

# KS-Derivatives

# Thailand Strategy 01 September 2009

**Actions:**

- Hold on to Long S50U09, although be wary of volatility. Adding more to the Long S50U09 position will become an option if S50U09 breaks through the significant resistance at 472.2 pts during the day. The next target would then be 487 pts.
- Figure 1: Technical analysis indicates holding the long position, and adding to it if S50U09 trades above 472.2 (Intraday) with a new target for taking some profit at 487 in the chart.
- Figure 2: Near-term upside of the SET50 is 476 pts.
- The SET50 is expected to rebound in line with regional markets as China's PMI was better than expected, corporates' fair values and earnings have begun to be revised up, and accelerating inflation next year will boost the stock market. Nevertheless, be aware of the risks that could arise at any time. Short-term traders can take some profit if the SET closes the gap to 670 pts as with the exception of China the stock markets in most countries have continued to surge without correcting (we usually expect an average correction of 5-8% during a bull market). Overall, we recommend buying on any weakness in the medium term as the SET is expected to break 710 pts within 6 months.

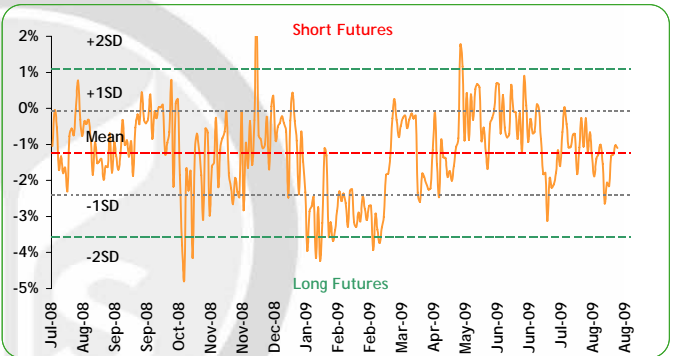
Figure 1: Technical Analysis



Figure 2: SET50 Top 10 Movers

Top 10 (Bt)	Current price (A)	%Mkt Cap	Direction	S-T Target (B)	Up/Downside (B-A)	Impact on SET50
PTT	244.0	17.0%	Up	254.0	10.0	3.2
PTTEP	138.5	11.3%	Up	144.5	6.0	2.3
ADVANC	86.3	6.3%	Up	87.3	1.0	0.3
BBL	110.0	5.2%	Up	116.0	6.0	1.3
SCC	194.0	5.7%	Up	195.0	1.0	0.1
SCB	77.0	6.4%	Up	79.0	2.0	0.8
BAY	17.8	2.7%	Up	18.4	0.6	0.4
DTAC	34.3	2.0%	Up	34.8	0.5	0.1
PTTCH	66.0	2.4%	Up	68.8	2.8	0.5
TOP	40.5	2.0%	Up	40.8	0.3	0.1
(Sum)		61.1%				9.1
Last	467.3		Up	476.4		

Figure 3: SET50 Futures Premium



\*SD = Standard Deviation

### TECHNICAL VIEW ON STOCK FUTURES

Figure 4: PTTEP Spot



- Figure 4. Hold on to the Long futures position in PTTEP through the volatility as it is expected to zigzag up. Add to the long position if PTTEP spot closes above 146 or trades above 149 (intraday). Profit-taking point will be updated

Figure 5: PTT Spot



- Figure 5. Add to the Long futures position in PTT and hold through the volatility. Aim to take some profit at 260-261 (PTT Spot).

### PAIR TRADE ACTION

- There is no pair trading signal available

The information, statements, forecasts and projections contained herein, including any expression of opinion, are based upon sources believed to be reliable, but their accuracy, completeness or correctness are not guaranteed. Expressions of opinion herein were arrived at after due and careful consideration and they were based upon the best information known to us then, and in our opinion are fair and reasonable in the circumstances prevailing at the time. Expressions of opinion contained herein are subject to change without notice.

PAIR TRADING PERFORMANCE

Figure 6: Recent Pair Trading Performance

Trading Strategy	Open Date	Close Date	%Profit & Loss	Trading Strategy	Open Date	Close Date	%Profit & Loss
Long PTTEP/Short SCC	24-Jul-09	3-Aug-09	-4.9%	Long PTT/Short S50H09	26-Dec-08	17-Feb-09	-2.8%
Long PTT/Short PTTEP	23-Jun-09	22-Jul-09	-4.2%	Long S50Z08/Short ADVANC	22-Dec-08	14-Jan-09	-1.5%
Long PTTEP/Short PTT	18-May-09	3-Jun-09	8.0%	Long S50Z08/Short PTTEP	8-Dec-08	5-Jan-09	-0.6%
Long PTT/Short ADVANC	24-Mar-09	31-Mar-09	-5.1%	Long PTT/Short PTTEP	15-Dec-08	18-Dec-08	3.1%
Long PTT/Short S50H09	20-Feb-09	17-Mar-09	-5.7%	Long PTTEP/Short ADVANC	26-Nov-08	9-Dec-08	24.5%

(\*) Running Rate

SET50 CHANGE & OPEN INTERESTS

Figure 7: SET50 Change & Open Interests

	Index	Change %	Net Long / Short Contracts		
			Institutions	Foreign	Retail
LAST	467.3		-726	-136	862
			Cumulative Net Long / Short Contracts		
-2D	470.7	-0.7%	1,450	-1,415	-2,056
-1W	469.2	-0.4%	917	254	-2,937
-1M	449.9	3.9%	7,401	145	-8,742
YTD	316.5	47.7%	-13,871	87	-15,024
Estimated Outstanding			-14,792	116	-12,708

STATISTICS

Figure 8: SET50 Futures & Options Prices

Series	Exp Date	Last Price	1 Day Chg	1 Day %Chg	Open Int.	Volume	Fair Value	Fair/Spot(%)	
S50U09	29-Jun-09	459.8	-4.1	-0.9%	24,447	5,222	461.5	-0.4%	
S50Z09	29-Sep-09	459.4	-3.7	-0.8%	2,437	617	463.7	-0.9%	
S50H10	31-Dec-09	456.0	-5.5	-1.2%	149	5	462.8	-1.5%	
S50M10	31-Mar-10	456.9	-4.1	-0.9%	113	5	466.3	-2.0%	
Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
U09	440	31.5	0	234	U09	440	8.4	8	477
U09	450	20.1	3	304	U09	450	11.0	12	416
U09	460	13.1	20	379	U09	460	14.0	12	416
U09	470	8.5	27	764	U09	470	19.5	4	171
U09	480	4.0	6	595	U09	480	23.0	2	29
U09	490	3.0	27	635	U09	490	30.2	0	19

Figure 9: Stock & Gold Futures Snapshot

Products	Stock Price	Settlement Price	Stock/ Settlement(%)	Trade Volume		Chg in Price	Open Int.	Chg in OI	Fair Value	Fair/Spot(%)
				Value (Btmn)	Contracts					
PTT	244.0									
PTTU09		243.0	0.4%	0.002	10	-	65	-1	246.4	-1.4%
PTTEP	138.5									
PTTEPU09		139.2	-0.5%	0.016	112	-2.0	396	-16	141.9	-1.9%
ADVANC	86.3									
ADVANCU09		87.2	-1.1%	0.001	6	0.7	331	-1	87.1	0.1%
BANPU	399.0									
BANPUU09		404.0	-1.2%	-	-	-	3	0	-	-
BBL	110.0									
BBLU09		100.0	10.0%	-	-	-	1	0	-	-
ITD	2.8									
ITDU09		2.9	-2.1%	-0.100	339	-0.1	1813	94	-	-
KBANK	72.5									
KBANKU09		72.5	0.0%	15.650	112	-2.0	396	-16	-	-
KTB	8.6									
KTBU09		8.6	0.0%	0.836	99	0.1	1293	15	-	-
LH	6.0									
LHU09		5.9	1.7%	0.232	39	-0.1	377	1	-	-
QH	2.1									
QHU09		2.0	4.0%	-	4	-	38	-2	-	-
SCB	77.0									
SCBU09		73.0	5.5%	-	-	-	5	0	-	-
SCC	194.0									
SCCU09		188.0	3.2%	-2.000	2	-2.0	128	2	-	-
TTA	23.1									
TTAU09		23.0	0.4%	1.994	87	-0.2	334	-3	-	-

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