

## Key rates

In March of 2014, NZ and China brokered a deal to allow direct exchange between their two currencies (NZ\$ and CNY, the Chinese Yuan). This removed the need to use in intermediate step of exchanging into US\$.

Use the exchange rates below to investigate the percentage cost of changing NZ\$ into CNY and then back into NZ\$. Compare that percentage cost with using US\$ as a intermediate currency to make the exchange back and forth.

NZ\$ → US\$ 0.846

US\$ → NZ\$ 1.168

US\$ → CNY 6.213

NZ\$ → CNY 5.314

CNY → US\$ 0.160

CNY → NZ\$ 0.188



Is the direct exchange deal worthwhile?