

# Gemini Stock Analysis Report

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Based on the detailed analysis of the provided PDF report for **DRREDDY.NS** (Dr. Reddy's Laboratories), here is the positional trading assessment.

**Important Note:** The report data is dated **January 3, 2026**. I have conducted this analysis treating this date as "Today" for the purpose of the trade setup.

## Step 1: Audit the Data

- **Data Present:**
    - **Price Action:** Daily candle charts (3-year horizon) showing recent structure.
    - **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend, and Bollinger Bands.
    - **Momentum:** RSI, MACD, and Relative Strength (RS) vs Benchmark.
    - **Fundamentals:** Snapshot of revenue/net income growth and analyst ratings.
    - **Volatility:** Squeeze analysis and ATR.
  - **Data Missing:**
    - **Weekly/Monthly specific charts:** While the daily chart covers 3 years, a dedicated weekly candle view for broader market structure is inferred but not explicitly detailed in candle form.
    - **Volume Profile:** Standard volume bars are present, but a Volume Profile (VPVR) to identify specific supply/demand shelves is absent.
  - **Confidence Level: High.** The report provides a comprehensive suite of technical indicators (Trend, Momentum, Volatility) sufficient to make an informed positional trading decision.
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## Step 2: Analyze the Setup

### Price Structure & Trend:

- **Long-Term Context:** The stock is in a broad uptrend, evidenced by the **Golden Cross** (EMA 50 crossing above EMA 200) identified on Dec 11, 2025.
- **Immediate Structure:** The stock is currently undergoing a correction. It is trading at **1256.10**, which is below the short-term averages (EMA 20 at 1266 and EMA 50 at 1260).
- **Critical Support:** The price is resting delicately on major support. The **EMA 200 is at 1254.53** and the **Supertrend Support is at 1231.81**. The stock is essentially testing the "floor" of the current trend.

### Momentum & Strength:

- **Bearish Signs:** MACD is bearish (Histogram -3.20) and the Signal line has not yet crossed up. RSI is at 45.12, indicating weak momentum but not oversold conditions.
- **Bullish Divergence:** The RS (Relative Strength) analysis notes a "Turnaround Detected," suggesting the stock is starting to outperform the Pharma index despite the price drop.

### Volatility:

- The Bollinger Bands are tight (Band Width 0.0343), and the report identifies a **Volatility Squeeze**. Squeezes usually precede explosive moves. Given the proximity to the 200 EMA support, the probability favors an upward expansion *if* support holds.

### Confluence:

- We have a "Value Zone" setup. The price has pulled back to the EMA 200 and Lower Bollinger Band (1247), which coincides with the Supertrend support. This is a classic "Buy the Dip" location, but the

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trigger is missing because momentum is still pointing down.

## Step 3: Formulate the Recommendation

**Advisable to enter now?** **NO.**

**Reasoning:** While the stock is at a high-value support zone (EMA 200), catching it right now is risky because it is trading *below* immediate resistance (EMA 20 & 50) with negative MACD momentum. A "seasoned" approach requires confirmation that the support has held and buyers have stepped back in to reclaim the short-term trend.

### Conditional Plan (The Swing Setup):

We will look to enter on strength as the price reclaims the short-term Moving Averages, confirming the bounce off the EMA 200.

- **Condition to Buy: Daily Close above INR 1,270.**
  - *Why:* This clears the EMA 20 (1266) and EMA 50 (1260) cluster, validating the reversal and putting the price back in a short-term uptrend.
- **Entry Price: INR 1,270 - INR 1,275** (Enter on the confirmation candle or minor retest).
- **Stop Loss: INR 1,225** (Closing Basis).
  - *Why:* This is below the critical Supertrend support (1231) and the recent consolidation lows. If it breaks this, the long-term trend is violated.
- **Take Profit: INR 1,380.**
  - *Why:* This targets the recent swing highs and upper resistance zones visible on the 3-year chart.
  - *Risk/Reward Calculation:*
    - Risk per share: ~INR 45 (3.5%)
    - Reward per share: ~INR 110 (8.6%)
    - **Ratio:** ~2.4:1 (Favorable).

## News & Analyst Targets

Here is the latest research and analysis on **Dr. Reddy's Laboratories (DRREDDY)** for the week ending **January 3, 2026**.

### 1) Latest News for DRREDDY This Week

- **USFDA Complete Response Letter (CRL) for AVT03:** On **January 2, 2026**, Dr. Reddy's Swiss subsidiary received a CRL from the USFDA regarding its Biologics License Application (BLA) for **AVT03**, a biosimilar candidate for Prolia (denosumab). The rejection was linked to observations at the manufacturing facility of its partner, Alvotech. This delays the potential US launch of the drug.
- **Major Block Trade:** On **January 2, 2026**, a significant block trade was executed on the NSE involving approximately **5.6 lakh shares** (worth ~INR 70.11 crore) at an average price of INR 1,242 per share. This indicates heightened institutional activity.
- **GST Penalty Orders:** On **January 1, 2026**, the company disclosed receiving five orders from GST authorities regarding alleged excess input tax credit availed during FY 2018-2023. While penalties were imposed, the company has stated there is **"no material impact"** on its financials and plans to appeal.
- **USFDA Observations (Srikakulam):** Late in the previous week (reported ~Dec 29-30, 2025), the USFDA issued a **Form 483 with five observations** for the company's formulations facility in **Srikakulam** (FTO

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SEZ Unit II). The observations followed a Pre-Approval Inspection (PAI) and GMP inspection.

## 2) Brokerage Upgrades & Downgrades

- **JPMorgan (Downgrade/Maintain Underweight):** On **January 2, 2026**, JPMorgan maintained its **Underweight** rating with a target of **INR 1,170**. The firm cited the recent regulatory setbacks (CRL for AVT03 and Srikakulam observations) as delays to the company's high-value US biosimilars timeline.
- **Nomura (Recent Upgrade):** In late 2025, Nomura had upgraded the stock to **Buy**, raising its target significantly (recent reports cite a target of ~INR 1,500-INR 1,650), viewing the risk-reward as favorable despite near-term headwinds.
- **Motilal Oswal (Neutral):** Recent notes from December 2025 maintain a **Neutral** stance, citing a lack of immediate positive triggers and "execution risks" in its complex pipeline.

## 3) Other Impacting News

- **European Approval for AVT03:** In a positive contrast to the US rejection, Dr. Reddy's recently secured **European Commission approval** for the same biosimilar (AVT03), allowing it to market the drug in the EU. This mitigates some of the negative sentiment from the USFDA decision.
- **Cyber Fraud Case:** A minor but notable incident was reported where a payment of ~INR 2.16 crore intended for a vendor was diverted to a fraudulent account due to an email compromise. A police probe is underway in Bengaluru.
- **Sector Sentiment:** The broader Pharma index has been under pressure due to renewed USFDA scrutiny across Indian manufacturers, with Dr. Reddy's being a specific focal point this week due to the Srikakulam observations.

## 4) Analyst Targets for DRREDDY

The following table summarizes the latest available price targets and ratings from major brokerages and consensus data as of early January 2026.

Brokerage / Source	Rating	Target Price (INR )	Sentiment / Notes
Nomura	Buy	1,650	Sees value emerging; optimistic on long-term GLP-1 & biosimilar pipeline.
Motilal Oswal	Neutral	1,330	Awaiting better execution on US pipeline; near-term upside limited.
Morgan Stanley	Equal-weight	1,298	Balanced risk-reward; cautious on base business erosion.
Consensus (Trendlyne)	Hold	1,282	Average of ~9 analysts; implies flat/marginal upside from current levels.
Jefferies	Underperform	1,130	Concerns over US price erosion and delayed launches.
JPMorgan	Underweight	1,170	Negative on recent regulatory delays (AVT03 rejection).

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*Note: Stock price as of Jan 3, 2026, is trading in the range of INR 1,250 - INR 1,270.*

# Stock Detailed Analysis Report

**DRREDDY.NS**

Current Price: ₹1256.10

Generated: 2026-01-03 12:44

# 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:	<b>Neutral</b>
RS Score:	47.5/100
:	

## == RS RATIOS ==:

1M RS:	<b>0.988 [Neutral]</b>
3M RS:	<b>0.947 [Neutral]</b>
6M RS:	<b>0.929 [Neutral]</b>
1Y RS:	<b>0.914 [Neutral]</b>
:	

## == TURNAROUND ANALYSIS ==:

Turnaround Status:	<b>!! DETECTED !!</b>
:	

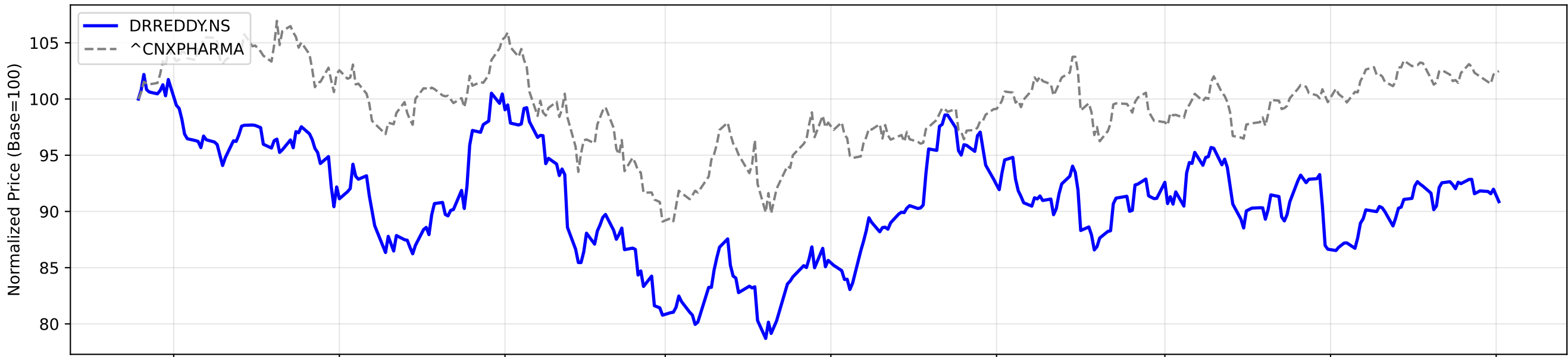
## SIGNAL CRITERIA::

✓ Emerging RS:	1M (0.988) > 3M (0.947)
✓ Medium-term Lagging:	6M=0.929, 1Y=0.914 ( $\leq 1.0$ )
✓ Performance Improving:	3M (+0.9%) > 6M (-1.2%)

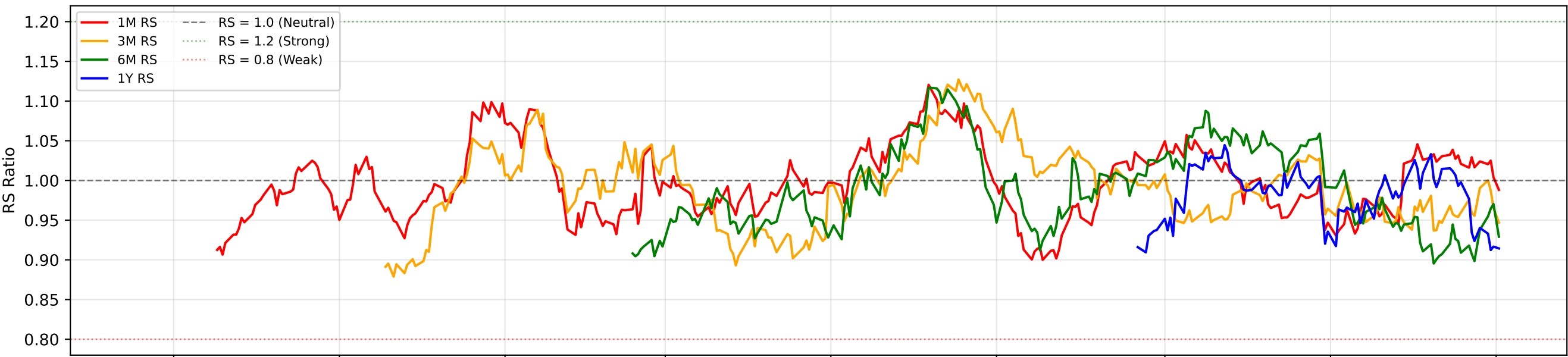


Relative Strength Analysis: DRREDDY.NS vs ^CNXPHARMA  
Classification: Neutral

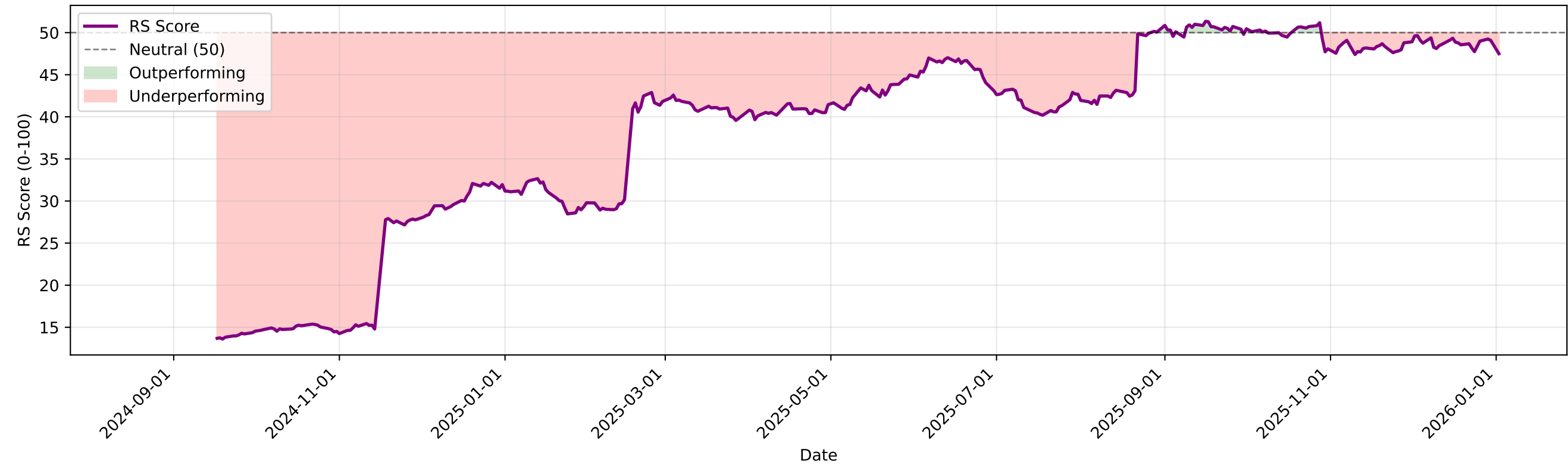
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



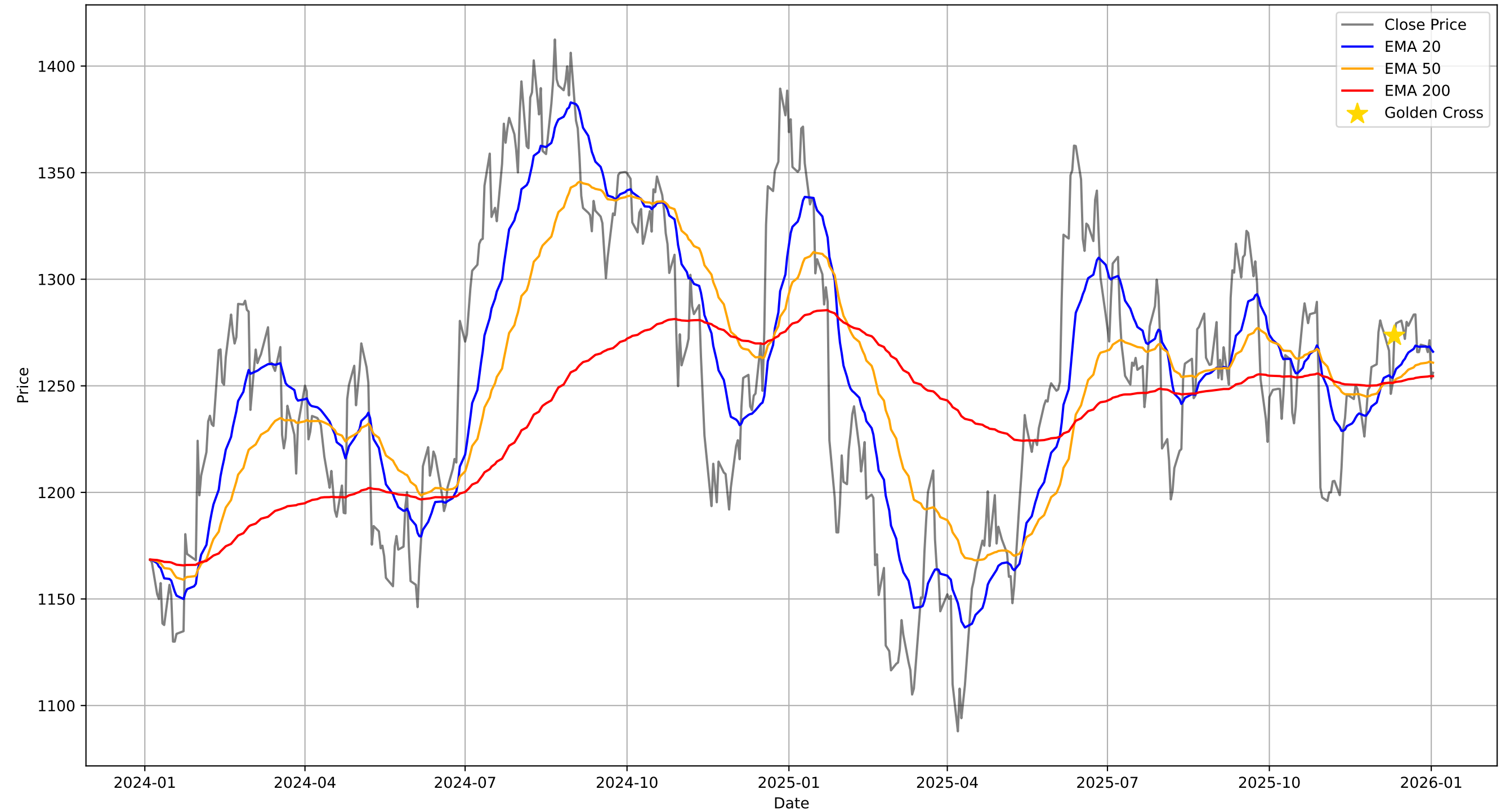
RS Composite Score Timeline



## DRREDDY.NS - EMA Crossover Summary

EMA 20:	1266.00
EMA 50:	1260.86
EMA 200:	1254.53
Trend Status:	<b>Strong Uptrend</b>
Golden Cross Date:	2025-12-11 00:00:00
Golden Cross Price:	1273.50

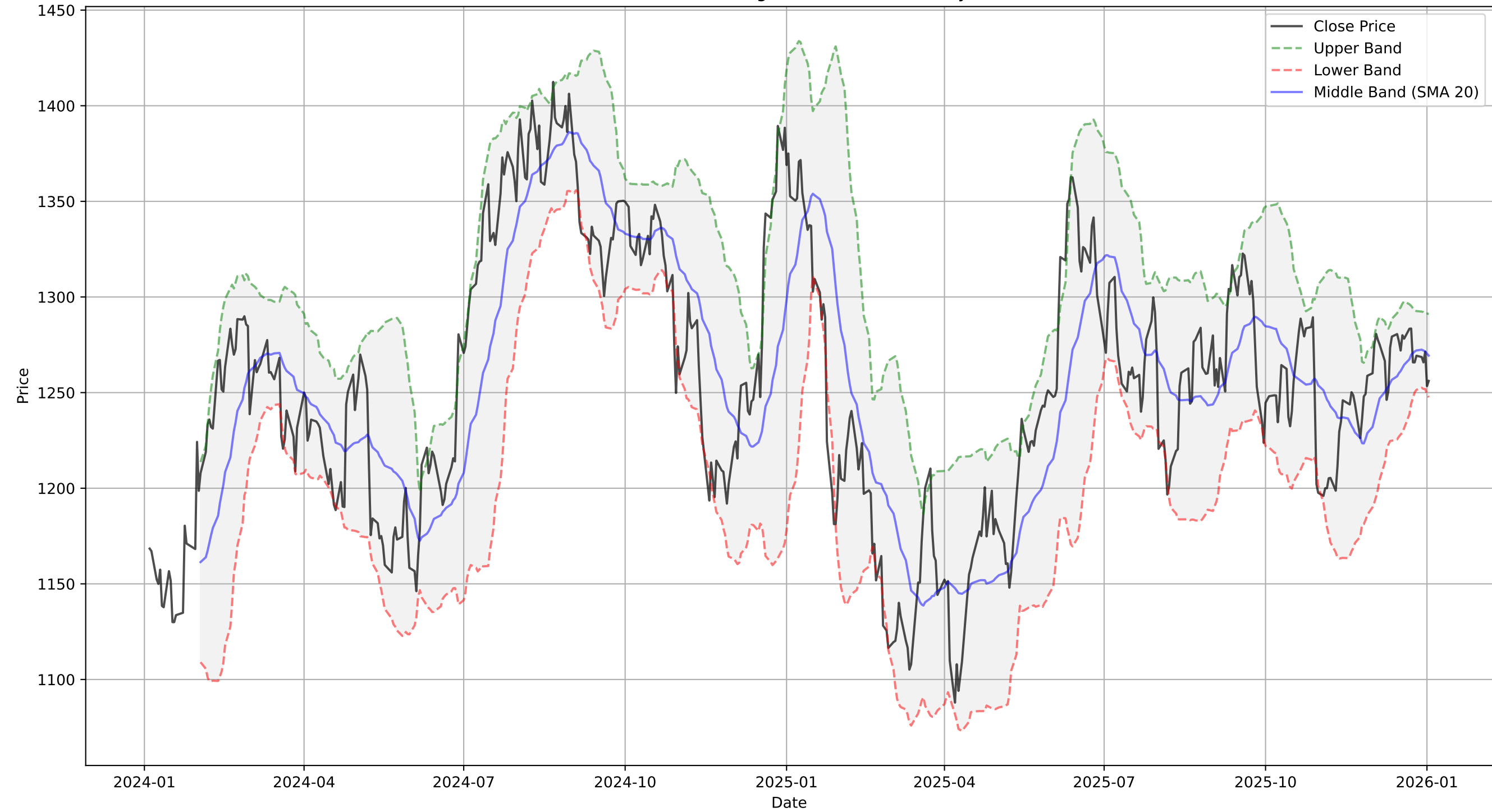
DRREDDY.NS EMA Crossover Analysis



## DRREDDY.NS - Bollinger Bands Summary

<b>Current Price:</b>	1256.10
<b>Upper Band:</b>	1291.15
<b>Middle Band (SMA 20):</b>	1269.36
<b>Lower Band:</b>	1247.56
<b>%B:</b>	0.1960
<b>Band Width:</b>	0.0343
<b>Status:</b>	Lower Half
<b>Signal:</b>	None

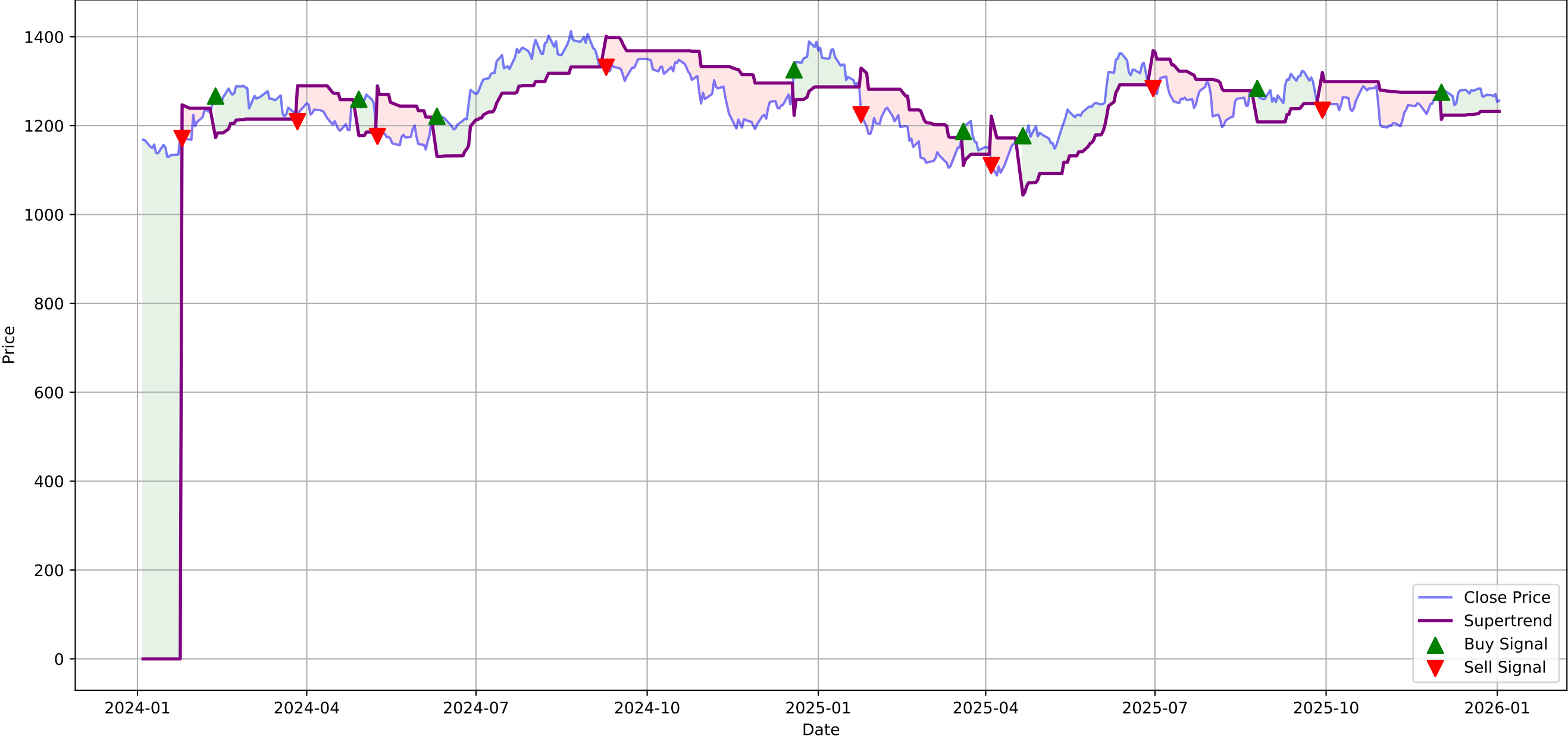
DRREDDY.NS Bollinger Bands (20, 2) Analysis



## DRREDDY.NS - Supertrend Summary

Status:	<b>UPTREND (Buy)</b>
Supertrend Value:	1231.81
Signal Identified On:	2025-12-02

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

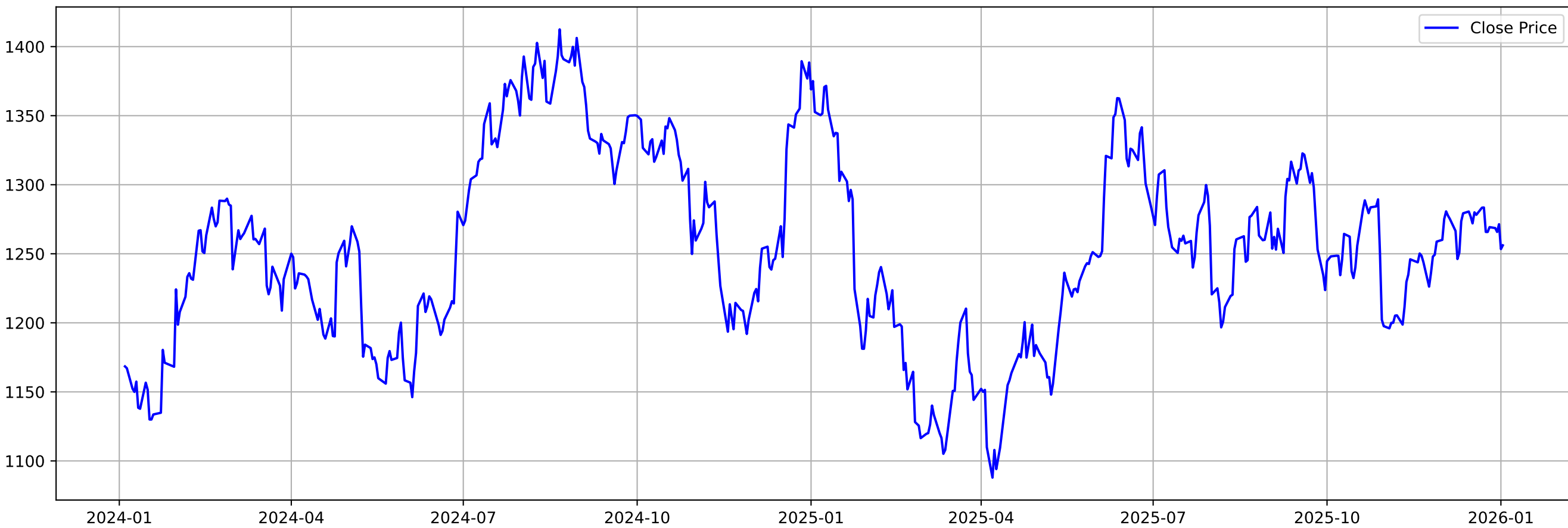


## DRREDDY.NS - MACD Summary

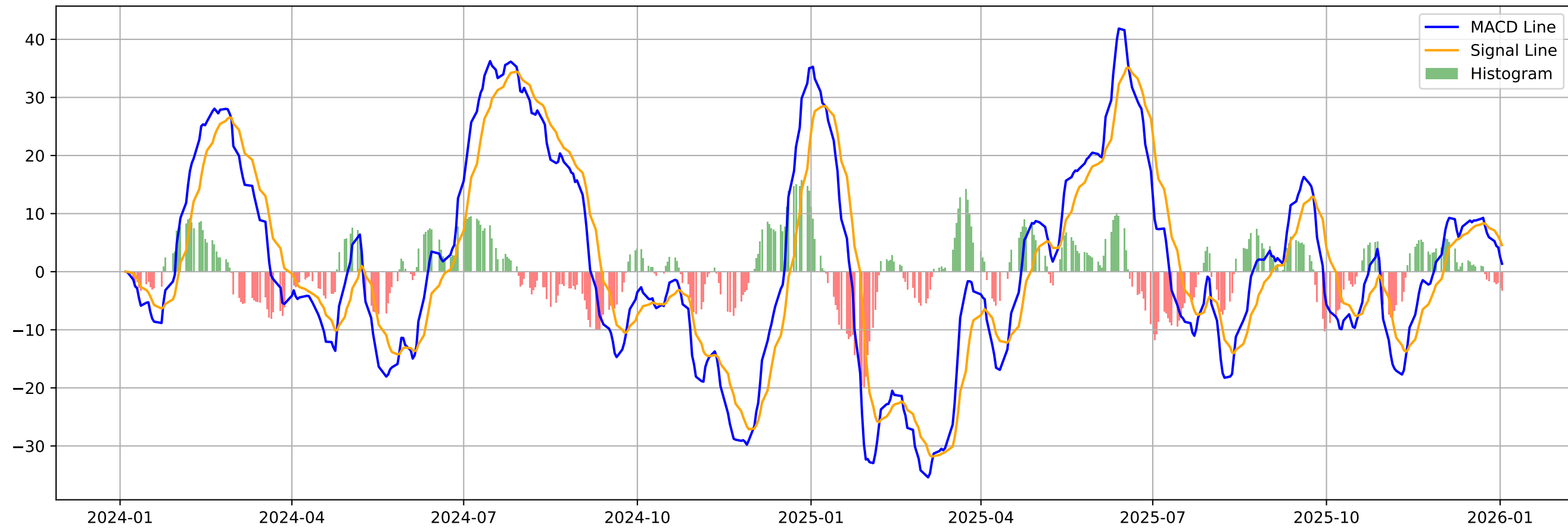
MACD Line:	1.37
Signal Line:	4.57
Histogram:	-3.20
Trend:	<b>Bearish</b>
Momentum:	<b>Strengthening</b>
Signal:	None



DRREDDY.NS Price



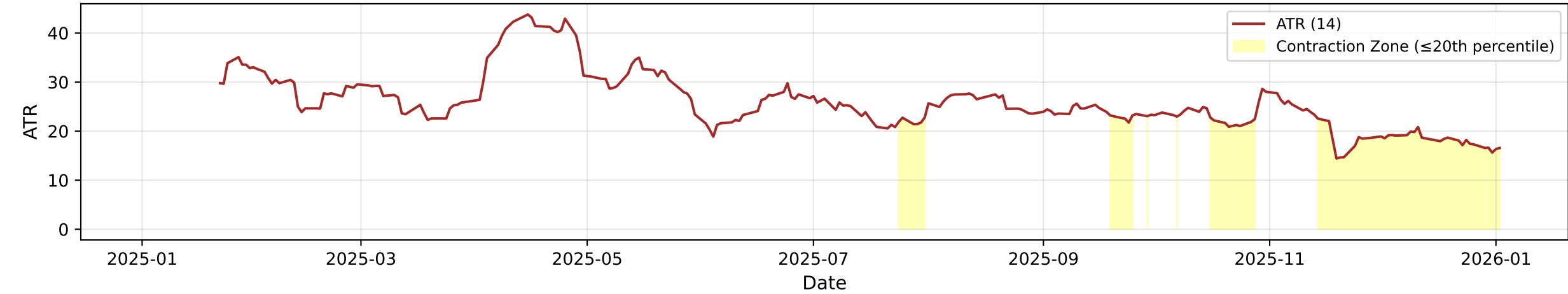
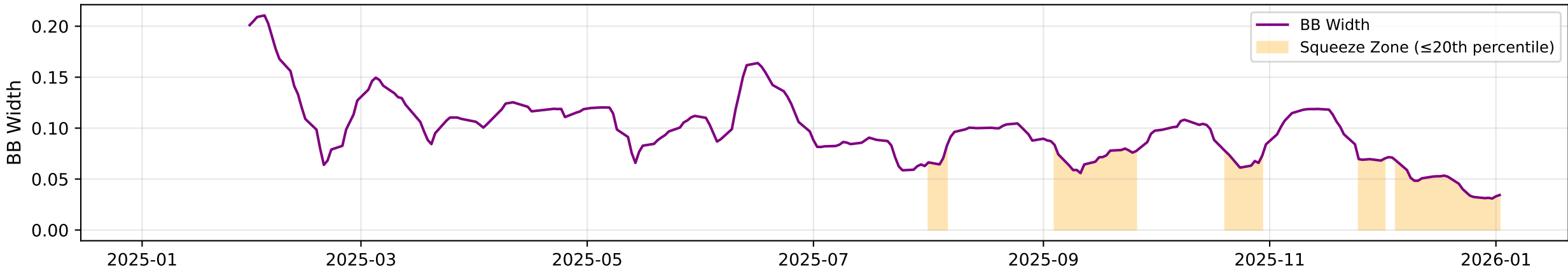
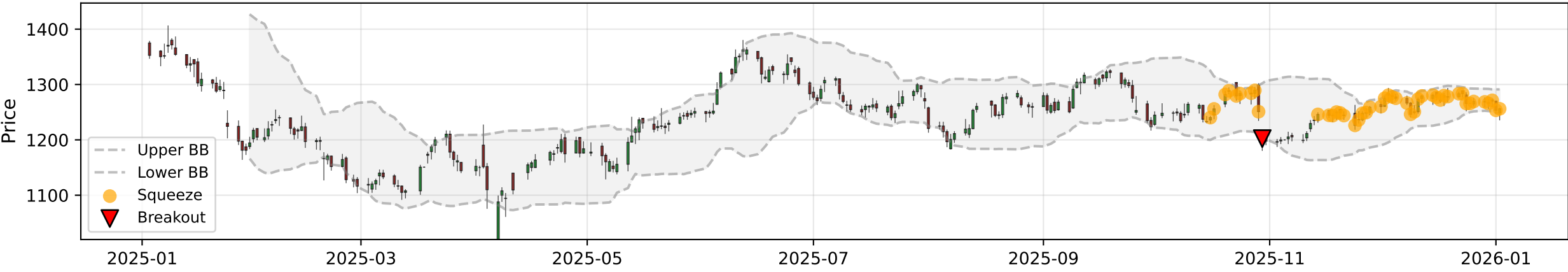
DRREDDY.NS MACD (12, 26, 9)



# DRREDDY.NS - Volatility Squeeze Summary

BB Width:	0.0343
ATR:	16.5571
Total Signals:	46
Signal 1:	BB Squeeze + ATR Contraction at 2025-12-29 00:00:00 (Price: 125.00)
Signal 2:	BB Squeeze + ATR Contraction at 2025-12-30 00:00:00 (Price: 125.00)
Signal 3:	BB Squeeze + ATR Contraction at 2025-12-31 00:00:00 (Price: 125.00)
Signal 4:	BB Squeeze + ATR Contraction at 2026-01-01 00:00:00 (Price: 125.00)
Signal 5:	BB Squeeze + ATR Contraction at 2026-01-02 00:00:00 (Price: 125.00)

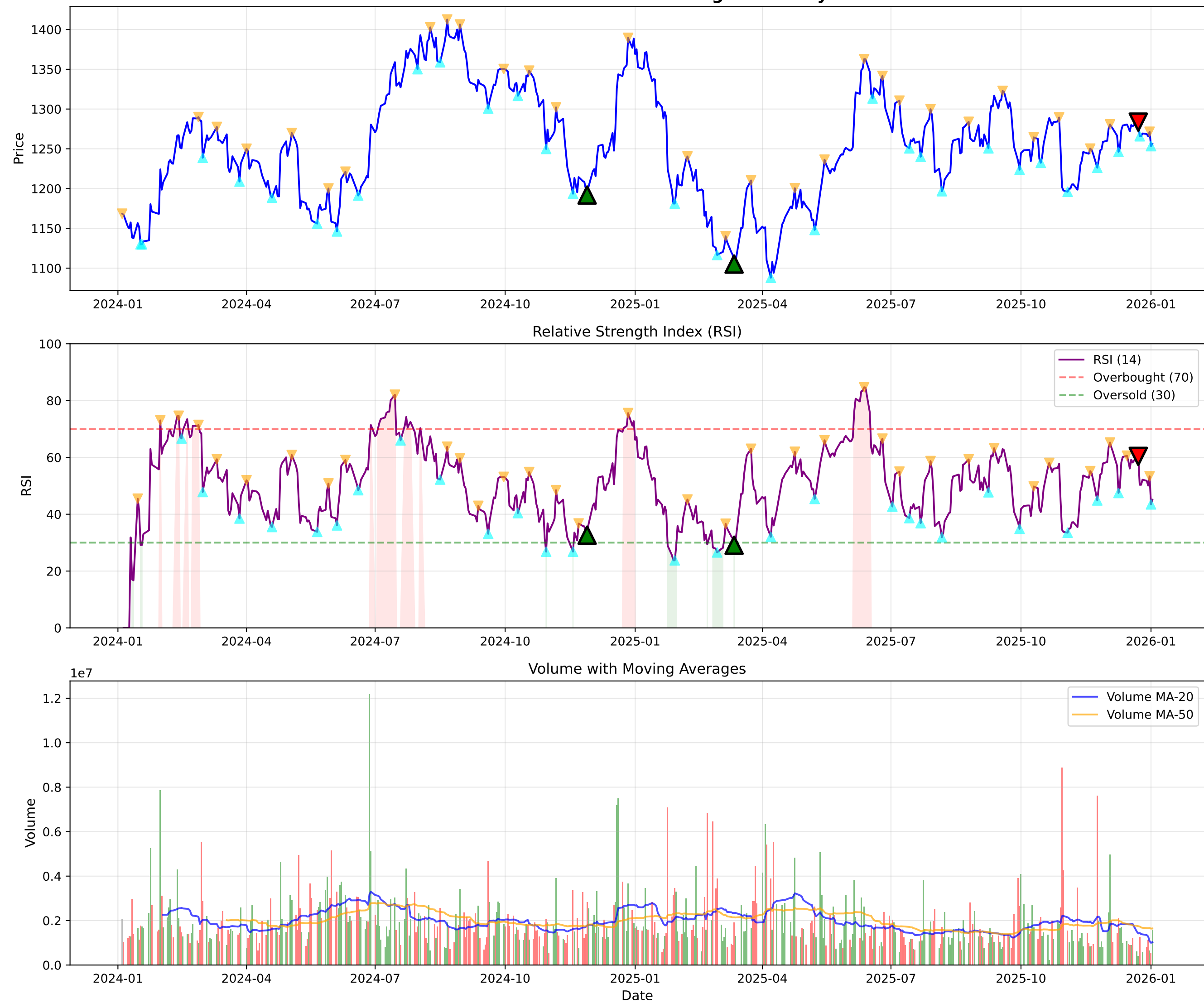
# DRREDDY.NS - Volatility Squeeze Analysis



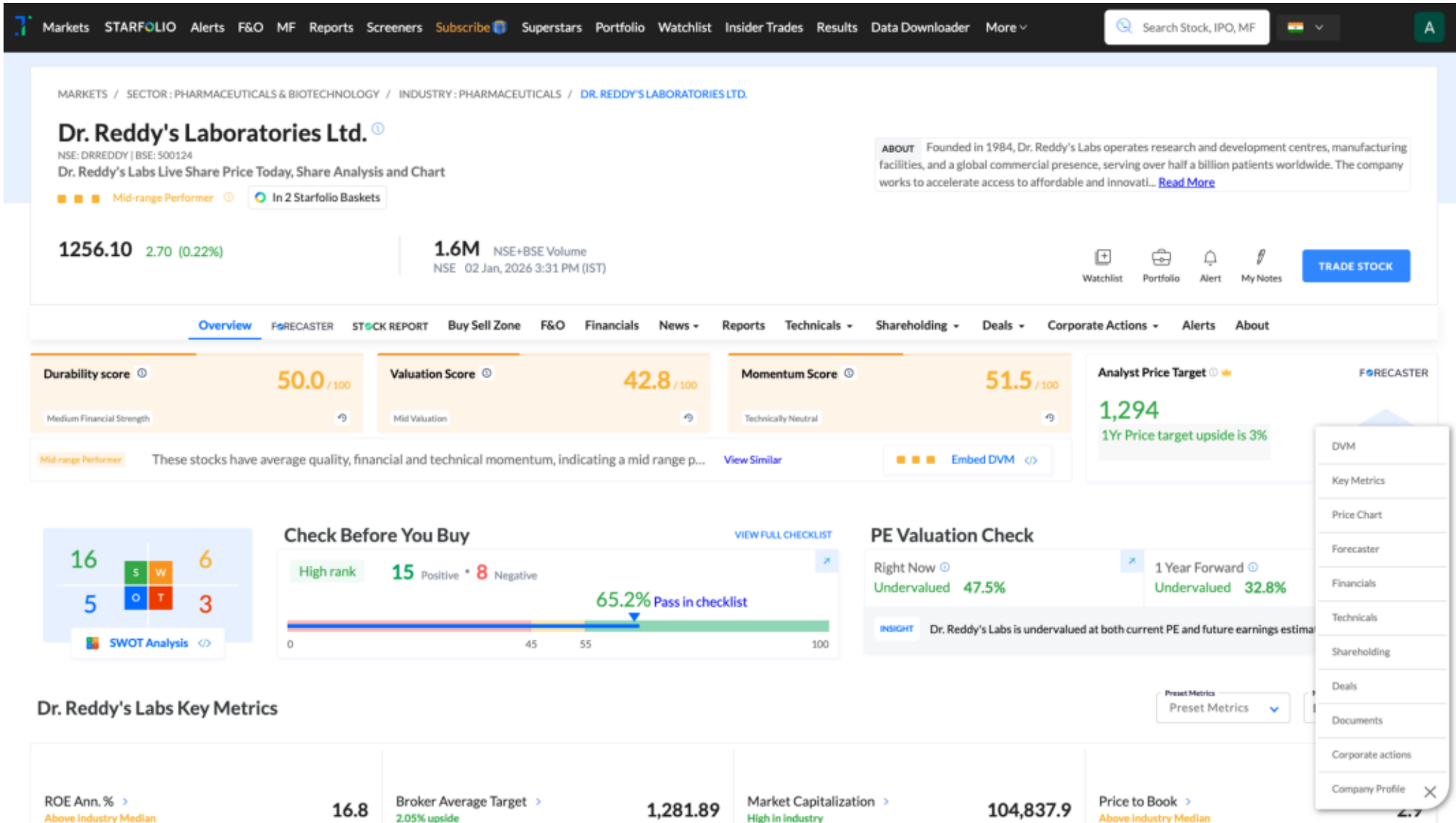
## DRREDDY.NS - RSI-Volume Summary

<b>Current RSI:</b>	45.12
<b>Current Volume:</b>	1591218
<b>Volume MA 20:</b>	1027240
<b>Bullish Divergences:</b>	2
<b>Bearish Divergences:</b>	1
<b>Bullish Div 1:</b>	Date: 2024-11-28 00:00:00, Price: 1191.95
<b>Bullish Div 2:</b>	Date: 2025-03-12 00:00:00, Price: 1105.15
<b>Bearish Div 1:</b>	Date: 2025-12-23 00:00:00, Price: 1283.50

# DRREDDY.NS RSI-Volume Divergence Analysis



## Trendlyne Snapshot - DRREDDY\_main



## Trendlyne Snapshot - DRREDDY\_forecaster

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MARKETS / SECTOR: PHARMACEUTICALS & BIOTECHNOLOGY / INDUSTRY: PHARMACEUTICALS / [DR. REDDY'S LABORATORIES LTD.](#)

### Dr. Reddy's Laboratories Ltd.

NSE: DRREDDY | BSE: 500124

Mid-range Performer

In 2 Starfolio Baskets

1256.10

2.70 (0.22%)

1.6M

NSE+BSE Volume

NSE 02 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 1294, revenue growth forecast of 5.1%, and profit growth estimate of -8.2% for FY26, based on top 39 analyst calls.

## Dr. Reddy's Labs FORECASTER - Analyst Estimates

[FORECASTER DASHBOARD](#)

SHARE PRICE TARGET FORECAST

12 MONTH ESTIMATE

LOW ESTIMATE: 990, CURRENT PRICE: 1256.1, AVG. ESTIMATE: 1294.4, HIGH ESTIMATE: 1615

Legend: ● CURRENT PRICE ● AVG. ESTIMATE

**HIT** Dr. Reddy's Labs's share price target is above the current price, with an upside of 3.0%

EPS FORECAST

QUARTER ANNUAL

Legend: ◆ ACTUAL EPS ◆ AVG. ESTIMATE

**HIT** Dr. Reddy's Labs's EPS was higher than average estimate 2 times in past 3 years

CONSENSUS RECOMMENDATION

39 ANALYST Recommendations

10	3	10	9	7	Aug '25
9	3	11	9	7	Sep '25
9	4	11	8	7	Oct '25
9	4	11	8	7	Nov '25
9	4	11	8	7	Dec '25
9	4	11	8	7	Jan '26

Legend: ● STRONG BUY ● BUY ● HOLD ● SELL ● STRONG SELL

**HOLD**

The consensus recommendation from 39 analysts for Dr. Reddy's Labs is HOLD