

# 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 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

- 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

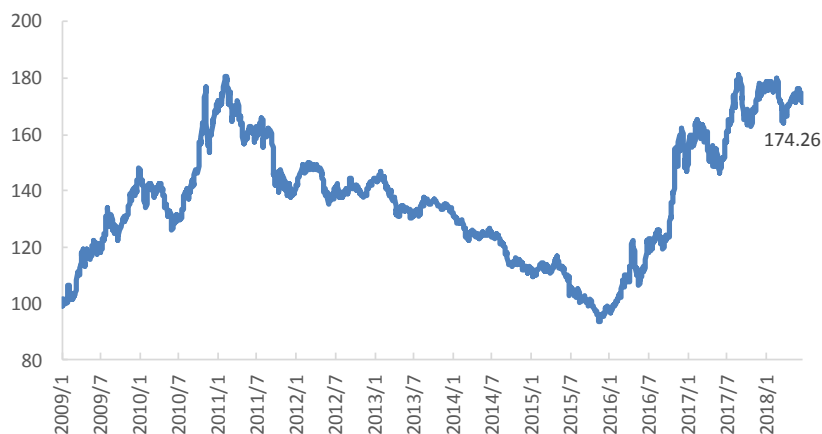
## Quick Facts<sup>1</sup> (Data as at : 29 June 2018)

<b>Full Name</b>	<b>Abbreviation</b>	<b>Number of Contracts</b>	<b>Calculation Currency</b>
China Commodity Index	CCI	32	CNY
<b>Launch Date</b>	<b>Rebalancing Frequency</b>	<b>Index Calculation</b>	<b>End-of-Day Distribution</b>
2018/5/9	Yearly in December	End-of-Day	Via FTP and Email
<b>Base Date</b>	<b>Base Value</b>	<b>Index Value (End of Last Month)</b>	<b>Index Value (End of This Month)</b>
2009/1/9	100	174.53	174.26

## Index Performance and Risk Tables<sup>2,3</sup> (Data as at : 29 June 2018)

### Historical Performance

2009.1-2018.6 (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
<b>CCI</b>	-1.34%	-0.15%	5.36%	11.69%	16.73%	5.97%	6.04%

### Risk

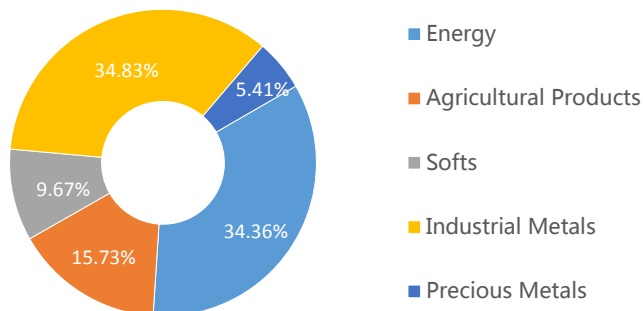
	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
<b>CCI</b>	10.70%	0.95	-10.15%	11.84%	0.38	-48.33%

<sup>1</sup> Data Source : Caixin Insight, Gresham Investment Management LLC

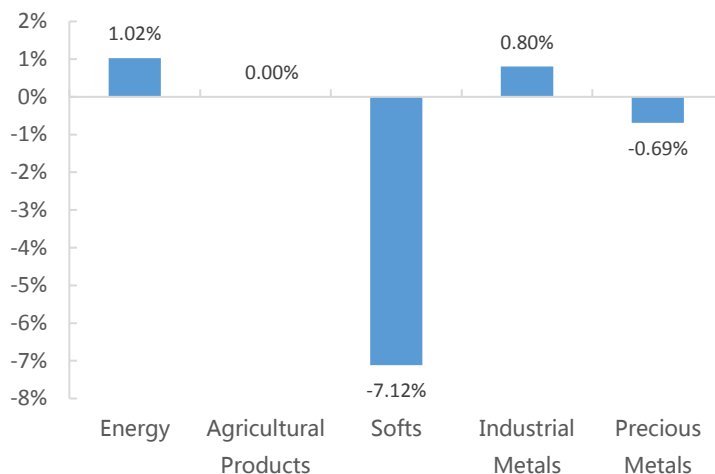
<sup>2</sup> Data Source : Caixin Insight , Past performance is no guarantee of future results

<sup>3</sup> 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	18.1207	17.6426	2.71%	10.40%
Steel Rebar	Industrial Metals	15.6392	15.1762	3.05%	8.97%
Coke	Energy	13.0085	12.9865	0.17%	7.46%
Iron Ore	Industrial Metals	12.2427	11.9703	2.28%	7.03%
Copper	Industrial Metals	10.2849	10.2891	-0.04%	5.90%
Soybean Meal	Agricultural Products	8.3825	8.0932	3.57%	4.81%
Corn	Agricultural Products	7.6726	7.6597	0.17%	4.40%
Hot Rolled Coil	Industrial Metals	7.6559	7.6128	0.57%	4.39%
PTA	Energy	6.3715	6.2384	2.13%	3.66%
Aluminum	Industrial Metals	5.9274	6.1785	-4.07%	3.40%
<b>Sum</b>		<b>105.31</b>	<b>103.85</b>	<b>1.40%</b>	<b>60.43%</b>

## Index Performance Analysis<sup>6</sup>

### Highlights :

- In June, the CCI closed at 174.26, down 0.15% from a month ago.
- Energy: After the OPEC meeting, the negative factors of the international crude oil market were exhausted, superimposed on the impact of the decline in Canadian crude oil production and US crude oil inventories, the overall prices of international crude oil market went up. The influence of crude oil price on bitumen futures price has once again increased. The prices of bitumen futures continued to rise in the last week of June. Methanol demand is in the off-season, and the prices fluctuated in June. With high demand of electric power plant due to high temperature and the weak supply owing to environment protection, the main contract of thermal coal will continue to rise in the short term.

<sup>4</sup> Commodity groups refer to international standards

<sup>5</sup> Data Source : Caixin Insight, Gresham Investment Management LLC

<sup>6</sup> Data Source : Caixin Insight

- Agricultural products: In mid-late June, the 1809 contract of corn maintained rising and the corn starch 1809 contract oscillated upward. For the domestic soybean meal market, the Sino-US trade friction effect is greater than the negative factors, so the soybean meal futures prices continued to rise since mid-June. The alternative relationship between soybean meal and rapeseed meal resulted in the price rising of rapeseed meal futures.
- Softs: The growth rate of supply is far greater than the increase in demand, the price of white sugar continued to fall. The high short-term industrial and commercial cotton inventories suppressed the futures price. In mid-late June, due to the Sino-US trade friction and the news of the rubber 20 project approval, the prices of rubber futures fell rapidly.
- Industrial metals: Due to the strong trend of US dollar index, the fear of the Sino-US trade friction and the weak demand, the prices of copper futures dropped in the mid-June. The low cost of electrolytic aluminum and the weak demand led to lower price of aluminum futures. The rebar futures prices fell first due to the market concerns about the economic downturn, then rose after Trump released the mitigation signal.
- Precious metals: The US dollar index fluctuated at a high level, and the prices of gold futures still maintained the weak trend pattern.

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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](http://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](http://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](http://www.greshamllc.com))

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