



Action:
BUY

CMP:
₹477.70

TGT1/TGT2:
₹519.50/598.70

Stop Loss:
₹417.45

Time frame: 5-6 WEEKS

Cohance Lifesciences is a Hyderabad-based CDMO operating across pharmaceutical development, manufacturing, APIs, formulations and specialty chemicals. The company states that it features among the Top 20 CDMOs globally; its Pharma CDMO business works with 19 of the top 20 global innovators, while the API portfolio ranks among the top three suppliers in 8 of its top 10 molecules.

Operations and Resources:

The company operates 14 manufacturing plants and 7 R&D facilities with a total reaction capacity of 3,500 KL. The R&D team consists of over 510 scientists. Notable assets include the Nacharam facility (focused on ADCs and FDF) and the Vizag site.

Business Model and Strengths:

The company operates as a technology-led CRDMO (Contract Research, Development, and Manufacturing Organisation). It excels in complex chemistries, specifically in high-growth "small molecule" segments and specialized modalities.

Financials:

Company 5-year revenue has increased from ₹1,010Cr (FY21) to ₹2,269Cr (FY26) at a 17.57% CAGR. Company YOY revenue decreased from ₹2,608Cr (FY25) to ₹2,269Cr (FY26) at -13%. The Company's EBITDA margin has decreased from 31% for (FY25) to 19% for (FY26).

Key Data

Nifty 50	22628.80
Sector	Pharmaceuticals
52 Week H/L(Rs)	870.35/267.85
Market Cap (Rs Cr)	18,347.45
Face Value (Rs)	1.00
Daily Oscillator Direction	
20 DEMA	-ve
50 DEMA	-ve
100 DEMA	-ve
200 DEMA	NA



TECHNICAL RATIONALE

- The chart is showing a bullish breakout from a symmetrical triangular pattern.
- RSI is near the bullish zone around 56, reflecting strong momentum with room before overbought territory, supporting further upside without signalling exhaustion.
- We recommend to buy at current market price ₹477.70 with short-term targets of ₹ 519.50-598.70, and keep a stop-loss at ₹417.45.

TECHNICAL GLOSSARY:

- **Symmetrical Triangle Breakout:** A chart pattern where the price consolidates within converging trendlines, forming lower highs and higher lows. A breakout above the upper trendline signals bullish momentum, while a breakdown below the lower trendline indicates bearish movement. Volume expansion during the breakout strengthens confirmation.
- **Channel/trendline Breakout:** A technical event where the price moves above the resistance or below the support line of a price channel/trendline, signaling a potential trend continuation or reversal.
- **Retest:** The price action where the stock revisits a previously broken resistance (now acting as support) to confirm the breakout's validity.
- **MACD (Moving Average Convergence Divergence):** A trend-following momentum indicator that shows the relationship between two moving averages of the stock price. Used to identify bullish or bearish signals.
- **Positive Crossover (MACD):** Occurs when the MACD line crosses above the signal line, often interpreted as a buy signal or bullish momentum.
- **RSI (Relative Strength Index):** A momentum oscillator that measures the magnitude of recent price changes to evaluate whether a stock is overbought (above 70) or oversold (below 30).
- **DEMA (Daily Exponential Moving Average):** A type of moving average that places a higher weight on recent prices, making it more responsive to recent price changes compared to a simple moving average (SMA). It is widely used in technical analysis to identify trends, support/resistance levels, and momentum.
- **A higher high occurs** when the price reaches a new peak above the previous high, indicating strong buying pressure and an ongoing uptrend in the market.
- **A higher low forms** when the price pulls back but remains above the previous low, signaling sustained buying interest and confirming the continuation of an uptrend.
- **The signal line in technical analysis** is a smoothed moving average of an indicator, such as the MACD, used to generate buy or sell signals by identifying crossovers, confirming trends, and enhancing decision-making for traders and investors.



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