

# Order Restored, Finances Stable

**Political and Fiscal Stability Achieved, but Outlook is Uncertain**

**Industry: Back on Track**

**Retail Trade: Growing  
Consumption Pessimism**

**Interest Rates: Money Supply  
Growth Pushes Interest Rates  
Down**

**Prices: Shooting Up**

**Exchange Rate: Outlook Stable**

**Fiscal Accounts: Tight but  
Manageable**

**External Accounts: Current  
Account Deficit Increasing**

The resurrection of the 1996 Constitution according the president more power; continuing controversy the drafting of a new Tax Code; and eroding consumption sentiments dominated the headlines over the past month.

The Constitutional Court on October 1 abolished the political reform of 2004, restoring presidential powers to appoint the Cabinet, and eliminating the very need for any parliamentary coalition. The Court decision was political, and reflected the will of the new authorities (the pesky independent-minded justices having been relieved of their posts just before the vote). While we've yet to see the full extent of change brought about by this shift, we can already state with confidence<<<