

## The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index registered a gain of 1.17%, ending on a positive note for the fifth-consecutive week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) registered a gain of 1.17% to end the week at 63.54. The Index has added 17.16% over five-consecutive weeks, pushing the year-to-date total return up 27.11%. Market sentiment improved this week with corporate earnings results that have generally beaten previously lowered analyst expectations, and trade optimism fueled a significant rotation out of bonds and into equities. Fourteen or 40% of the Index constituents posted positive results, with a combination of three U.S. and China-based P2P lenders outperforming the other constituents by 10% or more. These included China Rapid Finance (XRF), Jianpu Technology (JT), and LendingClub (LC) that posted gains of 10.71%, 10.50%, and 9.99% in that order. **(See the Chart of the Week).**

Markets rallied globally this week with improved earnings results, the anticipation of tariff relief under the 'phase one' trade deal, and investors reportedly shifting out of bonds and into equities. The S&P 500 increased for a fifth straight week, gaining 0.85% to end at 3,093.08. According to FactSet, 452 S&P 500 companies have reported third-quarter earnings, with 74% beating analyst estimates that had been lowered over the summer due to economic concerns. The Nasdaq Composite gained 1.06%, extending its weekly winning streak to six. The Dow Jones Industrial Average posted a three-week gain, advancing 1.22%, ending at 27,681.24. All three indices ended the week at their highest-ever closing values. Small-cap stocks, as measured by the Russell 2000, gained 0.60%.

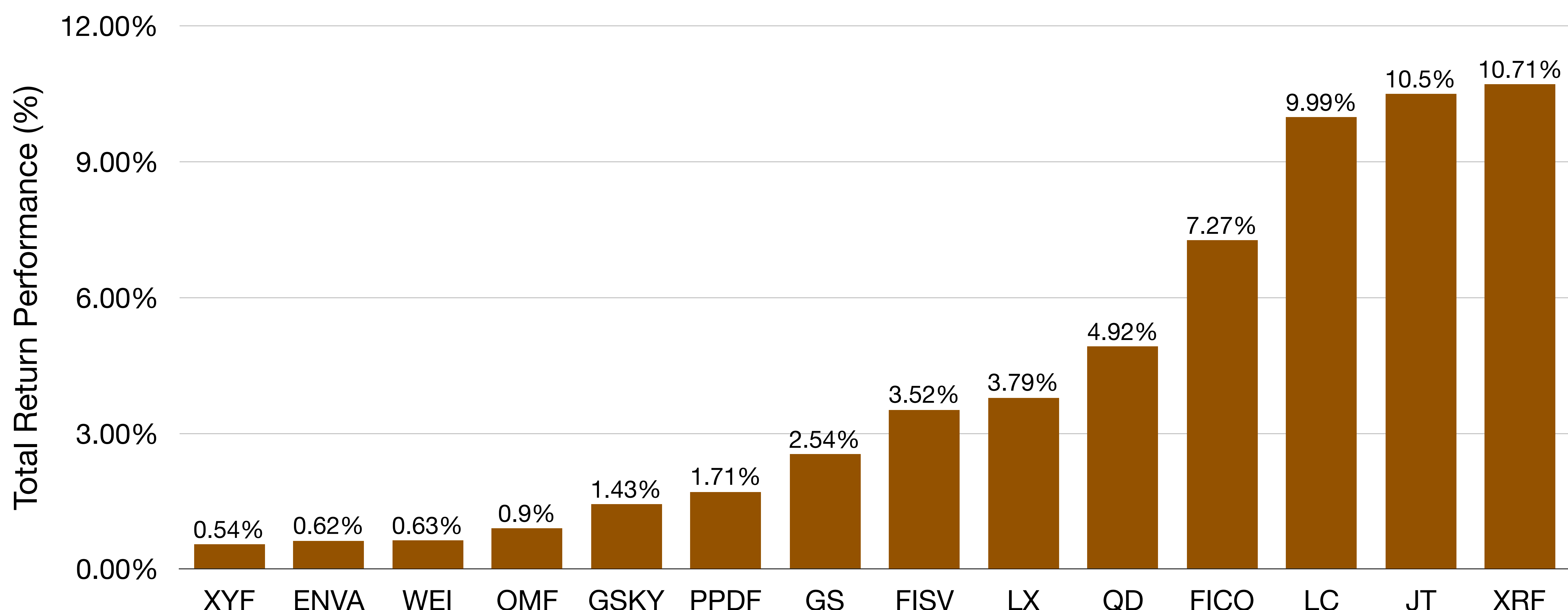
Internationally, markets were in the black. In Asia, the Hang Seng Index listed on the Hong Kong Exchange increased 2.03% to close at 27,651.14 while the Shanghai Composite closed at 2,964.18, rising 0.20%. The European Stoxx 600 index gained 1.73% to close at 405.80.

The yield on the benchmark 10-year Treasury note jumped to 1.94%, compared to 1.92% the previous market day and up 44 basis points since the end of August. The yield on the 30-year Treasury bond was also higher at 2.43% compared to 2.40% the previous market day. The yield on the 2-year Treasury note remained at 1.68%, the same level as the previous market day and 2.98% last year. Gold declined -3.75%, to 1,459.80, while oil prices gained 2.17% to close at 57.45.

This week, third-quarter or fourth-quarter 2019 earnings results were announced by eight CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index constituents. LendingClub (LC) gained 9.99% for the week after reporting better than expected results on the back of record loan originations of \$3.3 billion, up 16% year-over-year. The company reported net revenue of \$204.9 million, up 11% year-over-year and GAAP consolidated net loss of \$(0.4) million (\$0.00 per share) compared to \$(22.7) million (\$0.27 per share) in the third quarter of 2018. Fair Isaac Corporation (FICO), a member of the Technology and Solution Providers (T&S) segment of the Index, surged more than 10% on Tuesday following the company's fourth-quarter earnings release and ended the week up 7.27%. Revenue jumped 19% year-to-year to \$305.3 million. The gains were broad-based as revenue in FICO's applications, scores, and decision-management segments rose 8%, 30%, and 41%, respectively. Fiserv (FISV), a member of the Technology and Solution Providers (T&S) segment, finished up 3.52% after announcing consolidated financial results that included the results of First Data from the date of its acquisition. GAAP revenue for the company increased 122% to \$3.13 billion in the third quarter of 2019 compared to the prior-year period, with \$1.61 billion from the First Data segment, 10% growth in the Payments segment, and 4% growth in the Financial segment. GreenSky (GSKY), a U.S. marketplace lender, finished the week 1.43% higher after dropping 15% the day of its earnings announcement that fell short of meeting consensus estimates for earnings per share. That said, the company's revenue was \$153.42 million (+34.7% Y/Y) for Q3 2019, beating estimates by \$9.74 million, and transaction volume increased 17% from 2018 to \$1.6 billion.

The laggards for the week included twenty-one Index members, ranging from -0.20% posted by CN Finance (CNF) to a low -15.61% registered by Green Dot (GDOT). The bank holding company which reported third-quarter financial results on November 7, 2019, recorded revenue of \$240.4 million in the period. Its adjusted income was \$229.2 million, which fell short of analyst forecasts. Green Dot shares have decreased by 62% since the beginning of the year. In the final minutes of trading on Thursday, shares hit \$30.11, a fall of 65% in the last 12 months. Fidelity National Information Services (FIS) fell -2.58% for the week in which the company reported earnings that included two months of Worldpay's contribution; generating more than \$2.8 billion in revenue and approximately \$1.2 billion in adjusted EBITDA, the firm's results represent 35% growth in revenue on a GAAP basis, over 5% organic growth, and 350 basis points of margin expansion. Square (SQ), a member of the Social Network(ing) Platforms segment of the Index, finished down -0.24% to end the week. The company earlier offered lower-than-expected Q3 guidance, one catalyst for the stock's steep decline in recent months. In the third quarter of 2019, total net revenue grew 44% year over year to \$1.27 billion, and Adjusted Revenue rose 40% year over year to \$602 million. Gross profit increased 42% year over year to \$500 million. Net income was \$29 million in the third quarter of 2019, compared to net income of \$20 million in the third quarter of 2018. Excluding the impact of the mark-to-market valuation of our Eventbrite investment, net income was \$27 million, compared to a net loss of \$17 million in the third quarter of 2018. Adjusted EBITDA was \$131 million in the third quarter of 2019, up 85% year over year. The company's Seller ecosystem generated \$918 million of total net revenue and \$364 million of gross profit, which increased 27% and 26% year over year, respectively. Square also noted that it would stop reporting adjusted revenue, a non-GAAP metric after it received a comment letter from the U.S. Securities and Exchange Commission. Finally, Elevate Credit (ELVT) dropped -1.46% after reporting that revenues fell to \$192.8 million compared to \$201.5 million for the third quarter of 2018, or a third quarter decreased of 4.3%.

### Chart of the Week: CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Winners for the Week





## November 4 - 8, 2019 Weekly Index Research Update

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