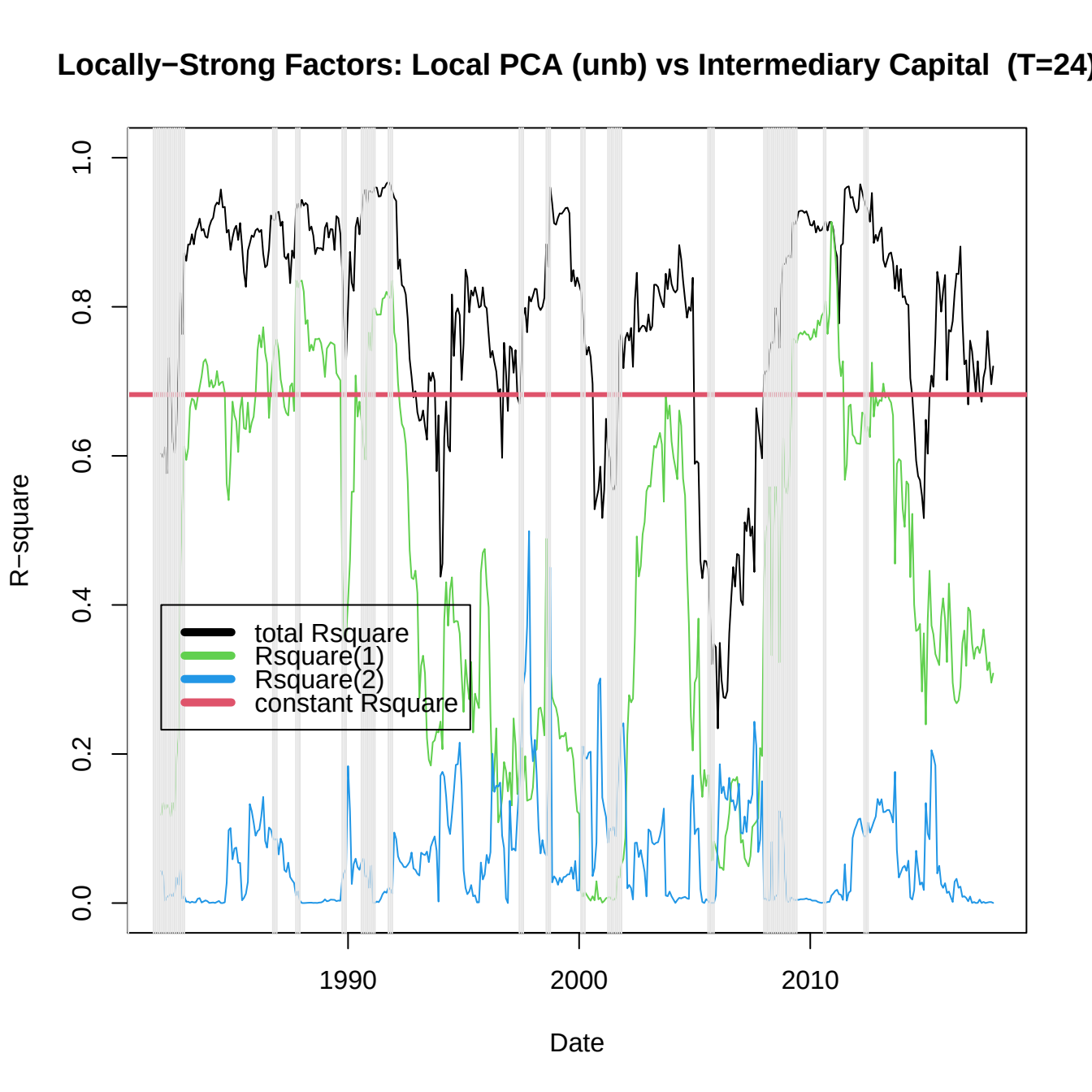
Locally−Strong Factors: Local PCA (unb) vs Intermediary Capital (T=24)
R−square
1.0
0.8
0.6
0.4
0.2
0.0
1990
2000
2010
Date
total Rsquare
Rsquare(1)
Rsquare(2)
constant Rsquare