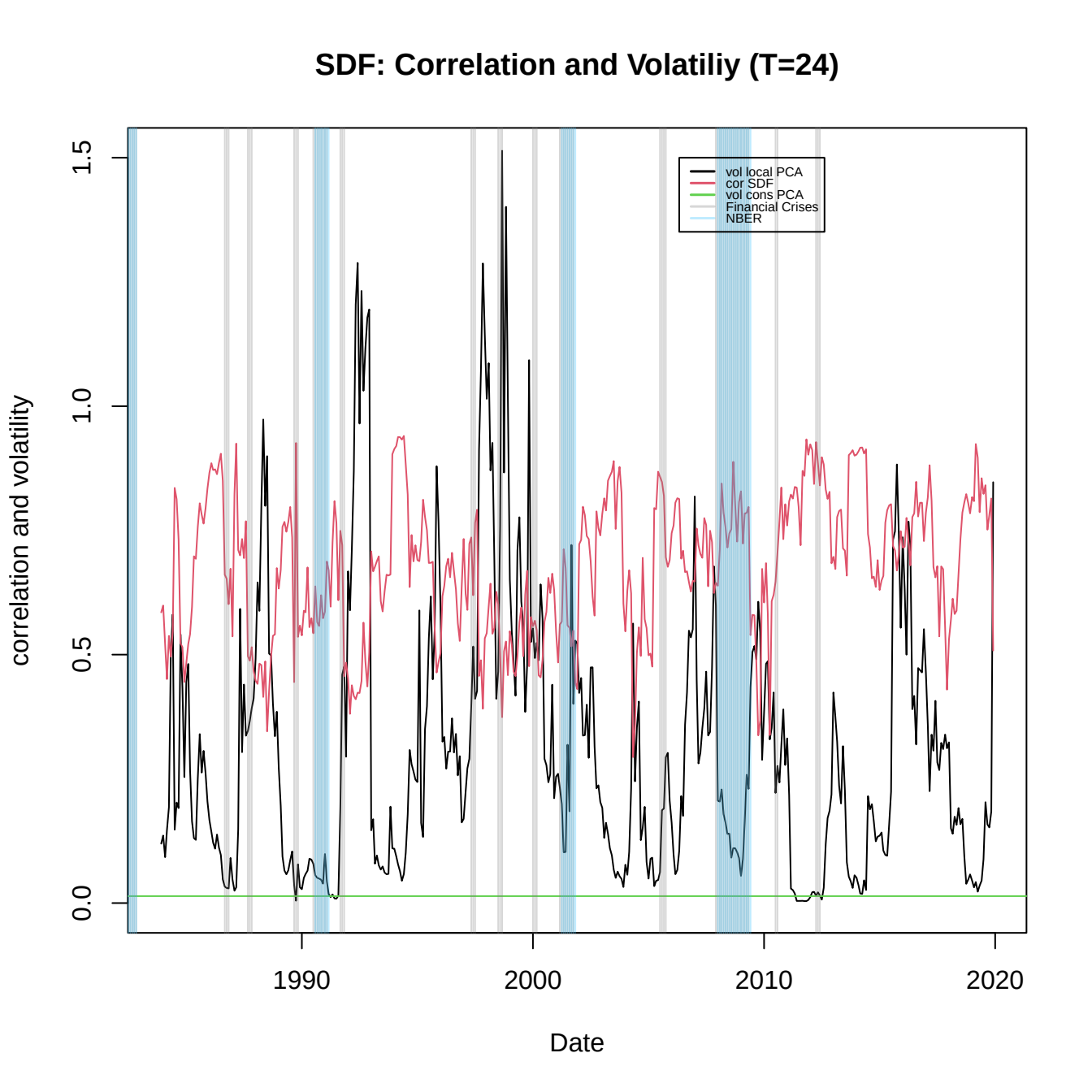
SDF: Correlation and Volatiliy (T=24)
vol local PCA
cor SDF
vol cons PCA
Financial Crises
NBER
correlation and volatility
0.0
0.5
1.0
1.5
1990
2000
2010
2020
Date