

# Financial Opinion Survey

June 2024

Bulletin No. 230

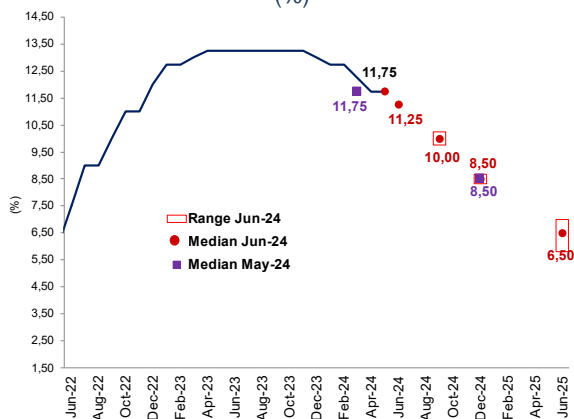


## CENTRAL BANK POLICY RATE

In May 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 11.75%. The next meeting at which a decision on the interest rate will be made will be on June 28th, 2024.

In August and September, analysts expect the intervention rate to be at 11.25% and 10%, respectively. They also anticipate that the intervention rate will be at 8.50% in December 2024, same as expected in May (Graph 1).

**Graph 1. Central Bank interest rate (%)**



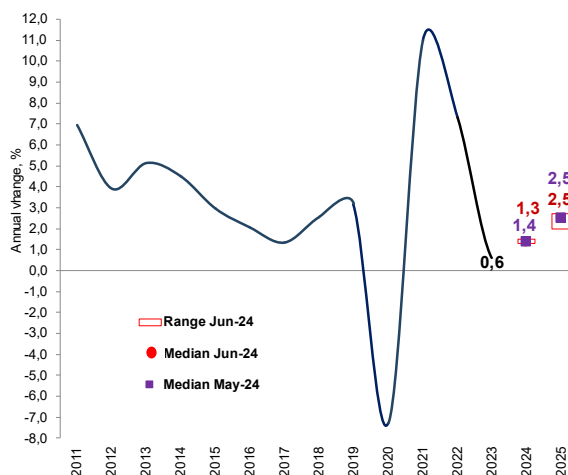
Source: Financial Opinion Survey, Fedesarrollo - bvc

## ECONOMIC GROWTH

In June, the growth forecast for 2024 was in a range between 1.3% and 1.5%, with 1.3% as the median response (a slight decrease from the 1.3% in May) (Graph 2). The median for 2025 was 2.5%, placing it in a range between 2.0% and 2.7%.

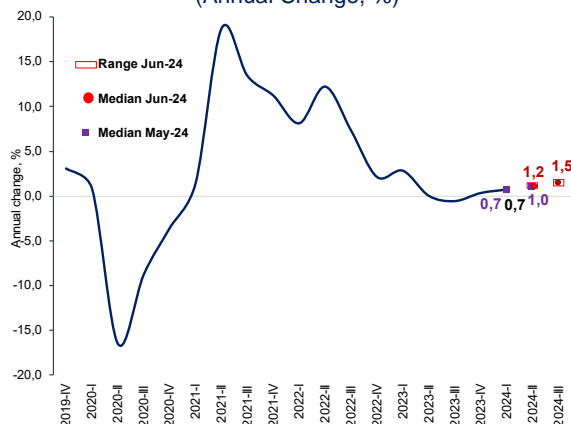
Expectations for the second quarter of 2024 growth were in a range between 0.9% and 1.5%, with 1.2% as the median response, an increase from 1% in May. The growth forecast for the third quarter of 2024 was at 1.5% (Graph 3).

**Graph 2. GDP annual growth forecast - 2024 and 2025 (Annual Change, %)**



Source: Financial Opinion Survey, Fedesarrollo - bvc

**Graph 3. GDP growth forecast - second quarter and third quarter 2024 (Annual Change, %)**



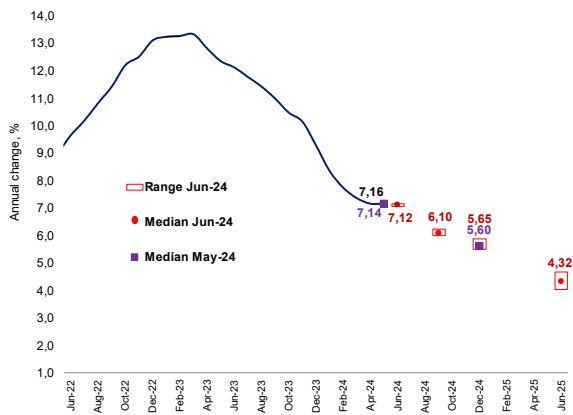
Source: Financial Opinion Survey, Fedesarrollo - bvc

## INFLATION

In May, annual inflation stood at 7.16%, slightly over the analysts' forecast (7.14%). In June, analysts expect inflation to be 7.12%, in a range between 7.07% and 7.16% (Graph 4).

Analysts expect inflation to close at 5.65% in December 2024, in a range between 5.50% and 5.88% (an increase from the 5.60% in May), so expectations remain outside the target range of Banco de la República (2-4%). 12-month expectations (as of June 2025) are at 4.32%.

Graph 4. Inflation forecast

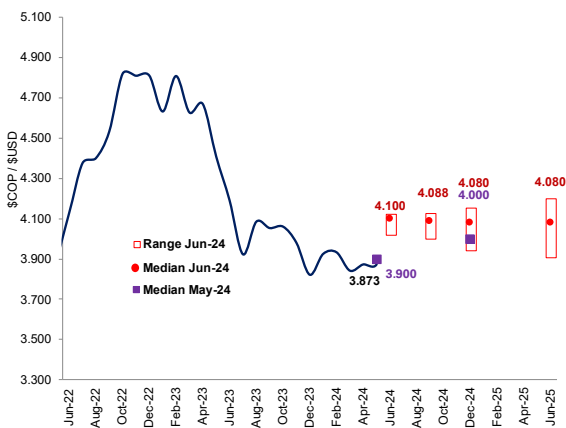


Source: Financial Opinion Survey, Fedesarrollo - bvc

## EXCHANGE RATE

In May, the exchange rate closed at \$3,874, with a monthly appreciation of 0.01%, reaching its maximum value for the month on May 9th (\$3,902) and its minimum value on May 16th (\$3,825). Thus, the observed value was \$26 higher than expected in the May survey (\$3,900). In June, analysts consider that the exchange rate will be in a range between \$4,016 and \$4,121, with \$4,100 as the median response (Graph 5). By the end of 2024, they expect a rate of \$4,080, which is a slight increase compared to the previous month's forecast (\$4,000).

Graph 5. Exchange rate - end of period



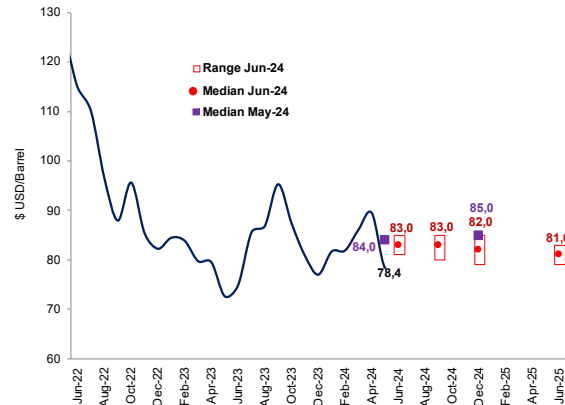
Source: Financial Opinion Survey, Fedesarrollo – bvc

## OIL

In May, Brent oil prices closed at \$78.4 dollars, showing a monthly increase of 12.4% and \$5.6 dollars higher than analysts' expectations (\$84). In June, analysts consider that oil prices will be in a range between \$81 and \$85, with \$83 as the median response

(Graph 6). By the end of 2024, they expect a price of \$82 (a decrease from the \$85 of the May edition).

Graph 6. Brent oil prices - End of period



Source: Financial Opinion Survey, Fedesarrollo – bvc

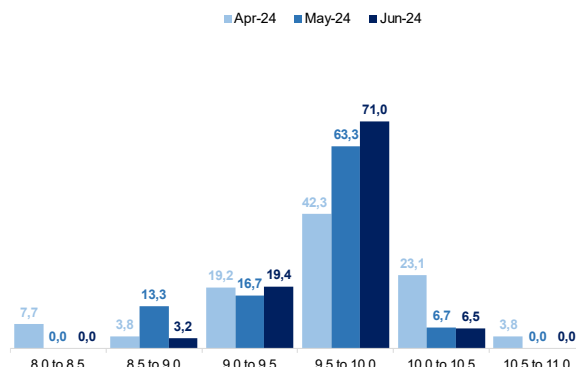
## TES 2028 and 2032 RATE

In this edition, 3.2% of analysts believe that the TES rate maturing in 2028 will be between 8.5%-9.0% in three months; 19.4% expect it to be between 9.0%-9.5%; 71% expect it to be between 9.5%-10.0% and 6.4% expect it to be between 10.0%-10.5% (Graph 7).

For TES maturing in 2032, 19.4% of analysts project its yield to be between 9.5%-10.0%; 67.7% project it to be between 10.0%-10.5% and 12.9% project it to be between 10.5% and 11%. (Graph 8).

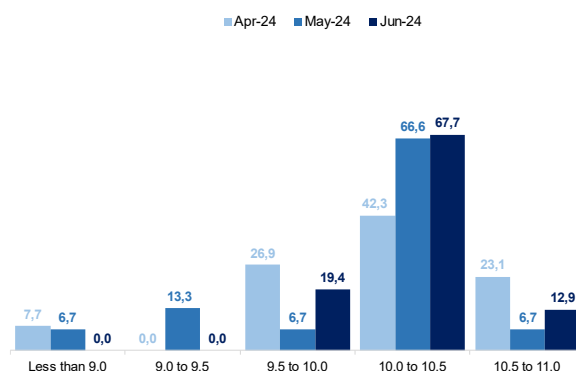
Graph 7. Expectation of TES 2028 performance rate within 3 months (% of answers)

<sup>1</sup> 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.



Source: Financial Opinion Survey, Fedesarrollo – bvc

**Graph 8. Expectation of TES 2032 performance rate within 3 months**  
(% of answers)

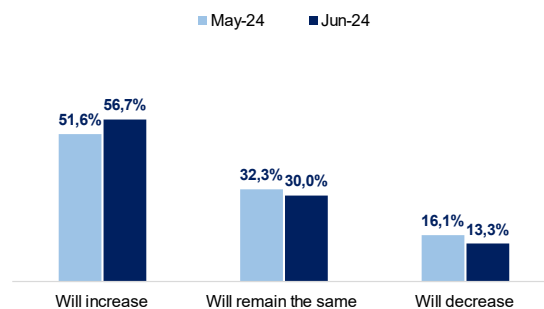


Source: Financial Opinion Survey, Fedesarrollo - bvc

## DEBT SPREAD – COLOMBIA EMBIG

The debt spread (EMBIG Colombia)<sup>1</sup> closed in May at 302 basis points. **In June, 56.7% of analysts** (5.1 percentage points less than the previous month) **expect the spread to increase in the next 3 months, while 13.3%** (2.8 percentage points more than the previous month) **expect it to decrease. The remaining 30% of respondents expect the spread to remain the same** (2.3 percentage points more than the previous month) (Graph 9).

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

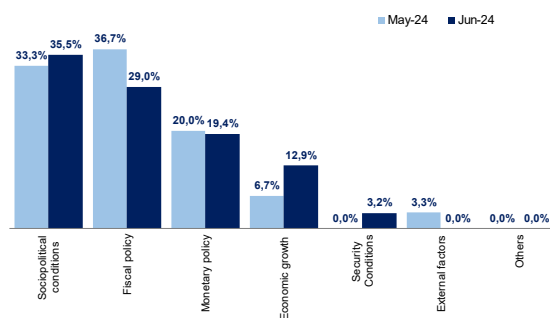


Source: Financial Opinion Survey, Fedesarrollo - bvc

## INVESTMENT DETERMINANTS

In this edition, **socio-political conditions were shown as the most relevant aspect when it comes to investing, being chosen by 35.5% of analysts** (vs. 33.3% the previous month). Fiscal policy came in second place with 29% of participation (vs. 36.7% the previous month). Monetary policy, economic growth and security conditions followed, in order, with 19.4%, 12.9%, 3.2% of the share, respectively (vs. 20%, 6.7% and 0% in the previous month, respectively) (Graph 10).

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



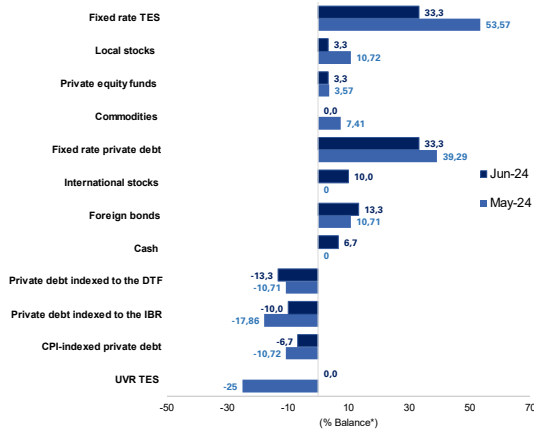
Source: Financial Opinion Survey, Fedesarrollo – bvc

## INVESTMENT PREFERENCES

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

<sup>1</sup> 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.

**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**

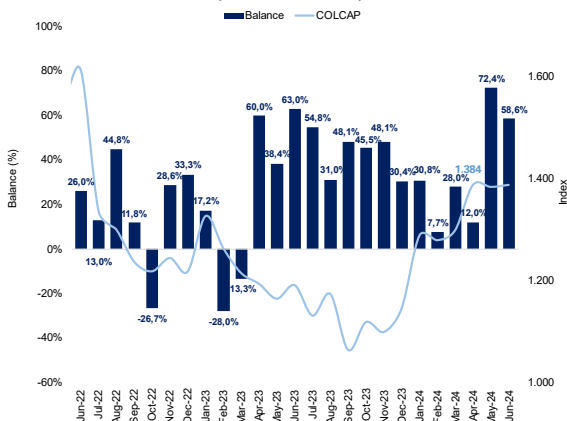
The MSCI COLCAP reflects changes in the prices of the most liquid stocks on the Colombian Stock Exchange (bvc). **In June, 79.3% of analysts** (vs. 86.3% in May) **expect the index to appreciate in three months** (Table 1), **while the remaining 20.7% expect the stock index to devalue** (vs. 13.7% in May).

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

Index COLCAP Price Level	May 2024	June 2024
Will increase 10% or more	3,4%	0,0%
Will increase between 5% and 9.99%	6,9%	6,9%
Will increase between 0.01% and 4.99%	75,9%	72,4%
Will remain the same	0,0%	0,0%
Will decrease between 0.01% and 4.99%	10,3%	10,4%
Will decrease between 5% and 9.99%	3,4%	10,3%
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)



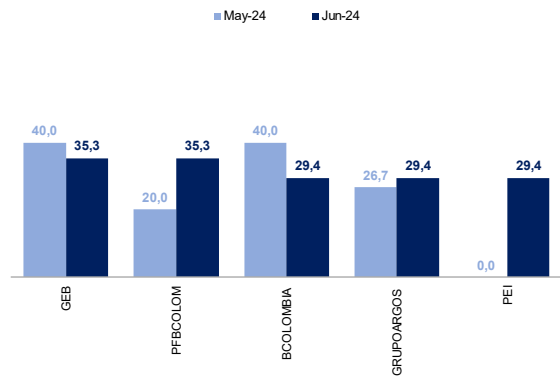
Source: Financial Opinion Survey, Fedesarrollo – bvc  
\* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation. The calculations use the index corresponding to the day on which the FOS was enabled.

**MOST ATTRACTIVE COLCAP SHARES**

The FOS consults analysts about the three stocks they consider most attractive within the MSCI COLCAP index. **In June, the common stock of Grupo de Energía de Bogotá (GEB) and the preferred stock of Grupo Bancolombia, ranked first, being selected by 35.3% of analysts, each** (Graph 13). It was followed by the common shares of Bancolombia, Grupo Argos and Patrimonio Autónomo de Estrategias Inmobiliarias (PEI), being selected by 29.4% of analysts, each.

**Graph 13. Most attractive MSCI COLCAP stocks for investors**

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

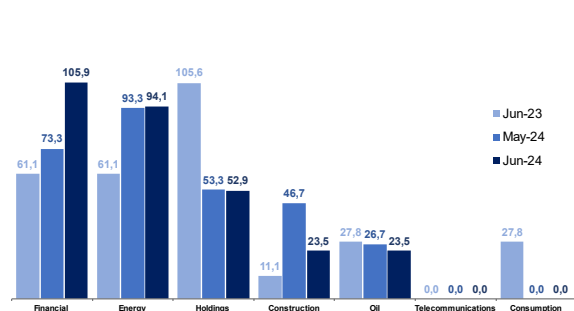


Source: Financial Opinion Survey, Fedesarrollo – bvc

This month there was a greater appetite for shares in the **energy and financial sectors** compared to the previous month, and a lesser appetite for shares in the oil, construction, and holdings sectors (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)

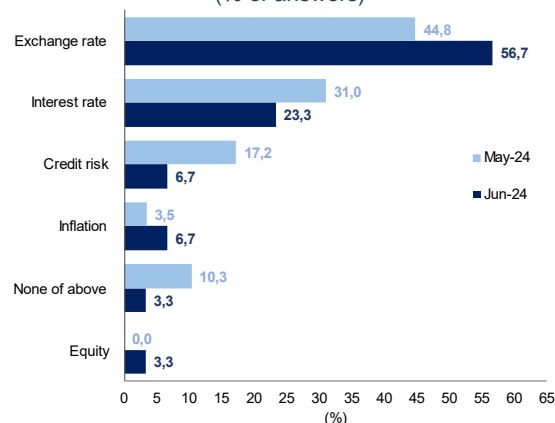


Source: Financial Opinion Survey, Fedesarrollo – bvc

## 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 June, 56.7% of respondents** (44.8% in May) **stated that they are planning to hedge against the exchange rate in the short term** (Graph 15). **In second place, the percentage of managers expecting to hedge against the interest rate was 23.3%** while against credit risk it stood at 6.7% (31% and 17.2% in May, respectively).

**Graph 15. Coverage of the different types of risks for the next 3 months**  
(% of answers)



Source: Financial Opinion Survey, Fedesarrollo – bvc

**Table 2. Summary of macroeconomic expectations**

Variable	Temporality	Observed	Forecast (Median of answers)	
		Mar-24	Mar-24	Apr-24
Inflation (Annual variation, %)	End of month	7.16	7.14	7.12
	End of year 2024		5.60	5.65
Exchange rate (\$)	End of month	3.874	3,900	4,100
	End of year 2024		4,000	4,080
Monetary policy interest rate (%)	End of month	11.75	11.75	11.25
	End of year 2024		8.50	8.50
Oil (Brent, \$USD/Barrel)	End of month	78.4	84.0	83.0
	End of year 2024		85.0	82.0
Growth (%)*	IT-2024		1.0	1.2
	IIT-2024		0.0	1.5
	2024		1.4	1.3
	2025		2.5	2.5

Source: Financial Opinion Survey – bvc

\*Original series.

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