

April 20 - 24, 2020 Weekly Index Research Update

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The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) ended the week -0.41% lower. The three U.S. major benchmarks decreased amidst investors digesting mixed corporate earnings results, economic data, and the latest economic relief package from Congress to combat the COVID-19 pandemic. That said, Square (SQ), +3.76%, and PayPal (PYPL), +7.45, two of the five constituents that make up the Social Network[ing] (SN) segment of the Index and P2P marketplace lender OnDeck Capital (ONDK), -18.52%, were approved to distribute Paycheck Protection Program (PPP) loans to small businesses. Their digital lending platforms were designed to reach retail consumers, small businesses, and underserved communities while reducing cost and speeding up payments and loan processing that have filled the gap of traditional banks. The SN segment of the index has surged 10% or more on a month-to-date basis. **(See the Chart of the Week)**.

U.S. major indexes registered weekly losses as stakeholders digested economic data, mixed first quarter 2020 earning results, and the latest \$484 billion coronavirus relief package to combat the coronavirus. The Dow Jones Industrial Average ended down -1.93% to 23,775.27. The S&P 500 index declined -1.32% to close at 2,836.74, while the Nasdaq Composite Index fell 0.18% to finish at 8,634.52. The legislative package includes an additional \$310 billion in funding for the Paycheck Protection Program (PPP), \$60 billion of which is set aside for community banks and small lenders, and other economic measures. New orders for key made in America capital goods unexpectedly rose in March; however, durable goods orders decreased by 14.4%. Additionally, the University of Michigan's consumer sentiment index fell to 71.8 in April, from 89.1 in March.

Abroad, Asian markets retrenched, the Shanghai Composite Index closed -1.06% lower, to finish at 2,808.53, while the Hang Seng Index in Hong Kong declined -2.25% to 23,831.33. European equities fell, with the Stoxx Europe 600 down -0.84% to end the week at 330.30.

The 10-year Treasury note yield, 0.605% fell 1.9 basis point to 0.594%, adding to a 6.1 basis point drop this week. The 30-year bond yield, 1.176%, slipped 2.9 basis points to 1.175%, extending its decline to 10.1 basis points for the week. The precious metal gold rose 3.02% to 1,745.70 an ounce. Crude oil prices have fallen to 20-year lows, losing -5.19% to finish at 17.18 per barrel.

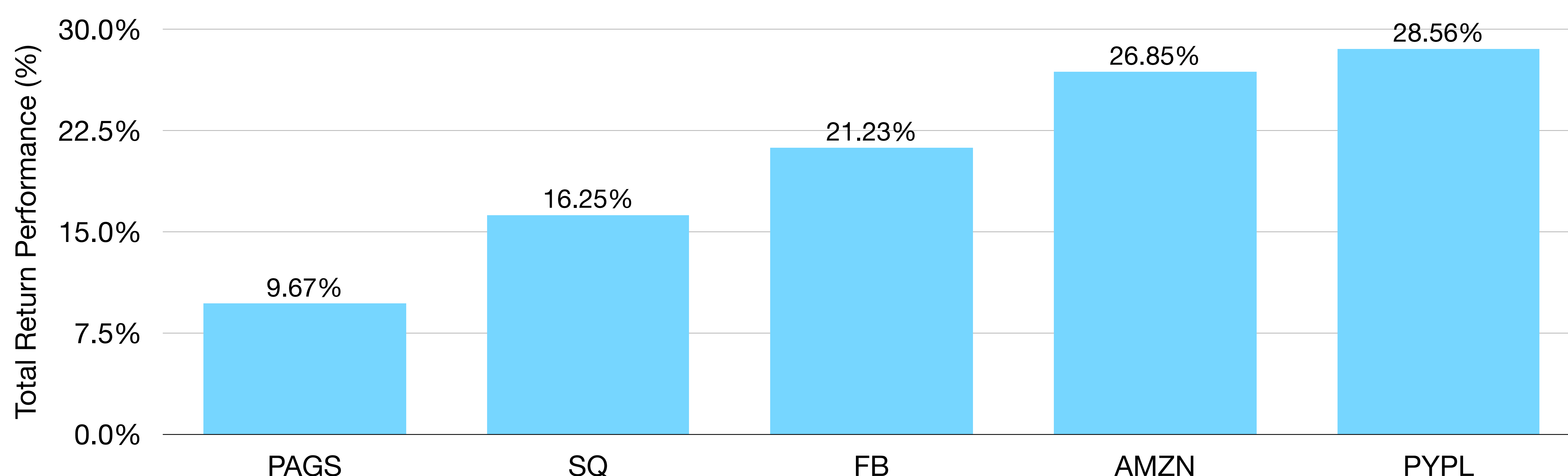
The CrowdBureau® P2P Lending and Equity Crowdfunding Index (CBP2PTR) ended the week -0.41% lower. On a month-to-date, the Index is down -0.52%, and on a year-to-date basis -37.40%. In the U.S., banks and financial institutions are trying to deploy SBA Payroll Protection Program loans using existing technology to small businesses. However, in China, the Industrial and Commercial Bank of China (ICBC), one of the nation's largest state-owned banks, reported that more than 70 financial services firms in China, including all state-owned banks and the largest tech companies, are deploying blockchain-based financial applications. The expectation is that they will use distributed ledger technology in areas like trade financing, supply chain management, settlement, digital invoices, lending, and other applications.

That said, stocks ended a choppy week as investors scooped up technology shares and picked over financials -- twenty-two (64.7%) out of 34 index members finished in negative territory. Three out of the four U.S.-based peer-to-peer marketplace lenders share prices dropped, including OnDeck Capital (ONDK), which fell -18.52%, after shareholder Voce Capital Management, LLC issued a press release announcing its intention to vote against three of OnDeck Directors at the Company's Annual Meeting scheduled on May 7 and urging other shareholders to take the same decision. LendingClub (LC), moved -15.41% lower after announcing 460 layoffs. The firm expects to incur pre-tax restructuring and related charges of ~\$10M till December 31, 2020, of which approximately \$1M represents an employee relief plan to assist impacted employees and balance for future cash expenditures for the payment of severance and related benefits costs. Also, executive officers agreed to a temporary 25% - 30% reduction in base salary, and the board agreed to a 30% cut in base cash retainer non-employee fee. GreenSky (GSKY), loss -15.41%, in contrast, heavier-weighted LendingTree (TREE), climbed 8.74%. Other laggards that contributed to the decline of the index this week, comprise of Yiren Digital Ltd. (YRD), -10.11%, Weidai (WEI), -9.22%, OneMain Holdings Inc. (OMF) -8.23%, Enova International Inc. (ENVA) -6.78%, LexinFintech Holdings Ltd. (LX) -6.47%, Fair Isaac Corporation (FICO) -6.02%, TransUnion (TRU) -5.32%, PagSeguro Digital Ltd. (PAGS), -4.49%, Fiserv Inc. (FISV), -4.31%, X Financial (XYF), -4.21%, Goldman Sachs Group (GS), -3.54%, Qudian Inc.(QD), -2.99%, 9F Inc. (JFU), -2.51% CN Finance Holdings (CNF), -1.94%, Fidelity National Information Services Inc.(FIS), -1.74%, Global Payments Inc. (GPN), -1.21%, CoreLogic Inc. (CLGX), -1.12%, Senmiao Technology Limited (AIHS), -0.51%, and Hexindai Inc. (HX), -0.38%.

Gainers for the week spanned China-based P2P Lending platform FinVolution Group (FINV), ended the week flat. On the other hand, Social Networking platforms, Amazon.com Inc. (AMZN), e-commerce transactions account for 38% of all U.S. online retail sales, eked out 1.48%, and Square Inc. (SQ), climbed 1.51%, while Facebook Inc. (FB), a social media platform is four of the seven of the most visited in the world, climbed, 6.04%, and PayPal Holdings Inc. (PYPL), gained 7.45%. Equifax Inc. (EFX), a member of the Providers of Technology and Software Solutions (T&S) segment of the Index, gained 2.70%, following the release of first-quarter 2020 earnings results. The firm reported revenue of \$957.9 million for the first quarter of 2020, an increase of 13%, compared to the first quarter of the prior year, and up 15%. Net income was increased in the first quarter of 2020, to \$112.6 million, as compared to a net loss of \$555.9 million in the first quarter of 2019. Other T&S segment index members, Green Dot Corporation (GDOT) and Elevate Credit Inc., increased 3.33% and 3.76%, respectively. In addition, China-based P2P marketplace lenders, China Rapid Finance (XRF), 360 Finance Inc.(QFIN), and Jianpu Technology Inc. (JT), soared 7.07%, 15.12%, and 17.63%, in that order.

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index is a rules-based methodology and has been licensed to Amplify ETFs to create an exchange traded fund, the Amplify CrowdBureau® Peer-to-Peer Lending & Crowdfunding ETF (Symbol: LEND), which is listed for trading on NYSE Arca: LEND. To learn more about the ETF, click [HERE](#).

Chart of the Week: CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) Social Network[ing] Platforms Month-to-Date Total Return Performance



Source: CrowdBureau Corporation

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ABOUT CROWDBUREAU CORPORATION

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