Crowdfunding and Marketplace Finance Index (CAMFI)

The crowdfunding industry is back in contraction and the index is down again

Index Summary

The Crowdfunding and Marketplace Finance Index (CAMFI) shows December marketplace lending and crowdfunding industry failed to continue expansion after the seasonal thaw last month, CAMFI fell to 92.57 from 100.84 in November, has once again dropped to below the 100 threshold. The industry has downturn back.

Key points

■ December crowdfunding industry failed to continue expansion after the seasonal thaw last month and the industry has downturn back.

■ Segment-wise, the Rewards-Index was the main driver of CAMFI's value in September.

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

■ All the indexes had significantly decline in industry scale, and the downward pressure did not decrease after the short rebound industry last month.

■ The overall efficiency shows diversity trend, and the Reward crowdfunding industry efficiency index had significant decrease.
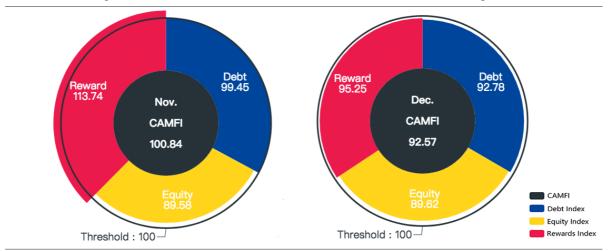

Fig. 1. CAMFI as at November 2017 (left) and December 2017 (right)

Data source: JZTDATA, TAB, AIF

As a composite index, CAMFI tracks each of the major industry segments' development. **Overall, December CAMFI's sub-indices two dropped and the other rose, among which Rewards-Index was the major driver causing the drop in the CAMFI.** More specifically, Debt-Index dropped from 99.45 in November to 92.78, Rewards-Index decreased significantly from 113.74 to 95.25, and the Equity-Index had a slightly increase from 89.58 to 89.62. All sub-indices remained below 100, indicating the Crowdfunding and Marketplace industries had back to shrinkage after seasonal thaw last month.

Debt-Index: The decline of Debt-Index mainly stems from the further shrinking of market Scale. In particular, Chinese Debt sector switched from expansion to shrinkage (Scale metric down from 100.77 to 91.72), mainly due to the marketing for a "November 11", leading to a weak consuming demand after which. Moreover, industry regulation is further tightened and financing fever plummets. Industry financing efficiency index continued to decline, and the decline in trading volume and the rise of average full time have led to the decline of industry financing efficiency. By contrast, foreign 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 change trend of December in the previous years.

Reward-Index: changed from expansion to shrinkage (Scale dropped from 113.74 to 95.25), the main reason of which was the decline in the scale of the industry and the efficiency of financing. Affected by Christmas and other holidays, both of the size of the deal and the size of its users have shrunk dramatically (the former dropped from 117.48 to 92.73 and the latter decreased from 115.60 to 96.81), and financing efficiency also fell (fell from 136.01 to 87.67), which compared with last month, presented the upward "V" form, and the market was relatively quiet.

Equity-Index: It was a little buoyant last month, which reflected a slowdown in the industry'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, but users were increasingly focused. The concentration of users also led to a rise in the full mark rate from last month, which as a result, this month the index of financing efficiency has shifted from contraction to expansion (rose from 93.48 to 103.43).
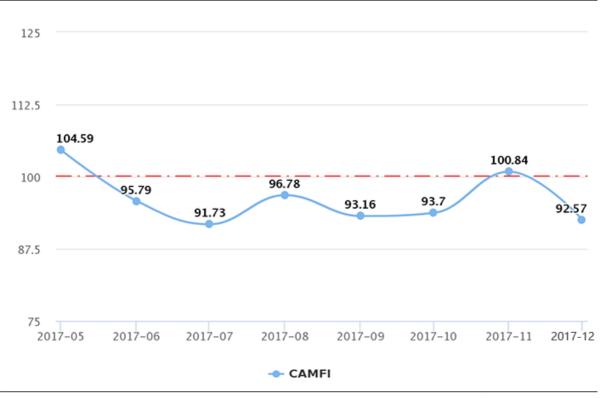
CAMFI's multi-attribute composition naturally uncovers the reasons behind index changes. **From the three dimensions of Scale, Efficiency and Transparency, September CAMFI's decline was primarily due to the decreasing Scale measures, and the downward pressure did not decrease after the short rebound industry last month.** Specifically, all three major industry scale index showed a significant decline. Among them, the user scale has fallen sharply, especially in the medium and small platforms, and the concentration of the industry was increasing. The volume of transaction volume in the industry and product crowdfunding industry in China has also shifted from expansion to contraction, and the industry has entered a period of depressed adjustment after the seasonal warming. Industry financing efficiency is polarized, and the financing efficiency of the product crowdfunding industry 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

Editors' Notes

Crowdfunding and Marketplace Finance Index (CAMFI) is a composite index consisting of Debt-Index, Rewards-Index, and Equity-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.

For further information, please contact

AIF
Luo Dan
Tel. +86-571-88208901
Email zjuaif@zju.edu.cn

Hangzhou JZTDATA Co., Ltd.
Mao Qingqing
Tel. +86-571-87209876
Email service@jztdata.com

TAB U.K.
Craig Rowland
Tel. +44 (0)1223 298855
Email craig@insidetab.io

CNFIN，Xinhua News Agency
Jiangnan
Tel. +86-10-88051563
Email jiangnan@xinhua08.com.cn

Copyright Notice