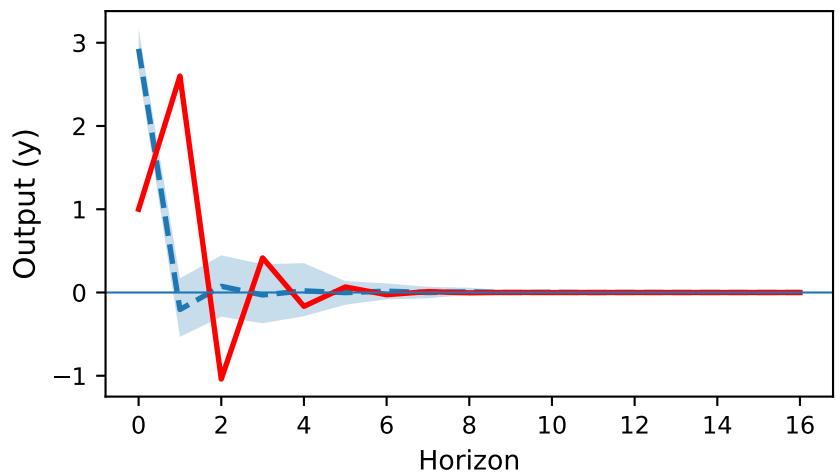
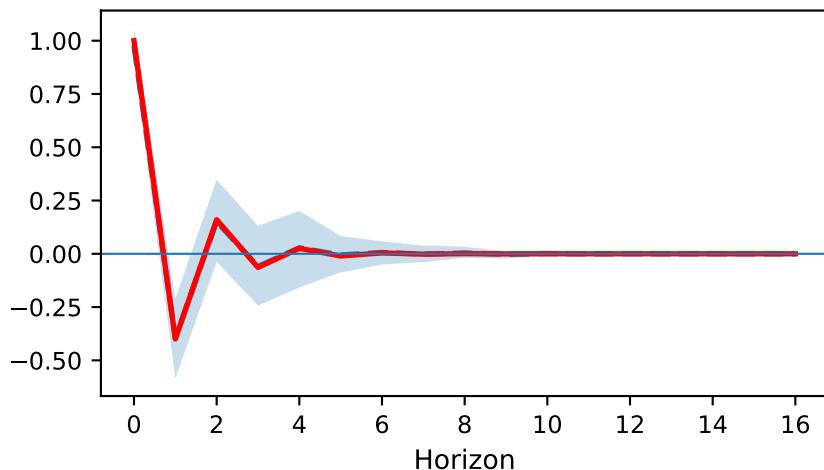
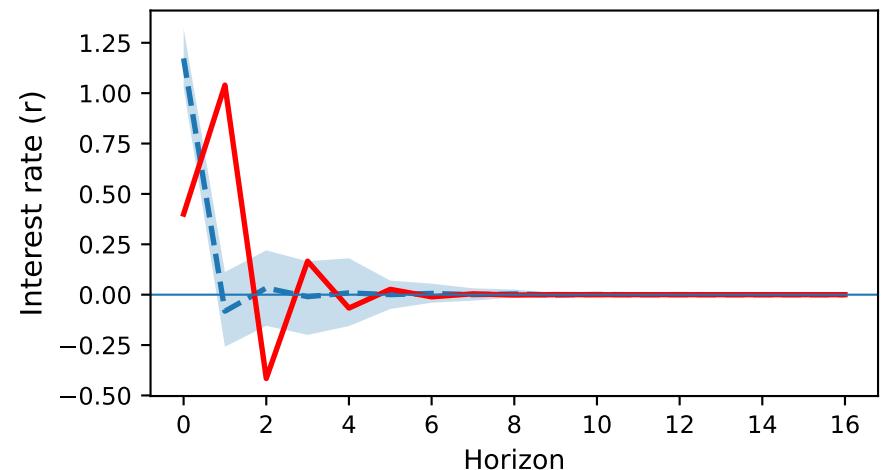
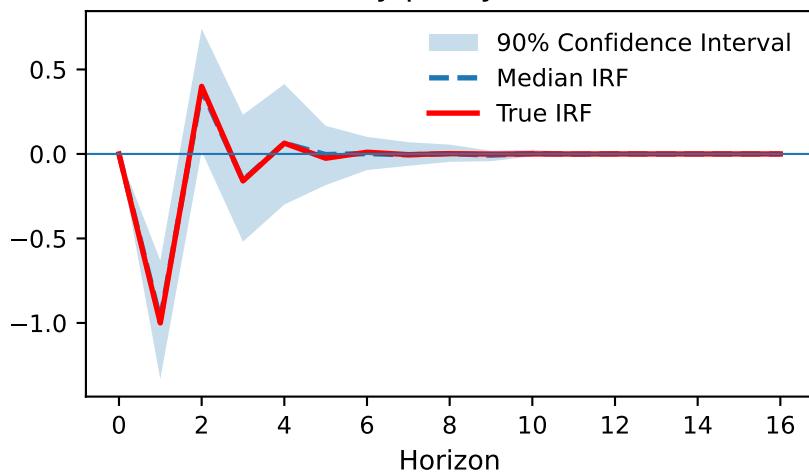


# Example 1 — Impulse Responses and Shock Recovery

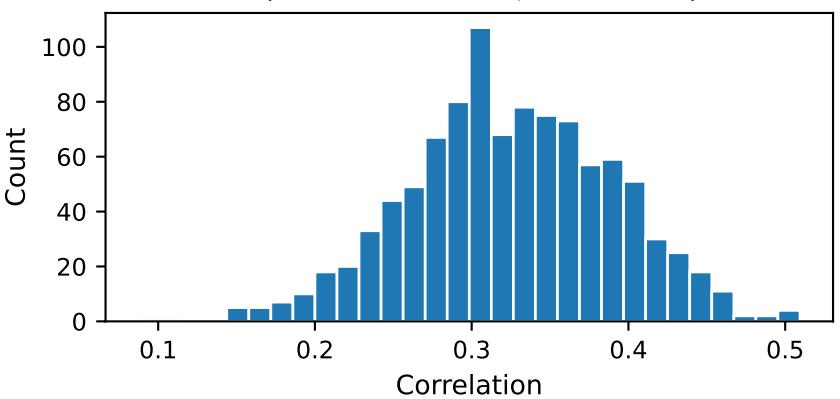
Demand shock ( $d$ )



Monetary policy shock ( $v$ )



Corr(estimated shock, true shock):  $d$



Corr(estimated shock, true shock):  $v$

