



**MINUTES
OF THE MONETARY COUNCIL MEETING
16 DECEMBER 2025**

Time of publication: 2 p.m. on 14 January 2026

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. The MNB's supreme decision-making body is the Monetary Council. The Council convenes as required by circumstances, but at least twice a month, according to a pre-announced schedule. At the second scheduled meeting each month, members consider issues relevant to decisions on interest rates. Abridged minutes of the Council's rate-setting meetings are released regularly, before the next policy meeting takes place. The minutes present the decision makers' assessment of current economic conditions and the factors they consider when deciding on the base rate. Until December 2013, the Monetary Council presented the information underlying its assessments as part of the abridged minutes. In order to provide more detailed information, background materials will henceforth appear as a separate publication with enhanced content under the title 'Macroeconomic and financial market developments', at the same time as the abridged minutes.

The minutes are available on the MNB's website at:

<http://www.mnb.hu/en/monetary-policy/the-monetary-council/minutes>

THE COUNCIL'S ASSESSMENT AND INTEREST RATE DECISION

The primary objective of the Magyar Nemzeti Bank (MNB) is to achieve and maintain price stability. Without prejudice to its primary objective, the Magyar Nemzeti Bank preserves financial stability and supports the Government's economic policy, as well as its policy on environmental sustainability.

Following the review of macroeconomic and financial market developments as well as the December Inflation Report projection, the Monetary Council discussed the details of the monetary policy decision proposal. When assessing domestic inflation developments, the decision makers highlighted that by declining to 3.8 percent in November, inflation fell within the central bank's tolerance band again, after a year. Several members remarked that the effects of 2025's strengthening of the forint were becoming increasingly apparent in purchase prices.

Amongst external inflation factors, decision makers pointed out globally decreasing food and energy prices, which, looking ahead, would support disinflation in Hungary as well. Regarding the external interest rate environment, several members highlighted that the Federal Reserve and the Polish central bank had lowered their policy rate in December, and that financial market participants expected the US interest rate environment to decline further.

Regarding the inflation outlook, some decision makers highlighted that based on the baseline scenario of the December Inflation Report, a significantly lower inflation path could be expected in 2026 on average compared to the September forecast and underlying inflation was developing more favourably than previously expected. Some Council members pointed out that inflation would likely decline below the 3 percent central bank target in early 2026, after which it would temporarily rise close to the tolerance band's upper bound. Decision makers agreed that corporate repricings at the start of the year would be crucial regarding inflation developments, and that the timing of the withdrawal of price margin restrictions would influence the longer term path of inflation. Decision makers also agreed that households' inflation expectations continued to stagnate and that lowering them would be crucial in 2026.

The Monetary Council highlighted that since September, the risks surrounding the inflation outlook became balanced: two alternative scenarios were consistent with a lower inflation path, while two scenarios were consistent with a higher inflation path.

Regarding the real economy, decision makers agreed that GDP growth was held back by the developments in net exports and moderate investment activity. Some decision makers pointed out that despite weak economic growth, the labour market continued to remain stable. Council members emphasised that according to the December Inflation Report, Hungarian economic growth would pick up starting from 2026. Members highlighted that due to rising real wages and the government's income-increasing measures for households, consumption would continue to persistently support growth. However, several members also pointed out that higher budgetary expenditure would make it more difficult to reduce the public debt-to-GDP ratio.

The decision makers once again pointed out that in the current market environment, maintaining the stability of the foreign exchange market was of key importance in further reducing inflation expectations and anchoring them to the inflation target. Members also underpinned that predictable financial market environment would bring achieving the price stability closer. This is supported by credible monetary policy but also influenced by the changes in the overall risk perception of Hungary.

In their December decision, the Monetary Council discussed a single option, i.e. leaving the base rate unchanged. In line with its stability-oriented approach, the Council decided unanimously to leave the base rate unchanged at its December meeting.

The decision makers repeated that the development of corporate repricings in early 2026 created uncertainty regarding the inflation outlook. Moreover, maintaining the stability of the foreign exchange market remained crucial in achieving price stability. Accordingly, the Council members agreed that a careful and patient approach was still warranted. However, a data-driven approach to monetary policy would become necessary in future decisions. Therefore, the Council would constantly assess incoming macroeconomic data and factors influencing the inflation outlook, based on which decisions on the base rate would be made in a cautious and data-driven manner from meeting to meeting.

Votes cast by individual members of the Council:

In favour of maintaining the base rate at 6.50 percent, maintaining the overnight collateralised lending rate at 7.50 percent and maintaining the interest rate on the overnight central bank deposit at 5.50 percent:	11	Péter Benő Banai, Éva Búza, József Dancsó, Péter Gottfried, Kolos Kardkovács, Zoltán Kovács, Zoltán Kurali, Andrea Mager, Dániel Palotai, Levente Sipos-Tompa, Mihály Varga
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The following members of the Council were present at the meeting:

Péter Benő Banai

Éva Búza

József Dancsó

Péter Gottfried

Kolos Kardkovács

Zoltán Kovács

Zoltán Kurali

Andrea Mager

Dániel Palotai

Levente Sipos-Tompa

Mihály Varga

The Council will hold its next policy meeting on 27 January 2026. The minutes of that meeting will be published at 2 p.m. on 11 February 2026.