



Exchange Rates, ATMs, and Cash in Yucatán: *March 2009 Update*

General Comments about Rates

Yucatán is a provincial state in the country of México. As well it is a highly visited tourist destination for international tourism. This has significance in terms of the value of your foreign currency. You can get a sense of value of the dollar or euro by checking rates at www.oanda.com – which is one of the more trusted FXTraders. However, the best rate you will see there is for high financing. On the streets, regardless whether you have cash or ATM cards, you will not get that rate.

México City (also called DF) is the place to get the best rate in the country. But, not in the airport! Thus, if you fly through DF then only change enough for immediate cash use as you continue your travels to the Yucatán.

The official exchange rate is higher than what you can find in Mérida, Cancun, and the Maya Riviera (Playa del Carmen, Tulum, Puerto Morelos). Even in terms of these locations the rate you get is varies significantly in terms of large transactions. Cancun and then Playa del Carmen will have the best rates at Casas de Cambios and Banks, Mérida will be next, then the rural but touristed towns of Pisté/Chichén, Tulum, Coba, Puerto Morelos, Holbox, and so on will have lower rates than the first mentioned urban cities.

Using US Dollars for Purchases at Stores

Generally speaking you do not want to exchange cash by using foreign currency at a store unless out of necessity and the amount is under say \$20. This is a general rule. However, there are some national chains of stores that actually give high rates that are close to the official rate. For example, if you pay in dollars at the convenient store called OXXO you can get surprising good exchange that equals a bank or the best caja de cambios (exchange booth). However, the 7/11 convenient store gives you a DREADFUL exchange rate!

Fortunately, there is an OXXO in Pisté where you can get quick cash in pesos for your dollars. This is the best place to exchange cash in Chichén. Consider one day, March 14, 2009, when the OXXO rate was 14.97 and the street rate was 14. On that same day the rate at the best casa de cambios in Mérida was 14.80 (located at the Hotel Fiesta Americano). The range of rates was 14.20 or 14.5 at the casas de cambio in the downtown tourist areas of

Mérida. While low this was still higher than the store exchanges of cash from 13 to 14 pesos to the dollar.

Using Credit Cards to Make Purchases

Credit Cards can be good or bad to use depending on the foreign exchange policy of the bank that issued the card. On the face of it, the credit card gives you a higher exchange rate than using US\$ cash or a casa de cambios exchange. However, it has become standard for bank credit cards to charge a foreign transaction fee. Consider the following: On March 24, I used the same Mexican Bank ATM with two different cards.

ATM Debit Card	Indiana Univ. Credit Union	BankofAmerica
Maximum ATM Withdrawal	\$300	\$500
Foreign Transaction Fee:	.8 %	1%
Local Bank ATM Fee	zero	\$5
Example from March 24, 2009		
Cash Pesos withdrawn from ATM	4200	4600
US \$ deducted from account	\$294.29	\$321.22
Exchange Rate Before Fees	14.27	14.32
Transaction Fee	\$2.35	\$3.21
ATM Use Fee	–	\$5.00
Total Fees	\$2.35	\$8.21
Total US\$ charged to account	\$296.64	\$329.43
Effective Exchange Rate	14.158	13.963

Credit Card Purchases	International Transaction Fee
BankofAmerica – Mastercard	3%
IU Credit Union – Visa	.8%