

# NEW VEHICLE RETAIL MARKET

## **Retail sales recovery paused**

Retail sales for the week ending June 28 were 8% below the pre-virus forecast. This result is 3ppts worse than the 5% below pre-virus forecast from the prior week's result.

## **Transaction prices steady**

Customer-facing transaction price increased \$36 from last week to \$34,903 on increased premium nameplate mix. The result for the week ending June 28 is 3.0% higher than the same week in 2019.

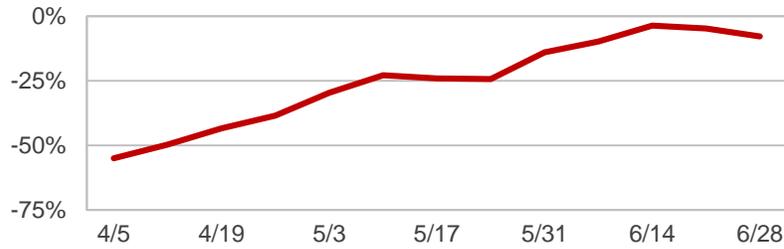
## **Incentive spending stable**

Incentive spending per unit for the week ending June 28 was \$4,337, a decrease of \$6 from the prior week. 84-month APR mix of all retail sales fell a further 0.5ppts to 8.4%, its lowest mark since mid-March. Seven automakers quit supporting 84-month loan terms in June, leaving only five brands with supported 84-month terms in the market. Lease mix remains far below pre-virus levels with only 25.6% of consumers opting for a lease. For reference, nearly 32% of all consumers took leases in the same week in 2019.

## **Mature customers share of industry at normal levels**

Sales to mature consumers (buyers 56 and older) during the week ending June 28 accounted for 37.1% of retail sales, over a full point lower than the same week in 2019.

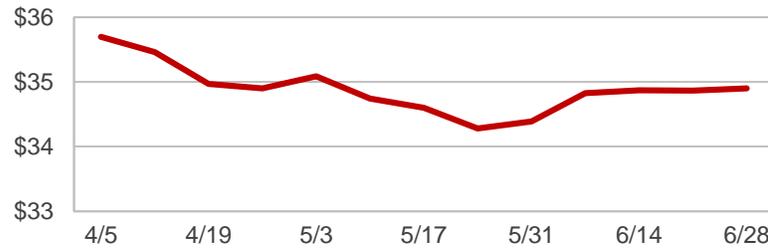
Retail Sales  
vs.  
Pre-Virus  
Forecast



**WEEKLY TREND**

6/7	-10%
6/14	-4%
6/21	-5%
6/28	-8%

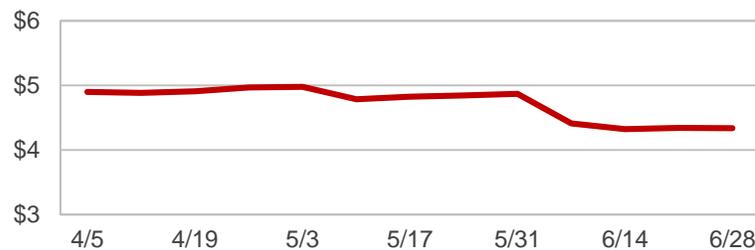
Transaction  
Price  
(000)



**WEEKLY TREND**

6/7	\$34.8
6/14	\$34.9
6/21	\$34.9
6/28	\$34.9

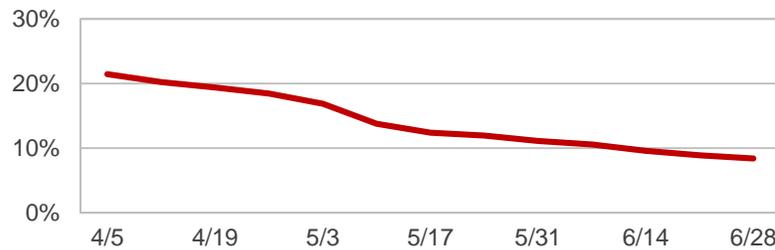
Incentive  
Spending per  
Unit  
(000)



**WEEKLY TREND**

6/7	\$4.4
6/14	\$4.3
6/21	\$4.3
6/28	\$4.3

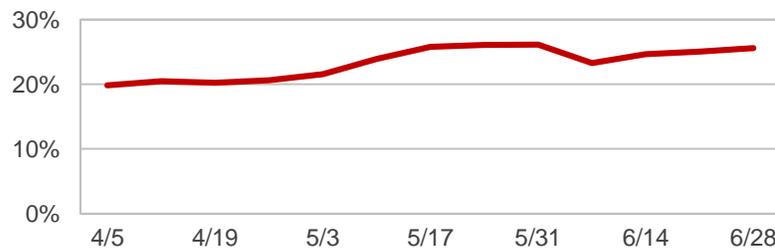
% of Sales  
that are  
Financed for  
84+ Months



**WEEKLY TREND**

6/7	10.6%
6/14	9.6%
6/21	8.9%
6/28	8.4%

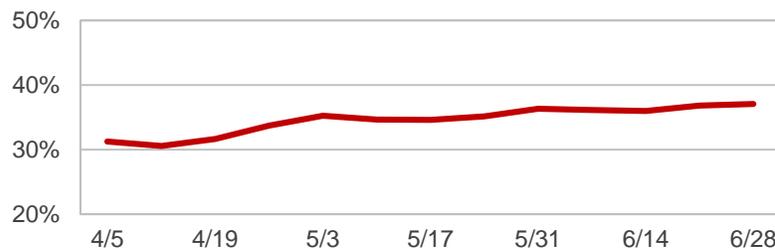
% of Sales  
that are  
Leased



**WEEKLY TREND**

6/7	23.3%
6/14	24.7%
6/21	25.1%
6/28	25.6%

% of Sales to  
Mature  
Buyers  
(56+ Years)



**WEEKLY TREND**

6/7	36.2%
6/14	36.0%
6/21	36.8%
6/28	37.1%

# NEW PREMIUM VEHICLE RETAIL MARKET

## **Premium retail sales recovery paused**

Premium retail sales were 4% above the pre-virus forecast for the week ending June 28 and better than the overall market. However, it compares unfavorably to the prior week when sales ended 9% above pre-virus levels and snapped a 13-week run of week-over-week improvement.

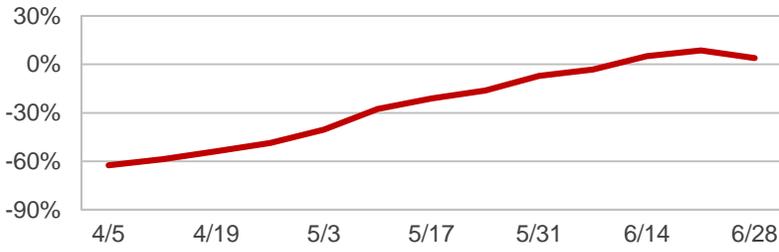
## **Premium transaction prices steady**

Customer-facing transaction price was nearly unchanged week-over-week, dropping \$14 to \$50,148. This result is only 0.8% above the same week last year.

## **Premium incentive spending remained below March/April levels**

Incentive spending per unit for the week ending June 28 fell \$18 from the week prior to \$7,311, the lowest level since late March. Many automakers reduced lease incentives to start June. Lease mix remains far below pre-virus levels with only 49% of premium consumers opting for a lease in the week ending June 28. For reference, 60.3% of all premium consumers took leases in the same week last year. Lease results continue to be driven by the large number of lessees who have extended their pre-existing lease contracts coupled with a lack of elevated lease incentives. Strong offers on 72-month APR deals kept its mix of premium retail sales at 16.1%, +6.8ppts vs. the same week last year.

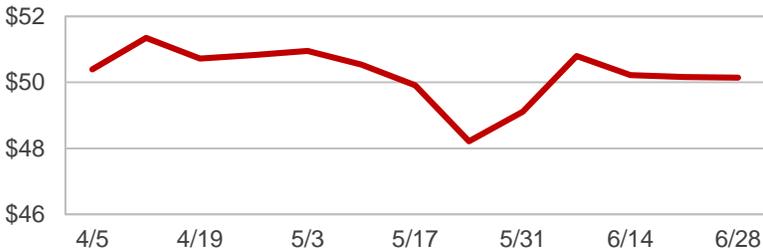
**Retail Sales vs. Pre-Virus Forecast**



**WEEKLY TREND**

6/7	-3%
6/14	+5%
6/21	+9%
6/28	+4%

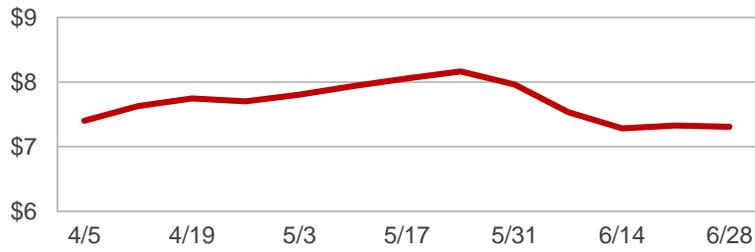
**Transaction Price (000)**



**WEEKLY TREND**

6/7	\$50.8
6/14	\$50.2
6/21	\$50.2
6/28	\$50.1

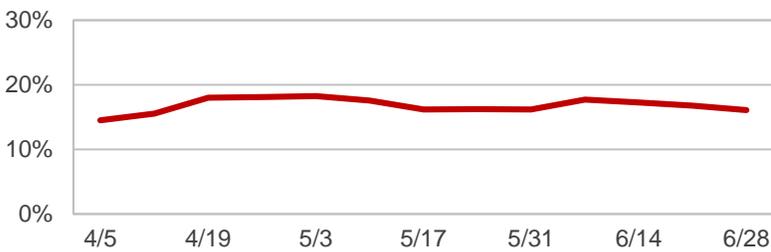
**Incentive Spending per Unit (000)**



**WEEKLY TREND**

6/7	\$7.5
6/14	\$7.3
6/21	\$7.3
6/28	\$7.3

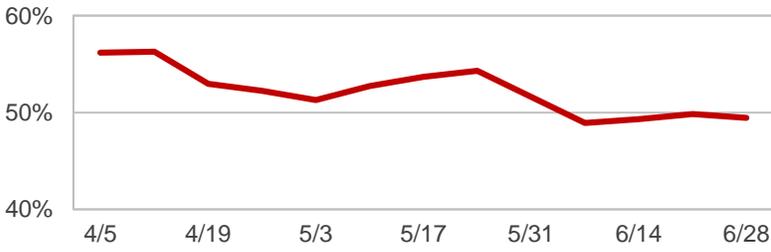
**% of Sales that are Financed for 72+ Months**



**WEEKLY TREND**

6/7	17.7%
6/14	17.2%
6/21	16.7%
6/28	16.1%

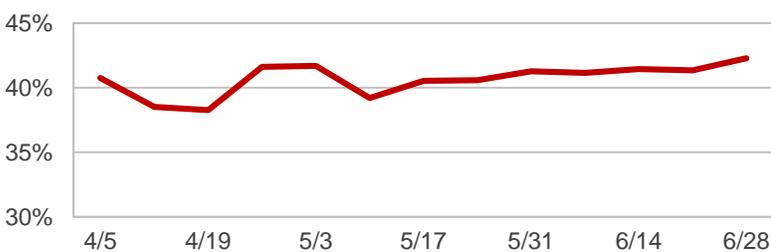
**% of Sales that are Leased**



**WEEKLY TREND**

6/7	48.9%
6/14	49.3%
6/21	49.8%
6/28	49.4%

**% of Sales to Mature Buyers (56+ Years)**



**WEEKLY TREND**

6/7	41.1%
6/14	41.4%
6/21	41.3%
6/28	42.3%

# USED VEHICLE MARKET

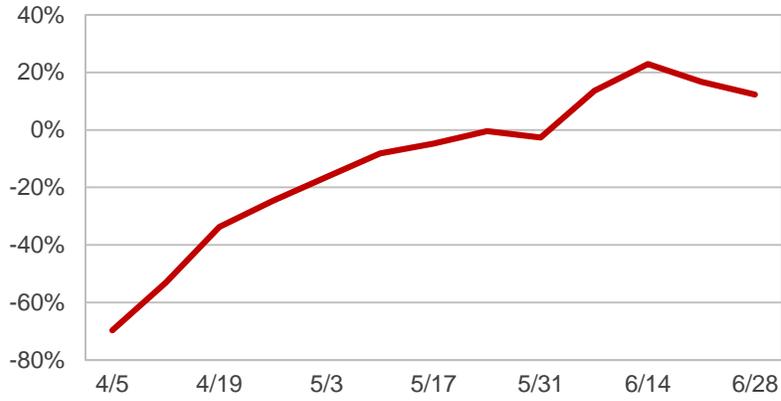
## **Used vehicle retail sales exceed pre-virus forecast on flat pricing**

Sales of used vehicles at franchised dealers beat pre-virus forecast by 12% for the week ending June 28. The strong demand for used vehicles is consistent with prior periods of challenging economic conditions. Additionally, reduced incentives on new vehicles drove up monthly payments, which further bolstered demand for the affordability of used vehicles. Despite the strong volume gains at retail, used retail prices were flat for the week ending June 28 vs. the prior week and flat compared to pre-virus levels.

## **Wholesale auction sales and prices climb**

Wholesale auction sales reached 108,000 units for the week ending June 28, 7% above the pre-virus forecast. Wholesale auction prices improved for the tenth consecutive week, rising 1.6 percentage points for the week ending June 28. Prices improved 22 percentage points during the past ten weeks and are now 7% higher than the beginning of March. Wholesale prices are exceptionally strong and the consistent growth week-to-week provides an indication that prices will remain so in the near-term. The robust pace of retail sales since the end of May also supports a positive outlook, as dealer demand for replacement inventory remains high. Headwinds from pandemic-related macro-economic volatility may still create friction in this channel in Q3, but concerns over an influx of off-rental and off-lease units are diminishing.

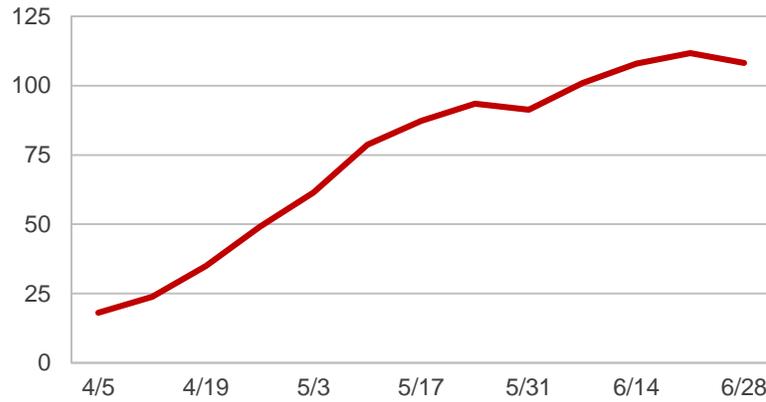
**Retail Sales vs. Pre-Virus Forecast**



**WEEKLY TREND**

6/7	+14%
6/14	+23%
6/21	+17%
6/28	+12%

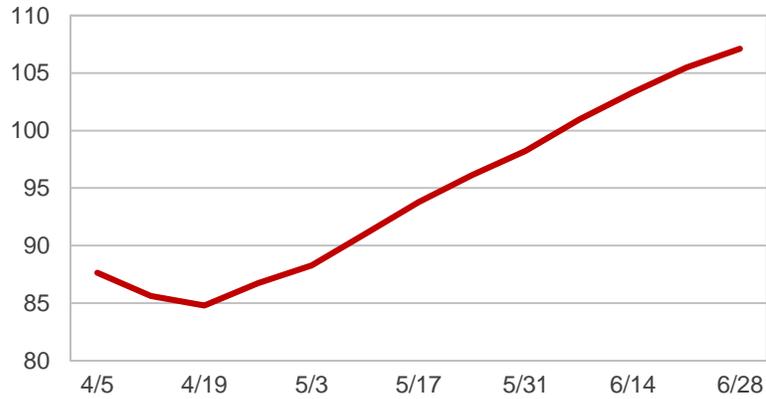
**Wholesale Auction Sales (000)**



**WEEKLY TREND**

6/7	101
6/14	108
6/21	112
6/28	108

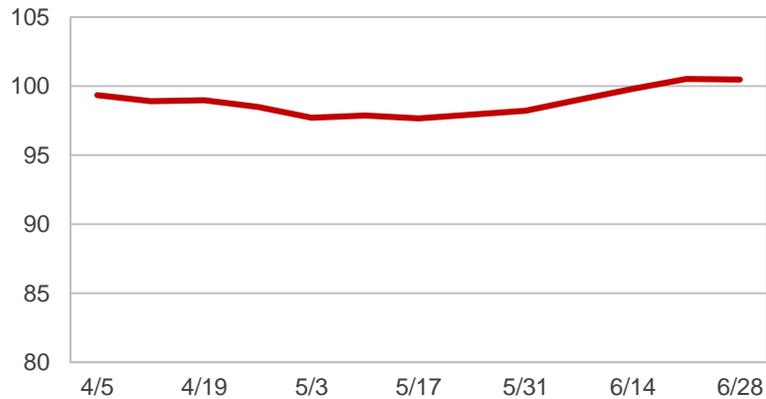
**Wholesale Auction Price Index**



**WEEKLY TREND**

6/7	101.0
6/14	103.3
6/21	105.5
6/28	107.1

**Used Retail Price Index**



**WEEKLY TREND**

6/7	99.0
6/14	99.8
6/21	100.5
6/28	100.5