

# Financial Opinion Survey

June 2022

Bulletin No.206

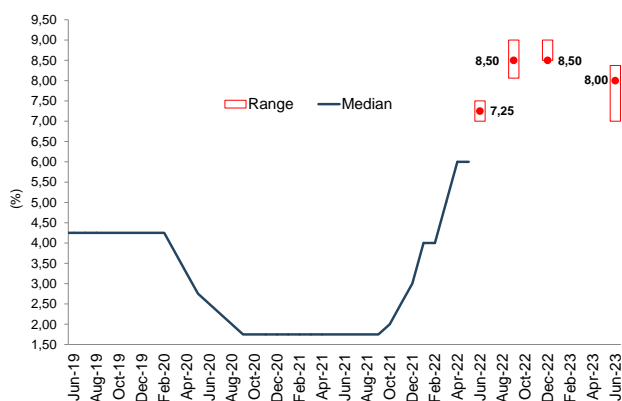


## CENTRAL BANK POLICY RATE

In April, the Board of Directors of the Central Bank placed the intervention rate in 6,0%. The next meeting of the Board of Directors in which a monetary policy decision will be announced will take place on June 30.

By June 2022, analysts expect the intervention rate to increase to 7,25% by the end of the month. In turn, they expect it to increase to 8,5% in September and to remain there by the end of 2022. (Graph 1).

Graph 1. Central Bank interest rate (%)



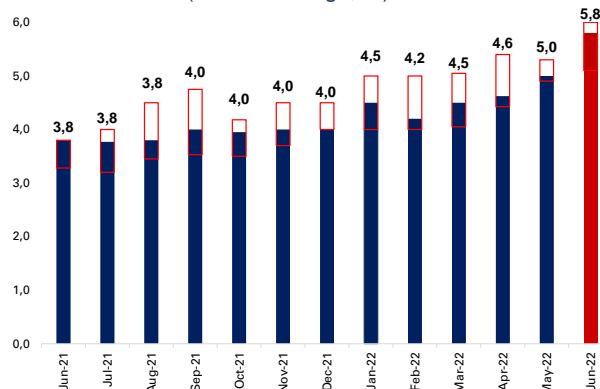
Source: Financial Opinion Survey, Fedesarrollo - BVC

## ECONOMIC GROWTH

In June, the economic growth forecast for 2022 ranges between 5,1% and 6,0%, with 5,8% as median response (5,0% in the previous FOS) (Graph 2). The economic growth forecast for 2023 was at 3,2%, ranging between 2,6% and 3,7%.

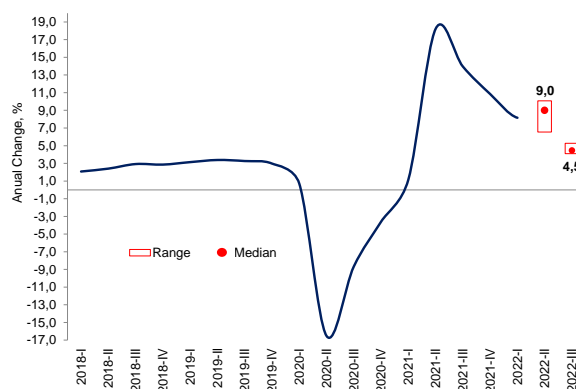
Expectations for second quarter 2022 growth ranged between 6.6% and 10.1% with 9.0% as the median response (6,7% in the previous FOS) (Graph 3). Expectations regarding the third quarter of 2022 growth reached 4,5%, ranging between 4,1% and 5,3%.

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



Source: Financial Opinion Survey, Fedesarrollo - BVC

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



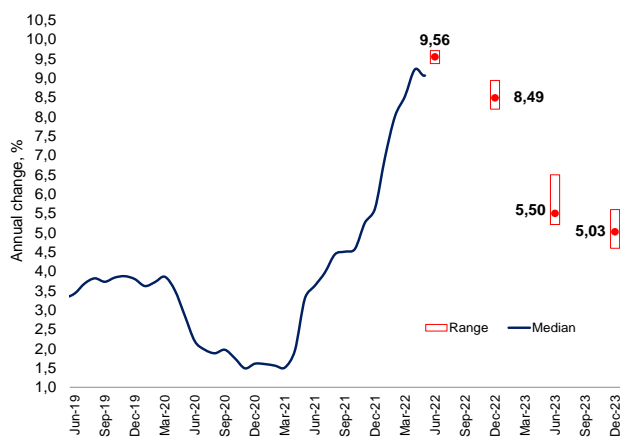
Source: Financial Opinion Survey, Fedesarrollo - BVC

## INFLATION

In May, the annual inflation reached 9,07%, slightly below the analysts forecast in the previous edition (9,10%). In June, the analysts expect inflation to reach 9,56% (Graph 4), which means that inflation expectations remain above the target range (2,0% to 4,0%) of the Central Bank.

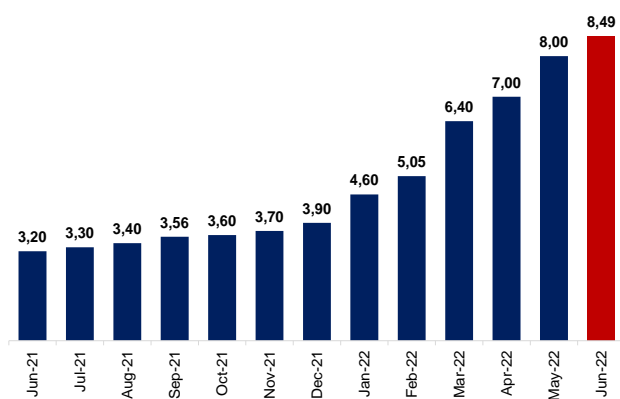
On the other hand, the experts foresee that the inflation at the end of 2022 will reach the value of 8,49%. This means that the prediction made at this edition is higher than the one made on the previous month (8,0%) (Graph 4).

Graph 4. Inflation forecast



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 5. Inflation forecast - End 2022



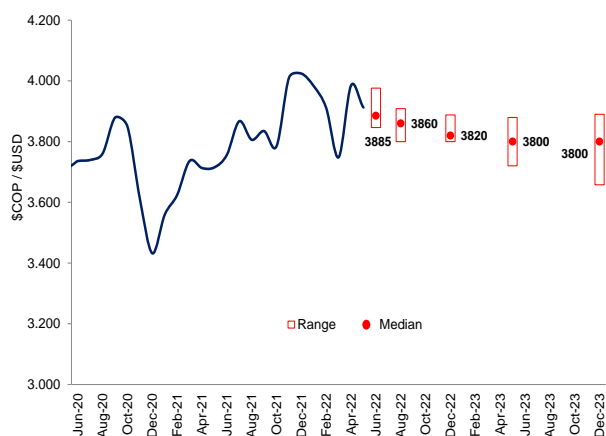
Source: Financial Opinion Survey, Fedesarrollo - BVC

## EXCHANGE RATE

In May, the exchange rate closed at \$ 3.912,34 with a monthly appreciation of 1,82%. On May 16 it reached a maximum value of \$ 4.110,53 pesos per dollar and on May 31 it reached a minimum value of \$3.912,34 pesos per dollar. **The exchange rate forecast by the end of the month ranges between \$3.846 and \$3.976, with \$3.885 as median response (Graph 6).**

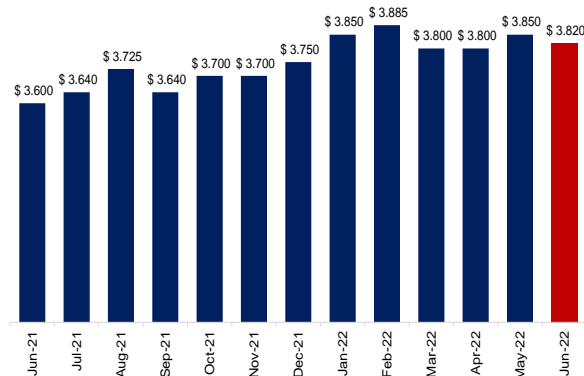
On the other hand, **experts forecast that the exchange rate will close at \$3.820 at the end of 2022 (Graph 7).**

Graph 6. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 7. Exchange rate forecast  
End of 2022



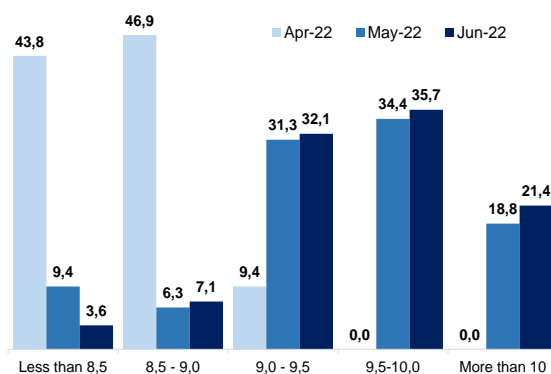
Source: Financial Opinion Survey, Fedesarrollo - BVC

## 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 between 9,0%-9,5% and 9,5%-10,0% during the next three months are 32,1% and 35,7%, respectively (Graph 8).** This is followed by **21,4% who expect it to be above 10,0%.** The remaining **10,7% predicted it to be below 9%.** This shows an increase in the predictions made by the experts compared to the previous editions.

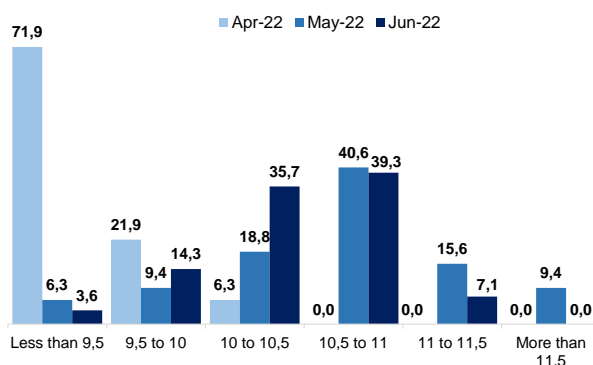
Regarding TES maturing in 2028, **39,3% of the analysts expects a rate between 10,5% and 11,0%; meanwhile there is an 35,7% that expects it to be between 10,0% and 10,5% for the next 3 months (Graph 9).** This shows an increase in expectations with respect to the previous edition.

**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)

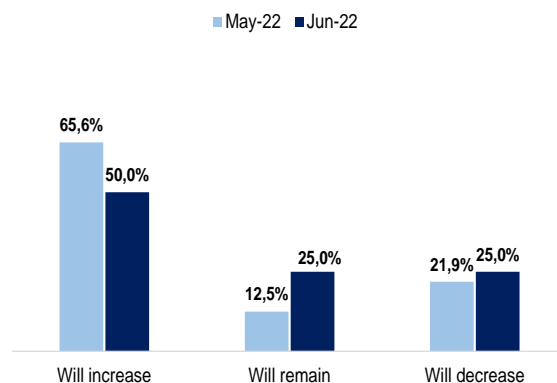


Source: Financial Opinion Survey, Fedesarrollo - BVC

## 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 331-bps in May. **In June, 50,0% of the analysts (15,6-pps less than the previous FOS) expects the spread to increase in the next three months, while 25,0% (3,1-pps more than previous FOS) expects it to decrease. The remaining 25,0% of the respondents expects for the spread to remain equal (12,5-pps more than the previous FOS) (Graph 10).**

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

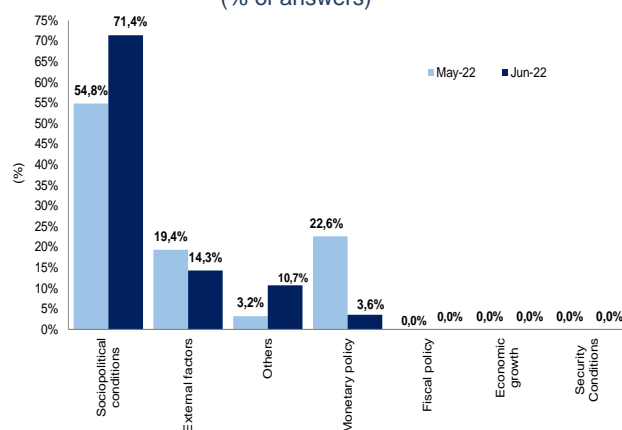


Source: Financial Opinion Survey, Fedesarrollo - BVC

## INVESTMENT DETERMINANTS

**In this edition, the sociopolitical conditions rank as the most important aspect considered for investing decisions, reaching 71,4% (54,8% in the previous month).** External factors placed second, with 14,3% (19,4% in the previous month). The other factors category, such as the upcoming presidential elections, were placed at third place, with 10,7% (3,2% in the previous month). Finally, 3,6% of analysts (22,6% last month) considered monetary policy as a relevant factor to investing. On the other hand, fiscal policy, economic growth, and security conditions are not relevant reasons for analysts (Graph 11).

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



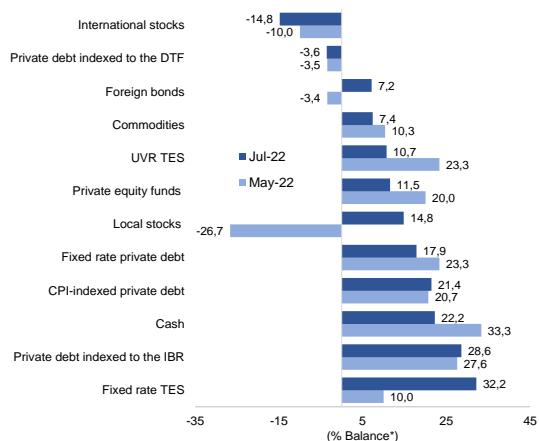
Source: Financial Opinion Survey, Fedesarrollo – BVC

## INVESTMENT PREFERENCES

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

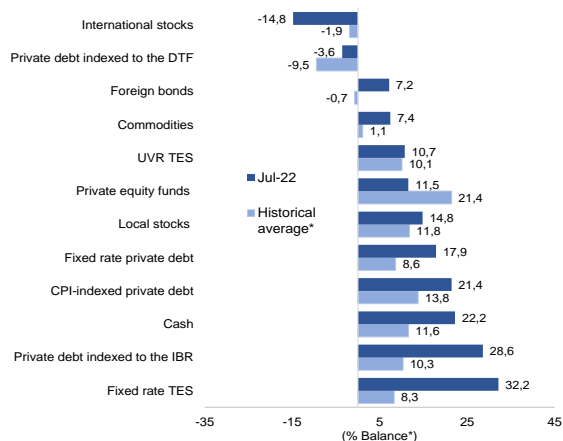
Compared to the survey's historical average, there is a greater preference for all assets, except international stocks and private equity funds (Graph 13).

**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**



\* The historical average refers to the average of the response balances from June 2014 to date.  
Source: Financial Opinion Survey, Fedesarrollo – BVC

## MSCI COLCAP

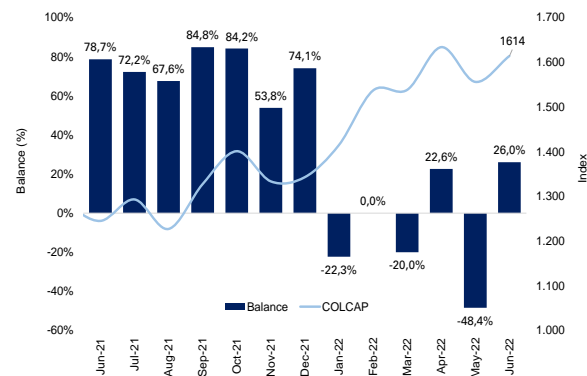
The MSCI COLCAP index is a market-capitalization weighted index that reflects price changes on the most liquid stocks listed in the Colombia's stock exchange. In June, the 63,0% of the analysts (25,8% in May) expects a valuation of the index during the next three months (Table 1), while the remaining 37,0% of the analysts expects the index to devalue (74,2% in the previous FOS).

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

Index COLCAP Price Level	May 2022	June 2022
Will increase 10% or more	0,0%	0,0%
Will increase between 5% and 9,99%	3,2%	29,6%
Will increase between 0,01% and 4,99%	22,6%	33,3%
Will remain	0,0%	0,0%
Will decrease between 0,01% and 4,99%	32,3%	22,2%
Will decrease between 5% and 9,99%	32,3%	3,7%
Will decrease between 10% or more	9,7%	11,1%

Source: Financial Opinion Survey, Fedesarrollo – BVC

**Graph 15. Balance on the price of the MSCI COLCAP index 3 months\***  
(% of answers)



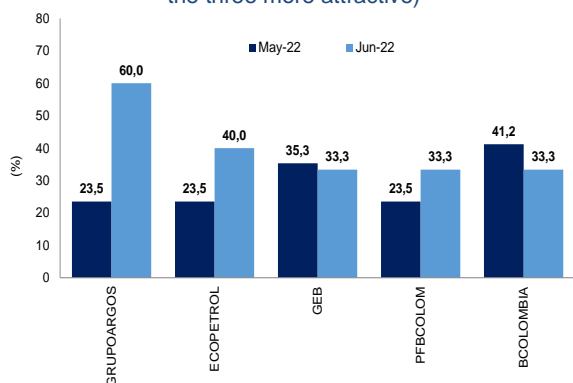
Source: Financial Opinion Survey, Fedesarrollo – BVC  
\* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation

## MOST ATTRACTIVE COLCAP SHARES

The FOS inquires the analysts for the most attractive stocks compounding the MSCI COLCAP index. In June, the stock of Grupo Argos was ranked in the first place with 60,0%. It was followed by the stock of Ecopetrol, GEB, Bancolombia's preferential stock and Bancolombia's 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)

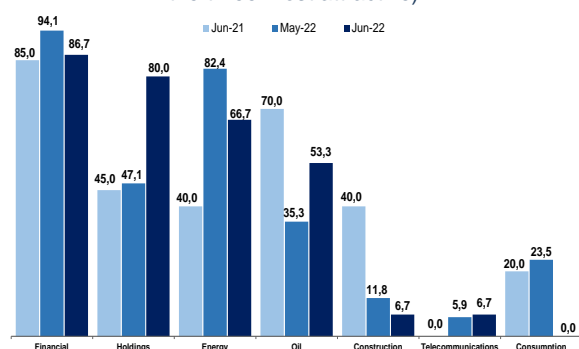


Source: Financial Opinion Survey, Fedesarrollo – BVC

Compared to the last month, there is greater appetite among respondents for shares of Holdings, oil, and telecommunications sectors (Graph 16).

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

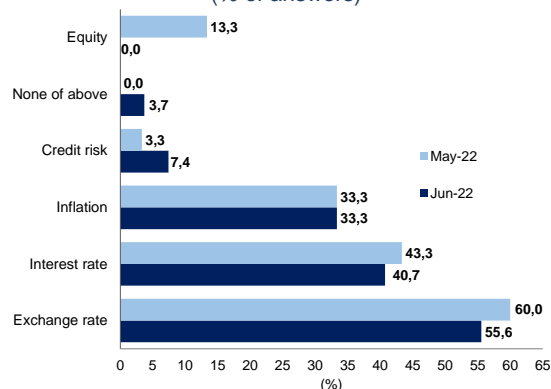
(% of the respondents who consider the stock as one of the three most attractive)



Source: Financial Opinion Survey, Fedesarrollo – BVC

**Graph 18. Coverage of the different types of risk for the next 3 months**

(% of answers)



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 June, 55,6% of the respondents (60,0% in Mayo) were planning to hedge against the exchange rate in the short term. The percentage of managers who expect to hedge against the interest rate is 40,7% (43,3% in May).**

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

Variable	Observed	Forecasts (Median of answers)		
	May-22	Jun-22	Sep-22	Dec-22
Inflation (Annual variation, %)	9,07	9,56		8,49
Exchange rate	\$ 3.912,34	\$ 3.885	\$ 3.860	\$ 3.820
Monetary policy interest rate (%)	6,0	7,25	8,5	8,5
	IQ-2022	IIQ-2022	IIIQ-2022	2022
Growth (%)	8,2	9,0	4,5	5,8

Source: Financial Opinion Survey - BVC

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

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