

March 2 - 6, 2020 Weekly Index Research Update

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The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) declined -6% to finish the week at a value of 45.98. On a year-to-date basis, the Index is down -20.77%. U.S. major benchmarks managed to finish the week in positive territory amid volatile market swings as investors clung to fears over the impact on the global economy due to the coronavirus outbreak. Declining stocks outnumbered gainers in the CrowdBureau P2P Lending Index by a ratio of almost 3:1; this included six constituents, two of which are U.S.-based and four China-based P2P lending platforms that experienced share price decreases of more than 15%.

All three major U.S. indexes ended the week in the black after high and low swings throughout the week as investors grappled with the impact coronavirus will have on the global economy. That said, on Wednesday, the House approved an \$8.3 billion emergency funding package to address the spread of the deadly disease, and the Federal Reserve Bank added a fresh \$100 billion to the financial system to aid big banks. Also, corporations continued issuing profit warnings about their first quarter and potential full year 2020 outlooks. The Dow Jones Industrial Average inched up 1.79%, to 25,864.78, while the S&P 500 index gained 0.61%, to 2972.37, and the Nasdaq Composite increased 0.1%, to 8575.62. The benchmark that measures small cap stocks, the Russell 2000, dropped -1.87%, finishing at 1,449.22.

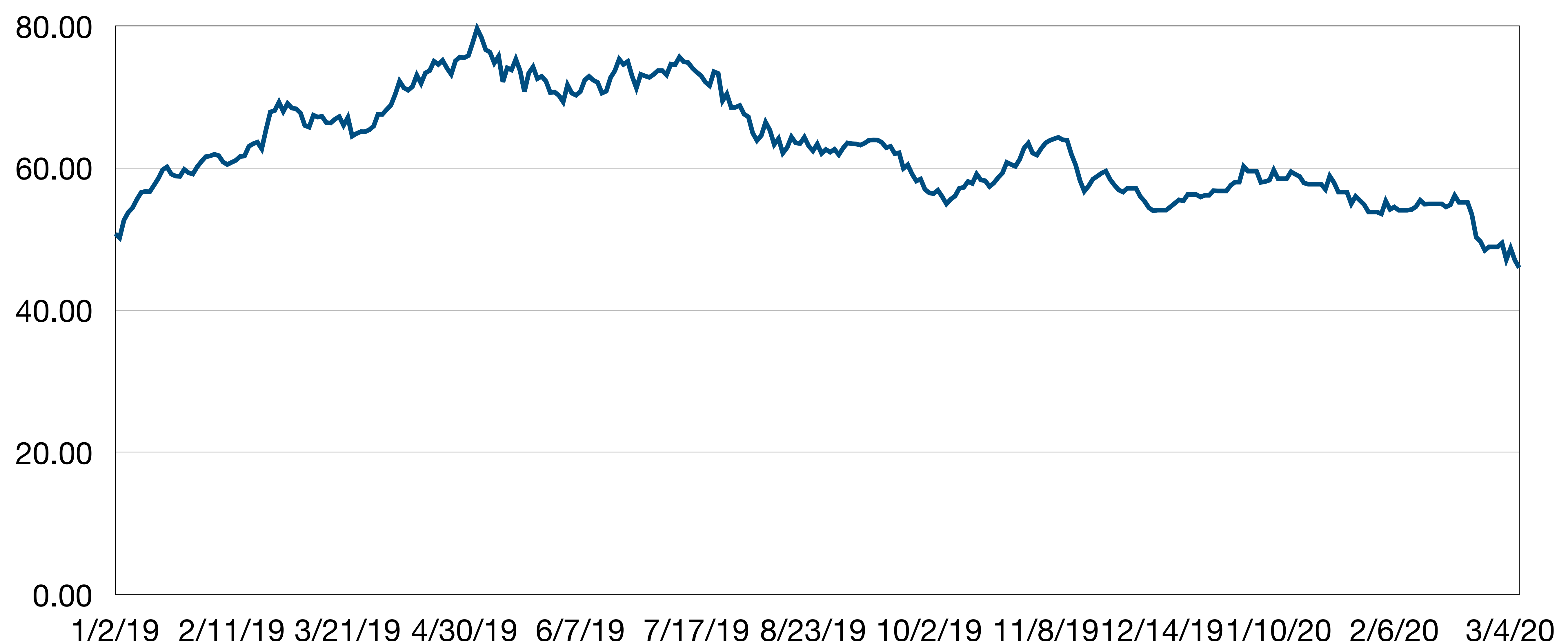
Abroad, in Asia, the Shanghai Composite Index surged 5.35% finishing higher at 3,034.51, while the Hang Seng Index in Hong Kong gained 0.6% to end up 26,146.67. At the same time, in Europe, the Stoxx 600 ended -2.55% lower at 366.70.

For the week, yields fell as the Federal Reserve cut interest rates 50 basis points, changing the targeted range between 1% - 1.25%. Investors piled into U.S. Treasury bonds sending yields lower, to bottom out at 0.65% on the 10-year Treasury note before finishing 24 basis points lower at 0.767%, dropping 70.76 points for the week. U.S. crude oil plunged -5.31% to end at 41.57 in response to the failed attempt by Russia and OPEC to reach an agreement on another production cut. The precious metal gold climbed 5.35% to finish up 1,674.20.

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) declined -6% after disappointing earnings reports, lowering quarterly 2020 outlooks and concerns over the COVID-19 economic impact pushed the Index lower. The Index gained 16.1% in 2019, but this belies underlying negative investor sentiment in the sector that became more pronounced starting in early May when the index reached a 2019 peak of 79.65 on May 3rd. Since that date, the Index is down -42.3% as of 3/6/2020. **(See the Chart of the Week)** Twenty-four or 70% of the constituents dragged the index lower with their negative stock price results. Shares in three U.S.-based peer-to-peer marketplace lenders experienced the biggest losses this week. GreenSky (GSKY) plunged on Tuesday, sending the price tumbling 21.5% following fourth quarter earnings results, and the stock did not recover, falling lower to -23.43% for the week. GreenSky's revenue rose 22% year-over-year to \$133.8 million, driven by an 11% increase in transaction fees to \$100.7 million, and a 77% rise in servicing and other revenue, to \$33.1 million. However, higher costs led GreenSky's adjusted pro forma net income to slide nearly 5%, to \$20.5 million, or \$0.12 per share, which was lower than expectations for adjusted earnings per share of \$0.13. On Deck Capital (ONDK), sunk -20.92%; and LendingClub (LC), slid -7.99%, while heavy-weight LendingTree (TREE) ticked up 2.65%. China-based P2P lenders stumbled, the worst decliners were X Financial (XYF), giving up -20.61%, Qudian Inc. (QD), a credit lending products company and one of the more heavily weighted index constituents dropped -19.47%. while Weidai (WEI), and FinVolution (FINV), declined -18.14% and -15.66%, respectively. Another heavily weighted index member, LexinFintech Holdings Ltd. (LX), an online consumer finance platform for educated young adults in China, sank -10.61%, at the same time, Hexindai (HX), lost -10%. China Rapid Finance (XRF), and Yiren Digital (YRD), fell lower -4.19%, and -2.16%, respectively. While 360 Finance (QFIN) slipped -1.91% after reporting the firm completed the issuance of RMB500 million asset-backed securities that listed and began trading on the Shenzhen Stock Exchange on February 28, 2020. Other laggards included PagSeguro (PAGS), -12.34%, Square (SQ), plunged -12.29% after announcing adjusting its first quarter and 2020 guidance to reflect higher interest costs that it expects due to its issuance of \$1.0B of 0.125% convertible senior notes due 2025. GreenDot (GDOT), Facebook (FB), and Fair Isaac Corp. (FICO), declined -11.68%, -5.91%, and -4.81% in that order. Goldman Sachs (GS), the index member that makes up the Financial Institutions with a Dedicated Platform segment of the index recorded -3.94%, Enova International (ENVA), -2.5%, Global Payments Inc. (GPN), -2.40%, Fiserv Inc. (FISV), -2.33, OneMain Holdings Inc (OMF), -1.90%, and TransUnion (TRU), dropped -0.80% after declaring a cash dividend of \$0.075 per share for the fourth quarter 2019. The dividend will be payable on March 30, 2020, to shareholders of record on March 13, 2020.

Also during the week, positive gains were recorded by Jianpu Technology (JT), soared 13%, CoreLogic Inc. (CLGX), 11.02%, Equifax (EFX), 8.83%, 9F Inc. (JFU), 3.61%, PayPal Holding Inc. (PYPL), gained 2.69% after announcing seeing some signs of stabilization as factories reopened in China even as it observes slowness in volumes in the region, with particular exposure in Hong Kong. Senmiao Technology (AIHS), Amazon (AMZN), CN Finance (CNF), and Fidelity National Information Services (FIS), gained 1.06%, 0.92%, 0.66%, and 0.14%, in that order to end the week.

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR)
Total Return Performance 1/2/2019 - 3/6/2020



Source: CrowdBureau Corporation

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ABOUT CROWDBUREAU CORPORATION

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