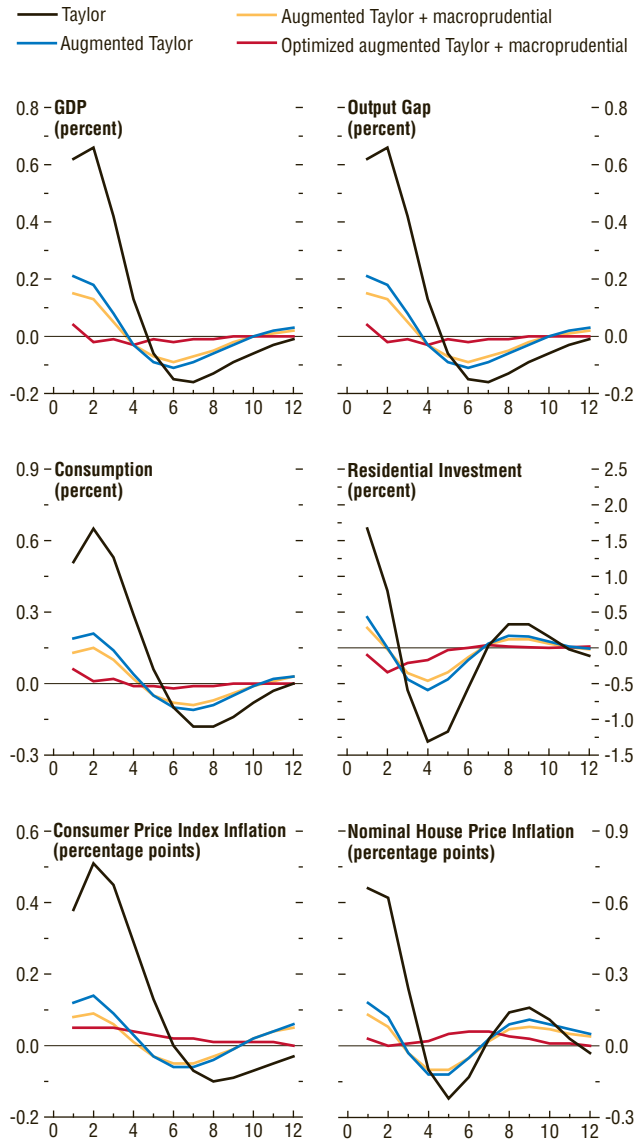


### Figure 3.15. Effects of a Financial Shock

(Deviation from steady state; quarters on x-axis)

The figure shows impulse response to an unanticipated financial shock in the first quarter. The size of the shock is normalized such that it leads to a 1 percent decline of the lending rate on impact under the Taylor rule regime. Paths denote different policy regimes.



Source: IMF staff calculations.