

auto**beat**

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TOYOTA AIMS FOR 300,000 HYBRID SALES NEXT YEAR. Toyota Motor Corp., which sold about 53,000 hybrid vehicles worldwide last year, aims to market 300,000 of them in 2005—a year earlier than previously planned—if it can find capacity to build that many, according to President Fujio Cho.

Cho declared the new sales target during the auto industry's annual Management Briefing Seminars under way this week in Traverse City, Mich.

Toyota has sold about 200,000 Prius hybrids since it introduced its first model in Japan in 1997, including 62,000 during the first half of 2004 alone.

The company is expected to sell about 50,000 of its Prius hybrid sedans in the U.S. this year and is expanding production capacity for the car in Japan. Toyota also sells hybrid vans and SUVs in its home market.

MITSUBISHI LOSSES GROW. Mitsubishi Motors Corp. reports a net loss of \$493 million for the April-June quarter, 7% larger than last year's loss. Sales revenue fell 8% to \$5 billion, depressed by bad publicity about product defect cover-ups and repeated recalls.

MMC's unit sales plummeted 60% in Japan and 51% in the U.S. last month. And the company now predicts it will sell 183,000 vehicles in North America rather than 233,000 this year. Nevertheless, the company is sticking with its forecast of a full fiscal year net loss of \$2.1 billion.

CHRYSLER RECALLS MINIVANS. Chrysler Group is recalling 831,000 of its 2002-2004 model year minivans to replace a power steering hose that could leak and cause an underhood fire.

The campaign covers Dodge Caravan and Grand Caravan and Chrysler Voyager and Town & Country mini-

vans equipped with V-6 engines. Chrysler plans to begin the recall in September.

Separately, Chrysler has begun a recall to reroute an alternator wire in 2,000 of its 2004 model Dodge Ram pickups with 4.7-liter engines. The wire could short-circuit and cause a fire.

FACTORY ORDERS UP. Factory orders were stronger than initially reported for May and surged above expectations in June, according to the U.S. Dept. of Commerce.

The department, which originally reported that factory orders for May fell 0.3%, now says orders actually rose by 0.4%. It also says June orders grew by 0.7%, beating analysts' forecasts. And it revised May's growth in demand for durable goods such as cars from 0.7% to 0.9%.

RUSSIA UNFREEZES OIL PRODUCER'S BANK ACCOUNTS. Yukos, the Russian oil company struggling to pay some \$3.4 billion in back taxes, says the Russian government will allow the company access to its bank accounts to pay operating expenses.

Last week Yukos warned it would suspend production this month unless the government relented. That announcement triggered record high oil prices on world markets.

Russia says Yukos owes \$3.4 billion in taxes for 2000, and it may charge the company as much as \$10 billion much more for taxes due in later years. So far Yukos has paid about \$700 million in back taxes.

OIL PRICES RETREAT. Oil prices subsided yesterday after setting record highs for three consecutive days.

Light crude futures closed at \$42.83 per barrel on the New York Mercantile Exchange, down \$1.32. Prices in

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London declined 94 cents to close at \$39.70.

Analysts attribute the retreat to two factors: indications that Russia's Yukos won't be forced to halt production after all and news from the U.S. that America's gasoline supplies have returned to normal levels for the first time this year.

BMW QUARTERLY PROFITS RISE 18%. BMW AG reports its second-quarter earnings rose nearly 18% to \$805 million vs. last year. Revenue improved 16% to \$14.3 billion. The company sold 316,000 vehicles, including Mini and Rolls-Royce cars, during the quarter.

Chairman Helmut Panke predicts BMW's full-year unit sales will exceed 2003 by a "high single-digit" percentage.

SALES UP, EARNINGS DOWN FOR DECOMA. Decoma International Inc., the Canadian supplier of auto exterior components, reports its year-on-year sales rose 13% to \$668 million in the second quarter.

But net income fell 27% to less than \$25 million for the period, eroded by customer pricing pressures, lower vehicle production volumes and unfavorable currency exchange rates.

Decoma warns its margins also will be depressed in the second half of 2004, although sales should continue to expand. The company predicts light-vehicle production

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will total 16 million in North America and 16.4 million in western Europe this year.

JULY IMPORT SALES SLIP IN JAPAN. Sales of imported vehicles in Japan declined 2% to 22,100 units in July, according to the Japan Automobile Importers Assn.

Total sales through the first six months remain slightly ahead of last year. Demand is down nearly 1% for vehicles made by foreign OEMs and up slightly for those assembled overseas by Japanese automakers and sold in Japan.

WEDNESDAY'S CLOSING STOCKS

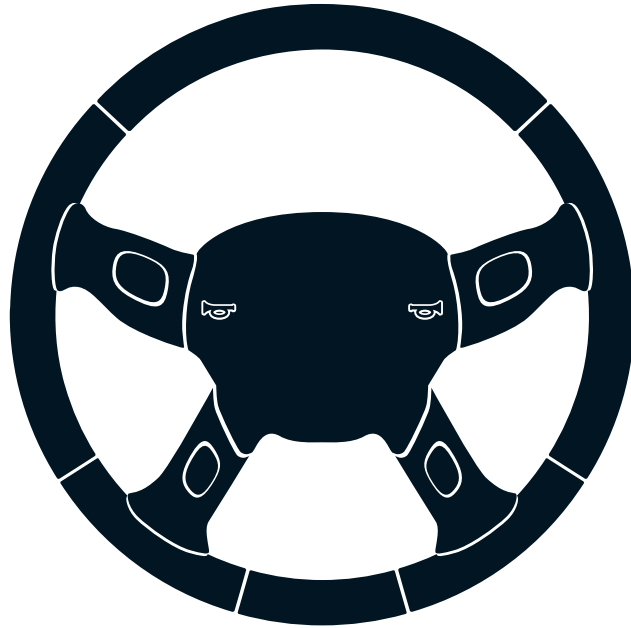
STOCK	SYMBOL	CLOSE	CHANGE	STOCK	SYMBOL	CLOSE	CHANGE
DOW		10,126.51	+6.27	General Motors	GM	43.13	+0.06
NASDAQ		1,855.06	-4.36	Gentex	GNTX	35.52	+0.05
American Axle	AXL	33.92	-0.58	Goodyear	GT	10.85	-0.14
ArvinMeritor	ARM	20.01	-0.14	Hayes Lemmerz	HAYZ	13.27	-0.17
Autoliv	ALV	41.84	-0.21	Honda	HMC	24.01	-0.06
BorgWarner	BWA	47.42	+0.84	Johnson Controls	JCI	56.08	-0.68
Cooper Tire	CTB	23.38	-0.11	Lear	LEA	54.29	-1.15
DaimlerChrysler	DCX	43.62	-0.27	Magna International	MGA	80.22	-0.18
Dana	DCN	18.85	-0.11	Nissan Motor	NSANY	21.31	-0.02
Delphi	DPH	9.42	-0.07	Tenneco Automotive	TEN	13.28	-0.08
Dura Automotive	DRRA	9.00	-0.15	Toyota	TM	78.24	-1.16
EDS	EDS	17.59	+0.14	TRW Automotive	TRW	20.15	-0.87
Ford	F	14.69	-0.02	Visteon	VC	10.01	+0.05

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