READING THE METER®

A look inside a cleaner, safer, smarter auto industry.

ALLIANCE FOR AUTOMOTIVE INNOVATION

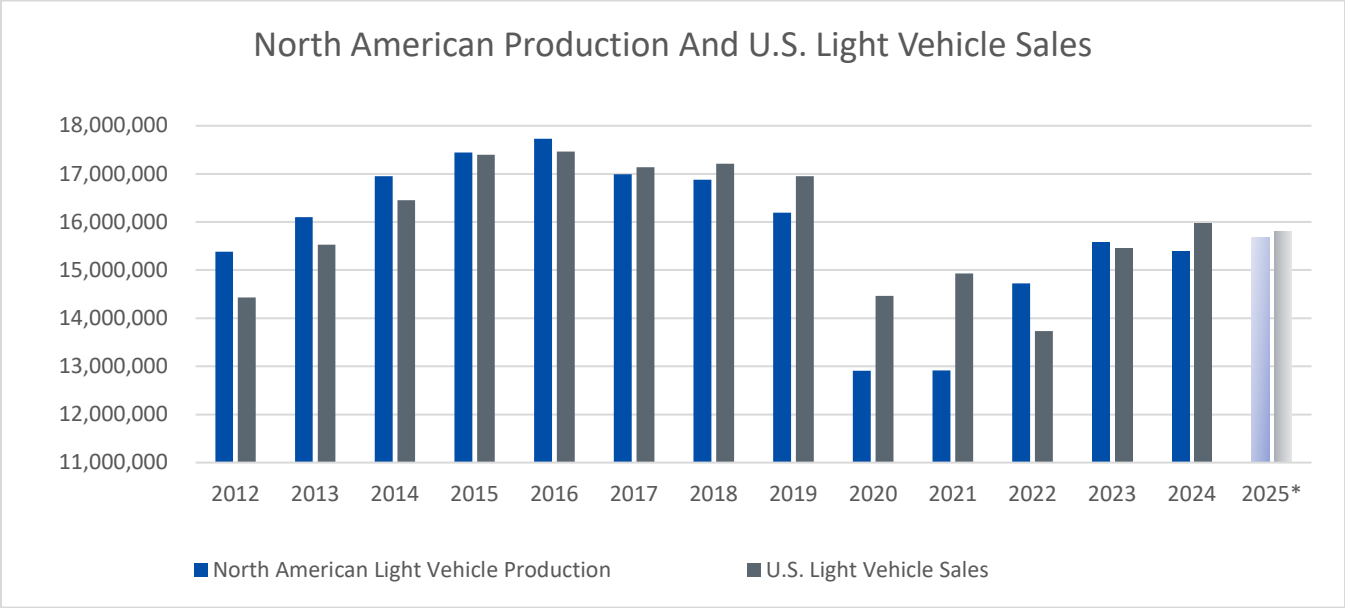
Sponsored by: Hogan Lovells

Contents – October 22, 2025

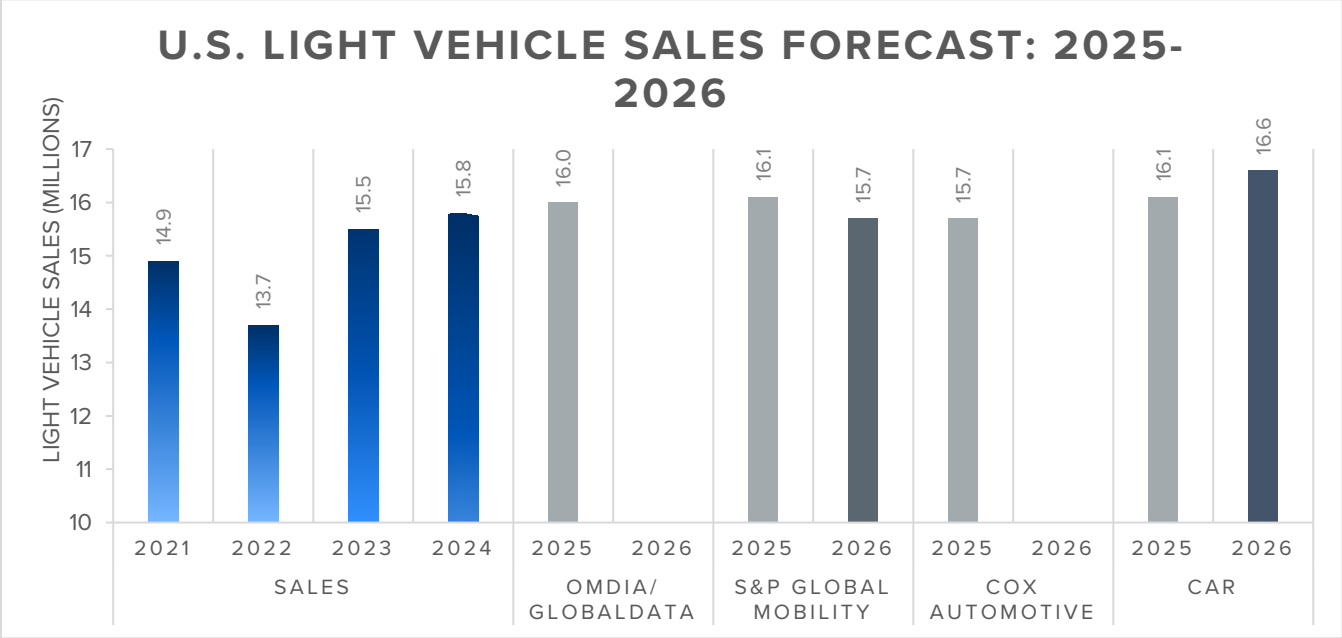
Forecast Meter

Sales & Production Summary and Forecast (Updated 10/22)

2024-2025 Sales,[1] Extended Sales Forecast[2] and Production Forecasts[3]		
	U.S. Sales & Forecasts	North American Production
January '24	1,076,047 (-1.3% YoY)	1,327,765 (+7.8% YoY)
February '24	1,247,516 (+5.2% YoY)	1,358,836 (+10% YoY)
March '24	1,438,012 (+4.6% YoY)	1,414,502 (-5.7% YoY)
April '24	1,313,512 (+0.6% YoY)	1,473,567 (+15.9% YoY)
May '24	1,429,028 (+0.8% YoY)	1,485,373 (-1.7% YoY)
June '24	1,321,932 (-3.4% YoY)	1,346,584 (-6.1% YoY)
July '24	1,273,115 (-2.0% YoY)	1,117,833 (-4.4% YoY)
August '24	1,419,245 (+3.8% YoY)	1,428,177 (+32.6% YoY)
September '24	1,169,908 (-1.4% YoY)	1,399,608 (+0.8% YoY)
October '24	1,325,263 (+2.4% YoY)	1,506,154 (+7% YoY)
November '24	1,360,060 (+5.8% YoY)	1,331,155 (-3.1% YoY)
December '24	1,488,577 (+6.1% YoY)	972,571 (-11.2% YoY)
January '25	1,110,721 (+3.8% YoY)	1,194,682 (-7.1 YoY)
February '25	1,219,841 (+3.4% YoY)	1,290,302 (-8.7% YoY)
March '25	1,585,390 (+10.7% YoY)	1,424,691 (+1.5% YoY)
April '25	1,463,379 (+6.8% YoY	1,338,714 (-8.2% YoY)
May '25	1,466,595 (-1.3% YoY)	1,419,834 (-2.4% YoY)
June '25	1,254,418 (-4.2% YoY)	1,331,187 (0.03% YoY)
July '25	1,370,061 (+6.6% YoY)	1,197,801 (+7.9% YoY)
August '25	1,454,685 (+6.8% YoY)	1,425,340 (-1.5% YoY)
September '25	1,250,274 (+2.3% YoY)	1,358,730 (+1.3% YoY)
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Forecast	16,000,000	15,670,000



U.S. Light Vehicle Sales Outlook (Updated 10/22)



Omdia (Formerly Wards Intelligence) Outlook (10/3)[4]: "The sales gains will likely end in October. In fact, after all the pull-ahead volume earlier in the year, sales may literally tank over the entire fourth quarter.

With tariff-induced above-average price increases expected across the board on the ’26 models now rolling out, and the end of the EV credit, how much sales drop off is the big question. There are also potential economic and political headwinds that could stall growth.

“A gradual rebound in November and December could follow the October nosedive, as consumers digest prices on ’26 models, and if automakers respond with higher incentives, especially with the end-of-year holiday season, traditionally a time for offering deals. Also, while October likely will record the first YoY volume decline in 12 months, it is possible that demand does not fall off the shelf from the annualized rate of 16.4 million units recorded in the first nine months of 2025 to a level, for example, under 15 million.

“Although a lot of ’26 prices have yet to be announced, so far, what has been announced is not cause for severe sticker shock. Average increases to date appear closer to a range of around 5%, which would still be above average for new model-year changes but below the 10–15% figures mentioned in the spring when tariffs were first announced. Also, a significant mix of ’25 models remain on dealer lots, and their prices will not rise. Indeed, some high-volume ’26 models are just starting to be shipped from factories or are not yet in production.

“Another positive aspect of October’s results is that orders in September for battery EVs that were not in stock—an allowance for consumers to take advantage of the $7,500 EV tax credit, which expired at midnight on September 30—will be counted as a sale when they are delivered to the customer.

“Still, there is a low level of certainty heading into 4Q. The fourth quarter is likely to set the tone for 2026, not just by its raw results, but by specifically gauging consumer reaction to higher prices and the response automakers make to a major decline in sales. For automakers, if demand falls far enough, the decision will be whether to reignite the market with retail incentives to maintain volume or to cut production.

Omdia Automotive (formerly Wards Intelligence) Full Year Outlook:[5] “Sales are expected to total 16.0 million units in 2025, which puts the 4Q outlook at a 15.3 million seasonally adjusted annual rate. Inventory is forecast to remain below year-ago levels through the end of the year. The bottom line is that there is as much upside as downside risk to the 4Q outlook.”

North American Production & Inventory Outlook (Updated 10/22)

Omdia Production Outlook (10/22)[6]**:** “Fourth-quarter production of light vehicles and medium- and heavy-duty trucks together is tracking to 3.661 million units, 2.8% below 4Q24’s 3.767 million. The outlook is slightly below month-ago’s projection for the period of 3.663 million.

“Estimated production in October of 1.449 million units is unchanged from last month’s outlook for 4Q, as upward revisions at several automakers offset the estimated 17,000 units that will be lost due to temporary plant shutdowns caused by a fire at aluminum-supplier Novelis.

“Known slowdowns at Ford and Stellantis currently are scheduled for just October, but could extend into November, and the list of vehicle assembly plants affected by the Novelis closure could increase, including spreading to other manufacturers. Estimated October losses at Ford total 12,000 units, while Stellantis is expected to lose 5,000. All the plants known to be affected are in the US.

“Also looming in the background in 4Q is a potential disruption in the supply of semiconductors for North America-built vehicles. Geopolitics between China, Europe, and the US could lead to a stoppage of semiconductors from supplier Nexperia, a major supplier to the automotive industry based in the Netherlands

that builds most of its chips in China. Automakers reportedly have been told Nexperia cannot guarantee shipments due to restrictions placed on it by the China government.

"Little of the lost October production is expected to be made up this year, even if the supply disruptions are fully alleviated by November. Assuming Novelis could also produce enough parts to make up for the lost output on top of just getting back to normal schedules, automakers might have to keep plants open during normal end-of-year holiday shutdowns to recoup lost output.

"Also, with demand expected to decline in 4Q due to the fallout from US trade policy, automakers, depending where each thinks the market is headed, might decide not to make up all lost output."

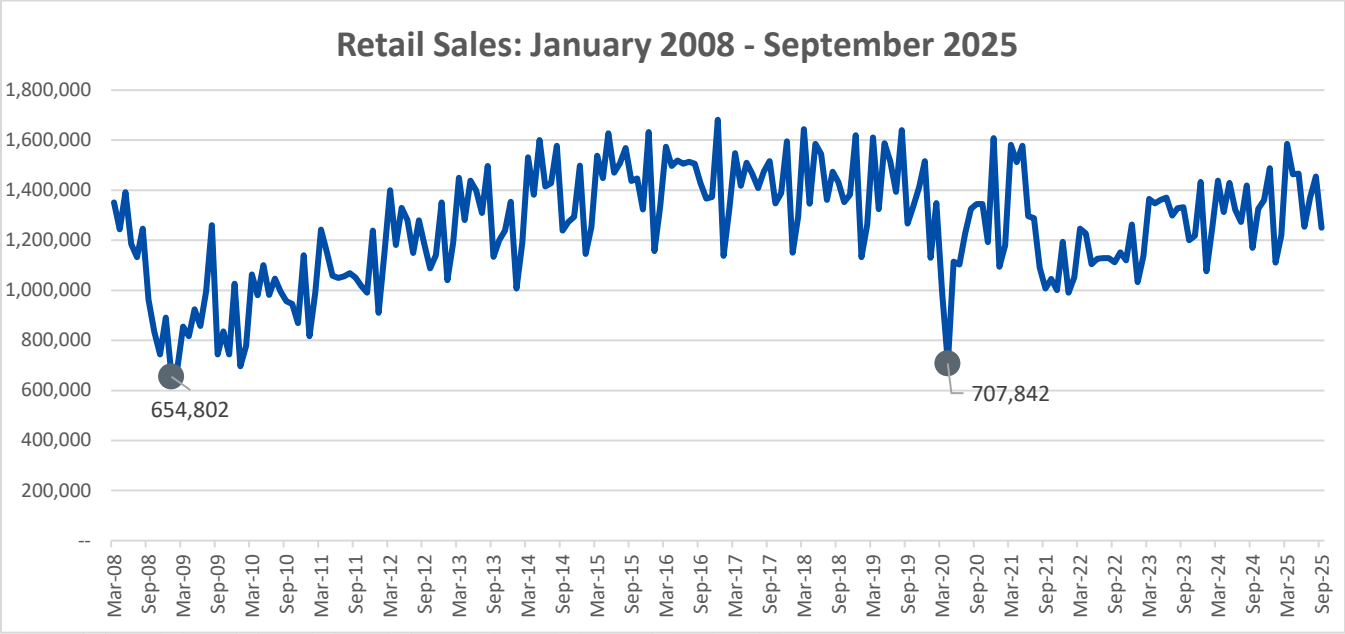
S&P Global Mobility Outlook (10/22)[7]: "The outlook for North America light vehicle production was reduced by 7,000 units and increased by 85,000 units for 2025 and 2026, respectively (and reduced by 2,000 units for 2027). The short-term outlook for the rest of 2025 remains flat, down only marginally totaling 15.14 million units with the recent fire at a Novelis aluminum plant near Oswego, New York contributing to a reduced outlook most notably at Ford who is the largest customer for the facility. Based on our assessment, the key risk appears to be potentially more cost-related rather than a significant loss of production volume. Given the importance of the F-Series lineup, we expect the company will take every measure to sustain output. Our current analysis points to an estimated loss of 25,000-50,000 units in fourth quarter production for T3-based pickups and SUVs that rely heavily on Novelis aluminum supply. The October forecast reflects Ford T3 platform volume being revised down at the lower end of that range. We will continue to monitor the situation and provide updates as new information becomes available. The outlook for 2026 was revised higher by 0.6% with the pull ahead of Toyota RAV4 production in the US accounting for half the increase. Additional support comes from remaining pockets of vehicles in need of inventory restocking, though volatility surrounding the US government shutdown and its short-term effects on the economy in addition to evolving trade policies present risk."

Market Meter

U.S. Light Vehicle Sales (Updated 10/3)

Monthly Sales (Updated 10/3)

This chart helps to put into context the monthly retail sales due to the COVID pandemic and showing the relative drop in sales compared to the 2008 financial crisis.



Monthly Sales (Updated 10/3)

Omdia (formerly WardsIntelligence)[8]: "As expected, US light-vehicle sales posted another strong year-over-year gain in September as consumers hit dealer lots ahead of potential above-average price increases in October and because it was the final month to secure the government subsidized $7,500 EV credit.

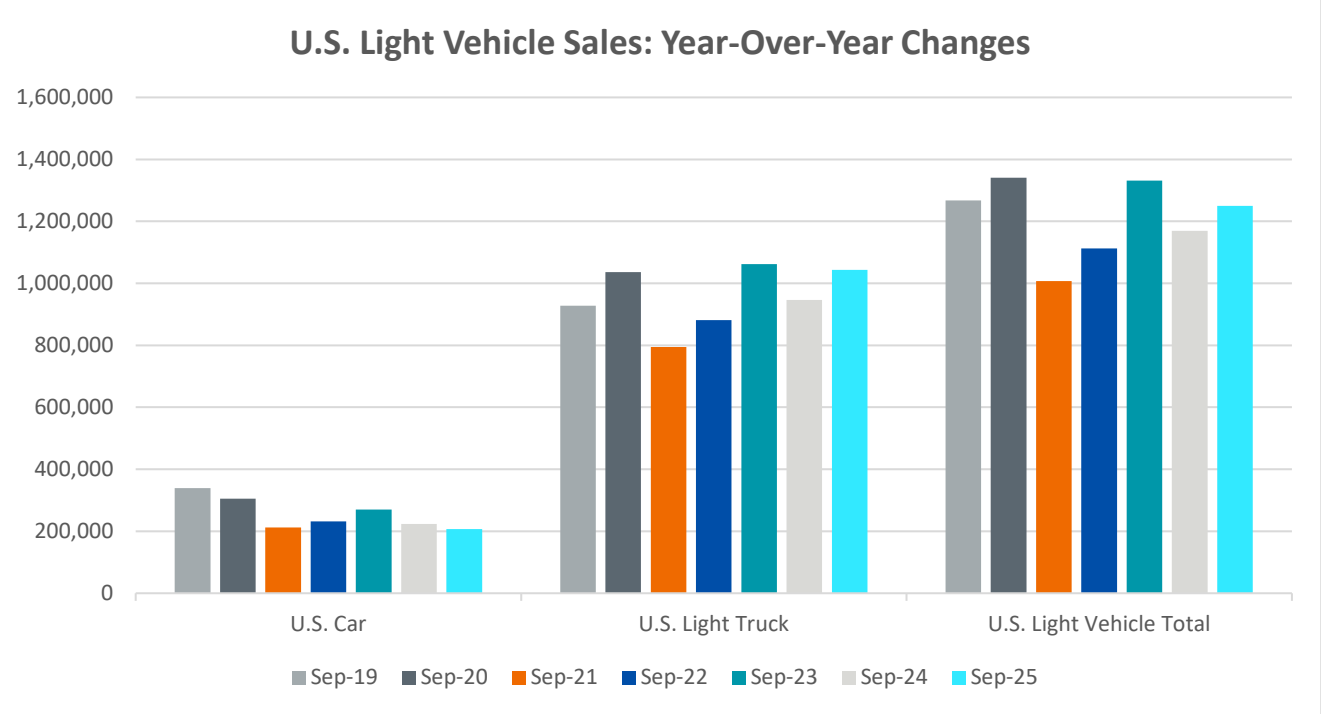
"Raw volume totaled 1.250 million units, up 6.7% from September 2024's 1.172 million.

The seasonally adjusted annual rate declined slightly to 16.4 million units from August's 16.5 million, but was well above September 2024's 15.8 million. (Note: Last month, the Bureau of Economic Analysis released revised historical factors used to calculate the SAAR beginning with January 2020. Thus, some totals, including August 2025, are slightly changed from those previously reported.)

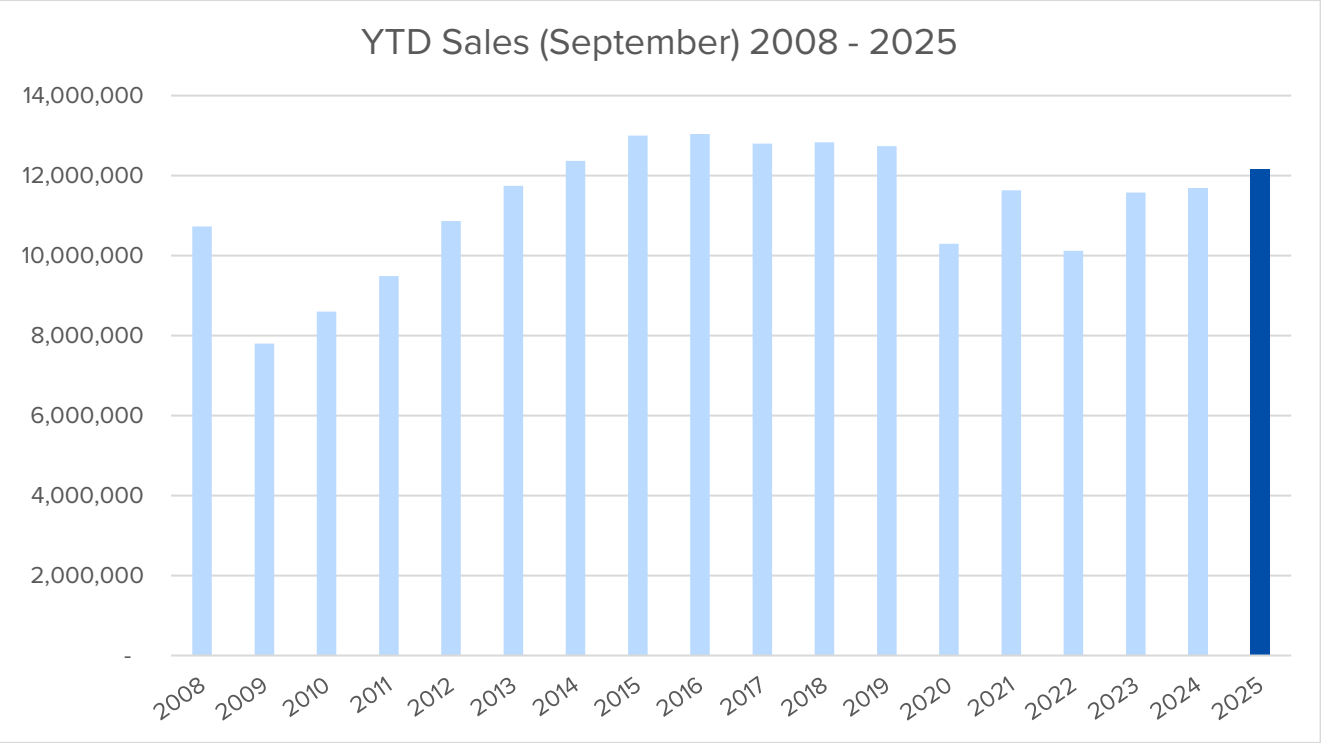
"The 3Q SAAR totaled 16.5 million units, up from 2Q's 16.2 million and same-period 2024's 15.7 million. The calendar year-to-date total through September is 16.4 million, compared with 9-month 2024's 15.7 million.

"Raw volume in 3Q totaled 4.102 million units, 6.0% above 3Q-2024's 3.870 million.

"Retail volume in September continued the strength it has recorded throughout 2025, rising an estimated 3.7% year-over-year. After rising 14.2% in August, the first increase in 2025, fleet deliveries declined an estimated 4.3% in September."



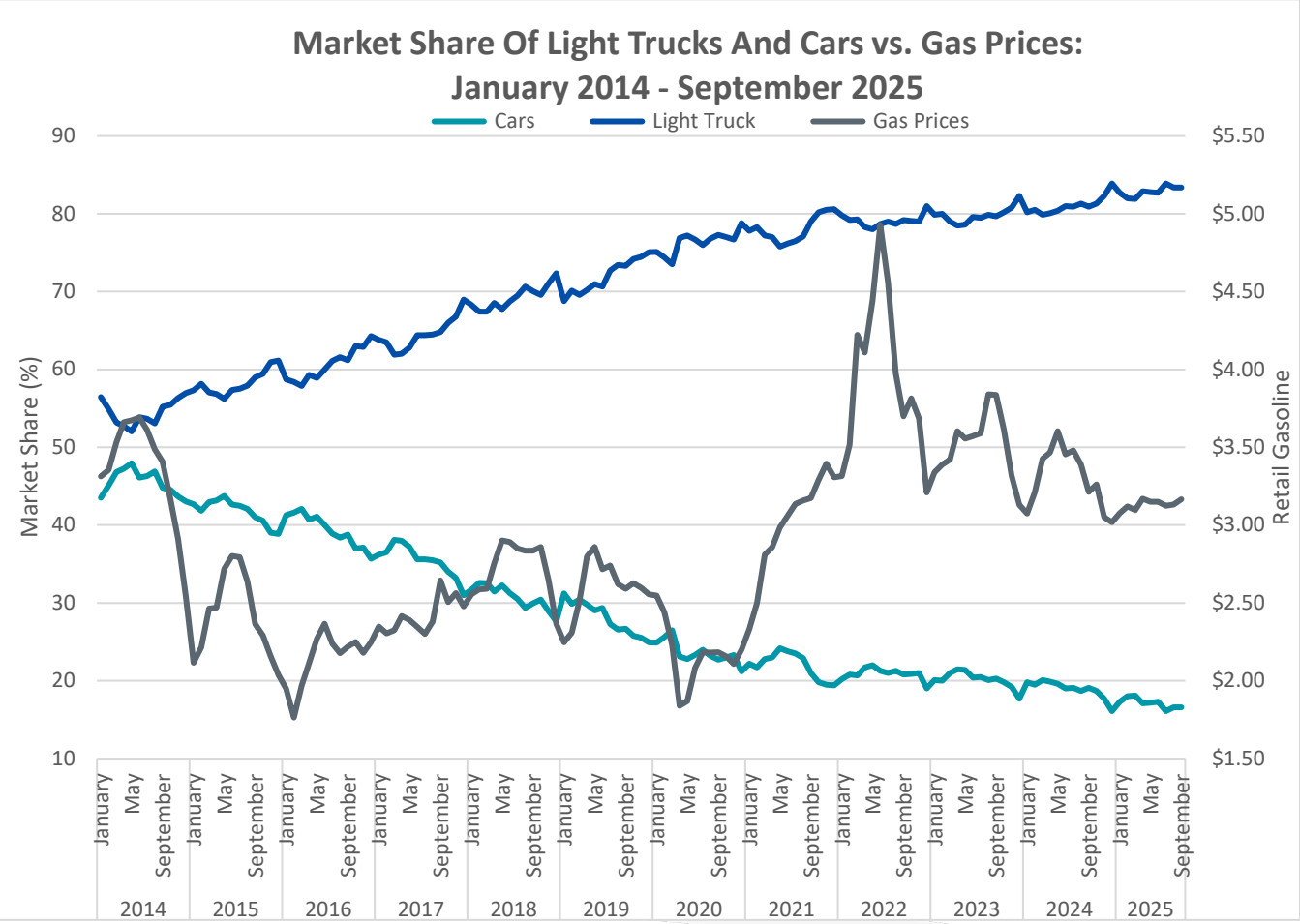
Calendar year-to-date sales through September totaled 12.2 million units, up 4.2 percent from 2024's 11.7 million.



Segments vs. Gas Prices (Updated 10/3)

Monthly Sales: Light trucks accounted for 83.4 percent of sales in September, up 2.5 percentage points from the market share a year ago. Compared to the same period in 2024, sales of cars are down 16,277 units, and down more than 132,000 from September 2019, when cars comprised 27 percent of the market as opposed to the 16.6 percent of the market passenger cars have now.

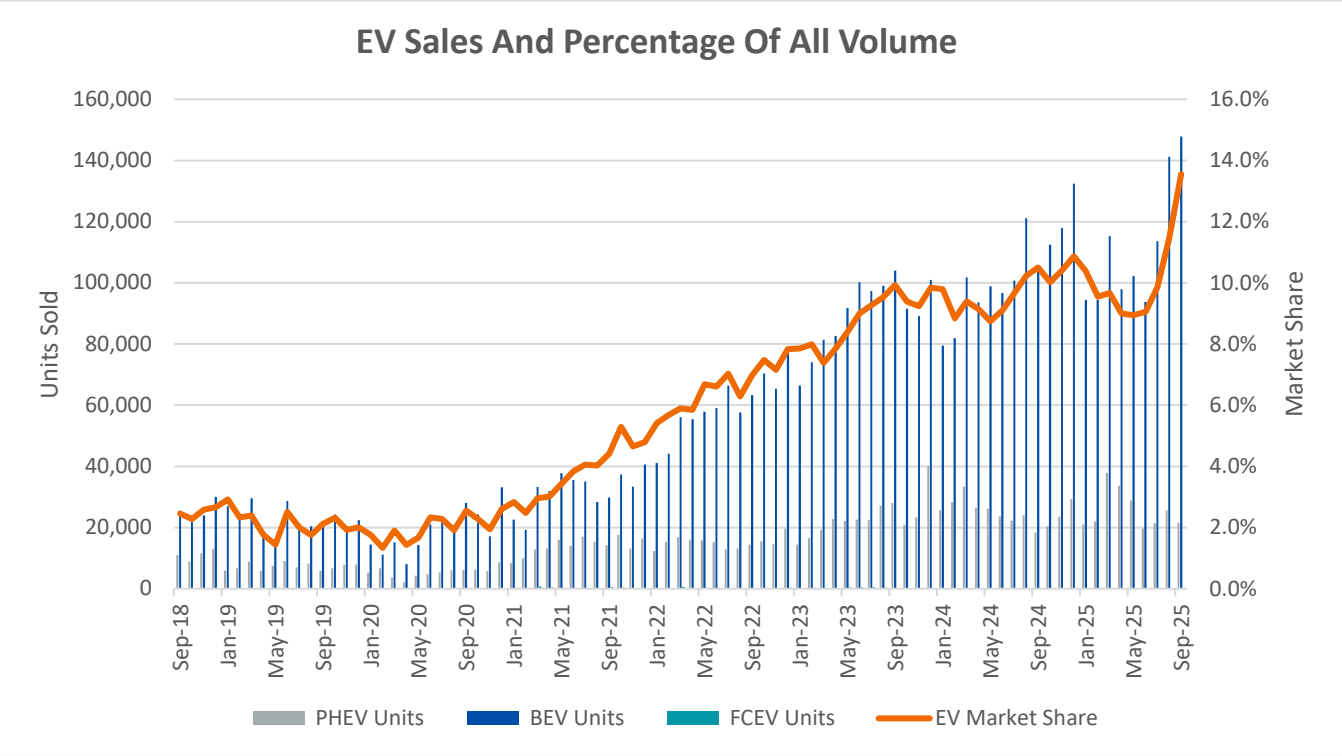
Historic Perspective: The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments[9] and gas was over $3.00[10] a gallon. As fuel prices dropped below the $3.00 mark in mid-September 2014, light truck sales began to take off. Gas prices since have averaged only $2.84 a gallon (through August 2025) and when combined with increased fuel economy for light trucks, an increase of 4 mpg since 2013, the perfect conditions existed to continue fueling light truck market growth.[11]



EV Powertrain Sales (Updated 10/3)

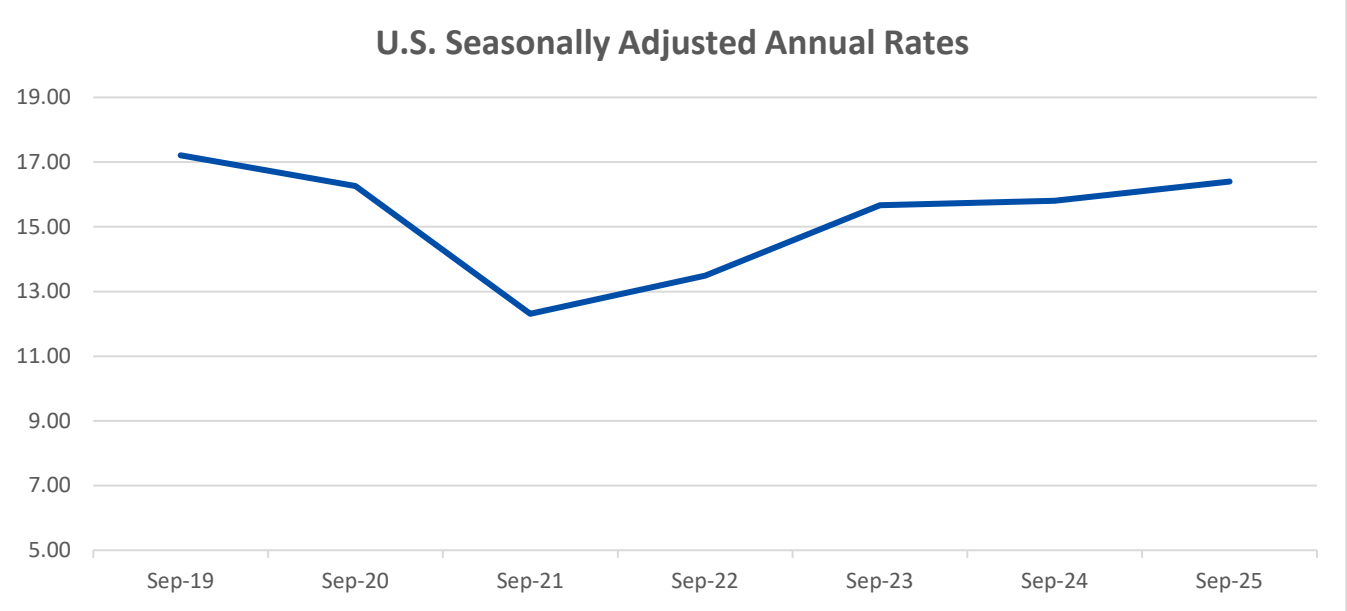
Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 13.6 percent of total vehicle sales in September 2025 (169,432) – an all-time high for both market share and volume, per Omdia estimates. Market

share increased 2.1 percentage points (pp) from August 2025. September's EV market share is up 3.1 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 11.8 percent of total sales, up 2.9 pp from September 2024. Plug-in hybrids accounted for 1.7 percent, up 0.1 pp from the same time last year. Hybrid market market sharewas 11.6 percent – and for the first in more than two years, was lower than the BEV market share.



Seasonally Adjusted Annual Rates (Updated 10/5)

Omdia (formerly WardsIntelligence)[12]: "The seasonally adjusted annual rate declined slightly to 16.4 million units from August's 16.5 million, but was well above September 2024's 15.8 million. (Note: Last month, the Bureau of Economic Analysis released revised historical factors used to calculate the SAAR beginning with January 2020. Thus, some totals, including August 2025, are slightly changed from those previously reported.)"



Average Transaction Price (Updated 10/22)

J.D. Power (Updated 9/26)[13]: "The average new-vehicle retail transaction price in September is expected to reach $45,795, up $1,310 or 2.9% from September 2024. The average manufacturer incentive per vehicle is on track to reach $3,116, an increase of just $24 from August, and a decrease of $3 from a year ago. Expressed as a percentage of MSRP, incentive spending is at 6.1%, a decrease of 0.2 percentage points from a year ago."

Kelley Blue Book (September) (10/22)[14]: "In September, the average transaction price (ATP) of a new vehicle in the U.S. was above $50,000 for the first time, according to new estimates released today by Kelley Blue Book. New-vehicle prices have risen steadily for more than a year, with the pace of the increases accelerating in recent months. Despite higher prices, retail sales continue to maintain a healthy pace.

"The new-vehicle ATP was $50,080 in September, marking the first time it ever exceeded the $50,000 mark. The ATP last month was up 2.1% from August and was higher year over year by 3.6%. The annual gain of 3.6% in September was the largest gain since the spring of 2023, but aligned with the long-term average of ATP inflation.

"Incentive spending increased in September to 7.4% of ATP, or approximately $3,700. Incentive levels in September were at the highest point in 2025, up from 7.2% of ATP in August. A year ago, in September 2024, incentive levels were equal to 7.3% of ATP.

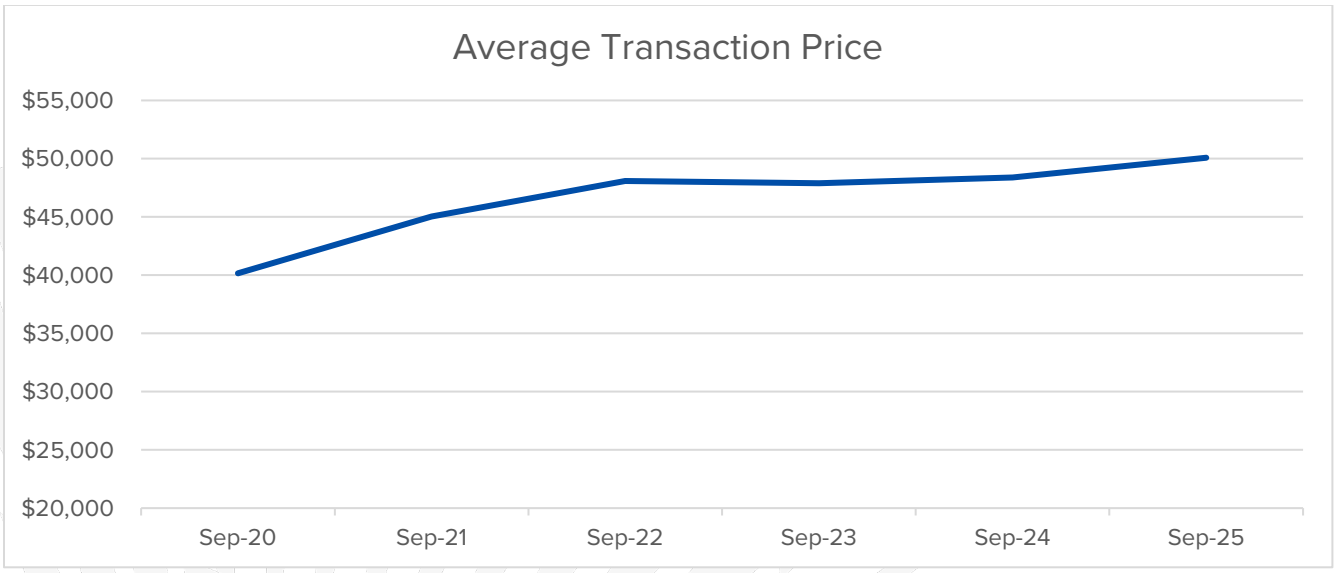
"As 2026 model year product arrives on dealer lots, the average new-vehicle manufacturer's suggested retail price (MSRP) – commonly called "the asking price" – also reached a new record-high in September of $52,183. The MSRP last month was higher by 4.2% year over year, an increase above the long-term average.

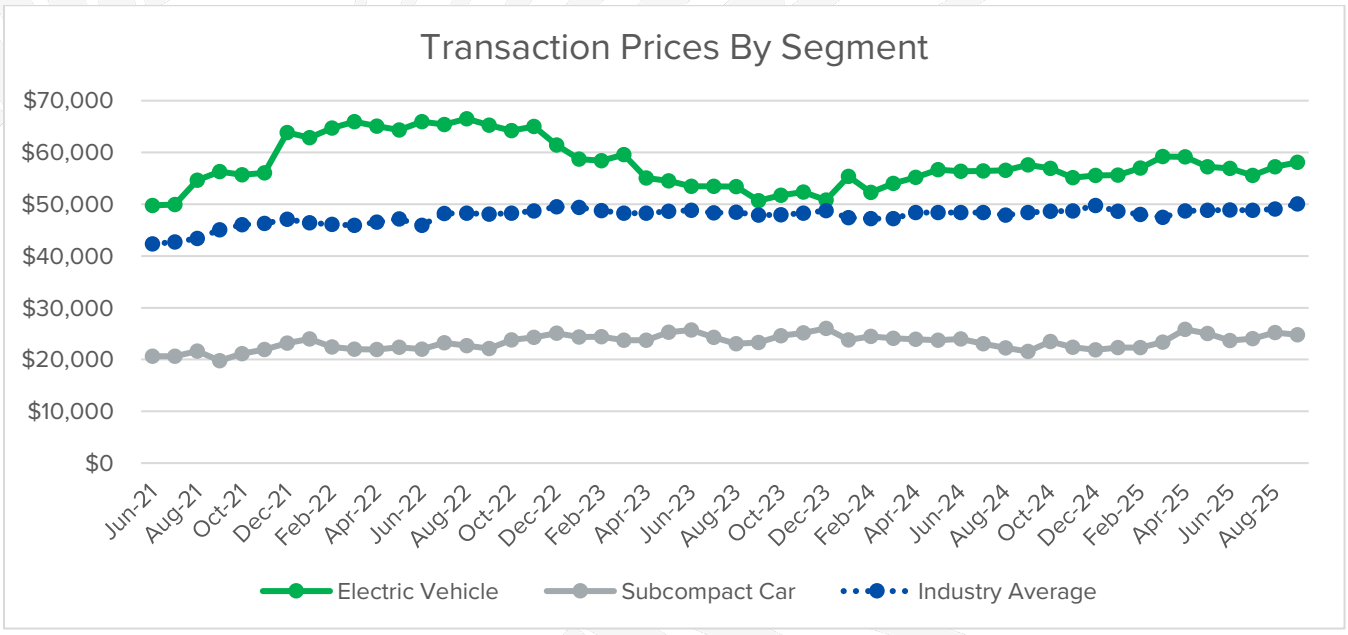
"A rich mix of luxury vehicles and expensive EV models likely helped push the ATP into record territory last month. Kelley Blue Book is initially estimating the electric vehicle share of the U.S. market in September at

11.6%, a record high. The electric vehicle ATP last month was $58,124, up 3.5% from the revised lower EV ATP in August.

“The initial estimate of the EV average transaction price in September was $58,124, up 3.5% from the revised-lower ATP in August. Year over year, EV prices remained mostly unchanged, lower by 0.4%.

“At 15.3% of ATP (nearly $8,900), EV incentives in September were lower compared to August. A year ago, EV incentives averaged 13.0% of ATP.”



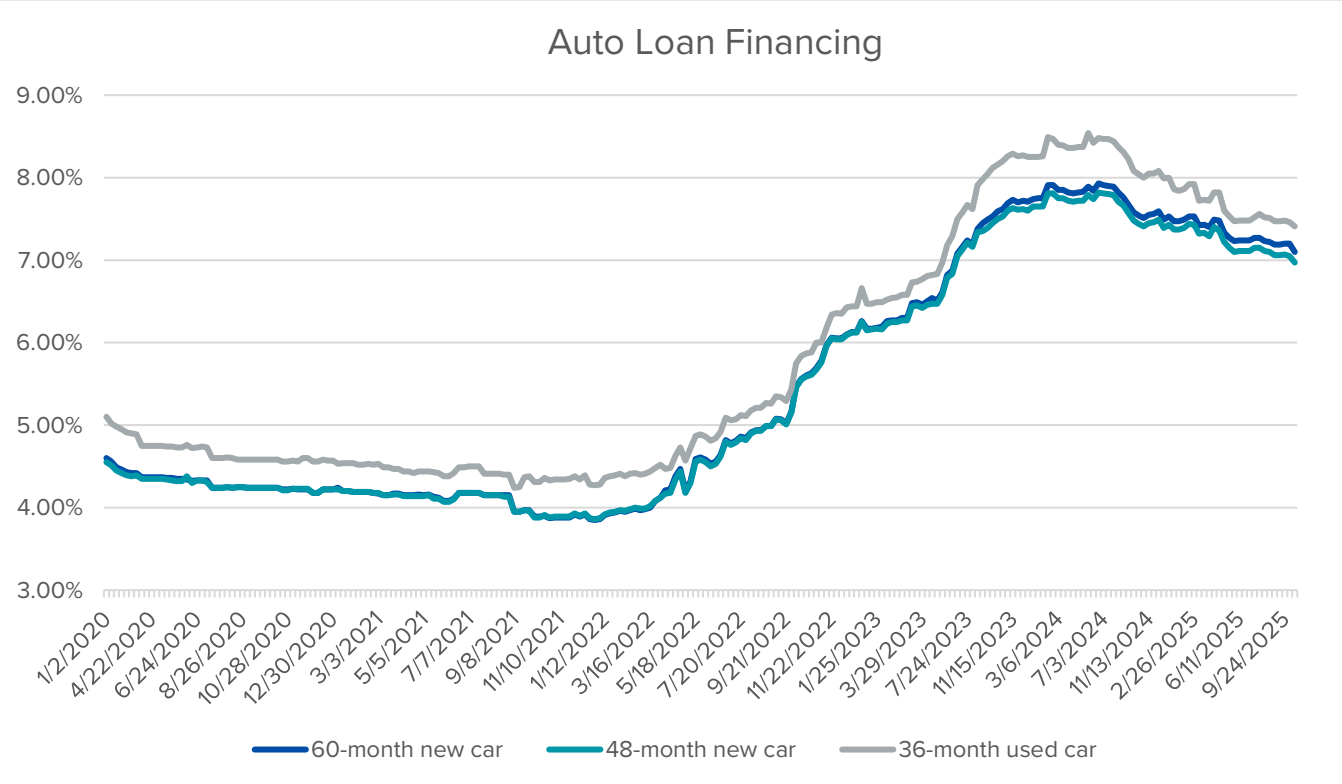


Auto Loan Financing (Updated 10/22)

JD Power (9/26)[15]: "Average monthly finance payments are on track to reach $756, an increase of $21 from September 2024, and the highest on record for the month of September. In response, more buyers are opting for extended 84-month loan terms, which are expected to account for 11.0% of finance sales this month—the second-highest level on record for September."

Interest Rates Lowest Since Mid-2023 (updated 10/22): Interest rates continued their gradual decline, decreasing slightly on the 60-month, 48-month new car and 36-month used vehicle loans over the past two weeks. Rates now stand at 7.10%, 6.97%, and 7.41%, respectively. Since the beginning of 2020, 60-month rates are up 2.50 pp, and are down 0.44 pp since the same time a year ago.[16]

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
10/16/2024	7.54%	7.44%	8.04%
10/8/2025	7.20%	7.05%	7.46%
10/22/2025	7.10%	6.97%	7.41%
Two Week Change	-0.10%	-0.08%	-0.05%
Change since 1/3/20	2.50%	2.42%	2.31%
One Year Change	-0.44%	-0.47%	-0.63%

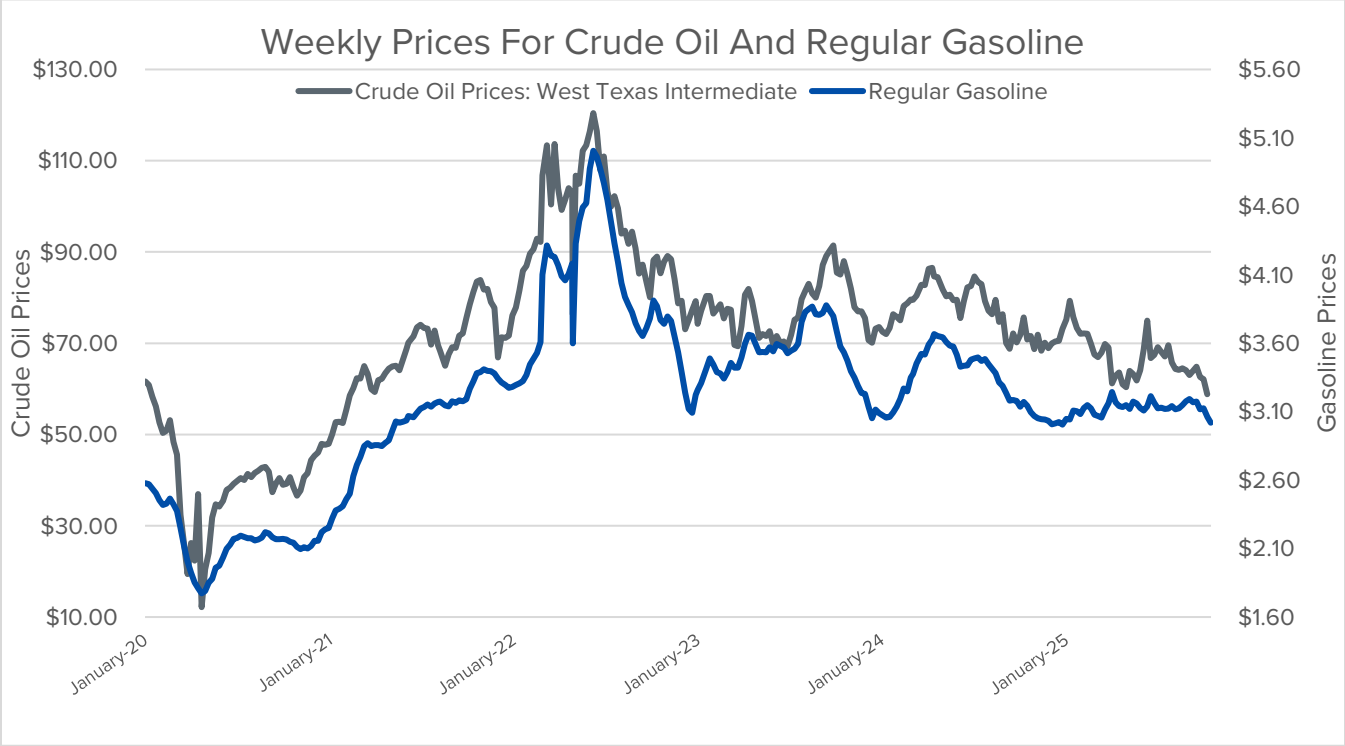


Crude Oil and Gas Prices (Updated 10/22)

Oil and Gas Continue to Moderate (10/3):[17] Oil prices, as benchmarked at West Texas Intermediate were $58.80 at the middle of October, down $17 from the same time a year ago. Since election day 2024, oil prices are down $10 a barrel. Gas fell to $3.01 a gallon, the lowest price since December 2024. Gas is 17 percent higher than the beginning of 2020 and has not been below $3 a gallon since May 2021.

EIA Outlook For Oil (8/21):[18] "We expect the Brent crude oil price will average $67 per barrel (b) this year, down from $81/b in 2024, and we expect it will fall to an average of $51/b in 2026."

EIA Outlook For Gasoline (10/3)[19]**:** "We forecast regular-grade gasoline prices will average around $2.90 per gallon in 2026 and gasoline consumption will average 8.9 million b/d. Forecast expenditures will average less than 2% of disposable income and will differ across the United States depending on region, household income, and driving habits. Households with older, less efficient vehicles, those that drive more, or those in regions of the country with higher gasoline prices, will spend more than those households with more efficient vehicles, those that drive less, or those in regions with lower gasoline prices."



Production Meter

North American Production (Updated 10/22)

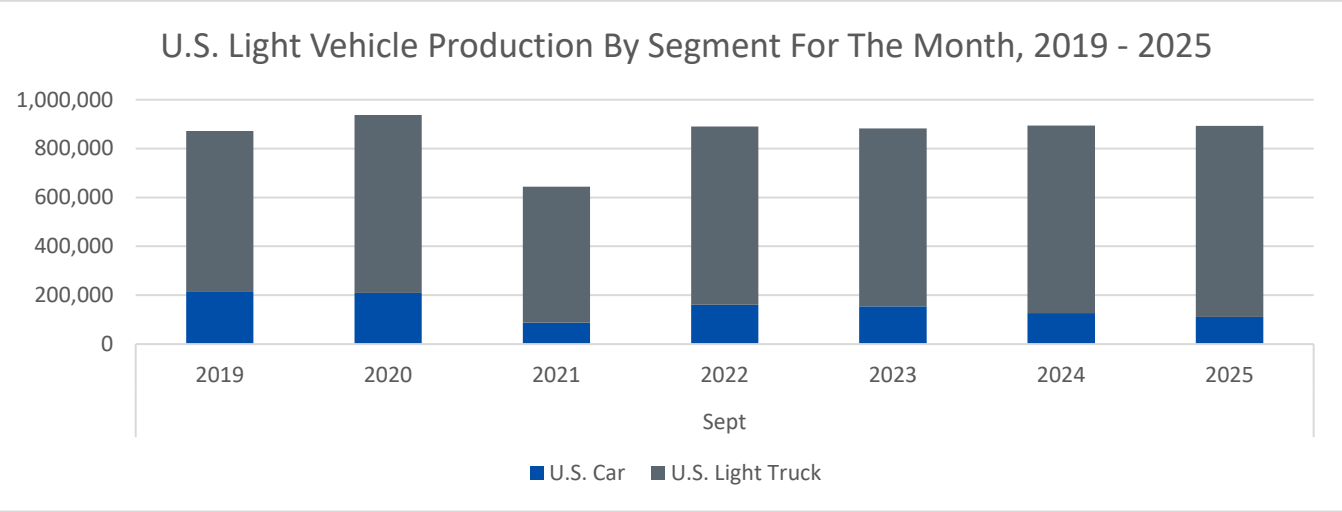
Wards Intelligence[20]: "Production ended 3Q on a strong note, with September totaling 1.397 million units, 0.7% above same-month 2024. September's total was 57,000 units above month-ago's outlook for the

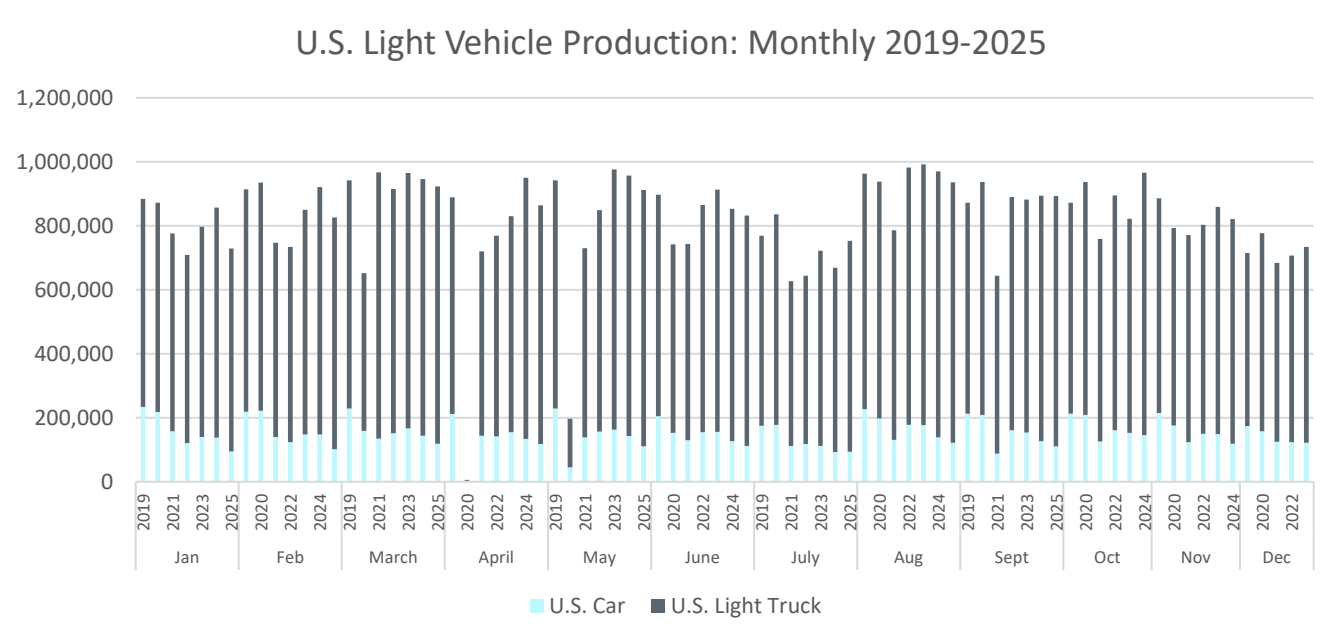
period. Production in 3Q25 totaled 3.993 million units, 1.2% above 3Q24. It was the first quarter since 2Q24 to record a year-over-year gain."

U.S. Light Vehicle Production (Updated 10/22)

U.S. Monthly Production

U.S. Light vehicle production for September was down 4.1 percent month-over-month, totaling 892,772 vehicles (110,582 cars; 782,190 light trucks), year-over-year, production is up 3.9 percent from 2024.[21]

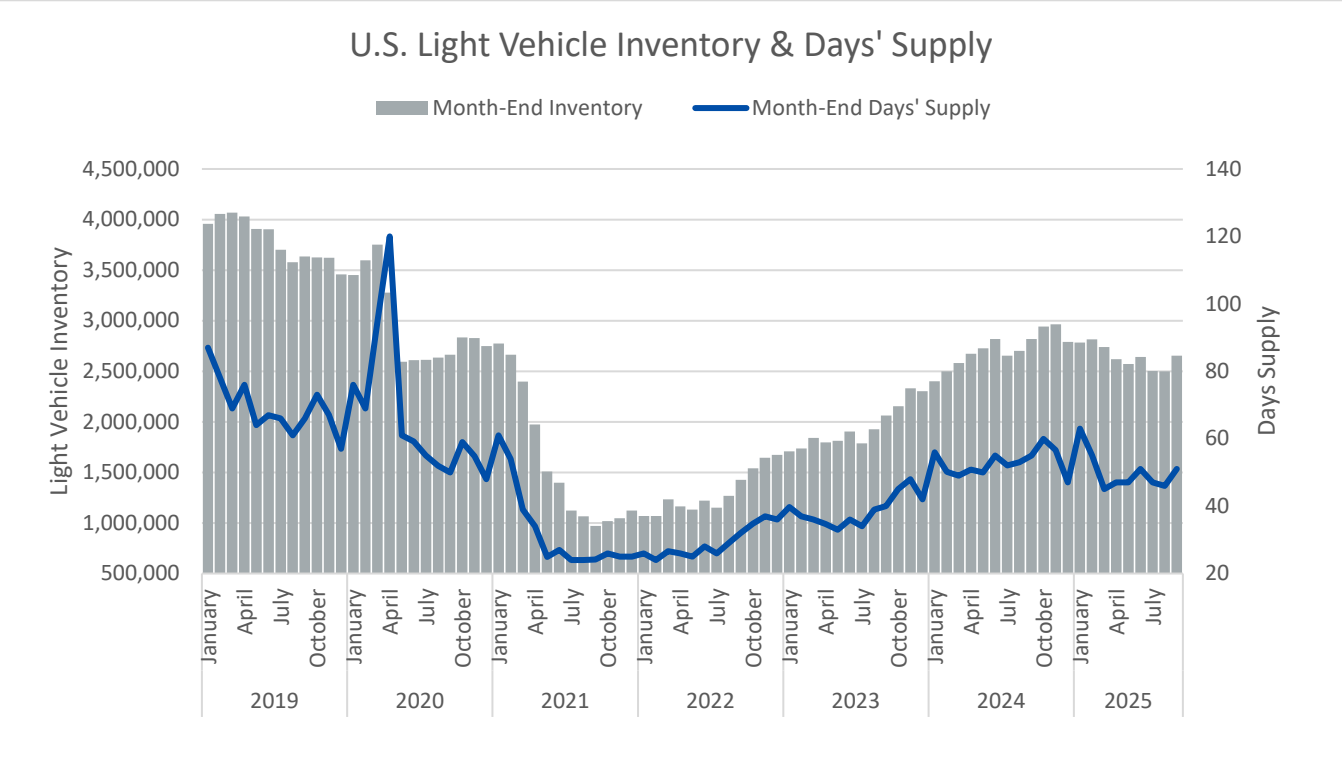




U.S. Light Vehicle Inventory and Days' Supply (Updated 10/3)

WardsIntelligence Inventory Update (10/3)[22]: "US light vehicle inventory rose 6.2% in September from August to 2.654 million units, 5.9% below the prior-year total of 2.821 million. The total was slightly above forecast, boosted by an 8.2% month-over-month increase in North America-built, or domestic, vehicles, while import inventory fell 3.4%. The significant increase in domestic inventory aligns with the sector's rising sales mix, which began in April, culminating in September's 79.6% market penetration—the highest for the month since the same total in 2004.

September marks the sixth consecutive month inventory finished below the year-ago period, including for both the domestic (down 3.7%) and import (down 15.9%) sectors.



Global Meter

Global Light Vehicle Sales (Updated 9/26)

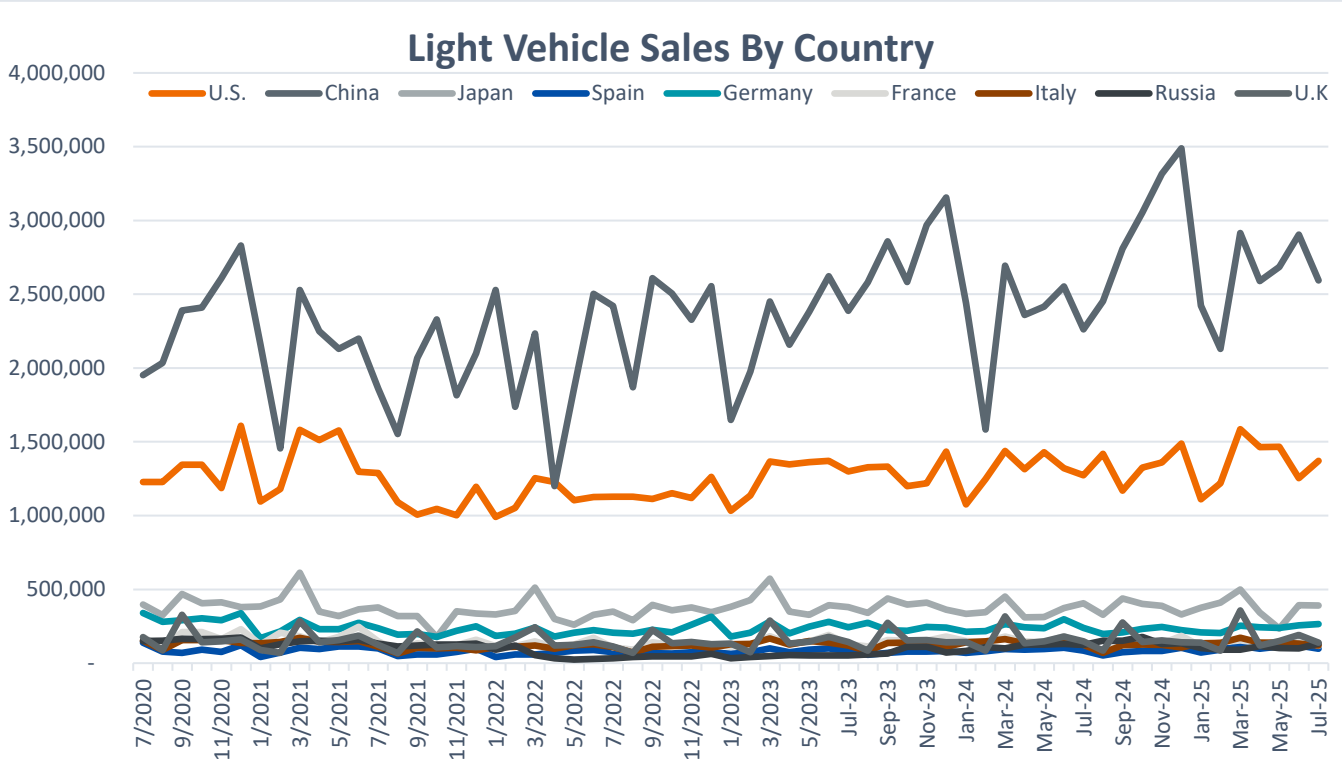
Wards Intelligence[23]: "Global sales of light vehicles and medium- and heavy-duty trucks combined increased year-over-year for the 10th straight month in July, with all major region's posting gains for the first time in 2025.

"Deliveries in July totaled 8.048 million units, 7.0% above same-month 2024's 7.521 million. Calendar year-to-date sales through July totaled 55.804 million, up 5.0% from 8-month 2024's 53.132 million.

"As in June, strength in Asia & Oceana and South America—up 8.7% and 9.7% year-over-year, respectively—led global growth.

"Also, for the second straight month, China, the largest global market, was mostly behind the gain in the Asia & Oceania region.

"Demand in China rose 13.8% from July 2024, with global market share rising to 32.8% from the year-ago total of 30.8%. Excluding China, Asia & Oceania sales in July rose a meager 0.3% year-over-year, with market share falling to 17.3% from same-month 2024's 18.4%."



Global Light Vehicle Production (Updated 9/26)

S&P Global Mobility Forecast (9/26)[24]: "The outlook for the global auto industry has improved somewhat, particularly for North America and Greater China, among other regions. While markets continue to navigate evolving US trade actions and other regional dynamics, the actions and reactions of industry participants influence our forecast revisions for this month. Our assumptions regarding tariffs remain largely intact; however, automakers' strategies in mitigating the impacts are becoming more apparent. Companies are increasingly spreading the cost/price impact pragmatically across markets and are adjusting content, trim and mix accordingly. Additionally, automakers in the US are benefitting from not facing emissions penalties and the need to purchase regulatory credits. The net effect is we are not expecting consumers to bear as much of

the burden by way of major price increases, which results in an improved demand and production outlook through the near-term. The September forecast update reflects a mix of mostly upgrades in the near-term as we adjust to reflect the ongoing impacts of a rather variable trade environment as well as other regional dynamics. Of note, upgrades are particularly concentrated on Greater China given the strength in vehicle sales as well as robust export activity. Also, North America upgrades reflect stronger production as automakers adjust to and mitigate the cost of tariffs rather than pass them on to consumers in the near-term. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was increased by 78,000 units and by 117,000 units for 2025 and 2026, respectively (and increased by 31,000 units for 2027). The positive revisions for this month are primarily related to an improved demand outlook for countries like Germany, France, Austria and Turkey. In addition, there is a positive effect stemming from some relief on the US export front that is expected to benefit premium OEMs in Europe. Finally, we are also adjusting our assumption around inventories which no longer anticipates the need for material destocking next year. While production has been upgraded through the near-term, the forecast for EV production has been downgraded further on lingering demand challenges. Of note, the upward revisions for this month's update were distributed across a variety of ICE models, particularly for Volkswagen.

"Greater China: The outlook for Greater China light vehicle production was increased by 390,000 units and by 223,000 for 2025 and 2026, respectively (and increased by 120,000 units for 2027). Despite a traditional seasonal summer downturn, the mainland China light vehicle market maintained steady momentum in August 2025. According to the CPCA, passenger vehicle production achieved over 2.4 million units and double-digit year-on-year growth, mainly driven by government trade-in subsides, relaxed auto loan policies, domestic demand recovery and increasing exports. The new strengthened NEV subsidy policy and an ongoing "price war" have further motivated potential consumers in the entry level market and in rural areas. According to the CPCA, new energy passenger vehicle industrial output posted 24% year-on-year growth, leading to a 52% penetration rate in August. Car dealers are preparing for the "golden autumn" season with increased inventory and faster turnover strategies, but prices are under pressure from new model launches and supply chain fluctuations. According to the CDCA, the passenger vehicle inventory level has remained at 1.31 in August. Looking to 2026, the outlook for Great China production was increased given support from subsidy extensions and a generally constructive demand outlook. The market remains influenced by policy measures and innovation, although the industry must navigate competitive pressures and economic uncertainties to sustain growth.

"Japan/Korea: While full-year 2025 Japan production was only modestly upgraded this month, full-year 2026 production was upgraded by 75,000 units. This is primarily related to plans by Toyota to expand production of the new RAV4 and push exports to markets other than (and in addition to) the US to mitigate the negative impact from US tariffs. Long-term volumes were downgraded by an average of around 48,000 units per year. This is primarily related to rebalancing of Subaru Crosstrek production between Japan and the US. It was increased in the US to help mitigate the impact of US auto tariffs. Full-year 2025 South Korea production was upgraded by 18,000 units. Since the new government took office in June, domestic demand has been steadily recovering, and exports have also increased as other regions have made up for the decline in exports to the US due to tariffs. Meanwhile, as Korean OEMs are expected to raise vehicle prices in the US at a lower-than-expected rate, production forecasts for 2026 and 2027 were upgraded by 50,000 units and by 37,000 units, respectively

"North America: The outlook for North America light vehicle production was increased by 212,000 units and by 337,000 units for 2025 and 2026, respectively (and increased by 244,000 units for 2027). The forecast for 2025 production in North America was revised higher by 1.4% totaling 15.15 million units amid continued strength in production planning and the ongoing effects of a measure of pull-ahead demand. The outlook for

the fourth quarter of 2025 was revised higher by 4.8% or 162,000 units to a projected 3.55 million units. Revised demand settings result in the outlook for US sales in 2026 being revised higher by 2.2% or 337,000 units totaling 15.69 million units while the 2025 outlook increased by 1.6% or 259,000 units totaling 16.02 million units. US sales for 2027 were revised higher by 1.5% or 242,000 units to 15.89 million units. As a result, the forecast for 2026 North American production was revised higher by 2.4% to 14.66 million units. The increased outlook is most prominent in the first half of 2026 that was previously more heavily discounted on economic and tariff impact concerns. The outlook for 2027 was revised higher by 1.6% to 15.56 million units driven by a stronger demand outlook coming out of a still relatively weak 2026 and the continued localization of vehicles into the region, including Hyundai onshoring Palisade production in 2027 (which sold around 122,000 units over the trailing 12-month period in the US).

"South America: The outlook for South America light vehicle production was reduced by 11,000 units and by 44,000 units for 2025 and 2026, respectively (and increased by 10,000 units for 2027). The outlook for 2025 was downgraded modestly primarily related to Argentina where imports are increasingly impacting sales of domestically built vehicles. In comparison, the forecast for Brazil remained mostly stable despite a somewhat lower than expected performance in August. We will be monitoring the market over the near-term for any signs that an expected positive benefit of incentives on sales of more affordable cars does not materialize. Regional volumes for 2026-2027 were reduced by around 17,000 units per year as measured over the time period. Argentina has been revised upwards mostly due to an improvement in demand for some brands, particularly Ford (with the Ranger performing better in some neighboring countries) and Peugeot (with confirmation of new hybrid variants being introduced from late 2025). In contrast, Brazil is reduced over the period, mostly due to a change in SOP for BYD operations (from mid-2025 to mid-2027).

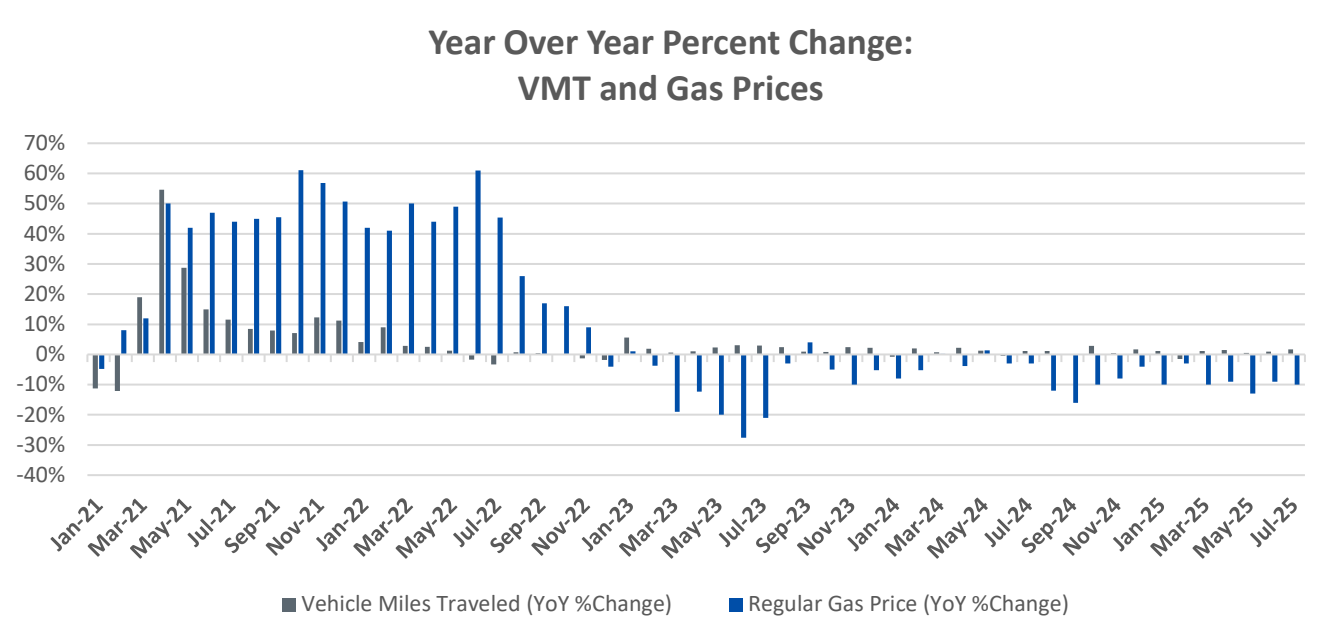
"South Asia: The outlook for South Asia light vehicle production was increased by 13,000 units and by 171,000 units for 2025 and 2026, respectively (and increased by 116,000 units for 2027). The light vehicle production forecast for the ASEAN market was upgraded modestly for 2025 but was reduced by 50,000 units for both 2026 and 2027. We remain cautious on the near-term outlook given persistent concerns over market deterioration in Indonesia, Thailand and Malaysia. The downgrades for 2026 and 2027 signal that an ASEAN production recovery is likely to take longer than previously expected. Over the medium to longer term, Japanese OEMs are expected to face escalating challenges, not only in the BEV space where Chinese players are advancing aggressively, but also in the hybrid segment which has traditionally been their competitive stronghold. The production outlook for India in the extreme near-term was only modestly adjusted. However, for 2026 and 2027, volumes were upgraded by 221,000 units and 166,000 units, respectively, as domestic demand is expected to benefit materially from a reduction in the Goods and Services Tax (GST) for different sized vehicles. Historically, reductions in GST provide a noteworthy boost to vehicle sales."

Economy Meter

Roadway Travel (Updated 10/3)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in July increased by 1.6 percent from the same time a year ago. The cumulative travel estimate for 2025 is 1,919.0 billion vehicle miles.[25]

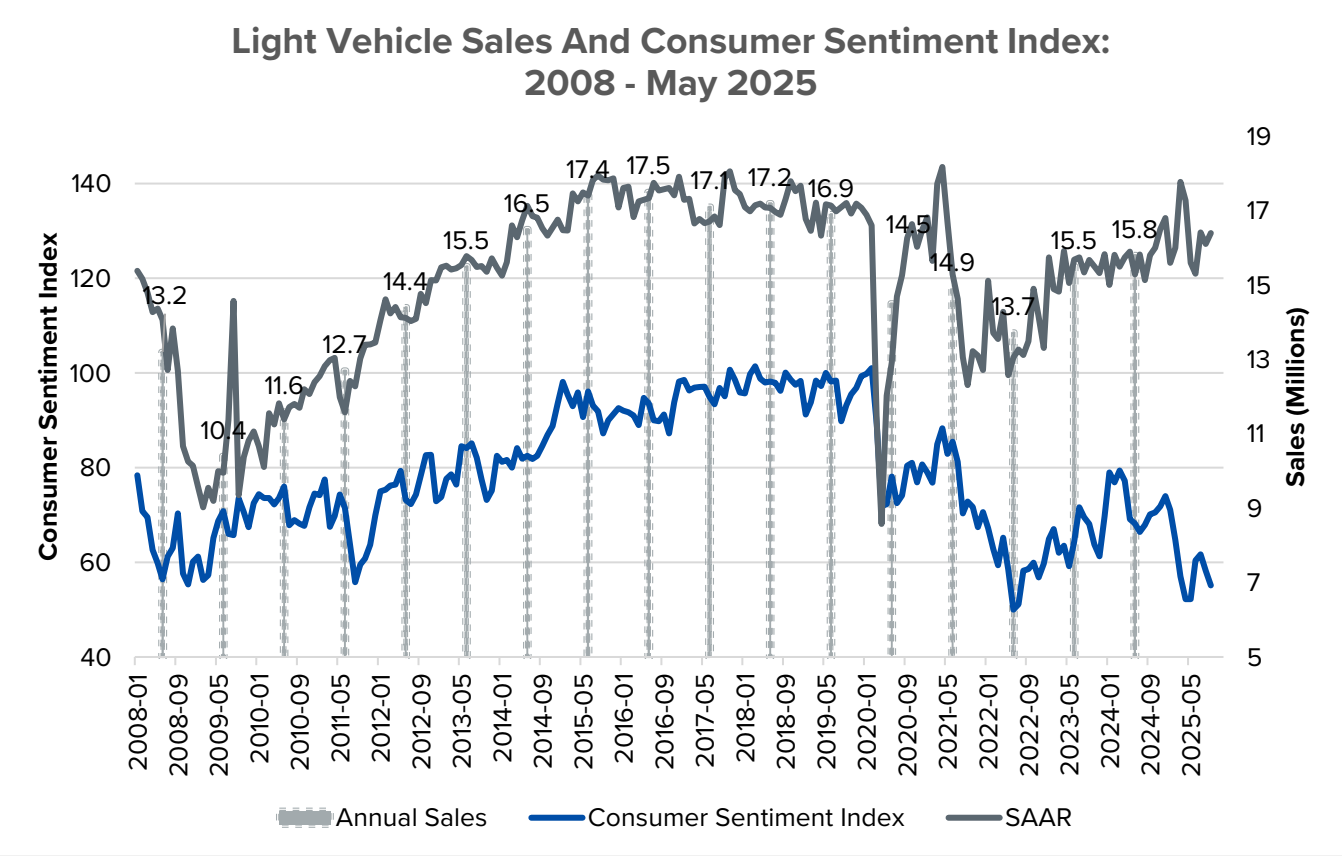
- Travel on all roads and streets changed by +1.7% (+4.9 billion vehicle miles) for July 2025 as compared with July 2024. Travel for the month is estimated to be 296.0 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for July 2025 is 276.6 billion miles, a +1.6% (4.4 billion vehicle miles) change over July 2024. It also represents a 0.5% change (1.5 billion vehicle miles) compared with June 2025.
- Cumulative Travel for 2025 changed by +0.9% (+17.1 billion vehicle miles). The cumulative estimate for the year is 1,919.0 billion vehicle miles of travel.



Consumer Confidence and Sales (Updated 10/3)

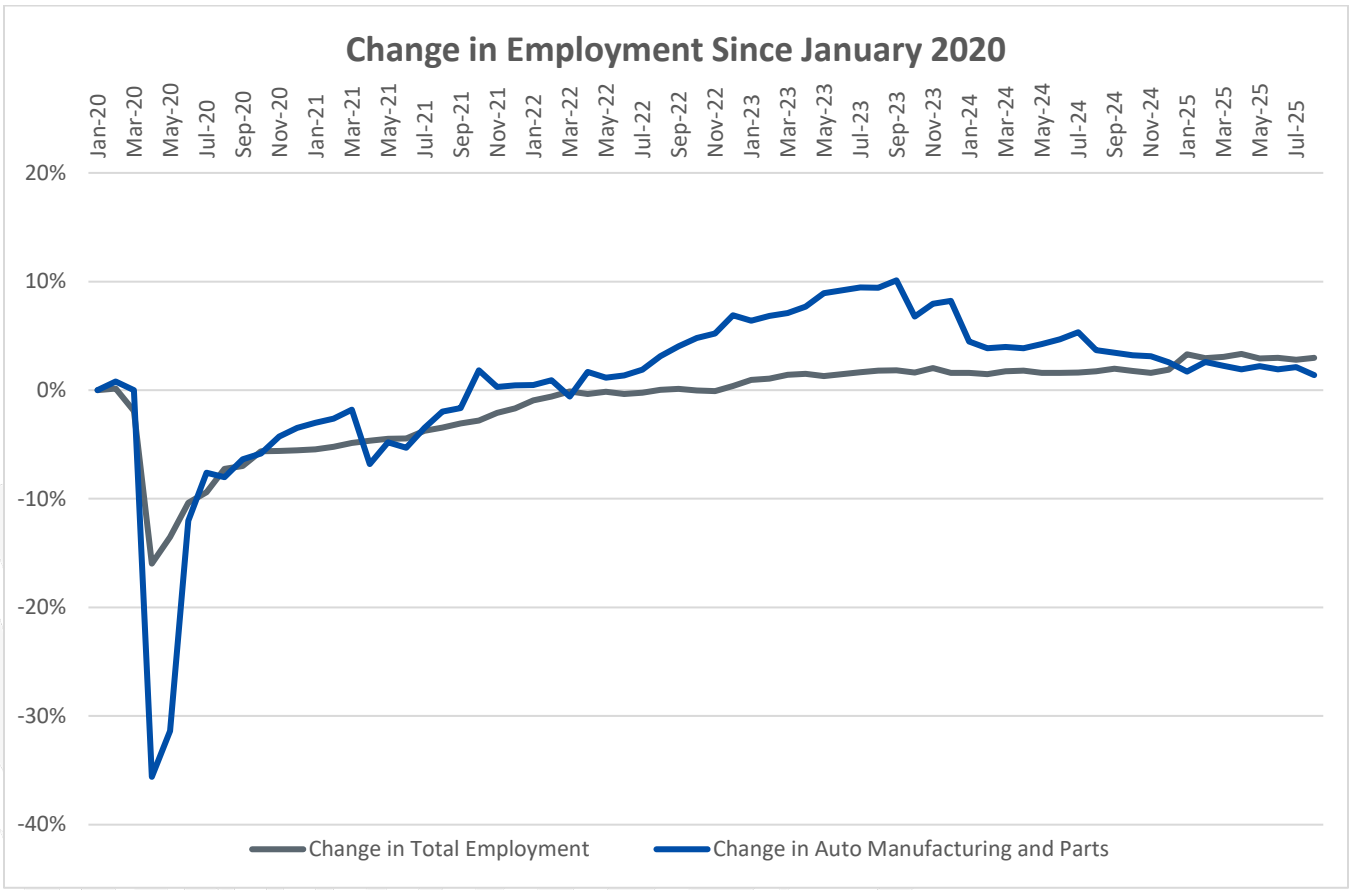
Surveys of Consumers Director Joanne Hsu[26]: "Consumer sentiment confirmed its early-month reading and eased about 5% from last month but remains above the low readings seen in April and May of this year. Although September's decline was relatively modest, it was still seen across a broad swath of the population, across groups by age, income, and education, and all five index components. A key exception: sentiment for consumers with larger stock holdings held steady in September, while for those with smaller or no holdings, sentiment decreased. This month, sentiment moved down about 9% for independents and 4% for Republicans, whereas it lifted this month for Democrats. Nationally, not only did macroeconomic expectations fall, particularly for labor markets and business conditions, but personal expectations did as well, with a softening outlook for their own incomes and personal finances. Consumers continue to express frustration over the persistence of high prices, with 44% spontaneously mentioning that high prices are eroding their personal finances, the highest reading in a year. Interviews this month highlight the fact that consumers feel pressure both from the prospect of higher inflation as well as the risk of weaker labor markets.

"Year-ahead inflation expectations receded slightly to 4.7% from 4.8% last month. Long-run inflation expectations moved up for the second straight month to 3.7% in September, but stand much lower than the 4.4% spike seen in April."



Employment (Updated 9/5)

Motor Vehicle And Parts Manufacturing Lost 7,100 jobs in August.



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