

# Stock Analysis Report

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## Strategic Trading Analysis

Based on the "Stock Detailed Analysis Report" provided for **DRREDDY.NS** (Dr. Reddy's Laboratories), here is the positional trading analysis.

**Important Note:** The data in the report is dated **February 2026**. I am conducting this analysis treating the report date (2026-02-07) as "Current Day."

### Step 1: Audit the Data

- **Data Present:**
  - Daily Price Action (3 Years) & Moving Averages (20, 50, 200 EMA).
  - Fundamental Analysis (Long-term & Short-term QoQ).
  - Relative Strength (RS) vs. Benchmark & Sector.
  - Momentum Indicators (MACD, RSI, Bollinger Bands).
  - Volatility Analysis (Squeeze & ATR).
  - Volume Analysis (Accumulation/Distribution signals).
  - Multi-timeframe Trend Analysis (Weekly, Daily, 15-min).
- **Data Missing:**
  - Detailed Derivatives Data (Open Interest/Option Chain) - useful for confirming resistance strength but not critical for pure equity swing trading.
- **Confidence Level: High.** The report provides a comprehensive confluence of technical, fundamental, and quantitative metrics necessary for a decision.

### Step 2: Analyze the Setup

- **Price Structure & Trend:**
  - **Current Price (1241.20)** is currently sandwiched between support and resistance.
  - **Bullish Signs:** The stock has reclaimed the 20 EMA (1222) and 50 EMA (1231). The Supertrend (Daily) flipped to Buy on Jan 23.
  - **Bearish Signs:** The price is trading slightly below the **200-day EMA (1243.18)**. This is a major institutional resistance level. The Weekly timeframe is still flagged as "**Downtrend**" (Page 22).
- **Momentum & Indicators:**
  - **MACD:** **Bullish** crossover with strengthening momentum.
  - **RSI:** At 54.62, currently in a neutral-bullish zone with room to run before becoming overbought.
  - **Relative Strength:** The stock is classified as an "Emerging Leader" with 1-month and 3-month RS scores outperforming the benchmark. This suggests money flow is returning to the stock.
- **Volume & Warnings:**
  - **Concern:** Page 18 flags a "**Buying Exhaustion (Bearish Div)**" signal on 2026-02-05. This signal, appearing exactly as the price tests the 200 EMA, indicates a high probability of a short-term pullback or consolidation before a successful breakout.
- **Fundamentals:**
  - Short-term fundamentals are weak (Net Income -15.82% QoQ). This suggests the move is technical/rotational rather than earnings-driven, requiring tighter risk management.

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## Step 3: Formulate the Recommendation

### Should you enter this stock now? NO (Conditional Wait)

**Reasoning:** While the short-term trend is improving, entering *below* the 200-day EMA (1243) while a "Buying Exhaustion" signal is active is high-risk. The probability of rejection at 1243 is significant. The prudent positional approach is to wait for the market to prove the breakout.

### Conditional Plan (Buy Stop Strategy):

- **Condition to Buy:**
  - Wait for a **Daily Candle Close above INR 1250**. This confirms the 200-day EMA (1243.18) has been reclaimed and filters out intraday fake-outs.
- **Entry Price:**
  - **INR 1250 - INR 1255** (Enter on the confirmed breakout).
- **Stop Loss:**
  - **INR 1210** (Close basis).
  - *Rationale:* This places the stop below the 20-day EMA (1222) and the breakout candle. If it falls back below 1210, the breakout was likely a trap.
- **Take Profit:**
  - **Target 1: INR 1313** (~5% upside). This aligns with the "Analyst Price Target" on the Trendlyne snapshot and recent resistance clusters.
  - **Target 2: INR 1380** (~10-11% upside). This targets the upper supply zone seen in late 2024/early 2025 on the charts.

**Risk/Reward Profile:**\* Risk: ~3.2%\* Reward: ~5% (Target 1) to ~10.4% (Target 2)\* This fits the requested probability profile well, provided the 200 EMA resistance is cleared first.

## Candlestick Classification Analysis

Based on the **Candlestick Classification Report (Pages 20 & 21)**, here is my detailed analysis acting as a seasoned Price Action Trader.

### Current Market State: INDECISION (No Control)

- **Latest Classification: No Control (0)**
- **10-Day Trend Score: -0.10** (Slightly **Bearish** Bias)
- **Current Price: INR 1241.20**

### Deep Dive Analysis of Price Action (Page 21 Chart)

Looking at the **Candlestick Classification Chart**, we are witnessing a classic "**Volatility Contraction**" or pause phase following a significant move. Here is the breakdown using your proprietary scoring logic:

#### 1. The Recent Context (The "Story" of the Chart)

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- **The Drop (Seller Strong Control):** In mid-January 2026, we saw a cluster of **Dark Red candles (Score -2)**. These were likely high-conviction days with bodies  $>1.5$  ATR and high volume. This broke the market structure and established a dominant bearish trend.
- **The Weak Retracement:** Following the low around 1150, the stock attempted a bounce. However, notice the color of the candles during the rise: they are mostly **Light Green (Buyer Control +1)** or **Grey (No Control 0)**. We do **not** see a cluster of "Buyer Strong Control (+2)" candles.
  - *Trader Interpretation:* The buyers are participating, but they lack the institutional volume (Step 4 of your algorithm) or the conviction to close near highs (Step 2) to trigger a +2 score. This suggests a **"Weak Hands" rally**.

## 2. The Current Setup (Right Edge of Chart)

The most recent candles are dominated by **Grey (No Control)** and **Light Red (Seller Control)** bars.\*

**Algorithm Output Analysis:** The "No Control" classification tells me recent daily ranges are likely small (Body  $< 0.5$  ATR) or feature long wicks on both sides (Step 3).\* **Volume check:** The volume bars at the bottom right are average to low. Step 4 of your logic dictates that low volume weakens signals. Even if the price drops slightly, without volume, it defaults to 0 or -1, indicating a lack of aggressive selling, but a total absence of buyers.

## 3. Trend Score Analysis (-0.10)

The 10-day average score is effectively zero with a tiny negative tilt.\* **Implication:** The market is in equilibrium. The aggressive sellers from January have taken profit, but aggressive buyers have not stepped in to reverse the trend. We are drifting.

## Prediction & Trade Strategy

**Verdict:** **Bearish** Continuation Likely (Drift Lower)

While the current signal is "No Control," the context is a downtrend. In price action trading, **indecision within a downtrend usually resolves in the direction of the trend.**

**The Bear Case (Most Likely):** The current "No Control" phase is a "Bear Flag" or consolidation. The lack of "Buyer Strong Control" (+2) candles during the recent bounce indicates that big money is not accumulating yet. I expect the price to drift sideways to lower, testing the recent support at **1150**.

- *Trigger:* Watch for a **Seller Control (-1)** or **Seller Strong Control (-2)** candle to close below 1220.

**The Bull Case (Low Probability):** For a reversal, we need to see the algorithm generate a **Buyer Strong Control (+2)** signal. This requires:

1. A body  $> 1.5$  ATR (Big move).
2. Closing near the high.
3. **Crucially: Volume  $> 1.3x$  Average.** Until a +2 candle appears, any upside movement is suspect and likely to be sold into.

**Forecast:** The price will likely chop around 1200-1250 in the short term (Grey candles), followed by a

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breakdown toward 1150. **Sellers are resting, not retreating.**

## News & Analyst Targets

**Date:** Saturday, February 7, 2026 **Subject:** Stock Research Report: Dr. Reddy's Laboratories (DRREDDY)

Here is the latest research and analysis for Dr. Reddy's Laboratories for the week ending February 7, 2026.

### 1) Latest News for Dr. Reddy's (Week of Feb 1 - Feb 7, 2026)

- **Q3 FY26 Earnings:** Dr. Reddy's reported its Q3 results recently. Consolidated net profit stood at **Rs 1,210 crore**, a decline of **14% YoY**, while revenue grew **4% YoY to Rs 8,727 crore**. The company reported an EBITDA margin of 23.5% (24.8% adjusted). The decline in North America sales (-12%) was a drag, partially offset by growth in India (+19%) and Europe (+20%).
- **Caribbean Expansion:** The company's Jamaica subsidiary has commenced pharmaceutical shipments to **Guyana and Trinidad**. This marks a significant milestone in expanding its footprint in the Caribbean Community (CARICOM) region.
- **Advocacy for Non-Animal Testing:** On February 5, Dr. Reddy's, in collaboration with other industry bodies, released a report titled "*Landscape Analysis on Alternatives to Animal Testing for Drug Development in India*," advocating for modern, human-relevant testing methods.
- **Stock Performance:** The stock closed the week at **Rs 1,241.15**, registering a gain of **1.87%** for the week. It showed resilience, rebounding from a drop earlier in the week (Feb 2).

### 2) Brokerage Upgrades & Downgrades

- **Axis Direct:** maintained a **BUY** rating and raised its target price, citing growth in the India business and new product launches despite US headwinds.
- **ICICI Direct:** Maintained a **BUY** rating with a target of **Rs 1,490**, optimistic about the company's complex generic pipeline.
- **Emkay Global:** Maintained a **SELL** rating, expressing concern over pricing erosion in the US market.
- **Trendlyne Consensus:** The overall analyst consensus is **HOLD/ACCUMULATE** with an average upside potential of ~3-4% from current levels.

### 3) Other Direct/Indirect News

- **US-India Trade Deal:** The recent announcement of the US cutting reciprocal tariffs on Indian imports (from 25% to 18%) has generated positive sentiment for Indian pharma exporters, including Dr. Reddy's.
- **Regulatory Environment:** The company continues to work through USFDA observations (Form 483) for its Srikakulam and Bachupally facilities. Resolution of these observations remains a key monitorable for investors.

### 4) Latest Analyst Price Targets (February 2026)

| Brokerage Firm      | Rating  | Target Price (INR) | Upside/Downside* | Date of Report |
|---------------------|---------|--------------------|------------------|----------------|
| BOB Capital Markets | Buy     | 1,500              | +20.8%           | Jan 22, 2026   |
| ICICI Direct        | Buy     | 1,490              | +20.0%           | Jan 23, 2026   |
| Axis Direct         | Buy     | 1,450              | +16.8%           | Jan 22, 2026   |
| Choice Equity       | Buy     | 1,315              | +5.9%            | Feb 02, 2026   |
| Consensus Mean      | Hold    | 1,288              | +3.8%            | Feb 06, 2026   |
| Motilal Oswal       | Neutral | 1,250              | +0.7%            | Dec 12, 2025   |

# Stock Analysis Report

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| Brokerage Firm | Rating | Target Price (INR) | Upside/Downside* | Date of Report |
|----------------|--------|--------------------|------------------|----------------|
| Emkay Global   | Sell   | 1,150              | -7.3%            | Jan 24, 2026   |

*\*Upside/Downside calculated based on the closing price of ~Rs 1,241 as of Feb 6, 2026.*

# Stock Detailed Analysis Report

**DRREDDY.NS**

Current Price: ₹1241.20

Generated: 2026-02-07 10:30

# 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            | 1.26%     | 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:  | <b>Emerging Leader</b> |
| RS Score:        | 51.6/100               |
| :                |                        |

## == RS RATIOS ==:

|        |                        |
|--------|------------------------|
| 1M RS: | <b>1.052 [Leader]</b>  |
| 3M RS: | <b>1.047 [Leader]</b>  |
| 6M RS: | <b>1.024 [Leader]</b>  |
| 1Y RS: | <b>0.972 [Neutral]</b> |
| :      |                        |

## == TURNAROUND ANALYSIS ==:

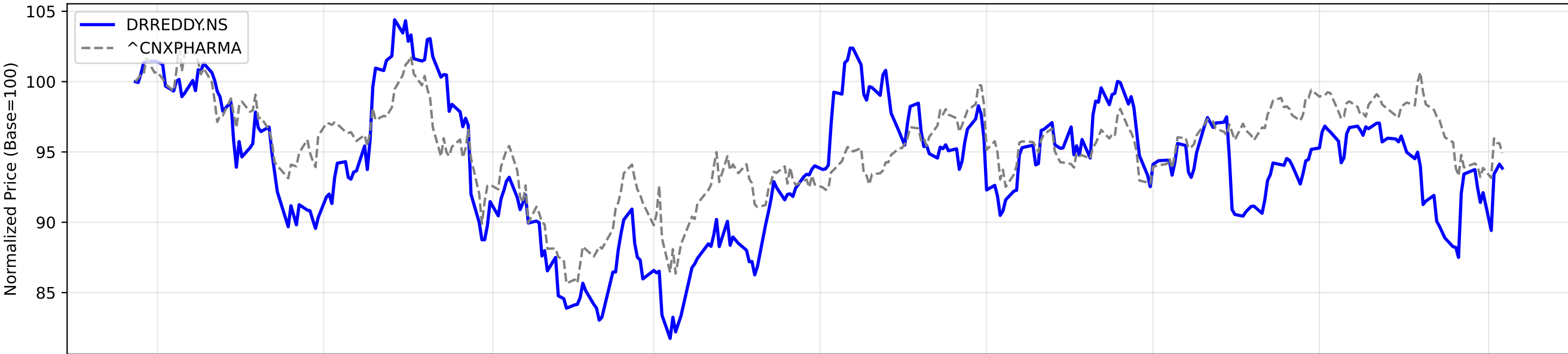
|                    |                       |
|--------------------|-----------------------|
| Turnaround Status: | <b>!! DETECTED !!</b> |
| :                  |                       |

## SIGNAL CRITERIA::

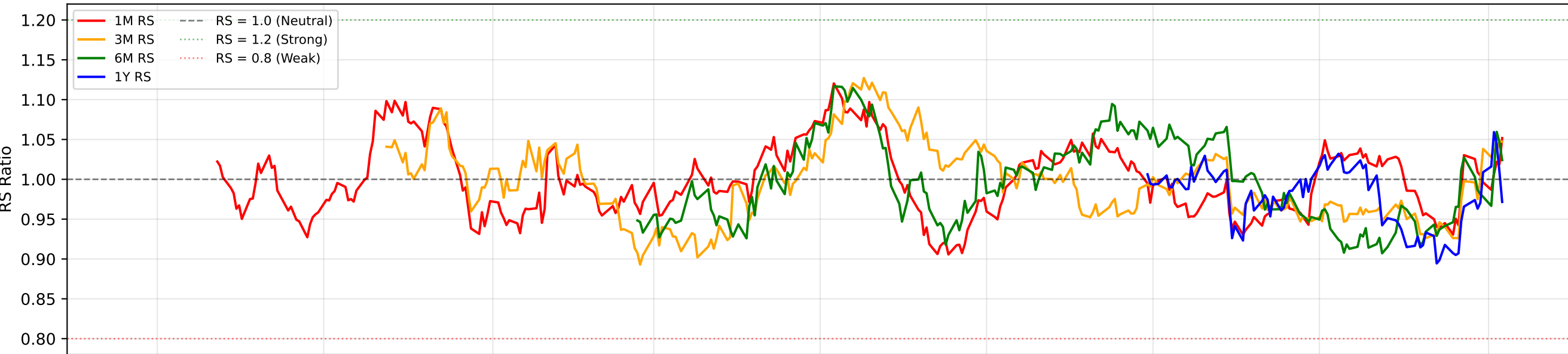
|                          |                         |
|--------------------------|-------------------------|
| ✓ Emerging RS:           | 1M (1.052) > 3M (1.047) |
| ✓ Medium-term Lagging:   | 1Y=0.972 ( $\leq 1.0$ ) |
| ✓ Performance Improving: | 3M (+3.0%) > 6M (+1.3%) |

Relative Strength Analysis: DRREDDY.NS vs ^CNXPBARMA  
Classification: Emerging Leader

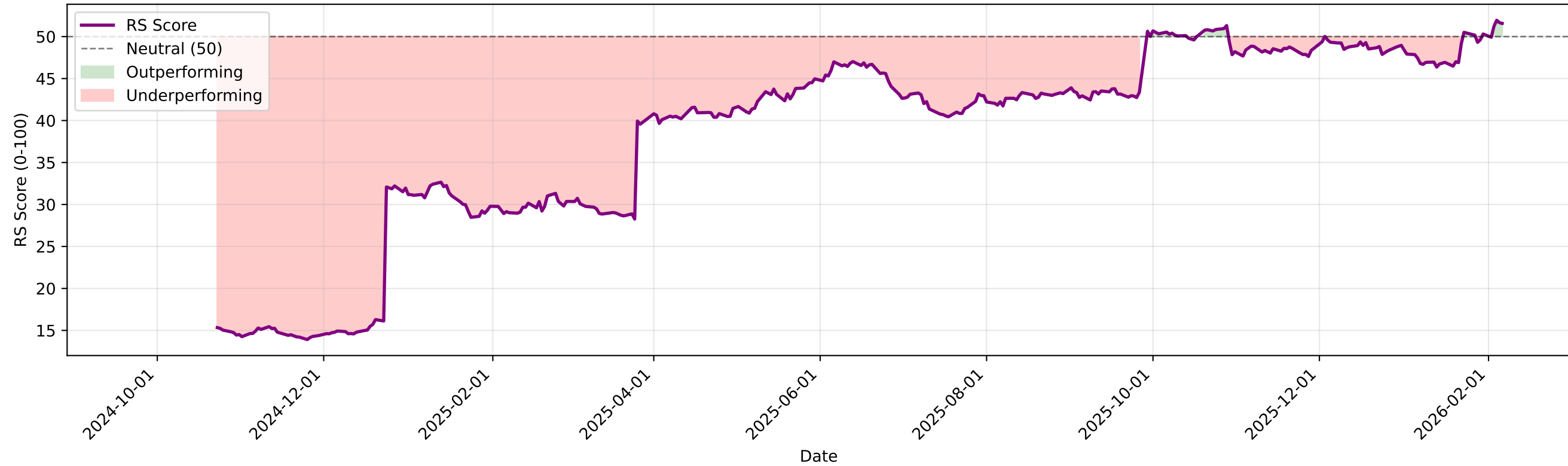
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



## DRREDDY.NS - EMA Crossover Summary

|               |                         |
|---------------|-------------------------|
| EMA 20:       | 1222.18                 |
| EMA 50:       | 1231.95                 |
| EMA 200:      | 1243.18                 |
| Trend Status: | <b>Strong Downtrend</b> |

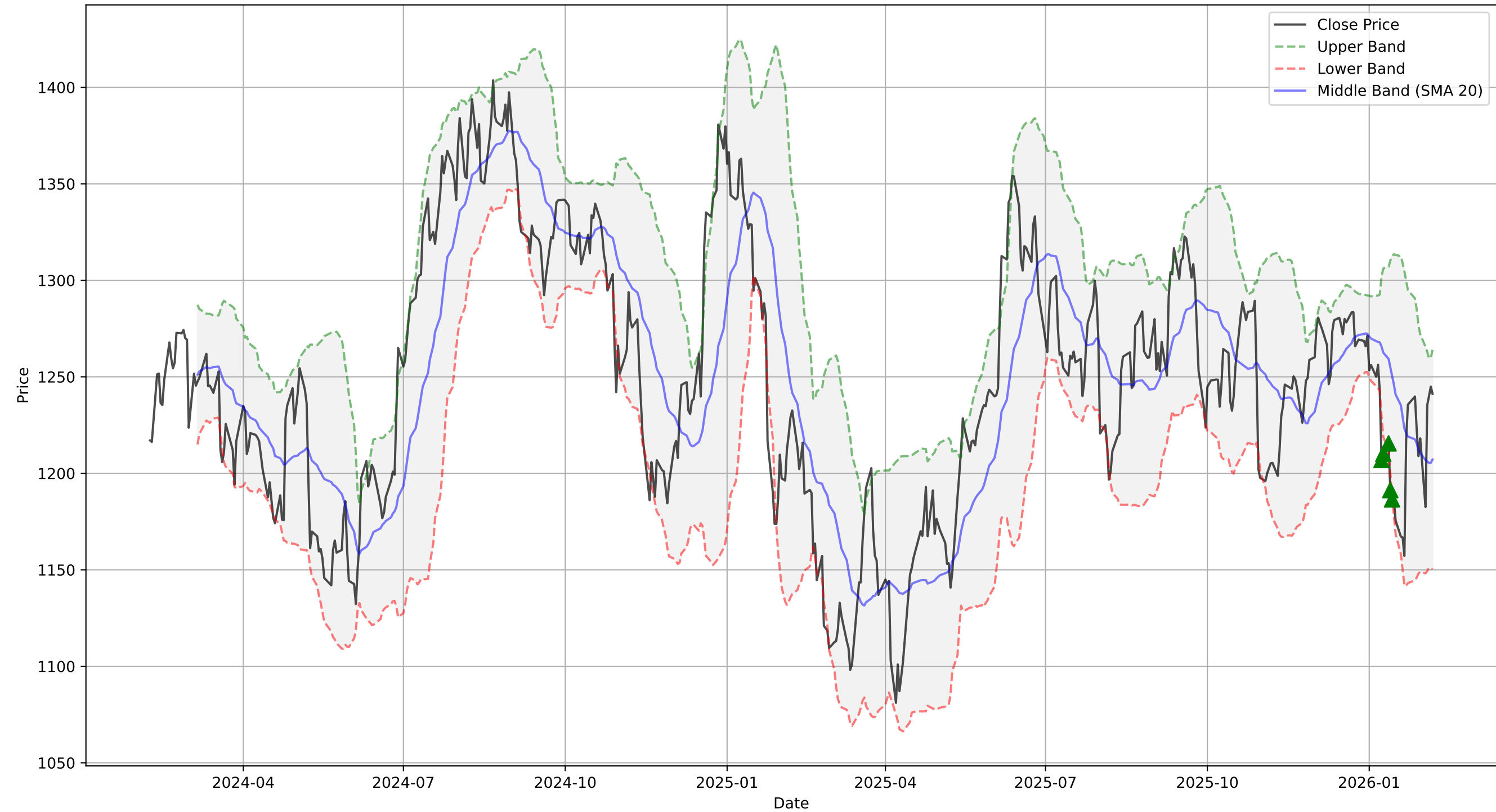
DRREDDY.NS EMA Crossover Analysis



## DRREDDY.NS - Bollinger Bands Summary

|                              |  |
|------------------------------|--|
| <b>Current Price:</b>        | 1241.20  |
| <b>Upper Band:</b>           | 1263.97  |
| <b>Middle Band (SMA 20):</b> | 1207.15  |
| <b>Lower Band:</b>           | 1150.34  |
| <b>%B:</b>                   | 0.7996   |
| <b>Band Width:</b>           | 0.0941   |
| <b>Status:</b>               | Upper Half                                     |
| <b>Signal:</b>               | None   |
| <b>Recent Signal 1:</b>      | <b>Buy Signal at 2026-01-12 00:00:00+05:30</b> |
| <b>Recent Signal 2:</b>      | <b>Buy Signal at 2026-01-13 00:00:00+05:30</b> |
| <b>Recent Signal 3:</b>      | <b>Buy Signal at 2026-01-14 00:00:00+05:30</b> |

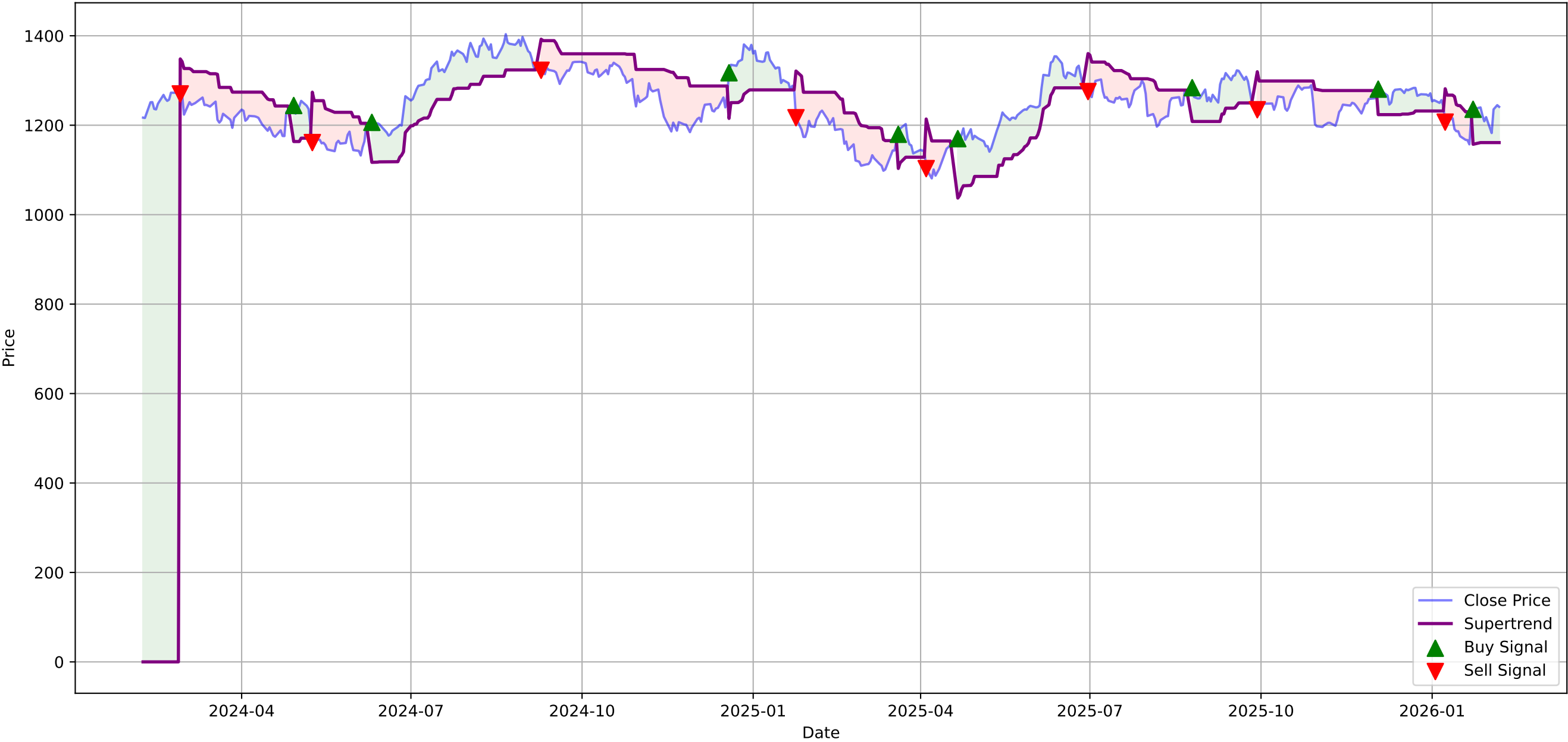
DRREDDY.NS Bollinger Bands (20, 2) Analysis



## 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)

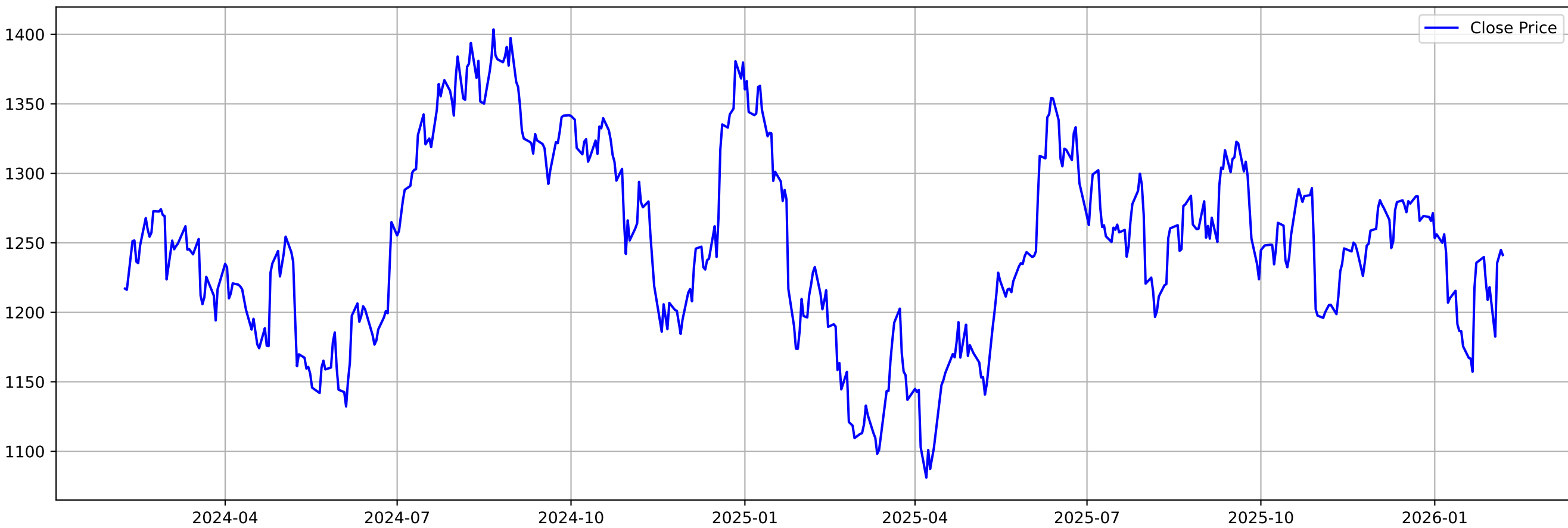




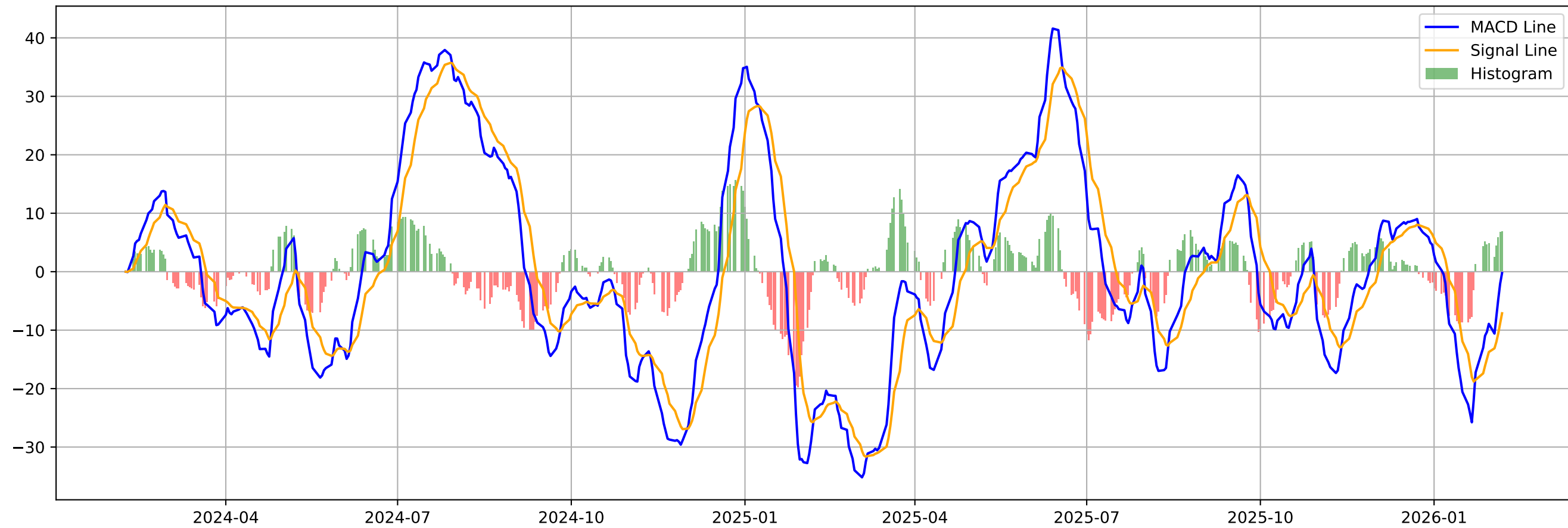
## DRREDDY.NS - MACD Summary

|              |                      |
|--------------|----------------------|
| MACD Line:   | -0.23                |
| Signal Line: | -7.12                |
| Histogram:   | 6.89                 |
| Trend:       | <b>Bullish</b>       |
| Momentum:    | <b>Strengthening</b> |
| Signal:      | None                 |

DRREDDY.NS Price



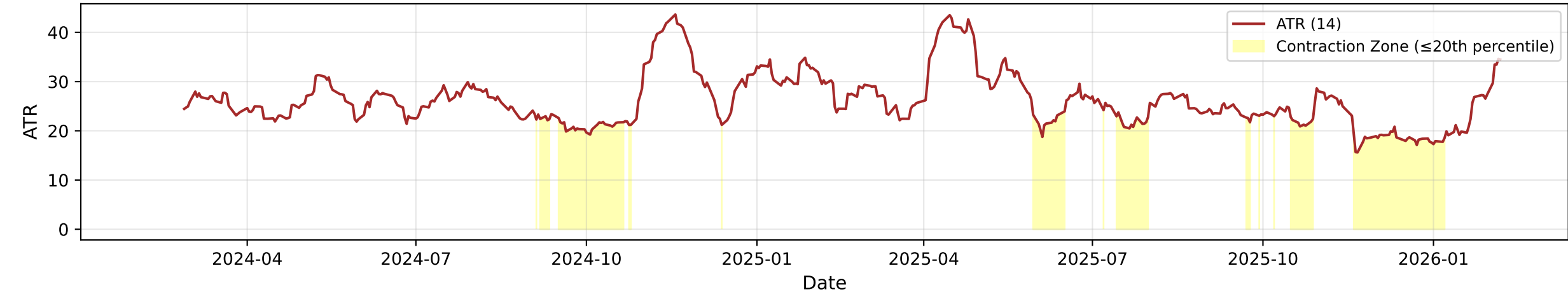
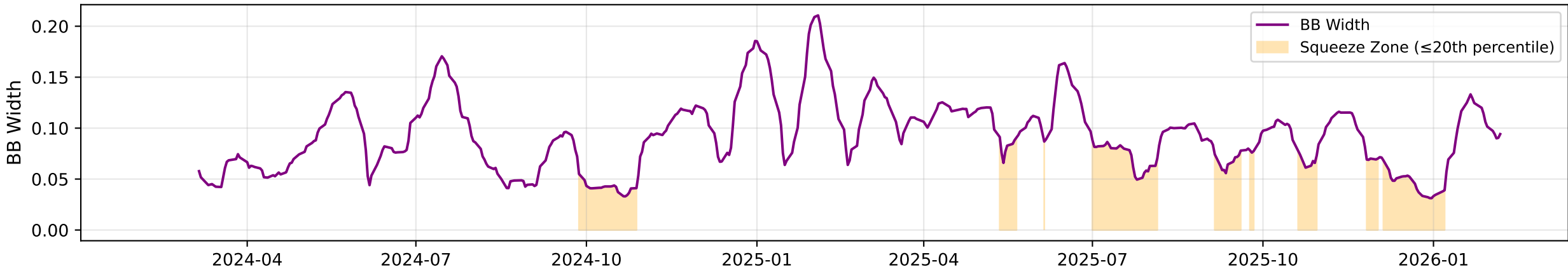
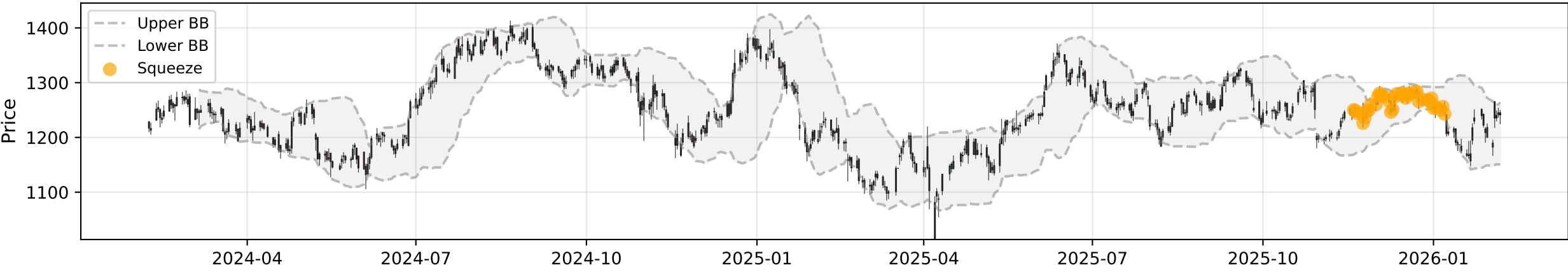
DRREDDY.NS MACD (12, 26, 9)



# DRREDDY.NS - Volatility Squeeze Summary

|                |   |
|----------------|---|
| BB Width:      | 0.0941  |
| ATR:           | 34.4929   |
| 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 |

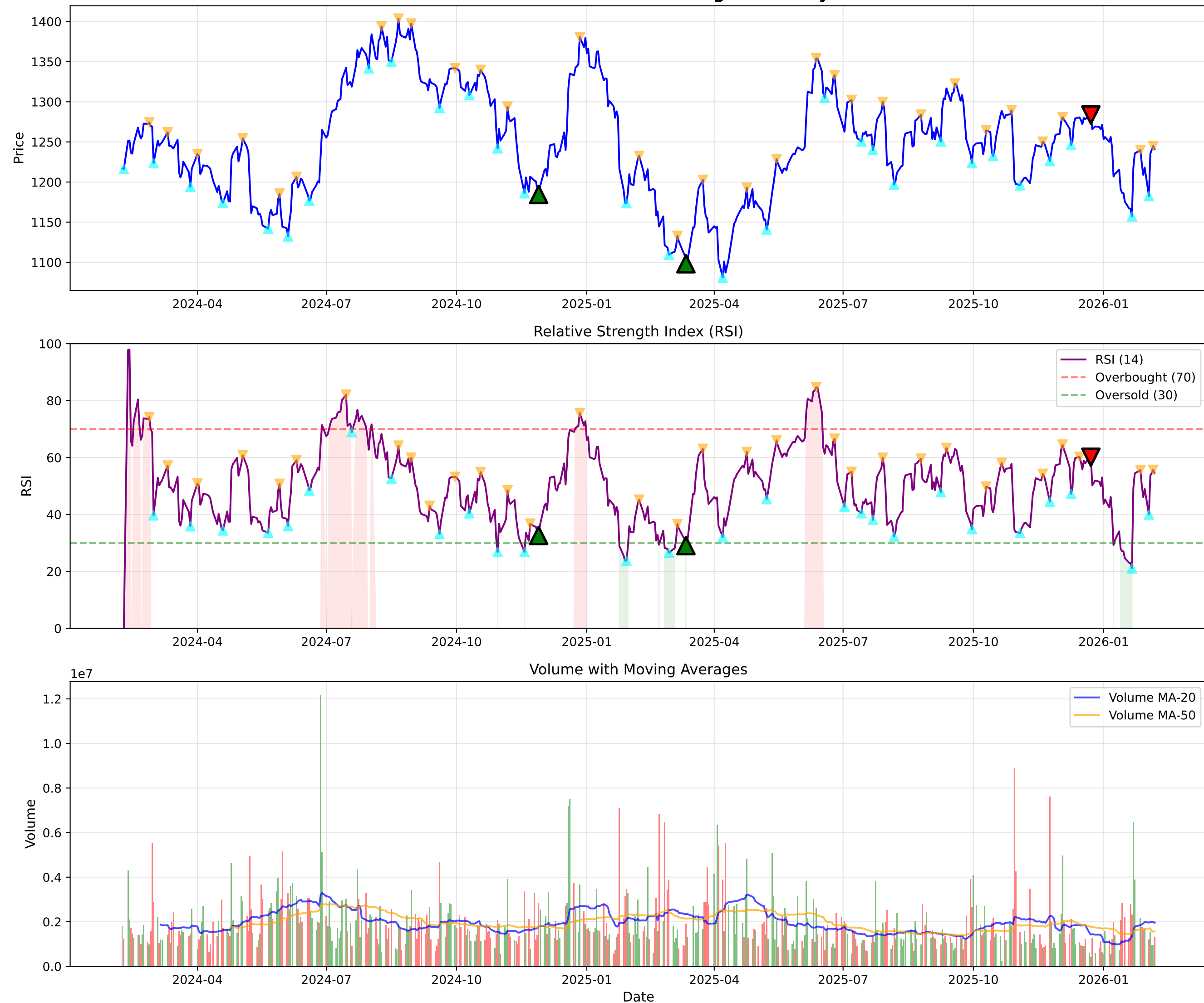
# DRREDDY.NS - Volatility Squeeze Analysis



## DRREDDY.NS - RSI-Volume Summary

|                             |   |
|-----------------------------|---|
| <b>Current RSI:</b>         | 54.62   |
| <b>Current Volume:</b>      | 1324651   |
| <b>Volume MA 20:</b>        | 1954606   |
| <b>Bullish Divergences:</b> | 2   |
| <b>Bearish Divergences:</b> | 1   |
| <b>Bullish Div 1:</b>       | Date: 2024-11-28 00:00:00+05:30, Price: 1184.44 |
| <b>Bullish Div 2:</b>       | Date: 2025-03-12 00:00:00+05:30, Price: 1098.19 |
| <b>Bearish Div 1:</b>       | 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:

**43 Signals Detected**

:

**2026-01-20 [-]:**

Distribution Day

**2026-01-21 [-]:**

Distribution Day

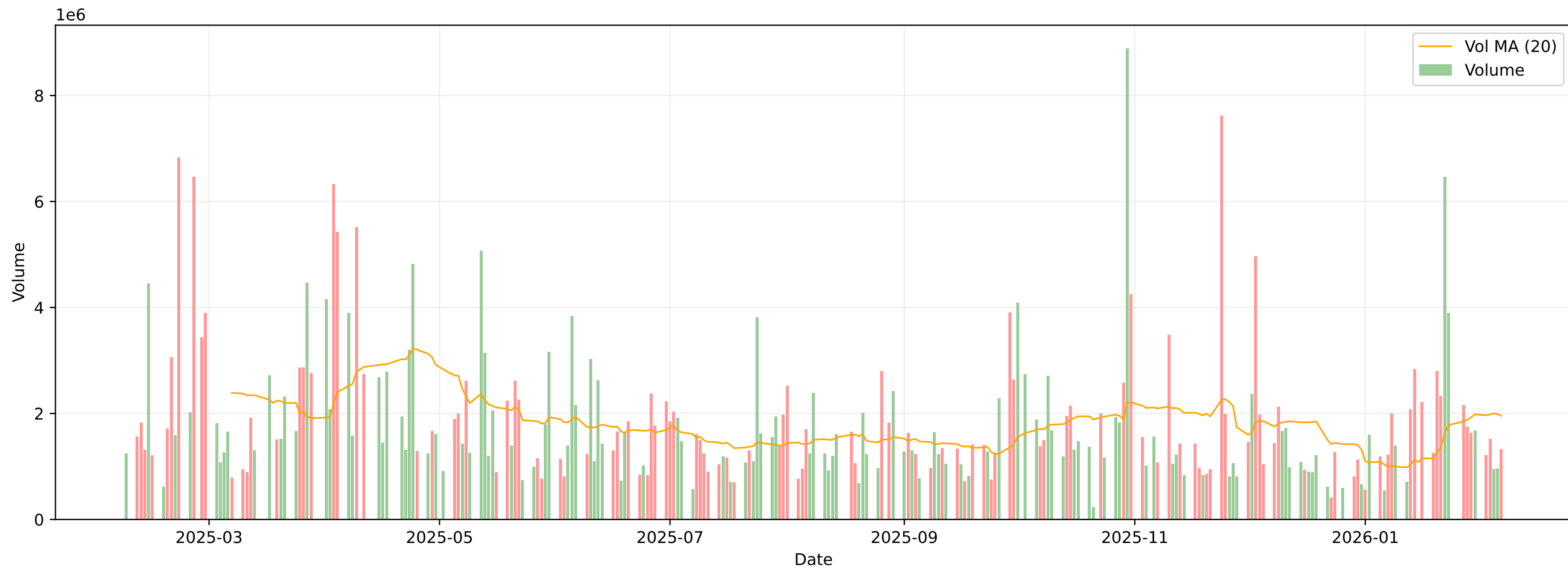
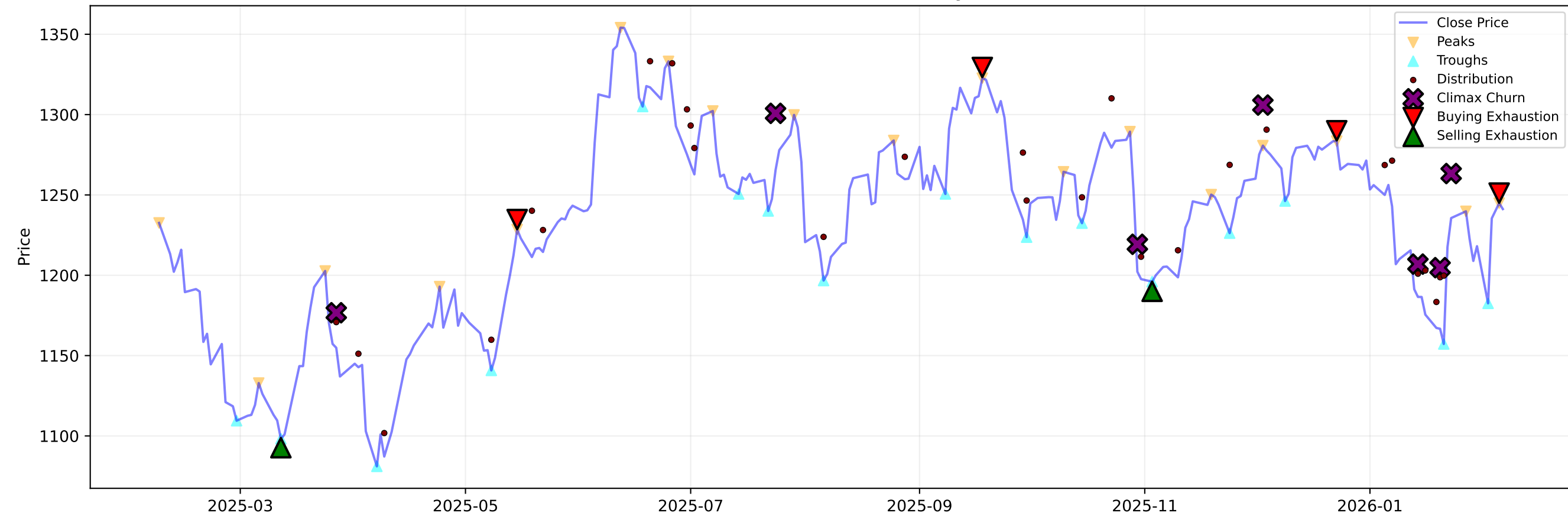
**2026-01-23 [-]:**

Climax Volume (Churning)

**2026-02-05 [+]:**

**Buying Exhaustion (Bearish Div)**

# DRREDDY.NS - Volume Analysis





# DRREDDY.NS - Candlestick Classification Summary

## == CANDLESTICK CLASSIFICATION ==:

**Latest Classification:** **No Control**

**Recent Trend Score (10-day avg):** -0.10

:

### **Distribution:**

**No Control:** 113

**Buyer Control:** 58

**Seller Control:** 52

**Seller Strong Control:** 3

**Buyer Strong Control:** 2

# DRREDDY.NS - Candlestick Classification



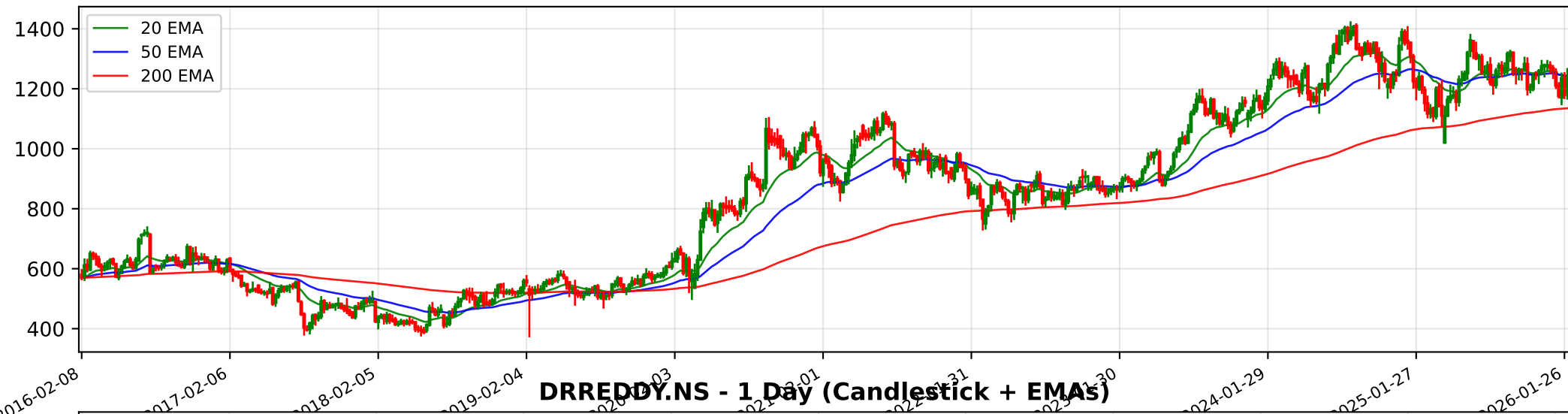
## Multi-Timeframe Supertrend Analysis

| Timeframe | Status           | Value   | Last Price | Signal Date |
|-----------|------------------|---------|------------|-------------|
| 1 Week    | DOWNTREND (Sell) | 1281.01 | 1241.2     | 2025-10-27  |
| 1 Day     | UPTREND (Buy)    | 1161.15 | 1241.2     | 2026-01-23  |
| 15 Min    | UPTREND (Buy)    | 1228.85 | 1241.0     | 2026-02-06  |

## Multi-Timeframe MACD Analysis

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

DRREDDY.NS - 1 Week (Candlestick + EMAs)



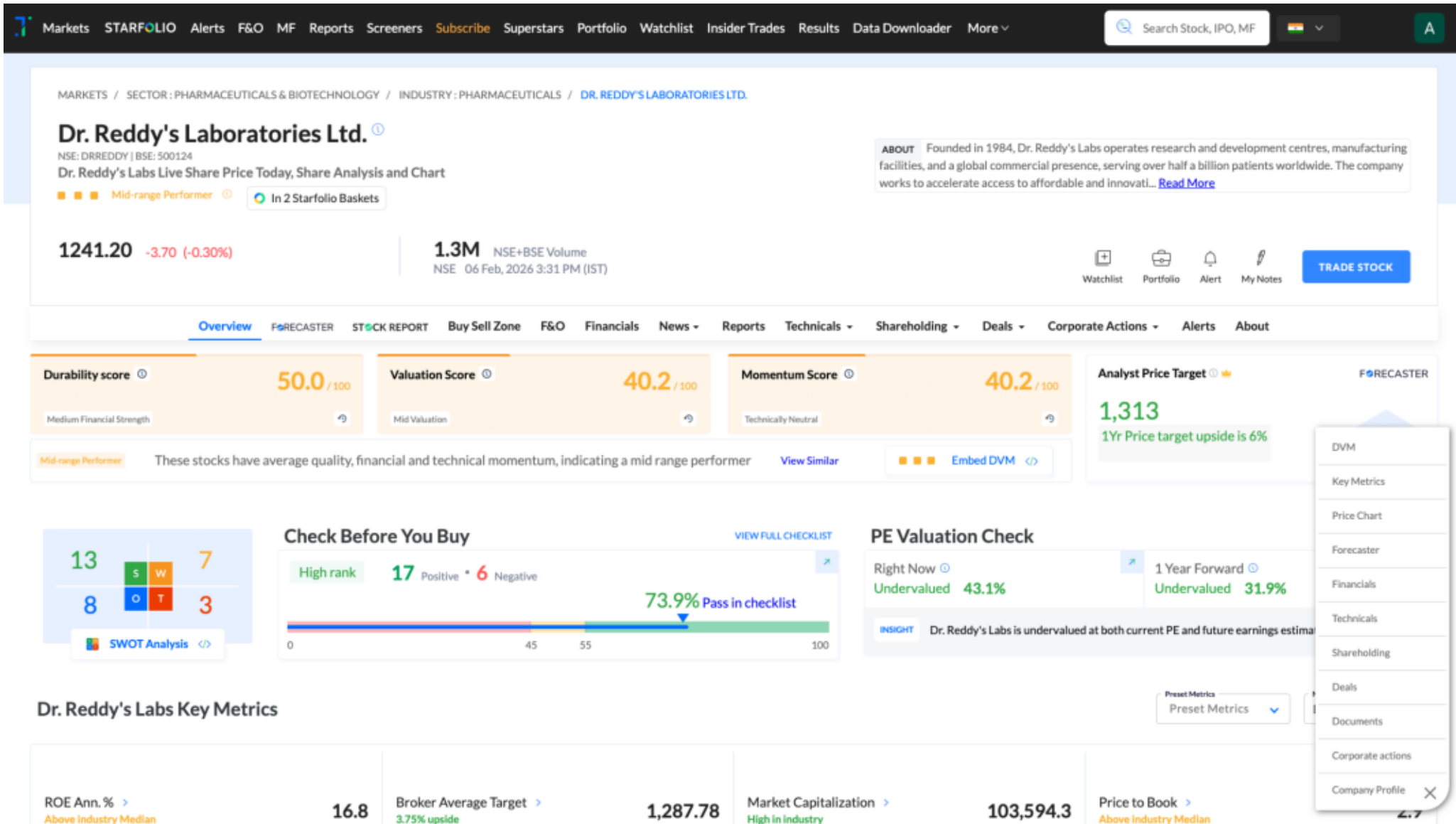
DRREDDY.NS - 1 Day (Candlestick + EMAs)



DRREDDY.NS - 15 Min (Candlestick + EMAs)



## Trendlyne Snapshot - DRREDDY\_main



OverviewFORECASTERSTOCK REPORTBuy Sell ZoneF&OFinancialsNewsReportsTechnicalsShareholdingDealsCorporate ActionsAlertsAbout

Durability score50.0 / 100  
Medium Financial Strength

Valuation Score40.2 / 100  
Mid Valuation

Momentum Score40.2 / 100  
Technically Neutral

Analyst Price Target1,313  
1Yr Price target upside is 6%

Mid-range Performer

These stocks have average quality, financial and technical momentum, indicating a mid range performer

View Similar

Embed DVM

13  
8

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7  
3

SWOT Analysis

Check Before You Buy

VIEW FULL CHECKLIST

High rank 17 Positive \* 6 Negative

73.9% Pass in checklist

PE Valuation Check

Right Now Undervalued 43.1%

1 Year Forward Undervalued 31.9%

INSIGHT Dr. Reddy's Labs is undervalued at both current PE and future earnings estim

Dr. Reddy's Labs Key Metrics

Preset Metrics

2.7

- DVM
- Key Metrics
- Price Chart
- Forecaster
- Financials
- Technicals
- Shareholding
- Deals
- Documents
- Corporate actions
- Company Profile

## Trendlyne Snapshot - DRREDDY\_forecaster

Markets

STARFOLIO

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F&O

MF

Reports

Screeners

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Superstars

Portfolio

Watchlist

Insider Trades

Results

Data Downloader

More

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India

A

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

1241.20

-3.70 (-0.30%)

1.3M

NSE+BSE Volume

NSE 06 Feb, 2026 3:31 PM (IST)

Watchlist

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TRADE STOCK

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About

### Dr. Reddy's Labs - DRREDDY - stock price prediction, stock forecast, target price, analyst ratings from 38 analysts

Dr. Reddy's Labs has a share price target of Rs 1313, revenue growth forecast of 5.4%, and profit growth estimate of -9.7% for FY26, based on top 38 analyst calls.

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

[FORECASTER DASHBOARD](#)