

DATE: January 31, 2017

FOR IMMEDIATE RELEASE

DAVID LEVY SAYS TRADE POLICY AND TAX CUTS HOLD KEY TO 2017 ECONOMY

MOUNT KISCO, NY, Jan. 31 – Economist David Levy, writing in the just-published January 2017 issue of *The Levy Forecast*[®], said the nature and timing of tax cuts and trade policy are likely to mean the difference between the economy accelerating briskly in the second half of 2017 and slowing.

The economists at the independent Jerome Levy Forecasting Center (www.levyforecast.com) offered the following outlook for U.S. corporate profits:

“At best—with a big, fast-acting tax cut with few fiscal offsets and with no serious trade disruptions, profits will rise moderately in the first half and surge in the second. The other extreme—badly disrupted trade and a tax cut either delayed or with heavy offsets—could mean falling profits.”

Levy noted in the nation’s oldest publication devoted to economic analysis that numerous questions about U.S. fiscal policy cloud the economic outlook, but said that “*sizable tax cuts*” were likely to be passed this year and currently expected to take effect “*we suspect [in] 2017.*”

“The possibility of a huge U.S. fiscal stimulus taking effect by midyear and intensifying in 2018 translates into a case for Treasury yields to rise further and remain elevated longer than they could have with status-quo economic policies.”

The outlook for trade policy is especially murky. According to Levy, “*There is no precedent in modern times for a new administration promptly tossing out a major trade agreement and announcing it will renegotiate.*”

Many questions remain relative to trade. Among them,

- What will govern North American trade until a new agreement is in place?
- How will the rest of the world react?
- Will the U.S. suffer retaliatory tariffs, quotas, embargos or bans?

- Or will trade be relatively unaffected and the renegotiations surprisingly smooth?

“If the result looks like a trade war, it will cause disruption, add to uncertainty and broadly depress investment throughout the global economy.”

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.

###

FROM:

Andrew Edson & Associates, Inc.
61 East 77th Street – No. 6D
New York, NY 10075
Andrew Edson, [516 850 3195](tel:5168503195)
Andrew@edsonpr.com
www.edsonpr.com

FOR:

The Jerome Levy Forecasting Center
69 South Moger Avenue – Suite 202
Mount Kisco, NY 10549
Robert King, [914 666 0641](tel:9146660641)
rking@levyforecast.com
www.levyforecast.com