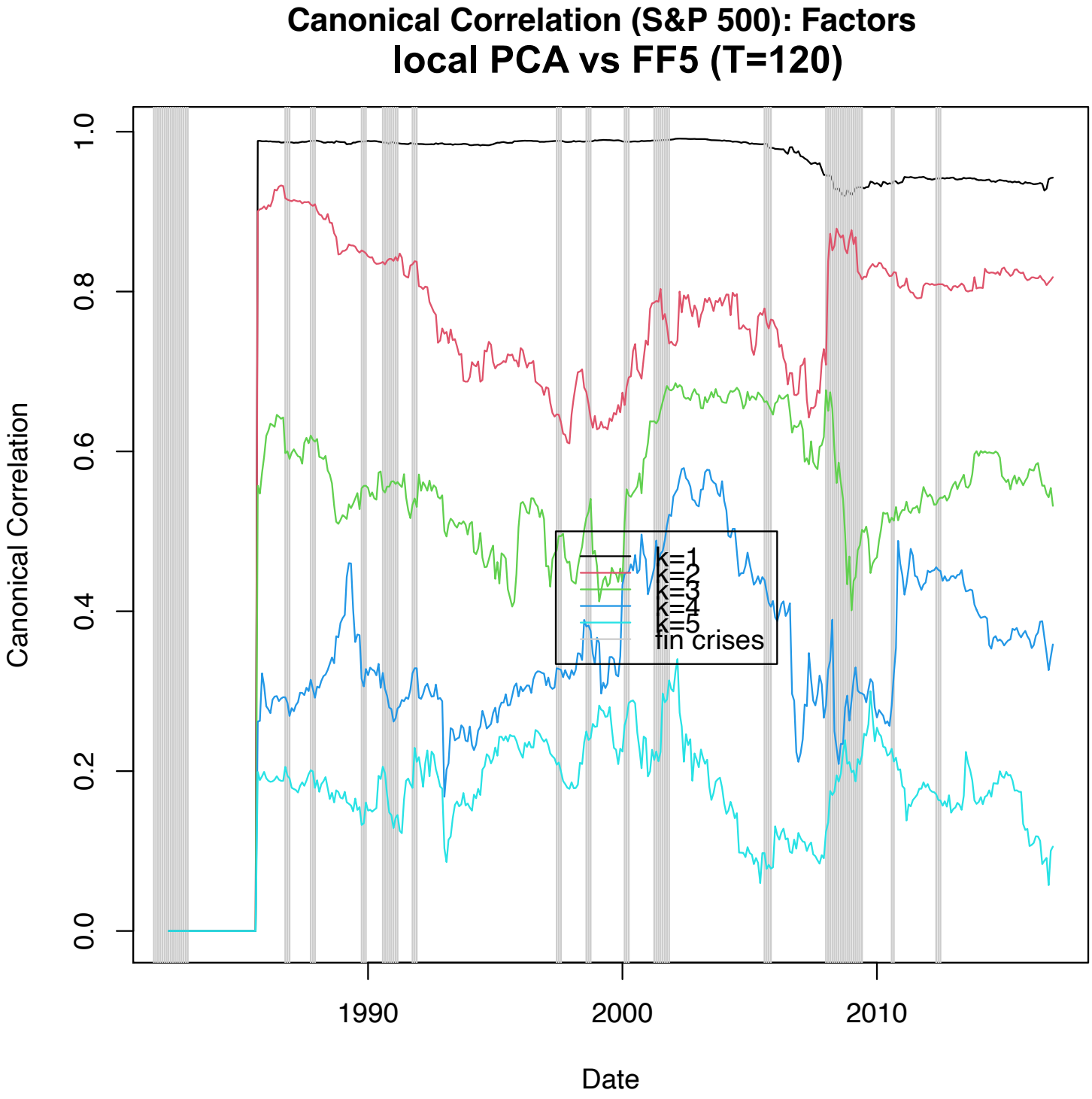
Canonical Correlation (S&P 500): Factors
local PCA vs FF5 (T=120)
Canonical Correlation
0.0
0.2
0.4
0.6
0.8
1.0
1990
2000
2010
Date
k=1
k=2
k=3
k=4
k=5
fin crises