

[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

Cardozo-Alvarado, Nathali

Castañeda-Arévalo, David

Gamboa-Estrada, Fredy

Miguélez Márquez, Javier

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.

Publication Date

Wednesday the 15th of March, 2023

Abstract

Assessing the effects of U.S. monetary policies on portfolio flows is important for policymakers as they could pose risks to the effectiveness of domestic monetary policy. This paper analyzes the effects of the Global Financial Cycle (GFC) and Federal Reserve (Fed) unconventional monetary policy announcements on foreign portfolio investment flows in Colombia between 2010 and 2018. Using an ordinary least squares model with corrected serial correlation, we find that Fed unconventional monetary policy announcements affected portfolio flows in Colombia, especially those related to Tapering, Operation Twist and Forward Guidance. These announcements reinforced the effects of the GFC during the period analyzed. The results by type of flow indicate that public bonds flows are more sensitive to Fed announcements than private bond and equity flows.