



FLASH ANALYSIS ON INFLATION DEVELOPMENTS

2026

MARCH

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 MARCH 2026

Consumer prices rose by 1.8 percent year-on-year in March 2026. Relative to the 1.4 percent observed in February, the annual growth rate of prices was up by 0.4 percentage point. Core inflation declined by 0.2 percentage point and stood at 1.9 percent. Core inflation excluding indirect tax effects also decreased to 1.9 percent (Chart 1 and Chart 2). Incoming inflation data was broadly in line with the projection in the March Inflation Report.

The increase in the annual consumer price index was caused by the rise in fuel prices, which was partially offset by the disinflation of tradables and market services. Within the Bank's measures of underlying inflation developments capturing persistent inflationary trends, the inflation of sticky price products was down to 4.2 percent on a year-on-year basis. Core inflation excluding processed food decreased to 3.3 percent (Chart 3).

On a monthly basis, the price of the total consumer basket rose by 0.4 percent and the price of the core inflation basket increased by 0.1 percent. In March, the monthly repricing was the same as the 2017-2020 average in the case of the representative consumer basket, while it was below it in the case of core inflation. Month-on-month core inflation excluding processed food prices, which better reflect underlying developments, was up by 0.2 percent (Chart 4). Our indicators calculated on an annualised 3-month-on-3-month comparison decreased for both inflation and core inflation (Chart 5).

Below is a brief analysis of price changes across the main product categories.

The annual inflation of *tradables* declined to 1.6 percent (Chart 6). On a monthly basis, tradables prices increased by 0.1 percent, which is more moderate than the average repricings observed between 2017-2020 (Chart 7). Month-on-month, durables prices were up by 0.4 percent. The rise was primarily caused by changes in the price of jewellery and electronic equipment. Non-durables prices declined by 0.1 percent compared to February.

The annual price index of *market services* declined to 4.9 percent (Chart 8). Month-on-month, prices rose by 0.4 percent, which is equal to the average March repricings that occurred between 2017-2020, while being lower than those observed in recent years (Chart 9). The increase in the price of catering services contributed the most to the March repricing of the product group.

According to the MNB's classification, *food* inflation was -4.0 percent. Within the product group, unprocessed food prices and processed food prices fell by 4.2 and 4.0 percent, respectively, in annual terms (Chart 10). According to the HCSO classification, which includes, among others, the 6.2 percent rise in restaurant meal prices, food prices remained unchanged on a year-on-year basis. Food prices declined by 0.5 percent month-on-month (Chart 11). Compared to February, unprocessed food prices and processed food prices declined by 0.4 percent and 0.5 percent, respectively. In the case of processed food, the decrease in milk and dairy products prices contributed the most to the decline; in the case of unprocessed food, the decrease in pork and fruit prices contributed the most to it.

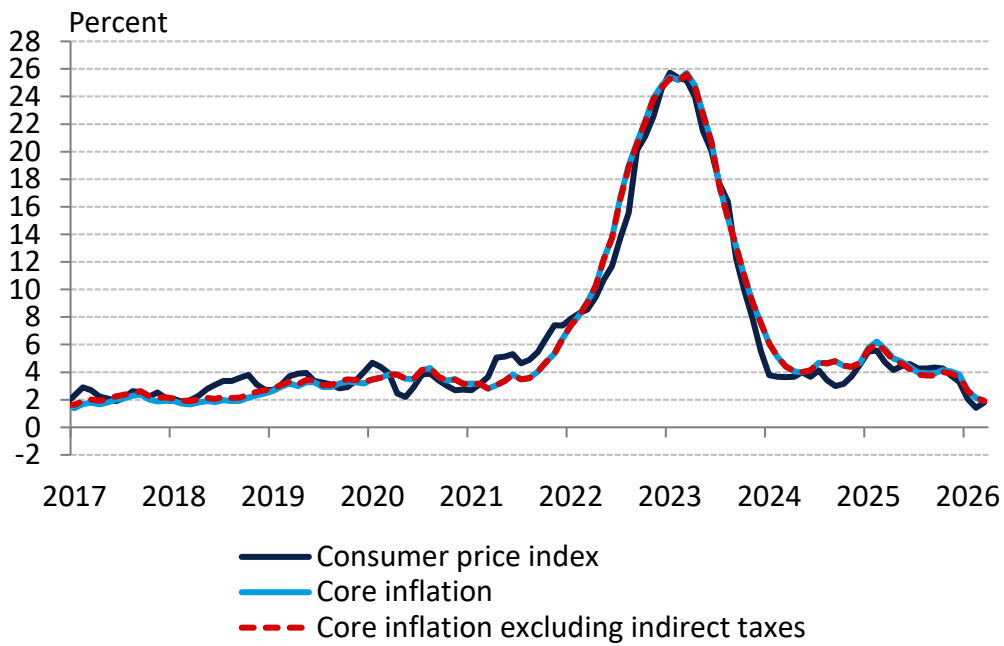
Fuel prices were down by 3.0 percent in annual terms. On a monthly basis, fuel prices increased by 4.6 percent. The month-on-month price increase is a consequence of global oil prices rising due to the Iranian conflict, which is mitigated by the effect of protected fuel prices effective from 10 March 2026.

In annual terms, the *prices of regulated products* and services increased to 4.7 percent, with piped gas prices declining to 7.9 percent year-on-year. The impact of the utility price freeze measure implemented in connection with the cold weather in January appeared in the March price index due to the HCSO's methodology. In January, actual additional consumption remained below the amount covered by the utility price freeze measure, and as such, the average consumer price of piped gas declined by 3.3 percent.

Households' inflation expectations have moderated (Chart 12). *Companies' expectations for retail sales price changes* rose, while *price expectations for services* remained broadly unchanged. Overall, price expectations for both sectors remained at levels close to their averages observed in 2017-2020 in March (Chart 13).

Budapest, 8 April 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

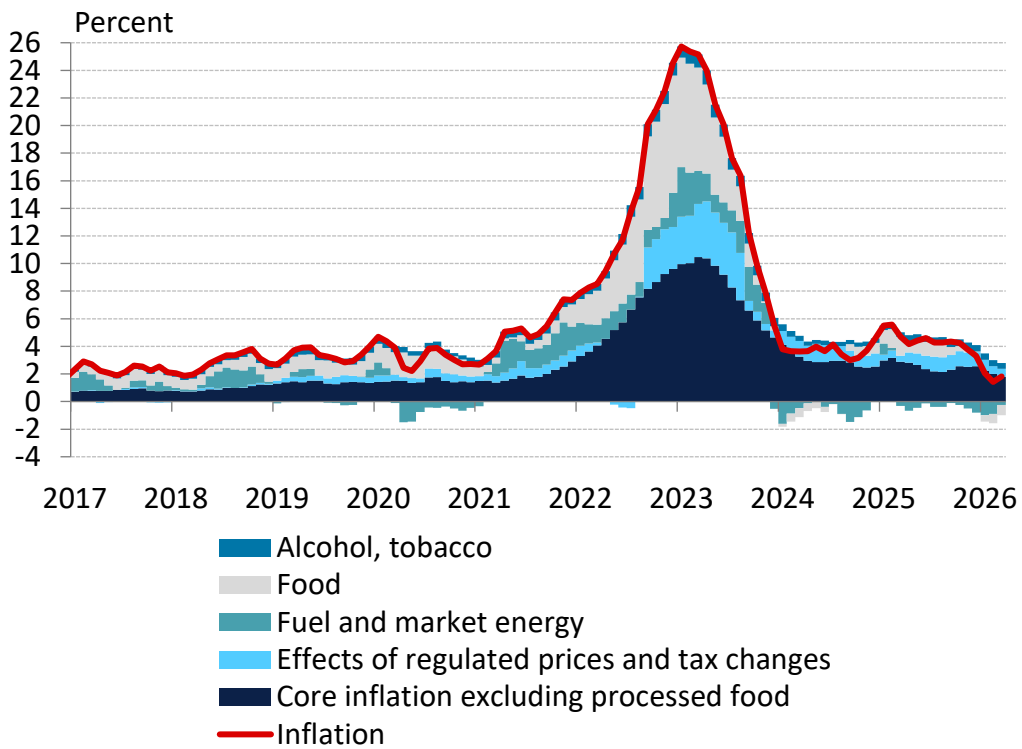
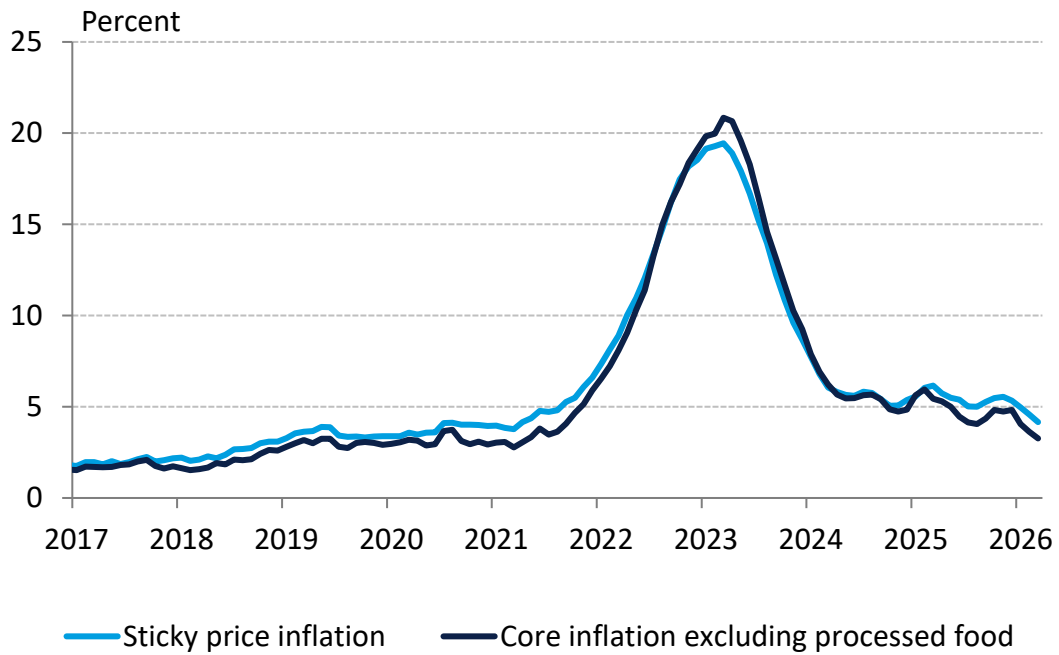


Chart 3 Underlying inflation indicators
annual percentage changes excluding indirect tax effects



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

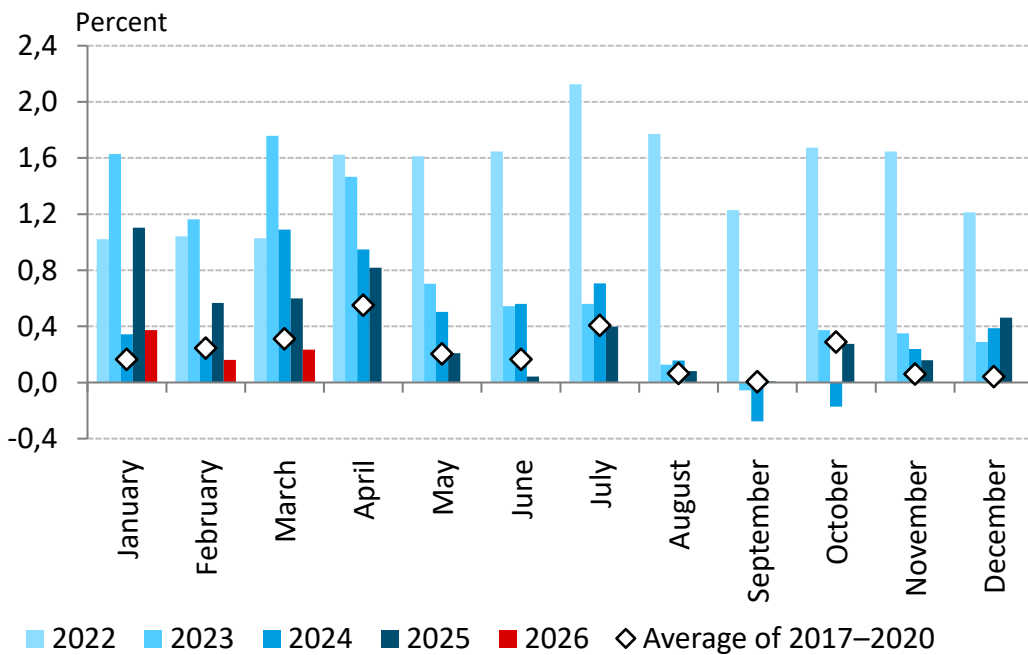


Chart 5 Annualized 3-month change in inflation and core inflation
based on seasonally adjusted data

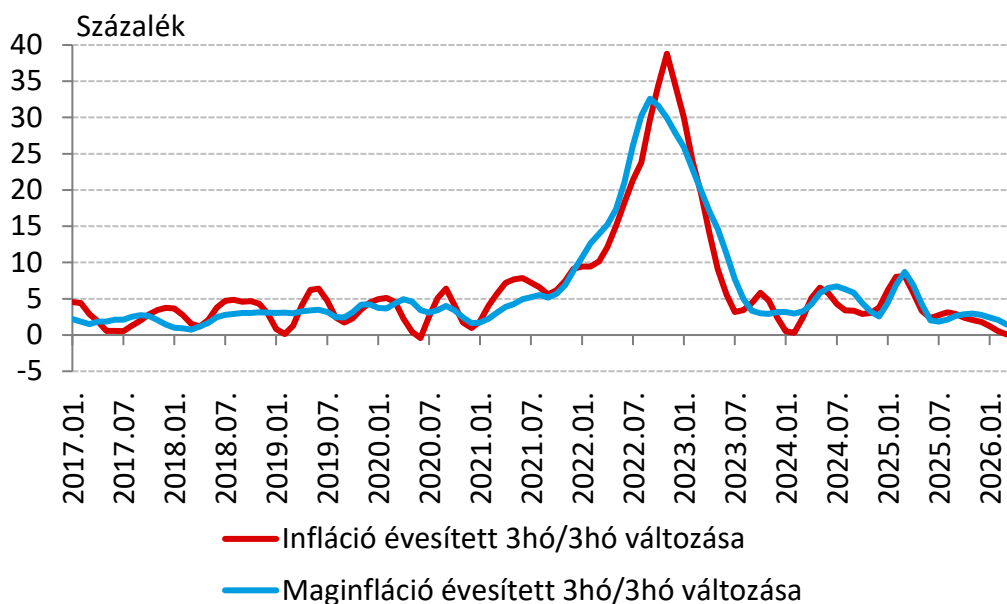


Chart 6 Tradables inflation
seasonally unadjusted annual change

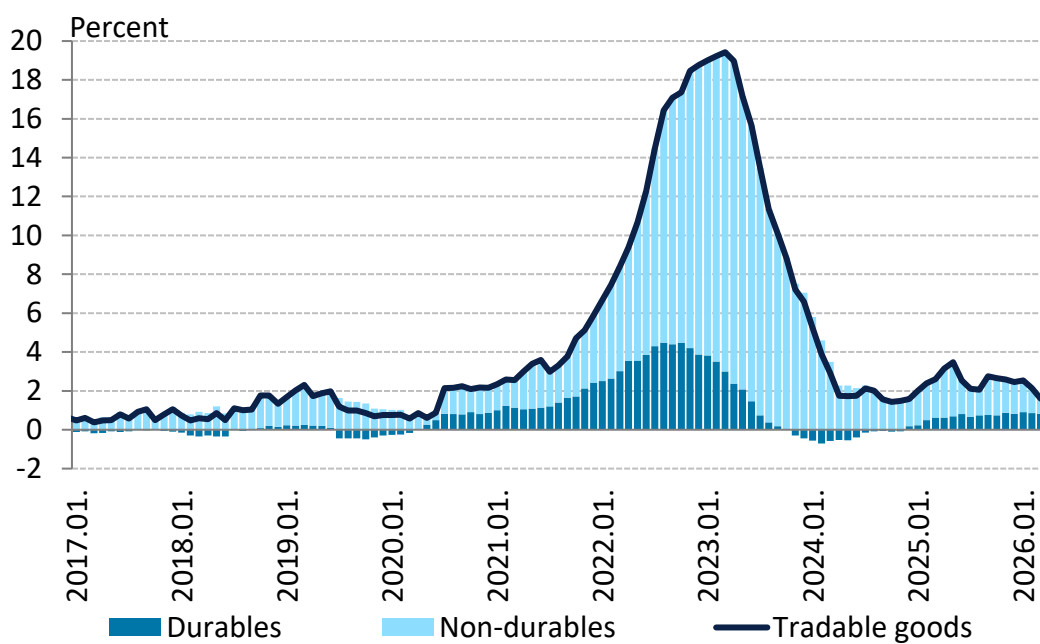


Chart 7 Monthly changes in tradables prices
seasonally unadjusted monthly change

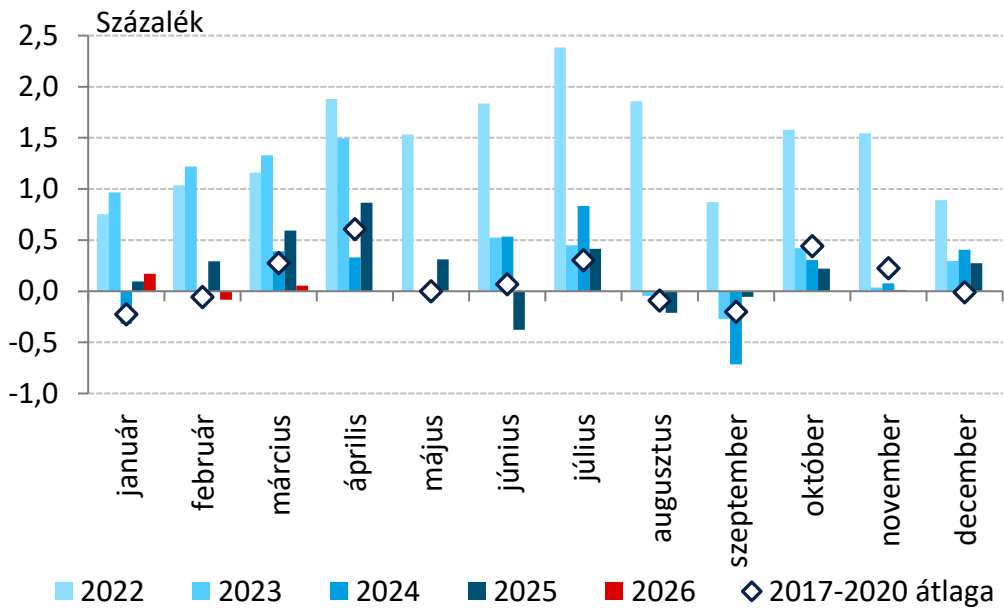


Chart 8 Market services inflation
seasonally unadjusted annual change

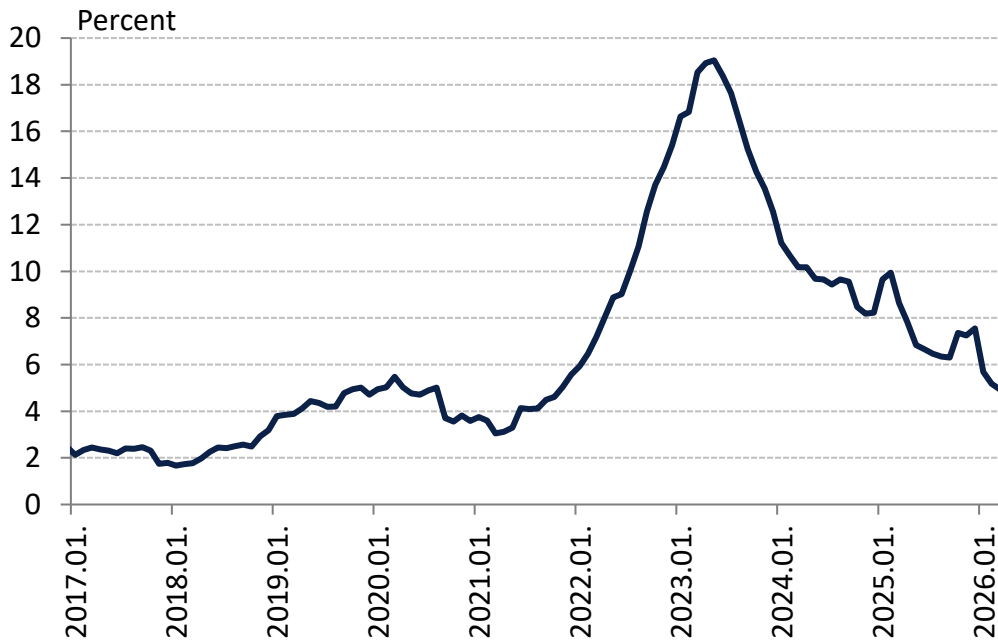


Chart 9 Monthly changes in the price of market services
seasonally unadjusted monthly change

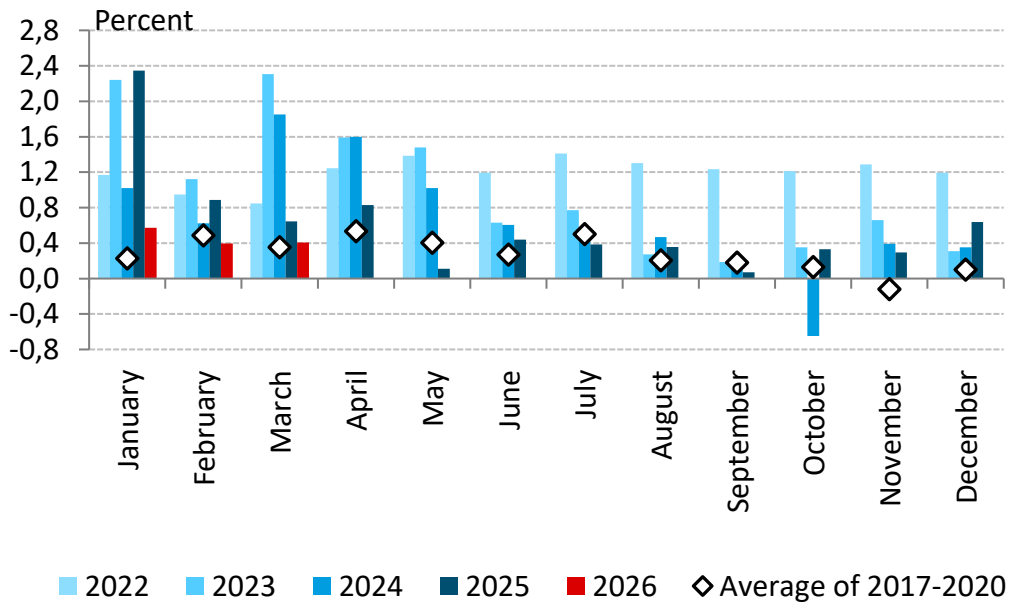
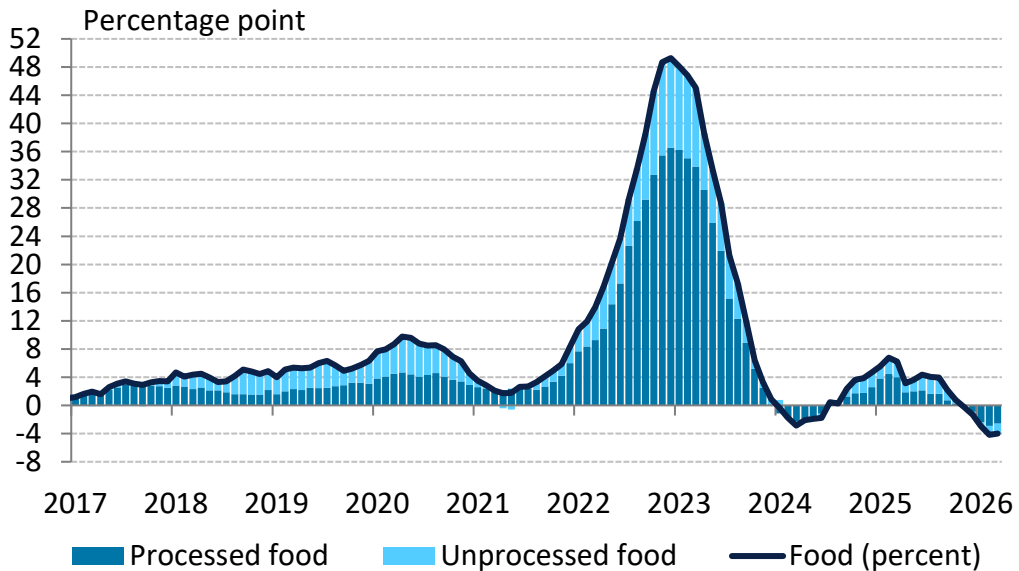
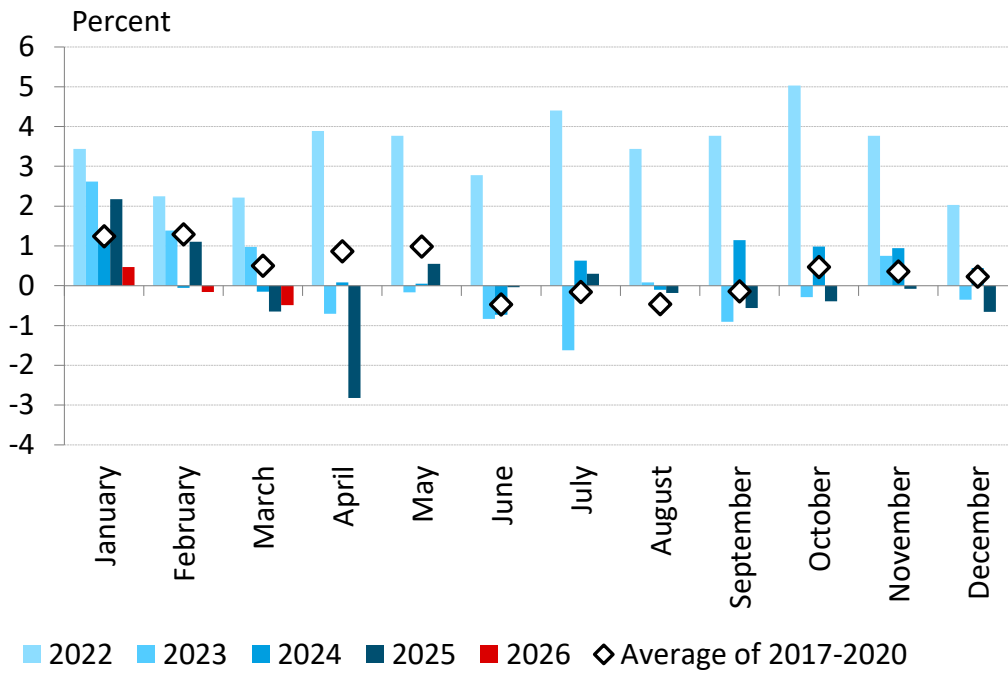


Chart 10 Food inflation
seasonally unadjusted annual data



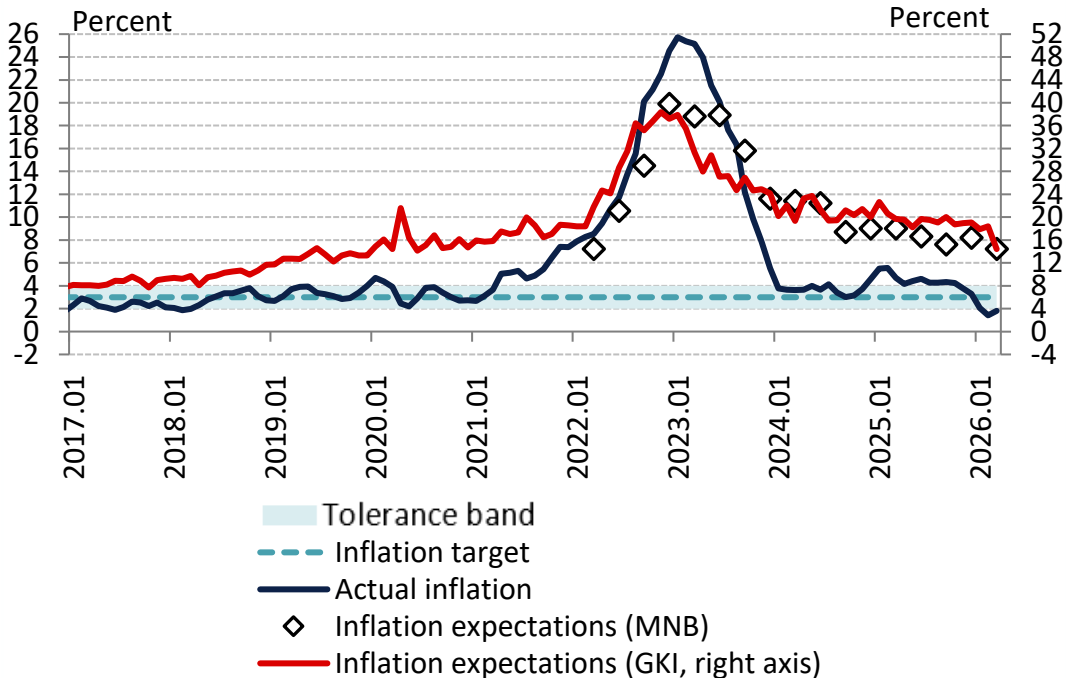
Note: The difference in food price inflation calculated by the HCSO and the MNB is explained by methodological differences. The MNB classifies food-related services as market services (restaurant meals, workplace meals, canteen goods) and the prices of regulated goods and services (school meals, nursery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



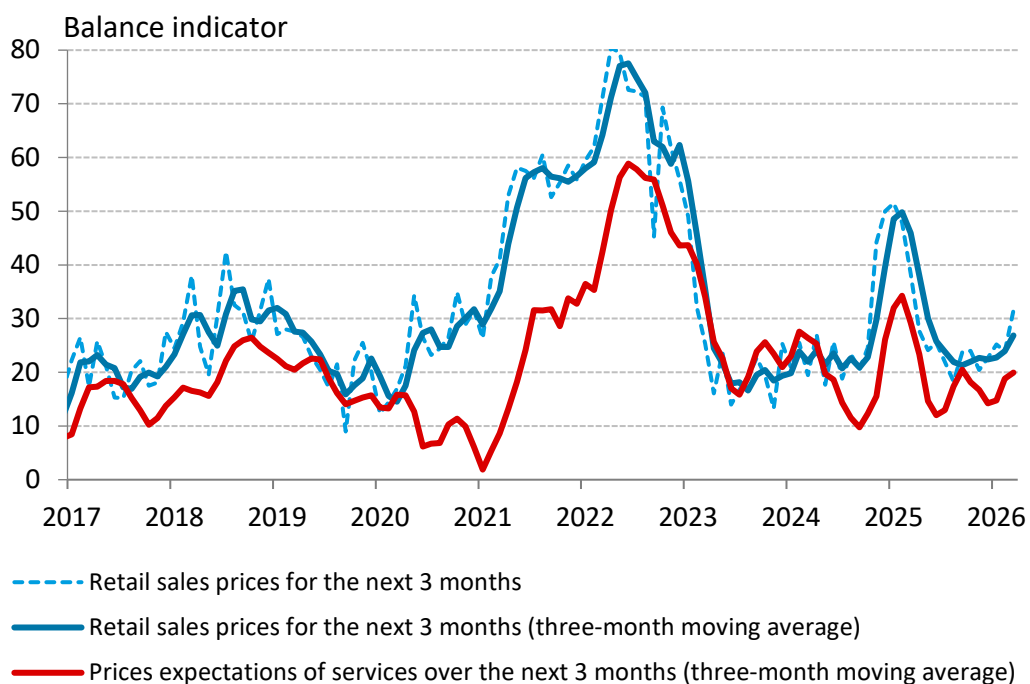
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Chart 12 Households' inflation expectations



Source: HCSO, European Commission, GKI, MNB

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



Source: MNB calculation based on data released by the European Commission

1. táblázat: A fogyasztóiár-index éves változása, illetve az alapmutatók inflációs hozzájárulása

Consumer price index, March 2026 (HCSO)					
1.8% (annual change)					
MNB underlying inflation indicators (MNB calculation)					
Contribution of sticky price inflation (percentage points), weight 43.0%	1.8	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%	0.0	Contribution of other items (percentage points), weight 44.9%	0.0	Contribution of other items (percentage points), weight 32.7%	0.5

Source: HCSO and the MNB's own calculations.

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