

German Stocks Advance, Paced by MAN, Siemens and ThyssenKrupp

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By Stefanie Haxel

Jan. 4 (Bloomberg) -- Germany's benchmark stock index climbed to its highest for more than four years. ThyssenKrupp AG, Germany's largest steelmaker, advanced for a second day after raising its bid for Canada's Dofasco Inc.

The benchmark DAX Index advanced 0.9 percent to 5507.5 at 3:26 p.m. in Frankfurt, its highest since August 2001, with 22 of its 30 members rising.

MAN shares rose 4.3 percent to 46.4 euros, after climbing as much as 4.9 percent to a record.

"The business trend is very optimistic," said Karsten Oblinger, an analyst at DZ Bank in Frankfurt who has a "buy" rating on the stock. "Investors are doing some picking and helping other engineering shares rise as well."

Siemens AG gained 2.7 percent to 74.85 euros. UBS analysts led by Michael Hagmann increased their share-price estimate for the country's largest engineering company by 15 percent to 86 euros.

IVG Immobilien AG (IVG GY) rose to a record, adding 32 cents, or 1.7 percent, to 19.43 euros. Germany's largest commercial real-estate company gained for a third day.

"If you look at the share price compared with the net asset value, IVG is undervalued in comparison to other European real estate stocks and has the potential to catch up," said Andre Huesemann, an analyst at SRC Research.

--With reporting by Benedikt Kammel and Jeremy van Loon in Berlin. Editor: Campbell (drw) Story illustration: For the biggest gainers and losers on the DAX Index, see {DAX <Index> MOV <GO>}. Click {TNI EUROWRAP <GO>} for European stock and bond summary stories.