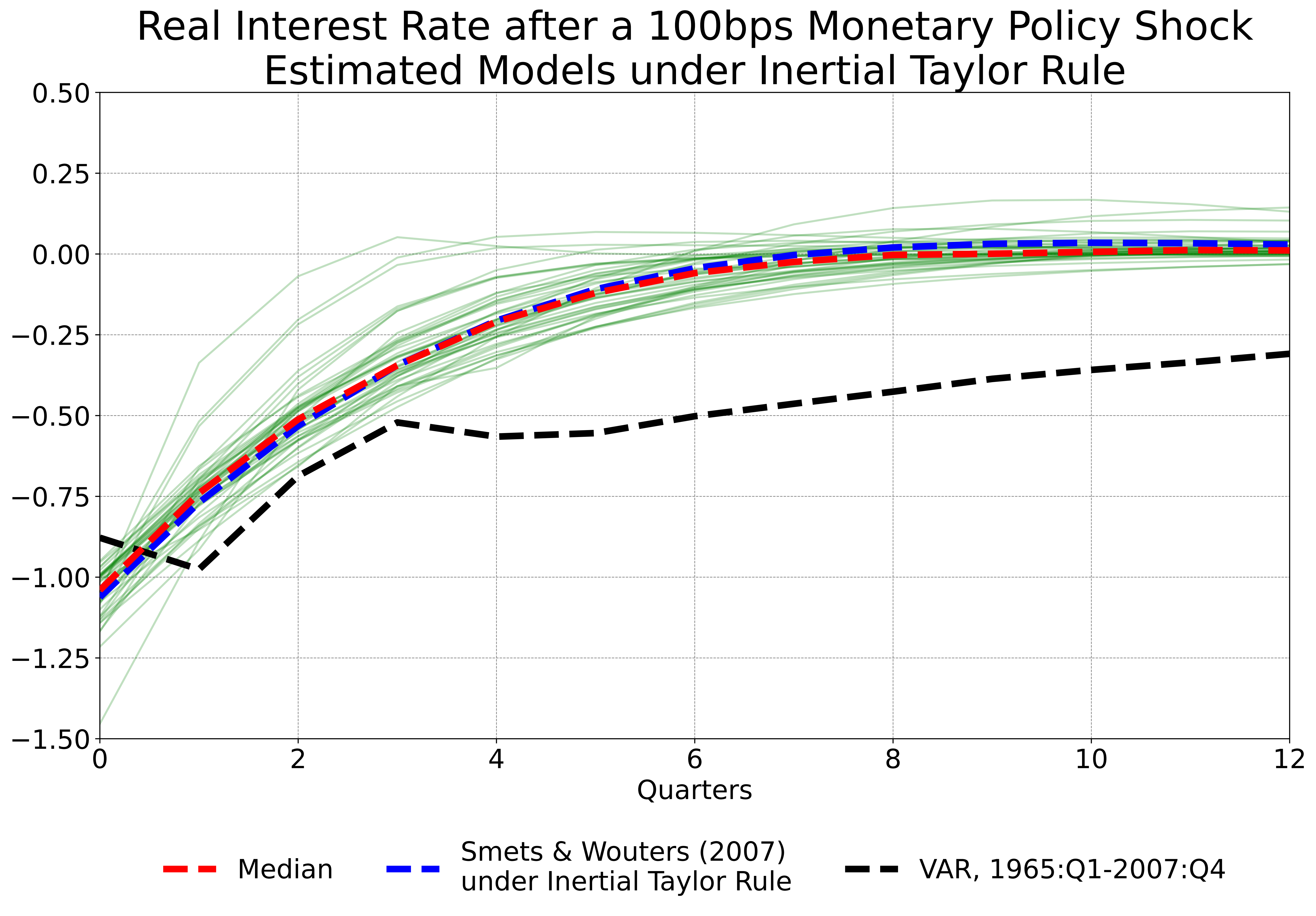
Real Interest Rate after a 100bps Monetary Policy Shock
Estimated Models under Inertial Taylor Rule
0.50
0.25
0.00
−0.25
−0.50
−0.75
−1.00
−1.25
−1.50
0
2
4
6
8
10
12
Quarters
Median
Smets & Wouters (2007) under Inertial Taylor Rule
VAR, 1965:Q1-2007:Q4