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JPMorgan Chase & Co

## JPMorgan shares fall after warning on 'too high' earnings outlook

Largest US bank says analyst consensus on profits from lending is 'not very reasonable'



JPMorgan Chase president Daniel Pinto told a conference that analysts' expectations were 'not very reasonable' © Bloomberg

Joshua Franklin in New York

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JPMorgan Chase shares fell more than 5 per cent on Tuesday after the US bank's president warned that investors were being too optimistic about its earnings for next year.

[JPMorgan](#), the largest US bank by assets, led a sell-off of other large US bank stocks, including Goldman Sachs and Citigroup.

"[For] 2025, the analyst consensus is a drop in NII [net interest income] of \$1.5bn, from \$91.5bn to \$90bn," JPMorgan president Daniel Pinto told an industry conference organised by Barclays. "So, that is not very reasonable because the rate expectations [are] lower by 250 basis points. So, I think that that number will be lower."

JPMorgan shares closed down 5.2 per cent, having fallen about 7 per cent earlier in the day, which would have been the biggest drop since June 2020.

The pessimistic guidance overshadowed what was seen as a [victory](#) for large [US banks](#) in their battle with regulators over new capital rules.

Over the past two years, JPMorgan has emerged as one of the biggest winners from the Federal Reserve's increases in US interest rates. It has benefited from its size to charge more for loans without offering commensurately higher savings rates, boosting the profits from lending.

Pinto declined to provide guidance on what NII for 2025 might be but said the current consensus by analysts for \$90bn was "a bit too high" and did not adequately anticipate the impact of the Fed's expected cuts to interest rates this year.

"Clearly, as rates go lower, you have less pressure on repricing of deposits. But as you know, we are quite asset sensitive," he said. JPMorgan executives had previously cautioned investors that the bank had been "[overearning](#)" on lending profits.

### JPMorgan has thrived in a period of higher interest rates

Share price, \$

— JPMorgan Chase & Co



Source: LSEG via markets.ft.com

Pinto also told investors that investment banking fees in the third quarter were on track to be up by about 15 per cent but that revenues from its trading business were set to be flat or only about 2 per cent higher.

"It was a bit more challenging environment to monetise client flows, particularly in rates," Pinto said.

Pinto's comments came a day after Goldman chief executive David Solomon warned investors that its trading business was on track to see revenues fall about 10 per cent in the third quarter.

Solomon, who also flagged that Goldman's earnings in the third quarter would take a \$400mn hit from its continued pullback from consumer banking, blamed the decline on lower revenues from fixed income, currencies and commodities trading.

Goldman's stock closed down 4.4 per cent on Tuesday.

Citi, whose chief financial officer on Monday warned that it would also see trading revenues fall about 4 per cent in the quarter, saw its shares lose 2.7 per cent.

*Additional reporting by Harriet Clarfelt and Stephen Gandel*

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