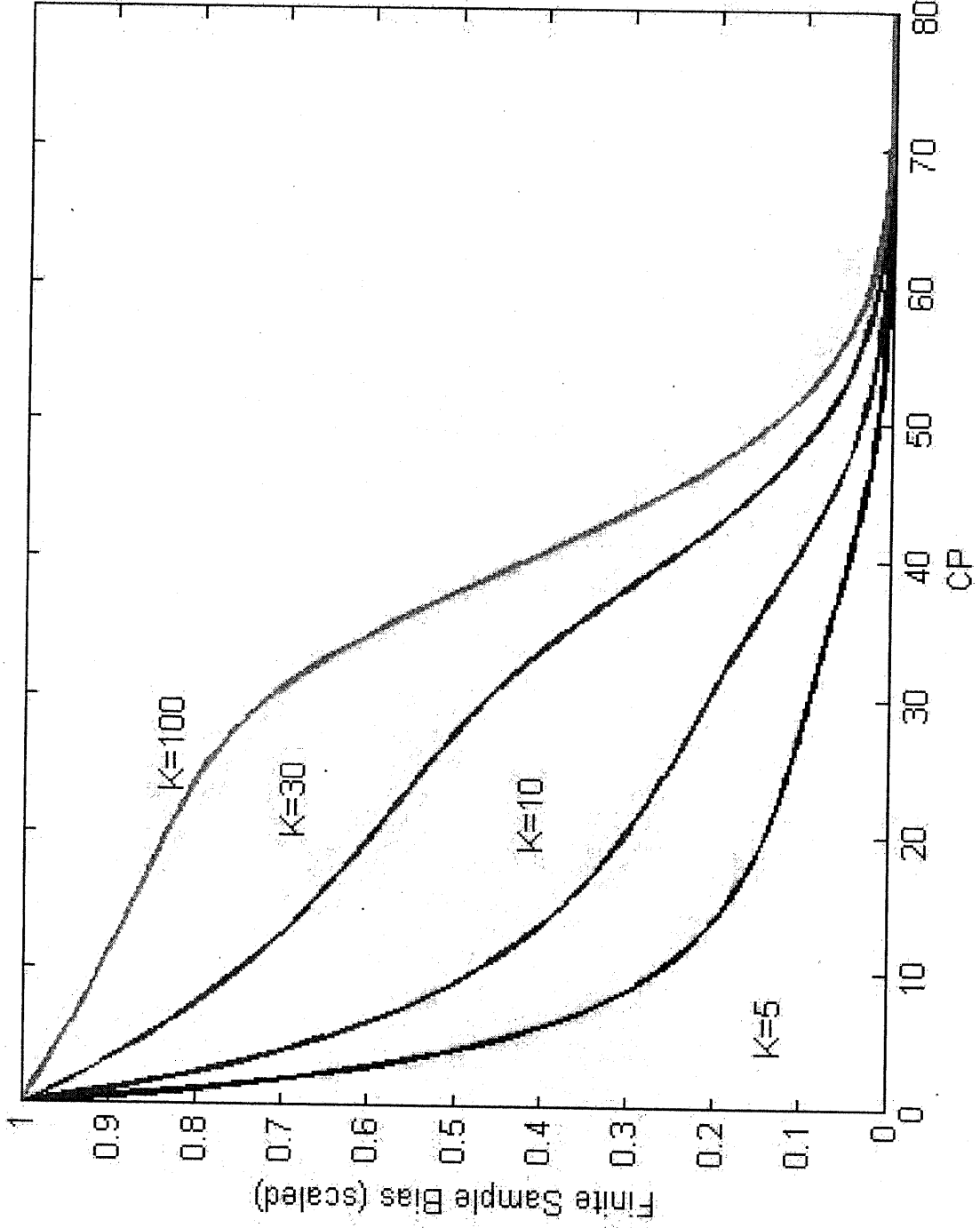


Weak instrument bias.

Factor Models: Motivation
Free Probability: Number of Factors
Finite Sample Behavior of Factor Models
IV Estimation of Factor Loadings



Magnified by
* of variables
* Lower correlations
* Loadings are
bad.