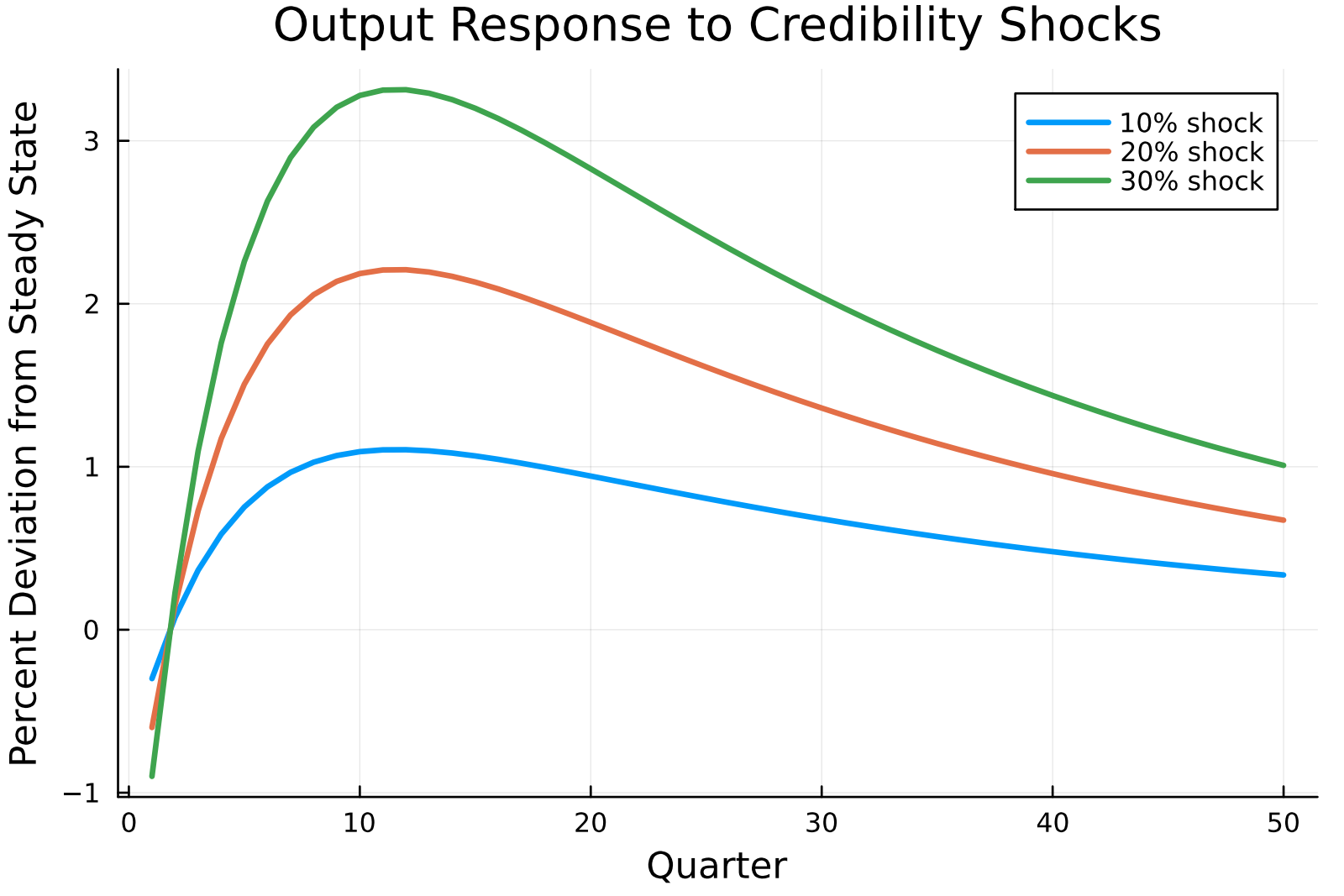
Output Response to Credibility Shocks
Percent Deviation from Steady State
Quarter
10% shock
20% shock
30% shock
3
2
1
0
−1
0
10
20
30
40
50