



## China Sourcing Update

January 29, 2018

### Price index for US imports from China

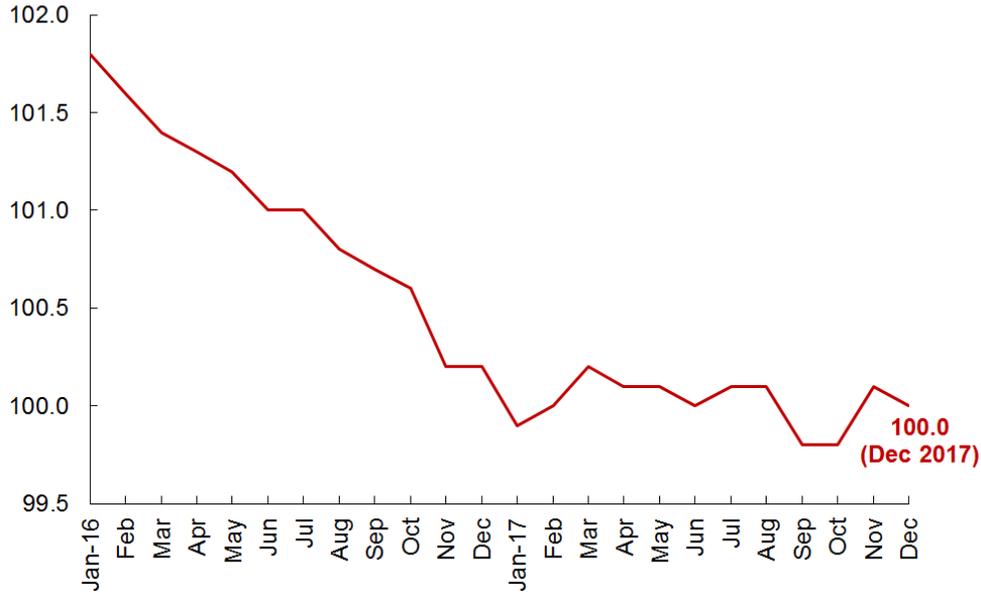
#### Price index for US imports from China edges down in December

Compiled by the US Department of Labor, the price index for US imports from China dropped slightly from 100.1 in November to 100.0 in December (see *exhibit 1*).

In our view, the index readings in the last couple of months indicate that the prices of US imports from China have stabilized, supported by an appreciation of the Chinese yuan against the US dollar and a rise in the ex-factory prices of Chinese products in Renminbi terms in the period.

Looking ahead, we expect that the price index for US imports from China will trend slightly upward in the coming months, as the ex-factory prices of Chinese products are likely to go up further in the near term.

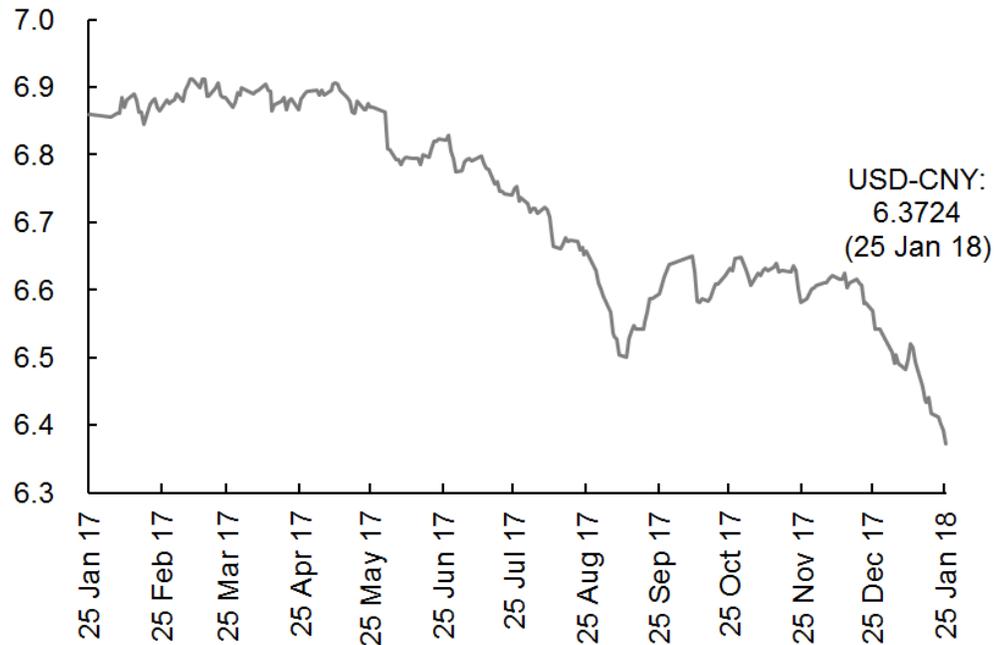
**Exhibit 1: Price index for US imports from China,  
January 2016 to December 2017**



Source: US Department of Labor

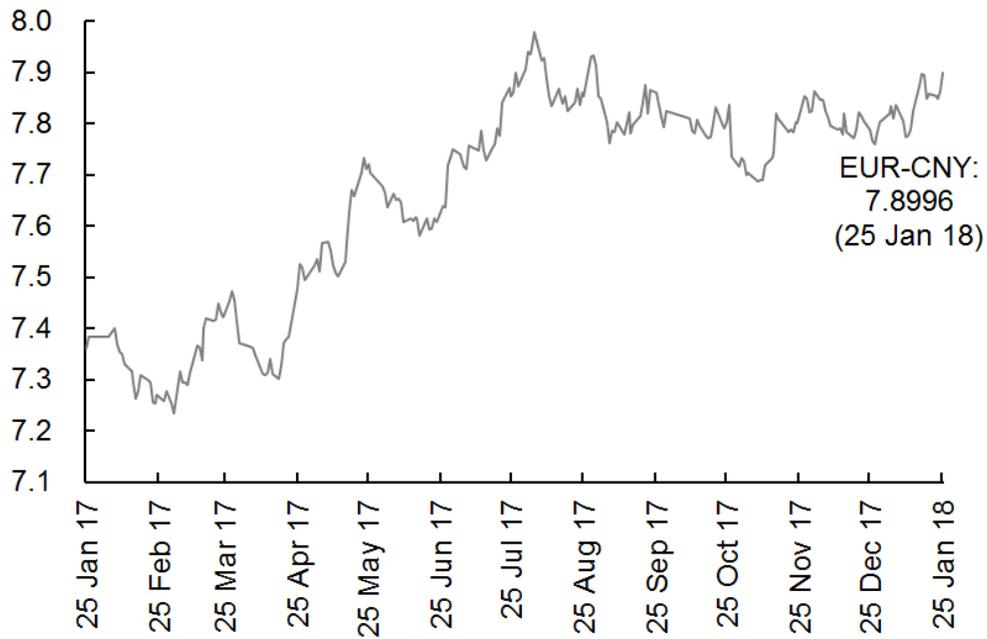
## Exchange Rates

**Exhibit 1: USD-CNY daily fixing rate, January 2017 to January 2018**



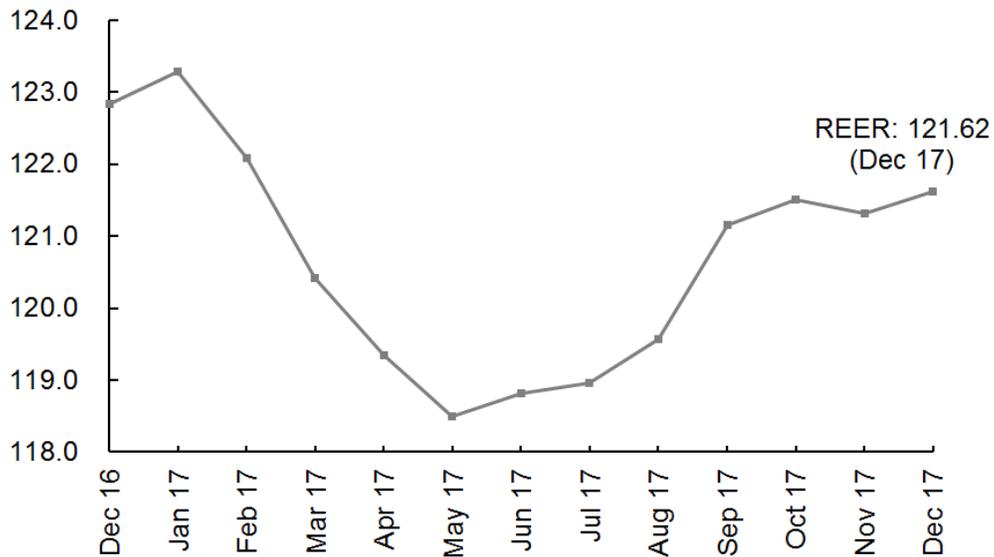
Source: State Administration of Foreign Exchange

**Exhibit 2: EUR-CNY daily fixing rate, January 2017 to January 2018**



Source: State Administration of Foreign Exchange

**Exhibit 3: Real effective exchange rate of the Chinese yuan, December 2016 to December 2017**



Source: Bank of International Settlements

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## CONTACT

Helen Chin  
Vice President  
[helenchin@fung1937.com](mailto:helenchin@fung1937.com)  
(852) 2300 2471

William Kong  
Research Manager  
[williamkong@fung1937.com](mailto:williamkong@fung1937.com)  
(852) 2300 2404

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>



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