

China Commodity Index

财新智库
Caixin Insight

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

August 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

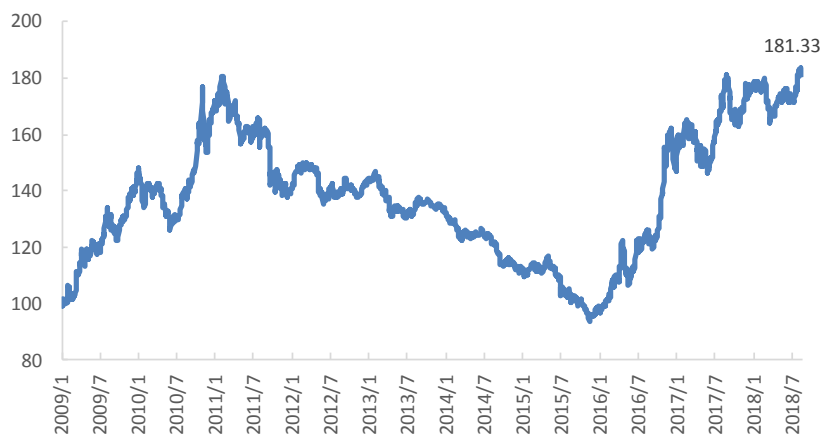
Quick Facts¹ (Data as at : 31 August 2018)

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	176.97	181.33

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

Historical Performance

2009.1-2018.8 (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	2.67%	2.47%	3.90%	2.68%	21.18%	5.97%	6.36%

Risk

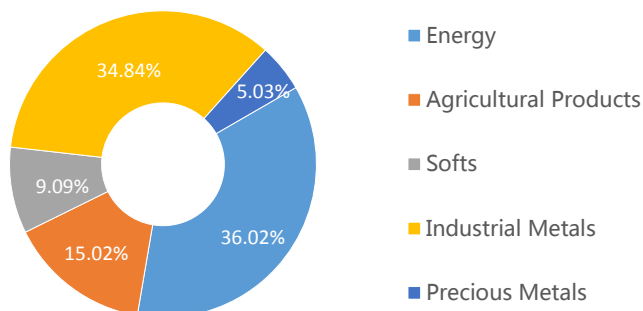
	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
CCI	9.89%	0.12	-10.15%	11.77%	0.41	-48.33%

¹ Data Source : Caixin Insight, Gresham Investment Management LLC

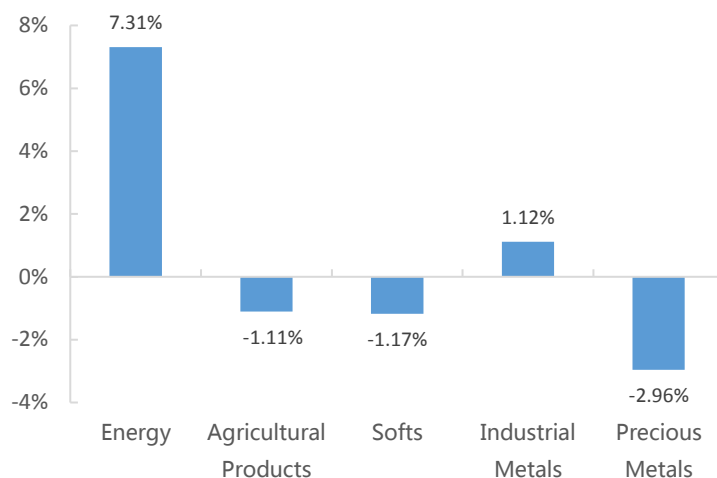
² Data Source : Caixin Insight , Past performance is no guarantee of future results

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	18.0328	17.1812	4.96%	9.94%
Thermal Coal	Energy	17.3984	16.5628	5.05%	9.59%
Coke	Energy	15.3729	14.2238	8.08%	8.48%
Iron Ore	Industrial Metals	12.5236	12.6447	-0.96%	6.91%
Copper	Industrial Metals	9.6756	9.9310	-2.57%	5.34%
PTA	Energy	8.9915	6.9170	29.99%	4.96%
Hot Rolled Coil	Industrial Metals	8.3887	8.2261	1.98%	4.63%
Soybean Meal	Agricultural Products	8.1942	8.5431	-4.08%	4.52%
Corn	Agricultural Products	7.8554	7.6425	2.79%	4.33%
Aluminum	Industrial Metals	6.1773	6.0485	2.13%	3.41%
Sum		112.61	107.92	4.35%	62.10%

Index Performance Analysis⁶

Highlights :

- In August, the CCI closed at 181.33, up 2.47% from a month ago.
- Energy: At the end of this month, crude oil prices continued to fluctuate at a high level and supported the sustained upward move of the bitumen price. This could be affected by the newly agreement signed by the United States and the Mexico, as well as the uncertainty of crude oil supply caused by the Iranian issue and the recent fall in the US dollar index. At the beginning of August, due to the depreciation of RMB, which led to the increase of the cost, Methanol futures price rapidly rose. Soon after, the price fluctuated widely with the device inspection and import related problems, then fell slightly at the end of the month. In August, the environmental protection policy got tightened again, the operating rate of the coking plant decreased significantly, the inventory of steel mills declined and the price of coking coal and coke futures rose.
- Agricultural products: The auction sales of temporary storage increased significantly. Also, the forecast for the price increase of corn in the new season and the operating rate of the deep-processing industry rose. All these became favorable factors that pushed up the price of corn futures in August. The price of soybean meal futures went down because of the resumption of trade negotiations between China and the United States and the outbreak of African swine fever.

⁴ Commodity groups refer to international standards

⁵ Data Source : Caixin Insight, Gresham Investment Management LLC

⁶ Data Source : Caixin Insight

- **Softs:** The price of white sugar continued to fall in August due to the loose supply of white sugar, the pressure of imported sugar and the lower-than-expected sales in peak season. In August, the natural rubber cutting in the main producing areas was affected by the frequent rains, and the supply was tight. The long-lost rises were ushered in August.
- **Industrial metals:** In August, due to the negative impact of the Turkish Lira crisis, copper prices fell sharply. Subsequently, market sentiment improved, destocking and downstream demand were stable, all these became favorable factors that caused copper prices to rebound. In early August, the rise in steel prices led to an increase in iron prices. In the middle and late August, the RMB exchange rate rose and iron prices fell from a high level.
- **Precious metals:** The Turkish crisis and the strength of the US dollar pushed down the price of gold in the first half of August. The price of gold rebounded slightly because of the US dollar index fell in the second half of the month.

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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