

## KS-Derivatives

Thailand Strategy  
 09 September 2009

### Actions:

- Having taken some profit, maintain the rest of the position in Long S50U09. The next target level will be 520 pts or higher.
- Figure 1: Technical analysis indicates holding the remaining long position after having taken some profit. The profit-taking point will be updated, and the upside may extend to 520 pts or higher.
- Figure 2: Near-term upside of the SET50 is 500 pts.
- The SET50 is expected to continue its rally today. We expect the SET to break above 700 pts, led by commodity stocks such as PTT, PTTEP, TTA, TSTH, STA and PDI. However, speculators should consider taking some profit because the traded value of the SET is very high. Historical data suggests the SET will correct sooner or later. We usually expect an average correction of 5-8% during a bull market. In general, we recommend buying on any weakness as the SET is expected to reach 710-735 pts within 6 months.

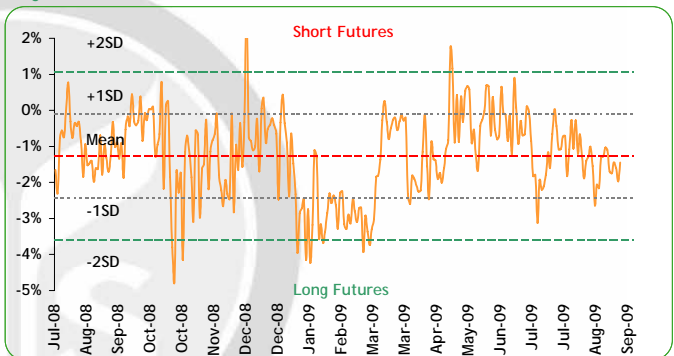
Figure 2: SET50 Top 10 Movers

| Top 10 (Bt) | Current price (A) | %Mkt Cap | Direction | S-T Target (B) | Up/Downside (B-A) | Impact on SET50 |
|-------------|-------------------|----------|-----------|----------------|-------------------|-----------------|
| PTT         | 253.0             | 16.6%    | Up        | 257.0          | 4.0               | 1.2             |
| PTTEP       | 143.5             | 11.0%    | Up        | 144.5          | 1.0               | 0.4             |
| ADVANC      | 94.5              | 6.5%     | Up        | 95.8           | 1.3               | 0.4             |
| BBL         | 116.5             | 5.2%     | Up        | 117.0          | 0.5               | 0.1             |
| SCC         | 220.0             | 6.1%     | Up        | 222.0          | 2.0               | 0.3             |
| SCB         | 82.0              | 6.4%     | Up        | 83.3           | 1.3               | 0.5             |
| BAY         | 18.4              | 2.6%     | Up        | 18.8           | 0.4               | 0.3             |
| DTAC        | 40.3              | 2.2%     | Neutral   | 40.3           | 0.0               | 0.0             |
| PTTCH       | 79.0              | 2.7%     | Neutral   | 79.0           | 0.0               | 0.0             |
| TOP         | 45.8              | 2.2%     | Up        | 47.0           | 1.3               | 0.3             |
| (Sum)       |                   | 61.5%    |           |                |                   | 3.3             |
| Last        | 496.7             |          | Up        | 500.0          |                   |                 |

Figure 1: Technical Analysis



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 profit-taking point will be updated.

Figure 5: PTT Spot vs SET Index



- Figure 5. hold the remaining long position in PTT futures and consider possibly adding to it. Aim past the 261-pt barrier for PTT spot and to take some profit at 276 pts.

### 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                                  | 496.7 |          | -1,666                     | 841     | 825     |
| Cumulative Net Long / Short Contracts |       |          |                            |         |         |
| -2D                                   | 488.2 | 1.7%     | -1,778                     | -1,876  | 142     |
| -1W                                   | 467.5 | 6.2%     | -1,000                     | -3,695  | -4,746  |
| -1M                                   | 467.1 | 6.3%     | 3,554                      | -4,871  | -10,630 |
| YTD                                   | 316.5 | 56.9%    | -15,624                    | 22,549  | -18,881 |
| Estimated Outstanding                 |       |          | -16,545                    | 21,154  | -16,565 |

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 | 496.0      | 8.7       | 1.8%       | 25,061    | 12,009 | 498.0      | -0.4%        |
| S50Z09 | 29-Sep-09 | 493.6      | 9.4       | 1.9%       | 3,496     | 2,480  | 498.6      | -1.0%        |
| S50H10 | 31-Dec-09 | 492.9      | 10.3      | 2.1%       | 162       | 22     | 500.9      | -1.6%        |
| S50M10 | 31-Mar-10 | 492.1      | 8.8       | 1.8%       | 131       | 17     | 503.1      | -2.2%        |

| Call Option | Strike Price | Premium | Volume | Open Int. | Put Option | Strike Price | Premium | Volume | Open Int. |
|-------------|--------------|---------|--------|-----------|------------|--------------|---------|--------|-----------|
| U09         | 460          | 36.1    | 16     | 454       | U09        | 460          | na      | 0      | 0         |
| U09         | 470          | 25.3    | 141    | 1033      | U09        | 470          | 3.8     | 108    | 535       |
| U09         | 480          | 17.5    | 166    | 1048      | U09        | 480          | 3.9     | 217    | 265       |
| U09         | 490          | 10.1    | 87     | 811       | U09        | 490          | 6.9     | 229    | 78        |
| U09         | 500          | 7.0     | 65     | 208       | U09        | 500          | 13.0    | 36     | 15        |
| U09         | 510          | 4.4     | 118    | 106       | U09        | 510          | 20.0    | 1      | 0         |

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       | 253.0       |                  |                      |              |           |              |           |           |            |              |
| PTTU09    |             | 254.0            | -0.4%                | 0.001        | 6         | 9.0          | 58        | -3        | 255.5      | -0.6%        |
| PTTEP     | 143.5       |                  |                      |              |           |              |           |           |            |              |
| PTTEPU09  |             | 144.0            | -0.3%                | 0.023        | 157       | 2.4          | 323       | -2        | 147.0      | -2.1%        |
| ADVANC    | 94.5        |                  |                      |              |           |              |           |           |            |              |
| ADVANCU09 |             | 95.3             | -0.8%                | 0.006        | 68        | 2.0          | 235       | -42       | 95.4       | -0.1%        |
| BANPU     | 416.0       |                  |                      |              |           |              |           |           |            |              |
| BANPUU09  |             | 404.0            | 3.0%                 | -            | 1         | -            | 2         | -1        | -          | -            |
| BBL       | 116.5       |                  |                      |              |           |              |           |           |            |              |
| BBLU09    |             | 100.0            | 16.5%                | -            | -         | -            | 1         | 0         | -          | -            |
| ITD       | 3.1         |                  |                      |              |           |              |           |           |            |              |
| ITDU09    |             | 3.2              | -4.4%                | -            | 15        | -            | 1856      | 9         | -          | -            |
| KBANK     | 76.8        |                  |                      |              |           |              |           |           |            |              |
| KBANKU09  |             | 72.5             | 5.9%                 | 22.506       | 157       | 2.4          | 323       | -2        | -          | -            |
| KTB       | 9.1         |                  |                      |              |           |              |           |           |            |              |
| KTBU09    |             | 9.2              | -1.6%                | 1.371        | 149       | -            | 1398      | 98        | -          | -            |
| LH        | 6.4         |                  |                      |              |           |              |           |           |            |              |
| LHU09     |             | 6.4              | -0.8%                | 0.528        | 83        | -            | 372       | -35       | -          | -            |
| QH        | 2.1         |                  |                      |              |           |              |           |           |            |              |
| QHU09     |             | 2.2              | -2.7%                | -            | 6         | -            | 48        | 1         | -          | -            |
| SCB       | 82.0        |                  |                      |              |           |              |           |           |            |              |
| SCBU09    |             | 73.0             | 12.3%                | -            | -         | -            | 5         | 0         | -          | -            |
| SCC       | 220.0       |                  |                      |              |           |              |           |           |            |              |
| SCCU09    |             | 222.0            | -0.9%                | 15.000       | 81        | 15.0         | 65        | -76       | -          | -            |
| TTA       | 25.0        |                  |                      |              |           |              |           |           |            |              |
| TTAU09    |             | 25.2             | -0.8%                | 4.280        | 171       | 0.6          | 403       | 8         | -          | -            |

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