Crowdfunding and Marketplace Finance Index (CAMFI)

December 2017 Report

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CAMFI Index Summary

The Crowdfunding and Marketplace Finance Index (CAMFI) declined from over 100 in November to **92.57**.

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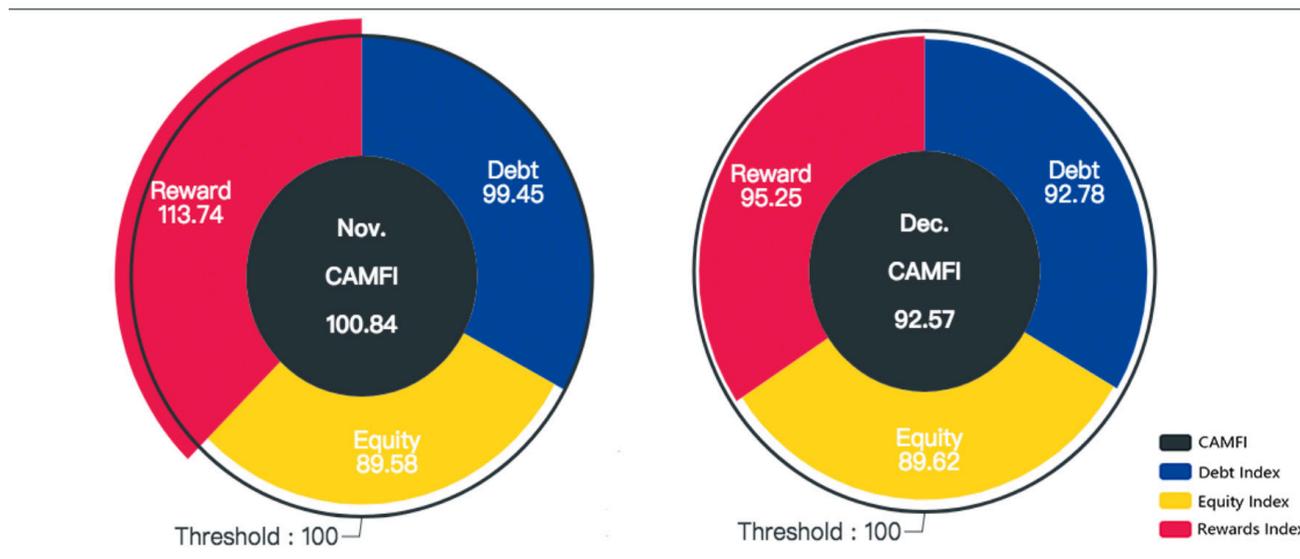the data behind decision

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Headline

The Crowdfunding and Marketplace Finance Index (CAMFI) shows the marketplace lending and crowd-funding industry in December failed to continue its expansion after an uplift in November. CAMFI fell to 92.57 from 100.84 in November, has once again dropped to below the 100 health threshold.

About CAMFI

Crowdfunding and Marketplace Finance Index (CAMFI) is constructed using three main attributes that measure the market's Scale (market volume), Efficiency (financing rate), and Transparency (information disclosure), respectively. CAMFI has three component indices, i.e. Debt Sub-Index, Equity Sub-Index, and Reward Sub-Index, aiming to capture the overall market dynamics of the global crowdfunding and marketplace finance industry and rise to be the industry barometer for trend tracking.

Fig. 1. CAMFI as at November 2017 (left) and December 2017 (right)

Reward 113.74 | Debt 99.45 | Nov. CAMFI 100.84 | Equity 89.58 | Threshold : 100

Reward 95.25 | Debt 92.78 | Dec. CAMFI 92.57 | Equity 89.62 | Threshold : 100

Legend:
- CAMFI
- Debt Index
- Equity Index
- Rewards Index

Data source: JZTDATA, TAB, AIF

Key points

1) The industry entered another downturn in December falling to **92.57**.

2) Segment-wise, the Rewards-Index was the main driver of CAMFI's value.

3) Attribute-wise, the decline of CAMFI was mainly due to the shrinking Scale.

4) All the sub-indices significantly decline in industry scale, and the downward pressure did not decrease after the short rebound last month.

5) The overall efficiency shows diversity, with Rewards showing a significant decrease.

As a composite index, CAMFI tracks each of the major industry segments.

Within December CAMFI's three sub-indices two dropped and the other rose. The Debt sub-index dropped from 99.45 in November to 92.78, Rewards sub-index decreased significantly from 113.74 to 95.25, and the Equity sub-index had a slightly increase from 89.58 to 89.62.

All sub-indices remained below 100, indicating the crowdfunding and marketplace industry was not thriving in December.

Debt sub-index: The declining Debt sub-index mainly stems from the further shrinking of market scale. In particular, the Chinese debt sector moved from expansion to shrinkage (the Scale metric down from 100.77 to 91.72). Industry regulation is further tightening and financing fever is plummeting. The industry's financing efficiency has continued to decline. Non-Chinese debt markets continued to contract last month, mainly due to the reduction of user scale, especially the size of small and medium-sized platforms, which is consistent with the trend in December in previous years.

Rewards sub-index: Rewards changed from expansion to contraction (Scale dropped from 113.74 to 95.25), the main reason for which was the decline in the scale of the industry and the efficiency of financing. Affected by seasonal holidays, both the size of the deal and the number of users decreased dramatically (the former dropping from 117.48 to 92.73 and the latter decreasing from 115.60 to 96.81), and financing efficiency also fell (fell from 136.01 to 87.67).

Equity sub-index: was somewhat buoyant, reflecting a slowdown in the sector's contraction. Among them, the contraction of transaction scale was slow but the user scale shrank more. The changes highlighted the downturn in industry trading. The concentration of users also led to a rise in the rate from last month, which created a shift from contraction to expansion (rose from 93.48 to 103.43).

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CAMFI's multi-attribute composition naturally uncovers the reasons behind index changes. From the three dimensions of Scale, Efficiency and Transparency,

December's CAMFI's decline was primarily due to the decreasing Scale measures, and the downward pressure remained after the short rebound in November.

Specifically, all three sub indices showed a significant decline. User scale has fallen sharply, especially in the medium and small platforms. The transaction volume in the industry and product crowdfunding industry in China specifically has also shifted from expansion to contraction. Industry financing efficiency is polarized: the efficiency of the rewards crowdfunding sector declined while the efficiency of equity-based crowdfunding increased.

The transparency index had no obvious fluctuation, and the whole still needs to be further improved.

Fig. 2. CAMFI
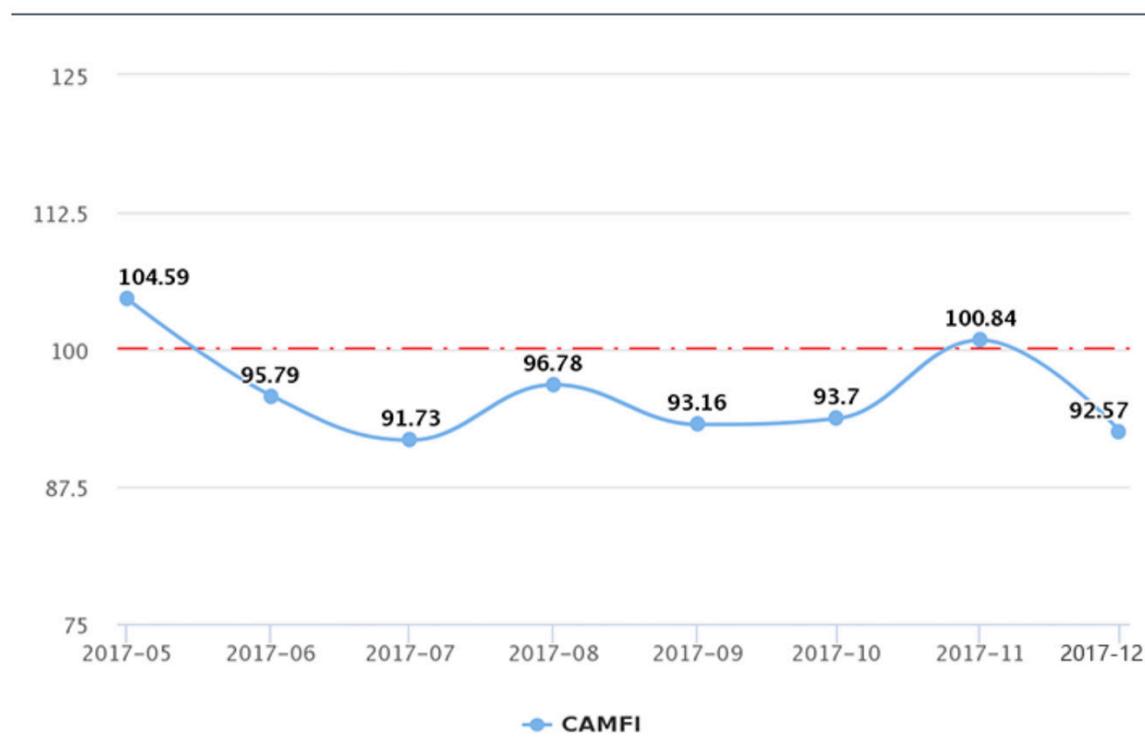
Data source: JZTDATA, TAB, AIF

Notes for Editors

CAMFI is a composite index consisting of the Debt Sub-Index, the Reward Sub-Index and the Equity Sub-Index. To track the health of worldwide crowdfunding platforms, we chose scale, efficiency and transparency of crowdfunding industry as the primary dimensions, and platform scale, trading scale, user scale, funding efficiency and relationships with industry organization as secondary dimensions. We use big data to conduct quantitative analysis in all dimensions, to build a continuous, innovative and highly representative index system. The index fluctuates around 100.
An index score above 100 indicates the increasing health of the industry, and index below 100 indicates that the industry is contracting for the month being measured. The larger the index score, the greater the health improvement. The creation of CAMFI offers a measure of the industry for all stakeholders in the ecosystem, including personal investors and institutional investors, policymakers and governments.

About AIF

Academy of Internet Finance (AIF), Zhejiang University is headquartered in Hangzhou, one of the foremost fintech hubs in China and the world. The first, and broadest, interdisciplinary research institute of its kind in China, AIF boasts the unrivalled connectivity with industry and government authorities.

It has served as the founding presidency of Zhejiang Association of Internet Finance, alongside Ant Financial, a global fintech leader. Since its inception in 2015, AIF has taken a global perspective with its academic boards as among the most international of its kind with members hailing from leading institutions in China and abroad.

AIF Sinai Lab aims to be an index insight, to provide excellent index solution based on the economic theory and computer science. By connecting data across variables, we help clients track the trend of industry, to achieve immediate impact and grow advantage on their most mission-critical issues. **AIF Marketplace Lending Lab** aims to take full advantage of its interdisciplinary nature to focus on the marketplace lending industry worldwide, and provides fundamental data and decision reference for players, supervisors and consumers.

About Hangzhou Linghao Science and Technology Co. LTD (JZTData)

Hangzhou Linghao Science and Technology Co., LTD (JZTData) is a highly innovative fintech company specialises in providing data and analytics for the future finance industry. Through its cutting edge big data and artificial intelligence technologies, based on accumulated data from more than 6000 P2P lending, 2000 banks, and 500 crowdfunding platforms, JZTData offers comprehensive solutions that helps regulations, researchers and investors to access reliable data, support effective risk management for better investment management as well as improving on regulatory development.

About TAB

TAB interprets billions of financial data points from thousands of crowdfunding and P2P platforms globally every day – allowing you to identify new opportunities and make better decisions within a disruptive asset class. We cover high-growth debt, equity, rewards and other platform types across all geographies. Our service delivers powerful deal-level granularity and micro-to-macro analytics capabilities, with best-in-class data visualisation, personalisation, search and filter functionality built in.

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