Crowdfunding and Marketplace Finance Index (CAMFI)

Index Summary

The Crowdfunding and Marketplace Finance Index (CAMFI) intensified its contraction from last month, with index moving from 94.93 to 92.97, marking the lowest since August 2017.

Key points

- Global crowdfunding and marketplace finance industry continued to show sluggishness, with CAMFI index below 100 for 5 months.
- Segment-wise, the Debt Sub-Index was the main driver of CAMFI's value in October.
- Attribute-wise, the decline of CAMFI was mainly due to the shrinking Scale.
- Industry Scale decreased, the scale of each segment of the industry reached its lowest point in May 2017.
- Industry Efficiency continued to show divergence among different sectors, with a significant drop seen in the Reward segment.
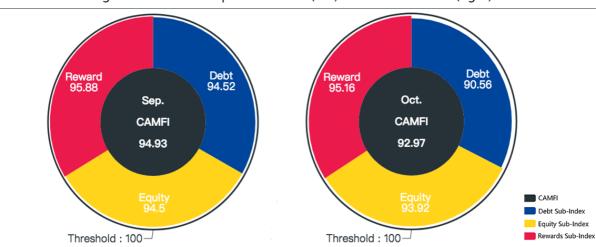

Fig. 1. CAMFI as at September 2017 (left) and October 2017 (right)

Data source: JZTDATA, TAB, AIF

As a composite index, CAMFI tracks each of the major industry segments' development. **Overall, October CAMFI's three sub-indices all decreased, with Debt Sub-Index being a major driver behind the sluggishness.** More specifically, from September to October, the Debt Sub-Index decreased from 94.52 to 90.56, the Reward Sub-Index decreased significantly from 95.88 to 95.16, and the Equity Sub-Index also decreased from 94.50 to 93.92. All sub-indices have further deepened contraction. Detailed analysis on each sub-index follows:

Debt Sub-Index: October Debt Sub-Index dropped to the lowest among the previous six months, mainly stems from the further shrinking of market Scale under strict supervision. In particular, the trend was especially pronounced for the Chinese Debt sector, which is largest decrease since May 2017, which is mainly due to the big drop in the size of small and medium-sized platform transactions, which highlights the Matthew effect of

market centralization. The Efficiency softened the drop of last month (Efficiency rose from 75.80 to 98.9). Transparency shifted from contraction to expansion (Transparency increased from 86.96 to 101.75), and the advantage of market centralization was appearing progressively. The drop of China's Debt Sub-Index was roughly flat compared to last month. Continuous improvement in Efficiency is also undergoing the process of market and user centralization.

Reward Sub-Index: The decline of the Reward Sub-Index was primarily due to shrinking in Efficiency. The Scale softened increase but still below 100(Scale increased from 93.42 to 95.74), and the industry concentration is improved while the trend of differentiation is obvious. The financing scale of Kickstarter and Indiegogo platforms has increased this month and the average financing size of other small and medium-sized platforms has declined by 6% on average. Efficiency measures plummeted, dropped from September's 132.16 to October's 80.81 — marking a qualitative transition from expanding to vigorous shrinking, mainly caused by the combination of the sharp fall of this month's market target number and the massive reduction of one users' enthusiasm.

Equity Sub-Index: The decline was mainly due to a contraction in the User Scale. User Scale decreased from 97.02 to 75.85, while in the same time the Transaction Scale was roughly the same as last month (Transaction Scale was 99.28, close to the dividing line of 100), indicating the user groups tend to converge. More centralized users and larger average investments have contributed to a small rise in Efficiency, and the financing environment is gradually improving.
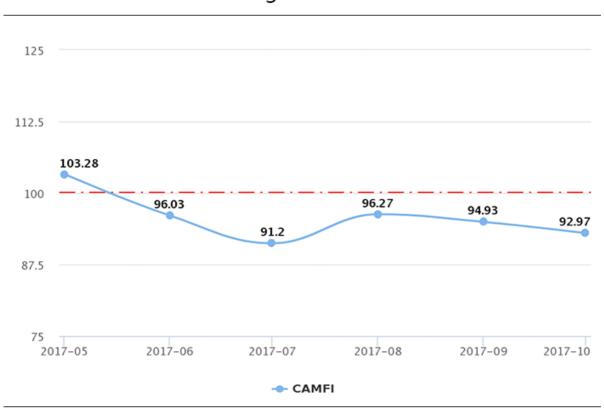
Fig. 2. CAMFI

Data source: JZTDATA, TAB, AIF

CAMFI's multi-attribute composition naturally uncovers the reasons behind index changes. **From the three dimensions of Scale, Efficiency and Transparency, October CAMFI's decline was still primarily due to the**

decreasing Scale measures, the crowdfunding industry is experiencing a severe winter. Specifically, the platform Scales showed only minor fluctuations across all three segments; Trading Scales continued to decrease overall, and the Trading Scale and User Scale in the Debt fell to their lowest levels among the previous six months. Efficiency measures again varied across sectors: Debt and Equity both saw a certain degree of increase, showing a certain degree of market and user concentration; while the Reward sector saw a substantial decrease, changed from expansion to contraction. Transparency was notably increased in the Debt segment (Transparency increased from 86.96 to 101.75), while remaining approximately unchanged for Equity and Reward sectors. There is still a long way to go in industry information public construction.

Editors' Notes

Crowdfunding and Marketplace Finance Index (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 a 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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