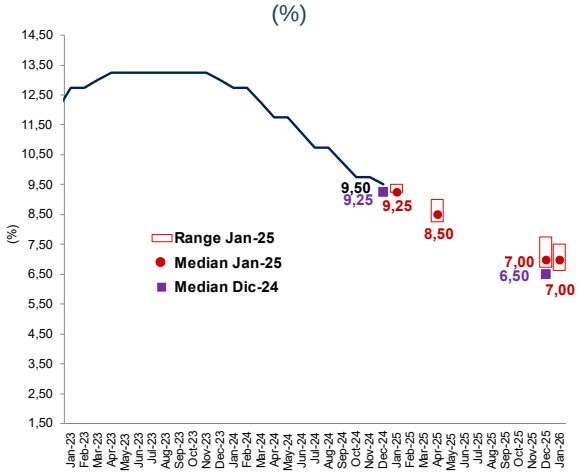
Financial Opinion Survey
January 2025
Bulletin No. 237

CENTRAL BANK POLICY RATE

In December 2024, the Board of Directors of the Banco de la República decided to lower the intervention rate by 25 basis points, setting it at 9.50%. The next meeting to decide on the intervention rate will take place on January 31, 2025.

For the months of January and April, analysts expect the intervention rate to be 9.25% and 8.50%, respectively. They also anticipate the intervention rate will reach 7.0% in December 2025 (an increase from the 6.5% projected the previous month).

Graph 1. Central Bank interest rate
(%)



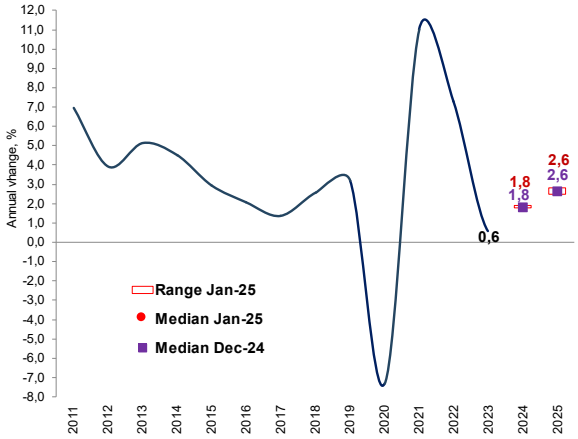
Source: Financial Opinion Survey, Fedesarrollo - bvc

ECONOMIC GROWTH

In January, the growth forecast for 2024 was projected within a range of 1.8% to 1.9%, with a median response of 1.8% (remaining stable compared to the December expectation) (Graph 2). **The median for 2025 was 2.6%** (also stable compared to the December expectation), **within a range of 2.5% to 2.8%.**

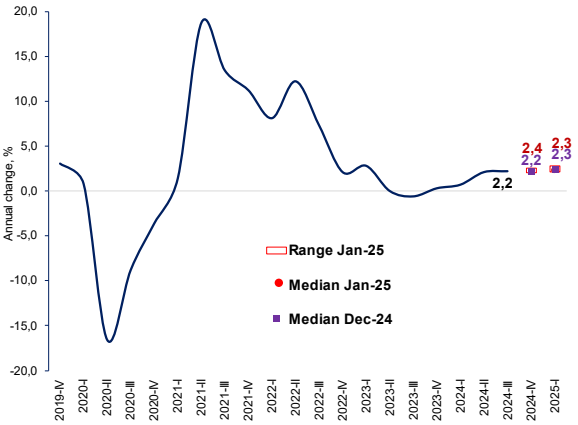
Growth expectations for the fourth quarter of 2024 ranged between 2.0% and 2.5%, with a median response of 2.4%, an increase from the 2.2% reported in December. **The growth forecast for the first quarter of 2025 was 2.3%,** remaining stable compared to the previous month's expectation (Graph 3).

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



Source: Financial Opinion Survey, Fedesarrollo - bvc

Graph 3. GDP growth forecast - fourth quarter 2024 and first quarter 2025
(Annual Change, %)



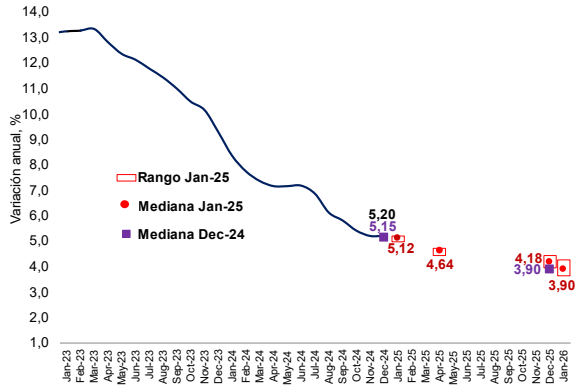
Source: Financial Opinion Survey, Fedesarrollo - bvc

INFLATION

In December, annual inflation stood at 5.20%, exceeding analysts' forecast of 5.15%. **In January, analysts estimate that inflation will be 5.12%, within a range of 4.98% to 5.19%** (Graph 4).

Analysts also predict that inflation will close at 4.18% in December 2025 (an increase from the 3.90% forecast in the December edition), **within a range of 3.95% to 4.43%.** This keeps expectations outside the Banco de la República's target range of 2-4% for 2025. **Meanwhile, 12-month expectations (January 2026) stand at 3.90%.**

Graph 4. Inflation forecast
(%)

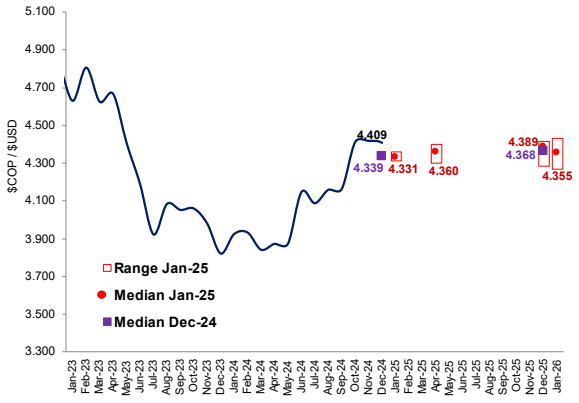


Source: Financial Opinion Survey, Fedesarrollo - bvc

EXCHANGE RATE

In December, the exchange rate closed at $4,409, with a monthly appreciation of 0.2%. Its highest value during the month was recorded on December 3 ($4,463), and the lowest on December 17 ($4,324). The observed figure was $70 higher than the December survey forecast of $4,339. **In January, analysts estimate the exchange rate will range between $4,314 and $4,361, with a median response of $4,331 (Graph 5). For December 2025, analysts expect an exchange rate of $4,389, representing an increase compared to the previous month's forecast of $4,368.**

Graph 5. Exchange rate - end of period

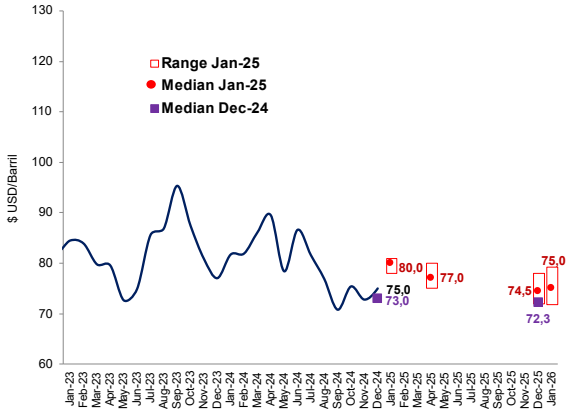


Source: Financial Opinion Survey, Fedesarrollo – bvc

OIL

In December, Brent crude oil closed at $75 per barrel, showing a monthly increase of 3.0% and exceeding analysts' expectations by $2 ($73). **In January, analysts estimate that the price of oil will range between $78 and $81, with a median response of $80 per barrel** (Graph 6). **For December 2025, they expect a price of $74.5 per barrel,** up from the $72.3 forecast in December.

Graph 6. Brent oil prices - End of period



Source: Financial Opinion Survey, Fedesarrollo – bvc

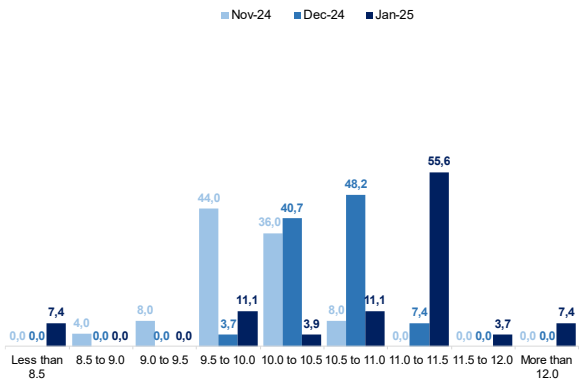
TES 2032 and 2042 RATE[1]

In this edition, 7.4% of analysts **expect the yield on TES maturing in 2032 to be below 8.5% within three months; 11.1% expect it to range between 9.5%-10.0%; 3.7% between 10.0%-10.5%; 11.1% between 10.5%-11.0%; 55.6% between 11.0%-11.5%; 3.7% between 11.5%-12.0%; and 7.4% above 12.0%** (Graph 7).

For TES maturing in 2042, 11.1% of analysts project their **yield to range between 10.5%-11.0%; 11.1% between 11.0%-11.5%; 11.1% between 11.5%-12.0%; 48.2% between 12.0%-12.5%; 7.4% between 12.5%-13.0%; 7.4% between 13.0%-13.5%; and 3.7% between 13.5%-14.0%** (Graph 8).

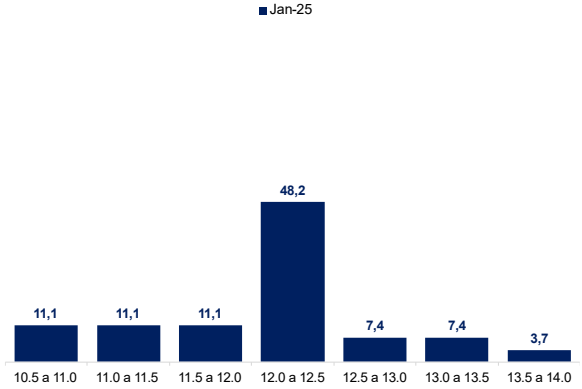
[1] The yield expectation for TES maturing in 2042 is introduced for the first time in this edition of the EOF, replacing the yield expectation for TES maturing in 2028.

Graph 7. Expectation of TES 2032 performance rate within 3 months
(% of answers)



Source: Financial Opinion Survey, Fedesarrollo – bvc

Graph 8. Expectation of TES 2042 performance rate within 3 months
(% of answers)

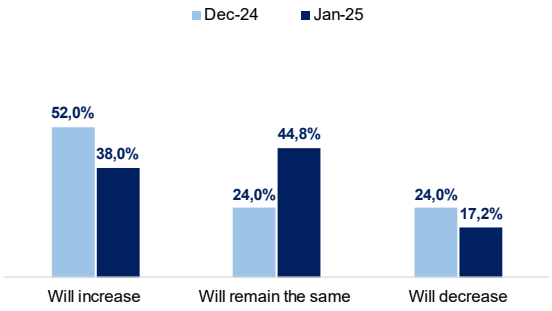


Source: Financial Opinion Survey, Fedesarrollo - bvc

DEBT SPREAD – COLOMBIA EMBIG

The debt spread (EMBIG Colombia) closed December at 330 basis points (2 basis points lower than in November). **In January, 38.0% of analysts** (15.6 percentage points fewer than the previous month) **expect the spread to increase over the next three months, while 44.8% of respondents expect it to remain unchanged** (12.7 percentage points more than the previous month). **The remaining 17.2% (2.9 percentage points more than the previous month) expect the spread to decrease** (Graph 9).

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

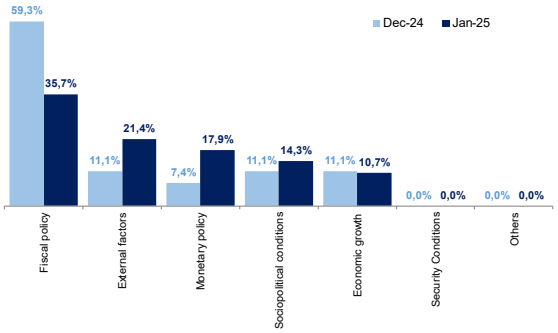


Source: Financial Opinion Survey, Fedesarrollo - bvc

INVESTMENT DETERMINANTS

In this edition, fiscal policy emerged as the most relevant factor for investment, chosen by 35.7% of analysts (down from 59.3% in the previous month). External factors ranked second, with 21.4% participation (up from 11.1% in the previous month). Following these were monetary policy, sociopolitical conditions, and economic growth, with 17.9%, 14.3%, and 10.7%, respectively (compared to 7.4%, 11.1%, and 11.1% in the previous month). Meanwhile, security conditions remained at 0.0% (Graph 10).

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

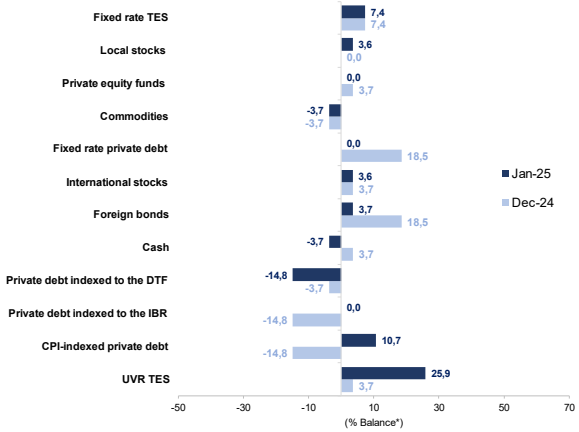


Source: Financial Opinion Survey, Fedesarrollo – bvc

INVESTMENT PREFERENCES

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

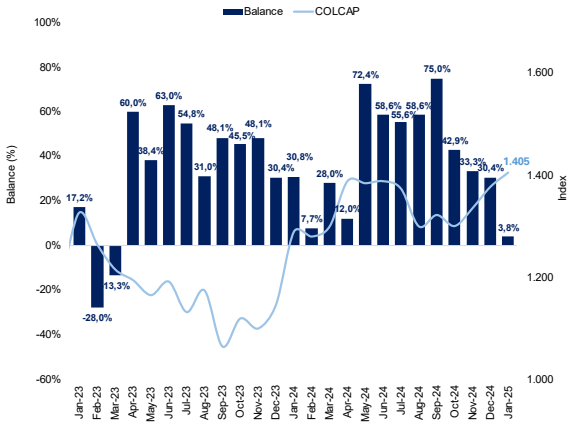
Graph 11. Projection of positions in the next 3 months for different assets



*Balance: % of respondents who will increase their position minus% of respondents that will decrease their position
Source: Financial Opinion Survey, Fedesarrollo – bvc

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.

MSCI COLCAP

The MSCI COLCAP reflects the variations in the prices of the most liquid stocks on the Bogotá Stock Exchange (bvc). **In January, 50.0% of analysts** (down from 60.9% in December) **expect the index to appreciate within three months** (Table 1), **3.8% expect it to remain unchanged** (down from 8.7% in December), **and the remaining 46.2% expect the stock index to depreciate** (up from 30.4% in December).

Table 1. Expectations about the MSCI COLCAP index price at 3 months

(% of answers)

Index COLCAP Price Level	December 2024	January 2024
Will increase 10% or more	0,0%	3,8%
Will increase between 5% and 9.99%	17,4%	0,0%
Will increase between 0.01% and 4.99	43,5%	46,2%
Will remain the same	8,7%	3,8%
Will decrease between 0.01% and 4.99	26,1%	46,2%
Will decrease between 5% and 9.99%	4,3%	0,0%
Will decrease between 10% or more	0,0%	0,0%

Source: Financial Opinion Survey, Fedesarrollo – bvc

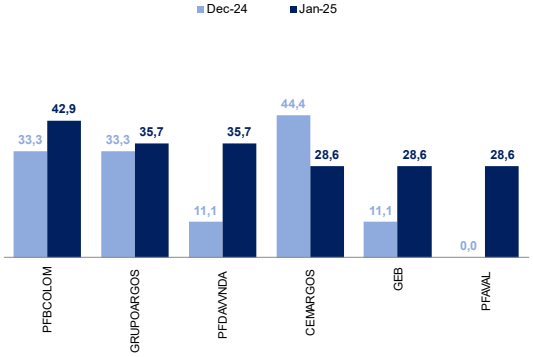
MOST ATTRACTIVE COLCAP SHARES

The EOF surveys analysts about the three stocks they consider most attractive among those that make up the MSCI COLCAP index. **In January, the most preferred stock by analysts was Bancolombia's preferred share, selected by 42.9% of analysts** (Graph 13). It was followed by Grupo Argos' stock (35.7%), Davivienda's preferred share (35.7%), and the stocks of Cementos Argos, Grupo de Energía de Bogotá (GEB), and the preferred share of Grupo Aval (28.6% each).

This month, an increase in appetite for stocks **in the financial and energy sectors** was observed compared to the previous month, while there was a decrease in appetite for stocks in the holdings, construction, and oil sectors (Graph 14).

Graph 13. Most attractive MSCI COLCAP stocks for investors

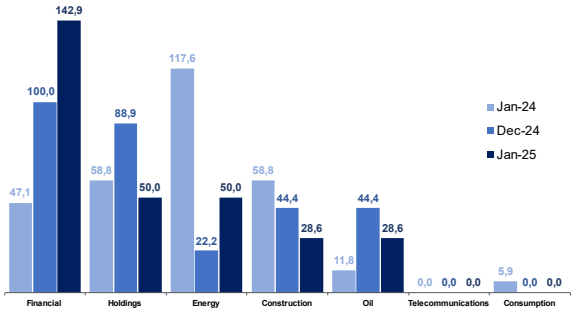
(% of the respondents who consider the stock as one of the three more attractive)



Source: Financial Opinion Survey, Fedesarrollo – bvc

Graph 14. Most attractive MSCI COLCAP sectors for investors

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



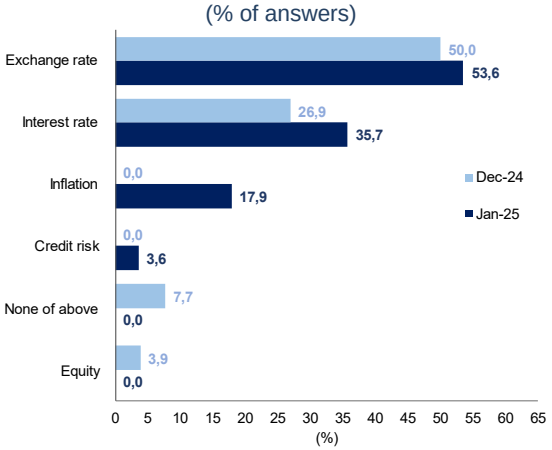
Source: Financial Opinion Survey, Fedesarrollo – bvc

RISK COVERAGE

The EOF asks portfolio managers about the types of risks they plan to hedge against in the next three months. **In January, 53.6% of respondents** (up from 50.0% in December) **stated they plan to hedge against exchange rate risk in the short term** (Graph 15**). In second place, 35.7% of managers expect to hedge against interest rate risk, while 17.9% expect to hedge against inflation risk** (compared to 26.9% and 0% in December, 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)	
		Dec-24	Dec-24	Jan-25
Inflation (Annual variation, %)	Enf of month	5.20	5.15	5.12
	End of 2025		3.9	4.18
Exchange rate ($)	Enf of month	4,409	4,339	4,331
	End of 2025		4,368	4,389
Monetary policy interest rate (%)	Enf of month	9.75	9.25	9.25
	End of 2025		6.5	7.0
Oil (Brent, $USD/Barrel)	Enf of month	75	73.0	80.0
	End of 2025		72.3	74.5
Growth (%)*	IVT-2024		2.2	2.4
	IT-2025		2.3	2.3
	2024		1.8	1.8
	2025		2.6	2.6

Source: Financial Opinion Survey – bvc
*Original series

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