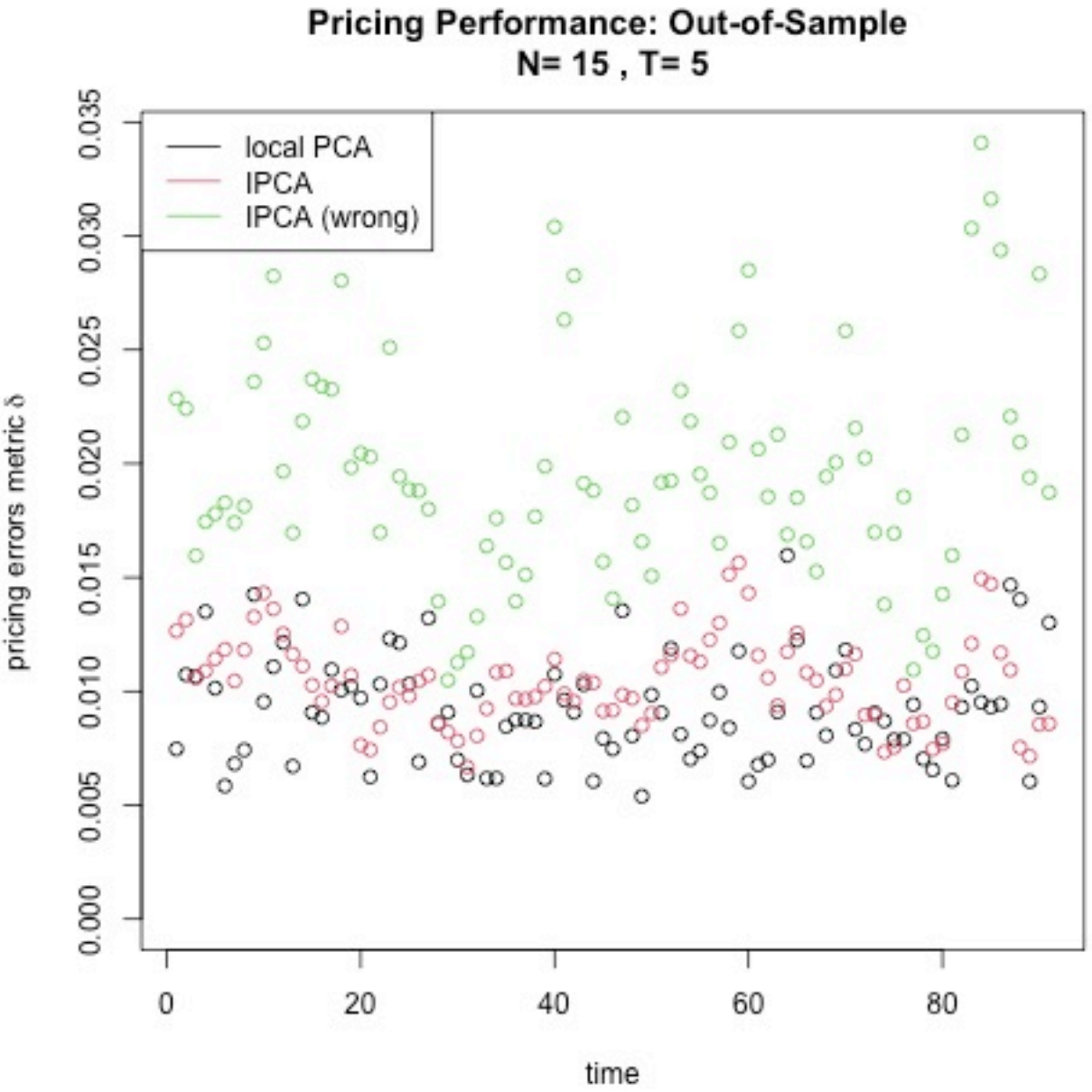
Pricing Performance: Out-of-Sample
N= 15 , T= 5
local PCA
IPCA
IPCA (wrong)
pricing errors metric δ
0.000
0.005
0.010
0.015
0.020
0.025
0.030
0.035
0
20
40
60
80
time