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US' Currency Monitoring List and India

Relevance: Prelims & GS Mains II; International Issues

Why in news?

- In its biannual report to Congress, the US' Treasury Department announced that it had **removed India, Italy, Mexico, Vietnam and Thailand** from the United States' Currency Monitoring list.

US' Currency Monitoring List

- Those countries are kept on this list, which **deliberately keep their currency depreciated** in order to promote exports to the US.
- As its name suggests, the list **closely monitors the currency practices and policies of some of the US' major trade partners.**
- Once on the list, an economy will **remain there for at least two consecutive reports** so that the Treasury can assess whether any improvements in performance is durable and not due to temporary factors.

Countries on the list

- These 7 countries are presently on the list:
 - China
 - Japan
 - Korea
 - Germany
 - Malaysia
 - Singapore
 - Taiwan

Why India has been removed from the list?

- India and four other countries were removed from the Monitoring List as it is apparent to the US that these countries do not adhere to any currency manipulative practices.
- India has been on the list for about two years.
- In its report, the Treasury Department explained why China still remained on the list. “China’s failure to publish foreign exchange intervention and broader lack of transparency around key features of its exchange rate mechanism makes it an outlier among major economies and warrants Treasury’s close monitoring.”

Global Dashboard for Vaccine Equity

Relevance: Prelims & GS Mains I; Social Issues



About the Global Dashboard for Vaccine Equity

- The Global Dashboard for Vaccine Equity is a joint effort by the United Nations Development Programme (UNDP), the World Health Organization (WHO) and the University of Oxford.
- The Global Dashboard for Vaccine Equity combines the latest data on the global roll-out of COVID-19 vaccines with the “most recent socio-economic information to illustrate why accelerating vaccine equity is not only critical to saving lives but also to driving a faster and fairer recovery from the pandemic with benefits for all.”
- It provides new, actionable insights and possibilities for policy makers to dive into the implications of vaccine inequity for socio-economic recovery, jobs and welfare.

Findings

- It has put out recent data that justifies the **drastic inequality** in vaccine distribution programme:
 1. **Only one in four people has been vaccinated** with at least one dose in **low and middle income countries** as of November 9, 2022.
 2. In comparison, in **high income countries**, **three in four people** have got at least one dose of the vaccine.

What's happened to crypto exchange FTX?

Relevance: Prelims & GS Mains III; Economics

Why in news?

- FTX needed a **bailout**, which its rival **Binance** seemed on the cusp of delivering.
- Then **Binance** reversed itself, saying it was pulling out of a deal to acquire the company.

What are FTX and Binance?

- FTX and Binance are **cryptocurrency exchanges**, meaning they enable customers to trade digital currencies for other digital currencies or traditional money, and vice versa. The two exchanges **process the majority of all crypto trades** in the world.
- **FTX**, one of the world's largest exchanges, is run by **Sam Bankman-Fried** and is headquartered in the **Bahamas**.
- **Binance, the largest exchange**, is run by billionaire **Changpeng Zhao**. The company has **no official headquarters**. Binance was also **early investor of FTX**.

Why did FTX run into trouble?

- FTX has a native cryptocurrency token called **FTT**, which traders use for operations like paying transaction fees. Last year, **Zhao sold his stake in FTX back to Bankman-Fried, who paid for it partially with FTT tokens.**
- On November 2, the **crypto publication CoinDesk** reported on a leaked document that appeared to show that **Alameda Research, a hedge fund run by Bankman-Fried, held an unusually large amount of FTT tokens.** FTX and Alameda are meant to be separate businesses, but the report claimed that they had close financial ties.
- **Binance announced on November 6 that it would sell its FTT tokens** “due to recent revelations”. In response, FTT’s price plummeted and traders rushed to pull out of FTX, fearful that it would be yet another fallen crypto company.
- FTX scrambled to process **requests for withdrawals**, which amounted to an estimated \$6 billion over three days. It seemed to enter a **liquidity crunch**, meaning it lacked the money to fulfill requests.

Impact on Cryptocurrency

- The cryptocurrency industry has long struggled to convince regulators, investors and ordinary customers that it is trustworthy.
- The **fall of FTX**, which seemed more stable than other companies, and the pullout by Binance have jolted the market.
- **FTT’s price has fallen about 80% in few days.** The **prices of bitcoin and ether, some of the most valuable tokens, have both fluctuated widely** in recent days.