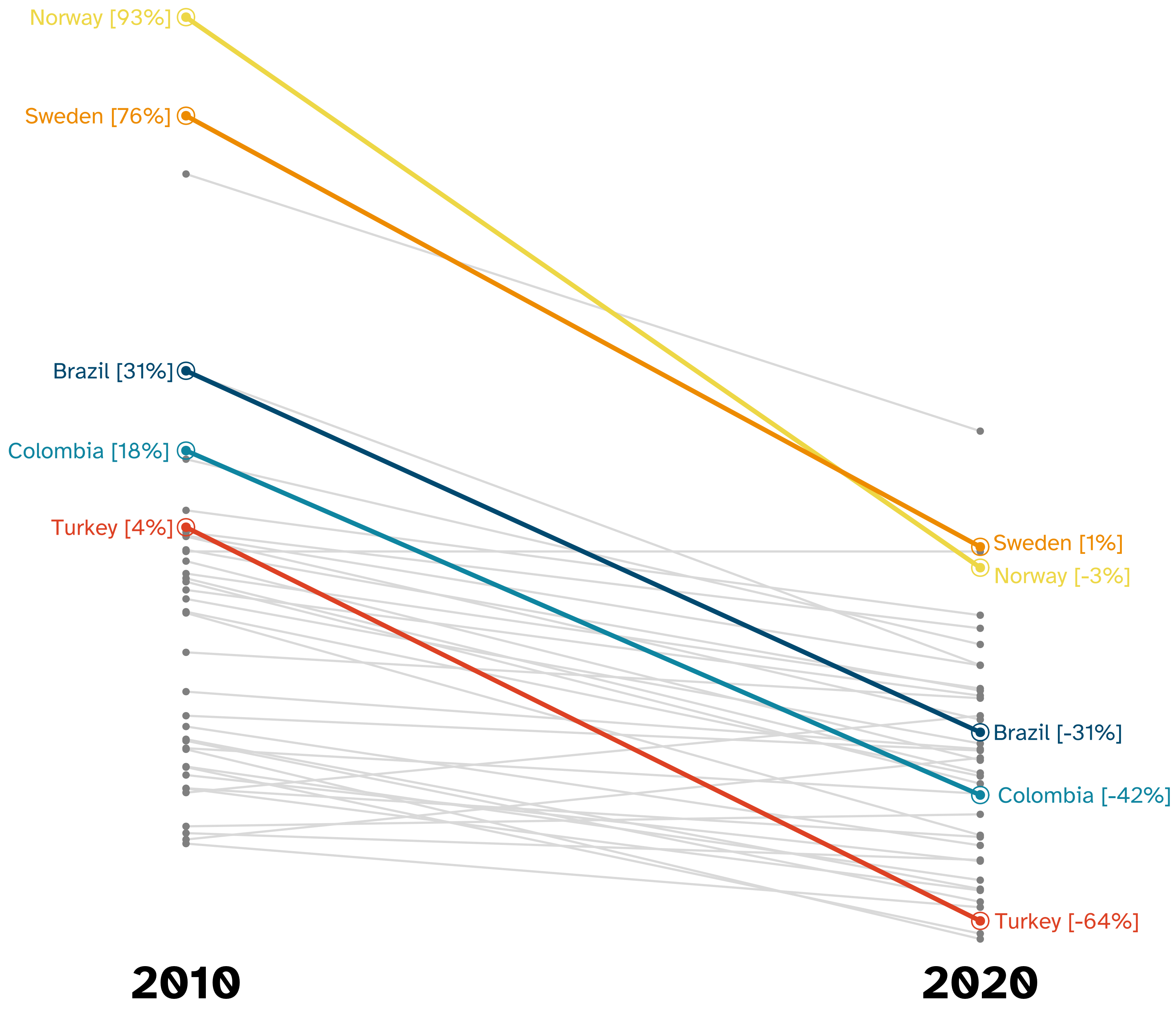
What is the BIG MAC Index?

The BIG MAC index is based on the theory of purchasing-power parity (PPP), the notion that in the long run exchange rates should move towards the rate that would equalise the prices of an identical basket of goods and services (in this case, a burger) in any two countries. - **The Economist**

In the chart below, each point represents a country and shows how the index has changed over the last decade.
A positive (negative) number indicating that the country's currency is overvalued (undervalued) relative to the US dollar.



Data: The Economist | **Plot:** Kaustav Sen