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Carmakers, suppliers surge on market

BY BRYCE G. HOFFMAN (excerpt)

Detroit automakers and the major Michigan-based parts manufacturers that supply them outperformed the rest of the stock market in 2013, offering further proof of the industries' turnaround.

Shares in General Motors Co. closed up 38.9 percent for the year at \$40.04 on Friday, while Ford Motor Co.'s stock closed up 28.1 percent at \$16.59 a share. By comparison, the Dow Jones Industrial Average ended last week up 20.2 percent for the year; the S&P 500 Index was up 24.5 percent.

Not bad for a couple of companies that were fighting for their lives five years ago.

"It's been a tremendous turnaround," David Kudla, CEO of Mainstay Capital Management LLC in Grand Blanc, told The Detroit News. "We're seeing the strength of the Michigan auto industry in both GM and Ford."

Sales of new cars and trucks still have not returned to pre-recession levels in the United States, but they are getting closer each month. And analysts expect that trend to continue. ...

...Automakers are not the only companies benefiting from the rebound. Major Michigan-based suppliers have also seen their stock prices rise along with revenues. ...

...Kudla said suppliers that survived the recent downturn are doing well today.

"Those companies are seeing tremendous growth as the auto industry here in the U.S. and globally is expanding," he said.

Shares in Detroit-based American Axle & Manufacturing Holdings Inc. closed Friday at \$19.46, up 73.8 percent for the year, while Meritor Inc. of Troy, which supplies braking systems and controls and active safety systems, ended the week at \$7.85 a share, up 66 percent. Troy-based electronics supplier Delphi Automotive PLC closed at \$58.60 a share Friday, up 53.2 percent for the year. BorgWarner Inc. of Auburn Hills, whose products include powertrain components, closed at \$107.57 a share, up 50.2 percent. And shares in Van Buren Township-based Visteon Corp., maker of climate controls and other products, closed at \$78.43, up 45.7 percent.

But perhaps the most-watched auto stock in Michigan is one that is not publicly traded.

Shares in Chrysler Group LLC remain divided between Italy's Fiat SpA and a retiree health care trust run by the United Auto Workers. The UAW trust wants to take Chrysler public again and the company has filed the necessary paperwork with the U.S. Securities and Exchange Commission. However, it has postponed an initial public offering until 2014.