

J.D. POWER



USED CAR AND LIGHT TRUCK GUIDELINES

OCTOBER 2019 INDUSTRY REVIEW

J.D. Power Valuation Services

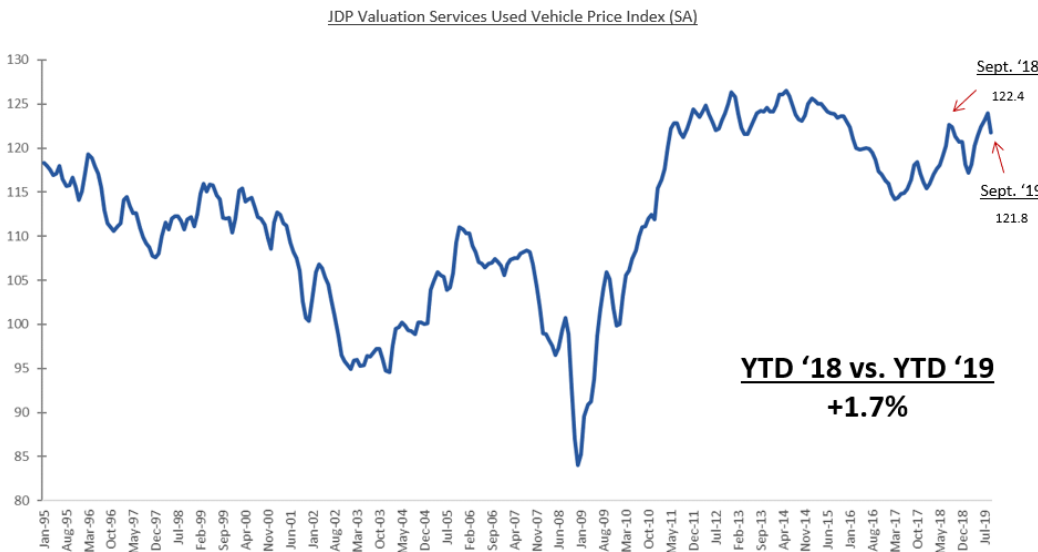
TABLE OF CONTENTS

USED MARKET UPDATE.....	2
USED VEHICLE PRICE INDEX.....	2
AUCTION VOLUME TRENDS.....	4
2019 FORECAST.....	4
AT J.D. POWER VALUATION SERVICES (FORMERLY NADA USED CAR GUIDE).....	5

USED MARKET

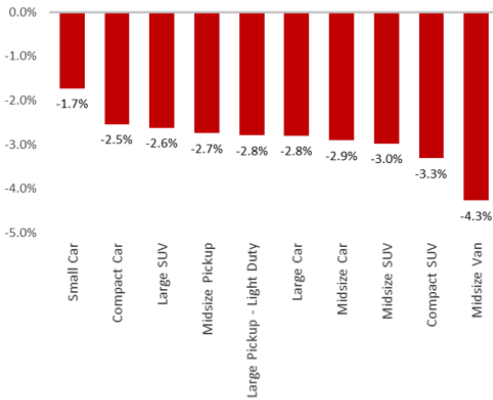
USED VEHICLE PRICE INDEX

After 6 consecutive months of index increases, the used vehicle market slowed in September. As a result, the J.D. Power Valuation Services' Used Vehicle Price Index declined by 1.8%, relative to August, to 121.8. Through September, used vehicle prices are on average 1.7% greater than during the same 9-month period in 2018. Prices continue to be supported by high levels of clean late-model used units entering the market at attractive price points relative to comparable new models, as well as increased dealer demand for used vehicles.

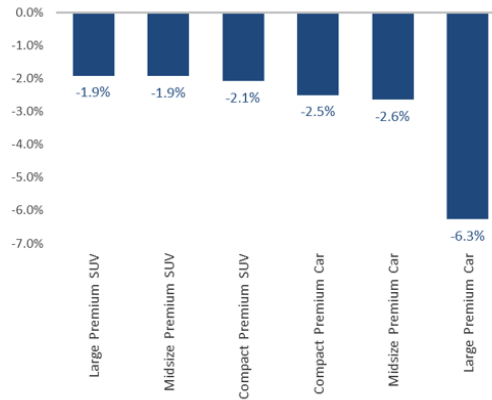


In September, wholesale prices declined by an average of 2.9%, a figure in line with to the previous 5-year average 2.4% loss for the period. At the segment level, declines on the mainstream side of the market were in the 2% to 3% range except for midsize van. The September period is generally one of the toughest times of the year for midsize van prices, historically this has been the time when rental companies cycle out midsize van units after the summer rental season ultimately increasing wholesale volume for the segment and depressing prices for the short term. Premium prices were generally stronger than their mainstream counterparts, premium SUV prices performed better than premium cars.

Mainstream M/M Wholesale Price Δ

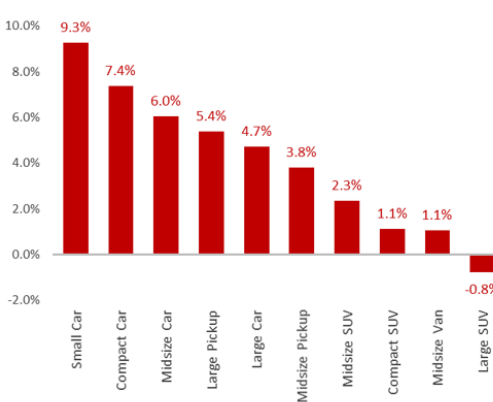


Premium M/M Wholesale Price Δ

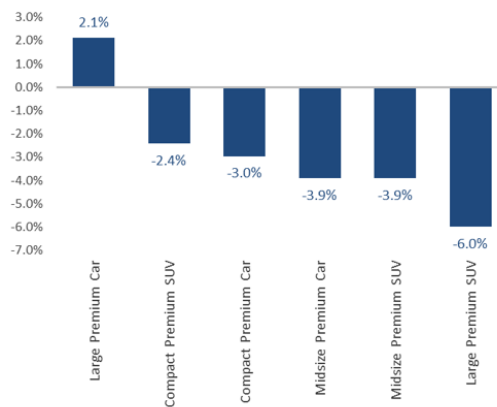


In terms of individual segment performances, year-to-date mainstream passenger car price increases continue outpacing their SUV counterparts. Affordable small, compact and midsize car segment prices have increased the most, prices for the group are up by 6% to 9%. Mainstream SUV segment prices have also increased, however not nearly to the same degree as passenger cars. One of the primary drivers behind this is the higher levels of 0-5-year-old SUV supply returning to the market. As for the luxury side of the market, premium segment prices are down across the board except for large premium car, however, losses are accelerating for this segment. Premium segments continue to feel the pressure of elevated levels of wholesale volume returning to the market.

Mainstream Y/Y Wholesale Price Δ



Premium Y/Y Wholesale Price Δ



AUCTION VOLUME TRENDS

On an annual basis, auction volume for units up to 5 years in age is now 4.7% above 2018's level. Mainstream volume has increased by 4.4% while premium volume has grown by 6.6%. In 2019, the largest volume increases have been observed among SUV segments. Small SUV has experienced the biggest increase on the mainstream side in 2019, 5YO volume is up 39%. Similarly, on the luxury side compact premium SUV volume is up 52.6%. At the opposite end of the spectrum car volume is generally depressed for both mainstream and premium segments. SUV volume will continue to rise in coming years as more of these models are sold on the new side of the market, and will work to suppress SUV prices in the used market.

Mainstream				Premium			
Segment	CYTD '18	CYTD '19	CYTD Change	Segment	CYTD '18	CYTD '19	CYTD Change
Small SUV	117,776	164,148 ▲	39.4%	Compact Premium SUV	40,775	62,236 ▲	52.6%
Midsize Pickup	35,894	44,370 ▲	23.6%	Ultra Luxury/Exotic	7,486	8,887 ▲	18.7%
Compact SUV	346,271	411,049 ▲	18.7%	Large Premium SUV	21,494	24,492 ▲	13.9%
Midsize SUV	326,004	371,652 ▲	14.0%	Small Premium SUV	13,637	15,089 ▲	10.6%
Large Pickup - Light Duty	238,602	268,757 ▲	12.6%	Midsize Premium SUV	87,969	94,157 ▲	7.0%
Large Pickup - Heavy Duty	55,114	61,872 ▲	12.3%	Midsize Premium Car	56,423	59,985 ▲	6.3%
Compact MPV	37,442	39,589 ▲	5.7%	Midsize Premium Sporty Car	6,718	6,662 ▼	-0.8%
Compact Car	437,571	441,185 ▲	0.8%	Large Premium Car	12,091	11,597 ▼	-4.1%
Large SUV	53,881	54,218 ▲	0.6%	Small Premium Car	20,911	19,708 ▼	-5.8%
Midsize Sporty Car	56,572	54,326 ▼	-4.0%	Compact Premium Car	137,369	129,455 ▼	-5.8%
Large Car	110,495	105,987 ▼	-4.1%	Compact Premium Sporty Car	3,758	3,256 ▼	-13.4%
Small Car	108,712	102,770 ▼	-5.5%	Premium Total	408,631	435,524 ▲	6.6%
Large Van	16,247	15,064 ▼	-7.3%				
Midsize Car	516,237	461,956 ▼	-10.5%				
Midsize Van	105,708	85,372 ▼	-19.2%				
Compact Sporty Car	20,940	15,708 ▼	-25.0%				
Mainstream Total	2,583,466	2,698,023 ▲	4.4%				

2019 FORECAST

In terms of full-year 2019 expectations, at an industry level used vehicle prices are expected to remain relatively strong moving forward. J.D. Power Valuation Services' 2019 forecast expects used prices for vehicles up to 8 years in age to increase by around 1% to 1.5%. From where prices are currently through the remainder of the year, we are expecting a mild decline, which barring any serious weather impact or economic changes should hold true. Used supply will be mixed, positive for cars, negative for SUVs and trucks. The impact of other factors including gas prices, home prices, and labor conditions are is expected to be neutral-to-supportive of used prices.

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

Chris Visser
703.610.7067
Chris.Visser@jdpa.com

Financial Industry, Accounting, Legal, OEM Captive

Steve Stafford
703.821.7275
Steve.Stafford@jdpa.com

Automotive Dealers, Auctions, Insurance, Credit Unions, Fleet, Lease, Rental Industry, Government

Doug Ott
703.749.4710
Doug.Ott@jdpa.com

Director Sales and Customer Service

Dan Ruddy
703.749.4707
Dan.Ruddy@jdpa.com

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.

**VP and General Manager,
Vehicle Valuations & Analytics**

Jonathan Banks
Jonathan.Banks@jdpa.com

**Senior Director,
Valuation Services**

Larry Dixon
Larry.Dixon@jdpa.com

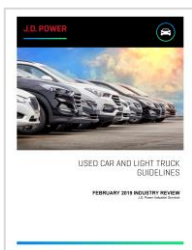
**Senior Analyst,
Automotive**

David Paris
David.Paris@jdpa.com

**Senior Quantitative Analyst,
Valuation Services**

Maya Ivanova
Maya.Ivanova@jdpa.com

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.

J.D. POWER



Read our Blog
nada.com/usedcar



Follow Us on Twitter
[@NADAValues](https://twitter.com/NADAValues)



Find Us on Facebook
Facebook.com/NADAUsedCarGuide



Watch Us on YouTube
Youtube.com/NADAUsedCarGuide