

### Baltimore Economist Rated One of Top Five in U.S. by Bloomberg

**December 22, 2009 (Owings Mills, MD)** – Daniel C. North, chief U.S. economist for Owings Mills-based credit insurer Euler Hermes ACI, ranked fourth for overall accuracy among 65 economists tracked by financial media giant Bloomberg L.P. The results appear in the January 2010 issue of Bloomberg Markets magazine.

To rate the economists, Bloomberg looked at forecasts over four quarters, from July 2008 through June 2009, for four U.S. indicators: GDP, Consumer Price Index, unemployment and the Federal Reserve's target for its federal funds rate.

North says he was confident a recession was imminent when three events converged in 2007. "Oil prices had been rising sharply for several years, the Fed had over-tightened monetary policy, and an asset bubble in the form of the housing market had burst. Each of those had been strongly associated with recessions in the past," he said.

When non-farm payrolls fell in January 2008, he knew the recession had started. "That helped cement the forecast of declining GDP, employment, inflation, and interest rates," said North.

"Dan's exceptional forecasting ability has been a huge asset to our company as we've navigated the rough economic waters of the past two years," said Euler Hermes ACI Commercial Director Joseph Ketzner. "Our clients and agents as well as our internal team members are always eager to hear Dan's insights. They're the foundation for some of our most important business decisions."

Since joining the company from Citicorp in 1996, North's analyses have assisted Euler Hermes ACI in developing, pricing and managing its risk portfolio, which now exceeds \$150 billion in annual U.S. trade transactions. The Wharton MBA graduate has appeared on CNBC, ABC News, Fox Business, and Bloomberg Radio and Television, and has been quoted in publications around the world, such as The Wall Street Journal, Barron's, Business Week, France's Le Monde and the UK's Telegraph.

#### Looking Ahead to 2010

Although unemployment is currently lagging behind other indicators, North believes that the economy bottomed-out in the second half of 2009 and will continue to improve from here. There are risks to this improvement such as continued high unemployment, unavailability of credit, and a shaky commercial real estate market. "But I do not expect any of these issues to derail the recovery. I think the most likely outcome is a fragile economy growing around 2.5% through 2010. Our next really big problem will come late in 2010 and into 2011 when the current unprecedented amount of money-printing and out-of-control government spending will drive inflation rapidly higher" said North.

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# Press Release



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## Press Contact:

### Kristen Schoch

Euler Hermes ACI Communications Specialist

Phone: (410) 753-0861

Email: [kristen.schoch@eulerhermes.com](mailto:kristen.schoch@eulerhermes.com)

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