

August 24 - August 28, 2020 Weekly Index Research Update

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The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) posted its third consecutive weekly decline, giving up 1.18% to finish at 43.37. The conclusion to a choppy trading week, the Dow gained 2.49%, the S&P 500 added 3.26%, and the Nasdaq ended 3.39%, after the Fed's policy shift on inflation. The CrowdBureau P2P Lending Index was driven lower by eleven (32.3%) of the 34 constituents, including ten China-based peer-to-peer lending marketplaces. The P2P lenders, a barometer for the well-being on the local economy, suggests a slower recovery and lagging recession may be afoot, although improving economic data and a slew of new listings on the start-up Chinext board has bolstered China markets. **(Refer to the Chart of the Week)**. On a year-to-date basis, the Index remains down, -25.27%.

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

The rally for equities was buoyed by the Federal Reserve Chairman Powell's speech that outlined policy framework changes that target for inflation averaging 2%, with shortfalls under 2% to be compensated for by periods with inflation slightly above 2% and revitalize employment. Thus far, all three major U.S. indices' performance for the week pushed gains nearly 8% during August. In economic data, a reading of second quarter gross domestic product (GDP) indicated the U.S. economy contracted at a 31.7% annualized pace, although personal income rose 0.4% in July, and consumer spending was up 1.9%. Orders for durable goods rose 11.2% in July, helped by a 22% surge in automobile demand. Similarly, in China, recovery in the auto sector and increasing demand for electronic products accelerated industrial profit growth in July. The country's industrial companies reported a 19.6% rise in profit in July from the prior year, more than June's 11.5%, the National Bureau of Statistics said Thursday.

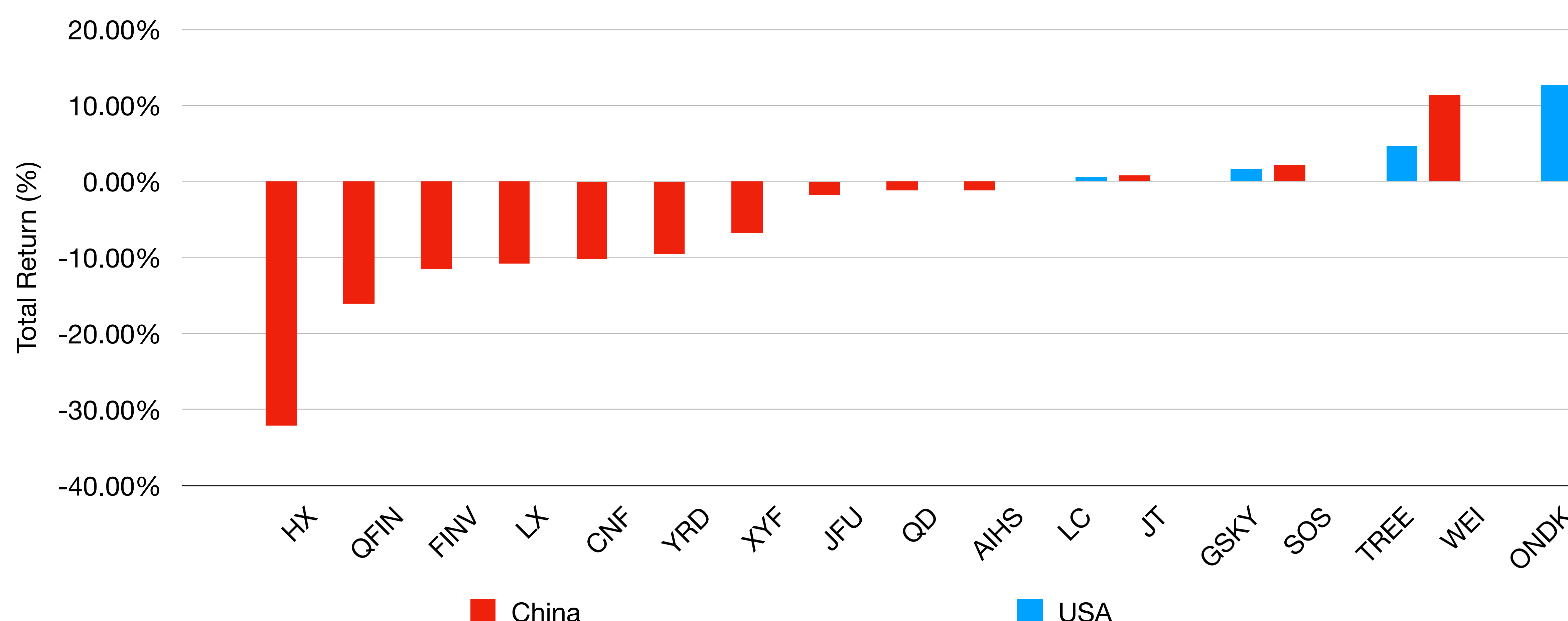
Abroad, the pan-European STOXX Europe 600 Index advanced 1.26% to 369.90. In Asia, the Shanghai Composite Index in China recorded 0.7% to end at 3,403.81, and the blue-chip CSI300 index CSI300 rose 2.7%.

The U.S. yield curve steepened after the Fed's announcement signals improved interest rate margins that may benefit banks and borrowers. Due to massive sell-offs in the longer-dated Treasuries, the five-year and 30-year Treasury yields gap widened to 119. The yield on 30-year Treasuries, surged over 0.08 points to 1.52%, while the yield on the benchmark 10-year note rose 0.06 points to 0.74%. The five-year Treasury yields climbed 0.03 points, hovering around 0.28%.

Four of the 13 China-based marketplace lenders included in the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) that reported second quarter 2020 unaudited earnings results this week were 360 Finance (QFIN), FinVolution (FINV), CN Finance (CNF), and Yiren Digital (YRD). This past week's stock market performance demonstrates both the challenges and evolving business strategies adopted by marketplace lenders in China to bolster their operations. To a lesser extent, these are also reflective of developments affecting their U.S. counterparts as all four U.S. marketplace lenders advanced, OnDeck Capital (ONDK) soared 12.58%, LendingTree (TREE) 4.62%, GreenSky (GSKY) 1.61%, and LendingClub (LC) 0.54%. 360 Finance, Inc. (QFIN), consumer finance platform, sunk -16.12% after announcing Q2 financial results included total loan origination volume increased 21.8% to RMB58,905 million from RMB48,378 million during the same period of 2019. Under their capital-light model, loan origination volume climbed 282.3% to RMB14,616 million, from RMB3,823 million in the same period of 2019. FinVolution Group (FINV), a consumer lending platform that connects underserved individual borrowers with financial institutions declined -11.49% after disclosing net revenue advanced by 10.3% to US\$256.3 million (RMB1,810.5 million) for the Q2 2020, from RMB1,641.9 million in the same period of 2019. Operating profit decreased 26.1% to RMB567.2 million (US\$80.3 million) for Q2 of 2020 from RMB767.6 million in 2019. The company also announced a new share repurchase program of up to US\$60 million. At the same time, CNFinance Holdings Limited (CNF), a home equity loan service provider that facilitates loans by connecting micro- and small-enterprise ("MSE") owners with its funding partners dropped -10.25% following financial highlights that included total loan origination volume was US\$266.0 million (RMB1,883.2 million) in the second quarter of 2020, as compared to RMB1,661.8 million the same three-month period for 2019. The total outstanding loan principal was US\$1.4 billion (RMB9.8 billion) as of June 30, 2020, compared to RMB11.3 billion as of December 31, 2019. While online consumer lending platform, Yiren Digital Ltd. (YRD) decreased -9.47%, reported consumer credit, Yiren Credit, the total amount of loans facilitated in the second quarter was US\$340.1 million (RMB 2,402.5 million), compared to RMB 9,673.8 million in the same period last year. Revenue from Yiren Credit reached US\$61.2 million (RMB 432.3 million), representing a decrease of 73% from RMB 1,624.3 million in the second quarter of 2019. Revenue from Yiren Wealth reached US\$45.6 million (RMB 322.4 million), representing a decrease of 46% from RMB 592.4 million in the second quarter of 2019. Other laggards this week comprise of Hexindai (HX) fell -32.17%, X Financial (XYF) -6.80%, Elevate Credit (ELVT) -2.36%, 9F Inc. (JFU), -1.81%, Qudian (QD), -1.18%, and Senmiao Technologies (AIHS) -1.16%.

Additionally this week, Brazilian-based PagSeguro Digital (PAGS) gained 2.60%, after reporting second quarter total payment volume of R\$29.8B (\$5.36B) rose 11.4% year-on-year, while active merchants during the past 12 months totaled 5.8M, a 23% increase from 4.7 million at the same time a year ago. Also, PagSeguro acquired Wirecard Brazil (WRCDF), forming a consolidated solution for payments and digital banking, creating the best-in-class omnichannel for millions of merchants of all sizes. Adding to their gains this week were China-based lenders Jianpu Technologies (JT), SOS Limited (SOS), and Weidai (WEI), up 0.80%, 2.19%, and 11.30%, respectively.

CrowdBureau Peer-to-Peer Lending and Equity Crowdfunding Index, 17 U.S. and China-based Marketplace Lenders Weekly Performance



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