

November 30 - December 4, 2020 Weekly Index Research Update

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The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) subtracted 1.60% to finish the week lower on Friday, December 4, 2020, ending at a value of 42.50. Monday, November 30, 2020, concluded the month with the index registering +0.28%. On a year-to-date basis, the index stands at -26.77%. The three U.S. major benchmarks recorded gains for the second consecutive week, despite economic data and concerns about the economic recovery since a fiscal package has not been agreed upon.

The three major U.S. equity benchmarks recorded new highs during the 5-day trading cycle to finish the week. The market gains were in contrast to the U.S. economic indicators. The Bureau of Labor Statistics reported 245,000 jobs were created in November versus October, in which jobs increased by 610,000. The Dow Jones Industrial Average added 1.03% to register 30,218.26, while the S&P 500 index rose 1.67%, posting 3,699.12. The Nasdaq Composite Index advanced 2.12%, soaring to 12,464.2. Small-capitalization stocks measured by the Russell 2000 index recorded 2.00%, moving up to 1,892.45 to conclude the week. In U.S. economic data, IHS Markit reported November manufacturing purchasing managers index reading was flat at 56.7 from its initial reading, the Institute for Supply Management's November manufacturing index fell to 57.5% from the prior months reading of 59.3%. Adobe Analytics said Cyber Monday sales grew by \$10.8 billion, a 15.1% increase from 2019 and setting a record for the largest online sales day. Construction spending rose 1.3%, versus expectations for a 115.1% rise for October.

Establishing new compliance rules for all foreign companies with a U.S. stock listing took center stage on Wednesday, when the House of Representatives passed a bill, namely, the Holding Foreign Companies Accountable Act, forcing companies to comply with U.S. audit oversight rules within three years. Will China-based companies embrace or reject these rules to stay on U.S. exchanges remains unknown. However, \$212 billion of foreign money was invested in Chinese stocks and bonds from fund houses and global banks over the past year. This data point hints at the influence China has on the U.S. stock market given the volume of investments in-play.

The 10-year yield advanced 5 basis points to 0.97%, and the 30-year yield gained 6 basis points to 1.73% as long-term growth appeared to be improving as long-term yields increased. Crude oil prices gained 1.25% to \$46.09. The precious metal gold increased by 2.86% to end at \$1,842.00.

Internationally, Asia equities ended the week choppy. China's Shanghai Composite Index rose 1.06% up to 3,444.58. At the same time, Hong Kong's Hang Seng Index recorded -0.22% to 26,835.92. In Europe, the Stoxx Europe 600 eked out 0.23% to close at 394.50.

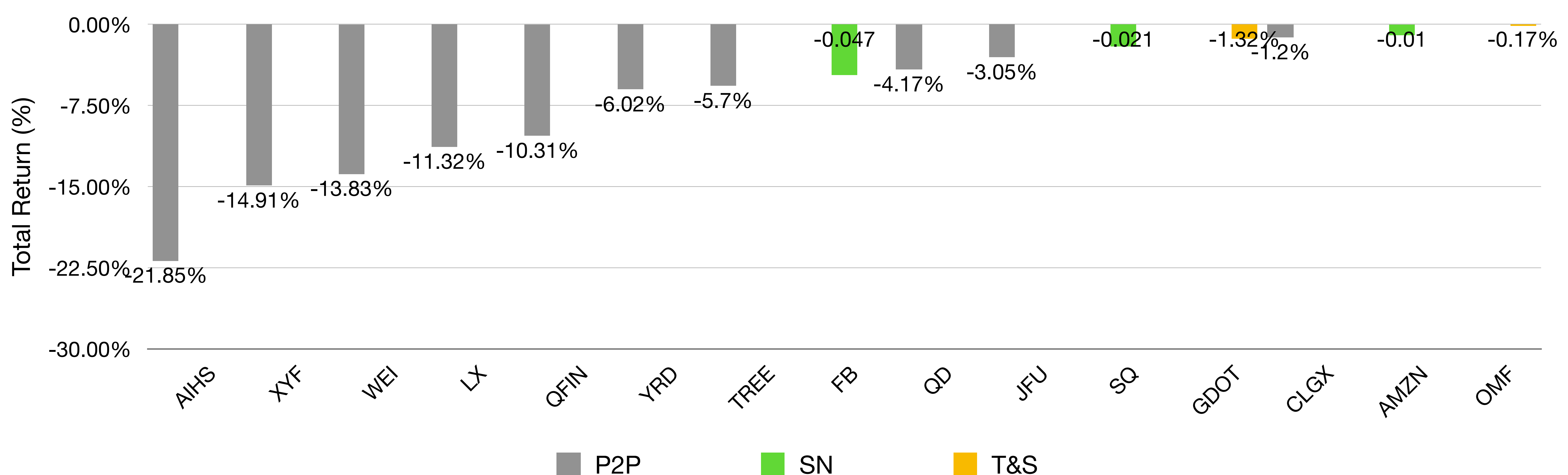
The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) dropped -1.60% for the week with fifteen constituents across three index segments lagging, -21.85% to -0.17%, and seven of those constituents lost more than 5%. (Refer to the Chart of the Week). China-based lenders Senmiao Technology Ltd. (AIHS) declined by -21.85%, while shares in X Financial (XYF) tumbled -14.91% following third-quarter 2020 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 34.5% year-over-year decline 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 second quarter of 2020. 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 over 30-consecutive trading days. The remaining laggards included Weidai Ltd. (WEI) -13.83%, heavier-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) fell -5.70%.

Additionally, twenty-one constituents in the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2P) increased market share ranging from 0.45% to 14.65%, including U.S. marketplace lenders GreenSky (GSKY) added 0.45%, LendingClub (LC) jumped 11.06%, and China-based P2P lender Hexindai soared 14.65%. Jiayin (JFIN) increased 2.67% following third-quarter results, Q3 GAAP EPS of \$0.0, the 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.

Goldman Sachs (GS), the member that comprises the financial institutions with a dedicated digital platform segment of the index, advanced 1.78%. The firm announced it partnered with Citigroup Inc. and Stripe to allow merchants to accept payments while providing business bank accounts for their clients. In November, Stripe purchased Nigerian-based Paystock for US\$200 million, and perhaps this alliance will allow for expansion of service to the 40% unbanked population in the country.

Chart of the Week

Laggards Total Return Performance (%) for the Week: CrowdBureau Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR)



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ABOUT CROWDBUREAU CORPORATION

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