

Results of S&P Dow Jones Indices Consultation on Proposals Related to Negatively Priced Commodities Futures Contracts

NEW YORK, JULY 7, 2020: S&P Dow Jones Indices (“S&P DJI”) continues to monitor the current market environment and recent global events affecting commodity markets and has conducted a [consultation](#) with market participants in order to seek feedback regarding the construction and maintenance of the S&P DJI Commodity Indices.

Multi-Commodity Indices (e.g. S&P GSCI) and Other Unlevered, Long-Only Commodity Indices Including Single-Commodity Indices

S&P DJI will seek to mitigate the potential impact of negative commodity futures contract prices in its indices. As market conditions warrant, the Index Committee may elect to implement an unscheduled designated contract roll.¹

In the case of an unscheduled roll event, S&P DJI will endeavour, as market conditions warrant, to implement the roll over two business days (i.e. two-day roll period), as well as provide two business days’ notice in advance of the unscheduled roll implementation.

In the event of the foregoing circumstances, S&P DJI will aim to conform to the index’s objective to the greatest extent possible, and will typically roll into the next most viable contract as published in the methodology. However, the Index Committee retains the right to roll into a further dated contract based on market conditions at the time of its decision.

The Index Committee continually monitors markets and carries out its duties in accordance with the following procedural guidelines:

- Daily monitoring of commodity market data (both relative and absolute) to identify significant price declines that may trigger further operational review.
- An Index Committee meeting may be convened to further assess unusual price declines and will take into account additional market data and analysis relevant to the current market conditions.
- An announcement may be disseminated to inform clients that S&P DJI is aware of and reviewing the current situation.

In the case of an unscheduled roll event, if there are no viable designated contracts to roll into, the Index Committee will convene and determine the appropriate course of action, which may include, but not be limited to, the removal of the commodity from the impacted indices. The Index Committee reserves the right to review the contract roll schedule at any time and as market conditions warrant.

¹ “Unscheduled Roll Event” is a scenario, based on market conditions, where the normal parameters of the roll, as defined in the relevant Index Methodology, may be adjusted. This includes, but is not limited to, when the roll occurs, the length of the roll, the proportions of the roll, or the roll-in contract.

Based on the feedback from the consultation of market participants, the Index Committee will continue to review the impact of negative settlement prices on roll-in or roll-out contracts during a roll period and potential mechanisms to handle this situation. Further guidance will be provided at a later date.

For negative commodity futures contract prices and index levels outside of a roll period, please refer to S&P DJI's [announcement](#) on this topic issued on April 21, 2020.

Capped Commodity Indices and Commodity Index of Indices

S&P DJI will establish a floor weight of 0% at rebalancing for all negatively priced commodities in capped commodity indices and commodity index of indices, except those that specifically allow a negative weight at rebalancing.

IMPLEMENTATION TIMING

These changes will become effective prior to the open on Monday, July 27, 2020.

Please note that the S&P DJI Commodities Indices Policies and Practices Methodology on our website is being updated to reflect these changes.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

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