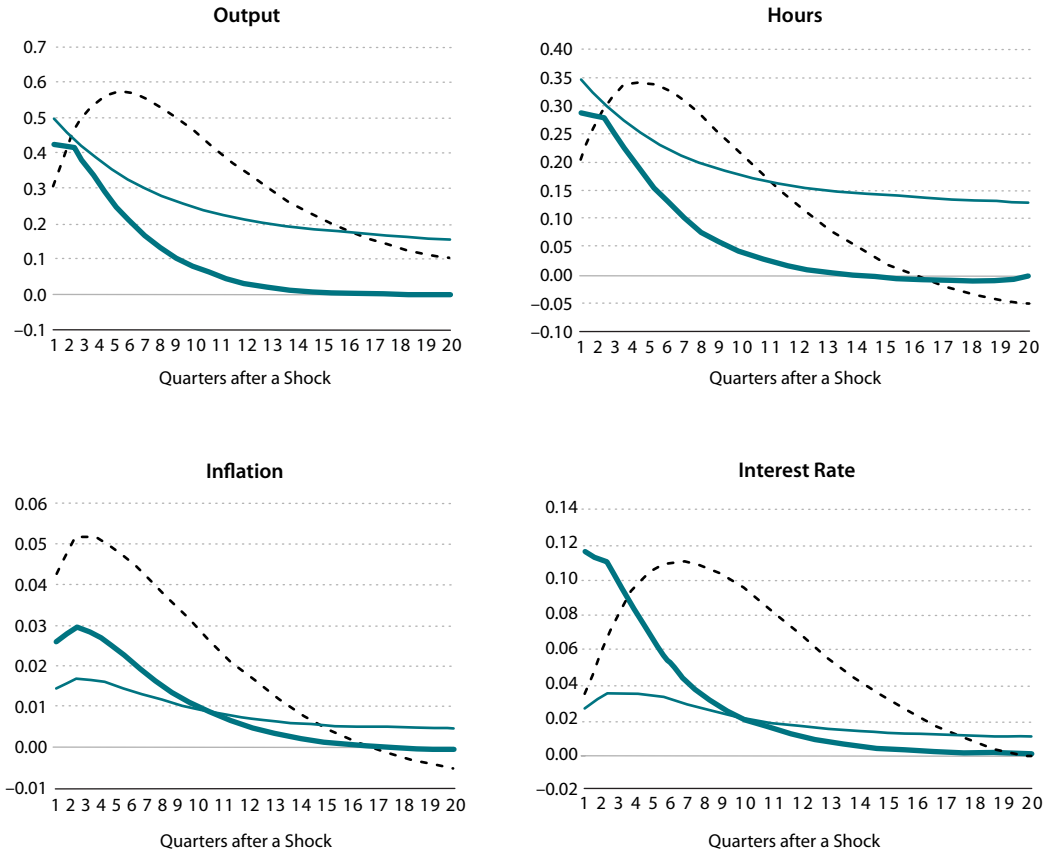


Estimated Mean Impulse Responses to “Demand” Shocks



NOTE: The bold solid line shows the response to a risk premium shock, the thin solid line shows the response to an exogenous spending shock, and the dashed line shows the response to an investment shock.
 SOURCE: Reproduced with permission, from Smets and Wouters (2007).