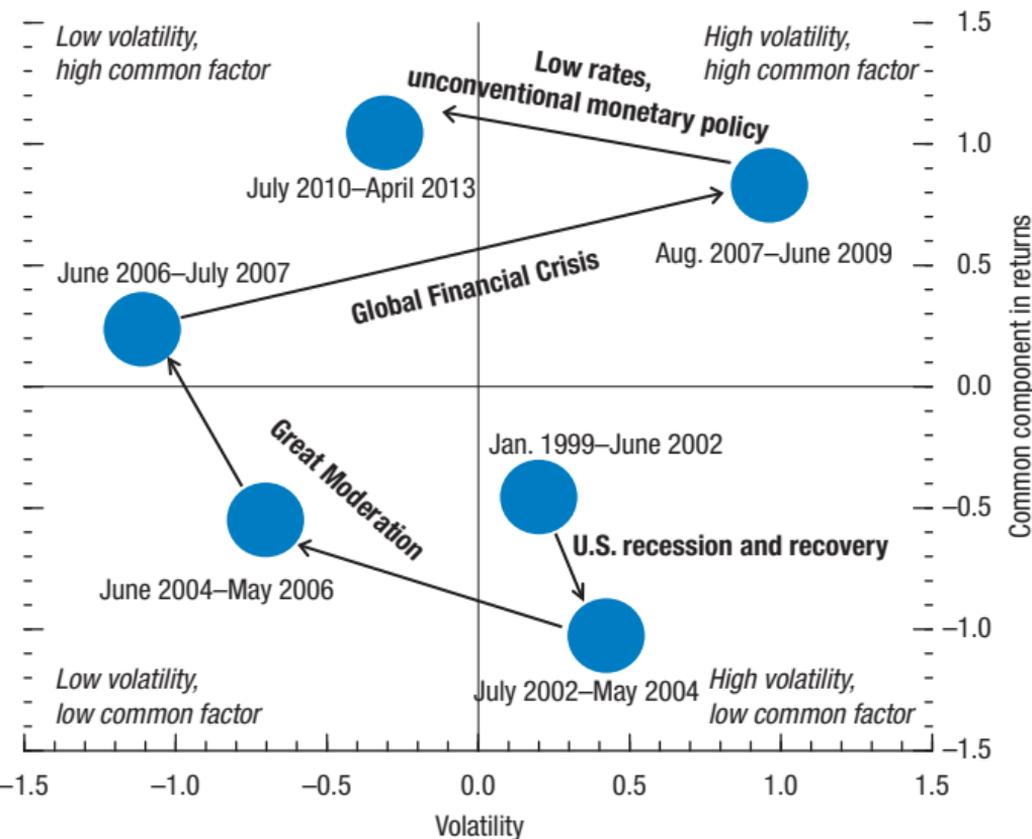


Figure 1.60. Normalization of Monetary Policy: Smooth or Turbulent?

(Standard deviations from mean)



Source: IMF staff estimates.

Note: Common factor refers to the principal component that explains the largest possible variation in asset returns, based on the historical daily data (1994–2013) for advanced and emerging market economies.