

CTDI CHINA STEEL INDEX

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CTDI INDICES

A.I. DRIVEN FINANCIAL INDICES

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Index Overview

The CTDI China Steel Index is a steel industry focused index comprised of liquid commodities. It consists of 6 steel industry commodities traded on Chinese futures exchanges: iron ore, metal coke, coking coal, hot rolled coils, steel rebar, and stainless steel.

The CTDI China Steel 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: Global Steel Barometer

The CTDI China Steel Index is the most effective tool to track China's influence over the world's steel industry, the backbone commodity of the globe's industrial and infrastructure activity. China is now the world's largest producer and exporter of crude steel, with over 50% of global capacity. By contrast, India, the world's next largest steel producer, comprises only 6% of global capacity. This industry leading capacity is unlikely to change for the foreseeable future as the Chinese government has deemed the steel industry as crucial to the country's strategic development. Concurrently, China is also the largest steel consumer in the world, representing over 60% of the world's annual steel demand. Japan, second largest steel consumer, represents 6% of annual steel demand.

As the world's largest producer and consumer of crude steel, China directly influences prices of both steel and raw materials used in steel production. However, if domestic Chinese demand for steel drops, China exports surplus steel and lowers international prices as a result. If output falls, the demand for raw materials will slow down and further affect prices. All these supply chain workings makes China as the biggest influencer on the global steel industry.

A Traders' Market

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

Our indices have value for all users needing an accurate benchmark of China's steel sector activity, 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

The graph below highlights the level of correlation between the CTDI Steel Index and Datastream G12 Iron & Steel Index correlation calculated as 0.909

