

KS-Derivatives

Thailand Strategy
 01 October 2009

Actions:

- Having added more to S50Z09 yesterday, hold on to all of the Long position. If the barrier at 524 is broken, the next profit-taking point will be at 530 pts.
- Figure 1: Hold the long position on a high-risk/high-return basis, with an aim to breach the 523 barrier and take some profit at 530. But, set a stop loss for the newly added portion of the position if S50Z09 falls below 503 intraday.
- Figure 2: Upside of the SET50 is 521 pts.
- The SET50 is expected to rebound in line with regional markets, despite expectations the US will release weak unemployment data on Friday. However, if we look at other economic indicators, many signal a recovery in the world economy. Examples include the better-than-expected improvement in China's PMI and the upward revision of consensus projections around the world. Also, liquidity is excessive at the moment, driving investors to put money in stock markets, especially in Asia. These factors will push the SET to test 800 pts by the end of the year.

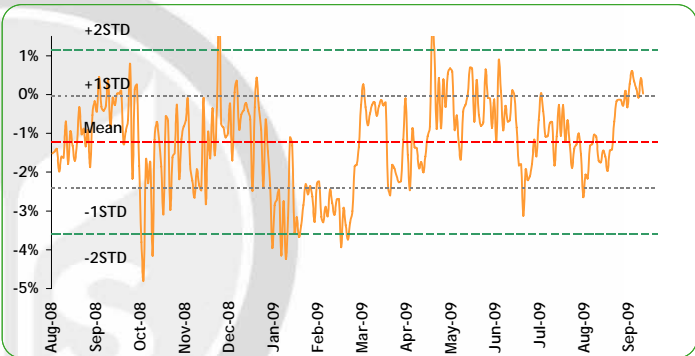
Figure 1: Technical Analysis



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	262.0	16.7%	Up	269.0	7.0	2.1
PTTEP	144.5	10.8%	Up	150.0	5.5	1.9
ADVANC	94.3	6.3%	Up	97.0	2.8	0.8
BBL	121.0	5.2%	Neutral	121.0	0.0	0.0
SCC	222.0	6.0%	Up	236.0	14.0	1.7
SCB	85.0	6.5%	Up	85.3	0.3	0.1
BAY	19.2	2.6%	Up	19.8	0.6	0.4
DTAC	42.8	2.3%	Up	45.0	2.3	0.6
PTTCH	73.3	2.5%	Up	82.8	9.5	1.5
TOP	45.3	2.1%	Up	47.0	1.8	0.4
(Sum)		60.8%			1.8	9.4
Last	511.8		Up	521.2		

Figure 3: SET50 Futures Premium



*SD = Standard Deviation

TECHNICAL VIEW ON STOCK FUTURES

Figure 4: PTTEP09 Futures



- Figure 4. Hold on to Long PTTEPZ09 through the volatility and aim for a rebound from the oversold zone in the chart. Set a stop-loss for half the position if PTTEP spot closes below 141.

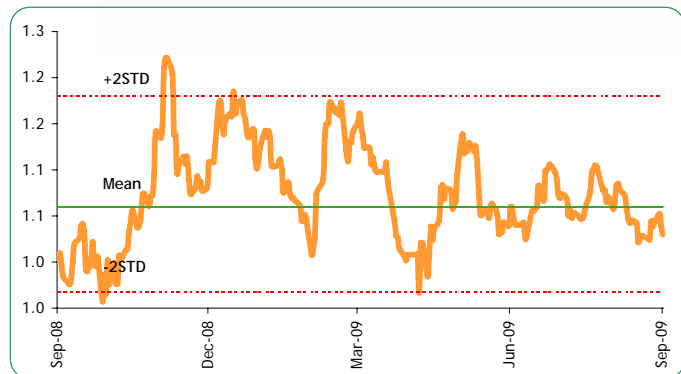
Figure 5: PTT09 Futures



- Figure 5. Hold the Long position in PTTZ09 but set a stop-loss for the remaining position if PTT futures closes below 251 in the chart.

PAIR TRADE ACTION

Figure 6: Price Relative Between PTTEP / PTT



- Figure 6: Based on pure fundamentals, we recommended holding Long PTTEPZ09 and Short PTTZ09 after PTT and many of its subsidiaries were sued by an NGO over environmental hazards in Map Ta Phut. PTTEP does not operate in that area.

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 7: SET50 Change & Open Interests

	Index	Change %	Net Long / Short Contracts		
			Institutions	Foreign	Retail
LAST	511.8		-1,920	733	1,187
			Cumulative Net Long / Short Contracts		
-2D	510.9	0.2%	-1,764	1,625	139
-1W	521.5	-1.9%	0	-1,468	1,468
-1M	467.3	9.5%	-7,620	5,588	2,032
YTD	316.5	61.7%	-3,874	14,488	-10,614
Estimated Outstanding			-10,098	22,495	-12,415

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	510.9	3.9	0.8%	7,796	3,287	513.0	-0.4%	
S50Z09	29-Sep-09	511.5	-1.2	-0.2%	16,796	8,382	516.8	-1.0%	
S50H10	31-Dec-09	511.1	-1.2	-0.2%	418	226	519.6	-1.6%	
S50M10	31-Mar-10	510.0	1.0	0.2%	164	4	521.7	-2.2%	
Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
Z09	480	40.6	0	1	Z09	480	12.5	1	27
Z09	490	37.5	4	21	Z09	490	16.5	5	8
Z09	500	33.0	9	52	Z09	500	22.0	9	57
Z09	510	27.8	4	57	Z09	510	24.4	0	30
Z09	520	23.0	3	80	Z09	520	30.0	0	57
Z09	530	19.5	7	49	Z09	530	37.3	6	6

Figure 9: 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	262.0									
PTTZ09		255.0	2.7%	-	22	-	22	12	264.6	-3.6%
PTTEP	144.5									
PTTEPZ09		146.3	-1.2%	0.016	111	0.7	289	44	148.1	-1.2%
ADVANC	94.3									
ADVANCZ09		95.8	-1.6%	0.003	29	1.1	84	12	95.2	0.6%
BANPU	430.0									
BANPUZ09		402.1	6.9%	-	4	-	4	-	-	-
BBL	121.0									
BBLZ09		98.5	22.8%	-	-	-	-	-	-	-
ITD	3.7									
ITDZ09		3.8	-2.6%	-	1566	-	2278	1,529	-	-
KBANK	82.5									
KBANKZ09		81.5	1.2%	16.204	111	0.7	289	44	-	-
KTB	9.1									
KTBZ09		9.2	-1.6%	2.654	289	-	671	281	-	-
LH	6.7									
LHZ09		6.6	1.5%	0.764	117	0.1	342	64	-	-
QH	2.4									
QHZ09		2.4	0.0%	-	91	-	155	53	-	-
SCB	85.0									
SCBZ09		73.3	16.0%	-	-	-	-	-	-	-
SCC	222.0									
SCCZ09		220.0	0.9%	-5.200	7	-5.2	30	5	-	-
TTA	26.0									
TTAZ09		26.5	-1.9%	7.223	276	-0.2	606	136	-	-

Susheel Narula (susheel.n@kasikornsecurities.com; Tel +662 696-0021)