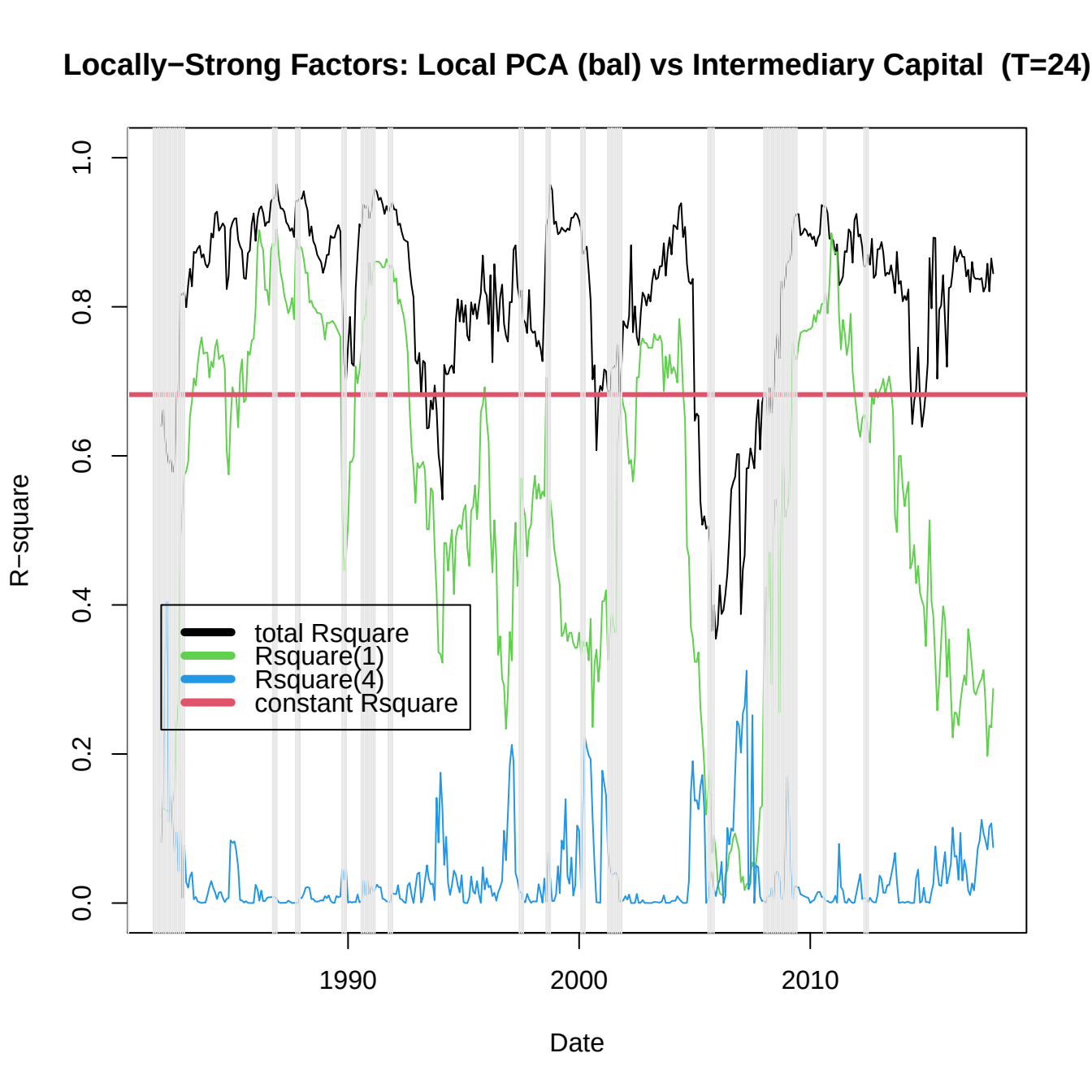
Locally−Strong Factors: Local PCA (bal) vs Intermediary Capital (T=24)
R−square
1.0
0.8
0.6
0.4
0.2
0.0
total Rsquare
Rsquare(1)
Rsquare(4)
constant Rsquare
1990
2000
2010
Date