

# Good essay on currency analyses

[Economics](#), [Currency](#)



## **Business**

In the article “ Economy in U. S. Grows at 3. 6% Rate on Bigger Inventories” taken from Bloomsburg, Victoria Stilwell describes that the the economy of United States is showing positive trends. Gross domestic product i. e., GDP is rising at the rate of 3. 6% annually, which is due to greater increase in the inventory. In the third quarter, inventory has increased at pace of about \$116. 5 billion. Final sales and domestic income have also shown upwards positive trend and have risen 1. 9% and 1. 4% respectively (Stilwell).

Housing and auto sales have also shown remarkable strength. All these factors have enabled the United States to increase it foreign trade with other countries, which has strengthens the position of dollar. But, at the same time the appreciation of dollar is decreasing the worth of countries of other countries such as China, Pakistan and India etc. other countries have to pay more in order to exchange or import products from the United States.

Considering China, which is artificially keeping Yuan low and China is doing this by hoarding the foreign reserves. The country is doing this to support its exports and to earn advantage over the competitors. Pakistan’s currency i. e., rupee is constantly declining as a result of strengthening of American dollar because all the foreign trade is carried out in terms of dollars which is continuously increasing the foreign exchange rate. Same is the case with India and several other developing countries such as Brazil, Mexico and Argentina etc. this is making these economies weak to external or outside world. The weaker currency is however making it difficult for the countries to buy the imported products as they are becoming more expensive to purchase. This in turn is aggravating the dilemma of inflation. Furthermore,

the softening of currency is increasing the implicit cost and also raising the foreign debts in these countries. The United States is however not helping the countries that are victim of its appreciated currency and is also not playing its role to help them in the comprehensive recovery.

## **Reference**

Stilwell, Victoria. " Economy in U. S. Grows at 3. 6% Rate on Bigger Inventories." Bloomberg.

Bloomberg , 05 Dec 2013. Web. 5 Dec. 2013.

[http://www. bloomberg. com/news/2013-12-05/economy-in-u-s-expands-at-3-6-rate-on-bigger inventory-build. htm](http://www.bloomberg.com/news/2013-12-05/economy-in-u-s-expands-at-3-6-rate-on-bigger-inventory-build.htm)