

July 1 - 5, 2019 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index gained 1.05% for the week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) finished the week at 73.73, posting a gain of 1.05% over the shortened 4-day trading week, as global markets reacted positively to news that the U.S. and China restarted trade talks. At the same time, a stronger than expected June employment report issued by the Department of Labor did not set back investors who may have been anticipating a Fed rate cut.

The Index® was rebalanced and reconstituted effective as of July 1, 2019 for Q2 2019. The Index consists of 34 members across the peer-to-peer lending and equity crowdfunding ecosystem that includes peer-to-peer lending platforms, financial institutions with dedicated P2P lending platforms, social network(ing) platforms and providers of technology and software solutions. Individual index members weights were modified in the line with the index methodology. Refer to the **Chart of the Week** for a listing of the top ten index members and their weights, which are also including in the **Index Fact Sheet**.

Stocks moved higher during the holiday-shortened trading week. The three major U.S. benchmarks recorded gains, starting with the Dow Jones Industrial Average (DJIA) that closed at 26,922.12, with a 1.49% gain. At the same time, the S&P 500 closed to 2,990.41, posting a 2.24% increase. Both benchmarks set new all-time highs. Also, the technology heavy Nasdaq Composite gained 2.44%, closing to 8,161.79. Measuring small cap company stocks, the Russell 2000 closed at 1,575.62, up 1.88%. The Department of Labor released employment results, reporting that non-farm payrolls rose by a net 224,000 jobs for June while the unemployment rate increased to 3.7%. Consumer spending remains robust, making up 70% of the U.S. economy, but this stands in contrast to American businesses that are sounding a more pessimistic note, as trade uncertainties and the fading impact of the 2017 tax cut are holding back business investments.

Abroad, European markets were up, the European Stoxx 600 index increased 1.65%. In Asia, the Hang Seng Index in Hong Kong increased 0.81% higher to close 28,774.83 and in China, using as a proxy the iShares MSCI China A ETF (CYNA), local stocks generated a gain of 0.09% to close 28.585.

In other market segments, the Treasury yield curve, which shows interest rates on bonds of varying maturities, has been inverted for a full month—pointing to a possible recession. The 10-year Treasury note yield settled at 2.04% on Friday, ending the week higher by 4 basis points. The 3-month Treasury ended the week at 2.23% after gaining 11 basis points. Gold slid slightly -0.82%, down to 1401.20, while oil prices moved down -0.81% to 57.73.

During the first week of the third quarter, gains were recorded by 21 of the 34 constituents that make up the reconstituted CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index. Of the Peer-to-Peer Lending and Equity Crowdfunding (P2P) segment which makes up 80% of the Index by weight, 12 of the 17 members registered share declines. These included the four U.S. based marketplace lenders, GreenSky (GSKY), down -7.73%, Lending Club (LC), down -6.40% during a week when the company announced that it had issued more than \$2 billion in CLUB certificates since the program started 18 months ago and ahead of the effective date of a 1-for-5 reverse stock split, On Deck Capital (ONDK), down 2.41%, and Lending Tree (TREE), down -1.13%.

That said, the performance of five China-based marketplace lenders, in particular, produced sufficiently large gains to push the aggregate index result for the week into positive territory. These included: PaiPaiDai (PPDF), which gained 2.30%, Hexindai (HX) whose share price increased by news that the company had diversified its business model by launching a new e-commerce installment financing platform named Hexin Installments, was up 3.78%. Jianpu Technologies (JT) up 4.81%, Lexin Fintech (LX) up 6.81%, and Qudian (QD), which was the best performer for the week with its gain of 7.33%. This, after the company announced the closing of a convertible senior notes offering and full exercise of its greenshoe. At the same time, the share price of China-based lender Senmiao Technologies (AIHS) dropped -19.72% after announcing its financial results for the fiscal fourth quarter and fiscal year ended March 31, 2019. While top line results were positive due to the firm's auto leasing operations, investors' reactions were negative.

Additionally, the three other peer to peer lending and securities based crowdfunding ecosystem segments also had a positive influence on the total return performance of the Index. The Social networking(ing) platforms (SN) segment, consisting in the order of their performance, Facebook (FB), PayPal (PYPL), Square (SQ), Amazon (AMZN), and Pagueuro Digital (PAGS), each recorded gains of 1.76%, 2.36%, 2.45%, 2.60% and 3.95%, respectively. Also, 10 of the 11 index members comprising of the Providers of Technology and Software Solutions (T&S) achieved positive results ranging from a low -2.03 recorded by Enova (ENVA) to a high 5.83% registered by Fair Isaac Corp. (FICO). Lastly, the Financial Institutions with dedicated P2P lending platform (FI) Index segment, consisting of Goldman Sachs (GS), added 1.61%.

CHART OF THE WEEK: TOP 10 INDEX CONSTITUENTS

Constituent Name	Symbol	Segment	Segment Weight	Price (\$) 2019-06-21	Market Capitalization (\$)	Index Weight
Lending Tree	TREE	P2P	80%	\$417.70	5,379,620,537	24.00%
Qudian #	QD	P2P	80%	\$8.18	2,432,471,835	12.98%
Lexin Fintech #	LX	P2P	80%	\$11.76	2,065,275,359	11.02%
PPDAI #	PPDF	P2P	80%	\$4.17	1,239,966,318	4.80%
Lending Club	LC	P2P	80%	\$2.85	1,230,978,415	4.80%
Yirendai #	YRD	P2P	80%	\$14.08	866,827,048	4.80%
GreenSky	GSKY	P2P	80%	\$13.14	816,671,328	4.80%
Jianpu Technologies #	JT	P2P	80%	\$4.35	732,100,837	4.80%
WorldPay	WP	T&S	14%	\$121.41	37,792,101,233	3.82%
OnDeck Capital	ONDK	P2P	80%	\$4.29	325,691,463	3.26%

Notes of Explanation: Prices as of June 21, 2019 and effective July 1, 2019. #Denotes ADR. Source: CrowdBureau Corporation, Prices, shares outstanding and market capitalizations-QuoteMedia.

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