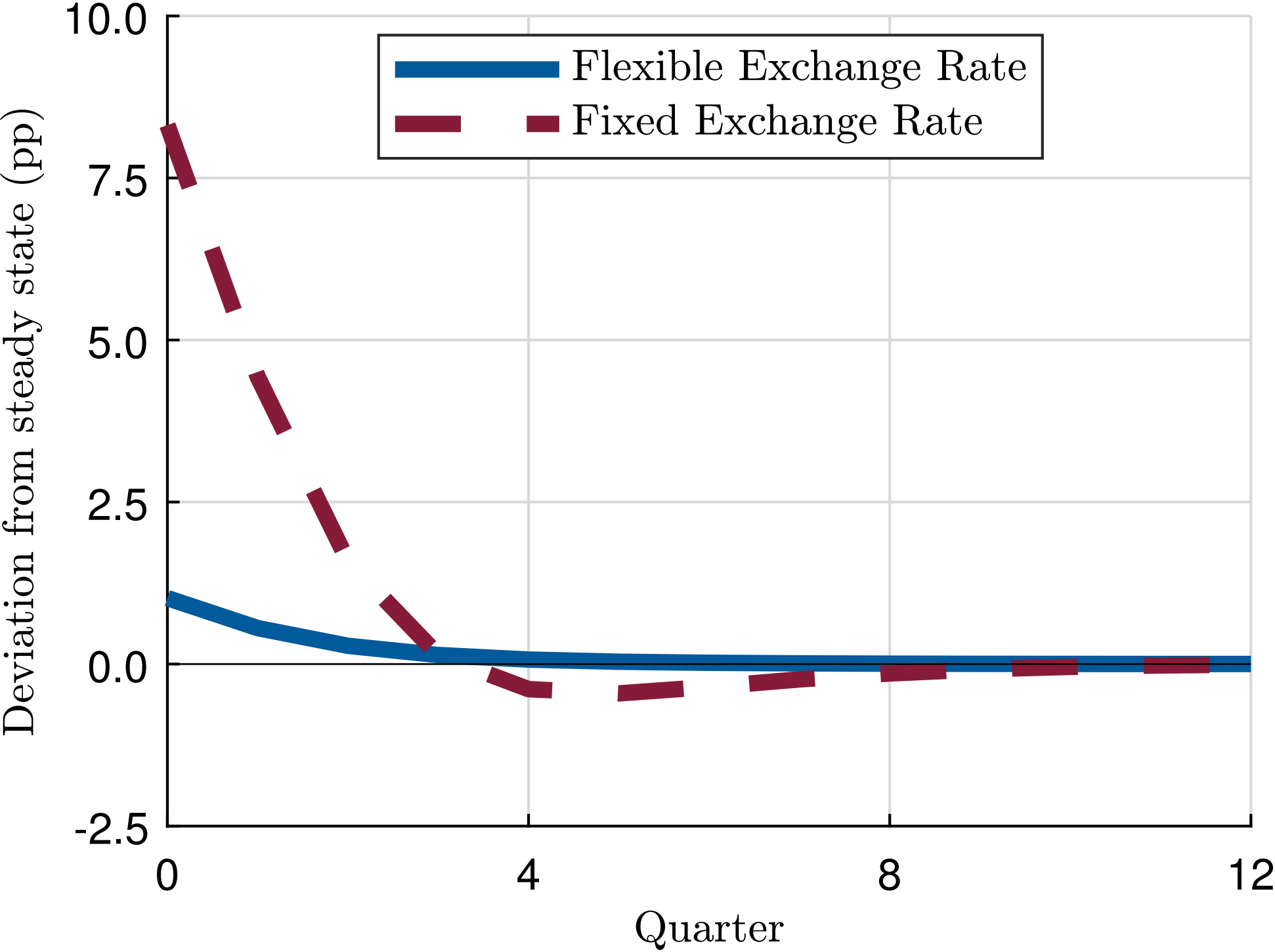
Flexible Exchange Rate
Fixed Exchange Rate
Deviation from steady state (pp)
10.0
7.5
5.0
2.5
0.0
-2.5
0
4
8
12
Quarter