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**BBVA** Research

# U.S. Auto Industry Chartbook

## 2Q18

July 2018

Creating Opportunities

## Key Messages



- Sales remain resilient backed by robust economic growth
- Automakers continue to benefit from consumers favoring light-trucks over cars
- Higher interest rates and gasoline prices may impact demand through the remaining of the year
- International trade disputes have the potential to disrupt supply chains and affect consumers through higher prices
- Going forward, companies are expected to continue investing in advanced driver-assistance systems, and vehicle electrification



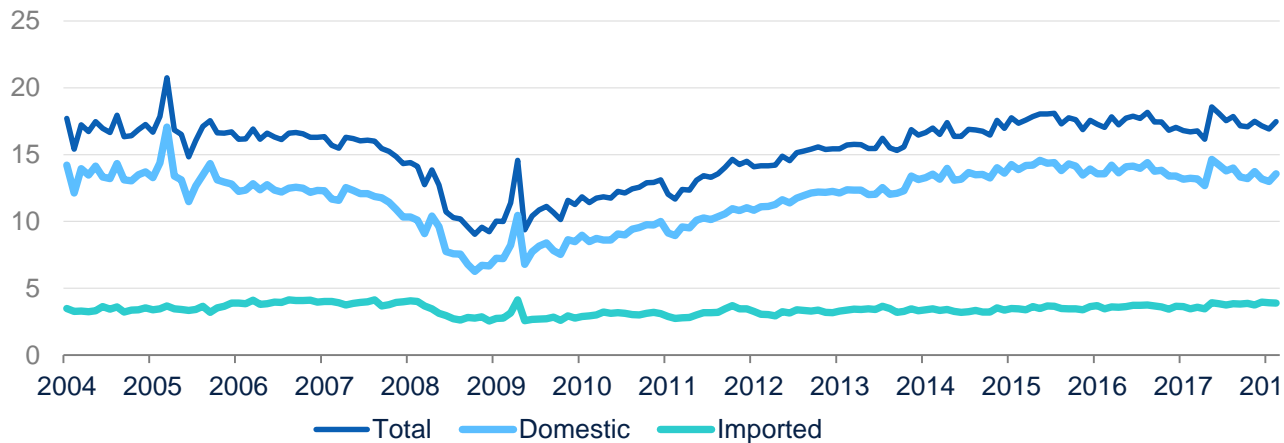
# 01

## Sales

# Sales

## U.S. Total light weight vehicle sales

(SAAR, million units)

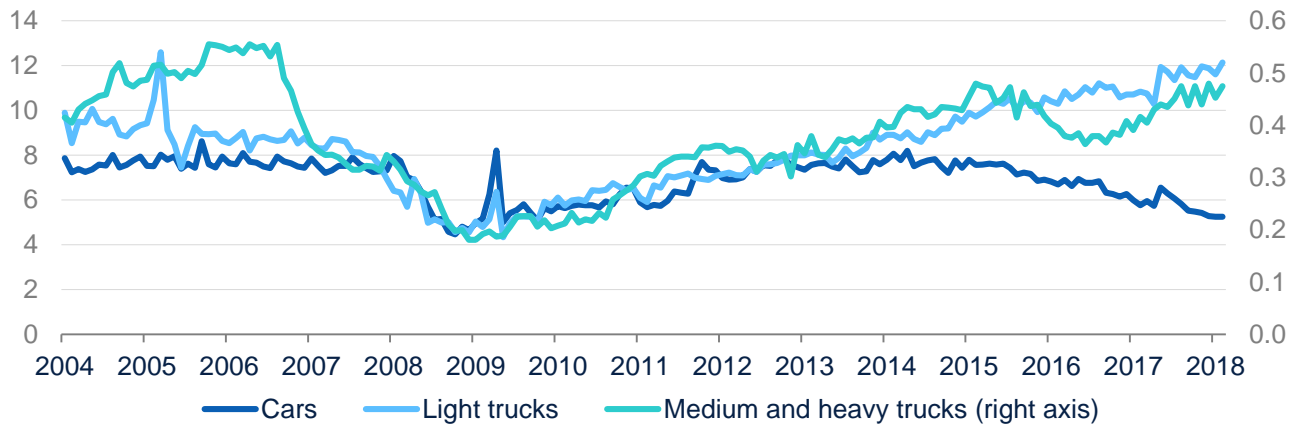


Source: BBVA Research and Haver Analytics

# Sales

## U.S. Total vehicle sales

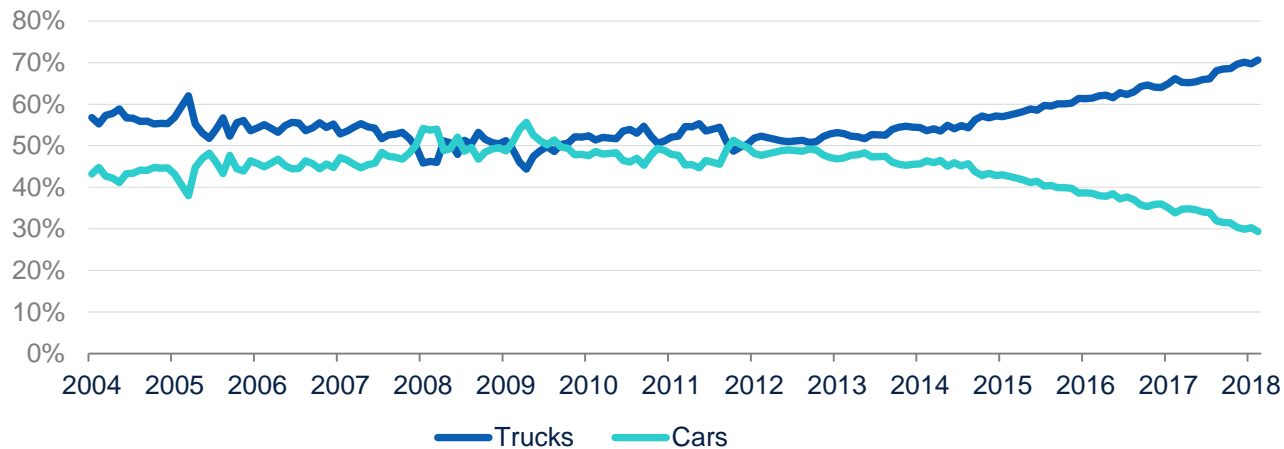
(SAAR, million units)



# Sales

## U.S. Total vehicle sales

(Share of total)



Source: BBVA Research and Haver Analytics

# Sales

## U.S. Domestic auto inventory/sales ratio

(Seasonally adjusted)

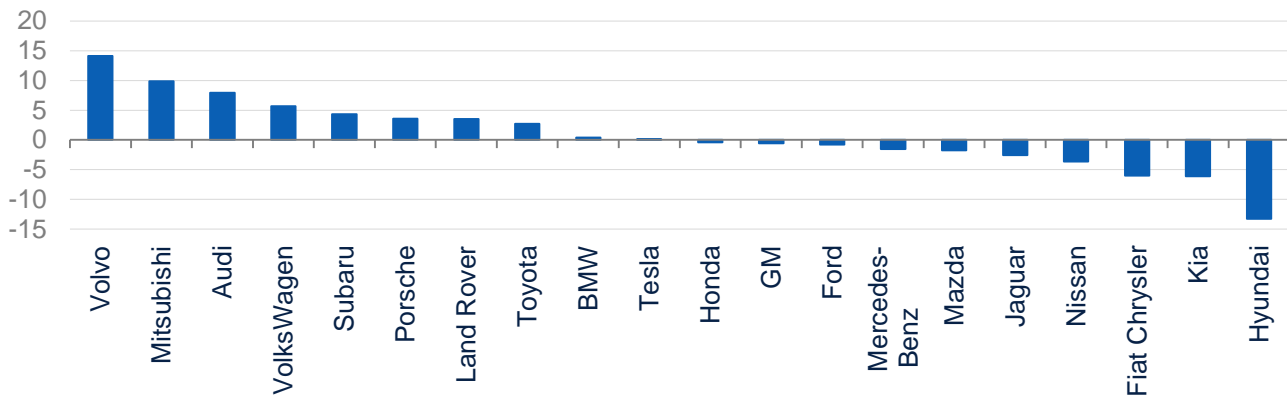


Source: BBVA Research and Haver Analytics

# Sales

## U.S. Sales growth by brand

(1Q18, yoy % 4Q-moving average)



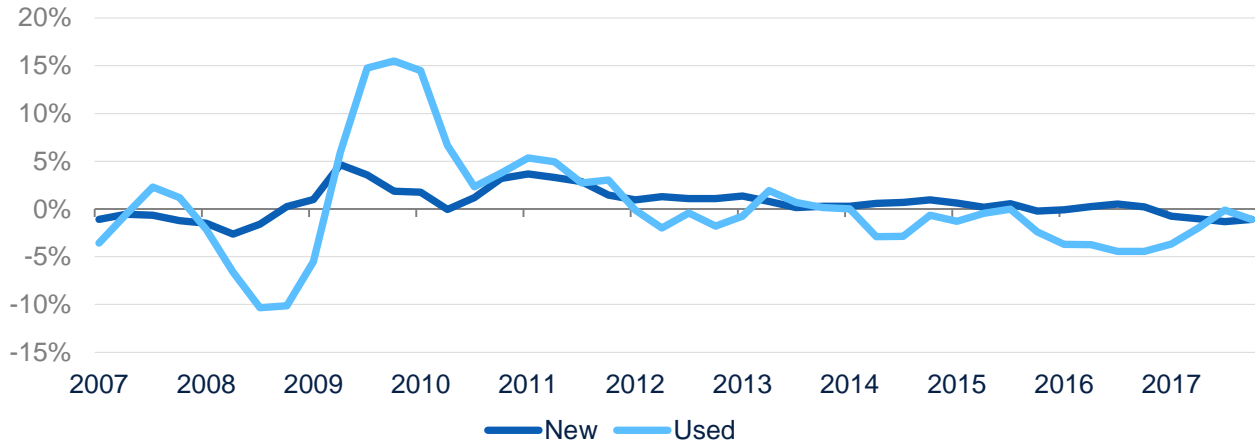
Source: BBVA Research and Bloomberg



# Prices

## U.S. Consumer price index: cars and trucks

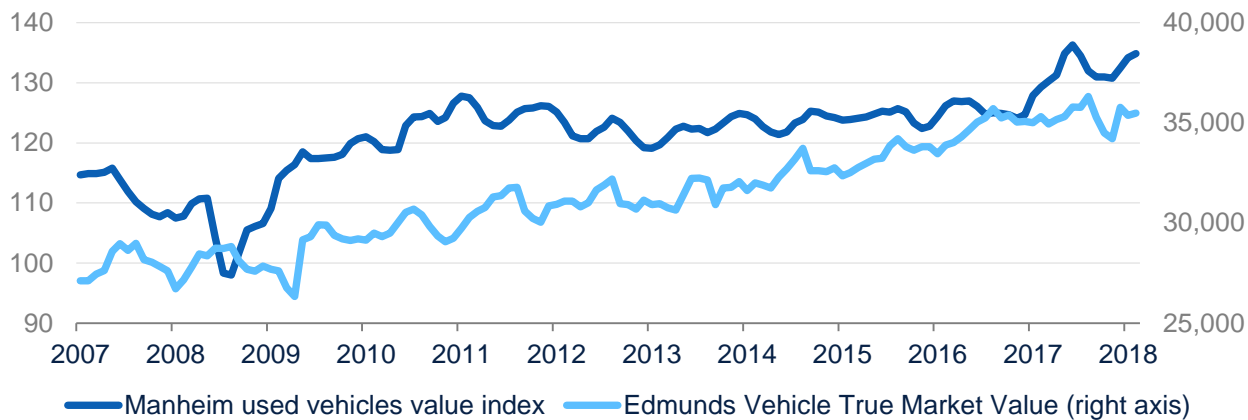
(yoy % change)



Source: BBVA Research and Haver Analytics

# Prices

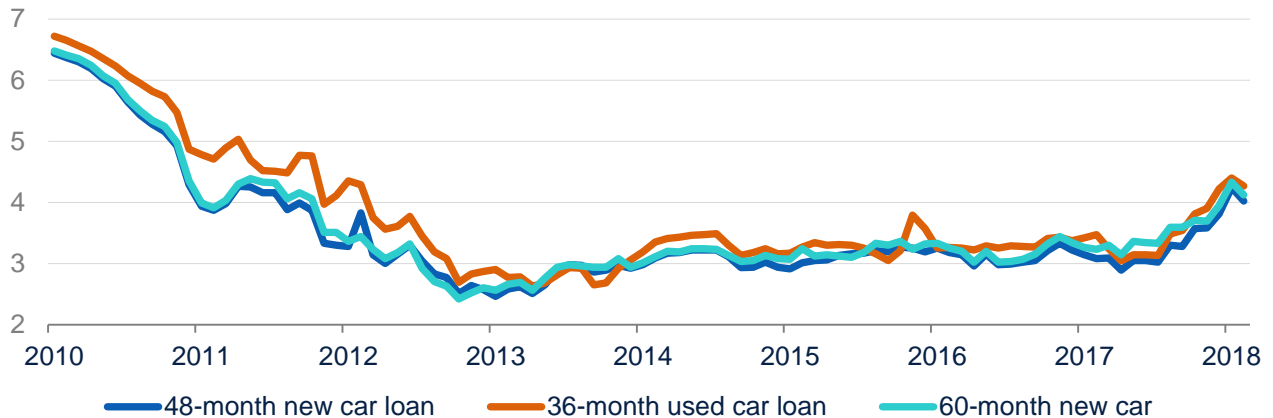
## U.S. Auto Prices



## Financial conditions

### U.S. Interest rates

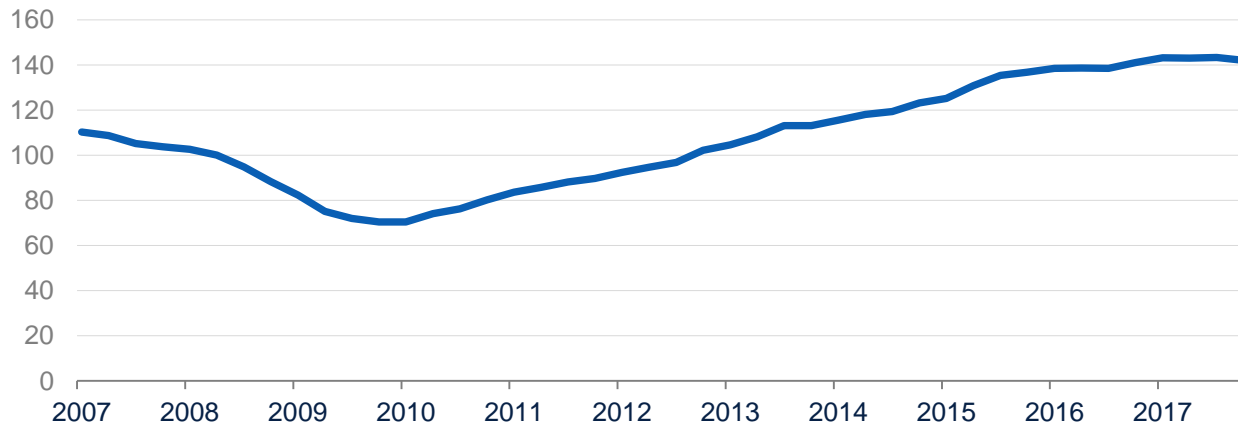
(yoy % change)



## Financial conditions

### U.S. Newly originated installment auto loans

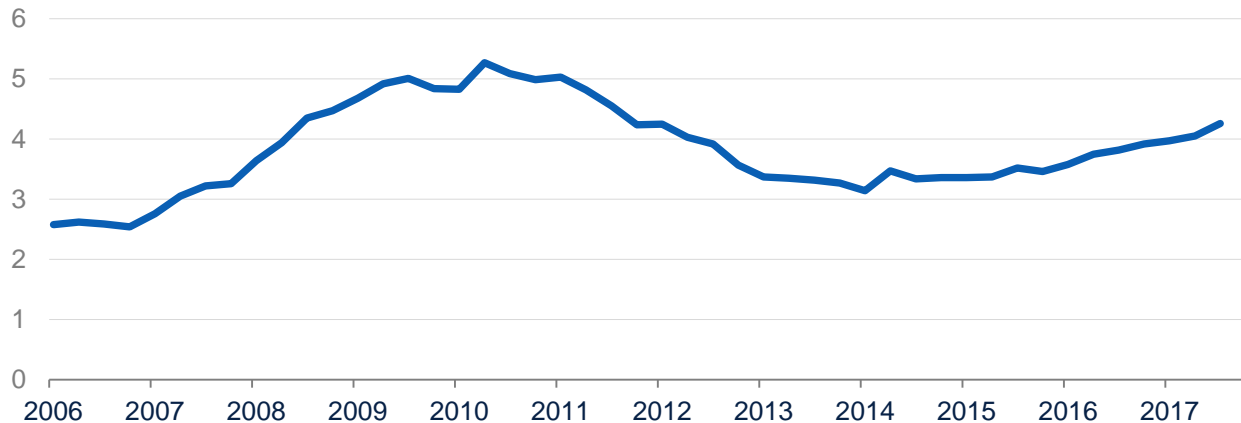
(\$ billion, eop, 4-qtr moving avg.)



Source: BBVA Research and Haver Analytics

## Financial conditions

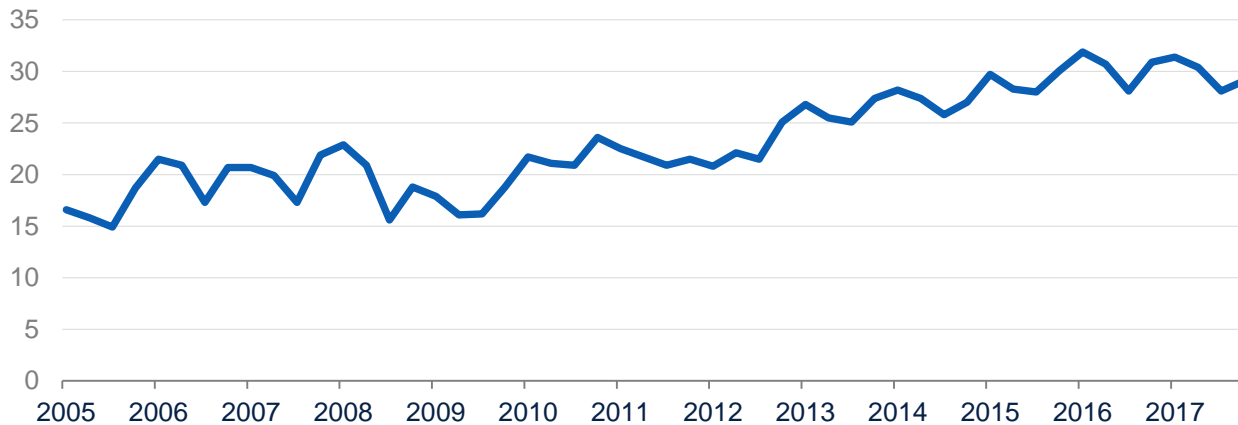
### U.S. Auto loan 90+ days delinquent (% of balance)



Source: BBVA Research and Haver Analytics

# Leasing

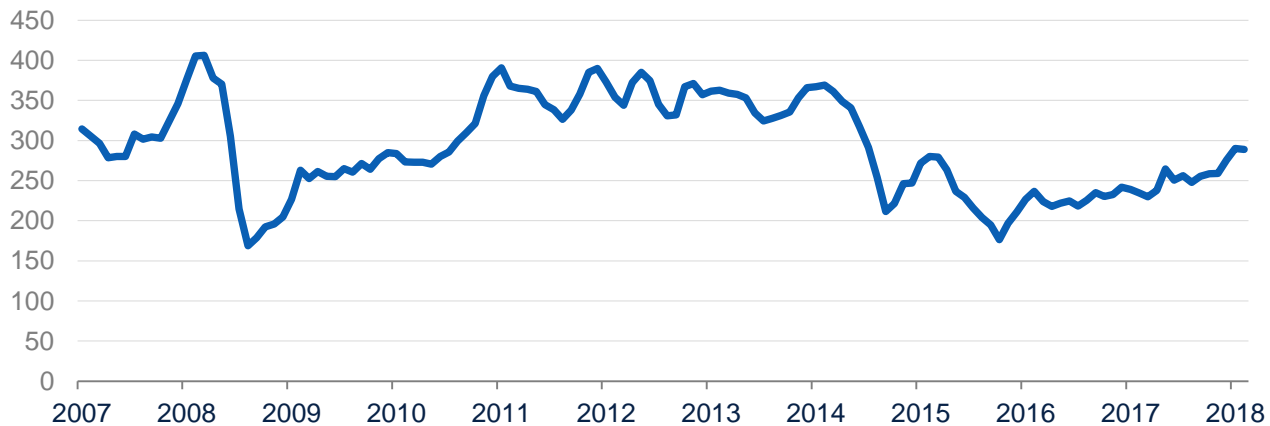
## U.S. Leasing penetration rate (%)



Source: BBVA Research and Bloomberg

# Gasoline

## U.S. Spot price (cents per gallon)



Source: BBVA Research and Haver Analytics



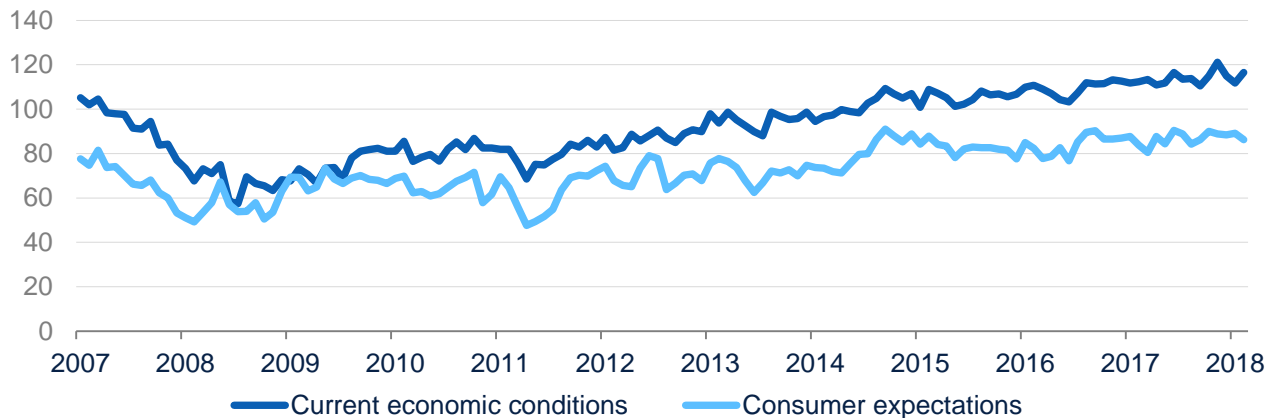
# 02

## Consumers



# Consumers

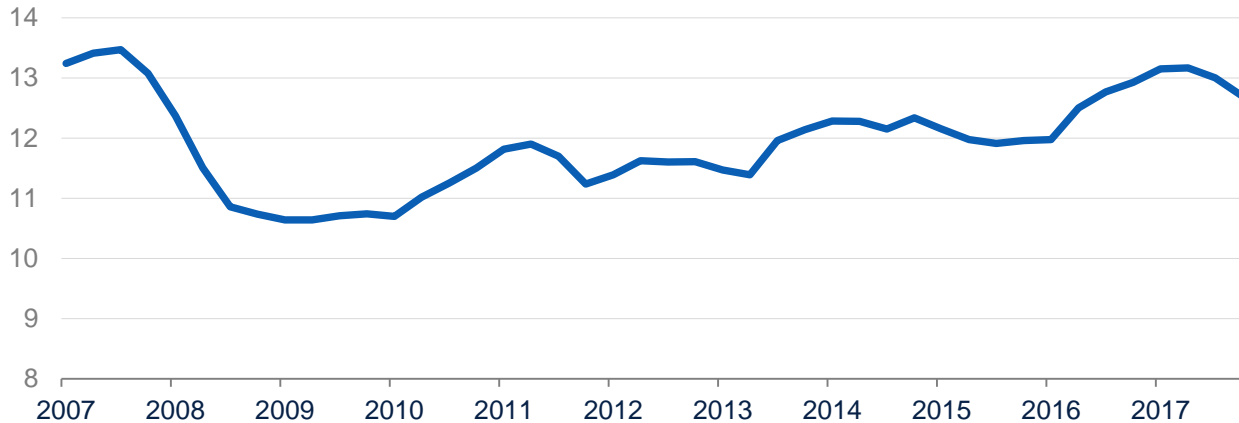
## U.S. Consumer sentiment index



# Consumers

## U.S. Plans to buy a car within 6 months

(% of respondents)

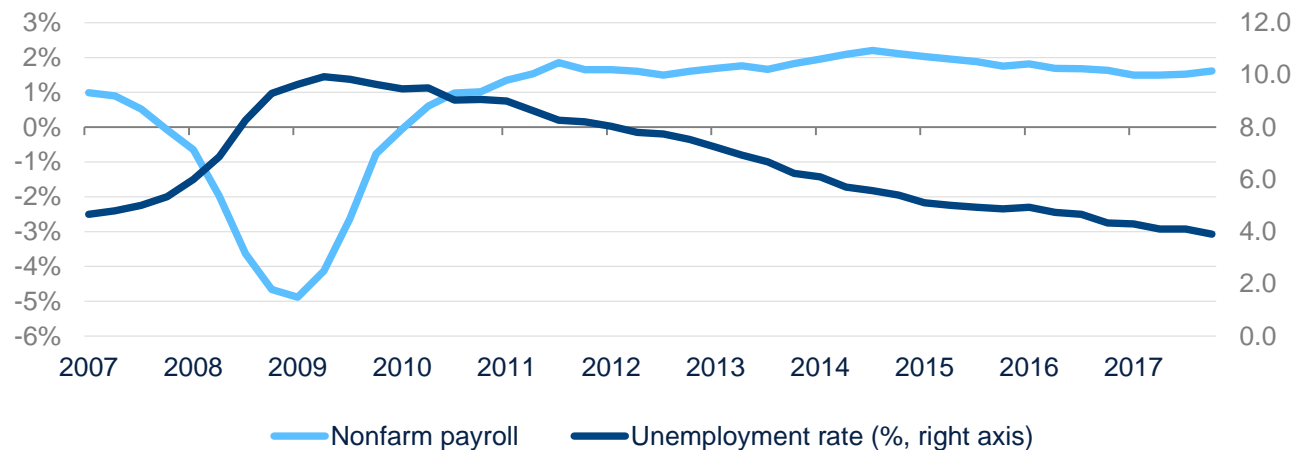


Source: BBVA Research and Haver Analytics

# Consumers

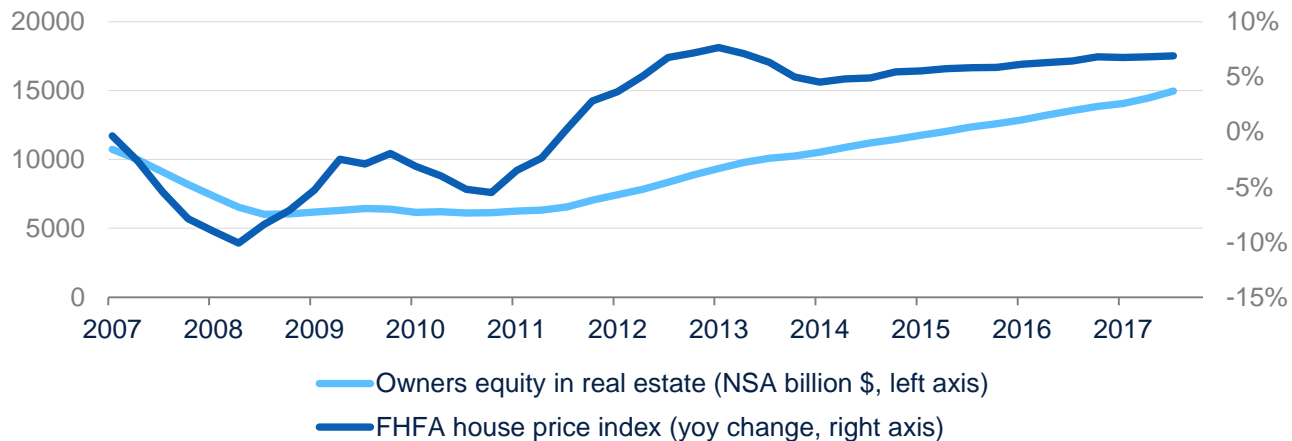
## U.S. Nonfarm payroll growth and unemployment rate

(yoy % change and %)



# Consumers

## U.S. Household equity and home prices



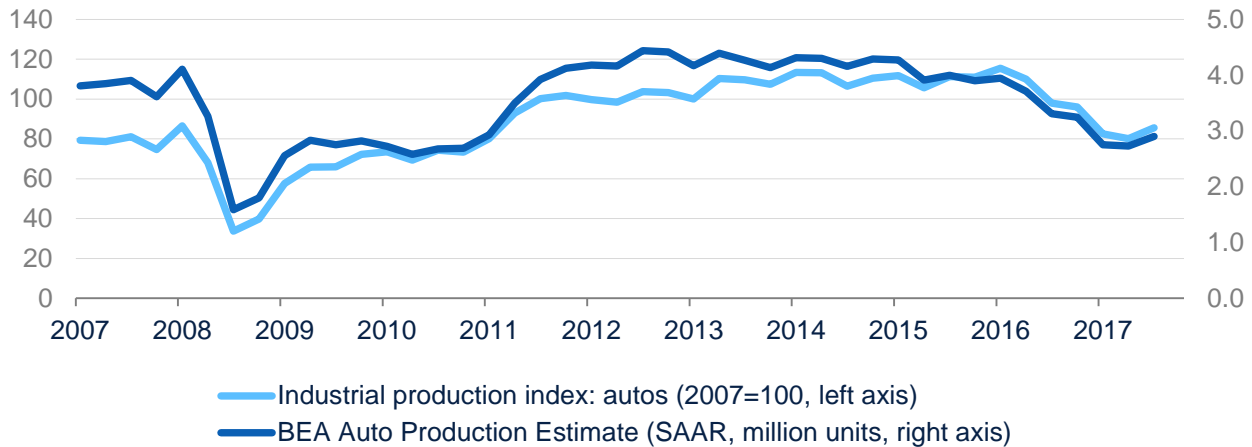


# 03

## Production

# Production

## U.S. Auto production



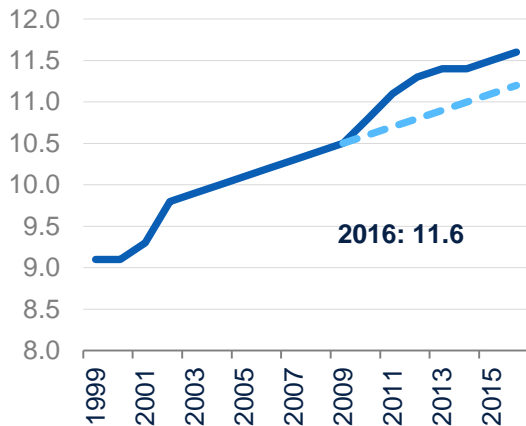


# 04

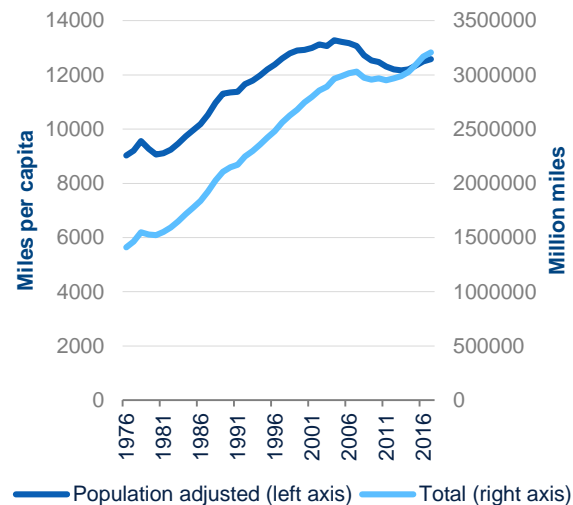
## Structural

# Fundamentals

## Mean age of passenger cars in operation (years)



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

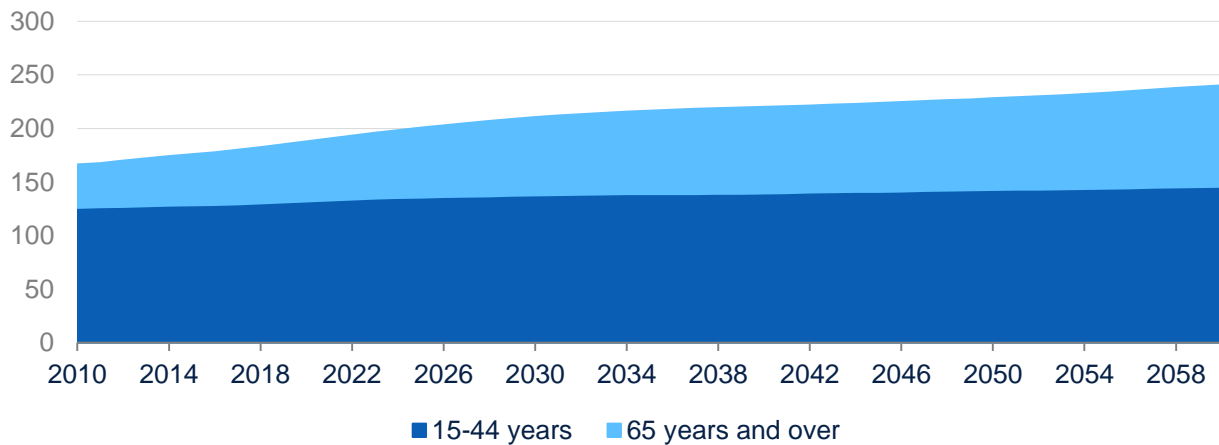


Source: BBVA Research and Haver Analytics



# Demographics

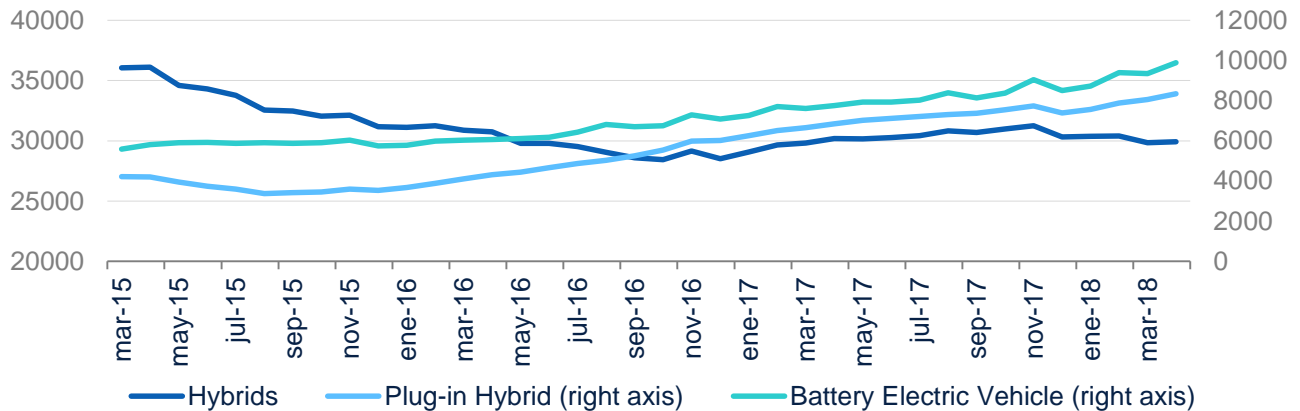
## U.S. Population projections by age (millions)



# Electric vehicles

## U.S. Electric vehicle sales

(units)





# 05

## Forecasts

## Forecast

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Auto sales</b> (millions units)	17.5	17.5	17.3	17.5	17.3	17.1	16.8	16.5
<b>Real GDP growth</b> (% change)	2.9	1.5	2.3	2.8	2.8	2.5	2.3	2.0
<b>Unemployment rate</b> (% avg.)	5.3	4.9	4.4	3.9	3.7	4.0	4.3	4.3
<b>Fed funds</b> (%, eop)	0.50	0.75	1.50	2.50	3.25	3.00	3.00	3.00
<b>5-year Treasuries</b> (%, avg)	1.5	1.3	1.9	2.8	3.2	3.5	3.6	3.7

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