

Gemini Stock Analysis Report

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.

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: Neutral

RS Score: 47.5/100

:

== RS RATIOS ==:

1M RS: 0.988 [Neutral]

3M RS: 0.947 [Neutral]

6M RS: 0.929 [Neutral]

1Y RS: 0.914 [Neutral]

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== TURNAROUND ANALYSIS ==:

Turnaround Status: !! DETECTED !!

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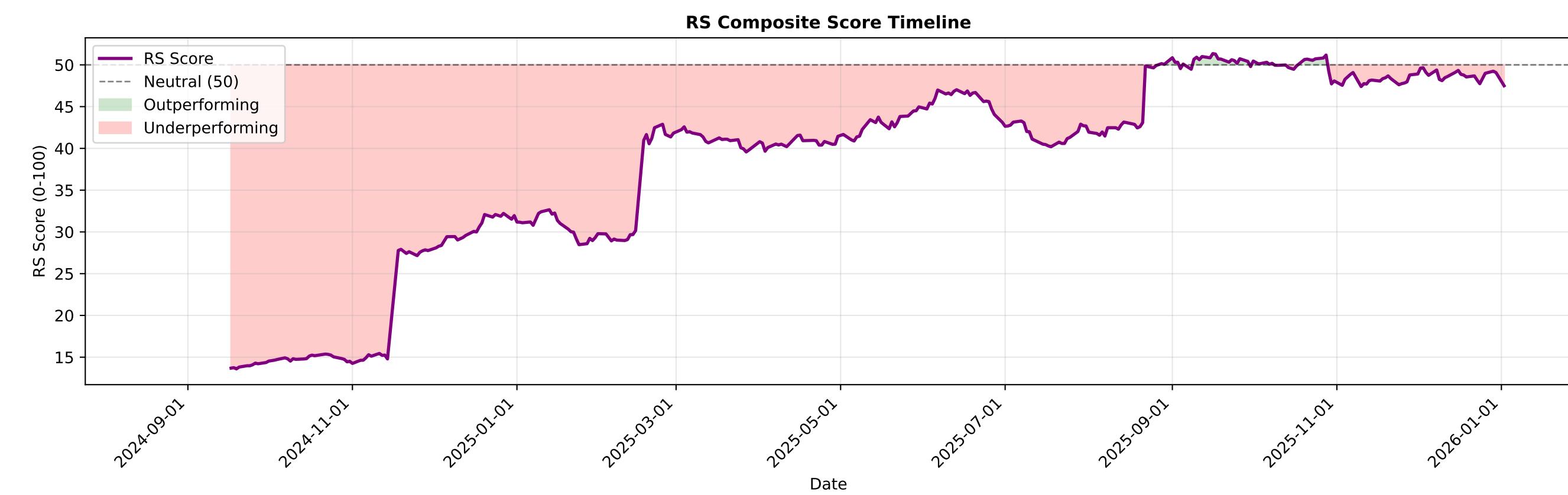
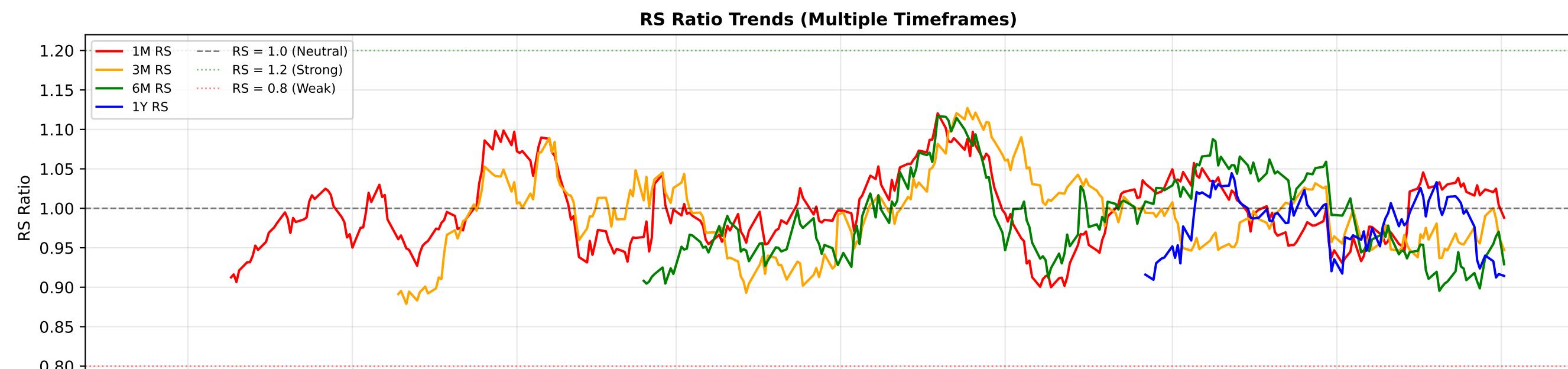
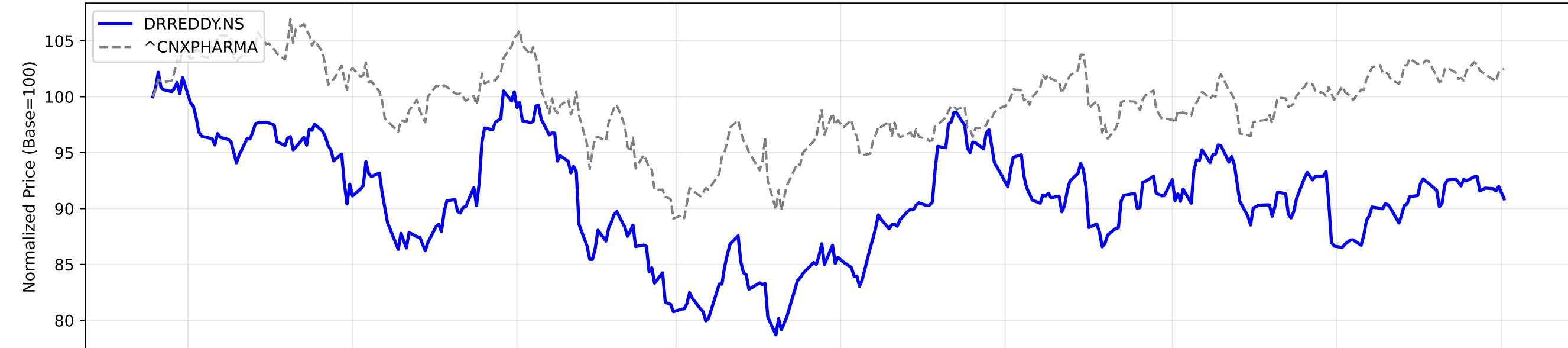
SIGNAL CRITERIA::

✓ **Emerging RS:** 1M (0.988) > 3M (0.947)

✓ **Medium-term Lagging:** 6M=0.929, 1Y=0.914 (≤ 1.0)

✓ **Performance Improving:** 3M (+0.9%) > 6M (-1.2%)

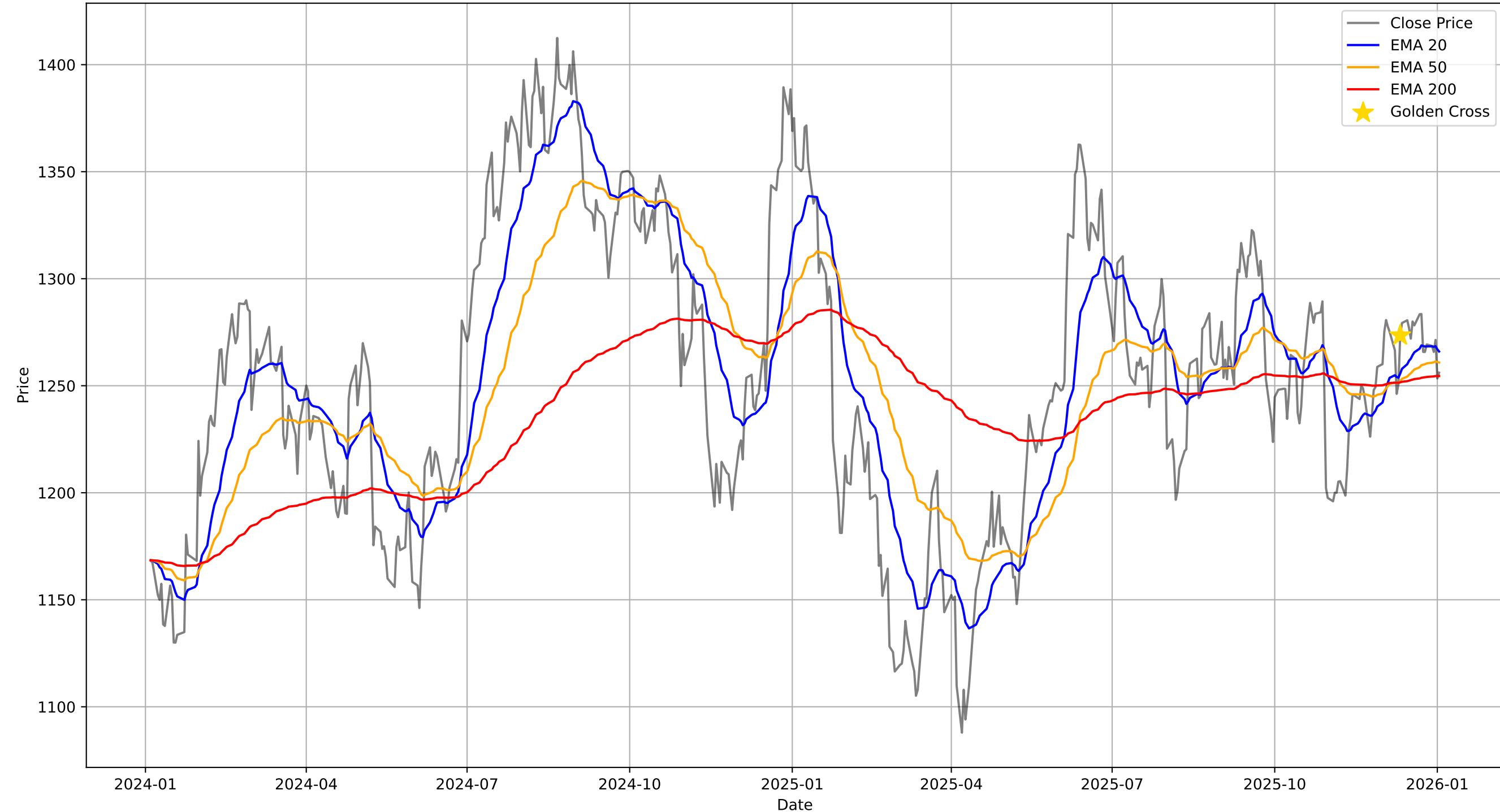
Relative Strength Analysis: DRREDDY.NS vs ^CNXPHARMA
Classification: Neutral
Price Performance Comparison (Normalized)



DRREDDY.NS - EMA Crossover Summary

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

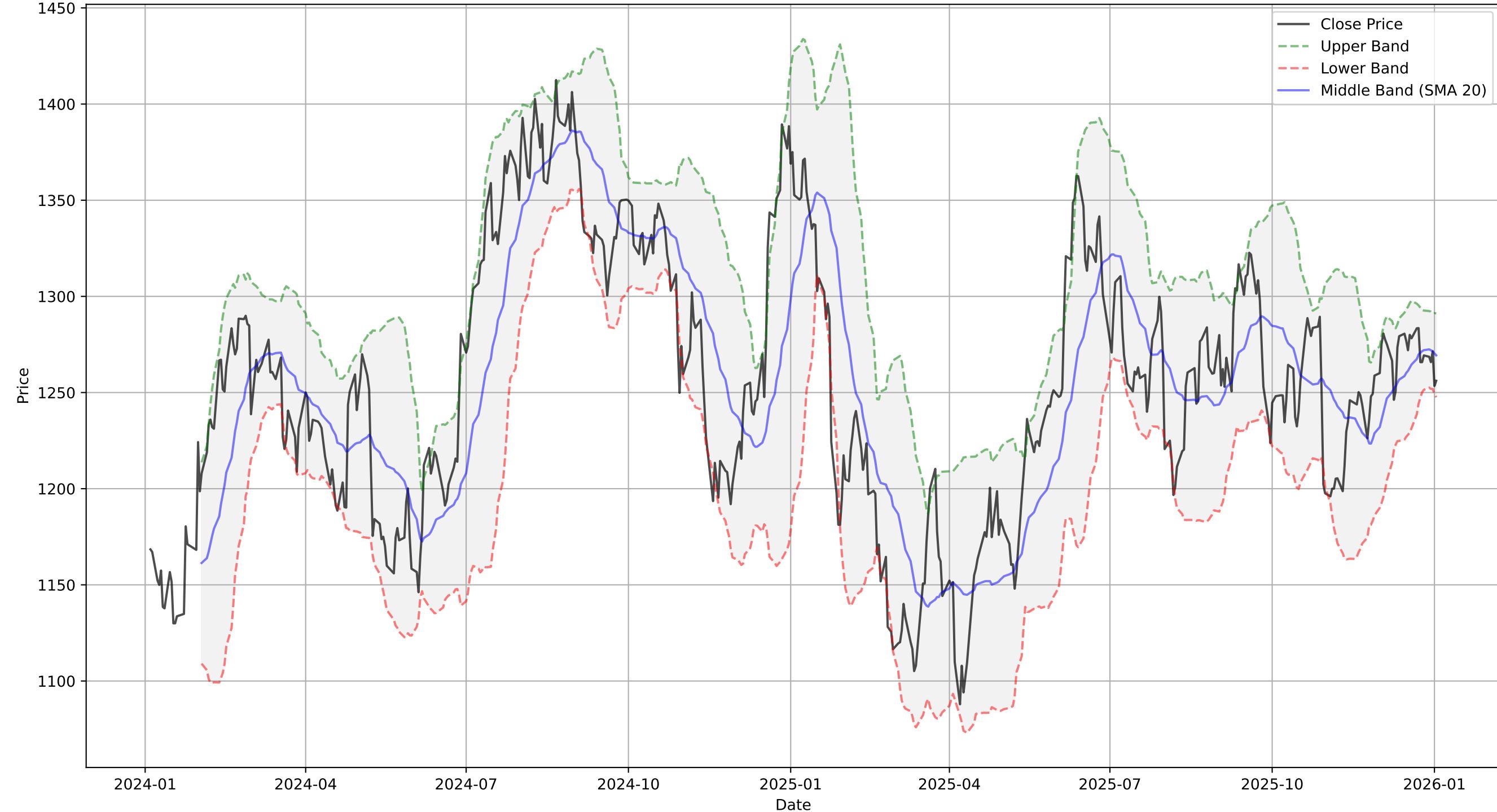
DRREDDY.NS EMA Crossover Analysis



DRREDDY.NS - Bollinger Bands Summary

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

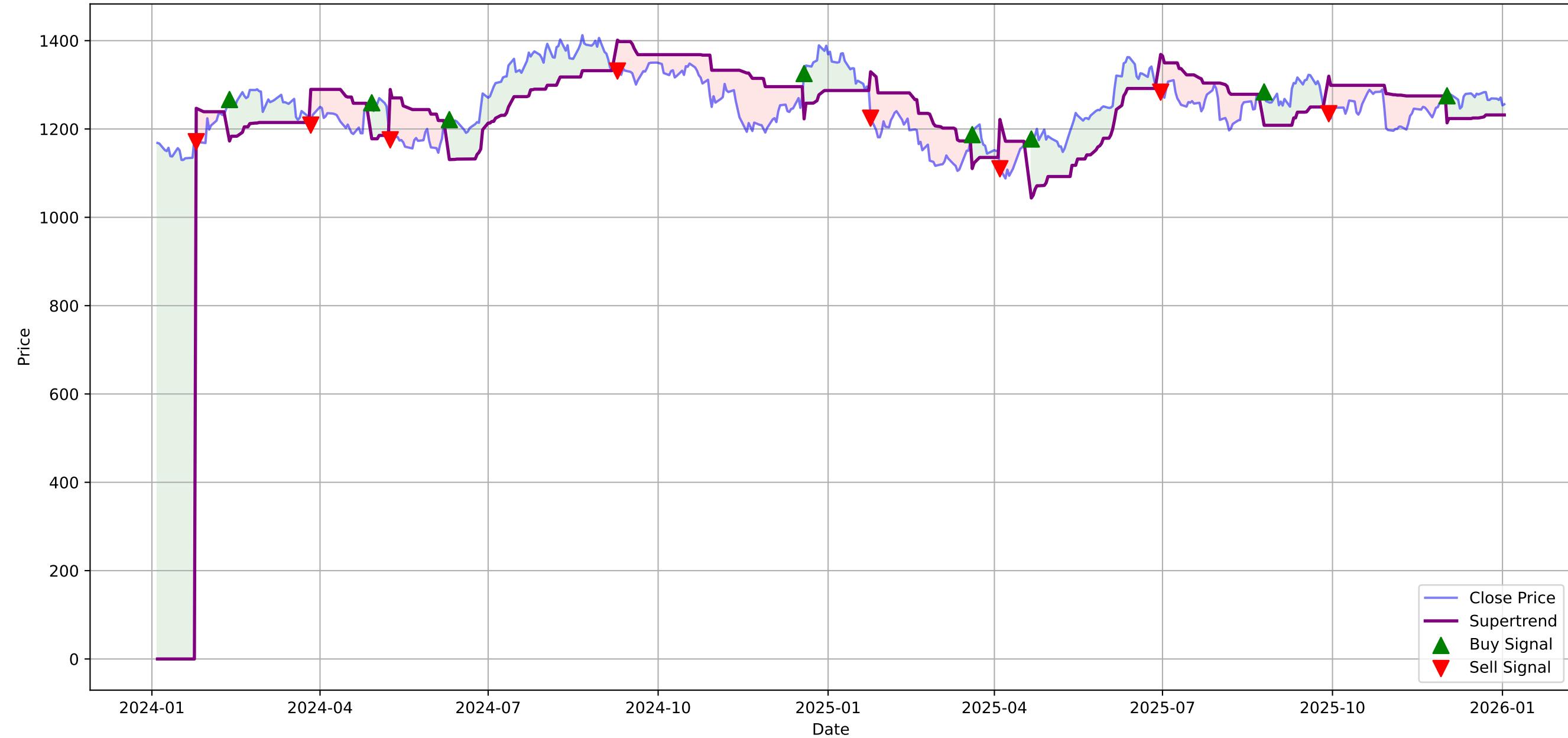
DRREDDY.NS Bollinger Bands (20, 2) Analysis



DRREDDY.NS - Supertrend Summary

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

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



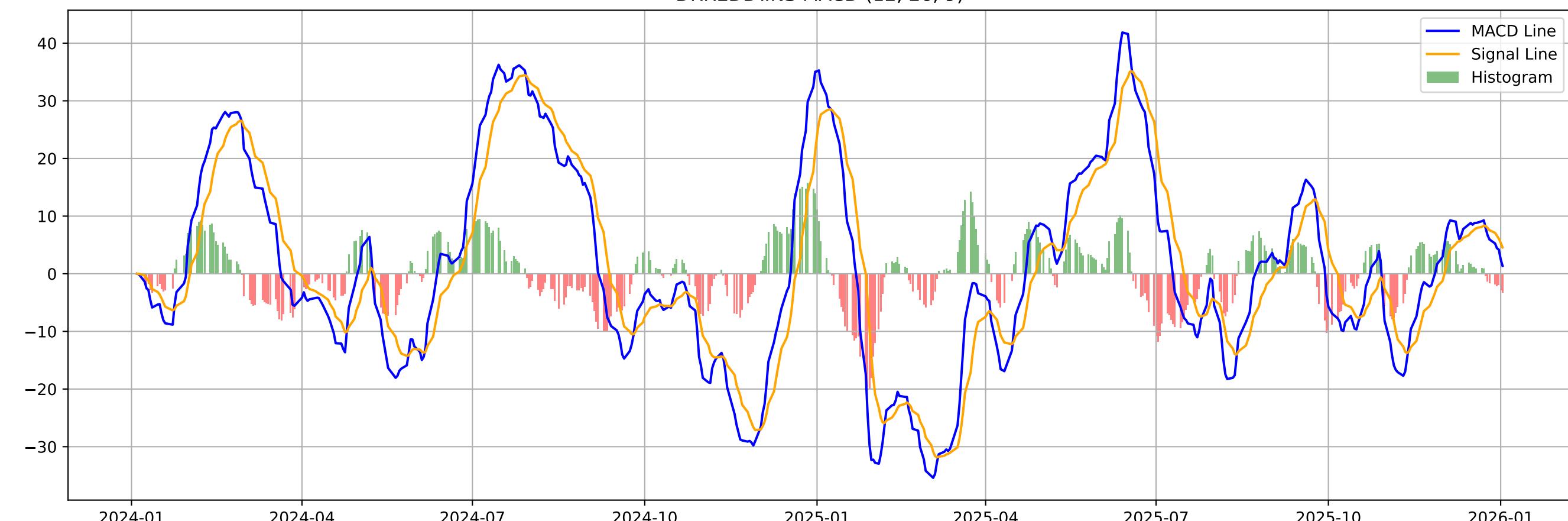
DRREDDY.NS - MACD Summary

MACD Line:	1.37
Signal Line:	4.57
Histogram:	-3.20
Trend:	Bearish
Momentum:	Strengthening
Signal:	None

DRREDDY.NS Price



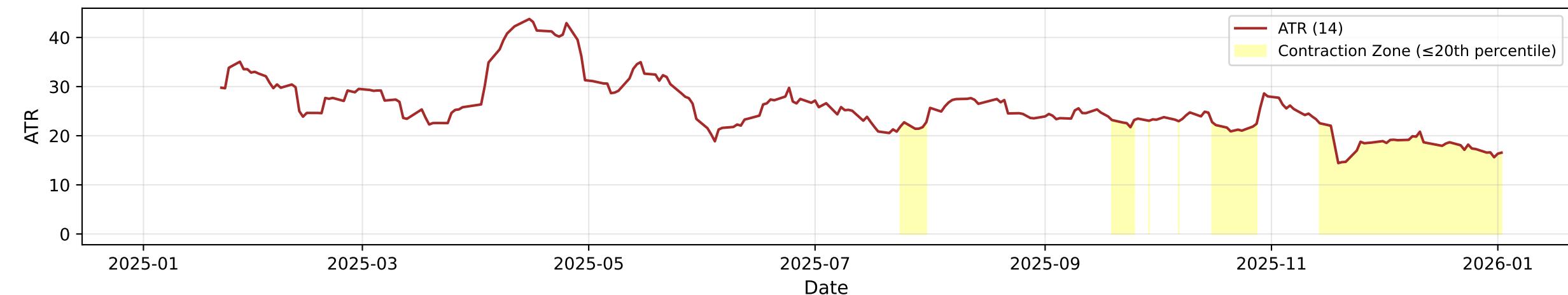
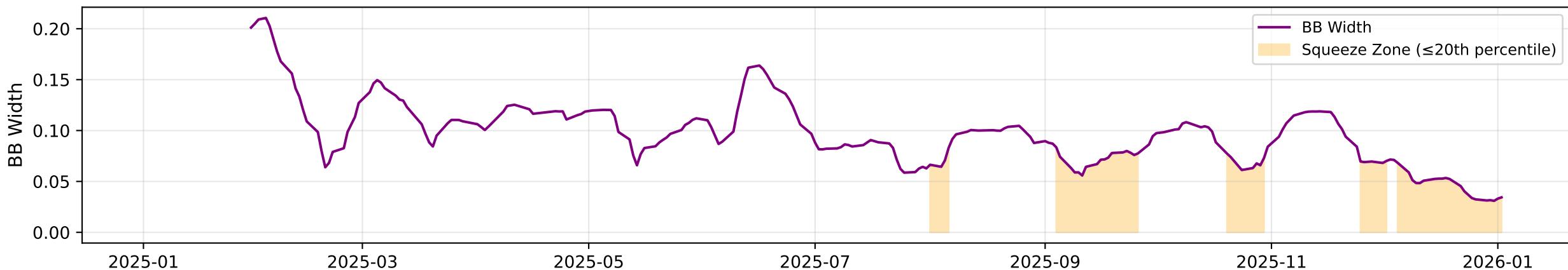
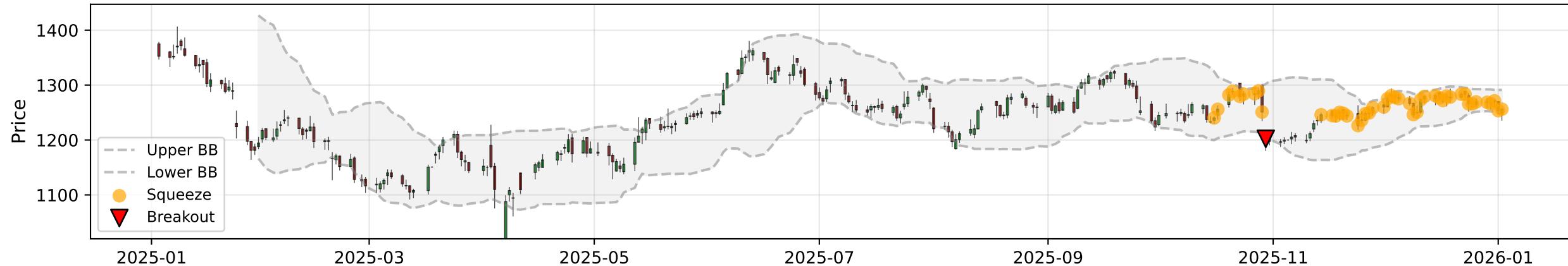
DRREDDY.NS MACD (12, 26, 9)



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: 120.00)
Signal 2:	BB Squeeze + ATR Contraction at 2025-12-30 00:00:00 (Price: 120.00)
Signal 3:	BB Squeeze + ATR Contraction at 2025-12-31 00:00:00 (Price: 120.00)
Signal 4:	BB Squeeze + ATR Contraction at 2026-01-01 00:00:00 (Price: 120.00)
Signal 5:	BB Squeeze + ATR Contraction at 2026-01-02 00:00:00 (Price: 120.00)

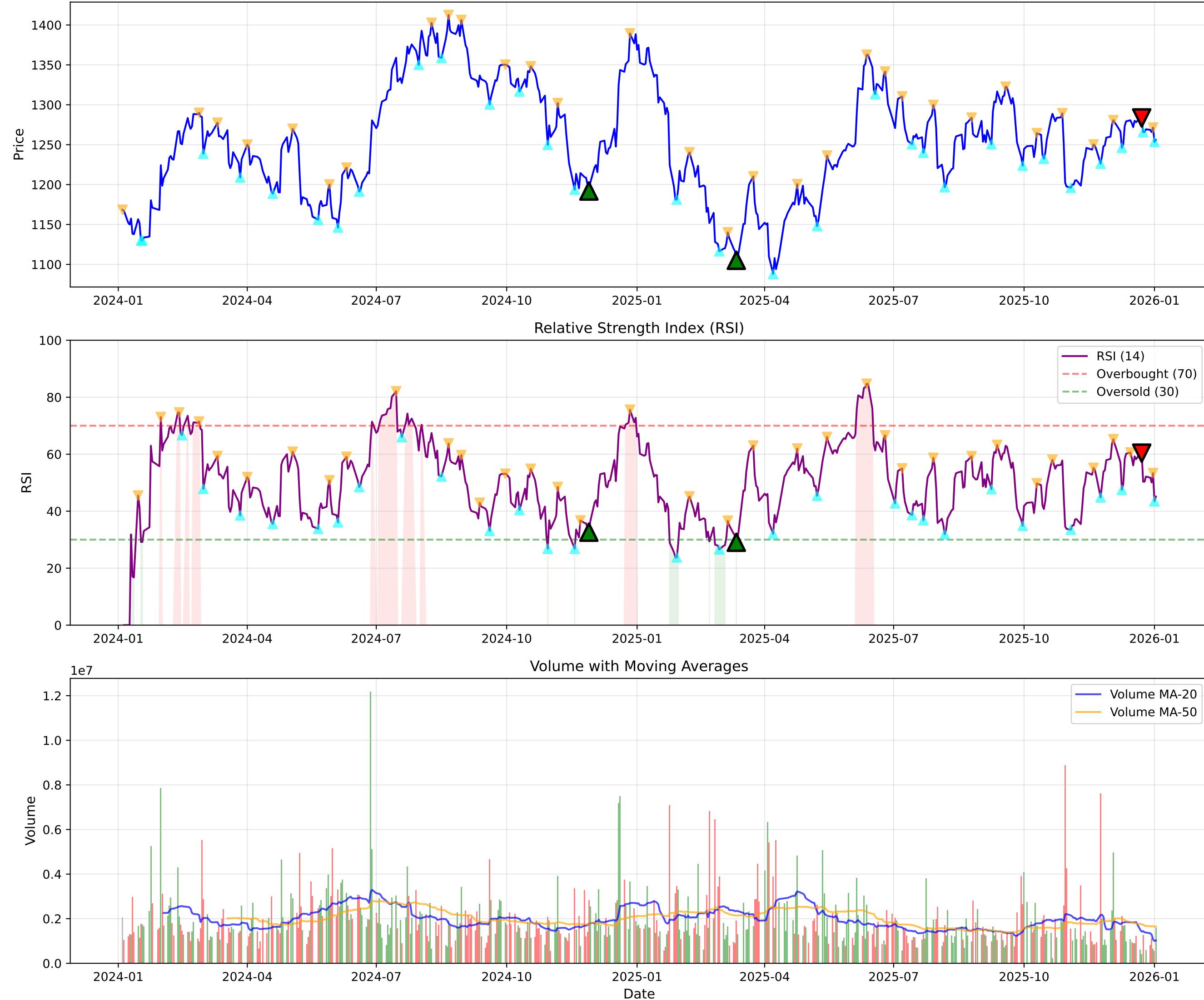
DRREDDY.NS - Volatility Squeeze Analysis



DRREDDY.NS - RSI-Volume Summary

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

DRREDDY.NS RSI-Volume Divergence Analysis



Trendlyne Snapshot - DRREDDY_main

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MARKETS / SECTOR: PHARMACEUTICALS & BIOTECHNOLOGY / INDUSTRY: PHARMACEUTICALS / DR. REDDY'S LABORATORIES LTD.

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 2 Starfolio Baskets

1256.10 2.70 (0.22%) **1.6M** NSE+BSE Volume NSE 02 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 innovative... [Read More](#)

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Durability score **50.0 /100** Valuation Score **42.8 /100** Momentum Score **51.5 /100** Analyst Price Target **1,294** FORECASTER

Medium Financial Strength Mid Valuation Technically Neutral

Mid-range Performer These stocks have average quality, financial and technical momentum, indicating a mid range p... View Similar Embed DVM

16 6
5 3 SWOT Analysis

Check Before You Buy **High rank** 15 Positive * 8 Negative **65.2% Pass in checklist** VIEW FULL CHECKLIST

PE Valuation Check Right Now Undervalued 47.5% 1 Year Forward Undervalued 32.8%

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

Dr. Reddy's Labs Key Metrics

ROE Ann. % > Above industry Median **16.8** Broker Average Target > 2.05% upside **1,281.89** Market Capitalization > High in Industry **104,837.9** Price to Book > Above Industry Median

DVM
Key Metrics
Price Chart
Forecaster
Financials
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Shareholding
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Documents
Corporate actions
Company Profile X

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 ⓘ

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