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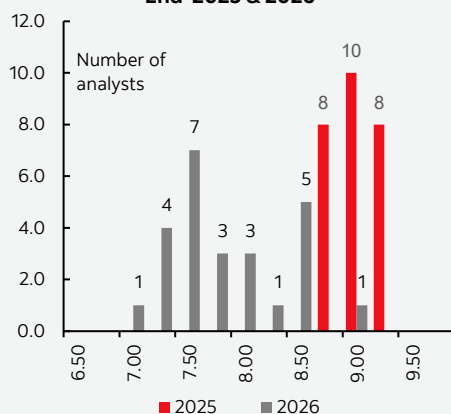
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Chart 1

Colombia: Repo Rate Expectations for End-2025 & 2026



Sources: Scotiabank Economics, Citi Survey.

Latam Daily: Colombia Survey Recap

- Colombia: Citi Colombia Survey for August—Inflation views increased, while analyst consensus points to rate stability in September**

August's Citi survey was published on Thursday, August 21st. BanRep uses this survey as one of its indicators for inflation expectations, the monetary policy rate, GDP, and the Colombian peso.

Highlights:

- GDP growth expectations remain stable.** For 2025, the average GDP growth forecast sits at 2.59%, the same level as the previous survey. For 2026, the expectation is 2.88%, a drop of 2bps. Expectations suggest that Colombia will continue a path of recovery toward closing the output gap. So far this year the economy has grown 2.4%, driven mainly by momentum in household consumption.
- Inflation expectations increased.** Inflation for the end of 2025 is expected to be 4.94%, 16bps higher than the previous survey. Likewise, for 2026, the average expectation increased 17bps to 3.94%. In July, inflation showed an upward surprise, breaking the two-month downtrend, mainly due to an increase in food prices; now, the average analysts' expectation points to an additional rebound in August, with an expectation of 0.19% m/m, bringing the annual inflation rate from 4.90% in July to 5.10%.
- The average expectation of respondents is lower than the inflation path projected by Scotiabank Colpatria. We forecast inflation for August at 0.23% month-over-month and 5.14% year-over-year. By the end of 2025, we project an annual inflation rate of 5.21%. Looking ahead to 2026, the increase in the minimum wage presents a significant risk. A rise substantially above the technical guideline—defined as inflation plus productivity—could further delay convergence toward the central bank's target range of 2% to 4%. Our current projection for inflation at end-2026 is 3.98% year-over-year, assuming a minimum wage increase of approximately 7%.
- Monetary Policy: the economist consensus expects the rate to remain stable at 9.25% at the September 30th meeting.** Three of the twenty-six respondents expect a 25bps cut. BanRep is expected to maintain a cautious approach amid a complex fiscal scenario, high inflation expectations, and uncertainty about the 2026 wage increase. For December 2025, the expectation is 9.00%, with a range between 8.75% and 9.25%, while for December 2026, it is 7.75%, with a range between 7.00% and 9.00%. At Scotiabank Colpatria, the monetary policy rate is expected to close at 9.25% in 2025 and 7.50% in 2026 (chart 1).
- Finally, the economist consensus expects the exchange rate to average 4,134 pesos at the end of the year and 4,121 pesos at the end of 2026.** Scotiabank Colpatria's projections suggest an exchange rate of 4,249 pesos in 2025 and 4,200 pesos in 2026.

—Jackeline Piraján & Daniela Silva

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