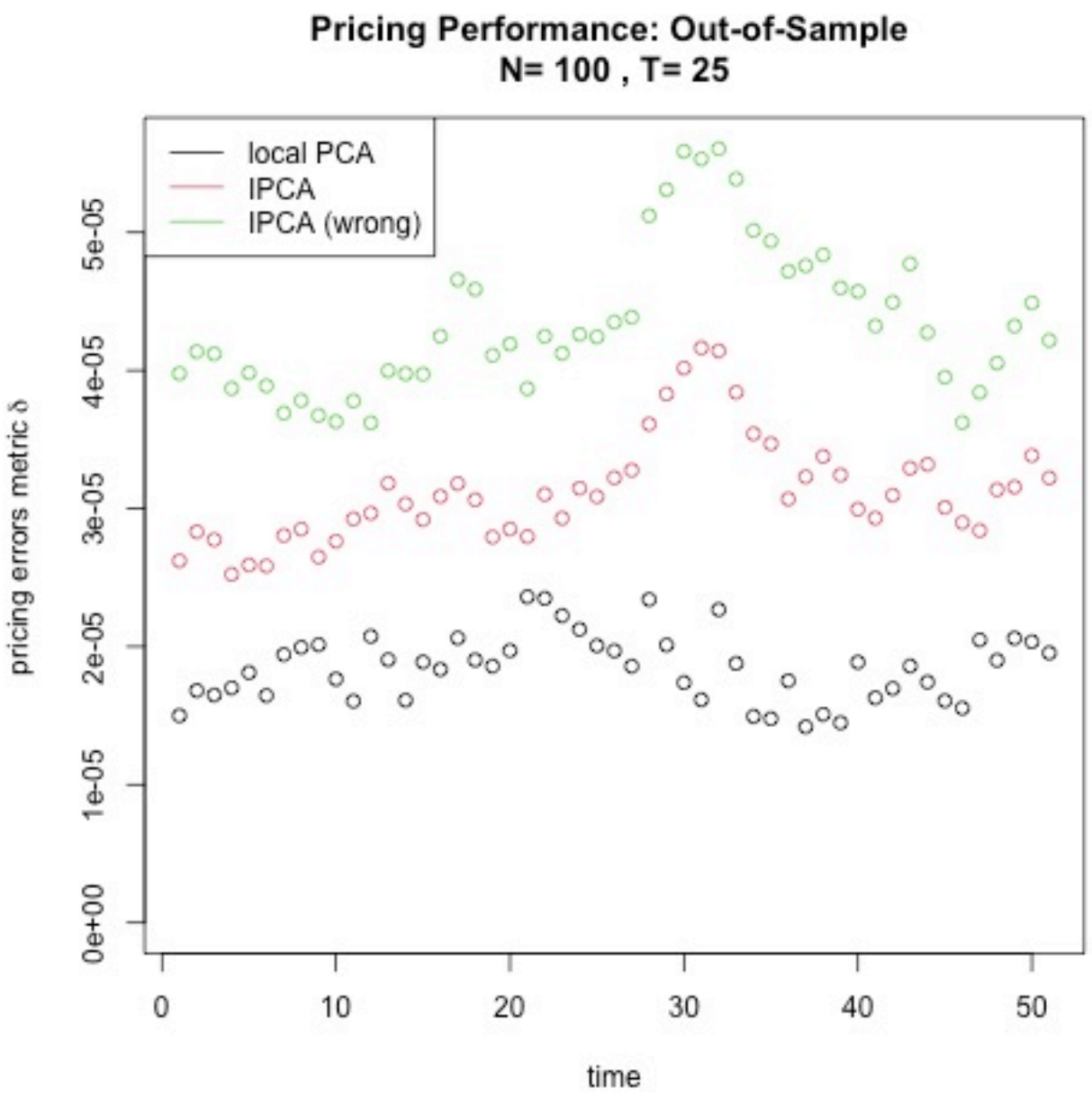
Pricing Performance: Out-of-Sample
N= 100 , T= 25
local PCA
IPCA
IPCA (wrong)
pricing errors metric δ
0e+00
1e-05
2e-05
3e-05
4e-05
5e-05
0
10
20
30
40
50
time