

# READING THE METER

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



ALLIANCE FOR AUTOMOTIVE INNOVATION

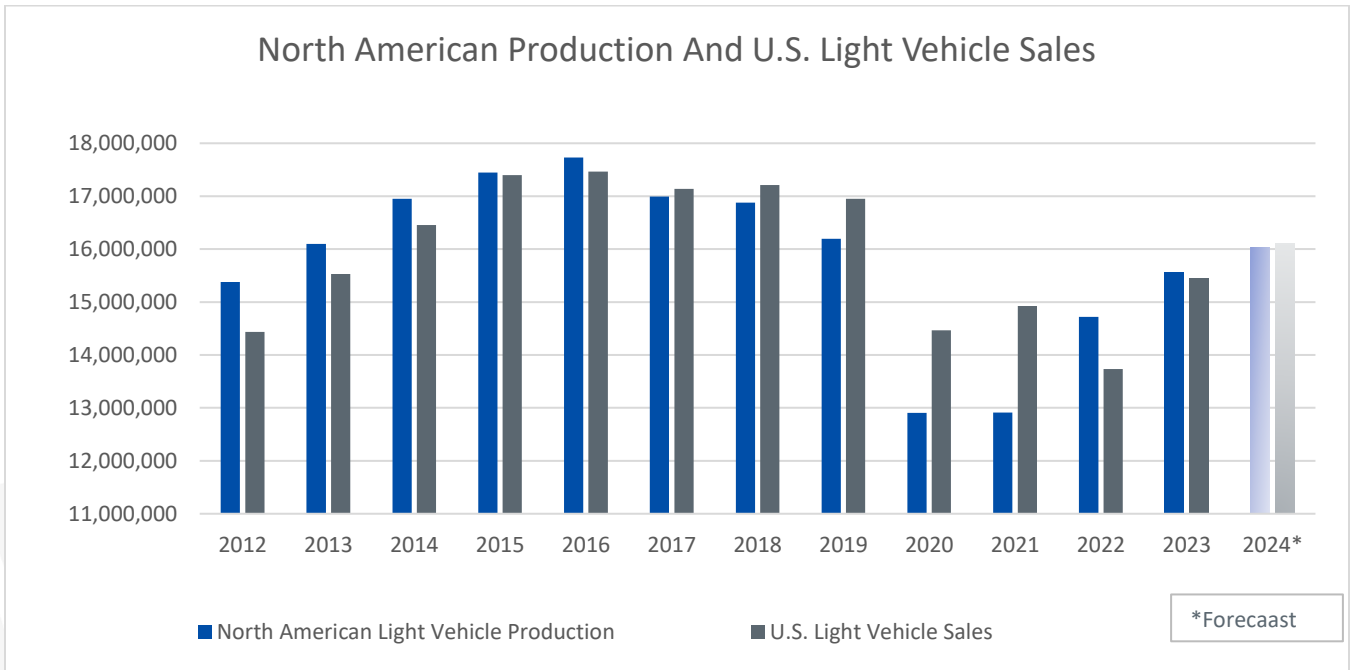
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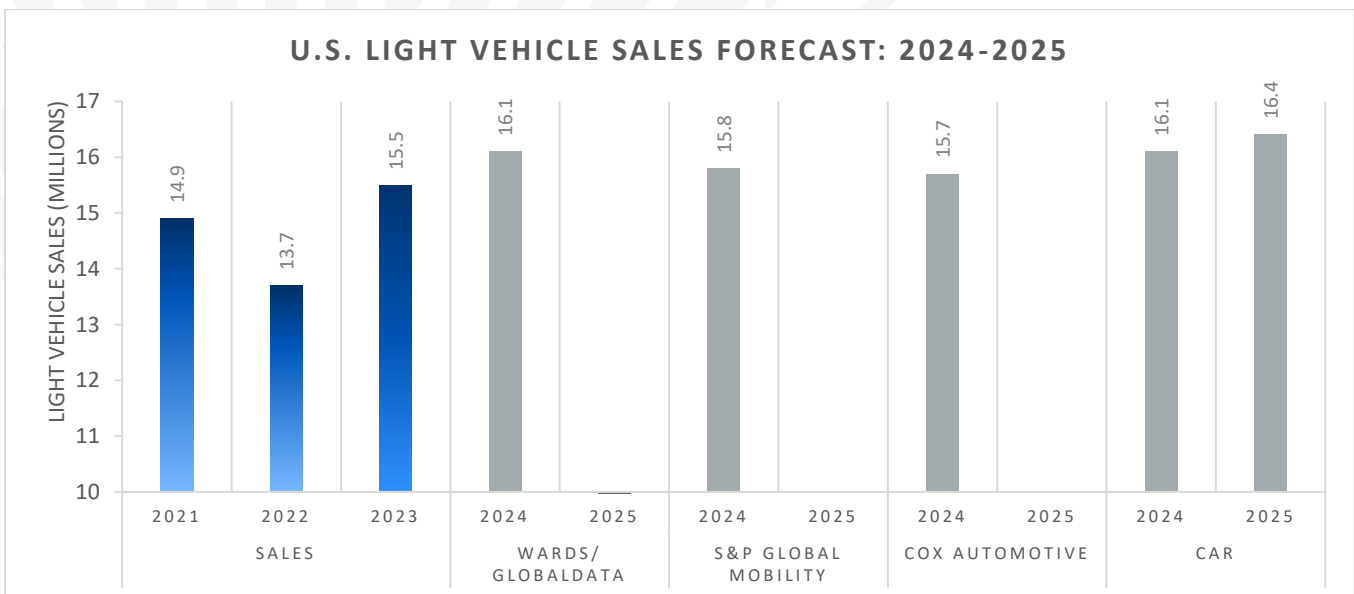
## Forecast Meter

### Sales & Production Summary and Forecast (Updated 5/24)

<b>2023-2024 Sales,<sup>1</sup> Extended Sales Forecast,<sup>2</sup> and Production Forecasts.<sup>3</sup></b>		
	<b>U.S. Sales &amp; Forecasts</b>	<b>North American Production</b>
<b>January '23</b>	1,033,002 (+4.2% YoY)	1,195,548 (+12.9% YoY)
<b>February '23</b>	1,136,332 (+8.7% YoY)	1,257,482 (+15% YoY)
<b>March '23</b>	1,365,966 (+8.6% YoY)	1,442,991 (+6.7% YoY)
<b>April '23</b>	1,347,159 (+13.1% YoY)	1,281,626 (+8.6% YoY)
<b>May '23</b>	1,362,019 (+18.0% YoY)	1,462,273 (+25.5% YoY)
<b>June '23</b>	1,370,976 (+19.9% YoY)	1,387,090 (+13.8% YoY)
<b>July '23</b>	1,299,199 (+19.9% YoY)	1,173,342 (+15.6 YoY)
<b>August '23</b>	1,328,526 (+12.8% YoY)	1,467,284 (+4.5% YoY)
<b>September '23</b>	1,331,952 (+13.9% YoY)	1,353,072 (+7.6% YoY)
<b>October '23</b>	1,200,286 (+5.7% YoY)	1,388,720 (+4.5% YoY)
<b>November '23</b>	1,218,647 (+7.3% YoY)	1,372,253 (+8.1 YoY)
<b>December '23</b>	1,433,266 (+17.3 YoY)	1,082,176 (-2.3% YoY)
<b>January '24</b>	1,076,047 (-1.3% YoY)	1,327,765 (+7.8% YoY)
<b>February '24</b>	1,247,516 (+5.2% YoY)	1,358,836 (+10% YoY)
<b>March '24</b>	1,438,012 (+4.6% YoY)	1,414,502 (-5.7% YoY)
<b>April '24</b>	1,313,512 (+0.6% YoY)	1,473,567 (+15.9% YoY)
<b>2023 Full Year</b>	15,457,447 (+12.4% YoY)	16,144,461 (+9.3% YoY) (U.S. 10,611,580)
<b>2024 Estimate</b>	16.1 Million	16,031,665



## U.S. Light Vehicle Sales Outlook (Updated 5/24)



**Wards Intelligence Outlook (5/24):** “U.S. light-vehicle sales are tracking to flat results in May compared with April, based on seasonally adjusted annual rates.

“However, there is upside to the forecast depending on how much Memorial Day holiday spiffs increase dealer traffic before the end of the month.

“May is forecast to record a 15.8 million-unit SAAR, even with April but stronger than year-ago’s 15.5 million. Raw volume is pegged at 1.42 million units, 3.9% above like-2023’s 1.36 million. May’s daily selling rate over the month’s 26 selling days equates to 54,500, 0.1% below year-ago’s 54,553 – 25 selling days.

“Based on daily selling rates, retail volume is forecast to rise 1% from May 2023, while fleet deliveries are expected to decline 4.0%.

“The revised second-quarter SAAR is 15.9 million units, up from Q1’s 15.4 million and year-ago’s 15.7 million. Raw volume in April-June is forecast at 4.12 million units, 0.7% above like-2023’s 4.09 million.”

**Cox Automotive Forecast (5/24):**<sup>5</sup> “Cox Automotive forecasts that May’s new-vehicle sales will show improvement over last year, driven by significantly increased inventory levels leading to more appealing incentives. However, vehicle affordability issues, driven partly by high interest rates and elevated new-vehicle prices, continue to weigh negatively on sales, as typical monthly payments for new-vehicle loans are above \$750.

“The new-vehicle SAAR, or annual sales pace, in May is forecast up from last May’s 15.5 million level and a modest uptick from last month’s 15.7 million pace. Sales volume is expected to rise 3.5% over last year and 6.4% above last month. There are 26 selling days this May, one more than last year and last month.”

## North American Production & Inventory Outlook (Updated 5/24)

**Wards Intelligence Inventory Outlook (5/24):**<sup>6</sup> “U.S. light-vehicle inventory is forecast to end May at 2.68 million units, nearly even with the prior month and 47.5% above same-month 2023. Days’ supply is projected to total 49, down from April’s 51 but well above year-ago’s 33.

“Inventory at the end of Q2 is forecast to rise 1.7% from May to 2.73 million units – highest for any month since January 2021’s 2.77 million.”

**Wards Intelligence Production Outlook (5/24):**<sup>7</sup> “Second-quarter output is pegged at 4.393 million units, 4.2% above Q2-2023’s 4.215 million. First-quarter 2024 totaled 4.164 million units, 3.8% above like-2023’s 4.011 million. Thus, production in first-half 2024 is tracking to 8.557 million, 4.0% above January-June 2023’s 8.226.”

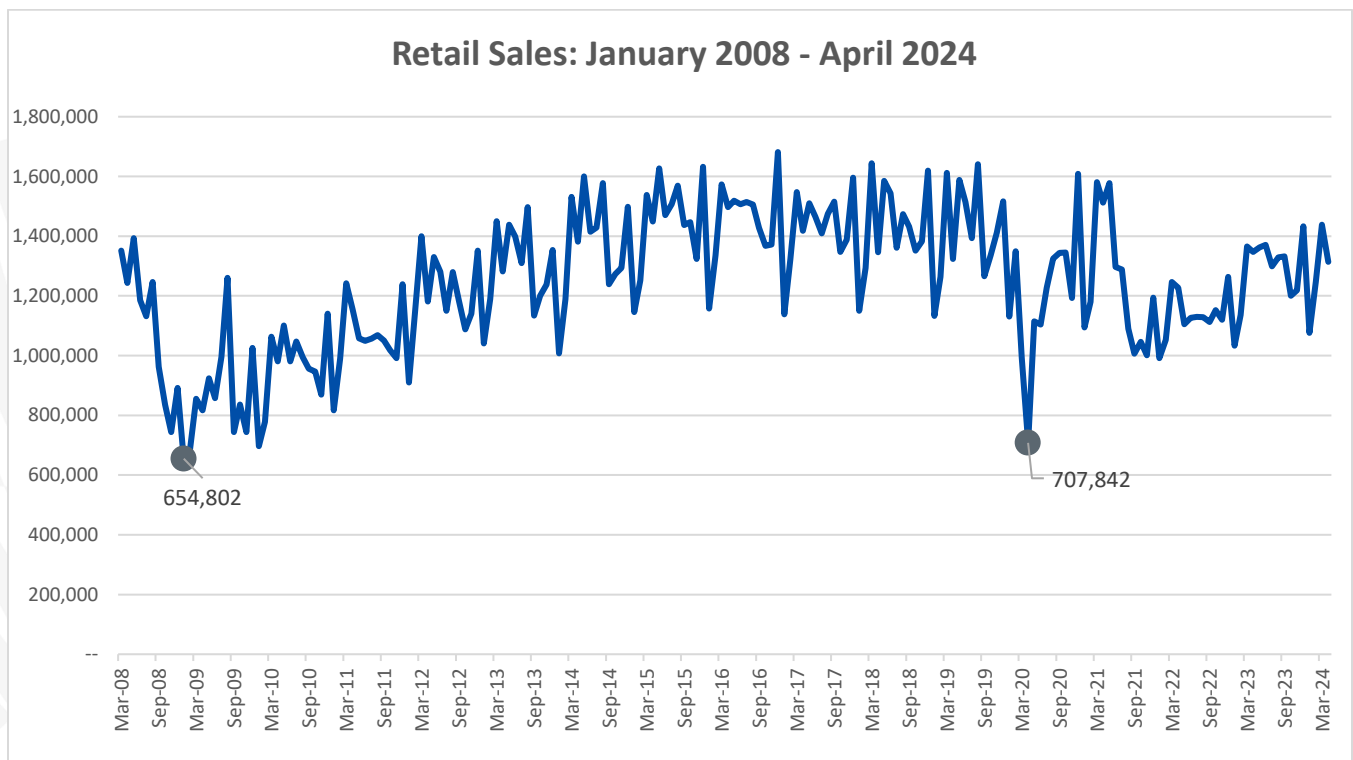
**S&P Global Mobility Outlook (4/23):**<sup>8</sup> “The outlook for North America light vehicle production was increased by 231,000 units and by 323,000 units for 2024 and 2025, respectively (and increased by 382,000 units for 2026). The outlook for North American light vehicle production for 2024 was revised higher by 1.5% to total 16.0 million units on demand resilience and more importantly on stronger production results indicating minimized impact of supply chain issues. The greatest concern surrounds where inventory levels will stabilize with the forecast built around keeping the industry at around 2.5 million units. Production may still move higher resulting in inventory levels returning closer to pre-COVID levels where in a 16.0 million-unit US sales environment, inventories would be over 3.0 million units. A notable exception to the short-term growth revisions is focused on Tesla which was revised lower between 2024 and 2027. Most of the reductions surround Cybertruck as demand expectations remain a challenge with additional concerns surrounding the development status of the NV92 C-CUV EV or Project Redwood, the affordable entry-level Tesla program. Despite news to the contrary, development of the entry-level Tesla is still believed to be underway, though a rescope and delay remain a possibility. Tesla production in 2024 was revised down 0.5% with 2025, 2026 and 2027 revised down 9.9%, 9.6% and 10.2%, respectively.”

## Market Meter

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

#### **Monthly Sales (Updated 5/3)**

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



#### **April Sales (Updated 5/3)**

**WardsIntelligence**<sup>9</sup>: “U.S. light-vehicle sales finished April largely in line with expectations, posting a 15.7-million-unit seasonally adjusted annual rate.

The SAAR was even with the year-ago month but up from March’s 15.5 million.

Raw volume totaled 1.314 million units, 3.3% below like-2023’s 1.358 million. However, the daily selling rate of 52,540 over the month’s 25 selling days increased 0.6% from the year-ago total of 52,225 - 26 selling days.

“Fleet sales in April are estimated at 225,000 units, 5% below the estimated year-ago total of 238,000 and the first decline since October.

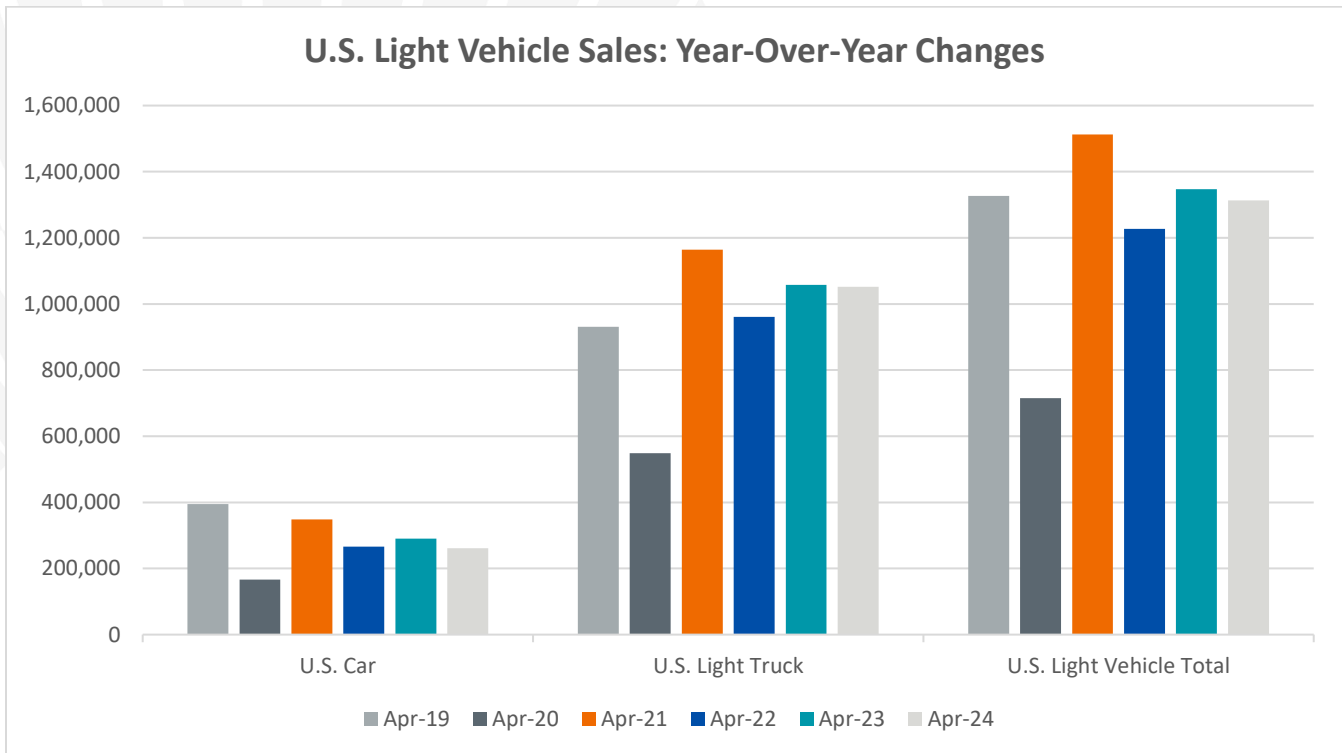
“Affordability continued to dominate the segment mix. While most segments and subsegments posted year-over-year declines, sales in WI’s Small CUV sector were up 15.2% from April 2023 and Small Car increased 15.8%. Market penetration for Small CUV increased to 9.3% from April 2023’s 8.2%, while Small Car rose to 8.2% from 7.1%.

“Also increasing from April 2023 was the Small Pickup subsegment. After temporary inventory shortfalls at GM and, especially, Ford, a surge in availability led the sector to a 21.7% increase. That offset a 4.6% decline in the Large Pickup subsegment to lift deliveries of all pickups to a 1.3% gain, the first increase for those vehicles since a 10.5% rise last September.

“Small Pickup penetration in April rose to 4.9% from like-2023’s 4.0%, and the subsegment’s highest total since the same in November 2022.

“Total light-truck sales increased 2.2% year-over-year in April, garnering 80.1% of the market, up from like-2023’s 78.8%. Cars were down 1.1% year-over-year.

“Through the first four months of 2024, sales totaled 5.066 million units, 3.0% above January-April 2023’s 4.919 million.”

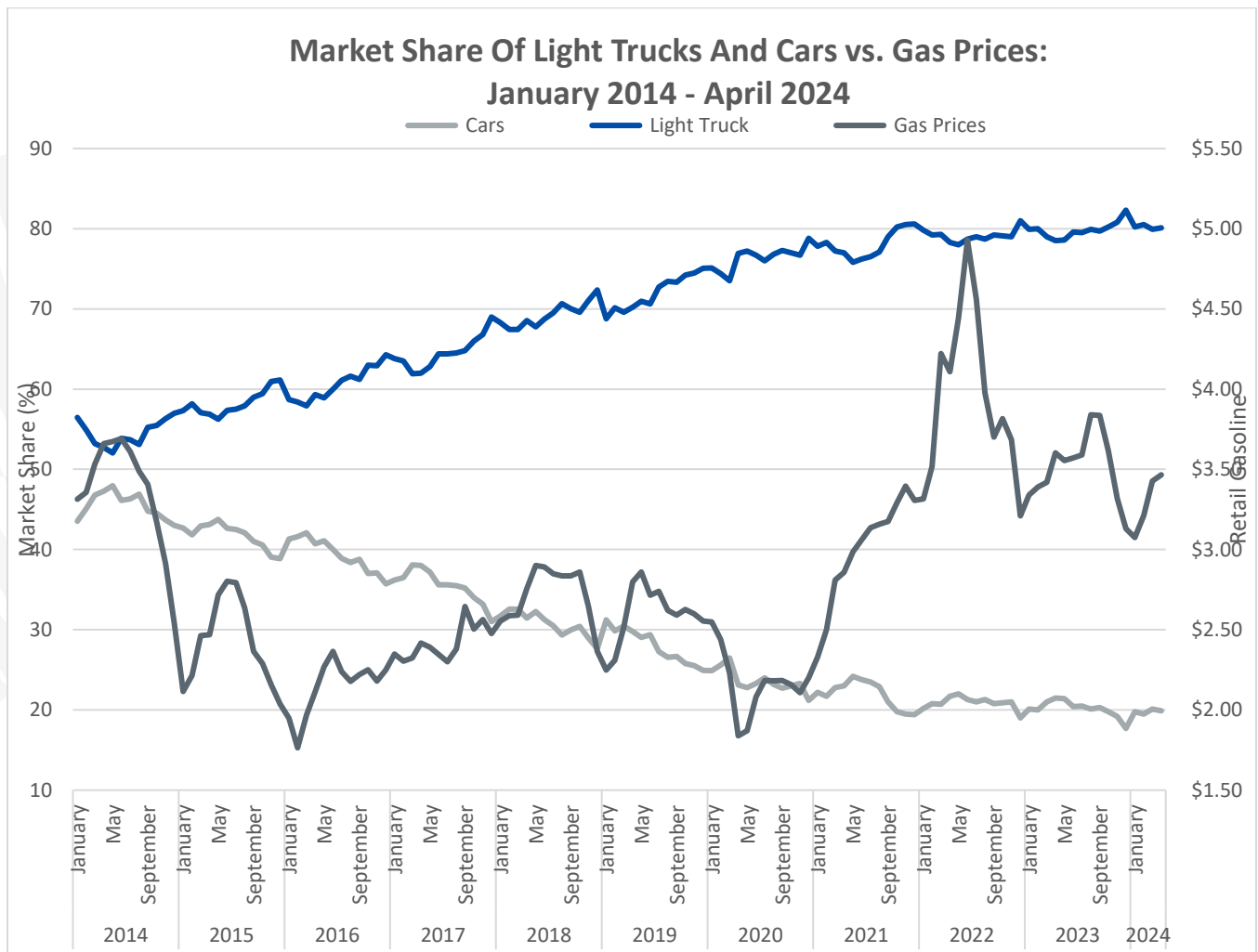


## Segments vs. Gas Prices (Updated 5/3)

**Monthly Sales For April:** Light trucks accounted for 80 percent of sales in April, up slightly from the market share a year ago. Compared to the same period in 2023, sales of cars are down by 2,800 units, and down

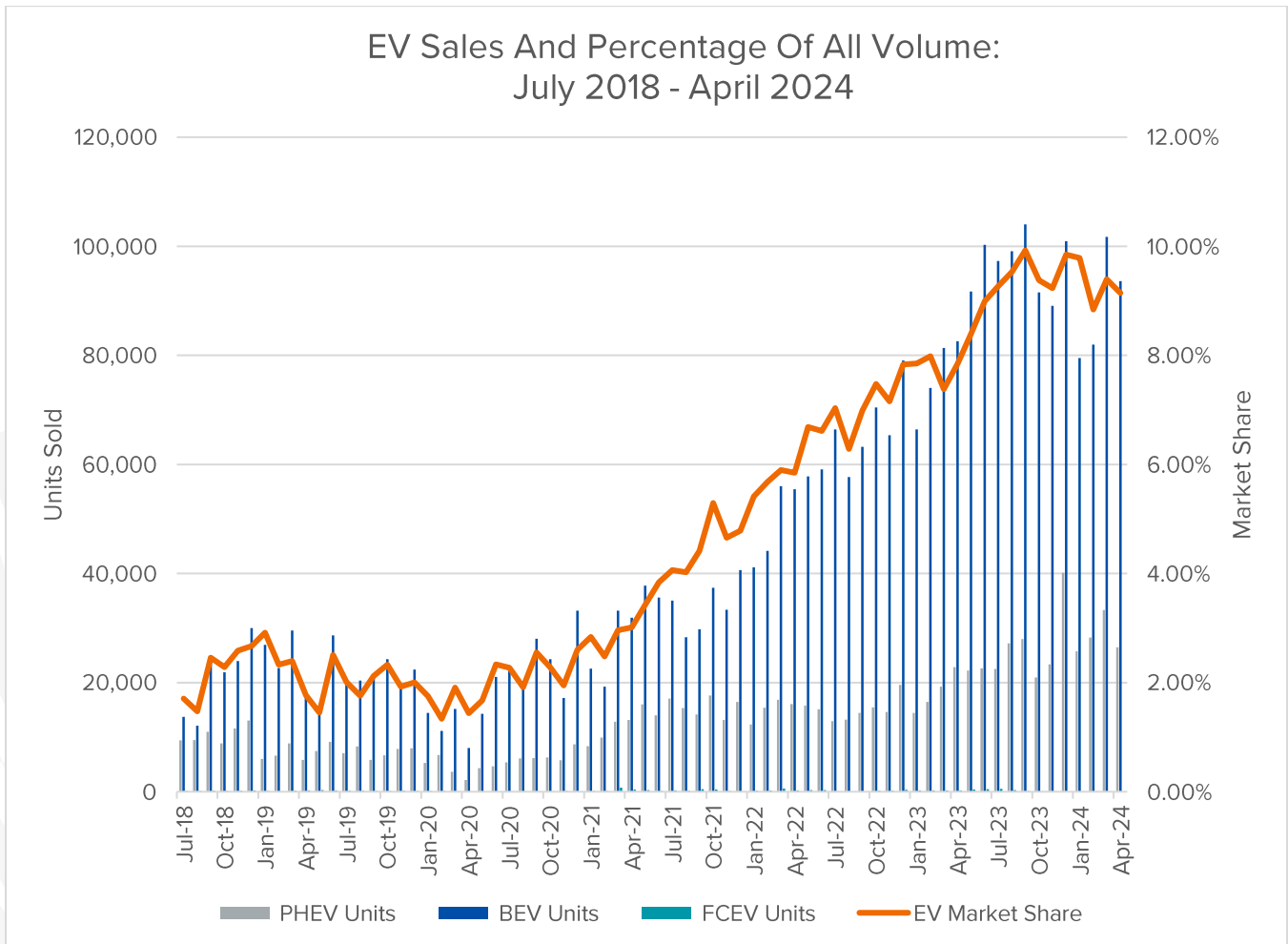
more than 133,000 from April 2019, when cars comprised 30% of the market as opposed to the 20 percent of the market passenger cars have now.

**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...<sup>10</sup> and gas was over \$3.00...<sup>11</sup> 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.<sup>12</sup>



## EV Powertrain Sales (Updated 5/3)

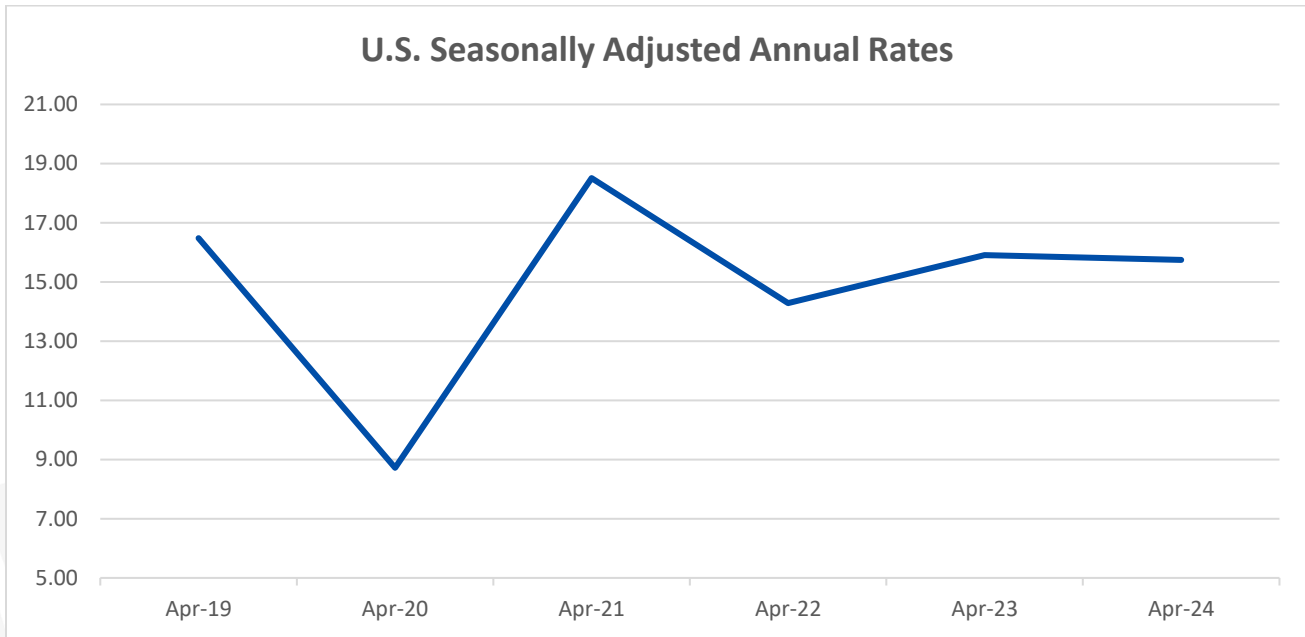
Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 9.1 percent of total vehicle sales in April 2024 (120,122), per Wards estimates. Market share decreased 0/25 percentage points (pp) from March 2024. April's EV market share is up 1.3 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 7.1 percent of total sales, up 1 pp from April 2023. Plug-in hybrids accounted for 2.0 percent, up 0.3 pp from the same time last year.<sup>13</sup>



## Seasonally Adjusted Annual Rates (Updated 5/3)

**WardsIntelligence<sup>14</sup>:** “U.S. light-vehicle sales finished April largely in line with expectations, posting a 15.7-million-unit seasonally adjusted annual rate. The SAAR was even with the year-ago month but up from March’s 15.5 million.”





## Average Transaction Price (Updated 4/24)

**Kelley Blue Book (March) (Updated 4/24)**<sup>15</sup>: “New-vehicle transaction prices (ATP) in March 2024 held mostly steady, according to an analysis by Kelley Blue Book, down 1% from the revised February ATP. Last month, the average transaction price of a new vehicle in the U.S. was \$47,218, down 1% from March 2023 and down 5.4% from the market peak in December 2022. Still, new-vehicle prices in the U.S. remain higher by 15.5% compared to March 2021.

“The supply recovery was the most important contributor to recent sales results compared to last year. At the start of March, new-vehicle inventory in the U.S. stood near 2.74 million units, a 52% increase from one year earlier. Sales were down month over month in March, but with a seasonally adjusted annual rate (SAAR) of sales of 15.5 million, 2024 remains on track to be the best new-vehicle sales year since 2019.

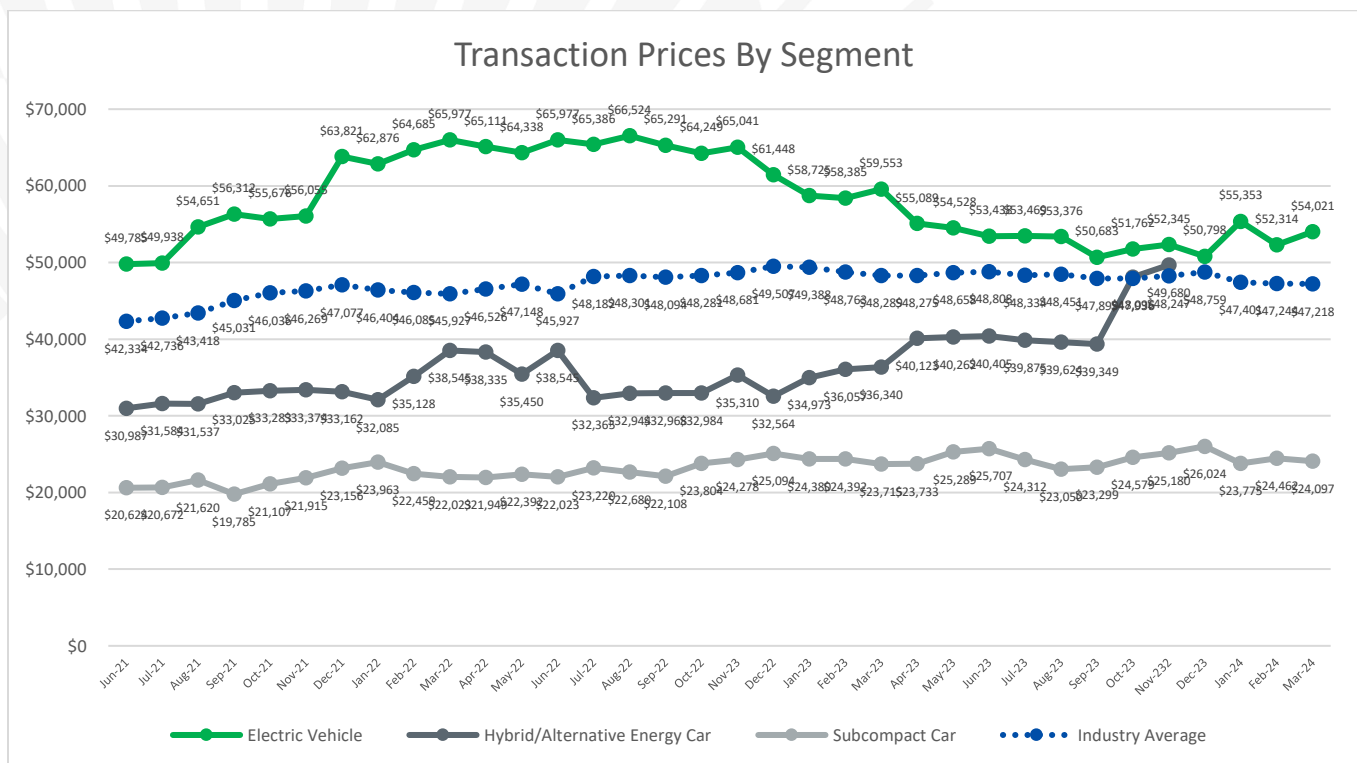
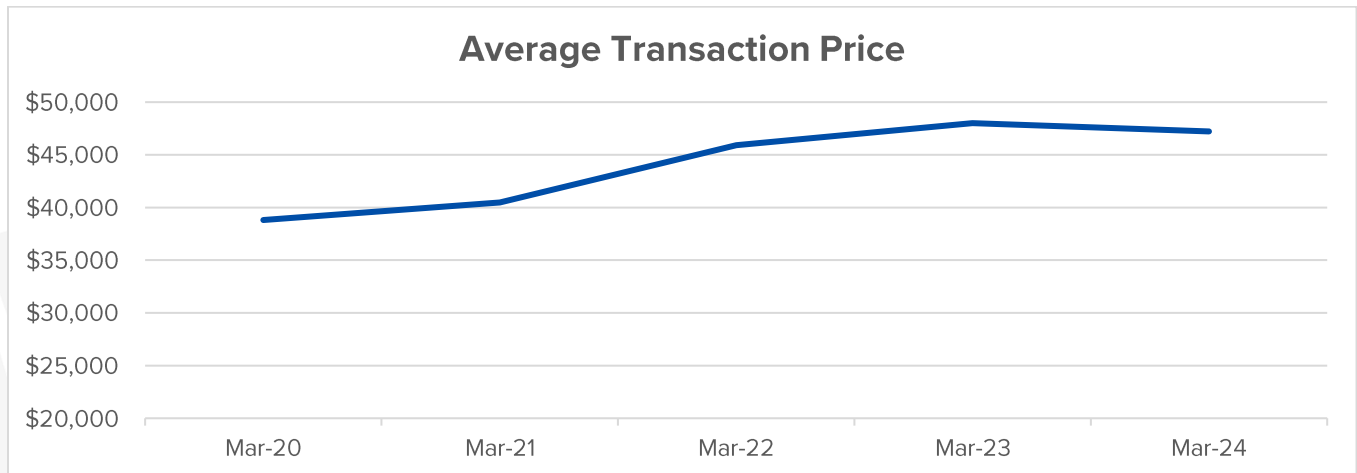
“The average incentive spend from manufacturers increased 11% to \$3,121, which was up 102% year over year. Reaching the highest level since May 2021, incentives as a percentage of average transaction price increased to 6.6%, up from 5.9% in February and more than double the average of 3.2% recorded in March one year ago. After hitting a low of 2.1% of ATP in September 2022, incentives have steadily increased along with inventory.

“The industry’s vehicle mix and focus on luxury continue to make affording a new vehicle more difficult for the average consumer. In March, of the roughly 275 new-vehicle models available in the U.S. market, only eight had average transaction prices below \$25,000 and only two transacted for less than \$20,000. The discontinued Kia Rio and Mitsubishi Mirage remained the two most affordable vehicles in the U.S. last month. In March 2021, more than 20 vehicles had transaction prices routinely below \$25,000, including seven different models transacting below \$20,000.

“According to electric vehicle (EV) transaction price data, the average price Americans paid for an electric vehicle in March was \$54,021, up from a revised \$53,707 in February, according to Cox Automotive and

Kelley Blue Book estimates. EV transaction prices in March were lower year over year by 9.7%, compared to February, when prices were lower by 10.5% year over year. . . . High incentives and discounts on most EV models continue to play a role in lower EV prices.”

**J.D. Power (Updated 4/4)**<sup>16</sup>: “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.”

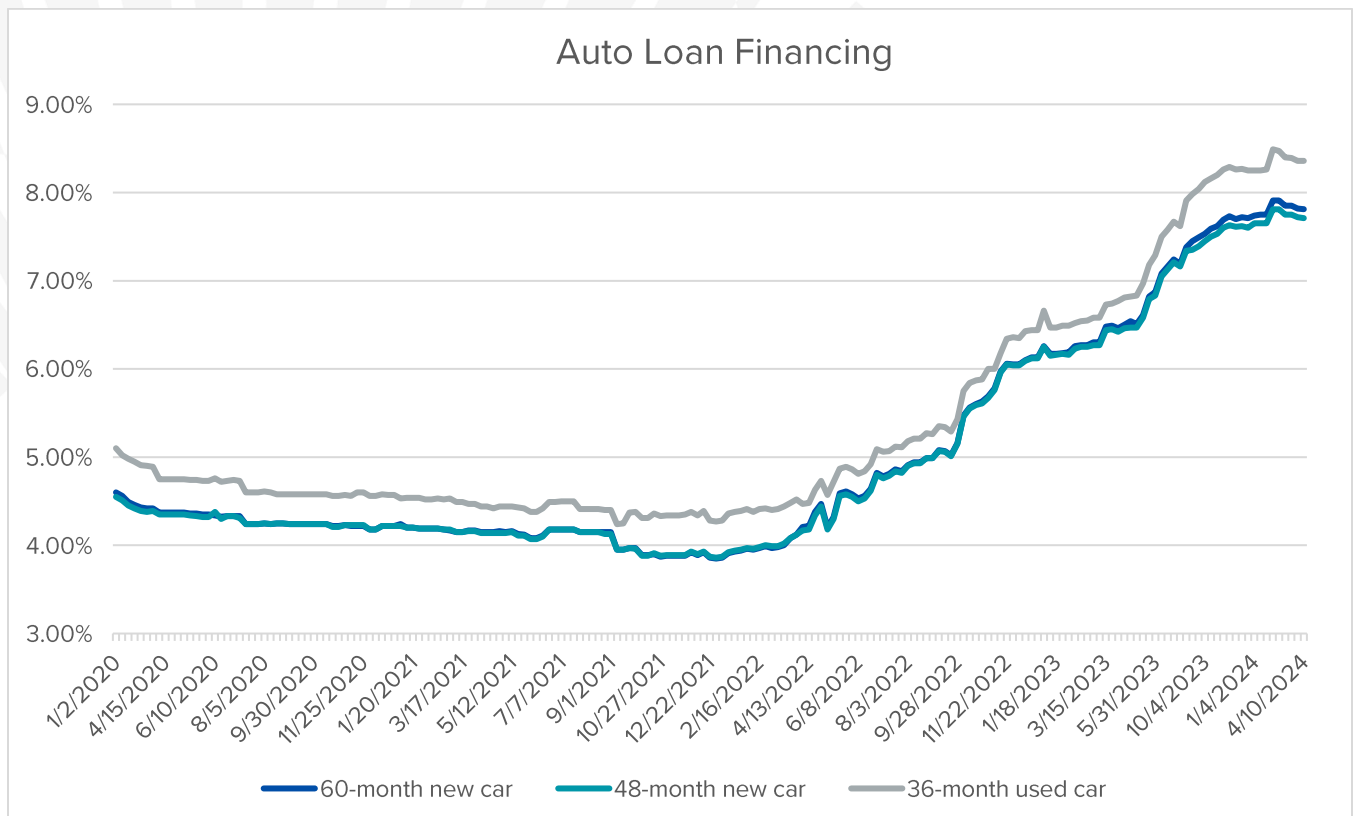


## Auto Loan Financing (Updated 4/24)

**Interest Rates (updated 4/24):** Interest rates receded slightly on the 60-month, 48-month and 36-month used car loans over the past two weeks. Rates now stand at 7.81%, 7.71%, and 8.36%, respectively. Since the beginning of 2020, 60-month rates are up 3.21 pp, and are up 1.27 pp since the same time a year ago.<sup>17</sup>

**JD Power (4/4)<sup>18</sup>:** “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%
4/12/2023	6.54%	6.47%	6.82%
3/27/2024	7.82%	7.72%	8.36%
4/10/2024	7.81%	7.71%	8.36%
Two Week Change	-0.01%	-0.01%	0.00%
Change since 1/3/20	3.21%	3.16%	3.26%
One Year Change	1.27%	1.24%	1.54%

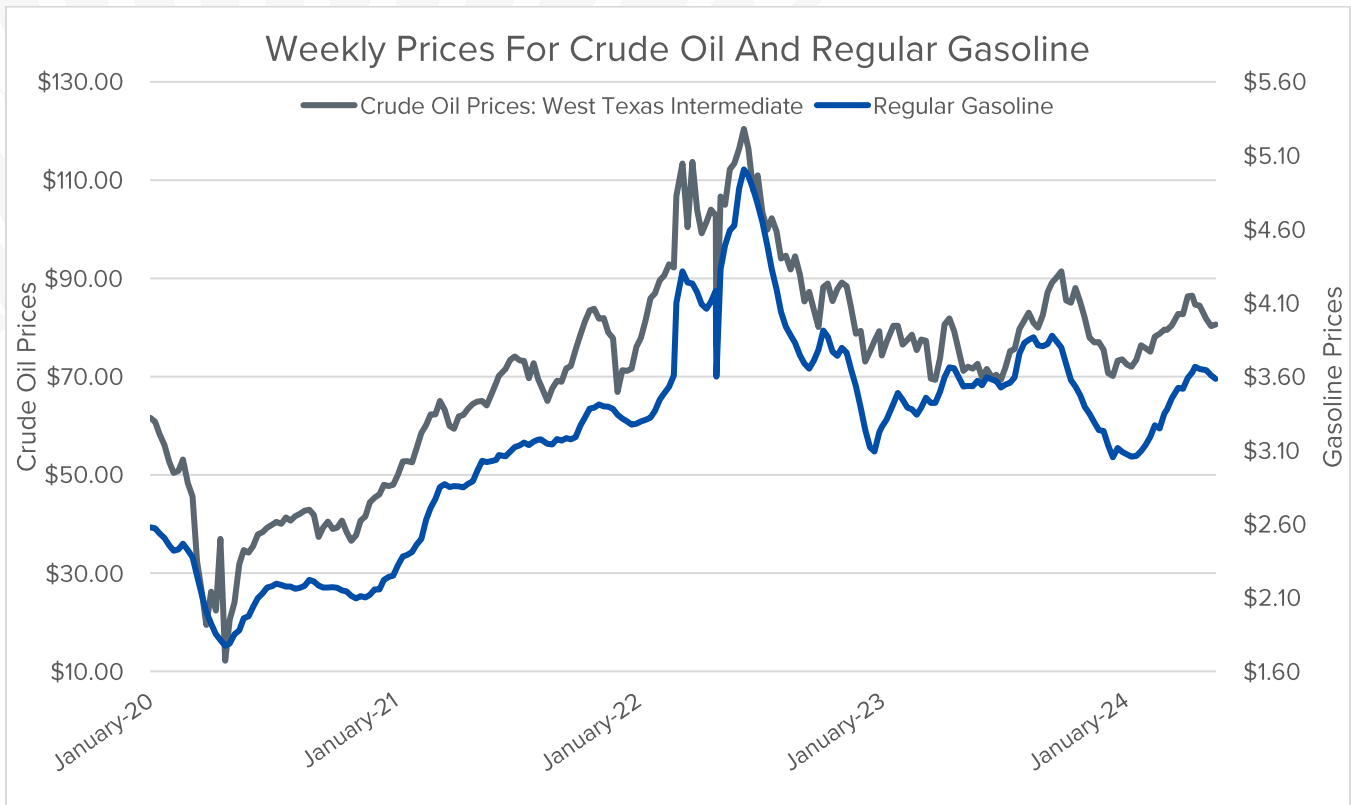


## Crude Oil and Gas Prices (Updated 5/24)

**Gas And Oil Remain Elevated (5/3):** Oil prices, as benchmarked at West Texas Intermediate decreased \$0.35 to \$80.61 a barrel. Since election day 2020, oil prices are \$44 a barrel higher. Gas decreased \$0.02 a gallon to \$3.58. Gas is 39% higher than the beginning of 2020 and has not been below \$3 a gallon since May 2021.<sup>19</sup>

**EIA Outlook For Gasoline (5/3)<sup>20</sup>:** “We forecast U.S. retail gasoline prices will average about \$3.60 per gallon (gal) in 2024, an increase of about 10 cents/gal from our March STEO and a slight increase from the average price in 2023. This increase is driven by rising wholesale gasoline prices compared with the March STEO as well as higher crude oil prices. We now forecast the wholesale gasoline price will average more than \$2.70/gal in 2024, also 10 cents/gal more than in 2023. The higher forecast wholesale gasoline prices compared with our March STEO reflects our expectation of more gasoline exports and lower gasoline inventories, leading to an increase in the 2024 annual average crack spread for gasoline relative to last month’s forecast.”

**EIA Outlook For Oil (3/7)<sup>21</sup>:** “The 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.”



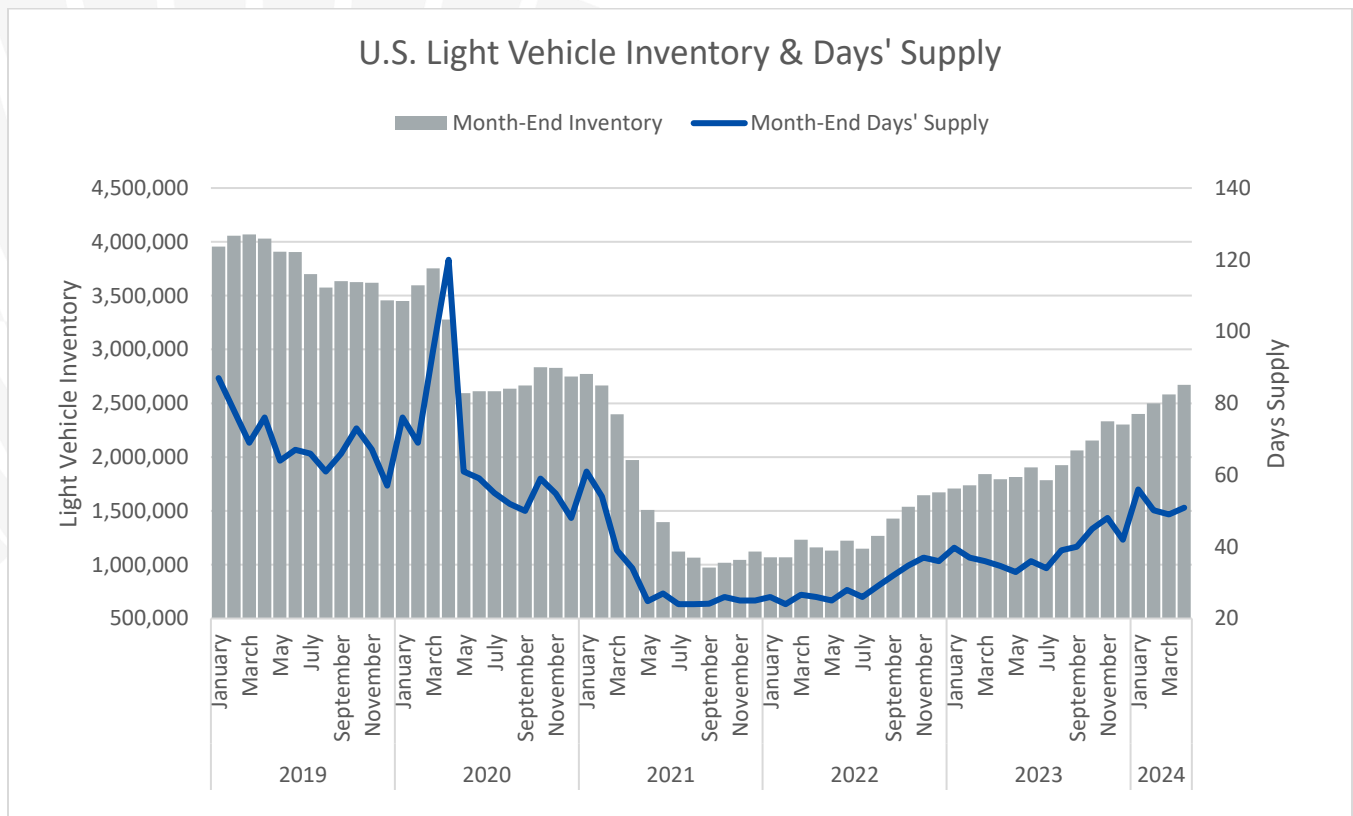
## Production Meter

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

**WardsIntelligence Inventory Update (3/7)<sup>22</sup>:** “U.S. light-vehicle inventory increased 3.5% in April from the prior month to 2.672 million units, 48.6% above like-2023, and highest for the month since 3.265 million in 2020.

“Days’ supply of 51 was equal to 75% of the 68 days’ supply historically typical for the month prior to the negative impact on inventory caused by the pandemic/supply-chain disruptions that started in 2020.

“By comparison, and showing overall inventory remains lean compared with underlying demand, April sales volume of 1.313 million units was equal to 93% of the month’s average deliveries from 2015 through 2019 when annual sales averaged 17 million-plus.”



### North American Production (Updated 5/24)

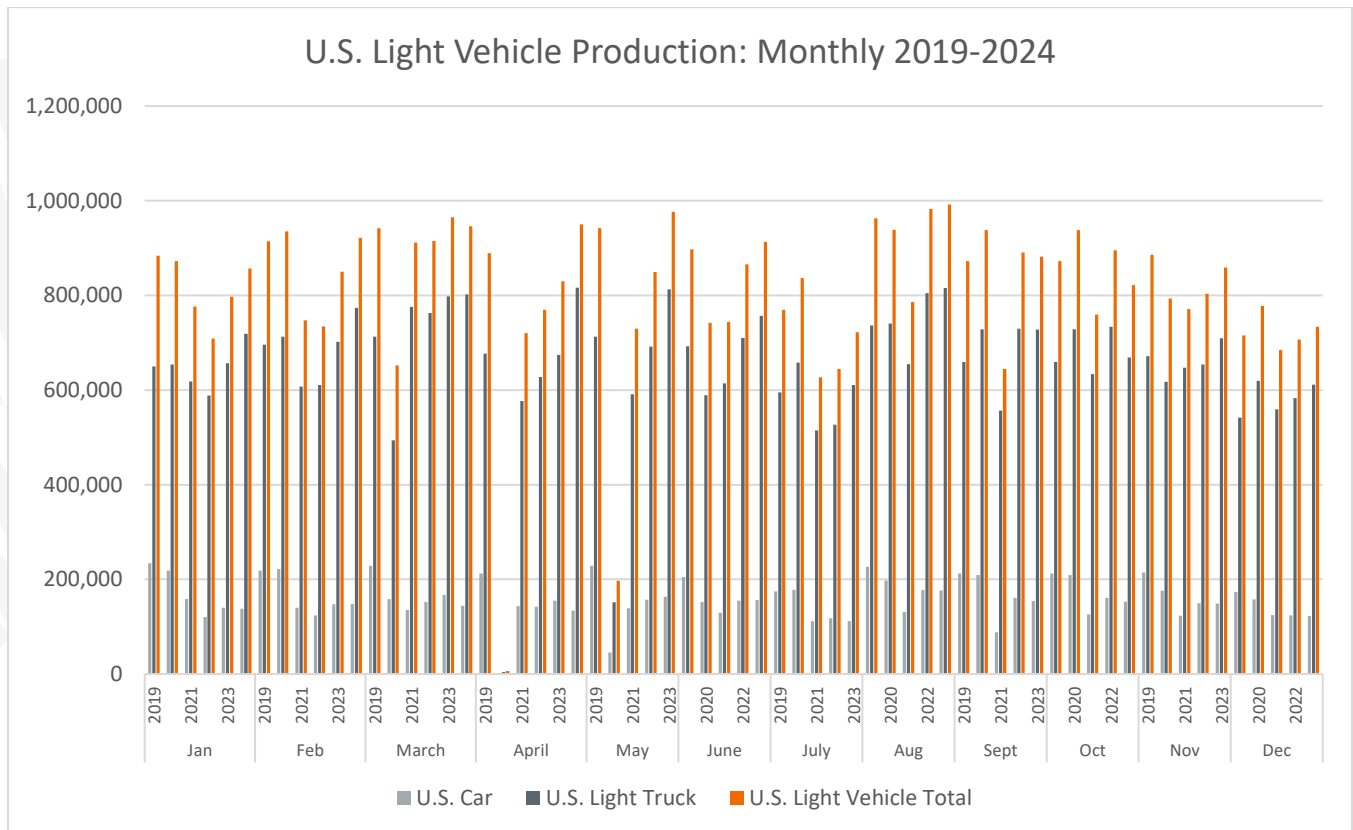
**Wards Intelligence<sup>23</sup>:** “Production of light vehicles and medium- and heavy-duty trucks rebounded to a 15.9% year-over-year gain in April after falling 5.2% in March. April production totaled 1.474 million units, up from March’s 1.422 million and like-2023’s 1.271 million.

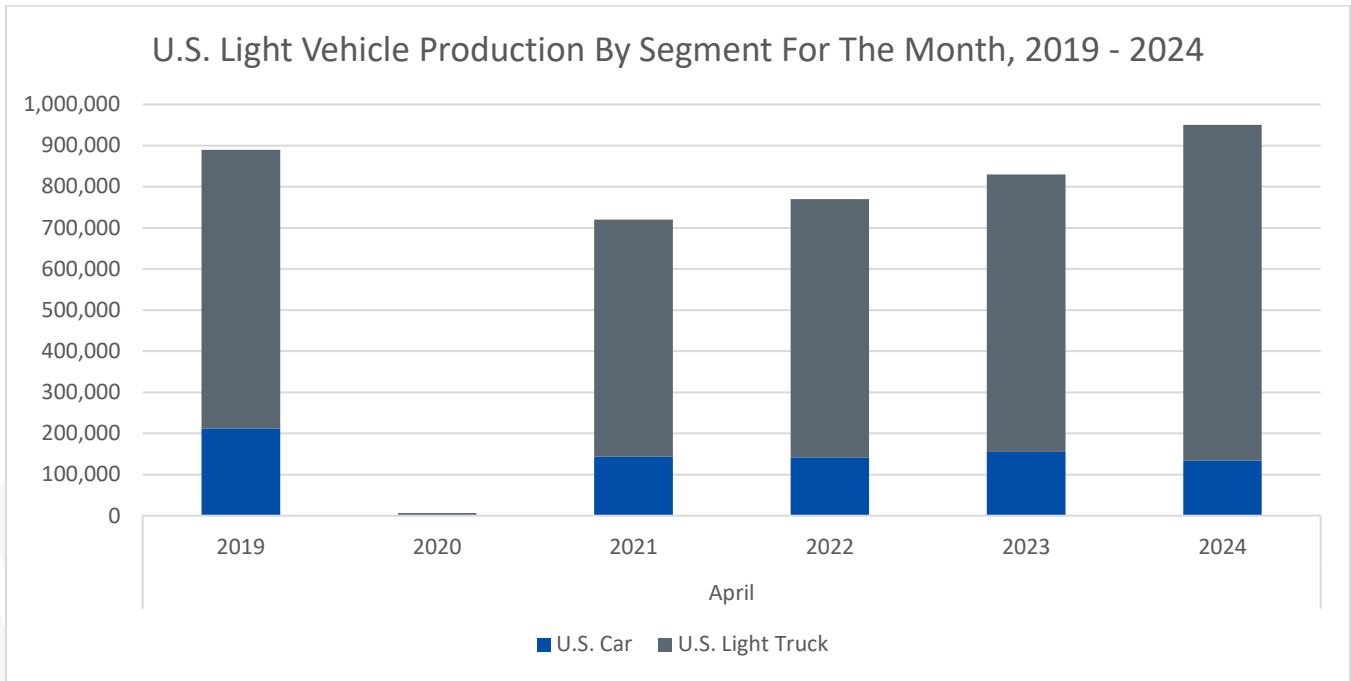
“April’s total was 26,700 units above month-ago’s outlook for the month, and spurred by overbuilds at Ford and General Motors. Including increased production outlooks in May and June of 11,700 and 10,800 units, respectively, entire-Q2 was raised 49,200 from the month-ago tracker.”

## U.S. Light Vehicle Production (Updated 5/24)

### U.S. Monthly Production (Updated 5/24)

U.S. Light vehicle production for April 2024 was flat month-over-month, totaling 950,332 vehicles (134,077 cars, 816,255 light trucks), year-over-year, production is up 15.9 percent from 2023.<sup>24</sup>





## Global Meter

### Global Light Vehicle Sales (Updated 5/3)

**Wards Intelligence**<sup>25</sup>: “Despite declines in the last two months of the period, Q1-2024 global sales rose an estimated 2.8% to 22.01 million units from like-2023’s 21.41 million. The totals include light vehicles and medium- and heavy-duty trucks. Light-vehicle sales in Q1 totaled 20.76 million units, 1.0% above the year-ago period’s 20.56 million.

“After the year began with a 7.1% year-over-year increase in January, sales of all vehicles declined 2.9% in February to 6.47 million units and 2.0% in March to 8.29 million.

“Sales in February were hurt by the timing of the annual Lunar New Year celebration in China, the world’s largest market, as well as sharp declines in other leading markets in Asia, one of them being Japan where sales fell again in March.

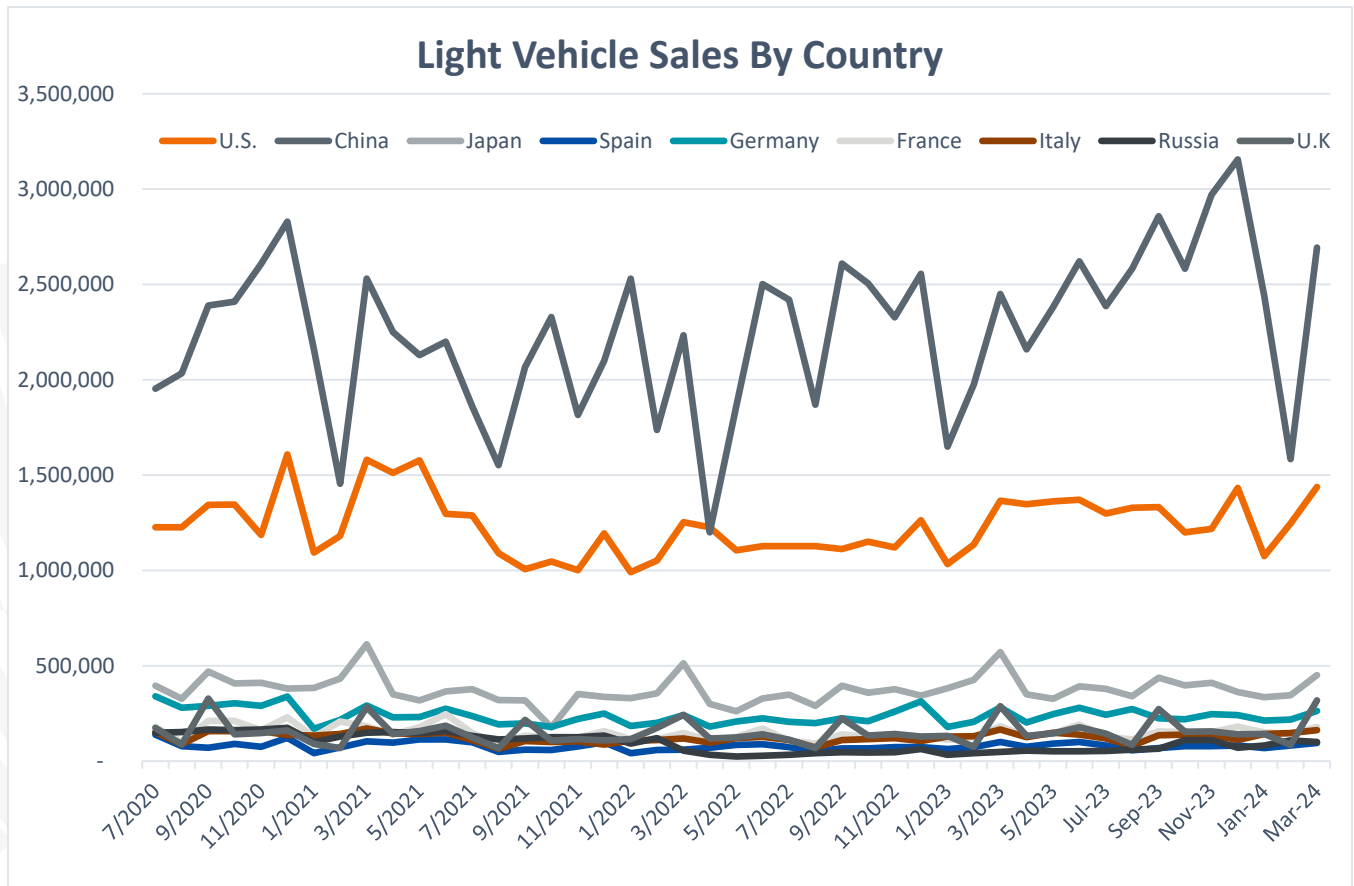
“After falling 20.4% in February, demand in China rebounded to a respectable 7.6% year-over-year gain in March. First-quarter sales in China totaled 6.83 million units, equal to 31.0% of global sales and 9.2% above like-2023.

“Sales in the Asia-Pacific region declined 3.7% in March from like-2023 to 4.03 million units. Excluding Japan, sales increased 1.0%.

“March also was dampened by a 14.9% year-over-year decline in South America, with severe double-digit drops in nearly every country. The exception was Brazil, which accounts for nearly 70% of the region’s volume, where March deliveries were still down, but by a lesser 5.6%.

“Sales in North America rose 5.3% year-over-year in March and finished the quarter up 6.3%. The Q1 increase included double-digit rises in Canada and Mexico, while the U.S., which accounted for 83% of the region’s volume, was up 5.1%.

“First-quarter demand in Europe rose 8.6% year-over-year despite nearly flat results in March.”



## Global Light Vehicle Production (Updated 4/24)

**S&P Global Mobility Forecast (4/24)**<sup>26</sup>: “The global auto industry continues to exhibit relative strength with the overall outlook seeing a modest upgrade for the month. Vehicle production has shifted to a more traditional demand-driven model in the context of a still-elevated interest rate environment and vehicle affordability concerns, among other influences. The state of consumer demand remains a critical factor and is being monitored very closely. Beneath the topline performance, propulsion mix developments vary by region as certain markets face somewhat slower EV adoption growth rates while other areas continue to see rather encouraging results. The April 2024 forecast update reflects rather modest net upgrades through the near-term, with the primary focus on a generally improved outlook with volume increases primarily distributed among North America, Europe and Japan/South Korea, among other regions. In the intermediate-term, production in regions such as Greater China and North America has been boosted to support improved



demand expectations and/or allow for further inventory alignment where needed. The more noteworthy regional adjustments with the latest forecast update are detailed below:

**“Europe:** The outlook for Europe light vehicle production was increased by 72,000 units and reduced by 2,000 units for 2024 and 2025, respectively (and increased by 88,000 units for 2026). The European production forecast has been boosted in the near-term primarily due to upgrades in West Europe, Central Europe & Turkey (+35,000 units) and in CIS countries (+37,000 units). This increase was most noticeable in Q1-2024, driven by stronger than expected actuals in February. Volkswagen's Martorell plant, which increased H1-2024 production, was also a noteworthy contributor to the upgrade. However, the Martorell plant has been downgraded for H2-2024 due to line modifications. In 2025, volume was largely unchanged, with upgrades in the outlook for CIS countries (+36,000 units) offset by downgrades in West Europe, Central Europe & Turkey (-37,000 units). While production in Russia is recovering, slow BEV demand is influencing automaker activities in West Europe and Central Europe. The halt of Fisker Ocean production and its removal from forecast was one of the major negative factors in 2025 (-23,000 in 2025 and -36,000 units per year on average after 2026). Long-term forecasts show a roughly +70,000 unit per year upgrade in Russia's production.

**“Greater China:** The outlook for Greater China light vehicle production was increased by 5,000 units and by 177,000 for 2024 and 2025, respectively (and increased by 28,000 units for 2026). After Lunar New Year weakness in January and February, mainland China passenger vehicle sales started to recover in March. According to the CPCA, 1.7 million passenger vehicles were registered through retail channels resulting in 6% year-on-year growth for the month. In addition to robust export activity supporting production, incentive programs such as subsidies for ICE vehicle replacement and vehicle financing programs look to support the domestic market. The outlook for 2025 has been upgraded to support an improved demand outlook and based on expected continued recovery in private consumption. Electrification in mainland China will continue to accelerate as many Chinese brands launch entry-level PHEVs to replace entry-level ICE cars, especially for price-sensitive consumers. In addition, Range-Extended Electric Vehicles (REEV) are expected to further penetrate the premium market by offering a compelling product and longer driving range. In the longer term, we upgraded the market by around 100,000 units annually, reflecting sustained domestic consumption resilience and strong export activity.

**“Japan/Korea:** Full-year 2024 and 2025 production in Japan was increased by 25,000 units and 15,000 units, respectively relative to last month's forecast. Forecast revisions were primarily related to an upgraded outlook for both the Toyota Land Cruiser Prado and the Toyota Prius. The full-year 2026 outlook was also upgraded due to advanced production timing for the Toyota bZ Compact SUV. The long-term production outlook for Japan was reduced by around 35,000 units per year. We continue to see risks to the BEV projects for Mazda and Subaru. Much is still not known about those programs as even the concept models have not yet been revealed. Full-year 2024 production in South Korea was increased by 28,000 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. However, the production correction has been less than expected resulting in the upgraded outlook for the month. Additionally, the recent increase in global demand for hybrid vehicles is a positive signal for Korea's exports. Accordingly, production in 2025 and 2026 was re-balanced up by 48,000 units and 50,000 units, respectively. In the long term, there were fluctuations in annual production volume for South Korea primarily due to the delay in the Genesis BEV programs and the Kia EV8, but there were no significant changes overall. Meanwhile, in order to maintain the balance between production and demand, output was increased by approximately 100,000 units per year from 2034 to 2036.

**“North America:** The outlook for North America light vehicle production was increased by 231,000 units and by 323,000 units for 2024 and 2025, respectively (and increased by 382,000 units for 2026). The outlook for North American light vehicle production for 2024 was revised higher by 1.5% to total 16.0 million units on demand resilience and more importantly on stronger production results indicating minimized impact of supply chain issues. The greatest concern surrounds where inventory levels will stabilize with the forecast built around keeping the industry at around 2.5 million units. Production may still move higher resulting in inventory levels returning closer to pre-COVID levels where in a 16.0 million-unit US sales environment, inventories would be over 3.0 million units. A notable exception to the short-term growth revisions is focused on Tesla which was revised lower between 2024 and 2027. Most of the reductions surround Cybertruck as demand expectations remain a challenge with additional concerns surrounding the development status of the NV92 C-CUV EV or Project Redwood, the affordable entry-level Tesla program. Despite news to the contrary, development of the entry-level Tesla is still believed to be underway, though a rescope and delay remain a possibility. Tesla production in 2024 was revised down 0.5% with 2025, 2026 and 2027 revised down 9.9%, 9.6% and 10.2%, respectively.

**“South America:** The outlook for South America light vehicle production was increased by 5,000 units and reduced by 21,000 units for 2024 and 2025, respectively (and increased by 11,000 units for 2026). The outlook for 2024 was increased slightly due, in part, to modestly stronger actual production results posted for March for both Brazil and Argentina. Of note, demand for the region has been adjusted to better fit patterns that have been observed on the production side including a stronger mix of demand in favor of Argentina relative to Brazil. The overall production outlook for the remainder of the short-term horizon remains fairly stable. Production revisions are focused primarily launch dynamics and ramp-up effects of renewed/new models starting within the period.

**South Asia:** The outlook for South Asia light vehicle production was reduced by 40,000 units and increased by 36,000 units for 2024 and 2025, respectively (and increased by 11,000 units for 2026). In the extreme near-term, output for the region was downgraded for 2024 primarily on lower actualized production in select countries as well as weaker domestic demand for the ASEAN market, particularly Thailand, Vietnam and New Zealand. Looking to the intermediate-term, the broader region was upgraded with the focus primarily on India and Malaysia and only partially offset by lingering weakness in Thailand. Thailand continues to adjust to demand headwinds both domestically and for products such as mid-size pickups serving export markets. With regard to Malaysia, the production outlook particularly benefits from an upgraded demand outlook for the country through the intermediate to longer term, including continued strong performance for Perodua and Proton, among others.

## Recovery Meter

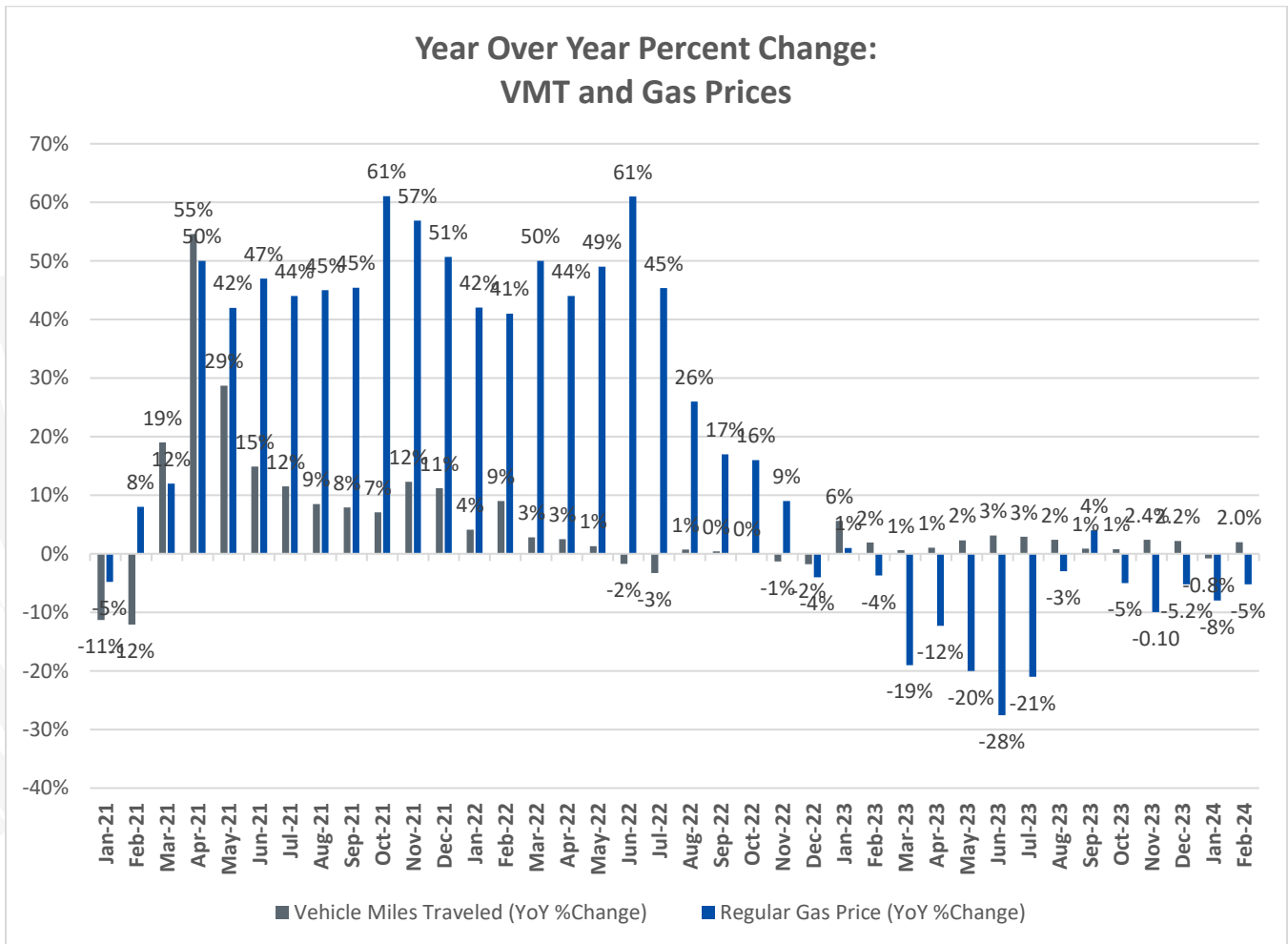
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### Roadway Travel (Updated 5/3)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in February increased 2.0 percent from the same time a year ago. The cumulative travel estimate for 2024 is 487.4 billion vehicle miles.<sup>27</sup>

- Travel on all roads and streets changed by +2.0% (+4.8 billion vehicle miles) for February 2024 as compared with February 2023. Travel for the month is estimated to be 240.2 billion vehicle miles.

- The seasonally adjusted vehicle miles traveled for February 2024 is 274.8 billion miles, a +1.4% (+3.9 billion vehicle miles) change over February 2023. It also represents a 0.6% change (1.7 billion vehicle miles) compared with January 2024.
- Cumulative Travel for 2024 changed by +0.6% (+2.7 billion vehicle miles). The cumulative estimate for the year is 487.4 billion vehicle miles of travel.



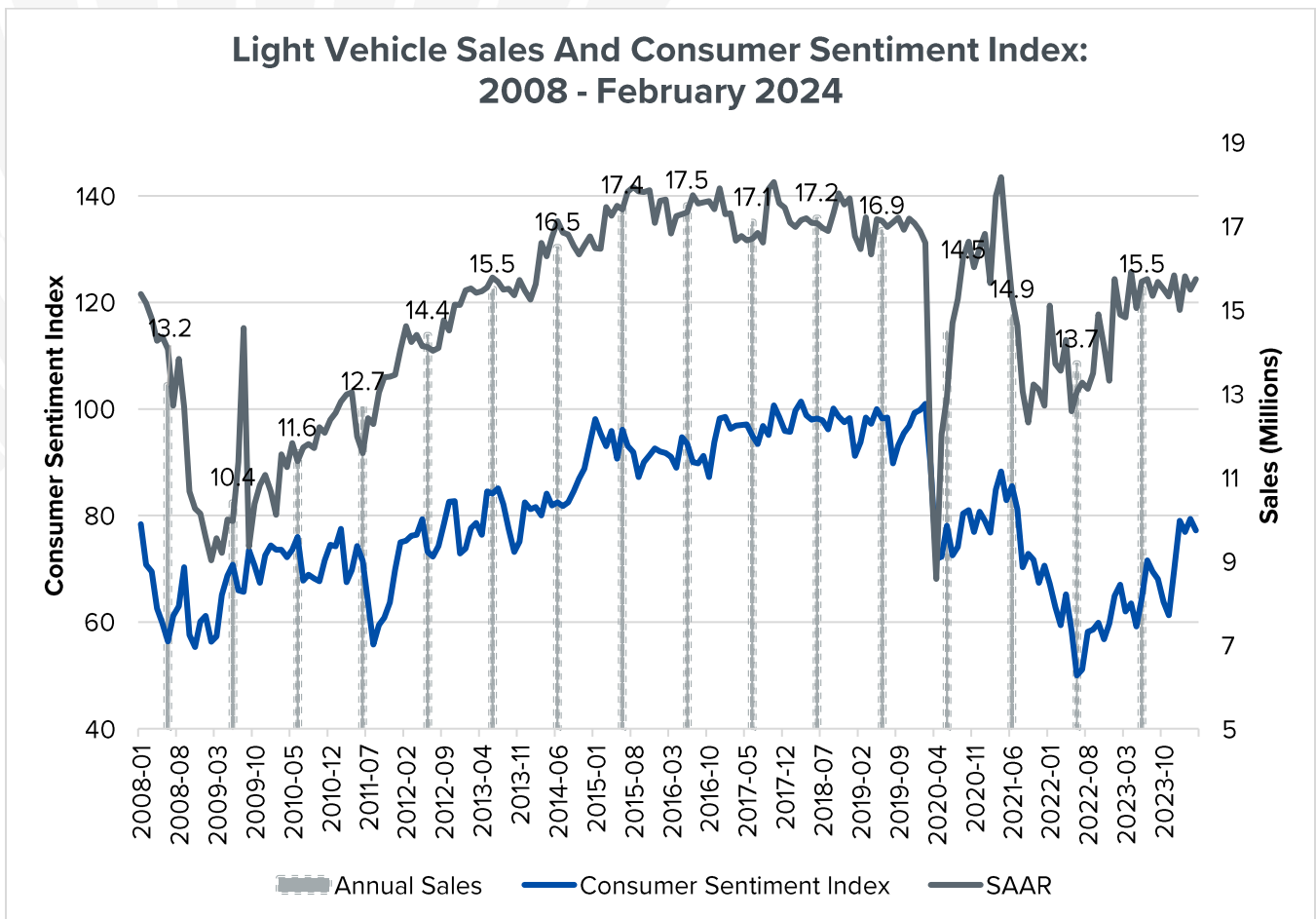
## Economic News (Updated 4/24)

**ISM Index Moves Into Expansion Territory For the First Time Since September 2022.**<sup>28</sup> “Economic activity in the manufacturing sector expanded in March after 16 months of contraction, with demand improving and output surging, the Manufacturing Institute for Supply Management (ISM) reported Monday. ISM recorded a manufacturing PMI of 50.3% in March, crossing the 50% threshold into growth territory for the first time since September 2022. “We are highly likely in our next growth cycle,” Timothy Fiore, chair of the ISM Manufacturing Business Survey Committee, said in a teleconference.”

## Consumer Confidence and Sales (Updated 5/3)

**Surveys of Consumers Director Joanne Hsu<sup>29</sup>:** “Consumer sentiment continued to plateau and was virtually unchanged for the third month in a row. Since January, sentiment has remained remarkably stable within a very narrow 2.5 index point range, well under the 4.8 points necessary for a statistically significant difference in readings. The long-run business outlook inched up to reach its highest reading since June 2021, while views of personal finances softened. Different parts of the population exhibited offsetting changes this month. Republicans posted notable declines in sentiment this month, whereas Democrats and Independents did not. Sentiment for younger consumers rose, in contrast to middle-aged and older adults whose sentiment changed little or fell. Overall, consumers continue to express uncertainty about the future trajectory of the economy pending the outcomes of the upcoming election, but at this time there is no evidence that global geopolitical factors are on the forefront of consumers' minds.

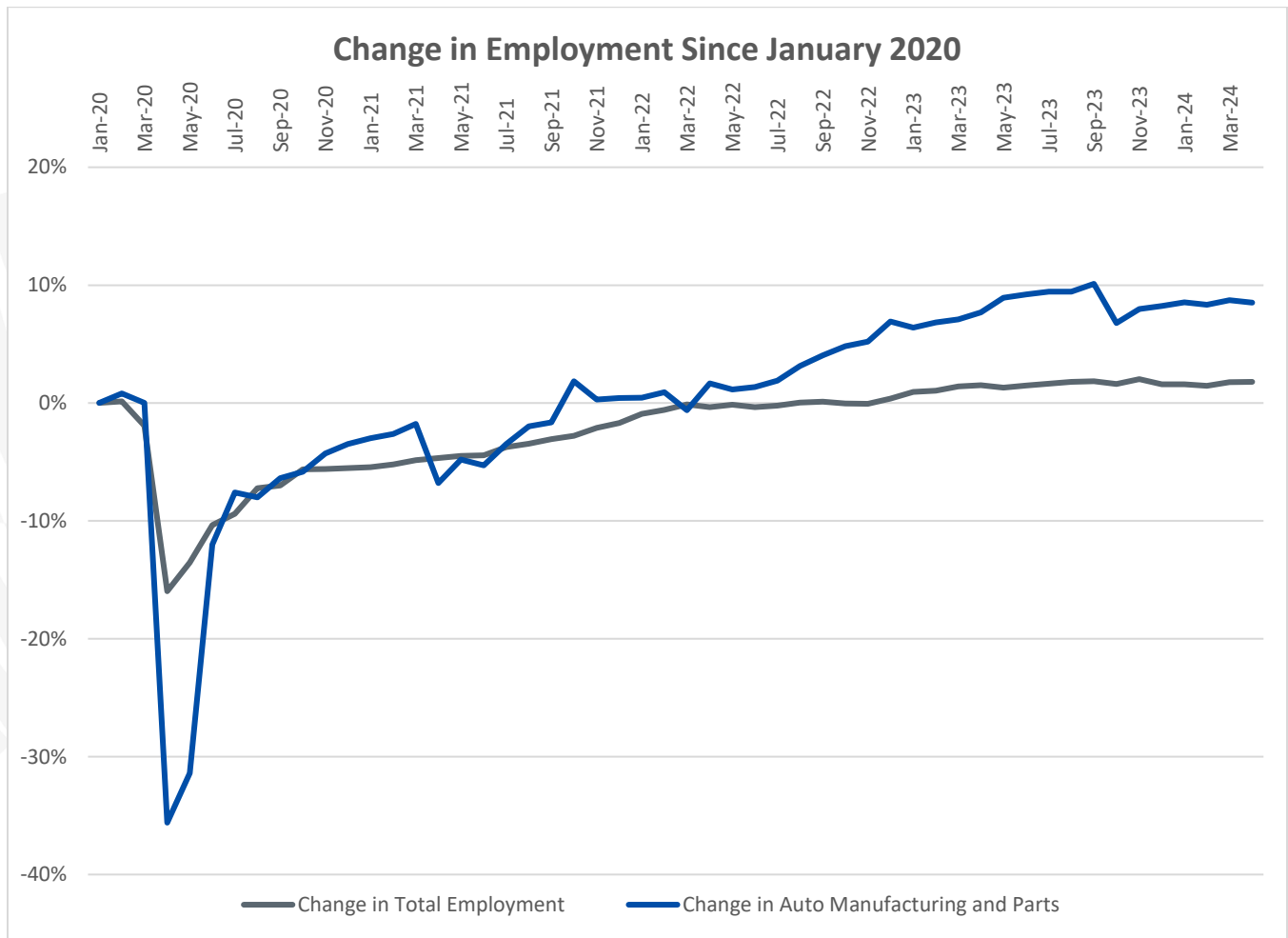
Year-ahead inflation expectations ticked up from 2.9% last month to 3.2% this month. Long-run inflation expectations also edged up, from 2.8% last month to 3.0% this month; they have been within the narrow 2.9-3.1% range for 29 of the last 33 months. Long-run inflation expectations remain elevated relative to the 2.2-2.6% range seen in the two years pre-pandemic.”



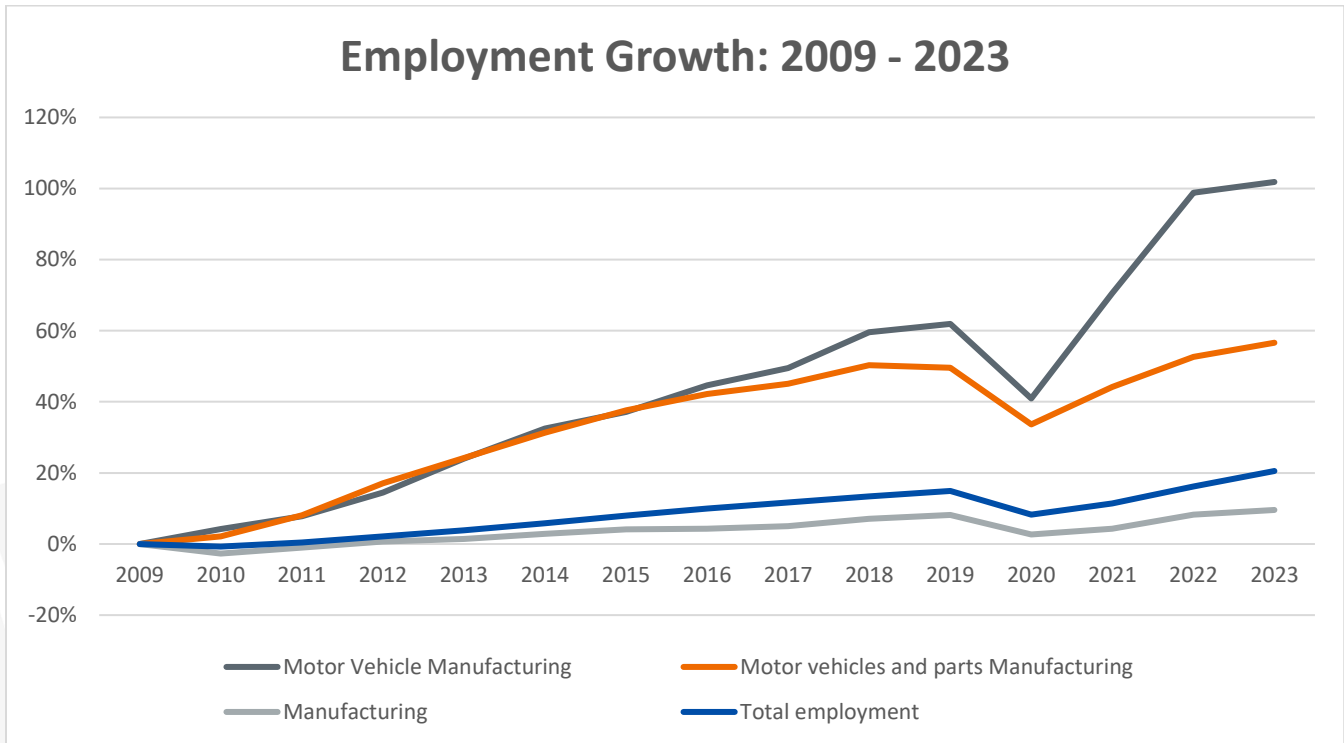
## Employment (Updated 5/3)

### Motor Vehicle And Parts Manufacturing lost 2,100 Jobs in April.

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.<sup>30</sup>



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.<sup>31</sup> 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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