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- ▶ Suppose X = YZ. Taking logs

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- ▶ Recall that $g_X = \ln X_{t+1} \ln X_t$.
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► Suppose X = Y/Z. Taking logs

$$\ln X = \ln \frac{Y}{Z}$$

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▶ Note that $(1+g_X)(1+g_Y) \approx 1+g_X+g_Y$.



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Lecture Recap

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