

**For Immediate Release**

## **Despite Recent Stock Market Rally, U.S. Investors Continue to Be Wary about Europe's Debt Crisis**

### **Monex Global Retail Investor Survey, Vol. 4 Reveals Client Insight**

Tokyo, JAPAN, Plantation, FLORIDA and Hong Kong, CHINA, March 26, 2012- TradeStation Securities ("TradeStation") a wholly owned subsidiary of Monex Group, Inc. (TSE: 8698), which also includes Monex, Inc. ("Monex") and Monex Boom Securities, announced today results of the "Monex Global Retail Investor Survey, Vol. 4," revealing that a majority of TradeStation clients are excited by the recent rally of U.S. stocks but don't believe that their bullish sentiment will expand to the rest of the world. In fact, 77% of respondents believe that the European debt crisis could bring significant risks to the market this year, as it did in 2011.

Monex has been conducting its monthly retail investor survey since October 2009 with its Japanese clients. The "Monex Global Retail Investor Survey," covering retail clients from Japan, Hong Kong and the U.S., started in June 2011 and is conducted on a quarterly basis.

A majority of TradeStation clients continue to say that if President Obama is likely to be reelected, they will be more bearish. Should a Republican appear likely to be elected president, 39% of those surveyed will take a more bullish approach. Despite worry over the Euro debt crisis, TradeStation traders are optimistic about certain industry sectors. A majority expect basic materials, energy, healthcare and technology to be attractive over the next three months. Their expectations are lowest for autos, conglomerates, financial services, real estate and transportation. U.S. stocks, say a majority of TradeStation customers, will outperform stocks in Europe/U.K., Asia (excluding Japan) and Japan. Nearly one-half of all U.S. respondents say the U.S. dollar will outperform the euro, Japanese yen, British pound, Australian dollar and Chinese yuan over the next three months.

"This survey reveals the level of our clients' concerns about the world markets and the international political landscape," says Salomon Sredni, CEO of TradeStation Group, Inc. and COO of Monex Group, Inc. "Our clients are making important investment decisions in the face of significant world events, so it's more important than ever to provide our clients with top-of-the-line analysis and trading tools."

The report uses the Diffusion Index (\*DI) to assess investor sentiment.

(\*DI = Percent of positive responses – Percent of negative responses)

Other findings from the survey are summarized below. Please refer to the [full report](#) for complete results.

Japanese investor expectations of Japanese and U.S. stocks have improved over the last four months; their expectations for China worsened.

- Expectations for Japanese stocks improved by 8 points from a DI of 40 points to 48 points.
- Expectations for U.S. stocks improved by 5 points from 53 points to 58 points.
- Chinese stock expectations worsened, falling from 1 point to -7 points, a drop of 8 points.

When asked about their expectations for global equity markets over the next three months, investors in all three markets showed improved outlooks. Most positive were Japanese investors, with the DI gaining 46 points. The DI for the U.S. gained only 5 points and the reading remained in the negative.

Seventy percent of investors surveyed expect the Japanese yen to decline against the dollar over the next three months; this percentage increased by 6 points since the last survey, hitting 70% for the first time since April 2011.

Japanese investors were the most bullish about the prospect of stocks in other countries rallying along with U.S. equities. Some 55% of Japanese predicted that non-U.S. stocks would rally, compared to 46% of Hong Kong investors and just 22% of U.S. investors.

Large majorities of U.S. and Japanese investors remain concerned about the risk that the European debt crisis could bring in 2012, with the percentage in the U.S. exceeding 70% followed by 65% of Japanese investors. Among Hong Kong investors, slightly less than half (46%) expressed such concerns.

Overall, investor stances in each region could be summarized as:

- Japan: European debt crisis could be a risk but investors' outlook is positive on stocks
- U.S.: European debt crisis could be a risk and investors' outlook is negative on stocks
- Hong Kong: European debt crisis isn't much of a risk and investors' outlook is positive on stocks

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., TradeStation Forex, 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](http://www.tradestation.com)

#### **About Monex Group, Inc. and Monex, Inc.**

Monex Group, Inc. (Tokyo Stock Exchange 1st section: 8698; Chairman and CEO: Oki Matsumoto) provides online investment and trading services for retail and institutional customers around the world through its subsidiaries including Monex in Japan, TradeStation in the US & Europe, Monex Boom in Hong Kong and IBFX for Forex business. Monex Group is pursuing its “Global Vision” strategy to establish a truly global online financial institution that creates positive synergies for all stakeholders.

Its main subsidiary, Monex Inc., one of the largest online securities brokerages in Japan, provides advanced and unique financial services to its nearly 1 million individual investors. Monex Group’s services also cover M&A advisory, debt & equity underwriting, asset management focusing on alternative investments, investment education, and other investment banking functions in Japan.

#### **About TradeStation Group, Inc.**

TradeStation Group, Inc. through its principal operating subsidiaries, TradeStation Securities, Inc. and TradeStation Forex, 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 acquired

IBFX Holdings, LLC in November 2011, expanding TradeStation's forex business in the U.S. and globally. TradeStation is a wholly owned subsidiary of Monex Group, one of the largest online financial services providers in Japan.

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. TradeStation Forex, Inc. (Member NFA), a Retail Foreign Exchange Dealer (RFED) and IBFX Australia Pty. Ltd., authorized and regulated by the Australian Securities and Investment Commission, provide the company's forex brokerage offering. The company's technology subsidiary, TradeStation Technologies, Inc., develops and offers strategy trading software tools and subscription services. TradeStation Europe Limited is an FSA-authorized brokerage firm which introduces UK and other European accounts to TradeStation Securities, Inc. and TradeStation Forex, 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.

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# Monex Global Retail Investor Survey

March 2012

## Executive Summary

Takashi Hiroki, Chief Strategist, Monex, Inc.

Following are results and analysis of the quarterly “Monex Global Retail Investor Survey.”

Our latest survey confirms growing optimism about stocks among investors around the world. This is not surprising, considering that our previous quarterly survey was conducted last December when risks stemming from the European debt crisis still dominated the markets.

But as the three year long-term refinancing operation (LTRO) announced by the European Central Bank gradually began to take effect, sovereign yields on southern European countries started to decline. The 10-year yield on Spanish bonds, which was previously above the 7% level considered to be unsustainable, is now trading at around 4.8%. Approval of the second bailout package for Greece has also helped ease concerns significantly.

At the same time, a series of strong economic indicators showed us that the U.S. economic recovery remains on the right track. For example, non-farm payrolls increased by more than 200,000 for three straight months. Across the Pacific, Japan’s central bank decided to implement additional monetary easing as well as set a goal for long-term inflation, which the currency market perceived to be yet a stronger form of monetary easing. Depreciation of the yen picked up speed as a result.

All this led the global equity markets to rally sharply. The Dow Jones Industrial Average reached the 13,000-point milestone, the Nikkei 225 passed the 10,000 mark and the German DAX advanced beyond 7,000. Our survey results clearly reflect this three-month rally of equity markets around the world since the start of the year.

Concerning the global outlook for stocks, the diffusion index (DI) in all three regions improved, though in the U.S. the increase was only 5 points and the DI reading remained negative. Judging from their self-described trading profile, our U.S. customers are primarily short-term traders. And they still don’t seem to be entirely optimistic about current equity markets. Such a result is consistent with survey question (4), where the percentage of U.S. investors responding “Yes” was only 21.8% while those responding “No” was more than half. By contrast, the percentage responding “Yes” reached 55.1% in Japan and 45.7% in Hong Kong, respectively.

Also interesting were varying perceptions of the European debt crisis. The percentage of investors still concerned about the issue and the risk it might pose was highest in the U.S., where it topped 70% compared to 65.3% in Japan and 45.7% in Hong Kong, respectively.

The same goes for currencies. The percentage of investors expecting the euro and pound sterling to rise tends to be higher in Hong Kong, perhaps because Hong Kong was long a colony of Great Britain and many European financial institutions operate in the region.

To summarize where investors in each region stand:

Japan: European debt crisis could be a risk but the outlook is positive on stocks

U.S.: European debt crisis could be a risk and the outlook is negative on stocks

Hong Kong: European debt crisis isn't much of a risk and the outlook is positive on stocks

There is a Japanese expression, "tapping on a stone bridge before crossing," that suggests being profoundly cautious before taking action – not unlike "look before you leap" in English. Looking at our results, it seems that it is American investors who are tapping the bridge. But that doesn't necessarily mean that those in Hong Kong are not tapping. In fact, they might have judged, after tapping on the bridge, that it's safe to cross. Being cautious isn't the only essence in investment.

Once again, we have been able to prepare and analyze very valuable data. I would like to express my sincere gratitude to all the retail investors for their participation in this survey, and I hope they find it helpful when making investment decisions.

Takashi Hiroki, Chief Strategist, Monex, Inc.

## Summary

### **(1) DIs for both Japan and U.S. advance while China slides back into negative.**

(Questioned in Japan) Chart 1

[Japan] (Feb) 40 points --> (Mar) 48 points (+8 month-to-month)

[U.S.] (Feb) 53 points --> (Mar) 58 points (+5)

[China] (Feb) 1 point --> (Mar) -7 points (-8)

DIs for Japan and U.S. advanced by more than 5 points to make a fourth straight increase for each DI while that of China still stayed in the negative. (\*DI: difference between the percentage of respondents choosing “stocks will rise” and that of “stocks will fall,” in points.)

### **(2) Further improvement seen in outlook on global stock markets.**

(Questioned in Japan, U.S. and Hong Kong) Chart 3

Outlook on global stocks improved since the last survey in all three regions. Most positive were the Japanese investors with DI gaining 46 points. While that of U.S. gained only 5 points and the reading remained in the negative.

### **(3) 70% of investors surveyed expect Japanese yen to decline against the dollar over the next three months.**

(Questioned in Japan) Chart 9

Percentage of investors expecting Japanese yen to decline against the dollar increased by 6 points to hit 70% for the first time since April 2011.

### **(4) Optimism about global stocks and European debt crisis.**

(Questioned in Japan, U.S. and Hong Kong) Charts 12, 13

Percentage of investors expecting stocks in other countries to rally along with the U.S. was the highest in Japan, reaching 55%. Investors in Hong Kong came next with 46% while those in the U.S. weren't so optimistic with the reading at 22%.

Percentage of investors concerned about the risk that the European debt crisis could bring was the highest in the U.S., exceeding 70%. Japanese investors followed with 65% while in Hong Kong it was 46%.

<Stance of Investors in Each Region Summarized>

Japan: European debt crisis could be a risk but outlook positive on stocks

U.S.: European debt crisis could be a risk and outlook negative on stocks

Hong Kong: European debt crisis isn't much of a risk and outlook positive on stocks



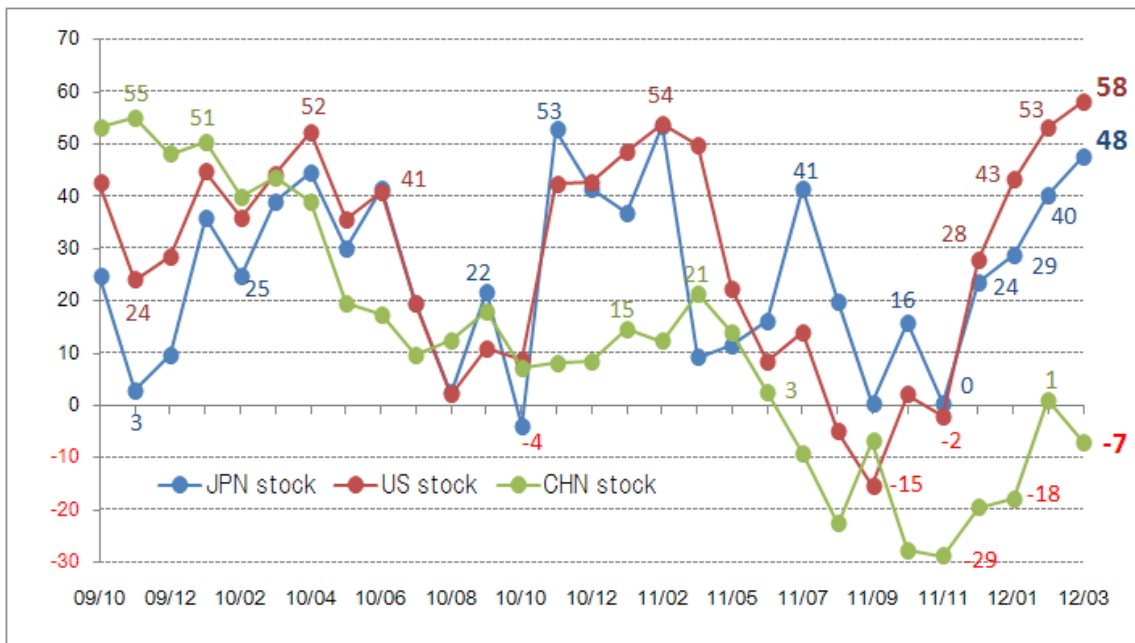
## Survey Results

### 1 Stock markets

#### (1) Outlook of stock markets in the next 3 months

[Chart 1] Outlook of Japan, U.S. and Chinese Stock Markets

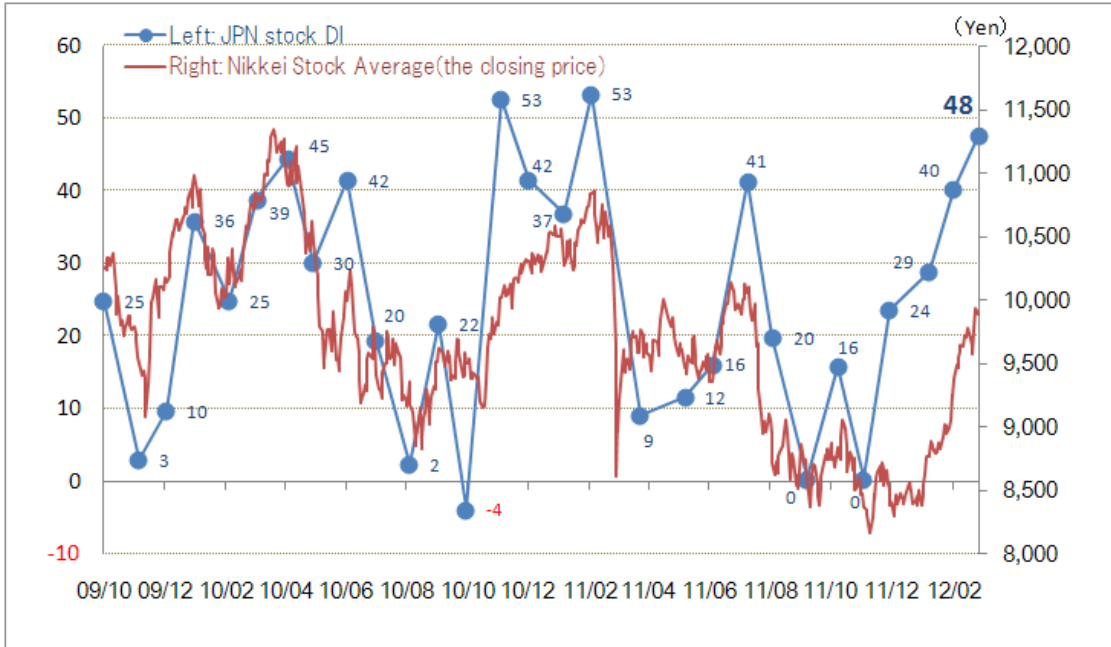
(Questions to investors in Japan only)



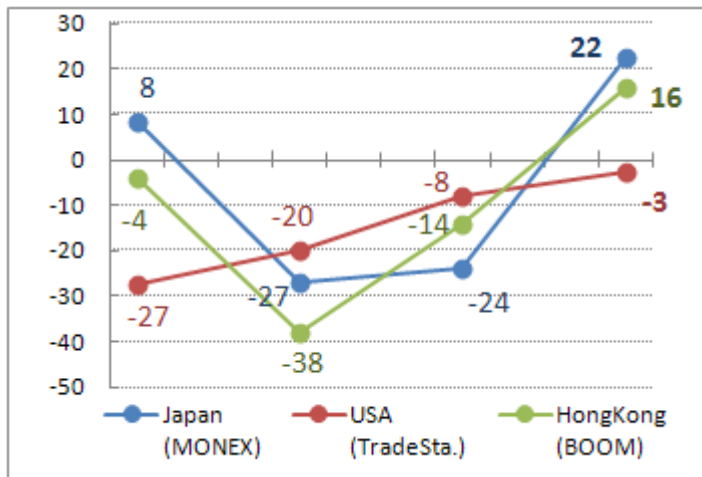
DIs for Japan and U.S. advanced by more than 5 points to make a fourth straight increase for each DI. DI for China was a lone decliner by 8 points to plunge back in the negative. (\*DI: difference between the percentage of respondents choosing “stocks will rise” and that of “stocks will fall,” in points.)

[Chart 2] Japanese investors' DI on Japanese stocks vs. Nikkei 225

(Question to investors in Japan only)



[Chart 3] Outlook of global stock markets for the next 3 months



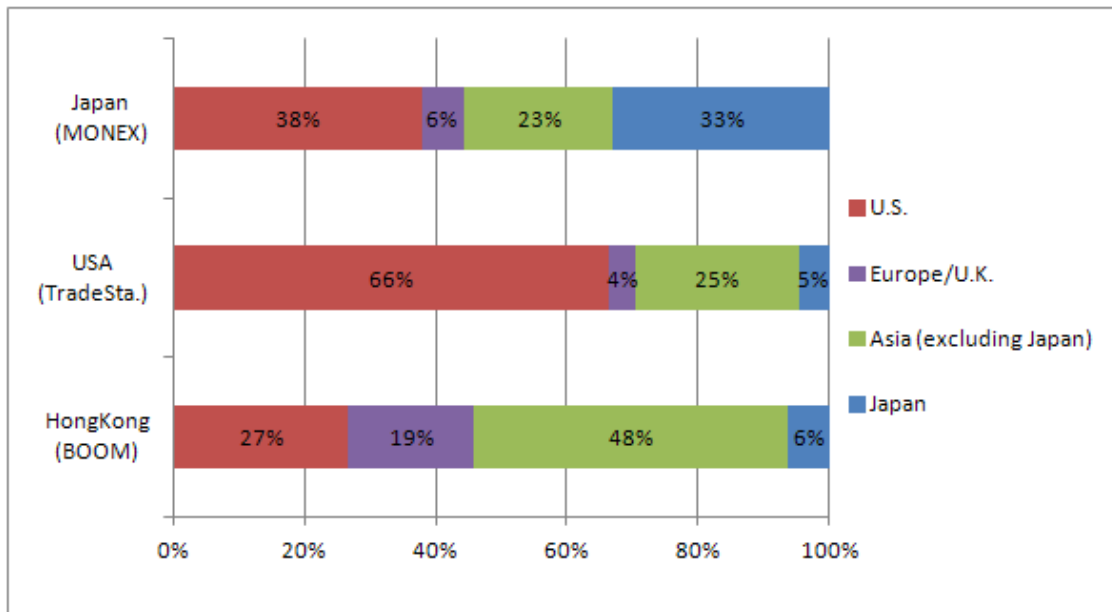
Japan	22 (+46)
U.S.	-3 (+5)
Hong Kong	16 (+30)

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

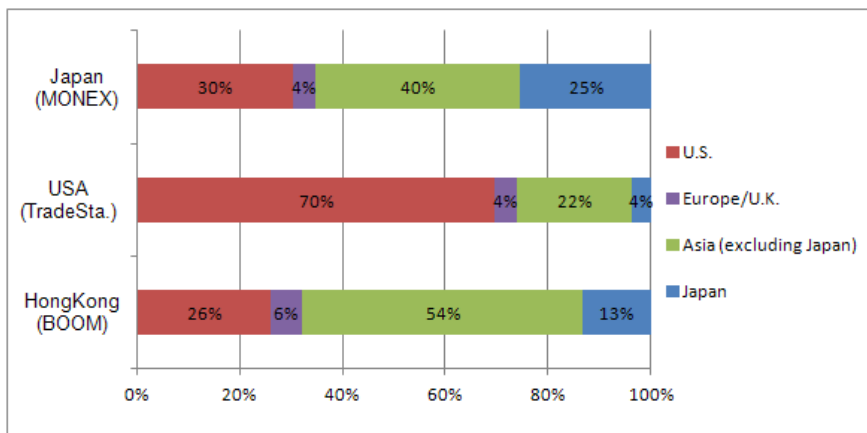
Outlook on global stocks improved since the last survey in all three regions. Most positive were the Japanese investors with DI gaining 46 points followed by Hong Kong increasing by 30 points. U.S. also gained 5 points though still stayed below water.

(2) Outlook by geographical area

[Chart 4] The geographical area where stock market will best perform in the next 3 months



Previous results (December 2011)

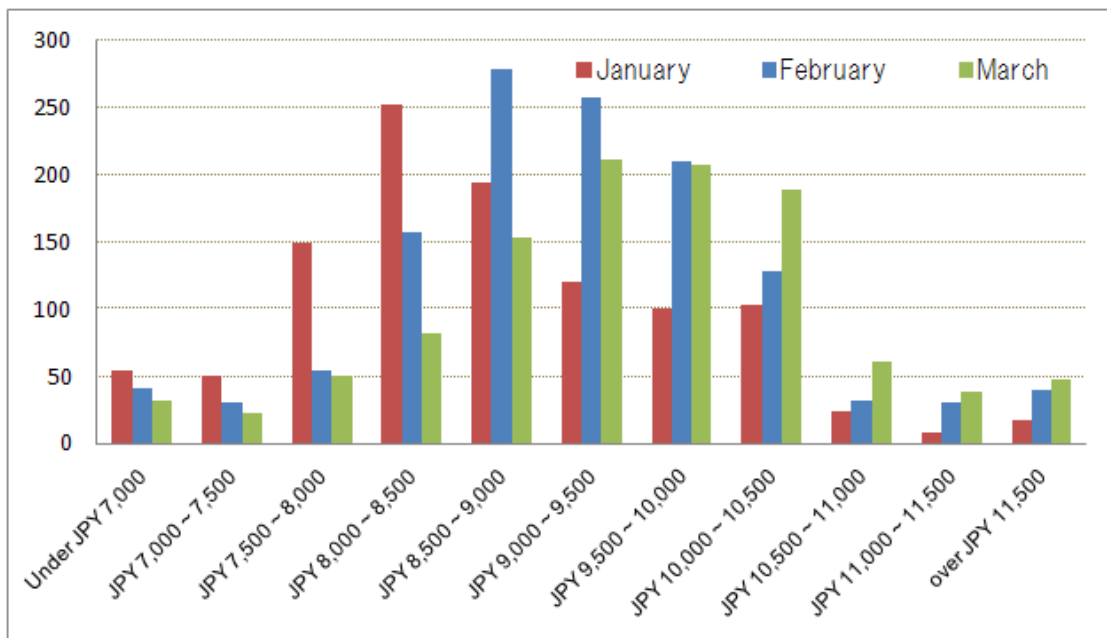


More investors in Japan chose “Japan” and “U.S.” with both gaining 8 points. The percentage of U.S. investors choosing their home country declined by 4 points. Europe/UK turned out to be the largest in Hong Kong, advancing by 13 points from the previous survey.

**(3) Level to buy Japanese stocks**

(Question to investors in Japan only)

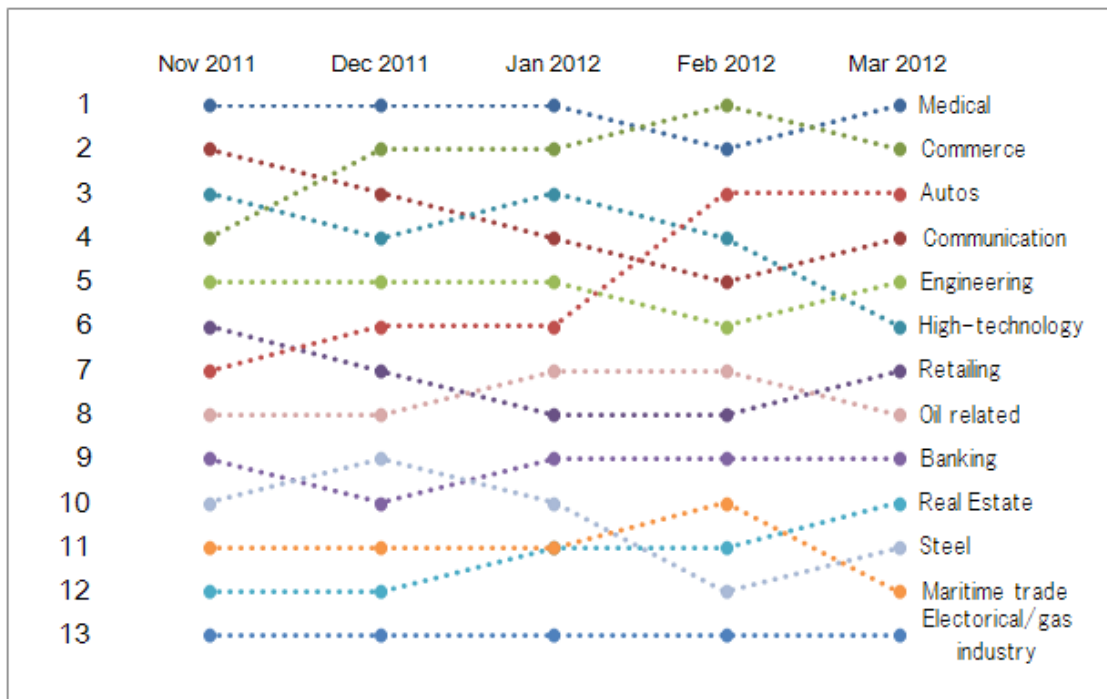
**[Chart 5] The Nikkei 225 level at which you would like to buy Japanese stocks**



The majority of responses shifted to “JPY 8,500 - 9,000” from the previous “JPY 9,000 – 10,000.”

(4) Outlook by industry sector

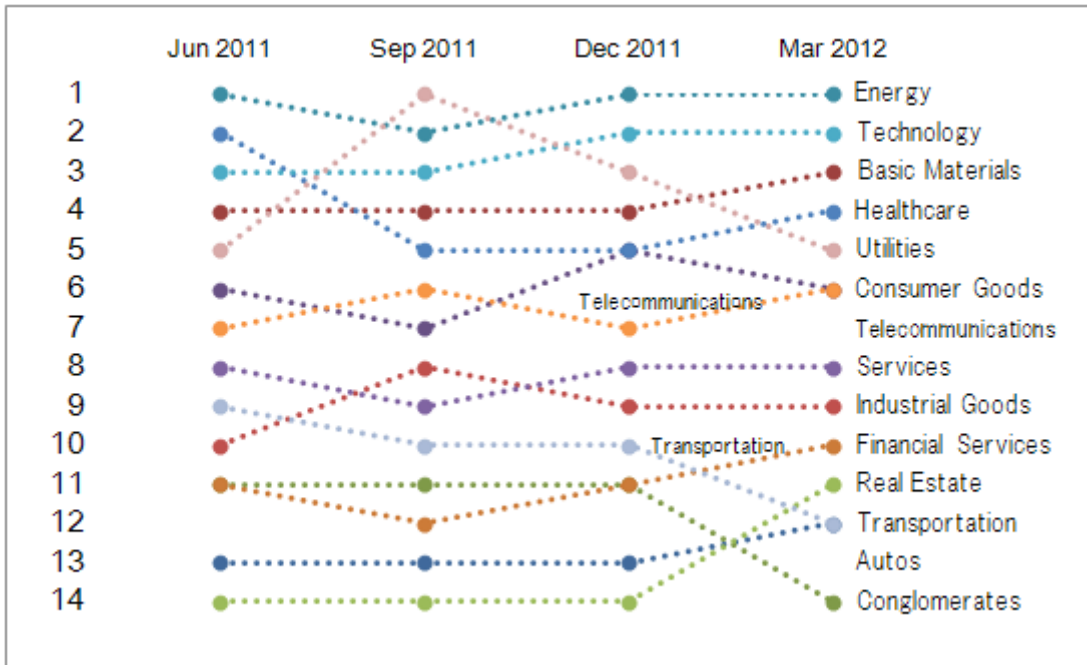
[Chart 6] The industry sector that will perform the best in the next 3 months (Answers by investors in Japan)



Pharmaceutical companies came back in first place. High-techs and marines declined while telecoms, machineries, retailers, real estates and steels advanced.

**[Chart 7] The industry sector that will best perform in the next 3 months**

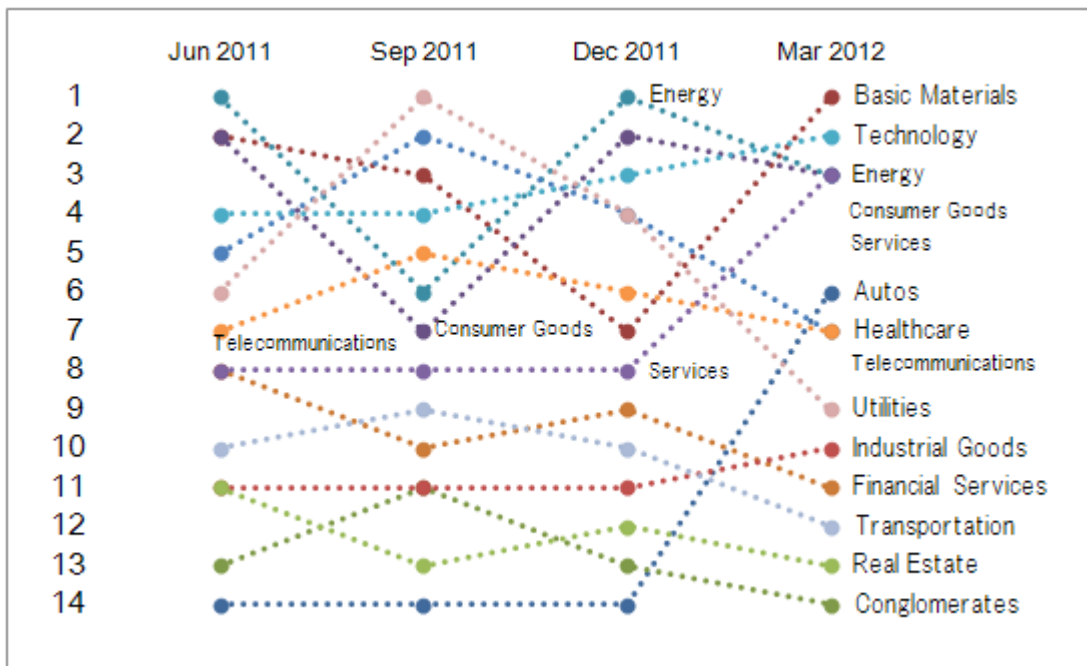
(Answers by investors/traders in the U.S.)



Energy and technology companies remained unchanged. Those that advanced were materials, healthcares, financials and real estates, which had been in the last place for the last several surveys. On the other hand, utilities and conglomerates slid.

**[Chart 8] The industry sector that will best perform in the next 3 months**

(Answers by investors/traders in Hong Kong)



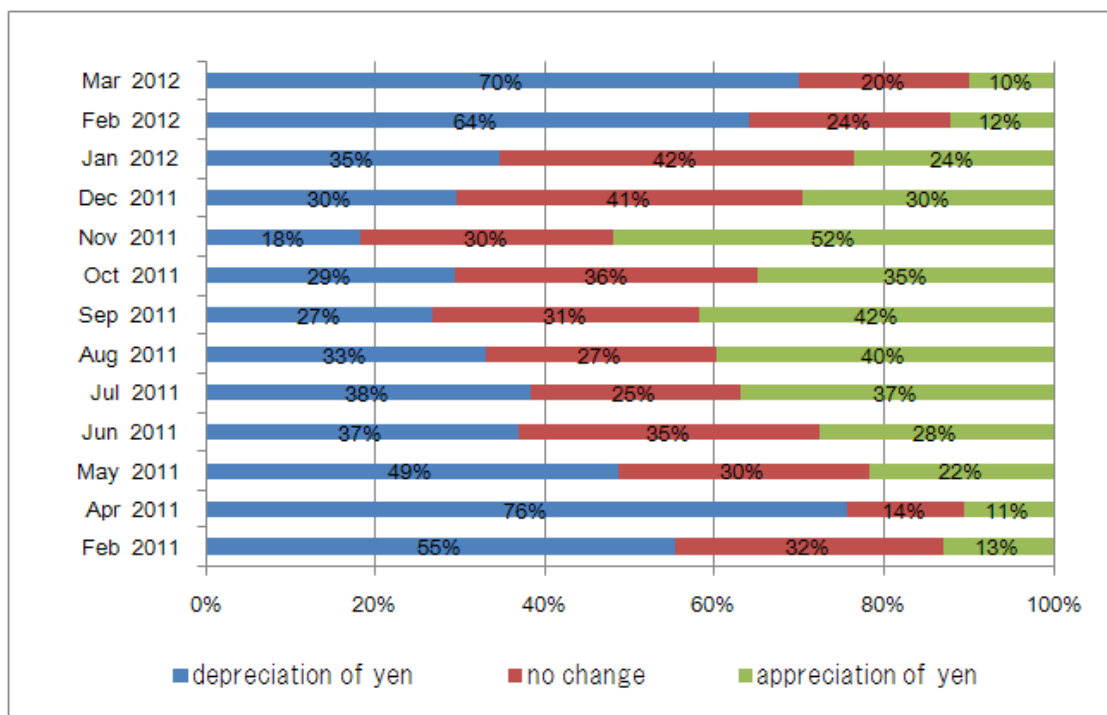
Material companies advanced considerably to the top while automobiles also gained eight places. Decliners were energy, financials, transportations, real estates and conglomerates. Utilities, which

sat in first place in September 2011, plunged following a steep decline in the previous survey.

**2 Forex and commodities markets**

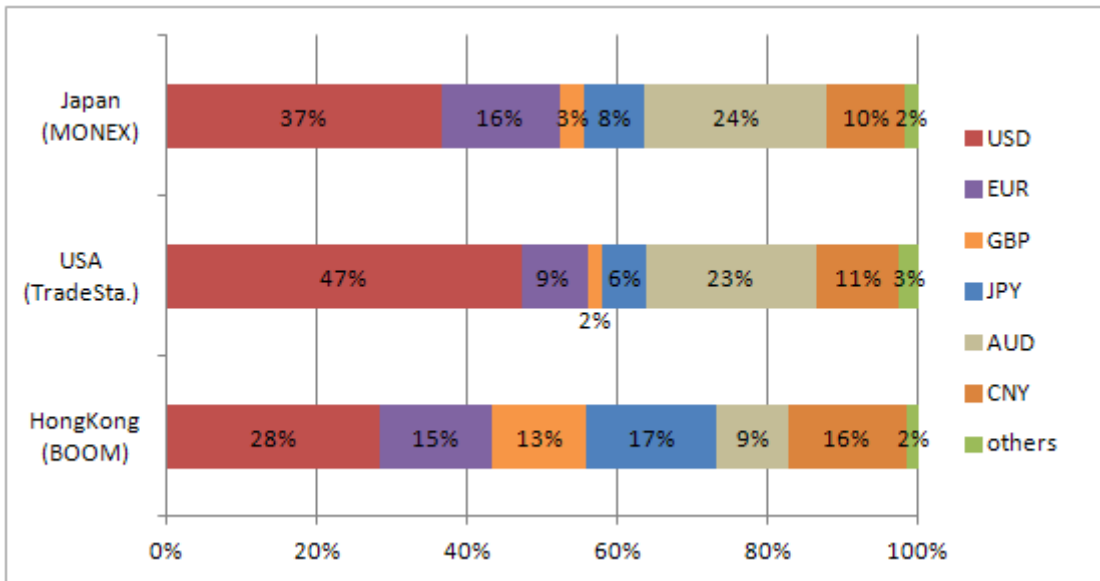
**[Chart 9] Outlook for USD/JPY for the next 3 months**

(Questions to investors in Japan only)

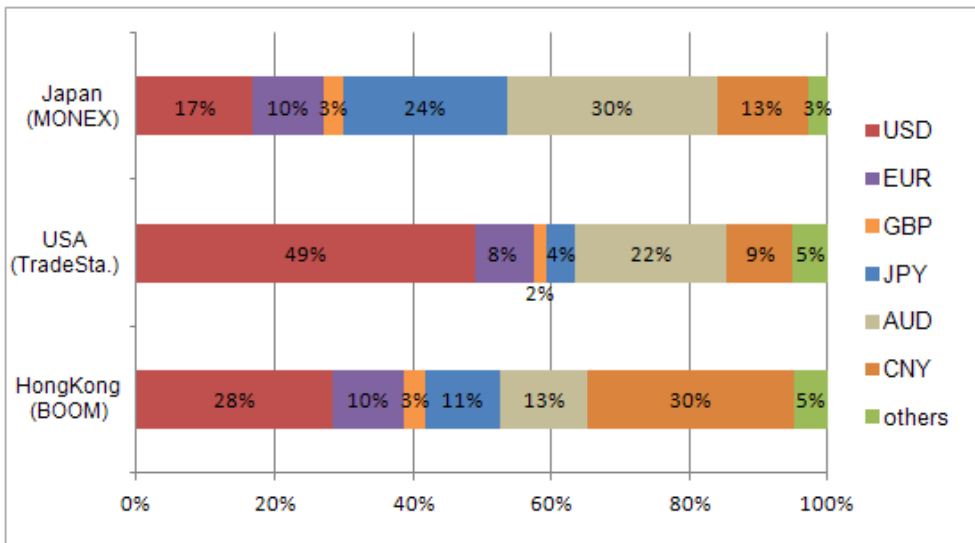


The percentage of investors expecting the Japanese yen to decline against the dollar increased by 6 points to hit 70% for the first time since April 2011.

[Chart 10] The currency that will strengthen the most for the next 3 months



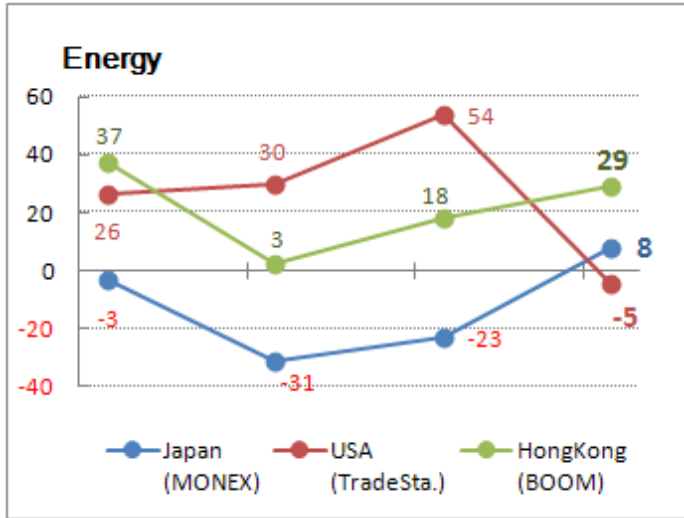
Previous results (December 2011)



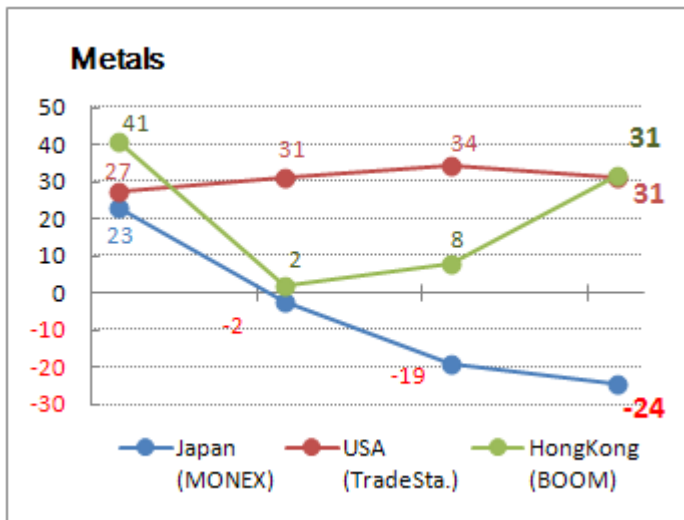
Most popular among Japanese investors was USD, gaining 20 percentage points. More Hong Kong investors picked USD than any other currency with the percentage being 28, while that of CNY slid 14 points to 16%. GBP gained 10 percentage points among Hong Kong investors to 30%, larger than the other two regions.



[Chart 11] Outlook of commodity markets for the next 3 months

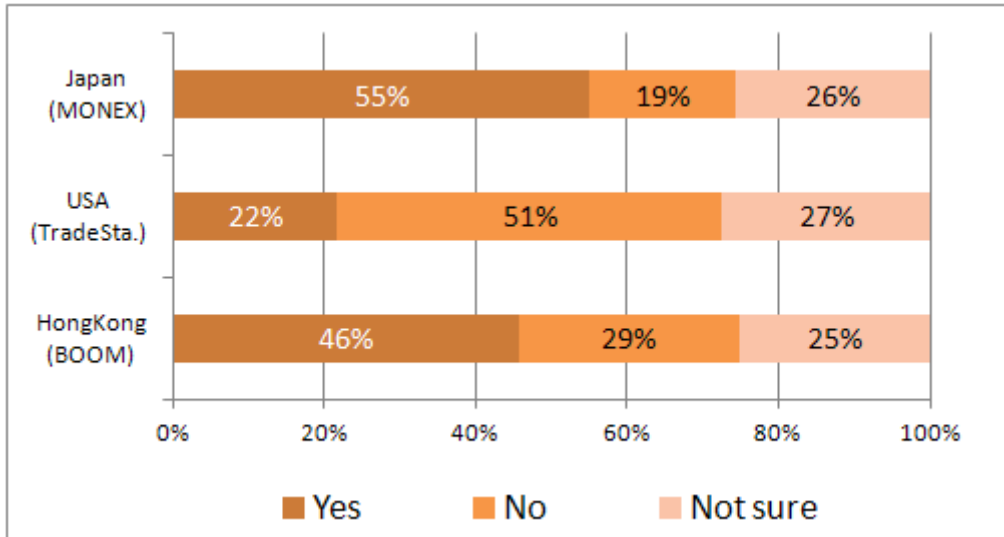


Outlook on energy prices among Japanese and Hong Kong investors advanced while that of U.S. plunged by 59 points to negative territory.



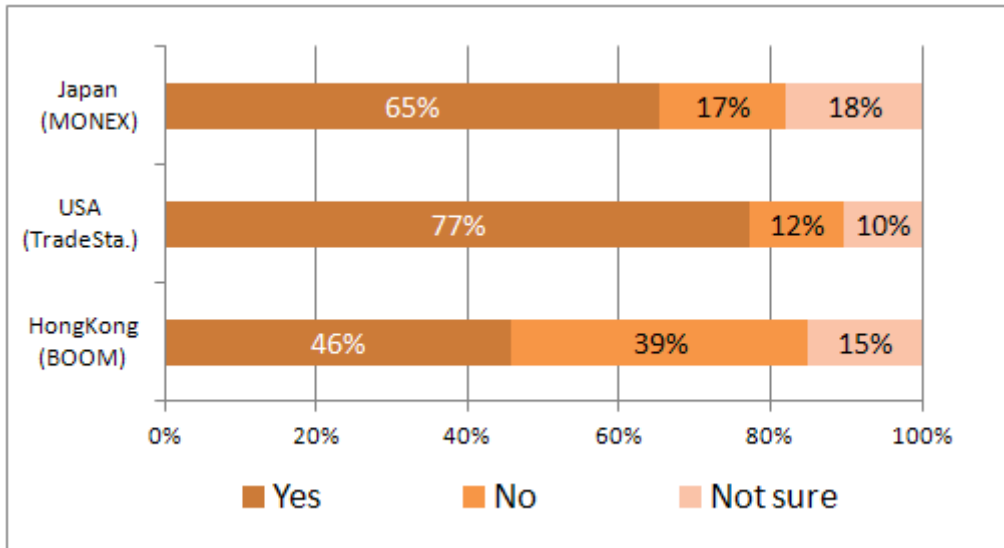
On metals, outlook among Hong Kong investors was the only gainer. Outlook in Japan as been declining since the beginning of the survey.

**[Chart 12] Since the beginning of 2012, U.S. stocks have rallied approaching 2011 high. Do you think such sentiments will expand to the rest of the world?**



Percentage of investors expecting stocks in other countries to rally along with the U.S. was highest in Japan, reaching 55%. Investors in Hong Kong came next at 46% while those in U.S. weren't so optimistic, with the reading at 22%.

**[Chart 13] Do you think the European debt crisis could once again bring large risks to the market in 2012 like it did last year?**



The percentage of investors concerned about the risk that the European debt crisis could bring was highest in the U.S., exceeding 70%. Japanese investors followed with 65%, while in Hong Kong it was 46%.

Outline of Survey & Characteristics of Respondents

**(Japan)**

Method : Internet research  
 Respondents: Customers of Monex Inc. Customers of Monex, Inc.  
 # of Responses: 1,166  
 Period: 12-14 March 2012

**【Gender】**

Male	Female
85.8%	14.2%

**【Age】**

Minor	20's	30's	40's	50's	60's	70's or over
0.1%	4.7%	22.2%	30.4%	20.8%	16.3%	5.5%

**【Financial assets】**

Under JPY 5million	JPY 5 ~ 10million	JPY 10 ~ 20million	JPY20 ~ 50million	JPY50 ~ 100million	over JPY 100million
33.1%	20.8%	21.1%	17.8%	5.7%	1.5%

**【Frequency of trading】**

day trading	few times a week	few times a month	once a few months	fewer than that
6.0%	15.0%	27.8%	26.6%	24.6%

**【Experience of stock investment】**

less than a year	2 ~ 5years	5 ~ 10years	over 10years
7.6%	23.7%	29.2%	39.5%

**(USA)**

Method: Internet research  
 Respondents: Customers of Trade Station Securities, Inc.  
 # of Responses: 193  
 Period: 5-14 March 2012

**(HK)**

Method: Internet research  
 Respondents: Customers of Monex BOOM Securities (H.K.) Limited  
 # of Responses: 127  
 Period: 5<sup>th</sup> – 14<sup>th</sup> March 2012

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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.

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