

News

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MOODY'S ANALYTICS US MACRO OUTLOOK: BENEATH THE SURFACE, A RECOVERY

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NEW YORK – May 9, 2012 – Moody's Analytics, a leading independent provider of economic forecasting, today released Chief Economist Mark Zandi's latest U.S. monthly economic outlook. According to "[U.S. Macro Outlook: Beneath the Surface, a Recovery](#)," Zandi expects the U.S. economy to grow at 2.5% through mid-2013, before accelerating to a stronger 4% by mid-2014. The unemployment rate should fall below 8% by year's end and near 7% by the end of 2013, similar to last month's forecast.

"Looking past temporary and technical factors such as the record warm winter, real GDP growth remains near 2.5% annualized. With productivity growth slow, this will be enough to expand employment by more than 2 million jobs this year and next," said Zandi.

The report notes that despite this steady recovery, there are still several factors that could impact growth. The most immediate domestic challenge is the continuing home foreclosure crisis, and the possibility that house prices will sink further rather than rise as forecast. Zandi notes that much depends on how many of the 3.6 million loans in or near foreclosure will result in distress sales during the coming year. Another critical factor that may affect the baseline outlook is the ongoing European debt crisis.

For more information, visit Moody's Analytics [Dismal Scientist](#).

ABOUT MOODY'S ANALYTICS

Moody's Analytics helps capital markets and risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By providing leading-edge software, advisory services and research, including the proprietary analysis of Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges. Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO), which reported revenue of \$2.3 billion in 2011, employs approximately 6,100 people worldwide and maintains a presence in 28 countries. Further information is available at www.moodysanalytics.com.

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