

Flash Comment

January 19, 2009

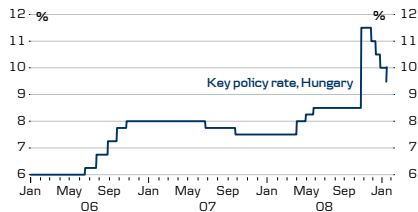
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Hungary: MNB cuts again – no surprise

The Hungarian central bank (MNB) today again cut its key policy rate, by 50bp to 9.50%, which was in line with the consensus and our expectation.

Today's decision to cut rates is no surprise and should not move markets much. It is clear that the MNB wants to continue to bring down rates as inflation slows and the economy slumps. That said, the recent renewed weakness in the forint is probably arousing some concerns in the MNB. This might limit the room for monetary easing, but the MNB is still likely to continue to ease monetary policy in the coming months, but not aggressively.

Normalisation of rates continues



Source: Reuters Ecowin

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