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GM returns to \$33 IPO price on optimism after 2-year slump

BY MELISSA BURDEN (excerpt)

General Motors Co.'s stock closed at \$33.42 a share Friday, up 3.18 percent and hitting its highest close in more than two years.

Friday's closing also beats the company's initial public offering price of \$33 in November 2010. ...

...The stock has been growing steadily since early this year, as GM's profitability and sales have been strong in the U.S. and China and as it has shown improved financial performance in Europe. A GM spokesman declined comment Friday on the stock performance.

Part of Friday's boost likely stems from the market overall and comes on Friday's news that European auto registrations rose slightly in April after months of declines.

Ford Motor Co.'s stock, meanwhile, also closed higher Friday, at \$15.08, up 3.01 percent. It marked the first time Ford shares closed above \$15 since May 2011. Chrysler Group LLC is not publicly traded. ...

...David Kudla, CEO and chief investment strategist with Mainstay Capital Management in Grand Blanc, also said the rebound in housing and pickup sales are aiding auto stocks.

"General Motors and Ford continue to be undervalued and underappreciated," he said Friday. "What they've done to shore up their balance sheet, growing sales in the U.S., the growth in specifically China, there's tremendous upside for these stocks." ...

...The Treasury Department still owns about 241.7 million shares of stock, but the government plans to exit GM completely by the end of March 2014. Treasury has recouped about \$30.4 billion from its \$49.5 billion bailout of the automaker.

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