



Trump Adds Risk to Global Finance's Safest Bet

Description

In times of trouble, people usually feel safe buying U.S. government bonds. These bonds are seen as very secure because the government is expected to always pay back what it owes. However, recently, President Trump's actions have made some investors worry about the reliability of U.S. government debt. His decisions, especially regarding trade with China, have made people think that the U.S. government may not be as responsible as they thought.

Because of this uncertainty, many investors have started selling their bonds. This has caused interest rates to go up, which is not good news for things like mortgages and loans, as they also become more expensive. Last week, the 10-year Treasury bond's interest rate went up by a lot, the most it has in a long time. At the same time, the value of the American dollar has been going down, which is not what most people expected with the tariffs in place.

Experts believe that this lack of faith in the U.S. government's ability to manage the economy is causing these changes in the bond market and the economy.

Vocabulary List:

1. **Reliability** /rɪˌlaɪəˈbɪlɪti/ (noun): The quality of being trustworthy or of performing consistently well.
2. **Uncertainty** /ʌnˈsɜːr.tən.ti/ (noun): The state of being unsure or having doubts about something.
3. **Mortgages** /ˈmɔːr.tɪ.ɡɪs/ (noun): Loans specifically for purchasing property typically secured by the property itself.
4. **Tariffs** /ˈtær.ɪfs/ (noun): Taxes imposed on imported goods and services.
5. **Treasury** /ˈtreɪz.ər.i/ (noun): The department responsible for managing a government's revenue and finances.
6. **Investors** /ɪnˈvestəz/ (noun): Individuals or entities that allocate capital with the expectation of a financial return.

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. Which term relates to the overall health of a country's financial system?

Option: Inflation

Option: Technology

Option: Interest Rates



Option: Economic

2. What is the term used to describe the ability to guide and direct others effectively?

Option: Stocks

Option: Representative

Option: Leadership

Option: Mortgages

3. Which term refers to the funds or revenue of a government or organization?

Option: Investments

Option: Technology

Option: Gasoline

Option: Treasury

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

4. In economics _____ is the rate at which the general level of prices for goods and services rises and consequently purchasing power falls.

5. _____ are individuals or other entities that provide capital to start-up ventures or support small companies in exchange for ownership equity.

6. The trade war had a significant _____ on global markets leading to increased volatility and uncertainty.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

7. A economy is one that shows minimal fluctuations in growth and is not subject to extreme highs and lows.
8. The company was for its lack of transparency in its financial reporting.
9. The company set a new for quarterly revenue surpassing all previous figures.

Answer

Multiple Choice: 1. Economic 2. Leadership 3. Treasury

Gap-Fill: 4. Inflation 5. Investors 6. Impact

Matching sentence: 1. Stable



2. Criticized 3. Record

CATEGORY

1. Business - LEVEL2

Date Created

2025/04/20

Author

aimeeyoung99

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