

May 27 - 31, 2019 Weekly Index Research Update

Market volatility moved the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index to pullback -3.69% for the week

The stock market in the US declined for the fourth consecutive week as investors responded to rising trade tensions and geopolitical uncertainty. The CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index (CBP2PTR) was not an exception as it shed -3.69% and also registered its fourth straight weekly pullback. Month-to-date, the index is down 7.02%, however, since the start of the year the benchmark remains decidedly ahead with a total return gain of 40.48%.

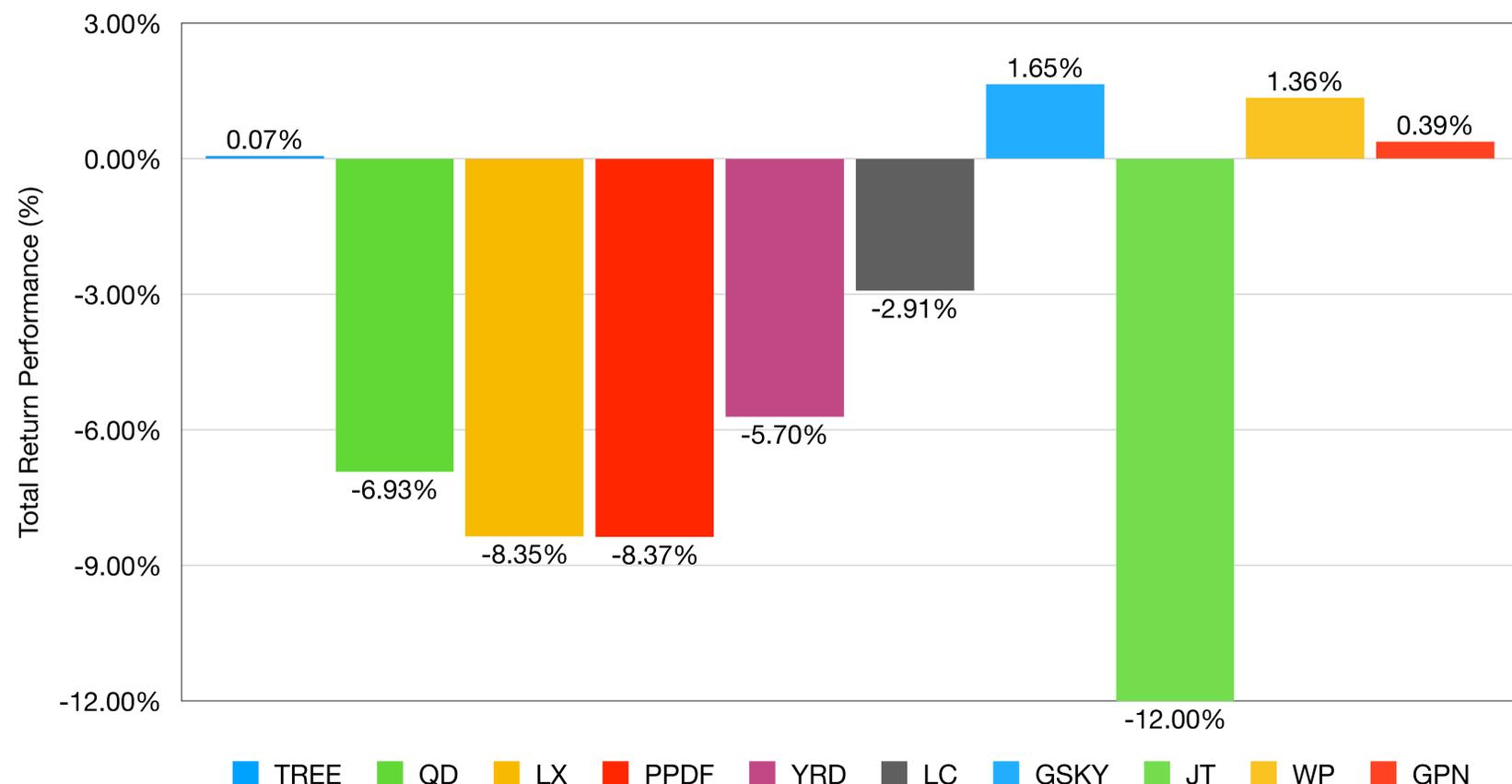
Investors were unnerved by Friday's surprise threat to impose tariffs on Mexico in an effort to compel the nation's third largest trading partner to crack down on migrants attempting to enter the U.S. and aggravating previously announced tariffs against China. The Dow Jones Industrial Average (DJIA) recorded its sixth straight weekly decline with a 3% drop to close at 24,815.04 while the S&P 500 ended at 2,752.06, slipping back -2.62%. The technology heavy Nasdaq Composite sank -2.41%. Meanwhile, the Russell 2000, which measures the performance of small cap stocks, was also under selling pressure, sliding 3.21% over the shortened Memorial Day weekend four trading days. Stocks in Asia were mixed during the week as China's manufacturing data fell below analysts' expectations, although the Shanghai Composite gained 1.60% and the MSCI China (CNYA) dropped 1.45%.

Sentiment in other parts of the capital markets were consistent with global stock performance. U.S. Treasury yields resumed their steep slide, with the two-year yield tumbling 21 basis points (bps) to 1.95% compared to 2.06% the previous market day and 2.40% last year. While the 10-year benchmark shedding 18 bps to 2.14% compared to 2.22% the previous market day and 2.83% last year. This is lower than the long-term average of 4.56. German yields dipped further into negative territory. U.S. West Texas Intermediate July crude oil crashed 5.5% to \$53.30 per barrel, perhaps providing yet another indicator of investor concerns regarding the trajectory of the global economy.

The week's broad-based negative investor sentiments were reflected in the share price performance of the 34 constituents that comprise the CrowdBureau® Peer-to-Peer Lending and Equity Crowdfunding Index. Over the latest four trading days, twenty-three of the thirty-four Index constituent stock prices slumped, with Jianpu Technology (JT) and X Financial (XYF) posting the worst percentage declines of -12% and -18.44%, respectively. Still, the performance of the top weighted constituents largely influenced the direction of the Index, with Lending Tree (TREE), Lexin Fintech (LX) and Qudian (QD) posting returns of 0.07%, -8.25% and -6.93%, respectively. **(See the chart of the week).** First quarter 2019 earnings announcements continue to trickle in, with Jianpu Technology Inc. (JT) the latest company to report its first quarter 2019 earnings. A China-based marketplace lender operating as an open platform for discovery and recommendation of financial products, Jianpu reported that total revenues increased by 95.1% to RMB654.9 million (US\$97.6 million) from RMB335.7 million in the same period of 2018. Net income yielded RMB18.7 million (US\$2.8 million) compared with a net loss of RMB57.1 million in the same period of 2018 and net income of RMB11.9 million in the fourth quarter of 2018. Despite Jianpu's surprise profit announcement, the company's stock price gave up -12% for the week—a development that may have been driven by the voluntarily suspension of its mobile apps as of March 15, 2019 following news reported by CCTV "315 Night," a show concerning consumer rights protections. The Company indicated that it is in the process of re-launching the mobile apps by the end of June 2019, but that this occurrence may have short-term financial implications.

Separately, and in a further confirmation of the record-breaking pace of significant consolidation in the payments industry, Atlanta-based Global Payments Inc. (GPN) announced that it has completed an agreement to merge with Total Systems Services, Inc. in an all-stock transaction expected to close in the second half of 2019. Global Payments will be the surviving parent company following the merger.

CHART OF THE WEEK: The Total Return Performance of the Top 10 Weighted Constituents from May 27 – 31, 2019



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