

Morgan Stanley posts 55% rise in quarterly profits

Kinibiz.com

Apr 17, 2014

By dpa

US investment bank Morgan Stanley on Thursday reported a rise in first quarter profits of 55% compared to the same period in 2013.

Profits hit US\$1.45 billion, beating analysts expectations and demonstrating Morgan Stanley's ability to weather inclement market conditions.

All the financial firm's subsidiaries reached higher income compared to the previous year's, said CEO James Gorman in New York, despite the US Federal Reserve gradually reducing its buying of government bonds that was the basis of its policy of monetary easing.

Though Morgan Stanley's bond business was the weakest performer, the firm's stock and commodities businesses fared much better than this time last year. Asset management for private customers and advisory services grew as well, helping to create a company-wide rise in income of 10% to US\$8.9 billion.

Goldman Sachs meanwhile saw profits drop 11% to US\$1.95 billion. The firm however saw its shares rise 2 per cent in pre-market trading as analysts had expected an even sharper drop.

"We are generally pleased with our performance for the quarter given the operating environment," said CEO Lloyd Blankfein.

The primary casualty was the firm's bond trading. Goldman's improved performance in advisory services and commodities however did not prevent group income from shrinking to US\$9.3 billion, an 8% drop compared to the previous year.

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