

Michigan companies feel the pain as financial markets tumble

By Kalea Hall
(excerpt)

Detroit — On a day when the Dow Jones Industrial Average plunged 2,014 points — a 7.8% decline, the steepest drop since the financial crisis of 2008 — some Michigan stocks took an even harder beating.

As mounting fears over the coronavirus combined with a crash in oil prices sent a shudder through world markets on Monday, Marathon Oil Corp., which has a major refinery in Detroit, lost nearly half of its market value as its stock price declined 47%.

Detroit carmakers were hit hard, too. General Motors Co. had the steepest drop with its stock price off nearly 13.9% to close at \$24.69. Shares of Fiat Chrysler Automobiles NV dropped 10.9% to \$10.54. Ford Motor Co. shares fell 9.1% to \$5.90, marking the first time in a decade since Ford's share price was below \$6.

Michigan stocks on average were down 8.5%, according to a Detroit News analysis.

"The OPEC oil fallout over the weekend has cast a shadow on the U.S. and global economy," David Kudla, CEO of Grand Blanc-based Mainstay Capital Management LLC, said in a statement to The Detroit News. "Automakers tend to be susceptible to larger selloffs during times of heightened market uncertainty."

The staggering losses immediately raised fears that a recession might be on the way in the U.S. and the record-breaking 11-year bull market in the U.S. might be coming to an end. ...

© 2020 Detroit News.
Reprinted with permission