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FOR IMMEDIATE RELEASE

LEVY SAYS ECONOMIC, FINANCIAL CONCERNS WILL OVERPOWER MARKET BUOYANCY OVER NEXT 12 MONTHS

Economist Warns Stock Market Rally, Influenced by Mild Q1 Weather, Is Now Heading into Threatening Period of Worse Economic News

MOUNT KISCO, NY, April 26– Economist David Levy, writing in the just-published April issue of *The Levy Forecast*[®], warned that it is likely that *“economic and financial developments will overpower market buoyancy over the next 12 months as the United States and the world experience a severe bear market in equities and most other risk assets.”*

Levy, chairman of the independent Jerome Levy Forecasting Center (www.levyforecast.com) cautioned that the most recent stock market rally in the United States *“is heading into a threatening period of worse economic news,”* due to the underlying deterioration of global and domestic business conditions.

He reiterated that first quarter economic activity was boosted by a mild winter, which has *“set up investors for a shock.”* Specifically, he said second-quarter data should be much weaker, returning to what is probably a recessionary trend.

Levy attributed some of investors’ positivity in the U.S. and around the world to their *“misplaced faith in central bank powers.”*

“There is a strong belief – in part because of the desire to believe – that central banks have it in their power to steer the economy toward prosperity, or at least stability,” he said.

The real issue with the world economy, Levy reiterated, is much more fundamental and *“includes balance sheets greatly overexpanded relative to income, consequent financial strains, incentives for ever more reckless financial behaviors, and growing threats to the economy’s ability to generate the profits needed to stave off a severe correction.”*

Profits, he noted, *“are falling around the world because of a gradually developing downturn in global net fixed investment.”*

As a result, Levy said, *“The present environment includes a global economy with eroding profits, decelerating growth (and outright contraction in more and more countries), excessive debt, and overgenerous asset valuations.”*

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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