

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index shed -10.09% for the week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) ended its five-week winning streak, knocking -10.09% off its value over the 5-day trading period to close on Friday at 57.48. The Index remains in positive territory since the start of the year, having gained 14.98% through November 22, 2019. Mixed earnings announcements and wavering comments about the US-China 'phase one' trade deal getting done influenced the markets. Twenty-three or 65.7% of the Index constituents posted declines. These included nine constituents, eight of which are China-based P2P lending platforms that experienced share price declines greater than 10%. (See the Chart of the Week).

U.S. stocks ended a three-day losing streak on Friday as comments from Chinese President Xi Jinping underscored Beijing's optimism of getting a trade deal done with the U.S. Still, all three major U.S. benchmarks ended the week lower, the S&P 500 decreased -0.33% to end at 3,110.29. The Dow Jones Industrial Average (DJIA) finished at 27,875.62, down -0.46%, and the Nasdaq Composite posted a decline of -0.25% to end at 8,519.88. Small cap stocks as measured by the Russell 2000 fell -0.47% to end the week at 1,588.94. Not helping matters was a mix of earnings results, with the most critical reports coming from the retail sector which lost 3% for the week after a number of retailers reported weaker results and provided lower holiday guidance.

International markets were mixed. In Hong Kong, the Hang Seng Index rose 1.02% to close at 26,595.08, while in China, the Shanghai Composite closed at 2,885.29, giving up -0.21%. The European Stoxx 600 index had a slight loss of -0.22% to close at 404.60.

U.S. Treasury yields gained for the week after signs of steadying economic activity in the U.S. bolstered by the purchasing managers index which rose to 52.2 in November from 51.3 in October. The 10-year yield added 2.7 bps to 1.77%. The 2-year yield rose 2.9 bps to 1.61% in its first increase this week, while the 30-year bond slipped 0.8 basis point to 2.223%. Gold decreased 0.49% to 1,461.50 and crude oil prices were flat for the week to close at 57.93.

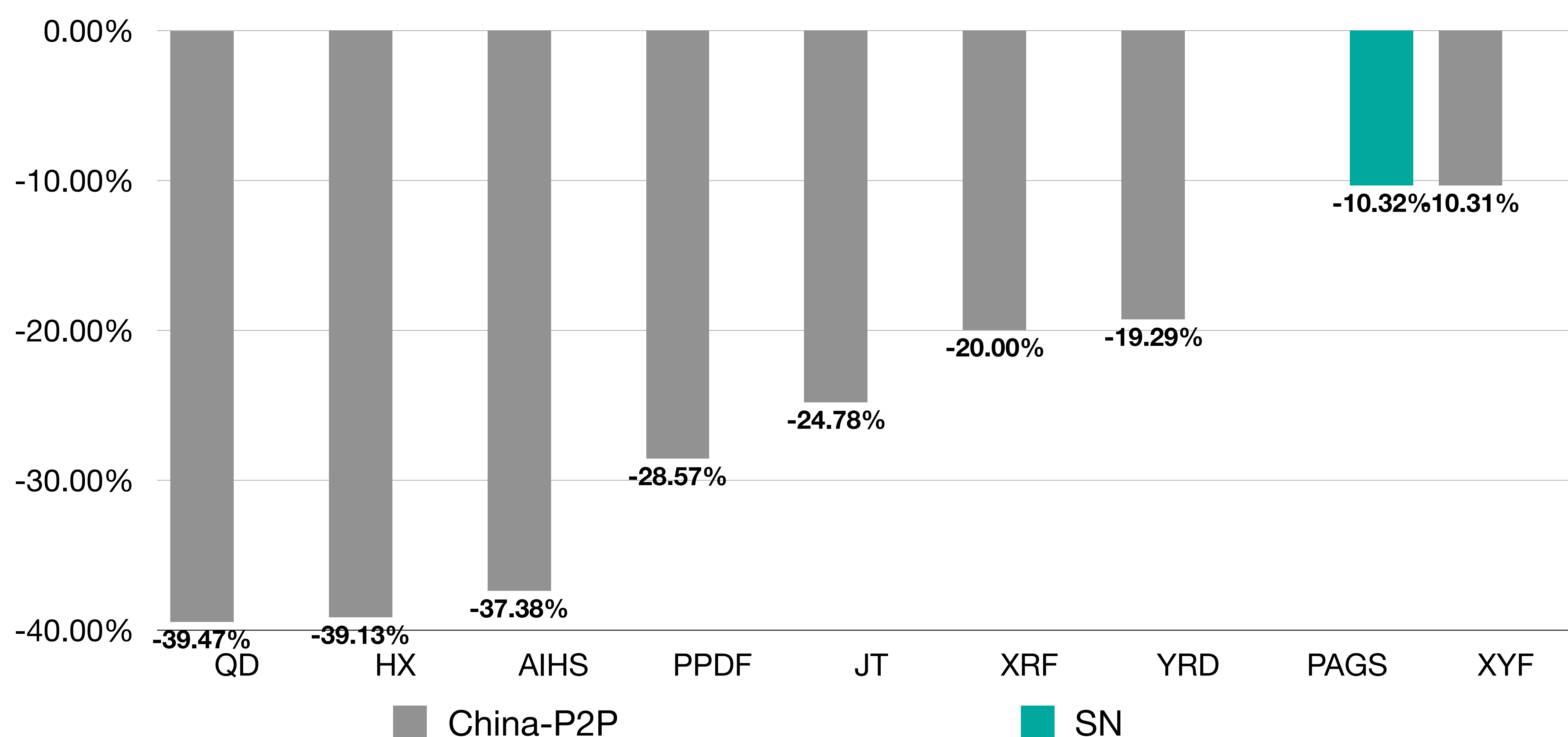
Disappointing earnings reports, lower outlooks and strategic repositioning announcements by several China-based marketplace lenders likely affected the entire China-based P2P sector of the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index. The worst decliner was Qudian Inc. (QD), one of the more heavily weighted Index constituents. The China-based credit lending products company plunged 20% on Monday after reporting third-quarter earnings that missed expectations and cutting its full-year outlook for 2019. Qudian ended the week down -39.47%. Another heavily weighted Index member, LexinFintech Holdings Ltd. (LX), an online consumer finance platform for educated young adults in China, declined -7.84% even after the company reported third quarter earnings and revenue increases and raising its 2019 loan origination forecast. FinVolution Group, formerly known as PPDai (PPDF), posted a decline of -28.57% after reporting lower third quarter earnings, missing forecasts and announcing a business model change. The company reported that it would pivot toward loan facilitation in order to remain compliant with regulatory mandates, while also acknowledging that asset quality remained a challenge. The company's name change will be accompanied by a ticker symbol change on the New York Stock Exchange from "PPDF" to "FINV. Also, X Financial (XYF) fell -10.31% after reporting a drop in net income even after revenues increased on a year-over-year basis. Finally, CNF (CNF) sold off -5.69% this week after earnings announcing a refinement of its business model by forming partnerships with competitors. As of September 30, 2019, the firm disclosed that cooperation agreements had been signed with 1,150 sales partners, 600 of which have already facilitated loans since they joined our platform. The company also reported a third quarter revenue and profit decline year-over year.

Other China-based P2P decliners included: Hexindai (HX), -39.13%, Senmiao Technologies (AIHS), -37.38%, Jianpu Technology (JT), -24.78%, China Rapid Finance (XRF), -20%, Yiren Digital (YRD), -19.29%, and 360 Finance (QFIN), -7.33%. At the same time, three of the four U.S.-based P2P marketplace lending platforms also posted lower share prices for the week, including LendingClub (LC), -3.33%, OnDeck Capital (ONDK), -3.00%, and LendingTree (TREE), -0.04%.

PagSeguro Digital Ltd. (PAGS), a constituent in Social Network[ing] segment of the Index decreased -10.32% after announcing unaudited third-quarter results.

Also during the week, positive gains were recorded by Square (SQ), 4.71%, OneMain Holding Inc. (OMF), 4.12%, GreenSky (GSKY), 2.20%, Fair Isaac Corp. (FICO), 2.18%, Facebook (FB), 1.91%, CoreLogic (CLGX), 1.68%, Weidai (WEI), 0.99%, Elevate Credit (ELVT), 0.51%, Amazon.com (AMZN), 0.36%, Goldman Sachs (GS), 0.01%, Fiserv (FISV), 0.01% and Golden Bull (DNJR) ended the week flat.

Chart of the Week: CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Laggards down more than 10%



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