

MONEX GROUP

Twenty-Eighth Monex Global Retail Investor Survey, December 2020

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

Tokyo, Florida and Hong Kong, December 16, 2020 – Monex, Inc., 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.

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For Immediate Release

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

Twenty-Eighth Monex Global Retail Investor Survey, December 2020

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

Monex, Inc, (Minato-ku, Tokyo; Yuko Seimei, President) conducted the twenty-eighth 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 19 to November 30, 2020.

The year 2020 was undoubtedly marked by the COVID-19 pandemic. Media reports on COVID-19 infections gradually began to proliferate from the beginning of the year, but the market initially seemed to stand quietly to the risk. From February, caution increased gradually, and stock prices entered a correction phase. In March, the Nikkei 225 Stock Average temporarily fell to the 16,000 yen range.

Subsequently, partly due to large amounts of public spending and extraordinary monetary easing worldwide, stock prices recovered sharply. The New York Dow Jones and the NASDAQ Composite Index hit all-time highs. The Nikkei 225 Stock Average hit its post-bubble high. The market was on a roller coaster this year.

Summary Findings

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

(1) The forecast DI (*) for world stock markets remained roughly flat in Japan and the U.S., but rose significantly in China (Hong Kong).

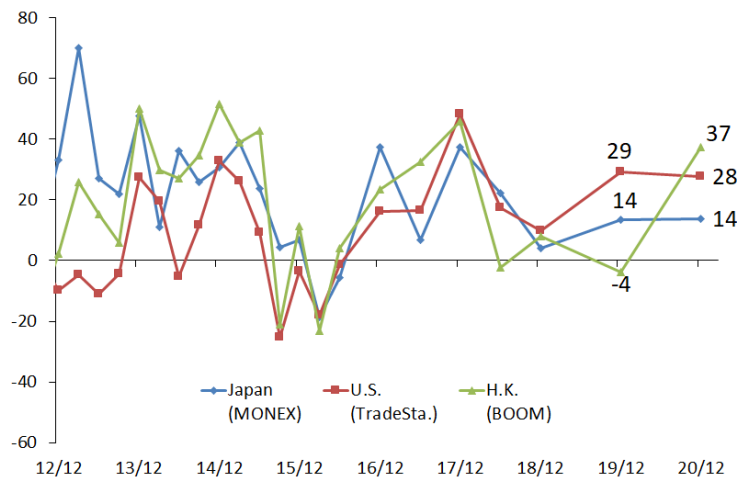
We asked retail investors in each region about their views on the world stock market for the coming three months. Among retail investors in China (Hong Kong), the DI rose significantly from the previous survey (conducted in December 2019). Among retail investors in Japan, the DI remained unchanged. Among U.S. investors, the DI remained roughly flat, or more accurately, fell 1 point. The reason for the rise in the DI among investors in China (Hong Kong) may be a slight calming of the U.S.-China trade war compared to the previous year.

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】

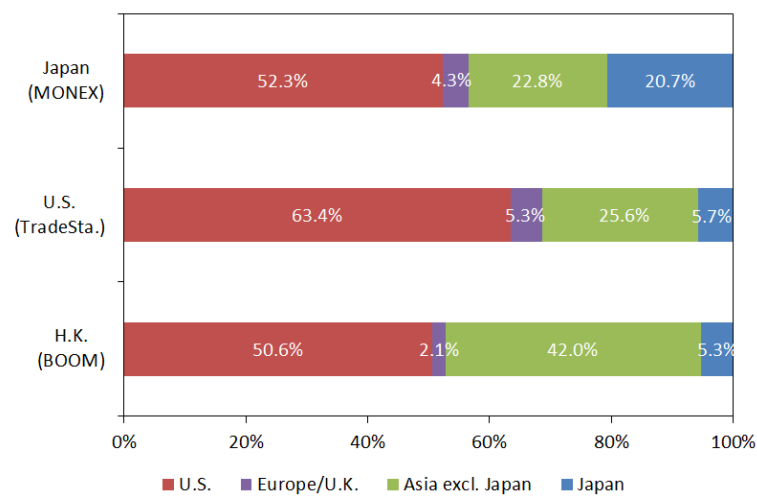
[Japan]	Dec. 2019: 14 →	Dec. 2020: 14 (±0 points)
[U.S.]	Dec. 2019: 29 →	Dec. 2020: 28 (-1 points)
[China (H.K.)]	Dec. 2019: -4 →	Dec. 2020: 37 (+41 points)

(2) Expectations for U.S. stocks were the 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. Although COVID-19 cases are continuing to rise in the U.S., many investors appear to expect stock prices to continue to rise in the U.S.

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】

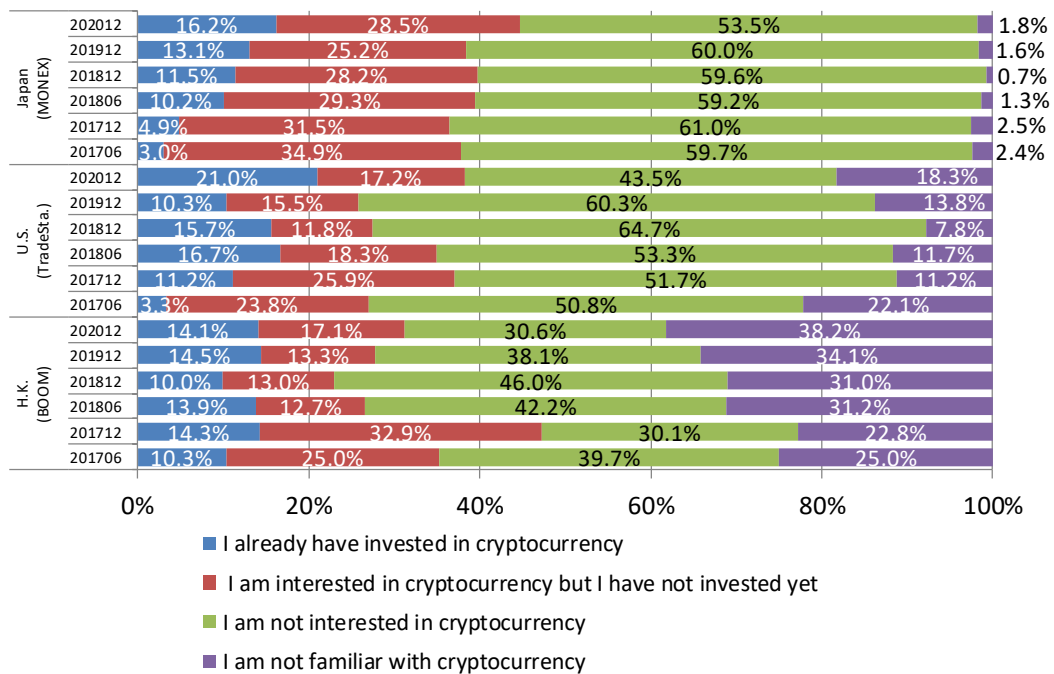
[Japan] U.S.: 52.3% Europe/U.K.: 4.3% Asia excl. Japan: 22.8% Japan: 20.7%
 [U.S.] U.S.: 63.4% Europe/U.K.: 5.3% Asia excl. Japan: 25.6% Japan: 5.7%
 [China (H.K.)] U.S.: 50.6% Europe/U.K.: 2.1% Asia excl. Japan: 42.0% Japan: 5.3%

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

We asked retail investors about much discussed cryptocurrency such as Bitcoin, with respect to their experience with it and their willingness to invest in it. The percentage of retail investors replying that they had already invested in cryptocurrency was 16.2% in Japan and 21.0% in the U.S., the highest level in each country since this question was introduced in June 2017. The percentage of investors in China (Hong Kong) who had invested in cryptocurrency fell slightly from the previous survey.

Figure4: About Cryptocurrency

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



Source: Monex, Inc.

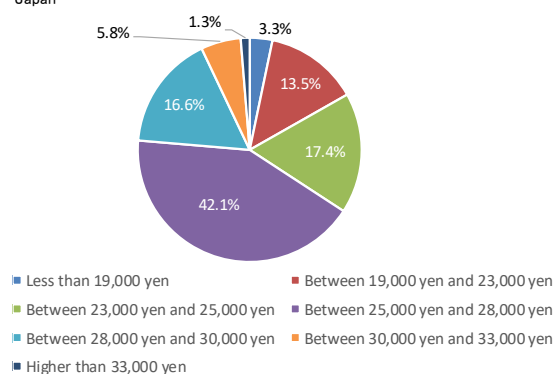
2. Japan Specific Quarterly Survey Results: Survey of Retail Investors in Japan

The highest percentage of investors, 42%, forecast the 2021 high for the Nikkei average to be about 25,000 yen to 28,000 yen.

We asked Japanese retail investors about their forecast of 2021 highs and lows of the Nikkei Stock Average. The percentage forecasting that the 2021 high of the Nikkei Stock Average would be 25,000 yen to 28,000 yen was the highest, at 42%. The percentage forecasting a 2021 low of 19,000 yen to 21,000 yen was the highest, at 32%. At the end of November, the Nikkei Stock Average stood at 26,433 yen. The forecast high is commonly understood to be about 1,000 yen higher from the current Nikkei price, which reveals that many retail investors expect that higher prices will be limited. On the other hand, the forecast low is expected to be 5,000 yen or lower, which shows that many retail investors are concerned about significant corrections are coming up.

Figure6-1: Nikkei Average Highest price forecast

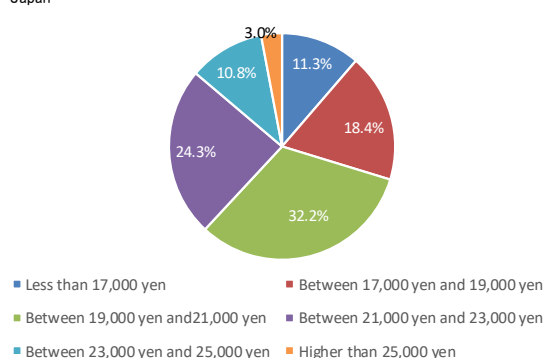
Japan



Source: Monex, Inc.

Figure6-2: Nikkei Average Lowest price forecast

Japan



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. 19 to Nov. 30, 2020	Nov. 19 to Nov. 30, 2020	Nov. 23 to Nov. 30, 2020
Number of responses	1,006	777	474

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 2020

Executive Summary

Yutaka Masushima, Market Analyst, Monex Inc.

The year 2020 was undoubtedly marked by the COVID-19 pandemic. Media reports on COVID-19 infections gradually began to proliferate from the beginning of the year, but the market initially seemed to stand quietly to the risk. From February, caution increased gradually, and stock prices entered a correction phase. In March, the Nikkei 225 Stock Average temporarily fell to the 16,000 yen range.

Subsequently, partly due to large amounts of public spending and extraordinary monetary easing worldwide, stock prices recovered sharply. The New York Dow Jones and the NASDAQ Composite Index hit all-time highs. The Nikkei 225 Stock Average hit its post-bubble high. The market was on a roller coaster this year.

In an unprecedentedly tense situation caused by the declaration of a state of emergency and stay-at-home requests, among other factors, the real economy slowed significantly and the stock market crashed. We believe that many of our customers felt anxious. COVID-19 cases in Japan are increasing significantly, and the situation remains unpredictable. However, there are positive signs. Vaccines have been approved and vaccination has started in some countries. 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.

Thank you to all of our customers who took time to respond to the survey, we have been able to compile and analyze extremely valuable data. We hope that this survey will aid your investment decisions.

(Written as of December 7, 2020)

Summary

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

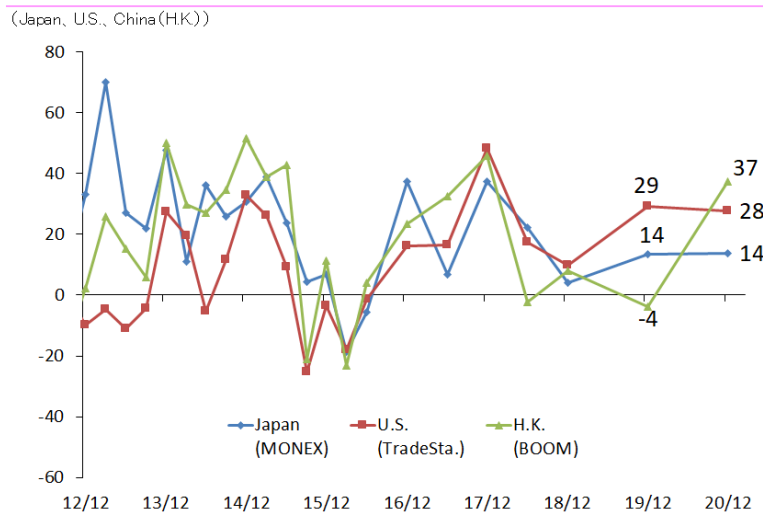
(1-1) The forecast DI (*) for world stock markets remained roughly flat in Japan and the U.S., but rose significantly in China (Hong Kong).

We asked retail investors in each region about their views on the world stock market for the coming three months. Among retail investors in China (Hong Kong), the DI rose significantly from the previous survey (conducted in December 2019). Among retail investors in Japan, the DI remained unchanged. Among U.S. investors, the DI remained roughly flat, or more accurately, fell 1 point. The reason for the rise in the DI among investors in China (Hong Kong) may be a slight calming of the U.S.-China trade war compared to the previous year.

【The forecast DI for world stock markets】

[Japan]	Dec. 2019: 14 →	Dec. 2020: 14 (±0 points)
[U.S.]	Dec. 2019: 29 →	Dec. 2020: 28 (-1 points)
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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 the highest among retail investors in all three regions.

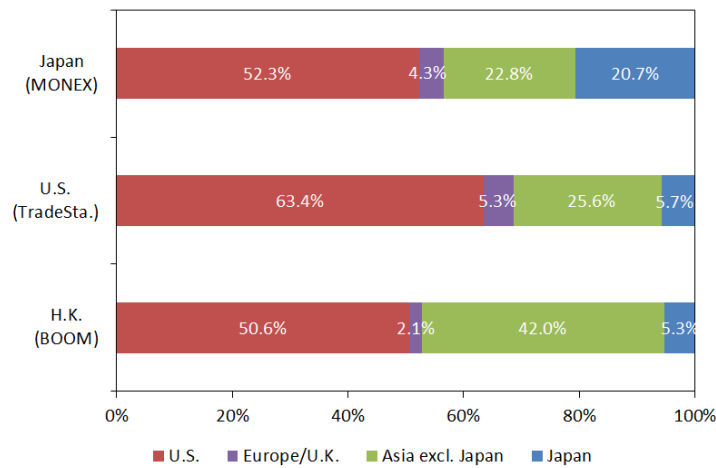
Retail investors in all three regions answered that the U.S. is the region with the greatest likelihood of stock price appreciation in the coming three months. Although COVID-19 cases are continuing to rise in the U.S., many investors appear to expect stock prices to continue to rise in the U.S.

【Expectations for stock markets in the coming three months】

[Japan] U.S.: 52.3% Europe/U.K.: 4.3% Asia excl. Japan: 22.8% Japan: 20.7%
 [U.S.] U.S.: 63.4% Europe/U.K.: 5.3% Asia excl. Japan: 25.6% Japan: 5.7%
 [China (H.K.)] U.S.: 50.6% Europe/U.K.: 2.1% Asia excl. Japan: 42.0% Japan: 5.3%

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

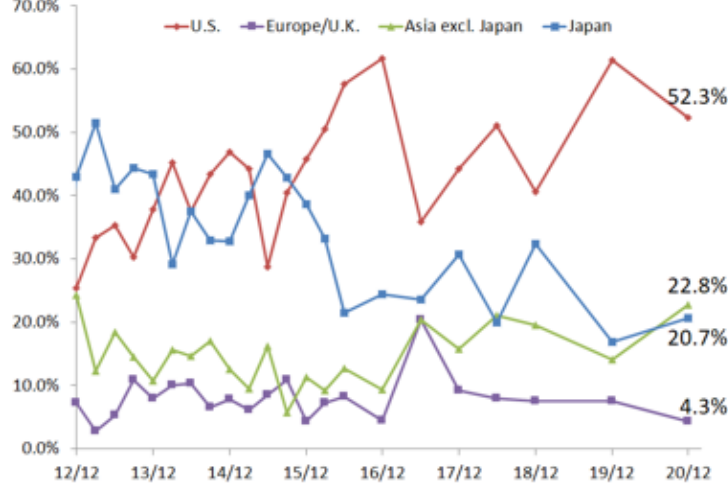
(Japan, U.S., China(HK))



Source: Monex, Inc.

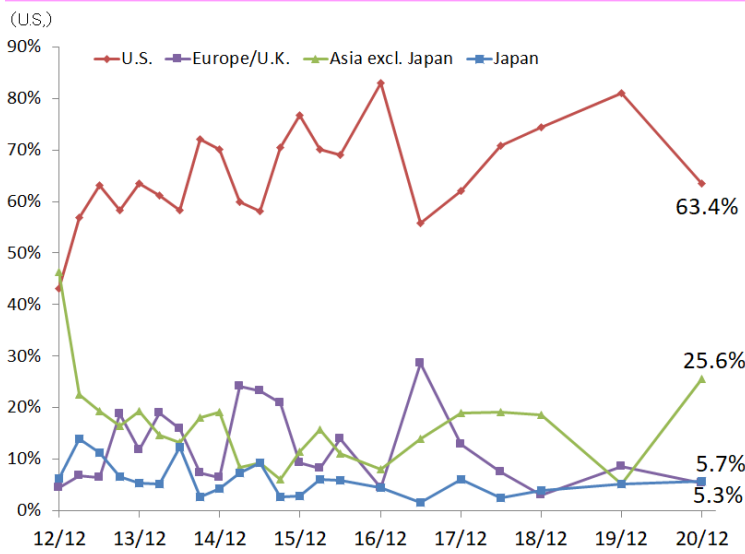
Figure2-2: Expectation for Areas of Best Equity Performance for the Next 3 Months

(Japan)



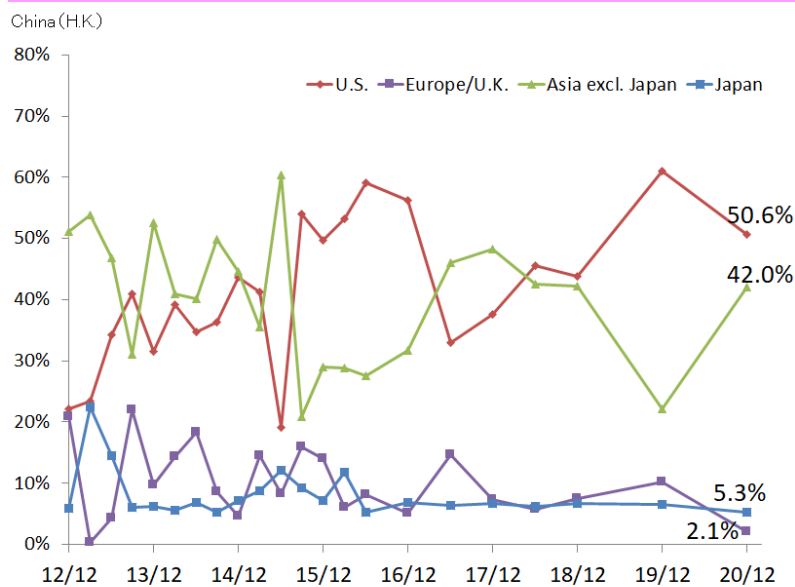
Source: Monex, Inc.

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



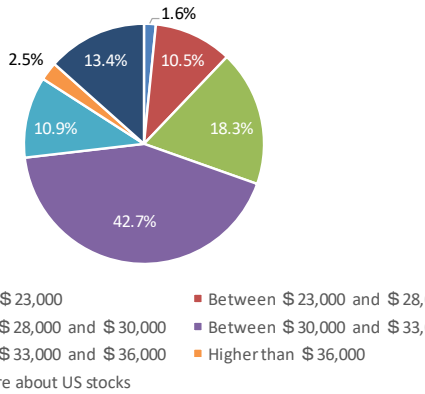
Source: Monex, Inc.

(1-3) The 2021 U.S. market outlook: In all countries, most investors expect that the Dow Jones high will be \$30,000 to \$33,000.

We asked investors in Japan, the U.S. and China (Hong Kong) about their outlook for 2021 highs and lows for the New York Dow Jones Industrial Average. In all countries, most investors expect that the 2021 high will be \$30,000 to \$33,000. Looking at the outlook for 2021 lows, most investors in Japan and the U.S. expect that the low will be between \$23,000 and \$25,000. Among investors in China (Hong Kong), most investors expect that the low will be between \$19,000 and \$23,000. At the end of November, the New York Dow Jones Industrial Average was \$29,638. Investors in all countries appear to be concerned about market corrections to a certain degree.

Figure3-1: Dow Jones Industrial Average Highest Forecast

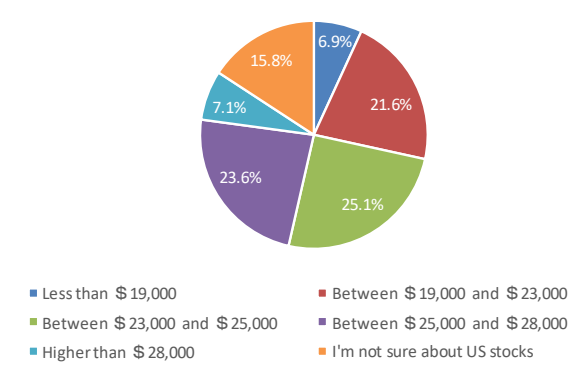
Japan



Source: Monex, Inc.

Figure3-2: Dow Jones Industrial Average Lowest price forecast

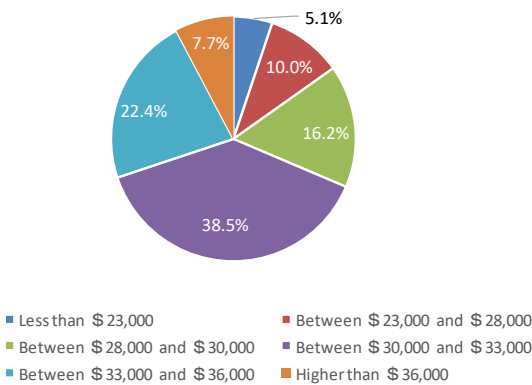
Japan



Source: Monex, Inc.

Figure3-3: Dow Jones Industrial Average Highest Forecast

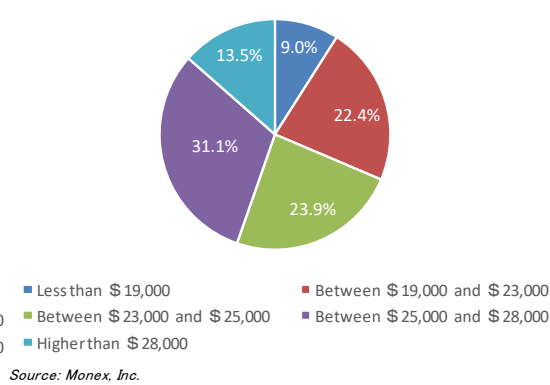
U.S.



Source: Monex, Inc.

Figure3-4: Dow Jones Industrial Average Lowest price forecast

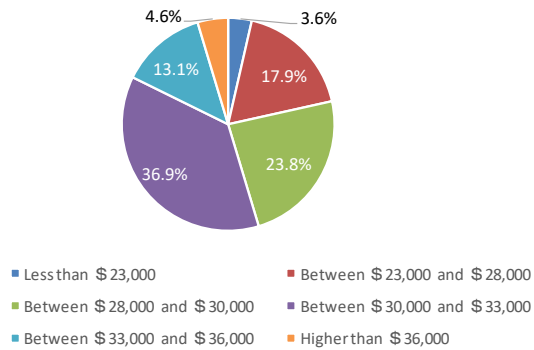
U.S.



Source: Monex, Inc.

Figure3-5: Dow Jones Industrial Average Highest Forecast

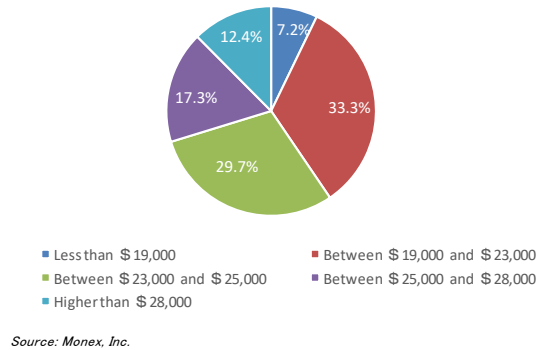
H.K.



Source: Monex, Inc.

Figure3-6: Dow Jones Industrial Average Lowest price forecast

H.K.



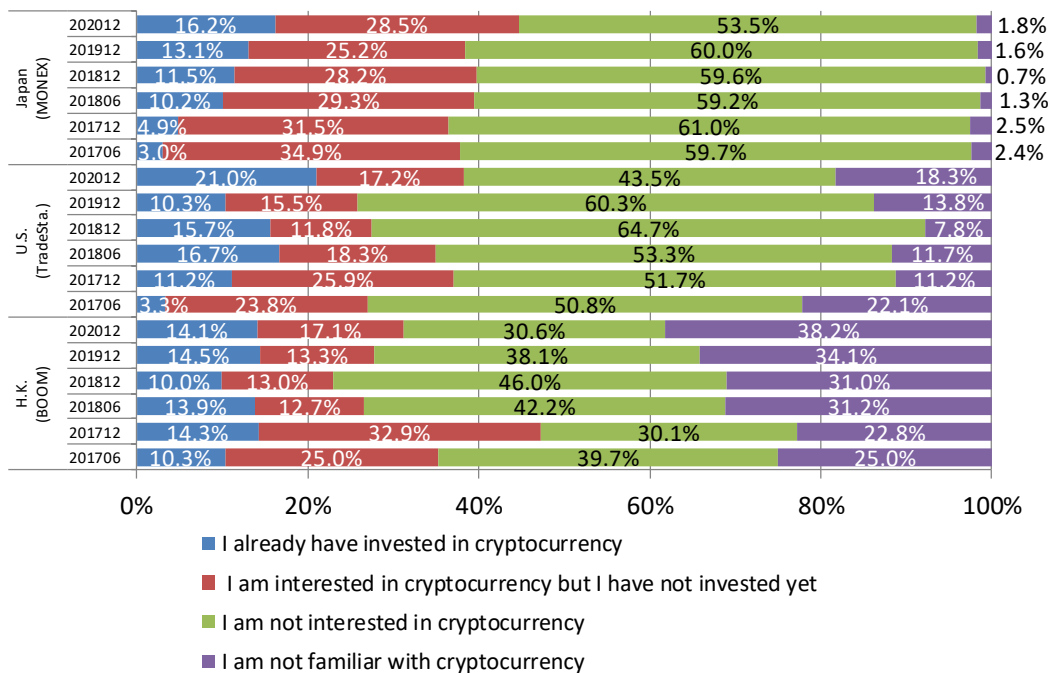
Source: Monex, Inc.

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

We asked retail investors about much discussed cryptocurrency such as Bitcoin, with respect to their experience with it and their willingness to invest in it. The percentage of retail investors replying that they had already invested in cryptocurrency was 16.2% in Japan and 21.0% in the U.S., the highest level in each country since this question was introduced in June 2017. The percentage of investors in China (Hong Kong) who had invested in cryptocurrency fell slightly from the previous survey.

Figure4: About Cryptocurrency

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



Source: Monex, Inc.

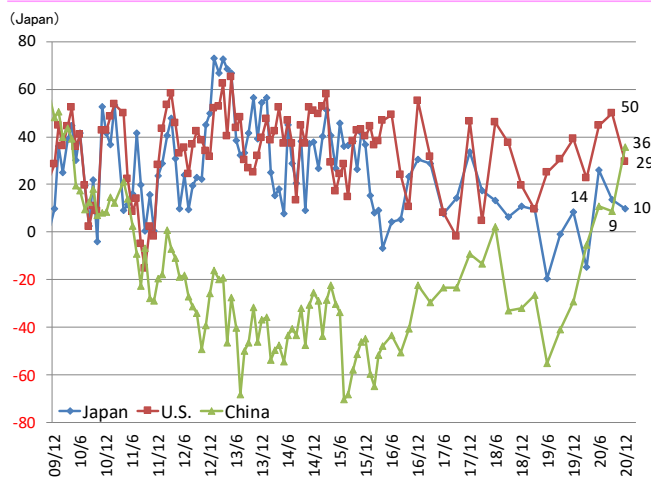
2. Japan Specific Quarterly Survey Results: Survey of Retail Investors in Japan

(2-1) The Chinese stock DI rose significantly.

The Japanese retail investors' outlook (DI) for Japanese and U.S. stocks for the coming three months fell, but the DI for Chinese stocks rose significantly to 36 from 9 in the previous survey. The rise in the Chinese stock DI was the largest since March 2020. Expectations for Chinese stocks appear to be rising as the Chinese economy is recovering from the slowdown due to the COVID-19 pandemic earlier than that of other economies.

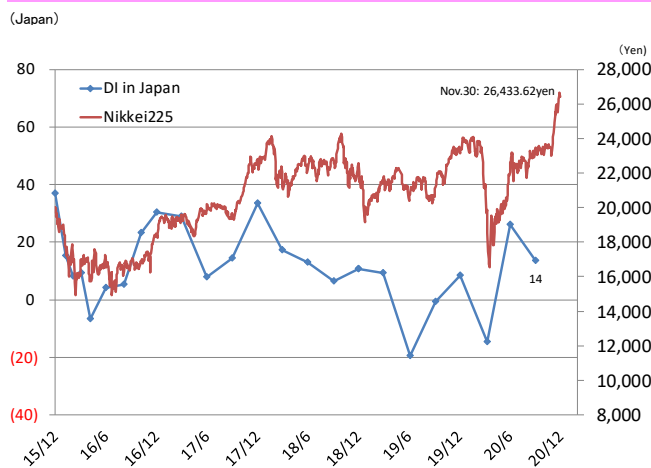
[Japanese Stocks DI]	Sep. 2020: 14 → Dec. 2020: 10 (-4 points)
[U.S. Stocks DI]	Sep. 2020: 50 → Dec. 2020: 29 (-21 points)
[China stocks DI]	Sep. 2020: 9 → Dec. 2020: 36 (+27points)

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, 42%, forecast the 2021 high for the Nikkei average to be about 25,000 yen to 28,000 yen.

We asked Japanese retail investors about their forecast of 2021 highs and lows of the Nikkei Stock Average. The percentage forecasting that the 2021 high of the Nikkei Stock Average would be 25,000 yen to 28,000 yen was highest, at 42%. The percentage forecasting a 2021 low of 19,000 yen to 21,000 yen was highest, at 32%. At the end of November, the Nikkei Stock Average stood at 26,433 yen. The forecast high is commonly understood to be about 1,000 yen higher from the current Nikkei Stock price, which reveals that many retail investors expect that higher prices will be limited. On the other hand, the forecast low is expected to be over 5,000 yen lower, which shows that many retail investors are concerned about significant corrections are coming up.

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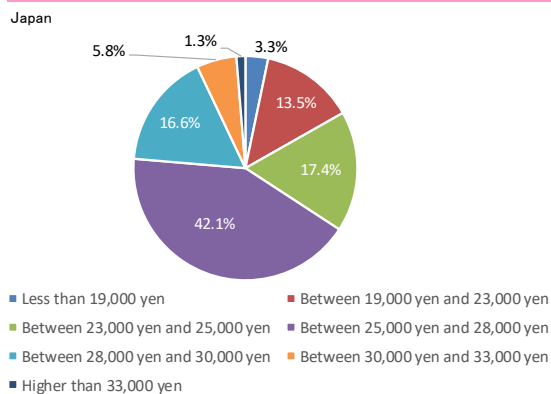
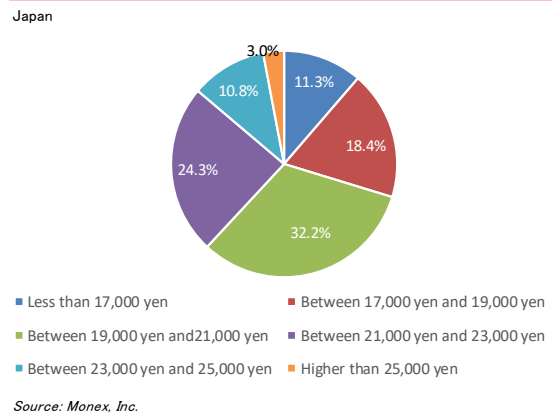


Figure6-2: Nikkei Average Lowest price forecast



Outline of Survey & Characteristics of Respondents

(Japan)

Method: Online survey
 Respondents: Customers of Monex, Inc.
 # of Responses: 1,006
 Period: Nov. 19 to Nov. 30, 2020

[Gender]

Male	Female	No response
83.0%	15.2%	1.8%

[Age]

Minor	20s	30s	40s	50s	60s	70s or over
0.3%	2.2%	9.2%	26.3%	31.3%	22.0%	8.6%

[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
23.3%	17.7%	18.2%	23.2%	12.4%	5.3%

[Frequency of trading]

Day trading	Several times a week	Several times a month	Once every several months	Fewer than that
4.1%	17.1%	32.7%	28.8%	17.0%

[Experience with stock investment]

Less than a year	1 ~ 5 years	5 ~ 10 years	Over 10 years
4.0%	23.3%	19.0%	53.3%

(United States)

Method: Online survey
 Respondents: Customers of TradeStation Securities, Inc.
 # of Responses: 777
 Period: Nov. 19 to Nov. 30, 2020

(Hong Kong)

Method: Online survey
 Respondents: Customers of Monex BOOM Securities (H.K.) Limited
 # of Responses: 474
 Period: Nov. 23 to Nov. 30, 2020.

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.