

Gemini Stock Analysis Report

Based on the detailed analysis of the attached stock report for **DRREDDY.NS** (Dr. Reddy's Laboratories), here is the assessment.

Step 1: Audit the Data

- **Data Present:**
 - **Price Action:** Daily (3-year), Weekly, and 15-minute candlestick charts.
 - **Trend Indicators:** EMA (20, 50, 200), Supertrend, MACD.
 - **Momentum/Volatility:** RSI, Bollinger Bands, Volatility Squeeze (ATR), Relative Strength (RS).
 - **Fundamentals:** Long-term (4 years) and Short-term (6 quarters) revenue/earnings growth.
 - **Analyst Estimates:** Price targets and consensus ratings.
 - **Data Missing:**
 - **Volume Profile:** While volume bars are present, a specific Volume Profile (Fixed Range) to identify price shelves is not explicitly charted.
 - **Broad Market Context:** No chart for the NIFTY50 index to gauge general market sentiment beyond the Sector RS.
 - **Confidence Level: High.** The report provides a comprehensive technical and fundamental picture, allowing for a high-conviction decision.
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Step 2: Analyze the Setup

- **Price Structure (Bearish):** The stock is currently trading at **1210.10**, which is below the critical cluster of moving averages. The price has recently broken below the **200-day EMA (1250.39)**, a major red flag for intermediate-term bullish positions. The "Golden Cross" identified in late 2025 has failed, as price action has reversed sharply.
 - **Trend Direction (Down):** The Supertrend (Daily and Weekly) is in a **Downtrend (Sell)** status. The moving averages (20, 50, 200) are beginning to compress and slope downward, indicating trending bearish momentum.
 - **Momentum (Negative but Oversold):**
 - **MACD:** **Bearish** crossover with expanding negative histogram, confirming strengthening downside momentum.
 - **RSI:** Currently at **30.49**, bordering on oversold. While this often precedes a bounce, "oversold" can persist in a strong downtrend.
 - **Bollinger Bands:** Price is hugging/breaking the Lower Band (1218). The report notes a "Buy Signal" based on mean reversion logic, but attempting to catch a falling knife below the 200 EMA is high-risk.
 - **Volatility Squeeze:** Page 14 indicates an **ATR Contraction (Bearish Breakout)** on 2026-01-08, suggesting the current downward move has significant energy behind it.
 - **Relative Strength (Weak):** With an RS Score of **46.5/100** and RS ratios below 1.0 across all timeframes, the stock is underperforming its sector (^CNXPHERMA).
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Step 3: Formulate the Recommendation

Recommendation: NO. Do not enter this stock at the current market price.

Rationale: The stock is in a confirmed breakdown. It is trading below the 200-day EMA, implying that the long-term trend has shifted to neutral/bearish. The "**Bearish Breakout**" from the volatility squeeze suggests the path of least resistance is lower. Entering now is "fighting the tape." We need to see the stock reclaim key structural levels to validate a 1-4 month upside move.

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Conditional Plan (Wait for Reversal): Since the stock is approaching oversold territory (RSI ~30), a snap-back rally is possible, but it is not safe to trade until structural damage is repaired.

- **Condition to Buy:** The stock must close **Daily above 1266**. This is the critical "Confluence Resistance" level that clears the EMA 20, EMA 50, EMA 200, and the Daily Supertrend resistance.
- **Entry Price: 1270** (Enter on a confirmation candle following a close above the cluster).
- **Stop Loss: 1190** (Risk is placed below the recent swing low/consolidation zone).
- **Take Profit: 1385 - 1400** (Targeting the previous swing highs and upper Bollinger Band extension).

Note: If the stock continues to drop without reclaiming 1266, remains on the watchlist but do not touch.

News & Analyst Targets

As a stock research analyst at an investment firm, I have gathered the latest information on Dr. Reddy's Laboratories (DRREDDY) for the week of **January 4-10, 2026**.

1) Latest News for DRREDDY This Week

- **Q3 FY26 Earnings Date Announced:** Dr. Reddy's confirmed on January 8, 2026, that it will release its financial results for the third quarter ended December 31, 2025, on **Wednesday, January 21, 2026**. The management team will host an earnings call the same evening at 7:30 PM IST.
- **Regulatory Overhang (USFDA):** The company continues to deal with the aftermath of a USFDA inspection at its Srikakulam facility (FTO 11). The inspection, concluded in mid-December 2025, resulted in **5 observations** (Form 483). While not "breaking" this exact week, this remains a critical dampener on sentiment as the market awaits the company's corrective action plan.
- **Technical Weakness:** Market analysis from January 9, 2026, indicates a shift in the stock's technical momentum from bullish to mildly bearish, with the stock trading below key moving averages and underperforming the broader Sensex/Nifty indices this week.

2) Upgrade or Downgrade from Brokerages

Activity this week has been mixed, with a notable bearish call from a major foreign brokerage contrasting with a positive domestic view.

- **Citi (Downgrade/Reiteration of Sell):** On **January 8, 2026**, Citi maintained its **SELL** rating. They expressed concerns regarding the generic Semaglutide opportunity (a key future growth driver). Citi cited Novo Nordisk's aggressive "dual-brand" strategy to defend its market share, which could significantly limit the revenue potential for generic players like Dr. Reddy's.
- **Choice Equity Broking (Positive/Buy):** On **January 7, 2026**, Choice Equity Broking issued a new recommendation with a positive outlook, seeing an upside potential of approximately 11% from the trading price at the time.

(Note: Some search results may surface a "Nuvama upgrade to Buy"; however, detailed verification shows this report dates back to January 2025. The current relevant major action this week is from Citi and Choice Equity.)

3) Other News Impacting DRREDDY

- **Novo Nordisk's Defensive Strategy (Indirect Impact):** The competitive landscape for GLP-1 agonists (weight-loss drugs) is toughening. Reports this week highlight that Novo Nordisk is launching "authorized generics" or second brands of its own popular drugs (Wegovy/Ozempic) in markets like Canada. This

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directly impacts the addressable market for Dr. Reddy's upcoming generic launches, forcing analysts to cut revenue estimates for this segment for FY27-28.

- **Sector Sentiment:** The broader Pharma sector has faced mixed sentiment this week due to general market volatility. Dr. Reddy's has relatively underperformed its peers recently, weighing on the Nifty Pharma index.

4) Latest Analyst Price Targets

Below is the summary of the most recent price targets issued or reiterated by brokerages in early January 2026.

Brokerage Firm	Rating / Action	Target Price (INR)	Date Issued	Key Rationale
Choice Equity	Buy / Add	1,380	Jan 07, 2026	Technical upside; favorable risk-reward at current levels.
Market Consensus	Hold	~1,294	Jan 08, 2026	Average of broad analyst consensus; indicates limited upside from current ~1,210 levels.
Citi	Sell	990	Jan 08, 2026	Slashed revenue estimates for generic Semaglutide; sees ~28% downside risk.

Analyst Note: The divergence between the targets is significant. The bearish view (Citi) is fundamental, driven by fear of lost future revenue in the US/Canada markets, while the bullish view (Choice) appears more technical or valuation-based following the stock's recent correction. Investors should watch the **Jan 21st earnings call** closely for management commentary on the USFDA remediation and the Semaglutide launch timeline.

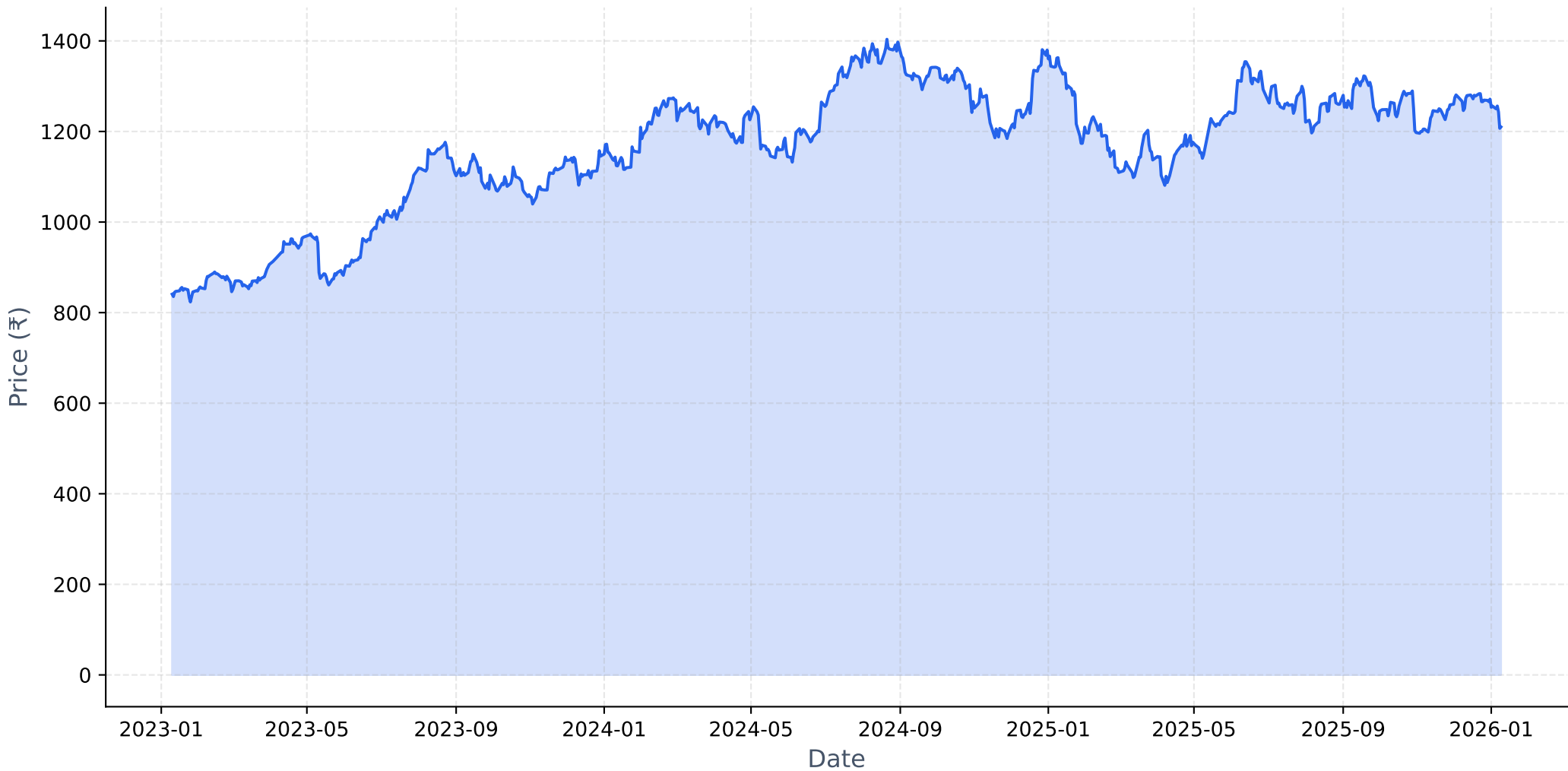
Stock Detailed Analysis Report

DRREDDY.NS

Current Price: ₹1210.10

Generated: 2026-01-10 10:18

DRREDDY.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	Yes	16.61%	14.94%
Net Income	Yes	No	1.54%	33.87%
ROE	Yes	No	-14.55%	11.09%
EPS	Yes	No	1.25%	33.68%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	3.04%	2.38%
Net Income	Yes	1.37%	3.92%
ROE	No	-1.02%	-0.16%
EPS	Yes	-10.88%	1.13%

DRREDDY.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXPHARMA
Sector:	Pharma
Classification:	Neutral
RS Score:	46.5/100
:	

== RS RATIOS ==:

1M RS:	0.940 [Neutral]
3M RS:	0.914 [Neutral]
6M RS:	0.939 [Neutral]
1Y RS:	0.919 [Neutral]
:	

== TURNAROUND ANALYSIS ==:

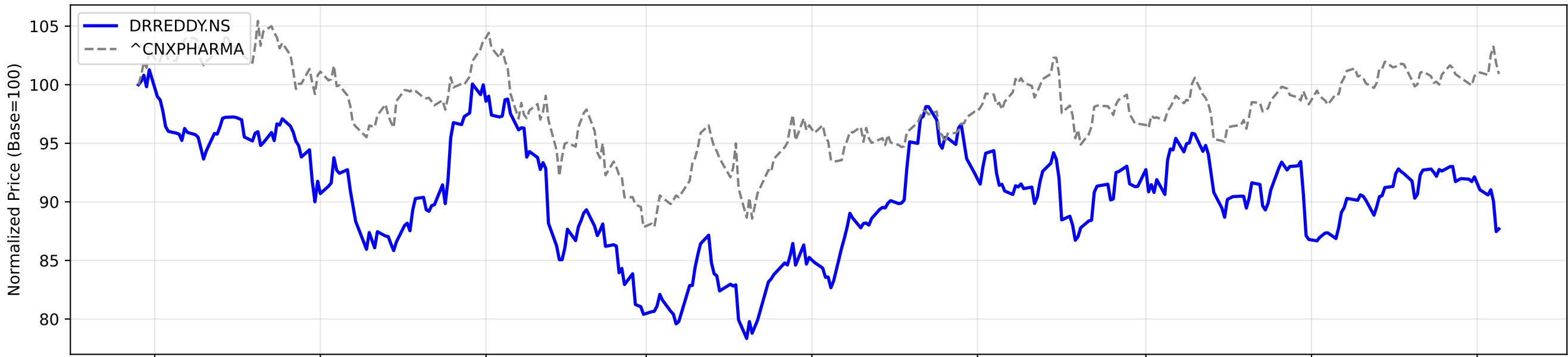
Turnaround Status:	!! DETECTED !!
:	

SIGNAL CRITERIA::

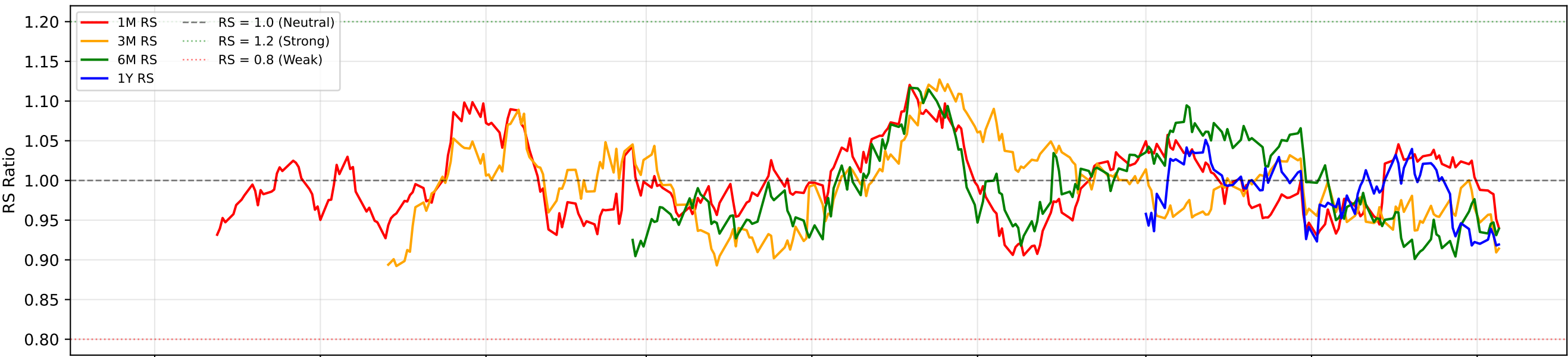
✓ Emerging RS:	1M (0.940) > 3M (0.914)
✓ Medium-term Lagging:	6M=0.939, 1Y=0.919 (≤ 1.0)
✓ Performance Improving:	3M (-2.9%) > 6M (-4.1%)

Relative Strength Analysis: DRREDDY.NS vs ^CNXPHARMA
Classification: Neutral

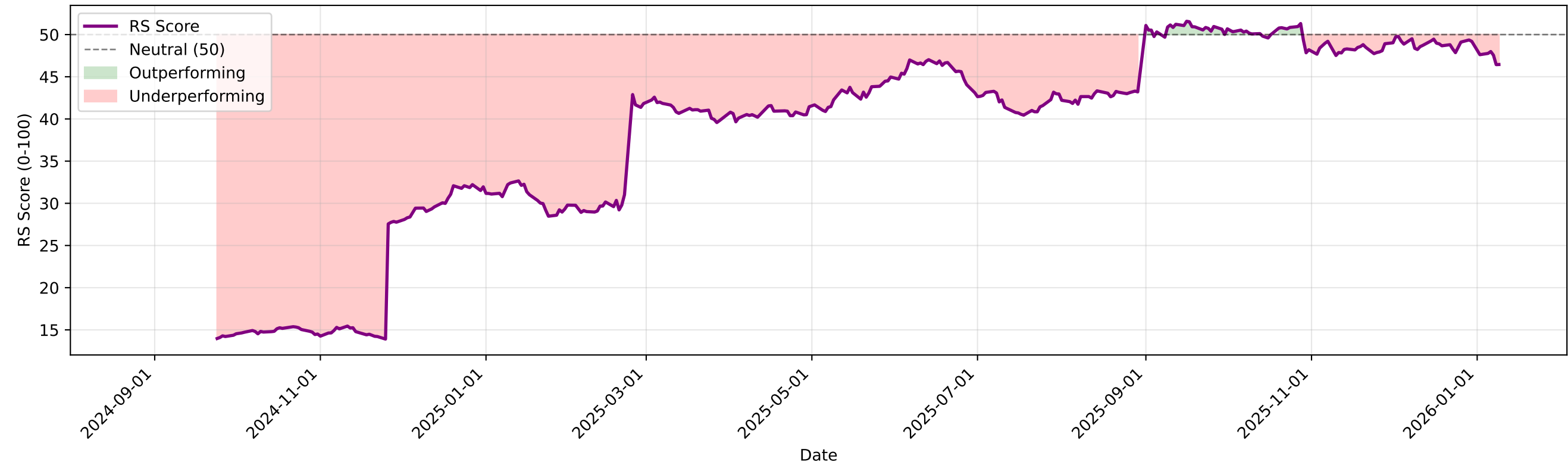
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



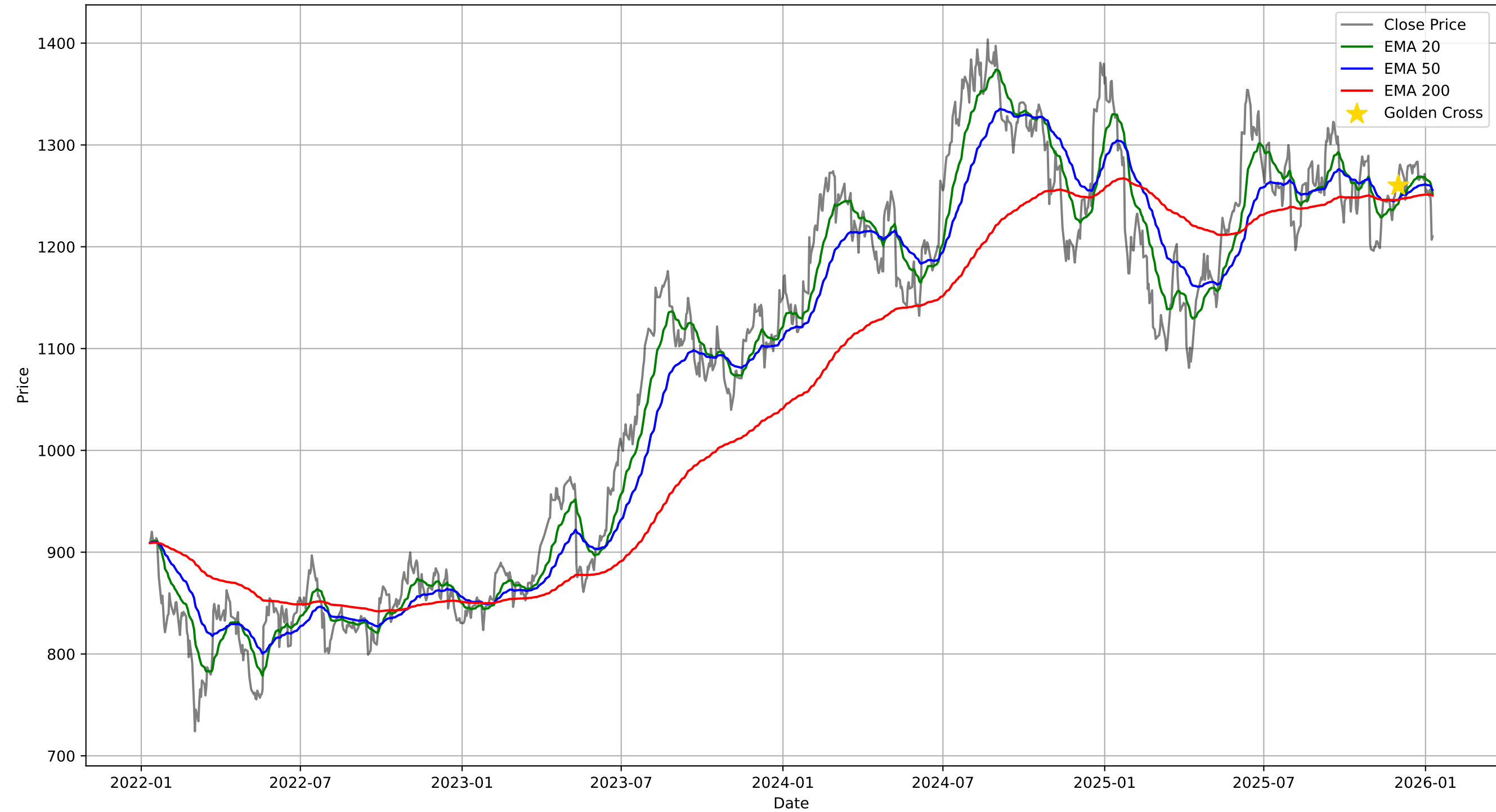
RS Composite Score Timeline



DRREDDY.NS - EMA Crossover Summary

EMA 20:	1252.06
EMA 50:	1255.61
EMA 200:	1250.39
Trend Status:	Short-term Downtrend
Golden Cross Date:	2025-12-01 00:00:00+05:30
Golden Cross Price:	1260.10

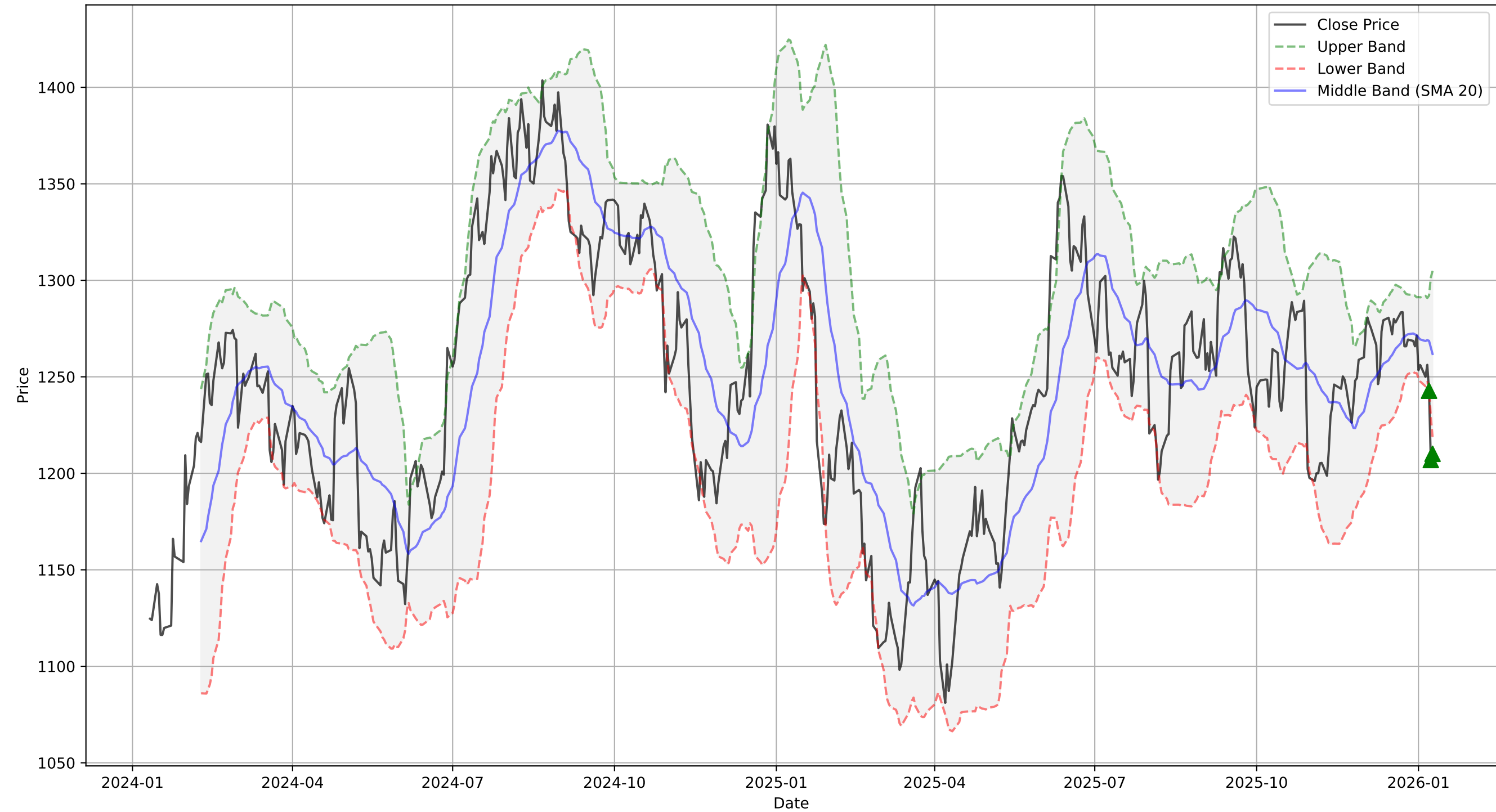
DRREDDY.NS EMA Crossover Analysis



DRREDDY.NS - Bollinger Bands Summary

Current Price:	1210.10
Upper Band:	1304.85
Middle Band (SMA 20):	1261.84
Lower Band:	1218.83
%B:	-0.1015
Band Width:	0.0682
Status:	Below Lower Band
Signal:	Buy Signal
Recent Signal 1:	Buy Signal at 2026-01-07 00:00:00+05:30
Recent Signal 2:	Buy Signal at 2026-01-08 00:00:00+05:30
Recent Signal 3:	Buy Signal at 2026-01-09 00:00:00+05:30

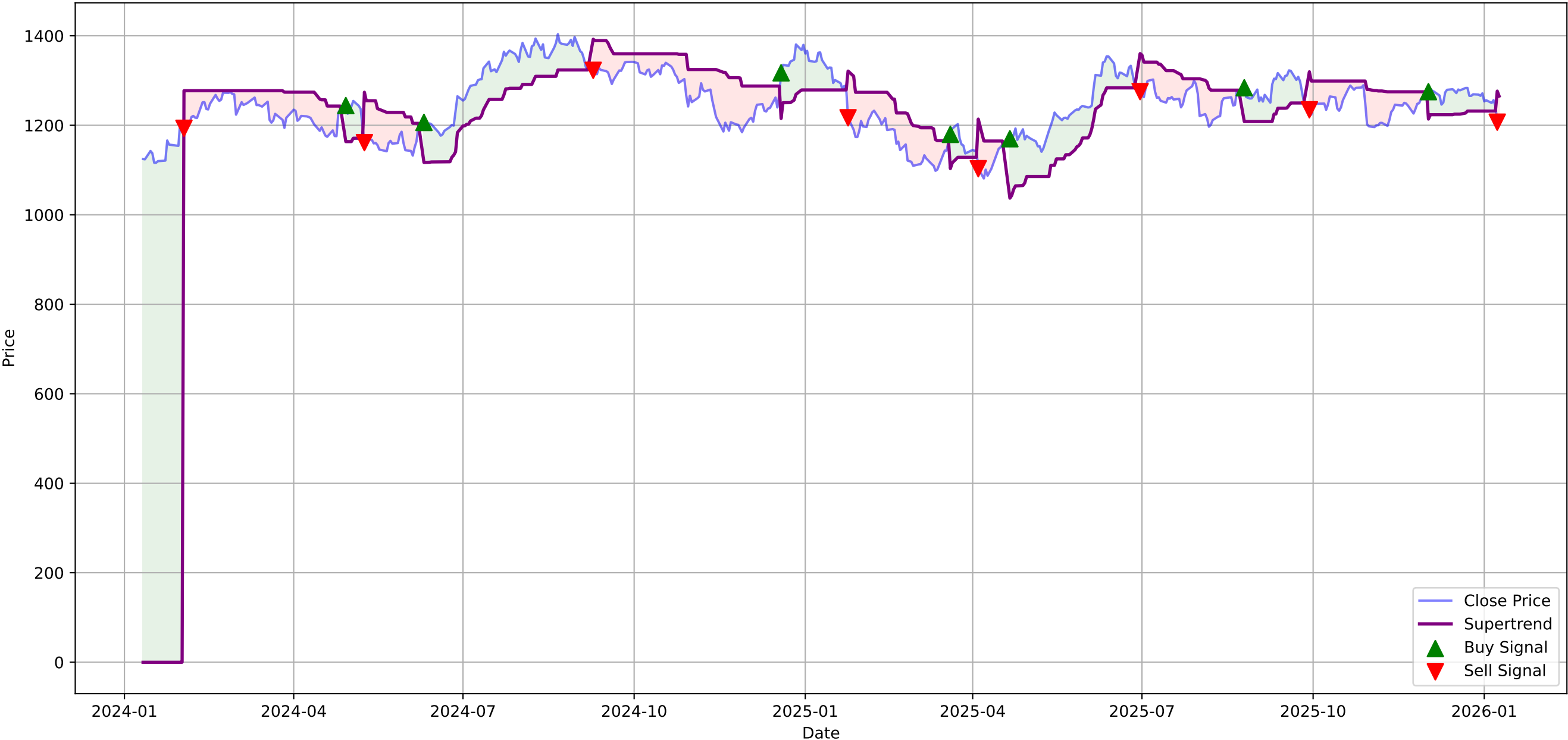
DRREDDY.NS Bollinger Bands (20, 2) Analysis



DRREDDY.NS - Supertrend Summary

Status:	DOWNTREND (Sell)
Supertrend Value:	1265.22
Signal Identified On:	2026-01-08

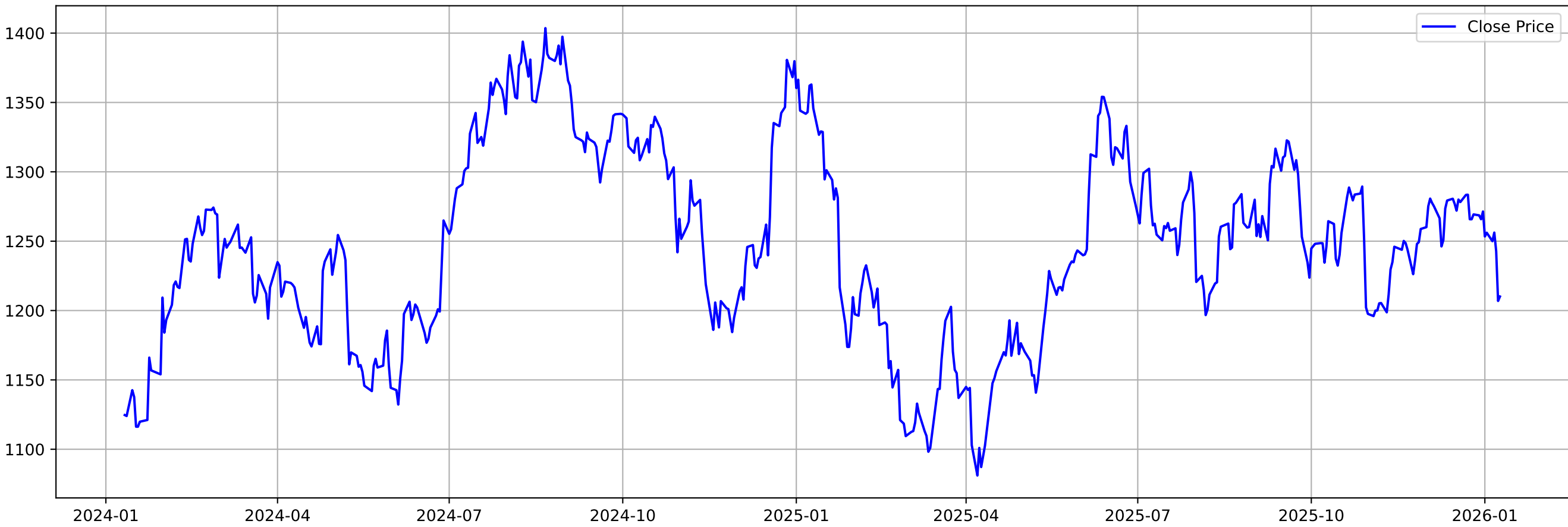
Supertrend Analysis for DRREDDY.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



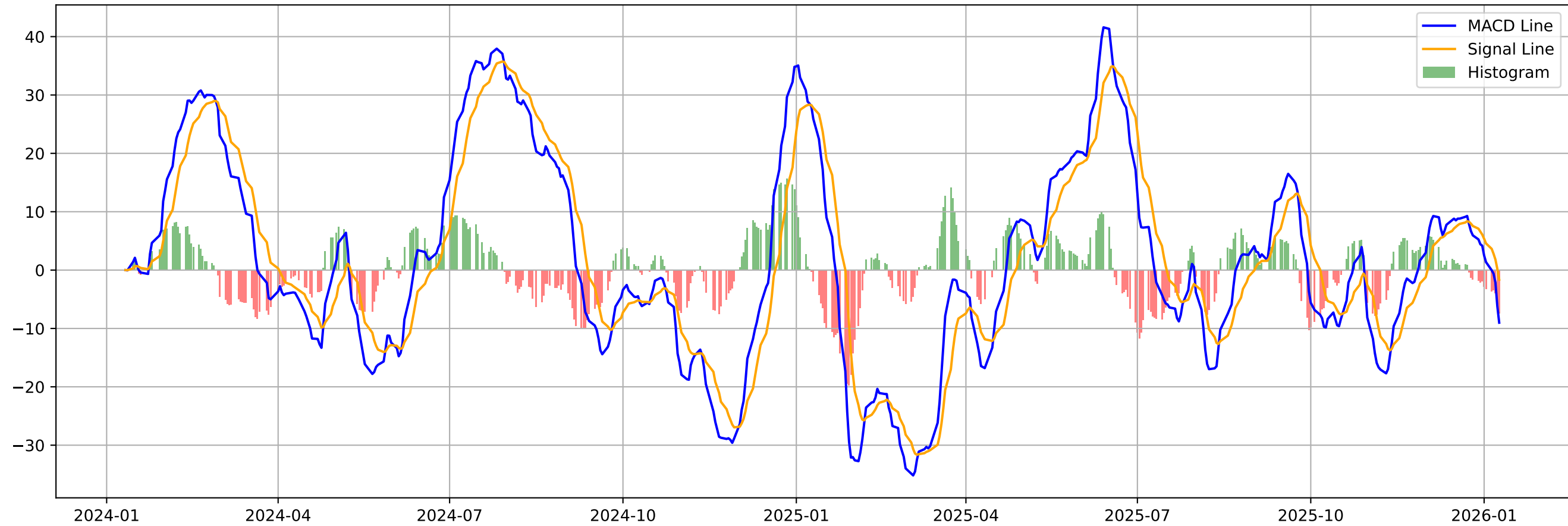
DRREDDY.NS - MACD Summary

MACD Line:	-9.01
Signal Line:	-1.63
Histogram:	-7.38
Trend:	Bearish
Momentum:	Strengthening
Signal:	None

DRREDDY.NS Price



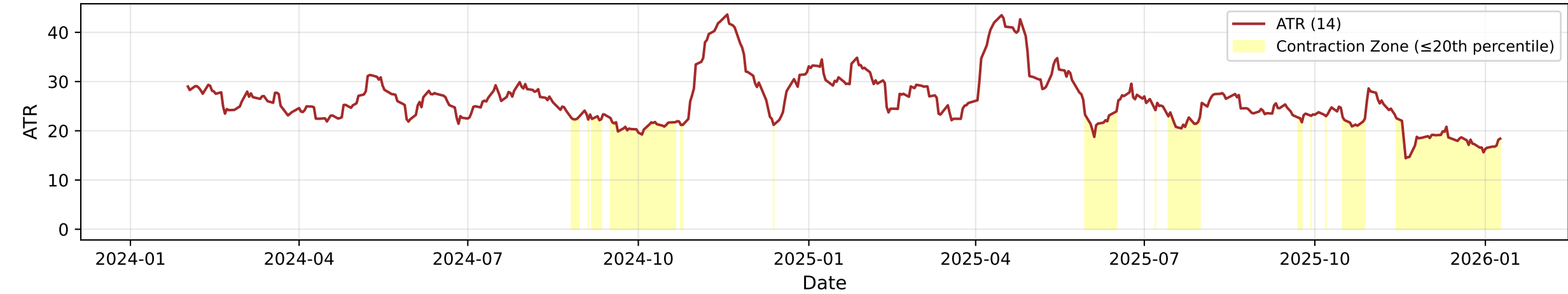
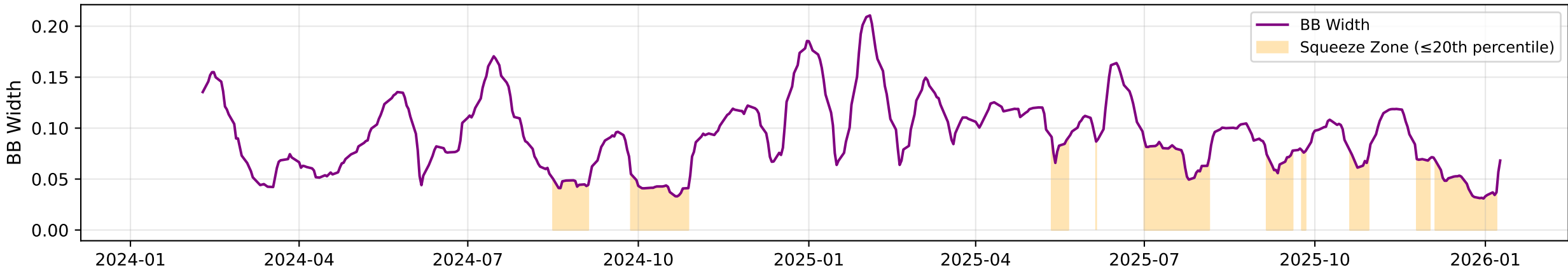
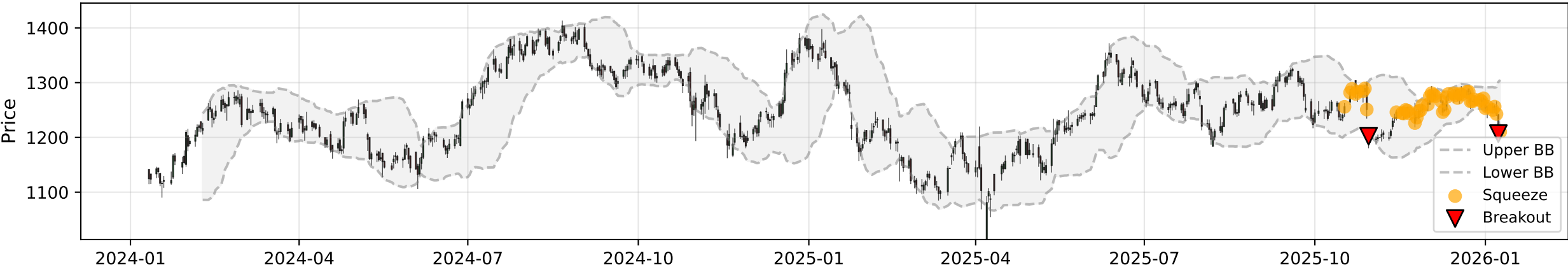
DRREDDY.NS MACD (12, 26, 9)



DRREDDY.NS - Volatility Squeeze Summary

BB Width:	0.0682
ATR:	18.4072
Total Signals:	50
Signal 1:	BB Squeeze + ATR Contraction at 2026-01-05 00:00:00+05:30 (Pr
Signal 2:	BB Squeeze + ATR Contraction at 2026-01-06 00:00:00+05:30 (Pr
Signal 3:	BB Squeeze + ATR Contraction at 2026-01-07 00:00:00+05:30 (Pr
Signal 4:	ATR Contraction (Bearish Breakout) at 2026-01-08 00:00:00
Signal 5:	ATR Contraction at 2026-01-09 00:00:00+05:30 (Price: 1210.10)

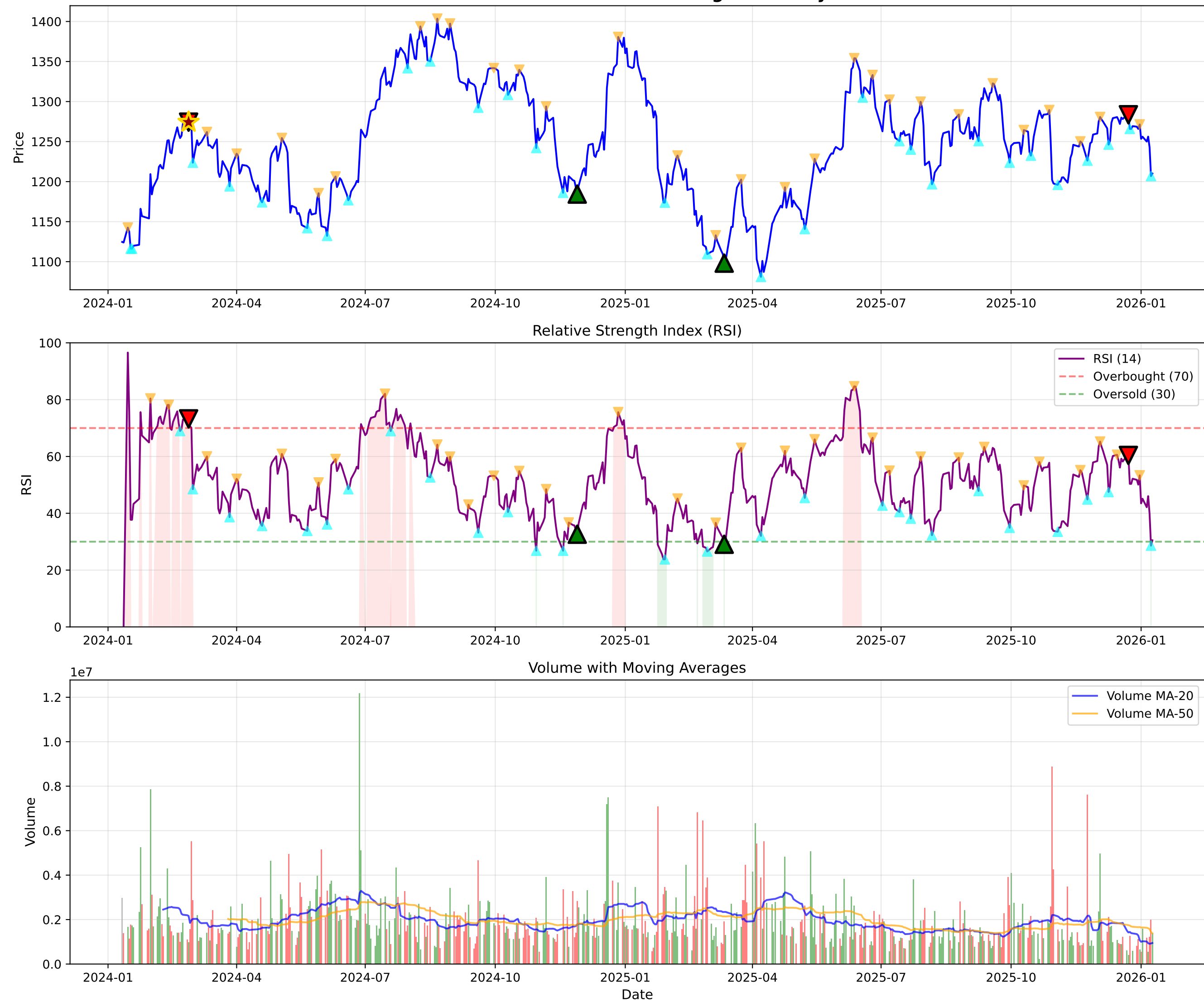
DRREDDY.NS - Volatility Squeeze Analysis



DRREDDY.NS - RSI-Volume Summary

Current RSI:	30.49
Current Volume:	1390935
Volume MA 20:	947716
Bullish Divergences:	2
Bearish Divergences:	2
Bullish Div 1:	Date: 2024-11-28 00:00:00+05:30, Price: 1184.44
Bullish Div 2:	Date: 2025-03-12 00:00:00+05:30, Price: 1098.19
Bearish Div 1:	Date: 2024-02-27 00:00:00+05:30, Price: 1274.24
Bearish Div 2:	Date: 2025-12-23 00:00:00+05:30, Price: 1283.50

DRREDDY.NS RSI-Volume Divergence Analysis



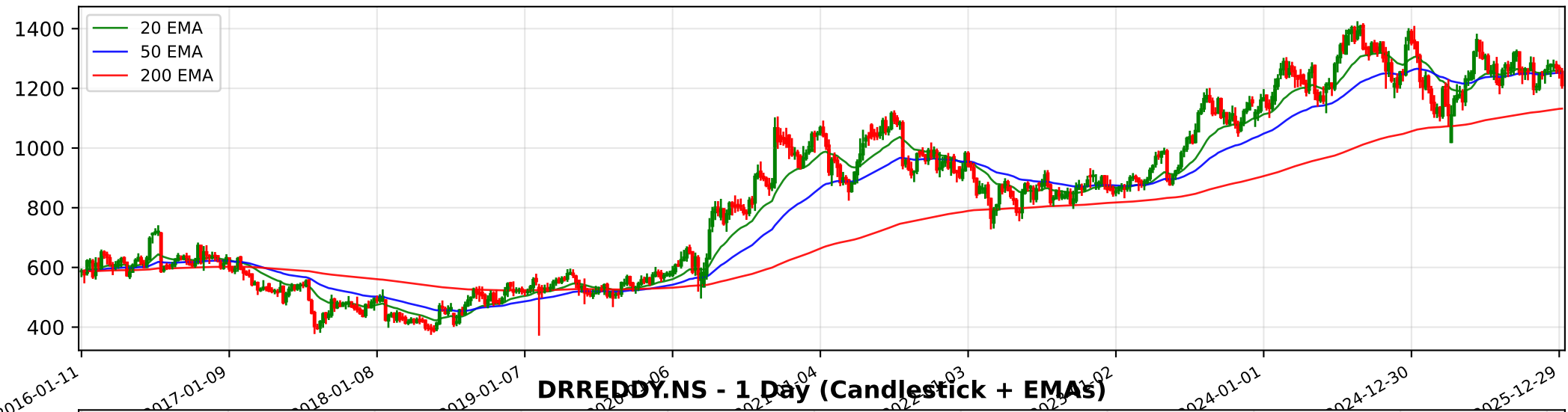
Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	1313.3	1210.1	2025-10-27
1 Day	DOWNTREND (Sell)	1265.22	1210.1	2026-01-08
15 Min	DOWNTREND (Sell)	1216.67	1212.9	2026-01-07

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Strengthening	Bearish Crossover (Sell)
1 Day	Bearish	Strengthening	No Signal
15 Min	Bullish	Strengthening	No Signal

DRREDDY.NS - 1 Week (Candlestick + EMAs)



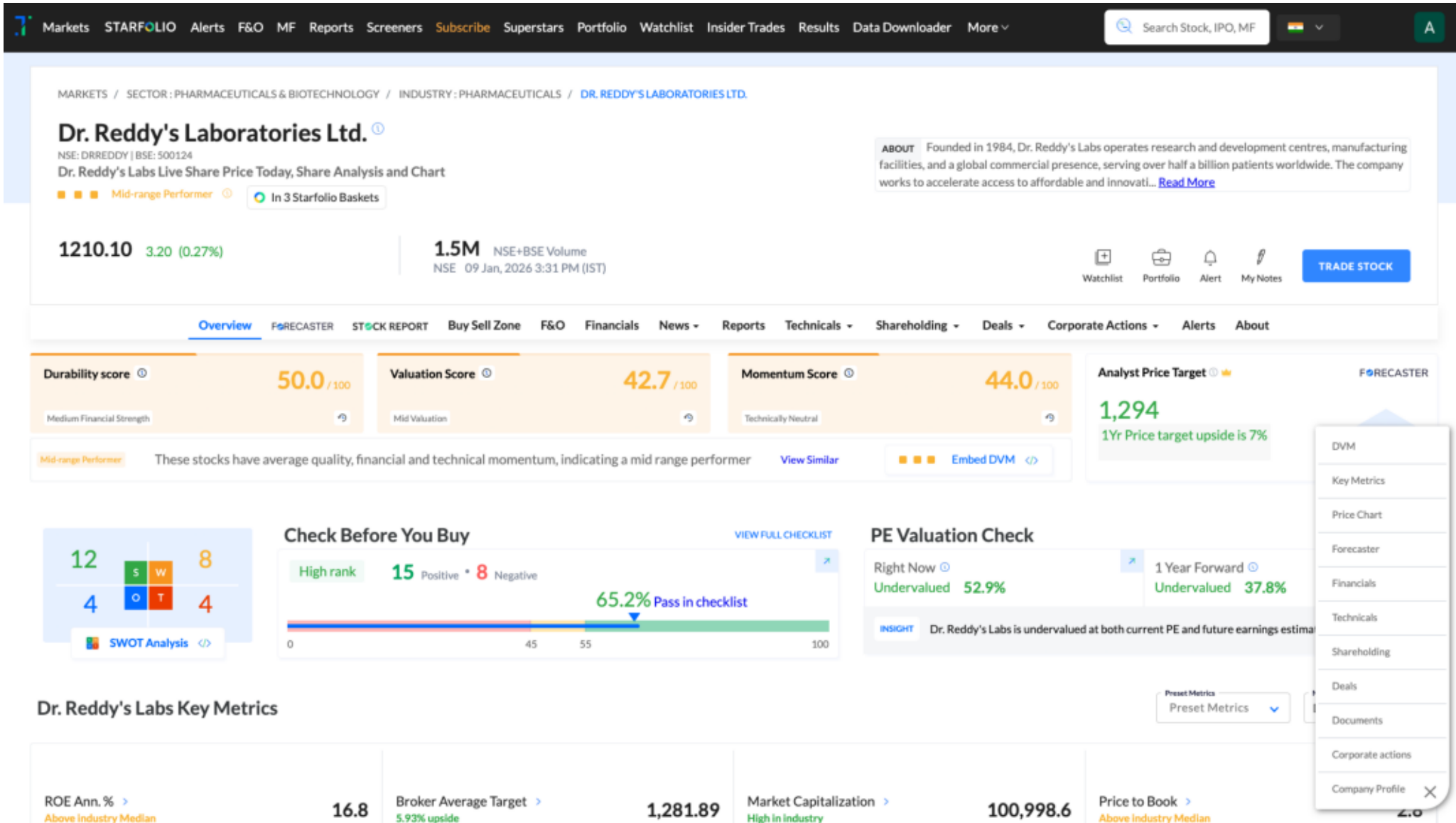
DRREDDY.NS - 1 Day (Candlestick + EMAs)



DRREDDY.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - DRREDDY_main



Trendlyne Snapshot - DRREDDY_forecaster

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Dr. Reddy's Laboratories Ltd.

NSE: DRREDDY | BSE: 500124

Mid-range Performer

In 3 Starfolio Baskets

1210.10

3.20 (0.27%)

1.5M

NSE+BSE Volume

NSE 09 Jan, 2026 3:31 PM (IST)

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About

Dr. Reddy's Labs - DRREDDY - stock price prediction, stock forecast, target price, analyst ratings from 39 analysts

Dr. Reddy's Labs has a share price target of Rs 1294, revenue growth forecast of 5.1%, and profit growth estimate of -8.3% for FY26, based on top 39 analyst calls.

Dr. Reddy's Labs FORECASTER - Analyst Estimates

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