

China Commodity Index

财新智库
Caixin Insight

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

November 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

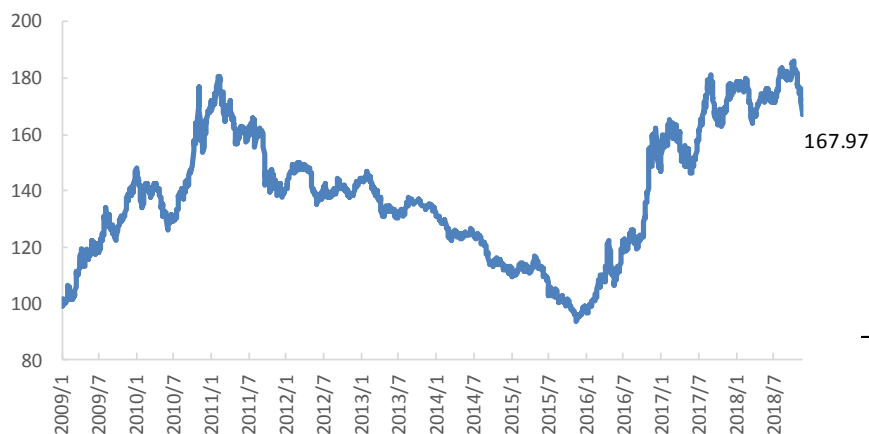
Quick Facts¹ (Data as at : 30 November 2018)

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	180.64	167.97

Index Performance and Risk Tables^{2,3} (Data as at : 30 November 2018)

Historical Performance

2009.1-2018.11 (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	-4.90%	-7.02%	-7.37%	-3.58%	20.72%	4.50%	5.38%

Risk

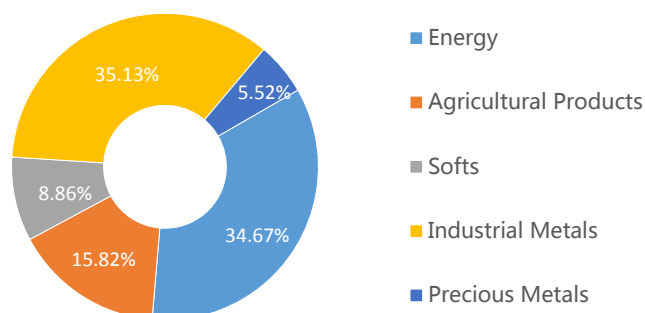
	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
CCI	9.07%	-0.56	-10.19%	11.73%	0.33	-48.33%

¹ Data Source : Caixin Insight, Gresham Investment Management LLC

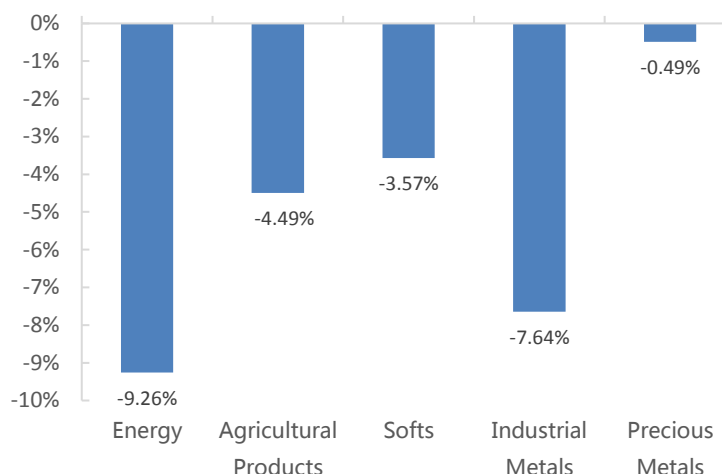
² Data Source : Caixin Insight , Past performance is no guarantee of future results

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	16.7111	17.8886	-6.58%	9.95%
Steel Rebar	Industrial Metals	15.9865	18.4083	-13.16%	9.52%
Coke	Energy	13.3973	15.0479	-10.97%	7.98%
Iron Ore	Industrial Metals	12.3052	13.6924	-10.13%	7.33%
Copper	Industrial Metals	9.9432	9.8382	1.07%	5.92%
Soybean Meal	Agricultural Products	8.0779	8.7625	-7.81%	4.81%
Corn	Agricultural Products	7.9174	7.8306	1.11%	4.71%
Hot Rolled Coil	Industrial Metals	7.0912	7.7966	-9.05%	4.22%
PTA	Energy	6.8775	7.9436	-13.42%	4.09%
Gold	Precious Metals	5.7045	5.7198	-0.27%	3.40%
Sum		104.01	112.93	-7.90%	61.92%

Index Performance Analysis⁶

Highlights :

- In November, the CCI closed at 167.97, down 7.02% from a month ago.
- Energy: The surge in crude oil production in major oil-producing countries and the loosening of the Iranian issue led to an oversupply of the global crude oil market. At the same time, concerns about the slowdown in global economic growth have cast a shadow over the demand outlook for the crude oil market. The Brent oil hit its biggest single-month decline in a decade in this November. The prices of bitumen futures followed the trend of crude oil in November. Affected by the plunge in crude oil, high inventory of power plants, and weak demand, driven by the double price decline in producing area and ports, thermal coal futures prices continued to fall in November.
- Agricultural products: At the beginning of November, corn futures prices went up. This could be affected by the bad weather, corn transfer in some region suspended. Transportation in mid-November returned to normal, and the prices fell back. Due to the high supply and stocks of soybean, as well as the declined demand for soybean meal caused by the African swine fever, the soybean meal futures prices in November fell sharply. In November, the global oil supply was loose, superimposed on the easing of Sino-US trade and the fall in crude oil prices, the soybean oil futures prices continued to decrease.
- Softs: A large number of new cottons were launched in November, and the market has a large backlog of warehouse receipts. The cotton sales were not smooth and the cotton futures prices were suppressed. In November, palm oil

⁴ Commodity groups refer to international standards

⁵ Data Source : Caixin Insight, Gresham Investment Management LLC

⁶ Data Source : Caixin Insight

production in Malaysia and Indonesia were both at a high level, the off-season of the palm oil began in the fourth quarter, and superimposed the more than expected crude oil prices declines. These three factors contributed to the continued weakening of palm oil futures prices.

- Industrial metals: The downward pressure on macroeconomics, the relaxation of steel production restriction, and the high supply encountered the low season of demand, as well as the blocked spot transaction caused by declined steel profit, all these became factors that pushed down the prices of rebar futures in November. Aluminum futures prices continued to decline in November due to the lower than expected supply-side production restriction and the decreased demand.
- Precious metals: In the dynamic game of US dollar interest rate hikes and risk aversion, the price of gold remained volatile in November.

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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