

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:	Emerging Leader
RS Score:	51.6/100
:	

== RS RATIOS ==:

1M RS:	1.052 [Leader]
3M RS:	1.047 [Leader]
6M RS:	1.024 [Leader]
1Y RS:	0.972 [Neutral]
:	

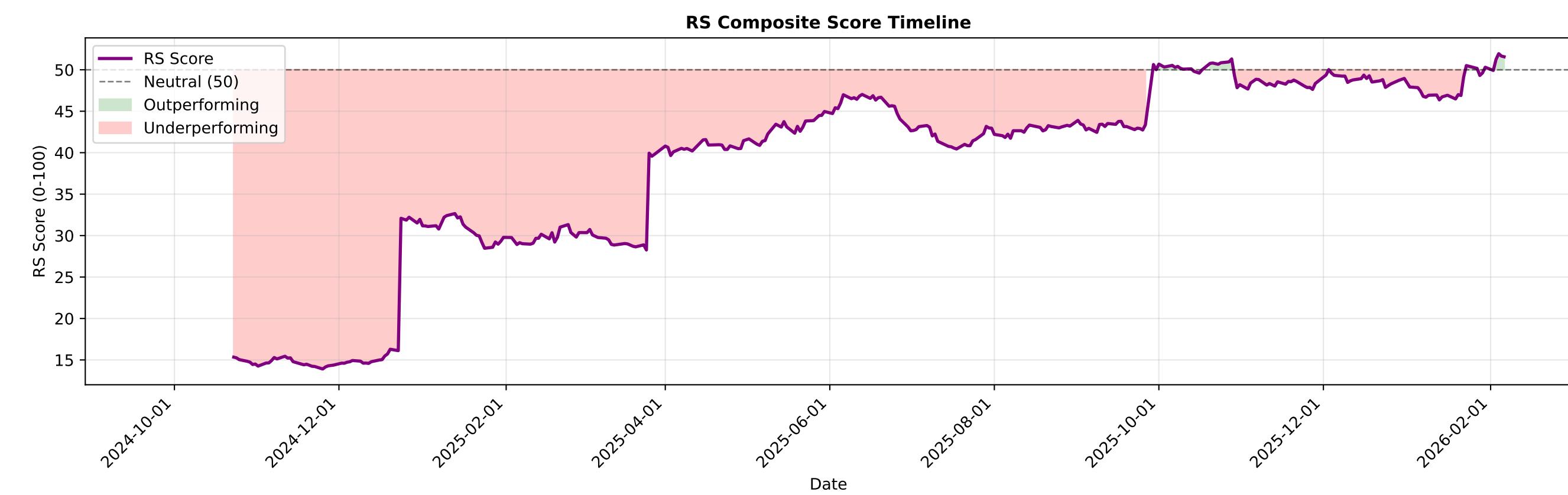
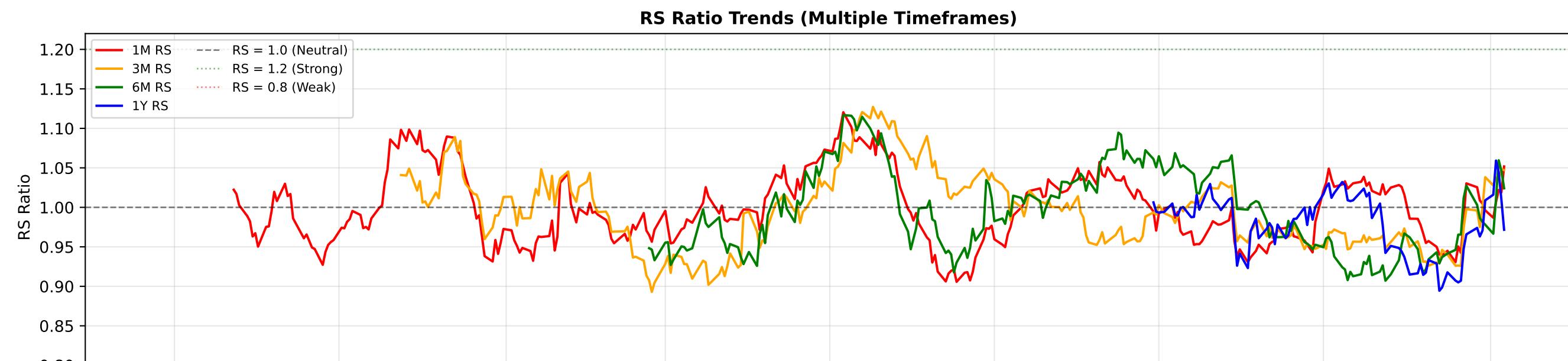
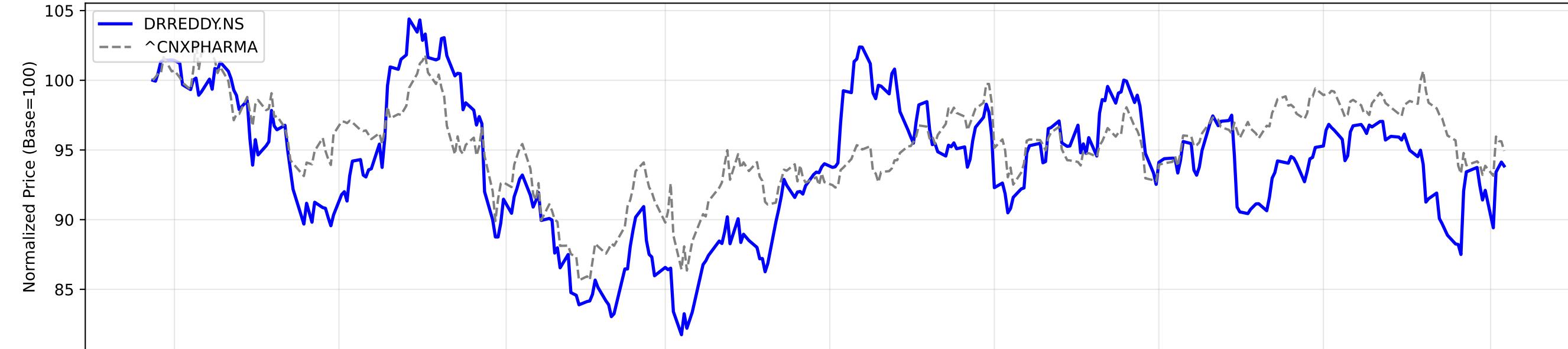
== TURNAROUND ANALYSIS ==:

Turnaround Status:	!! DETECTED !!
:	

SIGNAL CRITERIA::

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

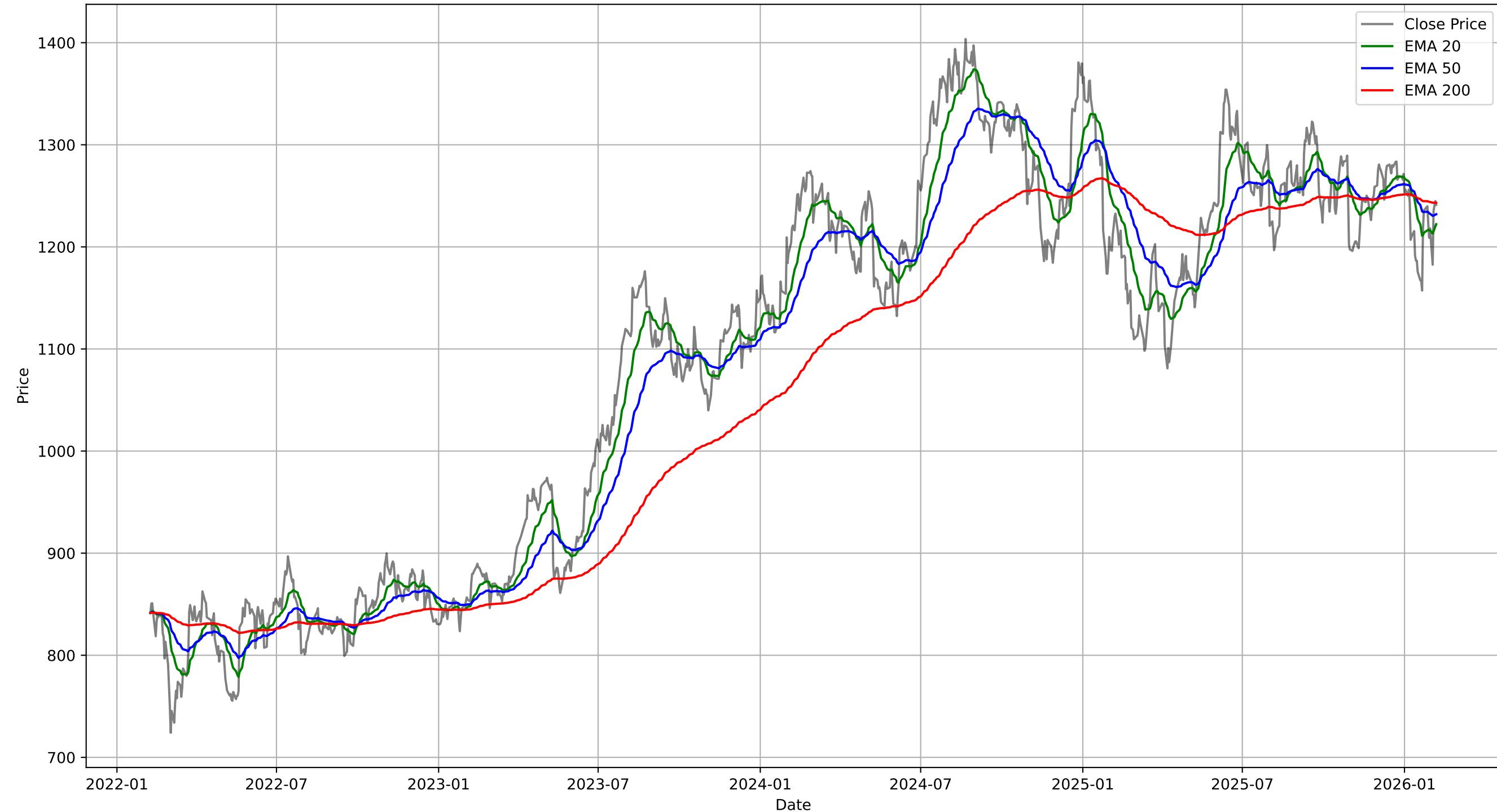
Relative Strength Analysis: DRREDDY.NS vs ^CNXPHARMA
Classification: Emerging Leader
Price Performance Comparison (Normalized)



DRREDDY.NS - EMA Crossover Summary

EMA 20:	1222.18
EMA 50:	1231.95
EMA 200:	1243.18
Trend Status:	Strong Downtrend

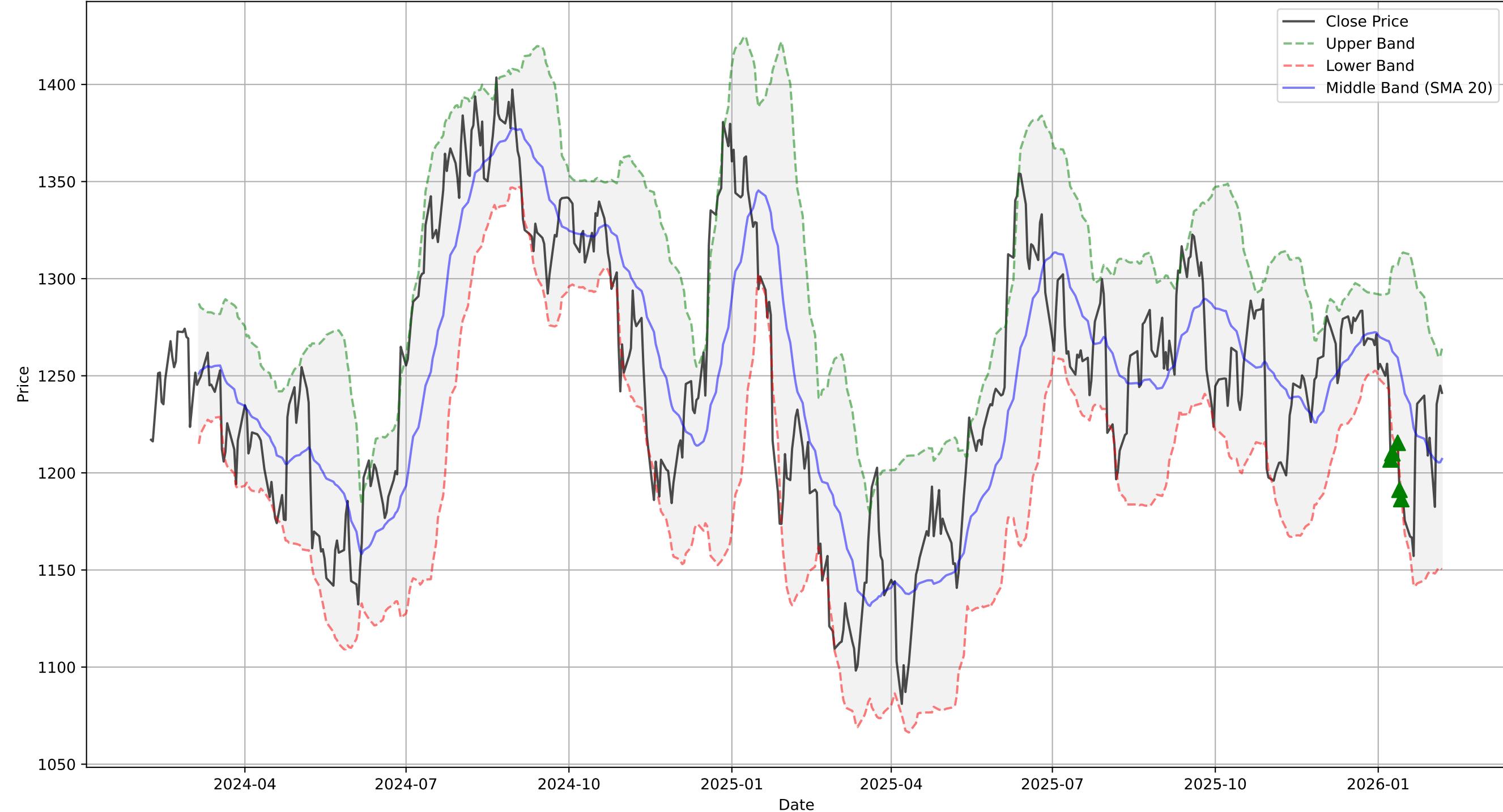
DRREDDY.NS EMA Crossover Analysis



DRREDDY.NS - Bollinger Bands Summary

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

DRREDDY.NS Bollinger Bands (20, 2) Analysis



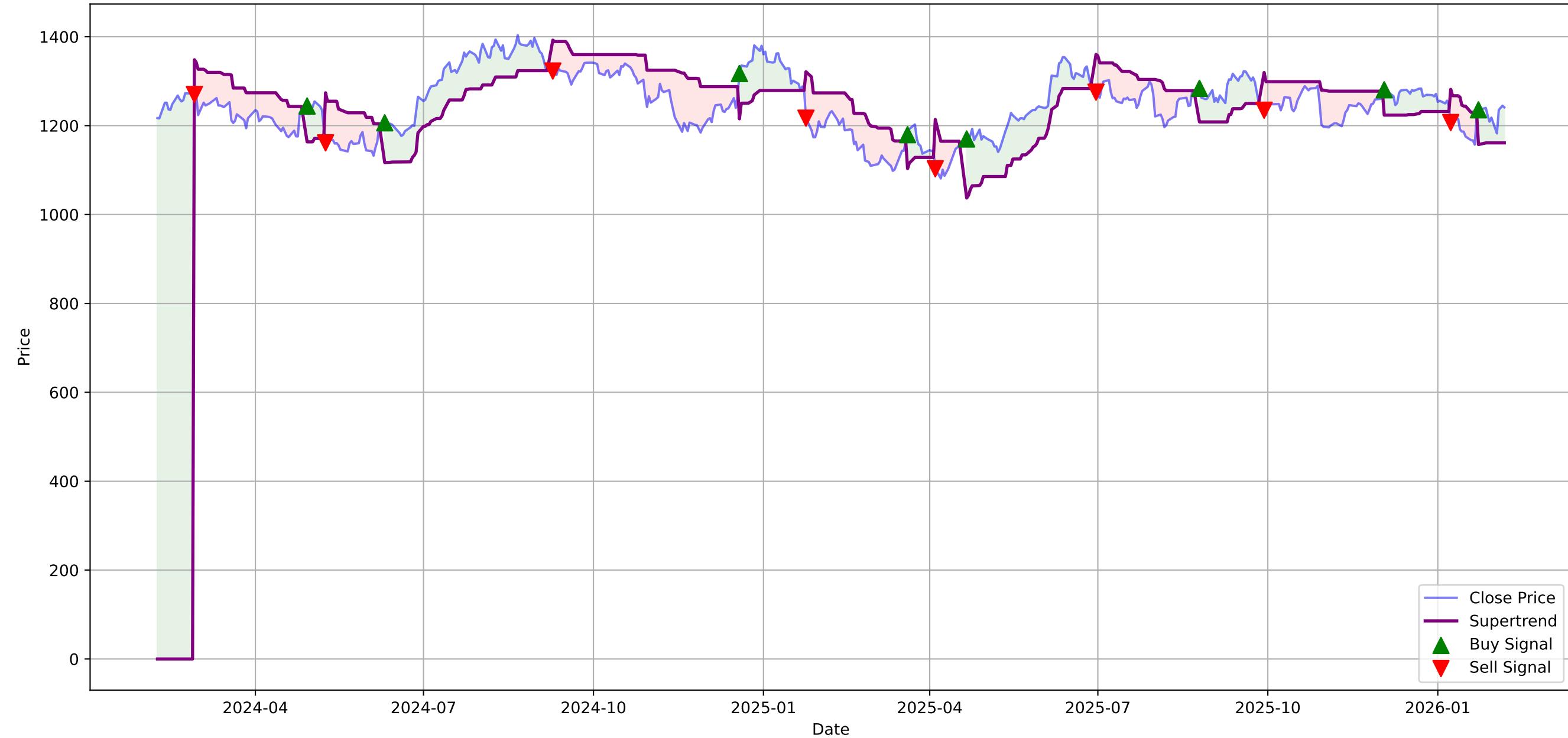
DRREDDY.NS - Supertrend Summary

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)



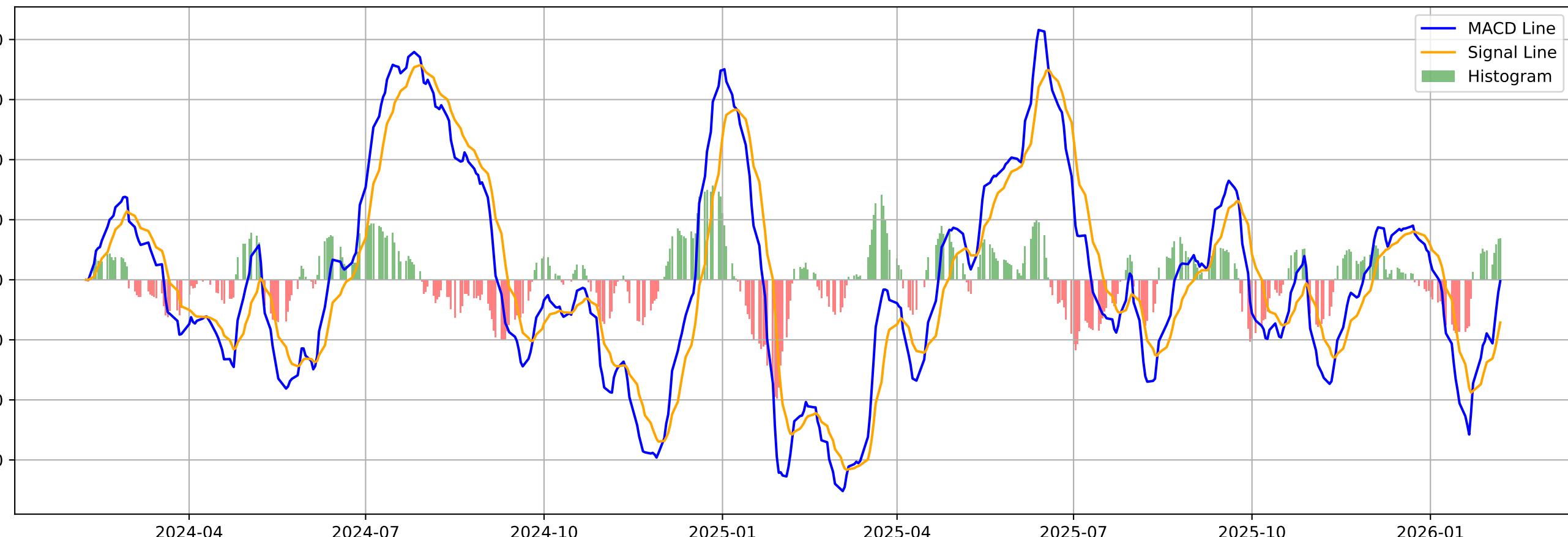
DRREDDY.NS - MACD Summary

MACD Line:	-0.23
Signal Line:	-7.12
Histogram:	6.89
Trend:	Bullish
Momentum:	Strengthening
Signal:	None

DRREDDY.NS Price



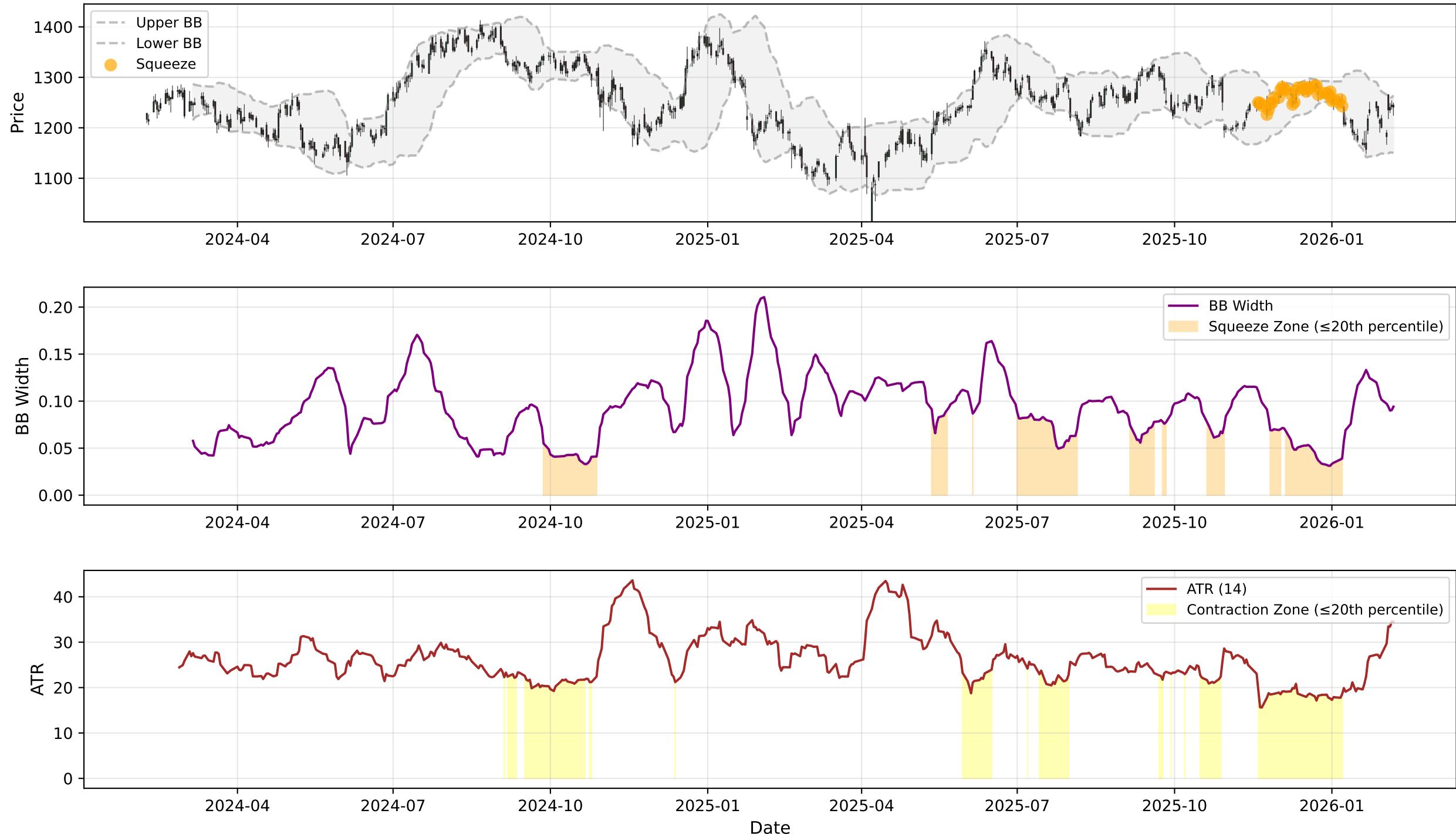
DRREDDY.NS MACD (12, 26, 9)



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)

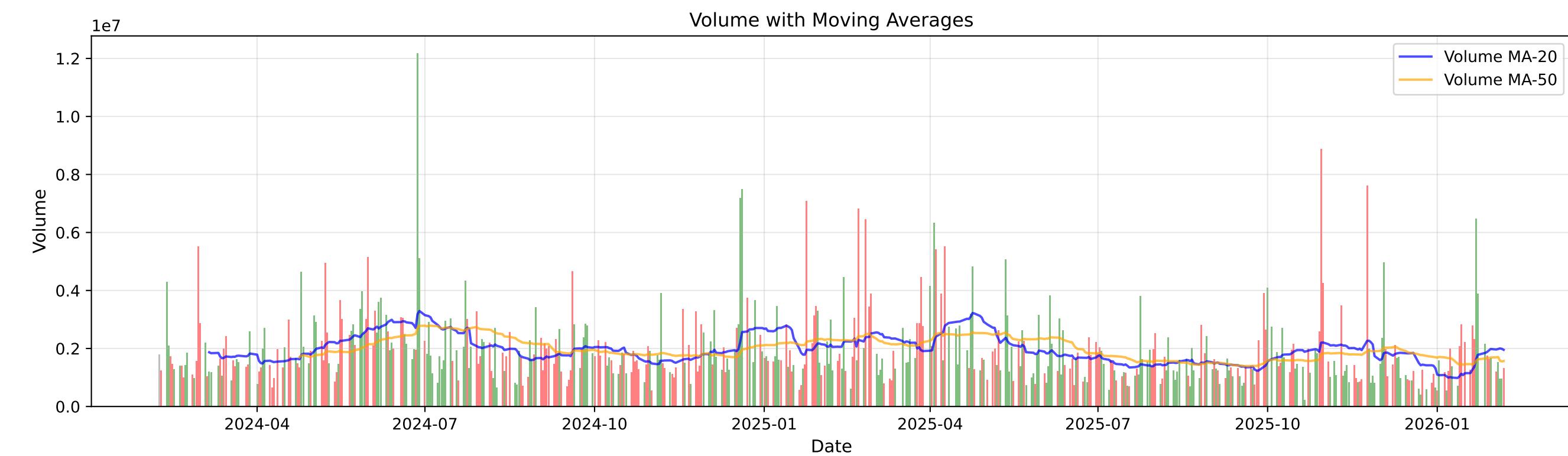
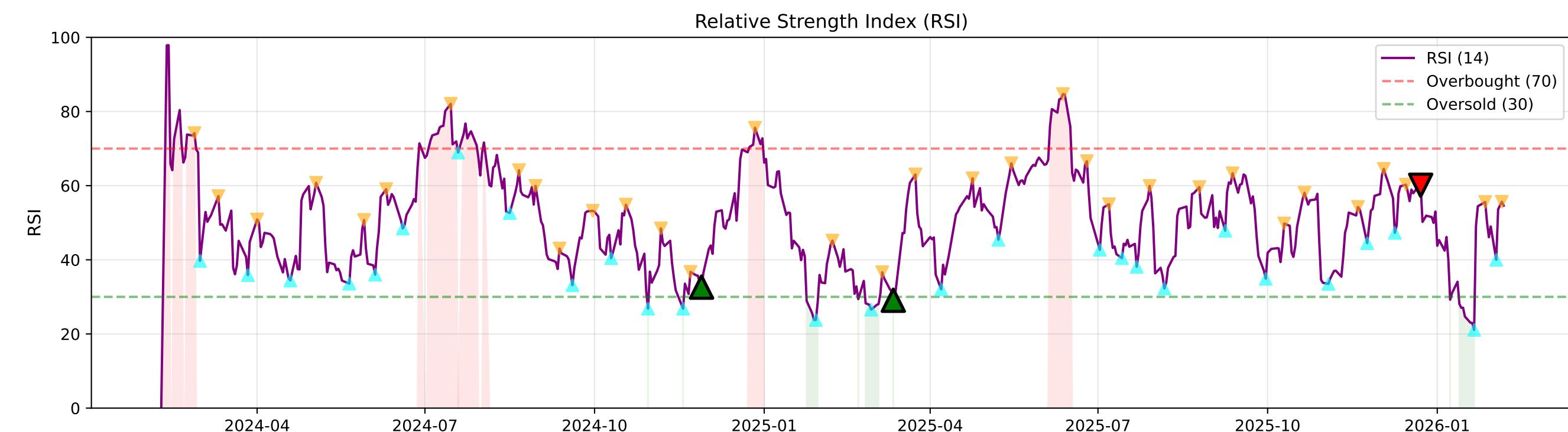
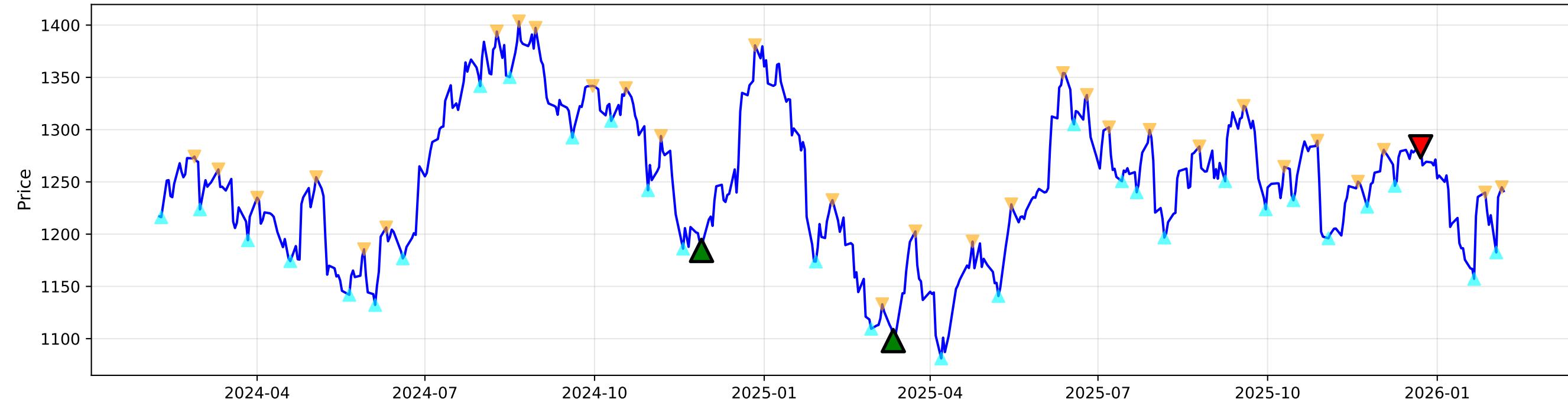
DRREDDY.NS - Volatility Squeeze Analysis



DRREDDY.NS - RSI-Volume Summary

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

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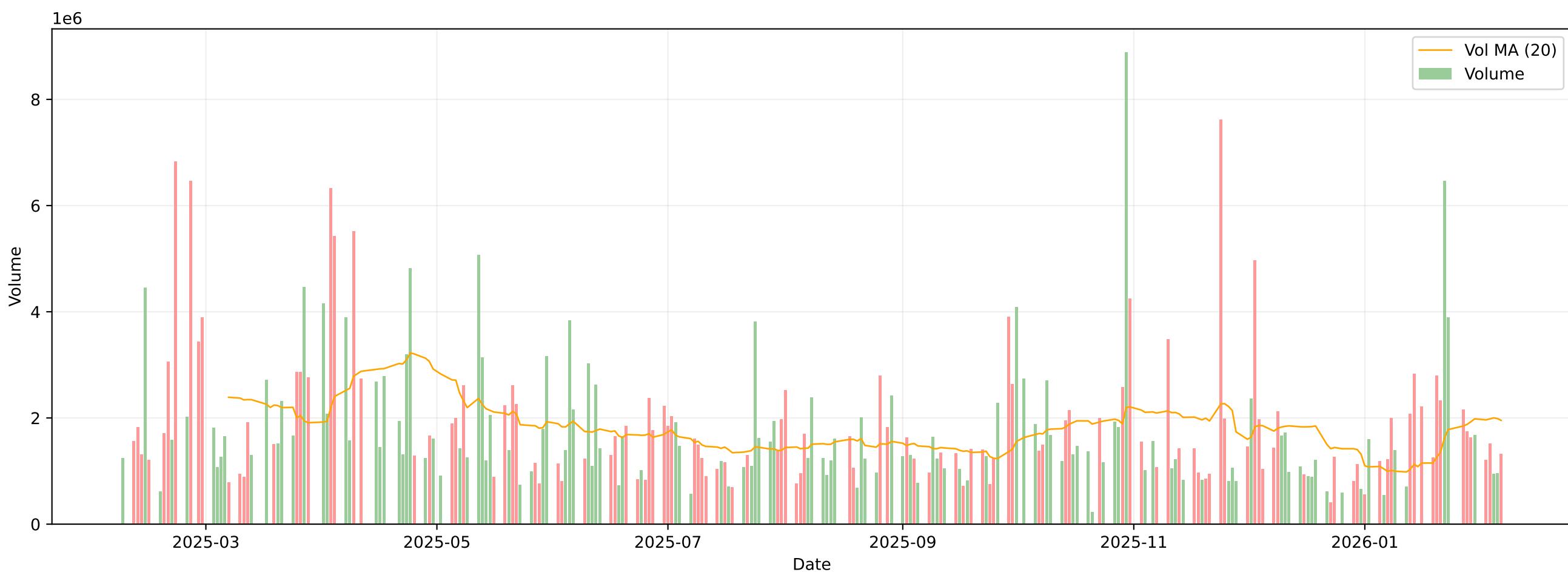
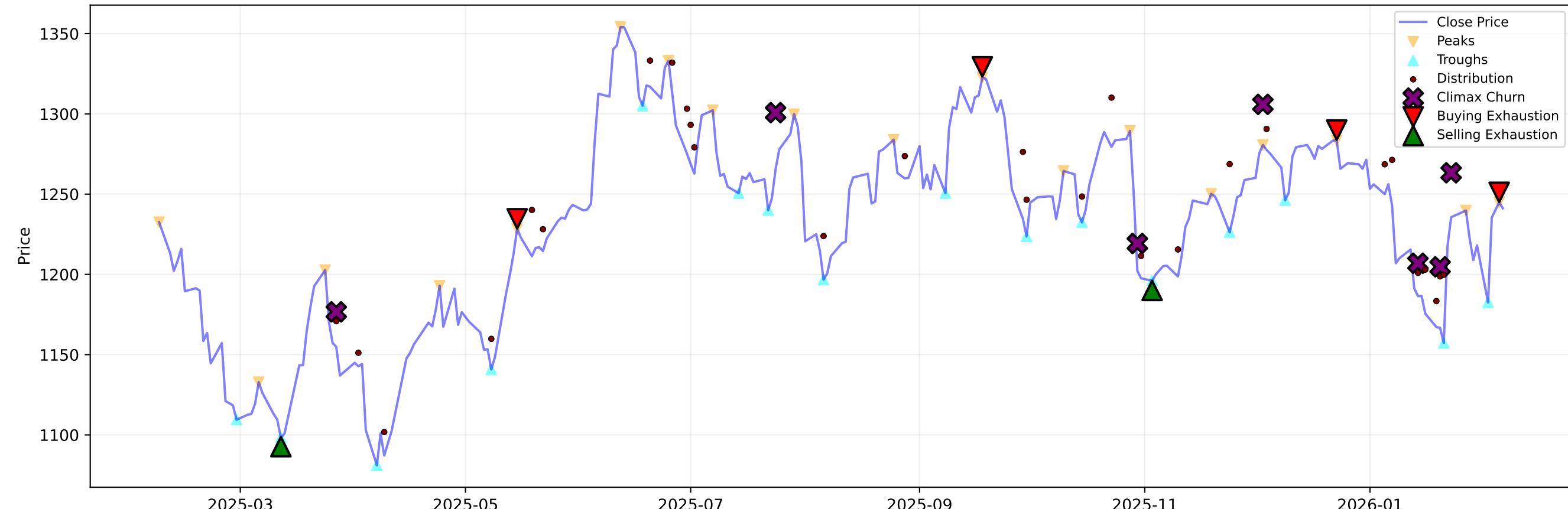
2026-01-20 [-]: Distribution Day

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

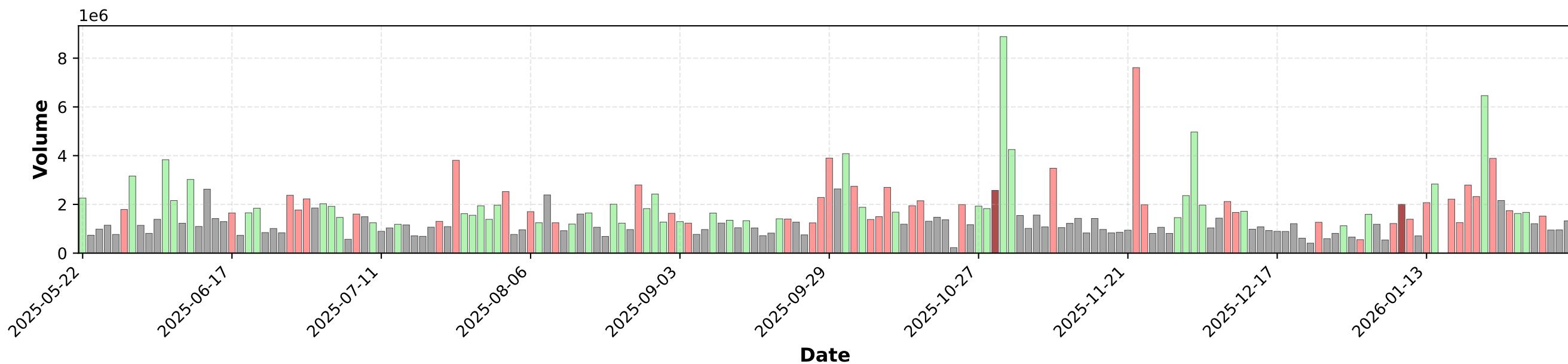
Buyer Control: 58

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

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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

1241.20 -3.70 (-0.30%)

1.3M NSE+BSE Volume
NSE 06 Feb, 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**
Medium Financial Strength

Valuation Score **40.2 /100**
Mid Valuation

Momentum Score **40.2 /100**
Technically Neutral

Analyst Price Target **1,313**
1Yr Price target upside is 6%

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

Mid-range Performer These stocks have average quality, financial and technical momentum, indicating a mid range performer [View Similar](#) Embed DVM

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 estimates

Dr. Reddy's Labs Key Metrics

ROE Ann. % **16.8** Broker Average Target **3.75% upside** Market Capitalization **High in Industry** Price to Book **103,594.3**
Above industry Median Above industry Median High in Industry Above industry Median

Preset Metrics Preset Metrics

Trendlyne Snapshot - DRREDDY_forecaster

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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)

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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 →

