

For Immediate Release

Monex, Inc.
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Fifteenth Monex Global Retail Investor Survey

The forecast DI for world stock markets rises. Retail investors remain optimistic.

The Fifteenth Monex Global Retail Survey* was conducted late November to December 1st 2014. The forecast DI (diffusion index)** for world stock markets for the coming three months rose from the previous survey (September 2014) in all regions, which suggests that retail investors remain optimistic. A question about the most promising region for the coming three months revealed that retail investors' expectations for U.S. stocks remained flat or increased from the previous survey in all regions.

Summary Findings

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

(1-1) The forecast DI for world stock markets rises in all regions. Retail investors remain optimistic.

[Figure 1 on Page 3 (Exhibit)]

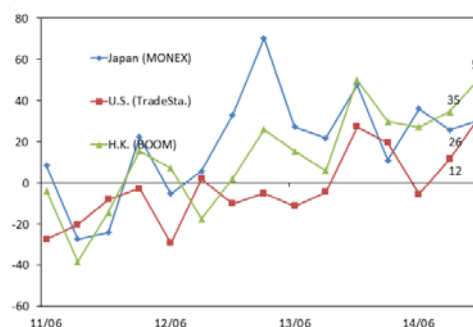
[Forecast DI^(*): Japan] Sep 2014: 26 → Dec 2014: 31 (+5 points)

[Forecast DI: U.S.] Sep 2014: 12 → Dec 2014: 33 (+21 points)

[Forecast DI: China (H.K.)] Sep 2014: 35 → Dec 2014: 52 (+17 points)

The retail investors' forecast DI for world stock markets for the coming three months rose from the previous survey (September 2014) in all regions, which suggests that retail investors remain optimistic. The forecast DI for retail investors in China (Hong Kong) was the highest since this survey was first conducted (June 2011).

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



Source: Monex, Inc.

(1-2) Expectations for the U.S. remain flat or rise in all regions.

[Figure 2-1 to 2-4 on Page 4 (Exhibit)]

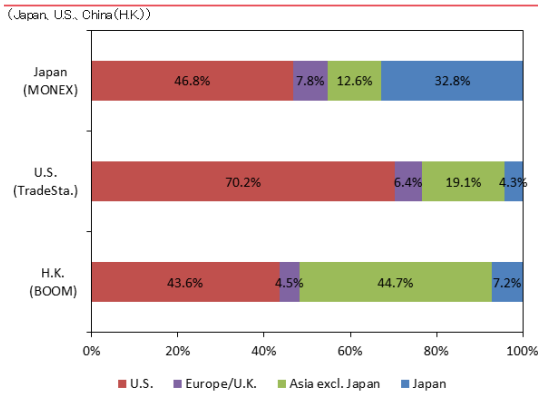
We asked retail investors in each region which area has the best equity performance for the coming three months.

As in the previous survey (September 2014), Japanese retail investors had the highest expectations for the United States. U.S. retail investors' expectations for the United States were at a slightly lower point than the previous survey but still remained high, suggesting their high expectations for stock price hike in the United States.

Hong Kong retail investors continued to have strong expectations for the U.S. and Asia excluding Japan.

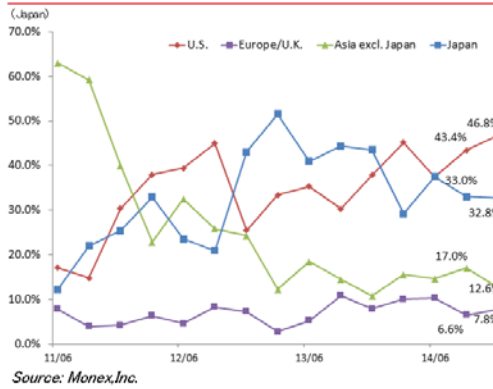
[Japan]	U.S.: 46.8%	Europe/U.K.: 7.8%	Asia excl. Japan: 12.6%	Japan: 32.8%
[U.S.]	U.S.: 70.2%	Europe/U.K.: 6.4%	Asia excl. Japan: 19.1%	Japan: 4.3%
[Hong Kong]	U.S.: 43.6%	Europe/U.K.: 4.5%	Asia excl. Japan: 44.7%	Japan: 7.2%

Figure2-1: Areas of Best Equity Performance



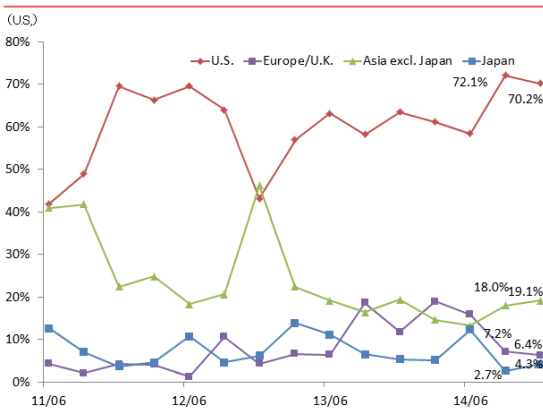
Source: Monex, Inc.

Figure2-2: Areas of Best Equity Performance



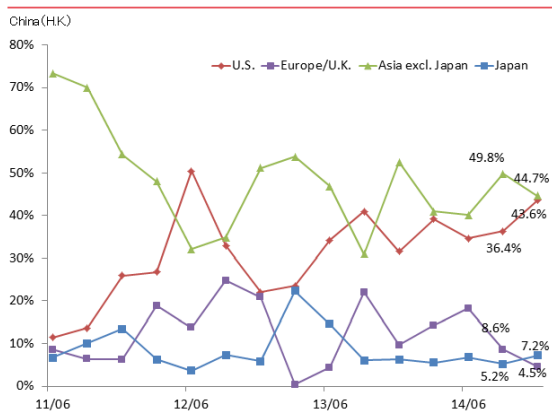
Source: Monex, Inc.

Figure2-3: Areas of Best Equity Performance



Source: Monex, Inc.

Figure2-4: Areas of Best Equity Performance



Source: Monex, Inc.

(1-3) In the U.S. and China (H.K.) “Technology”, “Healthcare” and “Consumer Goods” are popular sectors.

[Figure 4-1, 4-2 on Page 5 (Exhibit)]

In the “Preferred Sector Ranking” for retail investors in the U.S. and China (H.K.), “Energy,” which had been ranked among the top three for the third consecutive quarter until the previous survey, was lowered to the seventh (U.S.) and the sixth (China) positions, probably reflecting lower crude oil prices. “Technology” and “Healthcare,” which stayed among the top three, and “Consumer Goods,” which rose to third in both regions, were popular.

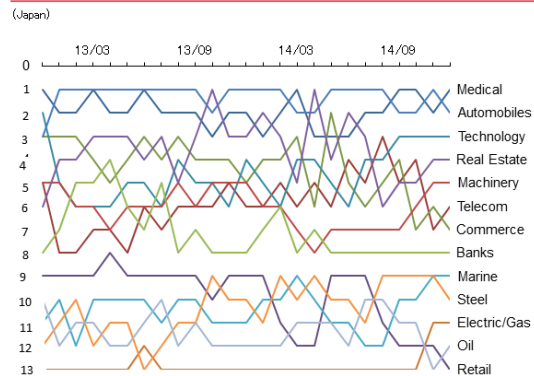
In the “Preferred Sector Ranking” for Japanese retail investors, “Medical” and “Automobiles” were the top two sectors for the sixth consecutive month. While “Technology” maintained its top three position for the third consecutive month, the ranking of “Retail” continued to fall from July 2014 and became the lowest in the survey this time, partly reflecting sluggish consumer confidence after the consumption tax hike.

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

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

Source: Monex, Inc.

Figure4-2: Attractive Sectors in Japan (Monthly)



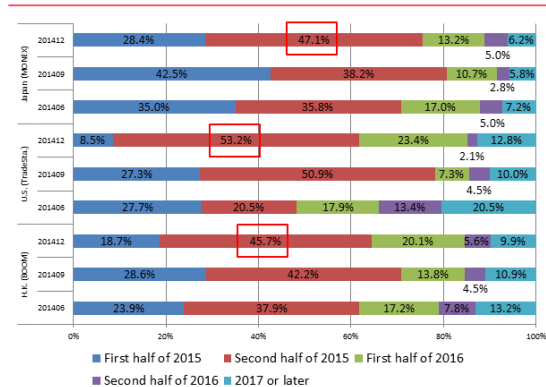
Source: Monex, Inc.

(1-4) FRB rate is expected to rise in the second half of 2015 in all regions.

[Figure 6 on Page 6 (Exhibit)]

In all regions, the largest percentage of retail investors expect that the Federal Reserve Board (hereinafter “FRB”) will raise interest rates in the second half of 2015. In Japan, the second largest percentage of retail investors expects that the FRB will raise interest rates in the first half of 2015. In the U.S. and China (H.K.), the second largest percentage expects the timing of a rate hike to be in the first half of 2016.

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



Source: Monex, Inc.

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

(2-1) The Japanese Stocks DI and U.S. Stocks DI of Japanese retail investors move only slightly. The China DI rises slightly.

[Figure 7-1, 7-2 on Page 7,8(Exhibit)]

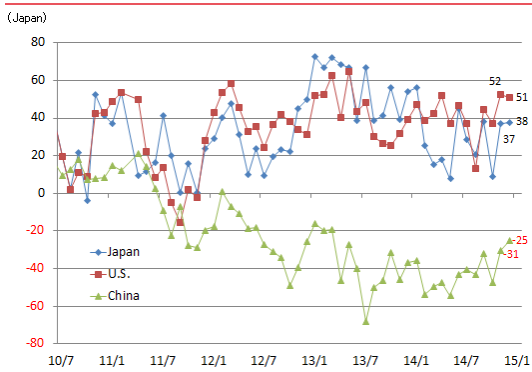
[Japanese Stocks DI] Nov 2014: 37 → Dec 2014: 38 (+1 points)

[U.S. Stocks DI] Nov 2014: 52 → Dec 2014: 51 (-1 points)

[China (H.K.) DI] Nov 2014: -31 → Dec 2014: -25 (+6 points)

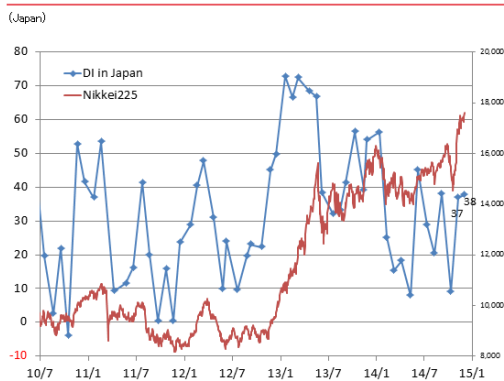
We asked Japanese retail investors about their expectations for stock markets in Japan, the U.S. and China for the coming three months. The Japanese Stocks DI and U.S. Stocks DI moved only slightly. The China DI rose, albeit slightly, probably due to the central bank's rate cut.

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 willingness of retail Japanese investors to invest in Japanese stocks continues to rise.

[Figure 8-1, 8-2 on Page 8 (Exhibit)]

We asked Japanese retail investors about their willingness to invest in Japanese stocks within the coming three months. The percentage of retail investors who want to increase their investments in Japanese stocks was 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.

[DI of trading frequency] Nov 2014: 34 → Dec 2014: 38 (+4 points)

[DI of investment amount] Nov 2014: 28 → Dec 2014: 33 (+5 points)

[DI of the number of stocks held] Nov 2014: 20 → Dec 2014: 26 (+6 points)

Figure8-1: Dealing frequency for the Next 3 Months

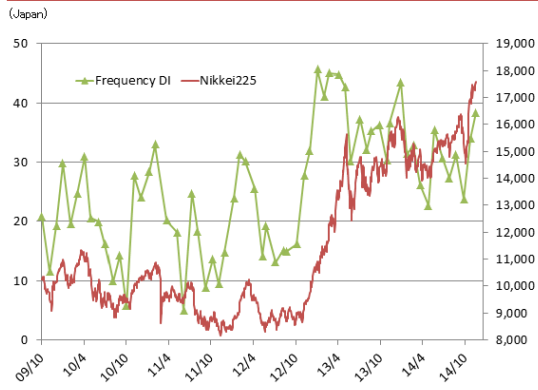
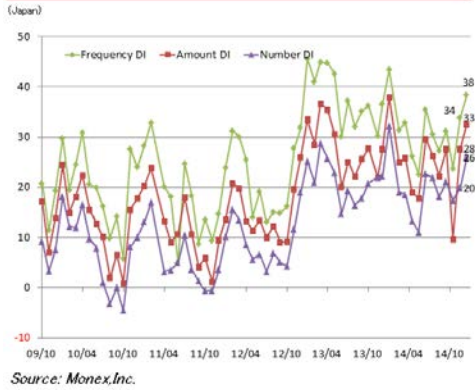


Figure8-2: Dealing frequency for the Next 3 Months



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	28 Nov 2014- 1 Dec 2014	24 Nov 2014- 1 Dec 2014	24 Nov 2014- 1 Dec 2014
Number of responses	961	94	374

** DI (diffusion index): The percentage of respondents who answered “World stock market will become better” minus the percentage of respondents who answered “World stock market will become worse.”

Monex Global Retail Investor Survey

December 2014

Executive Summary

Financial Intelligence Department, Monex Inc.

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

The survey shows that in all regions—Japan, the U.S. and China—retail investors expect stock markets to be bullish. Retail investors in each region continue to have high expectations for U.S. stocks, as was expected, but investors in Hong Kong have higher expectations for Asia excluding Japan than they do for U.S. stocks. The fact that the Hong Kong Occupy Central demonstrations are winding down and that the Shanghai Composite Index shows strong price movements may have raised expectations for Hong Kong stocks. This may, in turn, have led to high expectations for Asia excluding Japan.

The survey also shows that investors in each region are leaning toward a slightly bearish view on the future of oil prices, partly because oil prices are continuing to fall following the decision of OPEC (Organization of Petroleum Exporting Countries) not to cut production. It is conceivable that the fall in oil prices does not always have a negative impact, given that it does have the positive effect of boosting consumer spending in the United States and Japan by increasing disposable income as a result on savings on energy consumption. Crude oil price behavior is likely to continue to draw attention from countries around the world going forward.

The answers retail investors gave to the question of when interest rates will be raised in the United States, which is a recurring survey item, were also very interesting. Although the largest percentage of investors in each region answered “the second half of 2015,” the percentage of investors in the United States, the country surveyed, who expected “the first half of 2016” also rose, suggesting that investors differ in their judgment.

In the November employment data in the United States published after this latest survey, growth in non-farm payrolls was much larger than anticipated, and working hours per week and wages also showed strong growth. Not only was a qualitative improvement observed in the labor market, but

Stanley Fischer, Vice Chair of the FRB, also appears to be making strategic moves in preparation for an early rate hike, making a comment implying that the time to eliminate the language “considerable period” to maintain the substantive zero-interest-rate policy is approaching closer than before. When interest rates were raised twice in the past, in 1994 and 2004, the U.S. stock market entered a consolidation phase after the rate hike. As on those previous two occasions, the questions of when interest rates will be raised this time and whether the stock market will be corrected are likely to gather a lot of attention from the market even after entering 2015.

With your help, 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.

(Written as of December 8, 2014)

Summary

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

(1-1) Forecast DI^(*) for world stock markets rises in all regions. Retail investors remain optimistic.

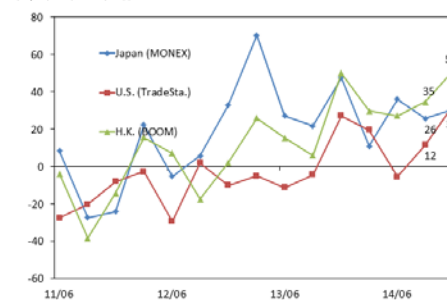
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The retail investors’ forecast DI for world stock markets for the coming three months rose from the previous survey (September 2014) in all regions, which suggests that retail investors remain optimistic. The forecast DI for retail investors in China (Hong Kong) was the highest since this survey was first conducted (June 2011).

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) Expectations for the U.S. remain flat or rise in all regions.

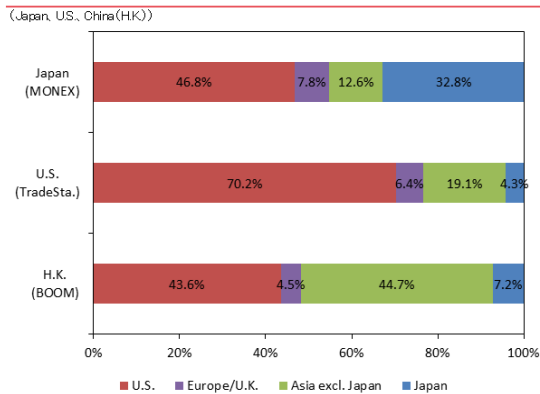
We asked retail investors in each region which area has the best equity performance for the coming three months.

As in the previous survey (September 2014), Japanese retail investors have the highest expectations for the United States. U.S. retail investors’ expectations for the United States were at a slightly lower point than the previous survey but still remained high, suggesting their high expectations for stock prices in the United States.

Hong Kong retail investors continued to have strong expectations for the U.S. and Asia excluding Japan, but their expectations were not much different from those for U.S. stocks.

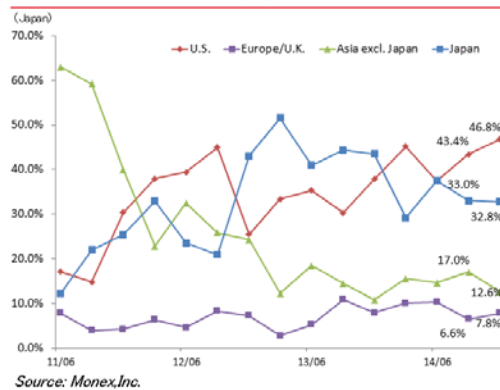
[Japan]	U.S.: 46.8%	Europe/U.K.: 7.8%	Asia excl. Japan: 12.6%	Japan: 32.8%
[U.S.]	U.S.: 70.2%	Europe/U.K.: 6.4%	Asia excl. Japan: 19.1%	Japan: 4.3%
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Figure2-1: Areas of Best Equity Performance



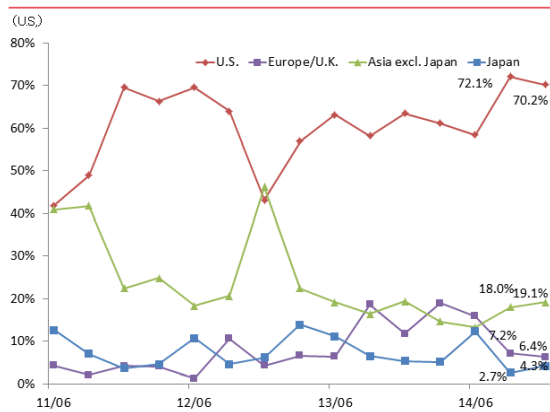
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Figure2-2: Areas of Best Equity Performance



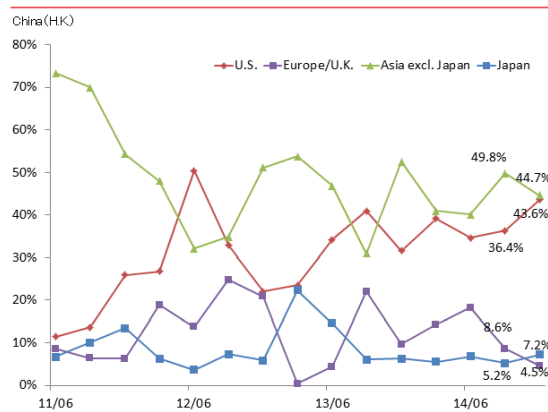
Source: Monex, Inc.

Figure2-3: Areas of Best Equity Performance



Source: Monex, Inc.

Figure2-4: Areas of Best Equity Performance



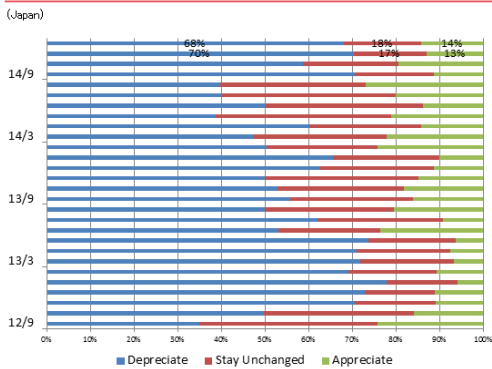
Source: Monex, Inc.

(1-3) Japanese retail investors continue to expect a stronger dollar.

We asked U.S. and Chinese (Hong Kong) retail investors which currencies will rise most sharply for the coming three months. Around 80% of U.S. respondents (60% in the previous survey) and around 60% of Hong Kong respondents (40% in the previous survey) chose the U.S. dollar, showing that the percentage of respondents choosing the U.S. dollar was up significantly in the two regions.

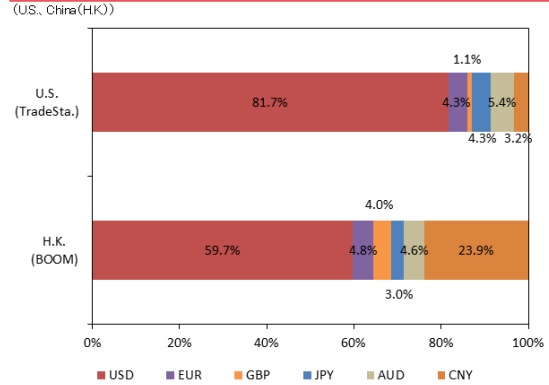
We asked Japanese investors about their forecast for the dollar-yen exchange rate for the coming three months. The percentage of retail investors forecasting a stronger dollar and a weaker yen declined 2 percentage points (from 70% to 68%) from the previous survey (November 2014). In contrast, the percentage of retail investors forecasting a stronger yen rose 1 percentage point (from 13% to 14%).

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



Source: Monex, Inc.

Figure3-1: Strongest Currency Over the Next 3 Months



Source: Monex, Inc.

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

In the “Preferred Sector Ranking” for retail investors in the U.S. and China (H.K.), “Energy,” which had been ranked among the top three for the third consecutive quarter until the previous survey, was lowered to the seventh (U.S.) and the sixth (China) positions, probably reflecting lower crude oil prices. “Technology” and “Healthcare,” which stayed among the top three, and “Consumer Goods,” which rose to third in both regions, were popular.

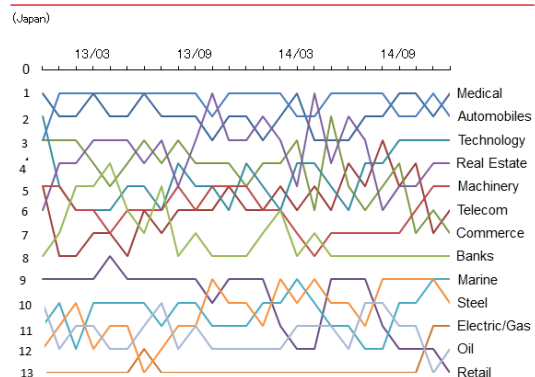
In the “Preferred Sector Ranking” for Japanese retail investors, “Medical” and “Automobiles” were the top two sectors for the sixth consecutive month. While “Technology” maintained its top three position for the third consecutive month, the ranking of “Retail” continued to fall from July 2014 and became the lowest in the survey this time, partly reflecting sluggish consumer confidence after the consumption tax hike.

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

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

Source: Monex, Inc.

Figure4-2: Attractive Sectors in Japan (Monthly)



Source: Monex, Inc.

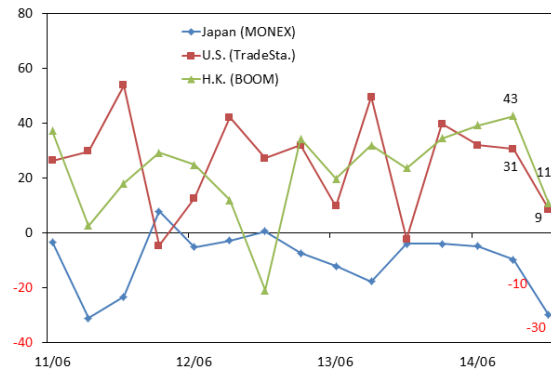
(The previous survey of U.S. and Chinese (H.K.) retail investors was conducted in September 2014, and the previous survey of Japanese retail investors was changed from December 2012.)

(1-5) Investors in all regions have lowered their expectations for energy and metals in commodity markets.

We asked retail investors about their views on commodity markets and found that investors in all regions had lowered their expectations for both energy and metals. The decline in their expectations for energy was larger in each region, probably because of the effect of lower crude oil prices.

Figure5-1: Energy

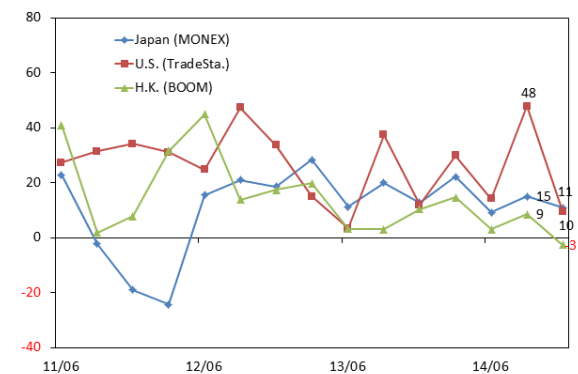
(Japan, U.S., China(HK))



Source: Monex, Inc.

Figure5-2: Metals

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



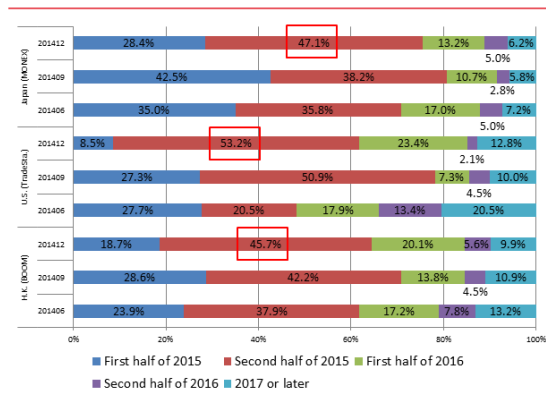
Source: Monex, Inc.

(**) DI (diffusion index): The percentage of respondents who answered “World stock market will become better” minus the percentage of respondents who answered “World stock market will become worse.”

(1-6) FRB rate is expected to rise in the second half of 2015 in all regions.

In all regions, the largest percentage of retail investors expect that the Federal Reserve Board (hereinafter “FRB”) will raise interest rates in the second half of 2015. In Japan, the second largest percentage of retail investors expects that the FRB will raise interest rates in the first half of 2015. In the U.S. and China (H.K.), the second largest percentage expects the timing of a rate hike to be in the first half of 2016.

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



Source: Monex, Inc.

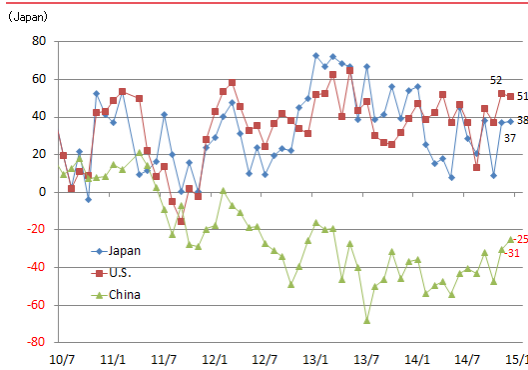
2. Japan Survey Results: Survey of Retail investors in Japan

(2-1) The Japanese Stocks DI and the U.S. Stocks DI of Japanese retail investors are virtually unmoved, and China (H.K.) DI rises slightly.

- [Japanese Stocks DI] Nov 2014: 37 → Dec 2014: 38 (+1 points)
- [U.S. Stocks DI] Nov 2014: 52 → Dec 2014: 51 (-1 points)
- [China (H.K.) DI] Nov 2014: -31 → Dec 2014: -25 (+6 points)

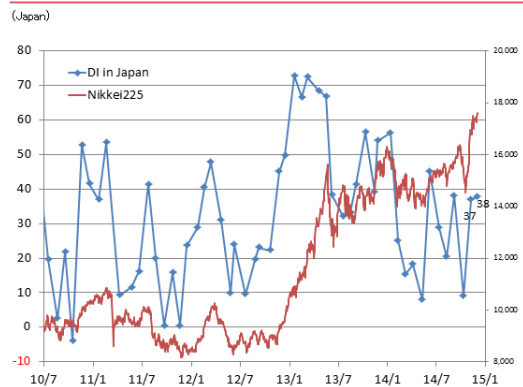
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Figure7-2: Japanese Investor’s Domestic DI and Nikkei 225



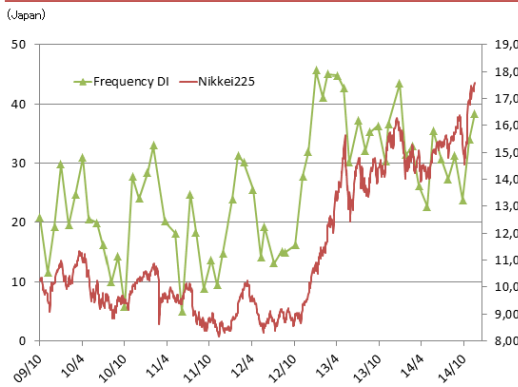
Source: Monex, Inc.

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

We asked Japanese retail investors about their willingness to invest in Japanese stocks within the coming three months. The percentage of retail investors who want to increase their investments in Japanese stocks was 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.

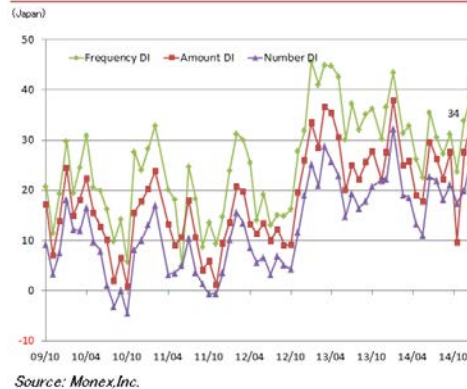
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Figure8-1: Dealing frequency for the Next 3 Months



Source: Monex, Inc.

Figure8-2: Dealing frequency for the Next 3 Months



Source: Monex, Inc.

(2-3) Politics and diplomacy in Japan, along with monetary policy and exchange rate movements in China, are attracting greater attention.

We asked Japanese retail investors which topics they are following. Although Japanese retail investors continued to express great interest in corporate performance and macroeconomics in Japan, they expressed more interest in politics and diplomacy in Japan (up 3.8 percentage points from the previous survey) as well as exchange rate movements (up 5.9 percentage points) and monetary policy (up 6.9 percentage points) in China, partly due to the fact that the survey was conducted after the decision to hold a snap election in Japan and that the central bank in China announced the rate cut (from 6% to 5.6%) on Friday, November 21.

In contrast, investors expressed less interest in U.S. politics and diplomacy (down 5.9 percentage points) and monetary policy in Europe (down 5.7 percentage points).

Figure9-1: Topic (Previous)

(Retail investors in Japan)

	Japan	U.S.	Europe	China (incl.HK.)	emerging country (excl.China)
corporate performance	-0.8	0.0	0.0	0.9	1.7
macroeconomics	-0.5	0.3	-1.8	3.7	-0.1
developments in exchange rate movements	-2.2	-1.0	0.0	2.4	0.5
monetary policy	-2.0	0.0	-5.7	6.9	1.3
politics, diplomacy	3.8	-5.9	-0.6	-3.0	0.3

Source: Monex, Inc.

(point)

Figure9-2: Topic

(Retail investors in Japan)

	Japan	U.S.	Europe	China (incl.HK.)	emerging country (excl.China)
corporate performance	84.0%	47.1%	12.1%	11.8%	10.9%
macroeconomics	62.3%	61.8%	24.2%	25.5%	19.4%
developments in exchange rate movements	69.6%	66.9%	25.8%	8.5%	11.7%
monetary policy	58.8%	61.1%	21.9%	10.6%	9.6%
politics, diplomacy	72.7%	59.4%	29.2%	18.8%	8.8%
politics, diplomacy	73.0%	54.8%	23.8%	40.4%	20.6%

Source: Monex, Inc.

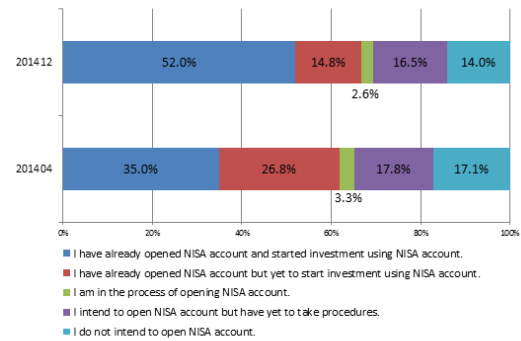
(2-4) Use of Nippon (Japan) Individual Savings Account (NISA)

We asked Japanese retail investors about their use of the Nippon (Japan) Individual Savings Accounts (NISA) and found that the percentage of respondents answering that they have already opened an account and started investment increased about 15 percentage points from the previous survey on NISA (April 2014) and now accounts for a majority of investors.

Of retail investors who have already opened the NISA account and started investing, those who want to effectively use the tax-exempt investment limit of 1 million yen to the maximum extent accounted for about 70%, rising about 25 percentage points from the previous survey.

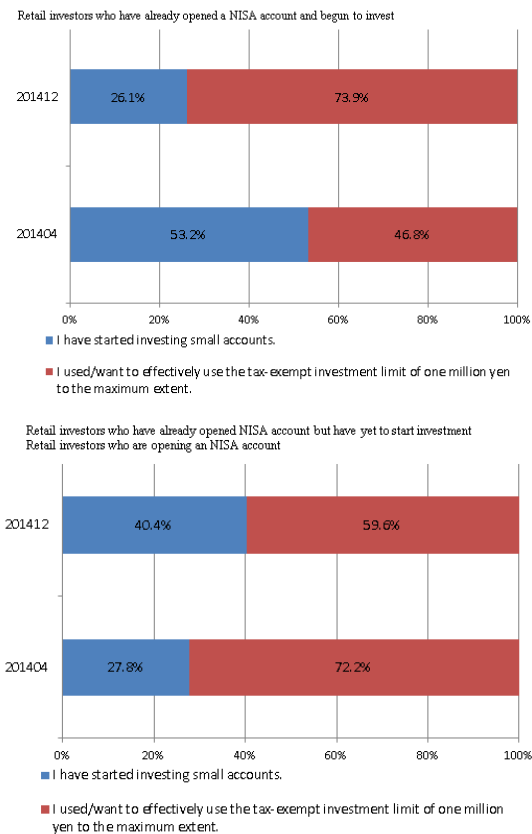
The survey also shows that of retail investors who have yet to start investing using the NISA account, the number who want to start by investing small amounts increased about 10 percentage points from the previous survey.

Figure10-1: Use of NISA



Source: Monex, Inc.

Figure10-2: Investment Policy by NISA Account Opening



Outline of Survey & Characteristics of Respondents

(Japan)

Method: Internet research
 Respondents: Customers of Monex Inc. Customers of Monex, Inc.
 # of Responses: 961
 Period: 28 November – 1 December 2014

[Gender]

Male	Female
85.3%	14.7%

[Age]

Minor	20s	30s	40s	50s	60s	70s or over
0.2%	3.5%	16.5%	31.7%	22.1%	18.4%	7.5%

[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
27.0%	19.9%	21.1%	21.3%	7.2%	3.5%

[Frequency of trading]

Day trading	Few times a week	Few times a month	Once every few months	Fewer than that
5.1%	21.2%	34.1%	27.1%	12.5%

[Experience with stock investing]

Less than a year	2 ~ 5 years	5 ~ 10 years	Over 10 years
8.7%	20.7%	24.8%	45.8%

(United States)

Method: Internet research
 Respondents: Customers of Trade Station Securities, Inc.
 # of Responses: 94
 Period: 24 November 2014 – 1 December 2014

(Hong Kong)

Method: Internet research
 Respondents: Customers of Monex BOOM Securities (H.K.) Limited
 # of Responses: 374
 Period: 24 November 2014 – 1 December 2014