

# Financial Opinion Survey

December 2022

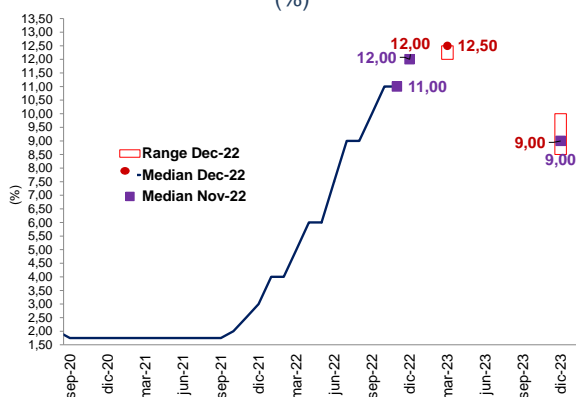
Bulletin No.212



## CENTRAL BANK POLICY RATE

For December 2022, the Board of Directors of the Central Bank increased the intervention rate by 100 bps to 12,0%, aligned with the analysts' expectations. Finally, they anticipate a rise to 12,5% in March 2023, and then a reduction reaching 9,0% in December 2023 (Graph 1).

Graph 1. Central Bank interest rate (%)



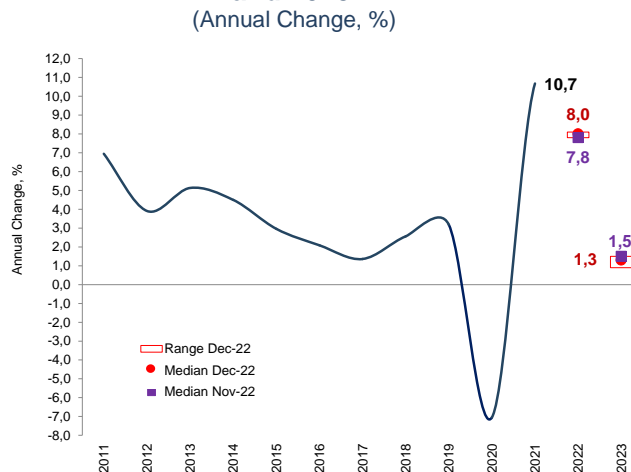
Source: Financial Opinion Survey, Fedesarrollo - BVC

## ECONOMIC GROWTH

In December, the economic growth forecast for 2022 ranges between 7,8% and 8,1%, with 8,0% as median response (7,8% in the previous FOS) (Graph 2). The economic growth forecast for 2023 was at 1,3%, ranging between 0,9% and 1,5%.

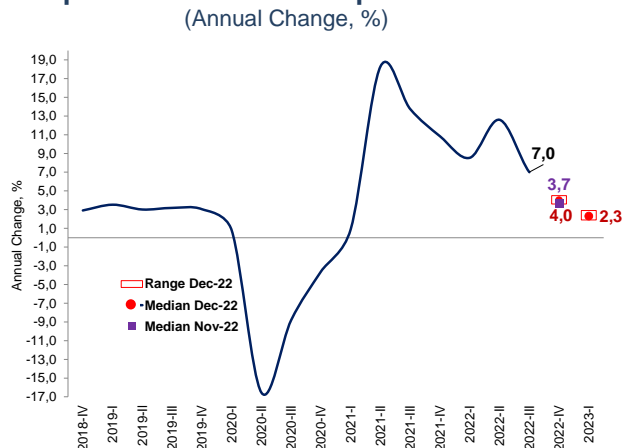
Expectations for fourth quarter 2022 growth ranged between 3,6% and 4,5% with 4,0% as the median response (3,7% in the previous FOS). On the other hand, analysts expect the first quarter's economic growth to be 2,3% (Graph 3).

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, %)



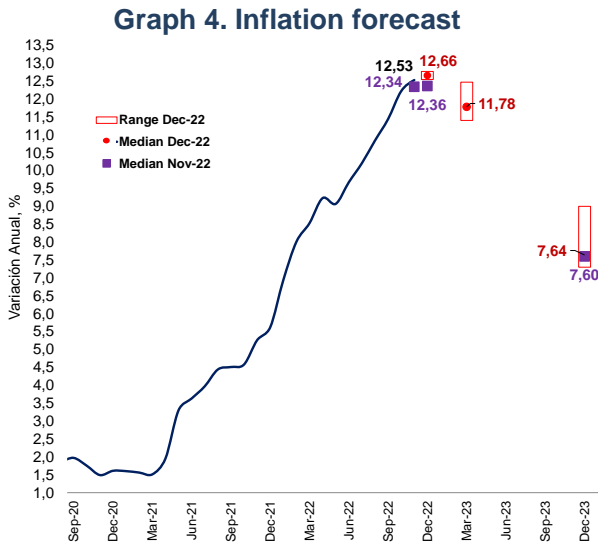
Source: Financial Opinion Survey, Fedesarrollo - BVC

## INFLATION

In November, the annual inflation reached 12,53%, above the analysts forecast in the previous edition (12,34%). In December, the analysts expect inflation to reach 12,66% (in a range between 12,55% and 12,77%) (Graph 4), which means that inflation expectations remain above the target range (2,0% to 4,0%) of the Central Bank.

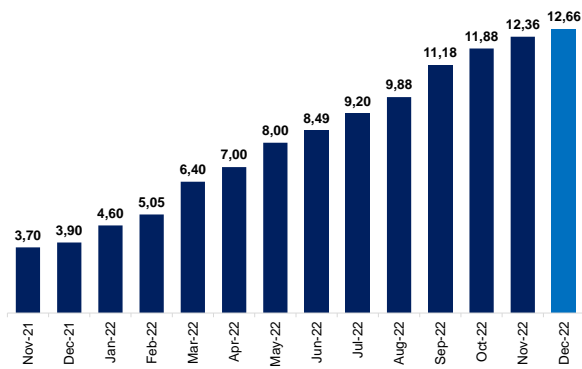
On the other hand, the experts foresee that the inflation at the end of 2023 will reach the value of 7,64% (in a range between 7,30% and 9,00%). This means that the prediction made at this edition is higher than the one

made on the previous month (7,60%) (Graph 5).



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 5. Inflation forecast - End 2022

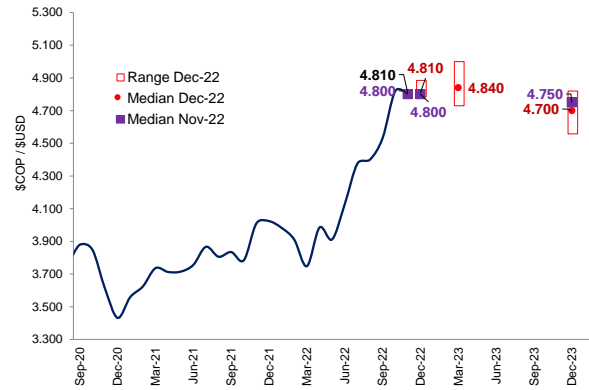


Source: Financial Opinion Survey, Fedesarrollo - BVC

## EXCHANGE RATE

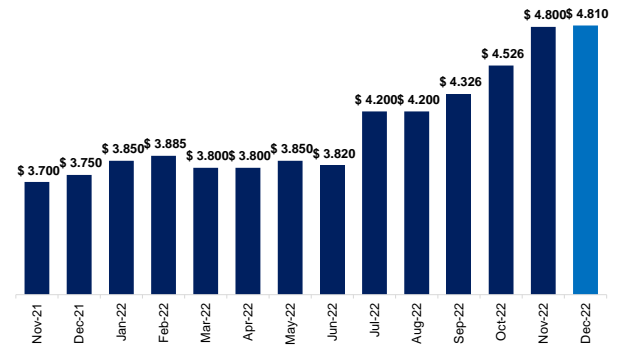
In November, the exchange rate closed at \$4.809,51 with a monthly appreciation of 0,21%. On November 8 it reached a maximum value of \$5.061,21 pesos per dollar and on November 16 it reached a minimum value of \$4.801,06 pesos per dollar. **The exchange rate forecast by the end of the month ranges between \$4.785 and \$4.885, with \$4.810 as median response (Graph 6). This means that the prediction made at this edition is 0,2% higher than the previous month (\$4.800) (Graph 7).**

Graph 6. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 7. Exchange rate forecast  
End of 2022



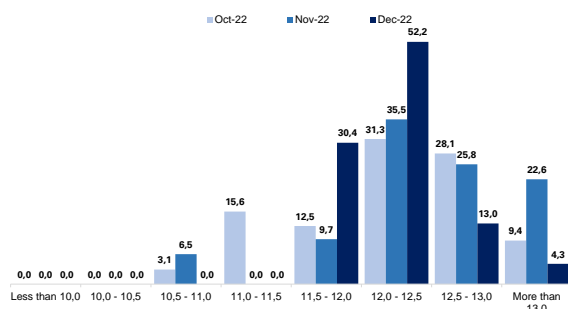
Source: Financial Opinion Survey, Fedesarrollo - BVC

## 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 100,0% (6,5-pps higher than the previous month). On the other hand, 30,4% expects it to be between 11,5%-12,0%, 52,2% projects it amidst 12,0%-12,5%, 13,0% considers between 12,5%-13% and 4,3% expects it above 13,0% (Graph 8).**

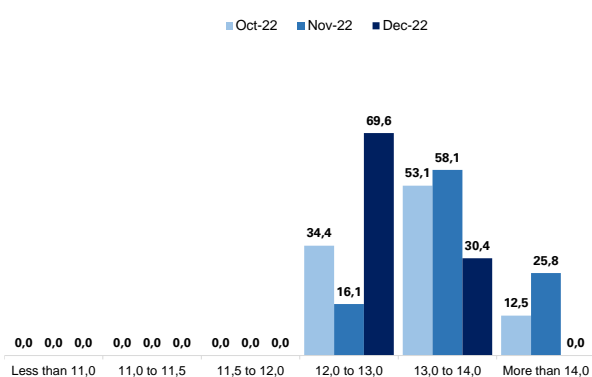
For TES maturing in 2028, **100,0% of the analysts expects the rate to be above 12,0% within three months. Particularly, 69,6% projects it to be between 12,0%-13,0% and 30,4% considers a rate amidst 13,0%-14,0% (Graph 9).**

**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)

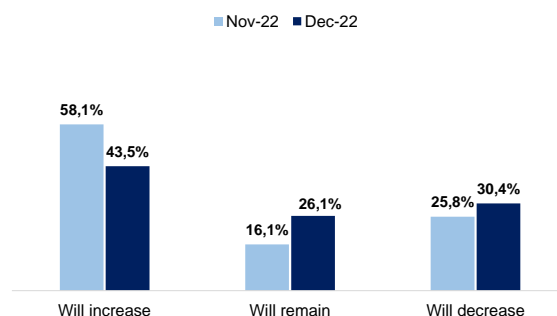


Source: Financial Opinion Survey, Fedesarrollo - BVC

## DEBT SPREAD – EMBI G COLOMBIA

The debt spread (EMBI G Colombia)<sup>1</sup> closed at 404-bps in November. **In December 43,5% of the analysts** (14,6-pps less than the previous FOS) **expects the spread to increase in the next three months, while 30,4%** (4,6-pps plus than previous FOS) **expects it to decrease. The remaining 26,1% of the respondents expects for the spread to remain equal** (10,0-pps plus than the previous FOS) (Graph 10).

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

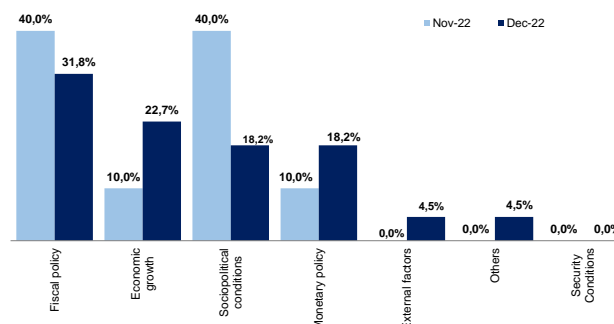


Source: Financial Opinion Survey, Fedesarrollo - BVC

## INVESTMENT DETERMINANTS

In this edition, **fiscal policy rank as the most important aspect considered for investing decisions, reaching 31,8% of participation** (vs. 40,0% in the previous month). The economic growth placed second with 22,7% (vs. 10,0% in the previous month). This was followed by sociopolitical conditions with 18,2% (vs. 40,0% in the previous month) and monetary policy with 18,2% (vs. 10,0% in the previous month). External factors and other factors regained importance, rising from 0% to 4,5%. 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

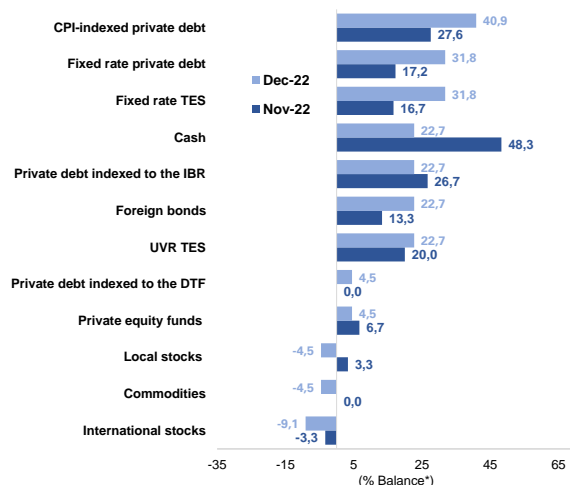
## INVESTMENT PREFERENCES

Compared to November, **portfolio managers increased their preferences for private-debt indexed to the DTF, UVR and fixed rate TES, foreign bonds, fixed rate and CPI indexed rate.** In contrast, there is evidence of a deterioration in preferences for international

<sup>1</sup> The debt spread (EMBI G Colombia) is defined as the difference between the yield of Colombian bonds issued abroad and the yield of American treasury securities.

stocks, commodities, local stocks, private debt index to IBR and cash (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

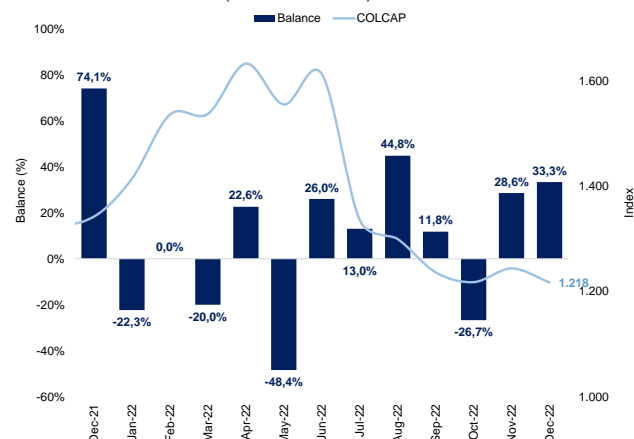
The MSCI COLCAP index is a market-capitalization weighted index that reflects price changes on the most liquid stocks listed in the Colombia's stock exchange. **In December, the 66,7% of the analysts** (vs. 64,3% in the previous FOS) **expects a valuation of the index within three months** (Table 1), **while the remaining 33,3% of the analysts expects the index to devalue** (vs. 35,7% in the previous FOS).

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

Index COLCAP Price Level	November 2022	December 2022
Will increase 10% or more	17,9%	4,8%
Will increase between 5% and 9,99%	14,3%	23,8%
Will increase between 0,01% and 4,99%	32,1%	38,1%
Will remain	0,0%	0,0%
Will decrease between 0,01% and 4,99%	28,6%	14,3%
Will decrease between 5% and 9,99%	3,6%	19,0%
Will decrease between 10% or more	3,6%	0,0%

Source: Financial Opinion Survey, Fedesarrollo – BVC

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

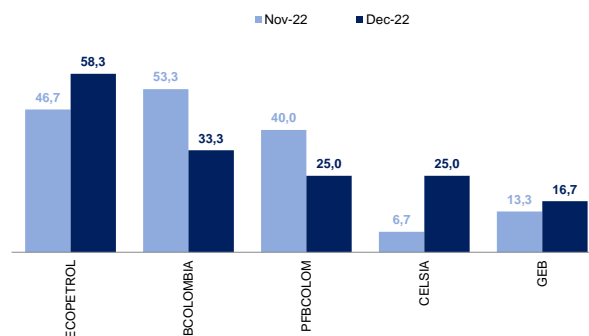


Source: Financial Opinion Survey, Fedesarrollo – BVC  
\* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation. The calculations use the index corresponding to the day on which the EOF was enabled.

## MOST ATTRACTIVE COLCAP SHARES

The FOS inquires the analysts for the most attractive stocks compounding the MSCI COLCAP index. **In December, the stock of Ecopetrol was ranked in the first place with 58,3%. It was followed by Bancolombia's stock and Bancolombia's preferential stock, the first losing the first place** (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)

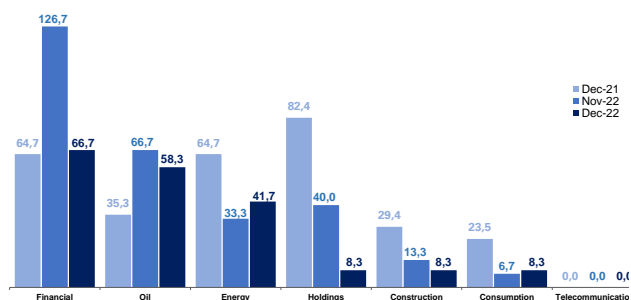


Source: Financial Opinion Survey, Fedesarrollo – BVC

Compared to the last month, there is greater appetite among respondents for shares of energy and consumption, concentrating in financial and oil (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)



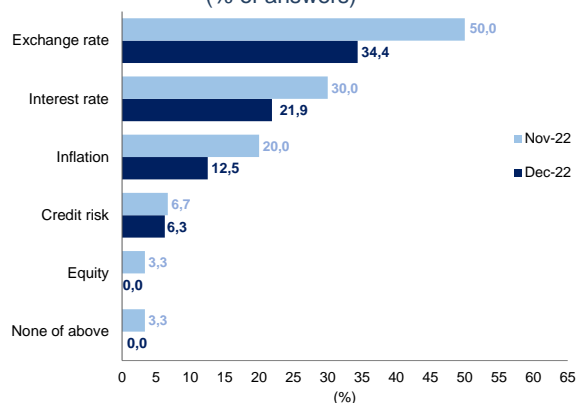
Source: Financial Opinion Survey, Fedesarrollo – BVC

## 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 December, 34,4% of the respondents (50,0% in November) were planning to hedge against the exchange rate in the short term (Graph 17). The percentage of managers who expect to hedge against the interest rate is 21,9% and 12,5% against inflation (30,0% and 20,0% in November, respectively).**

### 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	Temporality	Observed	Forecast (Median of answers)	
		Nov-22	Nov-22	Dec-22
Inflation (Annual variation, %)	End of month	12,53	12,34	12,66
	End of year 2022		12,36	
	End of year 2023		7,60	7,64
Exchange rate (\$)	End of month	4.810	4.800	4.810
	End of year 2022		4.800	
	End of year 2023		4.750	4.700
Monetary policy interest rate (%)	End of month	11,00	11,00	12,00
	End of year 2022		12,00	
	End of year 2023		9,00	9,00
Growth (%)*	IVQ-2022		3,7	4,0
	IQ-2023			2,3
	2022		7,8	8,0
	2023		1,5	1,3

**Source:** Financial Opinion Survey – BVC  
\* Original series

Published December 20, 2022

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

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