

May 25 - 29, 2020 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) notched 3.76% to advance for the week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) finished the week, notching 3.76% to advance higher, 39.78. For the month, the index marked -2.07 to end May and logged a year-to-date return of -31.45%. U.S.-China tensions flared up, and recent economic data showed how badly American businesses had been disrupted by the coronavirus pandemic; however, the three U.S. major benchmarks still climbed higher. Twenty-six of the 34 CrowdBureau Peer-to-Peer Lending and Equity Crowdfunding index constituents ended positive with investors' slight rotation into small cap and bank sector stocks ahead of the economic reopening. **(See the Chart of the Week).**

LEND - Amplify CrowdBureau® Peer-to-Peer Lending & Crowdfunding ETF

The three U.S. indexes rallied this week amid optimism over the easing of COVID 19 lockdowns and economic relief efforts by the Federal Reserve and Congress. The Dow Jones Industrial Average closed 3.75% higher for the week, ending at 25,383.11. Meanwhile, the S&P 500 gained 3.01% finishing, at 3,044.31. The Nasdaq Composite Index rose 1.77% to end at 9,489.87. The Russell 2000 index, which measures small cap stocks soared 2.84%, to close at 1,394.04. On the U.S. economic front, April consumer spending slumped 13.6%, but personal income rose by 10.5%, said the Bureau of Economic Analysis. While unemployment claims increased another 2.1 million bringing the total to over 40 million people during the 10 weeks since the national pandemic started.

The 10-year Treasury note yield TMUBMUSD10Y, 0.659% fell 5.3 basis points to 0.650%. The 30-year bond yield TMUBMUSD30Y, 1.412% fell 6.4 basis points to 1.407%, decreasing its weeklong gain to 3.4 basis points. Crude prices, Crude Oil WTI, added 5.24% to finish at 35.32 a barrel. In precious metals, gold futures, Gold Continuous Contract rose slightly, 0.48% to settle at 1,743.00 an ounce.

Internationally, stocks ended higher. The Stoxx Europe 600 closed, 3.26%, to end at 351.80. In Asia, the Shanghai Composite Index rose 1.37% to 2,852.35, and Hong Kong's Hang Seng Index ended up 0.24% to 22,961.47.

The CrowdBureau® P2P Lending and Equity Crowdfunding Index (CBP2PTR) advanced 3.76% notches for the week as investors mostly keep discounting unprecedented economic data weaknesses, and some new tensions between Washington and Beijing. That said, U.S. based peer-to-peer lenders continue to disburse the Paycheck Protection Program (PPP) loans, which saved the day for some communities and small businesses since their digital platforms are significantly different from traditional retail banks. Three of the U.S. lenders eked out gains including, LendingTree (TREE), added 3.08%, GreenSky (GSKY) climbed 2.29%, LendingClub (LC), rose 1.71%. While OnDeck Capital (ONDK), an approved SBA lender to process federal stimulus payments and PPP loans, slipped -3.26%.

This week the thirteen China-based peer-to-peer marketplace lenders ended mixed, ranging from a low -16.85% for X Financial (XYF) after announcing the firm received a letter from the New York Stock Exchange dated April 28, 2020, stating that it is out of compliance for trading price and have six months to cure; while Hexindai (HX) soared 168.98%. Five constituents announced either unaudited full year 2019 or first quarter 2020 earnings results. Jianpu Technology (JT), dropped -11.32%, while CN Finance (CNF), reported Q1 2020 earnings results. Operating revenue was USD 68,653,410 or (RMB490 million) for the first quarter of 2020. Adapting to the pandemic, which might drive up the size of the delinquent loans and non-performing loans, the firm recorded a credit loss provision of USD 30,823,980 or (RMB220 million). Loan origination volume reached USD 163,927,530 or (RMB1.17 billion), representing an increase of 17% compared to the same period of 2019. China Rapid Finance Limited (XRF) decreased -2.34%; at the same time, Weidai Ltd. (WEI), an auto-backed financing P2P lending solution provider, dropped -0.69%, after announcing its financial results for the full year ended December 31, 2019. The full year 2019 financial highlights indicate net revenues were USD 482.3 million or (RMB3,357.5 million) in 2019, compared to RMB3,913.5 million in 2018. Qudian Inc. (QD) was flat for the week. The company reported Q1 2020 financial results, noting new accounting policy ASC 326, became effective on January 1, total financing income USD 87,245,874.30 or (RMB622.7 million), a decrease of 38.4% additionally loan facilitation income and other related income decreased by 34.4% to USD 59,125,998 or (RMB422 million) from USD 90,230,196 or (RMB644 million) for the fourth quarter of 2019. Meanwhile, LexinFintech Holdings Ltd. (LX), gained 3.69%, and FinVolution Group (FINV) soared 6.29%, following the first quarter financial results. FINV took action to control credit risks and proactively reduced loans originated on the platform throughout the pandemic, which resulted in a sequential decline of 23% in loan origination volume in the first quarter compared to the fourth quarter of 2019. Senmiao Technology Limited (AIHS) closed 7.55%, Yiren Digital Ltd. (YRD), rose 7.91% and 9F Inc. (JFU), gained 8.13%. 360 Finance Inc. (QFIN), a digital consumer finance platform increased 11.67%, after reporting financial results for the first quarter ended March 31, 2020, total loan origination volume was USD 7,253,442.93 or (RMB51,770 million), representing an increase of 25.6% from RMB41,202 million in the same period of 2019. Loan origination volume for Credit Driven Services was USD 5,725,694 or (RMB40,866 million).

Other gainers for the week included the eleven Providers of Technology and Software Solution constituents of the CrowdBureau P2P Lending Index, including Green Dot Corporation (GDOT), 0.71%, Global Payments Inc. (GPN), 1.55%, Fidelity National Information Services Inc. (FIS), 1.96%, Elevate Credit Inc. (ELVT), 2.41%, Fiserv Inc. (FISV), 2.73%, Fair Isaac Corporation (FICO), 3.40%, Equifax Inc., (EFX), 4.44%, CoreLogic Inc. (CLGX), 5.02%, TransUnion (TRU), 7.11%, OneMain Holdings Inc. (OMF), 7.66%, and Enova International Inc. (ENVA), climbed 12.48%.

Constituents in the Social Network[ing] segment of the index closed the week mixed, including Facebook Inc.(FB) declined -4.18%. Square Inc. (SQ), another non-bank provider approved by the SBA to process federal stimulus payments and PPP loans through its Cash App for individuals, ended down, -0.50%. While Amazon.com Inc. (AMZN) gained 0.23%, and PayPal Holdings Inc. (PYPL), which owns peer-to-peer payments app Venmo and approved by the SBA to disburse PPP loans increased 2.75%. PagSeguro Digital Ltd. (PAGS), jumped 20.65%, after reporting first quarter 2020 results, combine growth with profitability, comparing Q1, '20 with Q4 '19, revenues grew 1%, despite the strong seasonality in Q4, while peers revenues decreased 8% and 5%. Last but not least, Goldman Sachs (GS), is aggressively pushing ahead with the expansion of its cash management business and finished the week up 9.20%.

Chart of the Week: CrowdBureau® P2P Lending and Equity Crowdfunding Index (CBP2PTR), 26 Gainers for the Week



Source: CrowdBureau Corporation

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ABOUT CROWDBUREAU CORPORATION

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