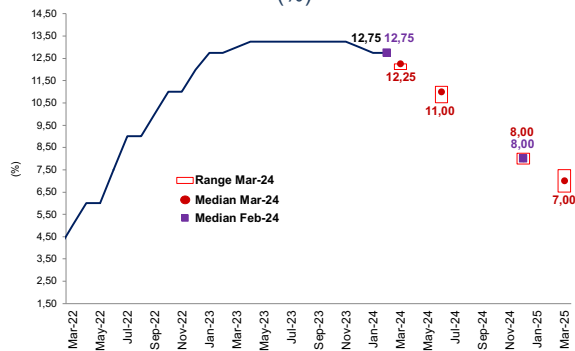


CENTRAL BANK POLICY RATE

In January 2024, the Board of Directors of Banco de la República (Colombia's Central Bank) decided to lower the intervention rate by 25 basis points, placing it at 12.75%. The next meeting at which a decision on the interest rate will be made will be on March 22, 2024.

In the months of March and June, analysts expect the intervention rate to be 12.25% and 11.00%, respectively. They also anticipate that the intervention rate will be at 8.00% in December 2024, unchanged compared to the previous month's expectation (Graph 1).

Graph 1. Central Bank interest rate (%)



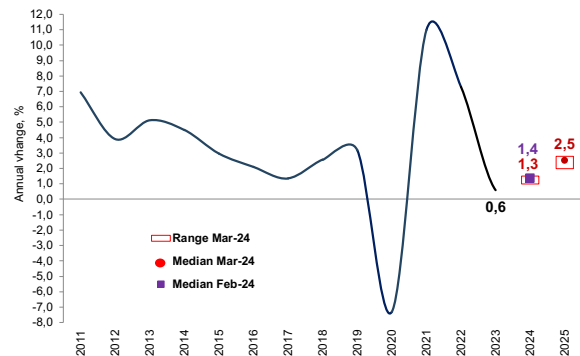
Source: Financial Opinion Survey, Fedesarrollo - bvc

ECONOMIC GROWTH

In March, the growth forecast for 2024 was in a range between 1.0% and 1.5%, with 1.3% as the median response (vs. 1.4% in the February edition) (Graph 2). The median for 2025 was 2.5%, placing it in a range between 2.0% and 2.8%.

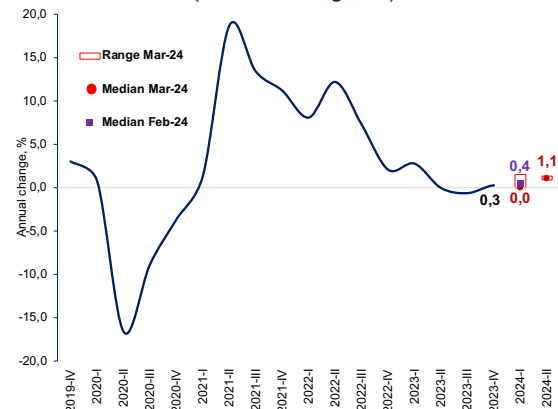
Expectations for the first quarter 2024 growth were in a range between -0.7% and 0.8%, with 0.0% as the median response (versus 0.4% in February). The growth forecast for the second quarter 2024 was 1.1% (Graph 3).

Graph 2. GDP annual growth forecast - 2024 and 2025 (Annual Change, %)



Source: Financial Opinion Survey, Fedesarrollo - bvc

Graph 3. GDP growth forecast - first quarter and second quarter 2024 (Annual Change, %)



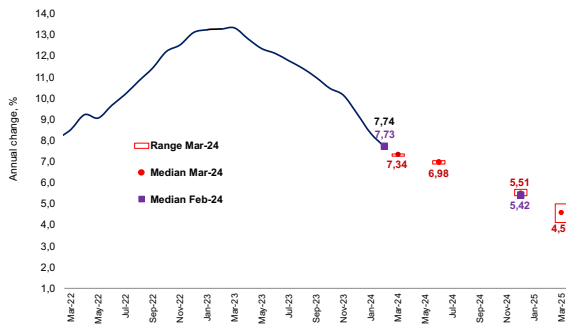
Source: Financial Opinion Survey, Fedesarrollo - bvc

INFLATION

In February, annual inflation stood at 7.74%, the same than the analysts' forecast (7.73%). In March, analysts expect inflation to be 7.34%, in a range between 7.26% and 7.37% (Graph 4).

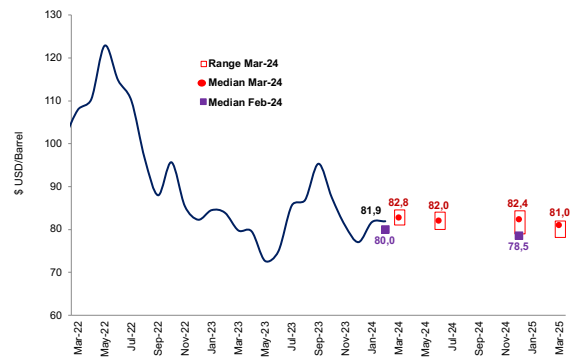
Analysts expect inflation to close at 5.51% in December 2024, in a range between 5.39% and 5.70% (vs. 5.42% in the previous measurement), so expectations remain outside the target range of Banco de la República (2-4%). 12-month expectations (as of March 2025) are at 4.59%.

Graph 4. Inflation forecast



Source: Financial Opinion Survey, Fedesarrollo - bvc

Graph 6. Brent oil prices - End of period

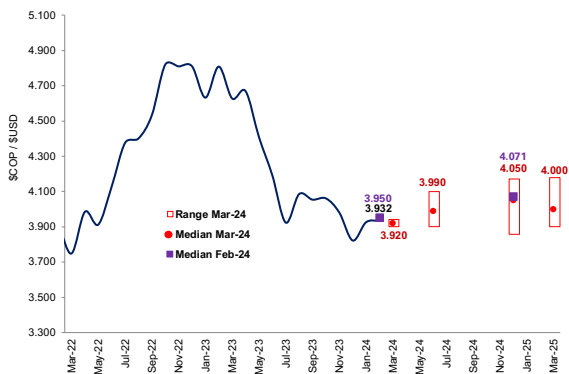


Source: Financial Opinion Survey, Fedesarrollo - bvc

EXCHANGE RATE

In February, the exchange rate closed at \$3.932, with a monthly depreciation of 0.2%, reaching its maximum value for the month on February 6th (\$3.976) and its minimum value on February 2nd (\$3.889). Thus, the observed value was \$18 lower than expected in the February survey. **In March, analysts consider that the exchange rate will be in a range between \$3.900 and \$3.941, with \$3.920 as the median response (Graph 5). By the end of 2024, they expect a rate of \$4.050, which is a decrease compared to the previous month's forecast (\$4.071).**

Graph 5. Exchange rate - end of period



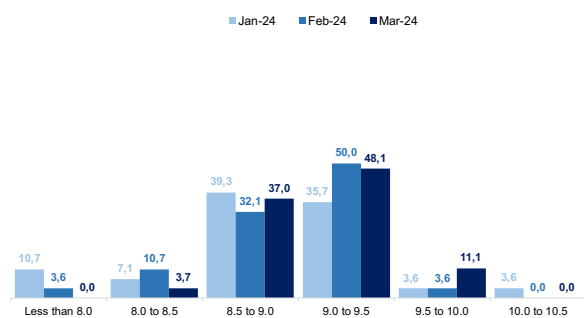
Source: Financial Opinion Survey, Fedesarrollo - bvc

TES 2028 and 2032 RATE

In this edition, **3.7% of analysts believe that the TES rate maturing in 2028 will be between 8.0%-8.5% in three months, 37.0% expect it to be between 8.5%-9.0%, 48.1% expect it to be between 9.0%-9.5% and 11.1% expect it to be above 9.5%** (Graph 7).

For TES maturing in 2032, **3.7% of analysts project its yield to be less than 9.0%, 22.2% of analysts project it to be between 9.0%-9.5%, 63.0% project it to be between 9.5%-10.0%, 7.4% project it to be between 10.0%-10.5% and 3.7% project it to be more than 10.5%**. (Graph 8).

Graph 7. Expectation of TES 2028 performance rate within 3 months (% of answers)



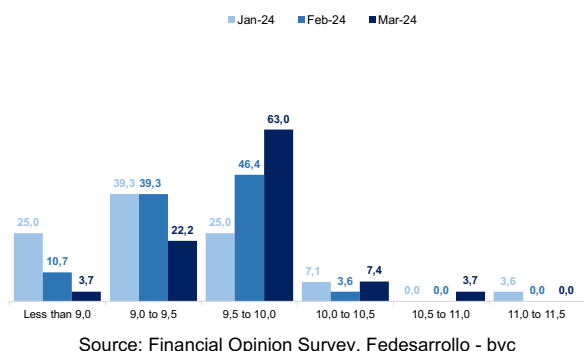
Source: Financial Opinion Survey, Fedesarrollo - bvc

OIL

In February, Brent oil prices closed at \$81.9 dollars, showing a monthly increase of 0.2% and \$1.9 dollars higher than analysts' expectations (\$80.0). **In March, analysts consider that oil prices will be in a range between \$81.0 and \$84.5, with \$82,8 as the median response (Graph 6). By the end of 2024, they expect a price of \$82.4 (versus \$78,5 in February).**

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.

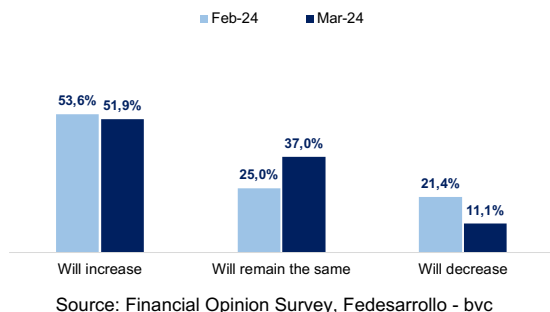
Graph 8. Expectation of TES 2032 performance rate within 3 months
(% of answers)



DEBT SPREAD – COLOMBIA EMBIG

The debt spread (EMBIG Colombia)¹ closed in February at 299 bps. In March, 51.9% of analysts (1.7 pps less than the previous month) expect the spread to increase in the next 3 months, while 11.1% (10.3 pps less than the previous month) expect it to decrease. The remaining 37.0% of respondents expect the spread to remain the same (12.0 pps more than the previous month) (Graph 9).

Graph 9. 3-month debt spread expectation
(% of answers)

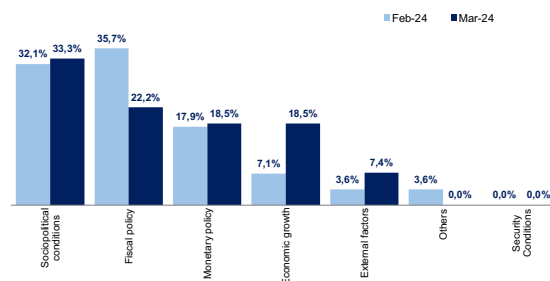


INVESTMENT DETERMINANTS

Socio-political conditions the most relevant factor at the time of investing, being chosen by 33.3% of analysts (vs. 32.1% the previous month). Fiscal policy ranked second with 22.2% of participation (vs. 35.7% the previous month). This was followed, in order, by monetary policy and economic growth, both with 18.5% of the share (vs. 17.9% and 7.1% the previous month, respectively). External factors were selected by 7.4% of analysts,

while security conditions and other factors accounted for 0.0% (Graph 10).

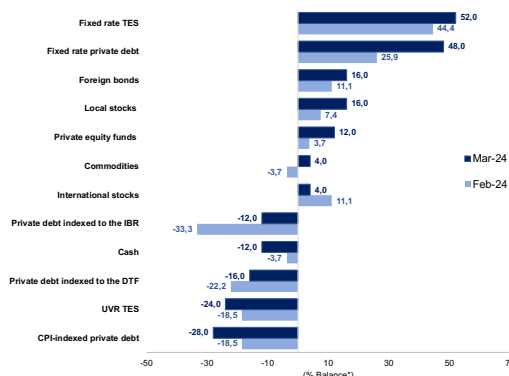
Graph 10. Most relevant factors for investment decisions
(% of answers)



INVESTMENT PREFERENCES

Compared to February, portfolio managers increased their preferences for private debt indexed to the DTF, IBR and fixed rate, commodities, private equity funds, local equities, foreign bonds and fixed rate TES. On the contrary, there was a decrease in preferences for private debt indexed to the CPI, TES in UVR, cash and international stocks (Graph 11).

Graph 11. Projection of positions in the next 3 months for different assets



MSCI COLCAP

The MSCI COLCAP reflects changes in the prices of the most liquid stocks on the Colombian Stock Exchange (bvc). In March, 64.0% of analysts (vs. 53.9% in February) expect the index to appreciate in three

¹ The debt spread (EMBIG Colombia) is defined as the difference between the yield on Colombian securities issued abroad and the yield on U.S. treasury securities.

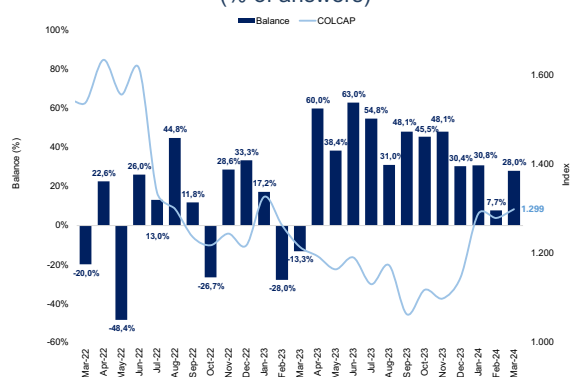
months (Table 1), while the remaining 36.0% expect the stock index to devalue (vs. 46.1% in February).

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

Index COLCAP Price Level	February 2024	March 2024
Will increase 10% or more	0,0%	0,0%
Will increase between 5% and 9.99%	15,4%	4,0%
Will increase between 0.01% and 4.99%	38,5%	60,0%
Will remain the same	0,0%	0,0%
Will decrease between 0.01% and 4.99%	19,2%	28,0%
Will decrease between 5% and 9.99%	23,1%	8,0%
Will decrease between 10% or more	3,8%	0,0%

Source: Financial Opinion Survey, Fedesarrollo – bvc

Graph 12. Balance on the price of the MSCI COLCAP index 3 months*
(% of answers)



Source: Financial Opinion Survey, Fedesarrollo – bvc

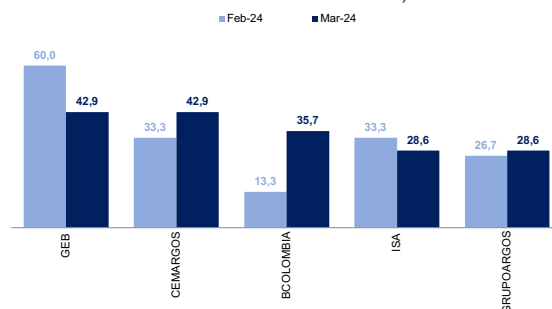
* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation. The calculations use the index corresponding to the day on which the FOS was enabled.

MOST ATTRACTIVE COLCAP SHARES

The FOS consults analysts about the three stocks they consider most attractive within the MSCI COLCAP index. **In March, the common shares of Grupo Energía Bogotá and Cementos Argos ranked first, being selected by 42.9% of analysts** (Graph 13). They were followed by the common shares of Bancolombia, ISA and Grupo Argos, which were selected by 35.7% and 28.6% (last two) of analysts, respectively.

Graph 13. Most attractive MSCI COLCAP stocks for investors

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

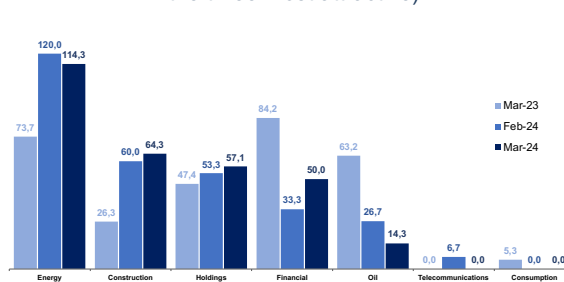


Source: Financial Opinion Survey, Fedesarrollo – bvc

This month there was a greater appetite for shares in the **construction, holdings and financial sectors** compared to the previous month (Graph 14).

Graph 14. Most attractive MSCI COLCAP sectors for investors

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

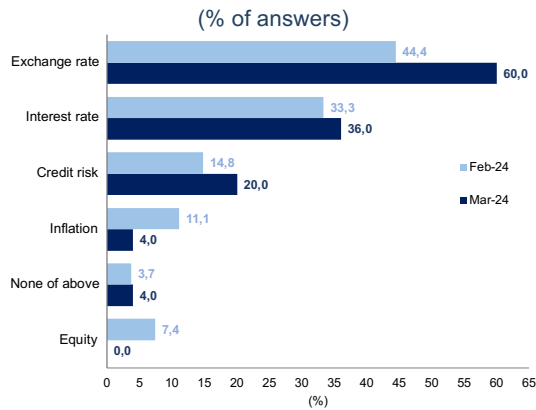


Source: Financial Opinion Survey, Fedesarrollo – bvc

RISK COVERAGE

The FOS asks portfolio managers about the types of risk for which they plan to hedge against in the next three months. **In March, 60.0% of respondents** (44.4% in February) **stated that they are planning to hedge against the exchange rate in the short term** (Graph 15). **In second place, the percentage of managers expecting to hedge against the interest rate was 36.0% while against credit risk it stood at 20.0%** (33.3% and 14.8% in February, respectively).

Graph 15. Coverage of the different types of risks for the next 3 months



Source: Financial Opinion Survey, Fedesarrollo – bvc

Table 2. Summary of macroeconomic expectations

Variable	Temporality	Observed	Forecast (Median of answers)	
		Feb-24	Feb-24	Mar-24
Inflation (Annual variation, %)	End of month	7,74	7,73	7,34
	End of year 2024		5,42	5,51
Exchange rate (\$)	End of month	3.932	3.950	3.920
	End of year 2024		4.071	4.050
Monetary policy interest rate (%)	End of month	12,75	12,75	12,25
	End of year 2024		8,00	8,00
Oil (Brent, \$USD/Barrel)	End of month	81,9	80,0	82,8
	End of year 2024		78,5	82,4
Growth (%)*	IVQ-2023		0,4	0,0
	IQ-2024			1,1
	2023		1,4	1,3
	2025			2,5

Source: Financial Opinion Survey – bvc
*Original series

Published March 20th, 2024
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