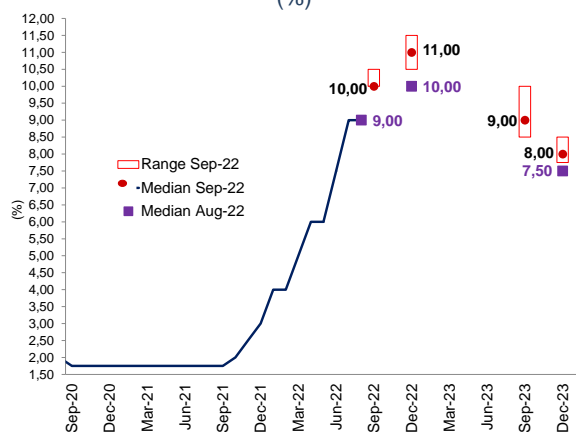


CENTRAL BANK POLICY RATE

In July, the Board of Directors of the Central Bank increased the intervention rate by 150 bps to 9,0%. The next meeting of the Board of Directors, in which a monetary policy decision will be announced, will take place on September 30.

For September 2022, analysts expect the rate to increase to 10,0% at the end of the month and 11,0% at the end of the year. Finally, they anticipate a reduction throughout 2023 to 8,0% in December, reaching 9,0% in September 2023 (Graph 1).

Graph 1. Central Bank interest rate (%)



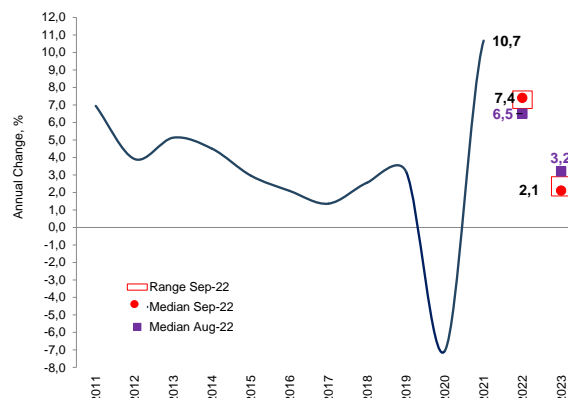
Source: Financial Opinion Survey, Fedesarrollo - BVC

ECONOMIC GROWTH

In September, the economic growth forecast for 2022 ranges between 6,8% and 7,8%, with 7,4% as median response (6,5% in the previous FOS) (Graph 2). The economic growth forecast for 2023 was at 2,1%, ranging between 1,8% and 2,9%.

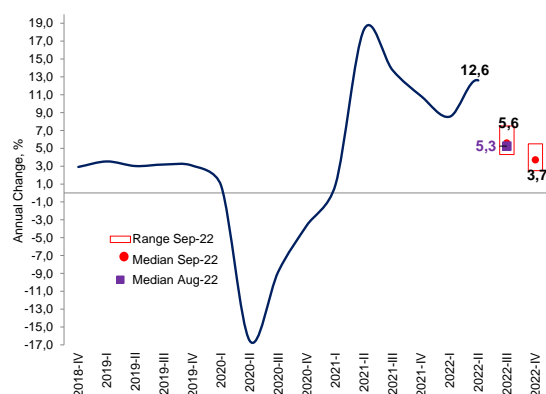
Expectations for third quarter 2022 growth ranged between 4,3% and 7,5% with 5,6% as the median response (5,3% in the previous FOS) (Graph 3).

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



Source: Financial Opinion Survey, Fedesarrollo - BVC

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



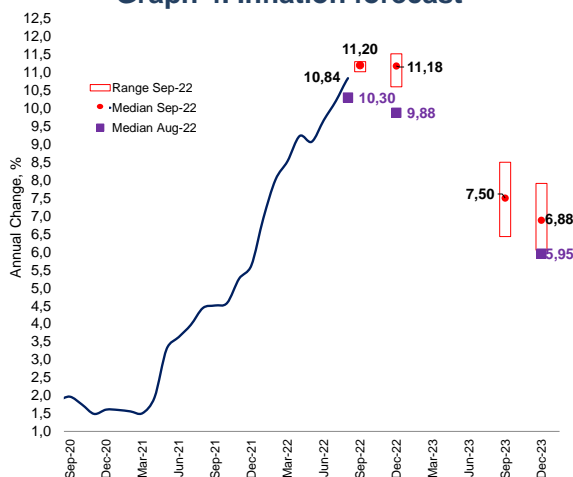
Source: Financial Opinion Survey, Fedesarrollo - BVC

INFLATION

In August, the annual inflation reached 10,84%, above the analysts forecast in the previous edition (10,30%). In September, the analysts expect inflation to reach 11,20% (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 11,18%. This means that the prediction made at this edition is higher than the one made on the previous month (9,88%) (Graph 5).

Graph 4. Inflation forecast



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 5. Inflation forecast - End 2022



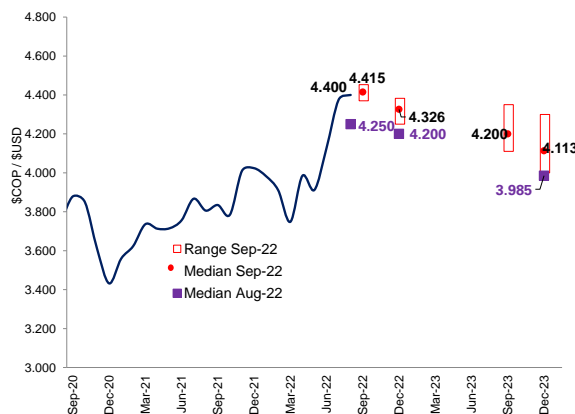
Source: Financial Opinion Survey, Fedesarrollo - BVC

EXCHANGE RATE

In August, the exchange rate closed at \$ 4.400,16 with a monthly depreciation of 0,56%. On August 19 it reached a maximum value of \$ 4.413,86 pesos per dollar and on August 16 it reached a minimum value of \$4.185,49 pesos per dollar. **The exchange rate forecast by the end of the month ranges between \$4.370 and \$4.453, with \$4.415 as median response** (Graph 6).

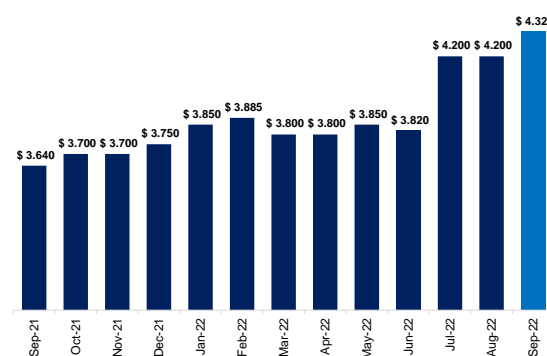
On the other hand, **experts forecast that the exchange rate will close at \$4.326 at the end of 2022. This means that the prediction made at this edition is higher than the previous month (\$4.200)** (Graph 7).

Graph 6. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 7. Exchange rate forecast
End of 2022



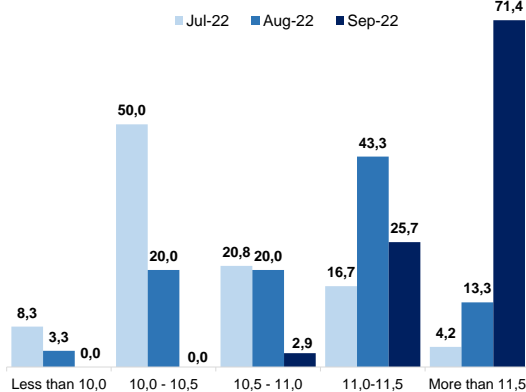
Source: Financial Opinion Survey, Fedesarrollo - BVC

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 71,4%. On the other hand, 25,7% estimate that it will be between 11,0% and 11,5%, while the remaining 2,9% place it between 10,0%-10,5%** (Graph 8). This shows an increase in the predictions made by the experts compared to the previous editions.

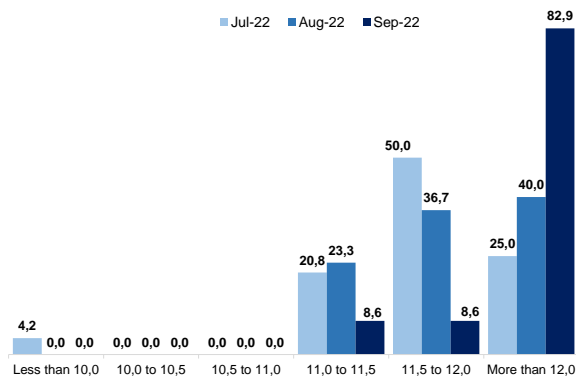
For TES maturing in 2028, **82,9% of the analysts expects the rate to be above 12,0% within three months. On the other hand, 8,6% and 8,6% expects it to be between 11,5%-12,0% and between 11,0%-11,5%, respectively** (Graph 9). This shows an increase in expectations with respect to the previous editions.

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)

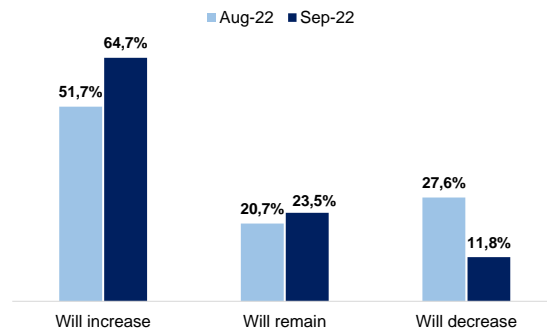


Source: Financial Opinion Survey, Fedesarrollo - BVC

DEBT SPREAD – EMBI + 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 406-bps in August. **In September 64,7% of the analysts (13,0-pps plus than the previous FOS) expects the spread to increase in the next three months, while 11,8% (15,8-pps less than previous FOS) expects it to decrease. The remaining 23,5% of the respondents expects for the spread to remain equal (2,8-pps plus than the previous FOS) (Graph 10).**

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

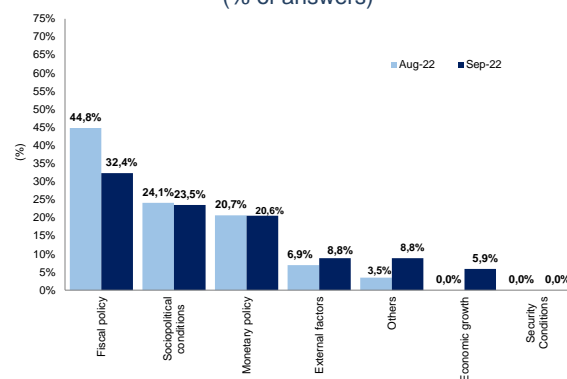


Source: Financial Opinion Survey, Fedesarrollo - BVC

INVESTMENT DETERMINANTS

In this edition, fiscal policy rank as the most important aspect considered for investing decisions, reaching **32,4% of participation** (44,8 in the previous month). The sociopolitical factors placed second with 23,5% (24,1% in the previous month). This was followed by monetary policy with 20,6% (20,7% in the previous month), external factors with 8,8% (6,9% in the previous month), other factors with 3,5% (4,2% in the previous month), and economic growth with 5,9% (0% in the previous month). Finally, security conditions are not relevant reasons for analysts (Graph 11).

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



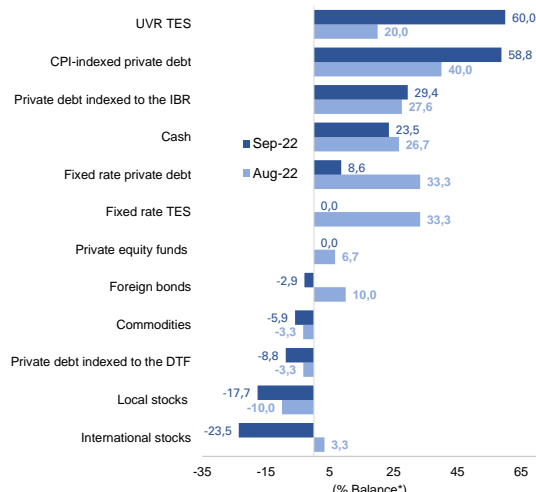
Source: Financial Opinion Survey, Fedesarrollo – BVC

INVESTMENT PREFERENCES

Compared to August, **portfolio managers increased their preferences for UVR TES, and CPI-indexed and IBR-indexed private debt.** In contrast, there is evidence of a deterioration in preferences for cash, private

debt indexed to the DTF, *commodities*, fixed rate private debt, private equity funds and local stocks (Graph 12).

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

MSCI COLCAP

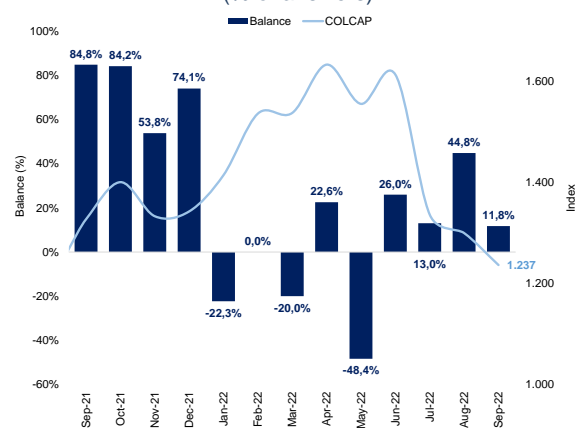
The MSCI COLCAP index is a market-capitalization weighted index that reflects price changes on the most liquid stocks listed in the Colombia's stock exchange. **In September, the 55,9% of the analysts (72,4% in August) expects a valuation of the index within three months (Table 1), while the remaining 44,1% of the analysts expects the index to devalue (43,5% in the previous FOS).**

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

Index COLCAP Price Level	August 2022	September 2022
Will increase 10% or more	20,7%	8,8%
Will increase between 5% and 9,99%	27,6%	26,5%
Will increase between 0,01% and 4,99%	24,1%	20,6%
Will remain	0,0%	0,0%
Will decrease between 0,01% and 4,99%	20,7%	29,4%
Will decrease between 5% and 9,99%	6,9%	11,8%
Will decrease between 10% or more	0,0%	2,9%

Source: Financial Opinion Survey, Fedesarrollo – BVC

Graph 13. Balance on the price of the MSCI COLCAP index 3 months*
(% of answers)



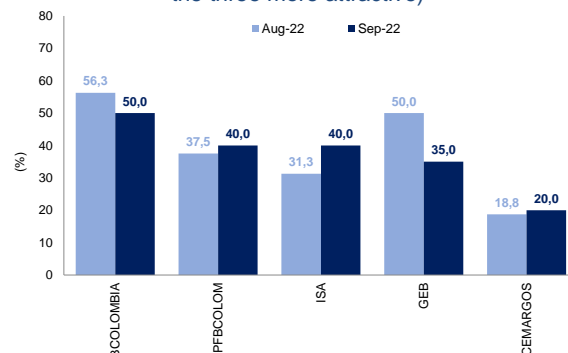
Source: Financial Opinion Survey, Fedesarrollo – BVC

* 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 September, the stock of Bancolombia was ranked in the first place with 50,0%. It was followed by Bancolombia's preferential stock, ISA's stock and GEB's stock (Graph 14).**

Graph 14. More attractive MSCI COLCAP stocks for investors
(% of the respondents who consider the stock as one of the three more attractive)

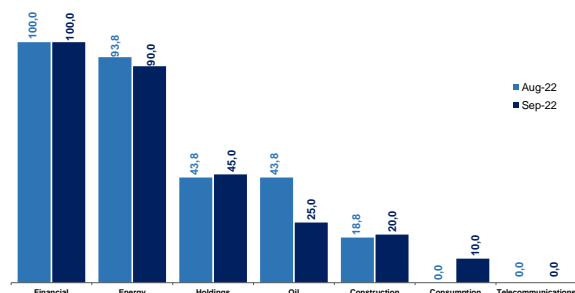


Source: Financial Opinion Survey, Fedesarrollo – BVC

Compared to the last month, there is greater appetite among respondents for shares of financial, energy, oil and construction sectors (Graph 15).

Graph 15. Most attractive MSCI COLCAP sectors for investors

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



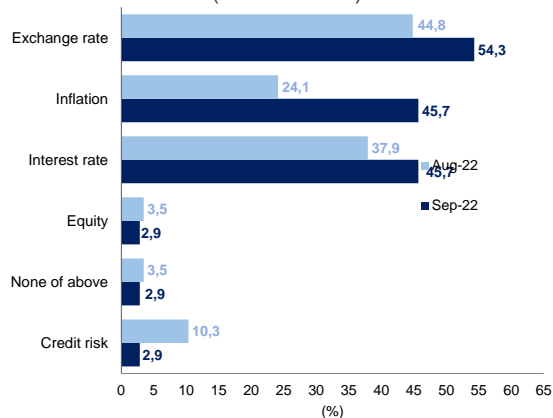
Source: Financial Opinion Survey, Fedesarrollo – BVC

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 September, 54,3% of the respondents (44,8% in August) were planning to hedge against the exchange rate in the short term (Graph 16).** The percentage of managers who expect to hedge against the interest rate is 45,7% (37,9% in August).

Graph 16. 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)	
		Ago-22	Ago-22	Sep-22
Inflation (Annual variation, %)	End of year		9,88	11,18
	End of month	10,84	10,30	11,20
Exchange rate	End of year		\$4.250,00	\$4.326,00
	End of month	\$4.400	\$4.200,00	\$4.415,00
Monetary policy interest rate	End of year		10,0	11,0
	End of month	9,0	9,0	10,0
Growth (%)*	IIQ-2022	12,6	10,9	
	IIIQ-2022		5,3	5,6
	IVQ-2022			3,7
	2022		6,5	7,4

Source: Financial Opinion Survey – BVC

* Original series

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