

China Commodity Index

财新智库
Caixin Insight

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

July 2018

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

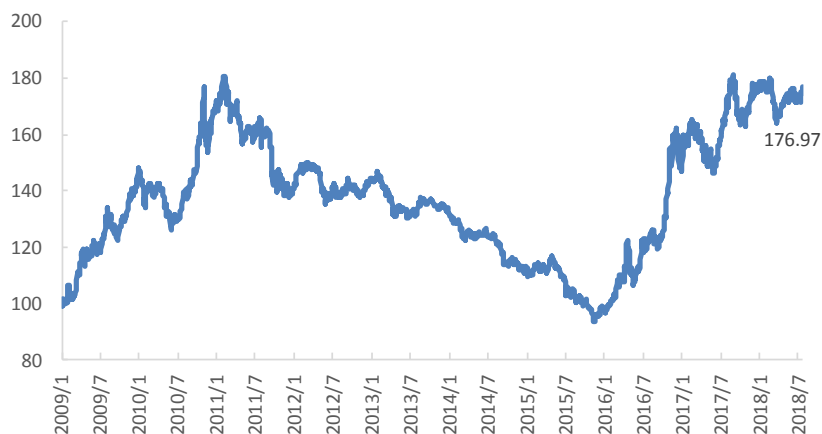
Quick Facts¹ (Data as at : 31 July 2018)

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	174.26	176.97

Index Performance and Risk Tables^{2,3} (Data as at : 31 July 2018)

Historical Performance

2009.1-2018.7 (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	0.19%	1.55%	4.12%	6.09%	19.41%	6.21%	6.15%

Risk

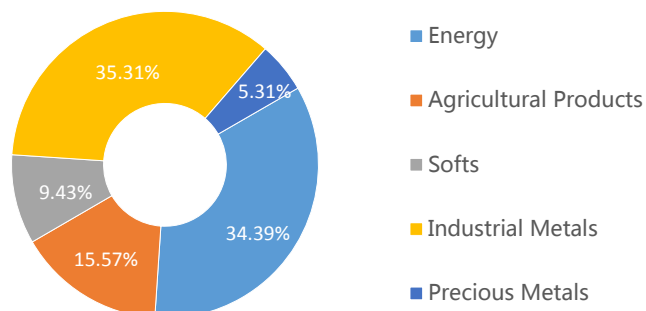
	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
CCI	10.46%	0.44	-10.15%	11.80%	0.39	-48.33%

¹ Data Source : Caixin Insight, Gresham Investment Management LLC

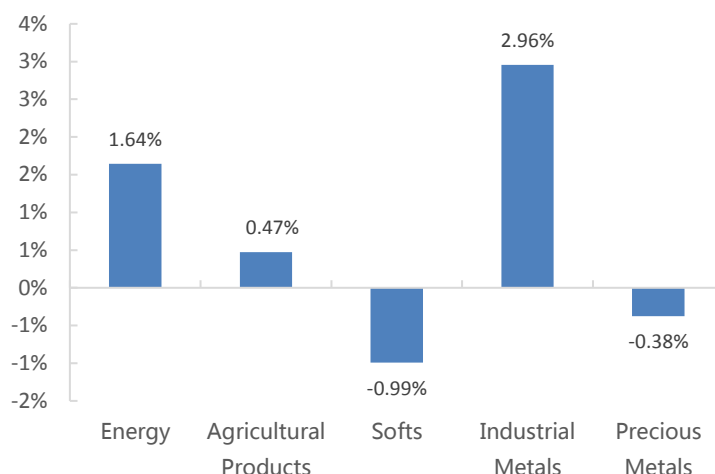
² Data Source : Caixin Insight , Past performance is no guarantee of future results

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 (%)
Steel Rebar	Industrial Metals	17.1812	15.6392	9.86%	9.71%
Thermal Coal	Energy	16.5628	18.1207	-8.60%	9.36%
Coke	Energy	14.2238	13.0085	9.34%	8.04%
Iron Ore	Industrial Metals	12.6447	12.2427	3.28%	7.15%
Copper	Industrial Metals	9.9310	10.2849	-3.44%	5.61%
Soybean Meal	Agricultural Products	8.5431	8.3825	1.92%	4.83%
Hot Rolled Coil	Industrial Metals	8.2261	7.6559	7.45%	4.65%
Corn	Agricultural Products	7.6425	7.6726	-0.39%	4.32%
PTA	Energy	6.9170	6.3715	8.56%	3.91%
Aluminum	Industrial Metals	6.0485	5.9274	2.04%	3.42%
Sum		107.92	105.31	2.48%	60.98%

Index Performance Analysis⁶

Highlights :

- In July, the CCI closed at 176.97, up 1.55% from a month ago.
- Energy: After the OPEC meeting in late June, international crude oil prices went up with many factors such as the reduction of US crude oil inventories, Iranian problems, the closure of Libyan ports, and strikes in the North Sea oil field. Since then, with the reopening of the Libyan ports, the increasing export volume of the two major oil-producing countries, Saudi Arabia and Russia, crude oil prices weakened in mid-July. The price of bitumen futures followed the trend of crude oil and oscillated upward. In July, the thermal coal's port transfer volume increased, the situation of overcapacity and high inventory remained unchanged. Compared with last year, the daily consumption was at a lower level. A variety of negative factors intertwined, thermal coal futures prices fell rapidly in July. Since mid-July, environmental protection expectations have strengthened, coke 1809 contract, coking coal 1809 contract rose sharply.

⁴ Commodity groups refer to international standards

⁵ Data Source : Caixin Insight, Gresham Investment Management LLC

⁶ Data Source : Caixin Insight

- Agricultural products: The domestic corn market entered the transition period of new grain and old grain. The logistics and auction costs supported the increase of July corn futures prices. In July, the RMB depreciated sharply, the price of corn by-products strengthened overall, and the price of corn starch futures strengthened. In the third quarter, soybean oil stocks rose steadily, but soybean oil futures prices continued to rise since mid-July due to factors such as the Sino-US trade friction and rising cost of imported soybeans.
- Softs: The price of white sugar fell in the first half of July, with the decrease of downstream stocks and the upcoming consumption season in September, the price of white sugar futures then began to rebound. Domestic cotton supply was sufficient, the price of Zheng cotton remained oscillating in July. As the tax collection list announced by US involved rubber industry products, the rubber futures price in July showed a weak and volatile trend.
- Industrial metals: In July, due to the influence of environmental protection policies, the price of Aluminum mine in northern China increased significantly, the production cost of electrolytic aluminum strengthened, and the price of alumina rebounded. Aluminum futures prices rose at the end of July. The supply of rebar continued to be tight in July. Steel inventories were lower than the same period last year, while a large number of infrastructure projects were driving demand, the rebar futures prices in July continued to rise.
- Precious metals: Due to the sharp depreciation of the RMB this month, the price of gold remained weak and volatile.

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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