

Domestic Political Climate, Economic Concerns Dampen Global Equities Outlook for U.S. Investors

Monex Global Retail Investor Survey, Vol. 7 – Reveals Client Insight

Tokyo, JAPAN, Plantation, FLORIDA and Hong Kong, CHINA, January 7, 2013 – TradeStation Securities ("TradeStation"), a wholly owned subsidiary of Monex Group, Inc. (TSE: 8698), which also includes Monex, Inc. ("Monex") and Monex Boom Securities, today announced the results of the "Monex Global Retail Investor Survey, Vol. 7," revealing that congressional gridlock and other policy concerns, along with a still struggling domestic economy, dimmed U.S. investors' outlook on global equities heading into 2013.

In the online survey conducted in December 2012, U.S. investors turned decidedly pessimistic, with 42% predicting that global equities would turn down in the first three months of 2013, versus just 32% predicting that global stocks would rise and 25% predicting that they would remain flat. The survey results also made clear that domestic political and economic concerns were primarily responsible for investor pessimism: nearly two in three respondents (64%) cited either U.S. political policies or lingering economic weakness as factors influencing their investment decisions.

These same concerns on the part of U.S. investors also upended the "home bias" effect seen in previous surveys. Whereas in the two previous quarterly surveys conducted in June and September 2012, fully 64% of TradeStation customers expected U.S. stocks to outperform stocks in Europe/U.K., Asia (excluding Japan) and Japan, that number plummeted 21 points to just 43% in December – below the 46% of U.S. investors who expect Asian stocks (excluding Japan) to perform best over the first quarter of 2013. TradeStation customers remain relatively upbeat about the U.S. dollar, with a plurality of those surveyed (35%) expecting the dollar to outperform the other major currencies in the next three months.

Monex has been conducting its monthly retail investor survey with its Japanese clients since October 2009. The "Monex Global Retail Investor Survey," covering retail clients in Japan, Hong Kong and the U.S., was launched in June 2011 and is conducted on a quarterly basis. Please refer to the [full report](#) for complete results.

Given their concerns about domestic politics and the U.S. economy, it's perhaps not surprising that TradeStation customers remain relatively positive on the outlook for China. Forty-seven percent of respondents cited China as the economic area outside their own that would experience the strongest GDP growth in 2013, with South America finishing second at 35%. Moreover, nearly half of U.S. investors (47%) expressed optimism that the Chinese economy would avoid a "hard landing," with just 29% predicting the opposite.

“The survey is consistent with other customer input we have that suggests that trading opportunities are increasingly difficult to find.” said Salomon Sredni, CEO of TradeStation Group, Inc. and COO of Monex Group, Inc. “In that environment, the powerful tools that TradeStation provides can be even more important.”

The Monex Global Retail Investor Survey measures customer sentiment based upon answers to specific questions received from a random sampling of customers of Monex, Inc., TradeStation Securities, Inc., IBFX, Inc., and Monex Boom Securities (H.K.) Ltd. Details of the methodology used to conduct the survey are available upon request. Accuracy and completeness of the data derived from the survey is not guaranteed.

The information contained herein should not be construed as investment research or an offer or solicitation to buy or sell securities, securities derivatives, futures or off-exchange foreign currency products or services. Investor sentiment derived from the survey responses is no guarantee of future performance or success.

Active trading regardless of asset class (equities, futures, foreign exchange) carries a high level of risk and may not be suitable for all investors. Relevant risk disclosures are available at www.tradestation.com

About Monex Group Inc.

Monex Group Inc. (Tokyo Stock Exchange 1st section: 8698), including its main subsidiary Monex Inc. (Tokyo, Oki Matsumoto, Chairman and CEO), an online securities brokerage, provides advanced and unique financial services to individual investors. Monex Group has been a pioneer among Japanese online securities brokers since the complete liberalization of commissions and fees in stock brokerages in 1999. Monex relentlessly strives to offer its customers in Japan innovative products and services and has established its reputation as a unique independent financial institution group. Its services cover M&A advisory, debt & equity underwriting, asset management focusing on alternative investments, investment education, and other investment banking functions along with an online distribution network to more than 1.2 million individual investors in Japan.

Monex Group aims to globalize its customer base and businesses in addition to enhancing its global product line and services. Specifically, in recent years, Monex has embarked on an ambitious plan to strengthen its products and services globally by focusing its expansion efforts to date on the growing Chinese market, by opening representative offices in Beijing and acquiring Boom Securities (H.K.) Limited and its group companies in Hong Kong. As a core element in the further expansion and global diversification of its businesses, it has been seeking opportunities to expand into the U.S. market, which it saw as the missing pillar in achieving a truly global platform. The acquisition of TradeStation provides Monex with an immediate expansion and strong commercial presence in the U.S. online brokerage market.

About TradeStation Group, Inc.

TradeStation Group, Inc. through its principal operating subsidiaries, TradeStation Securities, Inc. and IBFX, Inc. offers the TradeStation analysis and trading platform to the active trader and certain institutional trader markets. The TradeStation platform offers electronic order execution and enables clients to design, test, optimize, monitor and automate their own custom Equities, Options, Futures and Forex trading strategies.

TradeStation Securities, Inc. (Member NYSE, FINRA, SIPC, NSCC, DTC, OCC & NFA) is a licensed securities broker-dealer and a registered futures commission merchant, and also a member of the Boston Options Exchange, Chicago Board Options Exchange, Chicago Stock Exchange, International Securities Exchange and NASDAQ OMX. Its TradeStation Prime Services division, based in New York, seeks to provide prime brokerage services, including securities lending, to small and mid-sized hedge funds and other firms. IBFX, Inc. (Member NFA) is a Retail Foreign Exchange Dealer (RFED) that exclusively provides the company's forex brokerage offering. The company's technology subsidiary, TradeStation Technologies, Inc., develops and offers strategy trading software tools and subscription services. Its London-based subsidiary, TradeStation Europe Limited, an FSA-authorized brokerage firm, introduces UK and other European accounts to TradeStation Securities, Inc. and IBFX, Inc.

About Monex Boom Securities (H.K.) Limited

Monex Boom Securities (H.K.) Limited ("BOOM") offers multi-market and multi-currency online securities trading services to investors all around the world. With BOOM's proprietary web-based trading platform, investors can trade equities in all major exchanges and manage different major currencies via one single account. Currently, it offers access to securities listed on over 17 stock markets in 12 countries. In addition, BOOM also develops trading solutions for other financial institutions.

Being the first company to launch Internet stock trading in Asia/Pacific, BOOM introduced a new pattern of self-directed cross-border investment by applying new technology to traditional equities trading and financial services. BOOM aims to provide retail investors with PRIVATE, EASE, SPEEDINESS and INEXPENSIVE international stock trading services.

BOOM is a fully licensed Broker / Dealer regulated by the Securities and Futures Commission (SFC) of Hong Kong, founded in 1997 and headquartered in Hong Kong. It is a wholly owned subsidiary of Monex Group, one of the largest online financial services providers in Japan.

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Executive Summary

Takashi Hiroki, Chief Strategist, Monex, Inc.

Since Japanese Prime Minister Noda dissolved the Lower House of Parliament, Japanese stocks have been on an upward trend. On December 19, the Nikkei average regained the ¥10,000 mark, with its year-to-date return approaching 20%. The main driver for these rising share prices is overseas investors who for the last several weeks have turned to net-long trading positions in Tokyo. Overseas investors now make up 60-70% of trading volumes in Tokyo. It wouldn't be a stretch to say the Nikkei average goes up when they turn bullish, and vice versa. That is why we were so curious about their views on the Japanese market. Would this political shake-up bring real changes to Japan, putting an end to this long-lasting deflation? Could the upward trend persist?

The most common answer to this question from both U.S. and Hong Kong investors was "Not sure," which together with "Don't care" accounted for more than half of the survey responses. This indicates that these overseas investors don't have much in the way of specific ideas about Japan's political shake-up or the market.

These results are a bit disappointing, though at the same time seem quite natural. Besides professionals, only a limited number of market participants pay close attention to Japanese politics and make timely bets on it. Since this survey's respondents are ordinary individual investors, their response is not so surprising. The respondents also include some fund managers who make decisions for their Japanese headquarters but place orders from an overseas office, and are thus counted as overseas investors

Just the opposite happened in our last survey conducted in September. Asked about the upcoming U.S. presidential election and investment strategies related to it, U.S. investors had clear views, whereas most Japanese investors had no specific ideas. My comments on that survey were about home biases.

This survey marks the second time we have observed an obvious home bias. Individual investors may well be interested in politics, economics, or the market in their own countries, but are not much interested about these same issues overseas. That is why I'd like to encourage you to look more to the outside. Let's have a global view on the

market. That's what our "Global Vision" means, and overseas investors with global vision were successful in making money on the so-called "Abe trade" of dumping yen and buying stocks. Maybe we can learn a thing or two from them. But there are also some hedge funds that are shorting Japanese government bonds, which I don't think is a good idea. So I might put it thus – let's learn from those with *wise* global vision.

Summary

(1) DIs for Japan and China improve while U.S. DI declines for a third month.

(Japan) Chart 1

[Japan]	(November) 45 points	-->	(December) 50 points (+5 MoM)
[U.S.]	(November) 34 points	-->	(December) 31 points (-3)
[China]	(November) -39 point	-->	(December) -26 points (+13)

DIs for both Japan and China improved for two straight months while the U.S. DI declined for a third month. (* DI: difference between the percentage of respondents choosing “stocks will rise” and those choosing “stocks will fall,” in percentage points.)

(2) Japanese investors’ outlook on global equities surges.

(Japan, U.S., H.K.) Chart 3

Japanese investors’ outlook surged while the U.S. DI sank into negative territory.

(3) Expectations of a weakening JPY continue to grow.

(Japan) Chart 9

The percentage of investors expecting the Japanese yen to weaken continued to grow.

(4) Overseas investors are not so interested in Japan’s politics.

(Japan, U.S., H.K.) Charts 10-11

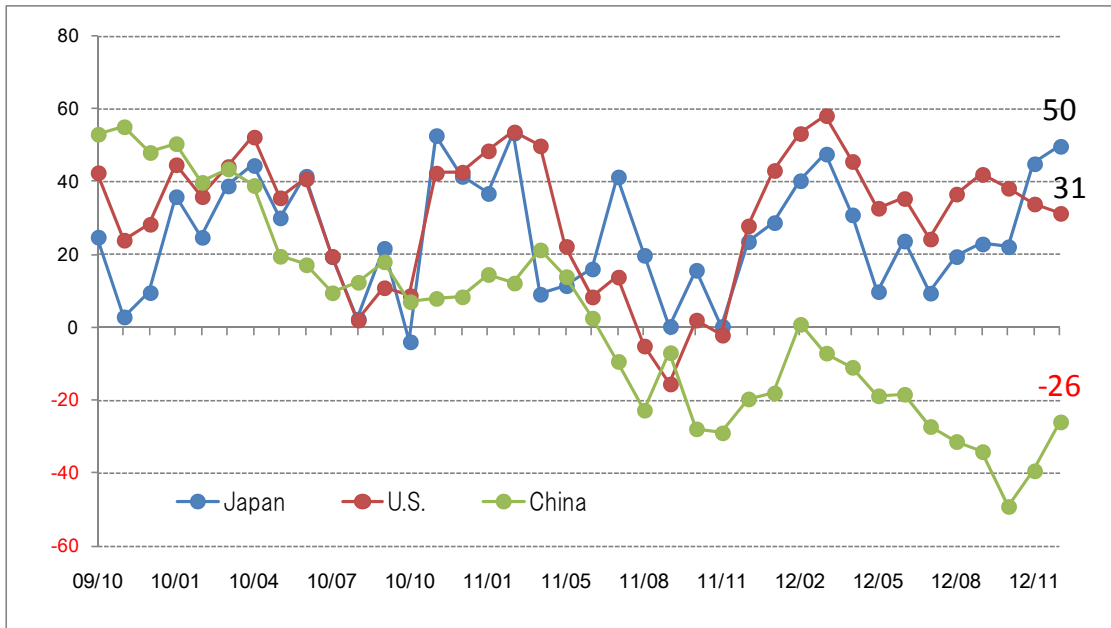
More than 40% of Japanese investors expect Japan’s upward market trend to persist. A majority of investors in the U.S. and H.K. answered either “Not sure” or “Don’t care.”

Results

1 Stocks

[Chart 1] Outlook for Japanese, U.S. and Chinese stock markets

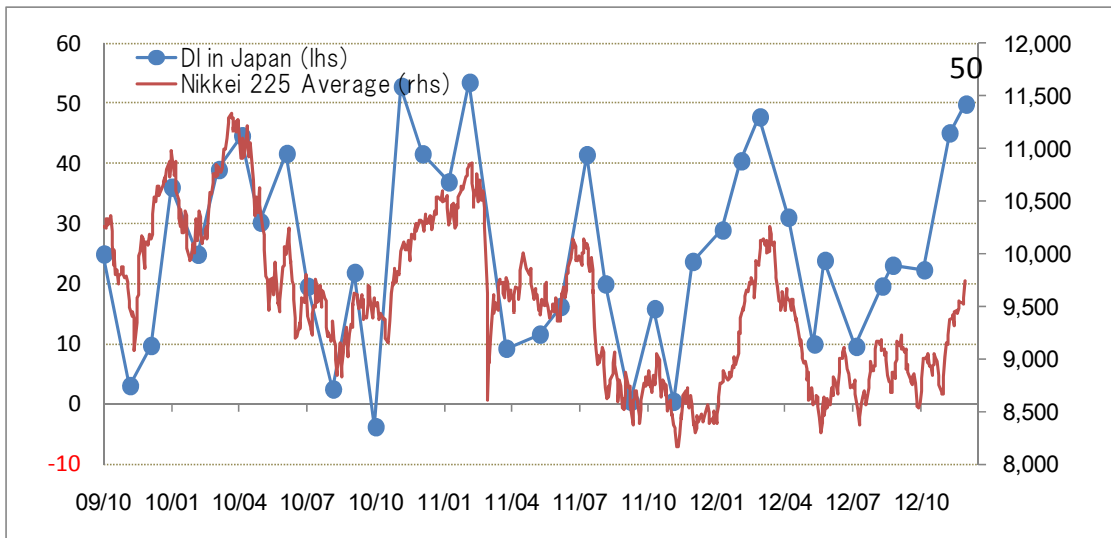
(Surveyed in Japan)



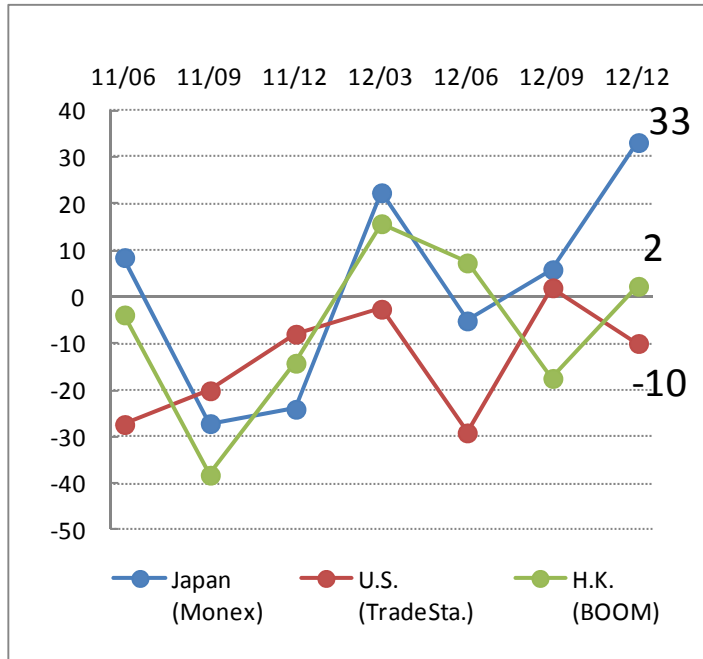
(* DI: difference between the percentage of respondents choosing “stocks will rise” and those choosing “stocks will fall,” in percentage points.)

[Chart 2] Japanese investors’ DI on Japanese stock vs. the Nikkei 225

(Japan)



**[Chart 3] Outlook for global stock markets for the next three months
(Japan, U.S. and H.K.)**

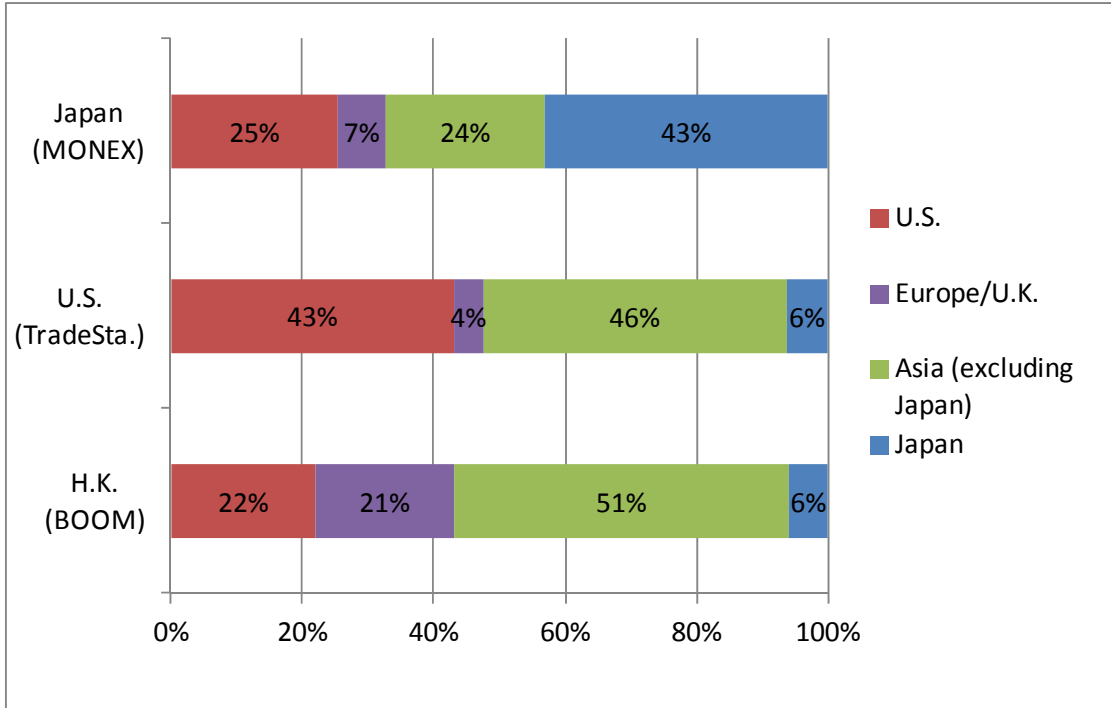


Japan	33 (+27)
U.S.	-10 (-12)
H.K.	2 (+19)

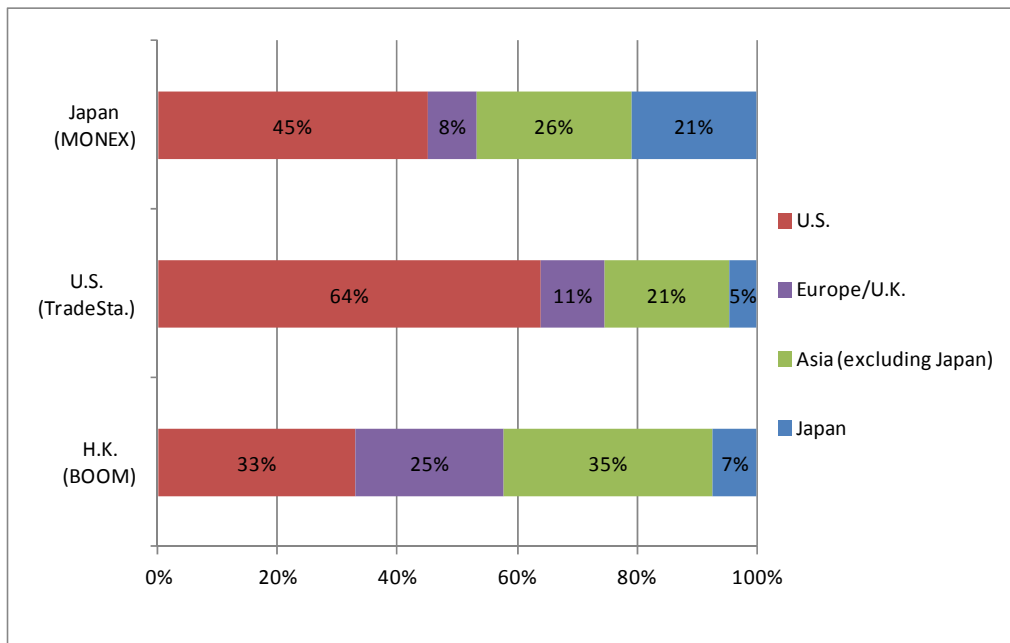
*Figures in () show changes from the previous survey.

[Chart 4] Geographical area where the stock market will best perform over the next three months

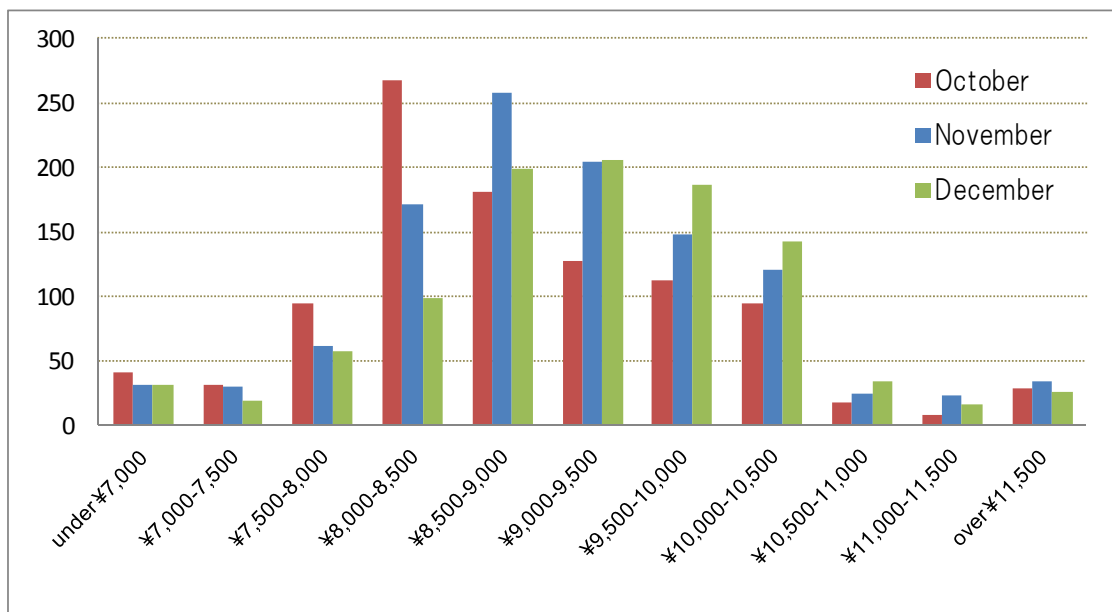
(Japan, U.S. and H.K.)



Previous survey (~~Mar-Sep~~ 2012)

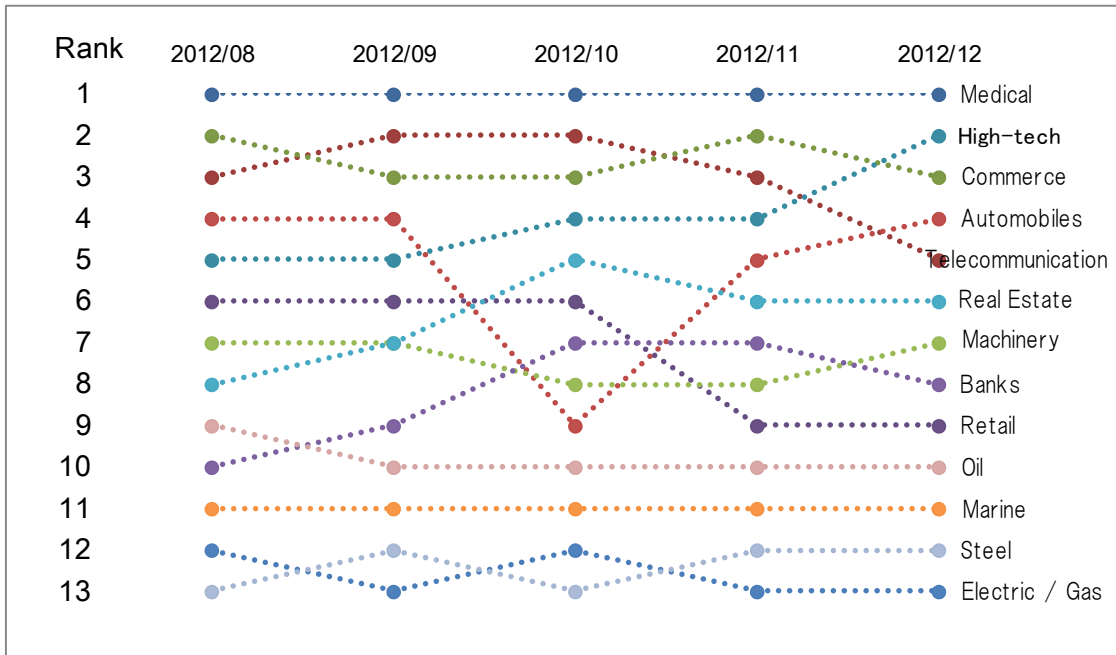


**[Chart 5] The Nikkei 225 level at which you would like to buy Japanese stocks
(Japan, U.S. and H.K.)**



[Chart 6] Sector that will perform the best over the next three months

(Japan)



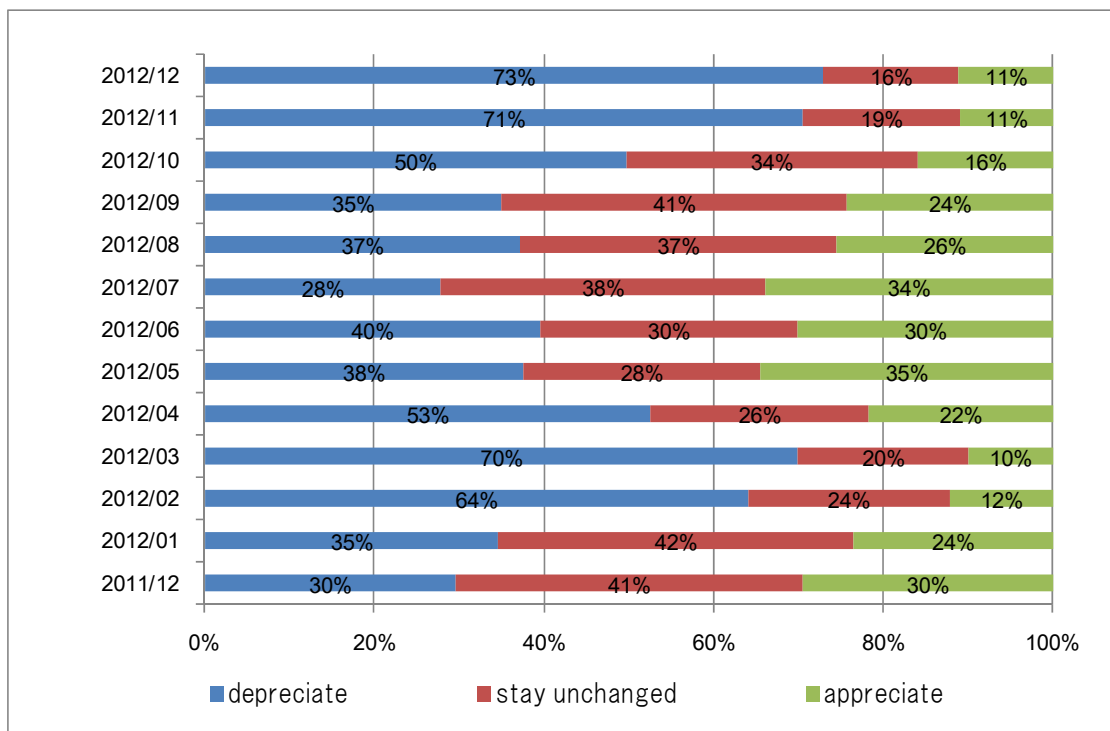
(U.S. and H.K.)

U.S.				Hong Kong			
1	(3)	↑	Healthcare	1	(1)	→	Autos
2	(2)	→	Energy	2	(7)	↑	Consumer Goods
3	(4)	↑	Basic Materials	3	(6)	↑	Healthcare
4	(7)	↑	Utilities	4	(7)	↑	Technology
5	(10)	↑	Real Estate	5	(4)	↓	Basic Materials
6	(5)	↓	Consumer Goods	6	(2)	↓	Energy
6	(1)	↓	Technology	6	(10)	↑	Industrial Goods
8	(5)	↓	Telecommunications	8	(12)	↑	Financial
9	(8)	↓	Financial	9	(2)	↓	Utilities
10	(9)	↓	Services	10	(4)	↓	Telecommunications
11	(12)	↑	Transportation	11	(9)	↓	Real Estate
12	(14)	↑	Autos	12	(12)	→	Conglomerates
12	(11)	↓	Industrial Goods	13	(14)	↑	Services
14	(12)	↓	Conglomerates	13	(10)	↓	Transportation

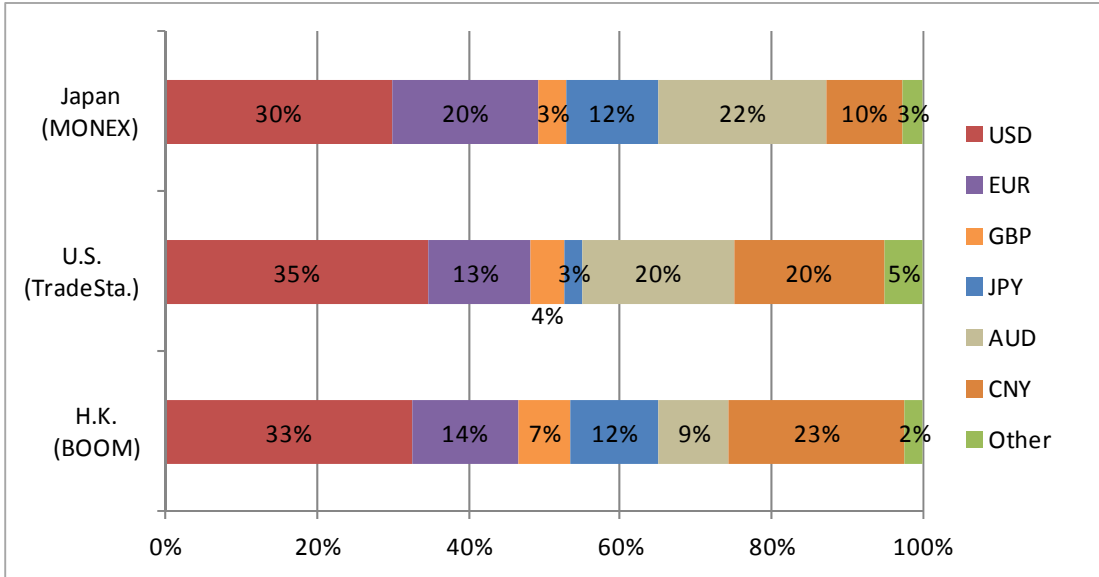
2 FX and Commodities

[Chart 7] Outlook for USD/JPY for the next three months

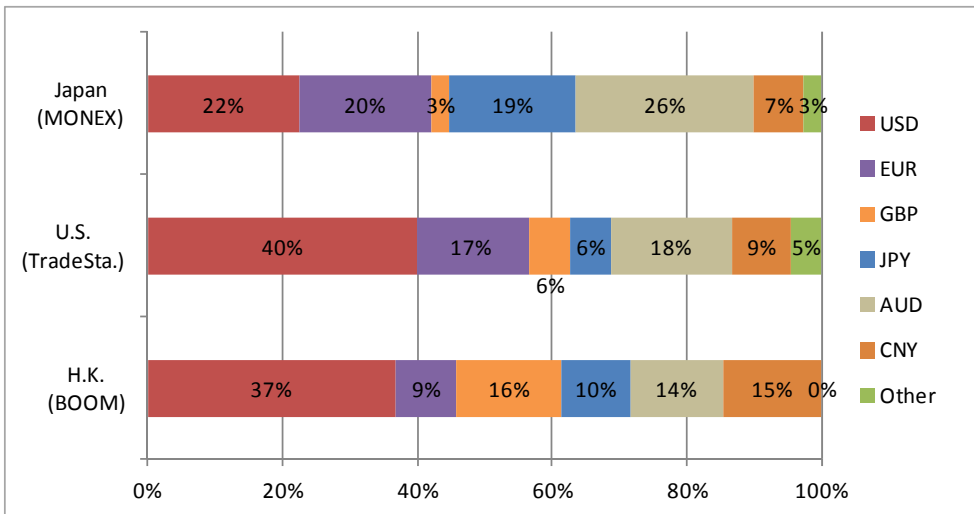
(Japan)



[Chart 8] The currency that will strengthen the most in the next three months
(Japan, U.S. and H.K.)

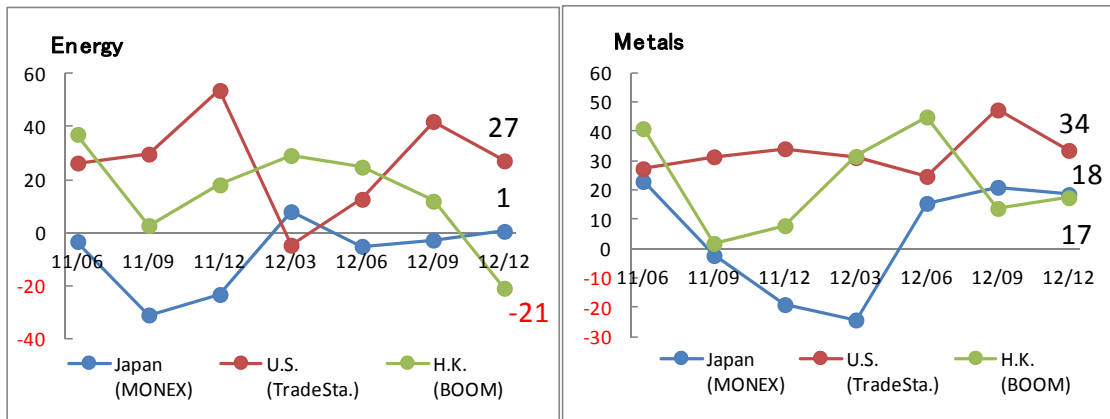


Previous survey (~~Mar~~ Sep 2012)



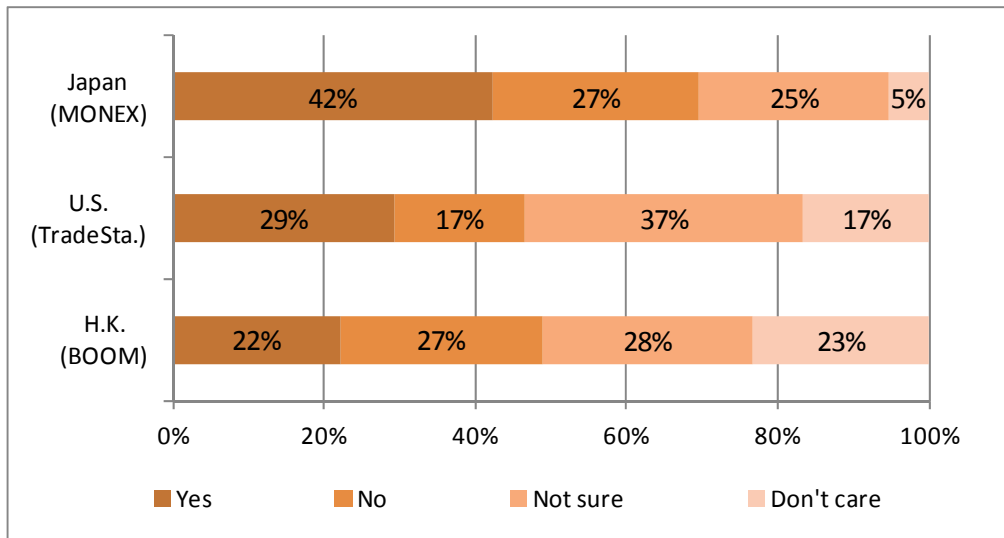
[Chart 9] Outlook for commodity markets for the next three months

(Japan, U.S. and H.K.)

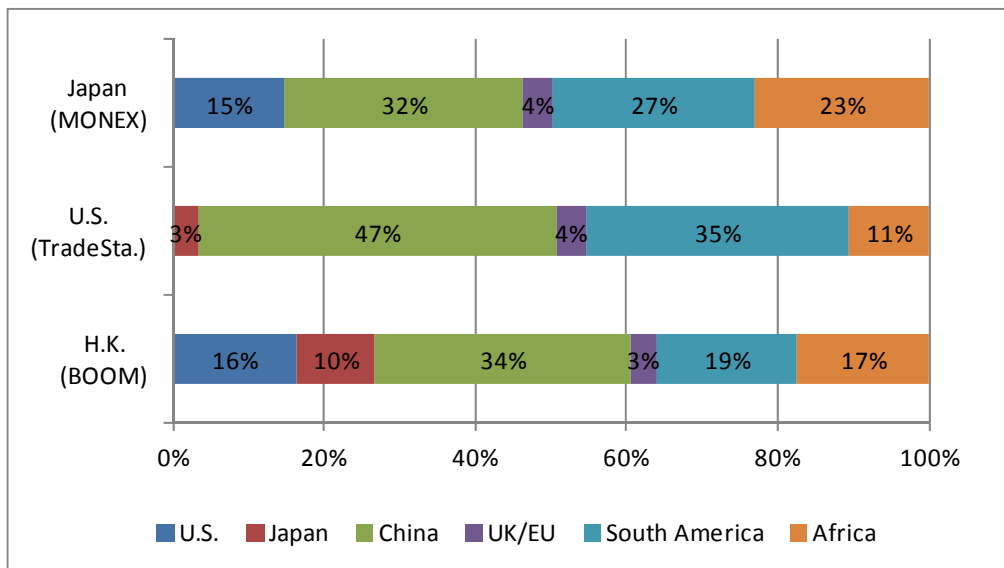


[Charts 10, 11] Post-election market and GDP growth

[Chart 10] Do you think the upward trend for Japanese stocks and weakening JPY will persist?



[Chart 11] Which region, other than the one in which you live, will experience the strongest growth?



Outline of Survey & Characteristics of Respondents**(Japan)**

Method : Internet research

Respondents: Customers of Monex Inc. Customers of Monex, Inc.

of Responses: 1,092

Period: 14 - 17 December 2012

【Gender】

Male	Female
85.6%	14.4%

【Age】

Minor	20s	30s	40s	50s	60s	70s or over
0.1%	5.0%	21.0%	31.3%	20.5%	15.9%	6.1%

【Financial assets】

Under JPY 5 million	JPY 5 ~ 10 million	JPY 10 ~ 20 million	JPY 20 ~ 50 million	JPY 50 ~ 100 million	over JPY 100 million
29.5%	20.7%	21.4%	21.3%	5.4%	1.6%

【Frequency of trading】

day trading	few times a week	few times a month	once a few months	fewer than that
6.1%	12.9%	27.4%	30.0%	23.5%

【Experience of stock investment】

less than a year	2 ~ 5 years	5 ~ 10 years	over 10 years
10.1%	20.0%	27.9%	42.0%

(USA)

Method: Internet research

Respondents: Customers of Trade Station Securities, Inc.

of Responses: 149

Period: 7 - 17 December 2012

(Hong Kong)

Method: Internet research

Respondents: Customers of Monex BOOM Securities (H.K.) Limited

of Responses: 86

Period: 7 - 17 December 2012

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