

For Immediate Release

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Nineteenth Monex Global Retail Investor Survey **Forecasts of 2016 Global Economic Trends Vary with Regions**

The Nineteenth Monex Global Retail Survey^(*) was conducted from November 24 to December 7, 2015. This special survey covers global economic trend forecasts for 2016. Responses indicated regional disparities. A large number of respondents in the United States and China (Hong Kong) were optimistic about next year's outlook for the global economy, saying that it would "gradually improve." By comparison, a large number of respondents in Japan answered that the economy would be "unchanged from this year." Differences in the current economic environment in individual regions, such as "relatively firm United States and China (Hong Kong)" and "lackluster Japan," probably affected the disparities in next year's economic forecasts.

One notable feature about this global survey was the substantial improvement in retail investors' outlook on the stock markets in comparison with the previous survey conducted in August–September 2015. Also, when asked which region could be expected to have higher stock prices going forward, most retail investors in all three regions responded "the United States," which seems to suggest a change in retail investors' attitudes ahead of an imminent rise in U.S. interest rates.

Summary Findings

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

(1-1) DI^() rises among retail investors in all three regions**

[Figure 1 on Page 3 (Exhibit)]

We asked retail investors in each region about their outlook for the global stock market over the next three months. In all three regions, the DI rose in comparison to the previous survey conducted in August–September 2015. The rise was particularly noticeable among investors in China (Hong Kong), with the DI turning positive and surging 32 points from the previous survey. Retail investors' outlook for stock prices improved, reflecting improvements in global market conditions.

[Forecast DI: Japan] Sep 2015: 4 → Dec 2015: 7(+3 points)
 [Forecast DI: U.S.] Sep 2015: -25 → Dec 2015: -4 (+21 points)
 [Forecast DI: China (H.K.)] Sep 2015: -21 → Dec 2015: 11(+32 points)

(1-2) In each region, most retail investors expect U.S. stocks to rise

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

In all regions, when asked in what area they expected equity price rises to be highest, most responded “the United States.” This was the first time such a trend has been evident in nine months, since our March 2015 report. Among the leading countries, the relatively solid economic performance in the United States improved retail investors’ expectations of equity performance in their own countries.

[Japan]	U.S.: 45.8%	Europe/U.K.: 4.3%	Asia excl. Japan: 11.2%	Japan: 38.7%
[U.S.]	U.S.: 76.7%	Europe/U.K.: 9.2%	Asia excl. Japan: 11.3%	Japan: 2.8%
[Hong Kong]	U.S.: 49.7%	Europe/U.K.: 14.1%	Asia excl. Japan: 29.0%	Japan: 7.2%

(1-3) Since the inception of the Monex Global Retail Investor Survey, crude oil DIs in all three regions have been negative

[Figures 5-1 on Page 7 (Exhibit)]

Since the inception of the Monex Global Retail Investor Survey, crude oil DIs in all three regions have been negative. The prolonged slump in crude oil prices seems to have depressed investors’ outlook on crude oil.

[Expectations for oil]

[Crude Oil DI (Japan)]	Sep 2015 : -13 → Dec 2015 : -11 (+2 points)
[Crude Oil DI (U.S.)]	Sep 2015 : 16 → Dec 2015 : -9 (-25 points)
[Crude Oil DI (China (Hong Kong))]	Sep 2015 : 1 → Dec 2015 : -2 (-3 points)

(1-4) Forecasts of global economic trends in 2016 differ by region

[Figures 7 on Page8 (Exhibit)]

In response to our question about their forecast of global economic trends in 2016, the largest percentage of investors in the United States and China (Hong Kong) responded that “the economy will improve gradually.” By comparison, the largest percentage of investors in Japan responded that “the economy will not change so much.” At the time the survey was conducted, Japan recorded its second consecutive quarter of negative real GDP growth, while economic performance in the United States and China (Hong Kong) was relatively robust. Thus, investors were probably basing their global economic forecasts for next year on current economic conditions in their own area.

	Improve rapidly	Improve slightly	Not change	Deteriorate
Japan	0.8%	30.5%	44.0%	24.7%
U.S.	2.1%	44.7%	14.9%	38.3%
Hong Kong	3.3%	54.5%	17.1%	25.1%

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

(2-1) DIs fluctuate somewhat, but no substantial change in trends

[Figures 8-1 and 8-2 on Page 9 (Exhibit)]

Japanese retail investors' outlook on stocks for the upcoming three months in each country (Japan, the United States and China) indicated that the DIs for Japanese stocks and U.S. stocks were slightly lower than in the previous survey (conducted in November 2015), while the DI for Chinese stocks increased by one point. That being said, there was no major change in trends compared with the previous survey; the DIs for U.S. and Japanese stocks remained high, while the DI for Chinese stocks was substantially negative.

[Japanese Stocks DI] Nov 2015: 42 → Dec 2015 : 37(-5 points)

[U.S. Stocks DI] Nov 2015: 43 → Dec 2015 : 40(-3 points)

[China stocks DI] Nov 2015: -46 → Dec 2015 : -45(+1 points)

(2-2) The degree of attention paid to European politics and diplomacy rose sharply

[Figures 10-1 and 10-2 on Page 10 (Exhibit)]

The largest change in topics of attention for retail investors compared with the previous survey was the increase in European "politics and diplomacy." We believe the recent large-scale terror attack in Europe and the shooting down of a Russian aircraft by the Turkish army were the overriding factors here.

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	24 Nov-7 Dec, 2015	24 Nov-4 Dec, 2015	24 Nov-4 Dec, 2015
Number of responses	1,042	141	334

** DI (diffusion index): The percentage of respondents who answered "Stock market will become better" minus the percentage of respondents who answered "Stock market will become worse."

Monex, Inc. has been surveying retail investors about their attitude to the financial market conditions on a monthly basis and providing you with the survey results as the "Monex Retail Investor Survey" since October 2009. In addition to Japan, as our group has established securities businesses in the U.S. and China (Hong Kong), we expanded this retail investor survey geographically and added the U.S. and China (Hong Kong) in order to compile the "Monex Global Retail Investor Survey" on a quarterly basis since June 2011. Monex, Inc., TradeStation Securities, Inc. and Monex Boom Securities (H.K.) Limited have been jointly conducting this survey and observing retail investors' attitudes about financial market conditions in Japan, the U.S. and in China (Hong Kong) on a regular basis.

Monex Global Retail Investor Survey

December 2015

Executive Summary

Financial Intelligence Department, Monex Inc.

We are pleased to present the results of the nineteenth quarterly Monex Global Retail Investor Survey.

Against a backdrop of central banks enacting large-scale monetary easing measures and a solid outlook for corporate performance, share prices in Europe and Japan generally have been firm since the beginning of the year. By comparison, the U.S. market was relatively lackluster in the first half of the year, with investors holding back against an expected increase in U.S. interest rates, possibly as early as March. In China, the SSE Composite Index rose sharply after March, providing a short-lived boom to Chinese investors.

With some adjustments at pivotal points, share prices in each region were generally strong through the summer. Moving into August, fear concerning China's economic slowdown fueled a decline in global share prices, accentuated by falling oil and commodity prices. Sinking share prices in major countries led to a temporary market panic, but share prices then gradually stabilized and began to rebound at the beginning of autumn. Toward the end of the year, share prices in each region moved into a recovery phase.

Investors were quickly disillusioned by the market optimism that betrayed them when the markets later crashed. For example, this year the Nikkei Average returned to its highest level since the IT bubble, and the resulting market elation encouraged most investors to expect further rises. Given these sudden developments, surely there were a very large number of investors who were anxious about the crash.

Amid a state of anxiety about an ongoing plunge in share prices, Takashi Hiroki, Chief Strategist at Monex, went to China—the epicenter of this uncertainty—to conduct a field survey. Through reports and seminars, he communicated his view that investors' perceptions regarding China were too pessimistic. We received messages from many investors saying they were encouraged by his

views.

The Monex Group is developing its business globally with offices in three regions: Japan, the United States and China (Hong Kong). Pulling together as a group, we plan to continue leveraging our strengths to generate information that can contribute to investors' returns.

We are very grateful and thank everyone who assisted in the completion of this survey. We were able to draw valuable insights from the data and hope this survey will assist retail investors with their investment decisions. We look forward to providing you with surveys again next year.

(Written as of December 7, 2015)

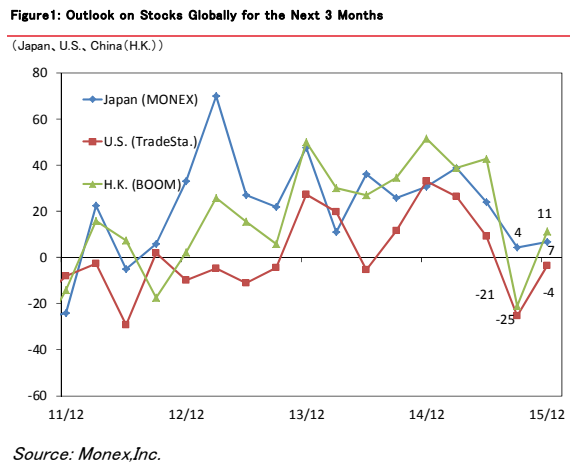
Summary

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

(1-1) DI^(*) rises among retail investors in all three regions

We asked retail investors in each region about their outlook for the global stock market over the next three months. In all three regions, the DI rose in comparison to the previous survey (conducted in August–September 2015). The rise was particularly pronounced among investors in China (Hong Kong), with the DI turning positive and surging 32 points from the previous survey. Retail investors’ outlook for stock prices improved, reflecting improvements in global market conditions.

- [Forecast DI: Japan] Sep 2015: 4 → Dec 2015: 7 (+3 points)
- [Forecast DI: U.S.] Sep 2015: -25 → Dec 2015: -4 (+21 points)
- [Forecast DI: China (H.K.)] Sep 2015: -21 → Dec 2015: 11 (+32 points)



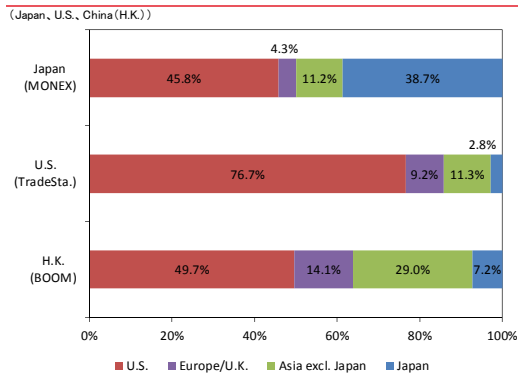
(*) DI (diffusion index): The percentage of respondents who answered “Stock market will become better” minus the percentage of respondents who answered “Stock market will become worse.”

(1-2) In each region, most retail investors expect U.S. stocks to rise

In all regions, when asked in what area they expected equity price rises to be highest, most responded “the United States.” This was the first time such a trend has been evident in nine months, since our March 2015 report. Among the leading countries, the relatively solid economic performance in the United States improved retail investors’ expectations of equity performance in their own countries.

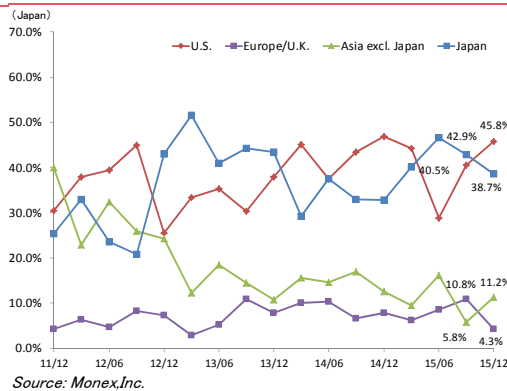
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 [Hong Kong] U.S.: 49.7% Europe/U.K.: 14.1% Asia excl. Japan: 29.0% Japan: 7.2%

Figure2-1: Expectation for Areas of Best Equity Performance for the Next 3 Months



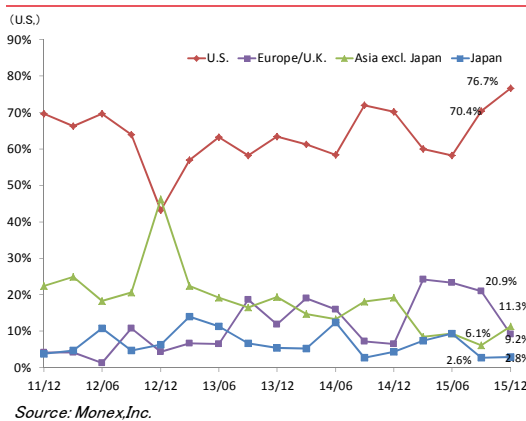
Source: Monex,Inc.

Figure2-2: Expectation for Areas of Best Equity Performance for the Next 3 Months



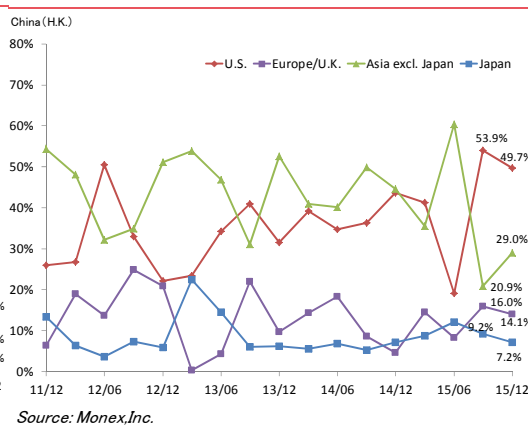
Source: Monex,Inc.

Figure2-3: Expectation for areas of Best Equity Performance for the Next 3 Months



Source: Monex,Inc.

Figure2-4: Expectation for areas of Best Equity Performance for the Next 3 Months



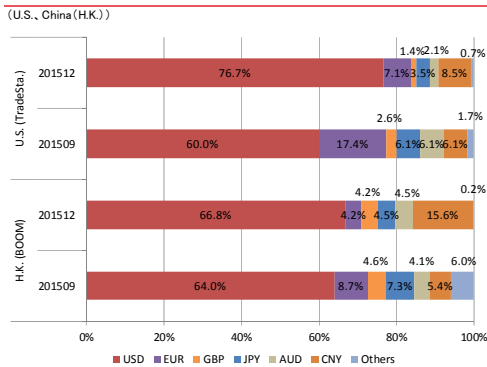
Source: Monex,Inc.

(1-3) Growing percentages of investors in both the United States and China (Hong Kong) expect the U.S. dollar to appreciate

We asked retail investors in the United States and China (Hong Kong) which currency they thought would be the strongest over the next three months. In both regions, the highest percentage of investors predicted that the U.S. dollar would appreciate the most. This tendency was particularly noteworthy in the United States, where nearly 80% answered “U.S. dollar,” a marked increase from the 60% of investors forecasting a strong dollar in our previous survey. This trend is probably due to a rise in the number of investors expecting the dollar to rise ahead of the upcoming hike in U.S. interest rates.

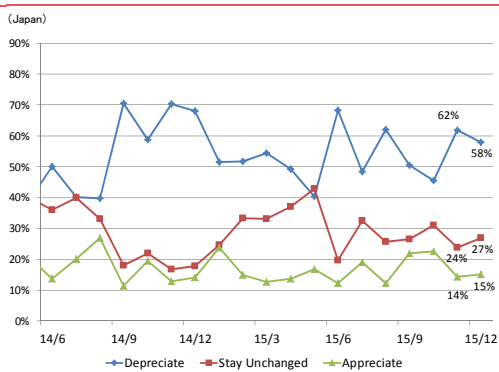
In Japan, we asked retail investors about their expectations for the U.S dollar/yen ratio over the next three months. The percentage of people forecasting “yen depreciation” was slightly lower than in our November survey, while the percentages forecasting “stay unchanged” or “yen appreciation” increased. In August, the yen was at around ¥125 to the U.S. dollar. The yen has risen slightly to the current level of around ¥123. This increase may have prompted the change in investor forecasts.

Figure3-1: Strongest Currency Over the Next 3 Months(Previous)



Source: Monex,Inc.

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



Source: Monex,Inc.

(1-4) “Technology” is seen as the most attractive sector among investors in the United States and China (Hong Kong)

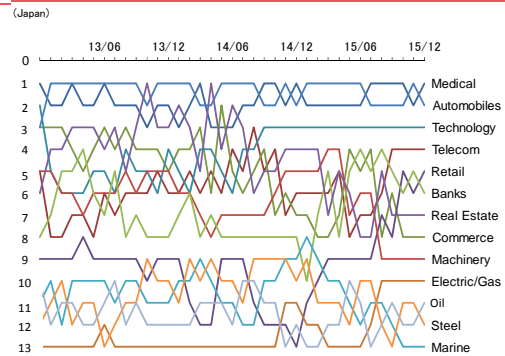
“Technology” was the most attractive sector for investors in the United States and China (Hong Kong). Among U.S. companies recently announcing their results for the July–September quarter, U.S. high-tech firms including Alphabet (the parent company of Google), Amazon and Facebook reported positive earnings. Share prices for each of these companies reached new post-IPO heights. We see this as the strongest factor behind the renewed attractiveness of the technology sector. Japanese retail investors have also ranked “technology” as the third most attractive sector over the course of the year since our September 2014 survey, indicating that Japanese investors continue to find high-tech companies highly attractive.

Figure4-1: Attractive Sectors (Quarterly)

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

Source: Monex,Inc.

Figure4-2: Attractive Sectors (Monthly)



Source: Monex,Inc.

(The previous survey of U.S. and Chinese (H.K.) retail investors was conducted in September 2015, and the sector ranking by Japanese retail investors are shown since December 2012.)

(1-5) Since the inception of the Monex Global Retail Investor Survey, crude oil DIs in all three regions have been negative

Since the inception of the Monex Global Retail Investor Survey, crude oil DIs in all three regions have been negative. The prolonged slump in crude oil prices seems to have depressed investors' outlook on crude oil. Compared with the previous survey, the metals DI was also negative in all three regions.

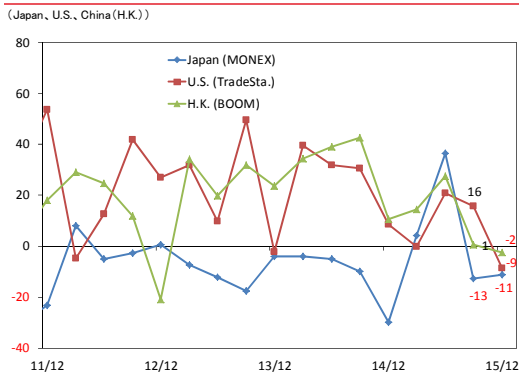
[Expectations for oil]

[Crude Oil DI (Japan)]	Sep 2015 : -13 → Dec 2015 : -11 (+2 points)
[Crude Oil DI (U.S.)]	Sep 2015 : 16 → Dec 2015 : -9 (-25 points)
[Crude Oil DI (China (Hong Kong))]	Sep 2015 : 1 → Dec 2015 : -2 (-3 points)

[Expectations for metals]

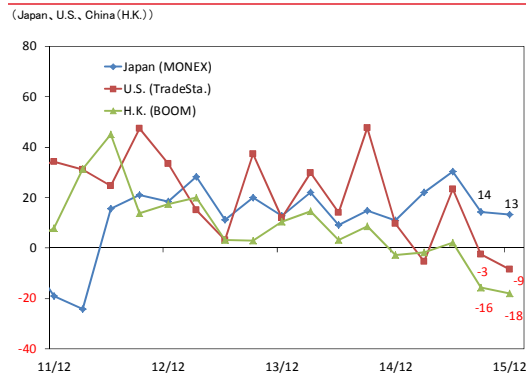
[Metals DI (Japan)]	Sep 2015 : 14 → Dec 2015 : 13 (-1 point)
[Metals DI (U.S.)]	Sep 2015 : -3 → Dec 2015 : -9 (-6 points)
[Metals DI (China (Hong Kong))]	Sep 2015 : -16 → Dec 2015 : -18 (-2 points)

Figure5-1: Crude Oil DI



Source: Monex, Inc.

Figure5-2: Metals DI



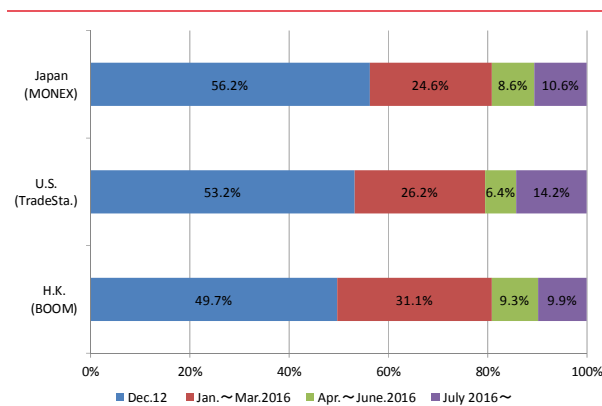
Source: Monex, Inc.

(1-6) In all three regions, most retail investors predict a rise in U.S. interest rates this year

When asked about the timing of hike in interest rates by the FRB, the highest percentage of investors in all three regions said they expected interest rates to start rising by the end of the year. That being said, more than 40% of investors in each region responded that they expected interest rates to rise after the beginning of the new year. These results suggest that opinion about the timing of a rate hike is more divided among retail investors than it is in various media, which are firmly predicting rises by the end of the year.

- Japan : (Dec 2015 56.2%, Jan~ Mar 2016: 24.6%, April~ June 2016: 8.6%, July 2016~: 10.6%)
- U.S : (Dec 2015 53.2%, Jan~ Mar 2016: 26.2%, April~ June 2016: 6.4%, July 2016~: 14.2%)
- Hong Kong : (Dec 2015 49.7%, Jan~ Mar 2016: 31.1%, April~ June 2016: 9.3%, July 2016~: 9.9%)

Figure6: When Will the FRB Start to Raise Interest Rates ?

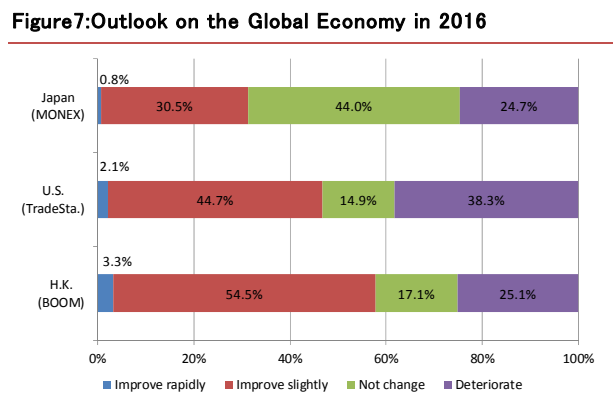


Source: Monex, Inc.

(1-7) Forecasts of global economic trends in 2016 differ by region

In response to our question about their forecast of global economic trends in 2016, the largest percentage of investors in the United States and China (Hong Kong) responded that “the economy will improve gradually.” By comparison, the largest percentage of investors in Japan responded that “the economy will not change so much.” At the time the survey was conducted, Japan recorded its second consecutive quarter of negative real GDP growth, while economic performance in the United States and China (Hong Kong) was relatively robust. Thus, investors were probably basing their global economic forecasts for next year on current economic conditions in their own area.

- Japan : (Improve rapidly : 0.8%, Improve slightly: 30.5%, Not change: 44.0%, Deteriorate: 24.7%)
- U.S. : (Improve rapidly : 2.1%, Improve slightly: 44.7%, Not change: 14.9%, Deteriorate: 38.3%)
- Hong Kong : (Improve rapidly : 3.3%, Improve slightly: 54.5%, Not change: 17.1%, Deteriorate: 25.1%)



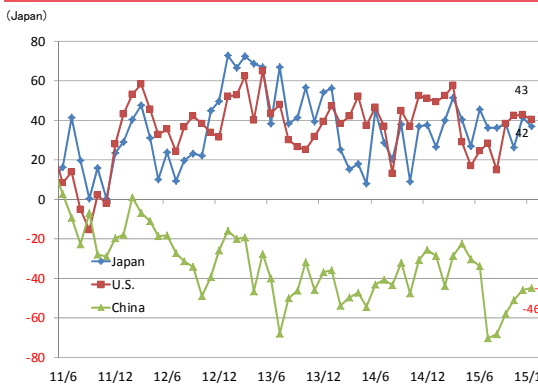
2. Japan Survey Results: Survey of Retail investors in Japan

(2-1) DIs fluctuate somewhat, but no substantial change in trends

Japanese retail investors’ outlook on stocks for the upcoming three months in each country (Japan, the United States and China) indicated that the DIs for Japanese stocks and U.S. stocks were slightly lower than in the previous survey (conducted in November 2015), while the DI for Chinese stocks increased by one point. That being said, there was no major change in trends compared with the previous survey; the DIs for U.S. and Japanese stocks remained high, while the DI for Chinese stocks was substantially negative.

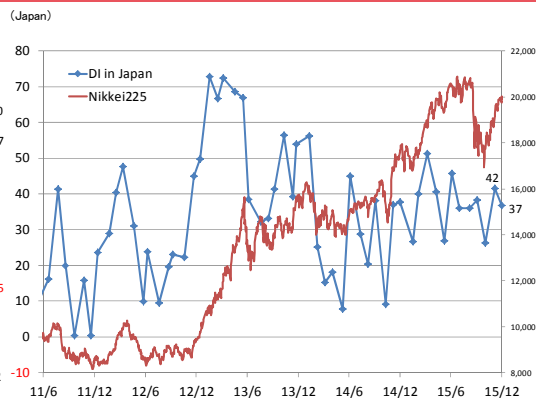
- [Japanese Stocks DI] Nov 2015: 42 → Dec 2015: 37 (-5 points)
- [U.S. Stocks DI] Nov 2015: 43 → Dec 2015: 40 (-3 points)
- [China stocks DI] Nov 2015: -46 → Dec 2015: -45 (+1 points)

Figure8-1: Outlook on Stocks



Source: Monex,Inc.

Figure8-2: Japanese Investor's Domestic DI and Nikkei 225



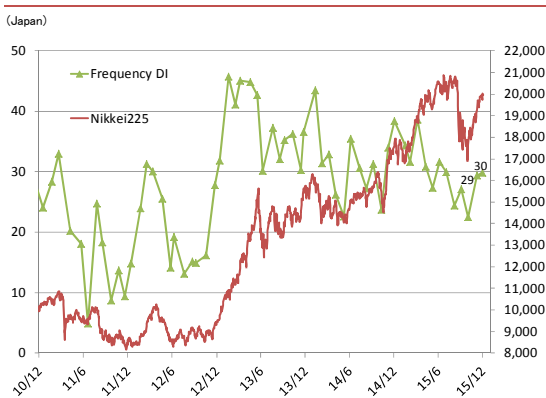
Source: Monex,Inc.

(2-2) Investor willingness to invest improved on many fronts

Compared with the previous survey, DIs increased in all three categories: “trading frequency,” “investment amount” and “number of stocks held.” Firm performance marked by the recovery of the Nikkei Average to above ¥20,000 at one point seems to have prompted an improvement in investor sentiment toward Japanese stocks.

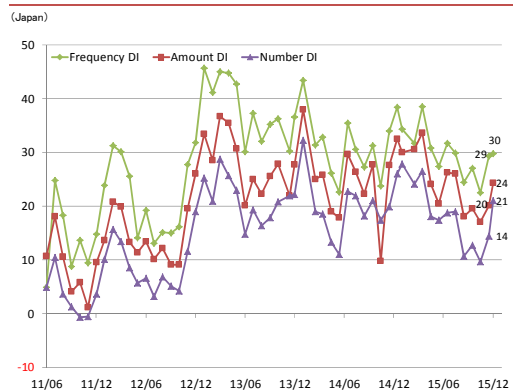
- [DI of trading frequency] Nov 2015: 29 → Dec 2015: 30 (+1 point)
- [DI of investment amount] Nov 2015: 20 → Dec 2015: 24 (+4 points)
- [DI of the number of stocks held] Nov 2015: 14 → Dec 2015: 21 (+7 points)

Figure9-1: Investment Willingness for the Next 3 Months and Nikkei225



Source: Monex,Inc.

Figure9-2: Investment Willingness for the Next 3 Months



Source: Monex,Inc.

(2-3) The degree of attention paid to European politics and diplomacy rose sharply

The largest change in topics of attention for retail investors compared with the previous survey was the increase in European “politics and diplomacy.” We believe the recent large-scale terror attack in Europe and the shooting down of a Russian aircraft by the Turkish army were the overriding factors here.

Figure10-1: Topic (Change From Previous Survey)

(Japan)

	Japan	U.S.	Europe	China (incl.H.K.)	emerging country (excl.China)
corporate performance	-1.9	3.2	0.2	2.4	1.1
macroeconomics	-1.9	-4.2	-1.6	-2.0	2.7
exchange markets trend	-3.9	-2.1	3.3	0.1	0.1
rate movements	-2.1	-1.4	1.7	-0.3	1.4
monetary policy	-3.8	-0.4	1.2	-5.5	1.1
politics, diplomacy	-3.5	-0.5	13.7	-5.3	1.3

Source: Monex, Inc.

Figure10-2: Topic

(Japan)

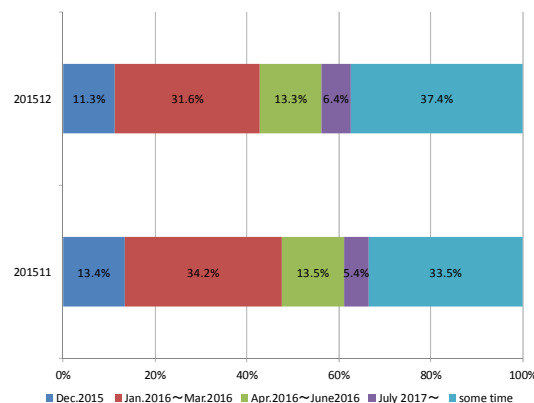
	Japan	U.S.	Europe	China (incl.H.K.)	emerging country (excl.China)
corporate performance	85.5%	45.4%	13.1%	17.4%	8.9%
macroeconomics	55.2%	61.3%	22.4%	30.6%	18.8%
exchange markets trend	60.3%	67.1%	25.4%	12.7%	12.7%
rate movements	45.8%	72.8%	16.6%	10.9%	7.5%
monetary policy	63.5%	67.1%	28.4%	25.7%	8.4%
politics, diplomacy	58.0%	55.9%	41.4%	47.5%	20.2%

(point) Source: Monex, Inc.

(2-4) The percentage of investors who expect implementation of additional monetary easing by the Bank of Japan was down slightly

The percentage of investors expecting implementation of additional monetary easing of the Bank of Japan by year-end or by March 2016 was down slightly compared with our previous survey. At a press conference following the BOJ’s Monetary Policy Meeting in November and in other media reports, BOJ Governor Kuroda and BOJ deliberation committee members expressed confidence that prices were trending upward. These utterances seem to have affected investors’ outlook.

Figure 11: Additional Monetary Easing of Bank of Japan

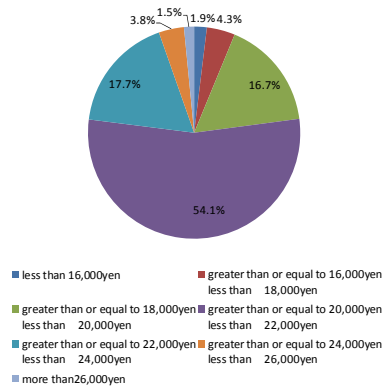


Source: Monex, Inc.

(2-5) Survey of forecast of the highest and lowest levels for the Nikkei Average in 2016

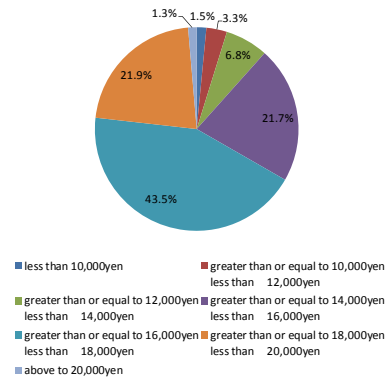
In this month’s special survey for Japanese retail investors, we asked for their forecasts of the highest and lowest levels for the Nikkei Average in 2016. The largest number of investors forecast that the Nikkei Average would vary in a range of around 10% from its level at the time the survey was conducted (around ¥20,000), with a high of ¥20,000–22,000 and a low of ¥16,000–18,000.

Figure12-1: Highest level of the Nikkei225 in 2016



Source: Monex, Inc.

Figure12-2: Lowest level of the Nikkei225 in 2016



Source: Monex, Inc.

Outline of Survey & Characteristics of Respondents

(Japan)

Method: Online survey
 Respondents: Customers of Monex, Inc.
 # of Responses: 1,042
 Period: 24 Nov–7 Dec, 2015

[Gender]

Male	Female
84.5%	15.5%

[Age]

Minor	20s	30s	40s	50s	60s	70s or over
0.3%	3.0%	14.6%	26.8%	28.8%	17.8%	8.7%

[Investable 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
23.9%	17.7%	19.3%	24.8%	10.0%	4.3%

[Frequency of trading]

Day trading	Several times a week	Several times a month	Once in every few months	Fewer than that
5.6%	15.5%	33.3%	29.7%	15.9%

[Experience with investment]

Less than a year	2 ~ 5 years	5 ~ 10 years	Over 10 years
9.5%	17.4%	20.1%	53.0%

(United States)

Method: Online survey
 Respondents: Customers of TradeStation Securities, Inc.
 # of Responses: 141
 Period: 24 Nov –4 Dec, 2015

(Hong Kong)

Method: Online survey
 Respondents: Customers of Monex BOOM Securities (H.K.) Limited
 # of Responses: 334
 Period: 24 Nov –4 Dec, 2015

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., and Monex Boom Securities (H.K.) Limited. Details of the methodology used to conduct the survey are available upon request. Accuracy and completeness of the data derived from the survey are not guaranteed.

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