

China Commodity Index

财新智库
Caixin Insight

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

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Methodology

Construction

- The China Commodity Index gauges price changes in 33 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

- 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

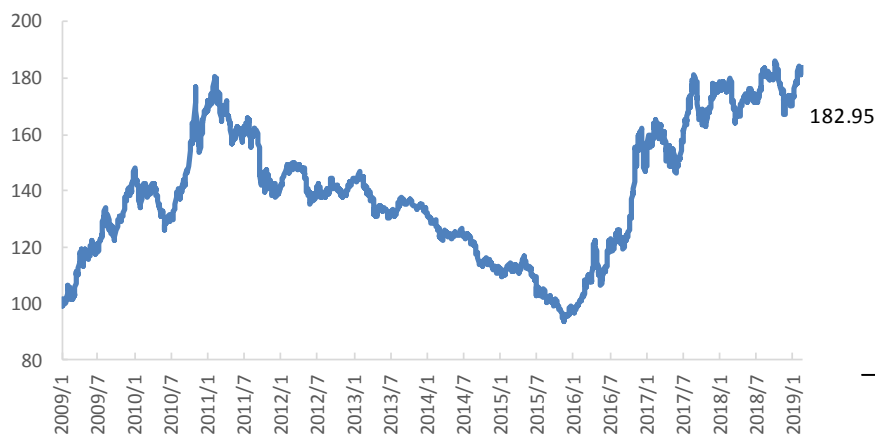
Quick Facts¹ (Data as at : 28 February 2019)

Full Name	Abbreviation	Number of Contracts	Calculation Currency
China Commodity Index	CCI	33	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	180.43	182.95

Index Performance and Risk Tables^{2,3} (Data as at : 28 February 2019)

Historical Performance

2009.1-2019.2 (CNY)



Calendar Year Price Returns

Year	CCI
2018	-3.39%
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	7.21%	1.39%	8.92%	1.96%	21.34%	7.64%	6.14%

Risk

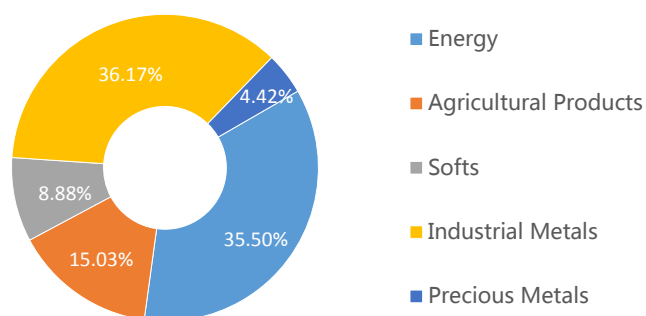
	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
CCI	8.86%	0.05	-10.19%	11.66%	0.40	-48.33%

¹ Data Source : Caixin Insight, Gresham Investment Management LLC

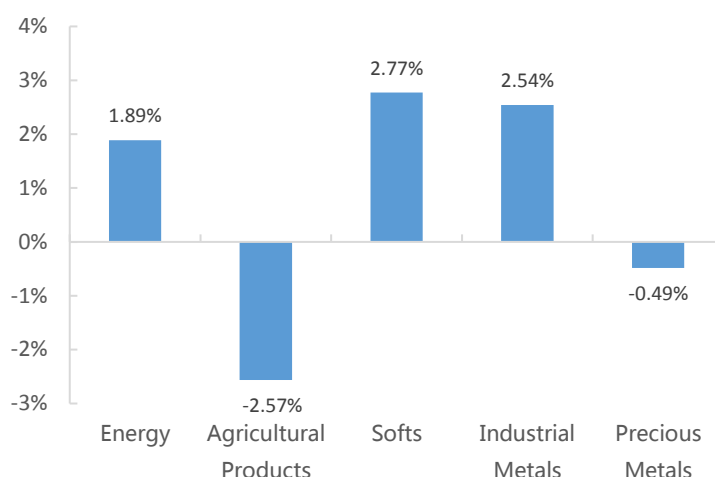
² Data Source : Caixin Insight , Past performance is no guarantee of future results

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

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 (%)
Thermal Coal	Energy	18.3785	17.6719	4.00%	10.05%
Steel Rebar	Industrial Metals	15.1490	14.9989	1.00%	8.28%
Coke	Energy	14.7877	14.2471	3.79%	8.08%
Iron Ore	Industrial Metals	14.6009	14.1530	3.17%	7.98%
Copper	Industrial Metals	11.3700	10.9053	4.26%	6.21%
Corn	Agricultural Products	9.5556	9.8411	-2.90%	5.22%
PTA	Energy	9.4050	9.6770	-2.81%	5.14%
Hot Rolled Coil	Industrial Metals	7.9810	7.6531	4.28%	4.36%
Soybean Meal	Agricultural Products	7.2828	7.5410	-3.42%	3.98%
Aluminum	Industrial Metals	6.5933	6.5226	1.08%	3.60%
Sum		115.10	113.21	1.67%	62.92%

Index Performance Analysis⁶

Highlights :

- In February, the CCI closed at 182.95, up 1.39% from a month ago.
- Energy: In February, despite the low demand expectations dragged down by economy recession risk, international crude oil prices fluctuated on the upward trend, with factors such as OPEC-led crude supply cuts, the expanded U.S. oil sanctions on Venezuela and the sharply declined U.S. crude oil inventories. Affected by low refinery inventories, domestic bitumen prices were not pulled down by the weak demand under the unfavored southern weather but maintain a steady rise. After the Spring Festival, coal mines went back to work, but due to continuous high inventories of downstream power plants, the coal market was depressed and thermal coal prices fluctuated within a narrow range. Firms in Methanol industry chain downstream reopened, bringing back demand, but at the same time, port inventories continued to grow, MTO profits remained at a low level, so methanol prices fluctuated at its lows.
- Agricultural products: In February, domestic corns see consecutive declines in spot and futures prices, mainly affected by the removal of DDGS on corn imports, the pressure on domestic upstream sales, and the lack of incentives for mid & downstream traders and feed suppliers to replenish under the impact of African swine fever. In February, farmers, on the demand side, were not willing to restock, while on the supply side, No. 1 documents raised domestic soybean supply expectations, China promised to purchase 10 million tons of U.S. soybeans, oil plants operating rate recovered to increase inventory. All these factors contributed to the slight downturn of soybean and soybean meal prices.

⁴ Commodity groups refer to international standards

⁵ Data Source : Caixin Insight, Gresham Investment Management LLC

⁶ Data Source : Caixin Insight

- **Softs:** In February, the overall trend of sugar went up because of the delay of Brazil sugarcane crush and India's raise of sugar sale prices, as well as the release of sugar storage policies in Guangxi and No. 1 documents which highlighted combating smuggling. In February, rubber prices rose all the way after an initial drop. This rebound came in response to favorable macro policies, Sino-U.S. trade talk and seasonal production reduce in main production areas.
- **Industrial Metals:** In February, along with frequent good news, industrial metals prices strengthened generally. Among them, prices of copper experienced a solid growth. This could be affected by many factors such as the postponement of new trade tariffs on China by U.S., the pause of rate-hiking campaign in U.S., the rising stock market and a series of supply side events, as well as inspiring domestic total social financing data and stimulus policies. Iron ore prices surged in response to the Vale SA's dam disaster in February, but limited by high port inventories and low restocking demand at steel mills, the prices slipped later on.
- **Precious Metals:** Precious metals continued their volatile up-trend in February. However, in late February, as risk aversion faded in light of the progress of Sino-U.S. trade negotiations and continuing growth of crude oil and U.S. stocks prices, gold and silver prices started to drop after their peaks. The over-expectation on dovish stance and strong US dollars are also potential downward drivers.

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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