Figure 1: Probability of Being in State 0

Using Equation 2 - Switching in means only

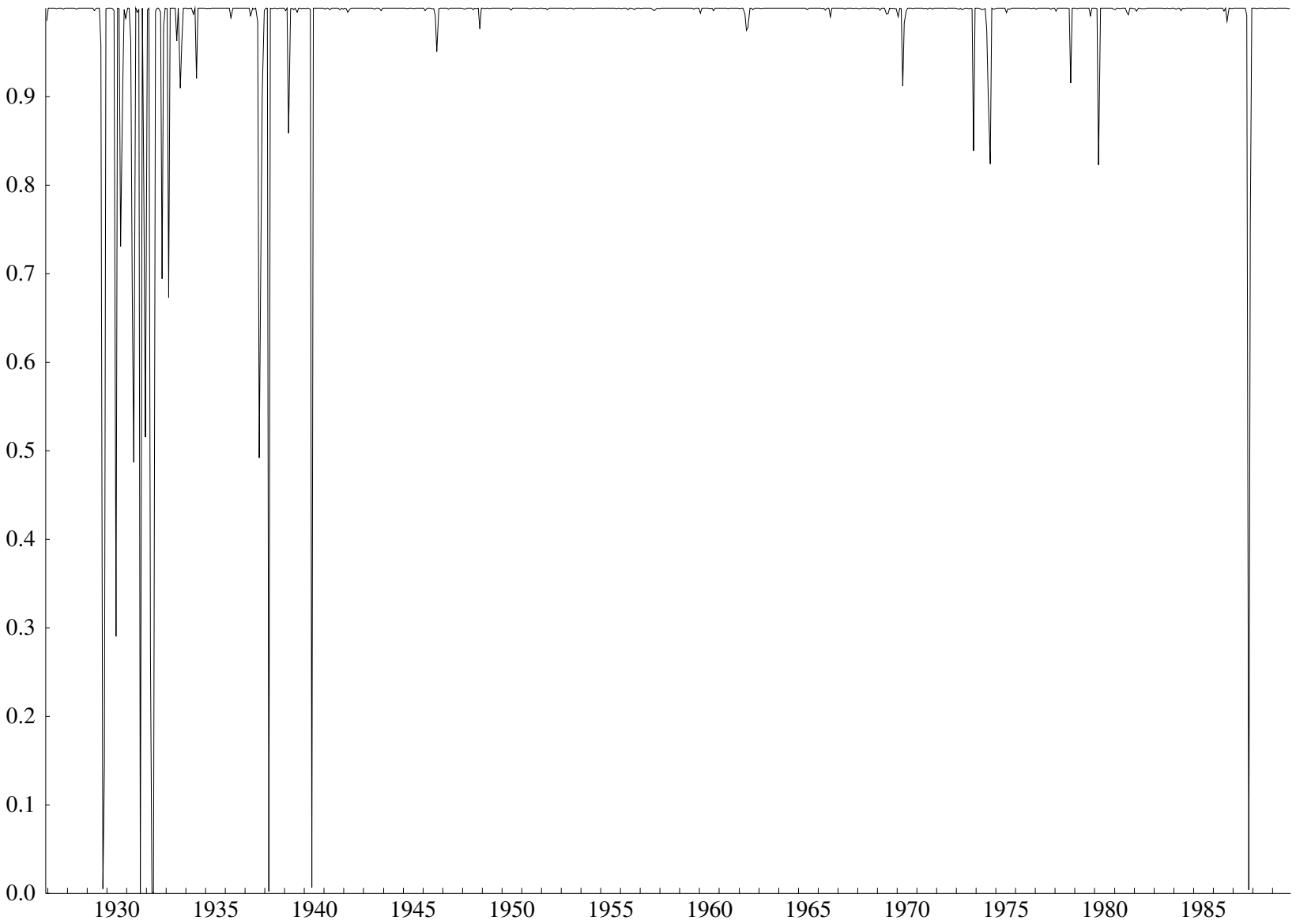


Figure 2: Probability of Being in State 0

Using Equation 4 - Switching in variances only

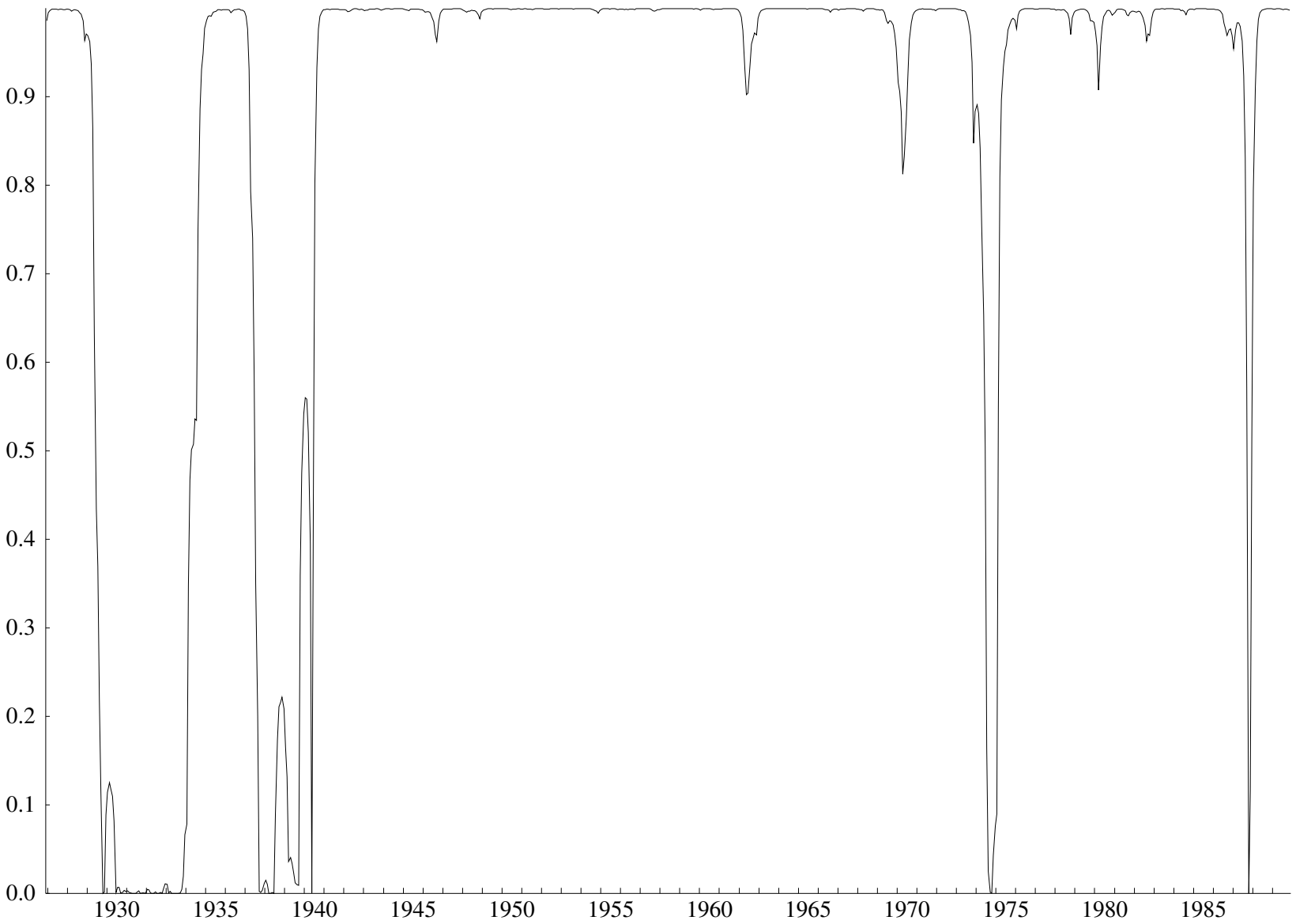


Figure 3: Expected Excess Returns

Using Equation 6 - Symmetric effects of lagged price-dividend ratio

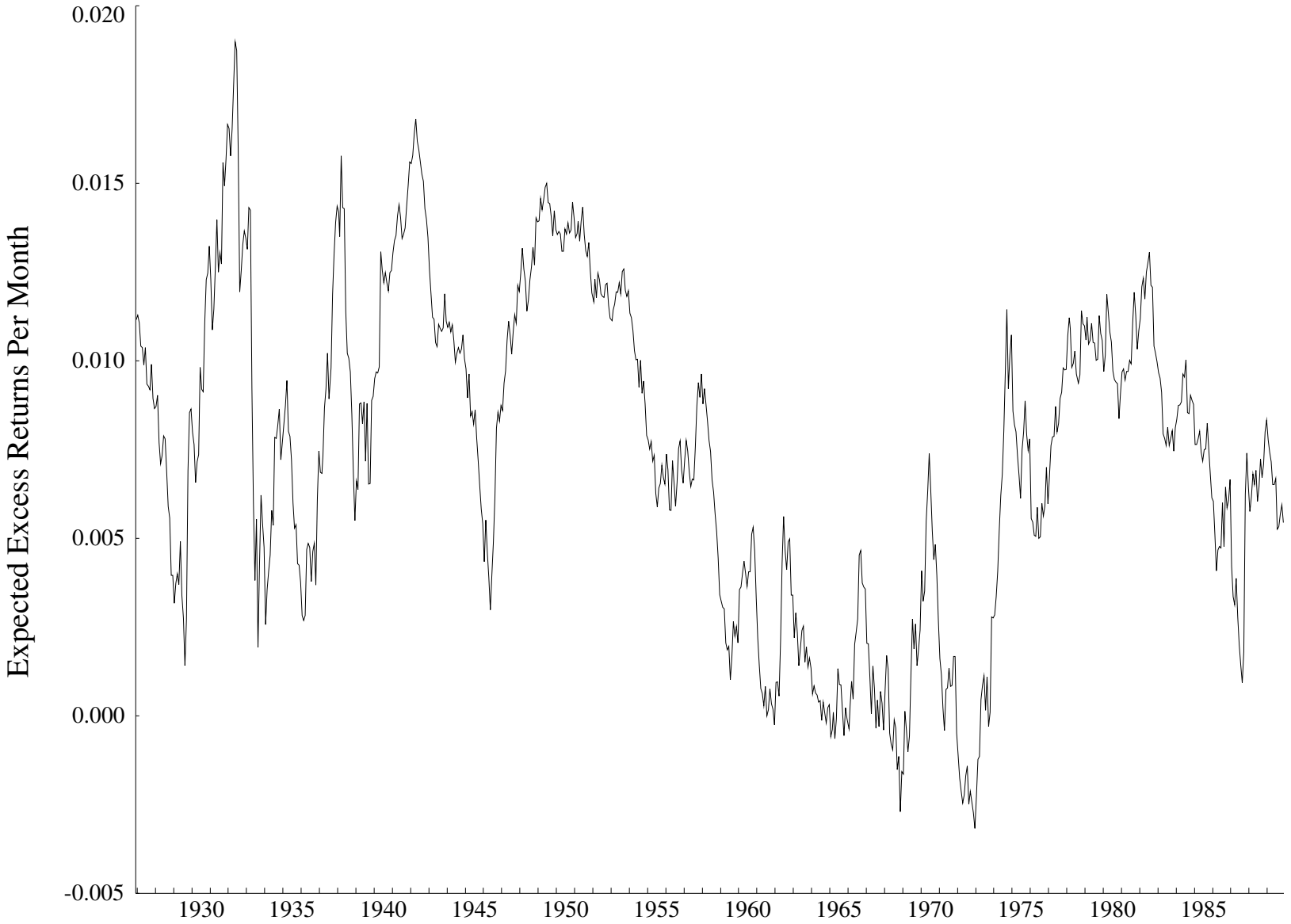


Figure 4: Expected Excess Returns

Using Equation 7 - Assymmetric effects of lagged price-dividend ratio

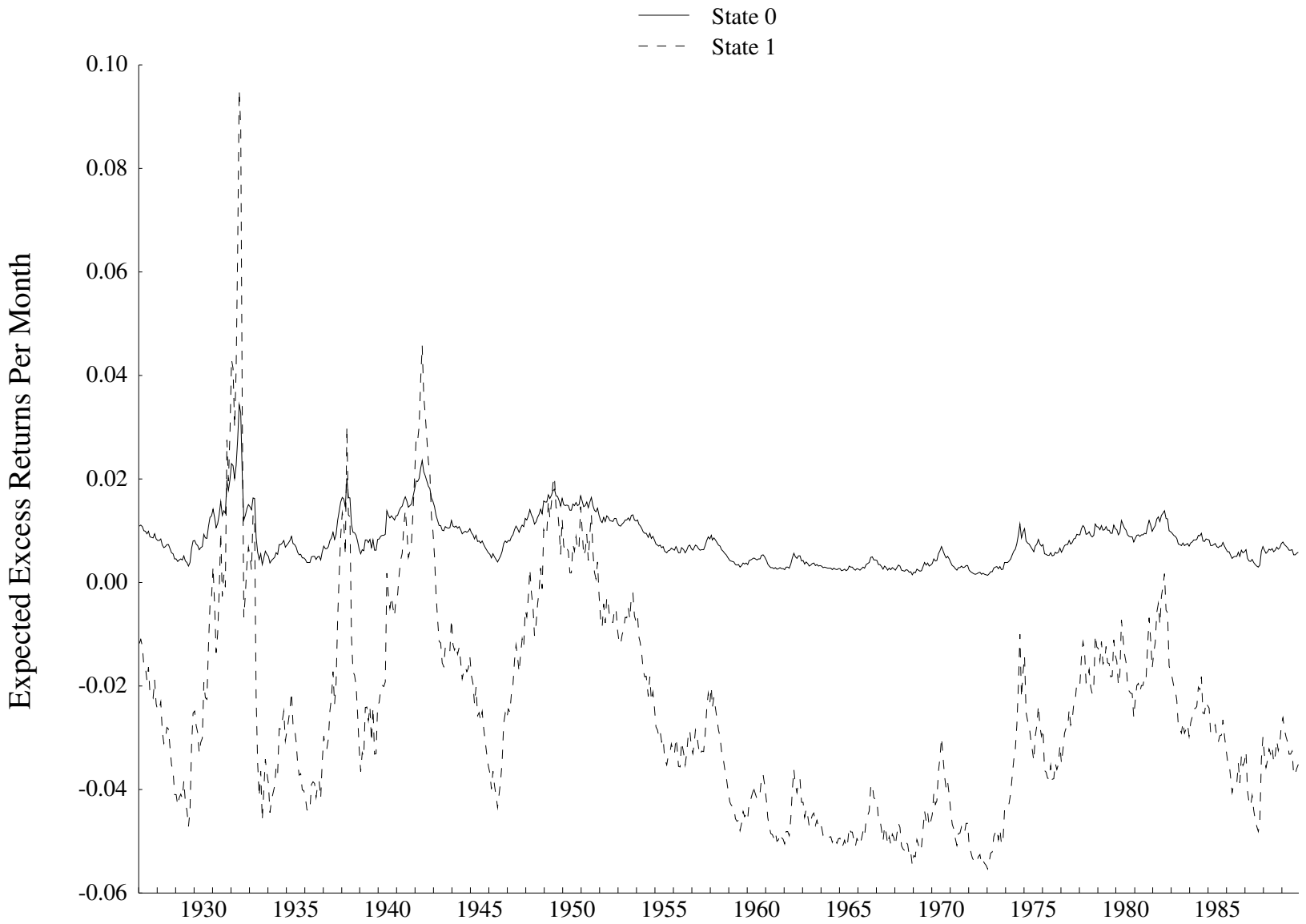


Figure 5: Probability of Remaining in States 0 and 1

Using Equations 8-10 (Unrestricted Switching Regression)

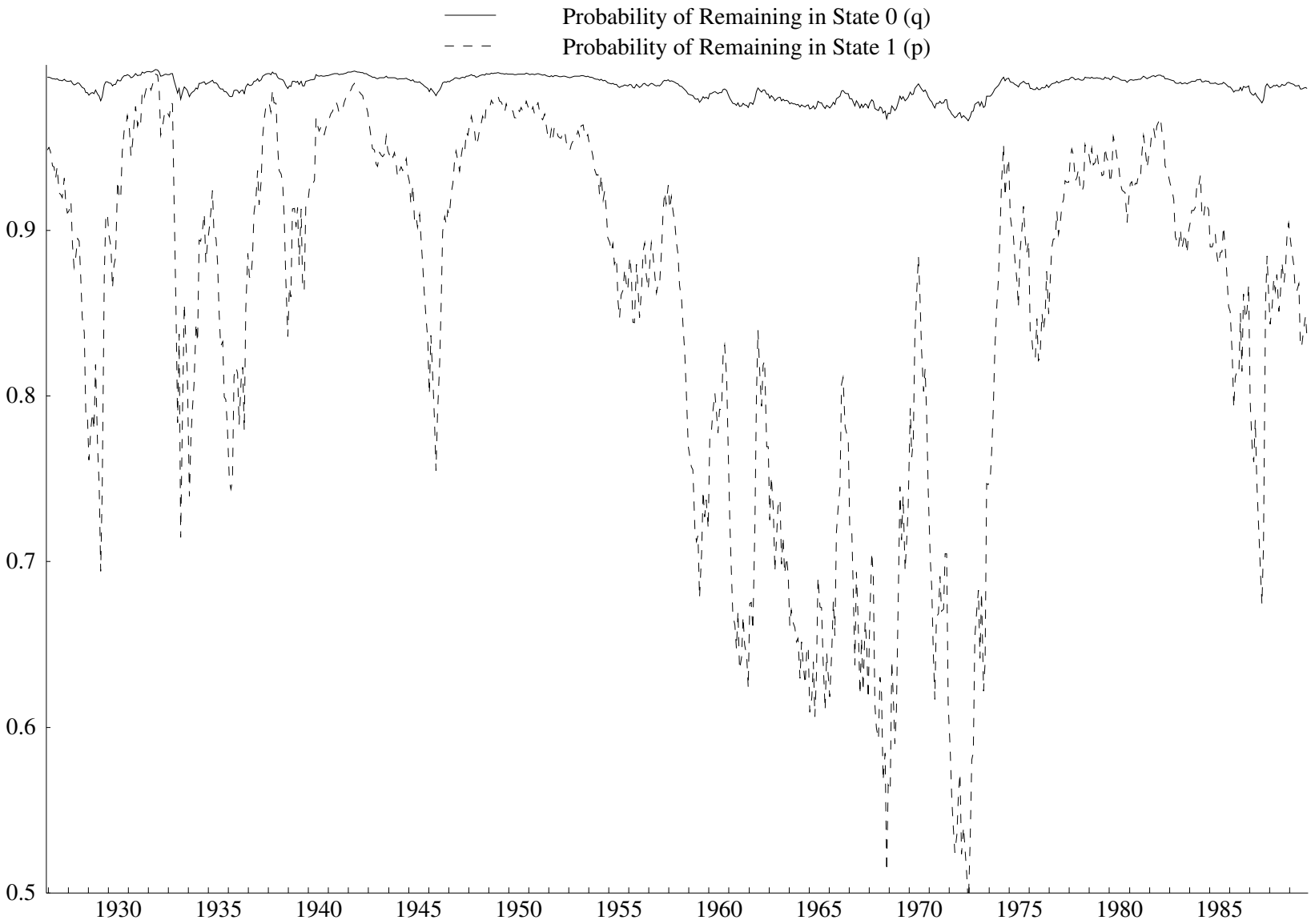
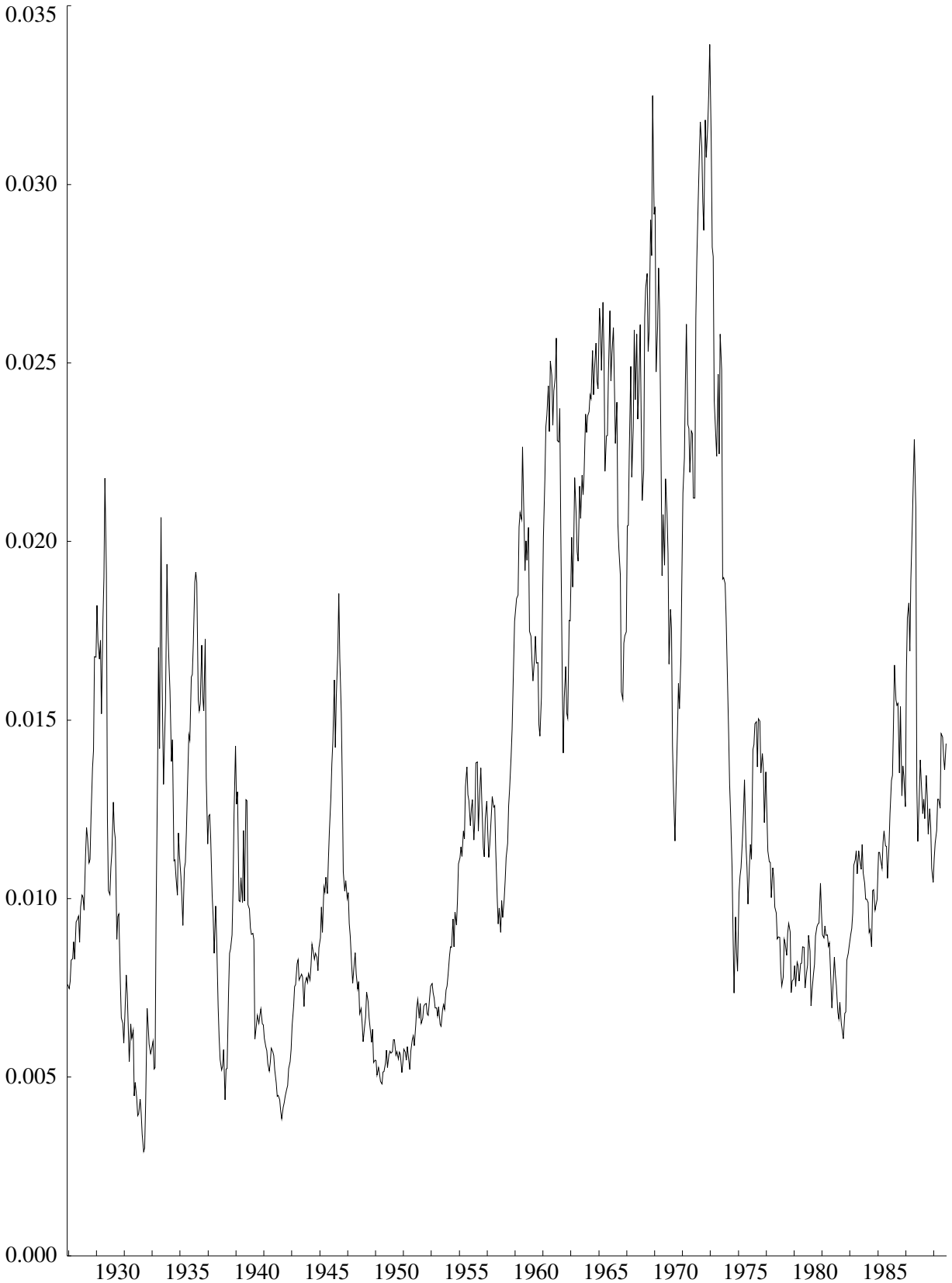


Figure 6: Probability of Transition from State 0 into State 1

Using Equations 8-10 (Unrestricted Switching Regression)