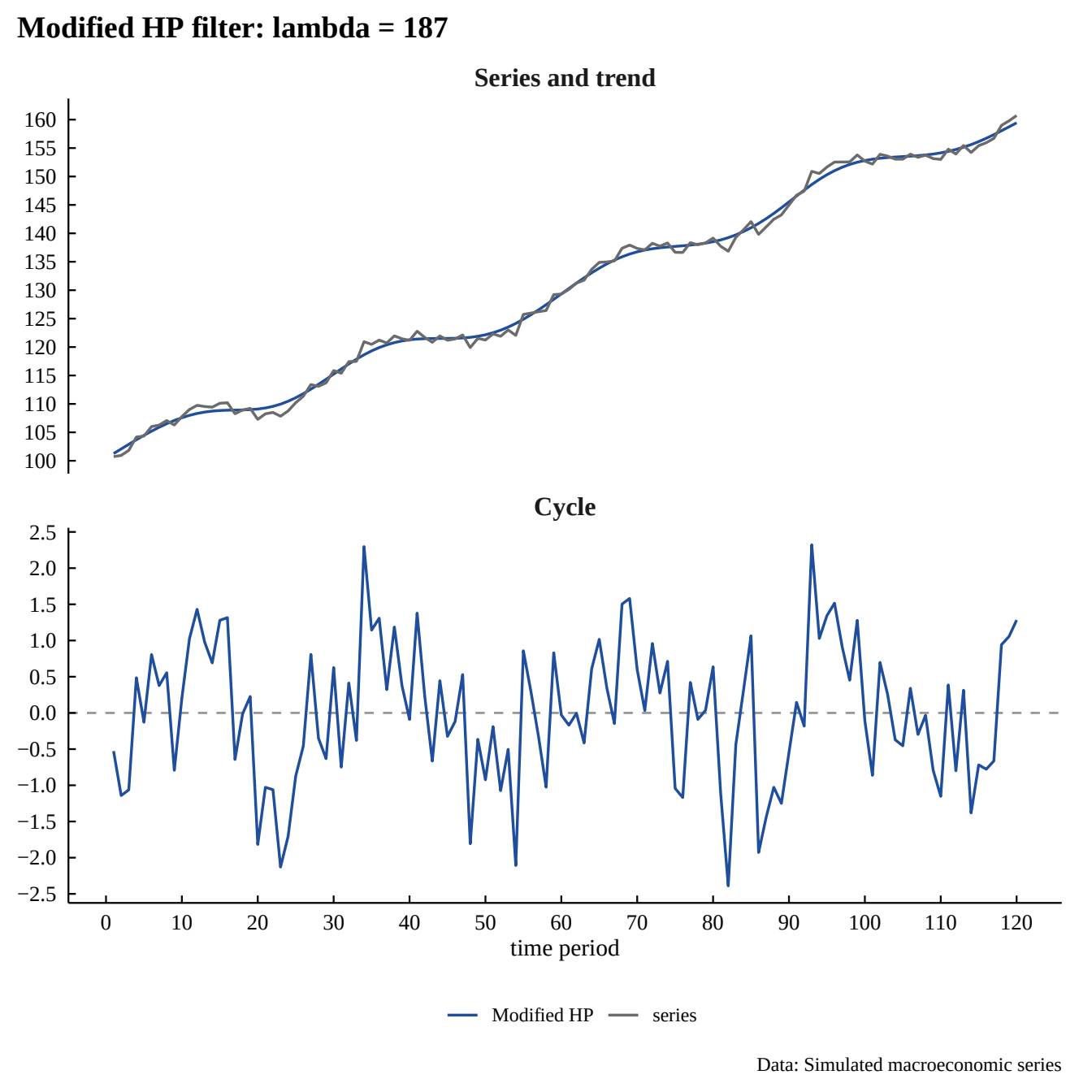
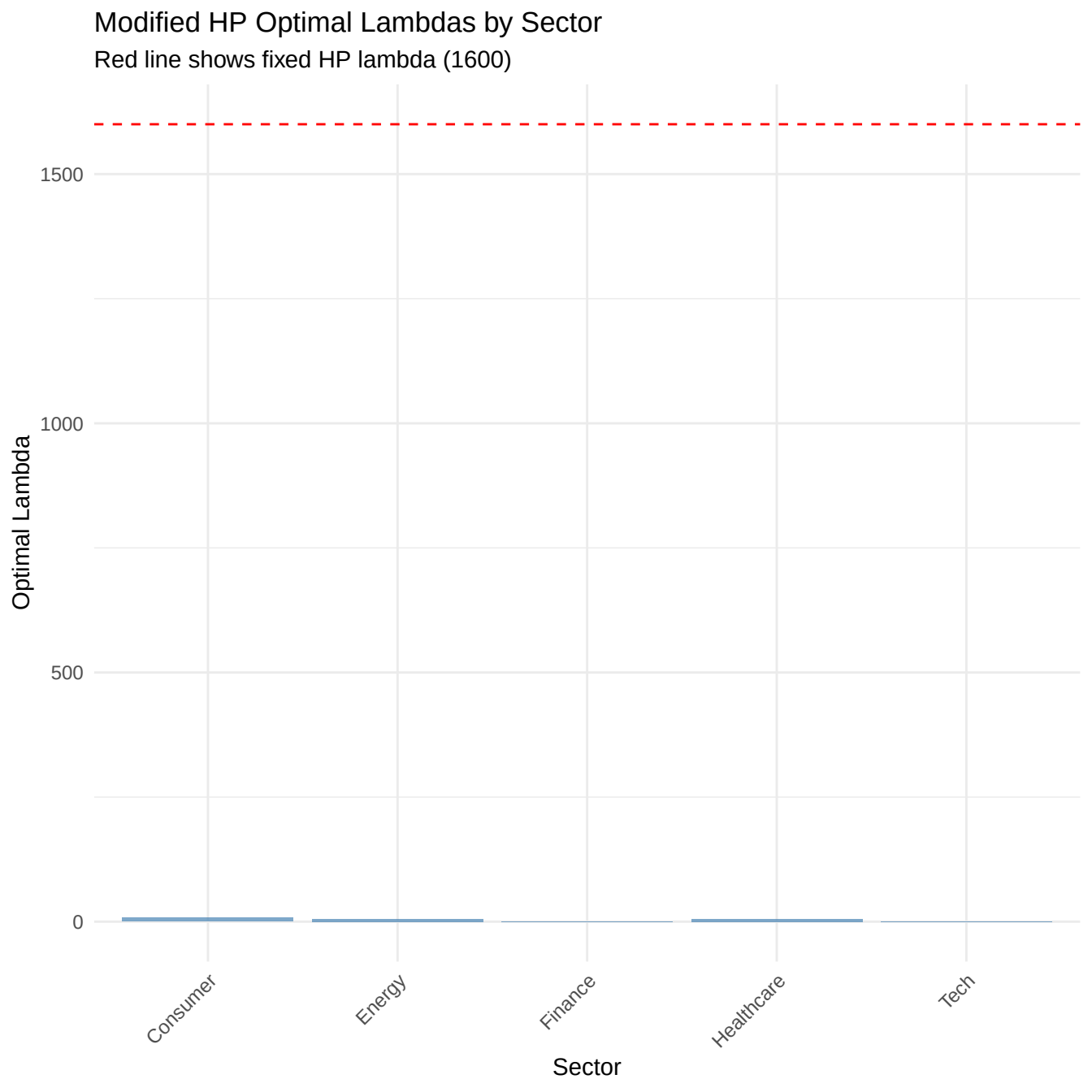
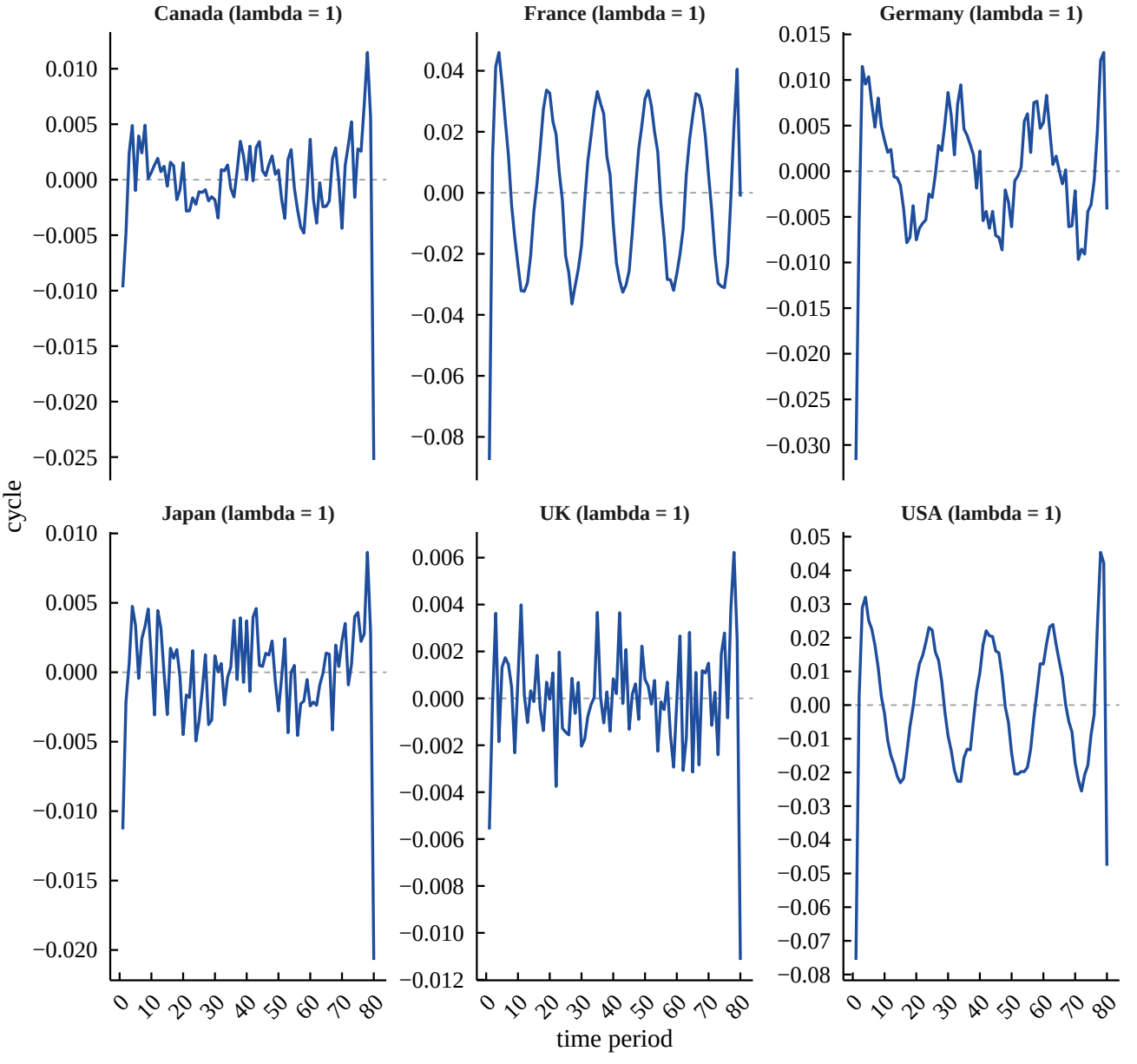

Modified HP filter: lambda = 187
Series and trend
160
155
150
145
140
135
130
125
120
115
110
105
100
Cycle
2.5
2.0
1.5
1.0
0.5
0.0
−0.5
−1.0
−1.5
−2.0
−2.5
0
10
20
30
40
50
60
70
80
90
100
110
120
time period
Modified HP
series
Data: Simulated macroeconomic series


Modified HP Optimal Lambdas by Sector
Red line shows fixed HP lambda (1600)
Optimal Lambda
1500
1000
500
0
Consumer
Energy
Finance
Healthcare
Tech
Sector

Business Cycle Components: Selected Countries
Modified HP Filter Decomposition



HP vs Modified HP: Trend Comparison

Quarterly macroeconomic series

