

September 2 - 6, 2019 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) adds to last week's gain with an increase of 1.27%

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) posted a total return gain of 1.27% during the abbreviated four-day trading week that kicked off the month of September, benefiting from the strong 11.02% increase posted by LexinFintech Holdings (LX), a China-based peer-to-peer (P2P) index member. **(Refer to the Chart of the Week.)** The weekly gain augmented the year-to-date performance of the Index that now stands at 26.91%.

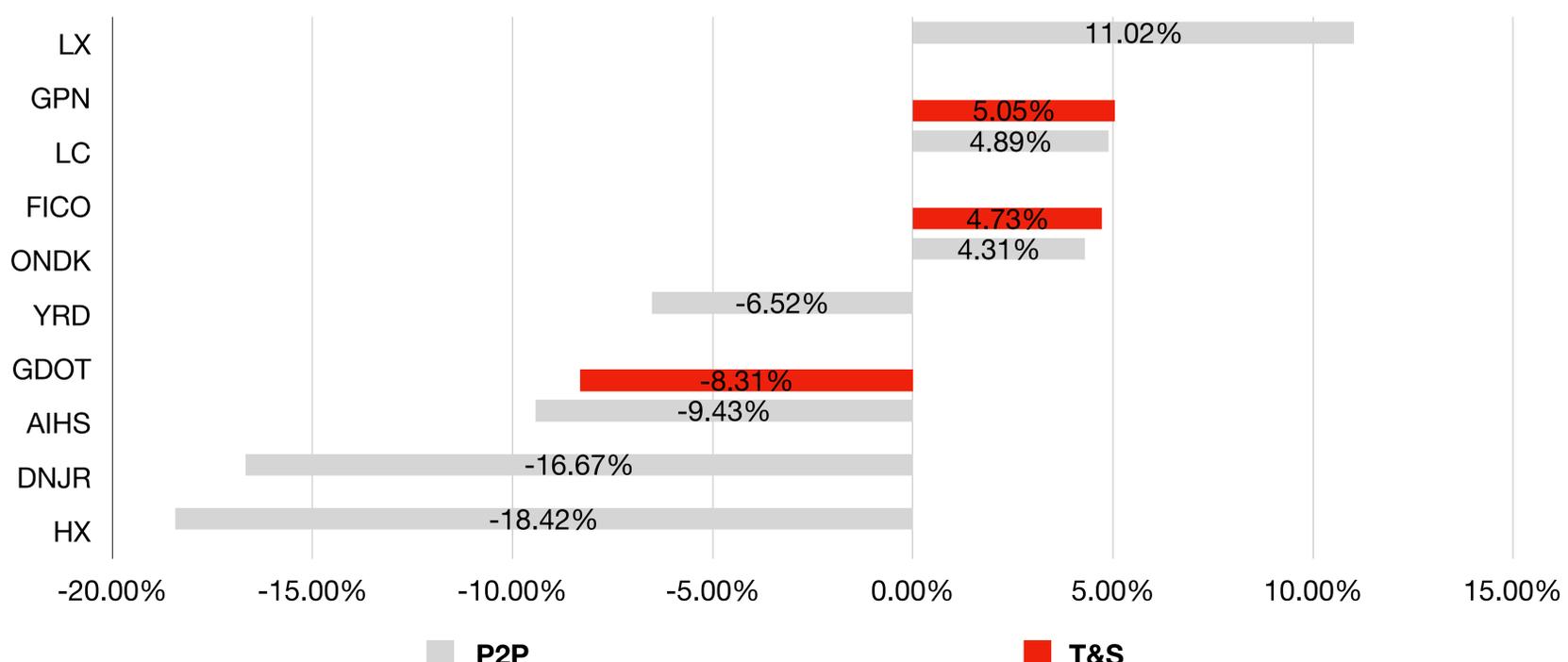
Stocks and bonds responded to shifting developments regarding trade negotiations between the U.S. and China as well as mixed U.S. economic data released this past week to end the shortened four-day trading session higher. The S&P 500 Index added 1.79% while the Dow Jones Industrial Average gained 1.49% and the Nasdaq Composite picked up 1.76%. Markets were encouraged by news that envoys from Washington and Beijing plan to begin another round of trade talks next month. This took the sting out of new import duties effective September 1, 2019 that elevated concerns regarding their impact on global economic growth and the U.S. economy. Such fears were reinforced on Tuesday when the Institute for Supply Management's purchasing manager's index, showed a reading of 49.1, down from 51.2 in July. Historically, any reading below 50 indicates contraction. Such concerns, however, were tempered on Wednesday when the Federal Reserve Board's Beige Book showed that overall the economy expanded at the same "modest pace" seen in earlier reports this year. This was followed on Friday with the release of a mixed August jobs report. According to the U.S. Bureau of Labor Statistics, total nonfarm payroll employment rose by 130,000 in August, largely due to seasonal hiring and service sector jobs, and the unemployment rate was unchanged at 3.7%. This compares to job growth that has averaged 158,000 per month thus far this year and below the average monthly gain of 223,000 in 2018. While the jobs report was sufficient to negate recession fears, it also supported the view that the Federal Reserve was likely to cut interest rates again later this month. Reinforced by comments made by Federal Reserve Chairman Powell later in the day, short, intermediate-term and 10-year Treasury yields may have reflected this view by dropping between 1 and 2 basis points on the day with 10-year Treasuries ending the week at 1.55%.

Outside the U.S., Europe and the Pacific Region also ended the week on an upbeat note. Europe, which was boosted by higher U.K. share prices on the back of the U.K. Parliament votes against a no-deal Brexit, added 2.34%. The Pacific Region gained 1.81%, buoyed by positive manufacturing data from China, trade talks and concessions on the part of Hong Kong government to appease protesters.

Building on last week's gain of 0.35%, the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) climbed for the second week in a row as almost two-thirds of the index members recorded positive results. In particular, the Index benefited from a gain of 11.02% achieved by LexinFintech which reported second quarter 2019 earnings on August 30th. LX has added 13.5% over the last two weeks. This week Yirendai (YRD) became the 9th China-based P2P lender to report unaudited second quarter financial results. Yirendai reported higher quarter-over-quarter revenues attributable to increases in loan facilitation fees as well as account management fees and lower operating expenses. At the same time, YRD reported lower year-over-year revenues, flat loan origination volumes and lower assets under management. This comes as Yirendai is negotiating a transition of its business operations by diversifying and expanding its product portfolio to better serve the patterns of borrowers while also expanding the firm's institutional relationships, including the integration of certain operations of CreditEase, an affiliated company, that was completed in July, such as online wealth management, unsecured and secured consumer lending, financial leasing, SME lending, and other related services or businesses.

Also this week, China Rapid Finance Limited (XRF) became the second company in the last month to announce that its board of directors has retained outside advisors to explore strategic alternatives. This strategic evaluation announcement follows by about one-month a similar disclosure made by GreenSky Inc. (GSKY) in concert with the firm's release of second quarter earnings on August 6th. XRF had previously disclosed that it was not in compliance with NYSE continued listing standards due to the levels of its market capitalization and stockholder equity.

Chart of the Week: CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index Top and Bottom Five Performers for the Week September 2 – 6, 2019



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ABOUT CROWDBUREAU CORPORATION

CrowdBureau Corporation research-based indexes and analytics seeks to help market players understand and manage better alternative asset classes in peer-to-peer lending and securities based crowdfunding. Clients rely on our offerings for deeper insights into the drivers of performance and risk indicators for their decision making, through our global peer-to-peer lending asset class coverage using a series of benchmarks and innovative research. Our line of products and services includes a centralized database with indexes, analytical models, data, a peer-to-peer lending series of benchmarks by sectors such as consumer loans, business loans, real estate, student automobile loans, agriculture and other. CrowdBureau Corporation serves money managers, banks, insurance companies, traders and universities. For more information, visit us at <https://www.crowdbureau.com>

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