

China Sourcing Update

September 10, 2019

Transportation Cost

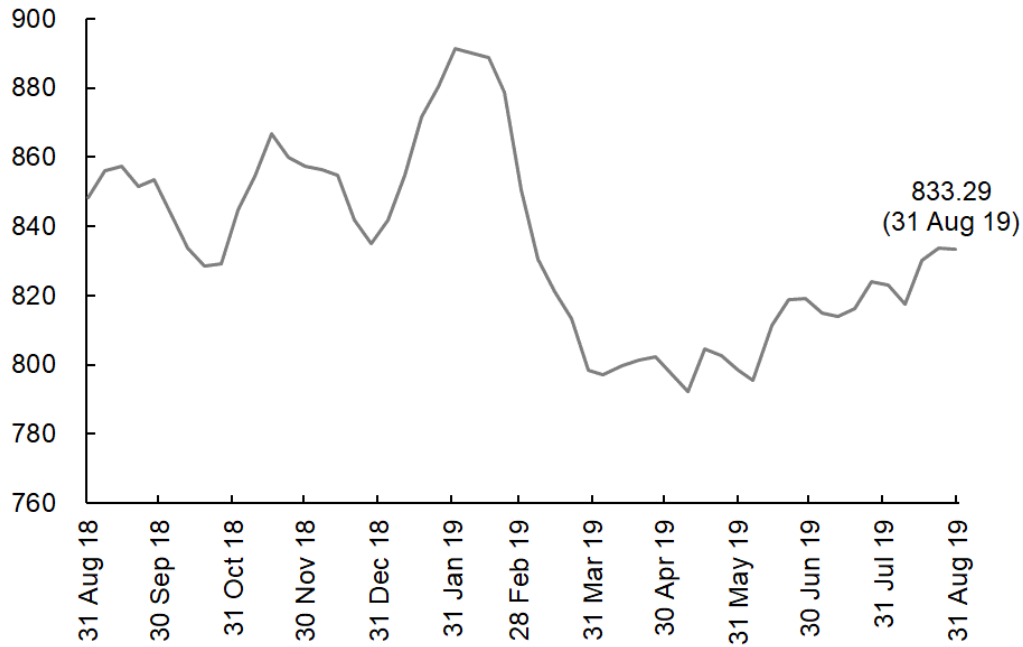
China Containerized Freight Index rises in July and August

The China Containerized Freight Index (CCFI) went up from 818.97 on 28 June to 823.95 on 26 July, and further to 833.29 on 30 August (*see exhibit 1*).

The increase in freight rates in the two-month period was mainly attributable to a strong market demand for containerized freight services, in particular for Mediterranean and European routes, during the current high season.

Looking ahead, we expect the China Containerized Freight Index to stay high in the near future, as the overall market demand for containerized freight services is likely to remain strong.

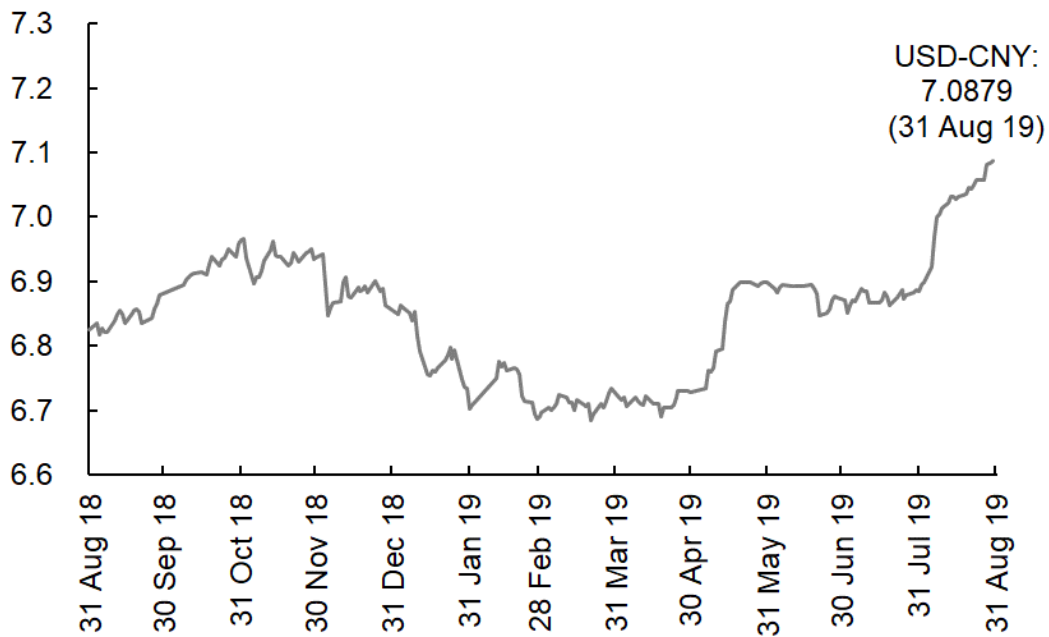
Exhibit 1: China Containerized Freight Index, August 2018 to August 2019



Source: Shanghai Shipping Exchange

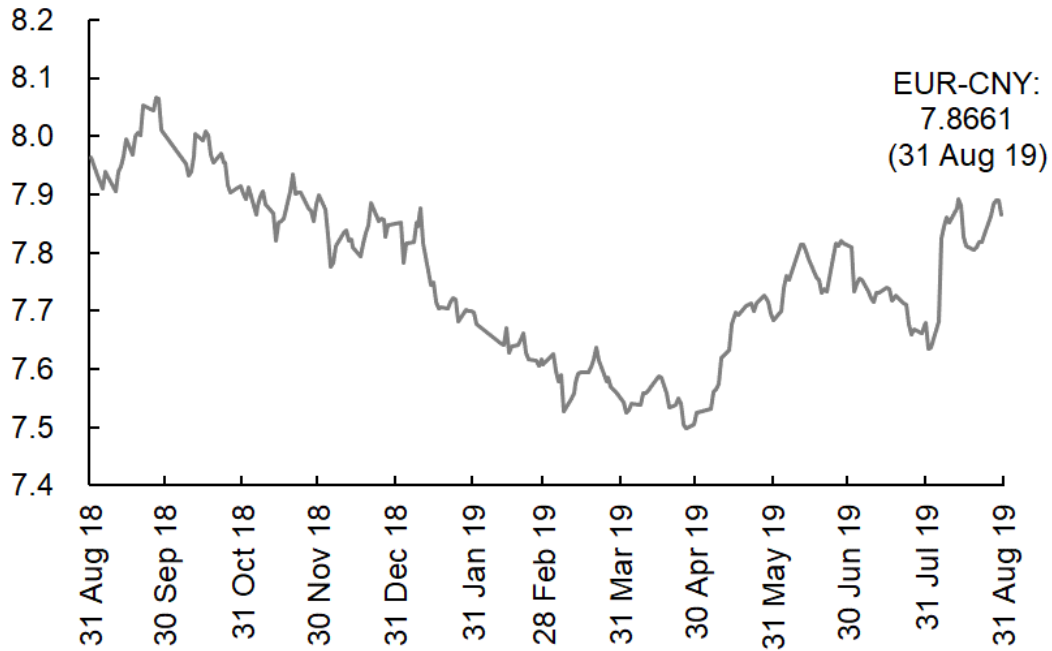
Exchange Rates

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



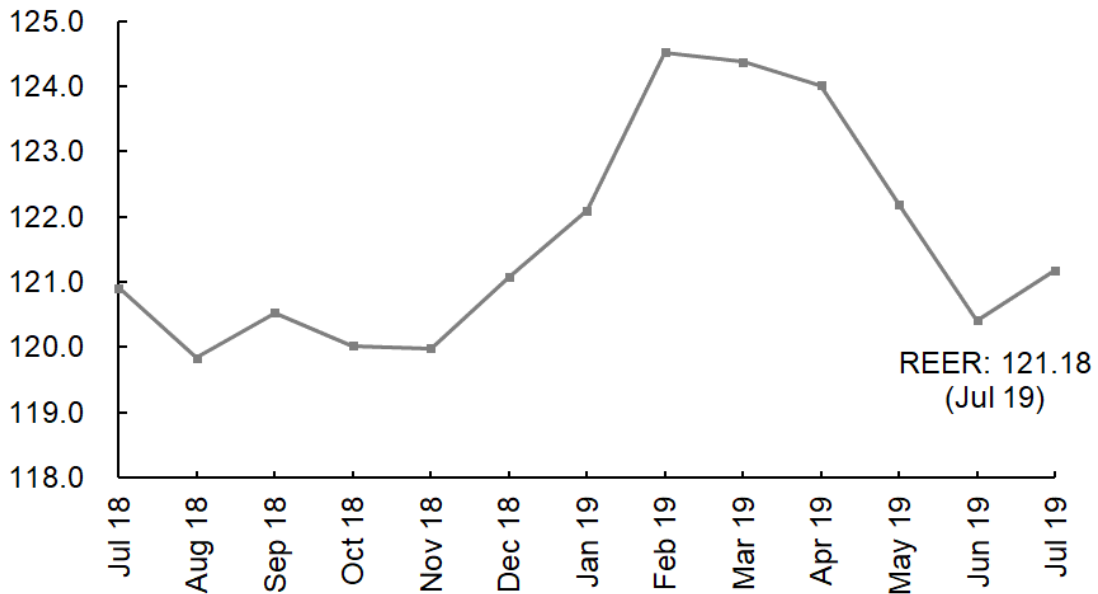
Source: State Administration of Foreign Exchange

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



Source: State Administration of Foreign Exchange

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



Source: Bank of International Settlements

FUNG BUSINESS INTELLIGENCE

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