

# U.S. Auto Sales Chartbook

May 2020

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# Main messages



**COVID-19** will have a negative impact on vehicle sales through 2020 due to lockdowns and economic contraction. The worst impact is likely to be felt in 2Q



**Monetary and fiscal stimulus** will provide some relief to dealers and consumers, but with some lag



**A gradual recovery** seems more likely since consumer confidence and employment will take time to return to pre-pandemic levels



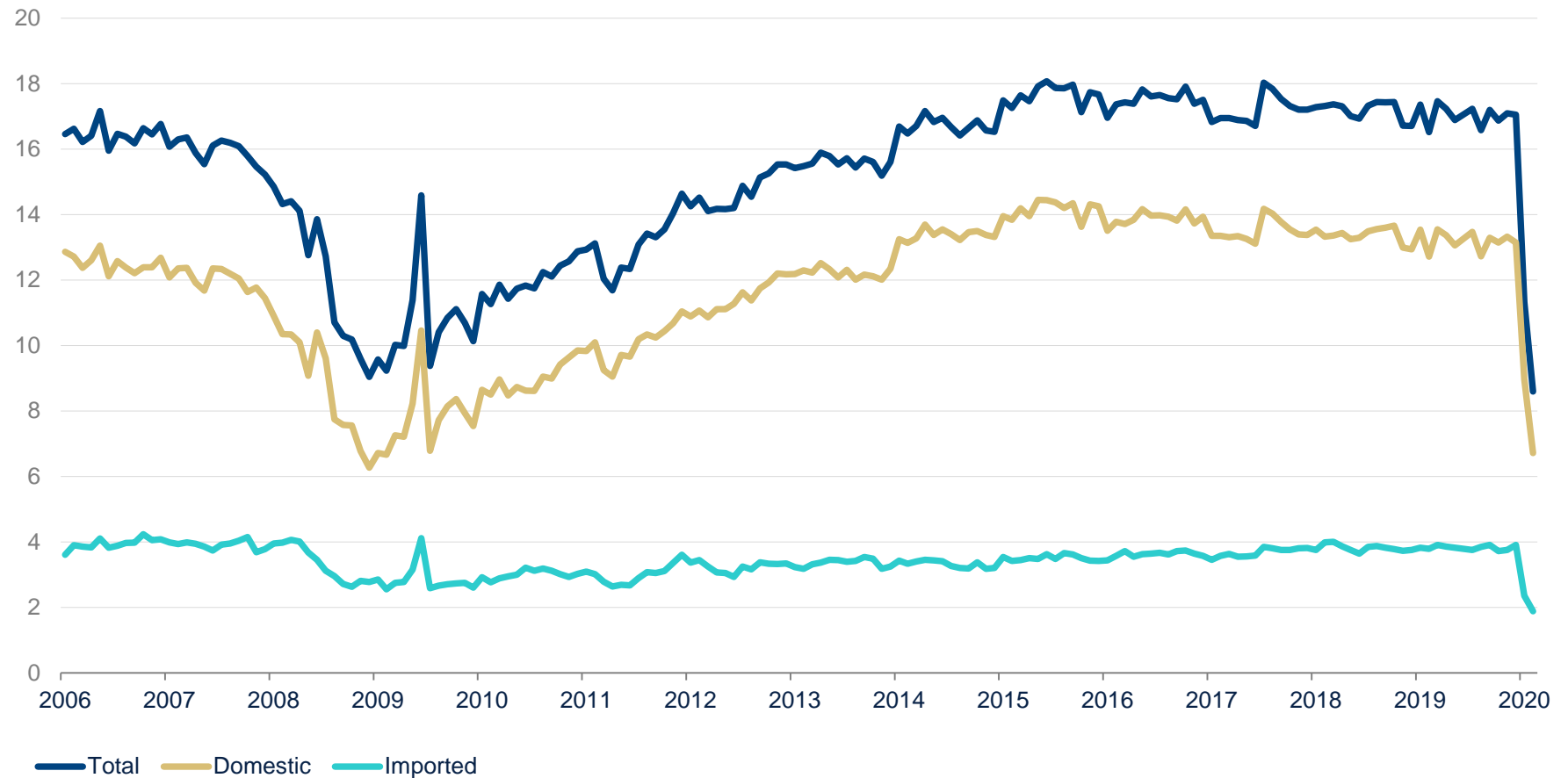
**In the long-run**, sales could be affected by changes in consumer behavior induced by the pandemic (e.g. people moving away from urban areas, or increasing rates of remote work)

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Sales

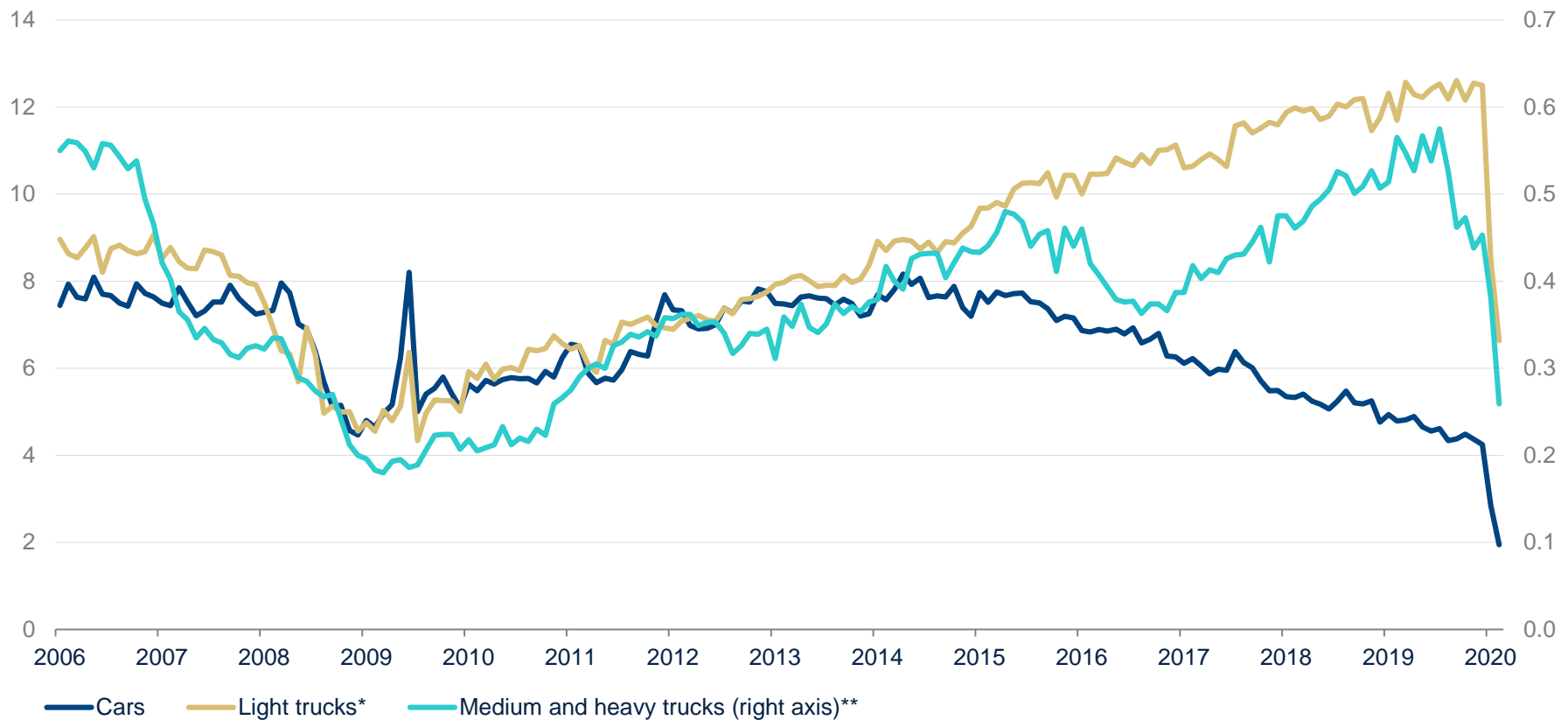
# Sales

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



# Sales

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



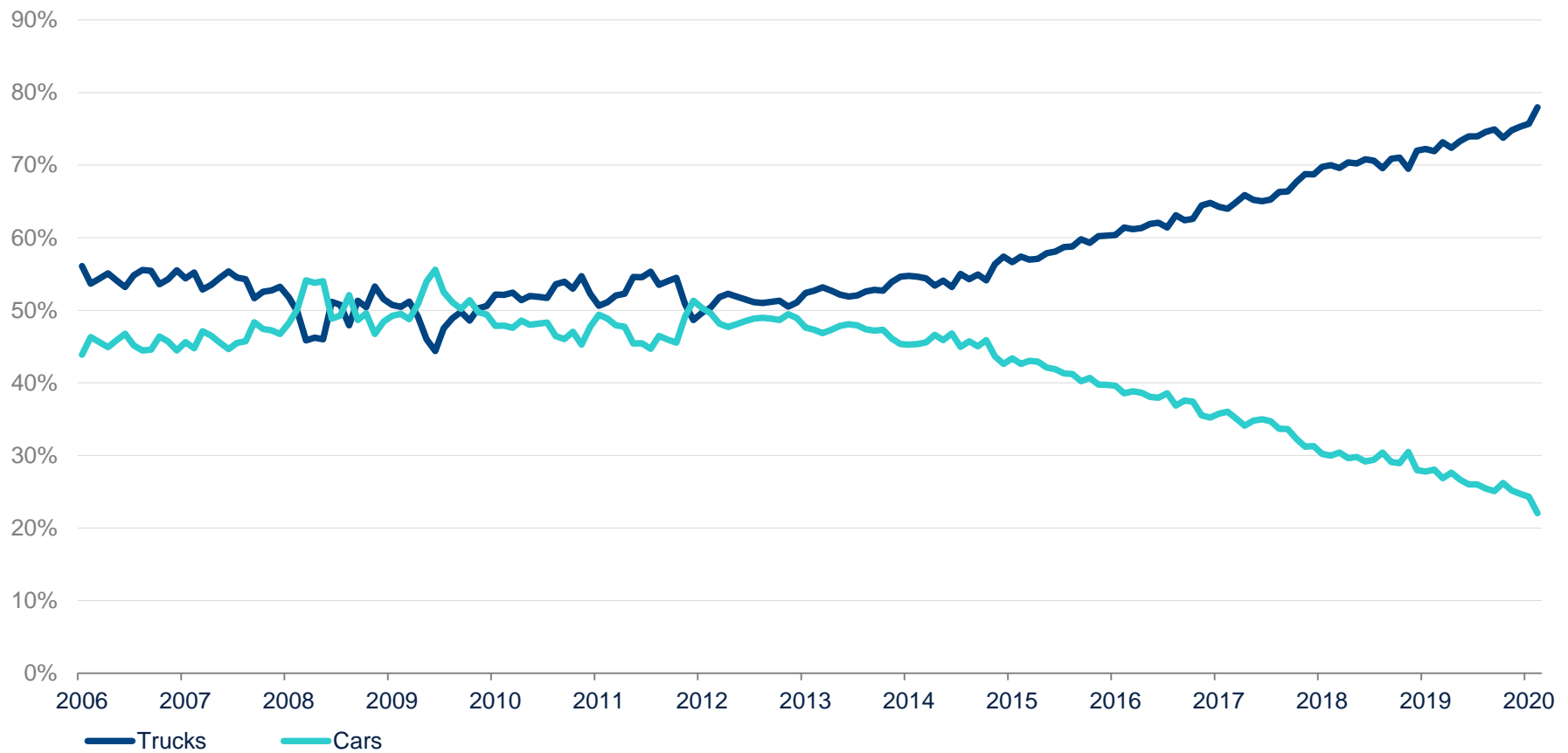
\* 0-14,000 pounds GVWR

\*\*14,001 pounds GVWR and over

Source: BBVA Research and Haver Analytics

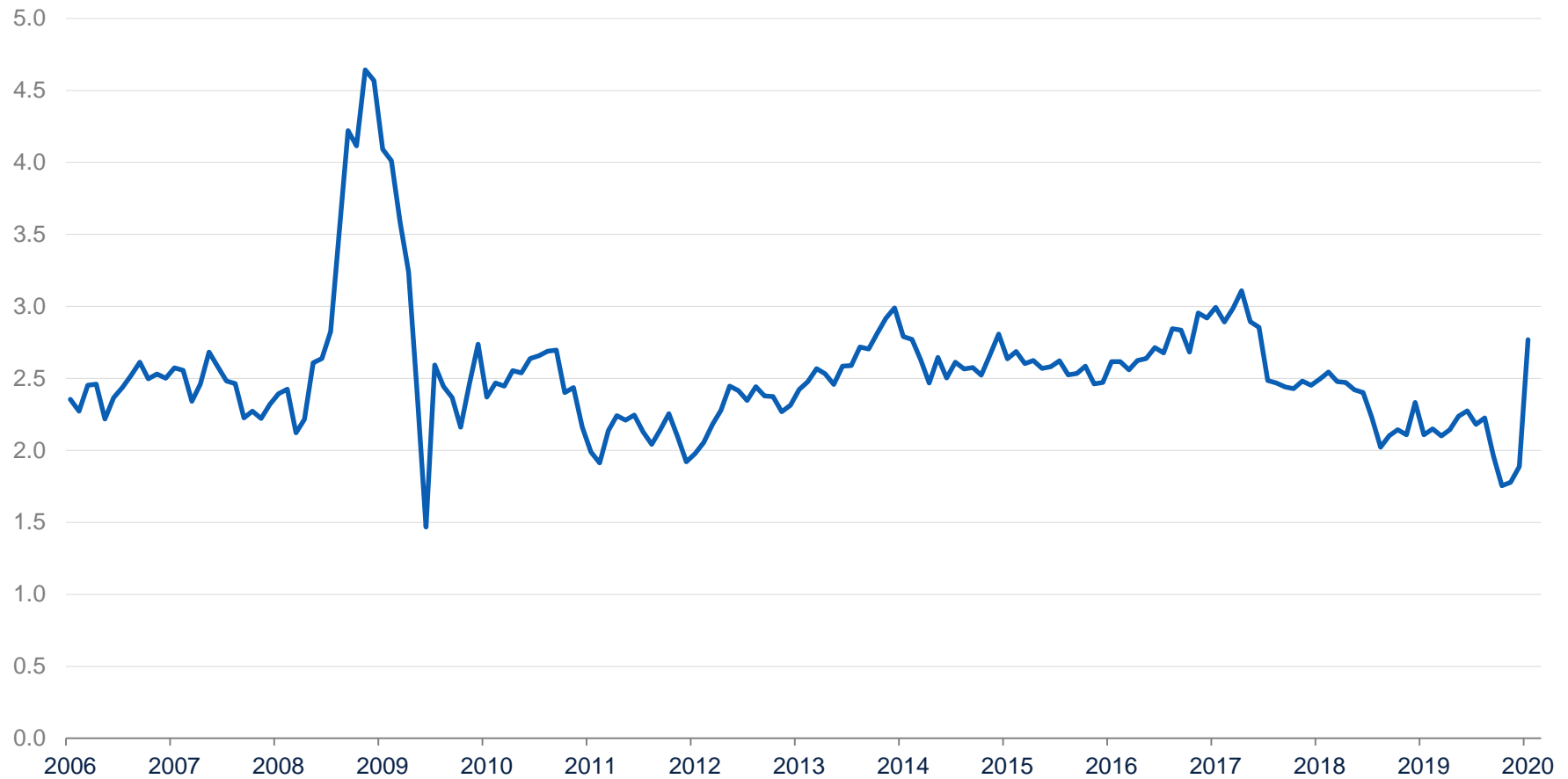
# Sales

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



# Sales

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

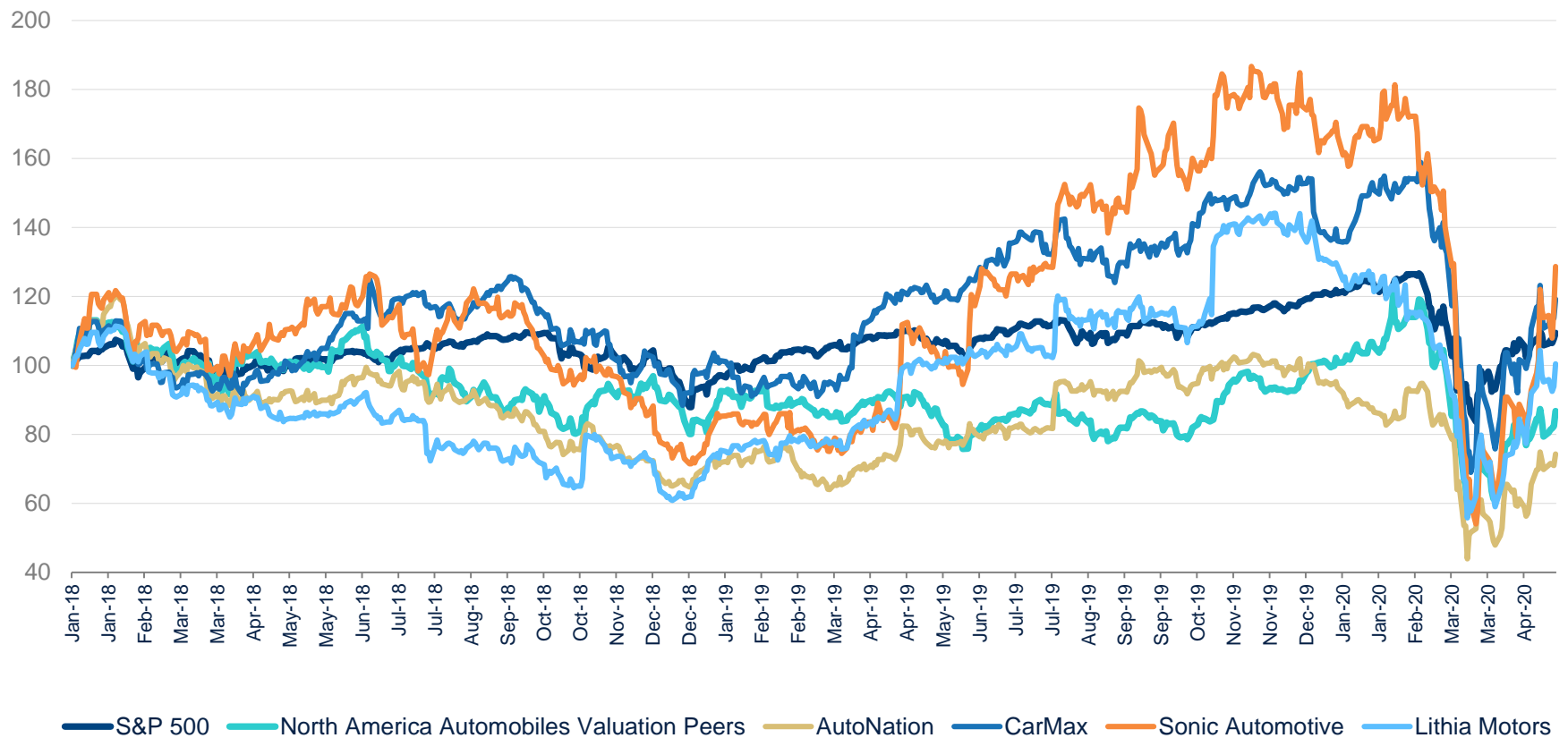




# Stock market

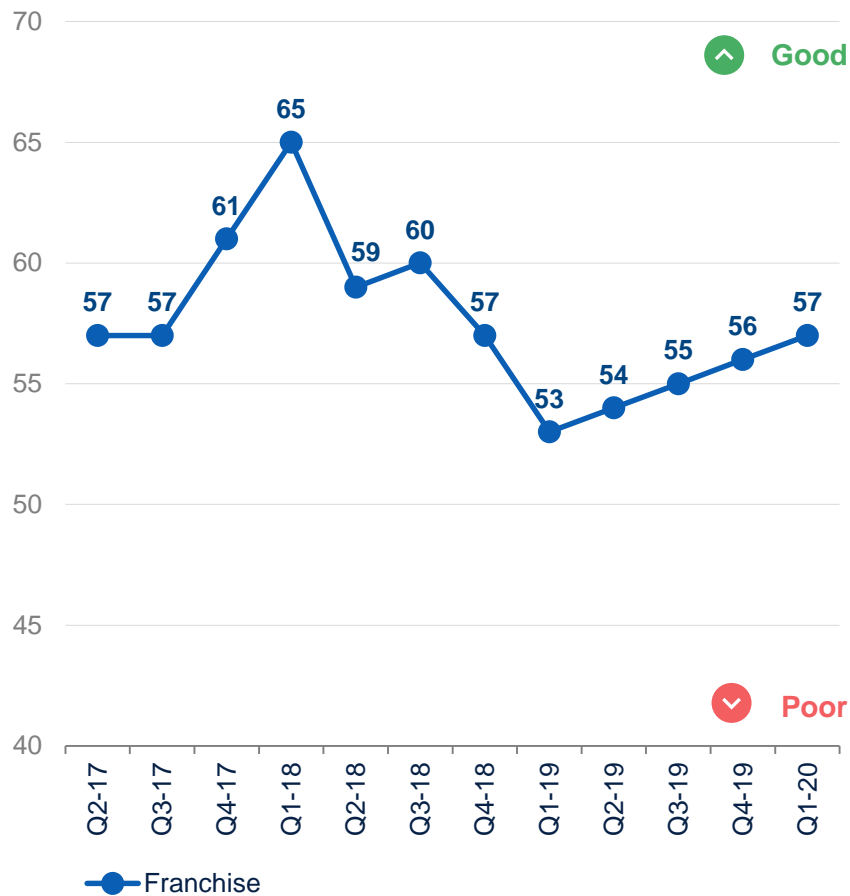
## STOCK MARKET INDICATORS

(INDEX, 1/1/2018 = 100)

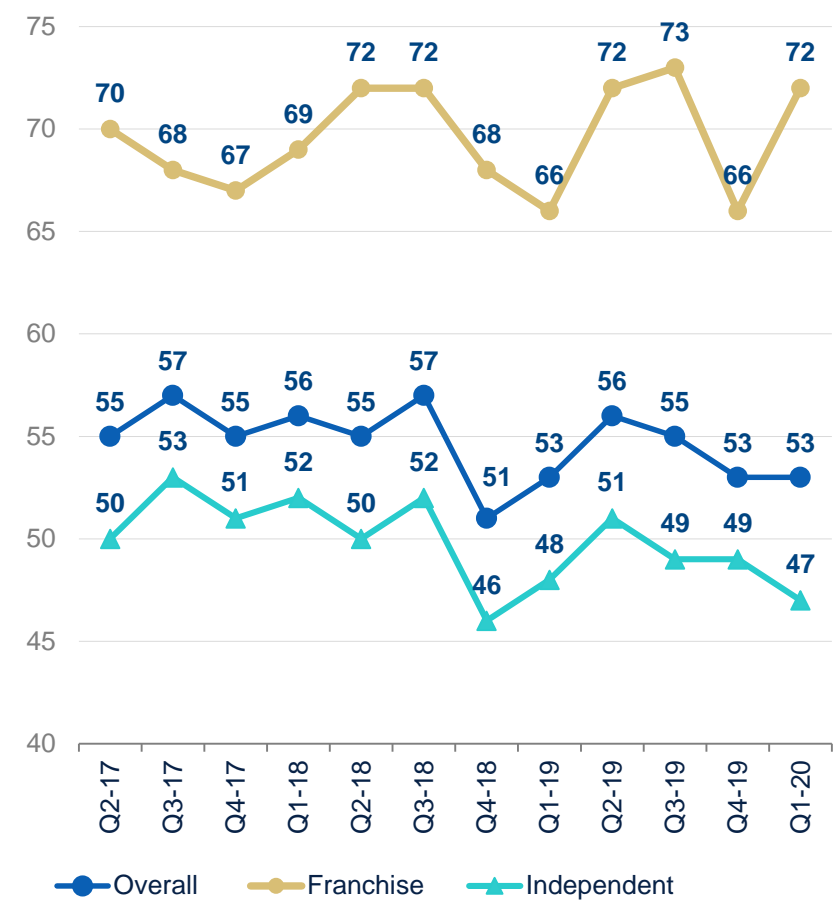


# Dealers

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



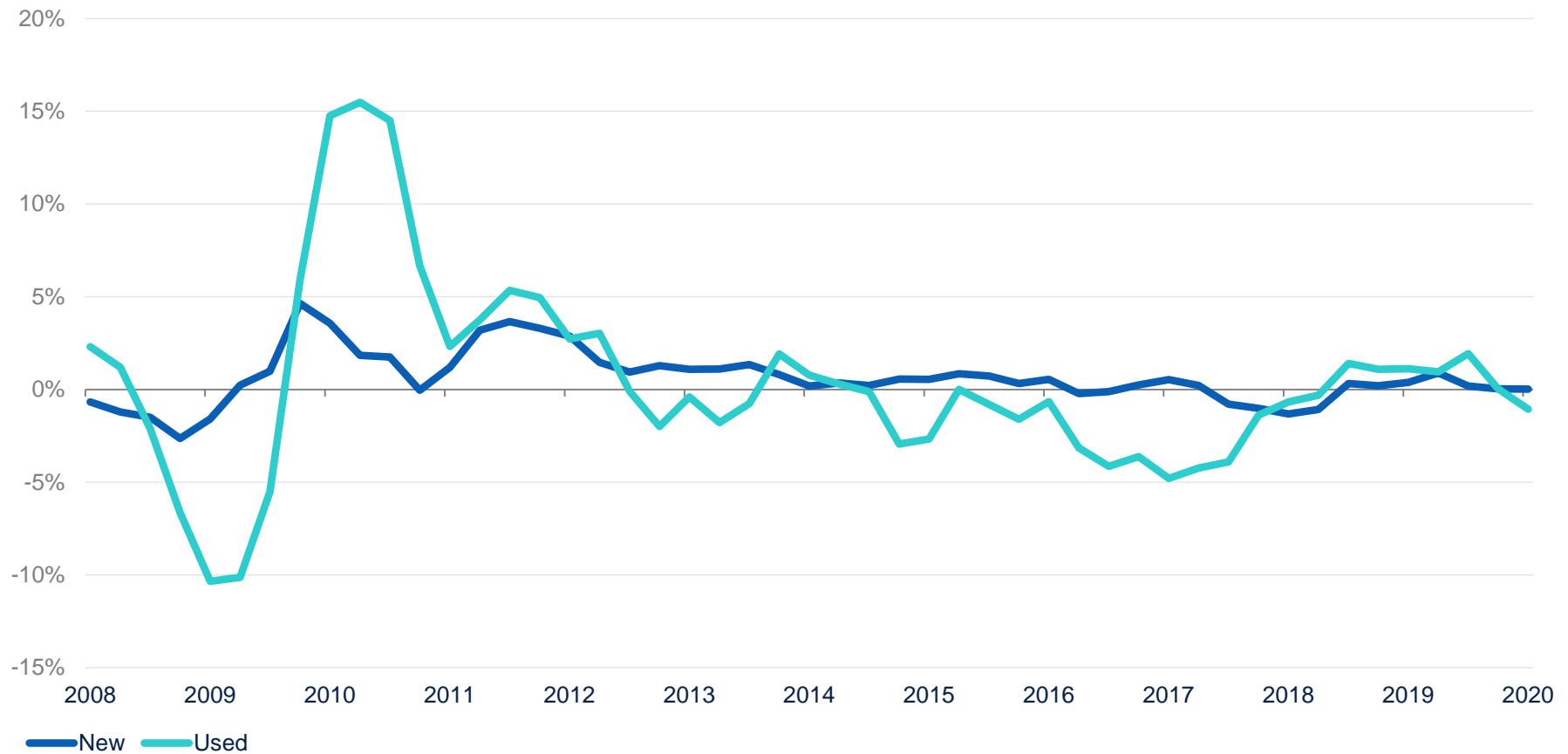
## HOW WOULD YOU DESCRIBE THE CURRENT USED-VEHICLE SALES ENVIRONMENT?



Source: Cox Automotive, Dealer Sentiment Index 1Q20

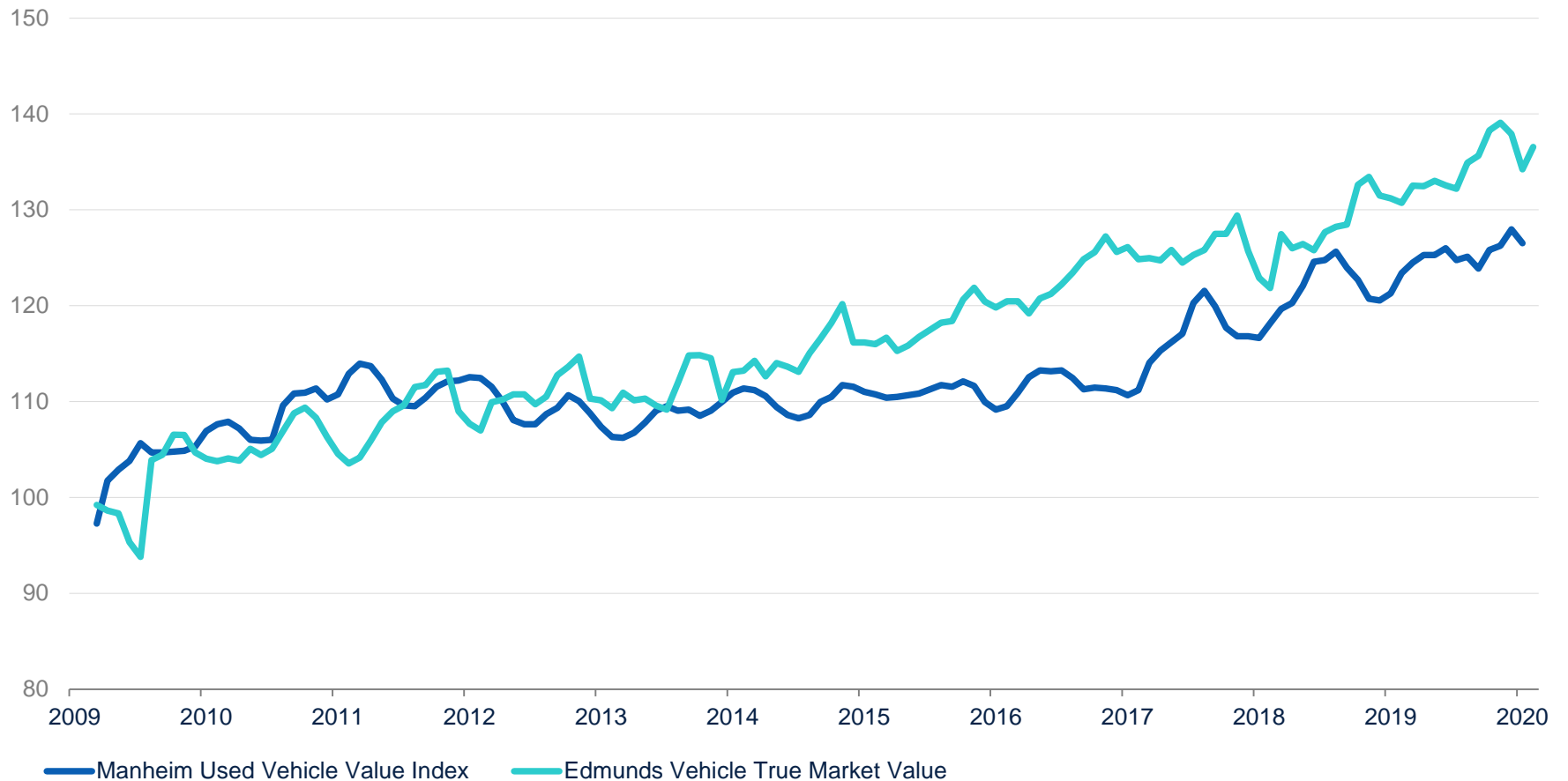
# Prices

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



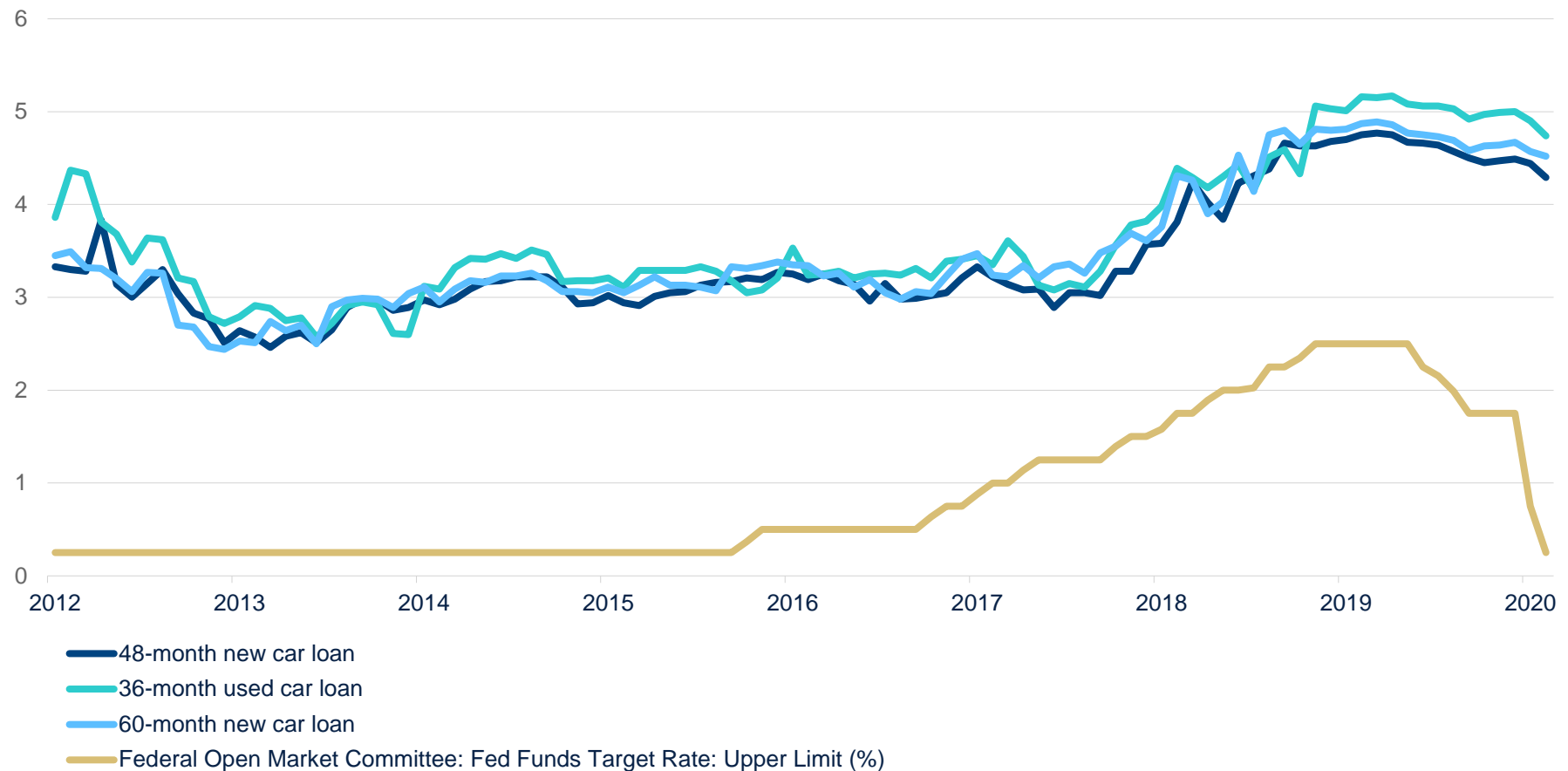
# Prices

## U.S. AUTO PRICES (INDEX, 2009 = 100)



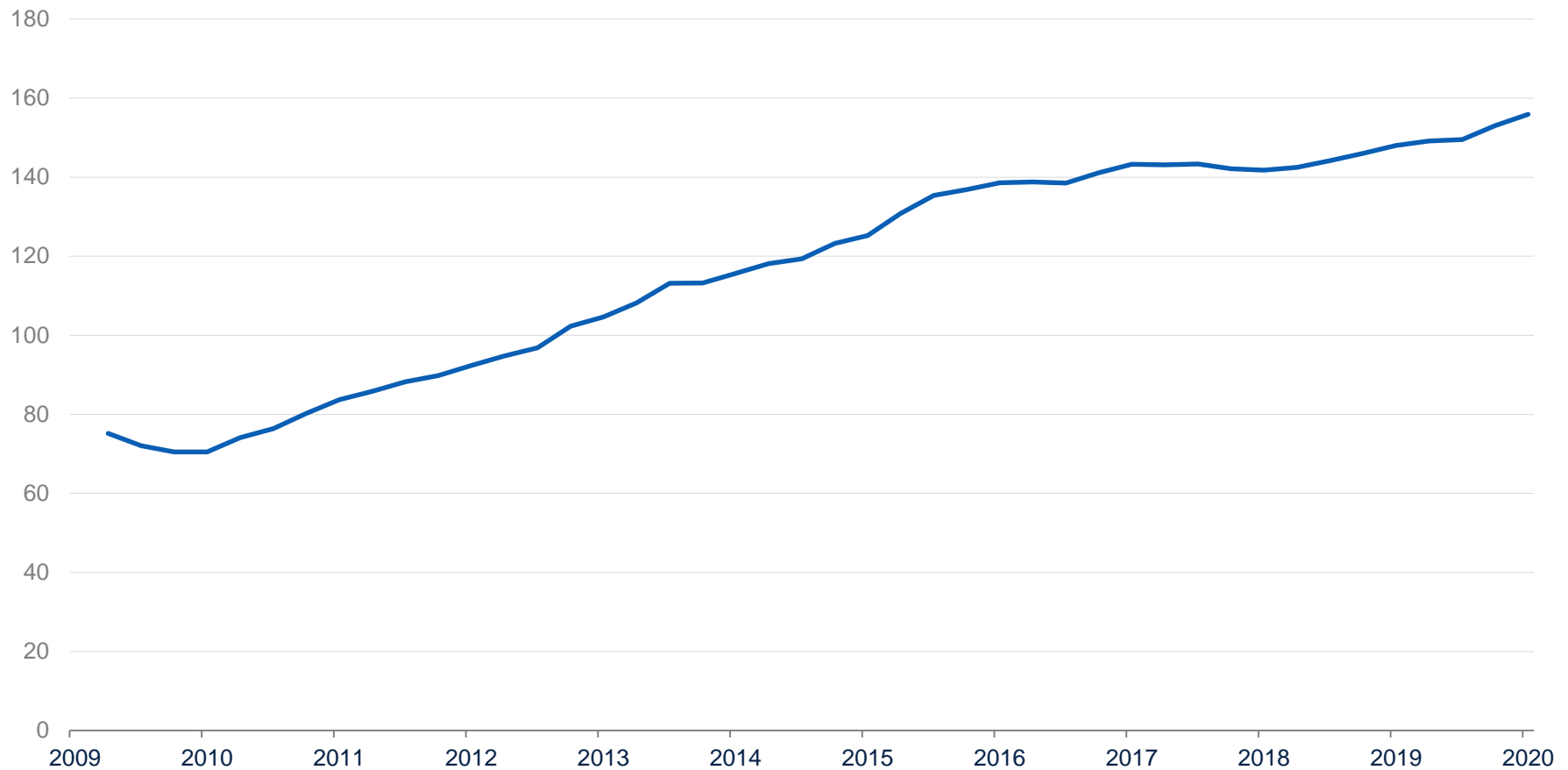
# Financial conditions

## U.S. INTEREST RATES (%)



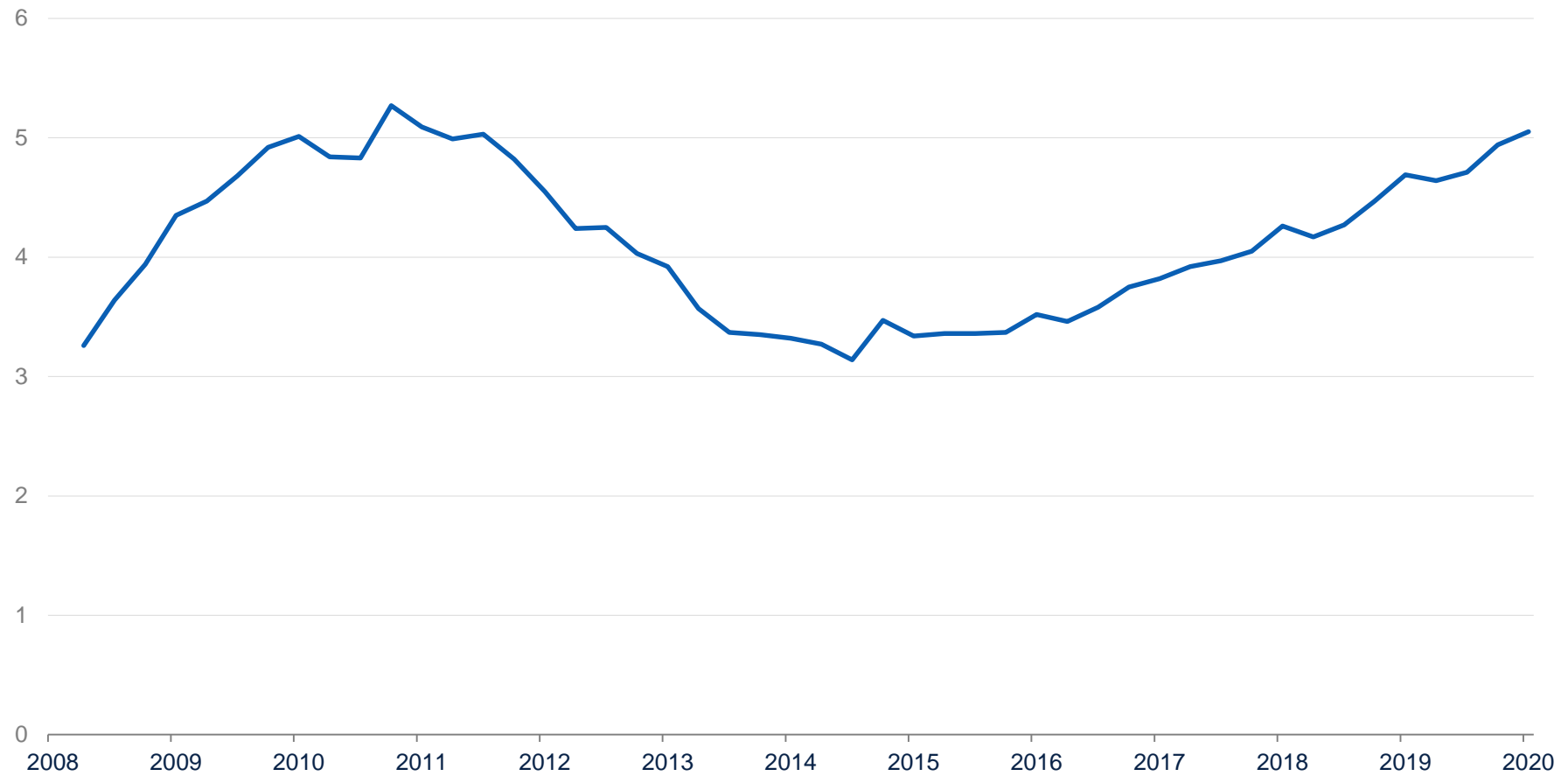
# Financial conditions

## U.S. NEWLY ORIGINATED INSTALLMENT AUTO LOANS (\$ BILLION, EOP, 4-QTR MOVING AVG.)



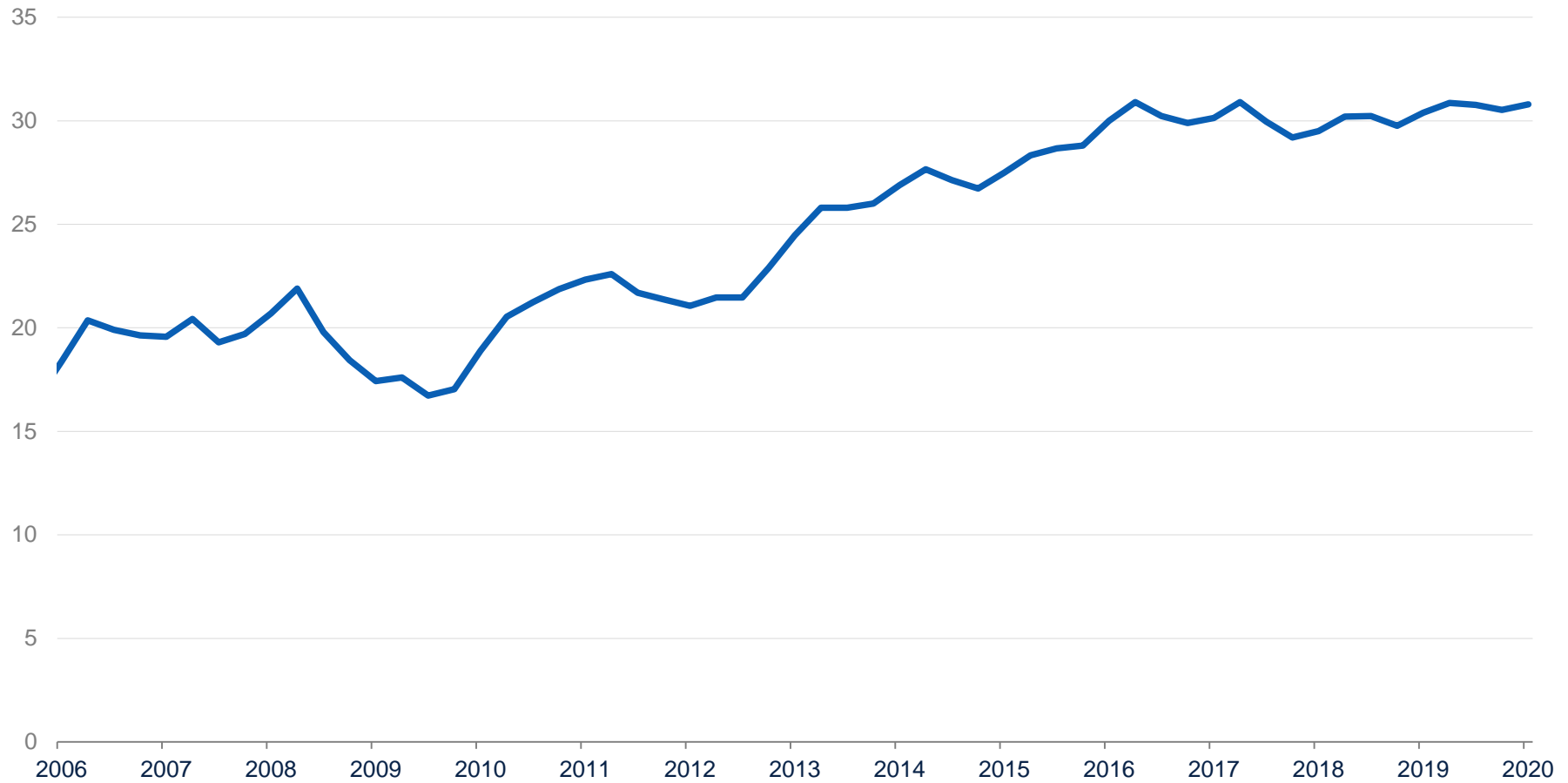
# Financial conditions

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



# Leasing

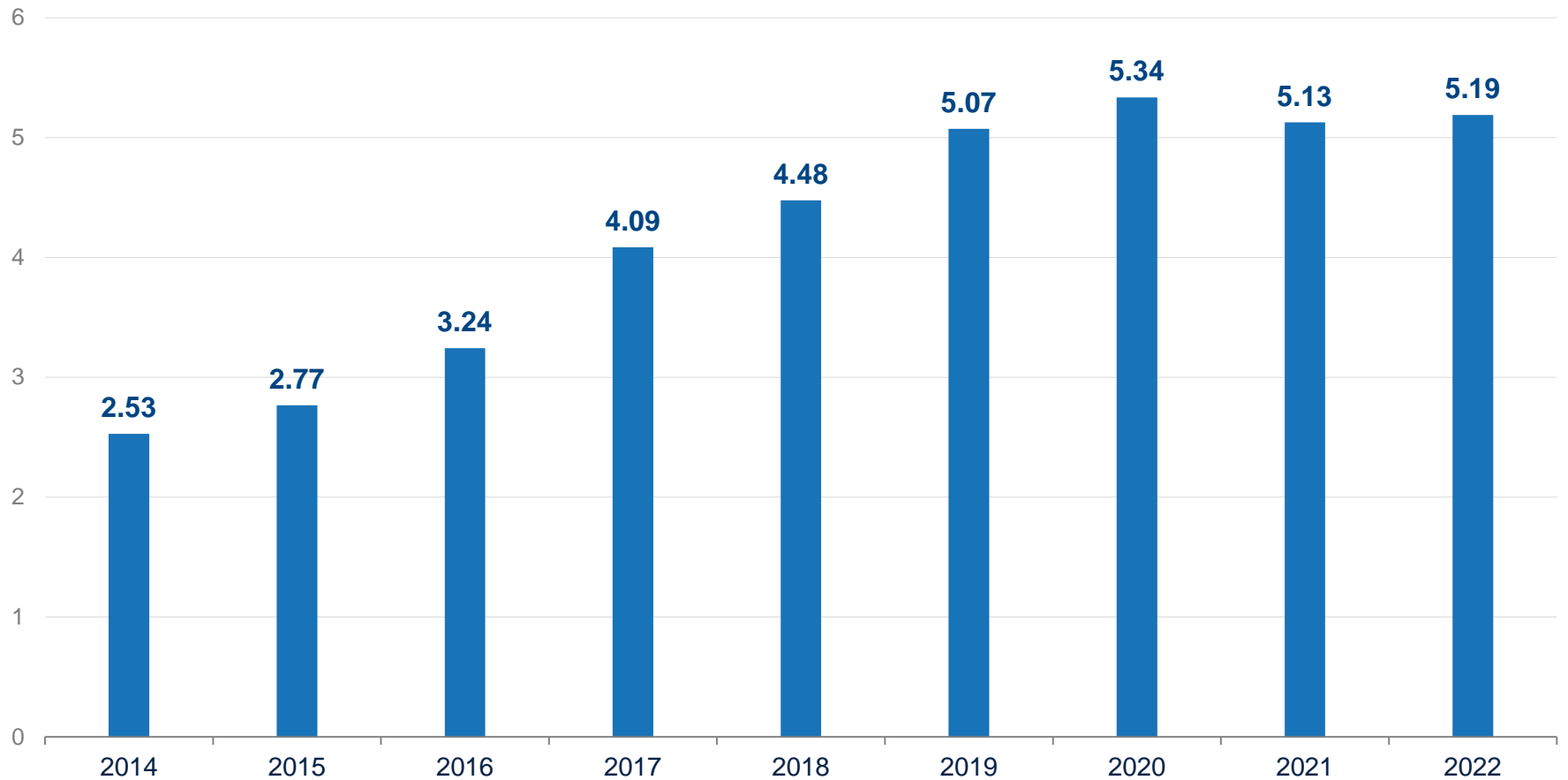
## U.S. LEASING PENETRATION RATE (%, 3-MONTH MOVING AVERAGE)





# Leasing

## OFF-LEASE RETURNS AND SUPPLY\* (MILLIONS UNITS)

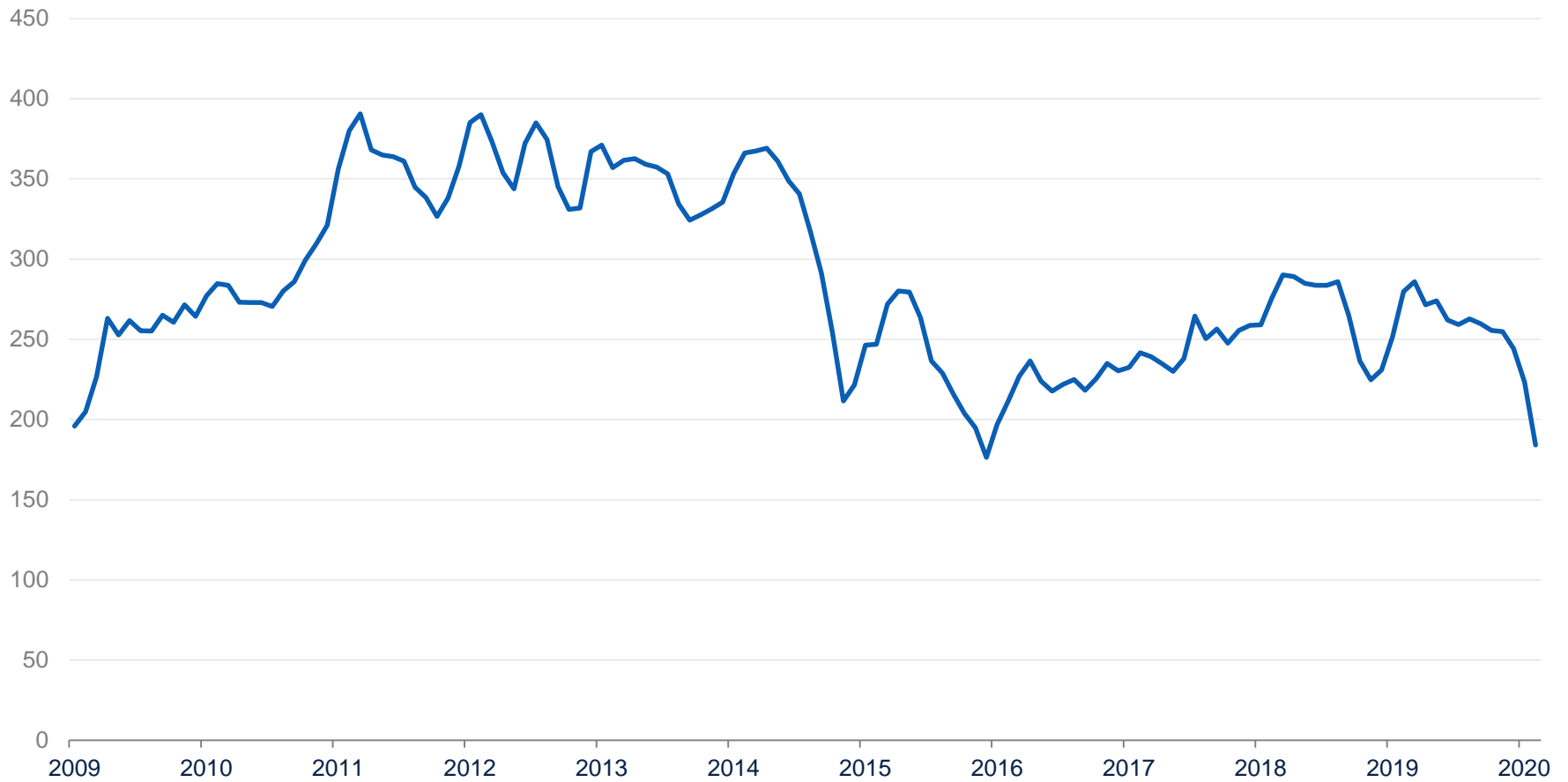


\*Assumes 36-month lease terms

Source: Bloomberg and BBVA Research

# Gasoline

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

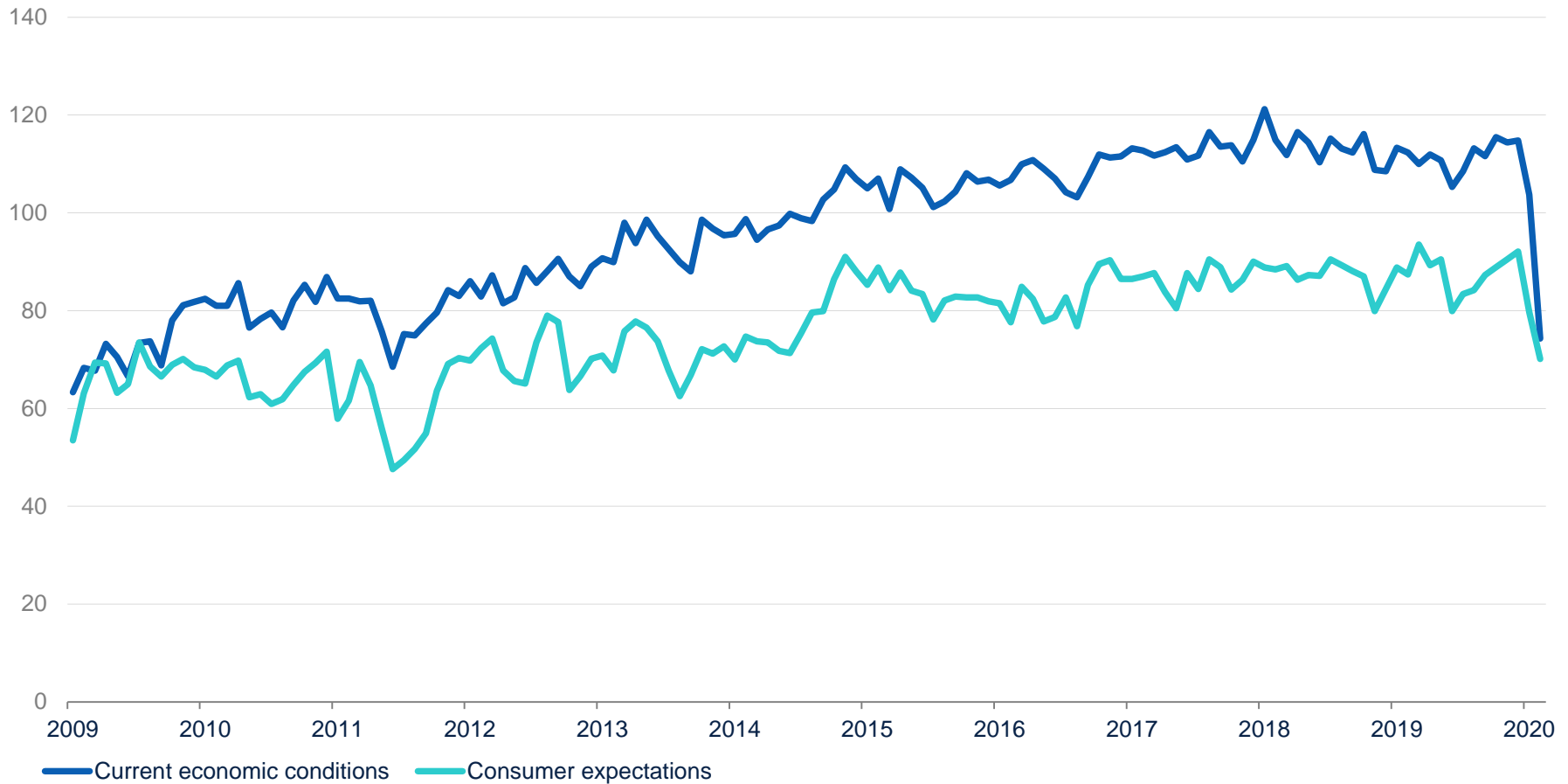


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# Consumers

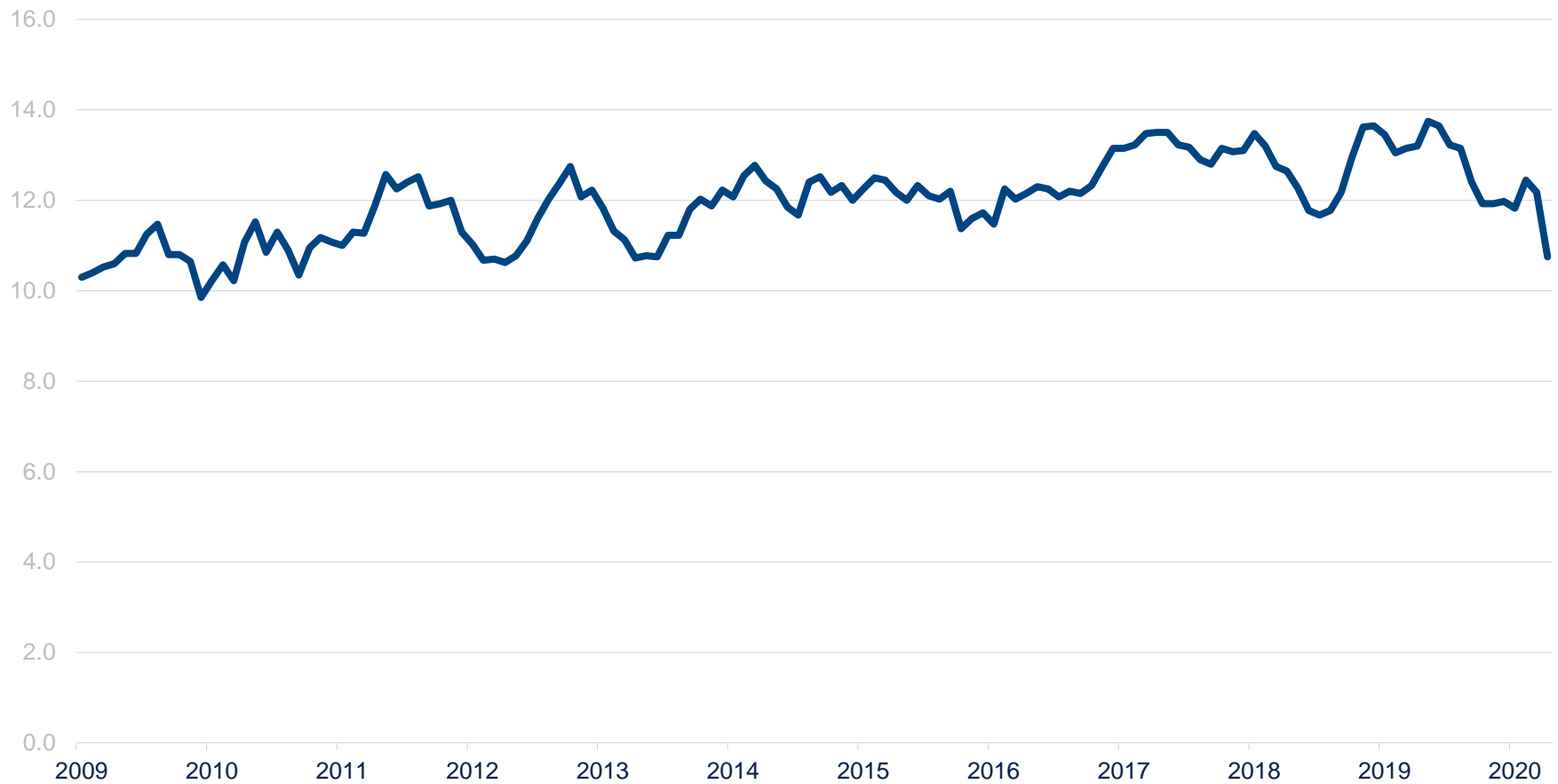
# Consumers

## UNIVERSITY OF MICHIGAN: CONSUMER SENTIMENT INDEX



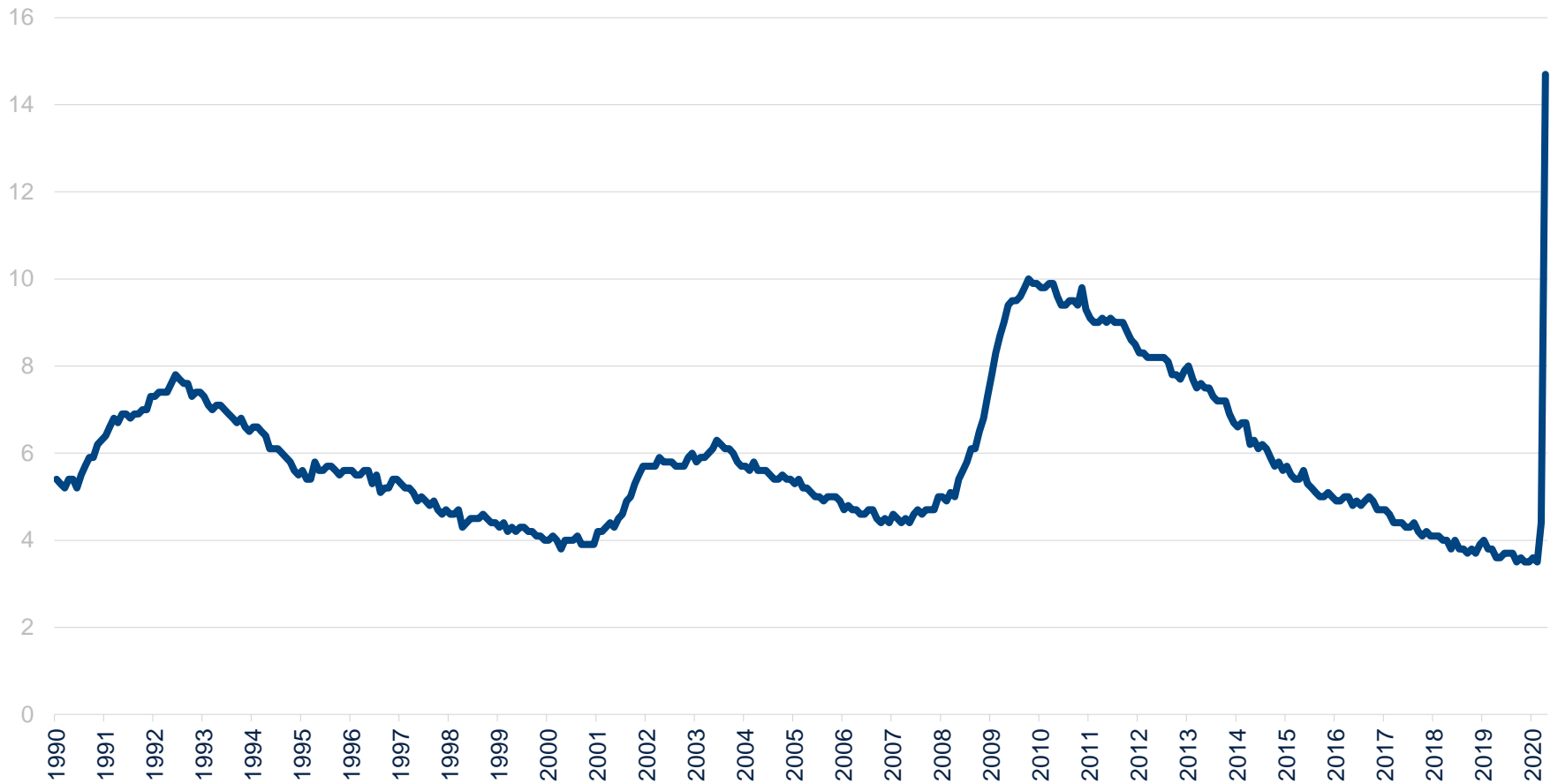
# Consumers

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



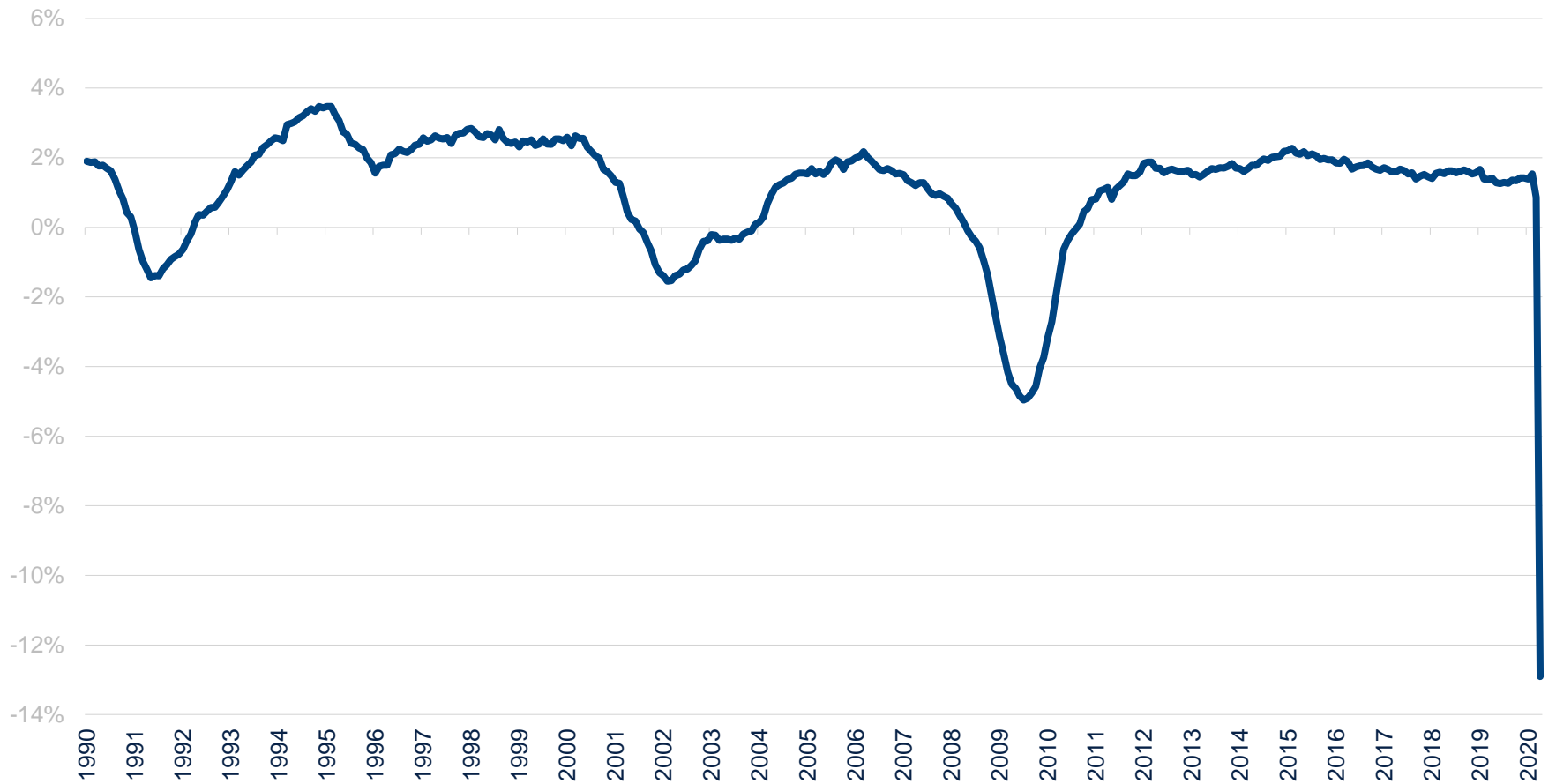
# Consumers

## U.S. UNEMPLOYMENT RATE (%)



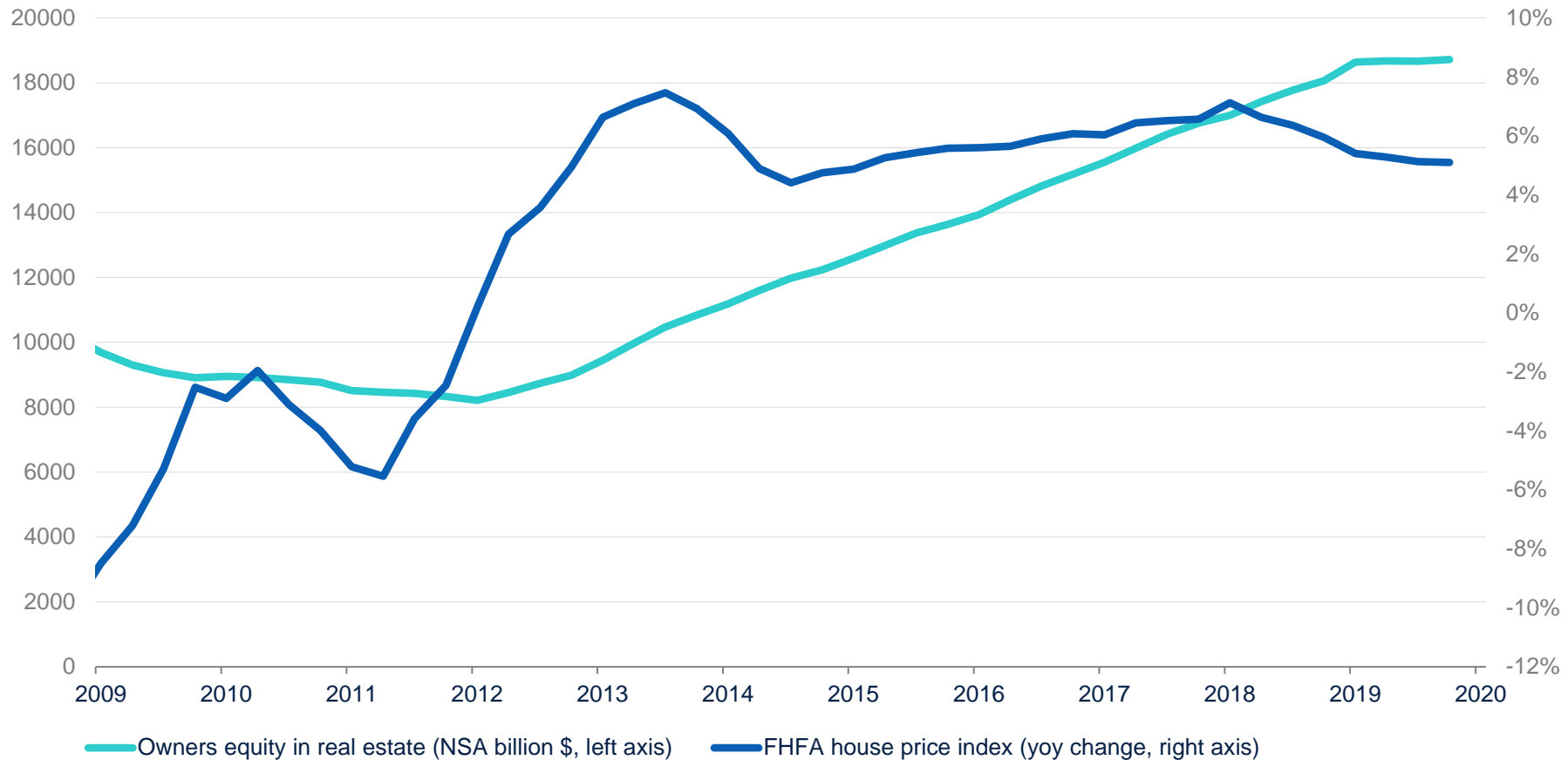
# Consumers

## U.S. NONFARM PAYROLL (MONTHLY YEAR-OVER-YEAR CHANGE)



# Consumers

## U.S. HOUSEHOLD EQUITY AND HOME PRICES



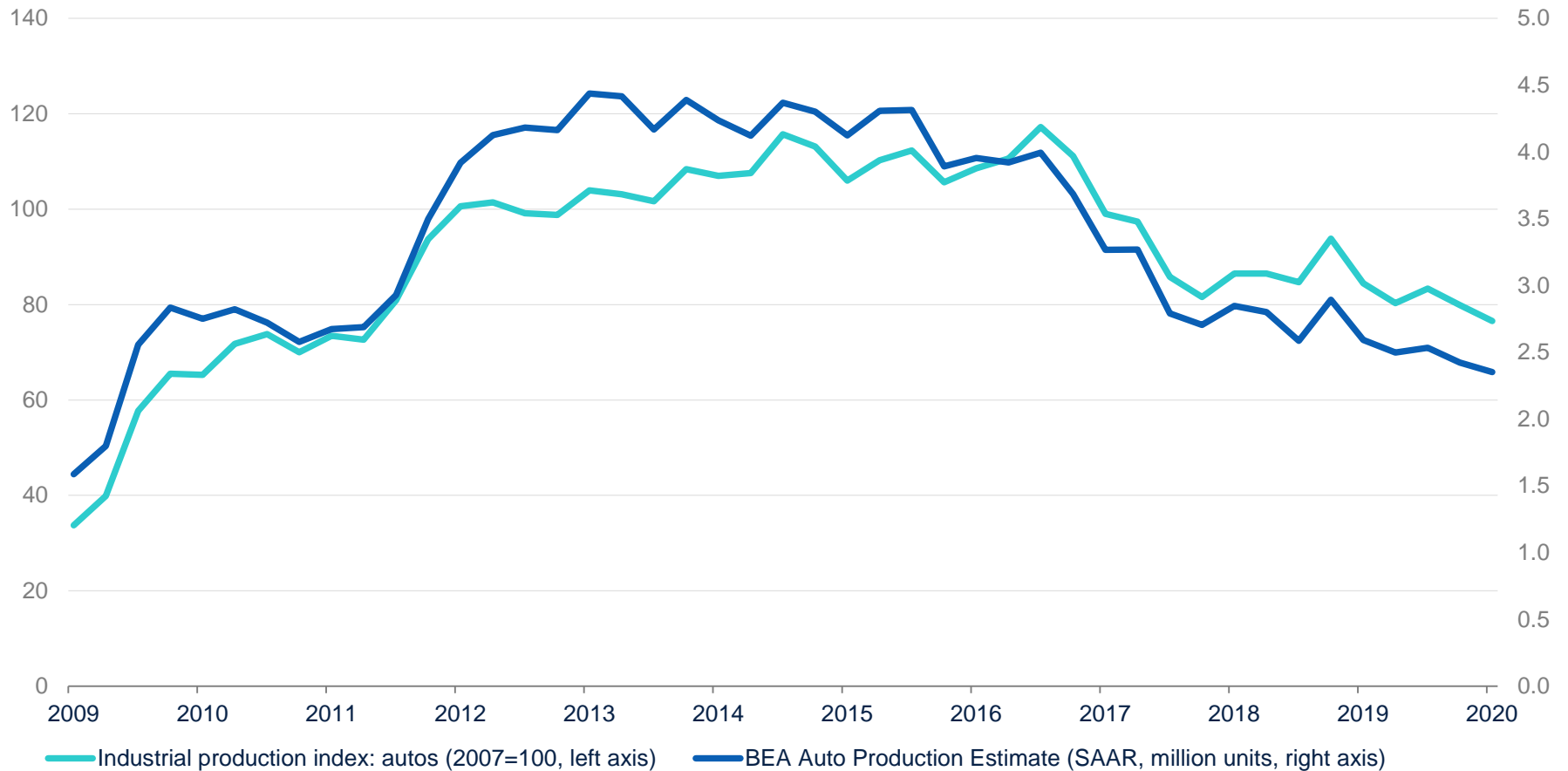


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# Production

# Production

## U.S. AUTO PRODUCTION

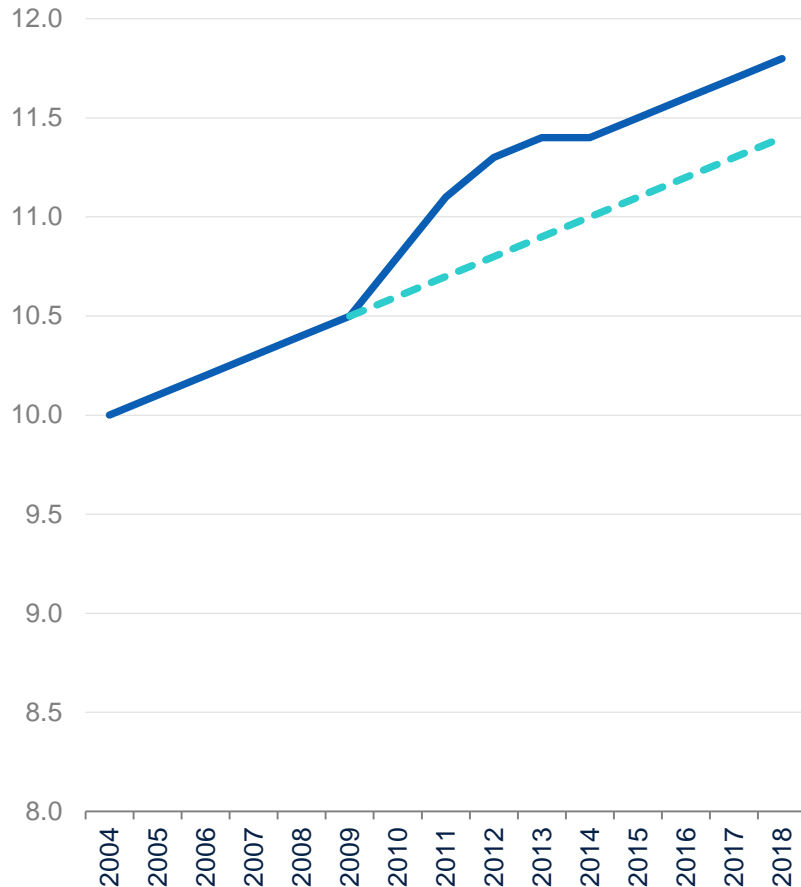


04

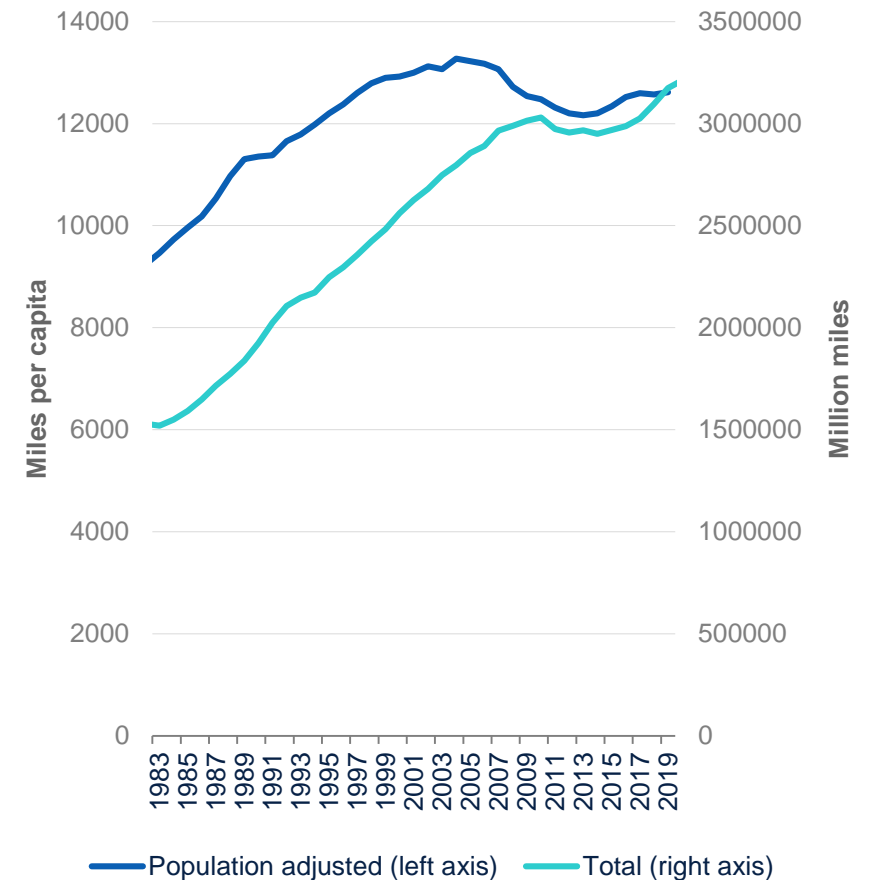
# Structural

# Fundamentals

## MEAN AGE OF PASSENGER CARS IN OPERATION (YEARS)



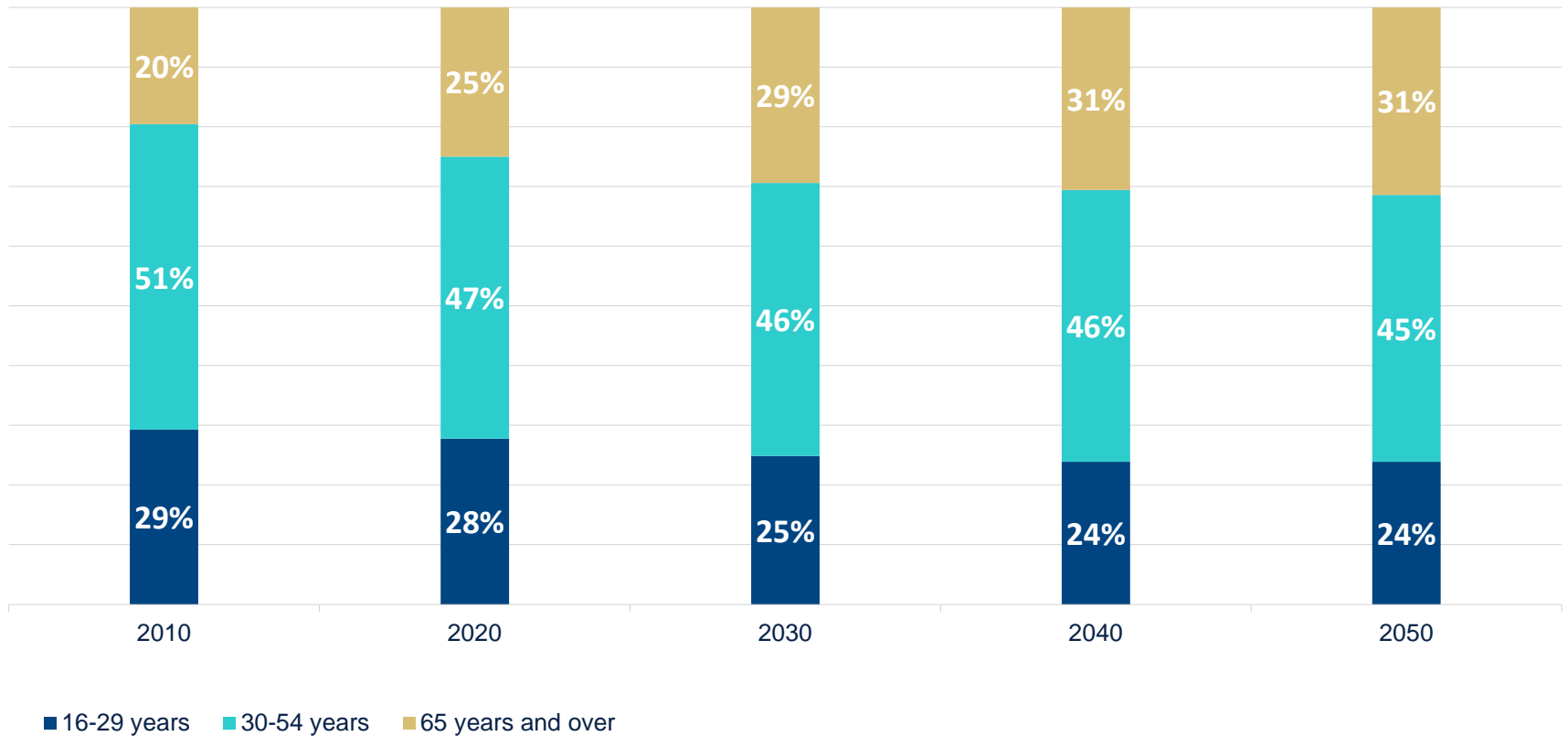
## VEHICLE MILES OF TRAVEL (TOTAL AND ADJUSTED BY POPULATION)



Source: BBVA Research and Haver Analytics

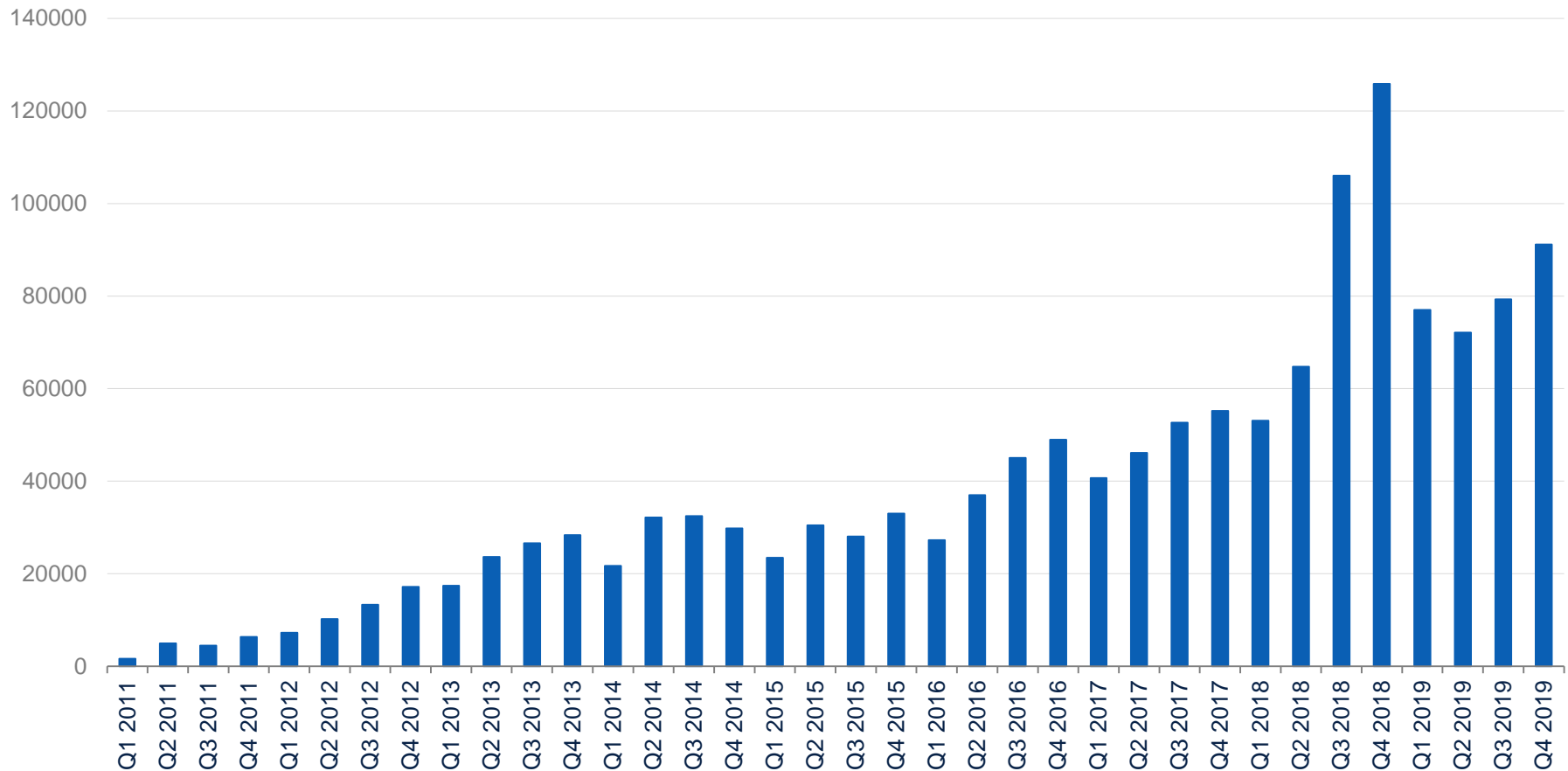
# Demographics

## U.S. POPULATION PROJECTIONS BY AGE (SHARE OF 16 & ABOVE)



# Electric vehicles

## U.S. ELECTRIC VEHICLE SALES\* (UNITS)



\*Figures may be subjected to revision. Includes PHEV and BEV  
Source: BBVA Research and Bloomberg New Energy Finance

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# Forecast

# Forecasts

	2015	2016	2017	2018	2019	2020	2021	2022
<b>New-vehicle sales</b> (millions units)	17.5	17.5	17.2	17.2	16.9	12.1	14.8	16.0
<b>Real GDP growth*</b> (% change)	2.9	1.6	2.2	2.9	2.3	-4.4	3.4	2.4
<b>Unemployment rate</b> (% avg.)	5.3	4.9	4.4	3.9	3.7	8.1	5.9	5.0
<b>Fed funds*</b> (%, eop)	0.50	0.75	1.50	2.50	1.75	0.25	0.25	0.25
<b>5-year Treasuries*</b> (%, avg)	1.5	1.3	1.9	2.7	1.96	0.50	0.23	0.52



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