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# Gross capital flows of portfolio of non-residents and residents and the role of monetary policy

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Publication Date: Friday, 10 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.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/gross-capital-flows-portfolio-non-residents-and-residents-and-role-monetary-policy