

**New Call Warrants:
CIMB-CI, GENTING-CS,
UMW-CB and TM-CL**

FBMKLCI

Last year, the index rose 42% on the back of optimism that the government RM67 billion stimulus plan and the improved US economic data have justified the worst global recession is over.

The FBM KLCI has been testing 1,300 points psychological resistance with heightened buying interest from market players. Market overall has been optimistic about the outlook for first half of 2010.

Extended period of low interest rate environment globally has lead to fast recovery and enable companies to operate in relatively low cost of operations. The improving corporate earnings and consumer confidence will see continuous support in the local bourse.

Many research houses are bullish on the outlook of FBM KLCI this year and believe that the underperformed index will performed better together with other Asia countries especially China which has staged a strong recovery.



Research House	FBM KLCI TARGET
OSK	1,345 points in April or May and expect equities market to sustain a strong performance in 1H2010
Maybank	1,410 by year end
HDBS	1,410 by year end
Citigroup	1,400 by year end



Below are the parameters of the Call Warrants:

Stock Name	CIMB-CI	GENTING-CS	UMW-CB	TM-CL
Stock Code	1023CI	3182CS	4588CB	4863CL
Issue Price	RM0.15	RM0.15	RM0.15	RM0.15
Ratio	15:1	10:1	4:1	2:1
Exercise Price	RM12.30	RM6.60	RM6.00	RM3.00
Gearing	5.74x	4.89x	10.58x	10.17x
Implied Volatility	38.64%	38.05%	20.12%	30.60%
Share Volatility	28.32%	34.85%	18.97%	37.07%
Settlement	Cash			
Exercise Style	European			
Listing Date	18 January 2010			
Expiry	12 months tenure – 14 January 2011			

Candidate 1: CIMB-CI

CIMB is expected to be the outperformer in the event FBM KLCI breaks pass 1,300 resistance level. Despite a tough economic environment in 2009, CIMB continue to show an outstanding performance with growing loans, lower non-performing loans and record earning for the 9 months of 2009. This earning was exaggerated by the contribution from its regional banks ex-Bank Lippo in Indonesia and CIMB Thai.

With the listing of CIMB in The Stock Exchange of Thailand (SET), CIMB will be able to raise its profile in Thailand, attracting more deals and funds into the bank.



Analyst target prices for CIMB are as follows:

ECM	RM15.25	14% upside
DBS	RM15.20	13% upside
AmResearch	RM15.10	13% upside
JPMorgan	RM15.00	12% upside

*based on closing price on 14 Jan 2010 of RM13.42

Theoretical call warrant price at the time of writing assuming all things remain constant:

CIMB	CIMB-CI
RM15.25	RM0.258
RM15.20	RM0.255
RM15.10	RM0.250
RM15.00	RM0.245
RM14.50	RM0.221
RM14.00	RM0.197
RM13.50	RM0.175
RM13.00	RM0.153
RM12.92	RM0.150
RM12.50	RM0.133
RM12.00	RM0.114
RM11.80	RM0.107
RM11.50	RM0.097
RM11.00	RM0.080

Candidate 2: GENTING-CS

Genting is the holding company of Genting Singapore. With the opening of Singapore Integrated Resort January this year, ahead of other casino resort eg. Las Vegas Sands, it is believed that this Singapore casino will contribute strongly to the revenue of the group as the casino is expected to attract high rollers from all around Asia. Those who believe in the growing potential and vast market of the Singapore casino should choose this warrant.



Target prices by various analysts are as follows:

Macquarie	RM10.00	33% upside
CIMB-GK	RM10.00	33% upside
BNP	RM9.00	20% upside
UOB Kay Hian	RM8.50	13% upside

*based on closing price on 14 Jan 2010 of RM7.50

Theoretical call warrant price at the time of writing assuming all things remain constant.

GENTING	GENTING-CS
RM10.00	RM0.367
RM9.00	RM0.279
RM8.80	RM0.262
RM8.50	RM0.238
RM8.20	RM0.214
RM8.00	RM0.199
RM7.80	RM0.183
RM7.50	RM0.162
RM7.33	RM0.150
RM7.00	RM0.128
RM6.80	RM0.115
RM6.50	RM0.097
RM6.00	RM0.071
RM5.50	RM0.049
RM5.00	RM0.031

Candidate 3: UMW-CB

UMW has shown a significant improvement in QoQ financial result in 3Q2009 with the contribution from better sales volume for both Toyota and Perodua. UMW will be the prime beneficiary for the recovery in the auto demand. Introduction of its new maiden Perodua MPV model and facelift launches by Toyota are expected to enhance its customer base and capture higher sales.

Nevertheless, new oil & gas projects eg. China's Qinhuangdao plant and China's second east-west (Kazakhstan- Shanghai) gas pipeline is expected to increase contribution to the group's profit.



Target prices for UMW from various analysts are as follows:

CIMB-GK	RM8.10	26% upside
KAF	RM7.15	11% upside
RHB	RM7.08	10% upside
KIBB	RM6.70	4% upside

*based on closing price on 14 Jan 2010 of RM6.44

Theoretical call warrant price at the time of writing assuming all things remain constant.

UMW	UMW-CB
RM8.10	RM0.488
RM8.00	RM0.466
RM7.15	RM0.288
RM7.08	RM0.274
RM7.00	RM0.259
RM6.80	RM0.223
RM6.70	RM0.205
RM6.60	RM0.189
RM6.50	RM0.173
RM6.35	RM0.150
RM6.00	RM0.103
RM5.80	RM0.081
RM5.50	RM0.053
RM5.00	RM0.022
RM4.50	RM0.007

Telekom Malaysia (TM) is the largest telecommunication company in Malaysia. TM is the monopoly for fixed line network in Malaysia, it has also a considerable market share in mobile communications. The company's 9 months 2009 revenue grew by 3% YoY with its key growth drivers being internet and data services. TM's broadband service, Streamyx, has expanded strongly with its broadband customers expanded by 14%. TM was awarded the government project-MERS 999, the project is expected to lift other segments by 18%.



Target prices from various analysts are as follows:

RHB	RM3.55	14% upside
Macquarie	RM3.37	8% upside
JPMorgan	RM3.30	6% upside

*based on closing price on 14 Jan 2010 of RM3.12

Theoretical call warrant price at the time of writing assuming all things remain constant.

TM	TM-CL
RM4.00	RM0.451
RM3.80	RM0.377
RM3.60	RM0.308
RM3.55	RM0.291
RM3.50	RM0.276
RM3.40	RM0.244
RM3.37	RM0.236
RM3.30	RM0.215
RM3.20	RM0.188
RM3.05	RM0.150
RM3.00	RM0.138
RM2.80	RM0.097
RM2.50	RM0.050
RM2.20	RM0.021
RM2.00	RM0.010

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If you have any questions regarding the candidates, pricing or trading of the warrants, please call **03 – 2161 4059**.

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