

China Commodity Index

财新智库
Caixin Insight

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

March 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

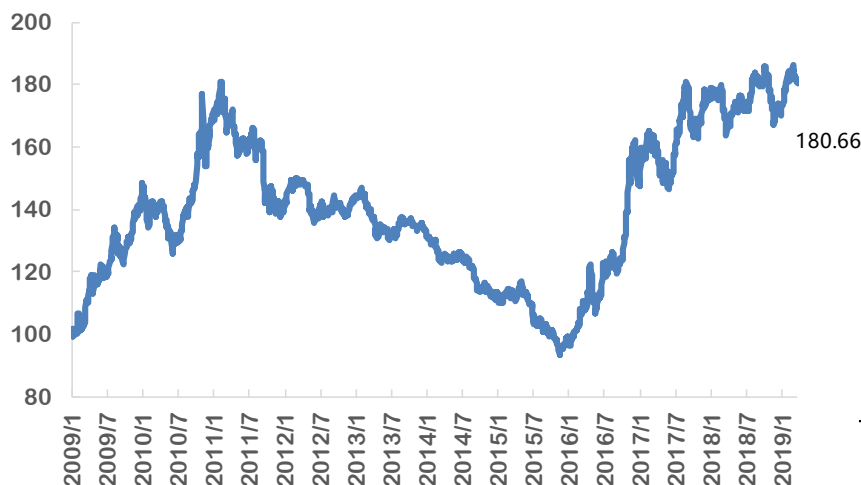
Quick Facts¹ (Data as at : 29 March 2019)

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	182.95	180.66

Index Performance and Risk Tables^{2,3} (Data as at : 29 March 2019)

Historical Performance

2009.1-2019.3 (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	5.87%	-1.25%	5.87%	9.25%	18.86%	7.63%	5.96%

Risk

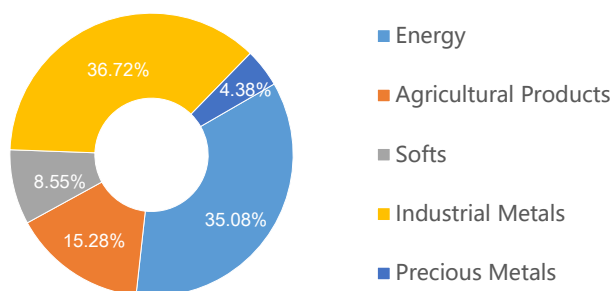
	1Y			Since January 2009		
	Volatility	Sharpe Ratio	Max Drawdown	Volatility	Sharpe Ratio	Max Drawdown
CCI	8.54%	0.91	-10.19%	11.63%	0.38	-48.33%

¹ Data Source: Caixin Insight, Gresham Investment Management LLC

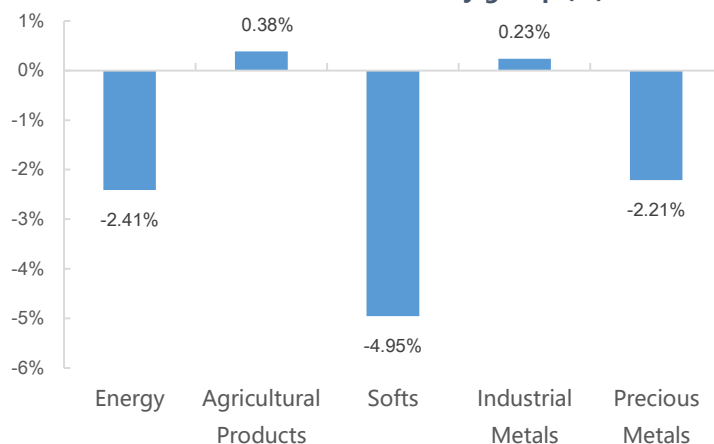
² Data Source: Caixin Insight, Past performance is no guarantee of future results

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	18.0983	18.3785	-1.52%	10.02%
Steel Rebar	Industrial Metals	15.1247	15.1490	-0.16%	8.37%
Iron Ore	Industrial Metals	15.0368	14.6009	2.99%	8.32%
Coke	Energy	13.7798	14.7877	-6.82%	7.63%
Copper	Industrial Metals	11.0854	11.3700	-2.50%	6.14%
Corn	Agricultural Products	9.5873	9.5556	0.33%	5.31%
PTA	Energy	9.5262	9.4050	1.29%	5.27%
Hot Rolled Coil	Industrial Metals	7.8937	7.9810	-1.09%	4.37%
Soybean Meal	Agricultural Products	7.3503	7.2828	0.93%	4.07%
Aluminum	Industrial Metals	6.5957	6.5933	0.04%	3.65%
Sum		114.08	115.10	-0.89%	63.15%

Index Performance Analysis⁶

Highlights:

- In March, the CCI closed at 180.66, down 1.25% from a month ago.
- Energy: In March, the gloomy prospects of production and export in Venezuela and Iran amid US sanctions, the announced accelerated production cuts in Russia, together with the extended expectation on oil cuts by OPEC countries, offered support on crude oil prices. In terms of fuel oil, although the demand for ship fuel in March did not improved, the tightened supply arising from refinery maintenance, as well as crude oil price rise pushed fuel oil prices to edge higher in general. The price rise of crude oil, coupled with low refinery inventories, also buoyed the increase in bitumen prices. Nevertheless, due to limited downstream demand, bitumen prices fluctuated dramatically. During the "Two Sessions" in March, coal supply was contracted by slow recovery of coal mines, which resulted in the surge in thermal coal prices. In the latter half of this month, thermal coal prices were sent to low levels by the release of production capacity of coal mines, high plants' stocks and declined demand after heating seasons.
- Agricultural products: In the beginning of March, the remaining corn were not consumed yet, the African swine fever still went around and the expectations on imported substitutions of corn spread. Despite these facts, corn futures prices sprang upward because of supporting policies and replenishing actions by downstream factories. In March, soybean meal futures prices experienced fluctuations around a low level under the impact of African-Swine-Fever-caused weak domestic demand, inflated stocks in oil plants and expected increase in arrived soybean imports.

⁴ Commodity groups refer to international standards

⁵ Data Source: Caixin Insight, Gresham Investment Management LLC

⁶ Data Source: Caixin Insight

- **Softs:** In March, despite the implementation of policies in Guangxi and the action of combating smuggling, sugar prices fluctuated with downward trend amid the global setting of de-inventory of sugar and weak domestic demand. For cottons, on one hand, domestic inventory and the mid and long-term import supply expectations were high, on the other hand, the market pessimism eased and the operating rate of textile industries increased, so cotton prices maintained fluctuations around a low level.
- **Industrial Metals:** Overall, after a strong rebound in February, the copper prices dropped in March on mid and long-term factors including the downswings of global economy and clouds over Sino-US trade and Brexit outlook. Short-term factors such as the crash of stock markets caused by inverted US yield curve and poor domestic economic data. In March, iron ore prices showed a sideways drift. This is mainly due to the combined effects of both bearish and bullish factors including the changeable decision on whether to set Vale iron ore mine to reopen, the loose of production limits by environmental protection needs after “Two Sessions”, the rise of steel plants operation rate and the sustained growth of port inventories.
- **Precious Metals:** The persistent uptick in the dollar due to positive Sino-US trade talk’s consensus and faded risk aversion mood has put pressures on precious metals prices in early March. The prices of precious metals plunged dramatically. However, limited by little downside space, precious metals prices quickly rebounded under the effects of lower-than-expected U.S. economic data and the release of global dovish signals. Till the end of March, gold prices have recovered from the trough. The growth of silver prices was weaker but the trend was similar.

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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