

KS-Derivatives

Thailand Strategy
03 September 2009

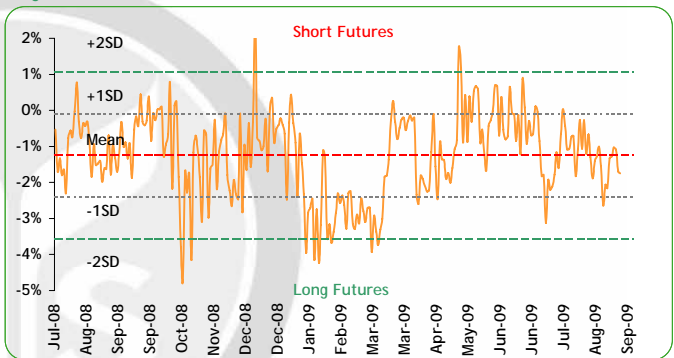
Actions:

- Hold on to Long S50U09, although be wary of volatility. At the moment, using a Stop-loss is a must. If S50U09 falls through 449 during the day, the stop-loss must be applied.
- Figure 1: Technical analysis indicates holding the long position, but cut losses if the contract trades below 449, intraday.
- Figure 2: Near-term downside of the SET50 is 465 pts.
- The SET50 is expected to rebound in line with regional markets. The only short-term risk is the over-bought condition of the stock market, which could lead to a correction (we usually expect an average correction of 5-8% during a bull market). However, we believe that any correction will be short-lived as more signs of an economic recovery appear. Yesterday, economic data released by the US was better than expected. 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 3: SET50 Futures Premium



*SD = Standard Deviation

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	238.0	16.6%	Neutral	238.0	0.0	0.0
PTTEP	138.5	11.3%	Neutral	138.5	0.0	-0.0
ADVANC	87.0	6.4%	Down	85.5	-1.5	-0.5
BBL	110.5	5.2%	Down	110.0	-0.5	-0.1
SCC	191.5	5.7%	Down	190.0	-1.5	-0.2
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	36.0	2.1%	Down	33.8	-2.3	-0.6
PTTCH	66.0	2.4%	Down	65.0	-1.0	-0.2
TOP	39.5	2.0%	Down	39.3	-0.3	-0.1
(Sum)		60.7%			-0.3	-1.9
Last	467.1		Down	465.2		

TECHNICAL VIEW ON STOCK FUTURES

Figure 4: PTTEP Spot



- Figure 4. Hold on to the Long futures position in PTTEP through the volatility and wait for a rebound. Stop-loss signal will be updated.

Figure 5: PTT Spot



- Figure 5. Cut losses by selling half the long position in PTT futures. Sell the remaining position if PTT spot falls below 230 intraday.

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	467.1		651	491	-1,142
			Cumulative Net Long / Short Contracts		
-2D	467.5	-0.1%	793	-613	-2,348
-1W	470.8	-0.8%	787	254	-3,890
-1M	464.6	0.5%	6,985	145	-9,411
YTD	316.5	47.6%	-13,822	87	-16,483
Estimated Outstanding			-14,743	116	-14,167

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	460.3	2.3	0.5%	24,731	6,381	462.0	-0.4%
S50Z09	29-Sep-09	459.4	1.6	0.3%	2,720	685	463.7	-0.9%
S50H10	31-Dec-09	457.8	2.0	0.4%	153	14	464.6	-1.5%
S50M10	31-Mar-10	459.1	2.3	0.5%	114	8	468.5	-2.0%

Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
U09	440	30.8	0	236	U09	440	5.5	12	491
U09	450	19.5	19	310	U09	450	8.0	30	430
U09	460	12.5	34	426	U09	460	14.0	27	429
U09	470	8.4	153	789	U09	470	18.0	38	197
U09	480	5.0	15	626	U09	480	22.0	3	33
U09	490	2.9	1	688	U09	490	29.6	0	21

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	238.0									
PTTU09		238.0	0.0%	0.000	2	-5.0	67	0	240.4	-1.0%
PTTEP	138.5									
PTTEPU09		138.7	-0.1%	0.020	141	0.1	373	-17	141.9	-2.3%
ADVANC	87.0									
ADVANCU09		87.5	-0.6%	0.001	8	1.0	330	-5	87.9	-0.4%
BANPU	402.0									
BANPUU09		404.0	-0.5%	-	-	-	3	0	-	-
BBL	110.5									
BBLU09		100.0	10.5%	-	-	-	1	0	-	-
ITD	2.8									
ITDU09		2.9	-2.1%	-	-	-	1816	0	-	-
KBANK	73.5									
KBANKU09		72.5	1.4%	19.513	141	0.1	373	-17	-	-
KTB	8.4									
KTBU09		8.5	-1.2%	0.170	20	-	1302	15	-	-
LH	6.0									
LHU09		6.0	0.0%	0.330	55	-	401	9	-	-
QH	2.1									
QHU09		2.1	0.0%	-	-	-	43	0	-	-
SCB	76.8									
SCBU09		73.0	5.1%	-	-	-	5	0	-	-
SCC	191.5									
SCCU09		186.5	2.7%	-1.600	1	-1.6	130	1	-	-
TTA	23.0									
TTAU09		22.9	0.4%	1.141	50	-	341	3	-	-

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