

Monex Global Retail Investor Survey

December 2023

Executive Summary

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2023 was a very firm year for the stock markets. Both the Nikkei Stock Average and the Dow Jones showed yearly rises, moving up 28% and 14%, respectively, and Japanese stocks in particular enjoyed their strongest performance since 2013. The TSE Growth Market 250 Index (former Mothers Index) declined 3%, while the NASDAQ Composite Index rose 43%.

In 2023, monetary tightening progressed in major countries except Japan. In March, financial instability surfaced in Europe and the United States, and geopolitical risk also persisted. In the United States, economic growth was solid thanks to vigorous consumption, and growing expectations for a soft landing in the economy pushed up stock prices, along with the end of the phase of rising interest rates. Japanese stocks also rose sharply in April to June after the Tokyo Stock Exchange requested listed companies to improve capital efficiency at the end of March. It was also around this time that Warren Buffett's investment in Japanese stocks, mentioned in this survey, became a hot topic.

Given that 2024 is said to be an election year and that elections will be held in various countries, the macroeconomic environment surrounding risk assets will become even more important. However, all of us at Monex, Inc., led by our team of analysts, will continue working together to provide 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.

We hope that this survey will aid your investment decisions.

Written as of January 3, 2024

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 sharply among retail investors in all three regions.

We asked retail investors in each region about their views on the world stock market for the coming three months. Among retail investors in Japan, the U.S., and China (Hong Kong), the DI increased sharply from the previous survey (conducted in December 2022). It is confirmed that the degree of improvement is particularly large for retail investors in the United States.

* DI (diffusion index):

The percentage of respondents who answered, “will rise or improve” minus the percentage of respondents who answered “will fall or deteriorate.”

【Forecast DI for world stock markets】

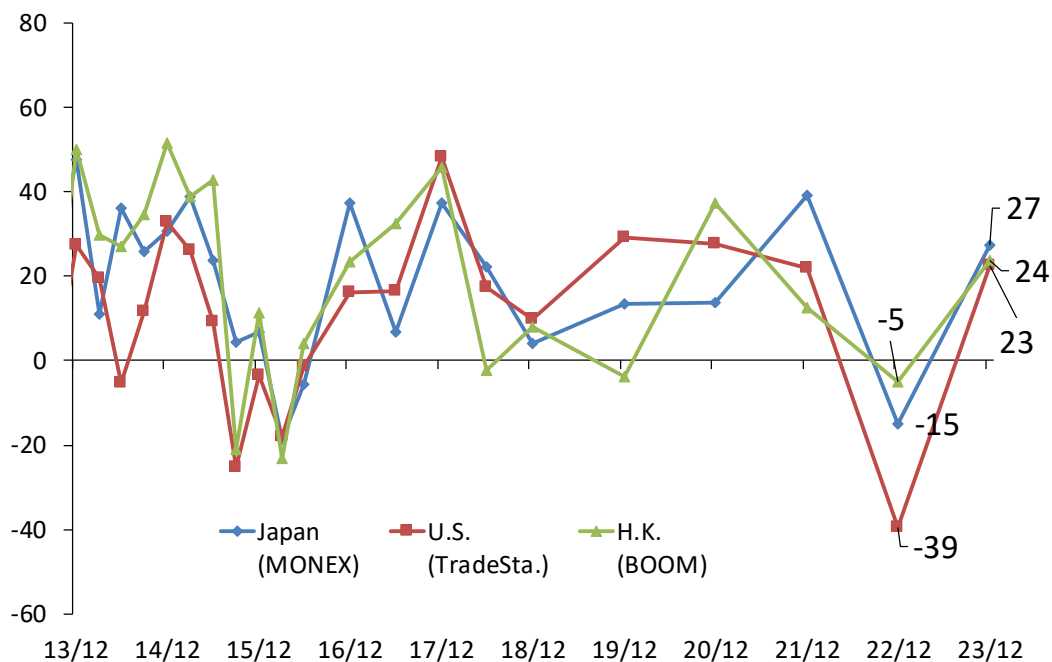
[Japan] Dec. 2022: -15 → Dec. 2023: 27 (+42 points)

[U.S.] Dec. 2022: -39 → Dec. 2023: 23 (+62 points)

[China (H.K.)] Dec. 2022: -5 → Dec. 2023: 24 (+29 points)

Figure 1: Retail Investors’ Outlook on World Stock Markets (Trends in DIs in Three Regions)

(Retail Investors in Japan, U.S. and China (H.K.))



(Source) Monex, Inc.

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

We asked retail investors to name the region with the greatest likelihood of stock price appreciation in the coming three months. The percentage of respondents who answered that the “U.S.” was the highest among all retail investors in Japan, U.S. and China (H.K.). More than 91% of U.S. retail investors had expectations for the U.S. stock markets. The high expectations of world investors for U.S. stocks were confirmed.

【Expectations for stock markets in the coming three months】

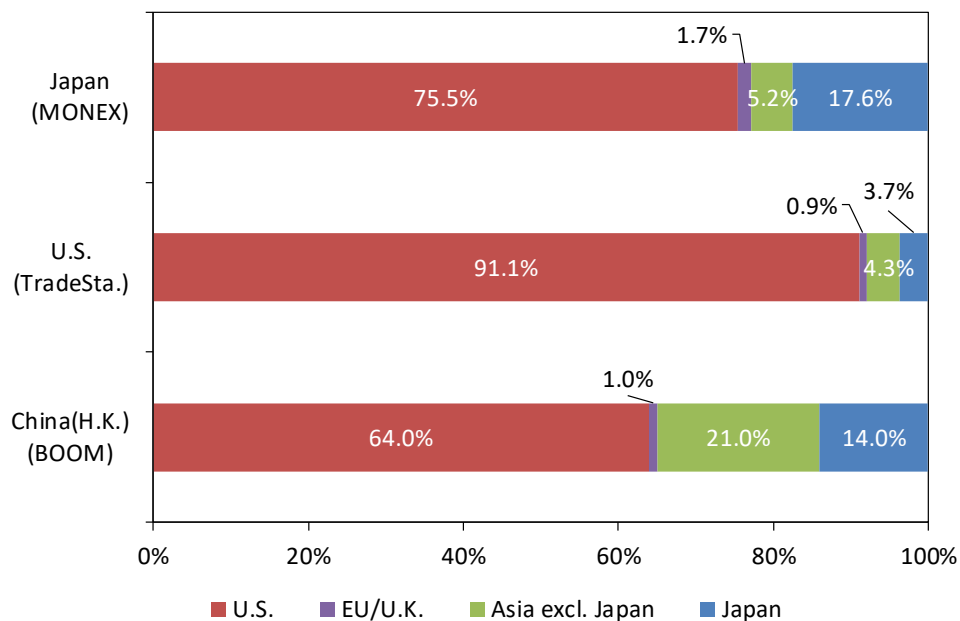
[Japan] U.S.: 75.5% Eu/U.K.: 1.7% Asia excl. Japan: 5.2% Japan: 17.6%

[U.S.] U.S.: 91.1% Eu/U.K.: 0.9% Asia excl. Japan: 4.3% Japan: 3.7%

[China (H.K.)] U.S.: 64.0% Eu/U.K.: 1.0% Asia excl. Japan: 21.0% Japan: 14.0%

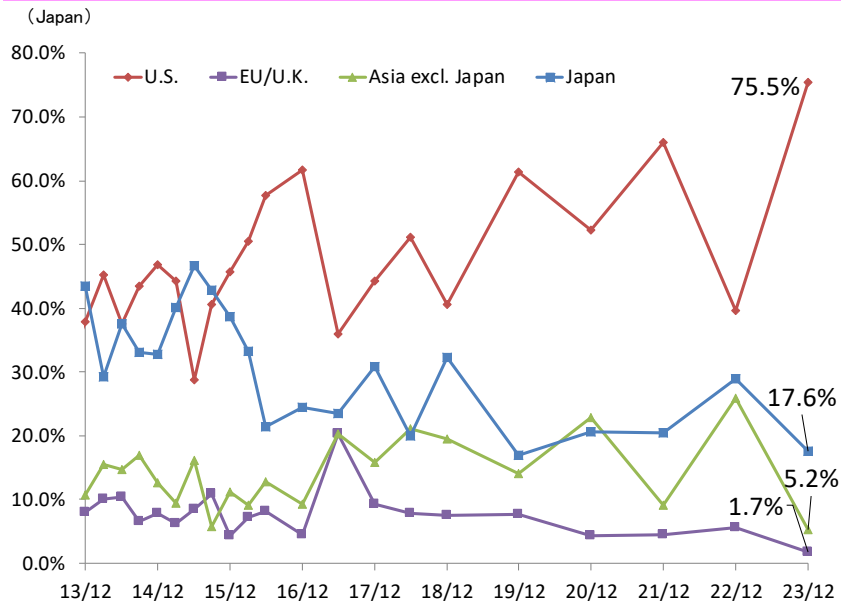
Figure 2-1: Expectation for Areas of Best Equity Performance for the Next 3 Months (Breakdown of Responses in Each Region)

(Retail Investors in Japan, U.S. and China (H.K.))



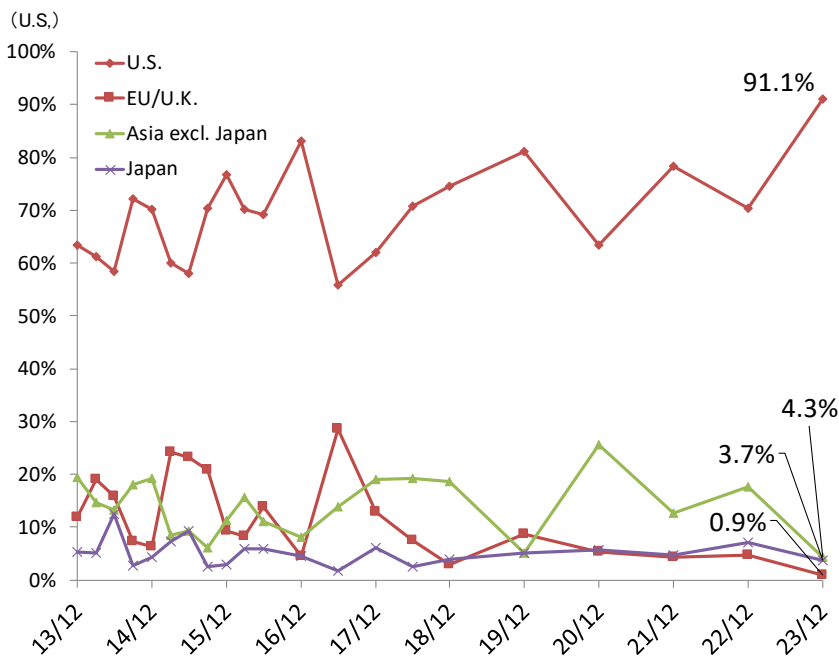
(Source) Monex, Inc.

Figure 2-2: Expectation for Areas of Best Equity Performance for the Next 3 Months (Trends in Responses)



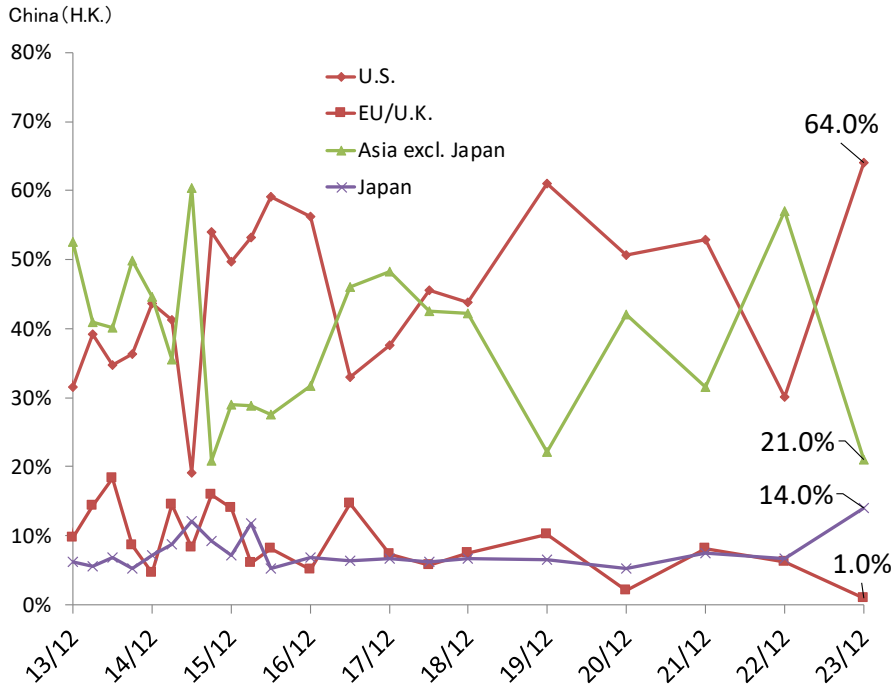
(Source) Monex, Inc.

Figure 2-3: Expectation for Areas of Best Equity Performance for the Next 3 Months (Trends in Responses)



(Source) Monex, Inc.

Figure 2-4: Expectation for Areas of Best Equity Performance for the Next 3 Months (Trends in Responses)



(Source) Monex, Inc.

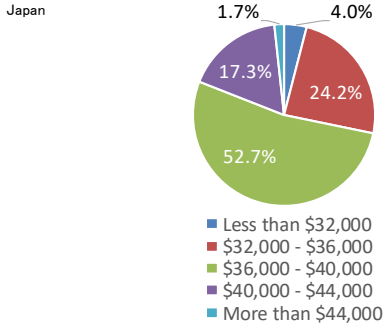
(1-3) The 2024 U.S. market outlook: The highest percentage of retail investors in Japan and the U.S. expect the 2024 high to be between 36,000 and 40,000.

We asked retail investors in all three regions about their expectations for the Dow Jones high and low in 2024. Most retail investors in Japan and the U.S. answered that they expect the 2024 high will be between 36,000 and 40,000. Meanwhile, most retail investors in China (H.K.) answered that the 2024 high will be between 32,000 and 36,000. While the highest percentage of retail investors in Japan and China (H.K.) answered that they expect the 2024 low would be between 27,000 and 31,000, the highest percentage of retail investors in the U.S. answered that they expect the 2024 low would be between 31,000 and 35,000.

[**【Reference】** Closing price on January 12: \$37,592.98]

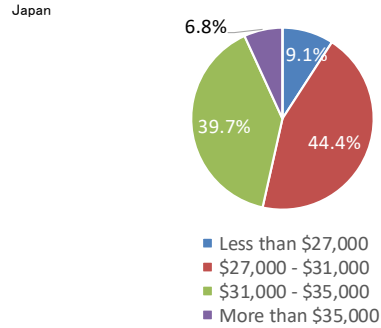
【Retail investors in Japan】

Figure3-1: Dow Jones Industrial Average High price forecast



(Source) Monex, Inc.

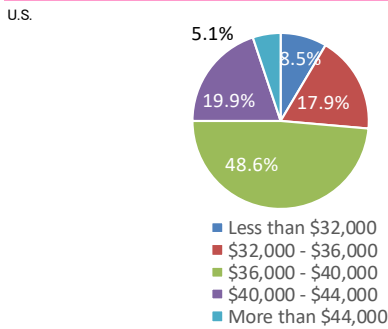
Figure3-2: Dow Jones Industrial Average Low price forecast



(Source) Monex, Inc.

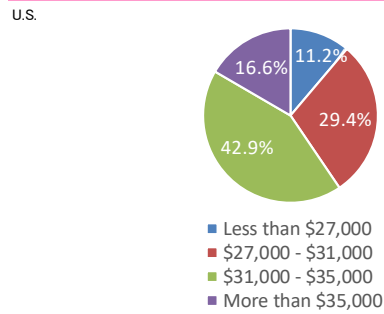
【Retail investors in the U.S.】

Figure3-3: Dow Jones Industrial Average High price forecast



(Source) Monex, Inc.

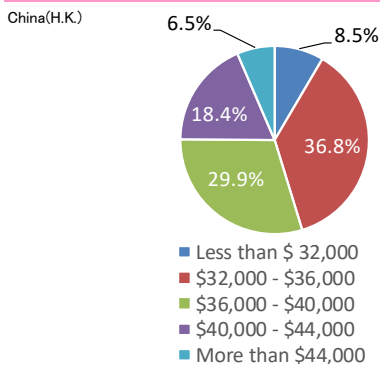
Figure3-4: Dow Jones Industrial Average Low price forecast



(Source) Monex, Inc.

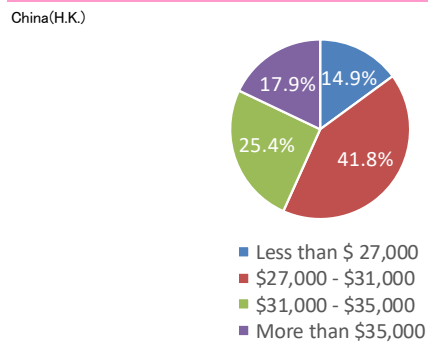
【Retail investors in China (H.K.)】

Figure3-5: Dow Jones Industrial Average High price forecast



(Source) Monex, Inc.

Figure3-6: Dow Jones Industrial Average Low price forecast



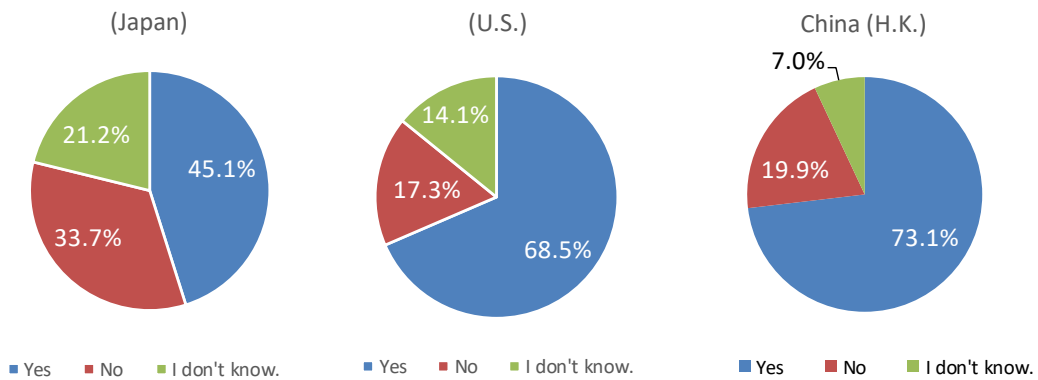
(Source) Monex, Inc.

(1-4) Japanese investors are optimistic about necessity of risk aversion.

We asked retail investors in all three regions whether they think that the current market conditions require them to avert risk to certain extent.

While approximately 70% of retail investors in the U.S. and China (H.K.) think that risk aversion is necessary, fewer than 50% of retail investors in Japan think so.

Figure 4-1: Do You Think That Risk Aversion is Necessary?



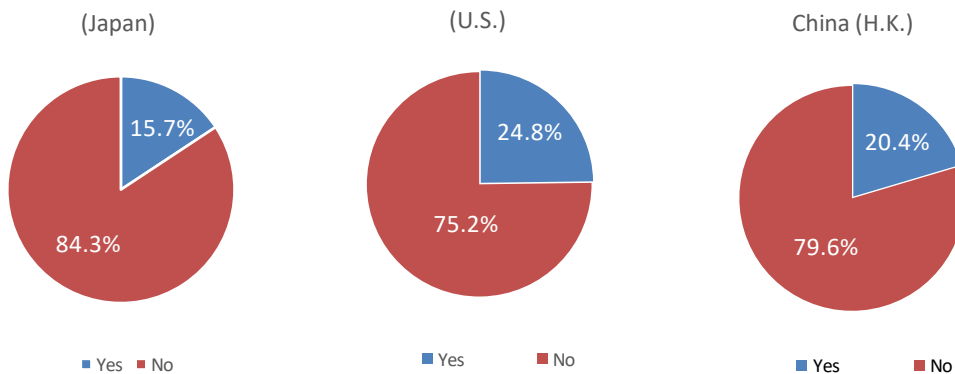
(Source) Monex, Inc.

(1-5) Retail investors in Japan are reluctant to invest in U.S. government bonds as risk aversion.

We asked retail investors in all three regions whether they invested in U.S. government bonds in 2023 to avert risk in response to rising interest rates.

Most retail investors in all three regions answered “No” and above all, Japanese retail investors who did not invest in U.S. government bonds showed the highest percentage.

Figure 5-1: Did You Invest in U.S. Government Bonds in 2023?

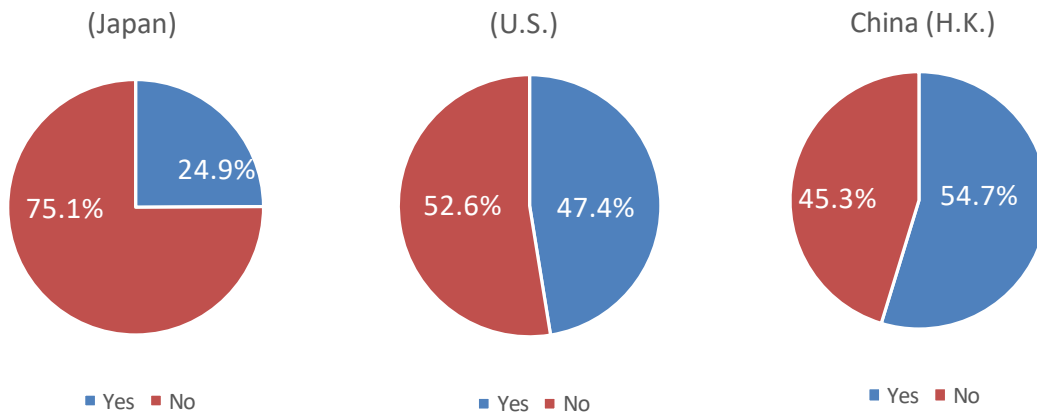


(Source) Monex, Inc.

(1-6) Nearly half of retail investors in the U.S. and China took risk-averse actions in 2023

We asked retail investors in all three regions whether they took risk-averse actions such as investing in instruments other than equity-linked products in 2023. Although 75% of retail investors in Japan did not take risk-averse actions, nearly half of those in the U.S. and a majority of those in China (H.K.) took risk-averse actions.

Figure 6-1: Did You Take Risk-averse Actions in 2023?



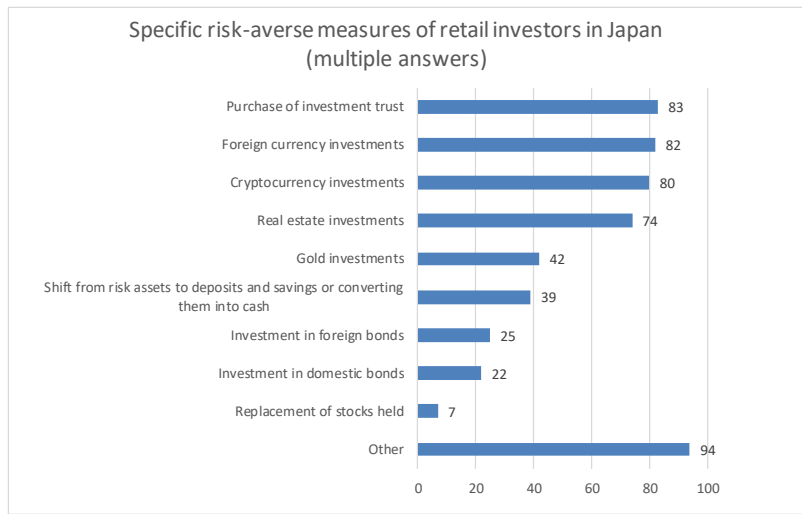
(Source) Monex, Inc.

(1-7) Specific risk-averse measures of retail investors in three regions

We asked retail investors in all three regions who answered “Yes” about their specific risk-averse measures in 2023. Among retail investors in Japan who took risk-averse actions, the highest percentage answered “Purchase of investment trusts,” but a large percentage also answered “Other,” giving the impression that investment behavior varies. On the other hand, general risk-averse actions such as a shift to deposits and savings or cash and investments in gold and bonds were observed among retail investors in the U.S. and China (H.K.).

Among retail investors in Japan who answered “Other,” “Participation in iDeCo,” “Options,” “Transfer to foreign currency deposits/foreign currency MMF” or “Changes in foreign exchange hedge settings” were observed. Among retail investors in China (H.K.) and the U.S. who answered “Other,” “Investment monetary fund” or “Domestic bond ETF,” as well as “Futures/options,” “ETF,” “MMF” or “Do not trade” were observed, respectively.

Figure 7-1: Did You Take Risk-averse Actions in 2023? [Retail Investors in Japan]



(Source) Monex, Inc.

Figure 7-2: Did You Take Risk-averse Actions in 2023? [Retail Investors in the U.S.]



(Source) Monex, Inc.

Figure 7-3: Did You Take Risk-averse Actions in 2023? [Retail Investors in China (H.K.)]



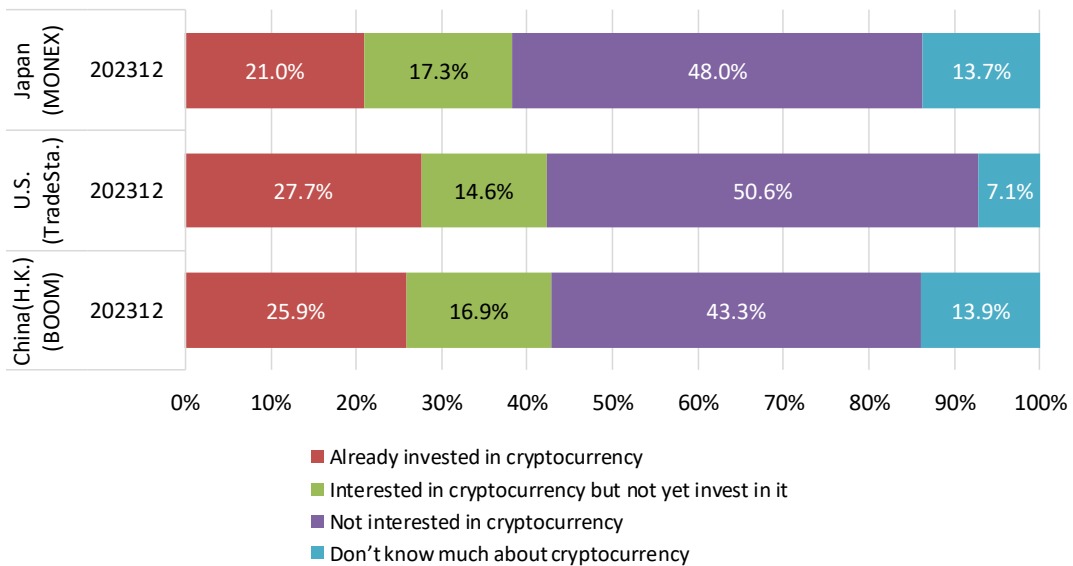
(Source) Monex, Inc.

(1-8) Interest in cryptocurrency investments is still low

We conducted a survey on the experience and desire of retail investors to invest in “cryptocurrency.” The percentage of retail investors replying that they had already invested in cryptocurrency was 21.0% in Japan, 27.7% in the U.S. and 25.9% in China (H.K.). The percentage of retail investors replying “Not interested” or “Don’t know much” was also high, giving the impression that their interest in cryptocurrency as an investment target was still low.

Figure 8: Investment in Cryptocurrency

(Retail Investors in Japan, U.S. and China (H.K.))



(Source) Monex, Inc.

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

(2-1) Only the Japanese stock DI decreased

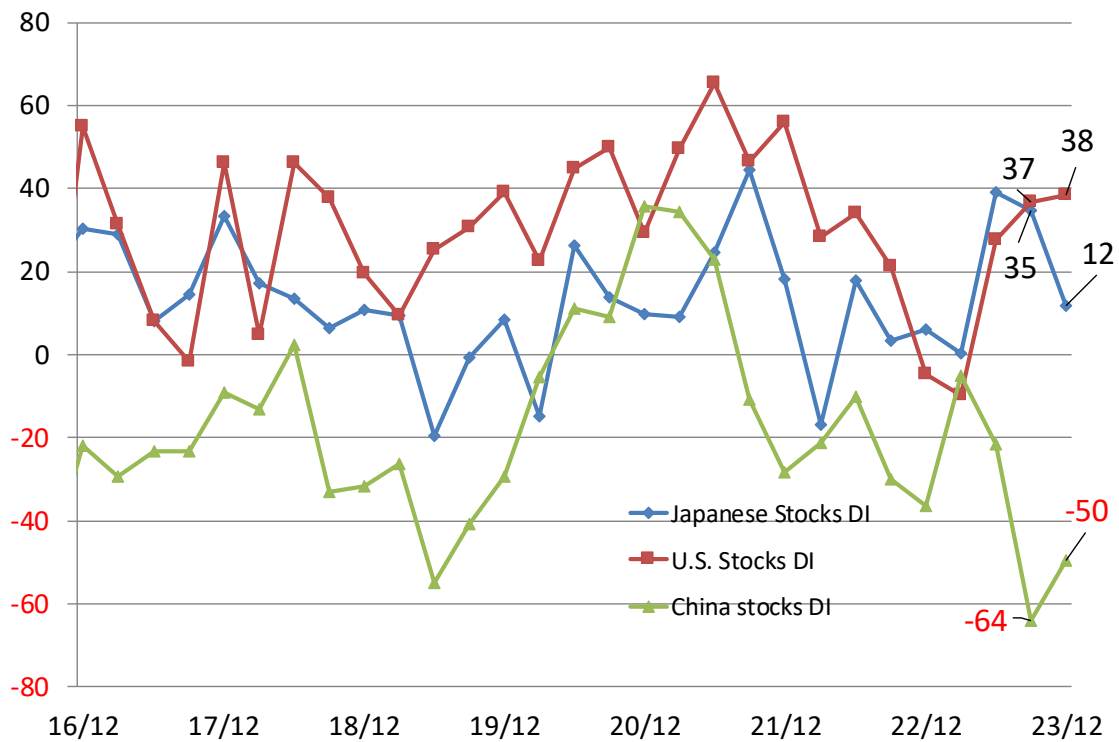
In the Japanese retail investors' outlook (DI) for the stock of each country (Japan, the U.S. and China) for the coming three months, only the Japanese stock DI decreased, down 23 points from the previous survey, while the DI for U.S. stocks and the DI for Chinese stocks both increased.

[Japanese Stocks DI] Sep. 2023: 35 → Dec. 2023: 12 (-23 points)

[U.S. Stocks DI] Sep. 2023: 37 → Dec. 2023: 38 (+1 point)

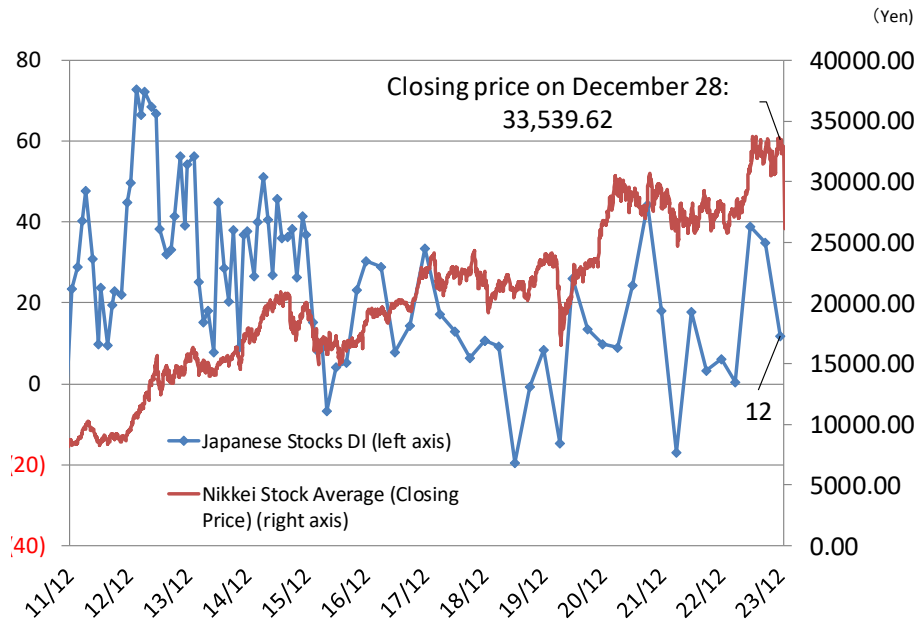
[China stocks DI] Sep. 2023: -64 → Dec. 2023: -50 (+14 points)

Figure9-1: Outlook on Stocks for the Next 3 Months



(Source) Monex, Inc.

Figure 9-2: Trends in Nikkei Stock Average (Closing Price) and Japanese stocks DI



(Source) Monex, Inc.

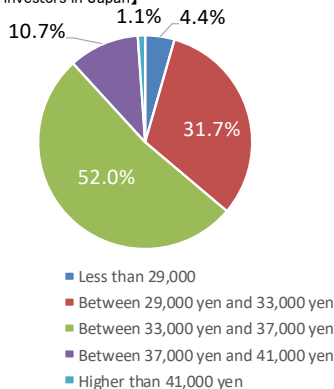
(2-2) The percentage forecasting that the 2024 high of the Nikkei Stock Average would be between 33,000 and 37,000 was highest, at 52.0%.

We asked Japanese retail investors about their forecast for the 2024 high and low of the Nikkei Stock Average. The percentage forecasting that the 2024 high of the Nikkei Stock Average would be 33,000 - 37,000 was highest, at 52.0%. The percentage forecasting a 2024 low of 26,000 - 29,000 was highest, at 40.7%.

[Closing price on January 12: 35,577.11]

Figure 10-1: Nikkei Stock Average High Price Forecast in 2024

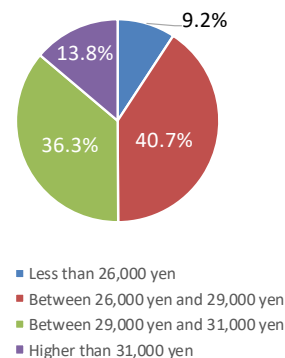
[Retailed investors in Japan]



(Source) Monex, Inc.

Figure 10-2: Nikkei Stock Average Low Price Forecast in 2024

[Retailed investors in Japan]



(Source) Monex, Inc.

Outline of Survey & Characteristics of Respondents

(Japan)

Method: Online survey
 Respondents: Customers of Monex, Inc.
 # of Responses: 1,172
 Period: Dec. 14 to Dec. 18, 2023

[Gender]

Male	Female	No response
80.1%	18.1%	1.8%

[Age]

10s	20s	30s	40s	50s	60s	70s	80s or over
0.0%	1.8%	9.0%	21.4%	33.4%	23.4%	8.8%	2.3%

[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
17.8%	15.3%	18.3%	27.6%	12.8%	8.3%

[Frequency of trading]

Day trading	Several times a week	Several times a month	Once every few months	Fewer than that
4.0%	12.7%	32.8%	27.8%	22.6%

[Experience of stock investment]

Less than a year	1 ~ 5 years	5 ~ 10 years	Over 10 years
5.2%	17.3%	21.4%	56.1%

(United States)

Method: Online survey
 Respondents: Customers of TradeStation Securities, Inc.
 # of Responses: 940
 Period: Dec. 13 to Dec. 21, 2023

(Hong Kong)

Method: Online survey
Respondents: Customers of Monex BOOM Securities (H.K.) Limited
of Responses: 201
Period: Dec. 14 to Dec. 18, 2023

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.