

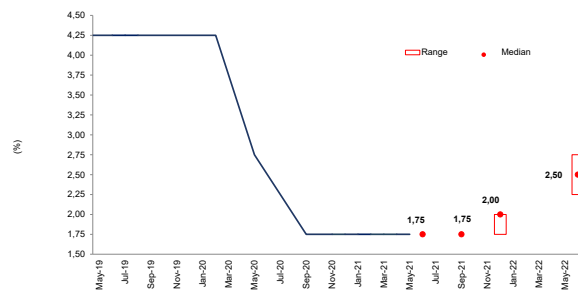
CENTRAL BANK POLICY RATE

In May, the Board of Directors of the Central Bank decided to maintain its monetary policy in 1.75%.

By June, 100% of the analysts expect the interest rate to remain unchanged at 1.75%.

By the end of 2021, 27,8% of the analysts foresee an unchanged interest rate (1.75%), 50% expects an increase of 25-bps, 19,4% expects an increase to reach a 2,25% interest rate and 2,8% expects it to reach 2,5% to the end of the year (Graph 1). On the other hand, none of them expects it to decrease.

Graph 1. Central Bank interest rate



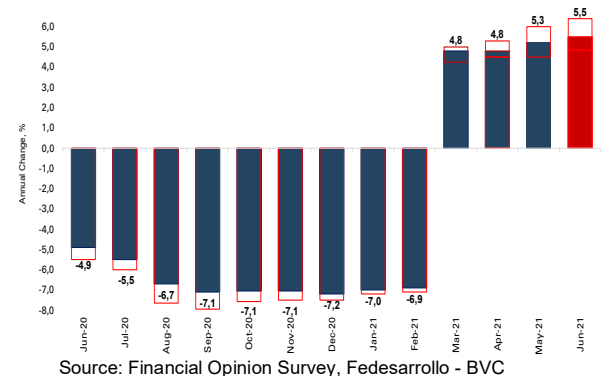
Source: Financial Opinion Survey, Fedesarrollo - BVC

ECONOMIC GROWTH

In June, the economic growth forecast for 2021 ranges between 4.85% and 6.40%, with 5.5% as median response (5.3% in the previous FOS) (Graph 2). The economic growth forecast for 2022 was at 3.8%, ranging between 3.28% and 4,0%.

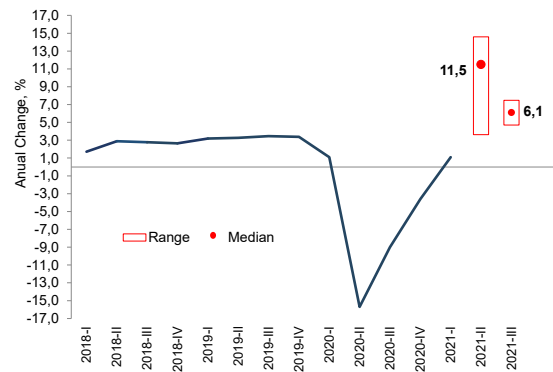
Expectations about the second quarter were in a median of 11.50% (10.50% in the previous edition), ranging between 3,63% and 14.60%. Expectations regarding the third quarter growth reached 6.10%, ranging between 4.70% and 7.48% (Graph 3).

Graph 2. 2021 GDP annual growth forecast (Annual Change, %)



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 3. GDP growth forecast – first and second quarter 2021 (Annual Change)

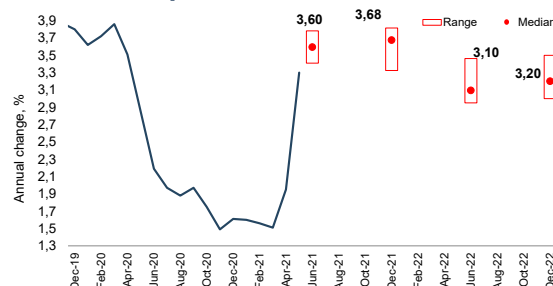


Source: Financial Opinion Survey, Fedesarrollo - BVC

INFLATION

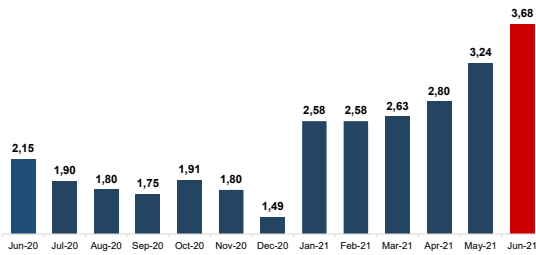
In May, the annual inflation reached 3.30%, higher than the analysts forecast in the previous edition (2.55%). In June, the analysts believe that inflation will reach 3.60% (Graph 4). Inflation expectations for the end of 2021 were in 3,68% (Graph 5).

Graph 4. Inflation forecast



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 5. Inflation forecast - End 2021

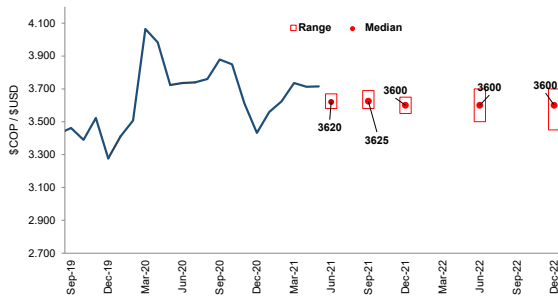


Source: Financial Opinion Survey, Fedesarrollo - BVC

EXCHANGE RATE

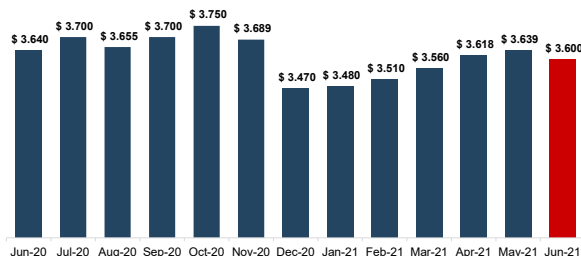
In May, the exchange rate closed at \$3,715.28, with a monthly appreciation of 0.05%. On May 6 it reached a maximum value of \$3,846.28 pesos per dollar and on May 19 it reached a minimum value of \$3,655.74 pesos per dollar. The exchange rate forecast by the end of the month ranges between \$3,680 and \$3,670, with \$3,620 as median response. (Graph 6). The exchange rate forecast for the end of 2021 was 3,600, ranging between \$3,550 and \$3,650 (Graph 7). Finally, the exchange rate forecast for next three months ranges between \$3,580 and \$3,690, with \$3,625 as median response.

Graph 6. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 7. Exchange rate forecast
End of 2021



Source: Financial Opinion Survey, Fedesarrollo - BVC

TES 2024 and 2028 RATE

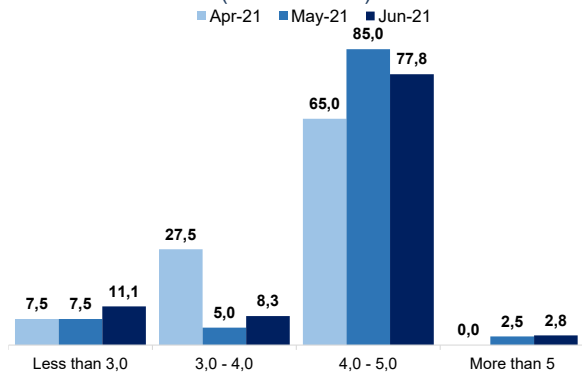
In May, the traded volume of the Colombian treasury bonds reached COP 30 billion, which entails a decrease of 15,4% compared to the

last month and an increase of 30% related to May 2020.

In this edition, the percentage of analysts who considers that the interest rate on the treasury bonds maturing in 2024 will be under 3.0% during the next three months is 11.1%, meanwhile 8.3% expects it to be between 3.0% and 4.0%. The percentage of analysts who expects that the rate will be between 4.0% and 5.0% during the next three months is 77.8%; 2,8% expects a rate over 5% (Graph 8).

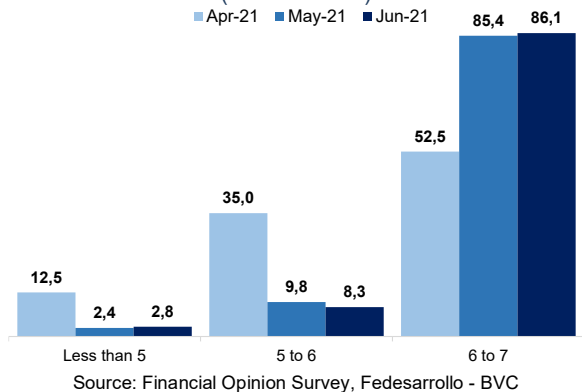
Regarding TES maturing in 2028, the 2,8% expects a rate lower than 5.0% during the next three months. The 8.3% of the analysts considers that the rate will be between 5.0% and 6.0%. Thus, most of them, the 86.1% of analysts, expects the rate to be located between 6.0% and 7.0%. Finally, 2,8% of the analysts considers it to be higher than 7% (Graph 9).

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)

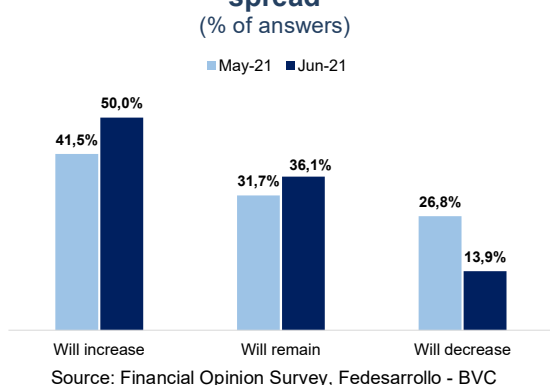


Source: Financial Opinion Survey, Fedesarrollo - BVC

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 256-bps in May. **In June, 50% of the analysts (8.5-bps more than the previous FOS) expects the spread to increase in the next three months, while 13.89% (12.9-bps less than previous FOS) expects it to decrease. The remaining 36.11% of the respondents expects for the spread to remain equal (4.4-bps more than the previous FOS) (Graph 10).**

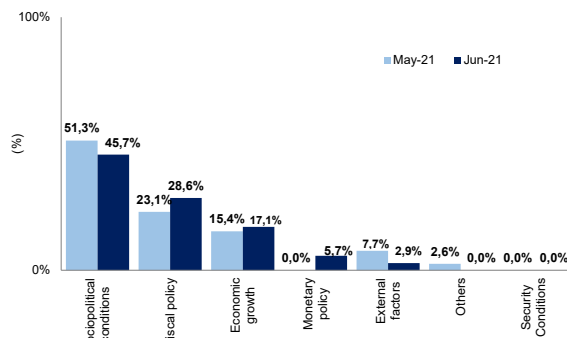
Graph 10. Expectation 3-months debt spread



INVESTMENT DETERMINANTS

In this edition, the sociopolitical conditions rank as the most important aspect considered for investing decisions, reaching 45.71% (51.3% in the previous month). Fiscal policy and economic growth placed second and third place, respectively. Concerns accounting for fiscal policy reached 28.57% (23.1% in the previous month), while economic growth reached 17.14% (15.4% in the previous month). Monetary policy was placed at fourth place, with 5.71% (0.0% in the previous month). External factors and security conditions were no relevant for the investors, with 0% each of them (Graph 11).

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



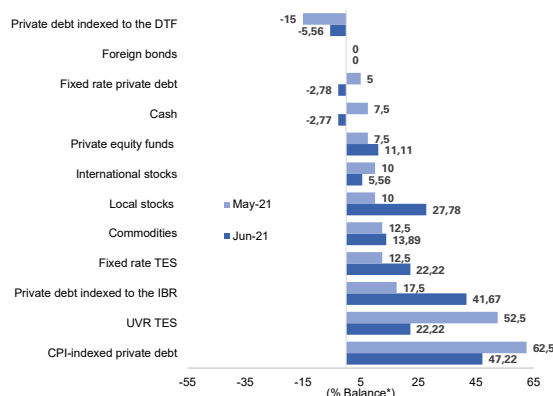
Source: Financial Opinion Survey, Fedesarrollo - BVC

INVESTMENT PREFERENCES

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

Compared to the survey's historical average, there is a greater preference for CPI-indexed private debt, UVR TES, commodities, international and local stocks, private debt indexed to IBR, fixed rate TES and private debt indexed to DTF (Graph 13).

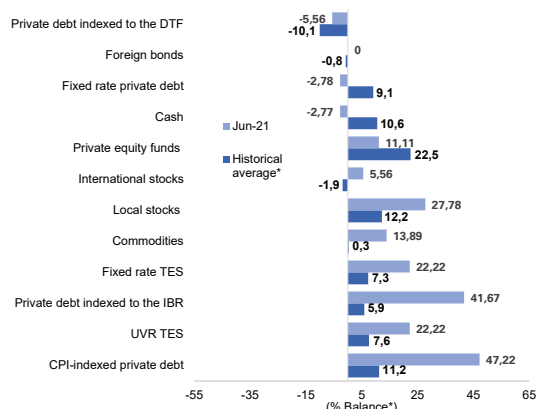
Graph 12. Projection of positions in the next 3 months for different assets



*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

Financial Opinion Survey June 2021



* The historical average refers to the average of the response balances from June 2014 to date.

Source: Financial Opinion Survey, Fedesarrollo - BVC

COLCAP

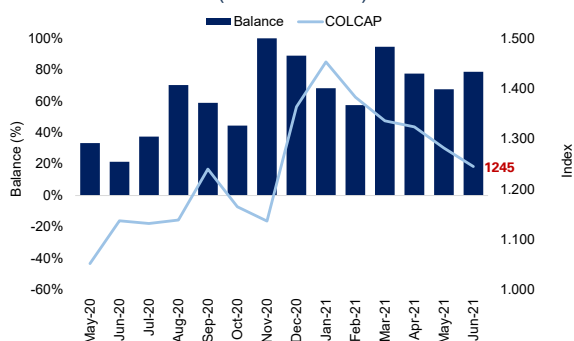
The COLCAP index is a market-capitalization weighted index that reflects price changes on the most liquid stocks listed in the Colombia's stock exchange. **In June, the 84.8% of the analysts (81.1% in May) expect a valuation of the index during the next three months (Table 1), while 6.1% of the analysts expects the index to devalue and 9.1% of them expects it to remain the same (13.5% and 5.4% respectively in the previous FOS).**

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

Index COLCAP Price Level	May 2021	June 2021
Will increase 10% or more	5,4%	15,2%
Will increase between 5% and 9,99%	40,5%	24,2%
Will increase between 0,01% and 4,99%	35,1%	45,5%
Will remain	5,4%	9,1%
Will decrease between 0,01% and 4,99%	10,8%	3,0%
Will decrease between 5% and 9,99%	2,7%	3,0%
Will decrease between 10% or more	0,0%	0,0%

Source: Financial Opinion Survey, Fedesarrollo - BVC

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



Source: Financial Opinion Survey, Fedesarrollo - BVC

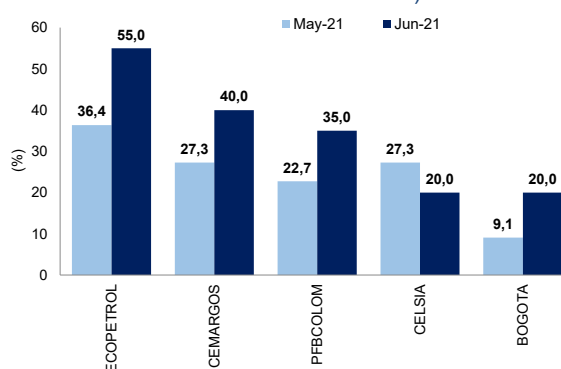
* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation

MOST ATTRACTIVE COLCAP SHARES

The FOS inquires the analysts for the most attractive stocks compounding the COLCAP index. In June, **the ordinary stock of Ecopetrol was ranked in the first place with 55%.** It was followed by the common stocks of Cementos Argos, the preferential stock of Bancolombia, CELSIA's and Banco de Bogotá's stock (Graph 15).

Graph 15. More attractive COLCAP stocks for investors

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

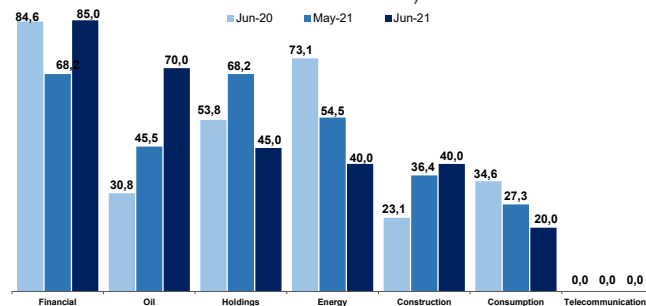


Source: Financial Opinion Survey, Fedesarrollo - BVC

Compared to the last month, there is greater appetite among respondents mainly for shares of the oil sector and the financial one (Graph 16).

Graph 16. Most attractive COLCAP sectors for investors

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



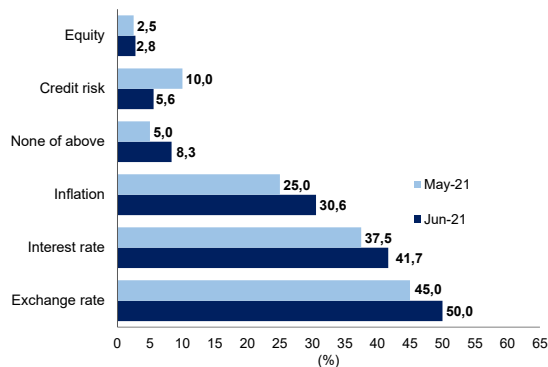
Source: Financial Opinion Survey, Fedesarrollo - BVC

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 June, 50% of the respondents (45% in May) were planning to hedge against the foreign exchange risk in the short term.** The

percentage of managers who expect to hedge against the interest rate is 41.7% (37.5% in May).

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	Observed	Forecasts (Median of answers)			
		May-21	June-21	Sep-21	Dec-21
Inflation (Annual variation, %)	3.30	3.60			3.68
Exchange rate	\$ 3,715.28	\$ 3.620	\$ 3.625		\$ 3.600
Monetary policy interest rate (%)	1.75	1.75	1.75		2.00
	1Q-2021	IIQ-2021	Year 2021		Year 2022
Growth (%)	1,1	11.50	5.50		3.80

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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