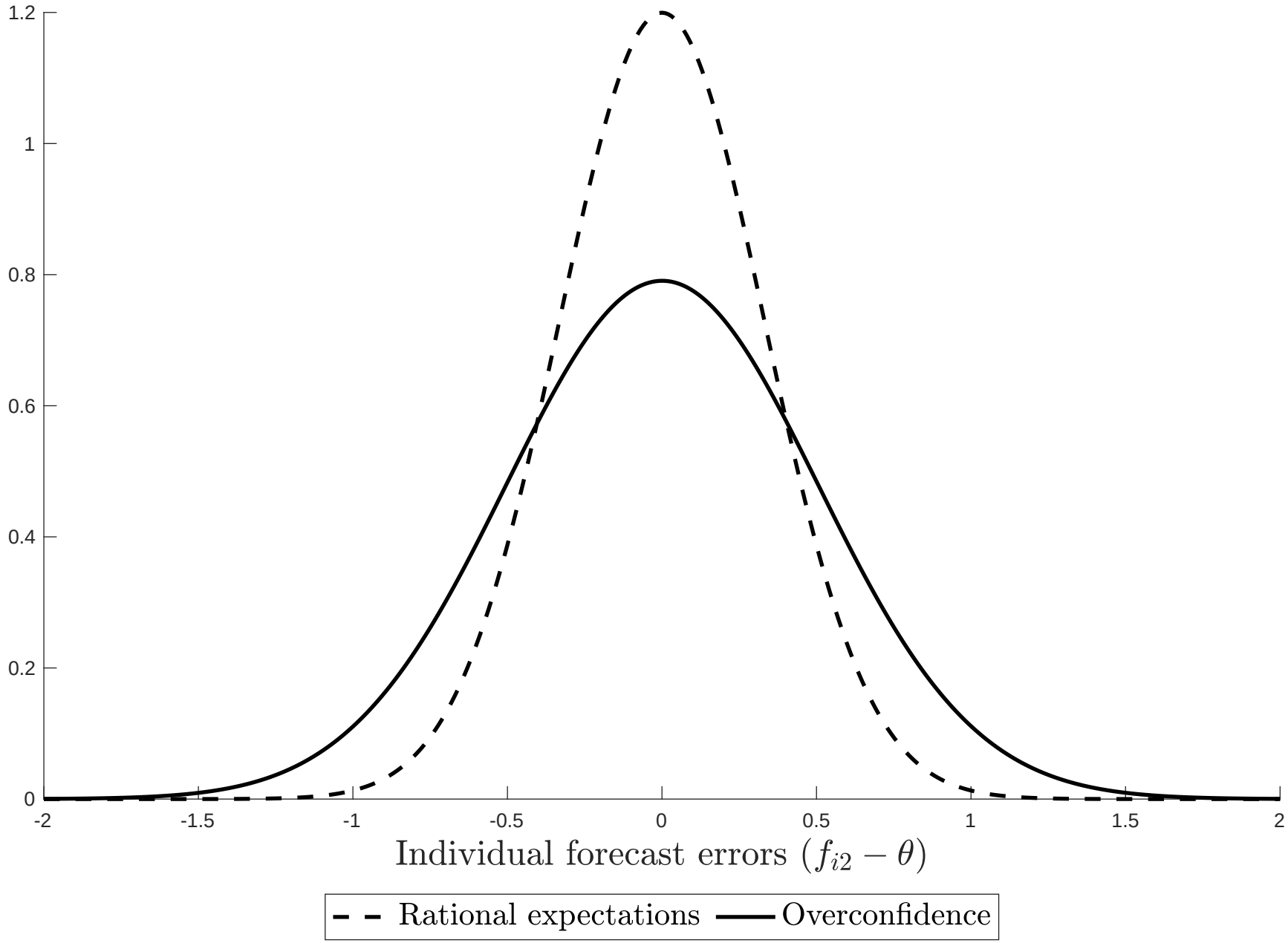
1.2
1
0.8
0.6
0.4
0.2
0
-2
-1.5
-1
-0.5
0
0.5
1
1.5
2
Individual forecast errors ($f_{i2} - \theta$)
Rational expectations
Overconfidence