

# CCI™: CANADIAN CRUDE INDEX™

## AUSPICEindices

### A CANADIAN-BRANDED BENCHMARK: THE CCI™

The Canadian Crude Index™ (CCI™) represents a simple, transparent and liquid benchmark price for oil that is produced in Canada. The current global benchmarks are not representative of actual Canadian crude oil prices. The CCI™ is a benchmark price on which products can be created to track the actual price of Canadian crude.

### BACKGROUND FACTS ON CANADIAN OIL

1. Canada has the third largest oil reserves in the world (CAPP, 2014). Over 90% of these reserves are located in Western Canada (IHS CERA, 2013) and are some of the most reliable sources of oil in the world.
2. Western Canadian Select (WCS) is the dominant grade for heavy sour physical crude oil in Alberta (Alberta Energy, 2013). Currently, WCS trades at a discounted price to Western Texas Intermediate (WTI). See Chart 1.
3. The landlocked location and transportation constraints contribute to the WCS price discount. As the seventh biggest producer globally, efforts are being made to find alternative transportation mechanisms.
4. Increased accessibility to global markets could increase the demand of WCS. Other heavy sour crudes, like the Maya (Mexico) blend (Alberta Government, 2013), currently trade at a premium to the WTI.

### KEY POINTS ABOUT THE CCI™

1. Priced in USD per barrel.
2. It accurately reflects the commodity price, risk and volatility of Canadian oil and its producers.
3. The price of CCI™ regularly disconnects from WTI. See Chart 2.
4. CCI™ represents a rolling 3 month exposure to take advantage of liquidity and minimize transaction costs.

### OPPORTUNITIES WITH THE CCI™

1. The CCI™ is more volatile with a highly variable correlation to other benchmarks creating trading opportunities. See Chart 3 and Table 1.
2. The products can be used to speculate outright on the price of Canadian crude oil or in conjunction with the WTI to put on a spread trade which could represent the differential between the two. See Chart 2.
3. With changes in transportation, greater transparency and a new benchmark, Canadian crude could end up trading at a premium.
4. The CCI™ can be licensed to create exchange traded products which will track the unique price of Canadian crude oil.

Table 1 : The CCI™ is 42% more volatile than the WTI.

	CCI™	WTI
Volatility	34%	24%

Index Tickers			
Data Provider	Index Ticker	Data Provider	Index Ticker
NYSE	CDNCRUDE	Trackdata	CDNCRD
Bloomberg	CDNCRUDE:IND	Factset	CDNCRUDE-PSE
Reuters	.CDNCRUDE	Telekurs	CDNCRUDE
TradeStation	\$CDNCRUDE	Activ Financial	=CDNCRUDE.NGI
Sunguard	CDNCRUDE	SIX Financial	CDNCRUDE
DTN	CDNCRUDE.X	Thompson One	CDNCRUDE-P

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Chart 1: CCI™ currently trades at a discount.

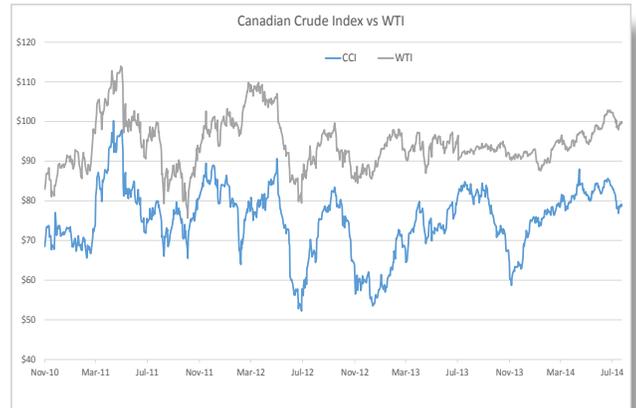


Chart 2: The differential between CCI™ and WTI is volatile.

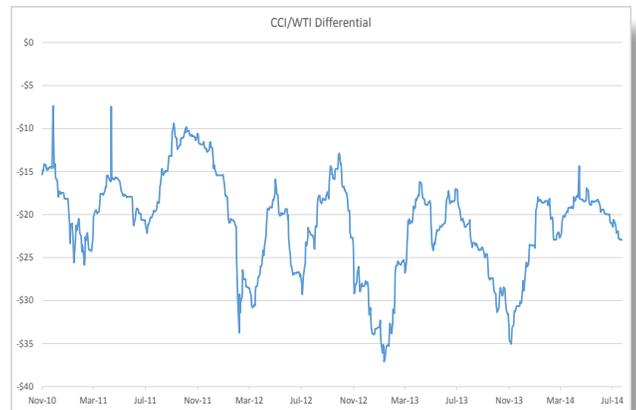
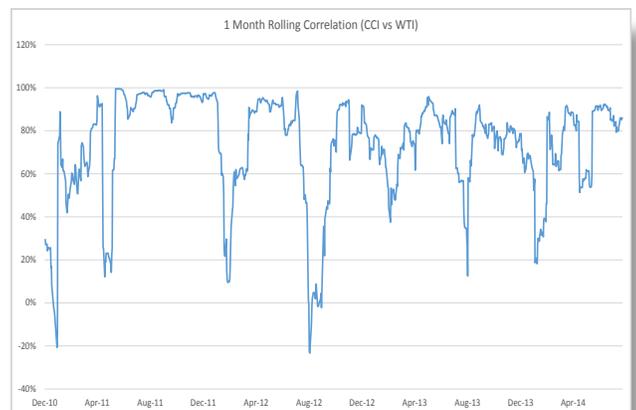


Chart 3: CCI™ correlation is highly variable to WTI.



For Index licensing and other opportunities, please contact [cci@auspicecapital.com](mailto:cci@auspicecapital.com) or call 1-888-792-9291