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Measles in US:

Why in News?

The United States recorded 695 cases of measles in 2019, the most of any year since the disease was declared eliminated in 2000, health authorities said.

The high number of cases in 2019 is primarily the result of a few large outbreaks — one in Washington State and two large outbreaks in New York that started in late 2018," the Centers for Disease Control and Prevention said in a statement on Wednesday.

Reasons for Resurgence:

- The resurgence of the once-eradicated, highly-contagious disease is linked to a growing anti-vaccine movement in richer nations — which the World Health Organization has identified as a major global health threat.
- Outbreaks in the United States have mostly been confined to tight-knit communities where vaccination rates are lower than the national average of more than 90%.
- People infected with the virus brought it to the United States from Israel and Ukraine and passed it on to members of their communities, many of whom had not been vaccinated.

Background:

- The measles vaccines are among the most extensively studied medical products we have, and their safety has been firmly established over many years in some of the largest vaccine studies ever undertaken.

About Measles:

- **Measles** is a highly contagious infectious disease caused by the measles virus.
  Symptoms usually develop 10–12 days after exposure to an infected person and last 7–10 days.

- Initial symptoms typically include fever, often greater than 40 °C (104 °F), cough, runny nose, and inflamed eyes.
- Small white spots known as Koplik's spots may form inside the mouth two or three days after the start of symptoms.
- A red, flat rash which usually starts on the face and then spreads to the rest of the body typically begins three to five days after the start of symptoms

GS-3

Hydro power:

Why in News?

Earlier this month, the Union Cabinet approved a new hydroelectricity policy that, among other things, included large hydro projects within the ambit of renewable energy.

Prior to the policy, only small hydro projects of a capacity of less than 25 MW were treated as renewable energy. Large hydro projects were treated as a separate source of energy.

About Renewable Energy:

- India’s renewable energy sector had an installed capacity of 75,055.92 MW as of February 2019, according to data with the Central Electricity Authority.
- This made up about 21.4% of the overall energy mix, with the rest coming from thermal, nuclear and large hydro sources.
- With the inclusion of large hydro in renewable energy, the energy mix changes drastically.
- Renewable energy capacity would now be 1,20,455.14 MW or 34.4% of the overall energy mix.

No additional resources:

- It must be noted that this is a purely cosmetic change. No additional resources have been created through this policy.

- It is a reclassification of existing capacity.
- The policy has meant a drastic change in the renewable energy mix as well.
- Whereas earlier, wind energy contributed nearly 50% of all renewable energy capacity, it will now make up only 29.3%.
- Similarly, solar energy's share will fall from 34.68% to 21.61%.
- The hydro sector, however, will see its share grow from just over 6% to over 41%.

Huge imbalance

- There has been a huge imbalance in the thermal-hydro mix for the last few years because of a sharp growth in thermal and complete stagnation in hydro.
- The basic idea is to ramp up hydro because it provides grid stability which a renewable source like wind and solar do not. The key reasoning seems to be providing grid stability and a better energy mix."

Impact on PSUs

- Another benefit from the policy could be the effect on the stock prices of State-run hydroelectric companies such as NHPC and SJVN at a point when the government is looking to sell its stake in these companies.

IndAs :

Why in News?

The Reserve Bank of India (RBI) has deferred the implementation of the new accounting norms, Ind AS, indefinitely, as necessary amendments to the relevant law are yet to be made.

The move will bring huge relief to the banks which are yet to recognise stressed assets and make necessary provisions as that would require higher capital.

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Earlier deadline

- While the original plan was to implement these accounting norms by April 1, 2018, it had to be deferred by a year due to pending legislative amendments to the Banking Regulation Act, 1949, as also the level of preparedness of many banks.
- Now, the implementation has been deferred definitely.
- Ind AS for non-banking financial companies came into effect last year.
- Ratings agencies had pegged capital requirement by public sector banks at ₹1.1 lakh crore in the first quarter of the next financial year, if the new accounting norms were implemented.

Benefits of IndAs:

- In recent times, the banking regulator had raised concerns over 'divergence' in asset classification and provisioning, which means the reported numbers of a bank were lower than what RBI's inspection report had found.
- The implementation of Ind AS would have taken care of such issues, bankers said.

Bond Market:

***What are bonds*?**

- A bond is a debt instrument which acts as an IOU. It can be traded in financial markets like equities and other commodities.
- It is commonly used by governments to raise capital in order to fund domestic growth and development projects.
- Investors take on government debt, and in return, are assured a stream of revenue for the duration of the time it takes the bond to mature.
- Bonds issue coupons, which are interest payments made in part to the repayment of the capital that was borrowed. The final payment is made when the bond attains maturity. However, governments are not the only entities issuing bonds.

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Who buys bonds and why?

- Unlike equities, which are vulnerable to the vagaries of the stock market, investing in bonds is a relatively safer proposition since the capital is returned on maturity.
- The downside is that the returns on bonds may not be comparable to those of equities. Government bonds, also known as G-Sec, are issued by governments with maturity terms ranging from medium to long term.
- Till recently, government bonds used to be bought and sold on the secondary market only by institutional investors like provident funds, mutual funds, insurance companies and banks.
- However, in 2017, the RBI changed the rules to allow retail investors, this is anybody with a PAN card, to buy government bonds in the primary market.
- The RBI is the institutional entity that has been mandated with selling sovereign debt securities, or government bonds.

Do only governments issue bonds?

- Corporations also issue bonds to fund expansions and projects, or tide over budgetary deficits.
- Bonds issued by corporations are generally safer than equities, but some bonds offer an option to convert the instrument into stocks. Non-convertible corporate bonds offer coupons and function like any other bond.

How do bonds work?

- Consider a bond that is issued by a company or government for Rs.100 with a coupon of 7% for a period of five years.
- This implies that every year, the issuer will pay interest of 7%, while the principal will be refunded after the bond matures. What drives the bond market is the fact that bondholders are free to sell their bonds before maturity.
- The face value of a bond is what it sold for initially. Since they are transferable through sale in the bond market, their value fluctuates. The returns accrued by holders is measured by the yield, which is the rate of interest paid as coupons.

- Yield is calculated as the coupon divided by the value of the bond. It is multiplied by 100 to be expressed in percentage. In effect, yield = (coupon/value)*100)
- In the example considered above, if the face value of the bond fell to Rs.80, the yield would rise to 8.75%, that is (7/80)*100). Correspondingly, if the value rose to Rs.120, the yield would drop to 5.83%, that is (7/120)*100).
- It should be noted that even if the value of a bond fluctuates, the amount that can be redeemed after the term of maturity is reached is the face value, which is Rs.100 in this case. Bond yield is inversely proportional to its current value. The greater the yield, the lower the current market price of the bond.

Bond yields as an economic indicator

- Conventional metrics used by economists to diagnose the health of a country's economy include inflation, lending rate of the central bank, growth rate, and national income.
- However, bond yields are also a very prescient means of gauging the trajectory of an economy.
- As investors sell government bonds, prices drop, and yields increase. A higher yield indicates greater risk.
- If the yield offered by a bond is much higher than what it was when issued, there is a chance that the company or government that issued it is financially stressed and may not be able to repay the capital.

NHB:

Why in News?

The Reserve Bank of India (RBI) has divested its entire stake held in National Housing Bank (NHB), the regulator for housing finance companies, and National Bank for Agriculture and Rural Development (Nabard) to the government, which now holds 100% in these entities.

Background:

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- Divestment of RBI's stake in NABARD and NHB has its basis in the recommendation of Narasimham Committee II and the Discussion Paper prepared by RBI on Harmonizing the Role and Operations of Development Financials Institutions and Banks.

About NHB:

- **National Housing Bank (NHB)**, a Government of India owned entity, was set up on 9 July 1988 under the National Housing Bank Act, 1987.
- NHB is an apex financial institution for housing.
- NHB has been established with an objective to operate as a principal agency to promote housing finance institutions both at local and regional levels and to provide financial and other support incidental to such institutions and for matters connected therewith.

Function:

- NHB registers, regulates and supervises Housing Finance Company (HFCs), keeps surveillance through On-site & Off-site Mechanisms and co-ordinates with other Regulators.

China's Moon Mission:

Context:

Beijing plans to send a manned mission to the moon and to build a research station there within the next decade, state media reported Wednesday, citing a top space official.

China aims to achieve space superpower status and took a major step towards that goal when it became the first nation to land a rover on the far side of the moon in January.

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Details:

- It now plans to build a scientific research station on the moon's south pole within the next 10 years, China National Space Administration head Zhang Kejian said during a speech marking "Space Day", the official Xinhua news agency reported.
- Beijing plans to launch a Mars probe by 2020 and confirmed that a fourth lunar probe, the Chang'e-5, will be launched by the end of the year.
- Originally scheduled to collect moon samples in the second half of 2017, the Chang'e-5 was delayed after its planned carrier, the powerful Long March 5 Y2 rocket, failed during a separate launch in July 2017.

Other Developments:

- China on Wednesday also announced its Long March-5B rocket will make its maiden flight in the first half of 2020, carrying the core parts of a planned space station.
- The Tiangong — or "Heavenly Palace" — will go into orbit in 2022, the China Manned Space Engineering Office said.
- It is set to replace the International Space Station — a collaboration between the United States, Russia, Canada, Europe and Japan — which is due to be retired in 2024.
- Beijing last week also said it would launch an asteroid exploration mission and invited collaborators to place their experiments on the probe.

China now spends more on its civil and military space programmes than do Russia and Japan, and is second only to the United States. Although opaque, its 2017 budget was estimated at $8.4 billion by the Organization for Economic Cooperation and Development.