



## China Sourcing Update

February 23, 2018

### Price index for US imports from China

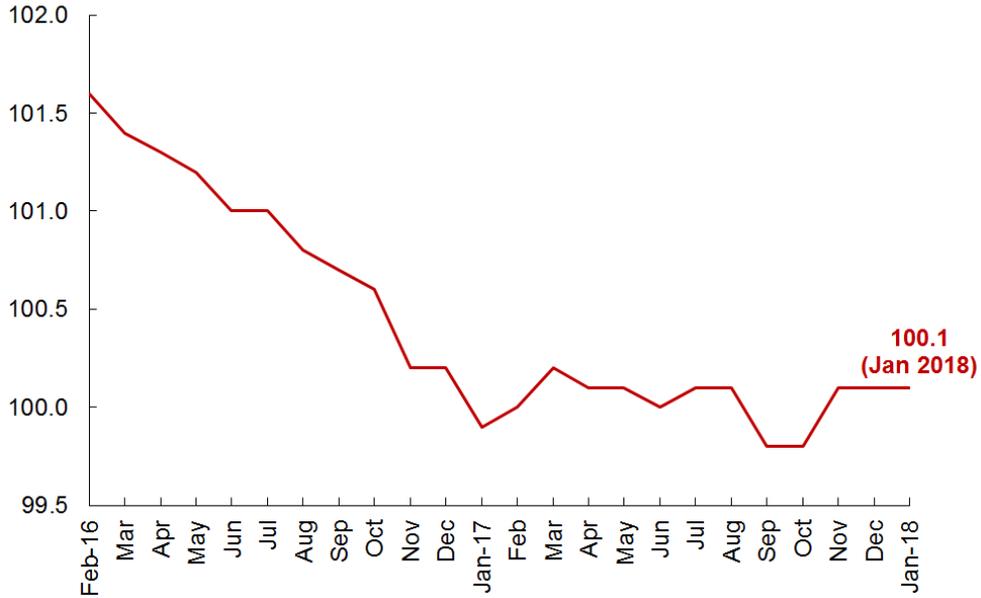
#### Price index for US imports from China stays stable in January

Compiled by the US Department of Labor, the price index for US imports from China stayed flat at 100.1 in January (*see exhibit 1*).

In our view, the index readings in the last few months indicate stabilization in the prices of US imports from China, supported by an appreciation of the Chinese yuan against the US dollar and an increase in the ex-factory prices of Chinese products in Renminbi terms in the period.

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

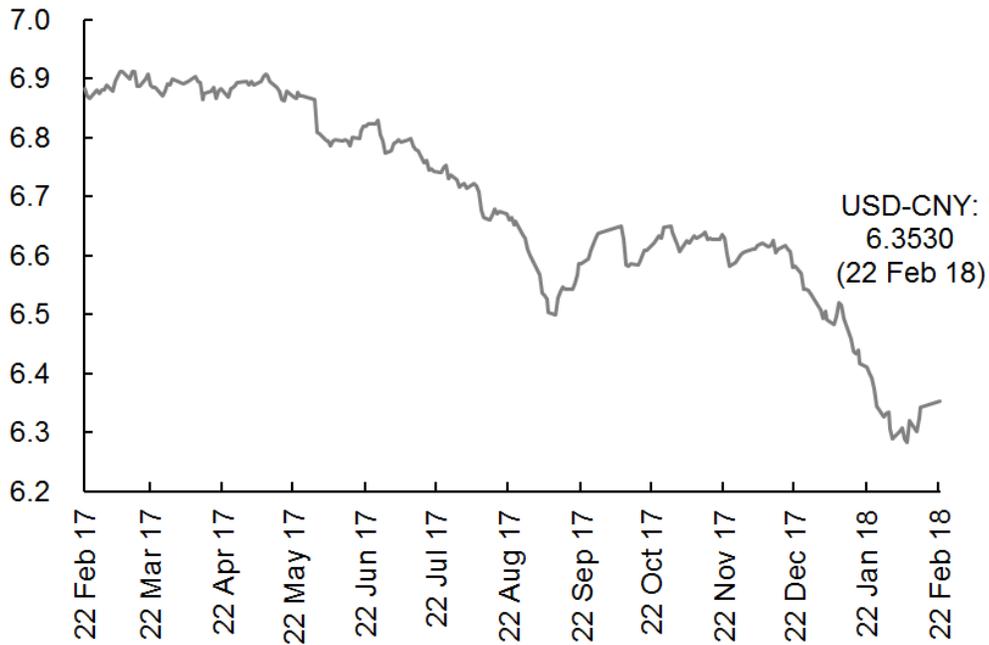
**Exhibit 1: Price index for US imports from China,  
February 2016 to January 2018**



Source: US Department of Labor

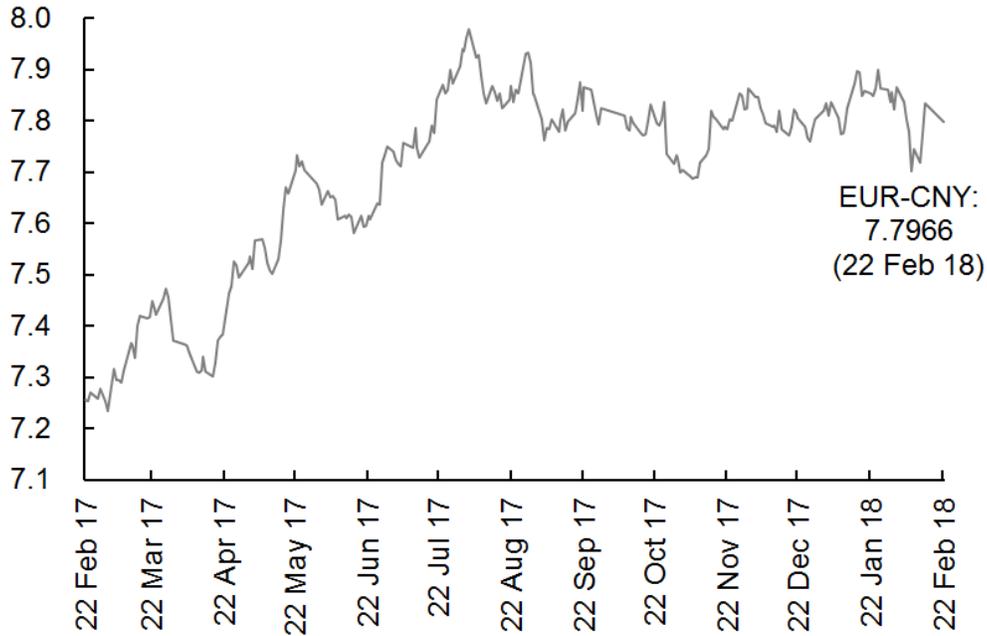
## Exchange Rates

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



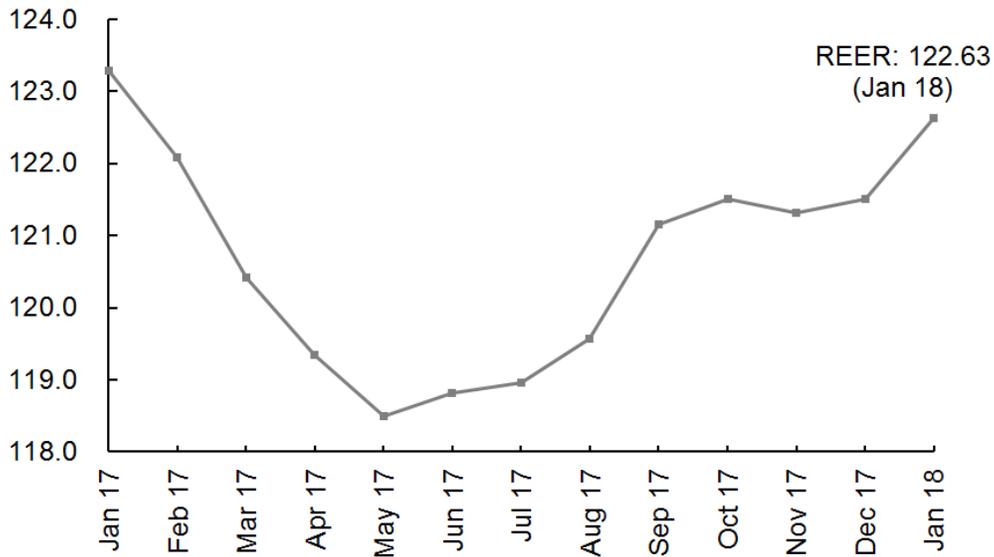
Source: State Administration of Foreign Exchange

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



Source: State Administration of Foreign Exchange

**Exhibit 3: Real effective exchange rate of the Chinese yuan, January 2017 to January 2018**



Source: Bank of International Settlements

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