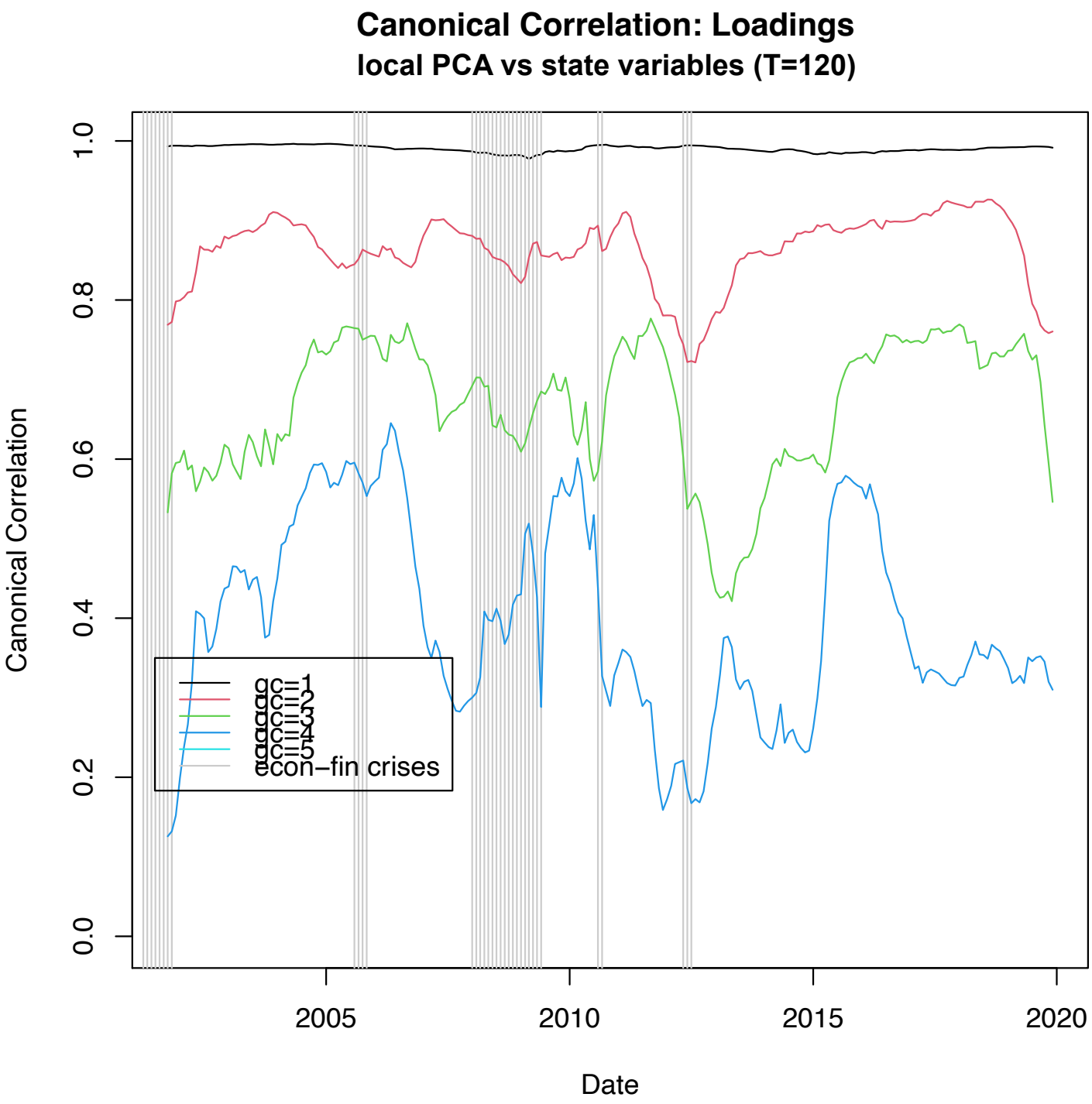
Canonical Correlation: Loadings
local PCA vs state variables (T=120)
Canonical Correlation
1.0
0.8
0.6
0.4
0.2
0.0
2005
2010
2015
2020
Date
gc=1
gc=2
gc=3
gc=4
gc=5
econ−fin crises