



# China Sourcing Update

May 4, 2017

## Transportation Cost

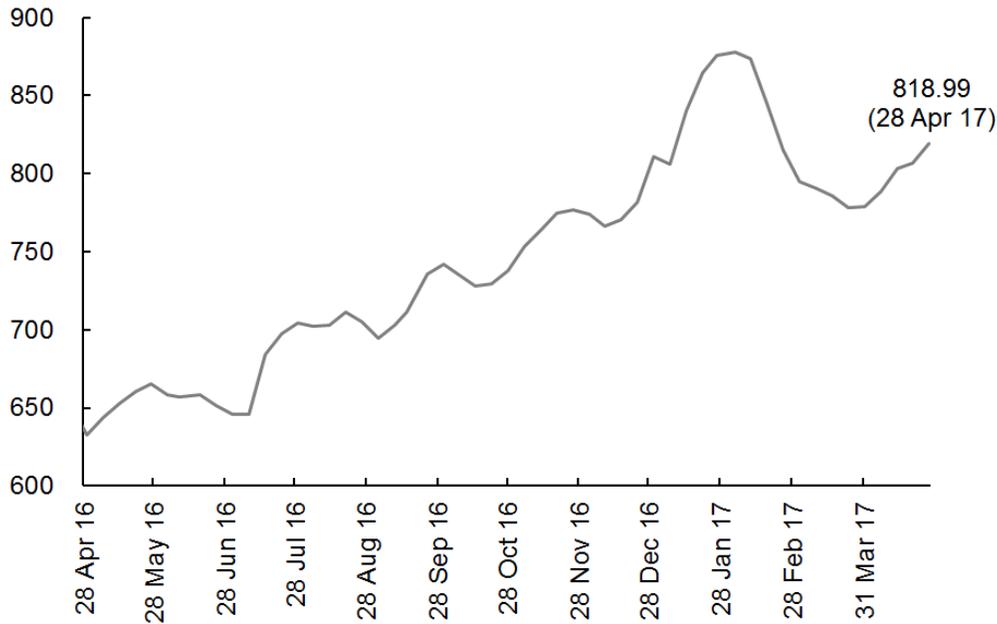
### China Containerized Freight Index rises in April

The China Containerized Freight Index (CCFI) went up from 778.83 on 31 March to 818.99 on 28 April (see *exhibit 1*).

The main reasons for the rise in the index in the month were that a number of carriers raised freight rates in late March, and that shipments surged in late April as exporters rushed to send their goods out of China before the Labour Day holiday.

Looking forward, we expect the China Containerized Freight Index to peak soon, as the demand for containerized freight services is likely to fall after the Labour Day holiday, in particular for Mediterranean and Persian Gulf / Red Sea routes with the approach of the Islamic fasting month of Ramadan.

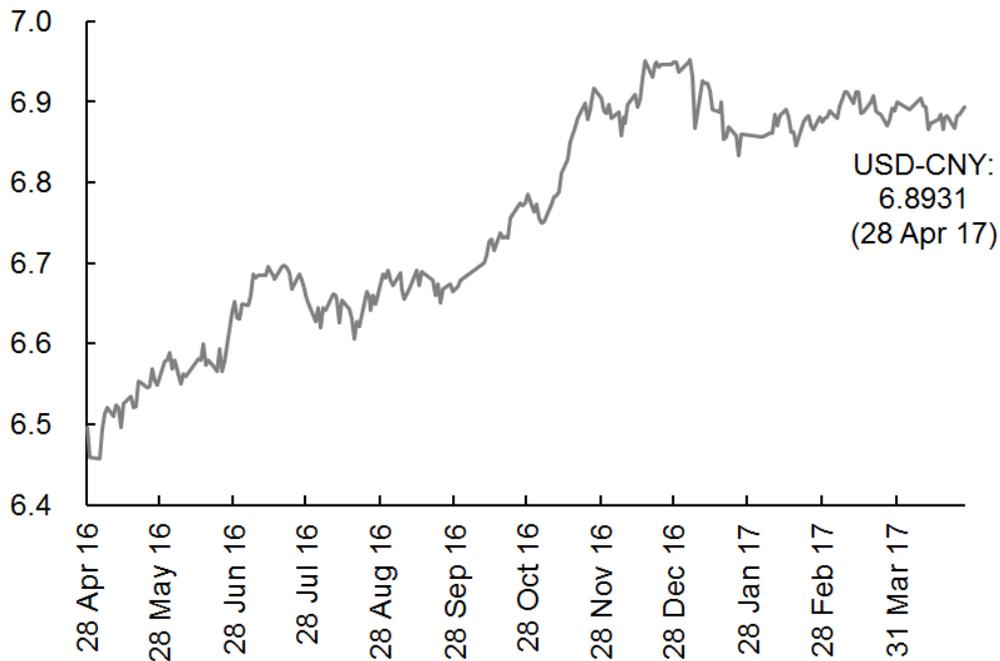
**Exhibit 1: China Containerized Freight Index, April 2016 to April 2017**



Source: Shanghai Shipping Exchange

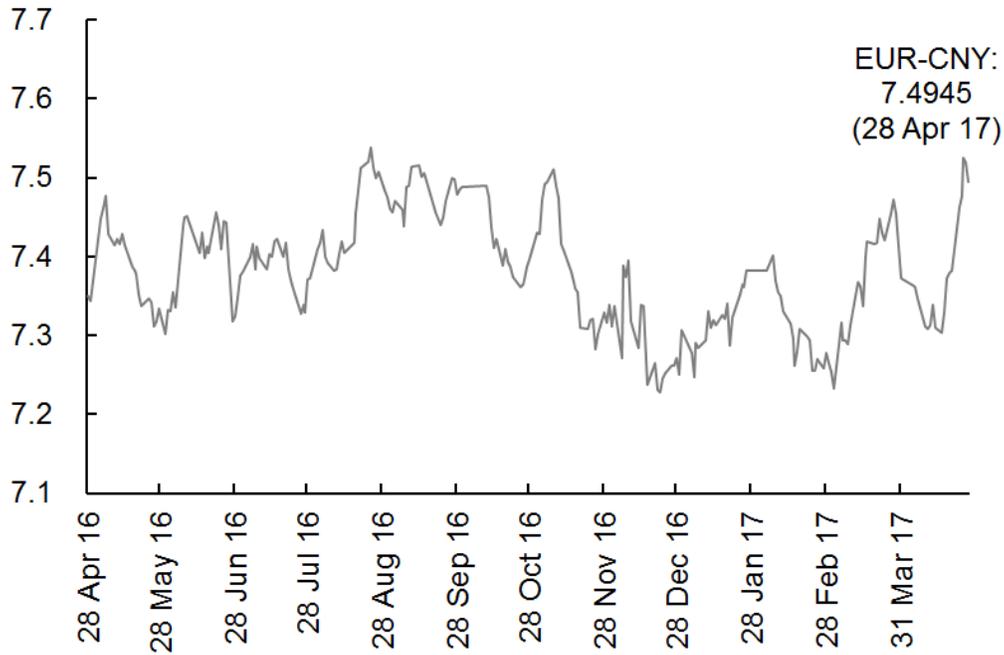
## Exchange Rates

**Exhibit 2: USD-CNY daily fixing rate, April 2016 to April 2017**



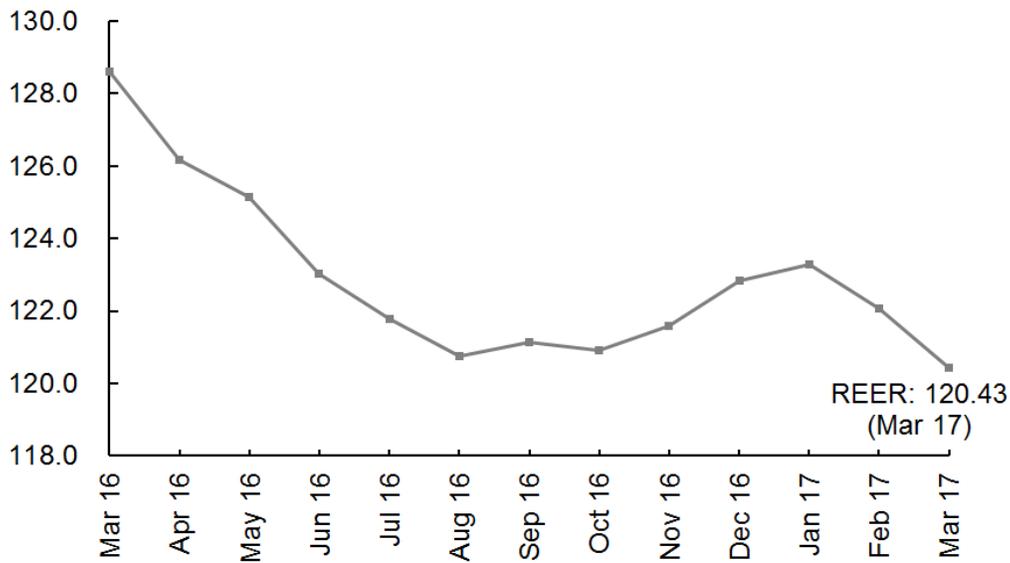
Source: State Administration of Foreign Exchange

**Exhibit 3: EUR-CNY daily fixing rate, April 2016 to April 2017**



Source: State Administration of Foreign Exchange

**Exhibit 4: Real effective exchange rate of the Chinese yuan, March 2016 to March 2017**



Source: Bank of International Settlements

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