

Gemini Stock Analysis Report

This analysis is conducted from the perspective of a positional equity trader focusing on intermediate-term (1-4 month) setups.

Step 1: Audit the Data

- **Data Present:** 3-year daily price charts, multi-timeframe EMA analysis (20, 50, 200), Relative Strength (RS) against the sector benchmark (^CNXPHARMA), MACD, Bollinger Bands, Supertrend, RSI, Volume, Volatility Squeeze indicators, and 4-year fundamental growth metrics.
- **Data Missing:** Weekly/Monthly timeframe charts (essential for confirming primary trend health), sector-wide relative rotation graphs, and fundamental valuation ratios (P/E, P/B) to assess if the stock is overextended.
- **Confidence Level: High.** The report provides a robust confluence of technical indicators across trend, momentum, and volatility, allowing for a decisive conclusion.

Step 2: Analyze the Setup

The stock is currently in a **distribution or corrective phase** within a larger long-term uptrend. While the "Golden Cross" is intact, the intermediate-term technicals have deteriorated significantly:

1. **Trend & Momentum:** The stock is trading below its 20-day and 50-day EMAs, which now act as overhead resistance. The Supertrend has flipped to a "Sell," and the MACD is in a bearish regime with strengthening negative momentum.
2. **Price Action:** The stock recently broke down from a **Volatility Squeeze** to the downside. It is currently trading below the Lower Bollinger Band (INR 1724), indicating a "falling knife" scenario rather than a stabilized entry point.
3. **Relative Strength:** SUNPHARMA is classified as a "Weakening Leader." Its RS score of 49.4/100 suggests it is now underperforming its own sector.
4. **Support Levels:** The stock is approaching the 200-day EMA (INR 1703). Historically, the 200-day EMA is the "last line of defense" for a bullish thesis.

Step 3: Formulate the Recommendation

Should you enter this stock now? NO.

The stock is currently exhibiting bearish momentum and has broken key short-term support levels. Entering now would be "catching a falling knife" without any sign of price exhaustion or reversal.

Conditional Setup (The "Reclamation" Plan): To consider this for an intermediate-term 5%-15% gain, we must wait for the downward momentum to neutralize and for the price to reclaim the "value zone."

- **Condition to Buy:** Price must successfully test and hold the 200-day EMA (approx. INR 1700-INR 1710) and subsequently close above the 50-day EMA on increasing volume to confirm a trend reversal.
- **Entry Price:** INR 1765.00 (Triggering once the price clears the cluster of 20/50-day EMAs).
- **Stop Loss:** INR 1685.00 (Just below the 200-day EMA and the recent psychological floor).
- **Take Profit:** INR 1925.00 (Targeting a return to the previous peak and upper Bollinger Band resistance).

Risk Note: Monitor the Pharma sector. If the ^CNXPHARMA index breaks its own major support, SUNPHARMA is likely to break the 200-day EMA, rendering the bullish thesis completely invalid. Keep a close eye on the RSI; a move back above 50 is required to confirm the return of buying strength.

News & Analyst Targets

As a stock research analyst, I have compiled the latest intelligence on **Sun Pharmaceutical Industries Ltd. (SUNPHARMA)** for the week of **December 22-28, 2025**.

1) Latest News for SUNPHARMA (Current Week)

- **Taro Product Recall in the U.S. (Dec 25-27):** Sun Pharma's wholly-owned subsidiary, Taro Pharmaceutical Industries, has initiated a Class II recall of over **17,600 units of Ciclopirox Shampoo** (an antifungal treatment) in the U.S. market. The recall was triggered by "failed impurity/degradation specifications." While categorized as a low-risk health event, it highlights ongoing quality control challenges in the U.S. portfolio.
- **Expansion in Madhya Pradesh (Ongoing Impact):** Following the recent board approval, Sun Pharma Laboratories Ltd is moving forward with a **INR 3,000 crore investment** for a new greenfield formulations manufacturing facility in Madhya Pradesh. This is part of a larger INR 3,800 crore commitment to the state aimed at creating 2,000 jobs.
- **Trading Window Closure (Dec 26):** In compliance with SEBI insider trading regulations, the company announced that its trading window for dealing in securities will be closed from **January 1, 2026**, until 48 hours after the declaration of the Q3 FY26 financial results.
- **Derivatives Surge (Dec 24):** The stock saw a significant **19.64% spike in Open Interest (OI)** in the derivatives segment this week. Combined with a declining spot price, analysts interpret this as the building of short positions or protective hedges by institutional investors anticipating near-term volatility.

2) Brokerage Upgrades and Downgrades

- **InCred Equities (Upgrade):** Recently upgraded the stock to "**Add**" (from Hold) with a target of **INR 2,000**. Analysts cited strong India business growth (+10% YoY) as a primary cushion against U.S. regulatory headwinds.
- **Choice Institutional Equities (Reiteration):** Maintained an "**Add**" rating with a target of **INR 1,825**, highlighting the company's progress in entering the GLP-1 (anti-obesity) market in India and Canada.
- **BofA Securities (Previous Downgrade Impact):** The "**Underperform**" rating from BofA (target INR 1,570) continues to weigh on sentiment, as they remain cautious regarding "premium valuations" and the slow execution of the specialty drug pipeline.

3) Indirect and Regulatory Impacts

- **U.S. FDA OAI Status (Baska Facility):** The **Baska facility** in Gujarat was recently designated as **Official Action Indicated (OAI)** by the U.S. FDA. While Sun Pharma confirmed that current supplies of approved products to the U.S. are unaffected, the OAI status prevents the approval of *new* drug applications from this site until compliance is restored.
- **Semaglutide Export Ruling:** The Delhi High Court recently allowed Sun Pharma to manufacture and **export** its version of the obesity drug **Semaglutide**, while upholding a ban on domestic sales until March 2026 (when Novo Nordisk's patent expires). This provides a significant future revenue trigger for the "Innovative Medicines" segment.
- **U.S. CMS Pricing Models:** Proposed mandatory pricing models by the U.S. Centers for Medicare & Medicaid Services (CMS) are creating a cautious environment for Indian pharma exporters, as these could potentially squeeze margins on high-volume generics.

4) Analyst Community Targets & Ratings (December 2025)

The consensus among 38 analysts remains a "**Buy**", with the current market price (CMP) hovering around **INR 1,712-INR 1,720**.

Gemini Stock Analysis Report

Brokerage / Analyst	Rating	Target Price (INR)	Date (Recent)
Emkay Global	Buy	INR 2,000	Nov 2025
InCred Equities	Add	INR 2,000	Dec 2025
ICICI Direct	Buy	INR 1,965	Nov 2025
Motilal Oswal	Buy	INR 1,960	Dec 2025
Jefferies	Buy	INR 1,910	Oct 2025
Choice Institutional	Add	INR 1,825	Dec 2025
BofA Securities	Underperform	INR 1,570	Aug 2025
Consensus Average	Buy	INR 1,950	Current

Summary Recommendation: While regulatory hurdles (Baska OAI and Taro recall) create short-term "noise," the structural growth in the India business and the upcoming entry into the GLP-1 segment keep the long-term thesis intact. Investors should monitor the Jan 2026 Q3 results for clarity on specialty drug ramp-ups.

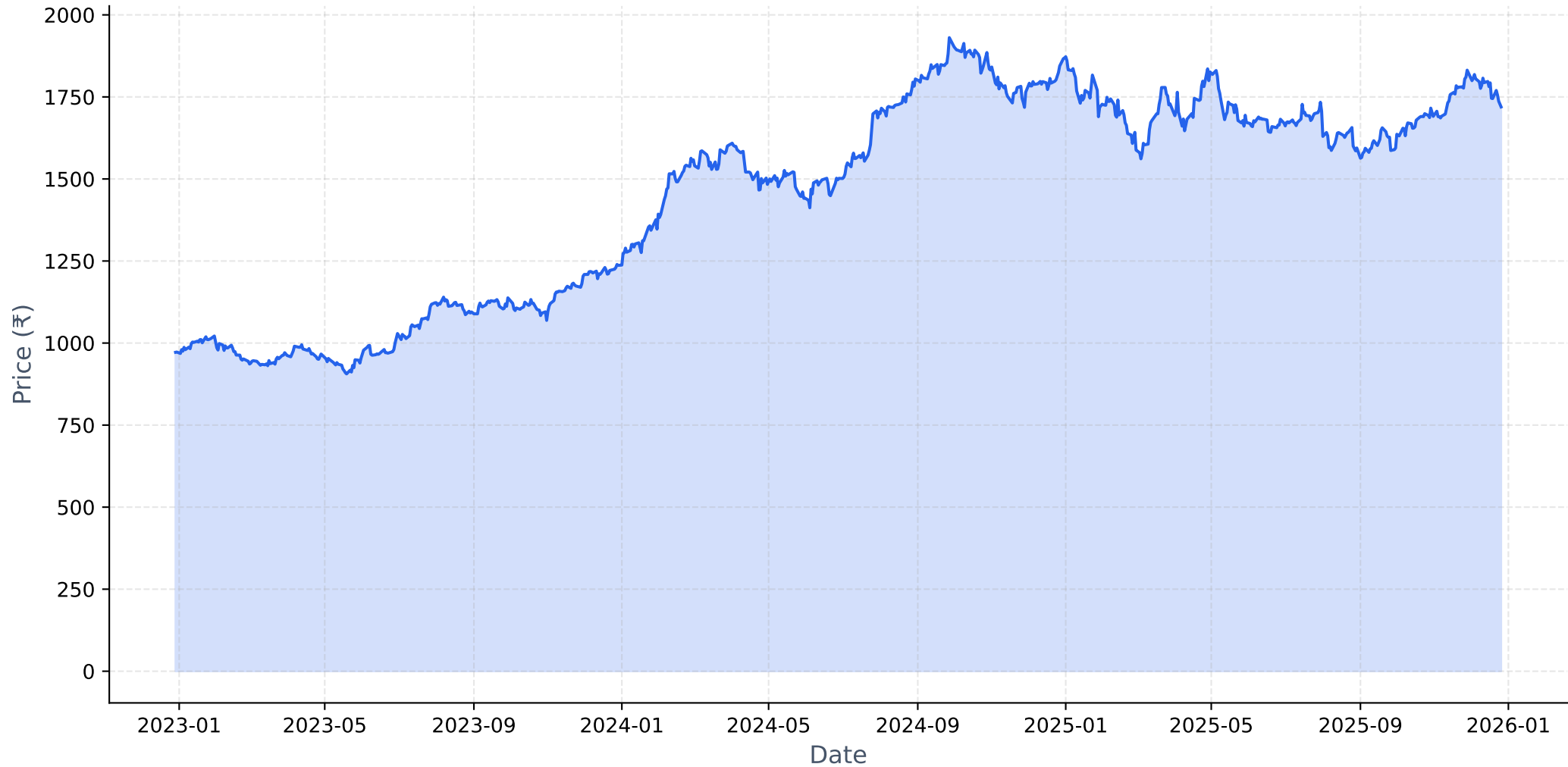
Stock Detailed Analysis Report

SUNPHARMA.NS

Current Price: ₹1719.50

Generated: 2025-12-28 10:30

SUNPHARMA.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	8.97%	10.64%
Net Income	Yes	No	14.12%	49.47%
ROE	Yes	No	0.61%	30.45%
EPS	Yes	No	14.29%	49.67%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	7.57%	2.54%
Net Income	No	5.99%	-4.31%
ROE	No	-32.32%	-32.32%
EPS	Yes	-4.72%	1.45%

SUNPHARMA.NS - Relative Strength Analysis

== OVERVIEW ==:

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

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== RS RATIOS ==:

1M RS:	0.960 [Neutral]
3M RS:	1.033 [Leader]
6M RS:	0.990 [Neutral]
1Y RS:	0.948 [Neutral]

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== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
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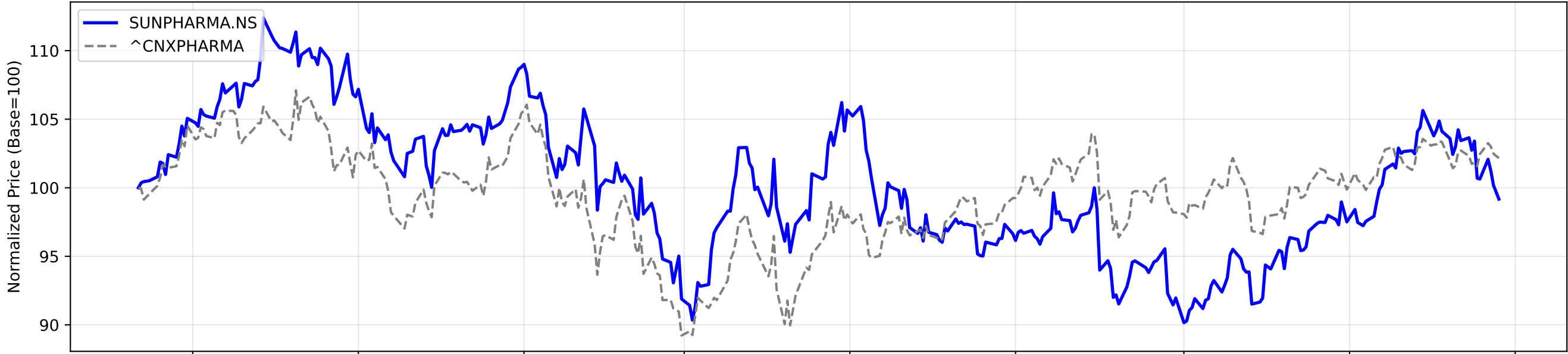
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SIGNAL CRITERIA::

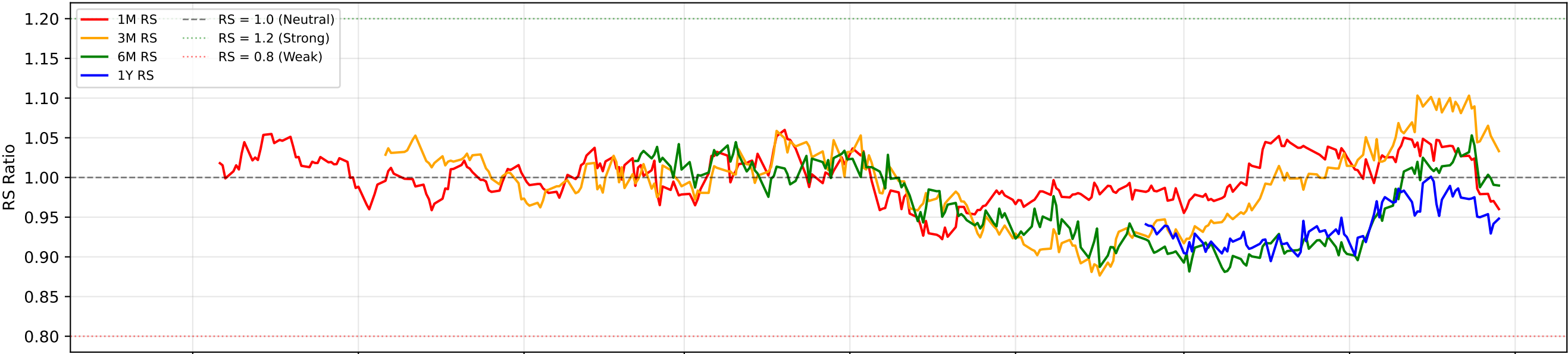
✗ Emerging RS:	Not accelerating
✓ Medium-term Lagging:	6M=0.990, 1Y=0.948 (≤ 1.0)
✓ Performance Improving:	3M (+5.7%) > 6M (+3.0%)

Relative Strength Analysis: SUNPHARMA.NS vs ^CNXPHARMA
Classification: Weakening Leader

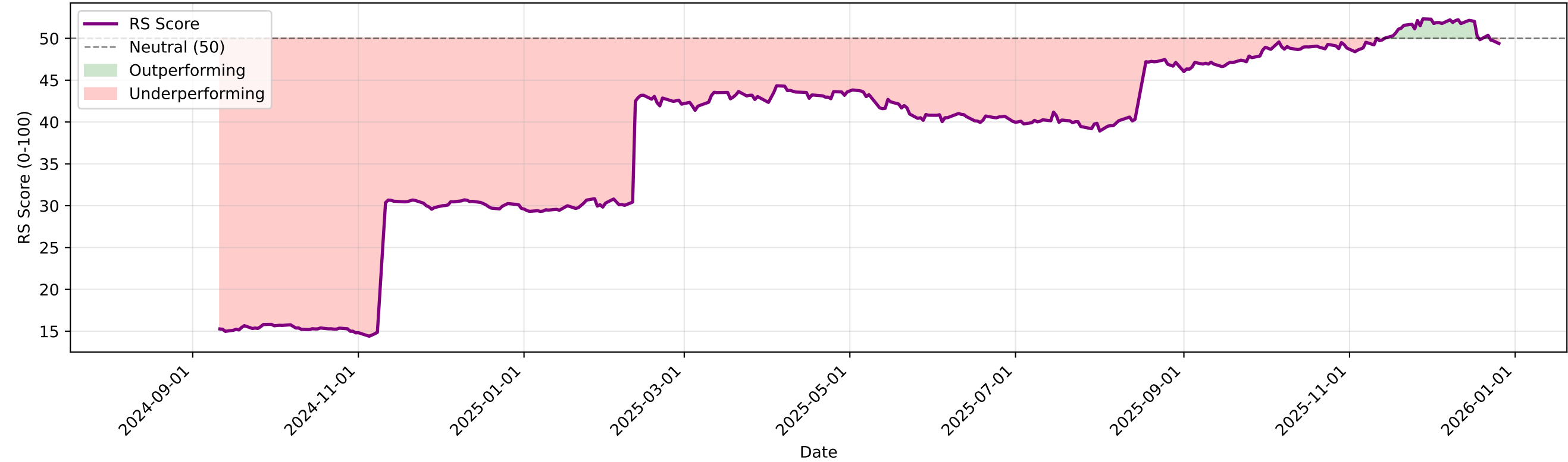
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



SUNPHARMA.NS - EMA Crossover Summary

EMA 20:	1766.67
EMA 50:	1746.12
EMA 200:	1703.82
Trend Status:	Strong Uptrend
Golden Cross Date:	2025-11-18 00:00:00
Golden Cross Price:	1758.80

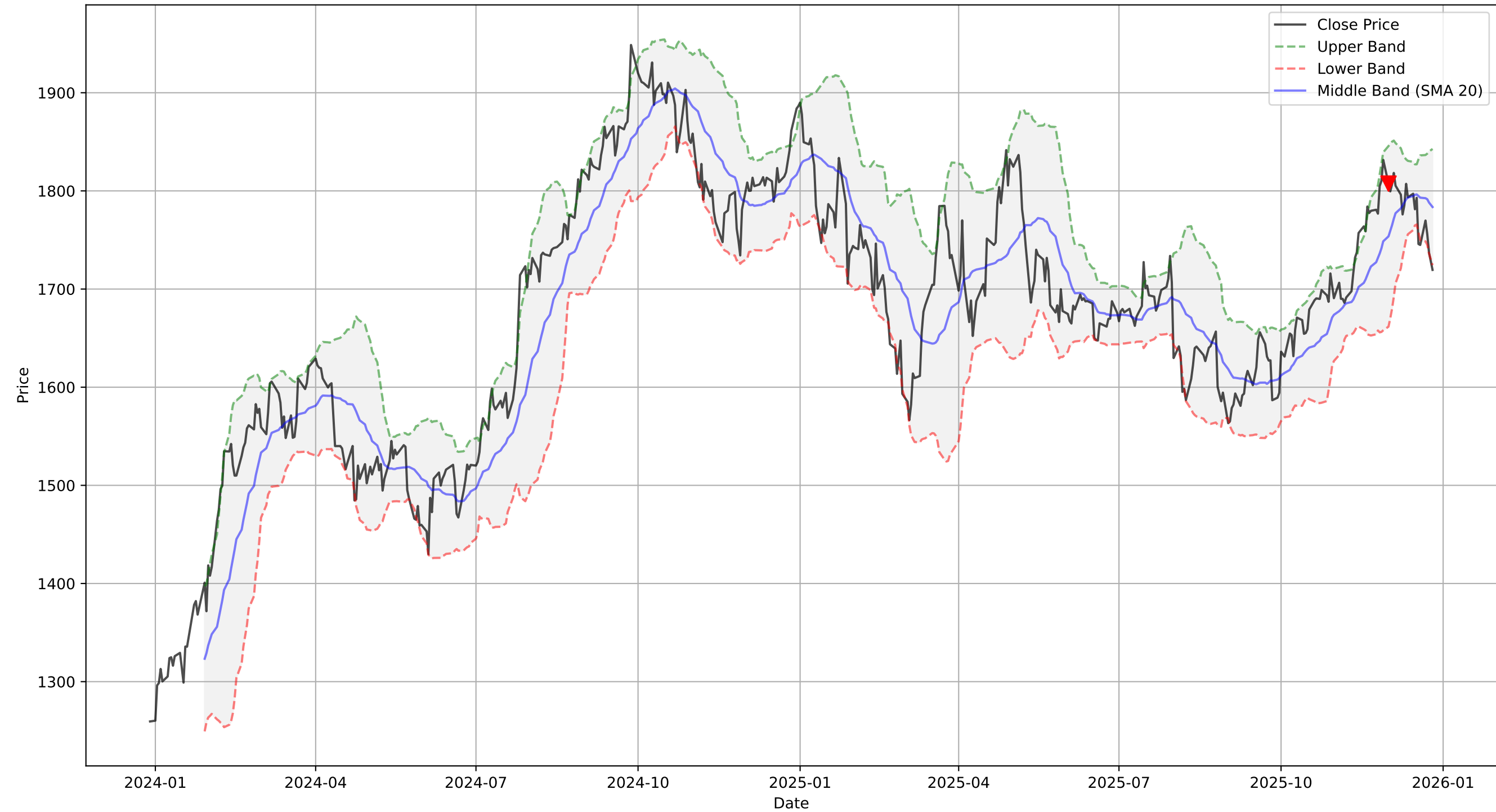
SUNPHARMA.NS EMA Crossover Analysis



SUNPHARMA.NS - Bollinger Bands Summary

Current Price:	1719.50
Upper Band:	1842.76
Middle Band (SMA 20):	1783.58
Lower Band:	1724.39
%B:	-0.0413
Band Width:	0.0664
Status:	Below Lower Band
Signal:	None
Recent Signal 1:	Sell Signal at 2025-12-01 00:00:00

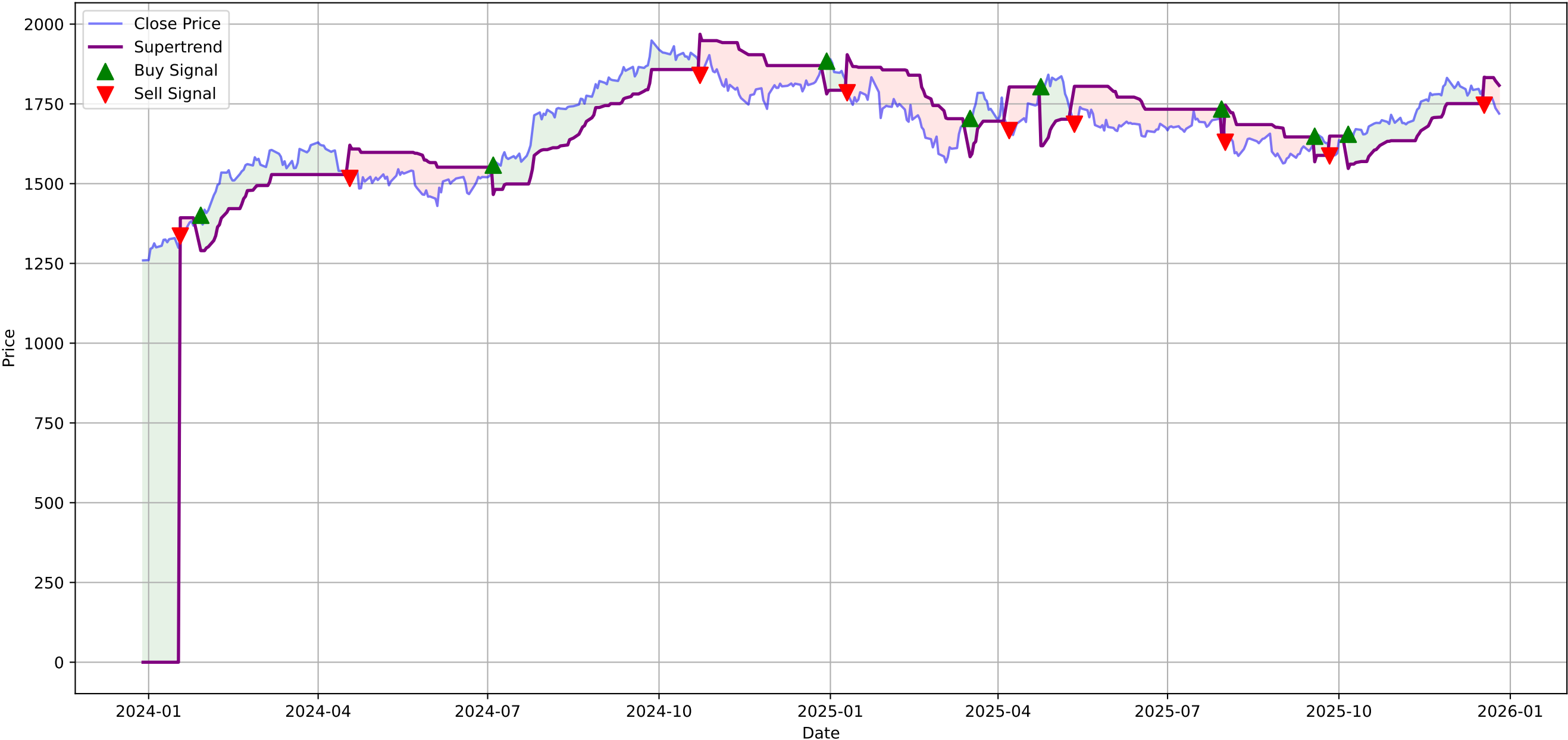
SUNPHARMA.NS Bollinger Bands (20, 2) Analysis



SUNPHARMA.NS - Supertrend Summary

Status:	DOWNTREND (Sell)
Supertrend Value:	1808.02
Signal Identified On:	2025-12-18

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



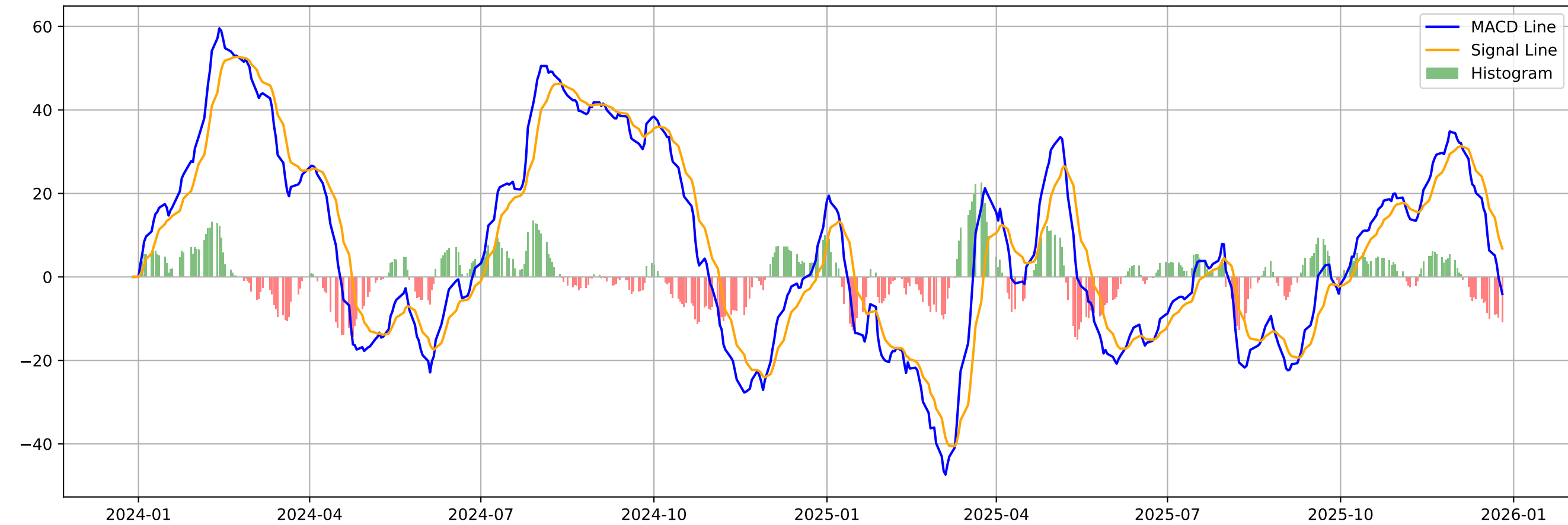
SUNPHARMA.NS - MACD Summary

MACD Line:	-4.10
Signal Line:	6.78
Histogram:	-10.88
Trend:	Bearish
Momentum:	Strengthening
Signal:	None

SUNPHARMA.NS Price



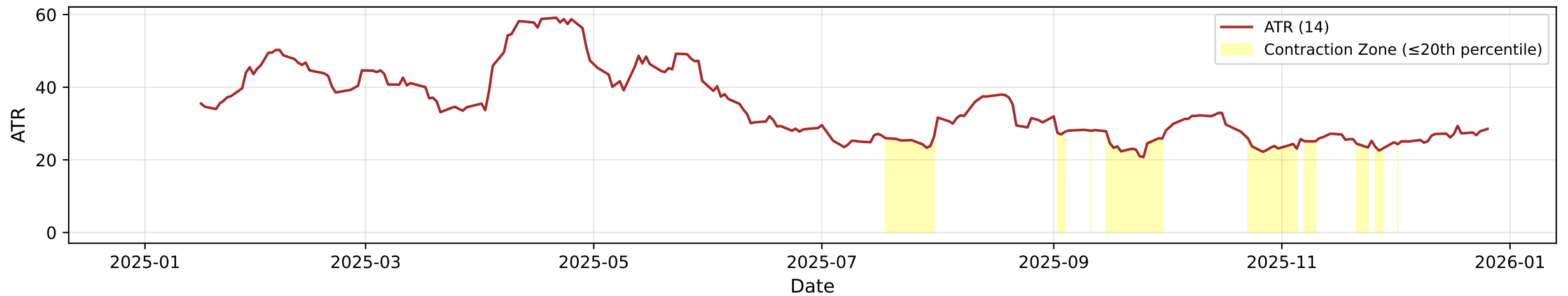
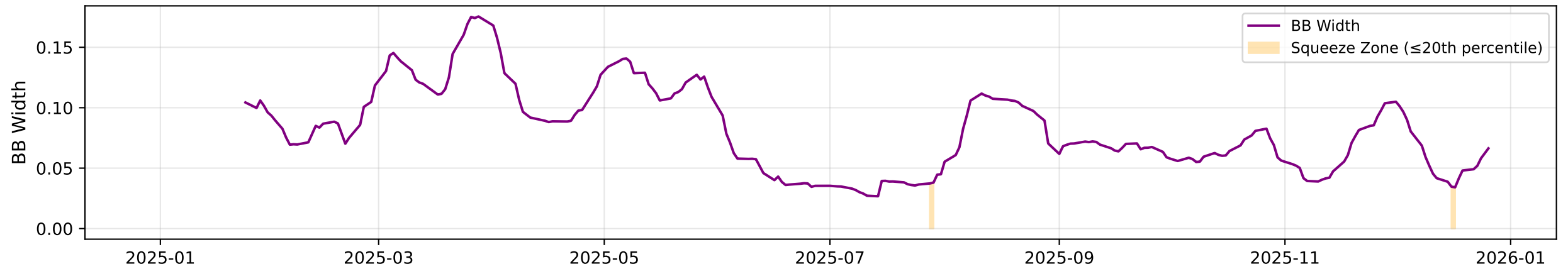
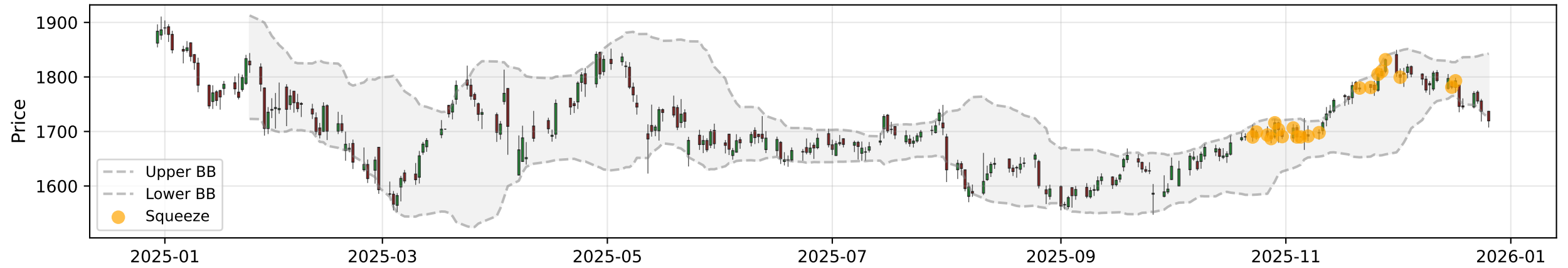
SUNPHARMA.NS MACD (12, 26, 9)



SUNPHARMA.NS - Volatility Squeeze Summary

BB Width:	0.0664
ATR:	28.5071
Total Signals:	20
Signal 1:	ATR Contraction at 2025-11-27 00:00:00 (Price: 1810.30)
Signal 2:	ATR Contraction at 2025-11-28 00:00:00 (Price: 1831.60)
Signal 3:	ATR Contraction at 2025-12-02 00:00:00 (Price: 1799.50)
Signal 4:	BB Squeeze at 2025-12-16 00:00:00 (Price: 1781.30)
Signal 5:	BB Squeeze at 2025-12-17 00:00:00 (Price: 1792.90)

SUNPHARMA.NS - Volatility Squeeze Analysis



SUNPHARMA.NS - RSI-Volume Summary

Current RSI:	38.44
Current Volume:	2507337
Volume MA 20:	2014993
Bullish Divergences:	1
Bearish Divergences:	3
Bullish Div 1:	Date: 2025-06-04 00:00:00, Price: 1664.90
Bearish Div 1:	Date: 2024-04-01 00:00:00, Price: 1629.25
Bearish Div 2:	Date: 2025-07-30 00:00:00, Price: 1733.80

SUNPHARMA.NS RSI-Volume Divergence Analysis

