Output after a 100bps Monetary Policy Shock Estimated Models under Inertial Taylor Rule 10 Quarters Smets & Wouters (2007) Median VAR, 1965:Q1-2007:Q4 under Inertial Taylor Rule

1.75

1.50

1.25

1.00

0.75

0.50

0.25

0.00

-0.25