July 24, 2024 03:00 PM GMT

US Economics | North America

Employment Report Preview: Still-strong labor market

MORGAN STANLEY & CO. LLC

Sam D Coffin
Economist
Sam.Coffin@morganstanley.com +1 212 761-4630

Ellen Zentner
Chief US Economist
Ellen.Zentner@morganstanley.com +1 212 296-4882

Diego Anzoategui
Economist
Diego.Anzoategui@morganstanley.com +1 212 761-8573

Sarah A Wolfe
Economist
Sarah.Wolfe@morganstanley.com +1 212 761-0857

Lenoy Dujon
US/Canada Economist
Lenoy.Dujon@morganstanley.com +1 212 761-2779

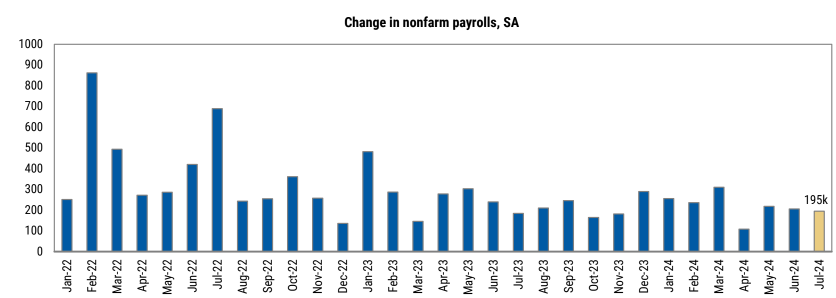
Payrolls +195k, held back by gov't, but private payrolls reaccelerate to 155k. The UE rate stalls at 4.1%. Hurricane Beryl lowers the workweek and raises AHE (+0.4%). Downside risks: Beryl, seasonals, teacher payrolls. Other topics: the benchmark revision & an update on breakeven payrolls.

Exhibit 1: July employment forecast details

Employment Report: Forecasts & Recent History	Est.	Consensus	Actual			
	Jul-24	Jul-24	Jun-24	May-24	3MMA	Year-Ago
Change in nonfarm payrolls (thous.)	195	188	206	218	177	184
Private payrolls	155	158	136	193	146	148
Unemployment rate (%)	4.1	4.1	4.1	4.0	3.9	3.5
Labor force participation rate (%)	62.6		62.6	62.5	62.6	62.6
Average weekly hours	34.2	34.3	34.3	34.3	34.3	34.3
Average hourly earnings (%M)	0.4	0.3	0.3	0.4	0.3	0.4
%Y	3.8		3.9	4.1	3.9	4.7

Source: Bureau of Labor Statistics, (BLS), Bloomberg, Morgan Stanley Research forecasts

Exhibit 2: We project payrolls slowed to 195k in July from their 222k per month average year to date



Source: BLS, Morgan Stanley Research forecasts

Institutional Investor Global Fixed Income Poll is now open. We hope you have enjoyed our research over the past year and appreciate your support. Request your ballot.

For important disclosures, refer to the Disclosure Section, located at the end of this report.

July Employment

Our forecast that payrolls slow to 195k in July reflects slower public sector employment. We expect private payrolls reaccelerated from 136k in June to 155k in July, still some modest slowing from their 174k per month year-to-date average gain.

There are important downside risks from Hurricane Beryl, from seasonal factors, and from teacher employment. Hurricane Beryl interrupted activity but we expect it slowed hours more than payrolls. Seasonal factors for July have shifted since before the pandemic; we think the shifts are appropriate but if they are not, there's downside risk. We have allowed for some drag from public sector education payrolls, but it's possible that the drag is larger (or smaller).

We expect the effects of Hurricane Beryl shortened the average workweek, with a consequent (temporary) upward bias to average hourly earnings (estimated +0.4%). The unemployment rate probably moves sideways at 4.1%.

Much of June's slowdown in payrolls was convincing---a bit slower employment growth in retail and leisure after the step-down in consumer spending growth so far this year. However, professional and business services payrolls, especially for temporary employment, also slowed sharply—more than we think is consistent with signals from other labor market indicators.

Our forecast for July incorporates a range of risks: A small drag from the effects of **Hurricane Beryl** on Texas (-5k), a small drag from broader **auto-plant summer shutdowns** (-10k), a small add from nonauto manufacturing (+5k), less weakness than last month in **retail** (+8k), a rebound in **temps** (+22k), plus, in the pubic sector, a drag of 10k from **teachers** at the start of summer. On net, private payrolls rise slightly faster than last month, and public payrolls quite a bit slower.

While Hurricane Beryl appears to have interrupted a lot of activity around Houston and elsewhere in Texas, we think the payroll effects will be small. Power outages were as broad as after storms in the past. However, this storm hit relatively late in the payroll survey period, and many of those laid off were likely employed for part of the survey period. As yet, the rise in jobless claims in Texas has been minimal. We expect smaller payroll effects than after Harvey or the two wintertime blackouts in February 2021 and February 2011 (Exhibit 3). For scale: Texas accounts for 8.9% of national payrolls.

However, **the average workweek** probably fell as a result of the storm.

Exhibit 3: How much drag on employment in past Texas power outages?

Date		Power customers affected	New unemployment insurance claims in TX	Payrolls in TX	Hours in TX
2-Feb-11	Broad power outages	3 mil	no change	20k below trend	-0.7
1-Sep-17	Hurricane Harvey	2 mil	+53k immediately	8k below trend	0.2
1-Feb-21	Broad power outages	4.5 mil	claims rose for 1 1/2 months by about 25k	85k below trend	-0.2
8-Jul-24	Hurricane Beryl	3 mil	+6k		

Source: Labor Department, NOAA, Morgan Stanley Research

Until the June data, retail payrolls were a quandary—strong even as retail sales were softening. But June data brought both softer retail payrolls and stronger retail sales. Payrolls and sales are now in closer accord. We still expect some slowing in retail payrolls, but not the rapid reduction reported last month.

The deceleration in leisure payrolls was also notable—slowing finally in line with the pullback in restaurant spending.

Temps were another important source of softness in June employment growth. They had been contracting at not quite their 2023 pace, falling 10k per month on average through May before swinging to a 49k decline in June. We don't think other labor indicators signal that degree of deterioration (more below).

We expect a bit of a drag in July from local education payrolls—faster education layoffs at the end of the school year after the accelerating pace of hiring early in the school year.

Exhibit 4 provides a sector breakdown of job gains through June and our July forecast.

Exhibit 4: Sectoral breakdown of payroll gains and our July forecast

	Average monthly change						
monthly change, 000s	**4Q 23**	**1Q24**	**2Q24**	**Apr**	**May**	**Jun**	**Jul est.**
Nonfarm	**212**	**267**	**177**	**108**	**218**	**206**	**195**
Private	155	203	146	108	193	136	155
Goods-producing	20	26	9	-3	12	19	18
Mining and logging	-1	0	-3	-5	-4	0	3
Construction	18	29	13	-5	16	27	15
Manufacturing	2	-3	0	7	0	-8	0
Motor veh.	3	1	4	2	5	6	
Service-producing	135	177	136	111	181	117	137
Wholesale	9	0	7	7	2	14	7
Retail	-3	20	4	14	7	-9	0
Trans. & warehousing	-12	11	13	21	12	7	13
Utilities	2	1	1	0	1	1	2
Information	1	2	3	-3	5	6	3
Financial	3	-2	6	-3	12	9	5
Professional & business services	6	24	-1	-17	31	-17	5
Temp help	-19	-3	-30	-24	-16	-49	
Education	5	5	-1	0	-2	-1	0
Health care, social assistance	85	81	88	98	83	82	82
Leisure & hospitality	36	26	7	-9	22	7	15
Other services	3	11	9	4	8	16	5
Government	58	64	32	0	25	70	40
Federal	5	11	3	0	3	5	
State and local	52	54	29	0	22	65	

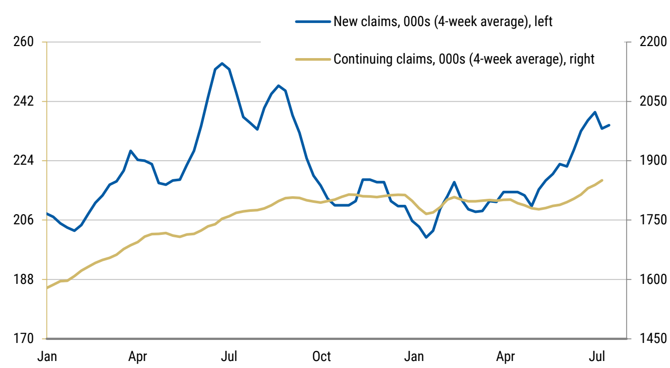
Source: BLS, Morgan Stanley Research forecasts

Other labor market indicators have remained solid, with continuing claims rising somewhat but new claims moving about sideways over the past month (Exhibit 5), even including boosts in the latest week from auto manufacturing states and the Texas power outage. Not yet reported: JOLTs, where job openings (Exhibit 6) have been falling, the Conference Board's labor market measure, and a relevant week for continuing unemployment insurance claims (Exhibit 7). (Our forecast could be updated after those.)

Immigration. A month ago, we highlighted the drop in immigration of the last several months. In retrospect, we jumped the gun. While immigration has slowed, the slowdown —about 20k per month (Exhibit 8)—is probably too small to affect payrolls yet.

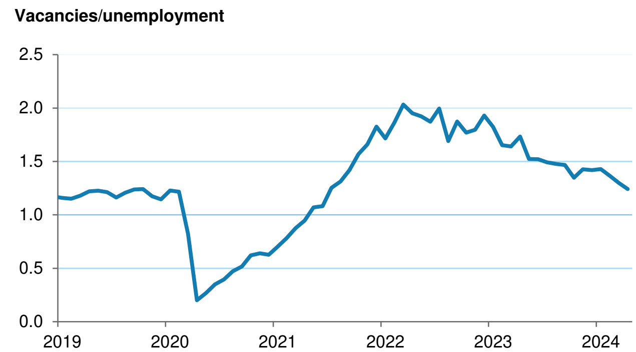
If immigration does slow more sharply, it should be evident in the unemployment rate. A shock to labor supply and a shock to labor demand each could slow employment growth, but they have opposite effects on the unemployment rate. Lower supply tightens the labor market and decreases the unemployment rate. Lower demand eases the labor market and raises the unemployment rate.

Exhibit 5: New claims have risen notably, continuing claims also up



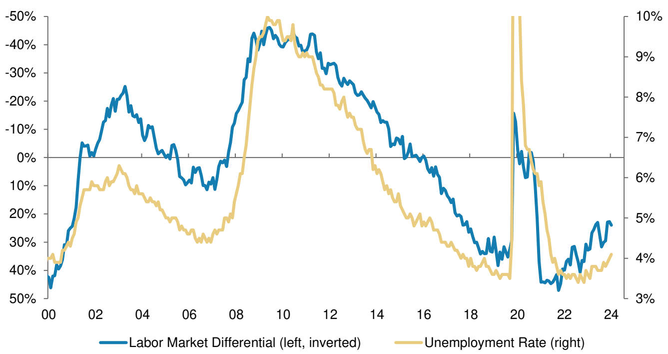
Source: Department of Labor, Morgan Stanley Research

Exhibit 6: The vacancy rate is slipping again



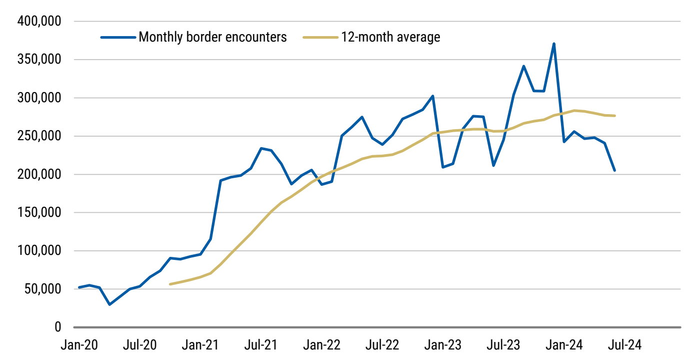
Source: BLS, Morgan Stanley Research

Exhibit 7: Households' labor market assessments improved in June from strong levels



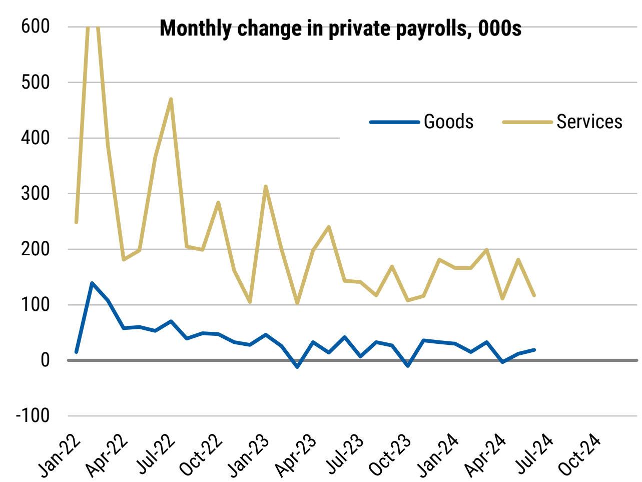
Source: BLS, Conference Board, Morgan Stanley Research

Exhibit 8: Immigration no longer rising as fast as it was



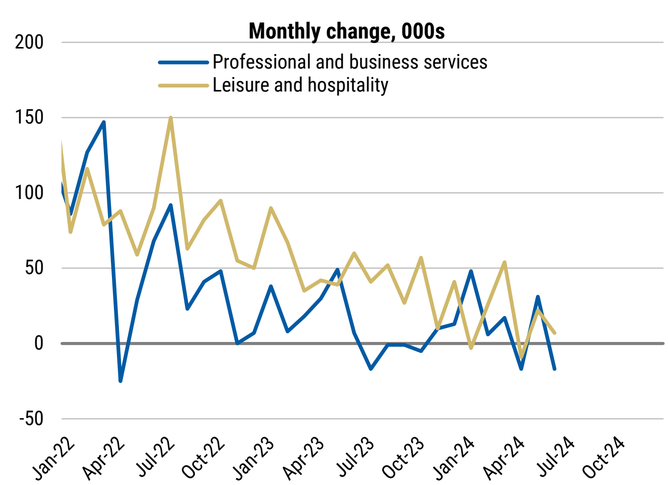
Source: Customs and Border Protection, Morgan Stanley Research

Exhibit 9: Services payrolls slowed in June



Source: BLS, Morgan Stanley Research

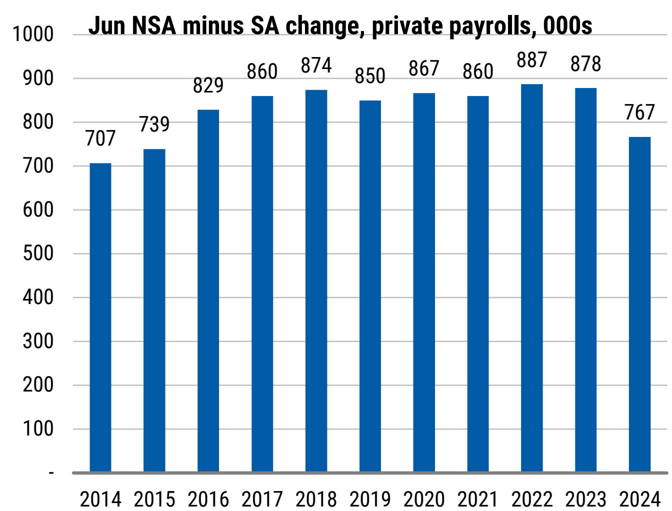
Exhibit 10: Temporary employment dragged heavily on payrolls in professional and business services



Source: Bureau of Labor Statistics, Morgan Stanley Research

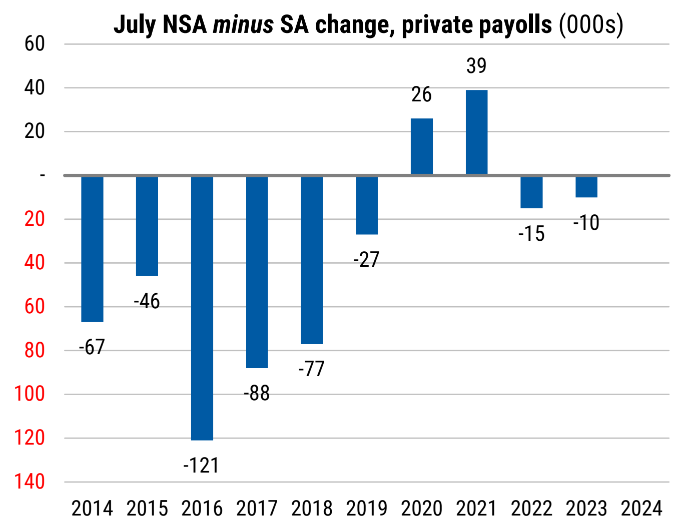
We do not expect a distortion from seasonal factors in July, but a drag is possible. In the last five years, seasonal factors for July have allowed for small swings up or down in not seasonally adjusted (NSA) payrolls Exhibit 12 . But before then, they allowed for fairly large declines in NSA payrolls. If the old seasonal factors better represent the true seasonal pattern in employment, NSA payrolls would fall more than recent years' July seasonal factors suggest, and there could be downward bias to seasonally adjusted private payrolls. However, we think it's more likely that seasonal hiring patterns have shifted and that recent seasonal factors adequately reflect the shift. Last July, the seasonally adjusted payrolls estimate was 39k below the centered five-month average—but the shortfall came as payrolls were slowing so does not necessarily indicate bias.

Exhibit 11: NSA payrolls tend to rise in June. Last year, seasonal factors subtracted about what they had pre-Covid



Source: BLS, Morgan Stanley Research

Exhibit 12: July seasonal factors used to allow for a sharp drop in NSA payrolls, but recently have allowed for little change



Source: BLS, Morgan Stanley Research

Exhibit 13:

Teacher payrolls tends to fall sharply NSA in July. Private industries are inconsistent: typical increases in NSA leisure and hospitality, construction, and finance, but declines in educational services, and transport and warehousing.

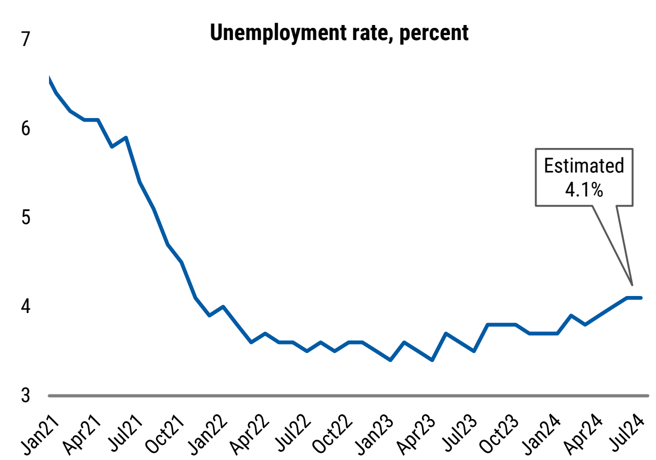
	July	June hurdle	June NSA	June SA
Leisure & Hospitality	92	429	436	7
Local Government, excluding Education	76	173	207	34
Construction	42	134	161	27
Financial Activities	39	66	75	9
Information	25	25	31	6
Federal	16	0	5	5
Professional & Business Services	7	49	32	-17
Other Services	6	52	68	16
Health Care & Social Assistance	5	20	103	82
Mining & Logging	4	6	6	0
Utilities	2	3	4	1
Wholesale Trade	2	34	48	14
State Government, excluding Education	-2	16	29	13
Retail Trade	-8	85	77	-9
Manufacturing	-12	92	84	-8
Transportation & Warehousing	-76	-4	4	7
Educational Services	-86	-225	-226	-1
State Government Education	-88	-278	-265	13
Local Government Education	-1227	-337	-333	5
Total	**-989**	**340**	**545**	**205**

Source: BLS, Morgan Stanley Research

The 0.4% rise in average hourly earnings that we forecast is a little faster than recent months'; it reflects the downward bias to the workweek (the denominator) because of the Hurricane Beryl. It should reverse next month.

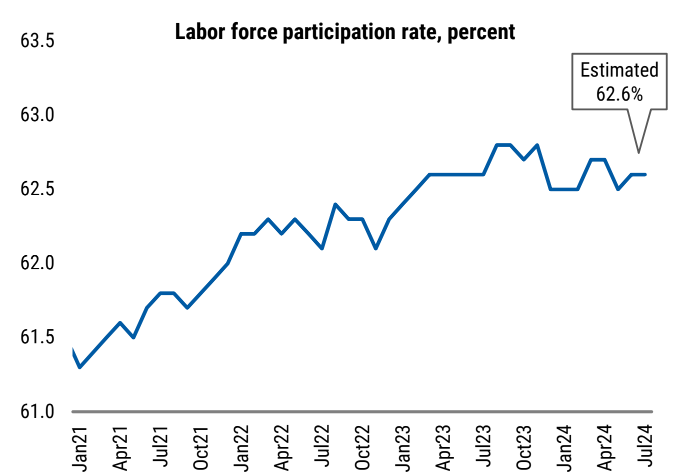
The unemployment rate is probably unchanged at 4.1%. We think that the slowdown in immigration is still too limited to seriously affect labor supply. If more limited labor supply is having an effect, there will be a bit more downward pressure. We expect the labor force participation rate stalls at 62.6% (Exhibit 14 & Exhibit 15).

Exhibit 14: We forecast the unemployment rate stalls at 4.1%



Source: Bureau of Labor Statistics, Morgan Stanley Research forecasts

Exhibit 15: We expect labor force participation remains at 62.6%



Source: Bureau of Labor Statistics, Morgan Stanley Research forecasts

Breakeven payrolls estimate remains at about 265k per month. We had estimated that the breakeven pace for payrolls is around 265k per month (Here, and here). So far this year, that estimate looks credible. Year-to-date payroll growth, labor force participation, and employment population ratios imply the same breakeven.

Labor force levels in the household survey are probably biased down by two-year old estimates of immigration. But the ratios—employment/population ratio, labor force participation rate, unemployment rate—are probably less affected. We derive implied labor force growth (a breakeven pace for payrolls) from those household survey ratios and the actual increases in payrolls.

estimated population = payrolls / (employment/population ratio)

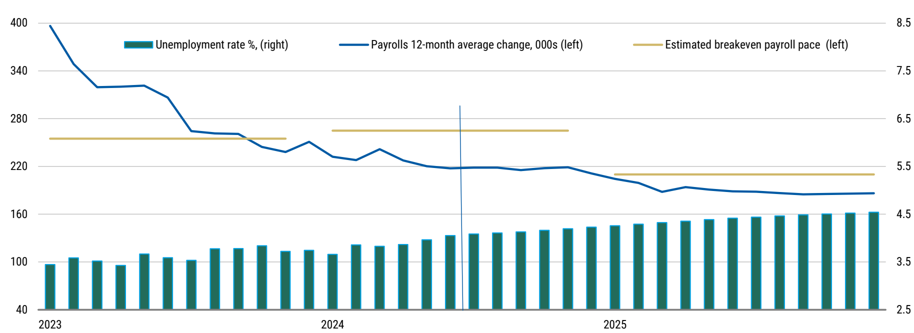
*estimated labor force = estimated population * labor force participation rate*

% change in estimated labor force = % change in breakeven payrolls

Payrolls have risen an average of 222k per month. The employment/population ratio has been unchanged at 60.1%, which implies population growth of 370k per month (222/60.1%). An unchanged labor force participation rate at 62.5% would equate that population growth to 232k per month in labor force growth, or 0.8% growth year to date. With this year's rise in labor force participation, effective labor force growth is 1.0%. Applying that 1.0% growth to December payrolls gives a rise of 265k per month in breakeven payrolls—in line with our original estimate.

With payrolls of 222k per month, well below the derived 265k breakeven, the unemployment rate has been rising fairly rapidly—from 3.7% last December to 4.1% in June.

Exhibit 16: Payrolls are running below the breakeven pace that holds the unemployment rate unchanged. We expect continued upward pressure on the unemployment rate.



Source: BLS, Morgan Stanley Research

Payrolls are likely to be revised down in the benchmark revision, but they then will understate employment growth. On August 21, the BLS will publish the preliminary estimate of the benchmark revision to payrolls. We expect a noticeable downward revision—close to 50k per month on average in the 12 months through March. But we think that downward revision is exaggerated.

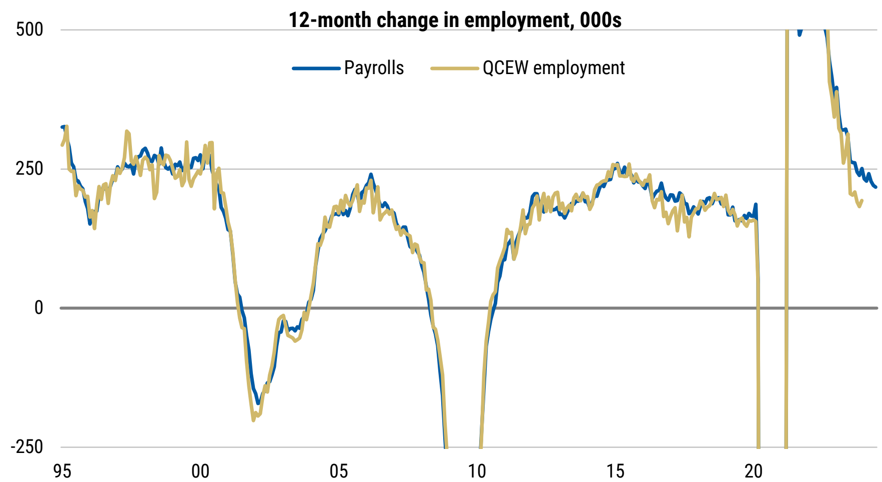
The benchmark revision is based on the QCEW (Quarterly Census of Employment and Wages), which uses administrative records from the unemployment insurance system to arrive at an employment estimate. In principle, it's a more comprehensive count of payroll employment, hours, and earnings than the payrolls report—and more accurate. It therefore is the basis for payroll revision.

But this year is different because QCEW probably undercounts the number of unauthorized immigrants who are working. Many of the unauthorized immigrants are not authorized to work and are ineligible for unemployment insurance. They are therefore not part of the unemployment insurance system's records and cannot be counted in the QCEW. It's an important undercount: Unauthorized immigration has doubled or tripled growth in the labor force. In contrast, the payrolls survey asks that employees be counted whether they are authorized to work or not. Because they don't omit the unauthorized workers, we believe payrolls are giving the more accurate count.

The result: payrolls are on track to be revised downward – but we believe that's not because payrolls are overcounting but because QCEW is undercounting employment.

Our note: Friday Finish – US Economics: Are Payrolls Overstated?

Exhibit 17: Employment growth is slower in the QCEW estimates than in payrolls



Source: Bureau of Labor Statistics, Morgan Stanley Research

Disclosure Section

The information and opinions in Morgan Stanley Research were prepared by Morgan Stanley & Co. LLC, and/or Morgan Stanley C.T.V.M. S.A., and/or Morgan Stanley Mexico, Casa de Bolsa, S.A. de C.V., and/or Morgan Stanley Canada Limited. As used in this disclosure section, "Morgan Stanley" includes Morgan Stanley & Co. LLC, Morgan Stanley C.T.V.M. S.A., Morgan Stanley Mexico, Casa de Bolsa, S.A. de C.V., Morgan Stanley Canada Limited and their affiliates as necessary.

For important disclosures, stock price charts and equity rating histories regarding companies that are the subject of this report, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures, or contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Research Management), New York, NY, 10036 USA.

For valuation methodology and risks associated with any recommendation, rating or price target referenced in this research report, please contact the Client Support Team as follows: US/Canada +1 800 303-2495; Hong Kong +852 2848-5999; Latin America +1 718 754-5444 (U.S.); London +44 (0)20-7425-8169; Singapore +65 6834-6860; Sydney +61 (0)2-9770-1505; Tokyo +81 (0)3-6836-9000. Alternatively you may contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Research Management), New York, NY 10036 USA.

Global Research Conflict Management Policy

Morgan Stanley Research has been published in accordance with our conflict management policy, which is available at www.morganstanley.com/institutional/research/conflictpolicies. A Portuguese version of the policy can be found at www.morganstanley.com.br

Important Disclosures

Morgan Stanley is not acting as a municipal advisor and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Morgan Stanley Research does not provide individually tailored investment advice. Morgan Stanley Research has been prepared without regard to the circumstances and objectives of those who receive it. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial adviser. The appropriateness of an investment or strategy will depend on an investor's circumstances and objectives. The securities, instruments, or strategies discussed in Morgan Stanley Research may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them. Morgan Stanley Research is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy. The value of and income from your investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. If provided, and unless otherwise stated, the closing price on the cover page is that of the primary exchange for the subject company's securities/instruments.

The fixed income research analysts, strategists or economists principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues (which include fixed income trading and capital markets profitability or revenues), client feedback and competitive factors. Fixed Income Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed by Morgan Stanley or the profitability or revenues of particular trading desks.

With the exception of information regarding Morgan Stanley, Morgan Stanley Research is based on public information. Morgan Stanley makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to tell you when opinions or information in Morgan Stanley Research change apart from when we intend to discontinue equity research coverage of a subject company. Facts and views presented in Morgan Stanley Research have not been reviewed by, and may not reflect information known to, professionals in other Morgan Stanley business areas, including investment banking personnel.

Morgan Stanley may make investment decisions that are inconsistent with the recommendations or views in this report.

To our readers based in Taiwan or trading in Taiwan securities/instruments: Information on securities/instruments that trade in Taiwan is distributed by Morgan Stanley Taiwan Limited ("MSTL"). Such information is for your reference only. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. Morgan Stanley Research may not be distributed to the public media or quoted or used by the public media without the express written consent of Morgan Stanley. Any non-customer reader within the scope of Article 7-1 of the Taiwan Stock Exchange Recommendation Regulations accessing and/or receiving Morgan Stanley Research is not permitted to provide Morgan Stanley Research to any third party (including but not limited to related parties, affiliated companies and any other third parties) or engage in any activities regarding Morgan Stanley Research which may create or give the appearance of creating a conflict of interest. Information on securities/instruments that do not trade in Taiwan is for informational purposes only and is not to be construed as a recommendation or a solicitation to trade in such securities/instruments. MSTL may not execute transactions for clients in these securities/instruments.

Morgan Stanley is not incorporated under PRC law and the research in relation to this report is conducted outside the PRC. Morgan Stanley Research does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. PRC investors shall have the relevant qualifications to invest in such securities and shall be responsible for obtaining all relevant approvals, licenses, verifications and/or registrations from the relevant governmental authorities themselves. Neither this report nor any part of it is intended as, or shall constitute, provision of any consultancy or advisory service of securities investment as defined under PRC law. Such information is provided for your reference only.

Morgan Stanley Research is disseminated in Brazil by Morgan Stanley C.T.V.M. S.A. located at Av. Brigadeiro Faria Lima, 3600, 6th floor, São Paulo - SP, Brazil; and is regulated by the Comissão de Valores Mobiliários; in Mexico by Morgan Stanley México, Casa de Bolsa, S.A. de C.V which is regulated by Comision Nacional Bancaria y de Valores. Paseo de los Tamarindos 90, Torre 1, Col. Bosques de las Lomas Floor 29, 05120 Mexico City; in Japan by Morgan Stanley MUFG Securities Co., Ltd. and, for Commodities related research reports only, Morgan Stanley Capital Group Japan Co., Ltd; in Hong Kong by Morgan Stanley Asia Limited (which accepts responsibility for its contents) and by Morgan Stanley Bank Asia Limited; in Singapore by Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z) and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H), regulated by the Monetary Authority of Singapore (which accepts legal responsibility for its contents and should be contacted with respect to any matters arising from, or in connection with, Morgan Stanley Research) and by Morgan Stanley Bank Asia Limited, Singapore Branch (Registration number T14FC0118J); in Australia to "wholesale clients" within the meaning of the Australian Corporations Act by Morgan Stanley Australia Limited A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents; in Australia to "wholesale clients" and "retail clients" within the meaning of the Australian Corporations Act by Morgan Stanley Wealth Management Australia Pty Ltd (A.B.N. 19 009 145 555, holder of Australian financial services license No. 240813, which accepts responsibility for its contents; in Korea by Morgan Stanley & Co International plc, Seoul Branch; in India by Morgan Stanley India Company Private Limited having Corporate Identification No (CIN) U22990MH1998PTC115305, regulated by the Securities and Exchange Board of India ("SEBI") and holder of licenses as a Research Analyst (SEBI Registration No. INH000001105); Stock Broker (SEBI Stock Broker Registration No. INZ000244438), Merchant Banker (SEBI Registration No. INM000011203), and depository participant with National Securities Depository Limited (SEBI Registration No. IN-DP-NSDL-567-2021) having registered office at 18th Floor, Tower 2, One World Center, Plot- 841, Jupiter Textile Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013, India Telephone no. +91-22-61181000; Compliance Officer Details: Mr. Tejarshi Hardas, Tel. No.: +91-22-61181000 or Email: tejarshi.hardas@morgan-

stanley.com; Grievance officer details: Mr. Tejarshi Hardas, Tel. No.: +91-22-61181000 or Email: msic-compliance@morganstanley.com; in Canada by Morgan Stanley Canada Limited; in Germany and the European Economic Area where required by Morgan Stanley Europe S.E., regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin) under the reference number 149169; in the United States by Morgan Stanley & Co. LLC, which accepts responsibility for its contents. Morgan Stanley & Co. International plc, authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, disseminates in the UK research that it has prepared, and research which has been prepared by any of its affiliates, only to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"); (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order; or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended) may otherwise lawfully be communicated or caused to be communicated. RMB Morgan Stanley Proprietary Limited is a member of the JSE Limited and A2X (Pty) Ltd. RMB Morgan Stanley Proprietary Limited is a joint venture owned equally by Morgan Stanley International Holdings Inc. and RMB Investment Advisory (Proprietary) Limited, which is wholly owned by FirstRand Limited. The information in Morgan Stanley Research is being disseminated by Morgan Stanley Saudi Arabia, regulated by the Capital Market Authority in the Kingdom of Saudi Arabia, and is directed at Sophisticated investors only.

The trademarks and service marks contained in Morgan Stanley Research are the property of their respective owners. Third-party data providers make no warranties or representations relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages relating to such data. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P.

Morgan Stanley Research, or any portion thereof may not be reprinted, sold or redistributed without the written consent of Morgan Stanley.

Indicators and trackers referenced in Morgan Stanley Research may not be used as, or treated as, a benchmark under Regulation EU 2016/1011, or any other similar framework.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (DIFC Branch), regulated by the Dubai Financial Services Authority (the DFSA) or by Morgan Stanley & Co. International plc (ADGM Branch), regulated by the Financial Services Regulatory Authority Abu Dhabi (the FSRA), and is directed at Professional Clients only, as defined by the DFSA or the FSRA, respectively. The financial products or financial services to which this research relates will only be made available to a customer who we are satisfied meets the regulatory criteria of a Professional Client. A distribution of the different MS Research ratings or recommendations, in percentage terms for Investments in each sector covered, is available upon request from your sales representative.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (QFC Branch), regulated by the Qatar Financial Centre Regulatory Authority (the QFCRA), and is directed at business customers and market counterparties only and is not intended for Retail Customers as defined by the QFCRA.

As required by the Capital Markets Board of Turkey, investment information, comments and recommendations stated here, are not within the scope of investment advisory activity. Investment advisory service is provided exclusively to persons based on their risk and income preferences by the authorized firms. Comments and recommendations stated here are general in nature. These opinions may not fit to your financial status, risk and return preferences. For this reason, to make an investment decision by relying solely to this information stated here may not bring about outcomes that fit your expectations.

Registration granted by SEBI and certification from the National Institute of Securities Markets (NISM) in no way guarantee performance of the intermediary or provide any assurance of returns to investors. Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

© 2024 Morgan Stanley