

J.D. POWER



USED CAR AND LIGHT TRUCK GUIDELINES

JUNE 2019 INDUSTRY REVIEW

J.D. Power Valuation Services

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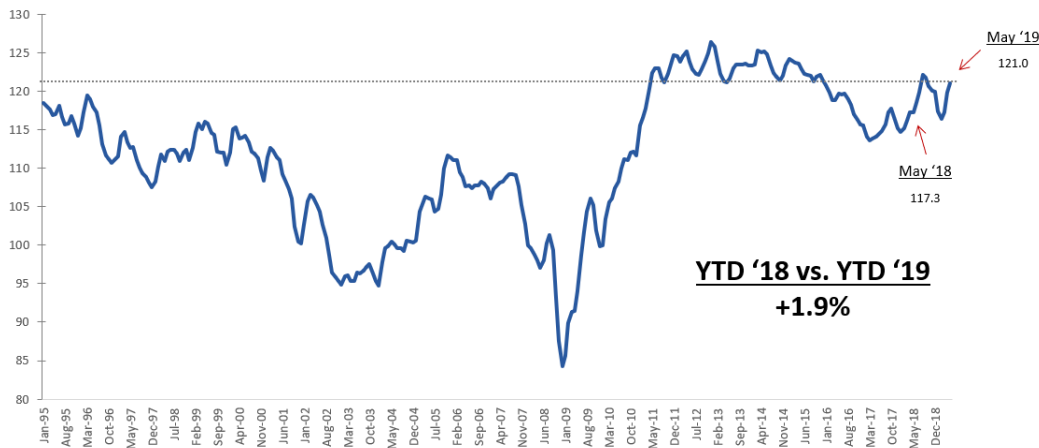
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USED MARKET

USED VEHICLE PRICE INDEX

After abnormally strong March and April performances, the used vehicle market cooled slightly in May. However, the month’s performance was better than historic May figures. As a result, the J.D. Power Valuation Services’ Seasonally Adjusted Used Vehicle Price Index increased by 1.2 points – relative to April – to 121.0. May’s result was significantly stronger than how the period typically performs and marked the third consecutive month of used price increases. Year-to-date, used vehicle prices are now 1.9% greater relative to the same period in 2018.

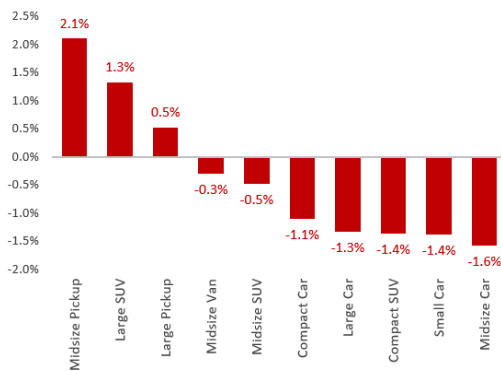
JDP Valuation Services Used Vehicle Price Index (SA)



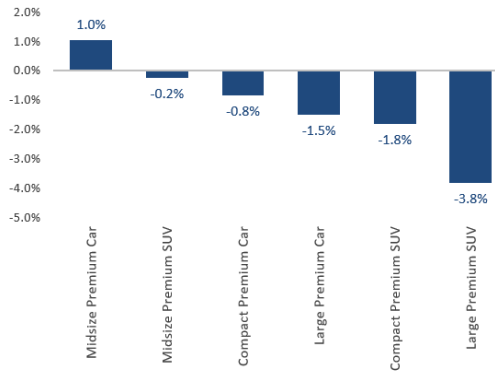
Wholesale prices of used units up to 8 years in age declined by an average of 0.7% in May. The period’s result was significantly better than the previous 5-year average 1.9% decline and the best May performance since 2011. Looking back, prices in May 2011 were bolstered by a shortage of used units resulting from depressed new vehicle sales in 2009. Declining new vehicle sales during this period in addition to the Car Allowance Rebate System (CARS), also known as "cash for clunkers" created a situation where there were significantly fewer used units available in May 2011.

At the segment level, similar to April, mainstream SUV and pickup segment prices were some of the strongest in the industry in May. Affordable mainstream passenger segments didn't see the same strength they have in recent months, however, the outlook for these segments remains positive for the remainder of the year. On the luxury side, results were mixed. Midsize premium cars turned in their best performance for the May period since 1996. Prices for remaining premium segments were depressed, due in part to continuing increases in wholesale volume.

Mainstream M/M Wholesale Price Δ



Premium M/M Wholesale Price Δ



AUCTION VOLUME TRENDS

Auction volume for units up to 5 years in age increased by 1% relative to April 2019, however, year-over-year volume declined by 1.8%. As a result, CYTD volume is now 5.4% above 2018's level. In 2019, the largest volume increases are still being observed among SUV segments. This is a trend that will continue as more of these models are sold on the new side of the market. Compact SUV volume is up by 27.1% and midsize SUV is up 14.1% so far this year. In terms of volume share, truck share represents 51.7% while car share represents 48.3%. Used supply for units up to 5 years in age is expected to increase and peak in 2019, before leveling off in 2020 and 2021. The anticipated increase will be fueled by increases in off-lease volume. Retail, rental and commercial volumes are also expected to increase in 2019, however, not nearly to the same degree as off-lease volume.

Segment	CYTD '18	CYTD '19	CYTD Change
Compact Car	258,148	270,707	▲ 4.9%
Compact SUV	249,223	316,663	▲ 27.1%
Large Car	46,504	44,995	▼ -3.2%
Large Pickup	157,617	175,777	▲ 11.5%
Large SUV	30,480	31,407	▲ 3.0%
Large Van	9,589	8,631	▼ -10.0%
Midsize Car	330,957	300,702	▼ -9.1%
Midsize Pickup	18,384	24,356	▲ 32.5%
Midsize SUV	175,941	200,726	▲ 14.1%
Midsize Van	66,688	51,922	▼ -22.1%
Small Car	87,818	82,339	▼ -6.2%
Sporty Car	35,411	30,437	▼ -14.0%
Compact Premium Car	73,276	73,410	▲ 0.2%
Compact Premium SUV	33,109	42,873	▲ 29.5%
Large Premium Car	10,303	9,617	▼ -6.7%
Large Premium SUV	13,629	17,322	▲ 27.1%
Midsize Premium Car	22,831	24,085	▲ 5.5%
Midsize Premium SUV	47,434	51,473	▲ 8.5%
Premium Sporty Car	22,369	24,014	▲ 7.4%
Industry	1,689,711	1,781,456	▲ 5.4%

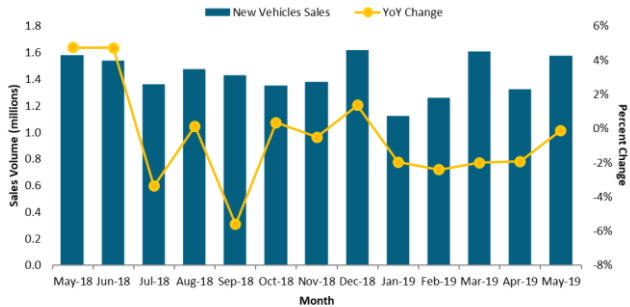
2019 FORECAST

In terms of full-year 2019 expectations, with March, April and to some degree May's stronger than anticipated performances used vehicle prices are expected to increase in 2019 relative to 2018. J.D. Power Valuation Services' 2019 forecast expects used prices for vehicles up to 8 years in age to increase by approximately 0.2% to 0.7%. As new vehicle prices rise, and affordability concerns increase, consumers will continue turning to used vehicles as alternatives to their new counterparts. Even with increasing levels of used supply, healthy consumer appetite for used vehicles will help keep used values strong.

NEW VEHICLE SALES

In May, the new vehicle market turned in a performance that was relatively flat with May 2018's result. New sales reached 1.58 million units for the period, down a slight 0.5%. The seasonally adjusted annual rate (SAAR) was grew to 17.31 million. May's performance was driven by a 1.4% increase in non-retail deliveries, which helped offset the 0.3% decline in retail. Ultimately, the month's result brought 2019's tally to 6.89 million units, down 2.1% compared to the same period in 2018.

New Vehicle Sales



Source: WardsAuto

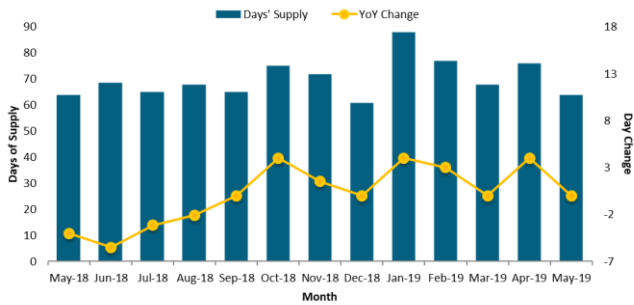
Mainstream Brand Performance (Units Sold)						
	May-19	May-18	CYTD-19	CYTD-18	Y/Y	CYTD/CYTD
Buick	18,180	18,196	86,637	92,370	-0.1%	-6.2%
Chevrolet	176,395	186,456	781,827	841,825	-5.4%	-7.1%
Chrysler	10,903	14,724	51,481	75,146	-26.0%	-31.5%
Dodge	47,759	46,581	189,538	204,546	2.5%	-7.3%
Fiat	1,025	1,441	4,170	6,859	-28.9%	-39.2%
Ford	216,639	226,067	944,812	975,041	-4.2%	-3.1%
GMC	52,174	46,616	225,043	220,310	11.9%	2.1%
Honda	131,985	140,250	579,475	583,140	-5.9%	-0.6%
Hyundai	66,121	64,980	269,163	264,530	1.8%	1.8%
Isuzu Truck	262	368	1,099	1,352	-28.8%	-18.7%
Jeep	148,727	156,990	437,856	467,736	-5.3%	-6.4%
Kia	60,062	59,462	248,043	236,992	1.0%	4.7%
Mazda	25,192	29,980	115,727	137,031	-16.0%	-15.5%
Mini	2,822	4,226	14,348	18,490	-33.2%	-22.4%
Mitsubishi	9,750	12,416	58,780	56,178	-21.5%	4.6%
Nissan	121,570	120,207	540,313	574,127	1.1%	-5.9%
Ram	104,838	81,864	291,535	234,119	28.1%	24.5%
Smart	106	110	422	524	-3.6%	-19.5%
Subaru	63,972	60,146	278,014	263,019	6.4%	5.7%
Toyota	197,637	189,930	837,066	868,459	4.1%	-3.6%
Volkswagen	35,702	31,211	152,883	143,957	14.4%	6.2%
Luxury Brand Performance (Units Sold)						
	May-19	May-18	CYTD-19	CYTD-18	Y/Y	CYTD/CYTD
Acura	13,547	12,819	61,619	58,121	5.7%	6.0%
Alfa Romeo	1,572	2,377	7,442	10,016	-33.9%	-25.7%
Audi	18,892	19,315	82,031	88,471	-2.2%	-7.3%
BMW	27,109	26,662	124,813	123,979	1.7%	0.7%
Cadillac	13,087	13,620	62,419	63,380	-3.9%	-1.5%
Genesis	2,313	1,076	8,121	6,466	115.0%	25.6%
Infiniti	10,413	11,625	53,219	61,472	-10.4%	-13.4%
Jaguar	5,099	4,970	17,468	15,038	2.6%	16.2%
Land Rover	11,365	11,015	43,558	41,709	3.2%	4.4%
Lexus	24,537	25,391	112,688	111,250	-3.4%	1.3%
Lincoln	9,185	9,755	42,146	40,735	-5.8%	3.5%
Mercedes-Benz	29,942	30,077	134,220	146,759	-0.4%	-8.5%
Porsche	5,010	5,005	25,052	24,529	0.1%	2.1%
Tesla	10,048	8,575	68,031	33,800	17.2%	101.3%
Volvo	9,761	9,338	40,186	37,754	4.5%	6.4%

Source: WardsAuto

INCENTIVE SPENDING

In May, automakers increased incentive spending for the first time in 11 months. According to Power Information Network (PIN) data from J.D. Power, incentive spending per unit rose 0.3% to \$3,816 per unit. Incentive spending as a percent of MSRP fell to 9.6%.

New Vehicle Days' Supply



Source: WardsAuto

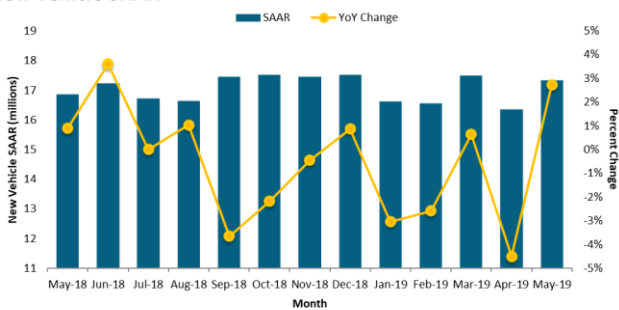
INVENTORY

According to WardsAuto total supply decreased to 64 days in May, a figure flat with May 2018. On a month-over-month basis, supply fell by 12 days relative to April.

General Motors' inventory fell 7 days to 80 in May. Ford Motor Company's supply fell 15 days to 75, while FCA's fell 12 days to 70. On the import side, Toyota Motor Sales' supply fell 11 days to 55, while inventory for American Honda Motors fell 10 days to 76 and Nissan North America's declined by 24 days to 54.

Subaru's 31 days of supply remained lowest on the mainstream side of the industry, however, Kia supply was also lean at 32 days.

New Vehicle SAAR



Source: WardsAuto

AT J.D. POWER VALUATION SERVICES (FORMERLY NADA USED CAR GUIDE)

WHAT'S NEW

You already use NADA Values Online to see all sides of every vehicle's story. Now you can gain even greater insight with our new VIN Based Option feature, which provides a precise, uniquely adjusted valuation for specific used cars and light-duty trucks. The VIN Based Option utilizes packaging, content and descriptive features specific to each 17-character VIN, rather than just the 11-character VIN, to enhance and customize a vehicle's valuation. This way, you can understand the valuable differences between two identical-seeming vehicles of the same year, make and model. Rely on the new VIN Based Option to:

- Reveal valuable vehicle equipment, trim and options
- Increase valuation accuracy and reduce risk
- Make more-informed business decisions



ABOUT J.D. POWER

J.D. Power is a global leader in consumer insights, advisory services, and data and analytics to help clients measure and improve the key performance metrics that drive growth and profitability. J.D. Power's industry benchmarks, robust proprietary data, advanced analytics capabilities, and reputation for independence and integrity has established the company as one of the world's most well-known and trusted providers of consumer and market insights for more than a dozen industries. Established in 1968, J.D. Power is headquartered in Costa Mesa, California, and has 17 global locations serving North/South America, Asia Pacific, and Europe.

ABOUT J.D. POWER VALUATION SERVICES (FORMERLY NADA USED CAR GUIDE)

J.D. Power Valuation Services, formerly NADA Used Car Guide, is a leading provider of vehicle valuation products, services and information to businesses. Its team collects and analyzes over 1 million combined automotive and truck wholesale and retail transactions per month, and delivers a range of guidebooks, auction data, analysis and data solutions. J.D. Power acquired NADA Used Car Guide in 2015, forming a powerful combination that brings the automotive industry rich data sets, strong analytics and over 130 years of market experience.

Commercial Truck Market Analysis

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CONSULTING SERVICES

J.D. Power Valuation Services’ market intelligence team leverages a database of nearly 200 million automotive transactions and more than 100 economic and automotive market-related series to describe the factors driving current trends to help industry stakeholders make more informed decisions. Analyzing data at both wholesale and retail levels, the team continuously provides content that is both useful and usable to the automotive industry, financial institutions, businesses and consumers.

Complemented by J.D. Power Valuation Services’ analytics team, which maintains and advances its internal forecasting models and develops customized forecasting solutions for automotive clients, the market intelligence team is responsible for publishing white papers, special reports and the Used Car & Truck Blog. Throughout every piece of content, the team strives to go beyond what is happening in the automotive industry to confidently answer why it is happening and how it will impact the market in the future.

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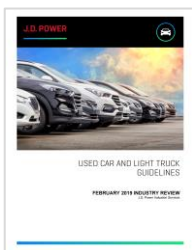
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ADDITIONAL RESOURCES



Guidelines

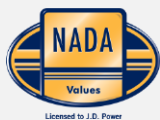
Updated monthly with a robust data set from various industry sources and J.D. Power Valuation Service’s proprietary analysis, Guidelines provides the insight needed to make decisions in today’s market



Used Car & Truck Blog

Written and managed by the Market Intelligence team, the Used Car & Truck Blog analyzes market data, lends insight into industry trends and highlights relevant events.

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