

KS-Derivatives

Thailand Strategy
 04 September 2009

Actions:

- Add more to Long S50U09 and aim for 485 pts. At the moment, using a stop-loss position is a must. If S50U09 falls through 449 during the day, the stop-loss must be applied.
- Figure 1: Add to the long position but aim to take some profit at 485. Cut losses if trading falls below 449 intraday.
- Figure 2: Near-term upside of the SET50 is 478 pts.
- The SET50 is expected to advance in line with regional markets, however, the likelihood of a short-term correction is still present. We believe that investors will begin to shift into defensive stocks, such as hospitals and hotels. At the moment, the SET is looking to close the last gap in the chart, so be cautious when speculating on stock prices. However, we firmly believe that any correction will be short-lived as more signs of an economic recovery appear. Overall, we recommend buying on any weakness in the medium term as the SET is expected to break 710 pts within 6 months.

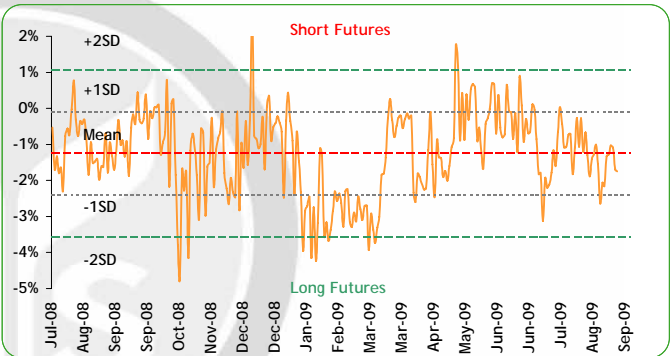
Figure 1: Technical Analysis



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	240.0	16.5%	Up	247.0	7.0	2.2
PTTEP	140.0	11.2%	Neutral	140.0	0.0	0.0
ADVANC	90.8	6.5%	Up	91.8	1.0	0.3
BBL	111.5	5.2%	Up	112.0	0.5	0.1
SCC	197.0	5.7%	Neutral	197.0	0.0	0.0
SCB	77.3	6.4%	Up	77.8	0.5	0.2
BAY	18.3	2.7%	Neutral	18.3	0.0	0.0
DTAC	39.5	2.3%	Up	40.3	0.8	0.2
PTTCH	67.0	2.4%	Up	67.5	0.5	0.1
TOP	40.0	2.0%	Neutral	40.0	0.0	0.0
(Sum)		60.8%				3.1
Last	475.1		Up	478.2		

Figure 3: SET50 Futures Premium



*SD = Standard Deviation

TECHNICAL VIEW ON STOCK FUTURES

Figure 4: PTTEP Spot



- Figure 4. Hold Long PTTEP futures through the volatility and wait for the rebound. Stop-loss and/or profit-taking point will be updated.

Figure 5: PTT Spot vs SET Index



- Figure 5. Hold the remaining position in Long PTT futures having already cut the loss by half. Wait for an updated signal.

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	475.1		288	1,939	-2,227
Cumulative Net Long / Short Contracts					
-2D	467.1	1.7%	1,122	1,514	-3,552
-1W	466.8	1.8%	787	254	-3,890
-1M	464.8	2.2%	6,985	145	-9,411
YTD	316.5	50.1%	-13,534	2,026	-18,710
Estimated Outstanding			-14,455	2,055	-16,394

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	468.4	8.1	1.8%	25,917	6,423	470.2	-0.4%	
S50Z09	29-Sep-09	466.8	7.4	1.6%	2,784	1,207	471.3	-0.9%	
S50H10	31-Dec-09	465.5	7.7	1.7%	161	20	472.6	-1.5%	
S50M10	31-Mar-10	466.0	6.9	1.5%	119	21	475.8	-2.1%	
Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
U09	440	33.0	12	236	U09	440	3.6	17	500
U09	450	24.9	59	313	U09	450	5.0	110	448
U09	460	17.0	34	456	U09	460	7.9	29	453
U09	470	10.2	134	932	U09	470	12.0	39	227
U09	480	6.9	367	641	U09	480	16.7	21	32
U09	490	4.0	50	689	U09	490	24.0	4	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	240.0									
PTTU09		241.0	-0.4%	0.001	3	3.0	67	0	242.4	-0.6%
PTTEP	140.0									
PTTEPU09		140.1	-0.1%	0.017	120	1.4	370	-3	143.5	-2.3%
ADVANC	90.8									
ADVANCU09		90.4	0.4%	0.006	69	2.9	293	-37	91.6	-1.4%
BANPU	408.0									
BANPUU09		404.0	1.0%	-	-	-	3	0	-	-
BBL	111.5									
BBLU09		100.0	11.5%	-	-	-	1	0	-	-
ITD	3.0									
ITDU09		3.0	-1.3%	0.100	15	0.1	1829	13	-	-
KBANK	73.5									
KBANKU09		72.5	1.4%	16.770	120	1.4	370	-3	-	-
KTB	8.9									
KTBU09		8.7	2.3%	1.966	227	0.2	1428	126	-	-
LH	6.3									
LHU09		6.3	0.0%	1.090	176	0.3	399	-2	-	-
QH	2.2									
QHU09		2.2	-0.9%	0.100	18	0.1	47	4	-	-
SCB	77.3									
SCBU09		73.0	5.8%	-	-	-	5	0	-	-
SCC	197.0									
SCCU09		193.0	2.1%	6.500	11	6.5	137	7	-	-
TTA	23.5									
TTAU09		23.5	0.0%	3.880	167	0.6	371	30	-	-

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