

Economic Analysis

Strong Pickup in March Vehicle Sales

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- **March vehicle sales at 17.1 million, the highest rate in four months**
- **Domestic trucks, SUVs, and minivans experienced greatest increase in sales**
- **Foreign manufacturers reported higher gains compared to domestic producers**

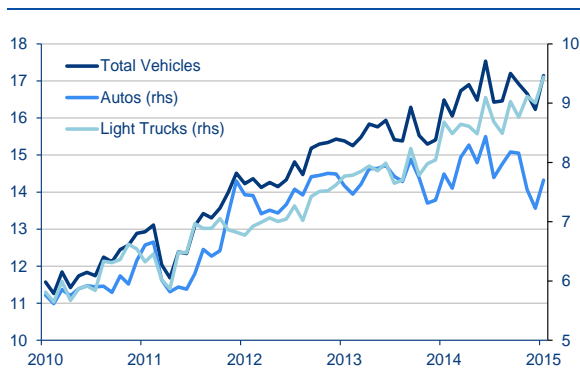
The first consumer spending data released for the month of March hints that consumer expenditures might finally be on the upswing. Total light weight vehicle sales exceeded expectations, and were up 5.6% in March to an annual rate of 17.1 million units—the strongest rate in the last four months. Disappointing sales in February dampened March expectations, but it appears that harsh winter weather in February created pent-up demand, with consumers putting off new vehicles purchases until March.

The gain in vehicle sales was widespread. Domestic car sales rose to 5.45M from 5.21M, domestic light truck sales (including minivans and SUVs) climbed to 8.24M from 7.92M, imported car sales increased to 2.26M from 2.02M, and imported light truck sales were up to 1.20M from 1.09M. Sales were impacted by greater demand for domestic SUVs and big trucks, along with foreign luxury vehicles. Imported sales increased for the first time in three months, most likely a consequence of the stronger USD.

Numbers from the automakers themselves were mixed, with Ford, GM, Honda, and Nissan reporting drops in sales from a year ago, while Fiat Chrysler, Hyundai, Subaru and Toyota reported increases. Only GM and Honda sales were below expectations, tumbling 2.4% and 5.3%, respectively. Toyota’s sales rose more than expected by 4.9%, aided primarily by sales of its luxury brand and trucks.

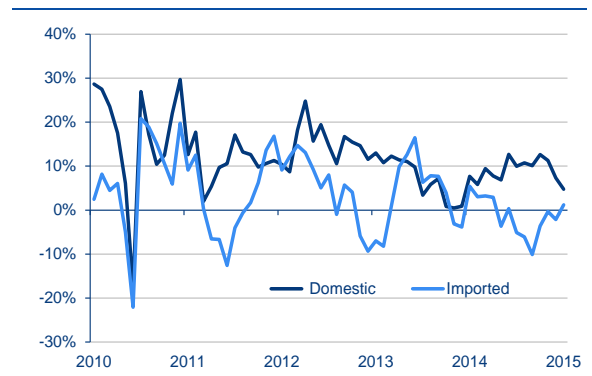
March’s auto sales report suggests a gain for the motor vehicle component of the monthly retail sales report. This component has declined for two of the last three months and experienced a sharp drop of 2.5% in February due to the effect of winter weather. While the unit auto sales data do not always translate directly, the latest increase in truck sales should help lift the nominal value of the retail sales report.

Chart 1
Total Light Vehicle Retail Sales
SAAR, Mil. Units



Source: Autodata/ Haver Analytics

Chart 2
Total Light Vehicle Retail Sales
YoY %



Source: Autodata/ Haver Analytics

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