

KS-Derivatives

Thailand Strategy 18 September 2009

Actions:

- Today, hold on to both Long S50U09 and S50Z09. The next target is 530-533 pts. However, if the newly opened long position in S50Z09 breaches 492 pts downward during the day, all of the long positions must be closed.
- Figure 1: Hold the remaining long positions in S50U09 and S50Z09 with an aim to take some profit at 530-533; but set a stop-loss for S50Z09 at 492 (intraday).
- Figure 2: Upside of the SET50 is 512 pts.
- The SET50 is expected to make a small correction in line with the regional markets. The SET, however, is expected to test 733 pts, which is our and consensus's fair value amid expectations the US dollar will be weak for the long term. A lot of investors are shorting the US dollar while going long on commodities and stocks. However, speculators should also be ready for a short-term correction, which may occur at any time, as the market is likely to retreat once it has tested the SET's fair-price level. Historical data suggest share prices will correct by an average of 5-8% during a bull market.

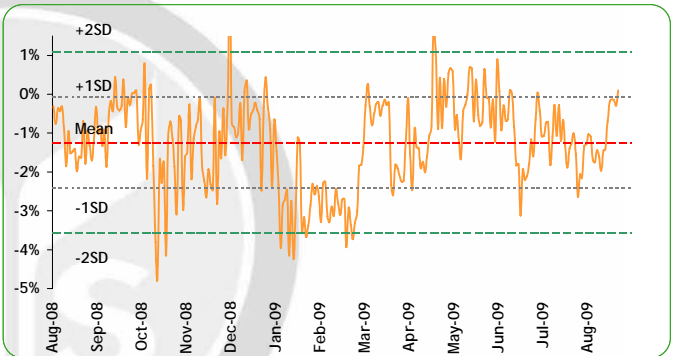
Figure 1: Technical Analysis



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	265.0	17.0%	Up	269.0	4.0	1.2
PTTEP	146.0	11.0%	Up	147.5	1.5	0.5
ADVANC	96.0	6.4%	Up	97.0	1.0	0.3
BBL	117.0	5.1%	Up	119.5	2.5	0.5
SCC	229.0	6.2%	Up	234.0	5.0	0.6
SCB	80.3	6.2%	Up	80.5	0.3	0.1
BAY	18.0	2.5%	Up	18.3	0.3	0.2
DTAC	42.8	2.3%	Up	42.8	0.0	0.0
PTTCH	80.3	2.7%	Up	82.8	2.5	0.4
TOP	45.8	2.1%	Up	47.0	1.3	0.3
(Sum)		61.5%				4.1
Last	508.0		Up	512.1		

Figure 3: SET50 Futures Premium



*SD = Standard Deviation

TECHNICAL VIEW ON STOCK FUTURES

Figure 4: PTTEPU09 Futures



- Figure 4: Hold on to the Long futures position in PTTEP through the volatility and aim to take some profit at 156-159 in the chart. But set a stop-loss to sell half the position if PTTEP spot closes below 141.

Figure 5: PTTU09 Futures



- Figure 5: Hold the long position in PTT futures and aim to take some profit at 280-282 in the chart. Set a stop-loss to sell half the position if PTT spot falls below 253 (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.

SET50 CHANGE & OPEN INTERESTS

Figure 6: SET50 Change & Open Interests

	Index	Change %	Net Long / Short Contracts		
			Institutions	Foreign	Retail
LAST	508.0		-504	331	173
			Cumulative Net Long / Short Contracts		
-2D	508.4	-0.1%	-1,888	747	1,141
-1W	505.8	0.4%	-4,302	1,986	2,316
-1M	461.0	10.2%	-3,622	10,139	-6,517
YTD	316.5	60.5%	-20,731	36,503	-15,781
Estimated Outstanding			-21,652	35,108	-13,465

STATISTICS

Figure 7: 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	510.0	-1.5	-0.3%	22,337	6,460	512.1	-0.4%	
S50Z09	29-Sep-09	508.4	-2.4	-0.5%	4,858	1,772	513.7	-1.0%	
S50H10	31-Dec-09	509.5	2.0	0.4%	188	40	518.0	-1.6%	
S50M10	31-Mar-10	508.4	-0.4	-0.1%	152	11	520.0	-2.2%	
Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
U09	460	47.0	7	446	U09	460	na	0	0
U09	470	40.0	13	985	U09	470	0.5	2	633
U09	480	28.6	35	910	U09	480	1.0	2	524
U09	490	18.1	21	779	U09	490	1.2	4	464
U09	500	15.0	22	333	U09	500	3.1	26	532
U09	510	7.5	86	424	U09	510	8.0	67	122

Figure 8: Stock 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	265.0									
PTTU09		263.0	0.8%	0.000	1	2.0	66	-1	267.6	-1.7%
PTTEP	146.0									
PTTEPU09		145.8	0.1%	0.013	86	1.9	411	12	149.6	-2.5%
ADVANC	96.0									
ADVANCU09		96.8	-0.8%	0.002	20	0.6	162	-1	96.9	-0.2%
BANPU	440.0									
BANPUU09		404.0	8.9%	-	-	-	3	0	-	-
BBL	117.0									
BBLU09		100.0	17.0%	-	-	-	1	0	-	-
ITD	3.3									
ITDU09		3.4	-2.9%	0.200	34	0.2	2219	-8	-	-
KBANK	78.0									
KBANKU09		72.5	7.6%	12.507	86	1.9	411	12	-	-
KTB	9.3									
KTBU09		9.4	-1.1%	2.403	259	0.3	1689	98	-	-
LH	6.3									
LHU09		6.3	0.0%	0.192	31	0.2	333	15	-	-
QH	2.3									
QHU09		2.2	3.6%	0.100	15	0.1	46	-8	-	-
SCB	80.3									
SCBU09		73.0	9.9%	-	-	-	5	0	-	-
SCC	229.0									
SCCU09		217.5	5.3%	7.000	5	7.0	72	1	-	-
TTA	25.3									
TTAU09		26.1	-3.3%	3.213	125	0.7	446	28	-	-

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