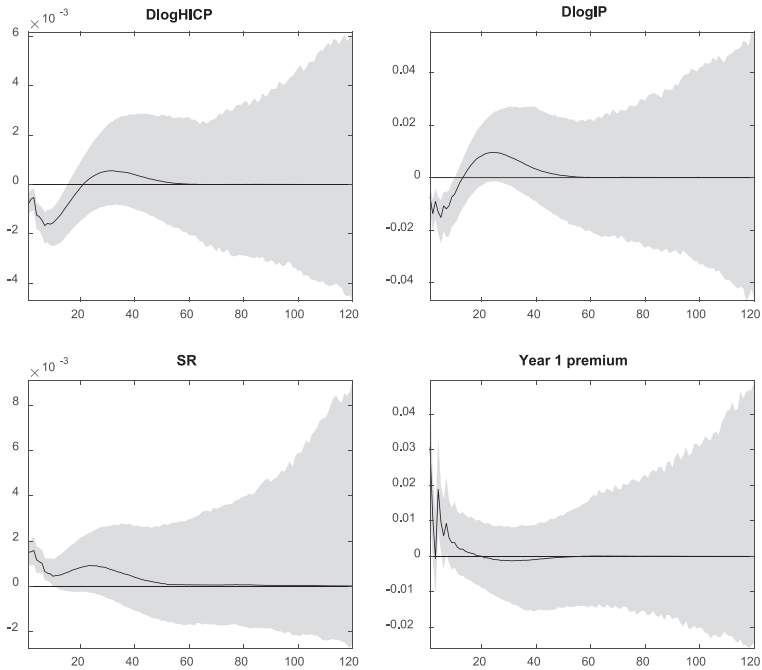


Online Appendix to “Monetary Policy and Stock Market Valuation”

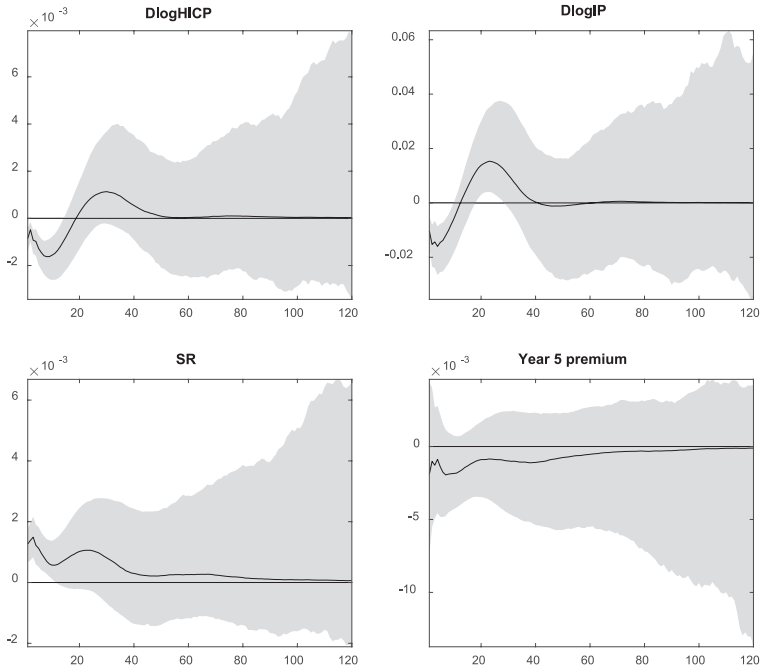
Olli-Matti Laine
Bank of Finland and Tampere University

**Figure A.1. Impulse Response Functions to a
One-Standard-Deviation Positive Shock to the Shadow
Rate in the Model in Which the Premium Is Implied by
Equation (3)**



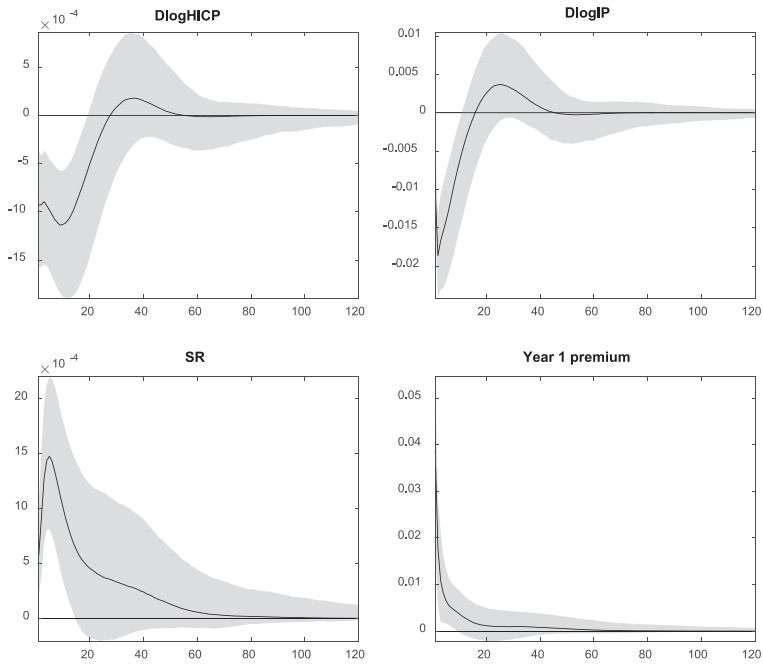
Note: Sign restrictions are imposed on DlogIP, DlogHICP, and SR for the periods 1–9. The shaded area represents the 68 percent confidence interval. The number of lags is four.

Figure A.2. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



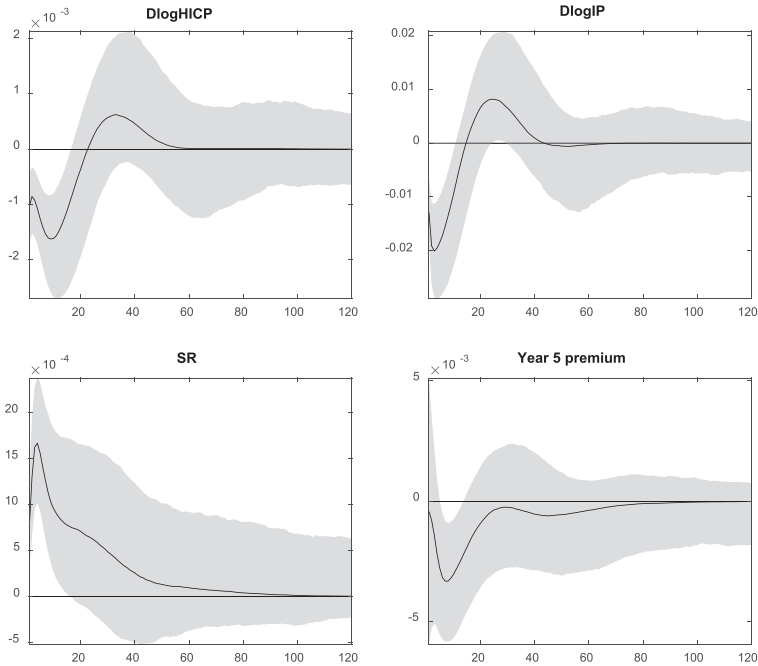
Note: Sign restrictions are imposed on DlogIP, DlogHICP, and SR for the periods 1–9. The shaded area represents the 68 percent confidence interval. The number of lags is four.

Figure A.3. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium is Implied by Equation (3)



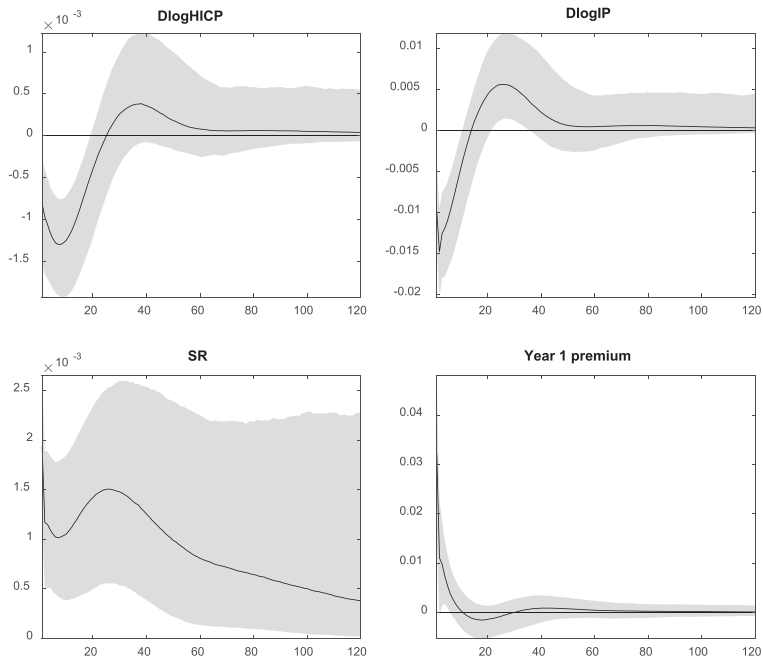
Note: The shadow rate by Kortela (2016) is replaced by the shadow rate by Krippner (2015). Sign restrictions are imposed on DlogIP, DlogHICP, and SR for the periods 1–9. The shaded area represents the 68 percent confidence interval. The number of lags is two.

Figure A.4. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



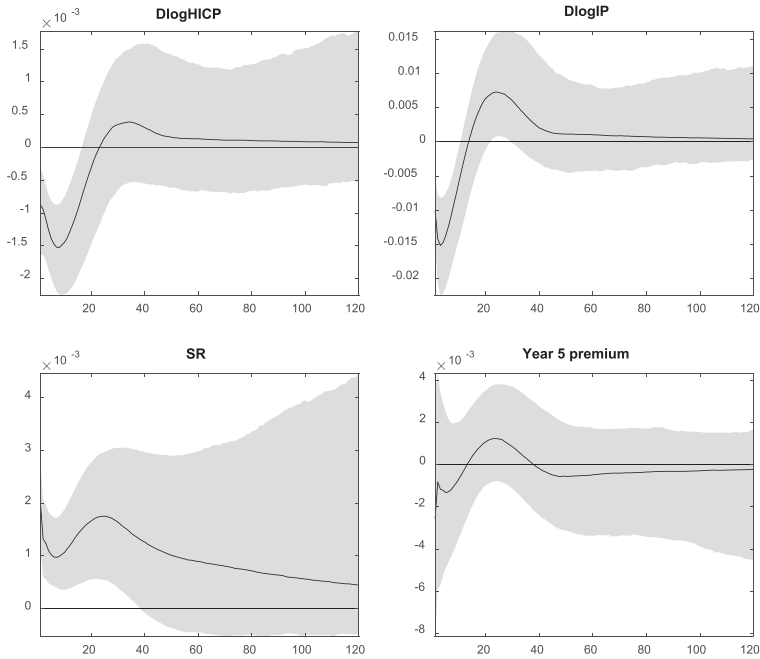
Note: The shadow rate by Kortela (2016) is replaced by the shadow rate by Krippner (2015). Sign restrictions are imposed on DlogIP, DlogHICP, and SR for the periods 1–9. The shaded area represents the 68 percent confidence interval. The number of lags is two.

Figure A.5. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



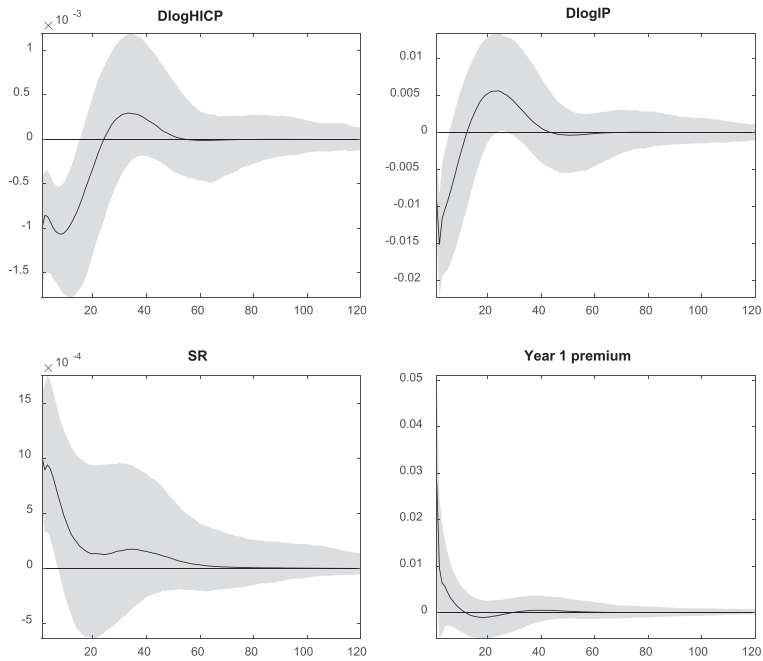
Note: The shadow rate by Kortela (2016) is replaced by the shadow rate by Wu and Xia (2016). Sign restrictions are imposed on DlogIP, DlogHICP, and SR for the periods 1–9. The shaded area represents the 68 percent confidence interval. The number of lags is two.

Figure A.6. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



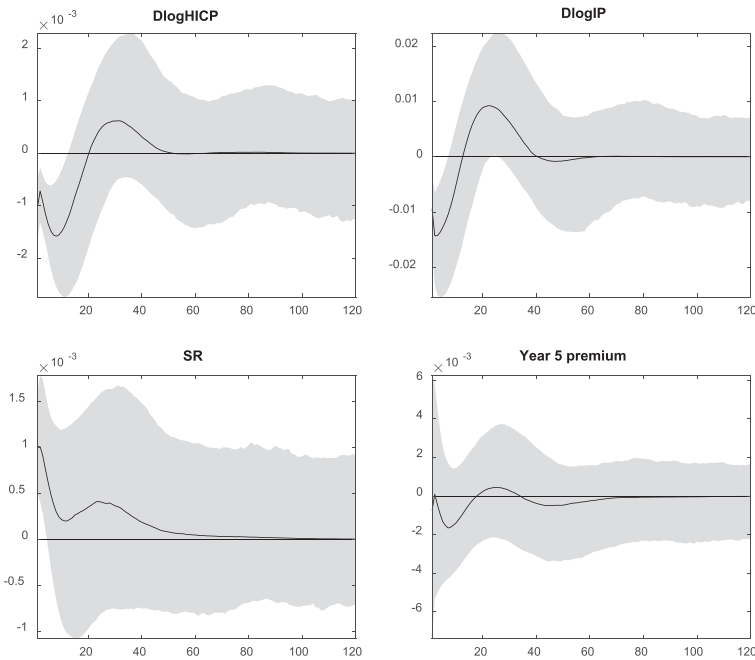
Note: The shadow rate by Kortela (2016) is replaced by the shadow rate by Wu and Xia (2016). Sign restrictions are imposed on DlogIP, DlogHICP, and SR for the periods 1–9. The shaded area represents the 68 percent confidence interval. The number of lags is two.

Figure A.7. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



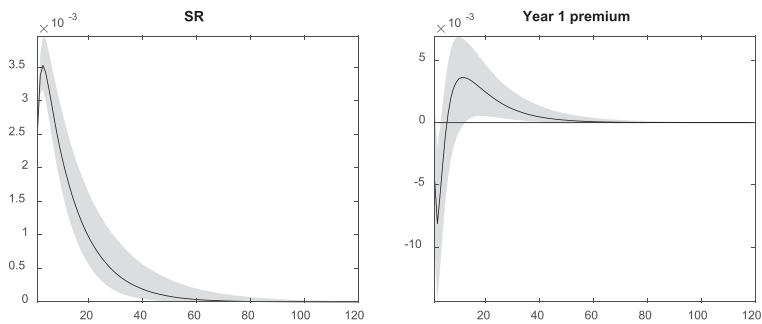
Note: Sign restrictions are imposed on DlogIP, DlogHICP, and SR. The sign restrictions are now set to hold only the first three periods. The shaded area represents the 68 percent confidence interval. The number of lags is two.

Figure A.8. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



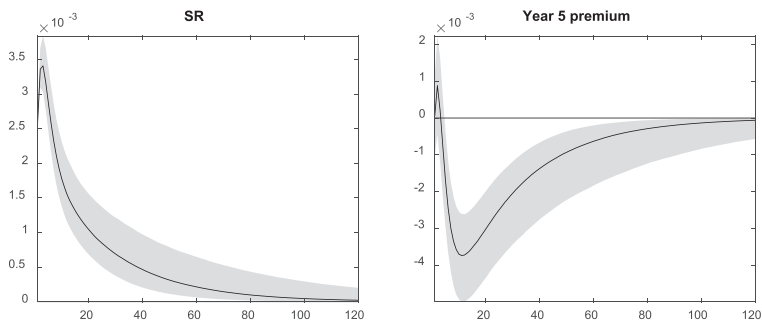
Note: Sign restrictions are imposed on DlogIP, DlogHICP, and SR. The sign restrictions are now set to hold only the first three periods. The shaded area represents the 68 percent confidence interval. The number of lags is two.

Figure A.9. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



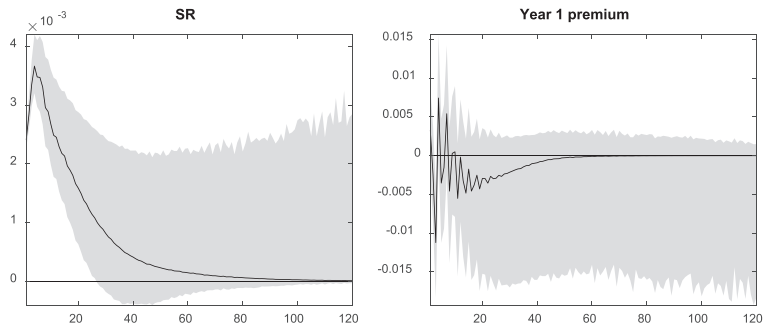
Note: The structural model is identified recursively. Average premium is ordered after the shadow rate. The shaded area represents the 68 percent confidence interval. The model includes two lags.

Figure A.10. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



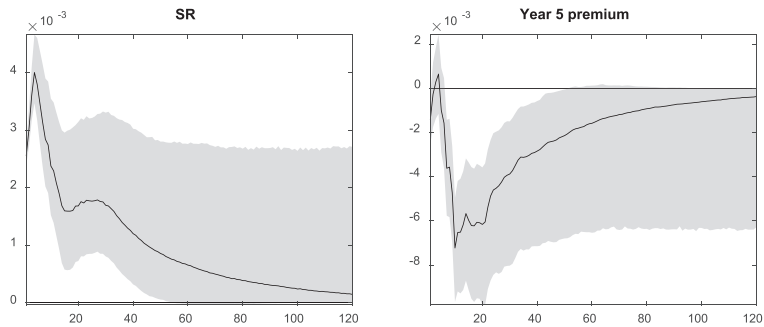
Note: The structural model is identified recursively. Average premium is ordered after the shadow rate. The shaded area represents the 68 percent confidence interval. The model includes two lags.

Figure A.11. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



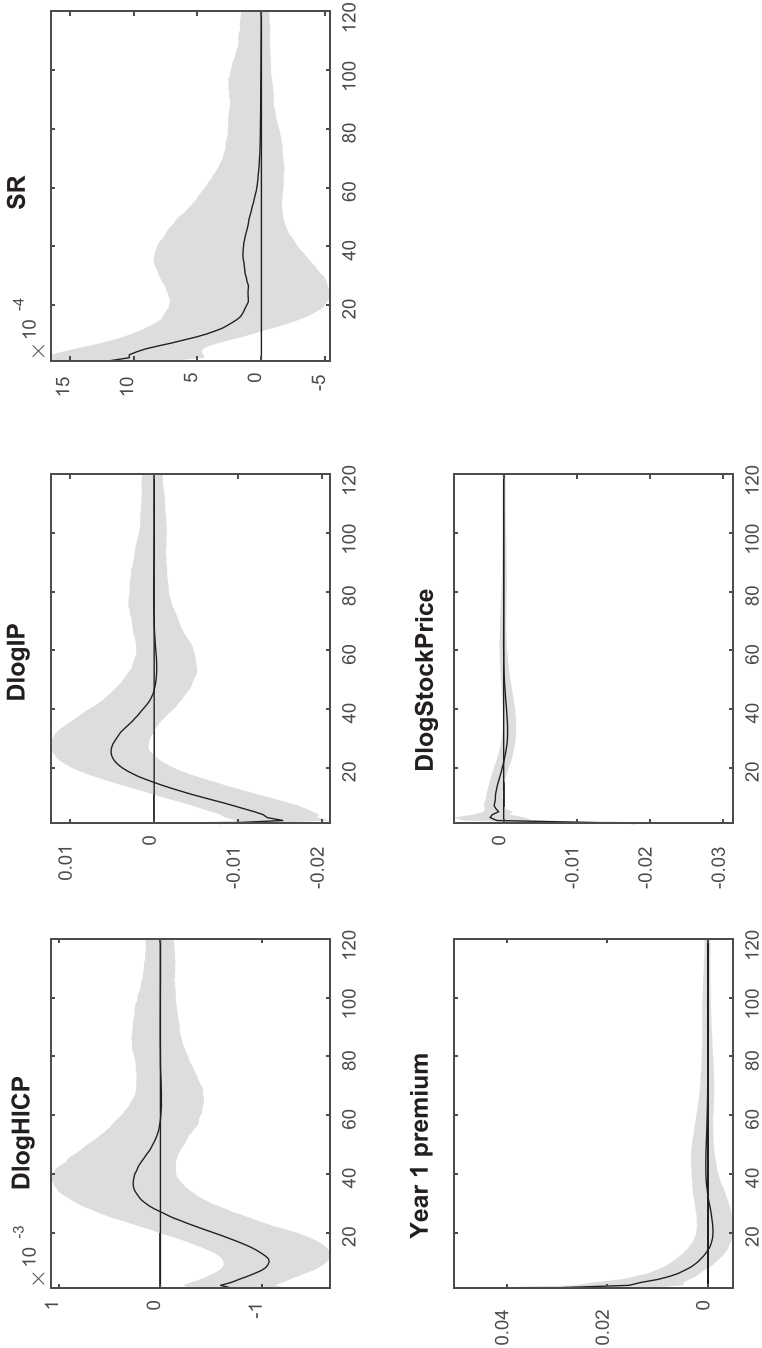
Note: The structural model is identified recursively. Average premium is ordered after the shadow rate. The shaded area represents the 68 percent confidence interval. The model includes five lags.

Figure A.12. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



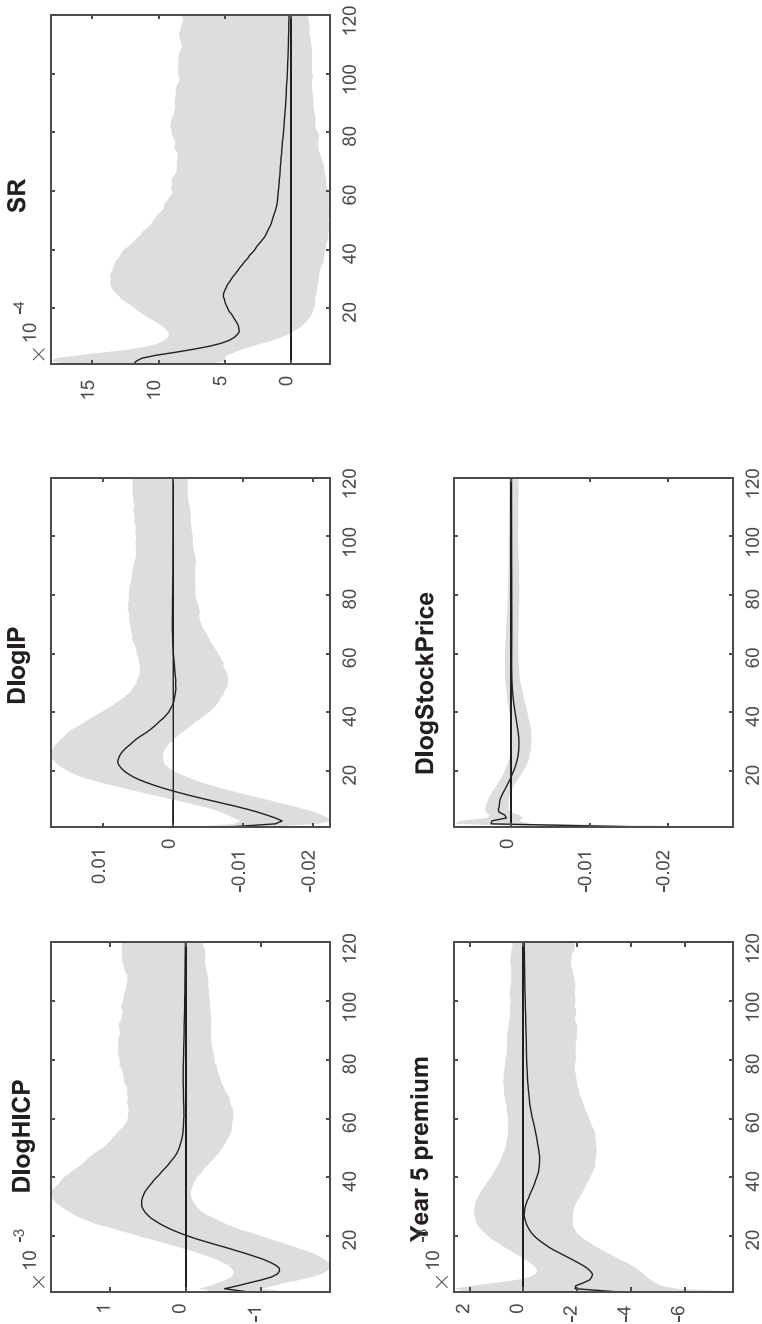
Note: The structural model is identified recursively. Average premium is ordered after the shadow rate. The shaded area represents the 68 percent confidence interval. The model includes 12 lags.

Figure A.13. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



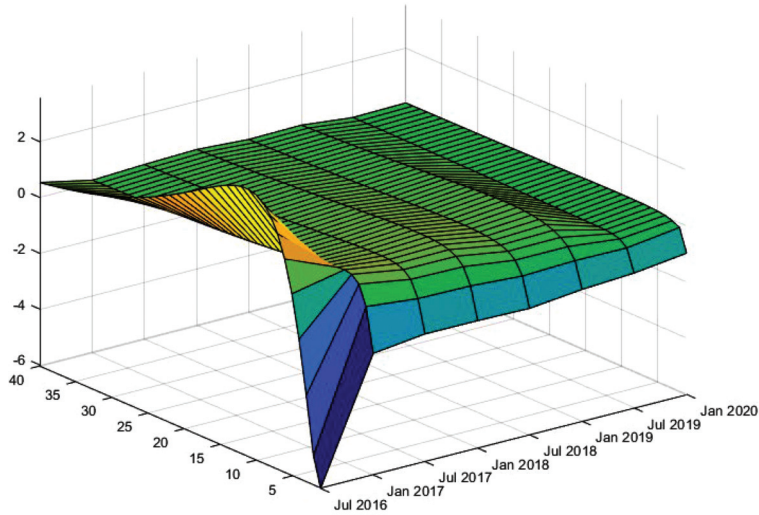
Note: The change in $\log(\text{Eurostoxx } 50)$ is included in the model. Sign restrictions are imposed on DlogIP, DlogHICP, and SR for the periods 1–9 and on DlogStockPrice for the periods 1–2. The shaded area represents the 68 percent confidence interval. The number of lags is two.

Figure A.14. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



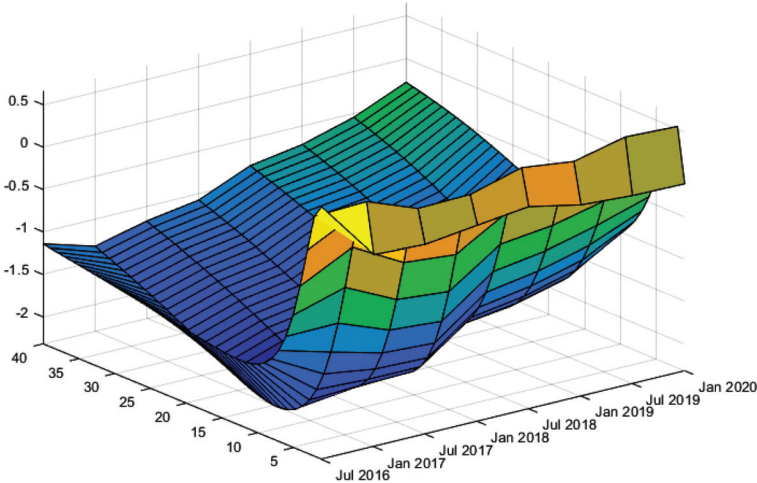
Note: The change in $\log(\text{Eurostoxx } 50)$ is included in the model. Sign restrictions are imposed on DlogIP, DlogHICP, and SR for the periods 1–9 and on DlogStockPrice for the periods 1–2. The shaded area represents the 68 percent confidence interval. The number of lags is two.

Figure A.15. Time Variation of the Impulse Response Functions of the Year 1 Premium Implied by Equation (3) to a One-Standard-Deviation Positive Shock to the Shadow Rate



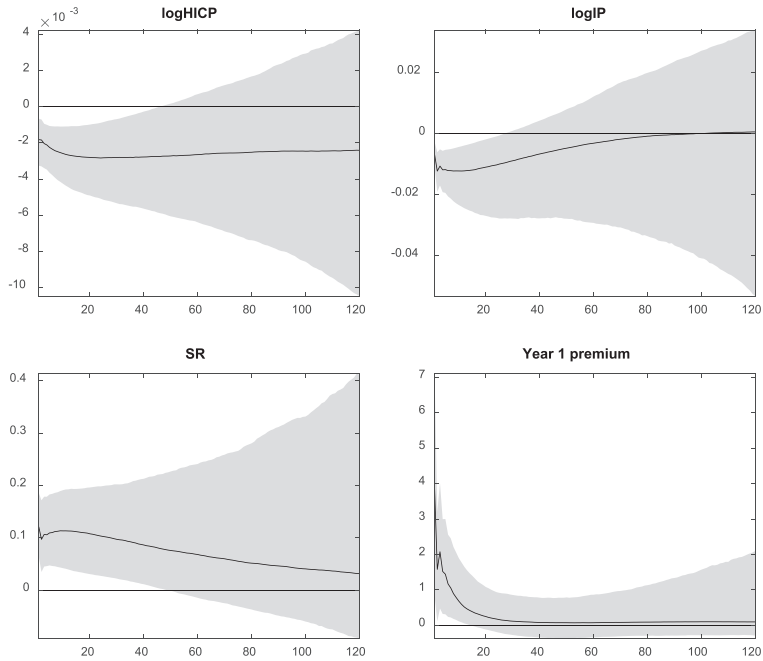
Note: The model includes SR and the premium in this order. The shock is identified recursively, and the size of the shock is normalized to 1 percent. The model has two lags. The dates on the axis tell the last period included in the estimation window.

Figure A.16. Time Variation of the Impulse Response Functions of the Year 5 Premium Implied by Equation (3) to a One-Standard-Deviation Positive Shock to the Shadow Rate



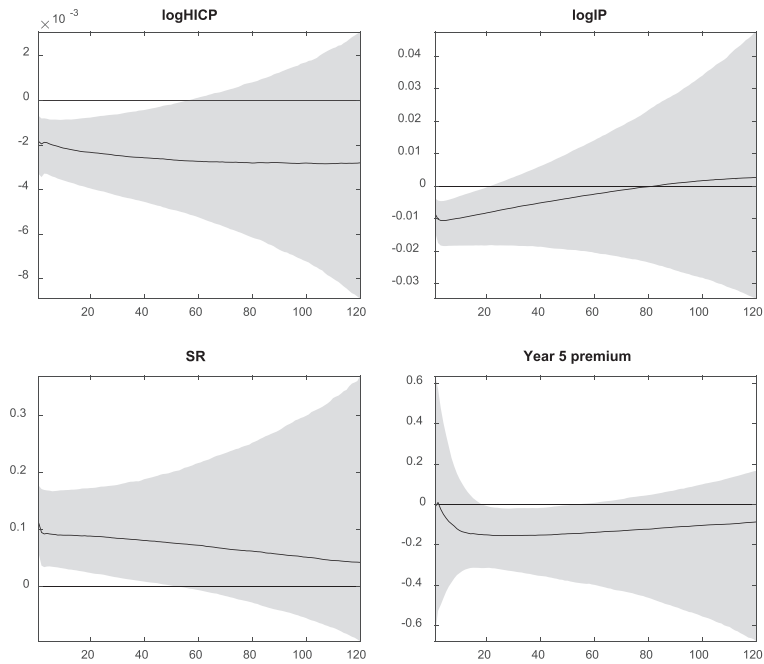
Note: The model includes SR and the premium in this order. The shock is identified recursively, and the size of the shock is normalized to 1 percent. The model has two lags. The dates on the axis tell the last period included in the estimation window.

Figure A.17. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



Note: Sign restrictions are imposed on logIP, logHICP, and SR for the periods 1–9. The shaded area represents the 68 percent confidence interval. The number of lags is 12.

Figure A.18. Impulse Response Functions to a One-Standard-Deviation Positive Shock to the Shadow Rate in the Model in Which the Premium Is Implied by Equation (3)



Note: Sign restrictions are imposed on logIP, logHICP, and SR for the periods 1–9. The shaded area represents the 68 percent confidence interval. The number of lags is 12.