

# U.S. Auto Sales Chartbook

October 2020

# Index

- 01 Sales
- 02 Consumers
- 03 Production
- 04 Structural
- 05 Forecasts

## Main messages

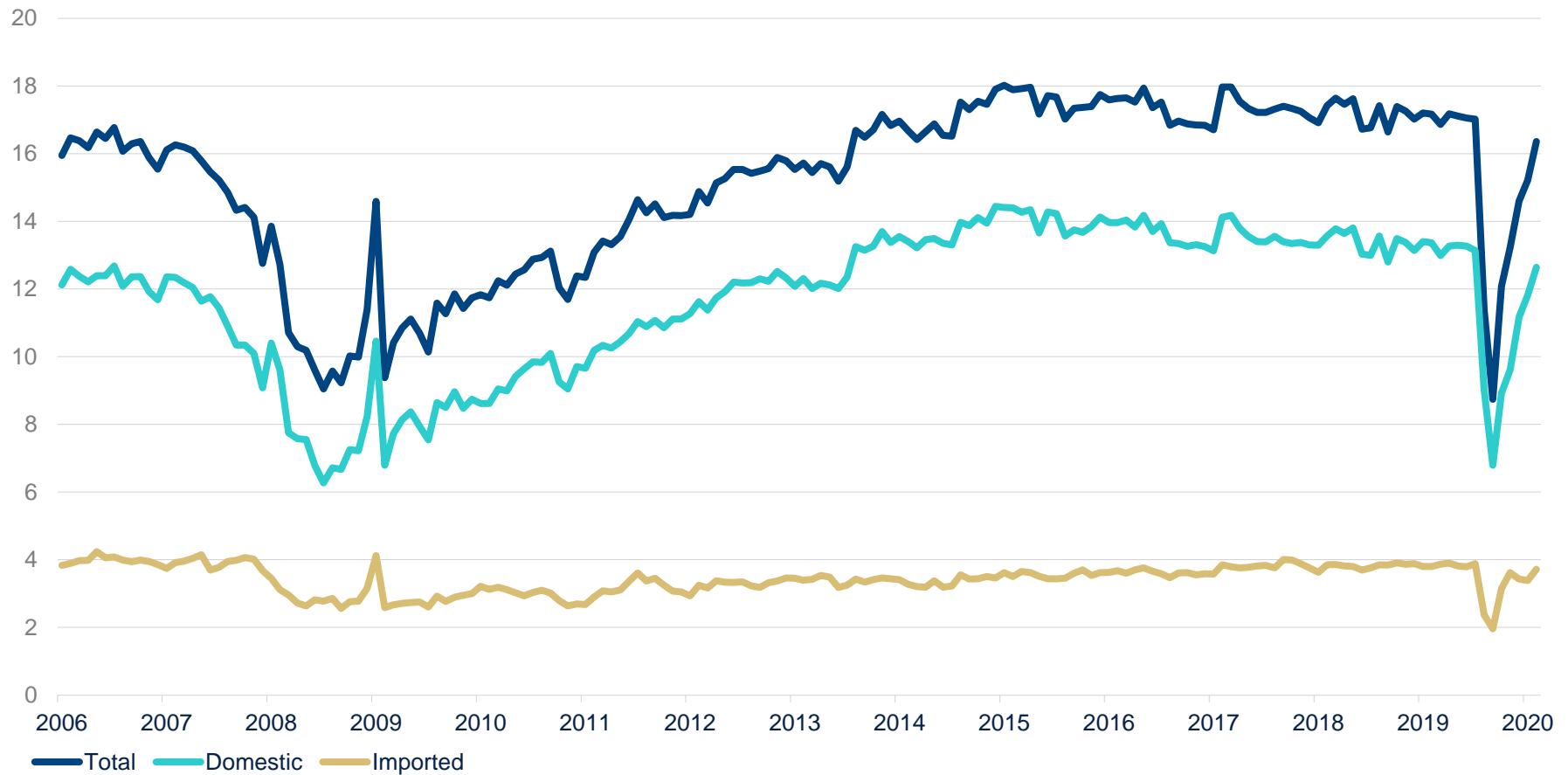
- Sales of new vehicles have experienced a v-shaped recovery, increasing 36% in 3Q20 from the previous quarter. However, levels were 10% below the same quarter of the previous year.
- We expect total new vehicle sales to reach 14.5 million units in 2020, the lowest since 2012
- Low interest rates, extended loan terms, a rebound in the stock market, higher personal savings, solid residential construction, and increasing preferences for car ownership have contributed to the resiliency of new vehicle sales.
- Yet, some segments like fleet demand remain subdued due to sluggish airline and tourism-related activity.
- Government support has helped consumers to repay auto loans, containing pressures on delinquency rates. Credit standards have tightened, nonetheless.
- Pandemic-induced disruptions in vehicle production put pressure on inventories of new units, directing demand to a better supplied used vehicle market.
- Electric vehicles declined by 41% yoy in 2Q20. Covid-19, the reduction of government incentives and the conflict between the federal government and the state of California over fuel economy standards will impact sales in the short-run.

01

Sales

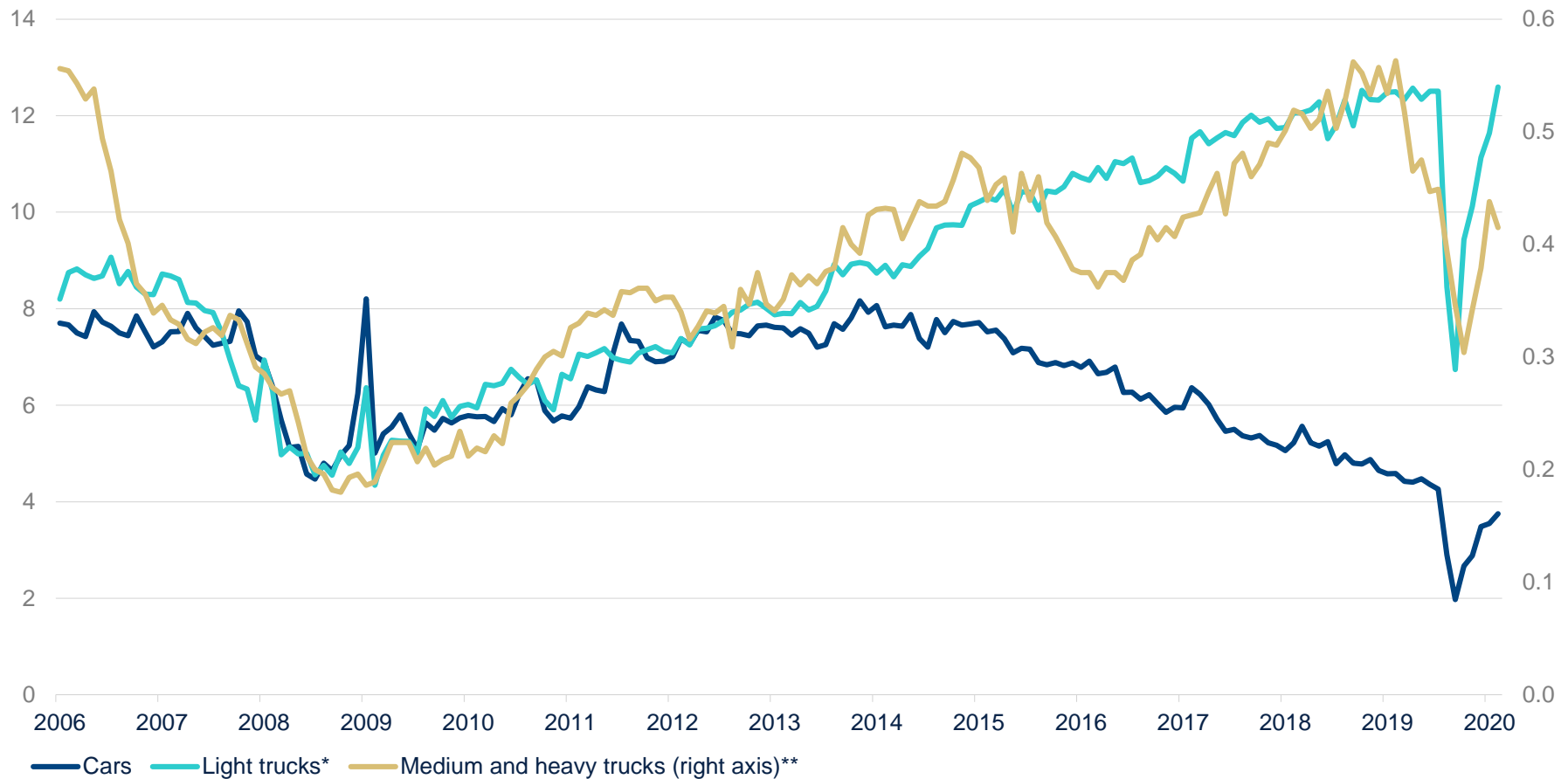
# Sales

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



# Sales

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



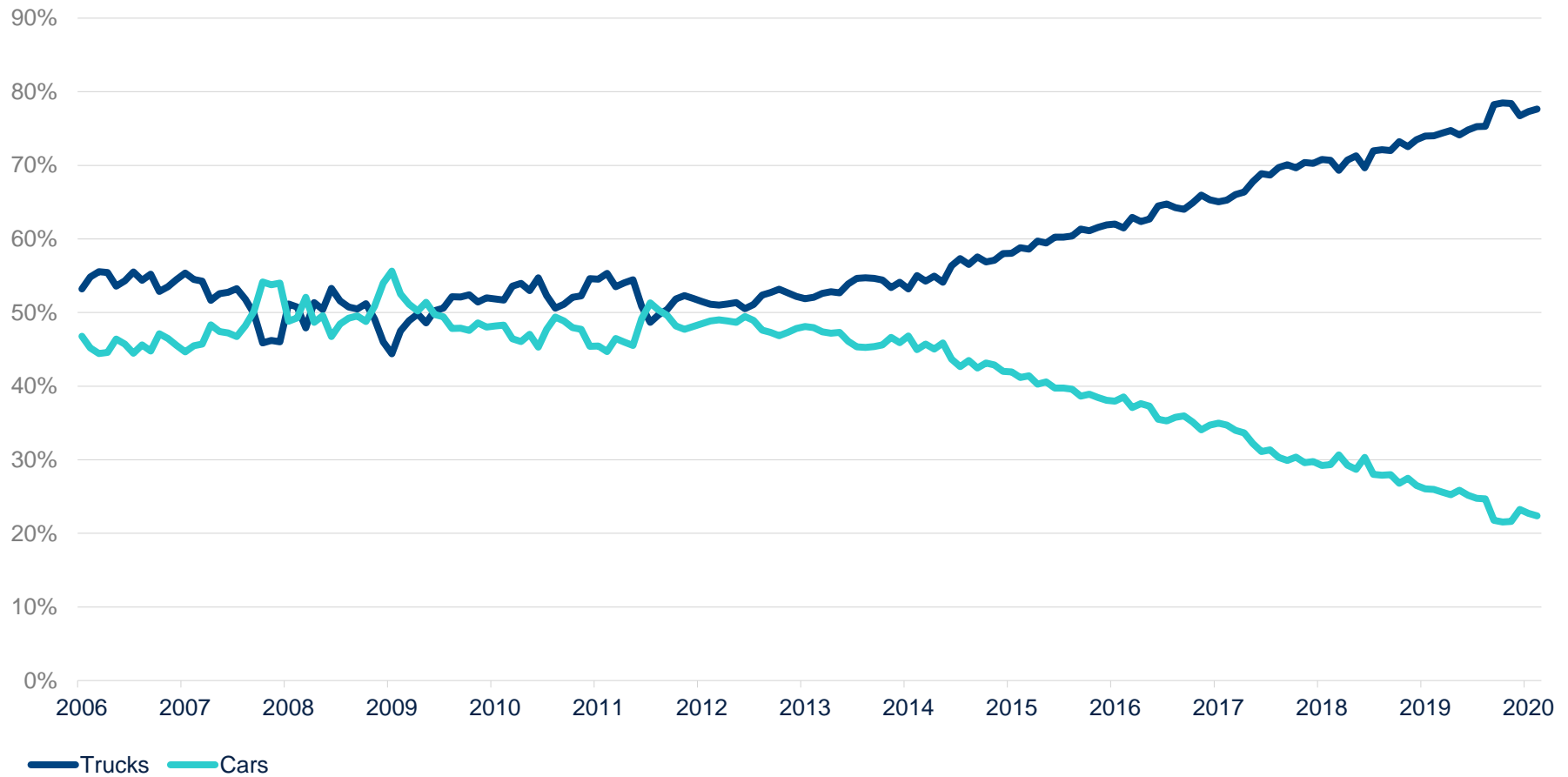
\* 0-14,000 pounds GVWR.

\*\*14,001 pounds GVWR and over.

Source: BBVA Research and Haver Analytics.

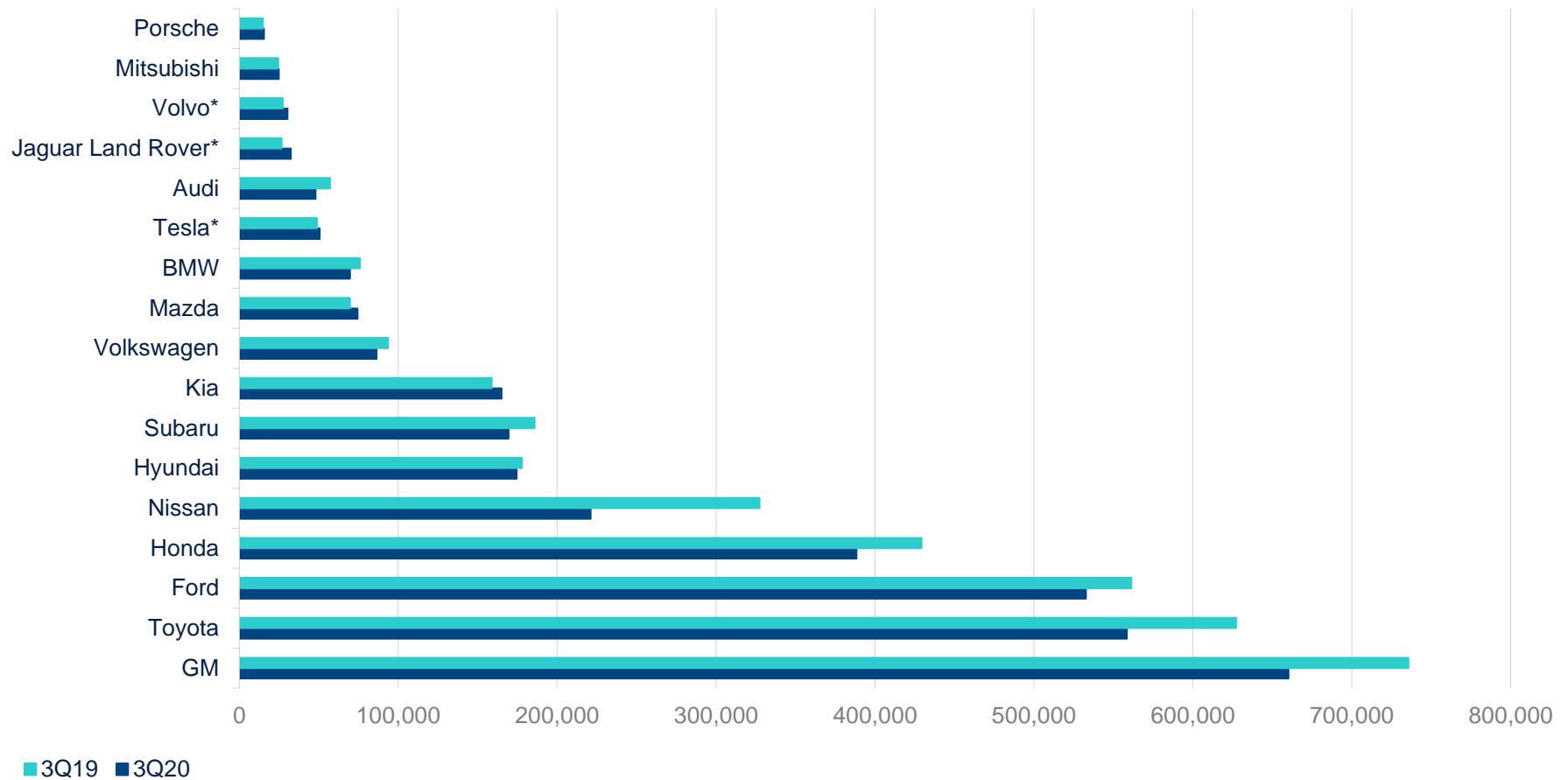
# Sales

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



# Sales

## U.S. LIGHT VEHICLE SALES BY COMPANY (UNITS)

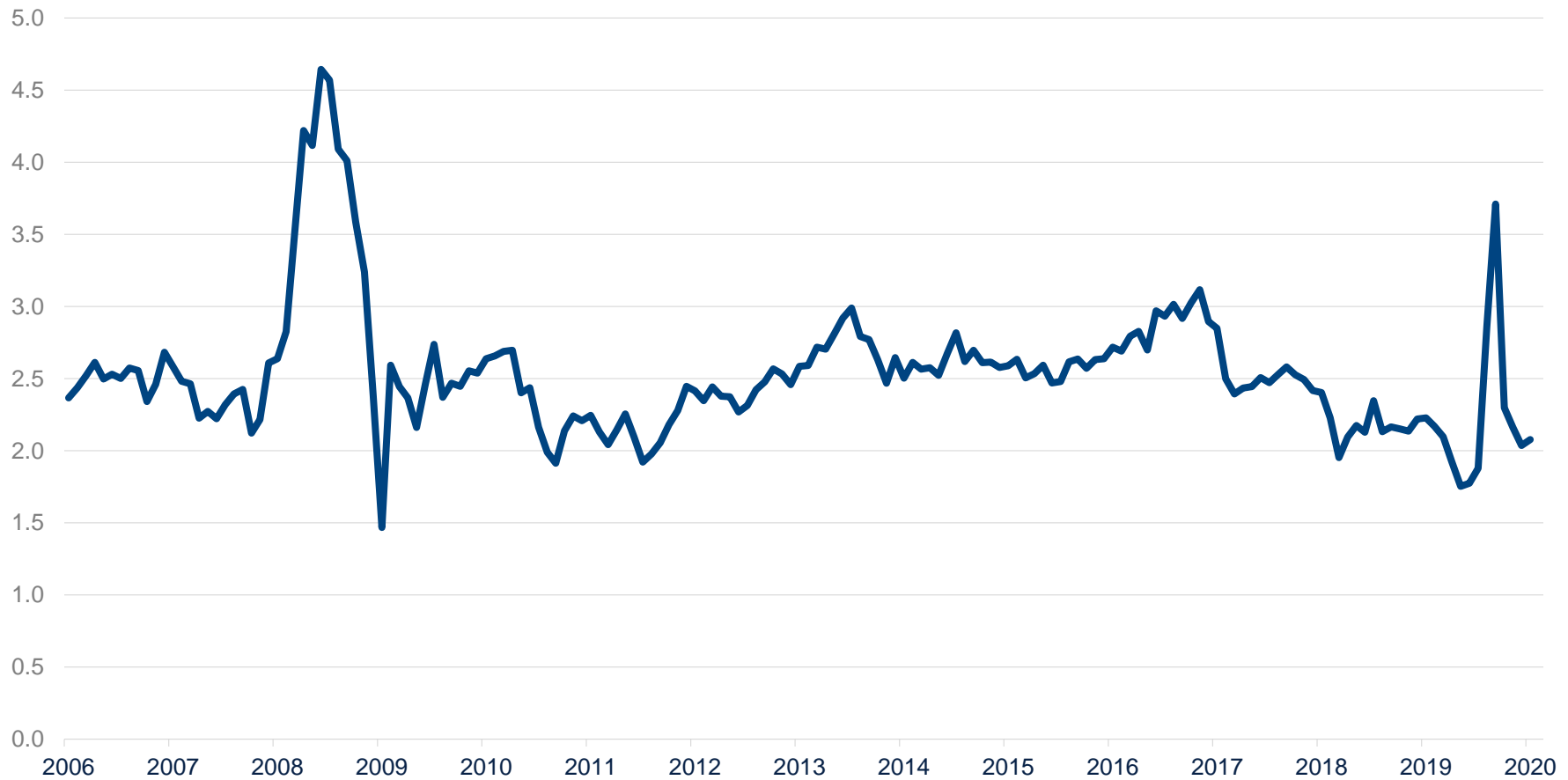


\* Estimated. Source: Bloomberg with data from Wards Intelligence.



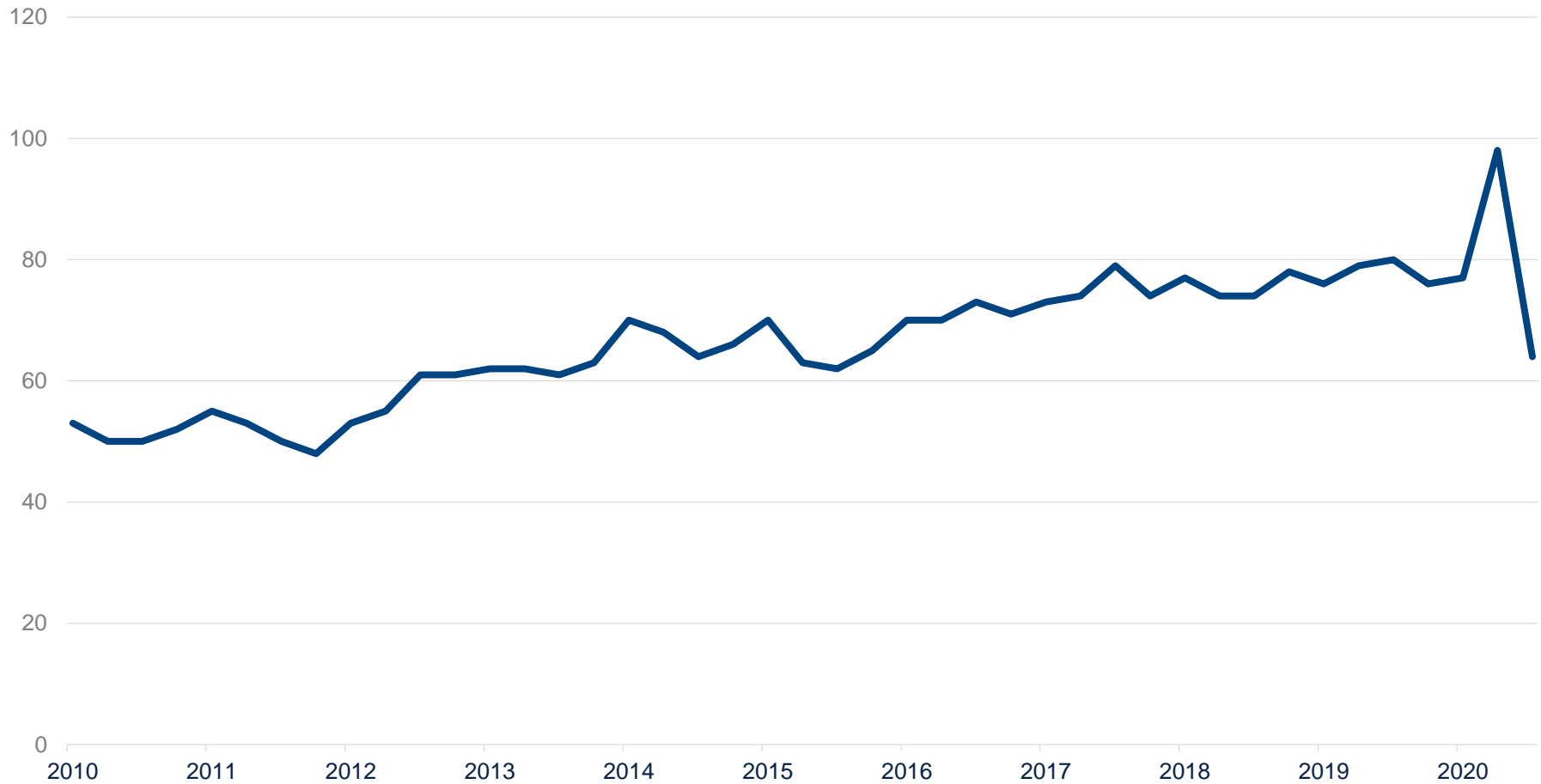
# Sales

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



# Days to turn

## U.S. VEHICLE DAYS TO TURN (SEGMENT AVERAGE)

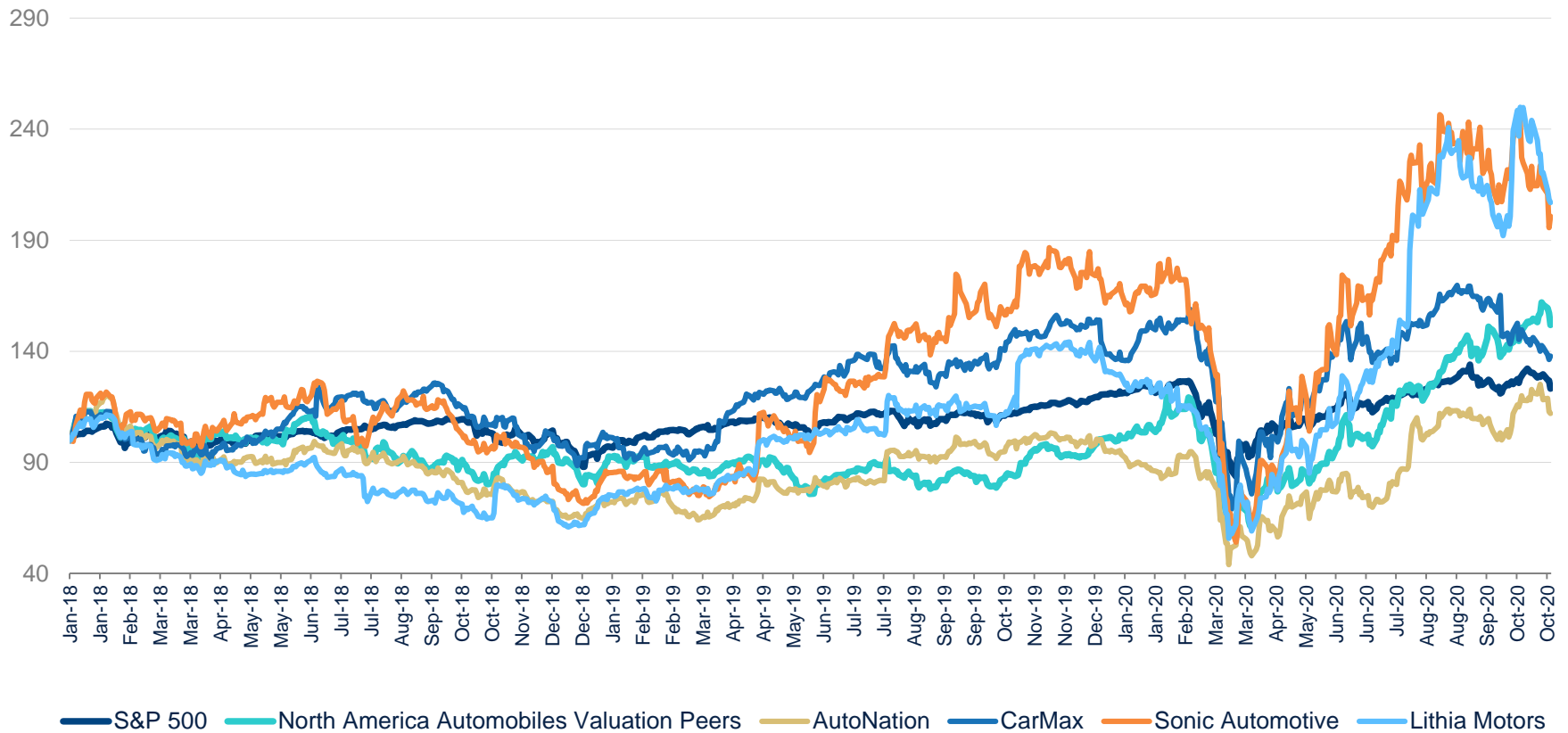


Source: Bloomberg with data from Edmunds.

# Stock market

## STOCK MARKET INDICATORS

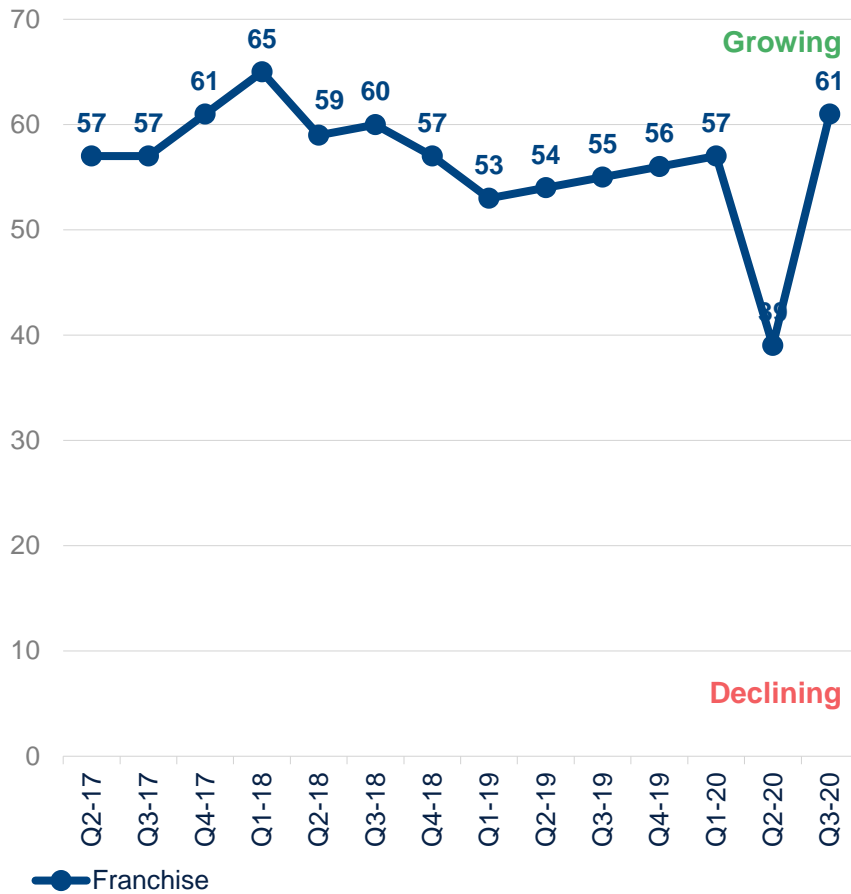
(INDEX, 1/1/2018 = 100)



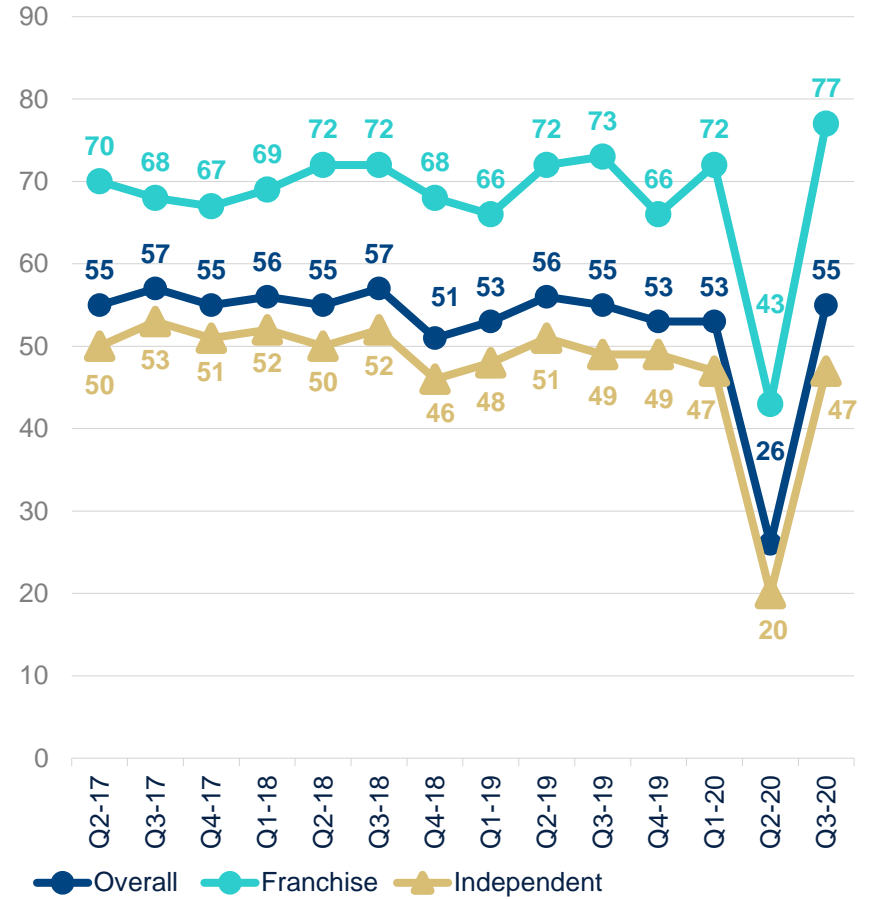
North America Automobiles Valuation Peers: Fiat Chrysler Automobiles, Ford Motor Co., Tesla Inc., General Motors Co.  
 Source: BBVA Research and Bloomberg.

# Dealers

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



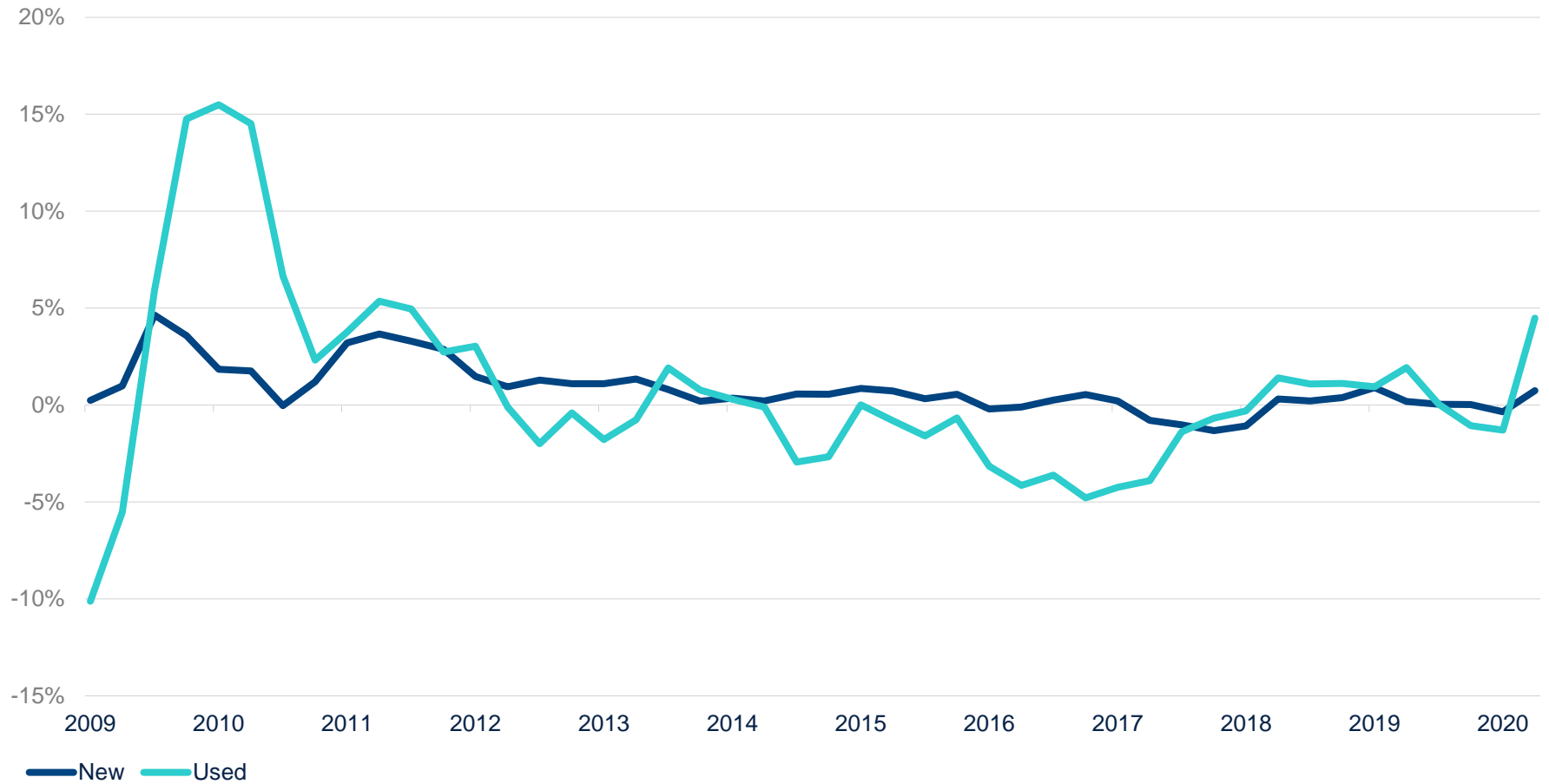
## HOW WOULD YOU DESCRIBE THE CURRENT USED-VEHICLE SALES ENVIRONMENT?



Source: Cox Automotive, Dealer Sentiment Index 2Q20.

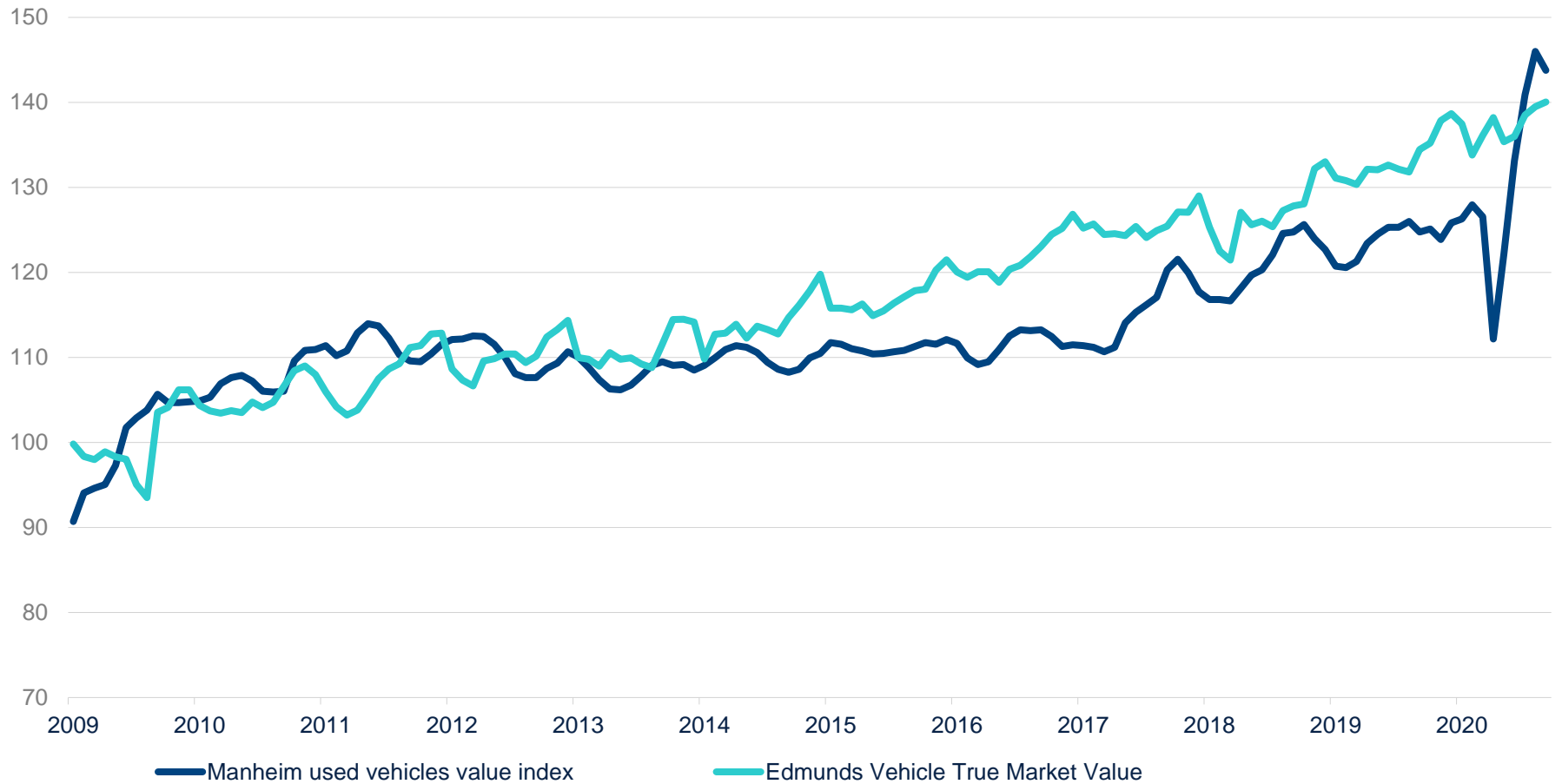
# Prices

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



# Prices

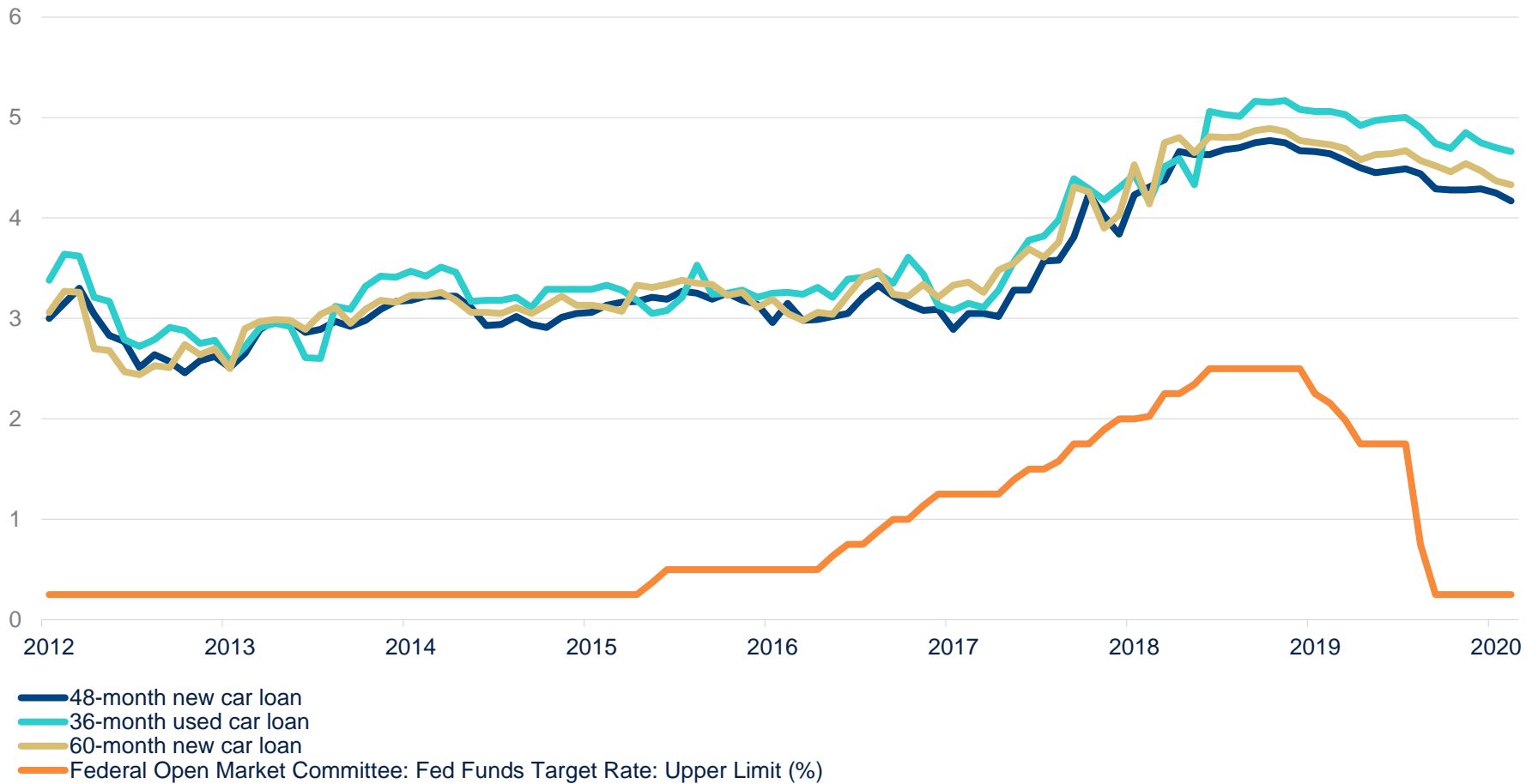
## U.S. AUTO PRICES (INDEX, 2009 = 100)



# Financial conditions

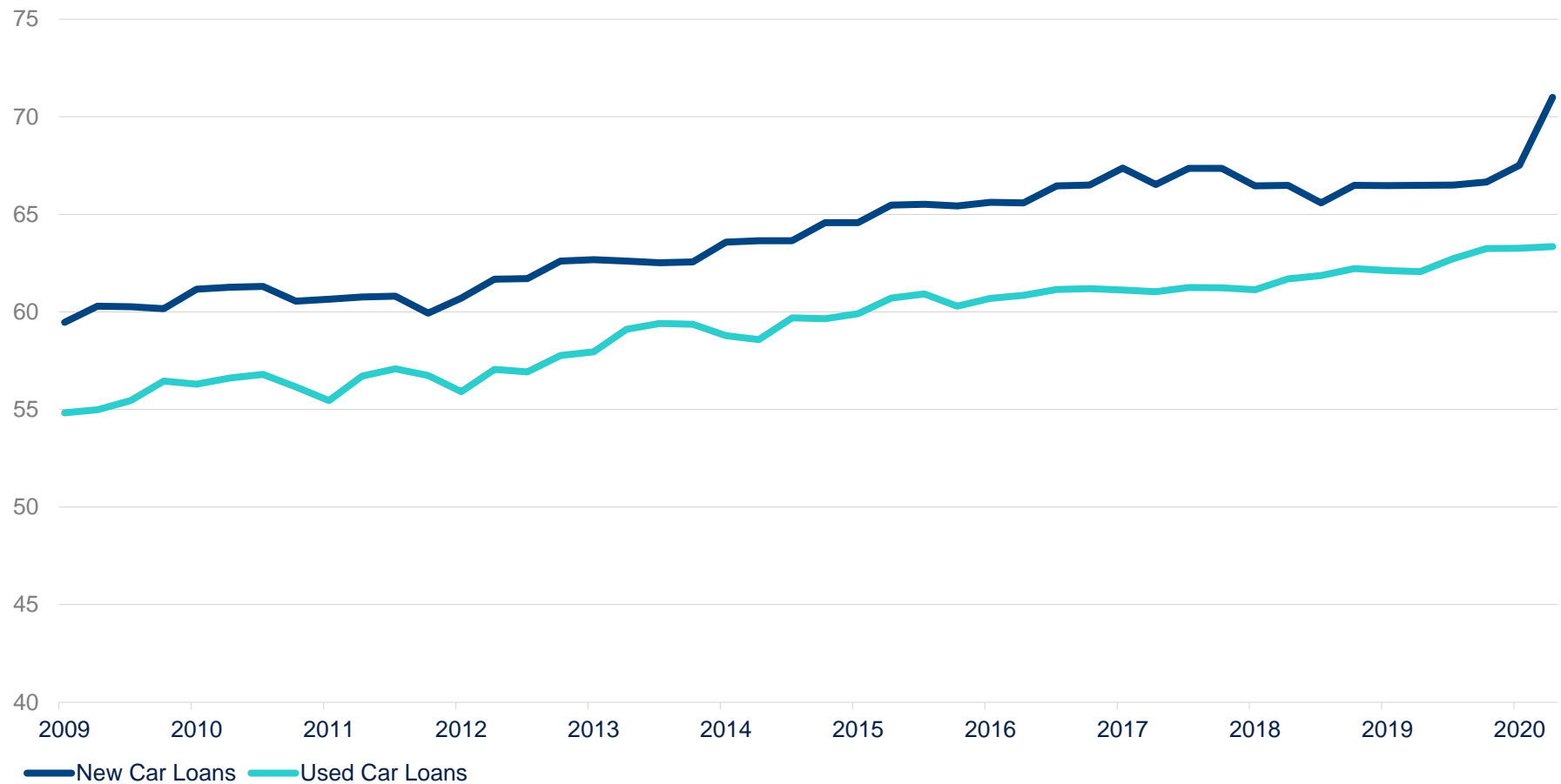
## U.S. INTEREST RATES

(%)



# Financial conditions

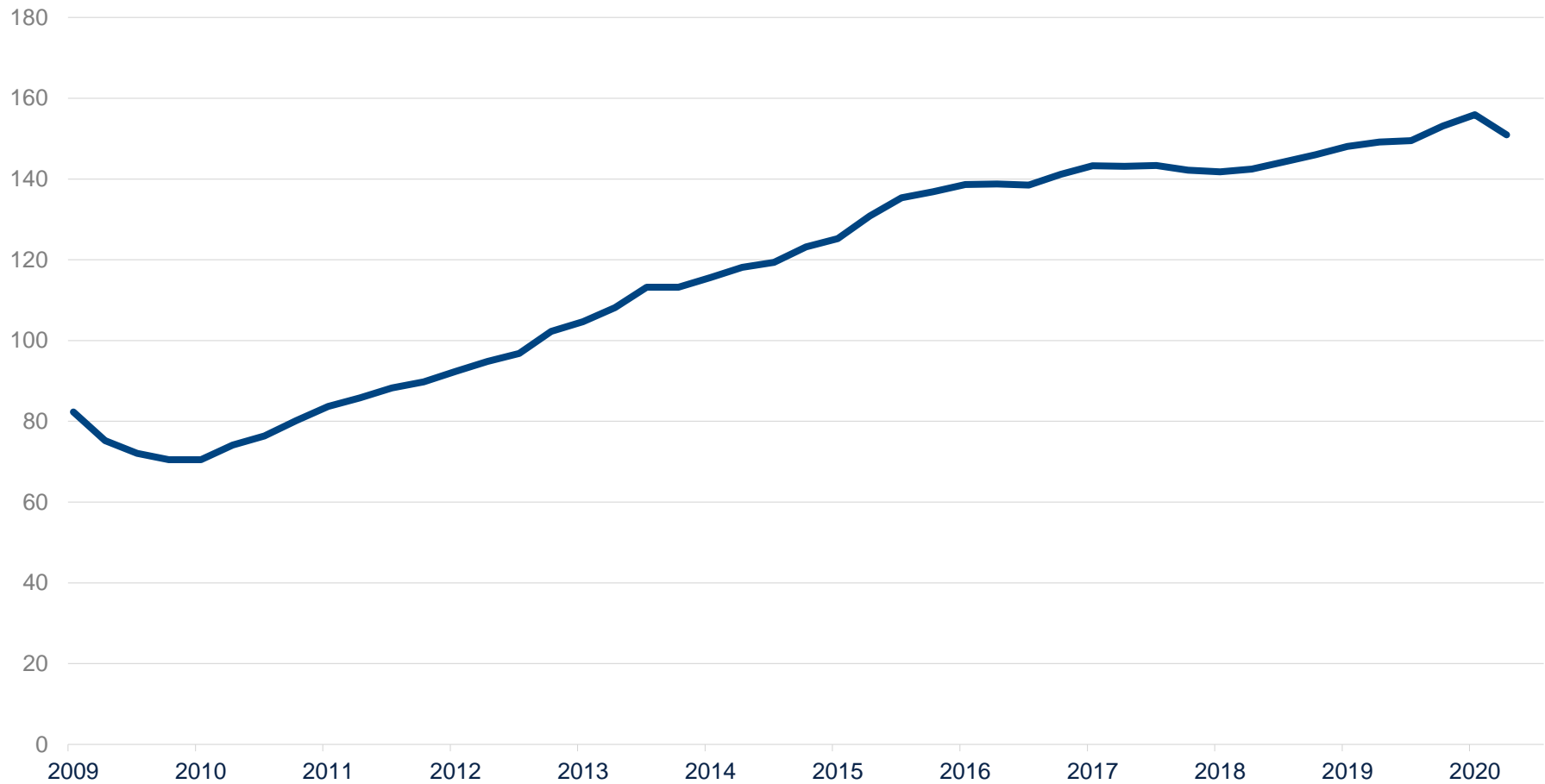
## U.S. AUTO FINANCE COMPANY LOANS (MATURITY, MONTHS)





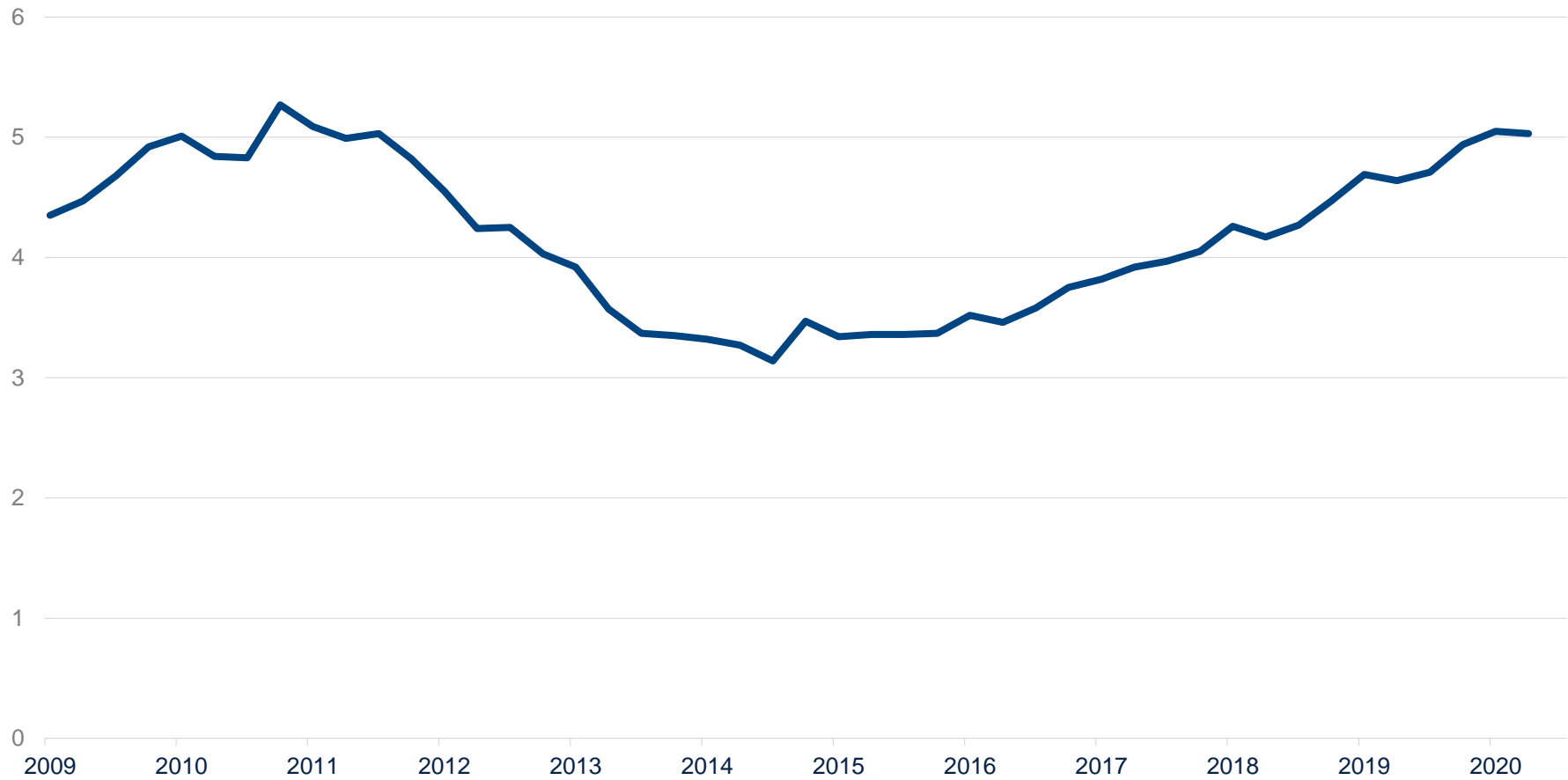
# Financial conditions

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



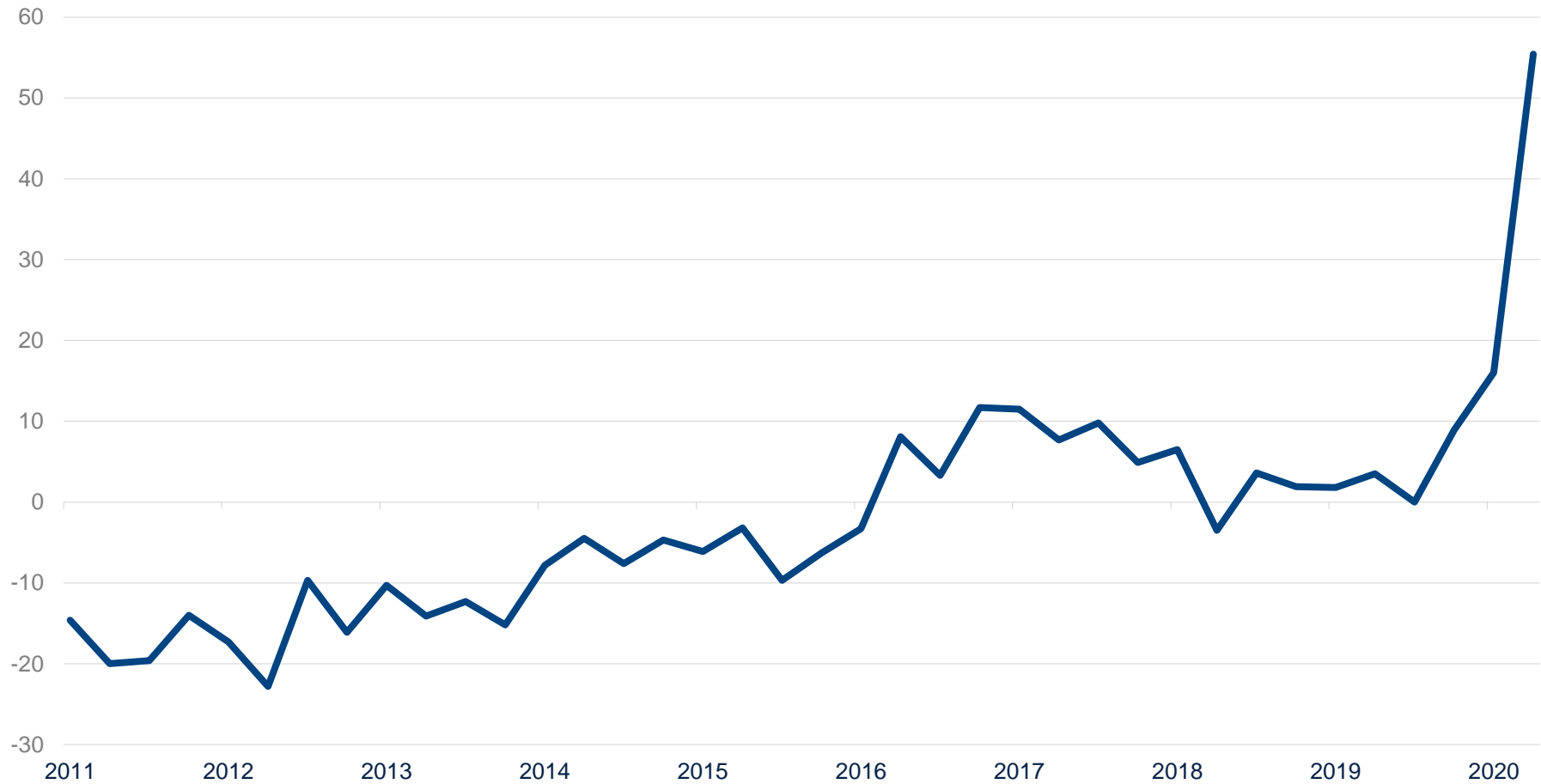
# Financial conditions

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



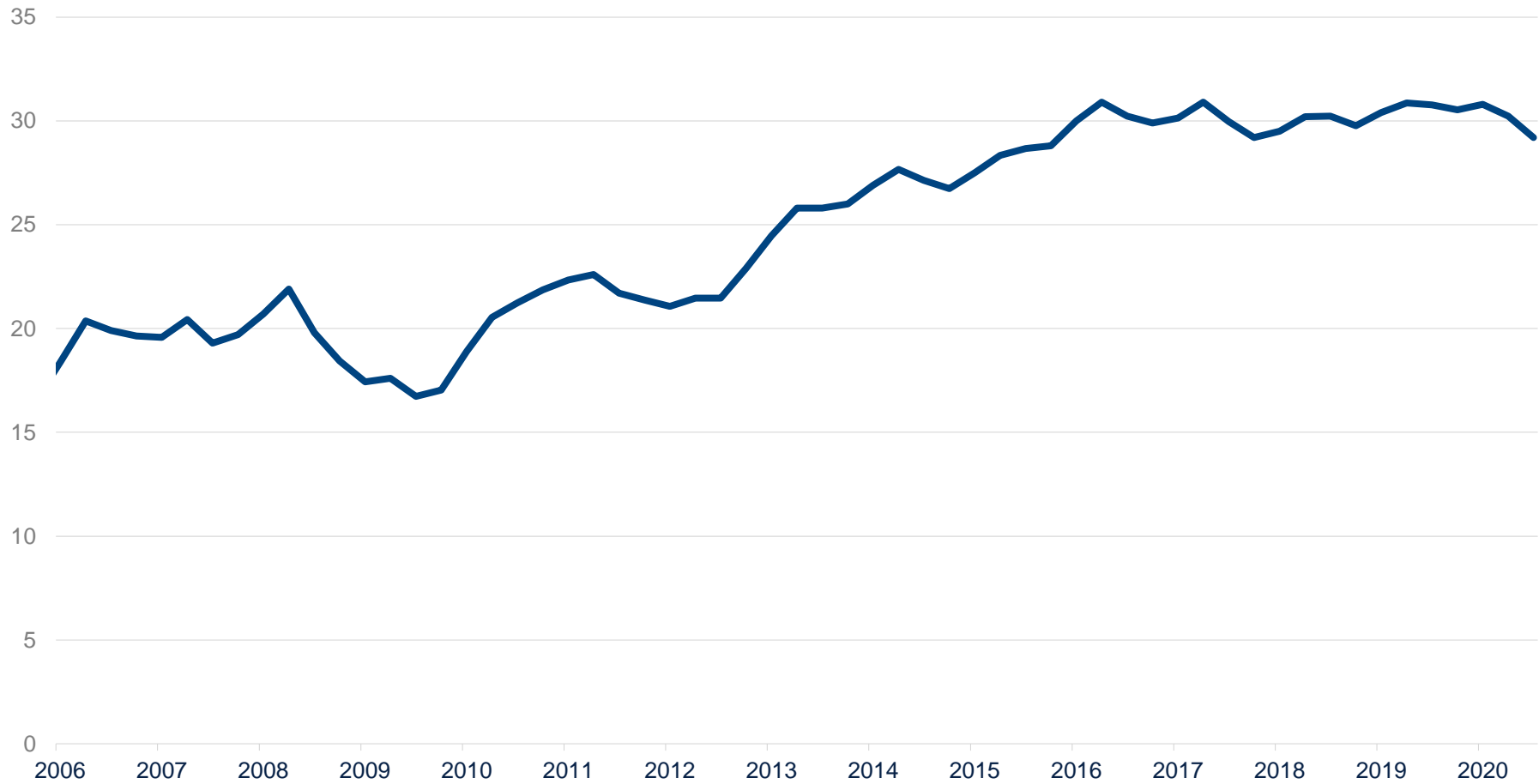
# Financial conditions

**U.S. OVER THE PAST THREE MONTHS, HOW HAVE YOUR BANK'S CREDIT STANDARDS FOR APPROVING APPLICATIONS FOR AUTO LOANS FROM INDIVIDUALS OR HOUSEHOLDS CHANGED?**  
(NET PERCENTAGE BALANCE)



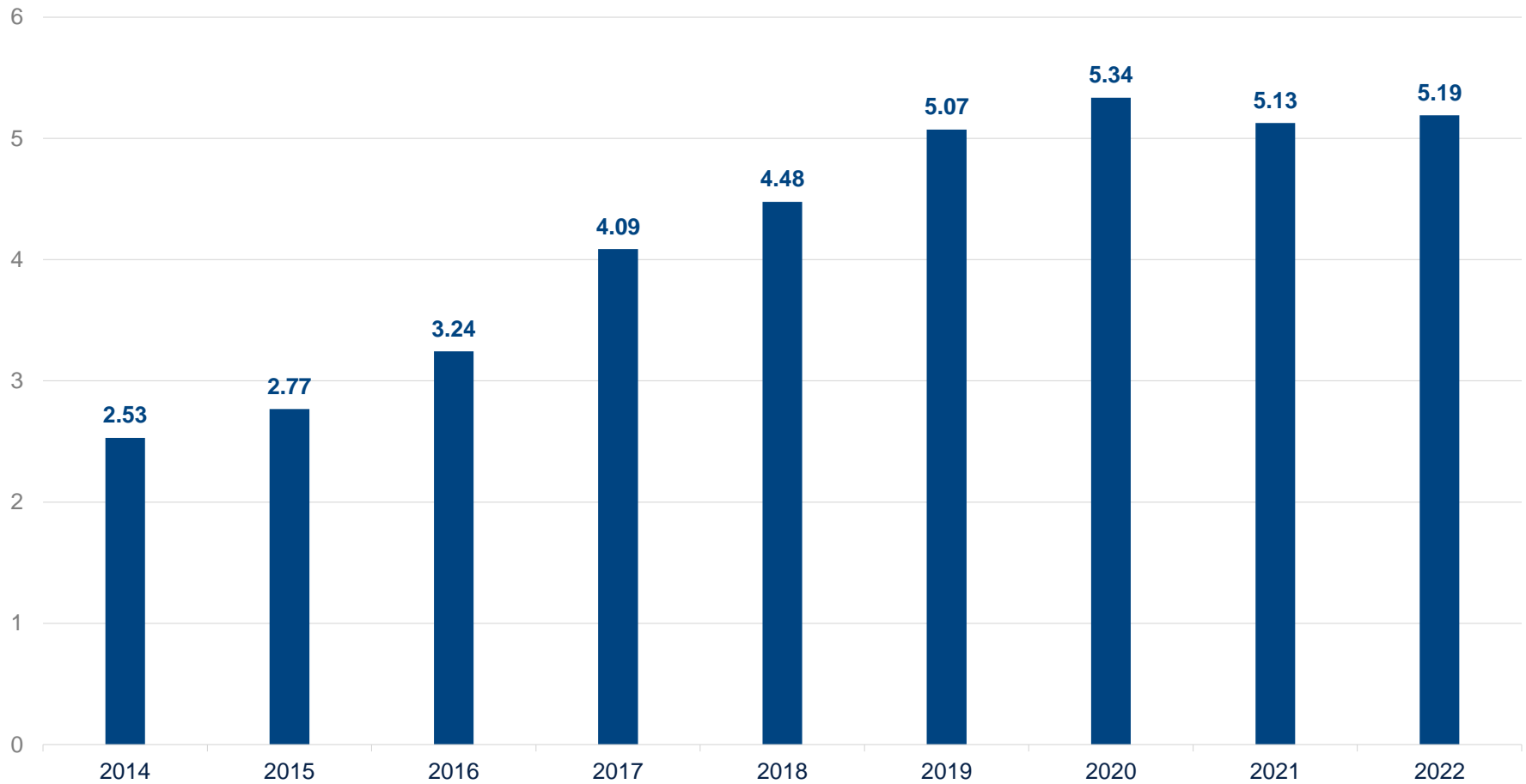
# Leasing

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



# Leasing

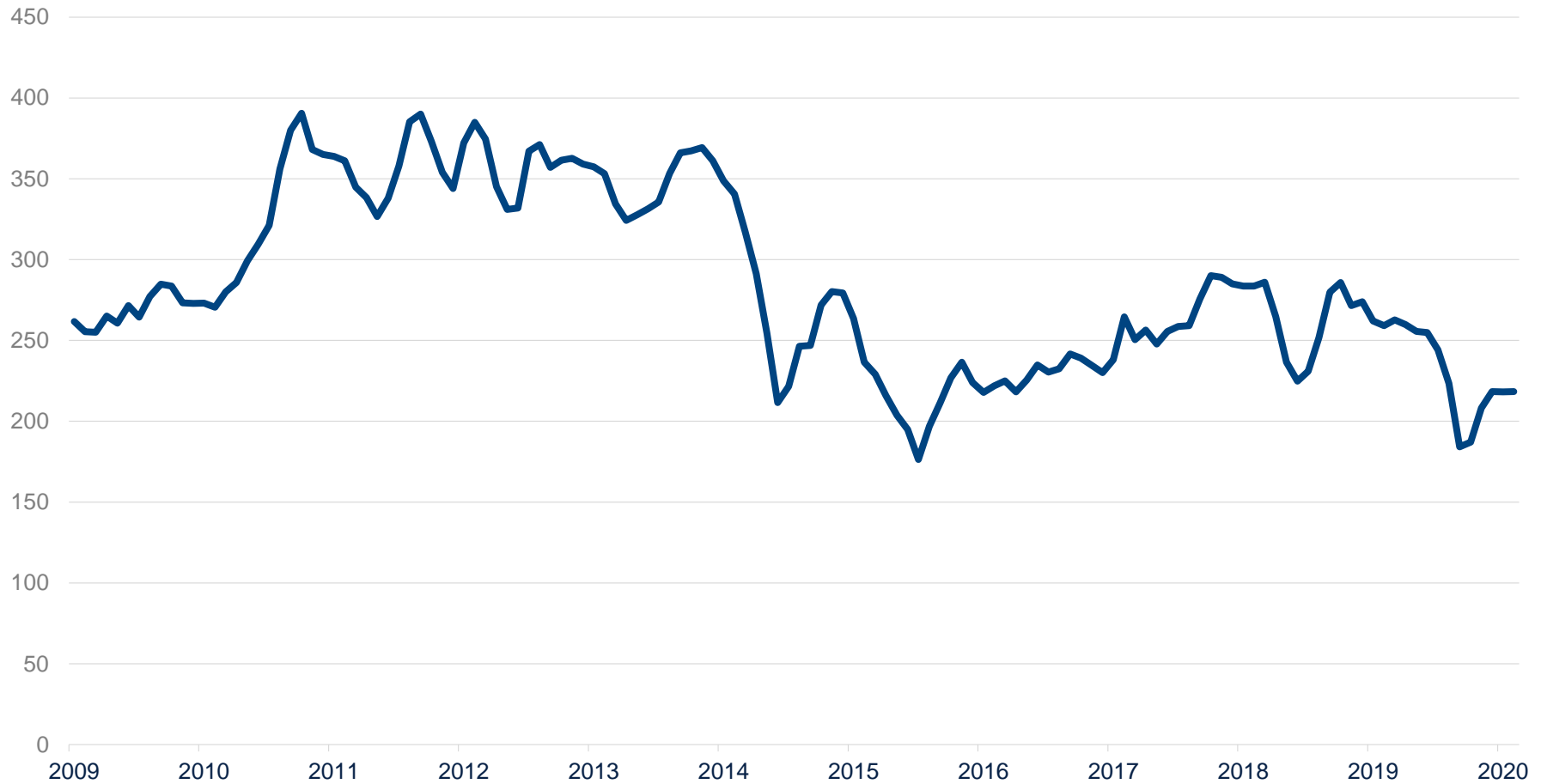
## OFF-LEASE RETURNS AND SUPPLY\* (MILLIONS UNITS)



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

# Gasoline

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

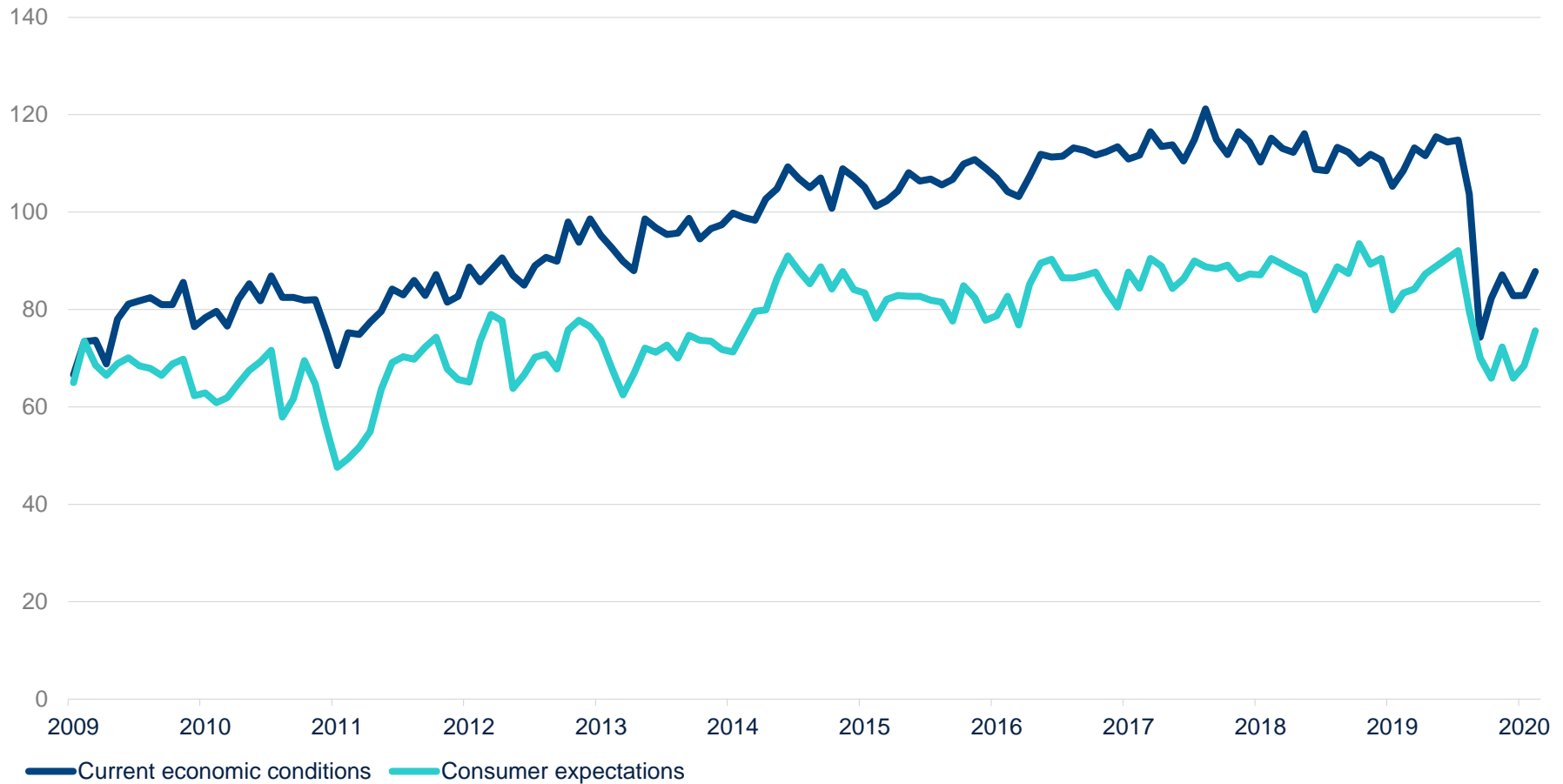


02

# Consumers

# Consumers

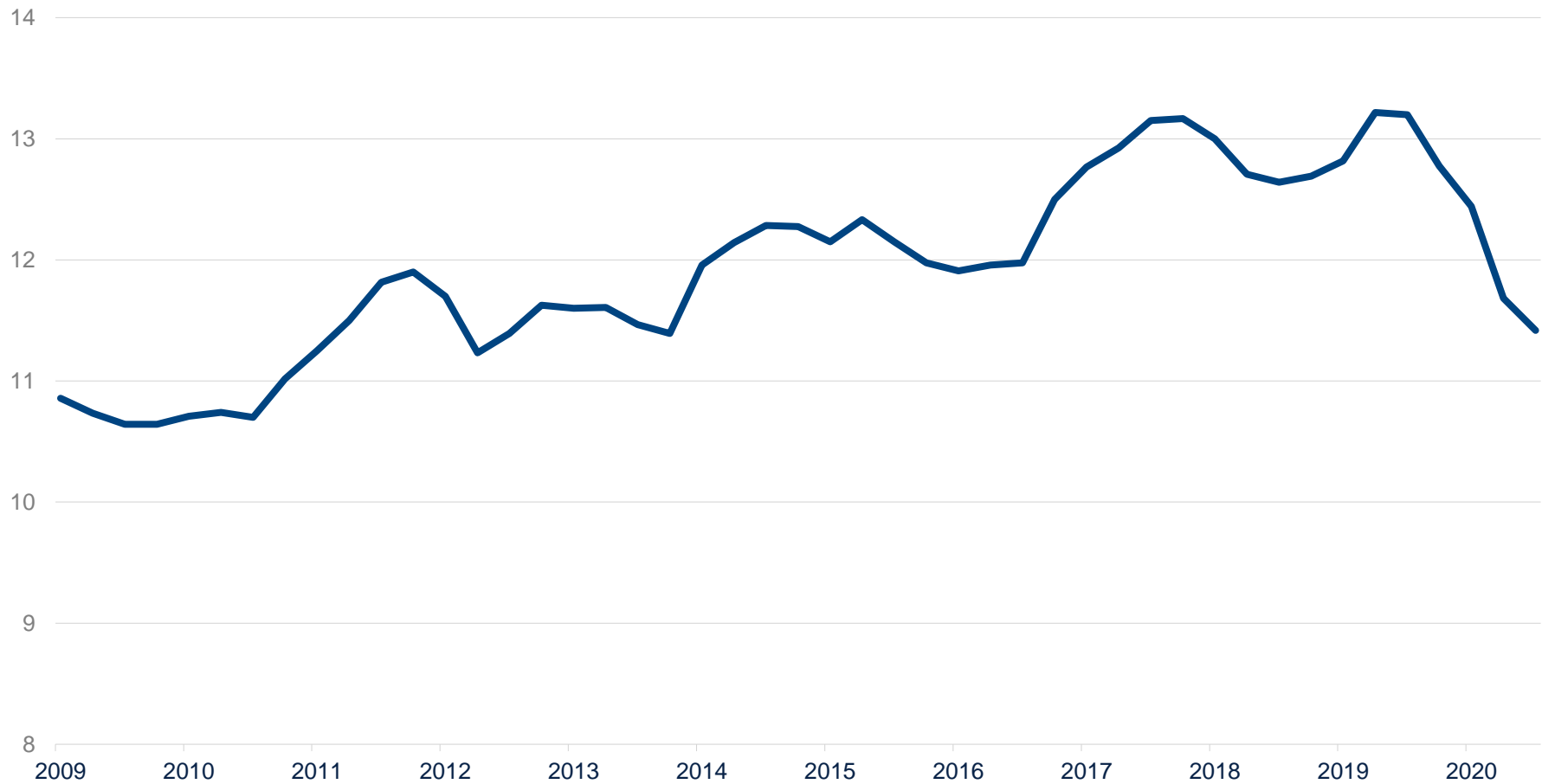
## UNIVERSITY OF MICHIGAN: CONSUMER SENTIMENT INDEX





# Consumers

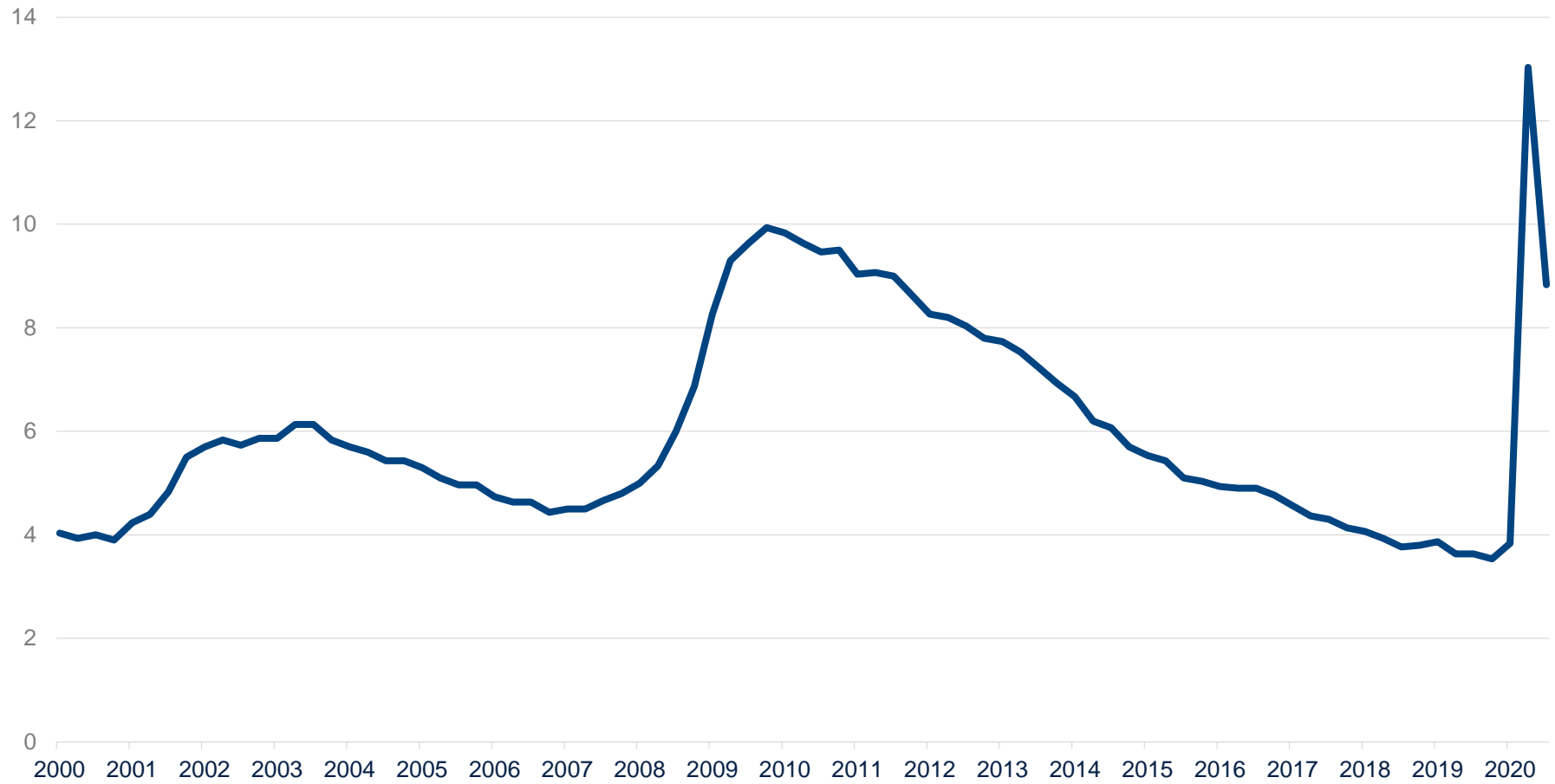
## CONFERENCE BOARD: CONSUMER PLANS TO BUY A CAR WITHIN 6 MONTHS (% OF RESPONDENTS)



# Consumers

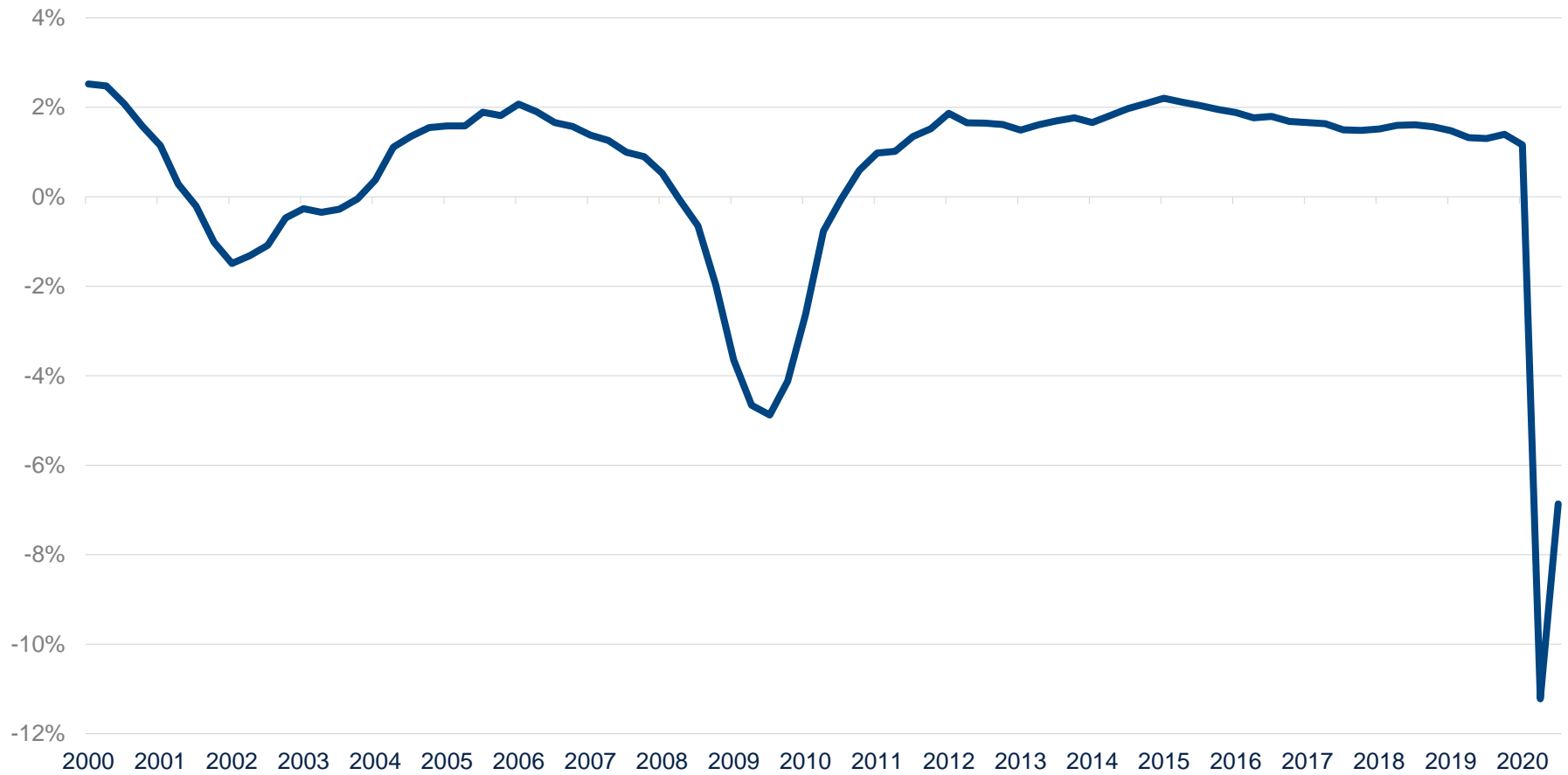
## U.S. UNEMPLOYMENT RATE

(%)



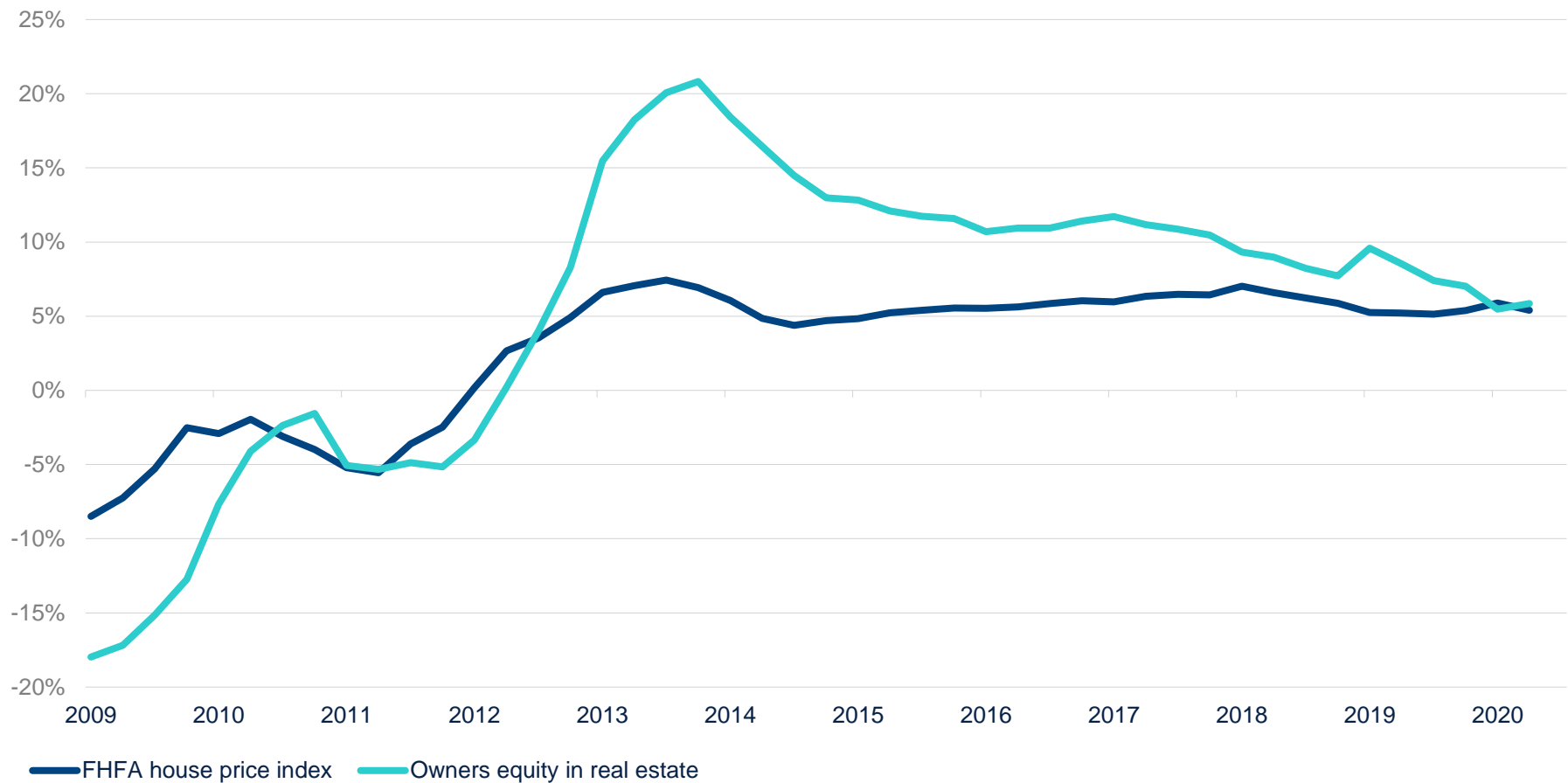
# Consumers

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



# Consumers

## U.S. HOUSEHOLD EQUITY AND HOME PRICES (QUARTERLY YEAR-OVER-YEAR CHANGE)

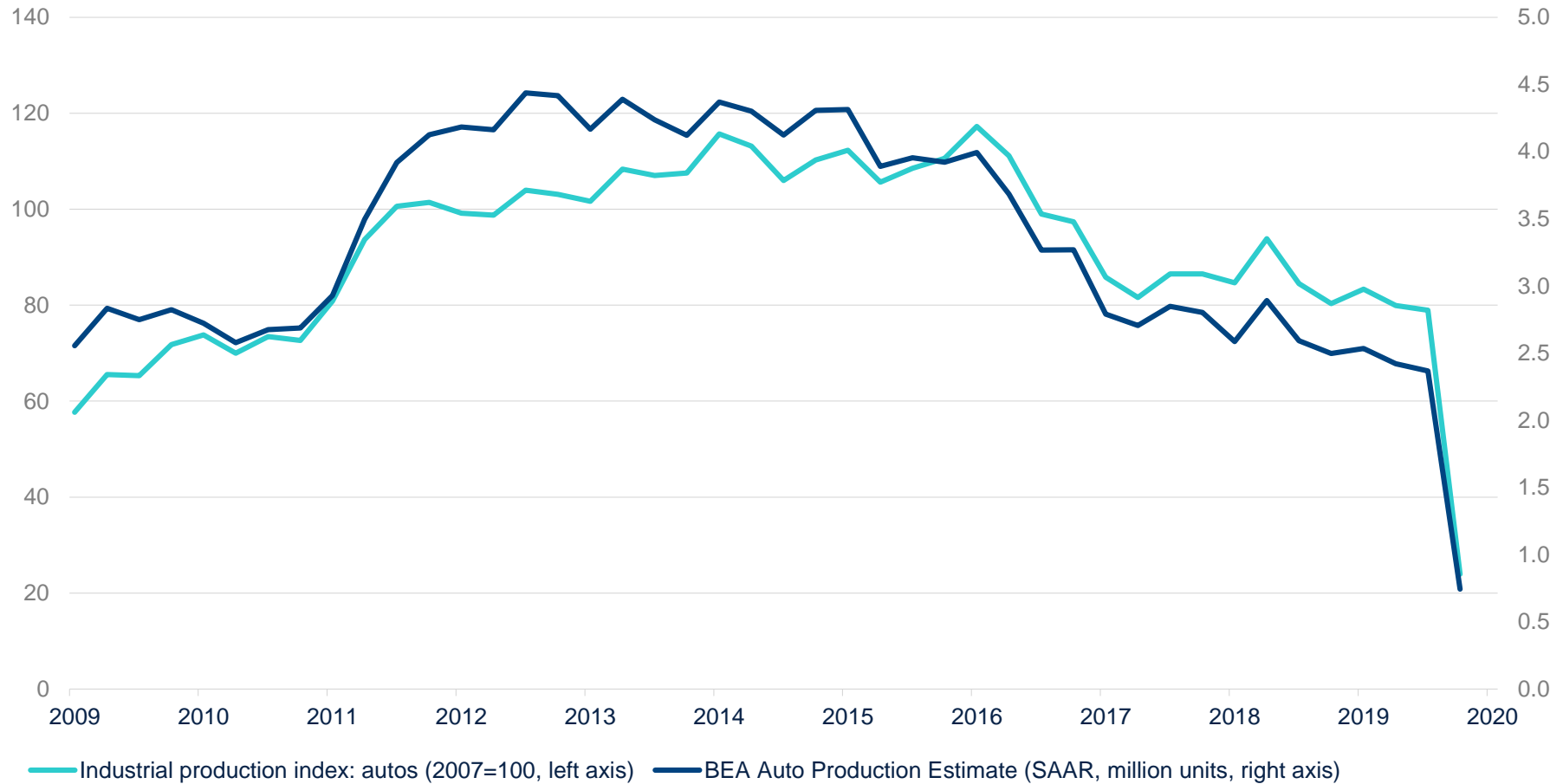


03

# Production

# Production

## U.S. AUTO PRODUCTION



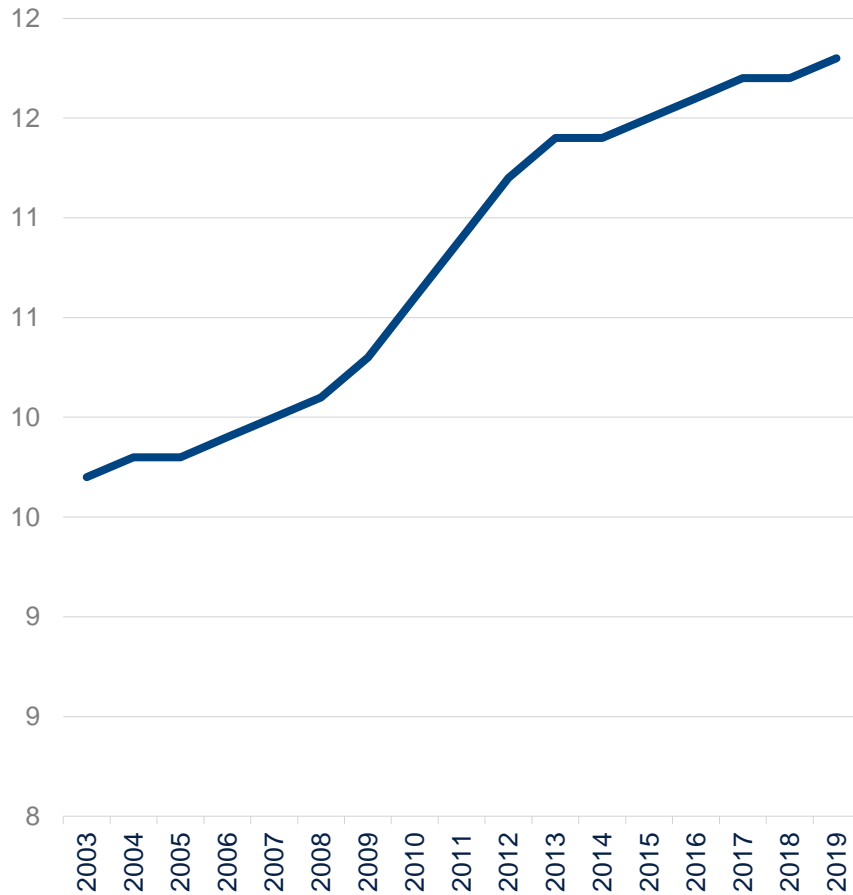
Source: BBVA Research and Haver Analytics.

04

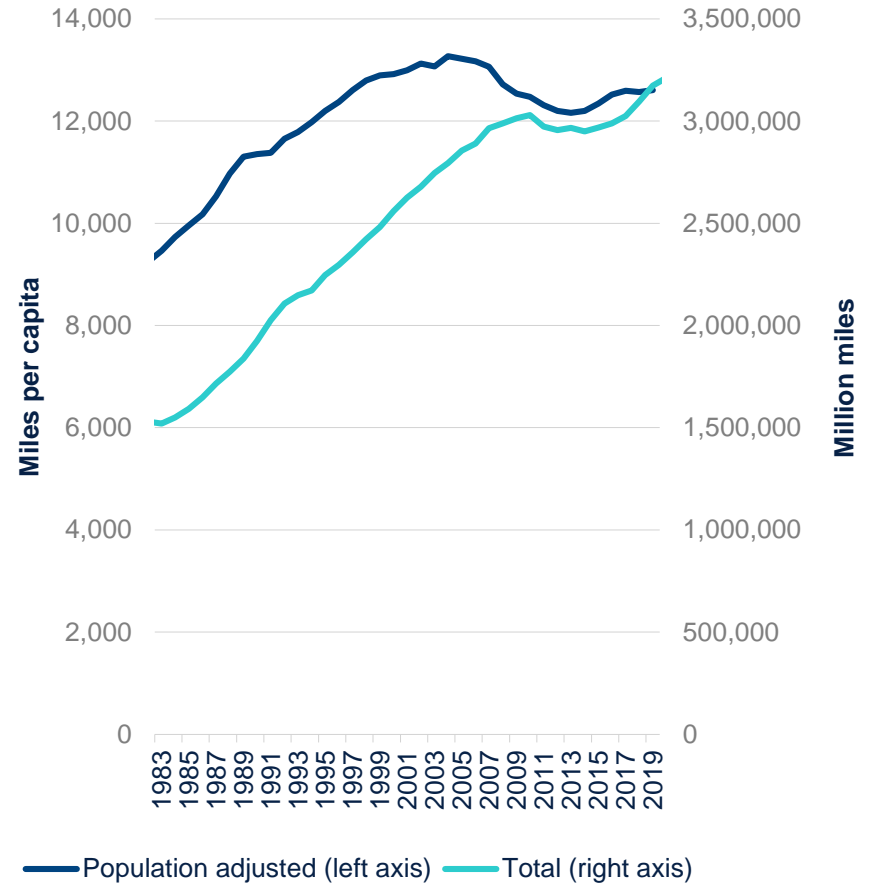
Structural

# Fundamentals

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



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

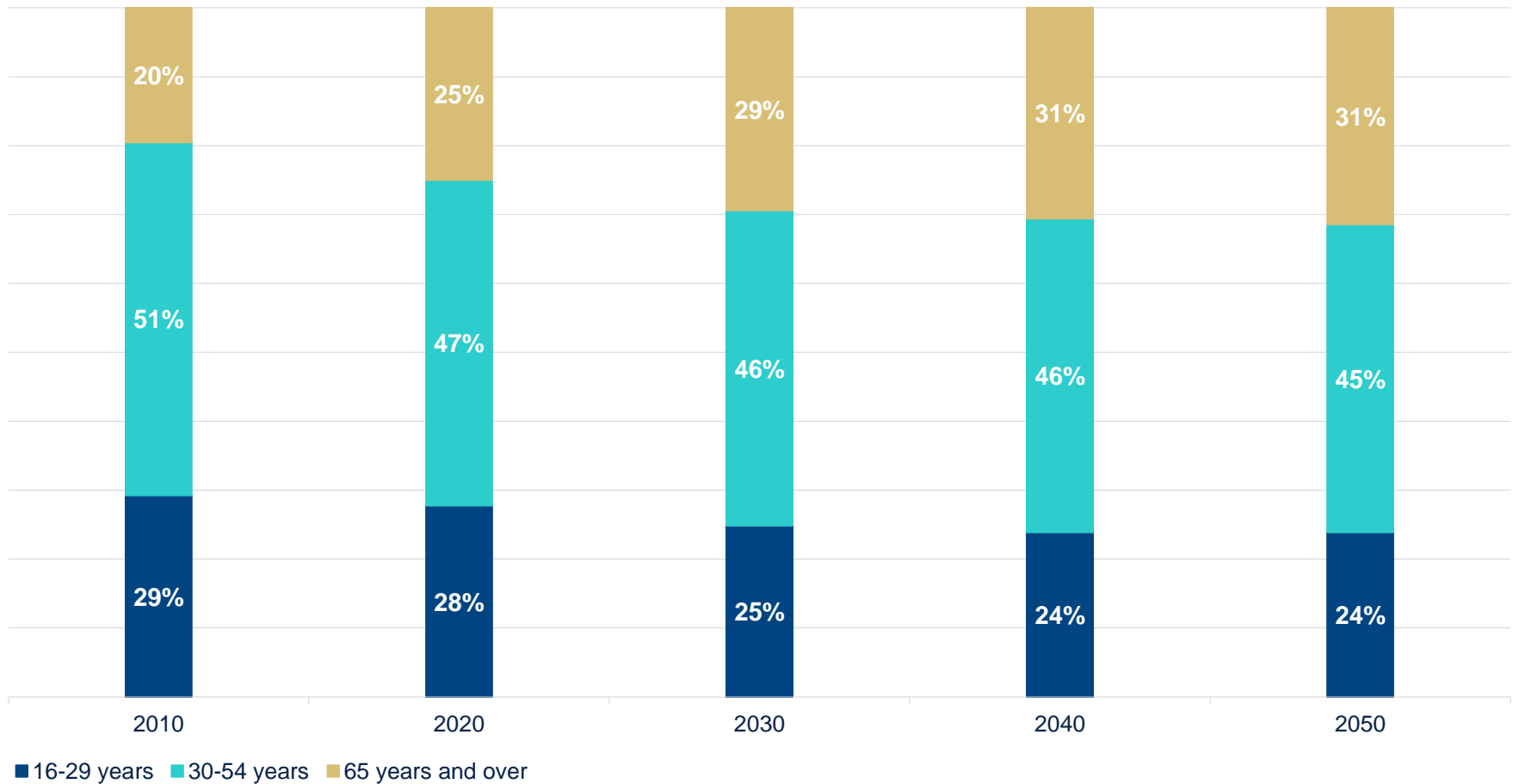


Source: BBVA Research and Haver Analytics.



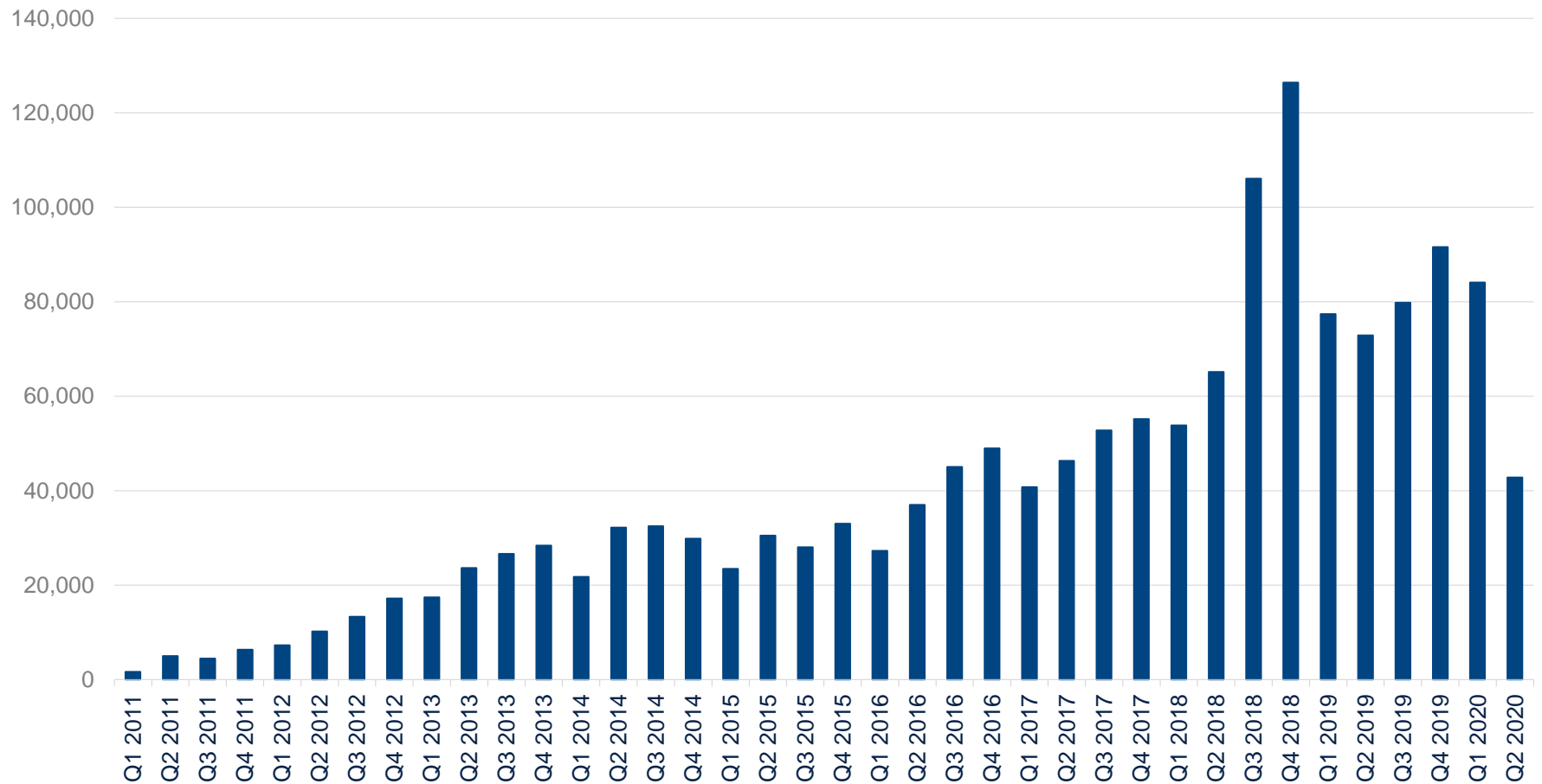
# Demographics

## 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.

05

# 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	14.5	16.0	16.5
<b>Real GDP growth</b> (% change)	2.9	1.6	2.2	2.9	2.3	-4.6	3.8	2.4
<b>Unemployment rate</b> (% avg.)	5.3	4.9	4.4	3.9	3.7	8.3	6.2	5.4
<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	0.51	0.23	0.36

# U.S. Auto Sales Chartbook

October 2020