



# China Sourcing Update

June 10, 2016

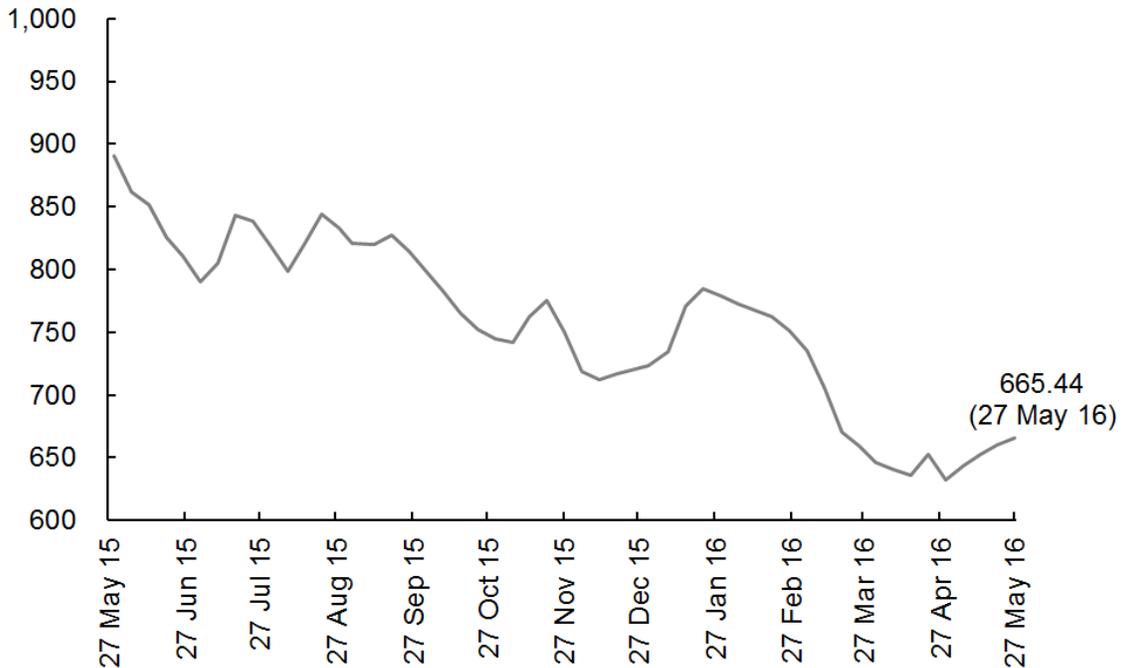
## Transportation Cost

### China Containerized Freight Index rebounds

The China Containerized Freight Index (CCFI) picked up from the record low of 632.36 on 29 April to 665.44 on 27 May (see *exhibit 1*). The main reasons for the rebound of the price index were that major carriers reduced their active capacities in May and that the market demand showed some improvements for European routes for the month.

That being said, the overcapacity problem among carriers remains and the overall demand for containerized freight is still sluggish. Looking ahead, we predict the container freight rates to stay at low levels in the coming future.

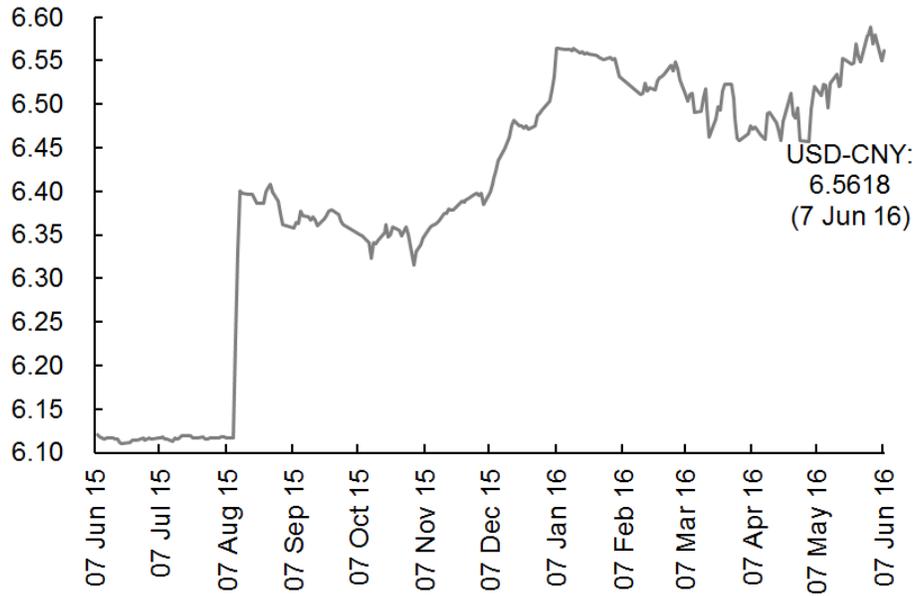
**Exhibit 1: China Containerized Freight Index, May 2015 to May 2016**



Source: Shanghai Shipping Exchange

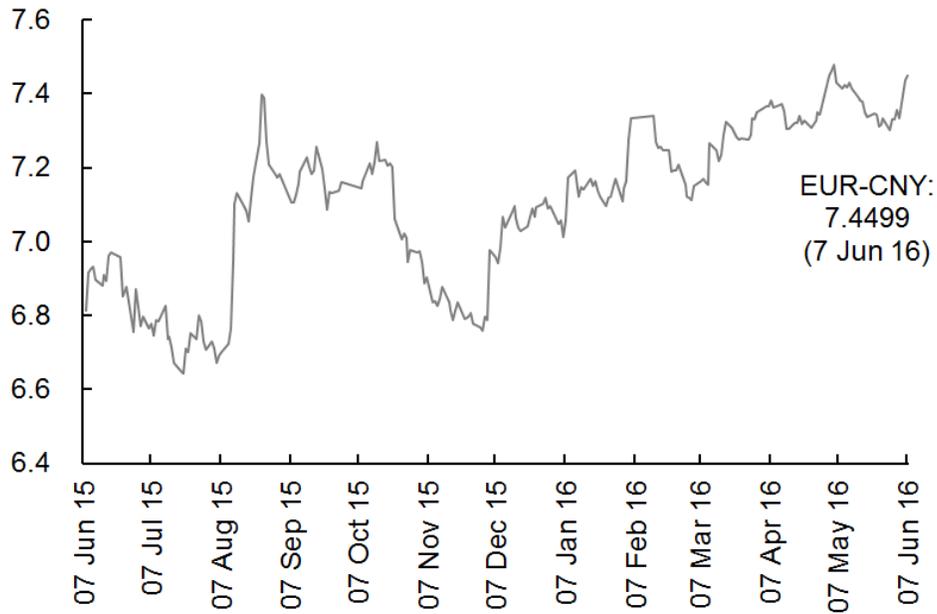
## Exchange Rates

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



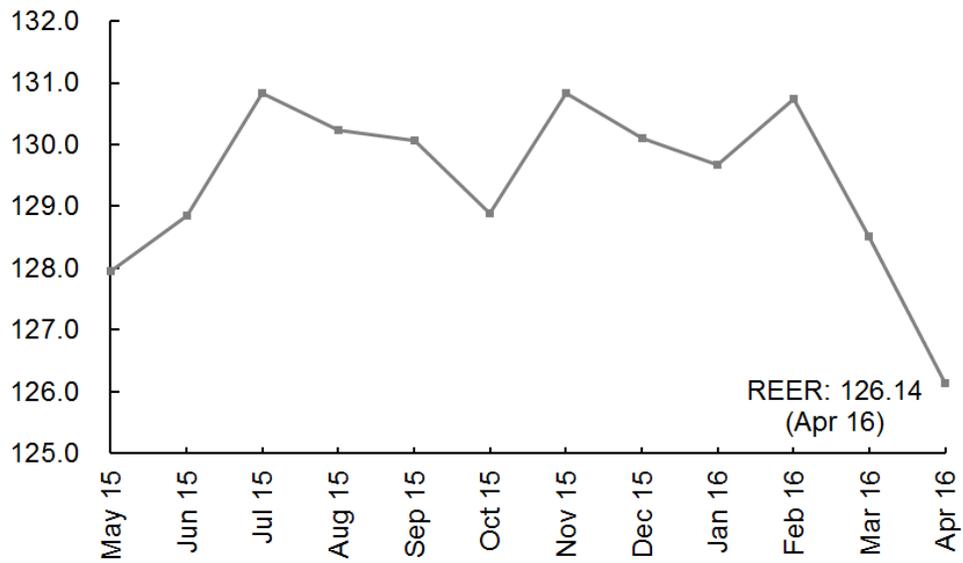
Source: State Administration of Foreign Exchange

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



Source: State Administration of Foreign Exchange

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



Source: Bank of International Settlements

## FUNG BUSINESS INTELLIGENCE

**Fung Business Intelligence** collects, analyses and interprets market data on global sourcing, supply chains, distribution, retail and technology.

Headquartered in Hong Kong, it leverages unique relationships and information networks to track and report on these issues with a particular focus on business trends and developments in China and other Asian countries. Fung Business Intelligence makes its data, impartial analysis and specialist knowledge available to businesses, scholars and governments around the world through regular research reports and business publications.

As the knowledge bank and think tank for the Fung Group, a Hong Kong-based multinational corporation, Fung Business Intelligence also provides expertise, advice and consultancy services to the Group and its business partners on issues related to doing business in China, ranging from market entry and company structure, to tax, licensing and other regulatory matters.

Fung Business Intelligence was established in the year 2000.

The **Fung Group** is a privately held multinational group of companies headquartered in Hong Kong whose core businesses are trading, logistics, distribution and retailing. The Fung Group employs over 46,800 people across 40 economies worldwide, generating total revenue of more than US\$24.65 billion in 2014. Fung Holdings (1937) Limited, a privately held business entity headquartered in Hong Kong, is the major shareholder of the Fung group of companies.

### CONTACT

Helen Chin  
Vice President  
Global Sourcing

Fung Business Intelligence  
10/F LiFung Tower,  
888 Cheung Sha Wan Road  
Kowloon, Hong Kong

T: (852) 2300 2470  
F: (852) 2635 1598  
E: [fbicgroup@fung1937.com](mailto:fbicgroup@fung1937.com)  
W: <http://www.fbicgroup.com>



© Copyright 2016 Fung Business Intelligence. All rights reserved. Though Fung Business Intelligence endeavours to ensure the information provided in this publication is accurate and updated, no legal liability can be attached as to the contents hereof. Reproduction or redistribution of this material without prior written consent of Fung Business Intelligence is prohibited.