

[Download](#)

Keep in mind

La serie Borradores de Economía es una publicación de la Subgerencia de Estudios Económicos del Banco de la República. Los trabajos son de carácter provisional, las opiniones y posibles errores son responsabilidad exclusiva del autor y sus contenidos no comprometen al Banco de la República ni a su Junta Directiva.

Autor o Editor

Melo-Velandia, Luis Fernando

Rincon-Castro, Hernan

Toro-Córdoba, Jorge Hernán

The series [Borradores de Economía \(Working Papers on Economics\)](#) contributes to the dissemination and promotion of the work by researchers from the institution. On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. This series is indexed at Research Papers in Economics (RePEc). The opinions contained in this document are the sole responsibility of the author and do not commit Banco de la República or its Board of Directors.

Fecha de publicación

Friday the 10th of March, 2023

## Abstract

The objective of the study is to evaluate the main determinants of the Colombian gross portfolio inflows and outflows from non-resident and resident investors and to study the role of the interest rate of the domestic monetary policy. The conceptual framework is the standard portfolio model augmented with variables that measure push and pull factors and macroeconomic surprises. The regression model is an autoregressive vector with exogenous variables or VAR-X and the information is of monthly frequency for the period 2011 to 2020. The main results indicate that the policy interest rate does not turn out to be a statistically significant determinant of gross portfolio flows from non-resident and resident investors with the statistics used and during the analyzed period. In addition, the estimates show important differences in the responses to other domestic and foreign macroeconomic shocks. Finally, there seems to be to some degree a substitution between portfolio capital outflows from nonresidents and capital inflows from residents. This means that the movements of some investors cushion the exchange rate, balance of payments, and probably financial and macroeconomic effects of the others.