

CURRENCY EXCHANGE

Money makes the world go round; this statement is true yesterday, today and tomorrow. "When English settlers arrived in India, they were in search of spices and silk. In return for these requested items, the Indian (as in India) people requested gold." (60 Minutes aired 2/12/12) This exchange demonstrates what we know to be, "Money as a Medium of exchange: anything accepted as payment for products, services & resources." (Business, page.629, by Pride, Hughes & Kapoor, class text). This was currency exchange then and as times change, so does the various manners in mediums of exchange. Currency exchange is like a pendulum, depending on where one is at, whether it's English settlers in India or today with gold at, (\$ 1722.80 an ounce (USA Today, Commodities), with trading 'x' for 'y'. Depending on supply and demand, what you 'have' vs what you 'want' and the scarcity of it will be the deciding factor of price set, "Market Price: the price at which the quantity demanded is exactly equal to the quantity supplied", (Business, pg. 21) Currency exchange is trading one form of money for another at equal value 'perceived'.

Gold is a unique part of the discussion, it existed before the 'almighty' dollar and was the torch bearer of value. Exchanging money then was only port to port. Now, most of the time technology dictates electronic transfers. In regards to currency exchange, to convert one form of currency in exchange for another, there are a few methods to choose from. First, I could refer to a 'Currency per dollar chart' (USA Today, Currency), which lists, in alphabetical order, from the Austrian dollar to Taiwan dollar, the equal value to The American dollar. The value depicts equal rate over two days before, 6 months & 1 year ago. The benefit of this particular method is that as a consumer, you act as your own best advocate. This ensures that, as a consumer, you the 'tourist' are not being taken advantage of by ensuring you're receiving fair value and that no discrepancy exists. As a former U.S. President once said, "Trust but Verify", Ronald Reagan, during the 'Cold War'.

Secondly, a person can 'wire' money from one country to another. This can be done by using a wire transfer company that charges a flat rate or percentage of the total amount being wired; the agency on the receiving end of the 'wire' will automatically convert it to prevailing currency to the 'receiver' of funds.

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Thirdly, 'The vast majority of international business is negotiated in U.S. dollars, although the importer may end up paying for the merchandise in its local currency, the banks involved will exchange all necessary foreign funds in order to allow the deal to take place.' (Business, pge. 92, class text)
 They can set up the account, then for a nominal fee, exchange funds. This method works particularly well for a person or corporation that conducts business on an international level. For example, consider a coffee company located in the U.S. which also has a plant in Colombia where the beans are grown and used for their coffee. The firm has the plant in Colombia as it's most efficient for them to do so, as beans are plentiful, labor is cheap. Therefore, manufacturing beans is cheaper, and the overall task of overhead costs being cumbersome is much less due to the efficient use of business done on an International Level,

Payroll conversion would be through the banks. Money deposited in the U.S. in the Corporation International Merchant Account would automatically be converted to the foreign currency and checks 'cut' for the respective workers through the 'payroll' portion of the Business Account.

When dealing in credit cards, i.e. American Express, the 'Point-of-Sale (POS) terminals, is a computerized cash register' (Business, pge. 645) makes the automatic deductions from the respective account and also makes the necessary money conversions. Hence, the slogan, 'Why go anywhere less than American Express'.

Currency per dollar

| | Mon. | Pvs. | 6 mos. ago | Yr. ago |
|----------------------------|---------|---------|------------|---------|
| Australian dollar | .9317 | .9274 | .9552 | .9865 |
| British pound ¹ | .6318 | .6320 | .6112 | .6212 |
| Canadian dollar | .9965 | .9932 | .9796 | .9881 |
| Chinese yuan | 6.3052 | 6.3046 | 6.4450 | 6.5595 |
| Euro ² | .7619 | .7603 | .7010 | .7360 |
| Hong Kong dollar | 7.7538 | 7.7542 | 7.8076 | 7.7882 |
| Indian rupee | 49.055 | 48.615 | 44.685 | 45.620 |
| Israeli shekel | 3.7205 | 3.7078 | 3.5270 | 3.7151 |
| Japanese yen | 76.59 | 76.55 | 78.34 | 82.24 |
| Mexican peso | 12.6746 | 12.6766 | 12.0237 | 11.9950 |
| Norwegian krone | 5.8215 | 5.7996 | 5.4782 | 5.7627 |
| Singapore dollar | 1.2482 | 1.2420 | 1.2155 | 1.2747 |
| South African rand | 7.5662 | 7.5355 | 6.8827 | 7.2364 |
| South Korean won | 1121.62 | 1114.48 | 1059.54 | 1105.00 |
| Swedish krona | 6.7210 | 6.6816 | 6.4789 | 6.4851 |
| Swiss franc | .9190 | .9178 | .7666 | .9555 |
| Taiwan dollar | 29.61 | 29.50 | 29.06 | 29.05 |

1 - dollars per pound: 1.5827 2 - dollars per euro: 1.3125

Foreign markets

| Index | Mon. close | Prev. day | Chg. | Pctg. change Mon. | Pctg. change 2012 |
|----------------|------------|-----------|---------|-------------------|-------------------|
| Japan (Nikkei) | 8,929.2 | 8,831.93 | 97.27 | 1.1% | 5.6% |
| Sydney | 4,364.6 | 4,320.12 | 44.48 | 1.0% | 6.2% |
| Singapore | 2,940.1 | 2,917.95 | 22.15 | 0.8% | 11.1% |
| Mumbai | 17,707.3 | 17,605.00 | 102.30 | 0.6% | 14.6% |
| Shanghai B | 225.7 | 225.01 | 0.72 | 0.3% | 4.9% |
| Seoul | 1,973.1 | 1,972.34 | 0.79 | 0.0% | 8.1% |
| Mexico City | | | unch. | unch. | 2.8% |
| Frankfurt | 6,764.8 | 6,766.67 | -1.84 | -0.0% | 14.7% |
| Zurich | 5,575.6 | 5,579.91 | -4.31 | -0.1% | 4.3% |
| Dow indus. | 12,845.1 | 12,862.23 | -17.10 | -0.1% | 5.1% |
| Toronto | 12,559.9 | 12,577.28 | -17.43 | -0.1% | 5.1% |
| London | 5,892.2 | 5,901.07 | -8.87 | -0.2% | 5.7% |
| Hong Kong | 20,709.9 | 20,756.98 | -47.04 | -0.2% | 12.3% |
| Milan | 16,389.8 | 16,439.62 | -49.80 | -0.3% | 8.6% |
| Amsterdam | 325.1 | 326.33 | -1.27 | -0.4% | 4.0% |
| Stockholm | 1,074.1 | 1,078.66 | -4.55 | -0.4% | 8.7% |
| Johan. (Comp.) | 34,176.3 | 34,387.00 | -210.70 | -0.6% | 6.9% |
| Paris | 3,405.3 | 3,427.92 | -22.65 | -0.7% | 7.8% |
| Brussels | 2,288.4 | 2,304.58 | -16.23 | -0.7% | 9.8% |

Commodities

| Commodities | Mon. close | Prev. day | Chg. | Pctg. change Mon. | Pctg. change 2012 |
|---------------------------|------------|-----------|--------|-------------------|-------------------|
| CRB index | 314.23 | 314.12 | 0.11 | .0% | 2.9% |
| Cattle (lb.) | 1.24 | 1.24 | unch. | .1% | .7% |
| Coffee (lb.) | 2.19 | 2.16 | 0.03 | 1.3% | -3.6% |
| Copper (lb.) | 3.86 | 3.90 | -0.04 | -0% | 12.5% |
| Corn (bushel) | 6.44 | 6.45 | -0.01 | -0% | -4% |
| Ethanol (gal.) | 2.19 | 2.13 | 0.06 | .1% | -3% |
| Gasoline, unleaded (gal.) | 2.93 | 2.91 | 0.02 | .5% | 9.0% |
| Gold (troy oz.) | 1,722.80 | 1,737.90 | -15.10 | -0.9% | 10.0% |
| Hogs, lean (lb.) | .87 | .88 | -0.01 | -0.5% | 3.4% |
| Lumber (1,000 bd. ft.) | 272.50 | 262.50 | 10.00 | 3.8% | 10.3% |
| Natural gas (Btu) | 2.55 | 2.50 | 0.05 | 2.0% | -14.7% |
| Oil, heating (gal.) | 3.17 | 3.11 | 0.06 | 1.8% | 8.0% |
| Oil, lt. swt. crude (bar) | 96.91 | 97.84 | -0.93 | -0% | -1.9% |
| Platinum (troy oz.) | 1,629.80 | 1,631.90 | -2.10 | -0.1% | 16.4% |
| Silver (troy oz.) | 33.72 | 33.73 | -0.01 | -0% | 21.0% |
| Soybeans (bushel) | 12.33 | 12.33 | unch. | .0% | 2.9% |
| Wheat (bushel) | 6.69 | 6.61 | 0.08 | 1.2% | 2.4% |

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