Stock market confidence indices
May 2026
Bulletin No. 66

FEDESARROLLO
Centro de Investigación Económica y Social

bvc nuam

At the end of April, the **MSCI COLCAP** stood at 2,178, that is, 157 points below analysts' forecast (2,335). By the end of May, the index is expected to reach a level of 2,123.

In May, the **One-Year Confidence Index** stood at 86.4%, which represents a decline of 8.8 pp relative to the previous month (95.2%) and a decrease of 9.6 pp compared to the same month in 2025 (96%). This indicates that the share of analysts expecting an appreciation of the COLCAP over the next 12 months declined relative to both the previous month and the previous year.

The **Buy-on-Dips Confidence Index** stood at 46.7% in May, declining by 3.3 pp compared to the previous month (50%) and by 6.6 pp relative to the same month in 2025 (53.3%). This suggests that analysts consider a recovery of the MSCI COLCAP following a potential drop in the index to be less likely compared to both the previous month and the previous year.

In May, the **Crash Confidence Index** stood at 66.7%, which represents an increase of 16.7 pp compared to the previous month (50%), but a decline of 8.3 pp relative to the same month in 2025 (75%). This indicates that analysts perceive the local market as less vulnerable to declines in international markets compared to the previous month, but more vulnerable compared to the previous year.

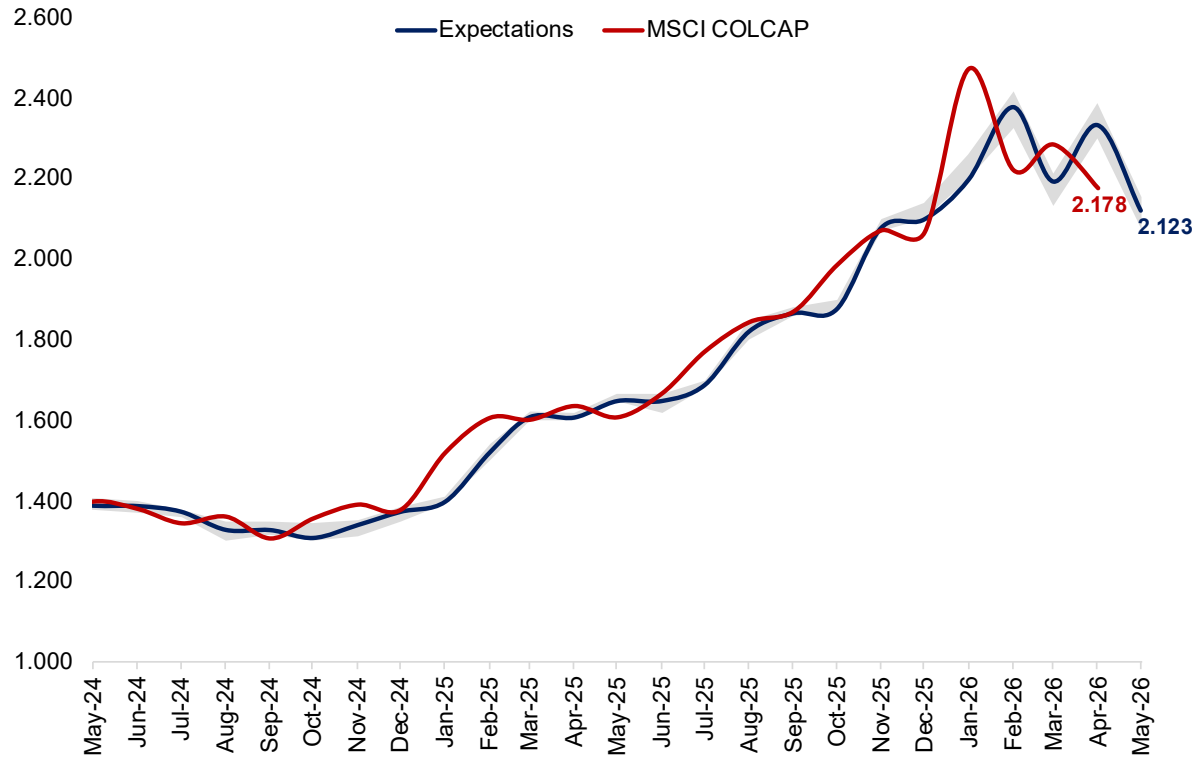
Finally, the **Valuation Confidence Index** stood at 71.1% in May, increasing by 1.7 pp relative to the previous month (69.4%), but declining by 14.2 pp compared to the same month in 2025 (85.3%). This implies that, compared to the previous month, a larger share of analysts believes that stock prices underestimate their fundamentals, but a smaller share compared to the previous year.

MSCI COLCAP Index

The MSCI COLCAP Index, which reflects price movements of the most liquid stocks on the Colombian Stock Exchange (bvc), is one of the most important leading indicators for monitoring the country's capital market. The average for May 2026 to date (through May 15) stands at 2,131, representing a decline of 6.2% relative to the April 2026 average (2,271) and an appreciation of 29.1% compared to the May 2025 average (1,651).

At the end of April, the MSCI COLCAP stood at 2,178, which is 157 points below analysts' forecast (2,335). By the end of May, the index is expected to decline to 2,123 as the median response, within a range between 2,076 and 2,155 (Chart 1).

Graph 1. MSCI COLCAP Index price forecast



Source: Financial Opinion Survey, Fedesarrollo – bvc.

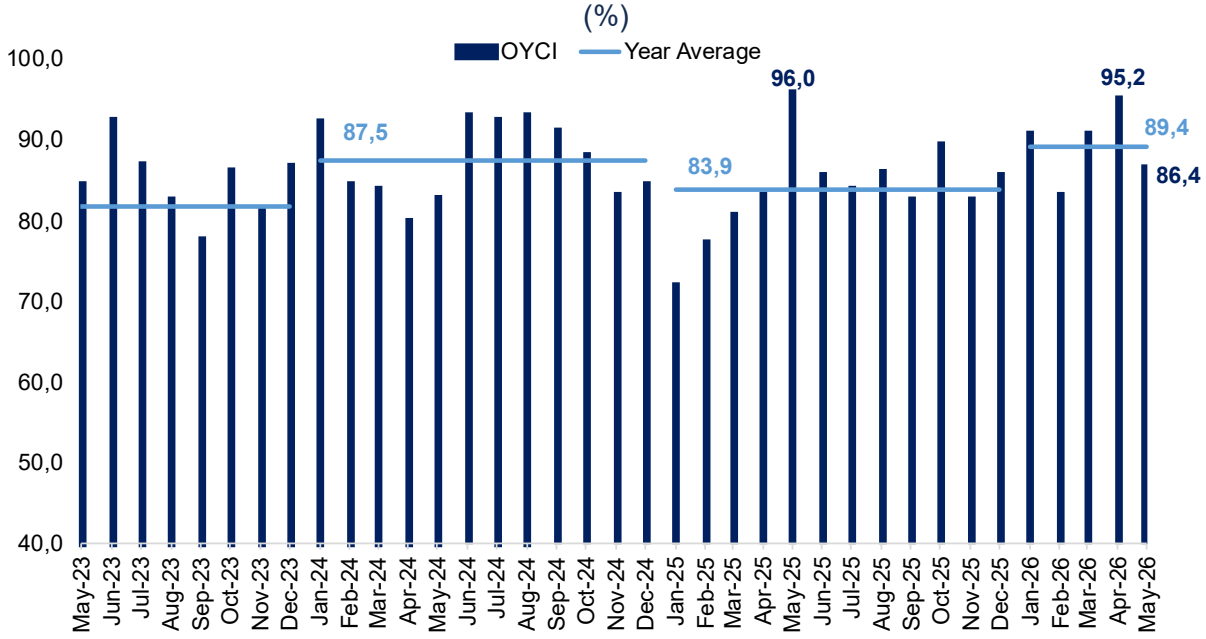
The four-confidence index for the Colombian stock market are presented down below. These indices are calculated based on the Shiller (2000)[1] methodology and using the analysts' expectations collected in the Financial Opinion Survey.

[1] Shiller, Robert J. (2000). Irrational Exhuberance. Princeton University Press. Princeton, N. J

One-Year Confidence Index[2]

The One-Year Confidence Index measures the share of analysts who expect the MSCI COLCAP to increase over a one-year horizon. In this edition, the index stood at 86.4%, indicating that this percentage of respondents expects the index to rise in May 2027 relative to its level prior to the survey being sent (2,123) (Chart 2). The index declined by 8.8 percentage points compared to the previous month (95.2%) and by 9.6 percentage points relative to the same month of the previous year (96%), reflecting a decline in equity market confidence compared to both the previous month and the previous year.

Graph 2. One-Year Confidence Index



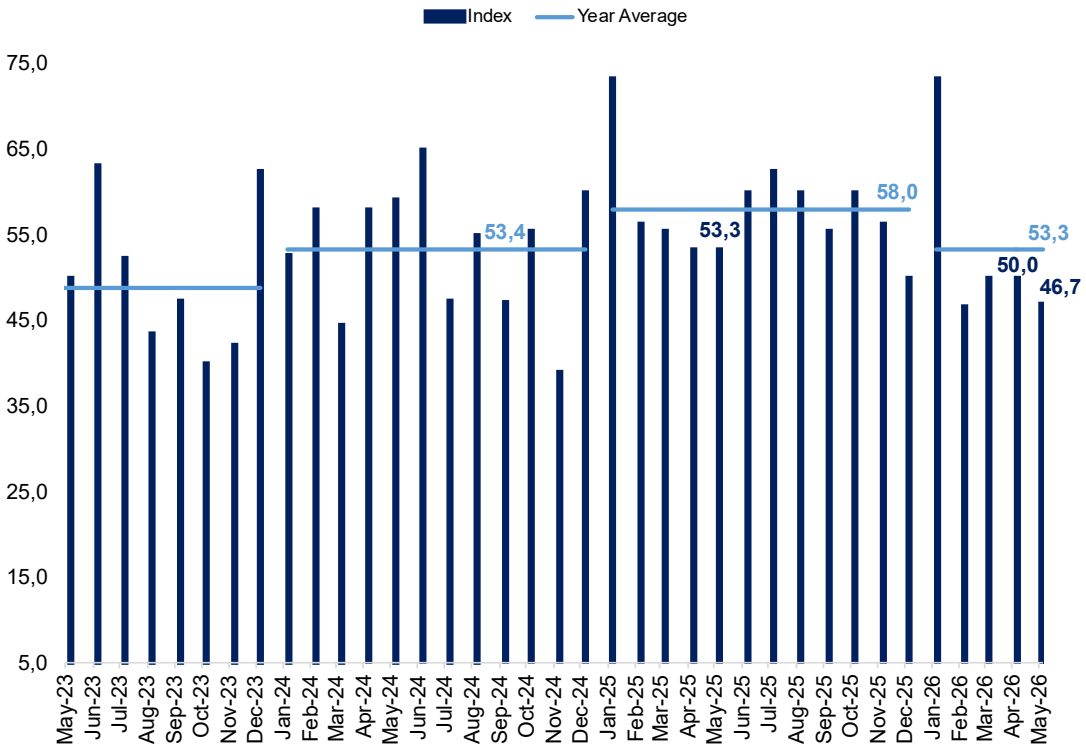
Source: Financial Opinion Survey, Fedesarrollo – bvc.

[2] The One-Year Confidence Index is calculated as the number of respondents that establish a price for the MSCI COLCAP index in 12-months higher than the current level of the index, divided by the total responses excluding invalid answers.

Buy-on-Dips Confidence Index[3]

The Buy-on-Dips Confidence Index measures the share of analysts who believe the MSCI COLCAP has the ability to recover one day after a hypothetical 3% drop. In May 2026, the index stood at 46.7%, declining by 3.3 percentage points compared to the previous month (50%) and by 6.6 percentage points relative to the same month in 2025 (53.3%) (Chart 3). This suggests that analysts consider a recovery of the MSCI COLCAP following a potential drop in the index to be less likely compared to both the previous month and the previous year.

Graph 3. Buy-on-Dips Confidence Index
(%)



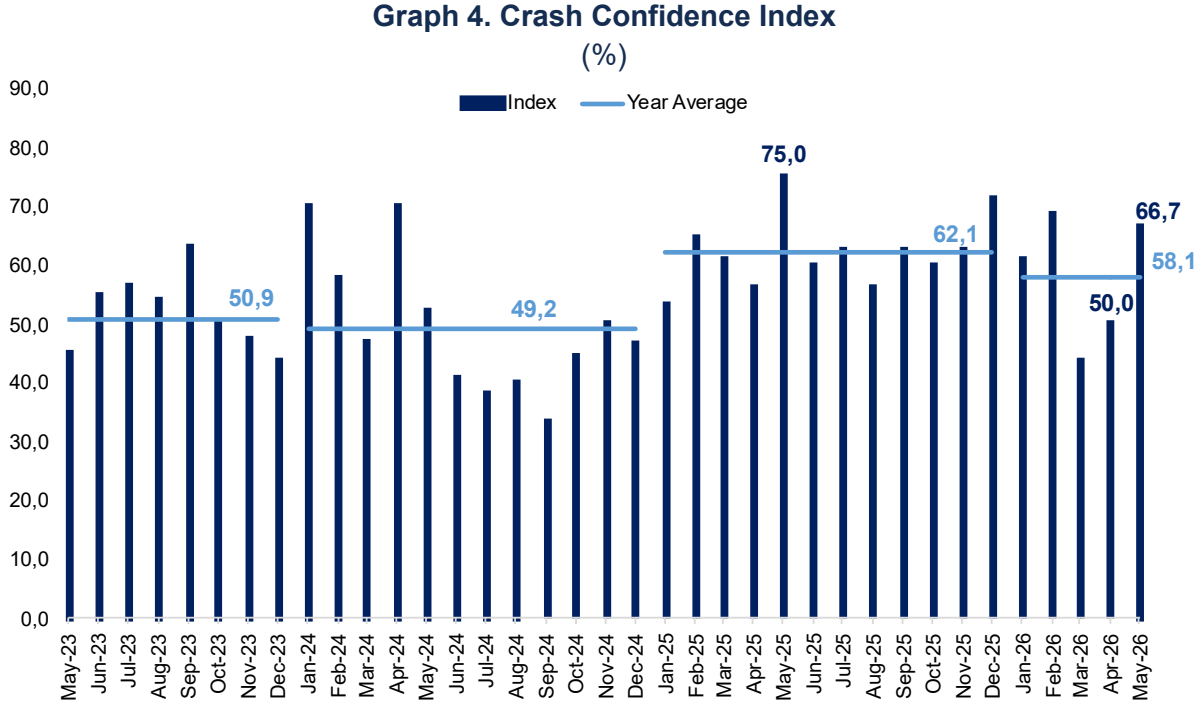
Source: Financial Opinion Survey, Fedesarrollo – bvc.

[3] The Buy-on-Dips Confidence Index is calculated as the number of respondents who expect an increase in the MSCI COLCAP index the next day after a 3% drop, divided by the total answers excluding the "no opinion" option.

Crash Confidence Index[4]

The Crash Confidence Index shows the share of analysts who believe the Colombian equity market would face a low probability of a depreciation in the MSCI COLCAP over the next six months in the event of a sharp drop in international markets. In May 2026, the index increased by 16.7 percentage points relative to the previous month (50%), standing at 66.7%, indicating that analysts perceive a lower likelihood of a potential decline in the local equity market amid deteriorating international markets compared to April 2026 (Chart 4). Compared to the previous year (75%), the index stood 8.3 percentage points lower, reflecting a decline in confidence in the equity market's immunity to external shocks relative to May 2025.

Graph 4. Crash Confidence Index



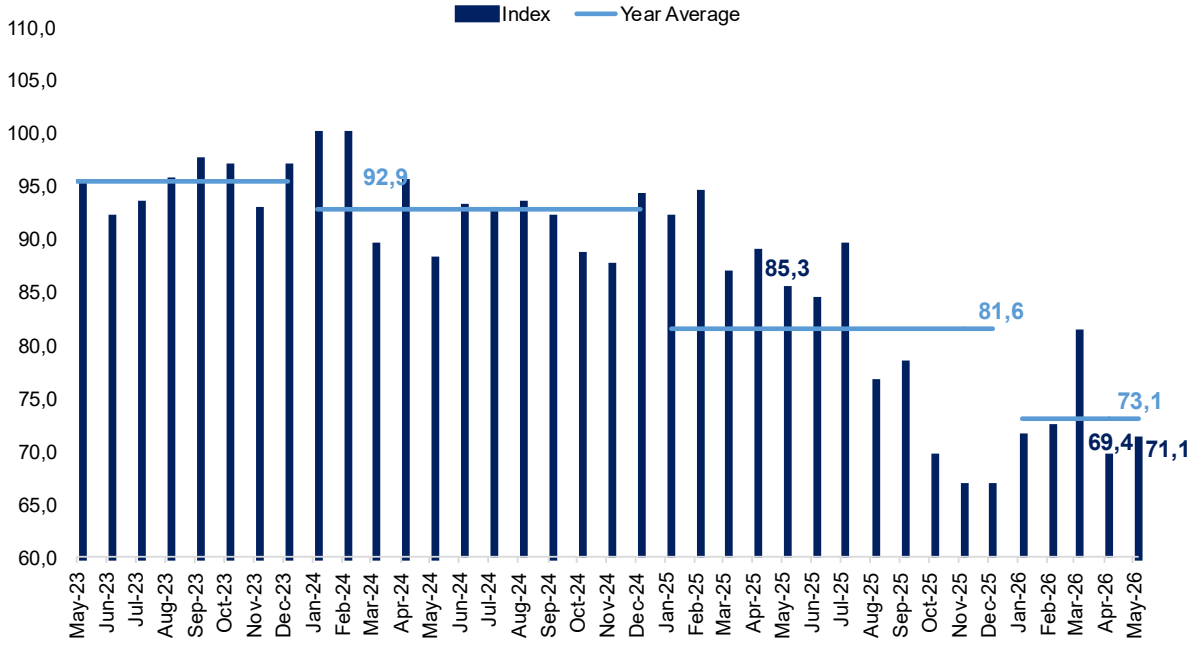
Source: Financial Opinion Survey, Fedesarrollo – bvc.

[4] The Crash Confidence Index is calculated as the number of responses who attach a probability between 0% and 25% to a stock market crash in the next six months including the case that a crash occurred in the international markets and spreads to Colombia, divided by the total responses excluding the "does not apply" option.

Valuation Confidence Index[5]

The Valuation Confidence Index measures the share of analysts who consider MSCI COLCAP stock prices to be very low or fair relative to their fundamental value. In May 2026, the index stood at 71.1%, increasing by 1.7 percentage points relative to the figure observed in April (69.4%), but declining by 14.2 percentage points compared to the level of May 2025 (85.3%). This suggests that, compared to the previous month, a larger share of analysts believes that stock prices underestimate their fundamentals, but a smaller share relative to the previous year (Chart 5).

Graph 5. Valuation Confidence Index
(%)



Source: Financial Opinion Survey, Fedesarrollo – bvc.

Contact us if you wish to access historical results and further information

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

Published May 20, 2026
Comments to **Juan Daniel Sarmiento:** dsarmiento@fedesarrollo.org.co

[5] The Valuation Confidence Index is calculated as:
$Valuation\ Confidence\ Index = (1 * (\%\ too\ low)) + (0.5 * (\%\ about\ right))$, where % too low and % about right, correspond respectively to the number of analysts who chose that the values of the local stocks are too low and about right in regard of the fundamental value excluding the option "do not know".