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FOR IMMEDIATE RELEASE

**LEVY SAYS PROFITS LIKELY TO FALL SHORT OF
MARKET EXPECTATIONS**

Recent Data Reflect Real Weakness beyond any Temporary Distortions

MOUNT KISCO, NY, May 29 – Economists at the independent Jerome Levy Forecasting Center (www.levyforecast.com) say that consensus expectations for the second quarter are “*doomed to disappointment.*”

Writing in the just-published May issue of *The Levy Forecast*[®], economists at the center noted that “*although temporary distortions affected the first quarter, the distortions and the second-quarter bounceback are nowhere near as large as in 2014,*” and that “*forecasters and many investors are expecting too much of the domestic economy in the current quarter.*”

“*February disruptions cannot be blamed for the falloff in capex orders or the general softening in manufacturing and mining over the past six months. The fracking bust and weakness in demand for U.S. exports are the two chief culprits at present.*”

David Levy, chairman of the Jerome Levy Forecasting Center, wrote in the nation's oldest publication devoted to economic analysis, that the U.S. expansion “*will probably not break down on its own accord, but will be terminated by foreign developments,*” adding that weakening in the rest of the world “*has already caused significant economic damage in the United States,*” cutting into exports and contributing to the stronger dollar and the collapse in oil prices.

Levy assessed the global economic outlook with these words:

- *In both the euro area and the United States, profits and economic performance will in all likelihood fall at least somewhat short of market expectations and may well fall a lot.*
- *Emerging markets are not generating enough profits to avoid deceleration.*
- *China is not recession proof . . . the Chinese leadership has never seen anything like what lies ahead. Not only is it becoming increasingly difficult to keep the Chinese boom alive, it is also becoming increasingly difficult just to determine what needs to be done.”*

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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