

China Commodity Index

财新智库
Caixin Insight

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

January 2019

Methodology

Construction

- The China Commodity Index gauges price changes in 33 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

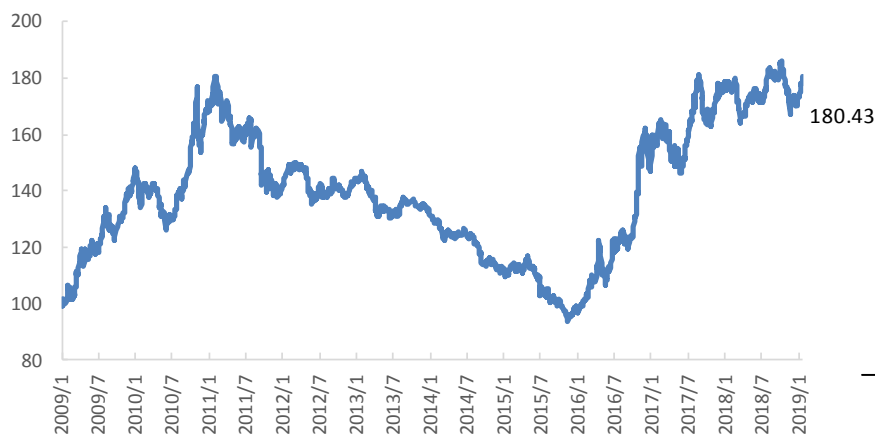
Quick Facts¹ (Data as at : 31 January 2019)

Full Name	Abbreviation	Number of Contracts	Calculation Currency
China Commodity Index	CCI	33	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	170.64	180.43

Index Performance and Risk Tables^{2,3} (Data as at : 31 January 2019)

Historical Performance

2009.1-2019.1 (CNY)



Calendar Year Price Returns

Year	CCI
2018	-3.39%
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	5.74%	5.74%	-0.12%	2.11%	21.99%	7.01%	6.04%

Risk

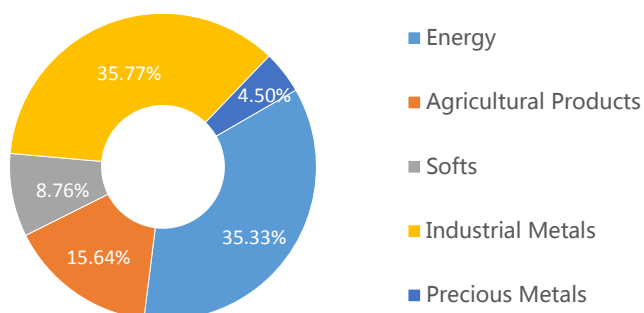
	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
CCI	8.75%	0.07	-10.19%	11.68%	0.39	-48.33%

¹ Data Source : Caixin Insight, Gresham Investment Management LLC

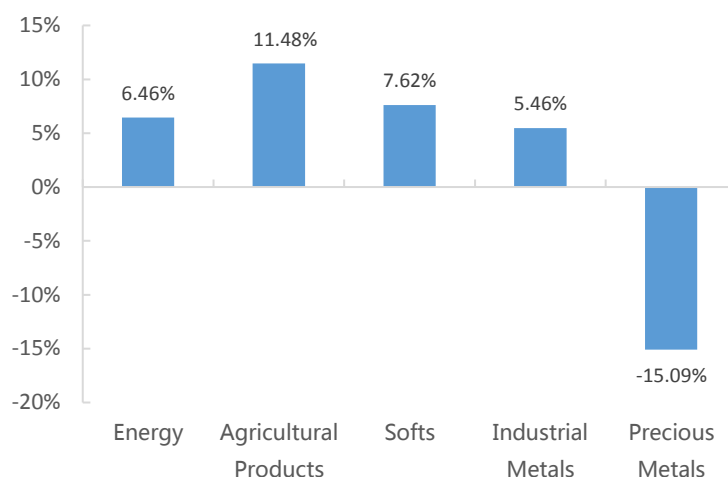
² Data Source : Caixin Insight , Past performance is no guarantee of future results

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 (%)
Thermal Coal	Energy	17.6719	17.0952	3.37%	9.79%
Steel Rebar	Industrial Metals	14.9989	16.6260	-9.79%	8.31%
Coke	Energy	14.2471	14.2023	0.32%	7.90%
Iron Ore	Industrial Metals	14.1530	13.6551	3.65%	7.84%
Copper	Industrial Metals	10.9053	9.6648	12.84%	6.04%
Corn	Agricultural Products	9.8411	7.7287	27.33%	5.45%
PTA	Energy	9.6770	6.8761	40.73%	5.36%
Hot Rolled Coil	Industrial Metals	7.6531	7.5577	1.26%	4.24%
Soybean Meal	Agricultural Products	7.5410	7.5058	0.47%	4.18%
Aluminum	Industrial Metals	6.5226	5.6130	16.21%	3.62%
Sum		113.21	106.52	6.28%	62.75%

Index Performance Analysis⁶

Highlights :

- In January, the CCI closed at 180.43, up 5.74% from a month ago.
- Energy: In January 2019, international crude oil prices bounced under the steady progress of production cuts, pushing up bitumen prices. Specific to the domestic market, the bitumen futures prices went up with many factors such as the low winter production, increasing seasonal demand due to pleasant southern weather conditions and the worsened market's concerns about the source of bitumen raw materials caused by the deteriorated US-Venezuela relationship. In January, the thermal coal futures prices rushed up after a coal mine collapsed in Shenmu, Shaanxi, and then went down to the normal range with the release of the Yulin coal supply guarantee document.
- Agricultural products: In January, the corn futures prices showed a trend of falling first and then rising. In the first half of the month, affected by the Sino-US trade negotiations and the arrival of imported corns, as well as the loose supply brought by accelerated sales of new corn, corn futures prices moved down. In the second half of the month, the Spring Festival was approaching, the willingness of enterprises to replenish goods was strong, and the high demand supported the sustained upward move of the corn futures prices. In January, African swine fever continued to spread domestically. The demand for soybean meal was weak and the stocks were high. The oil plants lowered the operating rate since their storehouses were completely packed and the soybean oil production decreased. Also, the high demand before Spring Festival kept the trading volume of soybean oil high. All these became favorable factors that pushed up the price of

⁴ Commodity groups refer to international standards

⁵ Data Source : Caixin Insight, Gresham Investment Management LLC

⁶ Data Source : Caixin Insight

soybean oil futures.

- **Softs:** In January 2019, the prices of sugar rebounded sharply. This could be affected by low existing inventory and supply pressure in sugar industry, as well as the delayed import pressure caused by the deferred issuance of the additional import license. On the other hand, the Guangxi government's release of favorable policies and alleviation of the pressure on sugar companies were also important reasons for the soaring price of sugar futures. In January, the profits of the cotton ginning mills were lower, and the operating rate decreased because of Spring Festival, supporting the cotton futures price to rise slightly.
- **Industrial metals:** In January, the prices of iron ore rose continuously and supported the upward move of the steel rebar price from the cost side. This could be affected by the monetary policies of central bank, replenishment drive of iron plants before Spring Festival, and the Vale SA' s dam disaster. At the beginning of the month, Sino-US trade consultations resumed, which pushed up the copper prices. The copper price in the middle of the month rebounded under the favorable monetary policy, but was dragged down by the lower-than-expected economic data. The rebound was limited, and the overall copper price fluctuated in January.
- **Precious metals:** In the first half of the month, gold futures prices declined slowly. Although the United States government has re-run on January 25th, Trump refused to rule out the possibility of the government shutting down again. At the same time, the Fed is likely to stop its rate hikes, gold prices continued to rise.

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)

Contact Us to Know More:

Caixin Insight

Yuhua Huang

Tel : +86-10-85905219

Email : yuhuahuang@caixin.com

Gresham Investment Management LLC

Bonnie Shao

Tel: +65 69140046/ +65 81839108

Email: bjs@greshamllc.com

Disclaimer:

Caixin Insight (Shenzhen) Investment and Development Co., Ltd. ("Caixin Insight") will try our best to ensure the accuracy and reliability of the index data in a professional and responsible manner, but it will not guarantee it. The information herein is not intended to be a suggestion of investment, or offer to buy or sell, nor is it a decision basis for your investment judgement and reference. The index data discussed in this report may not be suitable for all investors and investors must make their own informed decisions and seek their own advice regarding the appropriateness of investing in financial instruments. Caixin Insight takes no responsibility for any loss or damage caused by inaccurate or missing of index data or howsoever arising from or in reliance upon the whole or any part of the contents of the document (Whether it is a tort, a breach of contract or any other liability).

This document is for information purposes only and is intended for use by Permitted Clients. Caixin Insight has not made any express or implied statements or warranties about any information contained in the index and / or this document, including guarantees for accuracy, completeness, timeliness, applicability of specific purposes, safety and non-infringement. Caixin Insight takes no responsibility for any loss or damage caused by inaccurate or missing of index data or howsoever arising from or in reliance upon the whole or any part of the contents of the document (Whether it is a tort, a breach of contract or any other liability).