JZT Crowdfunding and Marketplace Finance Index (CAMFI)

The Crowdfunding Market Continued Shrinking in August

Index Summary

The Crowdfunding and Marketplace Finance Index (CAMFI) shows the crowdfunding industry continued shrinking in August. Although CAMFI witnessed a minor increase from 90.78 in July to 91.13 in August, as the index number is still below 100, market remained slack overall.

Key points

■ Global crowdfunding and marketplace finance industry followed a contracting trend in August, showing a continued sluggish market condition.

■ Segment-wise, the Reward Sub-Index was the main driver for August CAMFI's increase.

■ Attribute-wise, the increasing Scale measures helped boost CAMFI overall.

■ Industry Scale continued to shrink despite some evident expansion in Trading Scale of the Reward segment.

■ Industry Efficiency saw notable fluctuations in August; various industry segments started to show signs of differentiation and diversification.

■ Industry Transparency was on a par with July, where improvement is much looked forward to.

About CAMFI : JZT 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 May 2017 (left) and June 2017 (right)
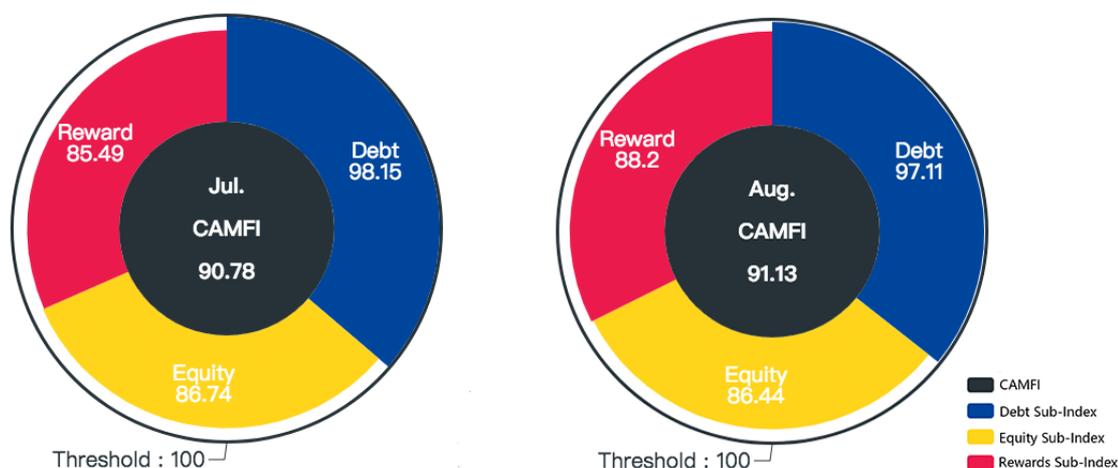
Data source: JZTDATA, TAB, AIF

As a composite index, CAMFI tracks each of the major industry segments' development. In general, the August CAMFI climbed upward a little bit thanks to the Reward Sub-Index's increase, though the number was still far below 100. More specifically, from July to August, Debt Sub-Index decreased from 98.15 to 97.11, Reward Sub-Index increased from 85.49 to 88.20, and Equity Sub-Index slightly declined from 86.74 to 86.44. None of the sub-indices reached 100, indicating continued contraction across all three sectors. Detailed analyses on each sub-index follows:

Debt Sub-Index: The decline of Debt Sub-Index mainly stems from the further shrinking of the overseas market. In fact, scale of the Chinese crowdfunding debt market had changed from contracting to expanding (Scale measure increased from 96.98 to 101.15), which directly contributed to the overall market boost (Debt Sub-Index for China increased from 98.03 to 100.94). Debt Sub-Index's Efficiency measure plummeted to below 100 (from 113.36 to 98.45), signaling a major fall in financing rate.

Reward Sub-Index: As the only increasing component from last month, the change in Reward segment mainly benefited from the improvement on the Scale metric. However, the sector as a whole hadn't stepped out of contraction yet. As for Efficiency, there was also a plunge (metric jumped from 105.62 to 82.54), implying a significant decline in the financing rate.

Equity Sub-Index: Decrease in the Equity Sub-Index was mainly due to the industry's continued contraction in Scale. But encouragingly, Equity sector's financing rate had greatly improved (Efficiency measure surged from 90.08 to 113.59), which enabled the transition from dwindling to growth.

CAMFI's multi-attribute composition naturally uncovers the reasons behind index changes. **From the three dimensions of Scale, Efficiency and Transparency, August CAMFI's slight increase was primarily a result of increased Scale measures.** To be specific, the Platform Scales only slightly fluctuated for all three segments; Trading Scales followed the previous descent except for Reward, where it expanded; and the User Scale measure continued the declining trend as before. Efficiency changes varied across sectors: Debt and Reward both retracted to a decreasing state in terms of the financing rate, while efficiency of the Equity segment did shift from sinking to rising. Transparency didn't show much variation from last month, so improvement is still very much looked forward to.

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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