated on a year-on-year basis, increased. The inflation of sticky-price products and core inflation excluding processed food increased to 5.3 percent and 4.7 percent, respectively. The inflation of tradables and market services excluding price restriction measures rose to 5.7 percent (Chart 3). Monthly repricing patterns did not change significantly, but annual indices increased due to the base effect of the temporary price decrease in telecommunications services in October last year. The impact of the extension and expansion of price margin restrictions may first appear in the December data.

In a shorter-term (annualised 3-month-on-3-month) comparison, inflation fell while core inflation rose (Chart 4). The price of the basket excluding fuel and regulated product prices rose by 0.1 percent compared to the previous month (Chart 5). Month-on-month core inflation excluding processed food prices, which better reflects underlying developments, rose by 0.3 percent (Chart 6). In October, 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* remained at 2.7 (Chart 7). On a monthly basis, tradables prices rose by 0.2 percent (Chart 8). Non-durables prices were up by 0.3 percent, which was driven by the seasonal increases in clothing prices. Durables prices remained unchanged compared to September.

The annual price index of *market services* rose to 7.4 percent (Chart 9). The increase was primarily caused by the temporary low base of the decrease in telecommunication services in October last year, which will last until January. This contributed 0.9 percentage points to the increase in market services inflation. On a monthly basis, prices rose by 0.3 percent (Chart 10), which was primarily explained by the increase of catering services prices (Chart 10).

According to the MNB's classification, *food* inflation was 0.8 percent, with unprocessed food prices rising by 1.5 percent and processed food prices by 0.4 percent in annual terms within the product group (Chart 11). According to the HCSO data release, food prices increased by 3.9 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 0.4 percent month-on-month (Chart 12). Compared to September, unprocessed food prices fell by 0.8 percent, driven by seasonal food price developments. Processed food prices fell by 0.2 percent month-on-month.

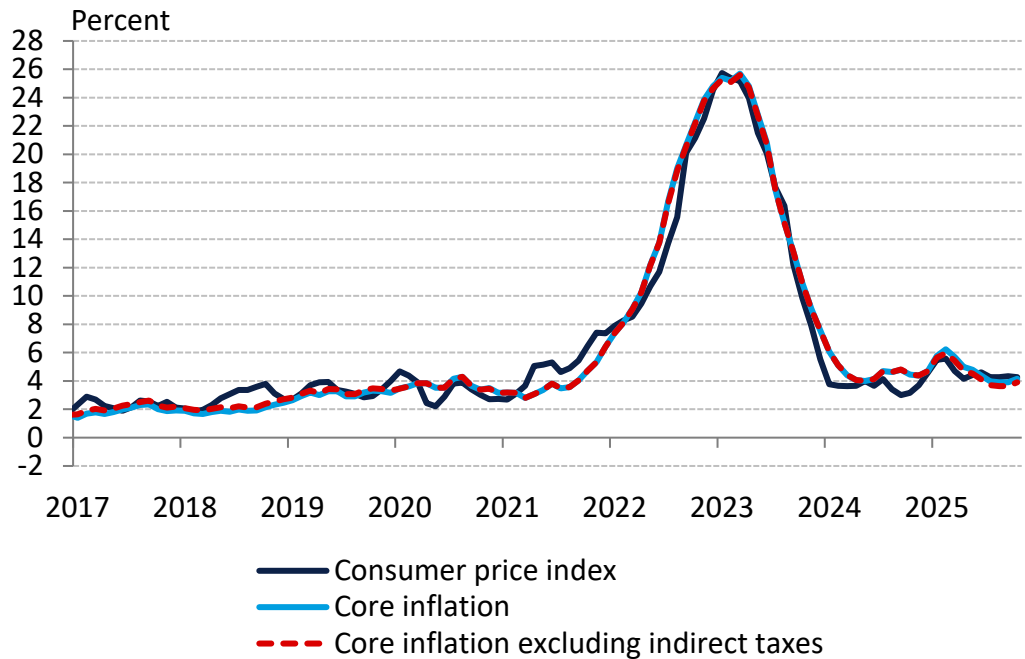
Fuel prices fell by 2.2 percent year-on-year. In monthly terms, fuel prices fell by 1.1 percent as a result of the decreases in global oil prices.

In annual terms, the prices of regulated products and services rose by 7.9 percent, with piped gas prices rising by 23.7 percent. The price rise of piped gas in the past 12 months contributed to October 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 rose by 0.1 percent.

Households' inflation expectations fell but remain at a high level (Chart 13). *Corporate expectations for retail sales price changes* rose slightly, while *price expectations for services* fell. Both remained at a subdued level in October (Chart 14).

Budapest, 11 November 2025

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

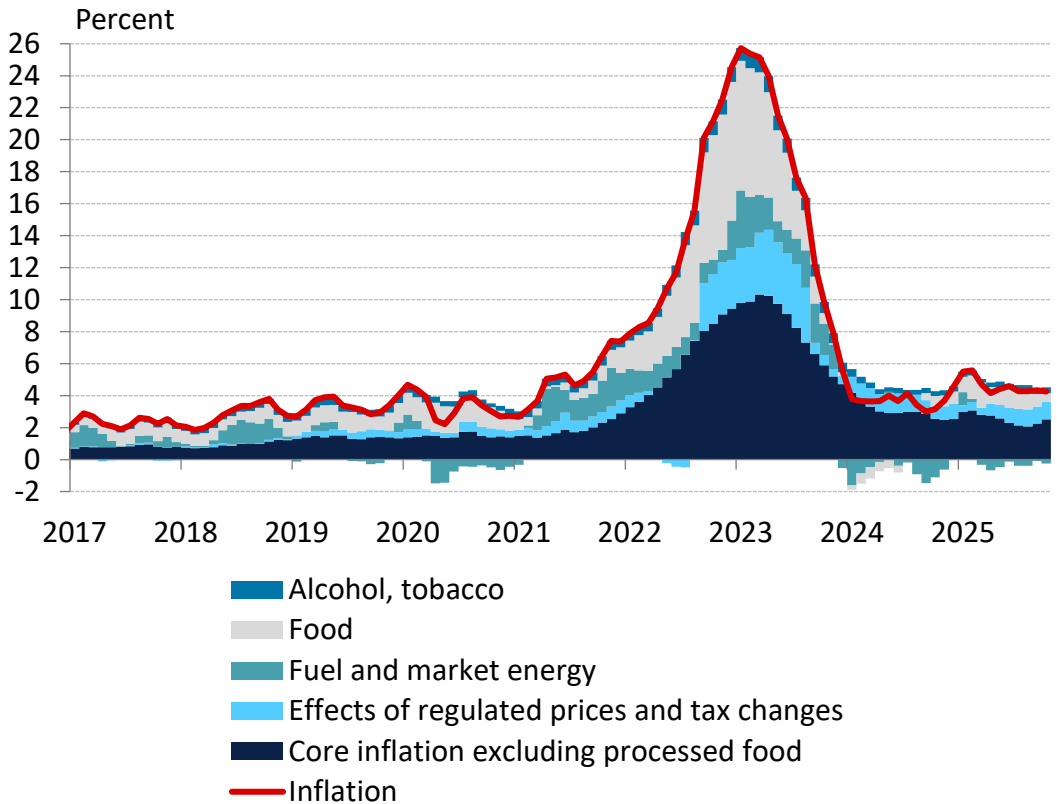
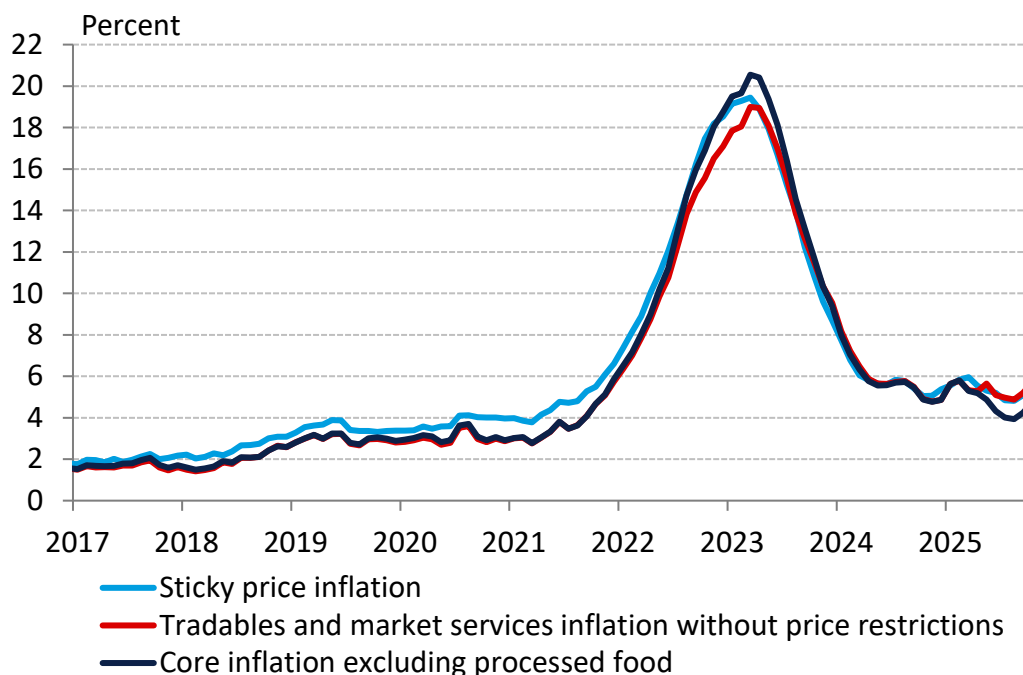


Chart 3 Underlying inflation indicators
annual percentage changes excluding indirect taxes



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

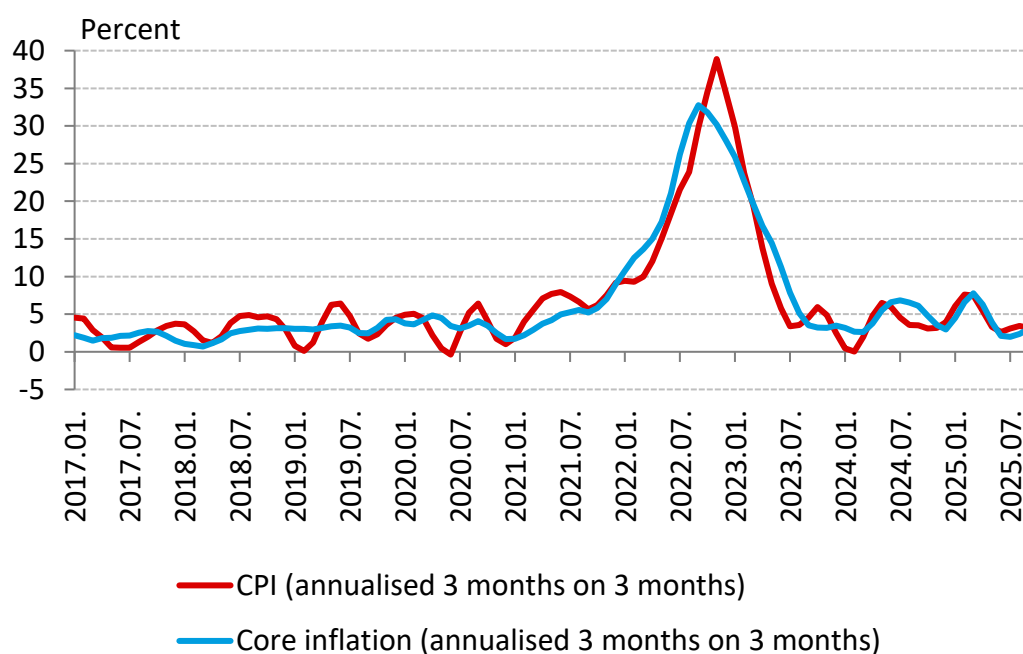


Chart 5 Monthly changes in consumer prices excluding fuel and regulated products prices
tax-adjusted, seasonally unadjusted monthly percentage changes

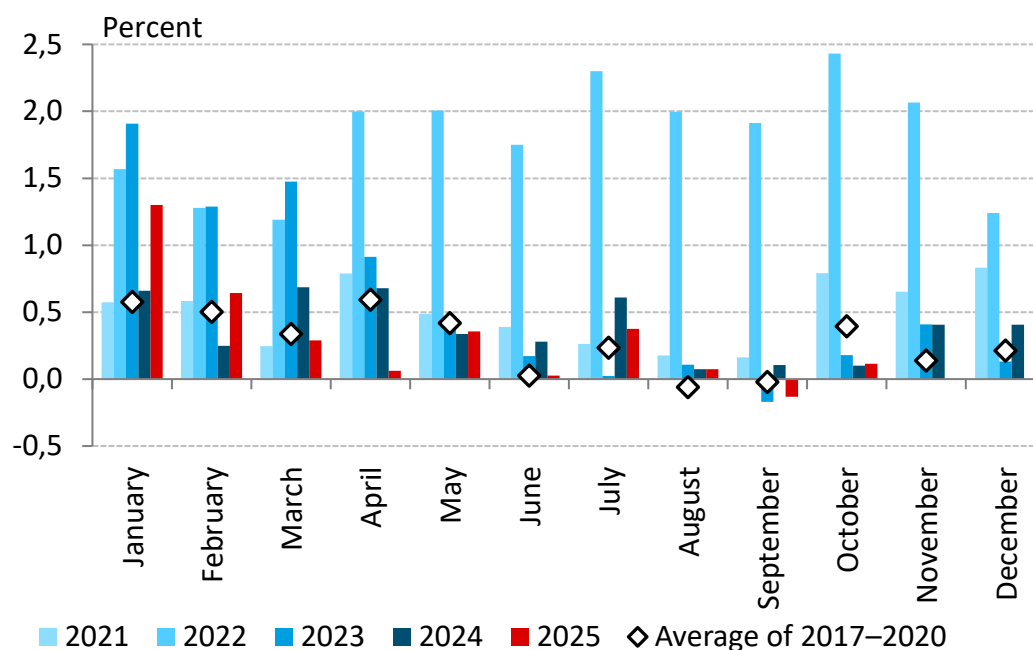


Chart 6 Monthly change in core inflation excluding processed food
tax-adjusted, seasonally unadjusted monthly percentage changes

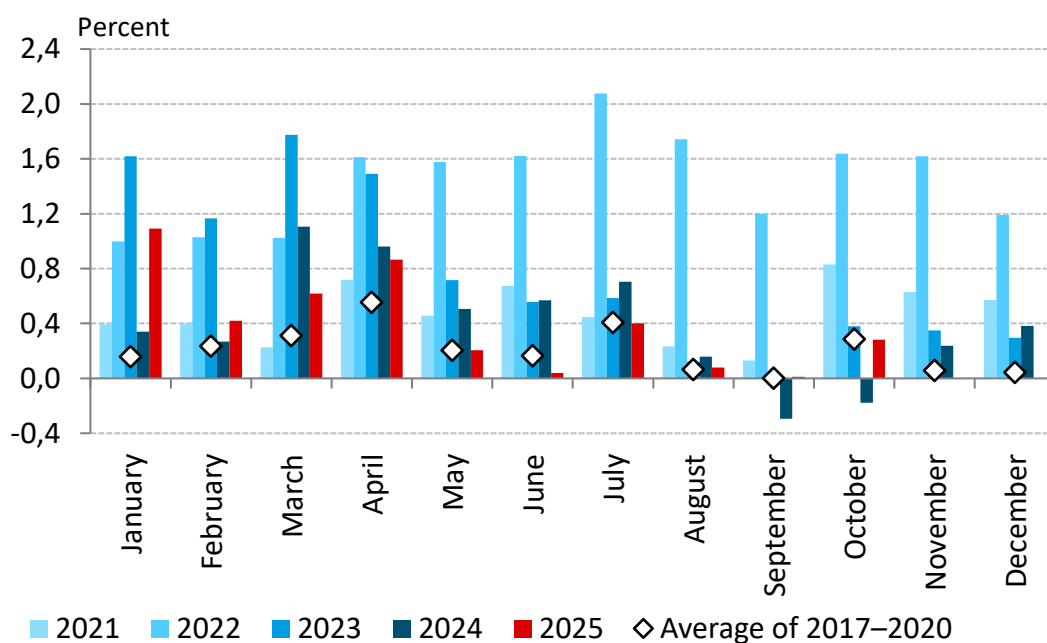


Chart 7 Inflation of tradable goods
seasonally unadjusted annual change

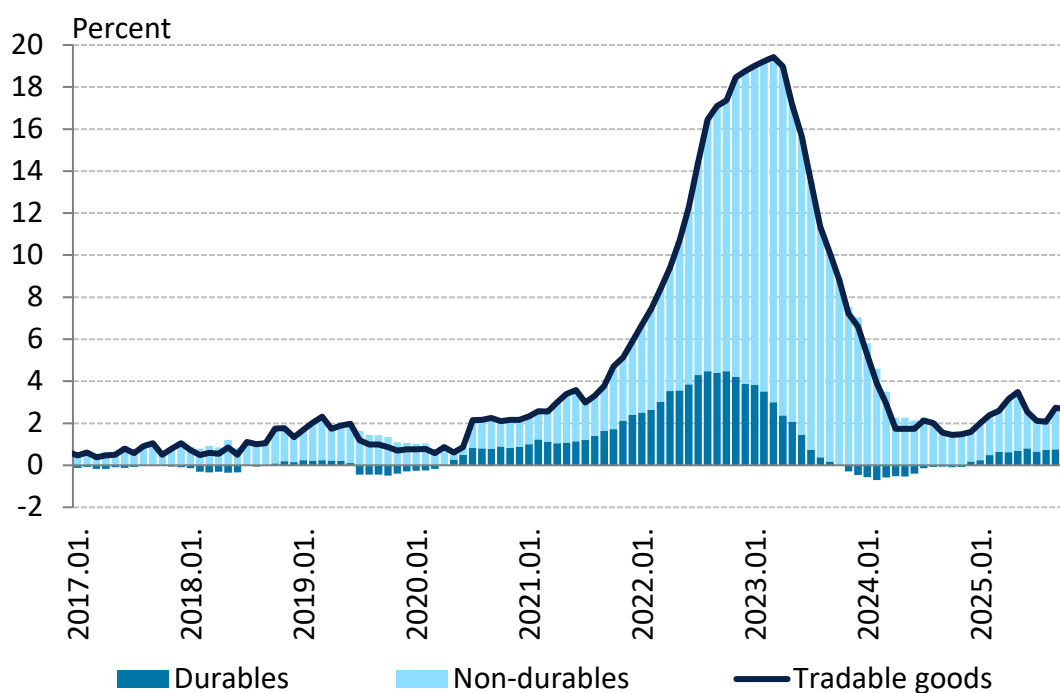


Chart 8 Monthly changes in tradables prices
seasonally unadjusted monthly change

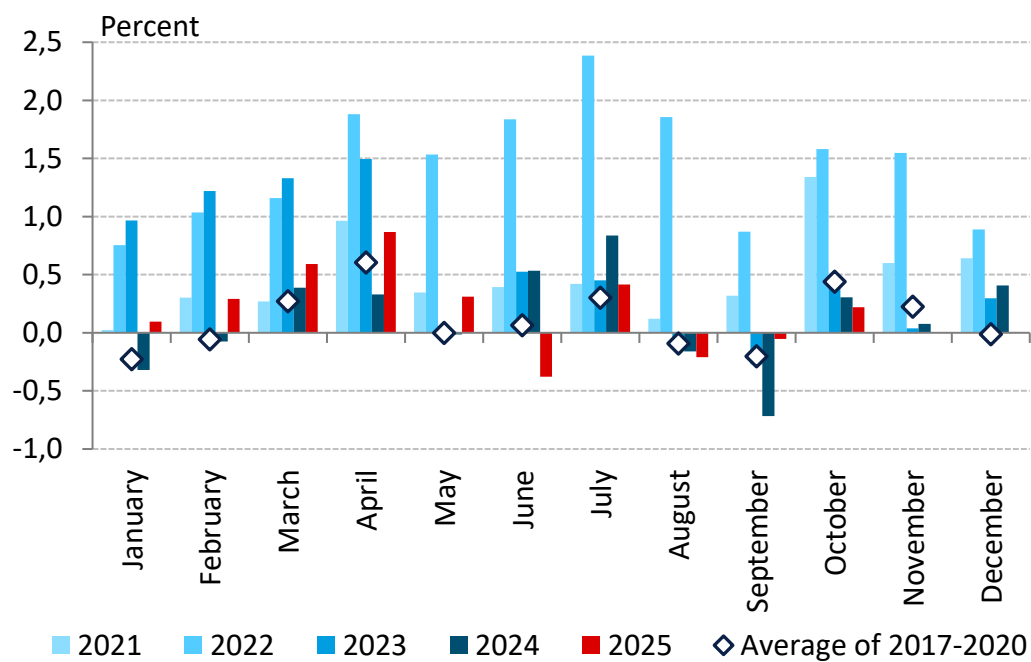


Chart 9 Market services inflation
seasonally unadjusted annual change

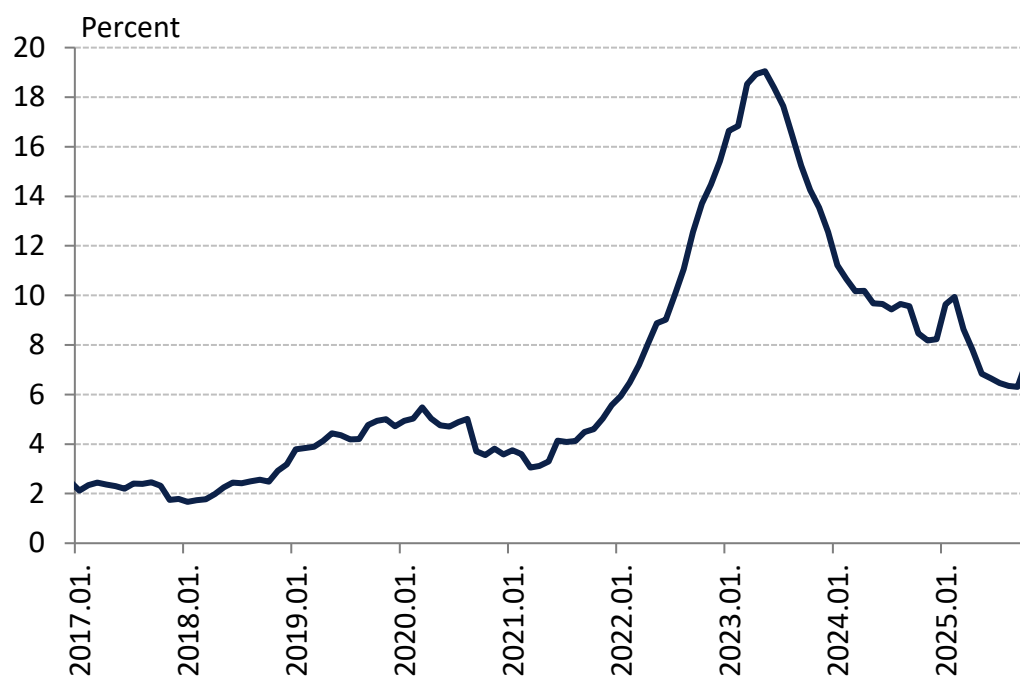


Chart 10 Monthly changes in market prices
seasonally unadjusted monthly change

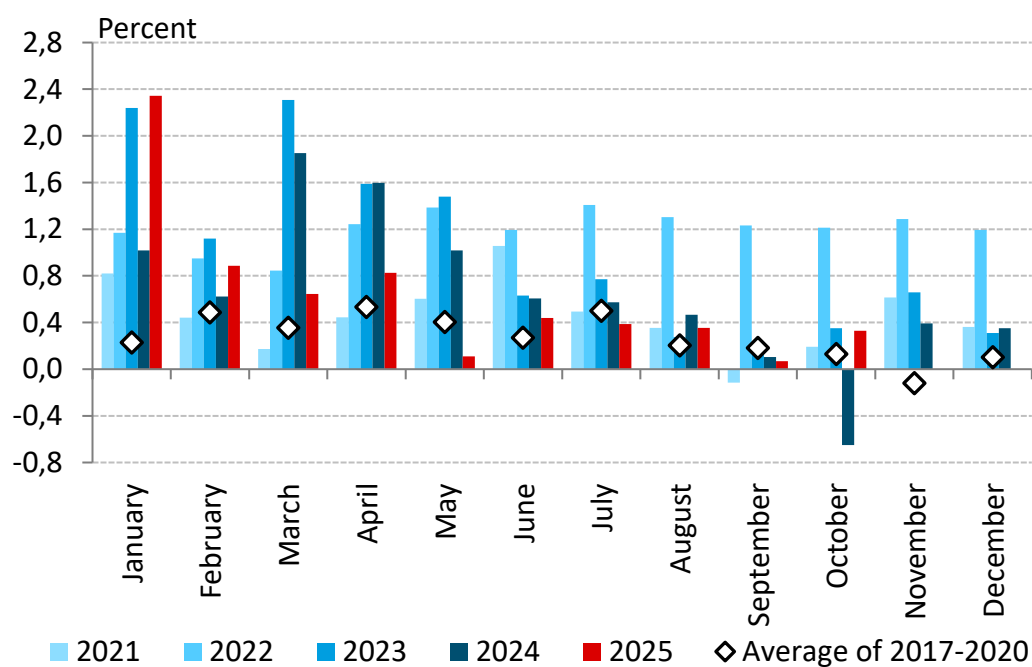
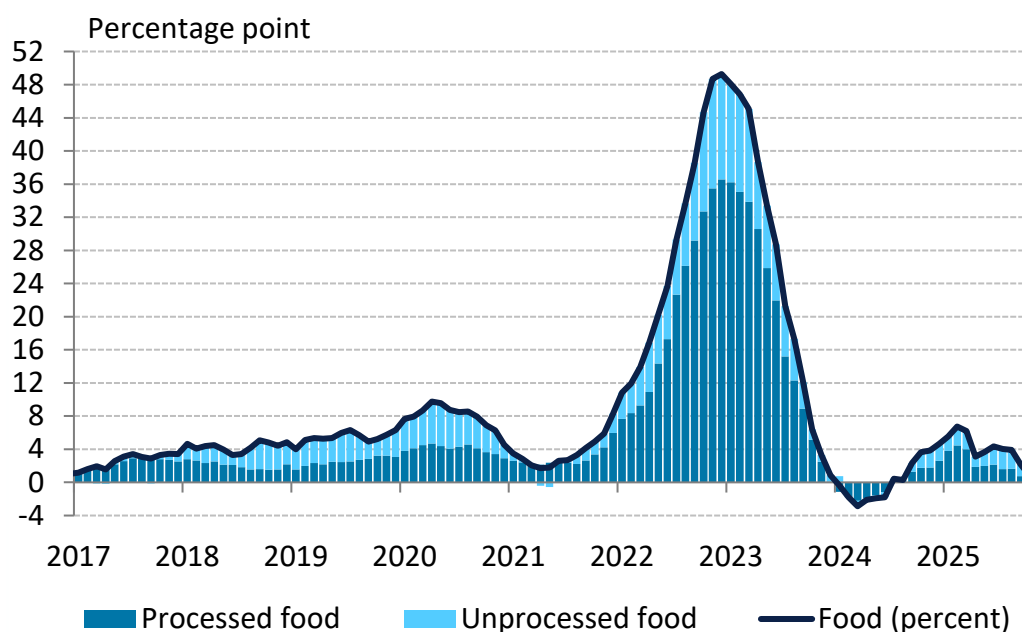
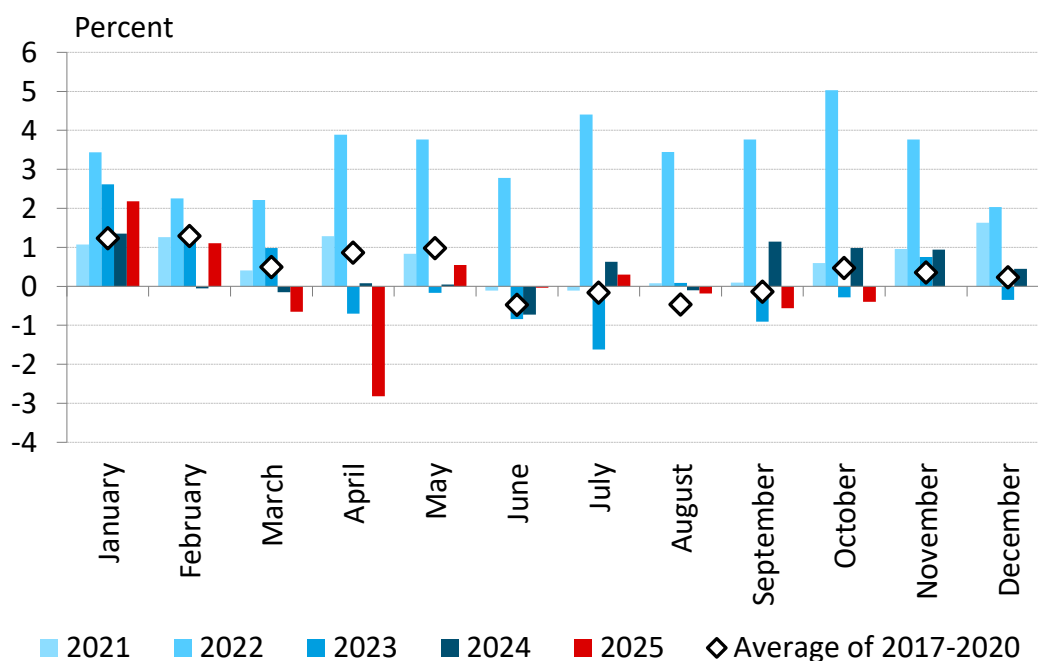


Chart 11 Food inflation
seasonally unadjusted annual change



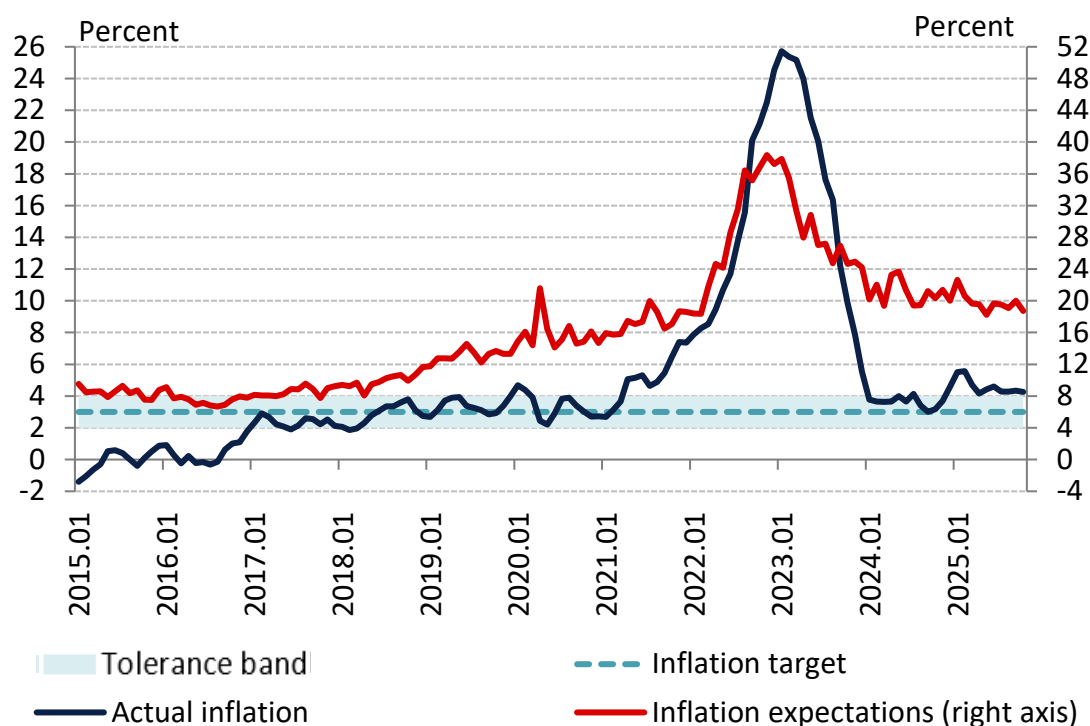
Note: The difference in food price inflation calculated by the HCSO and the MNB is explained by methodological differences. The MNB classifies food-related services as market services (restaurant meals, workplace meals, canteen goods) and the prices of regulated goods and services (school meals, nursery 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



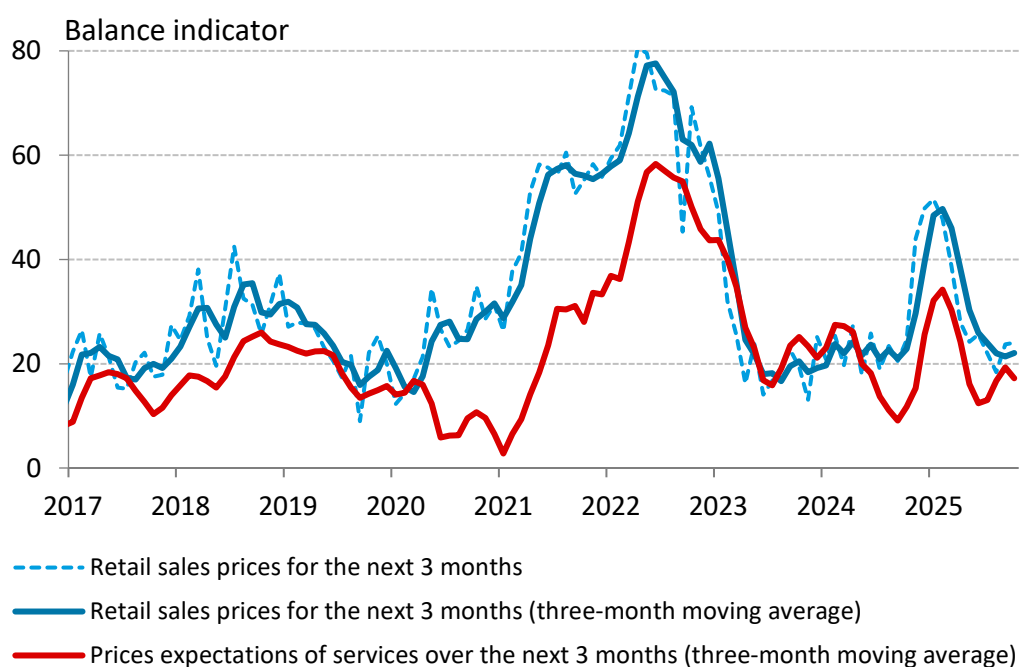
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Chart 13 Households' inflation expectations



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, October 2025 (HCSO)					
4.3% (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%	2.5	Contribution of core inflation excluding taxes (percentage points), weight 65.3%	2.5
Contribution of other items (percentage points), weight 59.2%	2.1	Contribution of other items (percentage points), weight 47.1%	1.8	Contribution of other items (percentage points), weight 34.7%	1.7

Source: HCSO and the MNB's own calculations.

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