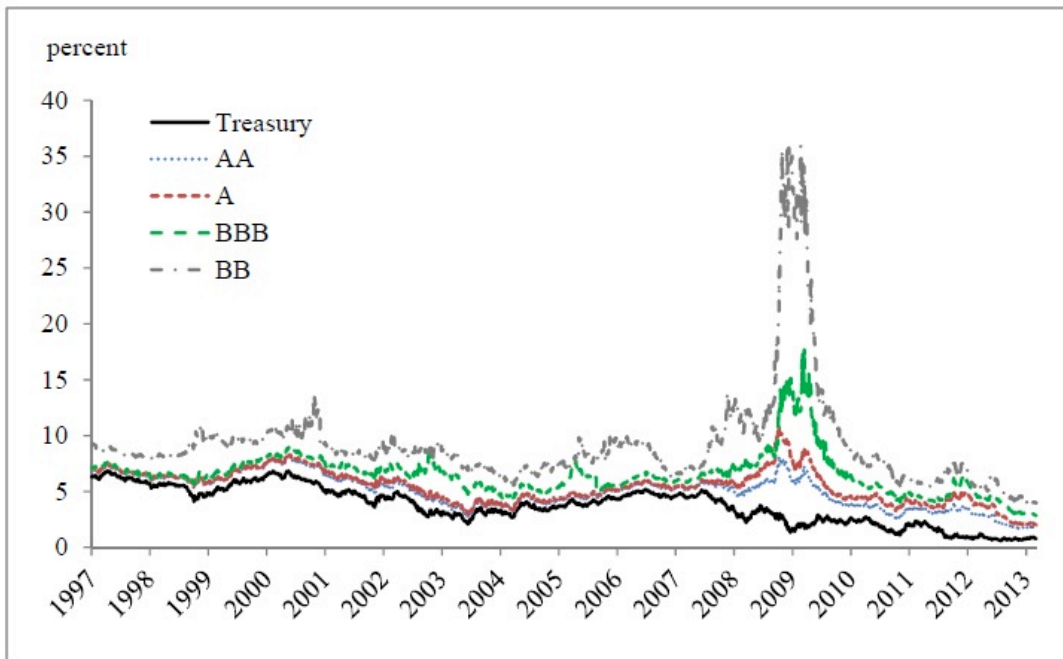


Risk Premia on Financial and Nonfinancial Bonds

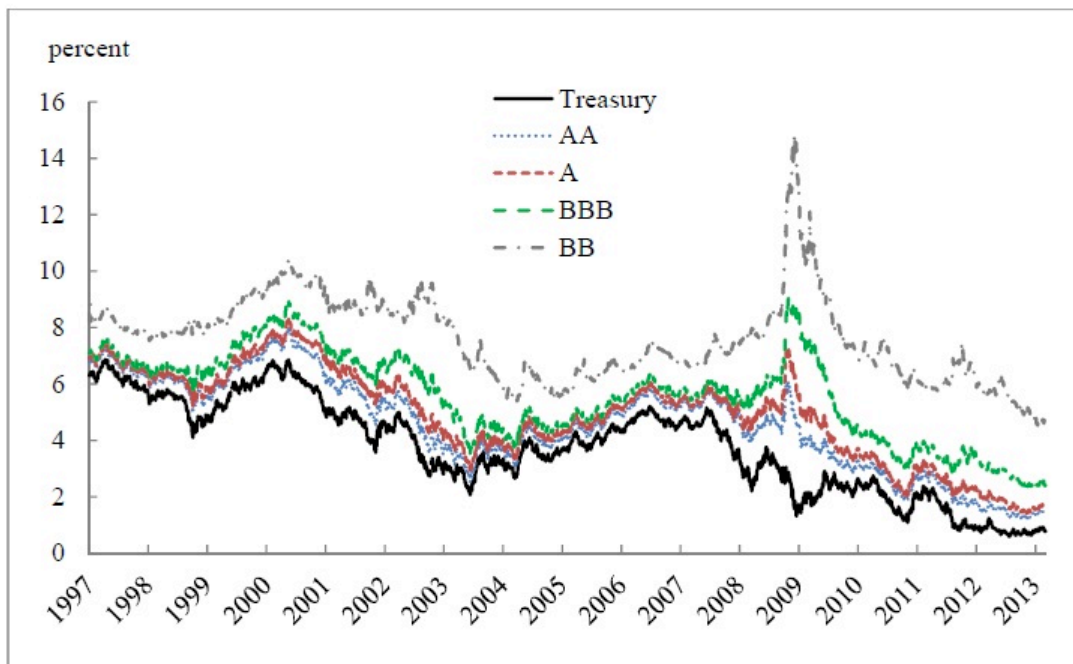
These figures are from Chapter 3 of Matthew Raskin's 2013 JHU dissertation.

Figure 2: 5-Year Treasury Yield and Financial Corporate Bonds



Note: the Treasury yield is the yield on a notional par security with semi-annual coupons estimated from off-the-run Treasury coupon securities, taken from the dataset of Gürkaynak, Sack and Wright (2007). The corporate yields are derived by fitting Nelson-Siegel curves to underlying corporate bond yields provided by Bank of America/Merrill Lynch.

Figure 1: 5-Year Treasury Yield and Nonfinancial Corporate Bonds



Note: the Treasury yield is the yield on a notional par security with semi-annual coupons estimated from off-the-run Treasury coupon securities, taken from the dataset of Gürkaynak, Sack and Wright (2007). The corporate yields are derived by fitting Nelson-Siegel curves to underlying corporate bond yields provided by Bank of America/Merrill Lynch.