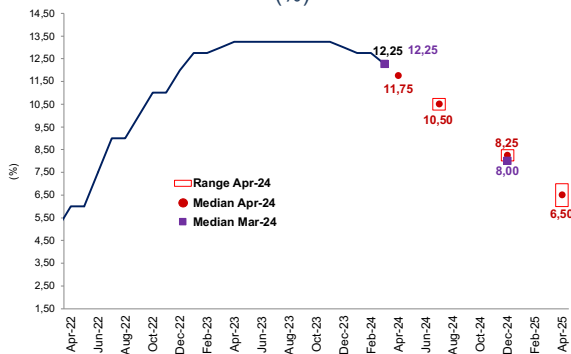


CENTRAL BANK POLICY RATE

In March 2024, the Board of Directors of Banco de la República (Colombia's Central Bank) decided to lower the intervention rate by 50 basis points, placing it at 12.25%. The next meeting at which a decision on the interest rate will be made will be on April 30, 2024.

In the months of April and July, analysts expect the intervention rate to be 11.75% and 10.50%, respectively. They also anticipate that the intervention rate will be at 8.25% in December 2024, up from the 8.00% expected the previous month (Graph 1).

Graph 1. Central Bank interest rate (%)



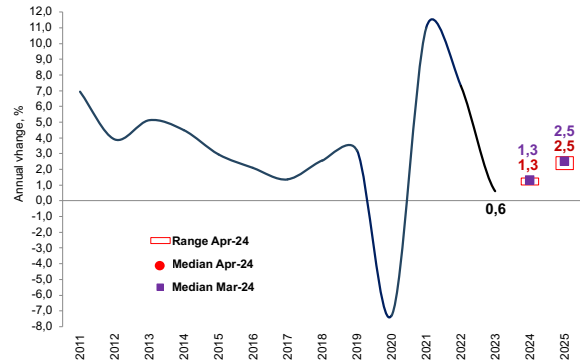
Source: Financial Opinion Survey, Fedesarrollo - bvc

ECONOMIC GROWTH

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

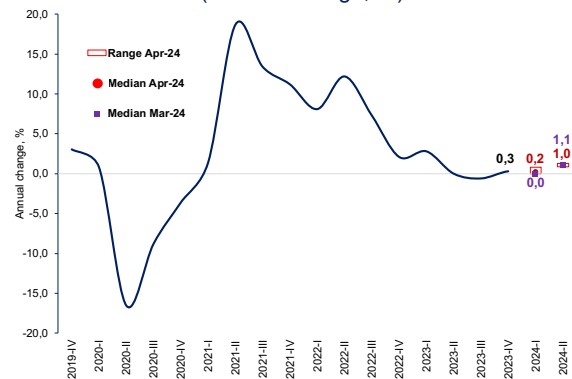
Expectations for the first quarter 2024 growth were in a range between -0.2% and 0.6%, with 0.2% as the median response (versus 0.0% in March). The growth forecast for the second quarter 2024 was 1.0% (Graph 3).

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, %)



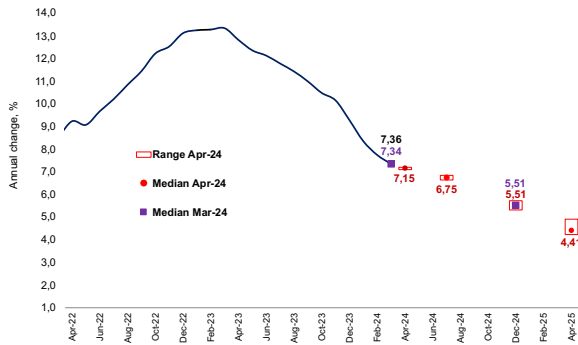
Source: Financial Opinion Survey, Fedesarrollo - bvc

INFLATION

In March, annual inflation stood at 7.36%, the same than the analysts' forecast (7.34%). In April, analysts expect inflation to be 7.15%, in a range between 7.10% and 7.20% (Graph 4).

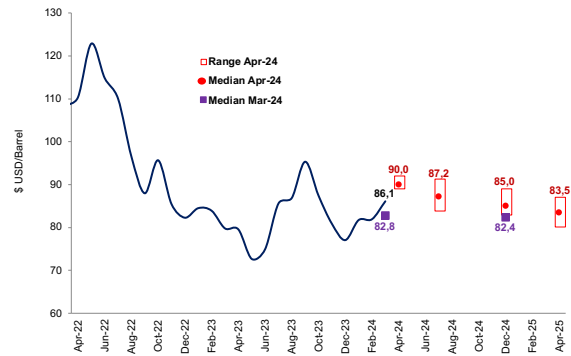
Analysts expect inflation to close at 5.51% in December 2024, in a range between 5.31% and 5.72% (same as in the previous measurement), so expectations remain outside the target range of Banco de la República (2-4%). 12-month expectations (as of April 2025) are at 4.41%.

Graph 4. Inflation forecast



Source: Financial Opinion Survey, Fedesarrollo - bvc

Graph 6. Brent oil prices - End of period

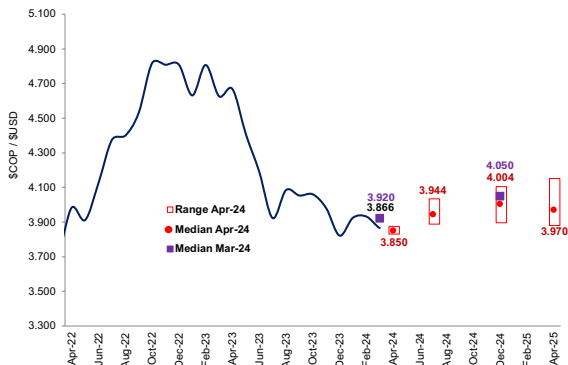


Source: Financial Opinion Survey, Fedesarrollo - bvc

EXCHANGE RATE

In March, the exchange rate closed at \$3.866, with a monthly appreciation of 1.7%, reaching its maximum value for the month on March 5th (\$3.948) and its minimum value on March 28th (\$3.842). Thus, the observed value was \$54 lower than expected in the March survey (\$3.920). In April, analysts consider that the exchange rate will be in a range between \$3.830 and \$3.875, with \$3.850 as the median response (Graph 5). By the end of 2024, they expect a rate of \$4.004, which is a decrease compared to the previous month's forecast (\$4.050).

Graph 5. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo - bvc

OIL

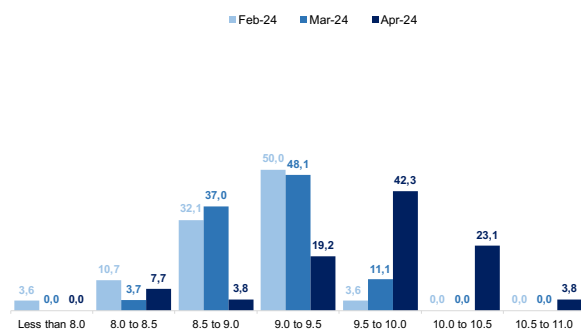
In March, Brent oil prices closed at \$86.1 dollars, showing a monthly increase of 5.1% and \$3.3 dollars higher than analysts' expectations (\$82.8). In April, analysts consider that oil prices will be in a range between \$89.0 and \$92.0, with \$90,0 as the median response (Graph 6). By the end of 2024, they expect a price of \$85.0 (versus \$82,4 in March).

TES 2028 and 2032 RATE

In this edition, 7.7% of analysts believe that the TES rate maturing in 2028 will be between 8.0%-8.5% in three months, 3.8% expect it to be between 8.5%-9.0%, 19.2% expect it to be between 9.0%-9.5%, 42.3% expect it to be between 9.5%-10.0%, 23.2% expect it to be between 10.0%-10.5% and 3.8% expect it to be above 10.5%. (Graph 7).

For TES maturing in 2032, 7.7% of analysts project its yield to be less than 9.0%, 0.0% of analysts project it to be between 9.0%-9.5%, 26.9% project it to be between 9.5%-10.0%, 42.3% project it to be between 10.0%-10.5% and 23.1% project it to be more than 10.5%. (Graph 8).

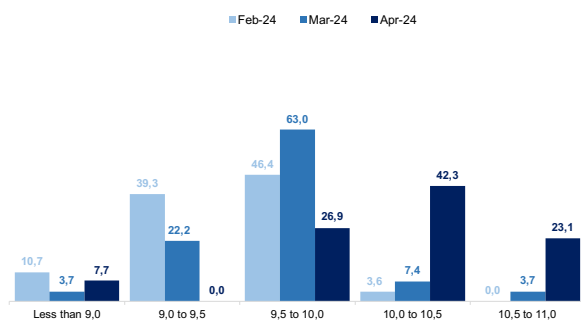
Graph 7. Expectation of TES 2028 performance rate within 3 months (% of answers)



Source: Financial Opinion Survey, Fedesarrollo - bvc

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)

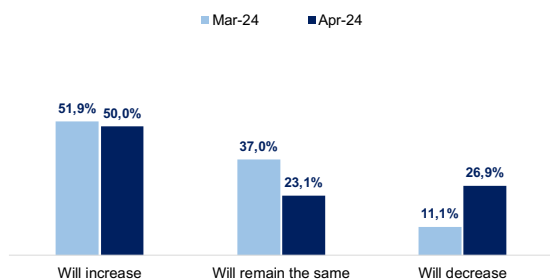


Source: Financial Opinion Survey, Fedesarrollo - bvc

DEBT SPREAD – COLOMBIA EMBIG

The debt spread (EMBIG Colombia)¹ closed in March at 292 bps. **In April, 50.0% of analysts** (1.9 pps less than the previous month) **expect the spread to increase in the next 3 months**, while **26.9%** (15.8 pps more than the previous month) **expect it to decrease**. The remaining **23.1% of respondents expect the spread to remain the same** (14.0 pps less than the previous month) (Graph 9).

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



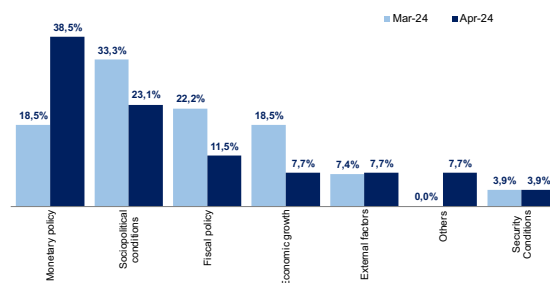
Source: Financial Opinion Survey, Fedesarrollo - bvc

INVESTMENT DETERMINANTS

In this edition, monetary policy was shown as the most relevant aspect when it comes to investing, being chosen by 38.5% of analysts (vs. 18.5% the previous month). Socio-political conditions came in second place with 23.1% of participation (vs. 33.3% the previous month). Fiscal policy, economic growth, external factors, and other factors followed, in order, with 11.5% and 7.7% (last three) of the share, respectively (vs. 22.2%, 18.5%, 7.4% and 0,0% the previous month,

respectively). Security conditions came in at 3.9% (Graph 10).

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

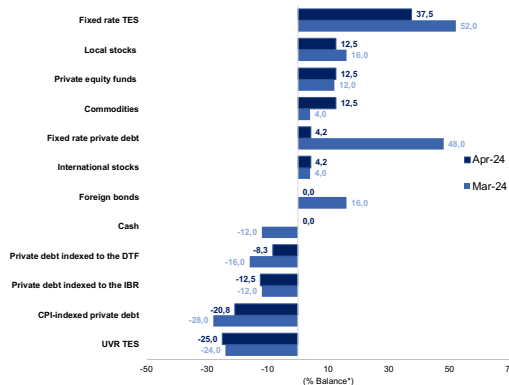


Source: Financial Opinion Survey, Fedesarrollo – bvc

INVESTMENT PREFERENCES

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

Graph 11. 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 reflects changes in the prices of the most liquid stocks on the Colombian Stock Exchange (bvc). **In April, 56.0% of analysts** (vs. 64.0% in March) **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.

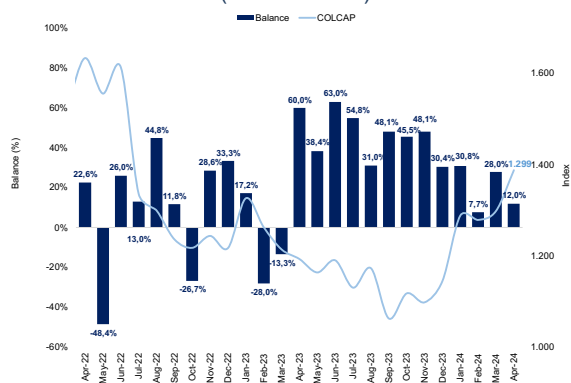
months (Table 1), while the remaining **44.0%** expect the stock index to devalue (vs. 36.0% in March).

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

| Index COLCAP Price Level | March 2024 | April 2024 |
|---------------------------------------|------------|------------|
| Will increase 10% or more | 0,0% | 0,0% |
| Will increase between 5% and 9.99% | 4,0% | 16,0% |
| Will increase between 0.01% and 4.99% | 60,0% | 40,0% |
| Will remain the same | 0,0% | 0,0% |
| Will decrease between 0.01% and 4.99% | 28,0% | 40,0% |
| Will decrease between 5% and 9.99% | 8,0% | 4,0% |
| Will decrease between 10% or more | 0,0% | 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

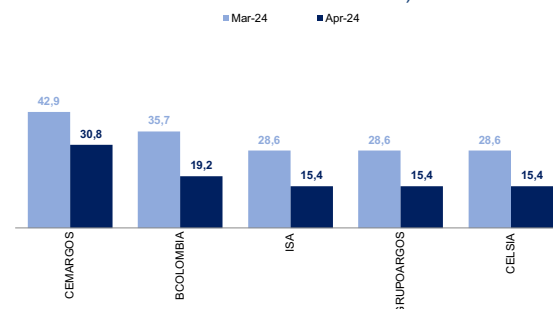
* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation. The calculations use the index corresponding to the day on which the FOS was enabled.

MOST ATTRACTIVE COLCAP SHARES

The FOS consults analysts about the three stocks they consider most attractive within the MSCI COLCAP index. **In April, the common stock of Cementos Argos ranked first, being selected by 30.8% of analysts** (Graph 13). It was followed by the common shares of Bancolombia, ISA, Grupo Argos and Celsia, being selected by 19.2% and 15.4% (last three) 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)

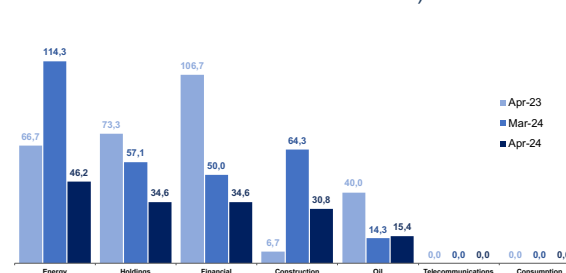


Source: Financial Opinion Survey, Fedesarrollo – bvc

This month there was a greater appetite for shares in the **oil sector** 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)

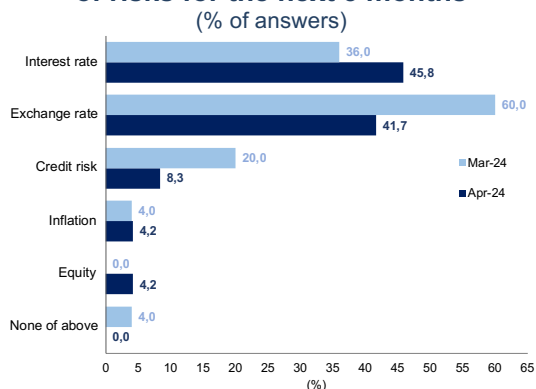


Source: Financial Opinion Survey, Fedesarrollo – bvc

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 April, 45.8% of respondents** (36.0% in March) **stated that they are planning to hedge against the interest rate in the short term** (Graph 15). **In second place, the percentage of managers expecting to hedge against the exchange rate was 41.7% while against credit risk it stood at 8.3%** (60.0% and 20.0% in March, 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 | Forecast (Median of answers) | | |
|-----------------------------------|------------------|------------------------------|--------|--------|
| | | Observed | Mar-24 | Apr-24 |
| Inflation (Annual variation, %) | End of month | 7,36 | 7,34 | 7,15 |
| | End of year 2024 | | 5,51 | 5,51 |
| Exchange rate (\$) | End of month | 3.866 | 3.920 | 3.850 |
| | End of year 2024 | | 4.050 | 4.004 |
| Monetary policy interest rate (%) | End of month | 12,25 | 12,25 | 11,75 |
| | End of year 2024 | | 8,00 | 8,25 |
| Oil (Brent, \$USD/Barrel) | End of month | 86,1 | 82,8 | 90,0 |
| | End of year 2024 | | 82,4 | 85,0 |
| Growth (%)* | IVQ-2023 | | 0,0 | 0,2 |
| | IQ-2024 | | 1,1 | 1,0 |
| | 2023 | | 1,3 | 1,3 |
| | 2025 | | 2,5 | 2,5 |

Source: Financial Opinion Survey – bvc
*Original series.

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Comments to Daniel García: dgarcia@fedesarrollo.org.co



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

+601 3259777 ext. 340
comercial@fedesarrollo.org.co