

MONTHLY MONITOR

August 2022

Századvég Economic Research Institute



SZÁZADVÉG

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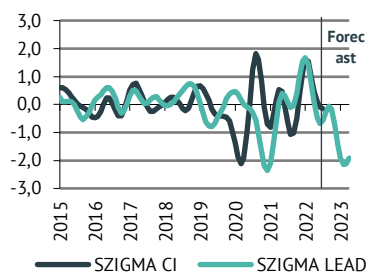
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1. Summary

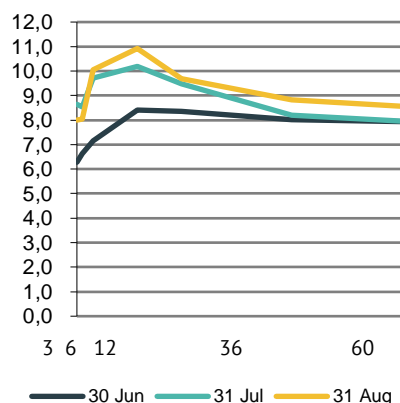
IN AUGUST, THE CENTRAL BANK RAISED THE BASE RATE BY 100 BASIS POINTS TO 11.75 PERCENT

SIGMA indicators



Source: Századvég

Forint yield curve (%)



Source: Refinitiv

Forecast (21.06.2022)	2022
Change in the GDP (%)	5.4
Inflation (annual average, %)	10.3
Gross wages (year-on-year change, %)	16.5
EUR/HUF (annual average)	389

In July 2022, inflation risks continued to rise both globally and in Central and Eastern Europe. This is mainly caused by a sharp rise in energy prices, more expansionary economic policies during the coronavirus crisis, disrupted supply chains and, crucially, the consequences of the increasingly protracted Russo-Ukrainian war.

The sharpest monetary erosion was in the Baltic countries and Central and Eastern Europe. According to the Harmonised Index of Consumer Prices (HICP), consumer prices rose by 23.2% in Estonia, 21.3% in Latvia and 20.9% in Lithuania.

The inflation environment caused by the war is forcing central banks to raise interest rates. Hungary has the highest base rate in the region (11.75%), following the central bank's August rate hike (100 basis points).

In an environment of higher interest rates and higher inflation, there is a trend towards a preference for premium Hungarian government bonds with above-inflation yields over those with fixed yields.

2. Overview of the economy

2.1 External environment

In Q2, Hungary's 6.5% growth was the third highest in the EU.

In Q2 2022, GDP growth in the European Union averaged 4.0% seasonally and calendar-adjusted and balanced. This represents an expansion on a quarterly basis, with an average GDP growth of 0.6% in the EU relative to the Q1 2022. The slowing economic growth (2022 Q1: 5.5%) is partly due to the base effect and partly to the consequences of the Russo-Ukrainian war. The dramatic rise in energy prices as a result of sanctions policies is having a profound impact on both Europe's current economic performance and its future outlook. In addition, the sanctions also affect the consumption side, as Russia has been an important market for many products of European countries. The highest Q2 growth rates were recorded in Slovenia (8.3%) and Portugal (6.9%), with Hungary (6.5%) in third place. Compared to the same period last year, the weakest performers were Latvia (2.5%), Slovakia (1.6%) and the EU's flagship economy, Germany (1.5%). Economic output declined in several countries compared with the previous quarter: GDP fell by 2.3% in Poland, 1.4% in Latvia, 0.4% in Lithuania and 0.2% in Portugal.

Inflation continued to accelerate in most European countries. The sharpest monetary erosion was in the Baltic countries and Central and Eastern Europe. According to the Harmonised Index of Consumer Prices (HICP), consumer prices rose by 23.2% in Estonia, 21.3% in Latvia and 20.9% in Lithuania. In the Visegrad Group, inflation was 17.3% in the Czech Republic, 14.2% in Poland and 12.8% in Slovakia in July. Price freezes account for the 1 percentage point difference between the domestic inflation figures reported in Hungary (13.7%) and those calculated according to the HICP (14.7%). The harmonised index of consumer prices also takes into account consumption by foreigners in Hungary, in line with EU rules. This is also affected by the fact that since 27 May 2022, it has been possible to refuel cars without a Hungarian vehicle registration certificate at market prices only, not at official prices. This causes the larger than usual difference between the consumer price index and the harmonised index of consumer prices. Inflation in Western Europe also continued to rise, but remained

consistently below 10% year-on-year. Inflation was 9.4% in Austria, 8.5% in Germany, 8.4% in Italy and 6.8% in France in July.

2.2 SZIGMA indicators

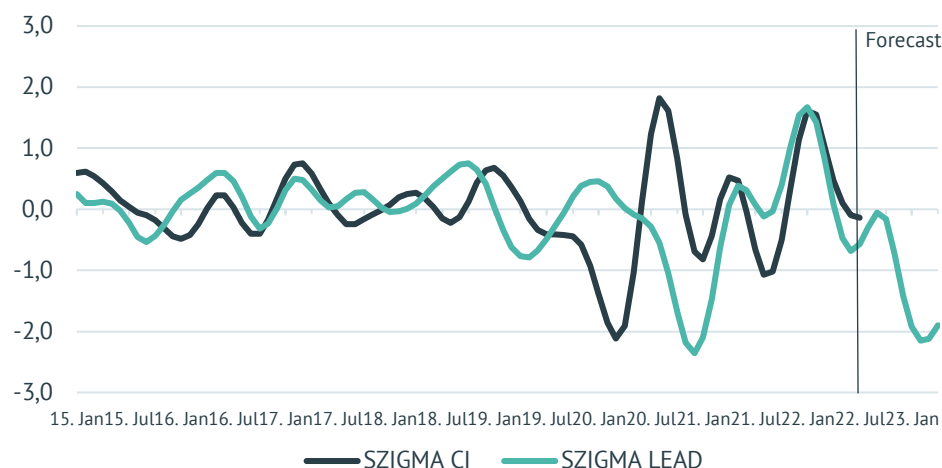
The Hungarian economy continued to

In July 2022, the SZIGMA CI indicator, which provides a snapshot of the current state of the Hungarian economy, remained slightly negative, meaning that the economy continued to expand at a rate below the trend. In June 2022, seasonally and workday-adjusted industrial sales, both domestic and export, increased compared to the same period of the previous year. The volume of domestic industrial sales increased by 2.9%, and that of export industrial sales increased by 1.5%. Year-on-year, with a high base value, both domestic sales (up 8.4%) and export sales (up 5.0%) showed significant increases. Despite the high base, the volume of new industrial domestic sales orders increased by 5.9% on a monthly basis and by 3.2% on an annual basis. However, the volume of new industrial export sales orders declined both on a monthly basis (7.3%) and on an annual basis (4.3%), with the base effect playing a role. In summary, the contribution of industry to economic growth can be positive, but it can be influenced by a number of serious risk factors. Such risks include the Russo-Ukrainian war, once-in-a-century droughts, the energy crisis and its economic impacts, and problems with raw material supply (e.g. shortages of chips, glass, fertilisers, etc.). The total contract value for construction at the end of June 2022 was 2.9% below the level of the previous month. However, on a year-on-year basis, it was up 1.2% compared to June 2021. In June 2022, the number of new non-residential buildings to be constructed increased by 11.0% on a monthly basis, but decreased slightly (0.2%) on an annual basis.

The SZIGMA LEAD indicator, which reflects our expectations for the short-term performance of the Hungarian economy, points to below-trend growth until the end of the forecast horizon. In July 2022, the Ifo Business Climate index, which measures business sentiment in the German economy, decreased by 3.5 index points compared with the previous month and by 12.0 index points compared to the same period last year. The external environment was dominated by concerns about high energy prices and impending gas shortages. Compared to double-digit growth in the previous months, retail sales in June 2022 expanded slightly (4.5%) compared to June 2021. This was driven by an increase in fuel and

non-food retail sales and a slight decline in food retail sales. The contribution of retail sales to economic growth could be positive, but the uncertain and adverse economic environment (rising interest rates on loans, food price increases above inflation, price increases for above-average residential electricity and gas consumption, etc.) could significantly affect the contribution. The Eurostat consumer confidence index fell both on a monthly basis (by 2.9 index points) and on an annual basis (by 25.2 index points). So, in July 2022, it stood at -37.6 index points. The negative index value implies that an improvement in confidence could further expand sales of the segment. Overall, we expect the economy to grow at a rate close to 5% in 2022.

FIGURE 1: CURRENT (CI) AND FORECASTING (LEAD) SZIGMA INDICATORS



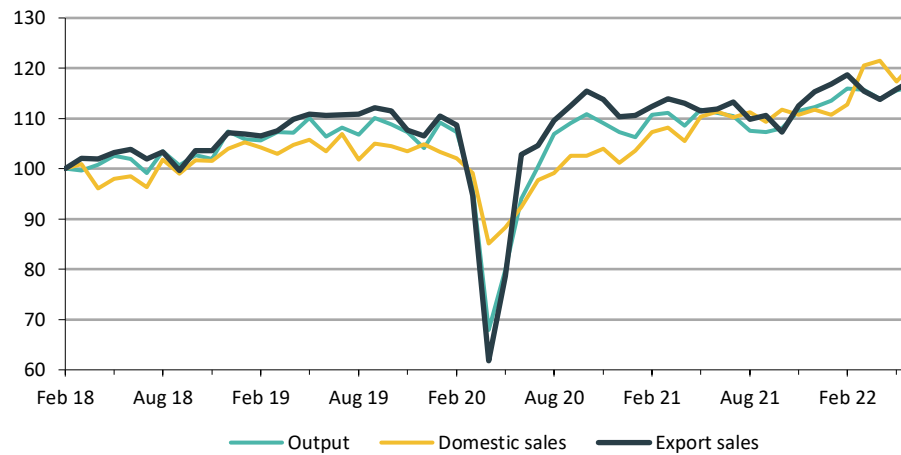
Source: Századvég

2.3 The real economy

Industrial production growth is slowing.

In June 2022, the volume of industrial production increased by 1.5% in terms of raw data and by 4.8% in terms of working-day adjusted data compared to the same period of the previous year. On a monthly basis, seasonally and working-day adjusted industrial production expanded by 0.6% in June 2022 compared with the previous month. The June 2022 sales volume in industry was 4.4% higher than a year earlier, driven by a 7.1 % increase in domestic sales and a 2.7 % increase in export sales.

**FIGURE 2: CHANGES IN INDUSTRIAL PRODUCTION AND SALES
(JANUARY 2018 = 100%)**



Remark: Seasonally and calendar adjusted indices.

Source: Hungarian Central Statistical Office, Századvég

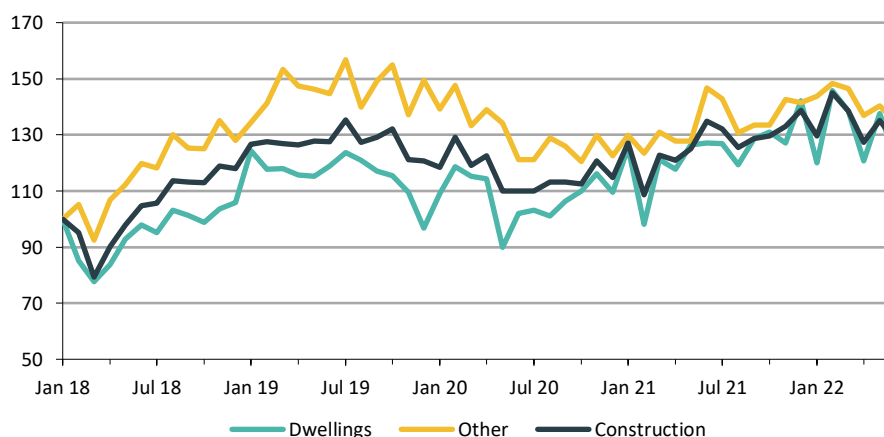
In June 2022, among the subsectors of industry, output was 6.1% higher in mining, 0.8% higher in manufacturing and 2.9% higher in energy than a year earlier. The largest contributor to manufacturing output in June (by weight) was automotive (23.1%), followed by food (12.1%) and computers, electronics and optical products (10.4%). The smallest contributor to manufacturing output in June 2022 was textiles, clothing and leather products (1.1%). Within the manufacturing sectors with differing weights, the largest increase in output (17.3%) was in electrical equipment, followed by textiles, clothing and leather products (10.2%) and food products (9.3%). The largest manufacturing output, that of transport equipment, rose by 2.9% compared to the same period last year. The biggest drop in production was again in coke production and petroleum processing (12.6%). Compared to the same period of the previous year, production fell in mechanical engineering (1.1%), wood processing (2.8%), rubber (3.6%), metals (6.2%), chemicals (7.1%) and pharmaceuticals (8.4%). The total volume of industrial sales orders at the end of June 2022 was 22.1% higher than a year earlier. This was driven by a 3.1% increase in domestic sales orders and a 23.4% rise in export sales orders. The growth in sales orders continued to reflect high demand for the sector's products, but it was difficult to meet this demand due to a shortage of raw materials. The volume of new sales orders decreased by 3.2% in June 2022 compared to a year earlier, with the volume of new domestic sales orders increasing by 3.2%, and the volume of new export sales orders decreasing by 4.3%.

In June 2022, construction output fell both on a monthly basis (5.2%) and on an annual basis (8.1%). Also due to the high base, on a year-on-year basis, production fell in both construction groups compared to June 2021: by 4.8% for buildings and by 11.7% for civil engineering works.

The volume of new construction orders increased

At the end of June 2022, construction sales orders grew by 1.2% on an annual basis. This was driven by a 10.4% increase in the contract volume for civil engineering works and a 10.9% decrease in the contract volume for buildings. The volume of new orders for construction expanded, up 27.8% from a year earlier. Within this, the two main groups also saw opposite changes: while the volume of new contracts for buildings increased by 37.0%, the volume of new contracts for civil engineering works fell by 11.1%.

**FIGURE 3: CHANGES IN THE CONSTRUCTION INDUSTRY
(JANUARY 2018 = 100%)**



Remark: Seasonally and calendar adjusted indices.

Source: Hungarian Central Statistical Office, Századvég

Retail sales increased by 4.5%.

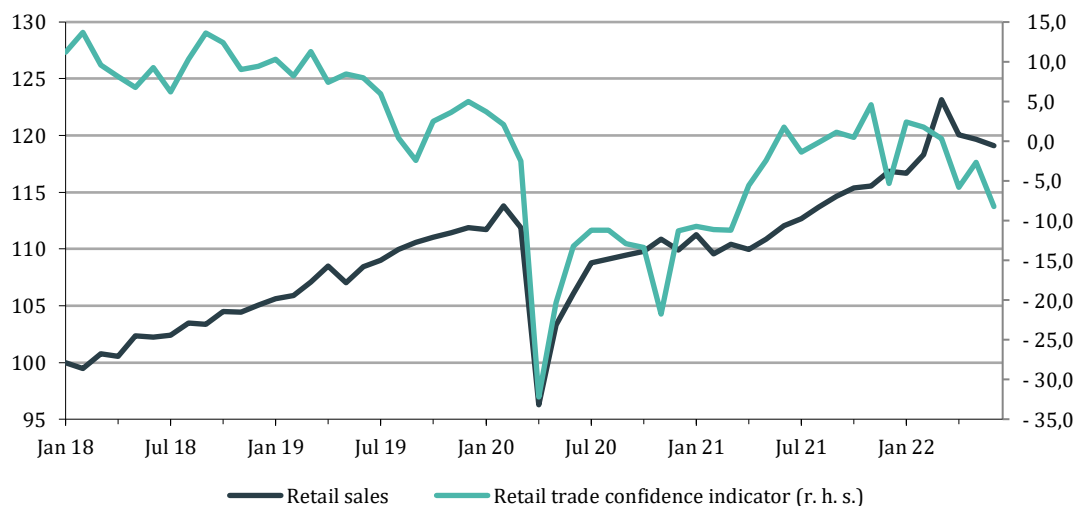
In June 2022, the volume of retail sales increased by 4.1% on a raw basis and by 4.5% on a calendar-adjusted basis compared with the same period of the previous year. The slowdown in retail sales growth is partly due to the increase in the base: a year ago, with the third wave subsiding, the widespread availability of vaccines and thus the reduction of restrictions, consumption started to increase, resulting in a higher base. In addition, the food and energy crisis as a result of the Russo-Ukrainian war reduced the quantities available on

the market, driving up prices. The steadily accelerating inflation caused by the war is challenging households, forcing them to rationalise consumption. The slowdown is mainly due to the cumulative effect of these factors.

In June 2022, turnover in specialised and non-specialised food shops decreased by 1.1%, while turnover in non-food shop increased by 2.5%. In fuel retail, calendar-adjusted volume of sales increased by 23.6% compared to June 2021. The increase in the turnover volume of petrol stations is driven mainly by regulated prices, in addition to a significant increase in car use in the summer period after the coronavirus epidemic.

On a calendar-adjusted basis, food, beverages and tobacco increased by 2.5%, and foodstuffs fell by 1.1%. In nonfood retail, the volume index increased in all cases except for a 4.3% decline in furniture and electric goods and a 3.1% decline in a mixed range of manufactured goods. This represents an increase of 14.4% for books, newspapers and stationery, 10.2% for medical products and 13.2% for second-hand goods. Parcel and internet services grew by 5.9% compared to the same period last year.

FIGURE 4: VOLUME OF RETAIL SALES (JANUARY 2018 = 100%)



Remark: Seasonally and calendar adjusted indices.

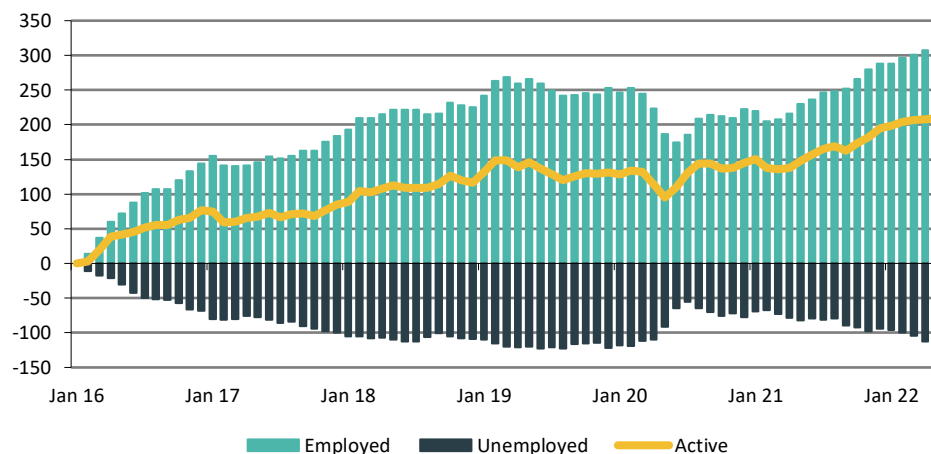
Source: Hungarian Central Statistical Office, Eurostat, Századvég

The unemployment rate fell to 3.3%.

In May-July, the seasonally adjusted number of employees was around 4,691,000, down by nearly 22,000 from the previous three months, but 56,000 higher than in the same period of the previous year, with an employment rate of 64.1%. The number

of the unemployed continued to fall on both a quarterly and annual basis, by 7,000 and 38,000 respectively, to 3.3% in May-July. Compared to the previous months, the active population decreased by 28,000, which means that 66.19% of the 15-74 age group were in the labour market. In June, the number of employees increased by nearly 2,000 on a seasonally adjusted basis, and by 50,000 compared to the same period of the previous year. The most significant increase in the number of employees was in the competitive sector, with 63,000 more working in companies with 5 or more employees compared to 2021, up by more than 2,000 compared to May. The number of non-profit employees rose by a few hundred over the month, while the number of public sector employees fell by nearly a thousand.

FIGURE 5: CHANGES IN THE LABOUR MARKET (JANUARY 2016 = 0, THOUSAND EMPLOYEES)



Remark: Seasonally and calendar adjusted indices

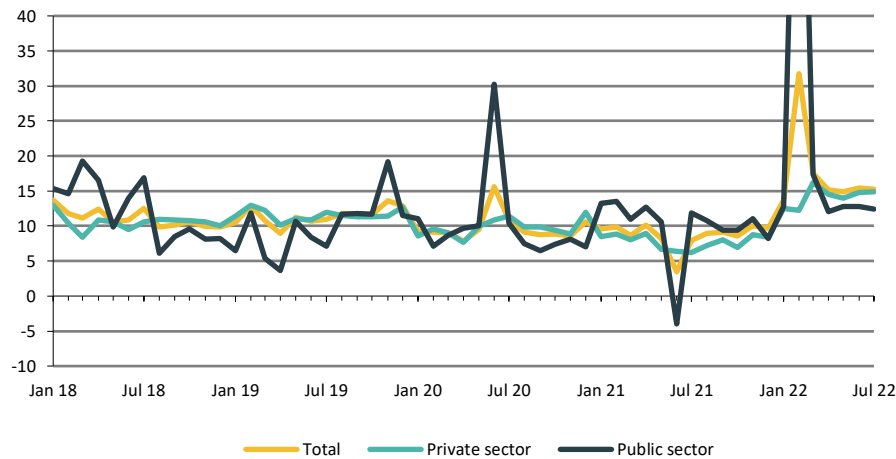
Source: Hungarian Central Statistical Office, Századvég

Despite the high inflation environment, average real wages grew at a moderating pace.

In June, the average gross monthly wage in the national economy was HUF 503,521, up 15.4% compared to the same period last year. The highest average gross monthly wage was recorded in the non-profit sector, at HUF 527,584. The average net monthly wage including benefits was HUF 347,200, an annual increase of 16.1%. The average regular gross monthly wage, excluding bonuses, bonuses and one-off allowances, increased by 16.0% in June compared to a year earlier, to an estimated HUF 469,500. Despite

accelerating inflation (11.7% in June) real wages continued to rise at a moderating pace, by 3.3%.

FIGURE 6: CHANGES IN GROSS WAGES (ANNUAL CHANGE, %)



Source: Hungarian Central Statistical Office, Századvég

2.4 External balance

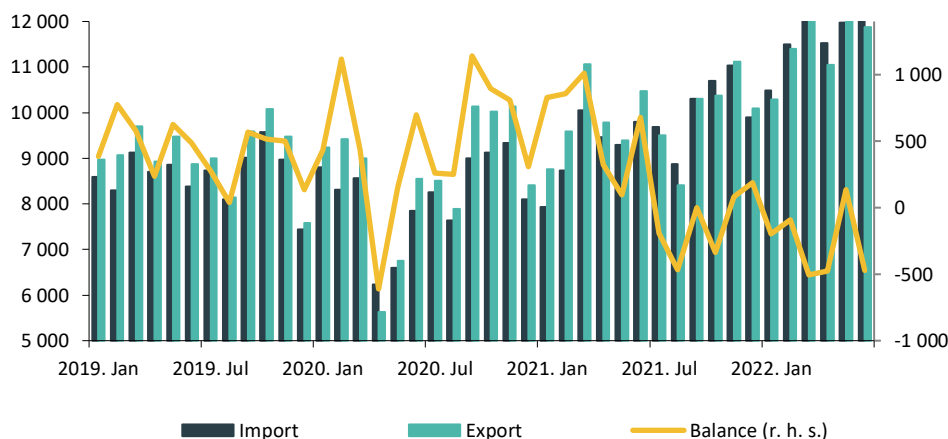
In May, the EUR value of product exports increased by 29.0%, and the EUR value of product imports increased by 31.0% year-on-year. The foreign trade deficit was, therefore, EUR 95 million, EUR 166 million less than in the previous year.

In May, the volume of food product imports increased by 18.0%, and food product exports increased by 7.2% year-on-year. As for energy carriers, imports increased by 17.0% and exports decreased by 9.7%. As for processed products, imports increased by 11.0%, and exports increased by 8.5% on a year-on-year basis. As for machinery and transport equipment, imports increased by 5.1%, and exports by 16.0%.

in June 2022, the EUR value of exports was 13.0% higher, while the EUR value of imports was 24.0% higher than one year before. The trade deficit in goods amounted to EUR 471 million, which is EUR 1.0 billion worse than a year earlier.

The foreign trade balance deteriorated.

FIGURE 7: FOREIGN TRADE BALANCE (EUR MILLION)



Remark: The June 2022 figures are from the first estimate.

Source: Hungarian Central Statistical Office, Századvég

The current account balance stood at EUR -5,097 million in the first half of 2022, significantly down from EUR -757.0 million in January–June 2021.

2.5 Fiscal outlook

In the year to the end of July, VAT receipts rose by almost 30% year-on-year.

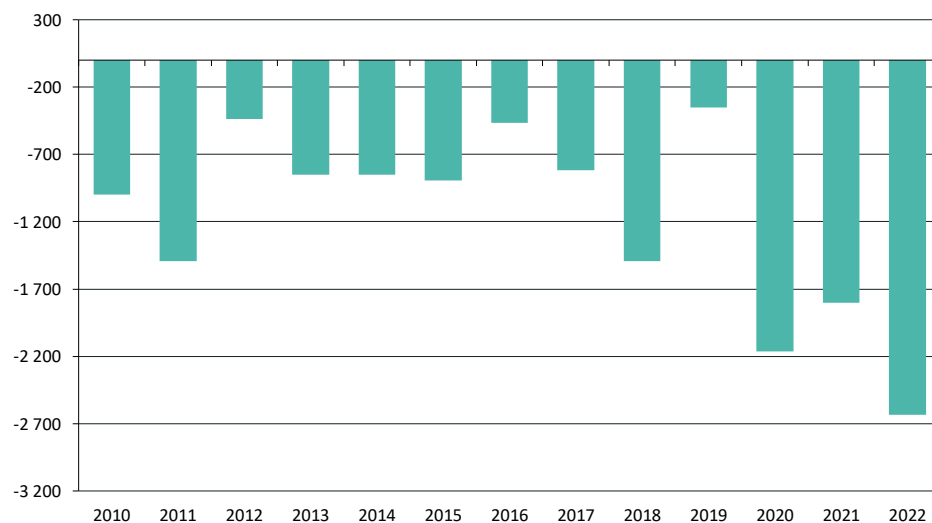
At the end of the seventh month of 2022, the cumulative deficit of the central budgetary subsystem stood at HUF 2,636.5 billion. This was caused by a deficit of HUF 2,729.6 billion in the central budget and HUF 125.8 billion in social security funds, as well as a surplus of HUF 218.8 billion in extra-budgetary funds.

VAT receipts were HUF 914.3 billion (29.8%) higher than the cumulative total for the same period of the previous year. The increase in VAT receipts was also driven by higher VAT receipts on domestic, import and tobacco products. Excise tax revenue was HUF 49.4 billion (7.3%) higher than in January–July 2021. This was driven by higher revenues from tobacco and spirits and other products, and lower revenues from fuels. The increase in receipts from excise duty on tobacco products was driven by two factors, one being stockpiling due to the July 2022 tax increases and the other being an increase in sales. The lower excise duty receipts on fuels were affected by the lower tax rate temporarily introduced in March 2022. Personal income tax receipts decreased by 18.6% (HUF 305.8 billion) compared to the January–July 2021 period, which may be primarily explained by the one-off tax refund for families with children. Receipts from social

contribution tax and social insurance contributions increased by 12.3% (HUF 393.7 billion) compared to the same period of the previous year. This was due to the combined effect of the increase in average wages and the reduction in the social contribution tax rate.

Cumulative receipts from EU programmes totaled HUF 575.3 billion by the end of July 2022. This represented 24.3% of the statutory appropriation. However, the cumulative expenditure of EU programmes closed at HUF 2,046.5 billion at the end of the first seven months of 2022, 68.2% of the statutory appropriation. Among domestic expenditure, the most notable are expenditure on pensions as well as on medical and preventive care. In January–July 2022, the cumulative expenditure on pensions was HUF 2,800.4 billion, up 21.4% compared to the same period of the previous year. During this period, HUF 1,253.7 billion was spent on medical and preventive care, an increase of 18.5% compared to the base period.

FIGURE 8: FISCAL BALANCE (JANUARY–JUNE, HUF BILLION)



Source: Ministry of Finance, Századvég

2.6 Monetary developments

In July, prices rose by 13.7% on average.

In July 2022, consumer prices increased by 13.7% on average, compared to the same period of the previous year. Over the past year, the prices of food and consumer durables have risen the most (27.0% and 14.0%, respectively). Consumer prices rose by

2.3% on average over a month. The seasonally adjusted core inflation rate showed a year-on-year increase of 16.7%.

The more significant contributors to the 27.0% average increase in food prices were the 65.8% increase in margarine prices, the 52.6% increase in cheese prices, the 38.8% increase in poultry meat prices and the 37.5% increase in egg prices. Mainly as a result of reduced supply caused by the war and drought, bread prices rose by 57.9% on average, pastries by 38.5% and dry pasta by 49.1%. However, average food inflation was held back by the 14.2% increase in pork prices, the 12.0% rise in fresh domestic and tropical fruit prices, the 8.4% increase in sugar prices and the 6.9% rise in edible oil prices.

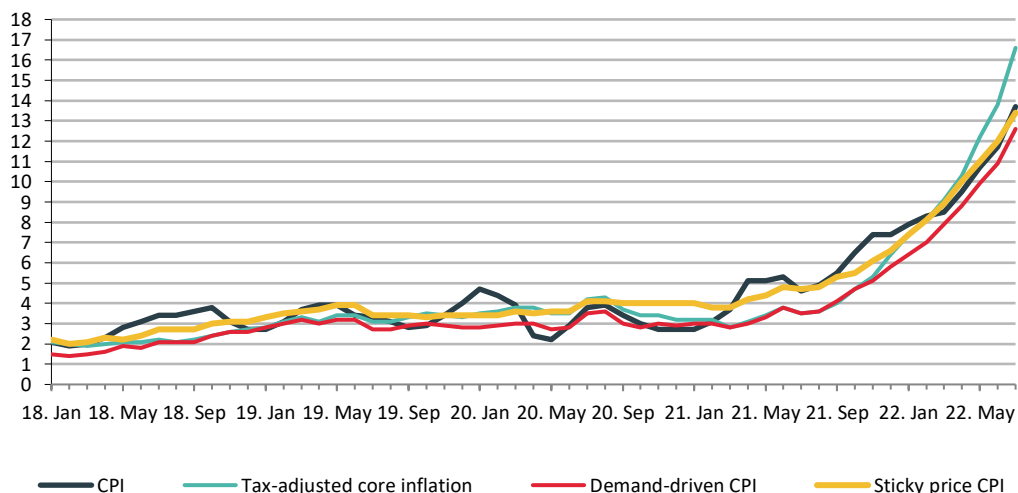
The 17.5% increase in new car prices and the 17.9% increase in used car prices played a particularly important role in the 14.0% average increase in consumer durables. In addition to the weakening forint exchange rate, chip shortages and supply-demand imbalances are also playing an important role in rising prices. Room furniture prices also increased at an above-average rate, by 18.2%, while kitchen furniture prices rose by 20.1% compared to the same period last year. Consumer durables inflation is moderated by a 1.1% increase in the prices of computers, cameras and telephones, and a 5.8% increase in the prices of televisions.

The average increase in household energy prices was 1.6% in July as compared to the same period of the previous year. Within household energy, fuelwood prices increased by 10.6% and bottled gas prices increased by 13.0% in a single year. Despite the price boom on the world market, the price of electricity, piped gas and district heating in Hungary remained unchanged thanks to the administered prices of these utility services. However, changing the terms for discount household utility prices implies upside inflation risks for the period ahead.

In July, the price of services rose by an average of 6.8%, with home repair and maintenance up 20.7%, vehicle repair and maintenance up 16.4% and taxi up 27.4%. The average increase in the price of services was moderated by a 0.9% increase in gambling prices, a 6.1% increase in the price of cultural goods and a 3.1% increase in TV subscription prices, as well as a 3.8% decrease in local public transport prices and a 2.1% decrease in telephone and internet prices. Clothing prices increased by 4.9% on average over a year.

Compared to the previous month, the food prices increased by 4.1% on average, the prices of alcoholic beverages and tobacco by 3.7%, the prices of consumer durables by 1.9% and services by 1.6%. The price of household energy remained unchanged, while the price of clothing fell by 0.7%.

FIGURE 9: THE EVOLUTION OF INFLATION (ANNUAL CHANGE IN PERCENTAGE)



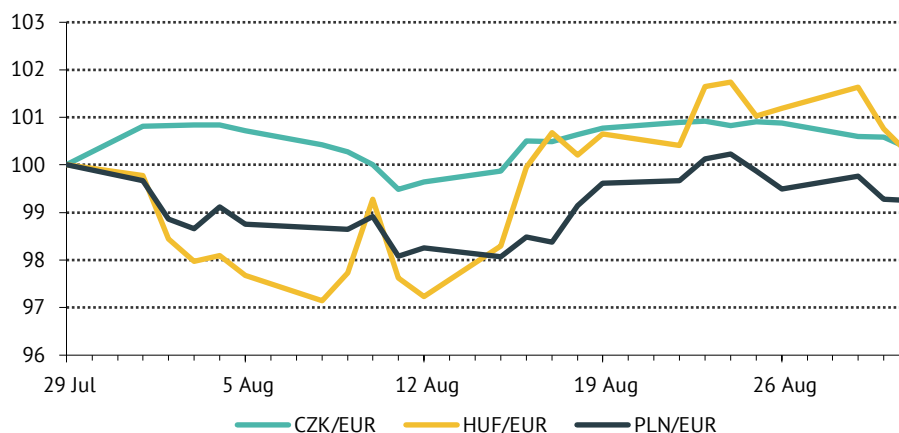
Source: MNB, Századvég

Among the core inflation indicators published by the MNB, in July, the seasonally adjusted core inflation rate was 16.7%, the core inflation rate net of indirect taxes was 16.6%, and the sticky price inflation rate was 13.4%. Core inflation excluding processed food was 12.6% in July.

The Czech koruna weakened, and the Polish

Exchange rates in the region showed a mixed picture in relation to the euro. The Czech koruna weakened by 0.34%, while the Polish zloty strengthened by 0.75% against the euro over the period. Government security yields decreased: the Czech 10-year government bond yield closed 7 basis points higher at 4.64%, while the Polish 10-year yield closed 46 basis points higher at 6.14%.

**FIGURE 10: CHANGES IN EXCHANGE RATES IN THE REGION
(BASELINE VALUE = 100%)**



Source: Refinitiv, Századvég

The HUF/EUR exchange rate fell slightly.

Overall, Hungarian money and foreign currency market indicators have shown a slightly more negative picture in the past period. The yield of 5-year treasury securities closed at 9.70%, rising 21 basis points. The HUF weakened by 0.23% against the euro, by 0.07% against the Swiss franc (i.e. it virtually stagnated) and by 2.65% against the US dollar. This means that on 31 August 2022, one Euro was worth 405 Forints, one US Dollar was worth 406 Forints and one Swiss Franc was worth 415 Forints. Sovereign debt held by foreigners has recently increased by HUF 37 billion to HUF 5,290 billion.

In August, the central bank raised the base rate by 100 basis points.

At its interest rate meeting in August, the Monetary Council of MNB raised its base interest rate by 100 basis points; the base interest rate is, therefore, 11.75%. The Monetary Council raised the overnight deposit interest rate to 11.25% and the lending rate to 14.25%. The central bank increased the interest rate of the one-week deposit facility to 11.75%. The MNB has increased the effective interest rate by 1,100 basis points since the start of the rate hike cycle. The asymmetric interest rate corridor defines the overnight interbank market interest rate and the central bank's one-week deposit rate.

In a statement issued about its August meeting, the Monetary Council declared the objective that all monetary policy instruments of MNB should support the achievement of price stability as quickly as possible. This is why MNB stopped buying government bonds in December. Maintaining the stability of the government securities market continues, however, to remain important to the

Monetary Council, which is, therefore, ready to intervene with temporary purchases of government bonds if necessary, which does not imply a change in its fundamental monetary policy stance.

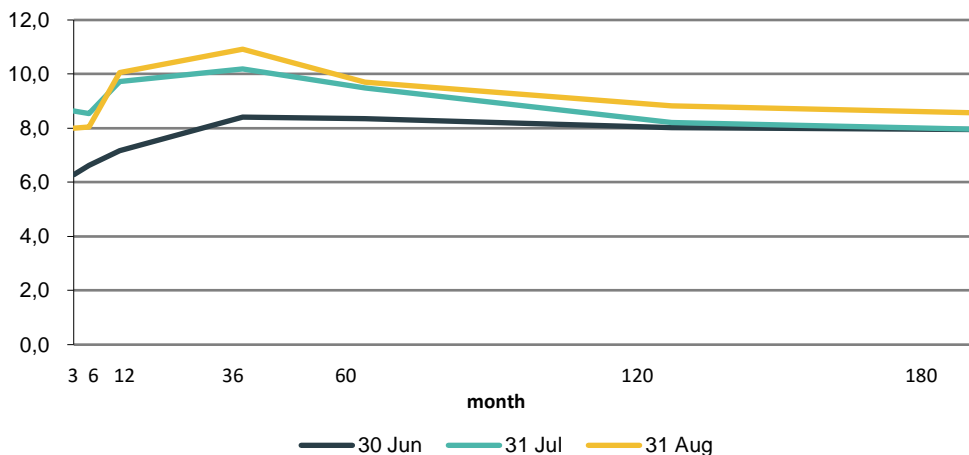
Over the past month in the government bond market, yields for shorter maturities varied between -64 basis points and 33 basis points on the secondary yield curve. This means that the 3-month yield was 8.00%, the 6-month yield was 8.04% and the 1-year yield was 10.05% on 31 August. The 3-year yield rose by 73 basis points to 10.92%. Yields are up 21 basis points over the 5-year horizon, 62 basis points over the 10-year horizon and 60 basis point over the 15-year horizon compared to the previous month. These three yields changed, therefore, to 9.70%, 8.83%, and 8.56%, respectively.

Since 3 June 2019, retail investors can buy “super government bonds” (MÁP+) with a relatively high rate that gradually increases during its term, ensuring a total annual yield of 4.95%. On 31 August 2022, the total value of government bonds held by retail investors was HUF 4,292.2 billion after a HUF 5.6 billion increase from the HUF 4,986.6 billion level at the end of June. Given the high inflationary environment, the public prefers to hold government bonds with a fixed real interest rate, which are inflation-tracking, to the tune of HUF 3,608.7 billion (PMÁP as of 31 July: HUF 3,462.1 billion). The GDMA currently maintains the interest rate premium on the 5-year government bond at 1.5 percentage points, while the interest rate premium on the 3-year government bond at 0.75 percentage points.

The share of foreign currency debt in the sovereign debt changed to 23.6% in July (corresponding to an increase of 0.5 percentage points), which is in the range (10–25%) specified in the financing plan for 2022 of the Government Debt Management Agency Ltd.

Of the major international credit rating agencies, S&P has recently announced a date for a change or confirmation of the risk rating of Hungarian sovereign debt. S&P affirmed Hungary’s sovereign debt risk rating but revised its outlook to negative. At the end of August, Hungary’s sovereign debt rating remained at Baa2 with a stable outlook at Moody’s, BBB with a negative outlook at S&P and BBB with a stable outlook at Fitch. Thus, all three major international credit rating agencies have a risk rating for Hungarian treasury securities that is one category above the lowest grade that is still recommended for investment.

FIGURE 11: CHANGES IN THE HUF YIELD CURVE (%)

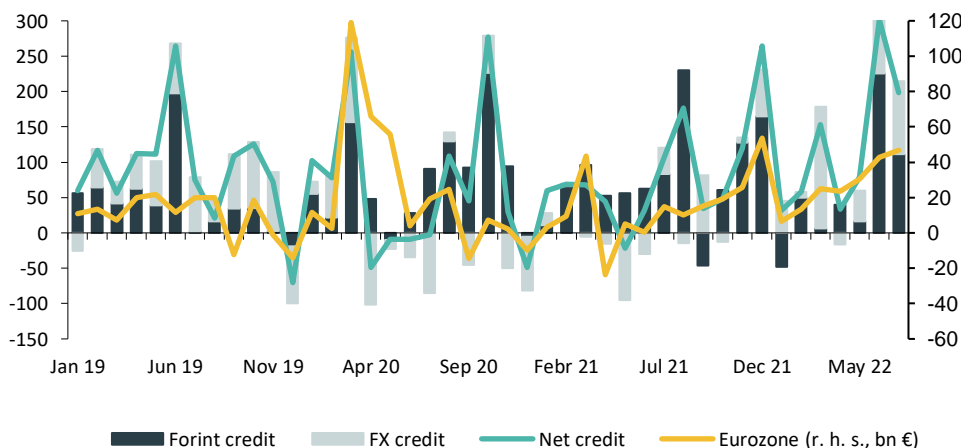


Source: GDMA, Századvég

Corporate holdings of HUF credits have increased

Seasonally adjusted data show that the net borrowing of HUF loans in the business sector was HUF 224.7 billion in June 2022. The net borrowing of foreign currency loans was HUF 72.5 billion in June; in other words, the aggregate value of foreign currency loans held by the business sector, i.e. exchange rate risk exposure, increased. This means that, based on seasonally adjusted data, total net borrowing was HUF 302.6 billion in June. Corporate borrowing in the euro area was EUR 36.473 billion in June 2022.

FIGURE 12: CORPORATE BORROWING (HUF BILLION)



Source: MNB, ECB, Századvég

3. Századvég's forecast¹

1. TÁBLÁZAT: 2022 Q2 FORECAST

	2021	2022				2022	2023				2023
	annual	Q1	Q2	Q3	Q4	annual	Q1	Q2	Q3	Q4	annual
Gross domestic product (volume index)	7.1	8.2	5.5	4.7	3.0	5.4	2.1	3.9	5.4	6.4	4.5
Household final consumption expenditure (volume index)	4.6	14.1	8.9	6.0	5.1	8.5	2.2	2.0	4.9	4.8	3.5
Gross fixed capital formation (volume index)	5.9	13.2	3.0	1.5	2.9	5.2	5.1	6.8	4.9	4.7	5.4
Export volume index (based on national accounts)	10.3	5.2	8.7	10.1	7.9	8.0	6.5	7.4	7.9	9.2	7.8
Import volume index (based on national accounts)	8.7	8.3	9.5	9.6	10.7	9.5	6.7	6.6	6.3	6.4	6.5
Balance of international trade in goods (EUR billion)	1.9	-1.1	-0.4	-1.8	-4.3	-7.7	-0.6	0.3	-1.3	-4.0	-5.6
Consumer price index (%)	5.1	8.2	10.5	11.6	11.0	10.3	9.8	7.1	5.9	5.6	7.1
Central bank base interest rate at the end of the period (%)	2.4	4.4	6.4	7.4	8.0	8.0	8.0	7.70	7.40	7.10	7.10
Unemployment rate (%)	4.1	3.7	3.7	3.7	3.7	3.7	3.7	3.6	3.6	3.5	3.6
Change in the average gross monthly wage (%)	8.7	20.7	16.5	15.4	13.5	16.5	4.2	9.8	12.0	14.2	10.1
Current account balance as a percentage of GDP	-3.1					-7.3					-5.5
Net lending as a percentage of the GDP	-0.5					-4.5					-3.4
ESA balance of public finances as a percentage of GDP	-6.8					-4.4					-3.5
Sovereign debt as a percentage of GDP	76.6					74.5					72.2
GDP-based external demand (volume index)	5.6	5.6	3.2	1.8	1.4	3.0	2.0	2.4	2.7	2.9	2.5

Source: MNB, Hungarian Central Statistical Office, Századvég's calculation

2. TÁBLÁZAT: QUARTER-ON-QUARTER CHANGE OF OUR FORECAST

	2022			2023		
	03.2022	06.2022	change	03.2022	06.2022	change
Gross domestic product (volume index)	3.9	5.4	1.4	4.7	4.5	-0.3
Household final consumption expenditure (volume index)	3.9	8.5	4.7	3.8	3.5	-0.3
Gross fixed capital formation (volume index)	6.0	5.2	-0.9	5.7	5.4	-0.3
Export volume index (based on national accounts)	4.6	8.0	3.4	5.9	7.8	1.9
Import volume index (based on national accounts)	5.1	9.5	4.4	4.7	6.5	1.8
Balance of international trade in goods (EUR billion)	-1.5	-7.7	-6.2	-0.3	-5.6	-5.3
Consumer price index (%)	9.3	10.3	1.0	6.4	7.1	0.7
Central bank base interest rate at the end of the period (%)	6.80	8.00	1.2	5.00	7.10	2.1
Unemployment rate (%)	3.8	3.7	-0.1	3.7	3.6	-0.1
Change in the average gross monthly wage (%)	13.8	16.5	2.8	11.2	10.1	-1.1
Current account balance as a percentage of GDP	-4.8	-7.3	-2.5	-3.2	-5.5	-2.3
Net lending as a percentage of the GDP	-2.5	-4.5	-2.0	-1.0	-3.4	-2.4
Balance of public finances as a percentage of GDP	-4.2	-4.4	-0.2	-3.2	-3.5	-0.3
Sovereign debt as a percentage of GDP	72.5	74.5	2.0	67.7	72.2	4.5
GDP-based external demand	3.3	3.0	-0.3	2.4	2.5	0.1

Source: Századvég's calculation

¹ Date of preparation: 21 June 2022