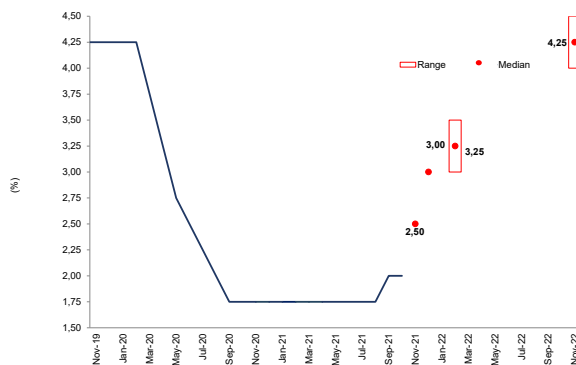


CENTRAL BANK POLICY RATE

In October, the Board of Directors of the Central Bank decided to increase the interest rate to 2.5%, as 25% of the analysts foresaw, not most of them (65% foresaw that it was going to reach 2.25%). In November there is not going to be monetary policy decision.

By December, 69.0% of the analysts expects the interest rate to increase up to 3.0%, the 17.2% of them expects it to be at 2.75%, the 3.4% foresee an unchanged rate at 2.5% and the remaining 10.2% expects it will be situated above 3.0%, with a maximum level of 5.0% (Graph 1).

Graph 1. Central Bank interest rate



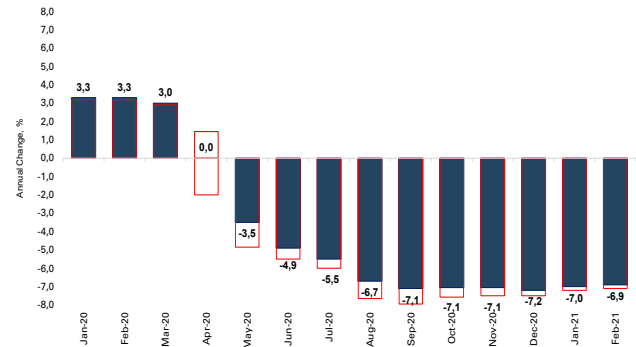
Source: Financial Opinion Survey, Fedesarrollo - BVC

ECONOMIC GROWTH

In November, the economic growth forecast for 2021 ranges between 8.50% and 9.57%, with 9.0% as median response (8.75% in the previous FOS) (Graph 3). The economic growth forecast for 2022 was at 4.0%, ranging between 3.70% and 4.50%.

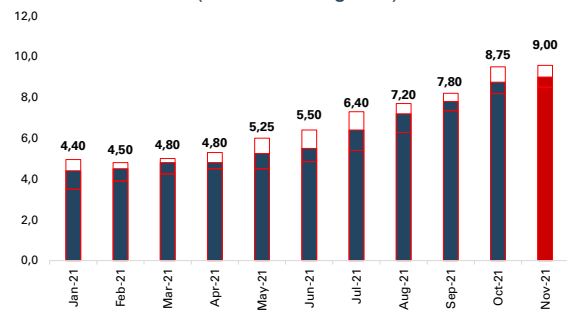
Expectations about the third quarter were in a median of 11.9% (10.7% in the previous edition), ranging between 9.25% and 13.0%. This result is below the 13.2% official growth announced. Expectations regarding the fourth quarter growth reached 7.50%, ranging between 6.80% and 9.35% (Graph 4).

Graph 2. 2020 GDP annual growth forecast (Annual Change, %)



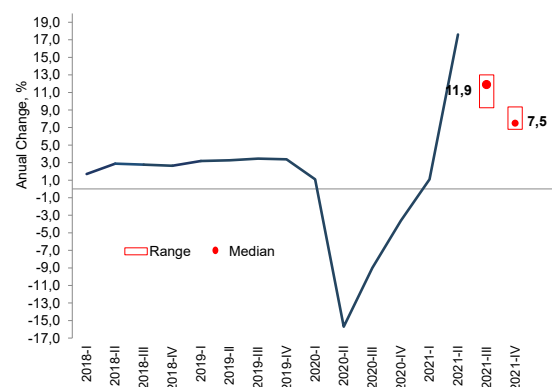
Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 3. 2021 GDP annual growth forecast (Annual Change, %)



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 4. GDP growth forecast – third and fourth quarter 2021 (Annual Change)

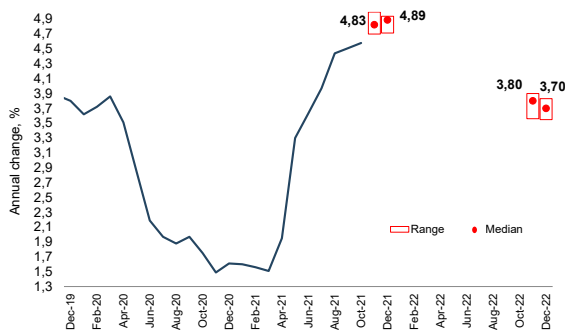


Source: Financial Opinion Survey, Fedesarrollo - BVC

INFLATION

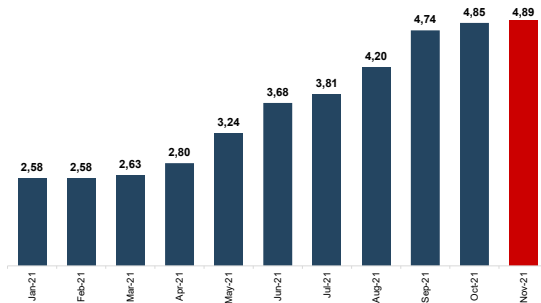
In October, the annual inflation reached 4.58%, lower than the analysts forecast in the previous edition (4.74%). In November, the analysts believe that inflation will reach 4.83% (Graph 5). Inflation expectations for the end of 2021 were in 4.89% (Graph 6).

Graph 5. Inflation forecast



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 6. Inflation forecast - End 2021

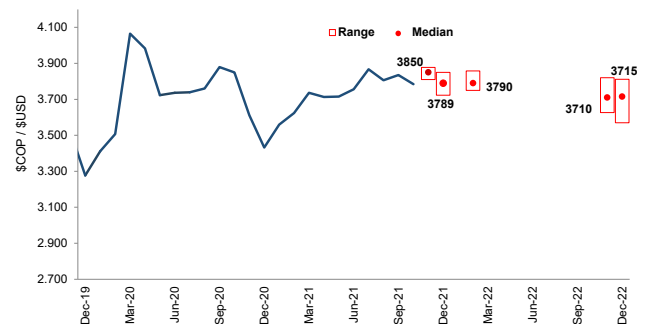


Source: Financial Opinion Survey, Fedesarrollo - BVC

EXCHANGE RATE

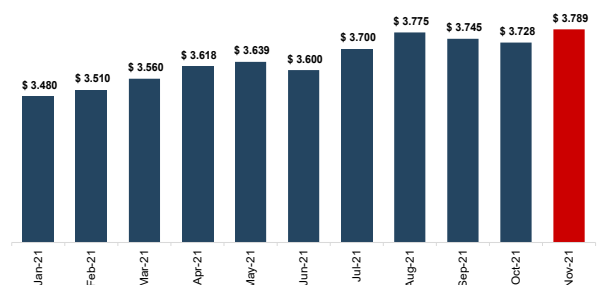
In October, the exchange rate closed at \$3,784.44, with a monthly appreciation of 1.31%. On October 1 it reached a maximum value of \$3,812.77 pesos per dollar and on October 14 it reached a minimum value of \$3,753.30 pesos per dollar. The exchange rate forecast by the end of the month ranges between \$3,810 and \$3,878, with \$3,850 as median response (Graph 7). The exchange rate forecast for the end of 2021 was 3,789, ranging between \$3,723 and \$3,850 (Graph 8).

Graph 7. Exchange rate - end of period



Source: Financial Opinion Survey, Fedesarrollo - BVC

Graph 8. Exchange rate forecast
End of 2021



Source: Financial Opinion Survey, Fedesarrollo - BVC

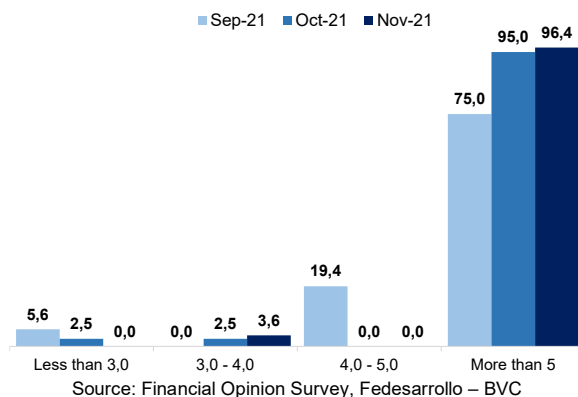
TES 2024 and 2028 RATE

In October, the traded volume of the Colombian treasury bonds reached COP 38.5 trillion, which entails an increase of 4.8% compared to the last month and an increase of 4.7% related to October 2020.

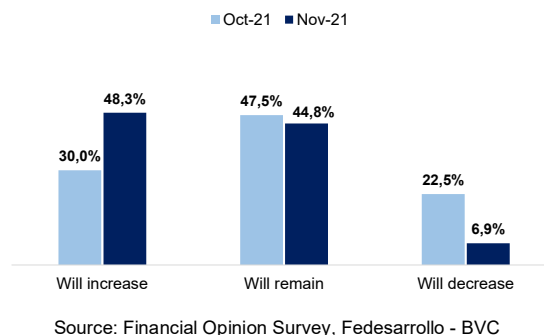
In this edition, the percentage of analysts who considers that the interest rate on the treasury bonds maturing in 2024 will be higher than 5.0% during the next three months is 96.4%, meanwhile 3.6% of them expects that it will be between 3% and 4% (Graph 9).

Regarding TES maturing in 2028, the 92.9% expects a rate higher than 7.0% during the next three months, meanwhile 7.1% considers it to be between 5.0% and 6.0% (Graph 10).

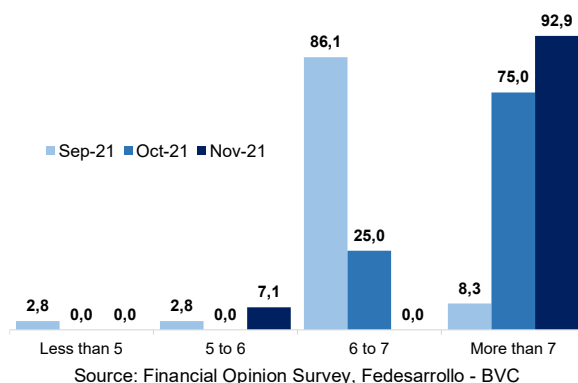
Graph 9. Expectation of TES 2024 performance rate for the next 3 months
(% of answers)



Graph 11. Expectation 3-months debt spread
(% of answers)



Graph 10. Expectation of TES 2028 performance rate for the next 3 months
(% of answers)



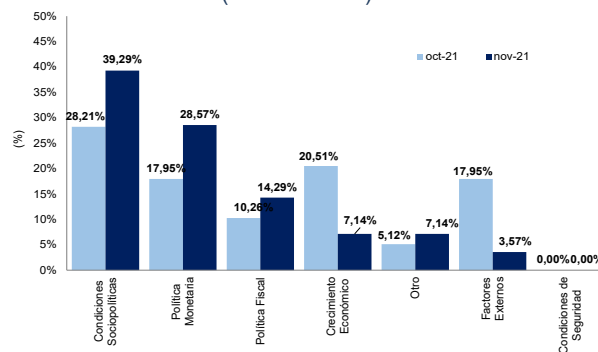
INVESTMENT DETERMINANTS

In this edition, the sociopolitical conditions ranks as the most important aspect considered for investing decisions, reaching 39.3% (28.2% in the previous month). Monetary policy and fiscal policy placed second and third place, respectively, with 28.6% and 14.3% (18.0% and 10.3% in the previous month). Economic growth was placed at fourth place, with 7.14% (20.5% in the previous month). Other factors reached 7.14% and external factors 3.57%, while security conditions were no relevant for any of the investors (Graph 12).

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 306-bps in October. **In November, 42.28% of the analysts (18.3-bps more than the previous FOS) expects the spread to increase in the next three months, while 6.9% (15.6-bps less than previous FOS) expects it to decrease. The remaining 44.83% of the respondents expects for the spread to remain equal (2.7-bps less than the previous FOS) (Graph 11).**

Graph 12. Most relevant factors for investment decisions
(% of answers)

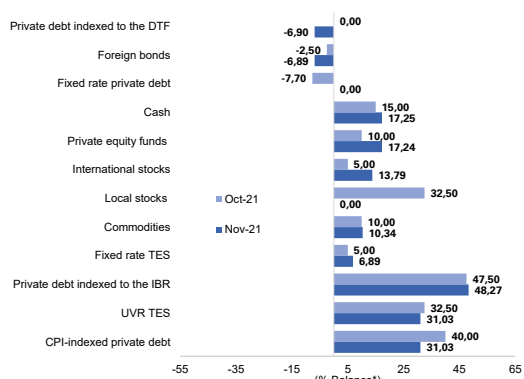


INVESTMENT PREFERENCES

Compared to October, portfolio managers increased their preferences for private debt indexed to the IBR, fixed rate TES, commodities, international stocks, private equity funds, cash, and fixed rate private debt. In contrast, there is evidence of a deterioration in preferences for CPI-indexed private debt, UVR TES, foreign bonds, private debt indexed to the DTF and local stocks (Graph 13).

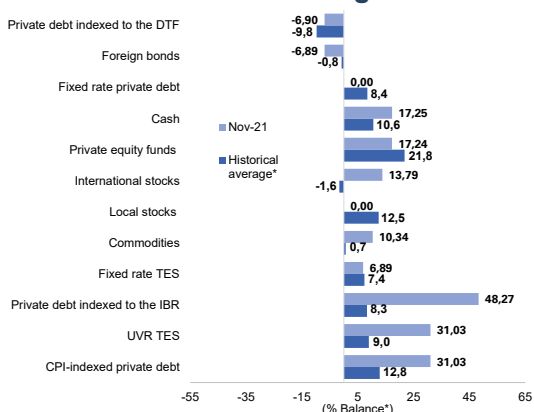
Compared to the survey's historical average, there is a greater preference for commodities, international stocks, cash, private debt indexed to the DTF, CPI-indexed private debt, UVR TES and private debt indexed to the IBR (Graph 14).

Graph 13. 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 14. Projection of positions in the next 3 months for different assets vs historical average



* The historical average refers to the average of the response balances from June 2014 to date.
Source: Financial Opinion Survey, Fedesarrollo – BVC

COLCAP

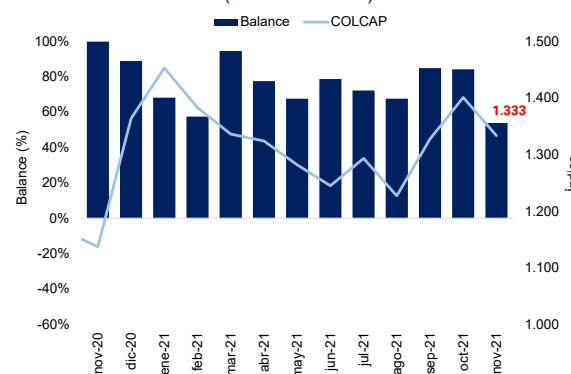
The MSCI COLCAP index is a market-capitalization weighted index that reflects price changes on the most liquid stocks listed in the Colombia's stock exchange. In November, the 76.9% of the analysts (92.1% in October) expects a valuation of the index during the next three months (Table 1), while 23.1% of the analysts expects the index to devalue and 0% of them expects it to remain the same (7.9% and 0% respectively in the previous FOS).

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

Index COLCAP Price Level	October 2021	November 2021
Will increase 10% or more	7,9%	3,8%
Will increase between 5% and 9,99%	34,2%	7,7%
Will increase between 0,01% and 4,99%	50,0%	65,4%
Will remain	0,0%	0,0%
Will decrease between 0,01% and 4,99%	7,9%	19,2%
Will decrease between 5% and 9,99%	0,0%	3,8%
Will decrease between 10% or more	0,0%	0,0%

Source: Financial Opinion Survey, Fedesarrollo – BVC

Graph 15. Balance on the price of the COLCAP index 3 months*
(% of answers)



Source: Financial Opinion Survey, Fedesarrollo – BVC

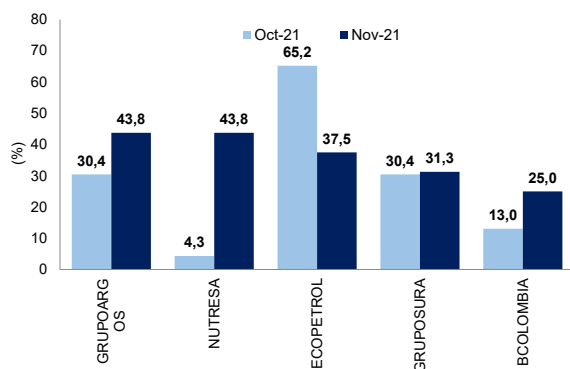
* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation

MOST ATTRACTIVE COLCAP SHARES

The FOS inquires the analysts for the most attractive stocks compounding the COLCAP index. In November, the stock of Grupo Argos was ranked in the first place with 43.8%. It was followed by the common stock of Grupo Nutresa, of Ecopetrol, of Grupo Sura and Bancolombia's stock (Graph 16).

Graph 16. More attractive COLCAP stocks for investors

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

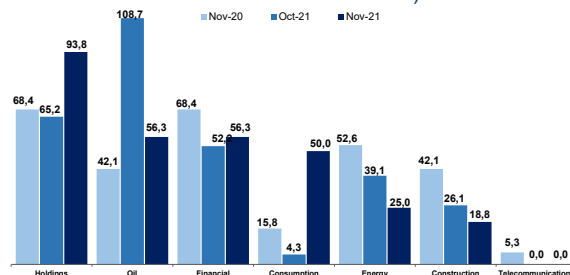


Source: Financial Opinion Survey, Fedesarrollo – BVC

Compared to the last month, there is greater appetite among respondents mainly for shares of the consumption sector, holdings and financial sector (Graph 17).

Graph 17. Most attractive COLCAP sectors for investors

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



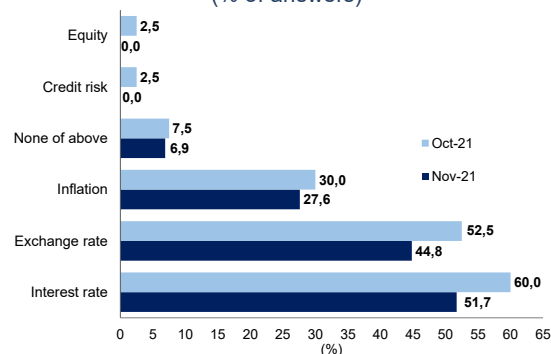
Source: Financial Opinion Survey, Fedesarrollo - BVC

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 November, 51.7% of the respondents (60% in October) were planning to hedge against the interest rate in the short term.** The percentage of managers who expect to hedge against the foreign exchange risk is 44.8% (52.5% in October).

Graph 18. 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)		
		Oct-21	Nov-21	Dec-21
Inflation (Annual variation, %)	4,58	4,83	4,89	
Exchange rate	\$3.784,44	\$ 3.850	\$ 3.789	\$ 3.790
Monetary policy interest rate (%)	2,5	2,5	3,0	3,25
	IIIQ-2021	IIIQ-2021	IVQ-2021	Year 2021
Growth (%)	13.2	11.90	7.50	9.0

Source: Financial Opinion Survey - BVC

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