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Highlights

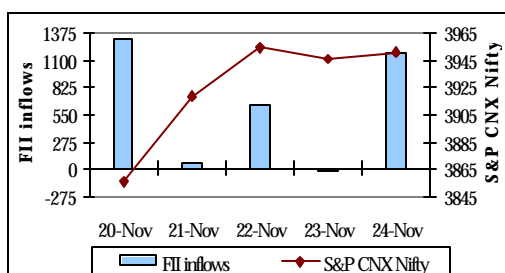
- ◆ **Markets continue their northwards journey**
- ◆ **FII inflows remain a watching factor**
- ◆ **Bond yields touch seven month low**
- ◆ **Yields unlikely to move upward in immediate future**

The week in retrospect-Equities

The markets ended the week on a positive note on the back of strong FII buying, firm global markets and stable crude oil prices. Sensex surged by 2.04% to settle at 13703.33 and Nifty gained 2.54% to close at 3950.85. However, some volatility was witnessed during the week on account of certain factors. On Monday, markets dived in the intra-day trade after the news that RBI has come out with tighter guidelines for banks' exposure to capital markets. On Thursday, taking cue from the global markets, domestic markets closed lower as dollar dipped against major currencies. With expectations that U.S. interest rate has reached its peak, investors went out on a dollar-selling spree. On the sectoral front, BSE IT hogged the limelight by gaining 4.19% during the week. With the reports that Bharti Airtel would be made available additional radio frequency by DoT, its shares touched a lifetime high and gained 5.56%. Development Credit Bank rose by 19.65% after an increase of its FII limit from the existing 24% to 49% and issue of equity shares to QIBs. Aditya Birla Nuvo has decided to go for a rights issue (2:17), following which its shares advanced by 3.2%.

During the week, FIIs emerged as net buyers in the equity market, significantly amounting to Rs. 3160.6 crores. Mutual funds on the other hand, turned out as net sellers in equities to the tune of Rs. 434.56 crores.

FII Movement relative to Nifty



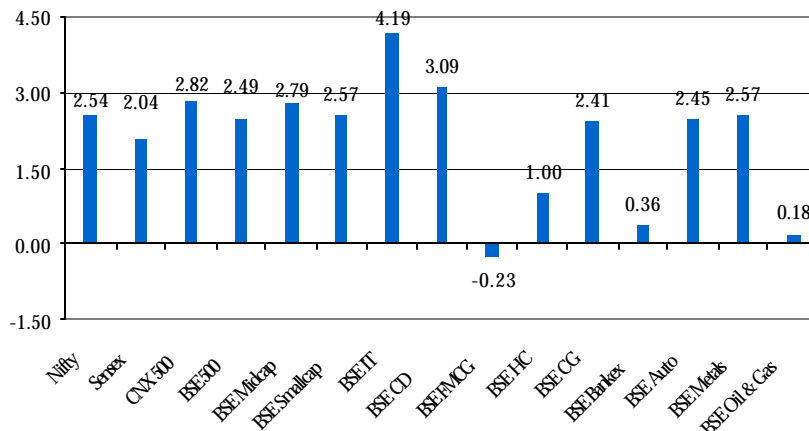
FII inflows in Rs. Crores Source: NSE, SEBI

Weekly FII transactions (equities)

	Nov 20 to Nov 24	Nov 13 to Nov 15
Gross purchases	17509.4	7686.2
Gross sales	14348.8	4906.1
Net inflows	3160.6	2780.1

Amt in Rs. crores Data source: SEBI

Weekly Equity Indices Return (absolute %)

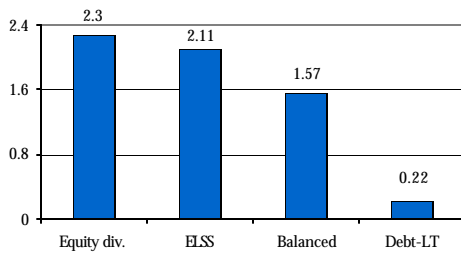


As on Nov 24

Datasource: BSE, NSE

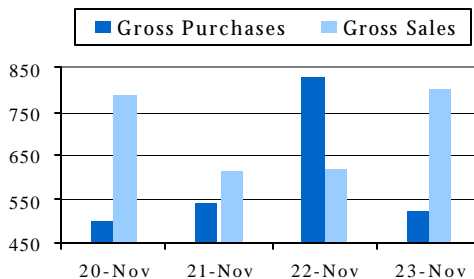
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Weekly category returns (%)



Abs. returns as on Nov 24 Datasource: Bloomberg

Weekly MF transactions (equities)



Amt in Rs. crores

Data source: SEBI

Mutual funds emerged as net sellers in the equity market to the tune of Rs. 434.56 crores.

Outlook:

Short-term: A positive trend is expected to prevail due to strong FII inflows. However, with the markets scaling new heights, volatility may be in store on account of profit booking at higher levels. Volatility is also likely to be witnessed ahead of the expiry of November 2006 derivatives contracts on coming Thursday. Earnings results of Mirc Electronics, Dwarikesh Sugar, Tata Power Company, Ansal Properties & Infrastructure, Jindal Saw and Venky's (India), would be announced in the coming week.

Long-term: Manufacturing sector has registered a growth of 12.1% during the period Apr-Sept 2006, as compared to 9.5% during the same period last year. On the back of this, industrial growth has exceeded 10% for the first time in last 10 years. High infrastructure sector output growth of 9.9% in Sept, 06 against 6.3% in Sept, 05 and the revised economic growth rate to 8% against the earlier 7.5% -8% keeps the bullish story intact. Robust corporate earnings, strong domestic consumption, high infrastructure spending, retail sector growth and real-estate boom are likely to keep this growth going. FDI inflows have surged a record 92% in April-July 2006-07.

Recommended schemes to invest		Historical returns as on Nov 24 (%)			Crisil Ranking for qtr end Sept 06
		6 months (abs)	1 year	3 year (ann)	
Aggressive (Equity)	DSP ML Opportunities	23.20	54.69	50.25	1
	Tata Infrastructure	23.16	72.45	N.A.	-
	Reliance Growth	14.97	50.12	59.55	1
	Sundaram Select Midcap	11.66	75.96	61.09	1
Moderate (Equity)	Fidelity Equity	24.71	53.28	N.A.	-
	HDFC Equity	25.21	50.40	48.53	2
	Reliance Equity	20.19	N.A.	N.A.	-
	SBI Magnum Contra	21.93	73.61	62.97	1
Conservative (Equity)	DSP ML Top 100	26.07	56.63	46.05	3
	Sundaram India Leader.	16.93	50.68	N.A.	2
	Franklin India Bluechip	24.41	52.04	45.92	3
	Templeton India Eq. Inc.	N.A.	N.A.	N.A.	-
ELSS	Franklin India Taxshield	14.91	38.57	45.71	3
	HDFC Tax saver	19.51	41.05	62.63	2
	SBI Magnum Tax Gain	26.85	51.76	76.05	1
Balanced	DSP ML Balanced	16.96	39.83	34.32	3
	HDFC Prudence	20.81	37.27	39.37	1
	Kotak Balance	8.61	38.38	38.26	2

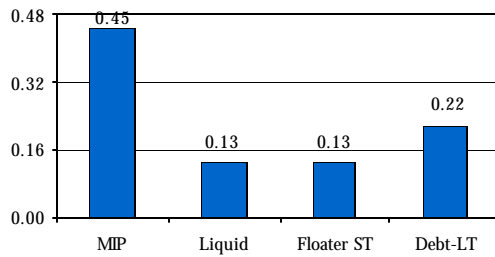
Datasource: MFI Explorer

Note: Funds have been classified as aggressive, moderate and conservative on the basis of their portfolio concentration and exposure to various market segments.

Recommendations:

With a healthy economic growth backed by strong fundamentals, the "India Shining Story" is likely to be reflected on the equity markets in the long run. However, since volatility may be on the cards for the short-term, a cautious approach should be adopted. Investors should therefore look for funds which invest in fundamentally strong stocks. Long-term wealth creation could be achieved through SIP in equity diversified funds. Investors could look at derivatives funds, thematic funds (with promising themes) to optimise the risk-adjusted returns. Investments in internationally diversified funds and contra funds are also good options.

Weekly category returns (%)

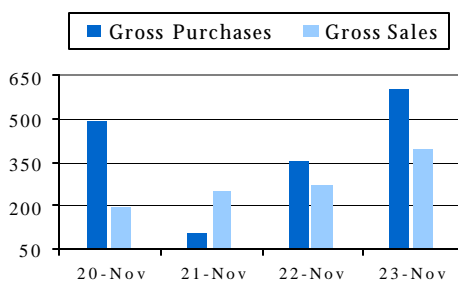


Abs. returns as on Nov 24 Data source: Bloomberg

Key statistics

	Nov 24	Nov 17
7.59% GOI 2016 yield	7.43%	7.53%
Call rate	6.15%	7.20%
WPI inflation (week ending November 11 and November 4)	5.29%	5.30%
Dollar exchange rate	44.70	44.91
Forex reserves (\$ bn)	170.355 (Nov 17)	168.284 (Nov 10)

Weekly MF transactions (debt)



Amt in Rs. crores Data source: SEBI

In debt market, mutual funds emerged as net buyers to the tune of Rs. 450.60 crores.

The week in retrospect-Debt

At the end of the week, bond yields touched their seven-month lows after the month of April on account of ample cash and inflation data in line with expectations. The 10-year g-sec yield decreased to 7.43% from the 7.53% level during the week. The Rs. 50 bn auction met with huge demand from investors and the cut-off price was set at Rs. 104.47. Yields had touched a 4.5 year high of 8.43% in the mid of July. This easing down of yields came through as traders started factoring in their expectations of Fed rate cuts and lower crude oil prices. Call rates decreased from 7.20% to 6.15% as liquidity condition improved.

On the forex front, rupee appreciated to 44.70 against 44.91 the previous week as dollar slid sharply against euro. Forex reserves rose to a record level of \$170.355 for the week ending Nov 17 from \$168.284 bn the previous week.

Outlook:

Short-term: The liquidity in the system has improved on account of high government spending and bond redemptions. Thus, with market participants equipped with reasonable amount of cash, demand for bonds is likely to stay healthy. This indicates that yields are unlikely to rise in the immediate future. Call rates are also expected to remain at lower levels compared to 7-plus levels of the last month.

Long-term: In the monetary review held on Oct 31, the central bank has attempted to address the issue of over heating in credit growth by hiking repo rate alone. The bank has made it clear that its move will depend on the 'evolving situations'. It has also indicated that the money supply and credit growth rates are expected to be higher than projections for the current year, with inflation more likely to be under the 5 to 5.5% band. Therefore, there are chances that the rates may be increased marginally.

Recommended schemes to invest		Return as on Nov. 24 (%)			Expense ratio	Crisil ranking*
		1 m (abs)	3 m (abs)	1 yr.		
Floaters	JM Floater ST	0.59	1.74	6.47	0.45	3
	Reliance Floating Rate	0.61	1.80	6.48	0.55	-
Liquid	HDFC Cash Mgt -Savings	0.63	1.78	6.54	0.34	1
	Birla Cash Plus-Retail	0.60	1.70	6.37	0.34	3
NFO	Pru ICICI Eq. & Der. Fund-Inc. Optimizer	NFO closing on Dec 7, 2006				
	FT's Capital Safety	NFO closing on Nov 30, 2006				

*For qtr end Sept 06

Datasource: Bloomberg

Recommendations:

Short-term investors: Investors having an investment horizon of up to 6 months could invest in liquid funds and short-term floaters. Investors with duration more than 6 months could consider Pru ICICI Equity and Derivative Fund-Income Optimizer Plan to earn slightly higher returns than a liquid fund.

Long-term investors: Investors with a horizon of 3 and 5 years could consider FT's Capital Safety fund. The fund offers a feature of capital protection and can deliver higher return than a plain debt fund due to its small exposure in equities.

News Briefs

- ◆ AMFI has permitted fund houses to choose for their own agencies for issuing the unique customer identification number under the “know your client” norm so as to prevent money laundering.
- ◆ HDFC MF has revised the exit load structure for HDFC Top 200, HDFC Core & Satellite Fund and HDFC Prudence Fund. With effect from Nov 27, these funds will charge an exit load of 1% for investment less than Rs 5 crores if the units are redeemed within a year.
- ◆ Mr. Paras Adenwala has been designated as the fund manager of ING Vysya Select Stocks Fund. Mr Manish Bhandari, who had been managing that scheme, has been designated as the fund manager of ING Vysya Domestic Opportunities Fund, ING Vysya Tax Savings Fund and ING Vysya MIP Fund- Plan B under the overall supervision of the CIO, Mr. Adenwala.
- ◆ Lotus India AMC has inducted Tridib Pathak as the CIO Equity. Prior to this, he was CIO, DBS Cholamandalam AMC.

NFO Corner

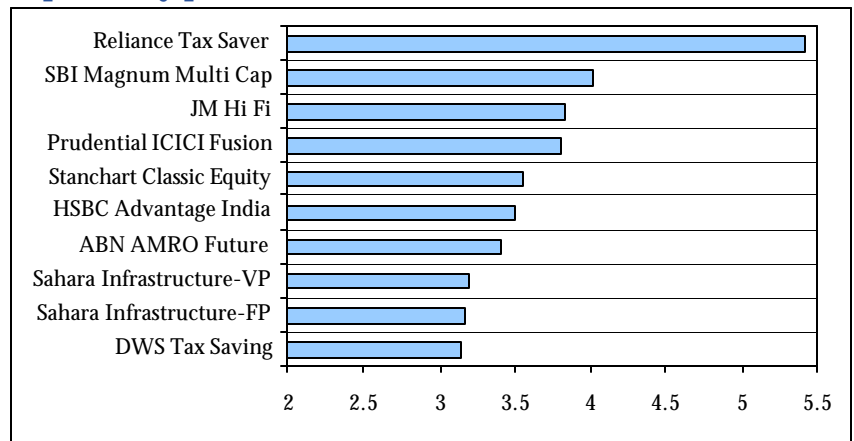
NFOs open for subscription:

- ◆ Franklin Templeton has launched Franklin Templeton Capital Safety Fund. It will be available for subscription till Nov. 30, 2006.
- ◆ ABN Amro has launched ABN Amro Multi Manager Fund-series 3. It is open for subscription till Nov. 28, 2006.
- ◆ Optimix has launched Optimix Equity MM FoF which is open for subscription till Nov. 28, 06. It has also launched Optimix Dynamic MM FoF (Series II) which is open for subscription till Dec 20, 2006.
- ◆ Prudential ICICI has launched Prudential ICICI Equity and Derivatives Fund. It is open for subscription till December 7, 2006.
- ◆ Reliance MF has launched Reliance Long Term Equity Fund. It will be available for subscription till Dec 11, 2006. The earliest closing date is Nov 28, 2006.
- ◆ Standard Chartered MF has launched Standard Chartered Arbitrage Fund. It will be open for subscription till Nov 30, 2006.
- ◆ Lotus India AMC has launched Lotus India Tax plan. It will be open for subscription till Dec 5, 2006.
- ◆ LIC MF has launched LIC MF India Vision Fund, which will be open for subscription till Dec 22, 2006.
- ◆ SBI MF has launched SBI One India Fund. The 3-year close ended equity diversified fund will be available for subscription till Dec 22, 2006.
- ◆ Escorts MF has launched Escorts High Yield Equity Fund, which will be open for subscription till Dec 11, 2006.

Forthcoming New Fund Offers:

- ◆ DSP ML is coming up with its tax saving fund DSP ML ELSS. The fund will open for subscription from Nov 27, 2006.
- ◆ UTI is looking forward to launch UTI Global Navigator Fund. The fund would be a 5-year close-ended scheme which would invest in stocks of companies comprising the MSCI All Country World Index.

Top weekly performers-NFOs*



* Weekly return as on Nov 24, 06

Datasource: MFI Explorer

Note: Funds launched since Jan 05 have been considered.

Performance analysis of equity NFOs (quarter -wise) as on Nov 24, 2006

S.No.	Scheme	Issue Date	Current Nav (Rs.)	Corpus Size (Rs. Crores) as on Oct	Absolute Return(%)		Current Value(Rs.)	
					Since Launch	Weekly	Before Load	After Load
1	Birla Long-term	7-Aug-06	10.68	420.25	6.80	0.28	10,680.00	10,680.00
2	Tata Capital Builder	18-Jul-06	11.15	272.96	11.48	1.22	11,147.50	11,147.50
Abs. returns for New Funds released Between Jul 06 to Sep 06					9.14	0.75	21,827.50	21,827.50
1	UTI Spread Fund	9-Jun-06	10.27	293.58	2.73	0.13	10,273.30	10,273.30
2	Tata Equity	15-May-06	11.22	425.33	12.21	0.47	11,221.10	11,221.10
3	Stanchart Enterprise	19-Apr-06	11.69	1573.51	16.87	1.96	11,686.80	11,686.80
Abs. returns for New Funds released Between Apr 06 to Jun 06					10.6	0.85	33,181.20	33,181.20
1	Fidelity Special Sit.	28-Mar-06	12.68	2035.84	26.76	2.44	12,676.00	12,397.07
2	Templeton India	22-Mar-06	11.5	1953.72	15	2.13	11,500.00	11,246.94
3	Sundaram Rural	20-Mar-06	11.7	1212.16	16.96	2.42	11,695.70	11,438.34
4	ABN AMRO Future	13-Mar-06	10.3	518.62	3.04	3.41	10,304.00	10,304.00
5	Pru ICICI Fusior	27-Feb-06	12.01	650.98	20.1	3.8	12,010.00	12,010.00
6	DWS Tax Saving	22-Feb-06	10.75	32.61	7.47	3.14	10,747.10	10,510.61
7	Kotak Lifestyle	22-Feb-06	11.21	490.88	12.07	2.41	11,207.00	11,207.00
8	UTI Contra	22-Feb-06	9.97	856.61	-0.3	1.94	9,970.00	9,970.00
9	Tata Tax Advantage	20-Feb-06	10.2	135.59	1.98	1.83	10,198.00	9,998.04
10	JM HI FI	20-Feb-06	11.1	62.03	11	3.84	11,100.00	10,855.75
11	Sahara Infrastruct-	15-Feb-06	10.85	25.48	8.47	3.17	10,846.80	10,846.80
12	Sahara Infrastruct-	15-Feb-06	10.89	25.48	8.88	3.19	10,887.80	10,887.80
13	Chola Contra	14-Feb-06	11.62	81.60	16.2	1.84	11,620.00	11,364.30
14	Quantum Long Term	8-Feb-06	11.77	28.41	17.7	1.55	11,770.00	11,770.00
15	Principal Infra. &	7-Feb-06	11.65	357.44	16.5	1.92	11,650.00	11,393.64
16	Baroda Global Fund	6-Feb-06	11.43	30.25	14.3	2.33	11,430.00	11,178.48
17	Reliance Equity	6-Feb-06	10.95	5270.00	9.5	3.2	10,950.00	10,709.05
18	Birla Infrastructure	31-Jan-06	11.86	533.53	18.6	1.89	11,860.00	11,599.02
19	Fidelity Tax	31-Jan-06	12.09	604.58	20.91	2.13	12,091.00	11,824.94
20	SC Imperial Equity	30-Jan-06	11.9	300.93	18.98	2.68	11,897.50	11,635.70
21	UTI Leadership	30-Jan-06	12.09	1121.80	20.9	2.03	12,090.00	12,090.00
22	ING Vysya A.T.M.	27-Jan-06	10.72	64.47	7.2	1.8	10,720.00	10,484.11
23	HDFC Long Term	27-Jan-06	11.41	1597.09	14.13	1.07	11,413.00	11,413.00
24	HSBC Advantage	27-Jan-06	12.68	1429.97	26.84	3.51	12,684.30	12,405.18
25	SBI Magnum	20-Jan-06	11.75	2437.31	17.5	2.44	11,750.00	11,750.00
Abs. returns for New Funds released Between Jan 06 and Mar 06					14.03	2.48	285,068.20	281,289.77
1	Franklin India	14-Dec-05	10.78	1390.52	7.8	0.94	10,780.00	10,780.00
2	ING Vysya L.I.O.N.	9-Dec-05	12.44	129.11	24.4	1.88	12,440.00	12,440.00
3	ABN Amro Tax	30-Nov-05	13.54	140.71	35.35	3.12	13,535.00	13,535.00
4	Pru ICICI Services	18-Nov-05	14.23	367.28	42.3	2.3	14,230.00	13,916.87
5	CanInfrastructure	9-Nov-05	13.73	103.07	37.3	2.54	13,730.00	13,730.00
6	Kotak Tax Saver	28-Oct-05	13.56	145.98	35.59	1.32	13,559.00	13,260.64
7	Chola Tax Saver	26-Oct-05	13.52	31.04	35.2	2.27	13,520.00	13,222.49
8	Principal Large Cap	19-Oct-05	17	294.46	70	2.35	17,000.00	16,625.92
9	ING Vysya Dividend	6-Oct-05	11.19	84.30	11.9	0.45	11,190.00	11,190.00
Abs.returns for New Funds released Between Oct 05 and Dec 05					33.32	1.91	119,984.00	118,700.92

Note: Current value shows the latest market value of an investment of Rs.10,000 in each NFO.

For more information on MUTUAL FUNDS call 1800 4258283 or contact your nearest Karvy branch.

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