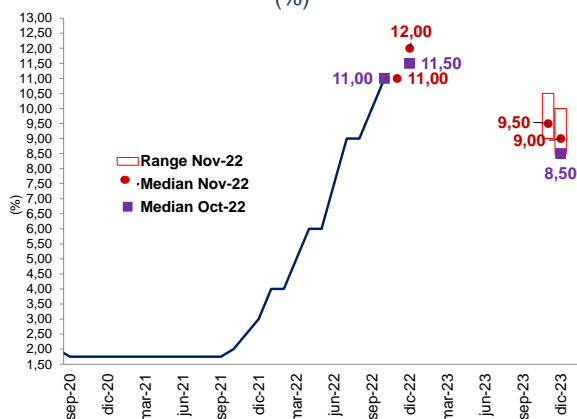


## CENTRAL BANK POLICY RATE

In October, the Board of Directors of the Central Bank increased the intervention rate by 100 bps to 11,0%. The next meeting of the Board of Directors, in which a monetary policy decision will be announced, will take place on December 16.

For November 2022, analysts expect the rate to stay at 11,0% at the end of the month and 12,00% at the end of the year. Finally, they anticipate a reduction throughout 2023 to 9,0% in December, reaching 9,5% in November 2023 (Graph 1).

**Graph 1. Central Bank interest rate (%)**



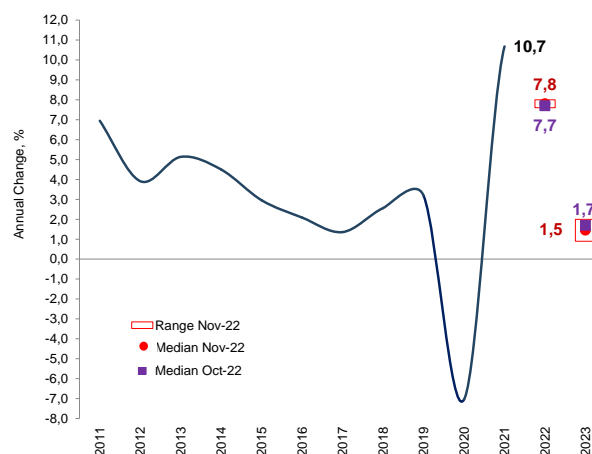
Source: Financial Opinion Survey, Fedesarrollo - BVC

## ECONOMIC GROWTH

In November, the economic growth forecast for 2022 ranges between 7,6% and 8,0%, with 7,8% as median response (7,7% in the previous FOS) (Graph 2). The economic growth forecast for 2023 was at 1,5%, ranging between 0,9% and 2,0%.

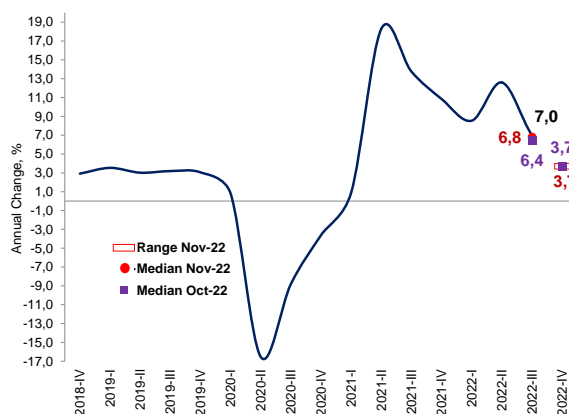
In the third quarter, annual growth was 7,0%, higher than analysts forecast for this edition (6,8%). Expectations for fourth quarter 2022 growth ranged between 3,4% and 4,0% with 3,7% as the median response (3,7% in the previous FOS) (Graph 3).

**Graph 2. GDP annual growth forecast-2022 and 2023**  
(Annual Change, %)



Source: Financial Opinion Survey, Fedesarrollo - BVC

**Graph 3. GDP growth forecast – third and fourth quarter 2022**  
(Annual Change, %)



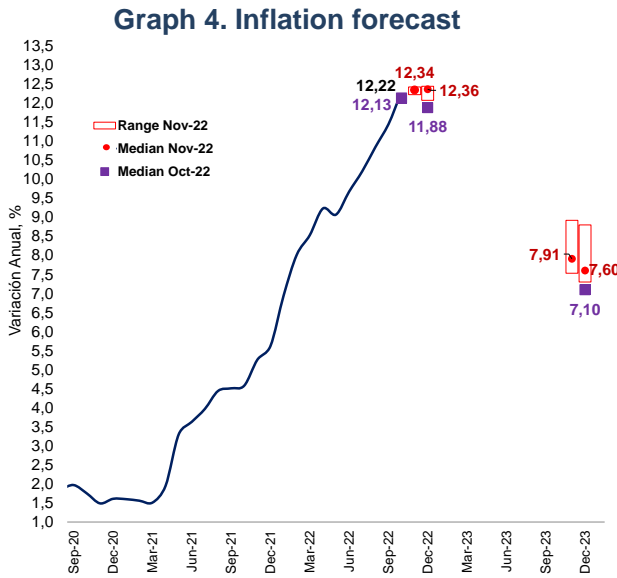
Source: Financial Opinion Survey, Fedesarrollo - BVC

## INFLATION

In October, the annual inflation reached 12,22%, above the analysts forecast in the previous edition (12,13%). In November, the analysts expect inflation to reach 12,34% (Graph 4), which means that inflation expectations remain above the target range (2,0% to 4,0%) of the Central Bank.

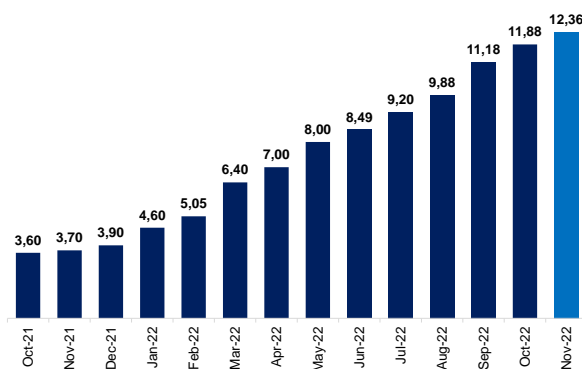
On the other hand, the experts foresee that the inflation at the end of 2022 will reach the value of 12,36% (in a range between 12,07% and 12,44%). This means that the prediction made at this edition is higher than the one

made on the previous month (11,88%) (Graph 5).



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 5. Inflation forecast - End 2022



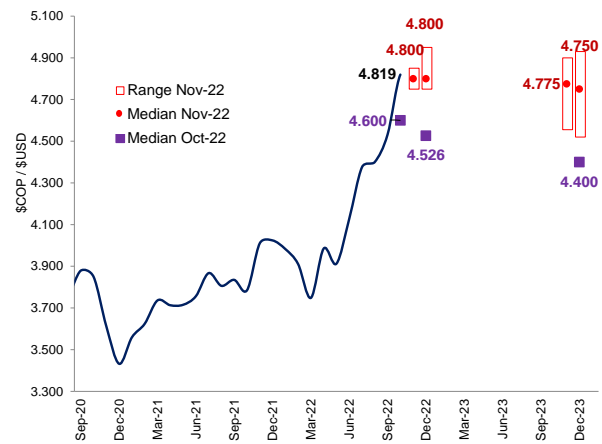
Source: Financial Opinion Survey, Fedesarrollo - BVC

## EXCHANGE RATE

In October, the exchange rate closed at \$4.819,42 with a monthly depreciation of 6,34%. On October 25 it reached a maximum value of \$4.968,94 pesos per dollar and on October 5 it reached a minimum value of \$4.484,74 pesos per dollar. **The exchange rate forecast by the end of the month ranges between \$4.750 and \$4.850, with \$4.800 as median response (Graph 6).**

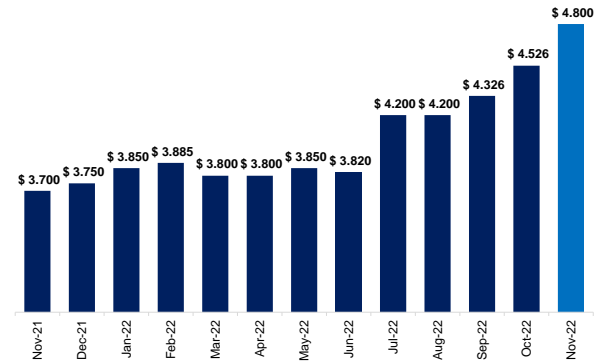
On the other hand, **experts forecast that the exchange rate will close at \$4.800 at the end of 2022. This means that the prediction made at this edition is 6,1% higher than the previous month (\$4.526) (Graph 7).**

Graph 6. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo – BVC

Graph 7. Exchange rate forecast  
End of 2022



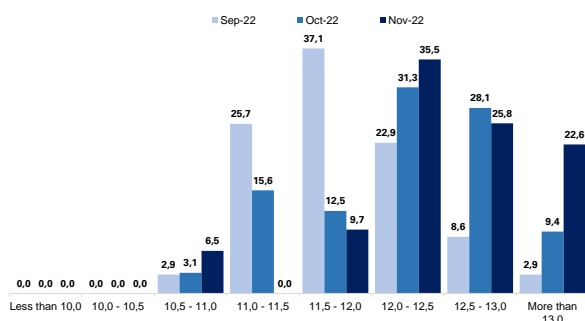
Source: Financial Opinion Survey, Fedesarrollo - BVC

## TES 2024 and 2028 RATE

In this edition, the percentage of analysts who considers that **the interest rate on the treasury bonds maturing in 2024 will be higher than 11,5% in three months are 93,5% (12,3-pps higher than the previous month). On the other hand, 6,5% estimate that it will be between 10,5% and 11,0% (Graph 8).**

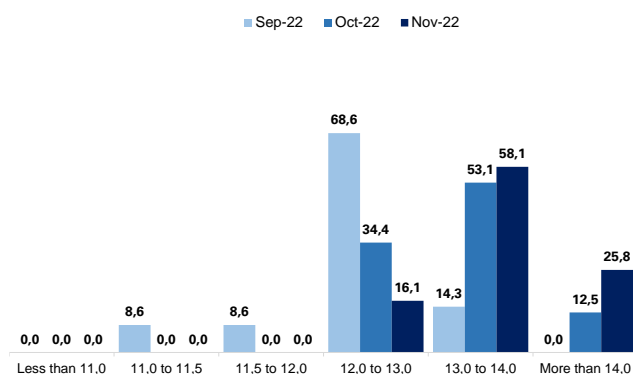
For TES maturing in 2028, **100,0% of the analysts expects the rate to be above 12,0% within three months. Particularly, 16,1% projects it to be between 12,0%-13,0%, 58,1% considers a rate amidst 13,0%-14% and 25,8% expect it above 14,0% (Graph 9).**

**Graph 8. Expectation of TES 2024 performance rate within 3 months**  
(% of answers)



Source: Financial Opinion Survey, Fedesarrollo – BVC

**Graph 9. Expectation of TES 2028 performance rate within 3 months**  
(% of answers)

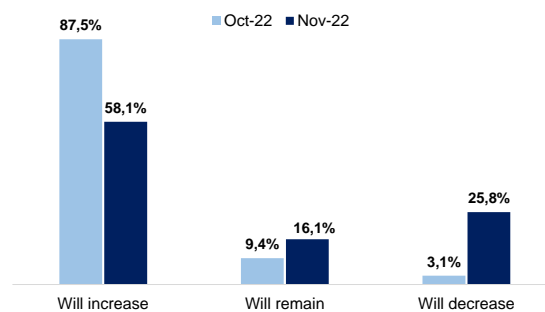


Source: Financial Opinion Survey, Fedesarrollo - BVC

## DEBT SPREAD – EMBI G COLOMBIA

The debt spread (EMBI G Colombia)<sup>1</sup> closed at 456-bps in October. **In November 58,1% of the analysts** (29,4-pps less than the previous FOS) **expects the spread to increase in the next three months**, while **25,81%** (22,7-pps plus than previous FOS) **expects it to decrease**. The remaining **16,13%** of the respondents **expects for the spread to remain equal** (6,8-pps plus than the previous FOS) (Graph 10).

**Graph 10. Expectation 3-months debt spread**  
(% of answers)

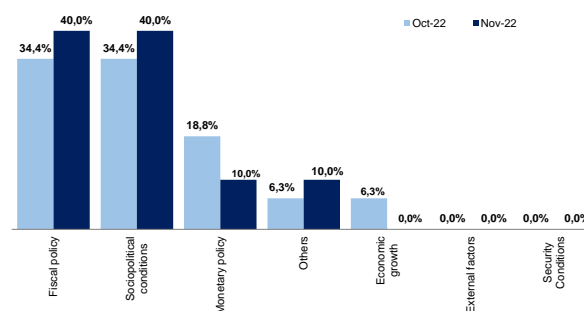


Source: Financial Opinion Survey, Fedesarrollo - BVC

## INVESTMENT DETERMINANTS

In this edition, **fiscal policy rank as the most important aspect considered for investing decisions, reaching 40,0% of participation** (vs. 34,4% in the previous month). The sociopolitical factors placed second with 40,0% (vs. 34,4% in the previous month). This was followed by monetary policy with 10,0% (vs. 18,8% in the previous month) and economic growth with 10,0% (vs. 6,3% in the previous month). Finally, external factors, security conditions and others are not relevant reasons for analysts (Graph 11).

**Graph 11. Most relevant factors for investment decisions**  
(% of answers)



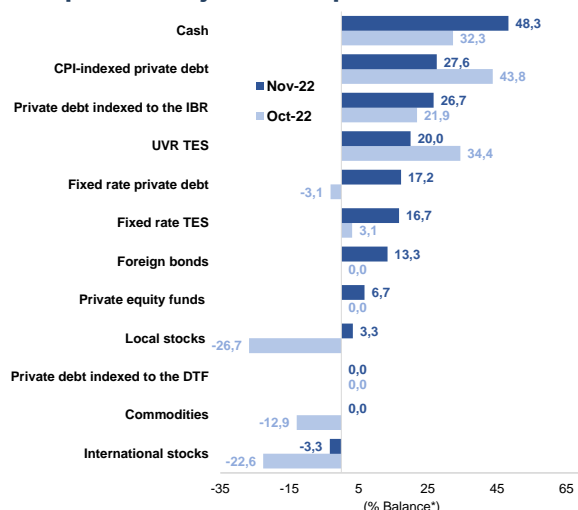
Source: Financial Opinion Survey, Fedesarrollo – BVC

## INVESTMENT PREFERENCES

Compared to October, **portfolio managers increased their preferences for international stocks, DTF-indexed debt, foreign bonds, fixed-rate TES and cash**. In contrast, there is evidence of a deterioration in preferences for local stocks, commodities, UVR TES and debt indexed to IBR, CPI and fixed rate (Graph 12).

<sup>1</sup> The debt spread (EMBI G Colombia) is defined as the difference between the yield of Colombian bonds issued abroad and the yield of American treasury securities.

Graph 12. Projection of positions in the



\*Balance: % of respondents who will increase their position minus % of respondents that will decrease their position  
Source: Financial Opinion Survey, Fedesarrollo – BVC

## MSCI COLCAP

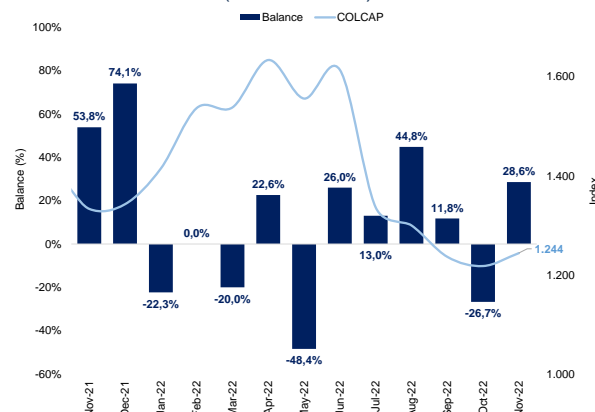
The MSCI COLCAP index is a market-capitalization weighted index that reflects price changes on the most liquid stocks listed in the Colombia's stock exchange. **In November, the 64,3% of the analysts** (vs. 36,7% in the previous FOS) **expects a valuation of the index within three months** (Table 1), while the remaining 35,7% of the analysts expects the index to devalue (vs. 63,3% in the previous FOS).

Table 1. Expectations about the MSCI COLCAP index price at 3 months  
(% of answers)

| Index COLCAP Price Level              | October 2022 | November 2022 |
|---------------------------------------|--------------|---------------|
| Will increase 10% or more             | 10,0%        | 17,9%         |
| Will increase between 5% and 9,99%    | 3,3%         | 14,3%         |
| Will increase between 0,01% and 4,99% | 23,3%        | 32,1%         |
| Will remain                           | 0,0%         | 0,0%          |
| Will decrease between 0,01% and 4,99% | 46,7%        | 28,6%         |
| Will decrease between 5% and 9,99%    | 16,7%        | 3,6%          |
| Will decrease between 10% or more     | 0,0%         | 3,6%          |

Source: Financial Opinion Survey, Fedesarrollo – BVC

Graph 14. Balance on the price of the MSCI COLCAP index 3 months\*  
(% of answers)

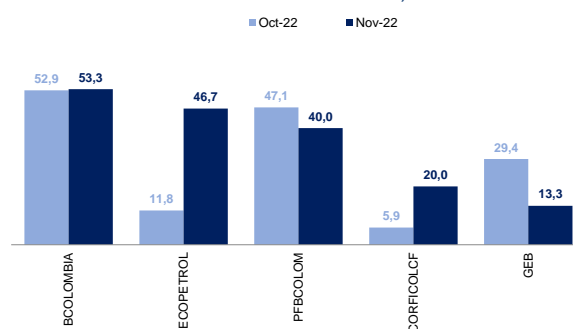


Source: Financial Opinion Survey, Fedesarrollo – BVC  
\* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation. The calculations use the index corresponding to the day on which the EOF was enabled.

## MOST ATTRACTIVE COLCAP SHARES

The FOS inquires the analysts for the most attractive stocks compounding the MSCI COLCAP index. **In November, the stock of Bancolombia was ranked in the first place with 53,3%. It was followed by Ecopetrol's stock and Bancolombia's preferential stock** (Graph 15).

Graph 15. More attractive MSCI COLCAP stocks for investors  
(% of the respondents who consider the stock as one of the three more attractive)

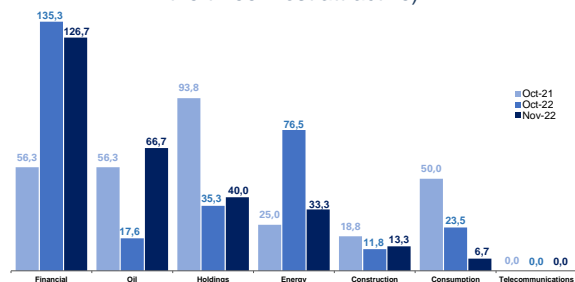


Source: Financial Opinion Survey, Fedesarrollo – BVC

Compared to the last month, there is greater appetite among respondents for shares of oil, holdings and construction, concentrating in financial and oil (Graph 16).

### Graph 16. Most attractive MSCI COLCAP sectors for investors

(% of the respondents who consider the stock as one of the three most attractive)



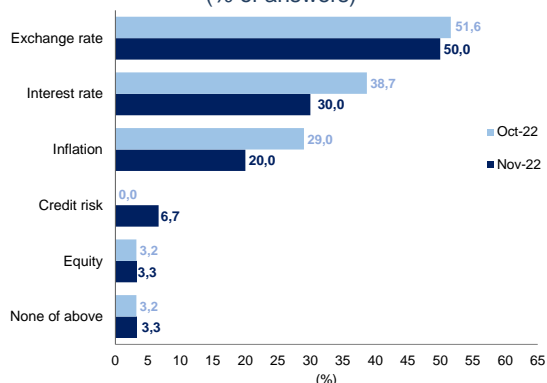
Source: Financial Opinion Survey, Fedesarrollo – BVC

### RISK COVERAGE

The FOS inquires portfolio managers about the types of risk for which they plan to hedge against, in the next three months. **In November, 50,0% of the respondents (51,6% in October) were planning to hedge against the exchange rate in the short term (Graph 17). The percentage of managers who expect to hedge against the interest rate is 30,0% and 20,0% against inflation (38,7% and 29,0% in October, respectively).**

### Graph 17. Coverage of the different types of risk for the next 3 months

(% of answers)



Source: Financial Opinion Survey, Fedesarrollo – BVC

**Table 2. Summary of the Macroeconomic Expectations**

| Variable                          | Temporality      | Observed | Forecast (Median of answers) |        |
|-----------------------------------|------------------|----------|------------------------------|--------|
|                                   |                  | Oct-22   | Oct-22                       | Nov-22 |
| Inflation (Annual variation, %)   | End of month     | 12,22    | 12,13                        | 12,34  |
|                                   | End of year 2022 |          | 11,88                        | 12,36  |
|                                   | End of year 2023 |          | 7,10                         | 7,60   |
| Exchange rate (\$)                | End of month     | 4.819    | 4.600                        | 4.800  |
|                                   | End of year 2022 |          | 4.526                        | 4.800  |
|                                   | End of year 2023 |          | 4.400                        | 4.750  |
| Monetary policy interest rate (%) | End of month     | 11,00    | 11,00                        | 11,00  |
|                                   | End of year 2022 |          | 11,50                        | 12,00  |
|                                   | End of year 2023 |          | 8,50                         | 9,00   |
| Growth (%)*                       | IIIQ-2022        | 7,0      | 6,40                         | 6,80   |
|                                   | IVQ-2022         |          | 3,70                         | 3,70   |
|                                   | 2022             |          | 7,70                         | 7,80   |
|                                   | 2023             |          | 1,70                         | 1,45   |

Source: Financial Opinion Survey – BVC

\* Original series

Published November 21, 2022

Comments to Gabriela Navarro Moscarella: [gnavarro@fedesarrollo.org.co](mailto:gnavarro@fedesarrollo.org.co)



**Contact us if you wish to access historical results and other survey questions**

+57 1 3259777 ext. 340  
[comercial@fedesarrollo.org.co](mailto:comercial@fedesarrollo.org.co)