



# China Sourcing Update

August 3, 2016

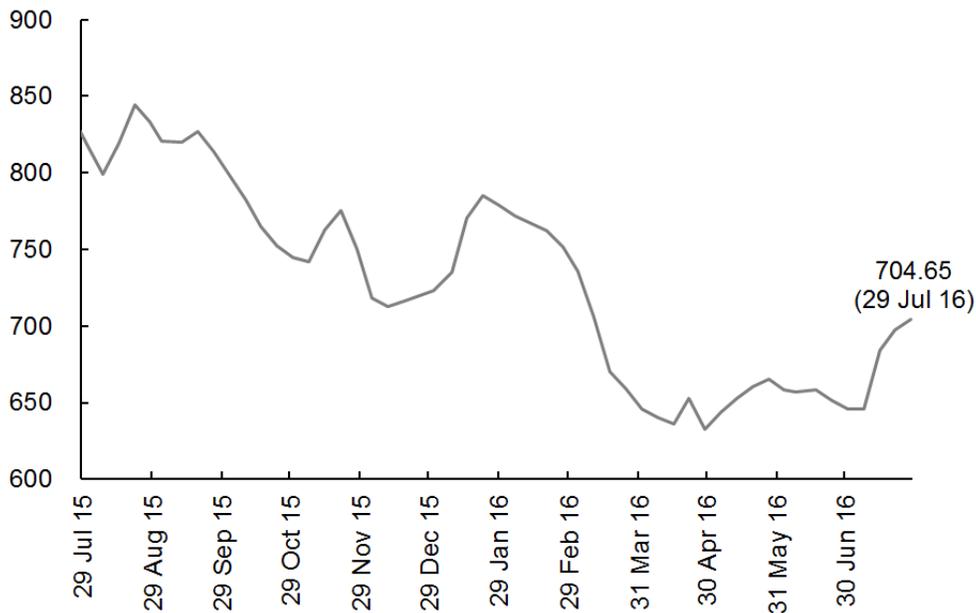
## Transportation Cost

### China Containerized Freight Index rises in July

The China Containerized Freight Index (CCFI) picked up from the recent low of 645.6 on 1 July to 704.65 on 29 July, the highest level since mid-March (see *exhibit 1*). The main reason for the rebound in the price index was the improvement in market demand for European routes and North American routes in the month, due largely to seasonal factors.

According to the latest media reports, a number of carriers have further raised freight rates lately; and the demand for containerized freight services is expected to remain strong in the current high season. Thus, we predict the China Containerized Freight Index to stay at high levels in the coming future.

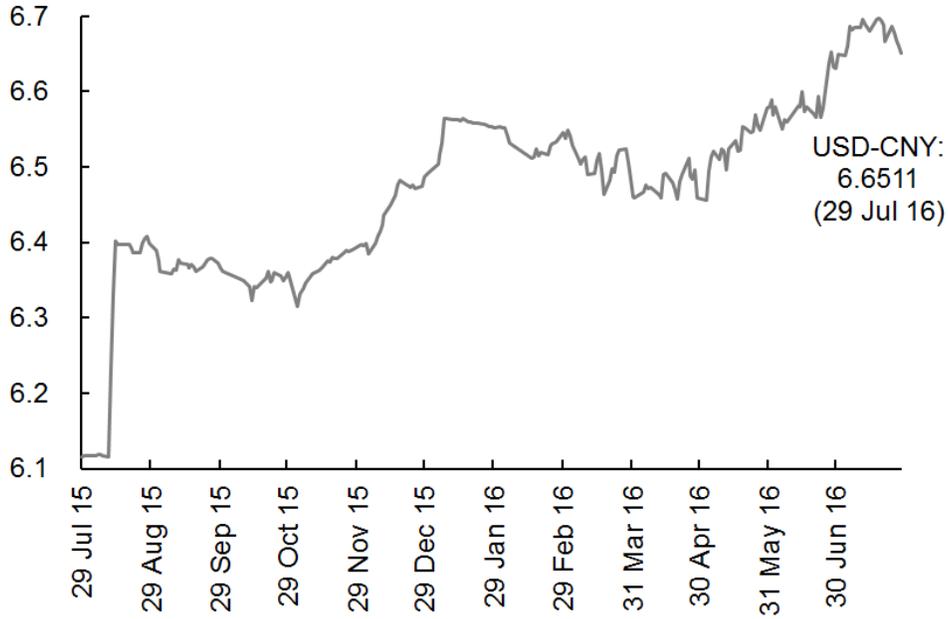
**Exhibit 1: China Containerized Freight Index, July 2015 to July 2016**



Source: Shanghai Shipping Exchange

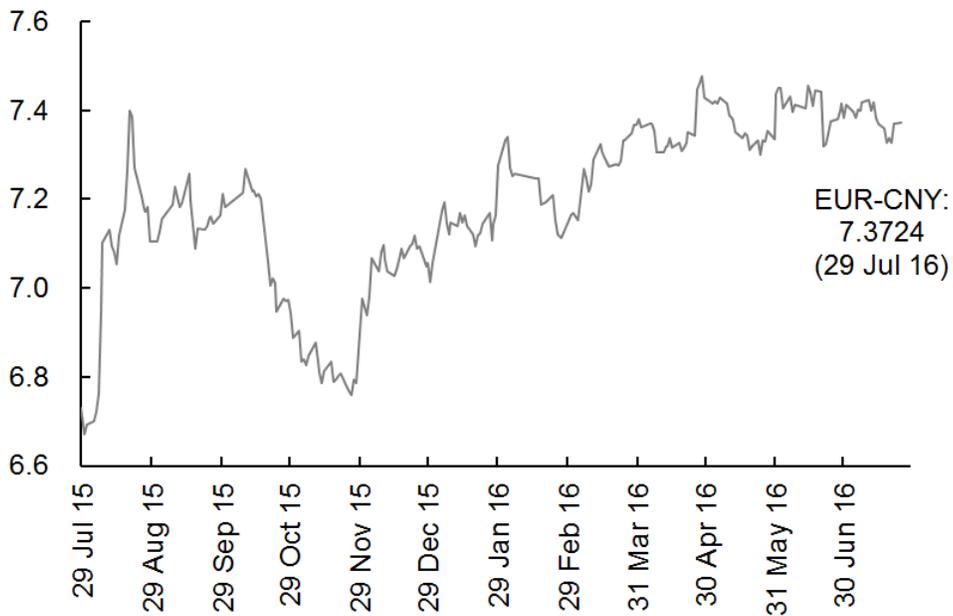
## Exchange Rates

**Exhibit 2: USD-CNY daily fixing rate, July 2015 to July 2016**



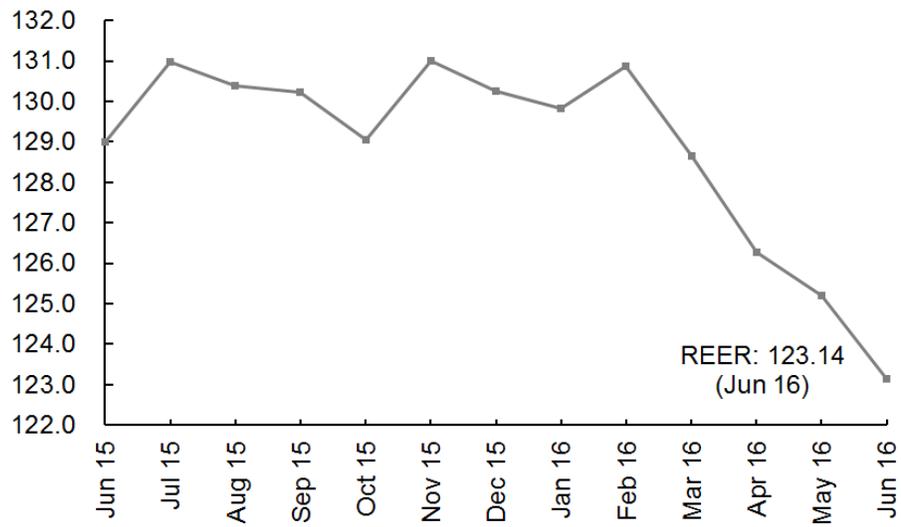
Source: State Administration of Foreign Exchange

**Exhibit 3: EUR-CNY daily fixing rate, July 2015 to July 2016**



Source: State Administration of Foreign Exchange

**Exhibit 4: Real effective exchange rate of the Chinese yuan,  
June 2015 to June 2016**



Source: State Administration of Foreign Exchange

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