

Stock Analysis Report

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Strategic Trading Analysis

Based on the detailed PDF report provided, here is my analysis and recommendation for **DRREDDY.NS**.

Note regarding dates: The report displays dates in February 2026. I have treated this as the "Current Date" for the purpose of this analysis.

Step 1: Audit the Data

● Data Present:

- **Price Structure:** Daily (3-year) and Weekly charts.
- **Trend Indicators:** Moving Averages (EMA 20, 50, 200), Supertrend (Daily, Weekly, 15m), MACD.
- **Momentum/Volatility:** RSI, Bollinger Bands, Volatility Squeeze analysis.
- **Relative Strength:** Comparison vs. Sector (^CNXPHARMA).
- **Fundamentals:** Revenue/Net Income trends, Analyst Estimates.
- **Volume:** Volume Analysis with specific signals (Churn, Exhaustion).

● Data Missing:

- **Real-time Order Flow:** Level 2 market depth is not visible (standard for PDF reports).
- **Detailed Institutional Holdings:** Recent FII/DII changes are not detailed beyond general volume analysis.
- **Confidence Level: High.** The report provides a comprehensive technical and fundamental picture, including multi-timeframe analysis and specific buy/sell signals.

Step 2: Analyze the Setup

● Price Structure & Trend:

- **Bullish Daily:** The stock (1268.10) is trading above all key EMAs (20 EMA @ 1240, 50 EMA @ 1238, 200 EMA @ 1244). This "Golden Cross" alignment (short-term averages above long-term) indicates a confirmed short-term uptrend.
- **Bearish Weekly:** Crucially, the Multi-Timeframe Supertrend (Page 22) indicates a "**DOWNTREND (Sell)**" on the Weekly timeframe. The stock is currently trading inside a long-term consolidation range (approx. 1150 - 1400).

● Momentum & Signals:

- **RSI:** At 58.02, RSI is in a bullish zone but not overbought, leaving room for upside.
- **Relative Strength:** The stock is classified as an "Emerging Leader" with a 1-Month RS of 1.086, indicating it is currently outperforming its sector.
- **Warning Signs:** Page 18 identifies a "**Buying Exhaustion (Bearish Div)**" signal on 2026-02-09. Additionally, fundamental analysis (Page 3) shows Net Income and ROE are effectively shrinking in the short term (-15% Net Income QoQ).

● Confluence:

- There is a conflict between the **Daily Uptrend** (Price > EMAs, MACD **Bullish**) and the **Weekly Downtrend/Resistance**. The price is approaching the Upper Bollinger Band (1300), which often acts as dynamic resistance.

Step 3: Formulate the Recommendation

Should you enter this stock now (CMP 1268.10)? NO.

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Reasoning: While the short-term trend is up, the "Buying Exhaustion" signal detected just 5 days prior (Feb 9th) combined with the Weekly Sell signal suggests the momentum might stall near the 1280-1300 resistance zone. Entering at the current price offers a poor Risk:Reward ratio as you are buying near the top of the short-term swing.

Conditional Plan (Buy on Pullback): To achieve your 5-15% target with managed risk, you should wait for the price to re-test the strong support cluster formed by the converging EMAs.

- **Condition to Buy:** Wait for a retracement to the **1240 - 1245** zone (where the EMA 20, 50, and 200 converge). Look for a bullish candlestick pattern (e.g., Hammer or Green candle) in this zone to confirm support holds.
- **Entry Price: 1245.00** (Limit Order).
- **Stop Loss: 1195.00** (Closing basis). This places the stop below the recent swing lows and the psychological 1200 level. (~4% risk).
- **Take Profit: 1350.00 - 1380.00**. This targets the upper end of the multi-year trading range visible on the charts. (~8.5% - 10.8% upside).

Alternative Breakout Scenario: If the stock does *not* pull back and instead powers through resistance, only enter if there is a **Daily Close above 1285** with high volume, targeting 1380.

Candlestick Classification Analysis

Based on the **Candlestick Classification System** provided in the report for **DRREDDY.NS**, here is my analysis as a seasoned price action trader.

1. Current Market State: Complete Equilibrium

- **Latest Classification: No Control (0)**
- **10-Day Trend Score: 0.00**

Interpretation: The market is currently in a state of **extreme indecision**. A 10-day average trend score of exactly **0.00** is rare and significant. It indicates that over the last two weeks, the buying pressure and selling pressure have perfectly cancelled each other out, or more likely, the stock has printed a series of "No Control" candles (small bodies, long wicks) where neither side held conviction into the close.

According to the algorithm, "No Control" signals usually stem from small bodies relative to ATR or large wicks on both sides. This suggests the stock is compressing and waiting for a catalyst.

2. Visual Analysis of the Chart (Page 21)

Looking at the **Candlestick Classification Chart**:

Recent Structure:

- **The Drop:** In late January 2026, we saw distinct **Seller Control (Light Red)** and instances of **Seller Strong Control (Dark Red)** driving the price down from ~1280 to ~1150. This showed high conviction

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selling.

- **The Recovery:** The bounce from the 1150 lows back to current levels (1268) features a mix of **Buyer Control (Light Green)** and **No Control (Grey)** candles. Crucially, there are **no "Buyer Strong Control"** (**Dark Green**) candles visible in the immediate recent cluster.
- **Current Action:** The rightmost candles are predominantly **Grey (No Control)**. The price has drifted back up to the breakdown level (~1270-1280) but is stalling.

Volume & Conviction:

- The volume bars during the recent upward drift are generally lower than the volume bars seen during the sharp drop in January.
- Per the algorithm, low volume acts as a dampener (0.6x multiplier). The lack of "Strong Buyer" signals suggests this rally is weak-buyers are participating, but without institutional aggression ("Strong Control").

3. Statistical Context (Page 20)

- **Dominant Behavior:** "No Control" is the most frequent classification (113 counts), nearly double the other categories. This confirms DRREDDY is a range-bound, choppy stock by nature, not a momentum runner.
- **Balance of Power:** Buyer Control (58) vs. Seller Control (52) is nearly a 50/50 split.
- **Lack of Extremes:** There are only **2 Buyer Strong** and **3 Seller Strong** signals in the entire dataset. This implies that expecting a massive, sustained breakout based on price action alone is statistically unlikely without a major external catalyst.

4. Future Price Prediction

Verdict: Neutral with a **Bearish Bias (Distribution at Resistance)**

While the trend score is neutral (0.00), the structure suggests the future price is likely to tilt **Down/Sideways**.

Reasoning: 1. **Failure to print "Strong" Buy Signals:** The stock rallied 100 points off the lows, but the algorithm classified these candles mostly as moderate "Buyer Control" or "No Control." This indicates a "weak rally" or a "corrective pullback" rather than a trend reversal. 2. **Resistance Area:** The stock is sitting at 1268. Looking at the chart, the 1280-1300 area was previous support that broke in January. The current "No Control" candles right under this level suggest buyers are exhausted and hesitating to push through this overhead supply. 3. **Volume Divergence:** The recovery lacks the high-volume conviction required by the algorithm (Step 4) to generate a +2 score.

Trading Strategy based on this Analysis:* **The Setup:** The stock is forming a "low volatility coil" (No Control candles).* **The Trigger:** Watch for the next candle classification. * **Bearish Trigger:** A close below 1250 with a **Seller Control (-1)** classification would confirm the corrective rally is over and the downtrend is resuming. * **Bullish Trigger:** To turn bullish, we need to see a **Buyer Strong Control (+2)** candle closing above 1300 with high volume (>1.3x average) to prove that institutional buyers have absorbed the overhead supply. Until then, the path of least resistance is sideways to down.

News & Analyst Targets

As a stock research analyst at an investment firm, I have compiled the latest research, news, and valuation

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data for **Dr. Reddy's Laboratories (DRREDDY)**.

1) Latest News for DRREDDY (Week of Feb 9 - Feb 14, 2026)

- **Management Resignation (Feb 9, 2026):** The company disclosed a significant management change with the resignation of **Mr. Sushrut Kulkarni**, the Global Head of Integrated Product Development Organization (IPDO). His employment is set to cease on May 8, 2026.
- **Upcoming Investor Meet (Feb 12, 2026):** Dr. Reddy's announced that its management team will participate in an in-person investor conference organized by **Kotak Institutional Equities** in Mumbai. The meeting is scheduled for **February 23, 2026**.
- **Regulatory Status Clarification:** While there is significant online "noise" regarding USFDA observations, it is important to clarify that **no new Form 483 observations were issued this specific week**. The recent chatter likely relates to the **Post-Application Action Letter (PAAL)** received in January 2026 (regarding the Bachupally biologics facility inspection from Sep 2025) or the 5 observations issued to the Srikakulam facility in December 2025.
- **Stock Performance:** The stock has been trading in a consolidation range of **INR 1,260 - INR 1,275** this week, showing a mixed trend as the market digests the recent Q3 earnings and regulatory updates.

2) Upgrade or Downgrade from Brokerages

Following the Q3 FY25 earnings released in late January 2026, the analyst sentiment has been **cautious to mixed**, characterized by target price cuts despite some maintained "Buy" ratings.

- **Target Price Cuts:** A majority of brokerages lowered their price targets due to the earnings "miss" on Profit After Tax (PAT) and concerns over the US business (pricing pressure and lower-than-expected sales of gRevlimid).
- **Downgrade Notables:**
 - **Jefferies** maintained an **Underperform** rating and cut their target, citing rising competition in key products.
 - **HDFC Securities** maintained a **Reduce** rating, lowering their target significantly.
 - **Systematix** holds a **Sell** rating with one of the lowest targets on the street (INR 1,060).
- **Maintained Optimism:**
 - Firms like **JM Financial, Axis Securities, and Nuvama** maintained their **Buy** ratings, arguing that the increased R&D and SG&A spend (which hurt current margins) will drive future growth in complex generics and biosimilars.

3) Other News Impacting DRREDDY

- **Sector-Wide Innovation Push:** Top pharma leaders, including Dr. Reddy's management, have recently publicly urged for a shift from "Volume to Value," emphasizing the need for Indian pharma to invest heavily in innovation and novel drugs rather than just generics.
- **Nifty 50 Underperformance:** As a Nifty 50 constituent, Dr. Reddy's has recently underperformed the benchmark index. The stock's weight in the index makes it sensitive to broader FII (Foreign Institutional Investor) flows, which have been volatile in February.
- **Strategic Shift to GLP-1 & Biosimilars:** The company is aggressively investing in its pipeline for GLP-1 agonists (obesity/diabetes drugs like Semaglutide) and biosimilars. While this increases current costs (impacting the stock negatively in the short term), it is a critical long-term growth driver that analysts are watching closely.

4) Latest Analyst Targets & Ratings (Markdown Table)

The following table summarizes the most recent updates from major brokerages following the Q3 FY25 results (late Jan 2026).

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Brokerage Firm	Rating	Target Price (INR)	Outlook / Key Rationale
JM Financial	BUY	1,723	Bullish on Semaglutide opportunity in Canada/RoW.
Nirmal Bang	BUY	1,540	Expects strong growth in US generics; likes JV strategy.
Nuvama	BUY	1,533	Lowered from 1,553. Sees value despite higher R&D spend.
Axis Securities	BUY	1,450	See 12% upside potential; pipeline to offset base erosion.
ICICI Direct	BUY	1,440	Long-term target of 25% EBITDA margins remains attractive.
HDFC Securities	REDUCE	1,280	Cut from higher target. Expects lumpy gRevlimid sales.
Motilal Oswal	NEUTRAL	1,250	Valuation fair; waiting for better earnings visibility.
ICICI Securities	HOLD	1,240	Cut from 1,270. Cites grim US outlook & margin pressure.
Jefferies	UNDERPERFORM	1,170	Cut from 1,210. Concerns over competition & rising costs.
Systematix	SELL	1,060	Investments in new biz (biosimilars) diluting near-term EPS.

Analyst Consensus: The street is sharply divided. While "Buy" ratings exist based on long-term pipeline potential, the **average target price continues to drift lower** toward the **INR 1,350 - INR 1,400** range, reflecting near-term headwinds in the US generics market.

Stock Detailed Analysis Report

DRREDDY.NS

Current Price: ₹1268.10

Generated: 2026-02-14 10:10

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:	51.9/100
:	

== RS RATIOS ==:

1M RS:	1.086 [Leader]
3M RS:	1.036 [Leader]
6M RS:	1.002 [Leader]
1Y RS:	1.011 [Leader]
:	

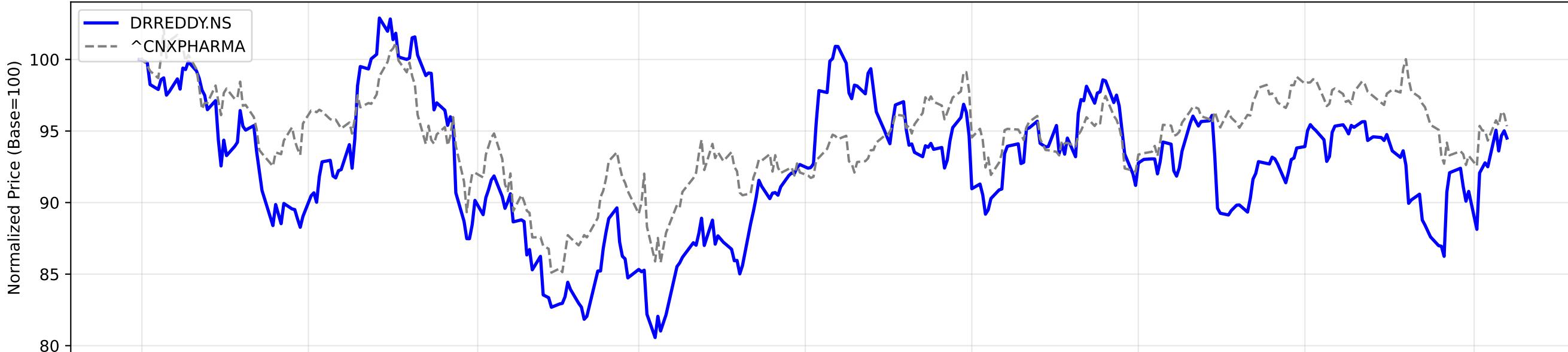
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
:	

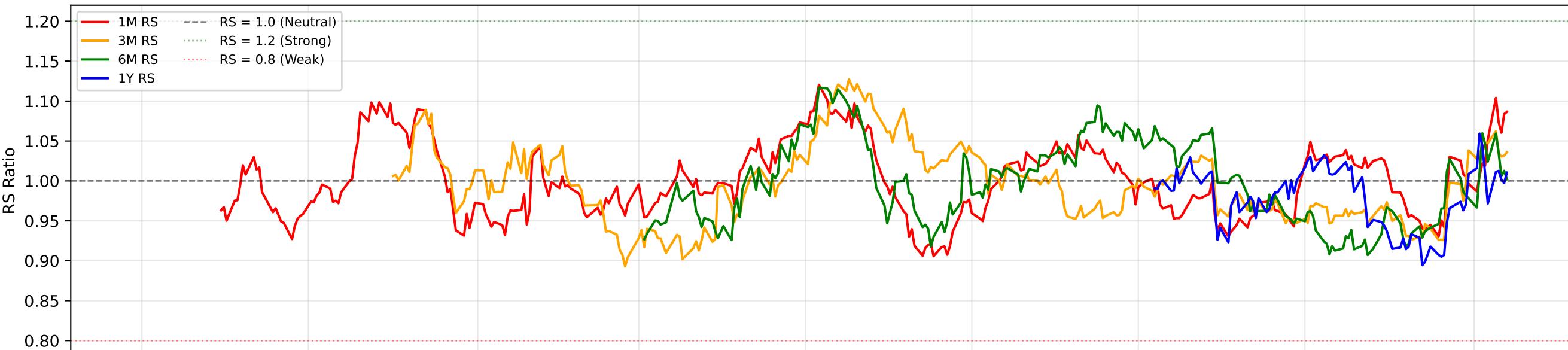
SIGNAL CRITERIA::

✓ Emerging RS:	1M (1.086) > 3M (1.036)
✗ Medium-term Lagging:	Not lagging
✗ Performance Improving:	Not improving

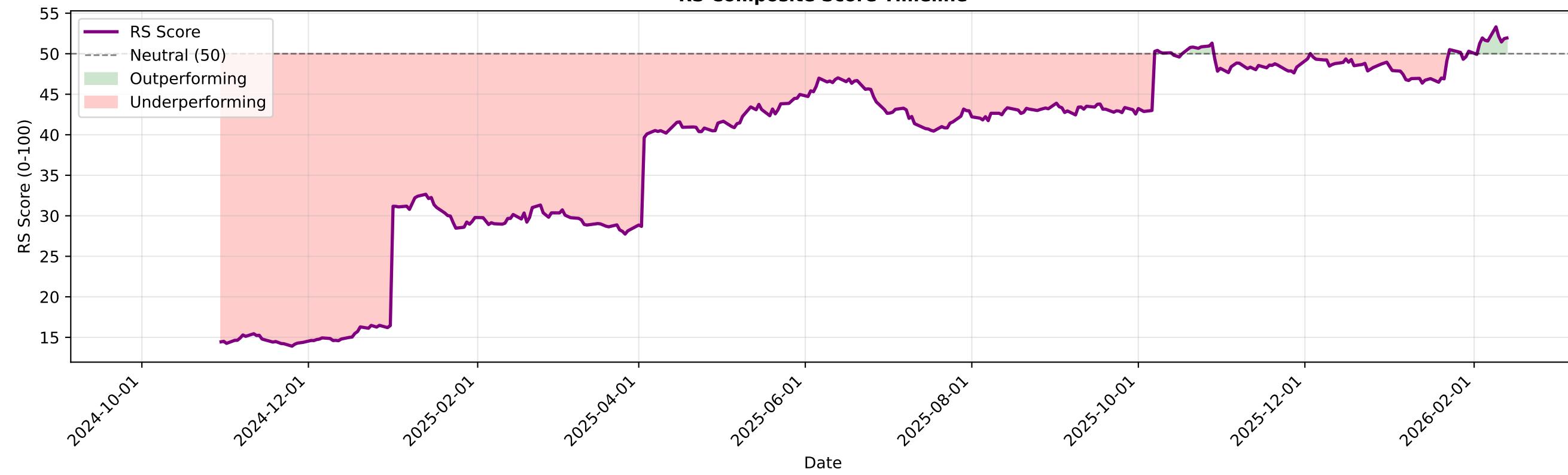
Relative Strength Analysis: DRREDDY.NS vs ^CNXPHARMA
Classification: Emerging Leader
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



DRREDDY.NS - EMA Crossover Summary

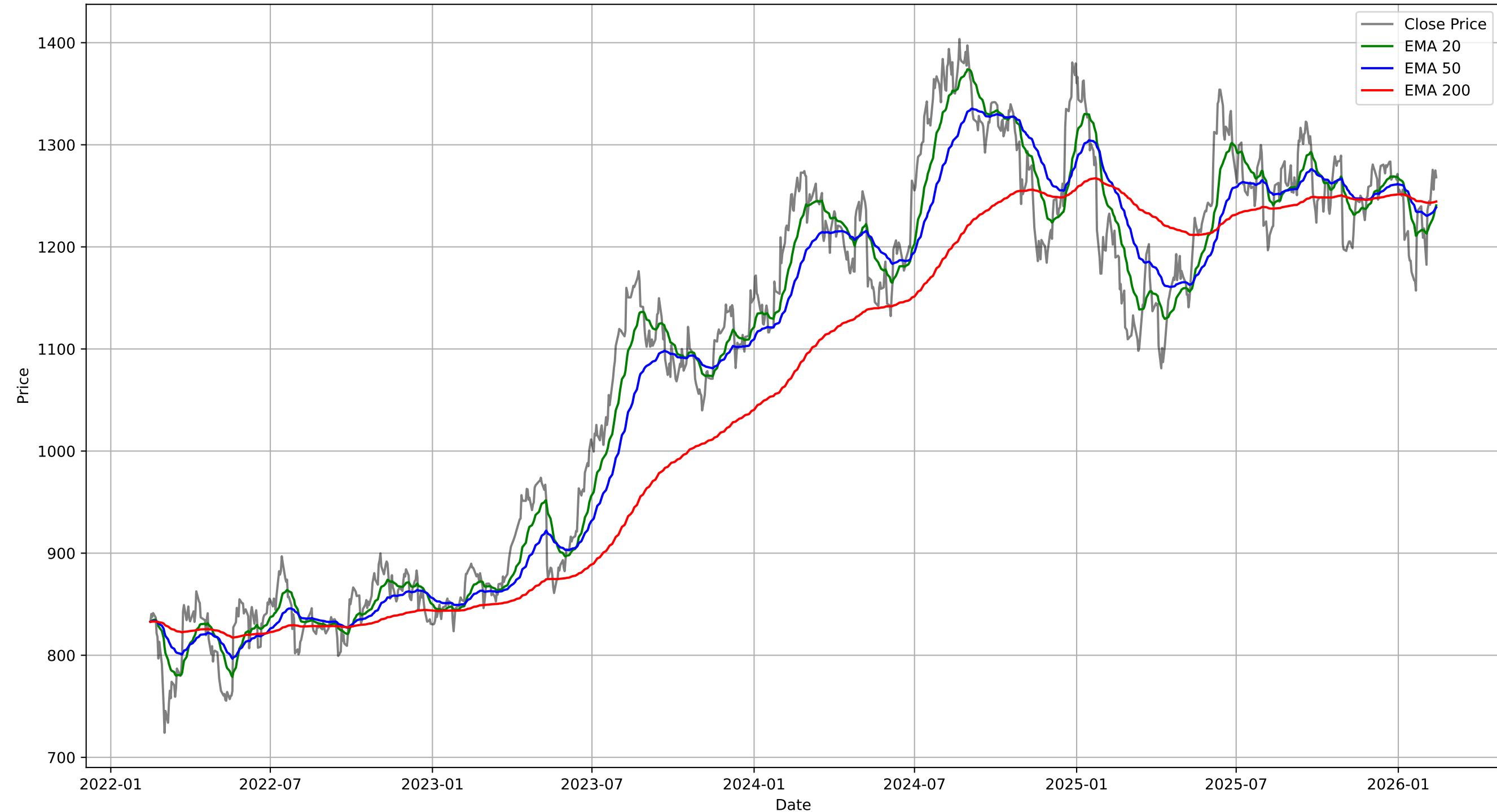
EMA 20: 1240.63

EMA 50: 1238.66

EMA 200: 1244.44

Trend Status: **Short-term Uptrend**

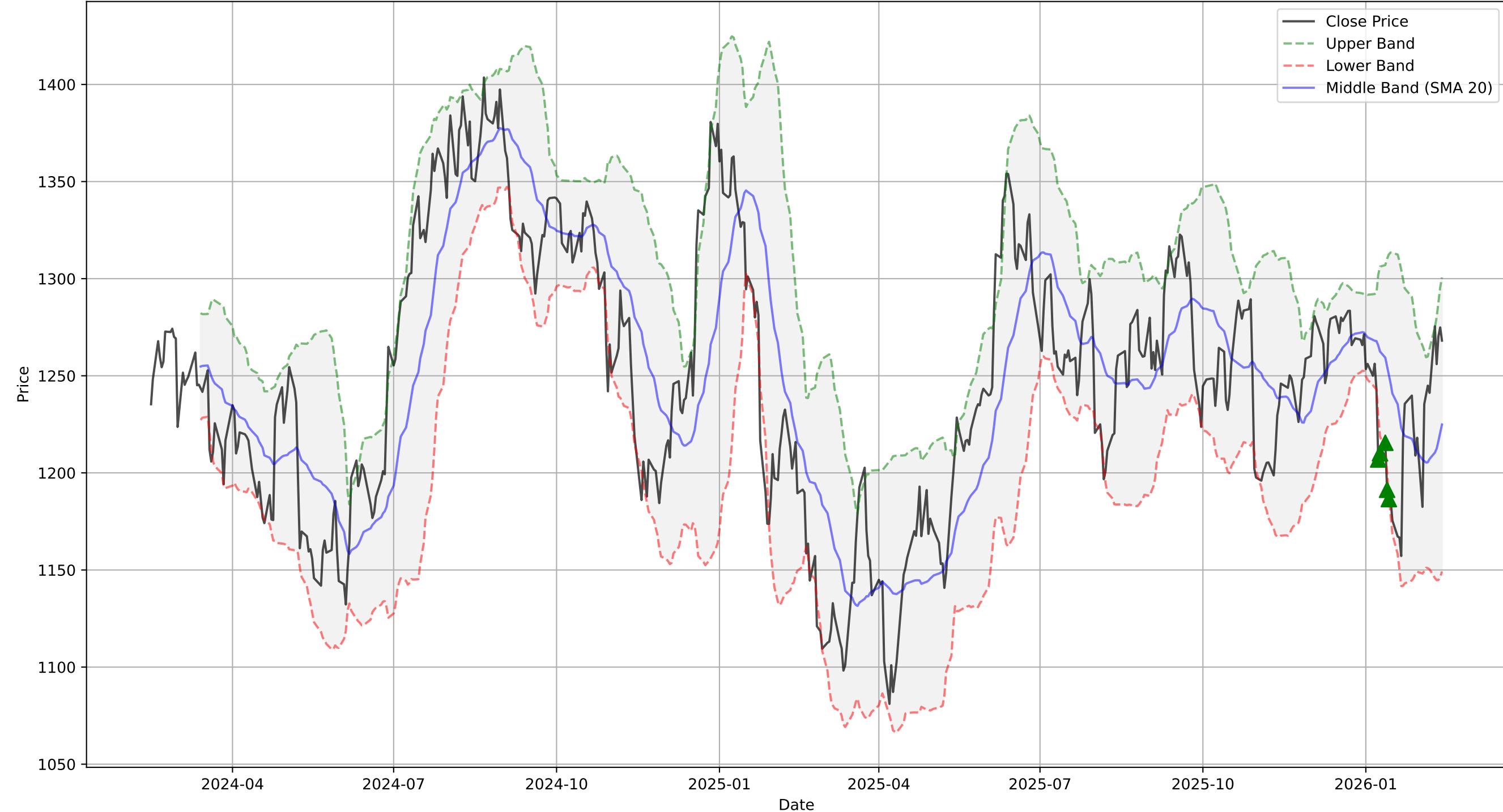
DRREDDY.NS EMA Crossover Analysis



DRREDDY.NS - Bollinger Bands Summary

Current Price:	1268.10
Upper Band:	1300.58
Middle Band (SMA 20):	1224.90
Lower Band:	1149.22
%B:	0.7854
Band Width:	0.1236
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



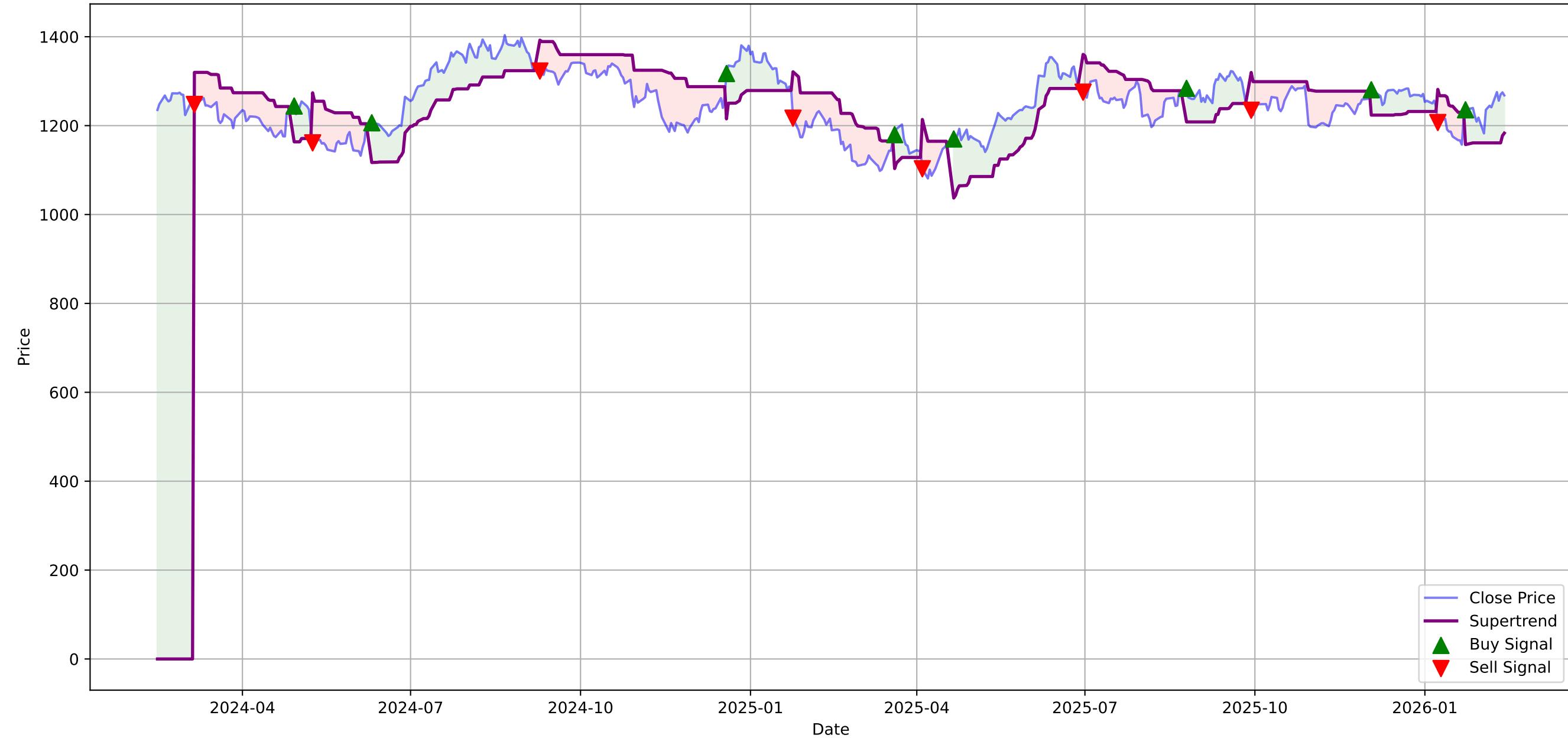
DRREDDY.NS - Supertrend Summary

Status: UPTREND (Buy)

Supertrend Value: 1183.08

Signal Identified On: 2026-01-23

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



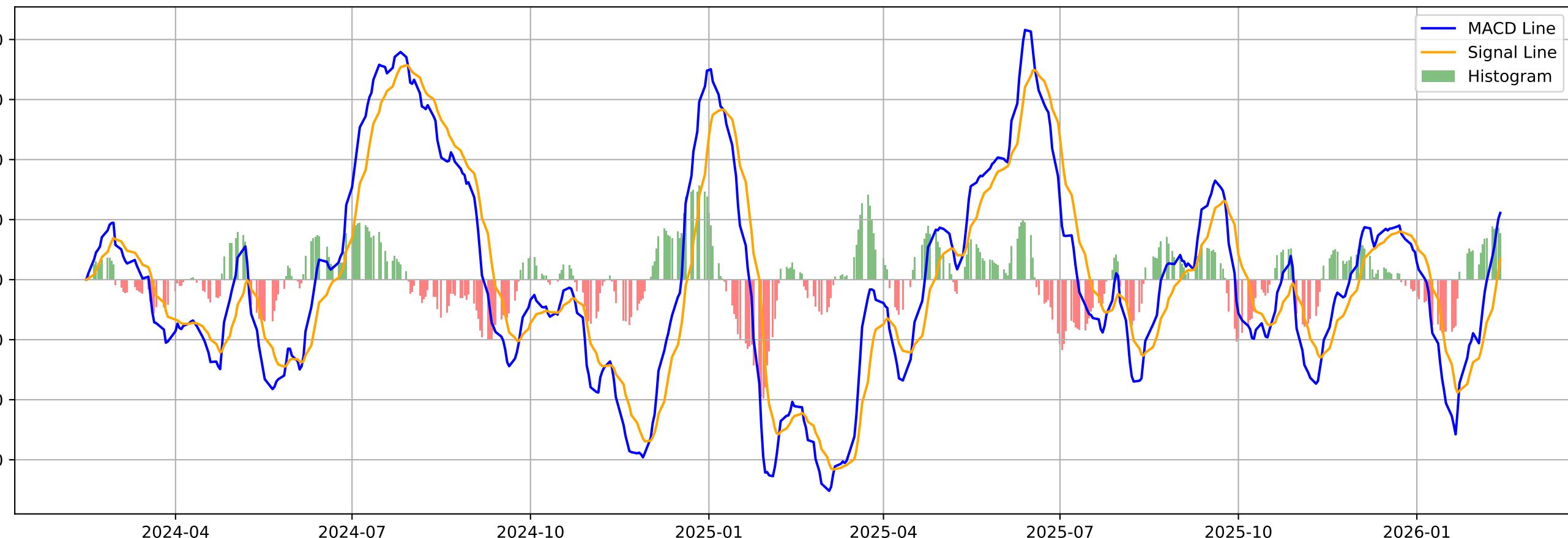
DRREDDY.NS - MACD Summary

MACD Line:	11.11
Signal Line:	3.42
Histogram:	7.70
Trend:	Bullish
Momentum:	Weakening
Signal:	None

DRREDDY.NS Price



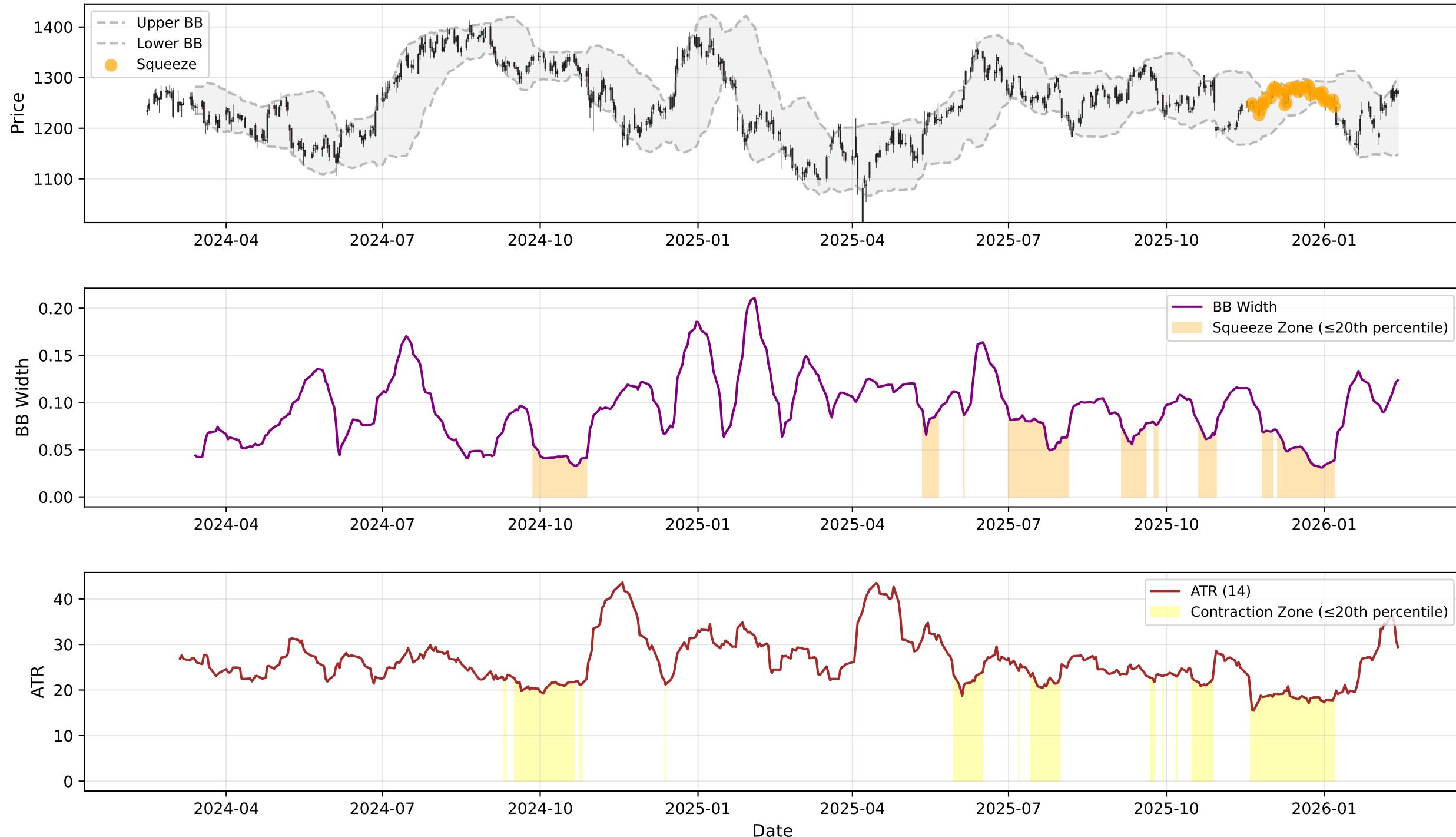
DRREDDY.NS MACD (12, 26, 9)



DRREDDY.NS - Volatility Squeeze Summary

BB Width:	0.1236
ATR:	29.4572
Total Signals:	34
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)

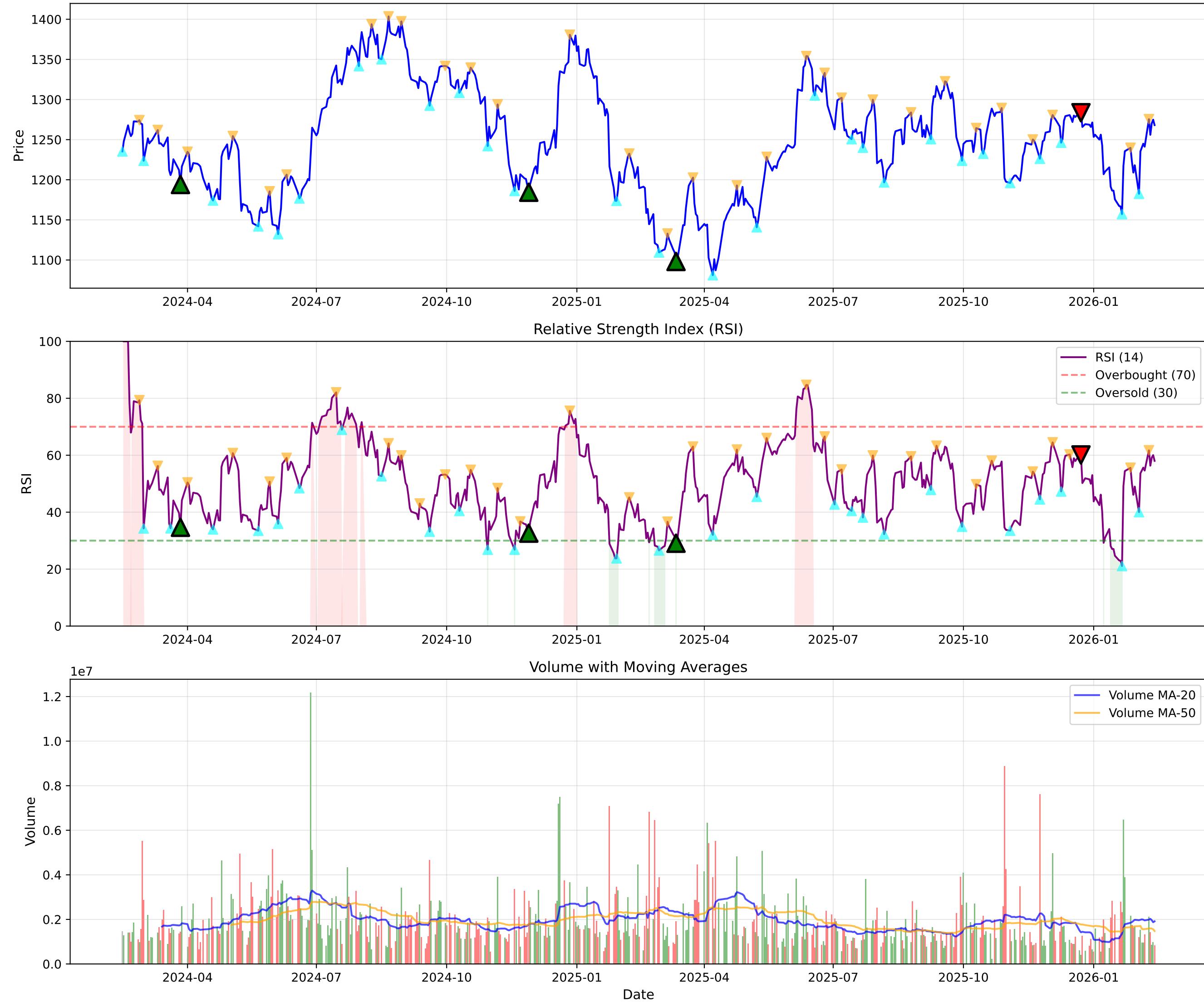
DRREDDY.NS - Volatility Squeeze Analysis



DRREDDY.NS - RSI-Volume Summary

Current RSI:	58.02
Current Volume:	838946
Volume MA 20:	1914402
Bullish Divergences:	3
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

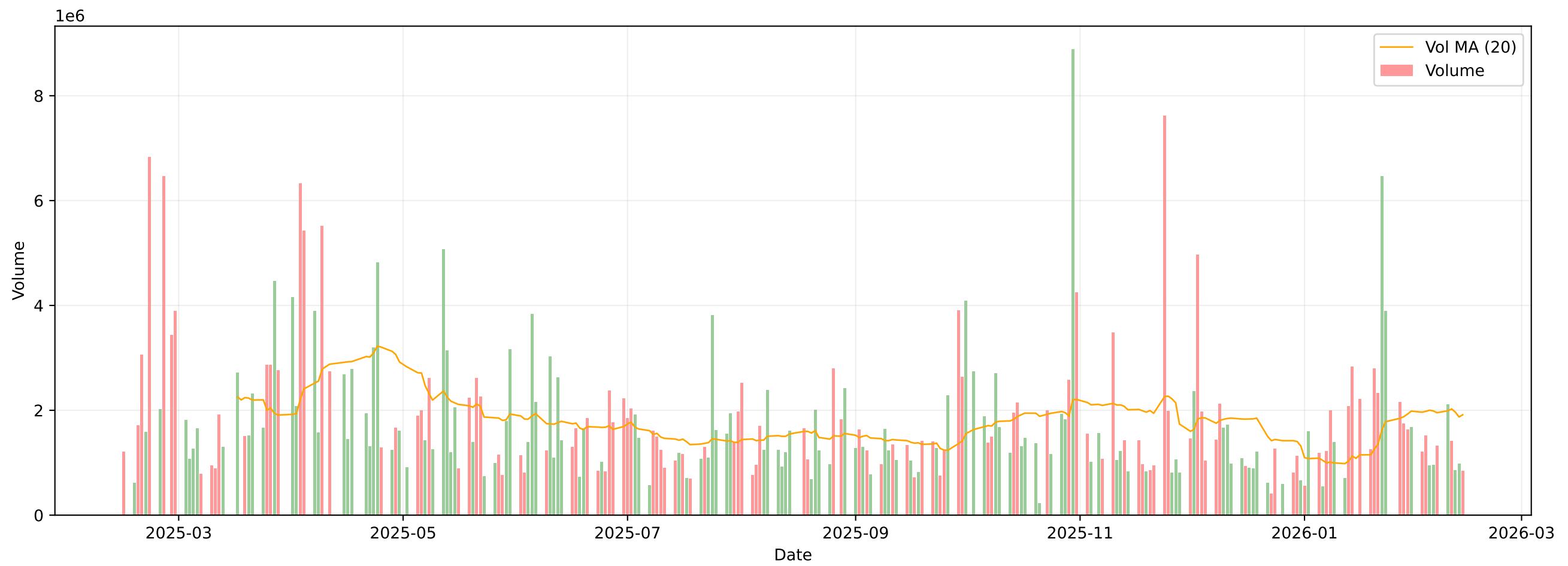
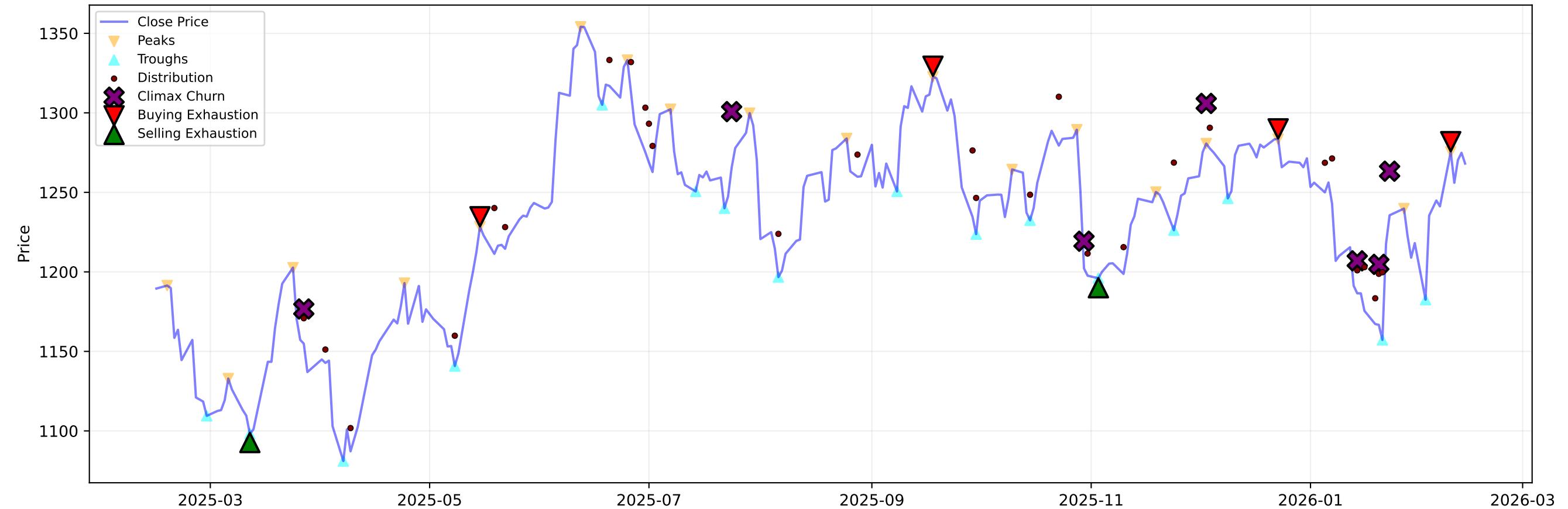


DRREDDY.NS - Volume Analysis

== VOLUME ANALYSIS ==:

Status:	43 Signals Detected
:	
2026-01-20 [-]:	Distribution Day
2026-01-21 [-]:	Distribution Day
2026-01-23 [-]:	Climax Volume (Churning)
2026-02-09 [+]:	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): 0.00

:

Distribution:

No Control: 113

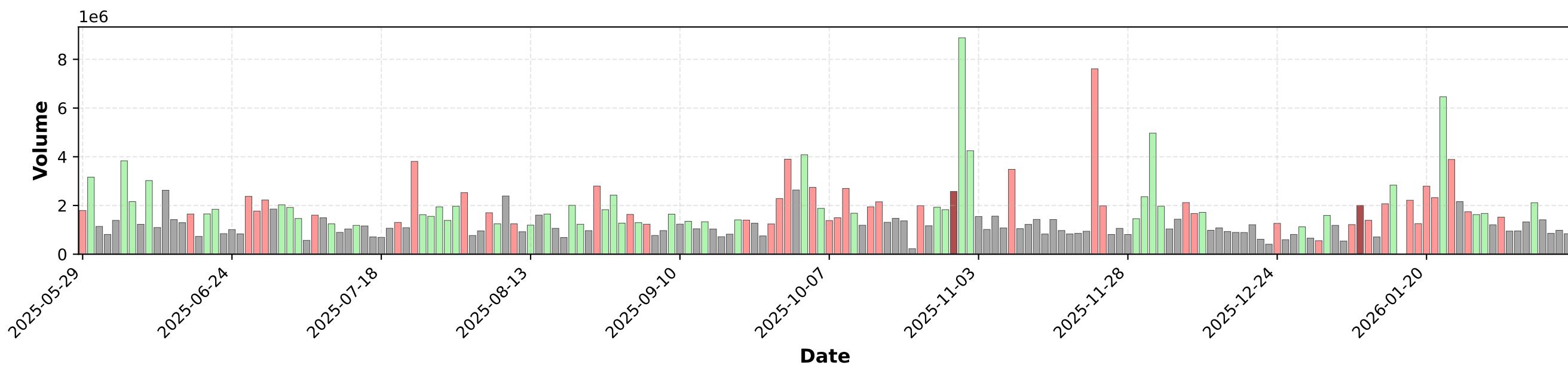
Buyer Control: 58

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	1268.1	2025-10-27
1 Day	UPTREND (Buy)	1183.08	1268.1	2026-01-23
15 Min	UPTREND (Buy)	1265.19	1269.7	2026-02-11

Multi-Timeframe MACD Analysis

Timeframe	Trend	Momentum	Signal
1 Week	Bearish	Weakening	No Signal
1 Day	Bullish	Weakening	No Signal
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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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

1268.10 -6.80 (-0.53%)

856.3K NSE+BSE Volume
NSE 13 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 **39.5 /100**
Mid Valuation

Momentum Score **54.0 /100**
Technically Neutral

Analyst Price Target **1,313**
1Yr Price target upside is 4%

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

16 **8**
10 **3**
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 **39.8%**
1 Year Forward Undervalued **28.9%**
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 > **1,287.78** Market Capitalization > **105,839.5** Price to Book >
Above industry Median 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

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1268.10 **-6.80 (-0.53%)**

856.3K NSE+BSE Volume

NSE 13 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.

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