READING THE METER

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

ALLIANCE FOR AUTOMOTIVE INNOVATION

Contents – March 5, 2025

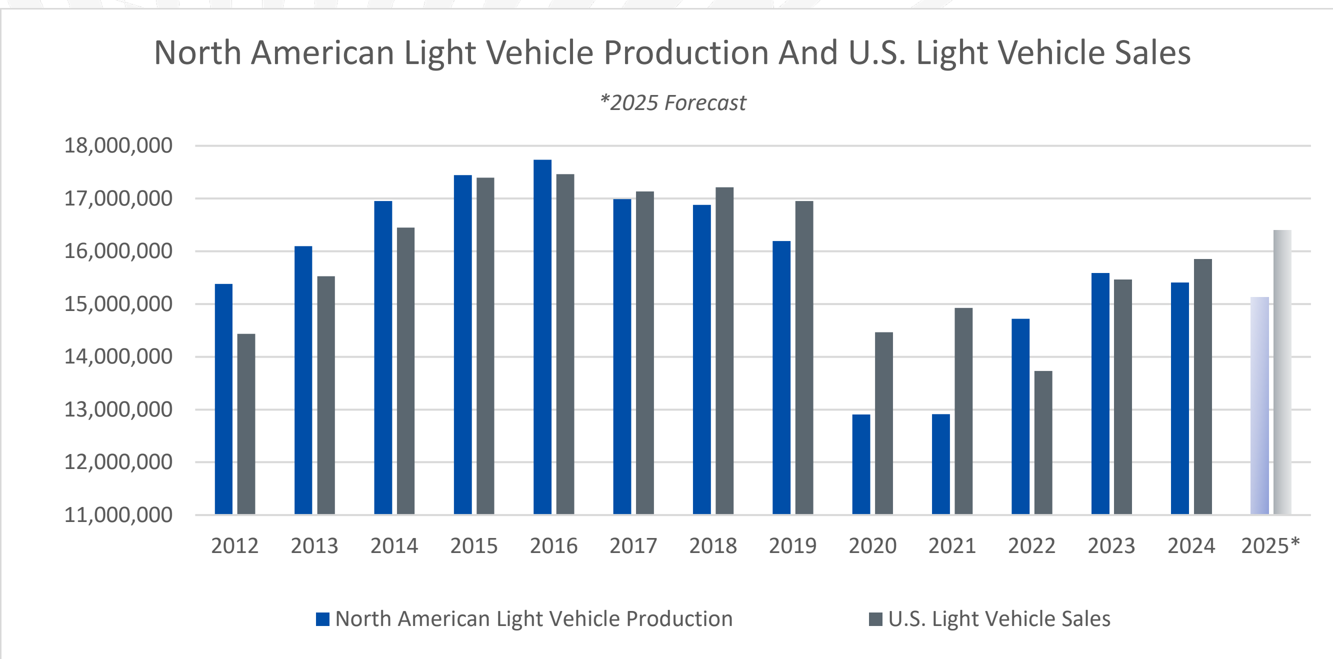
ALLIANCE FOR AUTOMOTIVE INNOVATION

Cleaner. Safer. Smarter.®

Forecast Meter

Sales & Production Summary and Forecast (Updated 3/5)

2023-2024 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)	
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)



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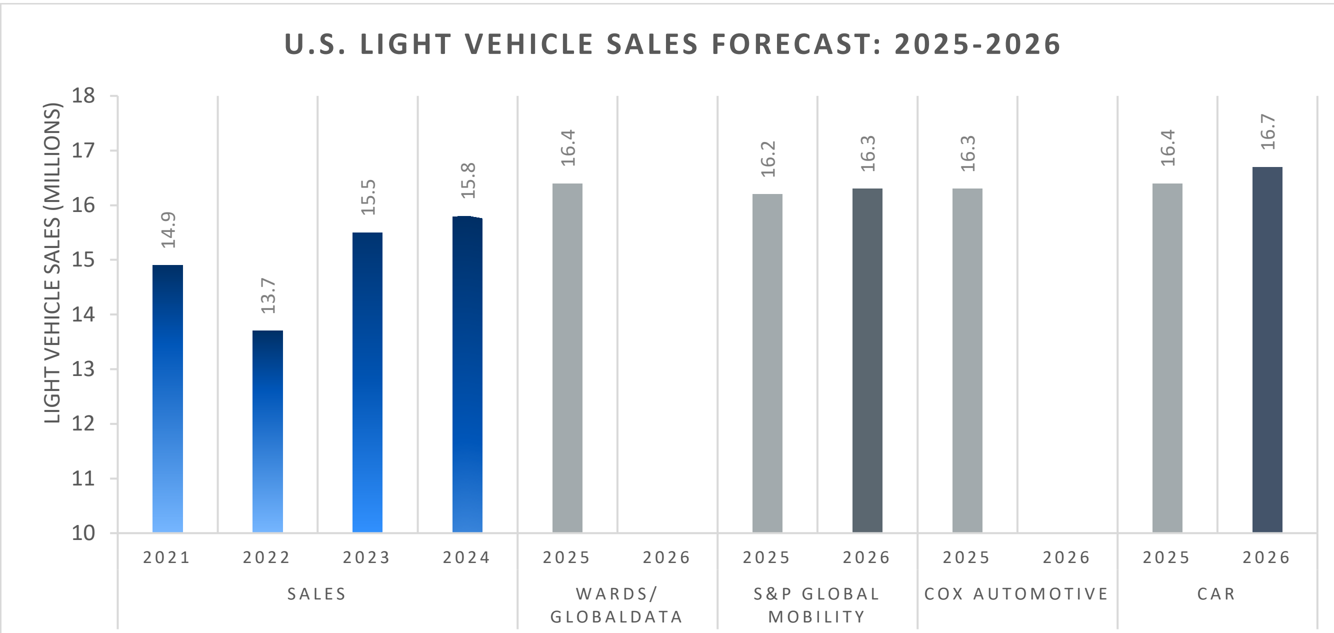
U.S. Light Vehicle Sales Outlook (Updated 3/5)



Wards Intelligence Outlook (3/5)[4]: "Excluding any impact from the tariffs, an initial look at March shows sales matching February's 16.0 million-unit seasonally adjusted annual rate, with raw volume at roughly 1.43 million.

"In that scenario, Q1-2025 sales total 3.75 million units, 0.5% above like-2024's 3.73 million – there are two fewer selling days in Q1-2025 vs. Q1-2024, negatively impacting volume vs. year-ago. March 31 inventory is projected to rise 2.0% from February to 2.873 million units, about 9.0% above the year-ago total."

North American Production & Inventory Outlook (Updated 3/5)

Wards Intelligence Inventory Outlook (3/5) [5]: "Indicating little interest in padding dealer lots ahead of the tariffs placed on vehicles built in Canada and Mexico as of March 4, U.S. light-vehicle manufacturers increased inventory at the end of February by a tepid 1.2% from the prior month to 2.816 million units.

"That there was not any significant inventory buildup ahead of time in case of tariffs means sales could be negatively impacted sooner if manufacturers react with short-term production cuts. If there is not a quick change in the tariff status, it is possible some automakers could reduce production at Canada and Mexico plants in March, possibly lessening the supply to dealers of vehicles that could have been sold in the same month – certainly in April.

"Plants in the U.S. dependent on parts from Canada and Mexico could also be affected."

Wards Intelligence Production Outlook (2/6)[6]: "Automakers began slowing production in the second quarter of 2024. Including an estimated decline in January, Wards Intelligence estimates North America plants – which supply nearly 80% of the U.S. market – have recorded year-over-year declines in eight of the past nine months in production destined for the U.S. (Accordingly, that comparison corresponds with total North America production.) . . . The outlook for the rest of Q1-2025 calls for more inventory control. North America production is forecast to decline 8% year-over-year in February, followed by a small gain in March."

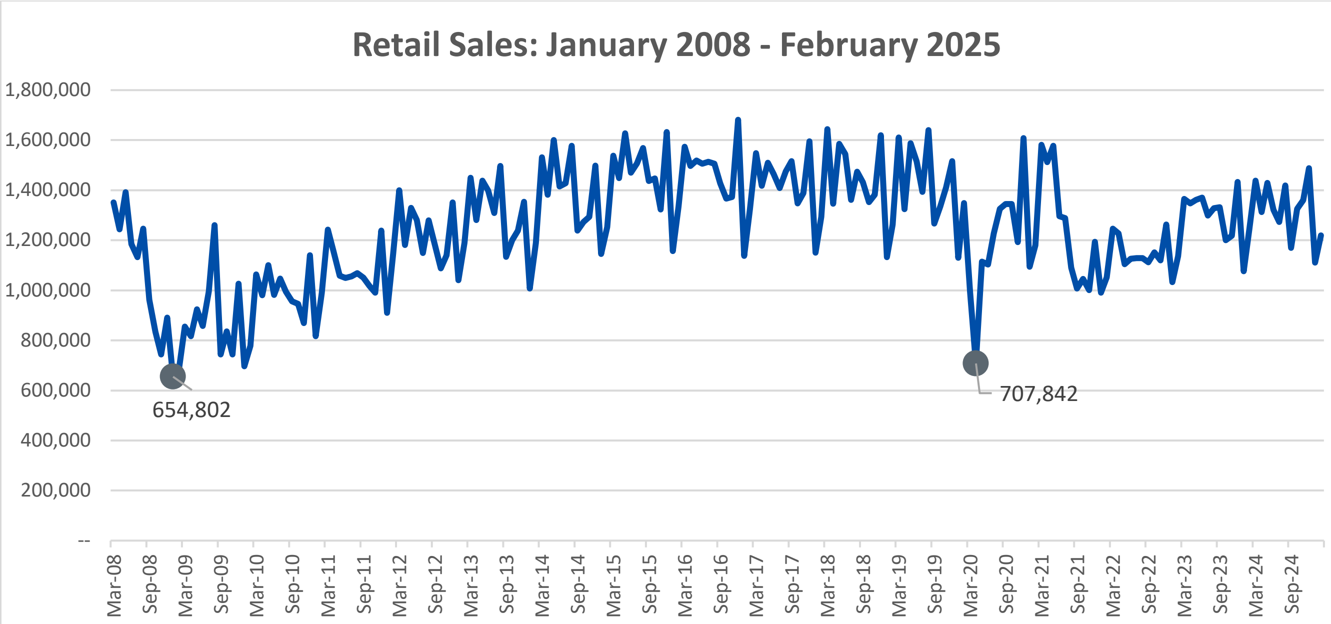
S&P Global Mobility Outlook (2/20)[7]: "North America: The outlook for North America light vehicle production was reduced by 13,000 units and increased by 8,000 units for 2025 and 2026, respectively (and reduced by 8,000 units for 2027). The outlook for regional production in 2025 has only marginally changed, down 0.1% to a total of 15.11 million units. Market concern surrounds the potential impact of tariffs on the US economy. Despite the marginal top line movement of the forecast, production at the manufacturer level reflects more material revisions. The deepest cuts are at Nissan which was revised down 59,000 units compared to the previous forecast with reductions centered on sweeping actions planned by the company to reduce detrimental high fleet and incentives activities. Conversely, production at GM was revised higher by 51,000 units with 81% of the increase centered on the all-important and highly profitable T1XX truck platform. The regional outlook for 2026 and 2027 remains largely unchanged, with 2026 being revised higher by 0.1% totaling 15.36 million units while 2027 was revised down 0.1% totaling 15.64 million units. Based on current US economic and auto demand forecasts, upside exists to the outlook for 2026 on the order of 250-350,000 units to maintain US inventory at 2.7 million units. The current level of uncertainty facing the market prevents the forecast from incorporating this upside potential.

Market Meter

U.S. Light Vehicle Sales (Updated 3/5)

Monthly Sales (Updated 3/5)

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.



February Sales (Updated 3/5)

WardsIntelligence[8]: “February U.S. light-vehicle sales finished a smidgeon above expectations, posting a 16.0 million-unit seasonally adjusted annual rate, an increase from January’s 15.5 million and same-month 2024’s 15.7 million.

“Raw volume totaled 1.220 million units, down 0.7% from February 2024’s 1.229 million. However, the daily selling rate (DSR) over the month’s 24 selling days rose 3.4% to 50,827 from the year-ago total of 49,160 – 25 selling days.

“February’s DSR marked the fifth straight year-over-year increase.

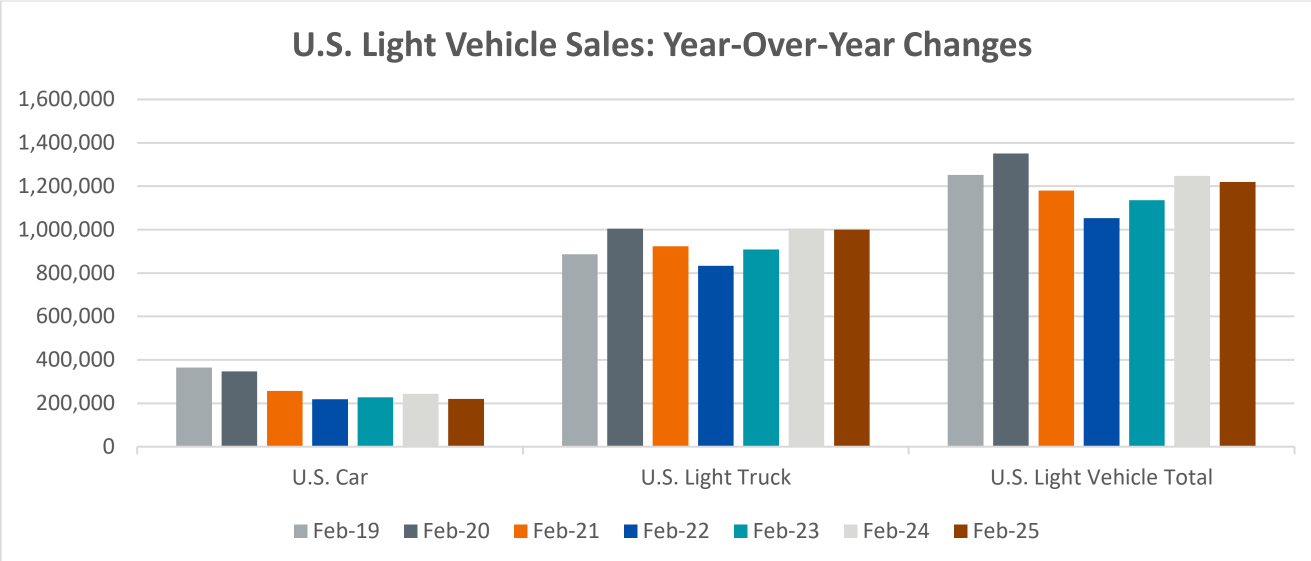
“Retail volume was estimated at 1.010 million units, up 8.7% year-over-year, based on DSRs. Fleet deliveries were estimated at 210,000, down 16.3% (based on DSRs).

“By Segment Group, the most affordable sector, Small Car, rose 16.0% year-over-year, with share rising to 8.5% from 7.5%. The light-truck entry-level Small CUV subsegment rose 9.1%. At the other end of the price scale, luxury-segment vehicles increased 16.8%.

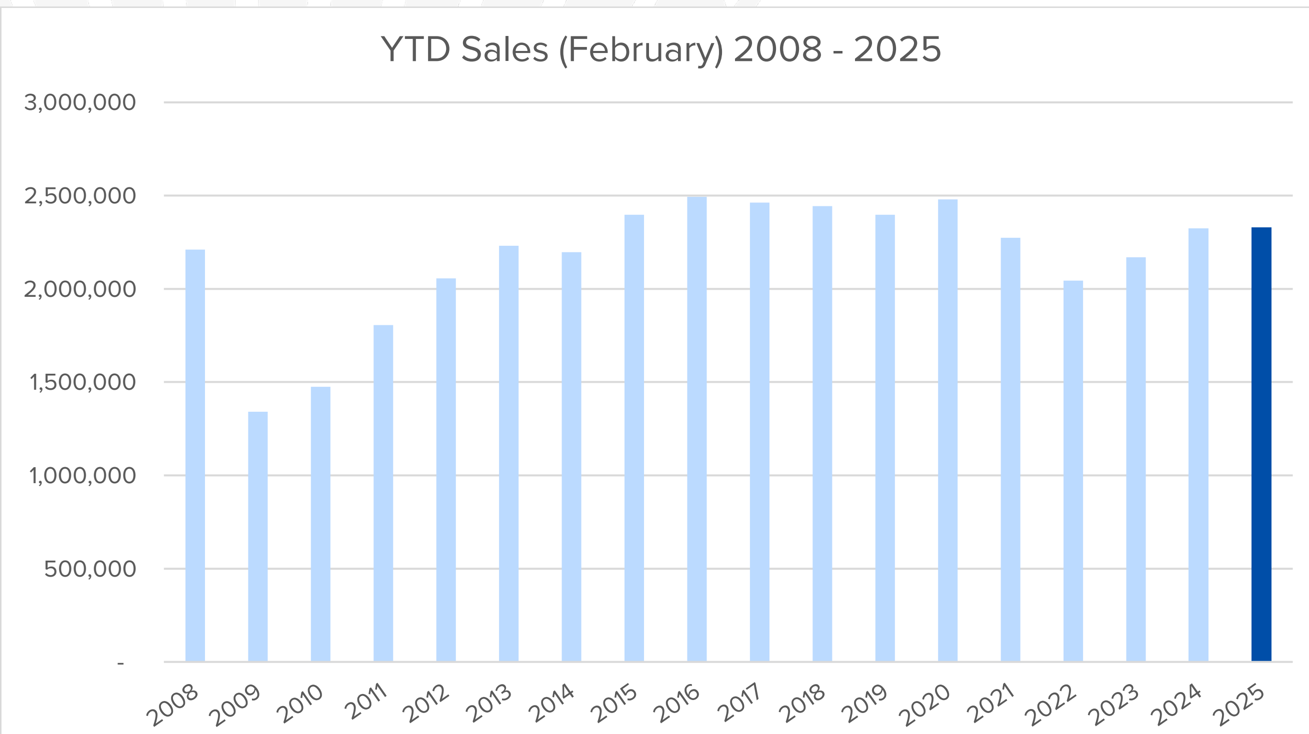
“Non-luxury midsize cars and compact and midsize CUVs and SUVs – generally considered the mainstream sector of the market – all recorded big declines.

“Among the Segment Groups, Van and Pickup also posted strong gains – 18.6% and 17.3%, respectively - with Van penetration totaling 5.2% vs. 4.5% in the year-ago month, and Pickup share soaring to 17.9% from 15.8%.

“Overall, cars fell 0.4% from like-2024, while trucks were up 4.2%.”



Calendar year-to-date sales through February totaled 2.33 million units, up 0.3% from 2024's 2.32 million.

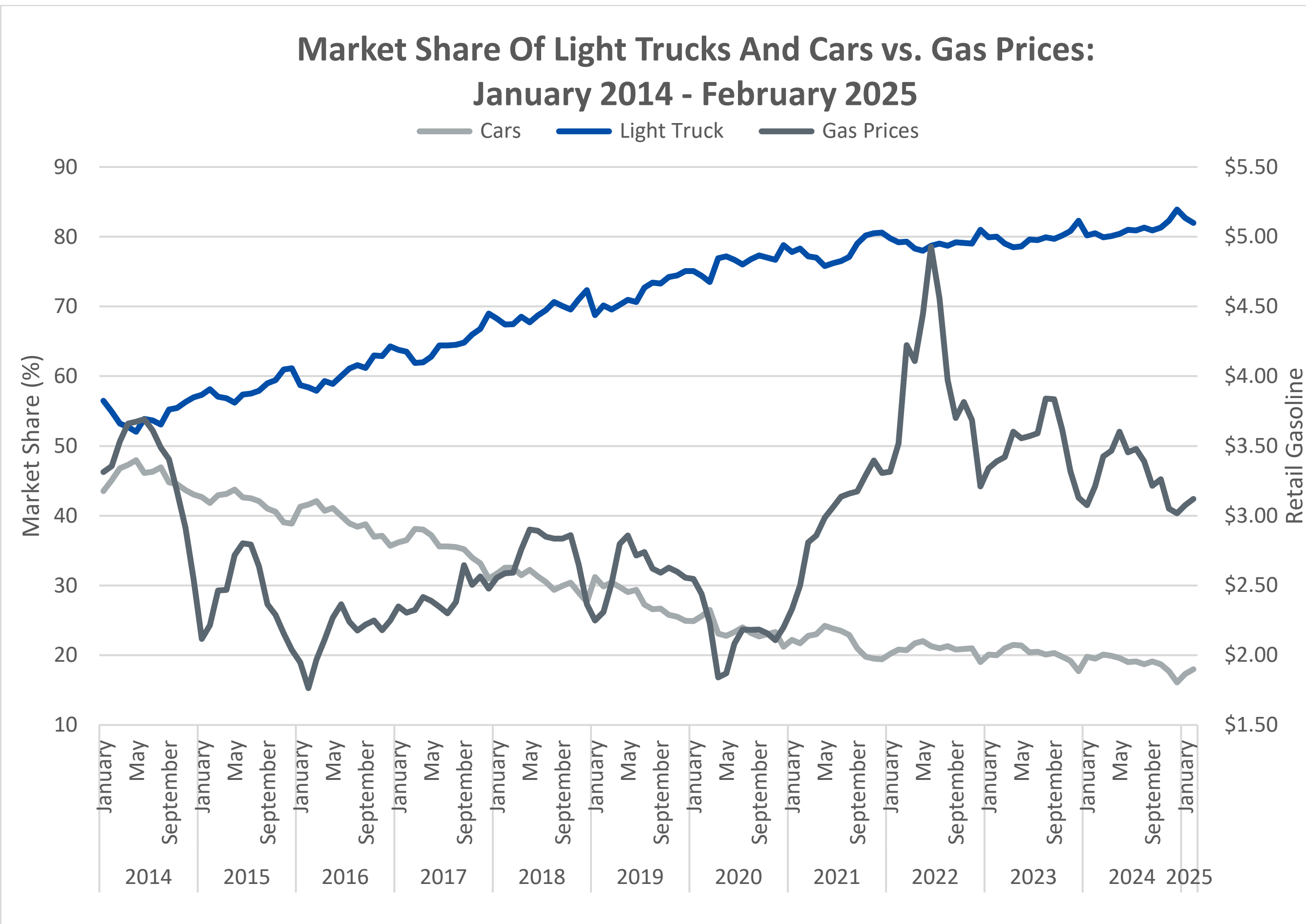


Segments vs. Gas Prices (Updated 3/5)

Monthly Sales For January: Light trucks accounted for 82 percent of sales in February, up 1.5 percentage points from the market share a year ago. Compared to the same period in 2024, sales of cars are down

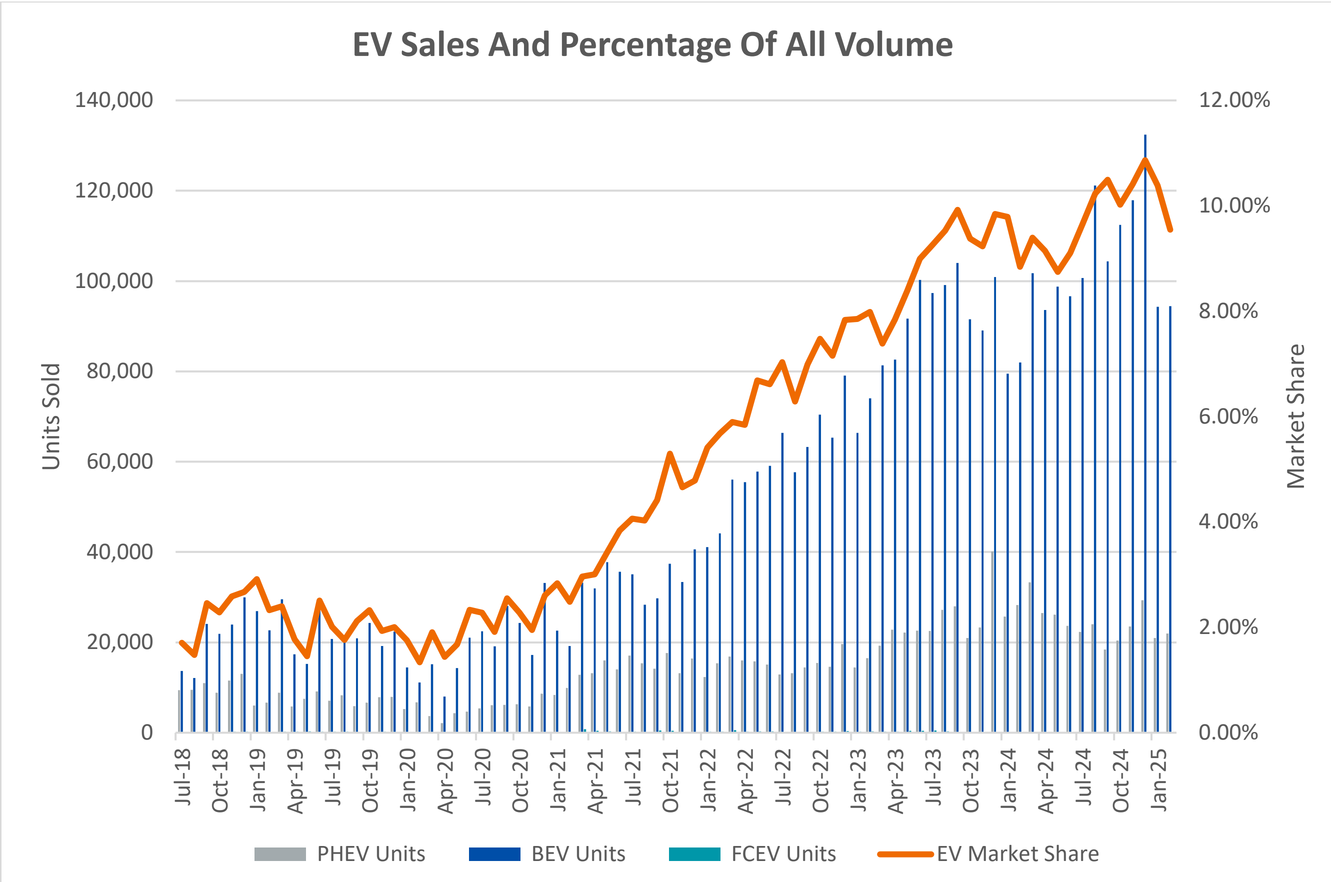
24,000 units, and down more than 145,000 from February 2019, when cars comprised 29% of the market as opposed to the 18 percent of the market passenger cars have now.

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 $2.92 a gallon (through July 2024) 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]



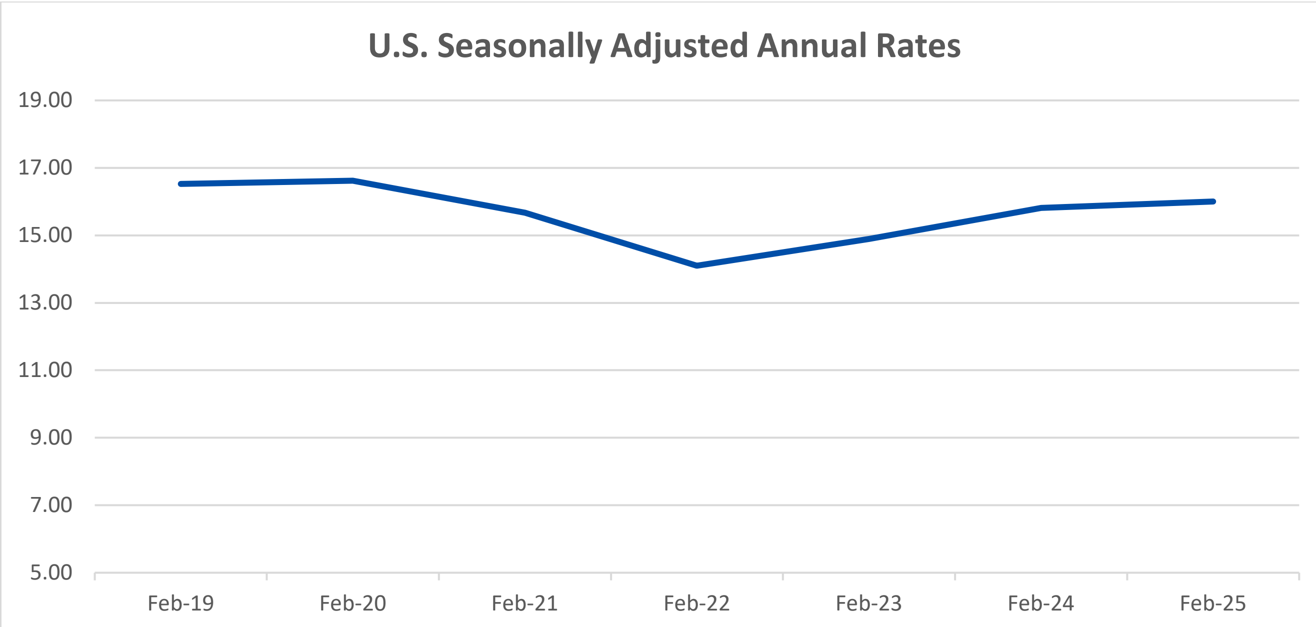
EV Powertrain Sales (Updated 3/5)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 9.6 percent of total vehicle sales in February 2025 (116,451), per Wards estimates. Market share decreased 0.84 percentage points (pp) from January 2025. February's EV market share is up 0.7 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 7.7 percent of total sales, up 1.2 pp from February 2024. Plug-in hybrids accounted for 1.8 percent, down 0.5 pp from the same time last year.



Seasonally Adjusted Annual Rates (Updated 3/5)

WardsIntelligence[12]: “February U.S. light-vehicle sales finished a smidgeon above expectations, posting a 16.0 million-unit seasonally adjusted annual rate, an increase from January’s 15.5 million and same-month 2024’s 15.7 million.”



Average Transaction Price (Updated 3/5)

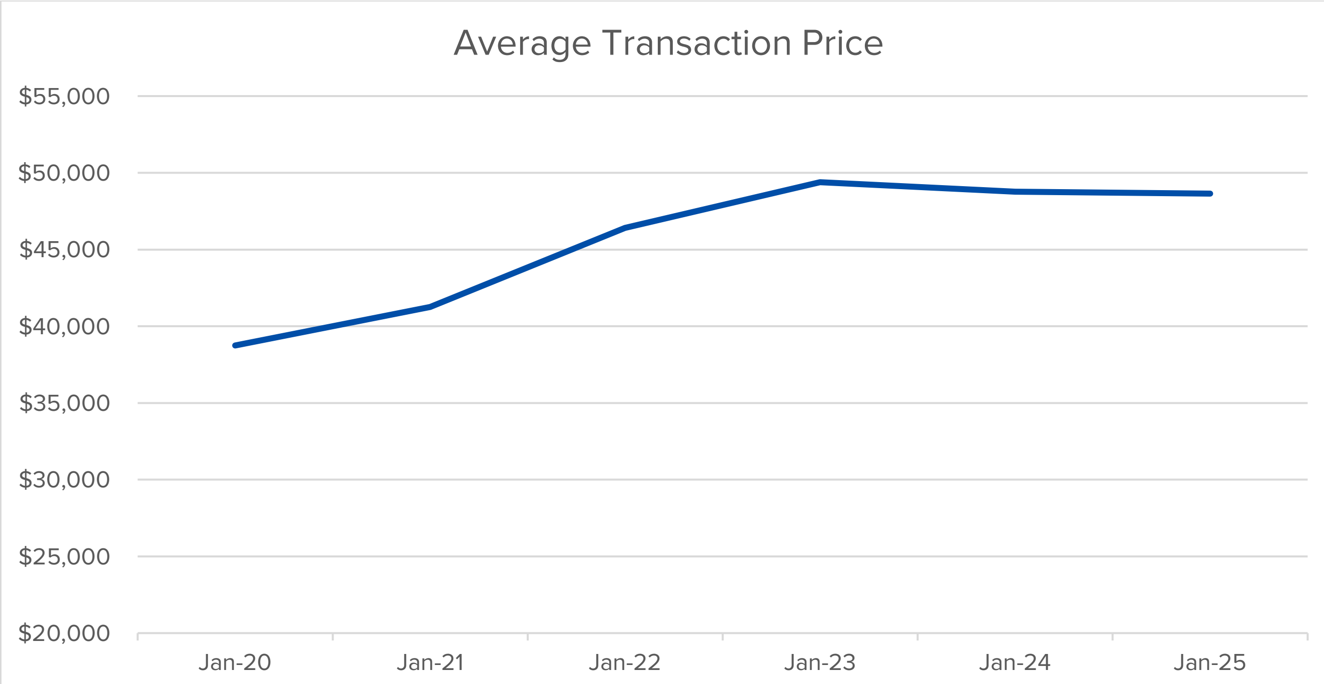
J.D. Power (Updated 3/5)[13]**:** "Despite rising manufacturer discounts and falling retailer profits, average transaction prices remain high. The average retail transaction price for new vehicles is trending toward $44,619, up $71 (0.2%) from February 2024."

Kelley Blue Book (January)[14]**:** "The new-vehicle ATP in January was lower versus December by 2.2%, falling to $48,641. The January ATP increased year over year by 1.3%. A year ago, the new-vehicle ATP was $48,031.

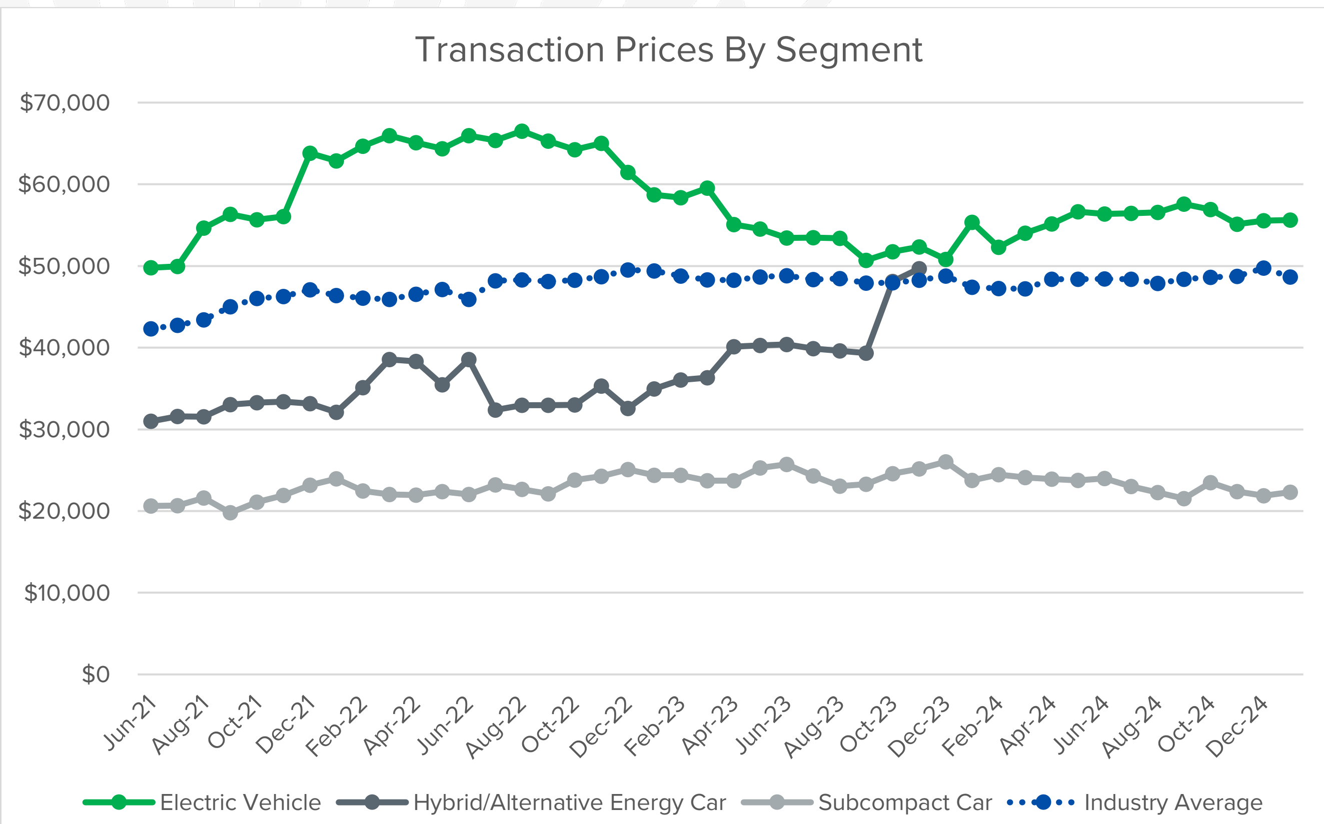
"Sales incentives declined last month, falling from 8.0% of ATP in December to an average of 7.2% of ATP in January. Incentive packages in January, at roughly $3,486, were 29.2% higher year over year. In January 2024, the average incentive package was equal to 5.6% of ATP.

"ATPs for EVs in January, at $55,614, were higher by nearly 1% compared to a downwardly revised December. EV prices last month were lower year over year by 1.4%. Incentive spending on EVs in January decreased by 3.1% compared to December but was higher by 48.6% year over year.

"Compared to the overall industry, EV ATPs were higher by 14.3%. A year ago, the price premium versus the industry was 17.4%."



Average Transaction Price
$55,000
$50,000
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
Jan-20
Jan-21
Jan-22
Jan-23
Jan-24
Jan-25



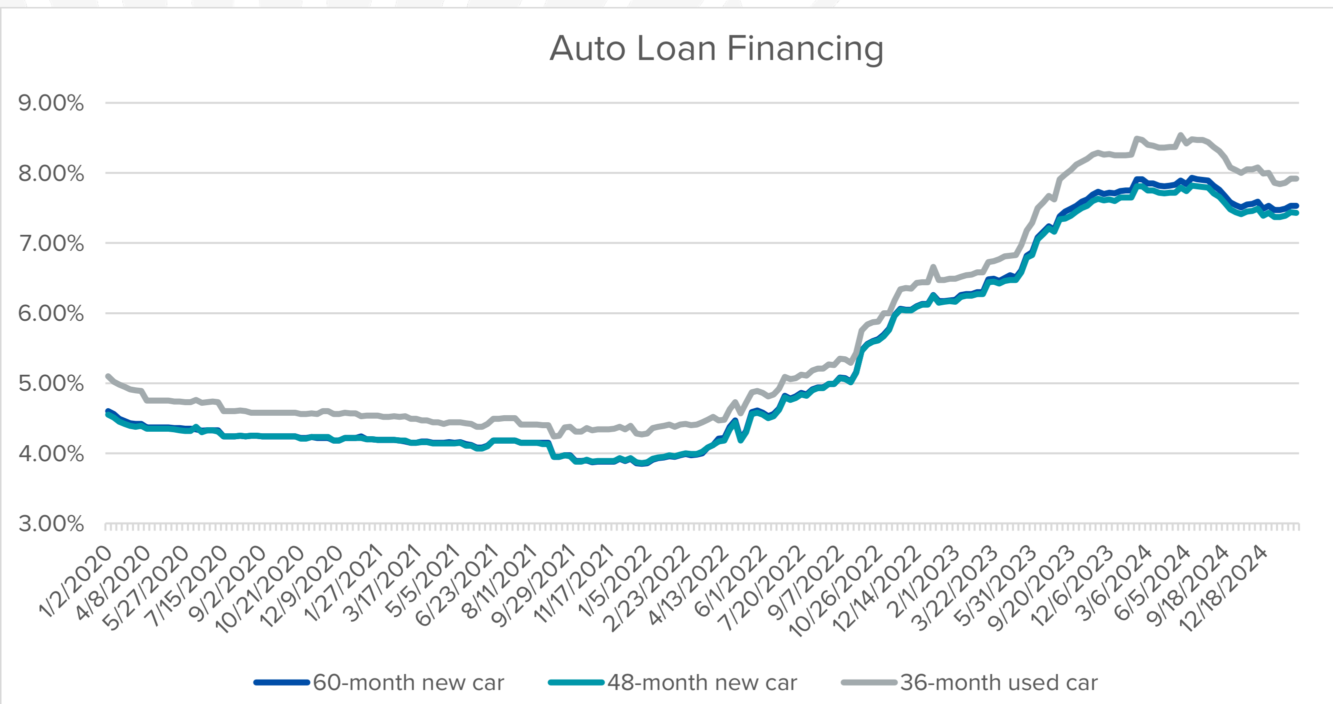
Transaction Prices By Segment
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
Jun-21
Aug-21
Oct-21
Dec-21
Feb-22
Apr-22
Jun-22
Aug-22
Oct-22
Dec-22
Feb-23
Apr-23
Jun-23
Aug-23
Oct-23
Dec-23
Feb-24
Apr-24
Jun-24
Aug-24
Oct-24
Dec-24
Electric Vehicle
Hybrid/Alternative Energy Car
Subcompact Car
Industry Average

Auto Loan Financing (Updated 3/5)

Interest Rates (updated 3/5): Interest rates were up slightly on the 60-month and 48-month and the 36-month used car loans over the past two weeks. Rates now stand at 7.53%, 7.43%, and 7.92%, respectively. Since the beginning of 2020, 60-month rates are up 2.93 pp, and are down 0.38 pp since the same time a year ago.[15]

JD Power (3/5)[16]: "Average monthly finance payments this month are on pace to be $738, up $17 from February 2024, and the highest February on record. The average interest rate for new-vehicle loans is expected to be 6.80%, down 3 basis points from a year ago."

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
2/28/2024	7.91%	7.81%	8.47%
2/5/2025	7.49%	7.39%	7.86%
2/26/2025	7.53%	7.43%	7.92%
Two Week Change	0.04%	0.04%	0.06%
Change since 1/3/20	2.93%	2.88%	2.82%
One Year Change	-0.38%	-0.38%	-0.55%



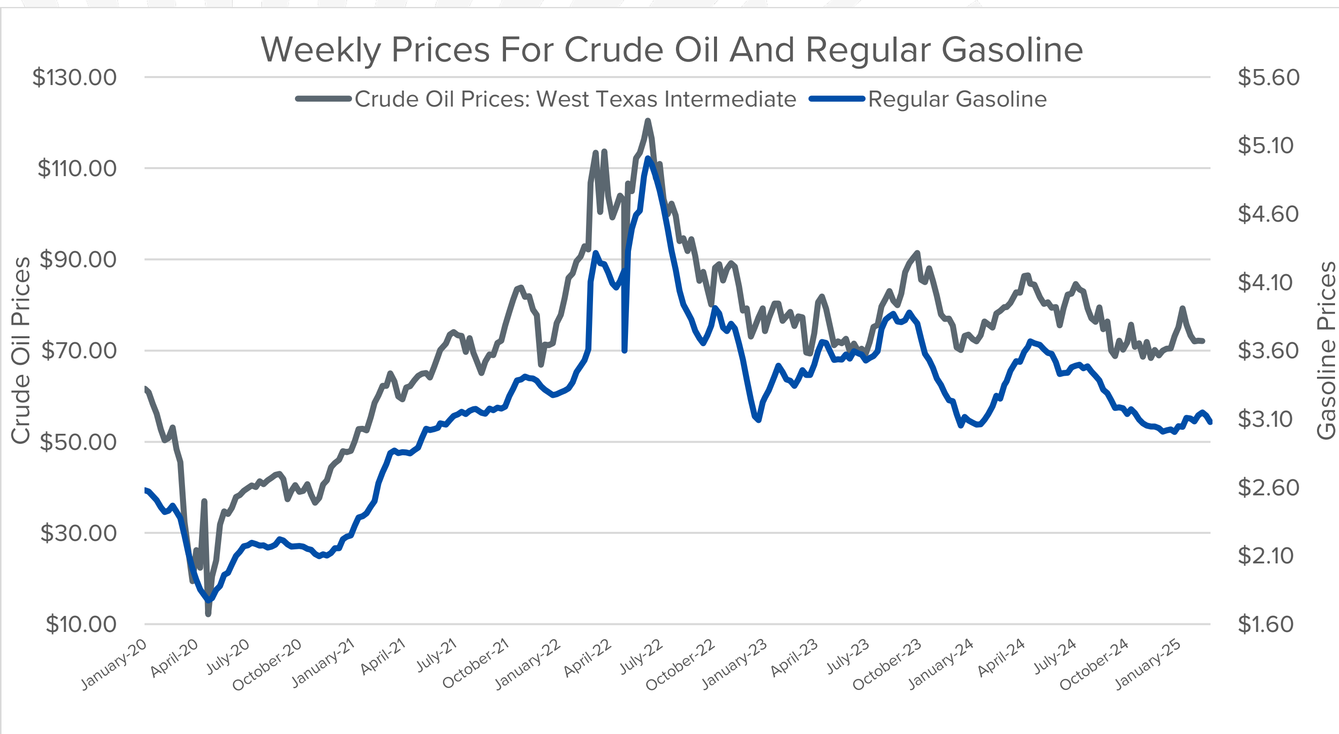
Crude Oil and Gas Prices (Updated 3/5)

Gas And Oil Remain Elevated (3/5): Oil prices, as benchmarked at West Texas Intermediate were $72.10 at the mid-point of February, up $0.07 from the prior week. Since election day 2024, oil prices are $3.41 a barrel higher. Gas is down slightly from a week ago at $3.08. Gas is 19% higher than the beginning of 2020 and has not been below $3 a gallon since May 2021 (though it did hit $3.01 at the end of December 2024).[17]

EIA Outlook For Oil (3/5):[18] "We expect the closure of two U.S. refineries to result in less U.S. crude oil refining in both 2025 and 2026, decreasing the production of refined products. U.S. refinery output in our forecasts decreases by 190,000 barrels per day (b/d) in 2025 and 180,000 b/d in 2026 as refinery capacity decreases. LyondellBasell began shutting down its 263,776-b/d Houston refinery on January 27, 2025, and expects completion in early February. We expect Phillips 66 to close its 138,700-b/d Los Angeles refinery at the end of 2025.

"To meet the forecast increase in U.S. consumption of petroleum products with less U.S. refinery capacity, we expect refinery utilization to remain relatively high and for net U.S. exports of petroleum products to decrease to meet domestic fuel demand. We also forecast that U.S. inventories of gasoline, distillate fuel, and jet fuel will decline.

EIA Outlook For Gasoline (3/5)[19]**:** "Motor gasoline is the only one of the three primary transportation fuels that we do not forecast to surpass 2019 volumes in the United States in the next two years. Fuel efficiency gains in the vehicle fleet have generally outpaced growth in driving since 2019, allowing drivers to travel more miles using less gasoline. We forecast U.S. motor gasoline consumption to remain about flat in 2025 as driving activity, measured by vehicle miles traveled, keeps pace with fuel efficiency gains. We forecast gasoline consumption to decrease slightly in 2026, when we assume slower growth in driving activity as employment growth slows. Compared with 2019, we forecast 4% less U.S. motor gasoline consumption in 2025 and 5% less in 2026, despite more miles driven in both years."



Production Meter

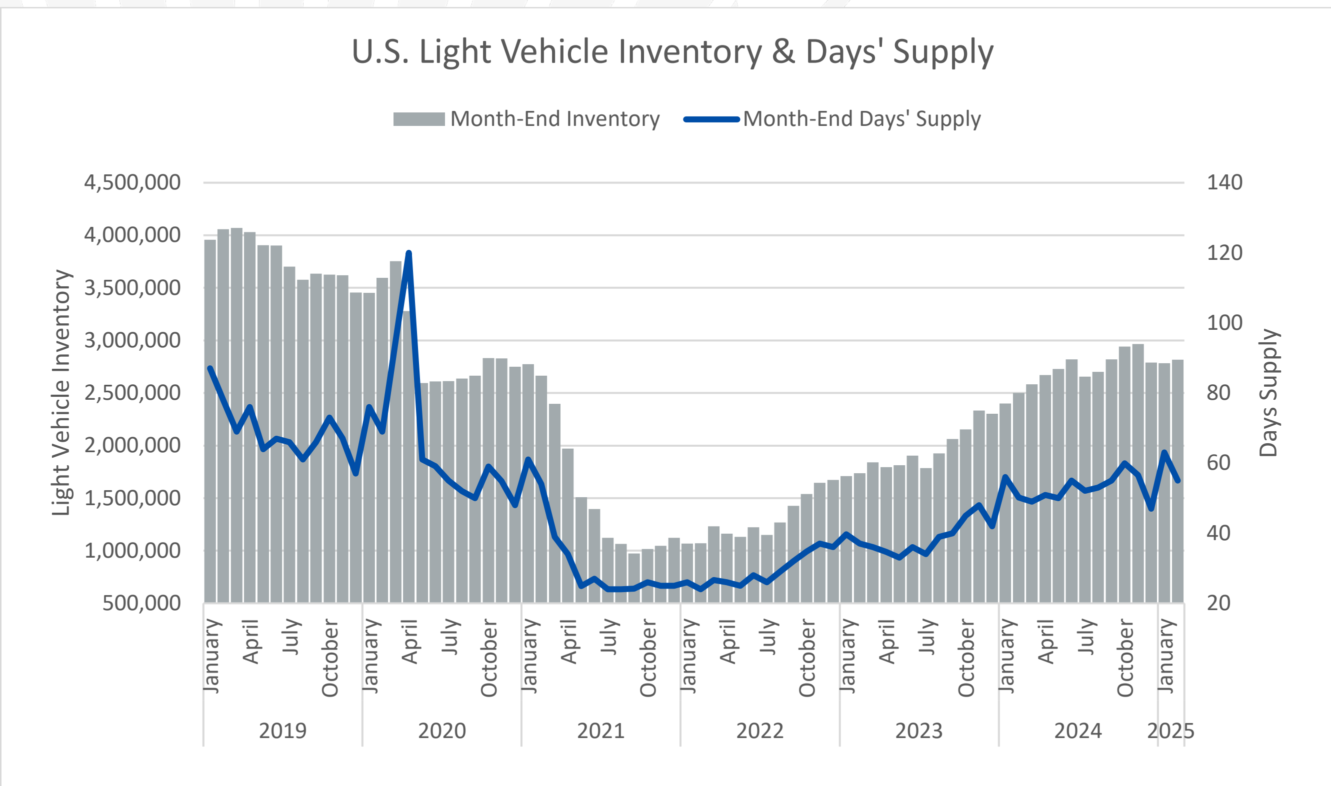
U.S. Light Vehicle Inventory and Days' Supply (Updated 3/5)

WardsIntelligence Inventory Update (2/6)[20]: "Indicating little interest in padding dealer lots ahead of the tariffs placed on vehicles built in Canada and Mexico as of March 4, U.S. light-vehicle manufacturers increased inventory at the end of February by a tepid 1.2% from the prior month to 2.816 million units.

"In the 20 years through 2019, or pre-pandemic period, inventory increased an average 2.5% in February from January - a year ago it rose 5.1%. The difference between the January-to-February increase in 2025 and the average gain is not a shocking amount nor totally unusual, but it comes after an atypical decline in inventory from December to January and just as the U.S. is imposing 25% tariffs on nearly everything coming from Canada and Mexico.

"In 2024, 23% of the light vehicles sold in the U.S. were built in Canada or Mexico, while roughly 53% were assembled in the U.S., according to Wards Intelligence partner GlobalData.

"February's inventory total was 11.4% above same-month-2024's 2.529 million units and equated to a 55 days' supply, down from January's 63 but up from February 2024's 51. Historically, a 71 days' supply is normal for February."



North American Production (Updated 2/20)

Wards Intelligence[21]: "North America production of all vehicles – light and medium-/heavy-duty trucks – in January fell year-over-year for the third straight month and eighth time in the past nine months.

"The results also nearly ensure Q1 output will post a third consecutive quarterly decline.

"The January total was some 81,000 units below month-ago's projection for the month, and further indication some automakers are concerned their inventory is too much above demand, especially in the U.S.

"Increases to the outlook for February and March partially offset January's shortfall from expectations and Q1-2025 output is forecast to total 3.909 million units, 4.7% below year-ago and a reduction of 40,000 from month-ago's outlook for the quarter.

"Excluding medium-/heavy-duty trucks, light-vehicle output totaled 1.154 million units in January, 7.2% below like-2024. First-quarter light-vehicle production is tracking to 3.780 million, 4.3% below year-ago.

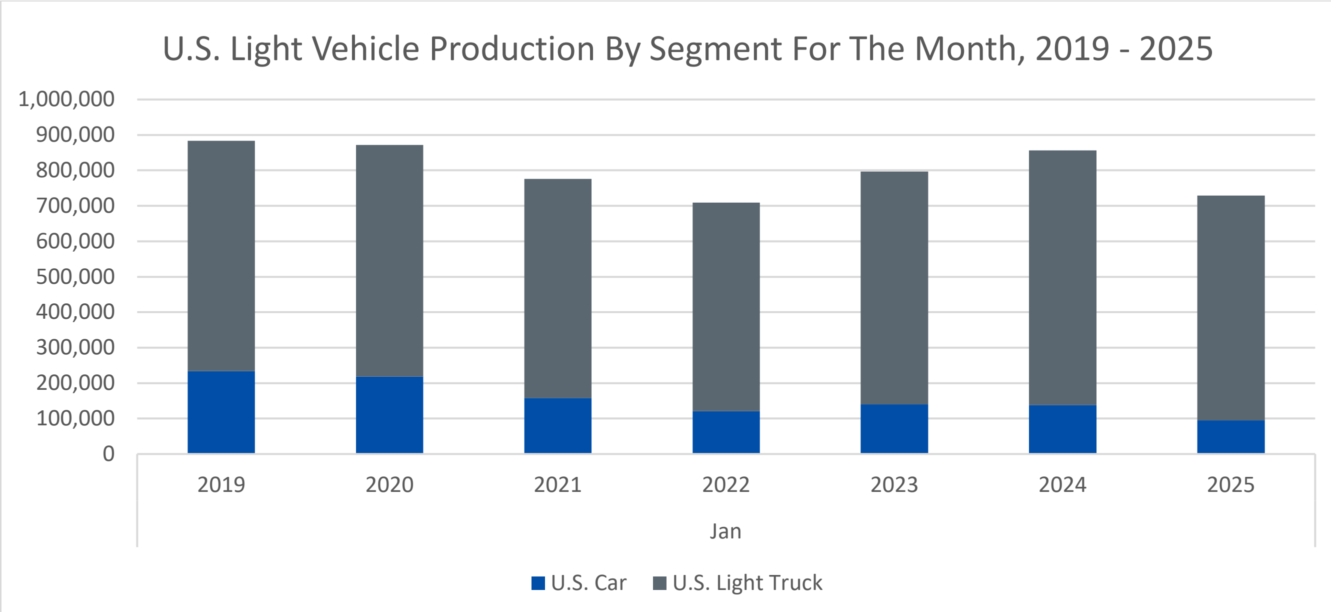
"With Canada production ending above expectations – 4,400 units - in January, the shortfall was nearly entirely in the U.S., where production finished 81,300 units below month-ago projections – Mexico output was 3,800 units below forecast.

"January U.S. output – all vehicles – totaled 752,222 units, 10.4% below same-month 2024. January production in Canada was down 2.6% and Mexico output fell 0.2%."

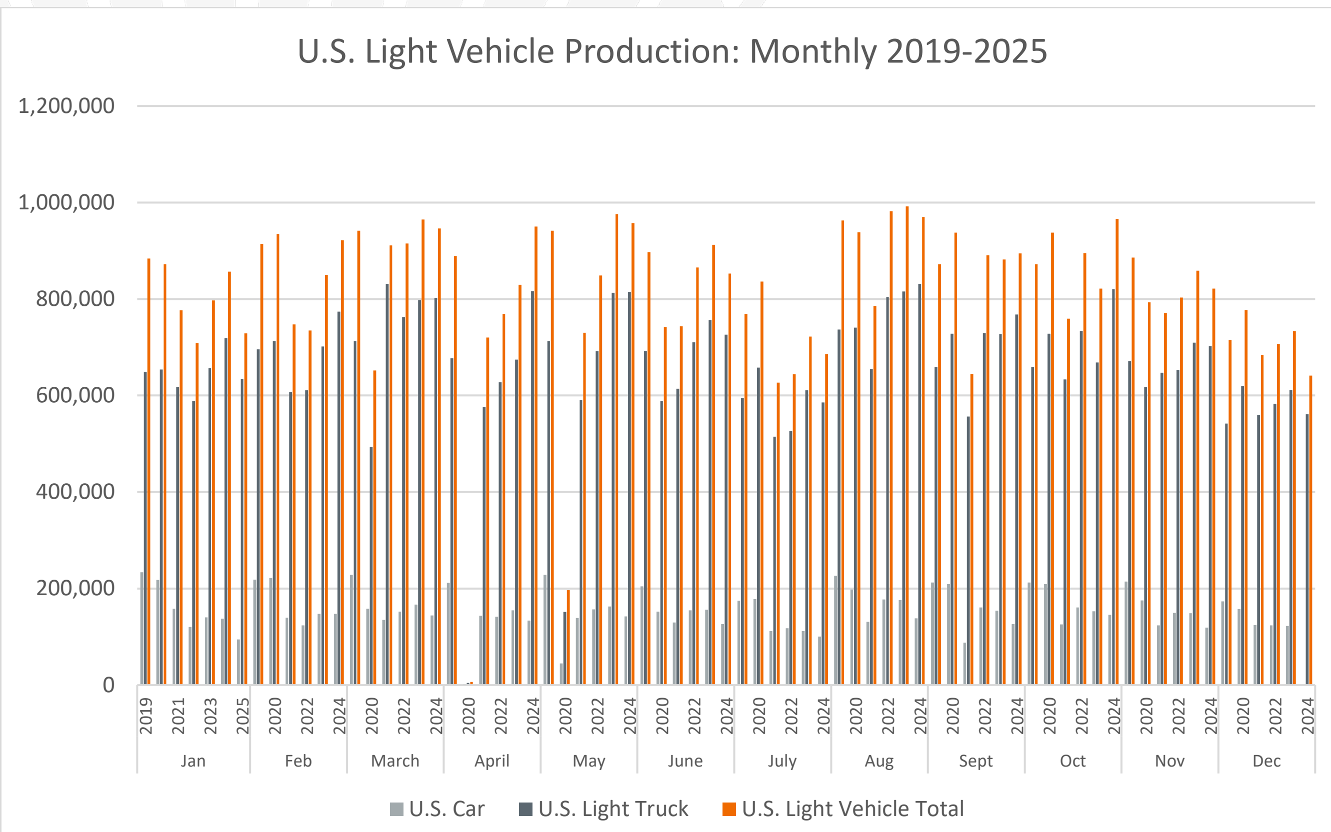
U.S. Light Vehicle Production (Updated 2/20)

U.S. Monthly Production (Upodated 2/20)

U.S. Light vehicle production for January was down 14 percent month-over-month, totaling 729,113 vehicles (94,445 cars, 634,668 light trucks), year-over-year, production is down 10 percent from 2024.[22]



U.S. Light Vehicle Production By Segment For The Month, 2019 - 2025
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
2019
2020
2021
2022
2023
2024
2025
Jan
U.S. Car
U.S. Light Truck



U.S. Light Vehicle Production: Monthly 2019-2025
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
Jan
Feb
March
April
May
June
July
Aug
Sept
Oct
Nov
Dec
U.S. Car
U.S. Light Truck
U.S. Light Vehicle Total

Global Meter

Global Light Vehicle Sales (Updated 2/6)

Wards Intelligence[23]: "Global vehicles sales in December posted their third straight year-over-year increase, capping off a strong Q4 gain of 5.9% and lifting entire-2024 to a 2.6% increase from 2023.

"Including some estimates that will be revised later this year, December sales of light vehicles and medium-/heavy-duty trucks combined totaled 8.86 million units, 4.9% above like-2023.

"Excluding medium- and heavy-duty trucks, light-vehicle deliveries totaled 8.56 million units, up 4.5% from November 2023.

"December's results for total vehicle sales were up year-over-year in all major regions, including Europe, which was the only major market to record a decline in November.

"However, although demand in the entire Asia-Pacific region grew 6.5% year-over-year in December, excluding China, the world's biggest market, which posted a 9.7% increase, sales in the remainder of the region fell 1.4%.

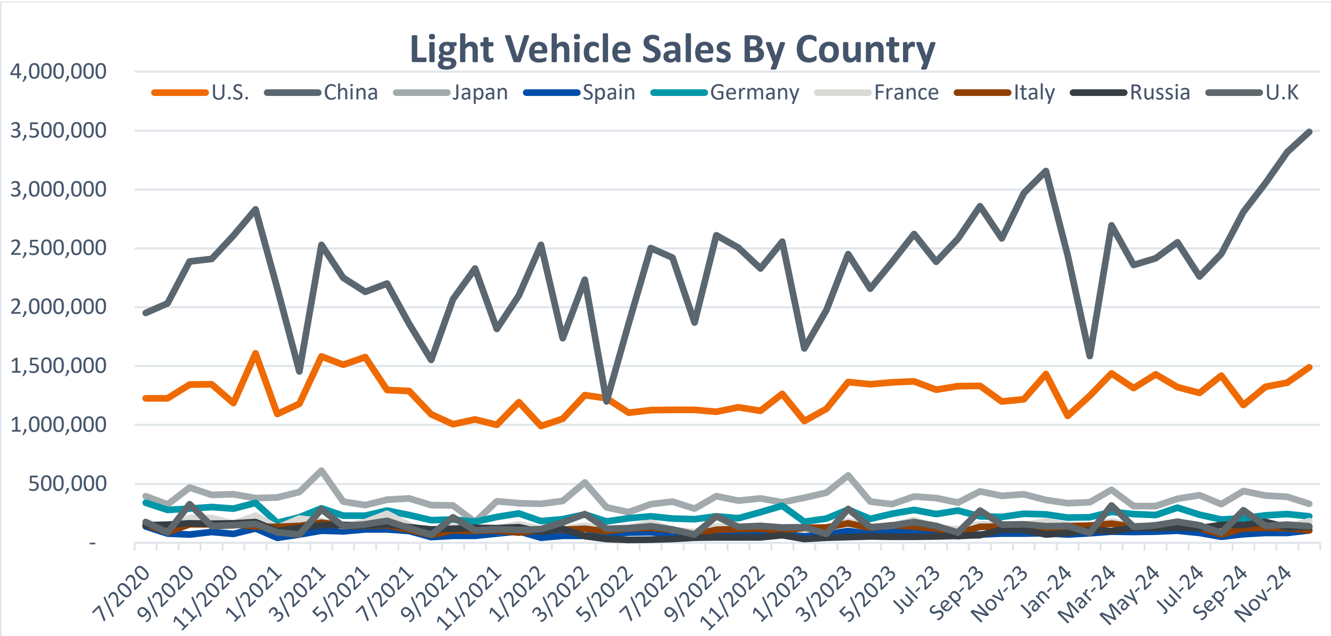
"Among other major regions, December sales in North America rose 2.3% year-over-year, increased 1.1% in Europe and 4.1% in South America.

"Sales of all vehicles totaled 94.67 million units in 2024, compared with 92.25 million in 2023, with calendar-year deliveries rising in all major regions.

"Wards Intelligence partner GlobalData pegged December's annualized rate for light vehicles at 96.0 million units, an uptick from November's 95.0 million.

"GlobalData expects the global light-vehicle SAAR to range between 90 million and 92 million in January, with raw volume rising at least 6% year-over-year.

"Global light-vehicle sales for entire-2025 are forecast to total 91.7 million units, up 4% from 2024. However, there is heavy downside risk to the outlook from potential trade frictions, possibly caused by the U.S.



Global Light Vehicle Production (Updated 2/20)

S&P Global Mobility Forecast (1/24)[24]: "The global auto industry continues to navigate a mix of industry-specific dynamics and potential external disruptors. Vehicle demand continues to recover in key markets yet remains stubbornly below pre-COVID levels in many areas. Further, the potential for significant tariffs on imports to the US presents risk for both market participants in the US and indeed markets around the world based on the negative macro implications. While the threat of damaging 25% tariffs on Canada and Mexico imports to the US remains, the deadline has been pushed out to March 4, allowing for further negotiations. As a result, the impacts of these potential tariffs are not reflected in this month's update. Propulsion mix developments continue to vary by region as some markets face slower EV adoption growth rates while other areas continue to see rather encouraging results. Given likely revisions to US emissions requirements by the incoming Trump administration, we expect material reductions in BEV volumes/market share and adjustments in electrification mix. The February forecast update reflects a mix of generally net upgrades of varying magnitudes in the extreme near-term, while we maintain a cautious eye on ongoing trade negotiations in the US. The strong reception to the extension of the vehicle scrappage and replacement policy in China is a major factor in the boost to 2025 production in particular. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was reduced by 14,000 units and by 82,000 units for 2025 and 2026, respectively (and reduced by 151,000 units for 2027). In the extreme near-term, there were only modest revisions to the Europe production forecast for the month. The assumptions regarding the US tariff situation (e.g. an expected 10% universal tariff impacting Europe) and the outcome of the EU strategic dialogue on the auto industry remain unchanged. Regarding EU OEM pooling strategy and the ability to achieve 2025 emissions targets, the forecast is largely intact. Beyond 2025, volume reductions are primarily related to product cycle changes, including the cancellation of localization of the Mini Cooper electric (from China to the UK), the cancellation of exports of the VW ID.7 to the US and delays of future VW EV programs and the Stellantis STLA-S platform.

"**Greater China:** The outlook for Greater China light vehicle production was increased by 397,000 units and by 51,000 for 2025 and 2026, respectively (and reduced by 15,000 units for 2027). Driven by domestic demand and exports, last year's production posted solid growth of 3.6% relative to 2023. With a strong close to the year, motivated by scrappage incentives and seasonal purchasing before the Chinese New Year, there is expected to be something of demand hangover in Q1-2025. Nevertheless, financial support continues in 2025 with the extension of scrappage incentives as part of a wider initiative by the Chinese government to expand domestic consumption. Moreover, consumption stimulus measures by regional governments have been further enhanced during the New Year holidays, which will become more effective in the following months. Amid continued uncertainties around global trade protectionism, vehicle export growth is expected to slow somewhat, yet we expect exports to remain quite robust as Chinese automakers seek to further grow sales in overseas markets. The outlook for 2025 has been upgraded on continued strength supported by the extended scrappage incentives. Additionally, domestic demand is expected to continue to recover with further economic stabilization supporting the modest upgrade for 2026.

"**Japan/Korea:** Full-year 2025 Japan production was increased by 38,000 units relative to last month's forecast. The upgrade was primarily related to stronger production plans for Toyota models, particularly ICE vehicles, over the next several months. The longer-term outlook for Japan production was downgraded by around 19,000 units per year. This was driven by the removal of some Nissan and Infiniti models as Nissan is expected to cancel or remove unprofitable and lower volume models as the part of its restructuring efforts. Amid sluggish domestic consumption due to political instability coupled with declining exports, the South Korea production forecast for 2025 was reduced by approximately 10,000 units compared to the previous month. There were no significant changes in the following years, 2026 and 2027.

"**North America:** The outlook for North America light vehicle production was reduced by 13,000 units and increased by 8,000 units for 2025 and 2026, respectively (and reduced by 8,000 units for 2027). The outlook for regional production in 2025 has only marginally changed, down 0.1% to a total of 15.11 million units. Market concern surrounds the potential impact of tariffs on the US economy. Despite the marginal top line movement of the forecast, production at the manufacturer level reflects more material revisions. The deepest cuts are at Nissan which was revised down 59,000 units compared to the previous forecast with reductions centered on sweeping actions planned by the company to reduce detrimental high fleet and incentives activities. Conversely, production at GM was revised higher by 51,000 units with 81% of the increase centered on the all-important and highly profitable T1XX truck platform. The regional outlook for 2026 and 2027 remains largely unchanged, with 2026 being revised higher by 0.1% totaling 15.36 million units while 2027 was revised down 0.1% totaling 15.64 million units. Based on current US economic and auto demand forecasts, upside exists to the outlook for 2026 on the order of 250-350,000 units to maintain US inventory at 2.7 million units. The current level of uncertainty facing the market prevents the forecast from incorporating this upside potential.

"**South America:** The outlook for South America light vehicle production was increased by 33,000 units and reduced by 6,000 units for 2025 and 2026, respectively (and reduced by 11,000 units for 2027). The outlook for 2025 was upgraded primarily on stronger production for Brazil and, to a lesser extent, Argentina. Of note, the macro outlook for Argentina has the potential to improve slightly with fewer policy disruptions expected this year. The production outlook for South America for the balance of the near-term forecast horizon was only modestly changed overall. However, digging deeper, downgrades were made to Nissan given the ongoing challenges and production stoppages with the automaker. Further, the forecast also factors in negative impacts to Brazil production reflecting the effects of "higher for longer" interest rates.

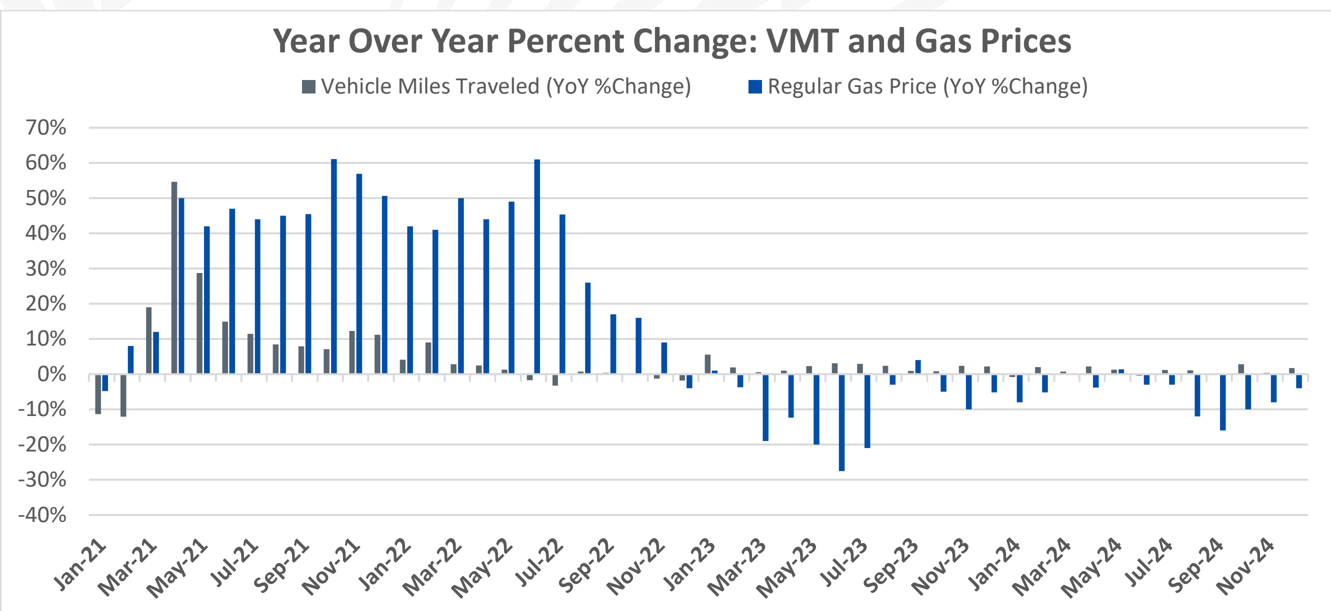
"**South Asia**: The outlook for South Asia light vehicle production was essentially unchanged for 2025 and reduced by 33,000 units for 2026 (and increased by 12,000 units for 2027). Even though the overall production forecast for 2025 was largely unchanged, there were more meaningful revisions at the market/country level. Specifically, the outlook for the ASEAN market was reduced by 49,000 units for 2025. The near-term outlook reflects the market's deepening economic headwinds and somewhat prolonged auto market stagnation. Indonesia, the area's largest auto market, has been particularly hard hit, as slow economic growth and high interest rates have weakened consumer purchasing power. Meanwhile, Thailand's auto industry remains in a credit crunch, with increasingly stringent lending conditions making it more difficult for consumers to secure financing for vehicle purchases. Looking ahead to 2026, the production outlook has been reduced by another 58,000 units, amid mounting concerns over the sector's recovery trajectory. The downward revision comes on the back of weaker than expected demand for battery electric vehicles. Notwithstanding the challenges facing the ASEAN market, the outlook for the India market remains largely constructive with a growing preference for personal mobility and improved consumer confidence in rural and semi-rural markets supporting the market."

Economy Meter

Roadway Travel (Updated 3/5)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in December increased by 1.5 percent from the same time a year ago. The cumulative travel estimate for 2024 is 3,279.1 billion vehicle miles.[25]

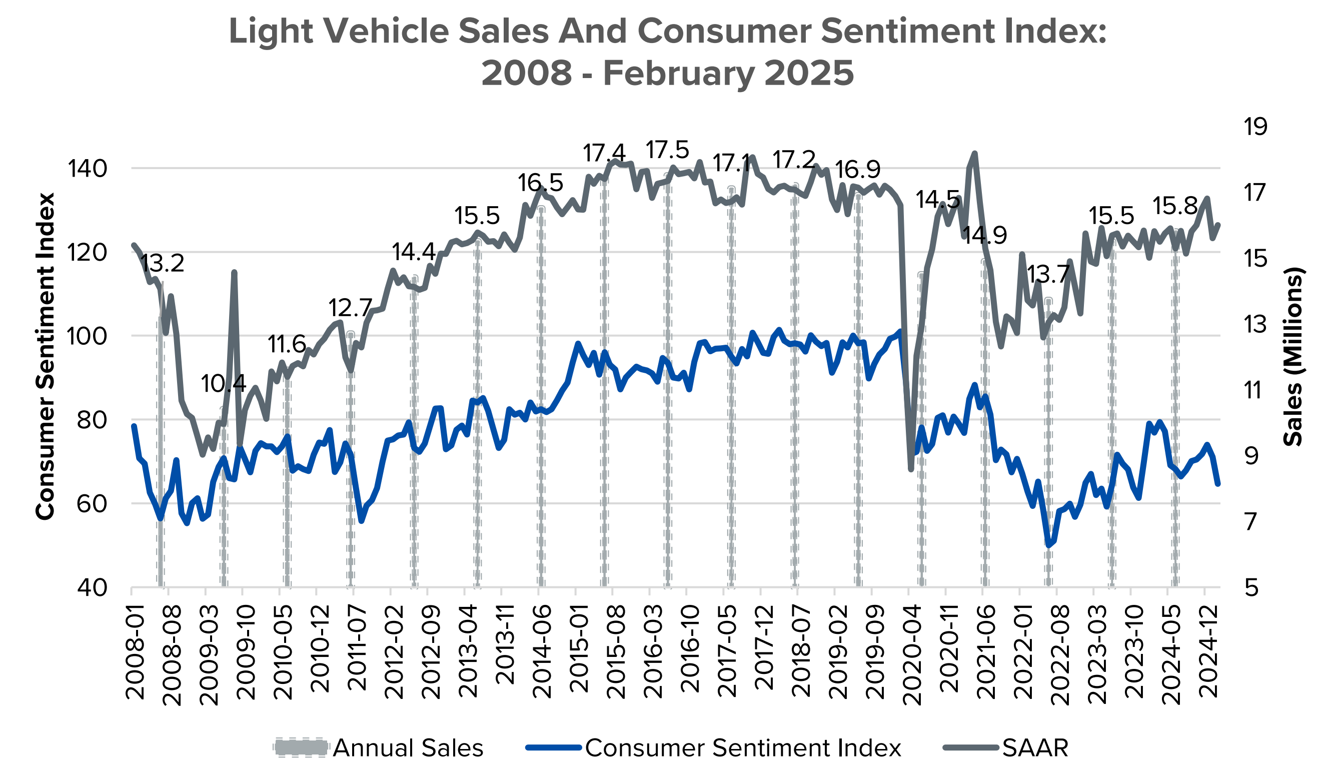
- Travel on all roads and streets changed by +1.7% (+4.3 billion vehicle miles) for December 2024 as compared with December 2023. Travel for the month is estimated to be 263.0 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for December 2024 is 274.4 billion miles, a +1.5% (3.9 billion vehicle miles) change over December 2023. It also represents a 0.6% change (1.7 billion vehicle miles) compared with November 2024.
- Cumulative Travel for 2024 changed by +1.0% (+32.3 billion vehicle miles). The cumulative estimate for the year is 3,279.1 billion vehicle miles of travel.



Consumer Confidence and Sales (Updated 3/5)

Surveys of Consumers Director Joanne Hsu[26]: "Consumer sentiment extended its early month decline, sliding nearly 10% from January. The decrease was unanimous across groups by age, income, and wealth. All five index components deteriorated this month, led by a 19% plunge in buying conditions for durables, in large part due to fears that tariff-induced price increases are imminent. Expectations for personal finances and the short-run economic outlook both declined almost 10% in February, while the long-run economic outlook fell back about 6% to its lowest reading since November 2023. While sentiment fell for both Democrats and Independents, it was unchanged for Republicans, reflecting continued disagreements on the consequences of new economic policies.

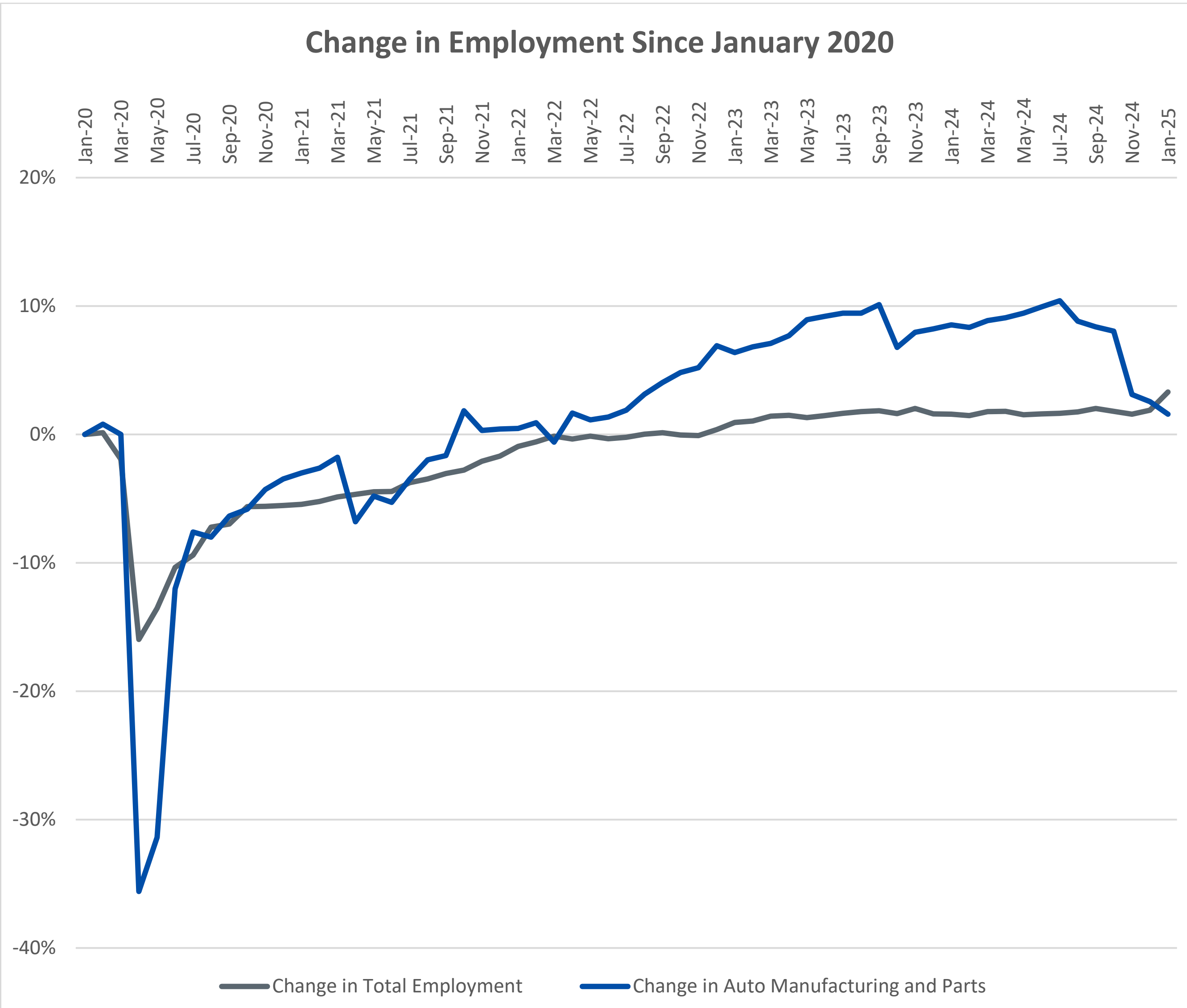
"Year-ahead inflation expectations jumped up from 3.3% last month to 4.3% this month, the highest reading since November 2023 and marking two consecutive months of unusually large increases. The current reading is now well above the 2.3-3.0% range seen in the two years prior to the pandemic. Long-run inflation expectations rose over the course of the month and climbed from 3.2% in January to 3.5% in February. This is the largest month-over-month increase seen since May 2021. For both short- and long-run inflation expectations, this month's increases were widespread and seen across income and age groups. Inflation expectations rose this month for Independents and Democrats alike; they fell slightly for Republicans."



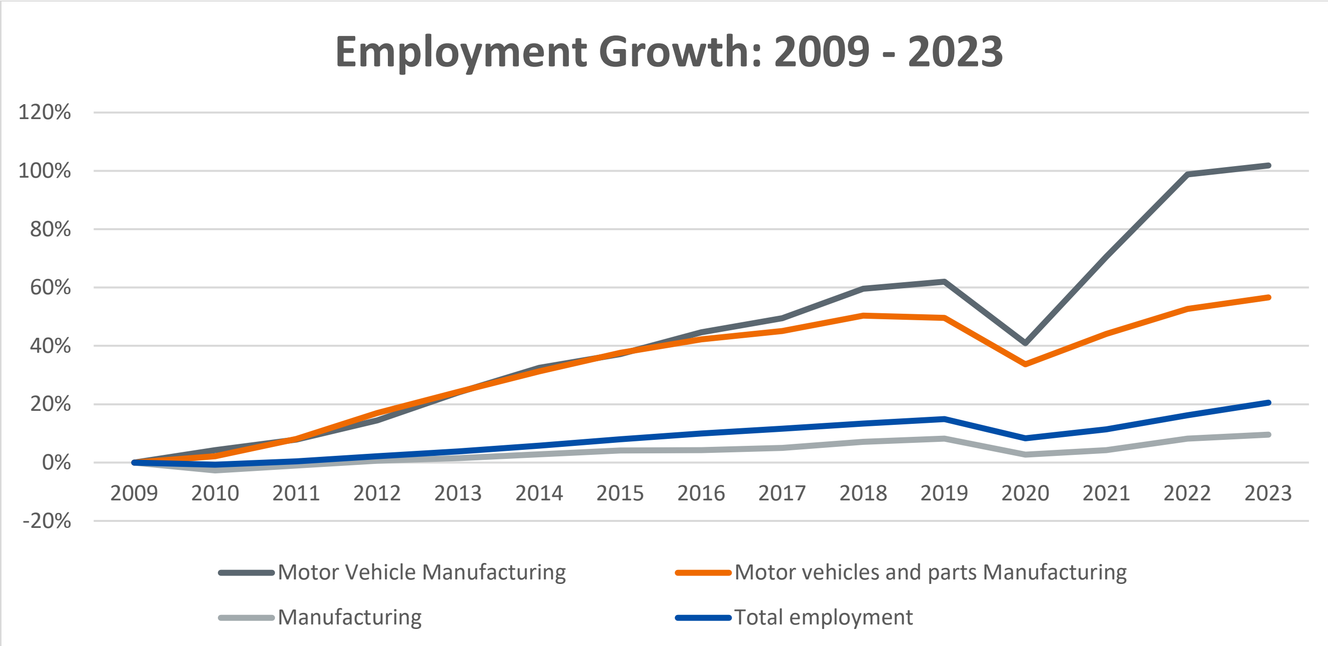
Employment (Updated 2/20)

Motor Vehicle And Parts Manufacturing Lost 9,700 Jobs in January.

After a loss of nearly 350,000 employees (about 35% of the workforce) in the height of the pandemic, employment in the Automobile Manufacturing and Parts sectors raced back but is now fighting losses due to supply chain disruptions with semiconductors.[27]



After the recession in 2009, the auto industry was credited with being on the leading edge of the recovery, which began a ripple effect through other parts of the country.[28] Additionally, the chart below shows how the recovery of jobs in motor vehicle manufacturing alone and motor vehicle and parts manufacturing far outpaced the recovery of manufacturing and total jobs.



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