

February 18 - 22, 2019 Weekly Index Research Update

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index climbed 3.75% for the week

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) ended the trading week at 65.42, posting another weekly gain for the four-trading day period ending February 22, 2019 up 3.75% as twenty-four of the thirty-five index constituents recorded increases ranging from 0.10% to 16.78%. Five index components posted returns in excess of 10%, including PagSeguro (PAGS), PPDai (PPDF), Yirendai (YRD), LexinFintech (LX), Qudian (QD), Golden Bulls (DNJR) and Hexindai (HX). (See the chart of the week). The index has surged 30.88% year-to-date.

U.S. stocks fluctuated, after minutes from the Federal Open Market Committee were released on February 20 and settled higher by the end of the week as investors clung to signs of progress in the ongoing trade talks between the United States and China. The S&P 500 Index advanced 0.62% to 2792.67. The Dow Jones Industrial Average and Nasdaq Composite Index scored their ninth straight gains, with the Dow Jones Industrial Average rising .0.67%, and the Nasdaq Composite gained 0.74%. The small cap Russell 2000 increased 1.33% and the MSCI China Index scored a gain of 5.11% during the past week. Abroad, the pan-European Stoxx 600 Index gained 0.73%. In Asia, the Shanghai Composite rose 4.54% to 2804.2. The yield on the benchmark 10-year Treasury note ended at 2.65%, down 1 basis point from 2.66% at the start of the week.

Confidence in the market grew as trade discussions between the U.S. and China percolated. The Monetary Policy Report submitted to the Congress on February 22, 2019, pursuant to section 2B of the Federal Reserve Act, suggests that the Federal Open Market Committee will continue to take a cautious approach to adjusting rates. In China, the yearly growth rate for fixed-asset investment slowed from more than 20% to less than 6% because of constrained bank lending and other forms of credit creation. Sentiment in Europe remains mixed as Brexit could be on the brink of being postponed since there is no breakthrough on a departure deal agreed.

The U.S. Securities and Exchange Commission, voted to propose an expansion of the "test-the-waters" provisions that will allow private companies more flexibility in consulting with investors to evaluate market interest for an initial public offering (IPO), the proposal will have a 60-day public comment period once published in the Federal Register. Currently, the rule applies to emerging growth companies (EGCs) under the Jumpstart Our Business Startups Act 2012 (JOBS Act). Expanding "test-the-waters" provision targets a wide range of issuers and provides a cost-effective way for companies considering an IPO to evaluate market interest and access the public markets. In turn, the rule expansion can ultimately open up a greater diversity of investment options for investors.

Four index member companies announced earnings this week, reporting varying results that, in turn, influenced their share price movements. PagSeguro, a member of the Social Network(ing) Platforms (SN) segment and Global Payments (GPN), a member of the Providers of Technology and Software Solutions (T&S) segment, both reported positive results for the quarter and year-over-year periods. Each recorded price gains for the week. On the other hand, Lending Club Corp. (LC) and Senmiao Technology Ltd (AIHS), both members of the Online Lenders (P2P) segment of the index, reported mixed results. Lending Club recorded positive year-over-year results but declining fourth quarter loan originations and net revenues. Senmiao Technology announced record quarterly revenues, bolstered by the firm's automobile transaction financing revenues sourced to its late 2018 acquisition of a 60% equity interest in an automobile transaction and financing services business. At the same time, Senmiao's online lending business, which received a boost from borrowings by small-to-medium sized enterprises, has been buffeted by "continuing headwinds facing China's online peer-to-peer (P2P) lending industry amidst regulatory uncertainties. The share prices of both firms, which started the week at \$3.56 and \$3.36, respectively, declined by less than 50 cents each, but these, in turn, produced share price drops of 12.1% and 3.3% for the trading week.

Index Constituents that Performed >10% for the week ending 2/22/2019 (CBP2PTR)



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>

Chart of the Week. Source: CrowdBureau Corporation

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