

Writing

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The Wall Street Journal The Wall Street Journal places greater emphasis on business and economics. The newspaper circulates among thousands of readers in the United States. The newspaper features economic and business topic both in America and internationally. The newspaper reported dollar surges in Europe (WSJ: Dec. 8, 2014). This surge was due to recent job reports that economists believe would encourage the Federal Reserve to accelerate the timing of the rise on the rates of interest. The paper reported that the dollar hit a seven and half year high against the Japan's Yen. At the same time, it hit a 15-month high when it was weighed against the British pound. On the same scale, it was two-year high against the euro. The surge has raised arguments as to whether Fed should increase the rates and when it is appropriate to do so. The dollar has gained significantly against the euro and has since posed far-reaching implications to the economies beyond the United States.

The paper reports that this performance may create economic vulnerabilities because many firms in emerging markets have liabilities that are attributed to large US dollar. If any currency depreciates against the dollar, it reduces the ability of many firms to borrow. Thus, this inability may impose worse financial conditions (WSJ: Dec. 8, 2014). This heat may be felt by currencies in the greater Latin America “ if the market gets ahead of itself.” Changes in the Fed are likely to affect other economies. WSJ added that assistance from OPEC, there will be a higher possibility of an oversupplied market in 2015. When this is coupled with the increasing strength of the dollar, there is higher likelihood of a downside risk. This implies that virtually all world economies depend on the performance of the dollar and underscores the

centrality of the Fed in shaping the world's economic fortunes.

Work Cited

The Wall Street Journal, Dec 8, 2014. Available at

<http://www.wsj.com/articles/dollar-surges-in-europe-1418030025>