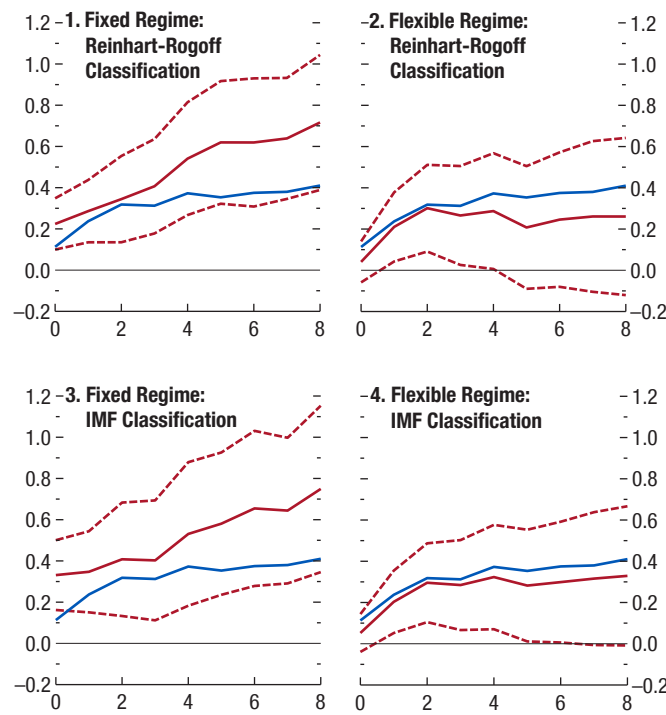


Figure 4.9. Dynamic Responses of Recipient Countries' Output to US Spending Shock under Various Exchange Rate Regimes
(Impact on output, percent; quarters on x-axis)



Source: IMF staff calculations.
 Note: $t = 0$ is the quarter of the shock. Solid red lines denote point estimates conditional on exchange rate regime; dashed red lines denote 90 percent confidence bands; and solid blue lines represent the unconditional estimates. Shocks are normalized to an average of 1 percent of GDP across source countries (note that this represents a less than 1 percent of US GDP shock).