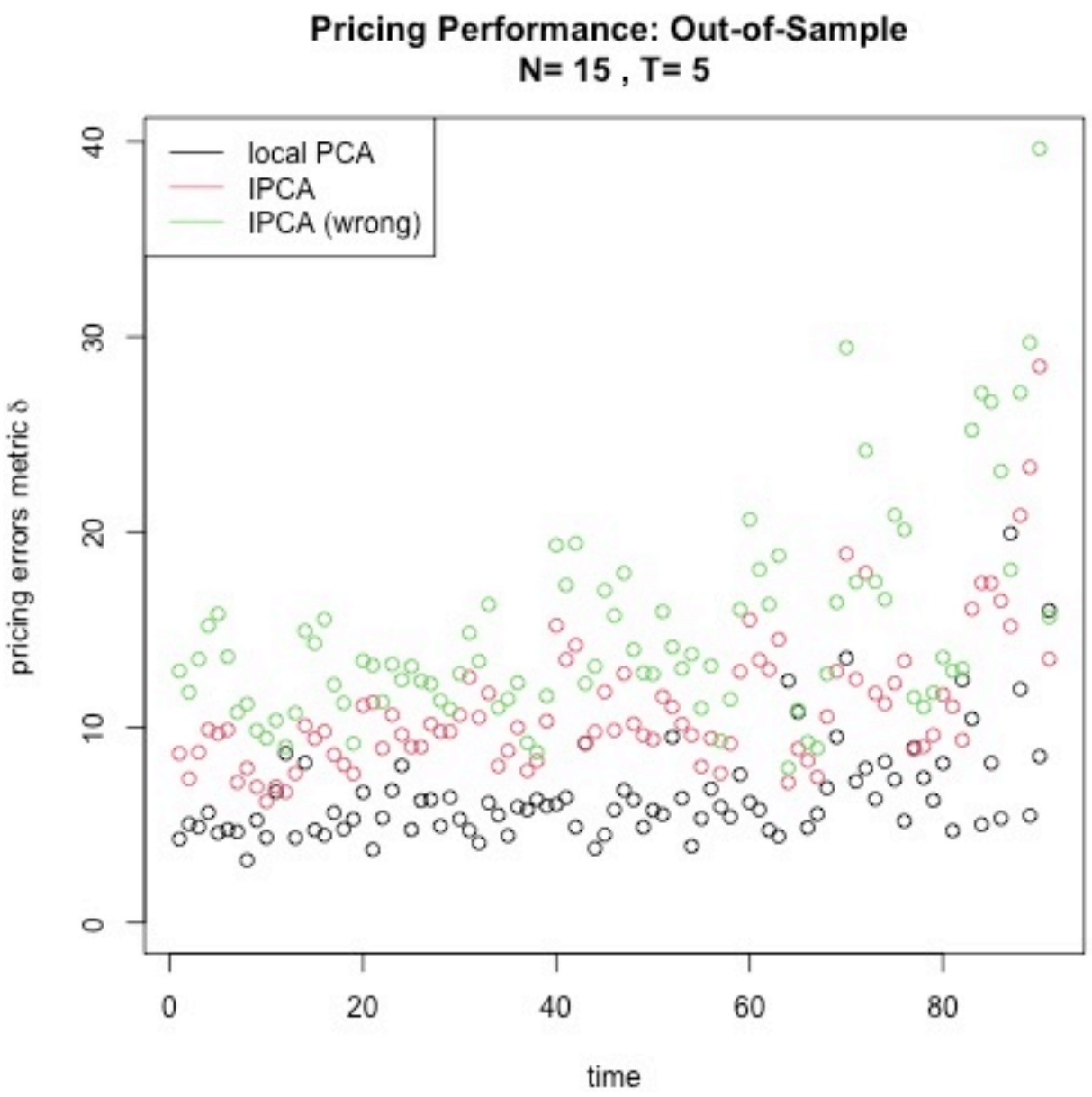
Pricing Performance: Out-of-Sample
N= 15 , T= 5
local PCA
IPCA
IPCA (wrong)
pricing errors metric δ
0
10
20
30
40
0
20
40
60
80
time