

March 25 - 29, 2019 Weekly Index Research Update

Positive market sentiment drove the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index higher to post a 2.20% gain for the week

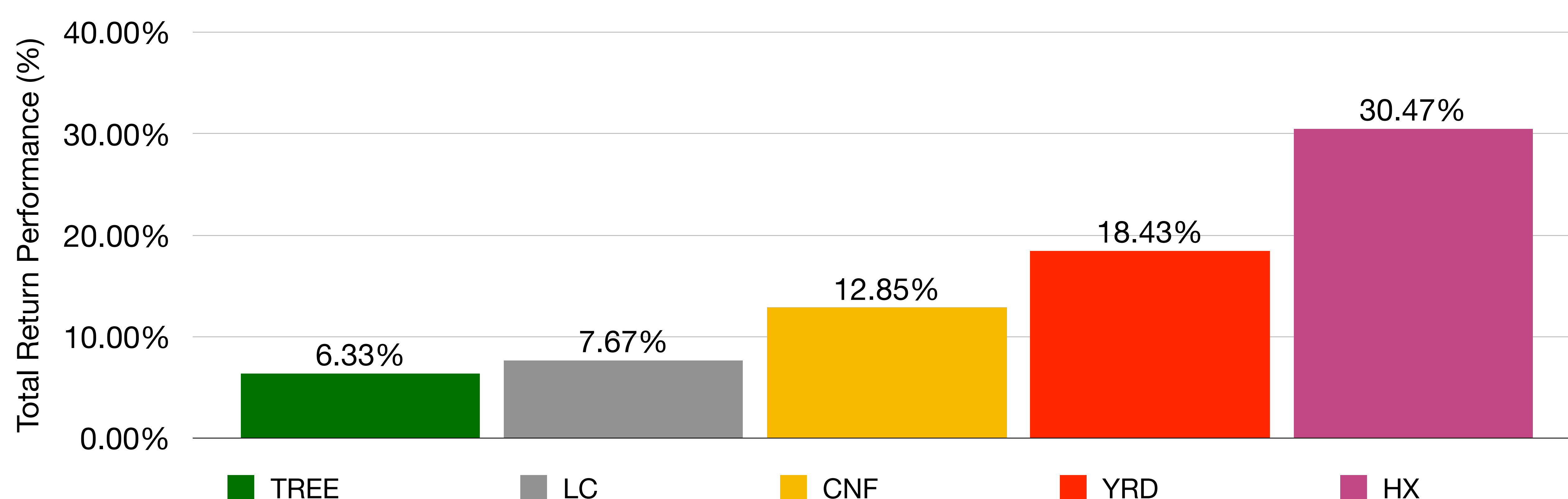
The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) gained 2.20% for the week ending Friday, March 29, 2019 to close at 65.91. The index recorded positive daily returns each day, ranging between 0.41% and 0.57%, with the exception on Wednesday when the index dipped -0.01%. The index ended higher for the week and added to the year-to-date results which finished the quarter with the strongest 3-month gain of 31.86% recorded since the inception of the index as of December 28, 2017.

Market sentiment was positive for the week, but somewhat counterintuitive as economic indicators released this week pointed to a slowing economy. The S&P 500 Index ended the week in positive territory, registering a gain of 1.20% and 13.65% for the quarter—the best quarterly gain since 1988. Stock prices rebounded from a sharp pullback during the fourth quarter in an apparent response to a shift in the posture of the Federal Reserve Bank and other central banks to hold interest rates as well as the growing confidence that the U.S. and China would reach an agreement on trade. The Dow Jones Industrial Average finished up 211.22 points to close at 25,928.68 on Friday while the Nasdaq Composite gained 1.13% to close at 7,729.32. Bond prices rose too, as 3-month Treasury bills declined 4 basis points (bps) to 2.40% and 10-Treasuries ended the week at 2.41%, 3 bps lower and slightly reversing the inversion in rates recorded the previous week. This factor may also have boosted investor sentiment.

The full range of investor sentiment was also observed in the range of results achieved by the thirty-five index constituents tracked by the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR). Overall total return results ranged from a low of -13.56% displayed by Golden Bull (DNJR) to a high of 30.47% posted by Hexindai (HX), while five constituents gained more than 5% for the week. (See Chart of the week)

Two Index constituents reported fourth quarter 2018 earnings results. Yirendai (YRD), a peer-to-peer consumer lending platform, ended the week with a positive gain of 18.43% even after reporting fourth quarter revenue of \$184.81M (-27.2% year-on-year) that missed the mark by \$0.46M. Its strong performance may have been attributed to the firm's announcement that it is taking over certain business operations from its controlling shareholder CreditEase Holdings (Cayman) for \$106.9M. On the other hand, Weidai (WEI), an early stage peer-to-peer lender to small and micro enterprises and a provider of personal credit services that relies on vehicles as a type of "non-standard" collateral, finished the week down -0.34% after reporting fourth quarter and full year 2018 financial results. Weidai reported declines in net revenues and net income in the fourth quarter but year-over-year gains in both categories. The company increased its provision for loan losses and advances as a percentage of net revenues to 19.2% in 2018 from 13.7% in 2017. This was primarily due to "(i) an increase in delinquency rates as a result of industry-wide turmoil, and macroeconomic headwinds that negatively impacted small and micro enterprises, and (ii) the significant deterioration of the general macroeconomic environment in China which resulted in the Company recording additional allowance for loans and advances after taking into consideration current economic factors."

Chart of the Week: Total Return Performance for the constituents that gained 5% or more for the week



Source: CrowdBureau Corporation

ABOUT CROWDBUREAU CORPORATION

CrowdBureau Corporation research-based indexes and analytics seeks to help market players understand and manage better alternative asset classes in peer-to-peer lending and securities based crowdfunding. Clients rely on our offerings for deeper insights into the drivers of performance and risk indicators for their decision making, through our global peer-to-peer lending asset class coverage using a series of benchmarks and innovative research. Our line of products and services includes a centralized database with indexes, analytical models, data, a peer-to-peer lending series of benchmarks by sectors such as consumer loans, business loans, real estate, student automobile loans, agriculture and other. CrowdBureau Corporation serves money managers, banks, insurance companies, traders and universities. For more information, visit us at <https://www.crowdbureau.com>

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