

KS-Derivatives

Thailand Strategy
 07 September 2009

Actions:

- Hold on to Long S50U09; the next profit-taking point is at 485 pts. Stop-loss must be applied if S50U09 breaks below 450 pts during the day.
- Figure 1: Technical analysis indicates that having added to the long position hold and aim to take some profit at 485. But cut losses if trading falls below 450 intraday.
- Figure 2: Near-term upside of the SET50 is 481 pts.
- The SET50 is expected to jump in line with regional markets even though the US unemployment data was worse than expected, creating concern over the economic recovery. Moreover, increasing political tension is going to put the SET50 under pressure in the short term. Thus, we recommended speculating more in defensive stocks. In general, we recommend buying on any weakness in the medium term as the SET is expected to reach 710-735 pts within 6 months.

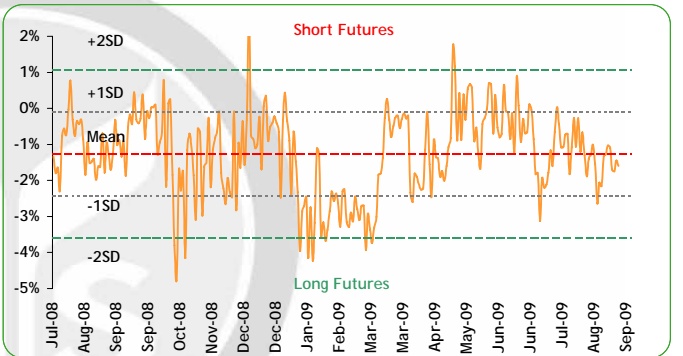
Figure 1: Technical Analysis



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	16.4%	Up	247.0	7.0	2.2
PTTEP	139.0	11.1%	Up	140.0	1.0	0.4
ADVANC	93.0	6.7%	Up	93.5	0.5	0.2
BBL	110.5	5.1%	Up	112.0	1.5	0.3
SCC	205.0	5.9%	Up	207.0	2.0	0.3
SCB	76.5	6.3%	Up	77.8	1.3	0.5
BAY	18.1	2.7%	Up	18.3	0.2	0.1
DTAC	39.5	2.3%	Up	40.3	0.8	0.2
PTTCH	70.8	2.6%	Up	71.5	0.8	0.1
TOP	41.3	2.0%	Up	41.5	0.3	0.1
(Sum)		61.0%				4.3
Last	477.0		Up	481.3		

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 rebound. Stop-loss and/or taking profit point will be updated.

Figure 5: PTT Spot vs SET Index



Figure 5. Having cut losses by half, hold the remaining long position in PTT futures and wait for the next 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	477.0		-842	649	193
			Cumulative Net Long / Short Contracts		
-2D	475.1	0.4%	-14	-1,207	-2,541
-1W	470.7	1.3%	664	254	-4,794
-1M	464.0	2.8%	5,985	145	-11,856
YTD	316.5	50.7%	-13,836	87	-19,024
Estimated Outstanding			-14,757	116	-16,708

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	473.7	5.3	1.1%	26,054	9,903	475.5	-0.4%	
S50Z09	29-Sep-09	471.5	4.7	1.0%	3,075	1,593	476.0	-0.9%	
S50H10	31-Dec-09	470.8	5.3	1.1%	154	17	478.0	-1.5%	
S50M10	31-Mar-10	471.0	5.0	1.1%	124	15	480.9	-2.1%	
Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
U09	440	41.9	1	236	U09	440	2.2	27	515
U09	450	29.0	3	332	U09	450	3.3	92	550
U09	460	16.6	37	461	U09	460	5.1	130	473
U09	470	12.9	95	1024	U09	470	7.6	85	255
U09	480	7.9	89	948	U09	480	13.0	21	47
U09	490	3.7	80	727	U09	490	19.2	4	25

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		240.5	-0.2%	0.002	9	-0.5	65	-2	242.4	-0.8%
PTTEP	139.0									
PTTEPU09		139.7	-0.5%	0.020	143	-0.4	363	-7	142.4	-1.9%
ADVANC	93.0									
ADVANCU09		93.3	-0.3%	0.005	52	2.9	276	-17	93.9	-0.7%
BANPU	418.0									
BANPUU09		404.0	3.5%	-	-	-	3	0	-	-
BBL	110.5									
BBLU09		100.0	10.5%	-	-	-	1	0	-	-
ITD	3.0									
ITDU09		3.0	1.3%	-	36	-	1826	-3	-	-
KBANK	72.5									
KBANKU09		72.5	0.0%	20.038	143	-0.4	363	-7	-	-
KTB	9.1									
KTBU09		9.1	-0.5%	2.860	320	0.4	1420	-8	-	-
LH	6.3									
LHU09		6.3	-0.8%	0.044	7	-	404	5	-	-
QH	2.2									
QHU09		2.2	-1.8%	-	2	-	47	0	-	-
SCB	76.5									
SCBU09		73.0	4.8%	-	-	-	5	0	-	-
SCC	205.0									
SCCU09		199.0	3.0%	6.000	8	6.0	142	5	-	-
TTA	23.3									
TTAU09		23.4	-0.4%	2.636	112	-0.1	367	-4	-	-

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