Financial Opinion Survey
December 2024
Bulletin No. 236

FEDESARROLLO
Centro de Investigación Económica y Social

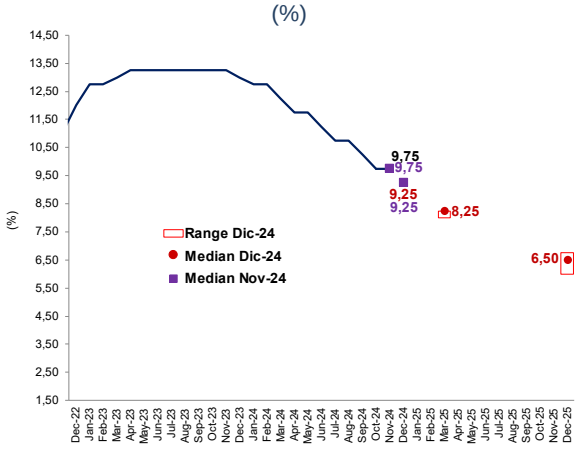
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CENTRAL BANK POLICY RATE

In October 2024, the Board of Directors of the Banco de la República decided to reduce the intervention rate by 50 basis points, setting it at 9.75%. The next meeting where a decision on the intervention rate will be made is scheduled for December 20, 2024.

For the months of December and March, analysts expect the intervention rate to be at 9.25% (remaining stable compared to the November forecast) **and 8.25%, respectively. They also anticipate that the intervention rate will be at 6.5% in December 2025**.

Graph 1. Central Bank interest rate
(%)



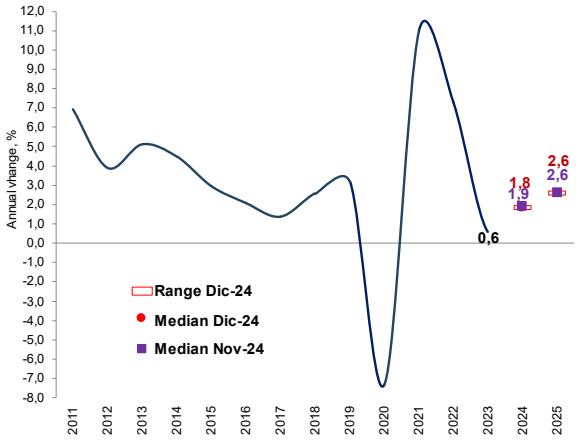
Source: Financial Opinion Survey, Fedesarrollo - bvc

ECONOMIC GROWTH

In December, the growth forecast for 2024 was within a range of 1.7% to 2.0%, with 1.8% as the median response (down from the 1.9% expected in November) (Graph 2). **The median for 2025 stood at 2.6%** (remaining stable compared to the November forecast), **within a range of 2.5% to 2.7%.**

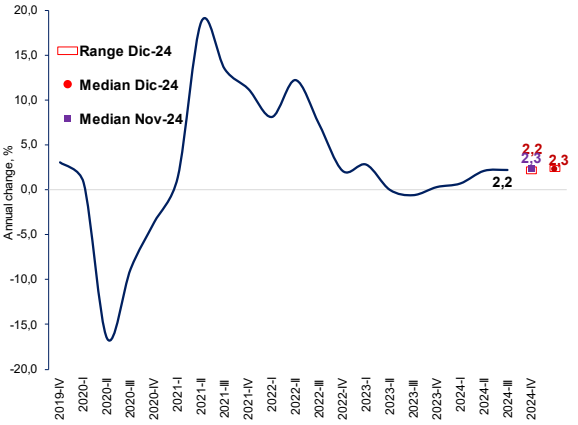
Growth expectations for the fourth quarter of 2024 were within a range of 1.8% to 2.6%, with 2.2% as the median response, decreasing from 2.3% in the November edition. **The growth forecast for the first quarter of 2025 was 2.3%** (Graph 3).

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



Source: Financial Opinion Survey, Fedesarrollo - bvc

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



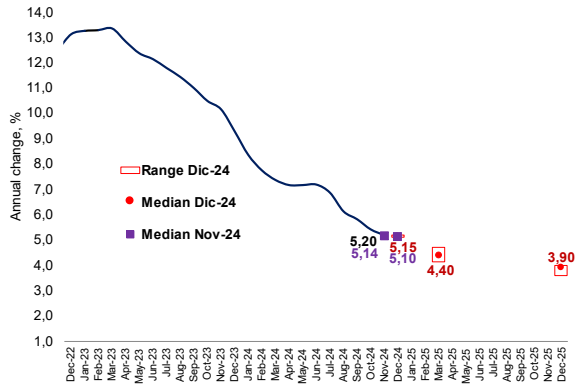
Source: Financial Opinion Survey, Fedesarrollo - bvc

INFLATION

In November, annual inflation stood at 5.20%, above analysts' forecast of 5.14%. **In December, analysts estimate that inflation will be 5.15%, within a range of 5.10% to 5.20%** (up from the 5.10% expected in November) (Graph 4).

Analysts also predict that by December 2025, inflation will close at 3.90%, within a range of 3.61% to 4.00%. Therefore, expectations remain outside the Banco de la República's target range (2-4%) for 2024 but are expected to converge to this range by the end of 2025.

Graph 4. Inflation forecast
(%)

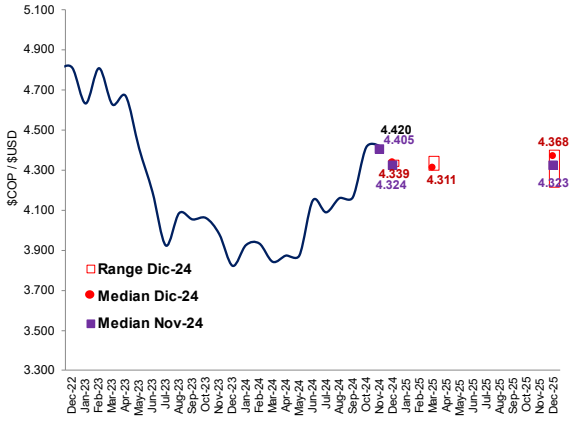


Source: Financial Opinion Survey, Fedesarrollo - bvc

EXCHANGE RATE

In November, the exchange rate closed at $4,420, with a monthly depreciation of 0.1%, reaching its highest value of the month on November 14 ($4,478) and its lowest on November 8 ($4,345). The observed value was $15 higher than expected in the November survey ($4,405). **In December, analysts estimate that the exchange rate will be within a range of $4,320 to $4,350, with $4,339 as the median response, representing an increase compared to the previous month's forecast** ($4,324) (Graph 5). **For December 2025, analysts expect an exchange rate of $4,368.**

Graph 5. Exchange rate - end of period

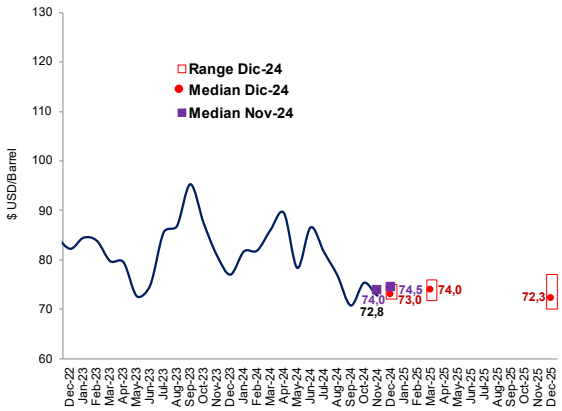


Source: Financial Opinion Survey, Fedesarrollo – bvc

OIL

In November, Brent crude oil closed at $72.8 per barrel, showing a monthly decline of 3.4% and coming in $1.2 below analysts' expectations ($74). **In December, analysts estimate that the price of oil will be within a range of $72.0 to $75.0, with $73.0 as the median response** (down from the $74.5 expected in November) (Graph 6). **For December 2025, they expect a price of $72.3 per barrel.**

Graph 6. Brent oil prices - End of period



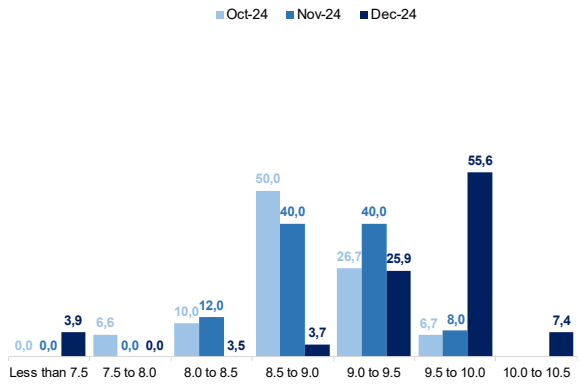
Source: Financial Opinion Survey, Fedesarrollo – bvc

TES 2028 and 2032 RATE

In this edition, **7.4% of analysts expect that the yield on TES maturing in 2028 will be below 7.5% within three months; 3.7% expect it to be between 8.5%-9.0%; 25.9% between 9.0%-9.5%; 55.6% between 9.5%-10.0%; and 7.4% between 10.0%-10.5%** (Graph 7).

For TES maturing in 2032, **3.7% of analysts project that their yield will be between 9.5%-10.0%; 40.7% between 10.0%-10.5%; 48.2% between 10.5%-11.0%; and 7.4% between 11.0%-11.5%** (Graph 8).

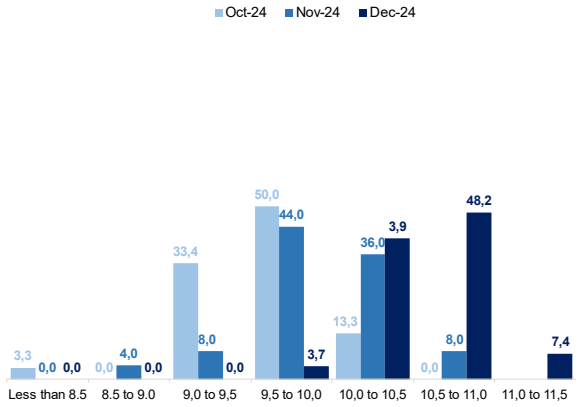
Graph 7. Expectation of TES 2028 performance rate within 3 months
(% of answers)



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)

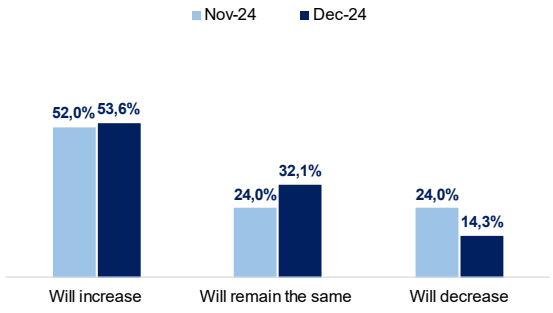


Source: Financial Opinion Survey, Fedesarrollo - bvc

DEBT SPREAD – COLOMBIA EMBIG

The debt spread (EMBIG Colombia)[1] closed November at 332 basis points (5 basis points lower than in October**). In December, 53.6% of analysts** (1.6 percentage points more than the previous month) **expect the spread to increase over the next 3 months, while 32.1% of respondents expect the spread to remain unchanged** (8.1 percentage points higher than the previous month). **The remaining 14.3%** (9.7 percentage points lower than the previous month) **expect it to decrease** (Graph 9).

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

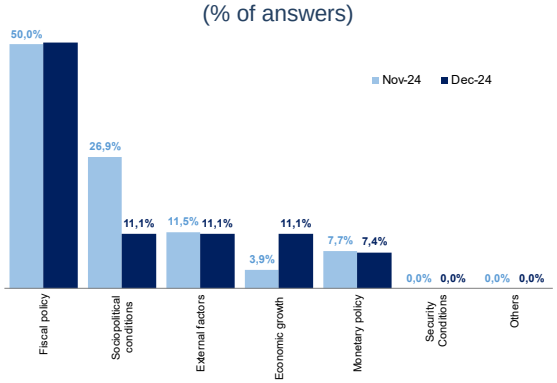


Source: Financial Opinion Survey, Fedesarrollo - bvc

INVESTMENT DETERMINANTS

In this edition, fiscal policy emerged as the most relevant factor for investment, chosen by 59.3% of analysts (compared to 50.0% in the previous month). Sociopolitical conditions, external factors, and economic growth tied for second place, each with 11.1% participation (compared to 26.9%, 11.5%, and 3.9%, respectively, in the previous month). These were followed by monetary policy with 7.4% (compared to 7.7% in the previous month). Meanwhile, security conditions remained at 0.0% (Graph 10).

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

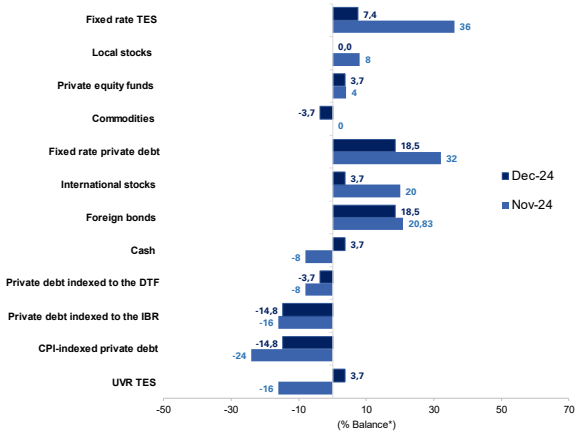


Source: Financial Opinion Survey, Fedesarrollo – bvc

INVESTMENT PREFERENCES

Compared to November, portfolio managers increased their preferences for cash, private debt indexed to the DTF, IBR, and IPC, as well as TES UVR. On the other hand, a decrease was observed in preferences for fixed-rate TES, local equities, private equity funds, commodities, fixed-rate private debt, international equities, and foreign bonds (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

[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.

MSCI COLCAP

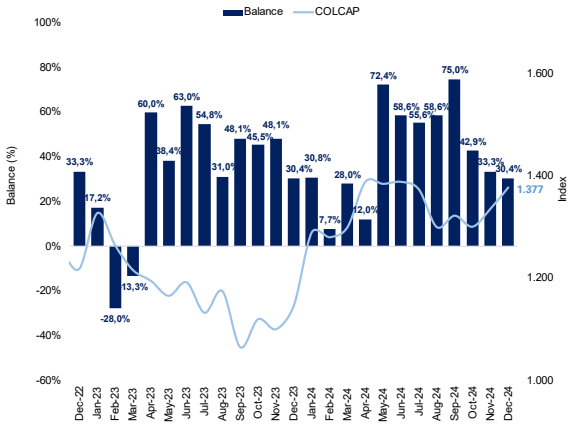
The MSCI COLCAP reflects the price variations of the most liquid stocks on the Bolsa de Valores de Colombia (bvc**). In December, 60.9% of analysts** (compared to 62.5% in November) **expect an appreciation of the index within three months** (Table 1), **8.7% expect it to remain the same** (compared to 8.3% in November), **and the remaining 30.4% expect the stock index to depreciate** (compared to 29.2% in November).

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

Index COLCAP Price Level	November 2024	December 2024
Will increase 10% or more	0,0%	0,0%
Will increase between 5% and 9.99%	12,5%	17,4%
Will increase between 0.01% and 4.99	50,0%	43,5%
Will remain the same	8,3%	8,7%
Will decrease between 0.01% and 4.99	29,2%	26,1%
Will decrease between 5% and 9.99%	0,0%	4,3%
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)

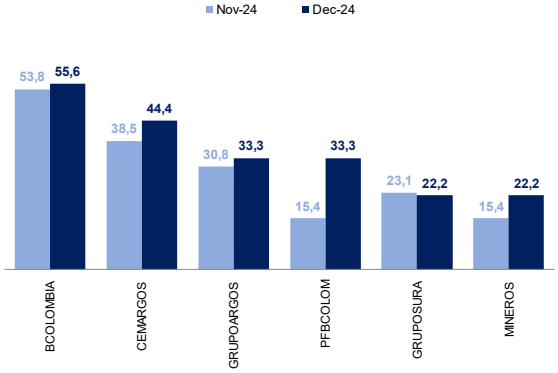


Source: Financial Opinion Survey, Fedesarrollo – bvc
* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation. The calculations use the index corresponding to the day on which the FOS was enabled.

MOST ATTRACTIVE COLCAP SHARES

The EOF surveys analysts about the three stocks they consider most attractive among those that make up the MSCI COLCAP index. **In December, the most preferred stock by analysts was Bancolombia's common share, selected by 55.6% of analysts** (Graph 13). This was followed by Cementos Argos (44.4%), Grupo Argos (33.3%), Bancolombia's preferred stock (33.3%), Grupo Sura (22.2%), and Mineros S.A. (22.2%).

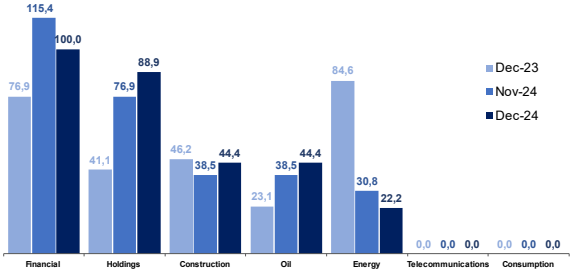
Graph 13. Most attractive MSCI COLCAP stocks for investors
(% of the respondents who consider the stock as one of the three more attractive)



Source: Financial Opinion Survey, Fedesarrollo – bvc

This month, there was an increase in appetite for stocks in **the holdings, construction, and oil** sectors compared to the previous month, while appetite for stocks in the financial and energy sectors decreased (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)

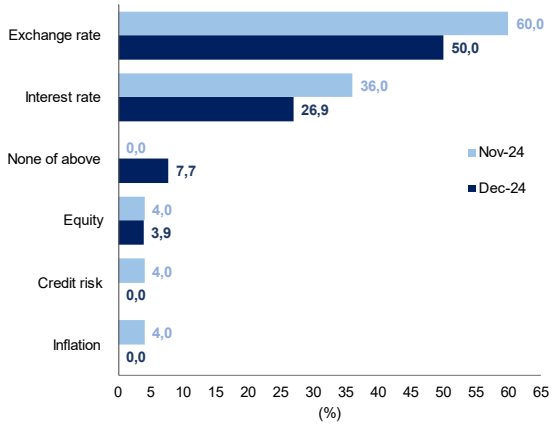


Source: Financial Opinion Survey, Fedesarrollo – bvc

RISK COVERAGE

The EOF asks portfolio managers about the types of risks they plan to hedge against in the next three months. **In December, 50.0% of respondents** (compared to 60.0% in November) **stated they are planning to hedge against exchange rate risk in the short term** (Graph 15). **In second place, 26.9% of managers plan to hedge against interest rate risk, while 3.9% expect to hedge against equity risk** (compared to 36.0% and 4.0% in November, 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)	
		Nov-24	Nov-24	Dec-24
Inflation (Annual variation, %)	Fin de mes	5.20	5.14	5.15
	Fin de año 2024		5.10	
	Fin de año 2025		3,85	3,90
Exchange rate ($)	Fin de mes	4,420	4,405	4,339
	Fin de año 2024		4,324	
	Fin de año 2025		4,323	4,368
Monetary policy interest rate (%)	Fin de mes	9,75	9,75	9,25
	Fin de año 2024		9,25	
	Fin de año 2025		6.25	6.50
Oil (Brent. $USD/Barrel)	Fin de mes	72.8	74.0	73.0
	Fin de año 2024		74.5	
	Fin de año 2025		74.0	72.3
Growth (%)*	IVT-2024		2.3	2.2
	IT-2025			2.3
	2024		1.9	1.8
	2025		2.6	2.6

Source: Financial Opinion Survey – bvc
*Original series.

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