

ModernGraham Valuation

Company Name:

Morgan Stanley

Company Ticker MS

Date of Analysis

1/14/2019



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	\$73,072,141,132	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		245.31%	Pass
5. Moderate PEmg Ratio	PEmg < 20	12.29	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.92	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	3.46
MG Growth Estimate	15.00%
MG Value	\$133.06
MG Value based on 3% Growth	\$50.11
MG Value based on 0% Growth	\$29.38
Market Implied Growth Rate	1.90%

MG Opinion

Current Price	\$42.48
% of Intrinsic Value	31.93%
Opinion	Undervalued
MG Grade	A-

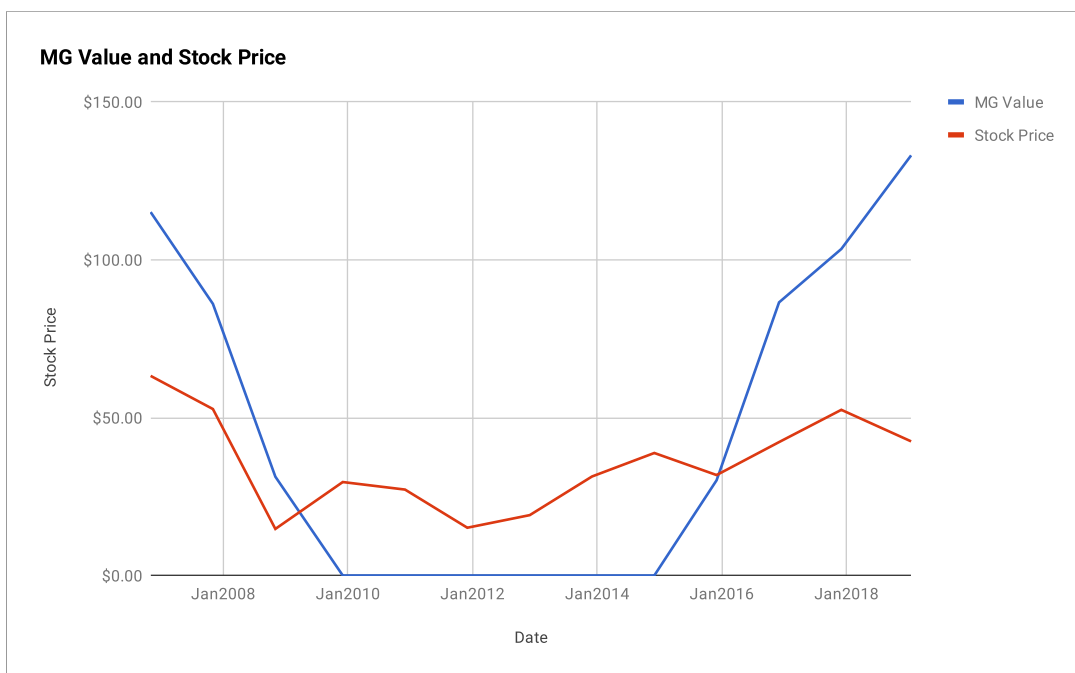
Stage 3: Information for Further Research

Graham Number	\$63.69
PEmg	12.29
PB Ratio	0.92
Dividend Yield	2.12%
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	\$4.68	Next Fiscal Year Estimate	\$3.46
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		
Nov2000	\$4.73		
Nov1999	\$4.10		
Nov1998	\$2.67		
		Balance Sheet Information	9/1/2018
		Long-Term Debt & Capital Lease Obligation	\$189,949,000,000
		Total Assets	\$865,517,000,000
		Intangible Assets	\$8,920,000,000
		Total Liabilities	\$785,443,000,000
		Shares Outstanding (Diluted Average)	1,727,000,000





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

- [Most Undervalued Stocks of the S&P 500 – August 2018](#)
- [10 Undervalued Stocks for the Enterprising Investor – July 2018](#)
- [10 Undervalued Stocks for the Enterprising Investor – April 2018](#)
- [Morgan Stanley Valuation – March 2018 \\$MS](#)
- [Morgan Stanley Valuation – June 2016 \\$MS](#)

Other ModernGraham posts about related companies

- [BlackRock Inc Valuation – January 2019 \\$BLK](#)
- [Ameriprise Financial Inc Valuation – January 2019 \\$AMP](#)
- [Invesco Ltd Valuation – January 2019 \\$IVZ](#)
- [Capital One Financial Corp Valuation – January 2019 \\$COF](#)
- [Total System Services Inc Valuation – December 2018 \\$TSS](#)
- [Goldman Sachs Group Inc Valuation – November 2018 \\$GS](#)
- [KKR & Co Inc Valuation – September 2018 \\$KKR](#)
- [CorVel Corp Valuation – August 2018 \\$CRVL](#)
- [Jones Lang LaSalle Inc Valuation – August 2018 \\$JLL](#)
- [Investment Technology Group Inc Valuation – July 2018 \\$ITG](#)