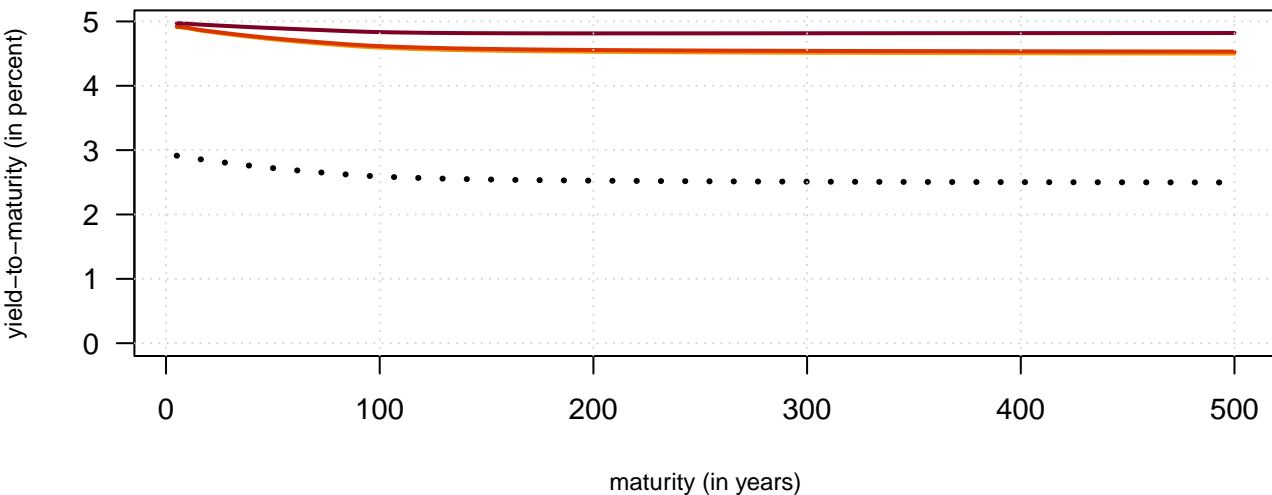
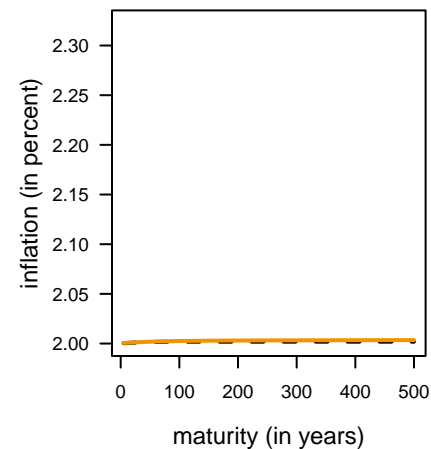


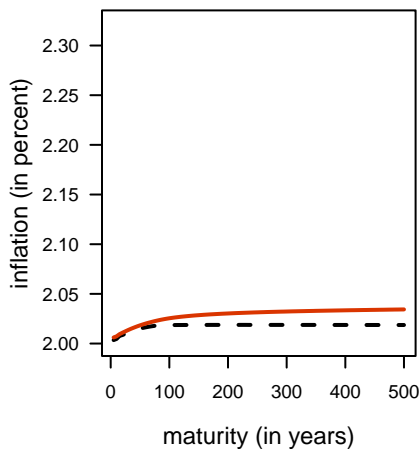
Panel (a) Term structures of nominal and real interest rates



Panel (b) BEIR with $\mu_{\pi,D} = 0.01$



Panel (c) BEIR with $\mu_{\pi,D} = 0.1$



Panel (d) BEIR with $\mu_{\pi,D} = 1$

