

U.S. Auto Sales Chartbook

January 2021

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Main messages

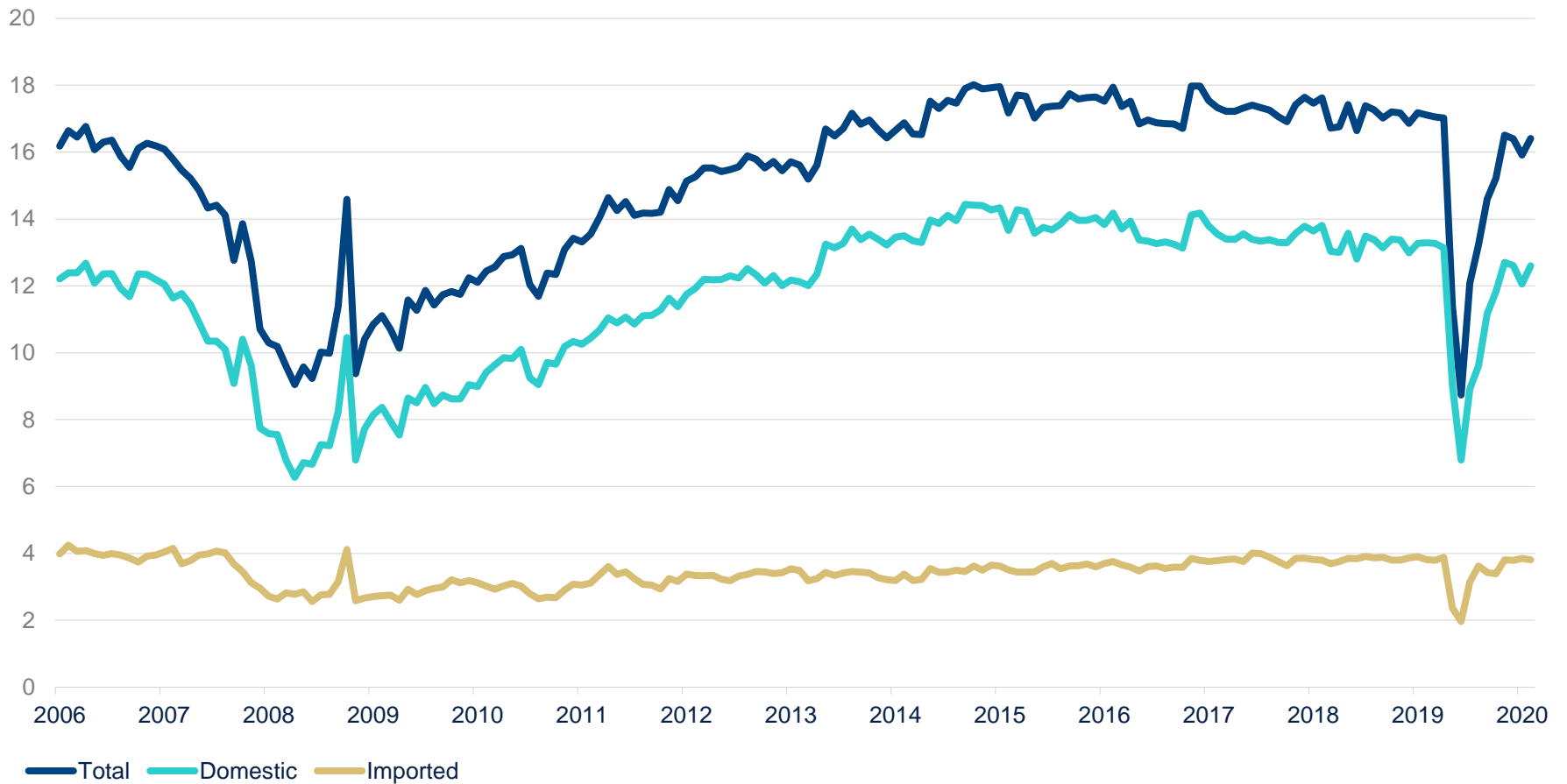
- New vehicle sales went up 5% in 4Q20 from the previous quarter to 16.2 million units. For 2020, sales declined 14.7% to 14.5 million units, the lowest since 2012.
- Demand has been supported by fiscal stimulus, low interest rates, and increasing preferences for car ownership.
- The pandemic disrupted production, tightening supply and allowing manufacturers to reduce incentives and increase profits.
- Resilient demand and tighter supply has significantly boosted prices in both the used and new-vehicle segments.
- Retail auto sales are expected to continue recovering. On the contrary, the commercial fleet segment will remain subdued until vaccination becomes more widespread and business and leisure travel resumes.
- Higher prices and weaker commercial fleet sales may prevent new auto sales from returning to the 17 million units threshold in the near term.
- Electric vehicles increased 11% in 3Q20. The outlook for EVs is positive as the Biden administration is expected to bet heavily on clean energy.
- Going forward, U.S. automakers are likely to release more electric and hybrid options to comply with fuel economy standards, while continue focusing on the more profitable light truck segment.

01

Sales

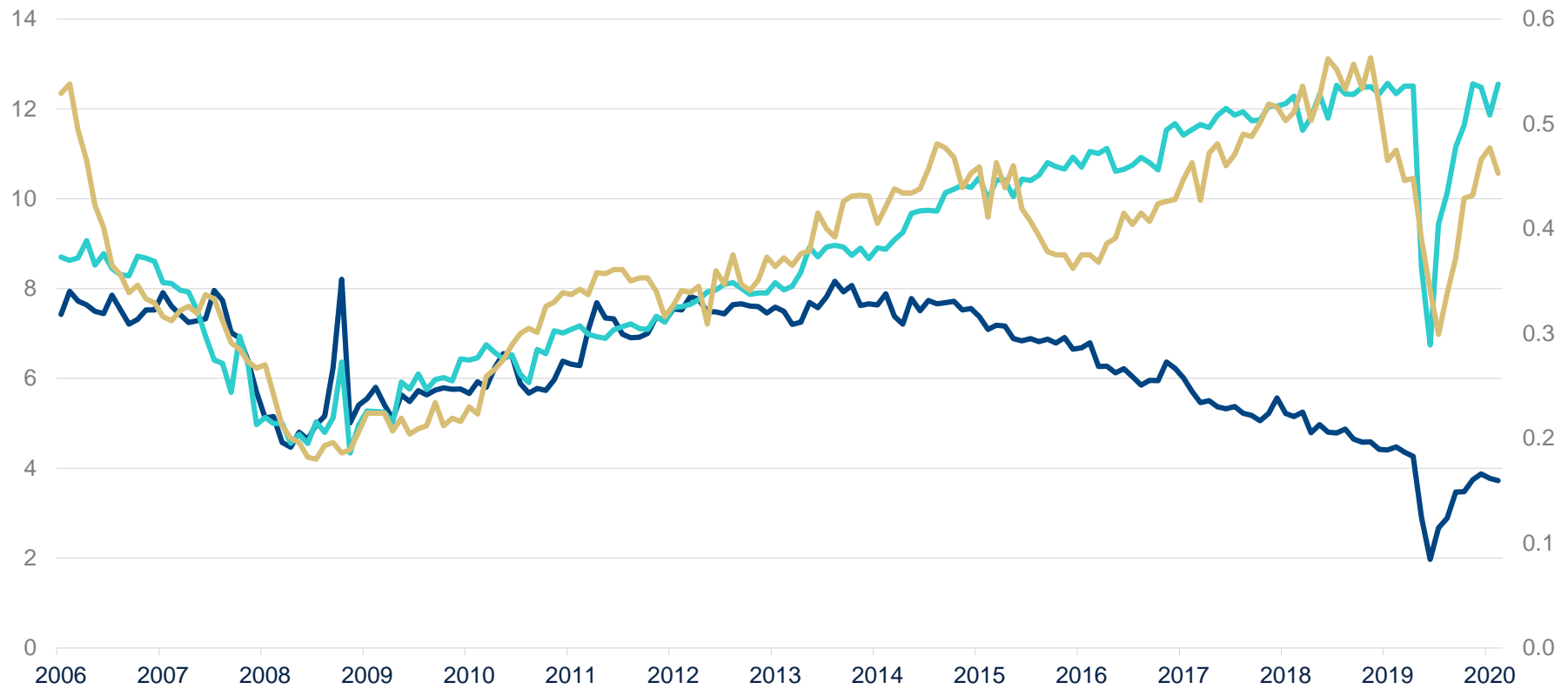
Sales

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



Sales

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



— Cars — Light trucks* — Medium and heavy trucks (right axis)**

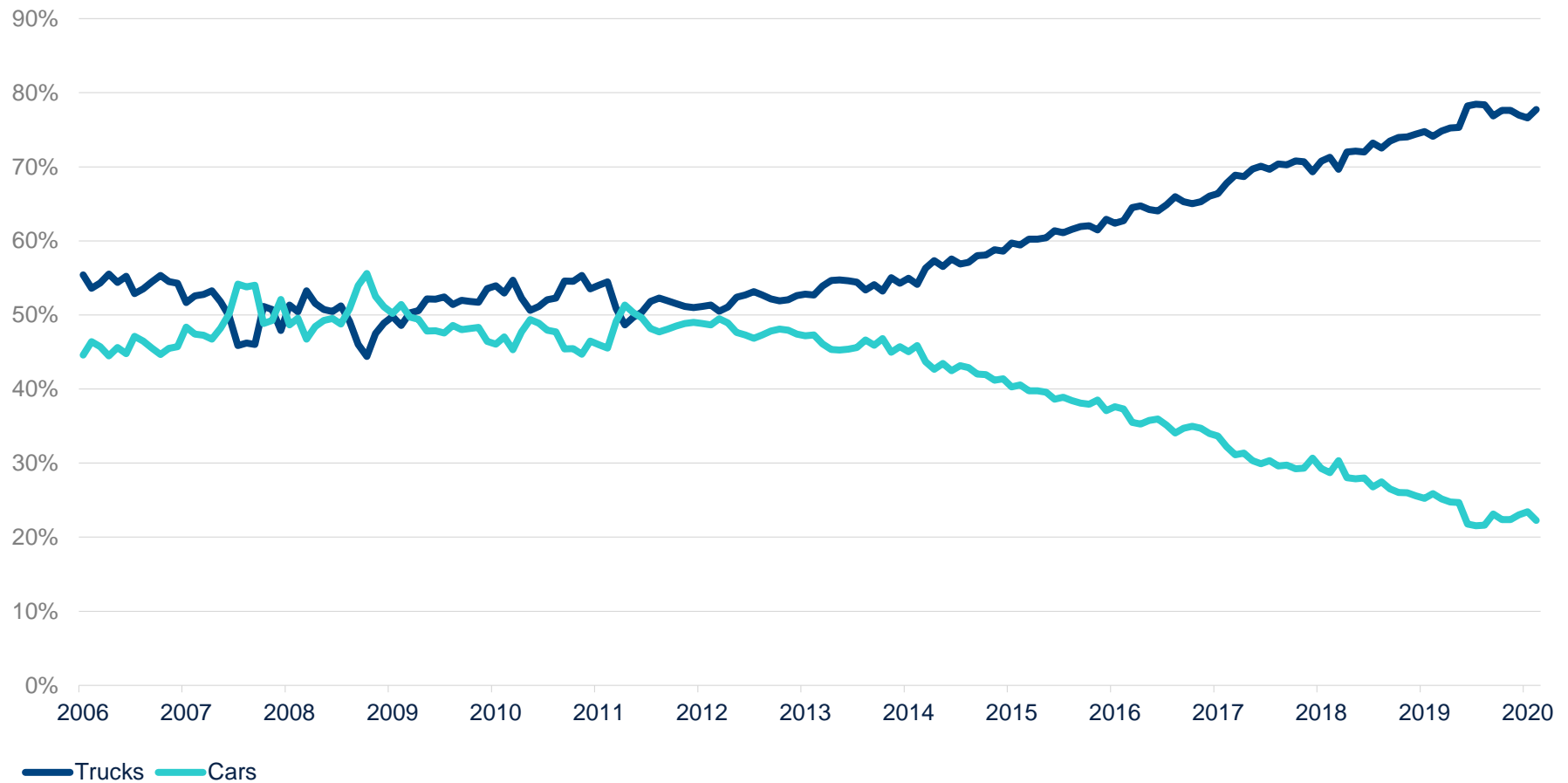
* 0-14,000 pounds GVWR.

**14,001 pounds GVWR and over.

Source: BBVA Research and Haver Analytics.

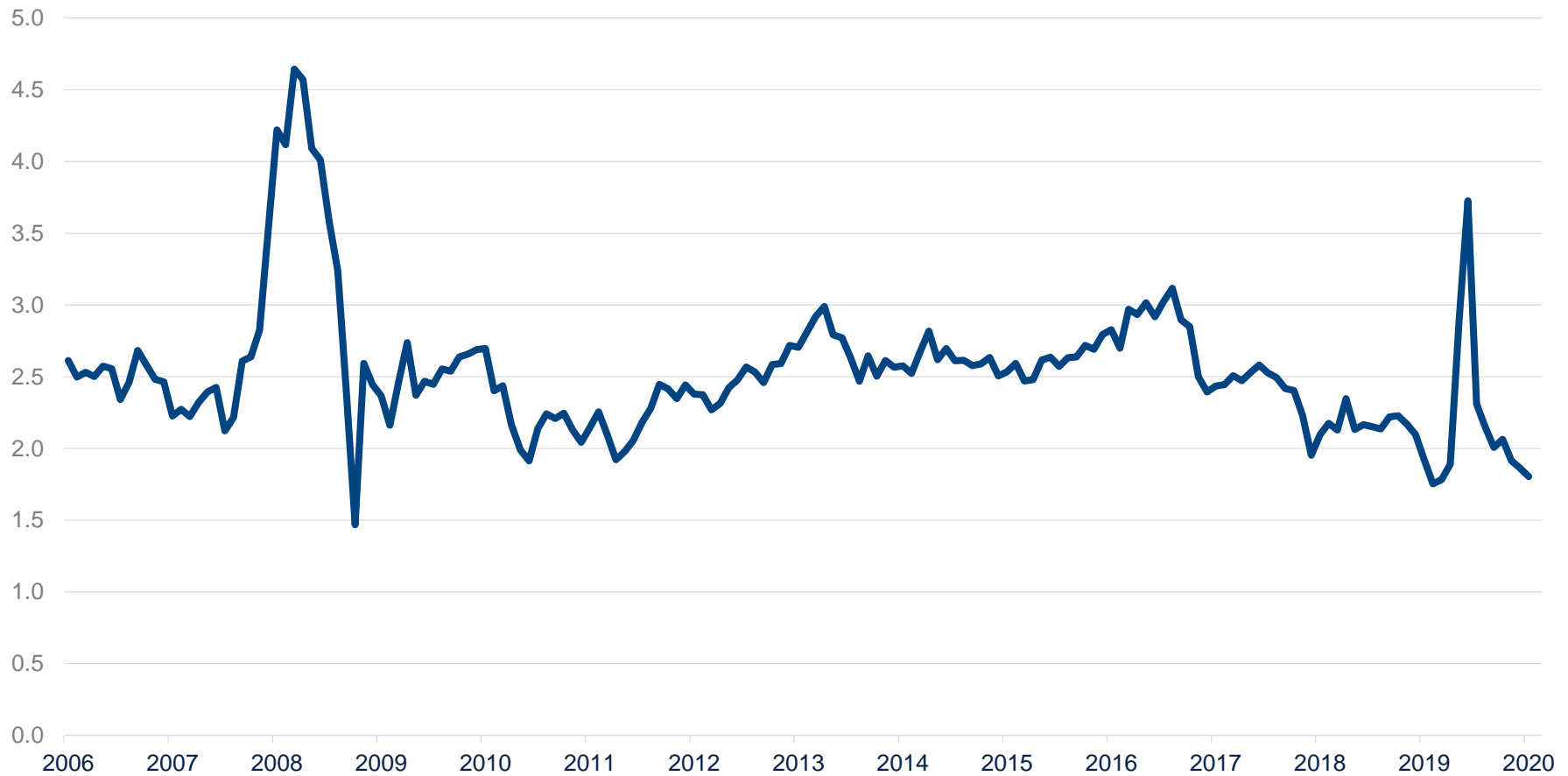
Sales

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



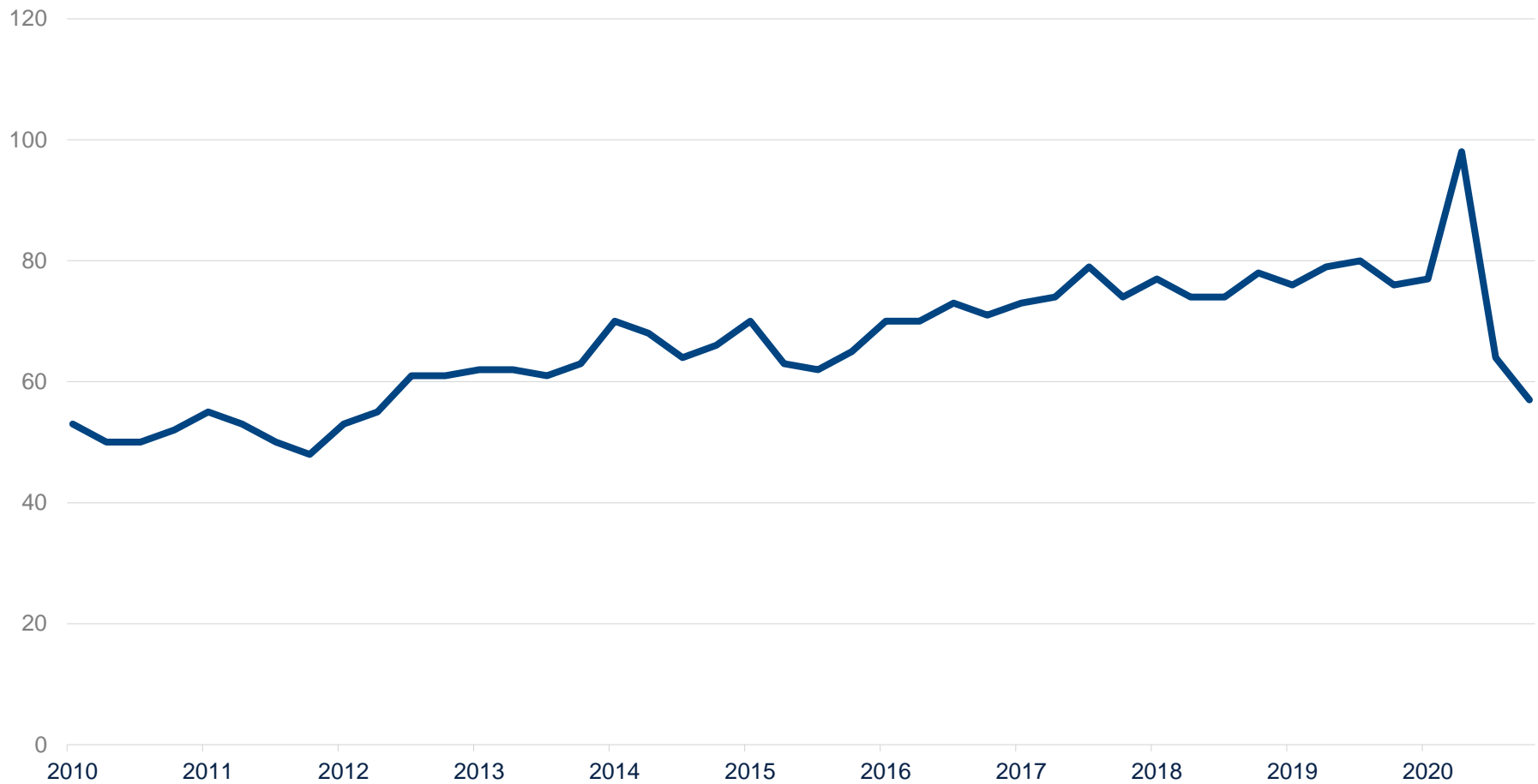
Sales

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



Days to turn

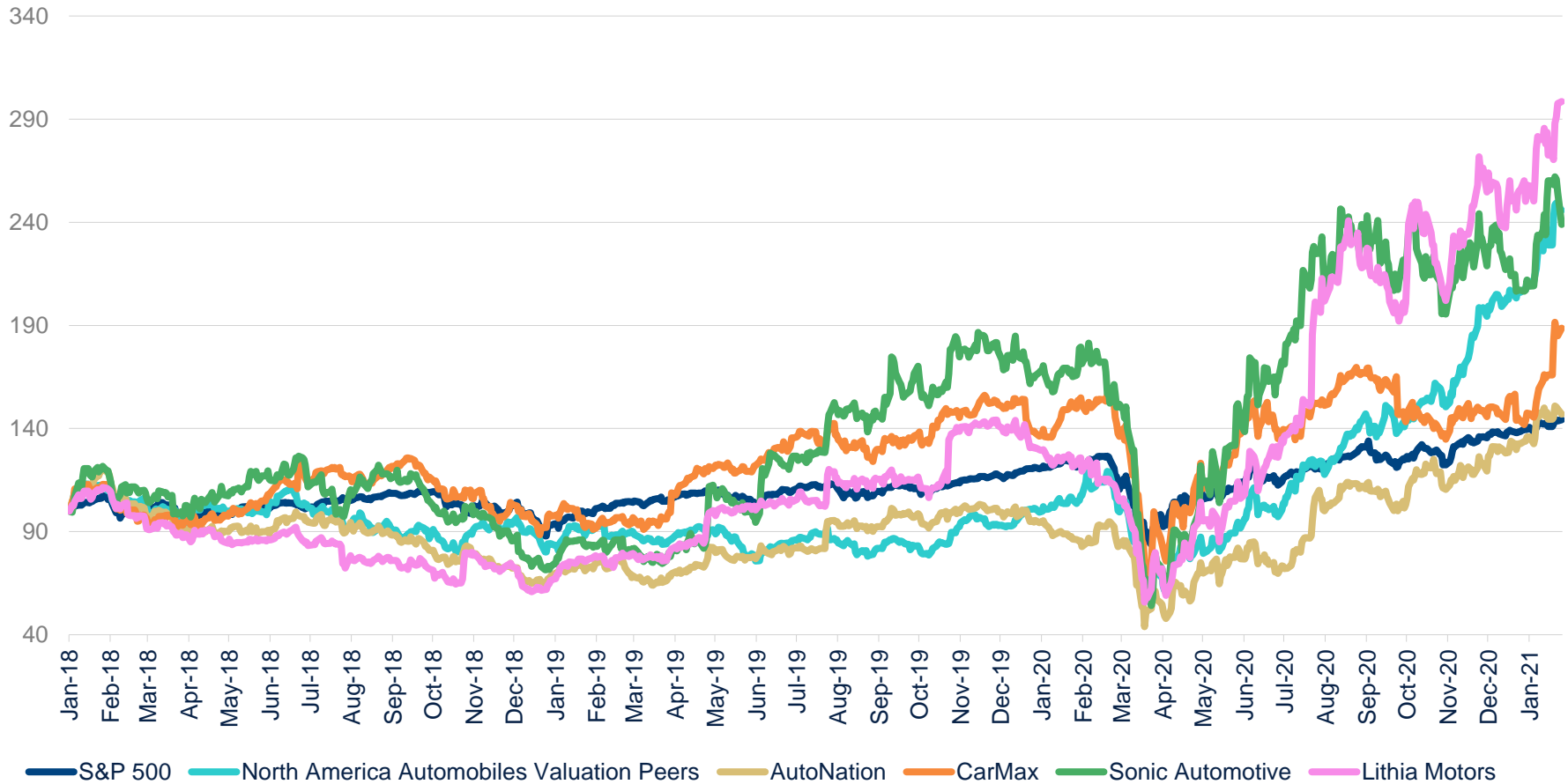
U.S. VEHICLE DAYS TO TURN (SEGMENT AVERAGE)



Stock market

STOCK MARKET INDICATORS

(INDEX, 1/1/2018 = 100)

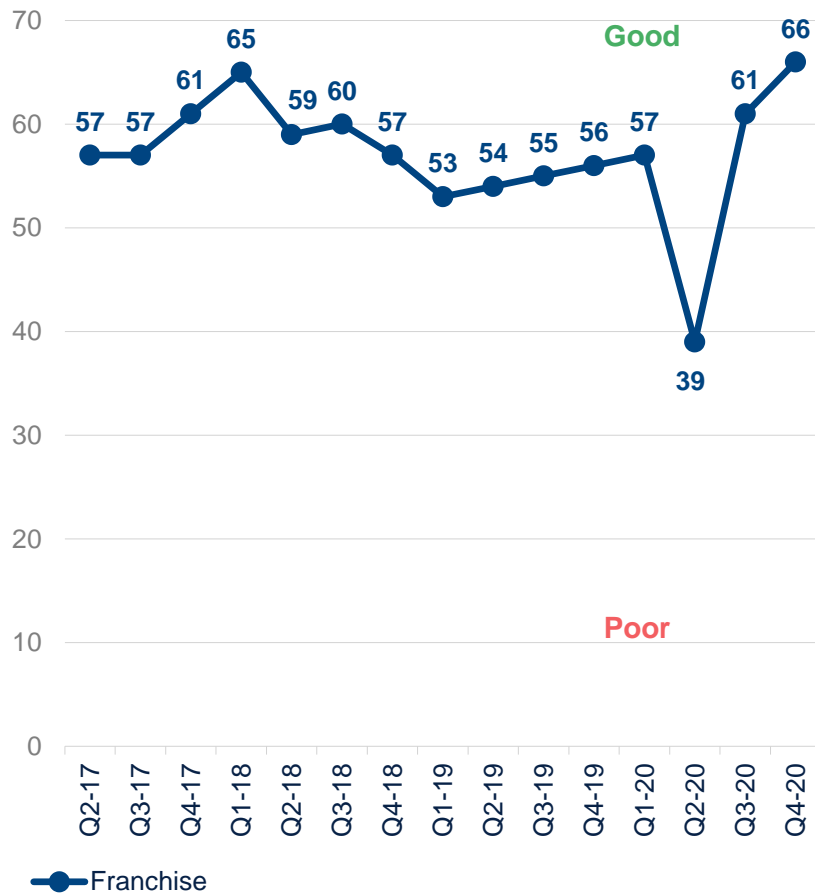


North America Automobiles Valuation Peers: Fiat Chrysler Automobiles, Ford Motor Co., Tesla Inc., General Motors Co.

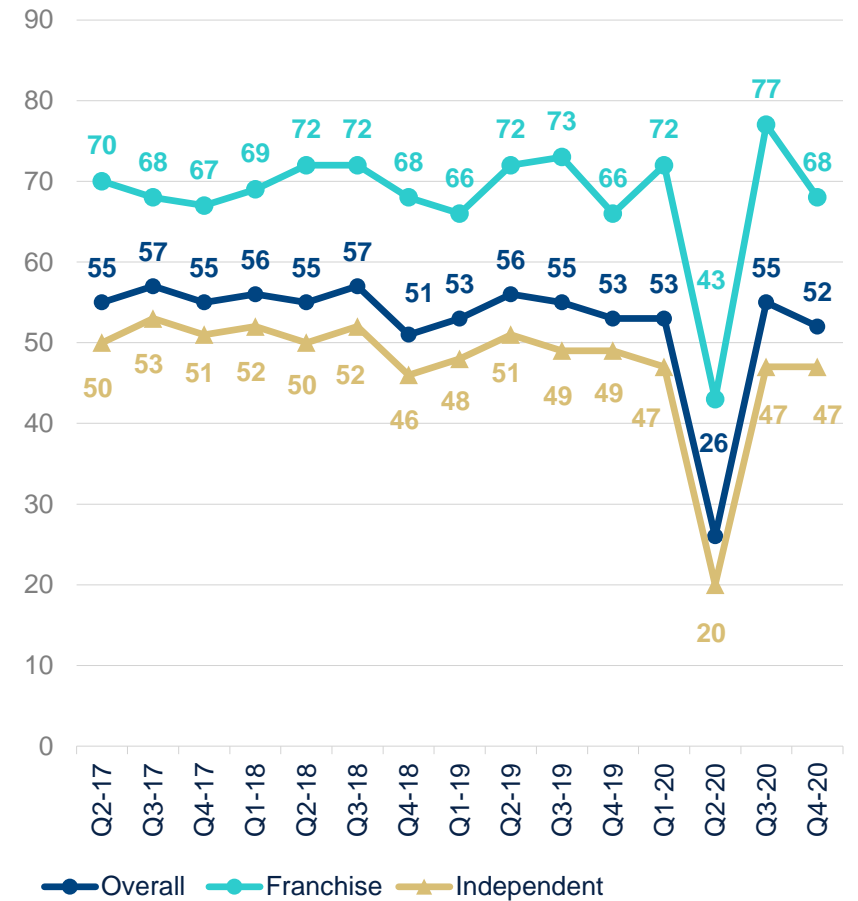
Source: BBVA Research and Bloomberg.

Dealers

HOW WOULD YOU DESCRIBE THE NEW-VEHICLE SALES ENVIRONMENT?



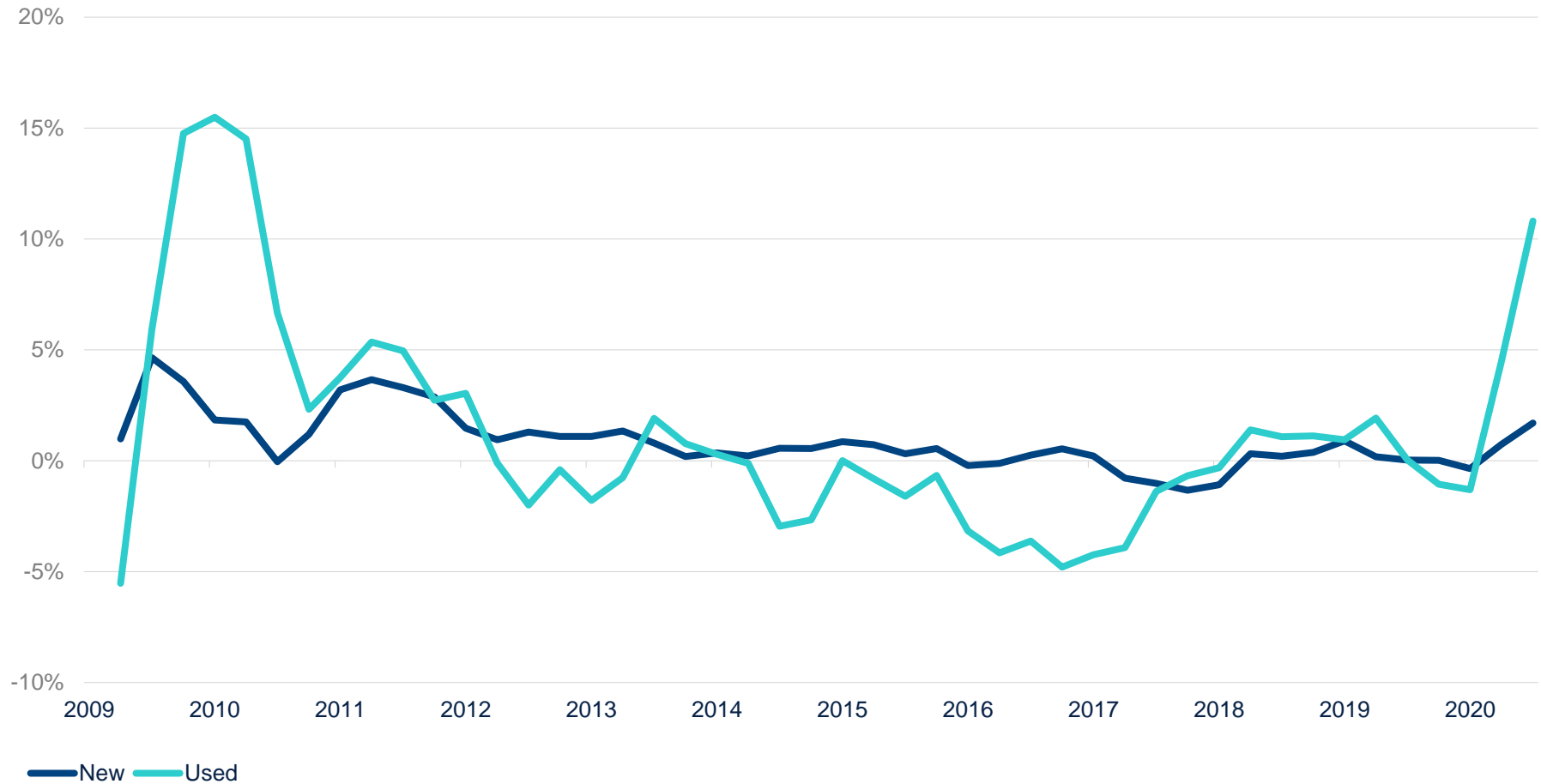
HOW WOULD YOU DESCRIBE THE CURRENT USED-VEHICLE SALES ENVIRONMENT?



Source: Cox Automotive, Dealer Sentiment Index 4Q20.

Prices

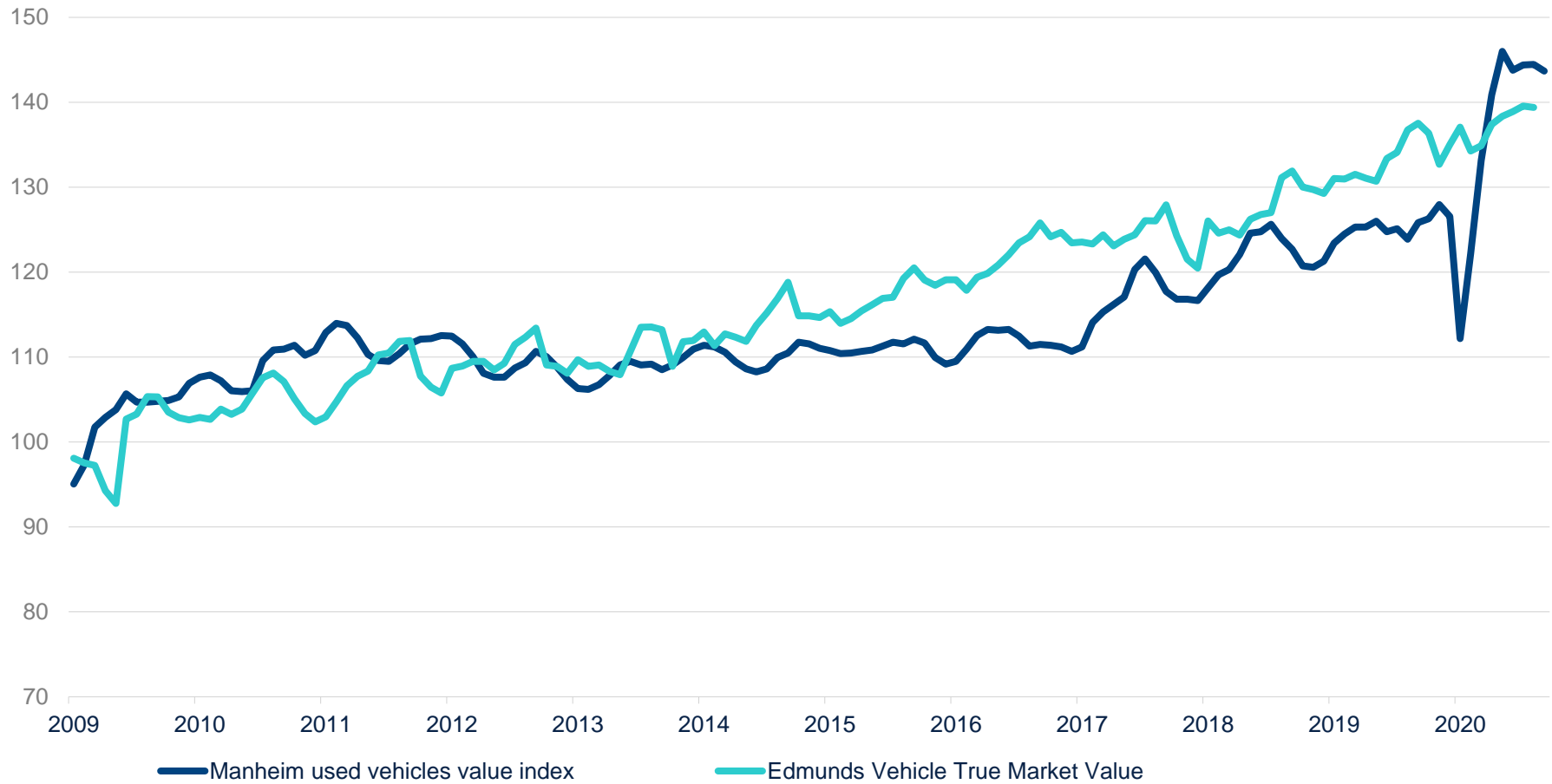
U.S. CONSUMER PRICE INDEX: CARS AND TRUCKS (YOY % CHANGE)



Source: BBVA Research and Haver Analytics.

Prices

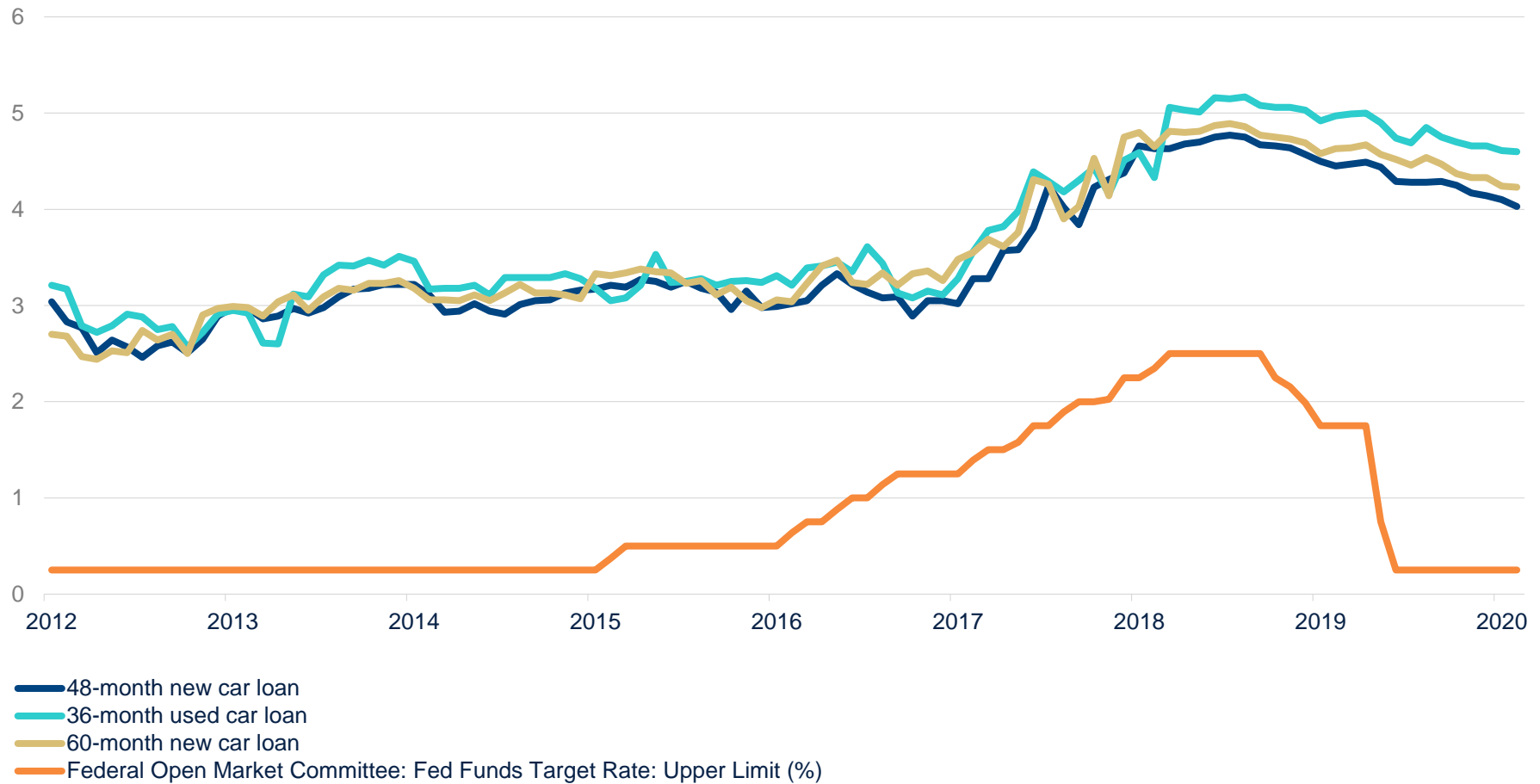
U.S. AUTO PRICES (INDEX, 2009 = 100)



Financial conditions

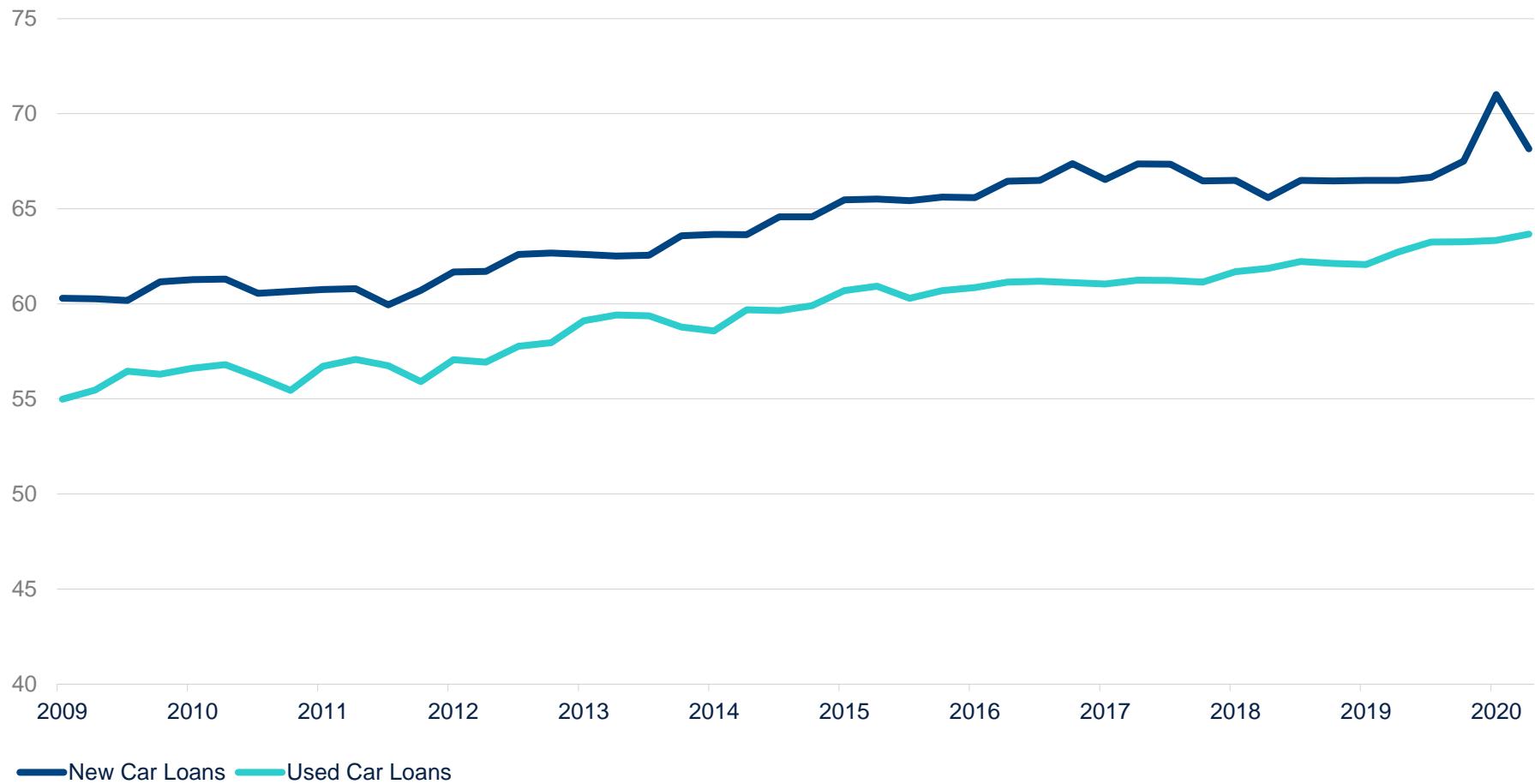
U.S. INTEREST RATES

(%)



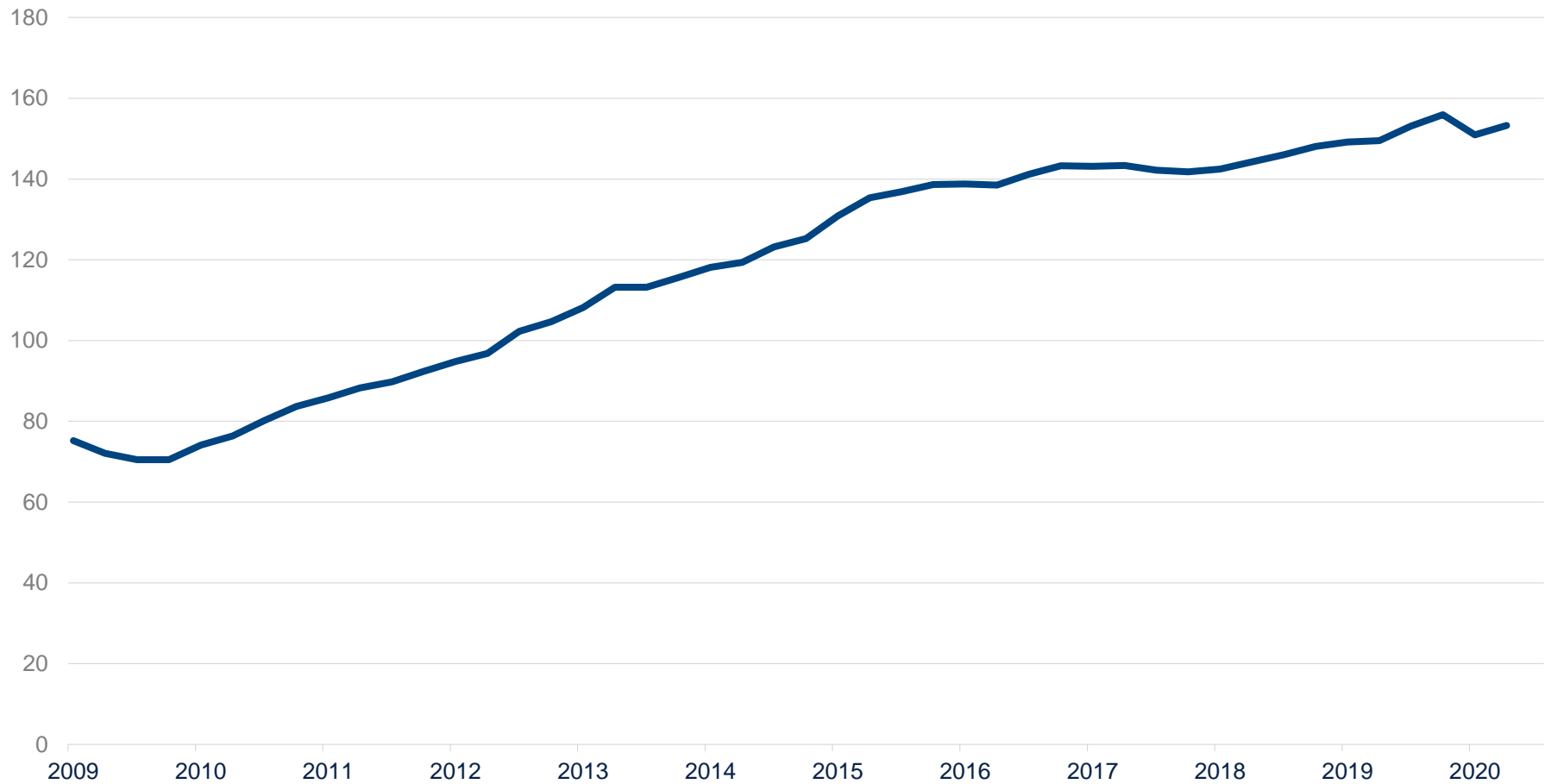
Financial conditions

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



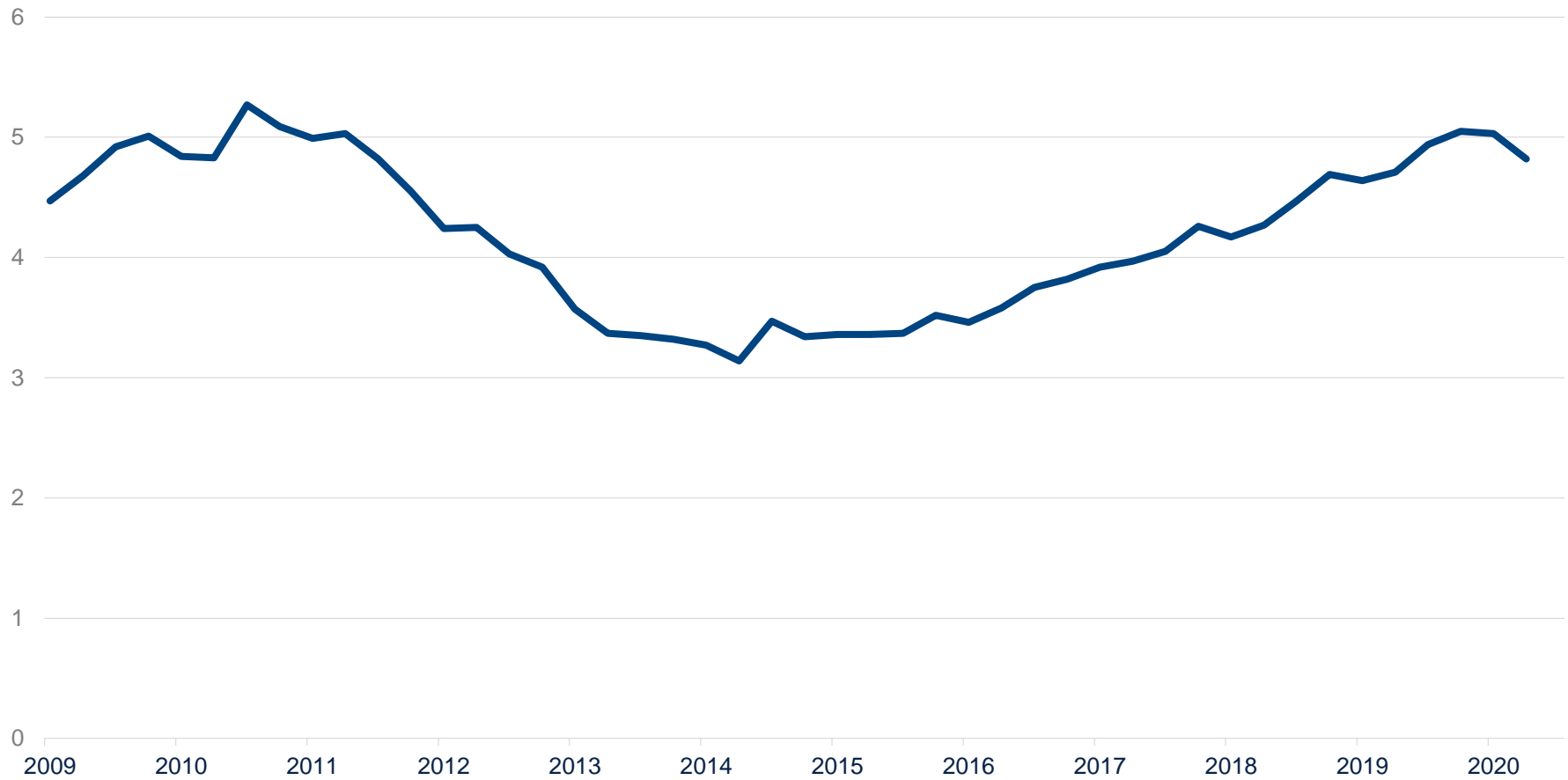
Financial conditions

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



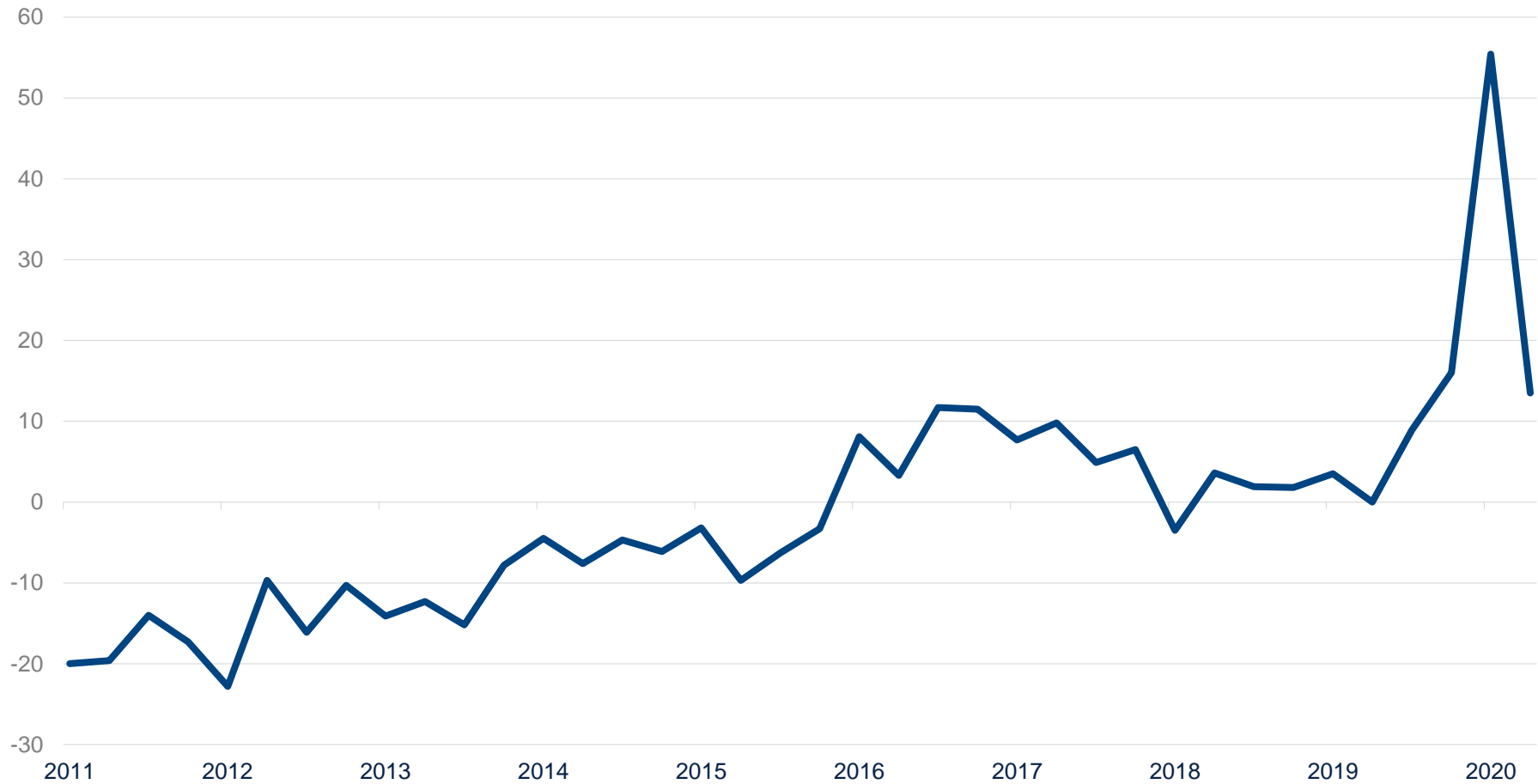
Financial conditions

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



Financial conditions

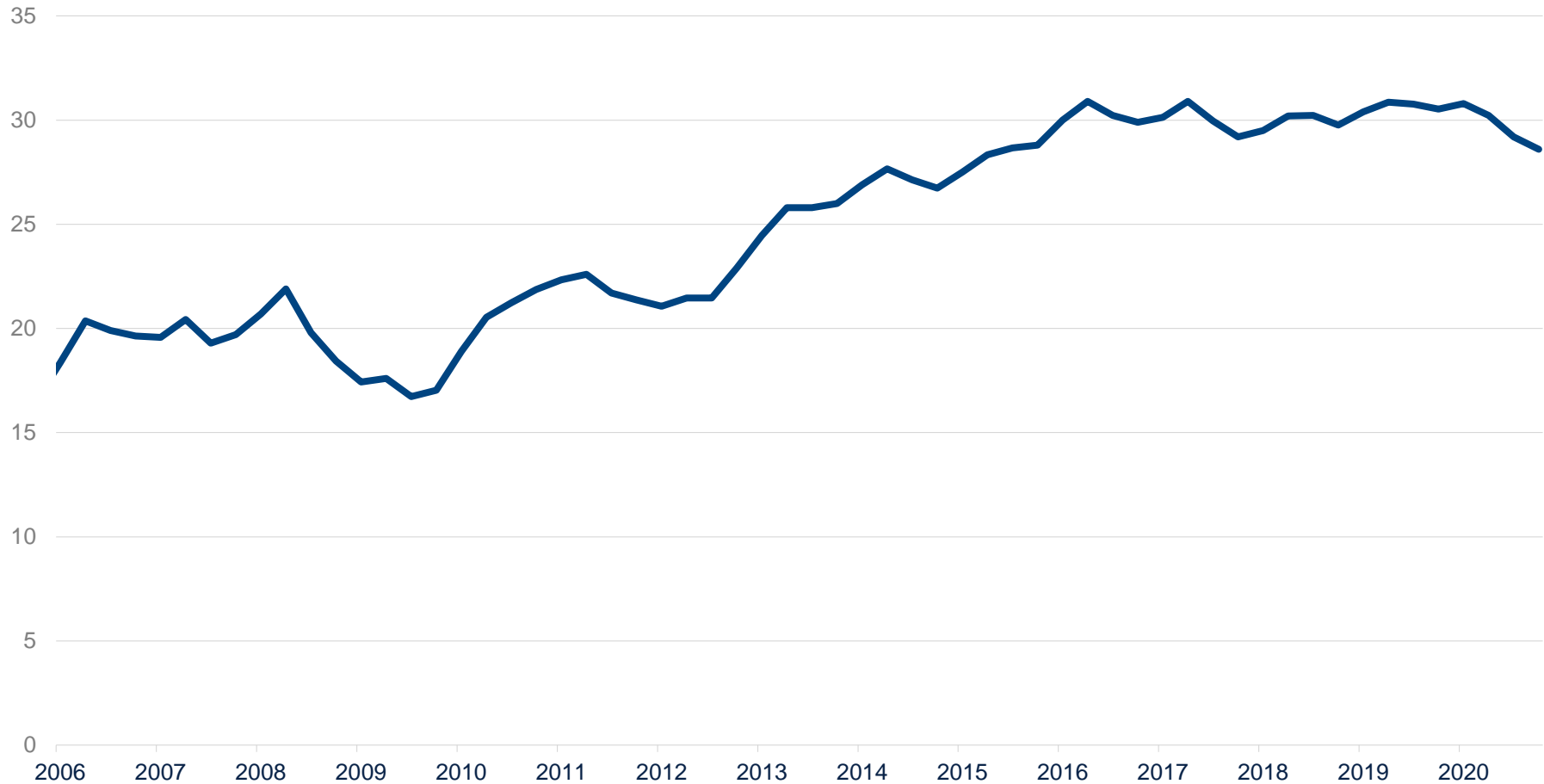
U.S. OVER THE PAST THREE MONTHS, HOW HAVE YOUR BANK'S CREDIT STANDARDS FOR APPROVING APPLICATIONS FOR AUTO LOANS FROM INDIVIDUALS OR HOUSEHOLDS CHANGED?
(NET PERCENTAGE BALANCE)



Source: Senior Loan Officer Opinion Survey on Bank Lending Practices, Board of Governors of the Federal Reserve System.

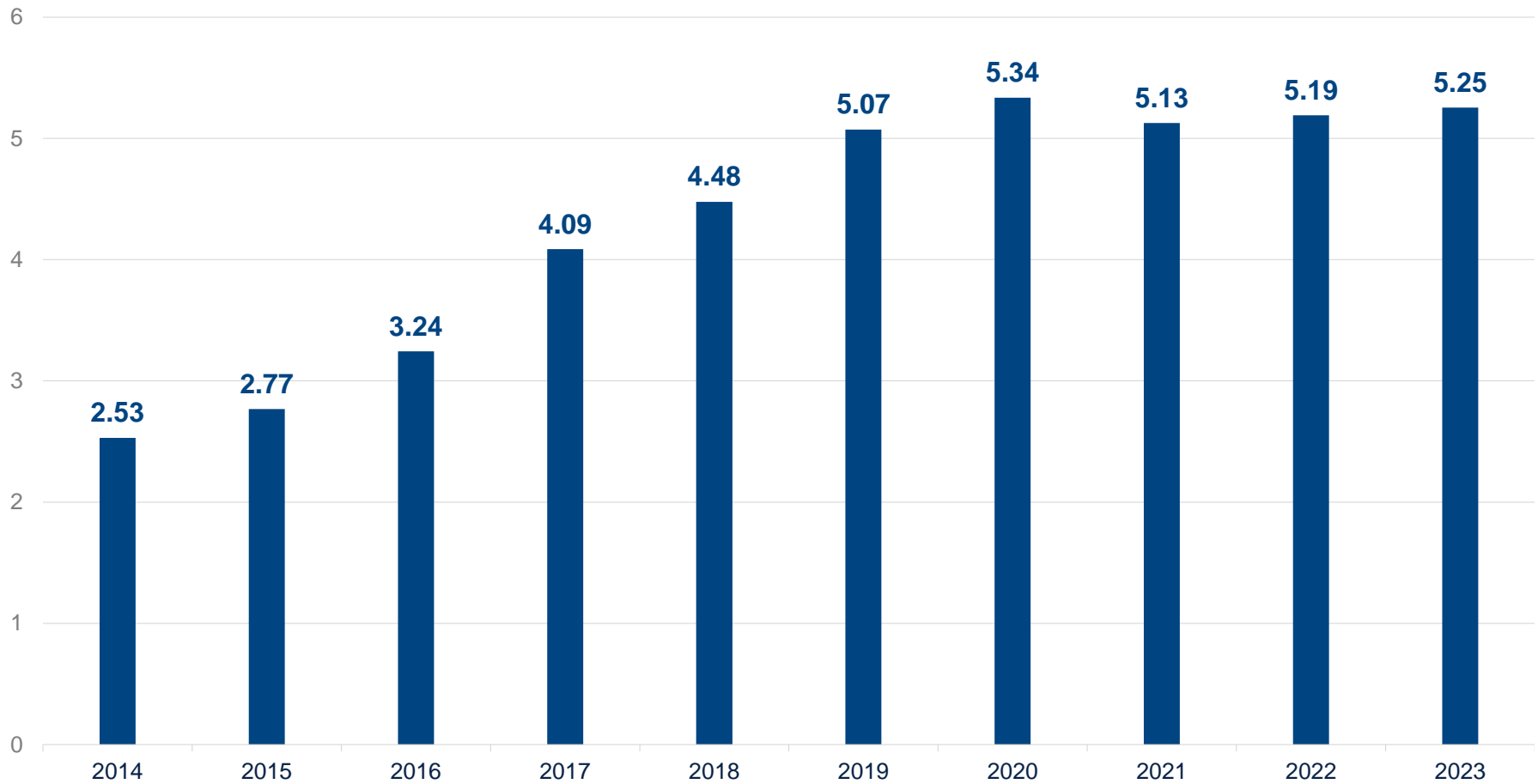
Leasing

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



Leasing

OFF-LEASE RETURNS AND SUPPLY* (MILLIONS UNITS)

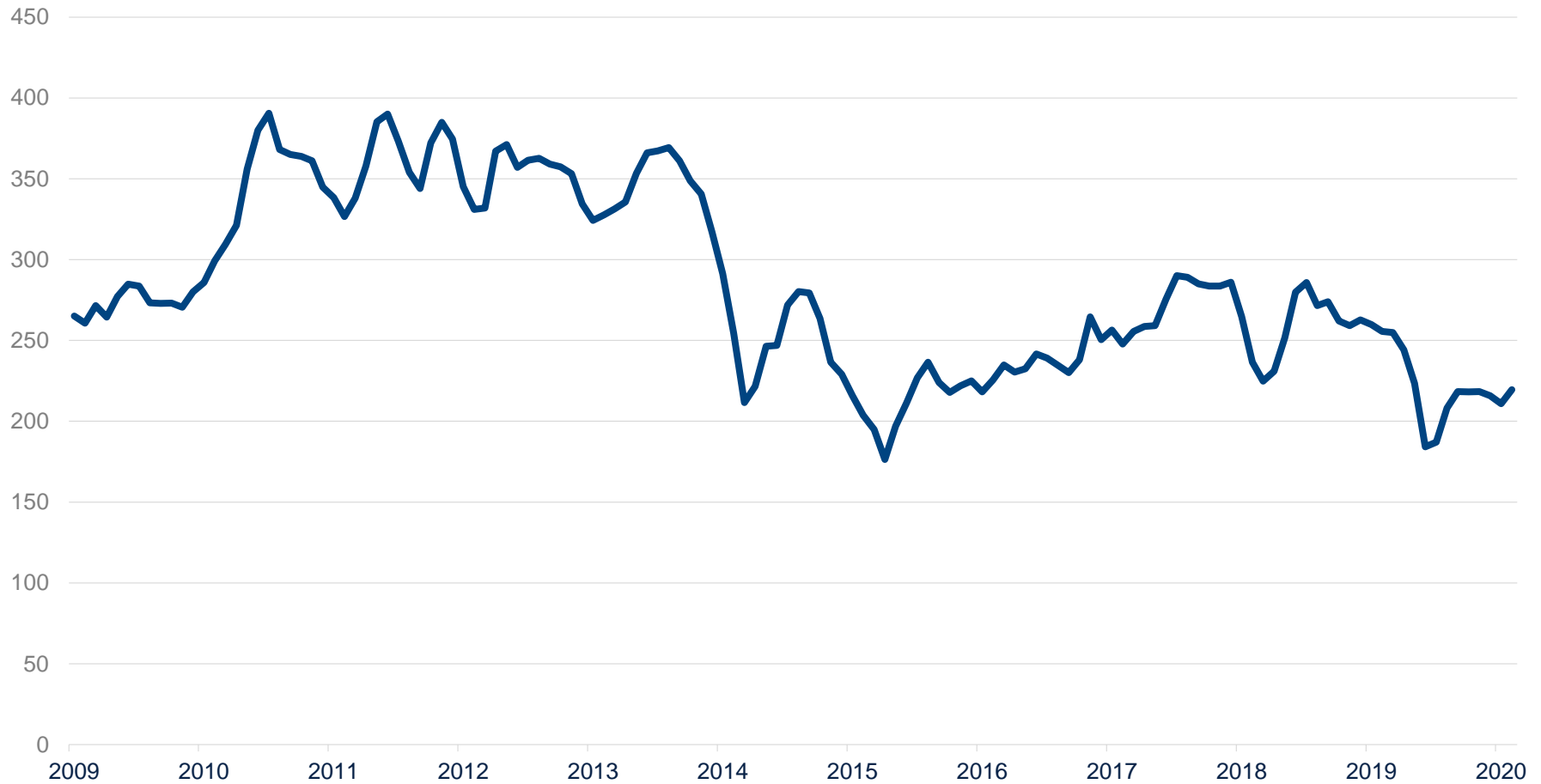


*Assumes 36-month lease terms.

Source: Bloomberg and BBVA Research.

Gasoline

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

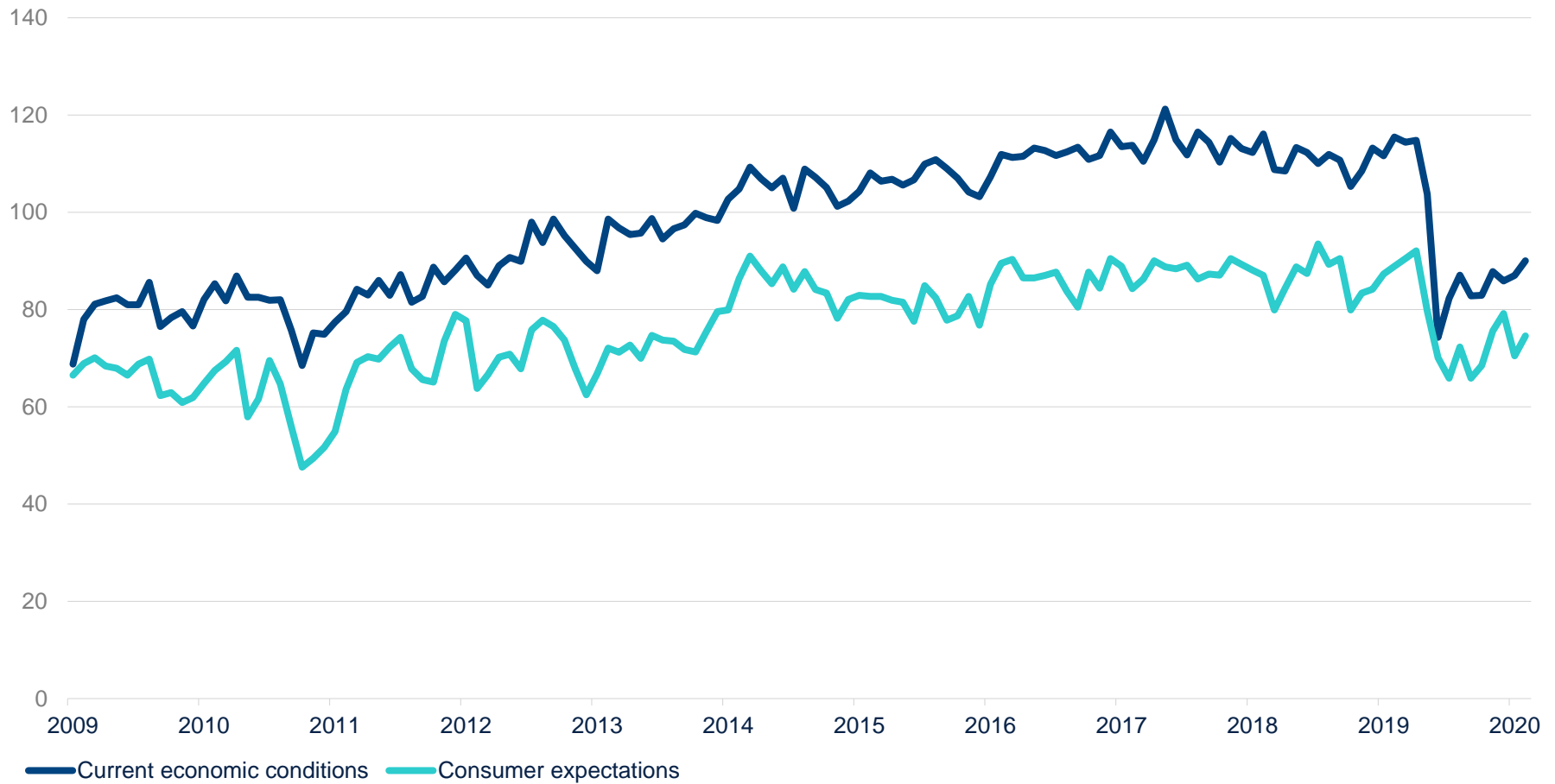


02

Consumers

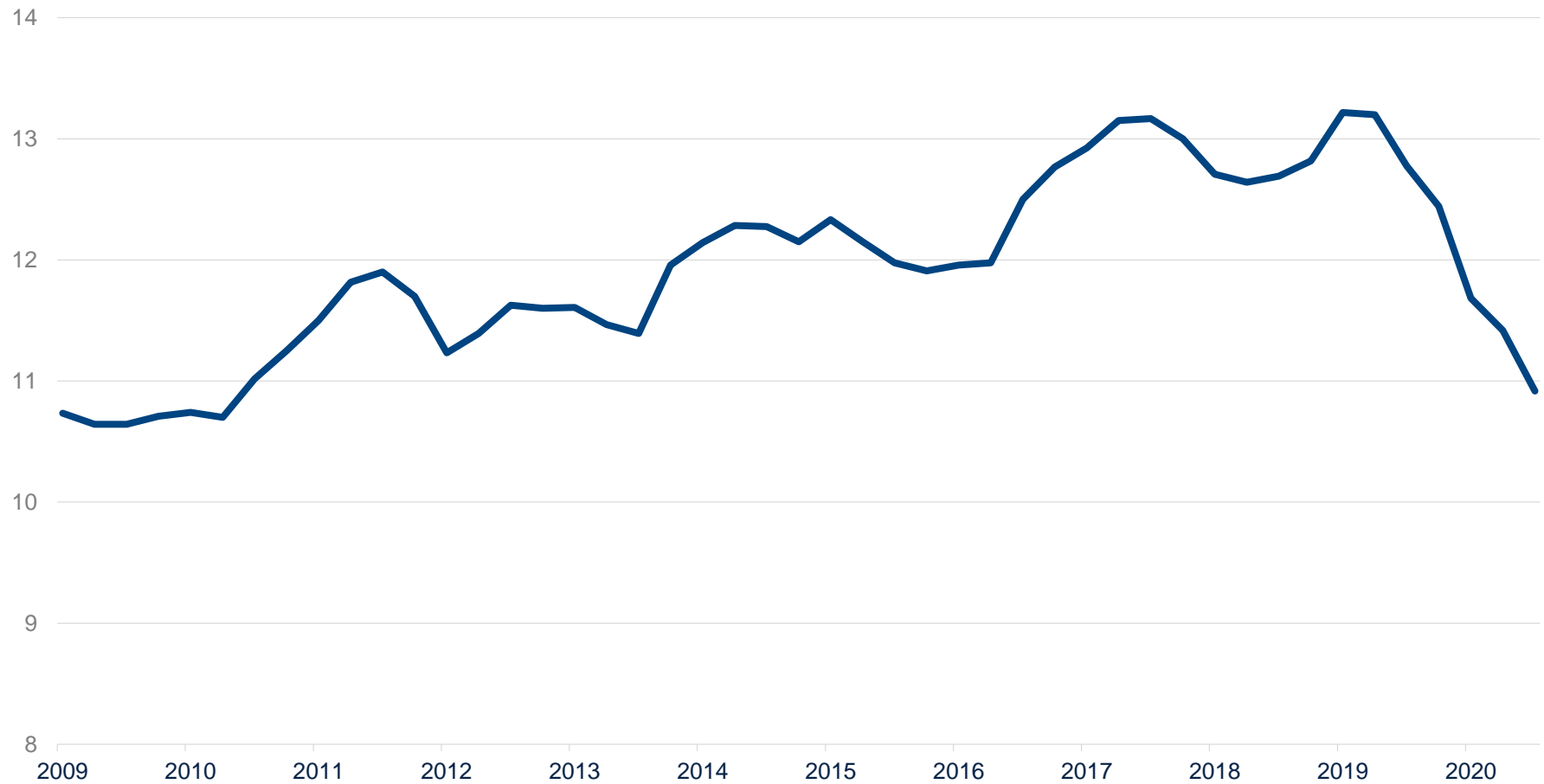
Consumers

UNIVERSITY OF MICHIGAN: CONSUMER SENTIMENT INDEX



Consumers

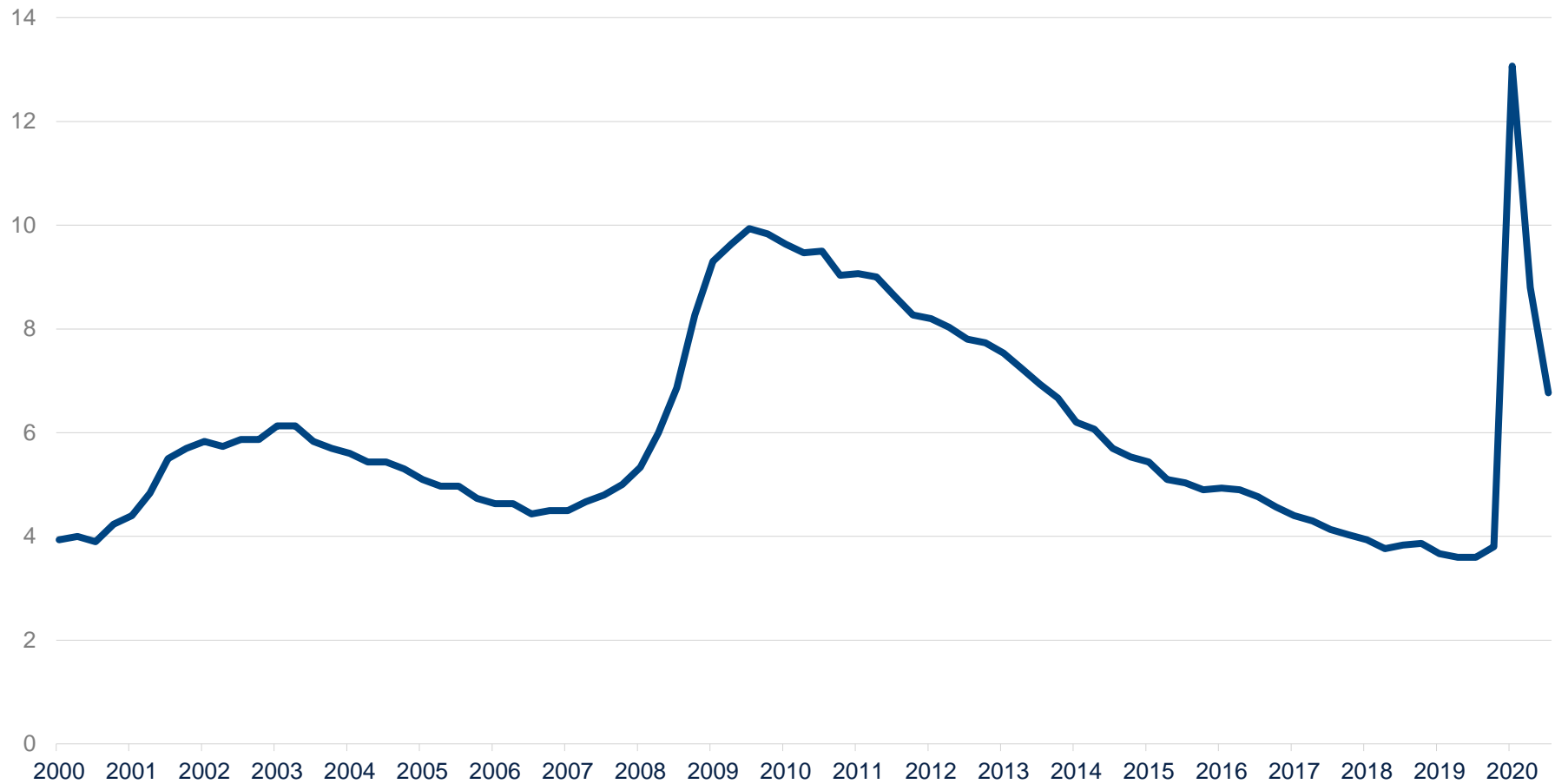
CONFERENCE BOARD: CONSUMER PLANS TO BUY A CAR WITHIN 6 MONTHS (% OF RESPONDENTS)



Consumers

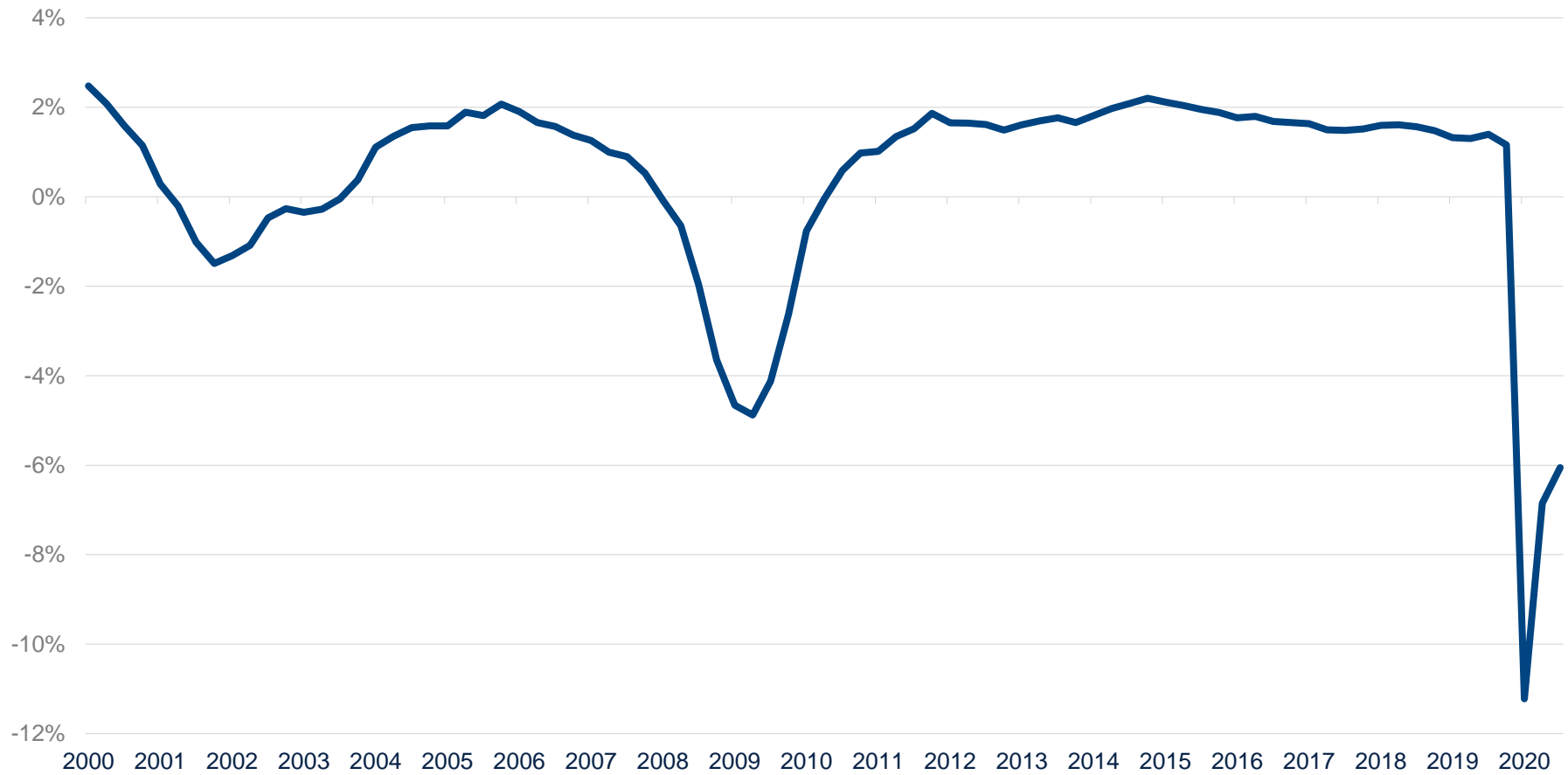
U.S. UNEMPLOYMENT RATE

(%)



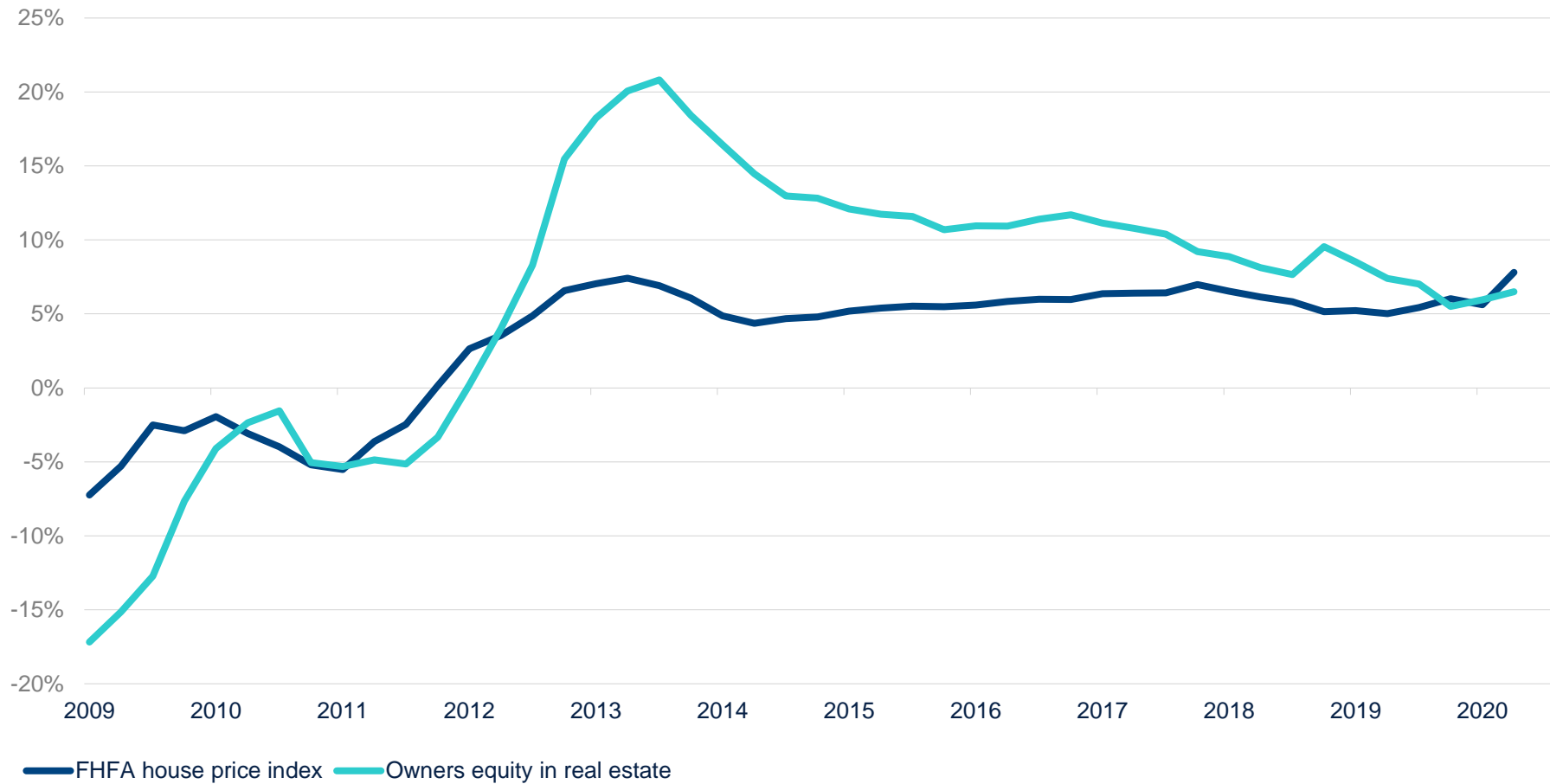
Consumers

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



Consumers

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

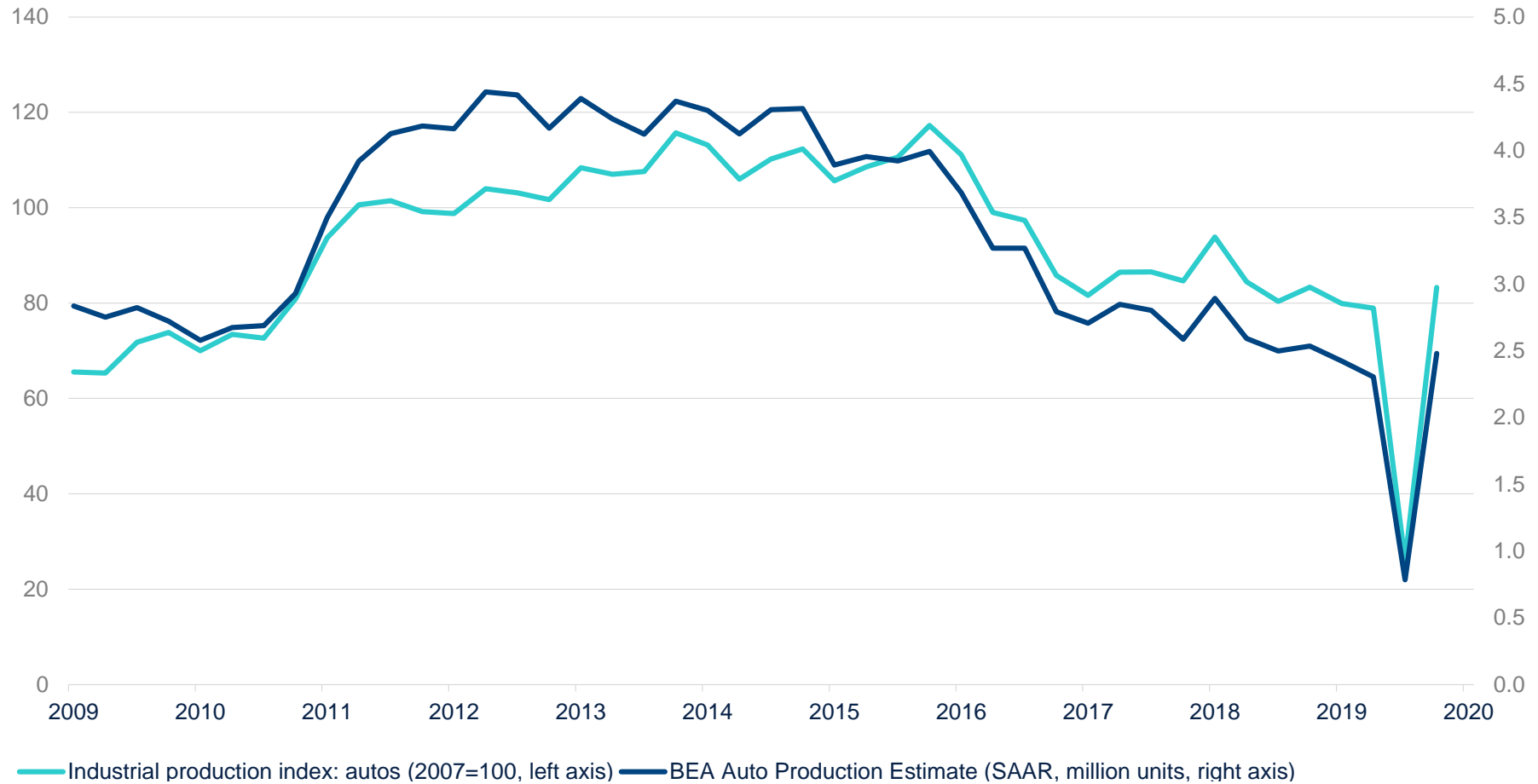


03

Production

Production

U.S. AUTO PRODUCTION

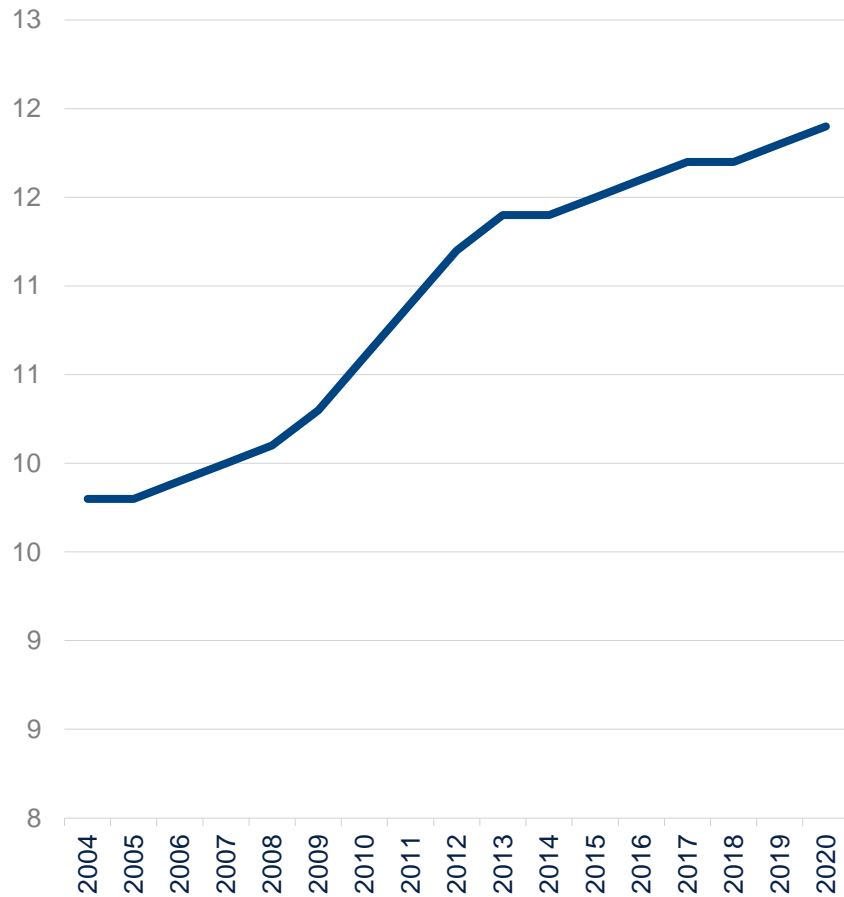


04

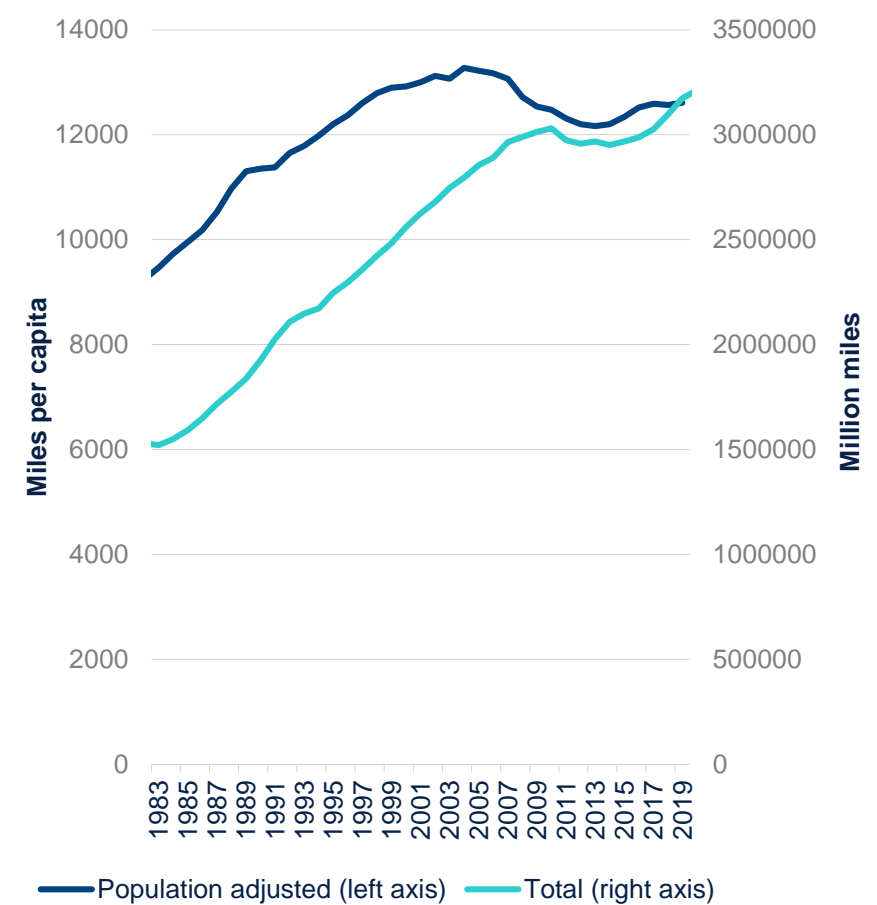
Structural

Fundamentals

MEAN AGE OF PASSENGER CARS IN OPERATION (YEARS)



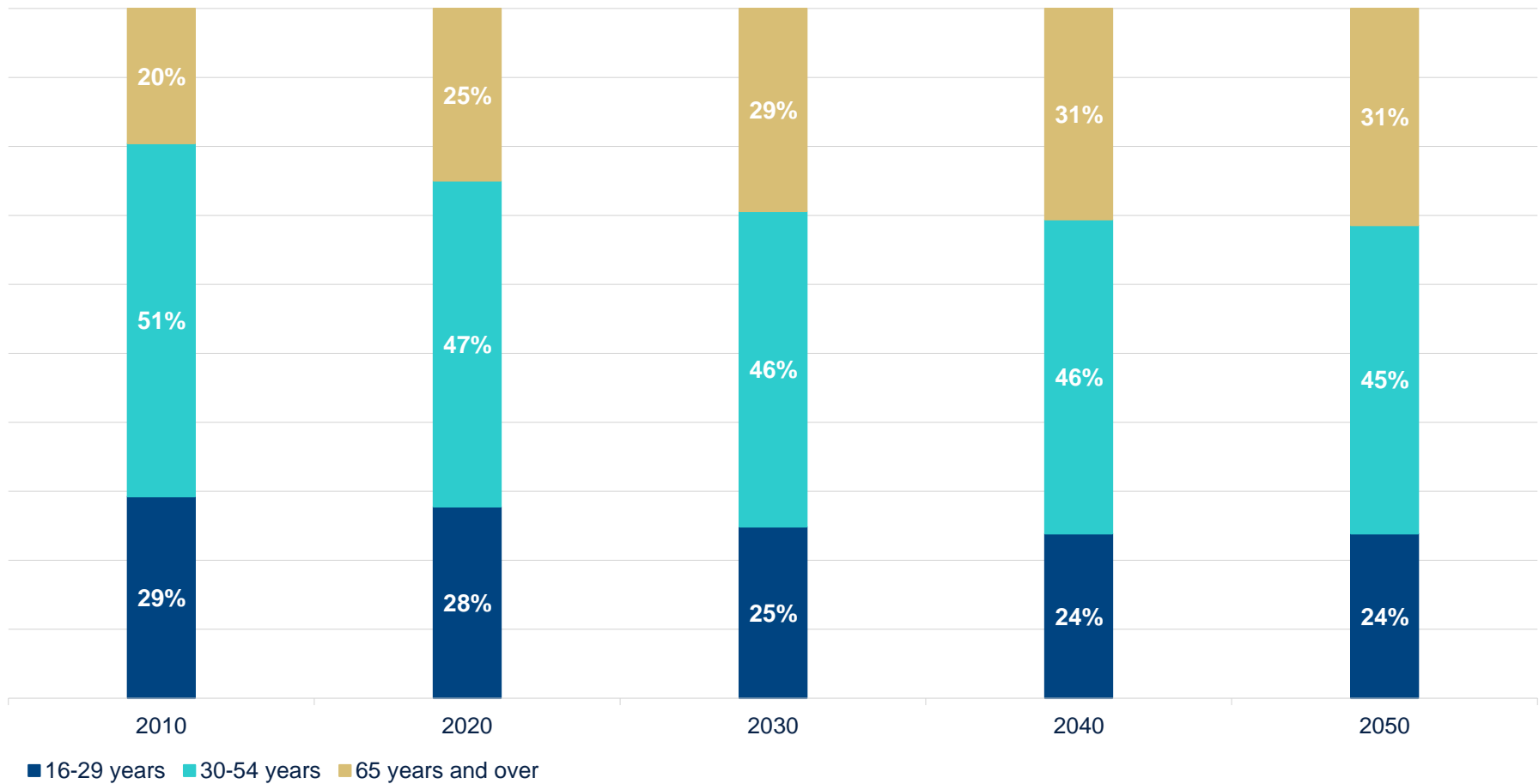
VEHICLE MILES OF TRAVEL (TOTAL AND ADJUSTED BY POPULATION)



Source: BBVA Research and Haver Analytics.

Demographics

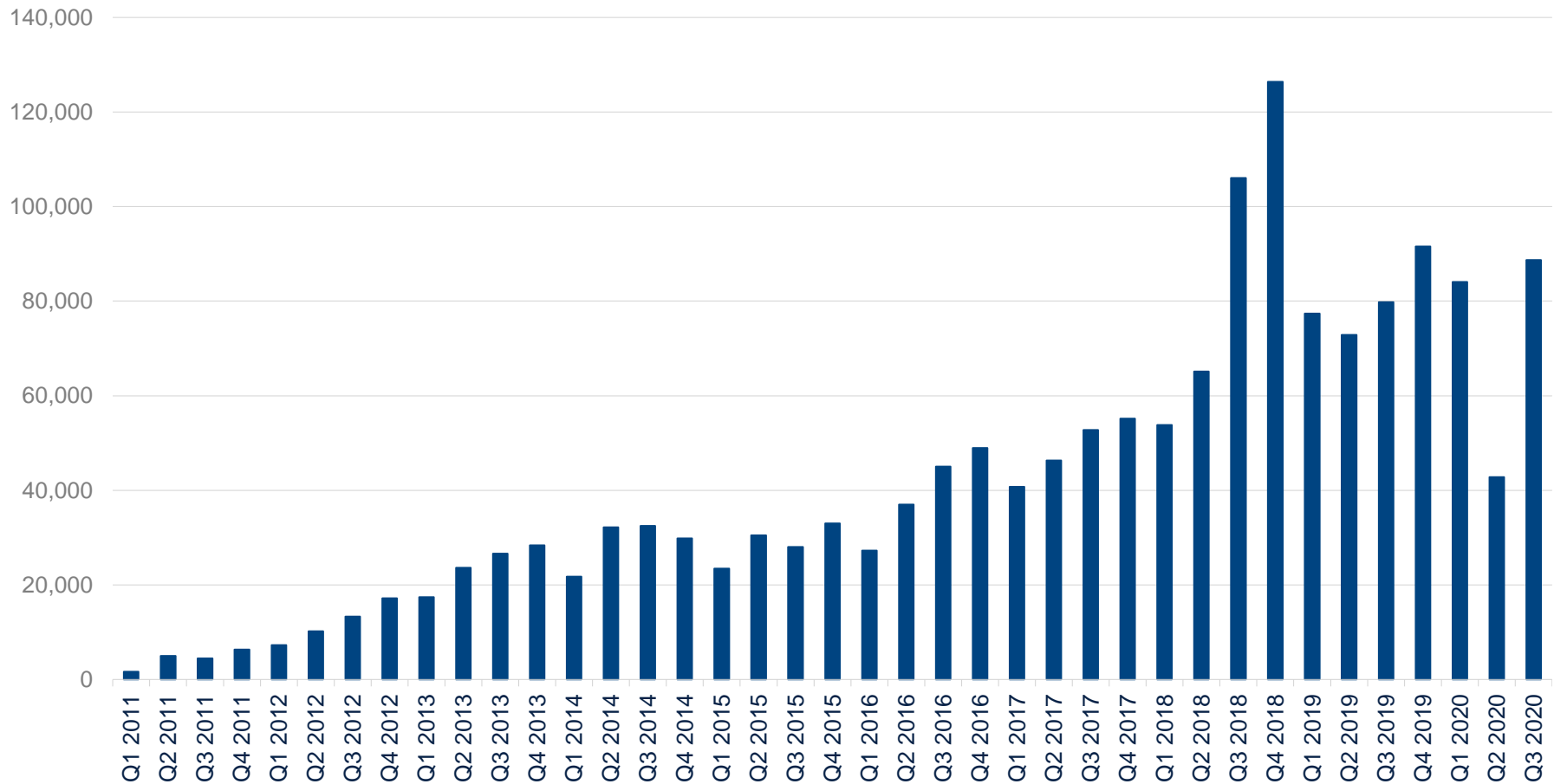
U.S. POPULATION PROJECTIONS BY AGE (SHARE OF 16 & ABOVE)



Source: BBVA Research and Haver Analytics.

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

	2016	2017	2018	2019	2020	2021	2022	2023
New-vehicle sales (millions units)	17.5	17.2	17.2	16.9	14.5	16.0	16.8	16.8
Real GDP growth (% change)	1.6	2.2	2.9	2.3	-3.5	3.6	2.4	2.0
Unemployment rate (% avg.)	4.9	4.4	3.9	3.7	8.1	5.8	5.0	4.5
Fed funds (%, eop)	0.75	1.50	2.50	1.75	0.25	0.25	0.25	0.25
5-year Treasuries (%, avg)	1.3	1.9	2.7	1.96	0.54	0.54	0.69	0.78

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