



Auto Sales are Soaring, Why Aren't the Stocks?

Description

One of the big business stories of the day is the recently released North American auto sales figures from August. In a word, they were “spectacular”!

In the U.S., August was the best month for the industry in 6 years and 2013 sales are now on track to hit 16 million vehicles for the first time since 2007.

The story was similar on this side of the border as the seasonally adjusted annual sales rate hit 1.77 million vehicles in August. The previous record for annual Canadian sales was 1.73 million.

But in the face of these uber-bullish headlines, the stocks of the two publicly traded North American OEMs, namely **General Motors** ([NYSE:GM](#)) and **Ford** ([NYSE:F](#)), as well as the Canadian auto-parts suppliers, are having nice, but relatively ho-hum days.

At the moment, GM and Ford are up 1.6% and 1.8% respectively, while **Magna** ([TSX:MG](#)), **Martinrea** ([TSX:MRE](#)), and **Linamar** ([TSX:LNR](#)) are each currently up 1.5%, 0.5%, and 0.1%.

What gives?

Today's reaction by this collection of stocks could be an indication that the market is beginning to realize that it can't get much better in North America for these companies. Yes, business is booming, but these stocks have potentially priced most of this good news in.

In the table below, check out how each of the 5 stocks has performed over the past year:

Company Name	1 Year Performance
Magna	97.9%

Ford	79.8%
GM	68.0%
Linamar	67.1%
Martinrea	53.7%
S&P 500	18.0%

Source: Google Finance

Each has substantially outperformed the S&P 500 over this period and while price appreciation alone doesn't mean the run is ready to end, today's reaction has to at least make one stop and wonder.

The auto industry is cyclical. Today's boom could be tomorrow's bust. For a smoother ride to riches, [click here now](#) and we'll send you our special **FREE** report "[3 U.S. Stocks That Every Canadian Should Own](#)".

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Fool contributor Iain Butler owns shares of Martinrea. David Gardner owns shares of Ford. The Motley Fool owns shares of Ford.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:F (Ford Motor Company)
2. NYSE:GM (General Motors Company)
3. TSX:LNR (Linamar Corporation)
4. TSX:MG (Magna International Inc.)
5. TSX:MRE (Martinrea International Inc.)

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