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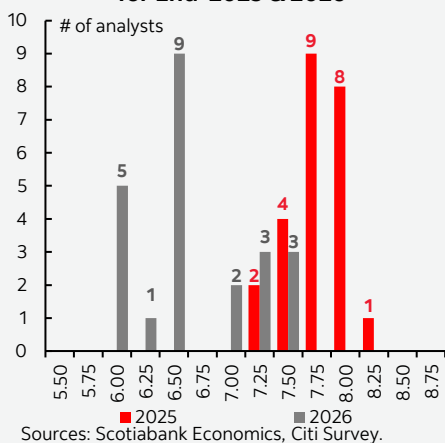
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Chart 1

Colombia: Repo Rate Expectations for End-2025 & 2026



Latam Daily: Colombia Economists Survey; Solid New Vehicle Sales in Peru

- Colombia: Economists survey March—Inflation expectations increased, and analysts are split for the next BanRep Meeting
- Peru: New vehicle sales show firm growth in the first two months of 2025

COLOMBIA: ECONOMISTS SURVEY MARCH—INFLATION EXPECTATIONS INCREASED, AND ANALYSTS ARE SPLIT FOR THE NEXT BANREP MEETING

The results to Citi's economists survey for March were published on Wednesday, March 26th. BanRep uses this survey as one of its indicators for inflation expectations, the monetary policy rate, GDP, and COP

Key points included:

- Economic growth projections remain stable.** For 2025, analysts estimate economic growth of 2.61%, holding steady compared to the projections in the February survey. Meanwhile, for 2026, economic growth is expected to reach 2.99% (5 basis points higher than the previous survey). The economy started 2025 in positive territory with 2.65% y/y growth in January, signaling even more growth across sectors, which suggests improved dynamics in the coming years.
- Inflation expectations increased again.** The first two inflation readings for 2025 have shown upward surprises, with February inflation reaching 5.28% y/y, given the effects of indexation and an increase in gas rates, which contributed significantly to the month's inflation. For March, the average respondent expects inflation to be 0.58% m/m and 5.15% y/y. For the end of 2025, expectations increased by 20 basis points compared to the previous survey, reaching 4.48% y/y. For 2026, expectations stood at 3.61%, representing a 7 basis point increase compared to the previous survey. Scotiabank Colpatria estimates March inflation at 0.54% m/m and 5.10% y/y, while for the end of 2025 and 2026, it is projected to reach 4.94% y/y and 3.73% y/y, respectively.
- Expectations for the next monetary policy meeting are divided.** According to the survey, 50% of respondents expect BanRep to cut the rate by 25 basis points to 9.25%, a lower percentage than in the previous survey (87% expected a 25 bp cut in March). This may be due to the spike in inflation in February and increased uncertainty about the fiscal outlook following the change of the Minister of Finance. The other 50% of respondents expect the rate to remain at 9.50%, including the Scotiabank Colpatria team. It is also worth noting that 70% of respondents indicated that the rate should remain stable at 9.50%. Expectations for the end of 2025 are concentrated at 7.75% (chart 1), and the range is between 7.25% and 8.25%. For 2026, the median is 6.50%, ranging between 6% and 7.50%.
- Finally, the consensus of economists expects the exchange rate to be 4,161 pesos in March.** By the end of 2025, the average forecast is for the exchange rate to be 4,291 pesos and 4,214 pesos in 2026. Scotiabank Colpatria estimates an exchange rate of 4.367 pesos for 2025 and 4.364 for 2026.

—Daniela Silva

PERU: NEW VEHICLE SALES SHOW FIRM GROWTH IN THE FIRST TWO MONTHS OF 2025

New vehicle sales have performed strongly during the first two months of this year. It was the best start since 2013, in year-on-year terms. January–February sales totaled 33,958

units sold, a 9.4% y/y increase (chart 2), according to figures from the Peruvian Automotive Association (Asociación Automotriz del Perú, AAP).

This result was due to exceptionally high sales in January, up 18.4% y/y, with 18,532 units sold. This marks the highest monthly sales level since January 2013. This may reflect in part a transfer of sales from December 2024 to January, due to less effective days available for sales registration by public entities.

New car sales in February saw a slight increase of 0.3% y/y, with 15,426 units sold, which softened the overall growth for the first two months of the year (chart 3). February sales were affected by one day less compared to leap year February 2024. Excluding this effect, taking the average daily sales for the month, sales grew by about 4% on a y/y basis, according to our estimates.

Looking forward, we anticipate continued positive sales performance, particularly in H1-25. This considers the recent gradual improvement in formal employment, which aligns with the evolution of private investment, alongside decreased inflationary pressures that enhance family purchasing power. Additionally, we should consider a base effect since H1-24 sales declined by 11% y/y. For H2-25, sales may decline due to the upcoming 2026 electoral process, as consumers might postpone their purchasing decisions in the preceding months.

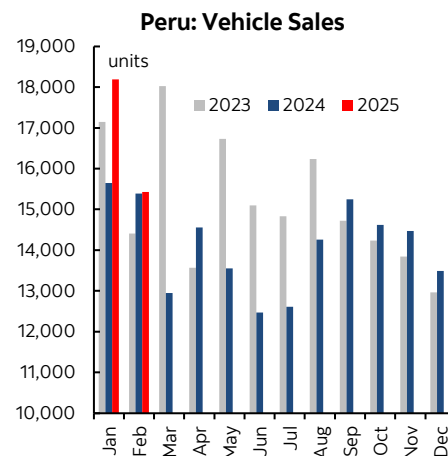
SALES OF VEHICLES BY SEGMENT

During the first two months of the year, the sale of heavy-duty vehicles stood out (+20% y/y, chart 3 again). This segment has been trending upward since November 2024. Sales of buses increased by 57% y/y due to the renewal of private transportation units. This was followed by a 35% y/y increase in tractor-trailer sales and an 11% y/y rise in truck sales, driven by demand from the mining, construction, and manufacturing sectors.

Light vehicle sales saw a year-to-date increase of 8% as of February, largely driven by rising demand for pickup trucks, which rose by 24% y/y, particularly due to demand from mining operations. Additionally, sales of SUVs increased by 13% y/y. In contrast, car sales experienced a decline of 17% y/y, which can partly be attributed to a base effect, as January and February 2024 recorded the highest monthly sales figures of the year.

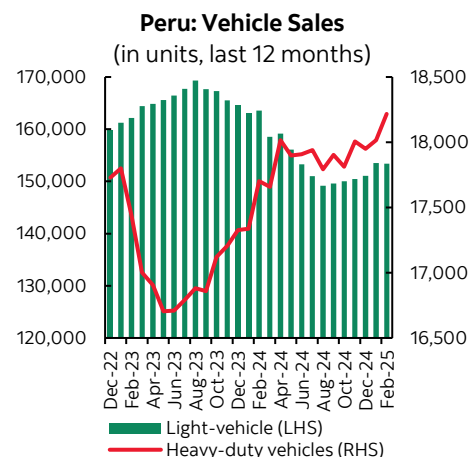
—Carlos Asmat

Chart 2



Sources: Scotiabank Economics, Asociación Automotriz del Perú (AAP).

Chart 3



Sources: Scotiabank Economics, Asociación Automotriz del Perú (AAP).

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