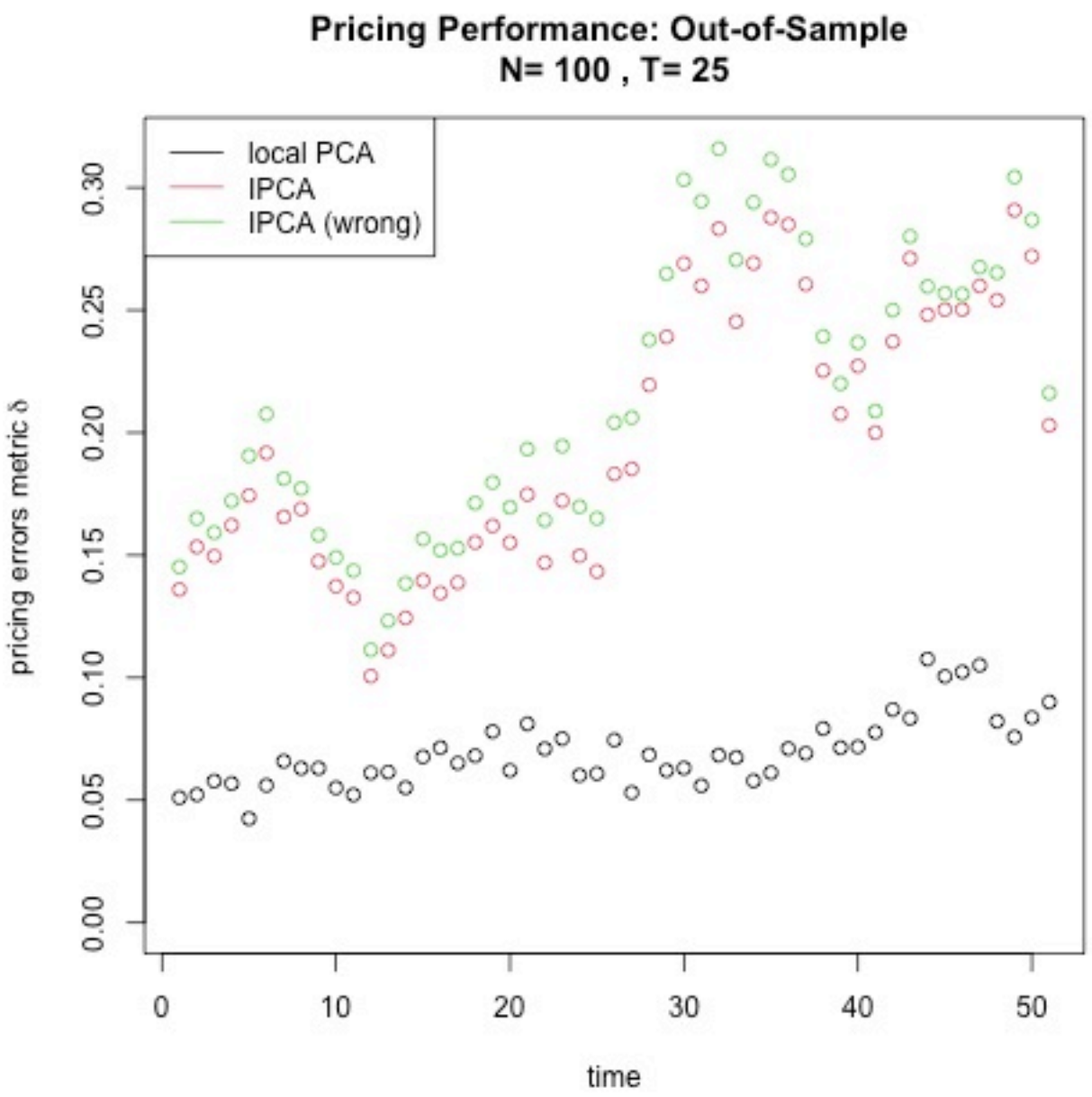
Pricing Performance: Out-of-Sample
N= 100 , T= 25
local PCA
IPCA
IPCA (wrong)
pricing errors metric δ
0.00
0.05
0.10
0.15
0.20
0.25
0.30
0
10
20
30
40
50
time