



## Currency Wars Guided Notes

### What is a Currency War?

- Sometimes nations seek to devalue their own currency -

\_\_\_\_\_.

- This is usually initiated by a country's \_\_\_\_\_ (The Fed in the U.S.)
- This lowers a country's purchasing power.
- Helps to give countries \_\_\_\_\_.

### Why Would You Devalue Your Own Currency?

- **“A strong currency is not necessarily in the nation’s best interest”**  
**(Investopedia).**
- It makes exports more \_\_\_\_\_.
- This can affect GDP, nation’s capital (money) and housing markets.
- Can lead to the “wealth effect” –

\_\_\_\_\_.

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## Modern Times

1. U.S. Federal Reserve's "easing" of the dollar.

2. China responds

\_\_\_\_\_

\_\_\_\_\_ currency (the yuan).

3. The U.S. dollar is surging – \_\_\_\_\_.

- The United States and China are engaging in a

“ \_\_\_\_\_ ” according to some experts.

- There is a back-and-forth of tariffs.