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Beginners Guide to Currency Converting

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For people who need to deal with different currencies all the time whether to complete business transactions or for travelling, you need to have a basic knowledge about currency converters, exchange rates, and what fees you will have to pay.

Exchange rates:

This is the rate indicating the value of your money reflected in other currency terms. To explain the meaning of exchange rate; if you want to buy a bottle of juice in the United States that costs you $1 and the same bottle will cost you L.E 1.45 in Egypt, then the exchange rate of $1 is L.E 1.45.

Currency converters:

A tool to help you find the worth of any amount you have in a certain currency against foreigner currency. We will adapt the same exchange rates in the last example, if you have $100 and you want to know how much they worth in Egyptian pounds, you can use currency converter tools and the result will be L.E 145.

There are several kinds of currency converter tools; online currency converters are very good option, all you have to do is entering the amount and choose your currency and the foreigner currency you want to convert yours into and you will have the result immediately.

Calculators are another option but you will have to know the exchange rates in order to do it manually. If you have $90, the exchange rate to Egyptian pounds is 1.45; you should multiply 90*1.45 to get the result which will be L.E 130.5.

Currency converter calculators or stand alone currency converters are converter tools to know the worth of your money. You will have to feed the calculator with exchange rates daily and they will do the math for you without needing to multiply or divide anything like the case in calculators.

If you finally decided to convert the currency you have, you can go to banks or currency converting agencies. You will find two exchange rate categories which represent buy rate and sell rate.

Buy rate is the price which the company will use to give you certain currency amount and the sell rate is the price they are willing to sell the foreign currency for. The difference between the two rates is the bankâ€™s profit.

If you decided to withdraw foreign currency from ATM using your credit card, then the bank will charge you some fees especially if you were already out of the country. It is recommended that you should search and ask about all fees that might be charged to you before deciding to exchange currencies.

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Access current and historical rates for all the worldâ€™s currencies using the most popular currency converter. For more information please visit: a Currency Converter

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