

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) registered -1.31% for the week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) finished the week ended January 17, 2020, at 57.74, posting a decline of -1.31%. Stocks closed higher, resuming the rally that started the previous week amid news that the U.S. will remove China from a list of currency manipulating countries and increasing investor optimism ahead of the signing of a critical trade agreement. The Index is down -0.50% month-to-date and year-to-date, respectively.

The leading U.S. stock indexes traded to new highs during the week as investors focused on the details of the signed phase one-trade deal between the U.S. and China. The Dow Jones Industrial Average gained 1.82% to end up 29,348.10, and the S&P 500 recorded a 1.97% increase to end at 3,329.62. The Nasdaq Composite registered a 2.29% gain to 9,388.94 while the Russell 2000, the benchmark that measures small cap stocks, rose 2.53% to 1,699.64. The Federal Reserve Bank of New York added \$60.7 billion in overnight liquidity to financial markets on Monday and, in contrast to the steady growth in the broader economy, Federal Reserve data released on Friday indicated that the U.S. manufacturing sector contracted by 1.3% in the past year as exports dropped amid the China trade war. Earnings season started on Monday, which bolstered the markets with technology companies and some big banks reporting strong year-end results.

Asian markets and European stocks were also positive for the week. The Hang Seng index in Hong Kong gained 1.81% to end at 3,979.54, while the Shanghai Composite Index in China decreased by -0.54% to close at 3,075.50. In Europe, the Stoxx Europe 600 gained 1.91% to close at 422.90.

The yield on the 10-year Treasury note ended the week at 1.84%, adding 1 basis point by Friday's close. The precious metal gold decreased by -0.38% to \$ 1,557.30 per ounce. Crude oil fell -0.52% to \$ 58.81 per barrel.

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) was pulled lower as the impact of the week's 22 advancing stocks was offset by declines attributed to some heavily weighted China-based index constituents. In particular, the share prices of 10 out of 13 China-based peer-to-peer lending platforms dropped, with four decreasing more than 10%. These included Qudian (QD) that tumbled -19.08% after the Chinese online consumer finance company withdrew its annual guidance and said that the company would not issue guidance in the near-term. While Qudian announced a new \$500 million share repurchase program, the company also referenced adverse fourth quarter regulatory developments that restricted loan volumes and led to higher delinquency rates that, when combined with other factors, will negatively impact the fourth quarter 2019 revenues and net income. Shares of Hexindai (HX) plunged -21.33% after announcing the resignation of its COO and Board Member. 360 Finance (QFIN), China Rapid Finance (XRF) and Senmiao Technology (AIHS) shed -13.46%, -12.31%, and -9.46%, respectively. Other decliners included FinVolution (FINV), -8.63%, Yiren Digital (YRD), -7.87%, CN Finance (CNF), -4.14%, LexinFintech (LX), -1.58%, and 9F Inc. (JFU), -0.84%. The improved sentiment in the region on the signing of the phase-one trade deal and the release of China's preliminary 6.1% gross domestic product (GDP) 2019 estimate this week, the weakest since 1990 according to Reuters but in line with expectations, did not extend to most of the China-based peer-to-peer lending platforms.

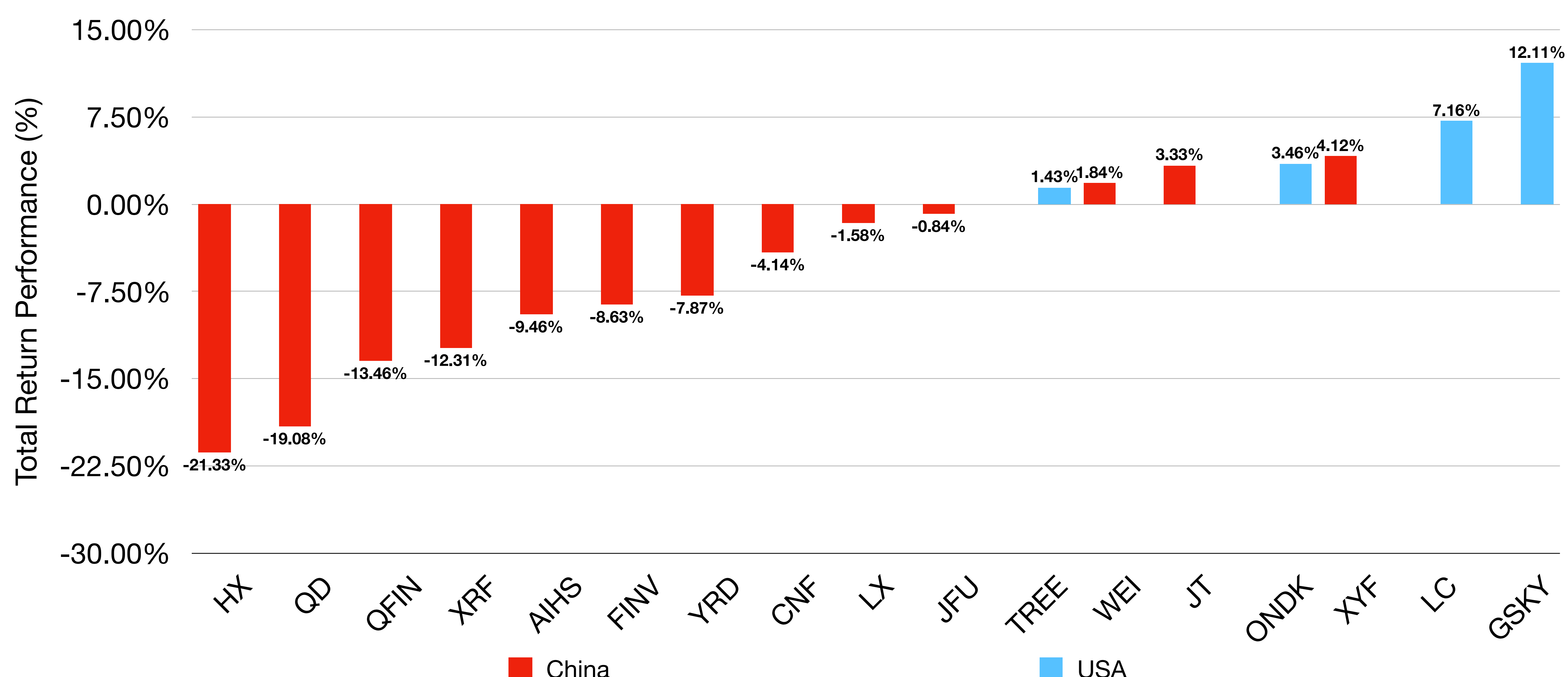
The remaining decliners this week included Amazon.com (AMZN) and CoreLogic (CLGX) that gave up 0.98% and 0.29%, respectively.

As noted above, twenty-one Index members contributed positively for the week. In contrast to their China-based counterparts, these included all four U.S.-based marketplace lenders: GreenSky (GSKY), which surged 12.11%, LendingClub (LC), 7.16%, OnDeck Capital (ONDK), 3.46%, and LendingTree (TREE), 1.43%. **(Refer to the Chart of the week)**. In descending order, advancing stocks also included members from the Providers of Software and Technology Solutions segment of the Index: GreenDot (GDOT), 10%, Enova International (ENVA), 9.44%, OneMain Holdings Inc. (OMF) gained 4.58% and Global Payments Inc. (GPN) as well as Equifax (EFX) each gained 4.30%. X Financial (XYF) and Jianpu Technology (JT), both China-based marketplace lenders, gained 4.12% and 3.33%, respectively. Fidelity National Information Service (FIS), increased 3.63% Fiserv (FISV), 3.03%, TransUnion (TRU), 2.01%, Elevate Credit (ELVT), 0.67% and Fair Isaac Corporation (FICO) ended the week 0.24% higher.

Goldman Sachs (GS), a member in the Financial Institutions with a dedicated P2P lending platform segment of the Index, jumped 3.04% for the week after announcing earnings results. GS, funded consumer loan balances totaled approximately \$7 billion, of which \$5 billion were sourced to Marcus consumer loans and \$2 billion attributed to credit card lending.

Lastly, the Social Network(ing) Platforms Index segment constituents that gained or remained flat for the week included PayPal Holdings Inc. (PYPL) that recorded an increase of 2.75% after announcing that it processed a record \$10.3 billion in donations to charities around the world in 2019 and more than \$1 billion in the month of December alone. Twenty-one percent of all donations processed by PayPal in 2019 were made through mobile devices. Square (SQ), Facebook (FB), and PagSeguro (PAGS) increased 2.04%, 1.87%, and 0%, in that order.

Chart of the Week: The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) U.S. and China-based Marketplace Lenders Weekly Total Return



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