THE JEROME LEVY FORECASTING CENTER

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FOR IMMEDIATE RELEASE

LEVY POINTS TO NUMEROUS HURDLES TO AVOIDING GLOBAL RECESSION IN 2012 AND BEYOND

Europe Intransigence, U.S. "Fiscal Cliff,"
Shrinking Balance SheetsThreatenGlobal Economy

MOUNT KISCO, NY, July 2 – Economist David A. Levy, writing in the just-published June Levy Forecast, warned investors that even if the deterioration of European financial conditions is temporarily arrested and the year-end U.S. "fiscal cliff" is avoided, "the conditions in Europe and the United States will keep the global recession risk high in 2013 and beyond."

In the nation's oldest newsletter devoted to economic analysis, Levy stated that policymakers may yet be able to stave off global recession in 2012. However, he also argued that over the past three months, "both the United States and the rest of the world have slowly become more vulnerable to recession in 2012 as policymakers have been slow to counteract financial and economic deterioration."

The chairman of the independent Jerome Levy Forecasting Center, LLC (www.levyforecast.com) argued that "even if the global economy stays out of recession this year, neither the U.S. economy nor its trading partners are likely to make it to 2013 in particularly good shape."

He pointed out that the "contained depressions" in the United States, Europe and Japan leave these countries "heavily dependent on huge government deficits that they all feel the need to cut."

The economist also reiterated that ultimately “to contain the European depression, the euro area must (1) combine or largely replace the 17 separate government debt markets and create a single borrowing authority in effect, if not in name, and (2) create a strong lender of last resort with virtually unlimited capacity to backstop the banking system.”

Levy points out that these changes will not be achieved overnight. However, he argues that “to prevent the present European recession from worsening and creating a crisis that drags the rest of the world into recession this year, eurozone leaders must take concrete steps toward both goals; furthermore, they must back off on fiscal drag, and they must accomplish all of this in a manner that markedly raises the now sinking confidence of businesses and markets.”

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 – Andrew@edsonpr.com or 516 850 3195.