

November 30 - December 4, 2020 Weekly Index Research Update

The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) recorded a loss of -2.18%, to end the week

The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) ended the week with a loss of -2.18% on Friday, December 4, 2020, at a value of 81.34. The monthly trading cycle for November finished on Monday with the index capping off the month at 2.76%. On a year-to-date basis, the index stands at -18.66%. For a second consecutive week, the three U.S. major benchmarks ended with gains, in contrast to signals in economic data, and the lack of a second stimulus package to aid economic recovery agreed. Banking sector stocks got a boost from post-financial crisis regulation rollbacks, potentially adding momentum to lenders, that said, nine of the 10 Financial Institutions with a dedicated digital platform registering positive returns. (Refer to the Chart of the Week). However, it was shares of sixteen (34.78%) of the 46 index members that registered negative results ranging from -21.85% to -0.17% that pushed the index in the red.

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

The market gains were in contrast to the U.S. economic indicators. There were 245,000 jobs created in November, according to the Bureau of Labor Statistics. In October, jobs increased by 610,000, that said, some economists expected a gain of 440,000 jobs. Major stock benchmarks recorded new highs on Friday and rallied to finish the week. The Dow Jones Industrial Average ticked up 1.03% to end at 30,218.26, while the S&P 500 added 1.67%, registering 3,699.12. The technology heavy Nasdaq Composite rose 2.12%, climbing to 12,464.2. Small cap stocks measured by the Russell 2000 benchmark advanced 2.00%, recording 1,892.45 to end the week. In U.S. economic data, November manufacturing purchasing managers index reading was unchanged at 56.7 from its initial reading, reported by IHS Markit, while the Institute for Supply Management's November manufacturing index slipped to 57.5% from an October reading of 59.3%. Sales for Cyber Monday ended with \$10.8 billion, up 15.1% from last year and setting a record for the biggest online sales day, according to data from Adobe Analytics. Construction spending for October indicated a rise of 1.3%, versus expectations for a 1% rise.

On Wednesday, the House of Representatives passed a bill, the Holding Foreign Companies Accountable Act, that establishes new compliance rules for all foreign companies with U.S. stock listings to comply with U.S. audit oversight rules within a three-year window. With an eye toward China companies, will these rule changes be embraced or rejected to remain listed on U.S. exchanges? A record amount of \$212 billion of foreign money went into Chinese bonds and stocks from global banks and fund houses, which that suggests given the size of investments in-play, it will be difficult to discount China's economic impact on U.S. markets.

Signals that long-term growth was improving as long-term yields increased, the 10-year yield added 5 basis points to 0.97%, and the 30-year yield gained 6 basis points to 1.73%. Crude oil prices added 1.25% to \$46.09; while the precious metal gold recorded 2.86% to finish \$1,842.00 for the week.

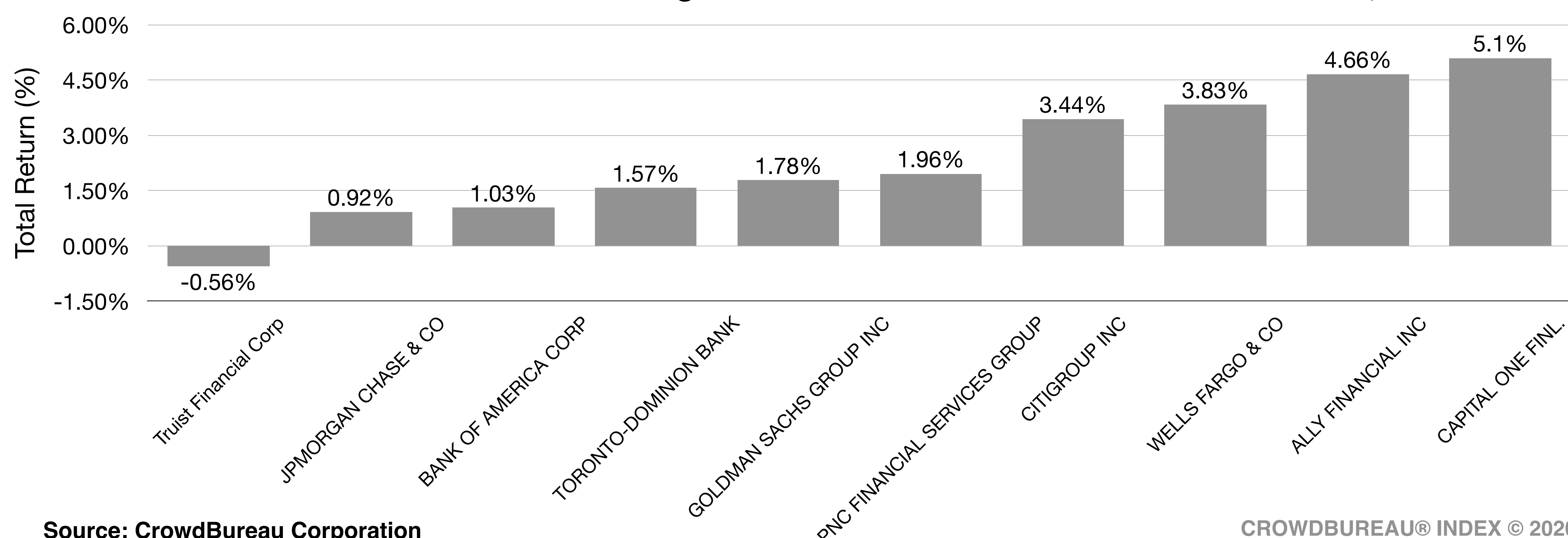
Abroad, the Stoxx Europe 600 rose 0.23% to finish at 394.50 over the 5-day trading cycle. In Asia, equities finished mixed. In China, the Shanghai Composite Index registered 1.06% up 3,444.58. At the same time, the Hong Kong Hang Seng Index closed -0.22% to end at 26,835.92 for the week.

The CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) ended the week, minus 2.18%, laggards comprised of sixteen constituents registered negative results ranging from -21.85% to -0.17%. Still, it was stock prices of seven index constituents that decreased more than 5% that impacted the total performance results, including China-based lenders Senmiao Technology Ltd. (AIHS), posted a decline of -21.85%. Shares in X Financial (XYF) sank -14.91% after reporting third quarter earnings results. Non-GAAP EPS of -\$0.31; GAAP EPS of -\$0.31, revenue of \$82.5M (-32.0% Y/Y). Total net revenue was US\$82.5 million (RMB559.8 million), representing a decrease of 34.5% year-over-year and an increase of 44.3% quarter-over-quarter. The operational loss was US\$14.9 million (RMB101.4 million), compared with income from operations of RMB214.7 million in the same period of 2019 and a loss from operations of RMB341.5 million in the previous quarter. Also, the company received a notification from the New York Stock Exchange that it had regained compliance with minimum listing criteria for the share price after the firm traded less than \$1.00 for 30-consecutive trading days. Other losers, Weidai Ltd. (WEI) -13.83%, heavy-weighted LexinFintech Holdings Ltd. (LX) -11.32%, 360 DigiTech Inc. (QFIN) -10.31%, Yiren Digital Ltd. (YRD) -6.02% and U.S. based marketplace lending, LendingTree Inc. (TREE) shed -5.70%.

Additionally, for the week, thirty index members' of CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) stock prices rose, ranging from 0.45% gained by U.S. lender, GreenSky (GSKY), to China-based P2P lender Hexindai soared 14.65%. LendingClub (LC) jumped 11.06%. Reporting third quarter results, Jiayin (JFIN) increased by 2.67% to finish the week. Q3 GAAP EPS of \$0.0, revenue of \$59.1M (-17.5% Y/Y) beats by \$21.84M. Net income reached RMB 88.4 million in the quarter, up 8.1% year-over-year and 115.1% sequentially. The firm has onboarded 19 institutional funders that will replace the retail P2P lenders on the platform, and there are ~36 more in the pipeline.

All but one of the nine financial institutions with a dedicated digital platform advanced this week, including JPMorgan Chase (JPM) 0.92%, after saying it was buying fintech start-up Boston-based 55ip for an undisclosed amount. The firm helps financial advisors automate the construction of tax-efficient portfolios. Shares in Bank of America Corp. (BAC) gained 1.03%, while Toronto-Dominion Bank (TD) added 1.57% and remains down 8% from pre-pandemic levels. The company reported fourth-quarter earnings results on Thursday, beating analysts' estimates on a lower than expected provisions on credit losses, and its Canadian business retail business and wholesale banking income increased year-on-year. Income rose \$2.3 billion, while the firm's dividend has remained unchanged, and its yield is 4.52%. Goldman Sachs (GS) added 1.78%, and Citigroup Inc. (C) climbed 3.44% are partnering with Stripe, a firm whose tools allow merchants to accept payments according to the Wall Street Journal to provide a business bank account offering for their clients. As an aside, Stripe purchased Nigerian-based Pinstock for US\$200 million in November, that allows for the company to expand its digital banking footprint in a country where 40% of the population is unbanked. Also, PNC Financial Services Group (PNC), Wells Fargo & Co (WFC), Ally Financial Inc. (ALLY), and Capital One Financial (COF) moved forward 1.96%, 3.83%, 4.66%, and 5.10%, respectively.

CrowdBureau® P2P Online Lending and Digital Banking Index (CBLENDT) Total Return Performance for the 10 Digital Banks for November 30 - December 4, 2020



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