

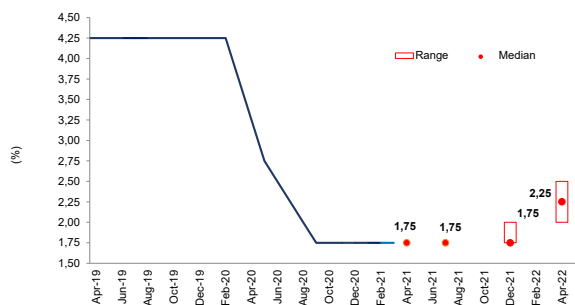
## CENTRAL BANK POLICY RATE

In March, the Board of Directors of the Central Bank decided to maintain its monetary policy in 1.75%.

By April, 100% of the analysts expect the interest rate to remain unchanged at 1.75%.

By the end of 2021, 65% of the analysts foresee an unchanged interest rate (1.75%), 2.5% expect a reduction of 25-bps. Meanwhile, 22,5% expects an increase of 25-bps, 5% expects an increase to reach a 2,25% interest rate and the remaining 5% expects it to reach 2,5% to the end of the year (Graph 1).

Graph 1. Central Bank interest rate



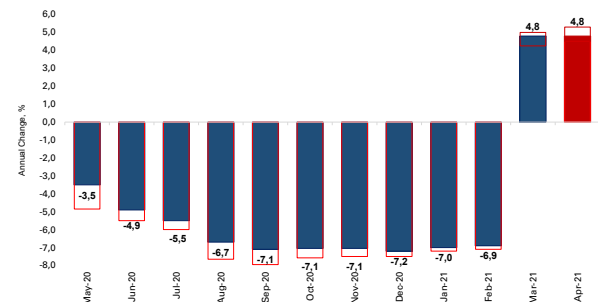
Source: Financial Opinion Survey, Fedesarrollo - BVC

## ECONOMIC GROWTH

In April, the economic growth forecast for 2021 ranges between 4.5% and 5.3%, with 4.80% as median response (4.8% in the previous FOS) (Graph 2). The economic growth forecast for 2022 was at 3.73%, ranging between 3.5% and 4%.

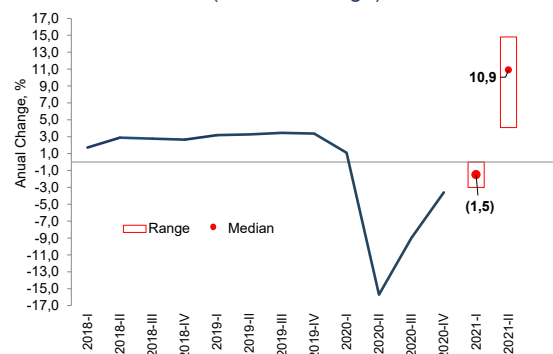
Expectations about the first quarter were in a median of -1.5%, ranging between -3% and 0%, (-1.7% in the previous FOS). Expectations regarding the second quarter growth reached 10.90%, ranging between -4.08% and 14.80% (Graph 3).

Graph 2. 2021 GDP annual growth forecast (Annual Change, %)



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 3. GDP growth forecast – first and second quarter 2021 (Annual Change)

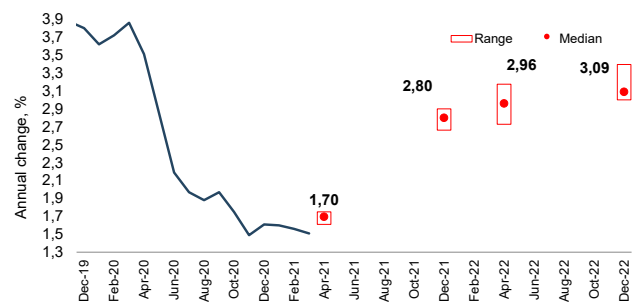


Source: Financial Opinion Survey, Fedesarrollo - BVC

## INFLATION

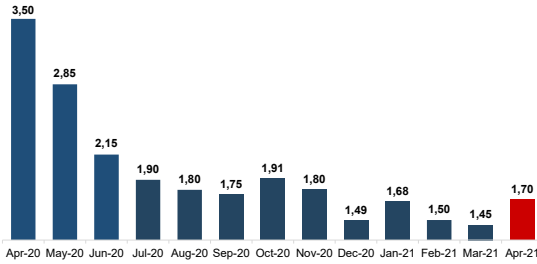
In March, the annual inflation reached 1.51%, higher than the analysts forecast in the previous edition (1.45%). In April, the analysts believe that inflation will be located in 1.70% (Graph 4). Inflation expectations for the end of 2021 were in 2.8% (Graph 5).

Graph 4. Inflation forecast



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 5. Inflation forecast – April 2021

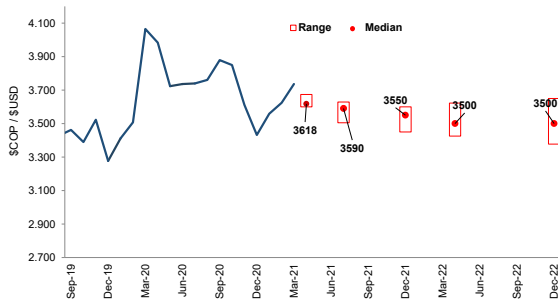


Source: Financial Opinion Survey, Fedesarrollo - BVC

## EXCHANGE RATE

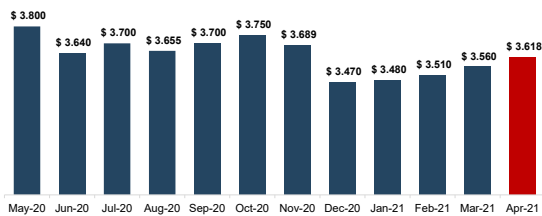
In March, the exchange rate closed at \$3,736.91, with a monthly appreciation of 3.09%. On March 31, it reached a maximum value of \$3,736.91 pesos per dollar and on March 12 it reached a minimum value of \$3,534.62 pesos per dollar. The exchange rate forecast by the end of the month ranges between \$3,600 and \$3,674, with \$3,618 as median response. (Graph 6). The exchange rate forecast for the end of 2021 was 3,550, ranging between \$3,450 and \$3600 (Graph 7). Finally, the exchange rate forecast for next three months ranges between \$3,405 and \$3,629, with \$3,590 as median response.

Graph 6. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo – BVC

Graph 7. Exchange rate forecast April 2021



Source: Financial Opinion Survey, Fedesarrollo - BVC

## TES 2024 and 2028 RATE

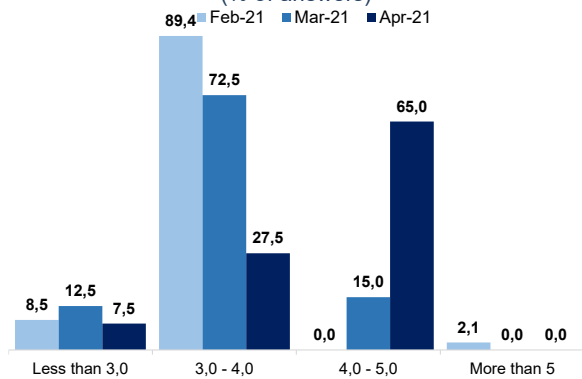
In March, the traded volume of the Colombian treasury bonds reached COP 31.2 billion, which entails a decrease of 38% compared to

the last month and a decrease of 22,1% related to March 2020.

In this edition, the percentage of analysts who considers that the interest rate on the treasury bonds maturing in 2024 will be under 3.0% during the next three months is 7.5%, meanwhile 27.5% expects it to be between 3.0% and 4.0%. The percentage of analysts who expects that the rate will be between 4.0% and 5.0% during the next three months is 65%; no one expects a rate over 5% (Graph 8).

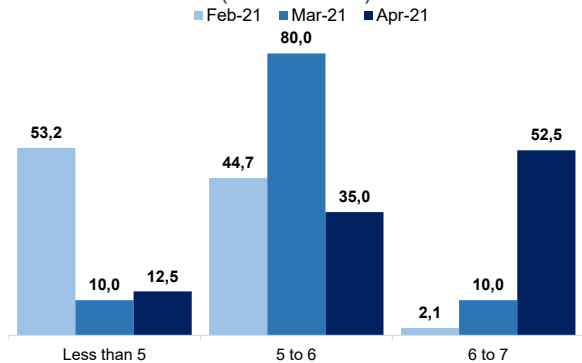
Regarding TES maturing in 2028, the 12,5% expects a rate lower than 5.0% during the next three months. The 35% of the analysts considers that the rate will be between 5.0% and 6.0%. Thus, most of them, the 52% of analysts, expects the rate to be located between 6.0% and 7.0%. No one considers it to be higher than 7% (Graph 9).

Graph 8. Expectation of TES 2024 performance rate for the next 3 months (% of answers)



Source: Financial Opinion Survey, Fedesarrollo – BVC

Graph 9. Expectation of TES 2028 performance rate for the next 3 months (% of answers)

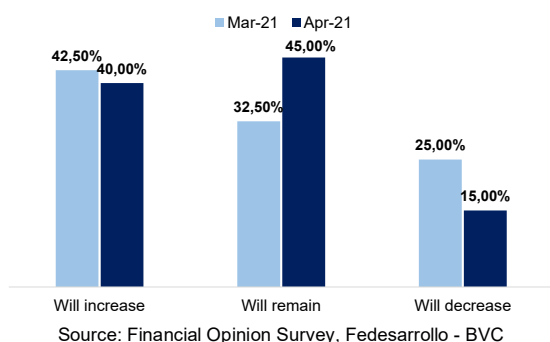


Source: Financial Opinion Survey, Fedesarrollo - BVC

## DEBT SPREAD – EMBI + COLOMBIA

The debt spread (EMBI + Colombia) is defined as the difference between the yield of Colombian bonds issued abroad and the yield of American treasury securities. The debt spread closed at 222-bps in March. **In April 40.0% of analysts (2.5-bps less than the previous FOS) expects the spread to increase in the next three months, while 15% (10-bps less than previous FOS) expects it to decrease. The remaining 45.0% of the respondents expects for the spread to remain equal (12.5-bps more than previous FOS) (Graph 10).**

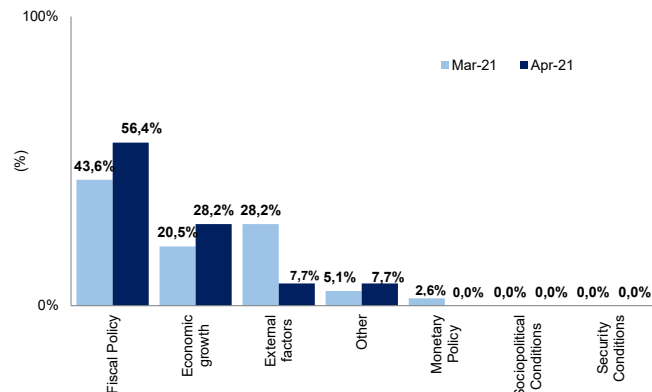
**Graph 10. Expectation 3-months debt spread**  
(% of answers)



### INVESTMENT DETERMINANTS

In this edition, the **Fiscal Policy** ranks as the most important aspect considered for investing decisions, reaching **56.41%** (43.6% in the previous month). Economic growth and external factors placed second and third place, respectively. Concerns accounting for economic growth reached 28.21% (20.5% in the previous month), while external factors 7.69% (28.2% in the previous month). Other factors was placed at fourth place, with 7.69% (5.1% in the previous month). In that category the evolution of Covid-19 is the other relevant topic. Monetary policy, sociopolitical conditions and security conditions were no relevant for the investors, with 0% each of them (Graph 11).

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



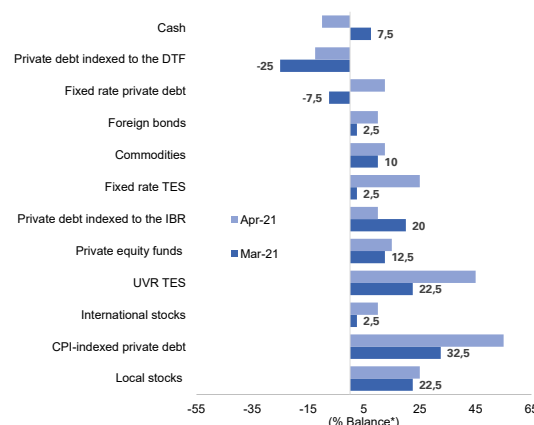
Source: Financial Opinion Survey, Fedesarrollo - BVC

### INVESTMENT PREFERENCES

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

Compared to the survey's historical average, there is a greater preference for local stocks, CPI-indexed private debt, international stocks. UVR TES, fixed rate TES, commodities, foreign bonds, fixed rate private debt and private debt indexed to IBR (Graph 13).

**Graph 12. Projection of positions in the next 3 months for different assets**

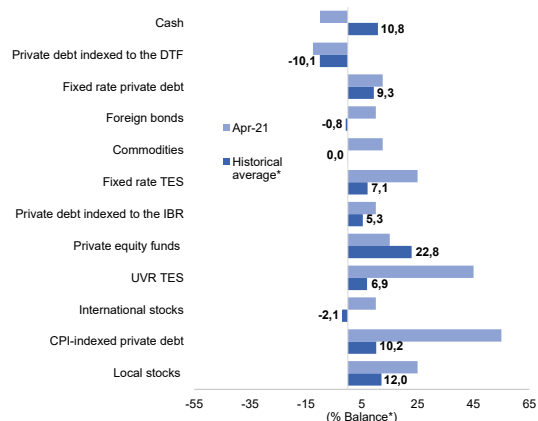


\*Balance: % of respondents who will increase their position minus % of respondents that will decrease their position

Source: Financial Opinion Survey, Fedesarrollo - BVC

**Graph 13. Projection of positions in the next 3 months for different assets vs historical average**

## Financial Opinion Survey April 2021



\* The historical average refers to the average of the response balances from June 2014 to date.

Source: Financial Opinion Survey, Fedesarrollo - BVC

## COLCAP

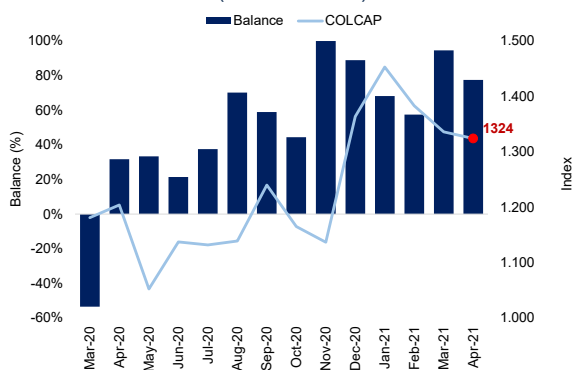
The COLCAP index is a market-capitalization weighted index that reflects price changes on the most liquid stocks listed in the Colombia's stock exchange. In April, the 85% of the analysts (97.3% in March) expect a valuation of the index during the next three months (Table 1). While 7.5% of the analysts expects the index to devalue and 7.5% of them expects it to remain the same (2.7% and 0% in the previous FOS).

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

Index COLCAP Price Level	March 2021	April 2021
Will increase 10% or more	5,4%	7,5%
Will increase between 5% and 9,99%	29,7%	25,0%
Will increase between 0,01% and 4,99%	62,2%	52,5%
Will remain	0,0%	7,5%
Will decrease between 0,01% and 4,99%	2,7%	7,5%
Will decrease between 5% and 9,99%	0,0%	0,0%
Will decrease between 10% or more	0,0%	0,0%

Source: Financial Opinion Survey, Fedesarrollo - BVC

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



Source: Financial Opinion Survey, Fedesarrollo - BVC

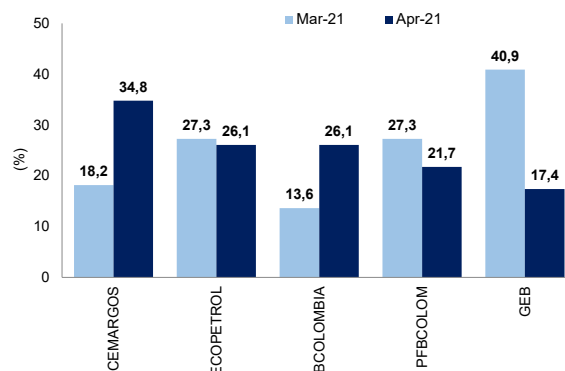
\* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation

## MOST ATTRACTIVE COLCAP SHARES

The FOS inquires the analysts for the most attractive stocks compounding the COLCAP index. In April, the ordinary stock of Cementos Argos was ranked in the first place with 34.8%. It was followed by Ecopetrol common stock, Bancolombia common stock, the preference stock of Bancolombia and the stock of Bogotá's Energy Group (Graph 15).

**Graph 15. More attractive COLCAP stocks for investors**

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

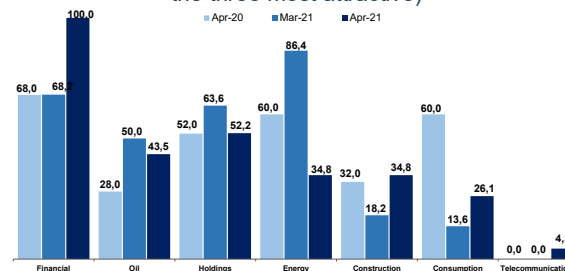


Source: Financial Opinion Survey, Fedesarrollo - BVC

Compared to the last month, there is greater appetite among respondents mainly for shares of the financial and construction sectors (Graph 16).

**Graph 16. Most attractive COLCAP sectors for investors**

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



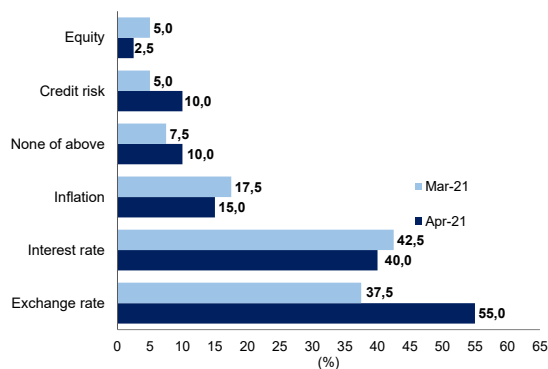
Source: Financial Opinion Survey, Fedesarrollo - BVC

## 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 April, 55% of the respondents (37.5% in March) were planning to hedge against the foreign

**exchange risk in the short term.** The percentage of managers who expect to hedge against the interest rate is 40% (42.5% in March).

**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	Observed	Forecasts (Median of answers)		
	Feb-21	March-21	June-21	Dec-21
Inflation (Annual variation, %)	1.51	1.7		2.8
Exchange rate	\$ 3,736.91	\$ 3.618	\$ 3.590	\$ 3.550
Monetary policy interest rate (%)	1.75	1.75	1,75	1,75
	4Q-2020	IQ-2021	Year 2021	Year 2022
Growth (%)	-3.6	-1.5	4.8	3.73

Source: Financial Opinion Survey - BVC

Published April 19, 2021  
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**Contact us if you wish to access historical results and other survey questions**

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