

# Stock Analysis Report

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## Strategic Trading Analysis

Based on the comprehensive technical and fundamental report provided for **ZYDUSLIFE.NS** (Zydus Lifesciences Ltd.), here is my analysis and recommendation.

**Note on Date:** The report date is generated as **2026-02-07**. The analysis below treats the data presented (charts ending Feb 2026) as "current" market data for the purpose of this evaluation.

### Step 1: Audit the Data

- **Data Present:**
  - **Price Action:** Daily and Weekly candlesticks, 3-year historical context.
  - **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend (Multi-timeframe), MACD.
  - **Volatility:** Bollinger Bands, Squeeze indicators, ATR.
  - **Momentum/Strength:** RSI, Relative Strength (RS) vs. Benchmark (^CNXPHARMA).
  - **Fundamentals:** Revenue/Net Income trends, Analyst Estimates.
  - **Volume:** Distribution days, Volume Moving Averages.
- **Data Missing:**
  - **Intraday Level 2 Data:** Order book depth (not required for positional trading).
  - **Specific News Catalysts:** The report lists fundamental metrics but lacks specific recent news events causing the 2026 drop.
- **Confidence Level: High.** The report provides a robust confluence of technical indicators across multiple timeframes, allowing for a high-probability technical assessment.

### Step 2: Analyze the Setup

- **Trend Structure (Bearish):** The stock is in a clear intermediate-term downtrend.
  - Price (888.15) is trading **below** the EMA 20 (894), EMA 50 (909), and EMA 200 (940). This "stacked" overhead resistance is a significant barrier.
  - The Supertrend is **Bearish (Sell)** on Weekly, Daily, and 15-minute timeframes (Page 22).
- **Momentum (Mixed/Weak):**
  - **RSI:** At 45.34, it is in "No Man's Land"-neither oversold nor overbought.
  - **MACD:** Shows a bullish crossover (Signal Line -6.70 vs MACD -3.86), indicating selling pressure is exhausting, but price has yet to confirm this with a breakout.
- **Volatility Squeeze (Neutral/Pending):**
  - Bollinger Band Width is extremely tight (0.0476), indicating a massive volatility squeeze (Page 14). This suggests a violent move is imminent (within 1-3 weeks). However, squeezes during downturns often resolve downwards unless a reversal level is breached.
- **Relative Strength (Emerging):**
  - Short-term (1 Month) RS is a "Leader," suggesting the stock is falling less than its sector, but the longer-term RS is still neutral/lagging.
- **Volume:**
  - Multiple "Distribution Days" in Jan 2026 (Page 18) indicate institutions have been selling into strength.

**Conclusion of Setup:** The stock is consolidating in a tight range within a broader downtrend. While

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momentum indicators (MACD) hint at a bottom, the price structure remains guilty until proven innocent. Entering now is "catching a falling knife" before the reversal is confirmed.

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## Step 3: Formulate the Recommendation

**Recommendation:** **NO** (Do not enter at current market price of 888.15).

**Reasoning:** The stock faces a "wall" of resistance between 894 and 920. Buying now exposes you to the risk that the volatility squeeze resolves to the downside, continuing the primary downtrend. You need the price to reclaim the trend indicators to confirm a valid reversal.

**Conditional Plan (Watchlist Strategy):** Since a Volatility Squeeze is present, a breakout could yield the desired 5-15% return. We will set a "Buy Stop" order logic above the resistance cluster.

- **Condition to Buy: Daily Close above INR 921.**

- *Why:* This clears the EMA 20 (894), EMA 50 (909), and flips the Daily Supertrend (920.17) to **Bullish**. This confirms the squeeze has resolved to the upside.

- **Entry Price: INR 922 - INR 925** (Enter only after the condition is met).

- **Stop Loss: INR 865** (Hard Stop).

- *Why:* This is below the current consolidation range (Lower Bollinger Band is ~867). If it falls back below this after breaking out, the breakout failed.

- **Take Profit: INR 1,015 - INR 1,040.**

- *Why:* The EMA 200 sits at 940 (first hurdle), but the real target is the previous swing high zone and the analyst target mentioned on Page 25 (1014). This offers a ~10-12% upside from the entry.

**Risk/Reward Ratio:** ~1.8 (Risking ~6% to make ~11%). This fits the positional trading criteria.

## Candlestick Classification Analysis

Based on the **Candlestick Classification Report** for **ZYDUSLIFE.NS** (Pages 20 and 21), here is my analysis as a seasoned Price Action Trader.

### 1. Current Market Stance: Seller Control (-1)

The most recent trading session has closed with a classification of "**Seller Control.**" based on the algorithm provided.

- **Interpretation of the Algo:** This classification (Score -1) typically implies a **moderate bearish candle** or a strong bearish move that lacked the "Volume Multiplier" confirmation (Volume < 1.3x avg).
- **Price Action Context:** The price closed at **INR 888.15**. The fact that we are seeing "Seller Control" rather than "No Control" indicates that sellers successfully pushed the price down and, crucially, **held the price near the lower range of the day** (Step 2 of your algorithm: Close Position Adjustment).
- **Conviction Level:** While not a "Strong Control" (-2) panic sell-off, the sellers are grinding the price lower. They are comfortable holding short positions overnight.

### 2. Trend Analysis (The 10-Day Score)

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- **Recent Trend Score:** -0.30
- **The Narrative:** A negative 10-day average confirms that the short-term momentum is bearish. However, the score is relatively shallow (closer to 0 than -2).
- **What this tells a trader:** This is not a high-volatility crash. Instead, it is a **slow bleed** or a "drift." Buyers are stepping away, allowing moderate selling pressure to dictate the direction. The market lacks the "Buyer Strong Control" (+2) candles required to reverse a trend; there is no institutional demand evident in the last two weeks.

## 3. Visual Chart Analysis (Page 21)

Looking at the detailed Candlestick Classification chart:

- **Dominant Colors:** The right side of the chart (recent price action) is dominated by **Grey (No Control)** and **Red (Seller Control)** candles.
- **Failed Reversals:** Notice the occasional Light Green (Buyer Control) candles in the recent downtrend. They are immediately followed by Red candles. This is a classic "**Sell the Rip**" pattern. Every time buyers attempt to push up (likely trying to catch a falling knife), they are overpowered the very next day.
- **Volume Validation:** The volume bars on the bottom of Page 21 show spikes during the red/grey drop phases. The recent volume appears average or slightly below average, which aligns with the "Seller Control" (rather than Strong Control) tag—the selling is persistent but not explosive.

## 4. Statistical Distribution (Page 20)

- **No Control (117):** The market spends most of its time in indecision.
- **Seller Control (64) vs. Buyer Control (43):** This is the key statistic. When the market *does* make a decision, it chooses the downside 50% more often than the upside. The probability skew is heavily in favor of bears.

### Prediction: **Bearish Continuation**

**The Verdict:** The price action suggests **weakness**. The future direction is likely **DOWN to Sideways-Down**.

**Reasoning:** 1. **Lower Highs/Lower Lows:** The chart shows a clear structural downtrend since the peak.2.

**Lack of Demand:** There is zero evidence of a "Buyer Strong Control" (+2) candle (Large body + High Volume) in the recent data to mark a bottom. Until a +2 candle appears to act as a "Stopping Volume" event, the floor is not in.3. **Algo Signal:** The current "Seller Control" status means the path of least resistance remains lower. The sellers are winning the "close," meaning they are trapping late buyers daily.

**Trade Plan:**\* **Bias:** Short.\* **Watch For:** I would wait for a "No Control" (Grey) or weak "Buyer Control" (Light Green) candle to enter a short position, anticipating a resumption of the "Seller Control" trend.\* **Invalidation:** A reversal view would only be entertained if we see a **Buyer Strong Control (+2)** candle closing above INR 920-940 with volume > 1.3x average. Currently, that setup does not exist.

## News & Analyst Targets

**EQUITY RESEARCH UPDATE:** Zydus Lifesciences Ltd. (ZYDUSLIFE)**Date:** May 24, 2024**Sector:**

Pharmaceuticals**Analyst Note:** The stock has recently been in the spotlight following its Q4 FY24 earnings announcement. While operational performance exceeded expectations, valuation concerns have led to mixed

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reactions from the street.

Here is the breakdown of the latest developments for Zydus Lifesciences.

## 1) What are the latest news for ZYDUSLIFE this week?

The primary driver for Zydus Lifesciences this week has been its **Q4 FY24 Earnings Report**, released on May 17, 2024, and the subsequent market reaction.

- **Robust Q4 Earnings Beat:** Zydus reported a massive **299% YoY jump in consolidated net profit** to INR 1,182 crore for the quarter ended March 31, 2024. Revenue from operations grew by **10.4% YoY** to INR 5,533.8 crore. The strong performance was driven largely by the US formulations business and robust India geography sales.
- **Dividend Announcement:** The board recommended a final dividend of **INR 3 per equity share (300%)** for the financial year 2023-24.
- **US FDA Approvals (Product Pipeline):**
  - On May 22, Zydus received final approval from the US FDA to market **Theophylline Extended-Release Tablets** (Generic for Theo-24), used for asthma and COPD.
  - Earlier in the week, they received final approval for **Dapsone Gel, 7.5%** (Generic for Aczone), used to treat acne.
- **Market Reaction:** despite the strong earnings, the stock witnessed profit booking early in the week, correcting slightly from its record highs, as the street had already priced in a significant beat.

## 2) Any upgrade or downgrade from brokerages for ZYDUSLIFE?

The brokerage reaction post-earnings has been **cautious regarding valuations**, despite acknowledging the strong operational beat. There have been no major "Upgrades" to 'Buy' this week; rather, most firms have maintained 'Neutral' or 'Sell' ratings due to the recent sharp rally in the stock price.

- **Motilal Oswal:** Maintained a **Neutral** rating. They acknowledged the "big beat" on margins but believe the current valuation captures the upside.
- **ICICI Securities:** Maintained a **Sell** rating. They cited that while the US generic traction is strong (specifically gRevlimid), the base business valuation appears stretched at current levels.
- **Jefferies:** Maintained an **Underperform** rating, citing that the earnings peak might be near and future growth is priced in perfectly.
- **Kotak Institutional Equities:** Maintained a **Sell** rating, suggesting that the sustainability of the US margins is a key monitorable and current prices are expensive.

## 3) Any other news directly or indirectly impacting ZYDUSLIFE?

- **US Generics Pricing Environment:** The broader pharmaceutical sector is currently benefiting from a stabilizing pricing environment in the US generics market. Zydus's strong US sales growth (up 12% YoY) confirms that price erosion intensity has reduced, which is a positive indirect impact.
- **gRevlimid Market Share:** Industry data suggests Zydus continues to hold a healthy market share for **gRevlimid** (cancer drug) in the US. The sustainability of cash flows from this limited-competition product is a major driver for their current high margins.
- **India Healthcare Index:** The Nifty Pharma index has been one of the top performers recently. Zydus Lifesciences hitting a **52-week high** (and all-time high) of INR 1,172 just prior to earnings indicates strong sectoral tailwinds, though it leaves the stock vulnerable to profit-taking on broader market weakness.

## 4) Latest Targets from Analyst Community

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The following table summarizes the latest calls from major brokerages following the Q4 FY24 results announcements (updates as of May 20-23, 2024).

Brokerage Firm	Rating / Stance	Target Price (INR)	Analyst Commentary Highlights
Motilal Oswal	Neutral	1,010	Raised target from 955. Cites improved outlook but rich valuation limits upside.
Sharekhan	Buy	1,300	Bullish on niche US launches and sustained India growth momentum. Revised target upwards. Acknowledges strong US pipeline but sees limited upside from current levels.
Axis Securities	Hold	1,150	Remains cautious. Believes US sales growth may taper off against a high base.
Jefferies	Underperform	960	Valuations are demanding; concerns over margin sustainability post-gRevlimid peak.
ICICI Securities	Sell	885	Raised target slightly from 850, but maintains negative stance due to expensive valuations.
Kotak Equities	Sell	875	Increased target price reflecting the strong Q4 beat and improved margin guidance.
Nuvama	Hold	1,163	

**Analyst Summary:** Zydus Lifesciences is fundamentally strong with excellent Q4 numbers. However, the divergence between the "Buy" side (Sharekhan) and the "Sell/Neutral" side (Institutional foreign brokerages) suggests the stock is currently a "**Hold**" for existing investors. New entries should wait for a dip, as the stock is trading near record highs and multiple analysts flag valuation concerns.

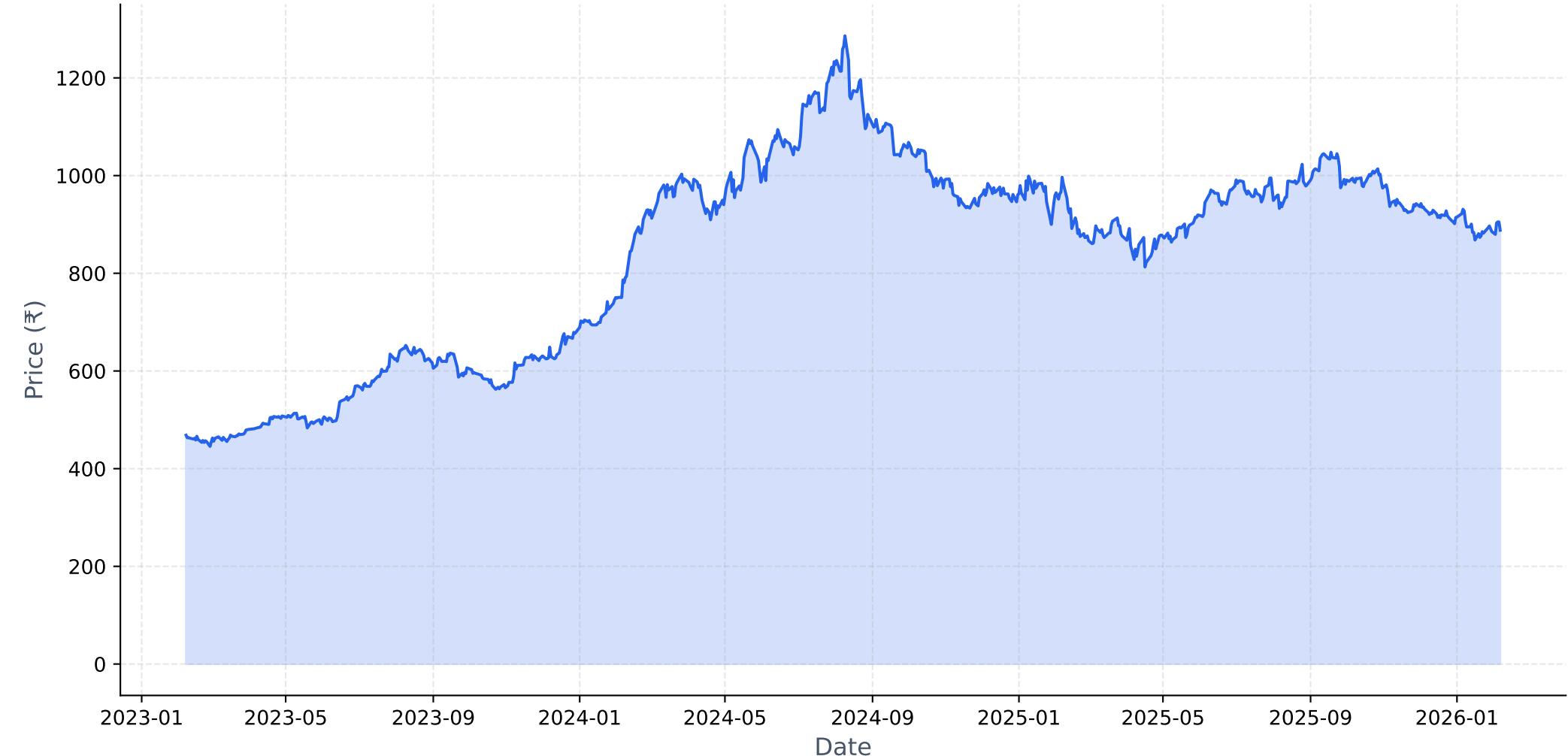
# Stock Detailed Analysis Report

**ZYDUSLIFE.NS**

Current Price: ₹888.15

Generated: 2026-02-07 10:31

# ZYDUSLIFE.NS - 3 Year Daily Price Chart



## Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	Yes	18.68%	15.04%
Net Income	Yes	Yes	17.26%	0.28%
ROE	No	Yes	-2.93%	-10.55%
EPS	Yes	Yes	17.91%	0.86%

## Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	2.81%	2.59%
Net Income	Yes	25.27%	4.04%
ROE	Yes	17.08%	17.08%
EPS	No	12.25%	-11.77%

# ZYDUSLIFE.NS - Relative Strength Analysis

## == OVERVIEW ==:

Benchmark Index:	^CNXPHARMA
Sector:	Pharma
Classification:	Emerging Leader
RS Score:	47.6/100
:	

## == RS RATIOS ==:

1M RS:	1.008 [Leader]
3M RS:	0.957 [Neutral]
6M RS:	0.927 [Neutral]
1Y RS:	0.877 [Neutral]
:	

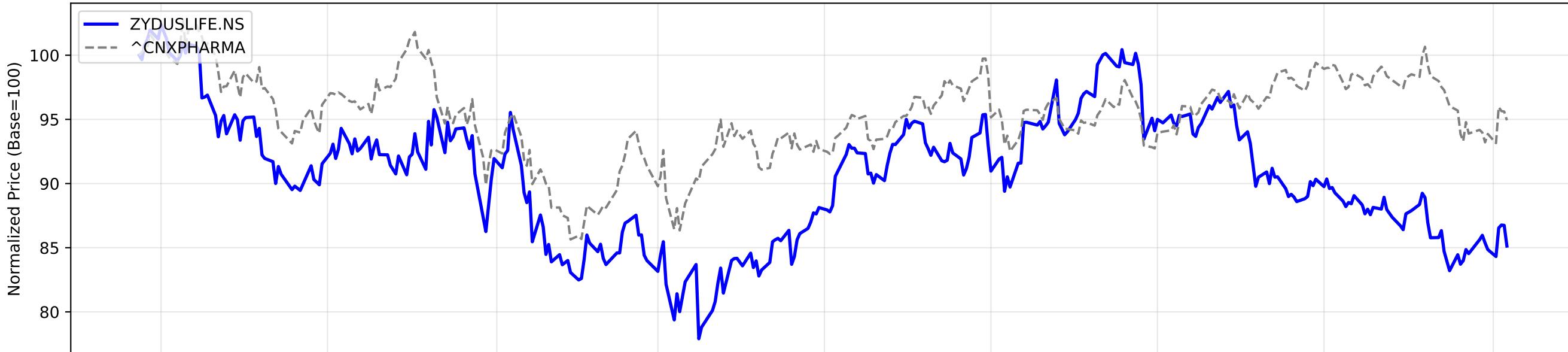
## == TURNAROUND ANALYSIS ==:

Turnaround Status:	!! DETECTED !!
:	

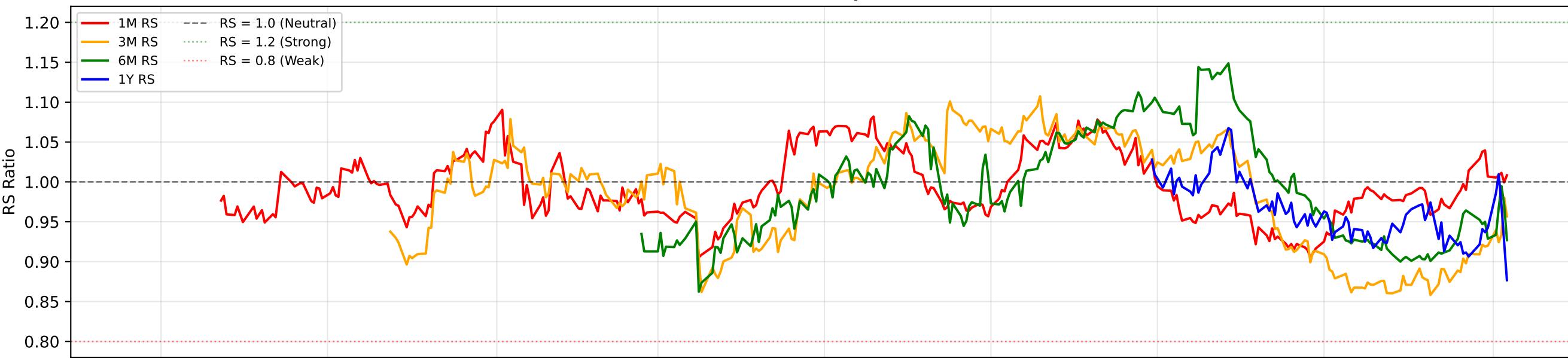
## SIGNAL CRITERIA::

✓ Emerging RS:	1M (1.008) > 3M (0.957)
✓ Medium-term Lagging:	6M=0.927, 1Y=0.877 ( $\leq 1.0$ )
✓ Performance Improving:	3M (-5.2%) > 6M (-7.4%)

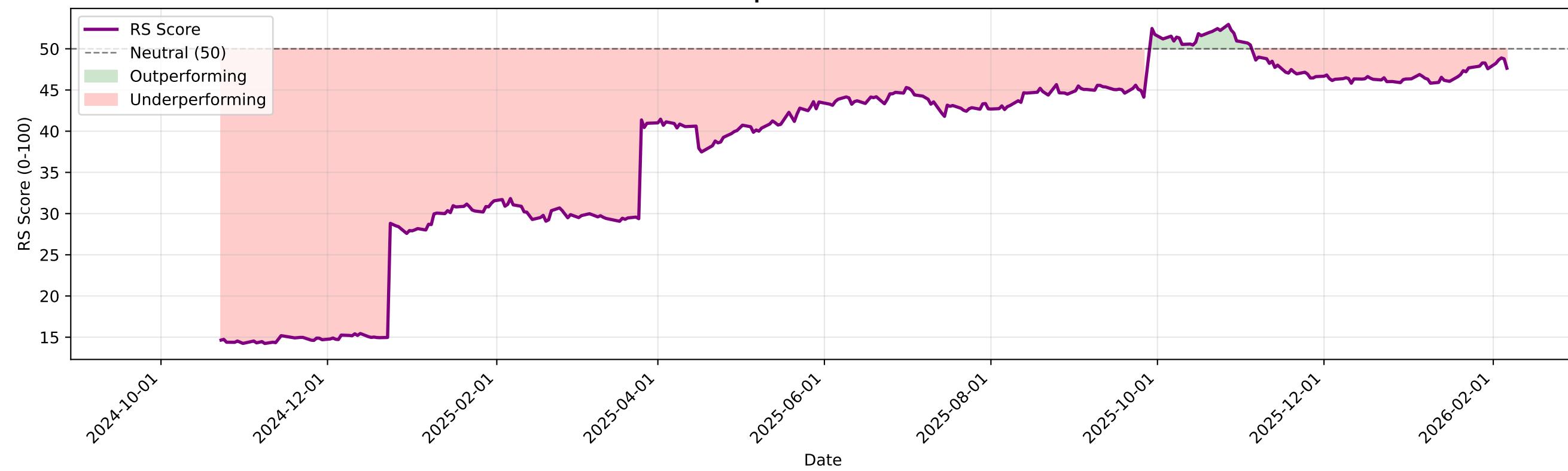
**Relative Strength Analysis: ZYDUSLIFE.NS vs ^CNXPHARMA**  
**Classification: Emerging Leader**  
**Price Performance Comparison (Normalized)**



**RS Ratio Trends (Multiple Timeframes)**



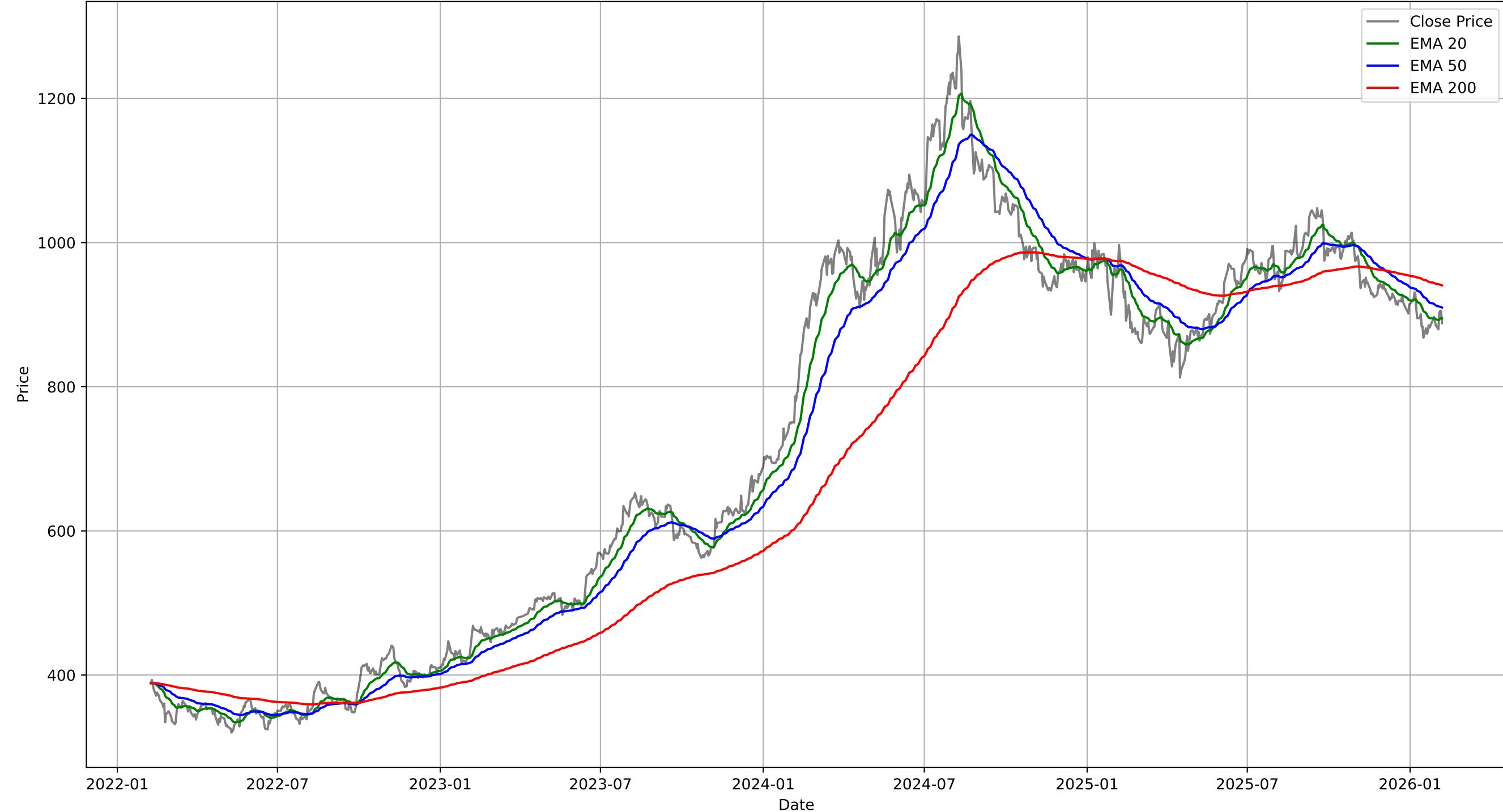
**RS Composite Score Timeline**



## ZYDUSLIFE.NS - EMA Crossover Summary

<b>EMA 20:</b>	894.82
<b>EMA 50:</b>	909.79
<b>EMA 200:</b>	940.66
<b>Trend Status:</b>	<b>Strong Downtrend</b>

# ZYDUSLIFE.NS EMA Crossover Analysis



## ZYDUSLIFE.NS - Bollinger Bands Summary

<b>Current Price:</b>	888.15
<b>Upper Band:</b>	909.74
<b>Middle Band (SMA 20):</b>	888.58
<b>Lower Band:</b>	867.41
<b>%B:</b>	0.4900
<b>Band Width:</b>	0.0476
<b>Status:</b>	Lower Half
<b>Signal:</b>	None
<b>Recent Signal 1:</b>	<a href="#">Buy Signal at 2025-12-18 00:00:00+05:30</a>
<b>Recent Signal 2:</b>	<a href="#">Buy Signal at 2026-01-13 00:00:00+05:30</a>

## ZYDUSLIFE.NS Bollinger Bands (20, 2) Analysis



## ZYDUSLIFE.NS - Supertrend Summary

Status:	DOWNTREND (Sell)
Supertrend Value:	920.17
Signal Identified On:	2025-09-26

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



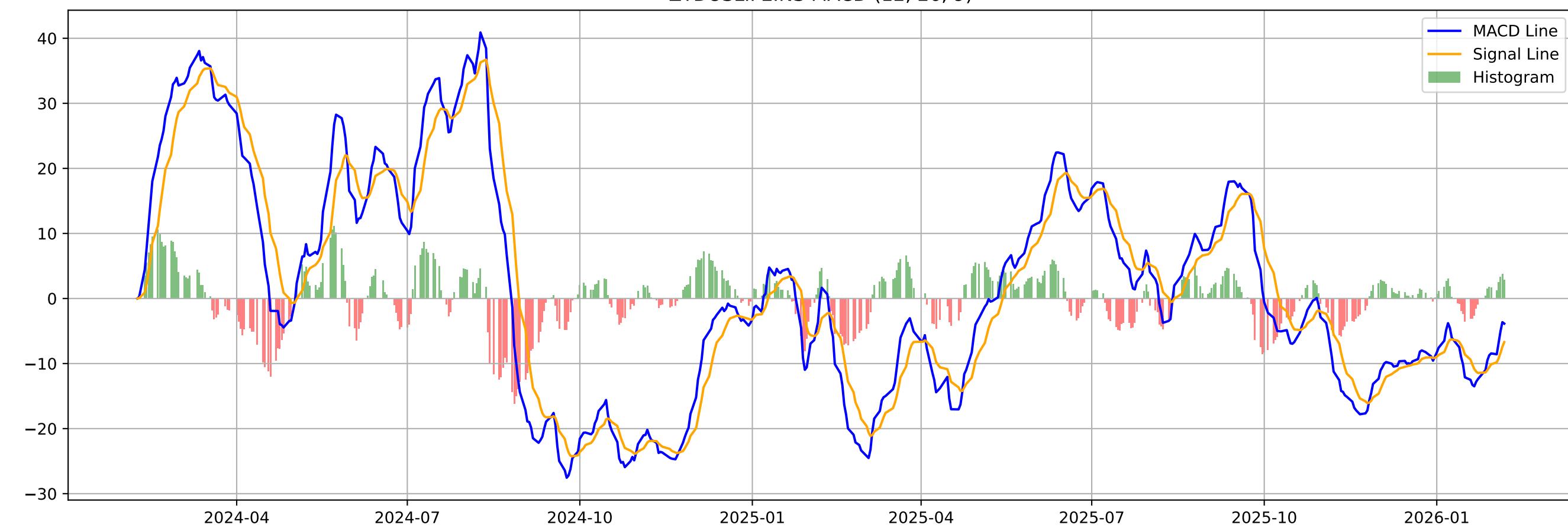
## ZYDUSLIFE.NS - MACD Summary

<b>MACD Line:</b>	-3.86
<b>Signal Line:</b>	-6.70
<b>Histogram:</b>	2.84
<b>Trend:</b>	<b>Bullish</b>
<b>Momentum:</b>	<b>Weakening</b>
<b>Signal:</b>	None

### ZYDUSLIFE.NS Price



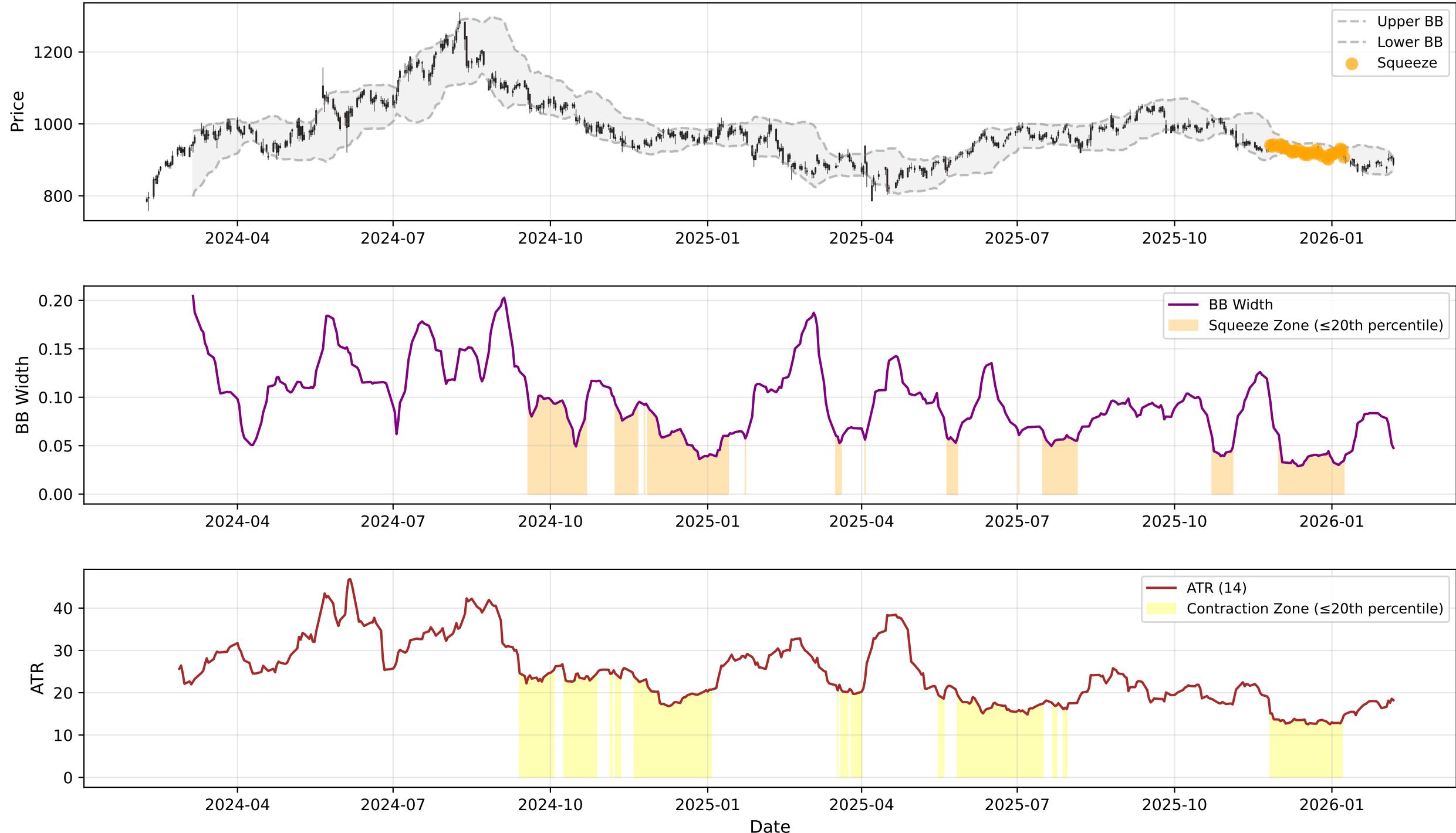
### ZYDUSLIFE.NS MACD (12, 26, 9)



## ZYDUSLIFE.NS - Volatility Squeeze Summary

<b>BB Width:</b>	0.0476
<b>ATR:</b>	18.2500
<b>Total Signals:</b>	31
<b>Signal 1:</b>	BB Squeeze + ATR Contraction at 2026-01-02 00:00:00+05:30 (Price: 907.55)
<b>Signal 2:</b>	BB Squeeze + ATR Contraction at 2026-01-05 00:00:00+05:30 (Price: 907.55)
<b>Signal 3:</b>	BB Squeeze + ATR Contraction at 2026-01-06 00:00:00+05:30 (Price: 907.55)
<b>Signal 4:</b>	BB Squeeze + ATR Contraction at 2026-01-07 00:00:00+05:30 (Price: 907.55)
<b>Signal 5:</b>	BB Squeeze at 2026-01-08 00:00:00+05:30 (Price: 907.55)

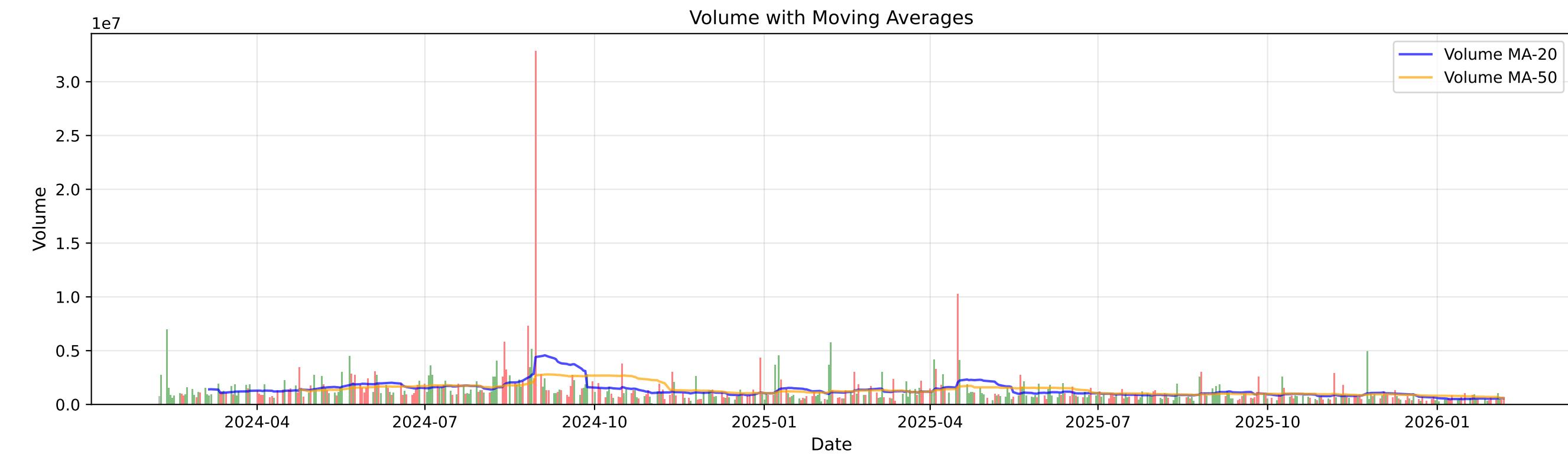
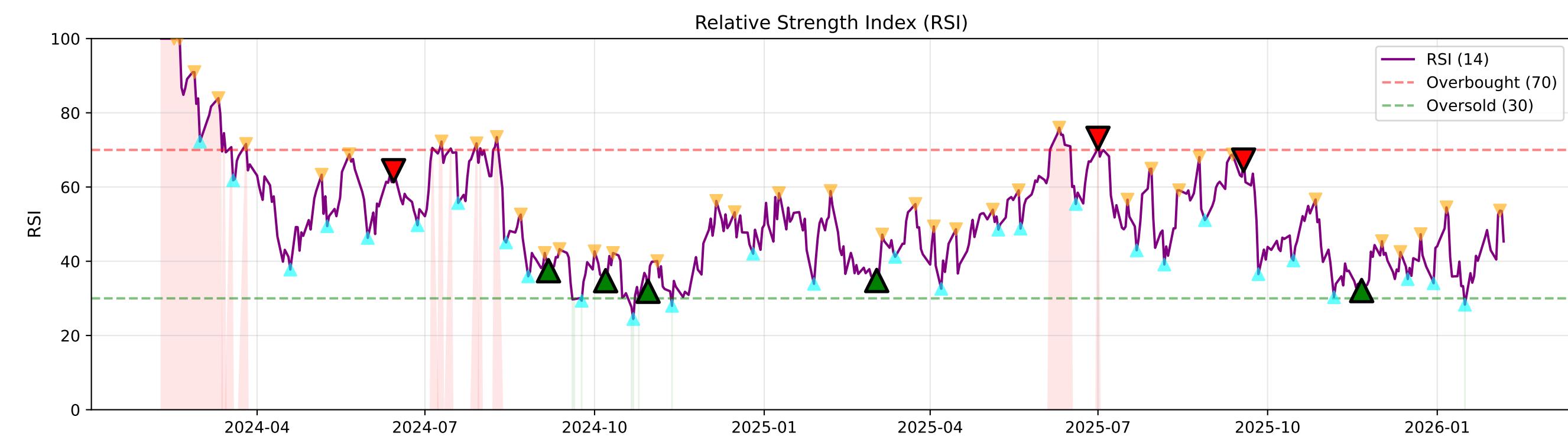
## ZYDUSLIFE.NS - Volatility Squeeze Analysis



## ZYDUSLIFE.NS - RSI-Volume Summary

<b>Current RSI:</b>	45.34
<b>Current Volume:</b>	492792
<b>Volume MA 20:</b>	578355
<b>Bullish Divergences:</b>	5
<b>Bearish Divergences:</b>	3
<b>Bullish Div 1:</b>	Date: 2025-03-03 00:00:00+05:30, Price: 860.59
<b>Bullish Div 2:</b>	Date: 2025-11-21 00:00:00+05:30, Price: 924.30
<b>Bearish Div 1:</b>	Date: 2025-07-01 00:00:00+05:30, Price: 991.15
<b>Bearish Div 2:</b>	Date: 2025-09-18 00:00:00+05:30, Price: 1047.85

# ZYDUSLIFE.NS RSI-Volume Divergence Analysis



# ZYDUSLIFE.NS - Volume Analysis

## == VOLUME ANALYSIS ==:

**Status:** 29 Signals Detected

:

**2025-12-30 [-]:** Distribution Day

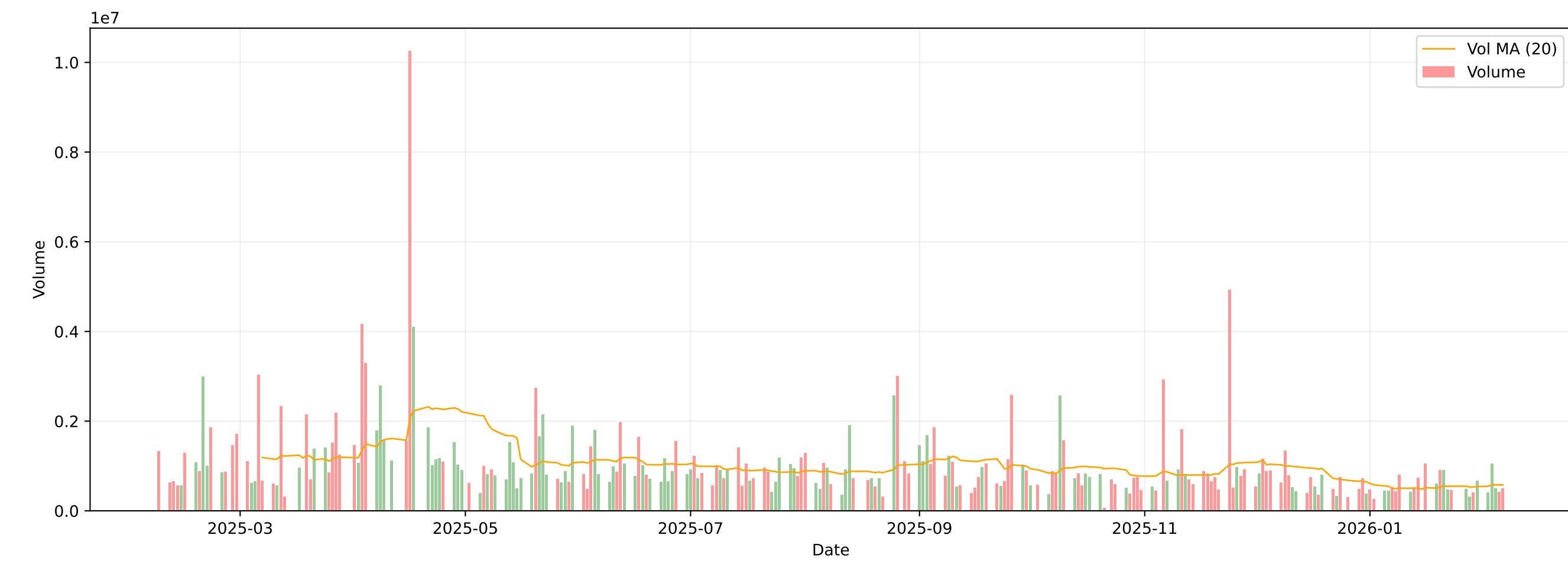
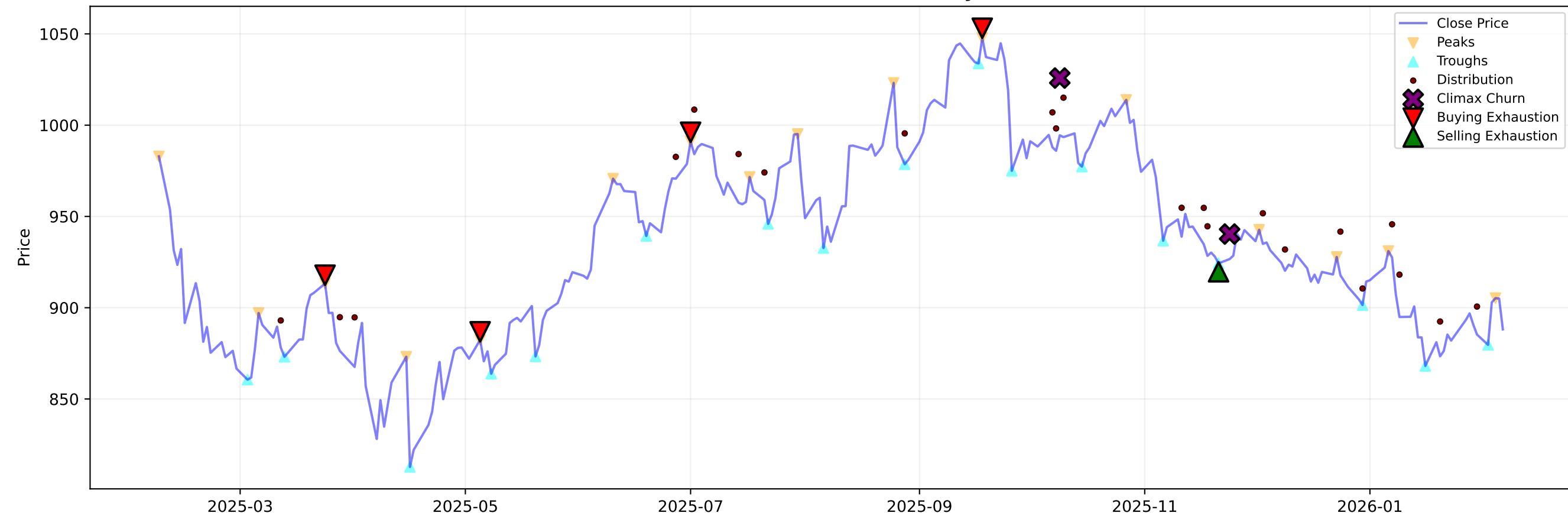
**2026-01-07 [-]:** Distribution Day

**2026-01-09 [-]:** Distribution Day

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

**2026-01-30 [-]:** Distribution Day

## ZYDUSLIFE.NS - Volume Analysis



# ZYDUSLIFE.NS - Candlestick Classification Summary

## == CANDLESTICK CLASSIFICATION ==:

**Latest Classification:** Seller Control

**Recent Trend Score (10-day avg):** -0.30

:

### Distribution:

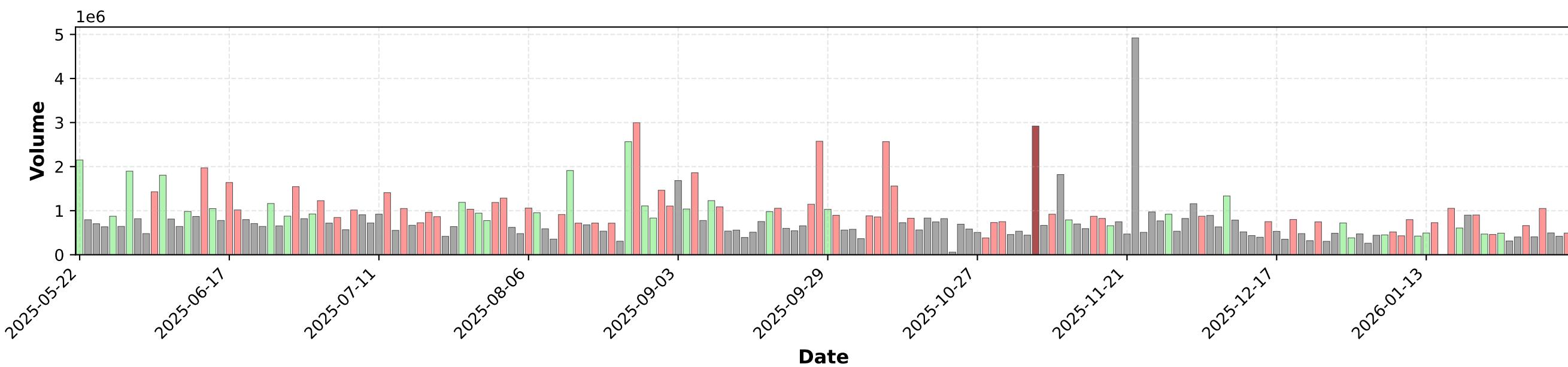
**No Control:** 117

**Seller Control:** 64

**Buyer Control:** 43

**Seller Strong Control:** 4

# ZYDUSLIFE.NS - Candlestick Classification



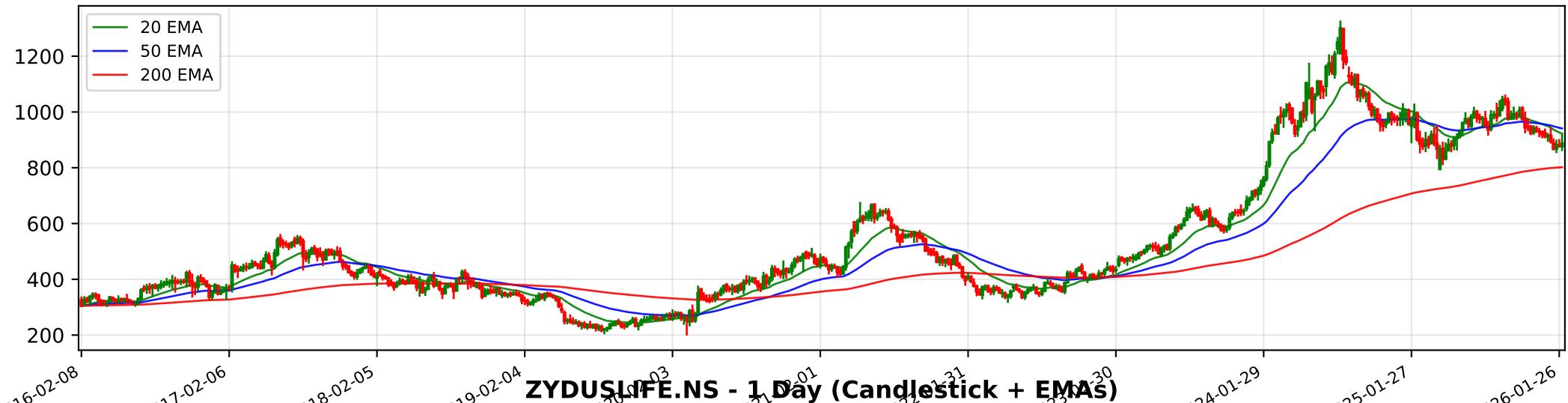
## Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	941.44	888.15	2025-11-03
1 Day	DOWNTREND (Sell)	920.17	888.15	2025-09-26
15 Min	DOWNTREND (Sell)	894.97	888.15	2026-02-06

## Multi-Timeframe MACD Analysis

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

# ZYDUSLIFE.NS - 1 Week (Candlestick + EMAs)



# ZYDUSLIFE.NS - 1 Day (Candlestick + EMAs)



# ZYDUSLIFE.NS - 15 Min (Candlestick + EMAs)



## Trendlyne Snapshot - ZYDUSLIFE\_main

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### Zydus Lifesciences Ltd.

NSE: ZYDUSLIFE | BSE: 532321  
Zydus Lifesciences Live Share Price Today, Share Analysis and Chart

■ ■ ■ Mid-range Performer In 3 Starfolio Baskets

**888.15** -16.85 (-1.86%)

**523.1K** NSE+BSE Volume  
NSE 06 Feb, 2026 3:31 PM (IST)

ABOUT Founded in 1952, Zydus Lifesciences (formerly Cadila Healthcare) is a global pharmaceutical company engaged in the discovery, development, manufacturing, and marketing of healthcare therapies. Its portfolio includes generics, branded generics, biosim... [Read More](#)

Watchlist Portfolio Alert My Notes **TRADE STOCK**

Zydus Lifesciences gets US FDA approval for a diabetes drug, with US sales of around \$10.5 billion [See details](#)

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Durability score **65.0 /100** Valuation Score **43.8 /100** Momentum Score **40.3 /100** Analyst Price Target **1,014**   
High Financial Strength Mid Valuation Technically Neutral 1Yr Price target upside is 14%

Mid-range Performer These stocks have strong quality. Their reasonable financials and technicals make them potentially attractive to... [View Similar](#) Embed DVM

**Check Before You Buy** [VIEW FULL CHECKLIST](#)  
High rank **16** Positive **7** Negative 69.6% Pass in checklist

**PE Valuation Check**  
Right Now Undervalued **25.5%** 1 Year Forward Undervalued **16.6%**  
**INSIGHT** Zydus Lifesciences is undervalued at both current PE and future earnings estin

SWOT Analysis

Zydus Lifesciences Key Metrics

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

## Trendlyne Snapshot - ZYDUSLIFE\_forecaster

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

### Zydus Lifesciences Ltd. [①](#)

NSE: ZYDUSLIFE | BSE: 532321

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**888.15** -16.85 (-1.86%)

**523.1K** NSE+BSE Volume  
NSE 06 Feb, 2026 3:31 PM (IST)

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💡 US FDA Approval Zydus Lifesciences gets US FDA approval for a diabetes drug, with US sales of around \$10.5 billion [See details](#)

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### Zydus Lifesciences - ZYDUSLIFE - stock price prediction, stock forecast, target price, analyst ratings from 30 analysts

Zydus Lifesciences has a share price target of Rs 1014, revenue growth forecast of 10.6%, and profit growth estimate of 2.9% for FY26, based on top 30 analyst calls.

### Zydus Lifesciences FORECASTER - Analyst Estimates [②](#)

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