

August 7, 2020

Preliminary Monthly Report for July 2020

Money Partners Group today released the following data for consolidated performance in June 2020. Operating revenues and foreign exchange margin deposits are preliminary figures that may change when financial statements are released.

Period	FY3/19											
	2018									2019		
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Operating revenues (Million yen)	436	430	438	446	552	397	411	293	432	506	450	1,077
Foreign exchange trading volume (Currency in millions)	64,962	85,708	73,679	70,709	121,698	72,241	69,676	43,497	45,475	60,432	87,717	163,604
Customer accounts (Accounts)	331,528	332,653	333,795	334,878	335,861	336,996	337,918	338,691	339,443	339,790	340,014	340,483
Foreign exchange margin deposits (Million yen)	64,226	63,060	64,426	64,422	63,282	63,293	64,021	63,383	63,183	69,788	66,290	65,510
General customers	57,695	58,098	58,594	58,474	59,231	58,929	59,250	58,536	58,072	64,763	61,596	62,895
Financial companies (B-to-B)	6,531	4,961	5,831	5,948	4,050	4,363	4,770	4,847	5,111	5,025	4,693	2,614
Manepa Card accounts (Accounts)	152,808	153,899	155,079	156,330	157,321	158,101	158,861	159,676	160,307	161,324	162,167	162,655

Period	FY3/20											
	2019									2020		
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Operating revenues (Million yen)	407	303	318	282								
Foreign exchange trading volume (Currency in millions)	82,072	92,851	106,893	75,910								
Customer accounts (Accounts)	340,605	340,735	340,825	340,830								
Foreign exchange margin deposits (Million yen)	62,460	62,004	61,807	62,331								
General customers	60,227	59,654	59,267	60,022								
Financial companies (B-to-B)	2,232	2,350	2,539	2,309								
Manepa Card accounts (Accounts)	162,828	163,034	163,058	163,086								

- (Notes) 1. Foreign exchange trading volume is the sum of customer transactions in each currency in units using the base currency. Trading volume has not been converted into yen.
2. The number of customer accounts and balance of foreign exchange margin deposits are as of the end of the month.
3. Money Partners started contract-for-difference (CFD) trading in August 2011. Margin deposits, trading volume and trading revenues in CFD are included in foreign exchange margin deposits, foreign exchange trading volume and operating revenues, respectively.
4. The foreign exchange margin deposits are presented separately by transactions from general customers and transactions from financial institutions that are B-to-B customers.
5. Effective July 27, 2020, our consolidated subsidiary COINAGE, Inc. started a physical bitcoin sales office as a crypto-asset exchange, and "Operating revenue" includes the company's figures from July 2020.

<Overview of June>

In July, the U.S. dollar/yen began trading in the range of higher 107 yen to the U.S. dollar, reflecting the appreciation of the U.S. stock at the end of June, and appreciated in the range of lower 108 yen.

The U.S. Employment Statistics released on 2nd showed unemployment rate fell more than expected, and the number of non-agricultural employees posted record growth, but the market response was limited. Concerns over the spread of COVID-19 infectious disease and sluggish U.S. treasury yields led to a dominant sales of dollars, and the Federal Reserve's outlook for monetary easing grew strongly and fell to the higher 106 yen level on the 10th.

After that, the price trend lacked a sense of direction due to the combination of favorable factors, such as the rise in U.S. bond yields due to further progress in viral vaccine development and the higher than expected U.S. retail sales in June, and adverse factors, such as pandemic concerns and the U.S. fiscal deficit reaching a record high in June.

However, when the U.S.-China conflict worsened to the higher 105 yen level on April 24, the Federal Reserve decided at FOMC to keep policy interest rates unchanged on July 29, Federal Reserve Chairman Powell expressed concern that economic activity and employment recoveries were slowing due to the impacts of COVID-19, and the U.S. Preliminary GDP for the April-June quarter announced on April 30 recorded a record drop in the dollar's sales. As a result, U.S. dollar sales fell temporarily to the low of the lower 104 yen range on July 31. However, the July U.S. Chicago PMI, which was announced on the same day, recorded an unexpectedly high level, spurred the repurchase of the U.S. dollar, reaching the end of the month in the higher 105 range. Meanwhile, the European and Oceanian currencies, which are major currencies other than the U.S. dollar/yen, tended to depreciate throughout the month, in contrast to the U.S. dollar/yen, where the yen had appreciated.

As a result, the rate of change in foreign exchange rates decreased by less than 10% for the U.S. dollar/yen and by more than 30% to less than 60% for the European and Oceanian currencies compared to the previous month. The entire rate of change was the lowest in November last year. Under these circumstances, foreign exchange transactions decreased 29% to 75.9 billion currency units.

On the other hand, operating revenue decreased 11% to 282 million yen from the previous month due to a decrease in transaction volume caused by a decline in the volatility of foreign exchange rates, despite the recovery of overall profitability as a result of the impact of the market turmoil caused by COVID-19 having settled down slightly.

In addition, margin deposits received for foreign exchange transactions increased 524 million yen to 62,331 million yen due to an increase in margin deposits for general customers and a decrease in margin deposits for financial institutions.