

# 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

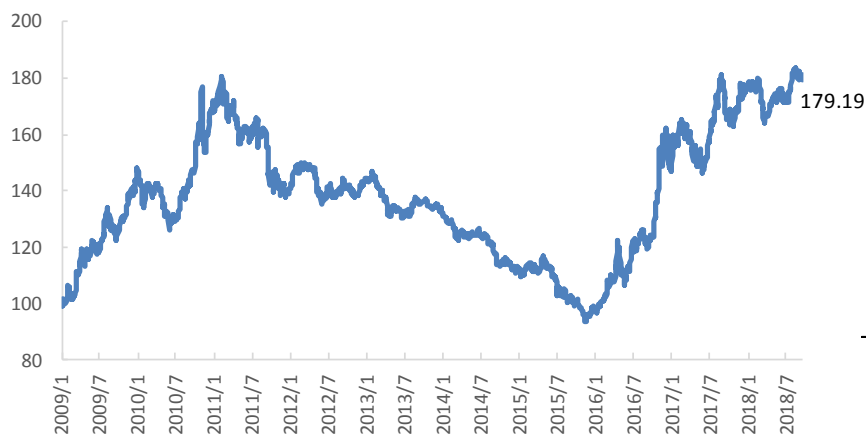
## Quick Facts<sup>1</sup> (Data as at : 28 September 2018)

<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	181.33	179.19

## Index Performance and Risk Tables<sup>2,3</sup> (Data as at : 28 September 2018)

### Historical Performance

2009.1-2018.9 (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>	1.45%	-1.18%	2.83%	7.72%	21.28%	5.71%	6.18%

### Risk

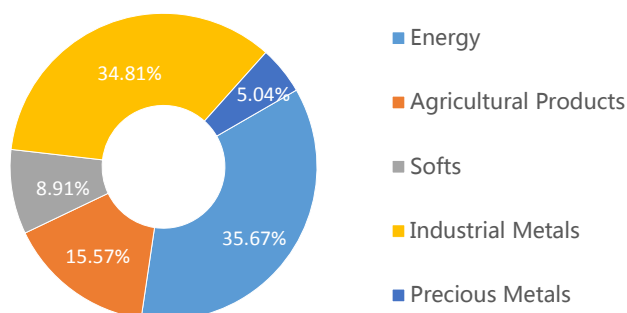
	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
<b>CCI</b>	9.26%	0.67	-8.94%	11.74%	0.40	-48.33%

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

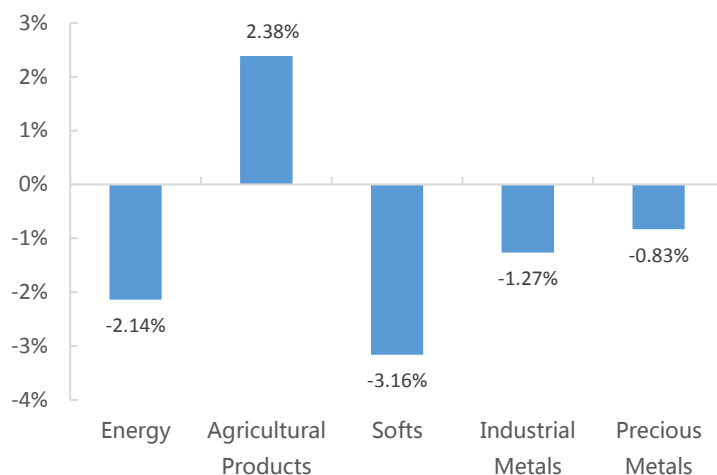
<sup>2</sup> Data Source : Caixin Insight , Past performance is no guarantee of future results

<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	17.8943	17.3984	2.85%	9.99%
Steel Rebar	Industrial Metals	17.5491	18.0328	-2.68%	9.79%
Coke	Energy	14.1200	15.3729	-8.15%	7.88%
Iron Ore	Industrial Metals	12.6648	12.5236	1.13%	7.07%
Copper	Industrial Metals	9.9741	9.6756	3.09%	5.57%
Soybean Meal	Agricultural Products	8.8418	8.1942	7.90%	4.93%
PTA	Energy	8.2296	8.9915	-8.47%	4.59%
Hot Rolled Coil	Industrial Metals	7.9097	8.3887	-5.71%	4.41%
Corn	Agricultural Products	7.6527	7.8554	-2.58%	4.27%
Aluminum	Industrial Metals	5.9238	6.1773	-4.10%	3.31%
<b>Sum</b>		<b>110.76</b>	<b>112.61</b>	<b>-1.64%</b>	<b>61.81%</b>

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

### Highlights :

- In September, the CCI closed at 179.19, down 1.18% from a month ago.
- Energy: This month, the high uncertainty of the reduction in Iranian crude oil issue dominated the rise in crude oil prices, this situation supported the upward move of the bitumen price. The supply of thermal coal was limited due to the coal mine environmental protection policy and security inspections. Despite the decline in demand, the winter coal hoarding of the northern China stimulated the demand. In general, the price of thermal coal was running at a high level during this month. In September, the coke traders were actively shipping, and the environmental protection limit was less than expected, the price of coke futures fell sharply.
- Agricultural products: This month, the pressure on the release of the new corn continued to reduce the price of corn. Compared with corn, the price of corn starch is relatively strong, affected by the operating rate has not recovered, coupled with the demand for stocking before the holiday, driving down the industry inventory. The soybean meal futures price increased significantly in September, mainly because China raised the tax on imported soybeans, which increased the cost of domestic soybean meal.
- Softs: In September, domestic sugar is still in the cycle of increasing production, and the price is probability to go down after the opening of the new sugar cane season. At the same time, the pattern of global sugar supply surplus has not changed. All these became negative factors that caused sugar prices to oscillate at low levels. The cotton futures price

<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

fluctuated and declined in September, this could be affected by the new cotton season coming in October, as well as the pessimistic cotton demand caused by the uncertainty of the Sino-US trade war.

- Industrial metals: At the beginning of September, news of environmental protection and production cuts stimulated rebar prices to rise. In mid-September, the rebar price fell due to the ease of the restrictions on production, and then rebounded after the announced real estate investment data was better than expected. In late September, Affected by the news of the cancellation of the pre-sale system in real estate sales, rebar price fell sharply. As the Sino-US trade war continued to escalate, aluminum prices fell all the way.
- Precious metals: In September, the development of the trade war and the interest rate rising level are in line with market expectations, risk aversion has subsided, and gold futures prices have fluctuated at low levels.

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#### 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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