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FOR IMMEDIATE RELEASE

## LEVY SAYS GLOBAL ECONOMY IS IN PROCESS OF TURNING DOWN

### World Economy Has a “Global Investment Problem”

MOUNT KISCO, NY, Sept. 17 – Economist David Levy, writing in the just-published September issue of *The Levy Forecast*<sup>®</sup>, said “*the global economy is in the process of turning down.*”

Levy, chairman of the independent Jerome Levy Forecasting Center, LLC ([www.levyforecast.com](http://www.levyforecast.com)), advised clients that “*the imminent global recession scenario has at least three major parts:*

- (1) EM economies breaking down at an accelerating rate for secular, not merely cyclical reasons;*
- (2) the vulnerability of Europe’s weak recovery and tentative financial calm to an EM downturn; and*
- (3) circumstances that make the U.S. expansion unprecedentedly susceptible to rest-of-the-world recession and crisis.”*

Levy, writing in the nation's oldest publication devoted to economic analysis, pointed out that “*the key to global performance will be the global profit sources,*” and that global investment, normally the largest and most important profit source in the world economy, has decelerated and is heading for a decline.

He noted that after years of much faster growth, emerging market (EM) gross investment is now nearly equal to gross investment in the developed markets (DM). EM investment “*has badly overshoot utilization, creating serious overcapacity and associated financial strains.*”

The macroeconomist explained that, “*Overall, DM investment will do well to keep rising modestly, and falling EM investment will dominate the trend of global investment.*”

“*As softening global investment undermines global profits, it will create new cyclical forces for weakening global investment.*”

As to timing, he acknowledged that the global investment slowdown could remain uneven or could snowball rapidly. “*In either case, we expect the global economy to appear worse at yearend than now and still worse by September of 2016.*”

## **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](http://www.levyforecast.com).

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