

## February 1 - February 5, 2021 Weekly Index Research Update

### The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) traded up 8.52%, appreciating the weekly total return

The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) appreciated 8.52% to end the week on Friday, February 5, 2021, with a value of 101.21. The index was lifted by all forty-seven constituents trading up +0.86% to +68.25%, pushing the total return for the month-to-date and year-to-date yields, 11.24%, and 18.99%, respectively. (Refer to the Chart of the Week). Investors' enthusiasm was fueled by better-than-expected corporate earnings results, a steepening yield curve, the prospect of finalizing the \$1.9 fiscal stimulus package, and vaccine distribution progress boosted the three major U.S. equity benchmarks to close higher.

The rules-based stock Index is the underlying methodology for **LEND - Amplify CrowdBureau® Online Lending and Digital Banking ETF**, the exchange-traded fund listed on NYSE Arca.

For the week, U.S. equity major benchmarks finished in positive territory. January labor market growth returned by tallying 49,000 jobs, and the rate of unemployment fell to 6.3% from 6.7%. The Dow Jones Industrial Average (DJIA) registered 3.89%, advancing to end at 31,148.24. The S&P 500 Index (SPX) recorded 4.65%, climbing to 3,886.83 to finish the session. The technology-heavy Nasdaq Composite Index (COMP) posted a gain of 6.01%, increasing to 13,856.30. Small capitalized companies measured by the Russell 2000 Index rose 7.70%, closing at 2,233.33. In U.S. economic data, the U.S. international trade deficit fell in December, but the nation's trade gap still climbed in 2020 to the highest level in 12 years due to the coronavirus pandemic. The government reported the trade gap shed 3.5% to \$66.6 billion in December from \$69 billion in November. The IHS Markit final U.S. Manufacturing Purchasing Managers' Index (PMI) for January recorded a reading of 58.7, from 60.5 the month prior. In Asia, China's official manufacturing Purchasing Managers' Index (PMI) registered 51.3 in January 2021, but a decline from 51.9 in December 2020. The drop was the largest recorded in 10 years, partially reflecting the seasonal weakness in industrial production and demand around the Spring Festival holiday, which usually goes down by the end of January and February.

A rise in global equity markets moved Asia and European benchmarks higher. The Stoxx 600 Europe index (SXXP) added 3.84% to end at 408.40. In Asia, China's Shanghai Composite (SHCOMP) traded up 0.38% to 3,496.33. Hong Kong's Hang Seng Index (HIS) recorded 3.55% to increase 29,288.68.

The yield on the 10-year Treasury note TMUBMUSD10Y rose 2.5 basis points to 1.169%, gaining 13 basis points for the week. Gold Continuous Contract GC00, -2.52%, to settle at \$1,813.00 an ounce. Crude oil WTI 7.55%, to settle at \$56.85 per barrel on the New York Mercantile Exchange.

The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) traded up each day during the five-day interval, appreciating the weekly total return to 8.52%. The performance was fueled by the share prices of all forty-seven constituents rising in a range of 0.86% to 68.25%. The P2P marketplace lenders, and digital banks were lifted as confidence rose with a steepening yield curve that net interest margins may aid profits as the economy recovers. Also, social networking platforms sector stocks were buoyed by strong fourth-quarter and full year earnings results. Share prices in U.S. P2P Online lenders recorded gains of 2.57% from Elevate Credit Inc. (ELVT) to a soaring 24.52% registered by Lending Club Corporation (LC). Shares in Enova International increased by 23.63%, reported corporate earnings results, total revenue in the fourth quarter increased ~30% to \$264 million while dropping 24% year-over-year despite our significant pullback in loan originations from March to July during the height of the pandemic. Adjusted earnings before interest tax depreciation and amortization (EBITDA) rose 126% year-over-year to a record \$149 million and adjusted EPS grew by 160% to \$2.39. Other winners comprised heavier-weighted P2P online lender, LendingTree Inc. (TREE) 5.26%, GreenSky Inc. (GSKY) 19.27%, and Upstart Holdings Inc. (UPST) 20.98%.

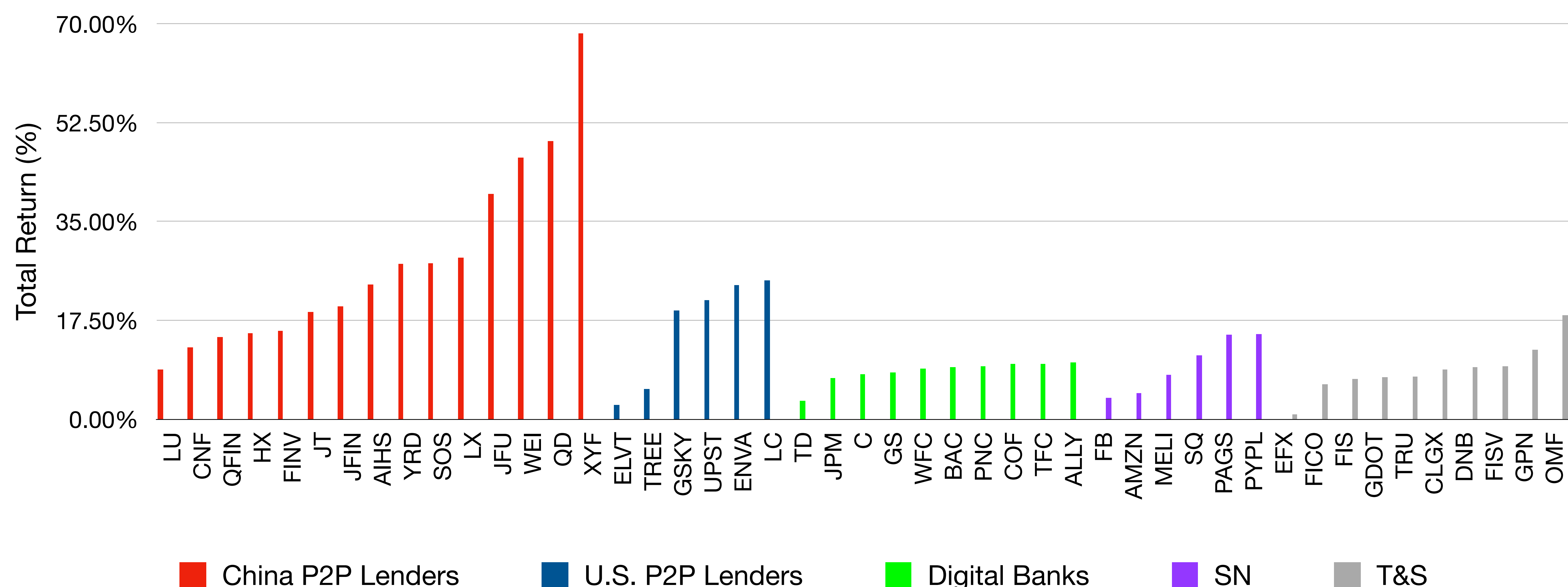
At the same time, China-based P2P online lenders led the leader board with technology-empowered personal financial services marketplace lender Lufax Holdings Ltd. added 8.85%, reported its unaudited financial results for the fourth quarter and full-year ended December 31, 2020. Total income increased by 5.9% to US\$2,036 million (RMB13,286 million) in the fourth quarter of 2020 from RMB12,549 million during the same period of 2019. Net profit rose 17.4% to US\$436 million (RMB2,847 million) in the fourth quarter of 2020 from RMB2,425 million in the same period of 2019. Other gainers included CN Finance Holdings Limited (CNF) 12.75%, 360 DigiTech Inc. (QFIN) 14.43%, Xiaobai Maimai Inc. (HX) 15.18%, FinVolution Group (FINV) 15.65%, Jianpu Technology Inc. (JT) 18.92%, Jiayin Group Inc. (JFIN) 20.00%, Senmiao Technology Limited (AIHS) 23.78%, Yiren Digital Ltd. (YRD) 27.46%, SOS Limited (SOS) 27.63%, LexinFintech Holdings Ltd. (LX) 28.57%, 9F Inc. (JFU) 39.84%, Weidai Ltd. (WEI) 46.26%, Qudian Inc. (QD) 49.25% and X Financial (XYF) climbed 68.25%.

Financial Institutions with a dedicated lending platform constituents share prices made gains ranging from Toronto Dominion Bank (TD) advancing 3.27% to Ally Financial Inc (ALLY) increasing by 10.04%. Gains followed positive fourth earning reports, also regulators gave way to big banks to restart their share repurchase and dividend programs. This week, Citigroup (C) up 7.92%, announced \$1.25 Billion a redemption of 3.165% Fixed Rate / Floating Rate Notes due February 2022, and \$500 Million Redemption of Floating Rate Notes due February 2022. Also, Capital One Financial Corporation (COF) rose 9.80%, declares a \$0.40/share quarterly dividend, a 300% increase from the prior dividend of \$0.10. Forward yield 1.43% and payable on March 1, 2021, for shareholders of record Feb. 17, 2021.

Shares in Amazon (AMZN) 4.55%, reported earnings results after the close of better-than-estimated sales, and the announcement that Chief Executive Officer Jeff Bezos will step down in the third quarter of 2021 and will become executive chairman with the CEO spot taken by Amazon Web Services head Andy Jassy. Fourth Quarter results included operating cash flow increased by 72% to \$66.1 billion for the trailing twelve months, compared with \$38.5 billion for the trailing twelve months ended December 31, 2019. Full-year results, net sales increased 38% to \$386.1 billion, compared with \$280.5 billion in 2019. Excluding the \$1.4 billion favorable impact from year-over-year changes in foreign exchange rates throughout the year, net sales increased 37% compared with 2019. PayPal (PYPL) up 14.99% after reporting fourth-quarter and annual earnings results. PayPal benefited from adding 16 million new accounts in the fourth quarter, advancing its total client base to 377 million. Total payment volume increased by 39% pushing earnings to an adjusted \$1.08 per share on \$6.12 billion in revenue, more than analyst expectations of earnings of \$1.00 per share on sales of \$6.09 billion. Forward-looking, the firm anticipates total payment volumes will grow in the range of 20% for 2021 as it plans to add 50 million new accounts. Revenue is expected to grow by 19% and full-year adjusted earnings are forecast to come in at \$4.54 per share compared to \$3.88 per share in 2021 based on the company's estimate for 17% year-over-year growth.

Also this week, Equifax (EFX) 0.86% declares a \$0.39/share quarterly dividend, in line with previous. Forward yield 0.86%. Payable on March 15, 2021, for shareholders of record Feb. 22, 2021; ex-div Feb. 19. While CoreLogic® (CLGX) 8.78% announced that the company's Board of Directors approved a merger agreement under which funds managed by Stone Point Capital and Insight Partners will acquire all outstanding shares of CoreLogic for \$80 per share in cash, representing an equity value of approximately \$6.0 billion and a premium of 51% to CoreLogic's unaffected share price on June 25, 2020.

**Chart of the Week: The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT), 47 Index Constituents Total Return (%) Performance for the Week**





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