

# Reading Exchange Rates with a Single Hamburger: The Big Mac Index

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When you travel abroad, you soon notice that the same hamburger costs different amounts in different countries. In some countries it feels quite expensive in your own money, and in others it feels surprisingly cheap. If the price gap is this wide for a product that is almost identical in taste and size, the difference may hide a story about the value of the two countries' money. The clever way of turning this idea into a number is the 'Big Mac Index.' Put simply, the Big Mac Index is 'an indicator that compares the price of a Big Mac hamburger in countries around the world to gauge whether eac