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## *daily*<sup>™</sup>

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**SEPTEMBER SALES RATE SHOULD TOP YEAR-AGO LEVEL.** Analysts predict September's sales pace for cars and light trucks in the U.S. will drop sharply from August's rate but inch ahead of year-ago levels.

They expect the annualized sales rate for September to be around 16.5 million units, down from an abnormal 19 million in August. Sales ran at an annualized rate of 16.3 million in September 2002, according to Autodata Corp.

The big question is whether foreign brands, which captured a record share of the US. market in August, can defend their gain in September. Analysts suspect they can. The industry reports monthly sales results on Wednesday.

**FACTORY ORDERS DIP.** Orders to American factories for durable goods, including cars, slipped by 0.9% in August, according to the U.S. Dept. of Commerce.

It was the first downturn in five months and came after the Commerce Dept. reported a 1.5% increase for factory orders in July.

The National Assn. of Manufacturing shrugged off the dip as a routine correction following two months of strong growth. Some economists speculate that last month's power blackout may have played a role in the slump.

**BIG THREE SUE TO BLOCK ASBESTOS LIABILITY TRANSFER.** Detroit's Big Three automakers have sued to block a plan that would transfer Honeywell International Inc.'s Bendix Friction Products unit and its asbestos liabilities to Federal-Mogul Corp., reports Dow Jones Newswires.

The transfer, agreed upon several months ago, aims to shield Honeywell from asbestos claims. Federal-Mogul filed for Chapter 11 bankruptcy protection two years ago because of such claims and proposes to set up a trust for

current and future asbestos claimants.

Like Federal-Mogul, Honeywell is a co-defendant with the car companies in thousands of asbestos lawsuits—most of them brought by mechanics who worked with asbestos-filled brake shoes and pads and who now are worried about existing or potential health effects.

Dow Jones says Honeywell, which has paid claimants \$388 million so far, faces 69,000 claims for personal asbestos injuries.

DaimlerChrysler, Ford and General Motors object to a consolidation of claims as "unlawful and invalid" but also because they might end up paying a larger portion of asbestos settlements.

**DCX TO INVEST \$600 MILLION IN ALABAMA SUV PLANT.** DaimlerChrysler AG intends to spend about \$600 million to double the annual capacity of its Mercedes-Benz M-Class SUV plant in Tuscaloosa, Ala., to 160,000 units.

The added capacity will be used for the next-generation M-Class and a new crossover vehicle, the Grand Sports Tourer, due in 2005.

**DOES TOYOTA HAVE A 10-YEAR LEAD IN HYBRIDS?** It just might, if it can drive down the cost of its automotive gasoline-electric hybrid technology, a Honda executive tells *Business Week*.

Noting the surge in demand for Toyota Motor Corp.'s new second-generation Prius hybrid sedan, *BW* points out in a commentary that the company will follow up with more models next year, including a hybrid Lexus 330 SUV. That's about the same time U.S. automakers will roll out the first of their first-generation hybrids.

Even so, hybrids aren't likely to capture more than a microscopic portion of total vehicles sales for many years.

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The primary challenge: Nobody is making money on hybrids yet, in part because of the low sales volumes but mostly because their dual power source architecture is inherently more costly than a conventional piston-powered drivetrain.

**LINCOLN DEBUTS BLUETOOTH PHONE LINK.** Ford Motor Co. is offering a system in 2004 Lincoln models that automatically detects certain cell phones and lets them be used hands-free through the vehicle's audio system.

Dubbed "Mobile-Ease," the \$399 system works with cell phones equipped with short-range wireless Bluetooth technology. It can be used with up to five Bluetooth-equipped phones, automatically detecting them within a few seconds after they are brought into the vehicle.

Voice recognition software allows users to dial their phone verbally. The feature recognizes commands in English, American Spanish and French Canadian.

**HONDA TO TEST FUEL CELL CARS IN SAN FRANCISCO.** Honda Motor Co. is supplying two FCX hydrogen-powered fuel-cell vehicles to the city of San Francisco for fleet tests.

Honda leased the first of four of the four-passenger cars to Los Angeles last December. That was about the same time Toyota Motor Corp. delivered its first of several prototype fuel-cell-powered SUVs to two campuses of the

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University of California.

Both companies also are placing a handful of the vehicles into government and business fleets in Japan.

**U.S. GASOLINE PRICES DOWN ANOTHER 2 CENTS.** Gasoline prices begin this weekend at an average \$1.62 per gallon, down two cents from midweek, according to the AAA Daily Fuel Gauge Report.

Prices are now about 22 cents per gallon higher than they were a year ago but 12 cents below their level at the beginning of the month.

THURSDAY'S CLOSING STOCKS

STOCK	SYMBOL	CLOSE	CHANGE
DOW		9,343.96	-81.55
NASDAQ		1,817.24	-26.46
American Axle	AXL	30.16	-0.43
ArvinMeritor	ARM	20.48	-0.03
Autoliv	ALV	30.49	-0.24
BorgWarner	BWA	69.83	-1.51
Cooper Tire	CTB	16.65	+0.03
DaimlerChrysler	DCX	35.66	-0.13
Dana	DCN	15.65	+0.15
Delphi	DPH	9.33	+0.13
Dura Automotive	DRRA	9.70	-1.01
Eaton	ETN	91.36	+0.09

STOCK	SYMBOL	CLOSE	CHANGE
EDS	EDS	20.34	-0.13
Ford	F	11.15	-0.11
General Motors	GM	40.79	-0.03
Gentex	GNTX	35.19	-0.76
Goodyear	GT	6.77	-0.37
Honda	HMC	21.09	+0.23
Johnson Controls	JCI	95.75	-0.77
Lear	LEA	53.62	-0.04
Magna International	MGA	72.55	-1.14
Tenneco Automotive	TEN	6.60	-0.23
Toyota	TM	60.50	-0.22
Visteon	VC	6.76	-0.14

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