

Media Release

Chinese Yuan Could Hit 7.008 per US Dollar by Year End

(23 March 2020 – China) The Chinese yuan is set to fall further against the US dollar amid supply chain disruptions and weaker global demand as a result of the coronavirus and ongoing US-China trade issues, according to unique voice of the customer research from East and Partners.

Asian trading businesses are forecasting the currency to track higher to 7.008 (CNY/USD at 0.143) by December 2020, increasing 0.1 percent from present level.

The bi-annual research directly interviews 1,864 importers and exporters with annual turnover of US\$1–100 million across Hong Kong, Singapore, Malaysia and the Philippines on their FX forecasts.

Views on how the yuan will trade in the year-ahead were somewhat less pessimistic than previous rounds, however. The CNY's forecast rate against the USD has trended downward from 7.181 for June 2020 and now 7.008 for December 2020.

Excepting Malaysia, businesses in most markets including Philippines, Singapore and Hong Kong are bearish on yuan against the greenback. The consensus in Hong Kong, for example, is that USD/CNY exchange rate will depreciate to 7.011 by end-2020.

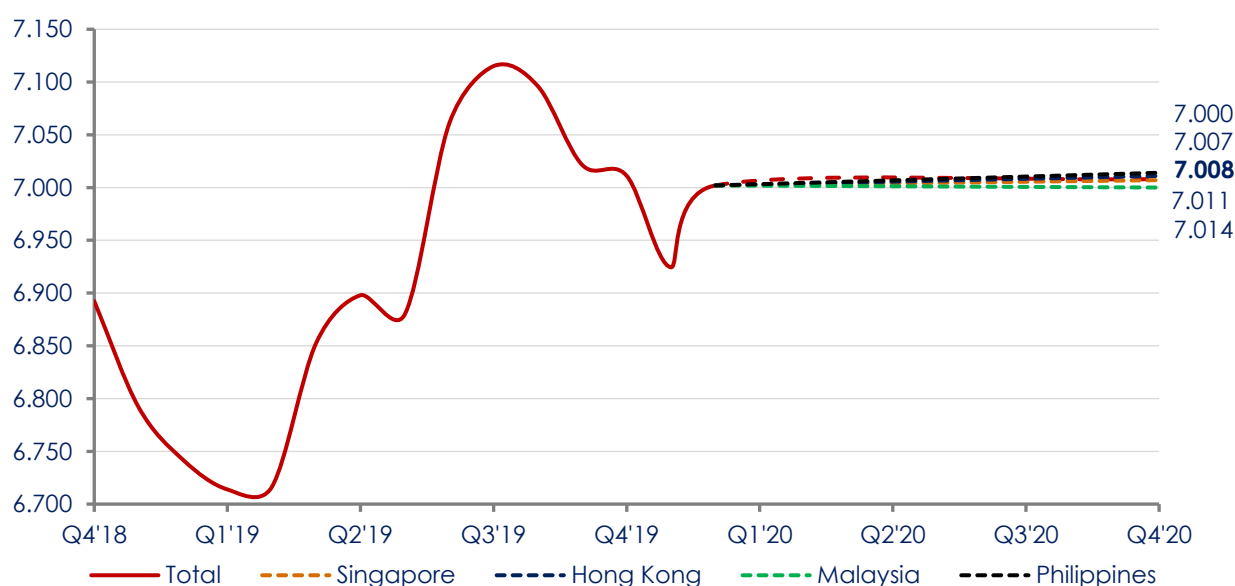
"We expect that based on these coal face forecasts from businesses regularly trading the CNY/USD, that the yuan will continue its decline," said Sangiita Yoong, East and Partners Asia Business Head.

"Real Market" Forecasts: USD/CNY Exchange Rate

Historical monthly current rates and enterprise forecasts through to December 2020

10-Months Forecast

▲0.1%



Source: East and Partners' Asian Business FX Currency Forecast Markets Program

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Methodology

This research is from the 14th round of East and Partners Asian Business Foreign Exchange Markets Program, a six-monthly research program. In total 1,864 enterprises across Hong Kong, Malaysia, the Philippines and Singapore from the Micro, SME and Lower Corporate segments were interviewed directly in February 2020. Interviews were conducted with the Business Owner, CFO, Finance Manager or Corporate Treasurer using a structured questionnaire.

The Micro segment comprises of businesses with annual turnover of US\$1–5 million, while the turnover band for SME is US\$5–20 million and Lower Corporate US\$20–100 million. The sector distribution in each country market reflects a natural sample of the population distribution.

About East & Partners Asia

East & Partners Asia is a leading specialist market research and consulting firm in the business, corporate and investment banking markets of Asia Pacific, works across 10 countries in the region delivering both multi-client and proprietary market analysis services to two sectors - Financial Services and Travel Hospitality.