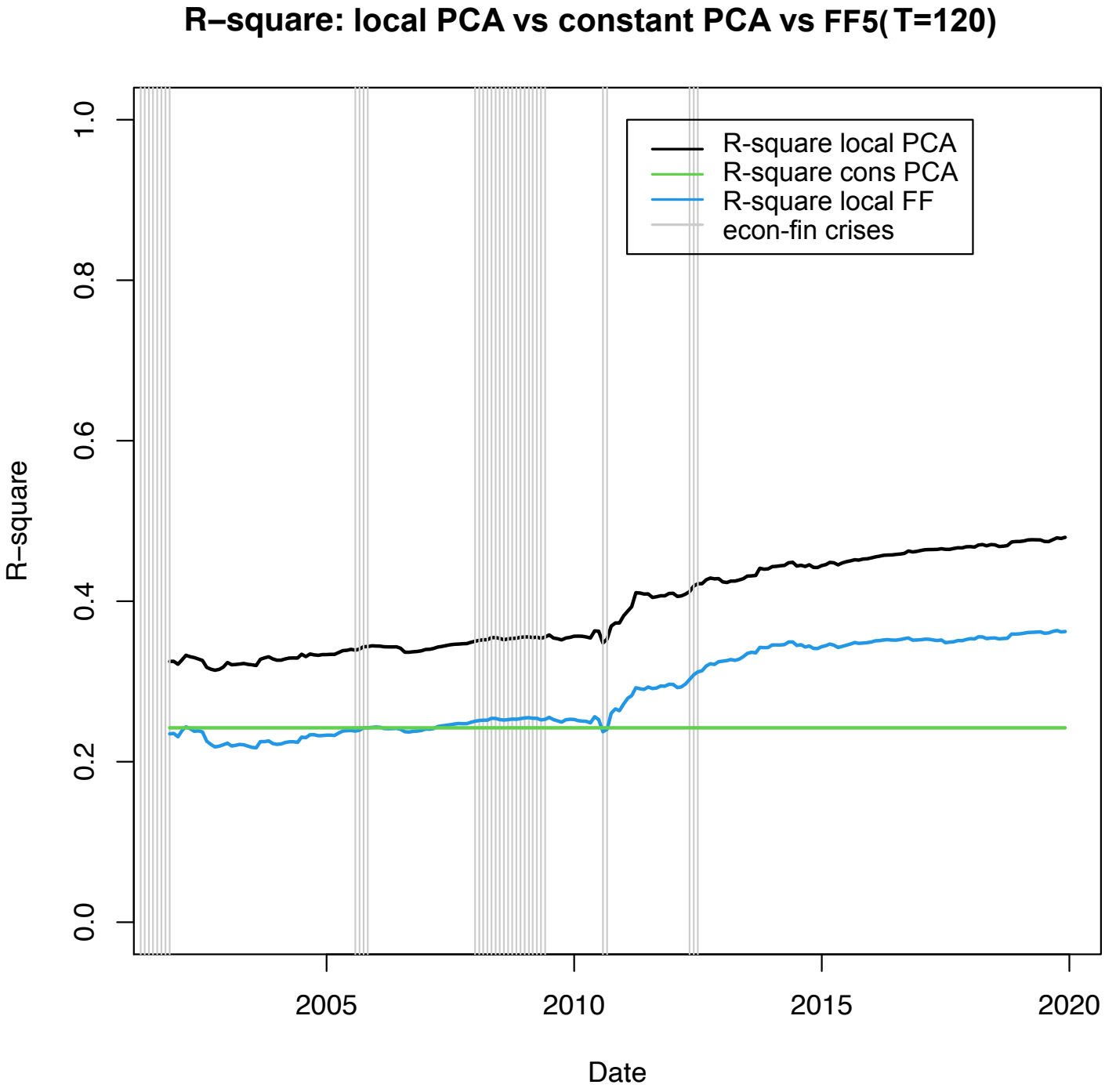
R−square: local PCA vs constant PCA vs FF5(T=120)
R−square
0.0
0.2
0.4
0.6
0.8
1.0
2005
2010
2015
2020
Date
R-square local PCA
R-square cons PCA
R-square local FF
econ-fin crises