

Forex Symbol «EURO vs Mexican Pesos» or «EURMXN»

EUR/MXN is not a very popular currency pair in the Forex market. EURMXN is the cross rate against the U.S. dollar. Although the U.S. Dollar obviously is not present at this currency pair, it still has a significant influence on it. This can be seen, if you combine two charts: EURUSD, USDMXN. By combining these two charts in the same price chart, you can get an approximate EURMXN chart.

The U.S. dollar has a significant influence on both currencies. For this reason it is necessary to take into account the major U.S. economic indicators for the correct prediction of a future course of this financial instrument. These indicators include: the discount rate, GDP, unemployment, new created workplaces indicator and many others. It is necessary to note that discussed currencies could respond with different speed on changes in the U.S. economy, therefore, EURMXN currency pair may be a specific indicator of change at these currencies.

To date, Mexico is one of the most developed countries in Latin America. The country ranks first among Latin American countries in terms of per capita income. The Mexican economy is largely composed of private sector, due to mass privatization of state enterprises mostly in the 80s of last century to overcome the economic crisis. For the most part the former state-owned enterprises in Mexico are owned by foreign companies.

Mexico is a member of NAFTA - the North American Free Trade Agreement. For this reason, this country has an active trade with their rich neighbors - the United States and Canada, which is a significant part of government revenue in Mexico.

Mexico is the largest exporter of oil in its region. To date, most of the revenues of the country generates oil sector. However, despite this, the main source of income for Mexico is the service sector.

Although Mexico has huge oil and gas reserves its natural hydrocarbons is strongly depleted. This makes the government of that country to reduce the amount of extracted oil and natural gas in order to avoid new problems in the economy. According to forecasts, with such a policy, Mexico will soon be forced to import oil from abroad, to meet the needs of its economy. All these circumstances have a significant impact on the currency of Mexico, which is largely dependent on world oil prices, which are formed in global financial markets. In addition, the Mexican peso exchange rate is highly dependent on international ranking of the country, which formed based on complex economic formulas by major rating agencies.

If you trade cross rates, it is necessary to remember that brokers are usually set a higher spread than the more popular currency pairs, so before you start working with the cross-rates, it should be carefully acquainted with the conditions offered by the broker to trade with specified trade instrument.