

Use the dictionary. Search for the meanings of the following words and write them down.

NOUNS		VERBS		OTHER WORDS or EXPRESSIONS	
Inflation		To shrink		At least	
Deflation		To grow		In principle	
Lending rate		To lend		Cheaply	
Loan		To borrow		Cheaper	
Benchmark		To purchase		Heavily	
Stock market		To take out		Reluctant	
Burden		To lead		Continuously	
Indebted		To invest		Enough	
Concern		To carry		Further	
Benching rate		To raise / lower		In its tracks	
Financial market		To sway		To lose value	
Counterpart		To struggle		A dark side	
Production costs		To increase		To cut wages	
Employees		To decrease		To be forced to	
Wages		To supply		Deflationary spiral	
Supply		To afford		To prevent st from happening	
Abyss		To lay off			
Hope		To encourage			

Now write five sentences using some of these words.

Fill in the Blank

LENDING RATE and INFLATION.
https://www.youtube.com/watch?v=46cuUIKPowc

What is the key interest of (1)_____ _____?
It influences how cheap loans are, how much money is in circulation and whether the economy (2)_____ or (3)_____.
The benchmark lending rate is the most important interest rate for the money markets.
Its set by the central banks; in Europe, that is the ECB, in the US is the FED.
If the benchmark lending rate is low banks can (4)_____ money cheaply from the central bank and then lend it to businesses and private individuals.
So more and more people are taking out loans.
To buy a car, build a house, invest in the (5)_____ _____ or purchase other consumer goods.
That leads to a growth in industry and creates jobs.
But when there is lots of money in circulation the risk of (6)_____ grows.
To keep inflation in check the central bank needs to raise its benchmark lending rate.
But that makes loans more expensive and (7)_____ _____ the economy.
Heavily indebted countries can find themselves (8)_____ to carry their huge interest burden.
But in principle at least, an independent central bank should not really be swayed by such (9)_____.
Its job its to keep prices stable.
That's why it must either lower or raise its regular benching rate to regulate the (10) _____ _____.



Finally, translate the text into Spanish.

Fill in the Blank

DEFLATION.
https://www.youtube.com/watch?v=SqV_m7SO7ak

(1)_____ is something that doesn't happen often.
Everything gets cheaper: coffee, shoes, bicycles.
This makes consumers happy but there's (2)_____; in the long run, it's bad for the economy because it means deflation.
With deflation, prices fall and you get more for your money,
but the money (3) _____ also decreases.
That's exactly the opposite of its (4) _____, inflation, here prices increase at the same high rate as the money supply.
In deflation, products, food and houses (5) _____ continuously but no-one can afford to buy them anymore because they don't have enough money.
How does this happen?
Consumers hear there is a crisis, become worried and buy less.
Companies can't sell their products so they are forced (6) _____ their prices.
But they can no longer cover their production costs, they must cut wages and (7) _____ employees.
In the end, only a few people have money and they are (8) _____ to spend it because they are waiting for prices to fall even further.
The result is a (9) _____ that drags everything into the abyss.
And what can be done to prevent this from happening?
Central banks can cut their interest rate.
They hope this will bring more money into circulation and encourage borrowing and stop deflation (10) _____.



Finally, translate the text into Spanish.