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... believe Hungary is going to be on a better fiscal track and see value, particularly in the long end of the curve. But hedge funds and other fast money accounts are far more sceptical."

On some days, it appears confidence is building. With yields on government bonds above 7 per cent across the entire curve - which plots the bond yields across maturities - and a weakened forint - which would strengthen if the deficit is cut - Hungarian paper can look attractive. Mr Desbarres says: "The bonds could be a buying opportunity if you really believe Gyurcsány can deliver the whole fiscal programme. But that is still quite a big if."

Share prices have regained lost ground in recent weeks, perhaps helped by the weakened forint. Still well off its peak, the Bux index is up 5.5 per cent on the year. But the outlook for equities, which had reached a record high early this year, looks gloomy. The austerity

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