

U.S. Auto Industry Chartbook

BBVA Research USA

Houston, TX

First Quarter 2015

Key messages

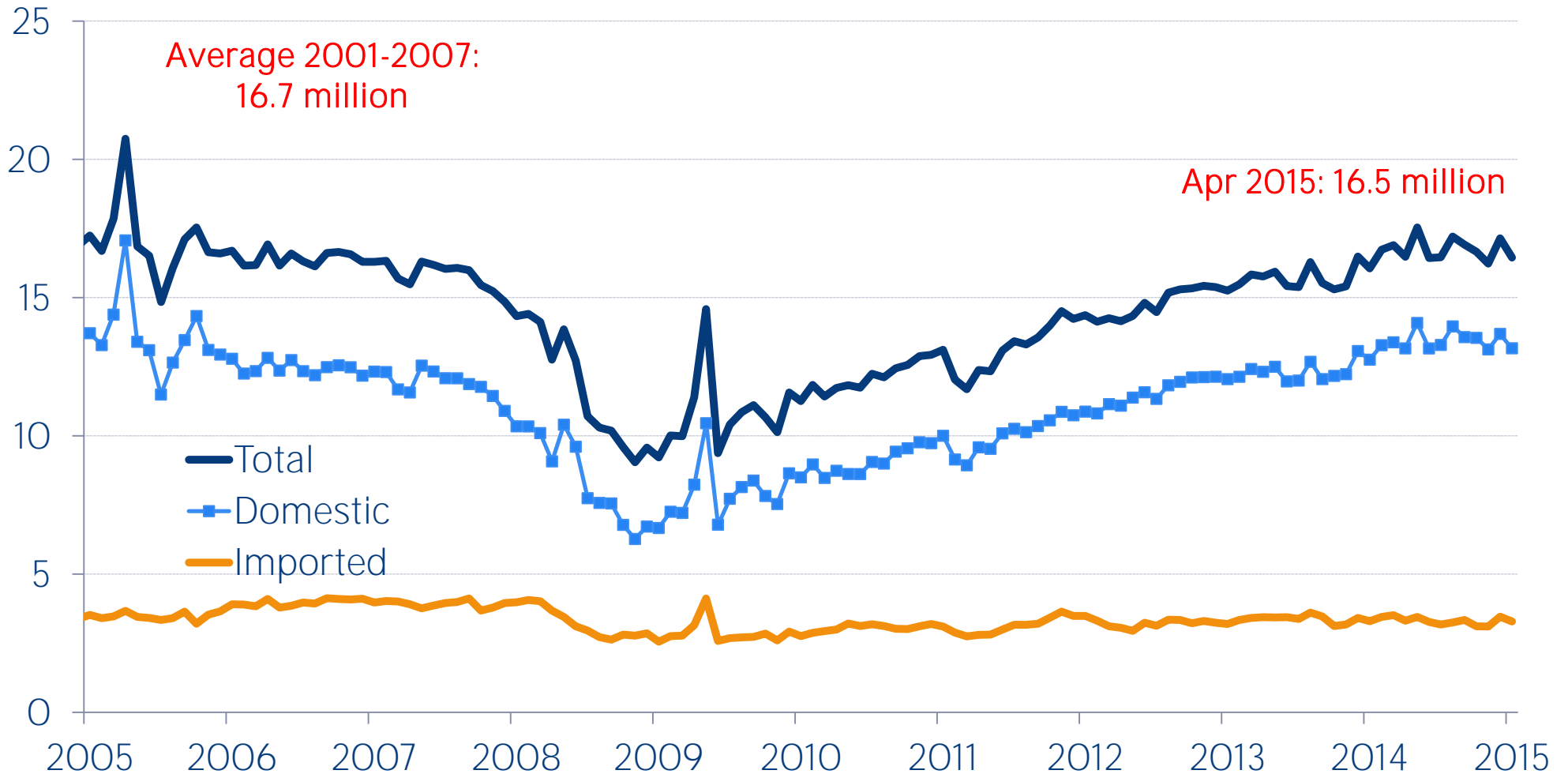
- Domestic trucks, SUVs, and minivans experienced the greatest rise in sales as a result of low gas prices and low interest rates.
- After winter weather subsided, auto sales surged in the later part of the first quarter, and then stabilized in April.
- The large majority of brands experienced a year over year pick-up in sales compared to 1Q14.
- Given low oil prices, solid employment creation, and rebounding GDP growth in the upcoming quarters, we expect robust demand for trucks and SUVs.
- However, as we expect the Fed's first interest rate hike will take place in September, growth in auto sales could be tempered.

1

Sales

Sales

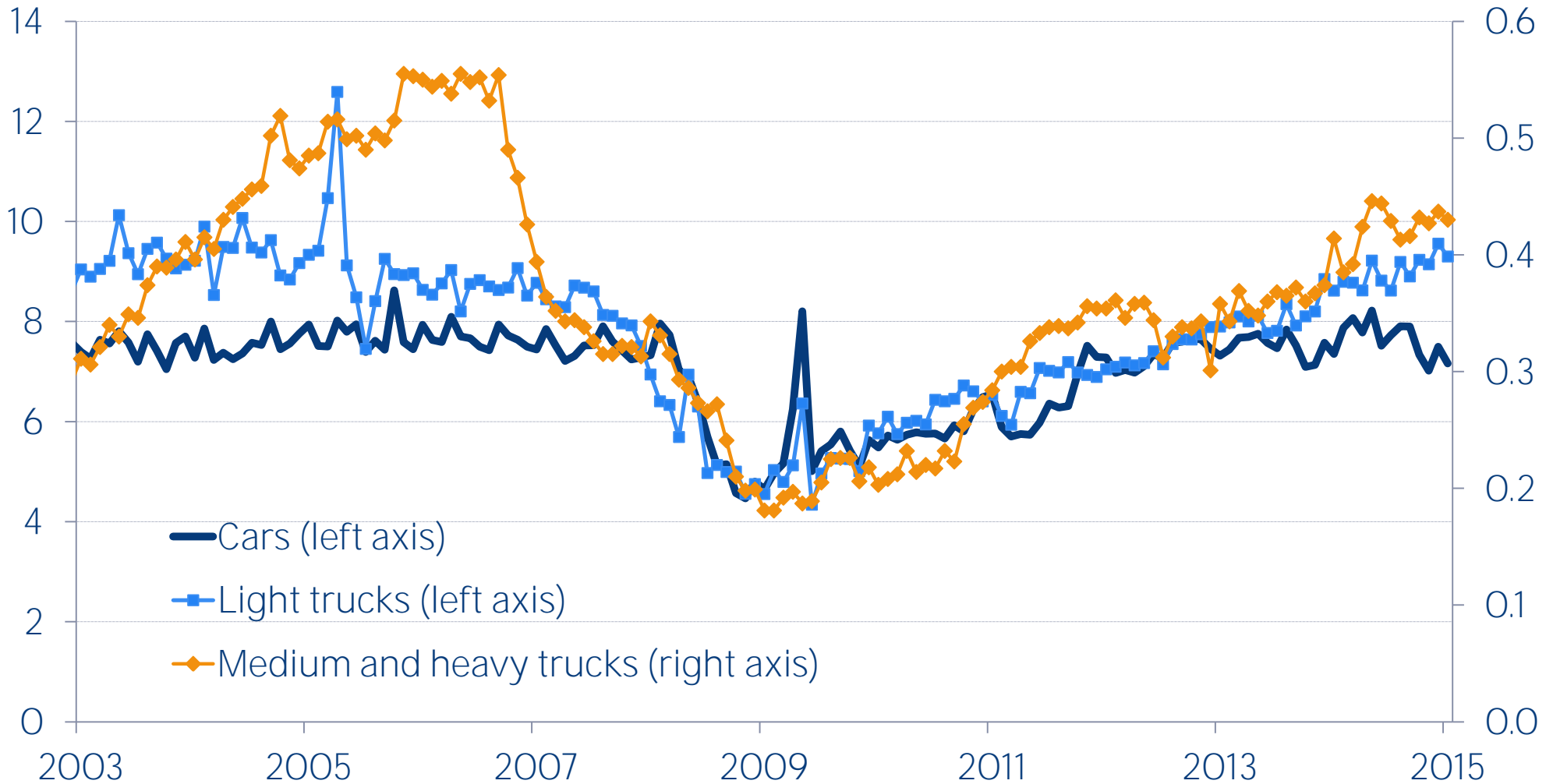
U.S. Total light weight vehicle sales (SAAR*, million units)



*SAAR = seasonally adjusted annual rate
 Source: BBVA Research & Haver Analytics

Sales

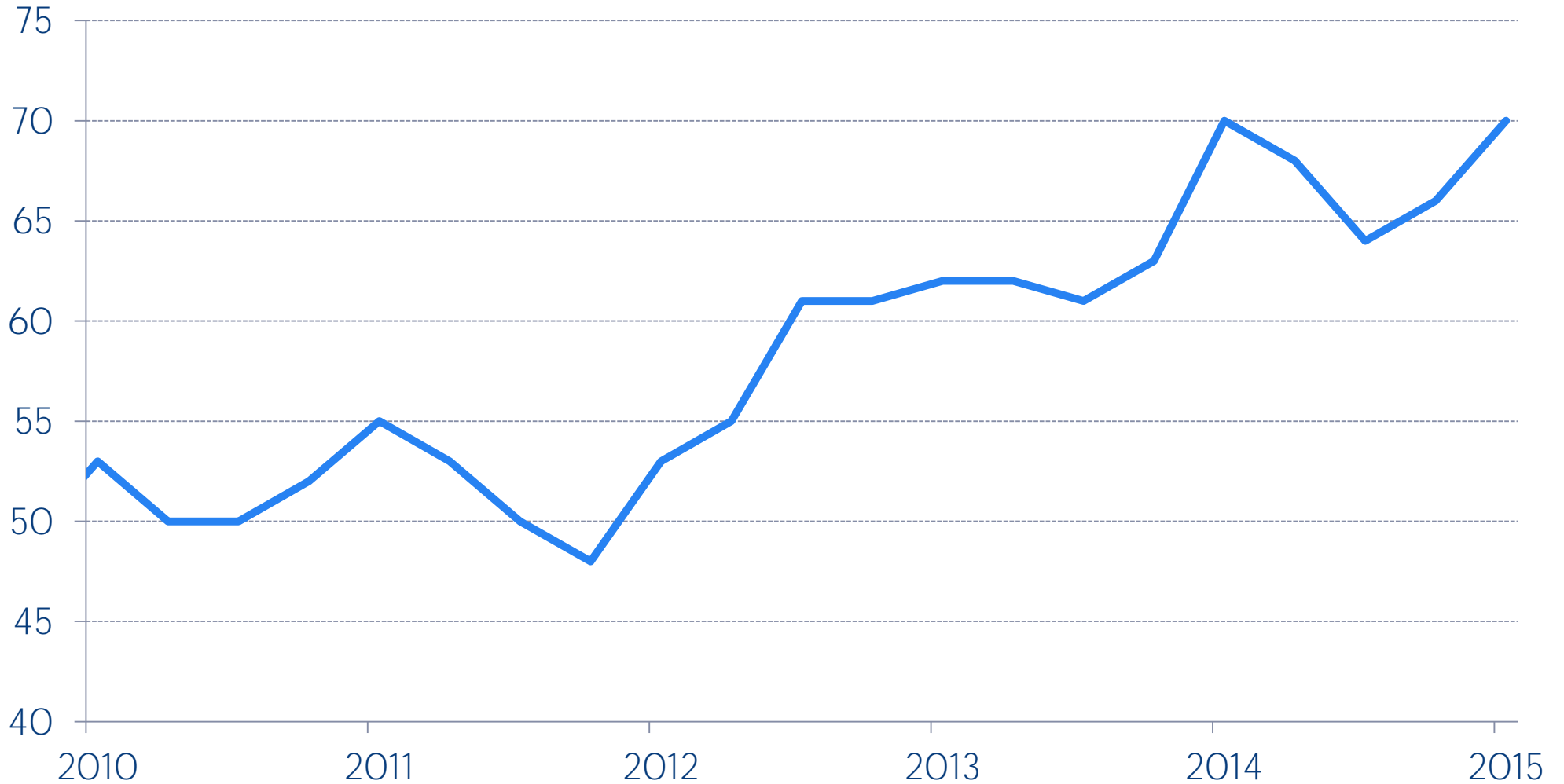
U.S. Total vehicle sales (SAAR, million units)



*SAAR = seasonally adjusted annual rate
 Source: BBVA Research & Haver Analytics

Sales

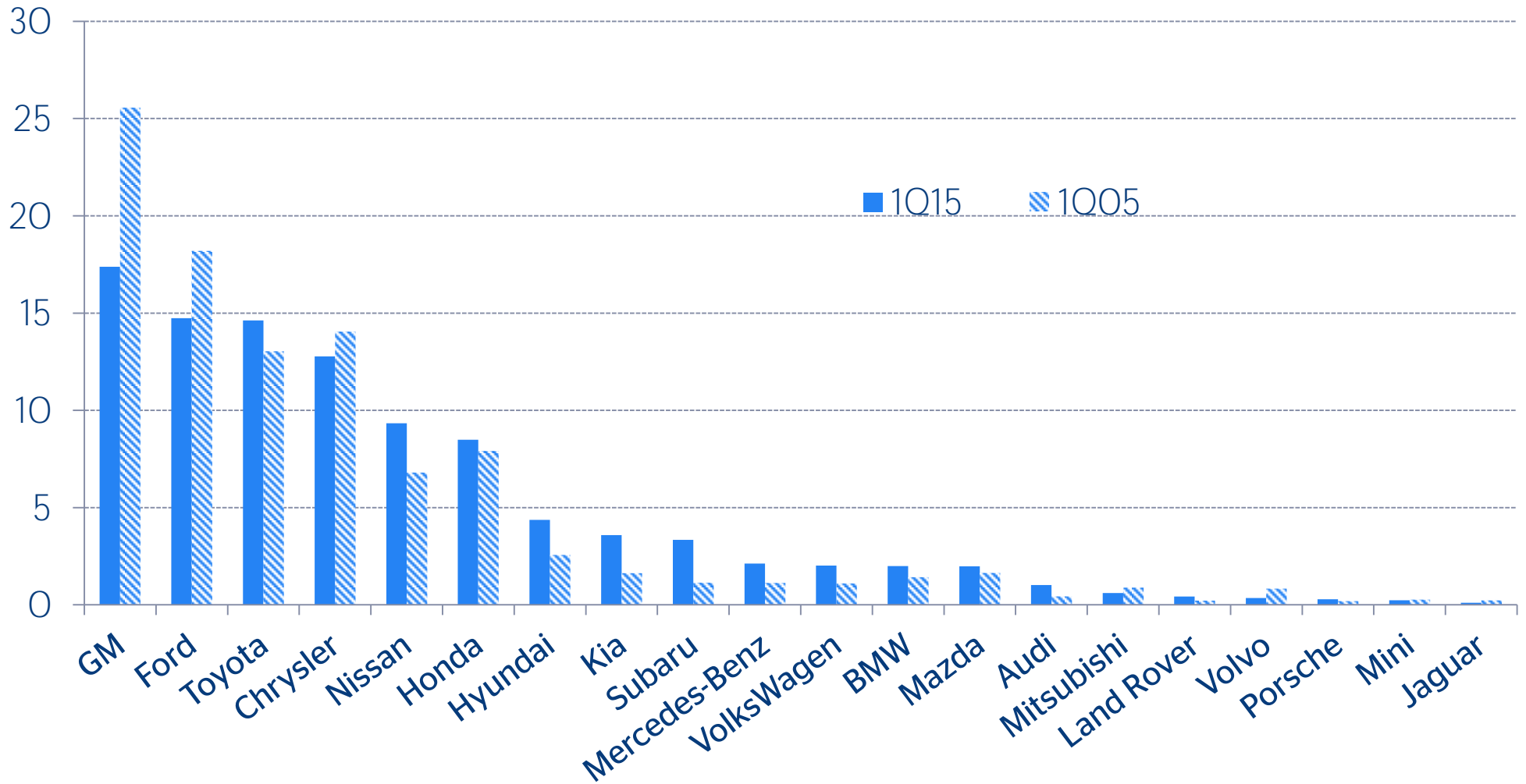
U.S. Vehicle days to turn (industry average)



Source: Bloomberg

Sales

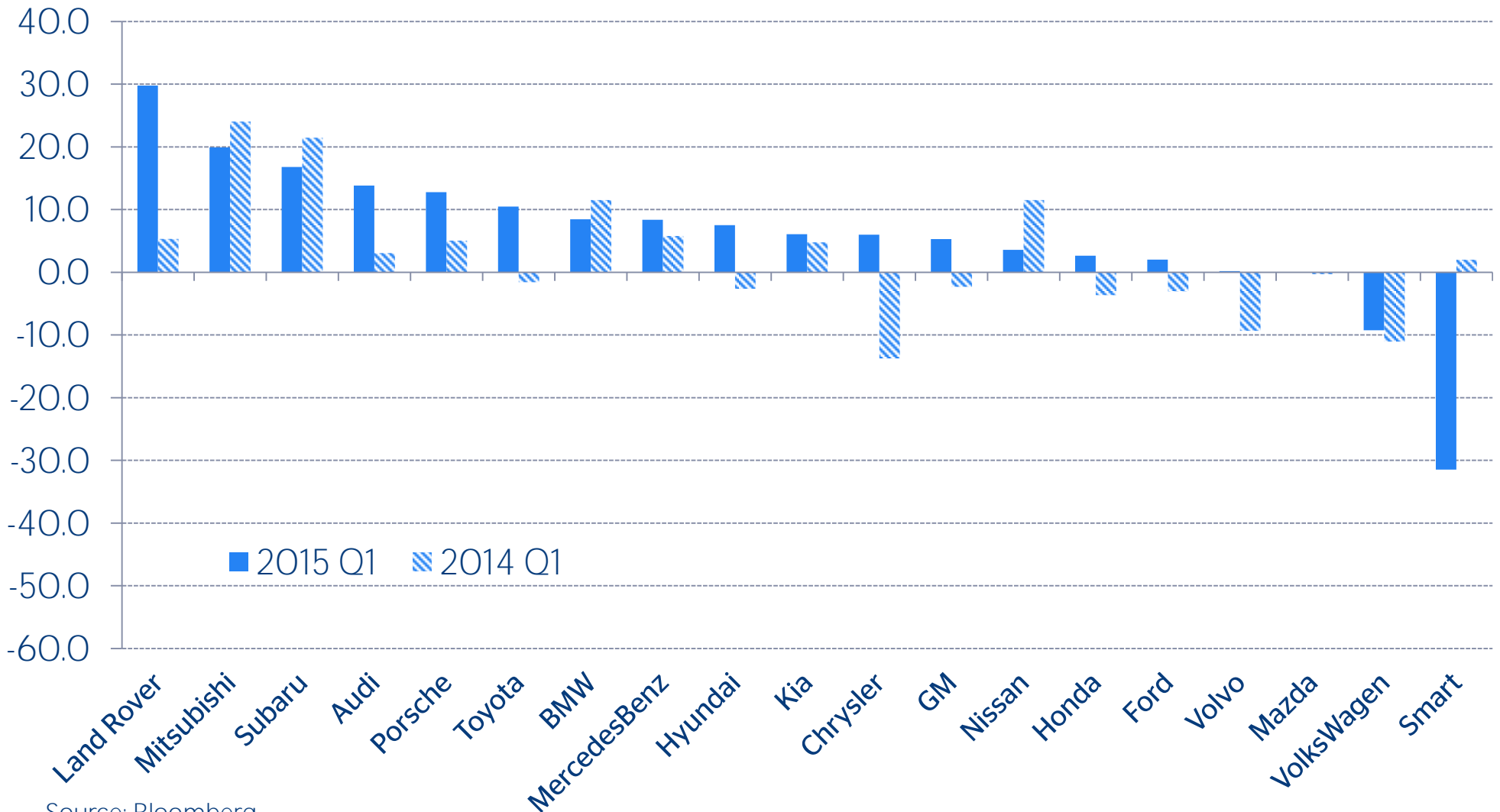
U.S. Market share by brand (%)



Source: Bloomberg

Sales

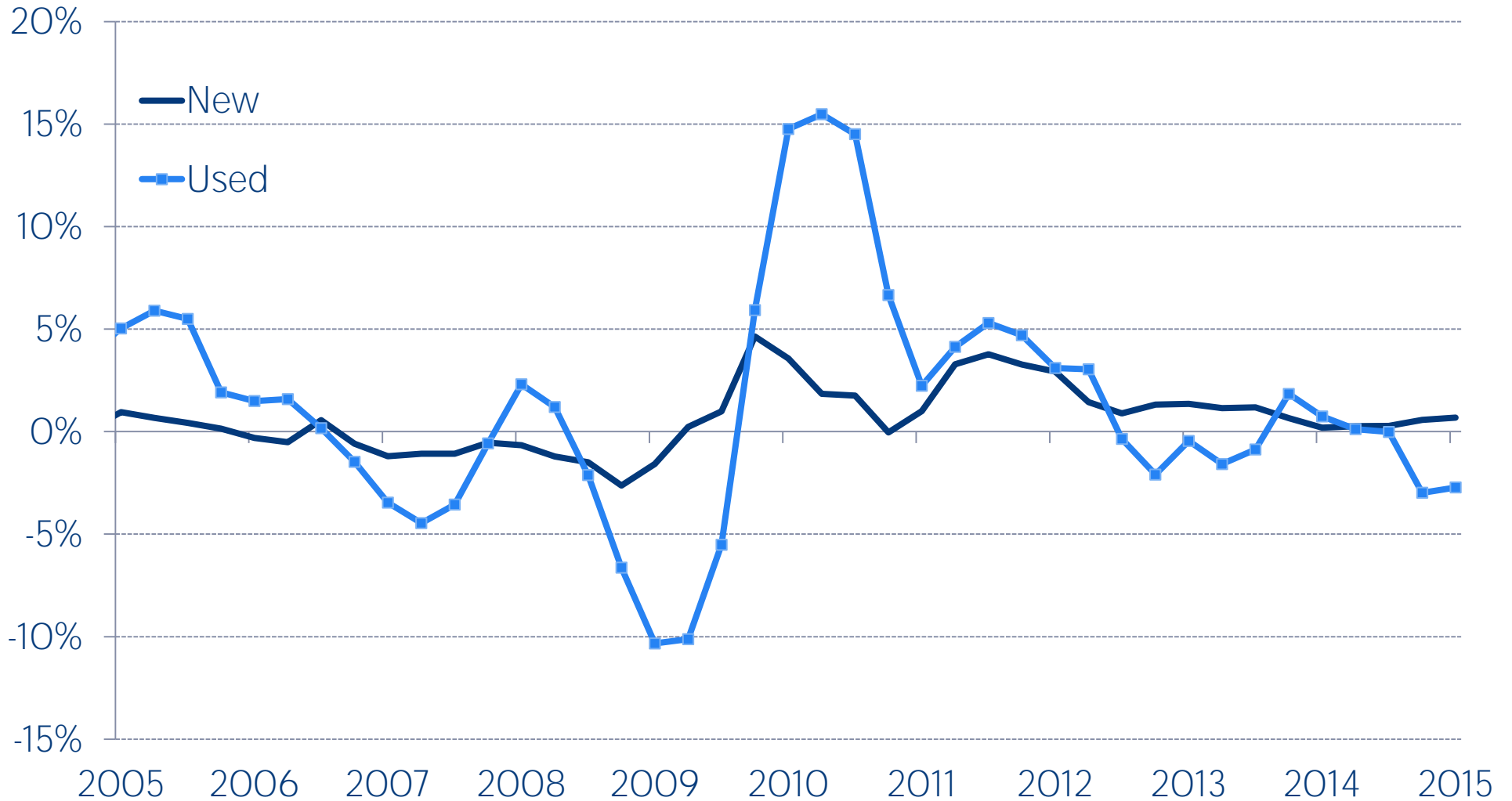
U.S. Quarterly unit sales (yoy % change)



Source: Bloomberg

Prices

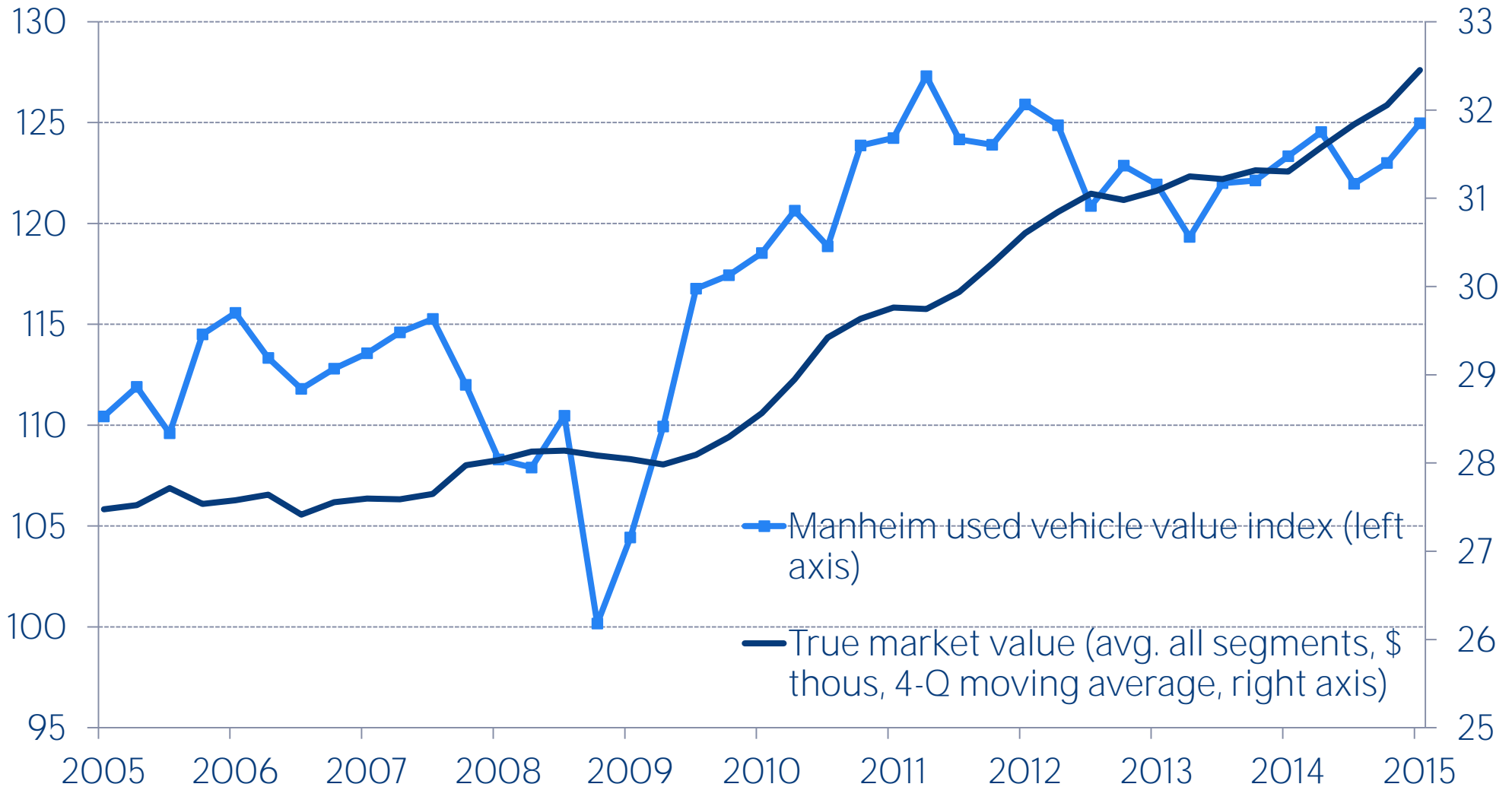
U.S. Consumer price index: cars and trucks (yoy % change)



Source: Haver Analytics

Prices

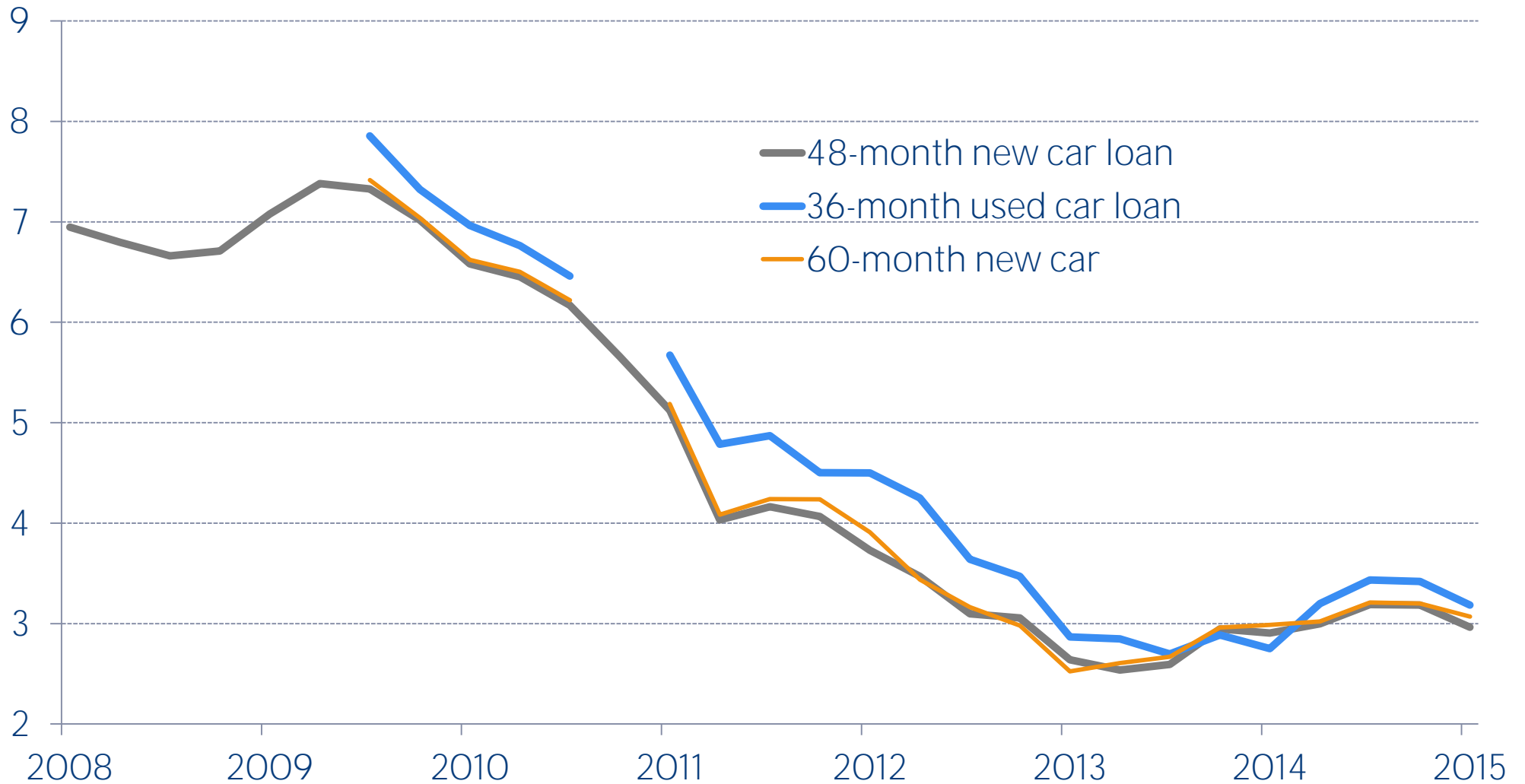
U.S. Auto prices



Source: Haver Analytics & Bloomberg

Financing conditions

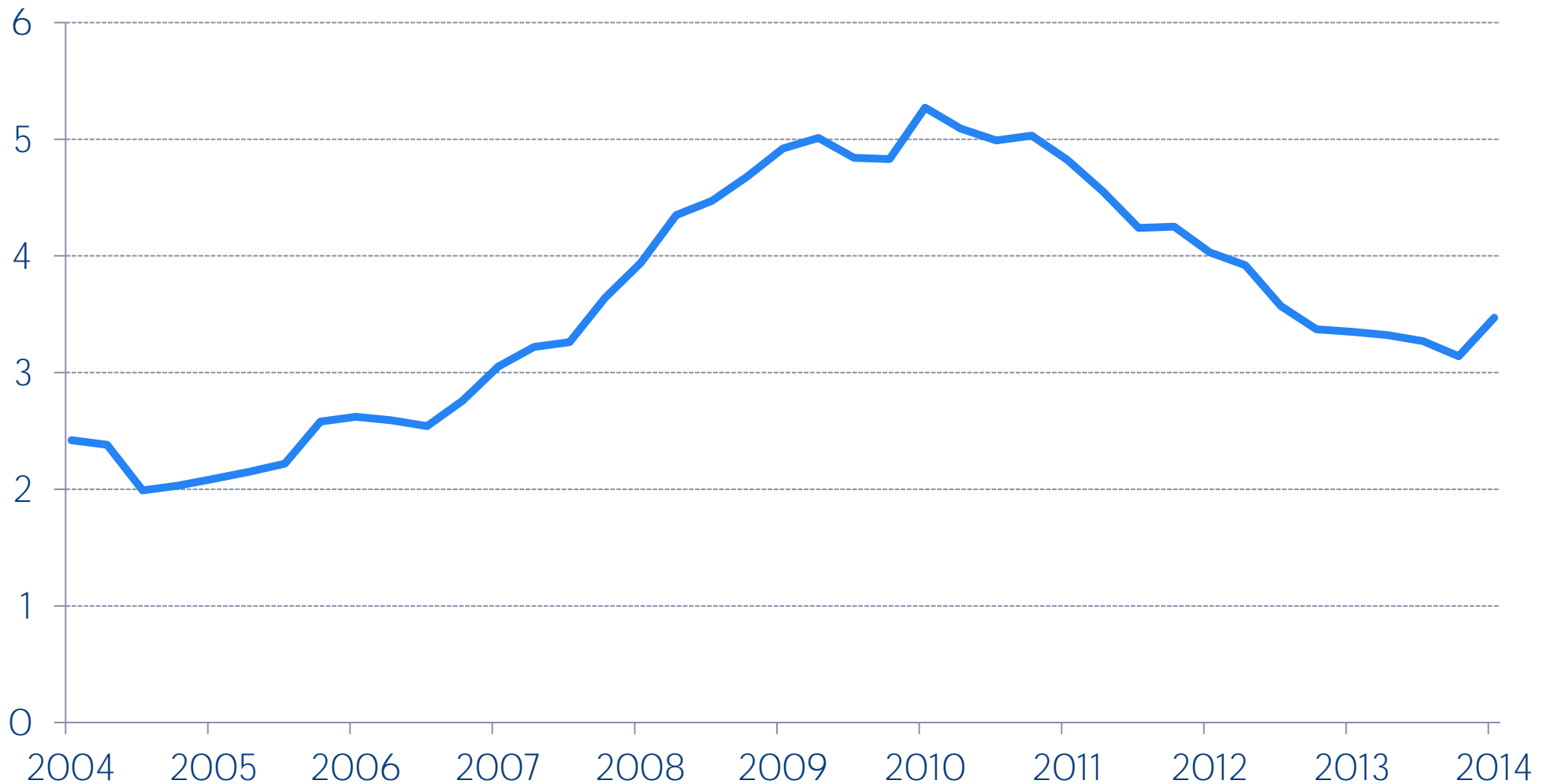
U.S. Car loan rates (%)



Source: Haver Analytics

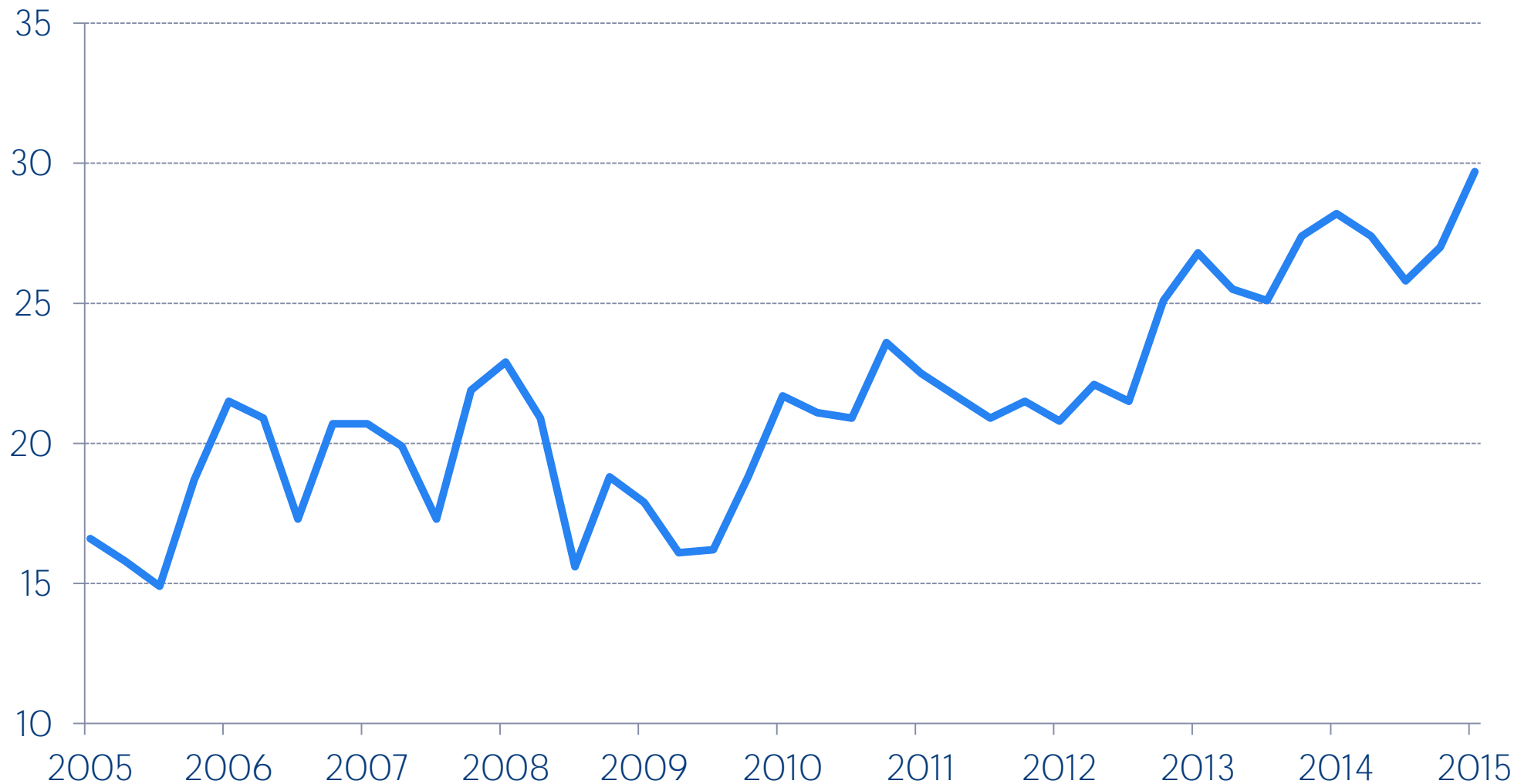
Financing conditions

U.S. Auto loan 90+ days delinquent (% of balance)



Financing conditions

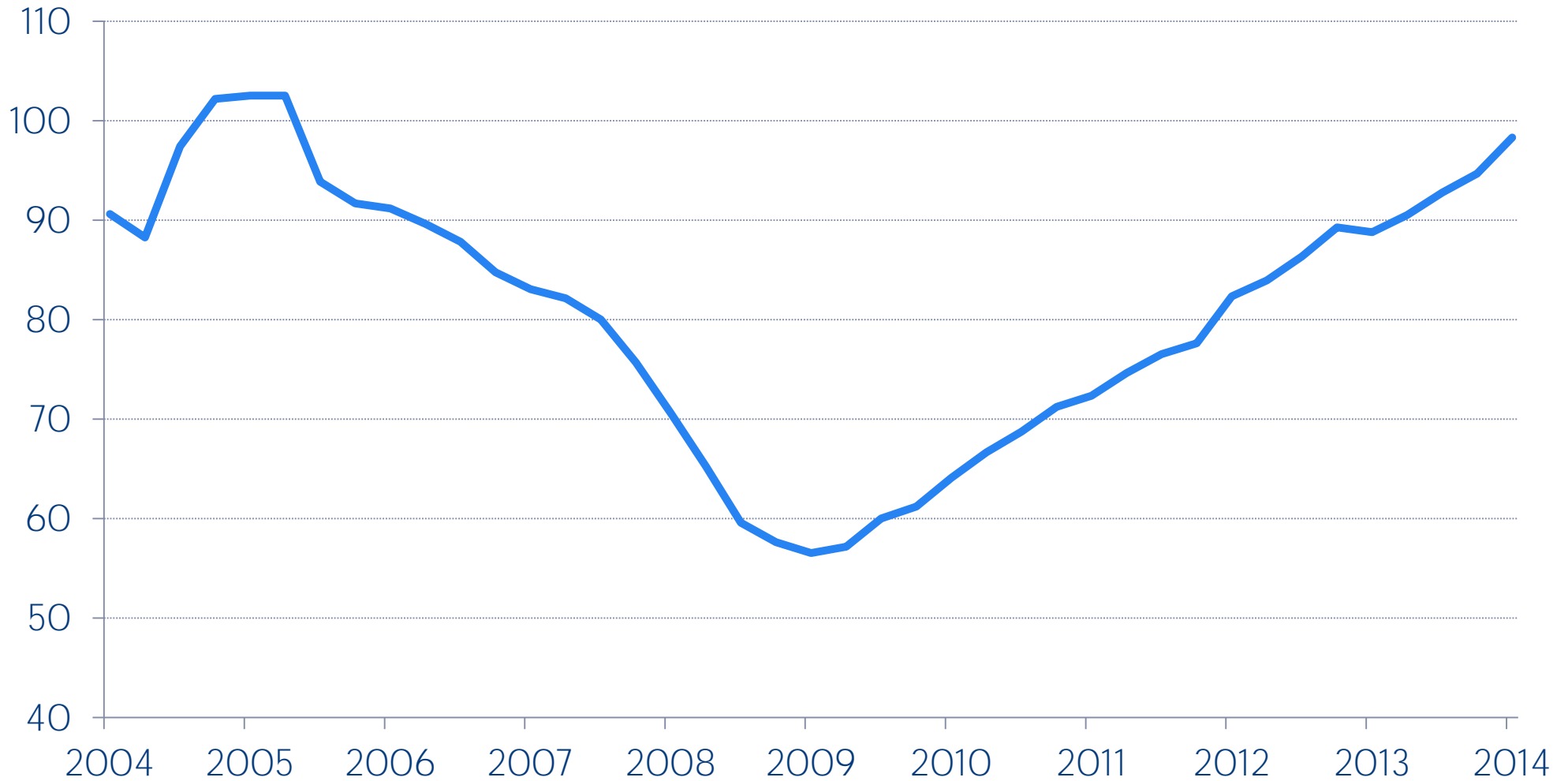
U.S. Leasing penetration rate, %



Source: Bloomberg

Financing conditions

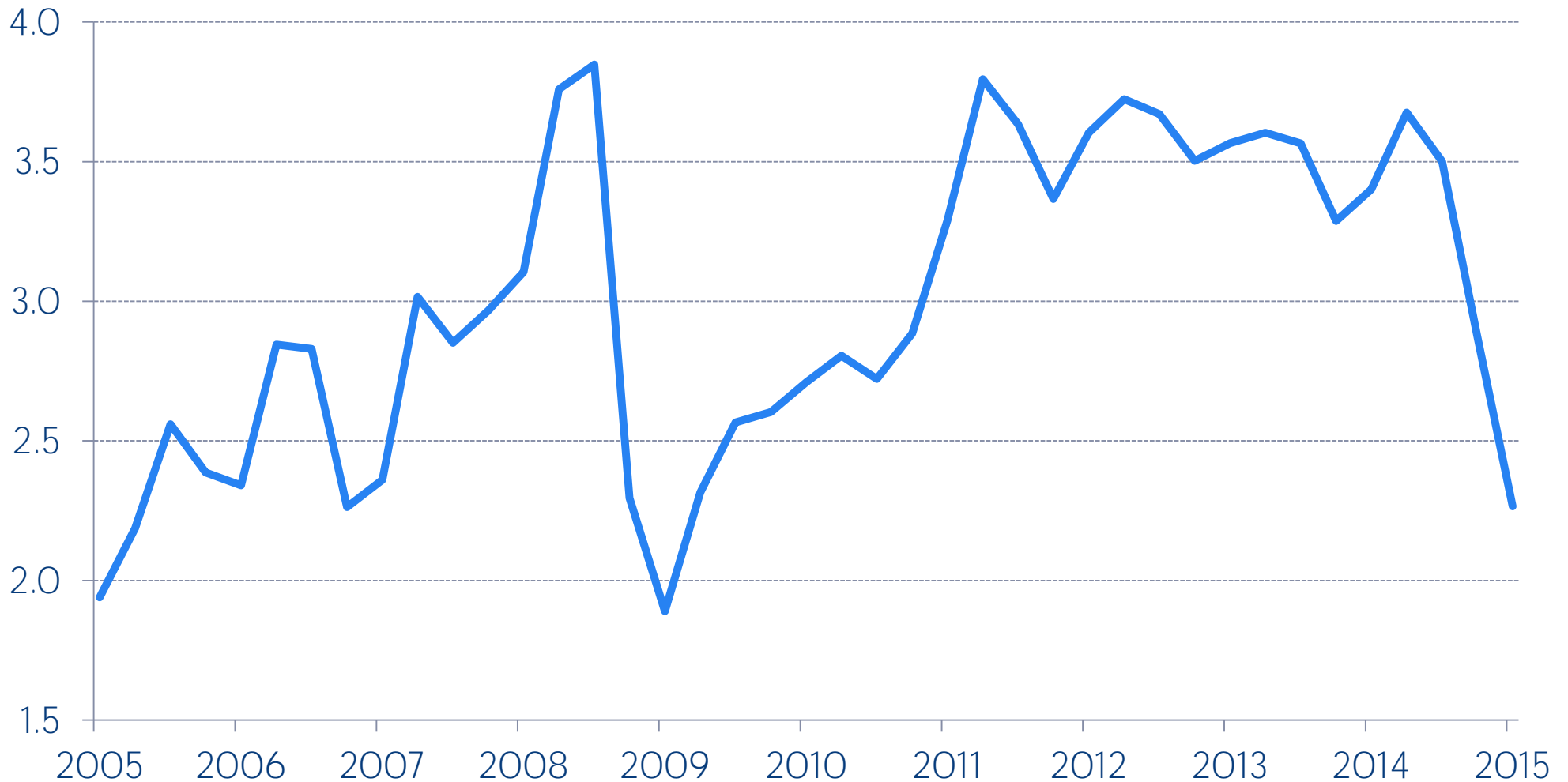
U.S. Newly originated installment auto loans
(\$ billion, eop, 4-qtr moving average)



Source: Haver Analytics

Gasoline

U.S. Spot price (\$/gallon)

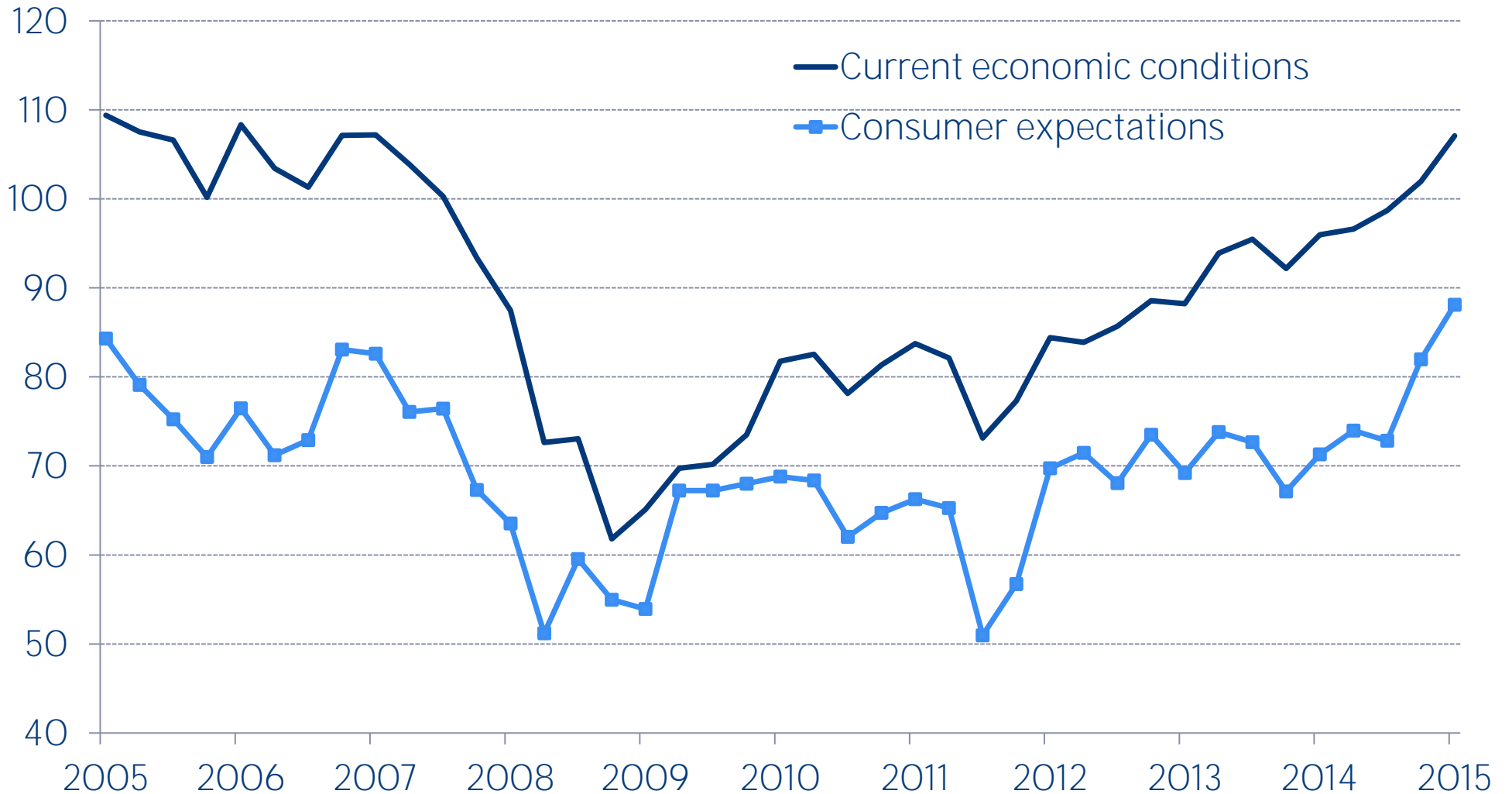


2

Consumers

Consumers

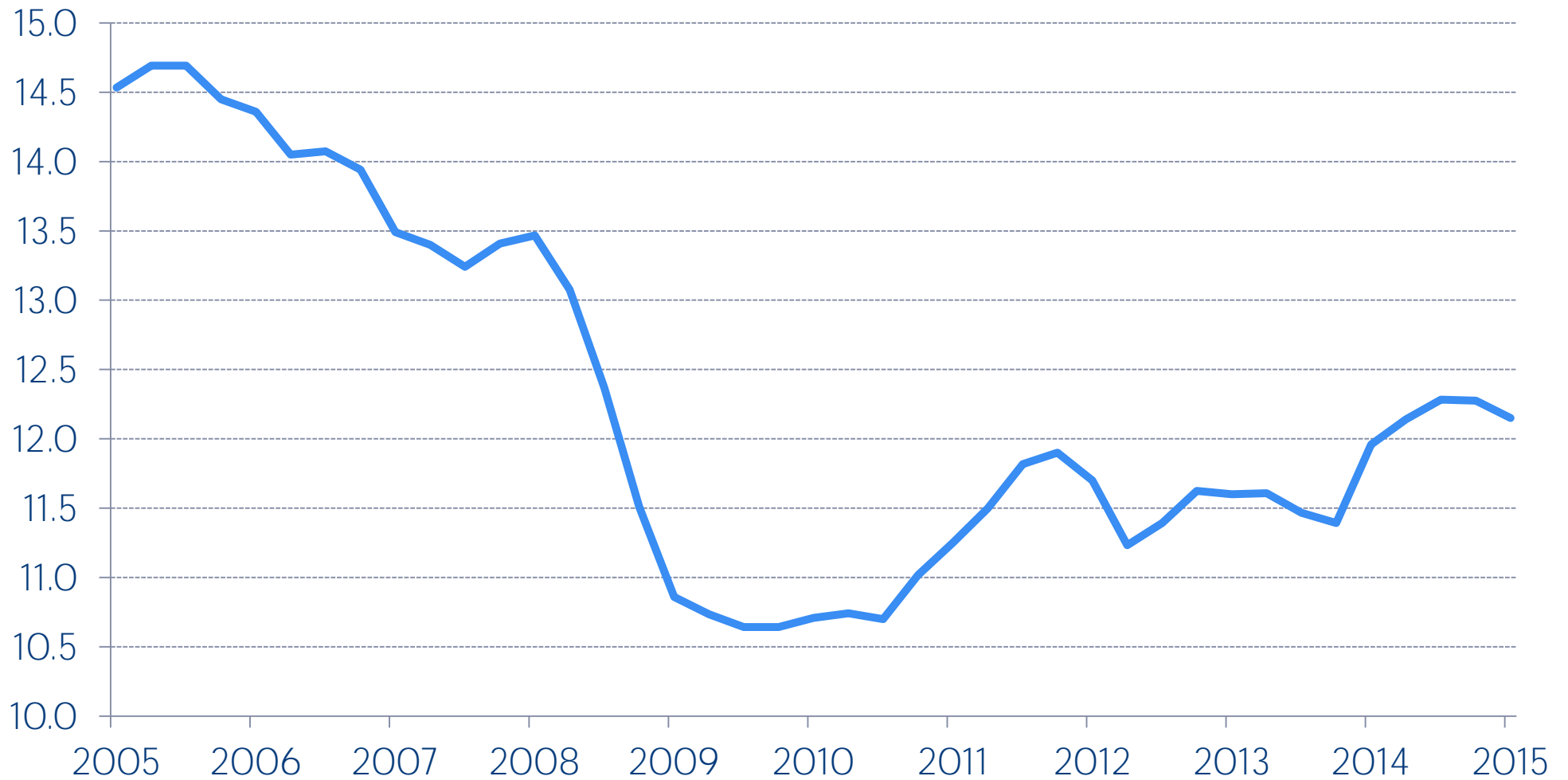
U.S. Consumer sentiment index



Source: Haver Analytics

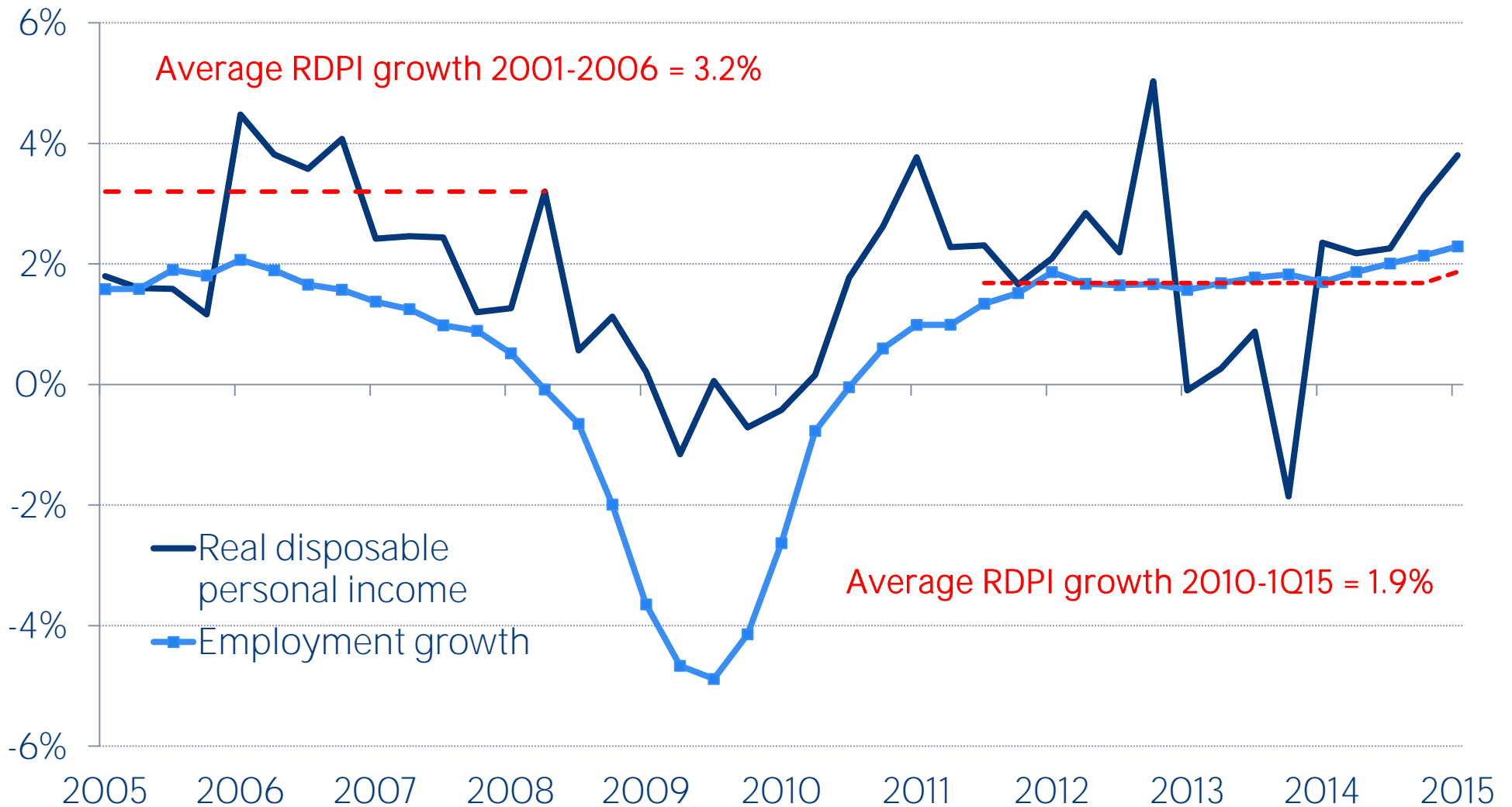
Consumers

U.S. Plans to buy a car within 6 months, % of respondents



Consumers

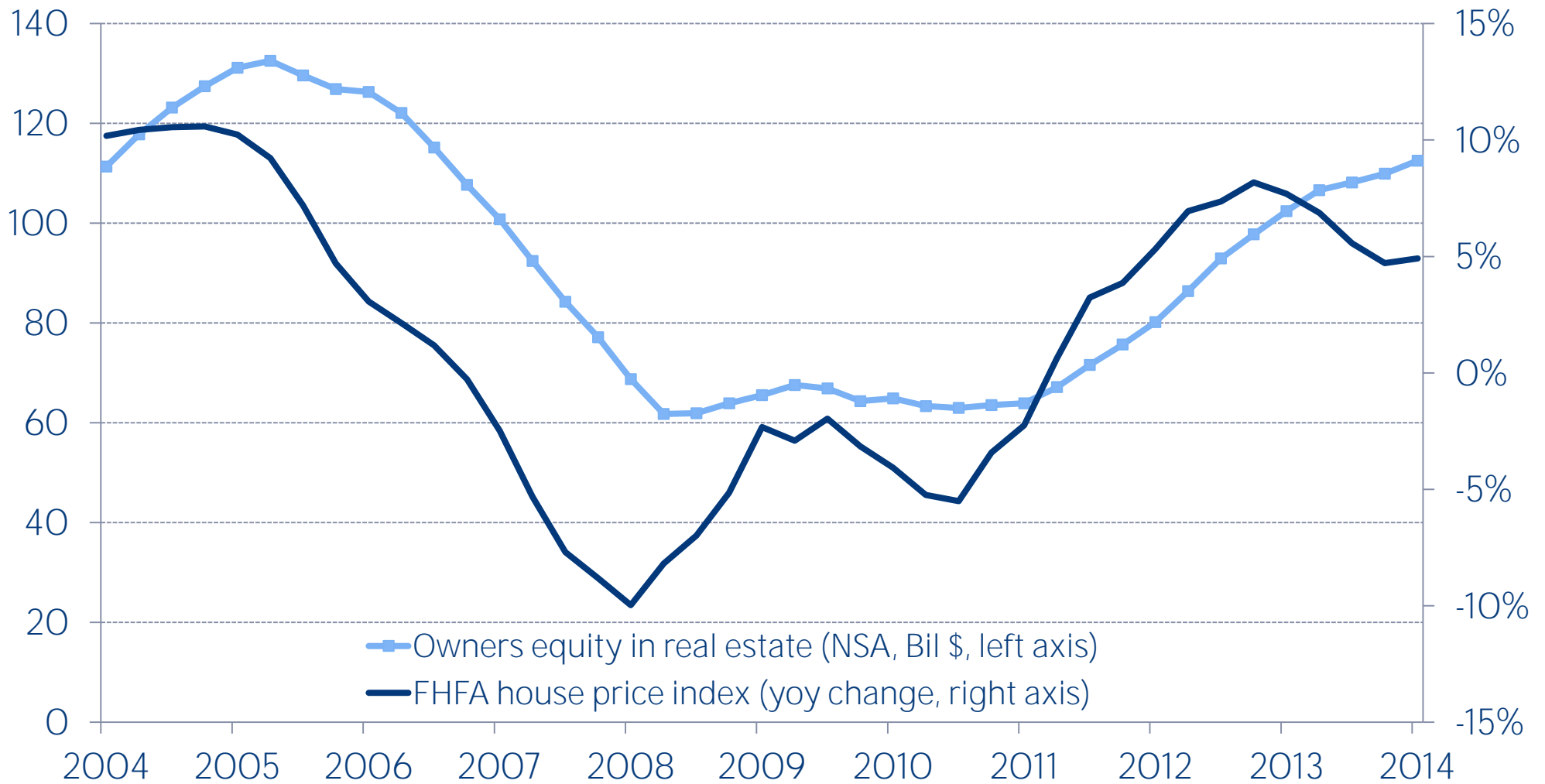
U.S. Employment and real disposable personal income growth (yoy % change)



Source: BBVA Research and Haver Analytics

Household equity

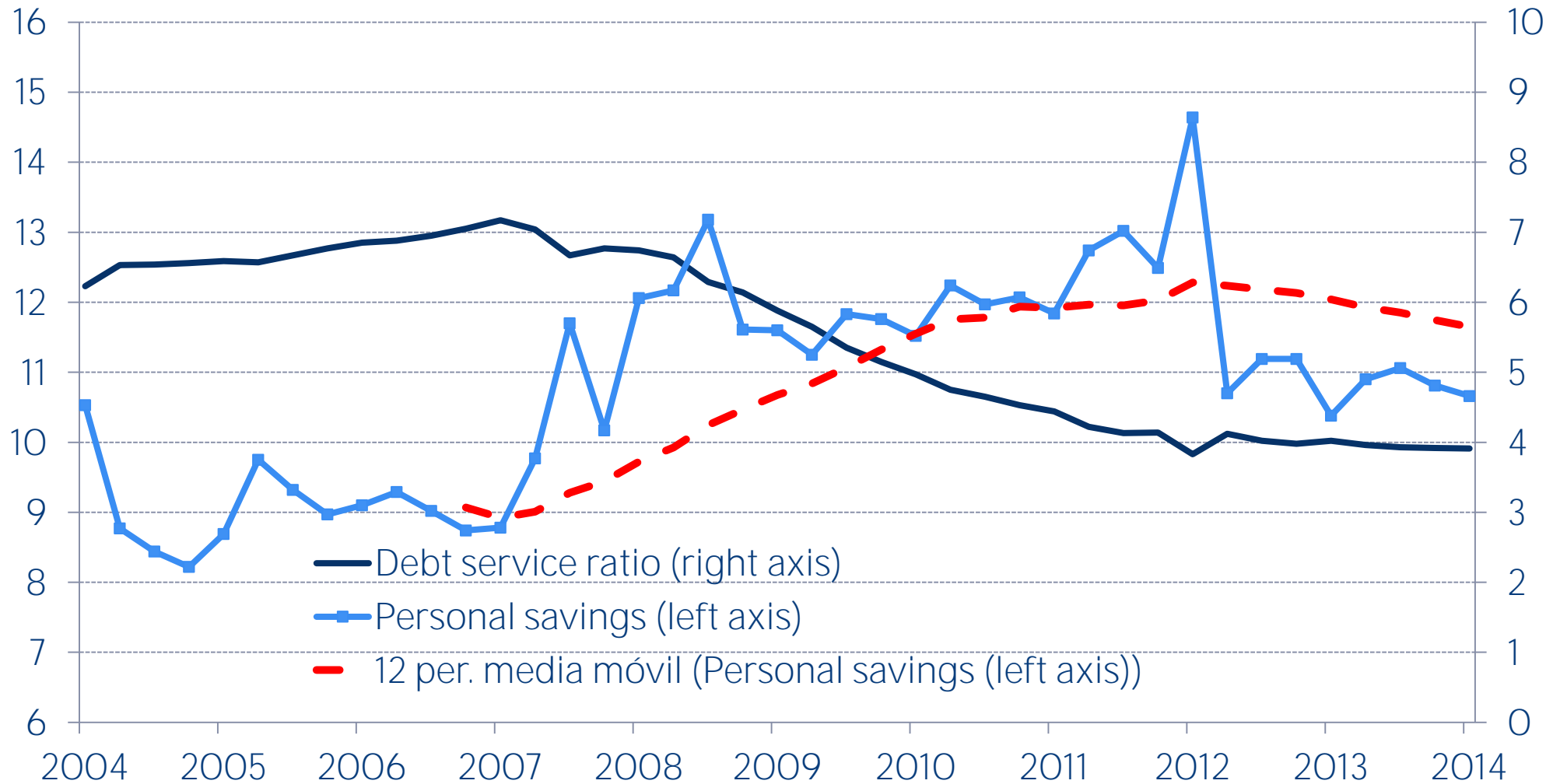
U.S. Household equity and home prices



Source: Haver Analytics

Savings and deleverage

U.S. Debt-to-income ratio and savings rate



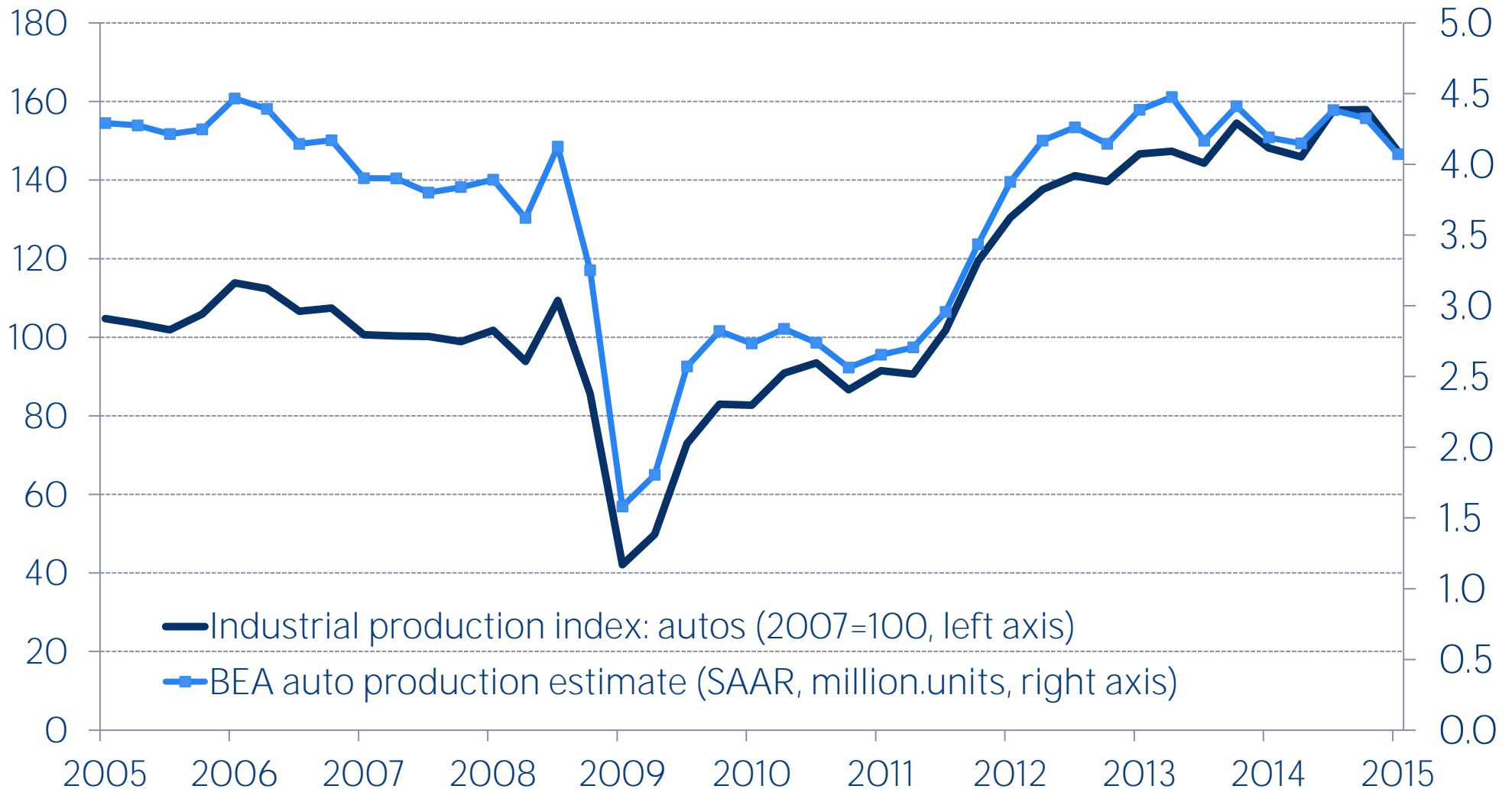
Source: Haver Analytics

3

Production

Production

U.S. Auto production



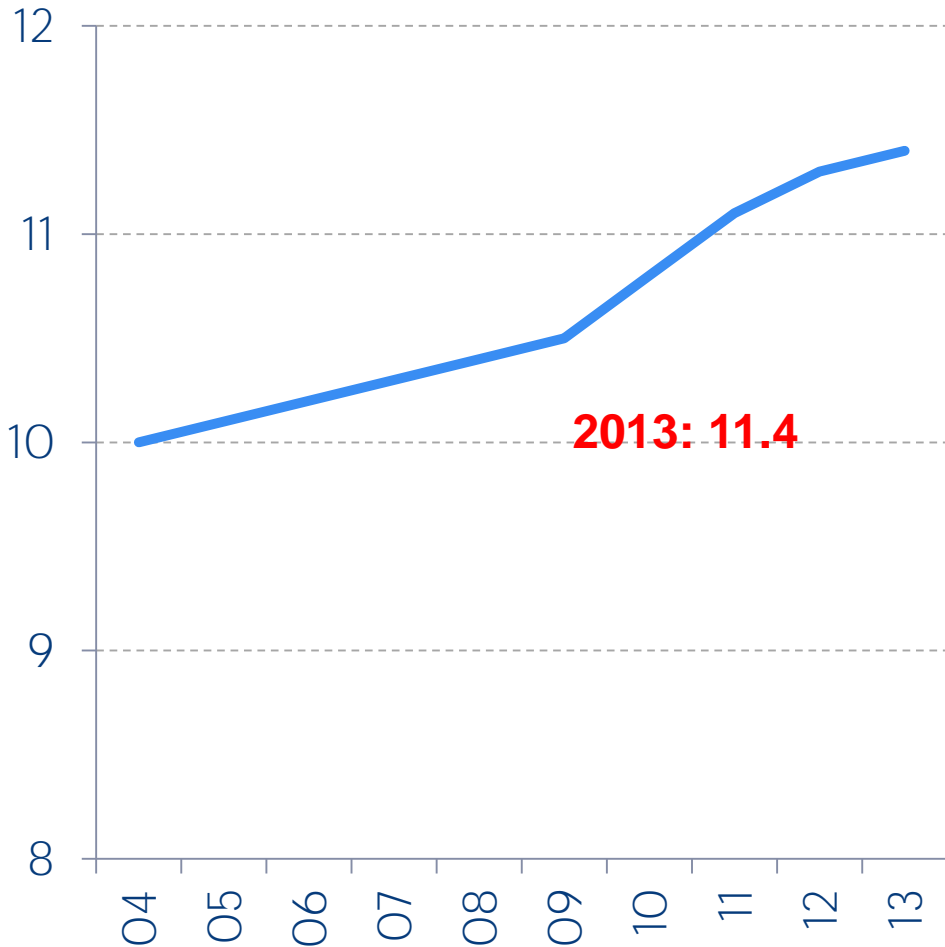
SAAR = seasonally adjusted annual rate, BEA = U.S. Bureau of Economic Analysis
 Source: BBVA Research & Haver Analytics

4

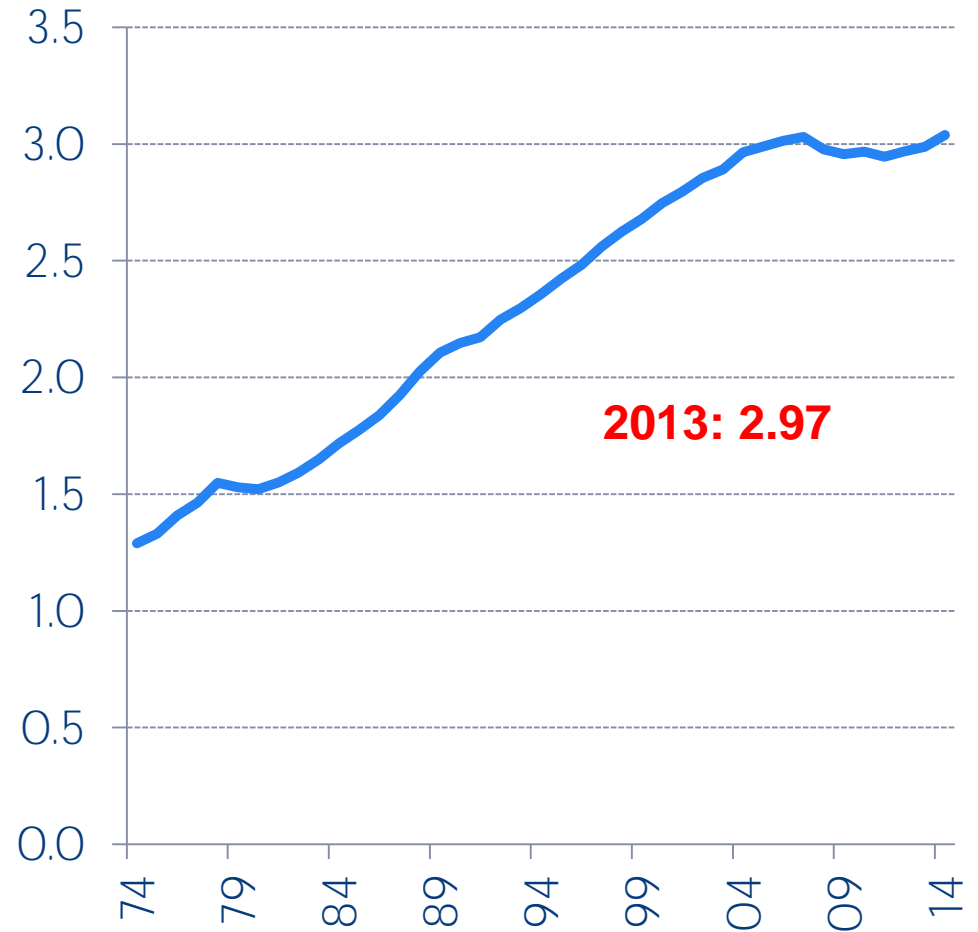
Structural

Fundamentals

U.S. Mean age of passenger cars in operation
Years



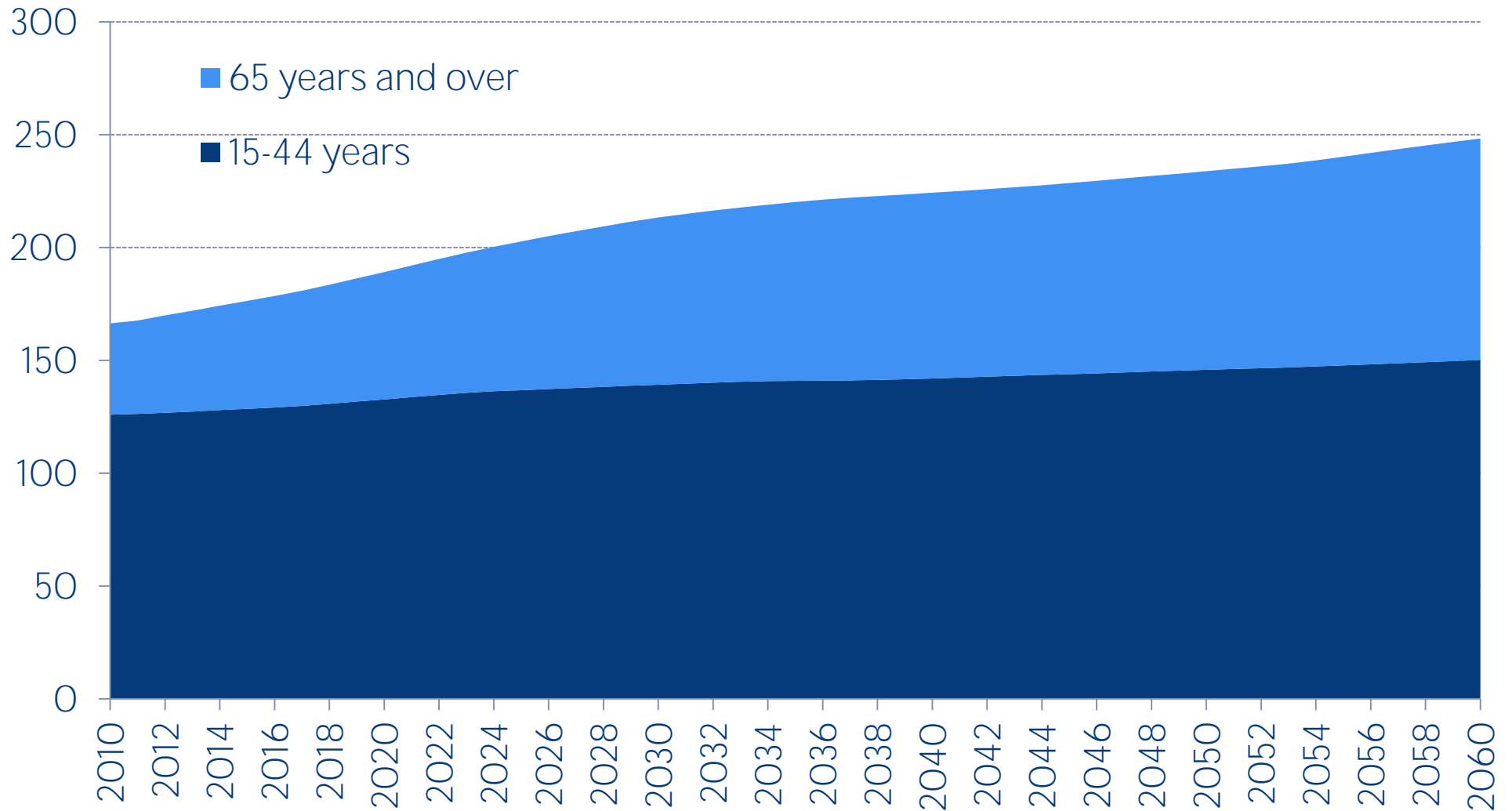
U.S. Vehicle miles of travel
Trillions



Source: Haver Analytics

Demographics

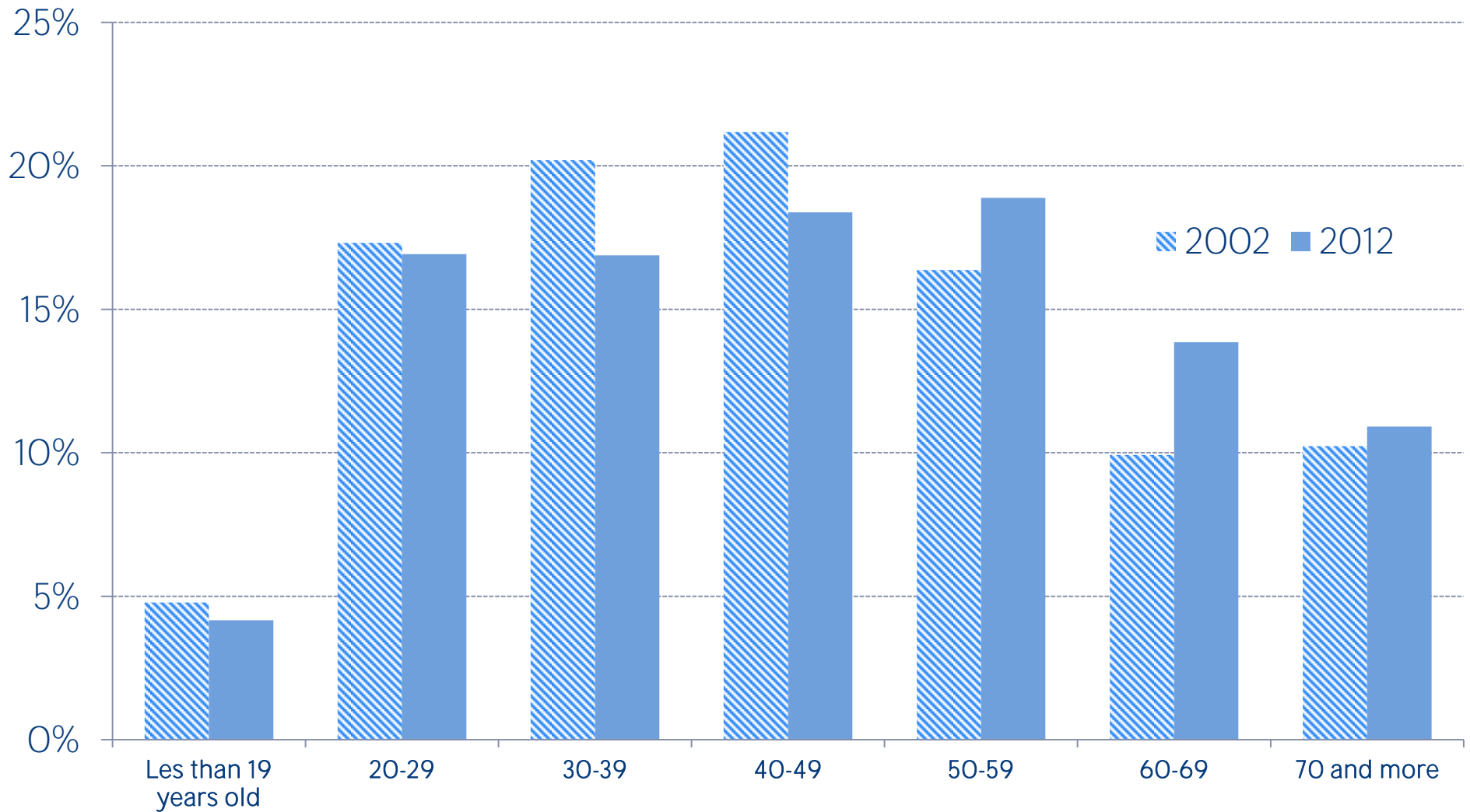
U.S. Population projections by age (millions)



Source: Haver Analytics

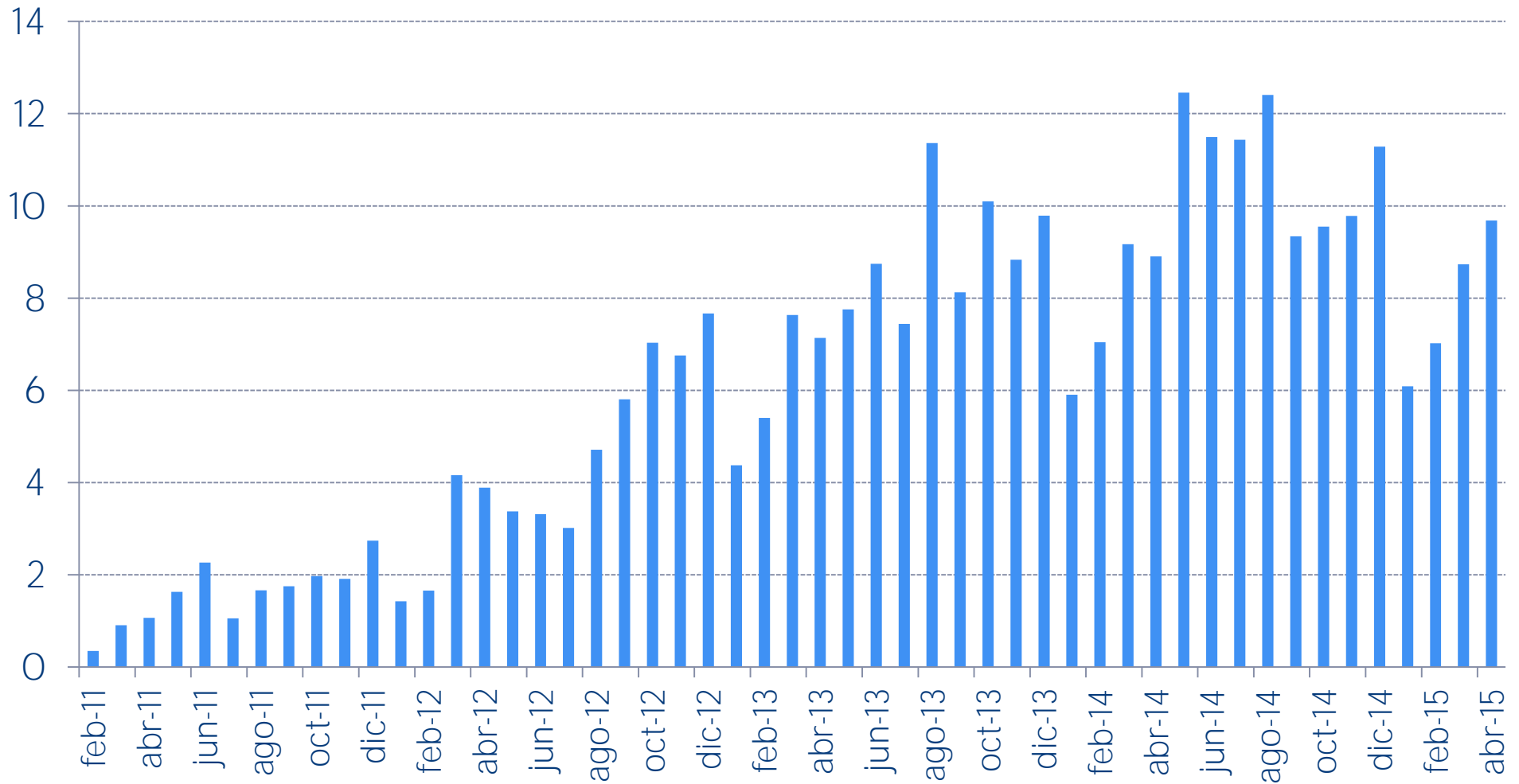
Demographics

U.S. Licensed drivers by age



Alternative vehicles

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



Source: Electric Drive Transportation Association

5

Forecasts

Forecasts

Average	2012	2013	2014	2015	2016
Auto sales (millions units)	14.5	15.6	16.5	16.9	17.5
GDP growth (% change)	2.3	2.2	2.4	2.9	2.8
Unemployment rate (% avg.)	8.1	7.4	6.2	5.3	4.9
Fed funds (%, eop)	0.25	0.25	0.25	0.50	1.50
3-year Treasuries (%, monthly avg. eop.)	0.37	0.73	1.08	1.79	2.43

U.S. Auto Industry Chartbook

BBVA Research USA

Houston, TX

First Quarter 2015