Box 1: Recent Performance of the Exchange Rate in Colombia

Box 1: Inflation Report March 2015 Keep in mind
The Monetary Policy Report presents the Bank's technical staff's analysis of the economy and the inflationary situation and its medium and long-term outlook. Based on it, it makes a recommendation to the Board of Directors on the monetary policy stance. This report is published on the second business day following the Board of Directors' meetings in January, April, July, and October.

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The Colombian peso depreciated 39.4% against the dollar between July 2014 and March 2015. During that period, the exchange rate rose from a monthly average value of COP 1,858 per dollar to COP 2,591. In April, despite some turnaround in the weakening of the peso, the exchange rate was well above the levels observed in June 2014 (COP 2,496) (Graph B1.1). Given the importance of this variable to Colombia’s economic performance and inflation rate, this section looks at several factors that can explain the behavior of the exchange rate in the latest period and verifies, through the use of statistical models, its relationship with those factors during the last decade.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/publications/inflation-report/box-1-recent-performance-of-the-exchange-rate-in-colombia