

# CTDI CHINA GRAIN INDEX

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**CTDI INDICES**

A.I. DRIVEN FINANCIAL INDICES



**TradeFlow**  
Capital Management

*Transforming Risk, Enabling Trade*

# CTDI CHINA GRAIN INDEX

## Index Overview

The CTDI China Grain Index is a grain focused index comprised of liquid agricultural commodities. The index comprises of three agricultural goods commodities currently traded on the Chinese futures exchanges: #1 soybean, #2 soybean, and corn.

The CTDI China Grain Index is weighted by relative liquidity based on the 60 days average total dollar value traded (TDVT) of contract size. Here, the total dollar value traded (TDVT) of contract size is defined as the contract size of futures multiplied by its futures price.

## Index Objective: Benchmarking China's Economy

The CTDI China Grain Index is an effective way to track China's rapidly expanding agricultural market. As the Chinese economy shifts away from an export oriented economy to one of domestic consumption, food demand has played a central role in the global agricultural supply chain.

China is now the world's largest importer of soybeans and corn, primarily as feed for livestock, and is expected to maintain this position as a growing middle class consume larger quantities of meat in the future. The Chinese financial market has reflected this rising trend in meat consumption with the recent listing of hog futures contracts on January 8, 2021. These hog contracts were the first livestock futures contracts to be listed, with more livestock contracts expected to be launched in the future as Chinese financial markets develops a more sophisticated traded agricultural products marketplace.

## A Traders' Market

The CTDI China Grain Index serves the interests of traders and market watchers, allowing them to benchmark Chinese agricultural demand in a more sensitive manner. It provides a transparent window for trading Chinese linked equities and commodities futures.

Our indices have value for all users needing an accurate benchmark of China's economic state, with the confidence of utilizing indices created to the standards set by the IOSCO Principles.



# INDEX CONSTITUENTS AND WEIGHTINGS

## Country of Listing

All commodities are listed contracts on Chinese futures exchanges.

The exchanges are:



This means all data used in the calculation of CTDI indices is based upon 'observable transactions'



# CORRELATION ANALYSIS

## CTDI China Grain Index as a Key Leading Indicator

The graph below highlights the level of correlation between the CTDI China Grain Index and S&P GSCI Grain Index correlation calculated as 0.859.

