

May 13 - 17, 2019 Weekly Index Research Update

Setback in US China trade talks push CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index down -2.72% for the week

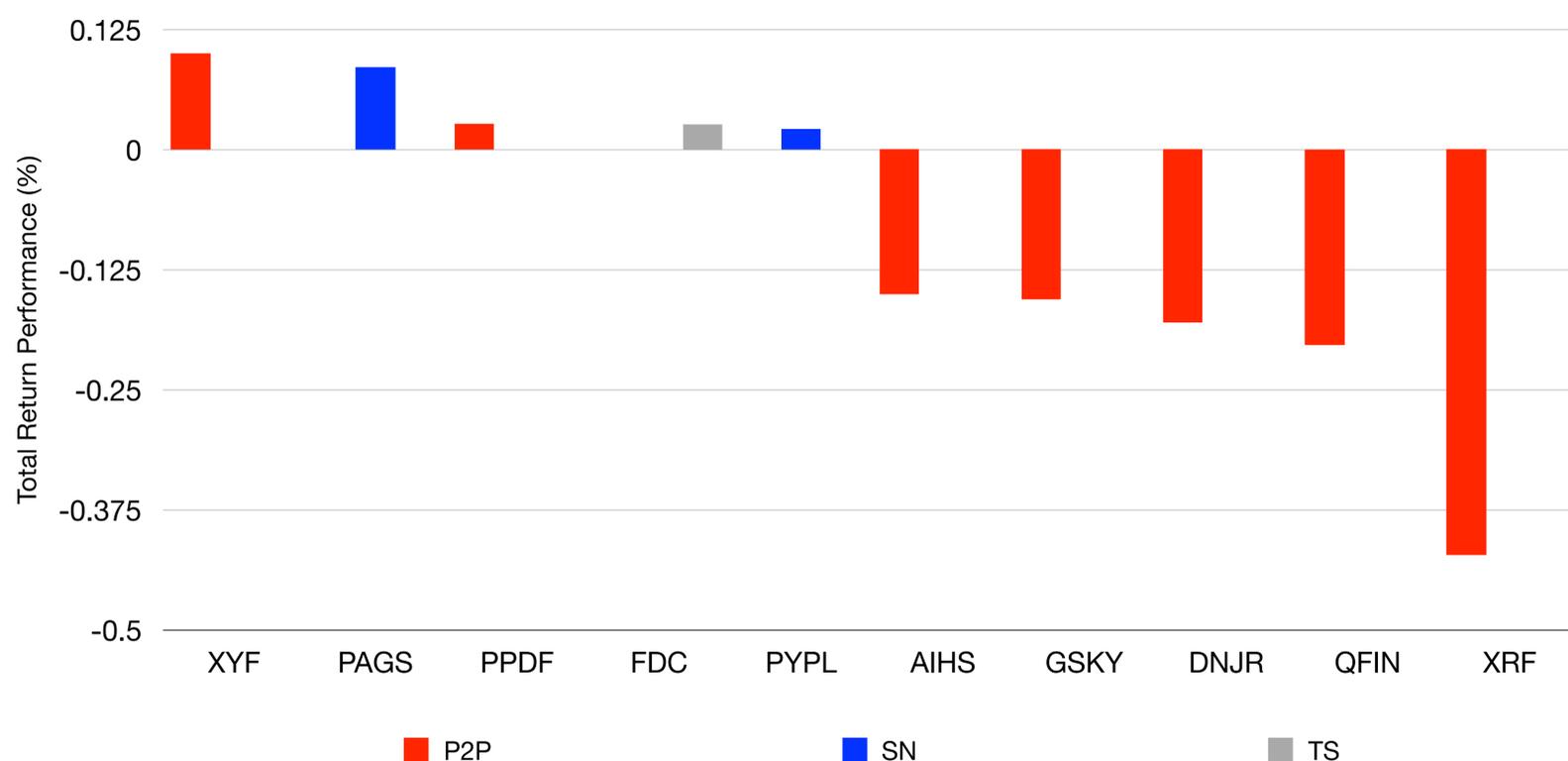
During a week when investors realized that the US and China trade talks would not end quickly or quietly, the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) closed Friday at 73.70 and posted a decline of -2.72 % over the 5-day trading period. Five P2P index constituents, four of which are China-based platforms, experienced declines greater than 15%. Since the start of the month, the Index is down -2.43% while still maintaining a solid 47.42% year-to-date return.

Severe negotiating setbacks impacted the stock market more broadly as trade talks between the U.S. and China stalled. For the week, the S&P 500 dropped -0.76%, while the Nasdaq Composite dipped -1.27%, finishing the week at 7,816.28. The Russell 2000 posted a decrease of -2.37% to end the week at 1,536.76. 2-year U.S. Treasury yields finished the week at 2.20%, declining 6 basis points while the 10-year US Treasury yield ticked down to 2.39%--a level previously reached at the end of March.

The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) recorded a second consecutive weekly decline as 19 of 34 index constituents, or 56%, posted declines. These included five P2P lending platforms (XRF, QFIN, DNJR, GSKY, AIHS) that experienced share price declines greater than 15%, including four that are China-based. (See Chart of the Week). One China-based platform in particular, China Rapid Finance Ltd (XRF), plunged 42.75% to \$0.412 for the week after announcing changes to its business operations; and noting that the firm has failed to maintain compliance with NYSE listing standards with respect to its average share price and also to file on a timely basis the company's annual report. They will have six months to cure the two deficiencies before being subject to delisting by the exchange. In the U.S. region, marketplace lending platform Green Sky (GSKY) saw its price decline -15.56% in the week, after revealing that Regions Financial won't renew its indirect funding commitment that expires in the fourth quarter 2019. According to the company, Regions accounts for 17% of Greensky's total maximum funding commitment.

Also, during the week, X Financial gained 10.04% in a week when the company announced that its stock will be added to the MSCI China Small Cap Index, effective on Tuesday, May 28, 2019. Strong first quarter 2019 earnings results were announced by two peer-to-peer lending platforms domiciled in China whose share prices posted gains. PPDAI (PPDF) rose 2.73% after delivering strong financial results that beat I/B/E/S consensus analyst estimates by \$0.68. First quarter operating revenues increased by 53% year-over-year and 21% quarter-over-quarter to RMB1.46 billion while net profit increased 61% year-over-year to RMB703 million. PPDAI reported steady growth in its user and borrower base as cumulative registered users reached 94 million and the number of cumulative borrowers reached 15.4 million at the end of the first quarter. Lexin Fintech (LX) also reported results that exceeded analyst estimates by \$0.67. Its stock price eked out a gain of 0.15% for the week.

Chart of the Week: 5 Top Gainers and 5 Top Laggards for the Week



Source: CrowdBureau Corporation

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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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