

18 October 2006

Keppel Corp

Type	: CALL
Strategy	: Initiation of LONG CALL
Underlying:	
Keppel Corp Ltd	
Warrant Name:	
KEPCORP DB ECW070123	
Warrant Code:	
K79W	
Bloomberg Code :	
KEPW43 SP	

Terms and Indicators

Strike (\$)	:	14.30
Gearing (x)	:	12.96
Delta (%)	:	66.34
Effective Gearing (x)	:	8.660
Implied Volatility (%)	:	25.32
Entitlement	:	5
Currency	:	SGD
Maturity Date	:	23/01/07
Last Trading Day	:	17/01/07
Days to Maturity	:	97

Source: SG as at 17/10/06

Quotes

Underlying	
Last Traded Price	: 14.90
Last Traded Vol (m)	: 2.034
Warrant	
Last Traded Price	: 0.230
Last Traded Vol (m)	: 1.786
Bid / Ask	: 0.225/0.235

Source: Bloomberg as at 17/10/06

Ritesh Menon

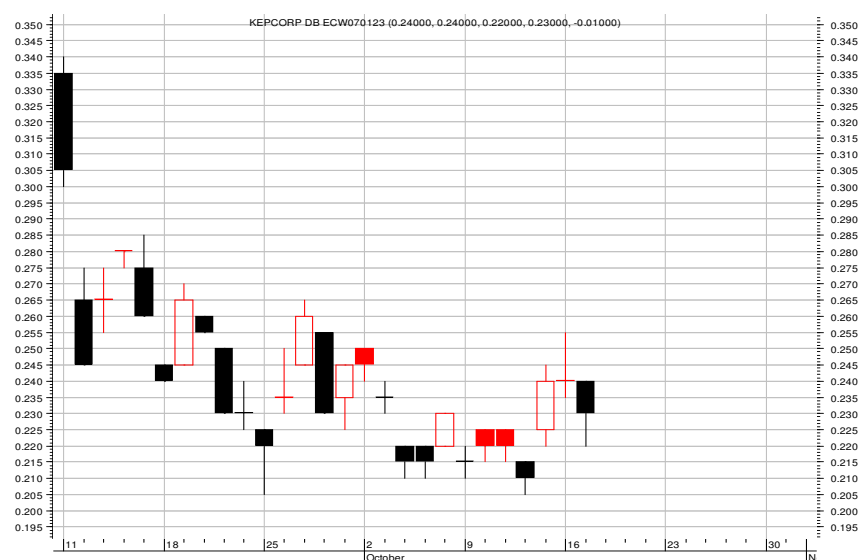
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Risk Tolerance : HIGH

Warrant: KEPCORP DB ECW070123

- We recommend a Buy on the KEPCORP DB ECW070123. Entry price set below S\$0.235.
- Target price set at 6-7 bids above entry price and cut loss set at 3-4 bids below entry price.
- KEPCORP DB ECW070123 has the highest traded volume and also the most favourable time to expiration among all the Call warrants that are trading in-the-money.



NOTE: TECHNICAL ANALYSIS NOT APPLIED ON WARRANT PRICE CHART

WARRANT LISTINGS

Warrant Name	Maturity (D/M/Y)	Strike	Last Price	Effective Gearing
KEPCORP BNP ECW061120	20/11/06	14.74	0.000	9.5
KEPCORP CAL ECW070122	22/01/07	14.00	0.145	7.2
KEPCORP CAL ECW070305	05/03/07	15.80	0.075	8.4
KEPCORP CS ECW061020	20/10/06	12.78	0.000	6.4
KEPCORP DB ECW070123	23/01/07	14.30	0.230	8.6
KEPCORP DB ECW070205	05/02/07	15.65	0.125	9.9
KEPCORP DBS ECW070405	05/04/07	15.33	0.000	6.1
KEPCORP MBL ECW061204	04/12/06	14.74	0.085	10.1
KEPCORP MBL ECW070221	21/02/07	16.00	0.000	6.8
KEPCORP MBL ECW070402	02/04/07	15.00	0.125	6.5
KEPCORP ML ECW070228	28/02/07	16.00	0.100	6.6
KEPCORP RB ECW070718	18/07/07	15.38	0.150	5.3

Source: Societe Generale,

Technical View



- Elliot wave counts indicate that Keppel Corp has reached the end of its corrective wave (Wave 4) and has started an impulse up-trend wave (Wave 5).
- Bullish candlestick patterns over the last 2 weeks indicate Keppel Corp has formed a base around S\$14.20 - 14.50.
- Keppel Corp is currently well supported by the 100-day moving average and it has cut above the 10-day moving average as well. Coupled with price indicators tilting upwards, we forecast a rise in Keppel Corp's price in the weeks ahead.
- 1st resistance level is set at S\$15.50, breaking which, the subsequent resistance level rests at S\$16.50. Immediate support sits at S\$14.20.

SHAREHOLDING DECLARATION:

The analyst/analysts who wrote this report holds NIL shares in the above security.

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