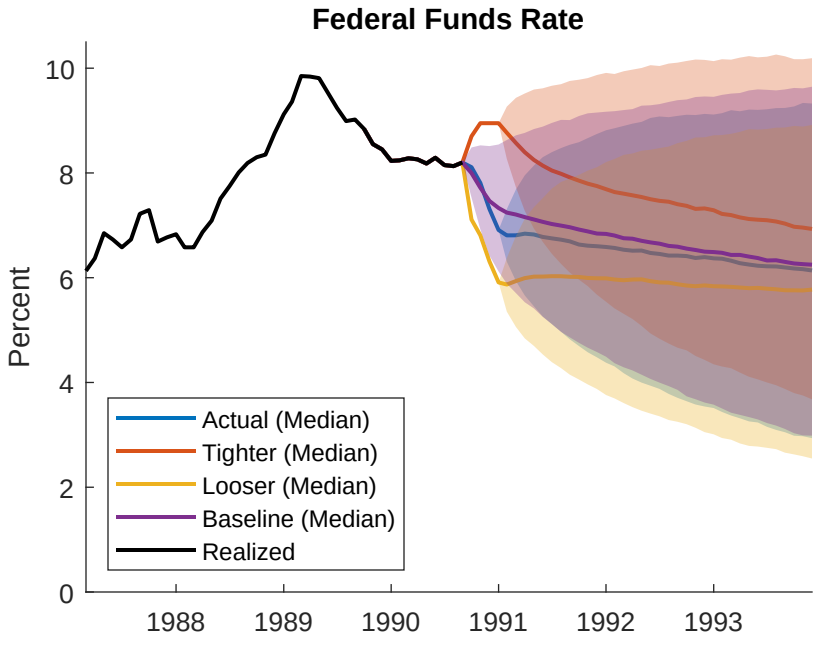
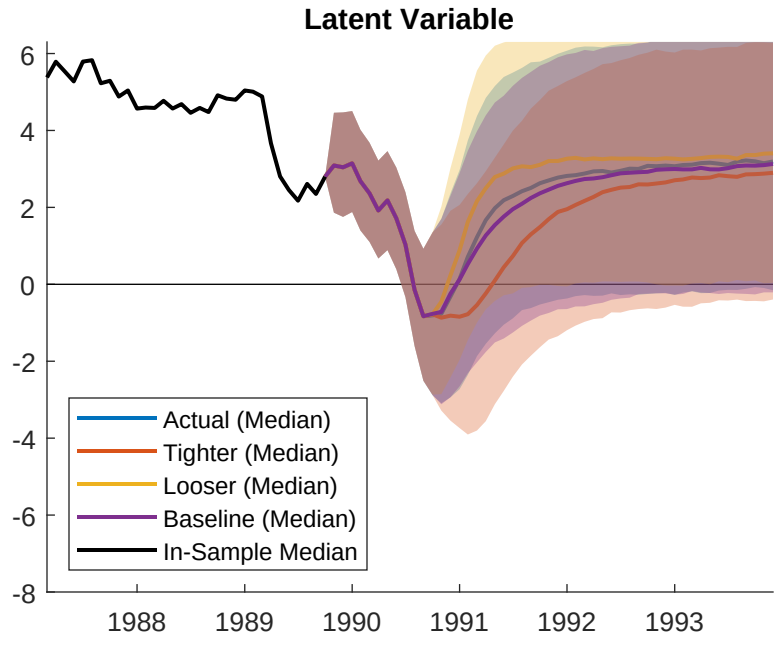
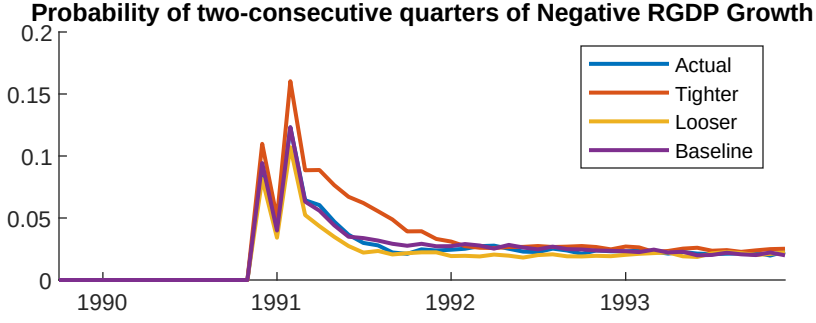
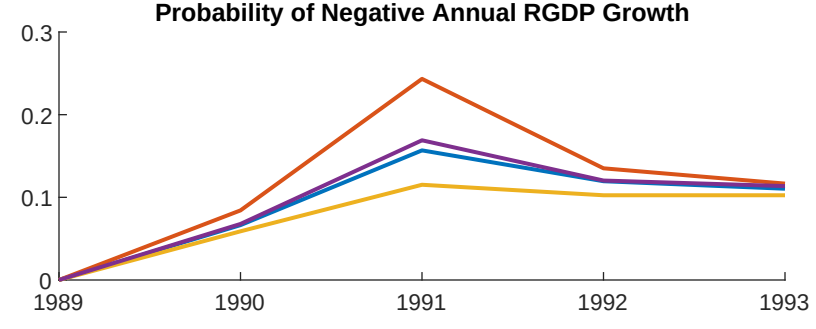
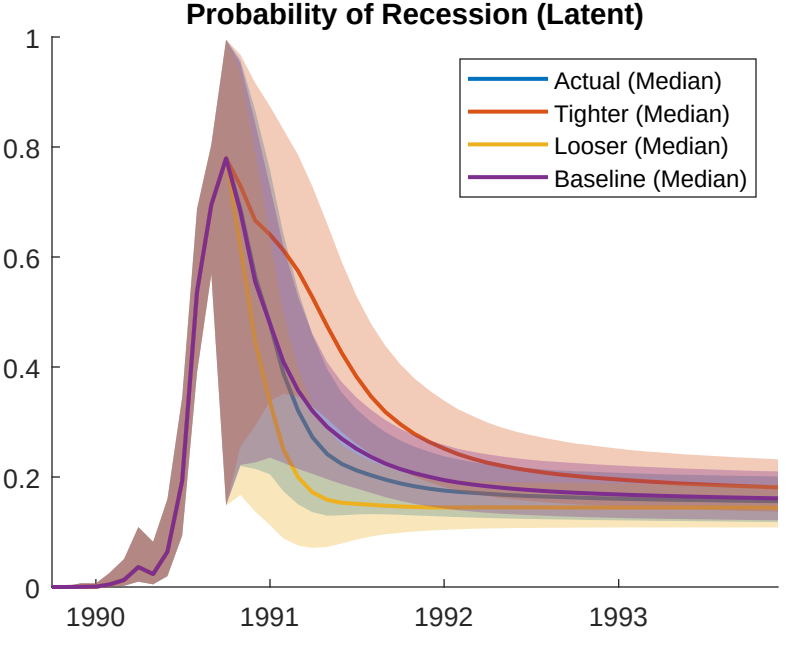

Federal Funds Rate
Percent
10
8
6
4
2
0
1988
1989
1990
1991
1992
1993
Actual (Median)
Tighter (Median)
Looser (Median)
Baseline (Median)
Realized


Latent Variable
6
4
2
0
-2
-4
-6
-8
1988
1989
1990
1991
1992
1993
Actual (Median)
Tighter (Median)
Looser (Median)
Baseline (Median)
In-Sample Median


Probability of two-consecutive quarters of Negative RGDP Growth
0.2
0.15
0.1
0.05
0
1990
1991
1992
1993
Actual
Tighter
Looser
Baseline


Probability of Negative Annual RGDP Growth
0.3
0.2
0.1
0
1989
1990
1991
1992
1993


Probability of Recession (Latent)
1
0.8
0.6
0.4
0.2
0
1990
1991
1992
1993
Actual (Median)
Tighter (Median)
Looser (Median)
Baseline (Median)