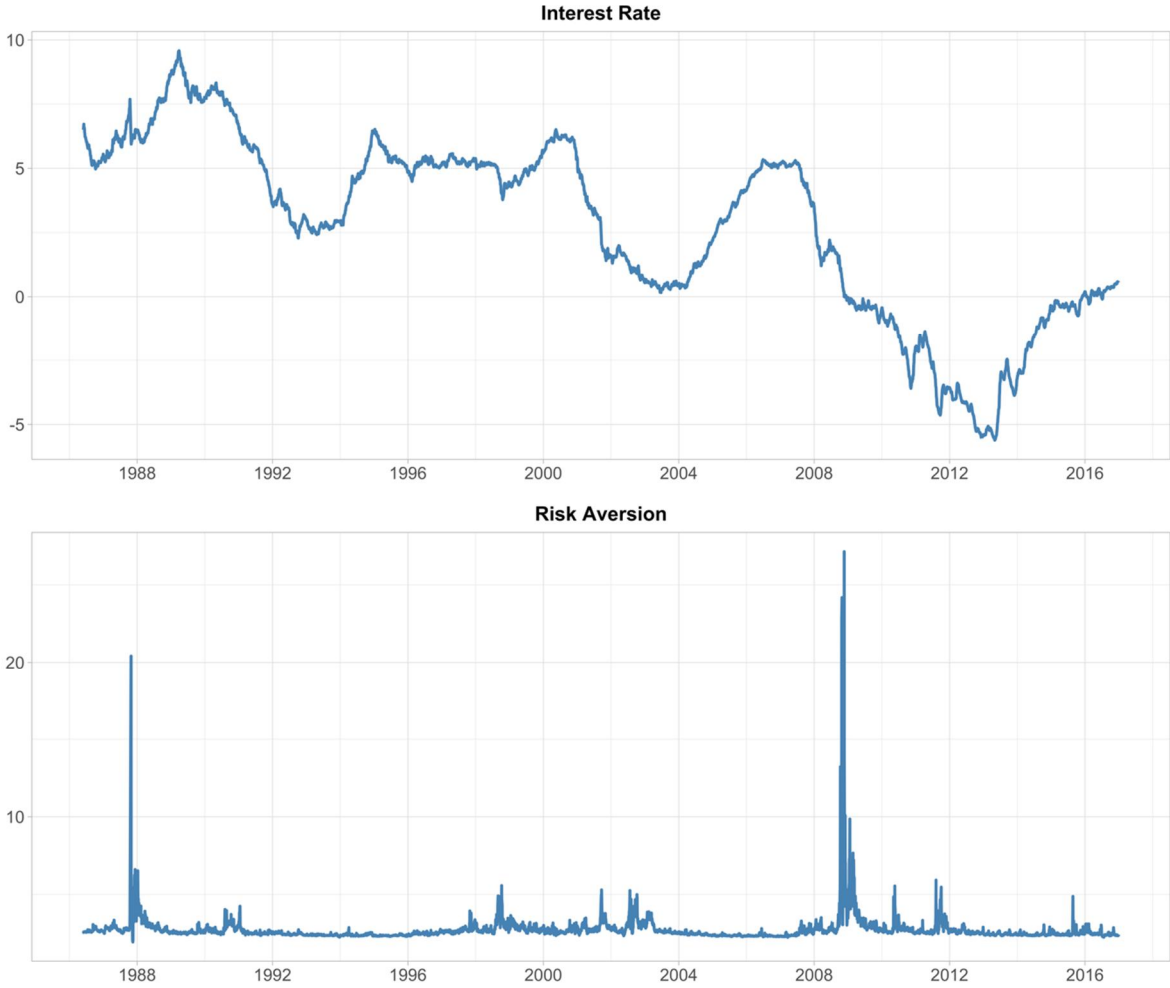


ONLINE APPENDIX

Figure A1(a). Time series plots of US interest rate and risk aversion variables



Note: Observations on 19-27 October 1987 for risk aversion variable are not displayed due to large outlier values on these dates, which completely mask the appearance of other observations when included in the plot.

Figure A1(b). Time series plots of Shadow Short Rates of the other Advanced Regions

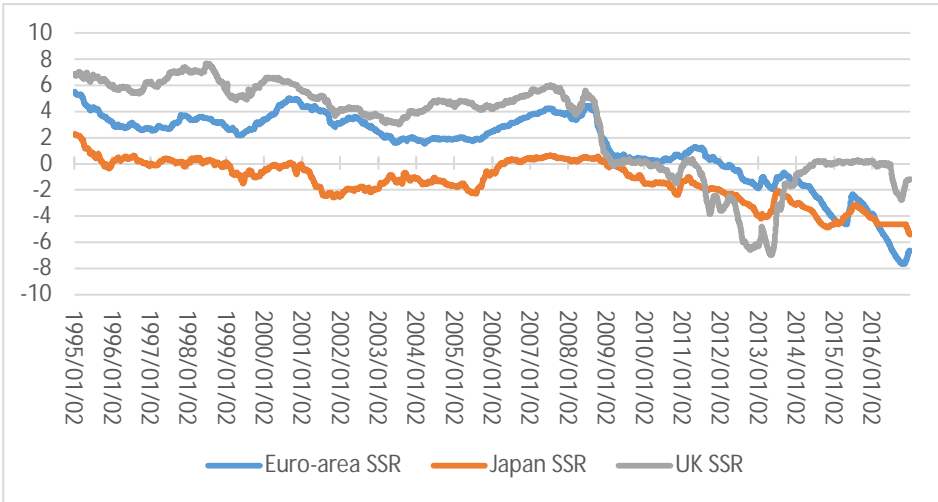
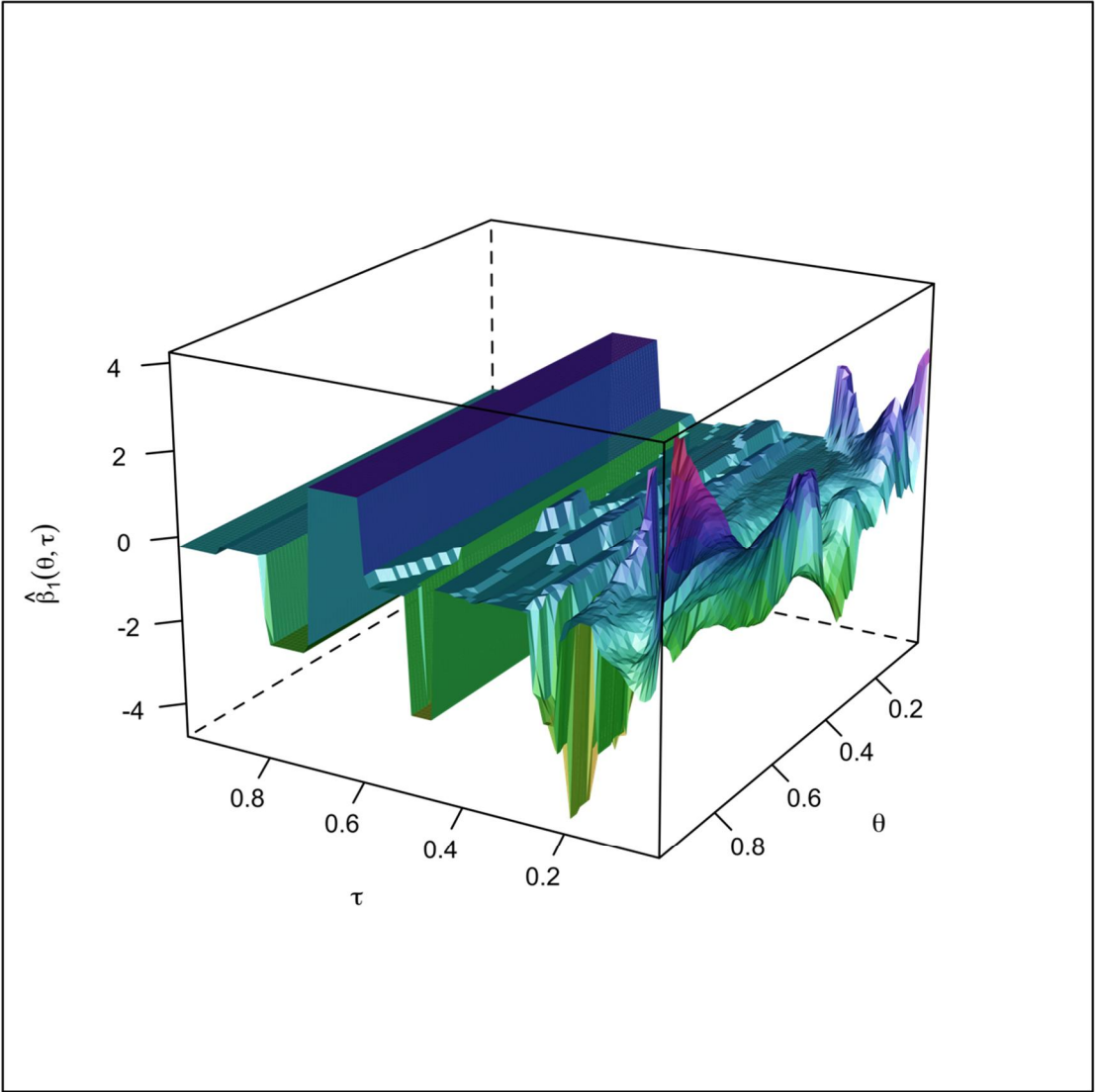
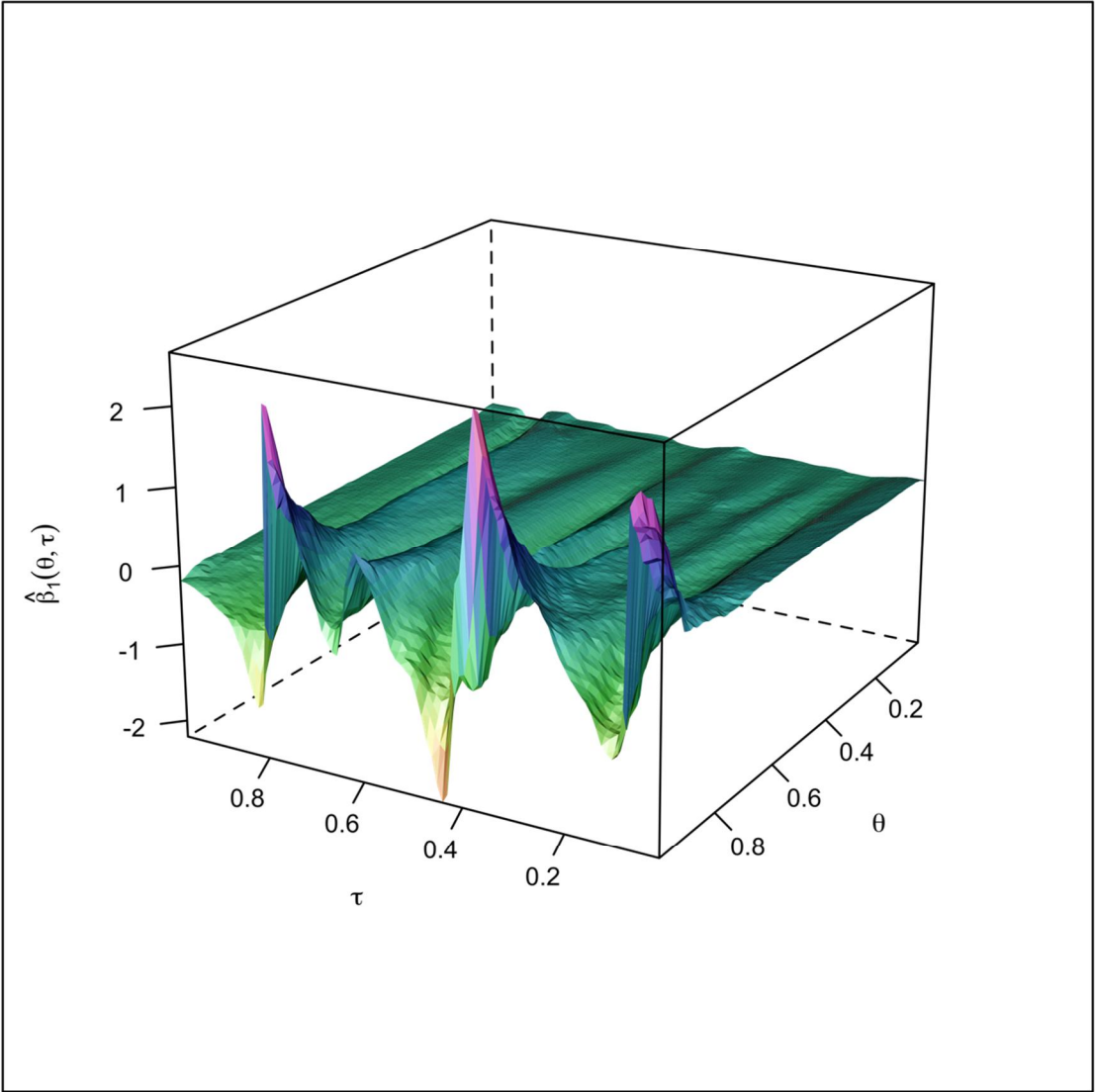


Figure A3. Quantile-on-quantile slope parameter estimates with interest rate as the dependent variable and risk aversion as the independent variable



Note: θ denotes quantiles of interest rate while τ denotes the quantile of risk aversion.

Figure A4. Quantile-on-quantile slope parameter estimates with risk aversion as the dependent variable and the interest rate as the independent variable



Note: θ denotes quantiles of risk aversion while τ denotes the quantile of interest rate.

Figure A5. Results from Monthly VAR Model with Risk Aversion

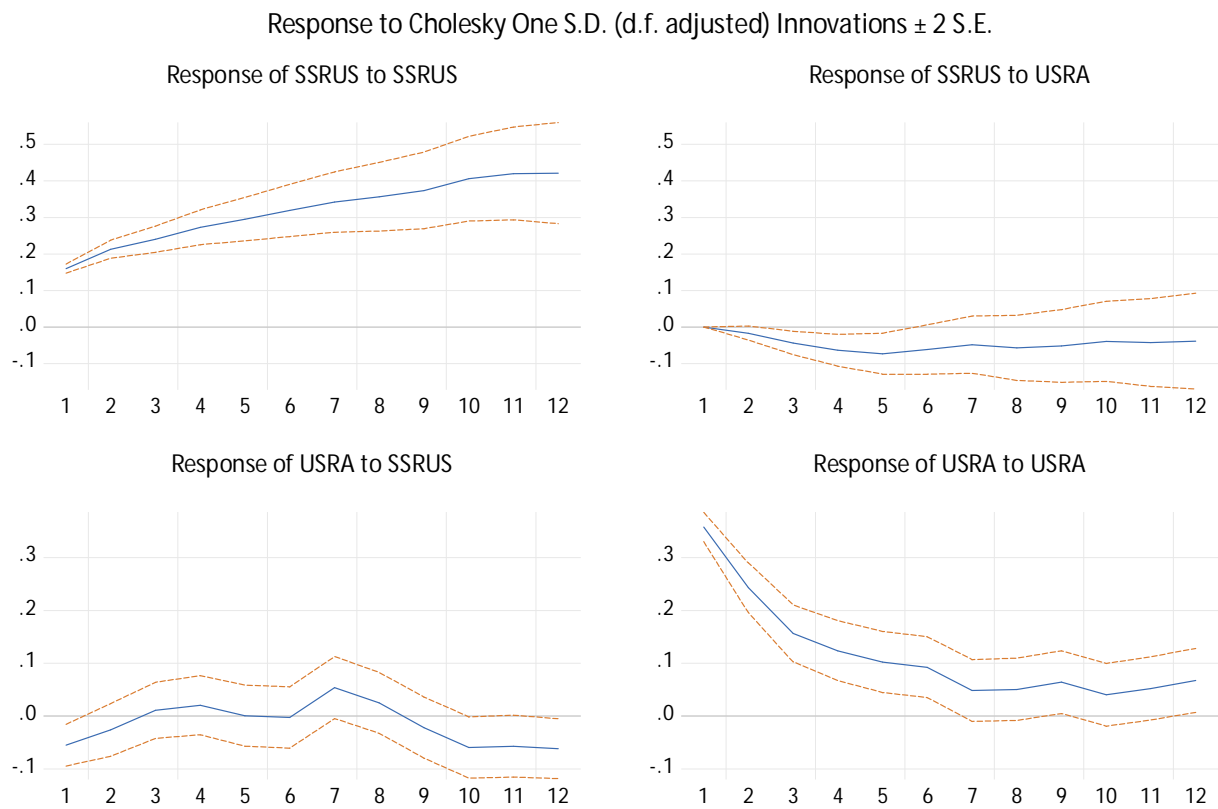


Figure A5. Results from Monthly VAR Model with Variance Risk Premium (VRP)

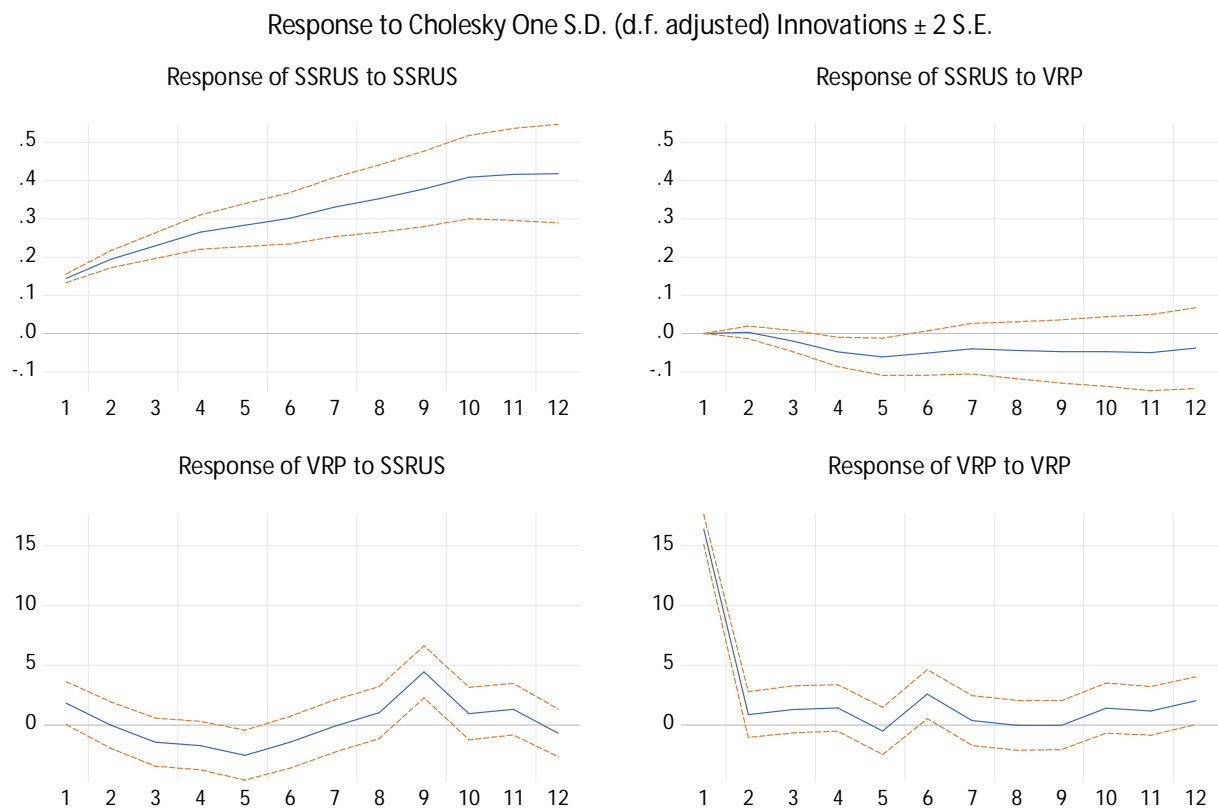


Table A1. Simultaneous test of Causality-in-Mean and Causality-in-Variance

Models	<i>LM</i> -statistic	<i>p</i> -value	Lag Order
USRA \nrightarrow SSRUS	28.6418	<0.001	2
SSRUS \nrightarrow USRA	2149.388	<0.001	2
USRA \nrightarrow SSREA	17.455	0.002	2
SSREA \nrightarrow USRA	1151.966	<0.001	2
USRA \nrightarrow SSRJ	21.845	<0.001	2
SSRJ \nrightarrow USRA	806.510	<0.001	2
USRA \nrightarrow SSRUK	49.347	<0.001	1
SSRUK \nrightarrow USRA	1508.161	<0.001	2

Note: \nrightarrow indicate does not Granger cause; Lag order is selected by the Schwarz Information Criterion (SIC).