

Ford stock has outperformed GM, FCA, Tesla in '19

By Ian Thibodeau (excerpt)

Ford Motor Co. shares have outperformed General Motors Co., Fiat Chrysler Automobiles and Tesla Inc. since the first of the year. Some experts say that's a sign that the Dearborn automaker is showing Wall Street the details they want to see. ...

... Ford also paid out roughly \$600 million to shareholders on March 1 as part of the regular 15 cents per share dividend. The stock performance comes as CEO Jim Hackett announced continued restructuring moves in Europe and China, and the automaker posted stronger U.S. sales than its competitors

"Ford this quarter is outperforming the competition," said David Kudla, CEO of Grand Blanc-based Mainstay Capital Management LLC. "They certainly did very well compared to their other big competitors on that market segment." ...

... "The legacy business has been good for Ford," Kudla said. "We've seen some clear vision. (Last year) there was action and strategy out of GM that we weren't seeing from Ford. "Well, we're seeing that now." ...

... The Detroit automakers are making money on big trucks and SUVs as U.S. consumers continue their swift departure from the sedan market, Kudla said. They also have fresh offerings coming. Tesla has aging product, it's selling fewer vehicles and the vision for the future is almost non-existent, Kudla said.

"This is as good as it gets for Tesla," said Kudla. "They have no new product in the pipeline to

speak of. They have a veritable wave of competition coming. Their product is waning now, and the competition hasn't even gotten here yet." ...

... But Hackett will have to continue rolling out his plan and the automaker will have to continue selling profitable trucks and SUVs if Ford wants the first-quarter momentum to continue, Kudla said.

"If we continue to see these types of developments, they're going to have a much better 2019," Kudla said. "We're seeing more of what Wall Street and investors wanted to see."

There are several moves expected in the first half of 2019 that could continue the momentum. Ford and VW have yet to announced specifics of a pending partnership on autonomous vehicles. The automaker is expected to finalize its salaried headcount reduction by the end of the second quarter.

Ford is at the peak of a product cycle that will refresh 75 percent of its lineup and introduce new vehicles by the end of 2020. The automaker will announced first-quarter earnings results at the end of April. Hackett has called 2019 a year of "execution." And he told The News he expects his direction for the company will become clear to critics this year.

"We're breaking through that crust," Hackett said. "Wall Street's on that list somewhere."

