



China Sourcing Update

April 9, 2019

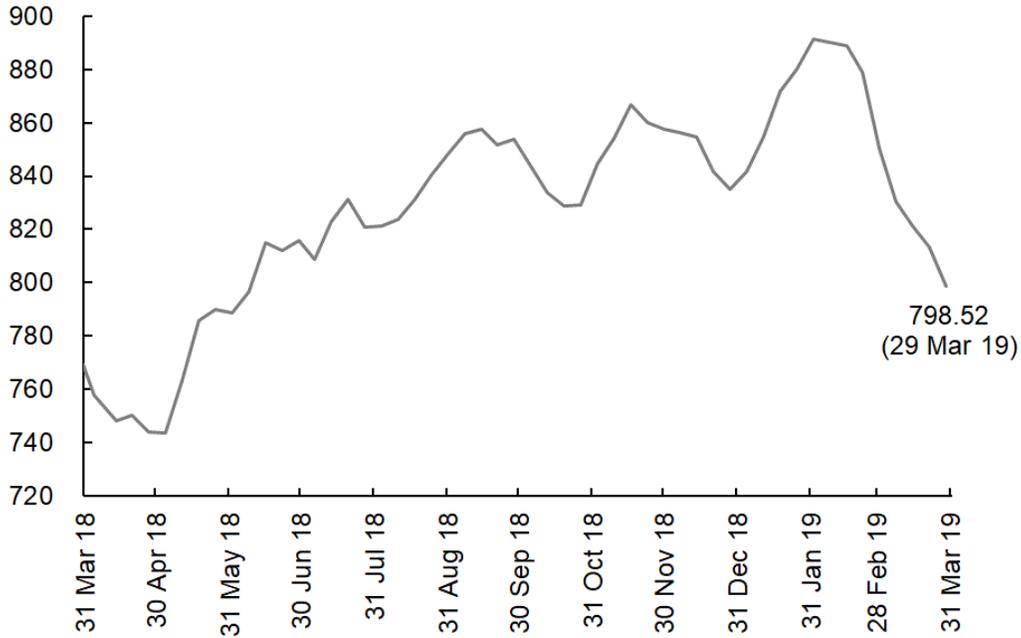
Transportation Cost

China Containerized Freight Index drops sharply in March

The China Containerized Freight Index (CCFI) plummeted from 878.77 on 22 February to 798.52 on 29 March (see *exhibit 1*). The fall in the index in the month was caused by a weak market demand for containerized freight services after the Chinese New Year holidays.

According to the latest media reports, the market demand for containerized freight services has been recovering lately. Therefore, we expect the China Containerized Freight Index to stabilise in the near term.

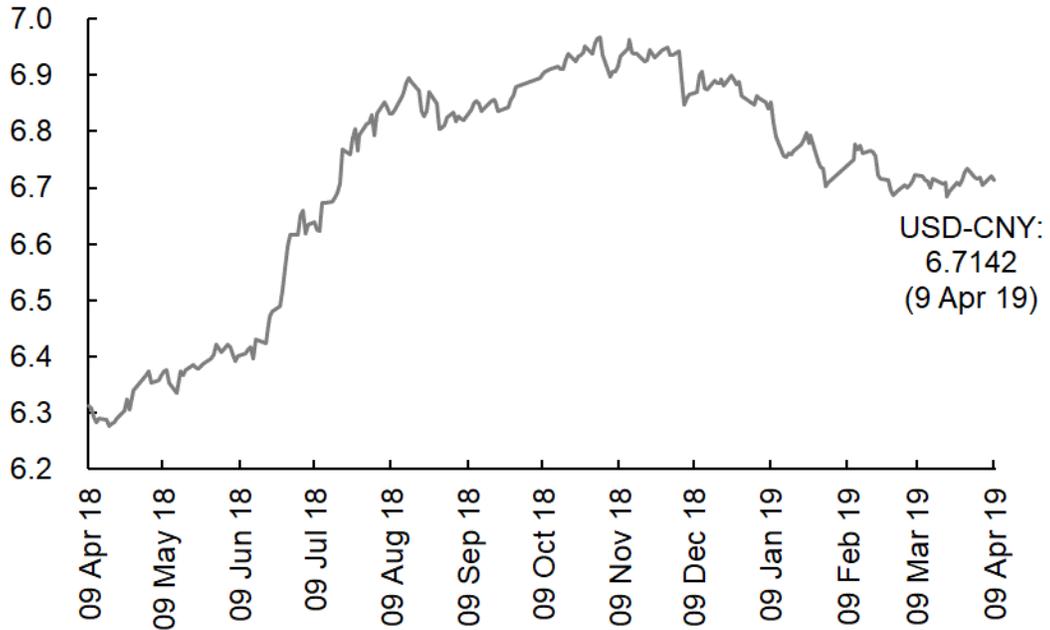
Exhibit 1: China Containerized Freight Index, March 2018 to March 2019



Source: Shanghai Shipping Exchange

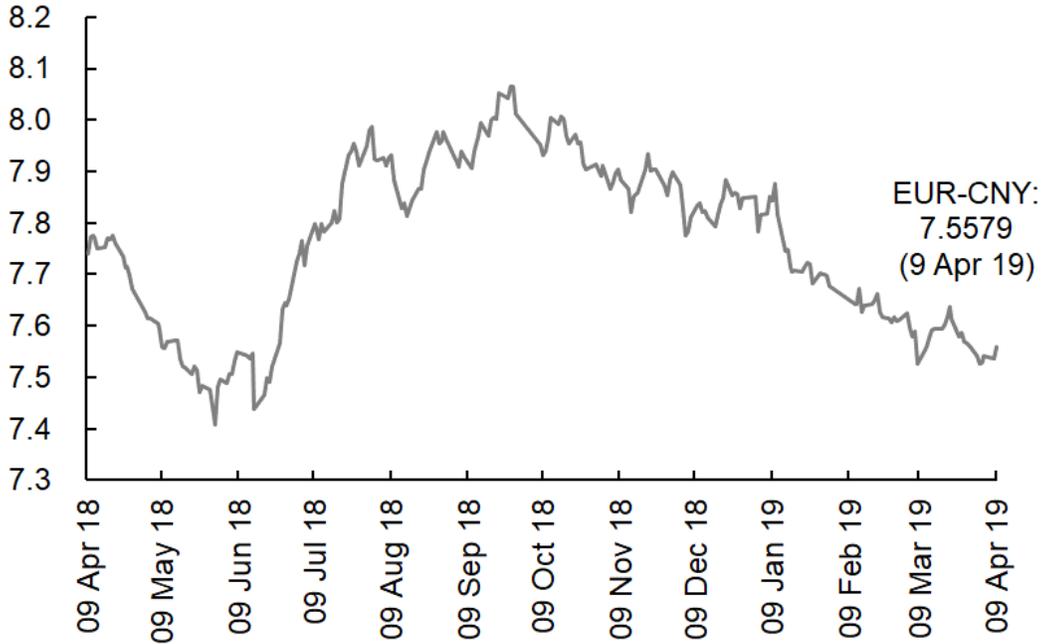
Exchange Rates

Exhibit 2: USD-CNY daily fixing rate, April 2018 to April 2019



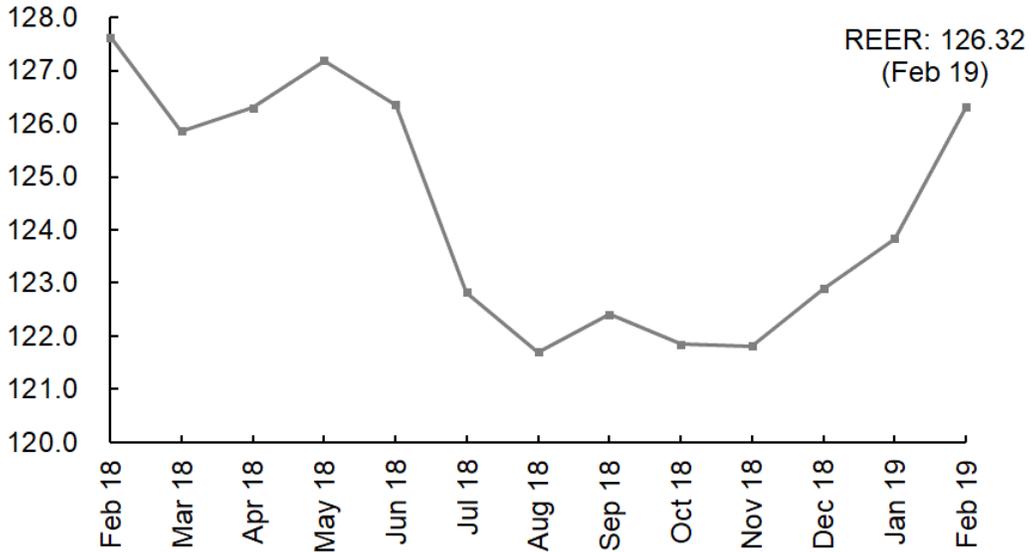
Source: State Administration of Foreign Exchange

Exhibit 3: EUR-CNY daily fixing rate, April 2018 to April 2019



Source: State Administration of Foreign Exchange

Exhibit 4: Real effective exchange rate of the Chinese yuan, February 2018 to February 2019



Source: Bank of International Settlements

FUNG BUSINESS INTELLIGENCE

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