SOURCE Source Int'l, LP Manufacturing Cost Drivers Report

July, 2016

| CATEGORY | MATERIAL OR TYPE | 1 MONTH CHANGE |  | 3 MONTH CHANGE |  | 6 MONTH CHANGE |  | 12 MONTH CHANGE |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| COMMODITY PRICES |  |  |  |  |  |  |  |  |  |
| GENERAL PLASTICS | General Purpose PP (K8303) | -4.85\% | $\checkmark$ | -2.00\% | $\nabla$ | 24.84\% | - | -3.92\% | $\checkmark$ |
|  | Food Grade PP | -4.55\% | $\checkmark$ | -4.55\% | $\checkmark$ | -4.98\% | $\checkmark$ | -19.23\% | $\checkmark$ |
|  | General Purpose PS (GPPS/688B) | 0.00\% | = | 0.93\% | - | 22.47\% | $\triangle$ | 9.00\% | $\triangle$ |
|  | High Impact PS (Chi Mei PH88) | 0.00\% | = | 0.99\% | $\triangle$ | 14.61\% | $\triangle$ | -7.27\% | $\checkmark$ |
|  | PE Injection (LD400/Injection) | -1.00\% | $\checkmark$ | 0.00\% | = | -1.00\% | $\checkmark$ | -3.88\% | $\checkmark$ |
|  | HDPE | 0.00\% | = | -2.75\% | $\checkmark$ | 0.00\% | = | -6.19\% | $\checkmark$ |
|  | PET | -0.38\% | $\checkmark$ | 3.60\% | $\Delta$ | -0.38\% | $\checkmark$ | 3.60\% | $\triangle$ |
|  | PVC (S700) | 2.68\% | $\triangle$ | 3.23\% | $\triangle$ | 6.48\% | $\Delta$ | 1.77\% | $\triangle$ |
| ENGINEER PLASTICS | ABS (AC-800) | 0.00\% | = | 0.00\% | = | 0.00\% | = | 0.00\% | = |
|  | Nylon (PA66) | 0.00\% | = | -1.89\% | $\checkmark$ | -5.45\% | $\checkmark$ | -9.72\% | $\checkmark$ |
|  | POM (FM090500P) | 0.00\% | = | 0.00\% | = | 0.00\% | = | 0.00\% | = |
|  | PC (L-1250Y) | 0.00\% | = | -1.72\% | $\checkmark$ | -5.00\% | $\checkmark$ | -4.50\% | $\checkmark$ |
|  | PA6 (1013B) | 0.00\% | = | -13.69\% | $\checkmark$ | -24.87\% | $\checkmark$ | -39.08\% | $\checkmark$ |
| RUBBER | Rubber Blanket | 1.18\% | $\wedge$ | -4.97\% | $\checkmark$ | 1.18\% | $\triangle$ | -10.42\% | $\checkmark$ |
|  | Synthetic Rubber | 4.85\% | $\triangle$ | -6.09\% | $\checkmark$ | 35.00\% | $\triangle$ | -7.69\% | $\checkmark$ |
|  | Tire Rubber (SCR5) | 0.00\% | = | -9.62\% | $\checkmark$ | 2.86\% | $\triangle$ | -27.03\% | $\checkmark$ |
|  | Latex | -2.81\% | $\checkmark$ | -12.00\% | $\checkmark$ | -21.94\% | $\checkmark$ | -36.81\% | $\checkmark$ |
|  | NBR | 0.00\% | = | -3.77\% | $\checkmark$ | -3.77\% | $\checkmark$ | -8.93\% | $\checkmark$ |
|  | CR | 0.00\% | = | 0.85\% | $\triangle$ | 1.14\% | $\Delta$ | 0.85\% | $\triangle$ |
|  | EPDM | 0.00\% | = | -3.23\% | $\checkmark$ | -18.03\% | $\checkmark$ | -19.79\% | $\checkmark$ |
| STEEL \& IRON | Cold Roll Steel Sheet (1mm*1250*2500/ST12) | 8.07\% | $\triangle$ | -16.76\% | $\checkmark$ | 12.00\% | $\triangle$ | 3.36\% | $\triangle$ |
|  | Cold Rolled Steel Plate-Commercial | 2.67\% | $\triangle$ | -16.76\% | $\checkmark$ | 8.07\% | $\Delta$ | -13.24\% | $\checkmark$ |
|  | Cold Roll Steel Tube (22*1.5) | 3.85\% | $\triangle$ | -18.92\% | $\checkmark$ | 20.54\% | $\Delta$ | -6.90\% | $\checkmark$ |
|  | Hot Roll Steel Sheet ( $3 \mathrm{~mm}{ }^{\text {*1250*C/Q235) }}$ | -9.18\% | v | -9.48\% | $\checkmark$ | 28.24\% | $\triangle$ | 24.22\% | $\triangle$ |
|  | Hot Rolled Steel Plate-Commercial | 3.77\% | $\triangle$ | -17.17\% | $\checkmark$ | 15.06\% | $\triangle$ | 5.36\% | $\triangle$ |
|  | Hot Roll Steel Tube (22*1.5) | 8.47\% | $\triangle$ | -8.57\% | $\checkmark$ | 14.29\% | $\triangle$ | 1.59\% | $\triangle$ |
|  | Steel Wire (D6.5~10/Q235) | -9.18\% | $\checkmark$ | -9.48\% | $\checkmark$ | 28.24\% | $\triangle$ | 38.50\% | $\triangle$ |
|  | Pig Iron | 6.90\% | $\triangle$ | 6.90\% | $\triangle$ | 0.00\% | = | -17.11\% | $\checkmark$ |
| StAINLESS STEEL | Stainless Steel Sheet (201) | -1.94\% | $\checkmark$ | -6.75\% | $\checkmark$ | 11.76\% | $\triangle$ | 2.01\% | $\triangle$ |
|  | Stainless Steel Sheet (304) | 1.89\% | $\triangle$ | -3.93\% | $\checkmark$ | 12.08\% | $\Delta$ | -1.82\% | $\checkmark$ |
|  | Stainless Steel Tube (304) Frosted ( $\varphi 76 * 4$-6) | -0.61\% | $\checkmark$ | -0.91\% | $\checkmark$ | -0.12\% | $\checkmark$ | -3.53\% | $\checkmark$ |
|  | Stainless Steel Sheet (410) | 0.00\% | = | 1.39\% | $\triangle$ | 2.82\% | $\Delta$ | 1.39\% | $\triangle$ |
|  | Stainless Steel Sheet (420) | 0.00\% | = | -1.12\% | $\checkmark$ | 6.63\% | - | -1.67\% | $\checkmark$ |
|  | Stainless Steel Sheet (430) | 0.00\% | = | -1.41\% | $\checkmark$ | 4.48\% | $\triangle$ | -5.41\% | $\checkmark$ |
| ALUMINUM | Aluminum Ingots (Aoo) | -0.31\% | $\checkmark$ | 0.00\% | = | 22.88\% | - | 8.66\% | $\triangle$ |
|  | Aluminum 1060 (1000*2000*5) | -0.27\% | $\checkmark$ | -0.40\% | $\checkmark$ | 13.88\% | $\triangle$ | 4.01\% | $\triangle$ |
|  | Aluminum 3003 (1000*2000*5) | -0.24\% | $\checkmark$ | -0.36\% | $\checkmark$ | 13.39\% | $\triangle$ | 3.52\% | $\triangle$ |
|  | Aluminum 6061 ( $\varphi 178$ ) | -0.21\% | $\checkmark$ | -0.31\% | $\checkmark$ | 11.33\% | $\triangle$ | 38.93\% | $\triangle$ |
|  | ADC12 | -2.36\% | $\checkmark$ | -1.37\% | $\checkmark$ | 3.21\% | - | -3.02\% | $\checkmark$ |
|  | A380 | -2.19\% | $\checkmark$ | -1.26\% | $\checkmark$ | 2.96\% | $\triangle$ | -2.80\% | $\checkmark$ |
| OTHER METALS | Zinc Alloy (\#3) | 4.54\% | $\triangle$ | 12.01\% | $\triangle$ | 29.19\% | - | 12.84\% | $\triangle$ |
|  | Brass Tube (H62 $\varphi 8$-90mm) | 0.65\% | $\triangle$ | 0.00\% | = | 1.70\% | $\triangle$ | -8.46\% | $\checkmark$ |
|  | Brass Rod (H59 ¢ 6-55mm) | 0.69\% | $\triangle$ | -0.34\% | $\checkmark$ | 0.34\% | $\triangle$ | -9.83\% | $\checkmark$ |
|  | Copper (\#1) | 1.14\% | $\triangle$ | 1.69\% | $\triangle$ | 7.29\% | $\triangle$ | $-2.39 \%$ | $\checkmark$ |
|  | Nickel (\#1) | 10.14\% | $\triangle$ | 11.05\% | $\triangle$ | 17.54\% | $\triangle$ | -1.11\% | $\checkmark$ |
| wood | MDF* $1220 * 2440 * 8 \mathrm{~mm}$ | 0.00\% | = | 0.00\% | = | 0.00\% | = | 0.00\% | = |
|  | Fir | 0.00\% | = | 0.00\% | = | 0.00\% | = | -3.74\% | $\checkmark$ |
|  | White Oak | 0.00\% | = | 0.00\% | = | 0.00\% | = | -1.07\% | $\checkmark$ |

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|  | Pine | 0.00\% | = | 0.00\% | = | 0.00\% | = | -2.06\% | $\nabla$ |
| PAPER | Kraft (80g) | 0.00\% | = | 0.00\% | = | 0.00\% | = | -4.76\% | $\checkmark$ |
|  | Corrugated (140g A Grade) | 0.00\% | = | 0.00\% | = | 0.70\% | $\triangle$ | 0.70\% | $\triangle$ |
|  | White Cardboard (250g) | 0.00\% | = | 0.00\% | = | 0.00\% | = | -1.61\% | $\checkmark$ |
|  | Gray Cardbord (250g) | 0.00\% | = | 0.00\% | = | 0.00\% | = | -2.13\% | $\checkmark$ |
|  | Art Paper (157g) | 0.00\% | = | 0.00\% | = | 0.00\% | = | -1.82\% | $\checkmark$ |
| TEXTILE FABRICS | Cotton (129) | 16.94\% | $\triangle$ | 22.65\% | $\triangle$ | 20.49\% | $\triangle$ | 13.25\% | $\triangle$ |
|  | 100\% Cotton Fabric | 0.24\% | $\triangle$ | 0.24\% | $\triangle$ | 0.24\% | $\triangle$ | 0.24\% | $\triangle$ |
|  | 100\% Polyester Fabric | 4.17\% | $\triangle$ | -2.60\% | $\checkmark$ | -28.57\% | $\nabla$ | -32.74\% | $\nabla$ |
|  | T/C Fabric | 1.67\% | $\triangle$ | 1.67\% | $\triangle$ | 1.67\% | $\triangle$ | 1.67\% | $\wedge$ |
|  | Non-woven PP Fabric | 4.76\% | $\triangle$ | 4.76\% | $\triangle$ | 4.76\% | $\triangle$ | 4.76\% | $\triangle$ |
| CERAMICS | Feldspar | 0.00\% | = | 0.00\% | = | 0.00\% | = | -6.67\% | $\checkmark$ |
|  | Kaolin | 0.00\% | = | 0.00\% | = | 0.00\% | = | -4.88\% | $\checkmark$ |
|  | Quartz | 0.00\% | = | 0.00\% | = | 0.00\% | = | 5.56\% | $\triangle$ |
|  | Alumina | 0.00\% | = | -4.98\% | $\checkmark$ | 13.69\% | $\triangle$ | -19.75\% | $\checkmark$ |
| LABOR RATES | China Labor | 1.18\% | $\triangle$ | 2.51\% | $\triangle$ | 2.51\% | $\triangle$ | 2.51\% | $\triangle$ |
|  | Bangladesh Labor | 0.00\% | = | 0.00\% | = | 0.00\% | = | 0.00\% | = |
|  | Thailand Labor | 0.00\% | = | 0.00\% | = | 0.00\% | = | 0.00\% | = |
| FUEL \& POWER | China Petroleum Price | -7.14\% | V | -11.86\% | V | -21.69\% | V | -28.18\% | $\checkmark$ |
|  | China Diesel Oil | -2.00\% | $\checkmark$ | -4.85\% | $\checkmark$ | -9.26\% | $\nabla$ | -3.92\% | $\nabla$ |
|  | Natural Gas | -7.41\% | $\nabla$ | -12.28\% | $\nabla$ | -21.38\% | V | -25.37\% | $\checkmark$ |
|  | LPG Gas | -7.41\% | $\checkmark$ | -8.42\% | $\checkmark$ | -24.24\% | $\nabla$ | -25.37\% | $\checkmark$ |
| OCEAN FREIGHT | Shanghai/Ningbo/Xiamen to Chicago-40' | 0.00\% | = | 0.00\% | = | -6.45\% | $\nabla$ | -21.80\% | $\nabla$ |
|  | Shanghai/Ningbo/Xiamen to Long Beach-40' | 0.00\% | = | 0.00\% | = | -14.23\% | $\nabla$ | -42.61\% | $\checkmark$ |
| CURRENCY EXCHANGE RATES | USD-CNY (China RMB) | -0.14\% | $\triangle$ | 2.56\% | $\checkmark$ | 0.95\% | $\nabla$ | 6.94\% | $\nabla$ |
|  | USD-BDT (Bangladesh Taka) | -0.10\% | $\triangle$ | -0.10\% | $\triangle$ | -0.90\% | $\triangle$ | 0.56\% | $\nabla$ |
|  | USD-INR (India Rupees) | -1.23\% | $\triangle$ | 0.40\% | $\checkmark$ | -1.77\% | $\triangle$ | 4.40\% | $\checkmark$ |
|  | USD-TWD (Taiwan New Dollars) | -0.93\% | $\triangle$ | -1.09\% | $\triangle$ | -4.59\% | $\triangle$ | 1.13\% | $\nabla$ |
|  | USD-THB (Thailand Baht) | -1.07\% | $\triangle$ | -0.39\% | $\triangle$ | -2.51\% | $\triangle$ | -0.41\% | $\triangle$ |
|  | USD-VND (Vietnam Dong) | 0.60\% | $\nabla$ | 0.62\% | $\checkmark$ | 0.87\% | $\nabla$ | 2.77\% | $\nabla$ |
|  | EUR-CNY | 0.73\% | $\checkmark$ | 0.07\% | $\checkmark$ | 4.14\% | $\checkmark$ | 8.31\% | $\checkmark$ |
| KEY INDEXES |  |  |  |  |  |  |  |  |  |
| PURCHASING MANAGERS INDEX (PMI)-Manufacturing |  | JULY, 2016 |  | JUNE, 2016 |  | 1 MONTH CHANGE |  | 12 MONTH CHANGE |  |
| CHINA | (CFLP) China Fed of Logistics \& Purchasing | 49.9 |  | 50.0 |  | -0.20\% |  | -0.20\% |  |
| CHINA | (HSBC) Hongkong/ Caixin/Markit China Manufacturing | 50.6 |  | 48.6 |  | 4.12\% |  | 5.86\% |  |
| USA | (ISM) Institute of Supply Maangement | 52.6 |  | 53.2 |  | -1.13\% |  | -0.19\% |  |
| CHINA TRADE, MANUFACTURING \& CONSUMER DATA <br> * Data Lags One Month |  | JUNE, 2016 |  | MAY, 2016 |  | 1 MONTH CHANGE |  | 12 MONTH CHANGE |  |
| Imports |  | 132.3 |  | 131.1 |  | 0.9\% |  | -9.0\% |  |
| Exports |  | 180.4 |  | 181.1 |  | -0.4\% |  | -6.0\% |  |
| China Producer Price Index (PPI) |  | 97.4 |  | 97.2 |  | 0.2\% |  | 2.3\% |  |
| China Consumer Price Index (CPI) |  | 101.9 |  | 102.0 |  | -0.1\% |  | 0.5\% |  |

Data from : www.chinaccm.com, www.xe.com and other public and private sources
จ ---Favorable Trend $\boldsymbol{\Delta}$---Unfavorable Trend

