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## Will train station purchase help Ford Stock?

By Susan Tompor (excerpt)  
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No doubt, Ford's purchase of the old Michigan Central Station will transform Detroit's iconic landmark, along with a good stretch of Michigan Avenue.

Could all the excitement, though, work its way from Michigan Avenue to Wall Street? Will the out-of-the-boxy Glass House thinking put some spark in Ford's languishing stock price?

One might hope that Ford's creative commitment to Detroit could give investors more confidence in Ford's ability to transform its business, capture top talent and play a major role in the mobility market. After all, a cool campus in Detroit could rival work environments for places like Google and Apple.

For Detroiters, we're looking at an amazing next chapter in the city's revival, just five years after the city of Detroit filed for bankruptcy. ...

... Yet when it comes to Ford's stock price, other analysts say Ford's big story in Detroit is far less inspiring to investors.

"The real impact on the stock price, I think, will be negligible," said David Kudla, CEO for Mainstay Capital Management based in Grand Blanc.

As a long-term play, Kudla has no doubt that a campus setting in revamped Detroit offices in the old train depot will be attractive to younger talent. Many may find it far more affordable to live and work in the Detroit area than Silicon Valley. And in the long run, such a development could be a very good thing for Ford.

Ford's stock, though, faces other challenges in the near term. Kudla is neutral on Ford stock, while he'd recommend a buy on GM stock.

Ford stock has been basically in a trading range of around \$11 to \$12. Ford closed at \$12.11 a share on June 12. Adjusting for dividends, the stock is up about 14.5 percent in the past year.

Crosstown rival General Motors, by contrast, is up roughly 34 percent in the past year on an adjusted basis. GM closed at \$44.18 a share on June 12.

Much of the mobility story at Ford remains in a wait and see mode, Kudla said, while Wall Street views GM as a company that's gaining traction into the new frontier for self-driving technology.

"The parts are already coming together in meaningful ways at GM," Kudla said. We're long on GM leadership."

"And at Ford, what is it? What are the elements that are coming together? ...

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