

DATE: October 23, 2015

FOR IMMEDIATE RELEASE

**LEVY SAYS NO RATE HIKES;
WORLD ECONOMY DETERIORATING**

MOUNT KISCO, NY, Oct. 23 – Economist David Levy, writing in the just-published October issue of *The Levy Forecast*[®], said “*The global economy is in the process of entering a recession.*”

Levy, chairman of the independent Jerome Levy Forecasting Center LLC (www.levyforecast.com), said the timing and pace of the imminent recession depends largely on the emerging market (EM) economies, especially China. He warned that if the EMs started “*cutting investment aggressively in the third quarter and are slashing investment even further in the fourth, then global economic weakness and financial instability could snowball.*”

The nation’s oldest publication devoted to economic analysis reiterated its stance that a long-debated Federal Reserve rate hike is not probable in this business cycle. Said Levy, if a rate hike does occur, “*a rate cut will soon follow,*” with the 2010s on course to be the “*Zero Interest Rate Decade.*”

The economist also said that hopes for maintaining Chinese economic stability during a transition from an investment to a consumption economy had “*virtually no chance of being realized.*”

Wrote Levy, “*for the rebalancing of GDP components to succeed, the economy must continue expanding. That means that profits must keep growing, which means that China must also successfully rebalance its profit sources,*” something he described as complicated and highly impractical to execute.

“*The problem,*” he said, “*is that China has been growing so long with huge overinvestment that it needs to slash investment so much that the other profit sources cannot make up the difference, and that is before considering the widespread financial problems relating to past overinvestment.*”

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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Note: The full Levy Forecast is available to the press in PDF format by contacting Andrew Edson & Associates, Inc. – Andrew@edsonpr.com or 516 850 3195.

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