Twenty-Seventh Monex Global Retail Investor Survey, December 2019
The forecast DI for the world stock markets rose sharply in all three regions

Tokyo, Florida and Hong Kong, December 19, 2019 – Monex, Inc. ("Monex"), TradeStation Securities, Inc. ("TradeStation") and MONEX Boom Securities (H.K.) Limited ("BOOM"), group companies of Monex Group, Inc. (TSE: 8698), surveyed retail investors with accounts held in the respective companies about their perceptions of the market environment. The Monex Global Retail Investor Survey is a report summarizing their responses.

Contact: Akiko Kato   Atsushi Demoto, Yuki Nakano
          Corporate Communications Office   Investor Relations, Financial Control Department
          Monex Group, Inc.   Monex Group, Inc.
          +81-3-4323-8698   +81-3-4323-8698

For Immediate Release

Monex, Inc.
TradeStation Securities, Inc.
Monex Boom Securities (H.K.) Limited

Twenty-Seventh Monex Global Retail Investor Survey, December 2019

Expectations for U.S. stocks were the highest among retail investors in all three regions.

Monex, Inc, (Minato-ku, Tokyo; Yuko Seimei, President; hereinafter "Monex, Inc.") conducted the twenty-seventh Monex Global Retail Investor Survey* in collaboration with Group companies TradeStation Securities, Inc. (Florida, the U.S.; Peter Korotkiy, President) and Monex Boom Securities (H.K.) Limited [China (Hong Kong), Ivan Law, COO] from November 26 to December 6, 2019.

With risk factors such as the U.S.-China trade war, the global recession it might trigger, and Brexit, and with stock prices plummeting at the end of 2018, 2019 got off to shaky start. Although there was turmoil at times, for instance, when President Trump suddenly announced additional tariffs on imports from China, the pessimism gradually receded due to progress at U.S.-China talks, among other factors, and the markets regained their composure.

Summary Findings
1. Global Survey Results: Survey of Retail Investors in Japan, U.S. and China (H.K.)
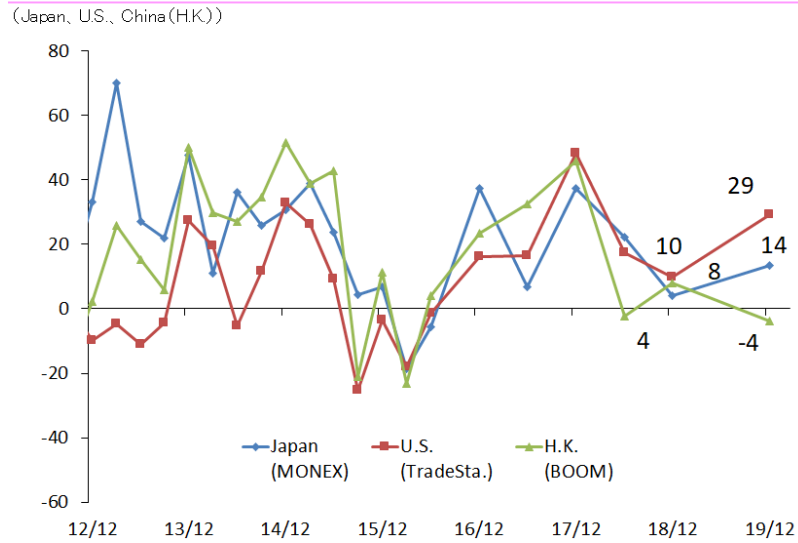
The forecast DI (*) for world stock markets rose in Japan and the U.S. but worsened and fell into negative territory in China (Hong Kong).

We asked retail investors in each region about their views on world stock markets for the coming three months. Among retail investors in Japan and the U.S., the DI rose from the previous survey (conducted in December 2018). Among retail investors in China (Hong Kong), however, the DI worsened 12 percentage points, falling into negative territory. The progress at trade talks between the U.S. and China and the recent firm tone of stock markets appears to have led to improvement in the views of retail investors in Japan and the U.S. Meanwhile, retail investors in China (Hong Kong) may have been influenced by factors such as the intensification of anti-government demonstrations.

DI (diffusion index):
The percentage of respondents who answered "will rise or improve" minus the percentage of respondents who answered "will fall or deteriorate"

Figure1 : Outlook on Stocks Globally for the Next 3 Months

(Japan、U.S.、China(H.K.))
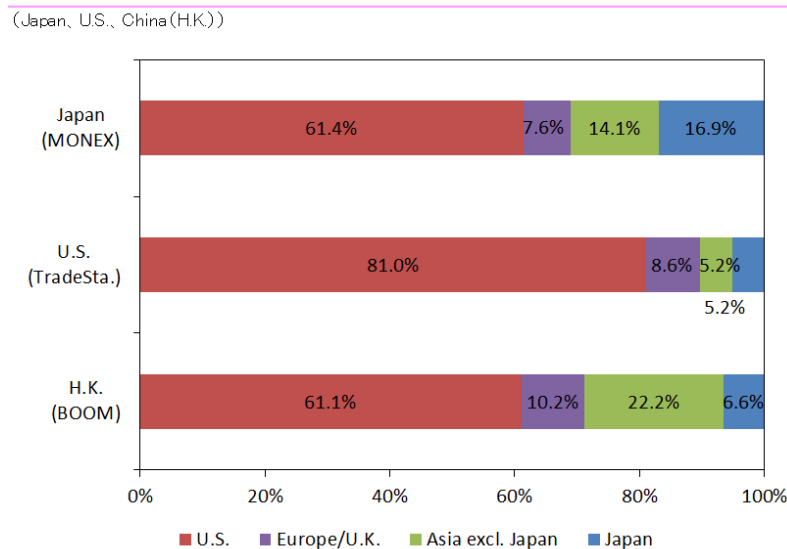

Source: Monex, Inc.

【The forecast DI for world stock markets】
[Japan]   Dec. 2018: 4 →   Dec. 2019: 14 (+10 points)
[U.S.]   Dec. 2018: 10 →   Dec. 2019: 29 (+19 points)
[China (H.K.)]   Dec. 2018: 8 →   Dec. 2019: -4 (-12 points)

Expectations for U.S. stocks were highest among retail investors in all three regions.

Retail investors in all three regions answered that the U.S. is the region with the greatest likelihood of stock price appreciation in the coming three months. Despite fears of a U.S. recession for a time, the U.S. economy is holding up well, with some recently announced economic indicators signaling a healthy recovery. Meanwhile, stocks are also surging to new record highs. These two factors appear to be increasing expectations for U.S. stocks.

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

(Japan、U.S.、China(H.K.))

Source: Monex, Inc.

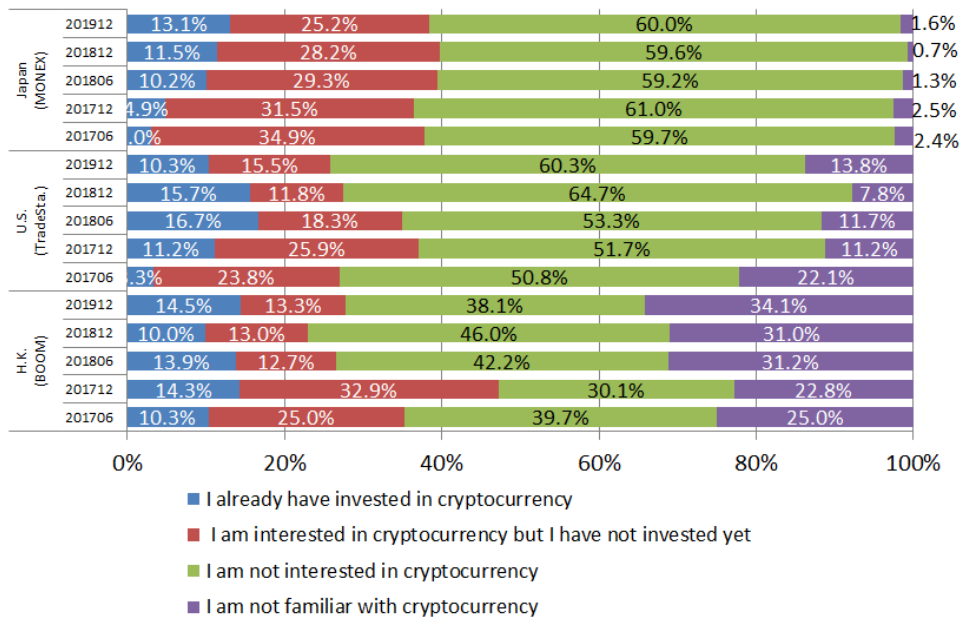【Expectations for stock markets in the coming three months】
[Japan]　　　　　　U.S.: 61.4% Europe/U.K.: 7.6% Asia excl. Japan: 14.1% Japan: 16.9%
[U.S.]　　　　　　 U.S.: 81.0% Europe/U.K.: 8.6% Asia excl. Japan: 5.2% Japan: 5.2%
[China (H.K.)]　　 U.S.: 61.1% Europe/U.K.:10.2% Asia excl. Japan: 22.2% Japan: 6.6%

The percentage of retail investors in Japan investing in cryptocurrency reached its highest level.

We asked retail investors about much-talked-about "cryptocurrency" such as Bitcoin, with respect to their experience with it and their willingness to invest in it. The percentage of retail investors in Japan answering that they had already invested in cryptocurrency was 13.1%, the highest level since this question was introduced in June 2017. The percentage of retail investors in China (Hong Kong) answering that they invest in cryptocurrency rose from the previous survey, but the percentage fell among retail investors in the U.S.

Figure4: About Cryptocurrency

（Japan、U.S.、China（H.K.））

		I already have invested	I am interested but not invested	I am not interested	I am not familiar
Japan (MONEX)	201912	13.1%	25.2%	60.0%	1.6%
	201812	11.5%	28.2%	59.6%	0.7%
	201806	10.2%	29.3%	59.2%	1.3%
	201712	4.9%	31.5%	61.0%	2.5%
	201706	.0%	34.9%	59.7%	2.4%
U.S. (TradeSta.)	201912	10.3%	15.5%	60.3%	13.8%
	201812	15.7%	11.8%	64.7%	7.8%
	201806	16.7%	18.3%	53.3%	11.7%
	201712	11.2%	25.9%	51.7%	11.2%
	201706	.3%	23.8%	50.8%	22.1%
H.K. (BOOM)	201912	14.5%	13.3%	38.1%	34.1%
	201812	10.0%	13.0%	46.0%	31.0%
	201806	13.9%	12.7%	42.2%	31.2%
	201712	14.3%	32.9%	30.1%	22.8%
	201706	10.3%	25.0%	39.7%	25.0%

■ I already have invested in cryptocurrency
■ I am interested in cryptocurrency but I have not invested yet
■ I am not interested in cryptocurrency
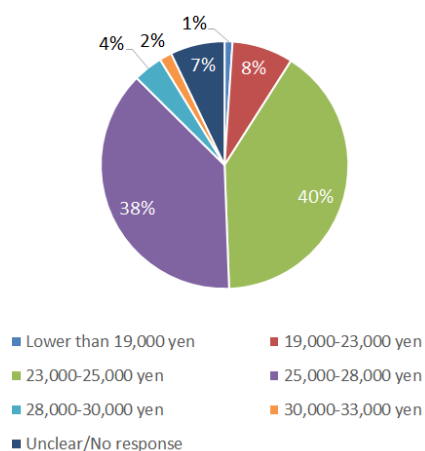■ I am not familiar with cryptocurrency

Source: Monex, Inc.

2．Japan Specific Quarterly Survey Results: Survey of Retail Investors in Japan

The highest percentage of investors, 40%, forecast the 2020 high for the Nikkei average to be about 23,000 to 25,000 yen.

We asked Japanese retail investors about their forecast of 2020 highs and lows of the Nikkei Stock Average and the Dow Jones Industrial Average. The percentage forecasting that the 2020 high of the Nikkei Stock Average would be 23,000 yen - 25,000 yen was highest, at 40%. The percentage forecasting a 2020 low of 19,000 yen - 21,000 yen was highest, at 41%. The percentage forecasting that the 2020 high of the Dow Jones Industrial Average would be $28,000 - $30,000 was highest, at 38%, while the percentage forecasting a 2020 low of $25,000 - $28,000 was highest, at 45%. The forecast highs for both Japan and the U.S. are slighly higher than the current index levels while the forecast lows are slightly lower.
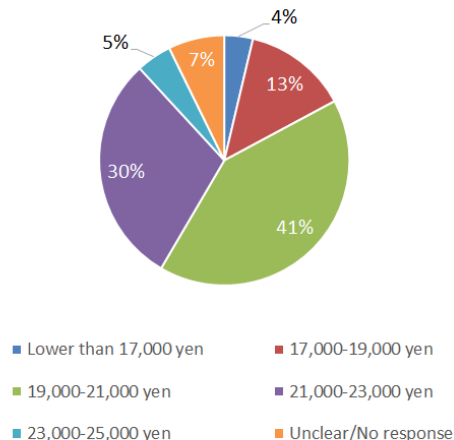
Figure6-1:Forecast High of Nikkei 225
（Japan）

- Lower than 19,000 yen
- 19,000-23,000 yen
- 23,000-25,000 yen
- 25,000-28,000 yen
- 28,000-30,000 yen
- 30,000-33,000 yen
- Unclear/No response

Source: Monex,Inc.

Figure6-2:Forecast Low of Nikkei 225
（Japan）

- Lower than 17,000 yen
- 17,000-19,000 yen
- 19,000-21,000 yen
- 21,000-23,000 yen
- 23,000-25,000 yen
- Unclear/No response

Source: Monex,Inc.

Figure6-3:Forecast High of Dow Jones Industrial Average
（Japan）

- Lower than $23,000
- 23,000-$28,000
- 28,000-$30,000
- 30,000-$33,000
- Higher than $33,000
- Unclear/No response

Source: Monex,Inc.

Figure6-4:Forecast Low of Dow Jones Industrial Average
（Japan）

- Lower than $19,000
- 19,000-$23,000
- 23,000-$25,000
- 25,000-$28,000
- Higher than $28,000
- Unclear/No response

Source: Monex,Inc.

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

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

	Japan	U.S.	China(H.K.)
Survey period	Nov. 29 to Dec. 6, 2019	Dec. 2 to Dec. 5, 2019	Nov. 26 to Dec. 5, 2019
Number of responses	742	58	331

Monex, Inc. has been surveying retail investors about their attitudes regarding financial market conditions, 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" 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 2019

Executive Summary

Yutaka Masushima, Market Analyst, Monex Inc.

With risk factors such as the U.S.-China trade war, the global recession it might trigger, and Brexit, and with stock prices plummeting at the end of 2018, 2019 got off to shaky start. Although there was turmoil at times, for instance, when President Trump suddenly announced additional tariffs on imports from China, the pessimism gradually receded due to progress at U.S.-China talks, among other factors, and the markets regained their composure.

As a result, 2019 was ultimately a year of rising stock prices, with the Nikkei Stock Average climbing around 17% from the end of last year, and the Dow Jones Industrial Average up around 20% (based on a comparison of stock price at the end of 2018 with stock prices as of December 11, 2019). Next year, again, there will be many events that are likely to have a major impact on economies and markets, including the U.S. presidential elections and the Tokyo Olympics.

In the coming year, the Monex Group will continue to disseminate information on the latest developments, working alongside retail investors to ride out the turbulent markets.

With your assistance, we have been able to compile and analyze extremely valuable data. We greatly appreciate your cooperation and hope that this survey will be of some aid in your investment decisions.

(Written as of December 11, 2019）

Summary

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

（1-1） **The forecast DI (*) for world stock markets rose in Japan and the U.S. but worsened and fell into negative territory in China (Hong Kong).**

We asked retail investors in each region about their views on world stock markets for the coming three months. Among retail investors in Japan and the U.S., the DI rose from the previous survey (conducted in December 2018). Among retail investors in China (Hong Kong), however, the DI worsened 12 percentage points, falling into negative territory. The progress at trade talks between the U.S. and China and the recent firm tone of stock markets appears to have led to improvement in the views of retail investors in Japan and the U.S. Meanwhile, retail investors in China (Hong Kong) may have been influenced by factors such as the intensification of anti-government demonstrations.

【The forecast DI for world stock markets】

[Japan]	Dec. 2018: 4 → Dec. 2019: 14 (+10 points)
[U.S.]	Dec. 2018: 10 → Dec. 2019: 29 (+19 points)
[China (H.K.)]	Dec. 2018: 8 → Dec. 2019: -4 (-12 points)

Figure1 : Outlook on Stocks Globally for the Next 3 Months
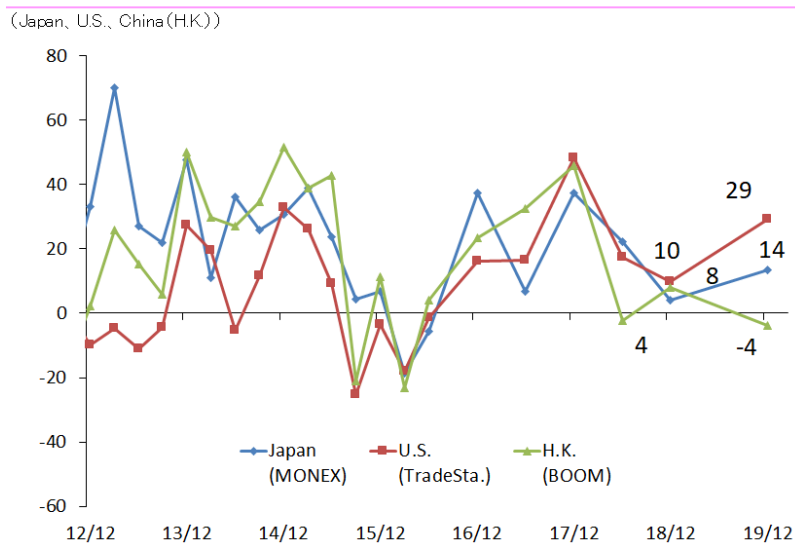
Source: Monex, Inc.

* DI (diffusion index): The percentage of respondents who answered, "will rise or improve" minus the percentage of respondents who answered "will fall or deteriorate."

（1-2）**Expectations for U.S. stocks were highest among retail investors in all three regions.**

Retail investors in all three regions answered that the U.S. is the region with the greatest likelihood of stock price appreciation in the coming three months. Despite fears of a U.S. recession for a time, the U.S. economy is holding up well, with some recently announced economic indicators signaling a healthy recovery. Meanwhile, stocks are also surging to new record highs. These two factors appear to be increasing expectations for U.S. stocks.

【Expectations for stock markets in the coming three months】

[Japan]	U.S.: 61.4% Europe/U.K.: 7.6% Asia excl. Japan: 14.1% Japan: 16.9%
[U.S.]	U.S.: 81.0% Europe/U.K.: 8.6% Asia excl. Japan: 5.2% Japan: 5.2%
[China (H.K.)]	U.S.: 61.1% Europe/U.K.: 10.2% Asia excl. Japan: 22.2% Japan: 6.6%

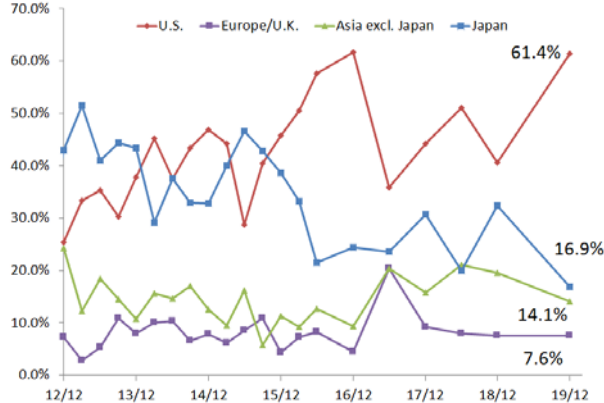Figure2-1: Expectation for Areas of Best Equity Performance for the Next 3 Months
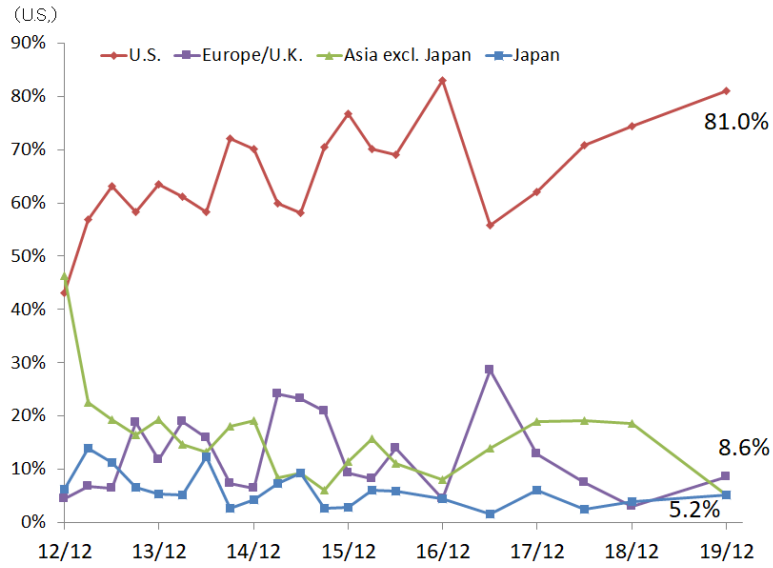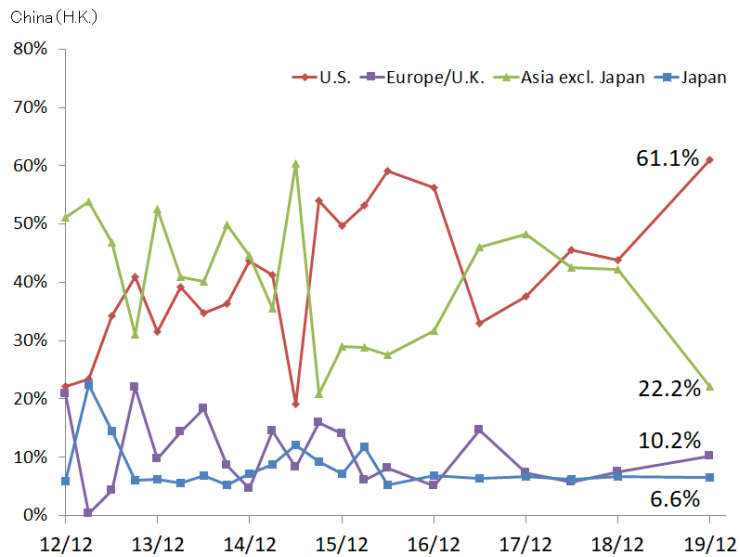(Japan, U.S., China(H.K.))
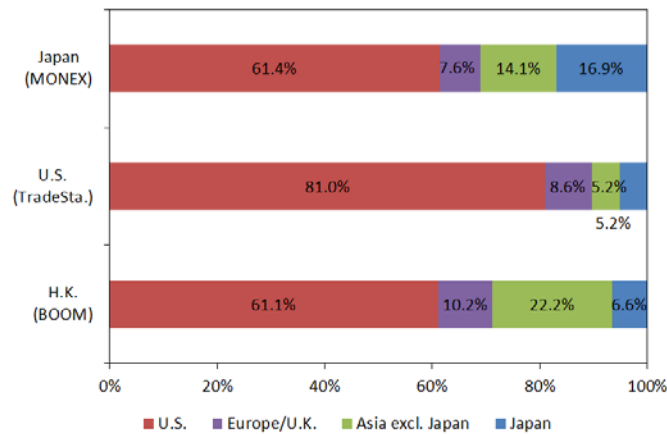
Source: Monex, Inc.

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

（U.S.）

Source: Monex, Inc.

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

China（H.K.）

Source: Monex, Inc.

（1-3） **Among retail investors in the U.S. and China, the percentage expecting a stronger U.S. dollar was highest.**

In both the U.S. and China (Hong Kong), the currency that retail investors consider most likely to increase in value in the coming three months was U.S. dollar. However, the percentage of retail investors in the U.S. and China (Hong Kong) who gave this answer fell slightly from the previous survey. As for the USD/JPY forecast for the coming three months among Japanese retail investors, the percentage of retail investors who believe that the yen will depreciate against the dollar increased significantly.

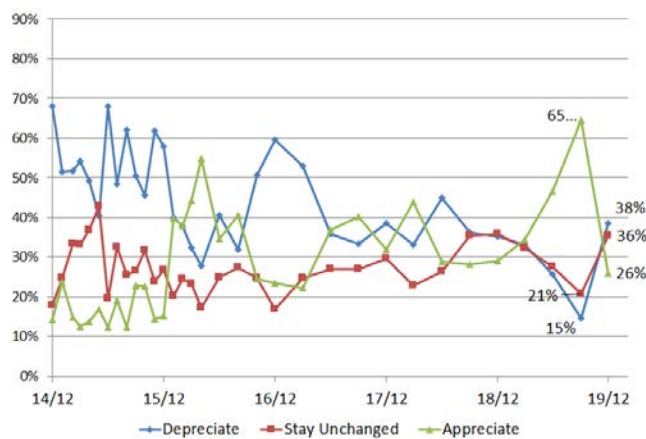Figure3-1: Strongest Currency Over the Next 3 Months(vs Previous survey)
(U.S., China(H.K.))
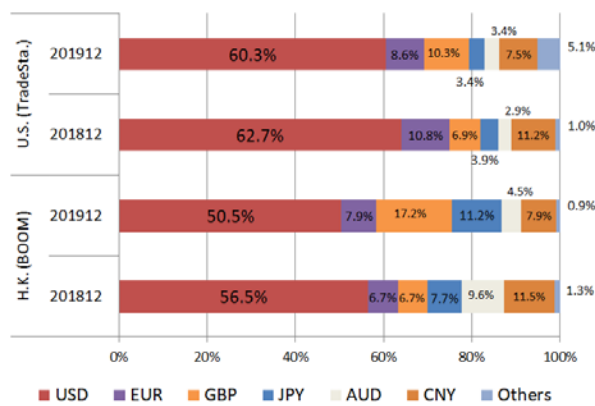
Source: Monex, Inc.

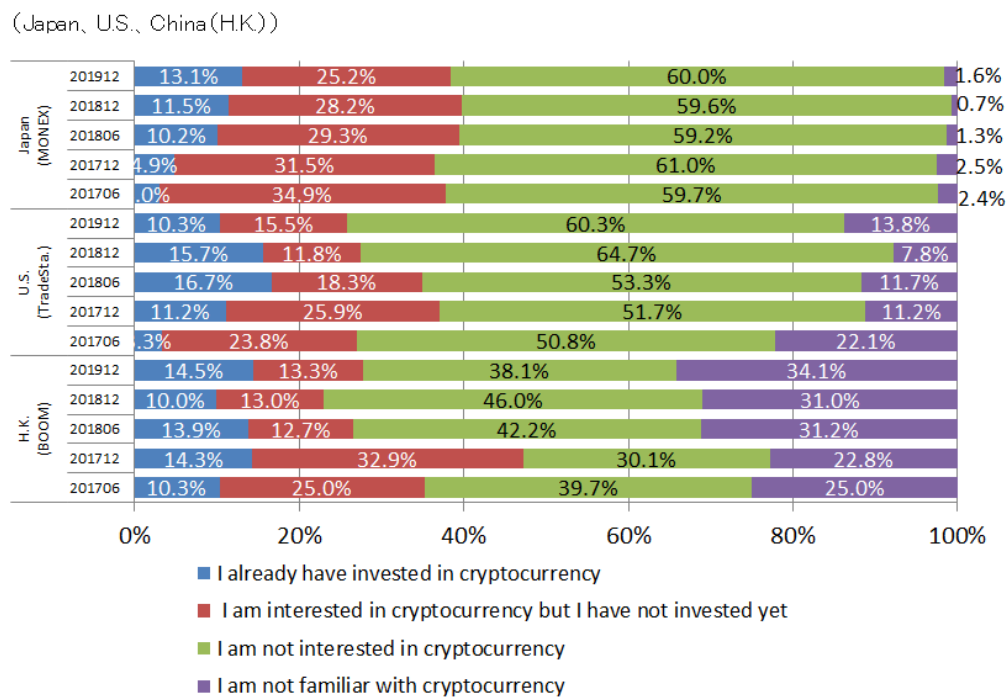Figure3-2: JPY Against the Dollar for the Next 3 Months
(Japan)

Source: Monex, Inc.

*Figure 3-1 shows a comparison with the previous survey (December 2019) for retail investors in the U.S. and China (Hong Kong). Figure 3-2 shows changes in USD/JPY forecast among Japanese retail investors from December 2014 to the present. Japanese retail investors were surveyed every month from the start of the survey to April 2016, every two months from June 2016 to December 2016, and every quarter from March 2017 to the present.

（1-4）**The percentage of retail investors in Japan investing in cryptocurrency reached its highest level.**

We asked retail investors about much-talked-about "cryptocurrency" such as Bitcoin, with respect to their experience with it and their willingness to invest in it. The percentage of retail investors in Japan answering that they had already invested in cryptocurrency was 13.1%, the highest level since this question was introduced in June 2017. The percentage of retail investors in China (Hong Kong) answering that they invest in cryptocurrency rose from the previous survey, but the percentage fell among retail investors in the U.S.

Figure4: About Cryptocurrency

(Japan、U.S.、China(H.K.))

Source: Monex, Inc.

2. Japan Specific Quarterly Survey Results: Survey of Retail Investors in Japan

（2-1）The DIs for U.S., Japanese and Chinese stocks all rose

We asked Japanese retail investors about their outlook for the stock markets in Japan, the U.S. and China in the coming three months and the DIs for all three improved. While the DIs for Japanese stocks and U.S. stocks were in positive territory, the DI for Chinese stocks was still deep in negative territory. The DI for U.S. stocks reached a high level of 39, and the bullish view on the U.S. where the economy is in recovery and stock prices are rising is striking.
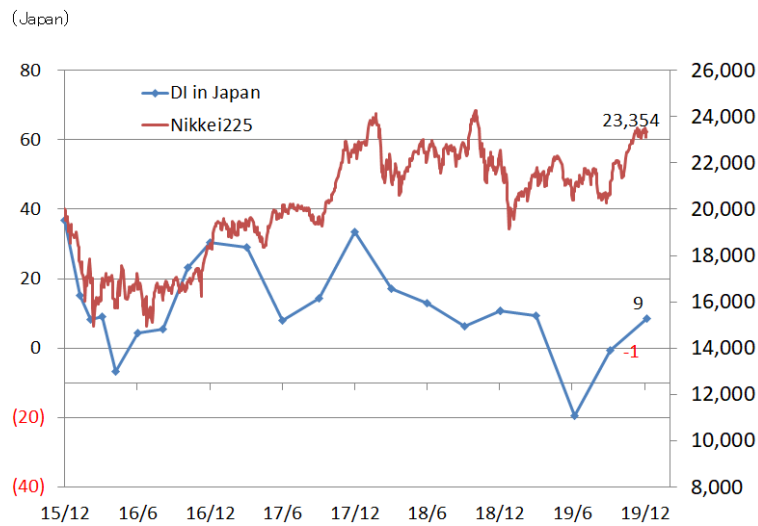
[Japanese Stocks DI]   Sep. 2019: -1 → Dec. 2019: 9 (+10 points)

[U.S. Stocks DI]   Sep. 2019: 31→ Dec. 2019: 39 (+8 points)

[China stocks DI]   Sep. 2019: -41 → Dec. 2019:-29 (+12 points)

Figure5-1: Outlook on Stocks for the Next 3 Months
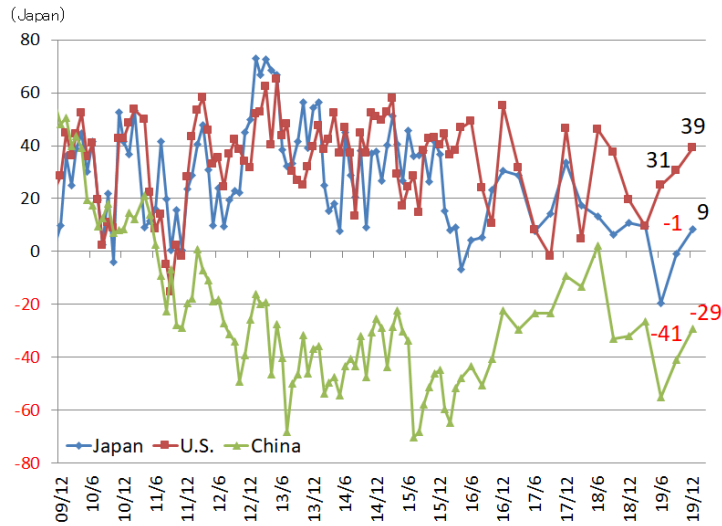
Source: Monex, Inc.

Figure5-2: Japanese Investor's Domestic DI and Nikkei 225

Source: Monex, Inc.

（2-2） The highest percentage of investors, 40%, forecast the 2020 high for the Nikkei average to be about 23,000 to 25,000 yen.

We asked Japanese retail investors about their forecast of 2020 highs and lows of the Nikkei Stock Average and the Dow Jones Industrial Average. The percentage forecasting that the 2020 high of the Nikkei Stock Average would be 23,000 yen - 25,000 yen was highest, at 40%. The percentage forecasting a 2020 low of 19,000 yen - 21,000 yen was highest, at 41%. The percentage forecasting that the 2020 high of the Dow Jones Industrial Average would be $28,000-$30,000 was highest, at 38%, while the percentage forecasting a 2020 low of $25,000 -$28,000 was highest, at 45%. The forecast highs for both Japan and the U.S. are slighly higher than the current index levels while the forecast lows are slightly lower.
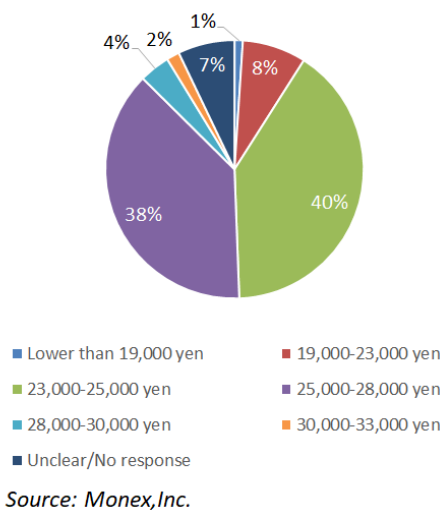
Figure6-1:Forecast High of Nikkei 225
（Japan）

- Lower than 19,000 yen
- 19,000-23,000 yen
- 23,000-25,000 yen
- 25,000-28,000 yen
- 28,000-30,000 yen
- 30,000-33,000 yen
- Unclear/No response

Source: Monex,Inc.

Figure6-2:Forecast Low of Nikkei 225
（Japan）

- Lower than 17,000 yen
- 17,000-19,000 yen
- 19,000-21,000 yen
- 21,000-23,000 yen
- 23,000-25,000 yen
- Unclear/No response

Source: Monex,Inc.

Figure6-3:Forecast High of Dow Jones Industrial Average
（Japan）

- Lower than $23,000
- 23,000-$28,000
- 28,000-$30,000
- 30,000-$33,000
- Higher than $33,000
- Unclear/No response

Source: Monex,Inc.

Figure6-4:Forecast Low of Dow Jones Industrial Average
（Japan）

- Lower than $19,000
- 19,000-$23,000
- 23,000-$25,000
- 25,000-$28,000
- Higher than $28,000
- Unclear/No response

Source: Monex,Inc.

Outline of Survey & Characteristics of Respondents

(Japan)

Method: Online survey

Respondents: Customers of Monex, Inc.

# of Responses: 742

Period: Nov. 29 to Dec. 6, 2019

[Gender]

Male	Female
85.5%	14.5%

[Age]

Minor	20s	30s	40s	50s	60s	70s or over
0.1%	2.2%	14.2%	28.7%	29.0%	16.7%	9.1%

[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
23.4%	19.9%	20.2%	19.6%	12.5%	4.3%

[Frequency of trading]

Day trading	Several times a week	Several times a month	Once every few months	Fewer than that
4.1%	14.8%	33.5%	30.6%	17.1%

[Experience with stock investment]

Less than a year	1 ~ 5 years	5 ~ 10 years	Over 10 years
4.2%	28.3%	17.1%	50.4%

(United States)

Method: Online survey

Respondents: Customers of TradeStation Securities, Inc.

# of Responses: 58

Period: Dec. 2 to Dec. 5, 2019.

(Hong Kong)

Method: Online survey

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

# of Responses: 331

Period: Nov. 26 to Dec. 5, 2019.

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.

The Monex Retail Investor Survey has been published since October 2009, and the Monex Global Retail Investor Survey since June 2011.

*About the survey

- Monex Global Retail Investor Surveys were conducted every quarter from June 2011 to June 2016, every six months from December 2016, and every year from 2019.

- Retail investor surveys limited to Japan were conducted every month from October 2009 to April 2016, every two months from June 2016 to December 2016, and every quarter from March 2017 to the present.

The information contained herein should not be construed as investment research or an offer or solicitation to buy or sell securities, securities derivatives, or futures products or services. Investor sentiment derived from the survey responses is no guarantee of future performance or success.