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Medium to long term opportunity in TMC



Technical

Trend reversal Signal

- Double bottom trend reversal chart pattern with high volume at breakout in daily chart
- Positive divergence of prices with RSI (14)
- In monthly chart, an inverted hammer with increased volumes is witnessed. Also, prices are trading far above the short and medium term moving averages

Resistance is seen at 4550 and then 4950 while, support is at 3900 and then 3720.

Fundamental

Turmeric futures are expected to rise on lower sowing this season following a sharp fall in prices. A delay in the monsoon, which could impact sowing operations, also supported prices. Farmers are expected to cut the area under turmeric cultivation as prices of the commodity have fallen more than 30 percent since the start of the year.

Recommendation

TMC July & August Contracts NCDEX: Buy at 4100-4150 TP 4550/4750 SL 3850.

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