Crowdfunding and Marketplace Finance Index (CAMFI)

Index Summary

The Crowdfunding and Marketplace Finance Index (CAMFI) shows the industry exhibited shrinking signs in July, with CAMFI dropped from 94.11 in June to 90.32 in July, indicating a somewhat sluggish market condition.

Key points

- Global crowdfunding and marketplace finance industry exhibited an overall downhill in July; the market was relatively depressed as a whole.
- Segment-wise, the Reward Sub-Index was the major root causing July decline of CAMFI.
- Attribute-wise, the main declining driver was the market Scale measures.
- Industry Scale continued to shrink, most evidently manifested in the Reward segment.
- Industry Efficiency got significant improvement, with financing rate switched from contracting to expanding in both Debt and Reward segments.
- Industry Transparency underwent no noticeable changes; there is still a long way to go in deepening industry-wide information disclosures.

About CAMFI : Crowdfunding and Marketplace Finance Index (CAMFI) is constructed using three main attributes that measure the markets' 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 June 2017 (left) and July 2017 (right)
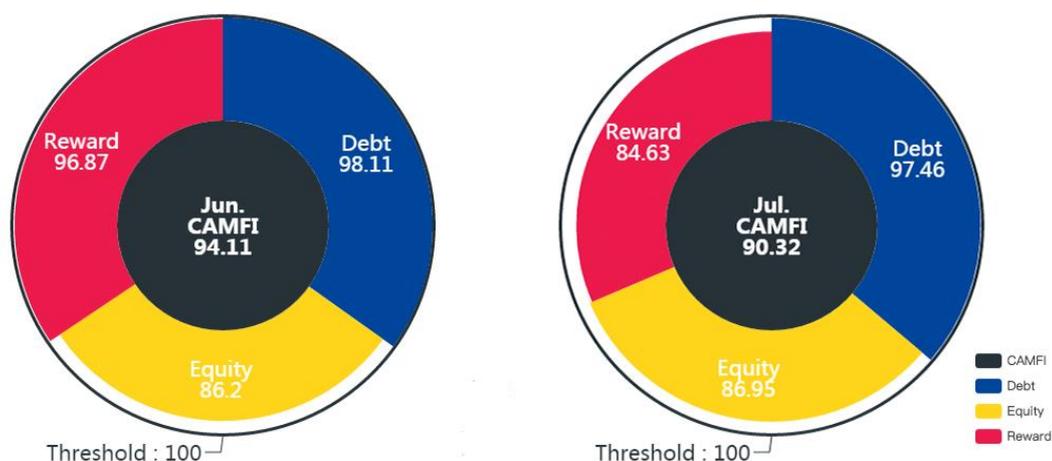
Data source: JZTDATA, TAB, AIF

Each of the three sub-indices measures independently the activities witnessed in its respective sector. **For July, all three components remained low, continuing the slightly depressing trend of last month; and in particular, the decline in Reward Sub-Index was the main trailer that dragged down the July CAMFI.** Numerically, from June to July, the Debt Sub-Index saw a minor descent from 98.11 to 97.46, the Reward Sub-Index decreased from 96.87 to 84.63, while the Equity Sub-Index climbed a little bit upward from 86.20 to 86.95. Yet as all sub-indices were still below 100, the threshold, it entails that all three sectors were still remaining in contracting states. Below we outline the major changes in each sub-index:

Debt Sub-Index: The minor descent in Debt Sub-Index mainly stems from the shrink in the Scale attribute, where the decline in Chinese crowdfunding market was especially pronounced (from 100.04 to 96.98); but the Efficiency measure did exceed 100, implying an improvement on financing rate.

Reward Sub-Index: Decrease was most significant in the Reward component, again mainly attributed to the sharp decline in market Scale (from 96.64 to 82.42). Contrary to this, the financing rate had a major boost in July (from 97.63 to 106.22), indicating the Efficiency of market transitioned from contraction to expansion.

Equity Sub-Index: As the only increasing component from last month, the crowdfunding Equity sector benefited from the rise in both Scale and Efficiency measures in achieving the slight uphill for July. However, the index number is still under 100, hence suggesting a continued downturn in the Equity segment as well.

CAMFI's "3-D" portrait of global crowdfunding and marketplace finance provides a useful tool for tracing down the reasons underlying the industry trend and changes. **From the three dimensions of Scale, Efficiency and Transparency, the decline of July CAMFI could be primarily attributed to the Scale decrease.** Specifically, despite that the shear sizes of online platforms that provide crowdfunding debt, equity and reward services all increased to some extent compared to June, transaction volumes continued to shrink, among which the Reward segment experienced the sharpest decline (Trading Scale down from 96.36 to 76.05). The overall Efficiency of the industry has improved, with Debt and Reward being particularly significant in this category. Transparency measures pondered around the benchmark threshold as a whole, without evident fluctuations, so there is still ample room for improvement regarding industry-wide information disclosure.

Editors' Notes

CAMFI is a composite index consisting of Debt Sub-Index, Reward Sub-Index, and Equity Sub-Index. To track the health of crowdfunding platforms worldwide, we use Scale, Efficiency, and Transparency of the crowdfunding industry as three primary dimensions, and Platform Scale, Trading Scale, User Scale, Funding Efficiency, and Industry-Related Organization & Association as five secondary dimensions. Utilizing big data to conduct quantitative meta-analysis in all dimensions, we build a stable, comprehensive and highly representative indexing system for the global crowdfunding and marketplace finance industry. CAMFI always fluctuates around 100. An index score above 100 indicates improving health of the industry, while one that's below 100 implies contracting trend for the month being measured. The larger the index score, the greater the health improvement. The creation of CAMFI offers a measure of the crowdfunding industry for all stakeholders in the ecosystem, including both personal and institutional investors, as well as policy makers 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 unrivaled 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 specializes in research and development of index products across a wide range of sectors, providing valuable insights for industry, government and academia. **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 JZTDATA Co., Ltd.

Hangzhou JZTDATA Co., Ltd. is a high-tech company based on large financial data and artificial intelligence. Since 2014, JZTDATA has collected information from more than 10000 financial platforms, 35000 related business, 1 million financial products and 10 millions related news. Based on big data and artificial intelligence algorithms, JZTDATA aim to help financial regulators on in-depth industry analysis and risk management, to give financial investors advices with one-stop services, to mine potential users for new financial management platforms, and to provide data services for financial agencies.

About TAB U.K.

TAB U.K. 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.

About BBD UK

BBD UK is a China-rooted big data FinTech company headquartered in Chengdu, China. BBD's UK operation was established in April 2016 with a front office in London and a R&D center in Cambridge. BBD is leading the tendency of real time based analytics for economic development and risk management. In 2016, BBD was included in KPMG's list of "China Leading Fintech 50" and was awarded as the local rising star among start-up companies by Deloitte. BBD was also rated as one of the top 50 valuable companies for investment in China.

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