READING THE METER®

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

ALLIANCE FOR AUTOMOTIVE INNOVATION

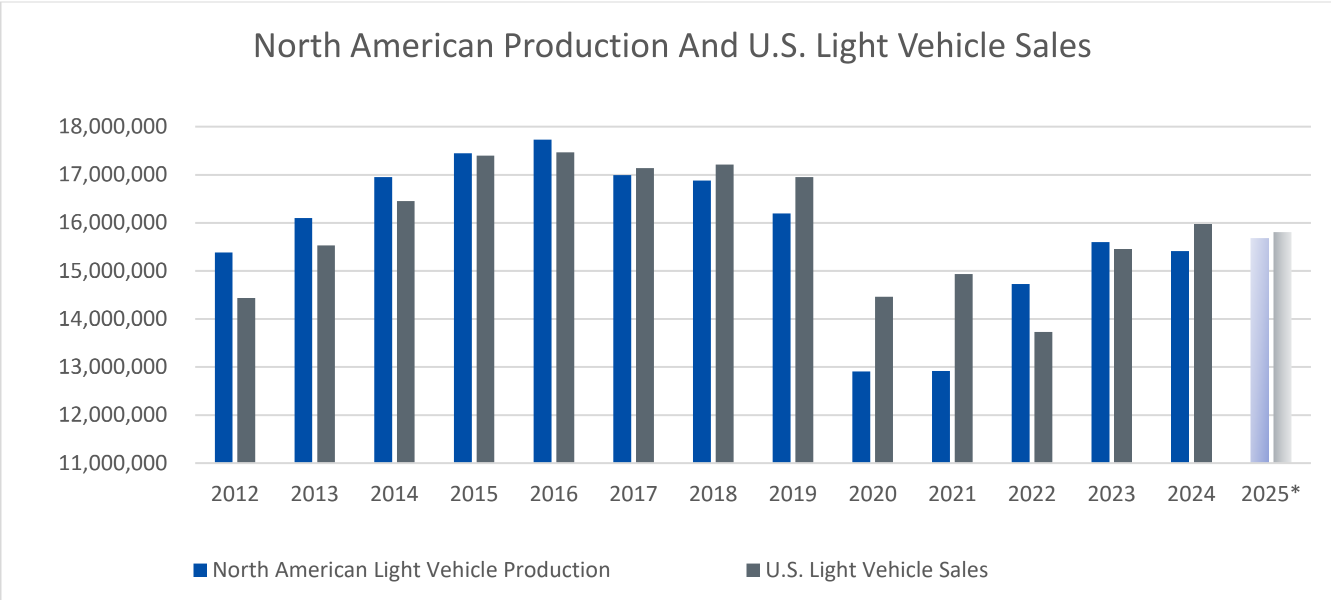
Sponsored by: Hogan Lovells

Contents – December 23, 2025

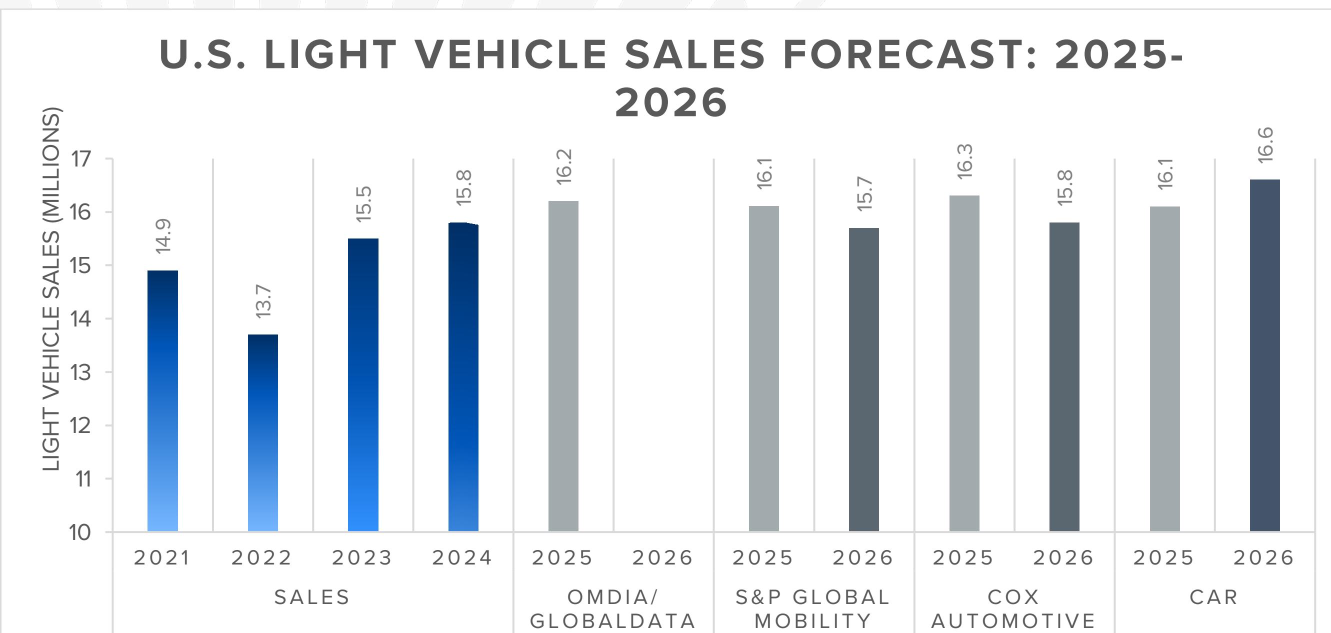
Forecast Meter

Sales & Production Summary and Forecast (Updated 12/23)

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)
October '25	1,271,331 (-4.5% YoY)	1,374,124 (-4.5% YoY)
November '25	1,273,390 (-7.3% YoY)	1,157,195 (-11.5% YoY)
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Forecast	16,200,000	15,350,000



U.S. Light Vehicle Sales Outlook (Updated 12/23)



Omdia Outlook (12/23)[4]: "US light-vehicle sales are heading for a third straight year-over-year (YoY) decline in December, based on Omdia's outlook for the month.

"The forecasted seasonally adjusted annual rate (SAAR) for December of 15.9 million units is a slight improvement on the prior two months' average of 15.4 million but well below the 16.4 million 2025 was tracking at through September and even further below same-month 2024's 16.5 million.

"The fourth quarter will total a 15.6 million-unit SAAR, down from Q4-2024's 16.5 million and the lowest for any quarter since Q1-2024's 15.5 million.

"Raw volume in December is pegged at 1.447 million units, 3.2% below same-month 2024's 1.494 million. The daily selling rate (DSR) equates to 55,647 over the month's 26 selling days, 6.9% below year-ago's 59,769—25 selling days.

"For all three of the major metrics—SAAR, raw volume, DSRs—December will mark the third consecutive YoY decline.

"Calendar-year 2025 sales volume through September was up nearly 5% YoY. However, including the December outlook, 4Q results will fall 5% YoY and sales for entire 2025 will total 16.2 million units, an increase of just 2.1% from 2024's 15.9 million."

North American Production & Inventory Outlook (Updated 12/23)

Omdia Production Outlook (12/23)[5]: "North America production of light vehicles and medium- and heavy-duty trucks together is on track to finish 4Q at 3.519 million units, higher than the 3.450 million units estimated in November though still 6.6% below 4Q 2024's 3.767 million units and well below the initial October estimate of 3.662 million units. Production is expected to end the year at 15.414 million units, down 4% from 2024 but slightly better than November's 15.35 million units estimate.

"Estimated production for December of 944,000 units is down 31,600 units from the 976,000 million estimated in last month's outlook. Estimates at several automakers were downwardly revised, while supply disruptions from the fire and the chip stoppage continue to drag on output into December and possibly into early 2026.

"The Nexperia chip crisis continues despite the Dutch government suspending its takeover of the Chinese-owned, Netherlands-based company and the Chinese government lifting its export ban on integrated circuits.

"An open letter posted on Nexperia's website at the end of November indicates chips are still not leaving the Chinese factory. Dutch executives refuse to reinstate the Wingtech (Nexperia's parent company) CEO Zhang Xuezheng, effectively keeping Nexperia's control in Dutch hands.

"In the first look at 1Q 2026, January-through-March is tracking to 3.806 million units, slightly under 1Q 2025's 3.870 million."

Omdia Inventory Outlook (12/23)[6]: "Meantime, December inventory is forecast to total 2.44 million units, down 10.5% from the prior month and 13.5% below same-month 2024. Days' supply is pegged at 44, down from November's 53 and December 2024's 47."

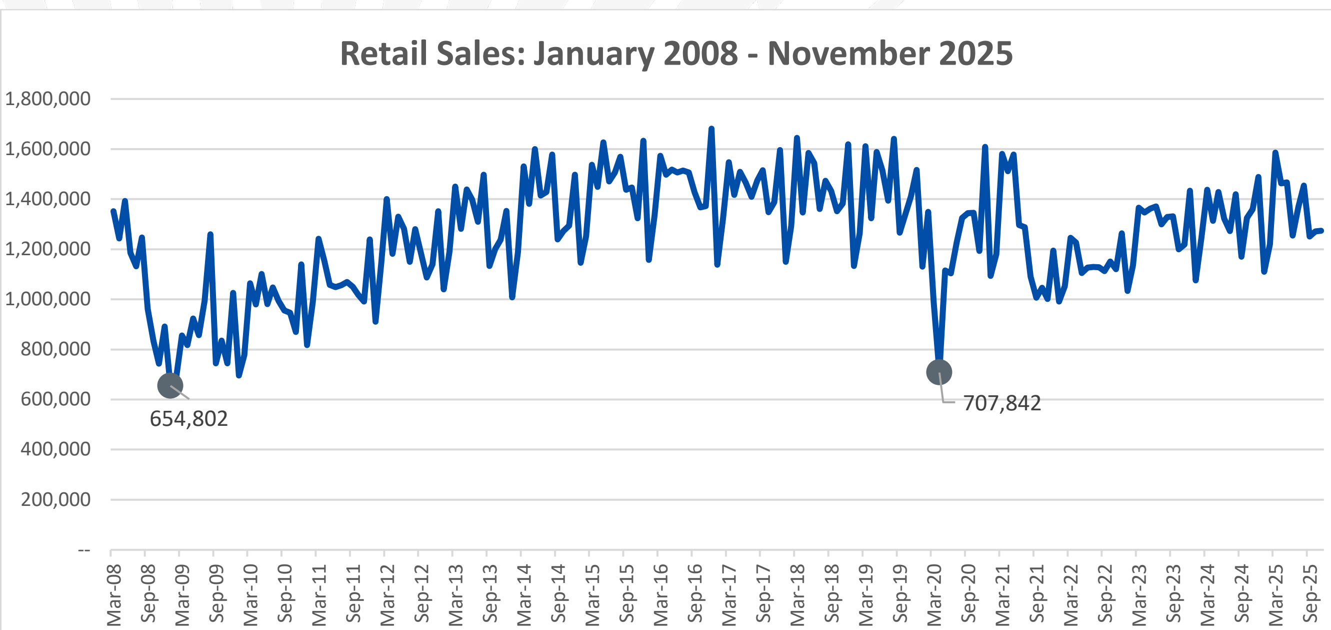
S&P Global Mobility Outlook (12/23)[7]: "North America: The outlook for North America light vehicle production was increased by 76,000 units and by 288,000 units for 2025 and 2026, respectively (and increased by 68,000 units for 2027). The short-term outlook for the remainder of 2025 was revised higher by 0.5% totaling 15.24 million units for the year. Ford in particular plans to work through the winter holidays to recover all-important F-Series production that, despite a second fire at the same Novelis facility, appears intact with parts supply secured in the interim to work towards volume recovery. The outlook for US demand for 2026 was revised higher by 140,000 units totaling a projected 15.89 million units. Production in North America for 2026 was revised higher by 1.9% totaling 15.08 million units on a combination of the increased demand outlook, efforts to keep inventory on pace with demand and the recovery of lost volume stemming from the situations surrounding Novelis and Nexperia. Interestingly, despite the imposed import tariffs, several Asian manufacturers, including Toyota and Subaru are planning to increase imports at the expense of local production with the Toyota RAV4 and Subaru Crosstrek being the most notable examples of such planning for 2026 and beyond. With the recent roll back of US emissions standards, expectations include stronger output for mid- and full-size ICE-based trucks as OEMs seek to bolster profitability and offset the sunk costs of previous BEV investments."

Market Meter

U.S. Light Vehicle Sales (Updated 12/5)

Monthly Sales (Updated 12/5)

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 12/5)

Omdia (formerly WardsIntelligence)[8]: "US sales slid downward again in November, as lean inventory, a tanking battery electric vehicle sector, and rising prices put a crimp on deliveries for the second straight month.

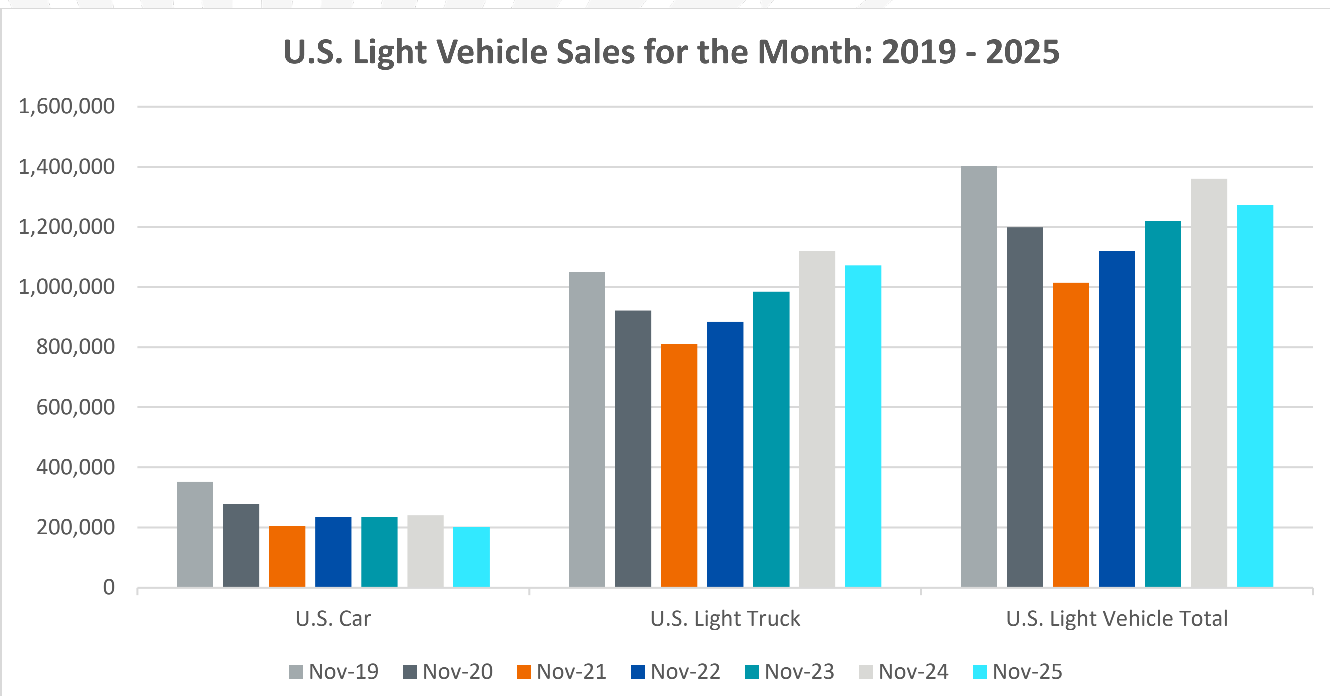
"November's 15.6 million-unit seasonally adjusted annual rate (SAAR) was an improvement on October's 15.3 million, but, along with the same total in May, the second lowest this year. It was also well below November 2024's 16.5 million.

"The 2025 calendar year-to-date (YTD) SAAR has dropped from 16.4 million units through September to 16.2 million through November. However, the 11-month 2025 SAAR is above like-2024's 15.8 million. Sales are expected to total 16.1 million units in entire 2025.

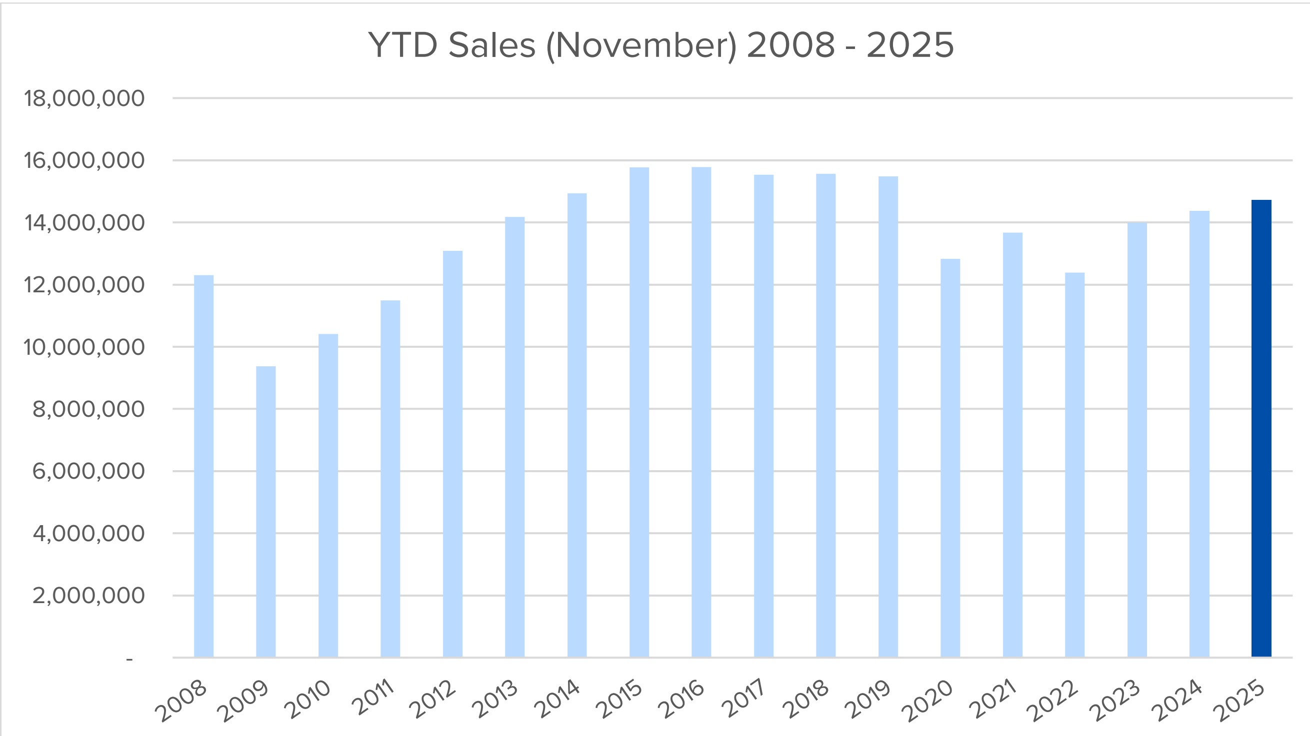
"November's raw volume totaled 1.273 million units, 7.3% below like-2024's 1.373 million. November's daily selling rate (DSR) equated to 50,936 units over the month's 25 selling days, down 3.6% from the year-ago total of 52,877 over 26 selling days. The year-over-year (YoY) DSR decline was the second straight downturn, which follows a 12-month stretch that recorded 11 increases.

"In the second month of results following the end of the EV credit, deliveries of BEVs fell 43% YoY, based on DSRs. That followed a 29% downturn in October.

"Part of the downturn can also be blamed on pull-ahead volume in the first three quarters of the year, including consumers getting ahead of potential tariff-related price increases on '26 model-year vehicles, and a surge in BEV volume in August and September as buyers took advantage of the EV credit before it expired. That could bode well for December as those pull-ahead effects wear off."



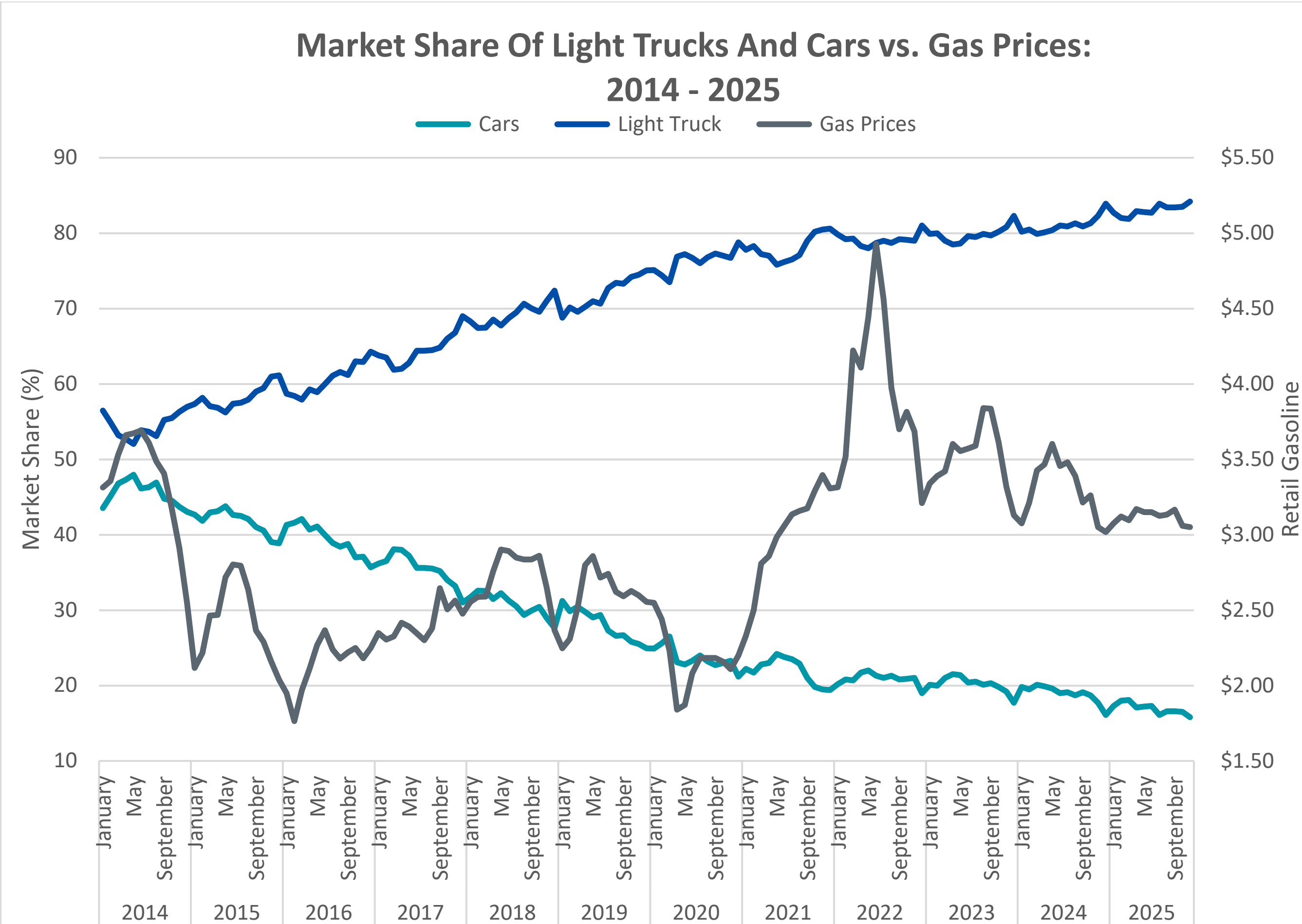
Calendar year-to-date sales through November totaled 14.72 million units, up 2.4 percent from 2024's 14.37 million.



Segments vs. Gas Prices (Updated 12/5)

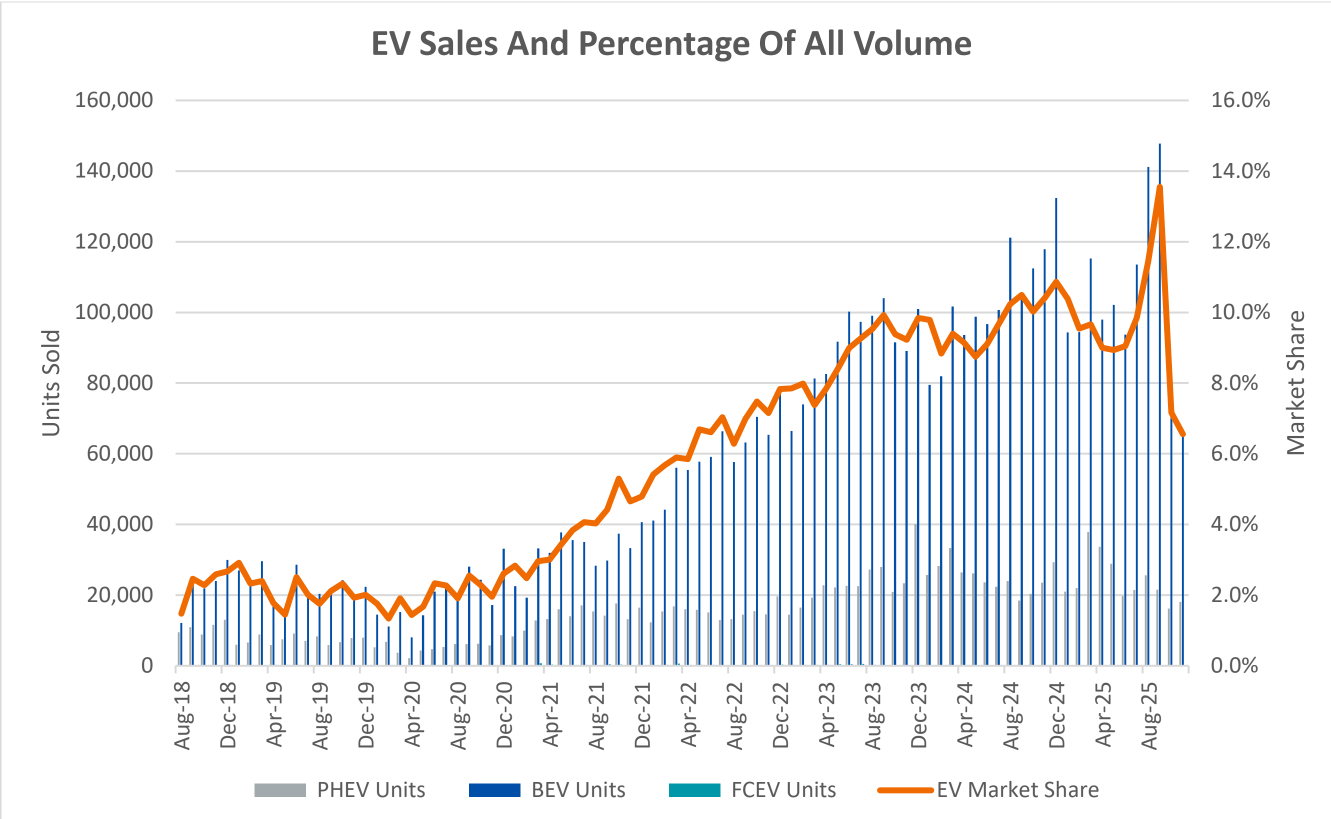
Monthly Sales: Light trucks accounted for 84.2 percent of sales in November, up 1.9 percentage points from the market share a year ago and the highest share ever. Compared to the same period in 2024, sales of cars are down 38,860 units, and down about 155,000 from November 2019, when cars comprised 25 percent of the market as opposed to the 15.8 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 12/5)

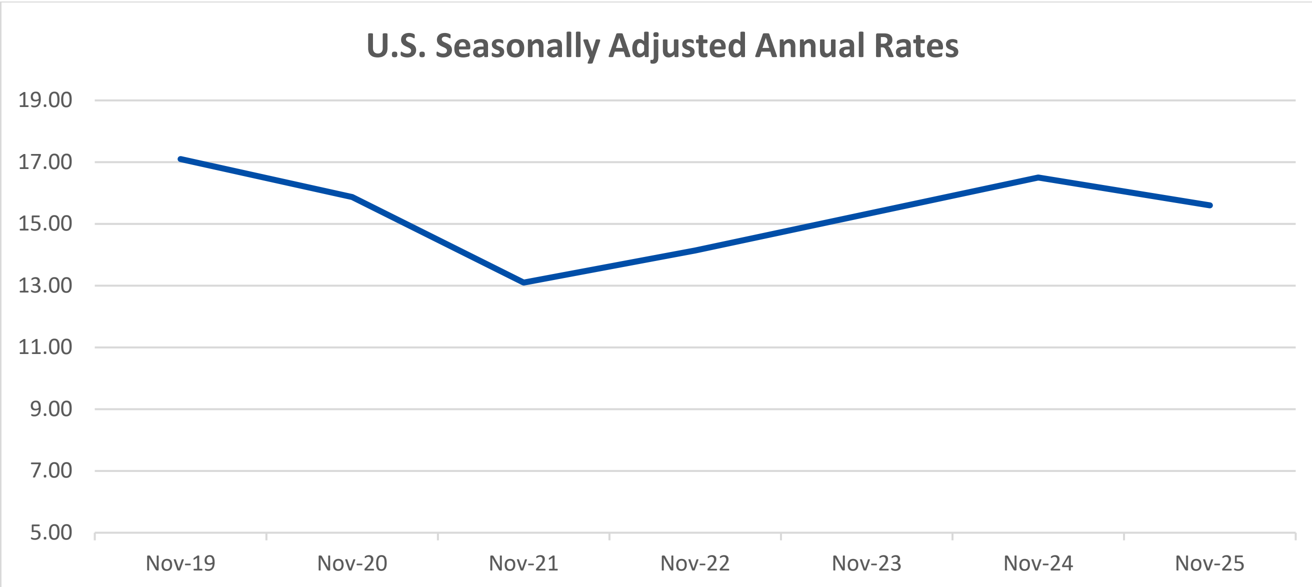
Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 6.6 percent of total vehicle sales in November 2025 (83,424) – the lowest in three years, per Omdia estimates. Market share decreased 0.6 percentage points (pp) from October 2025. November's EV market share is down 3.9 pp from a year ago. Sales of battery electric vehicles accounted for 5.1 percent of total sales, down 3.5 pp from November 2024. Plug-in hybrids accounted for 1.4 percent, down 0.3 pp from the same time last year. Hybrid market market share was 12.4 percent.



Seasonally Adjusted Annual Rates (Updated 12/5)

Omdia (formerly WardsIntelligence)[12]: "November's 15.6 million-unit seasonally adjusted annual rate (SAAR) was an improvement on October's 15.3 million, but, along with the same total in May, the second lowest this year. It was also well below November 2024's 16.5 million.

The 2025 calendar year-to-date (YTD) SAAR has dropped from 16.4 million units through September to 16.2 million through November. However, the 11-month 2025 SAAR is above like-2024's 15.8 million. Sales are expected to total 16.1 million units in entire 2025."



Average Transaction Price (Updated 12/23)

Kelley Blue Book (October) (12/23)[13]: "The average transaction price (ATP) of a new vehicle in the U.S. moved higher in November, according to estimates released today by Kelley Blue Book, a Cox Automotive brand. New-vehicle prices have been increasing steadily – albeit slowly – for more than a year now. After peaking in September, prices have remained mostly stable at just under $50,000. Prices are expected to move higher this month, as new-vehicle prices typically peak in the final month of the year, as a rich mix of expensive vehicles is sold.

"The new-vehicle ATP in November was $49,814, up 1.3% year over year and mostly unchanged from October ($49,760). The elevated ATP continues to reflect a market heavily influenced by affluent households.

"The average incentive package in November was equal to 6.7% of ATP ($3,347), down notably from one year ago when incentive spending was at a three-year high of 7.9% of ATP. Incentive spending in November was higher compared to October, when incentives averaged 6.5% of ATP. In 2025, incentive spending has averaged roughly 7.0% of ATP.

"The average new-vehicle manufacturer's suggested retail price (MSRP) – commonly called "the asking price" – was higher by 1.7% year over year in November. The MSRP also increased month over month, gaining 0.3%. The average new-vehicle MSRP has been above $50,000 since April, as a rich mix of expensive vehicles sold each month continues to drive elevated pricing."

"The average price for a new electric vehicle (EV) in November was $58,638. The EV ATP climbed 3.7% year over year, but was down 0.8% from October. Incentives as a percentage of ATP were 13.3%, which is 4.1% lower than in November 2024 but 20.1% higher than in October.

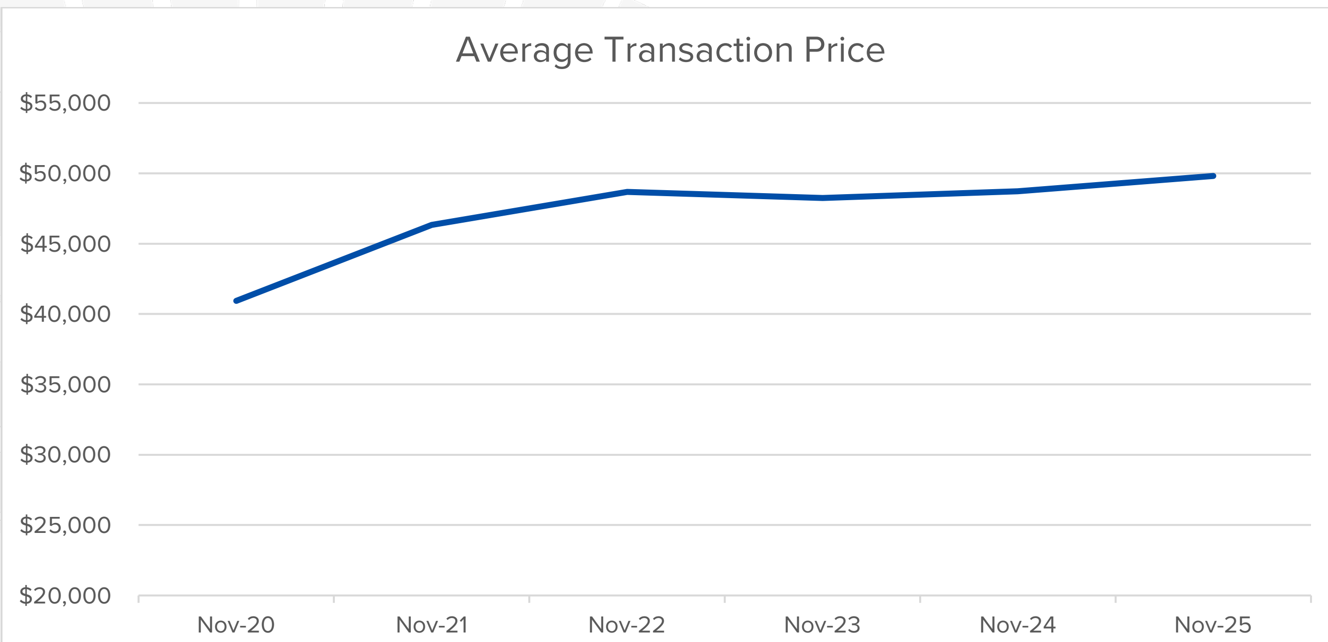
J.D. Power (Updated 12/5)[14]: "The average new-vehicle retail transaction price in November is expected to reach $46,029, up $722 or 1.6% from November 2024.

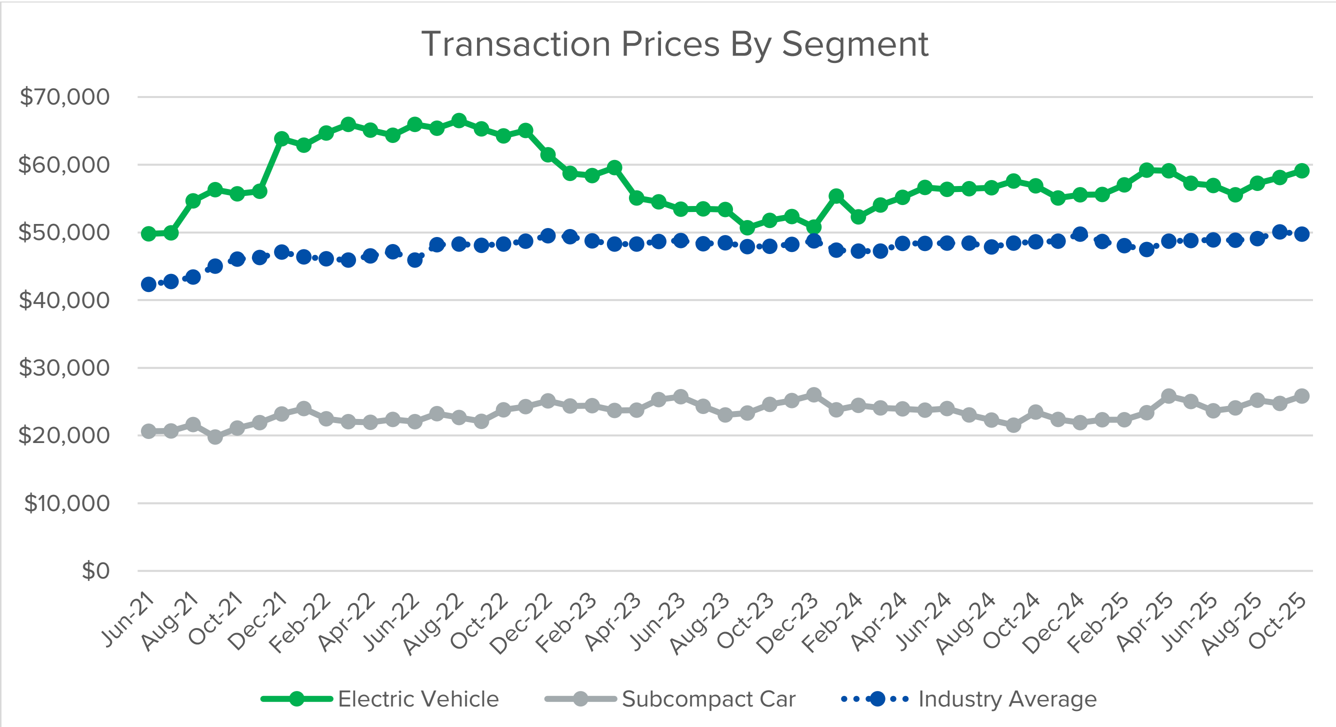
“Easing interest rates and strong used-vehicle values—reflected in higher trade-in equity—are providing meaningful relief to buyers facing elevated monthly payments.”

“The average interest rate for new-vehicle loans in November is 6.05%, a decrease of 27 basis points from a year ago.

“The average used-vehicle price is trending toward $29,696, up $725 from a year ago. This reflects the combination of reduced supply of recent model-year used vehicles due to lower new-vehicle production during the pandemic, fewer lease maturities and manufacturers moderating discounts. The rise in used-vehicle prices is good news for new-vehicle buyers with a trade-in, although average trade-in equity in November is down a modest $111 year over year to $7,822.”

“The average manufacturer's incentive spend per vehicle is on track to reach $3,211, which is $375 higher than October but $125 lower than a year ago. The year-over-year decline in incentive spending is mostly due to sales shifting away from heavily discounted EVs and moving towards non-EVs with much lower discounts.”



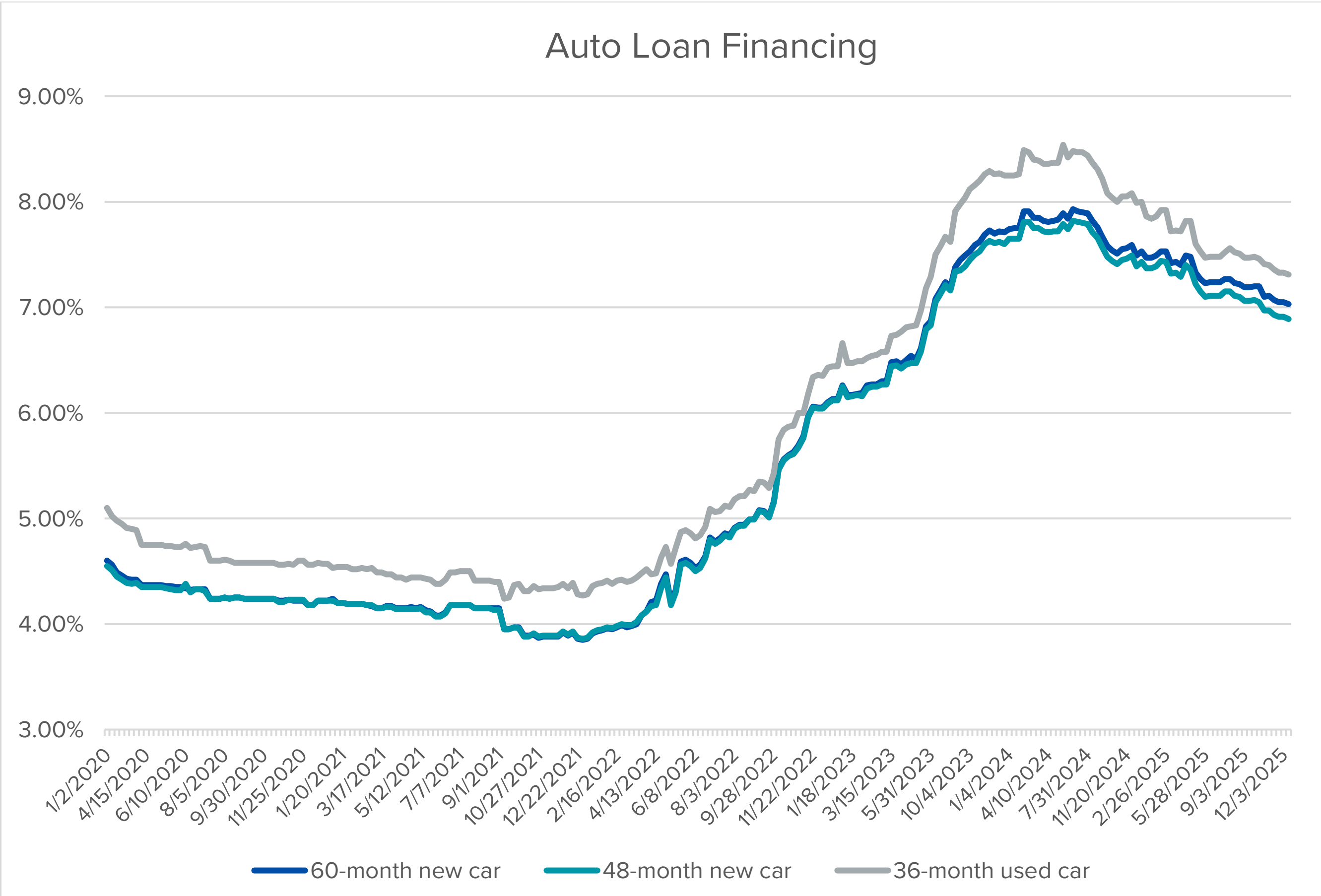


Auto Loan Financing (Updated 12/23)

JD Power (12/5)[15]: "Affordability pressures remain, with monthly finance payments reaching a record for the month of November at $760. In response, more consumers are turning to extended 84-month loan terms, which are expected to account for 11.1% of financed sales this month—nearing the highest level on record for the month of November set in 2022."

Interest Rates Lowest Since Mid-2023 (updated 12/23): 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 7.03%, 6.89%, and 7.31%, respectively. Since the beginning of 2020, 60-month rates are up 2.43 pp, and are down 0.46 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%
12/18/2024	7.49%	7.39%	7.99%
12/3/2025	7.05%	6.91%	7.33%
12/17/2025	7.03%	6.89%	7.31%
Two Week Change	-0.02%	-0.02%	-0.02%
Change since 1/3/20	2.43%	2.34%	2.21%
One Year Change	-0.46%	-0.50%	-0.68%



Crude Oil and Gas Prices (Updated 12/23)

Oil Continues to Moderate, Gas Falls to $2.84 A Gallon - Lowest - Since April 2021 (12/23):[17] Oil prices, as benchmarked at West Texas Intermediate were $58.30 at the mid-point of December, down $12 from the same time a year ago. Since election day 2024, oil prices are down more than $10 a barrel. Gas fell to $2.84 a gallon. Gas is 10 percent higher than the beginning of 2020 and is at the lowest point since April 2021.

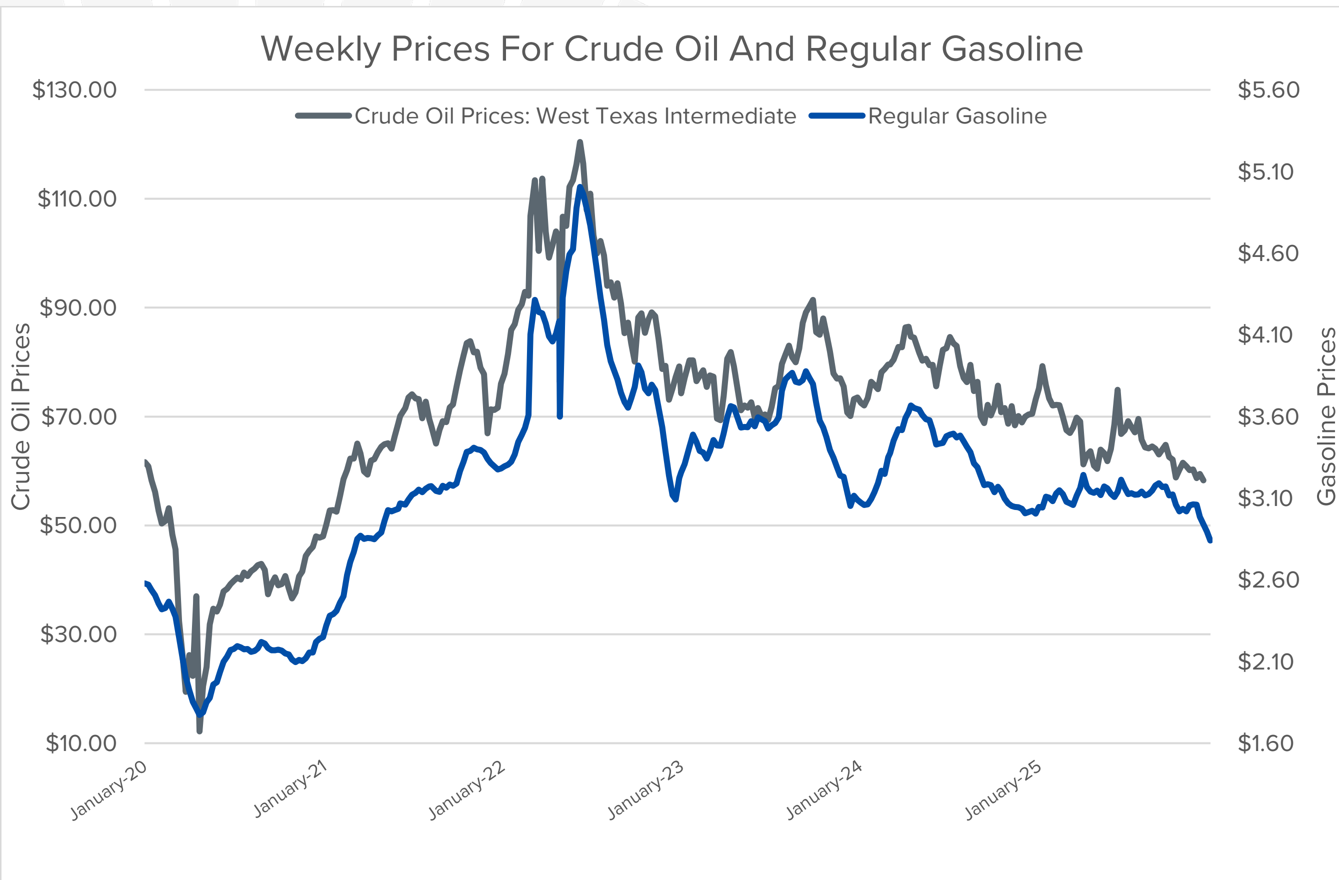
EIA Outlook For Gasoline (12/5)[18]**:** "Lower crude oil prices will continue to push down retail gasoline and diesel prices in the United States in 2026. We forecast the average U.S. retail gasoline price to remain near $3.00 per gallon (gal) for the remainder of 2025, resulting in an average 2025 price of $3.10/gal, a 6% decrease from 2024. In 2026, we forecast the average retail gasoline price to fall by 4% to just under $3.00/gal, which would be the lowest annual average price since 2020. We forecast the U.S. retail diesel price will average almost $3.70/gal in 2025, down 3% from 2024. Diesel prices are forecast to fall by another 4% in 2026. As with gasoline, lower diesel prices are primarily a result of lower crude oil prices.

"We forecast all regional gasoline prices in the United States will average less than $3.00/gal in 2026 except for on the West Coast, where the forecast annual average price is $4.10/gal. The West Coast—which usually has the highest retail fuel cost in the country—faces additional price pressure in the coming years due to reduced refinery capacity stemming from two planned refinery closures: Phillips 66's Wilmington refinery in the Los Angeles area this year and Valero's Benicia refinery in the Bay Area in April 2026."

EIA Outlook For Oil (11/5):[19] "With less capacity to refine petroleum products domestically, we expect the United States will import less crude oil but import more petroleum products in 2026, as shown in our net import forecasts. Net imports are defined as total imports minus total exports.

"Our forecast for refinery inputs decreases more than our forecast for crude oil production in 2026, resulting in crude oil inventory builds. With rising inventories, we forecast the United States will reduce net imports of crude oil to less than 1.9 million b/d in 2026 compared with 2.1 million b/d this year, the lowest annual average crude oil net imports in a year since 1971.

"Lower U.S. refinery inputs in 2026 also reduce our forecast for domestic production of petroleum products. At the same time, we expect the United States will consume about the same amount of petroleum products in 2026 as in 2025. As a result, we expect the United States—particularly the West Coast—will need to import more petroleum products to meet market demand. We forecast total net imports of petroleum products, not including biofuels and hydrocarbon gas liquids (HGLs), will increase to 1.5 million b/d in 2026, up 0.3 million b/d from 2025 and 0.4 million b/d from 2024."



Production Meter

North American Production (Updated 12/23)

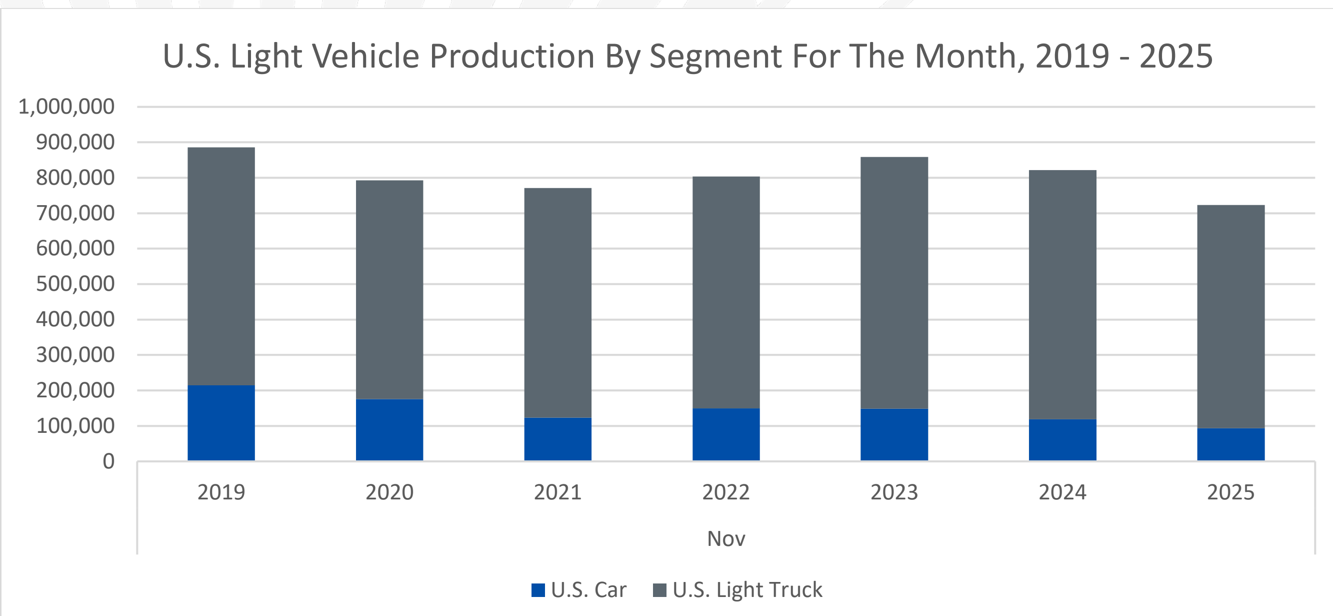
Wards Intelligence[20]: "North America production of light vehicles and medium- and heavy-duty trucks together is on track to finish 4Q at 3.519 million units, higher than the 3.450 million units estimated in November though still 6.6% below 4Q 2024's 3.767 million units and well below the initial October estimate of 3.662 million units. Production is expected to end the year at 15.414 million units, down 4% from 2024 but slightly better than November's 15.35 million units estimate.

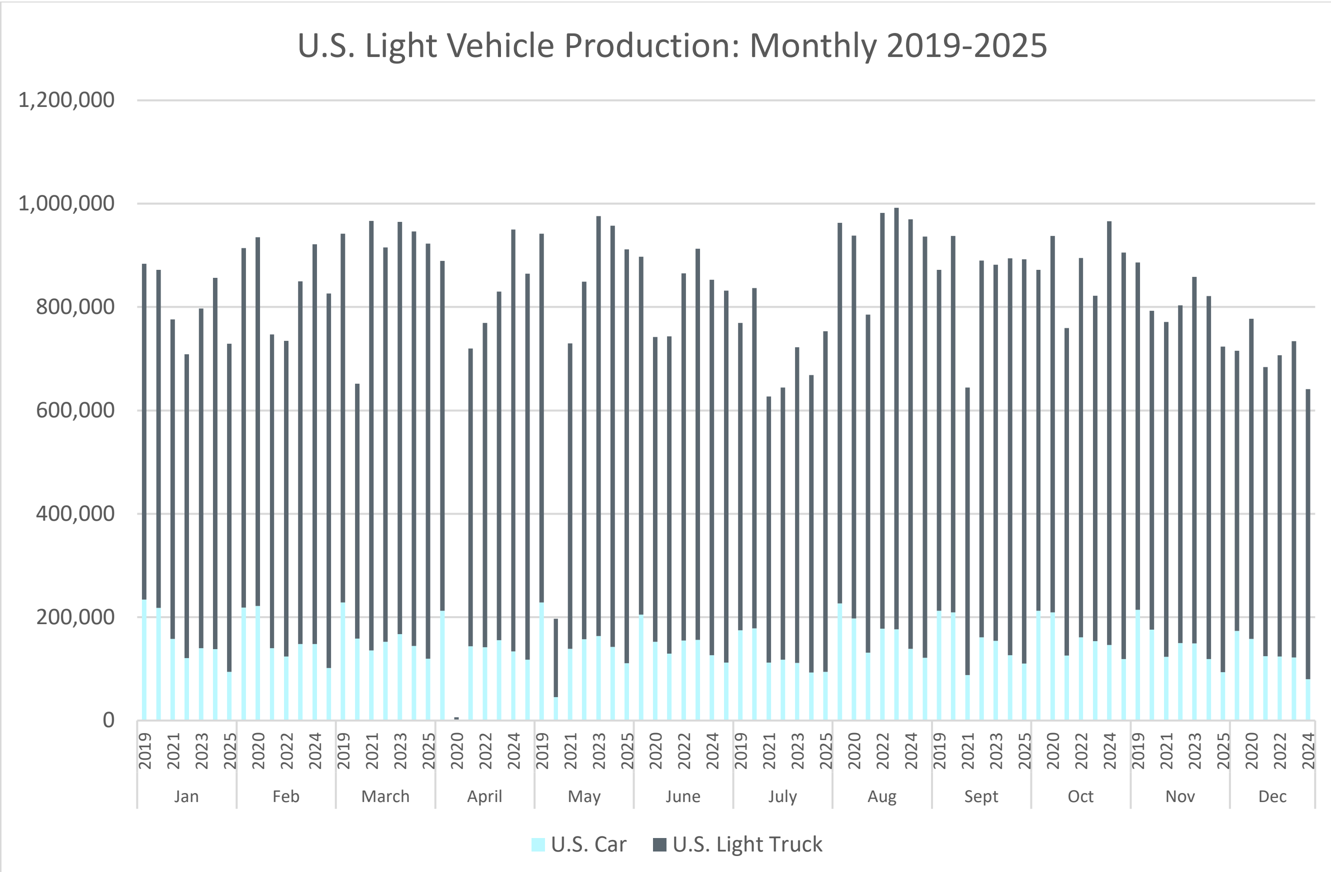
"Estimated production for December of 944,000 units is down 31,600 units from the 976,000 million estimated in last month's outlook. Estimates at several automakers were downwardly revised, while supply disruptions from the fire and the chip stoppage continue to drag on output into December and possibly into early 2026."

U.S. Light Vehicle Production (Updated 12/23)

U.S. Monthly Production

U.S. Light vehicle production for November was down 21.1 percent month-over-month, totaling 723,311 vehicles (93,679 cars; 629,632 light trucks), year-over-year, production is down 9.5 percent from 2024.[21]

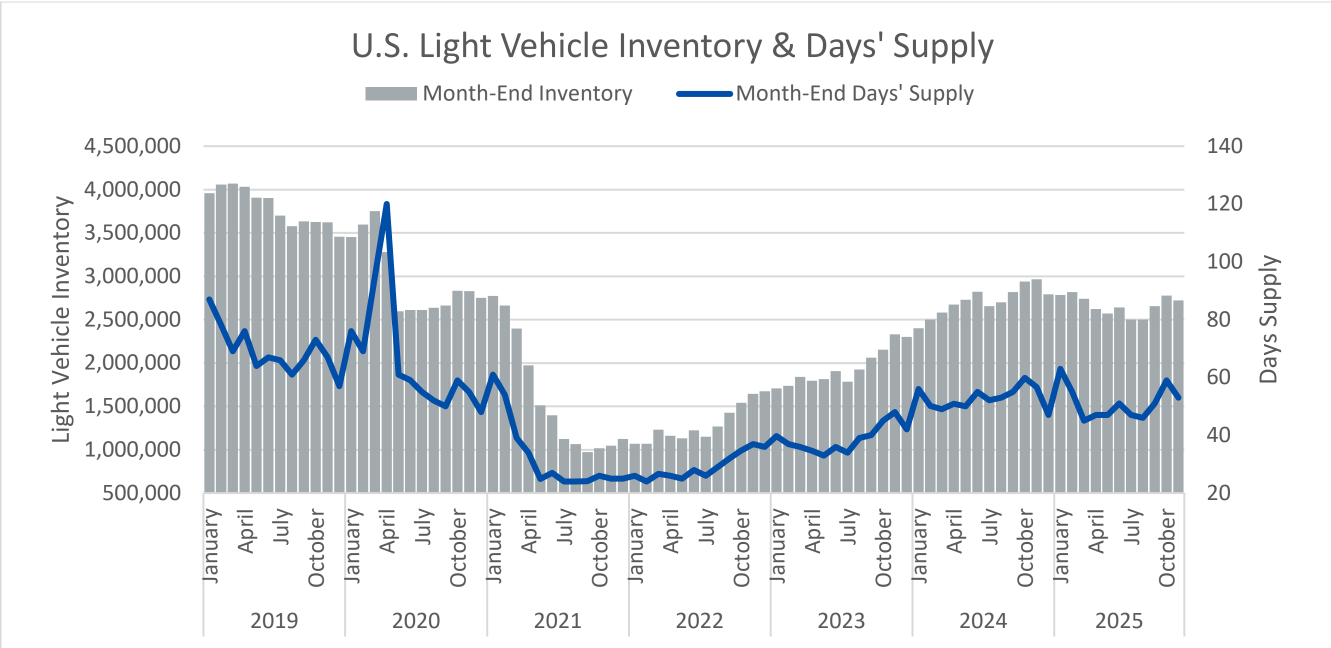




U.S. Light Vehicle Inventory and Days' Supply (Updated 12/5)

Omdia Inventory Update (12/5)[22]: "US light-vehicle inventory fell in November from the prior month, bucking the usual seasonal trend of rising from October and putting a potential damper on sales in the final month of 2025. November 30 inventory fell 2.0% to 2.72 million units from October's 2.78 million, but the comparison with the year-ago month represented an even bigger drop of 8.9% from like-2024's 2.99 million. Although inventory has been below the year-ago total since April, leaner dealer stocks partially explain the year-over-year (YoY) decline in sales in the past two months after rising 4.7% through the first three quarters of 2025.

"Days' supply in November totaled 53, a drop from October's 59 and same-month 2024's 57. Days' supply is expected to fall month-to-month again in December."



Global Meter

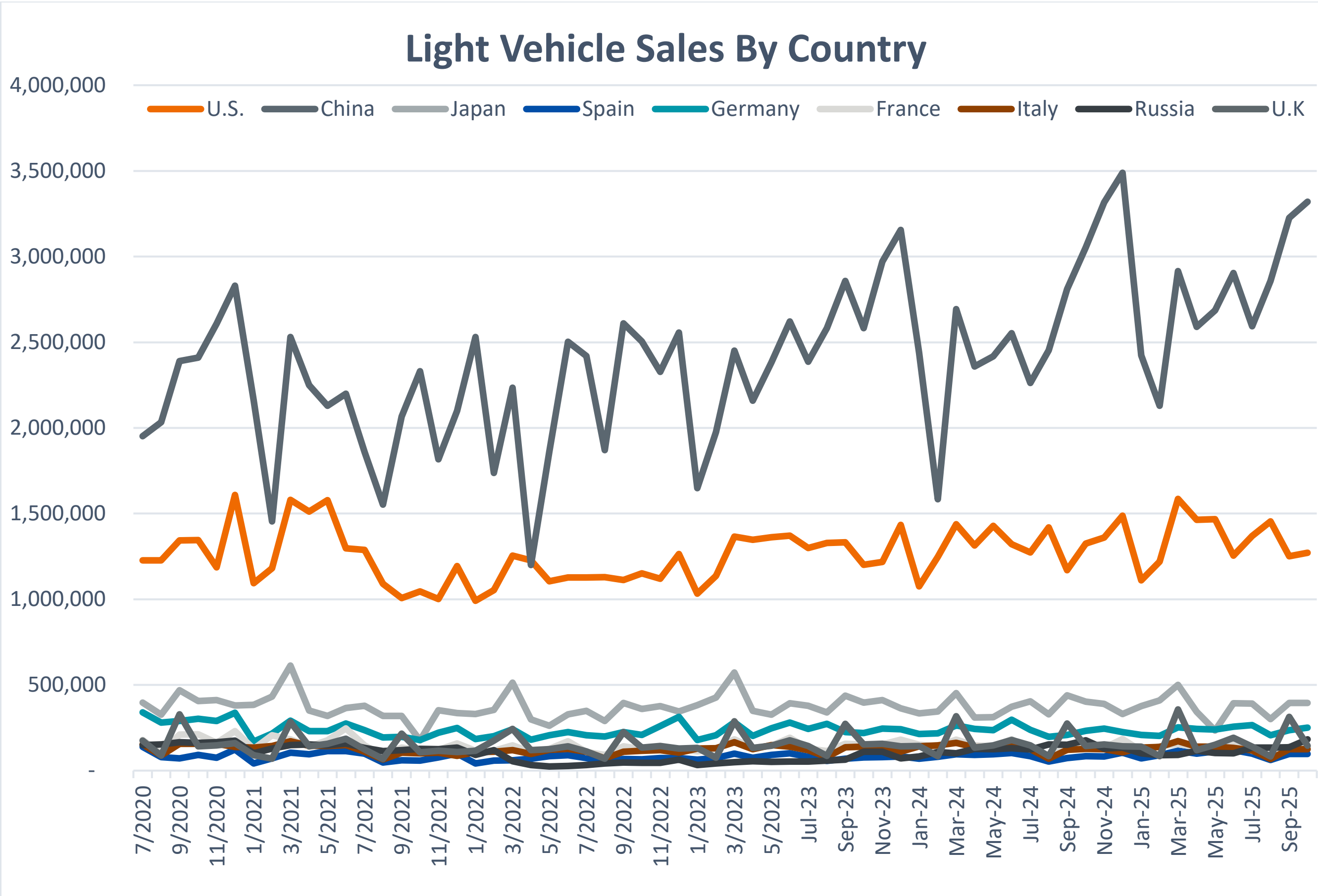
Global Light Vehicle Sales (Updated 12/5)

Wards Intelligence[23]: "Global sales of light vehicles and medium- and heavy-duty trucks combined increased year-over-year (YoY) for the 13th consecutive month in October, with all major regions except North America posting gains. Deliveries in October totaled 8.85 million units, 4.0% above same-month 2024's 8.52 million. Calendar year-to-date sales through October totaled 81.47 million, up 5.6% from 10-month 2024's 77.14 million.

"Among the major regions in September, Asia & Oceania posted the strongest YoY growth, rising 7.0% from same-month 2024. Deliveries in South America rose 1.8%, followed by a 1.6% gain in Europe. North America recorded a 5.0% YoY decline. Thanks to headwinds in the US, sales in North America are expected to decline in November and December, too.

"Excluding medium-/heavy-duty trucks, light vehicles totaled 8.54 million units in October, up 3.7% from same-month 2024's 8.23 million. Calendar year-to-date light vehicle sales through October totaled 78.54 million, up 5.7% from the year-ago period's 74.31 million.

"Omdia Automotive partner GlobalData estimates global light vehicle sales in October totaled a seasonally adjusted annual rate of 95.9 million units, up from September's downwardly revised 92.3 million."



Global Light Vehicle Production (Updated 12/23)

S&P Global Mobility Forecast (12/23)[24]: "As 2025 draws to a close, the auto industry continues to navigate an evolving US trade environment as well as other regional dynamics. Assumptions regarding tariffs remain largely intact as automakers' strategies in mitigating the impacts continue to evolve. Companies are spreading the cost/price impact pragmatically across markets and are adjusting content, trim and mix accordingly. Additionally, automakers operating in the US are benefitting from not facing emissions penalties and the need to purchase regulatory credits. The net effect, consumers are not expected to bear as much of the burden by way of major price increases, yet the cost implications of some of the more severe tariff impacts will still prove impactful to consumer demand and resulting production as we look to next year. The December forecast update reflects a mix of largely positive revisions through the near-term forecast horizon as we adjust to reflect the ongoing impacts of a continued variable trade environment as well as other regional factors. A couple of particularly noteworthy upgrades in the near-term are concentrated on Greater China given the continued strength in export activity and a modestly stronger outlook for North America on improved US demand expectations and supporting inventory builds, among other factors. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was increased by 32,000 units and reduced by 21,000 units for 2025 and 2026, respectively (and increased by 43,000 units for 2027). In the EU and Turkey, production volume was revised upward by 68,000 units, reflecting stronger results from October and November. Inventory risks continue to be effectively managed, as increased production is now aligning more closely with rising domestic demand. For total European output in 2025, projections have been raised to 16.9 million units compared to the previous forecast. However, this gain was partially offset by lower Russian production in October which fell short of expectations by 24,000 units. Looking ahead to 2026, the production outlook for the EU and Turkey has been slightly reduced to 15.19 million units, down by 17,000 units. This adjustment is primarily driven by Hyundai's anticipated production cuts in Europe, with a strategic shift towards increased imports, such as the Kia EV3 and Hyundai Casper from Korea and the Kia K4 from Mexico.

"**Greater China:** The outlook for Greater China light vehicle production was increased by 550,000 units and by 361,000 units for 2025 and 2026, respectively (and increased by 399,000 units for 2027). After a strong Q3-2025 with 15% year-on-year growth, Mainland China light vehicle output slowed slightly to 12% growth and achieved 3.2 million units in October 2025. Given uncertainties in the domestic market owing to subsidy reductions and delays in some regions, we project deceleration in sales over the next few months. However, as a major support to the economy and the auto industry, export activity is expected to continue its momentum and support industry output. According to the CPCA, passenger vehicle retail sales declined 8% in November. The widespread suspension of subsidies across various regions, especially in higher tier markets such as Shanghai and Beijing, presents some near-term demand challenges. Despite the recent weakening in sales, exports have become major pillar of light vehicle production and surged by 600,000 units representing 50% year-on-year growth in November, according to the CPCA. Looking to 2026 and 2027, the outlook for Great China production was increased given continued support from exports and yet still reflects a sequential contraction of 2.1% from 2025 to 2026. The market remains influenced by policy measures and innovation, although the industry must navigate competitive pressures and economic uncertainties to sustain growth..

"**Japan/Korea:** Full-year 2026 and 2027 Japan production was upgraded by 155,000 units and 212,000 units, respectively. The short-term outlook was upgraded primarily due to an adjustment of the sourcing ratio of the Toyota RAV4 and the Subaru Crosstrek between Japan and the US. With the US auto tariff reduced from 25% to 15% and the yen continuing its weakening trend against US dollar, Toyota will maintain exports of its FHEV models to the US. Subaru will also continue steady exports to the US as its US plant can only produce 350,000 units annually due to supply chain restrictions there. The longer-term outlook was also upgraded by around 30,000 units per year. We transferred Honda Vezel production to Mexico, but we added a scenario for exporting the Toyota bZ4X to North America in addition to sourcing allocation of the Subaru Crosstrek between Japan and the US. Full-year 2025 South Korea production was upgraded by 13,000 units relative to last month primarily driven by stronger November production results. For 2026 and 2027, there was a slight uptick in volume due to minor changes in production timing for vehicles such as the Hyundai Avante, Kia Seltos, etc.

"**North America:** The outlook for North America light vehicle production was increased by 76,000 units and by 288,000 units for 2025 and 2026, respectively (and increased by 68,000 units for 2027). The short-term outlook for the remainder of 2025 was revised higher by 0.5% totaling 15.24 million units for the year. Ford in particular plans to work through the winter holidays to recover all-important F-Series production that, despite a second fire at the same Novelis facility, appears intact with parts supply secured in the interim to work towards volume recovery. The outlook for US demand for 2026 was revised higher by 140,000 units totaling a projected 15.89 million units. Production in North America for 2026 was revised higher by 1.9% totaling 15.08 million units on a combination of the increased demand outlook, efforts to keep inventory on pace with demand and the recovery of lost volume stemming from the situations surrounding Novelis and Nexperia. Interestingly, despite the imposed import tariffs, several Asian manufacturers, including Toyota and Subaru are planning to increase imports at the expense of local production with the Toyota RAV4 and Subaru Crosstrek being the most notable examples of such planning for 2026 and beyond. With the recent roll back

of US emissions standards, expectations include stronger output for mid- and full-size ICE-based trucks as OEMs seek to bolster profitability and offset the sunk costs of previous BEV investments.
South America: The outlook for South America light vehicle production was reduced by 124,000 units and by 137,000 units for 2025 and 2026, respectively (and reduced by 147,000 units for 2027). The downgrade for 2025 was primarily focused on Brazil due to a reduced sales outlook for the market as the boosting effects of changes in tax policy and the incentive on "cheap cars" has failed to materialize (at least at the expected level). The production revision was less dramatic for Argentina and primarily related to recent underwhelming production results. Regional volumes for 2026-2027 were reduced by 4.2% per year on average. This comes after integrating a revised macroeconomic outlook that points to a somewhat more cautious approach mainly towards Brazil. This adds to the fact that 2025 volumes are now substantially lower than previously anticipated. For the 2026-2027 timeframe, production for Brazil was revised down by 110,000 units per year on average.

"South Asia: The outlook for South Asia light vehicle production was increased by 27,000 units and by 51,000 units for 2025 and 2026, respectively (and increased by 56,000 units for 2027). The light vehicle production forecast for the ASEAN market remains broadly in line with our previous forecast in the extreme near-term, with only a modest upgrade of 18,000 units reflecting stronger exports and rising BEV output in Thailand. Looking to 2026 and 2027, the ASEAN forecast reflects downward revisions of around 23,000 units per year focused primarily on Thailand as despite the recent strength, concerns over economic headwinds, tighter auto loan approvals and potential trade challenges impacting exports are expected to cap the pace of recovery. The production outlook for India was upgraded for 2026 and 2027 by 81,000 units and 84,000 units, respectively. The rather robust outlook for India light vehicle production is driven by the domestic demand outlook which is benefiting materially from a reduction in the Goods and Services Tax (GST) for different sized vehicles. Automakers are adjusting their production schedules accordingly to capitalize on this demand and seize every opportunity available.

Economy Meter

Roadway Travel (Updated 12/5)

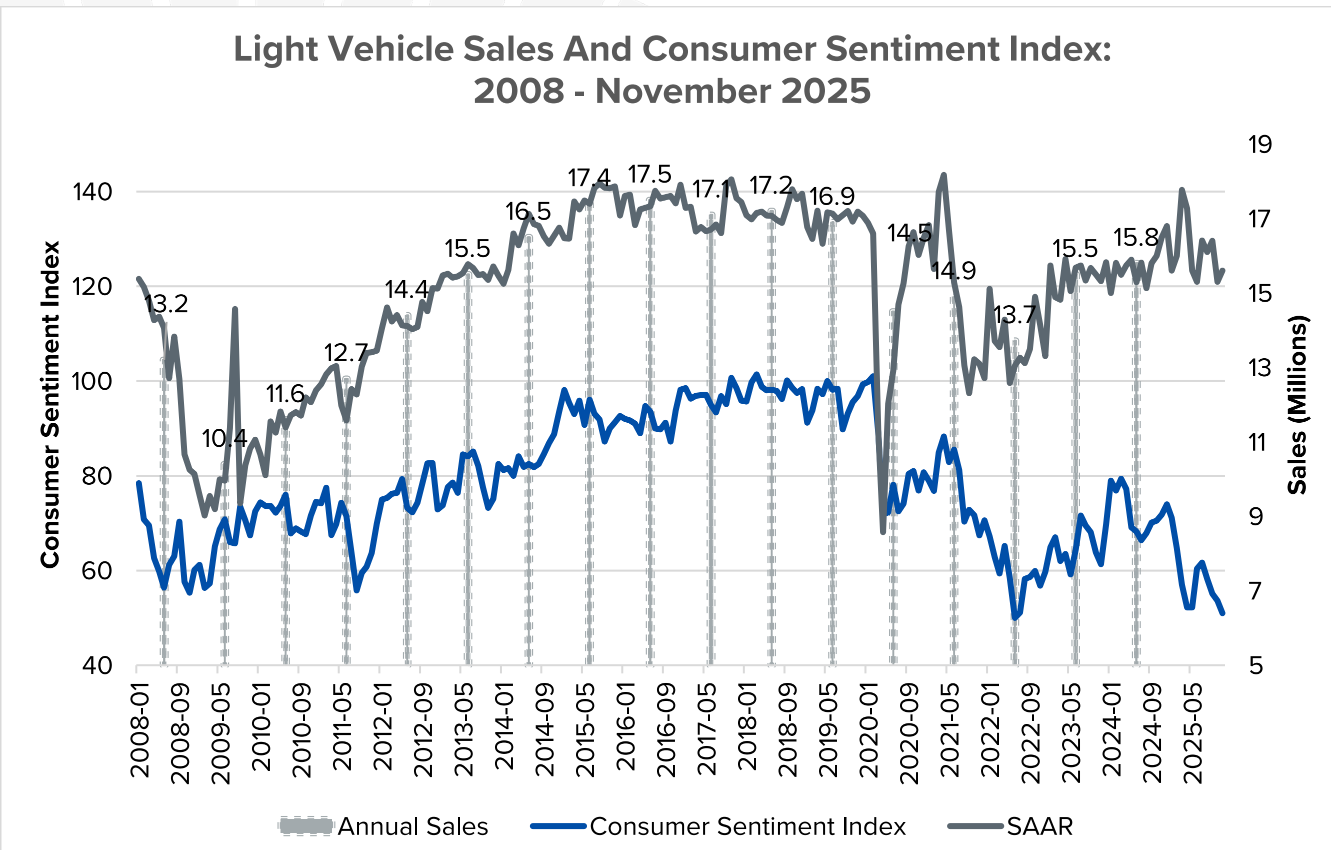
According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in October increased by 0.5 percent from the same time a year ago. The cumulative travel estimate for 2025 is 2,782.1 billion vehicle miles.[25]

- Travel on all roads and streets changed by +0.6% (+1.8 billion vehicle miles) for October 2025 as compared with October 2024. Travel for the month is estimated to be 290.0 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for October 2025 is 276.4 billion miles, a +0.5% (1.4 billion vehicle miles) change over October 2024. It also represents a -0.2% change (-0.6 billion vehicle miles) compared with September 2025.
- Cumulative Travel for 2025 changed by +1.0% (+27.0 billion vehicle miles). The cumulative estimate for the year is 2,782.1 billion vehicle miles of travel.

Consumer Confidence and Sales (Updated 12/5)

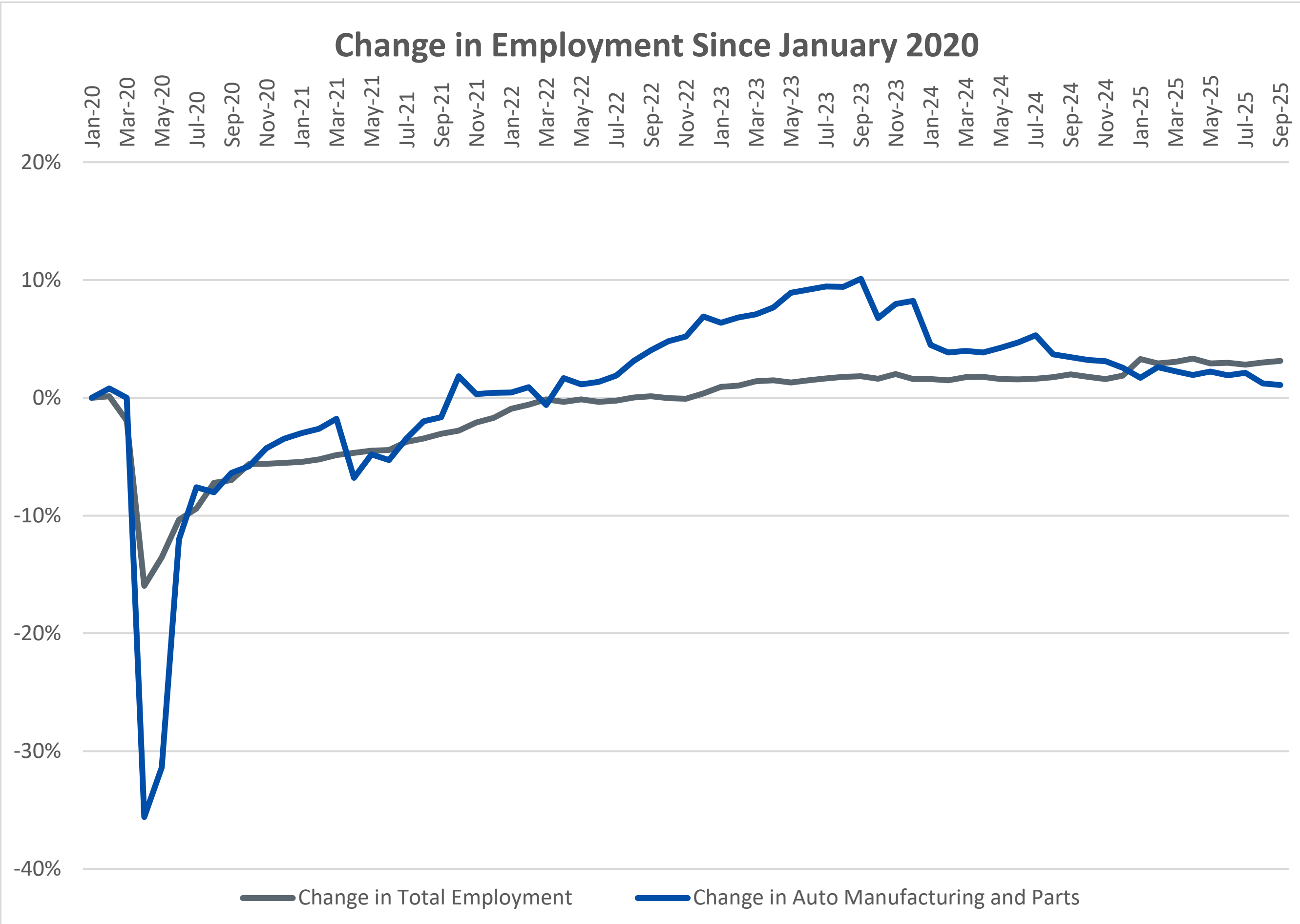
Surveys of Consumers Director Joanne Hsu[26]: "Consumer sentiment lifted 2.3 index points in early December, within the margin of error. This month's increase was concentrated primarily among younger consumers. Overall, while views of current conditions were little changed, expectations improved, led by a 13% rise in expected personal finances, with improvements visible across age, income, education, and political affiliation. Still, December's reading on expected personal finances is nearly 12% below the beginning of the year. Similarly, labor market expectations improved a touch but remained relatively dismal. Consumers see modest improvements from November on a few dimensions, but the overall tenor of views is broadly somber, as consumers continue to cite the burden of high prices.

"Looking to the future, year-ahead inflation expectations decreased from 4.5% last month to 4.1% this month, the lowest reading since January 2025. This marks four consecutive months of declines, but short-run inflation expectations are still above the 3.3% seen in January. Long-run inflation expectations softened from 3.4% last month to 3.2% in December, matching the January 2025 reading. In comparison, 2024 readings ranged between 2.8 and 3.2%, while the readings in 2019 and 2020 were below 2.8%. Inflation uncertainty over both time horizons—as measured by the interquartile range of responses—remains higher than January of this year."



Employment (Updated 11/24)

Motor Vehicle And Parts Manufacturing Lost 1,200 jobs in September.



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