

For Immediate Release

Monex, Inc.  
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**Twenty-first Monex Global Retail Investor Survey**  
**Survey Focusing on the Impact of “Brexit” on Retail Investors**

The Twenty-first Monex Global Retail Survey<sup>(\*)</sup> was conducted from May 25 to June 6, 2016.

The results of this month’s Global Survey were characterized by improvement in retail investors’ outlook for stock markets compared to the previous survey (conducted between February and March 2016), with the retail investors’ world stock markets forecast DI<sup>(\*\*)</sup> rising 10 points or more from the previous survey in all three regions. Seeing global stock markets hit bottom and rebound appears to have improved sentiment among retail investors.

In this month’s survey, we also prepared a special question on the impact on retail investors sentiment of the outcome of the UK referendum on whether to leave the EU, so called “Brexit”. The percentage of retail investors expecting the UK to remain in the EU was high, at somewhere around 70% or 80% in all three regions. The results of the survey showed that the outcome of the referendum is likely to have a significant impact on retail investor sentiment, with somewhere around 30% or 40% of retail investors in each region answering that they would be more bearish if the UK voted to leave the EU and with this being the most popular answer among retail investors in China (Hong Kong), in particular.

**Summary Findings**

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

**(1-1) The forecast DI of retail investors in all three regions improved**

[Figure 1 on Page 3(Exhibit)]

We asked retail investors in each region about their views on world stock markets for the coming three months. The forecast DI rose 10 points or more from the previous survey in all three regions, and the forecast DI became positive among investors in China (Hong Kong). Retail investors’ sentiment appears to have improved due to gains in world stock markets.

[Forecast DI: Japan] Mar. 2016:-19→ June 2016: -6(+13points)

[Forecast DI: U.S.] Mar. 2016:-18→ June 2016: -1 (+17 points)

[Forecast DI: China (H.K.)] Mar. 2016: -23→ June 2016: 4(+27points)

**(1-2) Expectations for U.S. stocks reached a record high among retail investors in Japan**

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

As in the previous survey, the percentage of retail investors who answered that the U.S. was the region where there is the greatest likelihood of stock price appreciation in the coming three months was the highest in all regions. In particular, the percentage of retail investors in Japan that have the highest expectations for the U.S. reached 57.7%, which is the highest level since the survey began. Expectations for the U.S., whose economy seems relatively strong, remained high.

[Japan]	U.S.:	57.7%	Europe/U.K.:	8.2%	Asia excl. Japan:	12.7%	Japan:	21.4%
[U.S.]	U.S.:	69.1%	Europe/U.K.:	14.0%	Asia excl. Japan:	11.0%	Japan:	5.9%
[China (H.K.)]	U.S.:	59.1%	Europe/U.K.:	8.1%	Asia excl. Japan:	27.5%	Japan:	5.3%

**(1-3) Energy was ranked the third most attractive sector in both the U.S. and China(H.K.)**

[Figures 4-1 and 4-2 on Page 5 (Exhibit)]

Energy ranked the third on the list of the most attractive sectors in both the U.S. and China (Hong Kong). In February 2016, the WTI crude oil futures price temporarily fell to around \$25 a barrel, but has recently recovered to around \$50. With pessimism surrounding crude oil prices subsiding, expectations that energy stocks will rebound after plummeting in response to falling crude oil prices appear to be mounting. Meanwhile, there was no movement in the top six sectors that Japanese retail investors consider most attractive, from Medical in first place to Retail in sixth.

**(1-4) The percentage of retail investors forecasting a further rate hike in the U.S. between July and September 2016 was the highest in all three regions**

[Figures 6 on Page7 (Exhibit)]

The percentage of respondents who answered that the timing of the FRB's next rate hike would be between July and September 2016 was the highest in all three regions. However, whereas the next most popular answer among retail investors in Japan and China (Hong Kong) was between October and December 2016, the next most popular answer among investors in the U.S. was June 2016. This indicates that there tends to be a slight difference among regions in the anticipated timing of the next rate increase.

**(1-5) The percentage of retail investors anticipating that the remain camp will prevail in the UK's EU referendum was the highest in all three regions**

[Figures 7-1 on Page7 (Exhibit)]

We asked retail investors about the EU referendum to be held in the UK on June 23 (Brexit). The

percentage answering that they expect pro-Europeans to prevail in the referendum was the highest in all three regions. Opinion polls conducted in the UK indicate a close competition between pro-Europeans and pro-Brexit. However, it appears that many retail investors expect the UK electorate to support remaining in the EU in the end.

**(1-6) If Britain voted to leave the EU, this would have an adverse impact on retail investor sentiment**

[Figures 7-2 and 7-3 on Page8 (Exhibit)]

We asked retail investors what impact a vote to remain in the EU and a vote to leave the EU would have on their investment willingness and the world economy, respectively. The results showed that the outcome of the referendum is likely to have a significant impact on retail investors sentiment, with the percentage answering that a vote to leave the EU would make them more bearish ranging somewhere between 30% and 40% in all regions and with this being the most common answer in China (Hong Kong) in particular. Moreover, 30% and more of retail investors in all three regions answered that they thought the world economy would deteriorate in the event of a vote to leave the EU.

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

**(2-1) The DIs for Japanese stocks, U.S. stocks and Chinese stocks all rose, and the DI for Japanese stocks turned positive**

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

We asked Japanese retail investors about their outlook for the stock markets in Japan, the U.S. and China in the coming three months. The DIs for Japanese stocks, U.S. stocks and Chinese stocks all rose from the previous survey (conducted in April 2016). The DI for Japanese stocks turned positive, and the DI for U.S. stocks reached 49, the highest in the 15 months since March 2015.

[Japanese Stocks DI] Apr. 2016: -7 → June 2016: 4(+11 points)

[U.S. Stocks DI] Apr. 2016: 47→ June 2016: 49(+2 points)

[China stocks DI] Apr. 2016: -48 → June 2016: -43(+5 points)

**(2-2) The majority of Japanese retail investors expect the BOJ to take additional monetary easing measures in the first half of the fiscal year**

[Figures 11-1 and 11-2 on Page11 (Exhibit)]

The majority of Japanese retail investors expect that the Bank of Japan will take additional monetary easing measures in June 2016 or between July and September 2016. Meanwhile, more than 30% answered that there would be none for the time being, indicating that opinion is divided among retail investors. When we asked those who answered that additional monetary easing measures would be taken in June 2016 to forecast the content of the additional easing measures, most answered an increase in

purchase by the Bank of Japan of ETF and J-REIT.

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	25 May–6 June 2016	25 May–3 June 2016	25 May–3 June 2016
Number of responses	747	127	320

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

Monex, Inc. has been surveying retail investors about their attitudes to 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

June 2016

## Executive Summary

Financial Intelligence Department, Monex Inc.

We are pleased to bring you results of our twenty-first Monex Global Retail Investor Survey.

June 2016 is a month full of events that will augur this year's market trends. First, the Federal Open Market Committee (FOMC) meeting scheduled for June 14-15 is expected to discuss whether to raise interest rates further after the rise last December. The Bank of Japan (BOJ) is set to hold its next monetary policy meeting on June 15-16. Given appreciation of the yen, with the dollar falling below 110 yen, and concerns over a decline in households' and corporations' inflation expectations, some analysts forecast that the BOJ will take additional monetary easing measures.

In addition to these two important events, the UK will hold a referendum on June 23 on whether to leave the European Union, so called "Brexit." With opinion polls showing a close competition between pro-Europeans and pro-Brexit, there is no knowing what the outcome of the referendum will be.

In this month's Monex Global Retail Investor Survey, we surveyed retail investors' attitude towards Brexit, and found that somewhere around 70% or 80% of retail investors in Japan, the U.S. and China (Hong Kong) expect that the British will vote to remain in the EU.

HM Treasury released an analysis of the impact of Brexit, claiming that if Britain were to leave the EU, under a "severe shock" scenario GDP would be 6% lower and the unemployment rate would be 2.4% higher than if the UK had remained in the EU. Retail investors in each region are perhaps taking the view that ultimately the British public will not take such a big risk and will support remaining in the EU.

At any rate, Brexit is a major event that will have a significant impact on the world economy and markets. Monex, Inc. will continue to disseminate information on the latest developments that will serve as a useful reference for retail investors.

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 June 7, 2016)

## Summary

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

#### (1-1) The forecast DI(\*) of retail investors in all three regions improved

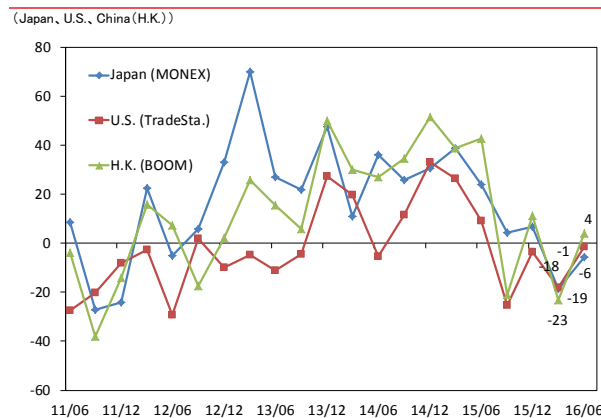
We asked retail investors in each region about their views on world stock markets for the coming three months. The forecast DI rose 10 points or more from the previous survey (conducted between February and March 2016) in all three regions, and the forecast DI became positive among investors in China (Hong Kong). Retail investors’ sentiment appears to have improved due to gains in world stock markets.

[Forecast DI: Japan] Mar. 2016: -19 → June 2016: -6 (+13points)

[Forecast DI: U.S.] Mar. 2016: -18 → June 2016: -1 (+17 points)

[Forecast DI: China (H.K.)] Mar. 2016: -23 → June 2016: 4 (+27points)

Figure 1: Outlook on Stocks Globally for the Next 3 Months



Source: Monex, Inc.

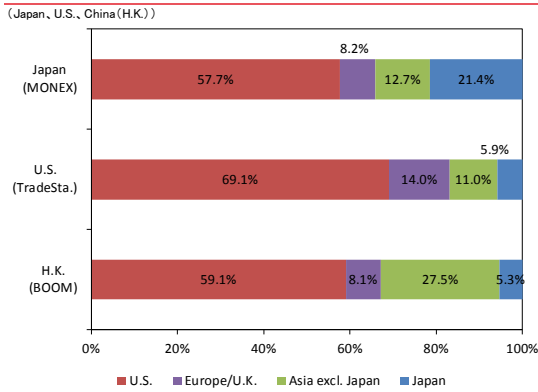
(\*) DI (diffusion index): The percentage of respondents who answered “will rise or improve” minus the percentage of respondents who answered “will fall or deteriorate ”

#### (1-2) Expectations for U.S. stocks reached a record high among retail investors in Japan

As in the previous survey, the percentage of retail investors who answered that the U.S. was the region where there is the greatest likelihood of stock price appreciation in the coming three months was the highest in all regions. In particular, the percentage of retail investors in Japan that have the highest expectations for the U.S. reached 57.7%, which is the highest level since the survey began. Expectations for the U.S., whose economy seems relatively strong, remained high.

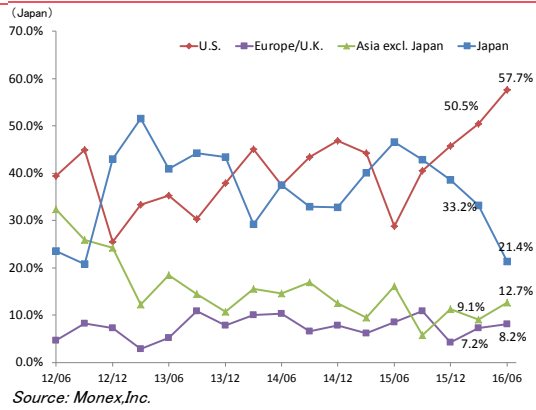
[Japan] U.S.: 57.7% Europe/U.K.: 8.2% Asia excl. Japan: 12.7% Japan: 21.4%  
 [U.S.] U.S.: 69.1% Europe/U.K.: 14.0% Asia excl. Japan: 11.0% Japan: 5.9%  
 [China (H.K.)] U.S.: 59.1% Europe/U.K.: 8.1% Asia excl. Japan: 27.5% Japan: 5.3%

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



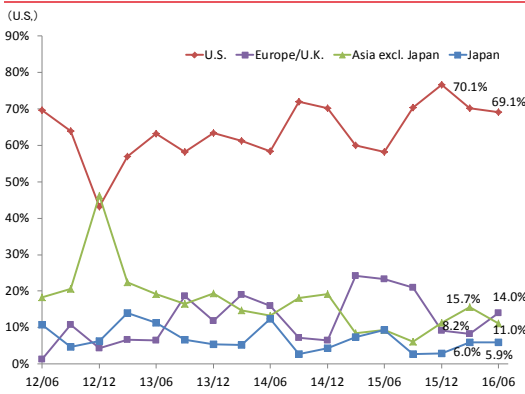
Source: Monex, Inc.

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



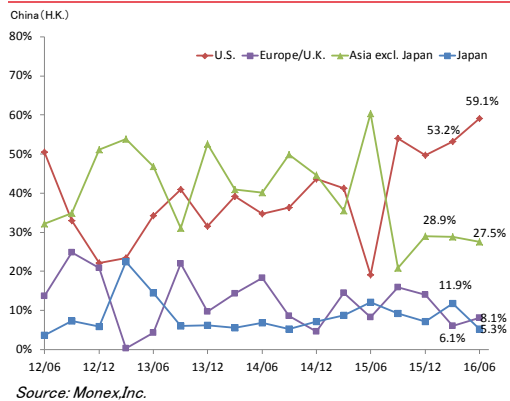
Source: Monex, Inc.

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



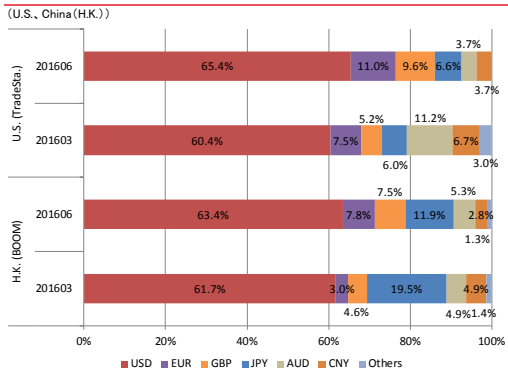
Source: Monex, Inc.

**(1-3) The percentage of retail investors anticipating a stronger dollar rose in all regions**

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 the U.S dollar, and the percentage who answered U.S. dollar was higher than in the previous survey (conducted between February and March 2016). The percentage of retail investors in Japan who forecast a stronger yen against the dollar in the coming three months dropped sharply from the previous survey (conducted in April 2016), while the percentages anticipating a weaker yen or no change both increased. With global risk aversion waning, expectations for a stronger dollar appear to have grown again.

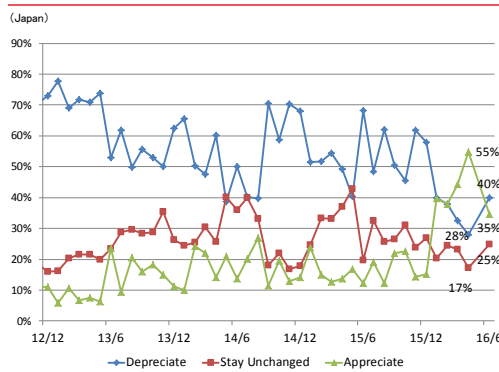


**Figure3-1: Strongest Currency Over the Next 3 Months (vs Previous survey)**



Source: Monex, Inc.

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

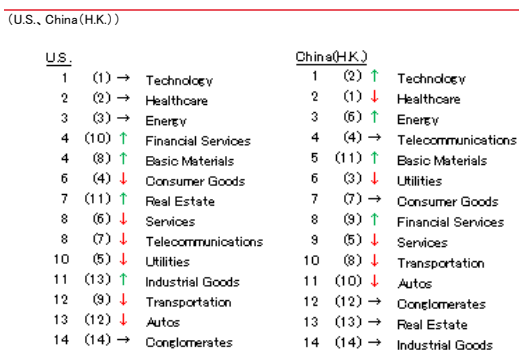


Source: Monex, Inc.

**(1-4) Energy was ranked the third most attractive sector in both the U.S. and China(H.K.)**

Energy ranked the third on the list of the most attractive sectors in both the U.S. and China (Hong Kong). In February 2016, the WTI crude oil futures price temporarily fell to around \$25 a barrel, but recently has recovered to around \$50. With pessimism surrounding crude oil prices subsiding, expectations that energy stocks will rebound after plummeting in response to falling crude oil prices appear to be mounting. Meanwhile, there was no movement in the top six sectors that Japanese retail investors consider most attractive, from Medical in first place to Retail in sixth.

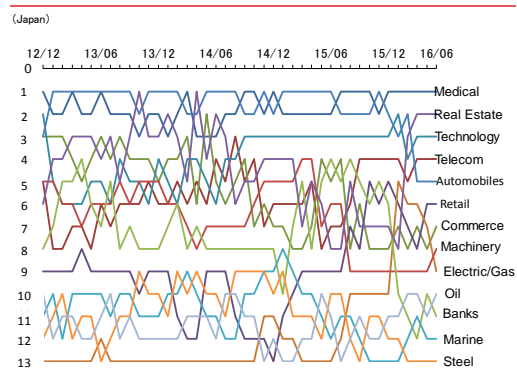
**Figure4-1: Attractive Sectors**



Source: Monex, Inc.

(In parentheses previous ranking)

**Figure4-2: Attractive Sectors**



Source: Monex, Inc.

(The previous survey of U.S. and Chinese (H.K.) retail investors was conducted between February and March 2016, and the sector ranking by Japanese retail investors are shown since December 2012.)

**(1-5) The Crude Oil DI rose sharply in response to rising oil prices**

The Crude Oil DI rose sharply in all three regions. Retail investors’ attitudes toward crude oil improved after crude oil prices hit bottom. The Metals DI fell in Japan and the U.S. and was unchanged in China (Hong Kong). This may reflect a pause in the surge of gold prices, among other factors.

[Expectations for oil]

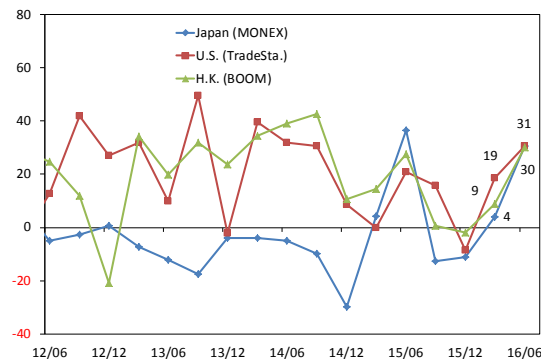
[Crude Oil DI (Japan)] Mar. 2016 : 4 → June 2016 : 31 (+27 points)  
 [Crude Oil DI (U.S.)] Mar. 2016 : 19 → June 2016 : 31 (+12 points)  
 [Crude Oil DI (China (Hong Kong))] Mar. 2016 : 9 → June 2016 : 30 (+21 points)

[Expectations for metals]

[Metals DI (Japan)] Mar. 2016 : 49 → June 2016 : 31 (-18 points)  
 [Metals DI (U.S.)] Mar. 2016 : 32 → June 2016 : 15 (-17 points)  
 [Metals DI (China (Hong Kong))] Mar. 2016 : 9 → June 2016 : 9 (0 points)

**Figure5-1: Crude Oil DI**

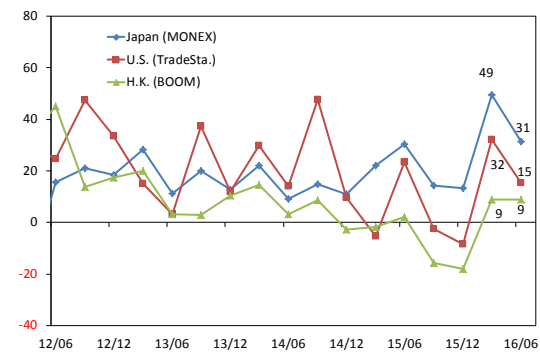
(Japan, U.S., China(H.K.))



Source: Monex, Inc.

**Figure5-2: Metals DI**

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

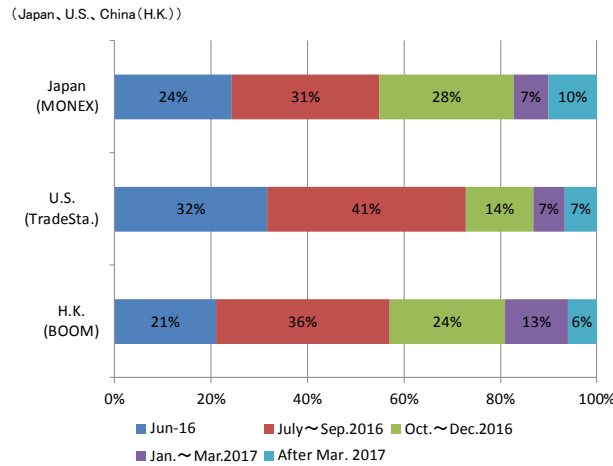


Source: Monex, Inc.

**(1-6) The percentage of retail investors forecasting a further rate hike in the U.S. between July and September 2016 was the highest in all three regions**

The percentage of respondents who answered that the timing of the FRB’s next rate hike would be between July and September 2016 was the highest in all three regions. However, whereas the next most popular answer among retail investors in Japan and China (Hong Kong) was between October and December 2016, the next most popular answer among investors in the U.S. was June 2016. This indicates that there tends to be a slight difference among regions in the anticipated timing of the next rate increase.

**Figure6: Timing of Next Rate Hike by FRB**

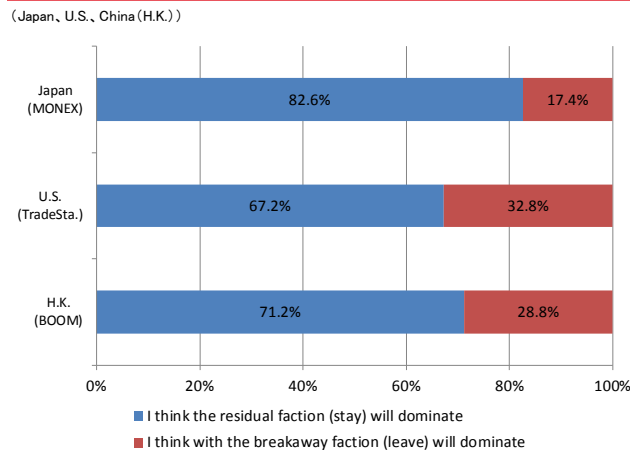


Source: Monex,Inc.

**(1-7.1) The percentage of retail investors anticipating that the remain camp will prevail in the UK’s EU referendum was the highest in all three regions**

We asked retail investors about the EU referendum to be held in the UK on June 23 “Brexit”. The percentage answering that they expect pro-Europeans to prevail in the referendum was the highest in all three regions. Opinion polls conducted in the UK indicate a close competition between pro-Europeans and pro-Brexit. However, it appears that many retail investors expect the UK electorate to support remaining in the EU in the end.

**Figure7-1: Regarding Brexit, which do you think will win, the remain camp or the leave camp?**



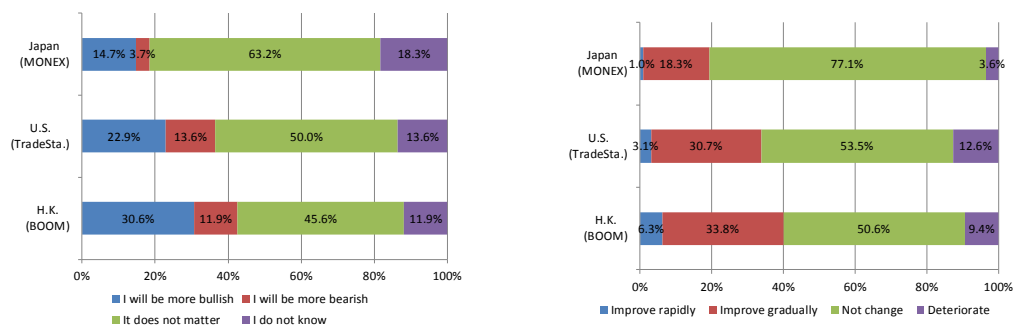
Source: Monex,Inc.

**(1-7.2) If Britain voted to leave the EU, this would have an adverse impact on retail investor sentiment**

We asked retail investors what impact a vote to remain in the EU and a vote to leave the EU would have on their investment appetite and the world economy, respectively. The results showed that the outcome of the referendum is likely to have a significant impact on retail investor sentiment, with the percentage answering that a vote to leave the EU would make them more bearish ranging somewhere between 30% and 40% in all regions and with this being the most common answer in China (Hong Kong) in particular. Moreover, 30% and more of retail investors in all three regions answered that they thought the world economy would deteriorate in the event of a vote to leave the EU.

**Figure7-2: How will your investment decisions/the direction of the world economy change if the remain camp wins?**

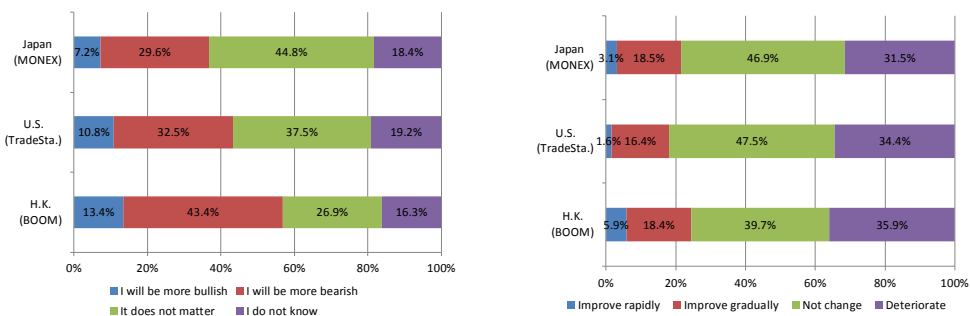
(Japan, U.S., China (H.K.))



Source: Monex, Inc.

**Figure7-3: How will your investment decisions/the direction of the world economy change if the leave camp wins?**

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



Source: Monex, Inc.

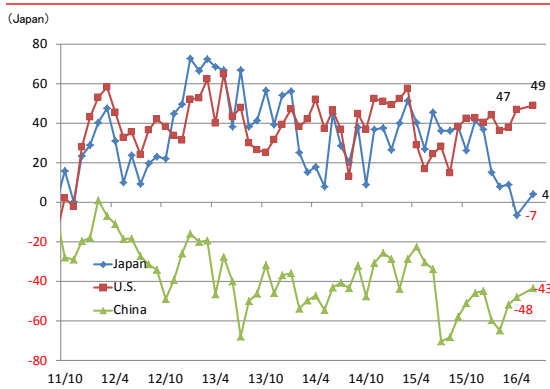
**2. Japan Bimonthly Survey Results: Survey of Retail investors in Japan**

**(2-1) The DIs for Japanese stocks, U.S. stocks and Chinese stocks all rose, and the DI for Japanese stocks turned positive**

We asked Japanese retail investors about their outlook for the stock markets in Japan, the U.S. and China in the coming three months. The DIs for Japanese stocks, U.S. stocks and Chinese stocks all rose from the previous survey (conducted in April 2016). The DI for Japanese stocks turned positive, and the DI for U.S. stocks reached 49, the highest in the 15 months since March 2015.

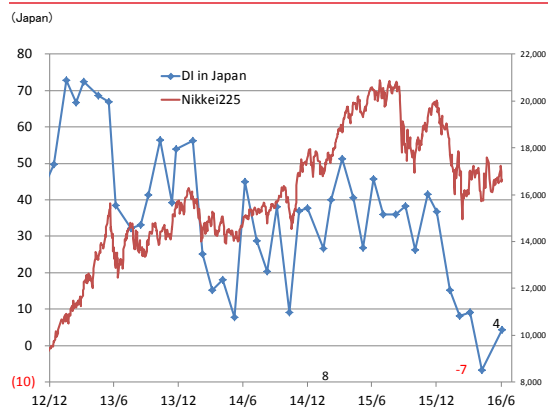
[Japanese Stocks DI] Apr. 2016: -7 → June 2016: 4 (+11 points)  
 [U.S. Stocks DI] Apr. 2016: 47 → June 2016: 49 (+2 points)  
 [China stocks DI] Apr. 2016: -48 → June 2016: -43 (+5 points)

**Figure8-1: Outlook on Stocks for the Next 3 Months**



Source: Monex, Inc.

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



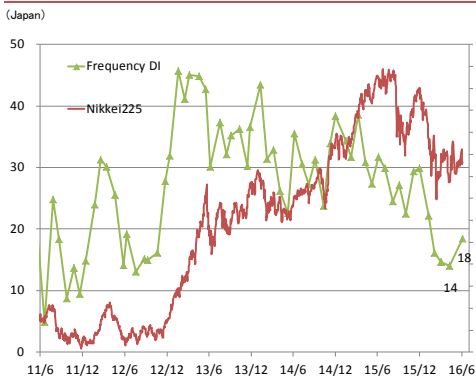
Source: Monex, Inc.

**(2-2) Investment appetite invest in Japanese stocks rose across the board**

The DIs for “trading frequency,” “investment amount,” and “number of stocks held” for Japanese stocks all increased from the previous survey. This may reflect improvement in retail investor sentiment in response to the stock market upturn, as seen in the Nikkei’s temporary recovery to the 17,000 yen line.

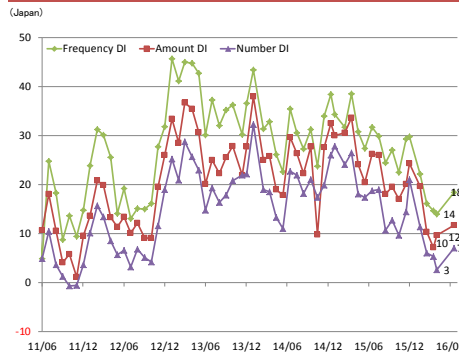
[DI of trading frequency] Apr. 2016: 14 → June 2016: 18 (+4 points)  
 [DI of investment amount] Apr. 2016: 10 → June 2016: 12 (+2 points)  
 [DI of the number of stocks held] Apr. 2016: 3 → June 2016: 7 (+4 points)

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) Monetary policy in Japan received increased attention**

The topic that received the greatest increase in attention among retail investors from the previous survey was monetary policy in Japan, indicating that retail investors paid more attention to the possibility of additional monetary easing measures by the Bank of Japan.

Figure10-1: Topic

(Japan)	Japan	U.S.	Europe	China (incl.H.K.)	emerging country (excl.China)
corporate performance	83.4%	45.5%	12.3%	12.3%	8.4%
macroeconomics	59.2%	61.6%	27.6%	29.2%	19.7%
exchange markets trend	74.0%	67.6%	21.7%	10.7%	13.5%
rate movements	56.6%	66.5%	19.8%	5.4%	9.4%
monetary policy	75.5%	60.6%	31.3%	15.4%	7.8%
politics, diplomacy	60.8%	64.0%	34.9%	41.4%	20.2%

Source: Monex, Inc.

Figure10-2: Topic (Change From Previous Survey)

(Japan)	Japan	U.S.	Europe	China (incl.H.K.)	emerging country (excl.China)
corporate performance	2.2	-3.6	2.2	-4.3	-1.1
macroeconomics	0.8	0.2	2.9	-3.6	-0.1
exchange markets trend	-0.7	2.3	0.3	-3.2	1.4
rate movements	-7.4	1.8	1.3	-2.9	2.3
monetary policy	4.4	-1.6	-0.8	-6.7	-1.9
politics, diplomacy	-4.4	2.7	2.1	-1.8	0.1

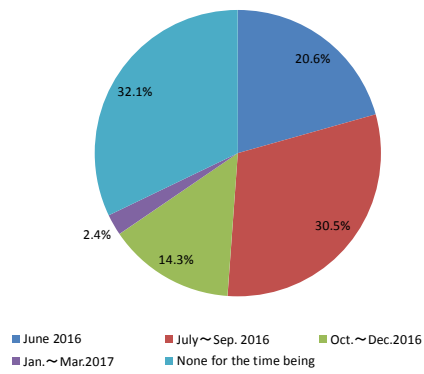
Source: Monex, Inc.

(point)

**(2-4) The majority of Japanese retail investors expect the BOJ to take additional monetary easing measures in the first half of the fiscal year**

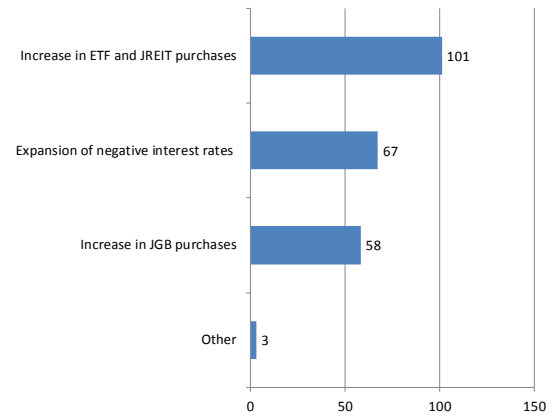
The majority of Japanese retail investors expect that the Bank of Japan will take additional monetary easing measures in June 2016 or between July and September 2016. Meanwhile, more than 30% answered that there would be none for the time being, indicating that opinion is divided among retail investors. When we asked those who answered that additional monetary easing measures would be taken in June 2016 to forecast the content of the additional easing measures, most answered an increase in purchase by the Bank of Japan of ETF and J-REIT.

Figure11-1:Timing of Additional Monetary Easing Measures by BOJ



Source: Monex,Inc.

Figure11-2:Expected content of additional monetary easing measures?



Source: Monex,Inc.

(We asked those answering that additional monetary easing measures would be taken in June 2016 to forecast the content of additional easing measures)

## Outline of Survey & Characteristics of Respondents

### (Japan)

Method: Online survey  
 Respondents: Customers of Monex, Inc.  
 # of Responses: 747  
 Period: 25 May – 6 June 2016

#### [Gender]

Male	Female
85.8%	14.2%

#### [Age]

Minor	20s	30s	40s	50s	60s	70s or over
0.5%	2.8%	12.2%	30.8%	32.1%	15.1%	6.4%

#### [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
25.0%	15.5%	21.2%	22.8%	10.3%	5.2%

#### [Frequency of trading]

Day trading	Several times a week	Several times a month	Once in every few months	Fewer than that
5.2%	12.6%	36.1%	29.3%	16.7%

#### [Experience with investment]

Less than a year	1 ~ 5 years	5 ~ 10 years	Over 10 years
7.9%	17.7%	16.7%	57.7%

### (United States)

Method: Online survey  
 Respondents: Customers of TradeStation Securities, Inc.  
 # of Responses: 127  
 Period: 25 May – 3 June 2016

### (Hong Kong)

Method: Online survey  
 Respondents: Customers of Monex BOOM Securities (H.K.) Limited  
 # of Responses: 320  
 Period: 25 May – 3 June 2016



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, 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 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.