

Gemini Stock Analysis Report

Based on the attached "Stock Detailed Analysis Report" for **DRREDDY.NS** (generated 2026-01-31), here is my analysis from the perspective of a positional equity trader.

Step 1: Audit the Data

• Data Present:

- **Price Structure:** Daily and Weekly candlestick charts, 3-Year price history.
- **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend, MACD, Bollinger Bands.
- **Momentum/Oscillators:** RSI (14), MACD Histogram.
- **Volume:** Volume bars, Moving Averages of Volume, Distribution/Accumulation counts.
- **Fundamentals:** Basic revenue/earnings growth metrics (Long-term & Short-term).
- **Relative Strength:** Comparison vs. Sector (CNXPHARMA).

• Data Missing:

- **Detailed Institutional Data:** While "Institutional holding" is mentioned as a metric, specific recent changes in FII/DII positioning are not detailed in the charts.
- **Specific News Catalysts:** The report mentions earnings dates generally, but not specific upcoming FDA approvals or pipeline news which drive Pharma stocks.
- **Confidence Level: High.** The technical data is robust and multi-timeframe, allowing for a precise structural analysis of price action and trend.

Step 2: Analyze the Setup

• Price Structure & Trend:

- **Bearish Primary Trend:** The stock is trading at **1218.10**, which is below the 50 EMA (1232) and the 200 EMA (1243). The 50 EMA has crossed below the 200 EMA (Death Cross alignment), indicating a structural intermediate-term downtrend.
- **Resistance Cluster:** There is significant overhead resistance between **1230 and 1245**. The price is currently trapped between the 20 EMA (support at 1216) and the 50/200 EMAs (resistance).

• Momentum & Indicators:

- **Bullish Divergence:** The MACD has crossed bullish (Signal Line: -13.74, MACD Line: -8.92), and the Supertrend (Daily) triggered a **BUY** signal on 2026-01-23 at 1161.15.
- **RSI:** The RSI is at **49.00**, effectively neutral. It has recovered from oversold conditions but has not yet entered the bullish zone (>60).

• Relative Strength:

- **Weakness:** The report explicitly classifies the stock as a "Weakening Leader" with an RS Score of 50.3/100. It is underperforming the Pharma index (Page 5), suggesting capital is flowing elsewhere in the sector.

• Fundamentals:

- Short-term fundamentals are deteriorating (Net Income -15.82% QoQ, ROE -18.96% QoQ), which fundamentally aligns with the technical downtrend.

Conclusion of Setup: The stock is attempting a relief rally or a bottoming formation. However, it has not yet proven it can reclaim the major trend. Buying now is fighting the intermediate trend (50/200 EMAs) and poor Relative Strength.

Step 3: Formulate the Recommendation

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Recommendation: NO.

Do not enter this trade at the current price (1218.10). The probability of rejection at the 1232-1245 resistance zone is too high, and the stock is lagging its sector. As a risk-averse positional trader, we need price confirmation that the trend has reversed before committing capital.

Conditional Plan (Watchlist Strategy): We are looking for a "Reclaim and Retest" of the major moving averages to confirm a trend change.

- **Condition to Buy:** The stock must close **above the 200 EMA** on a Daily timeframe with above-average volume. This clears the "Death Cross" resistance cluster.
- **Entry Price: 1248.00 - 1252.00** (Only triggers if price closes strongly above 1244).
- **Stop Loss: 1185.00** (Risk approx. 5%). This places the stop below the recent consolidation zone and the 20 EMA. If it falls back below this level after breaking out, the breakout has failed.
- **Take Profit: 1380.00** (Upside approx. 10.5%). This targets the previous swing highs established in mid-2025 before the downtrend accelerated.

Summary: Keep DRREDDY.NS on the watchlist. The MACD and Supertrend are promising, but until price clears 1245, the path of least resistance remains down or sideways.

News & Analyst Targets

Here is the latest research and analysis on **Dr. Reddy's Laboratories (DRREDDY)** for the week ending January 31, 2026.

1) Latest News for DRREDDY This Week

- **Q3 FY26 Earnings Results:** The biggest news this week is the reaction to Dr. Reddy's Q3 earnings (released Jan 21). The company reported a **4.4% YoY rise in revenue** to INR 8,727 crore, but **Net Profit fell ~14% YoY** to INR 1,210 crore. The profit decline was largely due to pricing pressures in the US market and lower sales of its key cancer drug, gRevlimid.
- **Strategic Investment in Coya Therapeutics:** Dr. Reddy's invested **\$10 million** in Coya Therapeutics as part of a private placement. This move is aimed at strengthening its portfolio in neurodegenerative diseases.
- **Partnership with Immutep:** The company entered a strategic collaboration with Immutep for an exclusive license to commercialize the cancer drug *Eftilagimod Alfa*. This deal included an upfront payment of **\$30 million**.
- **Vaccine Launch in India:** Dr. Reddy's launched **Hevaxin**, India's first indigenously developed Hepatitis E vaccine, further expanding its domestic vaccine portfolio.
- **Regulatory Update:** The company received a "Pre-Approval Inspection" letter from the US FDA for its biologics manufacturing facility in Hyderabad, a standard step before potential new product approvals.

2) Brokerage Upgrades & Downgrades

The analyst community is currently divided. While the India business is growing at double digits, the US business is facing significant headwinds (price erosion and lack of new blockbuster launches).

- **Upgrade: ICICI Securities** upgraded the stock from *Hold* to **Add**, citing valuation comfort after the recent correction. **Systematix** also upgraded the stock to **Buy**.
- **Downgrade: CLSA** downgraded the stock from *Hold* to **Underperform**, citing a lack of near-term triggers and the fading boost from gRevlimid. **Jefferies** maintained an *Underperform* rating and cut its target price.

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- **Maintain:** JM Financial and Nuvama maintained their **Buy** ratings, focusing on the company's strong balance sheet and future pipeline (including biosimilars) rather than immediate US weakness.

3) Other News Impacting DRREDDY

- **US Tariff Fears (Indirect):** Reports of potential new tariffs from the US administration (Trump 2.0 era) have kept the entire Indian pharma export sector under pressure. Investors are watching closely for any specific duties on generic drugs.
- **Union Budget 2026 (Indirect):** With the Indian Budget presentation approaching on February 1, the sector is anticipating announcements related to R&D incentives and the PLI (Production Linked Incentive) scheme, which could benefit major R&D spenders like Dr. Reddy's.
- **Sector Rotation:** There has been a slight defensive rotation in the Indian market this week. As broader markets remained volatile, money moved back into pharma stocks perceived as "value buys" after their recent correction.

4) Latest Analyst Targets for DRREDDY

Below is the summary of the latest price targets and ratings released by major brokerages following the Q3 FY26 earnings.

Brokerage Firm	Rating	Target Price (INR)	Sentiment
Nuvama	Buy	1,553	Bullish
JM Financial	Buy	1,545	Bullish
ICICI Direct	Buy	1,490	Bullish
Systematix	Buy	1,381	Bullish
Choice Equities	Add	1,315	Moderately Bullish
ICICI Securities	Add	1,300	Moderately Bullish
Motilal Oswal	Neutral	1,250	Neutral
CLSA	Underperform	1,090	Bearish
Jefferies	Underperform	1,040	Bearish

Analyst Summary: The consensus is mixed. Bulls are banking on the strong **India business (+19% growth)** and future biosimilar opportunities, while bears are worried about the **US business (-12% decline)** and the time it will take for new products to replace lost revenue.

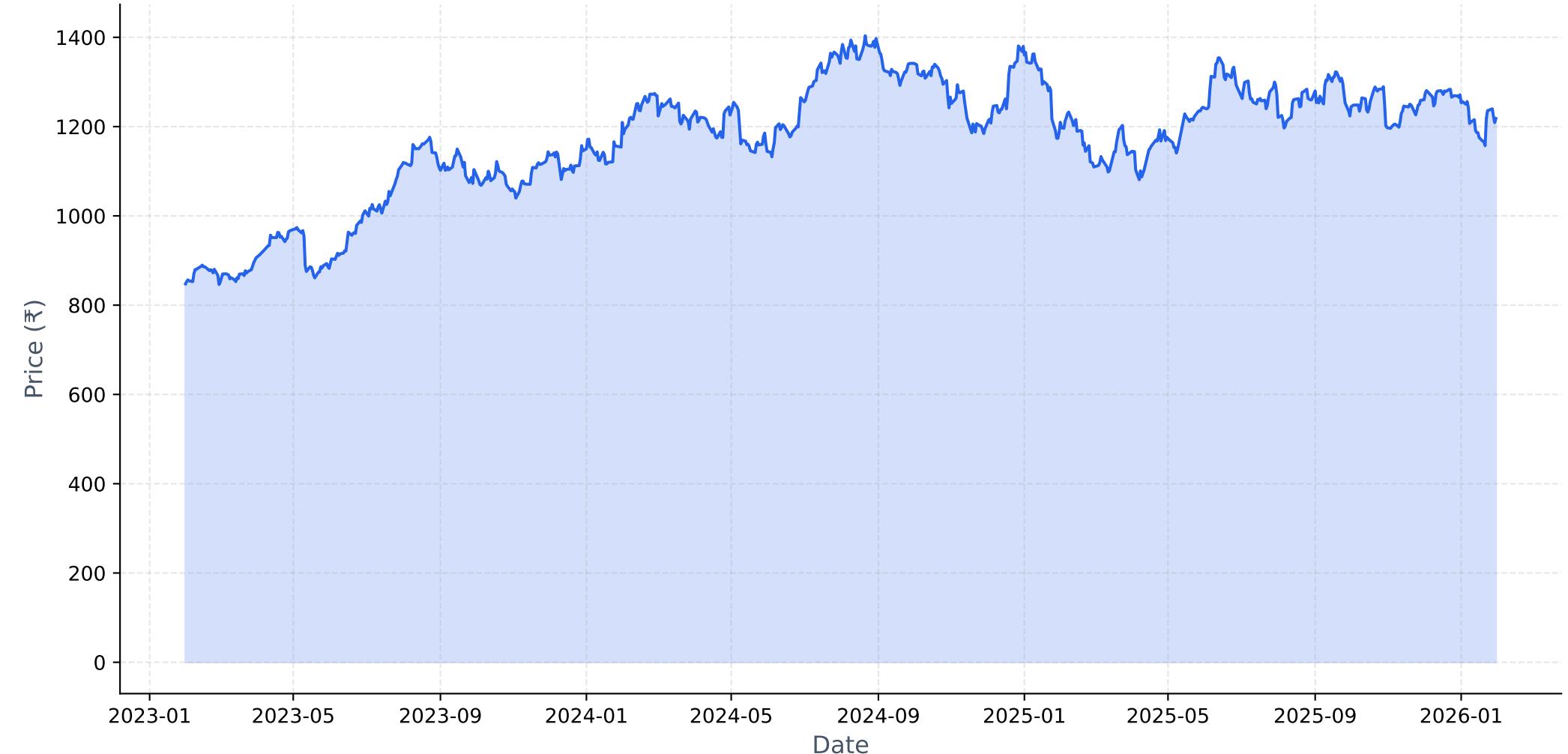
Stock Detailed Analysis Report

DRREDDY.NS

Current Price: ₹1218.10

Generated: 2026-01-31 11:34

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	1.42%	33.68%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	-0.89%	1.09%
Net Income	No	-15.82%	-3.18%
ROE	No	-18.96%	-6.95%
EPS	Yes	-10.88%	4.80%

DRREDDY.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXPHARMA
Sector:	Pharma
Classification:	Weakening Leader
RS Score:	50.3/100
:	

== RS RATIOS ==:

1M RS:	0.996 [Neutral]
3M RS:	1.038 [Leader]
6M RS:	0.978 [Neutral]
1Y RS:	1.009 [Leader]
:	

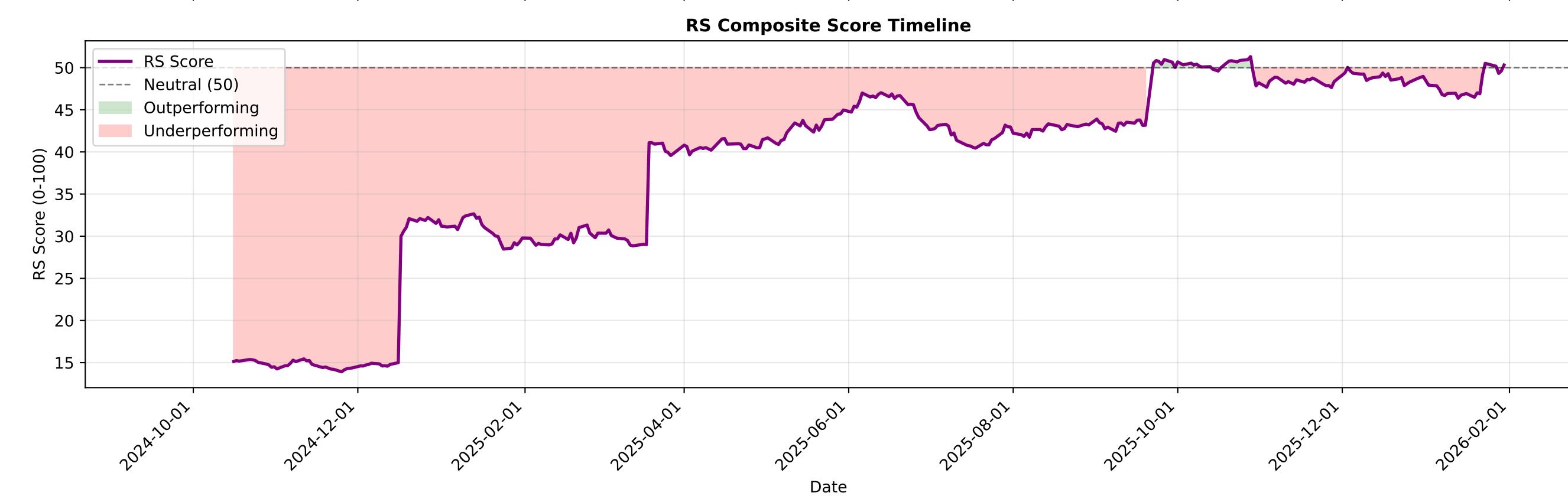
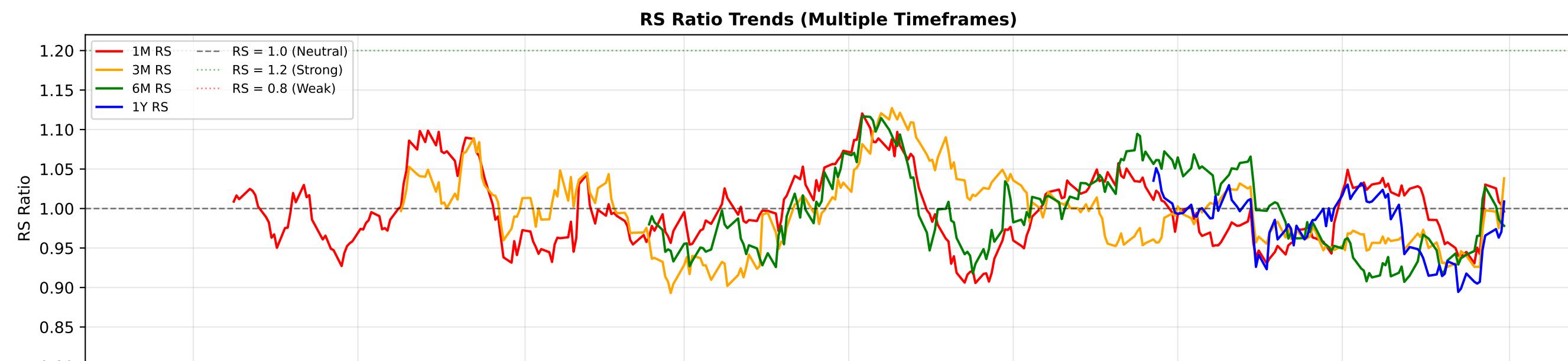
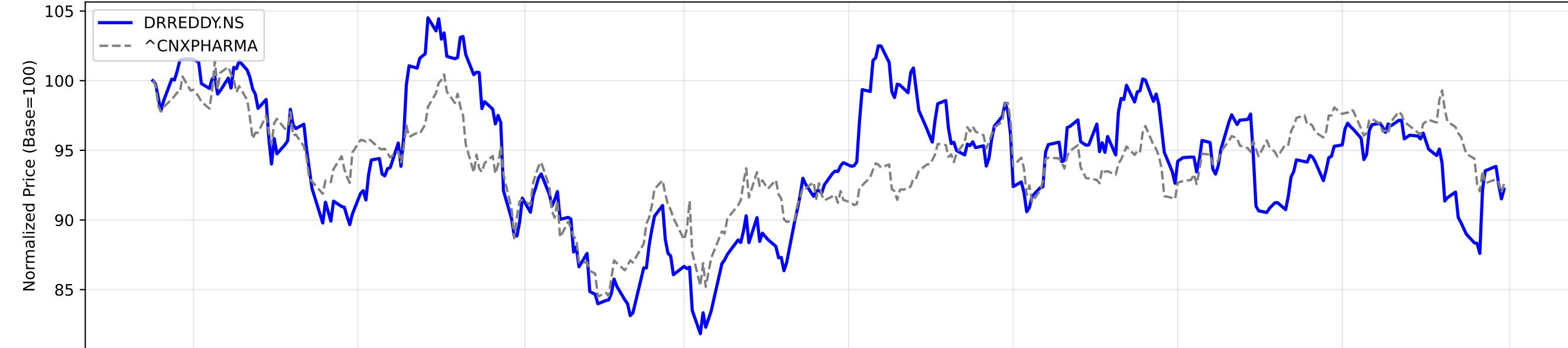
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

SIGNAL CRITERIA::

✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	6M=0.978 (≤ 1.0)
✓ Performance Improving:	3M (-2.6%) > 6M (-5.4%)

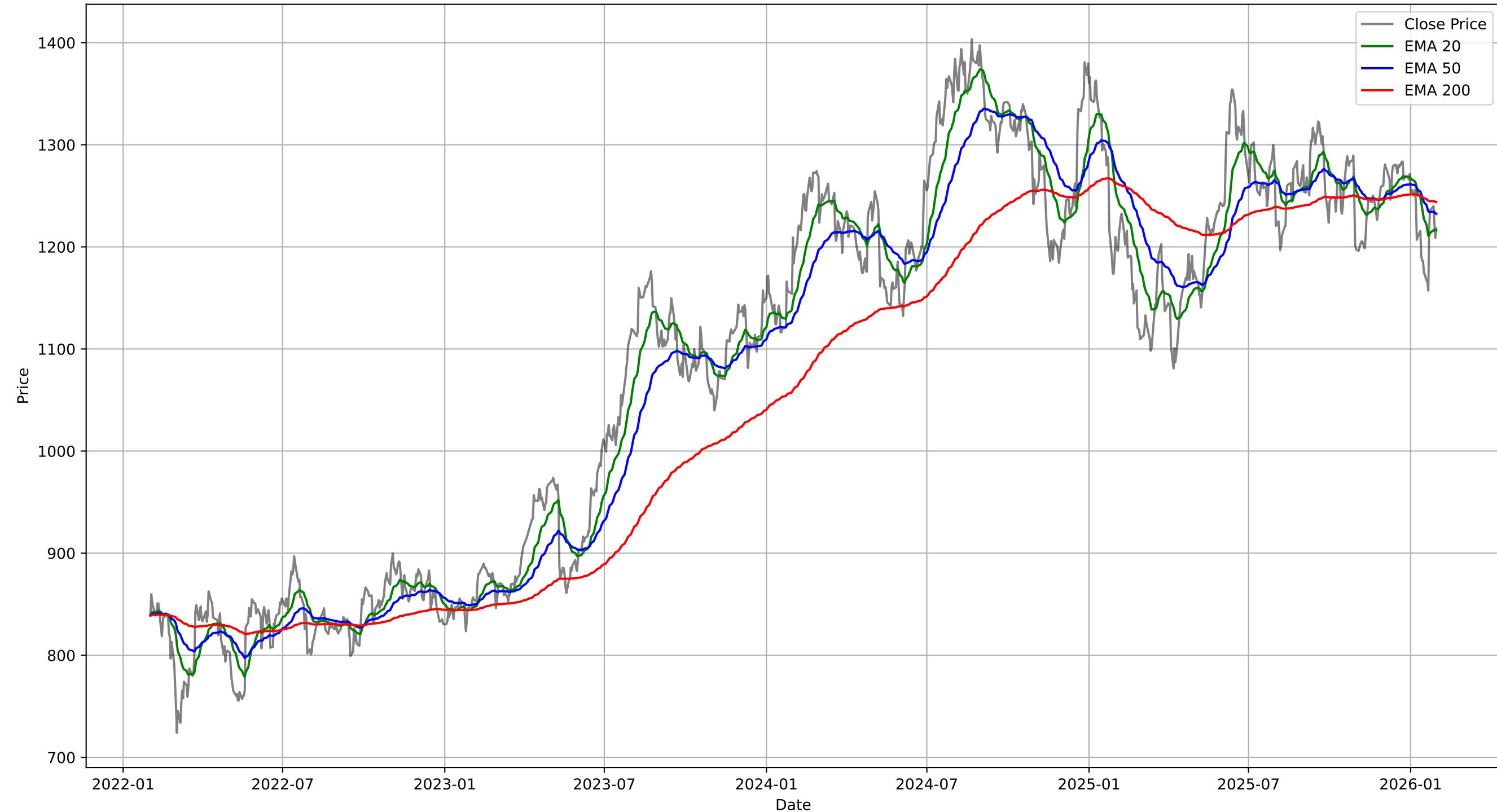
Relative Strength Analysis: DRREDDY.NS vs ^CNXPHARMA
Classification: Weakening Leader
Price Performance Comparison (Normalized)



DRREDDY.NS - EMA Crossover Summary

EMA 20:	1216.28
EMA 50:	1232.41
EMA 200:	1243.91
Trend Status:	Strong Downtrend

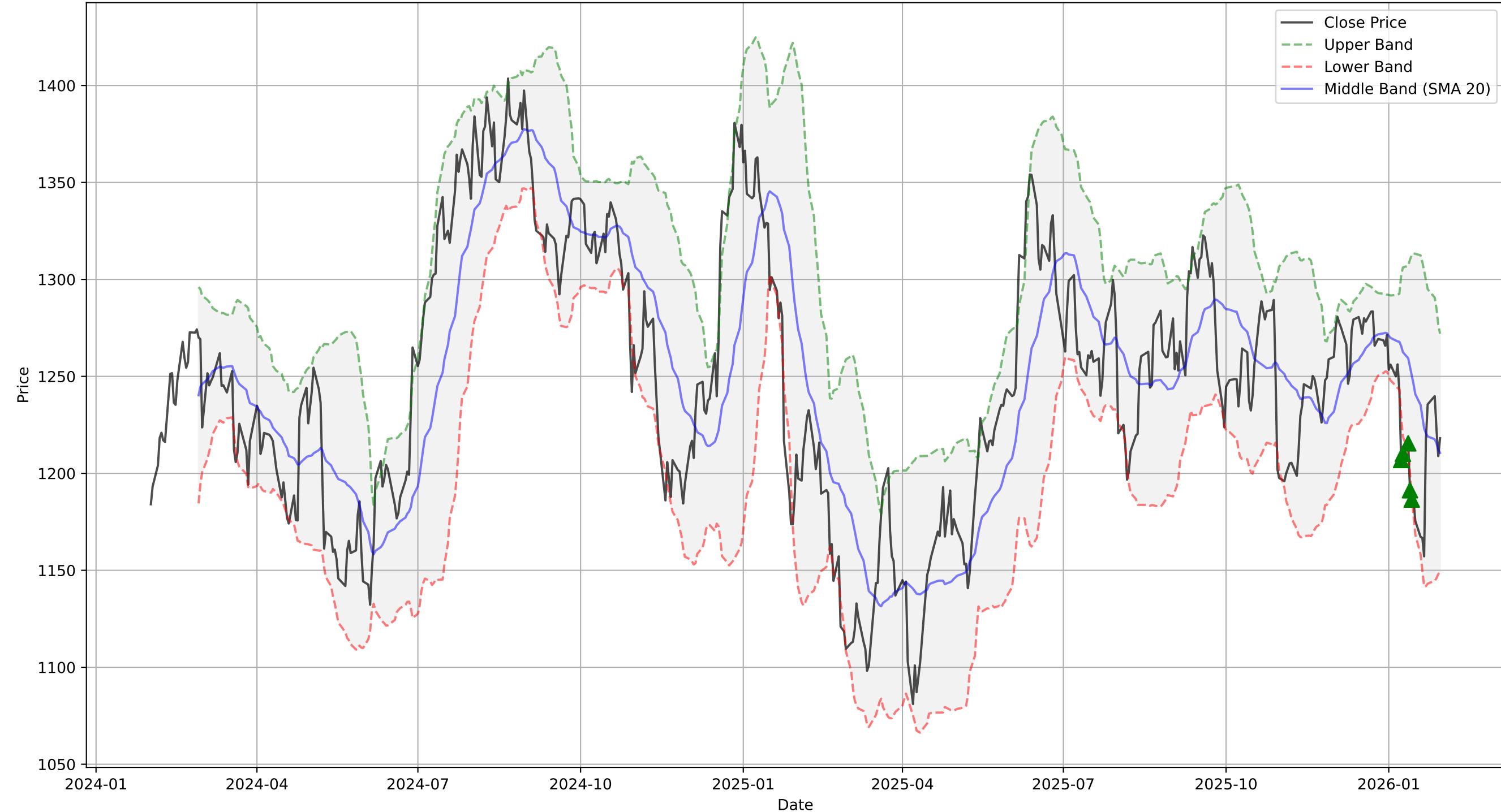
DRREDDY.NS EMA Crossover Analysis



DRREDDY.NS - Bollinger Bands Summary

Current Price:	1218.10
Upper Band:	1271.99
Middle Band (SMA 20):	1210.54
Lower Band:	1149.10
%B:	0.5615
Band Width:	0.1015
Status:	Upper Half
Signal:	None
Recent Signal 1:	Buy Signal at 2026-01-12 00:00:00+05:30
Recent Signal 2:	Buy Signal at 2026-01-13 00:00:00+05:30
Recent Signal 3:	Buy Signal at 2026-01-14 00:00:00+05:30

DRREDDY.NS Bollinger Bands (20, 2) Analysis



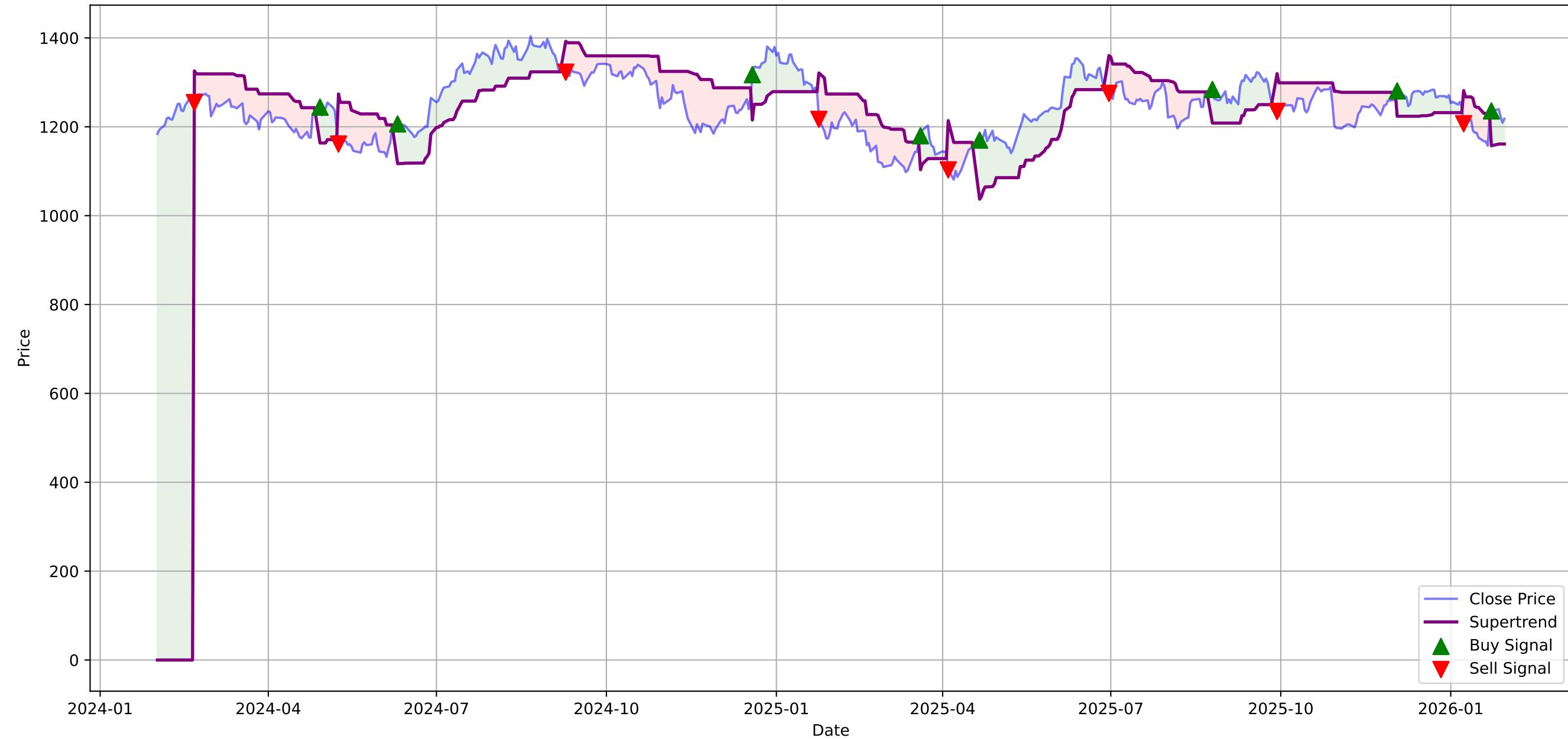
DRREDDY.NS - Supertrend Summary

Status: UPTREND (Buy)

Supertrend Value: 1161.15

Signal Identified On: 2026-01-23

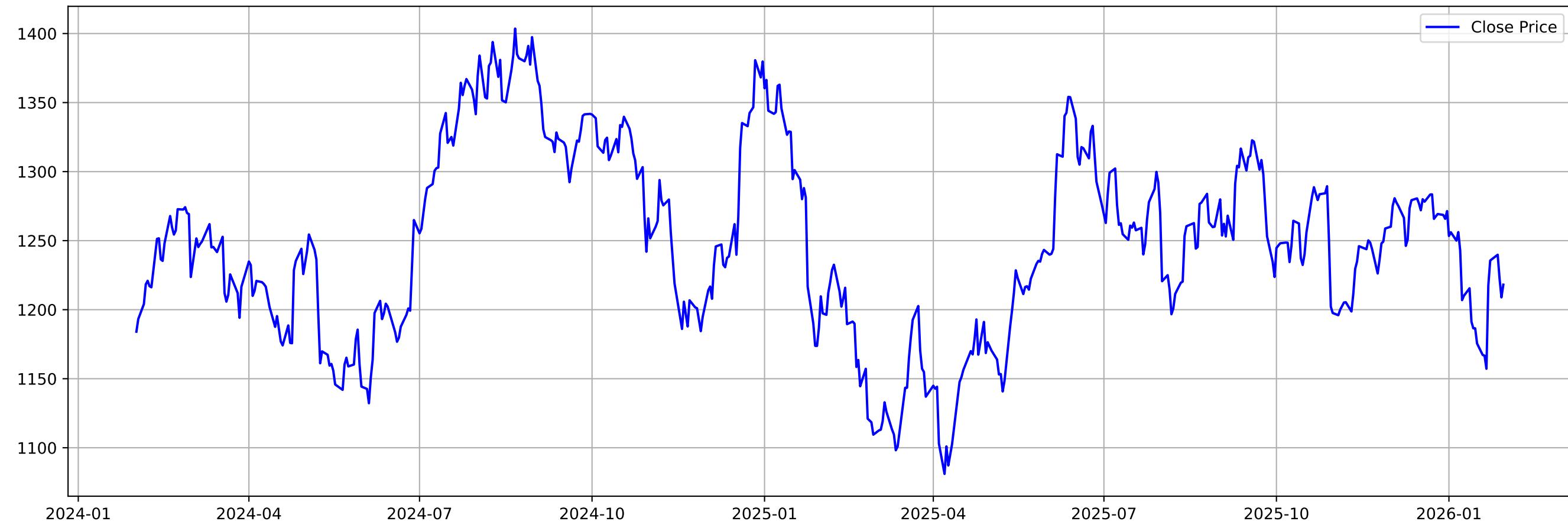
Supertrend Analysis for DRREDDY.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



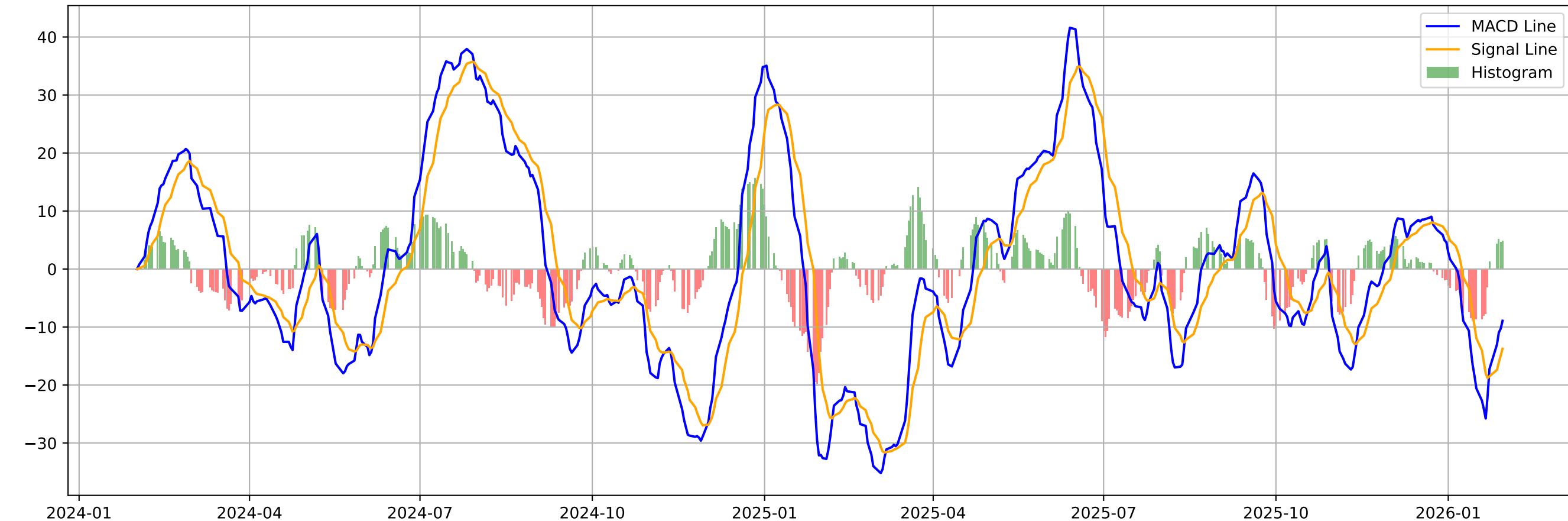
DRREDDY.NS - MACD Summary

MACD Line:	-8.92
Signal Line:	-13.74
Histogram:	4.82
Trend:	Bullish
Momentum:	Strengthening
Signal:	None

DRREDDY.NS Price



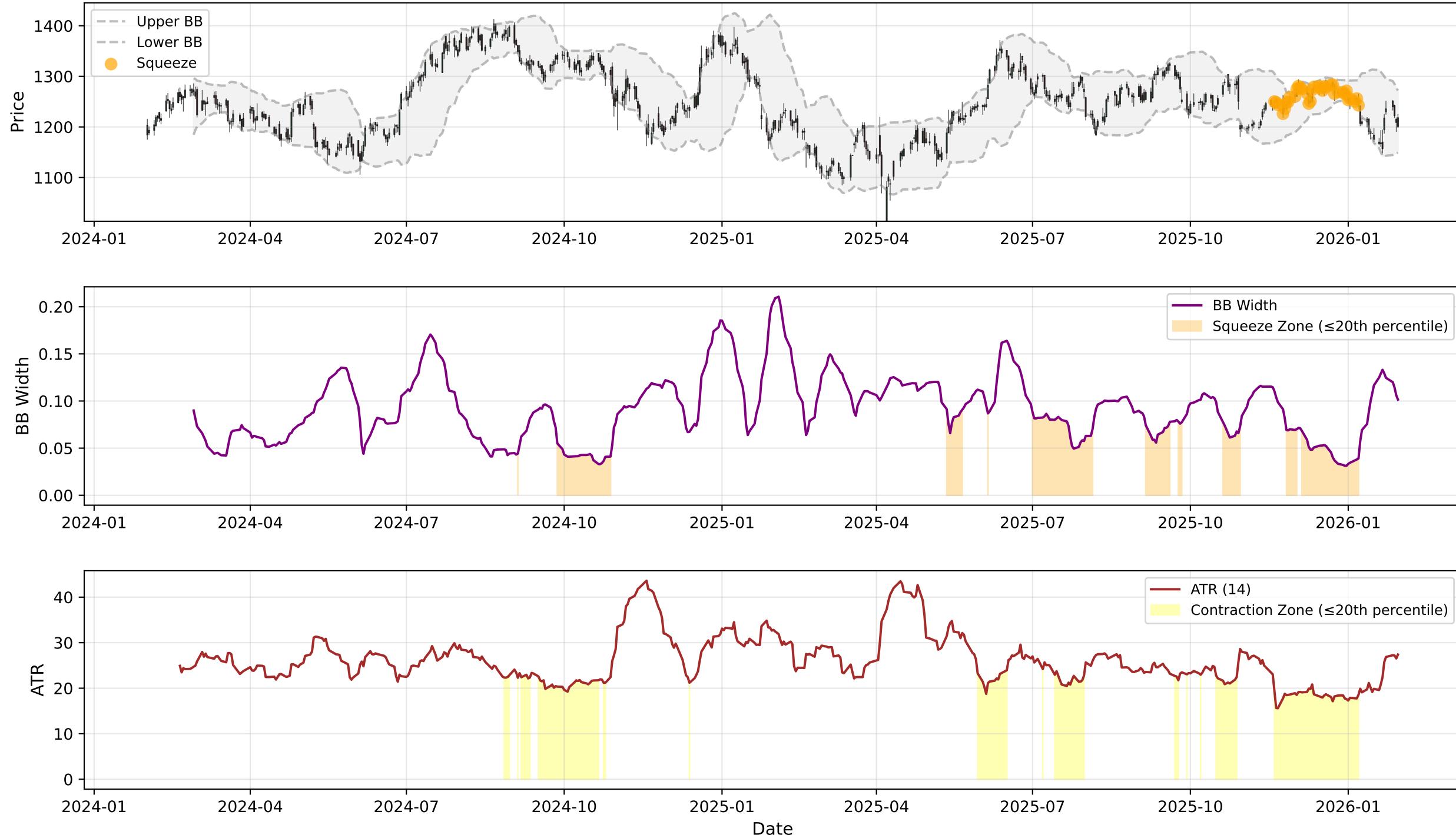
DRREDDY.NS MACD (12, 26, 9)



DRREDDY.NS - Volatility Squeeze Summary

BB Width:	0.1015
ATR:	27.3857
Total Signals:	35
Signal 1:	BB Squeeze + ATR Contraction at 2026-01-01 00:00:00+05:30 (Pr)
Signal 2:	BB Squeeze + ATR Contraction at 2026-01-02 00:00:00+05:30 (Pr)
Signal 3:	BB Squeeze + ATR Contraction at 2026-01-05 00:00:00+05:30 (Pr)
Signal 4:	BB Squeeze + ATR Contraction at 2026-01-06 00:00:00+05:30 (Pr)
Signal 5:	BB Squeeze + ATR Contraction at 2026-01-07 00:00:00+05:30 (Pr)

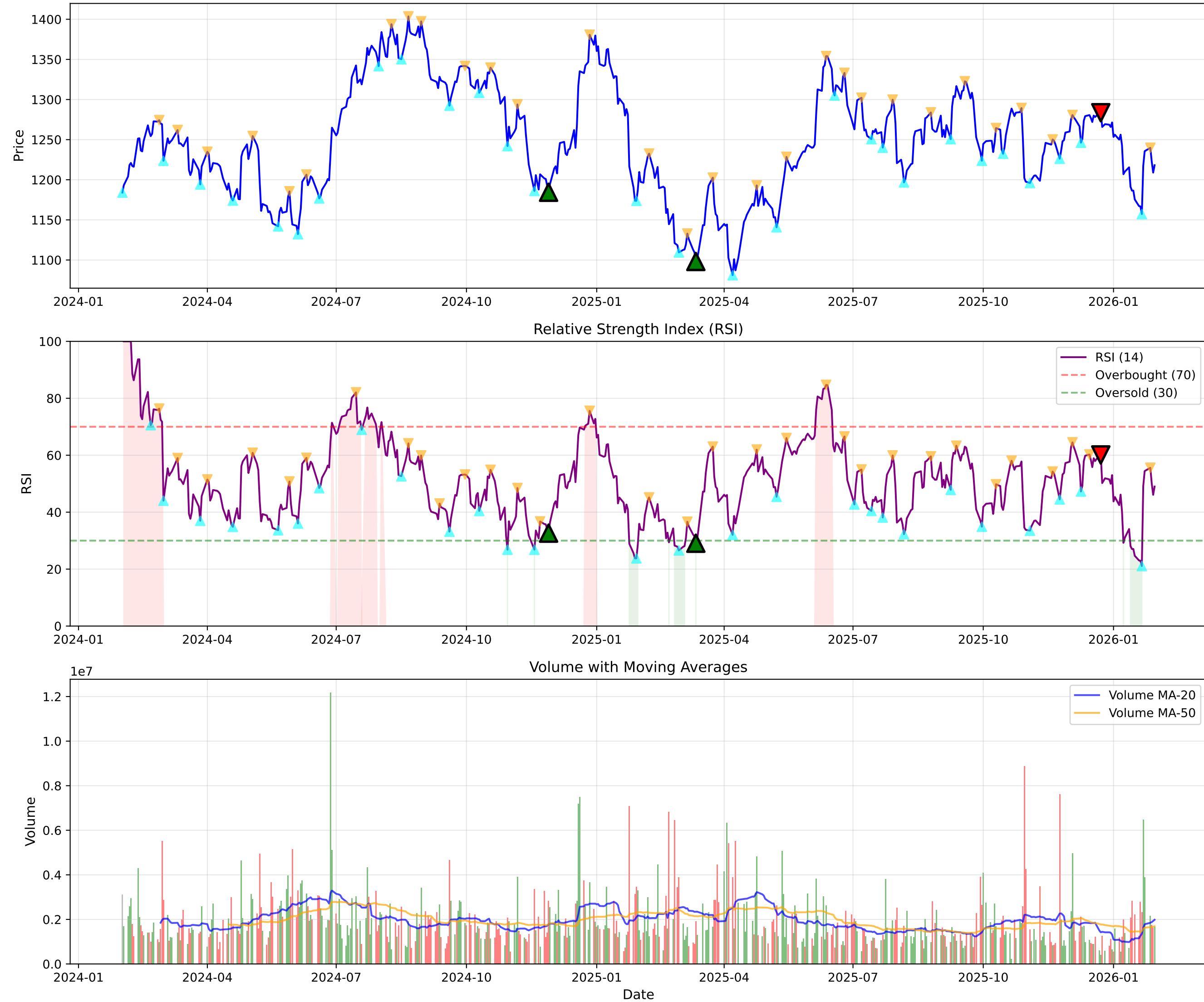
DRREDDY.NS - Volatility Squeeze Analysis



DRREDDY.NS - RSI-Volume Summary

Current RSI:	49.00
Current Volume:	1672295
Volume MA 20:	1983514
Bullish Divergences:	2
Bearish Divergences:	1
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: 2025-12-23 00:00:00+05:30, Price: 1283.50

DRREDDY.NS RSI-Volume Divergence Analysis



DRREDDY.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status: 44 Signals Detected

:

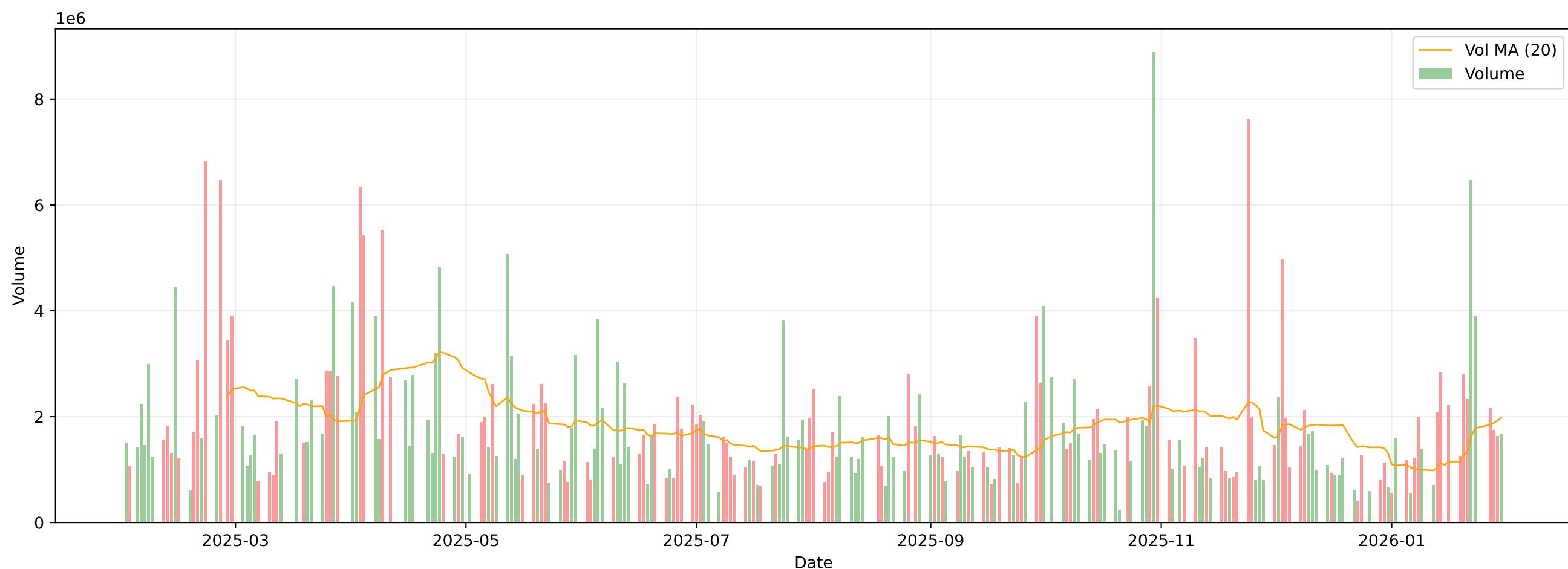
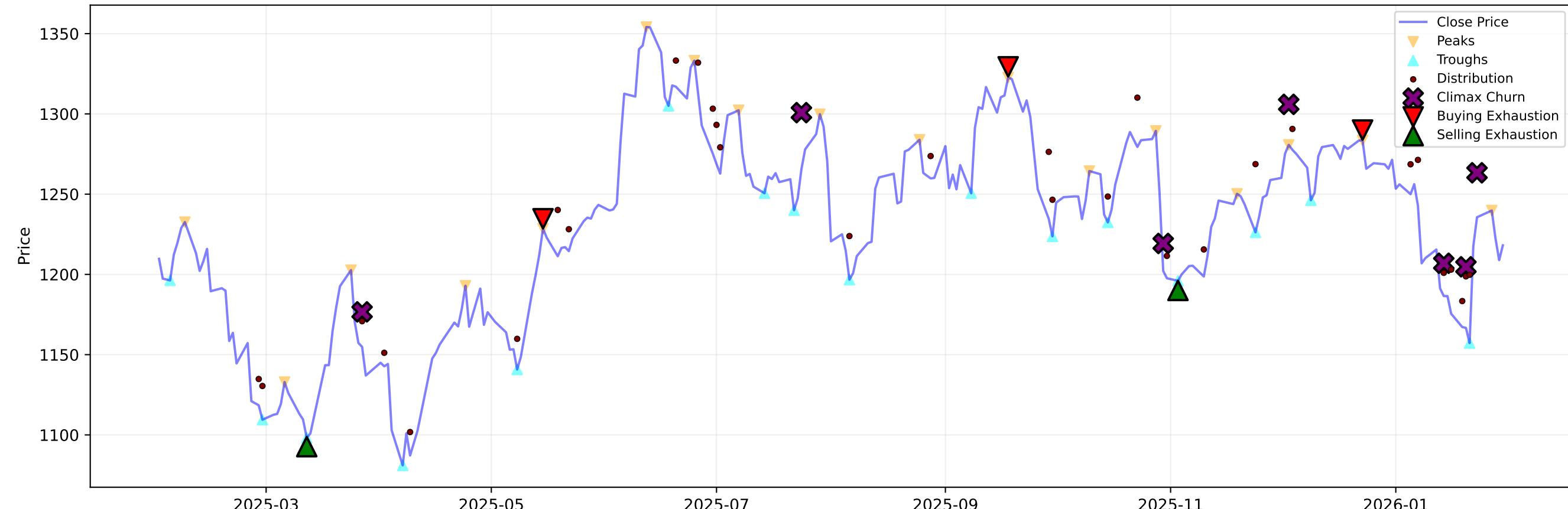
2026-01-19 [-]: Distribution Day

2026-01-20 [-]: Distribution Day

2026-01-21 [-]: Distribution Day

2026-01-23 [-]: Climax Volume (Churning)

DRREDDY.NS - Volume Analysis



Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	1281.01	1218.1	2025-10-27
1 Day	UPTREND (Buy)	1161.15	1218.1	2026-01-23
15 Min	UPTREND (Buy)	1207.31	1218.1	2026-01-29

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Weakening	No Signal
1 Day	Bullish	Strengthening	No Signal
15 Min	Bearish	Weakening	No Signal

DRREDDY.NS - 1 Week (Candlestick + EMAs)



DRREDDY.NS - 1 Day (Candlestick + EMAs)



DRREDDY.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - DRREDDY_main

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Dr. Reddy's Laboratories Ltd. [ⓘ](#)

NSE: DRREDDY | BSE: 500124
Dr. Reddy's Labs Live Share Price Today, Share Analysis and Chart

Mid-range Performer [ⓘ](#) In 3 Starfolio Baskets

1218.10 9.20 (0.76%) **1.7M** NSE+BSE Volume
NSE 30 Jan, 2026 3:31 PM (IST)

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Dr. Reddy's Labs Key Metrics

Market Capitalization > High in industry	101,666.3	PE TTM > Below Industry Median	18.3	PEG TTM > High in industry	5	Price to Book > Above Industry Median	Key Metrics
Institutional holding current Qtr % > Market Leader	63.6	Revenue Growth Qtr YoY % > Below Industry Median	4.4	Operating Revenue growth TTM % > Above Industry Median	11.1	Net Profit Qtr Growth YoY % > Negative Net Profit Qtr Growth YoY %	DVM
Net Profit TTM Growth % > Below Industry Median	3.7	Operating Profit Margin Qtr % > Above Industry Median	21.6	Operating Profit Margin TTM % > Above Industry Median	23.3	Plotroski Score > Below Industry Median	Price Chart
Rel Perf vs Nifty50 quarter% >	3.5	Rel Perf vs Sector quarter% >	5.7	ROE Annual % > Above Industry Median	16.8		Forecaster

All financials are in INR Cr and price data in INR

Durability & Valuation Scores
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Momentum Score [ⓘ](#) **41.4 / 100**
Technically Neutral

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Trendlyne Snapshot - DRREDDY_forecaster

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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 1309, revenue growth forecast of 5.4%, and profit growth estimate of -9.9% for FY26, based on top 39 analyst calls.



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SAMPLE DATA BELOW

