

KS-Derivatives

Thailand Strategy 30 December 2009

Actions:

- After having switched from Long S50Z09 to Long S50H10, aim for 527-530 pts, 540 pts or higher. As we expect the SET50 to rise during the end-of-year period, also consider holding on to Long Call S50H10C520 with Premium 15. The break-even point for this position is 535 pts.
- Figure 1: Having rotated into S50H10, hold the long position and aim past 527-530 to take some profit at 540.
- Figure 2: Upside for the SET50 is 530 pts.
- The SET50 is expected to dip before surging back as US home price data and consumer confidence were better than expected. LTF-related activity and buying from institutional investors is also supporting the market. The depreciation of the dollar is encouraging investors to take positions in higher-risk assets such as oil and gold. This will push the Energy sector higher, lifting the SET as well. Lastly, we believe investors will speculate on window-dressing and the January effect, pushing the SET to test 760 pts by Jan-10.

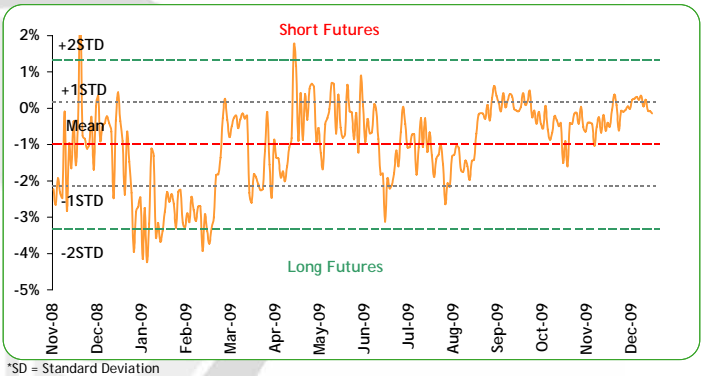
Figure 1: Technical Analysis



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	250.0	15.5%	Up	254.0	4.0	1.1
PTTEP	150.0	10.9%	Neutral	150.0	0.0	0.0
ADVANC	86.8	5.6%	Up	89.5	2.8	0.8
BBL	116.5	4.9%	Up	118.5	2.0	0.4
SCC	240.0	6.3%	Up	242.0	2.0	0.2
SCB	86.5	6.4%	Up	87.3	0.8	0.3
BAY	22.5	3.0%	Up	22.6	0.1	0.1
DTAC	36.3	1.9%	Up	36.5	0.3	0.1
PTTCH	76.3	2.5%	Up	76.8	0.5	0.1
TOP	43.8	1.9%	Up	44.8	1.0	0.2
(Sum)		58.8%				3.3
Last	526.9		Up	530.2		

Figure 3: SET50 Futures Premium



TECHNICAL VIEW ON STOCK FUTURES

Figure 4: PTTTH10 Futures



- Figure 4: Having rotated over to PTTTH10, hold the long position with an aim to take some profit at 250-252. Stop-loss line will be updated.

Figure 5: PTTEPH10 Futures

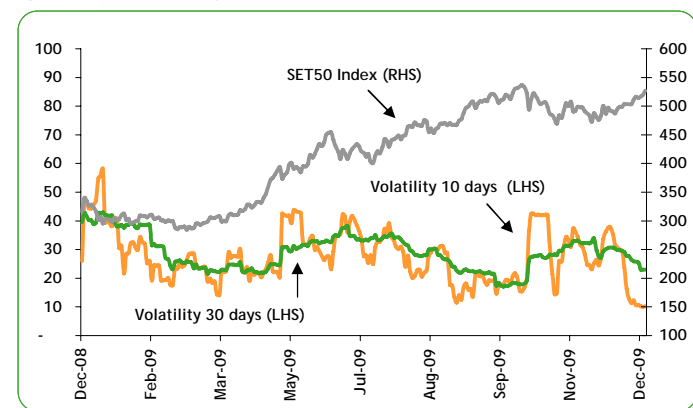


- Figure 5: Hold the long position after rotating over to PTTEPH10, and aim for it to zigzag up to test 153-154 or higher.

SET50 VOLATILITY

PAIR TRADE ACTION

Figure 6: SET50 Volatility



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	526.9		-224	-712	936
			Cumulative Net Long / Short Contracts		
-2D	519.6	1.4%	-237	-1,211	1,448
-1W	511.5	3.0%	-1,983	-156	2,139
-1M	476.2	10.6%	-5,650	-1,263	6,913
YTD	316.5	66.5%	-8,142	9,560	1,524
Estimated Outstanding			-15,474	20,142	-1,744

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	526.2	7.0	1.3%	7,997	2,864	529.9	-0.7%	
S50H10	31-Mar-10	524.9	6.2	1.2%	16,758	3,720	531.9	-1.3%	
S50M10	30-Jun-10	523.8	6.4	1.2%	828	354	534.0	-1.9%	
S50U10	30-Sep-10	521.0	5.0	1.0%	112	11	534.4	-2.5%	
Call Option	Strike Price	Premium	Volume	Open Int.	Put Option	Strike Price	Premium	Volume	Open Int.
H10	490	47.9	0	0	H10	490	12.5	5	14
H10	500	41.6	0	1	H10	500	17.4	0	0
H10	510	35.8	0	0	H10	510	21.6	0	1
H10	520	28.0	2	9	H10	520	26.3	0	1
H10	530	25.9	0	7	H10	530	31.6	0	2
H10	540	19.5	10	16	H10	540	37.5	0	0

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	250.0									
PTTH10		249.0	0.4%	0.007	27	5.0	25	14	252.5	-1.4%
PTTEP	150.0									
PTTEPH10		149.7	0.2%	0.012	81	3.8	185	16	153.7	-2.6%
ADVANC	86.8									
ADVANCH10		87.0	-0.3%	0.000	5	1.5	43	1	87.6	-0.7%
BANPU	580.0									
BANPUH10		580.0	0.0%	-12.000	1	-12.0	5	1	-	-
BBL	116.5									
BBLH10		97.0	20.1%	-	-	-	-	-	-	-
ITD	3.0									
ITDH10		3.1	-3.2%	0.100	318	0.1	815	318	-	-
KBANK	85.5									
KBANKH10		84.7	0.9%	12.029	81	3.8	185	16	-	-
KTB	10.0									
KTBH10		10.0	-0.5%	1.180	118	0.1	267	101	-	-
LH	6.5									
LHH10		6.5	0.0%	0.527	81	-	177	71	-	-
QH	2.7									
QHH10		2.7	0.0%	-	34	-	546	24	-	-
SCB	86.5									
SCBH10		84.3	2.6%	-	-	-	-	-	-	-
SCC	240.0									
SCCH10		230.5	4.1%	-	-	-	-	-	-	-
TTA	27.8									
TTAH10		27.6	0.5%	4.348	158	0.3	401	83	-	-

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