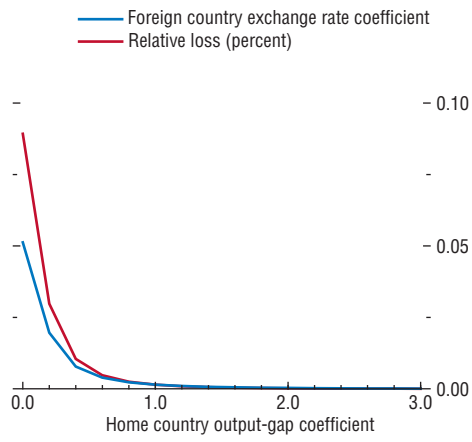


**Figure 1.3.1. Optimized Exchange Rate Coefficient and Relative Loss as a Function of Home Output Gap Response<sup>1</sup>**



Source: IMF staff calculations.  
<sup>1</sup>All other policy rule coefficients held fixed.