

JPMorgan Chase & Co

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JP Morgan edges lower as dip in trading revenues outweighs earnings beat

JP Morgan Chase & Co (NYSE:JPM) comfortably beat Street expectations with its third quarter earnings, but a big drop in trading revenue has hit the share price early on Thursday.

Chairman and chief executive Jamie Dimon warned last month that trading revenues could fall by as much as 20% compared to the same quarter last year.

He wasn't far wrong as overall trading revenue slumped by 16% in the three months through to the end of September, with most Wall Street banks suffering from a lack of volatility in the markets.

Fixed income trading revenues were down by almost a third, with JP Morgan noting that "lower revenue across all products was driven by sustained low volatility and tighter credit spreads".

Equities trading revenue fell 4% compared to 2016's relatively strong quarter, and reflected "lower revenue in derivatives predominantly offset by strength in Prime Services and Cash Equities".

On the banking front JP Morgan fared a little better. Its consumer and community banking division increased revenues by 6% to US\$12bn, while its corporate and investment banking arm saw revenues rise 5% to US\$3.1bn.

That helped total revenues to come in at US\$26.2bn, comfortably ahead of the US\$25.2bn analysts had expected. There was also a beat in earnings per share which came in at US\$1.76 versus forecasts of US\$1.65.

"For the first time, the Firm led the nation in total US deposits, as consumers and businesses continue to view us as their partner of choice," Dimon said.

"The global economy continues to do well and the U.S. consumer remains healthy with solid wage growth.

"Unfortunately, natural disasters in the US and abroad have impacted many of our customers and we have responded with enormous financial support as well as the expertise and generosity of our employees to help these customers, clients and communities."

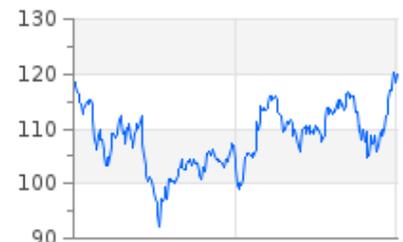
JP Morgan shares were down 0.6% to US\$96.28 in early deals on Thursday.

--Updates for share price--

Price: \$119.76

Market Cap: \$382.93 billion

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: JPM

Listing: NYSE

52 week High Low
120.395 91.11

Sector: Financial Services

Website: www.jpmorganchase.com

Company Synopsis:

JPMorgan Chase & Co. is a leading global financial services firm with assets of \$2.0 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small-business and commercial banking, financial transaction processing, asset management and private equity.

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