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FOR IMMEDIATE RELEASE

LEVY SEES ONLY 1:3 CHANCE OF FED RATE HIKE IN 2015

Economist Gives Greater Odds to Deteriorating Global Economy Restraining Fed

MOUNT KISCO, NY, June 23 – Economist David Levy, writing in the just-published June issue of *The Levy Forecast*[®], acknowledged that 2015 brings the greatest possibility of a Fed rate hike since the beginning of the housing collapse, but said “*we continue to judge the chance of a rate hike this year to be about one-in-three.*”

Conversely, Levy, chairman of the independent Jerome Levy Forecasting Center (www.levyforecast.com) said, “*the chances are two-in-three that the global economy and its increasingly pronounced effects on the domestic economy will restrain Fed policymakers.*”

Indeed, he argued in the nation's oldest publication devoted to economic analysis, that even if the Fed does begin to raise rates this year, “*the tightening sequence will be rapidly aborted because of continuing global deterioration and because of the destabilizing consequences of the first rate hike or hikes.*”

He concluded that investors should expect more Fed policy delays and ultimately a re-flattening of the front of the yield curve.

The primary reason for this view, according to Levy, is a forecast for worsening international economic conditions. As he put it, “*in 2015 it will be the U.S. economy that stays or forces the Fed's hand, and it will be international economic conditions that largely shape U.S. economic conditions.*”

One significant trouble spot, he said, is the emerging market (EM) economies, where overexpansion “*as predominantly export economies has created vast excess capacity, mounting loan performance problems and incidents of asset deflation.*”

“*Worst of all these problems are just beginning to undermine still high investment—the primary source of profits in these countries.*”

As a consequence, Levy predicted that this summer “*the Fed is likely to receive worsening global economic news*”—particularly from China and the EM sector—“*and no better than mixed domestic news.*”

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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Note: The full Levy Forecast is available to the press in PDF format by contacting Andrew Edson & Associates, Inc. – Andrew@edsonpr.com or 516 850 3195.