

ModernGraham Valuation

JPMorgan Chase &
Co.



Company Name:

Company Ticker JPM

Date of Analysis

1/25/2016

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	\$209,640,300,017	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
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	112.23%	Pass
5. Moderate PEmg Ratio	PEmg < 20	10.15	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.83	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		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	5.48
MG Growth Estimate	5.00%
MG Value	\$101.46
MG Value based on 3% Growth	\$79.50
MG Value based on 0% Growth	\$46.60
Market Implied Growth Rate	0.83%

MG Opinion

Current Price	\$55.66
% of Intrinsic Value	54.86%
Opinion	Undervalued

Stage 3: Information for Further Research

Graham Number	\$88.61
PEmg	10.15
PB Ratio	0.83
Dividend Yield	3.02%
Number of Consecutive Years of Dividend Growth	6

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	\$5.80	Next Fiscal Year Estimate	\$5.48
Dec15	\$5.87	Dec15	\$5.23
Dec14	\$5.29	Dec14	\$4.82
Dec13	\$4.35	Dec13	\$4.41
Dec12	\$5.20	Dec12	\$4.11
Dec11	\$4.48	Dec11	\$3.47
Dec10	\$3.96	Dec10	\$3.05
Dec09	\$2.26	Dec09	\$2.69
Dec08	\$1.35	Dec08	\$2.85
Dec07	\$4.38	Dec07	\$3.44
Dec06	\$4.04	Dec06	\$2.78
Dec05	\$2.38	Dec05	\$2.01
Dec04	\$1.55	Dec04	\$1.84
Dec03	\$3.24	Dec03	\$2.08
Dec02	\$0.80	Dec02	\$1.73
Dec01	\$0.80	Dec01	\$2.32
Dec00	\$2.86	Dec00	\$2.97
Dec99	\$3.69	Balance Sheet Information	Dec15
Dec98	\$2.83	Long-Term Debt	\$309,756,000,000
Dec97	\$2.67	Total Assets	\$2,351,698,000,000
Dec96	\$1.65	Intangible Assets	\$54,948,000,000
		Total Liabilities	\$2,104,125,000,000
		Shares Outstanding (Diluted Average)	3,681,130,000





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 Undervalued Dow Stocks to Research – November 2015](#)
- [The Best Companies of the Banking Industry – October 2015](#)
- [15 Best Stocks For Value Investors This Week – 9/4/15](#)
- [JPMorgan Chase & Co. Analysis – September 2015 Update \\$JPM](#)
- [5 Undervalued Dow Stocks to Research – August 2015](#)

Other ModernGraham posts about related companies

- [Bank of New York Mellon Valuation – January 2016 Update \\$BK](#)
- [Fifth Third Bancorp Valuation – January 2016 Update \\$FITB](#)
- [Huntington Bancshares Valuation – January 2016 Update \\$HBAN](#)
- [Wells Fargo & Co Valuation – December 2015 Update \\$WFC](#)
- [Citigroup Inc Valuation – December 2015 Update \\$C](#)
- [People's United Financial Corp Valuation – December 2015 Update \\$PBCT](#)
- [M&T Bank Corp Valuation – December 2015 Update \\$MTB](#)
- [KeyCorp Valuation – November 2015 Update \\$KEY](#)
- [State Street Corp Valuation – November 2015 Update \\$STT](#)
- [BB&T Corporation Valuation – November 2015 Update \\$BBT](#)