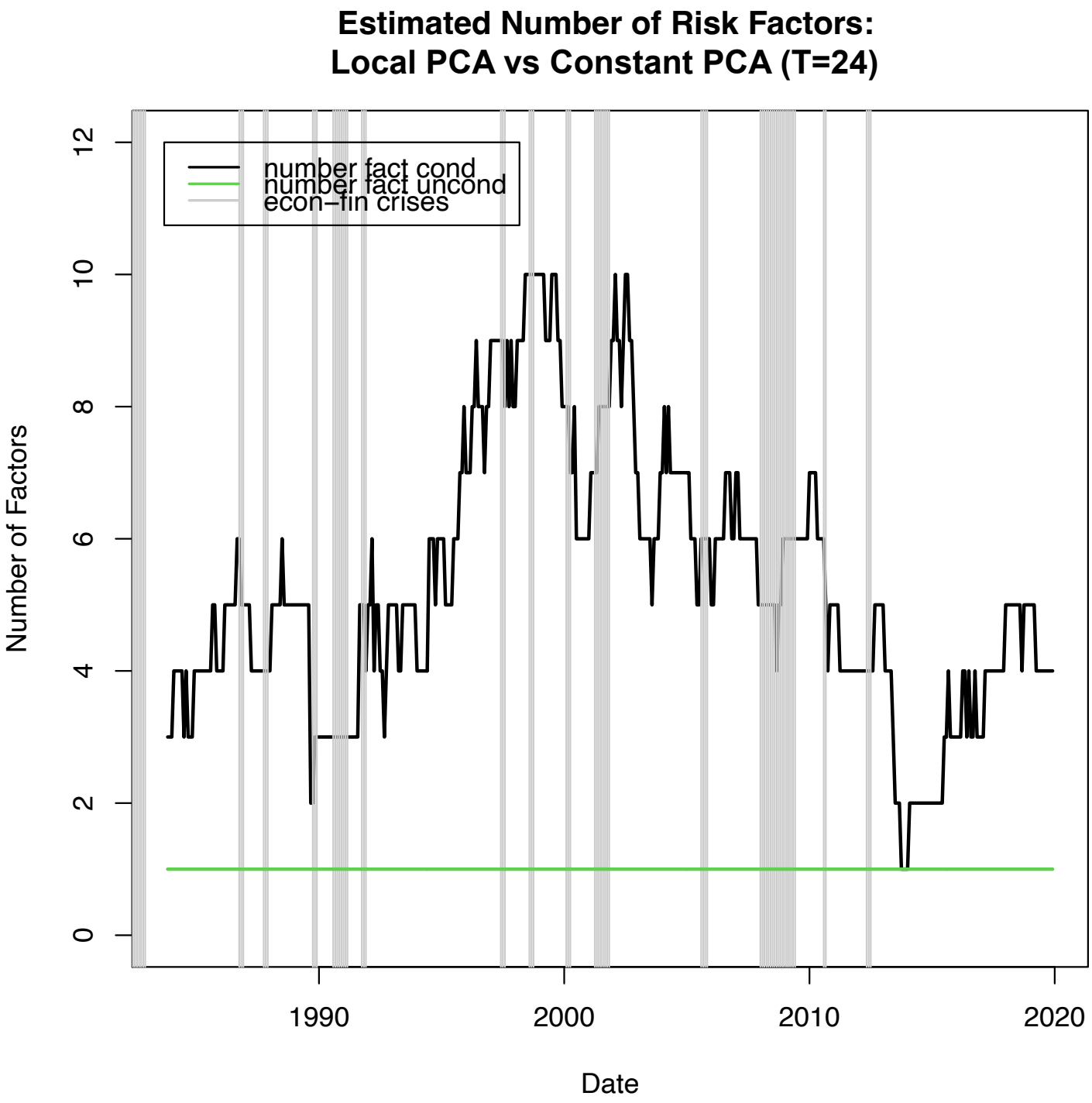
Estimated Number of Risk Factors:
Local PCA vs Constant PCA (T=24)
number fact cond
number fact uncond
econ−fin crises
Number of Factors
0
2
4
6
8
10
12
1990
2000
2010
2020
Date