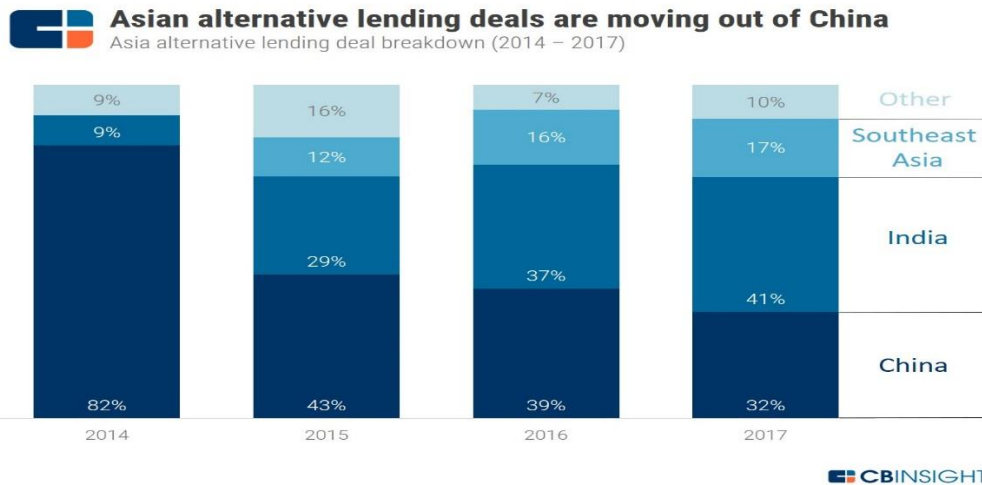




## Chart of the week – India and ASEAN alt lending deals are gaining momentum

Figure 1: Asia alternative lending startup fund raising breakdowns



Source: CB Insights

According to CB Insights, in 2017, India received the largest percent of Asia’s deal count at 41%. China was second at 32%, and Southeast Asia followed with 17% of total deals. Overall, China saw a 15% decline in total alt lending deals from 2016 to 2017.

For the past few years, China has been the dominating destination for alternative lending deals, but as China market matures along with increasing regulatory scrutiny, investors are looking elsewhere. India’s financial inclusion campaign (Jan Dhan Yojana) and Indonesia’s clarification of P2P lending rules are fueling investment in alternative lending deals.

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## News of the week

Jan 17, 2018

Qudian

China

### Microlender Qudian Steers into Auto Financing

Chinese online credit service provider Qudian has steered into auto-purchase financing, expanding its business focus after the government ratcheted up scrutiny of the microloan sector. New York-listed Qudian unveiled Dabai Auto, a financial leasing service platform for auto buyers. Dabai Auto will target car buyers who have been underserved by traditional financing providers in the world's largest auto market, said Qudian.

Source: [Caixin](#)

#### Our view

**We believe this indicates Qudian's strategic shift out of payday loans without specified usage and are not embedded in purchase scenes.**

Jan 18, 2018

Alibaba

China

### Ant Financial Launches New Consumer-credit Backed Securities

China's Ant Financial Services Group has issued new consumer credit-backed securities to institutional investors and the securities after pausing such fundraising for over one month. Ant Financial said it will increase capital and take other actions including business cooperation to gradually reduce its leverage ratio to meet regulatory requirements.

Source: [01Caijing](#)

#### Our view

**However, only Huabei ABS is relaunched while very likely Jiebei ABS is not encouraged by regulators. Huabei is the installment credit product on Alipay while Jiebei is the payday loan product.**

Jan 18, 2018

Paipaidai

Blockchain

### Paipaidai Shares Soar on News of Creating Blockchain Research Lab

The shares of Paipaidai soared more than 12 percent at the opening bell in New York as the company announced that it plans to invest RMB 1 billion over the next three years in a new Smart Finance research center.

Source: [Sina](#)

Jan 17, 2018

Legend Holdings

China

### Legend Holdings-backed Microlender Claims No Liquidity Crisis

Yilongdai, a microlender mainly offering loans to SMEs in agriculture sector, under frequent media coverage on its liquidity crisis, released a public statement Wednesday night about the company's shareholder structure, leadership changes and liquidity crisis rumor.

Source: [01Caijing](#)

Jan 17, 2018

Varo

US

### Varo Money Raises \$45 Million for Mobile Banking without Fees

Varo Money has raised \$45 million led by private equity giant, Warburg Pincus and The Rise Fund, a global impact fund that's part of another private equity firm, TPG. (That's the one U2's Bono is involved with). Investors believe there's a huge market opportunity to disrupt big banks and build a more cost-effective and consumer-friendly platform that appeals to Millennials.

Source: [TechCrunch](#)

Jan 17, 2018

Cryptocurrency

BitConnect

### How BitConnect Pulled the Biggest Exit Scheme in Cryptocurrency

In a menacing turn of events yesterday, Bitcoin investment lending platform BitConnect abruptly announced it is shutting down its lending and exchange services. But while this sudden “curveball” might have come as a massive surprise for thousands of gullible investors, the writing was on the wall all along.

Source: [TNW](#)

#### Our view

**BitConnect has long been criticized of as a “ponzi scheme”. The cryptocurrency world is likely to see a strong law enforcement year of 2018.**

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Jan 17, 2018

Blockchain

China

### Shenzhen Exchange to Clamp down on Claims of Blockchain Expertise

Shenzhen Stock Exchange, one of China’s two major bourses, issued a warning notice on Tuesday evening saying it would punish any company that uses the buying of blockchain-related stocks, or falsely claims to be developing blockchain business models to hype up their own share performance.

Source: [SCMP](#)

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Jan 17, 2018

Cryptocurrency

### U.S. Warns Investors over Venezuela's 'Petro' Cryptocurrency

The U.S. Treasury Department on Tuesday warned that Venezuela’s proposed “petro” cryptocurrency could violate sanctions against the OPEC nation’s socialist government, a statement that could dent investor appetite for the soon-to-be-launched token.

Source: [Reuters](#)

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Jan 17, 2018

ICO

Israel

### Israel Releases Draft Plan for Taxing ICOs

Israel's government has published draft circular outlining possible approaches to taxing the proceeds of initial coin offerings (ICOs). Released Wednesday, the draft circular from the Israel Tax Authority proposes imposing a value-added tax (VAT) on ICOs, differentiating them into two types: service transactions and sales transactions.

Source: [CoinDesk](#)

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Jan 18, 2018

Cryptocurrency

South Korea

### Korean Regulator Investigating Staff Insider Trading of Cryptocurrencies

An official from South Korea's Financial Supervisory Service (FSS) has reportedly said that an investigation is underway into claimed insider trading within his organization. Choi Heung-sik, governor of the FSS, said the regulator – an executive arm of the Financial Services Commission – will make public any findings on the allegations of illegal trading of cryptocurrency by one of its staff members.

Source: [CoinDesk](#)

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Jan 18, 2018

Cryptocurrency

### IMF Calls for Global Talks on Cryptocurrencies

The International Monetary Fund is calling for global coordination on cryptocurrencies as it warned of the risks from surging prices. “Greater international discussion and cooperation among regulators, yes, would be helpful,” IMF spokesman Gerry Rice told reporters Thursday in Washington.

Source: [Bloomberg](#)

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Jan 19, 2018

Cryptocurrency

US

### SEC Says Bitcoin Funds Raise 'Investor Protection Issues'

The U.S. securities regulator on Thursday raised alarm about the safety of bitcoin-themed investments, telling the fund industry they want answers to their concerns before endorsing more than a dozen proposed products based on cryptocurrencies.

Source: [Reuters](#)

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Jan 19, 2018

Cryptocurrency

China

### PBoC Reportedly Orders Payment Services to Stop Serving Crypto Traders

The Business Administration Department of the People's Bank of China (PBoC) has reportedly issued a document today requiring payment providers in Beijing to stop facilitating cryptocurrency trading activities.

Source: [01Caijing](#)

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Jan 17, 2018

Online Lending

China

### Chinese Micro Lender Halts its Fundraising

A boom in asset-backed securities issued by micro-lenders aiming to expand in China's fast-growing online credit market looks set to slow this year amid growing regulatory scrutiny. The volume of securities backed by consumer loans has dropped nearly 90% last December compared with the figure in previous month.

Source: [BBT News](#)

#### Our view

**Consumer credit backed ABS volume is likely to shrink significantly in 2018 as ABS will be included in the leverage ratio of microloan lenders.**

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Jan 17, 2018

E-payment

China

### Shanghai Metro to Accept Mobile-App Payments

Beginning Saturday, Shanghai's subway passengers will be able to use a mobile app to pay their fares. QR code-readers are being installed in all 389 metro stations in the city, which will allow passengers to use an app developed by metro operator Shanghai Shentong Metro Group. The app – dubbed "Metro daduhui" – will connect to the payments systems of Alipay and China UnionPay, the operator said in a statement.

Source: [Caixin](#)

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Jan 17, 2018

Payday Loan

China

### Payday Lending Struggling in Tightening Regulation

In November, China announced its intention to crack down on micro lenders and stopped local governments granting regulatory approval for new companies. China payday loan industry is adapting with the tough new regulatory environment but the future seems less promising with increasing competitions from banks.

Source: [BBT News](#)

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Jan 18, 2018

Blockchain ETF

### Blockchain ETFs Join Crypto gyrations in Wild Early Session

The first two blockchain ETFs look to have a lot in common with their crypto cousins, at least when it comes to wild price swings. Shares of the two took a bumpy ride in pre-market trading Thursday, with Reality Shares Nasdaq NexGen Economy ETF, symbol BLCN, surging as much as 24 percent before opening little changed. Amplify Transformational Data Sharing ETF, ticker BLOK, jumped nearly 20 percent only to barely budge at the open.

Source: [Bloomberg](#)

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Jan 19, 2018

Bitcoin

### Nobel Laureate Says Bitcoin is More Likely to 'Totally Collapse'

Bitcoin will likely "totally collapse," Nobel Prize-winning economist Robert Shiller has told CNBC, adding that it reminds him of "tulip mania" centuries ago in the Netherlands. The Yale University professor said there are "bubbles everywhere," not just in bitcoin, and added that he "doesn't know what to make of bitcoin ultimately."

Source: [CNBC](#)

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