

Gemini Stock Analysis Report

Based on the analysis of the attached **Divi's Laboratories Ltd (DIVISLAB.NS)** report generated on **2026-01-03**, here is the positional trading assessment.

Step 1: Audit the Data

• Data Present:

- **Price Action:** 3-Year Daily Chart, Candlestick patterns.
- **Trend Indicators:** SMA/EMA (20, 50, 200), Supertrend, Relative Strength (RS).
- **Momentum Indicators:** RSI, MACD, Bollinger Bands (Volatility).
- **Fundamental Data:** Revenue/Net Income trends (Long-term & Short-term), Valuation scores.

• Data Missing:

- **Volume Profile:** While daily volume bars are present, a Volume Profile (Price by Volume) is missing to identify specific supply/demand nodes.
- **Weekly/Monthly Charts:** Dedicated higher timeframe charts are not explicitly separated, though the 3-year chart serves as a proxy.

- **Confidence Level: High.** The report provides a comprehensive suite of technical and fundamental metrics sufficient for a standard positional trade decision.
-

Step 2: Analyze the Setup

Current Status: The stock is in a **Corrective Phase within a Long-term Uptrend**.

1. Trend & Structure:

- The stock is currently trading at **INR 6392.50**.
- **Bearish Short-term:** Price is trading *below* the EMA 20 (6412) and EMA 50 (6417). The Supertrend is also in a "Sell" mode (Resistance at 6618).
- **Bullish Long-term:** Price remains *above* the critical EMA 200 (6239), indicating the primary trend is still intact.

2. Momentum & Volatility:

- **MACD:** **Bearish.** The MACD line is below the signal line with negative histograms, confirming downward momentum.
- **RSI:** Neutral/Weak at 47.76. It is not yet oversold, implying there is room for further downside.
- **Volatility Squeeze:** The Bollinger Band width is very tight (0.0445), and the report identifies a "Squeeze." This typically precedes a violent move. Given the price is in the lower band half, the immediate risk is a breakdown, but a bounce is also possible if support holds.

3. Fundamentals & Relative Strength:

- **Weakness:** Short-term fundamentals are deteriorating (Net Income -17.67% QoQ).
- **Lagging:** The stock is classified as a "Weakening Leader" with an RS Score of ~49. It is underperforming the Pharma index in the short term.

Conclusion: The setup lacks confluence for an immediate long entry. The stock is sandwiched between overhead resistance (EMA 20/50 at ~6415) and major support (EMA 200 at ~6240). Buying now is gambling on a support bounce against declining momentum.

Step 3: Formulate the Recommendation

Recommendation: **NO** (Do not enter at current market price).

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Rationale: The stock is technically in a short-term downtrend with immediate overhead resistance. The deteriorating short-term fundamentals and negative MACD suggest the price may test the 200 EMA (approx. 6240) before finding genuine demand. We need technical confirmation of a reversal before committing capital.

Conditional Plan (Watchlist Strategy)

Wait for the stock to reclaim short-term moving averages to confirm the "Squeeze" is resolving to the upside.

- **Condition to Buy:** A Daily Candle **Close above INR 6,450**.
 - *Why:* This clears the confluence of resistance formed by the EMA 20 (6412) and EMA 50 (6417). It proves buyers have absorbed the immediate supply.
- **Entry Price: INR 6,450 - INR 6,460** (On confirmation).
- **Stop Loss: INR 6,190** (Hard Close Basis).
 - *Why:* This is below the critical EMA 200 (6239) and the Lower Bollinger Band (6252). If this level breaks, the long-term trend is violated.
- **Take Profit:**
 - **Target 1: INR 6,785** (Analyst Target & recent consolidation high). ~5.2% Upside.
 - **Target 2: INR 7,000** (Psychological level & Swing High). ~8.5% Upside.

News & Analyst Targets

As a stock research analyst, I have compiled the latest information on **Divi's Laboratories Ltd. (DIVISLAB)** based on the current market data as of the week ending **January 3, 2026**.

1) Latest News for DIVISLAB This Week

- **Regulatory Compliance Filing (January 3, 2026):** Divi's Laboratories submitted its quarterly compliance certificate under Regulation 74(5) of SEBI (Depositories and Participants) Regulations, 2018 for the quarter ended December 31, 2025. This routine filing confirms that all share dematerialization requests were processed successfully and physical certificates were cancelled within the stipulated time.
- **Trading Window Closure (January 1, 2026):** The trading window for dealing in the company's securities has been closed effective January 1, 2026. This is a standard procedure in anticipation of the upcoming declaration of un-audited financial results for the quarter and nine months ended December 31, 2025 (Q3 FY26).
- **Stock Performance:** The stock experienced some pressure this week, closing around **INR 6,392.50** on Friday, January 2, 2026. It registered a weekly decline of approximately **2.35%**, reflecting a broader consolidation in the market.

2) Brokerage Upgrades & Downgrades

While there were no major new rating changes specifically **this week**, there has been significant analyst activity over the last few months (Nov-Dec 2025) following the Q2 earnings and FDA inspections: * **Morgan Stanley (Positive):** In late December 2025, Morgan Stanley maintained a positive stance on Divi's Labs, citing expectations for an **export recovery**. * **HSBC (Buy):** Recent reports indicate HSBC has maintained a

Buy rating but adjusted its target price to **INR 7,400** (from INR 7,700), factoring in near-term valuations. * **Analyst Downgrade (Context):** Around November 2025, some analysts downgraded the stock from

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"Overweight" to "Equal-weight" or "Neutral" following a sharp rally, citing rich valuations despite the strong fundamental outlook. The consensus view currently leans towards "Hold" or "Neutral" due to the stock price already pricing in much of the near-term growth.

3) Other News Impacting DIVISLAB

- **Clean US FDA Inspection (Major Positive):** In November 2025, Divi's Labs received a major boost when the US FDA concluded a general cGMP inspection of its **Unit-I facility** in Telangana with **Zero 483 observations**. This "clean sheet" is a significant differentiator in the Indian pharma sector, reducing regulatory risk and ensuring smooth exports to the US market.
- **Strong Q2 FY26 Financials:** The company recently reported robust Q2 FY26 results (November 2025), with Consolidated Total Income rising **17% YoY** to ~INR 2,860 Cr and Profit After Tax (PAT) jumping **35% YoY** to INR 689 Cr. This growth was largely driven by its **Custom Synthesis (CS)** business and improved margins, which continues to be a key thesis for long-term investors.
- **Strategic Focus:** Management has highlighted strong visibility in its Custom Synthesis business and is making progress on **peptide and contrast media** projects, which are expected to be future growth engines.

4) Latest Analyst Targets for DIVISLAB

The analyst community is currently divided, with a mix of Buy and Hold ratings. The average consensus target suggests limited immediate upside from current levels (approx. INR 6,392), implying the stock is fairly valued.

Brokerage / Source	Rating / Sentiment	Target Price (INR)	Upside/Downside*
JPMorgan	Overweight	7,800	+22.0%
HSBC	Buy	7,400	+15.7%
Jefferies	Buy	7,150	+11.8%
Alpha Spread (Avg)	Positive	6,856	+7.2%
Consensus (Trendlyne)	Hold/Neutral	6,432	+0.6%
Consensus (TipRanks)	Hold	6,400	+0.1%
Consensus (MarketScreener)	Hold	6,392	0.0%

*Upside/Downside calculated based on the recent closing price of ~INR 6,392.

Analyst Summary: The street consensus target is hovering around **INR 6,400**, which aligns closely with the current market price. While bullish analysts (like JPMorgan and HSBC) see value up to INR 7,800 driven by the Custom Synthesis recovery, conservative estimates are capping gains due to high valuation multiples.

Stock Detailed Analysis Report

DIVISLAB.NS

Current Price: ₹6392.50

Generated: 2026-01-03 12:45

DIVISLAB.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	Yes	19.61%	1.95%
Net Income	No	Yes	36.94%	-9.55%
ROE	No	Yes	24.15%	-16.61%
EPS	No	Yes	36.93%	-9.55%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	-5.49%	3.51%
Net Income	Yes	-17.67%	7.20%
ROE	Yes	18.95%	18.95%
EPS	Yes	15.62%	17.07%

DIVISLAB.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXPHARMA
Sector:	Pharma
Classification:	Weakening Leader
RS Score:	49.4/100
:	

== RS RATIOS ==:

1M RS:	0.993 [Neutral]
3M RS:	1.033 [Leader]
6M RS:	0.895 [Neutral]
1Y RS:	1.049 [Leader]
:	

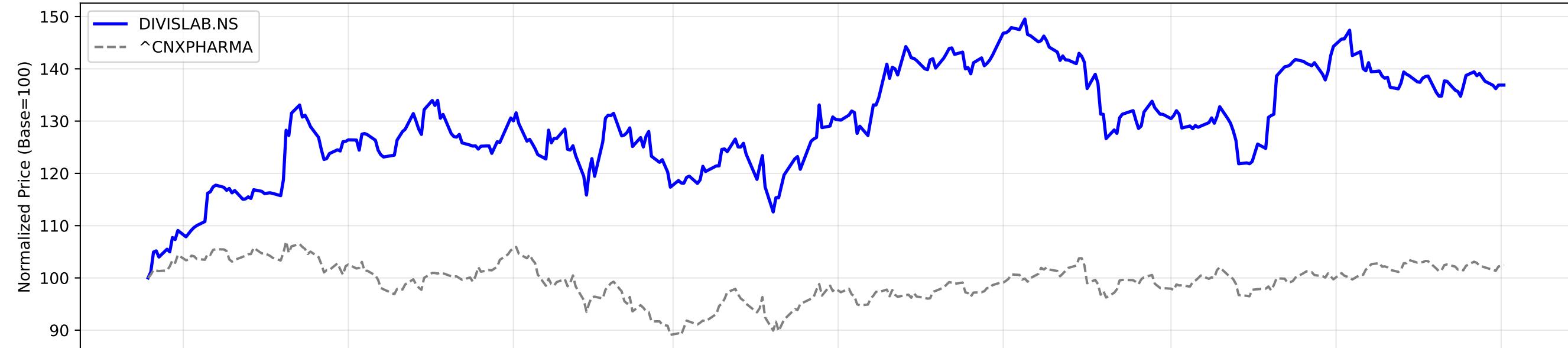
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

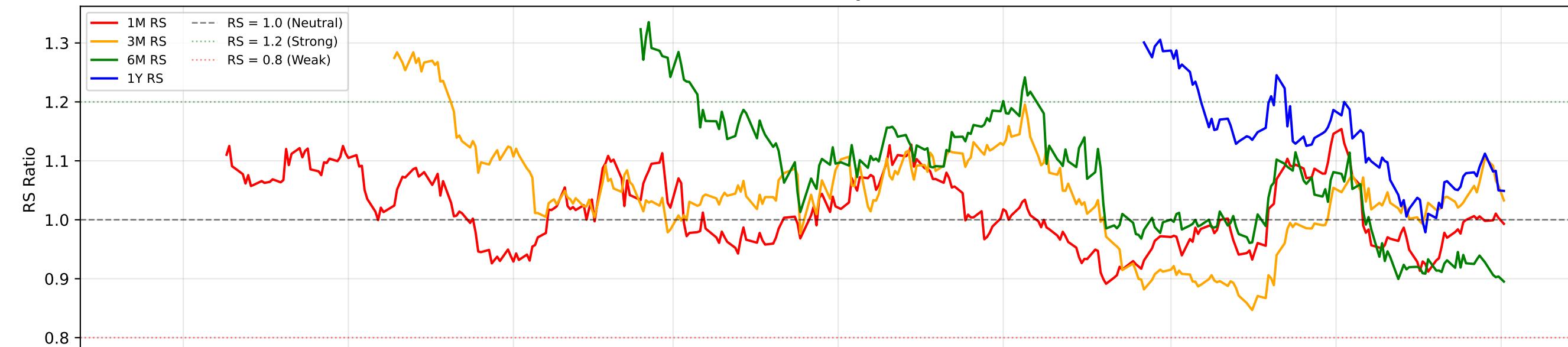
SIGNAL CRITERIA::

✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	6M=0.895 (≤ 1.0)
✓ Performance Improving:	3M (+12.0%) > 6M (-6.8%)

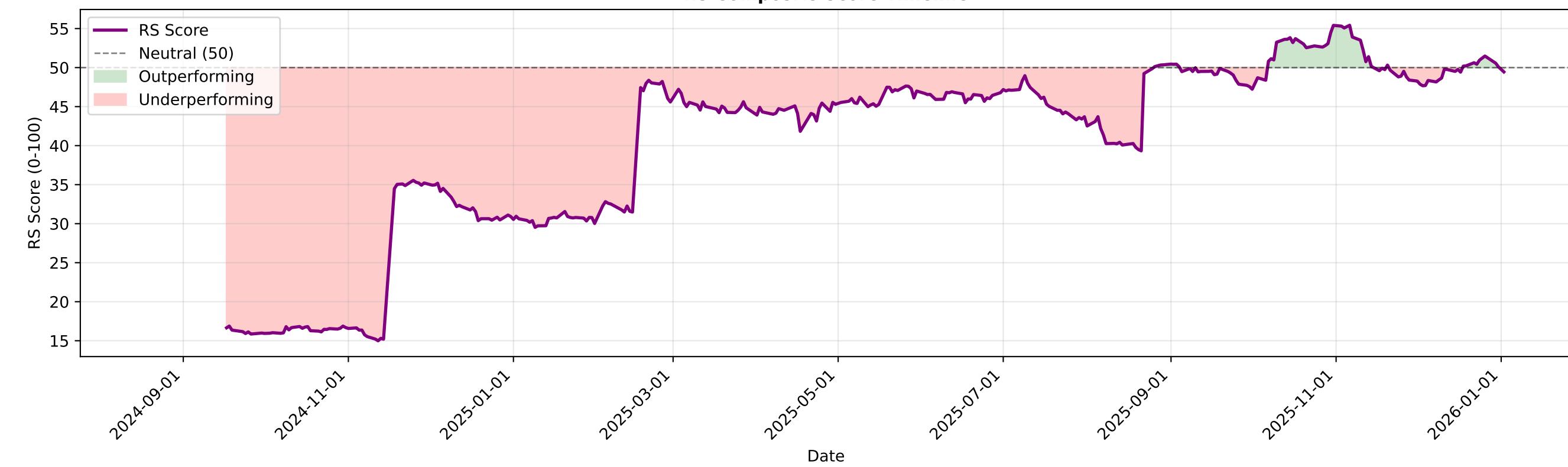
Relative Strength Analysis: DIVISLAB.NS vs ^CNXPHARMA
Classification: Weakening Leader
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



DIVISLAB.NS - EMA Crossover Summary

EMA 20:	6412.74
EMA 50:	6417.95
EMA 200:	6239.32
Trend Status:	Short-term Downtrend
Golden Cross Date:	2024-05-29 00:00:00
Golden Cross Price:	4448.00

DIVISLAB.NS EMA Crossover Analysis



DIVISLAB.NS - Bollinger Bands Summary

Current Price:	6392.50
Upper Band:	6537.02
Middle Band (SMA 20):	6394.82
Lower Band:	6252.63
%B:	0.4918
Band Width:	0.0445
Status:	Lower Half
Signal:	None

DIVISLAB.NS Bollinger Bands (20, 2) Analysis



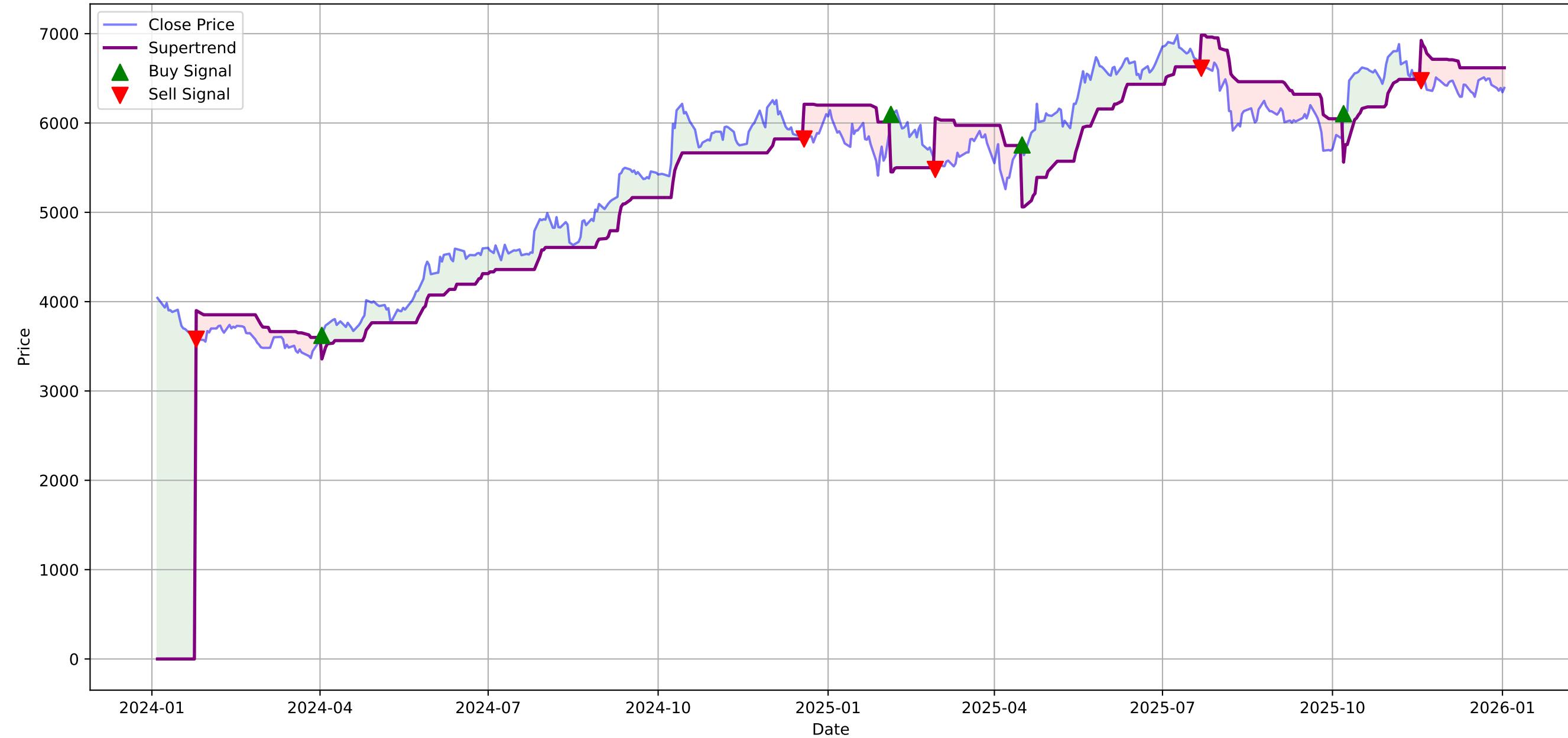
DIVISLAB.NS - Supertrend Summary

Status: DOWNTREND (Sell)

Supertrend Value: 6618.14

Signal Identified On: 2025-11-18

SuperTrend Analysis for DIVISLAB.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



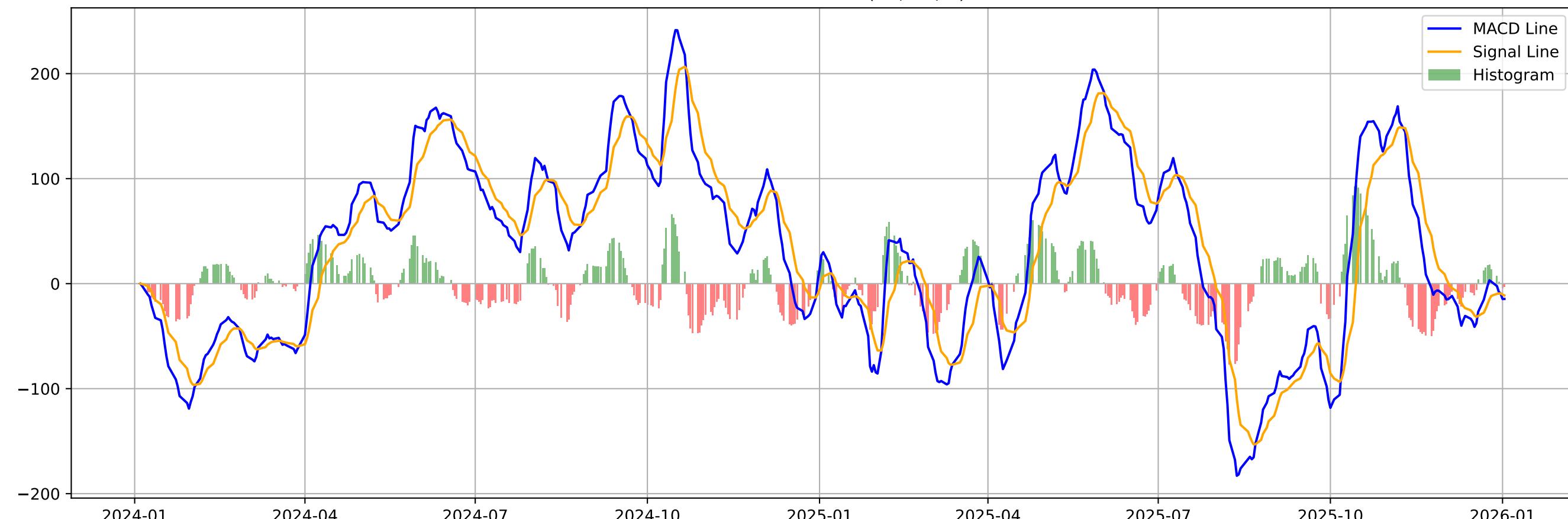
DIVISLAB.NS - MACD Summary

MACD Line:	-14.57
Signal Line:	-11.26
Histogram:	-3.31
Trend:	Bearish
Momentum:	Weakening
Signal:	None
Divergences Detected:	1
└ Bearish Divergence:	Date: 2025-12-22 00:00:00, Price: 6511.50

DIVISLAB.NS Price



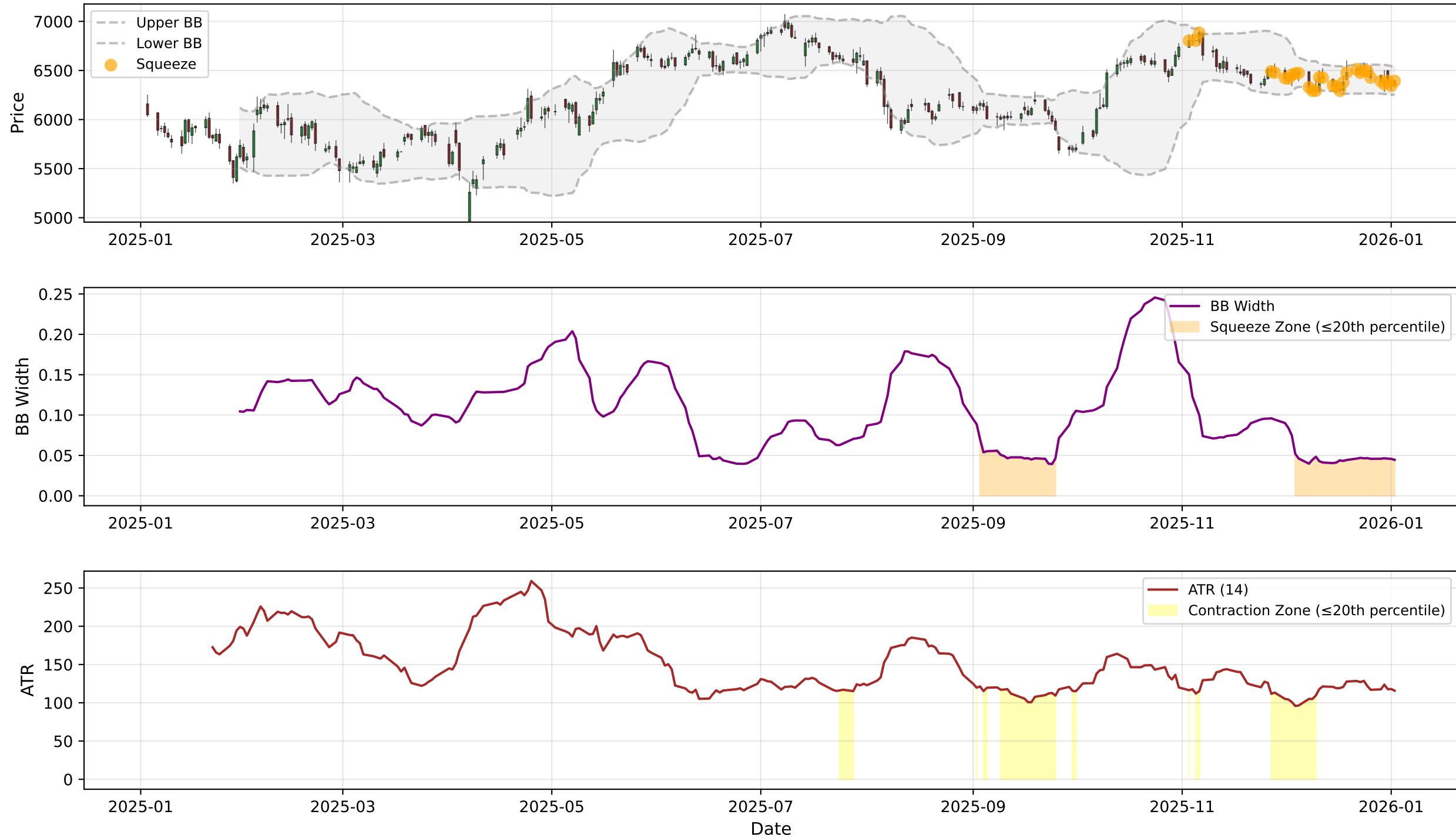
DIVISLAB.NS MACD (12, 26, 9)



DIVISLAB.NS - Volatility Squeeze Summary

BB Width:	0.0445
ATR:	115.8214
Total Signals:	30
Signal 1:	BB Squeeze at 2025-12-29 00:00:00 (Price: 6390.50)
Signal 2:	BB Squeeze at 2025-12-30 00:00:00 (Price: 6360.50)
Signal 3:	BB Squeeze at 2025-12-31 00:00:00 (Price: 6392.50)
Signal 4:	BB Squeeze at 2026-01-01 00:00:00 (Price: 6344.00)
Signal 5:	BB Squeeze at 2026-01-02 00:00:00 (Price: 6392.50)

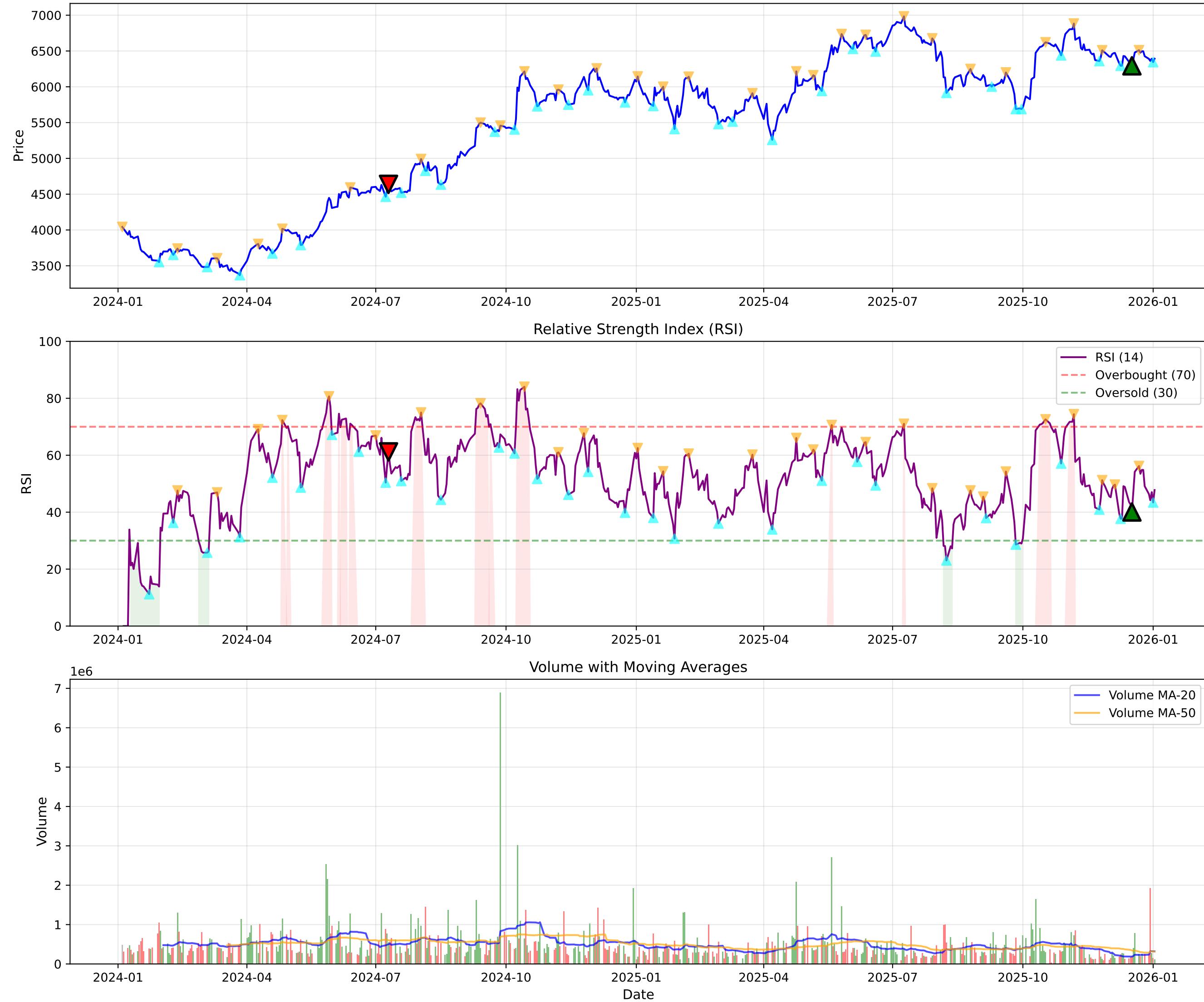
DIVISLAB.NS - Volatility Squeeze Analysis



DIVISLAB.NS - RSI-Volume Summary

Current RSI:	47.76
Current Volume:	108528
Volume MA 20:	320592
Bullish Divergences:	1
Bearish Divergences:	1
Bullish Div 1:	Date: 2025-12-17 00:00:00, Price: 6293.00
Bearish Div 1:	Date: 2024-07-10 00:00:00, Price: 4636.95

DIVISLAB.NS RSI-Volume Divergence Analysis



Trendlyne Snapshot - DIVISLAB_main

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Divi's Laboratories Ltd. [ⓘ](#)

NSE: DIVISLAB | BSE: 532488
Divi's Laboratories Live Share Price Today, Share Analysis and Chart

■ ■ ■ Expensive Performer [ⓘ](#) ○ In 2 Starfolio Baskets

6392.50 48.50 (0.76%) ↑ 29.01% Gain from 52W Low

114.6K NSE+BSE Volume NSE 02 Jan, 2026 3:31 PM (IST)

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Durability score ⓘ 75.0 /100 High Financial Strength	Valuation Score ⓘ 26.0 /100 Expensive Valuation	Momentum Score ⓘ 44.4 /100 Technically Neutral	Analyst Price Target ⓘ 6,785 1Yr Price target upside is 6%
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■ ■ ■ Embed DVM [ⓘ](#)

Check Before You Buy [VIEW FULL CHECKLIST](#)
 High rank **16** Positive * **7** Negative 69.6% Pass in checklist

PE Valuation Check
 Right Now [ⓘ](#) Overvalued -11.1% 1 Year Forward [ⓘ](#) Overvalued -7.7%

IN SIGHT Divi's Laboratories is overvalued at both current PE and future earnings estimates.

Divi's Laboratories Key Metrics

ROE Ann.% ⓘ Above industry Median	14.6	Broker Average Target ⓘ 0.63% upside	6,432.5	Market Capitalization ⓘ Market Runner Up	169,700.8	Price to Book ⓘ High in industry
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NSE: DIVISLAB | BSE: 532488
■ ■ ■ Expensive Performer [ⓘ](#) ○ In 2 Starfolio Baskets

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Divi's Laboratories - DIVISLAB - stock price prediction, stock forecast, target price, analyst ratings from 30 analysts

Divi's Laboratories has a share price target of Rs 6785, revenue growth forecast of 14.7%, and profit growth estimate of 17.9% for FY26, based on top 30 analyst calls.

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