MACROECONOMIC AND

FINANCIAL MARKET DEVELOPMENTS

BACKGROUND MATERIAL

TO THE ABRIDGED MINUTES

OF THE MONETARY COUNCIL MEETING

OF 25 FEBRUARY 2025

FEBRUARY

2025

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The background material 'Macroeconomic and financial market developments' is based on information available until 19 February 2025.

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 central bank interest rates. Abridged minutes of the Council's rate-setting meetings are released regularly, before the next policy meeting takes place. As a summary of the analyses prepared by staff for the Monetary Council, the background material presents economic and financial market developments, as well as new information which has become available since the previous meeting.

The abridged minutes and the background materials to the minutes are available on the MNB's website at:
https://www.mnb.hu/en/monetary-policy/the-monetary-council/minutes

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1. Macroeconomic developments

1.1. Global macroeconomic environment

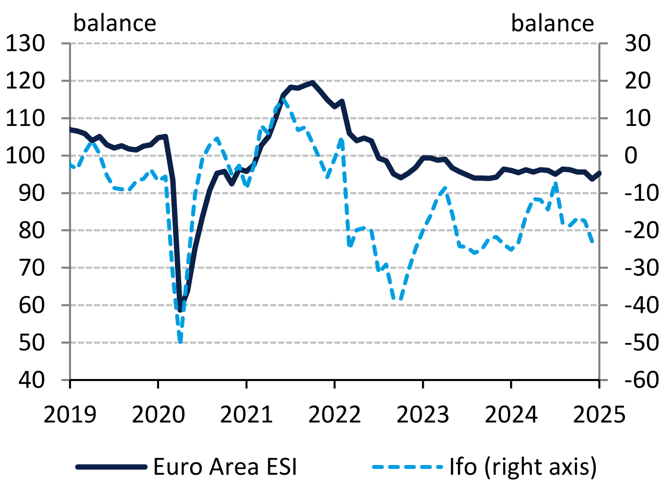
In 2024 Q4, GDP grew by 1.1 percent year on year in the European Union, while it increased by 2.5 percent in the United States and 5.4 percent in China. According to the latest monthly data, industrial production rose in the USA and China, while it contracted in the euro area. However, retail sales grew in all three regions. At 3.0 percent, annualised inflation in the United States was up 0.1 percentage point in January from the previous month. In China, consumer prices rose by 0.5 percent on an annual basis. Based on preliminary data, euro area inflation rose to 2.5 percent year on year, while core inflation remained unchanged at 2.7 percent in January. The inflation figure slightly exceeded analysts' expectations.

In 2024 Q4, GDP grew by 1.1 percent year on year in the European Union, while it increased by 2.5 percent in the United States and 5.4 percent in China. GDP for 2024 Q4 grew in the euro area by 0.9 percent on an annual basis. Based on data currently available for 21 countries, Poland (+3.7 percent) recorded the highest year-on-year increase among the EU Member States. Three Member States recorded a year-on-year decline, with Austria and Germany posting a GDP contraction of 0.2 percent and Estonia 0.1 percent. Among the countries in the region, besides Poland, the economies of the Czech Republic (+1.6 percent), Slovakia (+1.7 percent) and Romania (+0.7 percent) also expanded compared to the same period of the previous year.

Industrial production in China rose by 6.2 percent in December, while in the United States it increased by 2.0 percent on an annual basis in January 2025. Industrial production in the euro area fell by 2.0 percent on an annual basis in December 2024. Retail sales in the United States expanded by 4.2 percent in January, while China and the euro area reported a 3.7 percent and 1.9 percent increase in December 2024, respectively.

In January 2025, the Purchasing Managers' Index for manufacturing rose in the United States and the euro area, while it declined in China. In China, the index remained above the expansion threshold, and in the United States it rose above the threshold for the first time in seven months, while in the euro area the index remained below 50 points. The Economic Sentiment Indicator (ESI) of the euro area improved by 1.5 points in January 2025 (Chart 1).

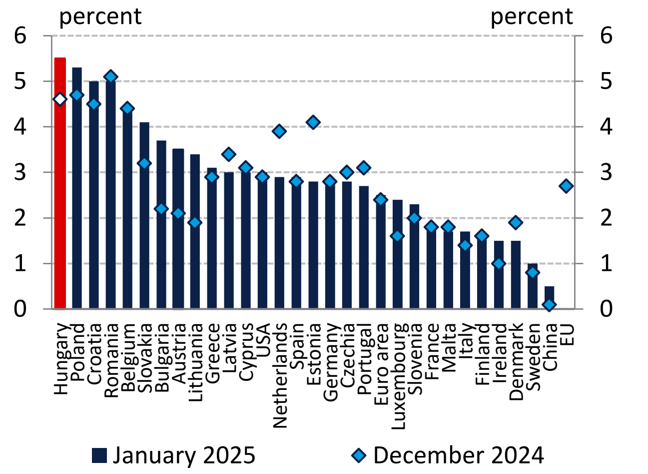
Chart 1 Business climate indices in Hungary's export markets



Source: European Commission, Ifo

The unemployment rate in the United States remains low. In the United States, the unemployment rate fell to 4.0 percent in January from 4.1 percent in December. Non-farm payrolls increased by 143,000, well below analysts' expectations of around 170,000. The unemployment rate in the euro area was 6.3 percent in December, up slightly from 6.2 percent in November.

Chart 2 Developments in the international inflation environment



Note: HICP inflation rates. No data for the European Union was published during the period under review.

Source: Eurostat, national statistical offices

Annualised inflation in the United States was somewhat above expectations at 3.0 percent in January, up 0.1 percentage point on the previous month. **In China, consumer prices rose by 0.5 percent on an annual basis. Based on preliminary data, euro area inflation rose to 2.5 percent year on year**, while core inflation remained unchanged at 2.7 percent in January. The inflation figure slightly exceeded analysts' expectations.

Among the countries of the region, inflation fell in Romania and the Czech Republic and rose in Poland and Slovakia in January. Prices rose by 5.3 percent in Poland, 5.0 percent in Romania and 2.8 percent in the Czech Republic over a year, according to the data of the respective national statistical offices. Inflation in Slovakia increased to 4.1 percent in January, based on the preliminary HICP data of Eurostat (Chart 2).

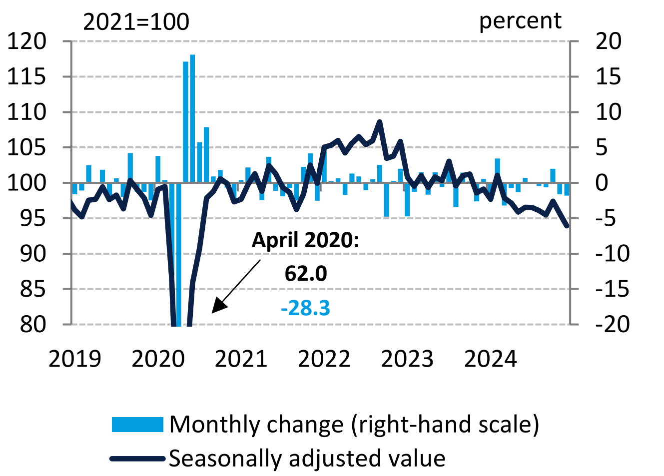
1.2. Real economic trends in Hungary

In 2024 Q4, Hungary's gross domestic product increased by 0.4 percent year on year. In December 2024, the volume of retail sales did not change markedly, while industrial production fell by 5.3 percent and construction output by 4.2 percent year on year. In December 2024, the external trade balance in goods showed a surplus of EUR 387 million, according to preliminary data. The average number of workers aged 15–74 equalled 4,678,000 in December, which is 12,000 higher than in November in seasonally adjusted terms. In the period of October–December 2024, the average number of persons in employment was 23,000 less in Hungary compared to the same period of the previous year. The unemployment rate stood at 4.3 percent in December.

1.2.1. Economic growth

In 2024 Q4, Hungary's gross domestic product (GDP) increased by 0.4 percent year on year based on the HCSO's preliminary disclosure. Based on seasonally and calendar-adjusted data, value added rose by 0.2 percent on an annual basis. Compared to the previous quarter, economic output expanded by 0.5 percent. Based on raw data, domestic GDP expanded by 0.5 percent, overall, in 2024. According to the HCSO's communication, the increase in the volume of gross domestic product compared to the same period of the previous year was driven by the combined output of services. Growth was hampered by a deceleration in the output of agriculture, industry and construction.

Chart 3 Developments in industrial production



Note: From January 2024, seasonally adjusted value is based on the monthly averages of 2021.
Source: MNB calculation based on HCSO data

The volume of industrial production fell by 5.3 percent in December compared to the same period of the previous year. Based on seasonally and working-day adjusted data, output fell by 5.7 percent on an annual basis and by 1.8 percent on a monthly basis (Chart 3). The volume of industrial exports (–3.6 percent) and domestic sales (–2.8 percent) also fell in December. In the manufacture of transport equipment (–21.2 percent) and electrical equipment (–24.6 percent), output continued to fall on an annual basis. The total volume of new orders in the observed manufacturing sectors fell by 14.6 percent on an annual basis. New domestic orders fell by 2.6 percent and new export orders by 15.7 percent. Total order books at the end of December were down 14.3 percent from the previous year.

In December 2024, the volume of construction output declined by 4.2 percent year on year, according to raw data. Among the main construction groups, the output of construction of buildings decreased by 1.0 percent, while that of other construction fell by 10.2 percent. Based on seasonally and working-day adjusted indices, construction output was 0.7 percent higher than in November. In 2024, construction output was 0.4 percent lower than in 2023. The volume of new contracts signed fell by 9.4 percent, including 5.2 percent for the construction of buildings and 15.1 percent for the construction of other structures. The volume of contracts in the construction sector at the end of December was up 15.7 percent year on year, with contracts for the construction of buildings up 2.7 percent and those for other construction up 24.9 percent compared to December 2023.

The volume of retail sales did not change considerably in December 2024: it expanded by 0.1 percent in annual terms. On a monthly basis, the HCSO registered a 1.2 percent decline in turnover, partly attributed to Christmas shopping brought forward to November and an increase in outbound tourism. Retail trade excluding fuel sales rose by 1.0 percent over a year on a calendar-adjusted basis. The annual volume of petrol station sales fell by 6.9 percent in December as a result of a significant base effect. Food retail trade grew by 1.2 percent on an annual basis in December. In addition, turnover increased in furniture, technical goods and hardware (+5.5 percent), pharmaceuticals, medical goods and perfumes (+4.7 percent), online stores (+0.5 percent) and miscellaneous industrial goods (+0.4 percent). Sales declined in textiles, clothing and footwear (–3.6 percent), as well as books and computers (–5.8 percent).

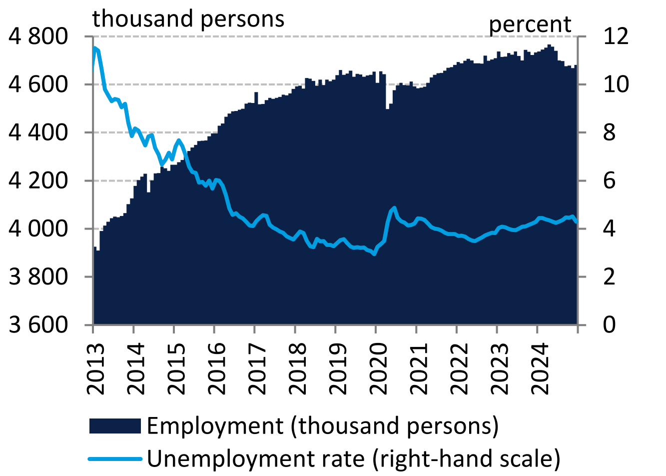
In December 2024, the external trade balance in goods showed a surplus of EUR 387 million, according to preliminary data. The balance deteriorated by EUR 432 million compared to the previous month and improved by EUR 684 million compared to the same period of the previous year. The balance adjusted for VAT residents indicated a deficit of EUR 321 million, which is EUR 491 million higher than a year earlier. The 12-month rolling balance of external trade in goods rose slightly to a surplus of EUR 11.6 billion in December. The rolling balance adjusted for VAT residents also fell moderately to EUR 3.5 billion. Expressed in euro, exports declined by 0.5 percent in December year on year. The nominal value of imports of goods in EUR terms fell by 7.0 percent over a year, which can be attributed to the high base in December 2023. The level of external trade in goods fell by 0.1 percent on the export side and rose by 1.1 percent on the import side in December relative to the previous month, according to seasonally adjusted data.

The NTCA’s (National Tax and Customs Administration) inflation-adjusted turnover of online cash registers was 1.6 percent higher in December 2024 year on year. The nominal turnover of online cash registers increased by 6.2 percent year on year. Freight traffic (+10.8 percent) and road passenger traffic (+0.8 percent) expanded as well. Electricity load increased by 3.2 percent. Cinema attendance increased by 56.3 percent and catering turnover by 9.3 percent. The number of Google searches for the term ‘unemployment benefits’ increased in January 2025 on an annual basis.

1.2.2. Employment

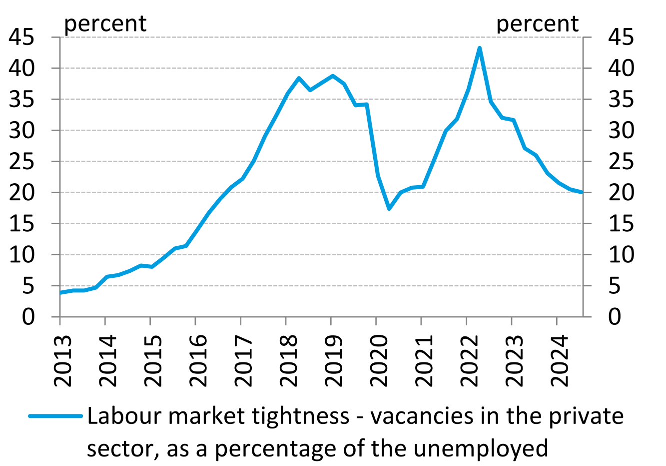
According to the Labour Force Survey, in December 2024 the average number of employees aged between 15 and 74 was

Chart 4 Number of persons employed and the unemployment rate



Note: Employment based on seasonally adjusted data.
Source: HCSO

Chart 5 Labour market tightness indicator



Note: Seasonally adjusted quarterly data.
Source: HCSO, MNB calculation

4,678,000, which, adjusted seasonally, was 12,000 higher than in November. In the period of October–December 2024, the average number of persons employed was 4,689,000, which represents a decline of 23,000 compared to the same period of the previous year. In the period of October–December, the average number of persons employed in the primary labour market decreased by 32,000, while the number of persons working abroad fell by 7,000 and that in fostered employment rose by 2,000.

The number of unemployed persons was 210,000 in December, which is not a considerable change compared to the same period of the previous year. Overall, the unemployment rate was 4.3 percent (Chart 4). Based on seasonally adjusted data, the number of unemployed persons decreased by 8,000 in December compared to November. According to raw data from the National Employment Service (NES), there were 221,000 registered jobseekers in Hungary in December 2024 and 230,000 in January 2025. This represents a decline of 4,000 and 3,000, respectively, relative to the same period of the previous year. Based on seasonally adjusted data, the number of registered jobseekers in January 2025 rose by 9,000 compared to December.

The labour market has become less tight in recent months (Chart 5). There were 46,700 vacancies in the private sector in 2024 Q3, 13.1 percent fewer year on year and, seasonally adjusted, 0.3 percent fewer compared to the previous quarter. Quarter-on-quarter, there were no significant changes in labour demand in either manufacturing or market services. There were 13,100 vacancies in manufacturing and 28,800 in the market services sector in 2024 Q3. In the public sector, vacancies increased in public administration and health, and decreased in education compared to the previous quarter, with no overall change compared to Q2.

1.3. Inflation and wages

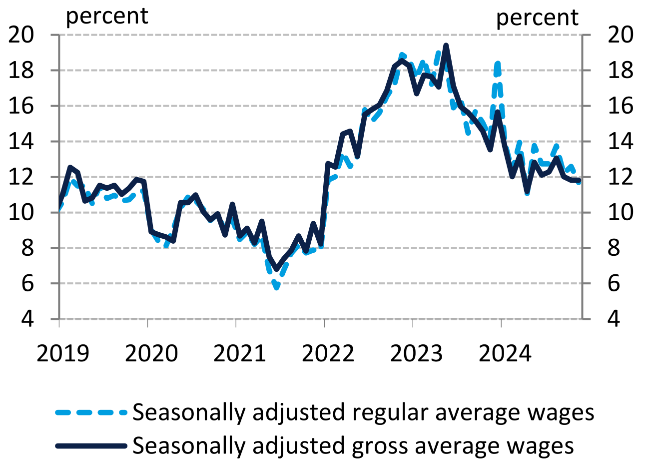
In January 2025, consumer prices rose by 5.5 percent year on year. Core inflation rose by 1.1 percentage points to 5.8 percent. Core inflation excluding indirect tax effects rose to 5.6 percent. The incoming figure was above the consensus of analyst expectations. In November 2024, average wages (excluding bonuses) rose by 11.9 percent in the national economy and by 11.3 percent in the private sector in annual terms.

1.3.1. Wages

In November 2024, gross average wages in the national economy increased by 11.9 percent and in the private sector by 11.3 percent compared to the same period last year. Average wages (excluding bonuses) rose by 11.9 percent in the national economy and by 11.3 percent in the private sector in annual terms. Regular earnings dropped by 0.9 percent on a monthly basis. Premium payments were 14 percent of regular earnings, slightly below the level of previous years.

According to seasonally adjusted data, the gross average wage dynamics decelerated, while average wages remained stable in the private sector (Chart 6). In the private sector, the wage dynamics of market services exceeded those of manufacturing on the basis of raw data. In manufacturing, wages were 10.2 percent higher in October compared to the same period of the previous year. With regard to market services, the Hungarian Central Statistical Office registered an increase of 11.8 percent. As for the sectors of the national economy, wages in construction grew by 15.1 percent, by 13.2 percent in tourism and by 11.5 percent in trade compared to the same period of the previous year.

Chart 6 Dynamics of average earnings in the private sector



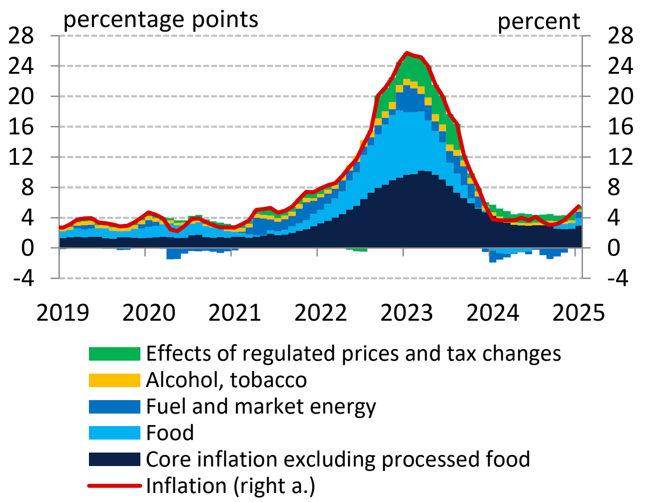
Source: MNB calculation based on HCSO data

1.3.2. Inflation developments

In January 2025, consumer prices rose by 5.5 percent year on year (Chart 7). Core inflation rose by 1.1 percentage points to 5.8 percent. Core inflation excluding indirect tax effects rose to 5.6 percent. In monthly terms, the price of the total consumer basket increased by 1.5 percent and the core inflation basket rose by 1.4 percent. Compared to November, the annual rate of price increases accelerated by 0.9 percentage points.

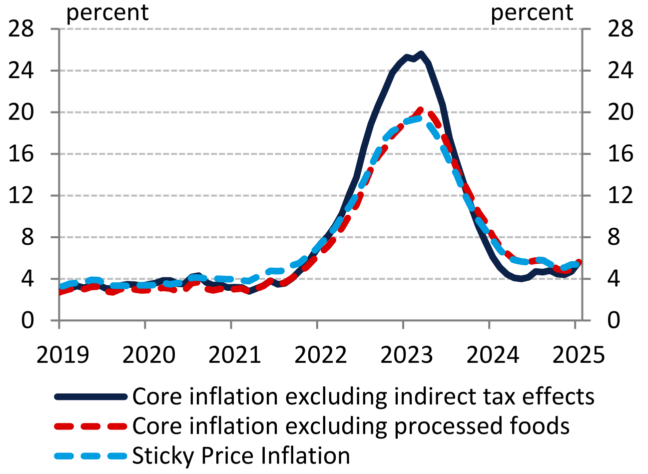
The rise in the annualised consumer price index largely reflects the accelerating price dynamics of market services, fuels and processed food. Higher core inflation compared to December was also mainly driven by higher prices for market services and processed food. The annual inflation rate for industrial goods rose to 2.0 percent and the annual average price index for market services to 9.6 percent. Unprocessed food prices and processed food prices increased by 5.3 percent and 5.7 percent, respectively, year on year. Fuel prices rose by 2.7 percent month-on-month, reflecting the impact of the excise tax increase. Fuel prices

Chart 7 Decomposition of inflation



Source: MNB calculation based on HCSO data

Chart 8 Measures of underlying inflation indicators



Source: MNB calculation based on HCSO data

increased by 11.8 percent on an annual basis. The annual price index for goods and services with regulated prices was 2.3 percent. January's repricing rates were also above the historical average for industrial goods, market services and food.

The incoming figure was above the consensus of analyst expectations. The analysts' median was 4.8 percent, with expectations ranging from 4.4 to 5.4 percent.

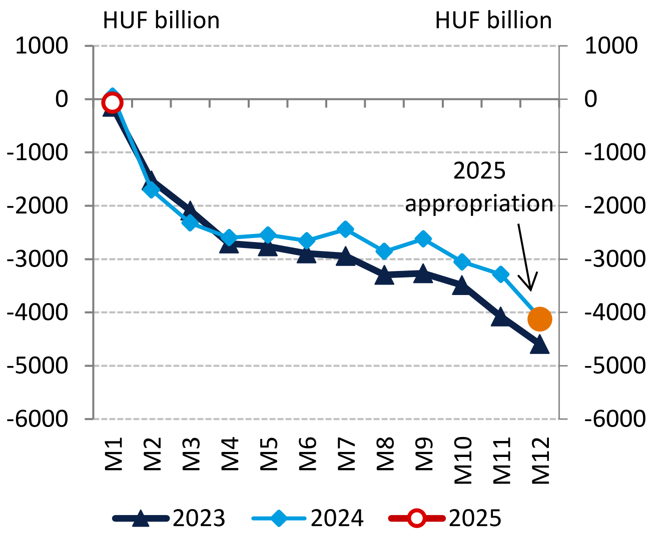
Of the MNB's annualised indicators, which capture more persistent inflation trends, the inflation of sticky-price goods stood at 5.4 percent – unchanged from December –, while core inflation excluding processed food rose to 5.6 percent (Chart 8).

1.4. Fiscal and external balance trends

In the first month of the year, the deficit of the central sub-sector of general government was HUF 68 billion. Central sub-sector revenues increased by HUF 28 billion in January on an annual basis, while fiscal expenditures in the first month of the year were HUF 150 billion higher than in January last year. The current account was close to balance in December 2024; thus the 2024 balance showed a surplus of around EUR 6.1 billion in total.

1.4.1. Fiscal trends

Chart 9 The cumulative cash balance of the central government budget from the beginning of the year



Source: 2025 Budget Act, Hungarian State Treasury

The January deficit of the **central sub-sector of general government** was HUF 68 billion, more unfavourable than the HUF 54 billion surplus registered in January 2024. The difference was mainly due to the slower absorption of EU revenues, higher interest expenditures and increased spending by central budgetary institutions. The budgetary appropriation for 2025 deficit is HUF 4,123 billion, somewhat higher than last year's cash deficit of HUF 4,096 billion (Chart 9).

Central sub-sector revenues increased by HUF 28 billion in January on an annual basis, with the increase in tax revenues largely offset by the shortfall in EU revenues. Tax and contribution revenues rose by more than 12 percent to HUF 309 billion, largely offset by exceptionally low levels of EU revenues. Payments by economic organisations increased by 10 percent (HUF 23 billion), while taxes and contributions on labour increased by 13 percent (HUF 142 billion) compared to January 2024. Gross VAT revenues increased by 5 percent and net VAT revenues by 13 percent (HUF 104 billion) on an annual basis.

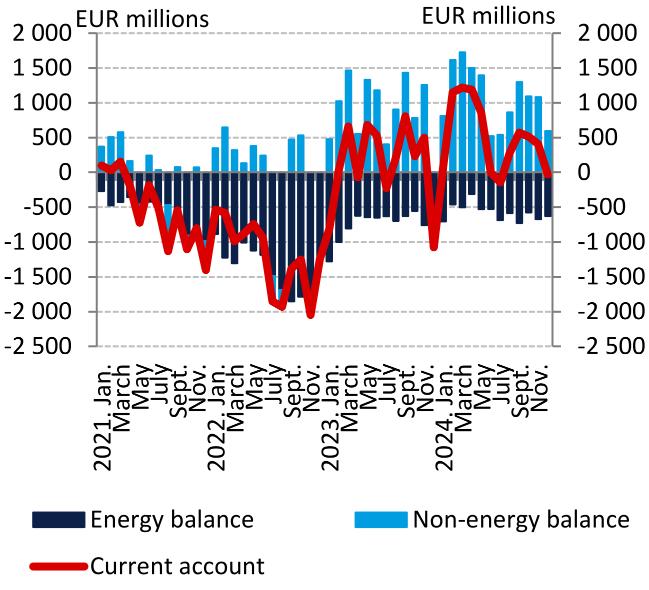
Budgetary expenditures in the first month of the year were HUF 150 billion higher than in January of the previous year. The increase primarily reflects the higher expenditures of central budgetary institutions and an increase in net interest expenditures. However, the level of spending related to public property fell sharply, given the airport acquisition in 2024.

1.4.2. External balance developments

In December 2024, the current account was close to equilibrium, with an annual surplus of around EUR 6.1 billion in 2024. The current account balance amounted to EUR –31 million in December, down EUR 438 million on the previous month but up EUR 1,049 million on the previous year (Chart 10). The year-on-year improvement was mainly driven by an increase in the trade balance, reflecting a narrowing goods deficit as imports fell at a higher rate than exports, and an increase in the balance of services. The income balance deficit decreased year on year, while the transfer balance turned into a deficit.

Financial account data show that, in parallel with the sharp rise in net foreign direct investment (FDI), net external

Chart 10 Developments in current account and energy balance



Note: The last monthly value of the energy balance is an estimate.
Source: MNB, HCSO

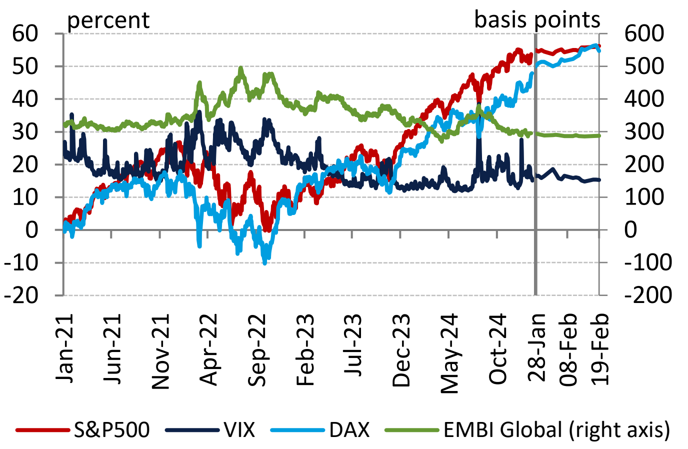
debt increased in December. The net inflow of around EUR 1 billion of direct investment was mainly driven by an increase in reinvested earnings in Hungary and by inter-company loans. The December increase of EUR 0.4 billion in net external debt resulting from transactions was mainly linked to the general government, while the indicators of banks and corporations declined.

2. Financial markets

2.1. International financial markets

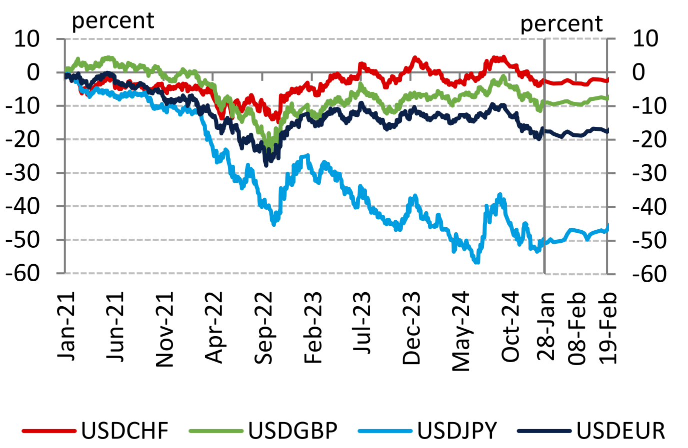
On the back of developments in US tariff policy and news on the commencement of negotiations on the Russia–Ukraine war, international investor sentiment has improved but remained volatile since the previous interest rate decision. Risk indicators moderated, developed market stock indices rose, the dollar weakened, while long-term bond yields typically moderated. The commodity sub-indices rose almost without exception.

Chart 11 Developed market equity indices, the VIX index and the EMBI Global Index



Note: Stock indices (S&P500 and DAX) normalised to the beginning of 2021.
Source: Bloomberg

Chart 12 Evolution of developed market foreign exchange rates compared to the first trading day of January 2021



Note: Positive values indicate the strengthening of the variable (second) currency.
Source: Bloomberg

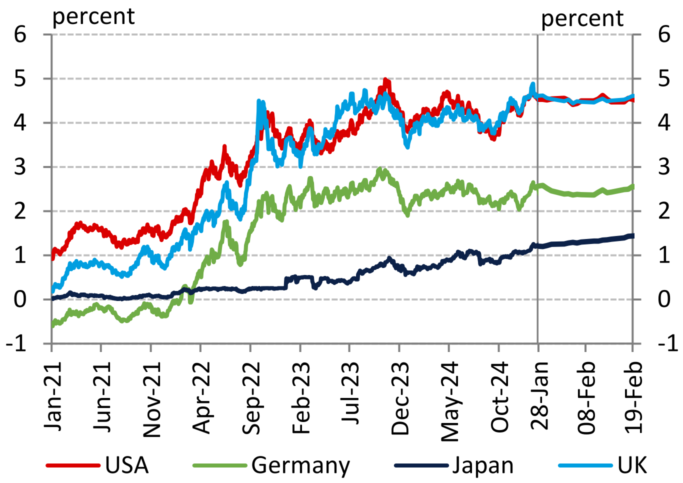
In the period since the previous interest rate decision, developments in US tariff policy and news on the commencement of negotiations on the Russia–Ukraine war have been the main drivers of international investor sentiment. The most prominent market developments of the past 1 month were the US tariff announcements, which were typically followed by a strong market reaction. The postponement of the tariff hikes on Canadian and Mexican products by 30 days pacified the markets significantly. Subsequently, news concerning the Russia–Ukraine war – namely, the commencement of negotiations between the United States and Russia to end the conflict – supported the improvement in global investor sentiment even further.

Risk indicators have moderated in the past month, overall. The VIX index, which measures US stock market volatility, was thus around 15.3 percent, while the European Vstoxx index was around 16.2 percent at the end of the period. The EMBI Global index, which captures emerging market bond spreads, have dropped to 280 basis points and the MOVE index, which measures developed bond market volatility, have fallen by 12 basis points since the previous interest rate decision (Chart 11).

Stock indices rose almost without exception during the period. At the beginning of February, benchmark US stock market indices were under selling pressure, mainly triggered by the announcements on tariffs. However, a correction was seen soon afterwards and the rest of the period was characterised by a rise. Benchmark European stock indices followed a similar trend, rising by 2.7–7.3 percent overall. Asian indices typically rose by 3–5 percent over the period, while the Hong Kong Hang Seng index rose by 13 percent. The MSCI index, which tracks emerging market stock markets, fell by 4.6 percent, overall.

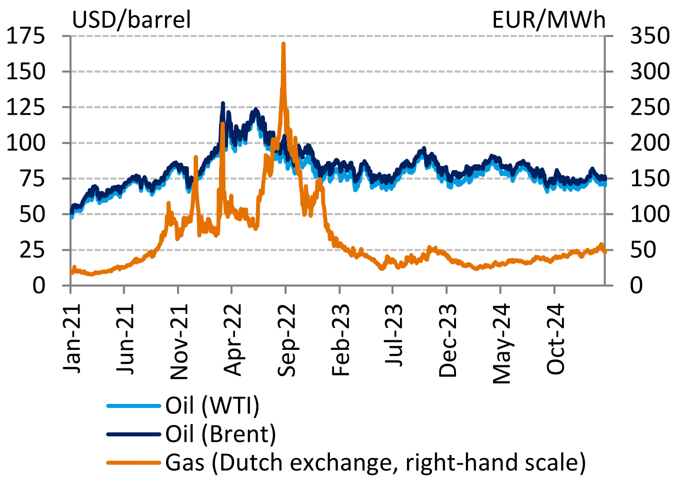
The US dollar has weakened against almost all major currencies since the last interest rate decision (Chart 12). Following the tariff hikes announced at the beginning of the period, the dollar initially appreciated

Chart 13 Yields on developed market long-term bonds



Source: Bloomberg

Chart 14 Developments in oil and gas prices



Source: Bloomberg

significantly against developed and emerging market currencies, then corrected after the 30-day postponement of the tariffs before continuing to weaken for the rest of the period. The dollar traded between 1.03 and 1.05 against the euro and strengthened by less than 0.2 percent, overall, during the period under review. The Japanese yen strengthened by nearly 2.5 percent against the dollar, on the back of restrictive monetary policy messages from Japanese central bank policymakers. The dollar weakened by 1.4 percent against the British pound and appreciated by 0.6 percent against the Chinese yuan.

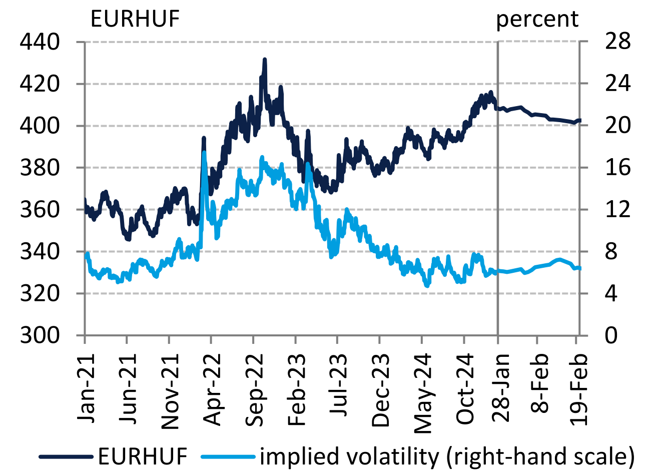
Developed and emerging market long yields have typically declined since the previous interest rate decision (Chart 13). The German and the French long yields declined by 5 basis points and by 7 basis points, respectively, reducing the German–French 10-year yield spread further on the back of easing tensions about the domestic policy of France. The US 10-year yield has increased by 2 basis points since the previous interest rate decision, while the Japanese long yield has risen by 23 basis points, bringing the long yield to above 1.4 percent. Ten-year government bond yields in the region exhibited mixed developments, with Hungary up 2 basis points, Poland up 9 basis points, Czechia down 4 basis points and Romania down 30 basis points.

The commodity sub-indices rose almost without exception. The sub-indices for cereals, agriculture, energy and industrial metals increased by about 5 percent, while the live animals sub-index dropped by 3 percent. The price of **Brent oil fell by 1.5 percent to USD 76** per barrel from USD 77.5 recorded at the previous interest rate decision. The price of the US benchmark, WTI barrel, fell by 2 percent from USD 73.8 to USD 72 (Chart 14). **European gas prices have risen by 3.5 percent since the last interest rate decision**. From EUR 48.2/MWh at the previous interest rate decision, the Dutch TTF gas price rose to EUR 58/MWh in the first half of the period, before falling to around EUR 50/MWh at the end of the period on the back of news on the return of the European gas cap, the easing of mandatory storage targets and expectations of peace talks in Ukraine.

2.2. Developments in domestic money market indicators

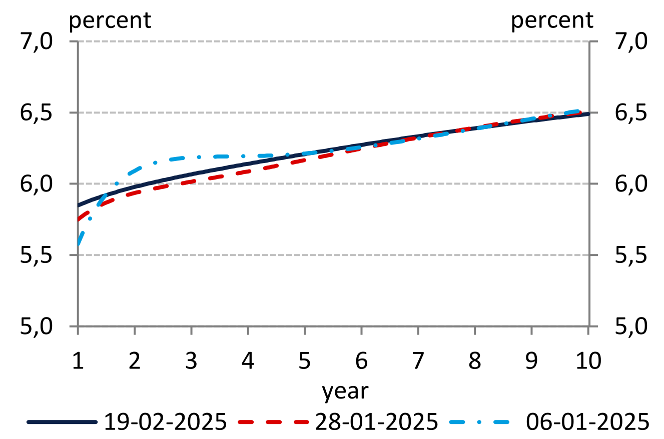
The forint has appreciated by 1.6 percent against the euro since the interest rate decision in January. The short and middle sections of the government bond yield curve shifted upwards. Since the previous interest rate decision, demand has been strong in government bond auctions. The 3-month BUBOR stood at 6.51 percent.

Chart 15 EUR/HUF exchange rate and the implied volatility of exchange rate expectations



Source: Bloomberg

Chart 16 Shifts in the spot government yield curve



Source: Bloomberg

The forint appreciated by 1.6 percent against the euro (Chart 15). Following the January interest rate decision, the forint strengthened against the euro – along with other emerging currencies – practically for the period as a whole, supported by developments related to the Russia–Ukraine war and favourable international investor sentiment. Regional currencies appreciated to a lesser degree than the forint, with the Polish zloty appreciating by 1.3 percent and the Czech koruna by 0.1 percent in the previous month.

The 3-month BUBOR, which is relevant for monetary transmission, has risen by 1 basis point to 6.51 percent since the previous interest rate decision.

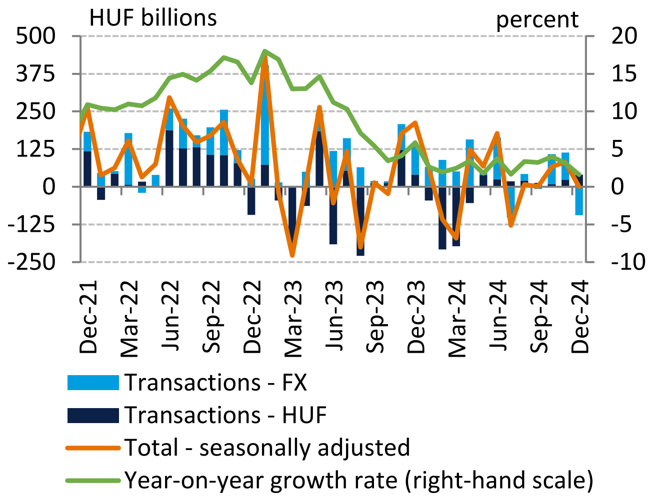
The short and middle legs of the government bond yield curve shifted upwards (Chart 16). Yields rose by 10 basis points in the 1-year leg of the yield curve and by 5 basis points in the middle leg, while long yields declined somewhat by 1–2 basis points.

The government bond auctions of the Government Debt Management Agency were characterised by strong demand. The volume of bids submitted for government bond auctions exceeded the quantity offered in advance significantly, and the Debt Manager accepted quantities in excess of those announced in several cases. Coverage was lower but adequate for 7-year and 30-year securities, while other bond and discount treasury bill auctions were typically over-subscribed by more than twice the quantity.

3. Trends in lending

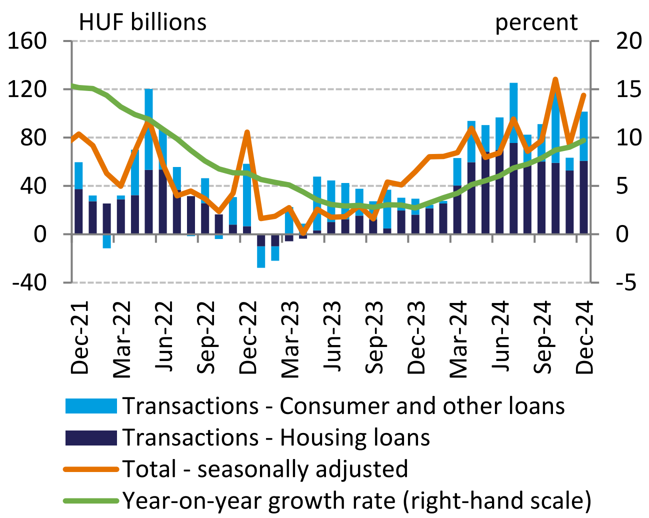
Outstanding corporate loans decreased by HUF 53 billion in December 2024, with their growth rate decelerating from 3.2 percent in November to 1.6 percent. In contrast, household lending increased by HUF 102 billion due to transactions, bringing the annual growth rate to 9.7 percent, up 0.7 percentage points from November.

Chart 17 Net borrowing by non-financial corporations



Source: MNB

Chart 18 Net borrowing by households



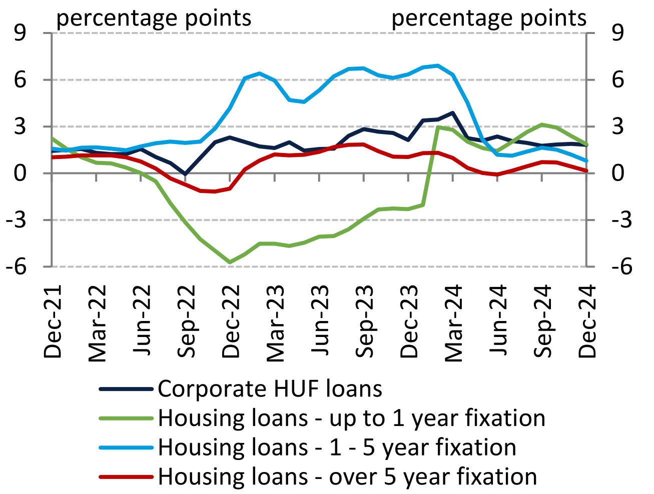
Source: MNB

Corporate loans decreased by HUF 53 billion in December 2024, owing to a HUF 41 billion increase in forint loans and a HUF 94 billion decline in foreign currency loans. **The annual growth rate of loans slowed** from 3.2 percent in November **to 1.6 percent** (Chart 17). Credit institutions contracted new non-overdraft loans in an amount of HUF 418 billion during the month, which is 13 percent lower than in the same period of the previous year.

In December, household lending increased by HUF 102 billion as a result of transactions, bringing the annual growth rate to 9.7 percent, up 0.7 percentage points from November (Chart 18). Due to the low base, the HUF 234 billion volume of new household loan contracts was 41 percent higher than in the same period last year. This includes an 84 percent annual increase in the value of newly contracted housing loans. More than 909 contracts were signed in December under the HPS Plus programme, available since January 2024, amounting to a total of HUF 24 billion and accounting for 20 percent of new housing loans disbursed during that month.

The smoothed interest rate spread on corporate forint loans decreased by 5 basis points from the previous month to 1.83 percentage points in December 2024 (Chart 19). As for housing loans, the spread on products with a fixed interest rate beyond 5 years decreased by 26 basis points to 0.16 percentage points at the end of the period under review.

Chart 19 Developments in corporate and household credit spreads



Note: APR-based smoothed spreads on household loans, calculated using the average reference rate for the month in which the loan was issued. In the case of forint corporate loans and housing loans with variable interest or interest fixed for 1 year at the most, the 3-month BUBOR, while in the case of housing loans fixed for over one year the margin above the relevant IRS.
Source: MNB