

September 30 - October 4, 2019 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index registered -2.24% for the week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) finished the week ended October 4th at 56.88, posting a decline of -2.24%. The start of the week on Monday was also the end of the September trading month and the third-quarter end, intervals over which the Index registered drops of -6.66% and -19.87%, respectively. U.S. factory activity contracted for a second straight month and hit a 10-year low. While this drew some concerns that rattled markets, U.S. stocks rallied by the end of the week to end a volatile five-day trading period as the September jobs report helped ease fears about an economic slowdown.

The Index® was rebalanced and reconstituted effective as of October 1, 2019 for Q4 2019. Three new Index members were added and the benchmark now consists of 35 members across the peer-to-peer lending and equity crowdfunding ecosystem that includes peer-to-peer lending platforms (18), financial institutions with dedicated P2P lending platforms (1), social network(ing) platforms (5); and, providers of technology and software solutions (11). Individual index member 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. A complete list of Index constituents and their weights is available in the [Index Fact Sheet](#).

During the week stocks initially dropped sharply, but then swung higher as investors ramped up bets that the Fed will slash rates again this year when data showed service sector activity expanded at the slowest pace in three years. The Dow Jones Industrial Average dropped -0.92% ending at 26,573.72 for the week after the Institute for Supply Management reported on Tuesday "that U.S. manufacturing activity contracted to its lowest level in more than 10 years." This data sparked a two-day sell-off in which the Dow dropped more than 800 points. The S&P 500 fell -0.33% to 2,952.01 while the Russell 2000, the benchmark measuring small cap company stocks, closed at 1,500.70, down -1.30%. The technology heavy Nasdaq Composite gained 0.54%, closing at 7,982.47. The Department of Labor (DOL) released employment results, reporting that nonfarm payrolls rose by 136,000 in September, while the unemployment rate fell to 3.5%, a 50-year low since December 1969. Wages rose just 2.9%, the lowest increase since July 2018. The report comes amid uncertain times for the economy, with fears escalating that weakness abroad will spill over into the U.S. and possibly cause a recession.

Abroad, European shares ended a turbulent week down. The European Stoxx 600 index slipped -2.26%. In Asia, the Hang Seng Index listed on the Hong Kong Exchange decreased -0.54% to close 25,821.03 while China's National Day holiday is fixed from October 1-7 and the local stock exchanges are closed. In other market segments, U.S. government bond yields dropped on Friday after DOL data also showed that the economy added fewer new jobs in September than the prior month.

The 10-Year Treasury yield ended the week at 1.52% compared to 1.54% the previous market day. The 2-Year Treasury yield is at 1.40%, compared to 1.39% the previous market day. Gold moved up slightly 0.47%, to 1,510.30, while oil prices moved down -5.64%, to 53.01.

During the first week of the fourth quarter, gains were recorded by 16 of the 35 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, 13 of the 18 members registered share declines. These included the 11 China-based and two U.S. based marketplace lenders, X Financial (XYR), -21.59%, Senmiao Technologies (AIHS), -17.95%, China Rapid Finance (XRF), -16.67%, LendingClub (LC), -15.37%, LexinFintech (LX), -11.36%, Jianpu Technologies (JT), -9.13%, Yirendai (YRD), -8.33%, Golden Bull (DNJR), -8.00%, CN Finance (CNF), -5.98%, Hexindai (HX), -4.55%, OnDeck Capital (ONDK), -3.92%, PPDai (PPDF), -2.07%, and 360 Finance (QFIN), -1.57%. At the same time, the share prices of five marketplace lenders rose, including China-based lenders Qudian (QD), 0.88%, Weidai (WEI) 2.46%, and 9F Inc. (JFU), one of the newest Index members, gained the most for the week, up 16.91%. The two U.S. based lenders that posted gains were LendingTree (TREE), up 2.41% and GreenSky (GSKY) with an increase of 7.63%.

Additionally, the three other peer to peer lending and securities based crowdfunding ecosystem segments also had an influence on the total return performance of the Index. The Financial Institutions with dedicated P2P lending platforms (FI) Index segment, consisting of Goldman Sachs (GS), dropped -0.48%. The five Social networking(ing) platforms (SN) segment index members each posted positive results. PayPal (PYPL) was up 0.58% during a week when the company acquired a license to enter the Chinese market as the PBOC, China's central bank, approved PayPal's 70% equity stake in Guofubao Information Technology Co. (GoPay). The firm holds a payment business license in China. Other advancing stocks included Amazon (AMZN), PagSeguro Digital (PAGS), Facebook (FB), and Square (SQ) that recorded gains of 0.82%, 0.92%, 1.89% and 3.13%, respectively. Lastly, six of the 11 index members comprising of the Providers of Technology and Software Solutions (T&S) achieved positive results ranging from a low -5.87 recorded by Green Dot (GDOT) to a high 3.67% registered by Fair Isaac Corp. (FICO).

CHART OF THE WEEK: TOP 10 INDEX CONSTITUENTS

Constituent Name	Symbol	Segment	Segment Weight	Price (\$) 2019-09-20	Market Capitalization (\$)	Index Weight
LendingTree	TREE	P2P	80.00%	\$324.99	4,221,294,135	21.06%
Qudian #	QD	P2P	80.00%	\$7.13	1,991,128,912	13.76%
LexinFintech #	LX	P2P	80.00%	\$10.86	1,907,218,572	13.18%
Fidelity National Information Services	FIS	T&S	14.00%	\$131.81	80,858,053,640	4.93%
LendingClub	LC	P2P	80.00%	\$14.41	1,256,110,463	4.80%
PPDai #	PPDF	P2P	80.00%	\$3.47	1,031,818,495	4.80%
Yirendai #	YRD	P2P	80.00%	\$8.66	816,178,033	4.80%
Jianpu Technology #	JT	P2P	80.00%	\$2.78	469,624,238	4.80%
GreenSky	GSKY	P2P	80.00%	\$7.20	445,155,782	4.80%
Fiserv Inc.	FISV	T&S	14.00%	\$104.08	70,741,668,505	4.32%

Notes of Explanation: Prices as of September 20, 2019 and effective October 1, 2019. #Denotes ADR. Source: CrowdBureau Corporation, Prices, shares outstanding and market capitalizations-QuoteMedia.

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