

ModernGraham Valuation

Company Name:

Morgan Stanley

Company Ticker MS

Date of Analysis

6/24/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$49,355,991,568	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	77.60%	Pass
5. Moderate PEmg Ratio	PEmg < 20	12.70	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.62	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Fail
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	1.94
MG Growth Estimate	15.00%
MG Value	\$74.69
MG Value based on 3% Growth	\$28.13
MG Value based on 0% Growth	\$16.49
Market Implied Growth Rate	2.10%

MG Opinion

Current Price	\$24.64
% of Intrinsic Value	32.99%
Opinion	Undervalued
MG Grade	C

Stage 3: Information for Further Research

Graham Number	\$39.88
PEmg	12.70
PB Ratio	0.62
Dividend Yield	2.44%
Number of Consecutive Years of Dividend Growth	3

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.00	Next Fiscal Year Estimate	\$1.94
Dec2015	\$2.90	Dec2015	\$1.74
Dec2014	\$1.60	Dec2014	\$1.23
Dec2013	\$1.36	Dec2013	\$0.99
Dec2012	-\$0.02	Dec2012	\$0.84
Dec2011	\$1.23	Dec2011	\$1.35
Dec2010	\$2.63	Dec2010	\$1.83
Dec2009	-\$0.77	Dec2009	\$1.97
Nov2008	\$1.45	Nov2008	\$3.57
Nov2007	\$2.98	Nov2007	\$4.56
Nov2006	\$7.07	Nov2006	\$5.03
Nov2005	\$4.57	Nov2005	\$3.86
Nov2004	\$4.06	Nov2004	\$3.54
Nov2003	\$3.45	Nov2003	\$3.39
Nov2002	\$2.69	Nov2002	\$3.40
Nov2001	\$3.11	Nov2001	\$3.61
Nov2000	\$4.73	Nov2000	\$3.57
Nov1999	\$4.10	Balance Sheet Information 3/1/2016	
Nov1998	\$2.67	Long-Term Debt	\$162,804,000,000
Nov1997	\$2.08	Total Assets	\$807,497,000,000
Dec1996	\$1.39	Intangible Assets	\$9,495,000,000
		Total Liabilities	\$731,487,000,000
		Shares Outstanding (Diluted Average)	1,914,841,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [5 Speculative and Overvalued Companies to Avoid – February 2015](#)
- [34 Companies in the Spotlight This Week – 2/7/15](#)
- [Morgan Stanley Annual Valuation – 2015 \\$MS](#)
- [14 Companies in the Spotlight This Week – 1/25/14](#)
- [Morgan Stanley \(MS\) Annual Valuation](#)

Other ModernGraham posts about related companies

- [BlackRock Inc Valuation – June 2016 \\$BLK](#)
- [Goldman Sachs Group Inc Valuation – June 2016 \\$GS](#)
- [Ameriprise Financial Inc Valuation – June 2016 \\$AMP](#)
- [American Express Company Valuation – May 2016 \\$AXP](#)
- [T.Rowe Price Group Inc Stock Valuation – February 2016 \\$TROW](#)
- [Moody's Corporation Stock Valuation – February 2016 \\$MCO](#)
- [KKR & Co LP Stock Valuation – February 2016 \\$KKR](#)
- [Capital One Financial Corp Valuation – January 2016 Update \\$COF](#)
- [Franklin Resources Inc Valuation – January 2016 Update \\$BEN](#)
- [T.Rowe Price Group Inc Stock Valuation – February 2016 \\$TROW](#)