

The logo for BBVA Research, featuring the text "BBVA" in a bold, white, sans-serif font, followed by "Research" in a smaller, lighter weight sans-serif font. A small teal square is positioned to the right of the word "Research".

BBVA Research

U.S. Auto Industry Chartbook

1Q19

April 2019

Creating Opportunities

Key Messages

- New vehicle sales are projected to decelerate from 2018 levels
- Robust economic growth has been the main driver of auto sales, but affordability is deteriorating while the impact of previous tax cuts is diluting
- Going forward, higher interest rates and a higher supply of “off-leasing” vehicles will exert downward pressures on demand for new vehicles
- Consumer credit remains healthy, although delinquencies are growing
- Uncertainty surrounding the impact of trade tariffs on steel and aluminum, USMCA, and potential tariffs to imported vehicles
- Electric vehicle sales increased 80% in 2018, surpassing 350,000 units. EV sales are expected to grow further in 2019, albeit at a slower pace



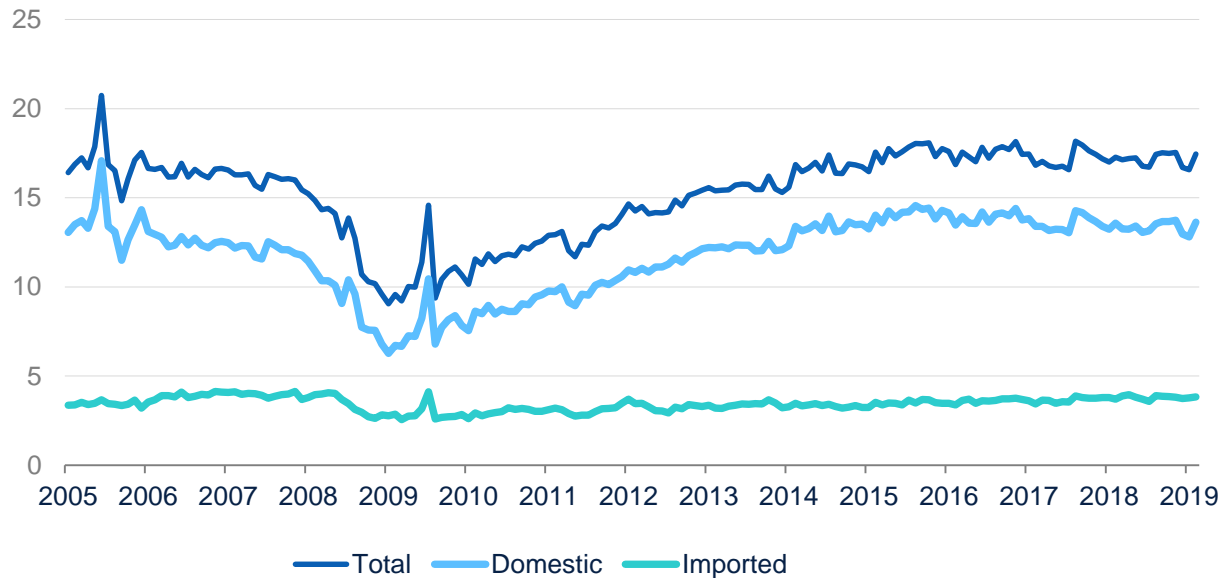
01

Sales

Sales

U.S. Total light weight vehicle sales

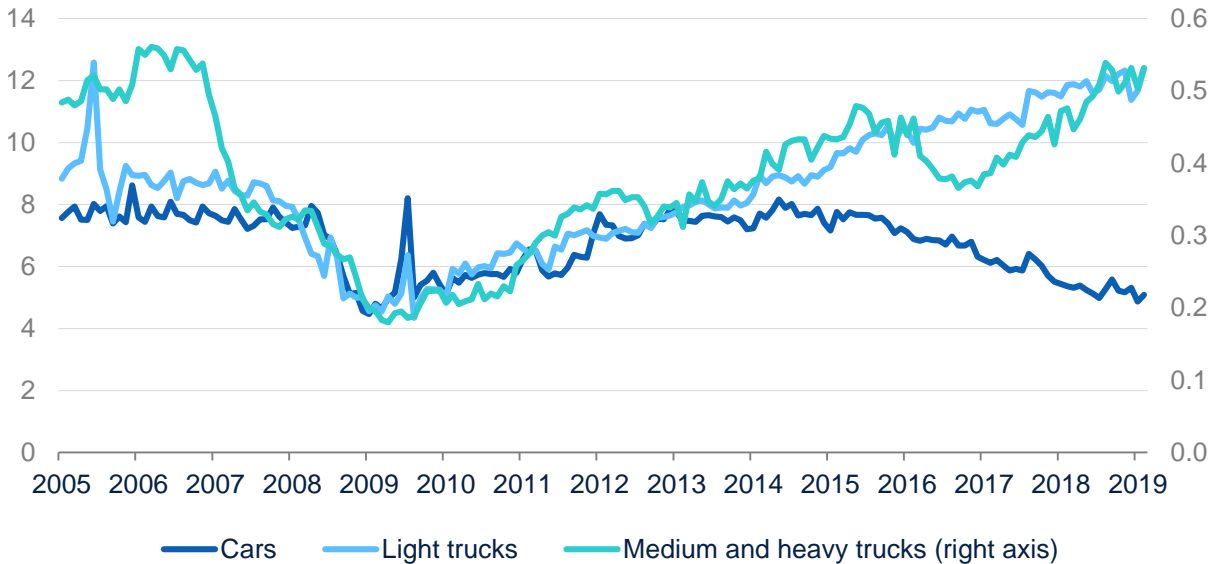
(SAAR, million units)



Sales

U.S. Total vehicle sales

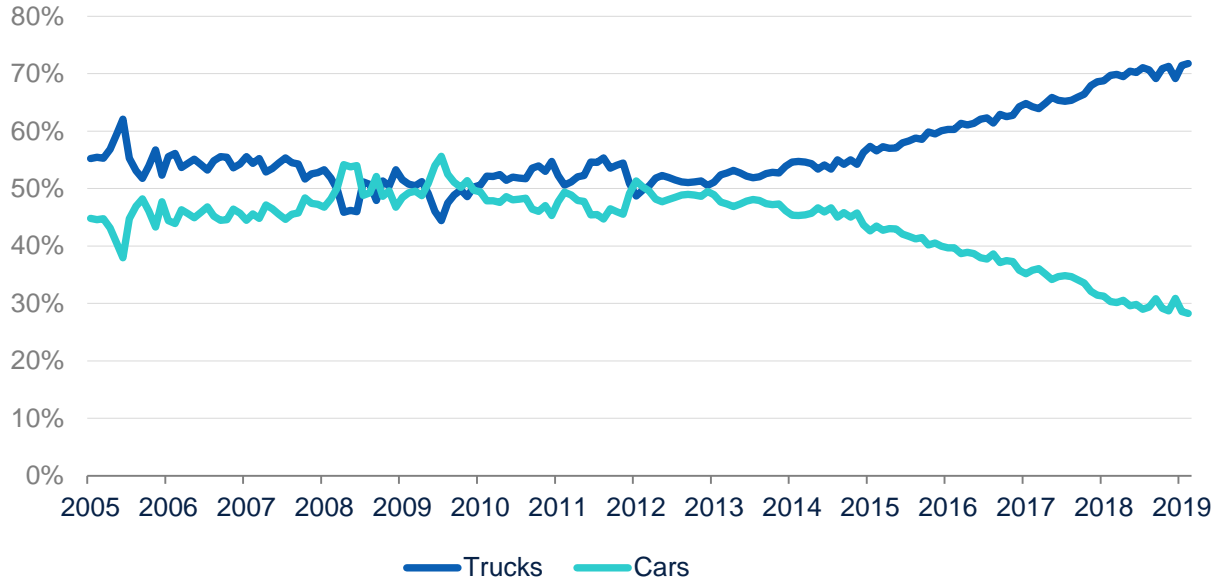
(SAAR, million units)



Sales

U.S. Total vehicle sales

(Share of total)



Sales

U.S. Domestic auto inventory/sales ratio

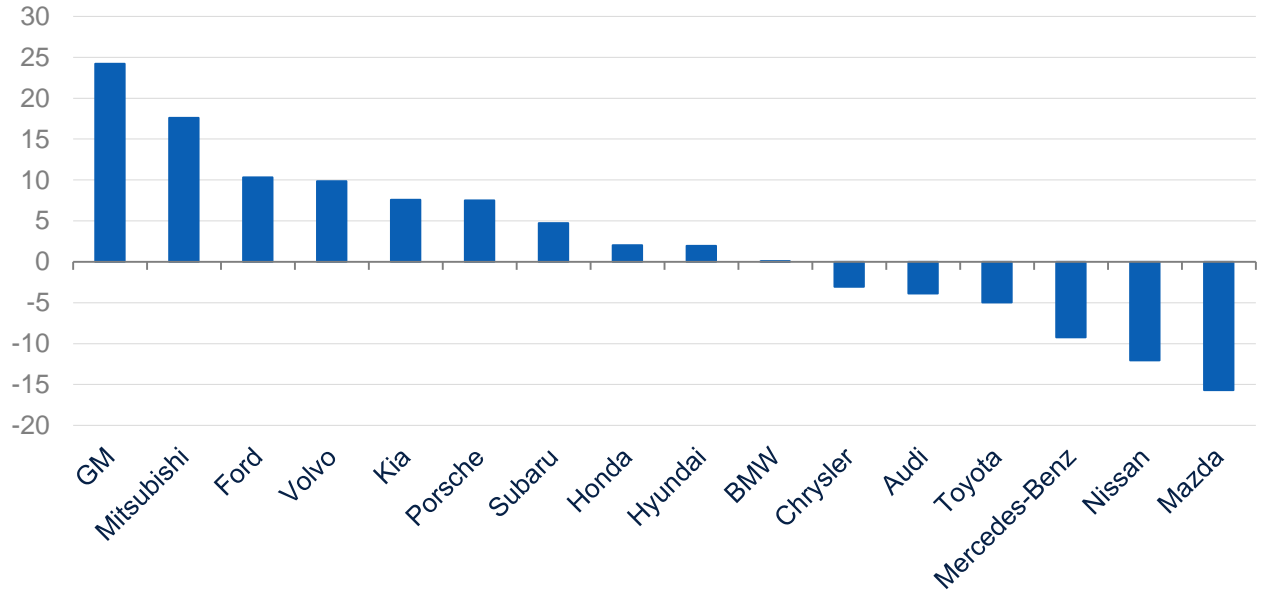
(Seasonally adjusted)



Sales

U.S. Unit sales by brand

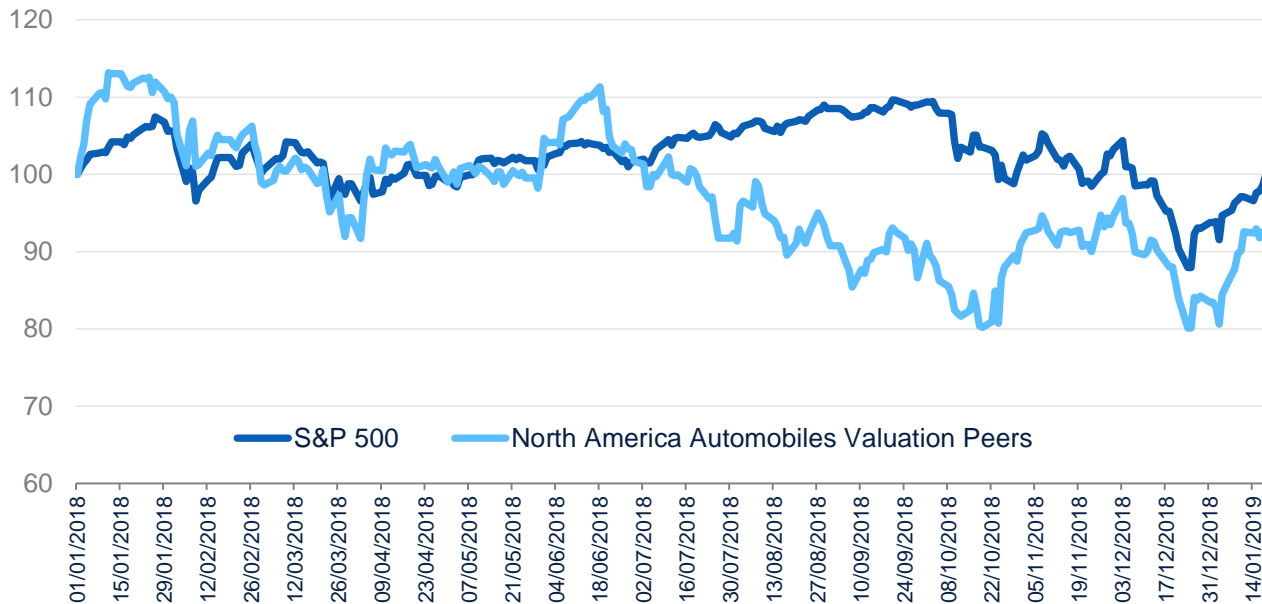
(1Q19, yoy % change)



Stock market

Stock market indices

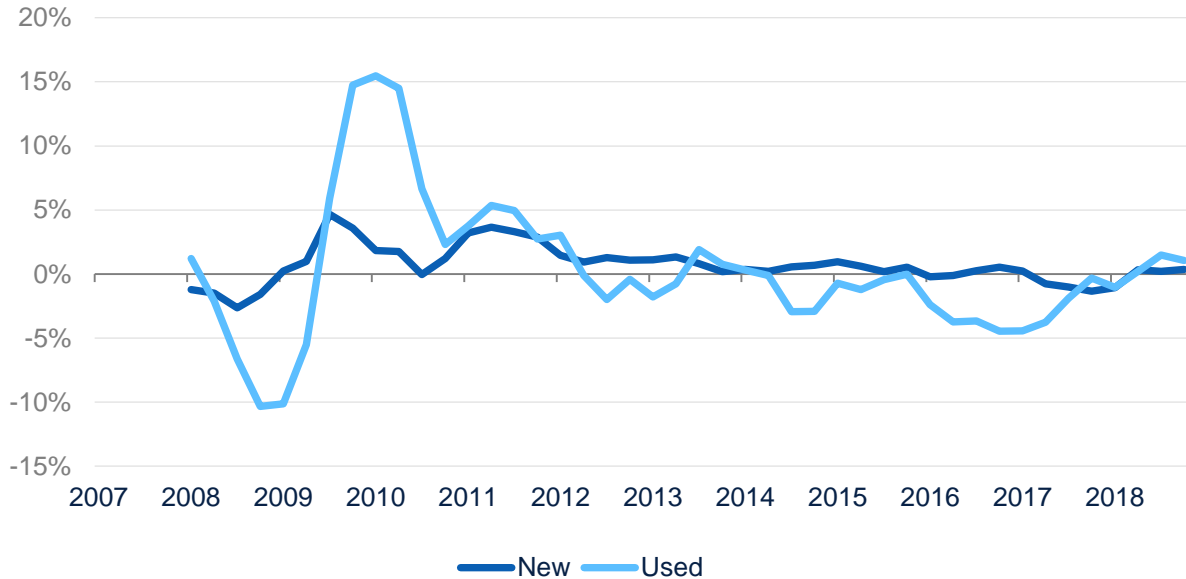
(Index, 1/1/2018 = 100)



Prices

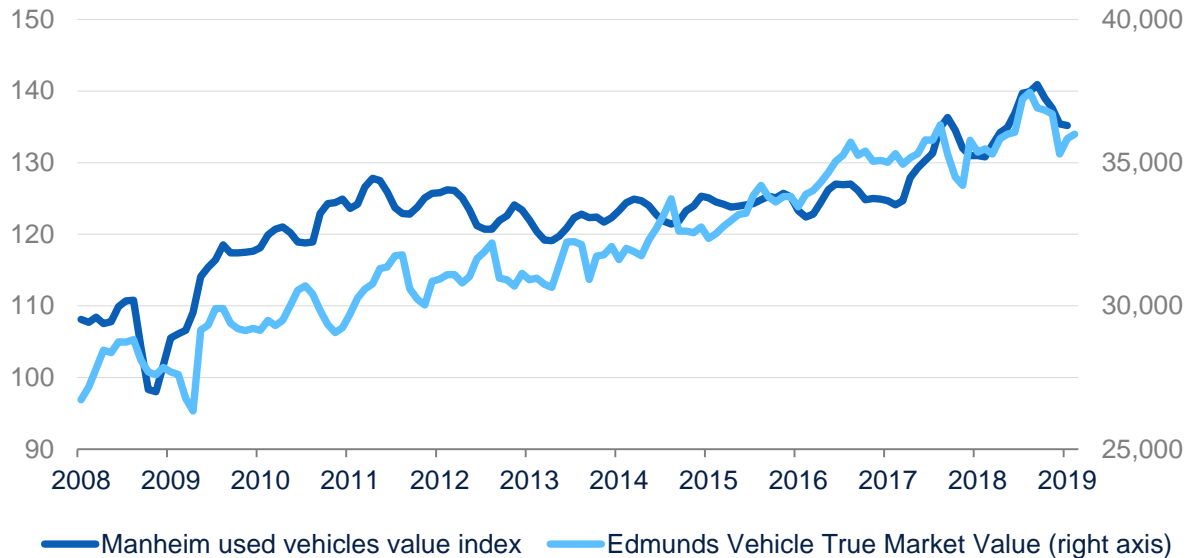
U.S. Consumer price index: cars and trucks

(yoy % change)



Prices

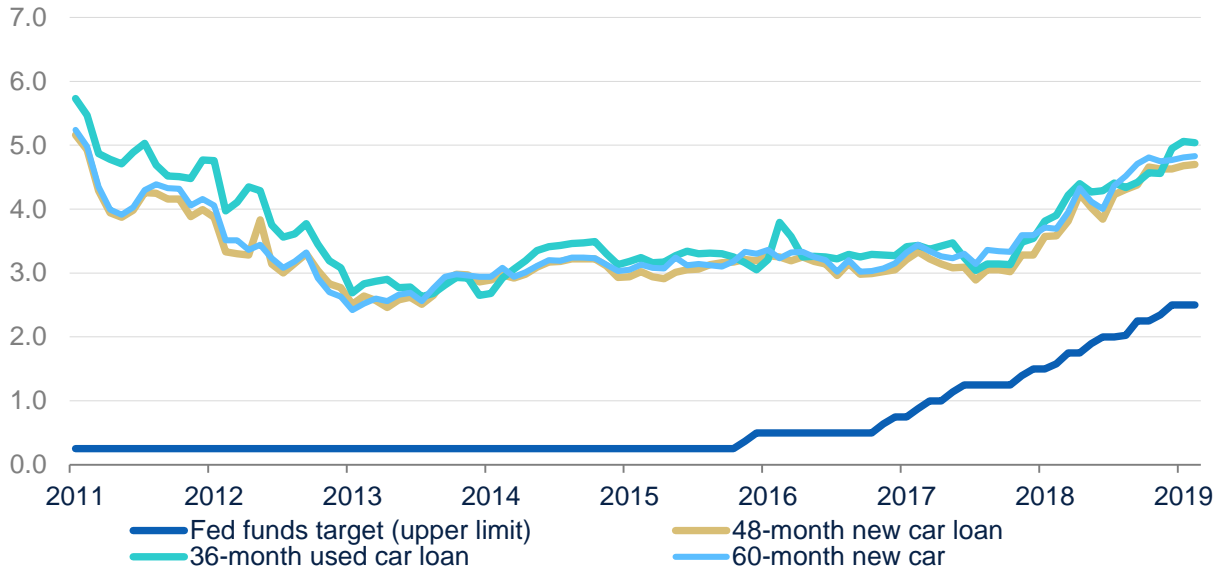
U.S. Auto Prices



Financial conditions

U.S. Interest rates

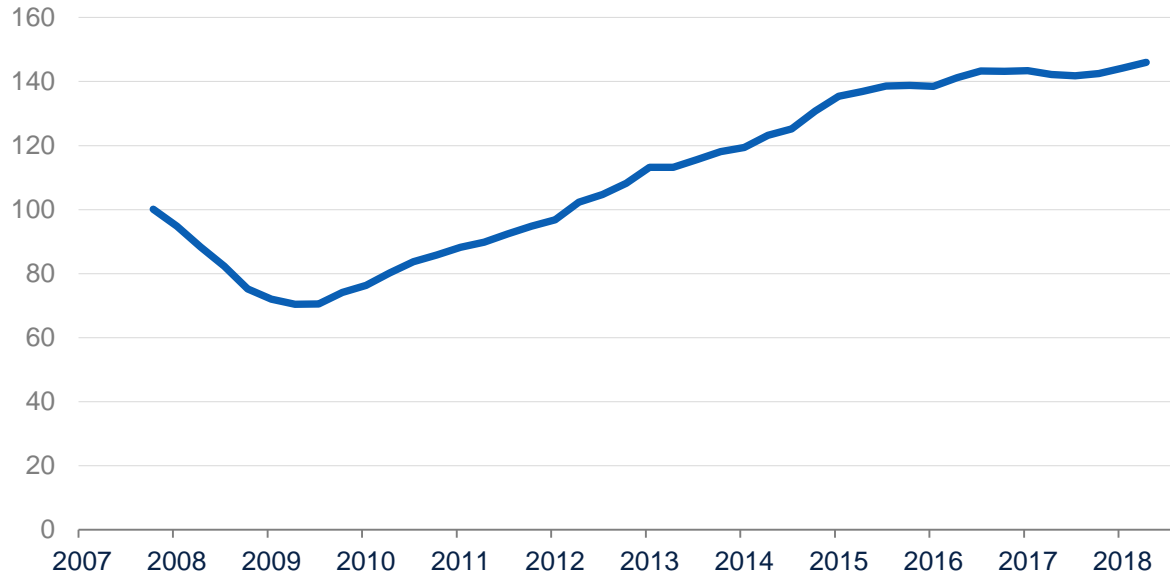
(yoy % change)



Financial conditions

U.S. Newly originated installment auto loans

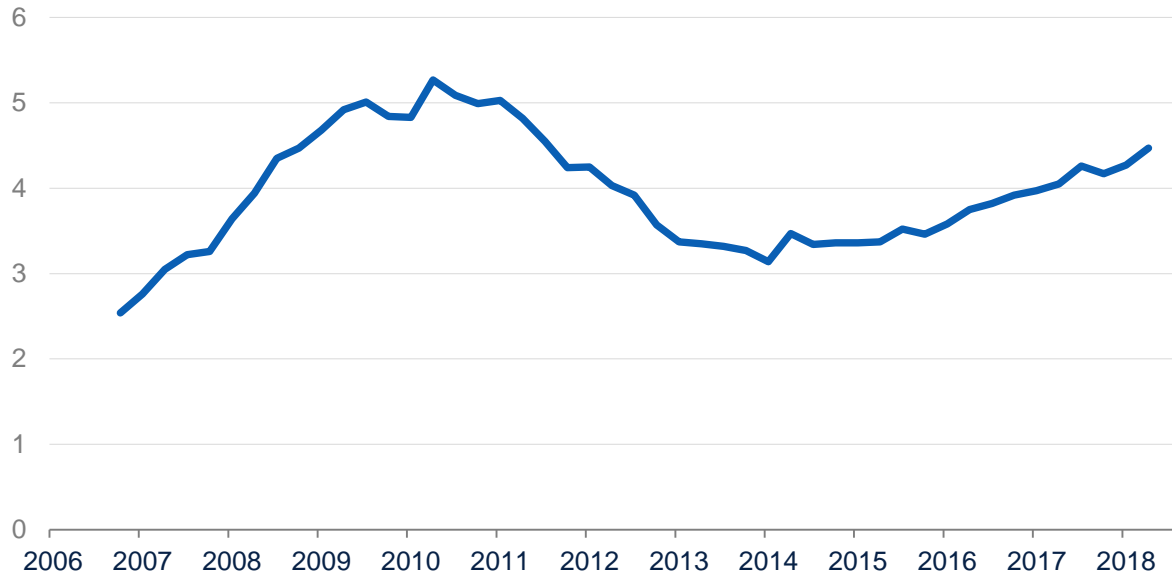
(\$ billion, eop, 4-qtr moving avg.)



Financial conditions

U.S. Auto loan 90+ days delinquent

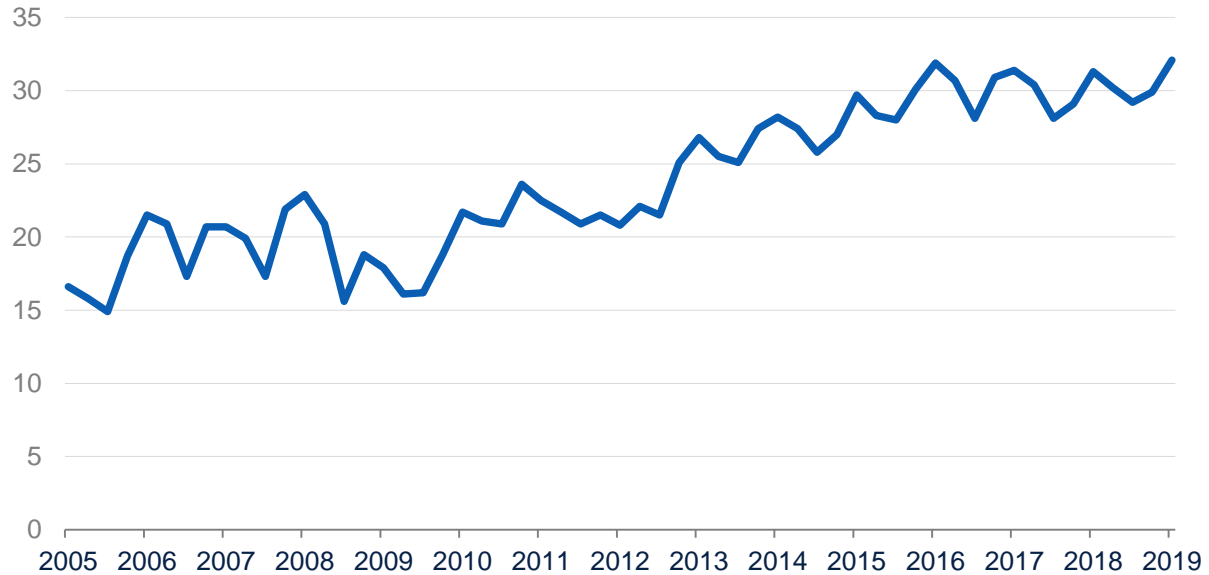
(% of balance)



Leasing

U.S. Leasing penetration rate

(%)



Gasoline

U.S. Spot price

(cents per gallon)



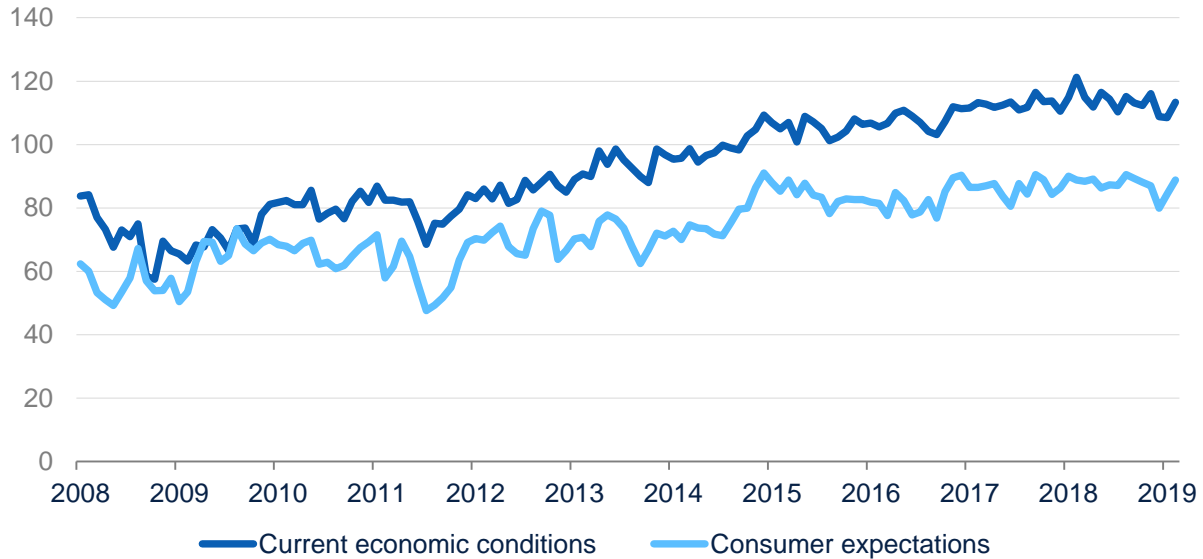


02

Consumers

Consumers

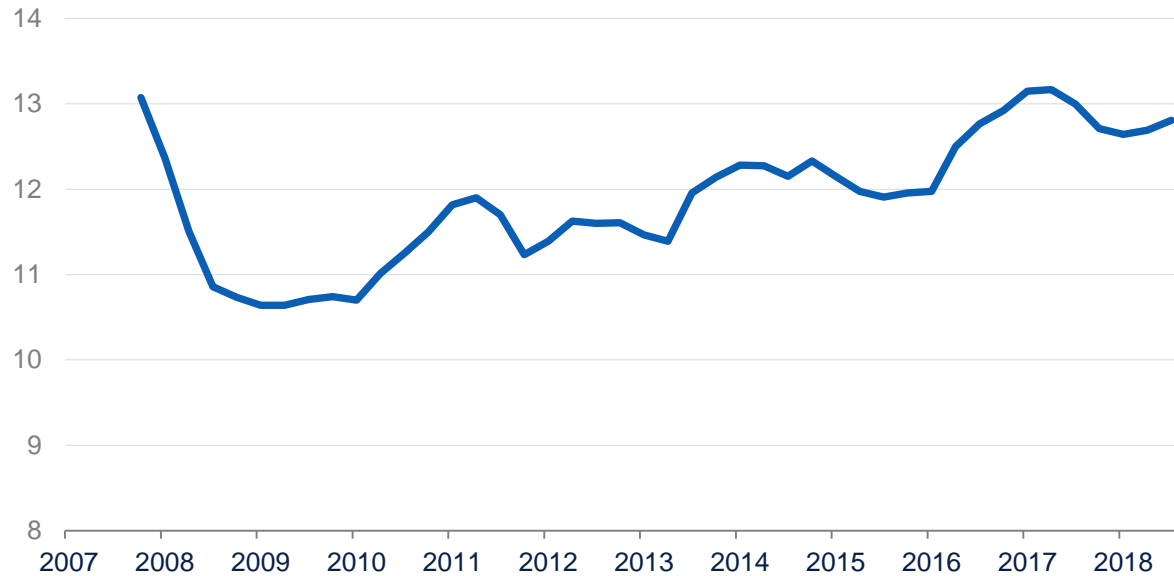
U.S. Consumer sentiment index



Consumers

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

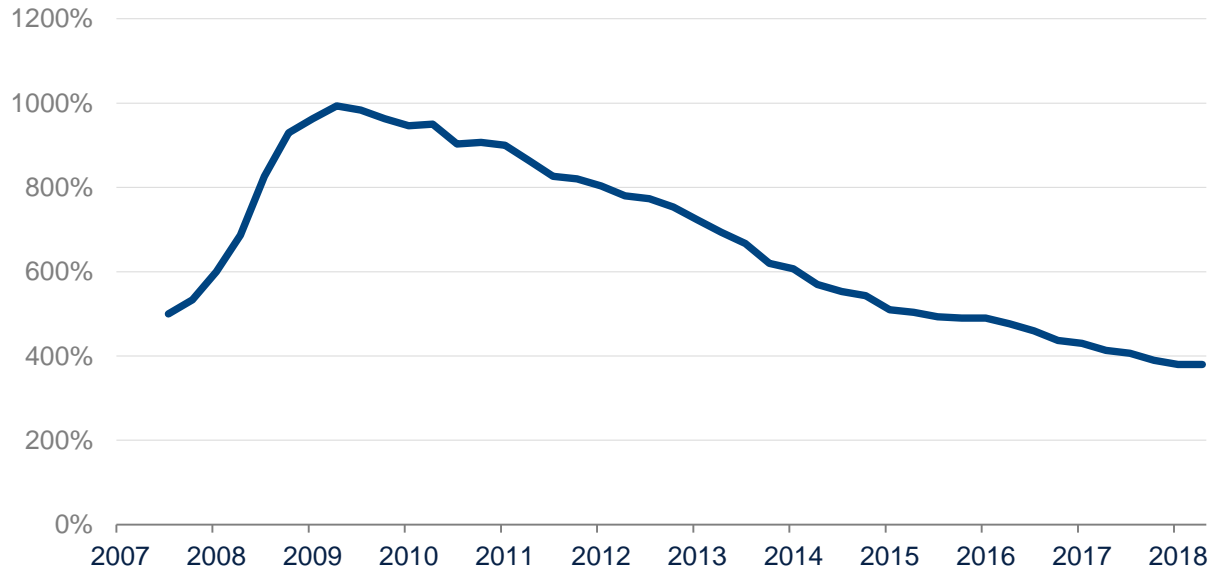
(% of respondents)



Consumers

U.S. Unemployment rate

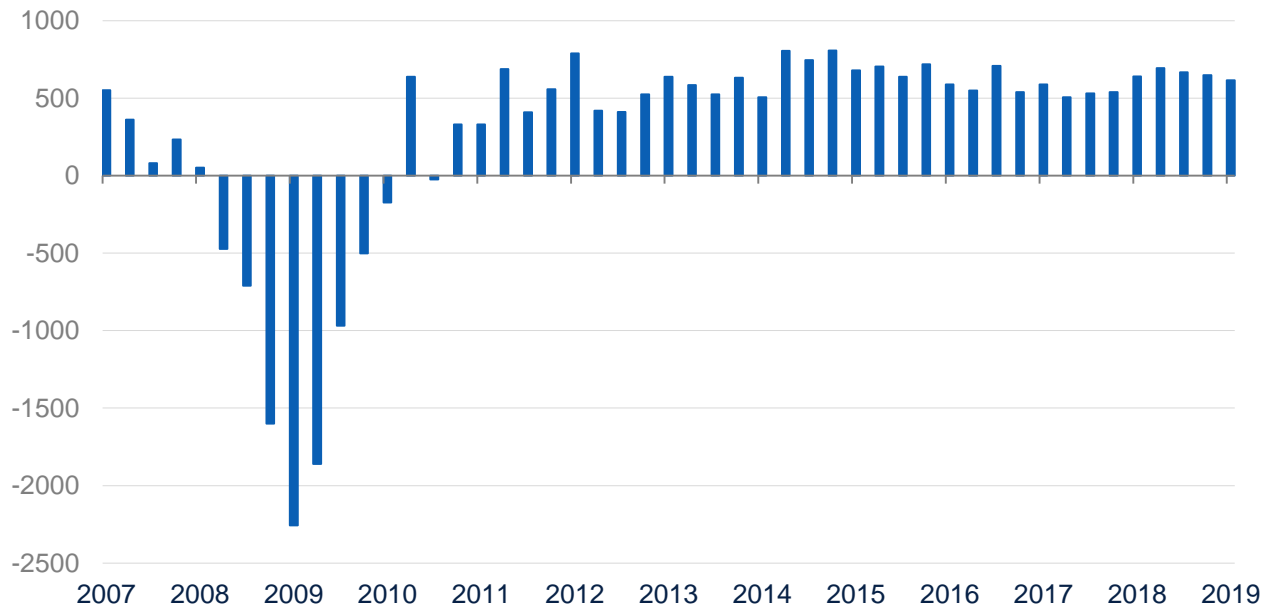
(yoy % change and %)



Consumers

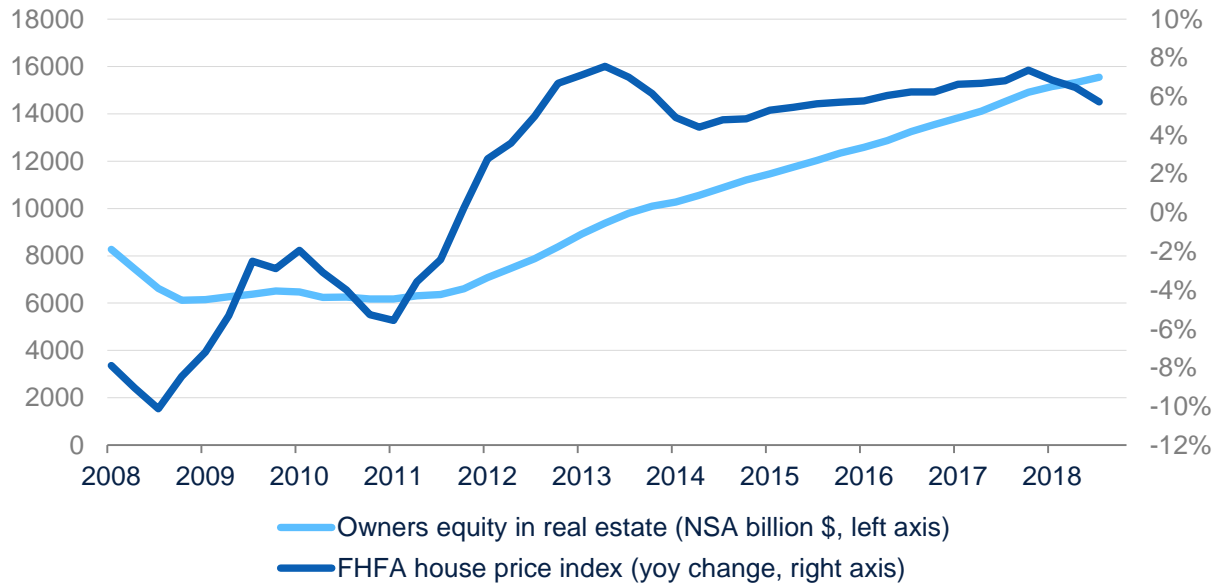
U.S. Nonfarm Payroll

(Quarterly change, thousand)



Consumers

U.S. Household equity and home prices



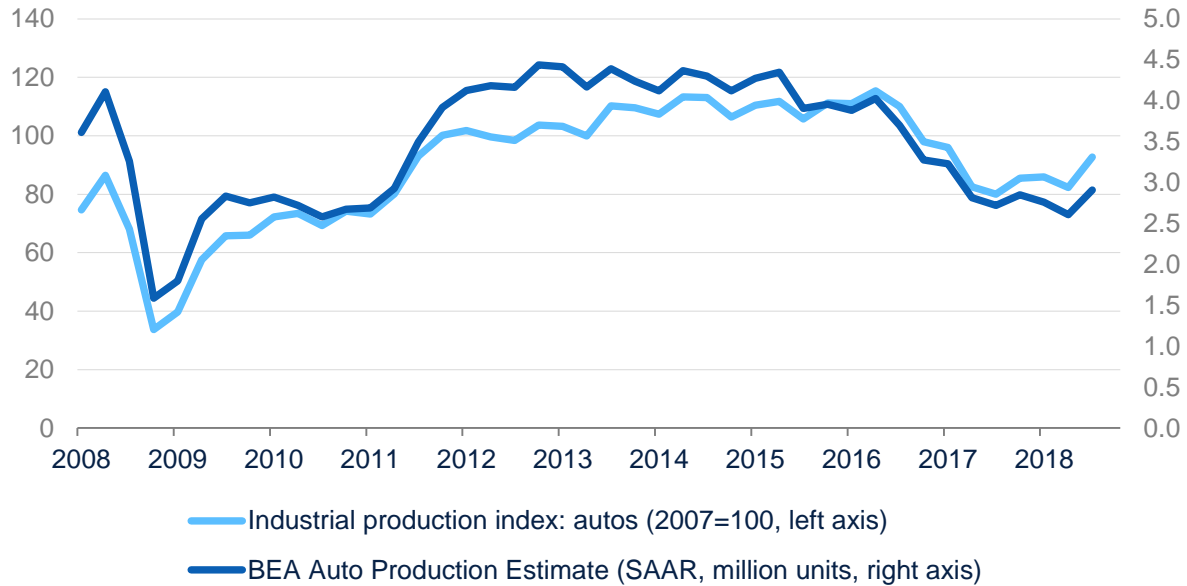


03

Production

Production

U.S. Auto production



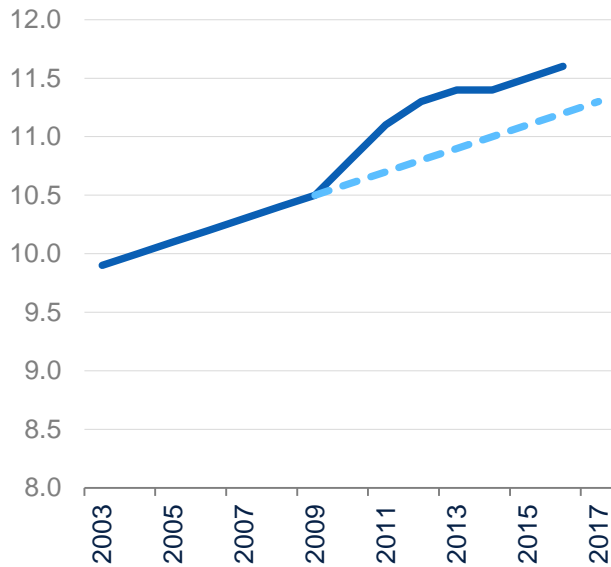


04

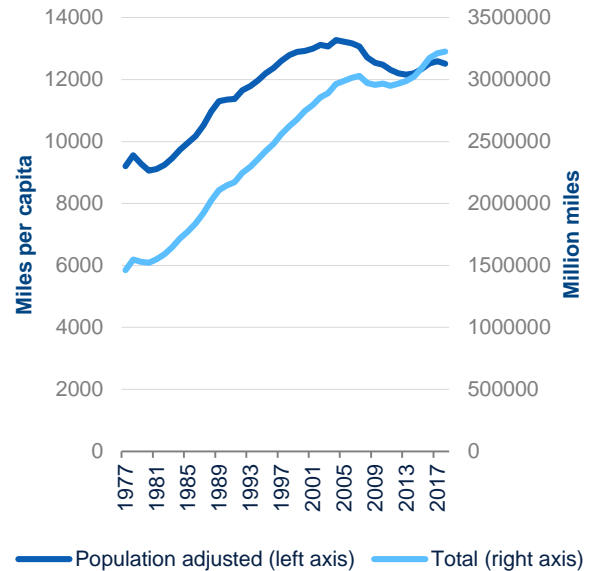
Structural

Fundamentals

Mean age of passenger cars in operation (years)



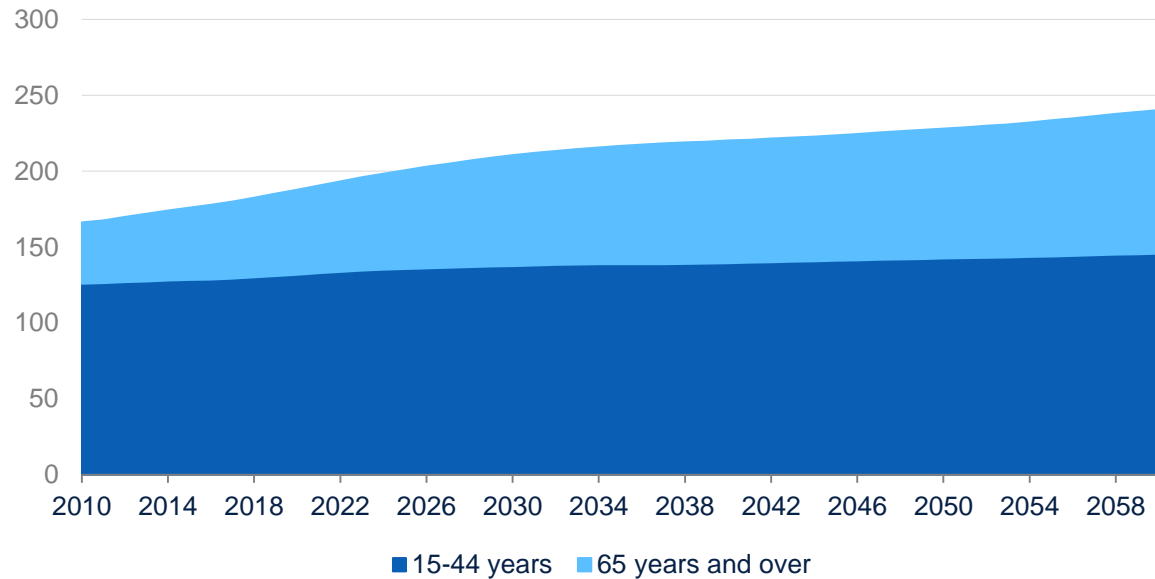
Vehicle miles of travel (total and adjusted by labor force)



Demographics

U.S. Population projections by age

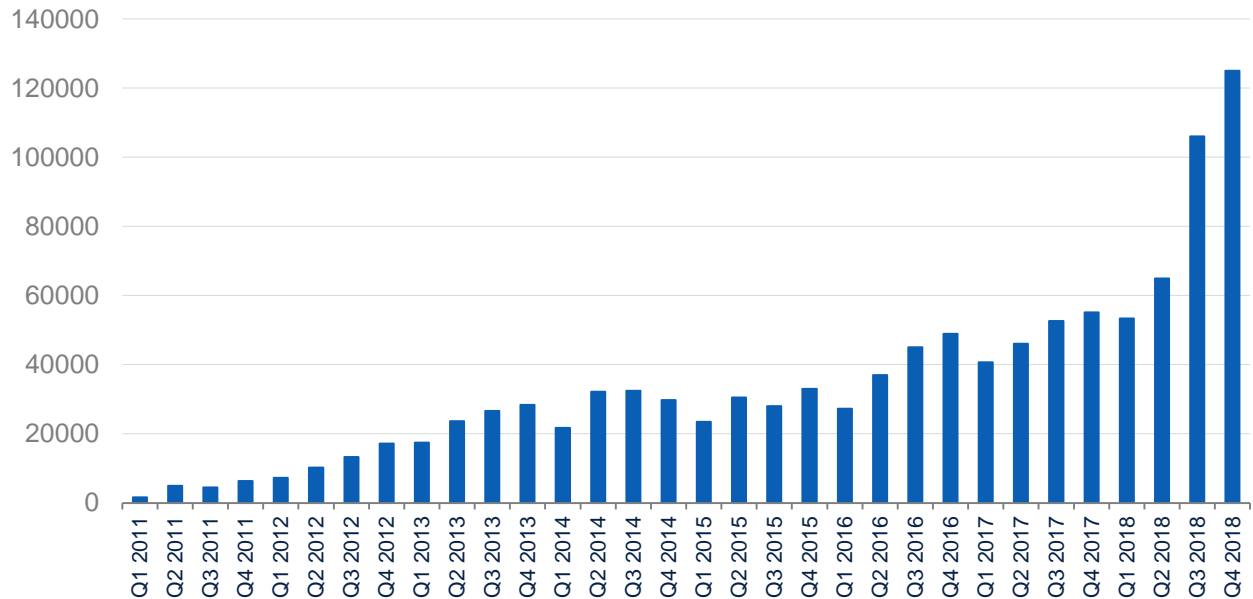
(millions)



Electric vehicles

U.S. Electric vehicle sales

(units)





05

Forecasts

Forecasts

	2015	2016	2017	2018	2019	2020	2021	2022
Auto sales (millions units)	17.5	17.5	17.2	17.2	16.7	16.5	16.8	16.8
Real GDP growth* (% change)	2.9	1.6	2.2	2.9	2.5	2.0	1.9	1.8
Unemployment rate (% avg.)	5.3	4.9	4.4	3.9	3.7	3.9	4.2	4.4
Fed funds* (%, eop)	0.50	0.75	1.50	2.50	2.75	2.75	2.75	2.75
5-year Treasuries* (%, avg)	1.5	1.3	1.9	2.8	2.5	2.8	2.9	3.0

The logo for BBVA Research, featuring the text "BBVA" in a bold, white, sans-serif font, followed by "Research" in a smaller, lighter weight sans-serif font. A small teal square is positioned to the right of the word "Research".

BBVA Research

U.S. Auto Industry Chartbook

1Q19

April 2019

Creating Opportunities