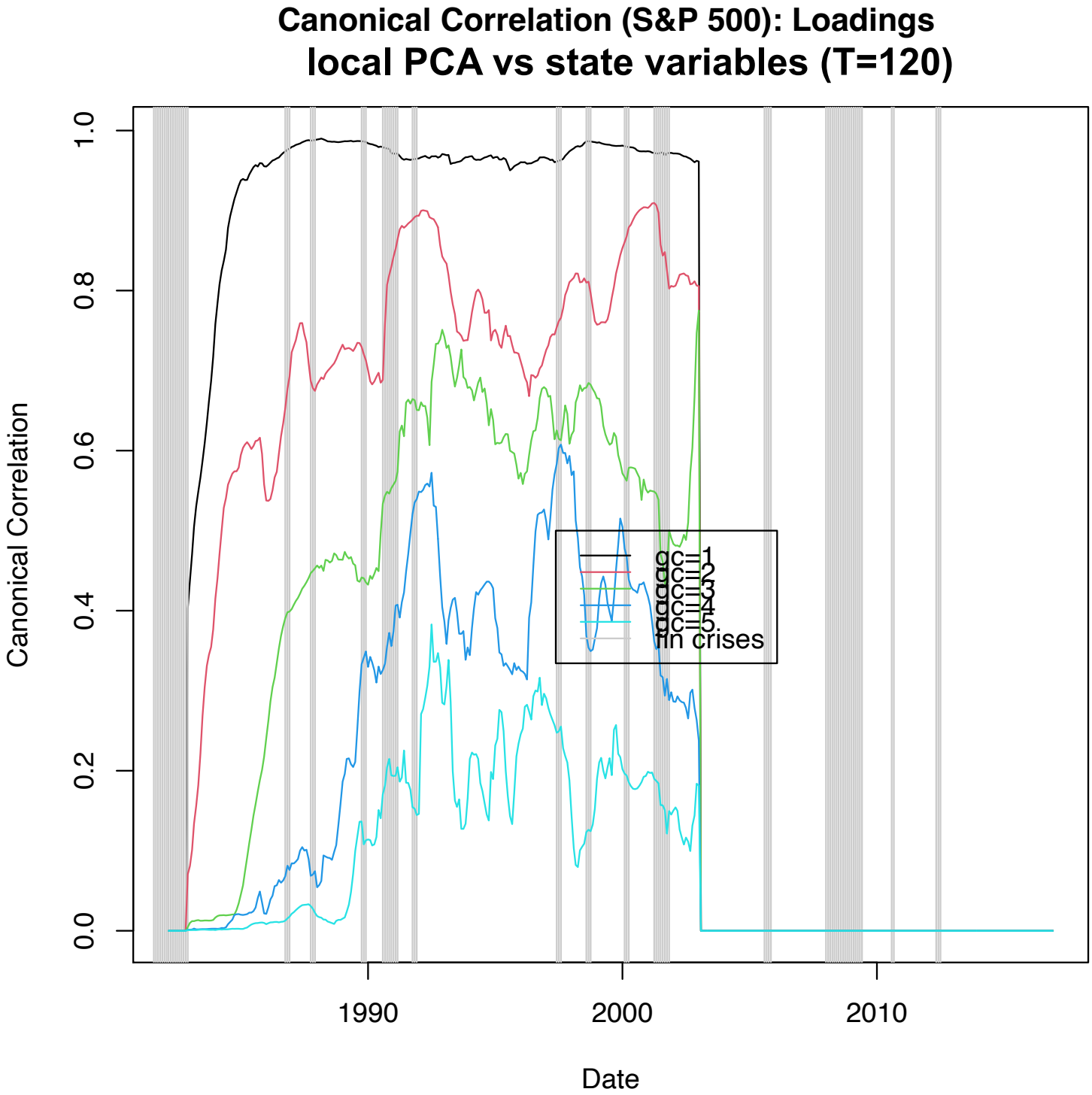
Canonical Correlation (S&P 500): Loadings
local PCA vs state variables (T=120)
Canonical Correlation
0.0
0.2
0.4
0.6
0.8
1.0
1990
2000
2010
Date
cc_1
cc_2
cc_3
cc_4
cc_5
fin crises