

Colombia | BanRep continues tightening

Fabián Mauricio García

In a split decision, the board voted to lift the key rate by a quarter point to 6.5%, in line with market and BBVA Research expectations. The board members do not see significant risks in terms of activity and maintain their concern over current inflation levels (including their expectations) and the current account deficit. BBVA estimates that inflation will continue at high levels in the coming months and will only recede in the second half of the year. Therefore, we believe BanRep will continue raising the repo rate up to 7% at its May meeting.