

Key Statistics (USD)

Price	78.65
Market Cap	129.089 B
Enterprise Value	-
PEG Ratio (5 yr. expected)	2.68
52 weeks high	100.99
52 weeks low	69.42
Beta (5Y-monthly)	1.38
Dividend yield %	4.32%
EPS (TTM)	5.60
1-Yr Stock performance	-13.49%

Growth Rates

	Company	3-Yr Avg
Revenues	14.97%	10.26%
Earnings	1.38%	1.69%
Free Cash Flow	-11.12%	2.21%

Margins

	Company	3-Yr Avg
Gross Profit Margin	50.48%	77.84%
Operating Margin	12.78%	24.09%
Net Profit Margin	10.17%	19.83%

Key Ratios

	Company	3-Yr Avg
Current Ratio	-	-
Total Ratio	1.09%	-
Financial Leverage	11.78x	11.44x
ROE	2.52%	3.20%
ROA	0.28%	0.36%
ROIC	0.37%	0.52%

Valuation Metrics

	Company	3-Yr Avg
Price to Sales	1.48x	2.32x
Price to Earnings	14.63x	12.43x
Price to Free Cash Flow	-2.60x	6.28x
Price to Book Value	20.23x	21.27x

Firm's Brief Description.

Morgan Stanley operates as a global financial services company. The firm provides investment banking products and services to its clients and customers including corporations, governments, financial institutions, and individuals. It operates through the following segments: Institutional Securities, Wealth Management, and Investment Management. The Institutional Services segment provides financial advisory, capital-raising services, and related financing services on behalf of institutional investors. The Wealth Management segment offers brokerage and investment advisory services covering various types of investments, including equities, options, futures, foreign currencies, precious metals, fixed-income securities, mutual funds, structured products, alternative investments, unit investment trusts, managed futures, separately managed accounts, and mutual fund asset allocation programs. The Investment Management segment provides equity, fixed income, alternative investments, real estate, and merchant banking strategies. The company was founded by Harold Stanley and Henry S. Morgan in 1935 and is headquartered in New York, NY.

Sector Overview

- Rising interest rates, which began in April 2022 (US) followed by rising interest rates in July 2022 (EU) are a sign of a booming economy. Higher rates resulted in increased earnings for most of the "big". More specifically JPMorgan Chase, Citigroup, PNC Financial, and Wells Fargo beat earnings estimates.
- Net Interest Income is expected to show an annual growth rate (CAGR 2023-2028) of 4.44%, resulting in a market volume of US\$6.8tn by 2028.
- Traditional Banks dominate the market with a projected market volume of US\$4.8tn in 2023.

Fundamental Analysis

Morgan Stanley stands out among the best global financial institutions. In 2021, Morgan Stanley was named the best U.S. investment bank thanks to its agility in adapting to the pandemic. The bank's stock is also trading relatively low. With assets under management jumping from \$400B in 2014 to an outstanding \$1.3 trillion in 2023, the firm is expected to increase that number in the future. Also, investment management revenue grew by 14%. The firm continues investing in growth areas and returned \$1.5 billion to shareholders through stock buybacks this quarter. Although the bank's 1-Yr stock performance is -13.31%, its 3-Yr average growth rate in revenues is 10.26% and has reported a 7% year-over-year increase in revenues. Risk tolerance is moderate with a financial leverage ratio of 11.78 and a Debt-to-Equity ratio around 2.5. On the other hand, it has 2.52% Return On Equity and 0.28% Return On Assets which is relatively low. In conclusion, Morgan Stanley (MS) could be defined as an undervalued stock with the potential to grow in the future.

Target Price (1 year forward): 94.18\$

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