

Gemini Stock Analysis Report

This is a comprehensive analysis of **TORNTPHARM.NS (Torrent Pharmaceuticals)** from the perspective of a positional equity trader.

Step 1: Audit the Data

- **Data Present:**

- 3-year daily price action and trend analysis.
- Moving Averages (EMA 20, 50, 200).
- Momentum Indicators (RSI, MACD with divergence detection).
- Volatility Analysis (Bollinger Bands, ATR, Squeeze detection).
- Trend Filters (Supertrend, Golden Cross).
- Relative Strength (RS) against the ^CNXPHARMA index.
- Fundamental snapshot (4-year and 6-quarter views).

- **Data Missing:**

- **Weekly/Monthly Charts:** Essential for a positional trader to confirm the "big picture" macro trend.
- **Sector Peer Comparison:** While RS against the index is present, comparison against direct competitors would add depth.
- **Volume Profile:** While volume is present, "Volume at Price" (Volume Profile) would help identify key support/resistance zones.
- **Confidence Level: High.** The report provides a deep multi-factor technical and fundamental foundation, specifically noting momentum divergences which are critical for risk management.

Step 2: Analyze the Setup

Price Structure & Trend: The stock is in a confirmed **Strong Uptrend**. It is trading above all major EMAs (20, 50, and 200), and a Golden Cross has been in effect for nearly two years. However, the price is currently in a high-level consolidation/tightening phase near all-time highs.

Momentum & Relative Strength: * **The Warning Signs:** There is a confirmed **Bearish Divergence** on the MACD (as of 2025-12-24) and weakening momentum in the RS Score (Page 4). The "Weakening Leader" classification suggests that while the stock is still performing well, it is losing its alpha-generating edge compared to the broader Pharma sector. * **The Squeeze:** The Bollinger Band width is very low (0.0356), and a **Volatility Squeeze** is currently active (Page 14). This indicates that a significant "expansion" move is imminent.

Fundamentals: Growth is consistent but **not accelerating** (Page 3). For a positional trader looking for a 15% move, the lack of fundamental acceleration suggests the stock might need a catalyst or a deeper base before the next leg up.

Confluence: We have a conflict between a strong primary trend (Up) and weakening secondary momentum (Divergence). The squeeze suggests the next move will be sharp, but the bearish divergence increases the risk of that move being a breakdown or a "bull trap."

Step 3: Formulate the Recommendation

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Should you enter now? NO.

Rationale: Entering exactly during a MACD bearish divergence while the stock is in a "Weakening Leader" phase is high-risk. The Volatility Squeeze tells us a move is coming, but we should wait for price action to confirm the direction rather than guessing.

Conditional Plan (The "Wait-and-Trigger" Strategy)

If the stock clears the current consolidation zone with volume, the bearish divergence is negated, and the uptrend resumes.

- **Condition to Buy:** A daily close above the **Upper Bollinger Band (INR 3846)** on volume that is at least 1.5x the 20-day average. This confirms the "Squeeze" is breaking to the upside.
- **Entry Price:** **INR 3855.00** (Trigger on a break of the recent swing high).
- **Stop Loss:** **INR 3710.00** (Just below the Lower Bollinger Band and EMA 50, representing a ~3.7% risk).
- **Take Profit (Target 1): INR 4050.00** (~5% gain - initial resistance).
- **Take Profit (Target 2): INR 4350.00** (~13% gain - measured move of the current consolidation).

Objective Note: Torrent Pharma remains a high-quality "Steady Eddie" stock. However, a disciplined trader waits for the squeeze to fire in their preferred direction rather than buying into a momentum lag.

News & Analyst Targets

As a stock research analyst, I have synthesized the latest news, brokerage actions, and valuation targets for **Torrent Pharmaceuticals (TORNTPHARM)** for the current week ending **December 28, 2025**.

1) Latest News for TORNTPHARM (Week of Dec 21-28, 2025)

- **Redemption of Commercial Papers:** On **December 23, 2025**, the company announced the successful redemption and repayment of Commercial Papers worth **INR 200 crore** (ISIN: INE685A14179). This reflects healthy liquidity management and a commitment to debt obligations.
- **Trading Window Closure:** In accordance with SEBI regulations, Torrent Pharma announced the closure of its trading window for insiders starting **December 26, 2025**. This is a routine procedure ahead of the declaration of financial results for the quarter ending December 31, 2025.
- **Market Performance Strength:** During this week, the stock has continued its trend of trading above key moving averages (5-day, 20-day, and 50-day). It recently hit a fresh all-time high, outperforming the broader Nifty/Sensex indices which faced volatility.
- **Stock Evaluation Revision:** MarketsMojo updated its evaluation score for the company on **December 19, 2025**, following a 3% price surge. The revision highlights the company's strong management efficiency and technical bullishness.

2) Brokerage Upgrades and Downgrades

- **Kotak Equities (Weight Trim):** On **December 20, 2025**, Kotak Equities trimmed the weight of Torrent Pharma in its model portfolio. While not a "Sell" rating, the brokerage cited "pockets of expensive valuations" as the reason for selective positioning, suggesting a more cautious stance at current price levels.
- **BofA Securities (Prior Upgrade Momentum):** BofA Securities recently upgraded the stock from 'Neutral' to 'Buy' with a target of **INR 4,000**, citing a strong growth outlook for FY26-28 and synergies from the JB Chemicals acquisition.
- **JPMorgan (Recent Positive Stance):** JPMorgan maintains an '**Overweight**' rating, having previously raised its target to **INR 3,800**, highlighting the company's expansion of its sales force and upcoming drug

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launches in India and Brazil.

3) Other News Impacting TORNTPHARM (Direct/Indirect)

- **JB Chemicals Merger Progress:** A major catalyst remains the integration of **JB Chemicals & Pharmaceuticals**. Following the CCI approval in late 2025, the market is now closely watching the "Phase 2" merger (amalgamation), which is expected to make Torrent the second-most valued pharma company in India.
- **Domestic Market Leadership:** Torrent continues to benefit from its focus on **chronic therapies** (Cardiovascular, CNS, Diabetes), which provide stable, high-margin revenue compared to the volatile US generic market.
- **Regulatory & Global Macro:** Broader concerns regarding potential "Trump Tariffs" (mentioned in recent market commentary) could indirectly impact Indian pharma exports; however, Torrent's heavy domestic bias (branded generics) serves as a defensive hedge compared to peers with higher US exposure.

4) Latest Analyst Targets and Ratings

The following table summarizes the most recent price targets and recommendations from the brokerage community as of late December 2025.

Brokerage / Source	Recommendation	Price Target (INR)	Date Reported
Trendlyne Consensus	Buy	INR 4,024	Dec 27, 2025
BofA Securities	Buy	INR 4,000	Nov 2025
Technical Experts (ET)	Momentum Buy	INR 4,400	Nov 17, 2025
JP Morgan	Overweight	INR 3,800	June/Oct 2025
Sharekhan	Buy	INR 4,232	Oct 2025
MarketsScreener (High)	Buy	INR 4,380	Dec 2025
MarketsMojo	Hold	Score Revision	Dec 19, 2025

Analyst Summary: The consensus remains overwhelmingly positive with a "Buy" lean, though some analysts (like Kotak and MarketsMojo) are flagging high valuation multiples (PEG ratio/ROCE versus Price) as a reason for potential short-term consolidation before the next leg of growth triggered by the JB Chemicals merger.

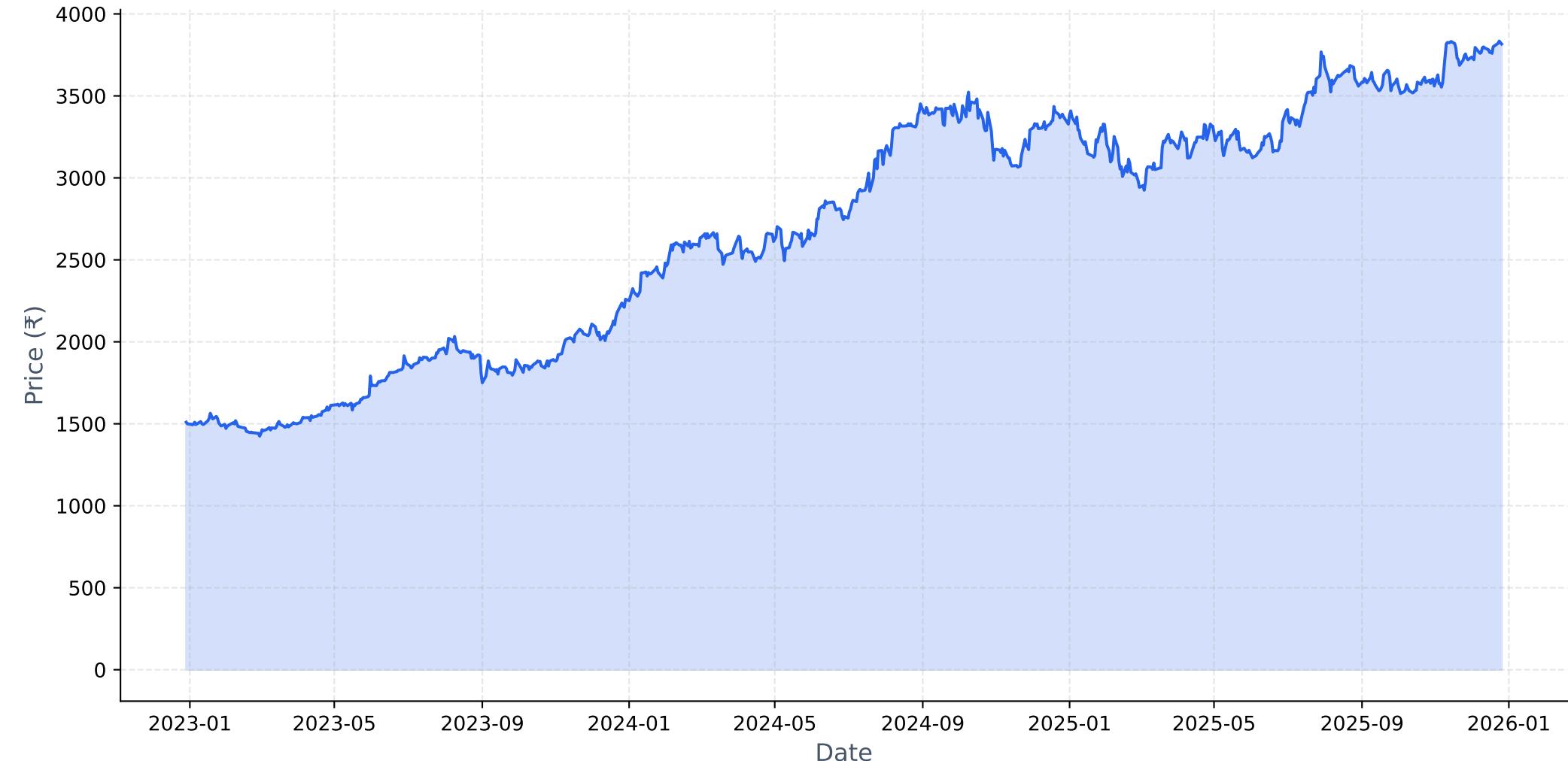
Stock Detailed Analysis Report

TORNTPHARM.NS

Current Price: ₹3816.60

Generated: 2025-12-28 10:31

TORNTPHARM.NS - 3 Year Daily Price Chart



Long-term Fundamental Analysis (4 Years)

Metric	Is Growing?	Accelerating?	1Y Growth	3Y CAGR
Revenue	Yes	No	7.15%	10.36%
Net Income	Yes	No	15.39%	34.98%
ROE	Yes	No	4.22%	24.48%
EPS	Yes	No	15.39%	34.98%

Short-term Fundamental Analysis (6 Quarters)

Metric	Is Growing?	Recent QoQ	Avg QoQ
Revenue	Yes	3.77%	3.55%
Net Income	Yes	7.85%	6.98%
ROE	Yes	6.57%	7.65%
EPS	Yes	7.78%	6.01%

TORNTPHARM.NS - Relative Strength Analysis

== OVERVIEW ==:

Benchmark Index:	^CNXPHARMA
Sector:	Pharma
Classification:	Weakening Leader
RS Score:	53.8/100
:	

== RS RATIOS ==:

1M RS:	1.024 [Leader]
3M RS:	1.057 [Leader]
6M RS:	1.138 [Leader]
1Y RS:	1.117 [Leader]
:	

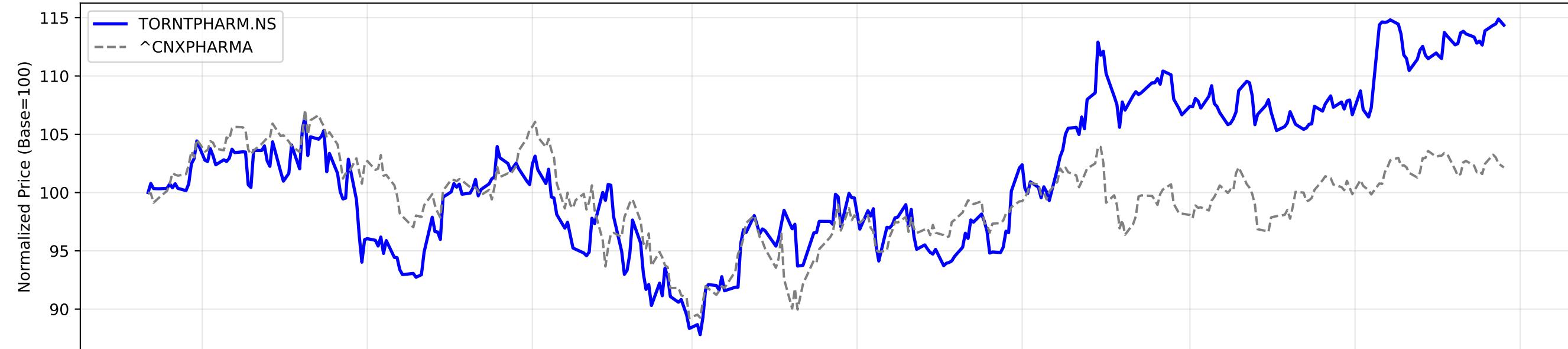
== TURNAROUND ANALYSIS ==:

Turnaround Status:	Not Detected
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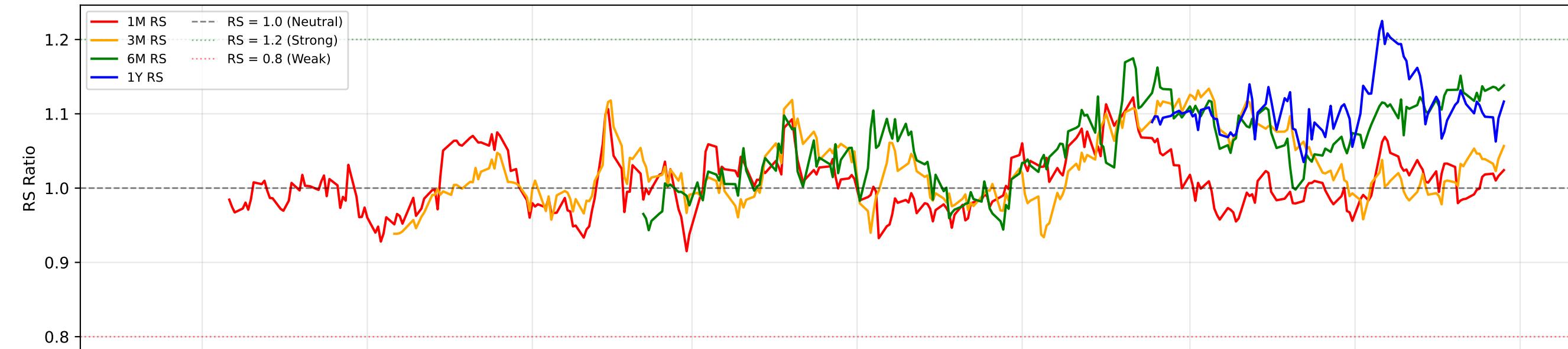
SIGNAL CRITERIA::

✗ Emerging RS:	Not accelerating
✗ Medium-term Lagging:	Not lagging
✗ Performance Improving:	Not improving

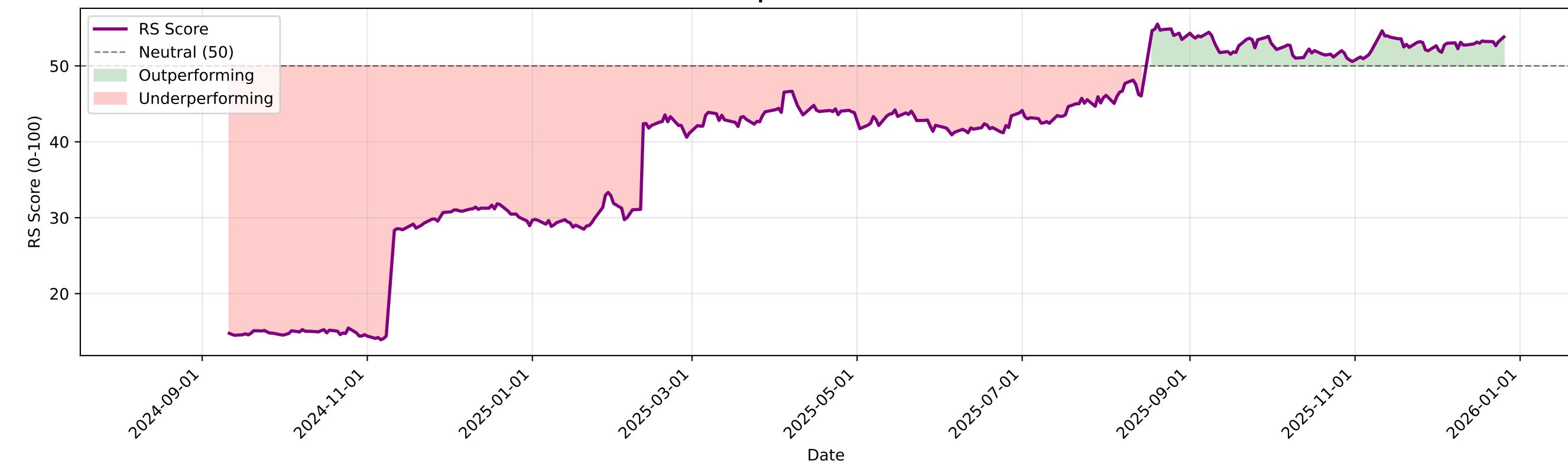
Relative Strength Analysis: TORNTPHARM.NS vs ^CNXPHARMA
Classification: Weakening Leader
Price Performance Comparison (Normalized)



RS Ratio Trends (Multiple Timeframes)



RS Composite Score Timeline



TORNTPHARM.NS - EMA Crossover Summary

EMA 20:	3781.41
EMA 50:	3724.81
EMA 200:	3513.43
Trend Status:	Strong Uptrend
Golden Cross Date:	2024-01-02 00:00:00
Golden Cross Price:	2322.20

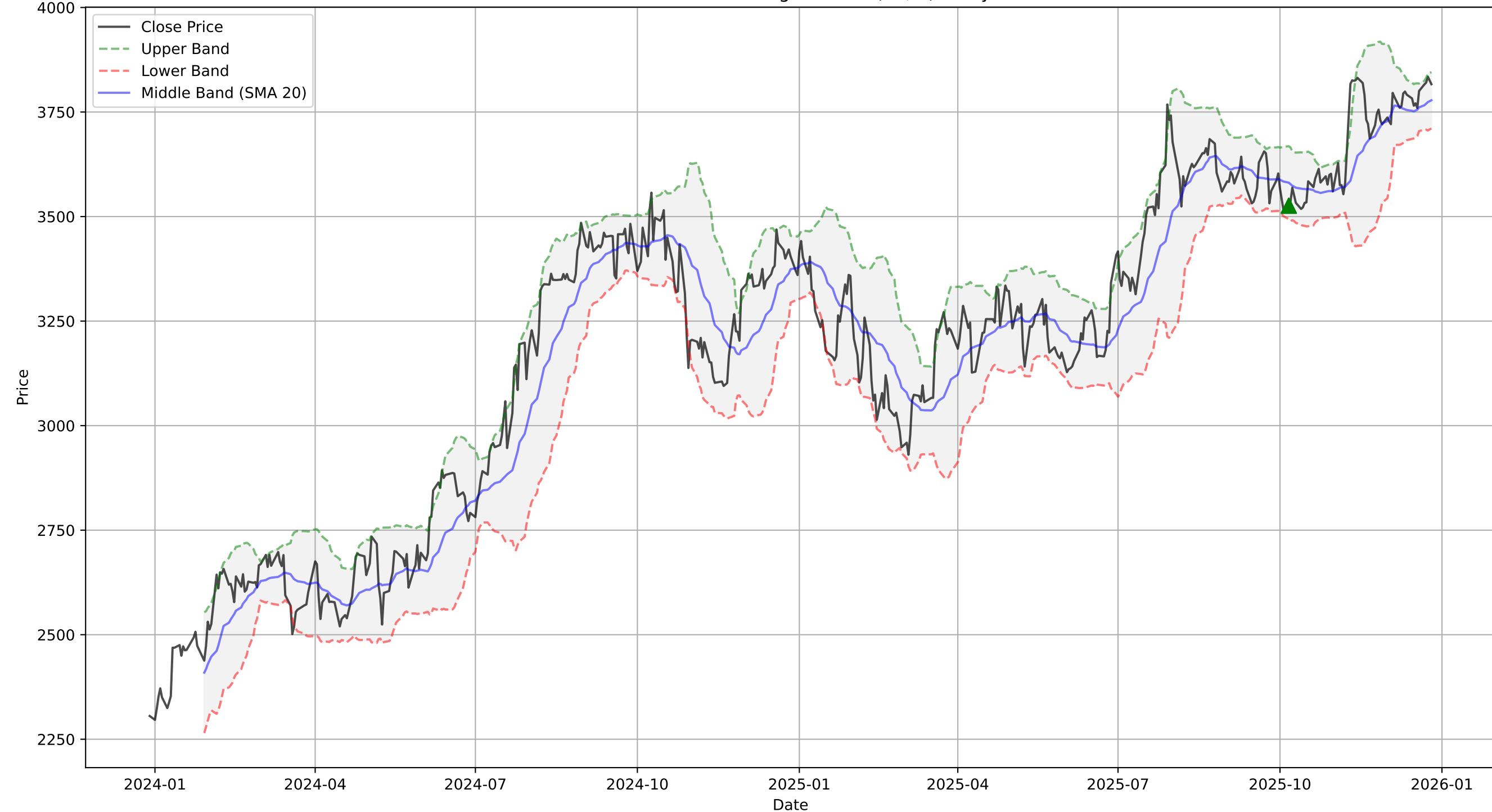
TORNTPHARM.NS EMA Crossover Analysis



TORNTPHARM.NS - Bollinger Bands Summary

Current Price:	3816.60
Upper Band:	3845.37
Middle Band (SMA 20):	3778.11
Lower Band:	3710.84
%B:	0.7862
Band Width:	0.0356
Status:	Upper Half
Signal:	None
Recent Signal 1:	Buy Signal at 2025-10-06 00:00:00

TORNTPHARM.NS Bollinger Bands (20, 2) Analysis



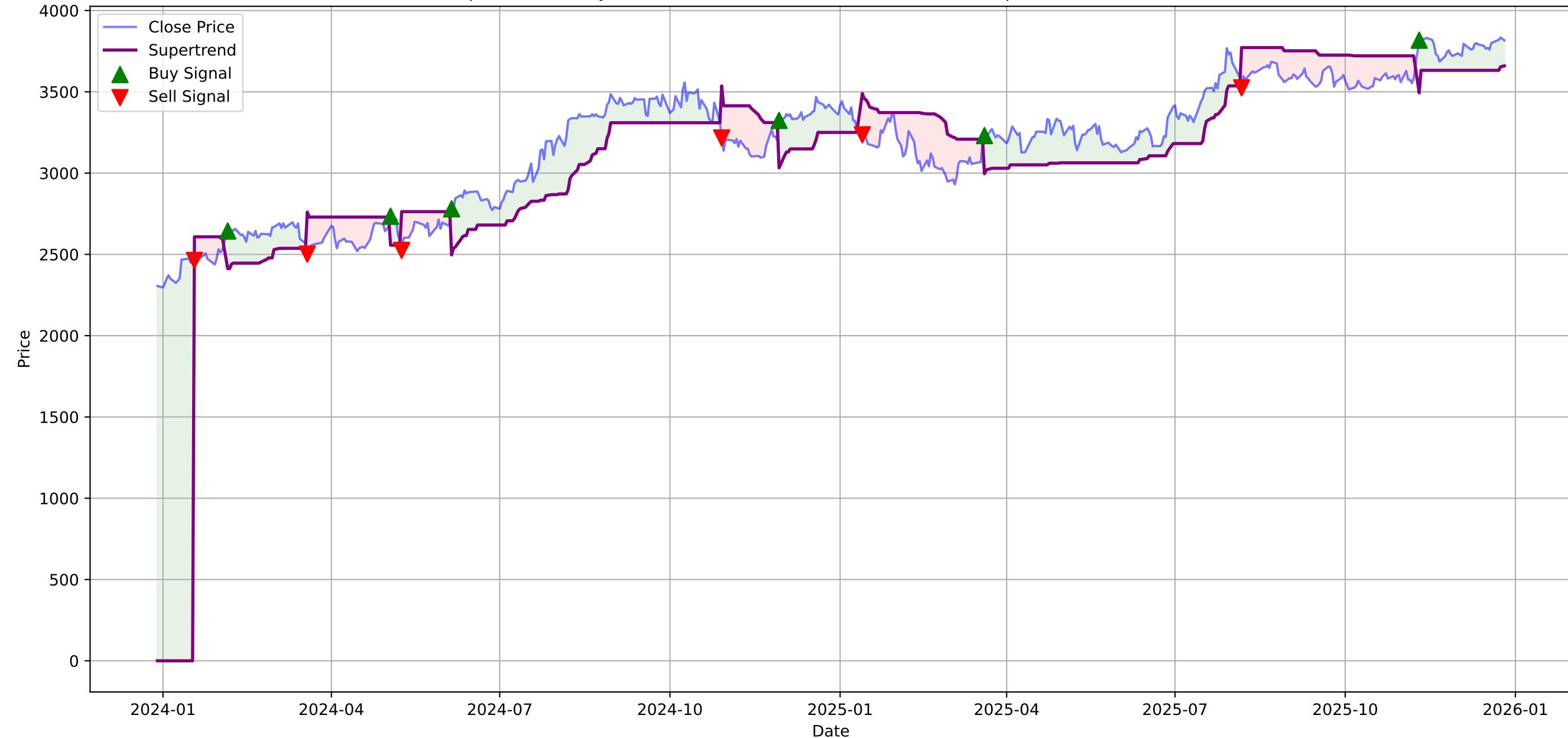
TORNTPHARM.NS - Supertrend Summary

Status: UPTREND (Buy)

Supertrend Value: 3659.24

Signal Identified On: 2025-11-10

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



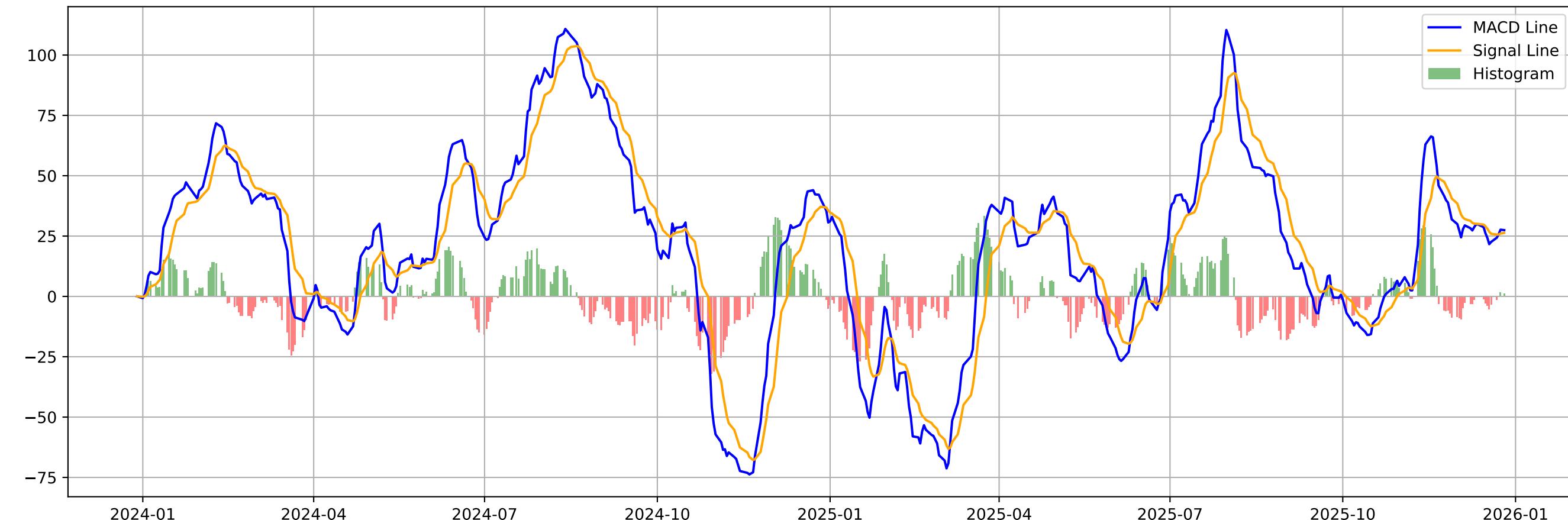
TORNTPHARM.NS - MACD Summary

MACD Line:	27.45
Signal Line:	26.32
Histogram:	1.13
Trend:	Bullish
Momentum:	Weakening
Signal:	None
Divergences Detected:	1
└ Bearish Divergence:	Date: 2025-12-24 00:00:00, Price: 3834.30

TORNTPHARM.NS Price



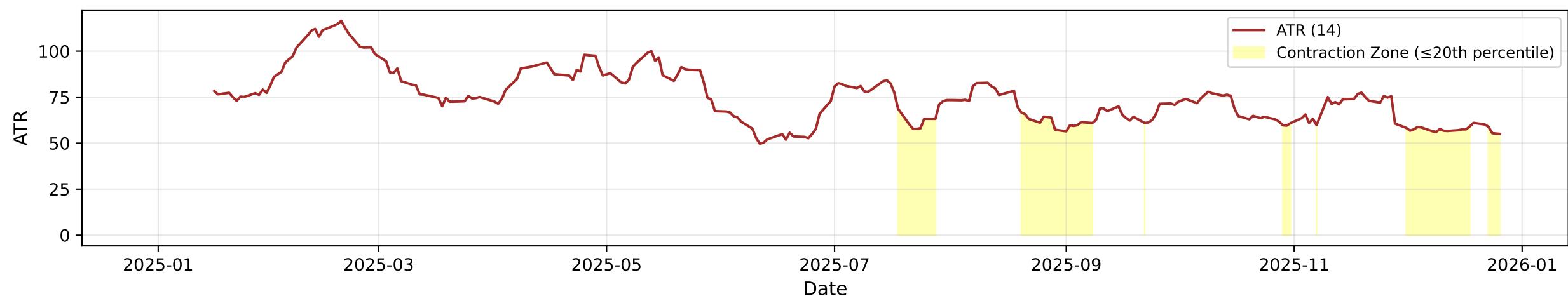
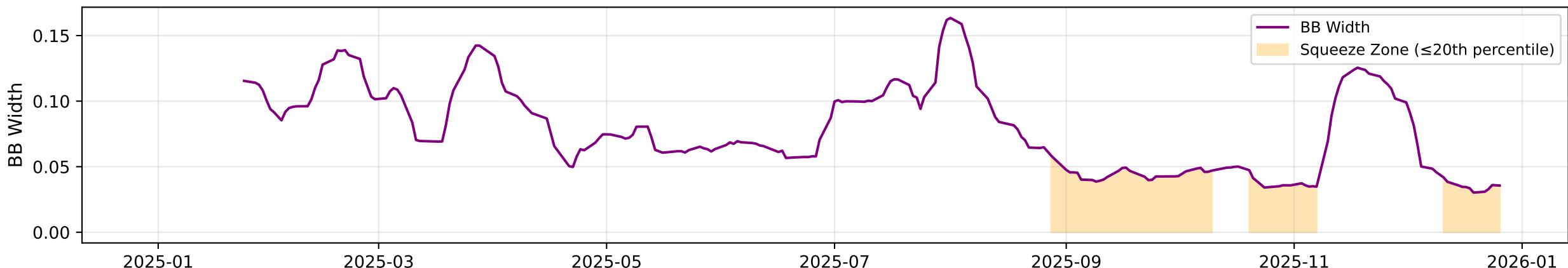
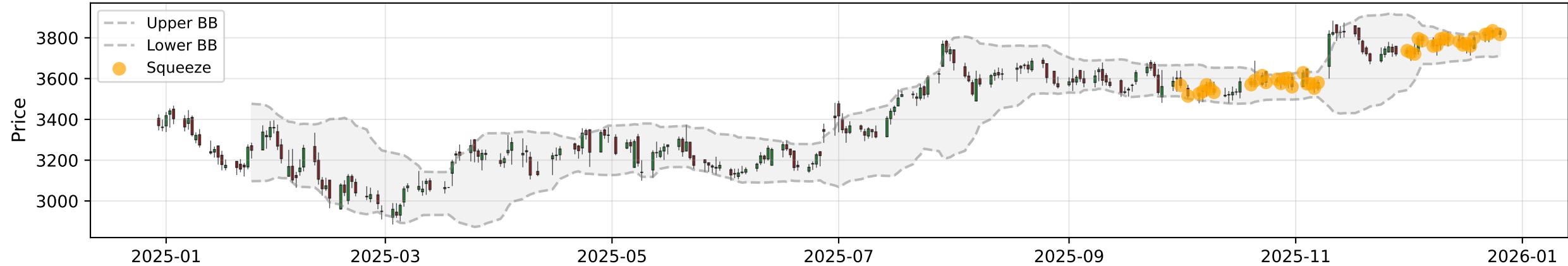
TORNTPHARM.NS MACD (12, 26, 9)



TORNTPHARM.NS - Volatility Squeeze Summary

BB Width:	0.0356
ATR:	55.0214
Total Signals:	40
Signal 1:	BB Squeeze at 2025-12-19 00:00:00 (Price: 3800.30)
Signal 2:	BB Squeeze at 2025-12-22 00:00:00 (Price: 3816.00)
Signal 3:	BB Squeeze + ATR Contraction at 2025-12-23 00:00:00 (Price: 3820.00)
Signal 4:	BB Squeeze + ATR Contraction at 2025-12-24 00:00:00 (Price: 3824.00)
Signal 5:	BB Squeeze + ATR Contraction at 2025-12-26 00:00:00 (Price: 3828.00)

TORNTPHARM.NS - Volatility Squeeze Analysis



TORNTPHARM.NS - RSI-Volume Summary

Current RSI:	59.89
Current Volume:	38231
Volume MA 20:	183854
Bullish Divergences:	2
Bearish Divergences:	1
Bullish Div 1:	Date: 2024-11-19 00:00:00, Price: 3094.85
Bullish Div 2:	Date: 2025-02-14 00:00:00, Price: 3013.85
Bearish Div 1:	Date: 2025-04-28 00:00:00, Price: 3335.00

TORNTPHARM.NS RSI-Volume Divergence Analysis

