

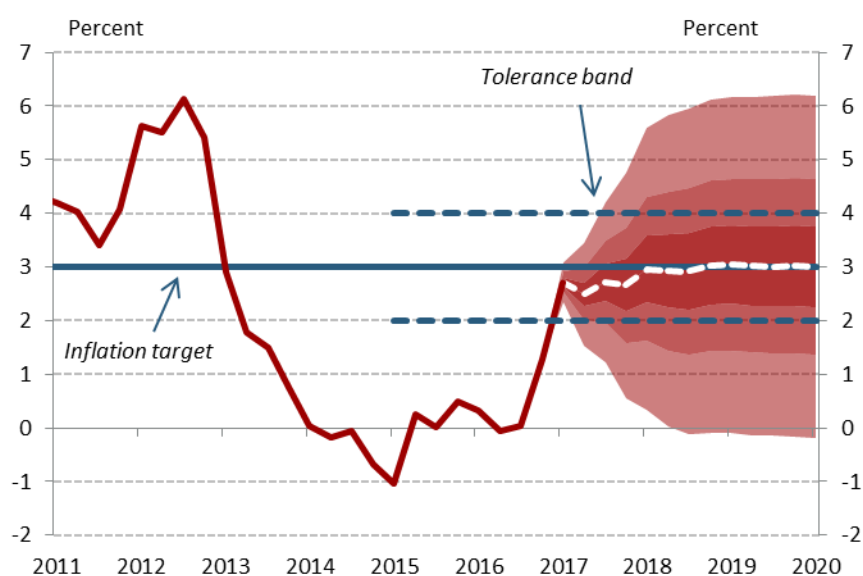
The baseline inflation and GDP projection of the March 2017 Inflation Report

The March 2017 forecast of the Magyar Nemzeti Bank was prepared for a three-year horizon (to 2020 Q1) instead of the two-year period used previously. The projections are based on information available for the period ending 22 March 2017. Our new forecast was based on assumption of endogenous monetary policy.

	2016	2017	2018	2019
Inflation (Per cent)	0.4	2.6	3.0	3.0
Economic growth (Per cent)¹	2.2 (2.0)	3.6	3.7	3.2

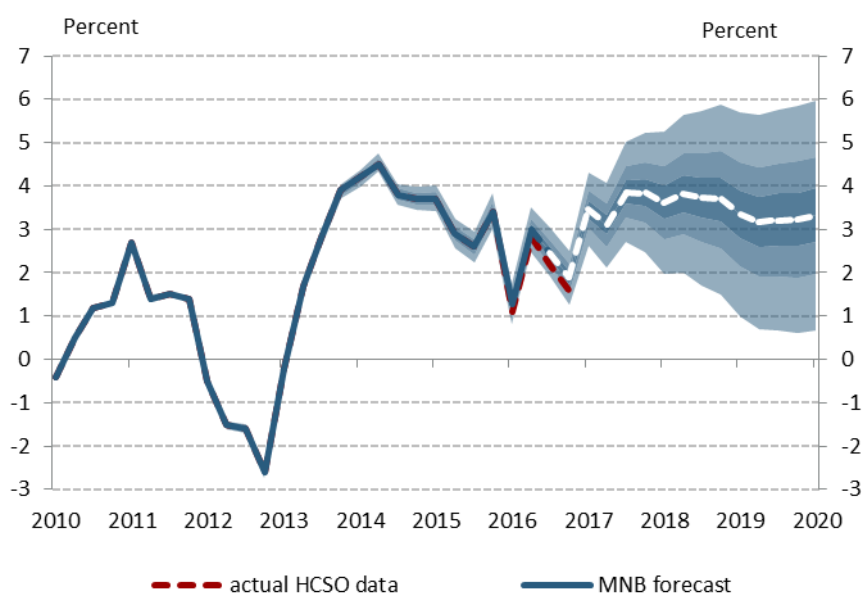
Note: ¹ Actual figure related to the year 2016 takes into account the expected routinish (excluding the effect of methodological changes) revision. The value in parenthesis shows official data published on March 2017 by HCSO.

Inflation projection fan chart



Note: The forecast for inflation presented in the fan chart shows the expected profile of CPI at the 12-quarter horizon.

GDP projection fan chart
(annual rate of change)



Note: The baseline forecast is based on backcast and nowcast adjusted by anticipated revisions. The forecast for GDP growth presented in the fan chart shows the expected profile of growth at the 12-quarter horizon.