

Gemini Stock Analysis Report

Based on the detailed analysis of the **DRREDDY.NS** report generated on **2026-01-24**, here is my assessment for an intermediate-term positional trade.

Step 1: Audit the Data

• Data Present:

- **Price Action:** Daily and Weekly candlestick charts with EMA overlays (20, 50, 200).
- **Trend Indicators:** Supertrend, MACD, and EMA crossover summaries.
- **Momentum/Volatility:** RSI, Bollinger Bands, and Volatility Squeeze analysis.
- **Fundamentals:** Long-term (4 years) and Short-term (6 quarters) growth metrics.
- **Volume:** Volume profile, churn analysis, and divergence data.
- **Relative Strength:** Comparison against sector benchmark (^CNXPHARMA).

• Data Missing:

- Specific institutional holding changes (shareholding pattern) are not detailed, though Trendlyne snapshots provide a high-level overview.
- Intraday market depth (irrelevant for this timeframe).

- **Confidence Level: High.** The report is comprehensive, covering technical, fundamental, and quantitative factors necessary for a 1-4 month horizon decision.
-

Step 2: Analyze the Setup

Price Structure & Trend:* **Long-Term Bearishness:** The stock is in a primary downtrend (Weekly Supertrend is Sell). The stock is currently trading below the 200-day EMA (1244.64), which acts as a major overhead resistance ceiling.* **Short-Term Reversal:** There is a tactical bounce in play. The price (1235.60) has reclaimed the 20-day EMA (1213) and marginally the 50-day EMA (1234). The Daily Supertrend flipped to "Buy" on Jan 23, 2026.* **Compression:** The stock is squeezed between the 20 EMA (Support) and the 200 EMA (Resistance). This often precedes a volatile move.

Momentum & Confluence:* **Bullish Divergence:** The RSI analysis (Page 17) indicates bullish divergences, suggesting bearish momentum is exhausted.* **MACD:** A bullish crossover has occurred, though momentum is classified as "weakening," likely due to the resistance at the 200 EMA.* **Fundamentals:** A major red flag is the Short-term Fundamental Analysis (Page 3). Recent Net Income (-15.82%) and EPS growth (-10.88%) are negative. This lacks the fundamental tailwind usually desired for a 4-month hold.* **Relative Strength:** The stock is an "Emerging Leader" but the report notes "Not improving" performance. It is essentially performing in line with the sector but not leading the charge.

Risk Assessment:* The "Death Cross" (50 EMA crossing below 200 EMA) is active on the chart. Buying now involves fighting a major lagging moving average signal.

Step 3: Formulate the Recommendation

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

Rationale: While the short-term indicators (RSI, Supertrend) are flashing buy signals, the stock is trading

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directly beneath a "confluence of resistance"-specifically the **200-day EMA at 1244**. Entering now offers a poor Risk/Reward ratio as the stock could easily reject off this level and resume the weekly downtrend. The negative short-term earnings growth further dampens the probability of a sustained immediate breakout without a technical confirmation.

However, this is a strong **Watchlist Candidate** for a reversal play. If it clears the 200 EMA, the path opens up.

Conditional Plan (Breakout Setup):

- **Condition to Buy:** A Daily Candle Close above the **200 EMA** (currently ~1245). This confirms the reversal and negates the immediate death-cross pressure.
- **Entry Price:** INR 1250 - INR 1255 (Buy stop order or manual entry upon confirmation).
- **Stop Loss:** INR 1195 (Hard stop).
 - *Reasoning:* This places risk below the 20-day EMA (1213) and the psychological level of 1200. If it falls back below 1200, the breakout was a fake-out.
- **Take Profit:** INR 1380 - INR 1400.
 - *Reasoning:* This targets the previous swing highs seen in late 2025 (visible on Page 2 and 7 charts). This offers a potential upside of ~10-12%, fitting your 5-15% criteria.

News & Analyst Targets

Here is the latest investment research and news update for **Dr. Reddy's Laboratories (DRREDDY)** for the week ending January 25, 2026.

1) Latest News for DRREDDY This Week

- **Q3 FY26 Earnings Release:** On January 21, 2026, Dr. Reddy's reported its third-quarter results. Revenue grew **4.4% YoY** to INR 8,727 crore (\$971 million), driven by strong performance in India and emerging markets. However, Net Profit declined **14% YoY** to INR 1,210 crore due to margin pressures and lower contribution from the US generics business (specifically Revlimid).
- **Generic Ozempic Approval:** A major positive development was the approval from India's drug regulator to manufacture and sell a generic version of the blockbuster diabetes drug **Ozempic (Semaglutide)**. This positions the company to capture a share of the booming weight-loss and diabetes market once patent exclusivities allow.
- **US FDA Regulatory Observations:** The company faced regulatory headwinds as the US FDA issued a **Form 483 with five observations** for its formulation facility in Srikakulam (FTO-SEZ PU-01) following an inspection in December.
- **Rituximab Biosimilar Setback:** The company received a "post-application action letter" from the US FDA regarding its Biologics License Application (BLA) for the Rituximab biosimilar. This relates to observations at its Bachupally facility, potentially delaying the product's US launch.

2) Brokerage Upgrades & Downgrades

- **Downgrade by Weiss Ratings:** Weiss Ratings downgraded DRREDDY from a "Buy" to a "**Hold**" rating following the earnings report, citing valuation and growth concerns.
- **Downgrade by MarketsMOJO:** Earlier in the week, quantitative research firm MarketsMOJO downgraded the stock from "Hold" to "**Sell**", flagging a deteriorating financial score and flat institutional interest.
- **Maintained Ratings:**
 - **ICICI Direct** maintained its **BUY** rating, focusing on the long-term potential of the biosimilar pipeline and

Gemini Stock Analysis Report

new launches.

- **PL Capital (Prabhudas Lilladher)** maintained a **REDUCE** rating, citing weak US base business margins.

3) Indirect News Impacting DRREDDY

- **Union Budget 2026 Expectations:** The wider pharmaceutical sector is rallying for a "structured funding framework" for R&D in the upcoming Union Budget. As a major R&D spender (approx. 7-8% of sales), Dr. Reddy's stands to benefit significantly from any tax incentives or grants for innovation.
- **Patent Cliff Approaching:** The industry is closely watching the patent expiry for Semaglutide (Ozempic/Wegovy) in March 2026. Dr. Reddy's recent regulatory approval in India is a direct preparation for this "patent cliff," signaling a strategic pivot toward complex generics to offset slowing growth in older portfolios.
- **Sector-Wide US Pricing Pressure:** Competitor earnings and sector analysis this week highlighted continued price erosion in the US generics market. This systemic issue is directly impacting Dr. Reddy's North American revenue, which declined ~12% this quarter.

4) Latest Analyst Targets & Ratings

The following table summarizes the most recent price targets and recommendations from major brokerage firms as of late January 2026.

Brokerage Firm	Rating	Target Price (INR)	Outlook/Key Rationale
ICICI Direct	BUY	INR 1,490	Bullish on Semaglutide & biosimilar pipeline ramping up in FY27/28.
Axis Direct	HOLD	INR 1,340	Valuation looks fair; awaiting clarity on US regulatory resolutions.
PL Capital	REDUCE	INR 1,300	US base business weakness and margin pressure persist.
Motilal Oswal	NEUTRAL	INR 1,250	Earnings were mixed; future growth depends on successful complex launches.
Emkay Global	SELL	INR 1,200	Concerns over delayed US launches and regulatory hurdles at key plants.
Consensus	HOLD	~INR 1,296	Average target suggests limited immediate upside from current levels (~INR 1,235).

Disclaimer: This report is for informational purposes only and does not constitute financial advice. Stock targets and ratings are subject to change by brokerages based on market conditions.

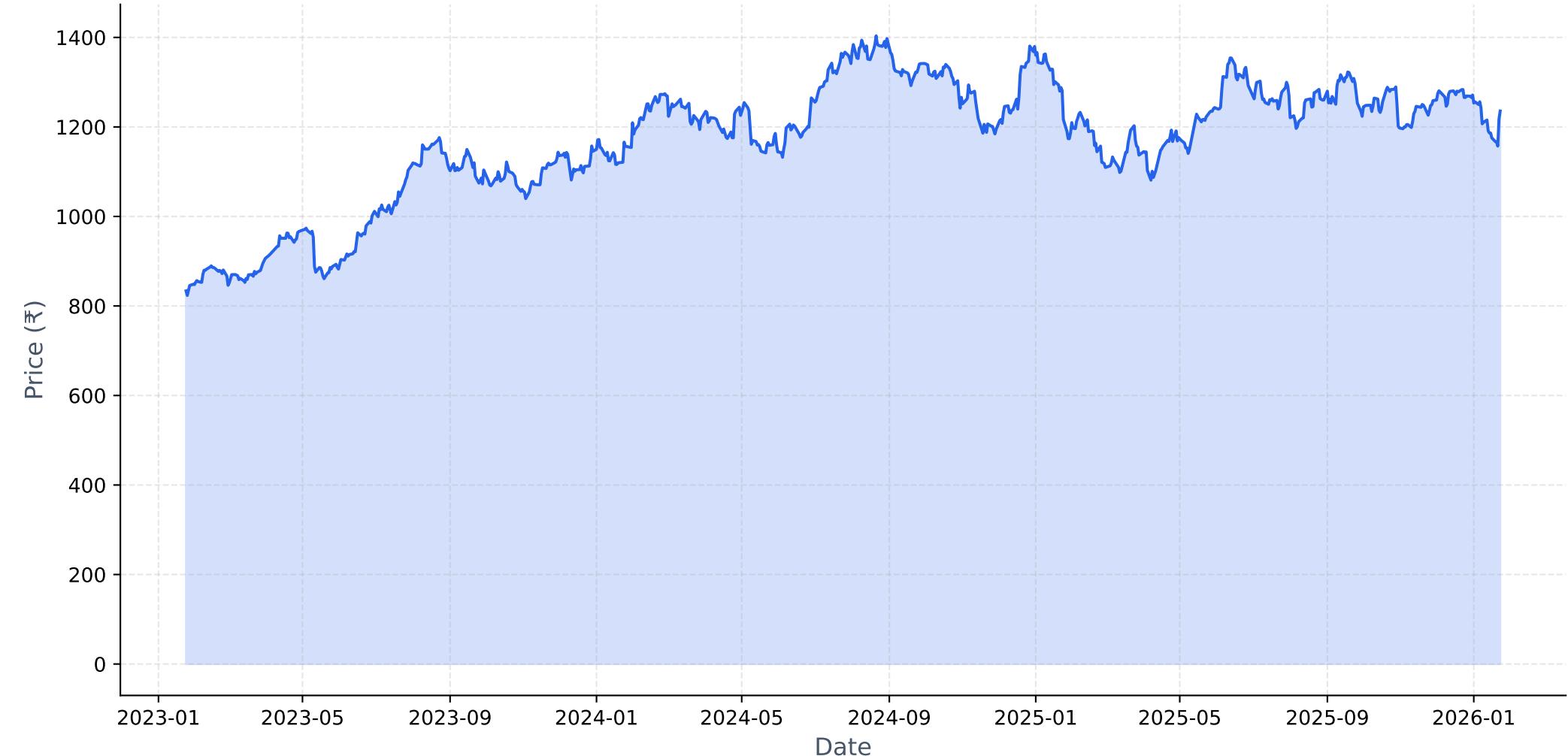
Stock Detailed Analysis Report

DRREDDY.NS

Current Price: ₹1235.60

Generated: 2026-01-24 18:26

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	1.42%	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:	50.2/100
:	

== RS RATIOS ==:

1M RS:	1.030 [Leader]
3M RS:	0.993 [Neutral]
6M RS:	1.003 [Leader]
1Y RS:	0.970 [Neutral]
:	

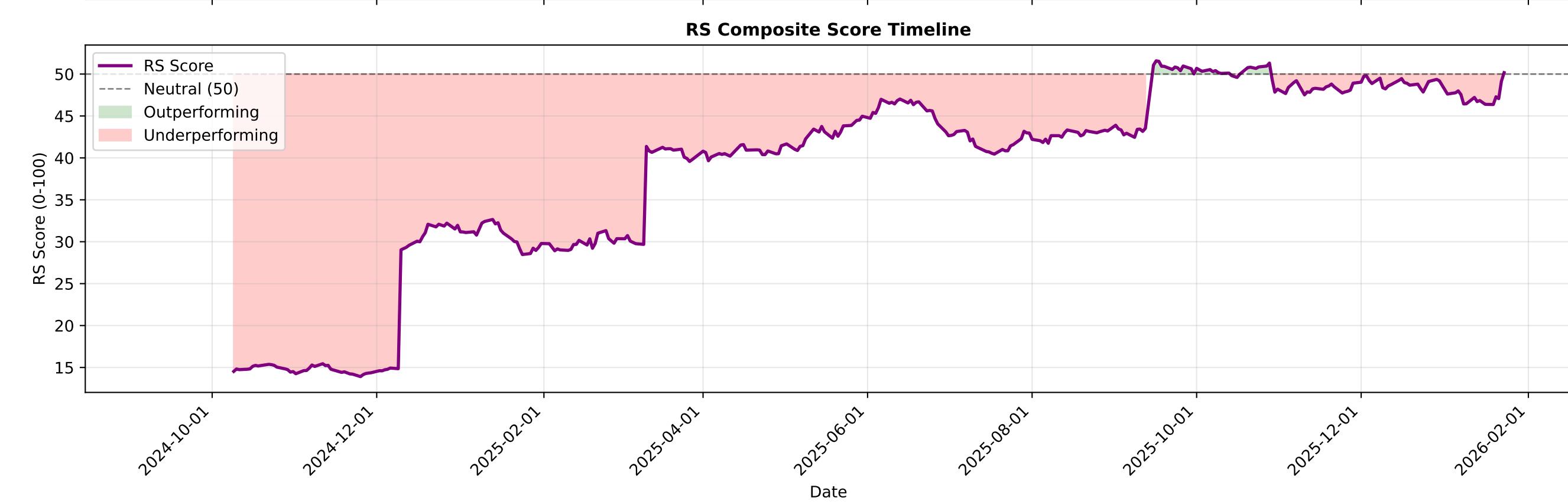
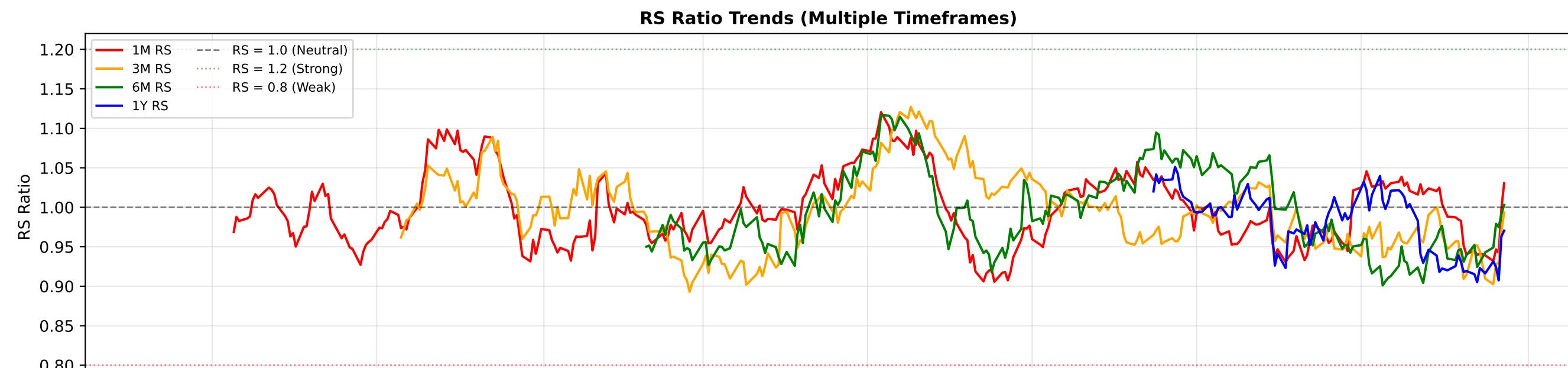
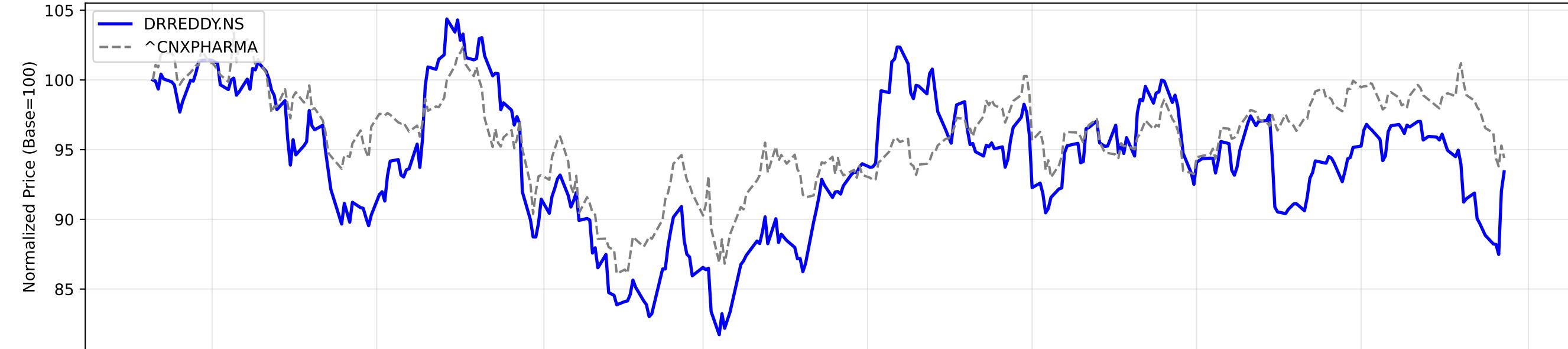
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

SIGNAL CRITERIA::

✓ Emerging RS:	1M (1.030) > 3M (0.993)
✓ Medium-term Lagging:	1Y=0.970 (≤ 1.0)
✗ Performance Improving:	Not improving

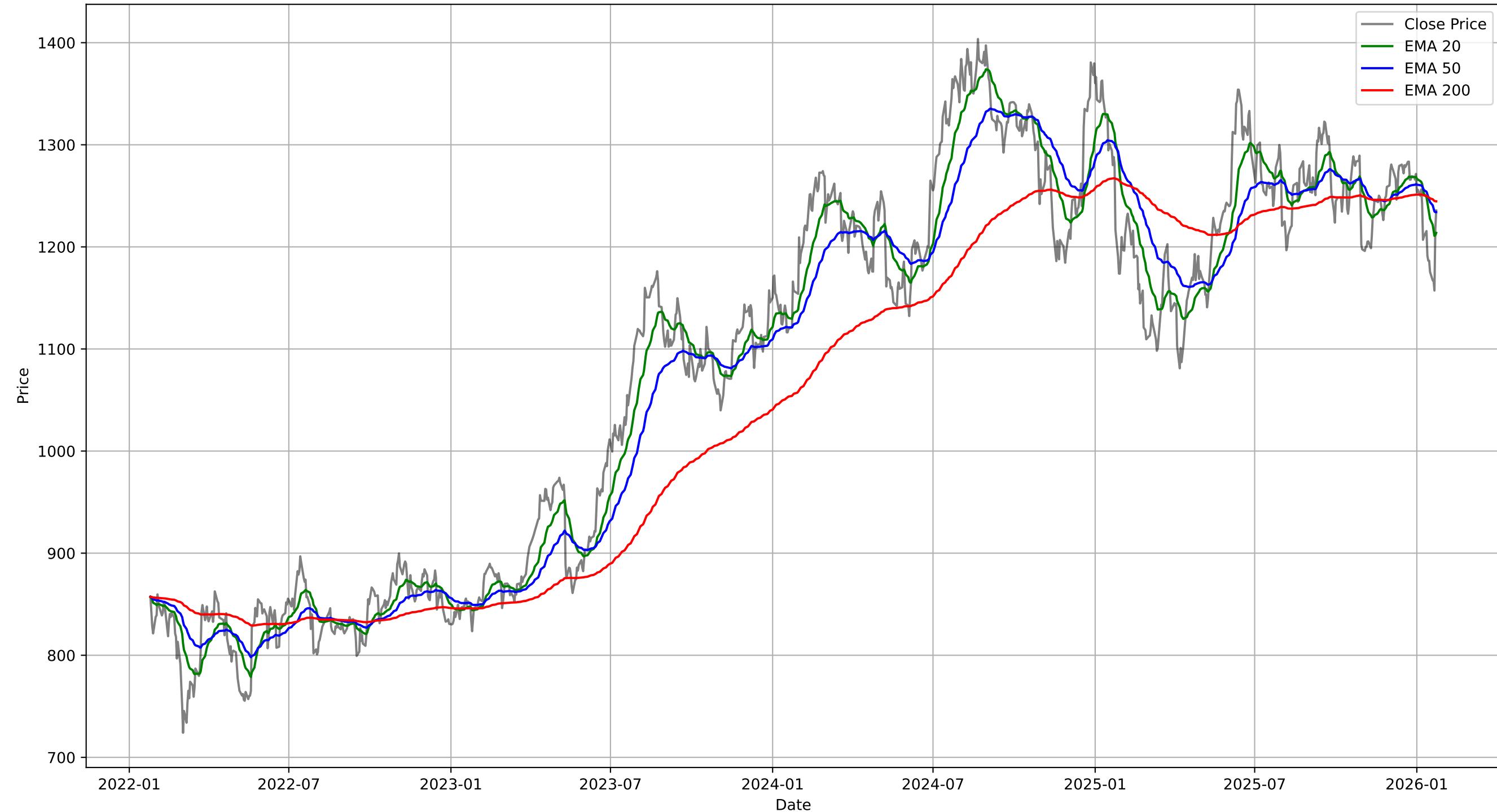
Relative Strength Analysis: DRREDDY.NS vs ^CNXPHARMA
Classification: Emerging Leader
Price Performance Comparison (Normalized)



DRREDDY.NS - EMA Crossover Summary

EMA 20:	1213.73
EMA 50:	1234.10
EMA 200:	1244.64
Trend Status:	Strong Downtrend

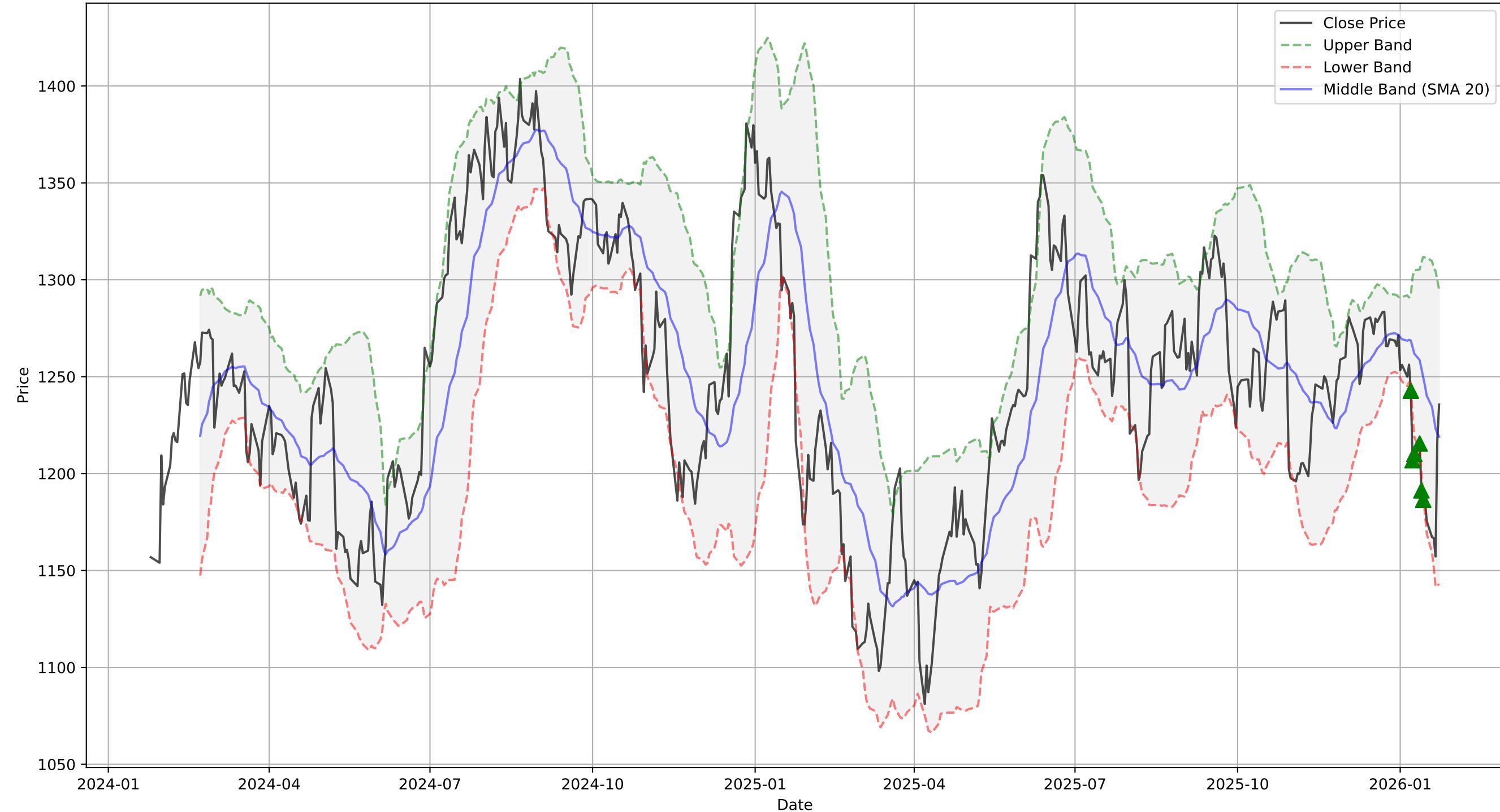
DRREDDY.NS EMA Crossover Analysis



DRREDDY.NS - Bollinger Bands Summary

Current Price:	1235.60
Upper Band:	1294.98
Middle Band (SMA 20):	1219.04
Lower Band:	1143.10
%B:	0.6090
Band Width:	0.1246
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



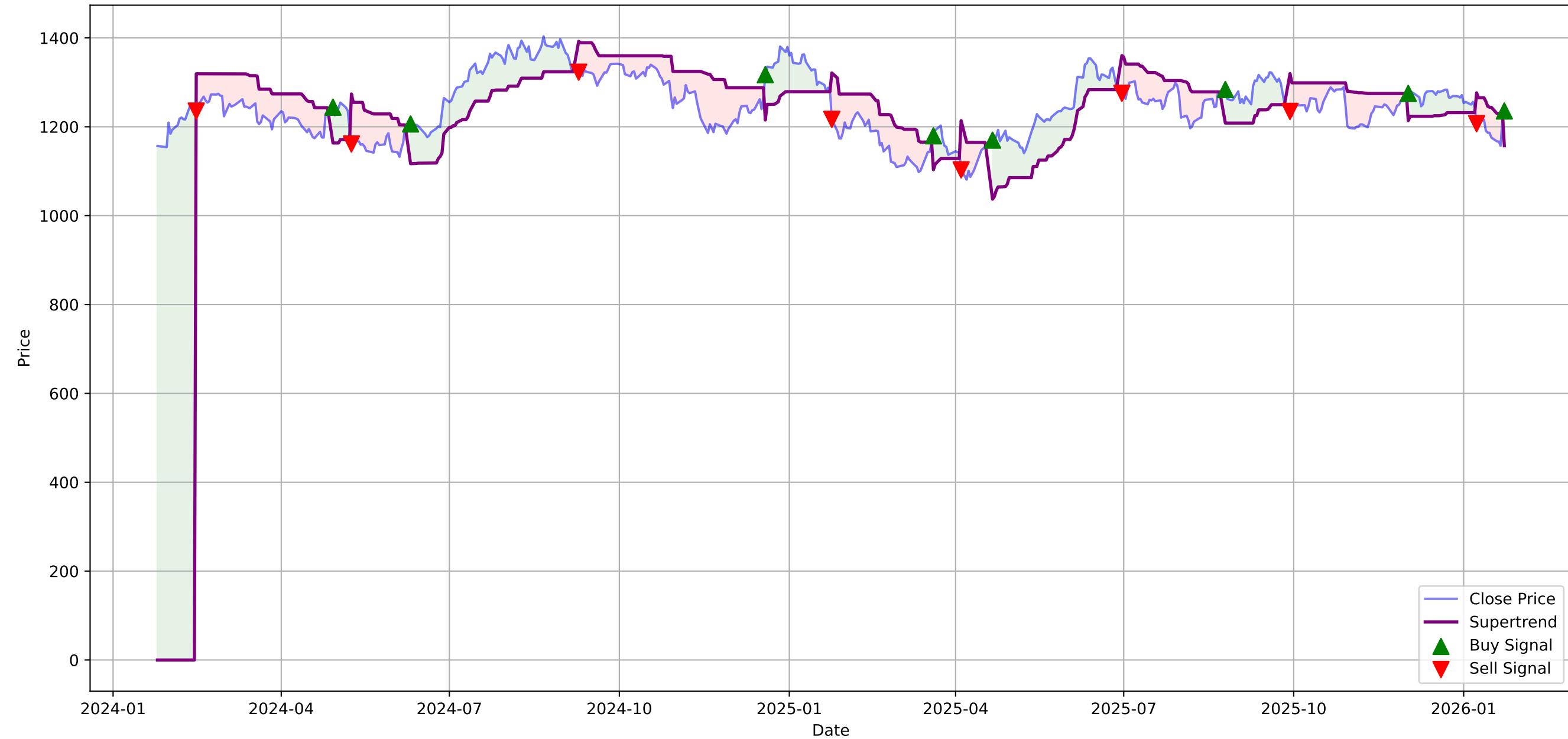
DRREDDY.NS - Supertrend Summary

Status: UPTREND (Buy)

Supertrend Value: 1157.33

Signal Identified On: 2026-01-23

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



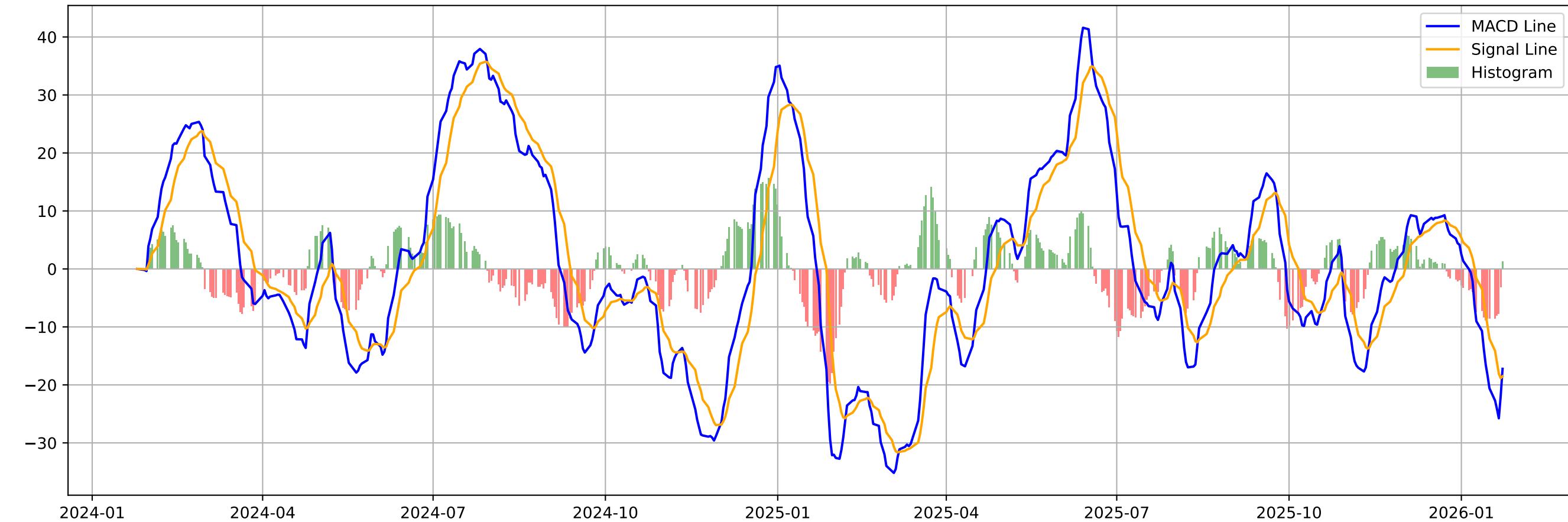
DRREDDY.NS - MACD Summary

MACD Line:	-17.22
Signal Line:	-18.52
Histogram:	1.29
Trend:	Bullish
Momentum:	Weakening
Signal:	Bullish Crossover (Buy)

DRREDDY.NS Price



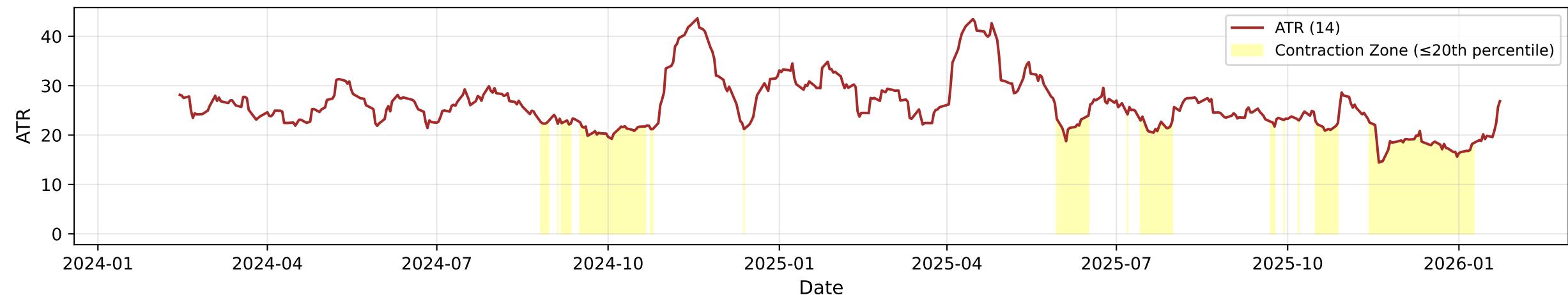
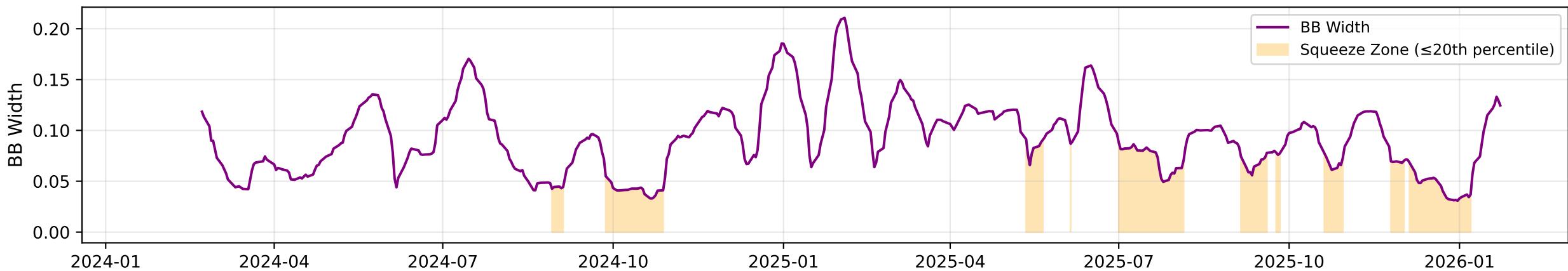
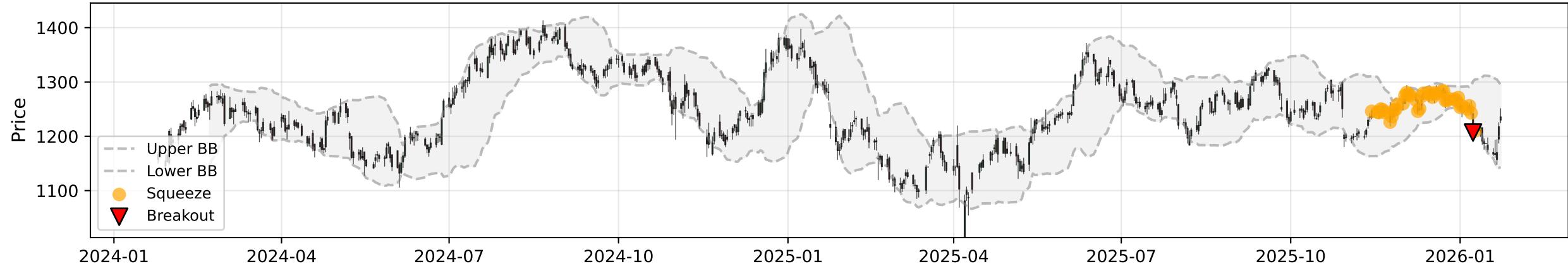
DRREDDY.NS MACD (12, 26, 9)



DRREDDY.NS - Volatility Squeeze Summary

BB Width:	0.1246
ATR:	26.8572
Total Signals:	41
Signal 1:	BB Squeeze + ATR Contraction at 2026-01-05 00:00:00+05:30 (Price: 1210.10)
Signal 2:	BB Squeeze + ATR Contraction at 2026-01-06 00:00:00+05:30 (Price: 1210.10)
Signal 3:	BB Squeeze + ATR Contraction at 2026-01-07 00:00:00+05:30 (Price: 1210.10)
Signal 4:	ATR Contraction (Bearish Breakout) at 2026-01-08 00:00:00+05:30 (Price: 1210.10)
Signal 5:	ATR Contraction at 2026-01-09 00:00:00+05:30 (Price: 1210.10)

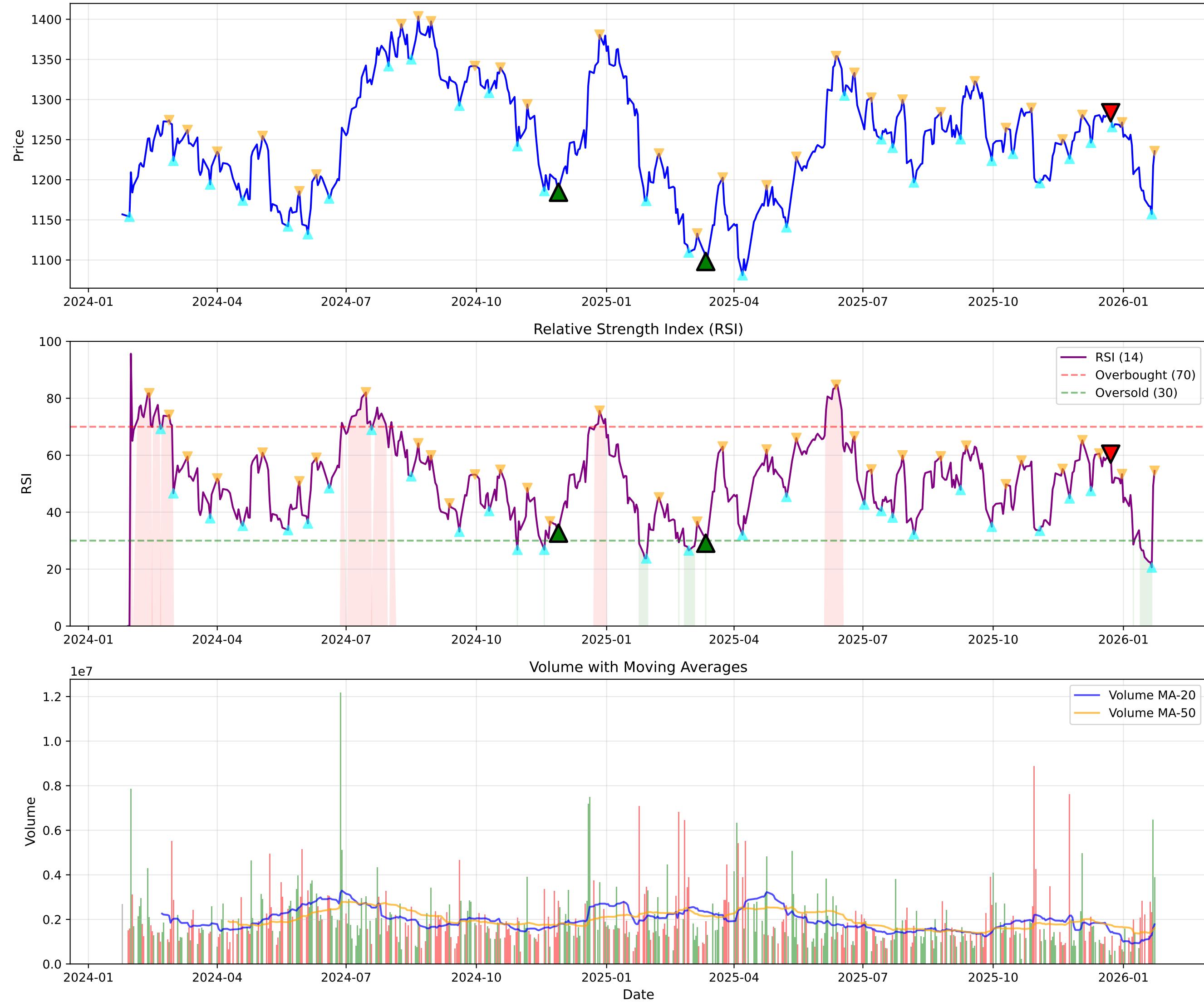
DRREDDY.NS - Volatility Squeeze Analysis



DRREDDY.NS - RSI-Volume Summary

Current RSI:	54.50
Current Volume:	3888860
Volume MA 20:	1780962
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: 45 Signals Detected

:

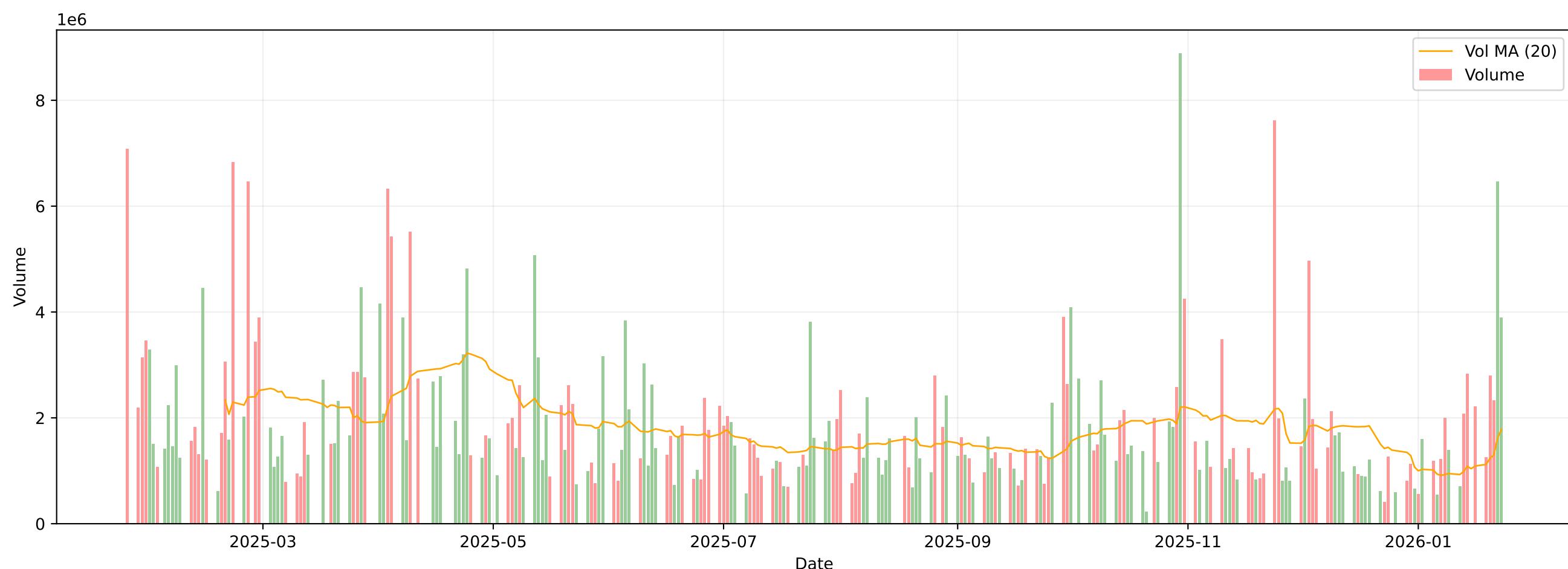
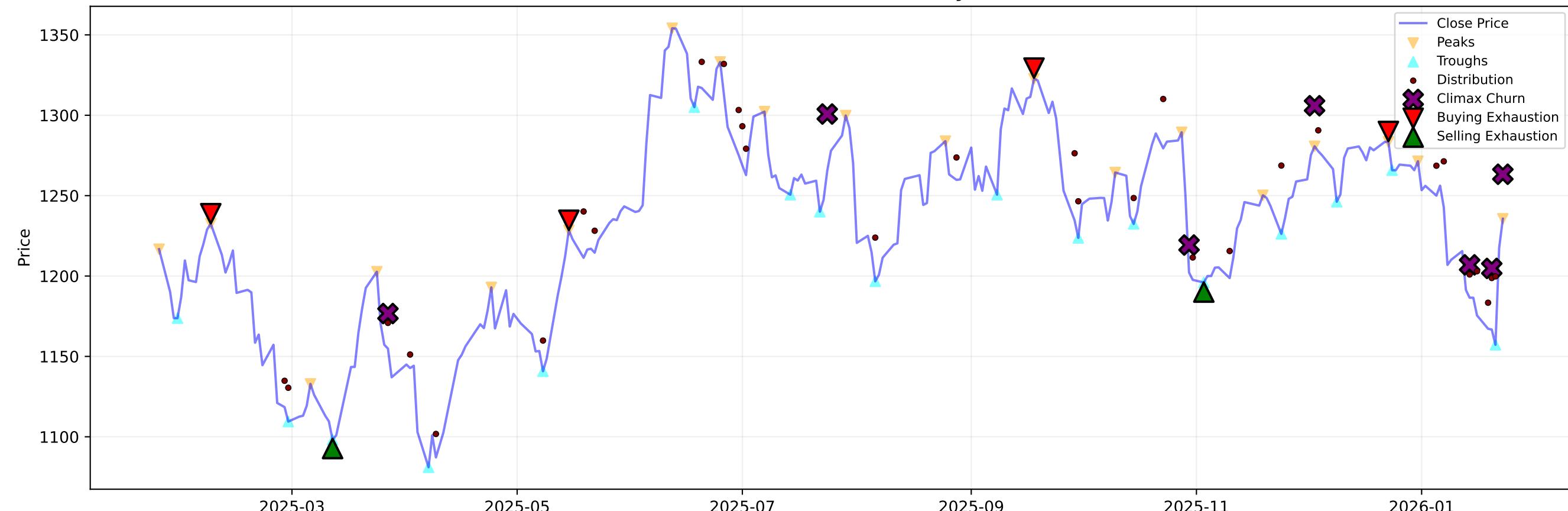
2026-01-19 [-]: Distribution Day

2026-01-20 [-]: Distribution Day

2026-01-21 [-]: Distribution Day

2026-01-23 [-]: Climax Volume (Churning)

DRREDDY.NS - Volume Analysis



Multi-Timeframe Supertrend Analysis

Timeframe	Status	Value	Last Price	Signal Date
1 Week	DOWNTREND (Sell)	1281.01	1235.6	2025-10-27
1 Day	UPTREND (Buy)	1157.33	1235.6	2026-01-23
15 Min	UPTREND (Buy)	1231.39	1238.4	2026-01-22

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Weakening	No Signal
1 Day	Bullish	Weakening	Bullish Crossover (Buy)
15 Min	Bearish	Weakening	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 3 Starfolio Baskets

1235.60 18.10 (1.49%)

4.6M NSE+BSE Volume High volume today
NSE 23 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](#)

Watchlist Portfolio Alert My Notes **TRADE STOCK**

Estimates Beat Dr Reddy's Labs' Q3 revenue and net profit beat Forecaster estimates by 7% and 13%, respectively [See details](#)

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Durability score **50.0 /100** Valuation Score **40.0 /100** Momentum Score **41.3 /100** Analyst Price Target **1,309**
Medium Financial Strength Mid Valuation Technically Neutral 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

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18 **8**
5 **2**
[SWOT Analysis](#)

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

PE Valuation Check
Right Now Undervalued **44.1%** 1 Year Forward Undervalued **32.8%**
[INSIGHT](#) Dr. Reddy's Labs is undervalued at both current PE and future earnings estimate

Dr. Reddy's Labs Key Metrics

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 In 3 Starfolio Baskets

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1235.60 18.10 (1.49%) **4.6M NSE+BSE Volume** 23 Jan, 2026 3:31 PM (IST)

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Estimates Beat Dr. Reddy's Labs' Q3 revenue and net profit beat Forecaster estimates by 7% and 13%, respectively [See details](#)

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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 1309, revenue growth forecast of 5.4%, and profit growth estimate of -9.9% for FY26, based on top 39 analyst calls.

Dr. Reddy's Labs FORECASTER - Analyst Estimates

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