



2016 REVIEW OF CURRENCIES

Here is the Winlock summary of what has happened to the pound against the most important currencies for the door and window industry.

The Christmas 2015 list looked something like this:

US Dollar	1.4927
Euro	1.3650
Chinese Yuan	9.65
Indian Rupee	98.0

The current spot rates and percentage depreciation against sterling since last Christmas are as follows:

US Dollar	1.2375	down	20.6%
Euro	1.1915	down	14.6%
Chinese Yuan	8.596	down	7.7%
Indian Rupee	84	down	16.7%

This table shows that 2016 has been almost as much about dollar strength as about sterling weakness. Products bought from China in US dollars are 20.6% more expensive than a year ago but only 7.7% more expensive if bought in Chinese Yuan. This is a little simplistic as most of the raw material costs for Chinese made products are ultimately priced in US dollars so anyone buying from China in Yuan would have seen significant price increases in the Chinese currency during the year. but looking more broadly at consumer goods for example those with a high Chinese local labour content will not be increasing in UK prices as much as those with a high material content. So Chinese made clothing and small toys may not increase as much as window handles next year!

One of Donald Trump's complaints about China is that it has deliberately kept its exchange rate low to keep export prices low and factories busy in 2016. If DT gets his way in 2017 then China will revalue the Yuan and we will see yet more increases on Chinese made product in the UK.

Against most other major currencies sterling has fallen by approximately 15% this year. Anyone prepared to make bets as to where it will be in a year's time? Perhaps stronger sterling will be high on Santa's list for 2017.

Merry Christmas and Happy New Year to the twitterati and all Winlock customers.