Figure 4.19. Average Impulse Responses to Alternative Measures of U.S. Monetary Policy Shock (Percentage points)

1. Domestic Real GDP Growth

2. U.S. Real GDP Growth

Based on Romer and Romer (2004) (left scale)

Based on Kuttner (2001) (right scale)

3. Domestic Short-Term Interest Rate

4. Domestic Real Exchange Rate

Sources: Federal Reserve Economic Data; Haver Analytics; IMF, International Financial Statistics database; Thomson Reuters Datastream; and IMF staff calculations.

Note: Shocks are normalized to a 1 percentage point increase. X-axis units in panels are quarters; \( t = 0 \) denotes the quarter of the shock.

1 See Coibion (2012).