FLASH ANALYSIS

ON INFLATION DEVELOPMENTS

2026

SEPTEMBER

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 SEPTEMBER 2026

Consumer prices rose by 1.6 percent year-on-year in September 2026. Relative to the 1.3 percent observed in August, the annual growth rate of prices was up by 0.3 percentage points. Core inflation and core inflation excluding indirect tax effects declined by 0.1 percentage points and stood at 1.9 percent (Chart 1 and Chart 2). Incoming inflation data was broadly in line with the projection in the June Inflation Report while staying below analysts' expectations.

The increase in the annual consumer price index can be linked to the accelerating price dynamics of fuels. Within the Bank's measures of underlying inflation developments capturing persistent inflationary trends on a year-on-year basis, the inflation of sticky price product rose slightly (to 3.9 percent), and core inflation excluding processed food remained unchanged at 3.3 percent (Chart 3).

Compared to the previous month, the price of the total consumer basket rose by 0.2 percent, while that of the core inflation basket remained unchanged. In the case of the total consumer basket, the monthly repricing exceeded the 2017-2020 average due to the increase in fuel prices. The monthly increase in the core inflation basket was in line with the 2017-2020 average. Month-on-month core inflation excluding processed food remained unchanged (Chart 4). Our indicators calculated on an annualised 3-month-on-3-month comparison continued to decline in the case of inflation while rising in the case of core inflation. Overall, our short-term inflation indicators remained subdued (Chart 5).

The annual inflation of *tradables* stood at 0.7 percent (Chart 6). On a monthly basis, prices declined by 0.1 percent. The repricing observed in the product group in September is broadly in line with the 2017-2020 average (Chart 7). Within the product group, the prices of durables and non-durables were down by 0.1 and 0.2 percent, respectively, compared to August.

The annual price index of market services stood at 5.9 percent (Chart 8). Month-on-month, prices were up by 0.2 percent, which is in line with the average repricings that occurred between 2017-2020 (Chart 9). The monthly price increase was primarily driven by the rise in educational services. The inflation-indexed price increase by certain telecommunication and banking sector participants, expected for September according to announcements, is not reflected in the data.

Food inflation, according to the MNB's classification, was -5.2 percent. Within this product group, unprocessed food and processed food prices declined by 7.1 percent and 4.2 percent in annual terms, respectively (Chart 9). In the HCSO data release, food prices were down by 1.3 percent, which includes the rise of 5.8 percent in restaurant meal prices. Month-on-month, food prices were down by 0.4 percent, which is below the average repricings that occurred between 2017-2020 (Chart 11). Compared to August, unprocessed food prices declined by 0.4 percent; processed food prices were down by 0.3 percent. The monthly price change in the case of unprocessed food was due to the price decline in fresh vegetable and fruit prices, while in the case of processed food, it was primarily linked to the price decrease in milk and dairy product prices, which has been going on for nearly a year now.

Fuel prices were up by 5.9 percent on a monthly basis due to the rise in global oil prices. In annual terms, fuel prices increased by 6.9 percent.

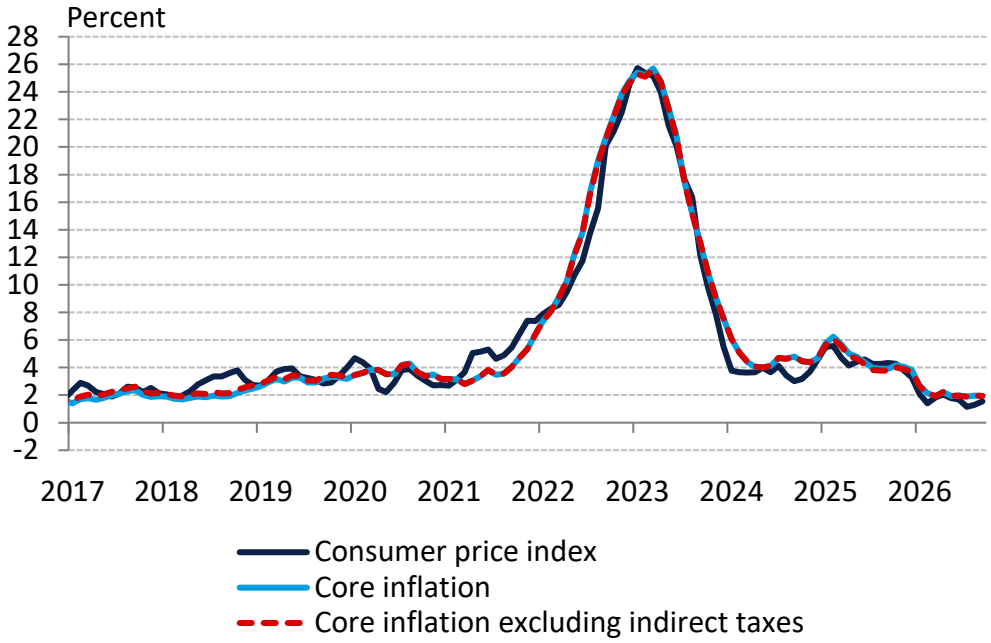
In annual terms, the inflation of *regulated products* and services stood at 0.5 percent. Month-on-month, the price of the product group decreased by 0.6 percent, in which the pass-through of the VAT reduction on subsidized medicines – effective from September – into consumer prices played a significant role.

Households' inflation expectations remain moderate (Chart 12). *Companies' expectations for retail sales* rose, while their *expectations for services prices* decreased compared to the previous month, with both indicators remaining subdued overall (Chart 13).

Budapest, 7 October 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

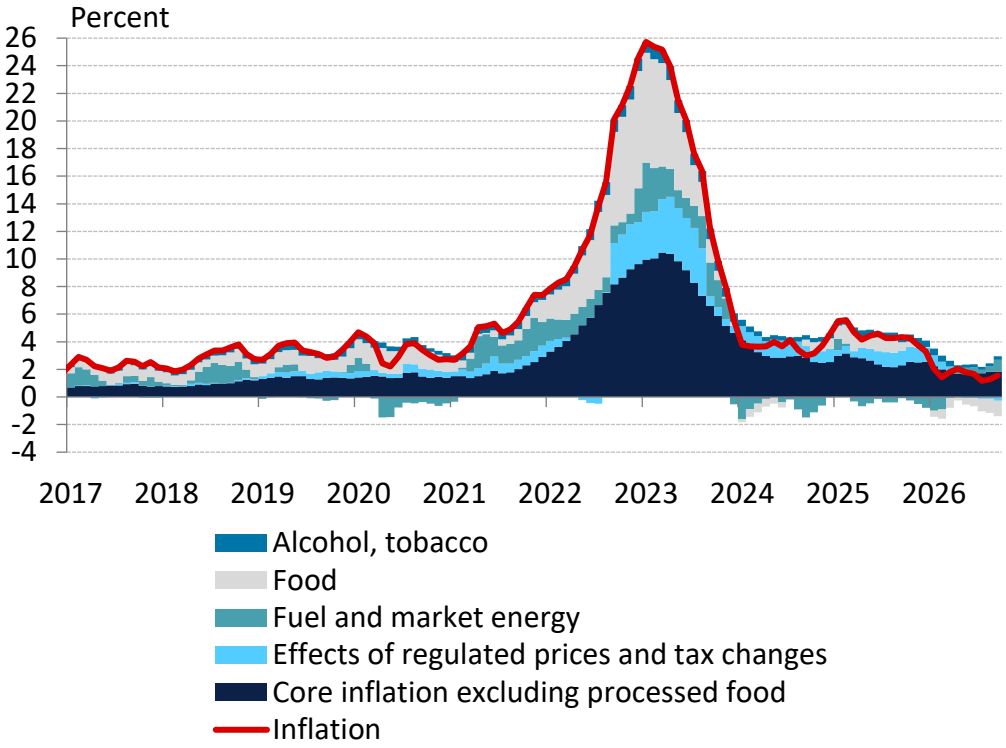
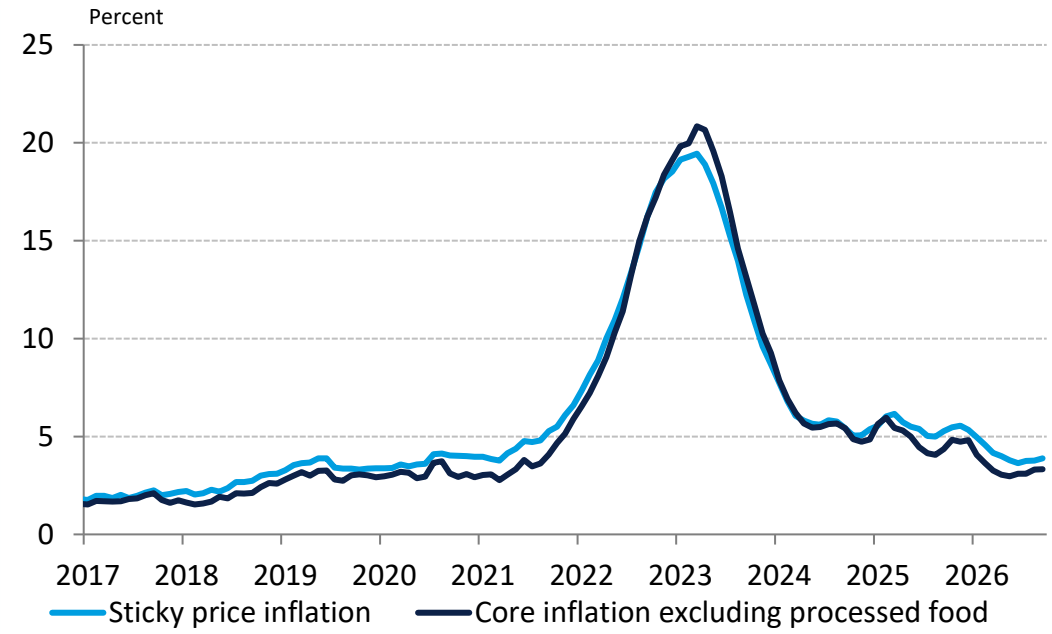


Chart 3 Underlying inflation indicators

annual change 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

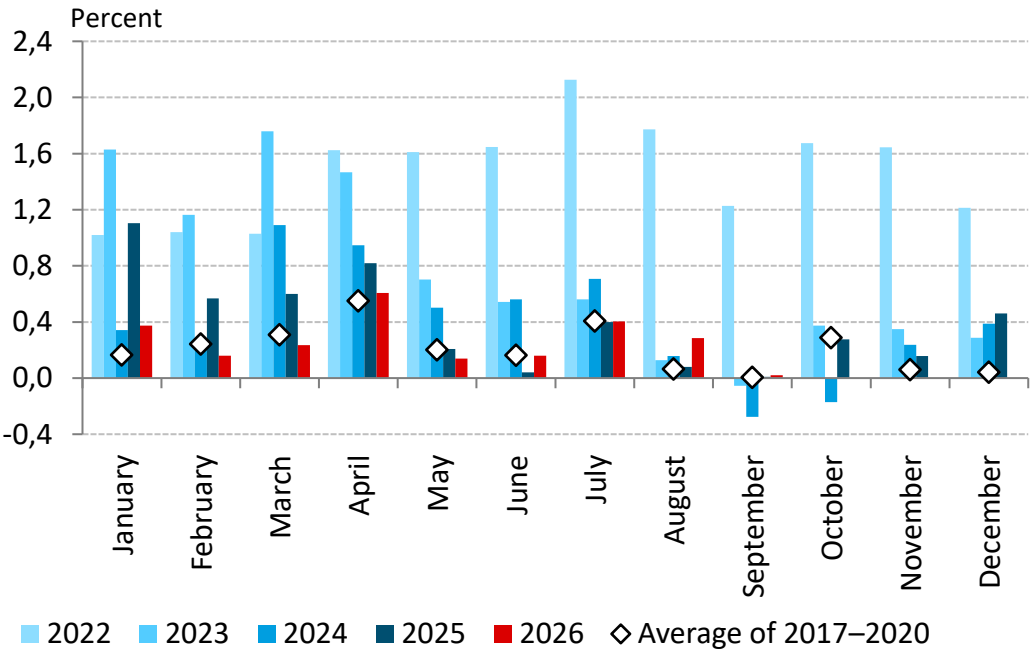


Chart 5 Annualized 3-month change in inflation and core inflation

based on seasonally adjusted data

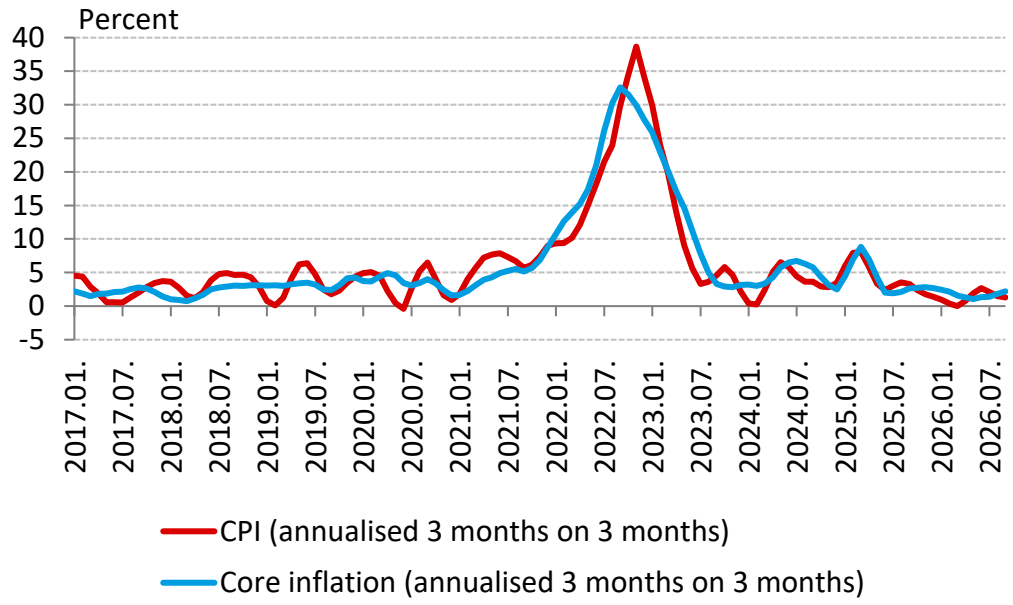


Chart 6 Tradables inflation

seasonally unadjusted annual change

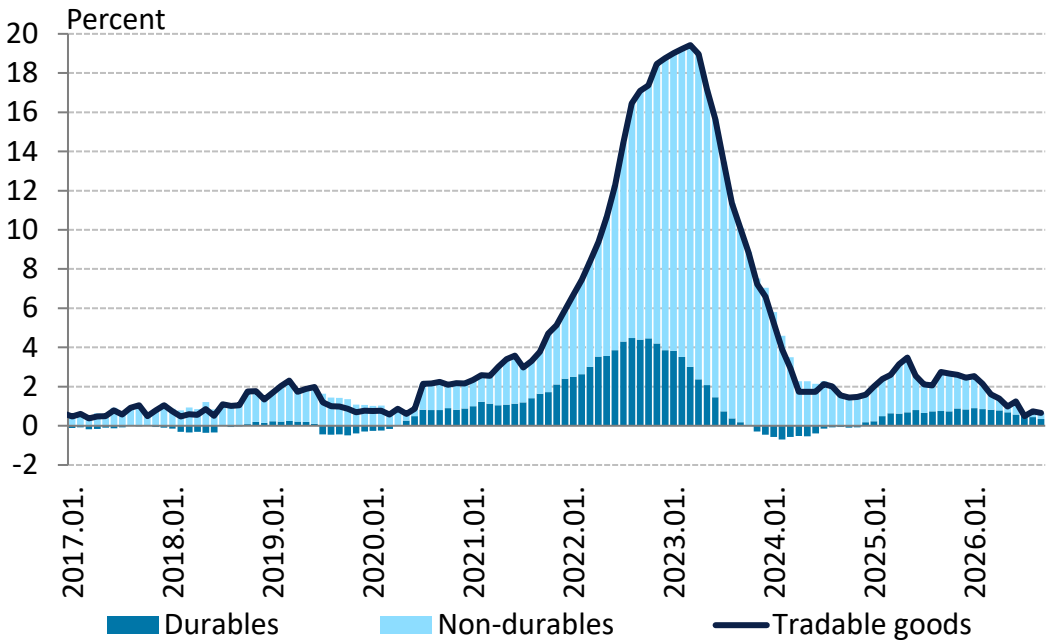


Chart 7 Monthly changes in tradables prices

seasonally unadjusted monthly change

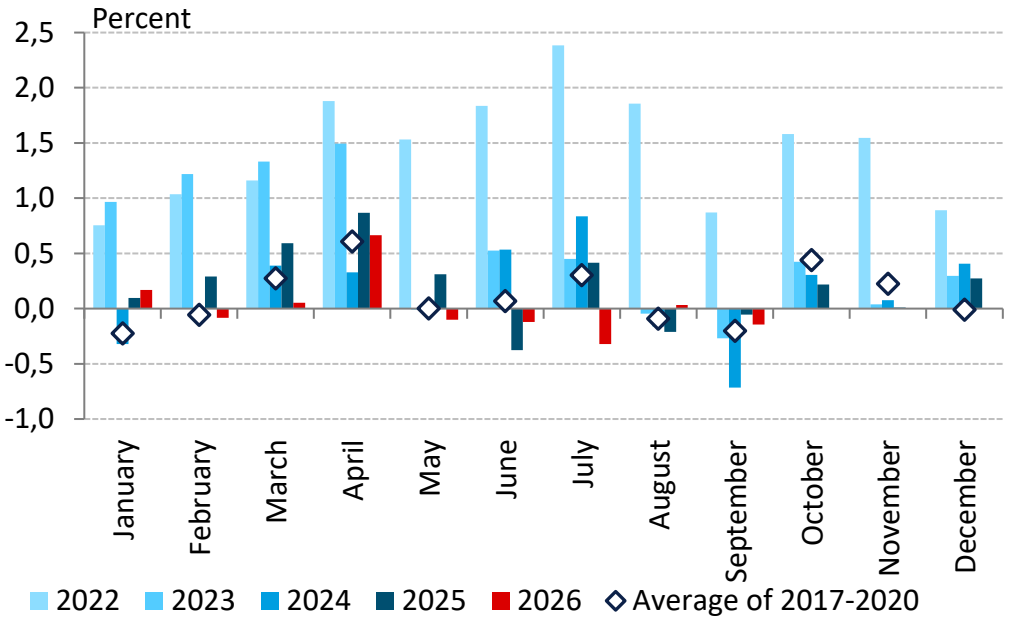


Chart 8 Market services inflation

seasonally unadjusted annual change

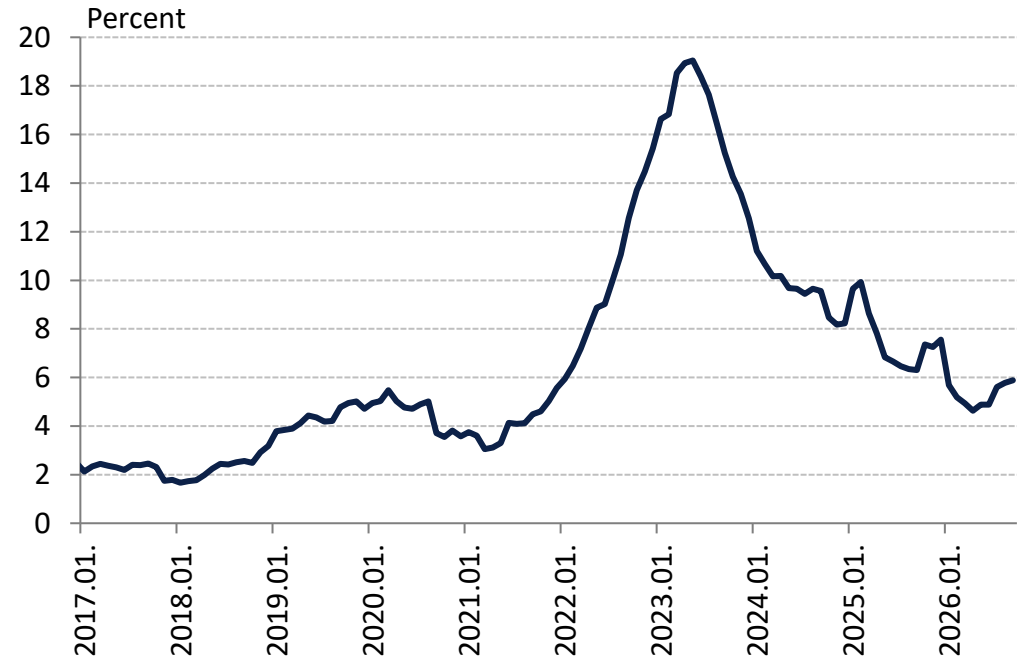


Chart 9 Monthly changes in the price of market services

seasonally unadjusted monthly change

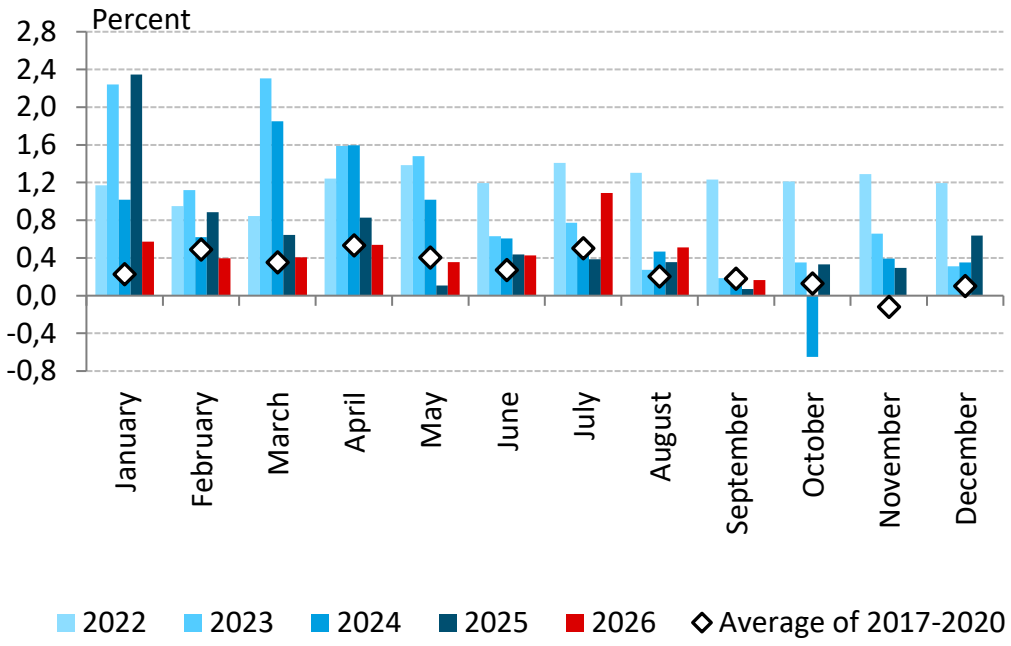
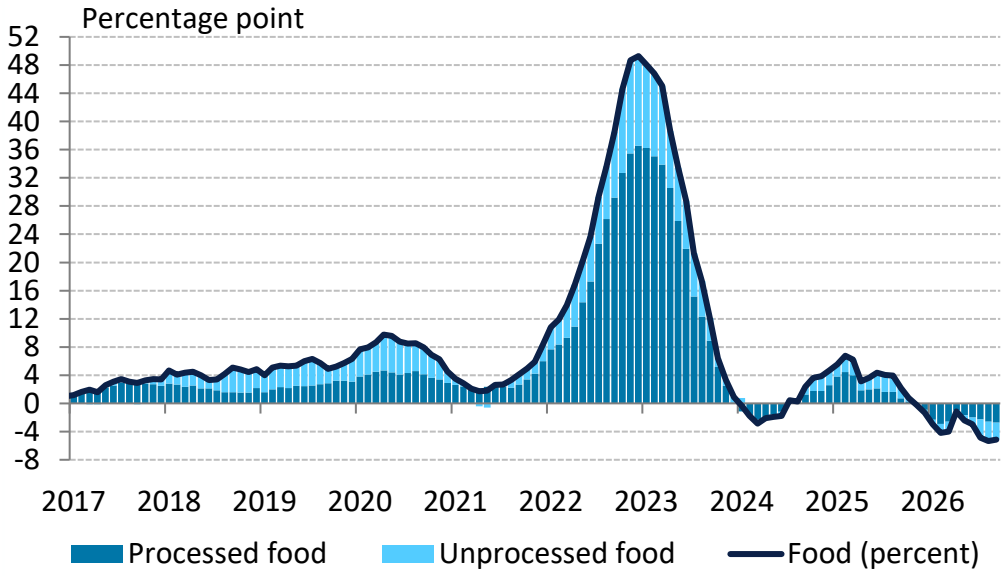


Chart 10 Food inflation

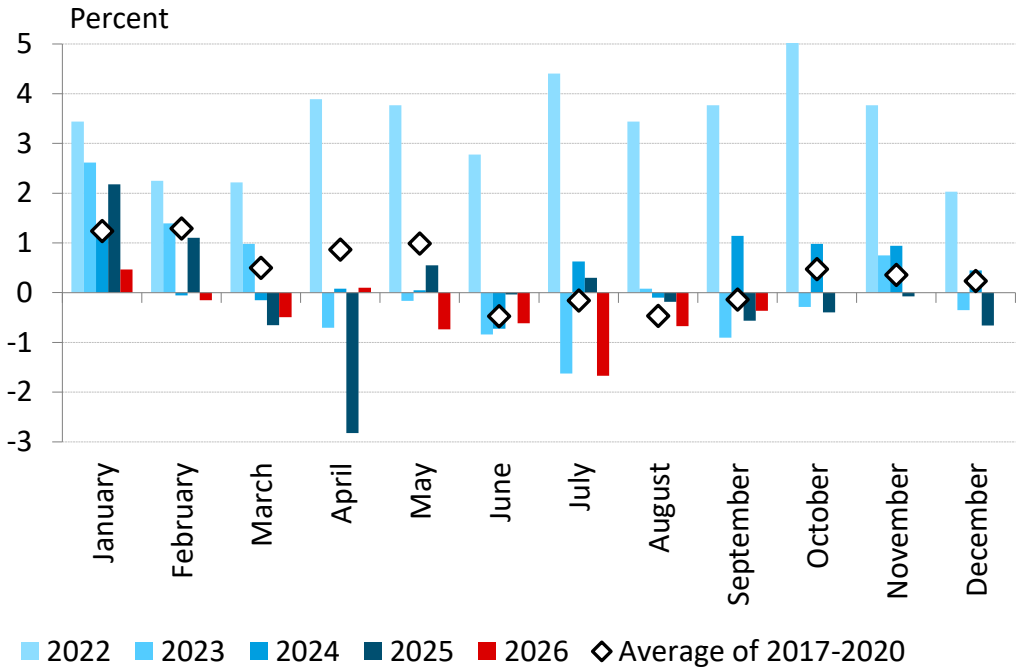
seasonally unadjusted annual data



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).

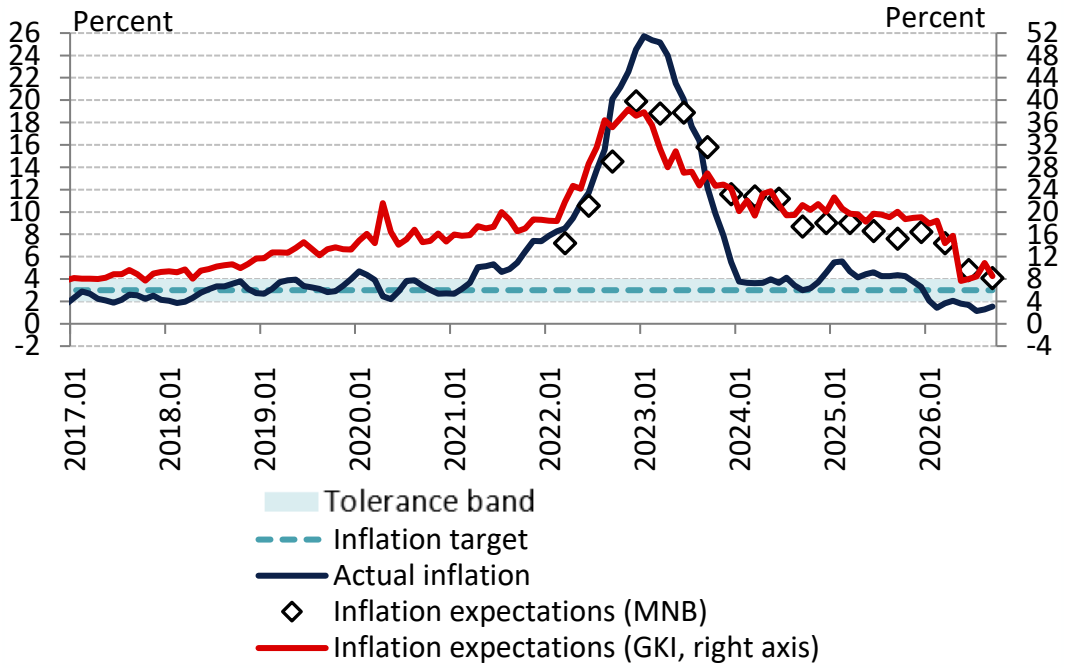
Chart 11 Monthly changes in food prices

seasonally unadjusted monthly change



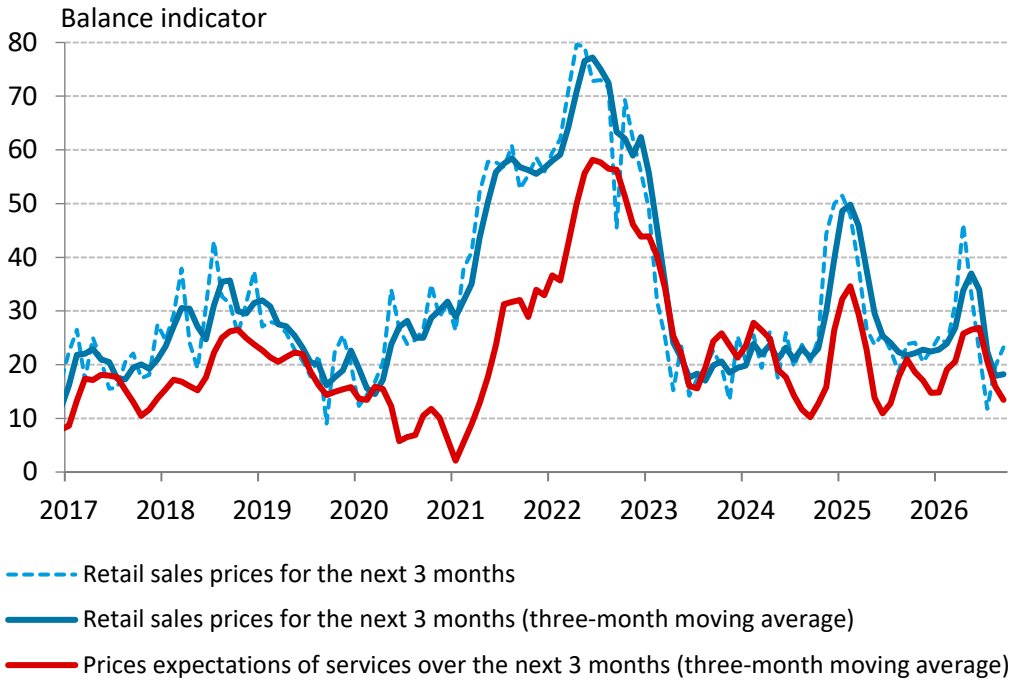
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12 Households' inflation expectations



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, September 2026 (HCSO)					
1.6% (annual change)					
MNB underlying inflation indicators (MNB calculation)					
Contribution of sticky price inflation (percentage points), weight 43.0%	1.7	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%	-0.1	Contribution of other items (percentage points), weight 44.9%	-0.3	Contribution of other items (percentage points), weight 32.7%	0.3

Source: HCSO and the MNB's own calculations.

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