

U.S. Auto Sales Chartbook

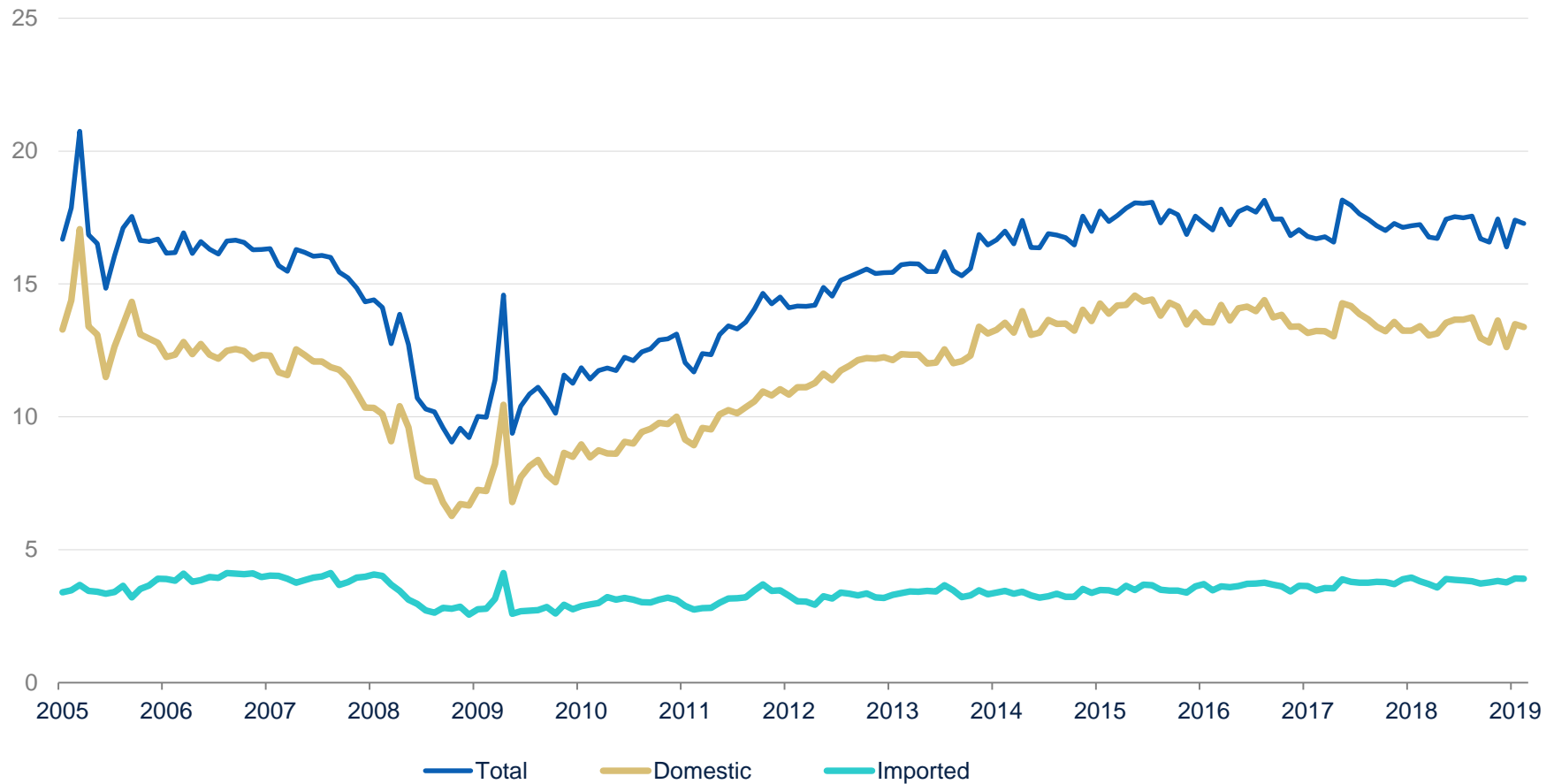
July 2019

Main messages

- New vehicle sales are projected to decelerate as economic growth slows down
- Lower interest rates could provide some relief for dealers
- A robust supply of “off-leasing” vehicles will continue to put downward pressures on demand for new vehicles
- Consumer credit remains healthy, although delinquencies keep growing
- Uncertainty surrounding the impact of trade tariffs on steel and aluminum, USMCA, and potential tariffs on imported vehicles
- Electric vehicle sales are expected to continue growing as technology gets better

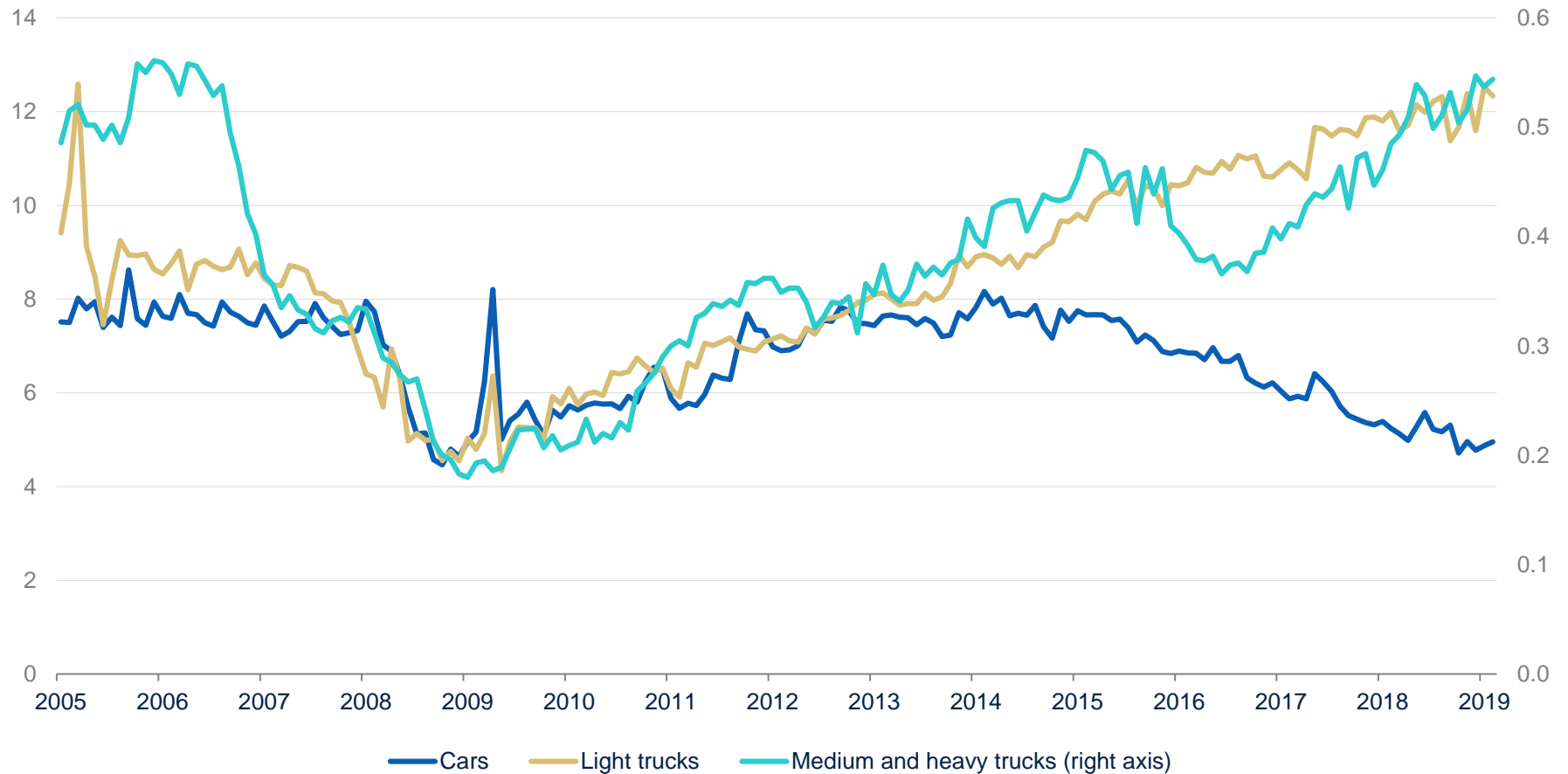
Sales

U.S. TOTAL LIGHT WEIGHT VEHICLE SALES (SAAR, MILLION UNITS)



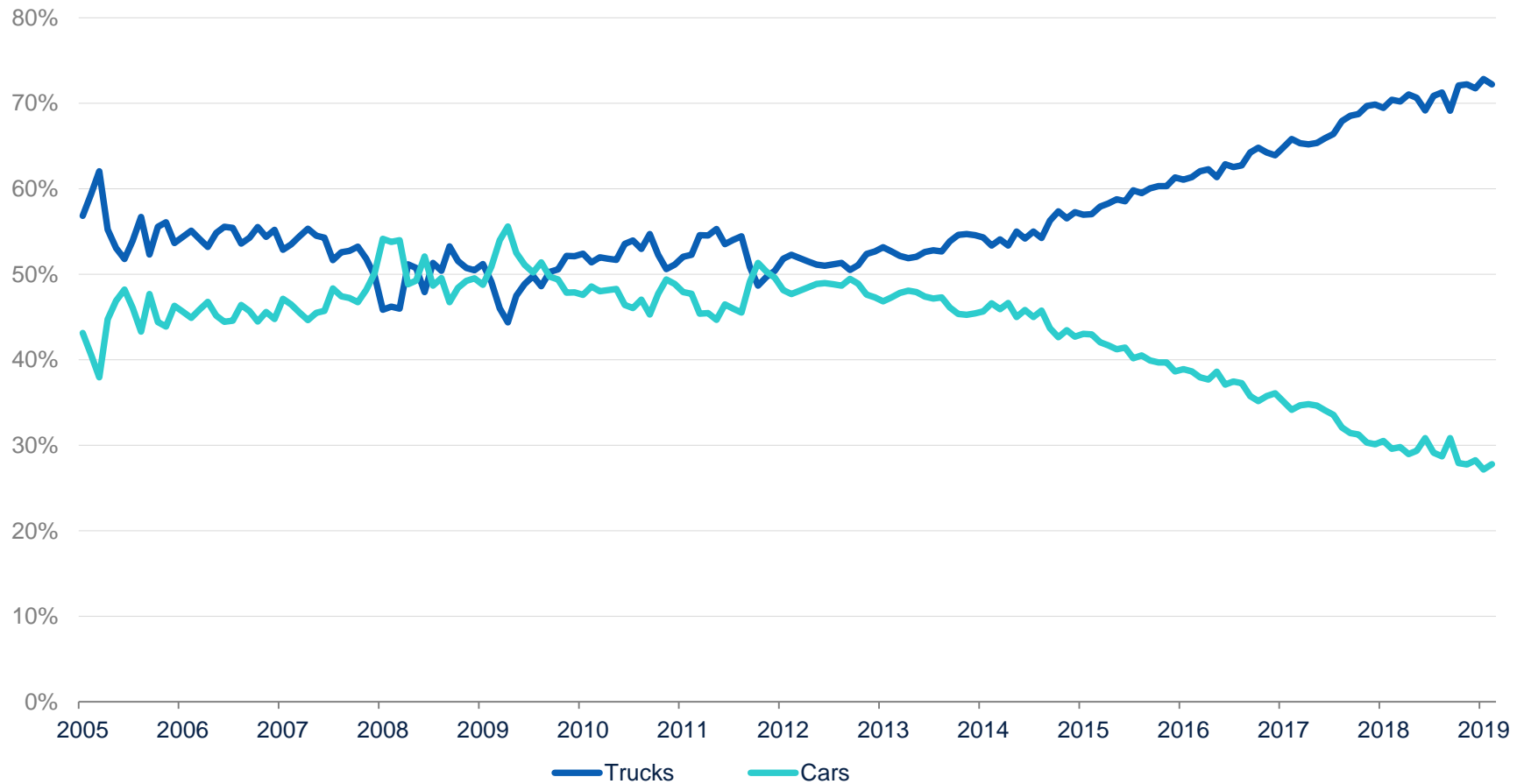
Sales

U.S. TOTAL VEHICLE SALES (SAAR, MILLION UNITS)



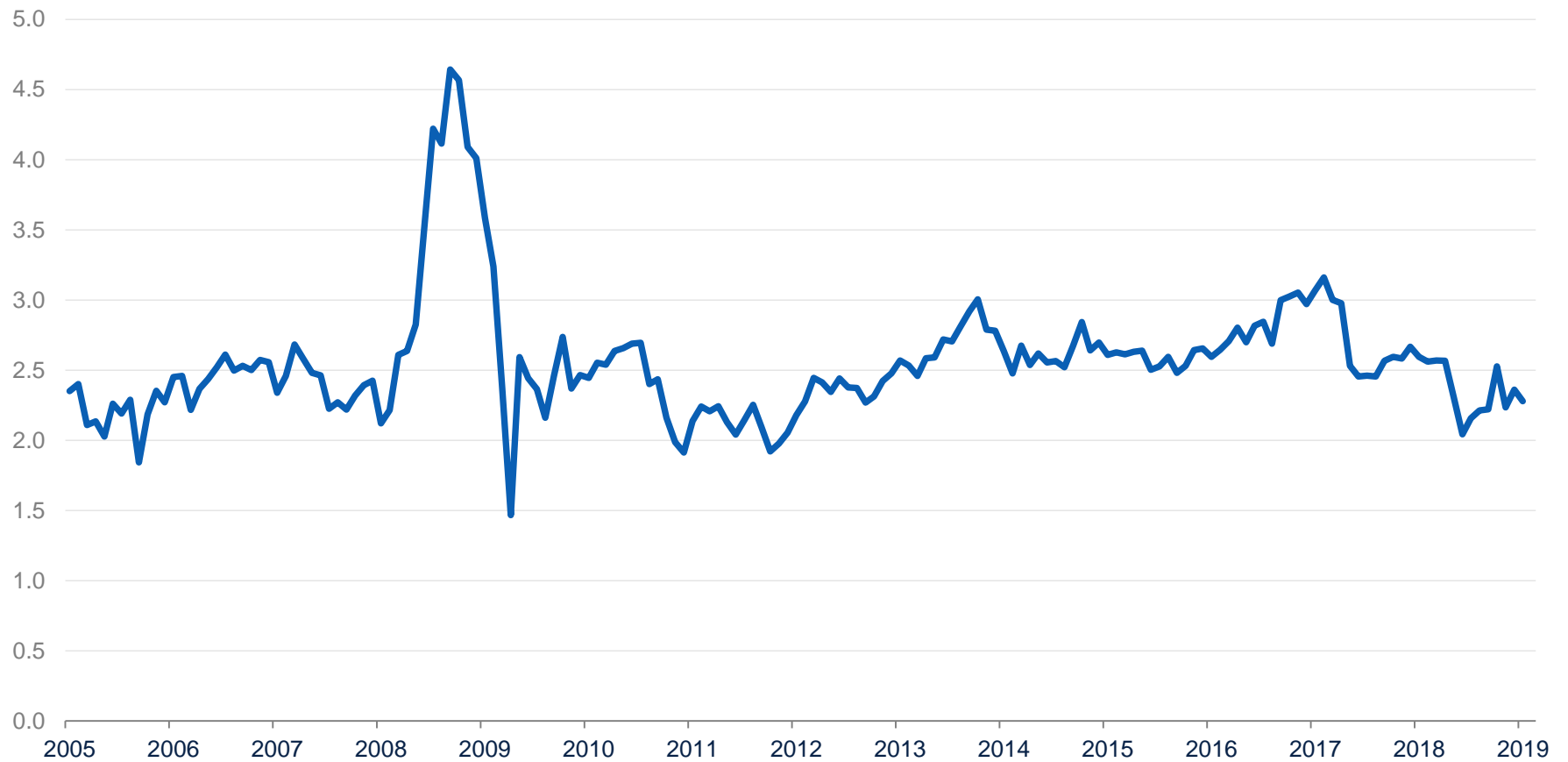
Sales

U.S. TOTAL VEHICLE SALES (SHARE OF TOTAL)



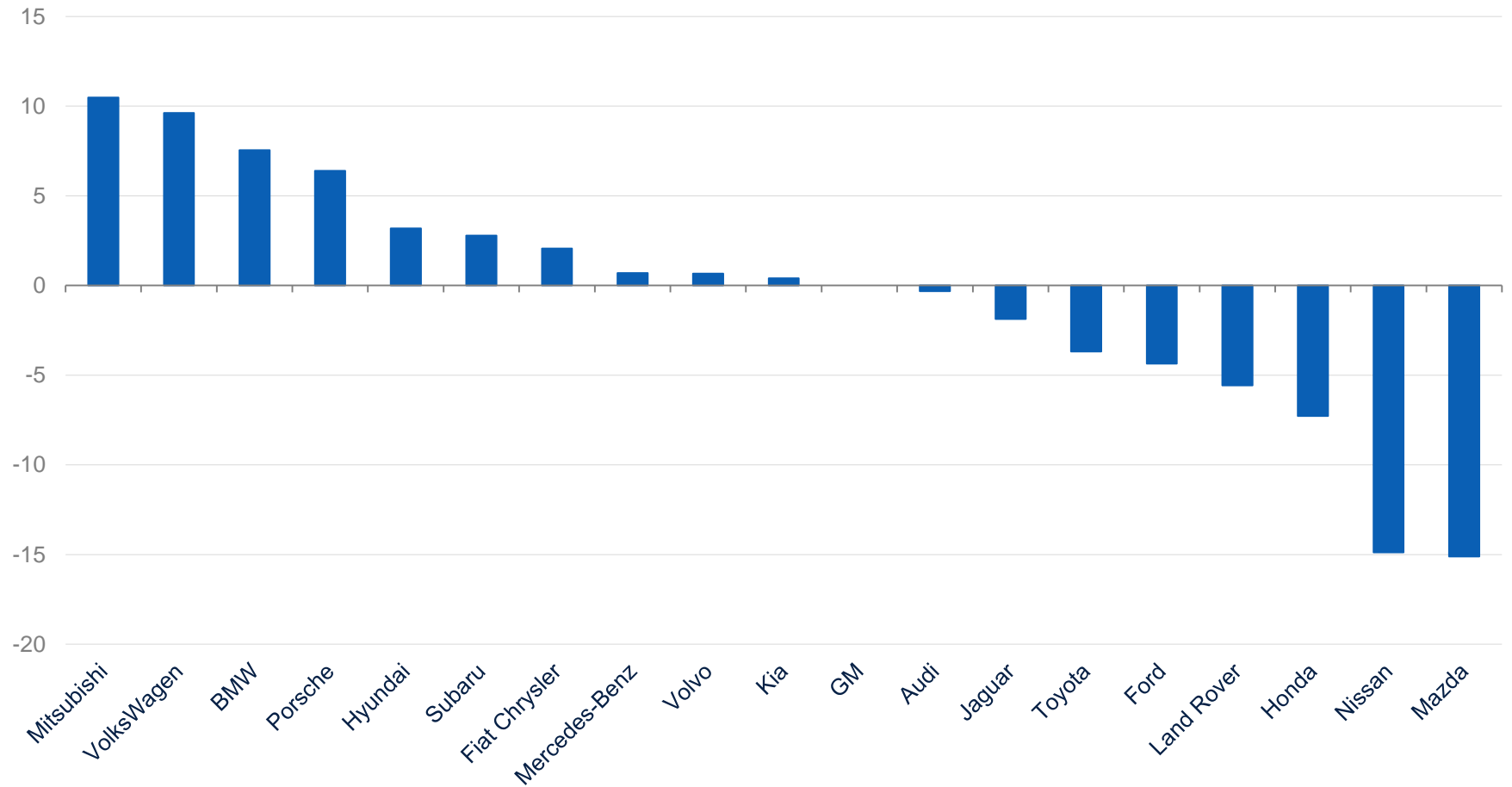
Sales

U.S. DOMESTIC AUTO INVENTORY/SALES RATIO (SEASONALLY ADJUSTED)



Sales

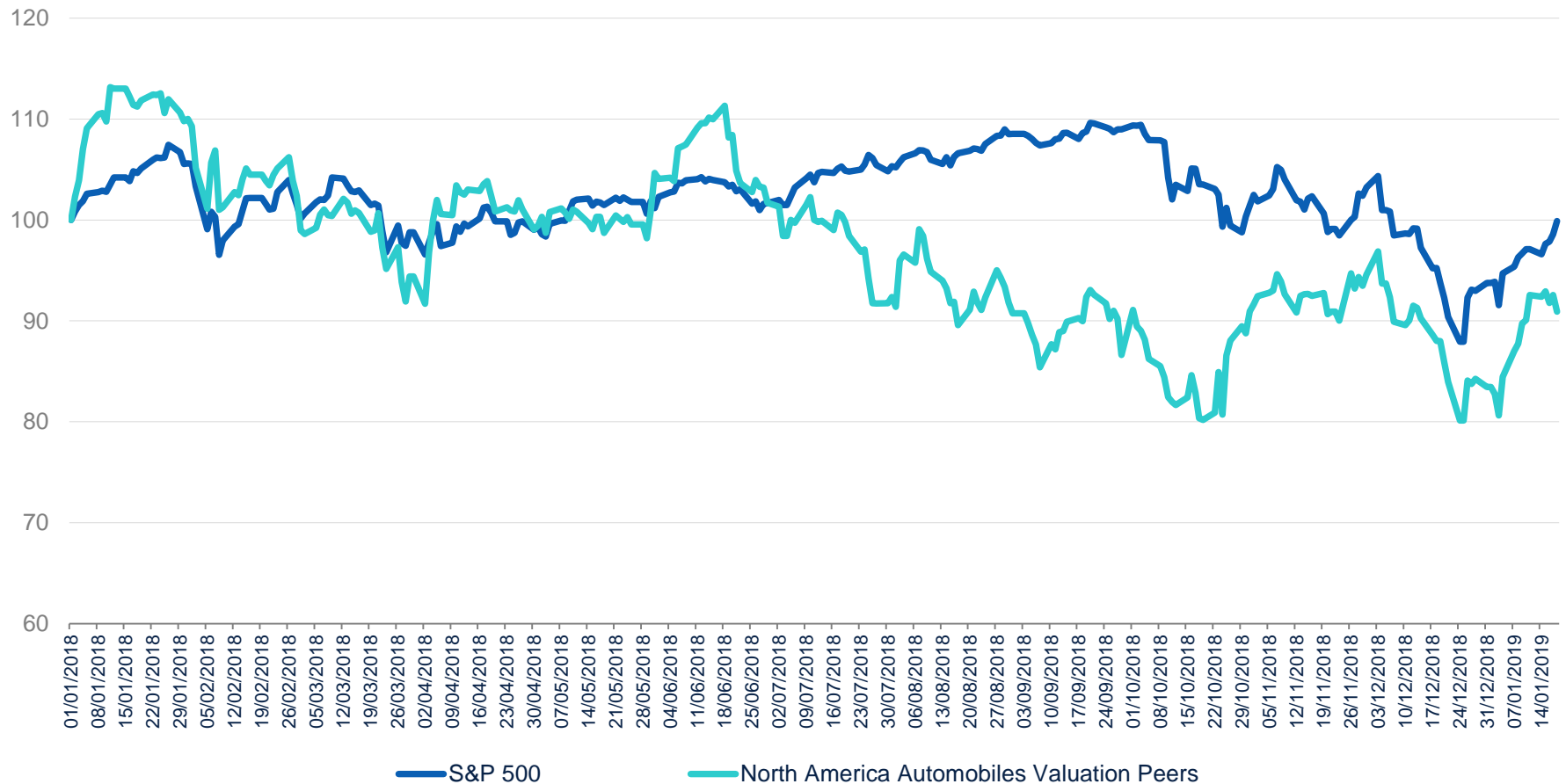
U.S. UNIT SALES BY BRAND (2Q19, YOY % CHANGE)



Stock market

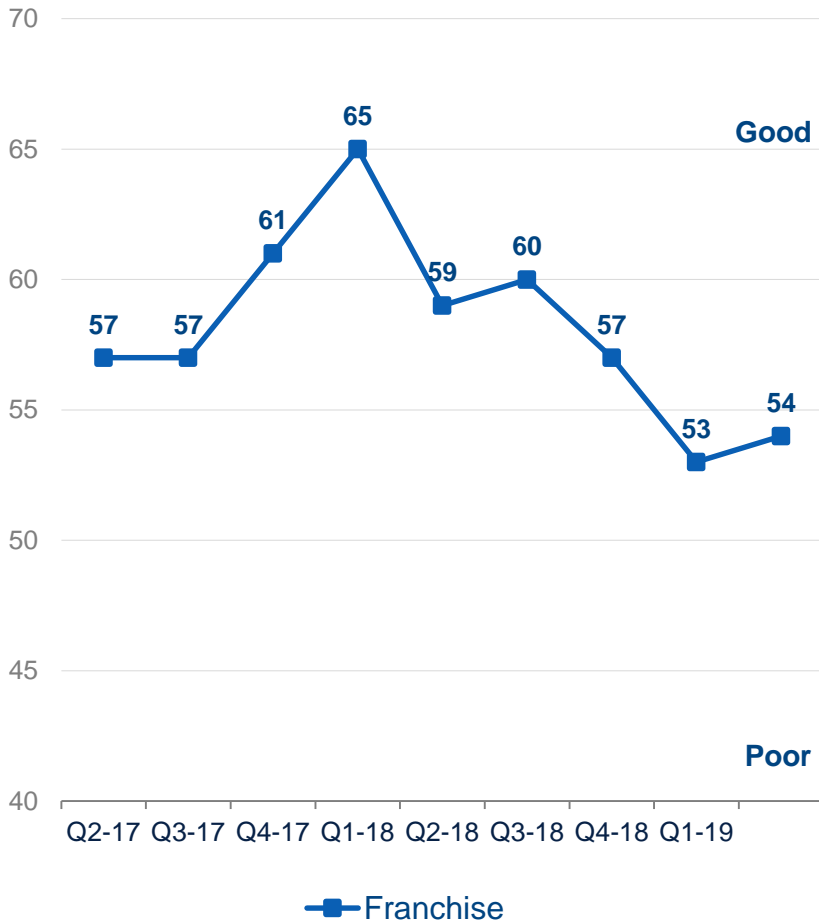
STOCK MARKET INDICES

(INDEX, 1/1/2018 = 100)

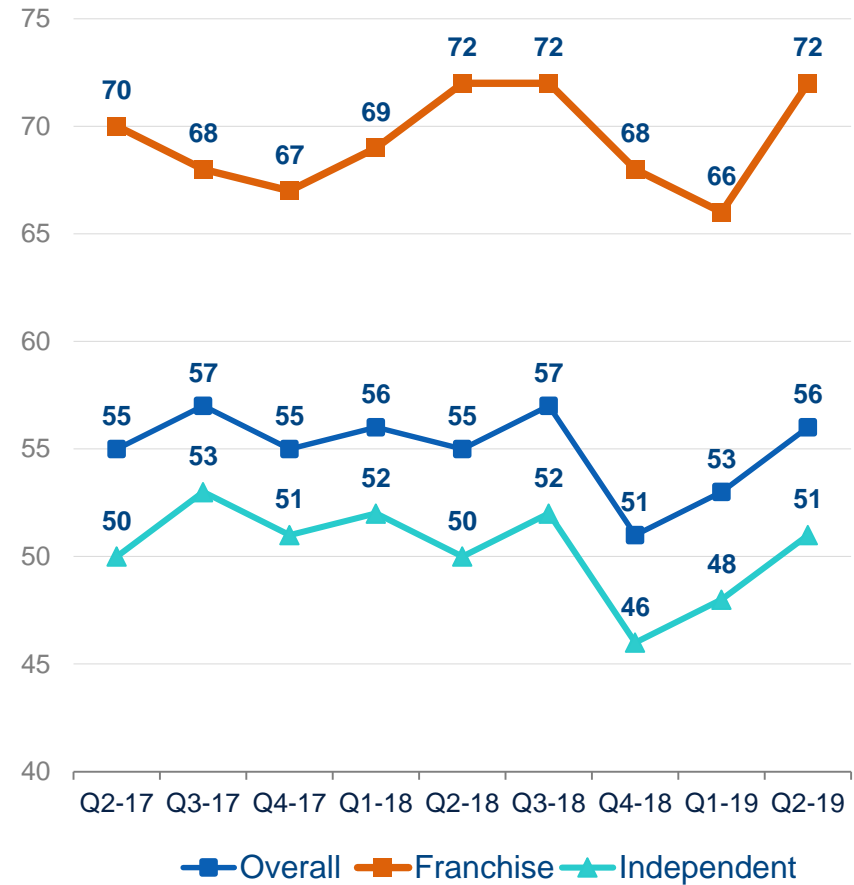


Dealers

HOW WOULD YOU DESCRIBE THE CURRENT NEW-VEHICLE SALES ENVIRONMENT?



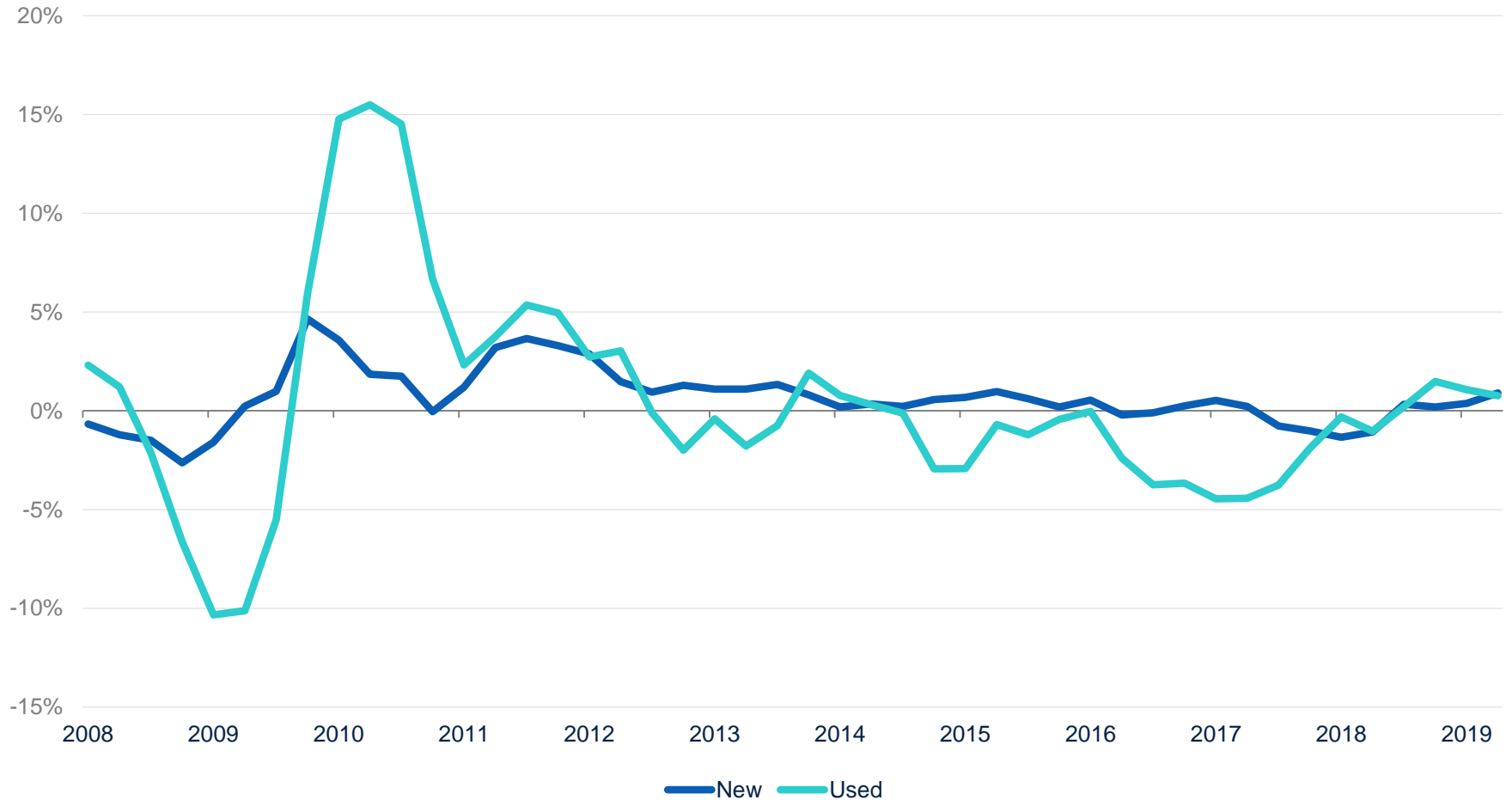
HOW WOULD YOU DESCRIBE THE CURRENT USED-VEHICLE SALES ENVIRONMENT?



Source: Cox Automotive, Dealer Sentiment Index 2Q19

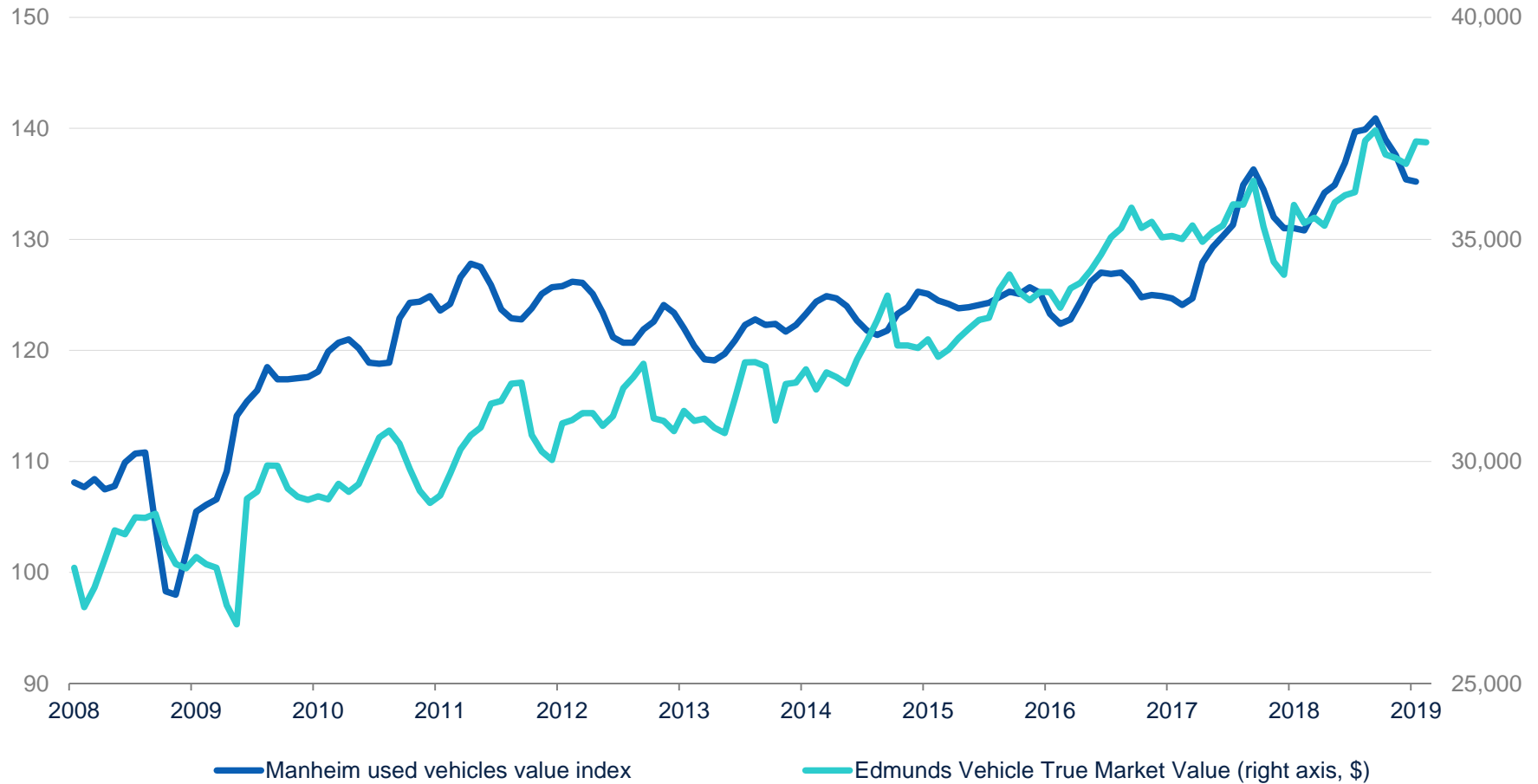
Prices

U.S. CONSUMER PRICE INDEX: CARS AND TRUCKS (YOY % CHANGE)



Prices

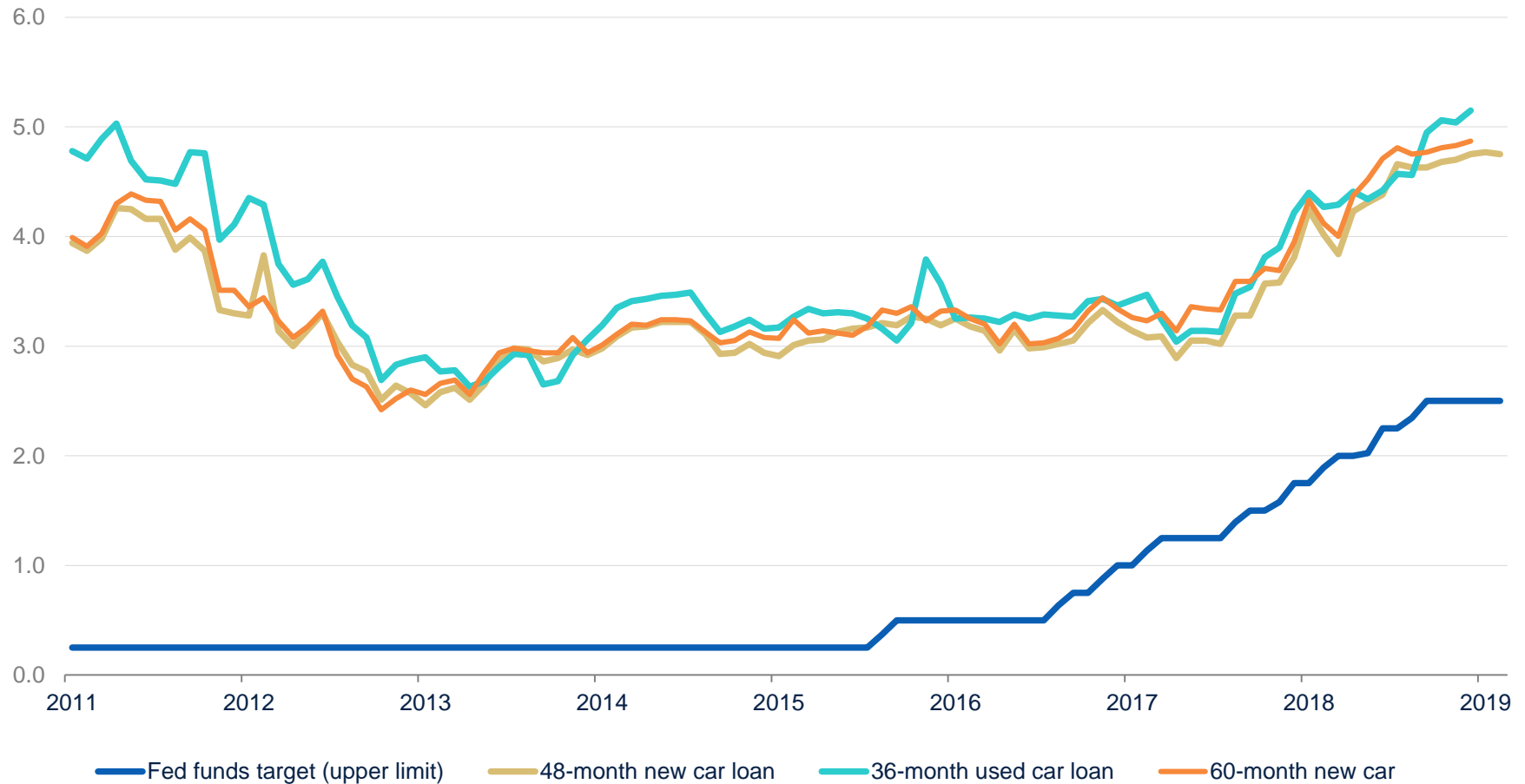
U.S. AUTO PRICES



Financial conditions

U.S. INTEREST RATES

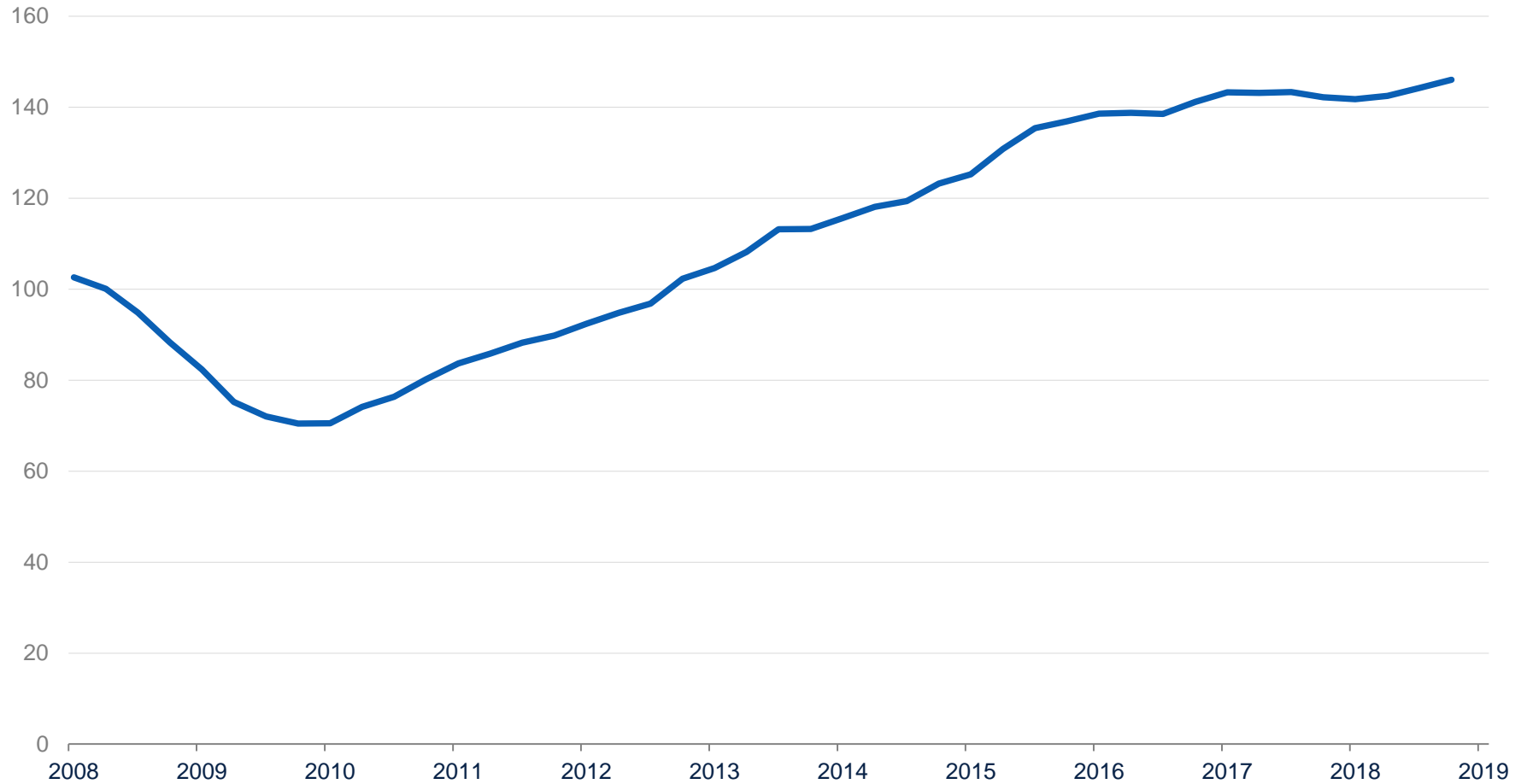
(%)



Financial conditions

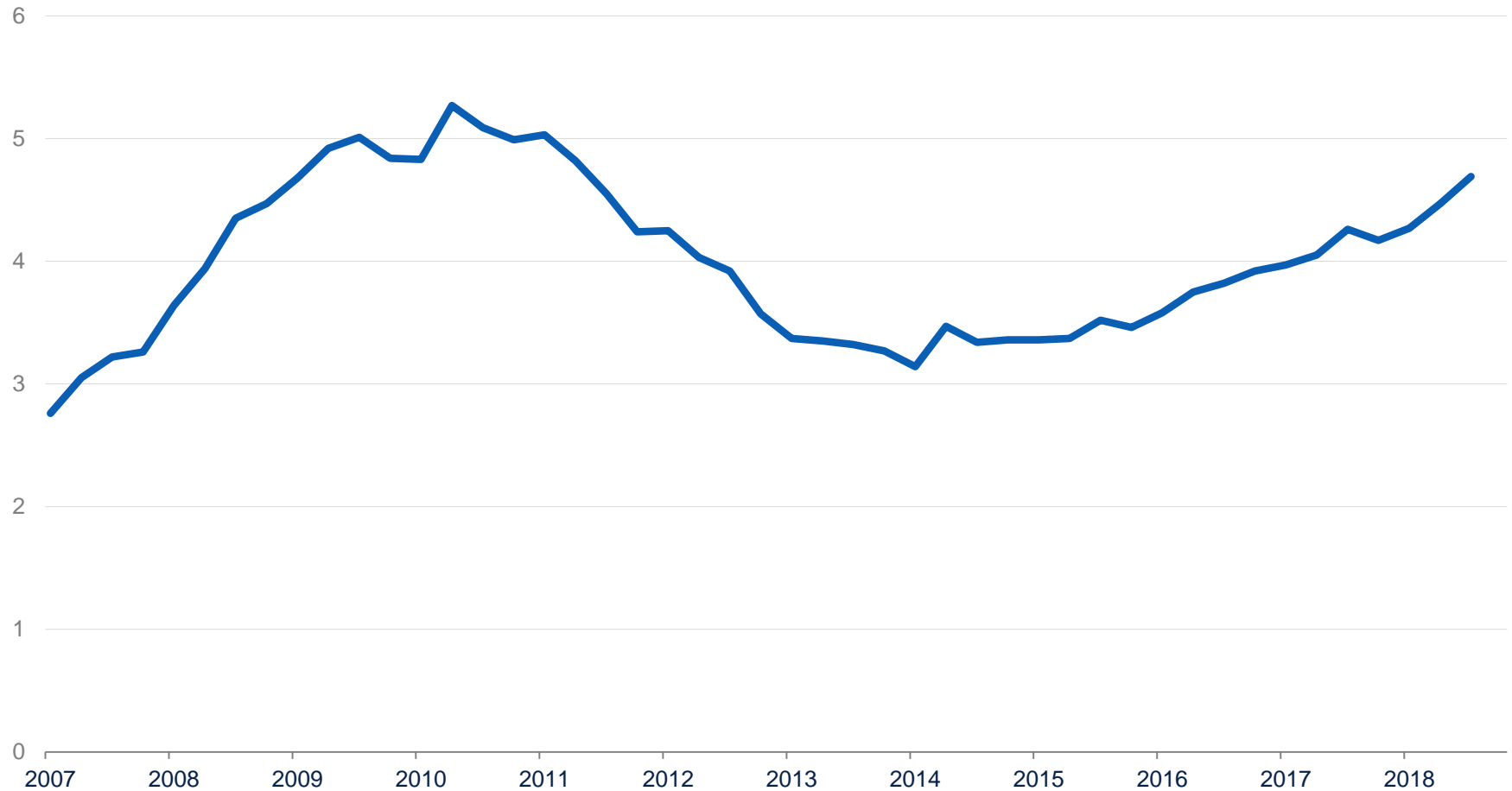
U.S. NEWLY ORIGINATED INSTALLMENT AUTO LOANS

(\$ BILLION, EOP, 4-QTR MOVING AVG.)



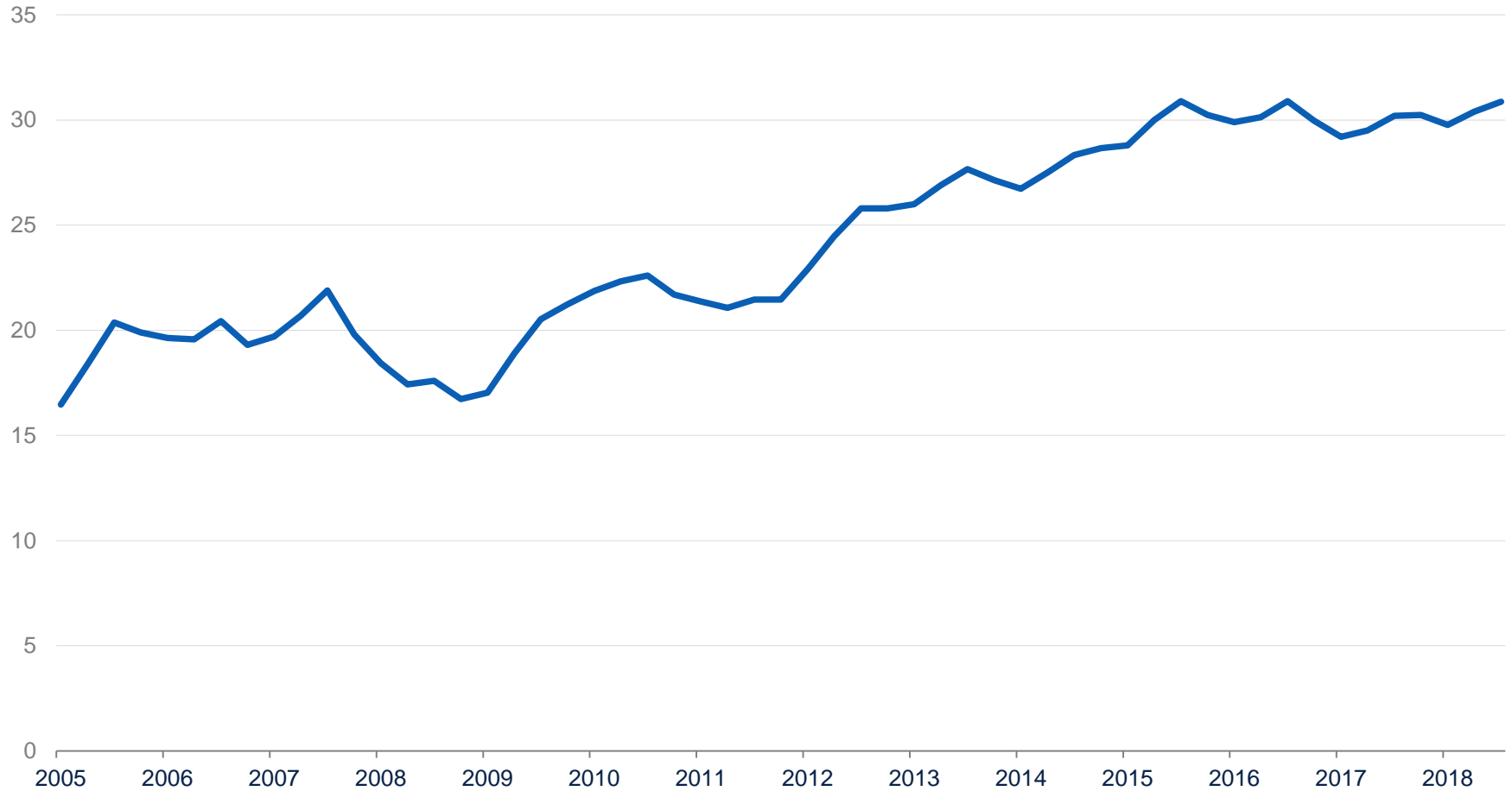
Financial conditions

U.S. AUTO LOAN 90+ DAYS DELINQUENT (% OF BALANCE)



Leasing

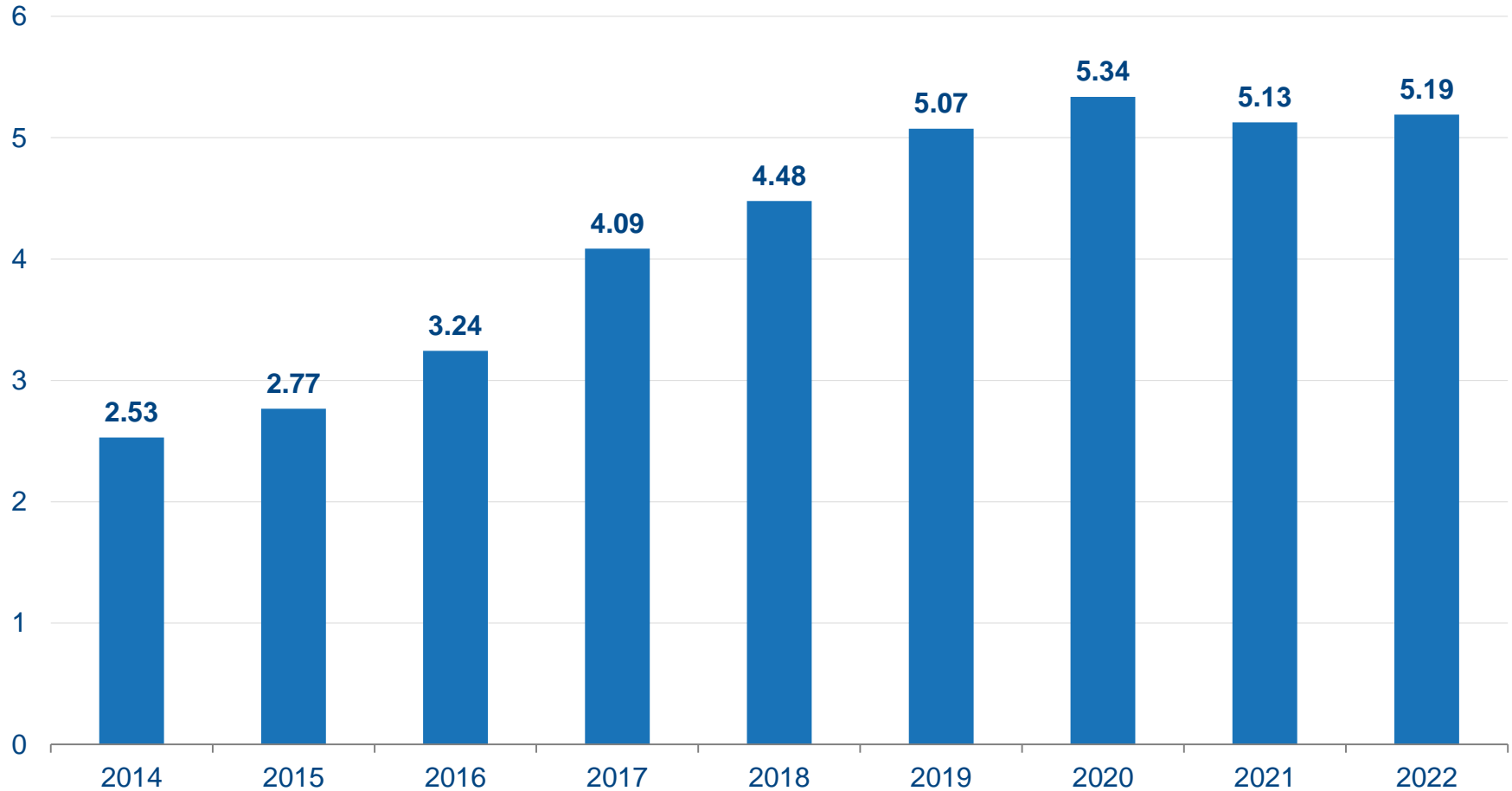
U.S. LEASING PENETRATION RATE (%, 3-MONTH MOVING AVERAGE)



Leasing

OFF-LEASE RETURNS AND SUPPLY*

(MILLIONS UNITS)



*Assumes 36-month lease terms

Source: Bloomberg and BBVA Research

Gasoline

U.S. RETAIL GASOLINE PRICE (CENTS PER GALLON)

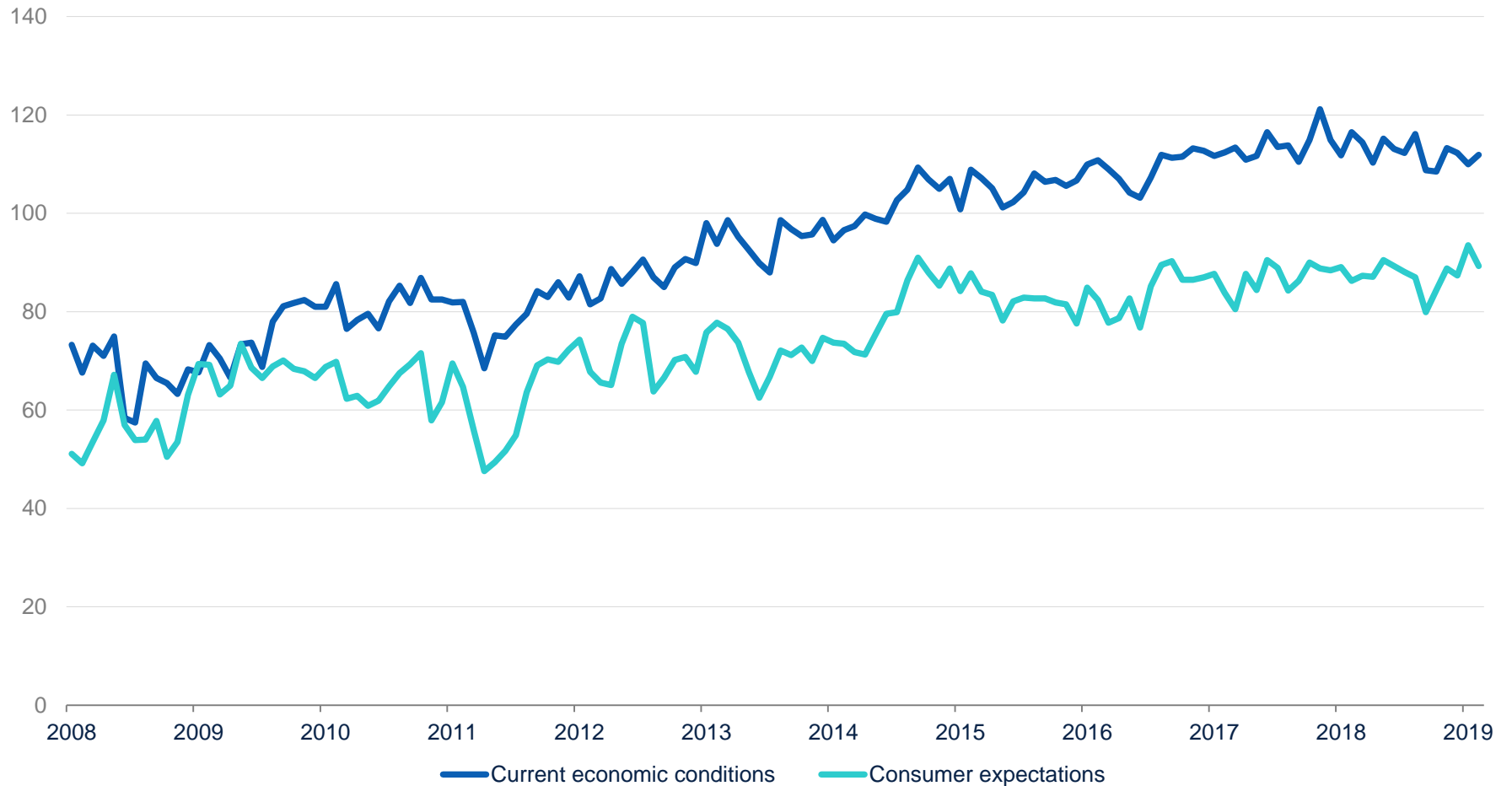


02

Consumers

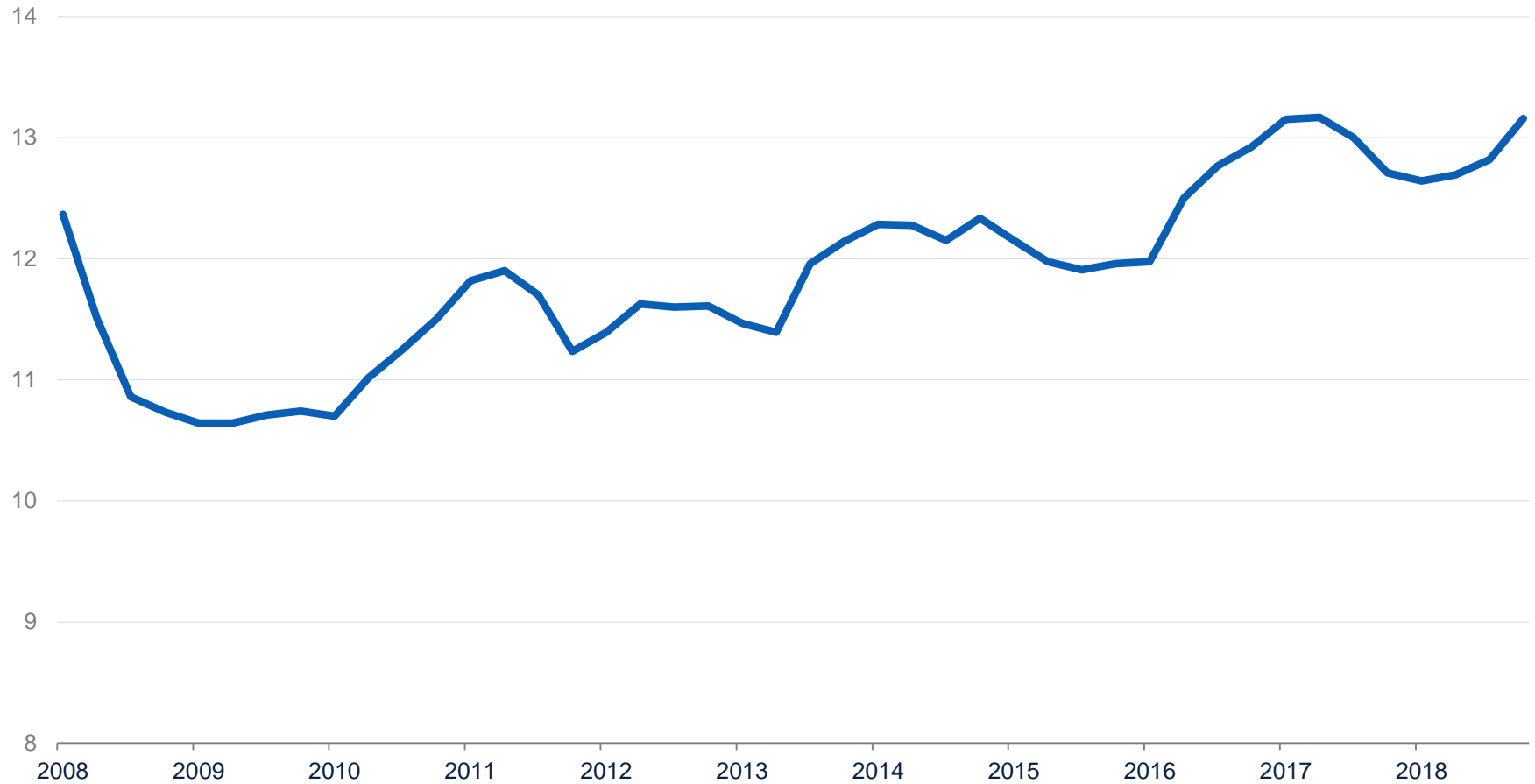
Consumers

UNIVERSITY OF MICHIGAN: CONSUMER SENTIMENT INDEX



Consumers

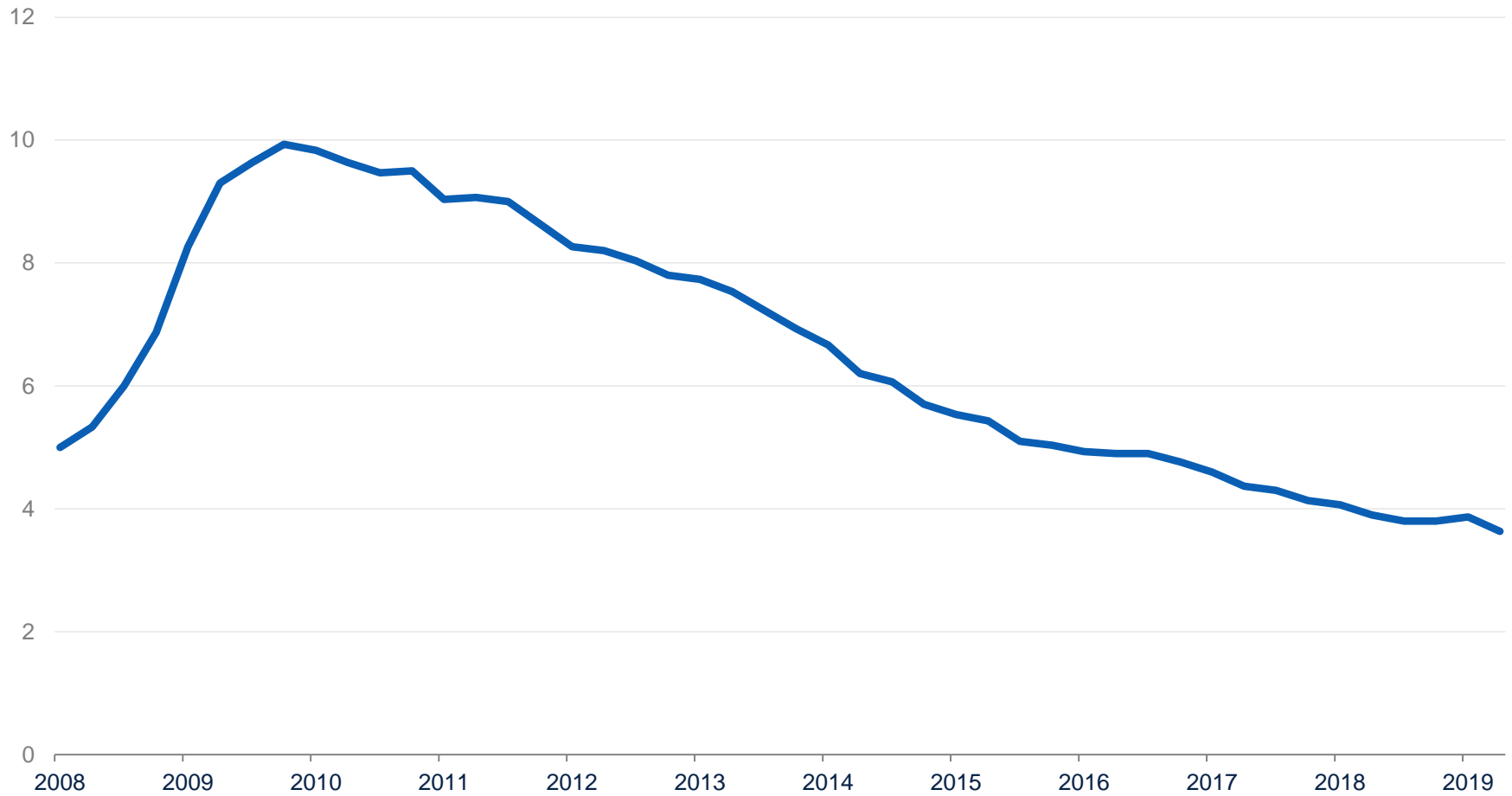
CONFERENCE BOARD: CONSUMER PLANS TO BUY A CAR WITHIN 6 MONTHS (% OF RESPONDENTS)



Consumers

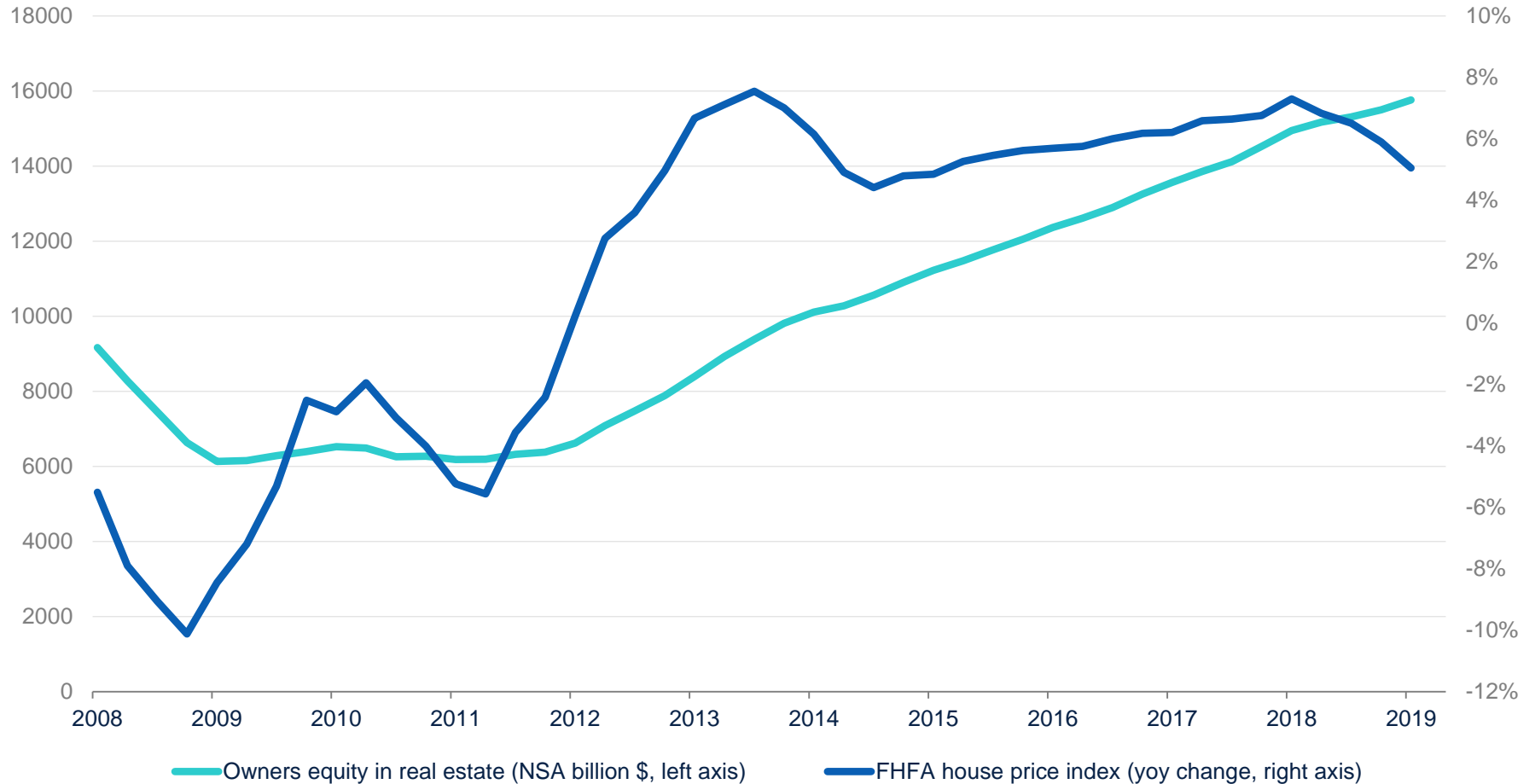
U.S. UNEMPLOYMENT RATE

(%)



Consumers

U.S. HOUSEHOLD EQUITY AND HOME PRICES

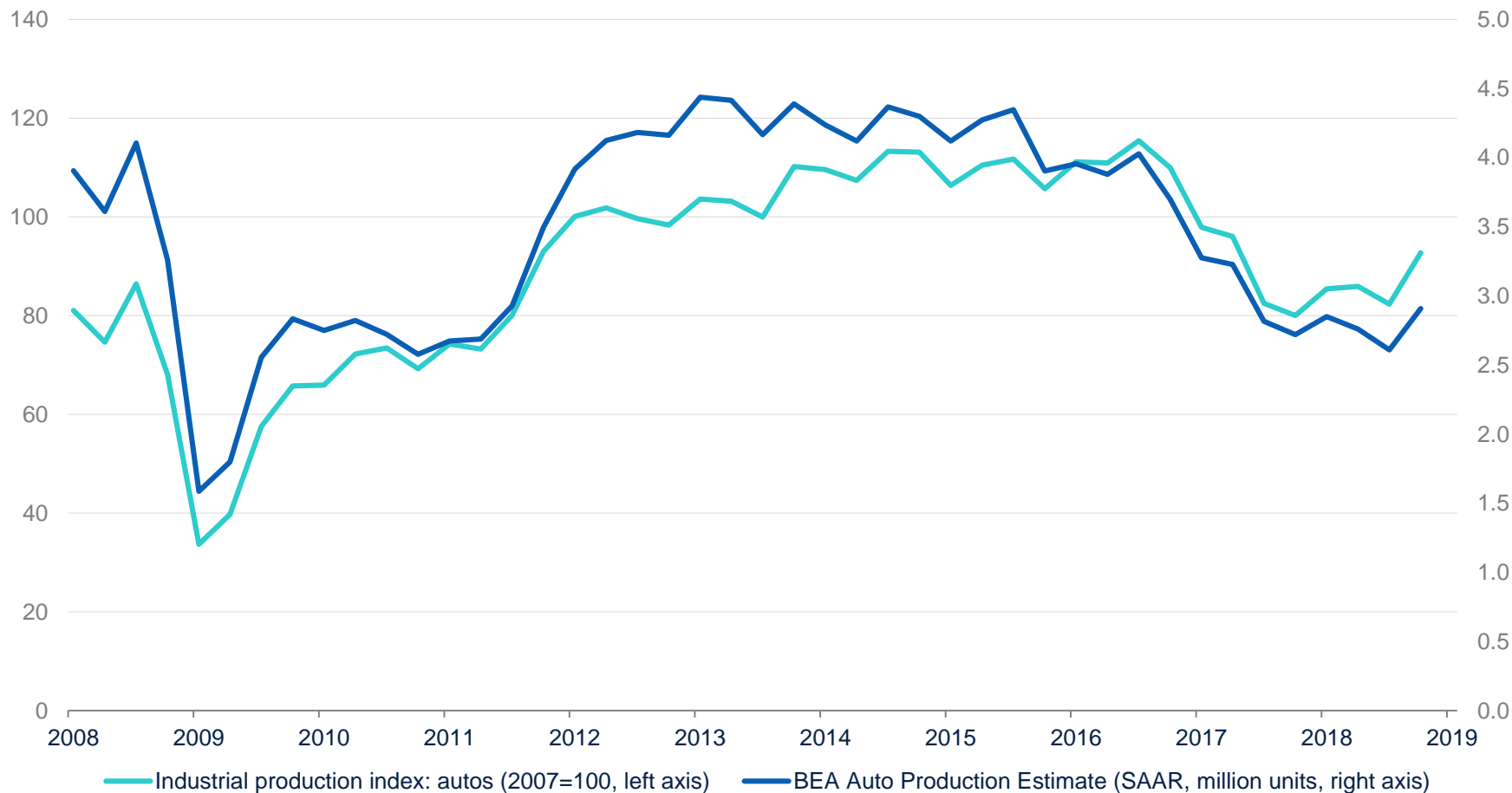


03

Production

Production

U.S. AUTO PRODUCTION

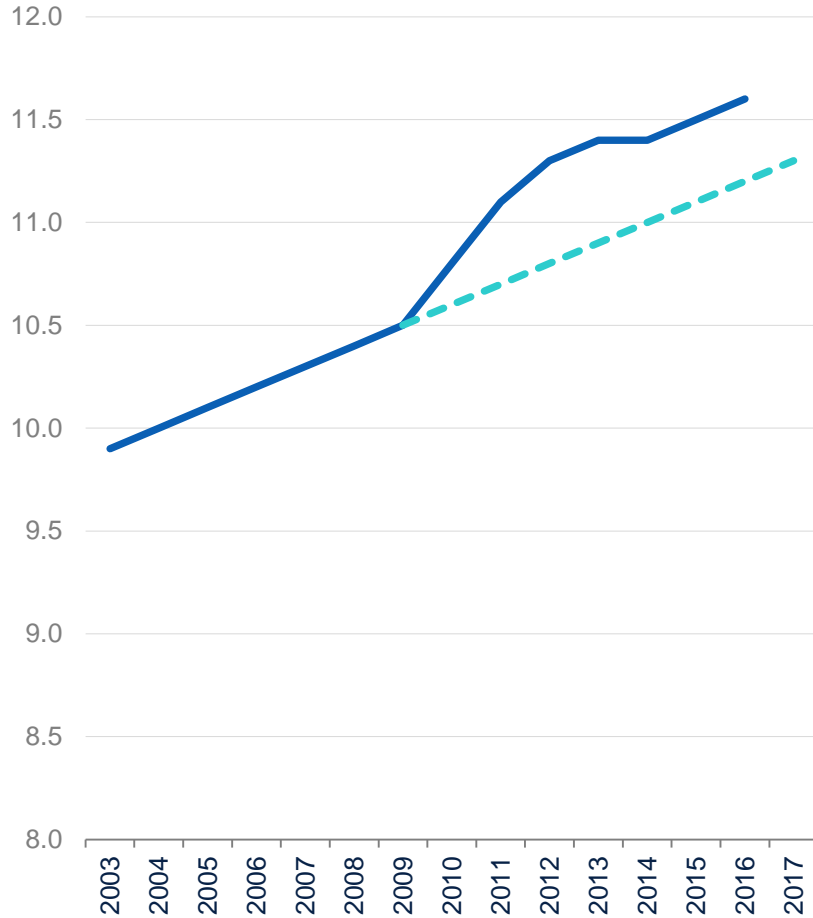


04

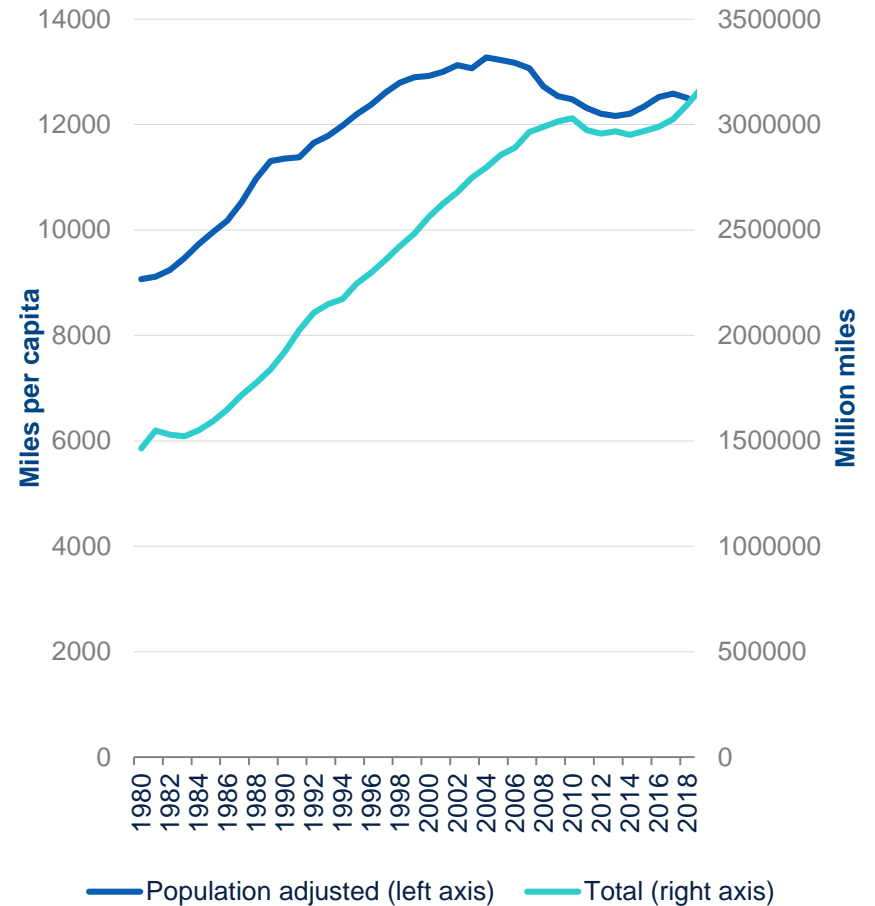
Structural

Fundamentals

MEAN AGE OF PASSENGER CARS IN OPERATION (YEARS)



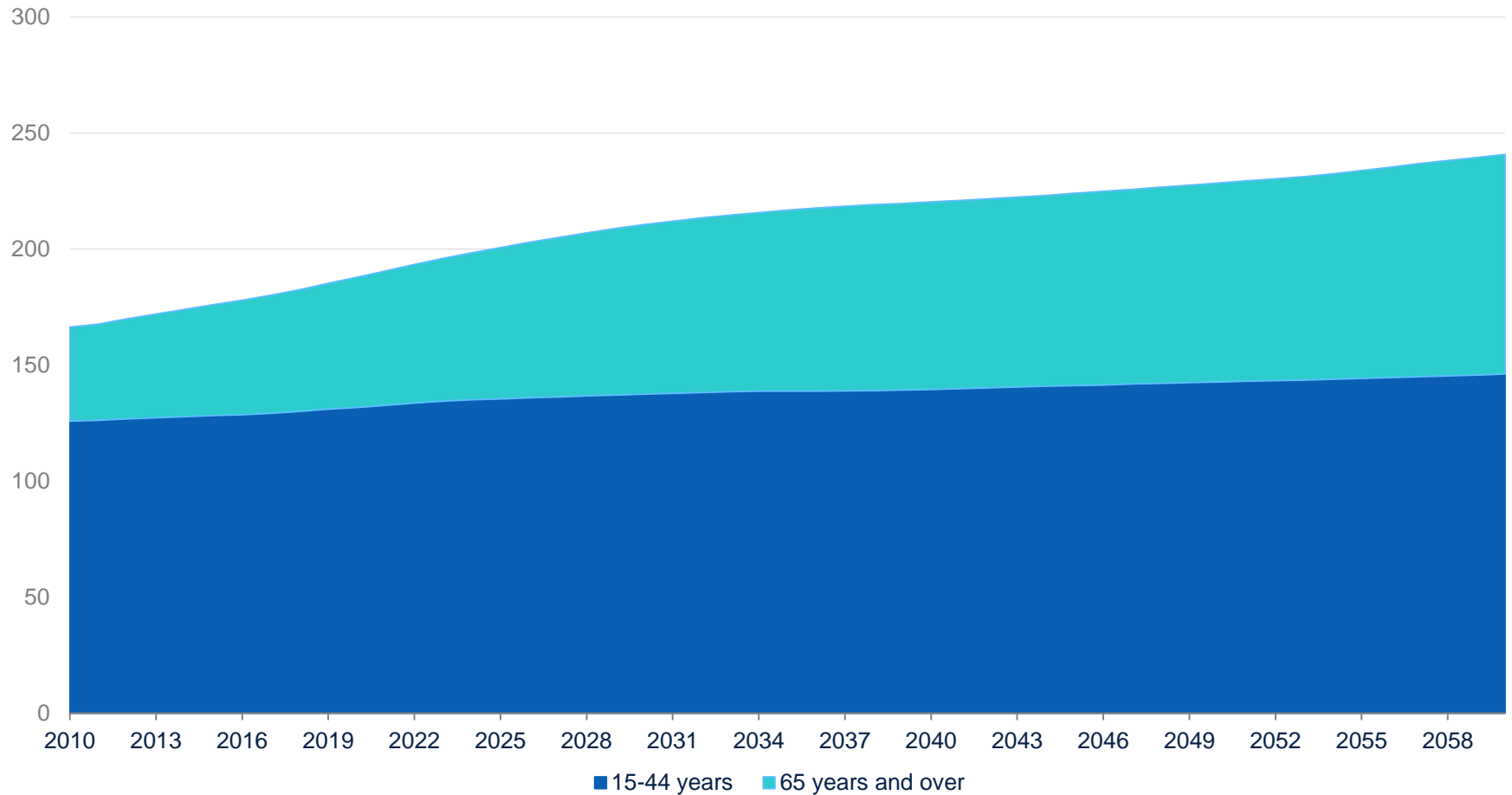
VEHICLE MILES OF TRAVEL (TOTAL AND ADJUSTED BY POPULATION)



Source: BBVA Research and Haver Analytics

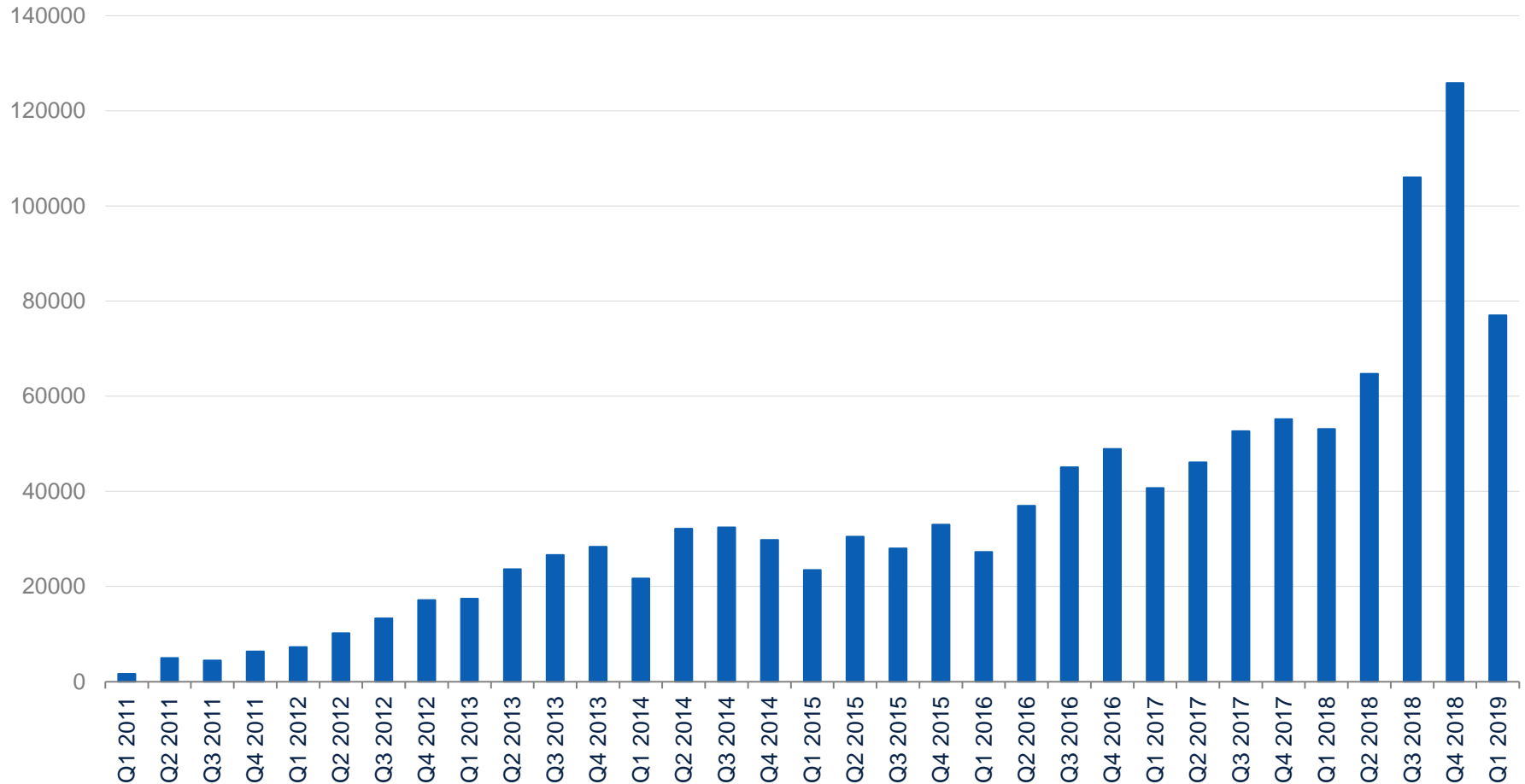
Demographics

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 | 2.00 | 1.75 | 1.75 | 2.25 |
| 5-year Treasuries* (%, avg) | 1.5 | 1.3 | 1.9 | 2.8 | 2.05 | 1.58 | 1.77 | 2.14 |

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