

Stock Analysis Report

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Strategic Trading Analysis

Based on the detailed technical and fundamental report provided for **CIPLA.NS** (generated date: 2026-02-07), here is my analysis as a positional equity trader.

Step 1: Audit the Data

● Data Present:

- **Price Action:** Daily and Weekly charts with candlestick classification.
- **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend, and Trendlyne analysis.
- **Momentum Indicators:** RSI (14), MACD (12, 26, 9), and Relative Strength (RS) against the Pharma sector.
- **Volatility:** Bollinger Bands and ATR (Volatility Squeeze analysis).
- **Fundamental Snapshot:** Quarterly revenue/net income trends and analyst estimates.

● Data Missing:

- **Granular Order Flow:** While "Selling Exhaustion" is flagged, specific delivery percentage data vs. traded volume is not explicitly detailed.
- **Sector Breadth:** While RS against CNXPHARMA is shown, the overall health of the Nifty Pharma index itself is not independently analyzed.

● Confidence Level: High. The report provides a comprehensive confluence of trend, momentum, and volatility indicators necessary for a technical decision.

Step 2: Analyze the Setup

● Price Structure & Trend (**Bearish**):

- The stock is in a **Strong Downtrend**. It is trading below the 20, 50, and 200-day EMAs.
- A "Death Cross" (50 EMA crossing below 200 EMA) is visible on the Daily chart (Page 7), which is a major bearish signal for the intermediate term.
- The Supertrend is negative (Sell signal active since Oct 2025).

● Fundamental Context (**Negative**):

- Short-term fundamentals are deteriorating sharply. Net Income is down **-47.92%** QoQ, and EPS is down similarly. This explains the institutional selling pressure.

● Momentum & Contrarian Signals (**Bullish** Divergence):

- **Oversold Conditions:** RSI is at ~30.42. Historically, the stock bounces when RSI hits this zone (Page 17).
- **MACD Divergence:** There is a **Bullish** Crossover and positive histogram divergence (Page 13), suggesting downside momentum is waning despite lower prices.
- **Volume Analysis:** "Selling Exhaustion" was detected on 2026-02-02.
- **Key Support:** On the **Weekly Chart** (Page 23), the price (1330) is testing the **200-Weekly EMA** (red line). This is often a zone for institutional accumulation or a technical bounce.

Conclusion on Setup: This is **not** a trend-continuation trade; it is a **counter-trend mean reversion** setup.

The stock is technically oversold and at major weekly support, but catching a falling knife with deteriorating fundamentals is risky. The "Volatility Squeeze" detected (Page 15) indicates a big move is coming; while the signal says "**Bullish** Breakout," the prevailing trend is down.

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Step 3: Formulate the Recommendation

Decision: NO. Do not enter the stock at the current price of 1330.00. The momentum is still too negative, and the "Death Cross" combined with poor earnings growth (-47% Net Income) suggests that any bounce might be sold into. The stock needs to prove strength before capital commitment.

However, because the stock is at the 200-Weekly EMA support, a bounce is probable. I recommend a **Conditional Buy** strictly based on reclaiming short-term structure.

Conditional Plan (Wait for Confirmation):

- **Condition to Buy:** The stock must close above the **Daily 20 EMA** to confirm that the immediate selling pressure has neutralized.
- **Entry Price: INR 1,375** (A Daily close above the current 20 EMA of ~1366.90).
- **Stop Loss: INR 1,280** (Risk: ~6.9%). This places the stop below the recent swing lows and the psychological 1300 level. If it breaks 1280, the weekly support has failed, and the stock could head to 1100.
- **Take Profit: INR 1,480** (Reward: ~7.6%).
 - *Rationale:* This target aligns with the **Daily 200 EMA** (1484) and the upper Bollinger Band. In a downtrend, the 200 EMA acts as a ceiling/resistance. We exit before testing that resistance.

Summary: This setup offers a modest 1:1.1 Risk/Reward ratio. Given the weak fundamentals, this trade should only be taken if the overall Pharma sector is also showing strength. If the price fails to reclaim 1375, avoid the stock entirely.

Candlestick Classification Analysis

Based on the **Candlestick Classification Report (Page 20)** and the **Visual Chart Analysis (Page 21)** for **CPLA.NS**, here is my assessment as a Seasoned Candlestick Trader.

1. Current Market State: "No Control" (Indecision)

- **Latest Classification: No Control (0)**
- **Visual Check (Page 21):** The most recent candles on the far right of the chart are predominantly **Grey (No Control)** with some intermittent **Light Red (Seller Control)**.
- **Interpretation:** The market is currently in a state of equilibrium or exhaustion. After a significant move, neither the bulls nor the bears are exerting dominance. The bodies of the candles are small relative to the ATR, and the wicks suggest that intraday attempts to push the price significantly higher or lower are being rejected or failing to hold by the close.

2. Contextual Analysis: The Preceding Trend

To predict the future, we must look at what immediately preceded this "No Control" phase:

- **The Drop (Impulse Move):** Looking at Jan 2026 on the chart, there is a clear cluster of **Dark Red (Seller Strong Control)** and **Light Red (Seller Control)** candles. This drove the price down aggressively from the ~1500 level to the ~1300 level.
- **Volume Confirmation:** The volume bars (bottom pane of Page 21) during that drop show spikes in red volume. According to your logic, high volume validates the move. This indicates **institutional**

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distribution-smart money was selling.

- Recent Trend Score (-0.10): The 10-day average score is slightly negative. While not a "Strong Sell" (-2), it indicates that the bias remains tilted to the downside. The bulls have failed to generate a positive score.

3. Structural Analysis: **Bearish** Flag Formation

- Pattern:** We saw a sharp pole down (Seller Strong Control), followed by a sideways drift of Grey candles (No Control).
- Price Action Logic:** In candlestick theory, "No Control" candles following a strong impulsive move down usually represent a **Bearish Consolidation** or a **Bear Flag**. The sellers are taking profit, and buyers are tentatively stepping in but lack the conviction (Volume + Body Size) to reverse the trend.

4. Prediction & Future Direction

Direction Bias: **Bearish / Continuation**

- Why?** There is a distinct lack of "**Buyer Strong Control**" (+2) signals. To call a bottom, we would need to see a candle with a large Green body (closing near high) accompanied by High Volume (>1.3x avg) to prove that demand has overwhelmed supply. That is currently missing.
- The Trap:** The current "No Control" (Grey) candles often lure impatient traders into thinking a bottom has formed. However, without a +1 or +2 score change, these are often just pauses before the next leg down.

Trading Scenarios:

- Most Likely:** The price will likely trade sideways or drift slightly lower until it breaks the low of this consolidation range. If we see another **Seller Control (-1 or -2)** candle appear, it will confirm the next leg down, likely targeting the psychological 1300 or 1280 zones (Recent 52W low mentioned on Page 24).
- The Reversal Requirement:** Do not go long until the system generates at least a **Buyer Control (+1)**. This would require a close significantly higher than the open with supportive volume, breaking the sequence of grey/red candles.

Verdict: The candlestick data suggests the stock is **taking a breather within a dominant downtrend**. The "No Control" status is not a buy signal; it is a "wait and watch" signal with a heavy bias that the sellers are still the dominant force in the background. Expect further weakness unless a high-volume Green candle appears immediately.

News & Analyst Targets

Current market data and analyst reports as of **February 7, 2026**, provide the following update on Cipla Ltd.

1) Latest News for CIPLA This Week

- Tax Inspection (GST Raid):** On **February 5, 2026**, Cipla confirmed that the Maharashtra State GST authority initiated an inspection and search at its corporate office and other premises. The investigation reportedly relates to claims of input tax credit and tax payments. Management stated that this has no material impact on operations, but the news added pressure to the stock.
- Stock Hits 52-Week Low:** Following the weak Q3 results and the regulatory news, Cipla's stock price slipped to a **52-week low**, trading near the **INR 1,280-INR 1,320** levels this week.
- Weak Q3 FY26 Results:** In late January, Cipla reported a **57% YoY drop in net profit** to INR 676 crore for the quarter ending December 2025. Margins contracted sharply to **17.7%** (from ~28% last year) due to one-off labor costs and a decline in US sales (specifically the cancer drug *gRevlimid*). This continues to dominate sentiment this week.
- US FDA Observations:** The company remains under regulatory cloud with **8 observations** issued for its

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Bengaluru facility (Nov 2024) and **6 observations** for its Goa unit (June 2024), which continues to weigh on investor confidence regarding future US launches.

2) Brokerage Upgrades & Downgrades

The analyst community has turned largely bearish to neutral following the disappointing Q3 earnings.*

Downgrades: Multiple foreign brokerages, including **Jefferies** and **HSBC**, have downgraded the stock or slashed their targets significantly.* **Bearish Stance:** **Goldman Sachs** and **BofA Securities** have reiterated "Sell" or "Underperform" ratings, citing margin pressure and a weak US pipeline.* **The Consensus:** The general consensus has shifted from "Buy" to "**Hold/Neutral**", with analysts awaiting clarity on the resolution of FDA issues and the recovery of US margins.

3) Indirect News Impacting CIPLA

- **US FDA Crackdown on "Copycat" Drugs:** The US FDA Commissioner recently stated the agency will take swift action against "illegal copycat drugs" (often compounded versions of weight-loss drugs). While Cipla is a legitimate generic player, increased scrutiny on the generic supply chain and quality standards (GMP) affects the entire sector.
- **Sector-Wide Cost Pressures:** The pharma sector is currently facing elevated R&D costs and pricing pressure in the US generics market. Cipla's specific struggle with "one-off" labor costs highlights a broader trend of rising operational expenses for Indian pharma majors.

4) Latest Analyst Targets for CIPLA

Below is a summary of the revised targets issued by major brokerages after the Q3 FY26 earnings (late Jan/early Feb 2026).

Brokerage Firm	Rating	Old Target (INR)	New Target (INR)	View
Nomura	Buy	1,770	1,510	Cut Target
Macquarie	Outperform	-	1,490	Maintained
Elara Capital	Accumulate	1,670	1,438	Cut Target
BofA Securities	Underperform	1,420	1,325	Bearish
Motilal Oswal	Neutral	-	1,310	Cautious
HSBC	Hold	1,610	1,285	Downgraded
Goldman Sachs	Sell	1,385	1,275	Bearish
Jefferies	Sell / Hold*	1,630	1,170	Downgraded

*Note: Recent reports indicate a sharp cut by Jefferies to INR 1,170 alongside a downgrade, reflecting the most bearish view on the street.

Stock Detailed Analysis Report

CIPLA.NS

Current Price: ₹1330.00

Generated: 2026-02-07 10:30

CIPLA.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	6.68%	7.88%
Net Income	Yes	No	27.93%	27.96%
ROE	Yes	No	9.52%	11.86%
EPS	Yes	No	27.89%	27.91%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	1.84%	0.06%
Net Income	No	-47.92%	-10.84%
ROE	No	-14.71%	-14.71%
EPS	No	-47.92%	-5.57%

CIPLA.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXPHARMA
Sector:	Pharma
Classification:	Neutral
RS Score:	45.4/100
:	

== RS RATIOS ==:

1M RS:	0.954 [Neutral]
3M RS:	0.898 [Neutral]
6M RS:	0.889 [Neutral]
1Y RS:	0.860 [Neutral]
:	

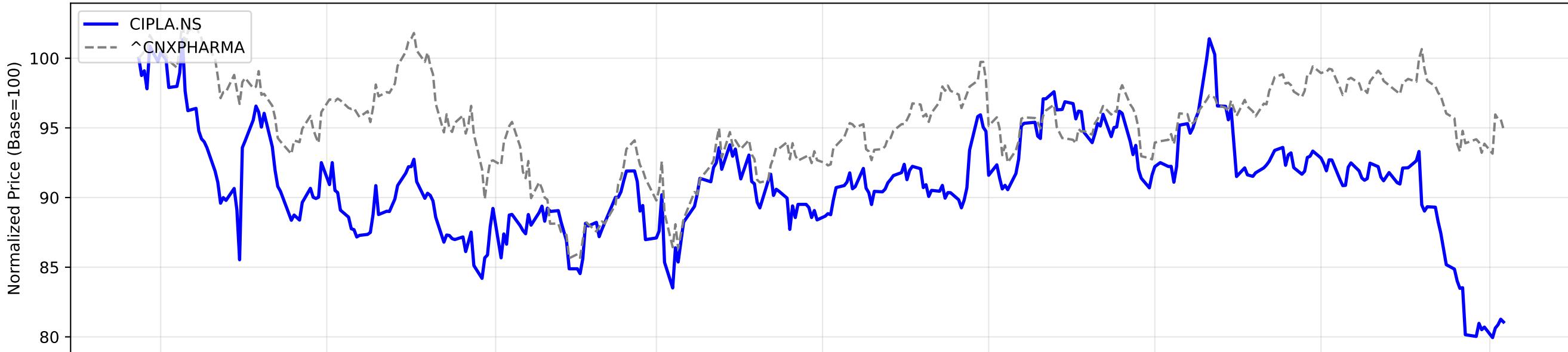
== TURNAROUND ANALYSIS ==:

Turnaround Status:	!! DETECTED !!
:	

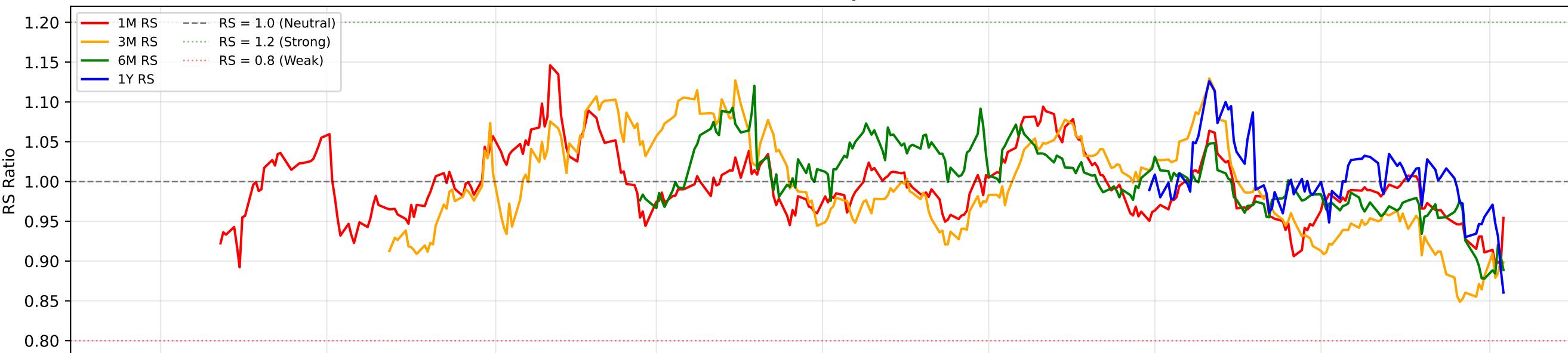
SIGNAL CRITERIA::

✓ Emerging RS:	1M (0.954) > 3M (0.898)
✓ Medium-term Lagging:	6M=0.889, 1Y=0.860 (≤ 1.0)
✓ Performance Improving:	3M (-11.4%) > 6M (-12.2%)

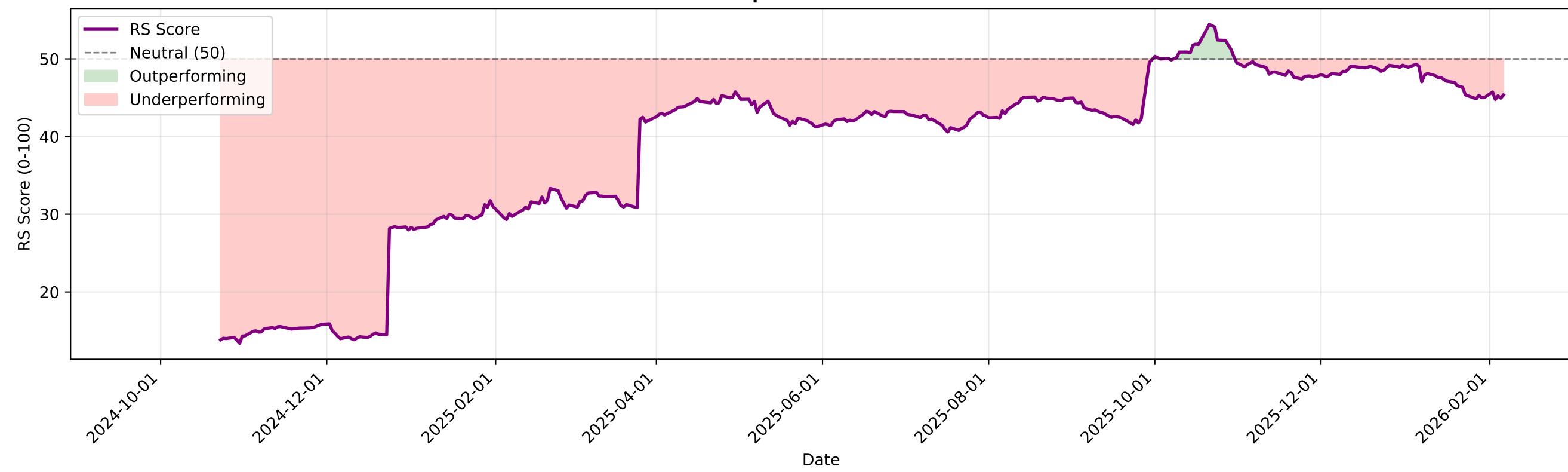
Relative Strength Analysis: CIPLA.NS vs ^CNXPHARMA
Classification: Neutral
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



CIPLA.NS - EMA Crossover Summary

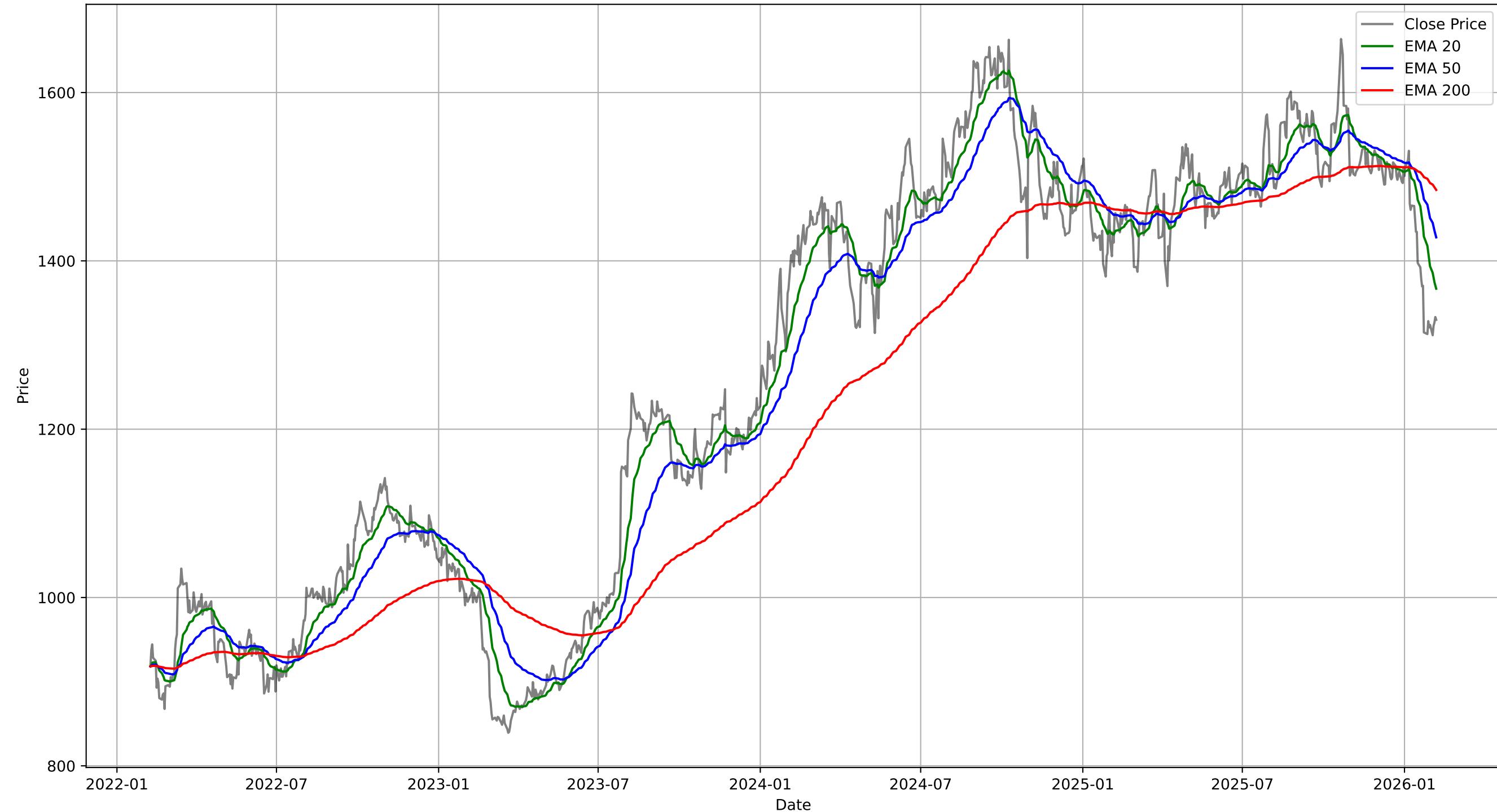
EMA 20: 1366.90

EMA 50: 1427.95

EMA 200: 1484.31

Trend Status: **Strong Downtrend**

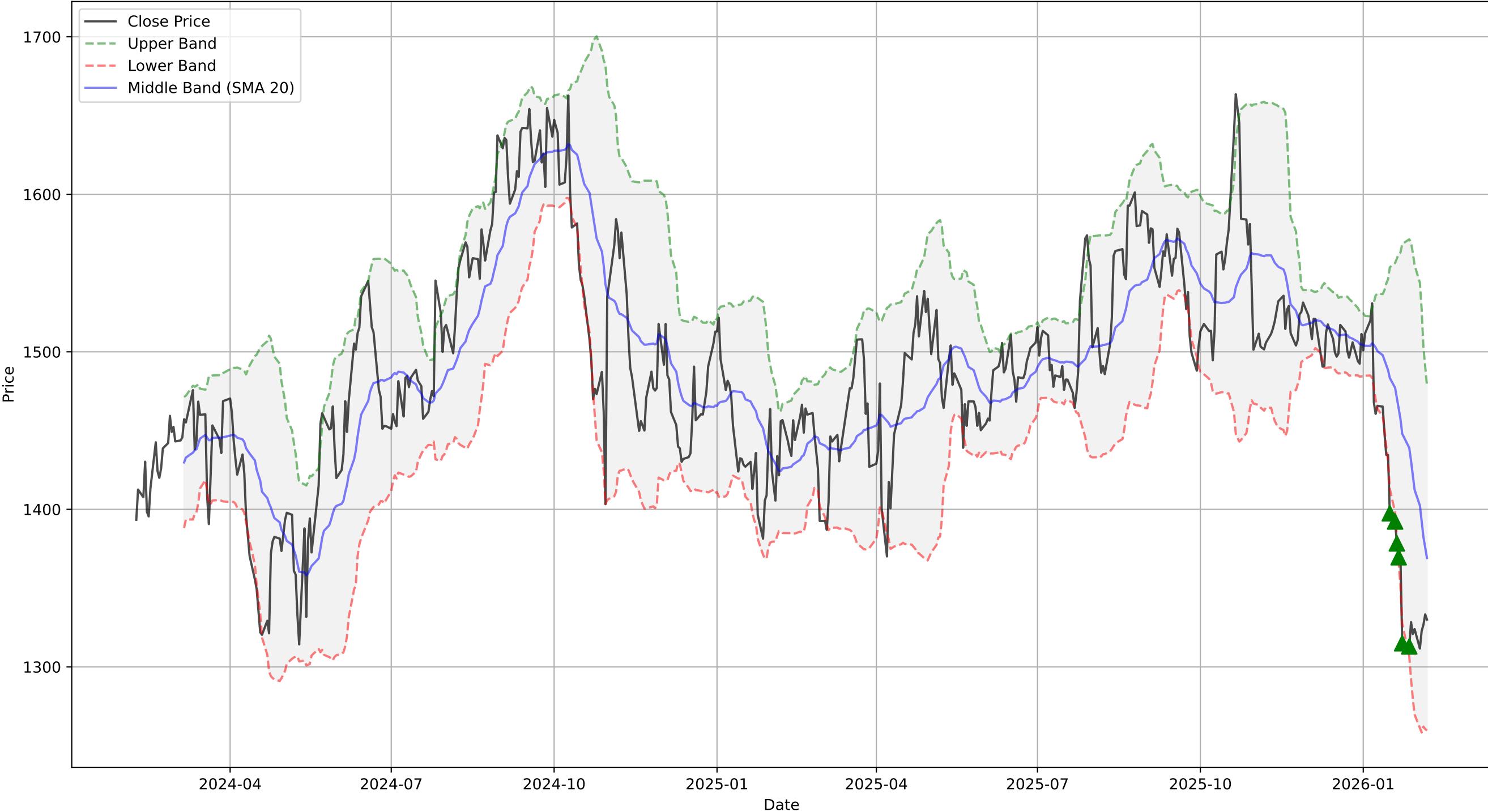
CIPLA.NS EMA Crossover Analysis



CIPLA.NS - Bollinger Bands Summary

Current Price:	1330.00
Upper Band:	1478.62
Middle Band (SMA 20):	1369.11
Lower Band:	1259.59
%B:	0.3215
Band Width:	0.1600
Status:	Lower Half
Signal:	None
Recent Signal 1:	Buy Signal at 2026-01-21 00:00:00+05:30
Recent Signal 2:	Buy Signal at 2026-01-23 00:00:00+05:30
Recent Signal 3:	Buy Signal at 2026-01-27 00:00:00+05:30

CIPLA.NS Bollinger Bands (20, 2) Analysis



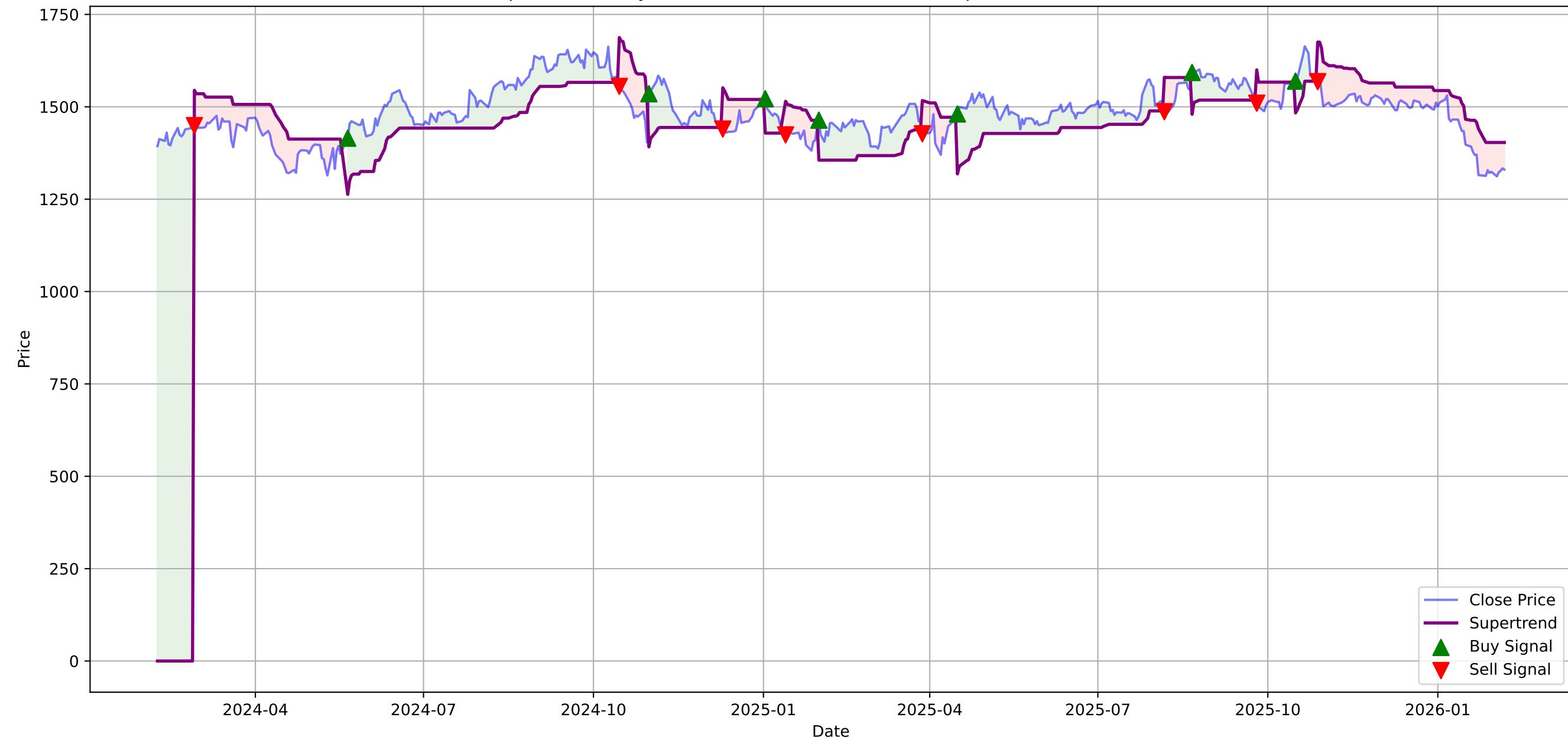
CIPLA.NS - Supertrend Summary

Status: DOWNTREND (Sell)

Supertrend Value: 1403.44

Signal Identified On: 2025-10-28

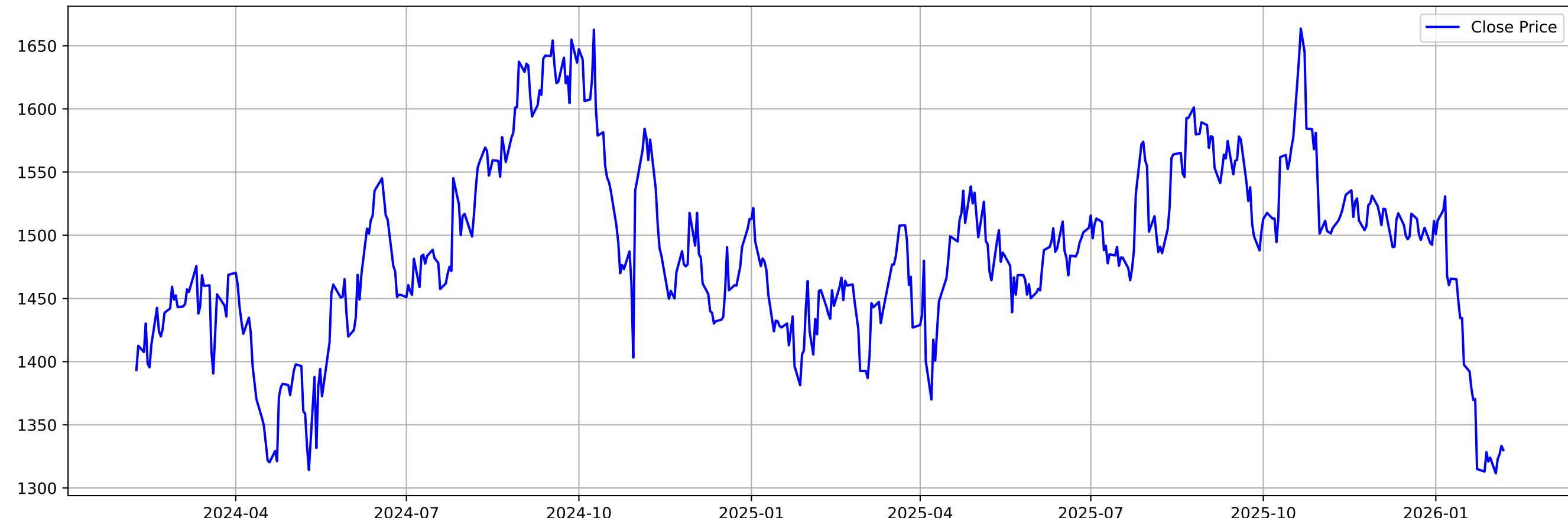
Supertrend Analysis for CIPLA.NS (Period: 14, Multiplier: 3.0, Interval: 1d)



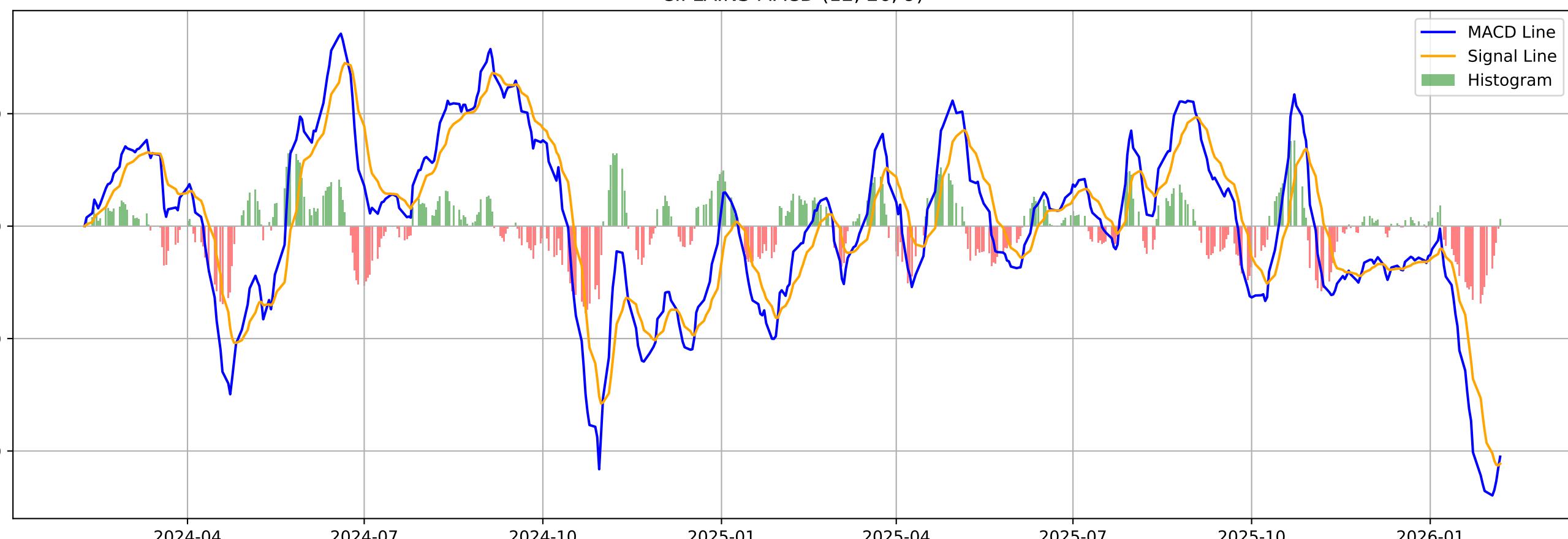
CIPLA.NS - MACD Summary

MACD Line:	-41.01
Signal Line:	-42.26
Histogram:	1.24
Trend:	Bullish
Momentum:	Strengthening
Signal:	Bullish Crossover (Buy)

CIPLA.NS Price



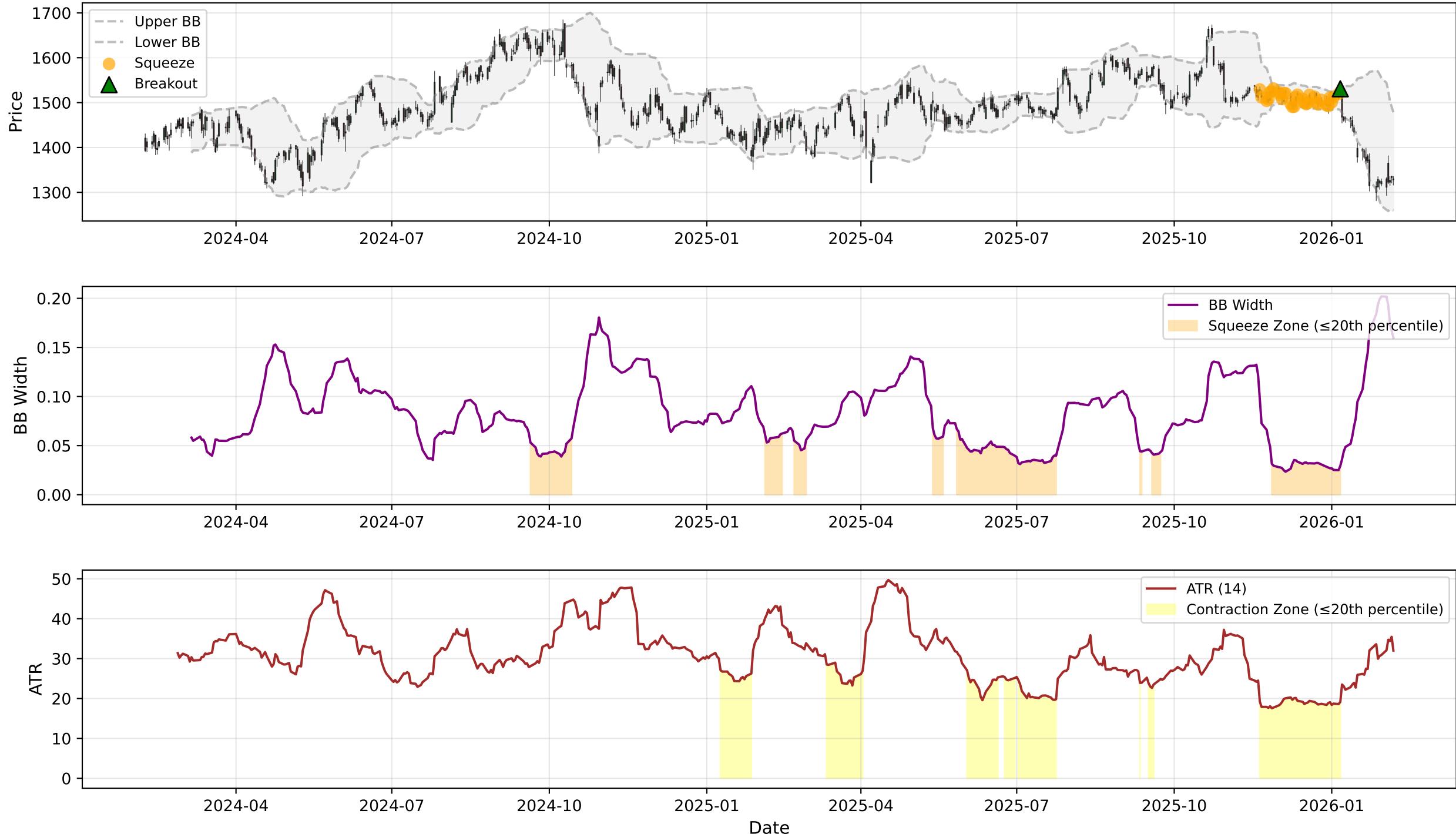
CIPLA.NS MACD (12, 26, 9)



CIPLA.NS - Volatility Squeeze Summary

BB Width:	0.1600
ATR:	32.0214
Total Signals:	33
Signal 1:	BB Squeeze + ATR Contraction at 2025-12-31 00:00:00+05:30 (Pr)
Signal 2:	BB Squeeze + ATR Contraction at 2026-01-01 00:00:00+05:30 (Pr)
Signal 3:	BB Squeeze + ATR Contraction at 2026-01-02 00:00:00+05:30 (Pr)
Signal 4:	BB Squeeze + ATR Contraction at 2026-01-05 00:00:00+05:30 (Pr)
Signal 5:	BB Squeeze + ATR Contraction (Bullish Breakout) at 2026-01-06 00:00:00+05:30 (Pr)

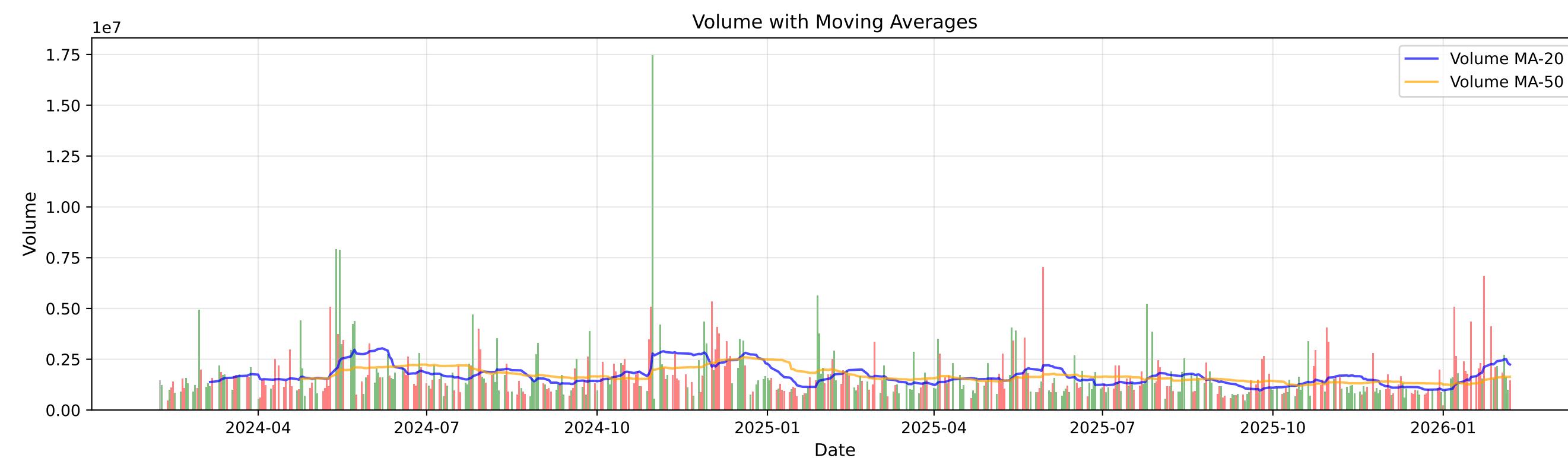
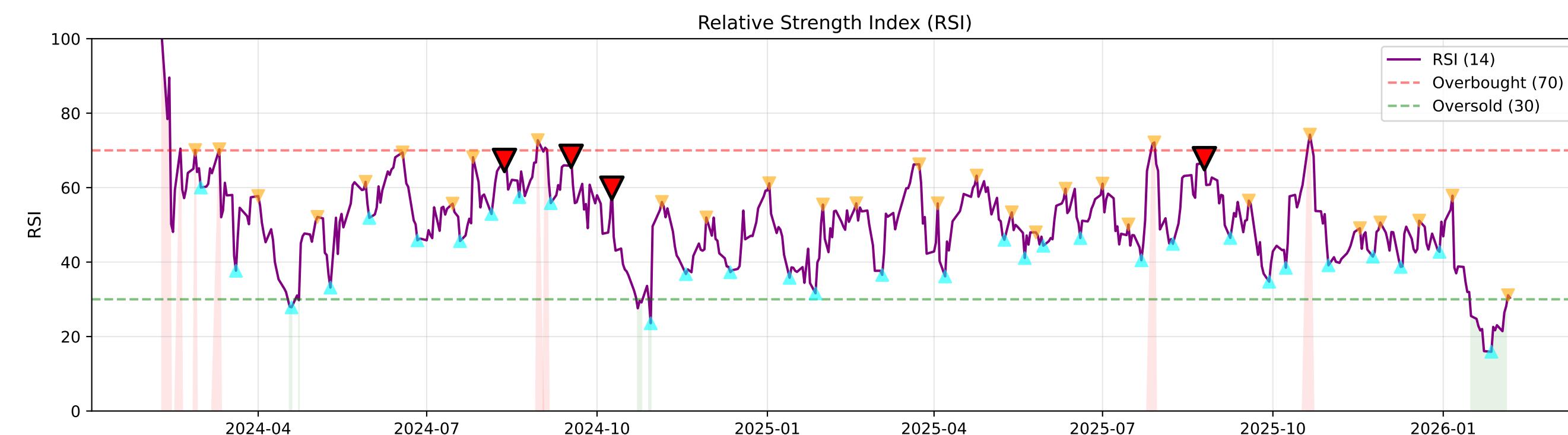
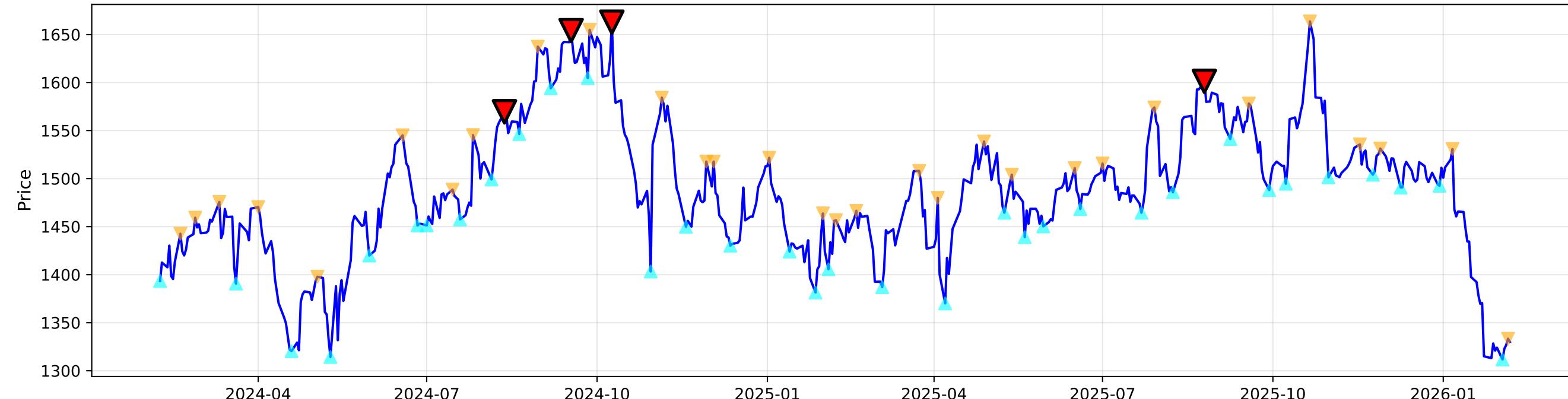
CIPLA.NS - Volatility Squeeze Analysis



CIPLA.NS - RSI-Volume Summary

Current RSI:	30.42
Current Volume:	1457970
Volume MA 20:	2241269
Bullish Divergences:	0
Bearish Divergences:	4
Bearish Div 1:	Date: 2024-10-09 00:00:00+05:30, Price: 1662.74
Bearish Div 2:	Date: 2025-08-25 00:00:00+05:30, Price: 1601.20

CIPLA.NS RSI-Volume Divergence Analysis



CIPLA.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status: 45 Signals Detected

:

2026-01-14 [-]: Distribution Day

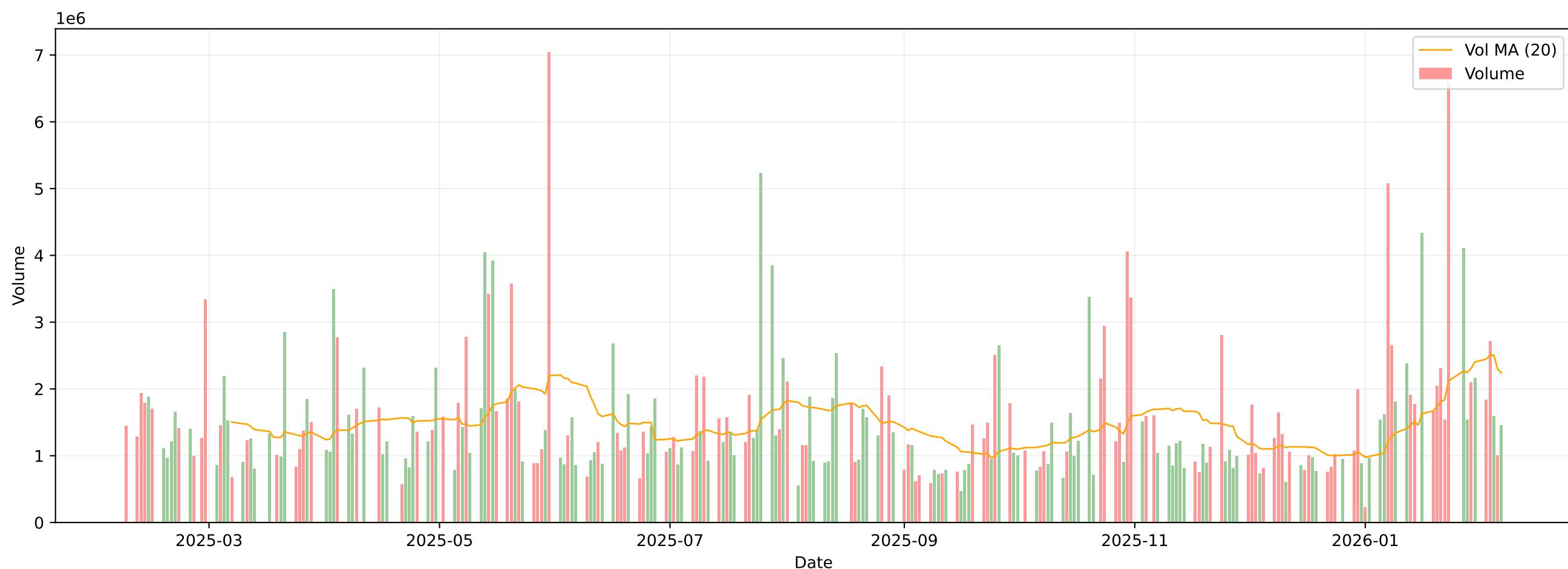
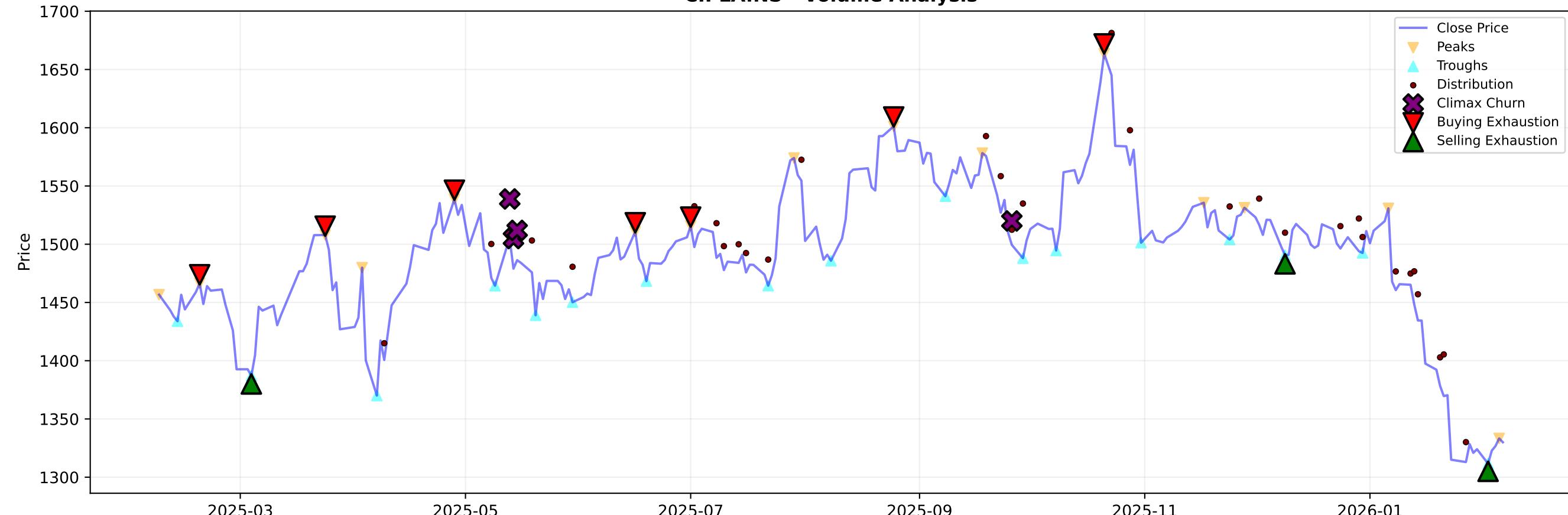
2026-01-20 [-]: Distribution Day

2026-01-21 [-]: Distribution Day

2026-01-27 [-]: Distribution Day

2026-02-02 [+]: Selling Exhaustion (Bullish Div)

CIPLA.NS - Volume Analysis



CIPLA.NS - Candlestick Classification Summary

== CANDLESTICK CLASSIFICATION ==:

Latest Classification: **No Control**

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

:

Distribution:

No Control: 121

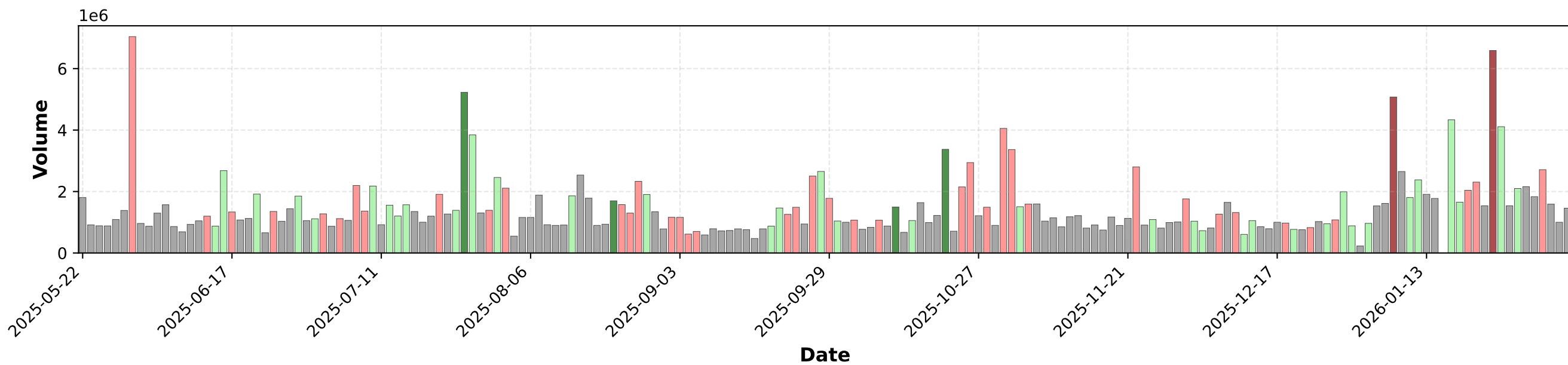
Seller Control: 53

Buyer Control: 47

Buyer Strong Control: 4

Seller Strong Control: 3

CIPLA.NS - Candlestick Classification



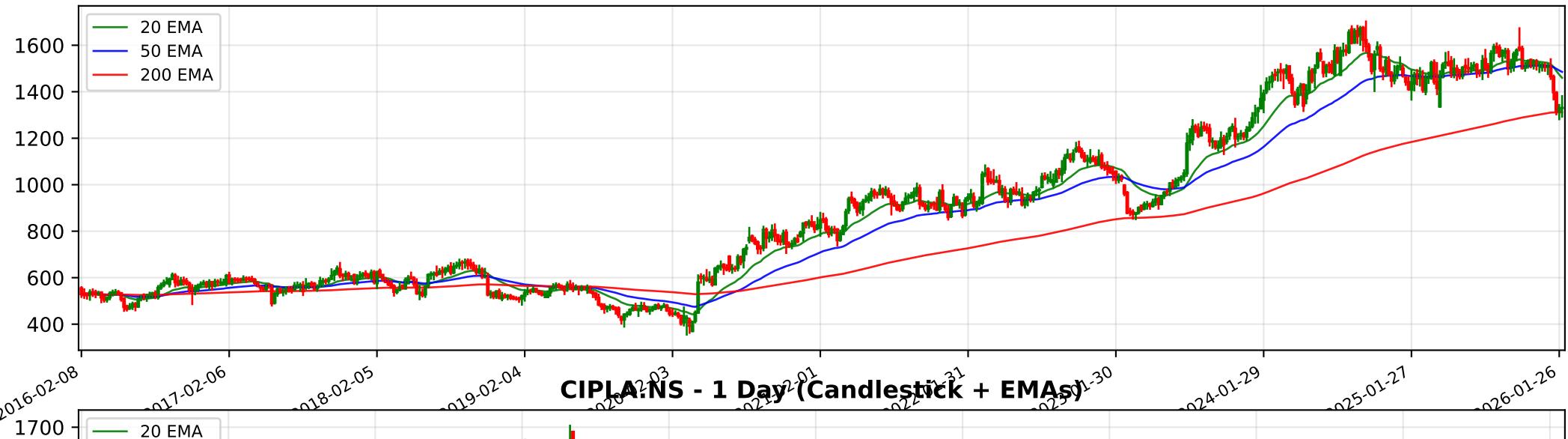
Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	1440.04	1330.0	2026-01-05
1 Day	DOWNTREND (Sell)	1403.44	1330.0	2025-10-28
15 Min	UPTREND (Buy)	1319.79	1326.1	2026-02-06

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Strengthening	No Signal
1 Day	Bullish	Strengthening	Bullish Crossover (Buy)
15 Min	Bullish	Weakening	No Signal

CIPLA.NS - 1 Week (Candlestick + EMAs)



CIPLA.NS - 1 Day (Candlestick + EMAs)



CIPLA.NS - 15 Min (Candlestick + EMAs)



Trendlyne Snapshot - CIPLA_main

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MARKETS / SECTOR: PHARMACEUTICALS & BIOTECHNOLOGY / INDUSTRY: PHARMACEUTICALS / [CIPLA LTD.](#)

Cipla Ltd. [①](#)

NSE: CIPLA | BSE: 500087
Cipla Live Share Price Today, Share Analysis and Chart

Mid-range Performer [①](#) In 7 Starfolio Baskets

1330.00 -3.30 (-0.25%)
[Near 52W Low of ₹1281.70](#)

1.5M NSE+BSE Volume
NSE 06 Feb, 2026 3:31 PM (IST)

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Durability score [①](#) **55.0 /100**
Medium Financial Strength

Valuation Score [①](#) **37.0 /100**
Mid Valuation

Momentum Score [①](#) **41.9 /100**
Technically Neutral

Analyst Price Target [①](#) **1,459**
1Yr Price target upside is 10%

[DVM](#) [Key Metrics](#) [Price Chart](#) [Forecaster](#) [Financials](#) [Technicals](#) [Shareholding](#) [Deals](#) [Documents](#) [Corporate actions](#) [Company Profile](#) X

SWOT Analysis [①](#)

Check Before You Buy [VIEW FULL CHECKLIST](#)
High rank **13** Positive **14** Negative **9**

PE Valuation Check
Right Now [①](#) Undervalued **28.6%**
1 Year Forward [①](#) Undervalued **20%**

INSIGHT Cipla is undervalued at both current PE and future earnings estimates.

Cipla Key Metrics

ROE Ann.% ① Above industry Median	Broker Average Target ① 22.33% upside 16.9	Market Capitalization ① High in industry 1,627	Price to Book ① Above industry Median 107,434.8
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Trendlyne Snapshot - CIPLA_forecaster

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Cipla Ltd. [①](#)

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1330.00 -3.30 (-0.25%) [Near 52W Low of ₹1281.70](#)

1.5M NSE+BSE Volume [NSE 06 Feb, 2026 3:31 PM \(IST\)](#)

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Cipla - CIPLA - stock price prediction, stock forecast, target price, analyst ratings from 36 analysts

Cipla has a share price target of Rs 1459, revenue growth forecast of 2.9%, and profit growth estimate of -20.6% for FY26, based on top 36 analyst calls.

Cipla FORECASTER - Analyst Estimates [②](#)

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