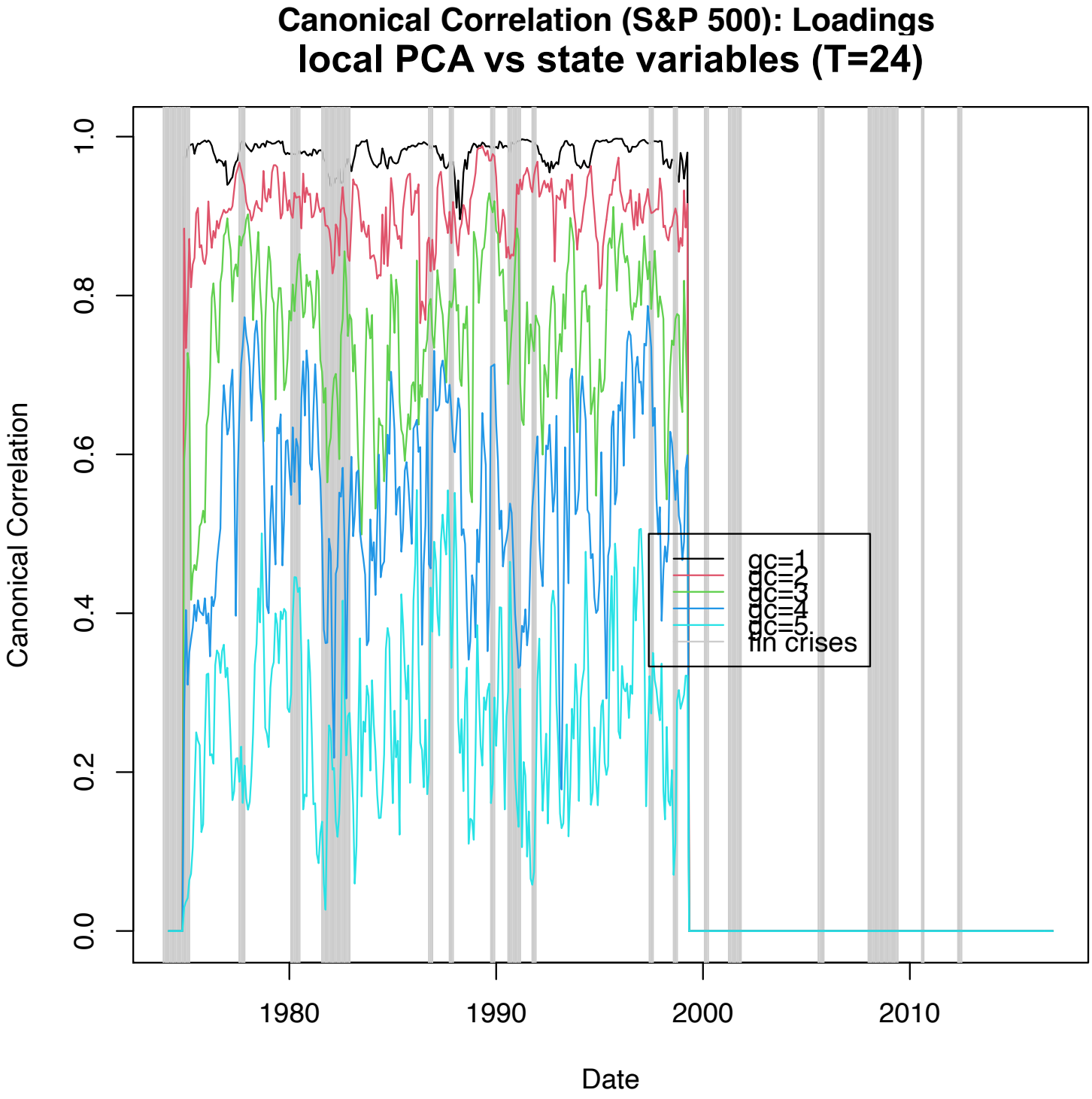
Canonical Correlation (S&P 500): Loadings
local PCA vs state variables (T=24)
Canonical Correlation
0.0
0.2
0.4
0.6
0.8
1.0
1980
1990
2000
2010
Date
gc=1
gc=2
gc=3
gc=4
gc=5
fin crises