



Trump and Warsh Face Clash, Impacting Wall Street

Description

This year has seen significant changes in the US economy. The Dow Jones Industrial Average, S&P 500, and Nasdaq Composite reached record highs. At the same time, Jerome Powell finished his term as chair of the Federal Reserve, the country's top financial institution.

May 15 marked the end of Powell's second term. This allowed President Donald Trump to nominate Kevin Warsh as the new head of the Federal Reserve. Warsh is now the 17th person to hold this position since the Federal Reserve was created in 1913.

Unlike Powell, who had public disagreements with Trump, there is hope that Warsh will maintain a smoother relationship with the president. However, both have similar opinions about monetary policy, which could lead to future conflicts.

Interest rates in the US currently range from 3.5% to 3.75%. Trump has called for rates to drop to 1% or lower. Lower rates could boost hiring and innovation while making it easier to manage the national debt, which stands at \$39 trillion.

As Warsh starts his term, he is known for his cautious stance on reducing interest rates. With rising inflation driven by recent global events, tensions may arise between Trump and Warsh. If these public conflicts occur, the stock market might face uncertainty as a result.

Vocabulary List:

1. **economy** //ɪˈkænəmi// (noun): how a country's money and business work
2. **monetary** //ˈmɒnɪ,təri// (adjective): connected with a country's money system
3. **policy** //ˈpɒləsi// (noun): a plan or rule to guide decisions
4. **inflation** //ɪnˈfleɪʃən// (noun): a rise in prices for many things
5. **debt** //dɛt// (noun): money that is owed to someone
6. **uncertainty** //ʌnˈsɜːnti// (noun): not knowing what will happen next

Comprehension Questions

Multiple Choice



-
1. Who completed his term as chair of the Federal Reserve on May 15?
Option: Kevin Warsh
Option: Jerome Powell
Option: Donald Trump
Option: Interest Rates

 2. How many people have held the position of chair of the Federal Reserve since its creation?
Option: 15
Option: 16
Option: 17
Option: 18

 3. What was the interest rate range in the US at the time of Warsh's appointment?
Option: 1% to 1.5%
Option: 3.5% to 3.75%
Option: 2% to 2.5%
Option: 4% to 4.5%

 4. What did Trump call for regarding interest rates?
Option: To raise them to 5%
Option: To keep them the same
Option: To drop them to 1% or lower
Option: To eliminate them

 5. What is the current national debt of the US mentioned in the text?
Option: \$30 trillion
Option: \$35 trillion
Option: \$39 trillion
Option: \$45 trillion

 6. Which indices reached record highs this year?
Option: FTSE 100 and DAX
Option: Dow Jones Industrial Average, S&P 500, and Nasdaq Composite
Option: Nikkei 225 and ASX 200
Option: CAC 40 and IBEX 35

True-False



7. Jerome Powell was nominated as the new head of the Federal Reserve.
8. Kevin Warsh is the 17th chair of the Federal Reserve since it was created.
9. Interest rates in the US were higher than 4% at the time of Warsh's appointment.
10. Trump and Warsh have different opinions about monetary policy.
11. Rising inflation may cause tensions between Trump and Warsh.
12. Jerome Powell had a smooth relationship with President Trump during his term.

Gap-Fill

13. The Dow Jones Industrial Average, S&P 500, and Nasdaq Composite reached record highs in _____.
14. May 15 marked the end of Powell's _____ term.
15. Warsh is known for his cautious stance on _____ rates.
16. The national debt of the US stands at \$39 _____.
17. Trump called for interest rates to drop to 1% or _____.
18. Tensions may arise between Trump and Warsh due to rising _____.

Answer

Multiple Choice: 1. Jerome Powell 2. 17 3. 3.5% to 3.75% 4. To drop them to 1% or lower 5. \$39 trillion
6. Dow Jones Industrial Average, S&P 500, and Nasdaq Composite

True-False: 7. False 8. True 9. False 10. False 11. True 12. False

Gap-Fill: 13. 2023 14. second 15. reducing interest 16. trillion 17. lower 18. inflation

Vocabulary quizzes



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

1. What economic phenomenon occurs when general price levels rise?
Option: Deflation
Option: Inflation
Option: Recession
Option: Stagnation
2. What do we call the income generated from an investment?
Option: Expenses
Option: Yields
Option: Assets
Option: Liabilities
3. What term describes the ability to recover quickly from difficulties?
Option: Fragility
Option: Stability
Option: Resilience
Option: Vulnerability
4. What is the act of allocating resources, usually money, to generate income or profit?
Option: Savings
Option: Production
Option: Investments
Option: Consumption
5. What do we call the basic physical systems of a business or nation, including transportation and communication systems?
Option: Infrastructure
Option: Operators
Option: Facilities
Option: Services
6. What term refers to the amount of money borrowed by one party from another?
Option: Equity
Option: Wealth
Option: Debt
Option: Credit
7. What term is used to describe something related to the way something is built or organized?
Option: Functional
Option: Structural



Option: Aesthetic

Option: Cultural

8. What do we call the process of adjusting errors in financial markets?

Option: Revisions

Option: Corrections

Option: Inflations

Option: Surges

9. What unit is commonly used to measure the power output of large-scale energy projects?

Option: Watts

Option: Kilowatts

Option: Megawatts

Option: Gigawatts

10. What word describes an event or situation that has never happened before?

Option: Ordinary

Option: Common

Option: Unprecedented

Option: Traditional

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

11. After the disaster, the community focused on the necessary rebuilds to restore normalcy and life.

12. There was a sudden surge in demand for essential goods during the pandemic.

13. The central bank implemented new monetary policies to combat inflation.

14. The overall economy showed signs of recovery after several challenging years.

15. The incident raised concerns about safety protocols in manufacturing facilities.

16. Smart investments can lead to increased revenue and profits over time.

17. The company's earnings report exceeded analysts' expectations this quarter.

18. The new facilities are designed to improve production efficiency and worker safety.

19. After reviewing the finances, the budget was adjusted to reflect current needs.



20. Economic uncertainty can lead to increased caution among investors and consumers.

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

21. Investments in renewable energy have skyrocketed in recent years.
22. The government announced a major initiative to improve infrastructure across the nation.
23. Rising inflation has affected purchasing power for consumers everywhere.
24. Structural adjustments are often needed to improve organizational efficiency.
25. High levels of debts can restrict a country's financial flexibility.
26. Higher yields on bonds can attract more investors to the market.
27. The community's resilience after the disaster was inspiring.
28. Market corrections can be a natural part of the economic cycle.
29. The pandemic led to unprecedented challenges for businesses worldwide.
30. There was a surge in online shopping during the holiday season.

Answer

Multiple Choice: 1. Inflation 2. Yields 3. Resilience 4. Investments 5. Infrastructure 6. Debt 7. Structural
8. Corrections 9. Gigawatts 10. Unprecedented

Gap-Fill: 11. rebuilds 12. surge 13. monetary 14. economy 15. incident 16. investments 17. earnings
18. facilities 19. adjusted 20. uncertainty

Matching sentence: 1. investments 2. infrastructure 3. inflation 4. structural 5. debts 6. yields 7. resilience
8. corrections 9. unprecedented 10. surge

CATEGORY

- 1. Business - LEVEL3

POST TAG

- 1. Donald Trump
- 2. ESL learning
- 3. esl news
- 4. Kevin Warsh



5. L3
6. prediction
7. Wall Street

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Date Created

2026/05/25

Author

aimeeyoung99

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