

**KS-Derivatives**

Thailand Strategy  
08 October 2009

**Actions:**

- Hold all of the Long position in S50Z09. Yesterday, the barrier at 524 was broken, which means the next profit-taking point for the most recently added portion of the position will be at 538-540 pts. For the rest of the position, aim to test 545 pts. Stop-loss will be updated.
- Figure 1: Having breached 524, hold the long position, with an aim to take some profit at 538-540 (adjusted from 536-538). Maintain the remaining position with a higher target, as shown in the chart. Stop-loss line will be updated, based on the closing price.
- Figure 2: Upside for the SET50 is 535 pts.
- Although the DJ slipped yesterday, SET50 is expected to jump as DJ Futures jumped during the morning, driven by the better-than-expected earnings result of Alcoa, one of the largest aluminium producers in the US. In addition, domestic factors, such as the appeal against the court-ordered suspension of 76 industrial projects in Map Ta Phut (which could be good news for PTT) and the Thai-Kem-Kang stimulus package, which will be injected into the system this month, will lend more support the market. Combined, these factors will push the SET to test 800 pts by the end of the year.

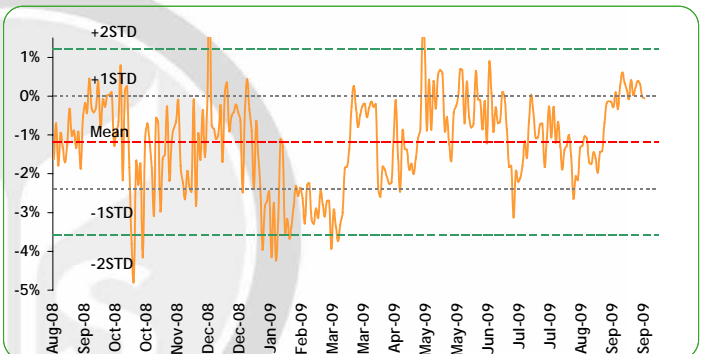
Figure 2: SET50 Top 10 Movers

Top 10 (Bt)	Current price (A)	%Mkt Cap	Direction	S-T Target (B)	Up/Downside (B-A)	Impact on SET50
PTT	268.0	16.5%	Up	269.0	1.0	0.3
PTTEP	146.5	10.5%	Up	150.0	3.5	1.2
ADVANC	93.8	6.0%	Up	97.0	3.3	1.0
BBL	131.0	5.4%	Up	132.0	1.0	0.2
SCC	231.0	6.0%	Up	236.0	5.0	0.6
SCB	89.8	6.6%	Up	90.5	0.8	0.3
BAY	20.9	2.8%	Up	21.2	0.3	0.2
DTAC	42.0	2.2%	Up	45.0	3.0	0.7
PTTCH	76.5	2.5%	Up	82.8	6.3	0.9
TOP	46.3	2.0%	Up	47.0	0.8	0.2
(Sum)		60.6%				5.4
Last	530.0		Up	535.4		

Figure 1: Technical Analysis



Figure 3: SET50 Futures Premium



\*SD = Standard Deviation

**TECHNICAL VIEW ON STOCK FUTURES**

Figure 4: PTTEP09 Futures



- Figure 4. Hold on to the long position in PTTEPZ09 through the volatility and aim for rebound from the oversold zone. If PTTEP futures breaks out above 150, aim to take some profit at 161-162, as shown in the chart. But set a stop-loss for half the position if PTTEP spot closes

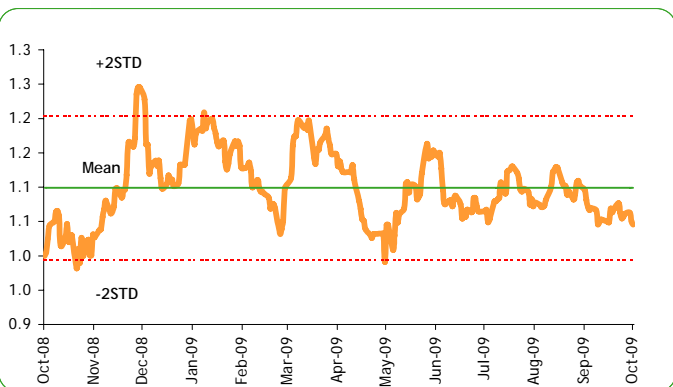
Figure 5: PTTU09 Futures



- Figure 5. Hold on to the long position in PTTZ09 and ride the zigzag up the chart to take some profit at 280-283 pts. Stop-loss line will be updated, based on the closing price.

**PAIR TRADE ACTION**

Figure 6: Price Relative Between PTTEP / PTT



- Figure 6: We recommended closing Long PTTEPZ09 and Short PTTZ09 as this position is still not performing.

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	530.0		-1,464	1,822	-358
			Cumulative Net Long / Short Contracts		
-2D	522.7	1.4%	-1,019	3,133	-2,114
-1W	511.8	3.5%	-4,102	4,925	-823
-1M	488.2	8.6%	-9,892	5,815	4,077
YTD	316.5	67.5%	-6,483	18,751	-12,268
Estimated Outstanding			-12,707	26,758	-14,069

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(%)	
S50Z09	31-Dec-09	531.0	7.8	1.5%	16,860	8,696	533.3	-0.4%	
S50H10	31-Mar-10	530.4	8.4	1.6%	656	819	536.1	-1.1%	
S50M10	30-Jun-10	529.6	8.6	1.7%	172	37	538.7	-1.7%	
S50U10	30-Sep-10	529.0	8.5	1.6%	8	8	541.6	-2.3%	
Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
Z09	500	49.4	7	93	Z09	500	14.7	18	82
Z09	510	37.0	3	67	Z09	510	17.5	24	79
Z09	520	33.0	17	93	Z09	520	22.9	34	61
Z09	530	28.5	35	194	Z09	530	27.8	6	15
Z09	540	21.0	97	74	Z09	540	35.0	1	83
Z09	550	14.1	11	56	Z09	550	35.5	2	27

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	268.0									
PTTZ09		268.0	0.0%	0.005	19	4.0	36	-1	270.7	-1.0%
PTTEP	146.5									
PTTEPZ09		148.5	-1.3%	0.012	83	1.5	378	9	150.1	-1.1%
ADVANC	93.8									
ADVANCZ09		93.7	0.1%	0.001	12	-0.9	114	2	94.7	-1.0%
BANPU	446.0									
BANPUZ09		440.0	1.4%	-	-	-	3	0	-	-
BBL	131.0									
BBLZ09		98.5	33.0%	-	-	-	-	-	-	-
ITD	3.8									
ITDZ09		4.0	-4.5%	0.100	548	0.1	4267	534	-	-
KBANK	89.5									
KBANKZ09		89.0	0.6%	12.348	83	1.5	378	9	-	-
KTB	10.1									
KTBZ09		10.3	-1.9%	7.698	762	0.4	2095	674	-	-
LH	6.9									
LHZ09		7.0	-2.1%	1.152	167	0.3	981	62	-	-
QH	2.6									
QHZ09		2.7	-4.4%	0.300	303	0.3	477	208	-	-
SCB	89.8									
SCBZ09		73.3	22.4%	-	-	-	-	-	-	-
SCC	231.0									
SCCZ09		228.5	1.1%	5.500	4	5.5	31	0	-	-
TTA	29.8									
TTAZ09		29.8	-0.2%	9.786	332	1.2	619	-41	-	-

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