

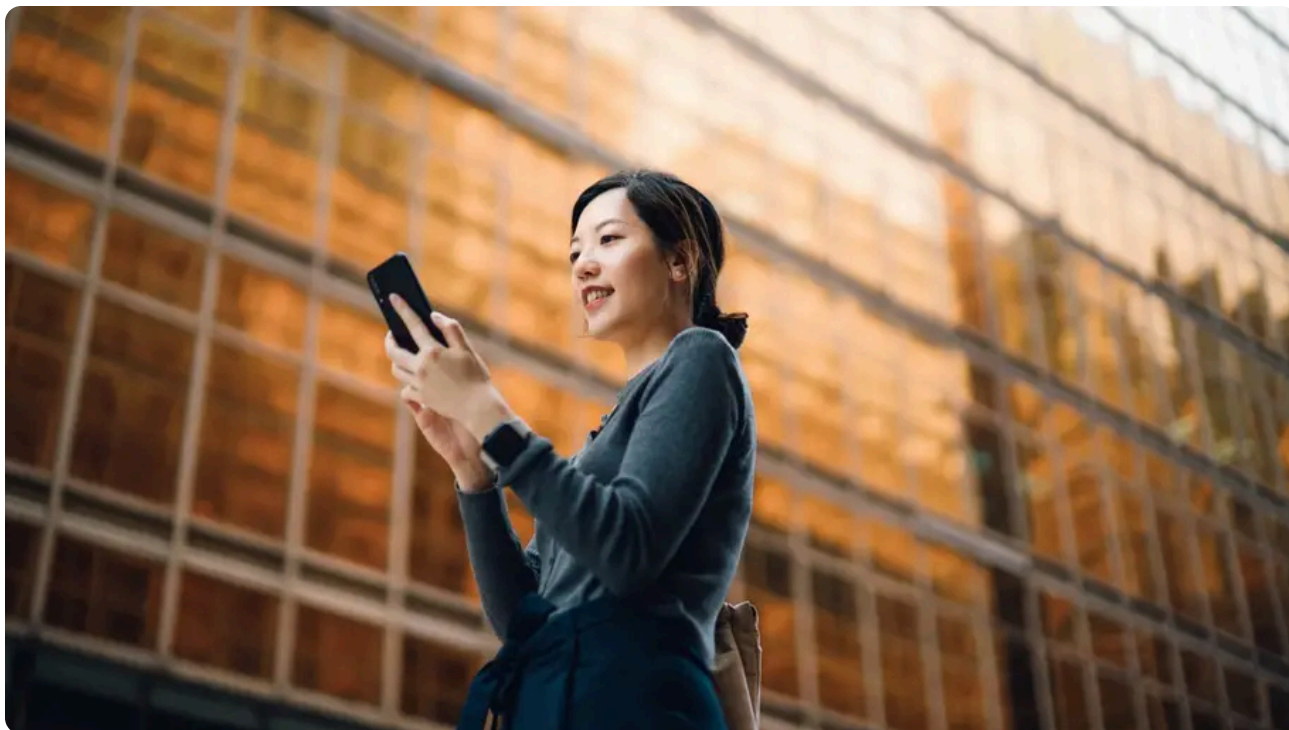
What are the strongest value currencies in the world?



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Currency strength serves as a key indicator of a nation's economic health, political stability and financial policies. While numerous factors influence currency values,

consistent economic performance and institutional stability often determine a currency's global standing.

Understanding these dynamics is essential for investors navigating the [foreign exchange market](#) (forex) and analyzing international financial trends. Here's a look at the strongest currencies in the world.

Factors that contribute to currency strength

Various factors impact a currency's strength. Many of these factors are interrelated, but they all largely point to two key areas — stability and economic strength. Here are four key areas that impact currency strength.

Interest rates

Interest rates are closely connected to exchange and inflation rates. Central banks establish interest rates for various reasons. According to Pete Mulmat, CEO of tastyfx, "Interest rates directly influence currency demand. Higher interest rates typically lead to a stronger currency as foreign investment increases along with inflows seeking higher yields."

As the hunger for a specific currency increases, so does its value. This is similar to other investments, such as stocks. When more people purchase a stock, the value of the stock increases.

Inflation

[Inflation](#) isn't always met with consumer approval. In small doses, inflation can be good for currency, as it's a sign of a robust economy. However, hyperinflation can

have the opposite effect.

Inflation directly impacts the price of exports. If prices rise too much, demand for goods from foreign countries will decrease. Worse yet, it can cause citizens to purchase foreign products at a lower price, which can reduce the purchasing power of a nation's currency.

Political stability

Stability is closely tied to strength. Investors typically want to invest in something stable. Political unrest can lead to tumultuous economies and drive away currency traders.

Recent events demonstrate this relationship — for instance, the British pound's volatility following Brexit in 2016 highlighted how political decisions impact currency values.

“The perception of future economic conditions, such as potential interest rate moves or political instability, can lead traders to position themselves accordingly,” Mulmat says. “This can sometimes happen even ahead of actual economic events.” In short, uncertainty isn't good.

Economic performance

Trade balance, an increasing [gross domestic product](#) (GDP), and export diversity all contribute to currency strength. For example, if a country in the Middle East is oil-rich and funds its economy via oil exports, demand for the currency will likely [follow](#).

The reverse is also true; if export prices fall, demand for the currency will probably fall. As supply and demand ebb and flow within a given economy, so does the

currency.

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Top 10 strongest currencies in the world

The following [exchange rates](#) come from the [Bankrate currency calculator](#). These rates are accurate as of January 14, 2025, and fluctuate regularly. Rates should always be verified through official sources for the most current values.

1. Kuwaiti dinar

The Kuwaiti dinar, or KWD, is currently the strongest currency in the world. You'll currently only receive 0.31 KWD for one United States dollar (USD).

Kuwait is a small country between Iraq and Saudi Arabia at the tip of the Persian Gulf. It [has roughly 7 percent of the world's oil reserves](#) and produces over three million barrels daily, which largely drives the value of its currency.

2. Bahraini dinar

The Bahraini dinar, or BHD, is the second-strongest currency in the world. Traders will receive 0.38 BHD for one USD.

Bahrain is a wealthy Middle Eastern nation located between Saudi Arabia and Qatar. The BHD draws its strength from Bahrain's [attractive investment climate](#). Furthermore, the nation [has vast oil reserves](#) and produces numerous petroleum-based products.

3. Omani rial

The Omani Rial, or OMR, is another valuable world currency. Traders will currently receive 0.39 OMR for one USD, making the OMR close to the BHD in strength.

Oman is a nation on the southeastern coast of the Arabian Peninsula and [one of the oldest independent countries](#) in the Arab world. It's also a significant oil producer, going back to the 1960s, [and produces over 1 million barrels of oil daily](#).

4. Jordanian dinar

The Jordanian dinar, or JOD, is the fourth-strongest currency in the world. Traders will currently receive 0.71 JOD for one USD.

Jordan is in southwest Asia, near Syria and Iraq. Whereas other nations in the region are oil-rich, [Jordan is not](#). Rather, Jordan's resources are more diverse, with a [variety of minerals](#).

5. British pound

The British pound, the pound sterling or GBP, is the fifth-most valuable currency in the world. One of the oldest currencies on our list, it [first saw circulation in 1489](#). Today, traders will receive 0.82 GBP for one USD.

A long and reliable history, competitive [inflation rates](#), and London's position as a global financial nerve center contribute to the relative stability of the GBP.

6. Gibraltar pound

The Gibraltar pound, or GIP, is tied with the GBP as the fifth-most valuable currency in the world. The nation used Spanish and British coins in the 19th century, [with the GIP replacing it in 1927](#).

Traders will receive 0.82 GIP for one USD. The GIP's ties to the GBP and [its booming tourism](#) and finance sectors drive its value.

7. Cayman Islands dollar

The Cayman Islands dollar, or KYD, is the seventh strongest currency in the world. Traders will receive 0.83 KYD for one USD.

Located in the western Caribbean, the Cayman Islands are a tourist destination. However, what drives the most value is [its taxation structure](#). There's no direct taxation, leading many companies to register on the island. Those two factors create substantial economic activity for the island nation.

8. Swiss franc

The Swiss franc, or CHF, is the eighth-most valuable currency in the world. Traders will receive 0.92 CHF per USD.

Many investors view the Swiss franc as a safe haven currency — one to flock to in times of chaotic international events. Furthermore, the country is known for placing currency stability [before the concerns of exporters](#).

9. Euro

The euro, or EUR, is the ninth-strongest currency in the world. The euro [can be used in 20 of its member nations](#), and traders will receive 0.98 EUR per USD.

The euro boasts participation from strong member countries like Germany and Spain. Additionally, the currency is used worldwide and often viewed as the second-most-important currency globally, with 60 nations and territories outside the EU linking their currency to the euro.

10. United States dollar

Despite its global use, the USD is the tenth most valuable currency globally. Since the end of World War II, the dollar has been the [reserve currency of the world](#) and is the top currency used for international trade. This allows the American government to borrow money at lower interest rates.

The bottom line

Trading currencies can be a lucrative endeavor for the right trader. The FX market sees nearly \$4 trillion in daily contracts as of 2023, [according to the CFA Institute](#).

While the most stable currencies may seem random, they all share similarities. Most nations have valuable natural resources they export; some offer centuries of stability, and others have substantial economies. Knowing which currencies are stable can be valuable for traders wanting to [protect themselves against losses](#) on the forex market.

Frequently asked questions

Which currency is the most stable worldwide?



Which currency has the strongest value globally?



What factors drive the Kuwaiti dinar's high value?



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