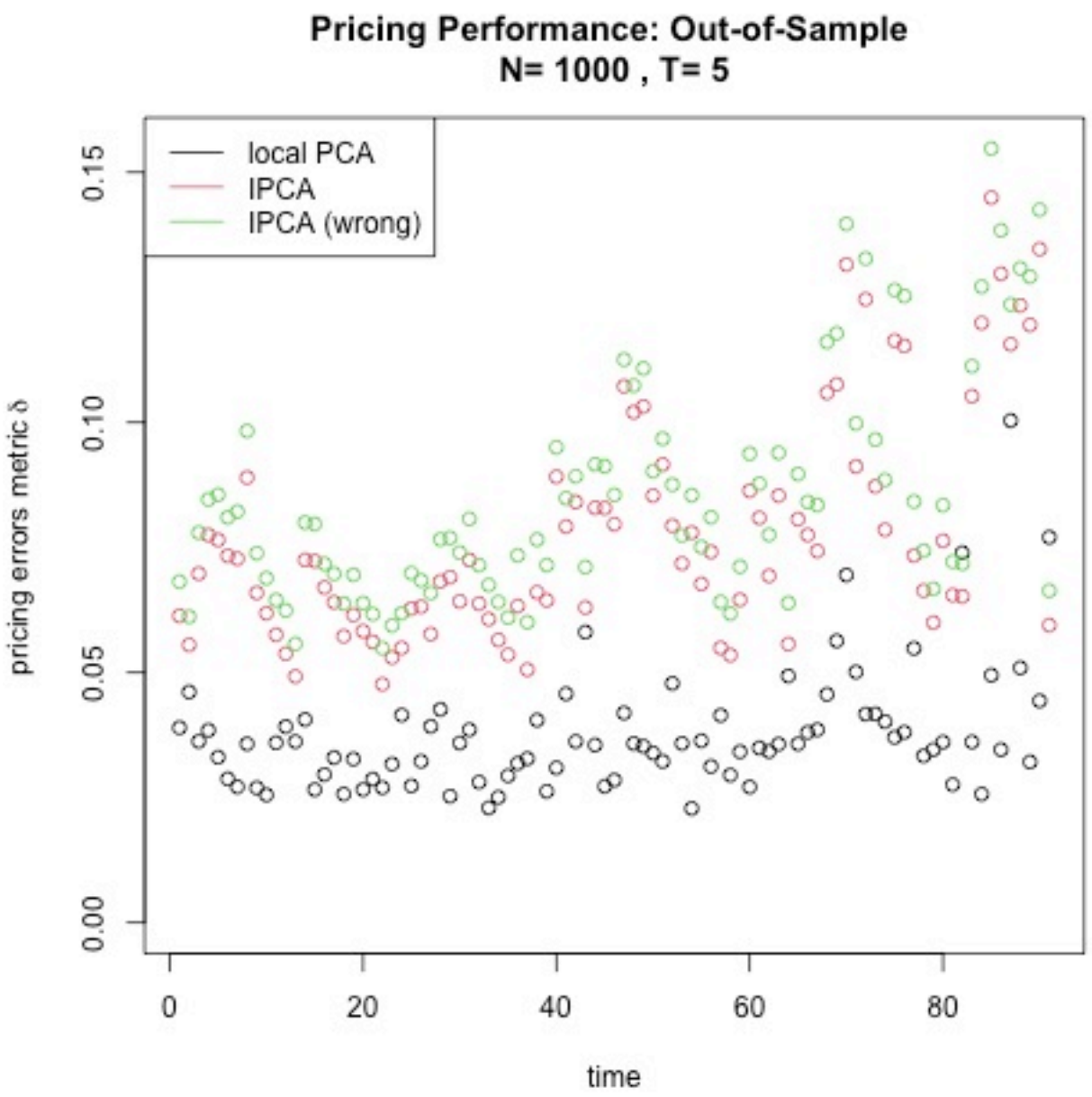
Pricing Performance: Out-of-Sample
N= 1000 , T= 5
local PCA
IPCA
IPCA (wrong)
pricing errors metric δ
0.00
0.05
0.10
0.15
0
20
40
60
80
time