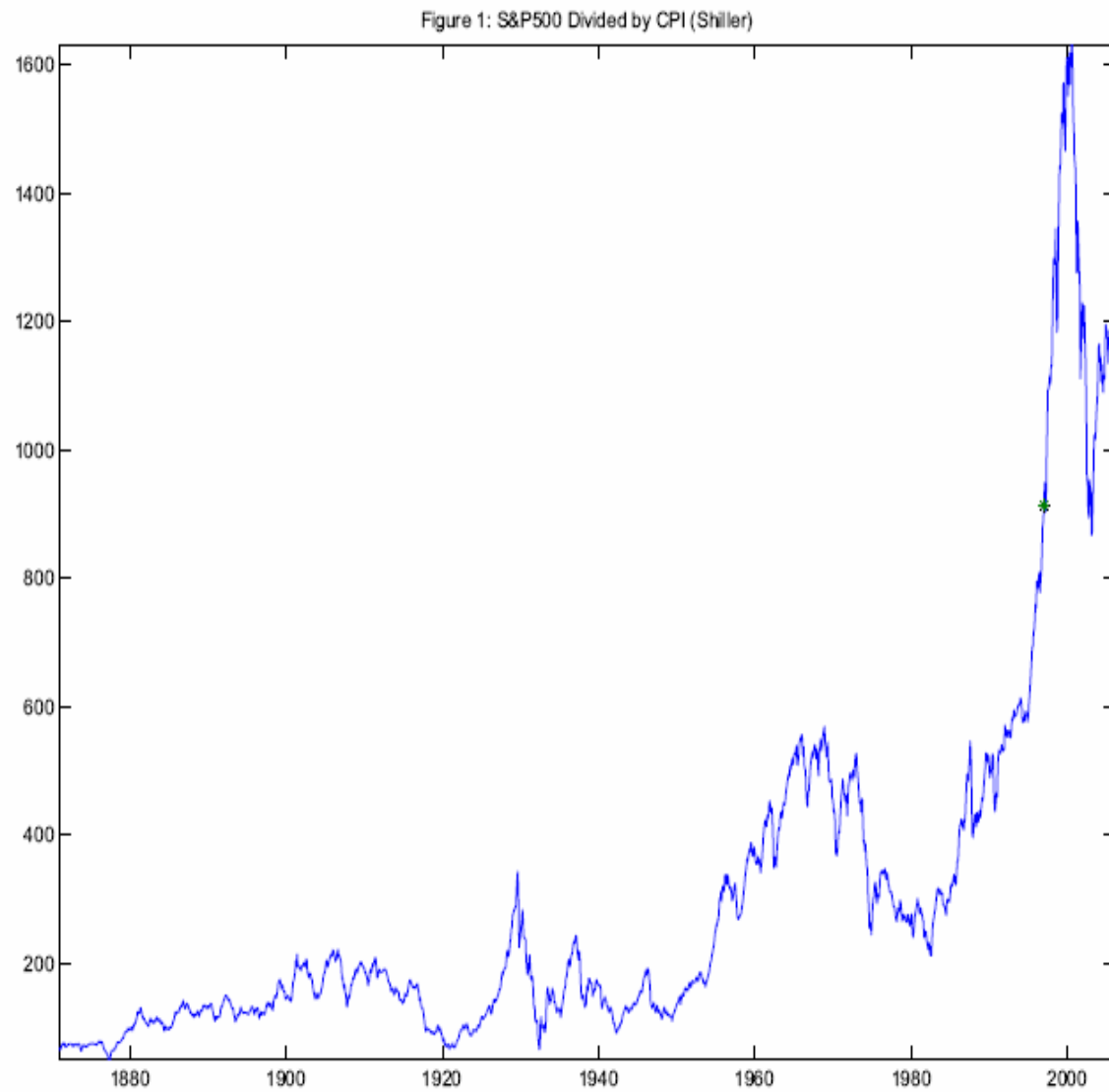


<<Christiano, Ilut, Motto, Rostagno>>

Boom-Bust



Inflation and Stock Prices

Fig 2A: Standardized inflation and stock price in interwar period

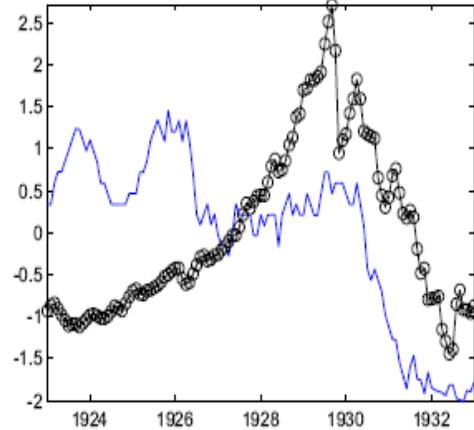


Fig 2B: Standardized inflation and stock price in 1950's to 1970's period

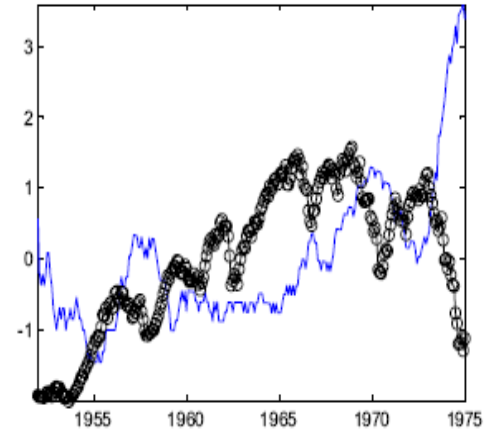
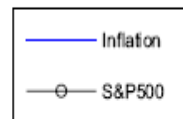
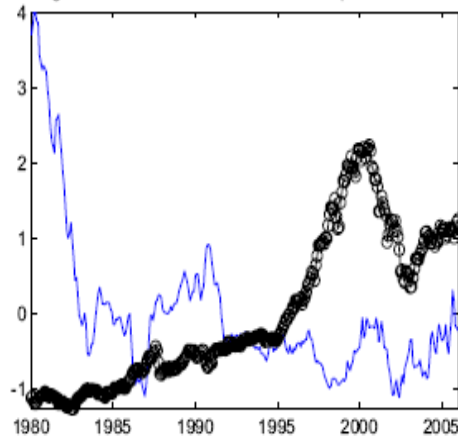
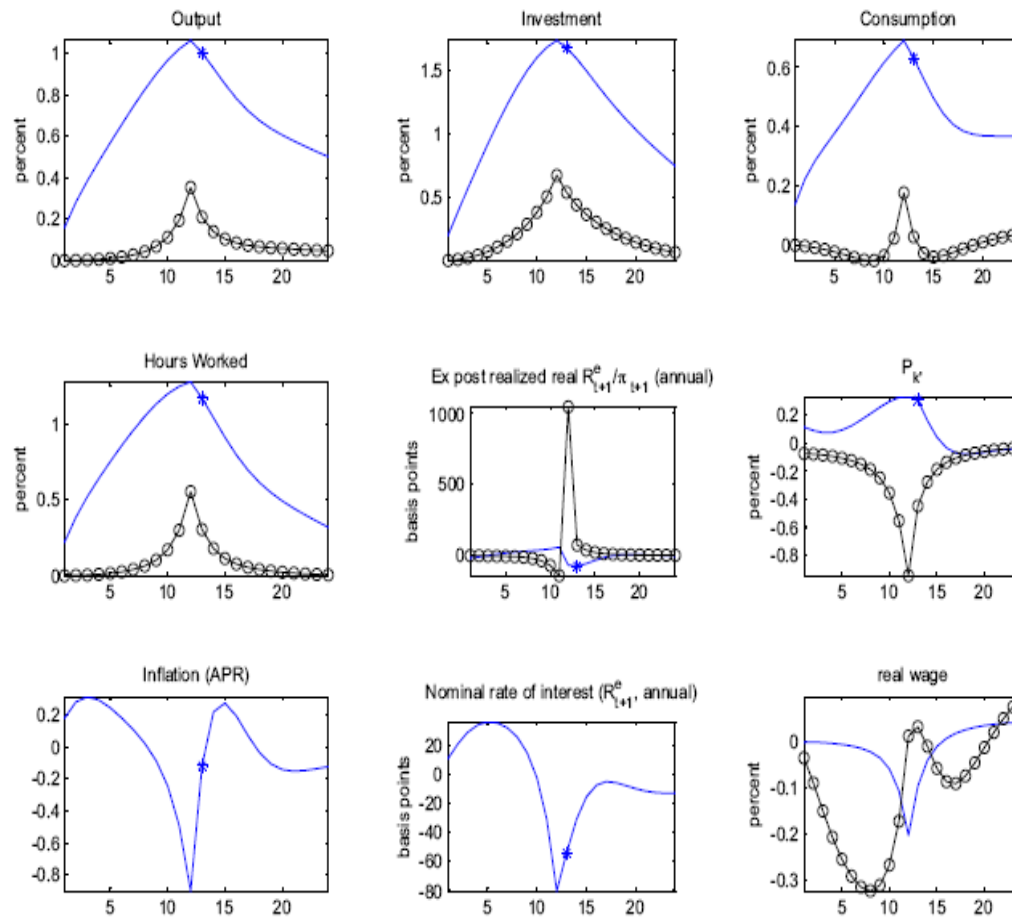
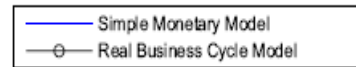


Fig 2C: Standardized inflation and stock price in interwar period



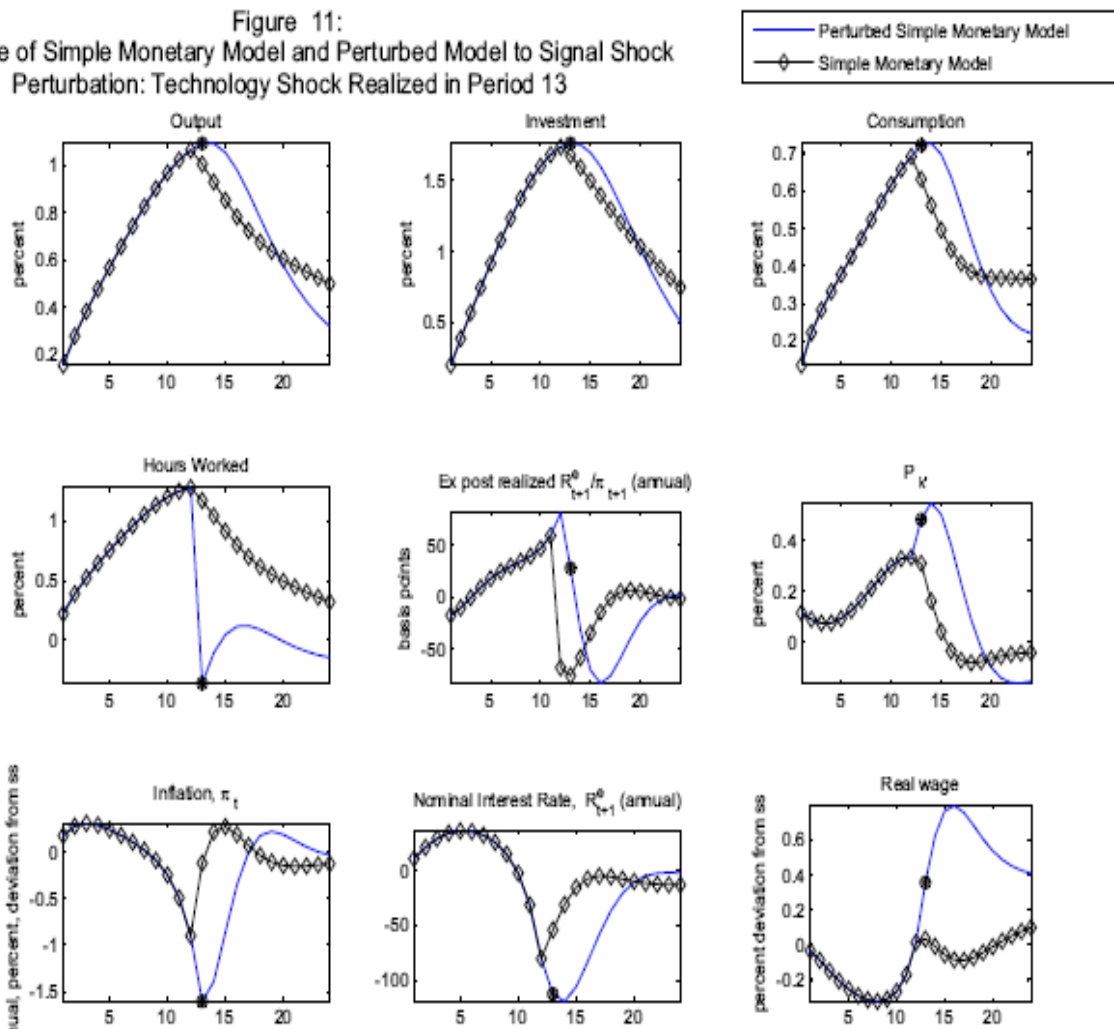
Expectation Shock

Figure 8: RBC and Simple Monetary Model
Expectation of Technology Shock in Period 13 Not Realized



Note: subscript on nominal rate of interest indicates date of payoff. R_{t+1}^e is graphed at date t . π_t indicates gross change in price level from $t-1$ to t .

Figure 11:
Response of Simple Monetary Model and Perturbed Model to Signal Shock
Perturbation: Technology Shock Realized in Period 13



Note: subscript on nominal rate of interest indicates date of payoff. R_{t+1}^e is graphed at date t . π_t indicates gross change in price level from $t-1$ to t .

Figure 14:
 Response of Simple Monetary Model and Perturbed Model to Signal Shock
 Perturbation - $\alpha_\pi = 1.05$

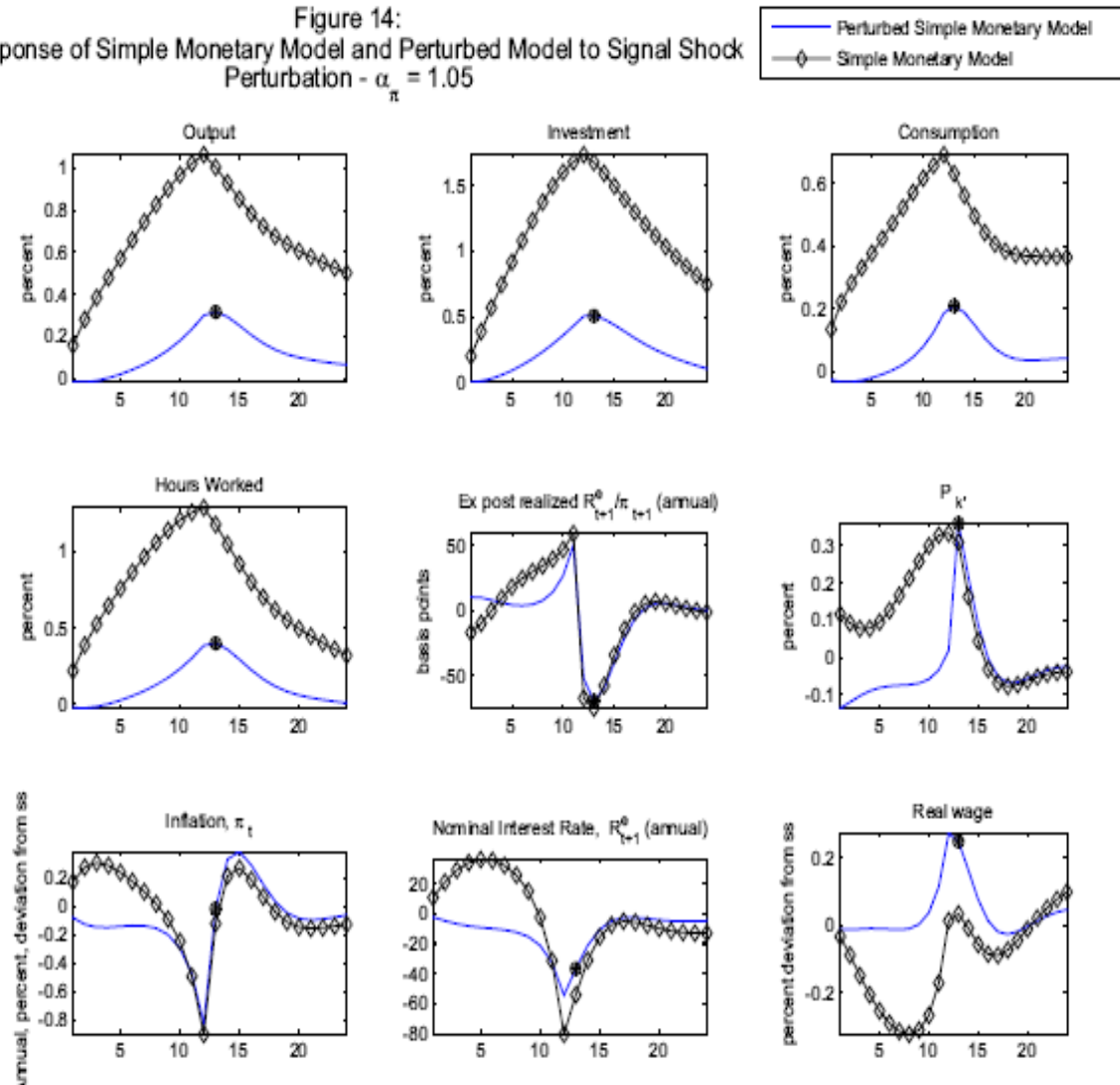


Figure 15:
 Response of Simple Monetary Model and Perturbed Model to Signal Shock
 Perturbation - 100 Basis Point Negative Policy Shock to Interest Rate in Period 11 that is Not Realized

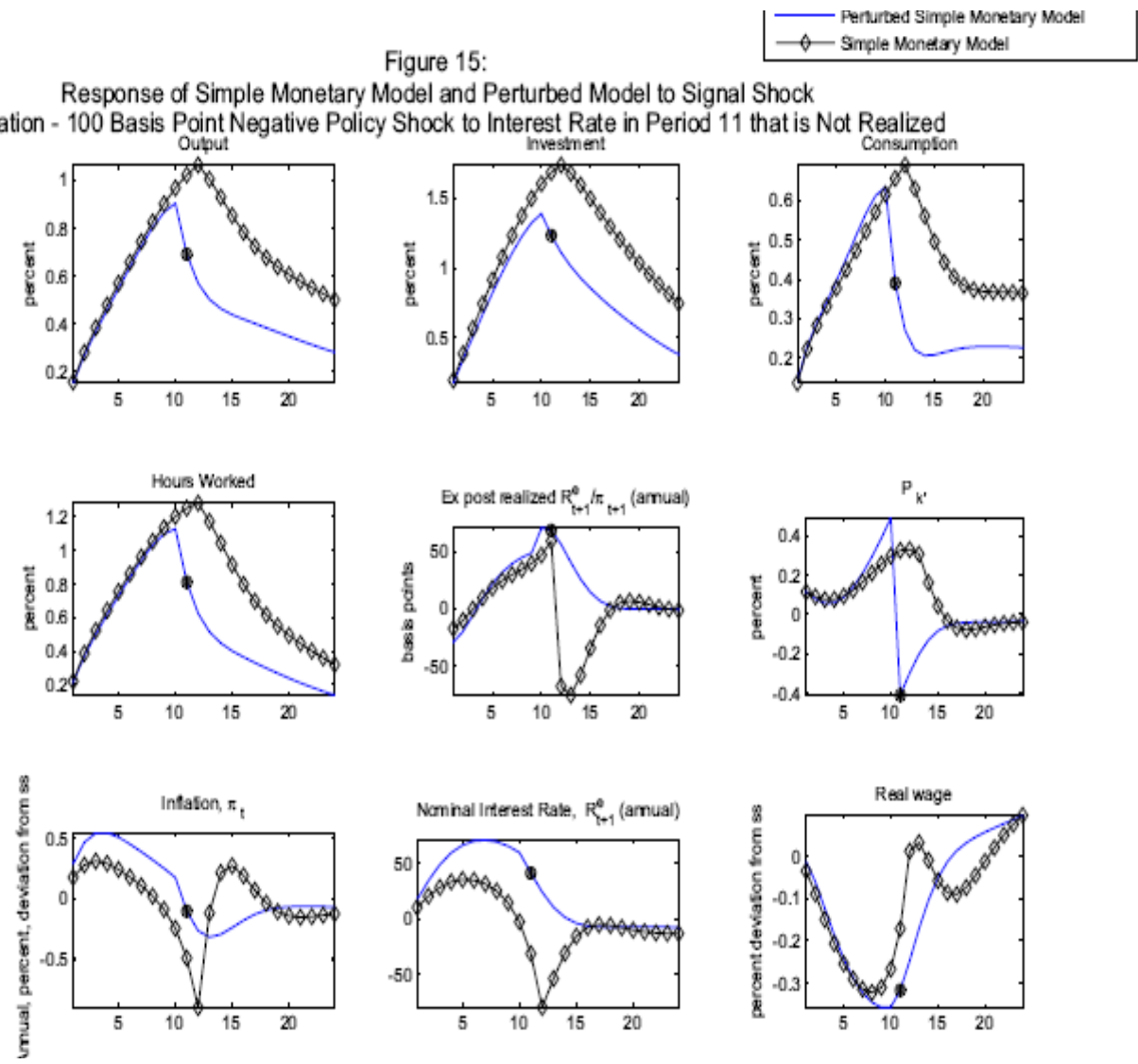


Figure 20: Behavior of Money, Credit and Net Worth in Full Monetary Model

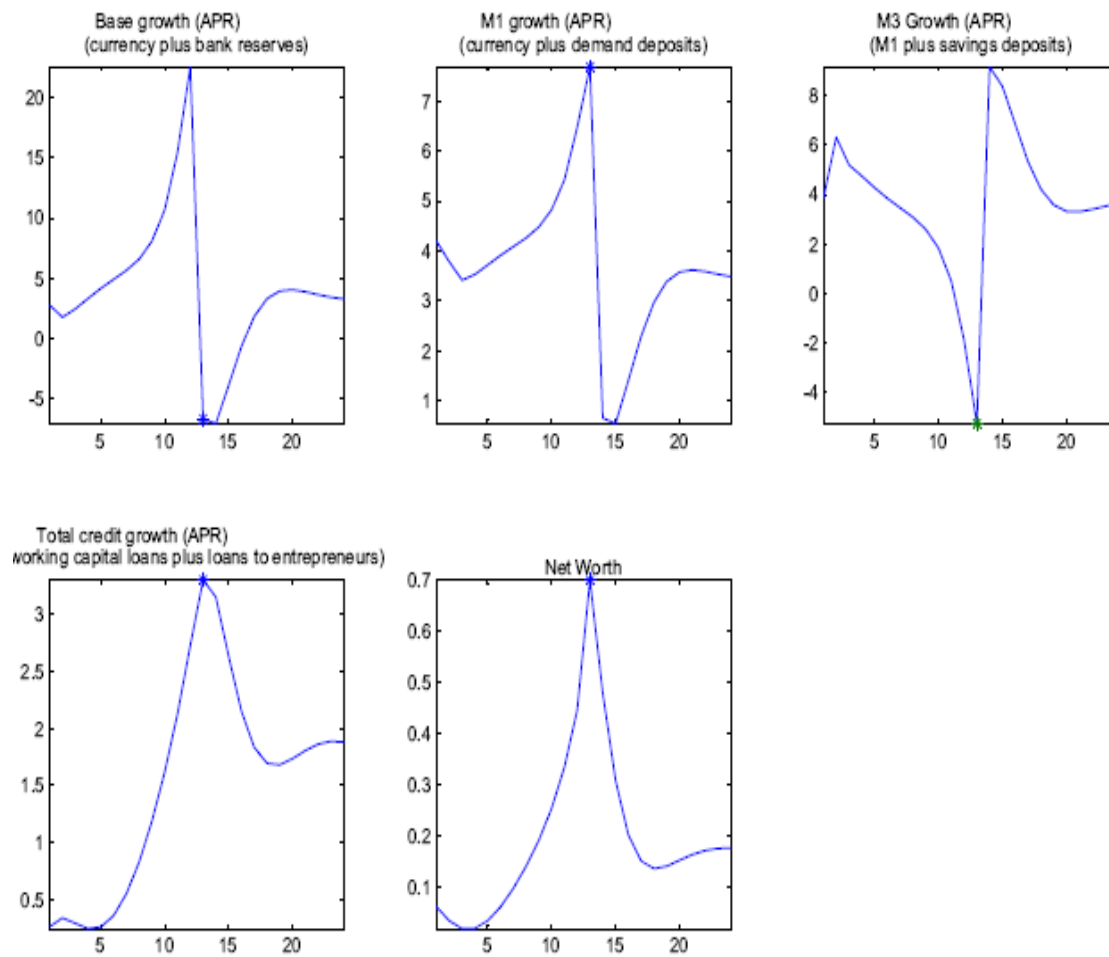
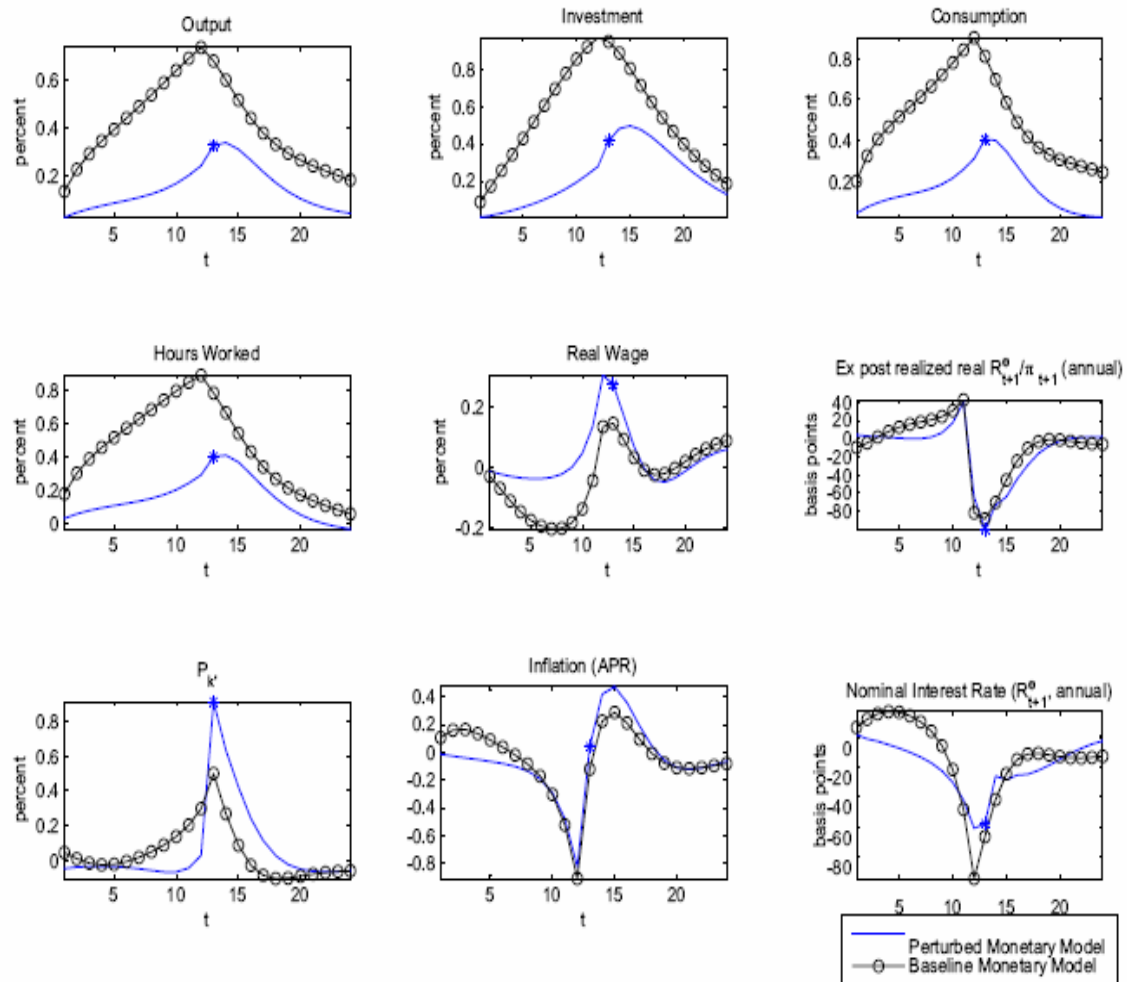


Figure 21: Response of Full Monetary Model and Perturbed Model to Signal Shock
 Perturbation - Monetary Policy Response to Credit Growth



<<Davis (2007)>>

Results for Beaudry and Portier News Shock Identification using Labor Productivity

