

# Monex Global Retail Investor Survey

December 2020

## Executive Summary

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The year 2020 was marked by the COVID-19 pandemic. Media reports on COVID-19 infections gradually began to increase 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 orders, 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 vaccinations have 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 the 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.

**Summary**

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

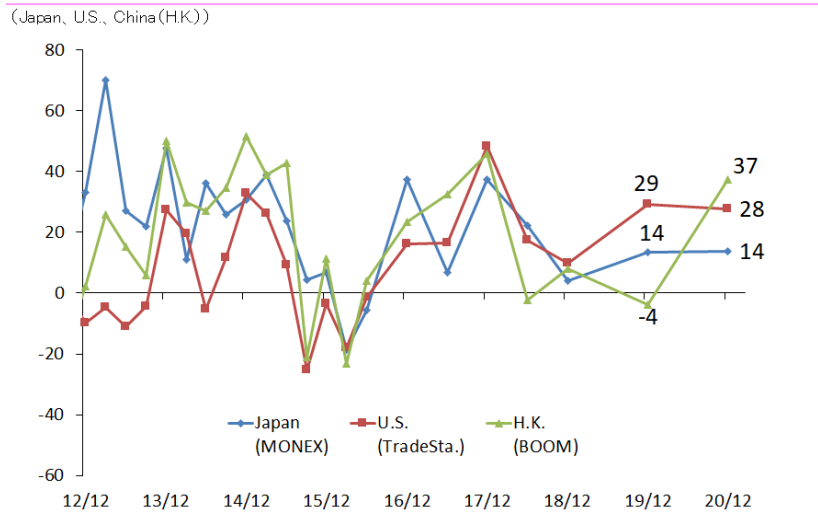
(1-1) The forecast DI (\*) for world stock markets remained roughly flat in Japan and the U.S. but rose significantly in China (Hong Kong).

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)
[China (H.K.)]	Dec. 2019:-4 →	Dec. 2020: 37 (+41 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 replied, "will fall or deteriorate."

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

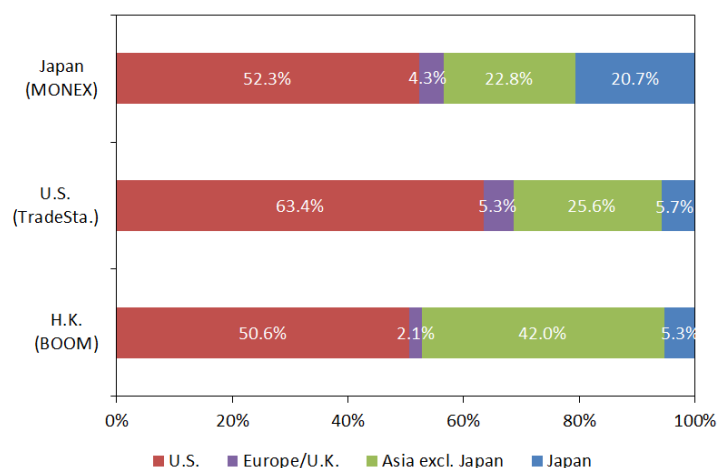
Retail investors in all three regions answered that the U.S. is the region with the greatest likelihood of stock price appreciation in the coming three months. Although COVID-19 cases are continuing to rise in the U.S., many investors appear to expect stock prices to continue to rise in the U.S.

**【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

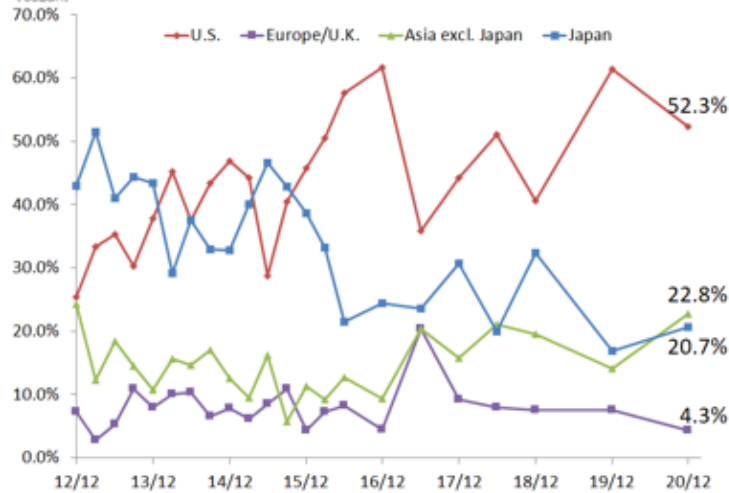
(Japan, U.S., China(HK))



Source: Monex, Inc.

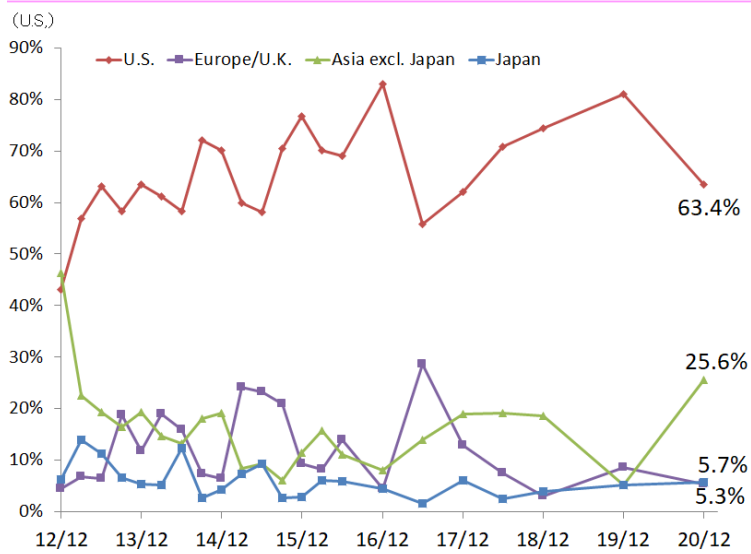
Figure2-2: Expectation for Areas of Best Equity Performance for the Next 3 Months

(Japan)



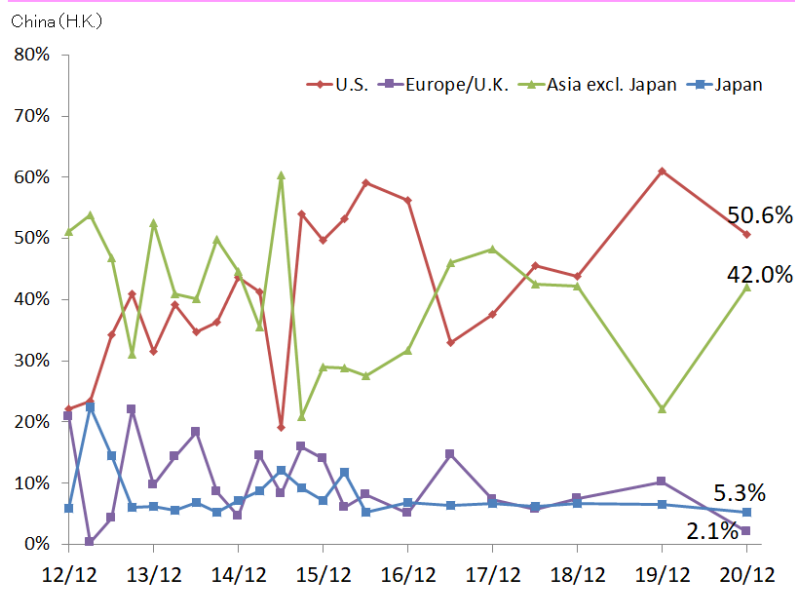
Source: Monex, Inc.

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



Source: Monex, Inc.

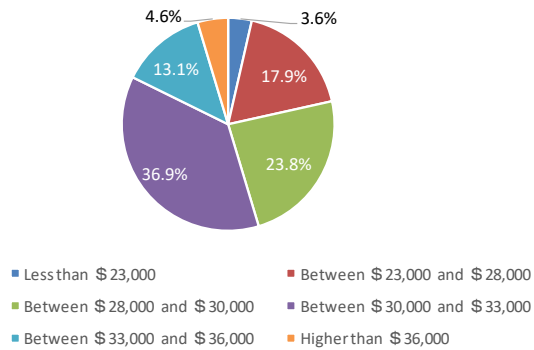
Figure2-4: Expectation for areas of Best Equity Performance for the Next 3 Months



Source: Monex, Inc.

**Figure3-5: Dow Jones Industrial Average Highest Forecast**

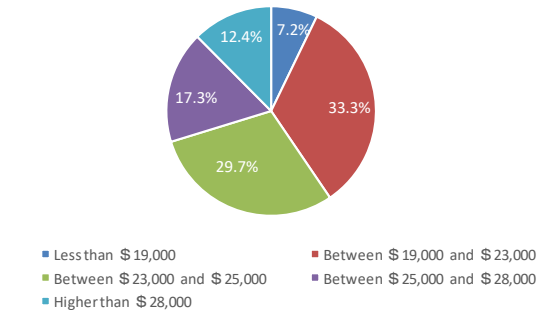
H.K.



Source: Monex, Inc.

**Figure3-6: Dow Jones Industrial Average Lowest price forecast**

H.K.



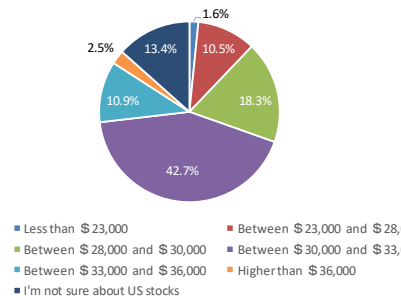
Source: Monex, Inc.

**(1-3) 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 the low will be between \$23,000 and \$25,000. Among investors in China (Hong Kong), most investors expect 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**

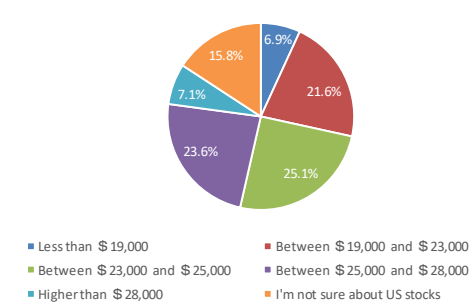
Japan



Source: Monex, Inc.

**Figure3-2: Dow Jones Industrial Average Lowest price forecast**

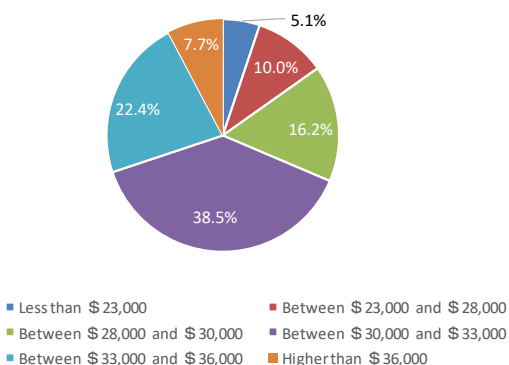
Japan



Source: Monex, Inc.

**Figure3-3: Dow Jones Industrial Average Highest Forecast**

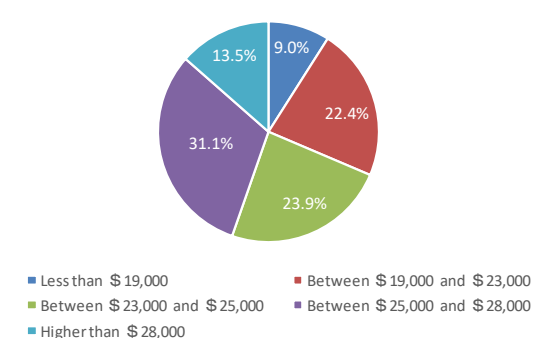
U.S.



Source: Monex, Inc.

**Figure3-4: Dow Jones Industrial Average Lowest price forecast**

U.S.



Source: Monex, Inc.

**(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, concerning their experience with it and their willingness to invest in it. The percentage of retail investors replying 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 introducing the question in June 2017. The percentage of investors in China (Hong Kong) who had invested in cryptocurrency fell slightly from the previous survey.

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

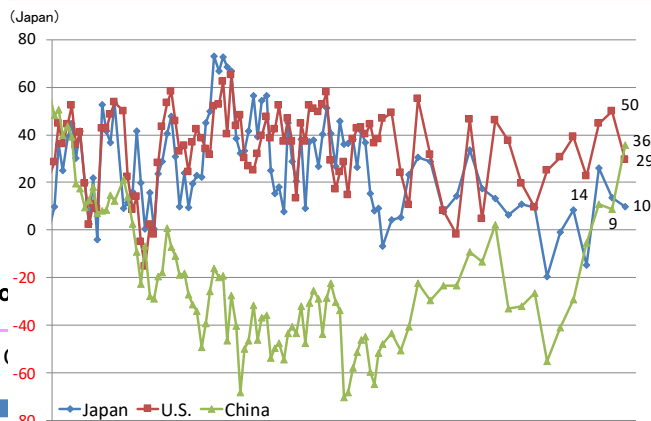
### (2-1) The Chinese stock DI rose significantly.

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Figure4: Abc

(Japan, U.S., (

Figure5-1: Outlook on Stocks for the Next 3 Months



Japanese retail outlook (DI) for and U.S. stocks for the three months fell, but Chinese stocks rose

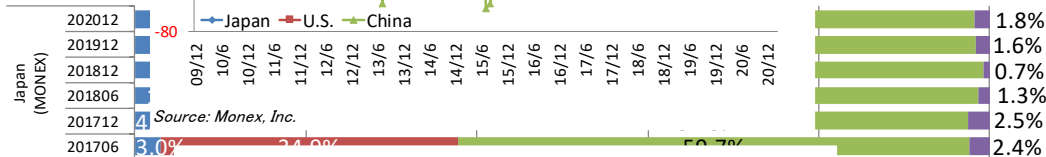
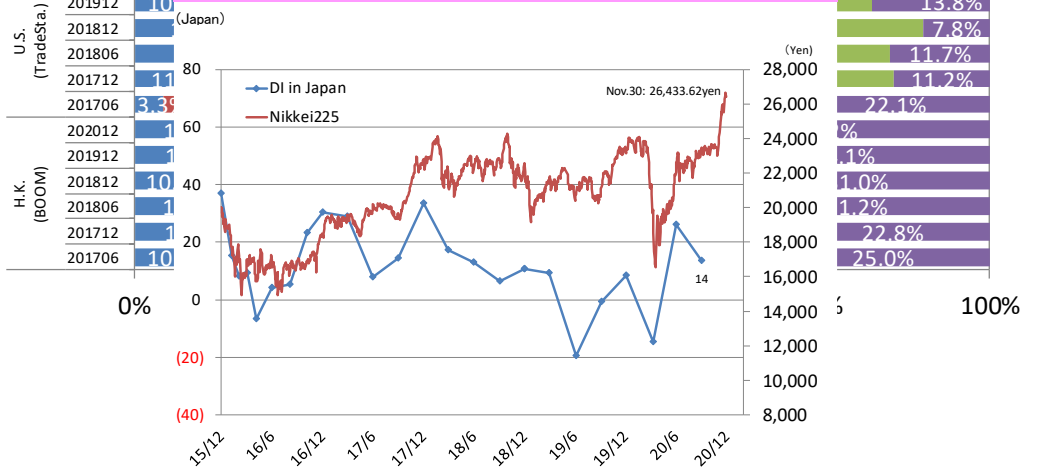


Figure5-2: Japanese Investor's Domestic DI and Nikkei 225



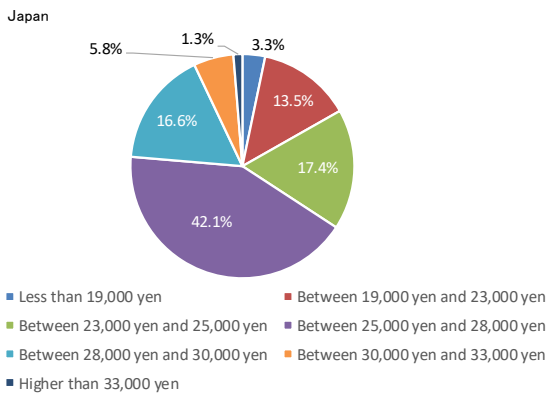
Source: Monex, Source: Monex, Inc.



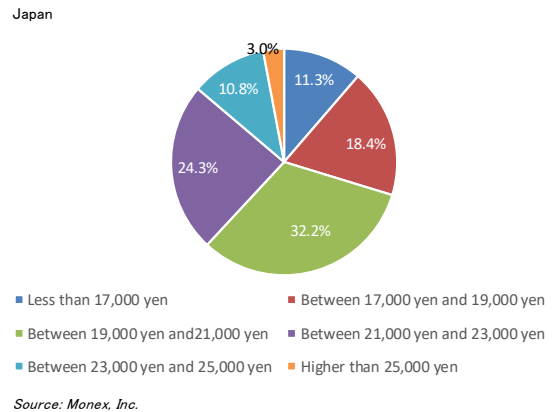
significantly to 36 from 9 in the previous survey. The rise in the Chinese stock DI was the largest since March 2020. Expectations for Chinese stocks appear to be rising as the Chinese economy recovers from the slowdown due to the COVID-19 pandemic.

[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)

**Figure6-1: Nikkei Average Highest price forecast**



**Figure6-2: Nikkei Average Lowest price forecast**



**(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.

## Outline of Survey & Characteristics of Respondents

### (Japan)

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

### (Hong Kong)

Method: Online survey  
 Respondents: Customers of Monex BOOM Securities (H.K.) Limited  
 # of Responses: 474

Period: November 23 to November 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.