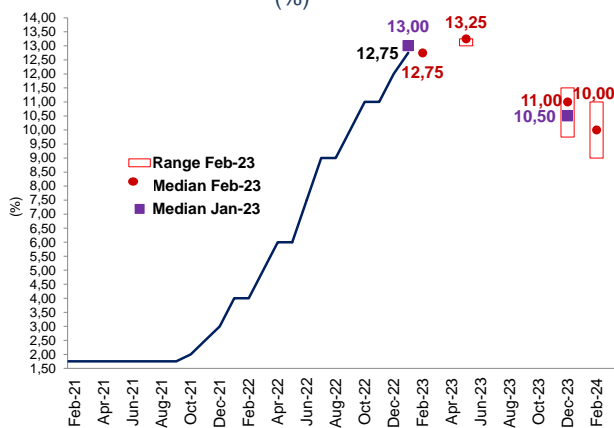


CENTRAL BANK POLICY RATE

In January 2022, the Board of Directors of the Central Bank increased the intervention rate by 75 bps to 12,75%. The next meeting of the Board of Directors, in which a monetary policy decision will be announced, will take place on March 31, 2023.

Given that in February 2023 there is no monetary policy decision, analysts expect the rate to stay at 12,75% at the end of the month and increase to 13,25% for May 2023. Finally, they anticipate a reduction throughout 2023 to 11,0% in December (vs. 10,50% in the previous edition), reaching 10,0% in February 2024 (Graph 1).

Graph 1. Central Bank interest rate
(%)



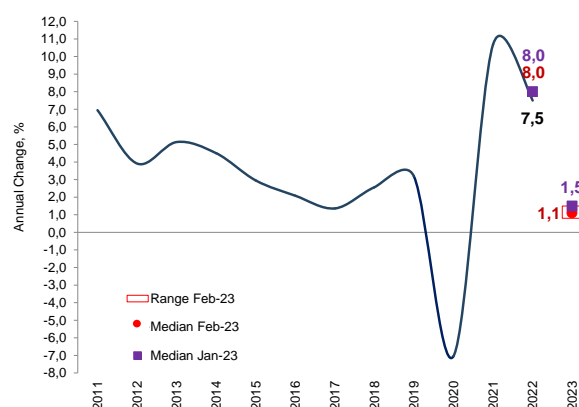
Source: Financial Opinion Survey, Fedesarrollo - BVC

ECONOMIC GROWTH

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

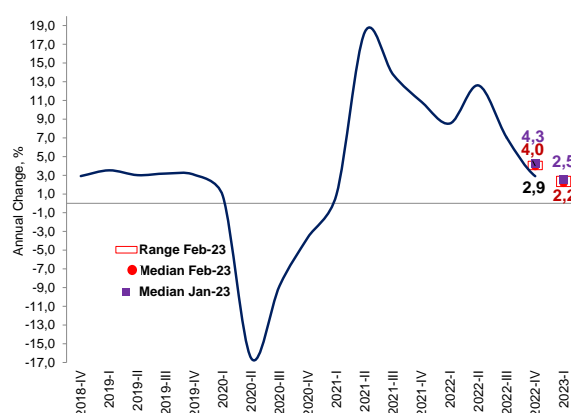
Expectations for fourth quarter 2022 growth ranged between 3,6% and 4,5% with 4,0% as the median response (4,3% in the previous FOS), in contrast with the observed data of 2,9%. On the other hand, analysts expect the first quarter's economic growth to be 2,2% (Graph 3).

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



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 3. GDP growth forecast – fourth quarter 2022 and first quarter 2023
(Annual Change, %)



Source: Financial Opinion Survey, Fedesarrollo - BVC

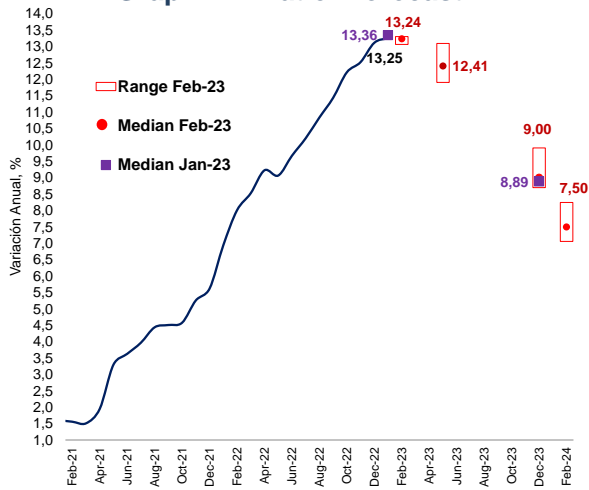
INFLATION

In January, the annual inflation reached 13,25%, below the analysts' forecast in the previous edition (13,36%), thus this has been the first downward surprise in six months. In February, the analysts expect inflation to reach 13,24% (in a range between 13,07% and 13,31%) (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 2023 will reach the

value of 9,00% (in a range between 8,70% and 9,91%). This means that the prediction made at this edition is higher than the one made on the previous month (8,89%).

Graph 4. Inflation forecast

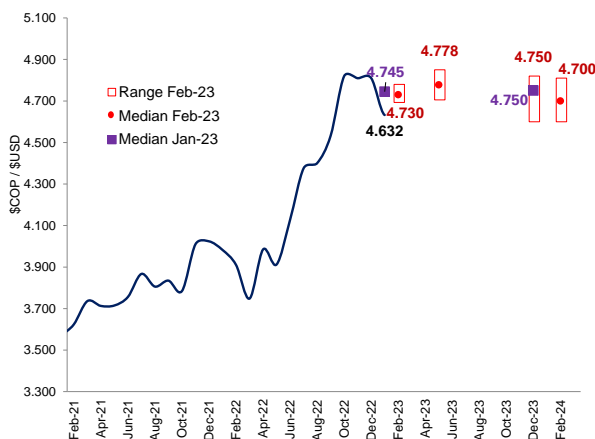


Source: Financial Opinion Survey, Fedesarrollo - BVC

EXCHANGE RATE

In January, the exchange rate closed at \$4.632,20 with a monthly appreciation of 3,7%, On January 6th it reached a maximum value of \$4.989,58 pesos per dollar and on January 27 it reached a minimum value of \$4.531,75 pesos per dollar. The exchange rate forecast by the end of the month ranges between \$4.693 and \$4.780, with \$4.730 as median response (Graph 5). For the end of 2023, analysts expect it to be at \$4.750, the same than the previous month.

Graph 5. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo - BVC

TES 2028 and 2032 RATE

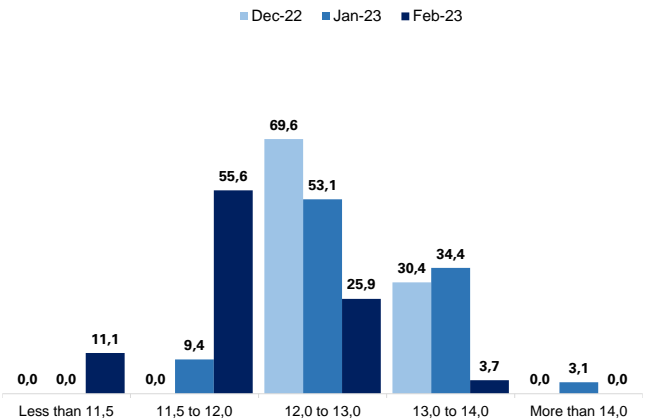
In this edition, 3,7% of analysts believe that the TES rate maturing in 2028 will be

¹ The debt spread (EMBIG Colombia) is defined as the difference between the yield of Colombian bonds issued abroad and the yield of American treasury securities.

between 10,5%-11,0% in three months, 11,1% projects it to be between 11,0%-11,5%, 55,6% expect it to be between 11,5%-12,0%, 25,9% expect it to be amidst 12,0%-13,0% and 3,7% expect it to be between 13,0%-14,0% (Graph 6).

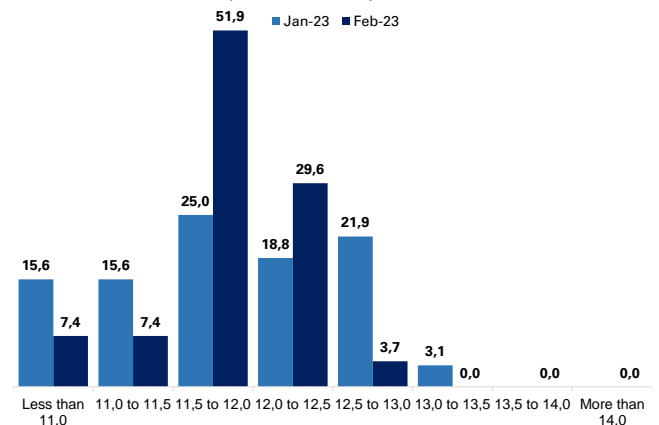
For TES maturing in 2032, 7,4% of analysts projects it to be less than 11,0%, 7,4% expect it to be between 11,0%-11,5%, 51,9% project it to be between 11,5%-12,0%, 29,6% consider it to be amidst 12,0%-12,5%, and 3,7% project it to be between 12,5%-13,0% (Graph 7).

Graph 6. Expectation of TES 2028 performance rate within 3 months (% of answers)



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 7. Expectation of TES 2032 performance rate within 3 months (% of answers)



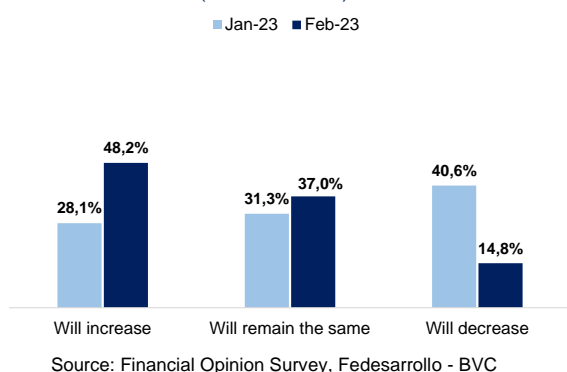
Source: Financial Opinion Survey, Fedesarrollo - BVC

DEBT SPREAD – EMBIG COLOMBIA

The debt spread (EMBIG Colombia)¹ closed at 376-bps in January. In February 48,2% of the analysts (20,0-pps more than the previous FOS) expects the spread to increase in the

next three months, while 14,8% (25,8-pps less than previous FOS) expects it to decrease. The remaining 37,0% of the respondents expects for the spread to remain equal (5,8-pps more than the previous FOS) (Graph 8).

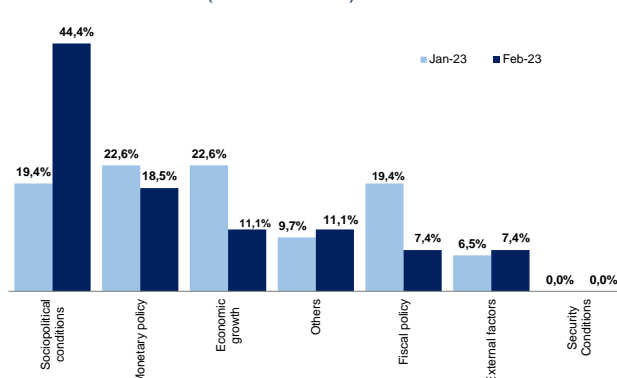
Graph 8. Expectation 3-months debt spread
(% of answers)



INVESTMENT DETERMINANTS

In this edition of the survey, socio-political conditions were shown as the most relevant aspect at the time of investing, being chosen by 44,4% of analysts (vs. 19,4% the previous month). Monetary policy came in second place with 18,5% of participation (vs. 22,6% the previous month). This was followed in order by economic growth and other factors with 11,1% of the share (vs. 22,6% and 9,7% the previous month, respectively). On the other hand, external factors increased from 6,5% to 7,4% and fiscal policy significantly decreased its relevance, from 19,4% in the previous month to 7,4% this month. As in the previous measurement, security conditions are not a relevant factor for investment decisions (Graph 9).

Graph 9. Most relevant factors for investment decisions
(% of answers)

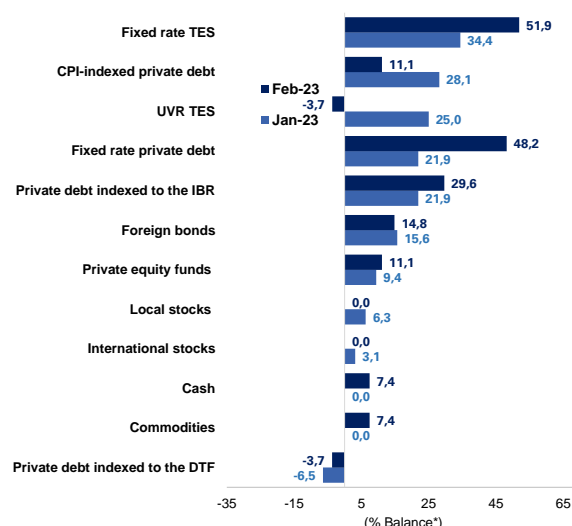


Source: Financial Opinion Survey, Fedesarrollo – BVC

INVESTMENT PREFERENCES

Compared to January 2023, portfolio managers increased their preferences for private debt indexed to the DTF, IBR and fixed rate, commodities, cash, private equity funds and fixed rate TES. In contrast, there was a decrease in preferences for international and local equities, foreign bonds, TES in UVR and private debt indexed to the CPI (Graph 10).

Graph 10. Projection of positions in the next 3 months for different assets



*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 February, the 36,0% of the analysts (vs. 58,6% in the previous FOS) expects a valuation of the index within three months (Table 1), while the remaining 64,0% of the analysts expects the index to devalue (vs. 41,4% in the previous FOS).

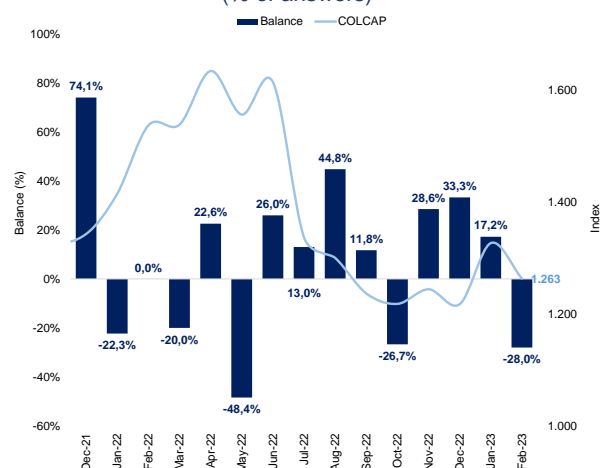
Table 1. Expectations about the MSCI COLCAP index price at 3 months
(% of answers)

Financial Opinion Survey February 2023

Index COLCAP Price Level	January 2023	February 2023
Will increase 10% or more	0,0%	4,0%
Will increase between 5% and 9,99%	20,7%	4,0%
Will increase between 0,01% and 4,99%	37,9%	28,0%
Will remain	0,0%	0,0%
Will decrease between 0,01% and 4,99%	27,6%	32,0%
Will decrease between 5% and 9,99%	10,3%	24,0%
Will decrease between 10% or more	3,4%	8,0%

Source: Financial Opinion Survey, Fedesarrollo – BVC

Graph 11. Balance on the price of the MSCI COLCAP index 3 months*
(% of answers)



Source: Financial Opinion Survey, Fedesarrollo – BVC

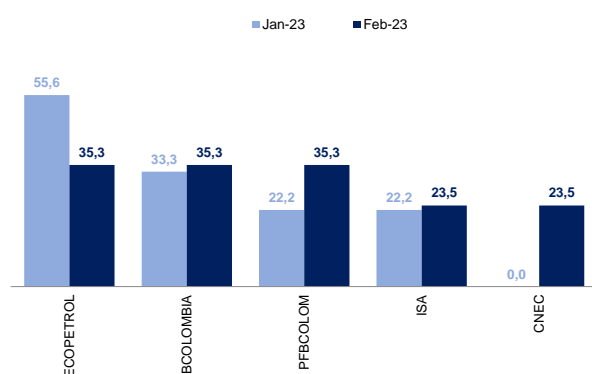
* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation. The calculations use the index corresponding to the day on which the EOF was enabled.

MOST ATTRACTIVE COLCAP SHARES

The FOS consults analysts about the three stocks that they consider most attractive within the MSCI COLCAP index. **In February, Ecopetrol's shares maintained first place in the ranking, being selected by 35.3% of analysts. It is followed, with the same proportion of analysts, by Bancolombia's common and preferred shares (35.3%) (Graph 12).**

Graph 12. More attractive MSCI COLCAP stocks for investors

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

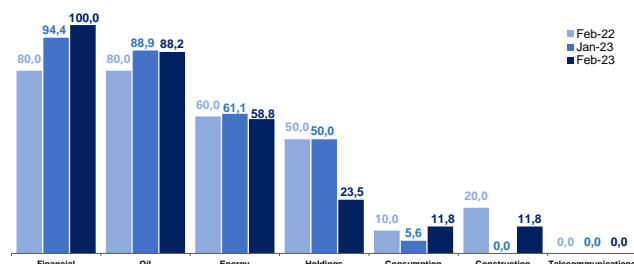


Source: Financial Opinion Survey, Fedesarrollo – BVC

Compared to the last month, there is greater appetite among respondents for shares of financial, consumption and construction (Graph 13).

Graph 13. Most attractive MSCI COLCAP sectors for investors

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



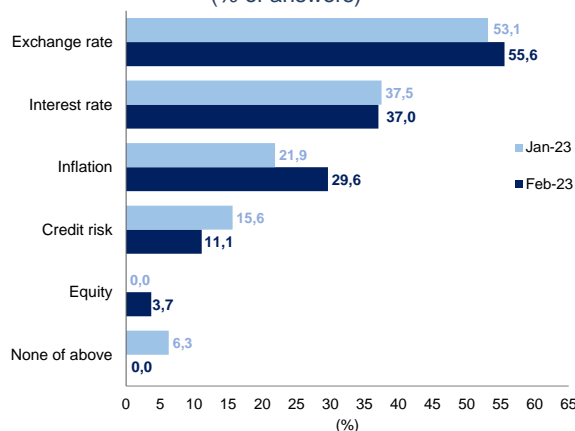
Source: Financial Opinion Survey, Fedesarrollo – BVC

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 February, 55,6% of the respondents (53,1% in January) were planning to hedge against the exchange rate in the short term (Graph 14). The percentage of managers who expect to hedge against the interest rate is 37,0% and 29,6% against inflation (37,5% and 21,9% in January, respectively).**

Graph 14. 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)	
		Jan-23	Jan-23	Feb-23
Inflation (Annual variation, %)	End of month	13,25	13,36	13,24
	End of year 2023		8,89	9,00
Exchange rate (\$)	End of month	4.632	4.745	4.730
	End of year 2023		4.750	4.750
Monetary policy interest rate (%)	End of month	12,75	13,0	12,8
	End of year 2023		10,5	11,0
Growth (%)*	IVQ-2022	2,90	4,3	4,0
	IQ-2023		2,5	2,2
	2022	7,50	8,0	8,0
	2023		1,5	1,1

Source: Financial Opinion Survey – BVC
*Original series

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Comments to Daniel García: dgarcia@fedesarrollo.org.co



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

+601 3259777 ext. 340
comercial@fedesarrollo.org.co