

U.S. Investors Still Sour on Global Equities, But Grow Even More Positive About Domestic Stocks and the U.S. Dollar

Monex Global Retail Investor Survey, Vol. 9 – Reveals Client Insight

Tokyo, JAPAN, Plantation, FLORIDA and Hong Kong, CHINA, June 27, 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. 9," revealing that U.S. investors are growing ever more bullish about the prospects for domestic stocks and the U.S., dollar in the third quarter of 2013. This surprising result flies in the face of broad pessimism about the outlook for global equities, as well as clear concern about how growing budget deficits and other structural problems could affect the U.S. economy going forward.

In the online survey conducted in June 2013, U.S. investors were far more upbeat about the outlook for domestic stocks and the U.S. dollar than just six months ago. In the quarterly survey conducted in December 2012, only 43% of TradeStation customers expected U.S. stocks to outperform stocks in Europe/U.K., Asia (excluding Japan) and Japan; however, that number rose 14 points to 57% in March 2013 and was up another six points in June 2013. Only 19% of U.S. investors expect Asian stocks (excluding Japan) to perform best over the third quarter of 2013, down 4 points from the March 2013 survey result. TradeStation customers were also increasingly bullish about the U.S. dollar, with more than half (53%) expecting the dollar to outperform the other major currencies in the next three months, up from 49% in March 2013 and from just 35% in last December's results.

This growing optimism comes despite persistent concern about the outlook for global markets. U.S. investors remain glum about global equities, with 40% predicting they would turn down in the third quarter of 2013, versus just 29% predicting that global stocks would rise and 31% predicting that they would remain flat. Growing optimism about U.S. shares and the dollar also trumped worries about long-term threats to the U.S. economy. When asked what single issue posed the greatest long-term threat to the U.S. economy, nearly two-thirds of respondents cited either federal budget deficits/long-term debt (37%) or weak demand/high unemployment (28%).

Respondents' expectations for their own trading volume over the next 12 months were little changed from last quarter's positive results, with half of respondents (50%) expecting their trading volume to increase (down 6 points from March) and just 7% expecting it to decrease (down 2 points from March).

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.

TradeStation customers remain relatively positive on the outlook for China, but concerns about the slowing Chinese economy have grown significantly in the last six months. Thirty-four percent of respondents cited China as the economic area outside their own that would experience the strongest GDP growth in 2013, still tops among all regions; however, that figure is down 25 points from December 2012 and 13 points from the March 2013 survey results. U.S. investors were slightly more bullish about prospects for South America, with 29% citing Latin America as the region that would experience the strongest GDP over the next 12 months, up from 26% in last quarter’s survey.

“The survey results suggest that concerns about global economic challenges haven’t dampened U.S. investors’ expectations for domestic stocks and the U.S. dollar,” said Salomon Sredni, CEO of TradeStation Group, Inc. and COO of Monex Group, Inc. “Our mission is to provide TradeStation clients with the tools and resources they’ll need to tackle what continues to be a very challenging trading environment.”

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 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, and relentlessly strives to offer its customers in Japan innovative products and services. 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 analytical and trading platforms 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 Group 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. IBFX, Inc. (Member NFA) is a Retail Foreign Exchange Dealer (RFED) that exclusively provides forex brokerage services directly and through its TradeStation Forex division. IBFX Australia Pty Ltd is registered with ASIC and provides forex brokerage services outside of the United States. 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 FCA-authorized brokerage firm, introduces UK and other European accounts to TradeStation Securities, Inc., IBFX, Inc. and IBFX Australia Pty Ltd.

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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Monex Global Retail Investor Survey

June 2013

Executive Summary

Takashi Hiroki, Chief Strategist, Monex, Inc.

As I write this comment, it is June 18. The U.S. Federal Reserve will hold its monetary policy meeting today and tomorrow. This month's meeting is being even more closely watched than usual by market participants around the world, as uncertainty regarding the timing of the Fed's policy revision is causing turmoil in the markets.

If we look at figure 11-2 (which measures changes in investors' primary focus from the previous month), we see the largest drop was in Japanese macroeconomic policy, followed by BOJ policy. On the other hand, the largest gain was in FRB policy, followed by U.S. interest rates. Simply put, investors' interests are shifting away from "Abenomics" and BOJ policy to the Fed and the interest rates that reflect its policy. This shows that Japanese investors are capable of seeing what's crucial in the market.

I have talked several times in these comments about home market bias. In this month's survey, figure 4-2 shows that investors in each region expect their home market to perform the best relative to others.

Nevertheless, the views of Japanese and H.K. investors saw some movement. Among Japanese investors, "Japan" as a subject of interest declined by more than 10 percentage points from our March survey, and H.K. investors lowered "Japan" by about 8 percentage points as well. Although home bias is still seen, there were changes in allocation among investors in those two regions. On the other hand, little change is seen in U.S. investors' views. "Japan" as a subject of interest nearly doubled in March from December, but is still little more than 10 percent, about half the figure for "Asia excl. Japan." This suggests that "Japan" is underestimated by U.S. investors.

Looking at figure 7, 47 percent, or nearly half the investors in H.K., said the CNY will be the strongest performing currency over the next three months, up significantly from 27 percent in March. Although the CNY is continuing to strengthen moderately, it is basically pegged to the U.S. dollar and therefore a little odd to be chosen as the "currency that will strengthen the most."

Summary

(1) Outlook for stocks globally slides in all areas.

(Japan, U.S., H.K.) Figure 1

The outlook for stocks globally over the next three months slid in all areas. Japanese investors' outlook, which had rallied in the previous two surveys, was especially hit hard (falling to 27 from 70 previously). The outlook of U.S. and H.K. investors also declined, though the move was moderate compared to Japan (-11 from -5 in the U.S. and 15 from 26 in H.K.).

(2) DIs for all three regions decline significantly.

(Japan) Figure 3

[Japan]	(June) 38 points from	(May) 67 points (-29)
[U.S.]	(June) 44 points from	(May) 65 points (-21)
[China]	(June) -40 point from	(May) -27 points (-13)

DIs for all three regions declined significantly in June. This reflected a severe deterioration in Japanese stocks since the last survey in May, as well as concern that the Fed might start tapering its asset purchases. The HSBC Chinese Purchasing Managers Index for manufacturers in May, which registered 49.2, also weighed on China's DI. The index declined again in June, marking the third worst reading since the survey started in June 2011.

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

(3) Expectation of the JPY weakening drops to 50%.

(Japan) Figure 6

Reflecting the continuous appreciation in yen, those who expect the yen to weaken fell by nearly 20 percentage points.

(4) Japanese retail investors' interests still heavily focused on Fed policy and U.S. interest rates.

(Japan) Figure 11

As concerns about the Fed's policy revision grow and as yields on 10-year notes inch higher, Japanese investors' interests were largely focused on Fed policy and U.S. rates. By contrast, interest in BOJ policy slid.

(5) Outlook on U.S. economy for 2013 divides U.S. and Japanese investors.

(Japan, U.S.) Figure 12

More than 70 percent of Japanese investors expect the U.S. economy to recover within the year,* while only 50 percent of U.S. investors expect the same outcome.

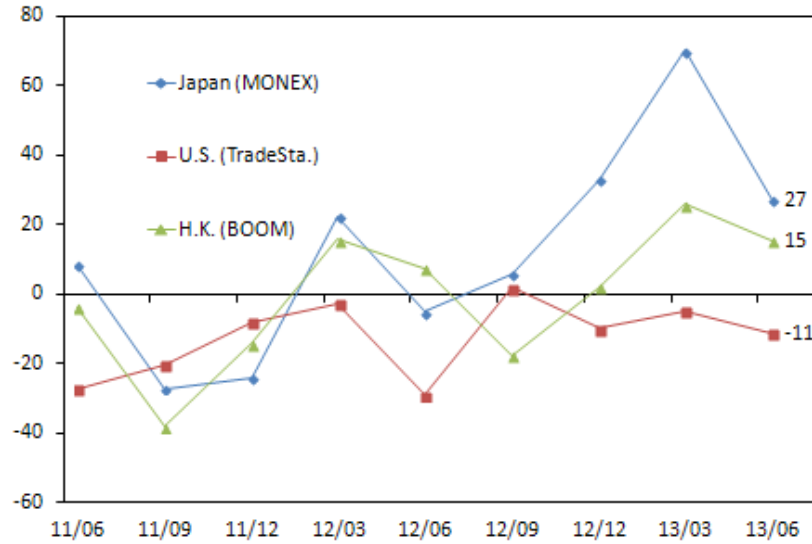
(*“Early in the year” and “throughout the year” added together.)

Results

1. Equities

Figure1: Outlook on Stocks Globally for the Next 3 Months

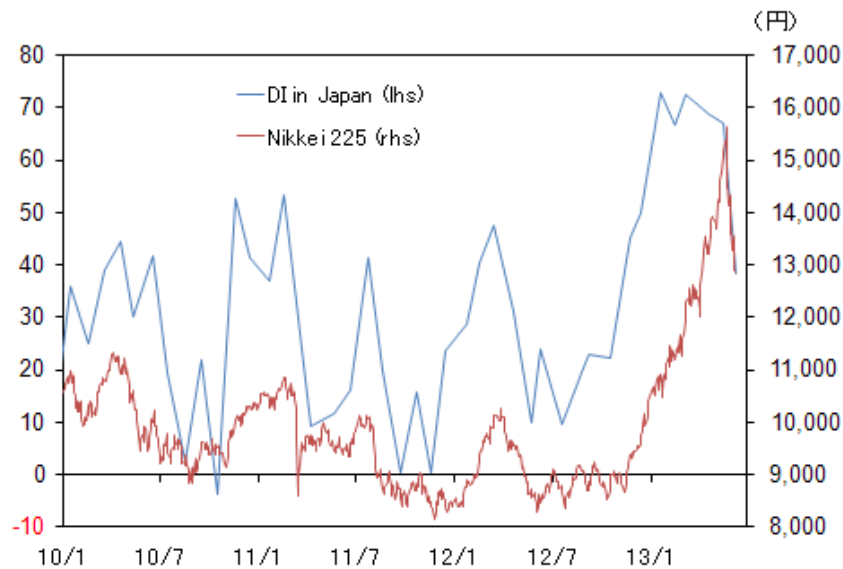
(Japan, U.S., HK)



Source: Monex Securities

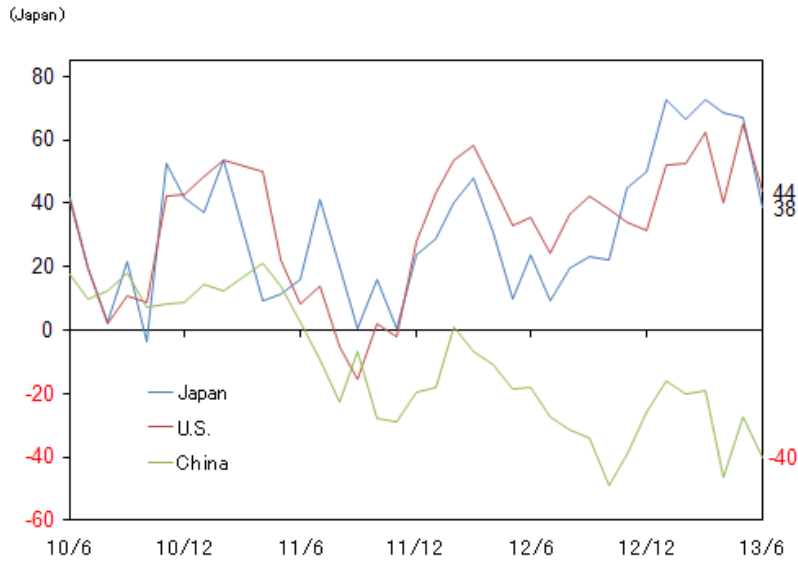
Figure2: Japanese Investor's Domestic DI and Nikkei 225

(Japan)



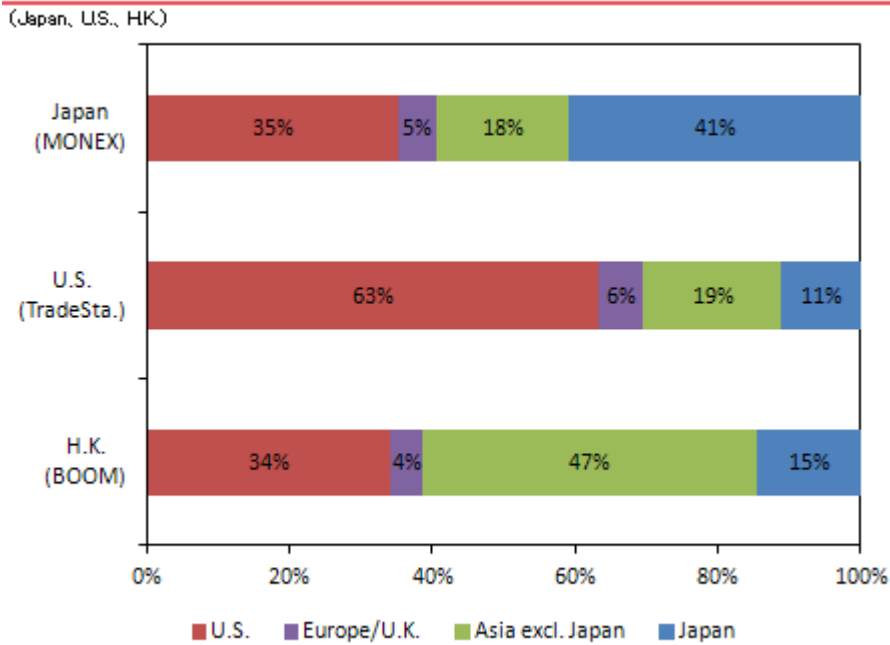
Source: Monex Securities

Figure3: Outlook on Stocks in Japan, U.S. and China



Source: Monex Securities

Figure4-1: Areas of Best Equity Performance



Source: Monex Securities

Figure4-2: Areas of Best Equity Performance

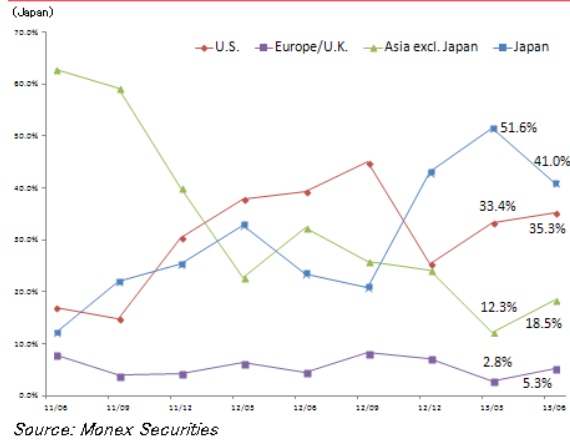


Figure4-3: Areas of Best Equity Performance

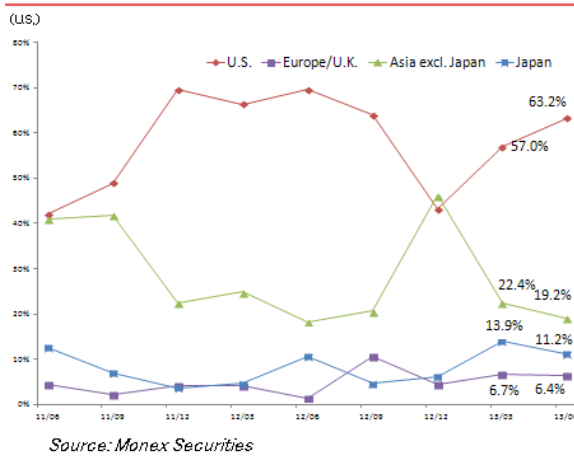


Figure4-4: Areas of Best Equity Performance

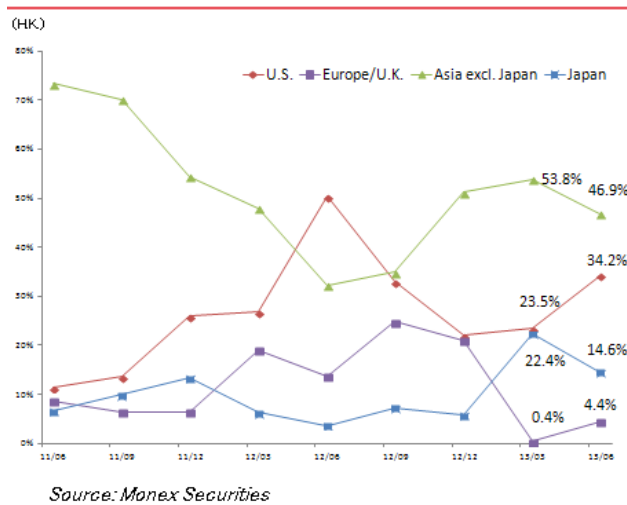
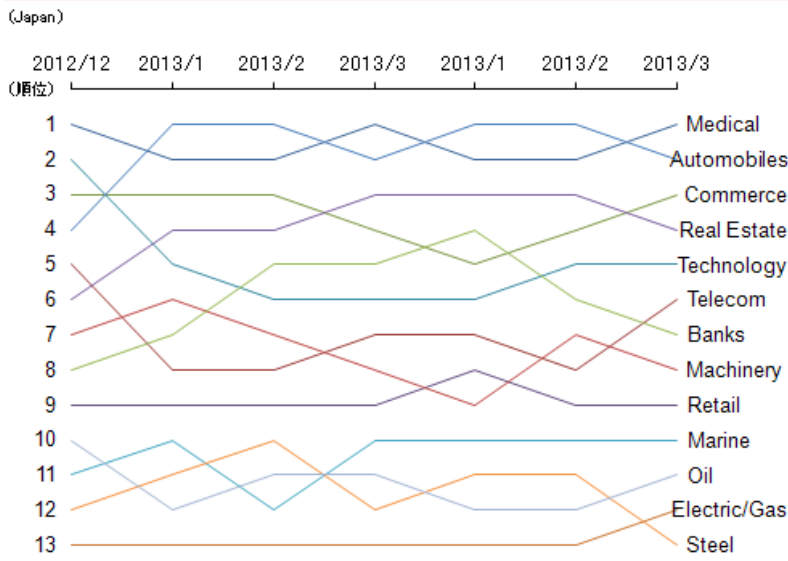


Figure5: Attractive Sectors in Japan (Monthly)



Source: Monex Securities

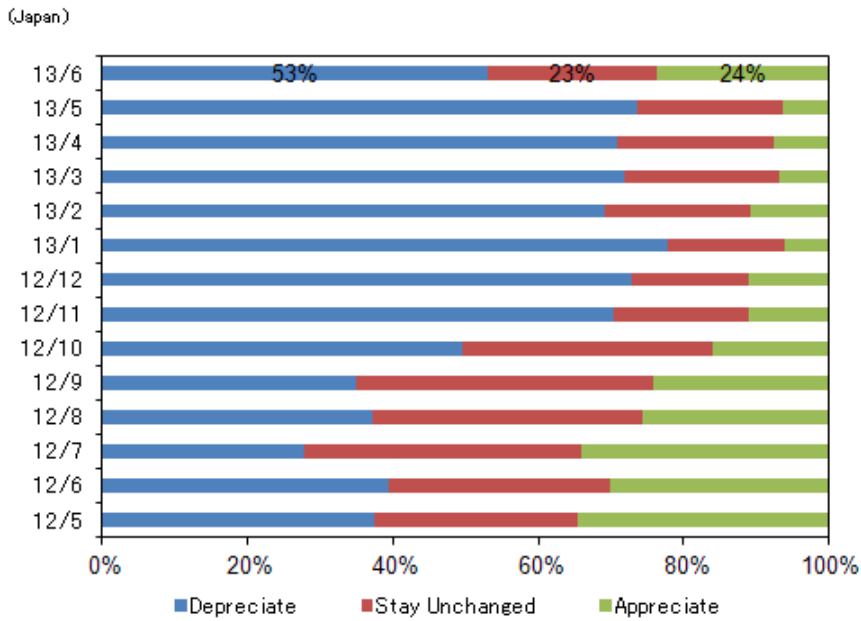
Attractive Sectors in U.S. and Hong Kong (Quarterly)

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

Previous rank in ()

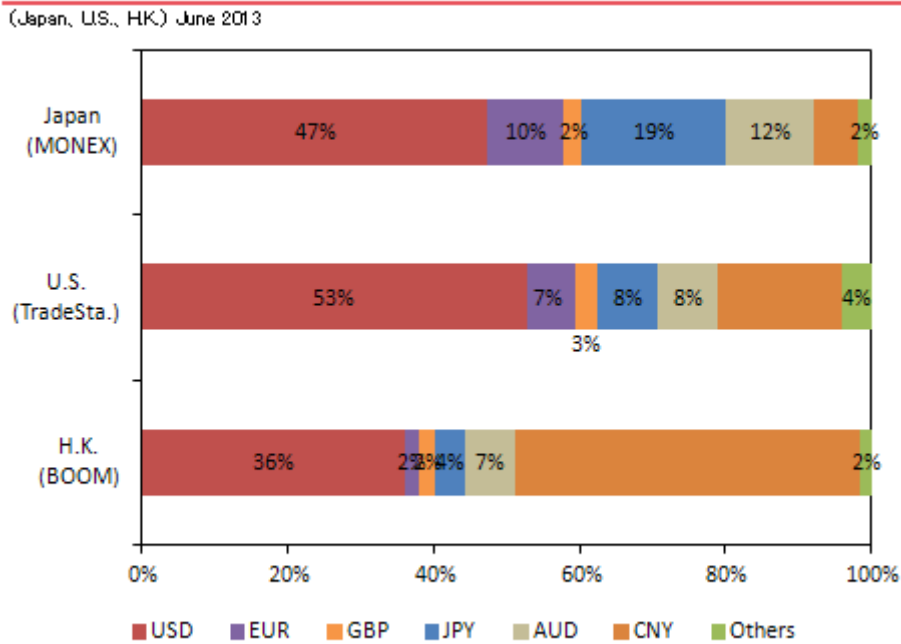
2. Currencies

Figure6: JPY Against the Dollar for the Next 3 Months



Source: Monex Securities

Figure7: Strongest Currency Over the Next 3 Months

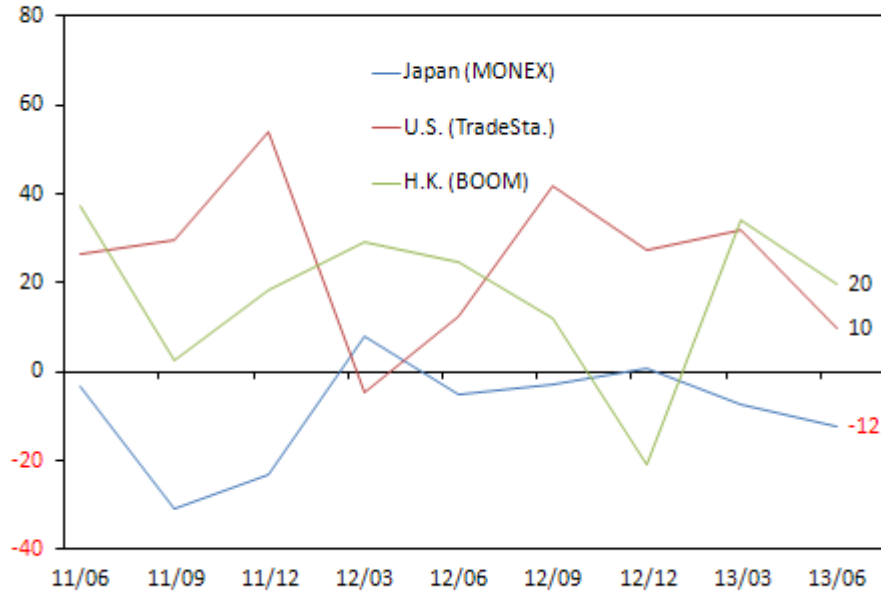


Source: Monex Securities

3. Commodities

Figure8: Energy

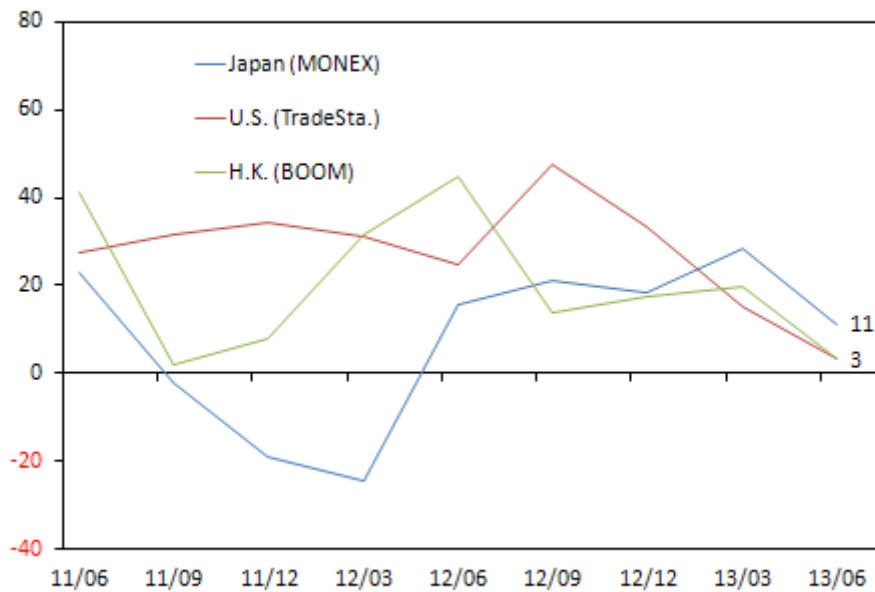
(Japan, U.S., HK.)



Source: Monex Securities

Figure9: Metals

(Japan, U.S., HK.)



Source: Monex Securities

4. Topic

Figure11-1: Topic

(Japan)

	Japan	U.S.	Europe	China (incl.H.K.)	emerging country (excl.China)
corporate performance	82.4%	42.3%	10.8%	9.7%	10.2%
macroeconomics	54.7%	54.6%	25.1%	21.2%	20.5%
developments in exchange markets	68.4%	64.7%	25.7%	7.1%	11.9%
rate movements	68.8%	45.4%	20.9%	4.0%	7.1%
monetary policy	72.5%	55.2%	27.2%	10.3%	8.2%
politics,diplomacy	70.4%	48.0%	24.2%	40.5%	19.1%

Source: Monex Securities

Figure11-2: Topic (Previous)

(Japan)

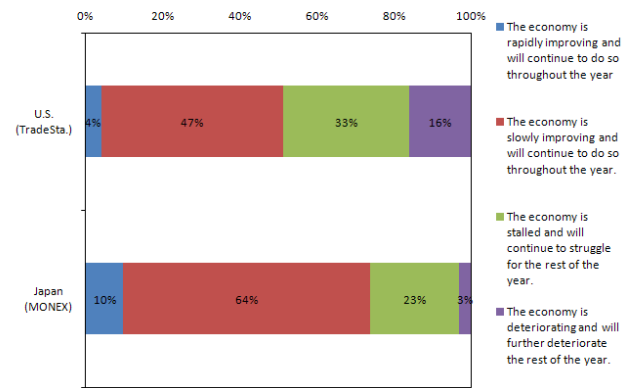
	Japan	U.S.	Europe	China (incl.H.K.)	emerging country (excl.China)
corporate performance	-2.8%	-1.2%	-2.3%	-0.5%	-0.3%
macroeconomics	-4.2%	-0.2%	-2.0%	0.8%	1.1%
developments in exchange markets	-2.1%	1.8%	-3.2%	0.5%	-2.5%
rate movements	-1.2%	3.7%	-0.7%	-1.5%	-2.1%
monetary policy	-3.4%	5.1%	-2.4%	-0.6%	-1.0%
politics,diplomacy	-1.3%	-0.8%	-3.3%	1.7%	-1.2%

Source: Monex Securities

5. Performance of U.S. 2013

Figure12: Performance of U.S. 2013

(Japan,U.S.)



Source: Monex Securities

Outline of Survey & Characteristics of Respondents

(Japan)

Method : Internet research

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

of Responses: 1,457

Period: 7 – 10 June, 2013

【Gender】

Male	Female
83.3%	16.7%

【Age】

Minor	20s	30s	40s	50s	60s	70s or over
0.1%	4.5%	19.0%	30.4%	22.1%	17.0%	6.9%

【Financial assets】

Under JPY 5 million	JPY 5 ~ 10 million	JPY 10 ~ 20 million	JPY20 ~ 50 million	JPY50 ~ 100 million	over JPY 100 million
27.7%	22.4%	19.1%	20.1%	8.5%	2.3%

【Frequency of trading】

day trading	few times a week	few times a month	once a few months	fewer than that
6.0%	18.8%	32.7%	23.3%	19.1%

【Experience of stock investment】

less than a year	2 ~ 5 years	5 ~ 10 years	over 10 years
9.2%	19.5%	27.0%	44.3%

(United States)

Method: Internet research

Respondents: Customers of TradeStation Securities, Inc.

of Responses: 122

Period: 3 – 9 June, 2013

(Hong Kong)

Method: Internet research

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

of Responses: 687

Period: 3 – 9 June, 2013

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.

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