



THE JEROME LEVY FORECASTING CENTER

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FOR IMMEDIATE RELEASE

**LEVY FORECAST SEES “LIMITED UPSIDE,
LOTS OF DOWNSIDE, PLENTY OF UNCERTAINTY” FOR ECONOMY**

**LTRO Didn’t Fix Europe; Biggest Threat is still
Private Balance Sheet Problems**

MOUNT KISCO, NY, April 24 – Watch closely for some clarity this spring on the two key “*swing factors*” for the U.S. economy – Europe and U.S. consumer behavior, says economist David Levy in the just-published April Levy Forecast.

Levy, chairman of the independent Jerome Levy Forecasting Center based here (www.levyforecast.com) summarized that in 2012 “*there is limited upside, lots of downside, and plenty of uncertainty – tied not only to European policy by also to such global issues as China’s ability to reaccelerate its economy this year, the potential of U.S. consumers, oil prices, and geopolitical turbulence.*”

Levy said a clearer picture of the economic outlook may come in the next few months. “*Between the post-LTRO (Long Term Refinancing Operation) market euphoria and the wacky U.S. winter, the economic situation has been obscured and distorted. Europe will either take major new steps, see its crisis snowball again, or both. Meanwhile, data will likely provide a cleaner read on U.S. consumers’ behavior and borrowing potential,*” he said.

Despite the unusually heightened uncertainty, the Levy Forecast, the nation’s oldest newsletter devoted to economic analysis, offered three points of guidance.

1. The U.S. and world economies will at best meet and most likely underperform market expectations in 2012.

2. Inflation isn't anywhere in sight, and the threat of deflationary pressures remains.
3. The U.S. isn't likely to return to "*familiar postwar cyclical patterns.*"

While Europe avoided financial collapse last year, Levy predicted "*it cannot escape some form of severe retrenchment over the next several years.*" He said Europe can ultimately contain broad financial crisis only by (i) effectively unifying government bond issuance under one central authority, (ii) incurring vast amounts of public debt, and (iii) augmenting the workout of financial system problems through still more government debt.

"The question for 2012 is whether the Eurozone will limp through to January 1 without anything worse than the kind of slow-motion recession underway now."

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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