JPMorgan Chase & Co

JPMorgan chief Jamie Dimon warns of 'considerable turbulence' in US economy

Biggest US bank posts 9% rise in quarterly profits as market tumult boosts trading business

Equities trading was JPMorgan's standout unit, with revenues rising 48% from a year earlier to $3.8bn © Mike Kemp/In Pictures via Getty Images

Joshua Franklin in New York

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JPMorgan Chase's chief executive Jamie Dimon warned that the US economy was facing "considerable turbulence" as market tumult boosted the Wall Street bank's trading business at the start of 2025.

Dimon sided with his bank's economists that the odds of a recession were 50/50. US President Donald Trump earlier this week cited the views of the JPMorgan boss as influencing his thinking around tariffs.

"The economy is facing considerable turbulence (including geopolitics), with the potential positives of tax reform and deregulation and the potential negatives of tariffs and 'trade wars', ongoing sticky inflation, high fiscal deficits and still rather high asset prices and volatility," Dimon said.

Dimon on Friday predicted that earnings estimates for US blue-chip companies would fall and many management teams would pull their financial guidance in upcoming first-quarter earnings in the weeks ahead. JPMorgan is among the first big US companies to report their quarterly figures.

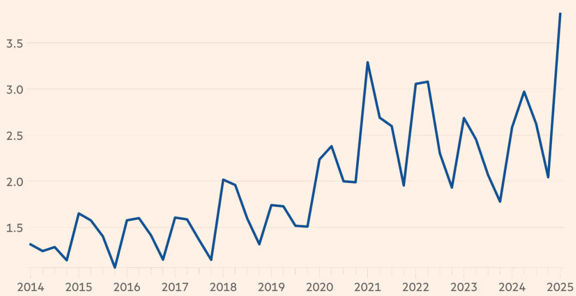
He said the issues around China, which is facing US tariffs of 145 per cent, were "a significant change that we've never seen in our lives".

Dimon was speaking after JPMorgan, the largest US lender, on Friday reported net income in the first quarter rose 9 per cent from the previous year to $14.6bn, exceeding the $13.6bn analysts had expected.

And despite Dimon's warnings of increased volatility, the market tumult in the early months of Trump's administration was good for JPMorgan's trading business in the first quarter.

JPMorgan's equities trading business has a standout Q1 in 2025

Equities trading revenues in $bn



Sources: Company statements, Bloomberg, Visible Alpha

Equities trading was JPMorgan's standout unit, with revenues rising 48 per cent from a year earlier to $3.8bn, far higher than analysts had expected and its best quarter on record. This was for trading prior to Trump's "liberation day" announcement on tariffs on April 2, which unleashed even more extreme bouts of volatility.

The strong trading performance was echoed by rival Morgan Stanley, where equities trading revenues surged 45 per cent to a record $4.1bn in the first quarter.

JPMorgan's fixed income trading was also up 8 per cent at $5.8bn. Investment banking fees rose 12 per cent year on year to $2.2bn, a more modest increase than the mid-teens rise it had predicted in mid-February, as the same market gyrations that boosted trading created a chill for dealmaking and new stock listings.

"In light of market conditions, we are adopting a cautious stance on the investment banking outlook," said JPMorgan finance chief Jeremy Barnum.

"While client engagement and dialogue is quite elevated, both the conversion of the existing pipeline and origination of new activity will require a reduction in the current levels of uncertainty."

This was a cagier view than Morgan Stanley, whose chief executive Ted Pick said that the dynamic was one of "pause versus delete".

"That is why we continue to push forward on this theme, that we are going to be in an investment banking cycle," Pick said.

He admitted that if, three or four months from now, market volatility and policy uncertainty are even greater then it could mean more deals are "more of a delete, someday kind of thing".

JPMorgan shares were up about 3 per cent in New York trading, while Morgan Stanley was down slightly.

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