



## China Sourcing Update

October 30, 2017

### Price index for US imports from China

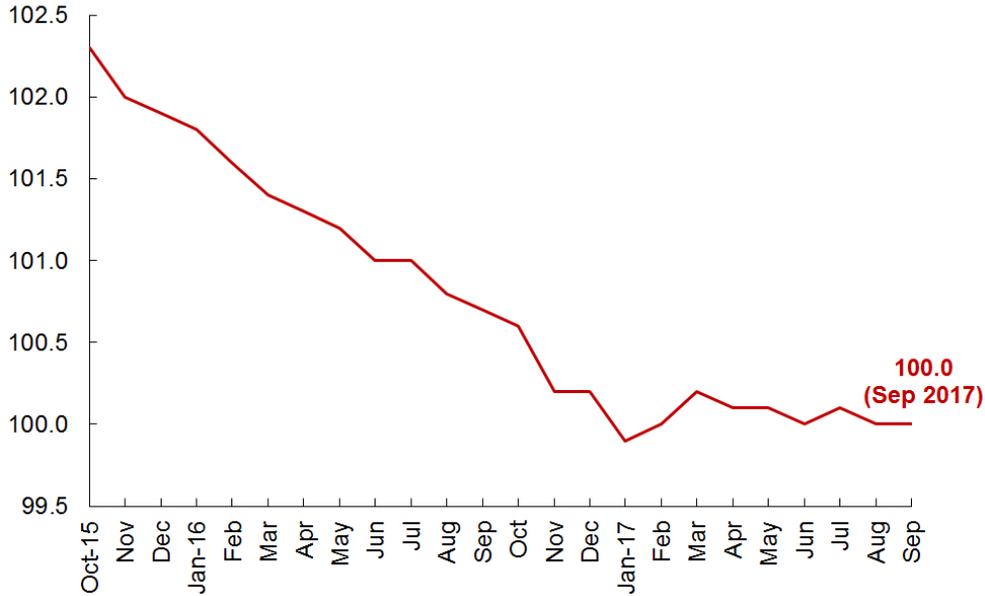
#### Price index for US imports from China stays stable in September

Compiled by the US Department of Labor, the price index for US imports from China stayed flat at 100.0 in September (*see exhibit 1*).

In our view, the index readings in recent months indicate stabilization in the prices of US imports from China. Possible reasons include a slight appreciation of the Chinese yuan against the US dollar and the bottoming-out of the ex-factory prices of Chinese products in Renminbi terms in the last few months.

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

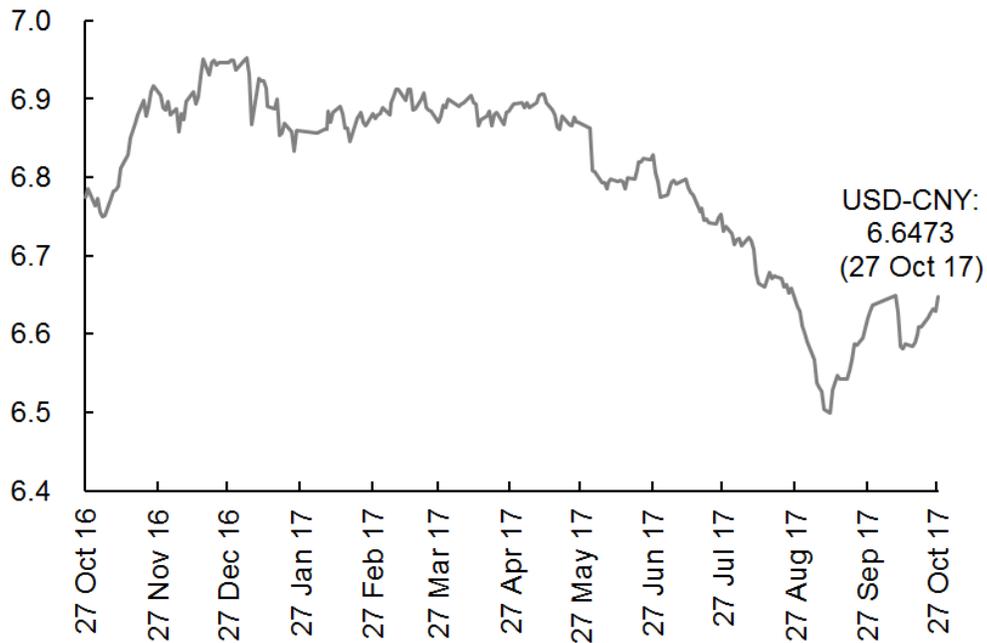
**Exhibit 1: Price index for US imports from China,  
October 2015 to September 2017**



Source: US Department of Labor

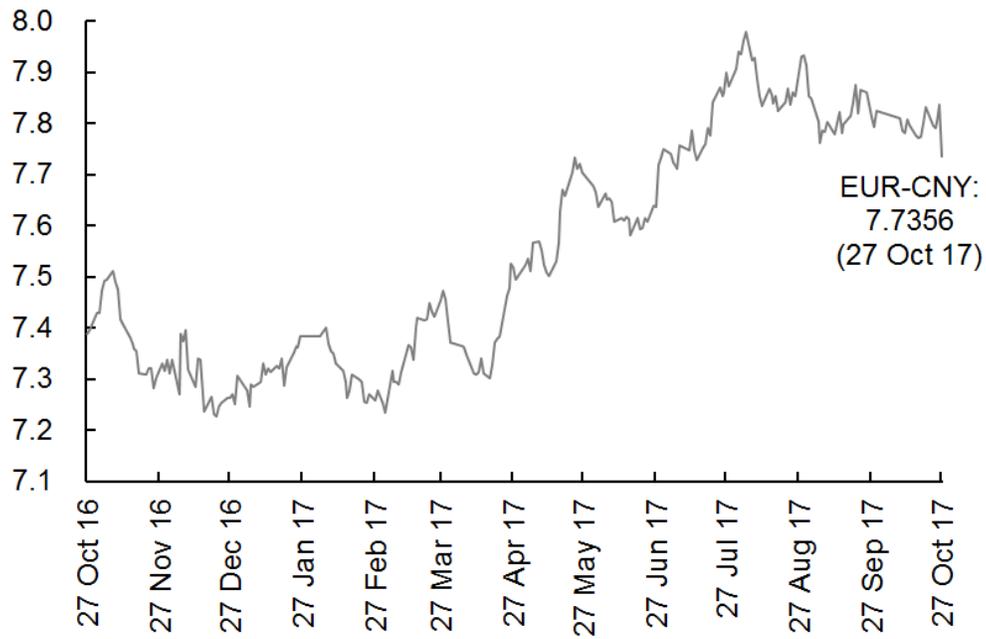
## Exchange Rates

**Exhibit 1: USD-CNY daily fixing rate, October 2016 to October 2017**



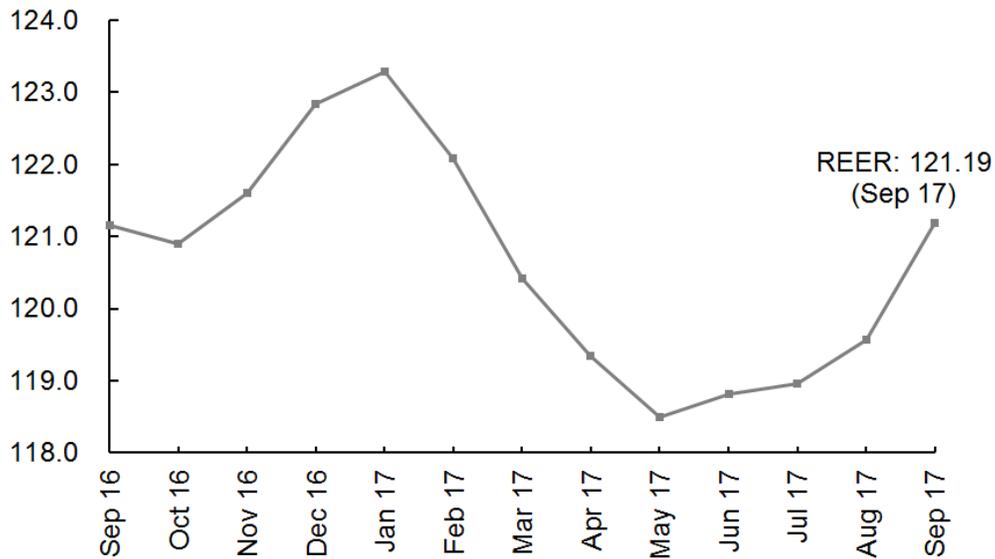
Source: State Administration of Foreign Exchange

**Exhibit 2: EUR-CNY daily fixing rate, October 2016 to October 2017**



Source: State Administration of Foreign Exchange

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



Source: Bank of International Settlements

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