

SU **EMPRESA**, LO MÁS IMPORTANTE **PARA NOSOTROS**

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ECONOMIC AND FINANCIAL COMMITTEE

FEBRUARY 2020

SU EMPRESA LO MÁS IMPORTANTE
PARA NOSOTROS





INTERNATIONAL NEWS

EURO ZONE BUDGET COMPLICATIONS

IN SUMMARY...

The Heads of State and Government of the European Union (EU) were unable to reach an agreement on the first community budget without the United Kingdom, due to the gap, insurmountable moment, between the most austerity supporters and defenders of Greater European ambition.

WHAT IMPACT DOES IT HAVE?

- ❑ The European leaders started an extraordinary summit with the sole objective of agreeing to the multiannual financial framework, which will set the cost that the EU can make between 2021 and 2027 in each of its programs, from aid to agriculture or poor regions, to Erasmus (it is the EU program to support education, training, youth and sport in Europe. Its budget of 14.7 billion euros, will provide more than 4 million Europeans the opportunity to study, train and gain experience abroad), going through border management.
- ❑ The negotiation, traditionally of the most bitter, has the added difficulty that leaving the United Kingdom will leave a hole between 60,000 and 75,000 million euros for the seven years to be covered. In addition, the EU has set new priorities, such as the fight against climate change or digitalization.
- ❑ In this context, Charles Michel put on the table of leaders accounts of 1.09 billion euros, the equivalent of 1.074% of the Gross National Income (GNI) of the Twenty-seven, a lower amount than the current framework (2014- 2020), which was 1.16% of the GNI, and the one proposed by the European Commission, of 1.11%.
- ❑ The countries, each with its nuances, split into two groups. On the one hand, the Netherlands, Austria, Denmark and Sweden formed a block with two premises: that the budget does not exceed 1% of the joint income and that reimbursements from those who benefit from their contribution be maintained for contributing more than receive





INTERNATIONAL NEWS

EURO ZONE BUDGET COMPLICATIONS

WHAT IMPACT DOES IT HAVE?

- ❑ On the other, seventeen countries, including Spain, based on their rejection of the 14% cut in aid from the Common Agricultural Policy (CAP) and 12.1% in the cohesion funds proposed by Michel's proposal.
 - ❑ The two major EU economies, Germany and France, have not wanted to join any bloc, although Berlin has come closer to the austere, while Paris is closer to the second.
 - ❑ After hours of negotiation, the European Commission put forward a proposal that cut Michel's by 5,000 million euros, bringing the amount to 1,069%, to seek a compromise. The plan was rejected flat by the Twenty-seven, precipitating the end of the summit.
 - ❑ After the failure, Michel said that "informal consultations will be needed in the coming days and weeks" to decide how to proceed, although he stressed that countries share the will to find a solution.
 - ❑ Time, however, is pressing, since once the countries agree on a budget, it has to be negotiated with the European Chamber, which claims a 1.3% endowment of the joint income.
- If 2021 arrives without new accounts, the EU could not continue paying much of its programs.





INTERNATIONAL NEWS

EUROZONE INFLATION

IN SUMMARY...

The annual rate of inflation in the eurozone stood at 1.4% in January, and 1.7% in the European Union (EU) as a whole, compared to 1.3% and 1.6% registered respectively in December, reported the community statistical office, Eurostat.

WHAT IMPACT DOES IT HAVE?

- ❑ A year earlier, in January 2019, the rate stood at 1.4% for the eurozone and 1.5% for the Twenty-seven.
- ❑ Compared to last month's data, Spain recorded the second drop in the highest inflation rate in the EU, with a drop of 1.4%, the same figure as Malta and surpassed only by Italy (-1.8%), which was the country with the lowest inflation rate last January, with 0.4%.
- ❑ At the opposite extreme, the countries where the highest rates were Czech Republic (1.6%), Slovakia (1.3%) and Hungary (0.9%), which registered the highest inflation last month, 4, 7%.
- ❑ In total, if the data for last December are compared with those for January, year-on-year inflation fell in five Member States, increased in 18 and remained stable in another five.
- ❑ By sectors, the greatest upward impacts were produced by services (0.68 percentage points), transportation (0.46 points) and the price of food, alcohol and tobacco (0.40 points); while they ballasted electricity, gas and fuel oils (-0.07 percentage points) and telecommunications (-0.05 points).

Source: <https://es.investing.com>





INTERNATIONAL NEWS

CPI INTERANUAL VARIATION





INTERNATIONAL NEWS

MANUFACTURING ACTIVITY IN THE EURO AREA

IN SUMMARY...

Eurozone activity accelerated in February, when it experienced the largest monthly increase since August of last year, according to the PMI index published by the consultancy Markit.

WHAT IMPACT DOES IT HAVE?

- ❑ The index stood at 51.6 points in February, above January 51.3, a "weak" upturn that keeps the European economy above the 50 points that make the difference between growth and decrease.
- ❑ The growth was driven by the services sector, which advanced at the fastest pace of the last six months, while the manufacturing sector continued to decline, although at a more moderate pace than in recent months.
- ❑ Weak growth is related to the low growth of new orders, which in the services sector slowed in part due to the impact of the coronavirus crisis in the field of travel and tourism.
- ❑ In the manufacturing sector, production was affected by the increased delivery times of suppliers, partly due to the problems caused by the coronavirus in the supply chain.
- ❑ Given this situation, the increase in employment remained weak, especially in services, where it registered the lowest rebound in the last thirteen months.
- ❑ Expectations to improve the activity were also affected, after the highest optimism in a year and a half was registered in January.





INTERNATIONAL NEWS

EURO AREA ECONOMIC ACTIVITY



Source: <https://es.investing.com>





INTERNATIONAL NEWS

GERMAN TRUST

IN SUMMARY...

The confidence of German investors deteriorated much more than expected in February because of the concern that the outbreak of coronavirus that began in China harms world trade, according to the published survey.

WHAT IMPACT DOES IT HAVE?

- The ZEW analysis institute said its monthly survey showed that investors' economic confidence fell from 26.7 in January to 8.7. Economists expected a drop to 21.5.
- Another indicator that measures the evaluation made by investors of the current conditions of the economy fell from -9.5 to -15.7. Analysts had predicted a reading of -10.3.
- "The dreaded negative effects of the coronavirus epidemic in China on world trade have caused a considerable decrease in Germany's economic confidence indicator," said ZEW President Achim Wambach.
- "Expectations regarding the development of the sectors of the economy with a high degree of export have declined especially markedly," he added.





INTERNATIONAL NEWS

GERMAN TRUST





INTERNATIONAL NEWS

UK UNEMPLOYMENT

IN SUMMARY...

Unemployment in the United Kingdom decreased by 16,000 people between October and December 2019, which places the unemployment rate at 3.8%, the lowest since 1975, according to the National Statistics Office (ONS).

WHAT IMPACT DOES IT HAVE?

- ❑ The strike, which includes both those who benefit from the unemployment benefit and those who do not, reached 1.29 million people during that quarter, according to that official body.
- ❑ The ONS also reported that the average income grew 2.9% in this country last December, a percentage lower than the 3.2% recorded the previous month. It is, in addition to the weakest wage increase detected since the quarter between June and August 2018.
- ❑ In contrast, the number of people employed in this country rose again during that quarter by 180,000 to 32.9 million.
- ❑ The ONS noted that the number of employed people was boosted by the "strong" increase in the number of women who entered full-time jobs.
- ❑ The UK labor market also showed signs of improvement, according to this, as job vacancies grew for the first time in 11 months, increasing by 7,000, to 810,000 from November 2019 to January 2020.





INTERNATIONAL NEWS

UK UNEMPLOYMENT RATE





INTERNATIONAL NEWS

SOURCE: <https://es.investing.com>

EURO AREA GROWTH

IN SUMMARY...

The eurozone economy was close to stagnation in the last quarter of 2019, growing by only 0.1%, its lowest level since the beginning of 2019, weighed down by unexpected drops in GDP in France and Italy, according to figures published by Eurostat

WHAT IMPACT DOES IT HAVE?

- ❑ The slowdown at the end of the year also contributed to the stagnation of the main economy of the single currency, Germany, whose gross domestic product (GDP) did not move between October and December.
- ❑ In the whole of the European Union the progress was also 0.1%, which means that in both areas the growth was two tenths lower than in the third quarter, when there was a 0.3% increase in both the Union as in the countries of the single currency.
- ❑ Thus, in the whole of 2019, the economy of the eurozone grew by 1.2%, while that of the Twenty-Seven advanced 1.4%, below 1.9% and 2.1% harvested in 2018, respectively.
- ❑ In the weak growth in the area of the single currency in the fourth quarter, the poor performance of most of its large economies weighed, with a contraction of GDP of 0.3% in Italy and 0.1% in France.
- ❑ While in the Italian case it was related to the bad weather conditions, the gala economy was affected mainly by the weeks of strike by the pensions, which affected mainly the transport and maintenance of the refineries, and forced to adjust inventories.
- ❑ According to the European Commission, these "negative surprises" add to the fact that the third quarter was better than anticipated by the rebound in the German economy, which, however, stagnated again in the fourth quarter by registering zero growth .





INTERNATIONAL NEWS

EURO AREA GROWTH





INTERNATIONAL NEWS

EDF FORECASTS

IN SUMMARY...

The US Federal Reserve (Fed) It plans to keep interest rates unchanged in the face of confidence in good economic prospects and the signs of "global stabilization," the minutes of its last monetary policy meeting in late January and published today revealed.

WHAT IMPACT DOES IT HAVE?

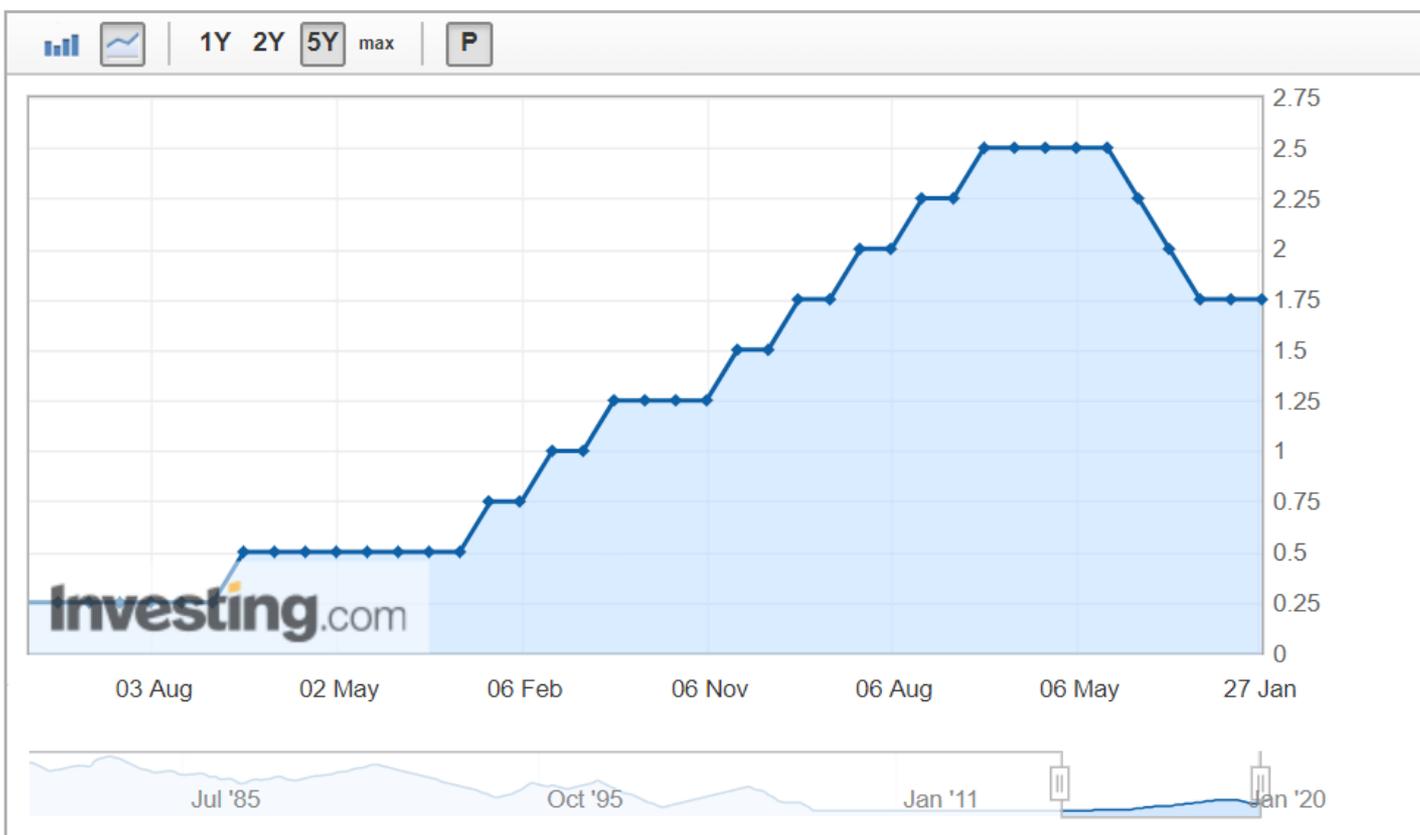
- "The expected economic growth continues at a moderate pace, supported by the expansive monetary and financial conditions," said the minutes of the last meeting, in which it was agreed to leave interest rates unchanged in their current range of 1.75 % and 1.5%.
- "In addition, some commercial uncertainties have been reduced recently, and there were signs of stabilization in global growth," the US central bank said.
- However, he warned that doubts remain about the threat that the outbreak of the coronavirus may involve.
- Leaving rates in the same range, the Fed added, "would offer time to evaluate their current effects on the economic activity of the change to a more expansive policy last year and would also allow more information on the outlook to be accumulated."
- The central bank has been repeatedly criticized by US President Donald Trump, who has insisted that he should lower the price of money to stimulate economic activity.
- The next Fed meeting is scheduled for March 17 and 18.
- Last month's meeting took place before more details were known about the extent and magnitude of the coronavirus expansion, which has overshadowed global economic forecasts.





INTERNATIONAL NEWS

EDF INTERVENTION RATE





INTERNATIONAL NEWS

AGRICULTURAL RELIEF PROPOSED BY TRUMP

IN SUMMARY...

US President Donald Trump announced additional financial assistance for farmers and farmers, affected by trade tensions with China and the new treaty with Mexico and Canada, in recognition of the worsening adverse economic effects generated by their aggressive protectionism .

WHAT IMPACT DOES IT HAVE?

- ❑ The US president's administration has already launched two billionaire programs of financial assistance to the field of almost 30,000 million dollars after, as a result of its commercial war with China, Beijing imposed tariffs on numerous American products, such as soybeans or pork, suddenly They were displaced by other countries as suppliers.
- ❑ The loss of access to the Chinese market, the fastest growing in the world, has generated complaints and concerns in the United States.
- ❑ Trump approved in January the first phase of a trade agreement with China that reverses some of the mutual tariffs and included the commitment of the Asian giant to raise purchases of US products, and also ratified the new North American Trade Agreement with Mexico and Canada, from which the Canadian legislature is pending the green light.
- ❑ However, the outbreak of the coronavirus in China has raised concerns about its possible effects on the world economy.
- ❑ To try to contain the outbreak, China, the second world economy behind the US and global center of supply chains, has applied severe internal travel restrictions and numerous factories have halted or slowed down their activity.





INTERNATIONAL NEWS

UNITED STATES GROWTH

IN SUMMARY...

The US economy failed to meet the 3% growth estimates set by the government of President Donald Trump, expanding at its slowest annualized pace in three years in 2019 because commercial tensions deteriorated the investment volumes of companies.

WHAT IMPACT DOES IT HAVE?

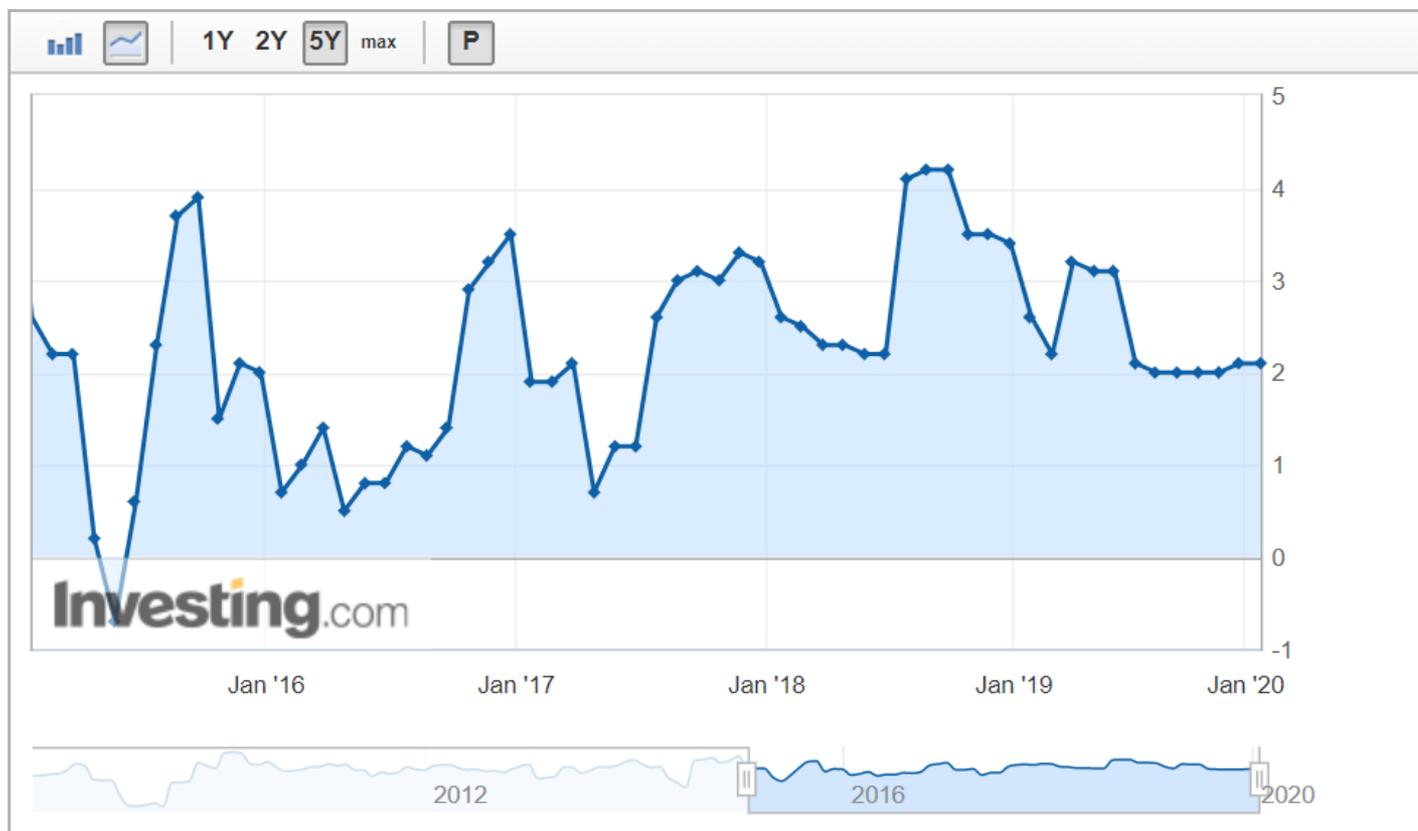
- ❑ The US economy grew 2.3% last year, the Commerce Department reported, its lowest level since 2016 and following the 2.9% expansion seen in 2018.
- ❑ The White House's 3% growth target has been elusive despite the \$ 1.5 trillion tax cut promoted by the Republican government and lawmakers, an initiative that Trump says would help sustain an expansion of the activity that had been located persistently below the objectives.
- ❑ The report on the performance of the Gross Domestic Product (GDP), however, indicated that the economy maintained a moderate growth rate of 2.1% in the fourth quarter, thanks to a lower share of imports.





INTERNATIONAL NEWS

UNITED STATES GROWTH





INTERNATIONAL NEWS

INFLATION UNITED STATES

IN SUMMARY...

The consumer price index (CPI) rose one tenth in January in the United States, and the annual inflation rate has risen to 2.5%, according to the Government, at a time when the country enters primary and its president, Donald Trump, seeks reelection.

WHAT IMPACT DOES IT HAVE?

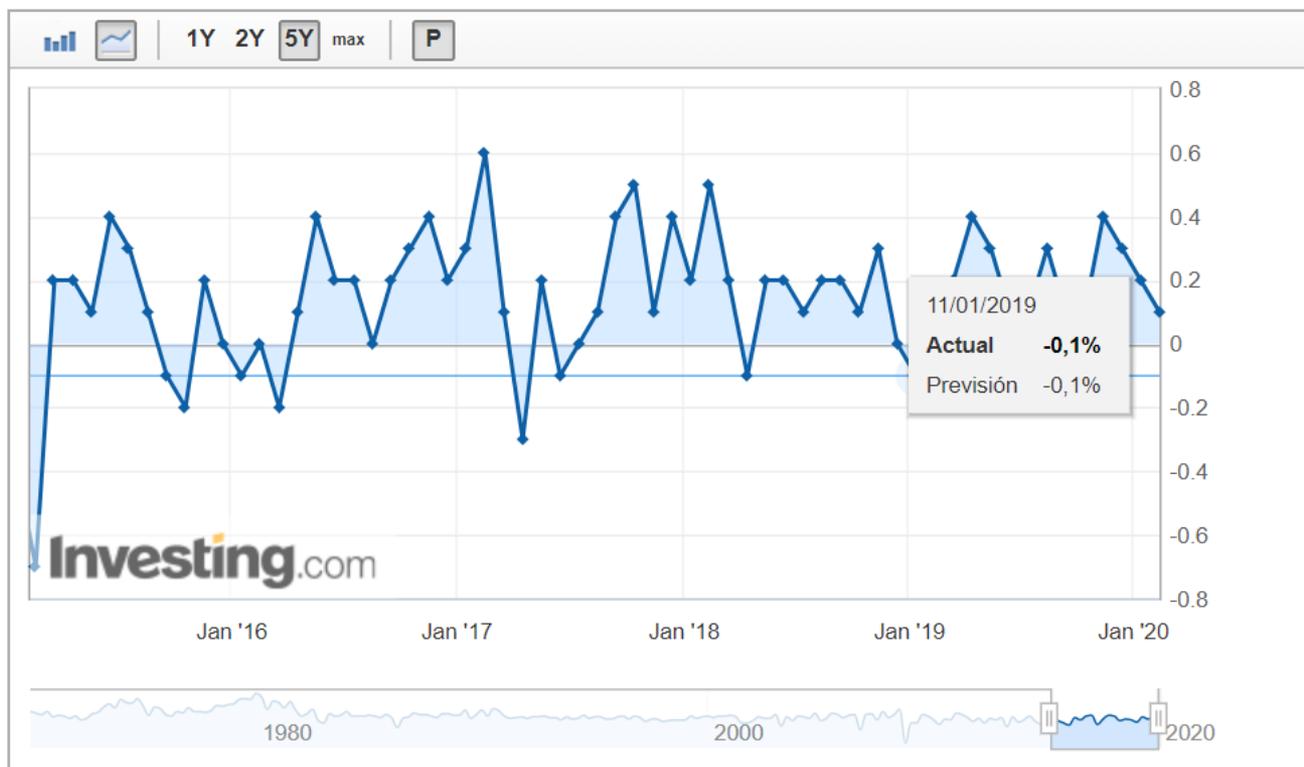
- The Department of Labor reported that core inflation, which excludes energy and food prices due to its volatility, was 0.2% last month.
- Throughout 2019, the prices paid by consumers in the United States increased by 2.3% and the 2.5% increase in the interannual rate last month has been the highest since the fall (northern hemisphere) of 2018.
- On the other hand, workers' salaries increased 0.1% in January, after a 0.6% rise in 2019.
- The US Federal Reserve (Fed) or central bank has predicted in its most recent report that in 2020 inflation will return to the "2% symmetric target".
- The inflation indicator preferred by the Reserve, known as the consumer spending price index, has risen only 1.6% in the 12 months to December.
- While food prices rose 0.2% in January, and have increased 3.1% in the last 12 months, energy costs fell 0.7% in January, but have increased by 6.2% since January 2019.
- Housing prices, mainly driven by rents, rose 0.4% in January and rose 3.3% in one year. Health care costs rose 0.3% last month to accumulate an increase of 5.1% since January 2019.





INTERNATIONAL NEWS

INFLATION UNITED STATES





INTERNATIONAL NEWS

IMPACT OF CORONAVIRUS

IN SUMMARY...

While China tries to resume its activities after the long break for the Lunar New Year, analysts and bankers review their estimates of the economic impact of the coronavirus, which has hit business, retained airplanes on the ground and killed more than 1,000 people.

WHAT IMPACT DOES IT HAVE?

- Most experts believe that China faces a brief but stronger economic impact than originally thought, which will be felt worldwide.
- However, expectations of how hard the impact will vary. Health professionals and economists claim that the inaccuracy of Chinese data and the lack of precedents make it difficult to make clear estimates.
- The Chinese Gross Domestic Product could sink to 4% in the first quarter, according to Nicholas R. Lardy, senior partner of the Peterson Institute for International Economics. The figure is compared with Beijing's expectation of an annual growth of 6% before the emergence of the virus.
- However, if the number of new confirmed cases continues to fall, the adverse effects on annual growth will be much lower, Lardy said.
- S&P calculations released Tuesday suggest that the impact of the virus could cut Chinese GDP growth to 5.0% this year. The strongest blow would be recorded in the first quarter before the start of a rebound in the July-September period.





INTERNATIONAL NEWS

IMPACT OF CORONAVIRUS

WHAT IMPACT DOES IT HAVE?

- ❑ Many economists and analysts look at the 2002 SARS epidemic as a historical precedent. But at that time, China's contribution to global GDP was only 4%, compared to 15% in 2017, and its firms were much less integrated into global supply chains.
- ❑ It is difficult to make forecasts because Beijing has a history of closely managing the economy to achieve specific goals. There are already doubts about whether the country's economy will have a 6% growth in 2020.
- ❑ In addition, there is not much that is known about the coronavirus, including its exact incubation period and the effectiveness of quarantine measures, said Catherine Troisi, a public health specialist at the University of Texas.
- ❑ Beijing's authoritarian nature could hinder the response by officials' fear of reporting problems, Troisi said, in a culture "that shoots the messenger." He added that an update that speaks of about 43,000 infections is likely to fall short.
- ❑ The ravages after the virus could cut 40 to 50 basis points in the expected economic growth of the United States by up to 2.4% per quarter by 2020, according to Constance Hunter, chief economist at KPMG and president of NABE.
- ❑ Hunter warned, however, that this could change if infection and death rates soar. The virus could erase a percentage point of China's revised growth rate of 5% for the first half, he said.





INTERNATIONAL NEWS

CHINA REFERENTIAL RATE

IN SUMMARY...

China lowered its reference rate for loans to the Chinese People's Bank (central CPB) to 4.05% in August to reduce the cost of corporate borrowing and thus alleviate the economic impact caused by the coronavirus, the Xinhua news agency.

WHAT IMPACT DOES IT HAVE?

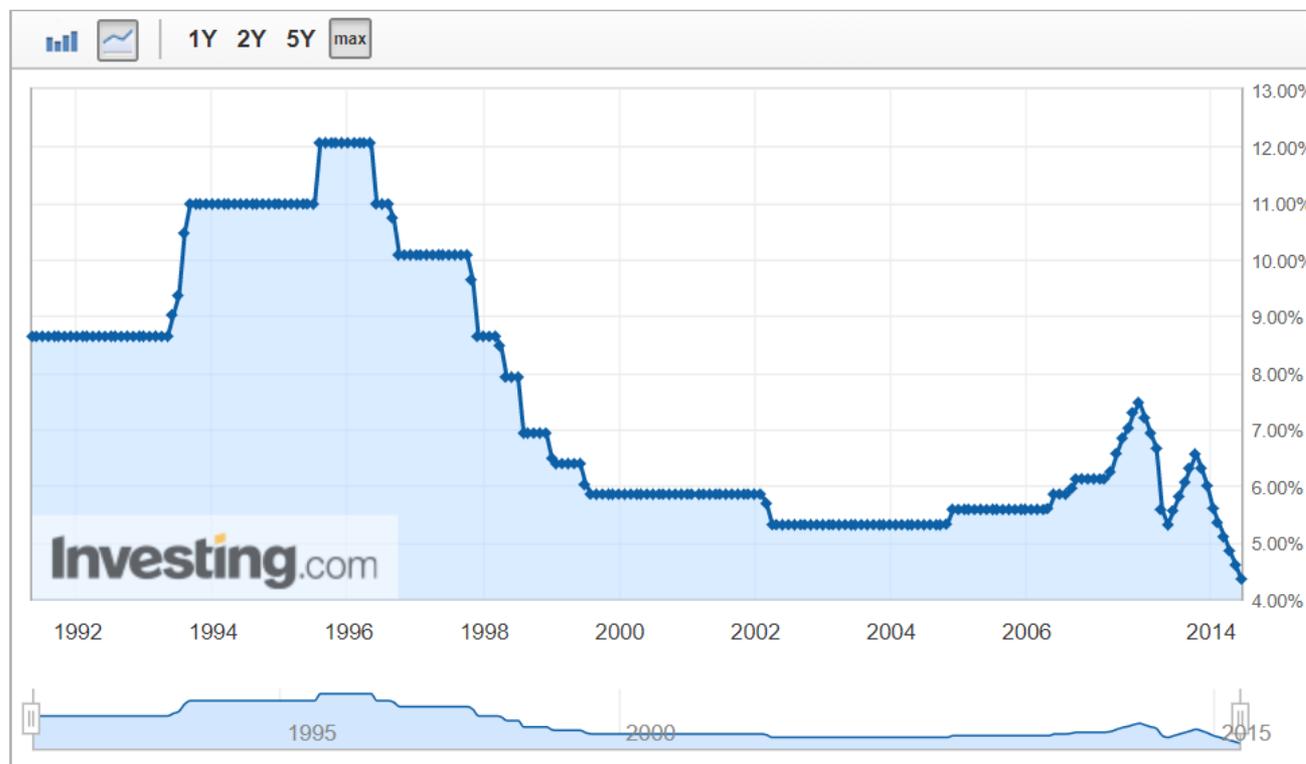
- Thus, the so-called reference rate for loans stood at 4.05% compared to 4.15% recorded in the previous three months.
- This rate is calculated from the price contributions of a number of banks, including small lenders that tend to have higher financing costs and greater exposure to bad loans.
- The change in measurement aims to "better reflect market changes to guide borrowing costs to a lower level and thus support the real economy," according to Xinhua, that is, to assist businesses affected by the weakness of the market. domestic demand.
- In a report sent to its subscribers, the consultant Capital Economics assures that this decrease will serve as an oxygen balloon, although limited, for companies that are already suffering the impact of COVID-19 pneumonia.
- The CPB lowered on Monday for the first time the medium-term interest rate by 0.10 basis points to 3.15%, amid attempts by the country's authorities to reduce the economic impact caused by the epidemic.





INTERNATIONAL NEWS

CENTRAL BANK INTERVENTION RATE OF CHINA





INTERNATIONAL NEWS

JAPAN INFLATION

IN SUMMARY...

The consumer price index (CPI) rose by 0.8% in Japan last January compared to the same month of 2019, the Government reported, the thirty-seventh consecutive monthly increase of that indicator.

WHAT IMPACT DOES IT HAVE?

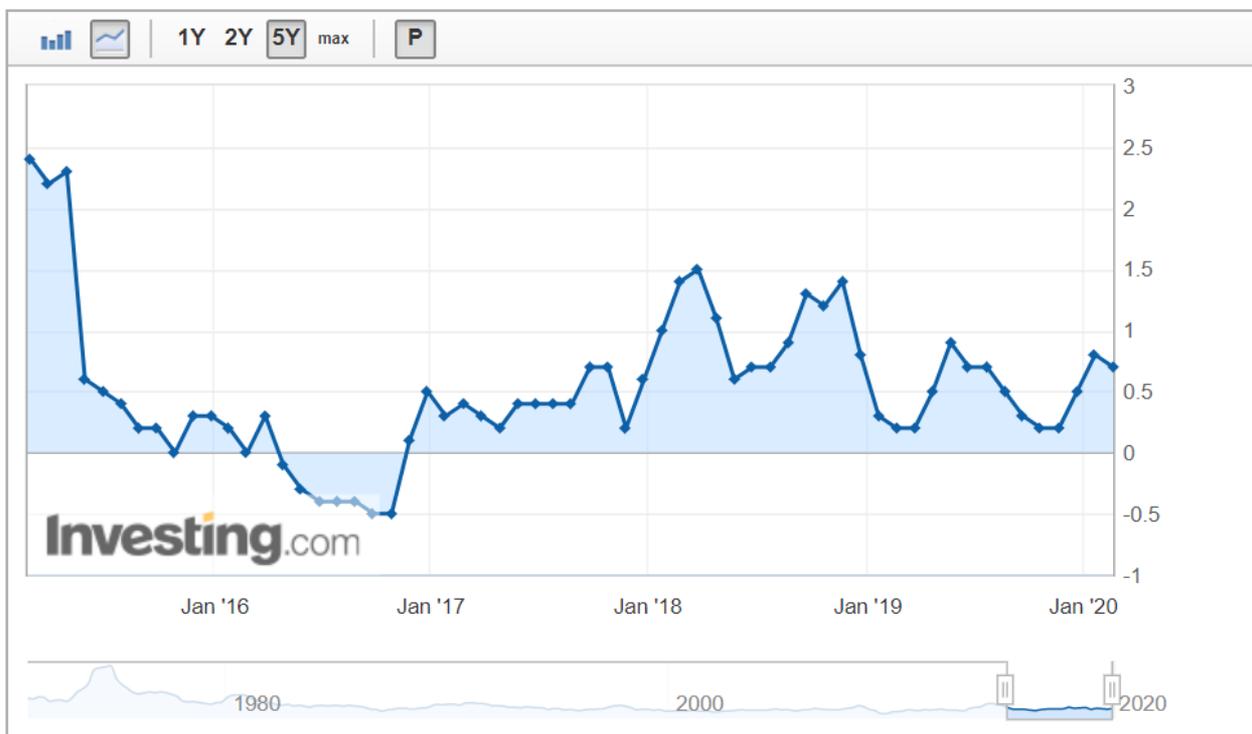
- ❑ With respect to last December, prices increased 0.1% in January, according to data published by the Statistics Office of the Ministry of Interior and Communications.
- ❑ The variation in January of this indicator, which excludes fresh food prices due to its high volatility, remains far from the 2% target of the Bank of Japan (BoJ). Japan closed 2019 with an inflation of 0.6%.
- ❑ Including all the concepts, the CPI had a 0.7% increase last January compared to the same month of 2019.
- ❑ As for the sectors that most influenced the variation in January, the furniture and household items had a year-on-year increase of 2.7%, while education fell by 7.8%.





INTERNATIONAL NEWS

JAPAN INFLATION





INTERNATIONAL NEWS

OIL DYNAMICS

IN SUMMARY...

Oil prices, from both Brent and Texas, rose more than 2% due to the tension in Libya, which could affect the supply of crude oil, a factor that is weighing more on the market than concerns about the impact of the coronavirus on the World economy.

WHAT IMPACT DOES IT HAVE?

- ❑ The price of Texas intermediate oil (WTI) closed with a 2.38% rise, placing the barrel at \$ 53.29. While Brent, the reference oil for Colombia, increased by 2.33%, to \$ 59.04 per barrel.
- ❑ Troops under the command of Marshal Jalifa Hafter, the strong man of Libya, fired a dozen missiles yesterday at a dock in the port of Tripoli, forcing the oil tankers that were docked there to evacuate. The missiles caused serious damage to the infrastructure designed for docking large ships.





INTERNATIONAL NEWS



Source: <https://es.investing.com>





INTERNATIONAL NEWS





LOCAL NEWS

NATIONAL GROWTH

IN SUMMARY...

In its most recent report, the National Administrative Department of Statistics, Dane, confirmed that Colombia's Gross Domestic Product of 2019 stood at 3.3%, 80 points higher than what was registered in 2018 when the economy reached a 2.5% growth

WHAT IMPACT DOES IT HAVE?

- ❑ According to the Report delivered by the Dane, the sectors that marked the expansion of the local economy were: Commerce, transport, accommodation and food services; public administration and defense, education and health; financial and insurance activities.
- ❑ While the sectors that did not have the best behavior during 2019 were: information and communications, as well as construction.
- ❑ Facing why if the economy grows, unemployment does not decrease, the director of the Dane, Juan Daniel Oviedo, explained that this is because the branches of the economy that marked its growth are not linked to job creation, while that the sectors that usually mark or create jobs were in normal or negative behaviors. Another explanation is that in some sectors such as Agriculture, for the creation of added value, the same hiring of people that was previously carried out is no longer being generated.
- ❑ As for construction that was the sector that closed with the largest negative numbers, the Dane explained that despite this, it should be taken into account that the behavior of a branch like this, occurs cyclically and therefore although 2019 does not He was the protagonist of the growth of the GDP, it is expected that by 2020 in the first and third quarter this branch will take off, with more emphasis on the construction sector of houses, residential places, shopping centers among others, since the part of public works driven by the construction of the 4G project of the National Government, it performed well during 2019.

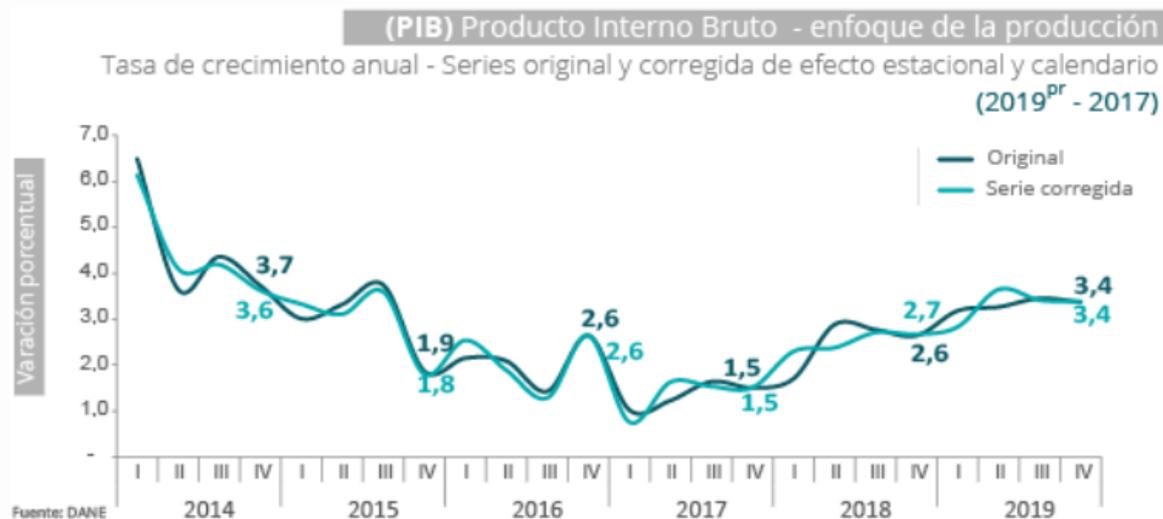




NOTICIAS LOCALES

NATIONAL GROWTH

La economía colombiana creció 3,3% en el 2019.



Fuente: DANE





LOCAL NEWS

CONSUMER TRUST

IN SUMMARY...

In January, the Consumer Confidence Index (ICC) recorded a balance of -1.2%, which represents a sharp increase of 8.3 percentage points (pps) compared to the previous month.

WHAT IMPACT DOES IT HAVE?

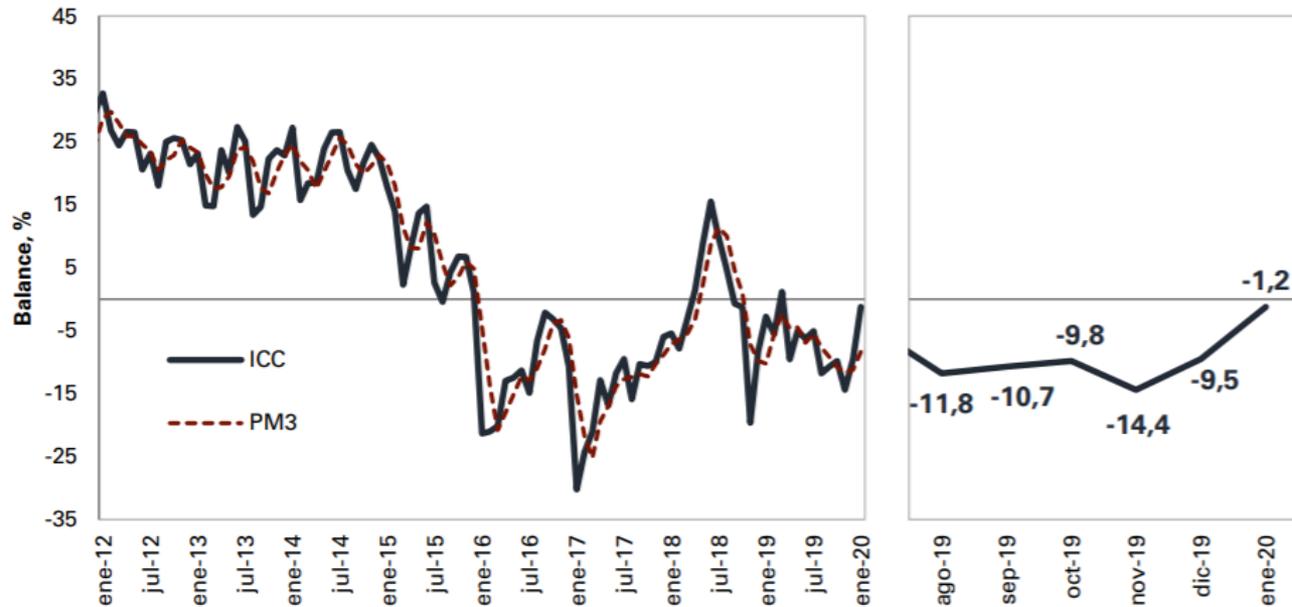
- ❑ This positive result, according to Fedesarrollo, was mainly due to an increase in the Economic Conditions Index and, to a lesser extent, an increase in the Consumer Expectations Index.
- ❑ The report indicates that consumer confidence increased in all socioeconomic strata and in four of the five cities analyzed compared to December 2019 (Bogotá, Medellín, Bucaramanga, Cali and Barranquilla).
- ❑ Meanwhile, the willingness to buy housing increased in two of the five cities (Bogotá and Medellín) analyzed and the willingness to buy movable and household appliances increased in two of the five cities analyzed, relative to last month.





CONSUMER TRUST

Gráfico 1. Índice de Confianza del Consumidor (ICC)



Fuente: Encuesta de Opinión del Consumidor (EOC) – Fedesarrollo

PM3: Promedio móvil 3 meses





LOCAL NEWS

NATIONAL INFLATION

IN SUMMARY...

The National Administrative Department of Statistics (Dane) reported that the rise in the Consumer Price Index (CPI) in January 2020 was 0.42%, which translated into an annual figure of 3.62%. The first data is in line with the expectations of analysts, who pointed out that frost had not affected food; point that was being analyzed.

WHAT IMPACT DOES IT HAVE?

- ❑ The annualized data was below what the market projected, which they expected the figure to be 3.79%.
- ❑ The sectors that grew the most in the first month of the year were the areas of restaurants and hotels; food and non-alcoholic beverages and transportation, with increases of 0.87%; 0.76% and 0.70%. The fourth point was that of diverse goods and services, where an important amount was that of meals outside the home, said Dane director Juan Daniel Oviedo.
- ❑ In the analysis of the data Oviedo also explained that within food, which contributes 0.12 percentage points to the indicator (the most relevant point) was rice, which had an important influence within foods with 8 basic points. "This we have been seeing throughout 2019, where we have had significant corrections in consumer sales," he explained.
- ❑ At the points with the lowest contribution were Education, with zero variation and accommodation, water, electricity, gas and other fuels. According to Oviedo, public services are very low than normal because companies are less dependent on purchases in energy exchanges, which means that prices to consumers are maintained more.
- ❑ On the other hand, the "greatest contributions to the annual variation were recorded in the divisions of: Housing, water, electricity, gas and other fuels, Food and non-alcoholic beverages, Transportation, Restaurants and hotels and Education, which together contributed with 2.96 percentage points to the annual accumulated of said variation, "the report explained.

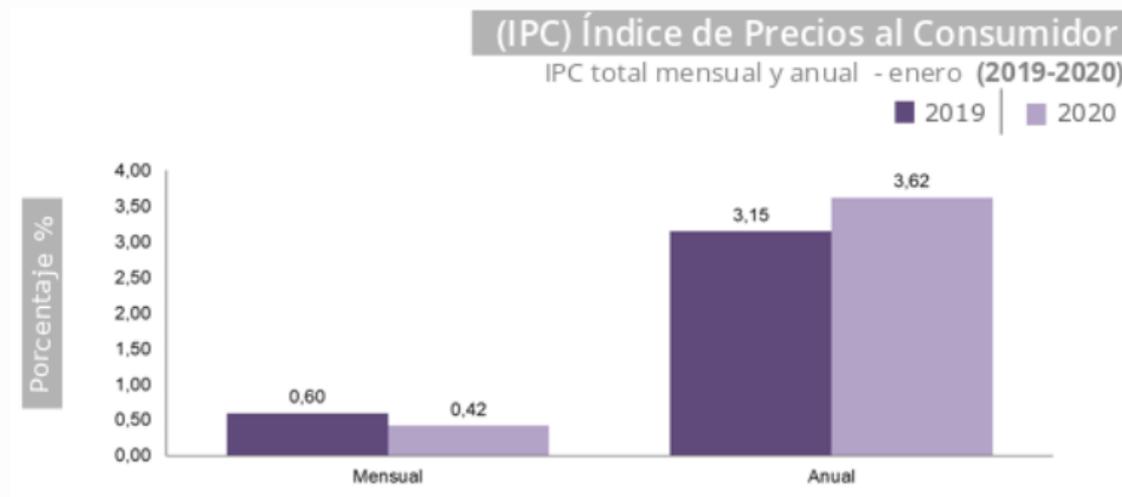




LOCAL NEWS

NATIONAL INFLATION

En enero de 2020 la variación mensual del IPC fue 0,42%

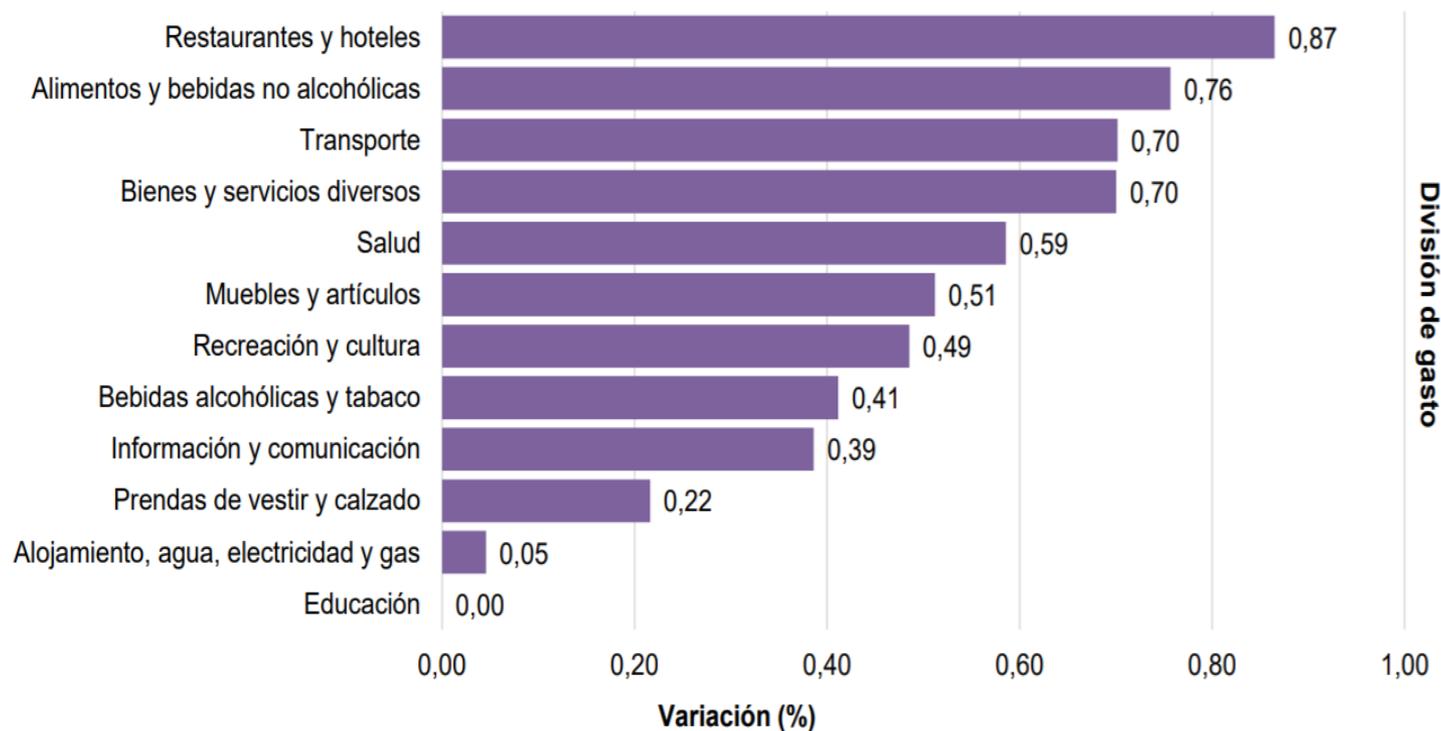




LOCAL NEWS

NATIONAL INFLATION

Variación mensual del IPC por divisiones de gasto Enero 2020

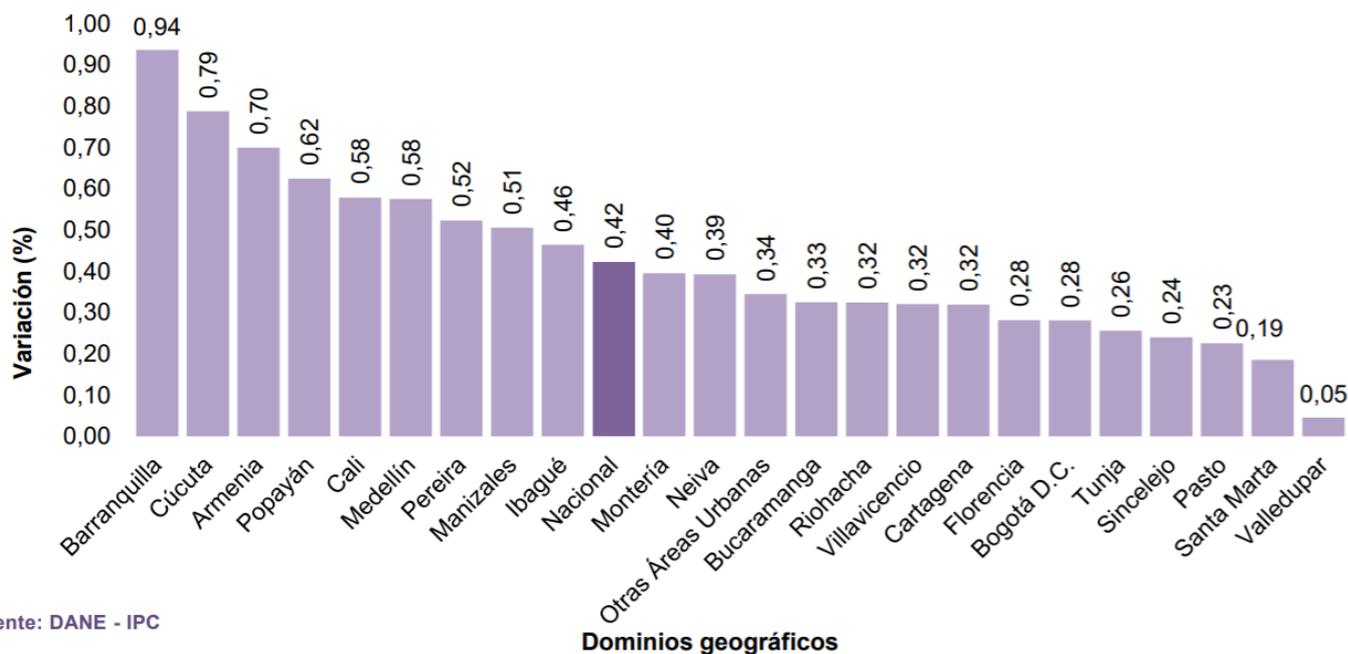




LOCAL NEWS

NATIONAL INFLATION

**Variación mensual del IPC por dominios geográficos
Enero 2020**



Fuente: DANE - IPC

Source: <https://portafolio.com>





LOCAL NEWS

NATIONAL GROWTH FORECAST

IN SUMMARY...

The International Monetary Fund (IMF) yesterday shared the conclusions of its official visit to Colombia, among these, spoke of the need for structural reforms and revised downward the projection of economic growth for the country, among others.

WHAT IMPACT DOES IT HAVE?

- ❑ Regarding the last point mentioned, Hamid Faruquee, head of the IMF Mission for Colombia, said the multilateral agency revised down one tenth the growth of the national economy for this year, as it went from 3.5% in the January report to 3.4% in the current one.
- ❑ This data would continue to be driven by domestic demand. Although he highlighted the performance that the country has had with respect to its peers in the region, he said that the decrease in the figure partly corresponds to the fact that although “consumption grew last year 4.4% or 4.5%, the main component of domestic demand, we have seen for this year some moderation in the rate, but we think that it continues to grow at a fairly solid pace ”.
- ❑ Although the current account deficit is expected to continue to be financed loosely, the director said that “the vulnerabilities associated with downside risks have increased (...) the greater external financing needs increase Colombia's weakness to a downward scenario such as, for example, a fall in commodity prices and a marked increase in risk premiums ”, among others, for which it was suggested that the Bank of the Republic preserve reserve coverage as insurance against external risks.
- ❑ Given this last point, the manager also considered that “while operating, the reserve accumulation program of the Banco de la República acquired US \$ 2.8 billion, which combined with a cumulative return of US \$ 2.3 billion in 2019, increased the adequacy of reserves that Colombia has. ”
- ❑ He concluded by saying that a greater accumulation of reserves should be considered as far as the market permits. In addition, he said that "structural reforms are required to foster growth, increase employment and promote inclusion." He mentioned the pension.





LOCAL NEWS

NATIONAL UNEMPLOYMENT

IN SUMMARY...

The national unemployment rate during 2019 was 10.5%, 0.8% more than what was registered in 2018 (9.7%), revealed the National Department of Statistics, Dane.

WHAT IMPACT DOES IT HAVE?

- ❑ According to the entity, the above translates into that during 2019 the population employed in the country was 22,287,000 people and the unemployed, 2,615,000.
- ❑ The branches that generated the most employment in the immediately previous year were commerce, hotels and restaurants (6,063,000 jobs), community, social and personal services (4,444,000) and agriculture, fishing, livestock, hunting and forestry (3,559,000) , although it should be noted that the one with the highest percentage of growth was construction, which went from 1,402,000 employed to 1,519,000 (0.5% more).
- ❑ The cities with the highest unemployment rates during the past year were Quibdó, Ibagué and Armenia, which totaled 19.8%, 16.3 and 16%, respectively, while the municipalities with the lowest rates were Cartagena, Barranquilla and Pereira (6.9%, 7.8% and 8.8%, respectively).
- ❑ The Dane also highlighted that the inactive population of women almost doubles that of men (9,429,000 versus 5,024,000). Of that figure, more than half of women in inactivity (5,553,000) are engaged in household chores, compared to only 8% of men in this condition (407,000).
- ❑ In December 2019, the unemployment rate stood at 9.5% and fell 0.2%, compared to the 9.7% rate recorded in the same month of 2018.

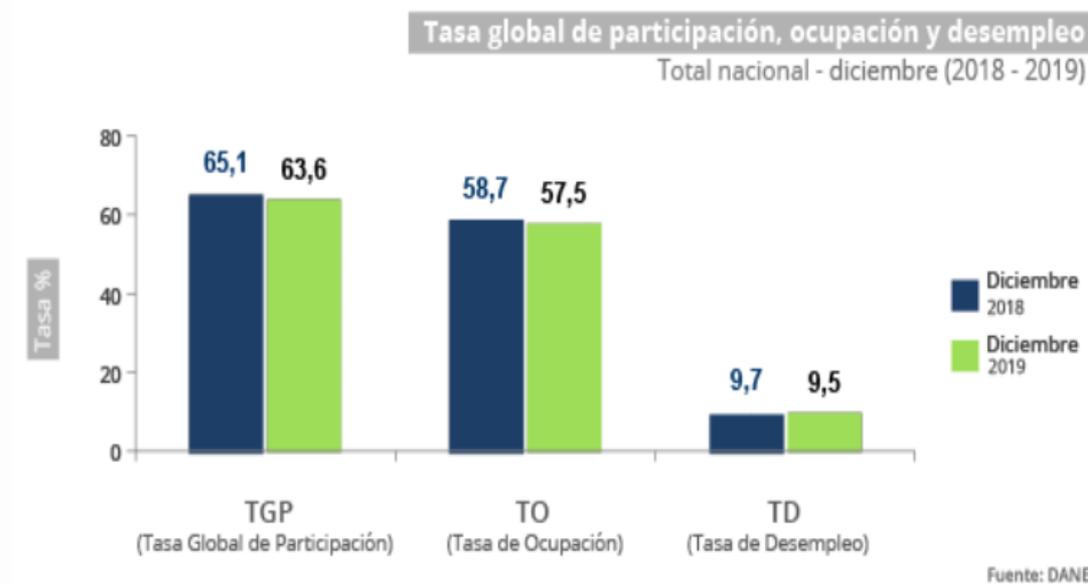




LOCAL NEWS

NATIONAL UNEMPLOYMENT

En diciembre de 2019 la tasa de desempleo fue 9,5% a nivel nacional; y 10,5% en 13 ciudades y áreas metropolitanas





DOLLAR BEHAVIOR

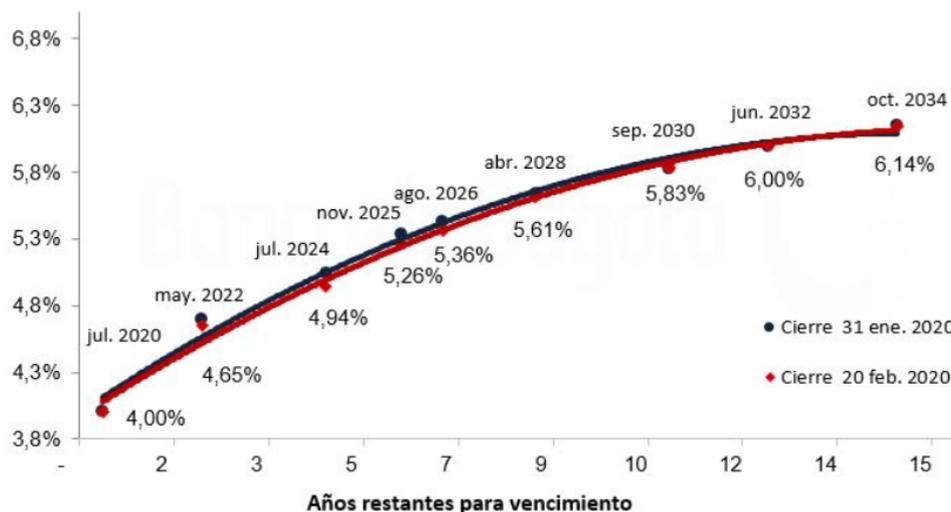
The dollar in Colombia gained 18 pesos between Monday and Friday, despite losing 7 pesos today. According to the Colombian Stock Exchange, the US currency closed on Friday at an average price of \$ 3,396, compared to the TRM that was \$ 3,403. The week started at a Representative Market Rate of \$ 3,378.





TES QUOTATIONS

Curva de Rentabilidad TES Tasa Fija

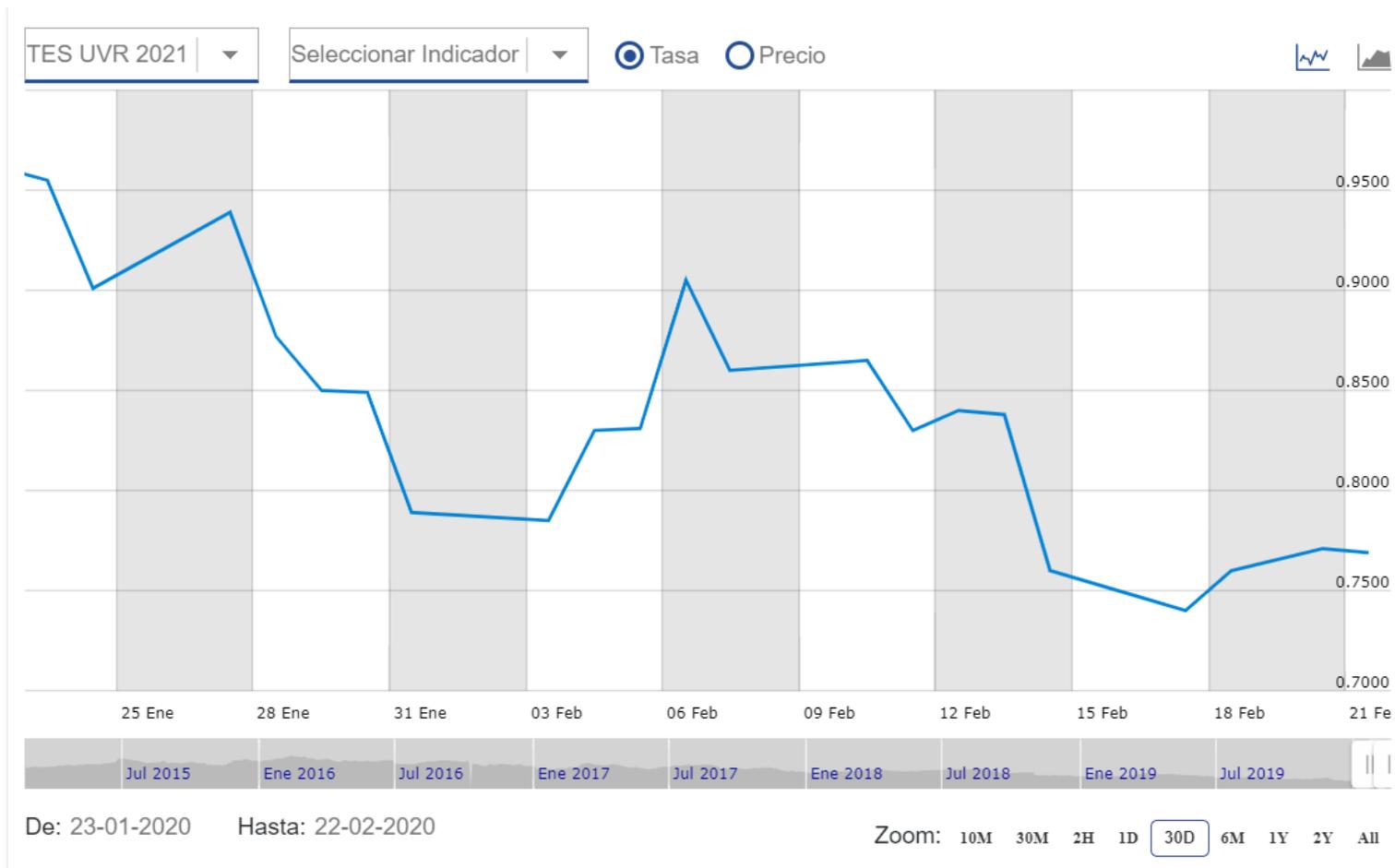


TES	Cierre 31 ene. 2020	Cierre 20 feb. 2020	Vencimiento
jul. 2020	4,00%	4,00%	0,42
may. 2022	4,70%	4,65%	2,20
jul. 2024	5,04%	4,94%	4,43
nov. 2025	5,34%	5,26%	5,77
ago. 2026	5,43%	5,36%	6,52
abr. 2028	5,64%	5,61%	8,19
sep. 2030	5,82%	5,83%	10,58
jun. 2032	6,00%	6,00%	12,37
oct. 2034	6,15%	6,14%	14,67



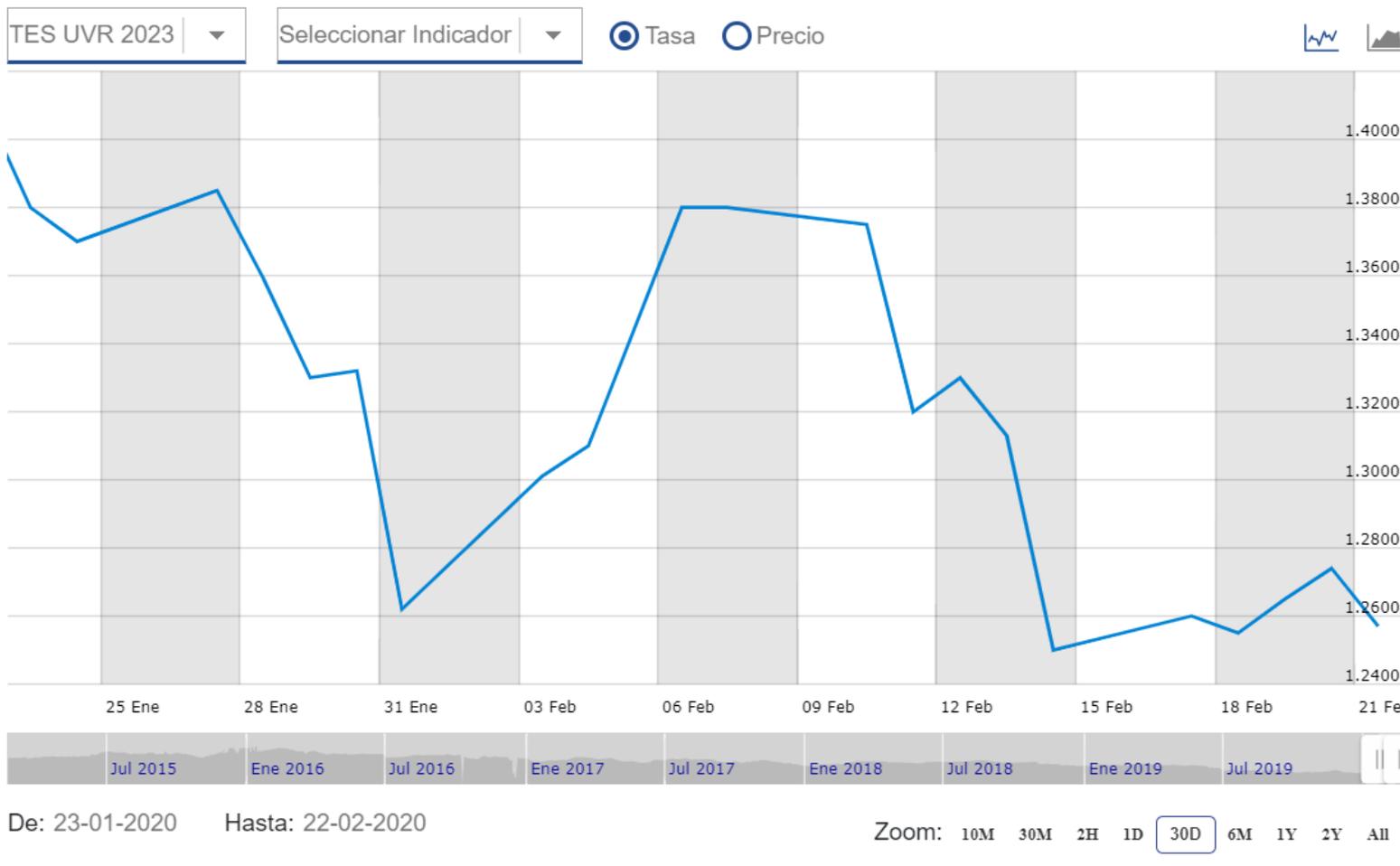


TES UVR QUOTATIONS



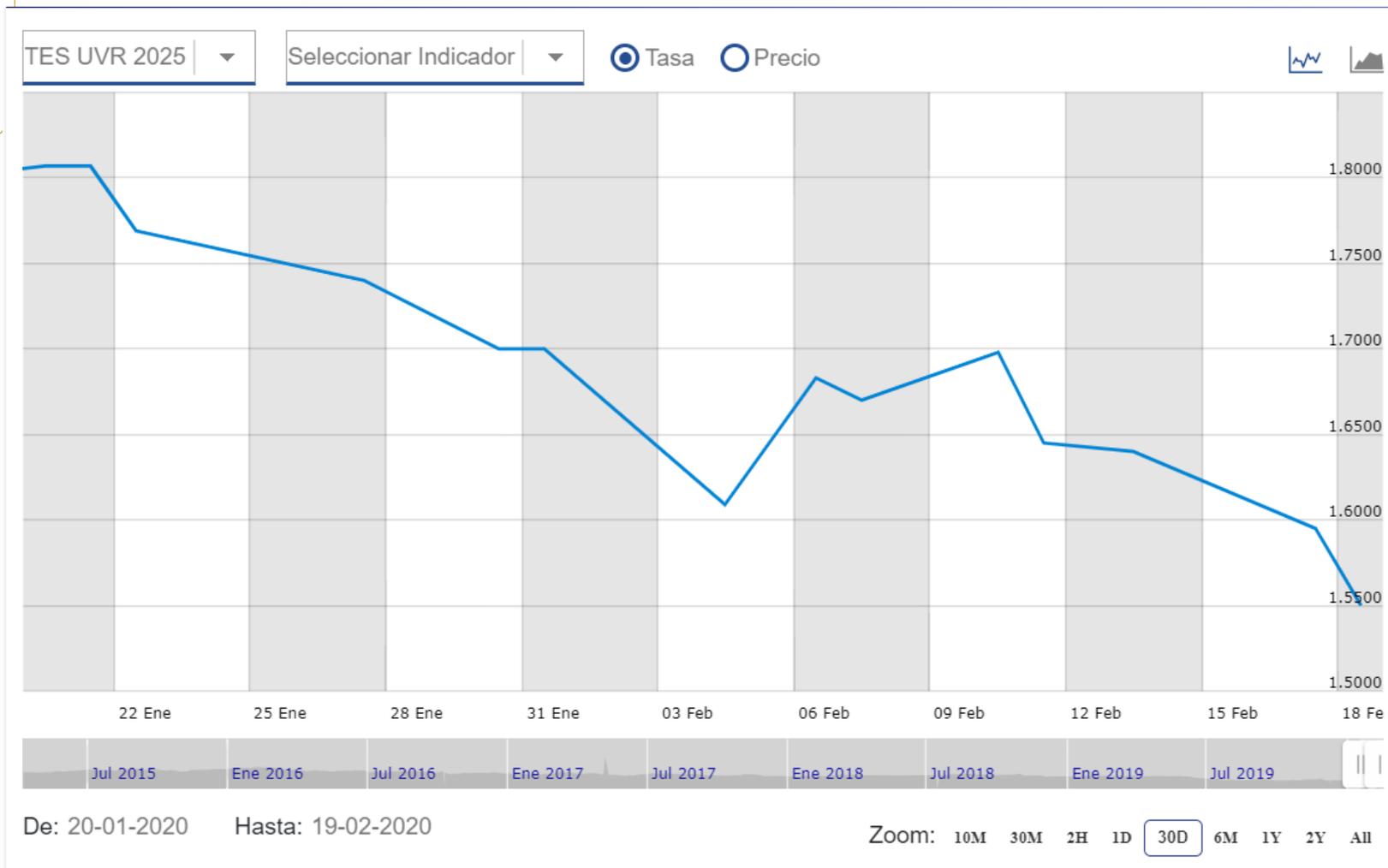


TES UVR QUOTATIONS



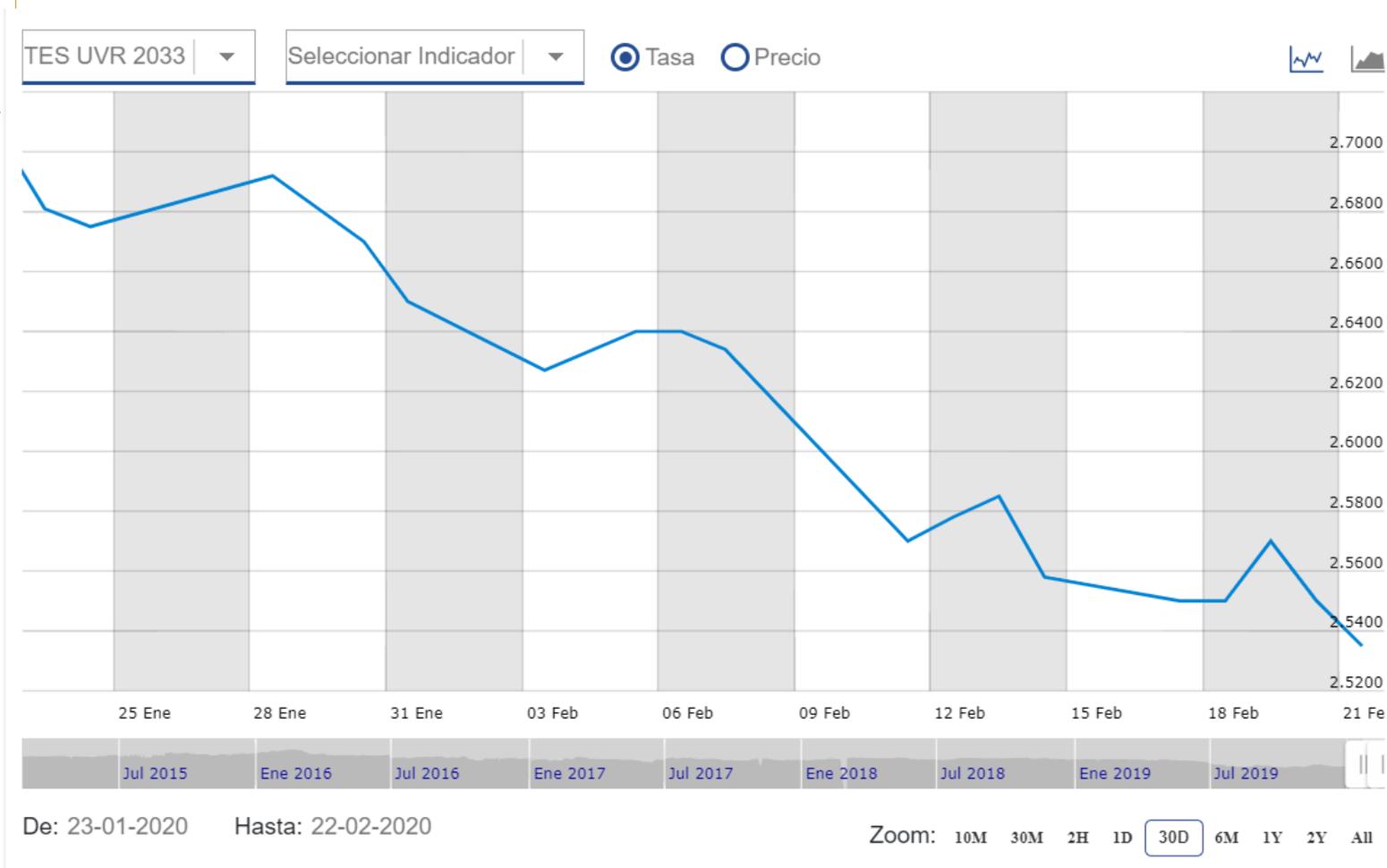


TES UVR QUOTATIONS



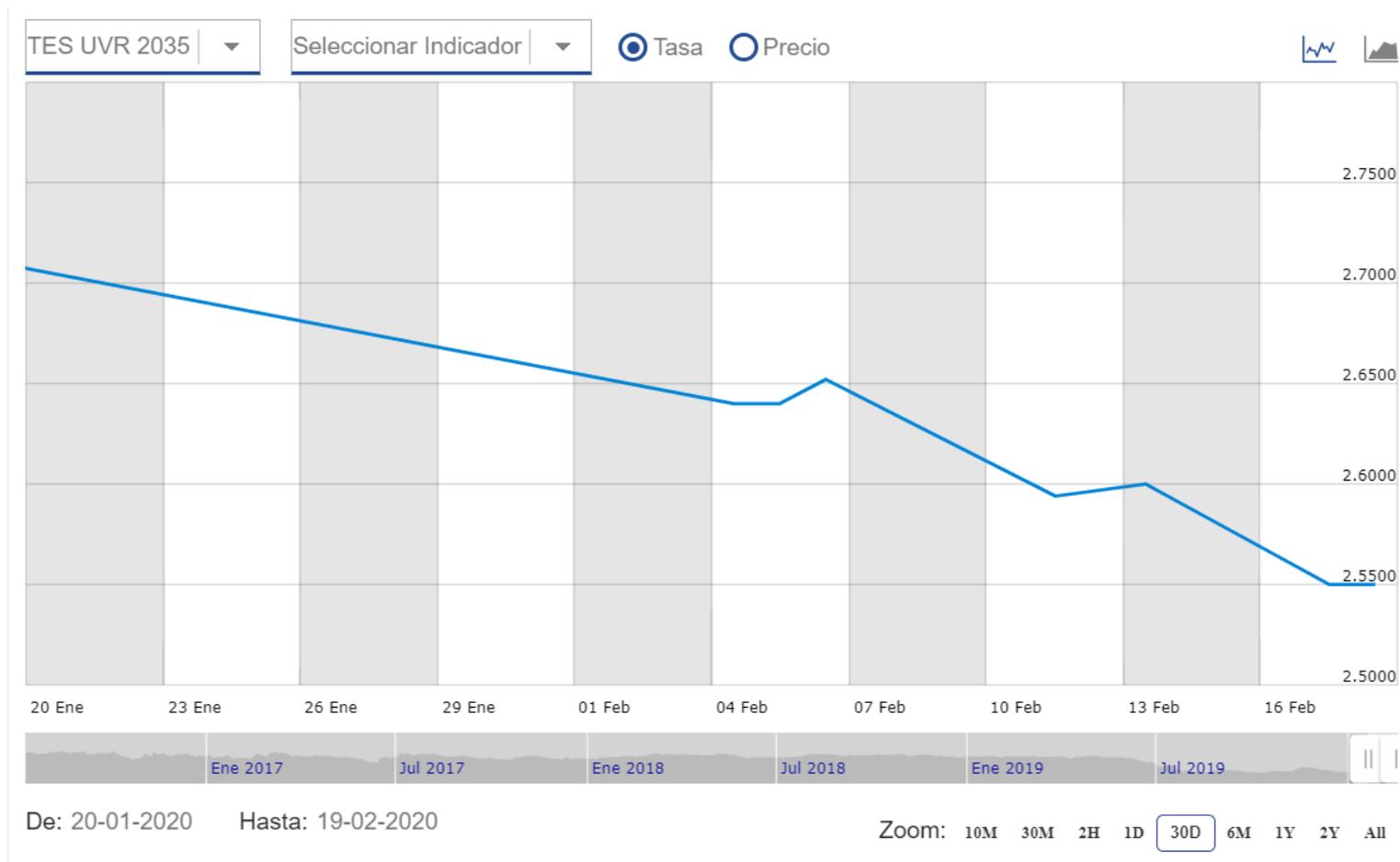


TES UVR QUOTATIONS





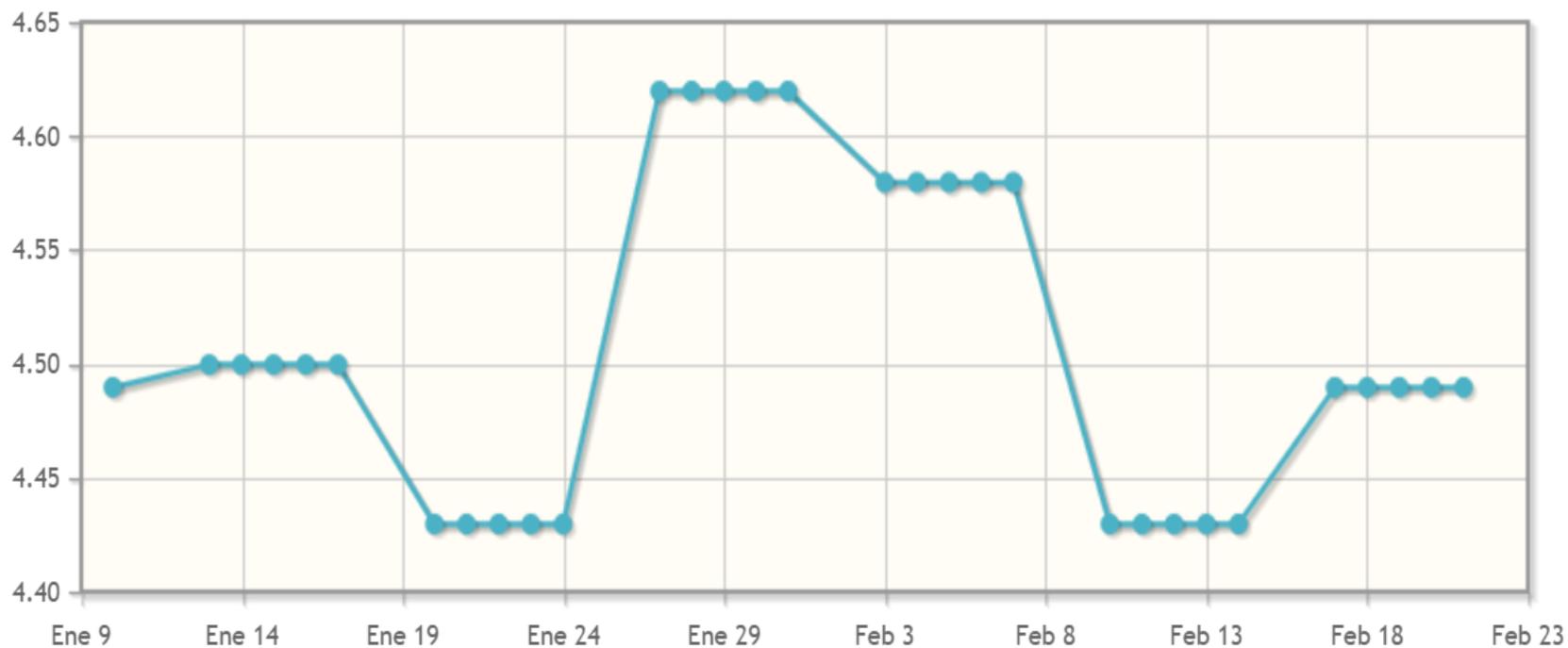
TES UVR QUOTATIONS





INDICATORS

Gráfico histórico del DTF en 2020



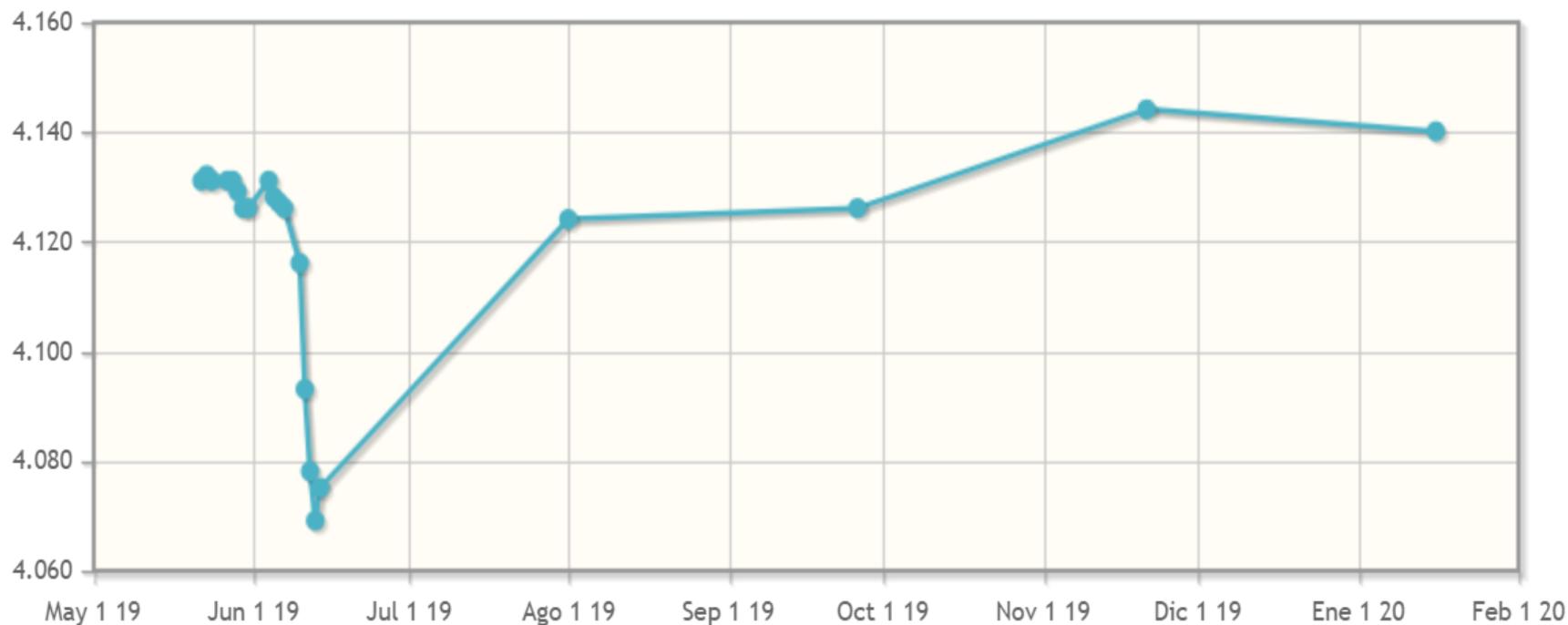
SOURCE: BANREP





INDICATORS

Gráfico histórico del IBR



SOURCE: BANREP





MAIN LOCAL ACTIONS

ÍNDICE COLCAP

1.656,30 pts

▲ 12,38 pts 0,75 %

Fuente: [Bolsa de Valores de Colombia](#).
Datos con 20 minutos de retraso.
Información del 21 de febrero

ACCIONES COLOMBIA

PFBCOLOM \$ 42.720

▼ \$ -3.500,00 -7,57 %

ECOPETROL \$ 3.425

▼ \$ -10,00 -0,29 %

BCOLOMBIA \$ 40.520

▼ \$ -3.180,00 -7,28 %

GEB \$ 2.480

▲ \$ 15,00 + 0,61 %

PFGRUPSURA \$ 27.700

▼ \$ -900,00 -3,15 %

PFAVAL \$ 1.475

▼ \$ -30,00 -1,99 %

CEMARGOS \$ 5.800

▼ \$ -260,00 -4,29 %

ISA \$ 18.900

▼ \$ -380,00 -1,97 %

CELSIA \$ 4.700

▲ \$ 125,00 + 2,73 %

SOURCE: DATAIFX





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