



FLASH ANALYSIS ON INFLATION DEVELOPMENTS

2026
AUGUST

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 AUGUST 2026

Consumer prices rose by 1.3 percent year-on-year in August 2026. Relative to the 1.2 percent observed in July, the annual growth rate of prices was up by 0.1 percentage points. Core inflation and core inflation excluding indirect tax effects increased by 0.1 percentage points and stood at 2.0 percent (Chart 1 and Chart 2). Incoming inflation data was below the projection in the June Inflation Report.

The increase in the annual consumer price index can be linked to the accelerating price dynamics of core inflation and fuels, with base effects playing a part in the latter. Within core inflation, the rate of price increases of tradables and market services accelerated slightly. Within the Bank's measures of underlying inflation developments capturing persistent inflationary trends on a year-on-year basis, the inflation of sticky price products remained unchanged at 3.8 percent, and core inflation excluding processed food rose to 3.3 percent (Chart 3).

On a monthly basis, the price of the total consumer basket and that of the core inflation basket were both up by 0.2 percent. In August, the monthly repricing slightly exceeded the 2017-2020 average in both cases. Month-on-month core inflation excluding processed food prices rose by 0.3 percent (Chart 4). The higher price change observed in August across the total consumer basket can be viewed as a partial correction of the price decline seen in July; viewed over a period of several months, price changes remain moderate overall. The subdued development of our indicators calculated on an annualised 3-month-on-3-month comparison continued in the case of inflation and core inflation (Chart 5).

The annual inflation of *tradables* rose to 0.7 percent (Chart 6). On a monthly basis, prices stagnated, meaning the price decline of this product category, ongoing since May, has stalled. The monthly price change in August is slightly above the average repricings observed between 2017-2020. However, taking into account the price decreases of recent months and viewed over a period of several months, the product group is still characterized by moderate repricings (Chart 7). Within the product group, non-durables prices remained unchanged, while durables prices rose by 0.1 percent compared to July. The latter was primarily explained by the price growth of second-hand passenger cars and consumer electronics.

The annual price index of market services rose to 5.8 percent (Chart 8). Month-on-month, prices were up by 0.5 percent, which is above the average repricings that occurred between 2017-2020 (Chart 9). The monthly price increase was primarily driven by the rising prices of financial and insurance services, as well as tourism-related services.

According to the MNB's classification, *food* inflation declined to -5.3 percent. Within the product group, unprocessed and processed food prices were down by 8.0 and 4.0 percent, respectively, in annual terms (Chart 10). According to the HCSO's classification, which, unlike the MNB's classification, includes, among others, the 5.7 percent rise in restaurant meal prices, food prices decreased by 1.4 percent on a year-on-year basis. Food prices were down by 0.7 percent month-on-month, which is below the average repricings that occurred between 2017-2020 (Chart 11). Compared to July, unprocessed food prices and processed food prices declined by 1.3 percent and 0.3 percent, respectively. The decrease in unprocessed food prices was due to the significant decline in fresh vegetable and fruit prices, while in the case of processed food, a widespread – albeit more moderate – price decrease occurred, which affected the majority of products.

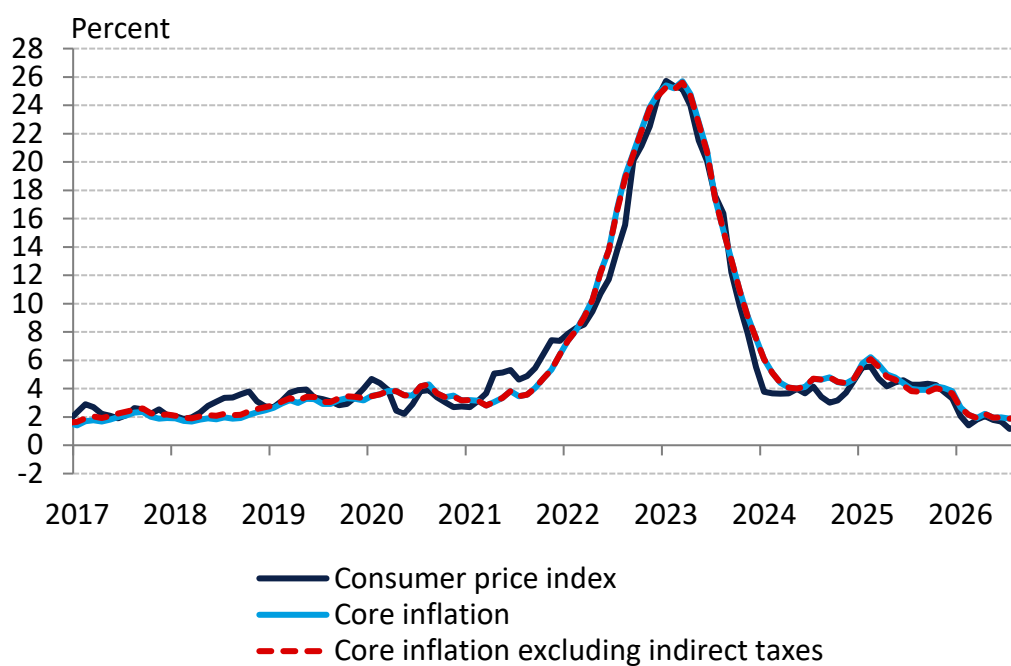
On a monthly basis, *fuel prices* increased by 0.6 percent. The rise in global oil prices was partly offset by the decrease in price margins. In annual terms, fuel prices were up by 1.3 percent.

In annual terms, the inflation of *regulated products* and services remained unchanged at 1.5 percent, with piped gas inflation standing at -10.9 percent year-on-year. Compared to the previous month, the average consumer price of piped gas was down by 0.1 percent.

Households' inflation expectations have declined since the start of the year (Chart 12). *Companies' expectations for retail sales price changes* and *price expectations for services* are moderate, having decreased compared to the previous month (Chart 13).

Budapest, 8 September 2026

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



Note: Seasonally unadjusted core inflation.

Chart 2 Inflation decomposition
annual change

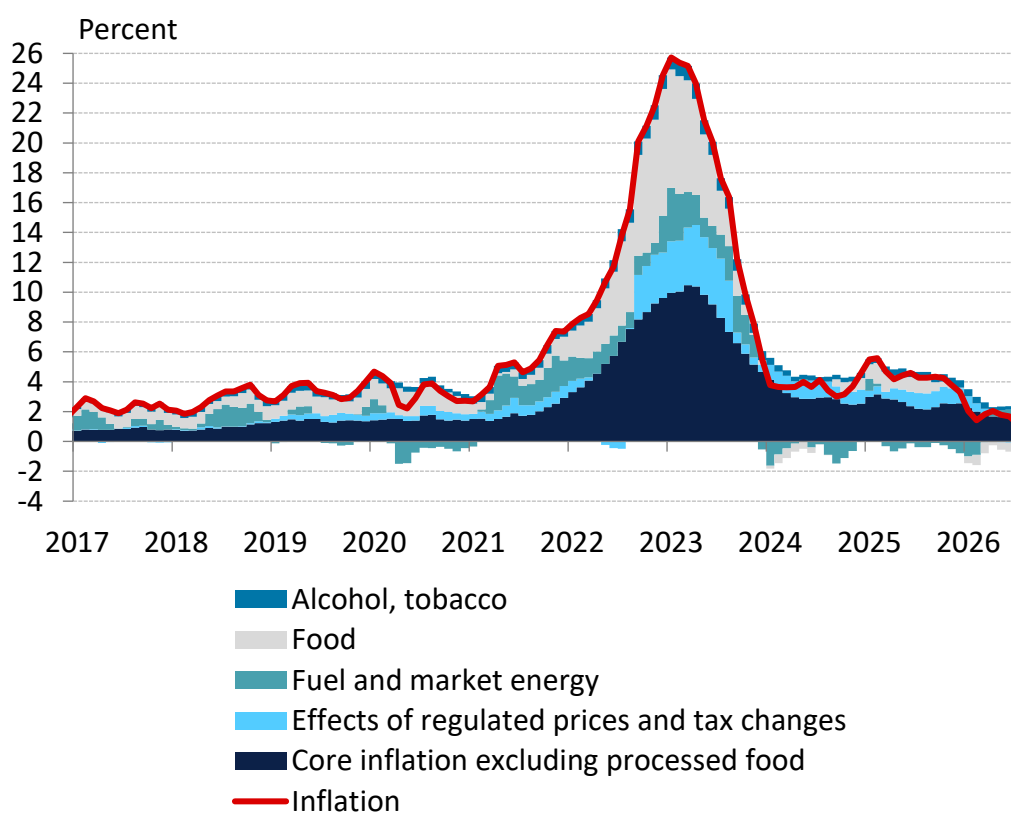
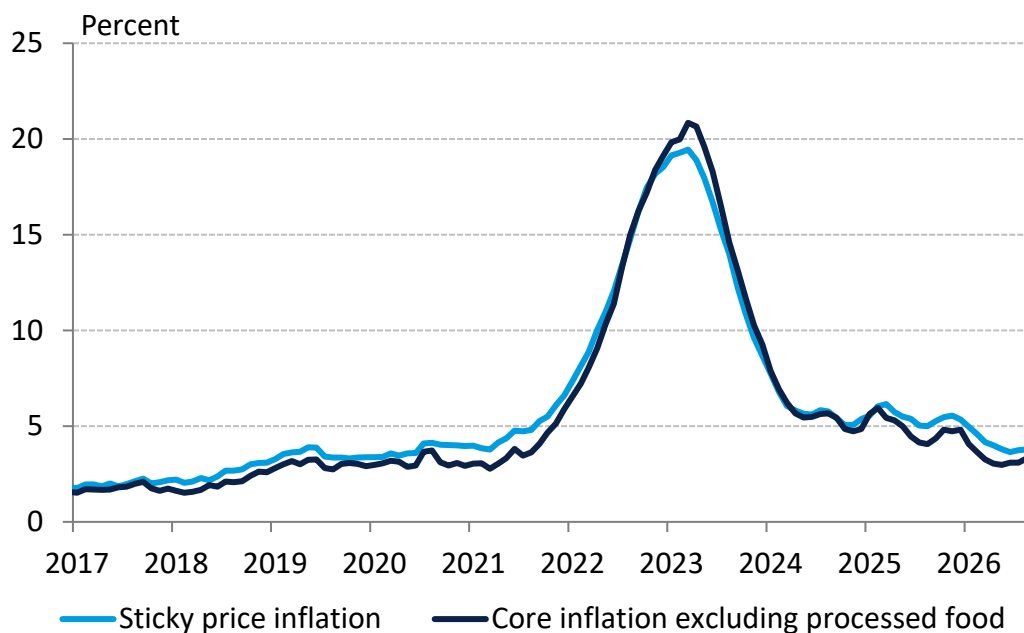


Chart 3 Underlying inflation indicators
annual percentage changes excluding indirect tax effects



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

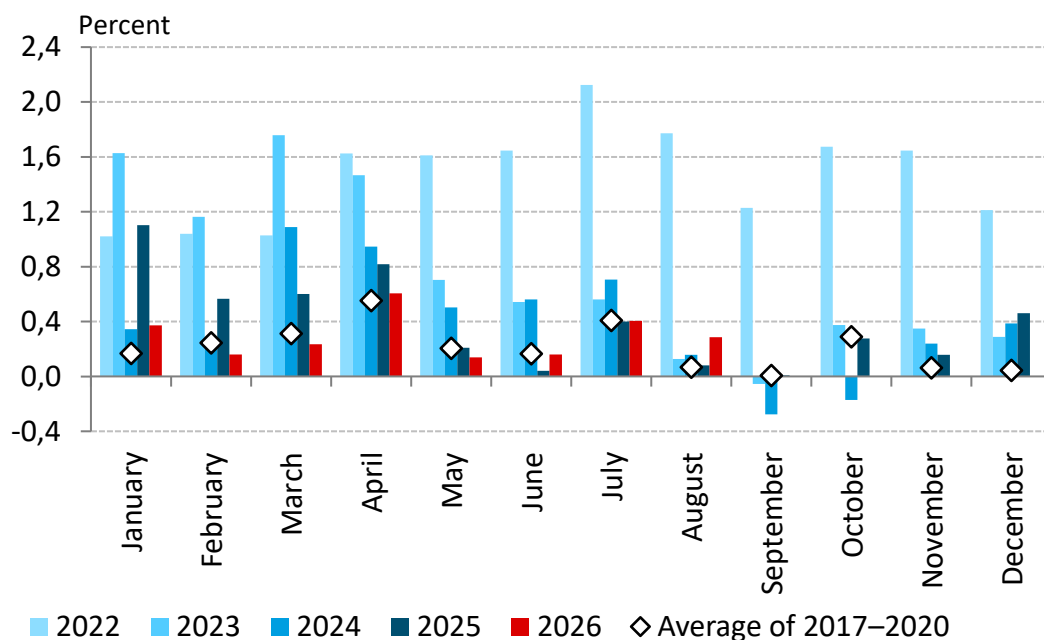


Chart 5 Annualized 3-month change in inflation and core inflation
based on seasonally adjusted data

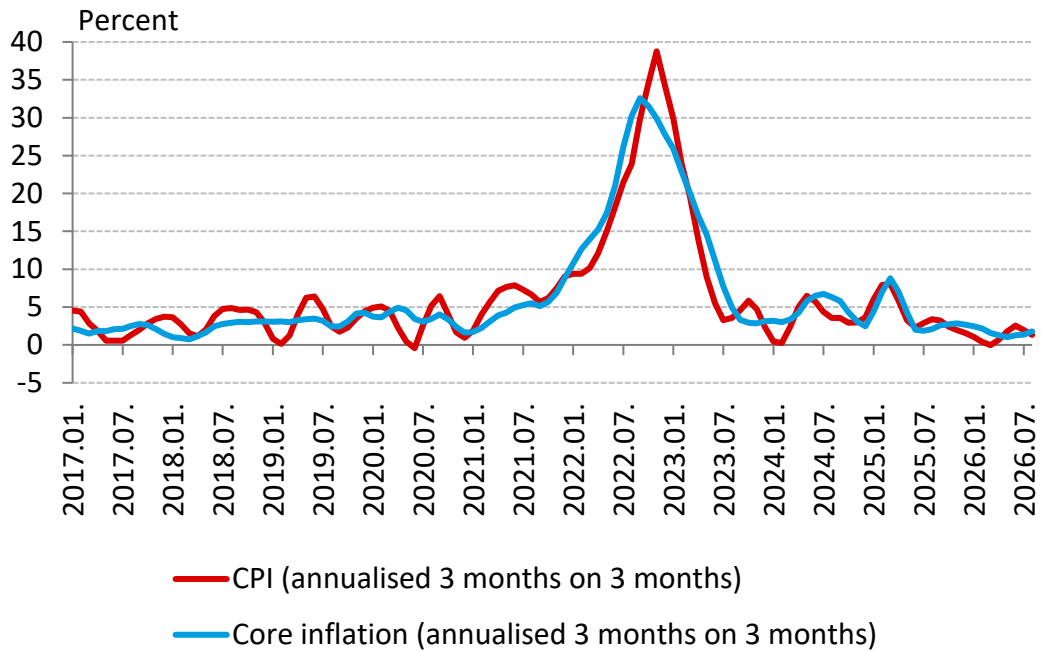


Chart 6 Tradables inflation
seasonally unadjusted annual change

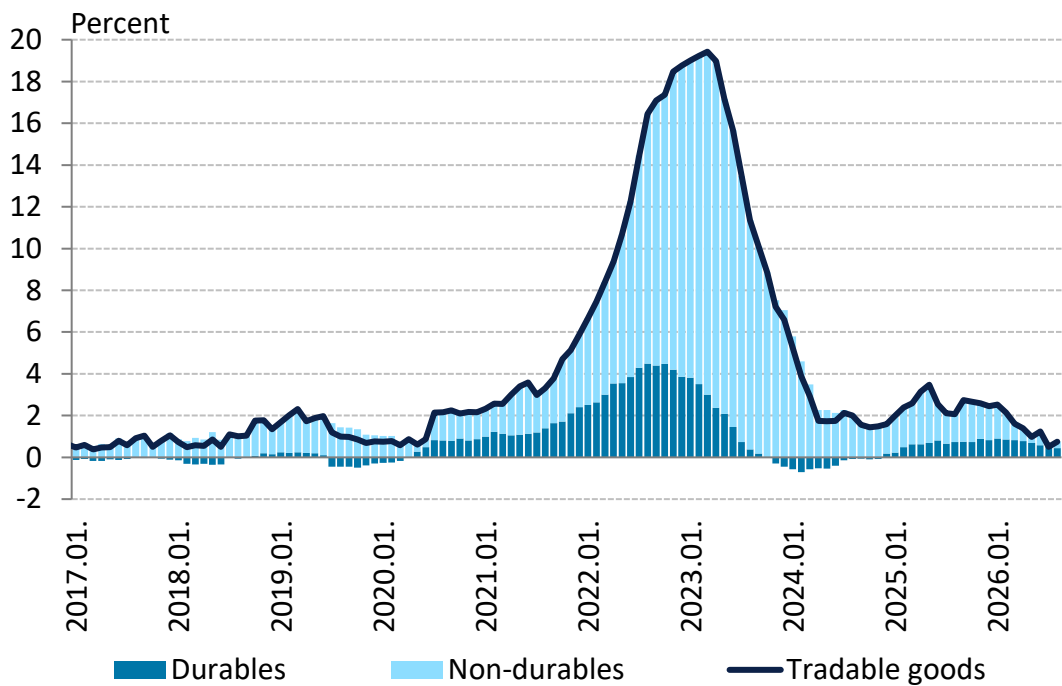


Chart 7 Monthly changes in tradables prices

seasonally unadjusted monthly change

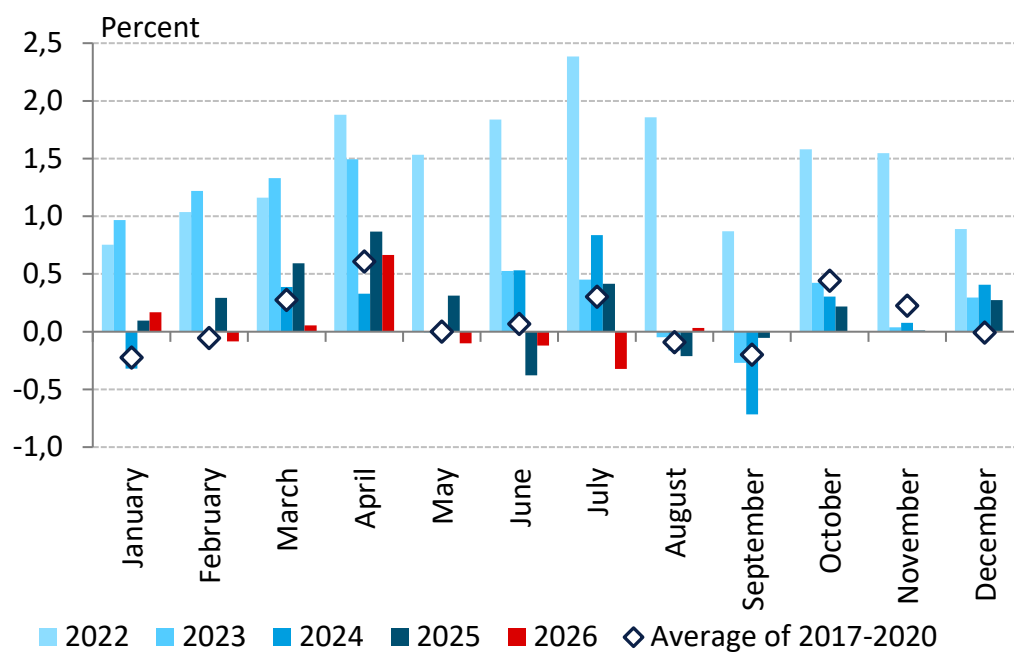


Chart 8 Market services inflation

seasonally unadjusted annual change

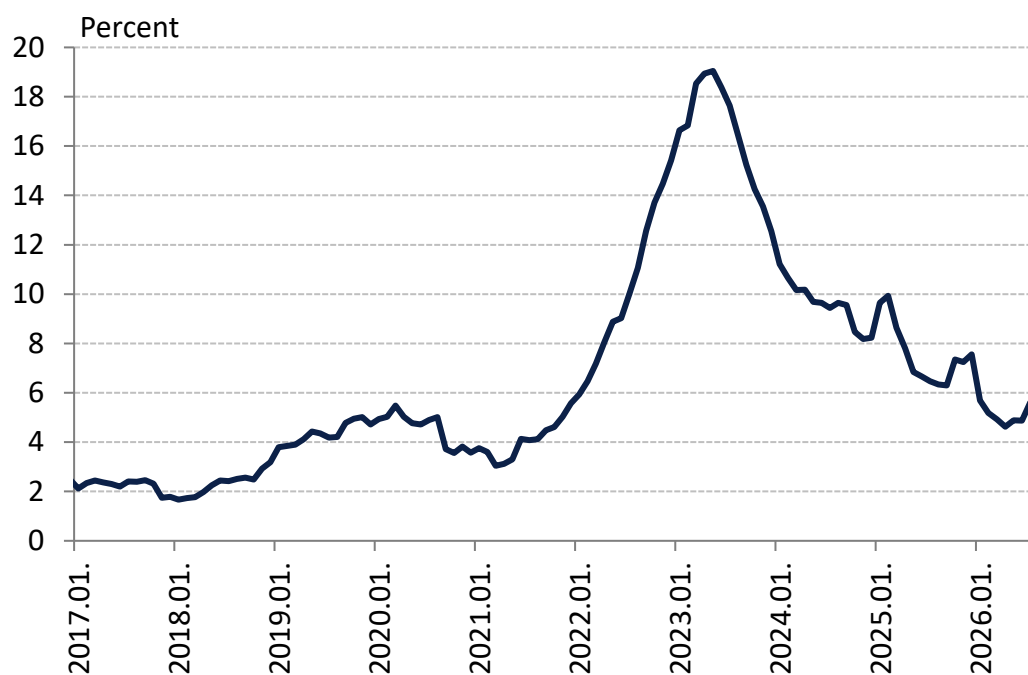


Chart 9 Monthly changes in the price of market services
seasonally unadjusted monthly change

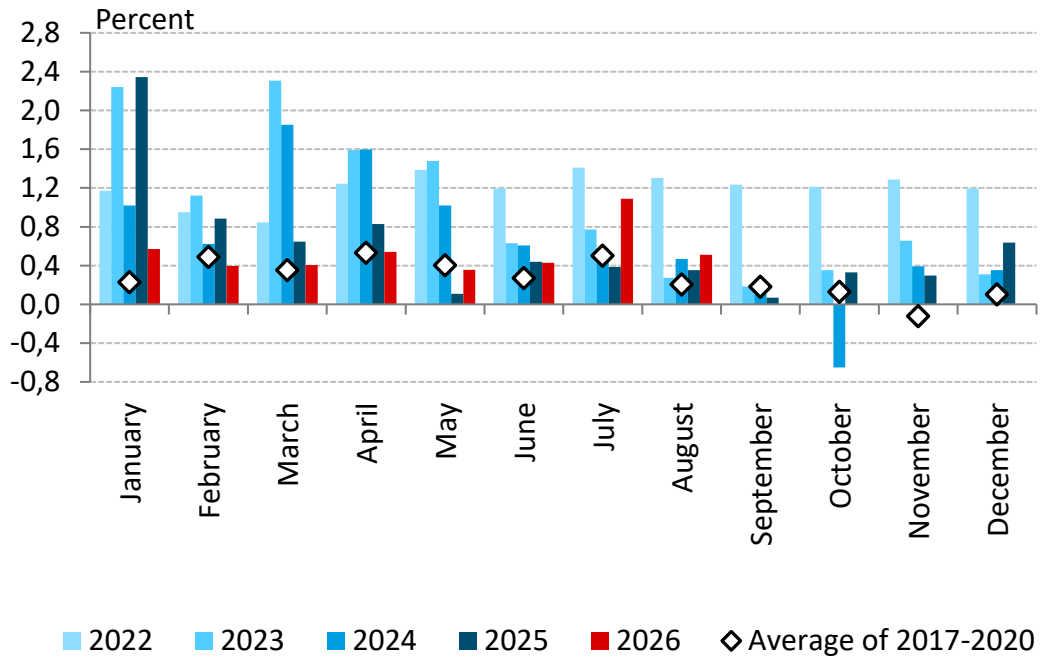
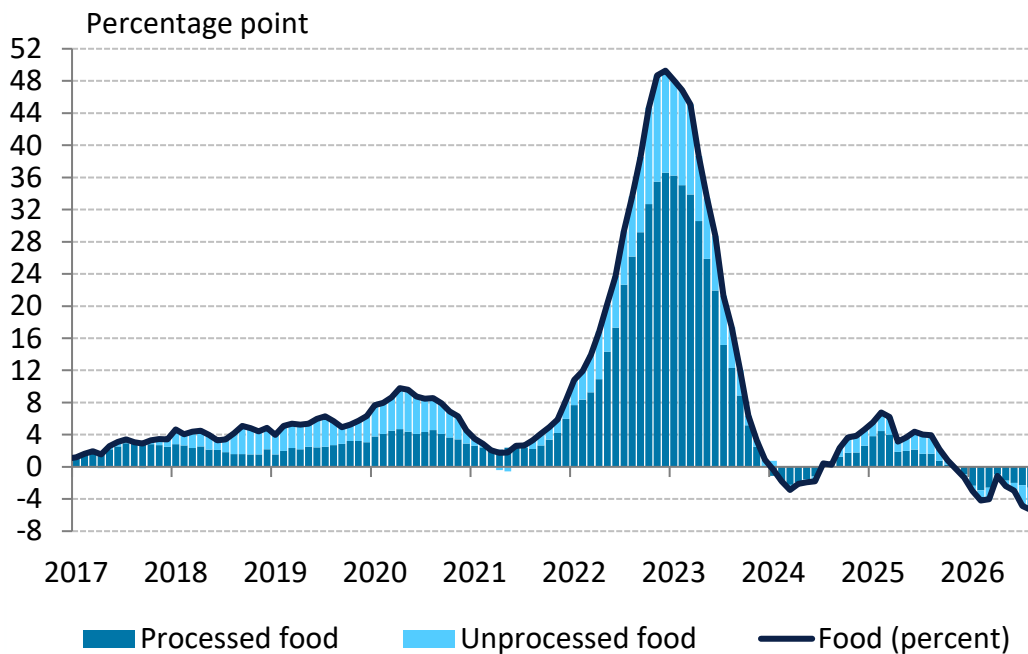


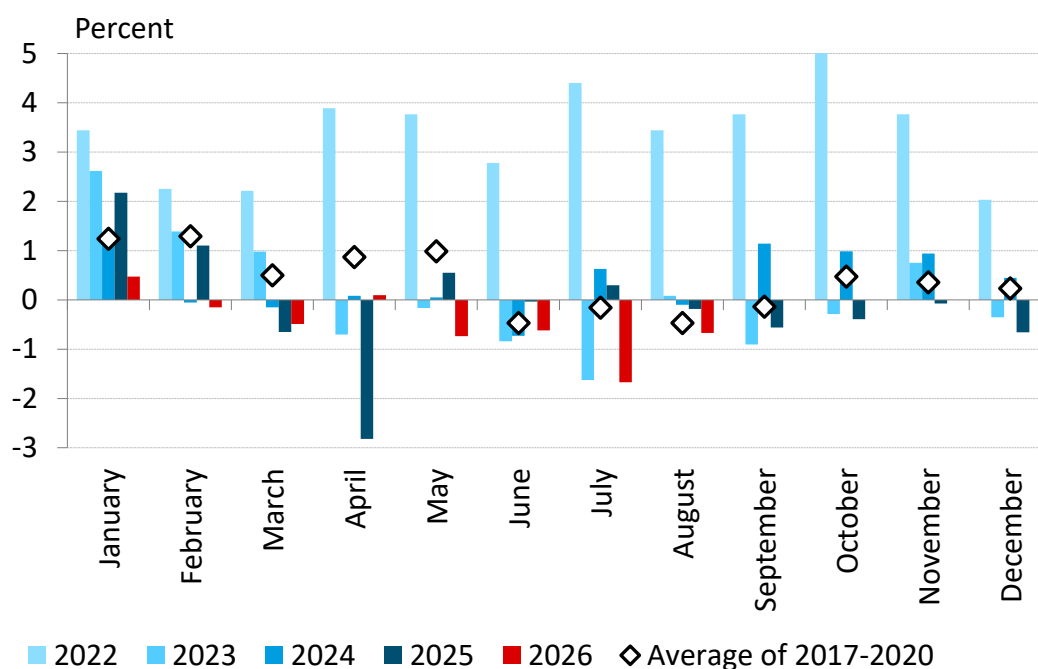
Chart 10 Food inflation

seasonally unadjusted annual data



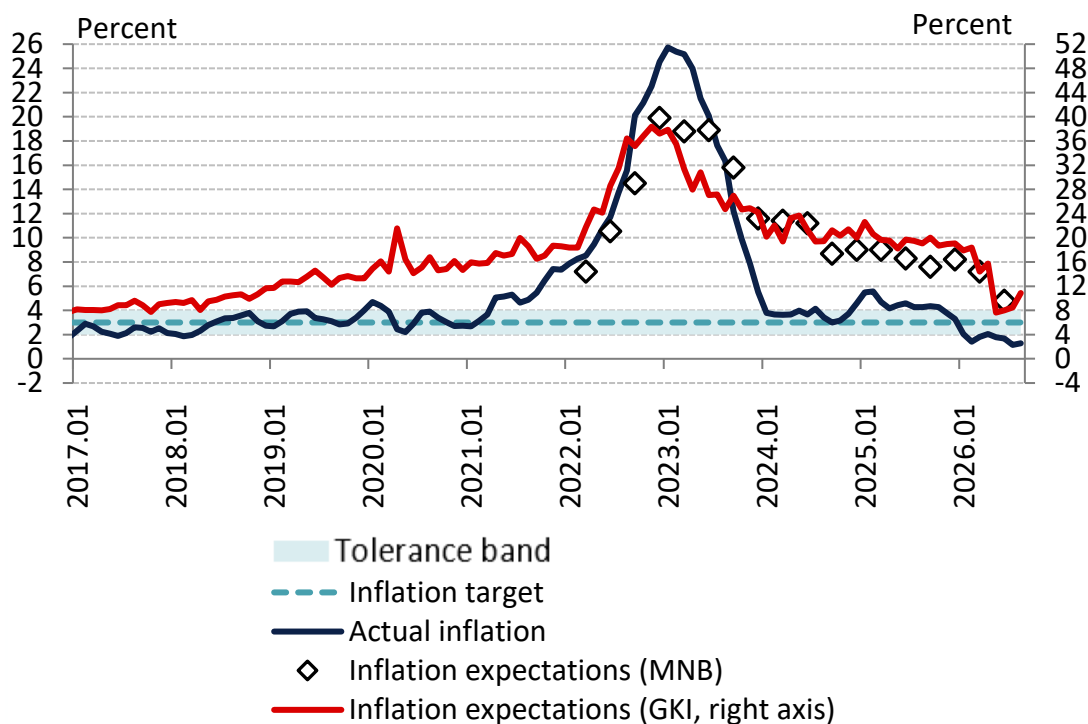
Note: The difference in food price inflation calculated by the HCSO and the MNB is explained by methodological differences. The MNB classifies food-related services as market services (restaurant meals, workplace meals, canteen goods) and the prices of regulated goods and services (school meals, nursery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

Chart 11 Monthly changes in food prices
seasonally unadjusted monthly change



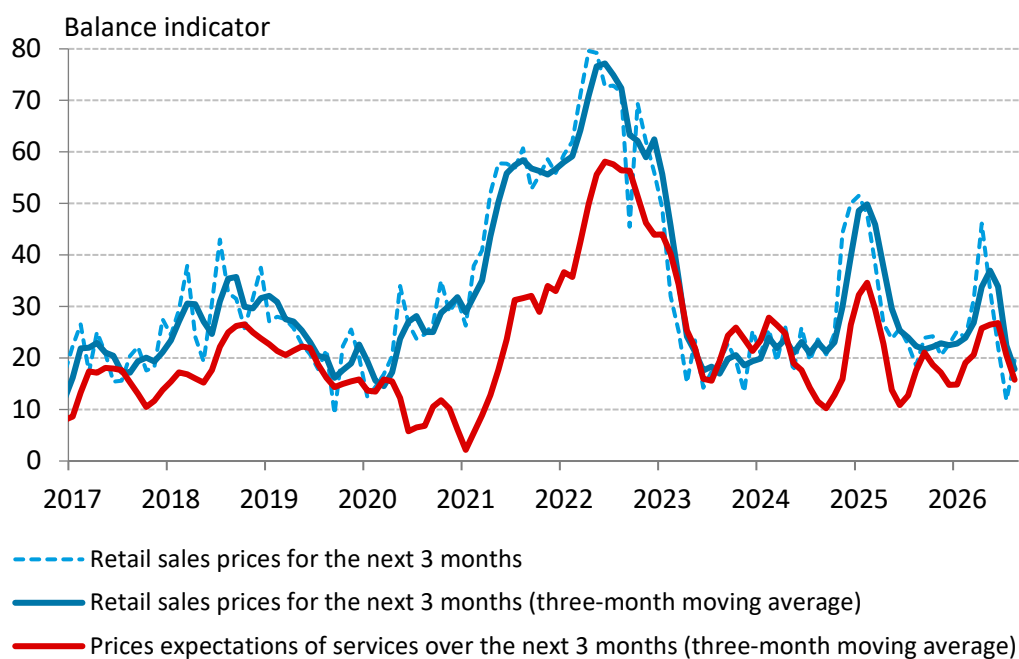
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Chart 12 Households' inflation expectations



Source: HCSO, European Commission, GKI, MNB

Chart 13 Developments in expectations for retail sales price changes and services price changes in Hungary



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, August 2026 (HCSO)					
1.3% (annual change)					
MNB underlying inflation indicators (MNB calculation)					
Contribution of sticky price inflation (percentage points), weight 43.0%	1.6	Contribution of core inflation excluding processed foods (percentage points), weight 55.1%	1.8	Contribution of core inflation excluding taxes (percentage points), weight 67.3%	1.3
Contribution of other items (percentage points), weight 57.0%	-0.3	Contribution of other items (percentage points), weight 44.9%	-0.5	Contribution of other items (percentage points), weight 32.7%	0.0

Source: HCSO and the MNB's own calculations.
 The sum of contributions may differ from the official figures due to rounding.