Stock market confidence indices
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FEDESARROLLO
Centro de Investigación Económica y Social

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At the end of May, the **MSCI COLCAP** stood at 1,637, which is 28 units above analysts' forecast (1,609). The index is expected to reach a level of 1,650 by the end of May.

In May, the **One-Year Confidence Index** stood at 96.0%, up 12.7 percentage points from the previous month (83.3%) and 13.2 percentage points from the same month in 2024 (82.8%). This indicates that the proportion of analysts who foresee a COLCAP appreciation in the next 12 months increased compared to the previous month and compared to a year ago.

The **Buy-on-Dips Confidence Index** stood at 53.3% in May, stable versus the previous month, but down 5.8 percentage points versus the same month in 2024 (59.1%). This implies that analysts consider a rise in the MSCI COLCAP the day after a potential fall in the index less likely compared to May 2024.

In May, the **Crash Confidence Index** stood at 75.0%, up 18.7 percentage points from the previous month (56.3%) and 22.8 percentage points from the same month in 2024 (52.2%). This indicates that analysts consider the market less vulnerable to downturns in international markets compared to the previous month and compared to a year ago.

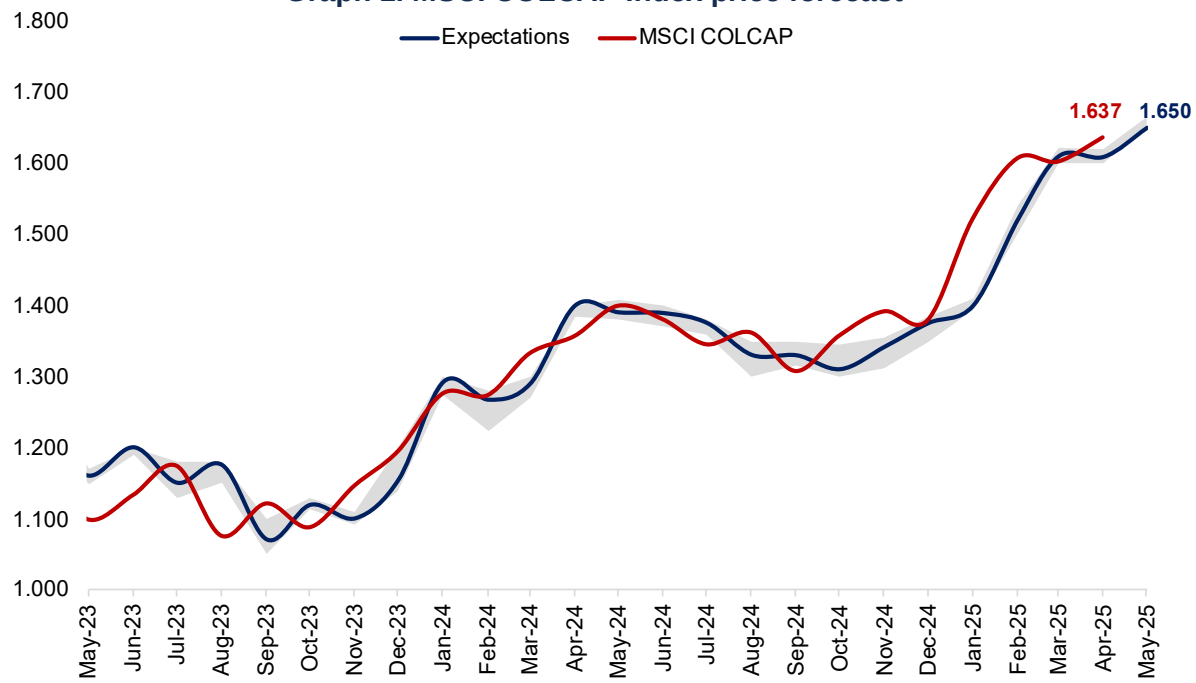
Finally, the **Valuation Confidence Index** stood at 85.3% in May, down 3.6 percentage points from the previous month's level (88.9%) and down 2.8 percentage points from the same month in 2024 (88.1%). This implies that a smaller proportion of analysts believe that equity values underestimate the value of their fundamentals versus April 2025 and May 2024.

MSCI COLCAP Index

The MSCI COLCAP index, which reflects the variations in the prices of the most liquid stocks on the Colombian Stock Exchange (bvc), represents one of the most important leading indicators for monitoring the country's capital market. The average so far in May 2025 (up to May 16) is at 1,656, which represents an appreciation of 2.6% with respect to the average of April 2025 (1,614) and of 18.0% with respect to the average of May 2024 (1,403).

At the end of April, the MSCI COLCAP stood at 1,637, which corresponds to 28 units above the analysts' forecast (1,609). By the end of May, the index is expected to increase to 1,650 as a median response, in a range between 1,650 and 1,665 (Graph 1).

Graph 1. MSCI COLCAP Index price forecast



Source: Financial Opinion Survey, Fedesarrollo – bvc.

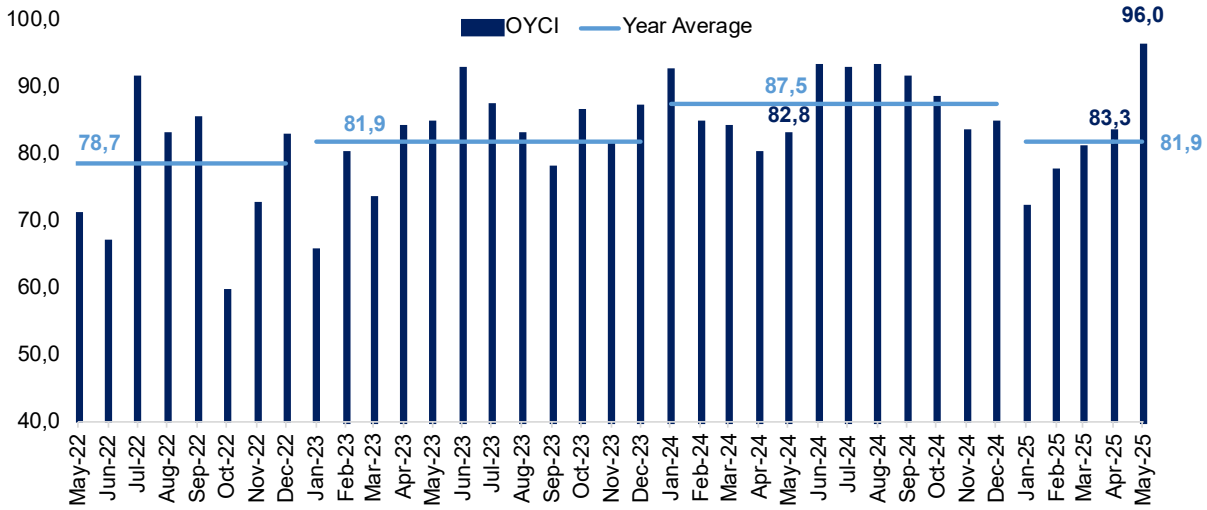
The four confidence indices for the Colombian stock market are presented down below. These indices are calculated based on the Shiller (2000)[1] methodology and using the analysts' expectations collected in the Financial Opinion Survey.

[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 proportion of analysts who expect an increase in the MSCI COLCAP over the next year. In this edition, the index stood at 96.0%, indicating that this percentage of respondents expects an increase in the index in May 2026 with respect to the level prior to sending the survey (1,645) (Graph 2). The index increased by 12.7 percentage points from the previous month (83.3%) and by 13.2 percentage points from the same month last year (82.8%), reflecting an improvement in stock market confidence from the previous month and from the May 2024 level.

Graph 2. One-Year Confidence Index
(%)



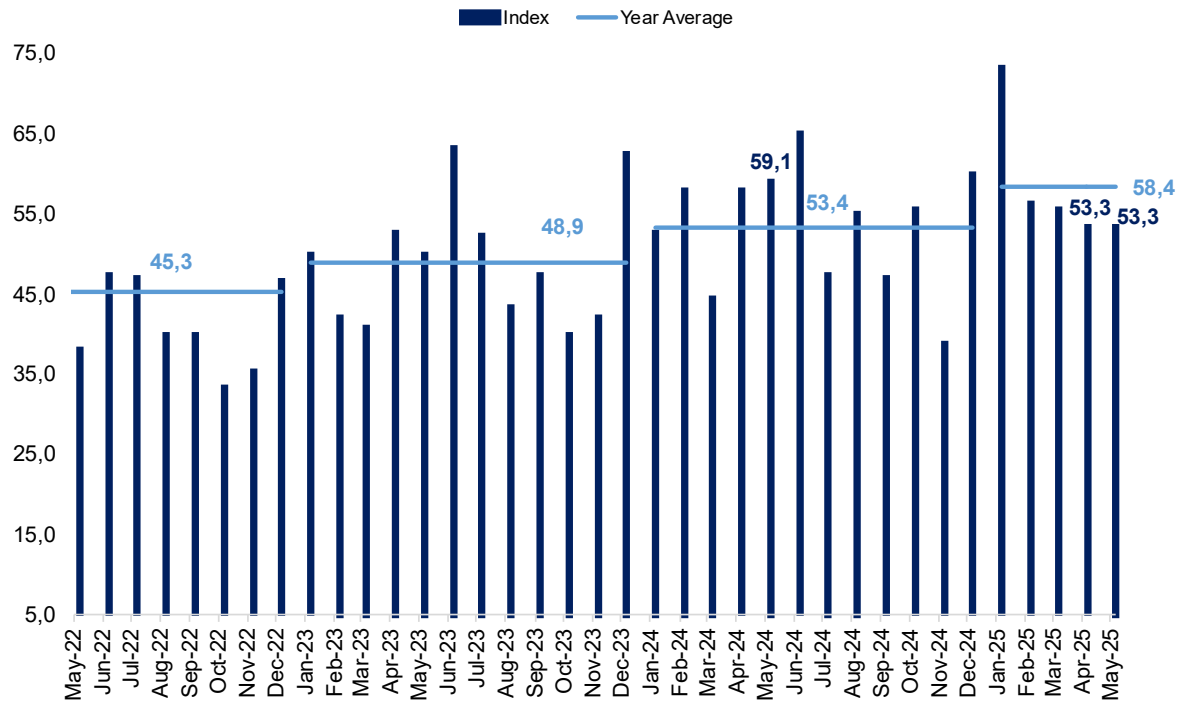
Source: Financial Opinion Survey, Fedesarrollo – bvc.

[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 proportion of analysts who believe that the MSCI COLCAP has the ability to recover the day after a hypothetical 3% drop. In May 2025, the index remained stable compared to April (53.3%) (Graph 3). However, analysts consider an immediate recovery of COLCAP less likely compared to the same month of 2024 (59.1%), representing a drop of 5.8 percentage points.

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



Source: Financial Opinion Survey, Fedesarrollo – bvc.

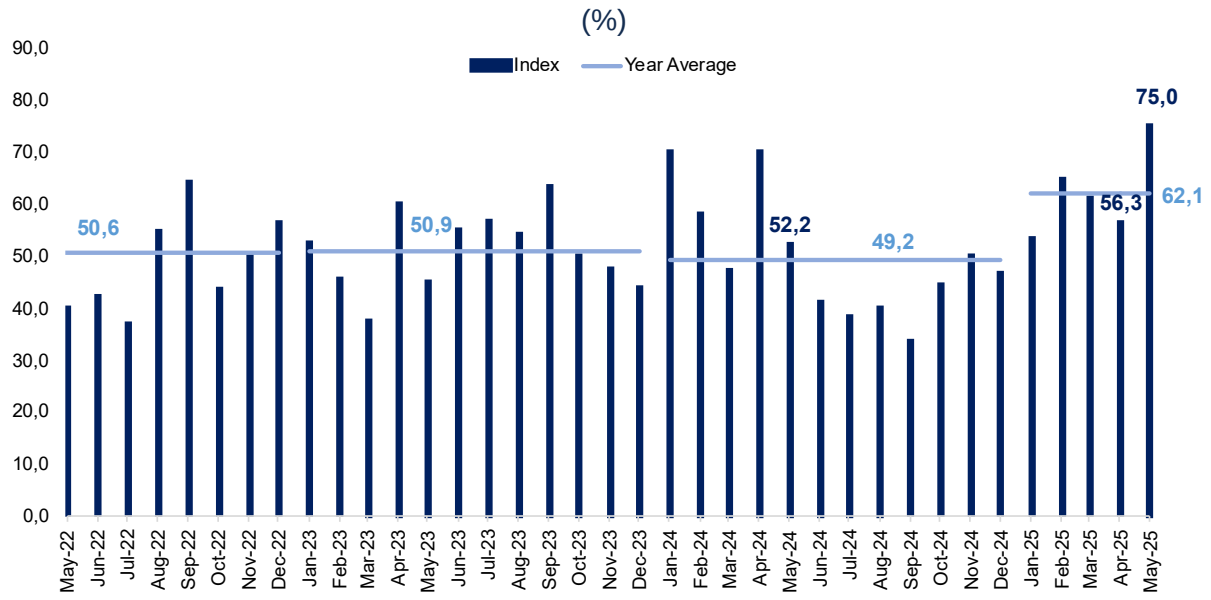
[3] The Buy-on-Dips Confidence Index is calculated as the number of respondents who expect an increase in the MSCI COLCAP index the next day after a 3% drop, divided by the total answers excluding the “no opinion” option.

Crash Confidence Index[4]

The Crash Confidence Index shows the proportion of analysts who believe that the Colombian stock market has a low probability of a depreciation in the MSCI COLCAP over the next six months in the event of a sharp decline in international markets. In May 2025, the index increased 18.7 percentage points with respect to the previous month's result (56.3%), reaching 75.0%, indicating that the perception of the probability of an eventual fall of the local stock market in the face of the deterioration of international markets decreased with respect to April 2025 (Graph 4).

On the other hand, the index was 22.8 percentage points above the figure recorded in the same month of the previous year (52.2%), reflecting an improvement in confidence in the immunity of the stock market to external shocks compared to May 2024.

Graph 4. Crash Confidence Index



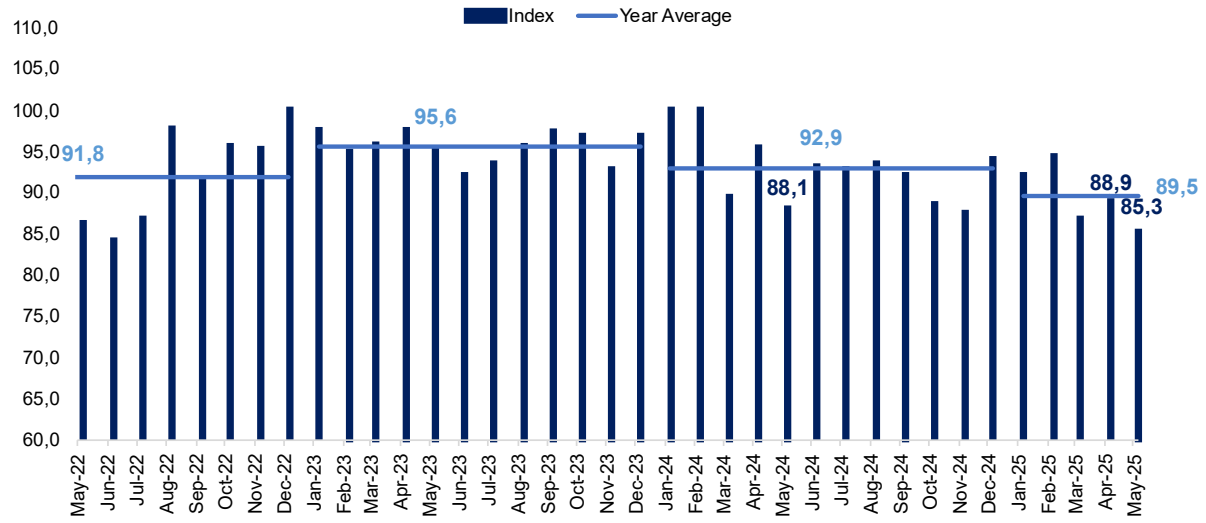
Source: Financial Opinion Survey, Fedesarrollo – bvc.

[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 proportion of analysts who consider the prices of MSCI COLCAP stocks to be very low or fair relative to their fundamental value. In May 2025, the index stood at 85.3%, 3.6 percentage points below the figure observed in April (88.9%) and 2.8 percentage points below the May 2024 level (88.1%). This indicates that, compared to the previous month and compared to a year ago, a smaller proportion of analysts believe that the value of stocks underestimates the value of their fundamentals (Figure 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

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Comments to **Hugo Camilo Beltrán:** hgomez@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".