



# China Sourcing Update

June 6, 2016

## Price index for US imports from China

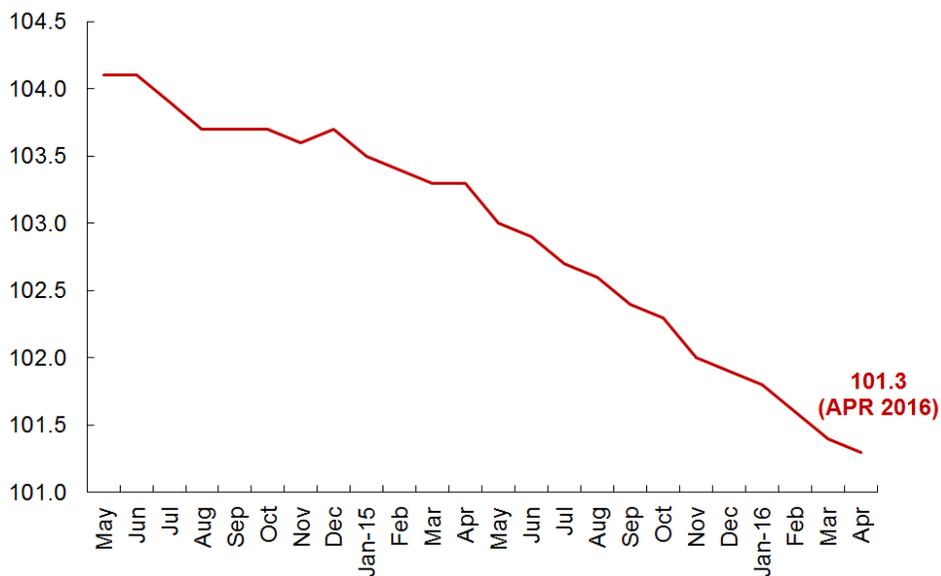
### Price index for US imports from China continues to fall

Compiled by the US Department of Labor, the price index for US imports from China fell to 101.3 in April, the lowest level since November 2010 (see exhibit 1).

The drop in the price index in the past few months was mainly due to the weak ex-factory prices of Chinese products.

Going forward, the ex-factory prices of Chinese products are expected to stay weak in the near term; and the fixing rate of the Chinese yuan has depreciated against the US dollar by 1.83% during May 2016. Thus, we predict that the price index for US imports from China will stay low for the coming months.

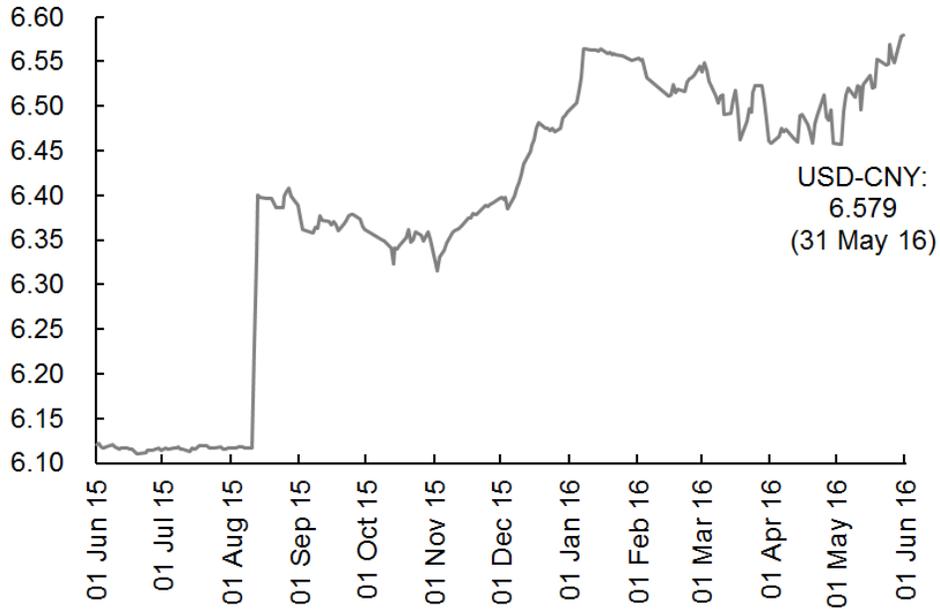
**Exhibit 1: Price index for US imports from China,  
May 2014 to April 2016**



Source: US Department of Labor

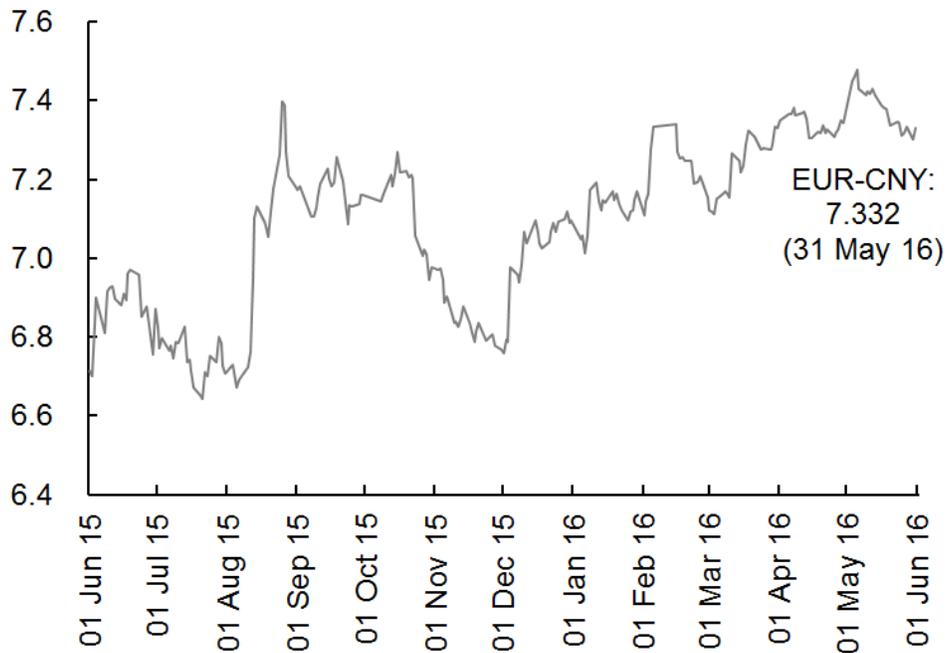
## Exchange Rates

**Exhibit 1: USD-CNY daily fixing rate, June 2015 to May 2016**



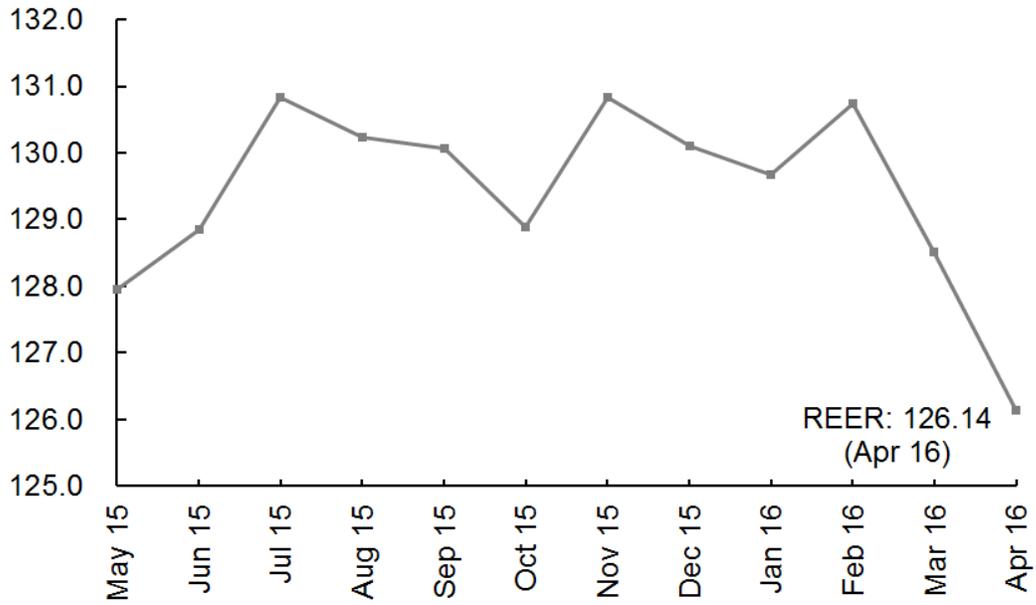
Source: State Administration of Foreign Exchange

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



Source: State Administration of Foreign Exchange

**Exhibit 3: Real effective exchange rate of the Chinese yuan,  
May 2015 to April 2016**



Source: Bank of International Settlements

## THE 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 The Fung Business Intelligence. All rights reserved. Though the 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 the Fung Business Intelligence is prohibited.