

February 10 - 14, 2020 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) registered a gain of 1.65%, ending on a positive note for the second-consecutive week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) registered a gain of 1.65%, advancing four out of five days, to end the week at 54.97. The Index has added 2.63% on a month-to-date total return basis, however, down -5.27% year-to-date. U.S. major benchmarks closed higher for another consecutive week amid solid economic data, better-than-expected earnings reports, and signals that the Fed is prepared to act when needed while putting uncertainty over the coronavirus outbreak on the back burner. Twenty-three or 68% of the Index constituents posted positive results, with nine surging more than 5%, and six announced fourth-quarter 2019 and full-year earnings results. **(See the Chart of the Week)**.

Market sentiment held positive this week as all three U.S. major benchmarks recorded gains. The real estate and utilities sectors, considered safe havens in the world of equities, led Friday's rally, while results of economic data added to investor optimism. Retail sales numbers strengthened for a fourth consecutive month, matching economists' forecast and putting consumers on track to support further economic growth. The S&P 500 climbed 1.58%, nudging past its previous weeks' record high. Shares in technology groups provided a boost to the tech-heavy Nasdaq Composite, which climbed 2.21%, ending at 9,731.18. The Dow Jones Industrial Average increased 1.02% to 29,398.08. The Federal Reserve Chairman Jerome Powell said the Central Bank is monitoring the fallout from the coronavirus pandemic. Whereas, China authorities are saying that there could be a one percentage point decrease in gross domestic product growth (GDP) from the current 6% annual rate to 5%, year-over-year.

Internationally, Asian markets were mixed. The Shanghai Composite Index gained 1.43%, finishing up 2,917.01, and the Hang Seng Index in Hong Kong moved forward 1.50% to 27,815.60. The Japanese Nikkei 225 dropped 0.59% to close at 23,687.59. European markets ended higher with the Stoxx Europe 600 increasing, 1.97% to close at 429.40.

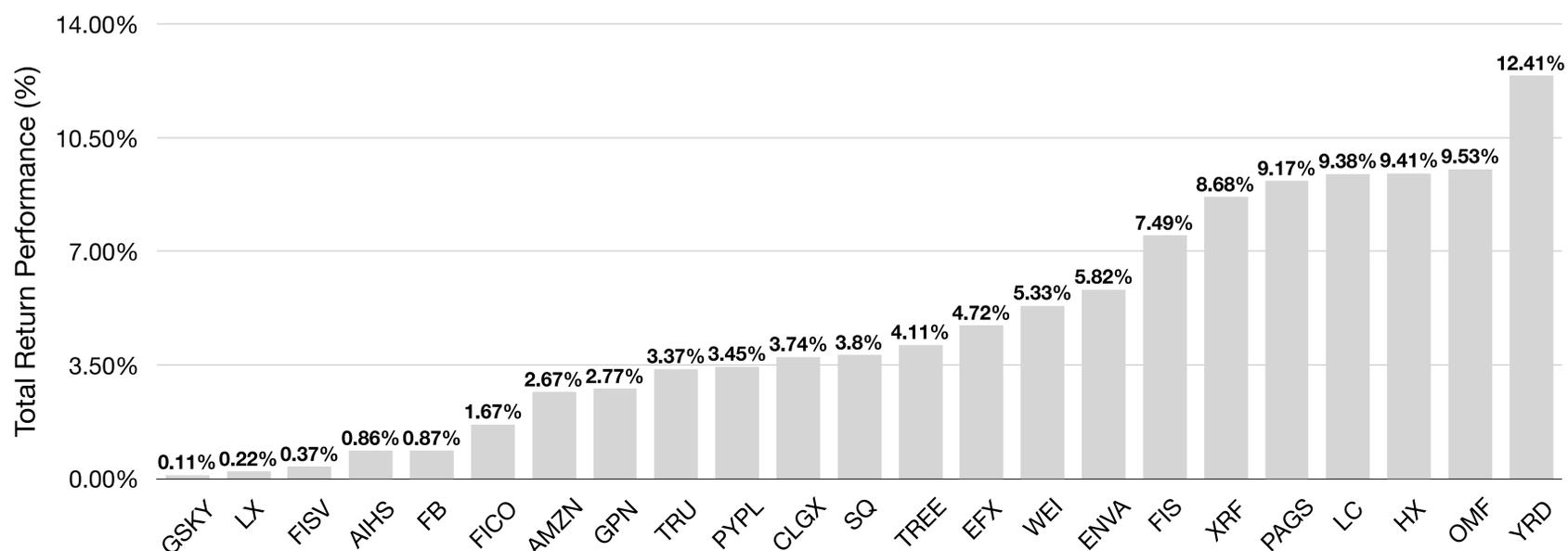
The 10-year Treasury note yield slid 2.9 basis points to 1.59%, leaving it with a weeklong rise of nearly a basis point. The 2-year note yield fell 1.8 basis points to 1.42%, trimming its weeklong increase to 2.5 basis points. The 30-year bond yield dipped 2.8 basis points to 2.04%, leaving it flat for the week. Crude oil rose 3.79%, reaching above \$52 a barrel, while the precious metal gold gained 0.83% to 1,586.90.

This week six CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index constituents announced fourth-quarter 2019 earnings results. One member of the Peer-to-Peer Lending and Equity Crowdfunding (P2P) segment, which makes up 80% of the Index by weight, OnDeck Capital (ONDK), slipped -0.25%, the company grew average loans and finance receivables 15%, expanded its ODX platform-as-a-service business, repurchased 14% of outstanding shares, and combined with a digital online small business lender in Canada. OnDeck originated \$2.5 billion of loans and finance receivables, growing the portfolio 8% to \$1.3 billion. Financial Results for the fourth-quarter of 2019, net income was \$9.3 million as compared to \$8.7 million in the prior quarter and \$13.9 million, Q4 2018. U.S. marketplace P2P lenders, LendingClub (LC) LendingTree (Tree), and Greensky (GSKY) climbed 9.38%, 4.11%, and 0.11%, respectively. Other gainers in this segment included China-based Yiren Digital (YRD), soared 12.41%, Hexindai (HX), up 9.41%, China Rapid Finance (XRF), 8.68%, Weidai (WEI), 5.33%, Senmiao Technology (AIHS), 0.86%, and heavyweight member LexinFintech (LX), increased 0.22%. The laggards in this segment included 360 Finance (QFIN), -1.02%, 9F Inc. (JFU), -1.05%, FinVolution Group (FINV), -1.99%, X Financial (XYF), -2.18%, CN Finance (CNF), Jianpu Technology (JT), -2.50%, and Qudian (QD), dropped 18.47%.

The other five members that reported earnings results are in the Providers of Technology and Software Solutions (T&S) segment including: OneMain Holdings Inc. (OMF), surged 9.53%, after announcing the approval to increase the company's regular quarterly dividend by 32% to \$0.33 and the declaration of a \$2.50, payable on March 13, 2020, to record holders of common stock as of the close of business on February 26, 2020. The firm reported pretax income of \$344 million and net income of \$261 million for the fourth quarter of 2019, compared to \$214 million and \$168 million, respectively, in the prior year quarter. Net income was \$855 million for the full year of 2019, compared to \$447 million for the full year of 2018. Fidelity National Information Service (FIS), gained 7.49%, for the week after announcing its partnership with PayPal (PYPL) to become the first non-bank payments processor to integrate with Pay with Rewards, cardholders can begin using this service in Q3 2020, which builds on its acquisition of WorldPay. The company reported strong earnings results, showing a reduction in annual interest expense of \$275 million, a rise of \$2.1 billion in free cashflow -- equating to 20% of revenue, at the same time, paying down \$1.4 billion in debt. Enova International (ENVA) increased 5.82%, Equifax Inc. (EFX), rose 4.72%, following releasing financial results for the quarter, and full year ended December 31, 2019. The company reported revenue of \$905.8 million in the fourth quarter of 2019, an 8% increase from the fourth quarter of 2018, and a 10% increase in local currency. For the full year 2019, revenue was \$3.5 billion, a 3% increase from 2018, and a 5% increase in local currency. The results in the fourth quarter of 2019 included a pretax legal accrual of \$99.6 million for losses associated with legal proceedings and government investigations related to a 2017 cybersecurity incident. The charge represents completed settlements and the best estimate of remaining liabilities for the U.S. issues related to the 2017 cybersecurity incident. CoreLogic Inc. (CLGX), up 3.74%, while Global Payments Inc (GPN), increased 2.77% , full-year, GAAP revenues were \$4.91 billion, compared to \$3.37 billion in 2018. Fourth-quarter 2019, revenues were \$2.0 billion, compared to \$881 million in the fourth quarter of 2018. TransUnion (TRU), gained 3.37%, Fair Isaac Corp. (FICO), Fiserv (FISV), and Green Dot Inc (GDOT) registered 1.67%, 0.37%, and -1.73%, in that order. Elevate Credit (ELVT), whose earnings results highlights for 2019 include a 157% year-over-year increase in net income, growing adjusted EBITDA by 20%, and pushed margin expansion of nearly 400 basis points. Ended 2019 with a full-year adjusted EBITDA margin of 18.6%, that said, the company finished the week down -2.11%.

Index constituents in the Social Network[ing] segment each experienced total return gains, PagSeguro (PAGS), up 9.17%, Square (SQ), 3.80%, PayPal (PYPL), 3.45%, Amazon (AMZN), 2.61% and Facebook (FB), up 0.87%. Last, but not least, Goldman Sachs, which makes up the Financial Institutions with a Dedicated platform, dropped -0.38% to finish the week.

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) Gainers for the Week



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