

## January 11 - January 15, 2021 Weekly Index Research Update

### The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) recorded a gain of 2.37%, ending on a positive note for a second consecutive week

The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) registered a gain of 2.37% to end the week at 89.49. Since the beginning of the year, the Index has added 5.21% pushing the year-to-date return up. Market sentiment turned morose by the end of the week with notable big banks reporting mixed corporate earnings results with shares of Wells Fargo & Co. (WFC) -3.46%, PNC Financial Services Group Inc. (PNC) -2.16%, Citigroup Inc. (C), -1.74% and JPMorgan Chase & Co. (JPM), +1.93%. Shares in twenty-two (46.8%) of the constituents increased this week. However, it was a combination of eleven Peer-to-Peer Marketplace Lending and Digital Banking Platforms (P2P/D) and Providers of Technology and Software Solutions (T&S), outperforming other constituents by 5% or more that tilted the Index positive. (See the Chart of the Week).

To learn more about the exchange-traded fund listed on NYSE Arca, click here for the ticker symbol, **LEND - Amplify CrowdBureau® Online Lending and Digital Banking ETF**.

The three major U.S. benchmarks registered losses for the week, as investors mulled over the prospects of resident-elect Bidens' \$1.9 trillion fiscal aid package garnering bipartisan support, mixed fourth quarter earnings results by big banks', a decline in retail sales by 0.7% in December, and concern over the distribution of the vaccine nationally. The Dow Jones Industrial Average (DJIA) slid -0.91%, to close at 30,814.26. The S&P 500 (SPX) shed -1.48%, ending at 3,768.25. The Nasdaq Composite (COMP) declined -1.54%, to finish at 12,998.50. However, small cap companies measured by the Russell 2000 index eked out 1.51%, to close at 2,123.20 higher. In U.S. economic data, the U.S. Bureau of Labor Statistics reported, the Producer Price Index for final demand increased 0.3% in December, as prices for final demand goods advanced 1.1%, and the index for final demand services edged down 0.1%. The final demand index rose by 0.8% in 2020. It should be noted, nearly half of the December increase in the index for final demand goods is attributable to gasoline prices, which jumped 16.1%. Conversely, prices for natural cheese (except cottage cheese) fell by 10.8%. After reporting a 6.8% contraction in the first quarter of 2020 because of the Covid-19 outbreak, economic data reported by China indicates gross domestic product (GDP) for 2020 grew by 2.3%, in particular, industrial production was a major driver of expansion, jumping 7.3% in December from the prior year. Acceleration in the pace of the recovery shows that GDP increased by 6.5% compared to a year ago, quicker than the 4.9% added in third quarter. One area that is not moving a fast is retail sales in December, dropped 0.4% to 4.6% compared to 5% in the prior month, sales decreased 3.9% for the full year.

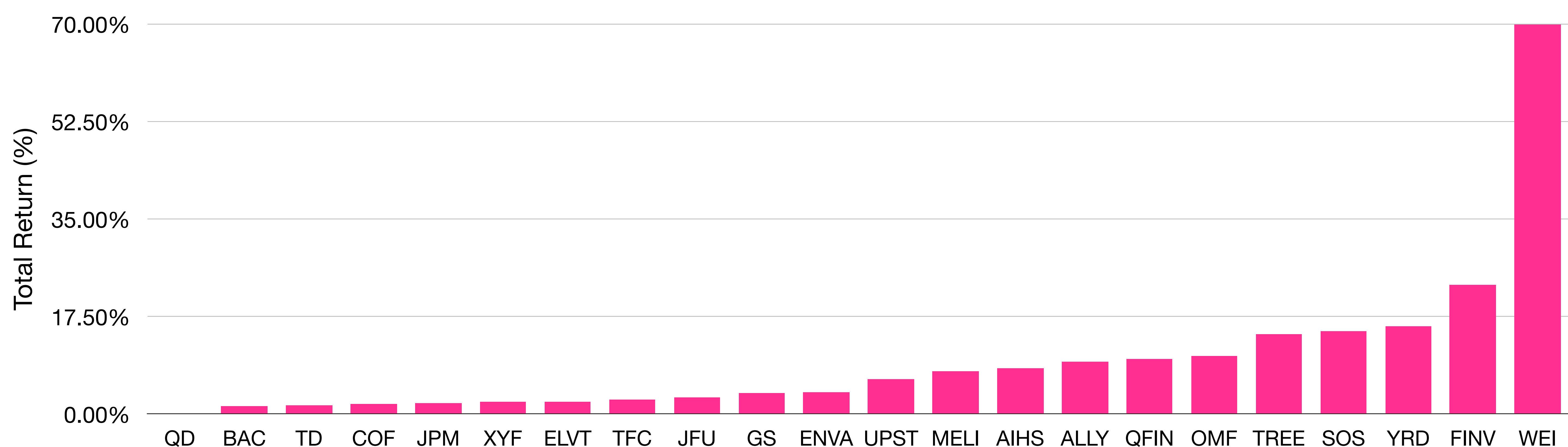
Internationally, equity markets moved lower. In Asia, the Shanghai Composite Index nudged down -0.10% to 3,566.38, while Hong Kong's Hang Seng Index tumbled -2.50% to 28,573.86, The pan-European Stoxx 600 Europe index posted -1.17% to 405.60 at the end of the trading session.

The yield on the benchmark 10-year Treasury note dropped 3 basis points to 1.096%. Oil futures fell, with the U.S. benchmark CL.1, -1.31% to settle at \$52.04 a barrel. Gold futures GC00, declined -1.19% to settle at \$1,827.70 an ounce.

This week, fourth-quarter 2020 earnings results were announced by four CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) constituents. JPMorgan Chase (JPM) fourth-quarter results were better than expected, the stock was lifted to 1.93%. The bank recorded profits of \$12.1 billion, or \$3.79 per share, on revenue of \$30.2 billion. Fourth quarter earnings exceeded the same quarter the prior year when earnings came in at \$2.57 per share with \$29.2 billion in revenue. The company attributed the strong results in part to a \$2.9 billion release of credit reserves—funds set aside to cover losses on potential bad loans—into earnings. That boosted earnings per share by 72 cents. The company announced a new \$30 billion share repurchase program since the Federal Reserve has said large U.S. banks can reinstitute buybacks and dividend programs. The constituents making gains for the week ranged from 0.15% to 70%, but it was eleven constituents outperforming 5% or more including, Upstart Holdings Inc. (UPST) 6.20%, announced that Oriental Bank, a subsidiary of OFG Bancorp in Puerto Rico will adopt Upstart's Credit Decision API to deliver fast credit decisions and more accurate prices for auto loans for its online platforms. MercadoLibre Inc. (MELI) 7.72%, reported that it had successfully closed its registered public offering of \$400 million (2.375%) notes due 2026 ("2026 Sustainability Notes") and \$700 million (3.125%) notes due 2031 (the "2031 Notes"), which it had priced on January 7, 2021. Senmiao Technology Limited (AIHS) 8.20%, Ally Financial Inc. (ALLY) 9.39%, the board authorized the company to repurchase up to \$1.60 billion of its shares in 2021. Ally will begin repurchasing shares in the first quarter, the board also declared a quarterly cash dividend of 19 cents per share, the same as the previous. China-based P2P lender 360 DigiTech Inc. (QFIN) 9.95%, OneMain Holdings Inc. (OMF) 10.47%, LendingTree Inc. (TREE), shares in the company soared to 14.36% after revenue guidance range increased for the quarter to December 31 of \$220 million to \$222 million, up from previous guidance range of \$200 - \$215 million. The company also raised the outlook for variable marketing margin to \$80 - \$82 million up from \$72 - \$78 million. SOS Limited (SOS) 14.81%, announced the agreement by several accredited investors to exercise certain warrants to purchase up to an aggregate of 16,125,000 of its American Depositary Shares ("ADSs") issued by the company on December 22, 2020, at an exercise price of \$1.55, and January 7, 2021, at an exercise price of \$1.85 per ADS, respectively. The gross proceeds to the company from the exercise of the warrants are expected to be approximately \$26.6 million, before deducting placement agent fees and estimated offering expenses. Yiren Digital Ltd. (YRD) 15.76%, FinVolution Group (FINV) 23.16%, and Weidai Ltd. (WEI) 70.00%.

Twenty-five Index members lagged this week, ranging from -1.10% posted by PayPal (PYPL) to a low -9.38% registered by Green Dot (GDOT). PayPal became the first foreign company to obtain 100% control of a digital payment platform in China, acquiring the remaining 30% interest in China's GoPay, or Guofubao Information Technology Co., on Dec. 31, 2020. The remaining three banks reporting earnings results included PNC Financial (PNC) -2.16%, fourth-quarter results reflect a quarter-on-quarter decline in loans, a narrower net interest margin, and the release of provision for credit losses. Results include the recapture of \$254M of credit losses compared with a provision for credit losses of \$52M in Q3 and \$221M in the previous quarter. Q4 average loans decreased by 3% to \$245.8B, with average commercial loans down 3% to \$170.3B. Citigroup (C) -1.74%, reported revenue of \$16.5B (-10.2% Y/Y) missed by \$210M. Net credit losses of \$1.47B vs. \$1.92B in 3Q20. Also, the firm announced that it is redeeming, in whole, all \$1.035 billion aggregate liquidation preference of Series S Depositary Shares representing interests in its 6.300% Noncumulative Preferred Stock, Series S (ticker "C PR S") (the "Series S Preferred Stock"). Citigroup is also redeeming 18,600 shares out of 60,000 shares outstanding of its 6.125% Fixed Rate / Floating Rate Noncumulative Preferred Stock, Series R (the "Series R Preferred Stock"), equivalent to \$465 million out of an outstanding total of \$1.5 billion aggregate liquidation preference of Series R Depositary Shares representing interests in its Series R Preferred Stock. Wells Fargo & Co. (WFC) shares slid -3.46% after reporting revenues that were lower than expected and weaker than in the same quarter the prior year. Ahead of earnings, the bank reorganized its business units into consumer Banking and Lending, Commercial Banking, Corporate and Investment Banking, and Wealth and Investment Management, as it works to become more efficient. The company registered earnings of \$3.0 billion, or 64 cents a share, on revenue of \$17.9 billion. Wells Fargo's provision for credit losses dropped by \$823 million, reflecting a \$757 million release of reserves after selling its student loan portfolio, as well as lower net charge-offs of bad loans. The company announced that it is launching a new advisory group inside the bank to improve sales practices and enhance customers' experiences. U.S. P2P marketplace lender, GreenSky (GSKY) -4.24%, reported the company's targets to \$10 billion in originations, more than \$900M of revenue, and adjusted EBITDA margin over 30% in CY2025 in its investor day slides.

### Table of the Week: CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) Winners Total Return (%) for the Week





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