

FX (Foreign Exchange) Margin Transactions Market: Key Research Findings 2011

◆ Research Outline

Yano Research Institute has conducted a study on FX (Foreign Exchange) Margin Transactions market with the following conditions:

1. Research period: From June to August, 2011
2. Research target: Commodity futures dealers, dedicated FX margin transactions companies, securities companies, Internet banking corporations, etc., in total of 90 companies
3. Research methodologies: Face-to-face interviews by the specialized researchers, supplemented by interviews via telephone and e-mail

< What is FX (Foreign Exchange) Margin Transactions? >

FX (Foreign Exchange) Margin Transactions in this research indicates the first financial product to handle foreign exchange transactions in Japan for private investors that has emerged after the revision to the Foreign Exchange Control Law in April 1998. The trading mechanism is that based on the margin deposit that works as collateral, much greater trade can be executed by means of leverage principle, and by settling the account for only the difference caused between the period of position opening and closing.

◆ Key Findings

- **FX market size (the balance of margin deposits) for the year ending March 2011 was 750.9 billion yen, up 9.9 percent year-on-year**

Market size of FX (Foreign Exchange) trading (the balance of margin deposits) for the year ending March 2011 was calculated as 750.9 billion yen, an increase by 9.9 percent from the previous year.

- **Number of accounts for the year ending March 2011 was 3.07 million, an increase by 11.7 percent year-on-year**

The number of accounts in the industry is still on the rise in spite of growing number of enterprises have decreased their number of accounts due to stricter regulation that reduced the maximum allowable leverage to 50 times in 2010. The number of accounts for the year ending March 2011 was 3.07 million, an increase by 11.7 % compared to the same period last year.

- **Annual trading volume was 1,842 trillion yen (1 million currency units are converted to 100 million yen) for the year ending March 2011, down by 8.7 percent from the prior year**

Those enterprises focused on strengthening their brands, providing good transaction tools, improving contract interest rate, and lowering costs for investors have increased their trading volumes.

- **Forecast of market size (balance of margin deposits) for the year ending March 2012 is expected to be 848.2 billion yen, with 3.4 million accounts and annual trading volume 1,500 trillion yen**

It is likely for investors to increase their balance of margin in order to prepare for reduction of maximum allowable leverage from 50 to 25 times. The number of accounts opening is still on the rise. Forecast of annual trading volume for the year ending March 2012 is estimated to decrease by 18.6% to 1,500 trillion yen (1 million currency units are converted to 100 million yen), due to integration of the tax systems and other reasons.

◆ Report format

Published report: “Foreign Exchange Margin Trading Market 2011”

Issued on: September 12, 2011

Language: Japanese

Format: 243 pages in A4 format

Price: 126,000 yen (6,000 yen of consumption tax shall be charged for the sales in Japan.)

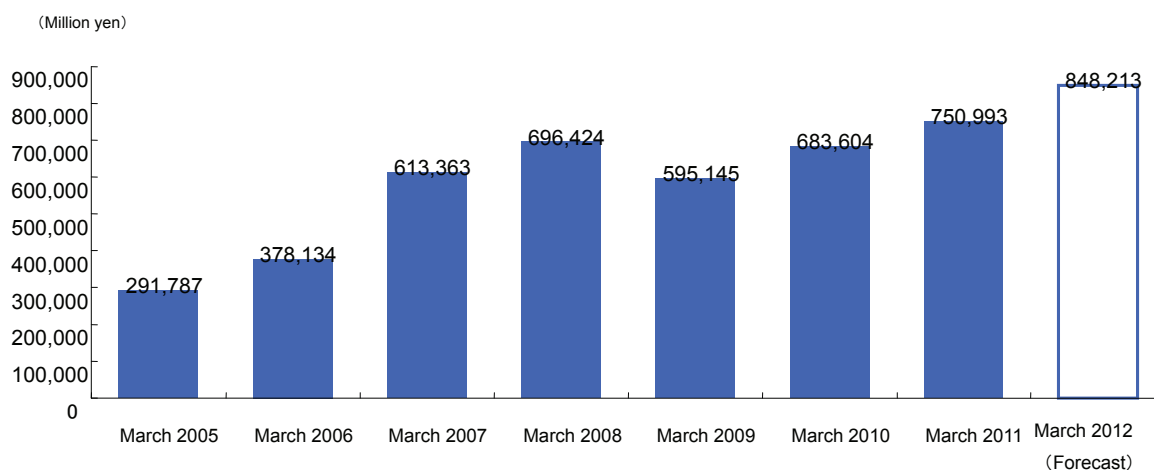
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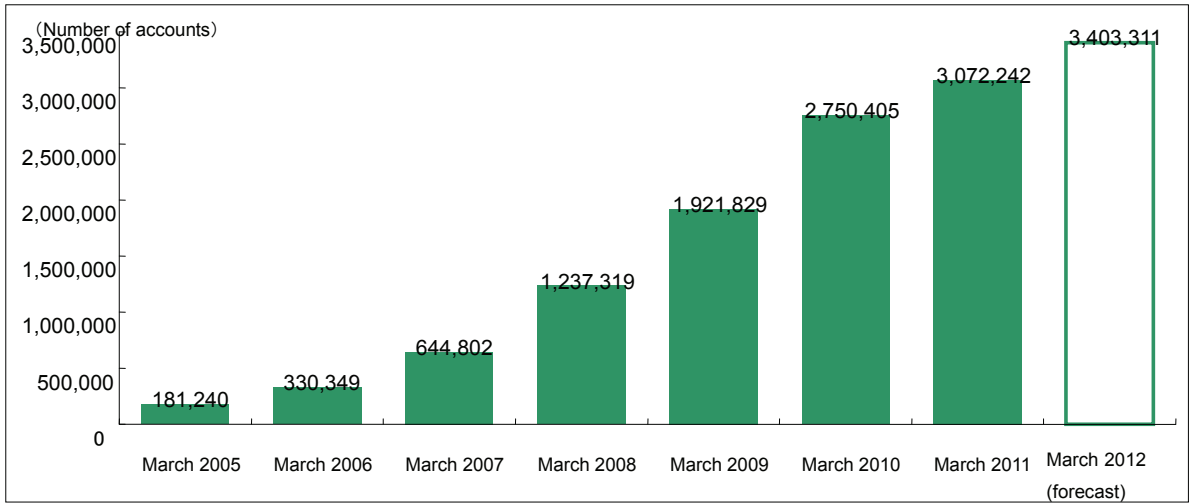
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■ Transition of the market size of balance of deposited margin



■ **Transition of number of accounts**



■ **Transition of annual turnover**

