

Boeing Co

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Boeing shares lower again as two global banks cut their ratings as 737 MAX jet worries increase

Shares in Boeing Co (NYSE:BA) flew lower again on Monday as two global banks downgraded their ratings for the embattled planes maker saying they believe it may have to book billions of dollars in additional charges following the latest developments around its grounded 737 MAX jet.

Boeing, which is under severe pressure after two fatal crashes forced it to ground the planes and book billions of dollars in losses saw its shares fell 4.8% to \$327.40 in pre-market trading in New York, having dropped by 18% since the second deadly 737 MAX jet crash in Ethiopia in March.

Boeing's shares fell nearly 7% on Friday after media reports said that internal messages between two Boeing employees showed that the plane's anti-stall system behaved erratically during testing before the aircraft entered service.

The reports saw US regulators ask for an immediate explanation from the company and a new call in Congress for Boeing to shake up its management.

On Sunday, the company expressed regret over the messages and said it was still investigating what they meant.

Swiss slicing

In a note to clients on Monday, UBS downgraded its rating for Boeing to 'neutral' from 'buy' and cut its target price to \$375 from \$470.

The Swiss bank's analysts said: "We see increasing risk that the Federal Aviation Administration won't follow through with a certification flight in November and lift the emergency grounding order in December".

Fellow Swiss bank Credit Suisse cut its stance on Boeing to 'neutral' from 'outperform' and reduced its target price to \$323 from \$416.

In their note to clients, Credit Suisse's analysts said Boeing "could be forced to furlough or fire a portion of its MAX workforce."

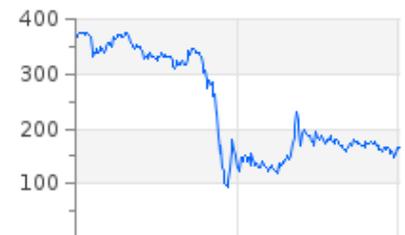
"This could result in lost labor force productivity when/if the MAX does return to service. We have seen the consequences of such events in shipbuilding: it can be ugly," they added.

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Price: 167.95

Market Cap: \$95.06 billion

1 Year Share Price Graph



October 2019 March 2020 September 2020

Share Information

Code: BA

Listing: NYSE

52 week High Low
382.7 89

Sector: Aerospace

Website: www.boeing.com

Company Synopsis:

Boeing is the world's leading aerospace company and the largest manufacturer of commercial jetliners and military aircraft combined. Additionally, Boeing designs and manufactures rotorcraft, electronic and defense systems, missiles, satellites, launch vehicles and advanced information and communication systems.

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