

KS-Derivatives

Thailand Strategy
02 September 2009

Actions:

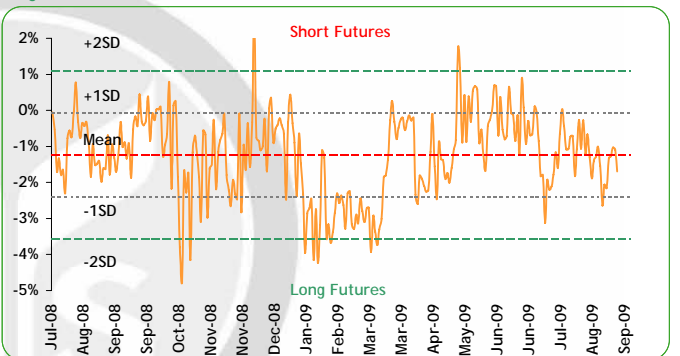
- Hold on to Long S50U09, although be wary of volatility. Adding more to the Long S50U09 position will become an option if S50U09 breaks through the significant resistance at 472.2 pts during the day. The next target would then be 487 pts.
- Figure 1: Technical analysis indicates holding the long position, 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 downside of the SET50 is 466 pts.
- The SET50 is expected to correct in line with regional markets as the DJ plunged 1.96% yesterday. This was despite better-than-expected US economic data and the IMF's announcement it is going to upgrade its world GDP forecasts for 2009 and 2010. The over-bought condition of the stock market, however, has led to a correction (we usually expect an average correction of 5-8% during a bull market). Seasonal factors are also impacting on the stock market as September is historically the poorest month of the year. 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	243.0	16.9%	Down	242.0	-1.0	-0.3
PTTEP	139.0	11.3%	Down	138.5	-0.5	-0.2
ADVANC	86.0	6.3%	Down	85.5	-0.5	-0.2
BBL	110.0	5.2%	Neutral	110.0	0.0	0.0
SCC	192.0	5.7%	Neutral	192.0	0.0	0.0
SCB	76.8	6.4%	Down	76.5	-0.3	-0.1
BAY	17.9	2.7%	Down	17.7	-0.2	-0.1
DTAC	34.3	2.0%	Down	33.8	-0.5	-0.1
PTTCH	67.0	2.5%	Down	65.0	-2.0	-0.3
TOP	39.3	2.0%	Neutral	39.3	0.0	0.0
(Sum)		60.9%				-1.4
Last	467.5		Down	466.1		



*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 zig-zag 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. Hold on to the Long futures position in PTT 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	467.5		-104	1,065	-961
Cumulative Net Long / Short Contracts					
-2D	467.3	0.1%	-785	-818	-134
-1W	469.7	-0.5%	132	254	-3,071
-1M	449.9	3.9%	6,616	145	-8,876
YTD	316.5	47.7%	-14,656	87	-15,158
Estimated Outstanding			-15,577	116	-12,842

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	458.0	-1.8	-0.4%	24,360	8,907	459.7	-0.4%
S50Z09	29-Sep-09	457.8	-1.6	-0.3%	2,563	1,049	462.1	-0.9%
S50H10	31-Dec-09	455.8	-0.2	-0.0%	150	16	462.6	-1.5%
S50M10	31-Mar-10	456.8	-0.1	-0.0%	112	4	466.2	-2.0%

Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
U09	440	26.5	16	234	U09	440	7.0	12	483
U09	450	19.1	11	305	U09	450	9.5	9	425
U09	460	13.0	68	382	U09	460	14.0	6	424
U09	470	7.1	44	753	U09	470	19.5	33	173
U09	480	3.7	52	595	U09	480	24.7	6	30
U09	490	2.9	62	652	U09	490	32.8	2	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	243.0									
PTTU09		243.0	0.0%	0.003	11	-	67	2	245.4	-1.0%
PTTEP	139.0									
PTTEPU09		138.6	0.3%	0.018	132	-0.6	390	-6	142.4	-2.7%
ADVANC	86.0									
ADVANCU09		86.5	-0.6%	0.000	4	-0.7	335	4	86.9	-0.4%
BANPU	400.0									
BANPUU09		404.0	-1.0%	-	-	-	3	0	-	-
BBL	110.0									
BBLU09		100.0	10.0%	-	-	-	1	0	-	-
ITD	2.8									
ITDU09		2.9	-2.1%	-	5	-	1816	3	-	-
KBANK	73.5									
KBANKU09		72.5	1.4%	18.459	132	-0.6	390	-6	-	-
KTB	8.5									
KTBU09		8.5	-0.6%	0.282	33	-0.1	1287	-6	-	-
LH	6.1									
LHU09		6.0	1.7%	0.213	35	0.1	392	15	-	-
QH	2.1									
QHU09		2.1	-1.0%	0.100	5	0.1	43	5	-	-
SCB	76.8									
SCBU09		73.0	5.1%	-	-	-	5	0	-	-
SCC	192.0									
SCCU09		188.1	2.1%	0.100	5	0.1	129	1	-	-
TTA	22.9									
TTAU09		22.9	0.0%	1.289	56	-0.1	338	4	-	-

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