

Dow Jones Commodity Index Consultation on Eligibility Criteria Results

NEW YORK, SEPTEMBER 20, 2018: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with members of the investment community on potential changes to the Dow Jones Commodity Index (“DJCI”).

In order to make the DJCI’s eligibility criteria completely independent from the S&P GSCI index, S&P DJI will make changes to the DJCI’s liquidity, country, and minimum weight criteria as described below.

LIQUIDITY CRITERIA

Under the current methodology, similar commodities are grouped into “components” (e.g. Petroleum). Each component must have a Total Dollar Value Traded (TDVT) of at least \$30 billion in order to be eligible for index inclusion. Additionally, commodity components must have a Total Quantity Traded of at least 25% of the total component for index inclusion. In order to allow a greater number of commodities to be eligible for index inclusion, S&P DJI will eliminate the component concept for index inclusion purposes. Instead, each commodity (e.g. WTI Crude Oil) must have a TDVT of at least \$15 billion (\$5 billion for current index commodities) in order to be eligible for index inclusion. Capped component indices could still be created, but the component inclusion concept will no longer apply, as the liquidity of the specific commodity is the most important factor.

COUNTRY CRITERIA

Under the current methodology, country eligibility is based on OECD membership. In order to allow a greater number of countries to be represented in the index, S&P DJI will base country eligibility on the S&P Developed BMI index. Country classification changes are implemented in the S&P Developed BMI during that index’s September rebalancing. Any country classification changes to the S&P Developed BMI will be implemented in the DJCI three months later during the index’s annual rebalancing in January.

For information on the S&P Developed BMI, please refer to the index’s methodology available [here](#).

MINIMUM WEIGHT CRITERIA

Under the current methodology, the percentage weight requirement for a commodity to be eligible for index inclusion is 1% (0.1% for current index commodities). In order to allow a greater number of commodities to be eligible for index inclusion, S&P DJI will reduce the percentage weight requirement for new commodity additions to 0.1%.

For clarity, the table below summarizes the changes.

Change	Methodology	
	Previous	Updated
Liquidity Criteria	Similar commodities are grouped into “components” (e.g. Petroleum). Each component must have a Total Dollar Value Traded (TDVT) of at least \$30 billion in order to be eligible for index inclusion. Additionally, commodity components must have a Total Quantity Traded of at least 25% of the total component for index inclusion.	Each commodity (e.g. WTI Crude Oil) must have a TDVT of at least \$15 billion (\$5 billion for current index commodities) in order to be eligible for index inclusion. Capped component indices could still be created, but the component inclusion concept no longer applies.
Country Criteria	Country eligibility is based on OECD membership.	Country eligibility is based on the S&P Developed BMI index with any country classification changes implemented in the DJCI during the index’s annual rebalancing in January.
Minimum Weight Criteria	The percentage weight requirement for a commodity to be eligible for index inclusion is 1% (0.1% for current index commodities).	The percentage weight requirement for a commodity to be eligible for index inclusion is 0.25%. The exclusion percentage for current commodities will remain at 0.1%.

These changes will become effective prior to the market open on Tuesday, January 8, 2019, in conjunction with the index’s annual rebalancing.

Please note the index methodology on S&P DJI’s website is being updated to reflect this change.

For more information about S&P DJI, please visit www.spdji.com.

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