

January 27 - 31, 2020 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) recorded -4.95% to end the week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) recorded -4.95%, its fourth consecutive weekly loss. At the same time, on a month-to-date and year-to-date basis, the Index gave up -7.26% to finish January. Global stocks sold off over fears from the potential economic damage of the coronavirus, and a mix of U.S. corporate earnings reports moved the major U.S. benchmarks. While, the yield on three-month U.S. Treasury bills jumped above the benchmark 10-year note, inverting part of the yield curve. The Index finished the week lower at 53.82, five constituents reported fourth-quarter 2019 earnings results, and six constituents dropped more than 10%.

U.S. major indexes recorded weekly declines, after President Donald Trump declared a U.S. public health emergency in response to the global coronavirus outbreak, late Thursday. The Dow Jones Industrial Average fell -2.53%, to 28,256.03 this past week, while the S&P 500 dropped -2.12%, to close at 3225.52. The technology-heavy Nasdaq Composite index slipped -1.76 to 9,150.94. The Russell 2000, the benchmark that measures small cap stocks, recorded a sharp -2.90% decline to settle at 1,614.06. U.S. consumer spending posted a modest increase of 0.3% in December as inflation accelerated. The yearly rate of inflation also rose to a one-year high of 1.6%, albeit still below the Federal Reserve's 2% target. The Federal Reserve Bank intervened on Friday, with a \$45 billion weekend repo, as liquidity ticked down.

China's stock market has been closed for the Lunar New Year and will reopen on Monday, February 3, 2020. Stocks plunged in other Asia markets, amid rapidly rising concerns that the coronavirus outbreak could hit China's already sluggish economy and impact the rest of the world. The Hang Seng index in Hong Kong tumbled -5.86% to end at 26,312.63 while the Japanese Nikkei 225 dove -2.61 to close at 23,205.18. European markets were also negative, the Stoxx Europe 600 fell -2.91% to close at 407.50.

For the first time since October, the yield on the benchmark 10-year Treasury note dropped, falling below the three-month Treasury rate briefly, the gap widened to -3.9 basis points on Thursday after the yield on the 10-year Treasury slipped to 1.509% to end the week. Over the 5-day trading period, the 10-year Treasury dropped 31.48 basis points to end the week. Oil prices wavered on the brink of bear-market territory, slipping 4.74% to close at 51.63. Precious metal gold gained 1.41% to 1,593.40.

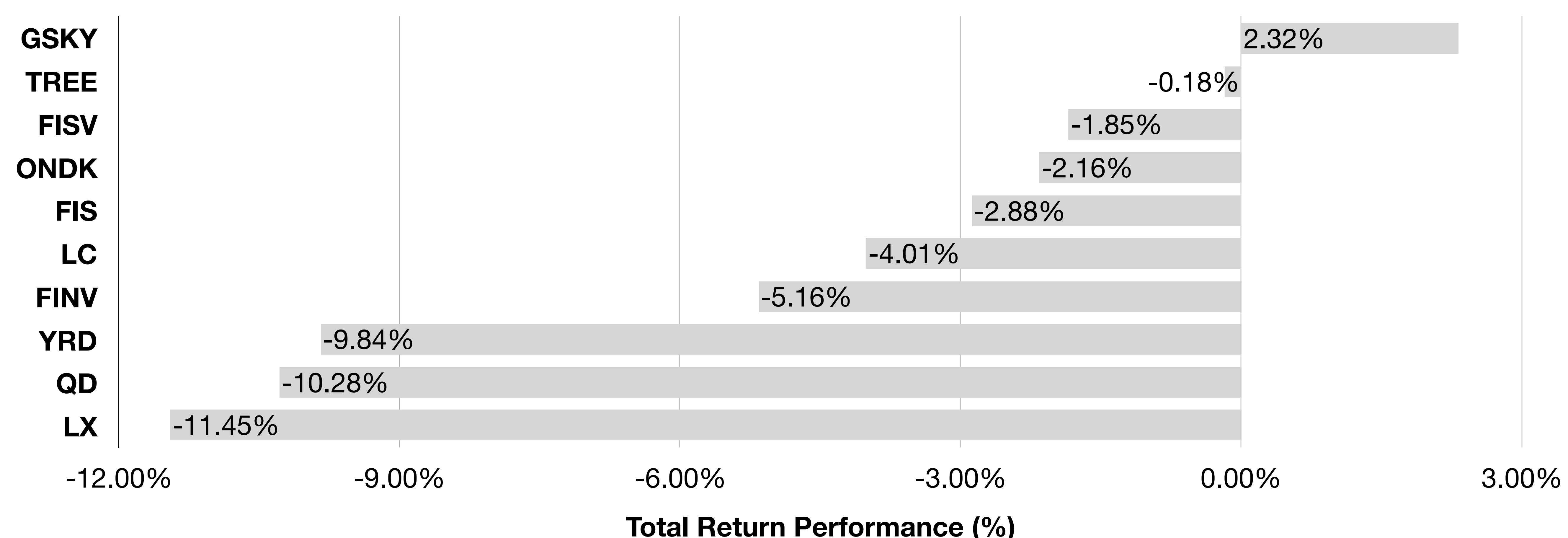
The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) recorded a -4.95 decline after mixed U.S. corporate earnings reports, the extended Chinese New Year holiday and the outbreak of the coronavirus. The Index finished in the red with twenty-six (76.47%) of 34 constituents registering losses, of which eleven dropped more than 5%. The laggards cut across all four segments of the Index, with a pronounced loss for 9 of the top 10 holdings consisted of LexinFintech (LX), dipping -11.45%, Qudian (QD), -10.28%, LendingTree (TREE), -0.81%, LendingClub (LC), -4.01%, FinVolution (FINV), -5.16%, Yiren Digital (YRD), -9.84%, Fidelity National Information Services (FIS), -2.88%, Fiserv (FISV), -1.85%, and OnDeck Capital (ONDK), -2.16%. **(See the Chart of the Week)**.

Other laggards this week included X Financial (XYF), -17.65%, Jianpu Technology (JT), -14.73%, Hexindai (HX), -11.29%, CN Finance (CNF), -10.69%, China Rapid Finance (XRF), -8.85%, PagSeguro (PAGS), -6.53%, Weidai (WEI), -4.31%. Equifax® (EFX), dropped -2.67%, after announcing it is an early adopter of the National Institute of Standards and Technology (NIST) Privacy Framework, that builds on the firms' adoption of the NIST Cybersecurity Framework. Goldman Sachs (GS), decreased -1.72% to close the week, after holding its first-ever investor day, and announcing that return on tangible common shareholders' equity will exceed 14% within three years. Global Payments Inc, (GPN), -1.67%, 360 Finance (QFIN), -1.30%, TransUnion (TRU), -1.27%, OneMain Holding (OMF), -0.68%, and 9F Inc. (JFU) lost -0.11%.

Also during the week, five firms reported fourth-quarter 2019 earnings results, three Social Network[ing] segment index members and two Providers of Technology and Software Solutions segment constituents, including: Amazon.com (AMZN), rose 7.90%, soaring to \$1 Trillion market cap after crushing estimates. The company reported revenue of \$87.4 billion, up 21% from Q4 2018. This is above the company's guidance range of \$80 billion to \$86.5 billion. On the side of the spectrum, Facebook (FB) dropped -7.36% after reporting the firms weakest growth in seven years, even though the company beat estimates. The firm said that "it is seeking new sources of revenue," as part of this strategy, it plans to roll-out the WhatsApp payment service. Revenue in the fourth quarter increased by 25% to \$21.1 billion, which was ahead of the \$20.9 billion in sales that analysts were modeling. That all translated into net income of \$7.3 billion, or \$2.56 per share, while the family monthly active people (MAP) plan, which are individuals that use one of the core services each month, grew 9% to 2.89 billion. PayPal (PYPL), reported mixed fourth-quarter earnings results and slightly disappointing guidance for next year, the stock price dropped -2.64% for the week. Overall for 2019, payment volume grew by 25% on an FX-neutral basis to \$712 billion. PayPal noted that it processed more than 12 billion transactions in the year, including nearly 3.5 billion transactions in Q4 2019 alone. The index constituents in the Providers of Technology and Software Solutions segment of the Index that reported earnings this week, Enova International (ENVA), a leading financial technology and analytics company offering consumer and small business loans and financing, surged 5.69%, after announcing revenue increased by 25% compared to a 2018 to \$345 million. Total combined loans and finance receivables outstanding grew 33% year-over-year to \$1.3 billion at the end of the fourth quarter, driven by a 73% increase in line with credit receivables and a 29% gain in near-prime installment loan receivables. FICO (FICO), a predictive analytics and decision management software company, fell -1.69% for the week after reporting revenues of \$298.5 million for the quarter as compared to \$262.3 million reported in the prior year period. Net income for the quarter totaled \$54.9 million, while net cash provided by operating activities for the quarter was \$60.4 million versus \$48.9 million in the prior year period.

Gains were recorded this week by, Elevate Credit(ELVT), the stock price soared 18.57%, Senmiao Technology (AIHS), 7.41%, Square (SQ), 4.99%, while GreenDot, (GDOT), CoreLogic (CLGX) and the U.S. based P2P marketplace lender GreenSky (GSKY) stock prices increased 3.72%, 2.42%, and 2.32%, in that order.

Chart of the Week: The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) Total Return Performance Top 10 Holdings



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