

ModernGraham Valuation

Company Name:

Morgan Stanley

Company Ticker MS

Date of Analysis

3/16/2018



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	\$103,049,132,685	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
4. Earnings Growth		223.95%	Pass
5. Moderate PEmg Ratio	PEmg < 20	17.77	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.33	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.24
MG Growth Estimate	15.00%
MG Value	\$124.59
MG Value based on 3% Growth	\$46.92
MG Value based on 0% Growth	\$27.51
Market Implied Growth Rate	4.64%

MG Opinion

Current Price	\$57.51
% of Intrinsic Value	46.16%
Opinion	Undervalued
MG Grade	B+

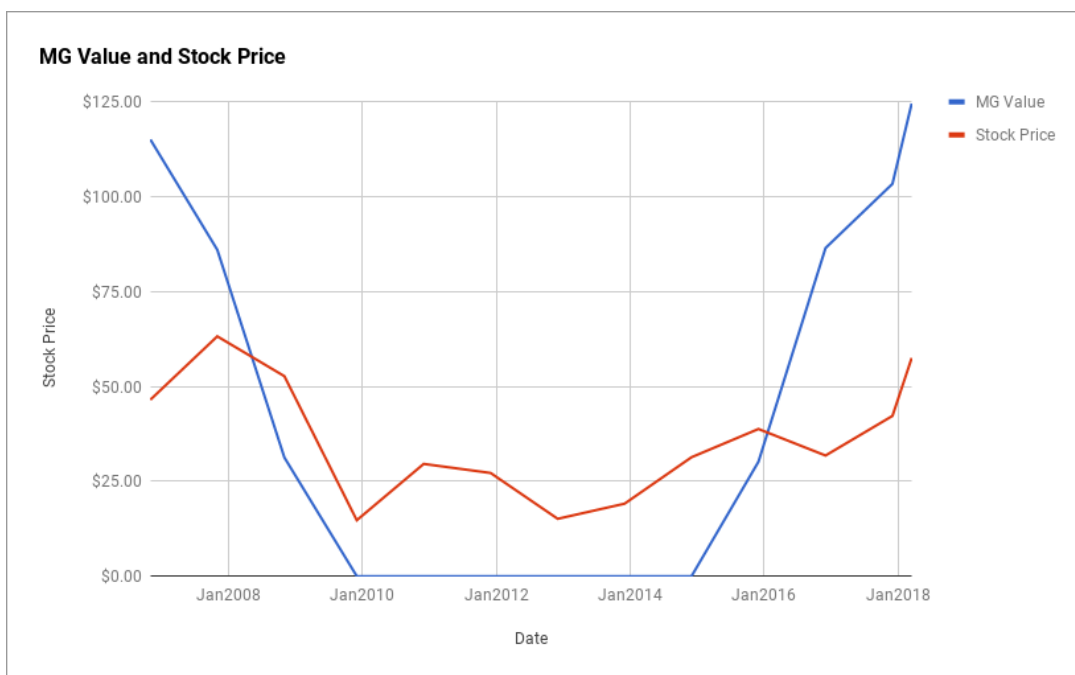
Stage 3: Information for Further Research

Graham Number	\$59.03
PEmg	17.77
PB Ratio	1.33
Dividend Yield	1.56%
Number of Consecutive Years of Dividend Growth	4

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	\$4.02	Next Fiscal Year Estimate	\$3.24
Dec2017	\$3.07	Dec2017	\$2.69
Dec2016	\$2.92	Dec2016	\$2.25
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	Balance Sheet Information 12/1/2017	
Nov2000	\$4.73	Long-Term Debt & Capital Lease Obligation	\$202,334,000,000
Nov1999	\$4.10	Total Assets	\$851,733,000,000
Nov1998	\$2.67	Intangible Assets	\$9,045,000,000
		Total Liabilities	\$774,342,000,000
		Shares Outstanding (Diluted Average)	1,794,000,000





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

- [Morgan Stanley Valuation – June 2016 \\$MS](#)
- [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](#)

Other ModernGraham posts about related companies

- [Ameriprise Financial Inc Valuation – March 2018 \\$AMP](#)
- [Navient Corp Valuation – March 2018 \\$NAVI](#)
- [Invesco Ltd Valuation – March 2018 \\$IVZ](#)
- [Capital One Financial Corp Valuation – March 2018 \\$COF](#)
- [Total System Services Inc Valuation – February 2018 \\$TSS](#)
- [Visa Inc Valuation – February 2018 \\$V](#)
- [Goldman Sachs Group Inc Valuation – February 2018 \\$GS](#)
- [American Express Co. Valuation – February 2018 \\$AXP](#)
- [Encore Capital Group Inc Valuation – Initial Coverage \\$ECPG](#)
- [T.Rowe Price Group Inc Valuation – July 2017 \\$TROW](#)