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U.S. Auto Industry Chartbook

BBVA Research USA

Houston, TX

Fourth Quarter 2013

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Key messages

- Pent-up demand supports vehicle sales in the short-run
- Access to credit improves as banks ease standards
- Business demand benefits from the recovery of the housing market and the energy boom
- Exports are gaining momentum due to rapid growth in emerging markets

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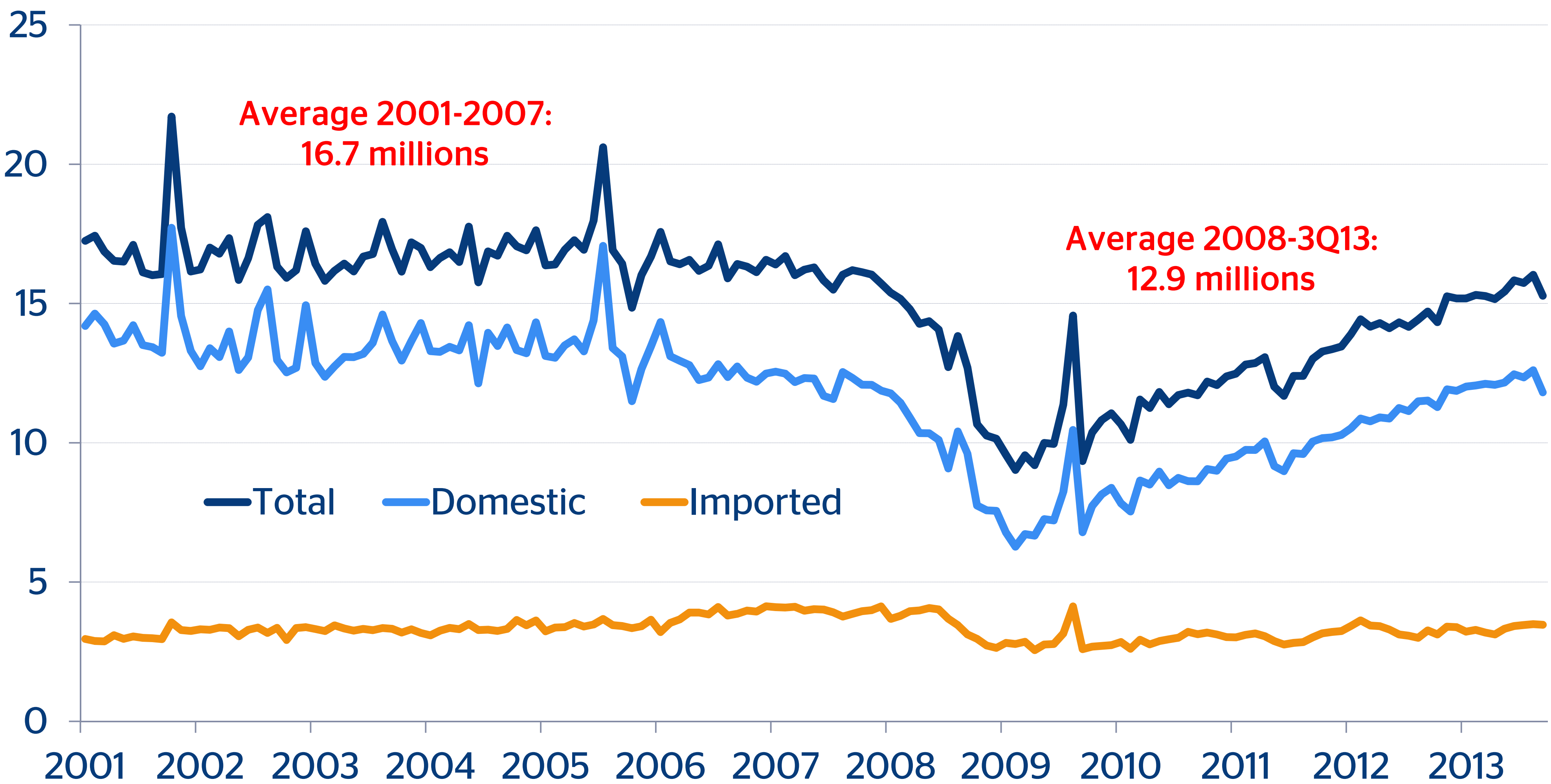
Key messages

- Excess inventory could lead to a period of strong discounts
- Slow personal income growth points to a gradual expansion of sales
- Asian brands continue to gain market share
- Population growth assures a sustained demand; the aging process is shifting preferences

1 Sales

Demand

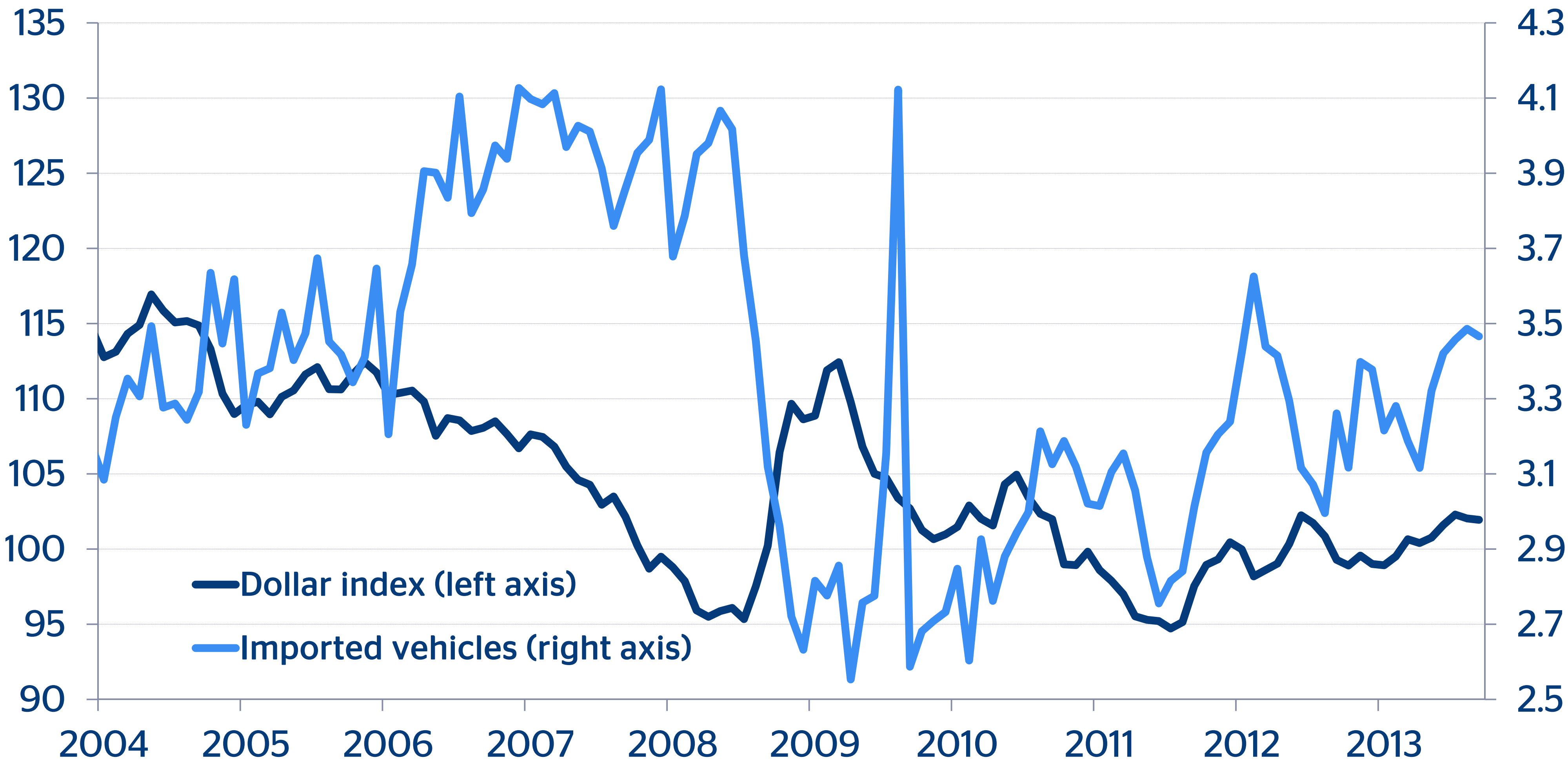
Total light weight vehicle sales (SAAR, million units)



Source: BBVA Research & Haver Analytics

Demand

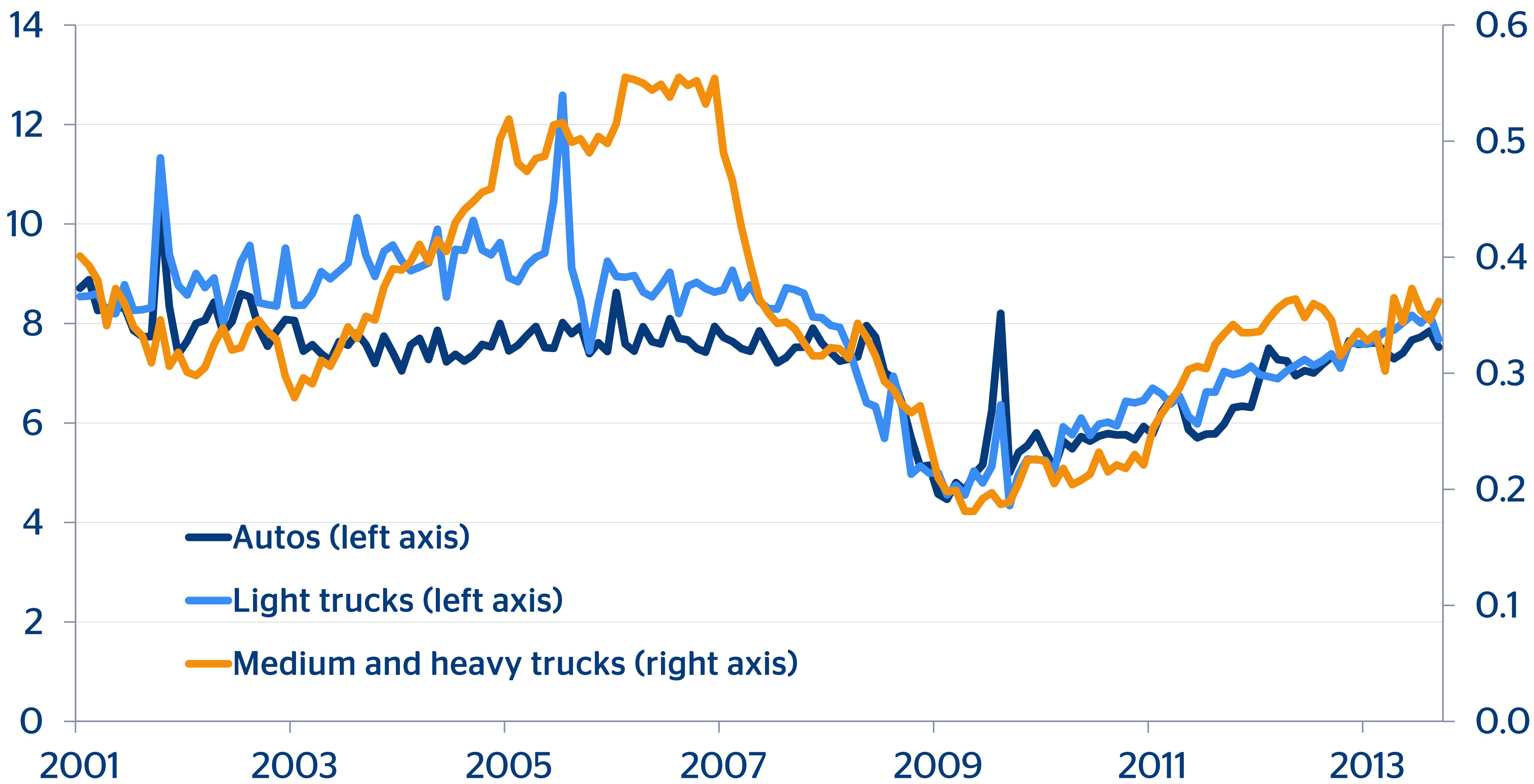
Total light weight vehicle sales (SAAR, million units)



Source: BBVA Research & Haver Analytics

Demand

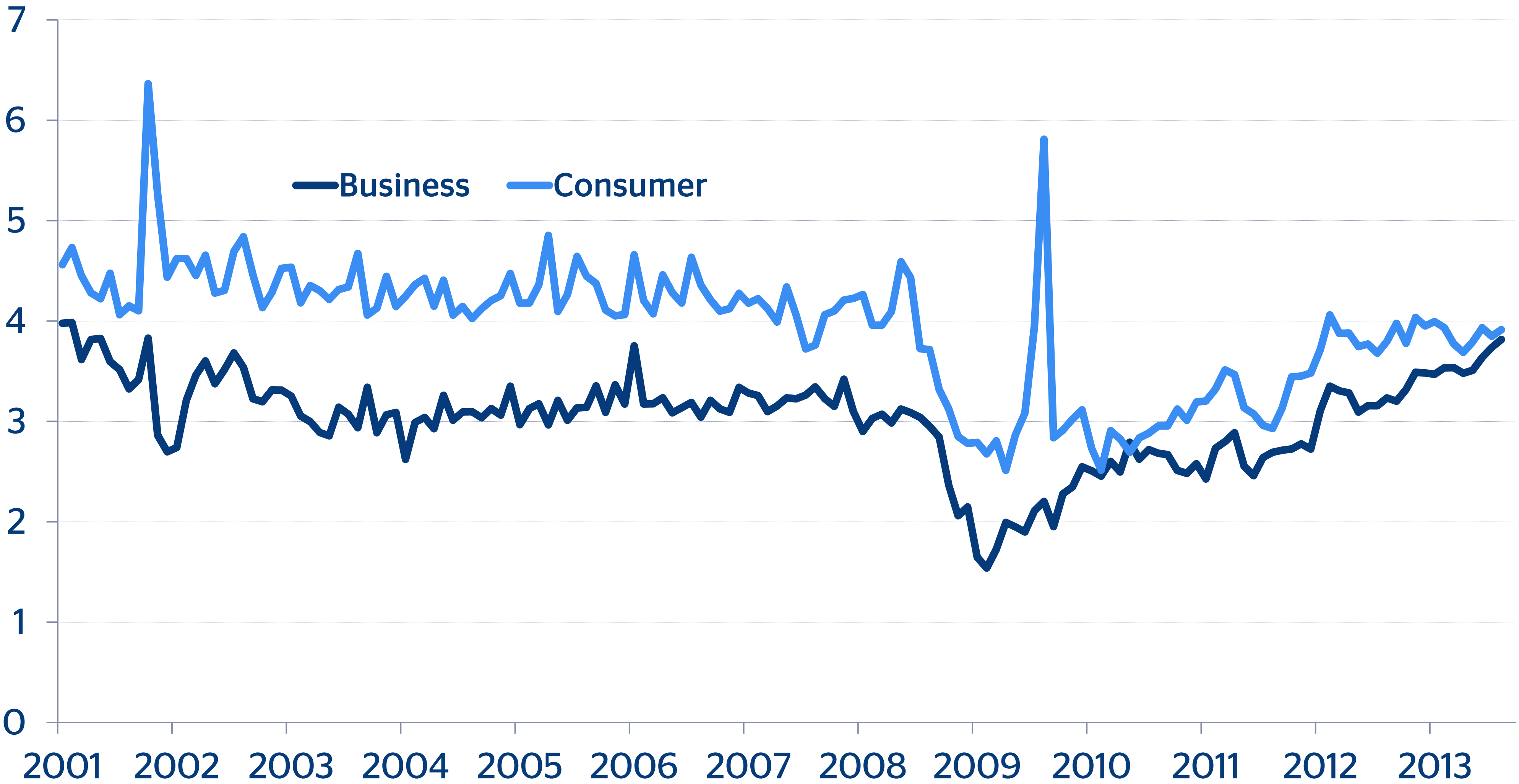
Total vehicle sales (SAAR, million units)



Source: BBVA Research & Haver Analytics

Demand

New auto sales by sector (SAAR, million units)



Source: Haver Analytics

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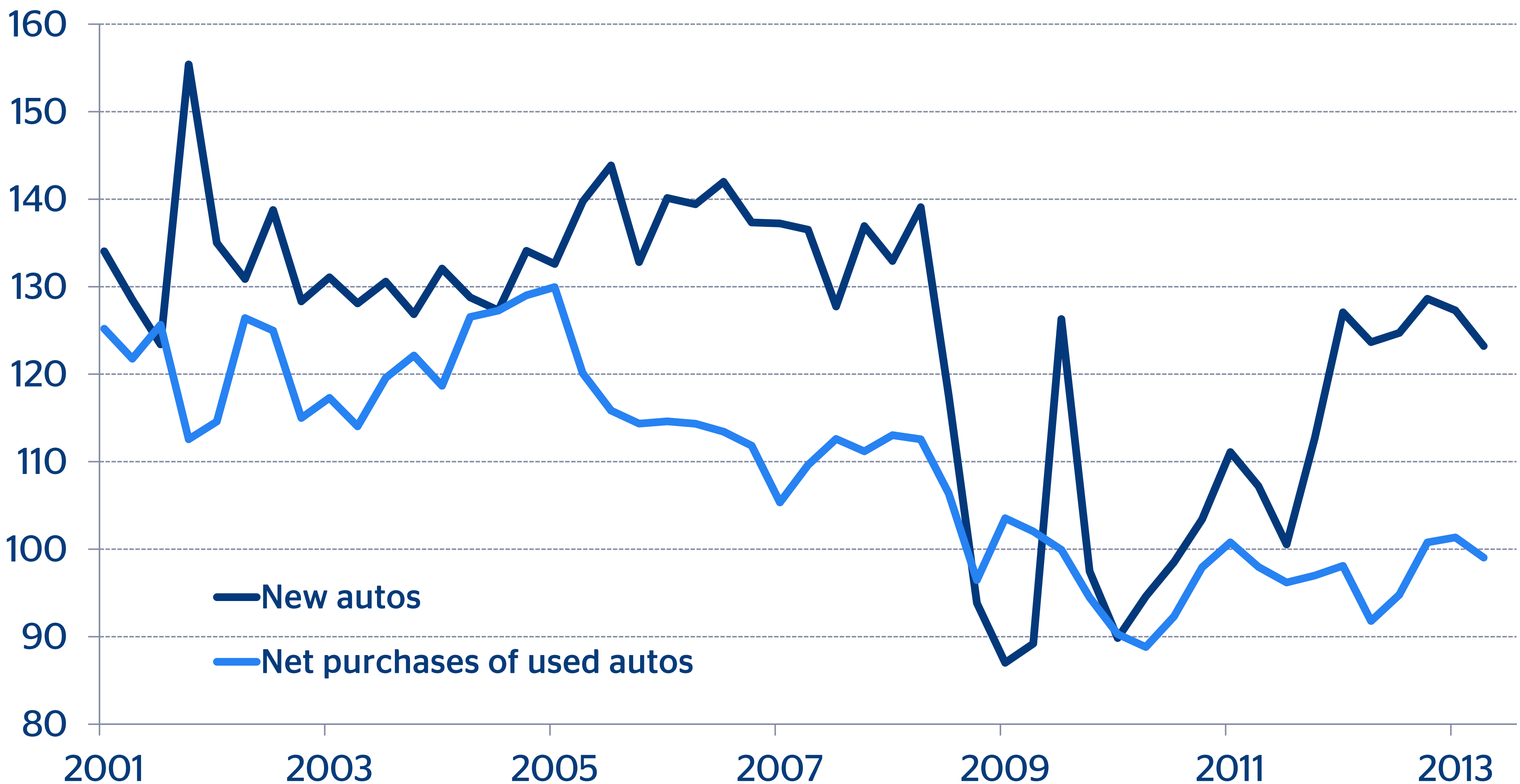
Demand

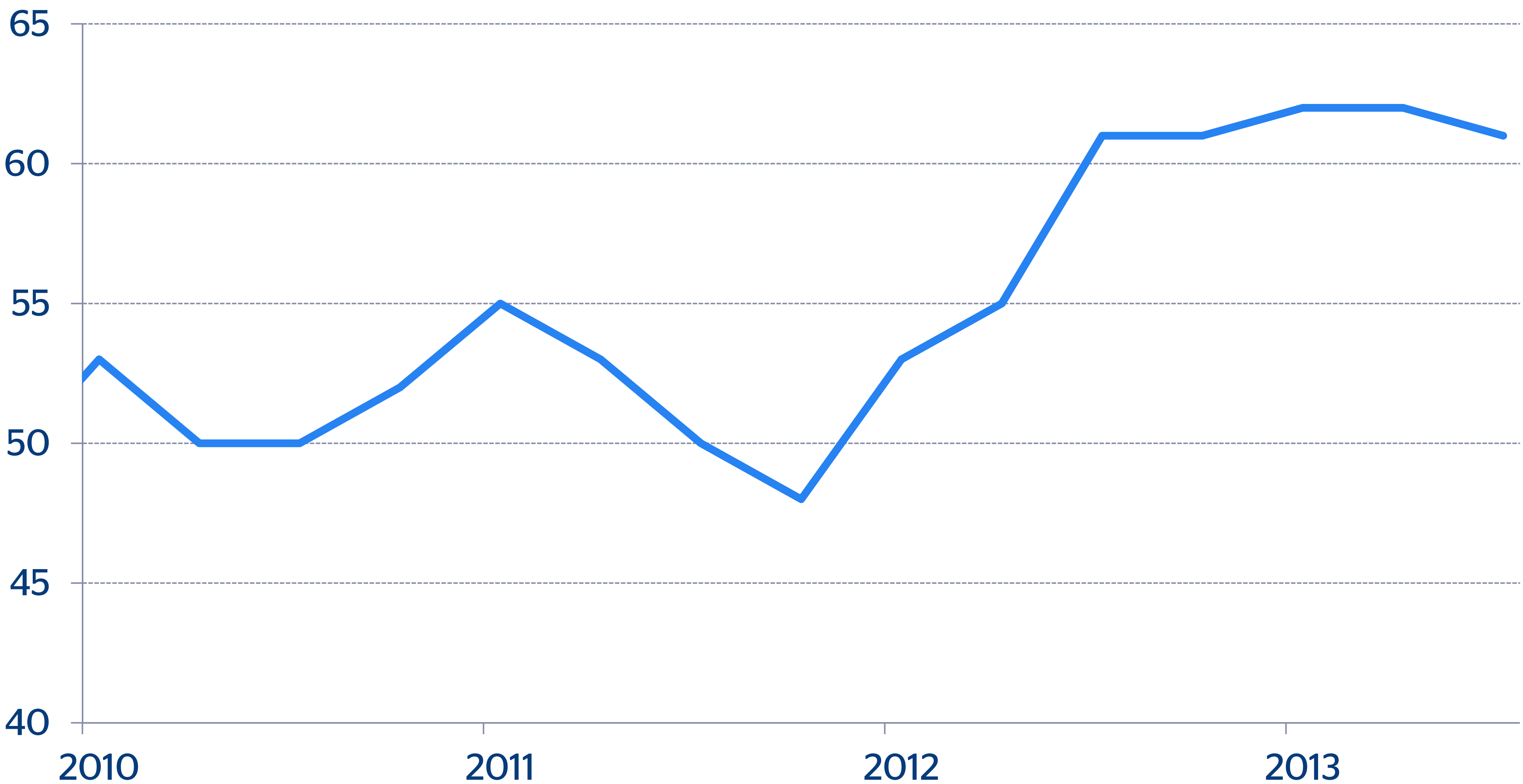
Personal consumer expenditures: quantity index (SA, 2009=100)



Source: Haver Analytics

Demand

U.S. vehicle days to turn (segment average)



Source: Bloomberg

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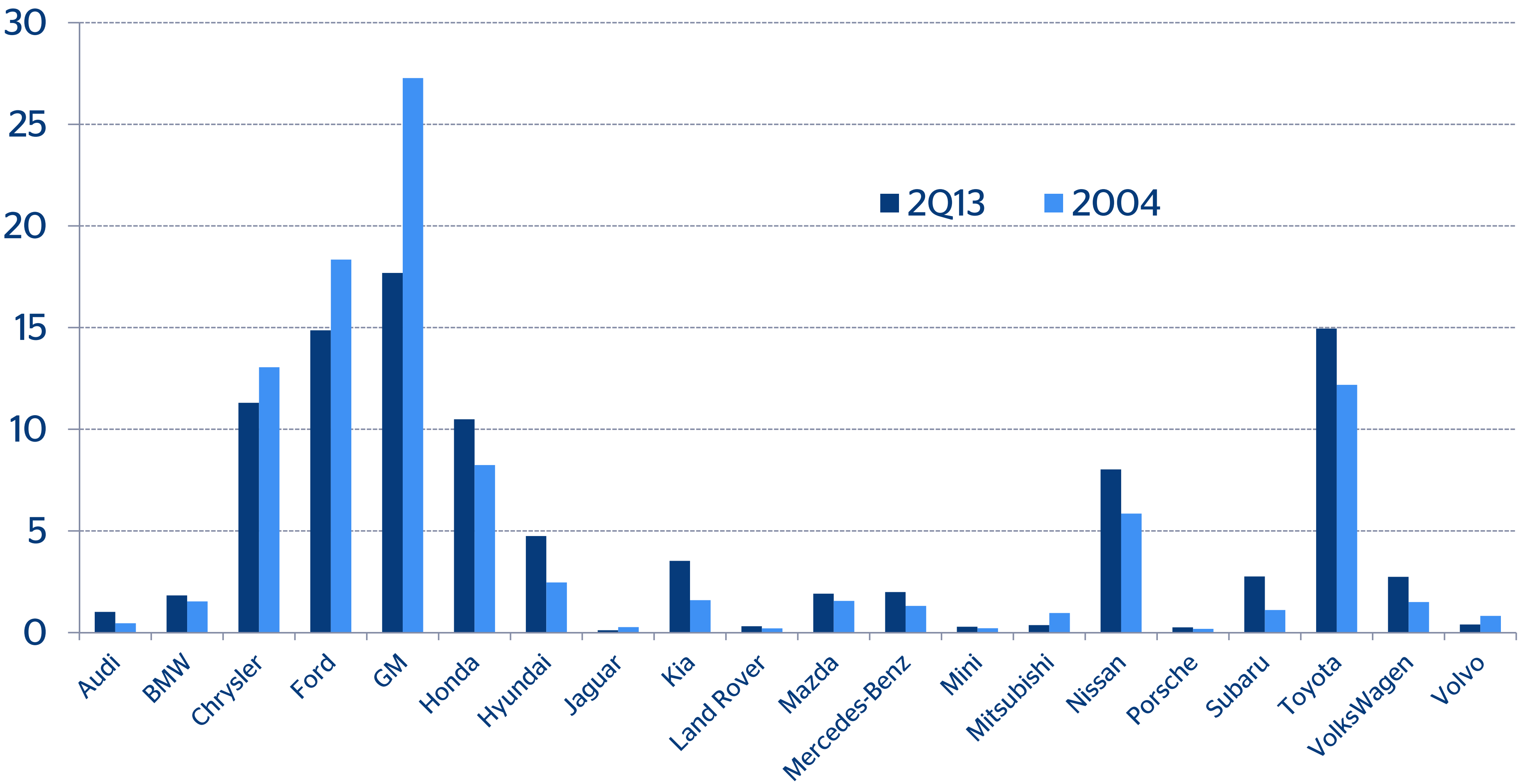
Demand

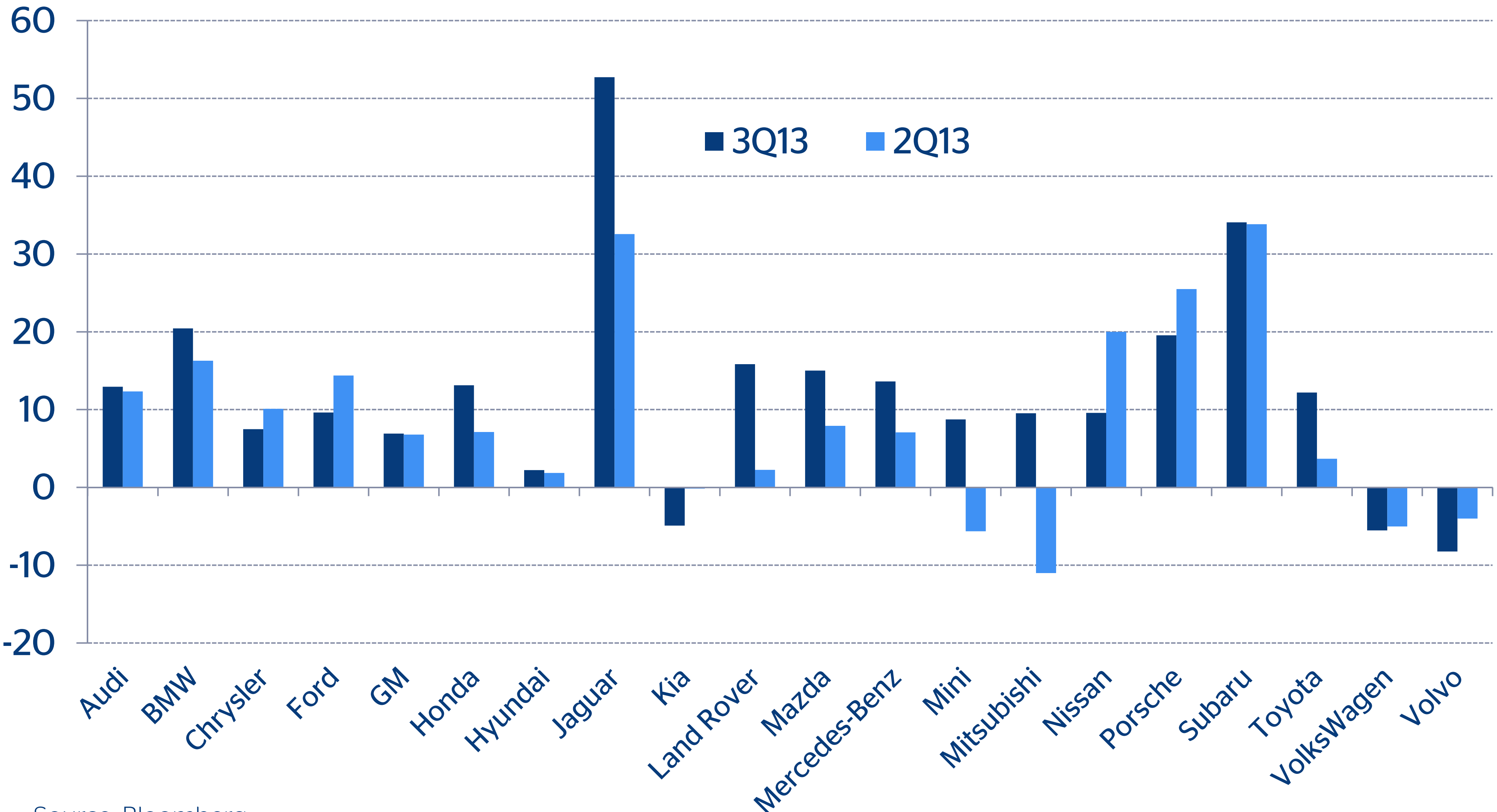
Market share by brand (%)



Source: Bloomberg

Demand

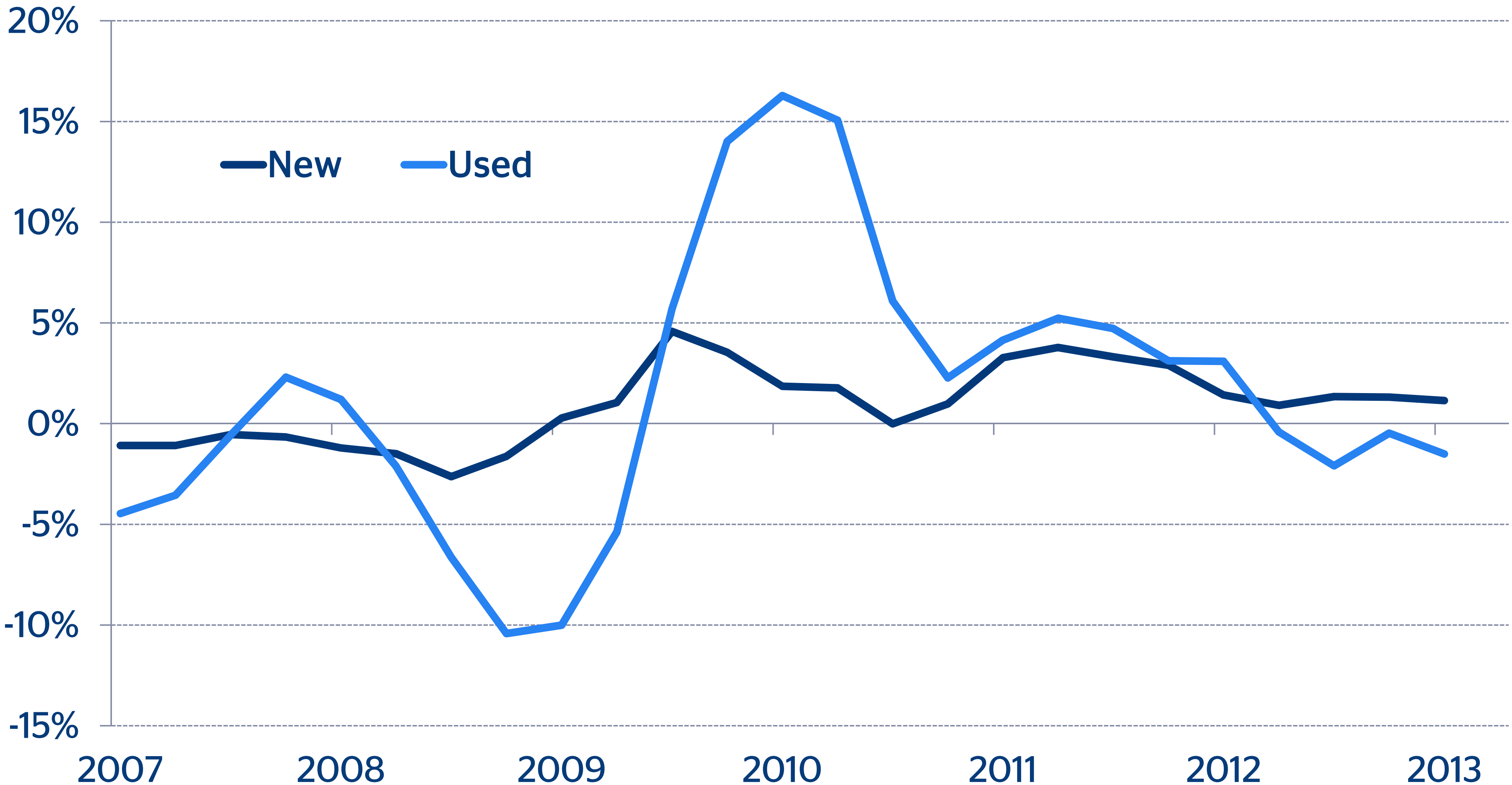
Quarterly unit sales (year-over-year % change)



Source: Bloomberg

Prices

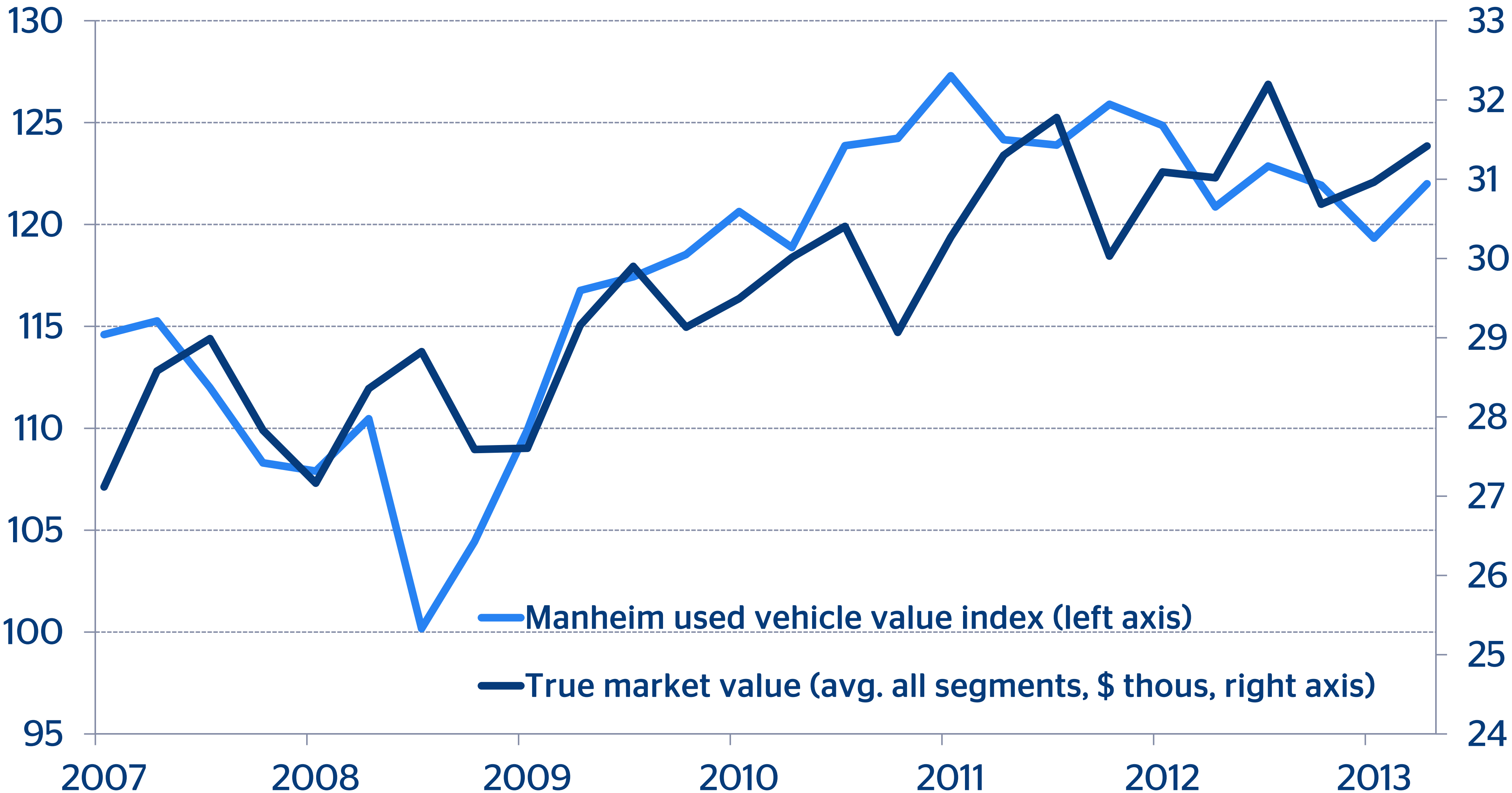
Consumer price index: cars and trucks (year-over-year change)



Source: Haver Analytics

Prices

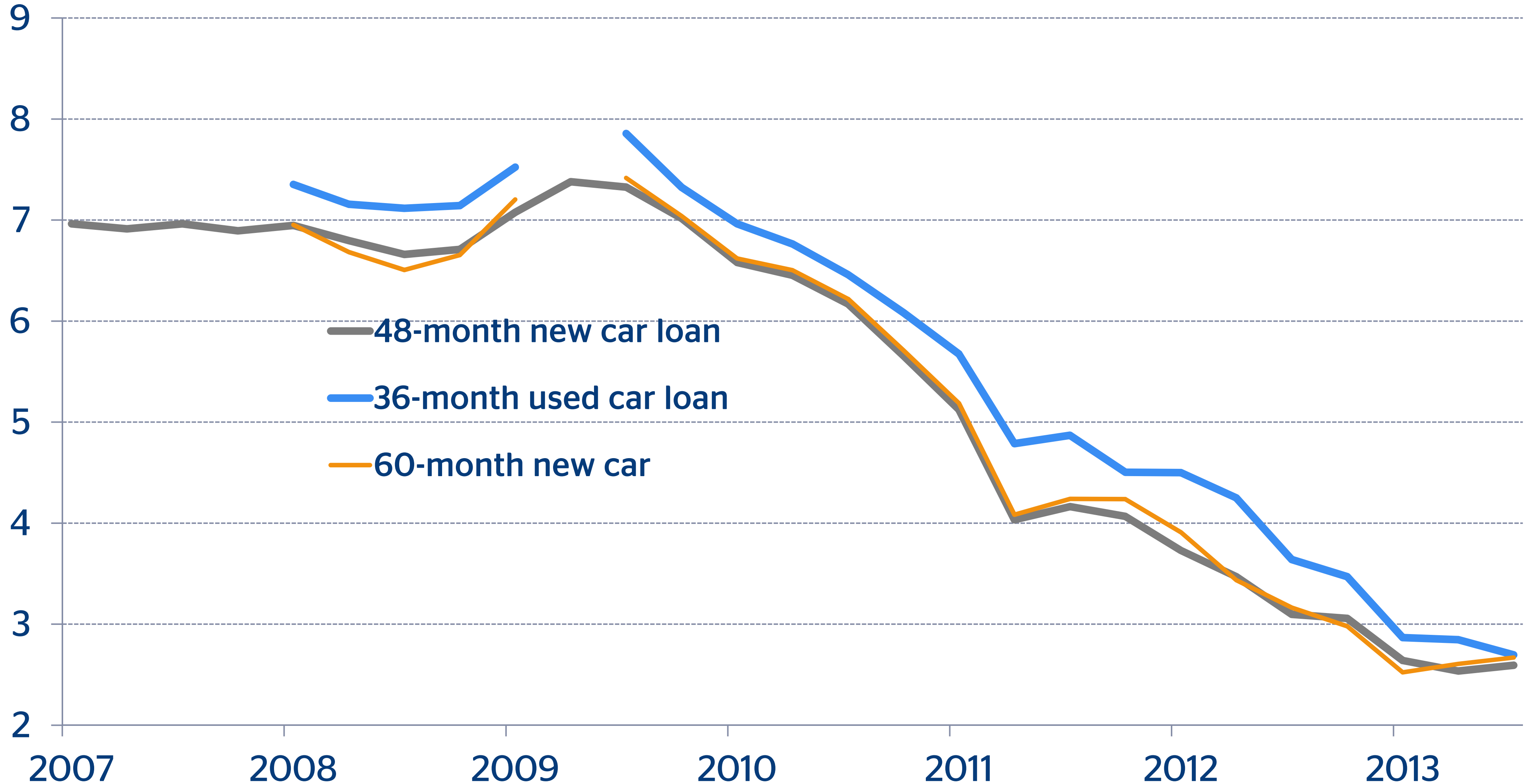
Auto prices



Source: Haver Analytics & Bloomberg

Financing conditions

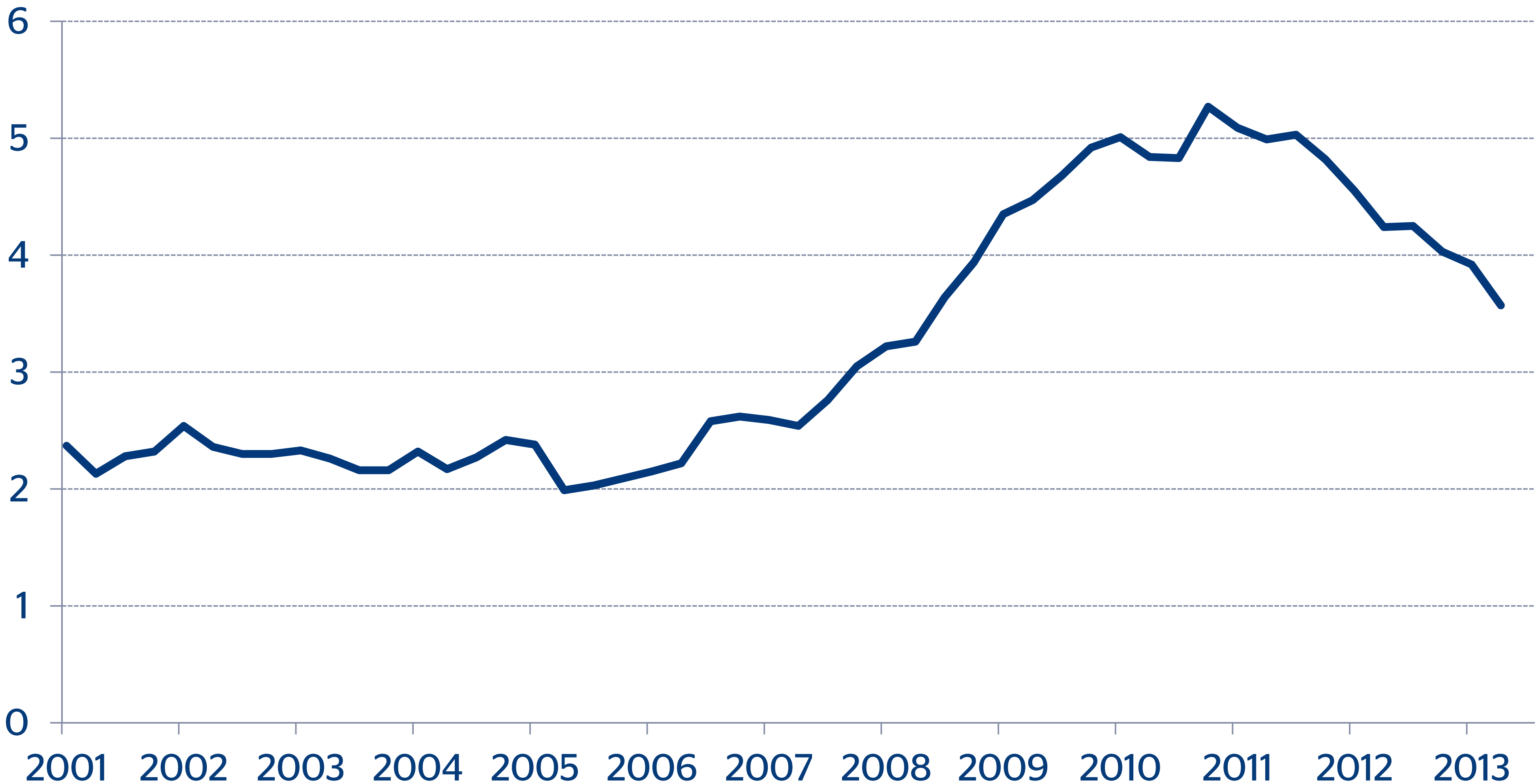
Car loan rates (%)



Source: Haver Analytics

Financing conditions

Auto loan 90+ days delinquent (percent of balance)



Source: Haver Analytics

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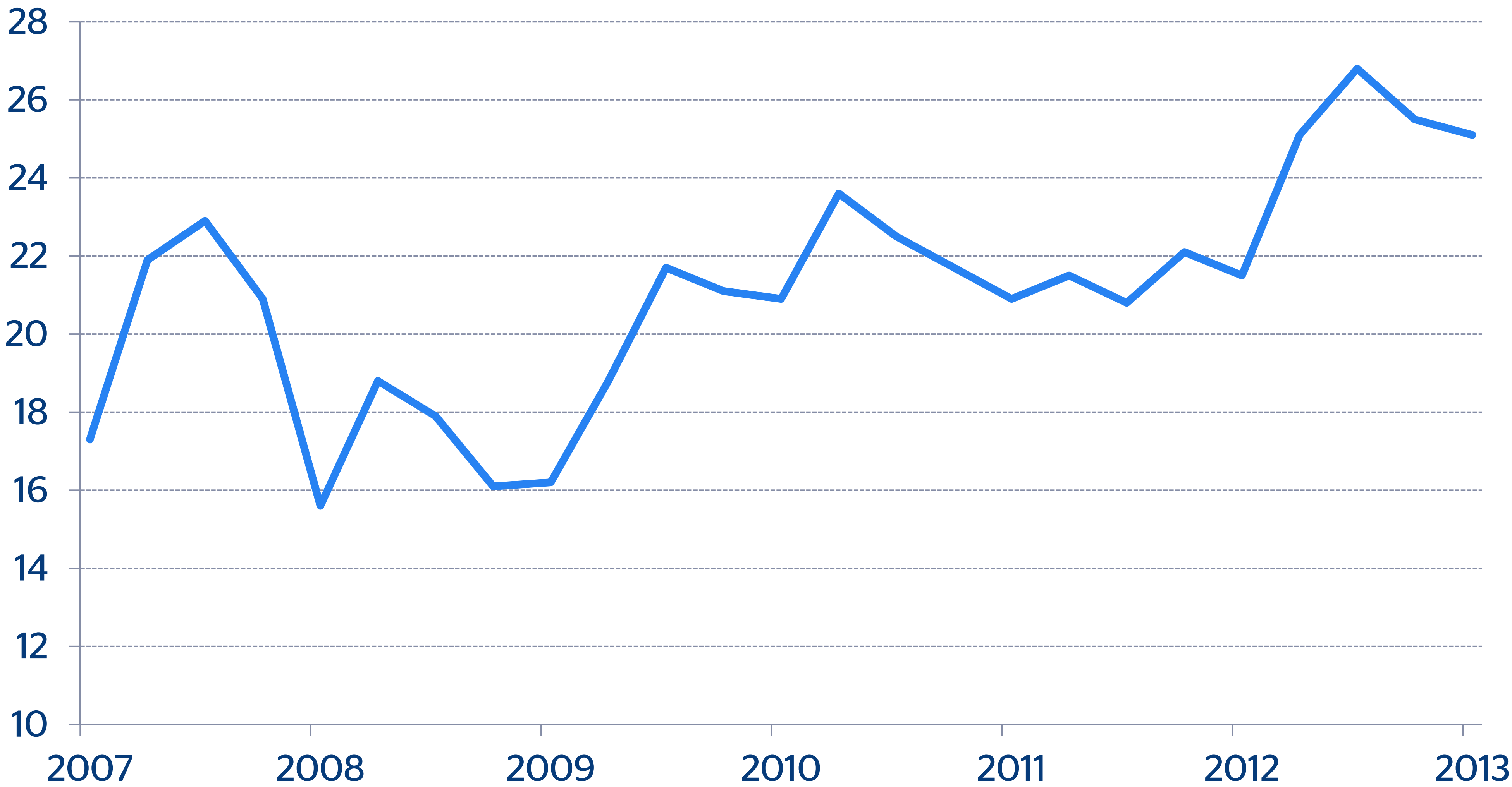
Financing conditions

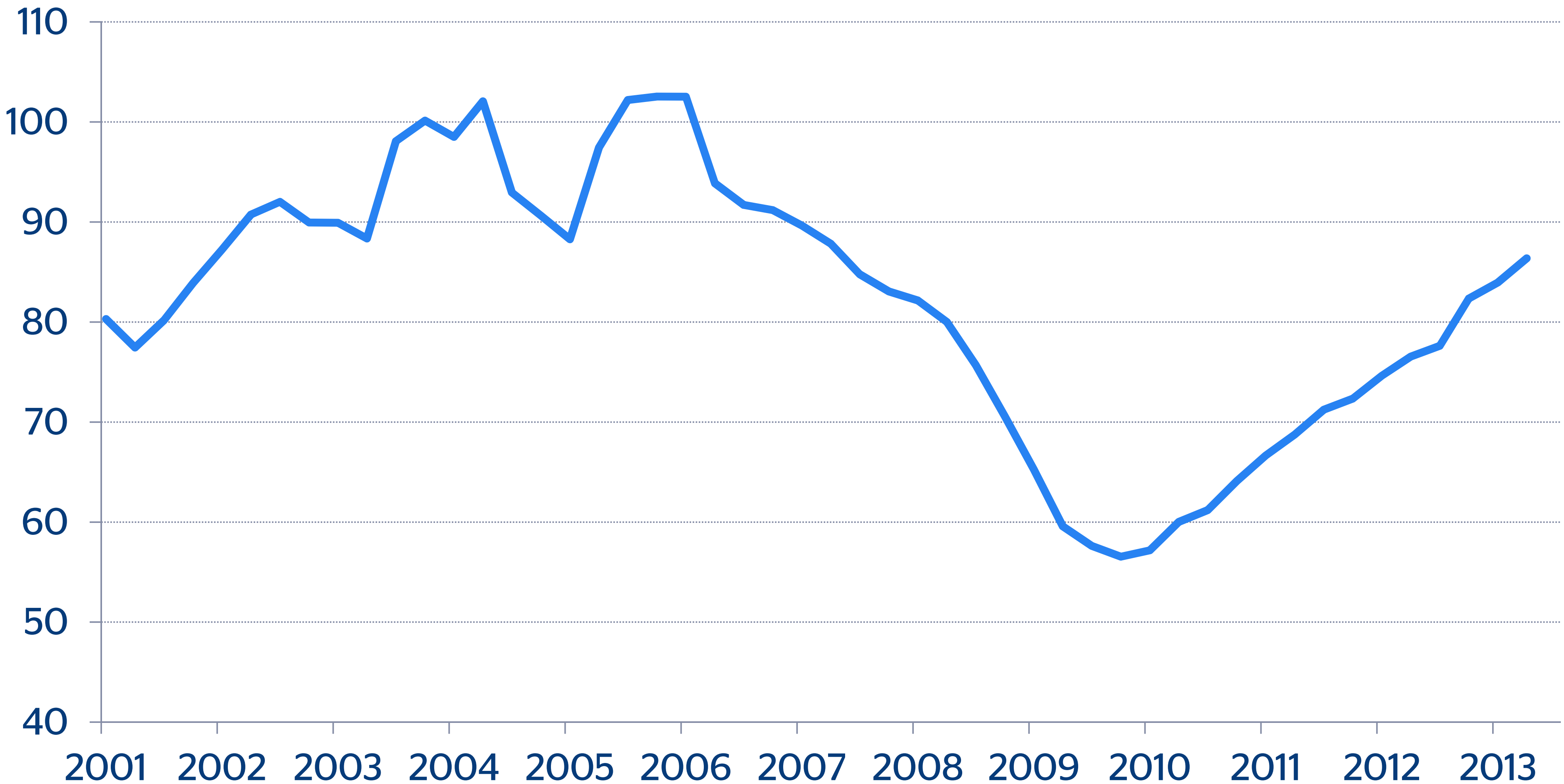
Leasing penetration rate, %



Source: Bloomberg

Financing conditions

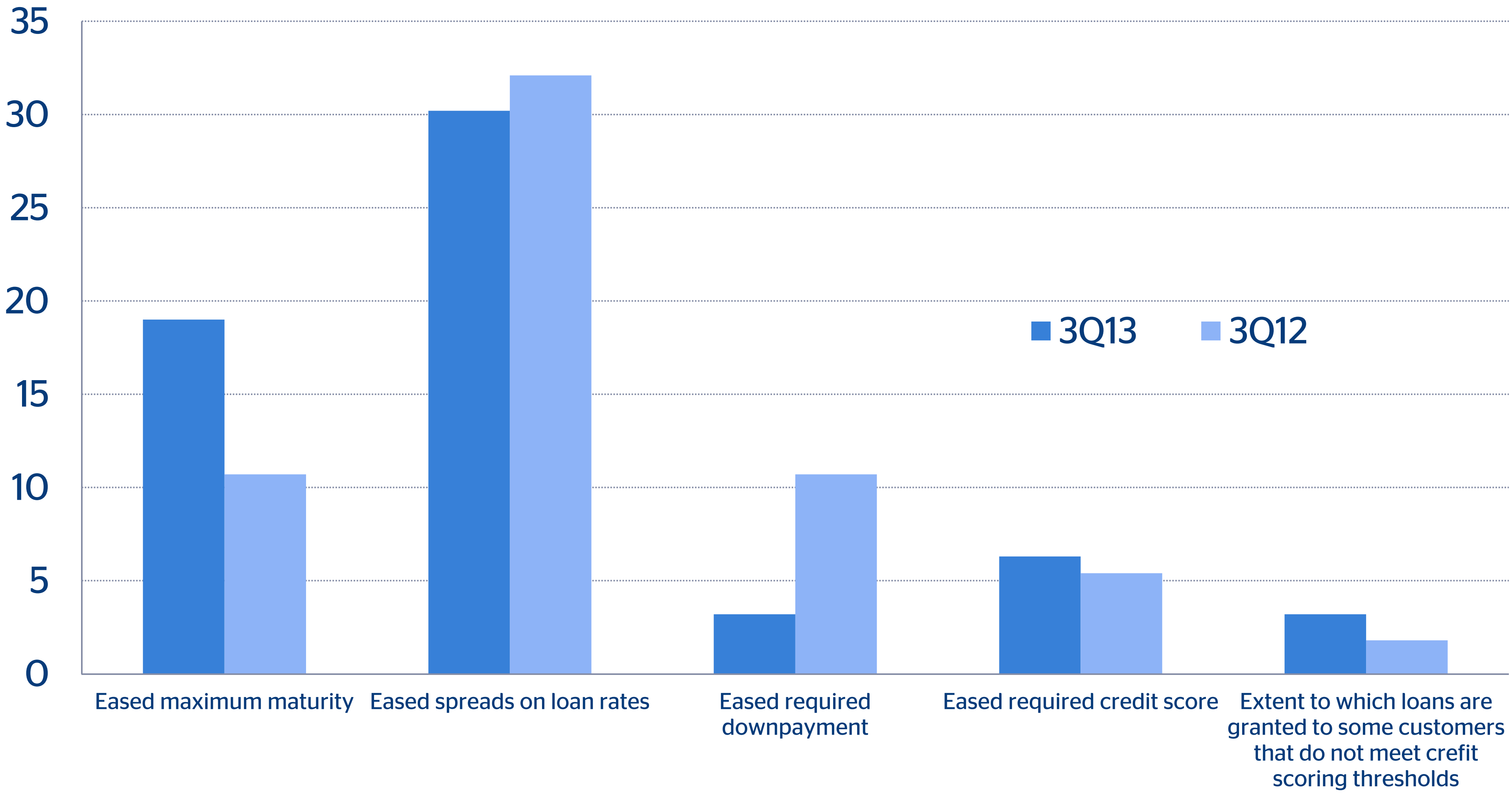
Newly originated installment auto loans ($ billion, eop, 4-qtr moving average)



Source: Haver Analytics

Financing conditions

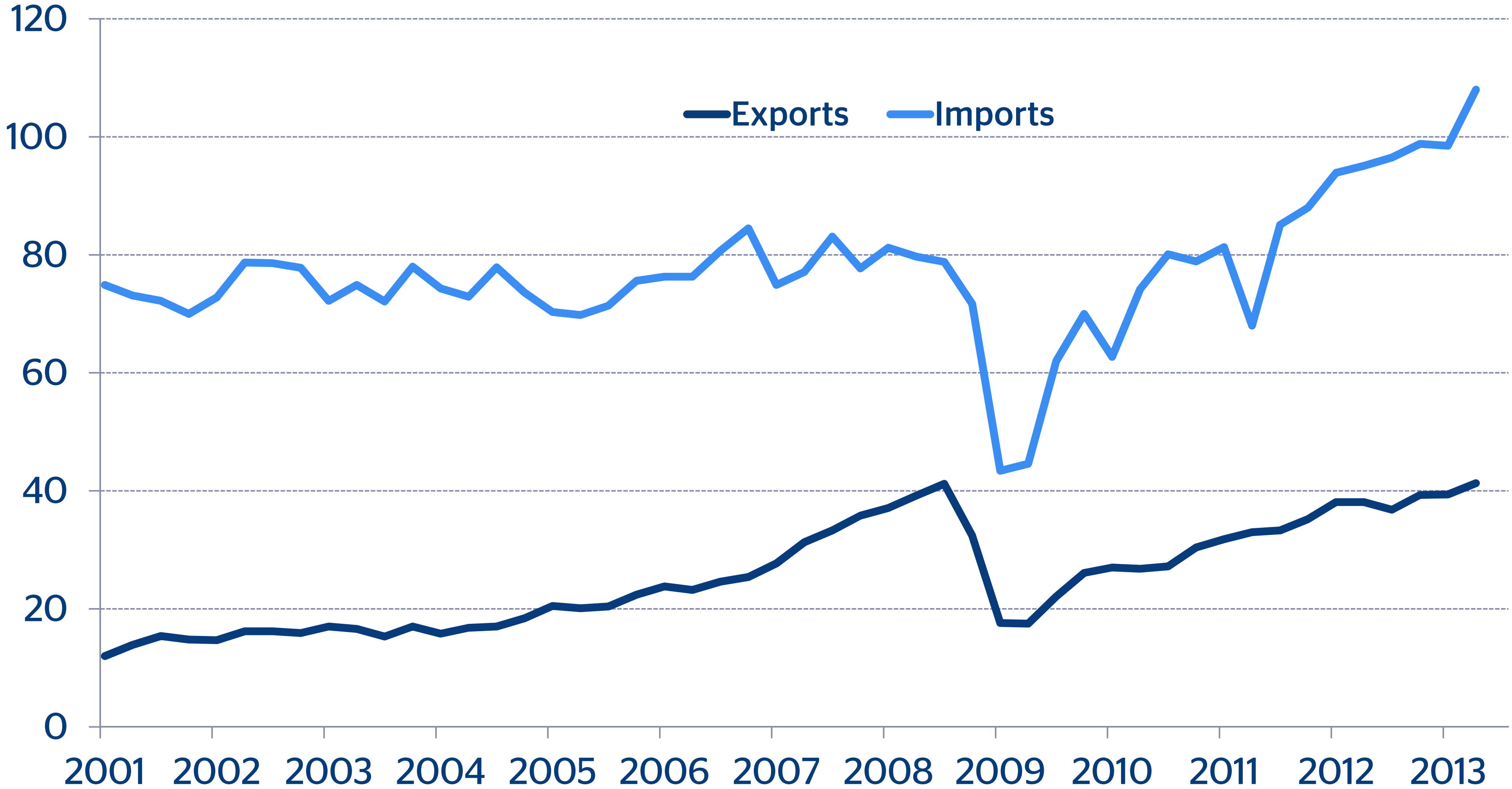
Terms and conditions on auto loans, percentage of respondents (%)



Source: Federal Reserve Senior Loan Officer Opinion Survey

International trade

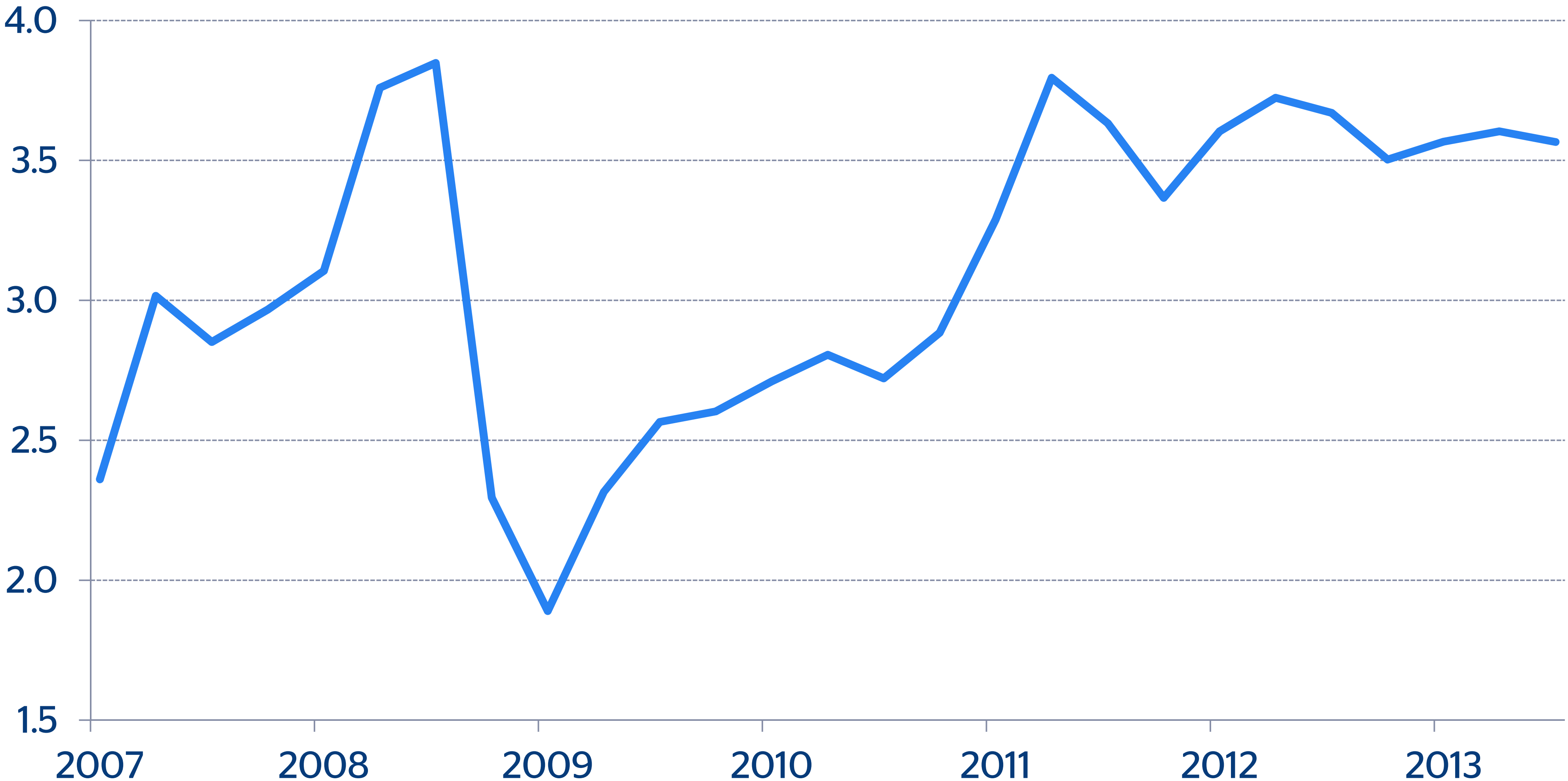
Exports and imports of autos (SAAR, $ billion, chained 2009 dollars)



Source: Haver Analytics

Gasoline

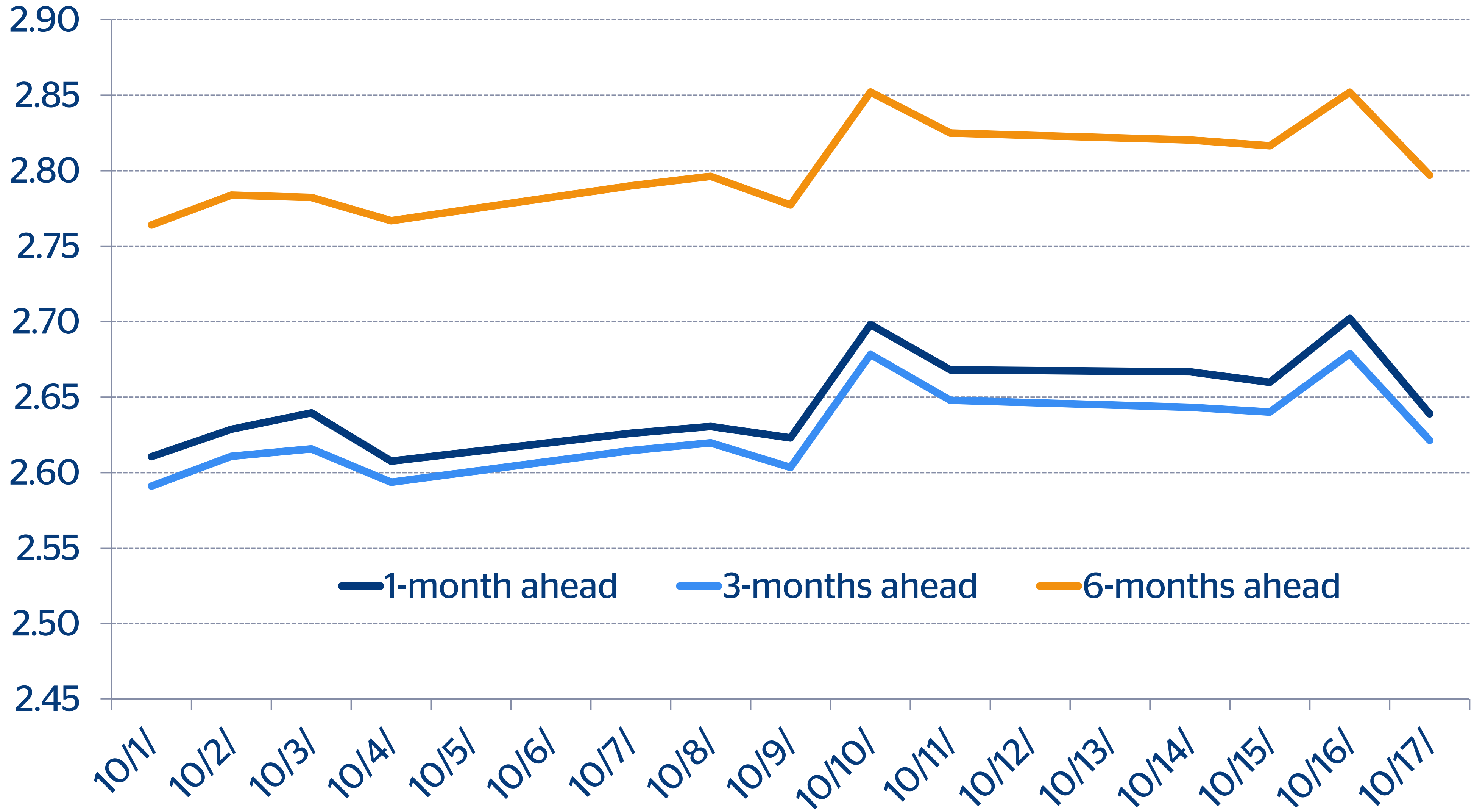
Spot price ($/gallon)



Source: Haver Analytics

Gasoline

Future prices ($/gallon)

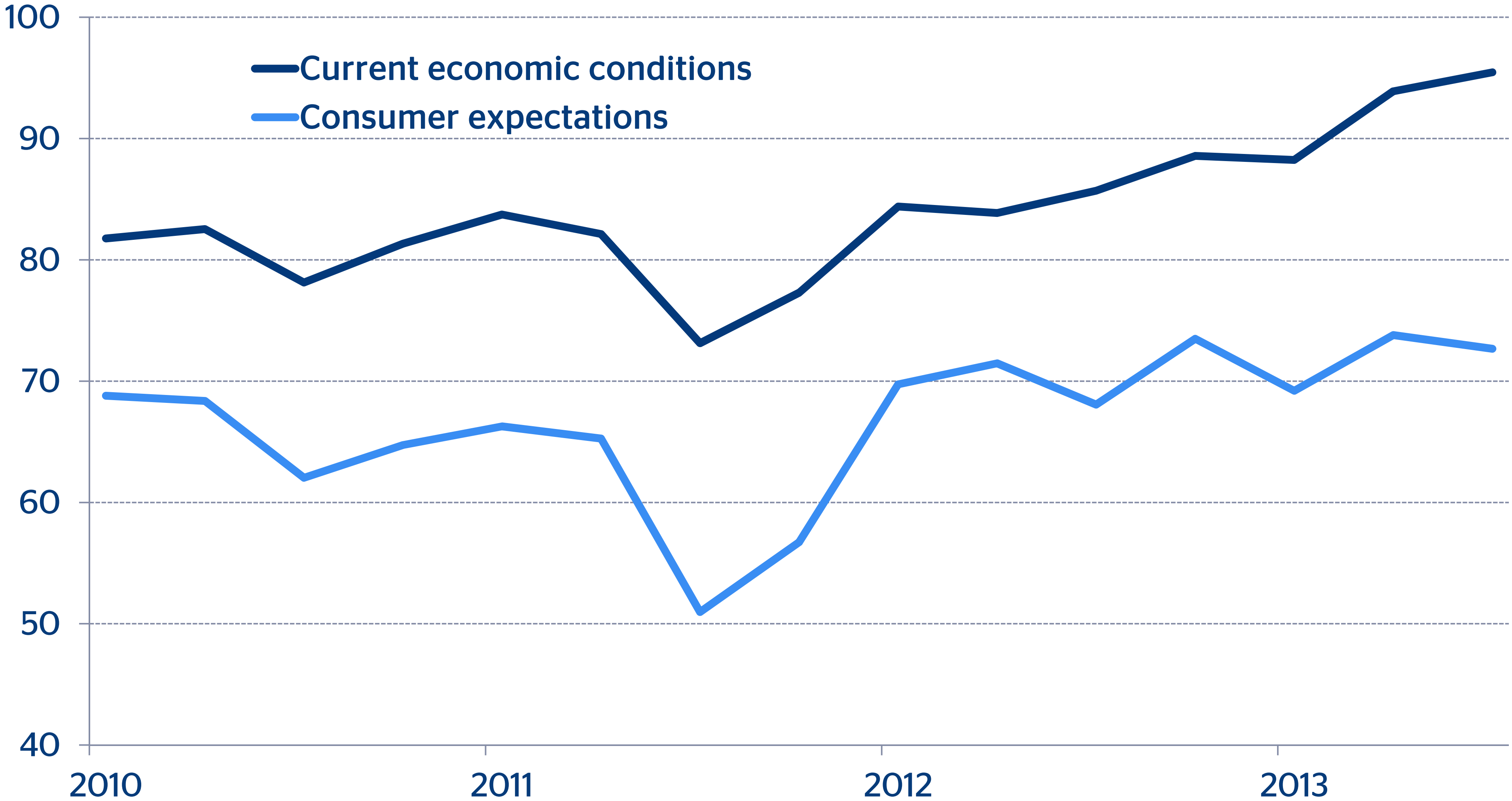


Source: Bloomberg

2 Consumers

Consumers

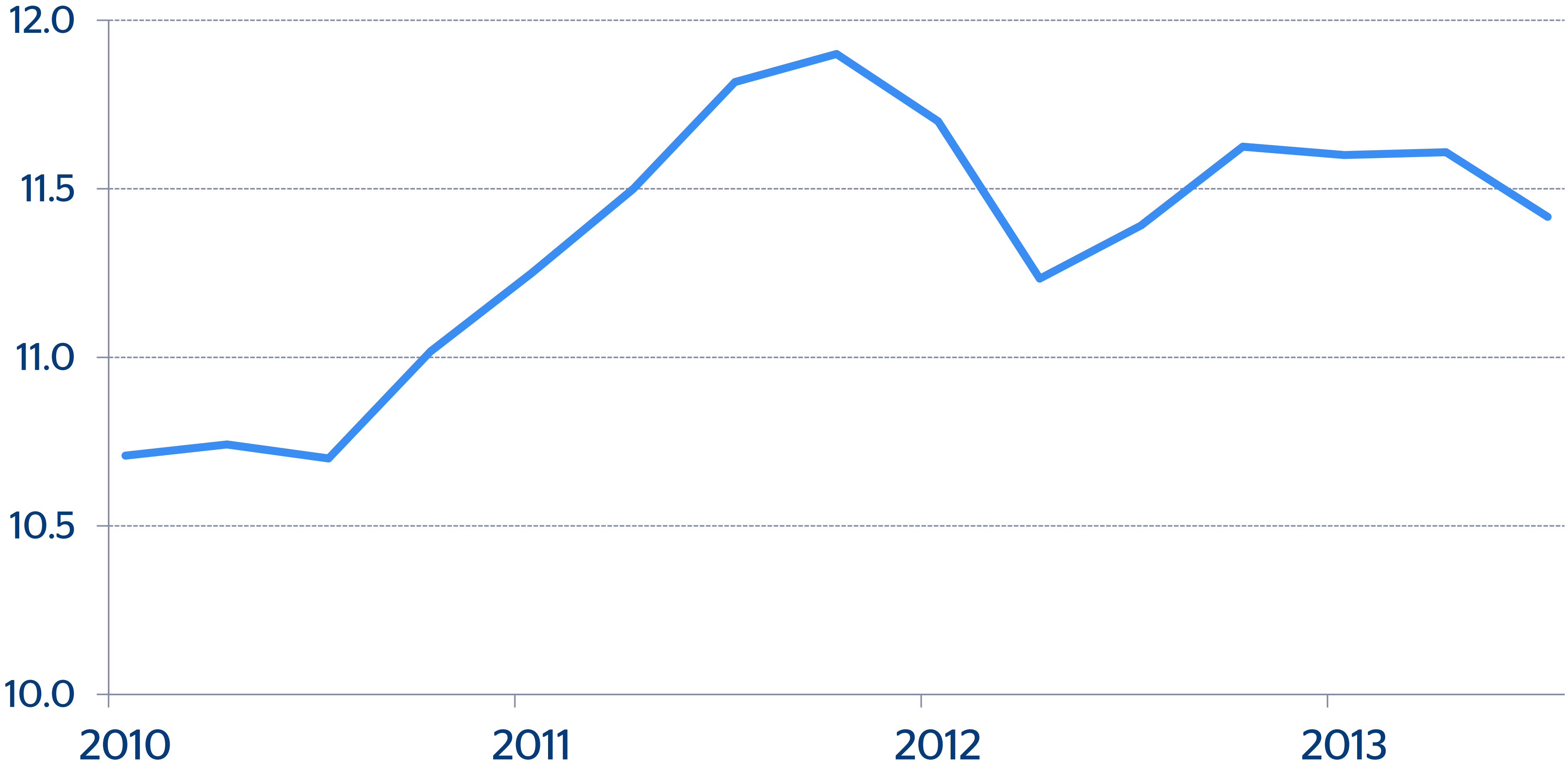
Consumer sentiment index



Source: Haver Analytics

Consumers

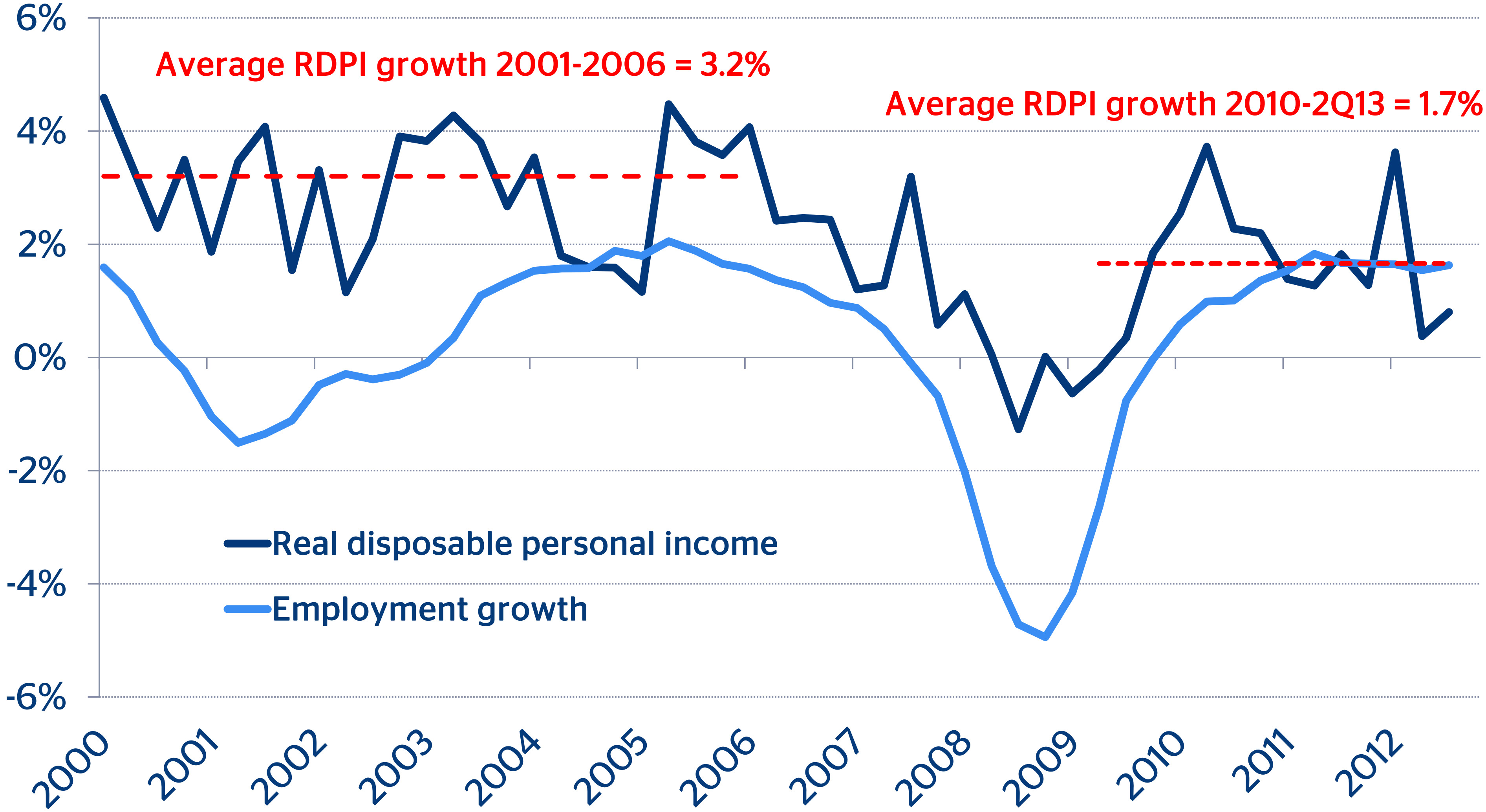
Plan to buy a car within 6 months, % of respondents



Source: Haver Analytics

Consumers

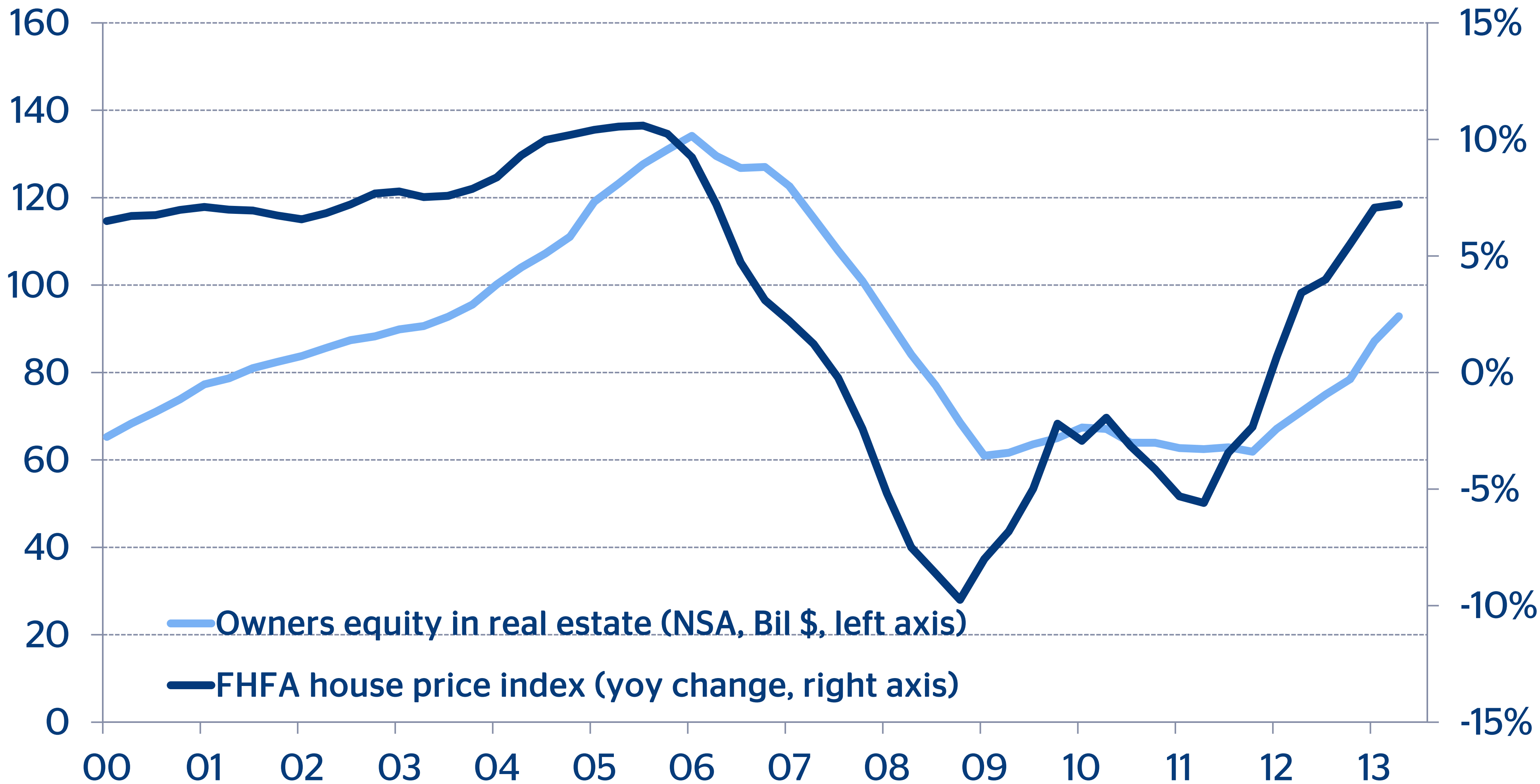
Employment and real disposable personal income growth (yoy change)



Source: BBVA Research and Haver Analytics

Household equity

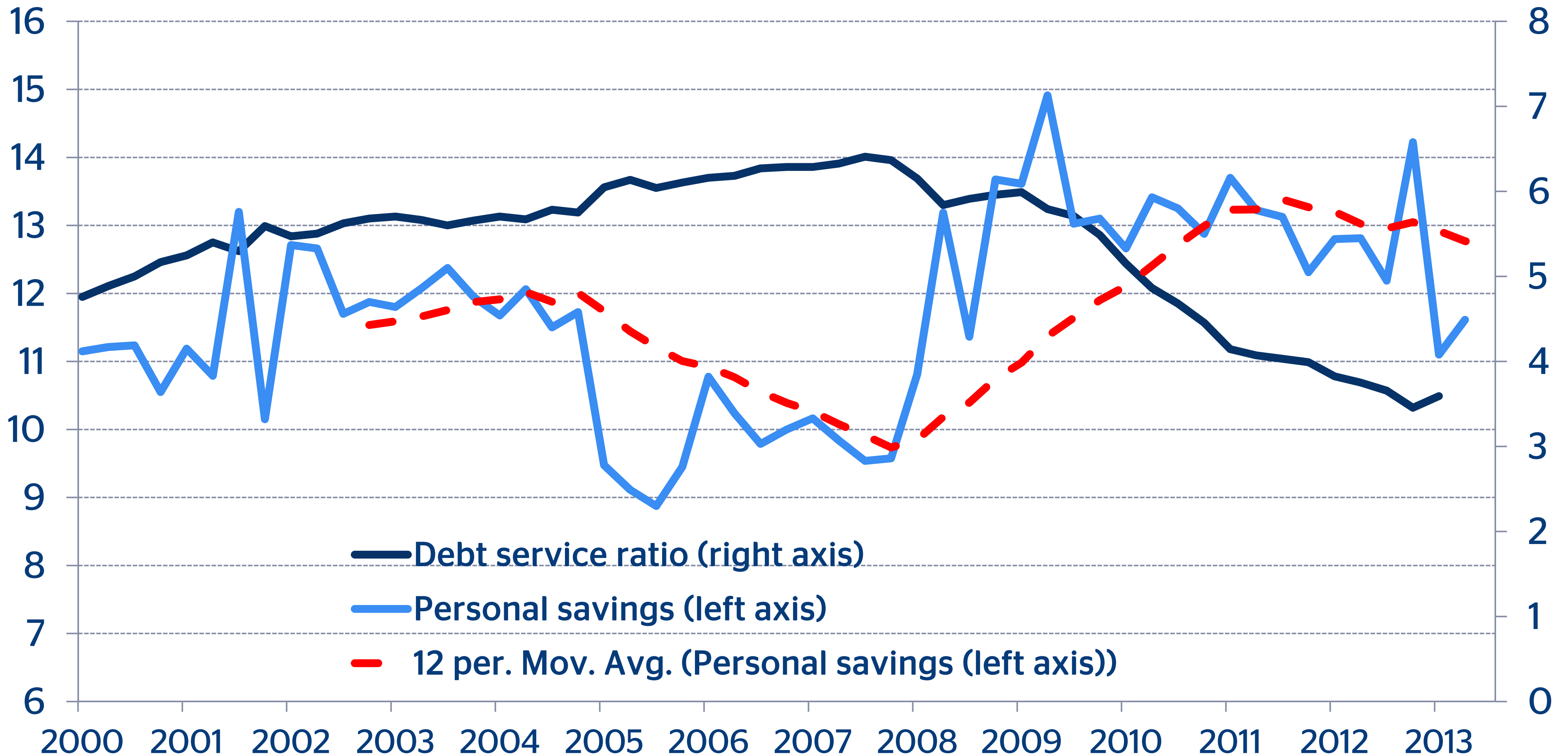
Household equity and home prices



Source: Haver Analytics

Savings and deleverage

Debt-to-income ratio and savings rate



Source: Haver Analytics

3 Production

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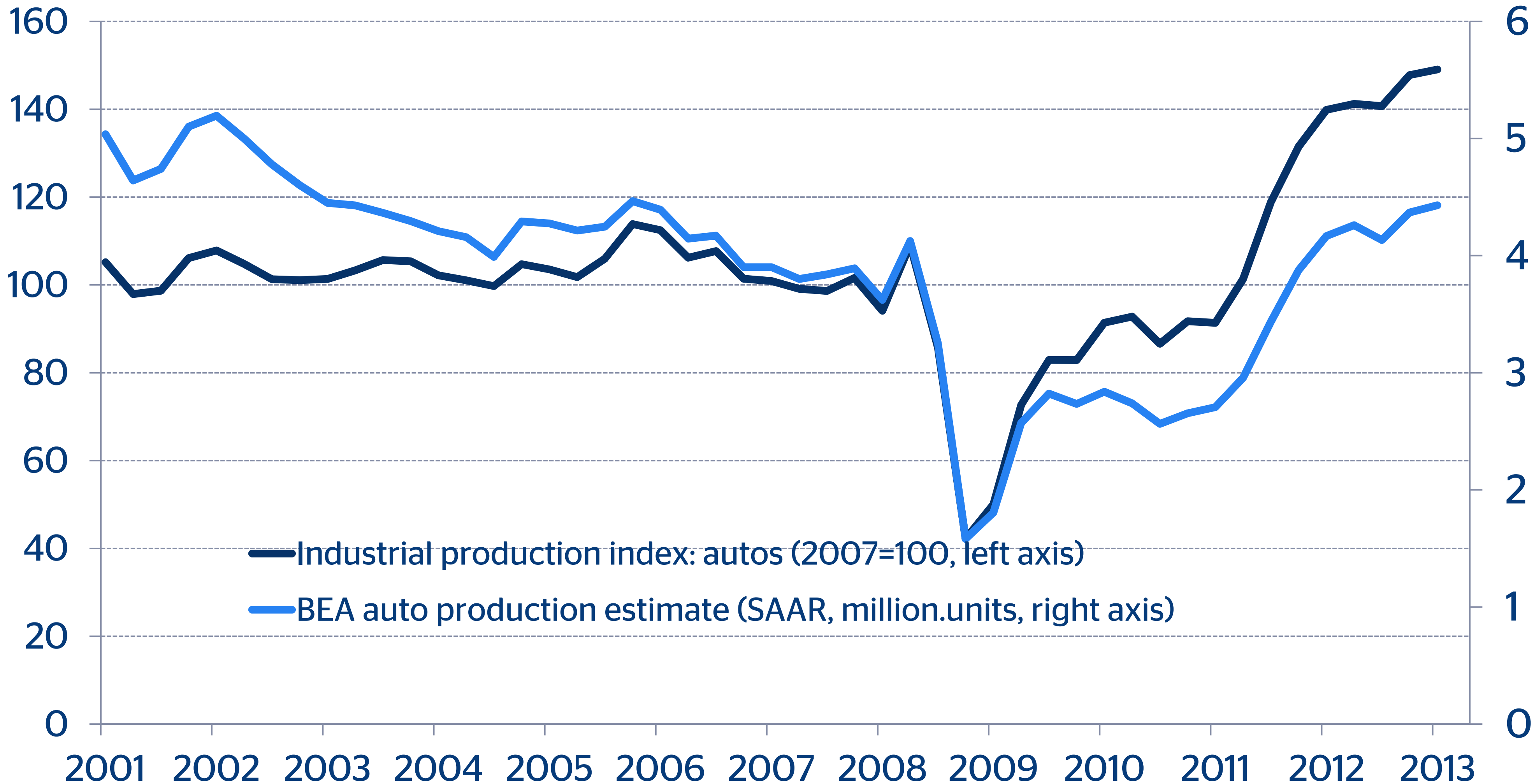
Production

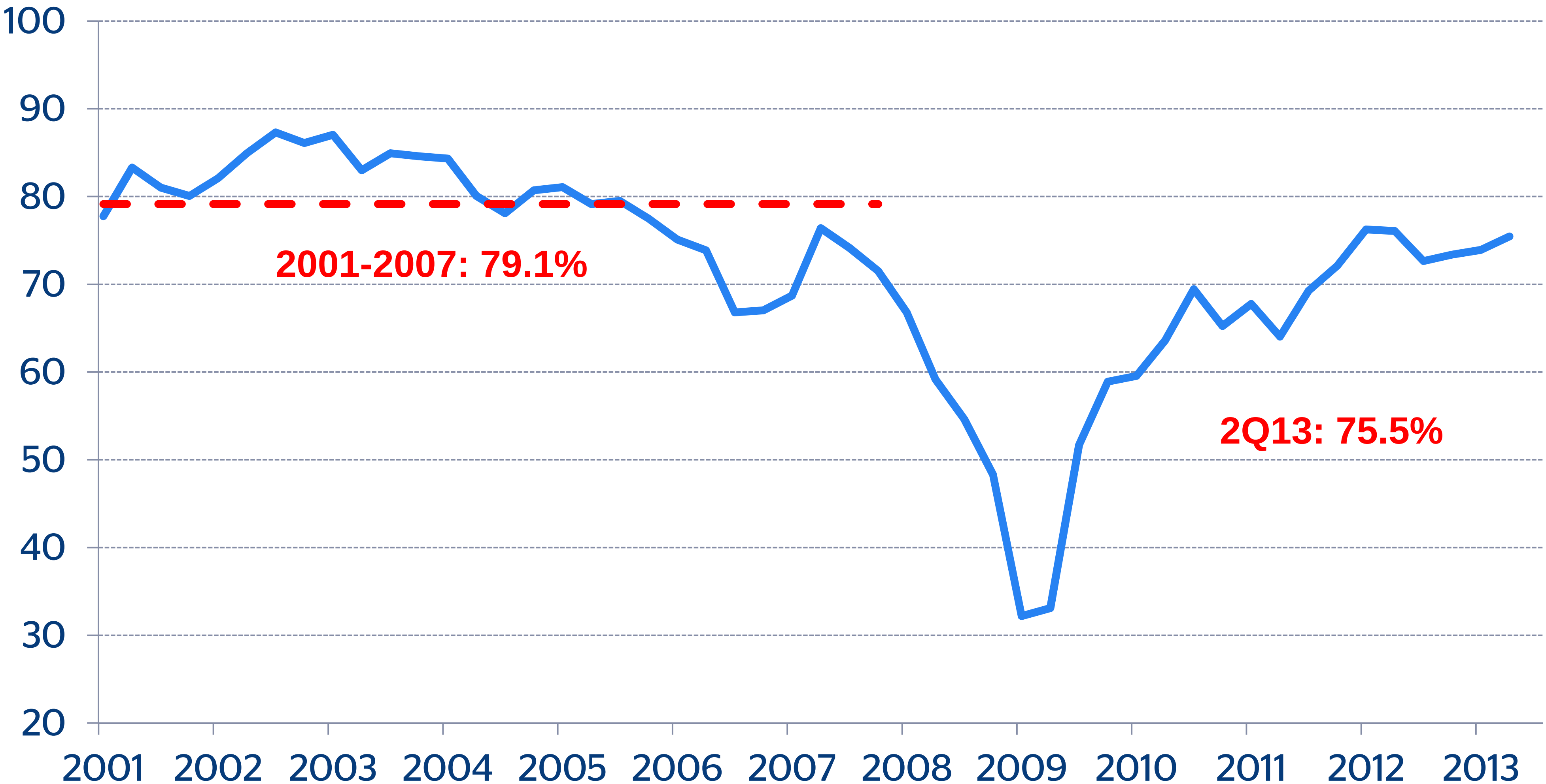
Auto production



Source: Haver Analytics

Capacity utilization

Industrial production: automobile and light duty motor vehicles (SA, % of capacity)



Source: Haver Analytics

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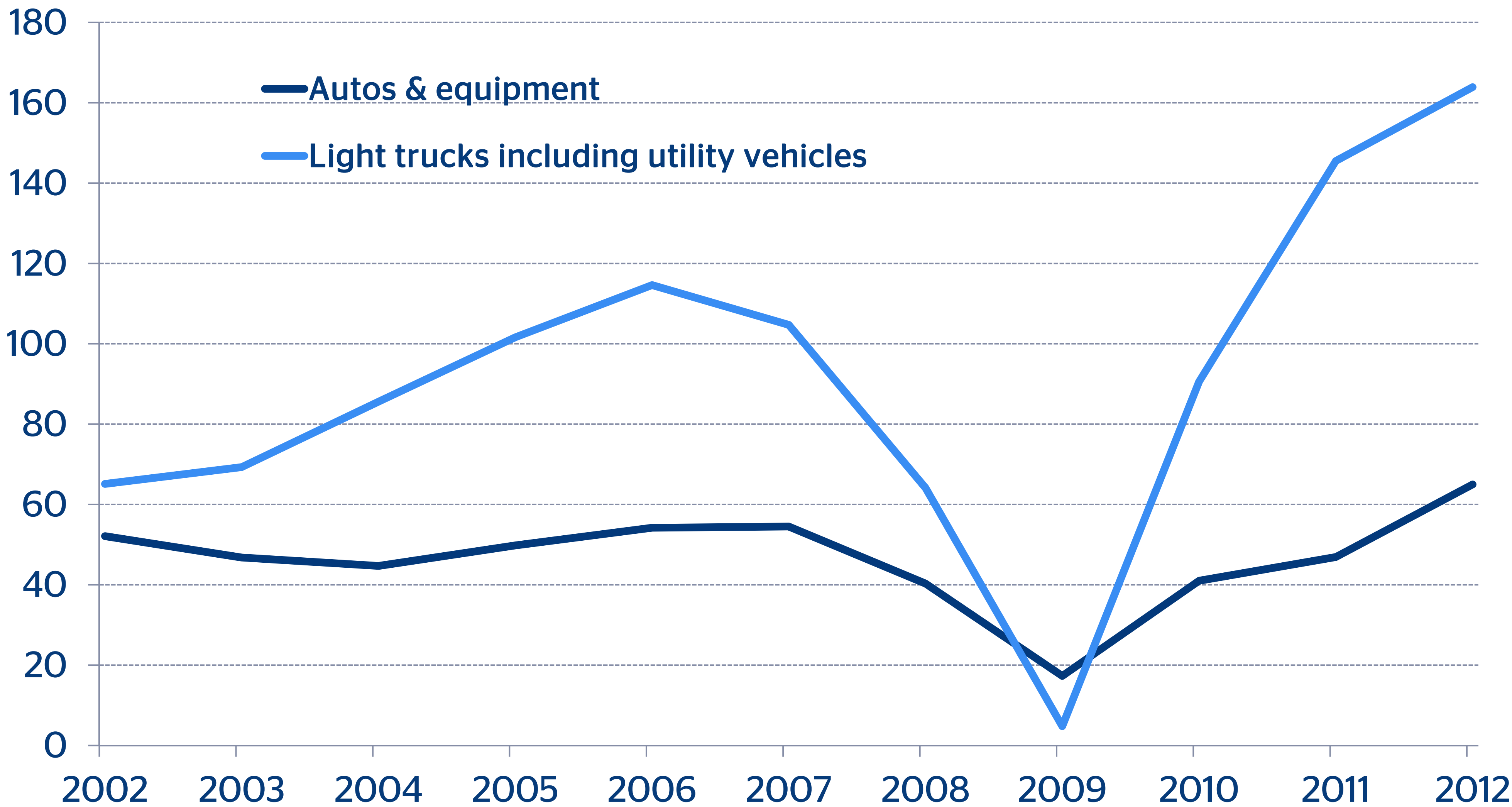
Investment

Private fixed investment: autos & equipment (billions of chained 2009 dollars)



Source: Haver Analytics

4 Structural

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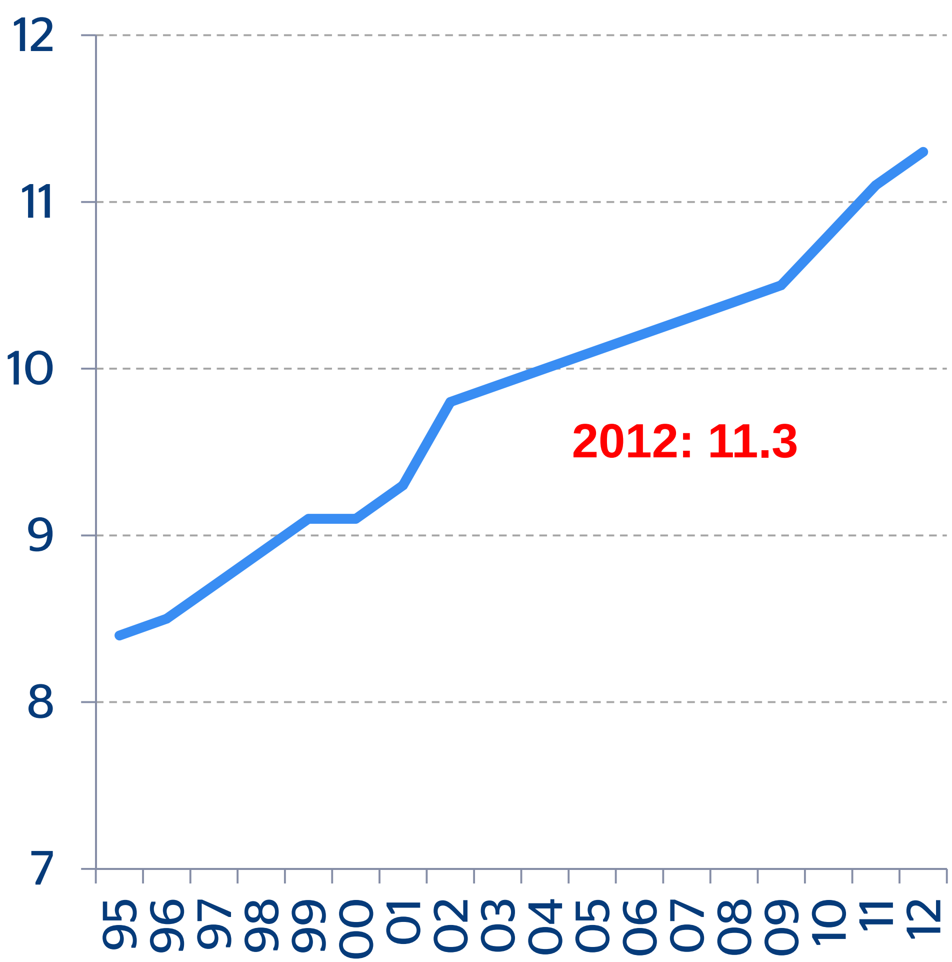
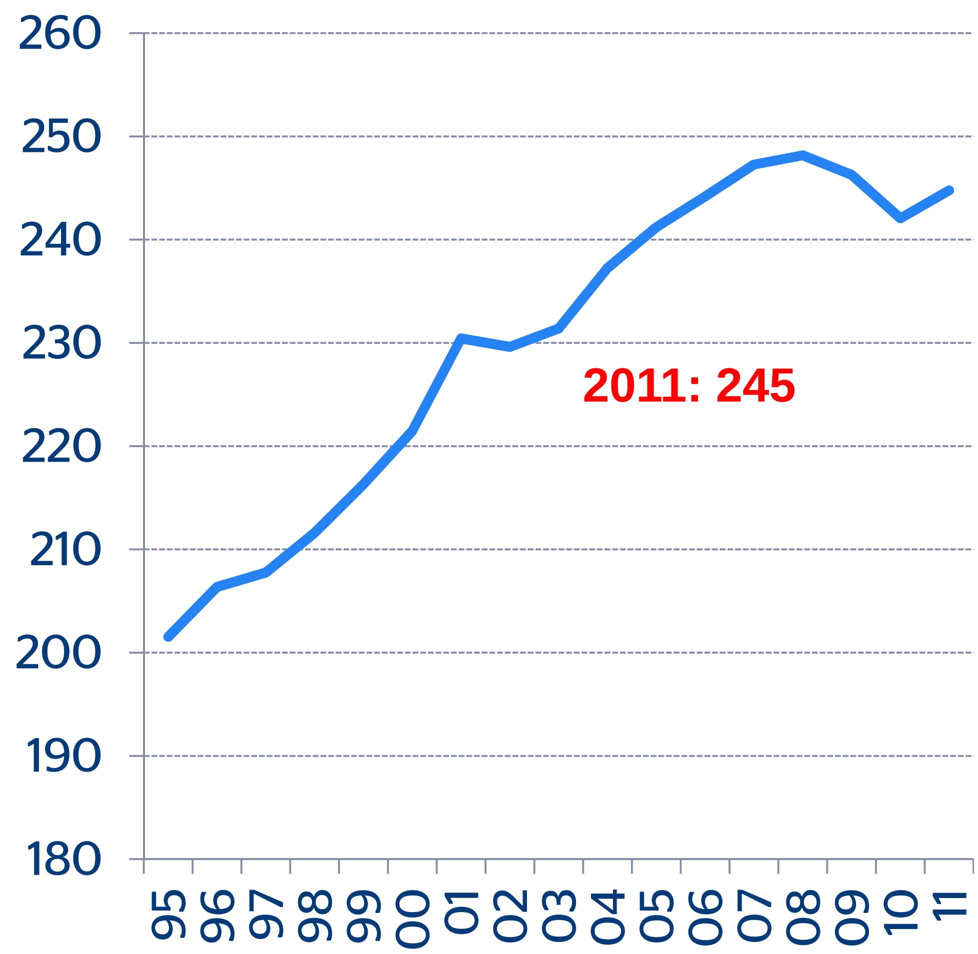
Fundamentals

Mean age of passenger cars in operation
Years



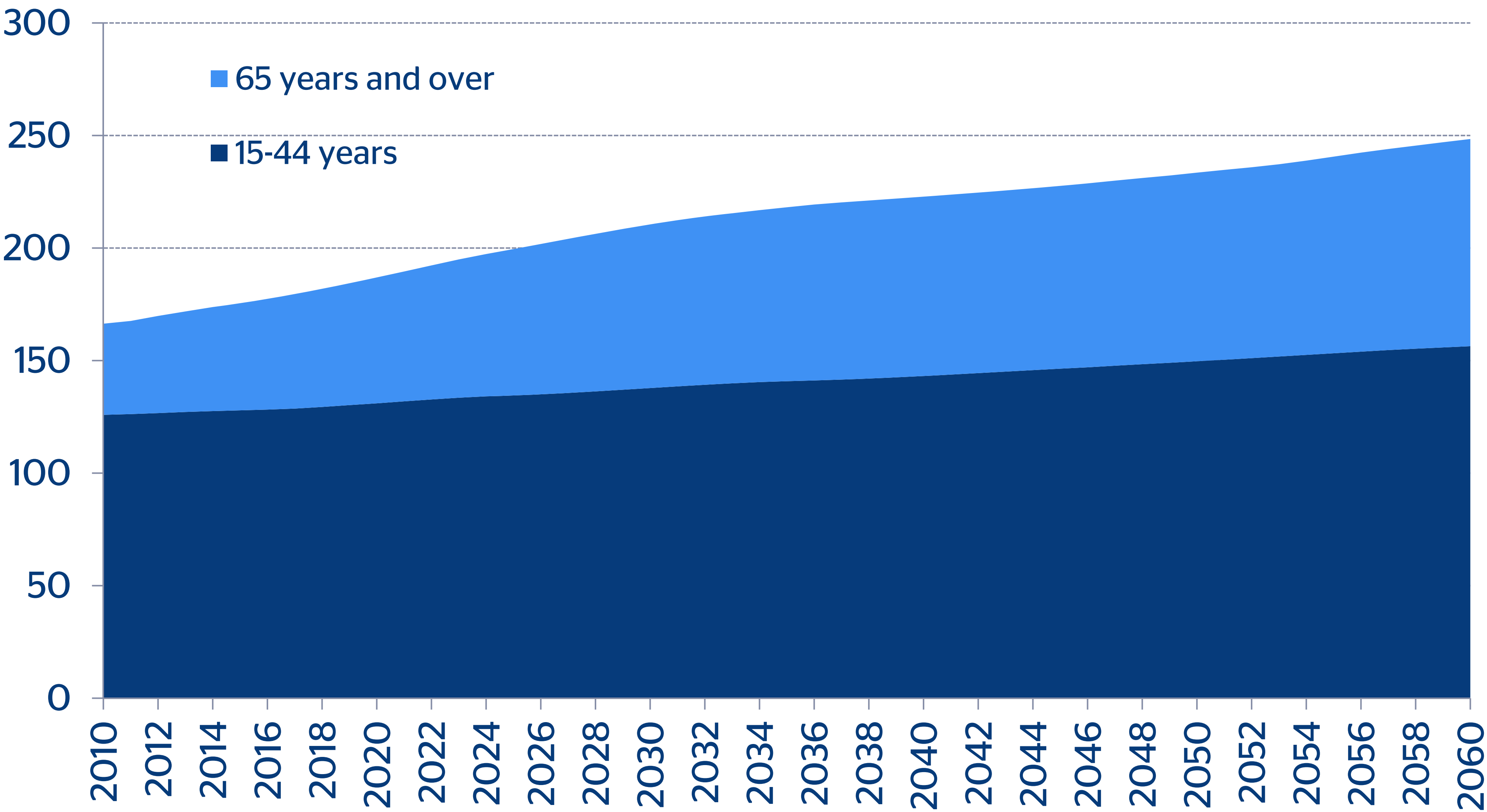
Vehicle registrations
Millions



Source: Haver Analytics

Demographics

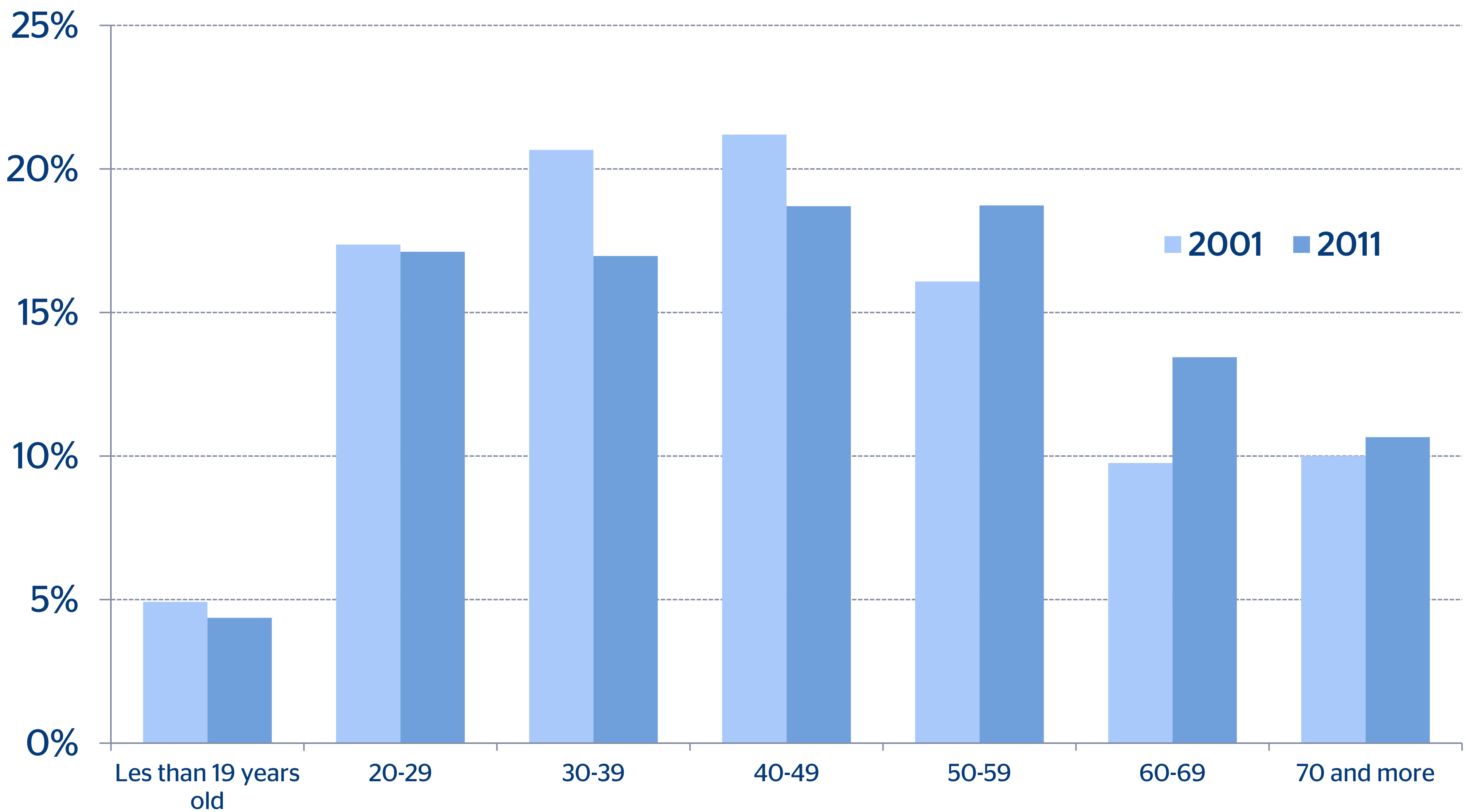
Population projections by age (millions)



Source: Haver Analytics

Demographics

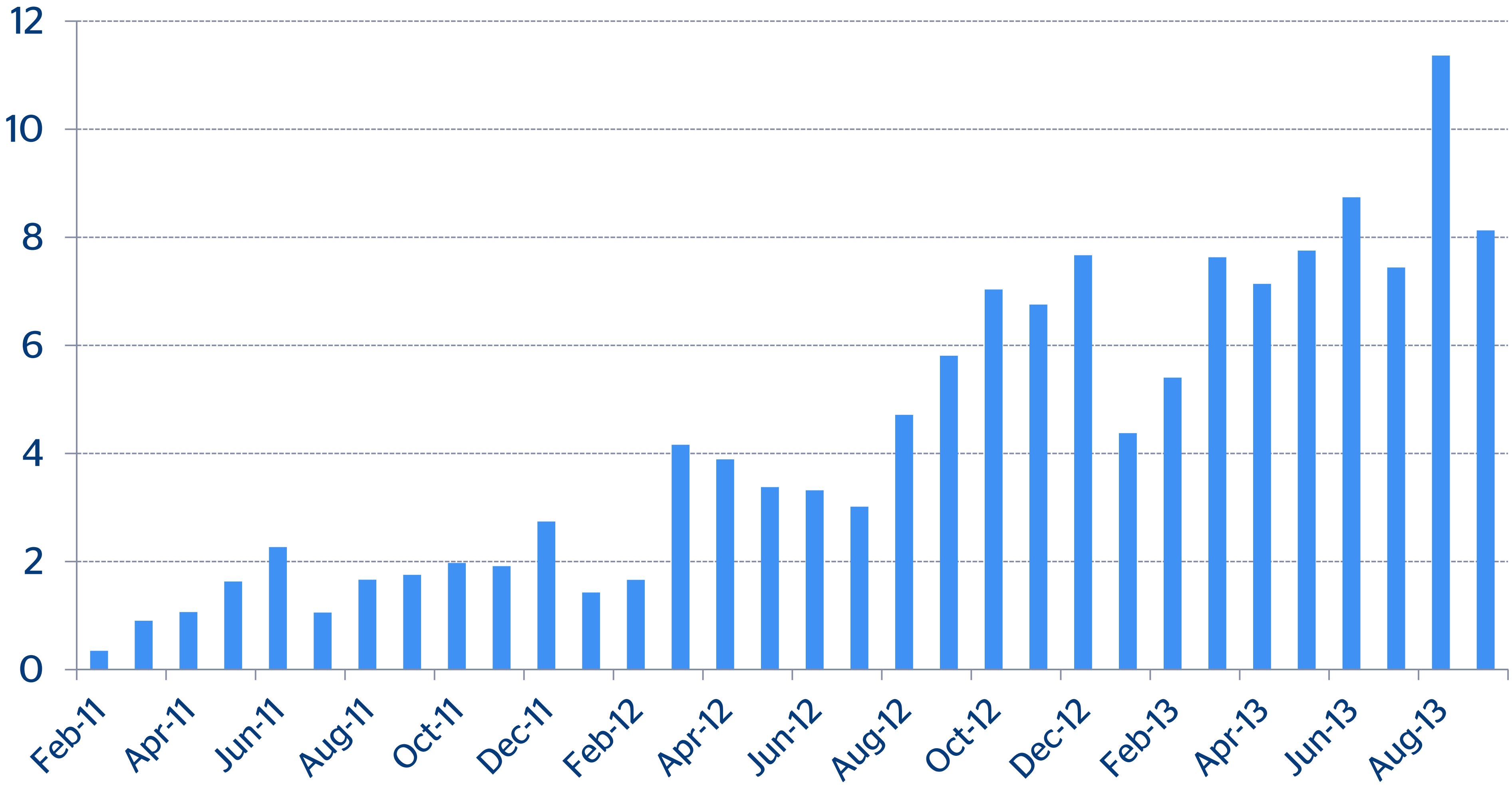
U.S. licensed drivers by age



Source: Haver Analytics

Electric cars

New U.S. plug-in vehicle sales (thousands)



Source: Electric Drive Transportation Association

5 Forecasts

Forecasts

Average	2012	2013	2014	2015
Auto sales (millions units)	**14.4**	**15.6**	**16.3**	**16.7**
GDP growth (% change)	**2.8**	**1.6**	**2.3**	**2.5**
Unemployment rate (%)	**8.1**	**7.5**	**7.0**	**6.4**
Fed funds (%)	**0.14**	**0.19**	**0.25**	**0.33**
3-year Treasuries (%)	**0.38**	**0.62**	**1.07**	**1.78**

Source: BBVA Research

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