



# China Sourcing Update

November 27, 2019

## Transportation Cost

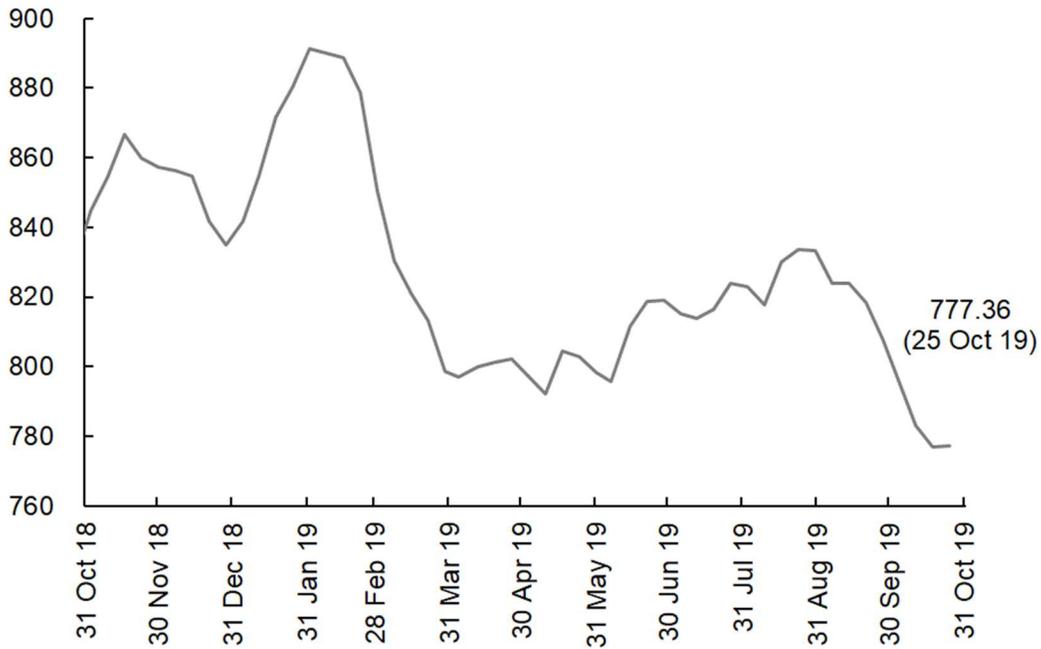
### China Containerized Freight Index falls in October

The China Containerized Freight Index (CCFI) declined from 807.84 on 27 September to 777.36 on 25 October (see exhibit 1).

The decrease in freight rates in October was mainly due to the low demand for containerized freight services during the week-long National Day holiday in China. In addition, economic slowdown in Europe and uncertainties arising from the China-US trade war led to soft demand for containerized freight services for the European and North American routes.

Looking ahead, we expect the China Containerized Freight Index to rebound in the near future, as the peak season for Christmas shipments approaches.

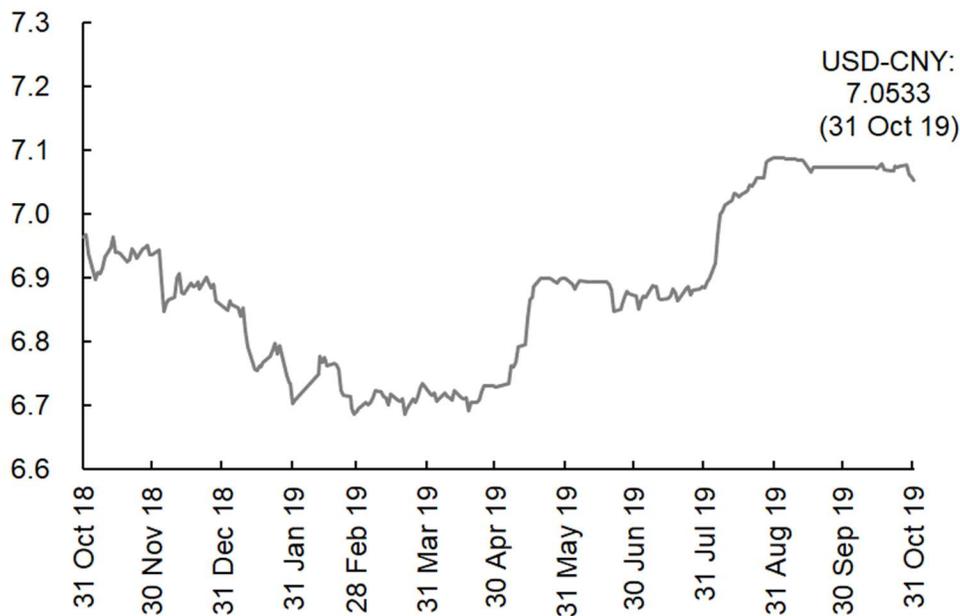
**Exhibit 1: China Containerized Freight Index, October 2018 to October 2019**



Source: Shanghai Shipping Exchange

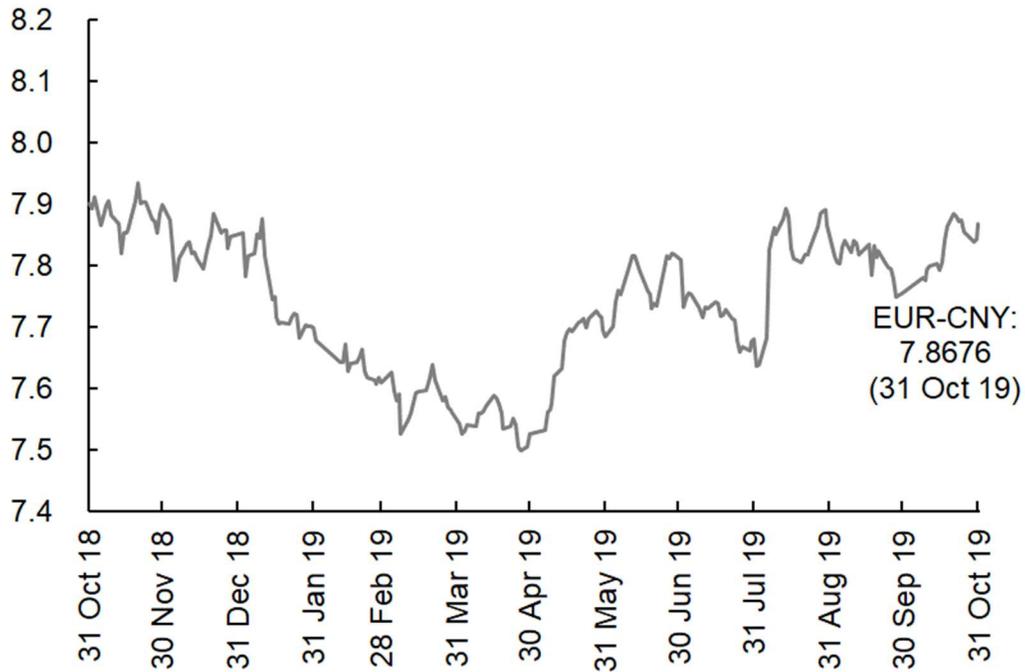
## Exchange Rates

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



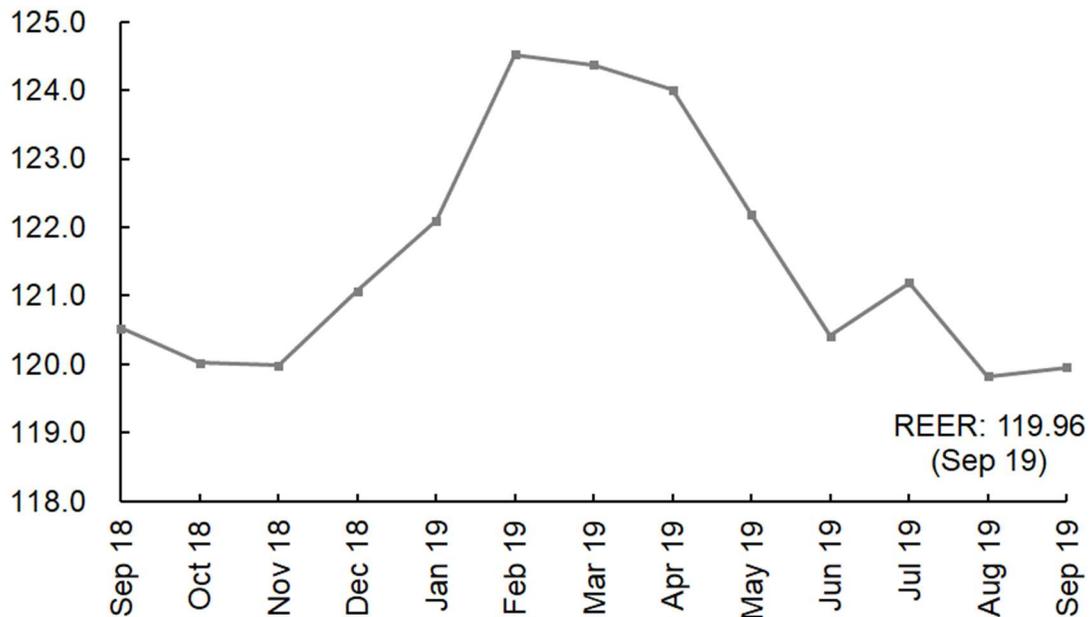
Source: State Administration of Foreign Exchange

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



Source: State Administration of Foreign Exchange

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



Source: Bank of International Settlements

## FUNG BUSINESS INTELLIGENCE

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