

For Immediate Release

Monex, Inc.
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Fourteenth Monex Global Retail Investor Survey

Retail investors in all regions are bullish on stock market performance worldwide in the coming three months.

In the Fourteenth Monex Global Retail Survey* conducted in September 2014, the forecast DI (diffusion index)** for world stock markets for the coming three months shows that the majority of respondents in all three regions – the United States, Japan, and Hong Kong – answered “World stock market prices will increase,” suggesting that retail investors are optimistic. Asked about the most promising region in the coming three months, retail investors in Japan have the highest expectations for the United States for the first time in two quarters. U.S. retail investors’ expectations for U.S. stocks are at their highest point since this survey was first conducted.

Summary Findings

1. Global Survey Results: Survey of Retail investors in Japan, the U.S. and China (H.K.)

(1-1) Retail investors in all regions are bullish on world stock markets for the coming three months.

[Figure 1 on Page 3]

[Forecast DI: Japan] June 2014: 36 → Sep 2014: 26 (-10 points)

[Forecast DI: U.S.] June 2014:-5 → Sep 2014:12 (+17 points)

[Forecast DI: China (H.K.)] June 2014: 27→ Sep 2014: 35 (+8 points)

We asked retail investors about world stock markets for the coming three months. The forecast DI shows that the percentage of respondents who answered “World stock market prices will increase” declined in Japan from the previous survey, but in all three regions, a majority of respondents answered “World stock market prices will increase.” The results suggest that retail investors are optimistic.

(1-2) U.S. investors’ expectations for U.S. stocks are at their highest point; Japanese expectations for the U.S. have risen.

[Figure 2-1~2-4 on Page 4]

We asked retail investors in each region about the most promising region in terms of stock prices in the coming three months. Japanese retail investors have the highest expectations for the United States for the first time in two quarters.

U.S. retail investors' expectations for the United States were at their highest point since this survey was first conducted in June 2011. Hong Kong retail investors continue to prefer their own region.

[Japan] U.S.: 43.4% Europe/U.K.: 6.6% Asia excl. Japan: 17.0% Japan: 33.0%

[U.S.] U.S.: 72.1% Europe/U.K.: 7.2% Asia excl. Japan: 18.0% Japan: 2.7%

[Hong Kong] U.S.: 36.4% Europe/U.K.: 8.6% Asia excl. Japan: 49.8% Japan : 5.2%

(1-3) The percentage of Japanese retail investors expecting a stronger dollar has risen significantly.

[Figure 3-1,3-2 on Page 5]

We asked U.S. and Chinese (Hong Kong) retail investors which currencies will rise most sharply in the coming three months. Around 50% of U.S. respondents answered that the U.S. dollar will appreciate most sharply, while around 40% of Hong Kong respondents chose the U.S. dollar.

We asked Japanese investors about their forecast for the dollar-yen exchange rate in the coming three months. The percentage of retail investors forecasting a weaker yen rose 31 percentage points (from 40% to 71%) from the previous survey (August 2014), possibly reflecting an exchange rate of 106 yen against the dollar during the period of the survey. The percentage of retail investors forecasting a stronger yen declined 16 percentage points (from 27% to 11%).

(1-4) In the U.S. and H.K. “Energy”, “Technology” and “Healthcare” remain popular sectors.

[Figure 4-1,4-2 on Page 5]

In the “Preferred Sector Ranking,” retail investors in both the U.S. and China (H.K.) picked as their top sectors “Energy”, “Technology” and “Healthcare” for the third consecutive quarter. Attractive sectors for retail investors in the U.S. and China remain the same.

In the “Preferred Sector Ranking” for Japanese retail investors, “Medical” and “Automobiles” were the top two sectors for the third consecutive month. “Technology” ranked among the top three for the first time in two years and nine months. The ranking of “Retail” fell from July 2014, probably due to weak consumer sentiment following the consumption tax hike.

(1-5) U.S. and Chinese (H.K.) investors differ from Japanese investors in their views on commodity markets (energy DI^()).**

[Figure 5-1,5-2 on Page 6]

We asked retail investors about their views on commodity markets and found that investors in different regions have different views on energy. While a majority of investors in the U.S. and China (H.K.) answered “The energy market will rise,” the majority of investors in Japan answered “The energy market

will fall.”

As for metals, the percentage of respondents who answered “The market will rise” rose from the previous survey in all regions.

(1-6) Investors in each region have different views on the timing of an FRB rate hike.

Japanese investors: first half of 2015; U.S. and Chinese (H.K.) investors: second half of 2015

[Figure 6 on Page 6]

Compared to the previous survey (June 2014), higher percentages of retail investors expect that the Federal Reserve Board (hereinafter “FRB”) will raise interest rates in 2015. Investors in each region have different views on the timing of a rate hike. The largest percentage of Japanese investors expect that the FRB will raise interest rates in the first half, rather than in second half, of 2015. In the U.S. and China (H.K.), the largest percentage of investors expect that the FRB will raise interest rates in the second half, rather than in the first half, of 2015.

2. Japan Survey Results: Survey of Retail investors in Japan

(2-1) The Stocks DI of Japanese retail investors is rising for all regions.

[Figure 7-1,7-2 on Page 7]

[Japanese Stocks DI]	Aug 2014: 20 → Sep 2014: 38 (+18points)
[U.S. Stocks DI]	Aug 2014: 13 → Sep 2014: 45(+32points)
[China (H.K.) DI]	Aug 2014: -43 → Sep 2014: -32 (+11points)

We asked Japanese retail investors about their expectations for stock markets in Japan, the U.S. and China in the coming three months. They were more optimistic about the U.S. stock market than about the Japanese stock market. This could reflect S&P 500 rising to an all-time high of 2,007 during the survey period. For the Chinese market, the percentage of retail investors who are pessimistic is greater than that of those who are optimistic, but the percentage of pessimistic investors is smaller than that in the previous survey.

(2-2) The higher willingness of retail Japanese investors to invest in Japanese stocks.

[Figure 8-1,8-2 on Page 8]

We asked Japanese retail investors about their willingness to invest in Japanese stocks in the coming three months. The percentage of retail investors who want to increase their investments in Japanese stocks is larger than that of those who want to reduce their investments, as measured in terms of the frequency of transactions, amount of investment and number of stocks held. The percentage of investors wanting to increase their investments rose, albeit slightly, from the previous survey conducted in August 2014.

[DI of trading frequency] Aug 2014: 27 → Sep 2014: 31 (+4points)
 [DI of investment amount] Aug 2014: 22 → Sep 2014: 28 (+6points)
 [DI of the number of stocks held] Aug 2014: 18 → Sep 2014: 21 (+3points)

(2-3) Macroeconomics, politics and diplomacy in Japan, along with monetary policy and interest rates in Europe, are attracting greater attention.

[Figure 9-1,9-2 on Page 8]

Japanese retail investors expressed greater interest in the macroeconomics of Japan (up 6.0 percentage points from the previous survey), the politics and diplomacy of Japan (up 6.8 percentage points), interest rate movements in Europe (up 7.9 percentage points) and monetary policy in Europe (up 5.7 percentage points). We assume that this growing trend is attributable to the announcement of Prime Minister Shinzo Abe’s second cabinet immediately before the survey and the benchmark interest rate cut by the European Central Bank (ECB) to 0.05% from 0.15% (September 4).

In contrast, investors expressed less interest in U.S. politics and diplomacy (down 8.8 percentage points from the previous survey) and in the politics and diplomacy of China (including H.K.) (down 5.5 percentage points).

Please refer to the details of the results of the survey in the attached report.

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

	Japan	U.S.	China (H.K.)
Survey period	5-12 Sep 2014	22 Aug 2014 – 5 Sep 2014	22 Aug 2014 – 4 Sep 2014
Number of responses	931	111	514

**DI (diffusion index): The percentage of respondents who answered “World stock market prices will increase” and “The energy market will rise” minus the percentage of respondents who answered “World stock market prices will decrease” and “The energy market will fall.”

Monex Global Retail Investor Survey

September 2014

Executive Summary

Financial Intelligence Department, Monex Inc.

We are pleased to bring you the results of our fourteenth quarterly Monex Global Retail Survey.

The survey shows that in all regions—Japan, the U.S., and China—retail investors expect that stock markets will be bullish (the number of investors that answered “World stock market prices will increase” exceeded that of investors that answered “World stock market will decrease”). We assume that investor sentiment has improved due to generally strong stock markets worldwide immediately before the survey and during the survey period.

Japanese and U.S. investors have the highest expectations of stock prices in the United States. In the United States, the economy’s fundamentals are very strong. Important economic indicators, including personal spending, companies’ business confidence, and labor market data, have reached their highest levels for the past few years. We can say that the strong U.S. economy has boosted investors’ expectations of U.S. stocks.

The hottest topic in markets worldwide is U.S. monetary policy. Since the financial crisis, the U.S. has implemented unconventional monetary easing policies. However, as noted, the economy is recovering strongly, and the monetary authorities will likely raise interest rates and tighten monetary policy.

On its monetary policy, the FOMC (Federal Open Market Committee) has consistently said that there is no fixed schedule and the committee will make decisions based on economic conditions. However, given the remarks of senior officials of the FRB and the current economic situation, we can say that the FRB will raise interest rates in 2015. In this survey, we asked retail investors in each region about their views on the timing of a rate hike in the U.S.

It is very interesting that the largest percentage of Japanese investors expect that interest rates will be raised in the first half of 2015, while in the U.S. and Hong Kong, the largest percentage of investors expect that there will be a rate hike in the second half of 2015. Compared with our survey

in June, in all regions, a larger percentage of investors expect a rate hike in 2015, but investors' expectations appear to differ depending on the region. Either way, the timing of a rate hike will remain the focus of attention in markets in the autumn and beyond. U.S. monetary policy will have a very great impact not only on the U.S. economy but also on the Japanese economy, exchange rates, and the Japanese stock market, and we would like Japanese investors to pay close attention to it.

Thanks to your cooperation, we have been able to gather and analyze some very valuable data. We greatly appreciate your cooperation and hope that this survey will be of some aid in the investment decisions of retail investors.

Summary

1. Global Survey Results: Survey of Retail investors in Japan, the U.S. and China (H.K.)

(1-1) Retail investors in all regions are bullish on world stock markets for the coming three months.

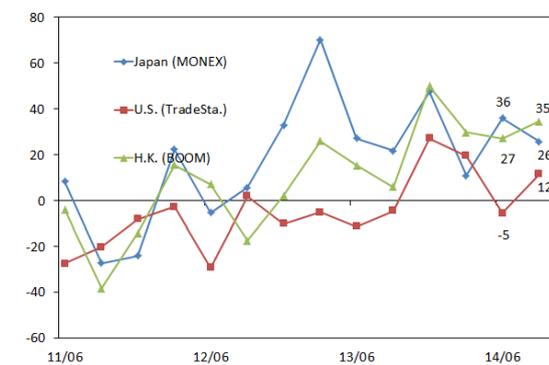
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We asked retail investors about world stock markets for the coming three months. The forecast DI shows that the percentage of respondents who answered “World stock market prices will increase” declined in Japan from the previous survey, but in all three regions, a majority of respondents answered “World stock market prices will increase.” The results suggest that retail investors are optimistic.

Figure1: Outlook on Stocks Globally for the Next 3 Months
(Japan, U.S., China(HK))



Source: Monex, Inc.

(*)DI (diffusion index): The percentage of respondents who answered “World stock market prices will increase” minus the percentage of respondents who answered “World stock market prices will decrease.”

(1-2) U.S. investors’ expectations for U.S. stocks are at their highest point; Japanese expectations for the U.S. have risen.

We asked retail investors in each region about the most promising region in terms of stock prices in the coming three months. Japanese retail investors have the highest expectations for the United States for the first time in two quarters.

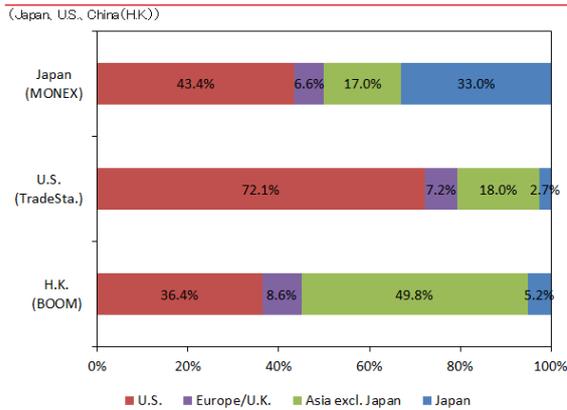
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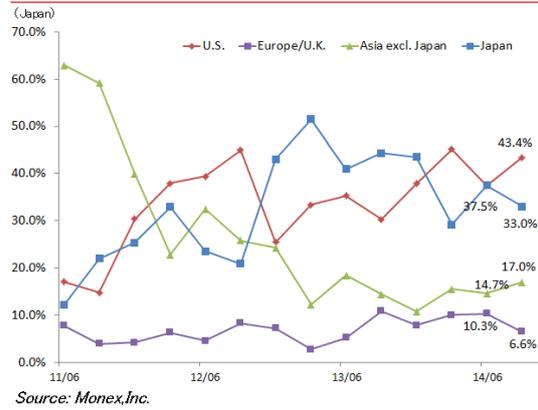
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Figure2-1: Areas of Best Equity Performance



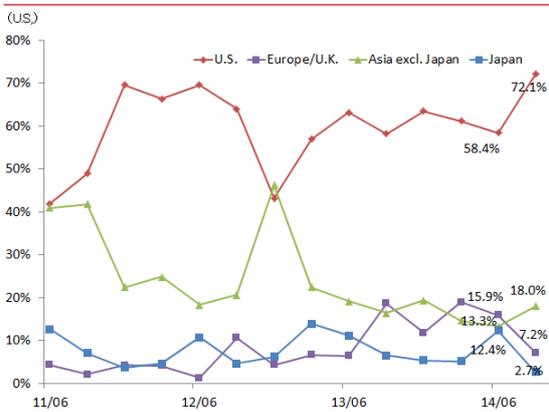
Source: Monex, Inc.

Figure2-2: Areas of Best Equity Performance



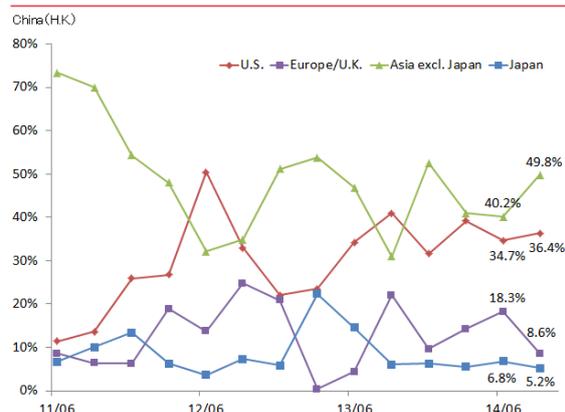
Source: Monex, Inc.

Figure2-3: Areas of Best Equity Performance



Source: Monex, Inc.

Figure2-4: Areas of Best Equity Performance



Source: Monex, Inc.

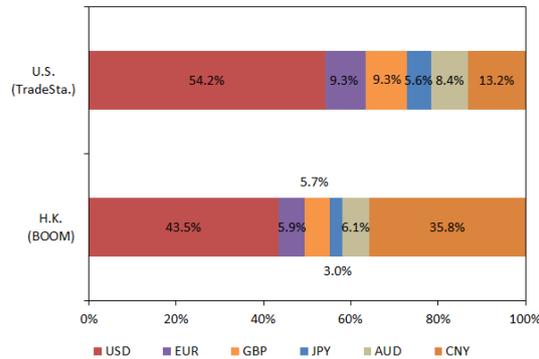
(1-3) The percentage of Japanese retail investors expecting a stronger dollar has risen significantly.

We asked U.S. and Chinese (Hong Kong) retail investors which currencies will rise most sharply in the coming three months. Around 50% of U.S. respondents answered that the U.S. dollar will appreciate most sharply, while around 40% of Hong Kong respondents chose the U.S. dollar.

We asked Japanese investors about their forecast for the dollar-yen exchange rate in the coming three months. The percentage of retail investors forecasting a weaker yen rose 31 percentage points (from 40% to 71%) from the previous survey (August 2014), possibly reflecting an exchange rate of 106 yen against the dollar during the period of the survey. The percentage of retail investors forecasting a stronger yen declined 16 percentage points (from 27% to 11%).

Figure3-1: Strongest Currency Over the Next 3 Months

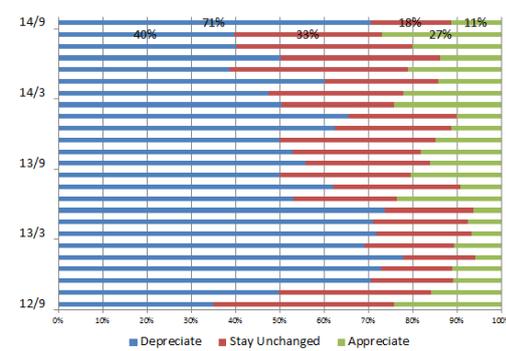
(U.S., China(HK))



Source: Monex, Inc.

Figure3-2: JPY Against the Dollar for the Next 3 Months

(Japan)



Source: Monex, Inc.

(1-4) In the U.S. and H.K., “Energy”, “Healthcare” and “Technology” remain popular sectors.

In the “Preferred Sector Ranking,” retail investors in both the U.S. and China (H.K.) picked as their top sectors “Energy”, “Healthcare” and “Technology” for the third consecutive quarter. Attractive sectors for retail investors in the U.S. and China remain the same.

In the “Preferred Sector Ranking” for Japanese retail investors, “Medical” and “Automobiles” were the top two sectors for the third consecutive month. “Technology” ranked among the top three for the first time in two years and nine months. The ranking of “Retail” fell from July 2014, probably due to weak consumer sentiment following the consumption tax hike.

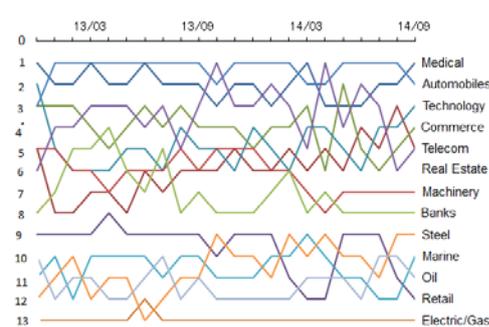
Figure4-1: Attractive Sectors in the U.S. and H.K. (Quarterly)

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

Source: Monex, Inc.

Figure4-2: Attractive Sectors in Japan (Monthly)

(Japan)



Source: Monex, Inc.

(The previous survey of U.S. and Chinese (H.K.) retail investors was conducted in June 2014, and the previous survey of Japanese retail investors was conducted in August 2014.)

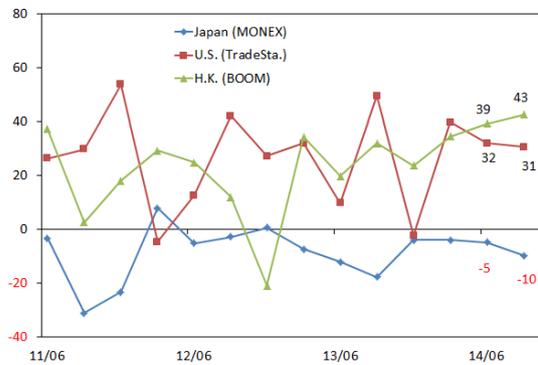
(1-5) U.S. and Chinese (H.K.) investors differ from Japanese investors in their views on commodity markets (energy DI()).**

We asked retail investors about their views on commodity markets and found that investors in different regions have different views on energy. While a majority of investors in the U.S. and China (H.K.) answered “The energy market will rise,” the majority of investors in Japan answered “The energy market will fall.”

As for metals, the percentage of respondents who answered “The market will rise” rose from the previous survey in all regions.

Figure5-1: Energy

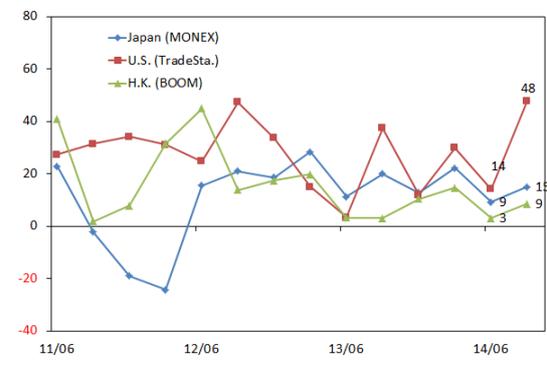
(Japan, U.S., China(HK))



Source: Monex, Inc.

Figure5-2: Metals

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



Source: Monex, Inc.

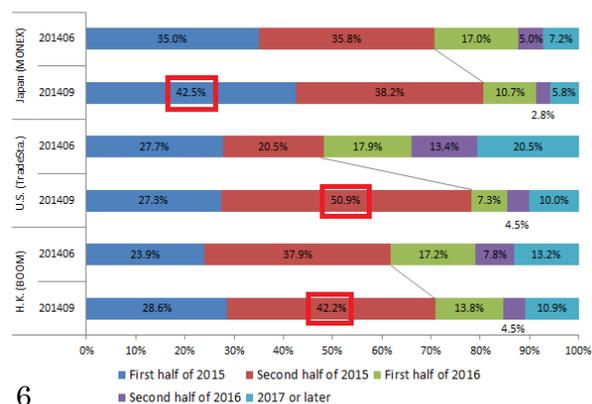
(**)DI (diffusion index): The percentage of respondents who answered “The energy market will rise,” minus the percentage of respondents who answered “The energy market will fall.”

(1-6) Investors in each region have different views on the timing of an FRB rate hike.

Japanese investors: first half of 2015; U.S. and Chinese (H.K.) investors: second half of 2015

Compared to the previous survey (June 2014), higher percentages of retail investors expect that the Federal Reserve Board (hereinafter “FRB”) will raise interest rates in 2015. Investors in each region have different views on the timing of a rate hike. The largest percentage of Japanese investors expect that the FRB will raise interest rates

Figure6: When will the Fed start to raise interest rates again?



6

Source: Monex, Inc.

in the first half, rather than in second half, of 2015. In the U.S. and China (H.K.), the largest percentage of investors expect that the FRB will raise interest rates in the second half, rather than in the first half, of 2015.

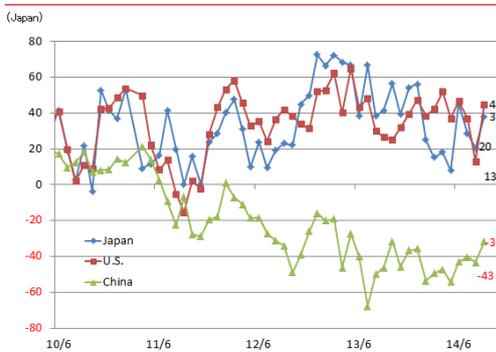
2. Japan Survey Results: Survey of Retail investors in Japan

(2-1) The Stocks DI of Japanese retail investors is rising for all regions.

[Japanese Stocks DI]	Aug 2014: 20 → Sep 2014: 38 (+18points)
[U.S. Stocks DI]	Aug 2014: 13 → Sep 2014: 45(+32points)
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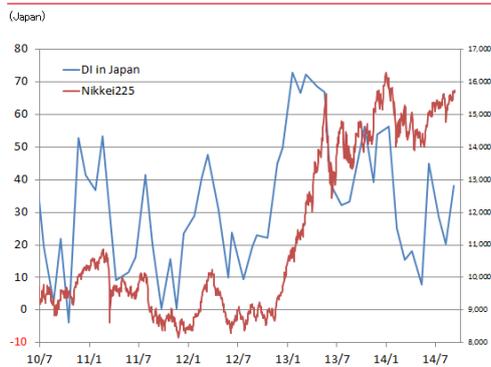
We asked Japanese individual investors about their expectations for stock markets in Japan, the U.S. and China in the coming three months. They were more optimistic about the U.S. stock market than about the Japanese stock market. This could reflect S&P 500 rising to an all-time high of 2,007 during the survey period. For the Chinese market, the percentage of retail investors who are pessimistic is greater than that of those who are optimistic, but the percentage of pessimistic investors is smaller than that in the previous survey.

Figure7-1: Outlook on Stocks in Japan, U.S. and China



Source: Monex, Inc.

Figure7-2: Japanese Investor's Domestic DI and Nikkei 225



Source: Monex, Inc.

(2-2) The higher willingness of retail Japanese investors to invest in Japanese stocks.

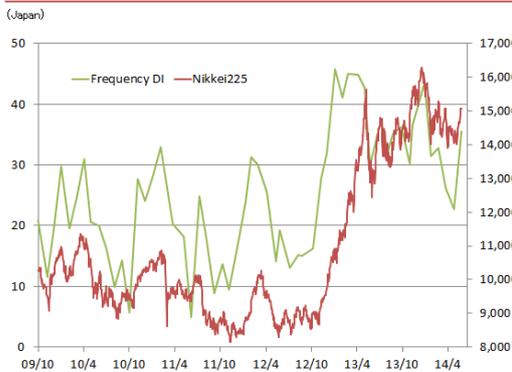
We asked Japanese retail investors about their willingness to invest in Japanese stocks in the coming three months. The percentage of retail investors who want to increase their investments in Japanese stocks is larger than that of those who want to reduce their investments, as measured in terms of the frequency of transactions, amount of investment and number of stocks held. The percentage of investors wanting to increase their investments rose, albeit slightly, from the previous survey conducted in August 2014.

[DI of trading frequency]	Aug 2014: 27 → Sep 2014: 31 (+4points)
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[DI of investment amount] Aug 2014: 22 → Sep 2014: 28(+6points)

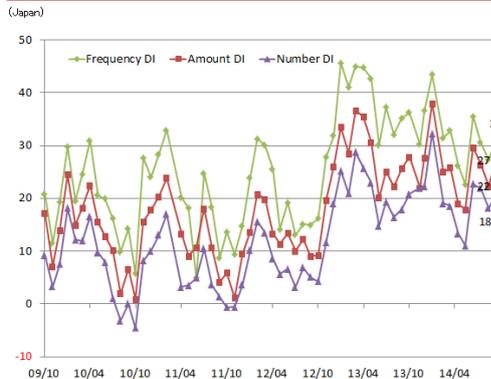
[DI of the number of stocks held] Aug 2014: 18 → Sep 2014: 21 (+3 points)

Figure8-1:Dealing frequency for the Next 3 Months



Source: Monex,Inc.

Figure8-2:Dealing frequency for the Next 3 Months



Source: Monex,Inc.

(2-3) Macroeconomics, politics and diplomacy in Japan, along with monetary policy and interest rates in Europe, are attracting greater attention.

Japanese retail investors expressed greater interest in the macroeconomics of Japan (up 6.0 percentage points from the previous survey), the politics and diplomacy of Japan (up 6.8 percentage points), interest rate movements in Europe (up 7.9 percentage points) and monetary policy in Europe (up 5.7 percentage points). We assume that this growing trend is attributable to the announcement of Prime Minister Shinzo Abe’s second cabinet immediately before the survey and the benchmark interest rate cut by the European Central Bank (ECB) to 0.05% from 0.15% (September 4).

In contrast, investors expressed less interest in U.S. politics and diplomacy (down 8.8 percentage points from the previous survey) and in the politics and diplomacy of China (including H.K.) (down 5.5 percentage points).

Figure9-1: Topic (Previous)

	Japan	U.S.	Europe	China (incl.HK.)	emerging country (excl.China)
corporate performance	-3.1	1.4	2.0	1.3	0.1
macroeconomics	6.0	0.2	2.0	-0.4	-0.7
developments in exchange rate movements	1.2	3.4	0.1	-1.7	-1.3
interest rate movements	-0.6	2.5	7.9	-1.3	-2.8
monetary policy	1.5	0.3	5.7	-1.1	-0.5
politics,diplomacy	6.8	-8.8	0.2	-5.5	0.3

Source: Monex,Inc.

(point)

Figure9-2: Topic

	Japan	U.S.	Europe	China (incl.HK.)	emerging country (excl.China)
corporate performance	83.9%	47.8%	13.5%	12.7%	9.9%
macroeconomics	63.2%	61.3%	28.8%	24.6%	20.5%
developments in exchange rate movements	67.0%	66.1%	26.2%	6.2%	12.2%
interest rate movements	55.1%	61.8%	29.4%	5.4%	9.6%
monetary policy	66.8%	62.8%	34.4%	14.0%	10.3%
politics,diplomacy	68.9%	56.1%	35.6%	38.5%	25.1%

Source: Monex,Inc.

Outline of Survey & Characteristics of Respondents

(Japan)

Method : Internet research
 Respondents: Customers of Monex Inc. Customers of Monex, Inc.
 # of Responses: 931
 Period: 5-12 September 2014

【Gender】

Male	Female
83.6%	16.4%

【Age】

Minor	20s	30s	40s	50s	60s	70s or over
0%	3.0%	20.1%	30.6%	24.5%	15.3%	6.6%

【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
25.9%	21.2%	18.6%	21.1%	9.6%	3.8%

【Frequency of trading】

Day trading	Few times a week	Few times a month	Once every few months	Fewer than that
5.5%	17.1%	33.8%	27.2%	16.4%

【Experience with stock investing】

Less than a year	2 ~ 5years	5 ~ 10 years	Over 10 years
7.9%	18.8%	26.9%	46.4%

(United States)

Method: Internet research
 Respondents: Customers of Trade Station Securities, Inc.
 # of Responses: 111
 Period: 22 August 2014 – 5 September 2014

(Hong Kong)

Method: Internet research
 Respondents: Customers of Monex BOOM Securities (H.K.) Limited
 # of Responses: 514
 Period: 22 August 2014 – 4 September 2014