

## January 25 - January 29, 2021 Weekly Index Research Update

### The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) recorded a loss of -1.37%, reversing course for the week

The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) reversed course for the week, recording a loss of -1.37%, to close on Friday, January 29, 2021, with a value of 90.98. Friday was also the last trading day of the month, the index posted gains of 6.96% to conclude January, and year-to-date total return. A volatile week for U.S. equities, the three major U.S. benchmarks capped the 5-day trading cycle lower as investors digested economic data reports, the impact from retail investors shorting some small-cap stocks, and quarterly corporate earnings results. Shares in forty (85%) of the forty-seven P2P index constituents fell back, ranging from a low -19.08 to -0.33%. (**Refer to the Chart for the Week**).

To learn more about the exchange-traded fund listed on NYSE Arca, click here, [LEND - Amplify CrowdBureau® Online Lending and Digital Banking ETF](#).

Wider volatility was fed by the speculative trading frenzy, pushing down all three major U.S. indices. The Dow Jones Industrial Average (DJIA) decreased by -3.27%, to record at 29,982.62. The S&P 500 Index (SPX) shed -3.31%, to close at 3,714.24. The technology heavy Nasdaq Composite Index (COMP) ticked down -3.49% to finish at 13,070.69. Small cap stocks that are measured by the Russell 2000 Index tumbled -4.39%, posting 2,073.64 at the end of the session. Investors turned toward safe-haven assets on Friday, after reports that J&J's vaccine efficacy rate was 66%, and market players pondered how this might affect the economic recovery timeline. In U.S. economic data, gross domestic product (GDP) added a moderate 4% increase for the fourth quarter, and down 3.5% for the full-year 2020 as the coronavirus pandemic took hold of most countries in late March. The U.S. trade deficit for goods tapered, to \$82.5 billion in December compared to \$85.5 billion the prior month. The Census Bureau reported sales of newly built homes climbed at a seasonally adjusted annual rate of 842,000 in December, 1.6% higher than November at 829,000. In China, gross domestic product (GDP) rose 2.3% for the year, while the country's domestic consumption declined 3.9%, in part, this was due to rising investment demand fueled by higher prices for real estate and other assets. Regulators imposed tougher policy restrictions on the sector, which is designed to drive domestic consumption while stabilizing the housing market. Share prices in China's three biggest property developers' have suffered since the recent restrictions were announced.

Internationally, in Asia, stocks tumbled in line with other global equity markets, China's Shanghai Composite Index -3.43 to close at 3,483.07. Hong Kong's Hang Seng Index sank -3.95%. In Europe, the STOXX Europe 600 Index Continuous Contract recorded -3.37% to finish the week 393.30 lower.

The 10-year Treasury note yield TMUBMUSD10Y, 1.063% increased by 3.5 basis points to 1.090%. Crude Oil WTI prices -1.55% to settle at \$52.20 a barrel on the New York Mercantile Exchange. Gold Continuous Contract for the precious metal gold, -0.03% to settle at \$1,850.30 an ounce.

The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) reversed course, registering a loss of -1.37% for the week. The index has two segments, the Peer-to-Peer Marketplace Lending and Digital Banking Platforms (P2P/D) and Providers of Technology and Software Solutions (T&S), which makes up 85% and 15% of the index weight, respectively. In seeking to provide broad exposure to this emerging portion of the economy, the Index is devised to provide exposure to not only those companies that operate online lending platforms that facilitate peer-to-peer lending, but also, U.S. financial institutions with a digital lending platform, social networking platforms, and providers of technology and software solutions. Together these firms comprise the peer-to-peer online lending and digital banking ecosystem.

Despite the Index moving backward this week, seven index constituents' prices rose, that comprise U.S. and China-based P2P marketplace lenders, and social networking platforms. Shares in LendingTree Inc.(TREE) 2.35%, Lufax Holding Ltd (LU) 3.17%, GreenSky Inc. (GSKY) 3.35%, Elevate Credit Inc. (ELVT) 4.65%, 360 DigiTech Inc. (QFIN) 8.82%, and LexinFintech Holdings Ltd. (LX) outperformed 17.73%, after providing quarterly and full year financial guidance in line with prior forecast. Based on a preliminary assessment of its performance, LexinFintech said its loan originations grew by 25% year-over-year, hitting 176.5 billion yuan (\$27.24 billion) in 2020. SOS Limited (SOS) climbed 44.01%, the firm announced it completed the initial stages for its blockchain strategy, that includes developing a cutting-edge firewall system, personal biological information storage system, and an antivirus system, each of which are based on blockchain and artificial intelligence. Registration for the copyright of these software systems has been filed with the PRC Copyright Protection Center.

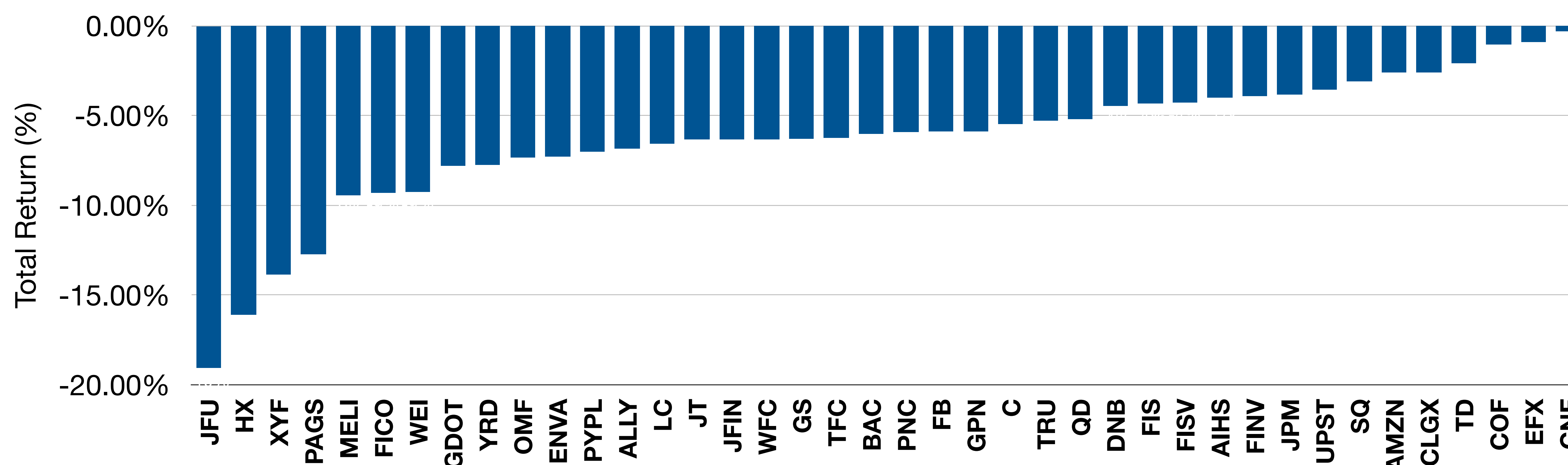
The laggards for the week ranged from a low -19.08 recorded by China-based lenders, 9F Inc (JFU), to CNFinance Holdings Limited (CNF), posting -0.33%. Other constituents shedding more than 10%, included Xiaobai Maimai Inc. (HX) -16.10%, and X Financial (XYF) -13.86%, PagSeguro Digital Ltd. (PAGS) dropped -12.73%. and MercadoLibre Inc. (MELI) slumped -9.44%. Several constituents reported fourth-quarter and full-year 2020 financial results. Fair Isaac Corporation (FICO) shed -9.28% although, revenues increased by 5% to \$312 million from the same period last year. The company delivered \$86 million of GAAP net income and GAAP earnings of \$2.90 per share of 57% and 59%, respectively. First quarter free cash flow was \$75 million, up 39% from last year. Shares in social networking platform Facebook (FB) -5.89%, despite a better-than-expected earnings report from the company. Financial earnings results included total revenue for fourth quarter at \$28.1 billion, which is a 33% increase year-over-year, capping off a solid year for the business as full-year 2020 revenue rose 22% to \$86 billion. Capital One Financial Corporation (COF) -1.03%, reported earnings results for the fourth quarter, the firm earned \$2.6 billion or \$5.35 per common share. For the full year of 2020, the company earned \$2.7 billion or \$5.18 per share. Adjusted earnings for full year was \$5.79 per share. The Snowflake investment yielded the company an equity gain of \$60 million or \$0.10 per share. The full-year investment gain was \$535 million. Additionally, the board authorized a common stock repurchase program of up to \$7.5 billion and expects to return to its normal quarterly dividend of \$0.40 per common share in the first quarter.

Four index constituents reported quarter dividends, including, Ally Financial Inc (ALLY) -6.82 % declared \$0.19 per share quarterly dividend, in line with previous and will be payable February 12 for shareholders of record as of February 1st. CoreLogic Inc. (CLGX) -2.60%, a global provider of property information, insight, analytics, and data-enabled solutions, announced that its Board of Directors has declared a quarterly cash dividend to common shareholders and will pay a cash dividend of \$0.33 per share of common stock on March 15, 2021, to shareholders of record on the close of business March 1, 2021. Wells Fargo & Company (WFC) -6.33%, declares \$0.10 per share quarterly dividend, which is in line with the previous, forward yield 1.27%, will be payable March 1, for shareholders of record Feb. 5, 2021. Trust Financial Corporation (TFC) -6.25%, declares \$0.45 per share quarterly dividend, in line with previous, forward yield is 3.53% and payable March 1st for shareholders of record Feb. 12, 2021.

Other news for the week, PNC Financial Services Group Inc. (PNC) -5.93%, PNC Financial Services Group (PNC) -2.44% to \$144.44, agrees to acquire Tempus Technologies to add to its payment-processing technology presence. Terms of the transaction have not been disclosed. The acquisition will enhance the PNC Treasury Management payments platform, enabling corporate clients to manage payables and receivables through a single channel, spanning all payment solutions. JPMorgan Chase & Co (JPM) -3.83%, announced it is launching a digital retail bank in the coming months in the U.K. for retail consumers. The brand for the platform will be named Chase. Products and features will be delivered via an innovative mobile app. The business has already created more than 400 jobs in the U.K. and is planning additional hires as the business grows.



### Chart of the Week: CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) 40 Laggards Total Return (%)



Source: CrowdBureau Corporation

#### ABOUT CROWDBUREAU CORPORATION

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