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FOR IMMEDIATE RELEASE

LEVY FORECAST SAYS U.S. STOCK MARKET “ON THE VERGE OF BUBBLEDOM”

Economist Says World Economy Not at Beginning of Great “Reflation”

MOUNT KISCO, NY, March 28 – Economist David Levy, writing in the just-published March issue of *The Levy Forecast*[®], expressed increasing confidence that *“the U.S. corporate sector will enjoy a solid first-quarter gain in corporate profits and that the earnings of publicly traded companies will surprise on the upside.”*

The economist was less optimistic about the second half of 2017, for which *“the outlook remains mired in domestic policy uncertainty, a wide range of possibilities for major economies around the world, and questions about the sustainability of bubbly markets.”*

Levy, chairman of the independent Jerome Levy Forecasting Center LLC (www.levyforecast.com) stated that he was bullish on the U.S. stock market *“for the next few months”*, but that the U.S. stock market *“is sliding across the line into bubble territory. It is, in fact, a vibrant part of a broad, global bubble of overvalued assets, overlooked financial structure strains, and unrealistic expectations.”*

Levy cautioned against some overly optimistic expectations for a global economic “reflation,” saying that the world economy *“is accelerating not on reflation rocket fuel, but rather on a moderate shot of diesel—the short-term inventory bump-up, a spurt of pent-up fixed investment delayed by the 2015-2016 profits dip, large global government deficit spending, and the short-term benefits of an inflating global financial bubble.”*

Srinivas Thiruvadhanthai, director of research, added in the nation’s oldest publication devoted to economic analysis, that there were quantitative expressions in market metrics showing *“the fear of losing out on prospective gains is taking over. Many of the ingredients for a bout of euphoria are in place. While the current bull market lacks the transformative vision for the future that the dotcom boom had, the election and the prospects for a stimulus and business-friendly policies have served as substitutes, albeit pale ones. The market may be expensive, but it may well go higher.”*

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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