READING THE METER

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

ALLIANCE FOR AUTOMOTIVE INNOVATION

Contents – April 4, 2024

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Cleaner. Safer. Smarter.

Forecast Meter

Sales & Production Summary and Forecast (Updated 4/4)

2023-2024 Sales,[1] Extended Sales Forecast[2] and Production Forecasts[3]		
	U.S. Sales & Forecasts	**North American Production**
January '23	1,033,002 (+4.2% YoY)	1,195,548 (+12.9% YoY)
February '23	1,136,332 (+8.7% YoY)	1,257,482 (+15% YoY)
March '23	1,365,966 (+8.6% YoY)	1,442,991 (+6.7% YoY)
April '23	1,347,159 (+13.1% YoY)	1,281,626 (+8.6% YoY)
May '23	1,362,019 (+18.0% YoY)	1,462,273 (+25.5% YoY)
June '23	1,370,976 (+19.9% YoY)	1,387,090 (+13.8% YoY)
July '23	1,299,199 (+19.9% YoY)	1,173,342 (+15.6 YoY)
August '23	1,328,526 (+12.8% YoY)	1,467,284 (+4.5% YoY)
September '23	1,331,952 (+13.9% YoY)	1,353,072 (+7.6% YoY)
October '23	1,200,286 (+5.7% YoY)	1,388,720 (+4.5% YoY)
November '23	1,218,647 (+7.3% YoY)	1,372,253 (+8.1 YoY)
December '23	1,433,266 (+17.3 YoY)	1,082,176 (-2.3% YoY)
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)	
2023 Full Year	15,457,447 (+12.4% YoY)	16,144,461 (+9.3% YoY) (U.S. 10,611,580)
2024 Estimate	16.1 Million	16,031,665

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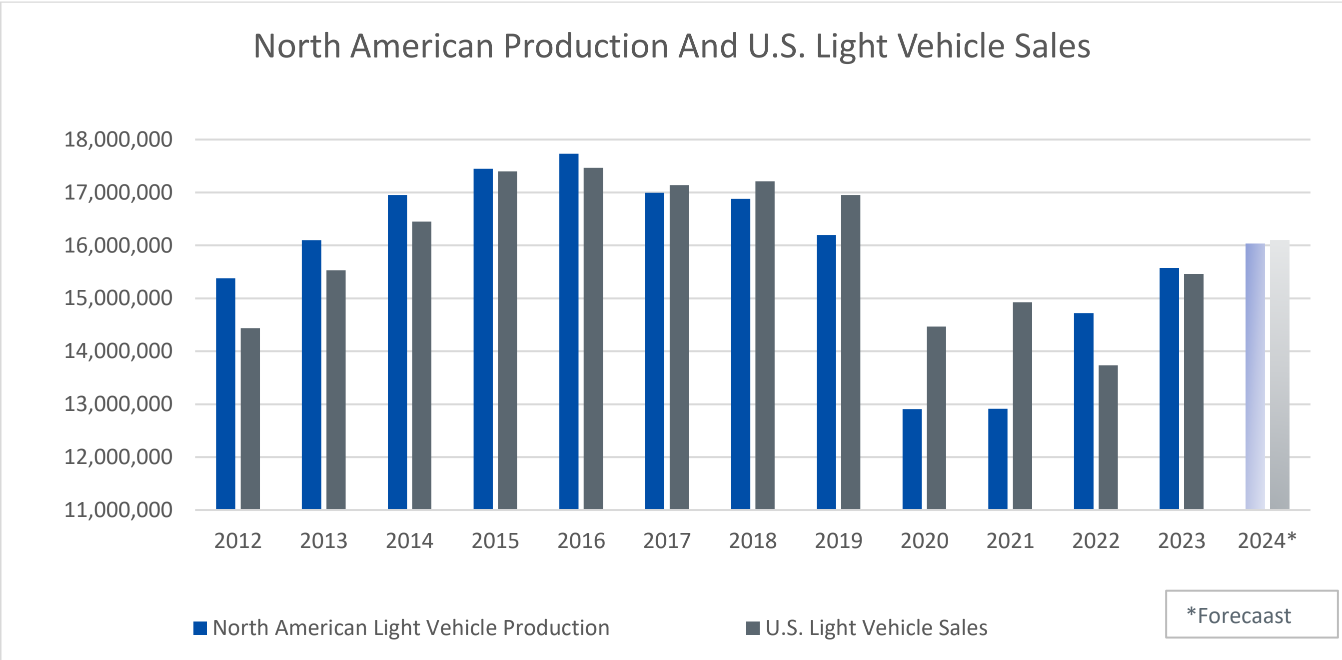
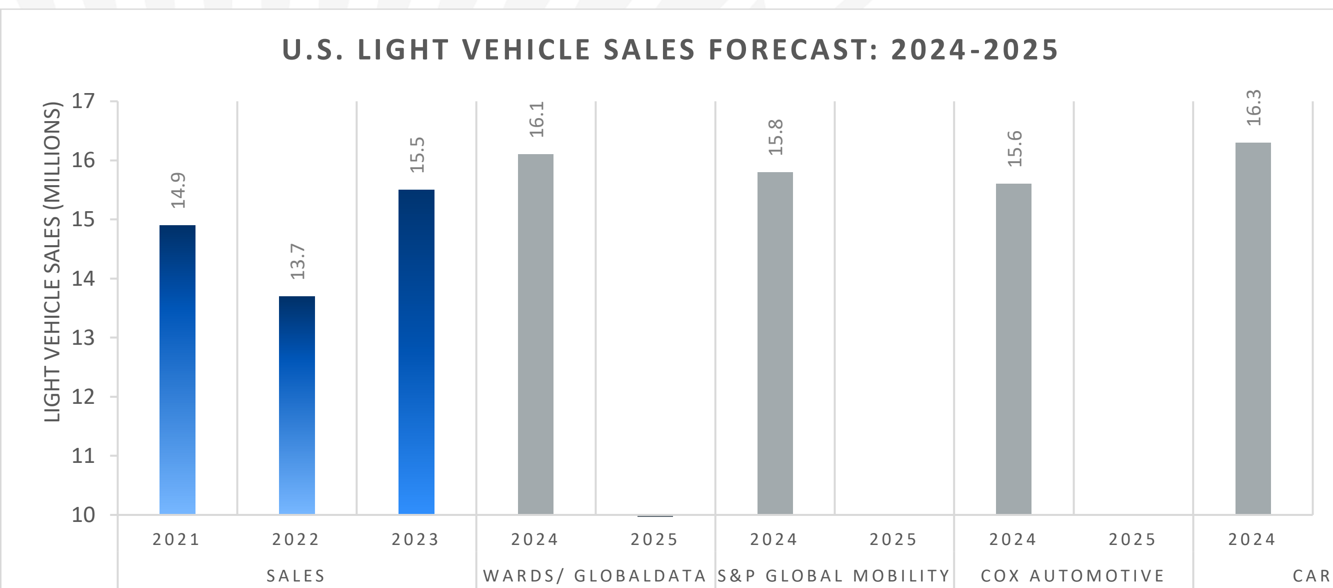


U.S. Light Vehicle Sales Outlook (Updated 4/4)



Wards Intelligence Outlook (4/4)[4]: "Affordability appears to be a hindrance to sales not being able to go up to another level, such as to a consistent 16-million annualized rate. However, inventory is rising for more affordable vehicles, which should help.

"Wards Intelligence partner GlobalData forecasts 2024 light-vehicle sales to total 16.1 million units. Following Q1-2024's 15.4 million-unit SAAR, sales will have to average a SAAR of 16.2 million over the final three quarters.

"Initial modeling points to a 15.9 million-unit SAAR in the second quarter, with raw volume rising to 4.12 million units, 1% above April-June 2023's 4.09 million. If Q2 does not show signs of demand growing closer to a steady 16-million annualized rate, expect some inventory paring over the summer, either through stronger retail incentives or production slowdowns.

"In the second quarter, inventory is forecast to rise again on a month-to-month basis in April, decline in May, and resume growth in June – a sequential decline in May is a typical "pre-pandemic" seasonal trend."

North American Production & Inventory Outlook (Updated 4/4)

Wards Intelligence Inventory Outlook (4/4) [5]**:** "Stronger than expected North America production over the past couple months is lifting U.S. light-vehicle inventory faster than originally forecast.

"Inventory of the lowest priced vehicle segment in the U.S. market, Small Car, rose 7.8% from the prior month and is up 143.9% from March 2023. Sales in the Small Car segment accounted for 8.2% of the market in March, up from like-2023's 6.8%.

"But CUVs are the more desirable vehicle to U.S. consumers, with deliveries equal to 51% of March's total volume.

"The two lowest cost subsegments inside the CUV sector, Small CUV and Middle CUV, ended March with stocks up 66.7% and 66.0%, respectively, from the year-ago period. Total inventory of both subsegments increased 1.5% from February. Combined sales in those two segments have been rising faster than the overall market, with market share of 33.9% in March, up from same-month 2023's 29.7%.

"With inventory rising quicker than expected, monthly sales should elevate to a consistent seasonally adjusted annual rate at the 16-million-unit level, as soon as in the second quarter. Monthly sales have averaged 15.6 million SAARs over the past 12 months."

Wards Intelligence Production Outlook (3/21)[6]**:** "With March tracking to output of 1.416 million units, first-quarter production is pegged at 4.143 million, an increase of 60,300 from month-ago's outlook, and 3.3% above year-ago.

"Excluding medium-/heavy-duty trucks, light-vehicle production in Q1 is tracking to 4.004 million units, 3.5% above the year-ago period. February light-vehicle output totaled 1.359 million, 10.0% above same-month 2023.

"In a first look at Q2, total vehicle production in April-June is forecast to total 4.322 million units, 2.5% above like-2023. Light-vehicle production is forecast at 4.180 million in Q2, 2.9% above same-quarter 2023.

"First-half 2024 is tracking to production of 8.466 million units, 2.9% above like-2023's 8.226 million. The January-June total is the highest for the period since 8.779 million in 2019.

"Light-vehicle production is pegged at 8.184 million units, 3.2% above the year-ago period.

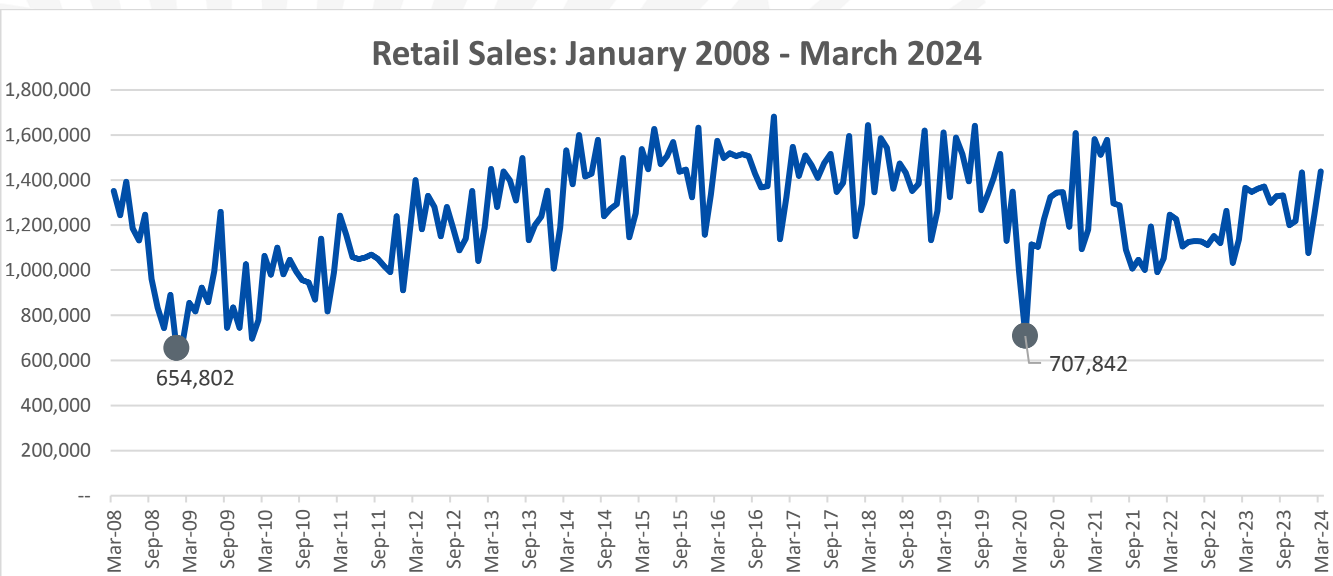
S&P Global Mobility Outlook (3/21)[7]: "The outlook for North America light vehicle production was increased by 7,000 units and reduced by 76,000 units for 2024 and 2025, respectively (and reduced by 44,000 units for 2026). The North America light vehicle production outlook for 2024 remains effectively unchanged, revised marginally higher to 15.78 million units to maintain ideal inventory levels as US light vehicle sales are expected to increase 2.3% to 15.96 million units. With US inventory for the all-important full-size pickup truck category at pre-COVID levels, averaging an 80-day supply, GM, Ford and Stellantis will have to balance production in relation to inventory and where they want their ideal transaction prices. While the forecast for these trucks remains somewhat muted for 2024, any individual marketing drives from higher incentives could push the other manufacturers to follow, driving the volume outlook higher. The outlook for 2025 was revised down 0.5% to 16.10 million units amid expected continued inventory discipline along with more conservative BEV ramp-ups that cascade into 2026. Regional production in 2026 was revised down 0.3% to total 16.29 million units, though noteworthy upside exists to meet US demand that is projected to peak in 2026 at 16.73 million units before trending downward to 15.92 million units in 2031.

Market Meter

U.S. Light Vehicle Sales (Updated 4/4)

<u>Monthly Sales (Updated 4/4)</u>

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.



<u>March Sales (Updated 4/4)</u>

WardsIntelligence[8]: "U.S. light-vehicle demand remained steady in March, finishing a hair below expectations while rising from the year-ago period and maintaining close to the annualized rate of the past 12 months.

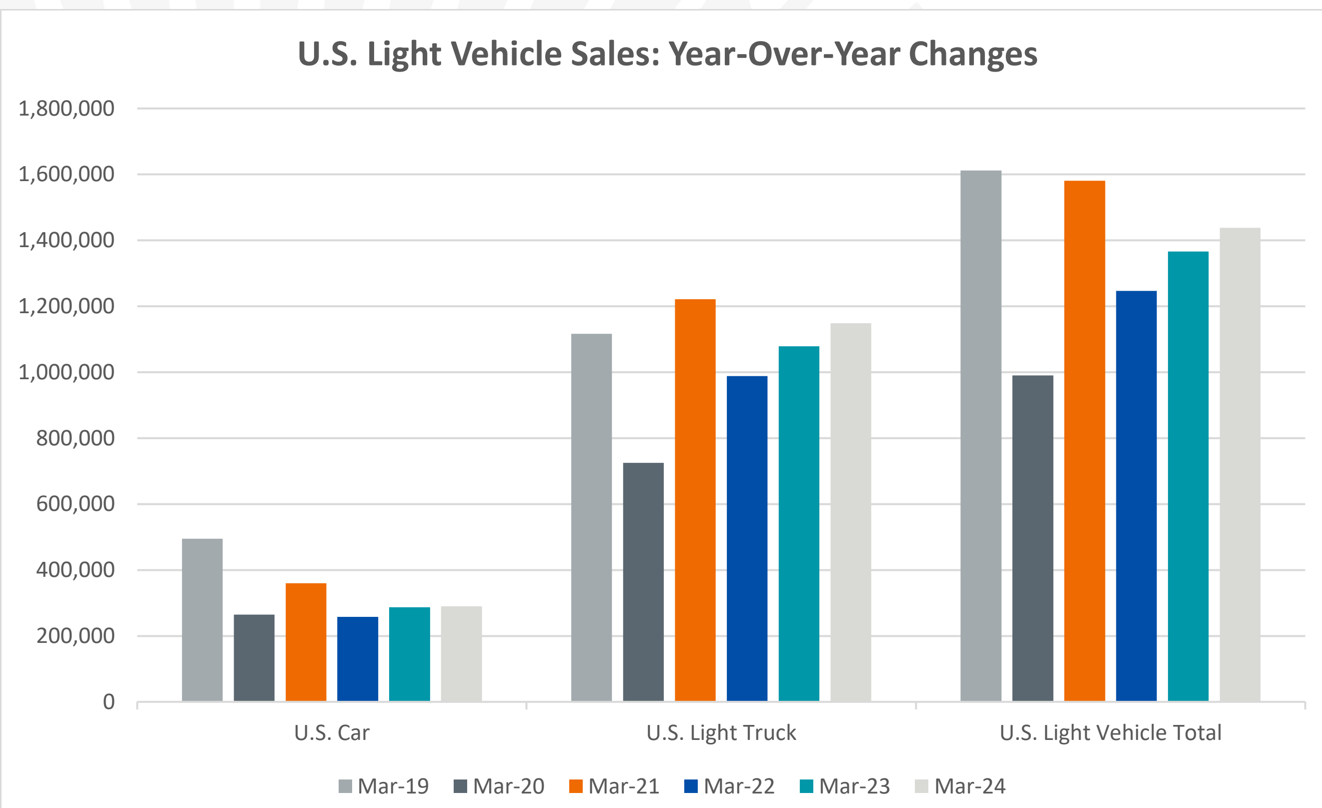
"March sales totaled a 15.5 million-unit seasonally adjusted annual rate, which was nearly even with January-February's 15.4 million and spot-on with the prior 12-month period. The SAAR was well above like-2023's 14.9 million.

"Deliveries totaled 1.438 million units, up 4.6% from like-2023's 1.375 million. The month's daily selling rate of 53,260 was above March 2023's 50,926 – 27 selling days both periods.

"Affordability seemed at the forefront, as sales in the non-luxury Small Car (up 25.2%) segment, as well as the Small CUV (14.3%) and Middle CUV (21.5%) subsegments, all surged over the same year-ago month. Combined market share of the group increased to 42.1% in March from like-2023's 36.5%. In fact, that 42.1% of the market was almost entirely responsible for the industry's year-over-year gain.

"Only three other sectors, the Luxury Sport, Small Luxury CUV and Large Luxury CUV subsegments, which together accounted for just 3.1% of the market, recorded year-over-year market-share gains, and those were negligible. Combined sales of all pickups, SUVs, vans, midsize cars and luxury-priced cars declined year-over-year in March.

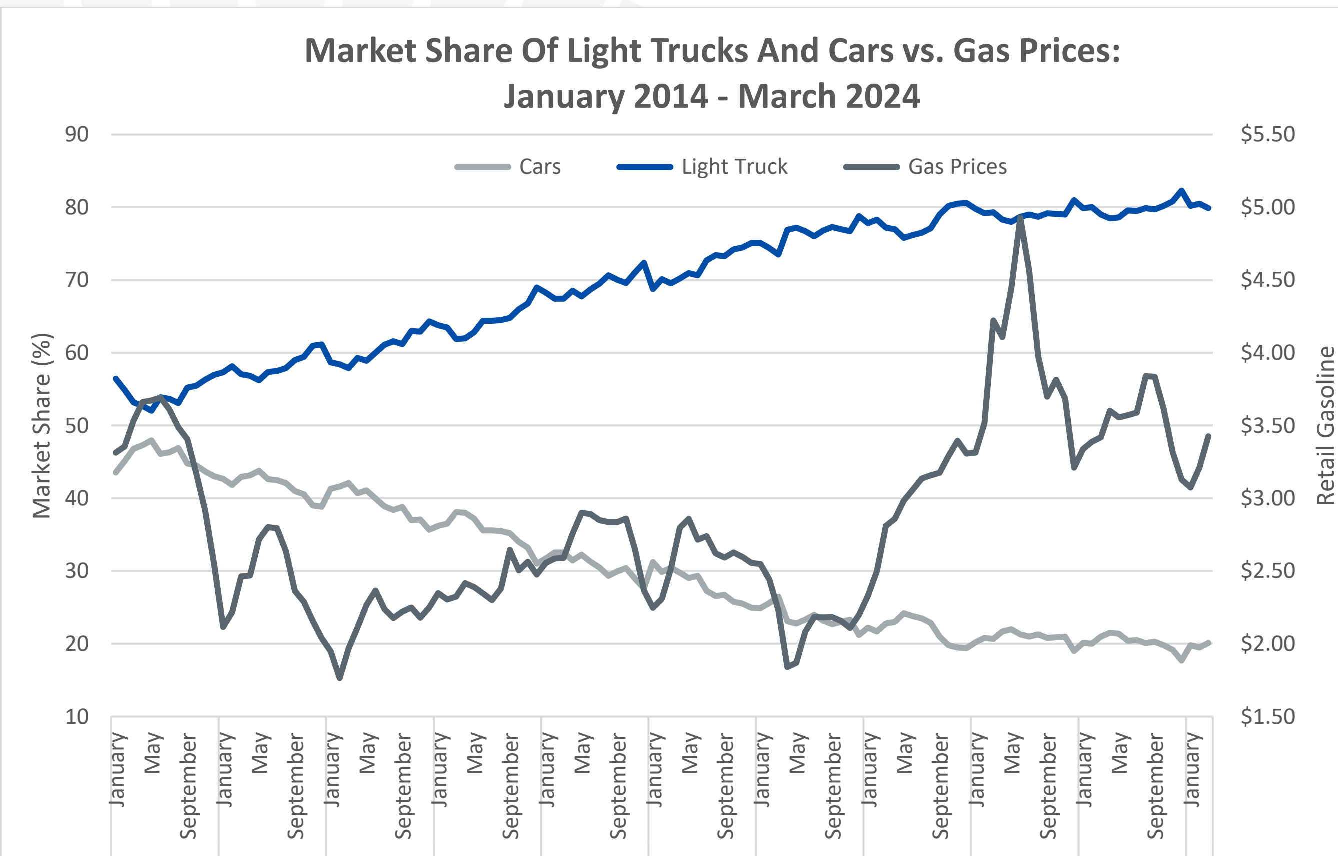
"March's strength in less-costly sectors was mostly the story for the entire first quarter.



Segments vs. Gas Prices (Updated 4/4)

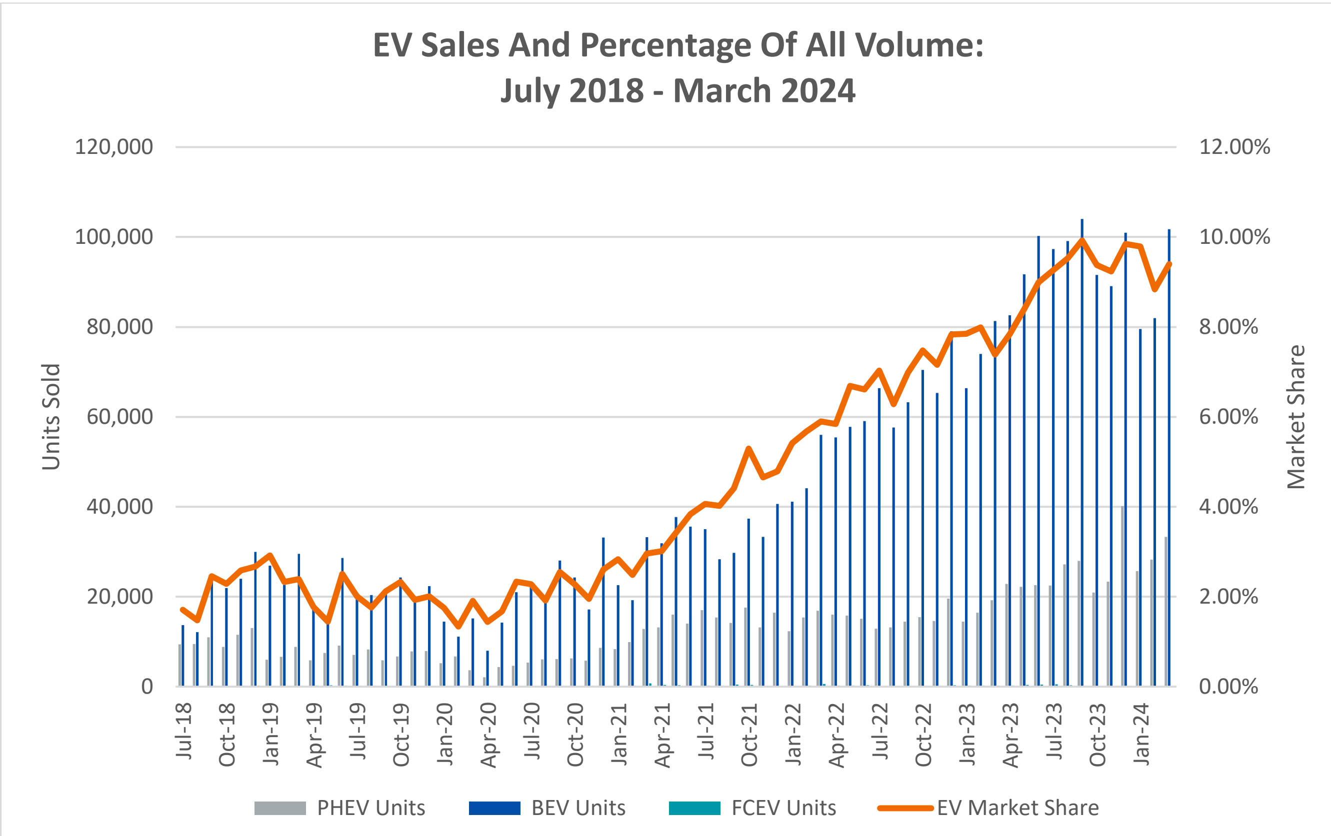
Monthly Sales For March: Light trucks accounted for 79.9 percent of sales in March, up slightly from the market share a year ago. Compared to the same period in 2023, sales of cars are up by 2,200 units, and down more than 204,000 from Marrch 2019, when cars comprised 31% of the market as opposed to the 19.1 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 $2.81 a gallon (through March 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]



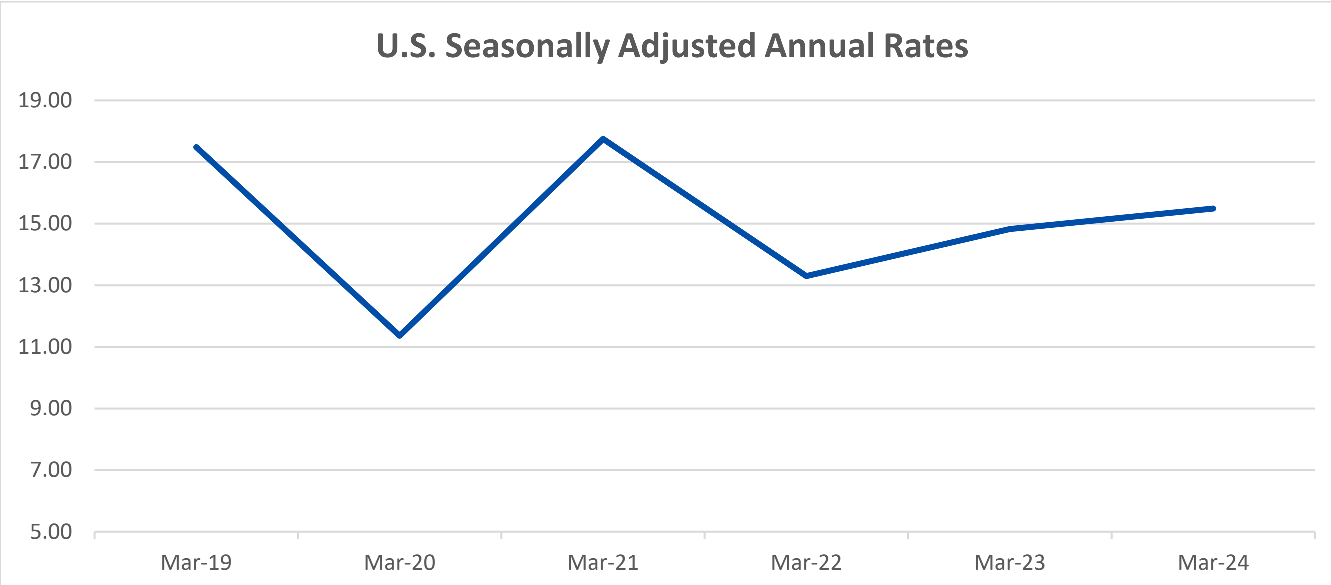
EV Powertrain Sales (Updated 4/4)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 9.4 percent of total vehicle sales in March 2024 (135,123), per Wards estimates. Market share increased 0.56 percentage points (pp) from February 2024. March's EV market share is up 1.1 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 7.1 percent of total sales, up 1.1 pp from March 2023. Plug-in hybrids accounted for 2.3 percent, up 0.9 pp from the same time last year.[12]



Seasonally Adjusted Annual Rates (Updated 4/4)

WardsIntelligence[13]: “March sales totaled a 15.5 million-unit seasonally adjusted annual rate, which was nearly even with January-February’s 15.4 million and spot-on with the prior 12-month period. The SAAR was well above like-2023’s 14.9 million.”



Average Transaction Price (Updated 4/4)

J.D. Power (Updated 4/4)[14]: "The average new-vehicle retail transaction price is declining as manufacturer incentives rise, retailer profit margins fall and availability of lower-priced vehicles increases. Transaction prices are trending towards $44,186—down $1,648 or 3.6%—from March 2023, the largest decline in March ever."

Kelley Blue Book (February) (Updated 3/21)[15]: "New-vehicle transaction prices (ATP) in February 2024 held mostly steady, according to an analysis by Kelley Blue Book, falling less than one-tenth of 1% from the revised January ATP. The average transaction price of a new vehicle in the U.S. last month was $47,244, down 2.2% from February 2023 and down 5.4% from the market peak in December 2022. Still, new-vehicle prices in the U.S. remain elevated, higher by nearly 14% compared to February 2021.

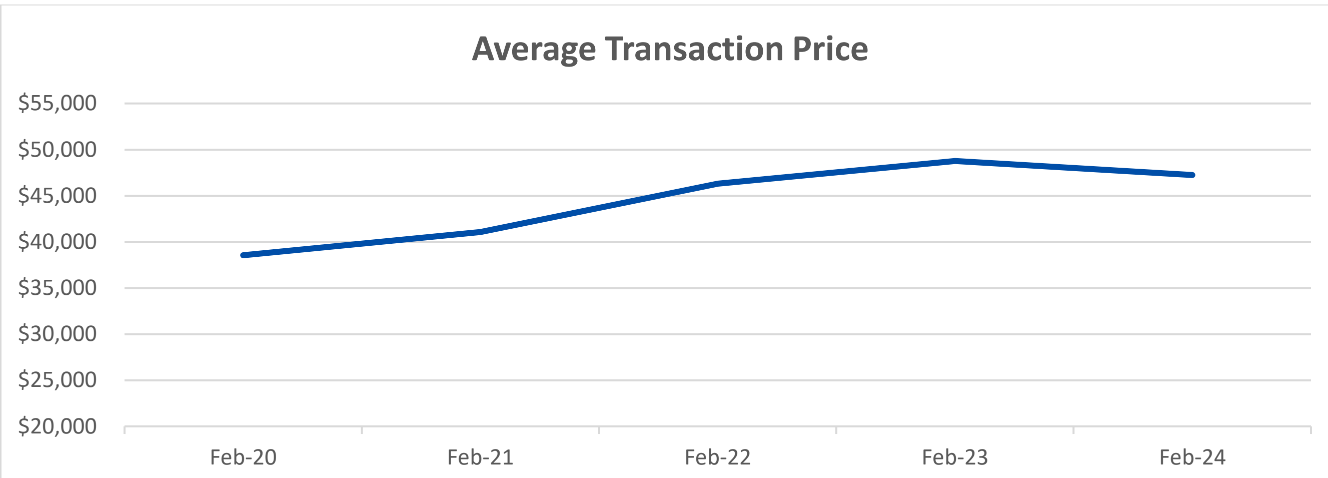
"With new-vehicle inventory continuing to rise in the U.S., downward price pressure and higher incentives appear to be key drivers of the market's current momentum. At the start of February, new-vehicle inventory in the U.S. stood near 2.61 million units, a 50% increase from one year earlier. Sales last month picked up from January and, with a seasonally adjusted annual rate (SAAR) of sales of 15.8 million, kept 2024 on track for the best new-vehicle sales year since 2019.

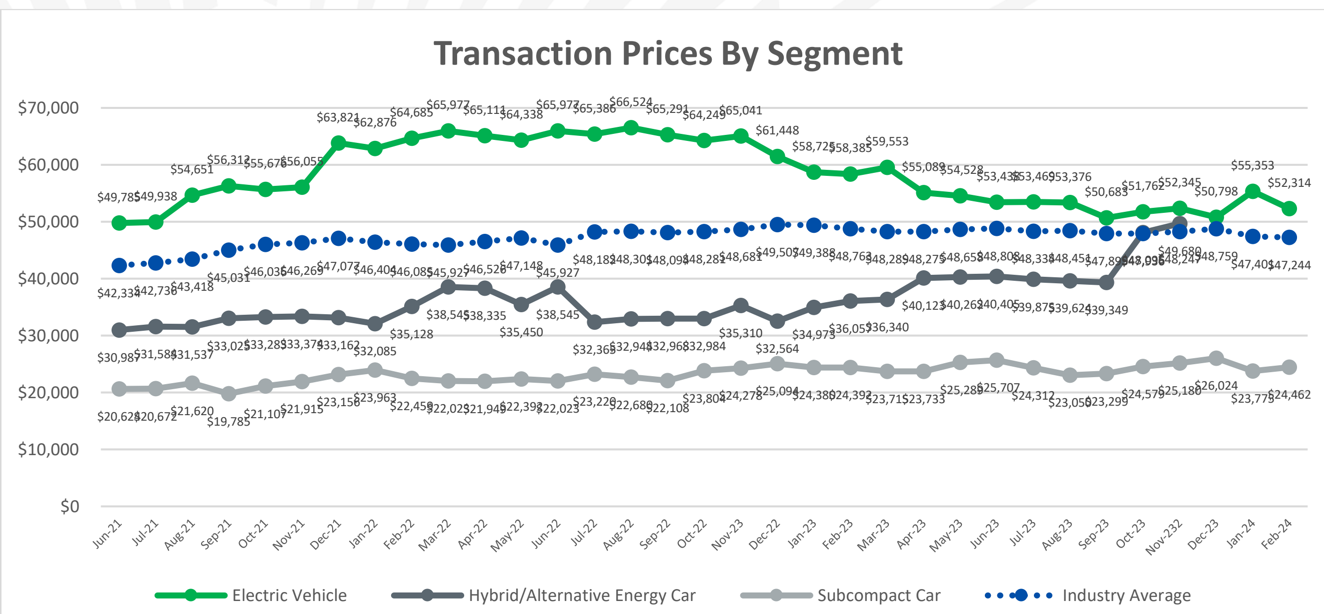
"New-vehicle incentives in February averaged 5.9% of transaction price, up from 5.7% in January and significantly higher than the average of 3.1% recorded in February one year ago. Incentives hit bottom in the fall of 2022 – 2.1% of ATP in September of that year – and, along with inventory, have increased steadily since.

"According to newly revised electric vehicle (EV) transaction price data, the average price paid for an electric vehicle in February was $52,314, down from a revised $54,863 in January, according to Cox Automotive and Kelley Blue Book estimates. EV transaction prices in February were lower year over year by 12.8%, an accelerating decline compared to January when prices were lower year over year by 11.6%.

"'Our research continues to show that price remains a significant barrier for consumer adoption,' said Stephanie Valdez Streaty, director of Industry Insights at Cox Automotive. 'While the higher inventory levels and increased competition continue to drive down the price premium of EVs, it's important to acknowledge that EVs remain priced above mainstream non-luxury vehicles by nearly 19%.'"

"The market's general EV price decline has been led in part by the two most popular EVs in the U.S. – the Tesla Model 3 and Model Y. Transaction prices for the Model Y last month, estimated at $49,363, were the lowest on record and were lower versus February 2023 by 16.2%. Model 3 transaction prices last month, at $43,614, were lower year over year by 12% and near the lowest level on record. High incentives and discounts on most models also continue to play a major role in lower EV prices."



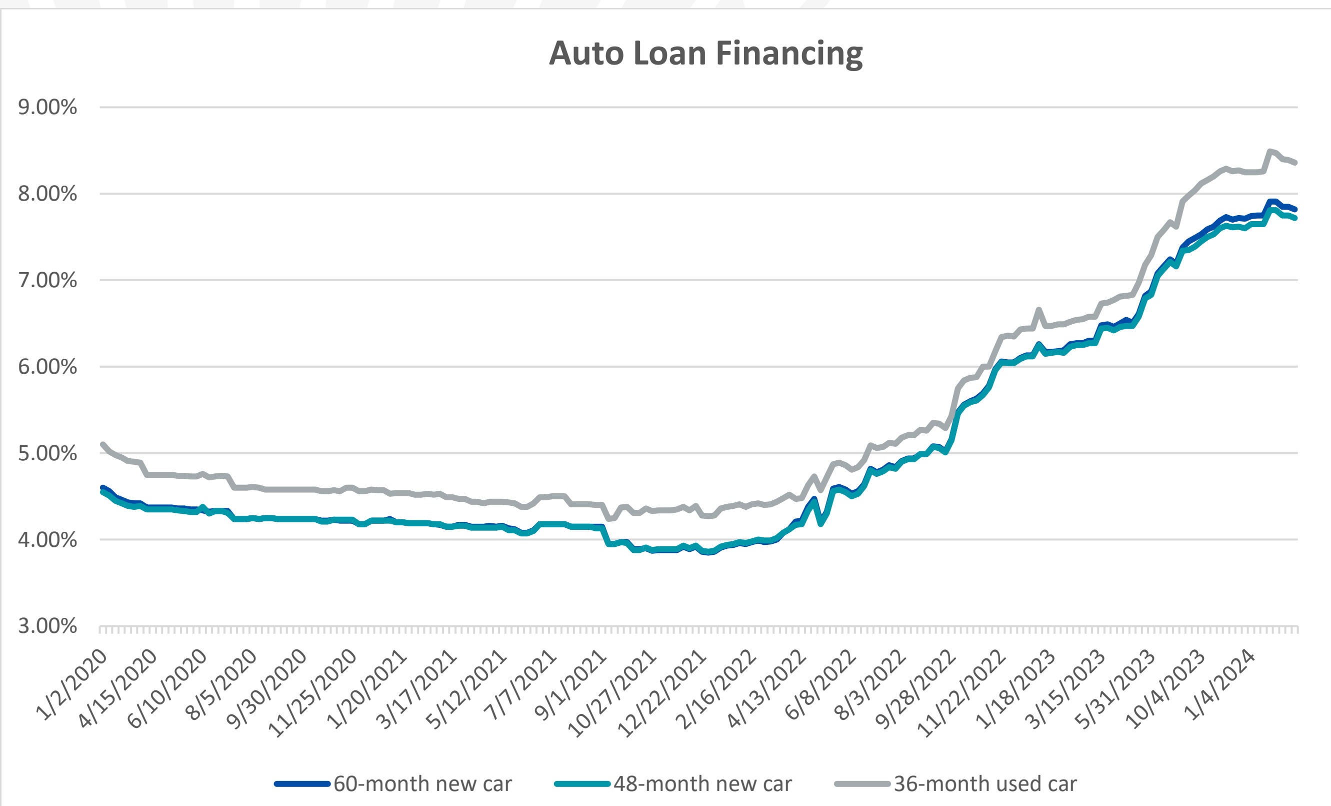


Auto Loan Financing (Updated 4/4)

Interest Rates (updated 4/4): Interest rates remained mostly steady, but receding slightly, on the 60-month, 48-month and 36-month used car loans over the past two weeks. Rates now stand at 7.82%, 7.72%, and 8.36%, respectively. Since the beginning of 2020, 60-month rates are up 3.22 pp, and are up 1.36 pp since the same time a year ago.[16]

JD Power (4/4)[17]: "After rising consistently during the past few years, average monthly loan payments are stabilizing. The average monthly finance payment this month is on pace to be $722, flat from March 2023. The average interest rate for new-vehicle loans is expected to be 6.8%, an increase of 13 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%
3/29/2023	6.46%	6.42%	6.77%
3/20/2024	7.85%	7.75%	8.39%
3/27/2024	7.82%	7.72%	8.36%
Two Week Change	-0.03%	-0.03%	-0.04%
Change since 1/3/20	3.22%	3.17%	3.26%
One Year Change	1.36%	1.30%	1.59%

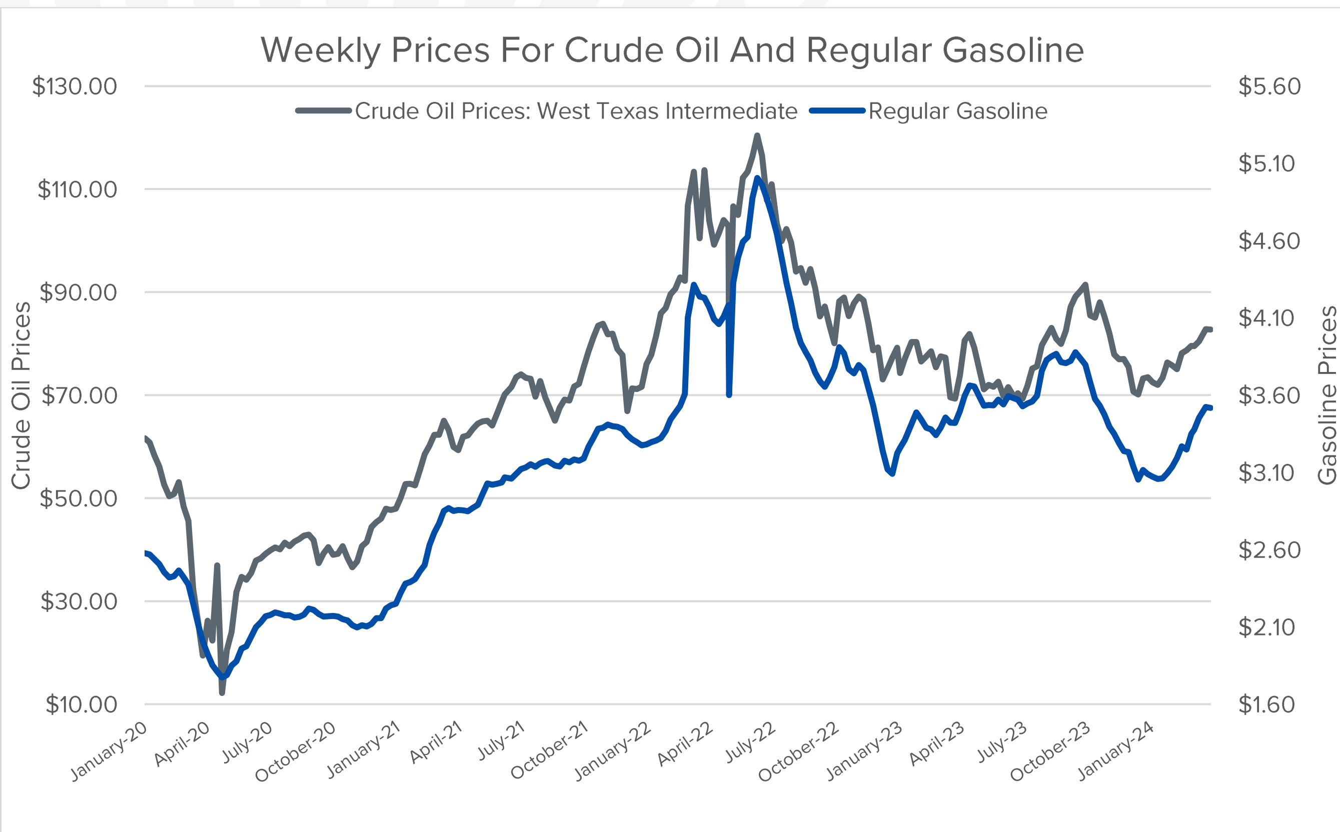


Crude Oil and Gas Prices (Updated 4/4)

Gas And Oil Remain Elevated (4/4): Oil prices, as benchmarked at West Texas Intermediate receded $0.06 to $82.73 a barrel. Since election day 2020, oil prices are $46 a barrel higher. Gas decreased $.01 a gallon to $3.52. Gas is 36% higher than the beginning of 2020 and has not been below $3 a gallon since May 2021.[18]

EIA Outlook For Oil (3/7):[19] "he Brent crude oil spot price increased in January, averaging $80 per barrel (b) because of heightened uncertainty about global oil shipments as attacks to vessels in the Red Sea intensified. Although we expect crude oil prices will rise into the mid-$80/b range in the coming months, we expect downward price pressures will emerge in 2Q24 as global oil inventories generally increase through the rest of our forecast. However, ongoing risks of supply disruptions in the Middle East create the potential for crude oil prices to be higher than our forecast."

EIA Outlook For Gasoline (2/5)[20]**:** "We forecast U.S. retail gasoline prices will average around $3.40 per gallon (gal) in 2024 and fall to around $3.20/gal in 2025, down from $3.52/gal in 2023 and $3.97/gal in 2022. Lower crude oil prices in 2023 compared with 2022 were the primary driver of lower gasoline and diesel prices, accounting for an average decrease of $0.44/gal. However, lower gasoline prices in 2024 will instead be primarily driven by falling gasoline crack spreads. Gasoline crack spreads over the past few years have been near record highs, but we expect them to weaken over the next two years. We assume gasoline crack spreads will narrow as global refinery capacity additions lead to overall higher supply of gasoline in global markets."



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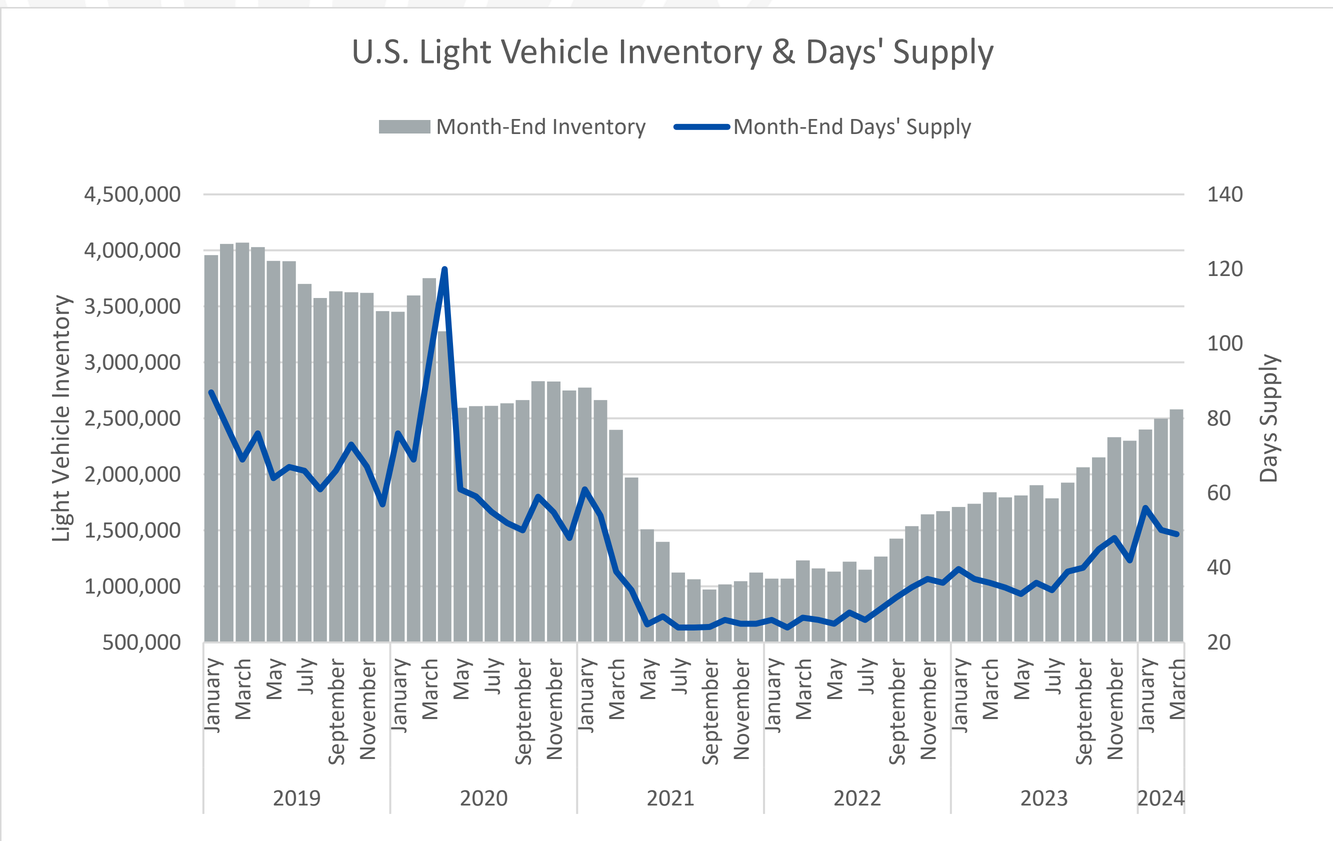
Production Meter

U.S. Light Vehicle Inventory and Days' Supply (Updated 4/4)

WardsIntelligence Inventory Update (3/7)[21]: "Inventory at the end of March rose 3.3% from February to 2.58 million units, 40.2% above like-2023 and highest for any month since 2.67 million in February 2021, just when the global semiconductor shortage was hitting the North America market, cutting production, and thereby reducing new-vehicle availability to unprecedented lows.

"Inventory of the lowest priced vehicle segment in the U.S. market, Small Car, rose 7.8% from the prior month and is up 143.9% from March 2023. Sales in the Small Car segment accounted for 8.2% of the market in March, up from like-2023's 6.8%.

"March 31's 49 days' supply was a slight decline from February's 50, but well above the year-ago month's 36. Pre-pandemic 2020, a March days' supply of 67 was the average in the five years through 2019."



North American Production (Updated 3/21)

Wards Intelligence[22]: “North America production of light vehicles and medium- and heavy-duty trucks totaled 1.403 million units in February, nearly 87,000 units above month-ago’s expectations for the period and 9.7% above like-2023.

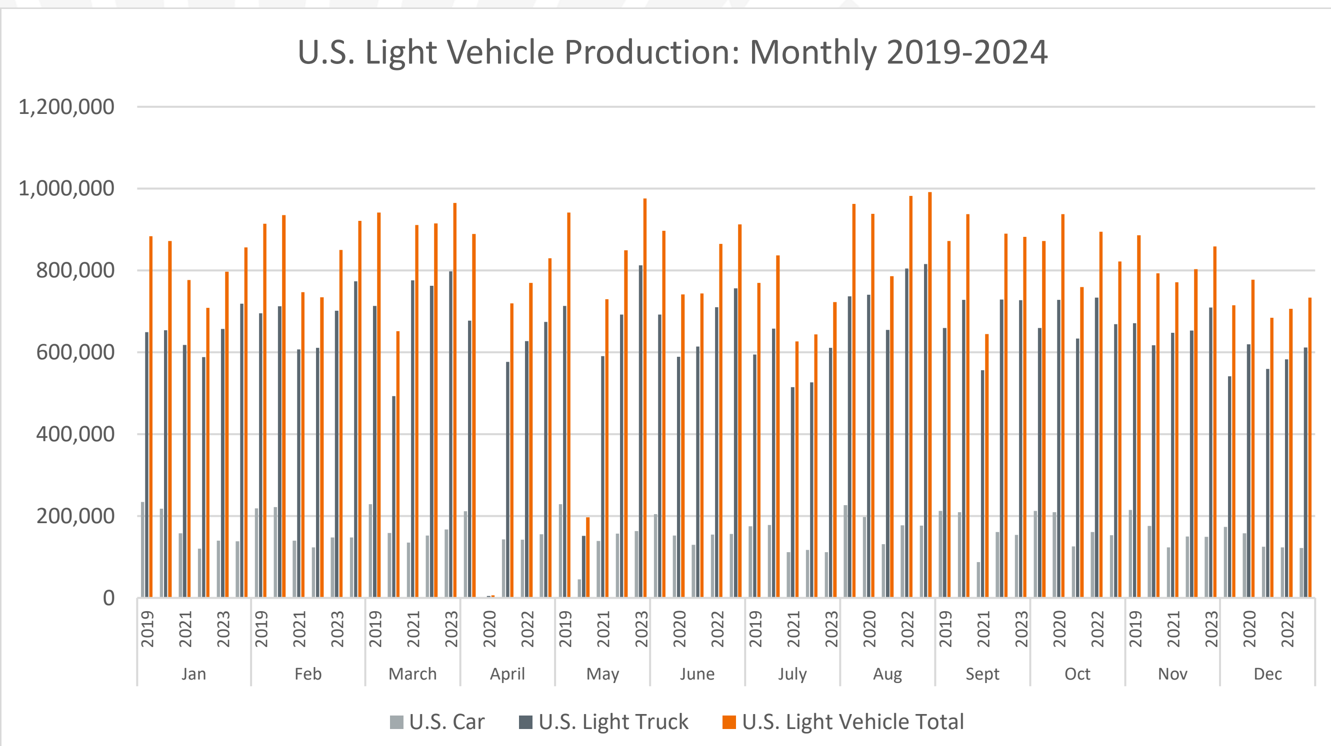
With March tracking to output of 1.416 million units, first-quarter production is pegged at 4.143 million, an increase of 60,300 from month-ago’s outlook, and 3.3% above year-ago.

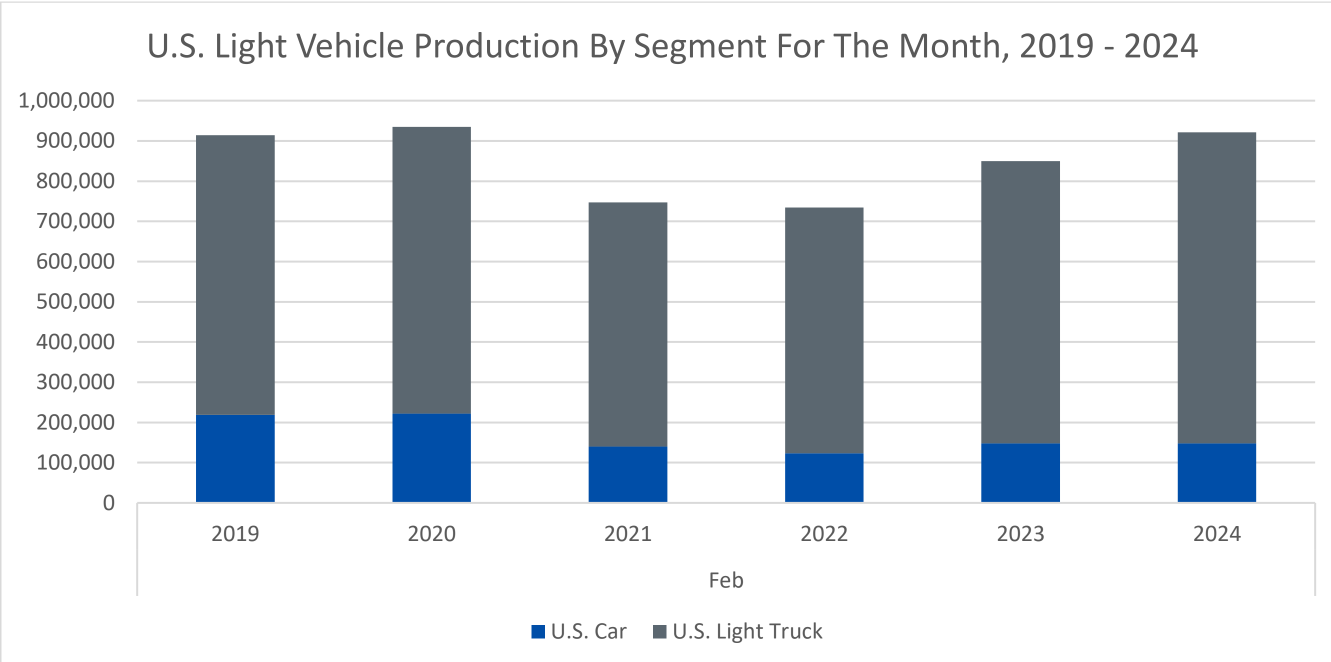
In Q1, significant upward revisions were made to Ford, General Motors, Honda, Nissan and Toyota, among others. Increases at those automakers were partially offset by cuts to several others, chief among them Kia, Stellantis and Tesla.

U.S. Light Vehicle Production (Updated 3/21)

Monthly Production (Updated 3/21)

U.S. Light vehicle production for February 2024 increased month-over-month by 8.3 percent, totaling 921,628 vehicles (147,986 cars, 773,642 light trucks), year-over-year, production is up 11 percent from 2023.[23]





Global Meter

Global Light Vehicle Sales (Updated 4/4)

Wards Intelligence[24]: "The timing of a holiday season in the world's biggest market was the main cause global sales of light vehicles and medium-/heavy-duty trucks in February declined from the year-ago month, the first drop since January 2023.

"China's Lunar New Year, which occurs each year on the day of the full moon between Jan. 21 and Feb. 20, and is observed for up to 16 days, took place in February this year, and was the main reason vehicles sales in the country fell 21.2% from same-month 2023.

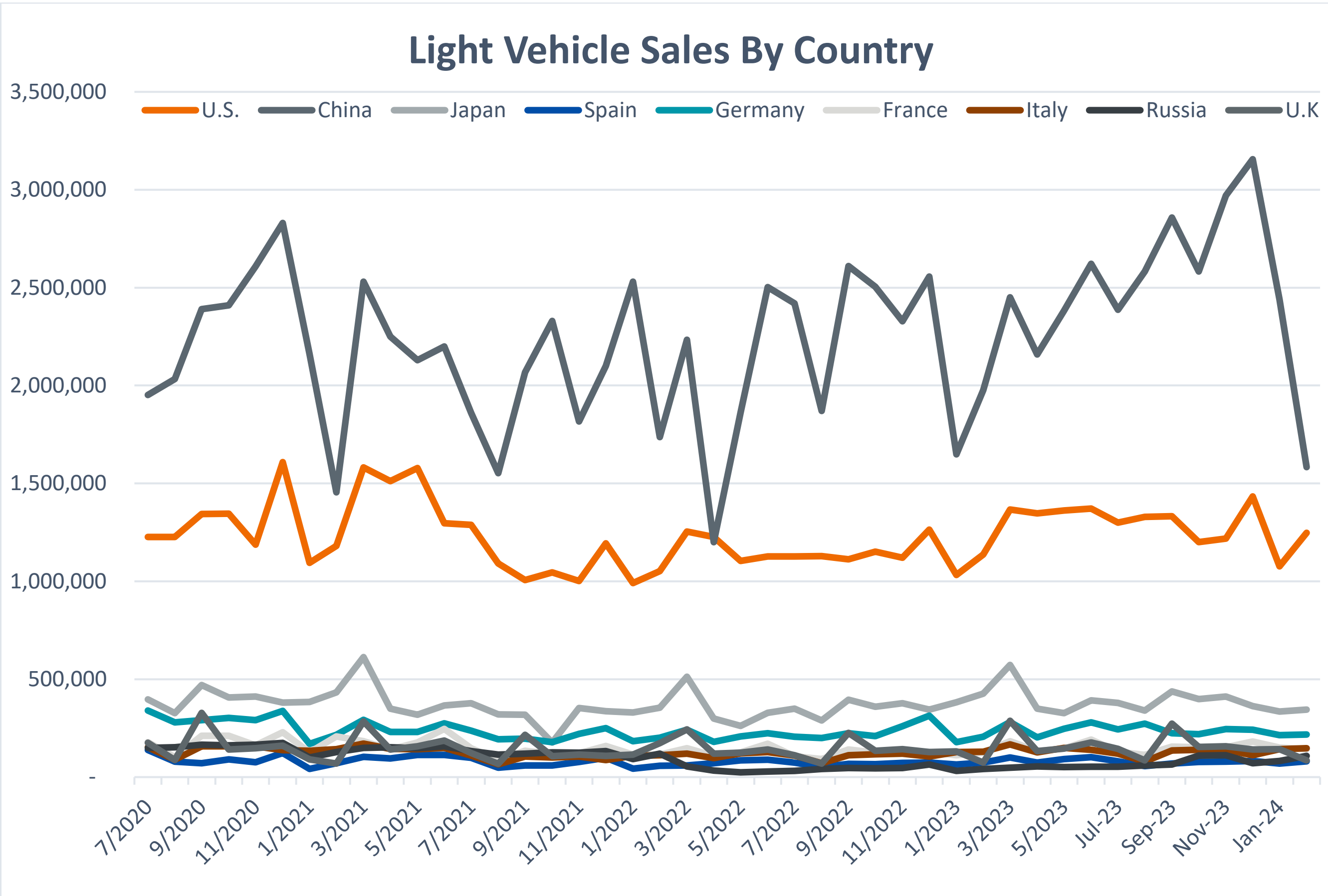
"The drop in China, which accounts for nearly one-third of global volume, caused global volume to fall 2.9% in February to 6.47 million units. Excluding China, demand in the rest of the world increased 2.8% year-over-year in February.

"Year-over-year gains were strong in Europe, North America and South America.

"Including China, February sales in the Asia-Pacific fell 15.4% year-over-year. Less China, sales in the region still fell, declining 7.1% from February 2023.

"Weakness in the AP's three top markets after China - India, Japan and South Korea – contributed to the region's downturn, the first since a 0.1% drop in July 2023.

February deliveries surged 16.4% year-over-year in Europe, closely followed by a 12.8% increase in South America, while volume in North America rose a strong 9.3%."



Global Light Vehicle Production (Updated 3/21)

S&P Global Mobility Forecast (3/21)[25]: "The global auto industry continues to demonstrate remarkable resilience. We still envision a general production outlook that is reliant on a more traditional demand-driven model in the context of a still-elevated interest rate environment and vehicle affordability concerns, among other influences. As a result, the state of consumer demand remains a key consideration and will be monitored very closely. While key markets feature improved demand and production conditions, that strength is offset by overbuild risks in other markets as implied inventories start to approach historical levels. The March 2024 forecast update reflects only modest net upgrades through the near-term, with the primary focus on a somewhat improved outlook for Europe. In the intermediate-term, production in select markets has been boosted a bit due to demand expectations supported by an improved economic outlook both globally and in select regions. These upgrades are only partially offset by a mix of varying, albeit rather slight, downgrades for other regions as these markets balance nascent inventory builds, ongoing demand dynamics and macro fundamentals. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was increased by 56,000 units and by 141,000 units for 2024 and 2025, respectively (and increased by 201,000 units for 2026). The European production forecast has been boosted in the near-term as year-to-date production developments are slightly ahead of expectations. Looking beyond 2024, the forecast has been upgraded following improved expectations for domestic demand, particularly in Eastern Europe. In Western/Central Europe, the upgrade is more moderate but there are more significant underlying changes with regards to the expected pace of electrification. Electric Vehicle (EV) share outlook was reduced slightly in the short-term as some OEMs have recently updated their targets with more bearish outlooks. The EV share downgrade is more pronounced (between one and three points per year) for the 2026-2029 period, and more significant (more than 3 points per year) for the 2030-2034 period. Brands such as Mercedes and Renault have rather materially changed their ambitions for electrification rates on a 2030 horizon, towards a more balanced approach.

"Greater China: The outlook for Greater China light vehicle production was reduced by 8,000 units and increased by 23,000 for 2024 and 2025, respectively (and reduced by 21,000 units for 2026). Given the Lunar New Year holidays and a payback effect after a strong December performance, January mainland China light vehicle output declined to 2.3 million units from a peak of 3.0 million units in December. The sluggishness continued into February with the new year season. According to the CPCA 1.1 million passenger vehicles were sold in February, down 21% year-on-year, leading to rebound of inventory with an index value of 1.74. Hit by domestic consumption stagnation but benefiting from export activity which has maintained momentum, we estimate February production of 1.6 million units, a 16% decline year-on-year. Notwithstanding the recent weakness, the central government has launched a number of incentives to stimulate private consumption and support vehicle scrappage and replacement. As a result, we expect a rebound in growth, particularly taking hold in May and June. Further, New Energy Vehicle (NEV) sales momentum is expected to continue as motivated consumers replace ICE vehicles with NEVs given strong stimulus and aggressive pricing strategies. The forecast remains essentially unchanged for 2024 with changes for 2025 and 2026 representing relatively minor vehicle lifecycle timing changes.

"Japan/Korea: Full-year 2024 production in Japan was increased by 26,000 units relative to last month's forecast. Even as the diesel engine certification issues caused four of Toyota's domestic plants to suspend operations in February, all operations resumed at all plants on 4 March 2024 and are expected to swiftly ramp up to full production in April. The long-term production outlook for Japan was upgraded primarily due to a sourcing change for the next Honda ZR-V as North America added sourcing from Japan. Full-year 2024 production in South Korea was reduced by 16,000 units. As global demand continues to reckon with the aftermath of higher-for-longer interest rates and credit tightening, it is expected that there will be an inventory adjustment impacting South Korea's production, which has demonstrated a strong recovery over the past two years. Accordingly, production in 2025 and 2026 was also re-balanced down by 21,000 units and 5,000 units respectively. Long-term output was increased by an average of 160,000 units per year. The sourcing of the Hyundai Santa Fe was switched from the US to South Korea, resulting in a 70,000-unit increase. Also, global demand for the Chevrolet Trailblazer was raised by 85,000 units and the new Ssangyong Torres Coupe added 12,000 units.

"North America: The outlook for North America light vehicle production was increased by 7,000 units and reduced by 76,000 units for 2024 and 2025, respectively (and reduced by 44,000 units for 2026). The North America light vehicle production outlook for 2024 remains effectively unchanged, revised marginally higher to 15.78 million units to maintain ideal inventory levels as US light vehicle sales are expected to increase 2.3% to 15.96 million units. With US inventory for the all-important full-size pickup truck category at pre-COVID levels, averaging an 80-day supply, GM, Ford and Stellantis will have to balance production in relation to inventory and where they want their ideal transaction prices. While the forecast for these trucks remains somewhat muted for 2024, any individual marketing drives from higher incentives could push the other manufacturers to follow, driving the volume outlook higher. The outlook for 2025 was revised down 0.5% to 16.10 million units amid expected continued inventory discipline along with more conservative BEV ramp-ups that cascade into 2026. Regional production in 2026 was revised down 0.3% to total 16.29 million units, though noteworthy upside exists to meet US demand that is projected to peak in 2026 at 16.73 million units before trending downward to 15.92 million units in 2031.

"South America: The outlook for South America light vehicle production was increased by 14,000 units and by 7,000 units for 2024 and 2025, respectively (and increased by 16,000 units for 2026). The outlook for 2024 was increased slightly due to stronger actual production results posted for February for both Brazil and Argentina. The strength associated with Argentina was particularly surprising given three of the countries eight assembly plants were reported to be idled. Of note, we retain a somewhat cautious production profile, particularly for Argentina, given the ongoing political turmoil and reduced visibility in the market. The overall production outlook and forecast upgrades for the remainder of the short-term horizon are focused primarily on Brazil and are aligned with the general demand outlook for the market.

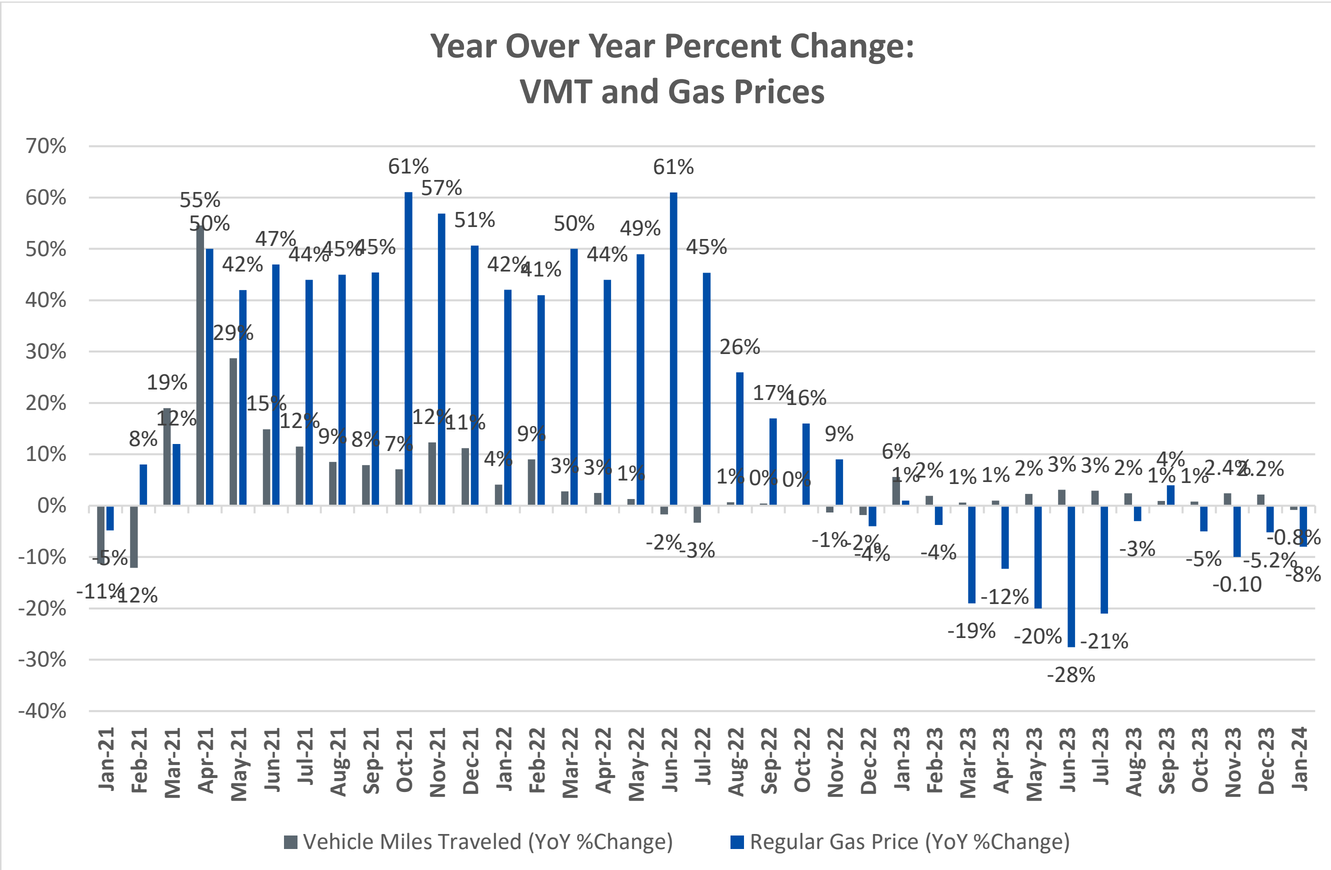
"South Asia: The outlook for South Asia light vehicle production was reduced by 12,000 units and increased by 81,000 units for 2024 and 2025, respectively (and increased by 84,000 units for 2026). In the extreme near-term, output for the region was downgraded slightly for 2024 primarily on weaker domestic demand for the ASEAN market, particularly Indonesia and Thailand. The downgrade for the region was only partially offset by a slightly improved outlook for India. Looking to the intermediate-term, the broader region was upgraded with the focus primarily on India and, to a lesser extent, Malaysia. With regard to India, the production outlook particularly benefits from expected increased exports for the Maruti Suzuki Fronx and an upgraded demand outlook for the country, including robust performance for Tata Motors and Mahindra."

Recovery Meter

Roadway Travel (Updated 4/4)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in January decreased 0.8% percent from the same time a year ago. The cumulative travel estimate for 2024 is 247.1 billion vehicle miles.[26]

- Travel on all roads and streets changed by -0.8% (-2.1 billion vehicle miles) for January 2024 as compared with January 2023. Travel for the month is estimated to be 247.1 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for January 2024 is 272.4 billion miles, a -1.2% (-3.3 billion vehicle miles) change over January 2023. It also represents a 0.01% change (0.03 billion vehicle miles) compared with December 2023.
- Cumulative Travel for 2024 changed by -0.8% (-2.1 billion vehicle miles). The cumulative estimate for the year is 247.1 billion vehicle miles of travel.



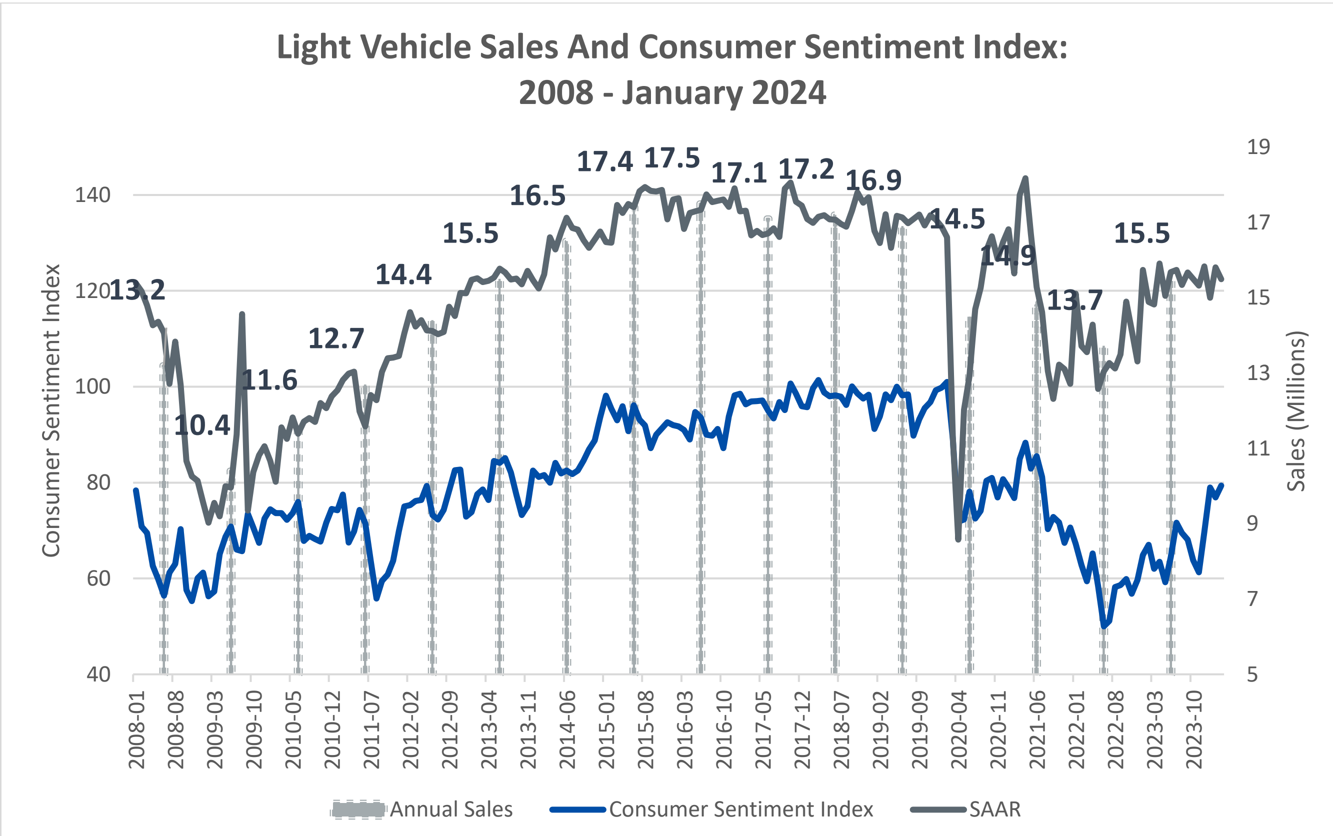
Economic News (Updated 3/21)

The ISM Index fell 1.3 points to 47.8% in February– 16th Consecutive Month of Contraction. "Economic activity in the manufacturing sector contracted for the 16th consecutive month, with the PMI down 1.3 points in February (47.8%) from January (49.1%). The downturn is largely due to seasonal factors, according to Timothy Fiore, chair of the Institute for Supply Management (ISM) Manufacturing Business Survey Committee."[27]

Consumer Confidence and Sales (Updated 4/4)

Surveys of Consumers Director Joanne Hsu[28]: "Consumer sentiment recorded an incremental increase of less than three index points from February, well within the margin of error and stable since January. Critically, consumers exhibited confidence that inflation will continue to soften. Assessments and expectations of personal finances improved modestly from last month, as the perceived negative effects of high prices and expenses on living standards eased. Strong stock market performance this month supported sentiment gains only for those with the largest holdings, with little impact on the index. Overall, sentiment is essentially unchanged throughout the first quarter of 2024, remaining just above the midpoint between the pre-pandemic level of sentiment and the historic trough from June 2022. This stability reflects a perception among consumers that the economy has been holding steady in its current state. As the election season progresses and debates over economic policy become more salient for consumers, their outlook for the economy could become more volatile in the months ahead.

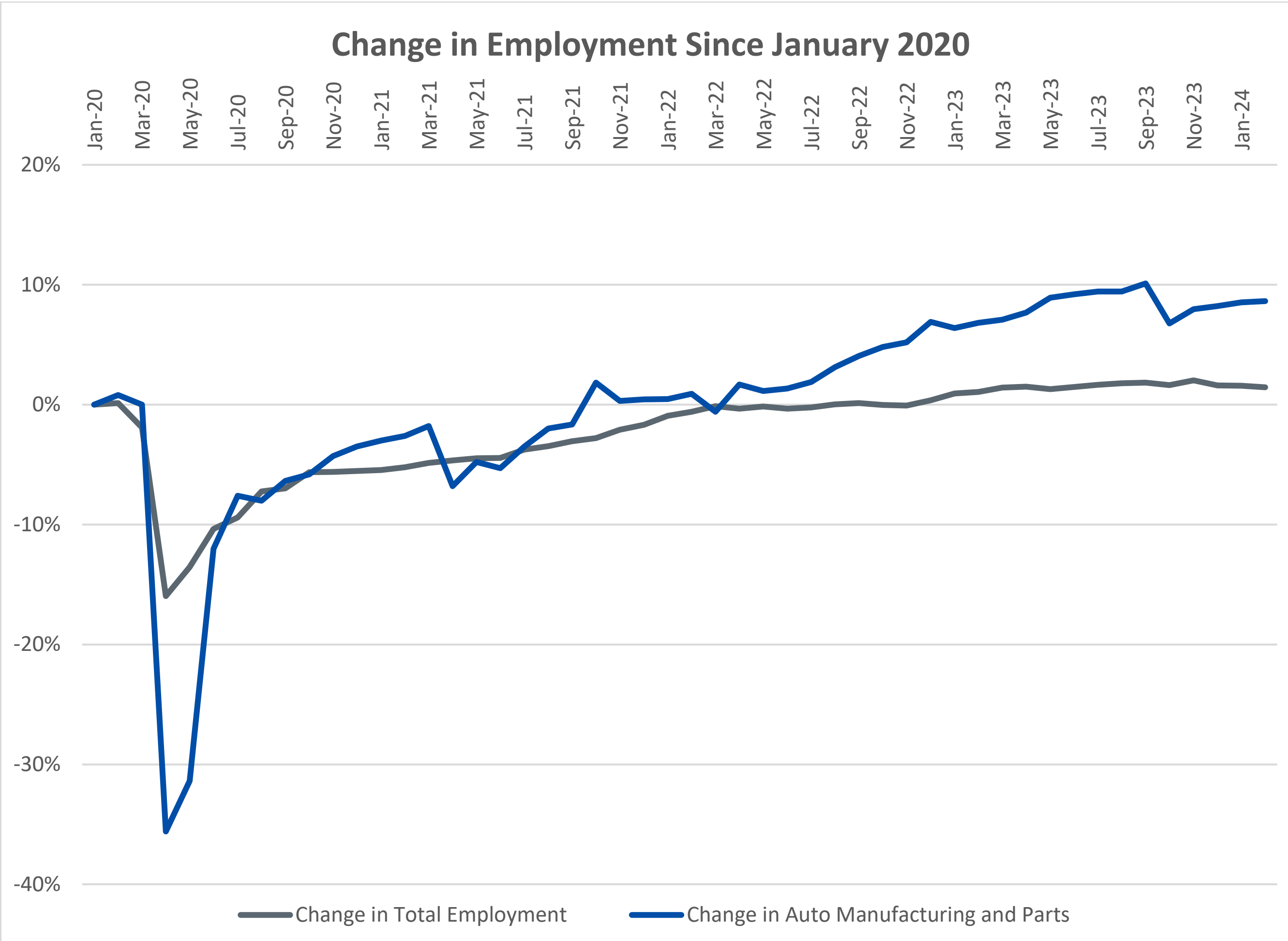
"Year-ahead inflation inched down from 3.0% last month to 2.9% this month. For the third straight month, short-run inflation expectations have fallen within the 2.3-3.0% range seen in 2018 and 2019. Long-run inflation expectations also inched down, from 2.9% to 2.8%, and remain modestly elevated relative to the 2.2-2.6% range seen in the two years pre-pandemic."



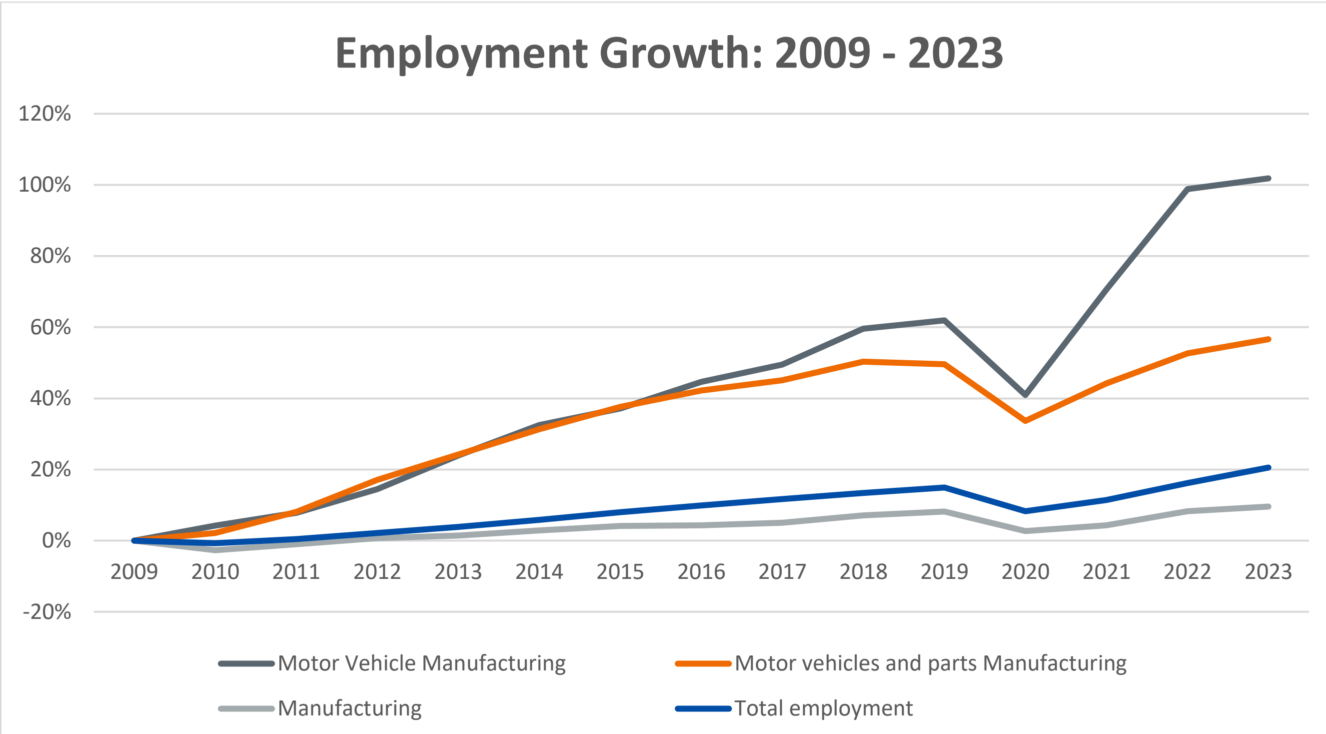
Employment (Updated 3/21)

Motor Vehicle And Parts Manufacturing lost 4,000 Jobs In February.

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.[29]



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.[30] 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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