



Your money is precious. Don't let confusing terms and rates take your money.

Last updated
September 5,
2018



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Mid-market? Mid-rate? Middle rate? Standard rate?

Breaking down the many ways to describe an exchange rate.

When it comes to the money exchange market, a massive amount of words come into play to describe the same thing. In the foreign exchange market, it's easy to get confused—especially if you don't have a finance background.

So, here's the deal. This mid, or middle, business revolves around "buy" and "sell" rates, which can also be termed "bid" or "ask" rates. These are numbers that are fixed by currency traders. Traders will buy the currency at the "buy" or "bid" rate. The trader will then sell the currency to the customer at the "sell" or "ask" rate. Traders set a midpoint for the currency, which is a number that fluctuates all the time. The number is essentially based on how much supply and demand is going on for a currency at any particular time, and that number is known as the mid-market rate. So **a mid-market exchange rate is like an average of the moment, and equals a fair rate at that particular moment in time.**

It's a number that equals roughly what you should be paying, it's the number you see on Google or XE.com, and it's the number we use in our comparison of money transfer providers when we spell out to you what you will pay, and how it compares to the mid-market rate:

Compare your options now

Country from

Country to

You send

To

Compare

Send money from United States	Send money to Mexico	How much? 30.00 USD	To MXN	Refresh
The 7 best options to transfer USD to a bank account in Mexico				
Total cost -0.34 USD		Payment options Direct bank payment		
		Speed 3-5 days		

The screenshot shows a comparison of three international money transfer services. At the top, 'Transfer' is listed with a total cost of 1.2 USD, an exchange rate of 18.0300 (+0.11%), and fees of 0 USD. Below it, 'InstaRem' is shown with a total cost of 1.2 USD, an exchange rate of 18.4420 (+0.07%), and fees of 1.50 USD. A callout box states: 'InstaRem's exchange rate is 0.0714% better than the mid-market exchange rate, subtracting 0.21 USD from the total cost of the transfer.' At the bottom, 'WorldRemit' is listed with a total cost of 2.94 USD, an exchange rate of 18.4442 (-0.98%), and fees of 0 USD + 99 USD. Each option includes a 'Go to [Service]' button and a list of payment options and speeds.

The mid-market is the exchange rate that you should get. But lots of services will add a markup, meaning that they will offer you an exchange rate that is worse than the mid-market. In short, **they're selling you something more expensive than what they pay for.**

That's the thing about sending money internationally—if that markup is crazy high, you are losing a ton of money. That's why we highlight the difference between the exchange rate you are getting and the actual mid-market rate in a transparent way, so you can see how good (or bad) the exchange rate is.

This is also why we struggle to recommend sending money from your bank account to another person's bank account using traditional online banking services. Those traditional services often don't give you the best rate and they rarely show you how their (often inflated) exchange rate compares to the real mid-market rate. It's also why we don't recommend PayPal for international transfers. **Bluntly put: they're taking your money, and they're taking more than they need to.** Pffft.

If you're a math wizz or a finance expert—excellent! But don't worry if you aren't. Regardless, few of us have loads of time to research the mid-market rate AND do the math AND manually make all these comparisons. That's our job. We can't change the fact that there are far too many words kicking around that describe the same thing. But we can—and are—doing the math for you so you can quickly see what you will pay and how each exchange rate measures up to the mid-market rate.

Don't let ANYONE take your money.

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