

US
AUTO
INDUSTRY

CHARTBOOK

1Q 2018



Key Messages

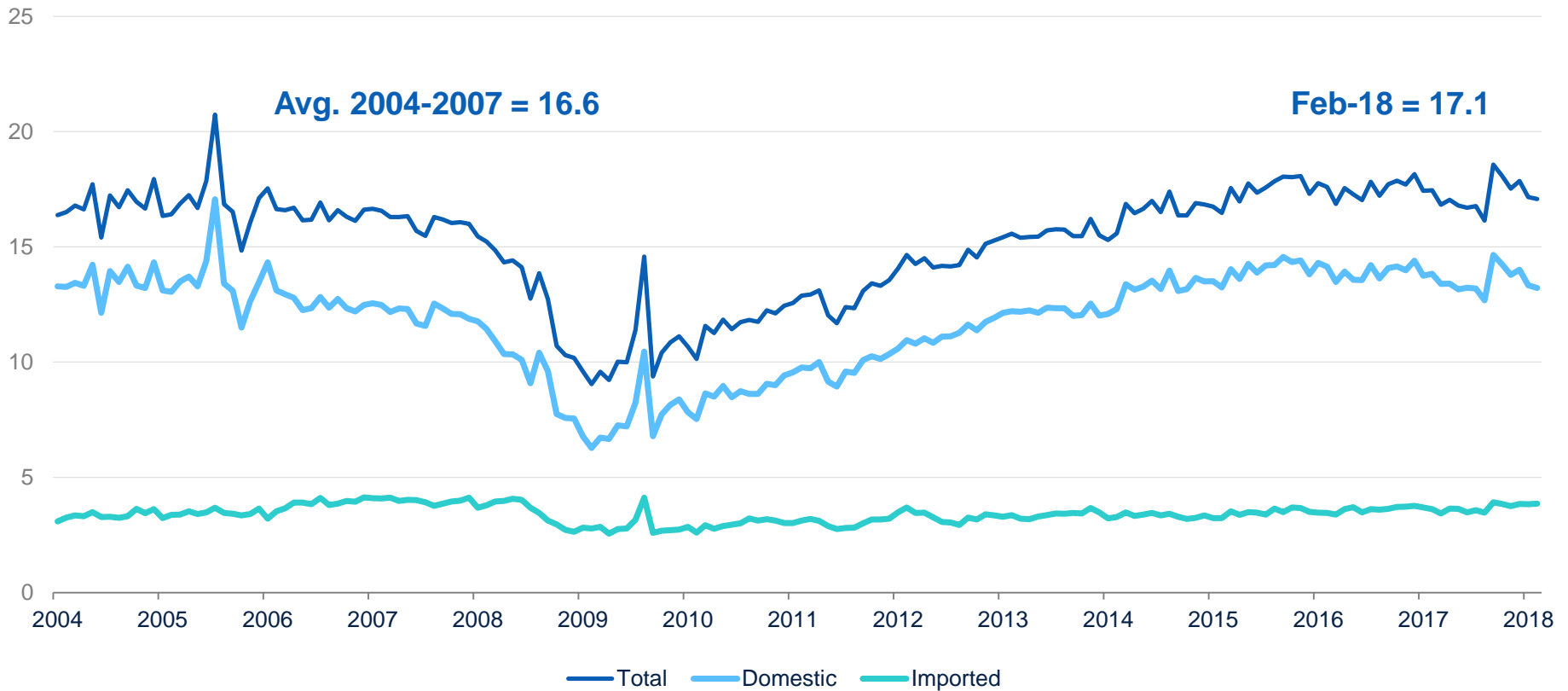
1. Economic fundamentals and financial conditions remain supportive of demand
2. However, increasing off-lease returns will continue to exert downward pressures on sales and prices of new vehicles
3. The structural shift towards light-trucks has kept transaction prices high, supporting profitability
4. Sales of electric vehicles hit a record in 2017; a substitution effect between hybrids and plug-ins is taking place
5. Autonomous driving, shared mobility, connectivity and electrification will transform the industry in the following years

SALES



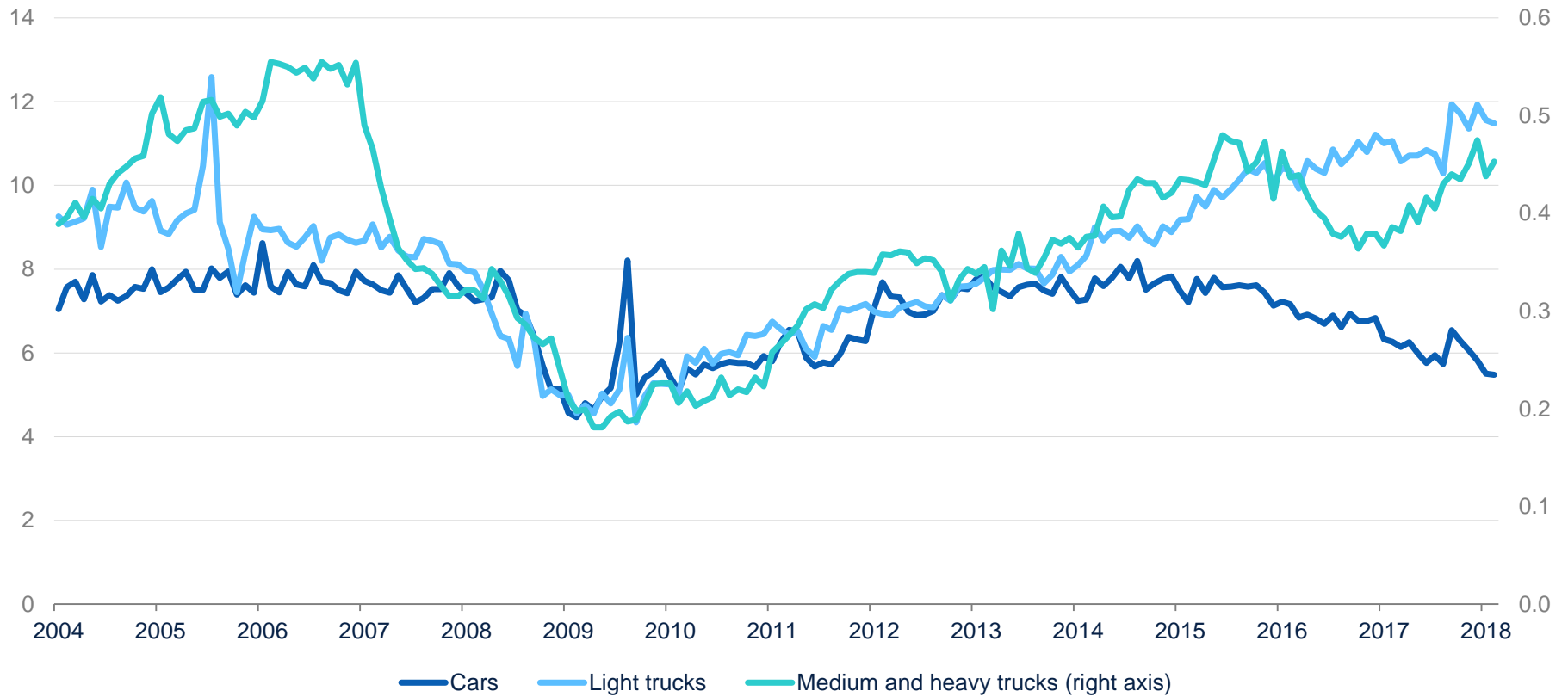
Sales

U.S. Total light weight vehicle sales (SAAR, million units)



Sales

U.S. Total vehicle sales (SAAR, million units)

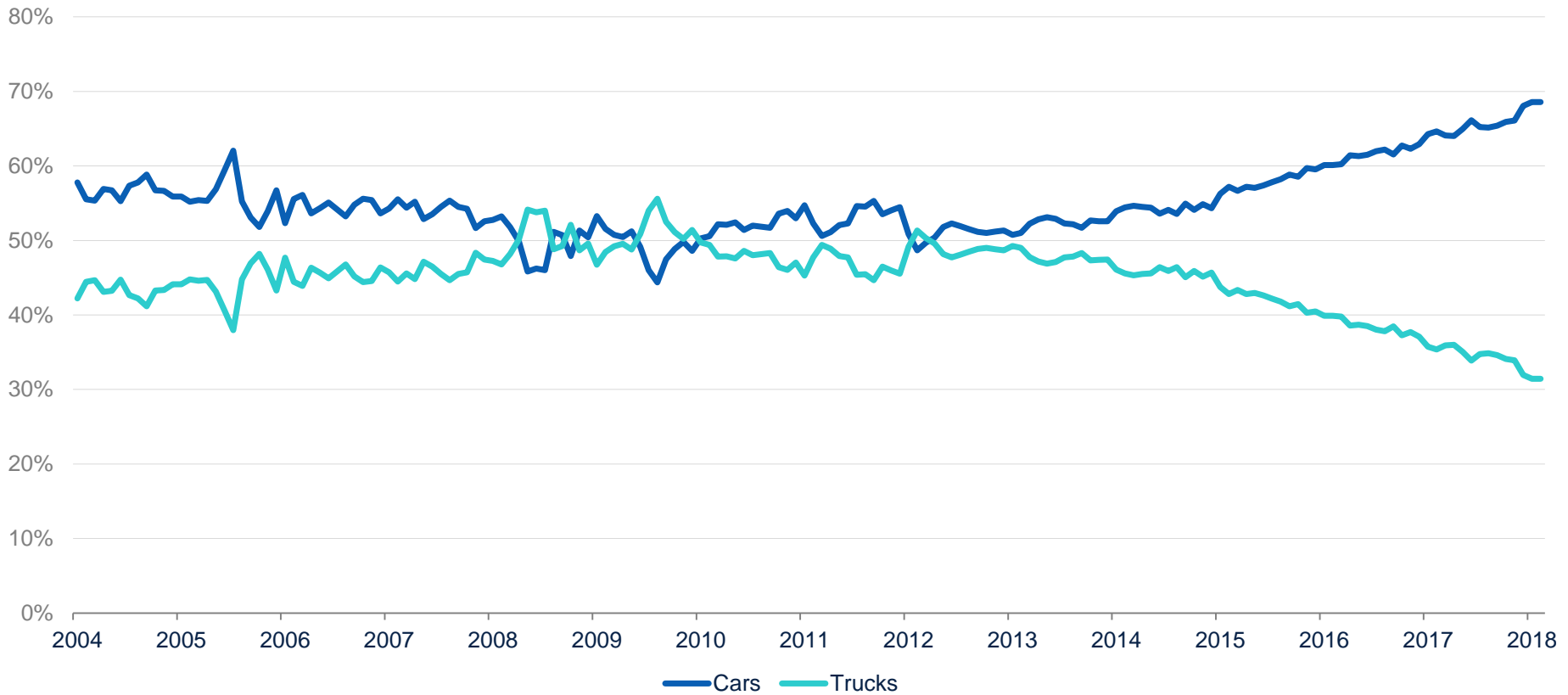


Source: BBVA Research and Haver Analytics

Sales

U.S. Total vehicle sales

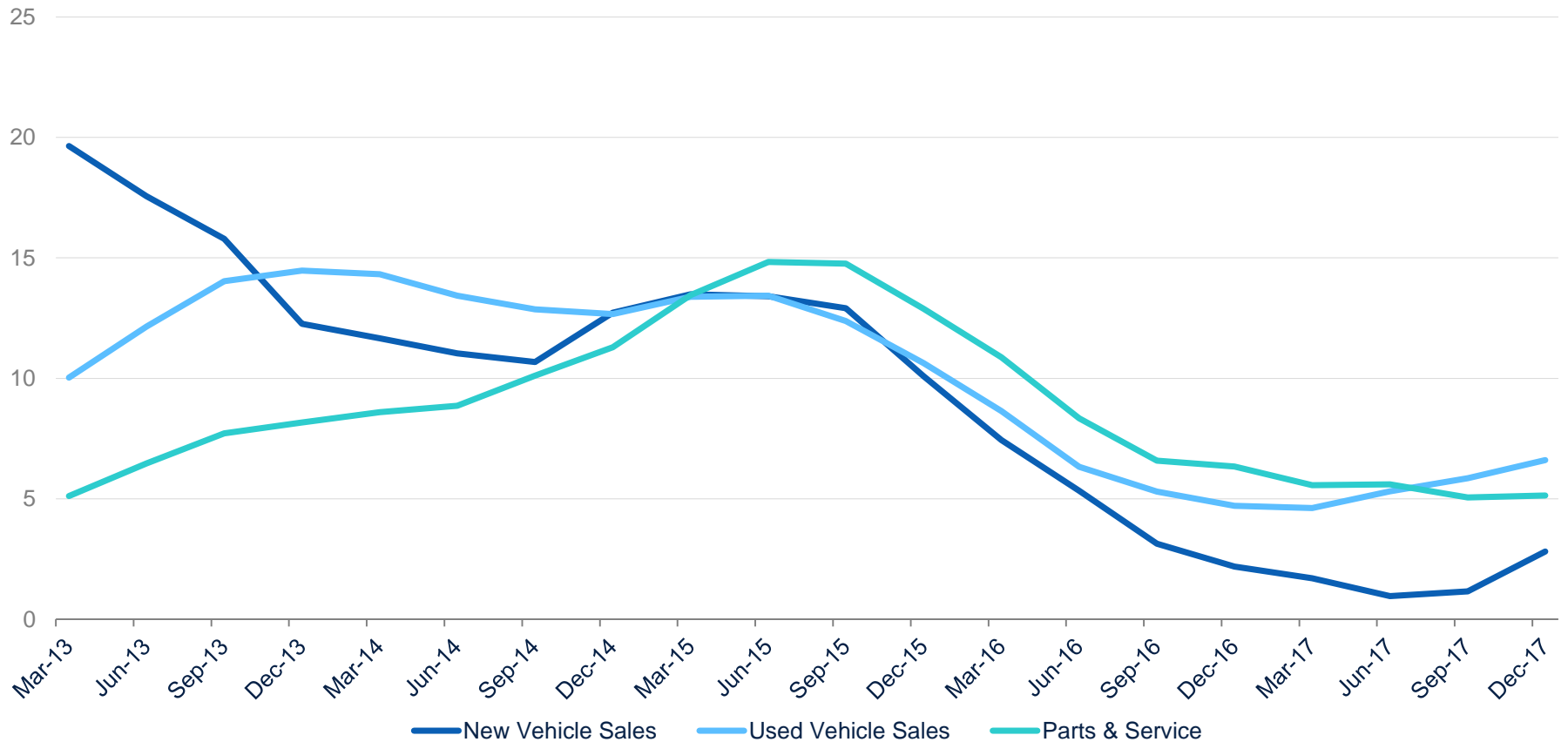
(Share of total)



Sales

U.S. Auto dealers: revenue

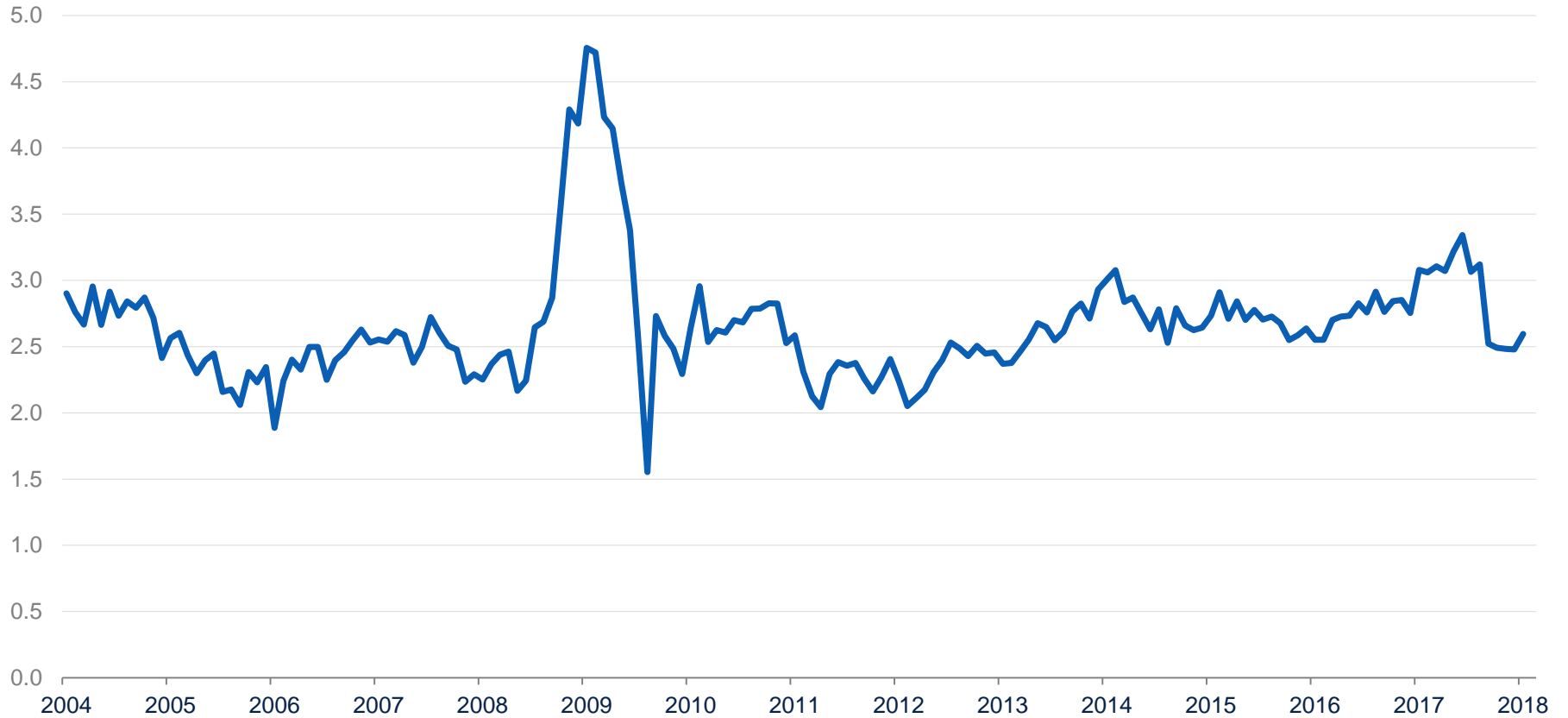
(Year-over-year % change, 4Q moving average)



Source: BBVA Research and Bloomberg

Sales

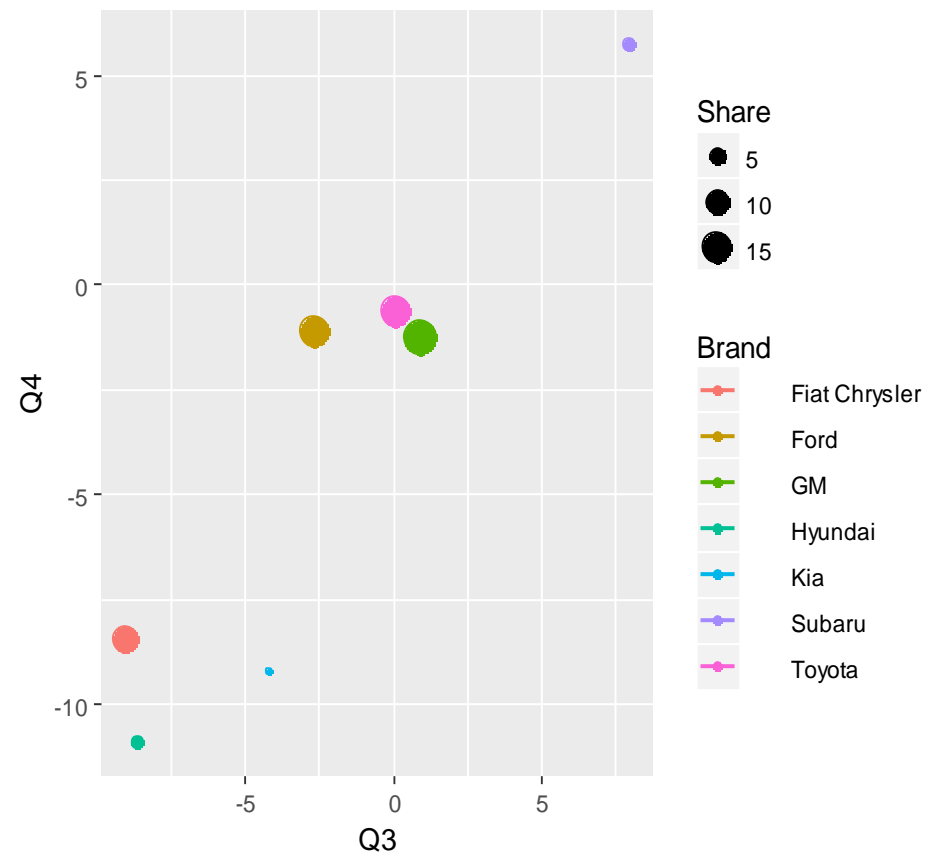
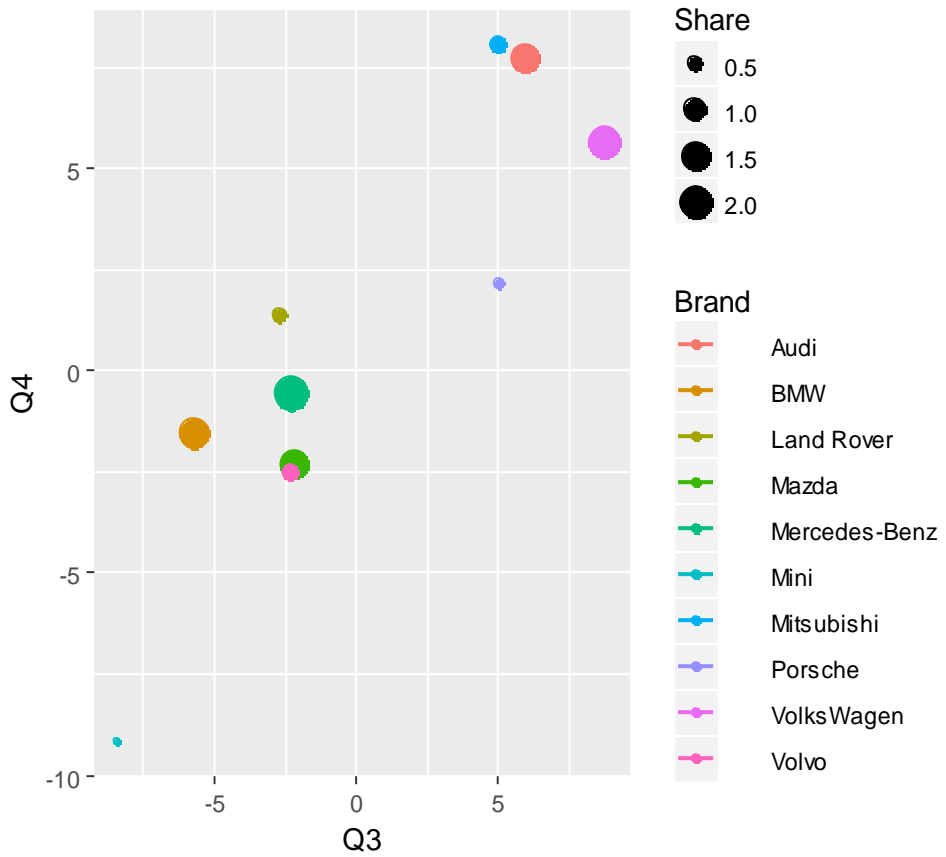
U.S. Domestic auto inventory/sales ratio (Seasonally adjusted)



Sales

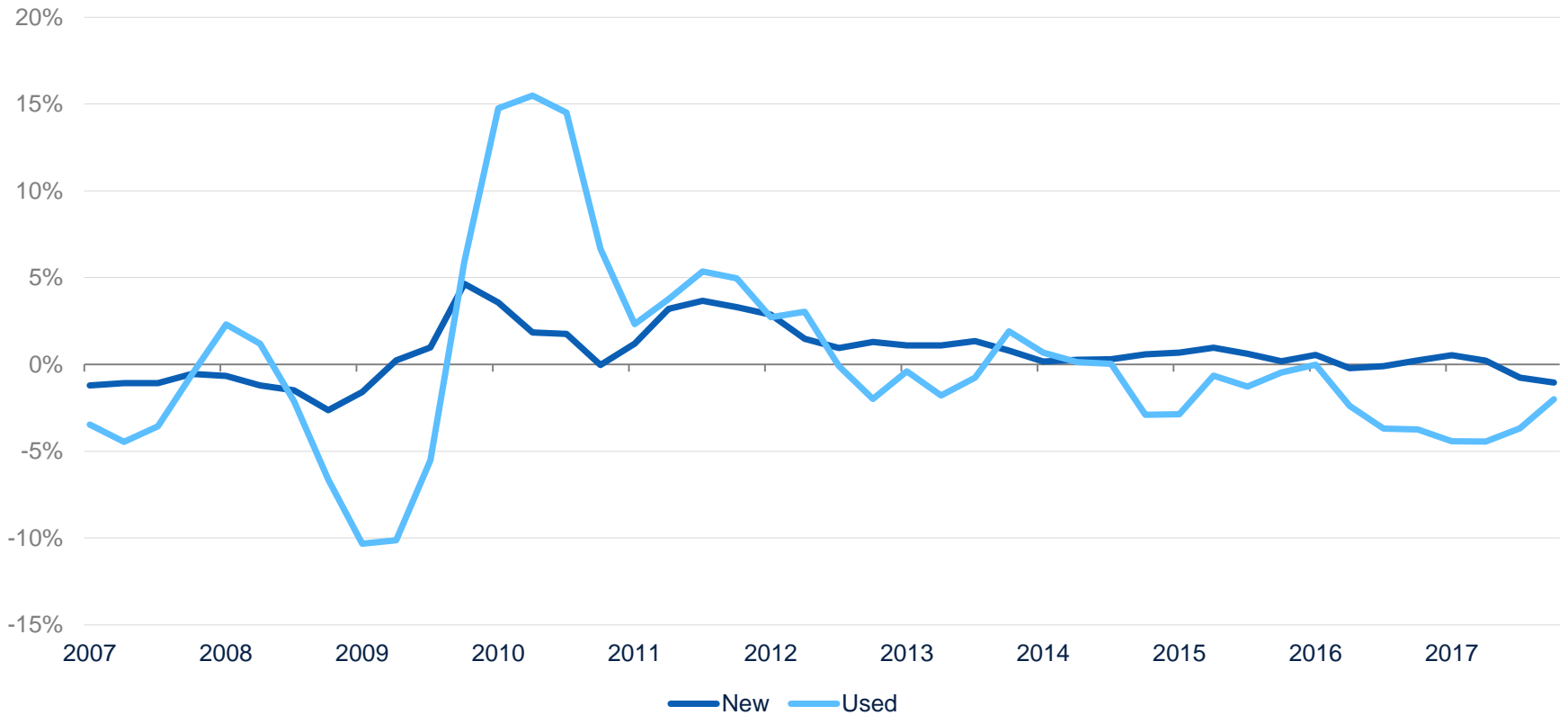
U.S. Sales growth by brand and market share

(2017, yoy % change and % market share)



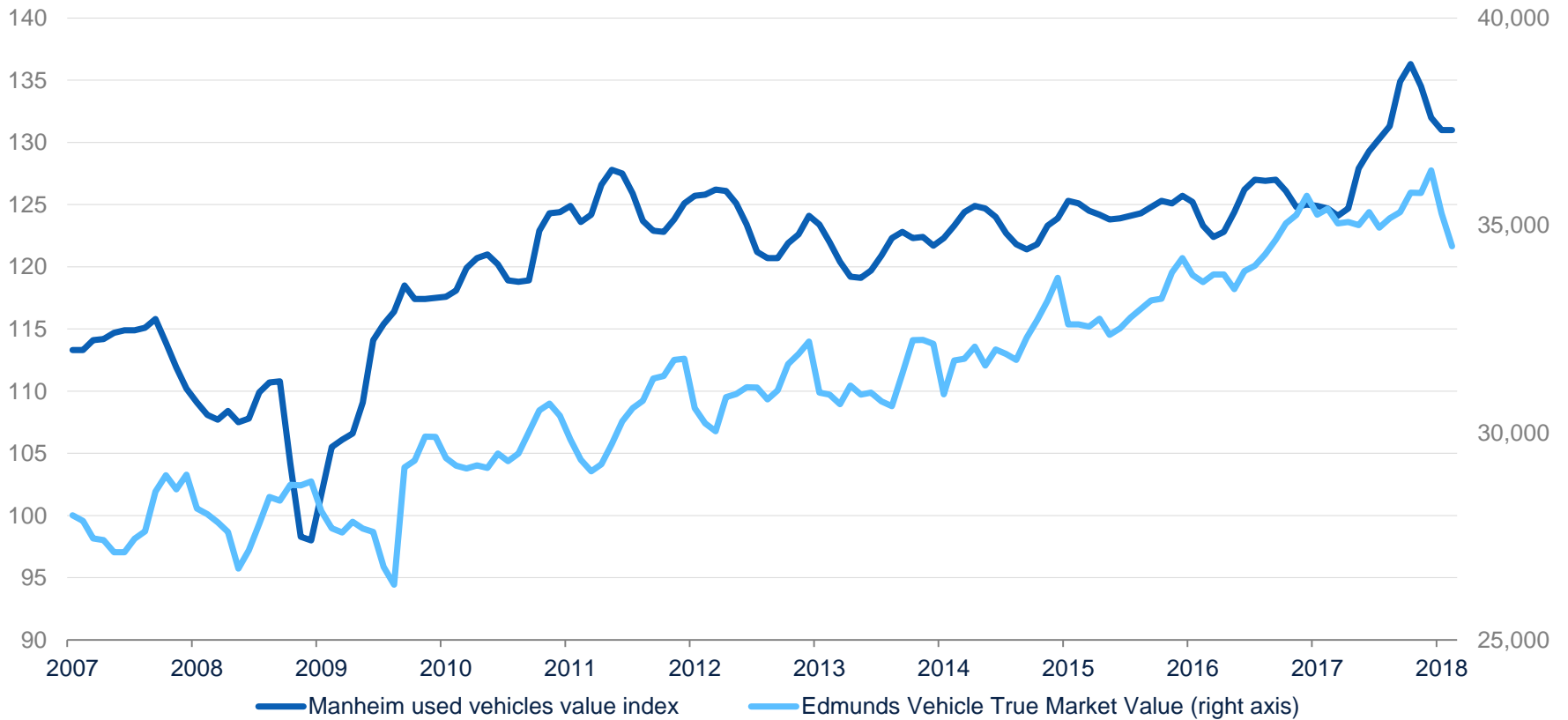
Prices

U.S. Consumer price index: cars and trucks (yoy % change)



Prices

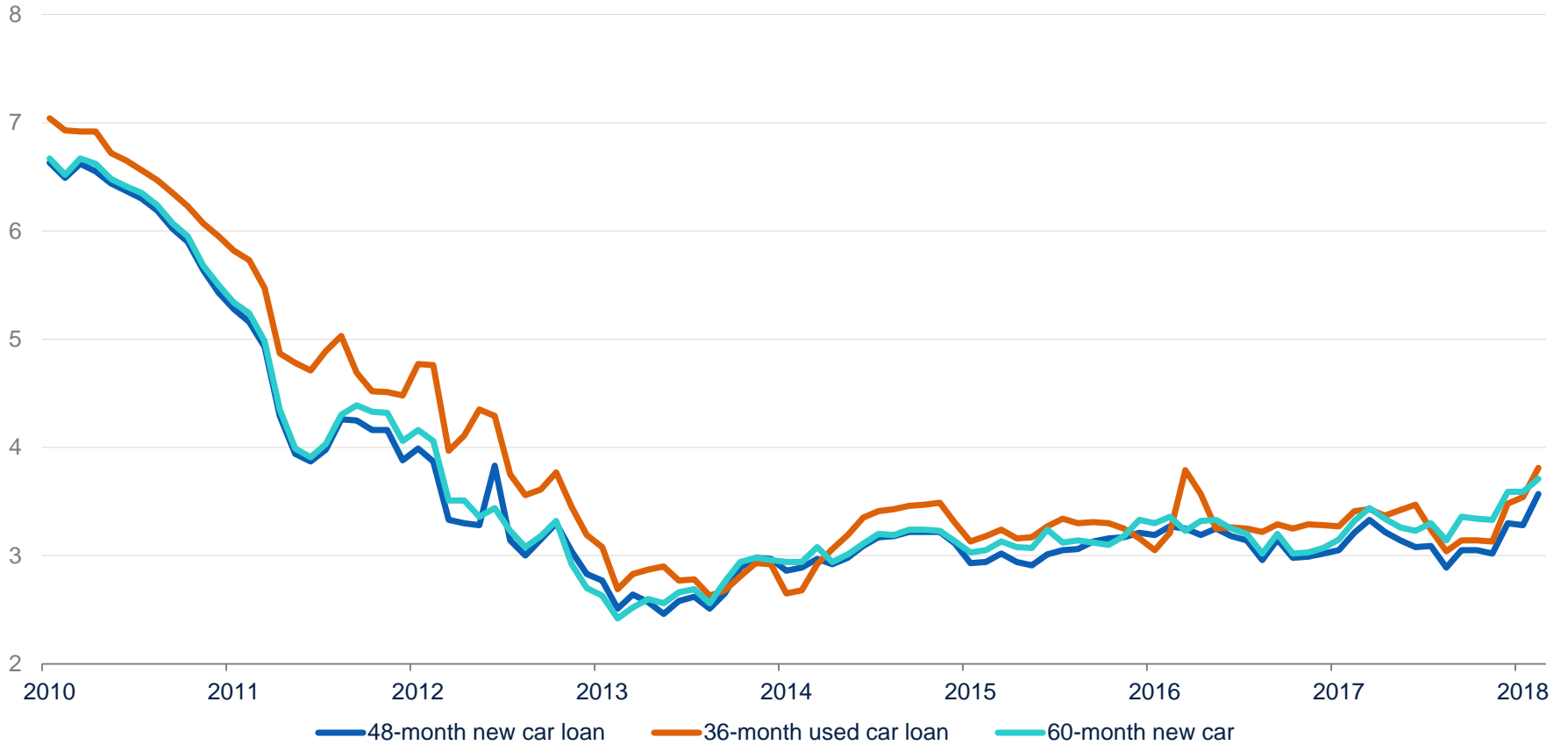
U.S. Auto Prices



Source: BBVA Research, Haver Analytics and Bloomberg

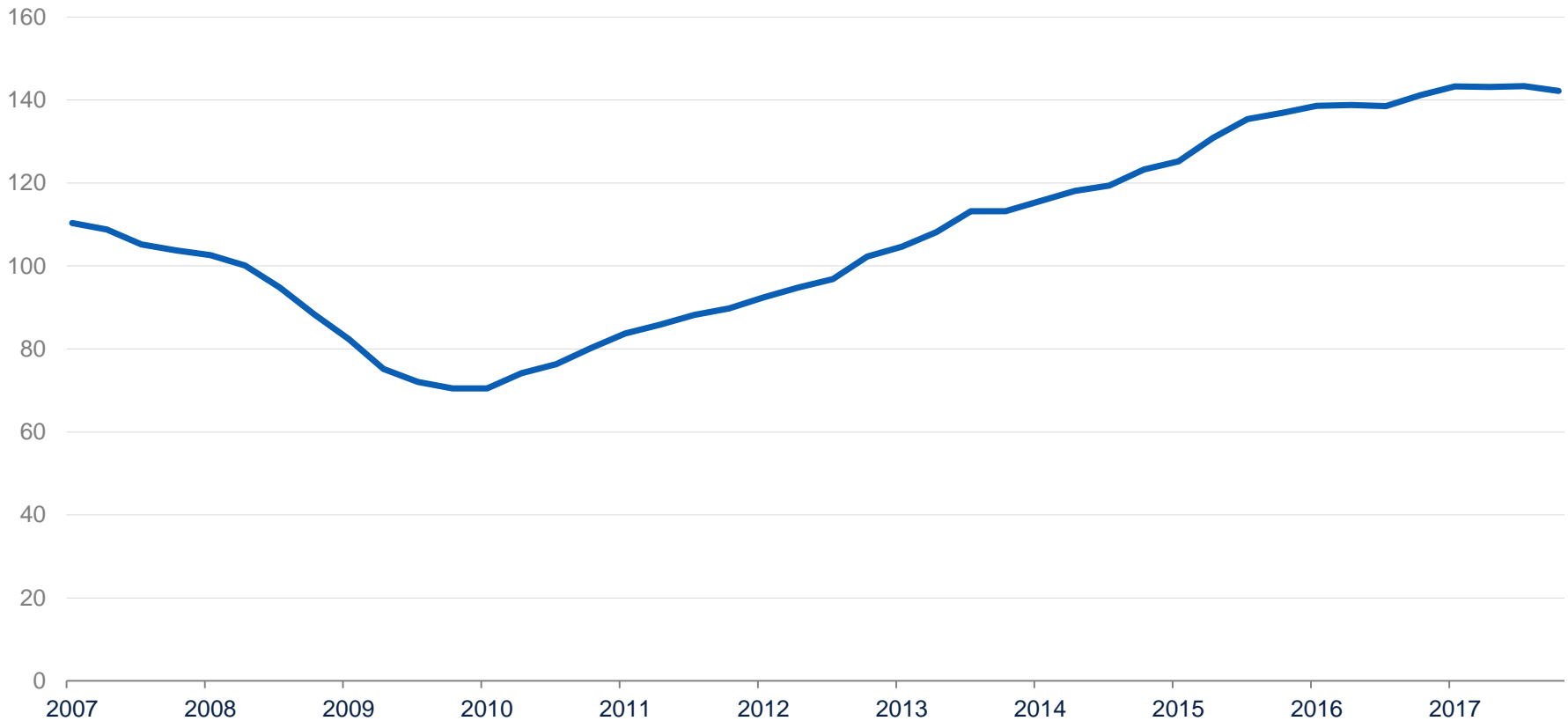
Financial conditions

U.S. Interest rates (yoy % change)



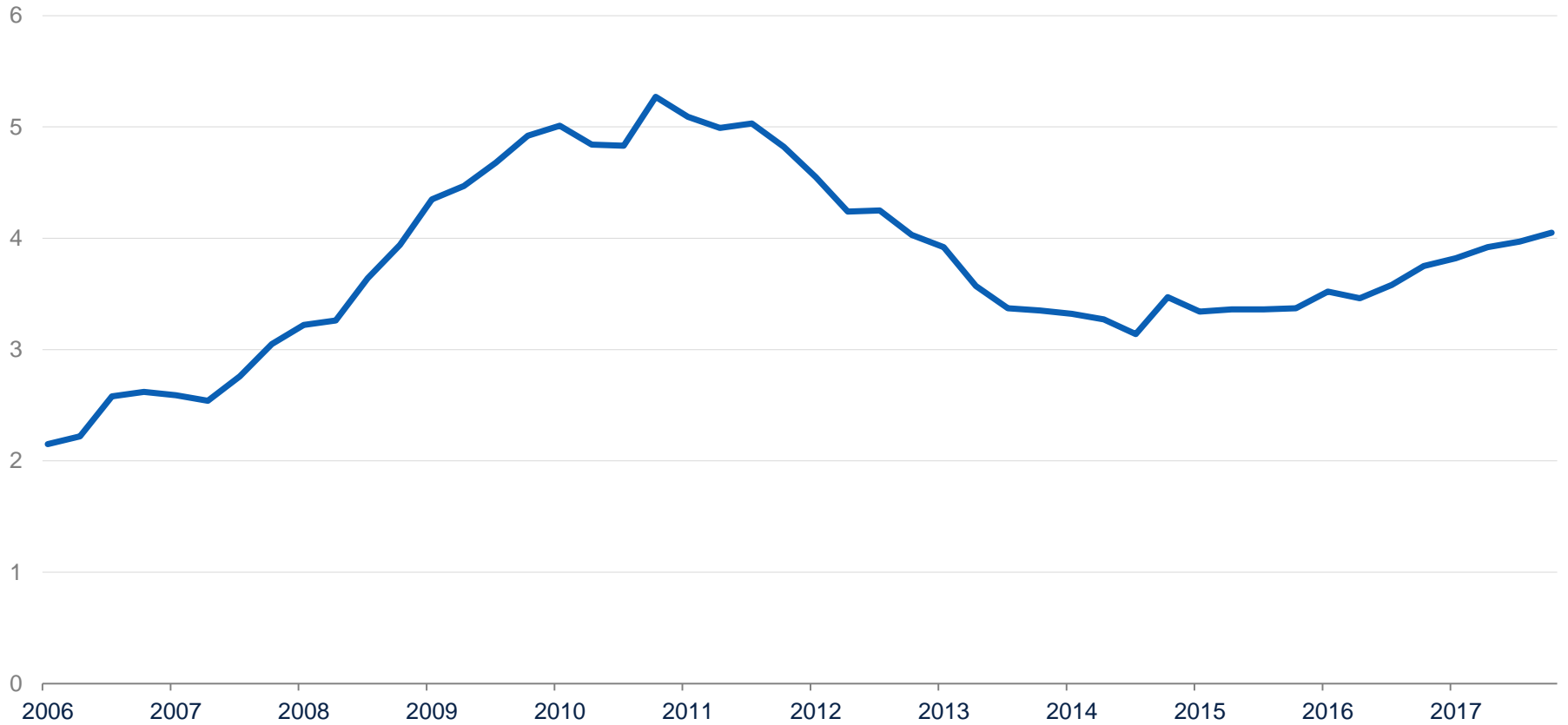
Financial conditions

U.S. Newly originated installment auto loans (\$ billion, eop, 4-qtr moving avg.)



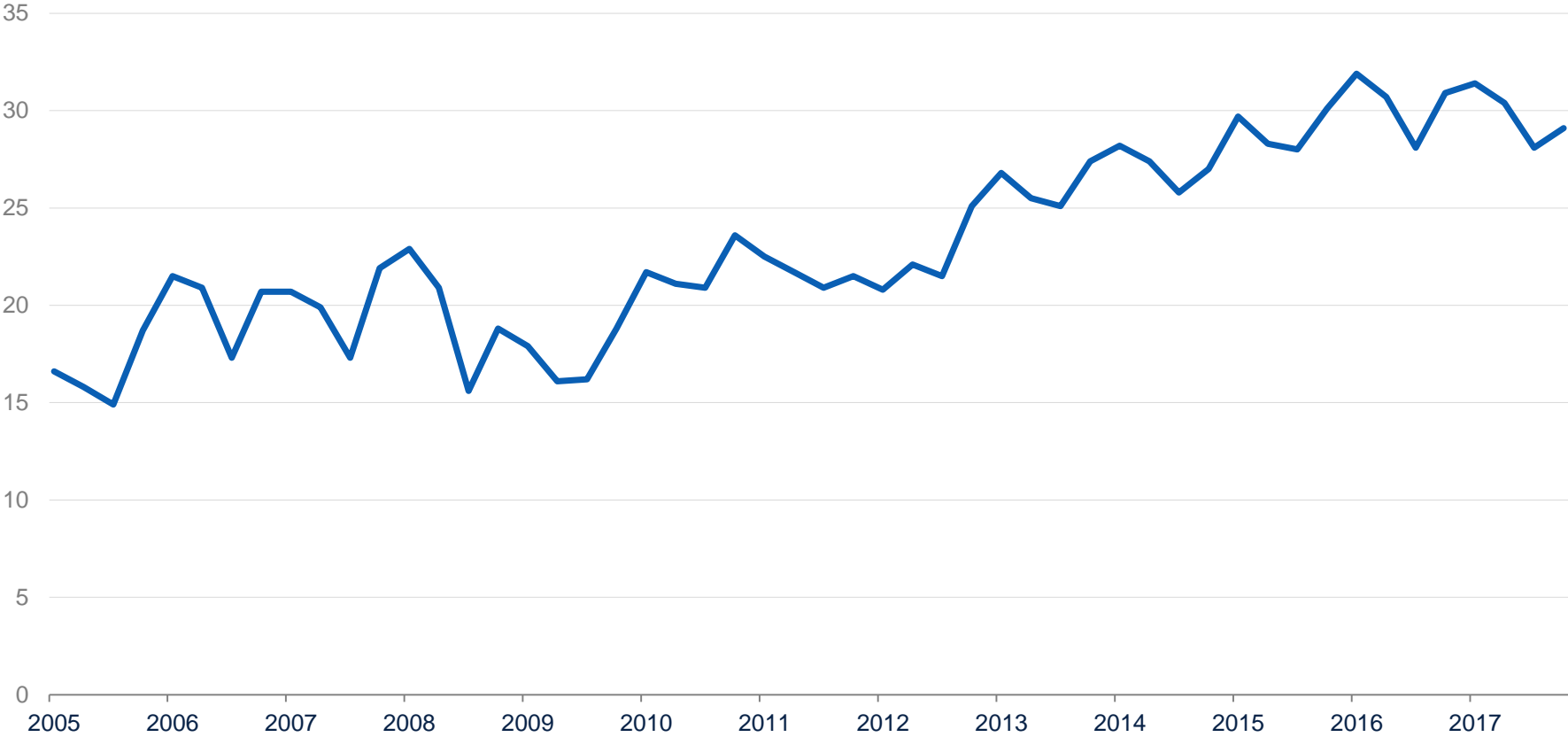
Financial conditions

U.S. Auto loan 90+ days delinquent (% of balance)



Leasing

U.S. Leasing penetration rate (%)

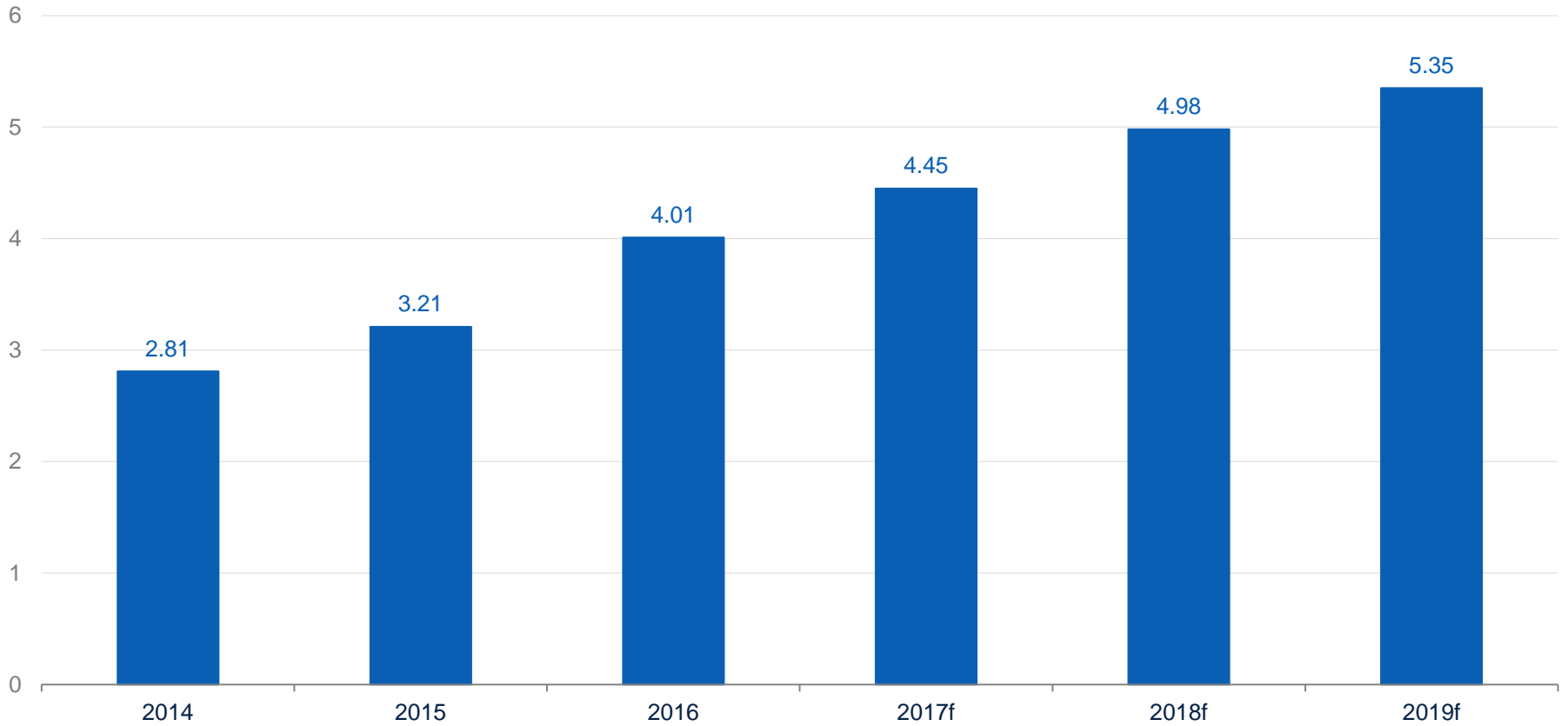


Source: BBVA Research and Bloomberg

Leasing

Off-Lease returns and supply*

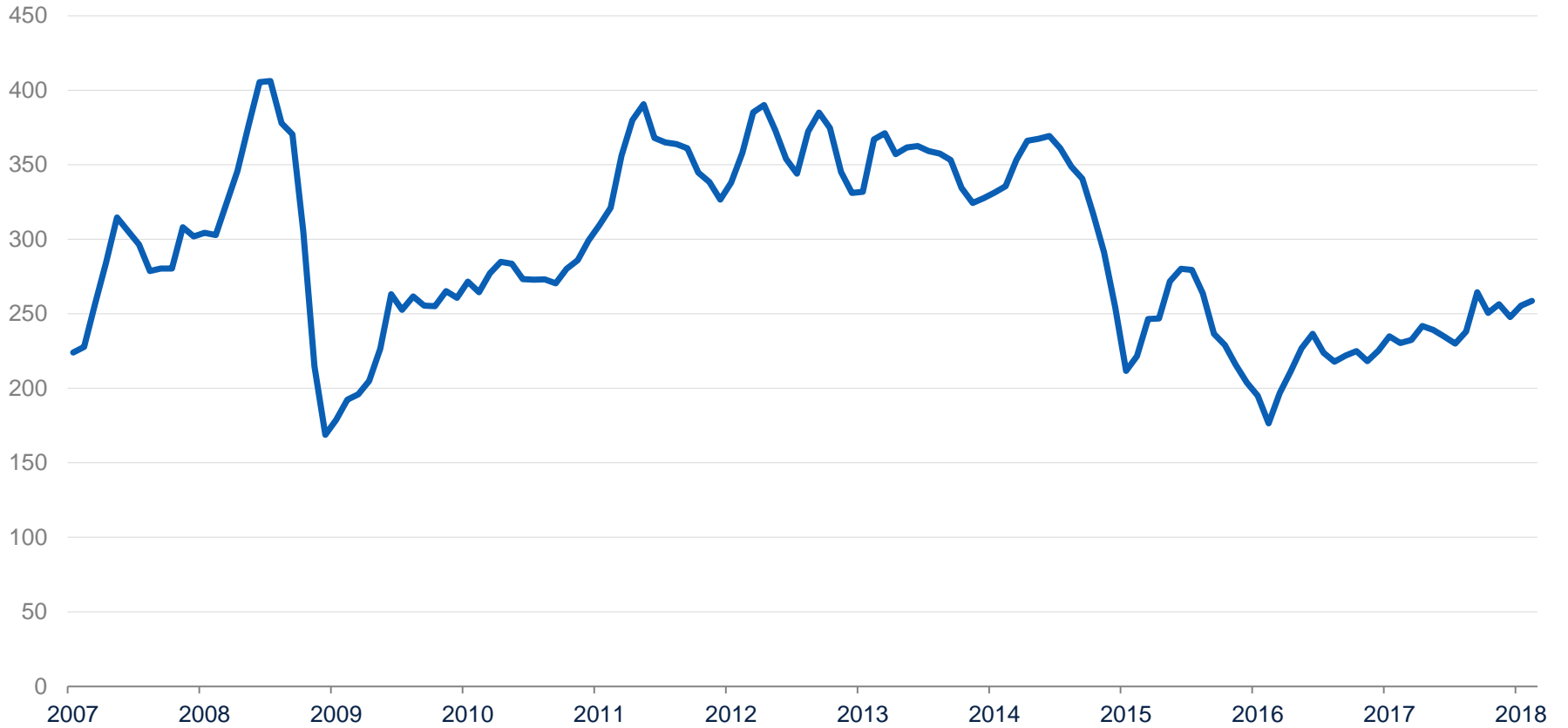
(Fiscal years, millions units)



*Assumes 36-month lease terms
Source: BBVA Research and Bloomberg

Gasoline

U.S. Spot price (cents per gallon)

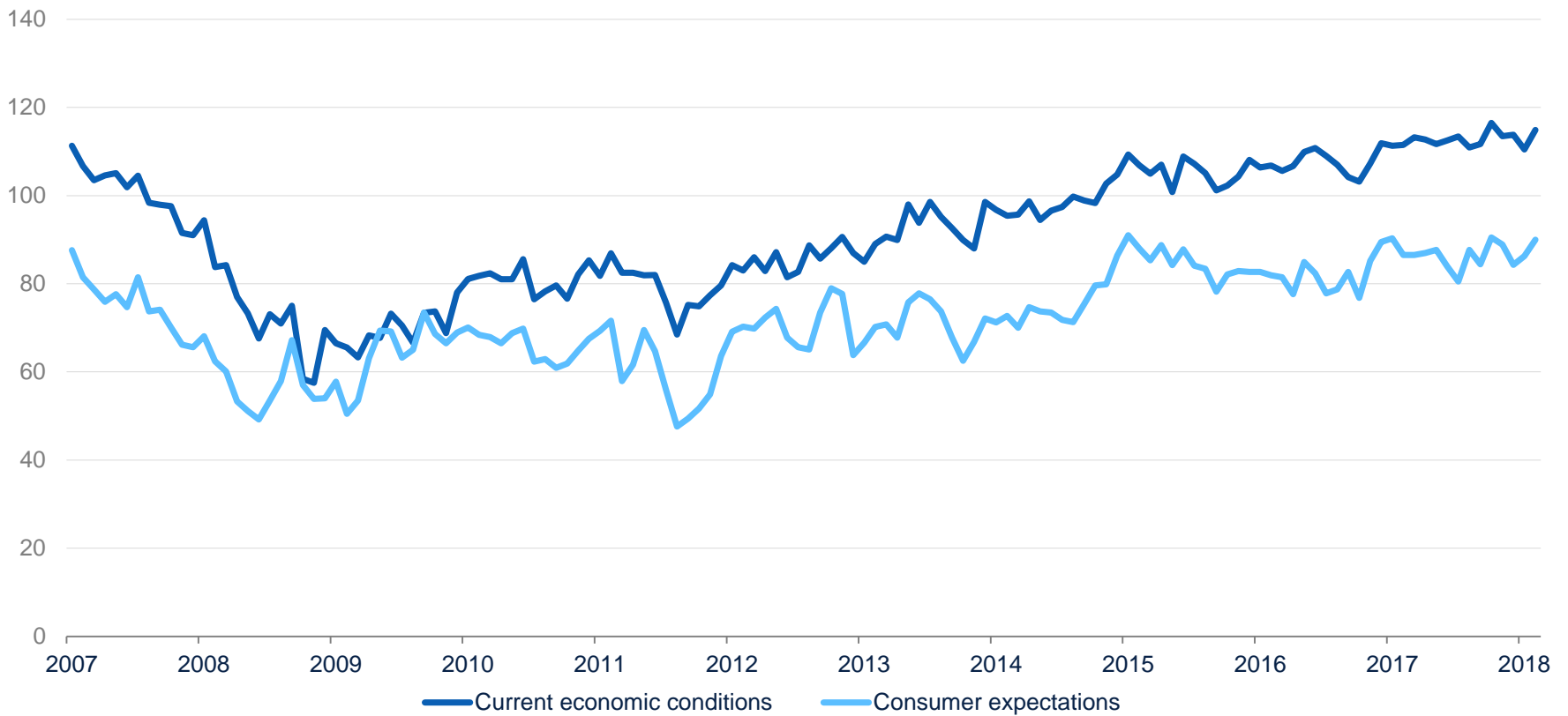


CONSUMERS



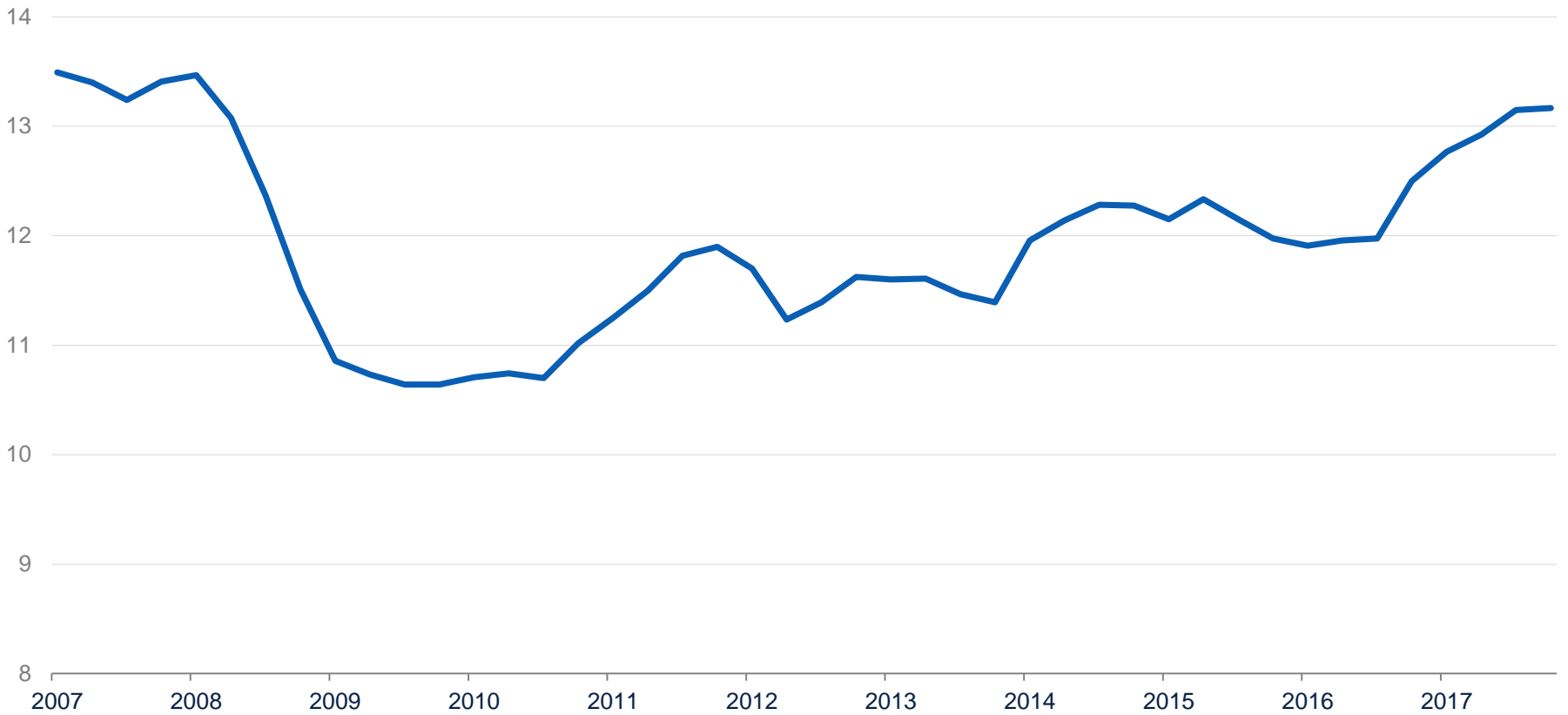
Consumers

U.S. Consumer sentiment index



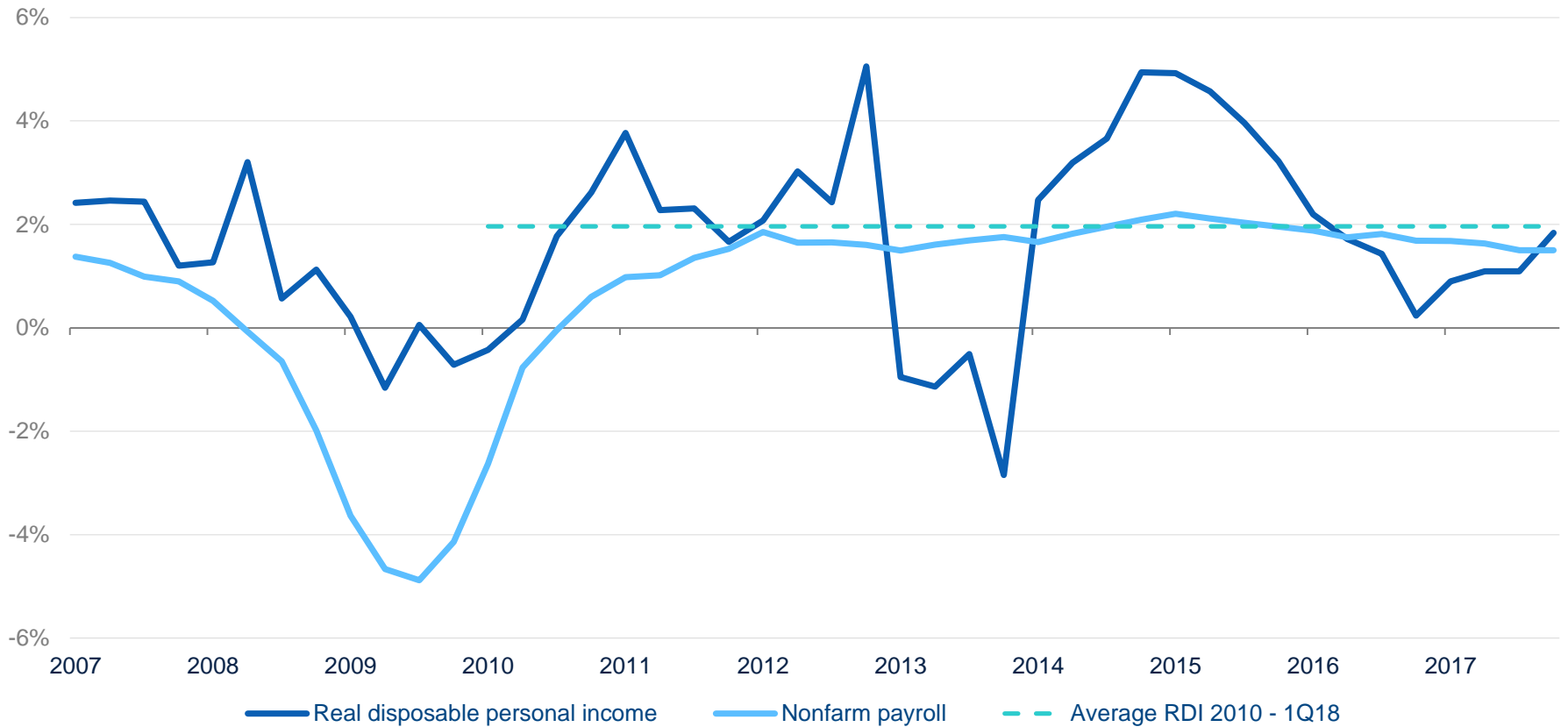
Consumers

U.S. Plans to buy a car within 6 months (% of respondents)



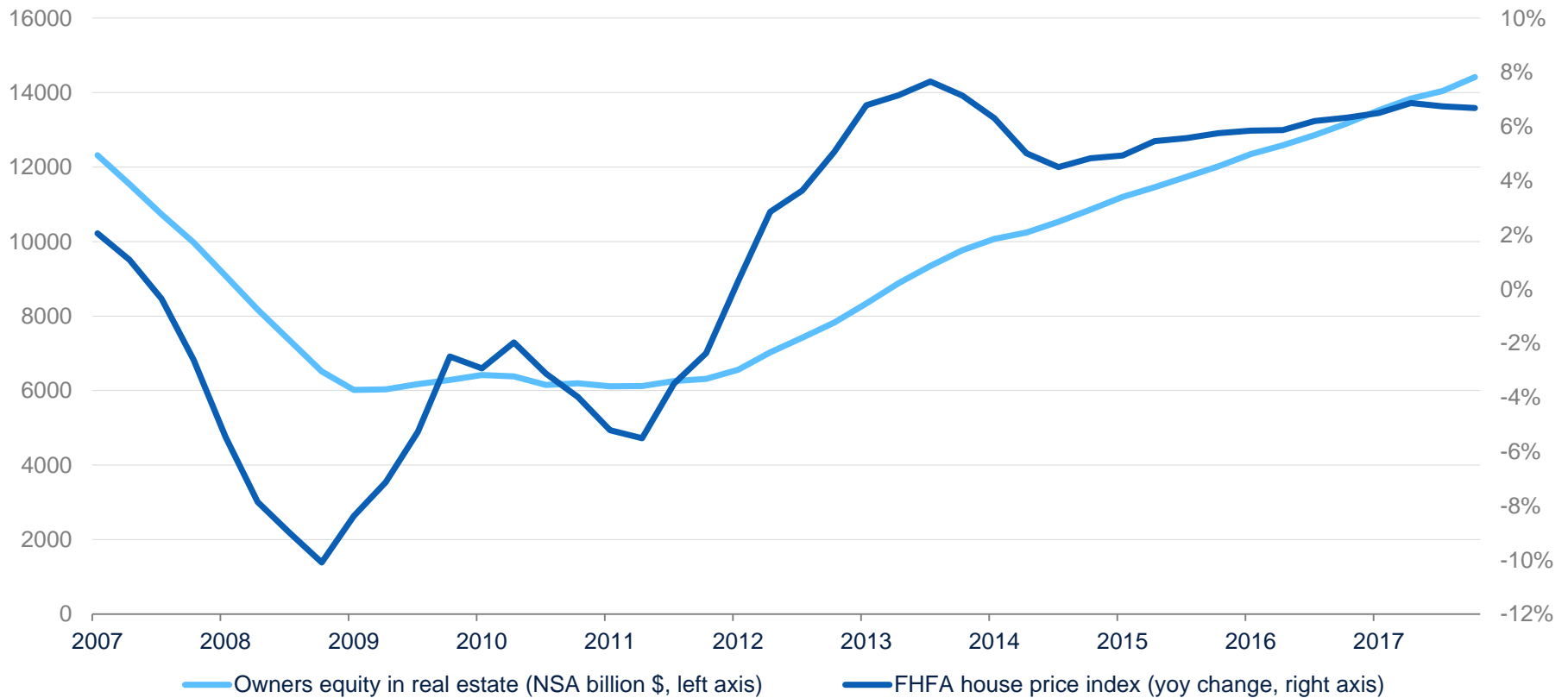
Consumers

U.S. Employment and real disposable personal income (yoy % change)



Consumers

U.S. Household equity and home prices

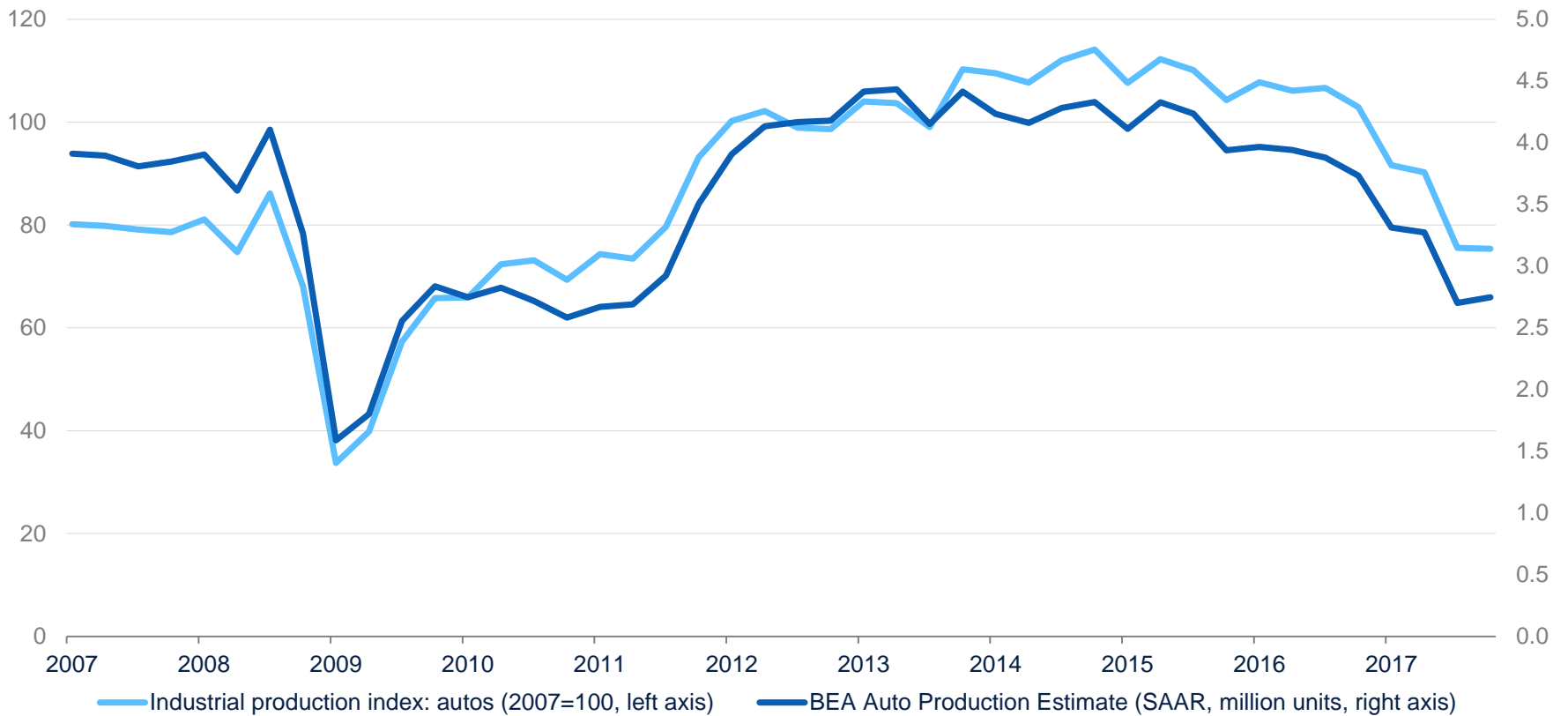


PRODUCTION



Production

U.S. Auto production

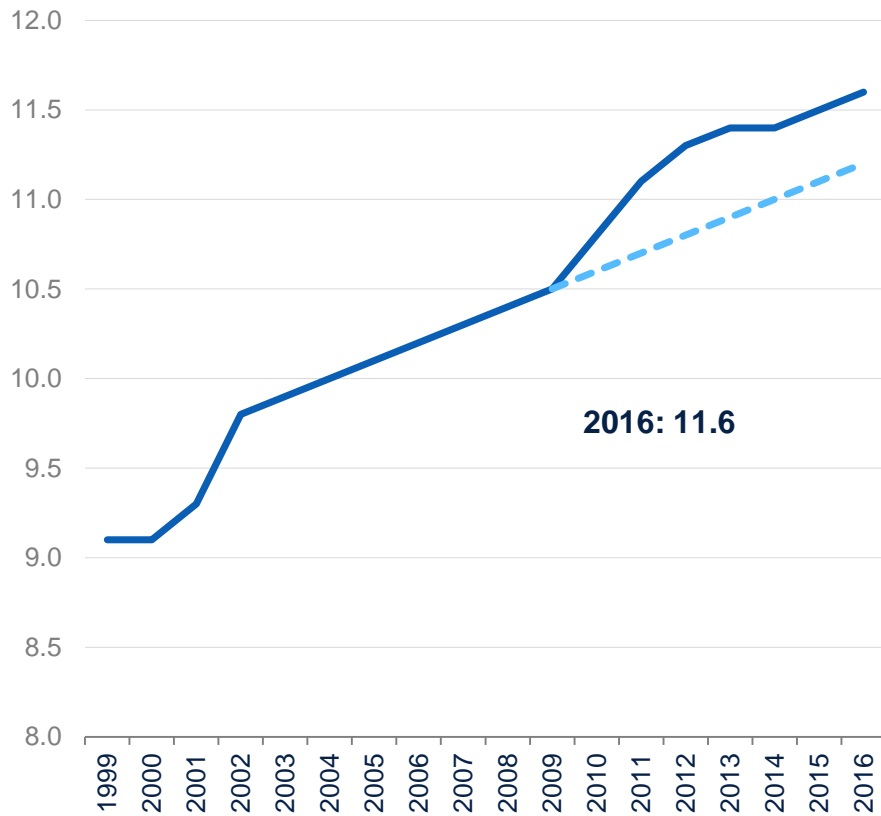


STRUCTURAL



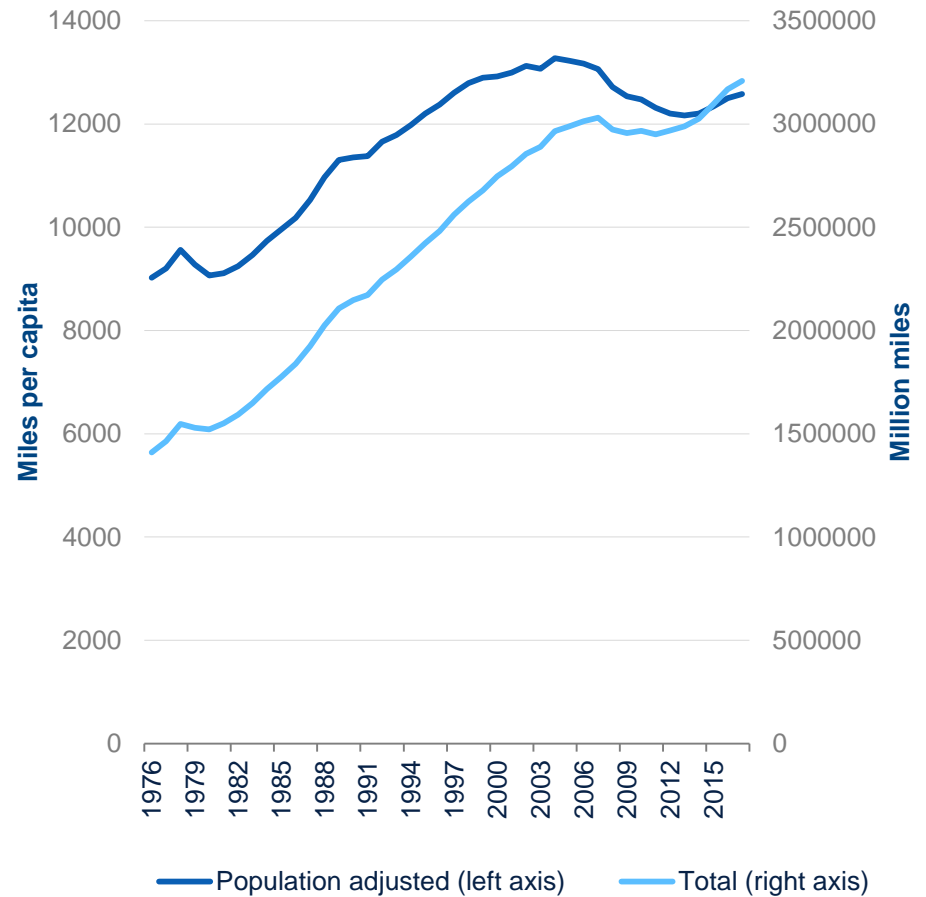
Fundamentals

Mean age of passenger cars in operation
(years)



2016: 11.6

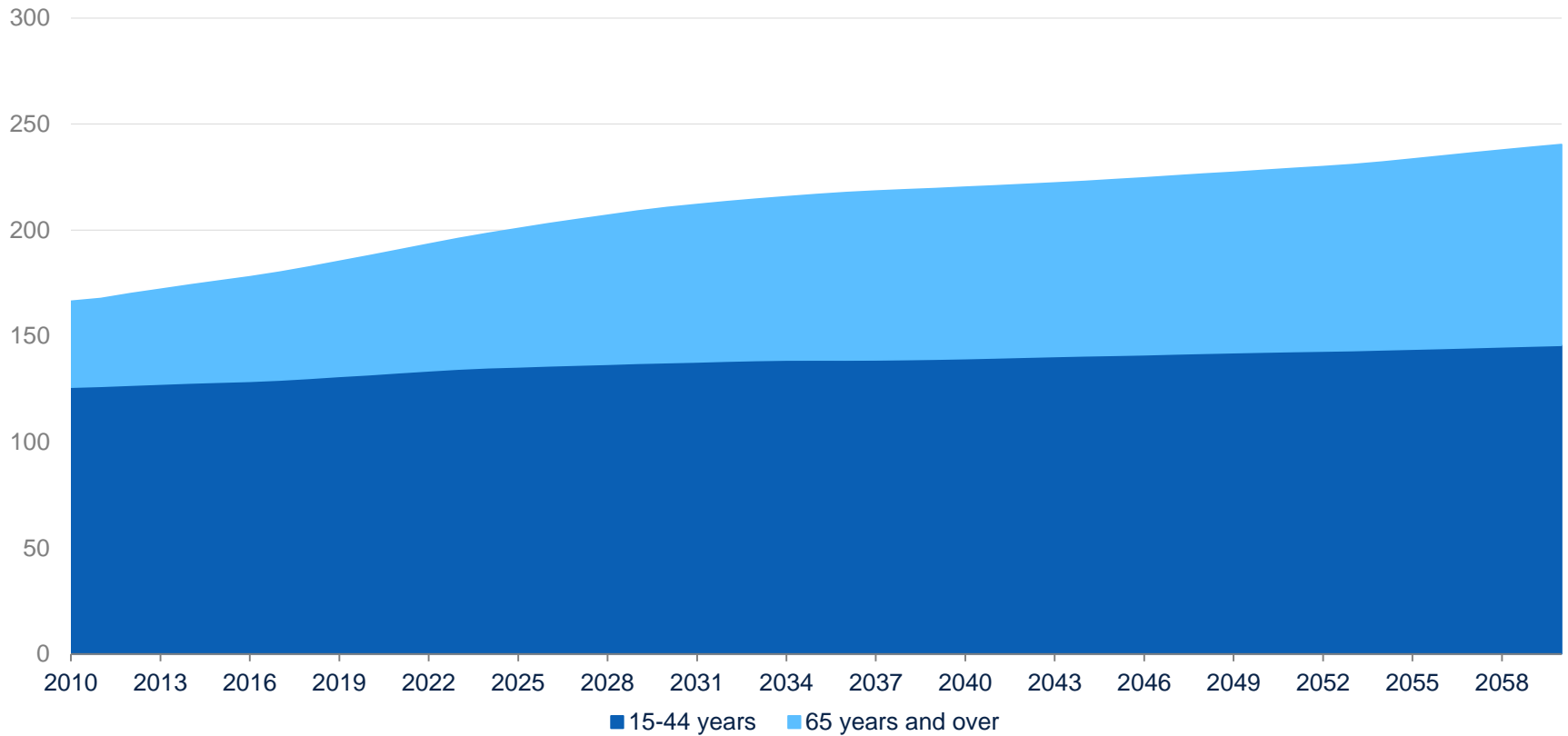
Vehicle miles of travel
(total and adjusted by labor force)



— Population adjusted (left axis) — Total (right axis)

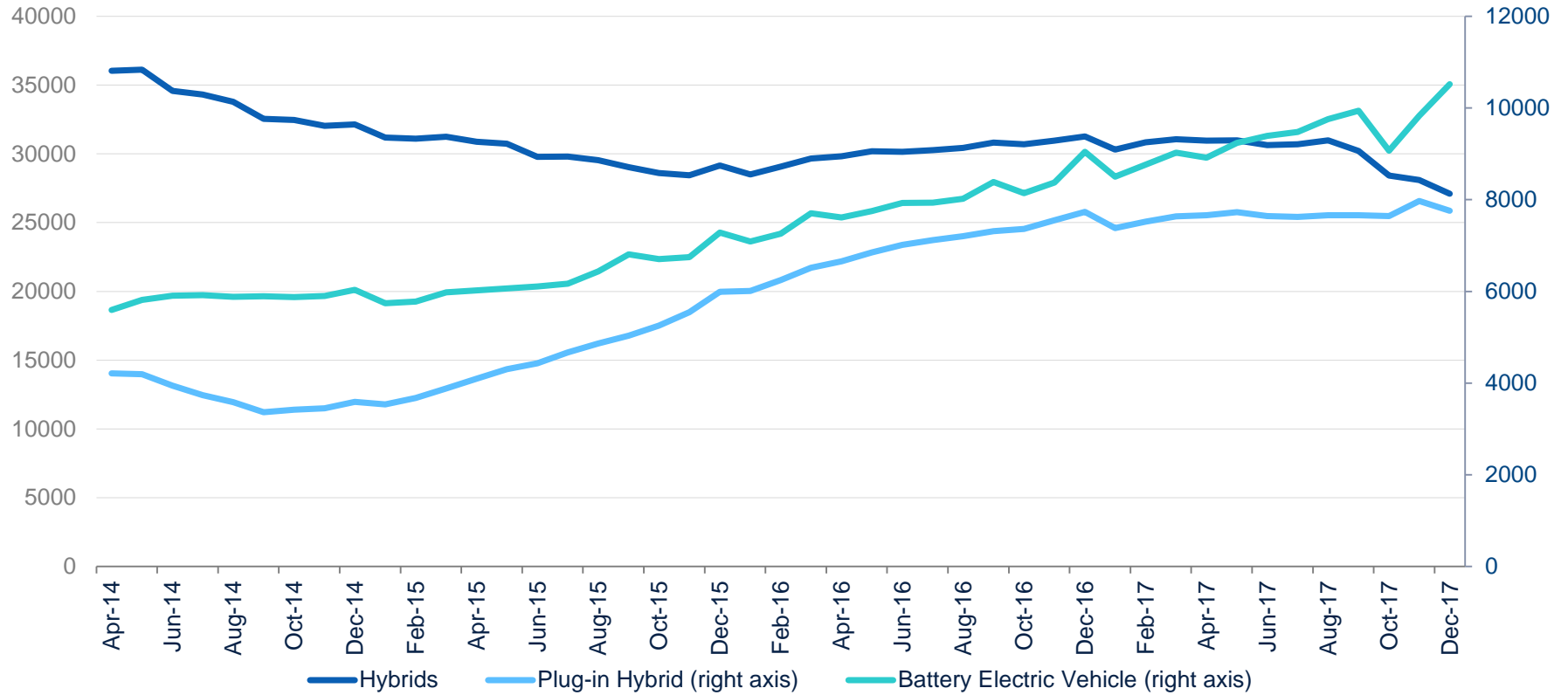
Demographics

U.S. Population projections by age (millions)

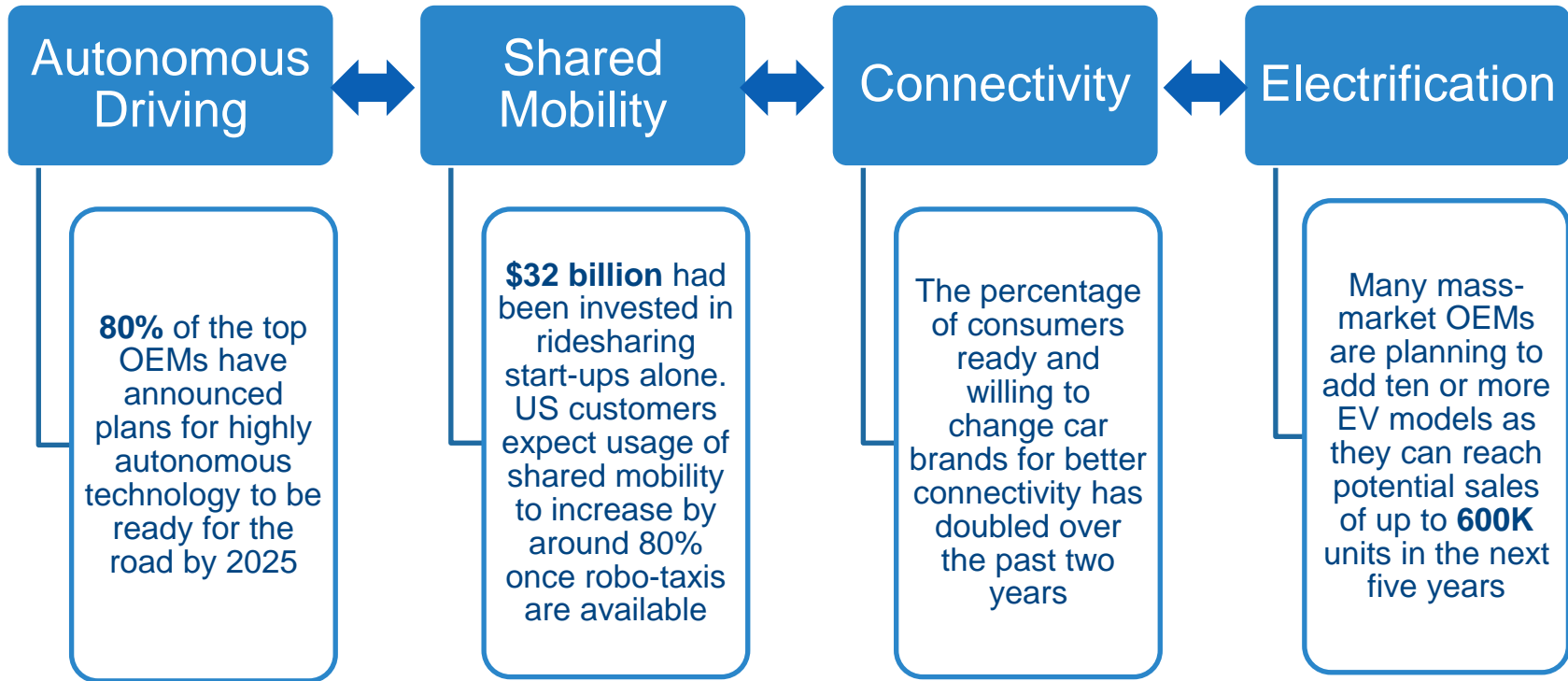


Electric vehicles

U.S. Electric vehicle sales (units)



Disruptive trends transforming the auto industry



FORECASTS



Forecast

	2015	2016	2017	2018	2019	2020	2021	2022
Auto sales (millions units)	17.5	17.5	17.3	16.6	16.8	17.1	17.3	17.3
Real GDP growth (% change)	2.9	1.5	2.3	2.8	2.8	2.5	2.3	2.2
Unemployment rate (% avg.)	5.3	4.9	4.4	3.9	3.6	3.7	4.0	4.3
Fed funds (%, eop)	0.50	0.75	1.5	2.5	3.0	3.0	3.0	3.0
5-year Treasuries (%, avg)	1.5	1.3	1.9	2.7	3.2	3.4	3.6	3.7

US
AUTO
INDUSTRY

CHARTBOOK

1Q 2018

