

China Commodity Index

财新智库
Caixin Insight



GRESHAM INVESTMENT MANAGEMENT LLC
We know commodities® | We know futures®

October 2018

Methodology	<ul style="list-style-type: none"> The China Commodity Index gauges price changes in 32 commodity contracts traded on the country's three futures exchanges Uses both liquidity data and production data in determining the target weights of the included commodities 	Index Attributes	<ul style="list-style-type: none"> The index fairly represents the significance of the commodities to the China economy Provides diversified exposure to commodities as an asset portfolio Aims to become a benchmark for China's commodity futures market
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Quick Facts¹

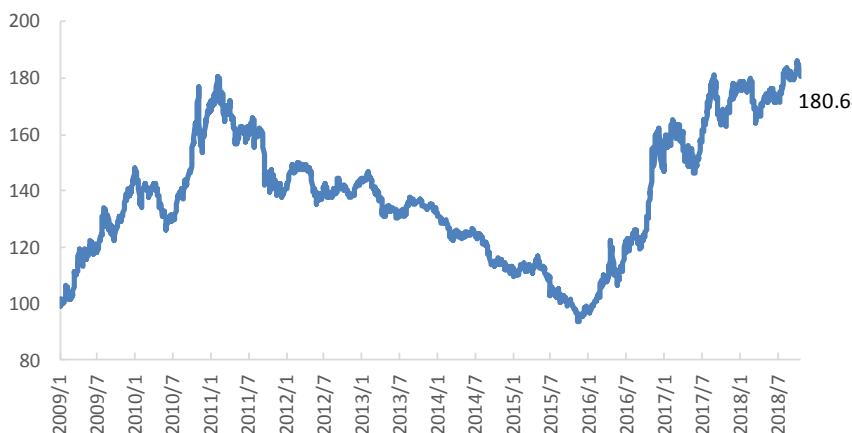
(Data as at : 31 October 2018)

Full Name	Abbreviation	Number of Contracts	Calculation Currency
China Commodity Index	CCI	32	CNY
Launch Date	Rebalancing Frequency	Index Calculation	End-of-Day Distribution
2018/5/9	Yearly in December	End-of-Day	Via FTP and Email
Base Date	Base Value	Index Value (End of Last Month)	Index Value (End of This Month)
2009/1/9	100	179.19	180.64

Index Performance and Risk Tables^{2,3}

Historical Performance

2009.1-2018.10 (CNY)



Calendar Year Price Returns

Year	CCI
2017	17.65%
2016	51.83%
2015	-11.60%
2014	-14.80%
2013	-7.61%
2012	2.38%
2011	-18.28%
2010	15.44%
2009	44.56%

Performance

	Returns			Annualized Returns			
	YTD	1M	3M	1Y	3Y	5Y	Since January 2009
CCI	2.27%	0.81%	2.08%	11.11%	22.50%	6.03%	6.21%

Risk

	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
CCI	8.78%	1.09	-8.94%	11.73%	0.40	-48.33%

¹ Data Source : Caixin Insight, Gresham Investment Management LLC

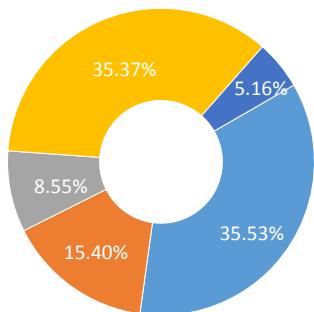
² Data Source : Caixin Insight , Past performance is no guarantee of future results

³ The Index returns are excess returns, without calculation of returns on collateral.

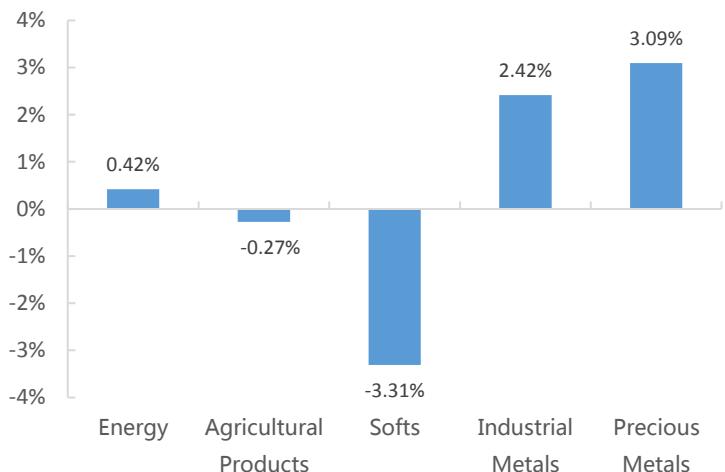
Index Characteristics^{4, 5}

(From 28 September 2018 to 31 October 2018)

Group Breakdown



One-Month Performance by group (%)



Top 10 Constituents By Index Weight

Name	Group	Index Value (End of This Month)	Index Value (End of Last Month)	1M Perf (%)	Index Weight (%)
Steel Rebar	Industrial Metals	18.4083	17.5491	4.90%	10.19%
Thermal Coal	Energy	17.8886	17.8943	-0.03%	9.90%
Coke	Energy	15.0479	14.1200	6.57%	8.33%
Iron Ore	Industrial Metals	13.6924	12.6648	8.11%	7.58%
Copper	Industrial Metals	9.8382	9.9741	-1.36%	5.45%
Soybean Meal	Agricultural Products	8.7625	8.8418	-0.90%	4.85%
PTA	Energy	7.9436	8.2296	-3.48%	4.40%
Corn	Agricultural Products	7.8306	7.6527	2.32%	4.33%
Hot Rolled Coil	Industrial Metals	7.7966	7.9097	-1.43%	4.32%
Aluminum	Industrial Metals	5.7953	5.9238	-2.17%	3.21%
Sum		113.00	110.76	2.03%	62.56%

Index Performance Analysis⁶

Highlights :

- In October, the CCI closed at 180.64, up 0.81% from a month ago.
- Energy: The price of thermal coal futures in this month showed a trend of rising first and then falling. This could be affected by the weak macro data, as well as the significantly high thermal coal inventory of power plants. Since August, methanol futures prices have been at a high level, many olefin companies have stopped working, short-term market supply is greater than demand. Also, crude oil prices turned into a downward trend. All these became reasons that pushed down the price of methanol futures since mid-October. In October, the price declined level of PX was lower than that of PTA, which caused the PTA processing fee to decrease. In the first half of this year, the manufacturing enterprises had hoarded a large number of fabrics, and the order volume was less than expected. The combined effect of the two was that the price of PTA futures dropped sharply this month.
- Agricultural products: The purchase of new grain began in October, and the spot price of corn continued to rise, supporting the price of corn futures to increase in October. Affected by the news of the G20 summit, African swine fever, and the permit of Indian rapeseed meal imports, soybean meal futures prices declined in October. In October, due to the historically high level of domestic soybean oil stocks, and the impact of falling international crude oil prices, soybean oil futures prices fell by a large margin.
- Softs: In October, a large number of new cotton products were entering the market, making the purchase price lower.

⁴ Commodity groups refer to international standards

⁵ Data Source : Caixin Insight, Gresham Investment Management LLC

⁶ Data Source : Caixin Insight

Cotton futures prices fluctuated and fell. The stocks of rubber increased cumulatively in October, downstream demand was weak, rubber futures prices fell sharply.

- Industrial metals: Aluminum futures prices fluctuated downward in October, mainly driven by the surplus supply and the weak demand. In October, the downward pressure on the economy, the relaxation of the production restriction policy revised the market's pessimistic expectations for iron ore demand, superimposed the reduction of the Australian iron ore in the third quarter and the strong demand for iron ore by steel mills, all these factors supported the sustained upward move of the iron futures prices.
- Precious metals: The gold futures price rebounded in October, mainly driven by the increase in safe-haven demand caused by the global stock market crash.

About Caixin Insight

Caixin Insight was founded by Caixin Media Group's editor-in-chief and internationally acclaimed journalist Hu Shuli. It is a sister company of Caixin Media (www.caixin.com), the leading financial and business news provider. The company focuses on providing best-in-class Chinese business and financial databases, macroeconomic research, big-data analytics, smart beta indexes and strategy consulting services, with the goal of helping Chinese and global institutions better navigate through the structural economic development, internationalization, capital markets and other important strategic agenda on China. (www.caixininsight.com)

About Gresham Investment Management LLC

Gresham Investment Management LLC was founded in 1987 and has pioneered the development and management of diversified commodity investment portfolios using commodity futures ever since. The firm's Tangible Asset Program® (TAP®) began trading in January 1987 and predates both the S&P Goldman Sachs and Bloomberg Commodity Indices. As of March 2018, Gresham manages in excess of US\$7.5 billion for a variety of clients, including Public and Corporate Pension Funds, Endowments, Corporations, Health Systems, Insurance Companies, Pooled Investment Vehicles, other Investment Advisors, and Sovereign Wealth Funds, based in the Americas, Europe, Asia and the Middle East. (www.greshamllc.com)

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