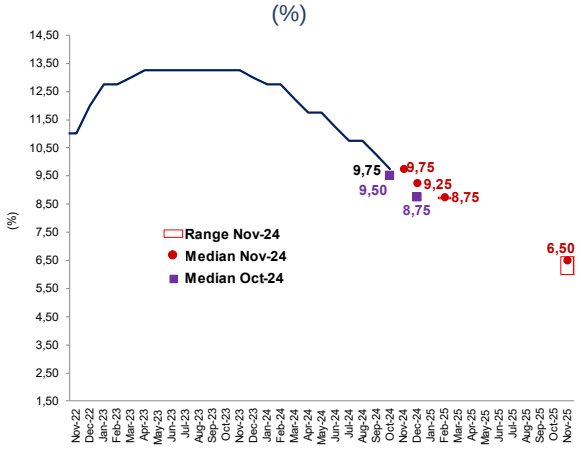
Financial Opinion Survey
November 2024
Bulletin No. 235

CENTRAL BANK POLICY RATE

In October 2024, the Board of Directors of Banco de la República (Colombia´s Central Bank) decided to lower the intervention rate by 50 basis points, placing it at 9.75%. The next meeting at which a decision on the interest rate will be made will be on December 20th, 2024.

In November, analysts expect the intervention rate to be at 9.70%. They also anticipate that the intervention rate will be at 9.25% in December 2024 (increasing from 8.75% in October), and 8.75% in February 2025 (Graph 1).

Graph 1. Central Bank interest rate
(%)



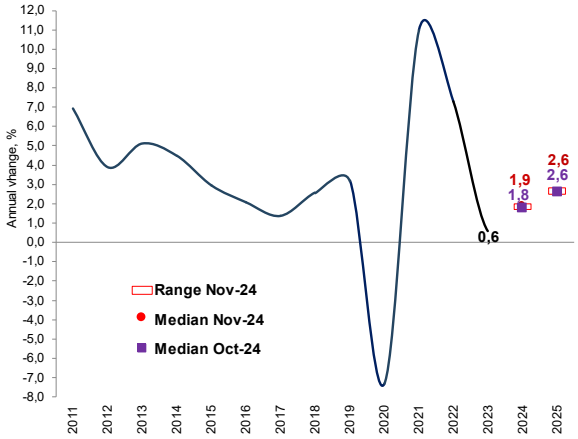
Source: Financial Opinion Survey, Fedesarrollo - bvc

ECONOMIC GROWTH

In November, the growth forecast for 2024 was in a range between 1.7% and 2.0%, with 1.9% as the median response (increasing from 1.8% in October) (Graph 2). The median for 2025 was 2.6% (stable compared to October forecast), **placing it in a range between 2.5% and 2.8%.**

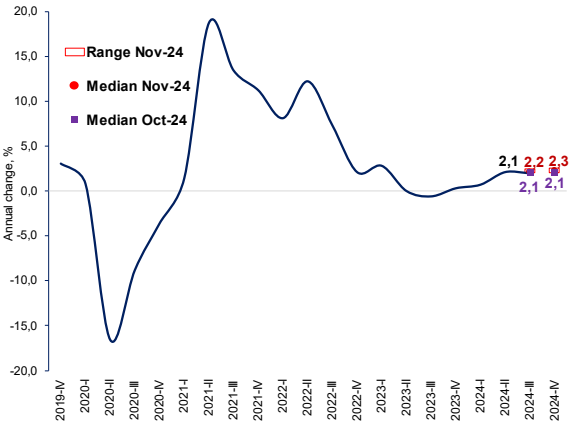
Expectations for the third quarter of 2024 growth were in a range between 2.0% and 2.4%, with 2.2% as the median response, an increase from 2.1% in October**. This result was above DANE's official growth for the third quarter of 2024 of 2.0%. The growth forecast for the fourth quarter of 2024 was at 2.3%**, increasing from 2.1% in October (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, %)



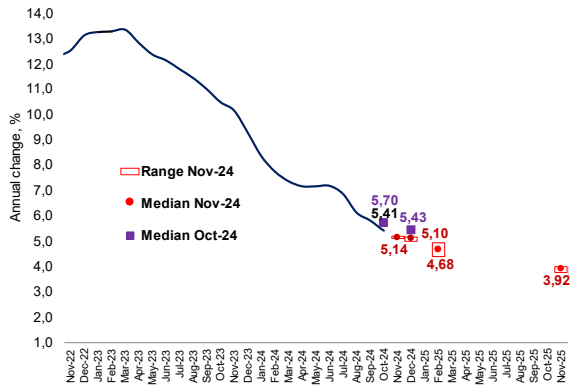
Source: Financial Opinion Survey, Fedesarrollo - bvc

INFLATION

In October, annual inflation stood at 5.41%, under analysts' forecast (5.81%). **In November, analysts expect inflation to be at 5.14%, in a range between 5.10% and 5.20%** (Graph 4).

Analysts expect inflation to close at 5.10% in December 2024, in a range between 5.00% and 5.16% (decreasing compared to 5,43% in October), so expectations remain outside the target range of Banco de la República (2-4%). 12-month expectations (as of November 2025) are at 3.92%.

Graph 4. Inflation forecast
(%)

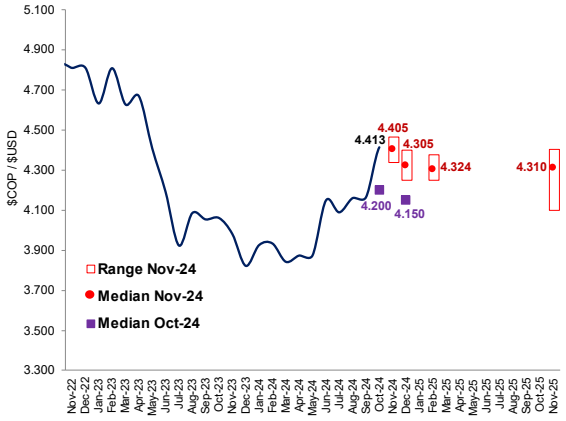


Source: Financial Opinion Survey, Fedesarrollo - bvc

EXCHANGE RATE

In October, the exchange rate closed at $4,413, with a monthly depreciation of 6.0%, reaching its maximum value for the month on October 31th ($4,413) and its minimum value on October 7th ($4,173). Thus, the observed value was $213 higher than expected in the October survey ($4,200). **In November, analysts consider that the exchange rate will be in a range between $4,339 and $4,466, with $4,405 as the median response** (Graph 5). **By the end of 2024, they expect a rate of $4,324**, which is an increase compared to the previous month's forecast ($4,150).

Graph 5. Exchange rate - end of period

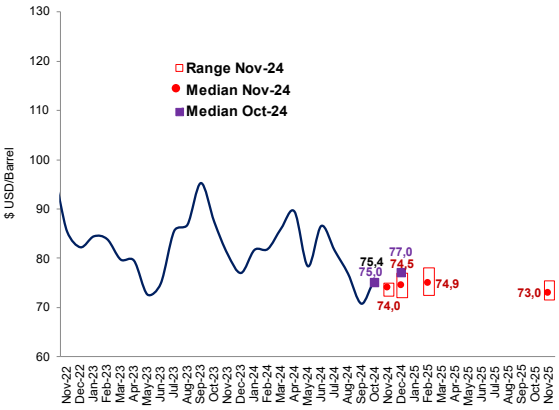


Source: Financial Opinion Survey, Fedesarrollo – bvc

OIL

In October, Brent oil prices closed at $75,4 dollars, showing a monthly increase of 6.5% and $0.4 dollars higher than analysts' expectations ($75). **In November, analysts consider that oil prices will be in a range between $72,4 and $75,0, with $74,5 as the median response** (Graph 6). **By the end of 2024, they expect a price of $74.5** (a decrease from $77 in the October edition).

Graph 6. Brent oil prices - End of period



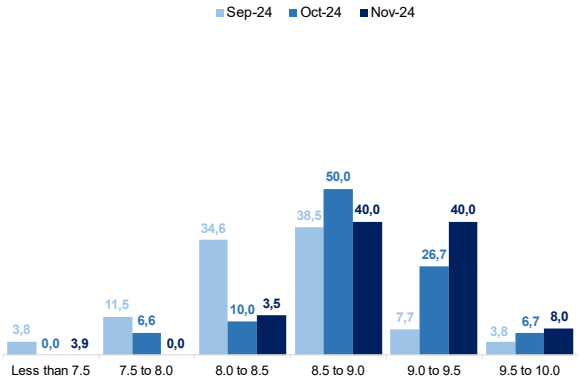
Source: Financial Opinion Survey, Fedesarrollo – bvc

TES 2028 and 2032 RATE

In this edition, **12.0% of analysts believe that the TES rate maturing in 2028 in three months will be between 8.0%-8.5%; 40% between 8.5%-9.0%; 40% between 9.0%-9.5% and 8.0% between 9.5%-10.0%** (Graph 7).

For TES maturing in 2032, **4.0% of analysts project its yield in three months to be between 8.5%-9.0%; 8% between 9.0%-9.5%; 44.0% between 9.5%-10.0%; 36.0% between 10.0%-10.5% and 8.0% between 10.5%-11.0%** (Graph 8).

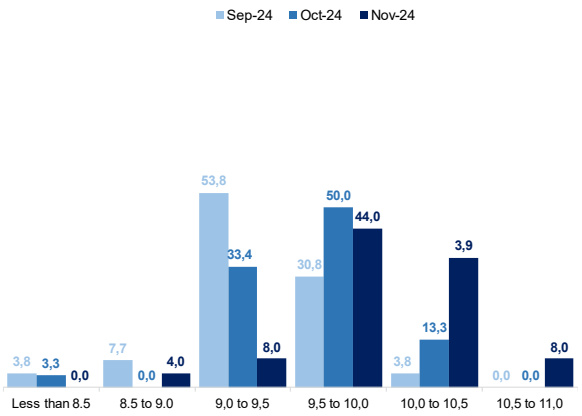
Graph 7. Expectation of TES 2028 performance rate within 3 months
(% of answers)



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)

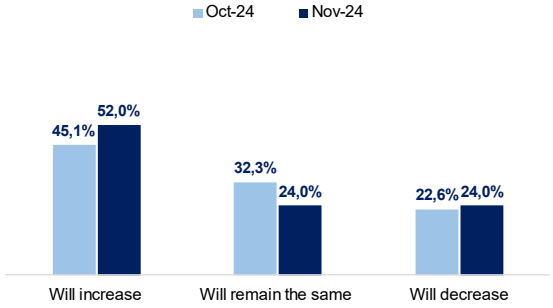


Source: Financial Opinion Survey, Fedesarrollo - bvc

DEBT SPREAD – COLOMBIA EMBIG

The debt spread (EMBIG Colombia)[1] closed in October at 337 basis points (20 basis points more than September). **In November, 52.0% of analysts** (6.9 percentage points more than the previous month) **expect the spread to increase in the next 3 months, while 24.0%** (8.3 percentage points less than the previous month) **expect it to remain the same. The remaining 24% of respondents expect the spread to decrease** (1.4 percentage points more than the previous month) (Graph 9).

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

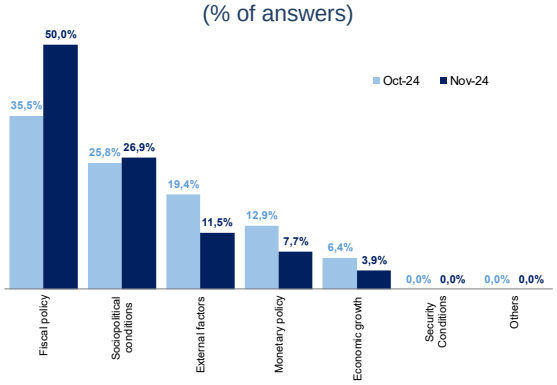


Source: Financial Opinion Survey, Fedesarrollo - bvc

INVESTMENT DETERMINANTS

In this edition, fiscal policy conditions were shown as the most relevant aspect when it comes to investing, being chosen by 50.0% of analysts each (vs. 35.5% the previous month). Sociopolitical conditions came in second place with 26.9% of participation (vs. 25.8% the previous month). External factors, Monetary policy and economic growth followed with 11.5%, 7.7% and 3.9% of the share, respectively (vs. 19,4%, 12,9% and 6.4% the previous month) (Graph 10).

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



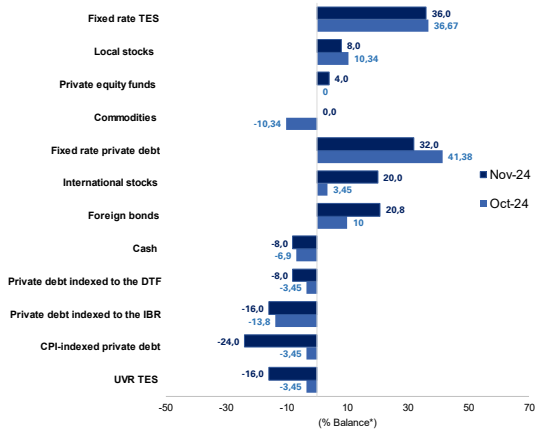
Source: Financial Opinion Survey, Fedesarrollo – bvc

INVESTMENT PREFERENCES

Compared to October, **portfolio managers increased their preferences for private equity funds, commodities, international stock and foreign bonds.**

local and international stock, CPI, IBR and DTF-indexed private debt and UVR TES. On the other hand, there was a decrease in preferences for fixed-rate and UVR TES, local stock, fixed-rate, IPC, IBR and DTF indexed private debt and cash (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 changes in the prices of the most liquid stocks on the Colombian Stock Exchange (bvc). **In November, 62.5% of analysts** (vs. 57.1% in October) **expect the index to appreciate in three months** (Table 1), **8.3% expect it to remain constant** (vs. **28.6**% in October)**, while the remaining 29.2% expect the stock index to devalue** (vs. 14.3% in October).

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

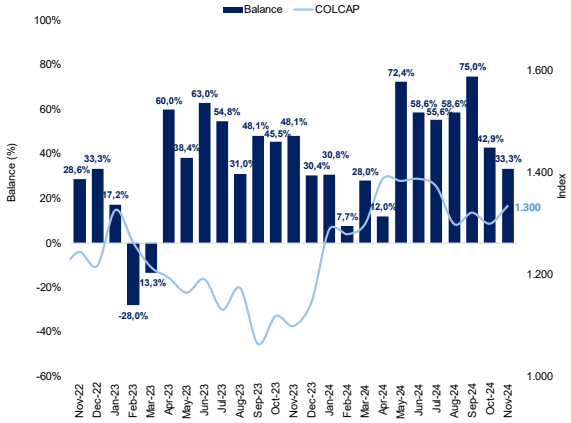
(% of answers)

Index COLCAP Price Level	October 2024	November 2024
Will increase 10% or more	3,6%	0,0%
Will increase between 5% and 9.99%	17,8%	12,5%
Will increase between 0.01% and 4.99	35,7%	50,0%
Will remain the same	28,6%	8,3%
Will decrease between 0.01% and 4.99	10,7%	29,2%
Will decrease between 5% and 9.99%	3,6%	0,0%
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)



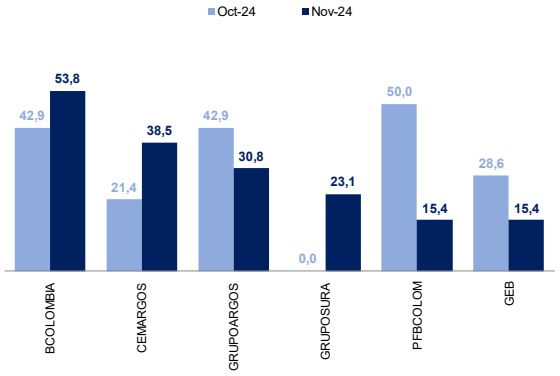
Source: Financial Opinion Survey, Fedesarrollo – bvc
* Balance: % of respondents expecting a valuation minus % of respondents expecting a devaluation. The calculations use the index corresponding to the day on which the FOS was enabled.

MOST ATTRACTIVE COLCAP SHARES

The FOS consults analysts about the three stocks they consider most attractive within the MSCI COLCAP index. **In November, the ordinary stock of Bancolombia ranked first, being selected by 53.8% of analysts** (Graph 13). It was followed by Cementos Argos (38.5%), Grupo Argos (30.8%), Grupo Sura (23.1%) the preferential stock of Bancolombia (15,4%) and Grupo de Energía de Bogotá (GEB) (15,4%).

Graph 13. Most attractive MSCI COLCAP stocks for investors

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

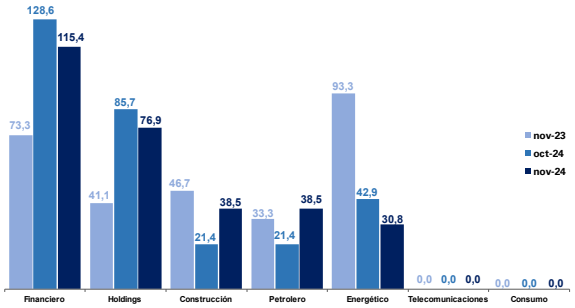


Source: Financial Opinion Survey, Fedesarrollo – bvc

This month there was a greater appetite for shares in the **construction and oil sectors** compared to the previous month, and a lesser appetite for shares in the financial, holdings and energy sectors (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)

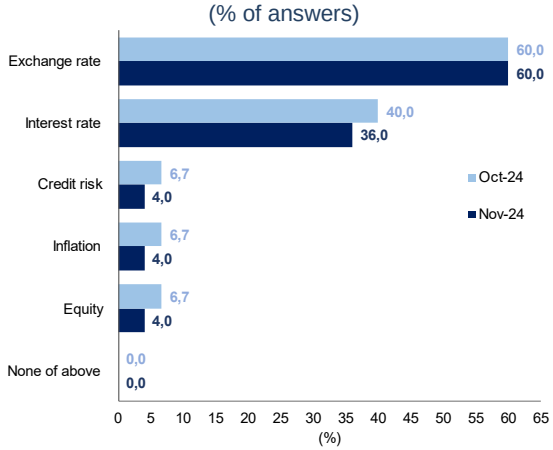


Source: Financial Opinion Survey, Fedesarrollo – bvc

RISK COVERAGE

The FOS asks portfolio managers about the types of risks for which they plan to hedge against in the next three months. **In November, 60.0% of respondents** (vs. 60.0% in October) **stated that they are planning to hedge against the exchange rate in the short term** (Graph 15). **In second place, the percentage of managers expecting to hedge against the interest rate was 36.0% while against credit risk it stood at 4.0%** (vs. 40.0% and 6.7% in October, 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)	
		Oct-24	Oct-24	Nov-24
Inflation (Annual variation, %)	End of month	5.41	5.70	5.14
	End of year 2024		5.43	5.10
Exchange rate ($)	End of month	4,413	4,200	4,405
	End of year 2024		4,150	4,324
Monetary policy interest rate (%)	End of month	9.75	9.50	9.75
	End of year 2024		8.75	9.25
Oil (Brent, $USD/Barrel)	End of month	75.4	75.0	74.0
	End of year 2024		77.0	74.5
Growth (%)*	IIIT-2024	2.0	2.1	2.2
	IVT-2024		2.1	2.3
	2024		1.8	1.9
	2025		2.6	2.6

Source: Financial Opinion Survey – bvc
*Original series.

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