THE JEROME LEVY FORECASTING CENTER

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FROM:
Andrew Edson & Associates, Inc.
89 Bounty Lane
Jericho, NY 11753
Andrew Edson, 516 850 3195
Andrew@edsonpr.com
www.edsonpr.com

FOR:
The Jerome Levy Forecasting Center
69 South Moger Avenue – Suite 202
Mount Kisco, NY 10549
Kevin Feltes, 914 666 0641
kevinf@levyforecast.com
www.levyforecast.com

FOR IMMEDIATE RELEASE

AS THE ECONOMY TURNS, THE LEVY TEAM'S FORECASTS HAVE BEEN RIGHT ON

MOUNT KISCO, NY, Aug. 17 – The now-popular view that the U.S. economy might face a recession in 2012 is not new to the economists at the independent Jerome Levy Forecasting Center (www.levyforecast.com) based here. If anything, it's a validation of what they have been telling clients and expressing publicly for the past two years.

Nor is Chairman David Levy surprised at the Fed's announcement of keeping the federal funds rate low until 2013. For over a year, he has been writing to clients that "the federal funds rate will remain negligible for a long time," despite the consensus view being quite the opposite until recently.

Other Levy prognostications – written and verbal – consistently made in 2011 drew skepticism, criticism and very little company. But of late, they appear to be on target. Such Levy dictums included:

- "Over the next 12 months, bond yields will probably trend down, albeit with considerable volatility."

- "Markets have barely begun to price in the incubating European debacle (for that matter, markets have not priced in the problems ahead for the domestic economy, either)."

- "A European downturn is a real possibility over the next 12 months, and a recession would cause nightmarish financial problems. The possibility of the United States going into a recession independently adds reason to worry."

So, what does all of this mean?

Levy, the third generation family member to head the economic consultancy, has been consistently forecasting a dramatic decline in Treasury bond yields, despite them having already been at historically low levels earlier this year.

Moreover, he has spoken publicly about the risk of another recession in 2012 for many months; however, only in the last few weeks have other major economists chimed in identifying this as a serious risk. And, he has correctly predicted that a threatened or actual downgrade of U.S. Treasury debt would not lead to higher bond yields.

About The Jerome Levy Forecasting Center

The Jerome Levy Forecasting Center LLC – the world leader in applying the macroeconomic profits perspective to economic analysis and forecasting – conducts cutting edge economic research and offers consulting services to its clients. The goal of the Levy Forecasting Center is to improve its clients' business and investment performance by providing them with powerful insights into economic risks and opportunities – insights that are difficult or even impossible to achieve with conventional approaches to macroeconomic analysis. Additional information may be found at www.levyforecast.com.

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