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FOR IMMEDIATE RELEASE

**BEWARE “BULL MARKET”, CAUTIONS ECONOMIST DAVID LEVY;
ECONOMIC BOUNCE BACK WON’T HAPPEN ANYTIME SOON**

NEW YORK, June 30 – The bull market is back, says economic forecaster David Levy, at least in terms of "confident explanations and forecasts." And that's too bad, says the Mt. Kisco, NY-based director of The Jerome Levy Forecasting Center, in its "mischaracterizing and trivializing the problems still facing the economy."

In his most recent Levy Forecast, the nation’s oldest newsletter devoted to economic analysis, Levy points to several factors that don't augur well for an economic bounce back anytime soon:

- "**Deleveraging**" of the private sector is more than just a modest headwind. It will necessarily mean asset contraction, collapsed fixed investment, and huge asset write-offs. Levy says, "It will take years for balance sheet contraction to run its course, and the private economy will be chronically deprived of its vital fuel, profits."

- Despite hopes that businesses and consumers are starting to get their confidence back, this is unlikely to happen. There will be little cause for **consumer or business confidence**. Consumer confidence, the reflection of households' financial condition, will continue to be affected by lost jobs, cut hours, mortgage loan turn downs, and declining nest egg values. Similarly, business confidence, the reflection of business conditions, will continue to be affected by overcapacity, falling sales, the need to close facilities, all leading to continuing weakness in profits and cash flow.

- **State and local governments** are engaged in a "slow motion train wreck," says Levy, facing a huge budget problem and starting a contraction like none other in postwar history. This crisis will worsen, Levy says, "scaring the municipal finance market, creating a divisive national debate on federal aid to states, and shaking household confidence in hart hit areas by forcing painful cuts in basic public services."

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 can be found at www.levyforecast.com.

Note: The full June 30th Levy Forecast is available to members of the press in PDF by contacting Andrew Edson at 516 850 3195 or Andrew@edsonpr.com.
