

Twelfth Monex Global Retail Survey

Individual investors' expectations for the U.S. market grows.

The DI of the forecast for world stock markets by individual investors for the coming three months remained positive, meaning investors believe that world stock markets will grow overall in Japan, China (Hong Kong) and the U.S, according to the Twelfth Monex Global Retail Survey conducted in March 2014. The expectations of Japanese individual investors for the U.S. market exceeded their expectations for the Japanese market for the sixth straight quarter. While individual investors in Japan judged “Medical”, “Automobiles” and “Commerce” to be the three most attractive industry sectors, individual investors in the U.S. and China (H.K.), ranked “Technology”, “Healthcare” and “Energy” as their top three sectors.

Summary Findings (Please refer to the attached report for details)

(1) In each region, individual investors are optimistic about the prospects for world stock markets in the coming three months.

[Figure 1 on Page 6] [Survey of individual investors in Japan, the U.S. and China (H.K.)]

[Forecast DI: Japan]	November 2013: 48 → March 2014: 11 (-37 points)
[Forecast DI: U.S.]	November 2013: 27 → March 2014: 20 (-7 points)
[Forecast DI: China(H.K.)]	November 2013: 50 → March 2014: 30 (-20 points)

In Japan, the U.S. and China(H.K.), investors are optimistic about and foresee growth in world stock markets in the coming three months. However, the percentage of individual investors who foresee growth decreased to a large extent, especially in Japan and China (H.K.), compared to the previous survey on November 2013.

(2) For individual investors in Japan, the Japanese Stocks DI fell, while the U.S. Stocks DI and Chinese Stocks DI increased slightly.

[Figure 3 on Page 7] [Survey of individual investors in Japan]

[Japanese Stocks DI]	February 2014: 25 → March2014: 15 (-10 points)
[U.S. Stocks DI]	February 2014: 38 → March2014: 42 (+4 points)
[Chinese Stocks DI]	February 2014: -54 → March2014: -49 (+5 points)

When asked about forecast for the stock markets in Japan, the U.S. and China for the coming

three months, individual investors in Japan are optimistic and think the Japanese market will grow, but the percentage of investors with this view decreased compared to the previous survey. Individual investors who think the U.S. market will grow slightly increased. For the Chinese market, the percentage of individual investors who think it will dip is bigger than that of those who think it will grow; however, the percentage of investors in the latter group decreased.

(3) Japanese individual investors have higher expectations for their investments in the U.S. than in Japan for the sixth straight quarter.

[Figure 4 on Page 7 to 8] [Survey of individual investors in Japan, the U.S. and China(H.K.)]

Japanese individual investors' outlook for the U.S. has exceeded that for Japan for six consecutive quarters, which may be due to S&P500 recording an all-time high during this survey period. (Japan: 29.2% (-14.3 points from the previous survey), the U.S.: 45.2% (+7.3 points from the previous survey))

Individual investors in China (H.K.) have high expectations for Asia (excluding Japan) and the U.S.: 40.9% (-11.6 points from the previous survey) and 39.2% (+7.6 points from the previous survey), respectively. U.S. individual investors continue to be bullish on U.S.: 61.2% (-2.2 points from the previous survey).

(4) Technology, Healthcare and Energy related stocks are popular among individual investors in the U.S. and China (H.K.).

[Figure 5 on Page 9] [Survey of individual investors in Japan, the U.S. and China(H.K.)]

As for the "Preferred Sector Ranking" that Japanese individual investors find attractive, "Medical" finished first for the first time in nine months. Other industries that had a positive change in ranking were "Commerce" (ranking third compared to fourth in the previous survey), "Technology" (fourth compared to sixth previously), "Machinery" (ranking seventh compared to eighth), "Marine" (ranking ninth compared to tenth) and "Oil" (ranking eleventh compared to twelfth). Rankings fell for "Automobiles" (ranking second compared to first in the previous survey), "Banks" (ranking eighth compared to sixth previously), "Steel" (ranking tenth compared to ninth) and "Retail" (ranking twelfth compared to eleventh). "Real Estate," which ranked among the top three sectors for seven consecutive months, fell to fifth in the rankings.

In the "Preferred Sector Ranking," both U.S. and China (H.K.) individual investors picked the same top sectors: "Technology," "Healthcare" and "Energy." "Energy" did not rank in top three in the U.S. and China (H.K.) in the previous survey, but this time ranked third. Attractive sectors

for individual investors in the U.S. and China remain the same. “Automobiles”, popular in Japan ranked last (fourteenth) in the U.S. and ranked twelfth in China.

*Previous survey of Japanese individual investors was conducted in February 2014.

Previous survey of U.S. and Chinese (H.K.) individual investors was conducted in November 2013.

(5) Japanese individual investors expressed growing interest in European politics and diplomatic issues.

[Figure 11, Figure 11-2 on Page 13] [Survey of individual investors in Japan]

The percentage of Japanese individual investors interested in the Japanese corporate performance decreased slightly from the previous survey conducted in February 2014, but remained high overall (85.9%, -0.8% from the previous survey). Japanese investors expressed growing interest in European politic and diplomatic issues (36.7%, +16.1% from the previous survey), which may be due to the volatile political situation in Ukraine.

(6) Investors in all regions are optimistic about the U.S. economy over the next year.

[Figure 12 on Page 14] [Survey of individual investors in Japan, the U.S. and China(H.K.)]

When asked about the prospects for the U.S. economy after the execution of the Fed’s quantitative easing policy, more than 60% of individual investors in all regions were optimistic about its continuing improvement.

(Japan: 61.9%, U.S.: 68.1%, China (H. K.): 71.2%)

(7) Investors not likely to be influenced by midterm elections in the U.S.

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When asked about the impact of midterm election in the U.S., individual investors in the U.S. said they do not expect to be influenced it, with even greater percentages of investors in Japan and China.

(Japan: 48.5%, U.S.: 40.2%, China (H. K.): 55.2%)

Please refer the details of the result of survey in the attached separate report.

(*1) Outline of the surveys conducted in Japan, the U.S. and China (H.K.)

	Japan	U.S.	China (H. K.)
Survey period	Mar7–Mar10,2014	Feb24–Mar4,2014	Feb24–Mar7,2014
# of responses	1,105	116	576

(*2) DI (diffusion index) : Percentage of people who answered “world stock market prices will increase” deducted

by percentage of people who answered “world stock market prices will decrease”

Monex Global Retail Investor Survey

March 2014

Executive Summary

Takashi Hiroki, Chief Strategist, Monex Inc.

In the recently completed Monex Global Retail Survey, individual investors in both the U.S. and China (Hong Kong) consider the most attractive industries to be “Technology”, “Healthcare” and “Energy,” with “Durable Goods,” “Conglomerates,” “Real Estate” and “Automobiles” viewed as the least attractive sectors by investors in both regions (See Figure 5.).

The reason that individual investors in both the U.S. and Hong Kong share this inclination may owe to the fact that they also share a similar economic environment. While this may be difficult to understand intuitively, the Hong Kong dollar is pegged to the U.S. dollar. Interest rates in both countries must be synchronized in order to peg the exchange rate, thus basically linking the interest rate in Hong Kong to that of the U.S. In other words, the environment for both exchange rates and interest rates is identical in Hong Kong and the U.S.

Similarly, the “Real Estate” sector is less attractive to individual investors in both the U.S. and Hong Kong, which may be because the outlook for interest rates affecting the real estate market is also something the two regions have in common. The coming end of quantitative easing in the U.S. also is expected to help raise interest rates in Hong Kong, which in turn is likely to affect real estate prices in Hong Kong.

Hong Kong’s government recently introduced additional measures to suppress the rise in housing prices. It has raised the rate of stamp duty relating to real estate transactions to protect them from speculative investment by non-resident investors. This has directly influenced the upscale residential market in Hong Kong, which was the hub investment target for major investors in mainland China, who have triggered a situation of low housing transaction volume and price deterioration in the past.

Partial capital generated by the U.S. policy of quantitative easing may enter the real estate

market in Hong Kong. The tapering of this policy and, normalization of the U.S. economy is likely to bring further adjustments in the real estate market in Hong Kong.

Takashi Hiroki, Chief Strategist, Monex, Inc.

Summary

(1) Prospects of individual investors over world stock markets for the coming three months in each region are optimistic

[Figure 1 on Page 6] [Survey of individual investors in Japan, the U.S., and China (Hong Kong)]

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Prospects over world stock markets for the coming three months of individual investors in Japan, the U.S. and China are optimistic where they think it would grow. However, the percentage of individual investors that think it would grow decreased to a large extent, especially in Japn and China (H.K.), compared to the previous survey on November 2013.

*1. DI: The percentage of people who answered “world stock market prices will increase” minus the percentage of people who answered “world stock market prices will decrease”

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When asked about forecast for the stock markets in Japan, the U.S. and China for the coming three months, individual investors in Japan are optimistically think the Japanese market would grow, but its percentage decreased compared to that in the previous survey. Individual investors who think the U.S. market would grow slightly increased. For the China market, the percentage of individual investors that think it would take a dip is bigger than that of individual investors that think it would grow; however, the percentage of the latter group decreased.

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*Previous survey of Japanese individual investors was conducted in February 2014.

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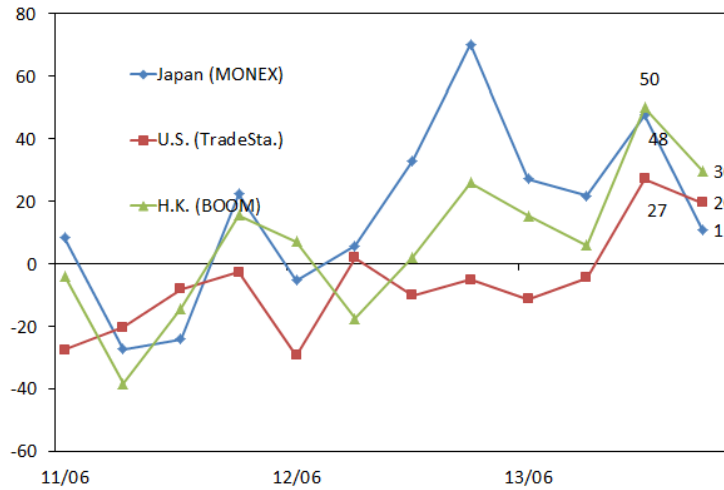
(Japan: 48.5%, U.S.: 40.2%, China (H.K.): 55.2%)

Results

1. Equities

Figure1: Outlook on Stocks Globally for the Next 3 Months

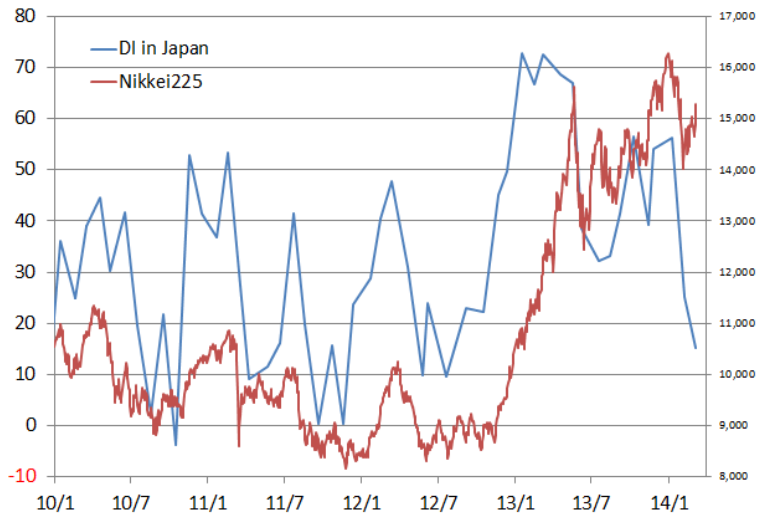
(Japan, U.S., China(HK))



Source: Monex, Inc.

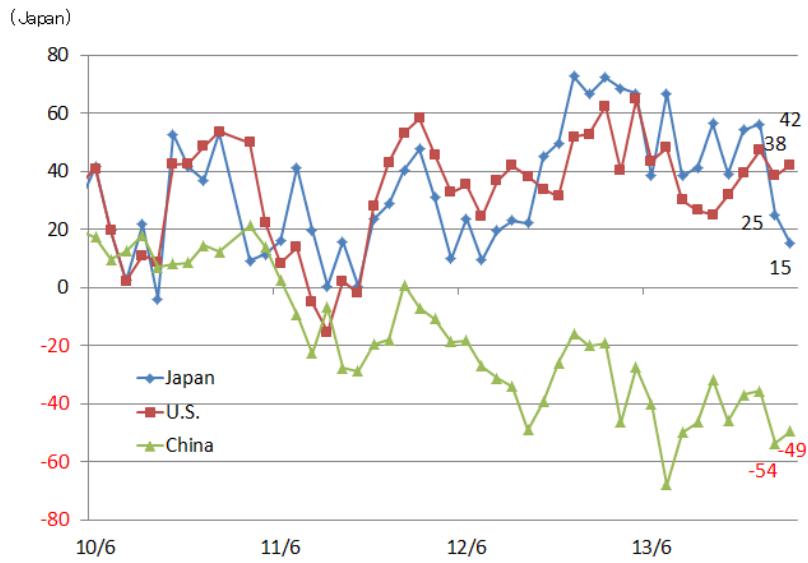
Figure2: Japanese Investor's Domestic DI and Nikkei 225

(Japan)



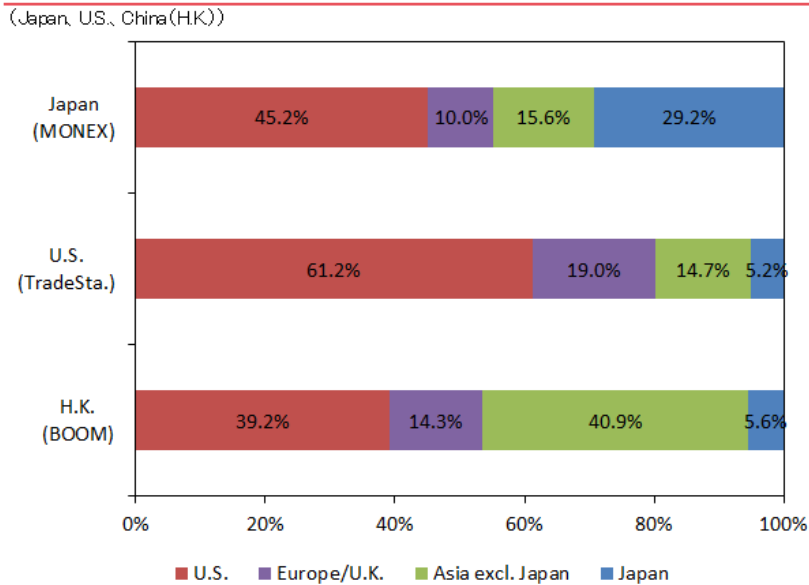
Source: Monex, Inc.

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



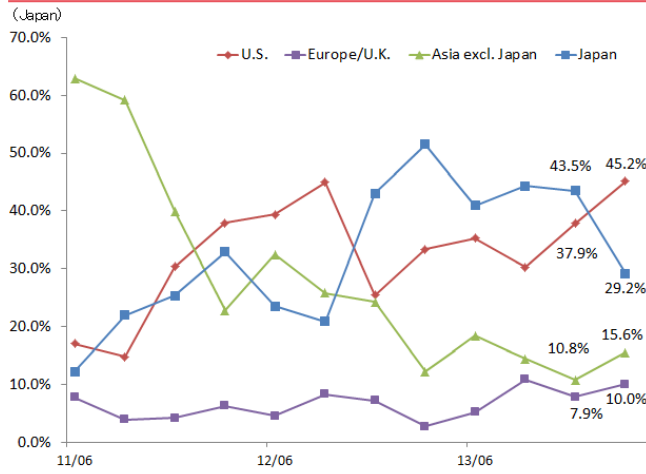
Source: Monex, Inc.

Figure4-1: Areas of Best Equity Performance



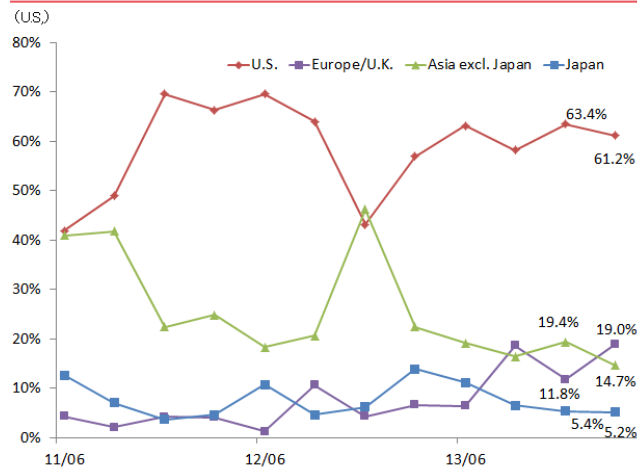
Source: Monex, Inc.

Figure4-2: Areas of Best Equity Performance



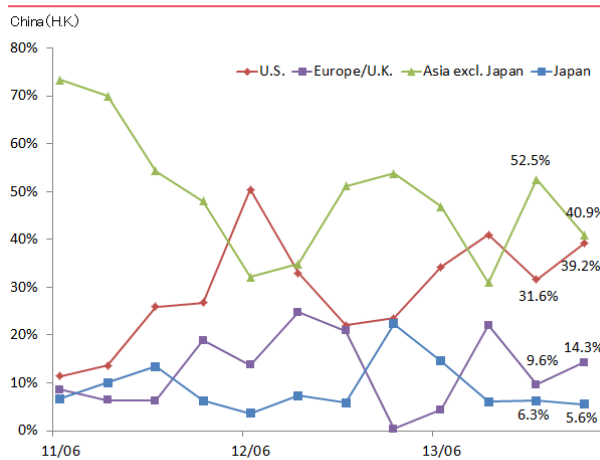
Source: Monex, Inc.

Figure4-3: Areas of Best Equity Performance



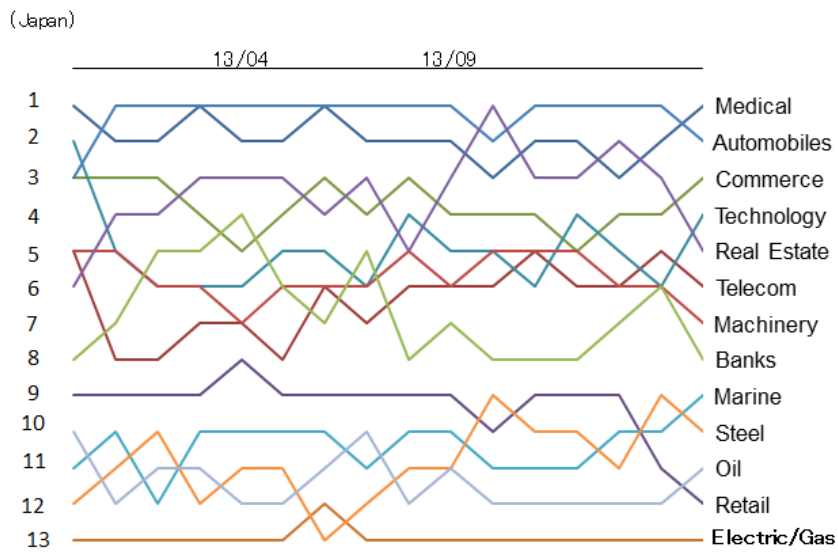
Source: Monex, Inc.

Figure4-4: Areas of Best Equity Performance



Source: Monex, Inc.

Figure5: Attractive Sectors in Japan (Monthly)



Source: Monex, Inc.

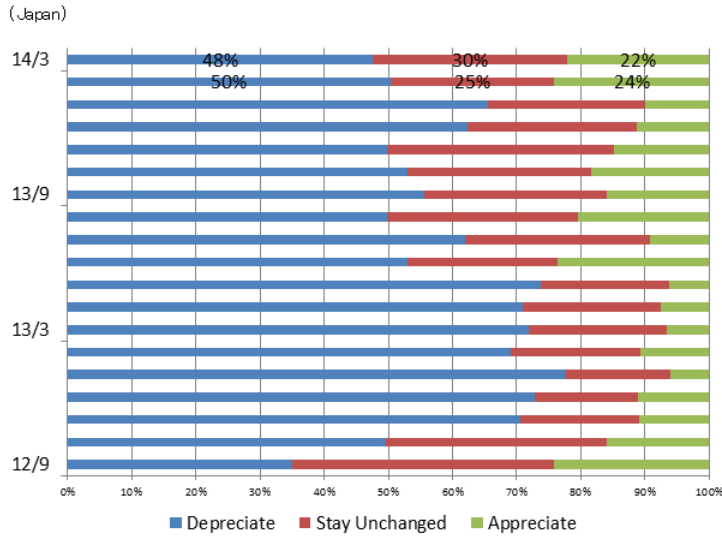
Attractive Sectors in U.S. and Hong Kong (Quarterly)

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

Previous rank in ()

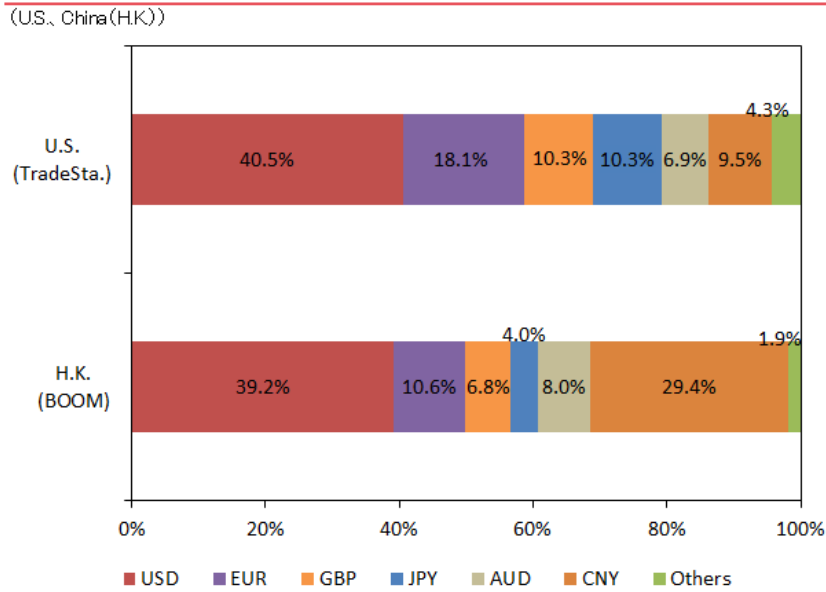
2. Currencies

Figure6: JPY Against the Dollar for the Next 3 Months



Source: Monex, Inc.

Figure7: Strongest Currency Over the Next 3 Months

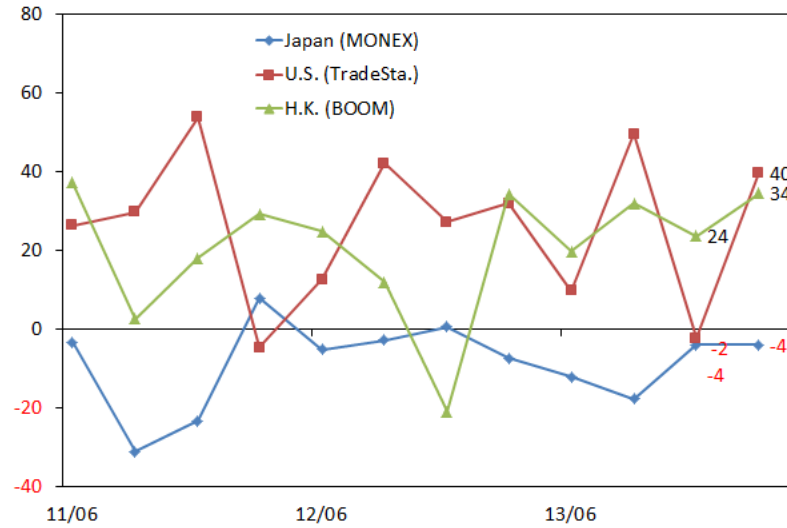


Source: Monex, Inc.

3. Commodities

Figure8: Energy

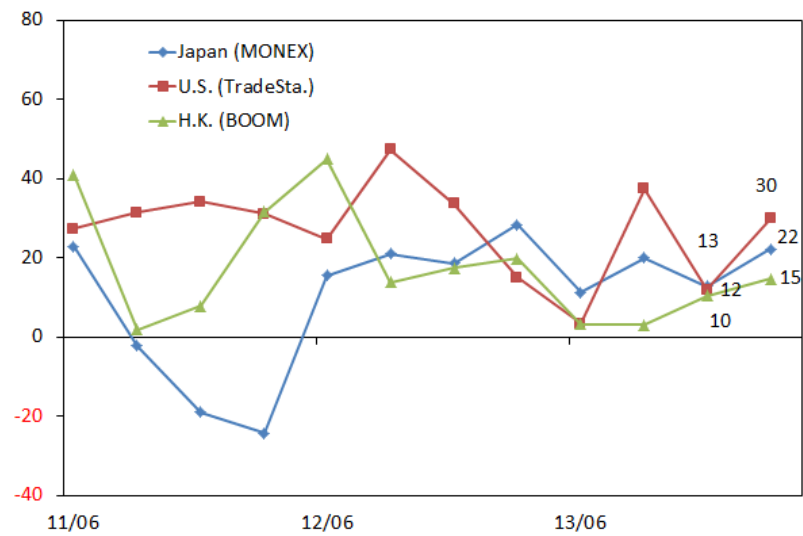
(Japan, U.S., China(H.K.))



Source: Monex, Inc.

Figure9: Metals

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

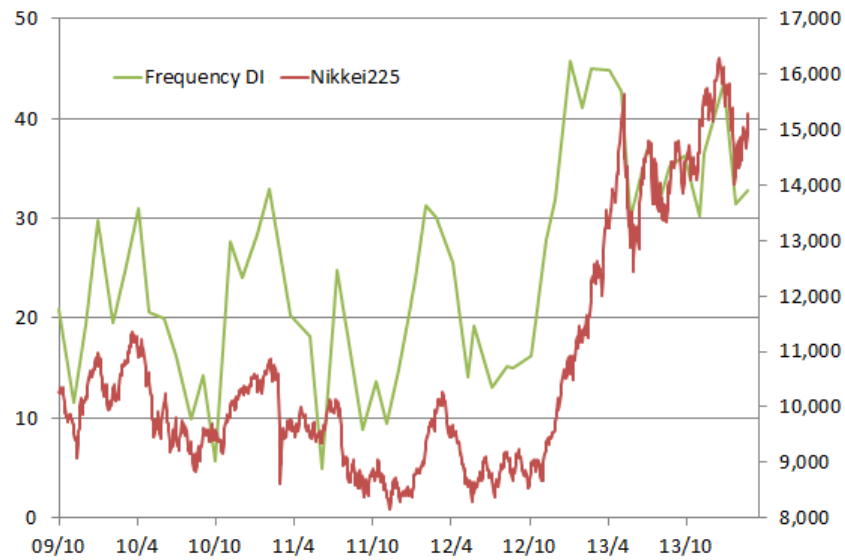


Source: Monex, Inc.

4. About Japanese stock dealings

Figure10:Dealing frequency for the Next 3 Months

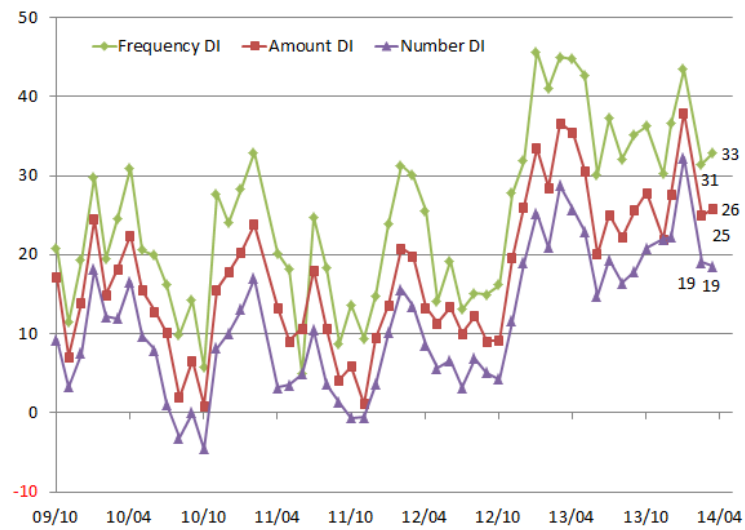
(Japan)



Source: Monex,Inc.

Figure10_2:Dealing frequency for the Next 3 Months

(Japan)



Source: Monex,Inc.

5. Topics individual investors look out for

Figure11: Topic (Previous)

(Japan)

	Japan	U.S.	Europe	China (incl.HK)	emerging country (excl.China)
corporate performance	-0.8%	-3.8%	1.7%	1.0%	2.6%
macroeconomics	-0.6%	-3.3%	-0.9%	4.5%	-1.8%
developments in exchange rate movements	-4.3%	2.7%	0.8%	2.6%	-1.5%
monetary policy	3.0%	-1.4%	2.6%	2.4%	-0.5%
politics, diplomacy	5.2%	-4.9%	2.7%	3.6%	0.0%
	-3.5%	9.0%	16.1%	5.4%	5.2%

Source: Monex, Inc.

Figure11-2: Topic

(Japan)

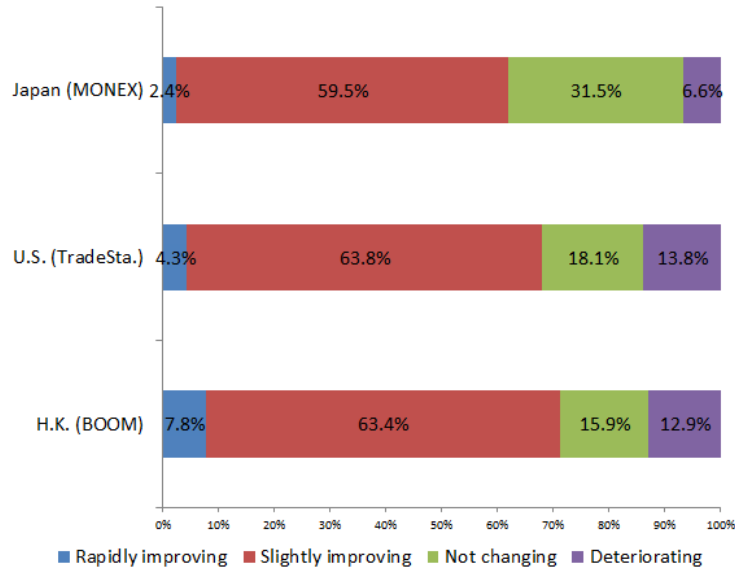
	Japan	U.S.	Europe	China (incl.HK)	emerging country (excl.China)
corporate performance	85.9%	44.3%	12.9%	11.9%	11.7%
macroeconomics	58.9%	61.0%	26.8%	28.6%	19.9%
developments in exchange rate movements	66.4%	68.3%	28.1%	10.4%	16.4%
monetary policy	62.4%	56.5%	22.1%	10.5%	15.2%
politics, diplomacy	70.7%	63.4%	28.9%	19.0%	13.1%
	67.1%	63.7%	36.7%	47.0%	26.8%

Source: Monex, Inc.

6. Outlook on the U.S. economy by tapering of quantitative easing by the FRB

Figure12: Overview of the U.S. economy In The Next Year

(Japan, U.S., China(HK))

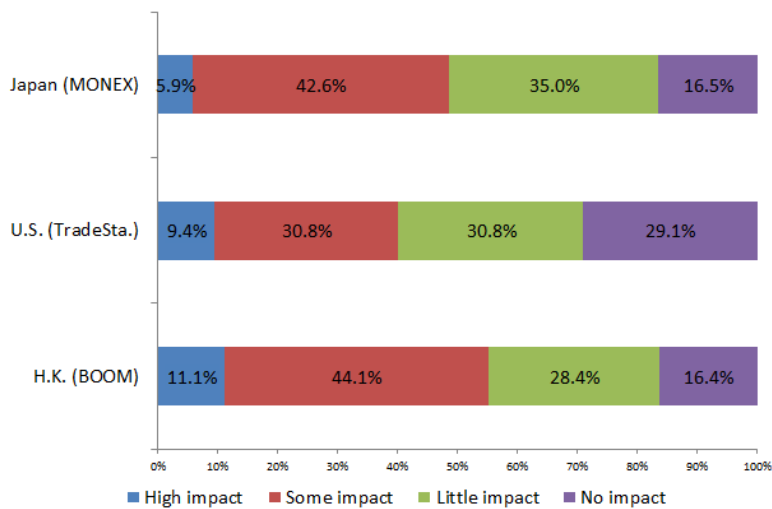


Source: Monex, Inc.

7. The influence on investment of the U.S. midterm election

Figure13: The influence on investment of the U.S. midterm election

(Japan, U.S., China(HK))



Source: Monex, Inc.

Outline of Survey & Characteristics of Respondents

(Japan)

Method : Internet research
 Respondents: Customers of Monex Inc. Customers of Monex, Inc.
 # of Responses: 1,105
 Period: 7-10 March 2014

【Gender】

Male	Female
83.5%	16.5%

【Age】

Minor	20's	30's	40's	50's	60's	70's or over
0%	3.0%	19.3%	31.3%	21.0%	18.1%	7.4%

【Financial assets】

Under JPY 5million	JPY 5 ~ 10million	JPY 10~ 20million	JPY20~ 50million	JPY50~ 100million	over JPY 100million
28.7%	23.5%	18.5%	18.4%	8.1%	2.8%

【Frequency of trading】

day trading	few times a week	few times a month	once a few months	fewer than that
6.3%	16.9%	34.1%	25.5%	17.1%

【Experience with stock investing】

less than a year	2~5years	5~10years	over 10years
10.7%	18.9%	25.2%	45.2%

(United States)

Method: Internet research
 Respondents: Customers of Trade Station Securities, Inc.
 # of Responses: 116
 Period: 24 February 2014 – 4 March 2014

(Hong Kong)

Method: Internet research
 Respondents: Customers of Monex BOOM Securities (H.K.) Limited
 # of Responses: 576
 Period: 24 February 2014 – 7 March 2014

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, options, 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.