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## **Abstract**

In this paper we explain the most important challenges empirical research on sterilized intervention effect and effectiveness faces, specially when analyzing interventions with implicit rather than explicit exchange rate level targets. These challenges are surpassed, at least for the most part, through the use of foreign exchange market microstructure based models on high frequency sample information. Employing one of such models, we study the effect of sterilised interventions through auctions of call/put options, mainly direct purchase auctions, performed by Banco de la República during the last decades. To reach this objective, we built a detailed intra-day database on the market, macroeconomic surprises and intervention. We found that these interventions have a small and short lasting effect on the COP/USD exchange rate. Our results suggest, however, that the signal was credible and non ambiguous in an efficient market. These results are stronger for the 2007-2011 sub-sample than the 2011-2019 one.