

Based on the comprehensive 23-page analysis report provided for **DRREDDY.NS**, here is the positional trading assessment.

Step 1: Audit the Data

- * **Data Present:**
 - * **Price Structure:** Daily and Weekly candlesticks with EMA clusters (20, 50, 200).
 - * **Trend Indicators:** Supertrend (Multi-timeframe), MACD, and EMA crossover analysis.
 - * **Momentum & Volatility:** RSI (with divergence detection), Bollinger Bands, and ATR/Volatility Squeeze analysis.
 - * **Volume & Breadth:** Volume moving averages, "Distribution Day" counts, and Accumulation/Distribution markers.
 - * **Relative Strength:** RS Score, Ratio charts vs. Benchmark (CNXPHARMA).
 - * **Fundamentals:** Revenue/EPS trends and analyst estimates.
- * **Data Missing:**
 - * No significant data is missing for a technical positional trade analysis. The report is exhaustive.
- * **Confidence Level:** **High**.
 - * *Note on Time:* The report displays a generated date of **2026-01-17**. I will analyze this as if "today" is Jan 17, 2026, treating the data as the current market reality provided by your system.

Step 2: Analyze the Setup

- * **Trend Direction (Bearish):**
 - * The stock is in a **Strong Downtrend**. Price (1175.50) is below the EMA 20 (1227), EMA 50 (1243), and EMA 200 (1247) (Page 6).
 - * The **Supertrend** is in a "Sell" state across Weekly, Daily, and 15-minute timeframes (Page 20), indicating fractal weakness.
 - * The EMA 20 has recently crossed below the EMA 200 (Death Cross vicinity), confirming intermediate-term weakness.
- * **Momentum & Oscillators (Potential Reversal):**
 - * **RSI is Oversold:** Currently at **24.18** (Page 16). This is historically a zone where technical bounces occur.
 - * **Bullish Divergence:** The report notes **2 Bullish Divergences** (Page 16 & 17). Price is making lower lows while RSI is making higher lows. This is the strongest argument for a pending reversal.
 - * **Bollinger Bands:** The stock is hugging the Lower Band, and the report flags "Buy Signals" for Jan 12-14 (Page 8), suggesting a mean reversion is imminent.
- * **Volume & Strength (Weak):**
 - * **Relative Strength:** The RS Score is 46.4/100 (Neutral/Weak) and lagging the pharma sector (Page 4).
 - * **Distribution:** There are "Distribution Day" signals on Jan 5, 7, 14, and 16 (Page 18). This indicates institutional selling into the drop, which usually caps upside potential until volume dries up or buying pressure emerges.
- * **Confluence Verdict:**
 - * We have a "Falling Knife" scenario. While the RSI divergence and oversold conditions scream "bounce," the heavy volume selling and broken moving average structure make an immediate entry high-risk. The trend has not yet confirmed the momentum signal.

Step 3: Formulate the Recommendation

Decision: NO.

Do not enter a long position immediately at current market price (1175.50).

Reasoning:

Despite the attractive RSI divergence, buying now is counter-trend trading. The "Strong Downtrend" status and multiple "Distribution Days" suggest selling pressure is still active. The stock faces a "wall of resistance" between 1227 and 1247 (the EMA cluster and Supertrend). A rejection at these levels is highly probable unless a strong catalyst reverses the trend.

Conditional Plan (Watchlist):

A trade setup becomes valid only if the price can reclaim short-term trend indicators, confirming that the "Oversold" signal has transitioned into a "Reversal."

* **Condition to Buy:** Daily Close above EMA 20 (approx. 1228).**

* *Rationale:* Crossing the EMA 20 usually signifies the end of the immediate downward momentum. It also clears the path toward the Supertrend (1243) and EMA 200 (1247).

* **Entry Price:** 1230 - 1235 (Buy Stop order just above the EMA 20).

* **Stop Loss:** 1170 (Hard stop).

* *Rationale:* This places risk below the current swing low/support. If 1170 breaks, the RSI divergence has failed, and the downtrend continues.

* **Take Profit:** 1310 - 1350**.

* *Rationale:* 1311 is the current Upper Bollinger Band (Page 8). 1350 represents the previous consolidation zone and recent highs. This offers a Risk/Reward ratio of approximately 1:2.

News & Analyst Targets

As a stock research analyst, I have compiled the latest news, analyst ratings, and target prices for **Dr. Reddy's Laboratories (DRREDDY)** for the week ending January 17, 2026.

1) Latest News for DRREDDY (Week of Jan 12-17, 2026)

* **US FDA Post-Application Action Letter (PAAL):** On **January 10, 2026**, Dr. Reddy's received a PAAL from the US FDA regarding its biologics manufacturing facility in Bachupally, Hyderabad. This letter follows a Pre-Approval Inspection (PAI) conducted earlier. The company has stated it will work closely with the FDA to address the queries outlined in the letter.

* **First-to-Market Product Launch in US:** On **January 14, 2026**, the company launched the first generic version of **Pataday® Extra Strength** (Olpatadine Hydrochloride Ophthalmic Solution USP, 0.7%) in the US market. This Over-the-Counter (OTC) eye drop targets allergy relief and addresses a market worth approximately **\$69.9 million** annually.

* **Upcoming Q3 Earnings:** The company is scheduled to release its financial results for the quarter ended December 31, 2025, on **Wednesday, January 21, 2026**.

* **Stock Performance:** The stock witnessed mixed trading this week, hovering in the **INR 1,180 - INR 1,215** range, reacting to the FDA news and the broader sector weakness.

2) Upgrade or Downgrade from Brokerages

* **Jefferies (Negative Outlook):** On **January 8, 2026**, Jefferies issued a cautious note on the Indian pharma sector, specifically flagging Dr. Reddy's as **"most exposed"** to the declining sales of generic Revlimid (gRevlimid) in the US. They maintained an **Underperform** stance, forecasting a challenging first half of 2026 for the company.

* **Kotak Institutional Equities:** Maintains a **Reduce** rating as of early January 2026, citing valuation concerns and the expected decline in US generic pricing power.

* **Motilal Oswal:** Maintains a **Neutral** rating, reiterating that current valuations adequately reflect the company's near-term growth prospects.

3) Other News Impacting DRREDDY

- * **Sector-Wide "gRevlimid Cliff":** A major theme impacting Dr. Reddy's this week is the broader industry expectation of a "challenging H1 2026." Analysts predict a significant drop in revenue from **gRevlimid** (a cancer drug generic) as competition intensifies, which has been a major profit driver for Dr. Reddy's in recent quarters.
- * **Regulatory Headwinds:** The receipt of the PAAL from the US FDA highlights continued regulatory scrutiny on Indian pharma facilities. While not a warning letter, it indicates unresolved queries that could delay approval for key biologic products from the Bachupally unit.

4) Latest Analyst Targets (January 2026)

The following table summarizes the latest available price targets and recommendations from major brokerage firms and consensus estimates.

Brokerage Firm	Rating / Recommendation	Target Price (INR)	Report Date / Status
:--- :--- :--- :---			
Sharekhan Hold **1,302** Maintains (Nov 2025 View)			
Motilal Oswal Neutral **1,250** Re-iterated Dec 2025/Jan 2026			
Jefferies Underperform **1,130*** Maintained Outlook (Jan 2026)			
Kotak Inst. Equities Reduce **~1,180** Sector Report (Jan 2026)			
Consensus **HOLD** **1,294** Market Average (Jan 13, 2026)			

**Note: Jefferies target is implied from recent adjustments cited in market reports maintaining the Underperform rating.*

Analyst View: The consensus view is currently cautious (**Hold/Neutral**). While the new OTC launch in the US is a positive development for the consumer health portfolio, the looming decline in high-margin gRevlimid sales and regulatory delays (FDA PAAL) are weighing on near-term sentiment. All eyes are on the **January 21st earnings call** for management guidance on these issues.

Stock Detailed Analysis Report

DRREDDY.NS

Current Price: ₹1175.50

Generated: 2026-01-17 18:00

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: 46.4/100

:

== RS RATIOS ==:

1M RS: 0.939 [Neutral]

3M RS: 0.910 [Neutral]

6M RS: 0.943 [Neutral]

1Y RS: 0.916 [Neutral]

:

== TURNAROUND ANALYSIS ==:

Turnaround Status: !! DETECTED !!

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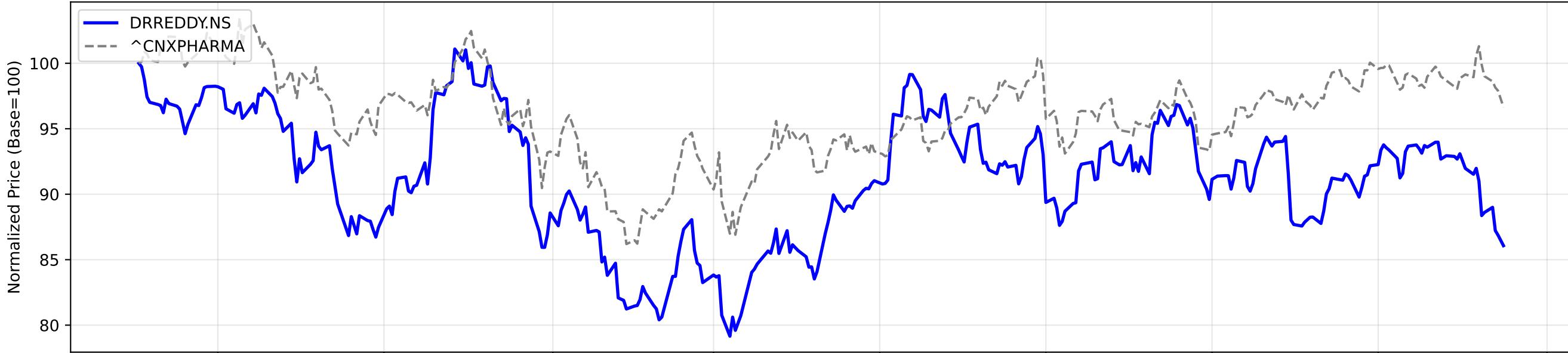
SIGNAL CRITERIA::

✓ **Emerging RS:** 1M (0.939) > 3M (0.910)

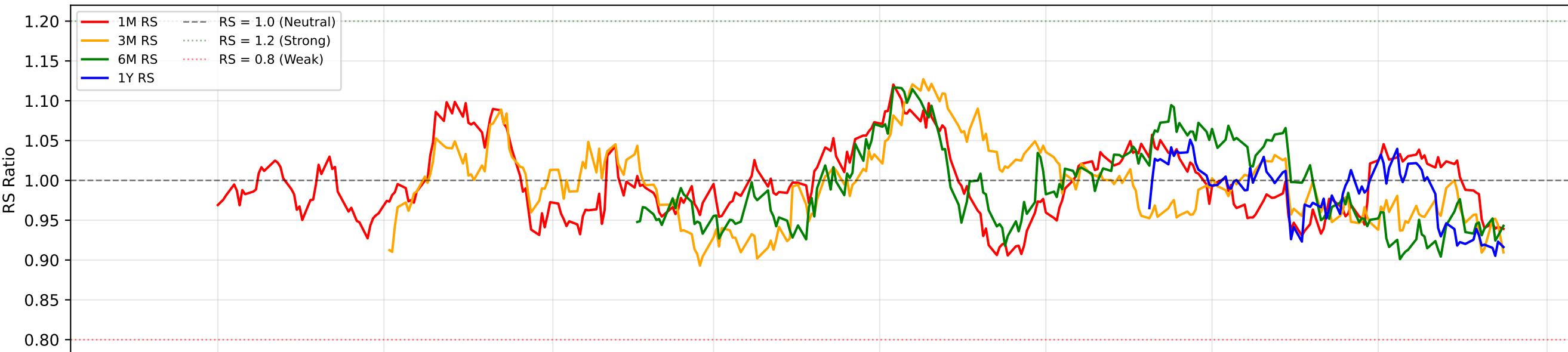
✓ **Medium-term Lagging:** 6M=0.943, 1Y=0.916 (≤ 1.0)

✓ **Performance Improving:** 3M (-4.6%) > 6M (-6.8%)

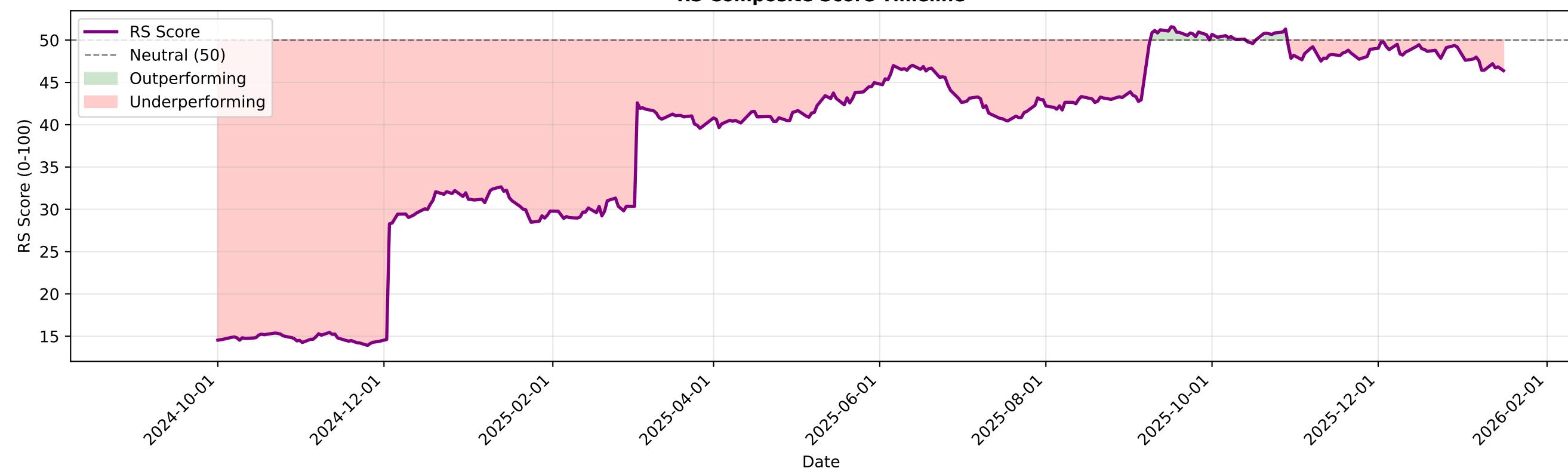
Relative Strength Analysis: DRREDDY.NS vs ^CNXPHARMA
Classification: Neutral
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



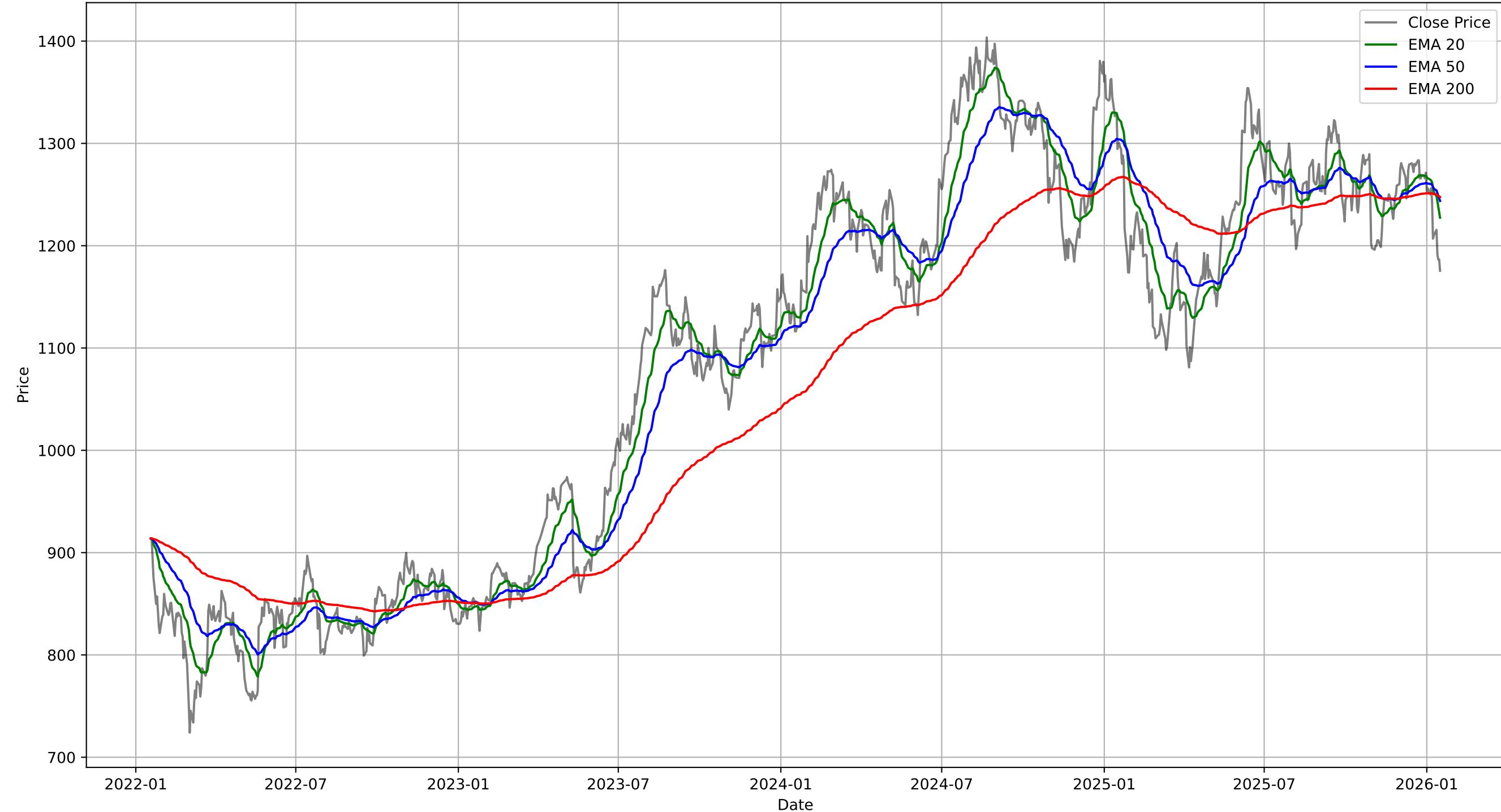
RS Composite Score Timeline



DRREDDY.NS - EMA Crossover Summary

EMA 20:	1227.39
EMA 50:	1243.78
EMA 200:	1247.48
Trend Status:	Strong Downtrend

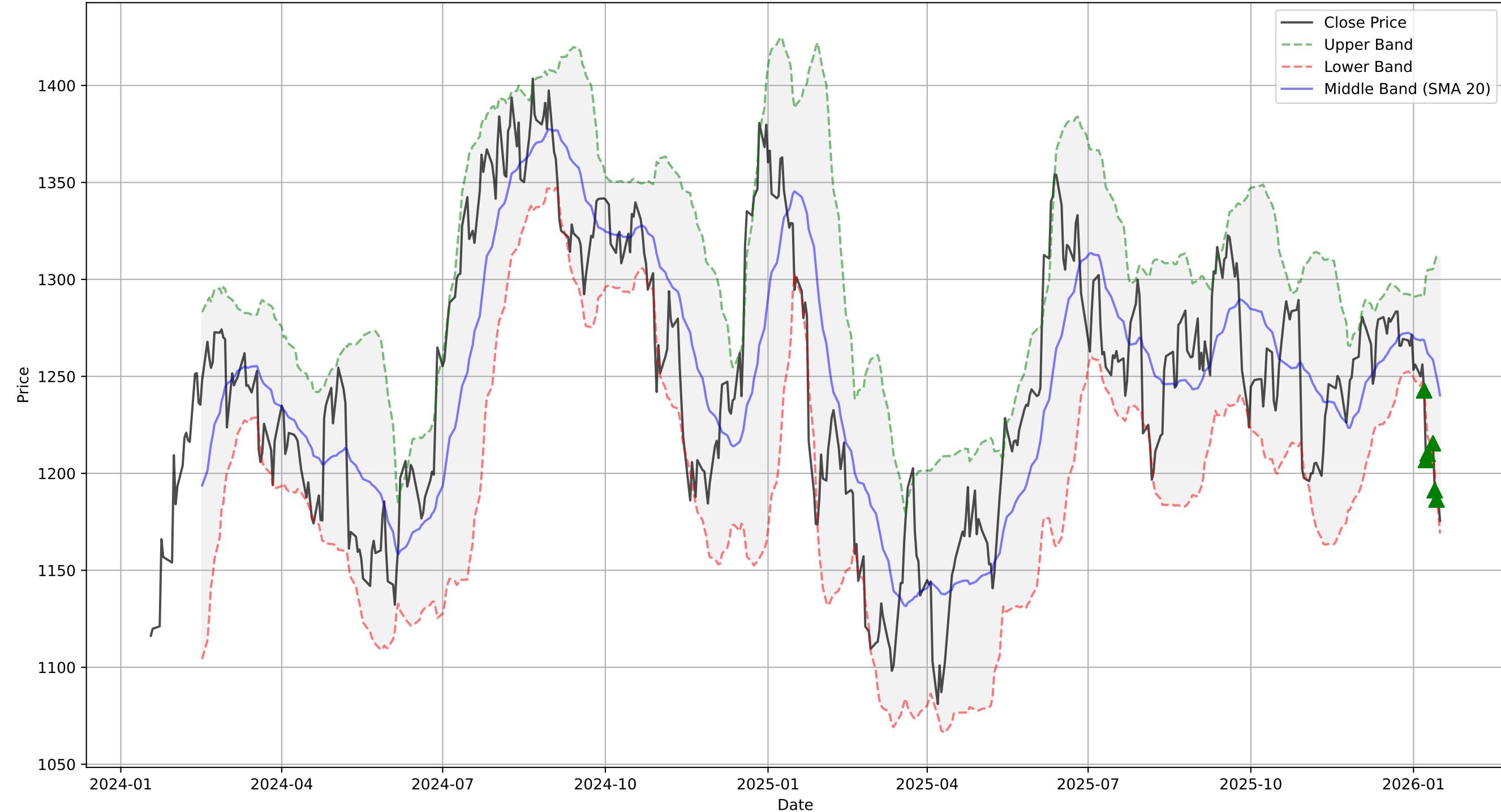
DRREDDY.NS EMA Crossover Analysis



DRREDDY.NS - Bollinger Bands Summary

Current Price:	1175.50
Upper Band:	1311.43
Middle Band (SMA 20):	1240.22
Lower Band:	1169.01
%B:	0.0456
Band Width:	0.1148
Status:	Lower 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

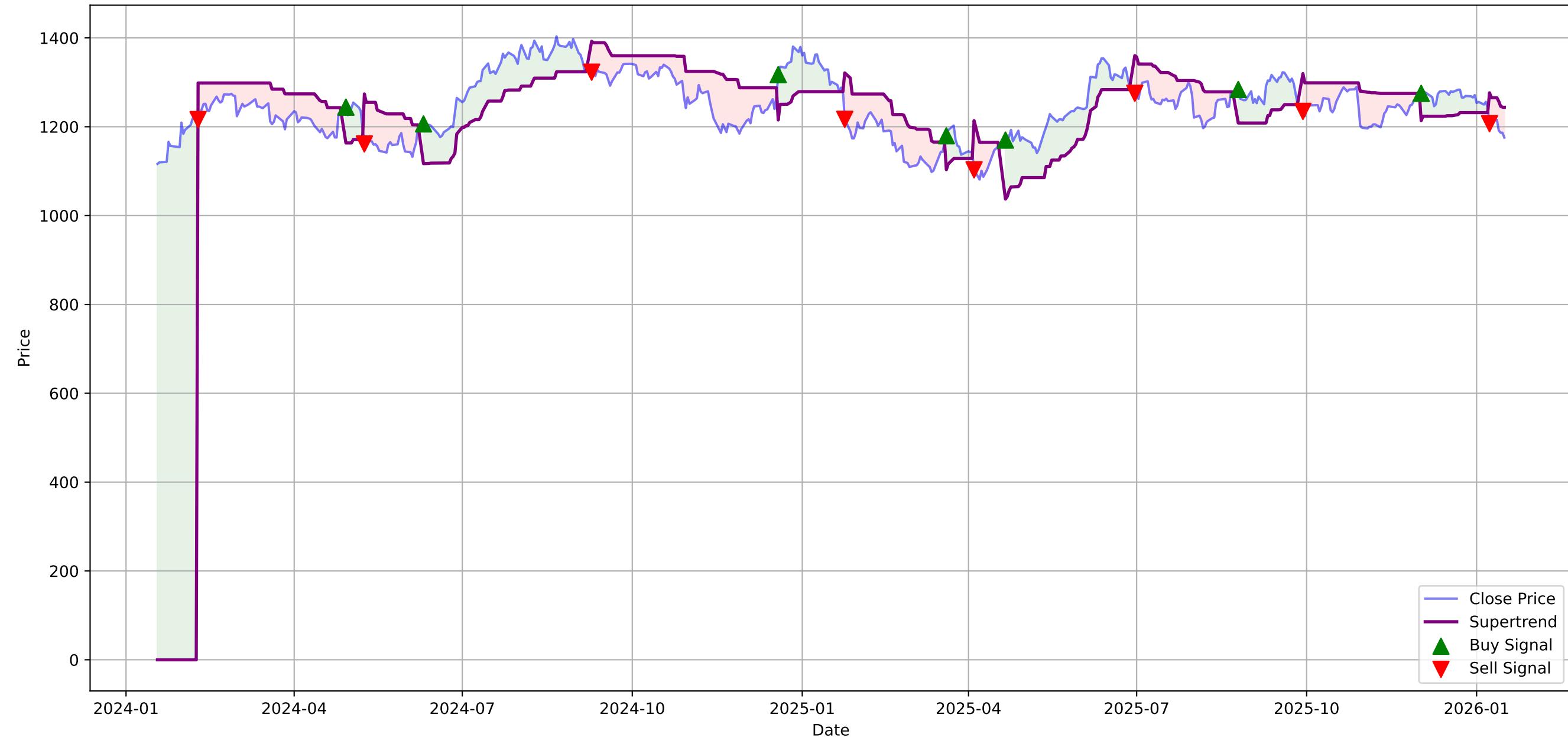
DRREDDY.NS Bollinger Bands (20, 2) Analysis



DRREDDY.NS - Supertrend Summary

Status:	DOWNTREND (Sell)
Supertrend Value:	1243.82
Signal Identified On:	2026-01-08

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



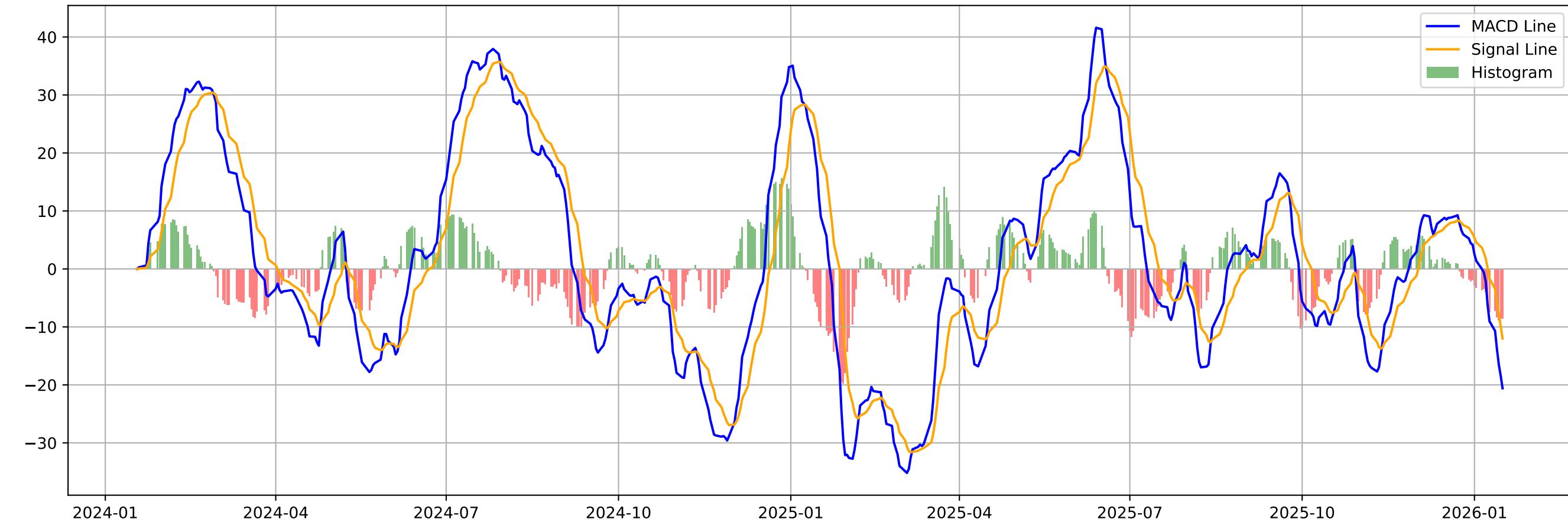
DRREDDY.NS - MACD Summary

MACD Line:	-20.58
Signal Line:	-12.00
Histogram:	-8.58
Trend:	Bearish
Momentum:	Strengthening
Signal:	None

DRREDDY.NS Price



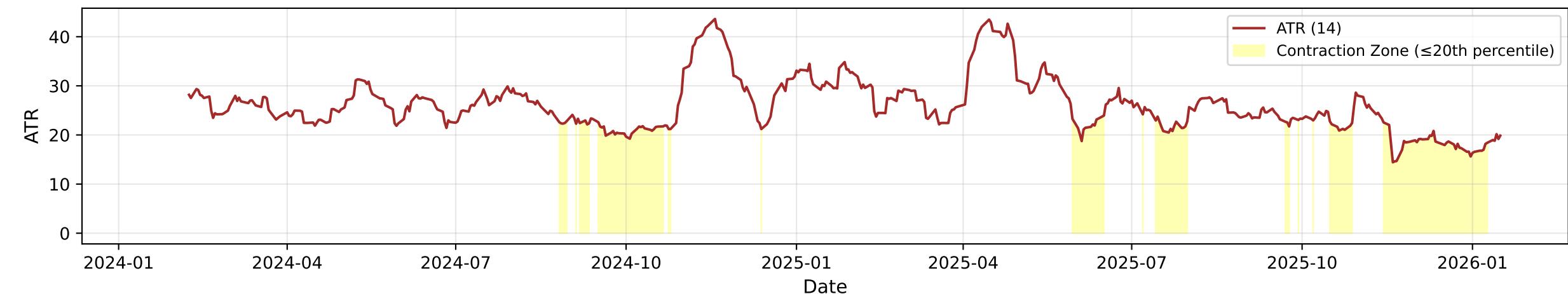
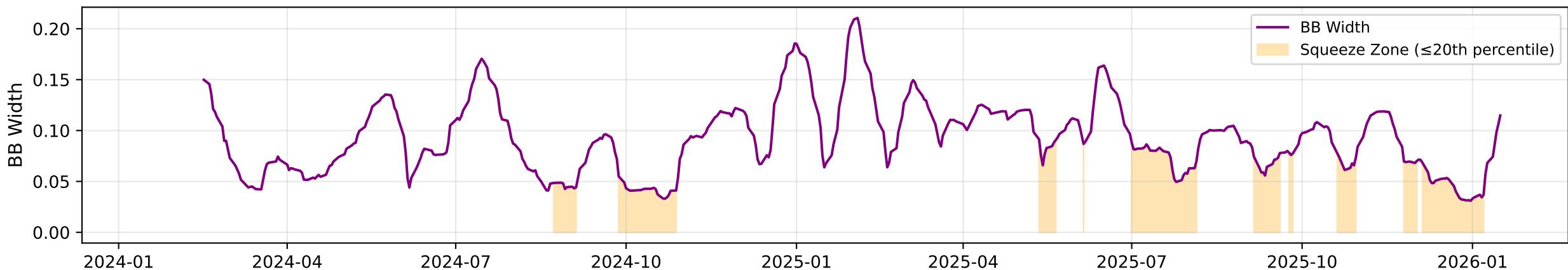
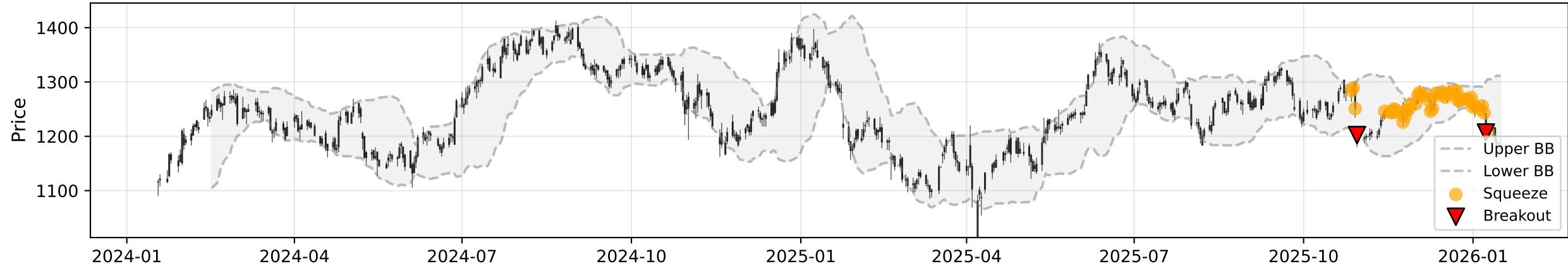
DRREDDY.NS MACD (12, 26, 9)



DRREDDY.NS - Volatility Squeeze Summary

BB Width:	0.1148
ATR:	19.8572
Total Signals:	45
Signal 1:	BB Squeeze + ATR Contraction at 2026-01-05 00:00:00+05:30 (Price: 1210.10)
Signal 2:	BB Squeeze + ATR Contraction at 2026-01-06 00:00:00+05:30 (Price: 1210.10)
Signal 3:	BB Squeeze + ATR Contraction at 2026-01-07 00:00:00+05:30 (Price: 1210.10)
Signal 4:	ATR Contraction (Bearish Breakout) at 2026-01-08 00:00:00+05:30 (Price: 1210.10)
Signal 5:	ATR Contraction at 2026-01-09 00:00:00+05:30 (Price: 1210.10)

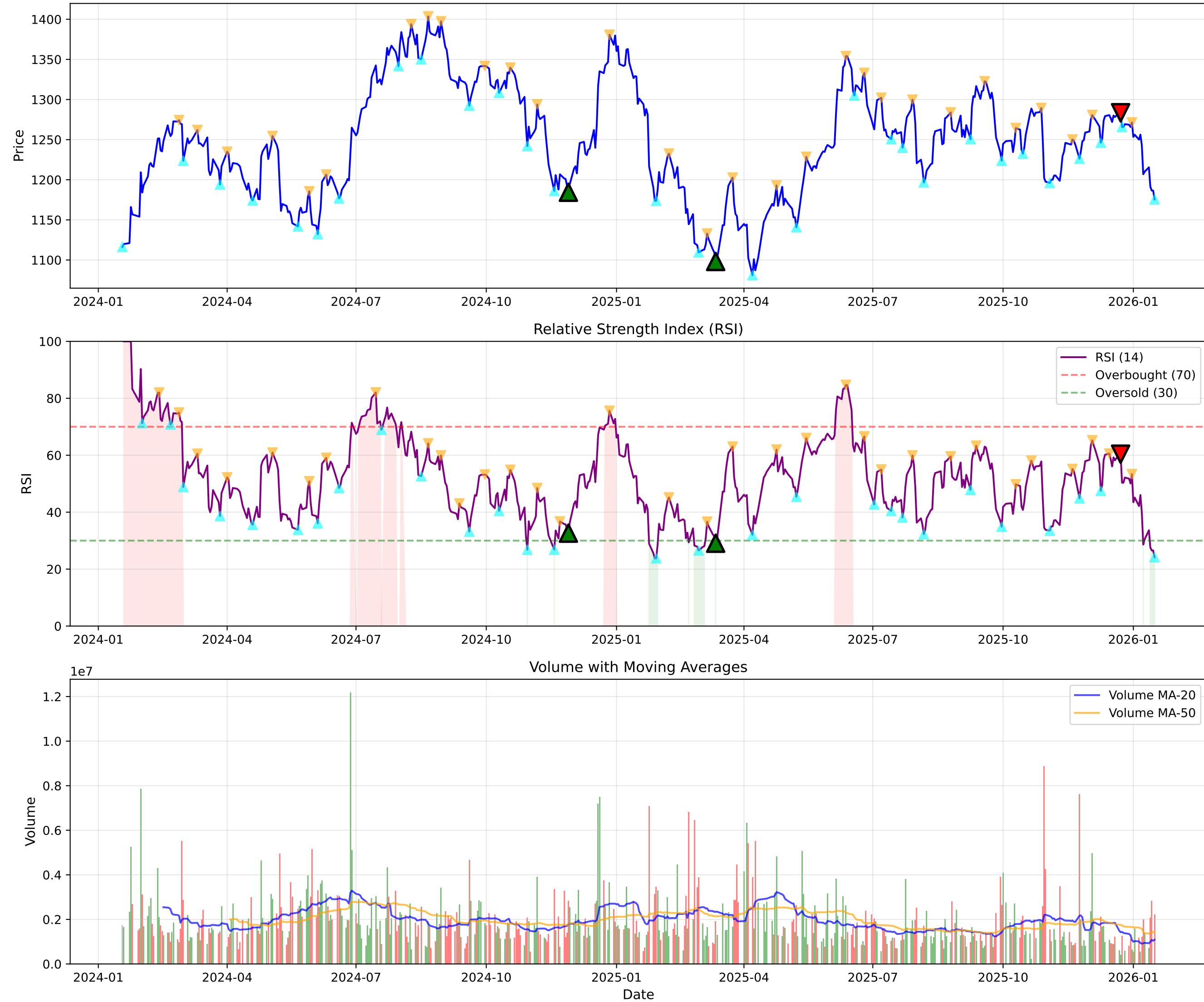
DRREDDY.NS - Volatility Squeeze Analysis



DRREDDY.NS - RSI-Volume Summary

Current RSI:	24.18
Current Volume:	2214792
Volume MA 20:	1089104
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: 146 Signals Detected

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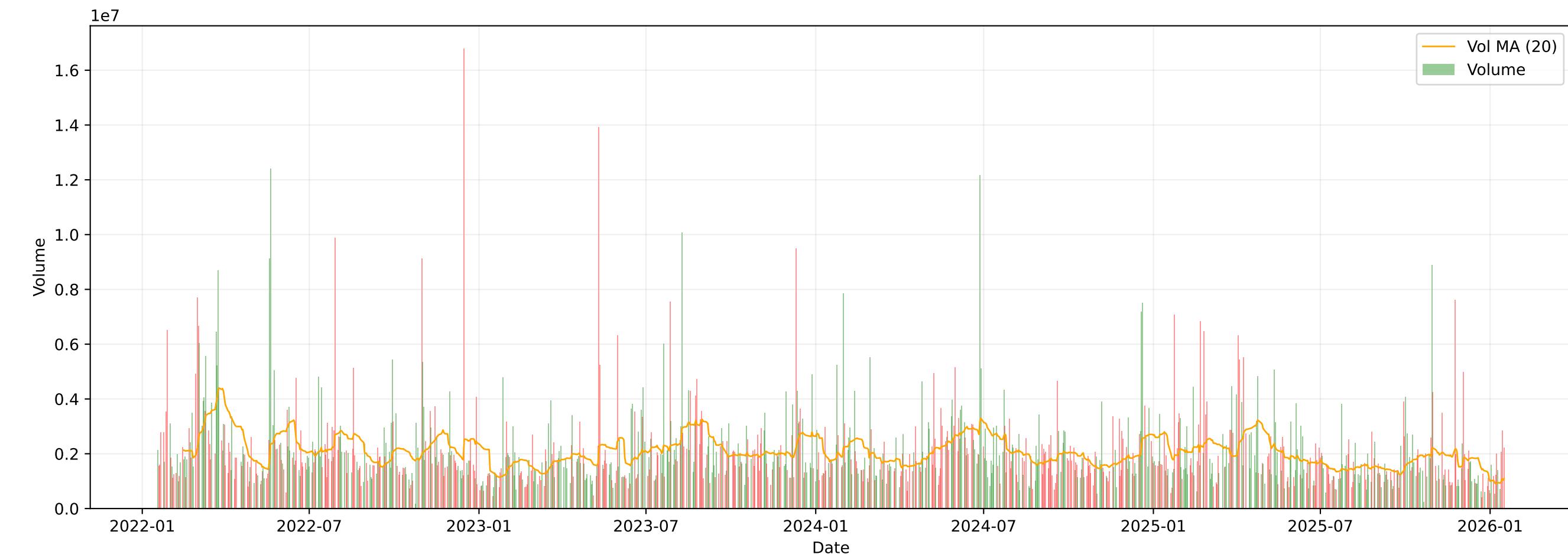
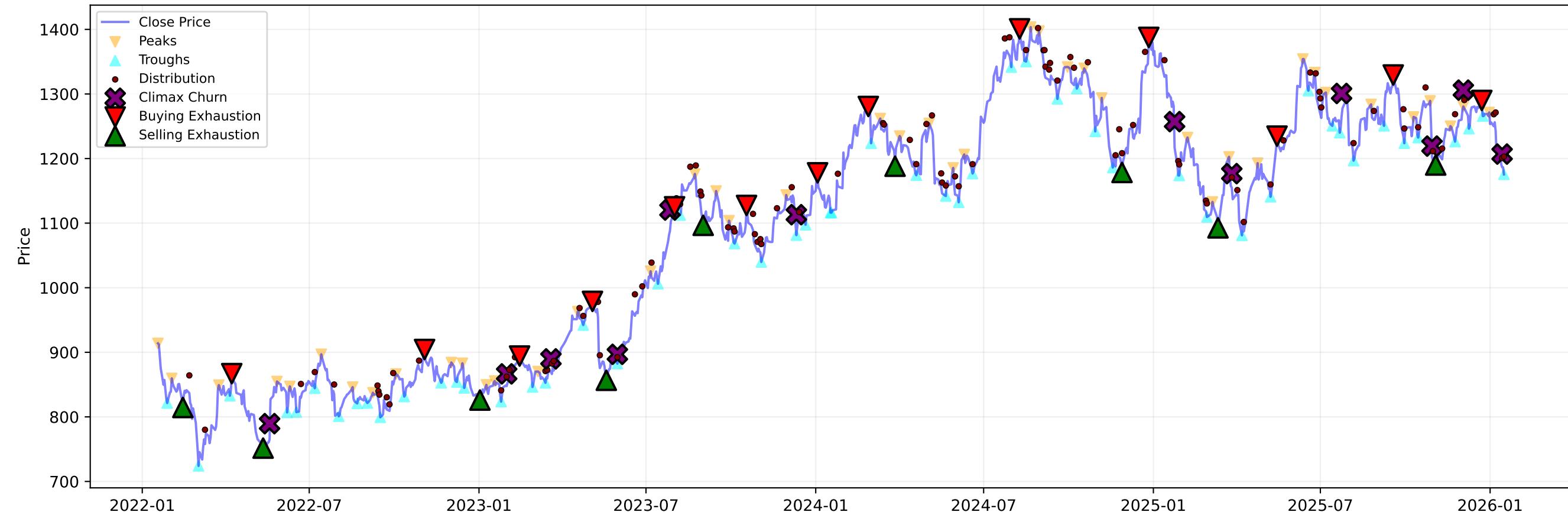
2026-01-05 [-]: Distribution Day

2026-01-07 [-]: Distribution Day

2026-01-14 [-]: Distribution Day

2026-01-16 [-]: Distribution Day

DRREDDY.NS - Volume Analysis



Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	1281.01	1175.5	2025-10-27
1 Day	DOWNTREND (Sell)	1243.82	1175.5	2026-01-08
15 Min	DOWNTREND (Sell)	1185.99	1177.7	2026-01-13

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Strengthening	No Signal
1 Day	Bearish	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

1175.50 -11.00 (-0.93%)

2.8M NSE+BSE Volume
NSE 16 Jan, 2026 3:31 PM (IST)

ABOUT Founded in 1984, Dr. Reddy's Labs operates research and development centres, manufacturing facilities, and a global commercial presence, serving over half a billion patients worldwide. The company works to accelerate access to affordable and innovati... [Read More](#)

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Board Meeting The next board meeting for Dr. Reddy's Labs is on 21 Jan 2026 for the purpose of Quarterly Results [See details](#)

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Durability score **50.0** /100 Valuation Score **43.2** /100 Momentum Score **43.9** /100 Analyst Price Target **1,296** FORECASTER
Medium Financial Strength Mid Valuation Technically Neutral 1Yr Price target upside is 10%
 These stocks have average quality, financial and technical momentum, indicating a mid range performer [View Similar](#) Embed DVM

12 **9**
5 **4**

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

PE Valuation Check
Right Now Undervalued **57.2%** 1 Year Forward Undervalued **41.6%**
 Dr. Reddy's Labs is undervalued at both current PE and future earnings estima... Preset Metrics Preset Metrics ▾

Dr. Reddy's Labs Key Metrics

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Dr. Reddy's Laboratories Ltd. ⓘ

NSE: DRREDDY | BSE: 500124 Mid-range Performer ⓘ In 3 Starfolio Baskets

1175.50 -11.00 (-0.93%) **2.8M** NSE+BSE Volume NSE 16 Jan, 2026 3:31 PM (IST)

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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 1296, revenue growth forecast of 5.1%, and profit growth estimate of -8.5% for FY26, based on top 39 analyst calls.

Dr. Reddy's Labs FORECASTER - Analyst Estimates ⓘ

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