

U.S. Auto Industry Chartbook

BBVA Research USA

Houston, TX

May 2016

Key Messages

- Although auto sales peaked in late 2015, they continue to be supported by sound economic conditions
- Low gasoline prices and efficiency improvements have diverted demand towards light-trucks and away from cars
- A record high average vehicle age encourages replacements and supports sales
- Leasing remains an increasingly preferred form of financing, especially for luxury vehicles
- Oil and gasoline prices have reached a bottom. Going forward, an upward trend could slow down sales
- Long-term demand for vehicles will be affected by an aging population, technology and the increasing importance of the sharing economy

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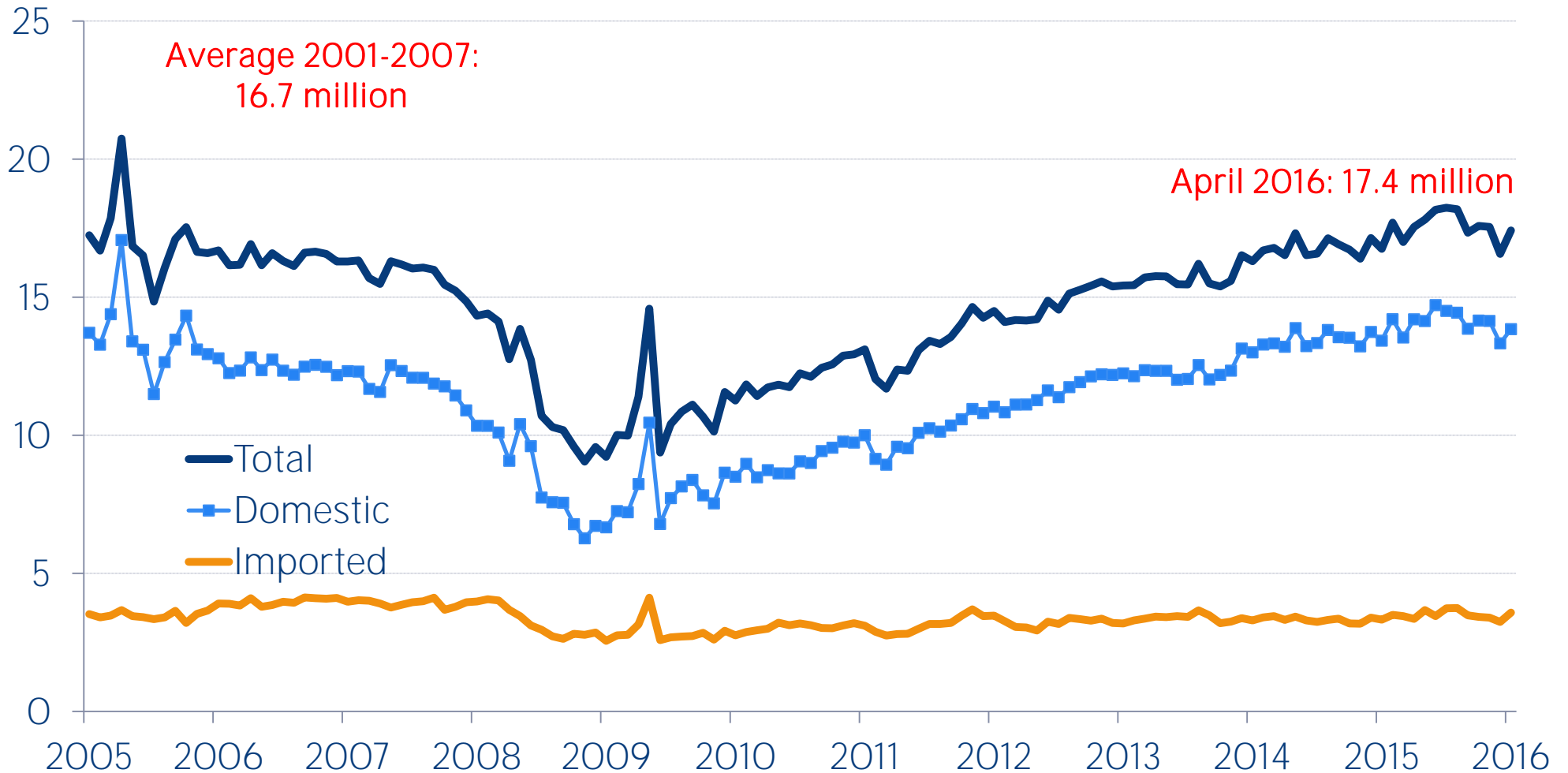
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1

Sales

Sales

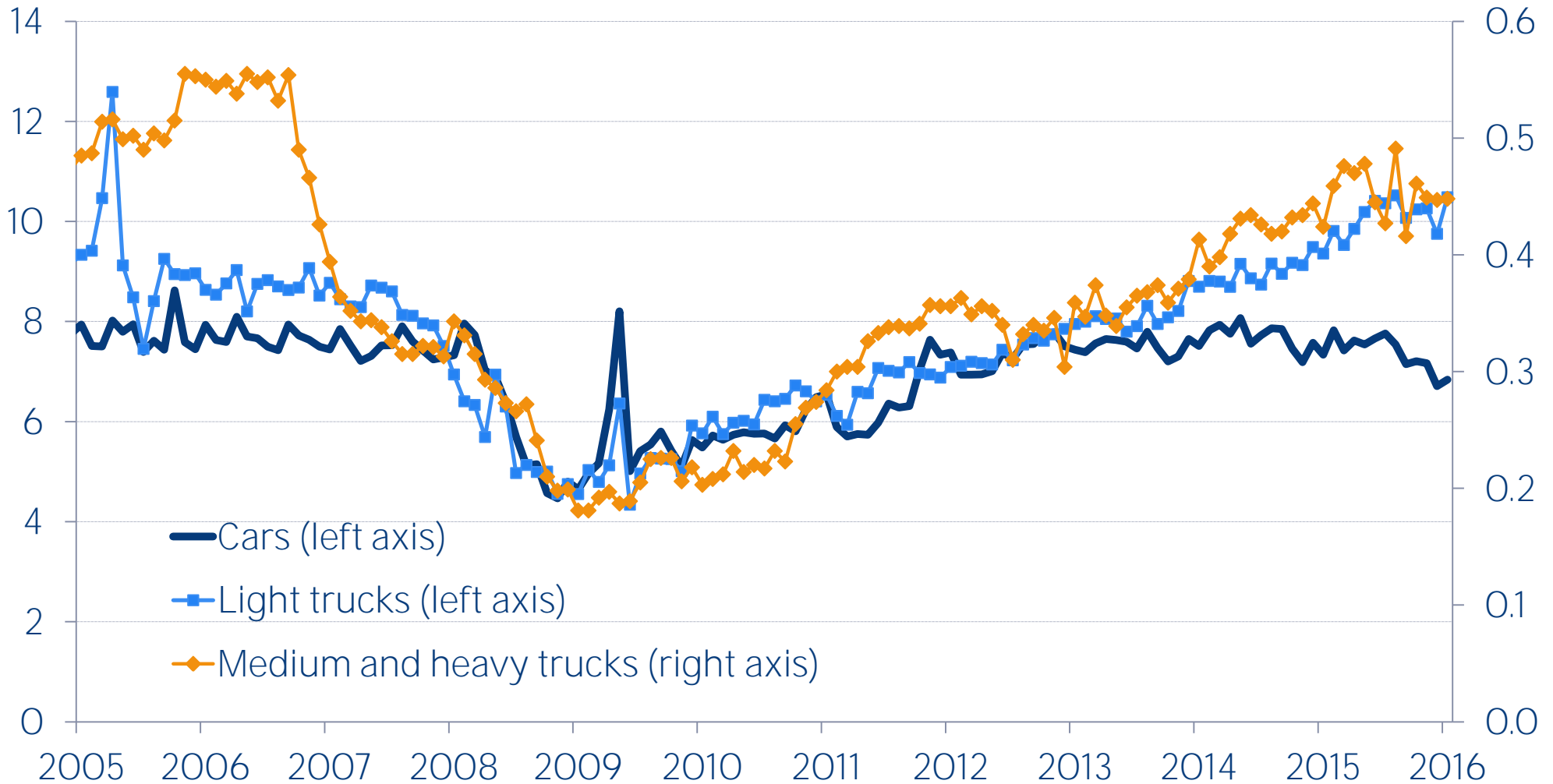
U.S. Total light weight vehicle sales (SAAR*, million units)



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

Sales

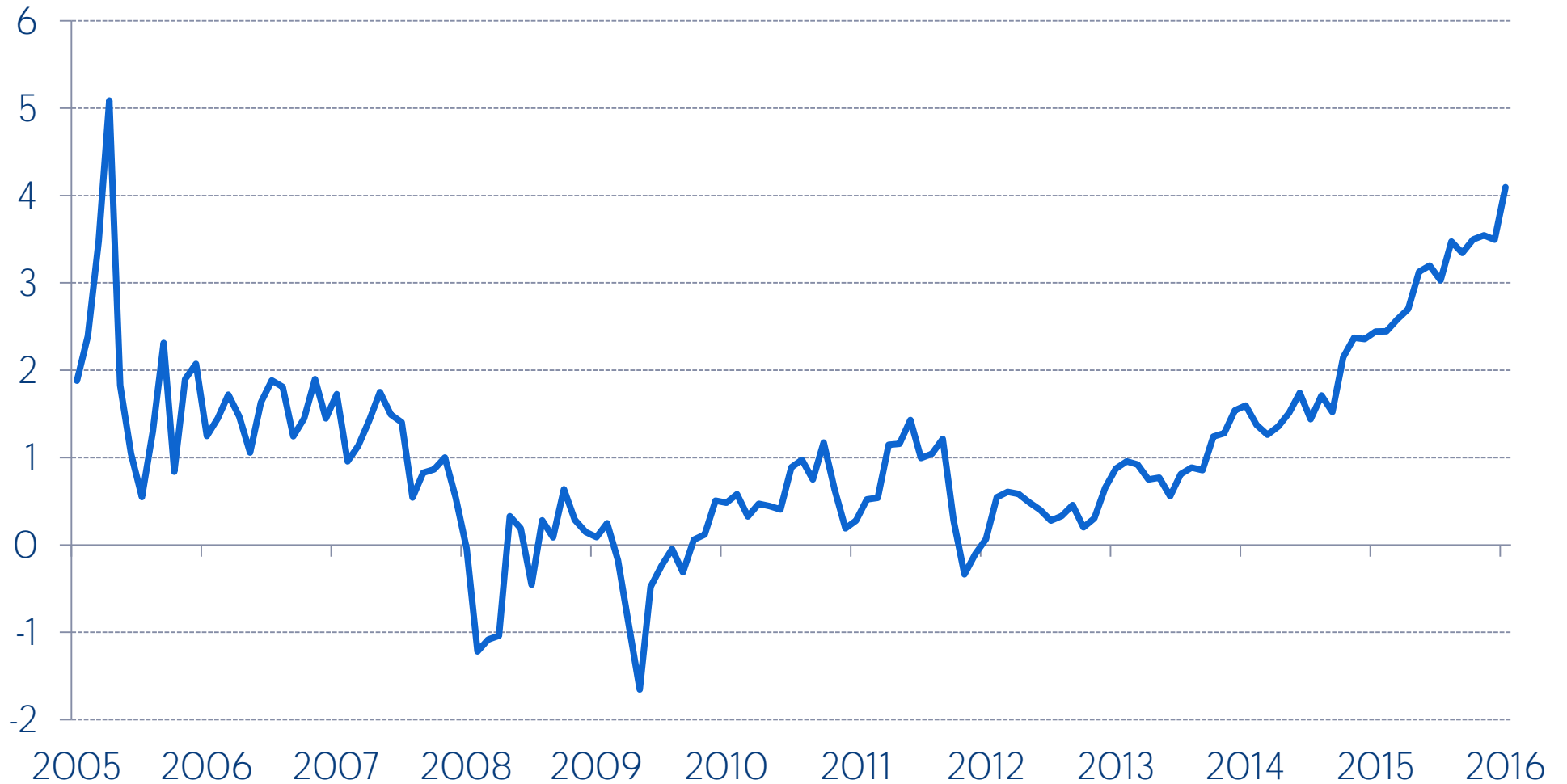
U.S. Total vehicle sales (SAAR, million units)



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 Source: BBVA Research & Haver Analytics

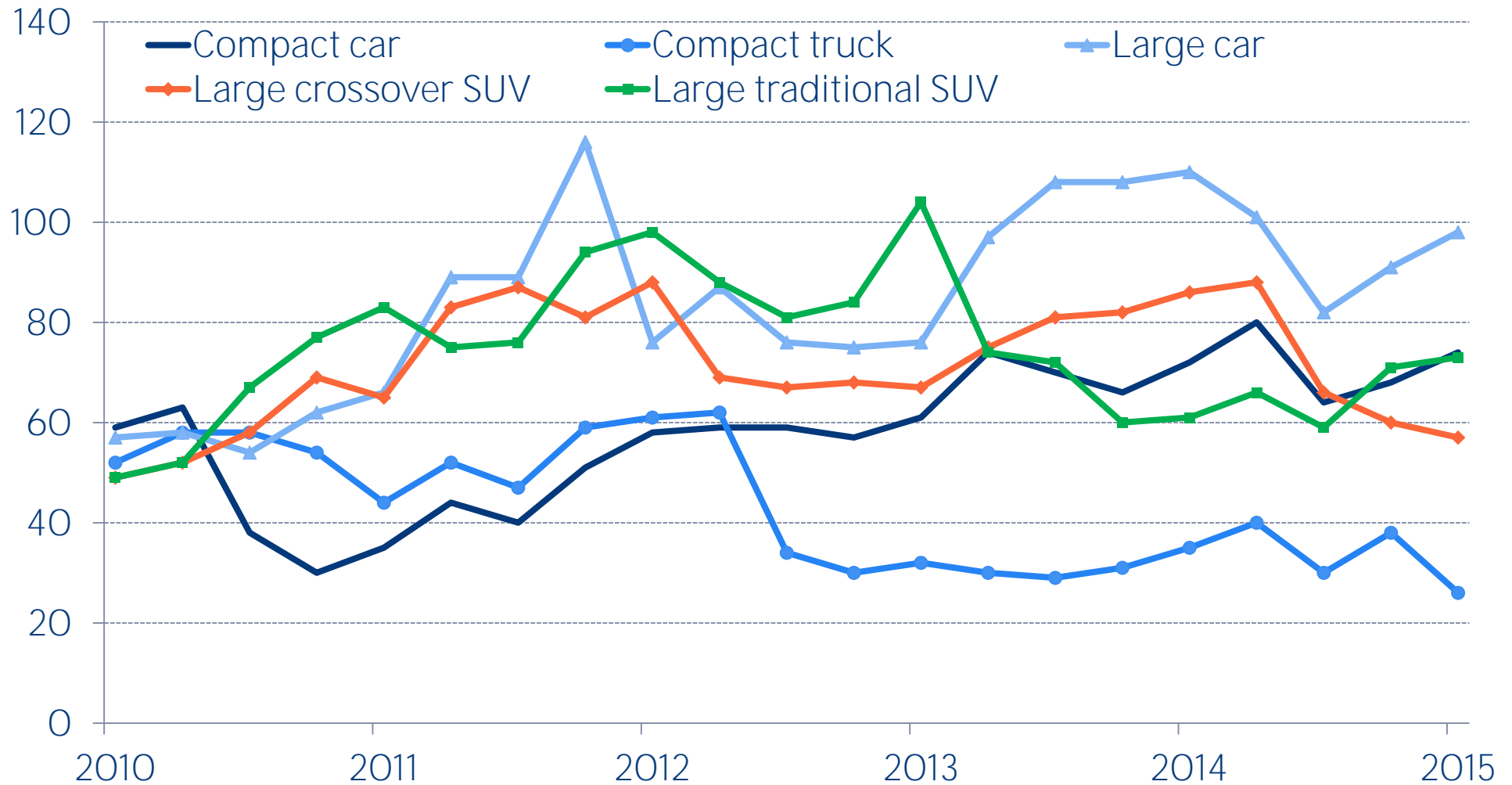
Sales

U.S. Light and Heavy Trucks minus Cars (Million Units)



Sales

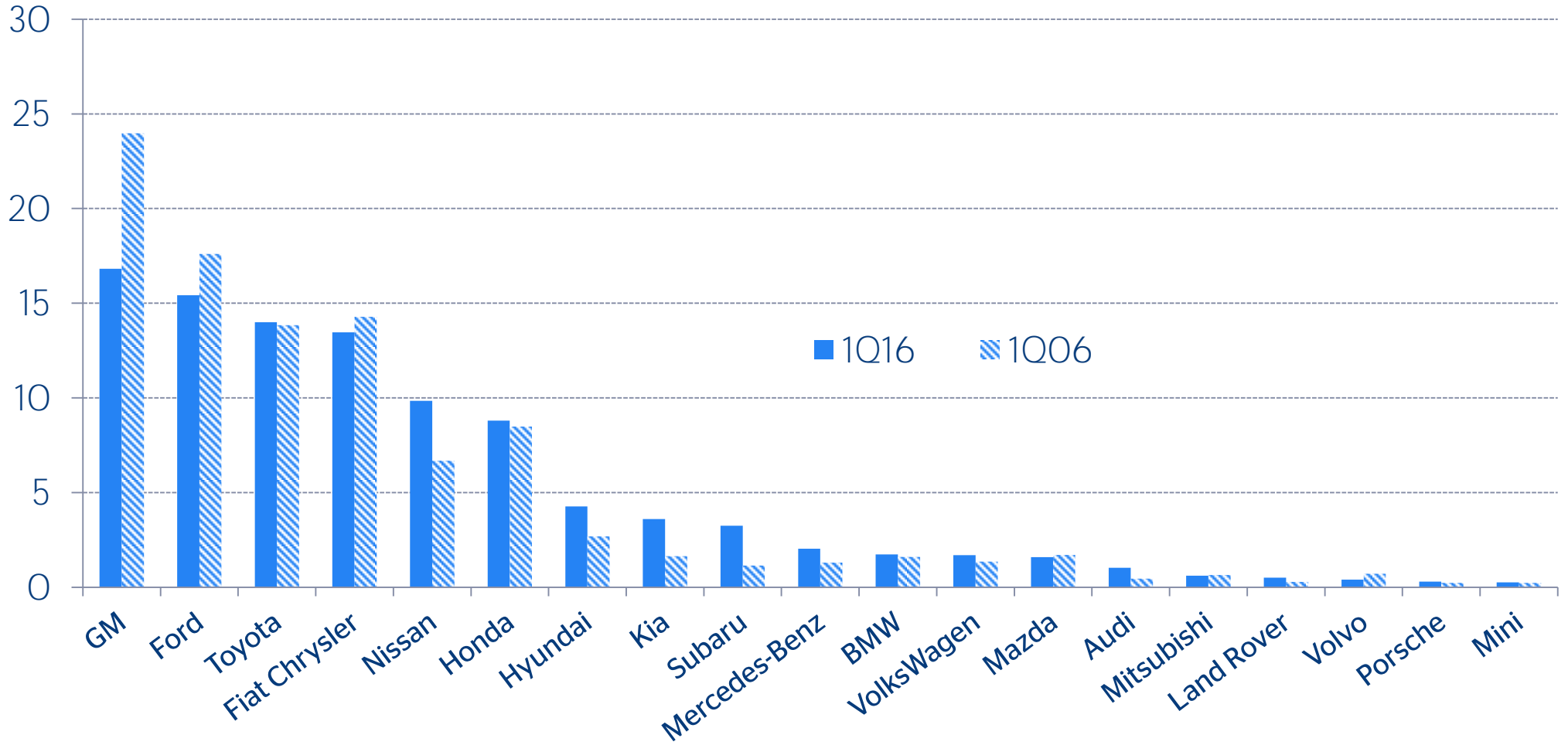
U.S. Vehicle days to turn (industry average)



Source: Bloomberg

Sales

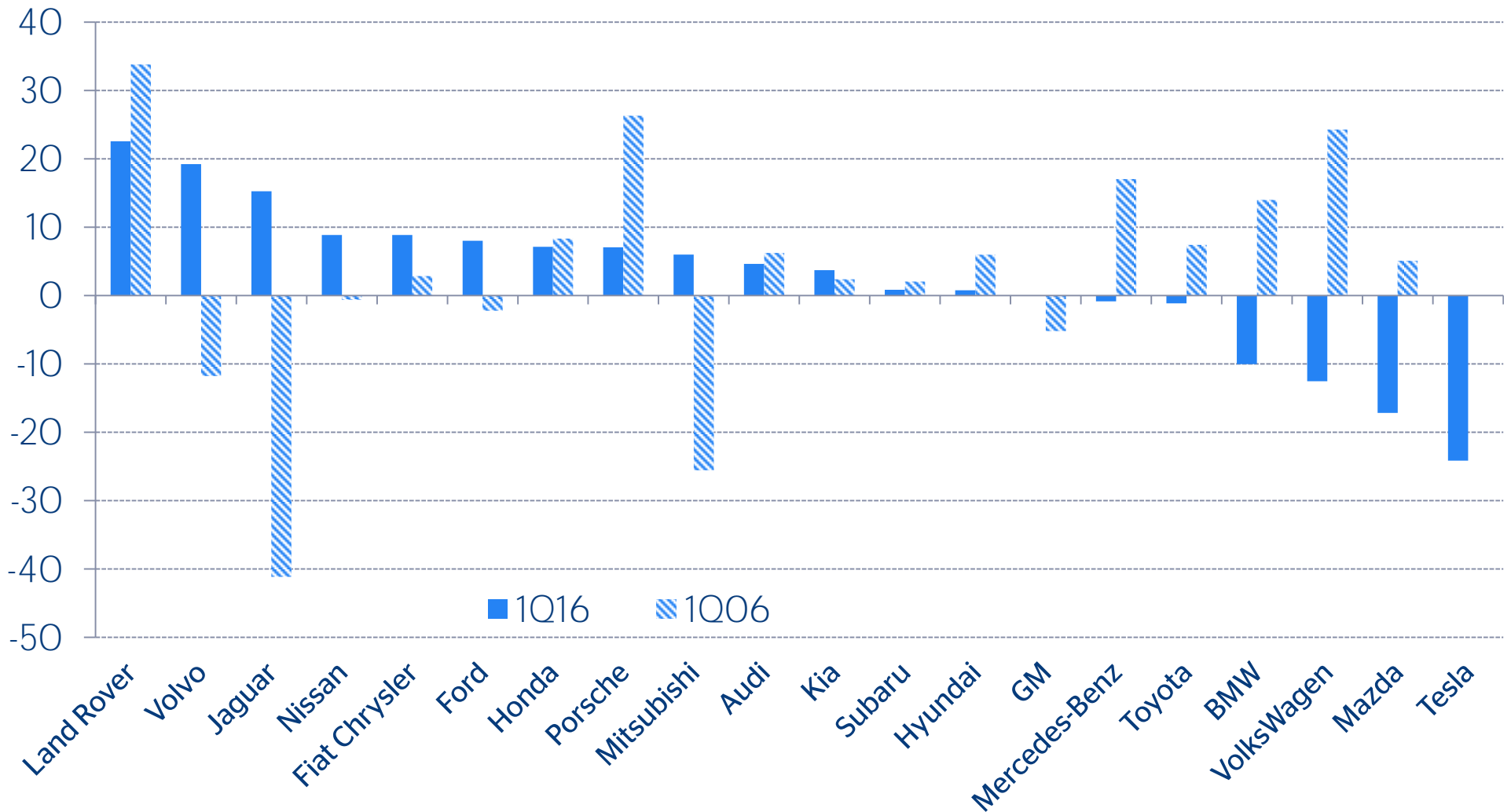
U.S. Market share by brand (%)



Source: Bloomberg

Sales

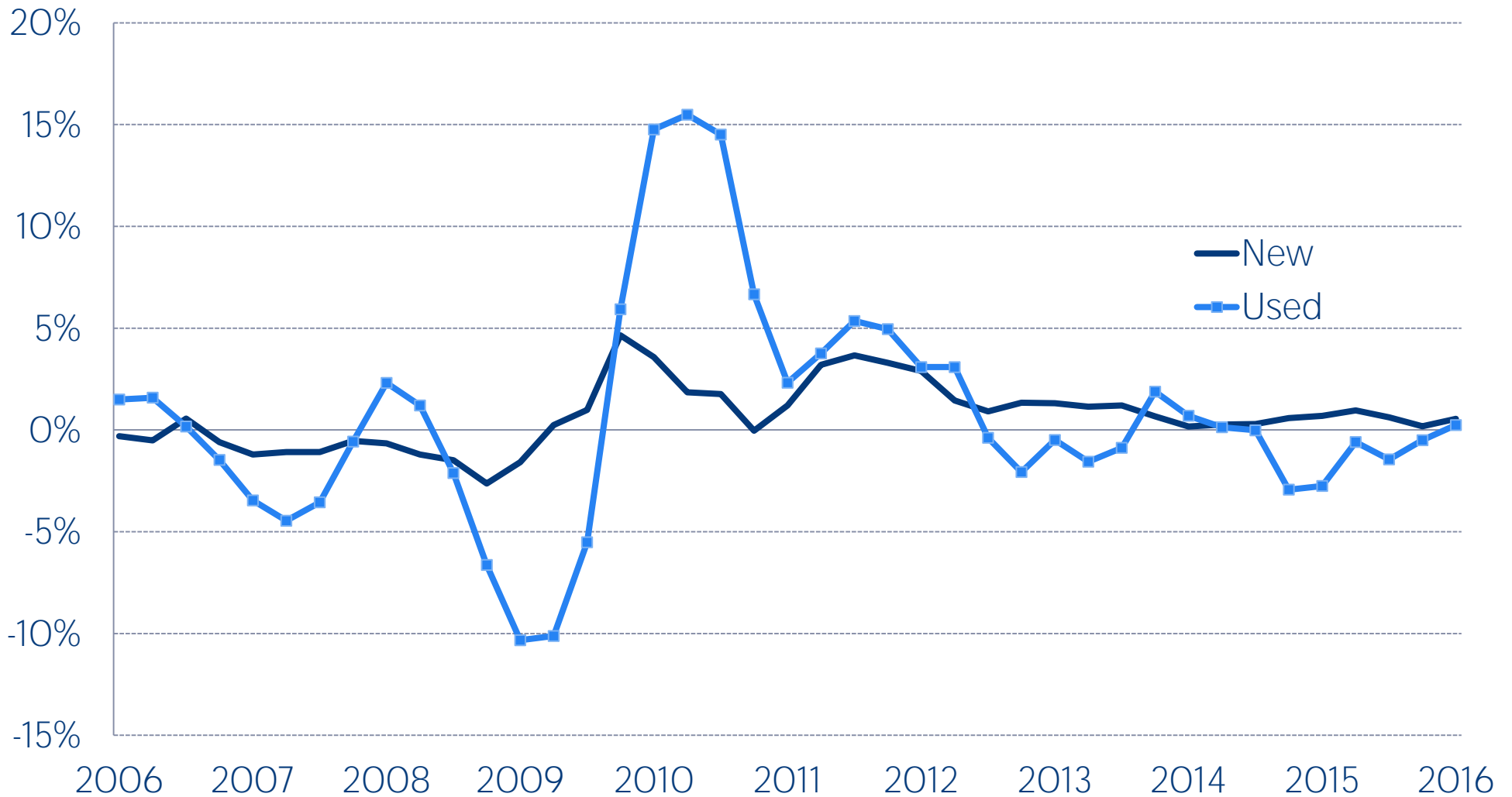
U.S. Quarterly unit sales (yoy % change)



Source: Bloomberg

Prices

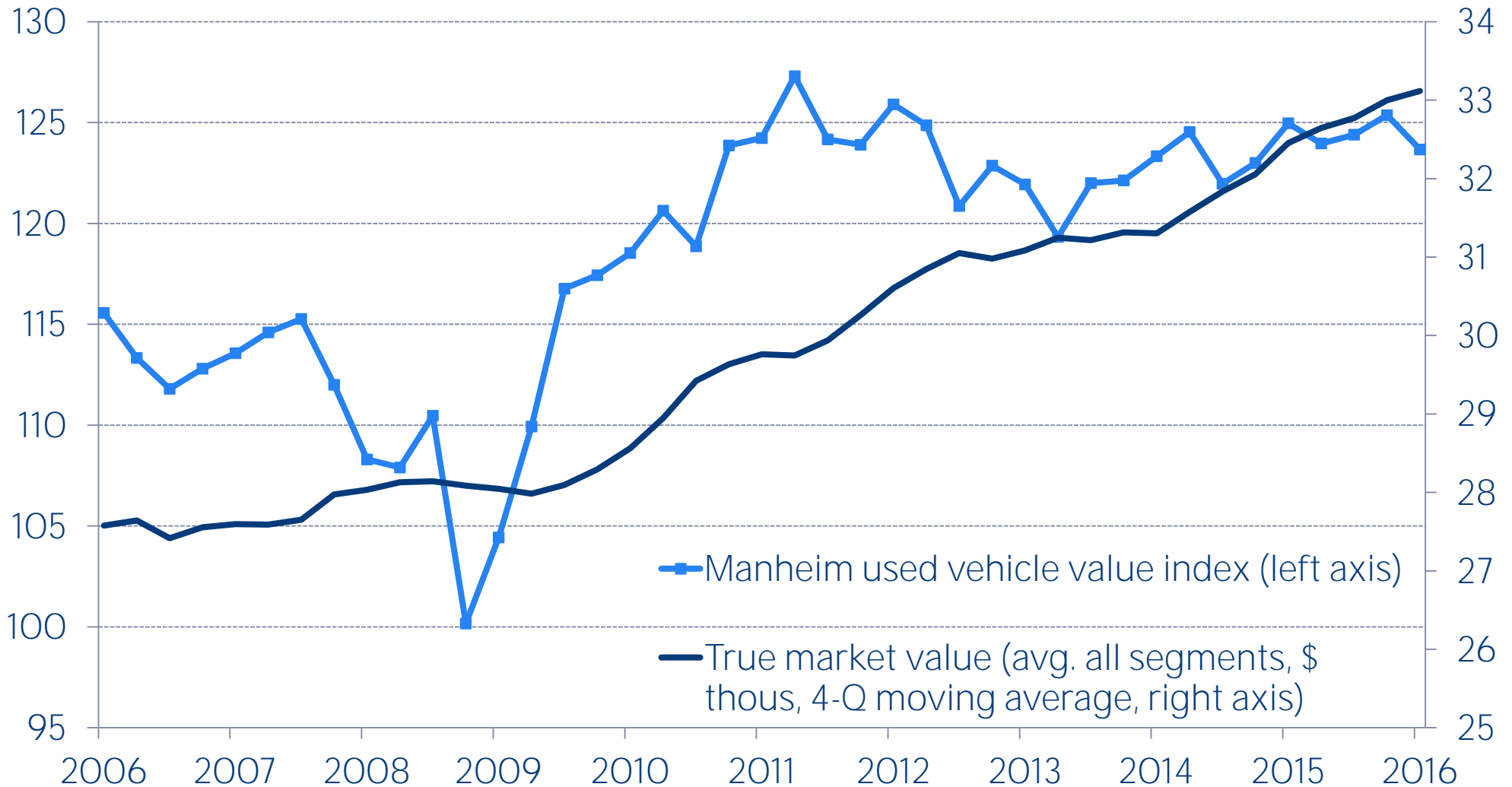
U.S. Consumer price index: cars and trucks (yoy % change)



Source: Haver Analytics

Prices

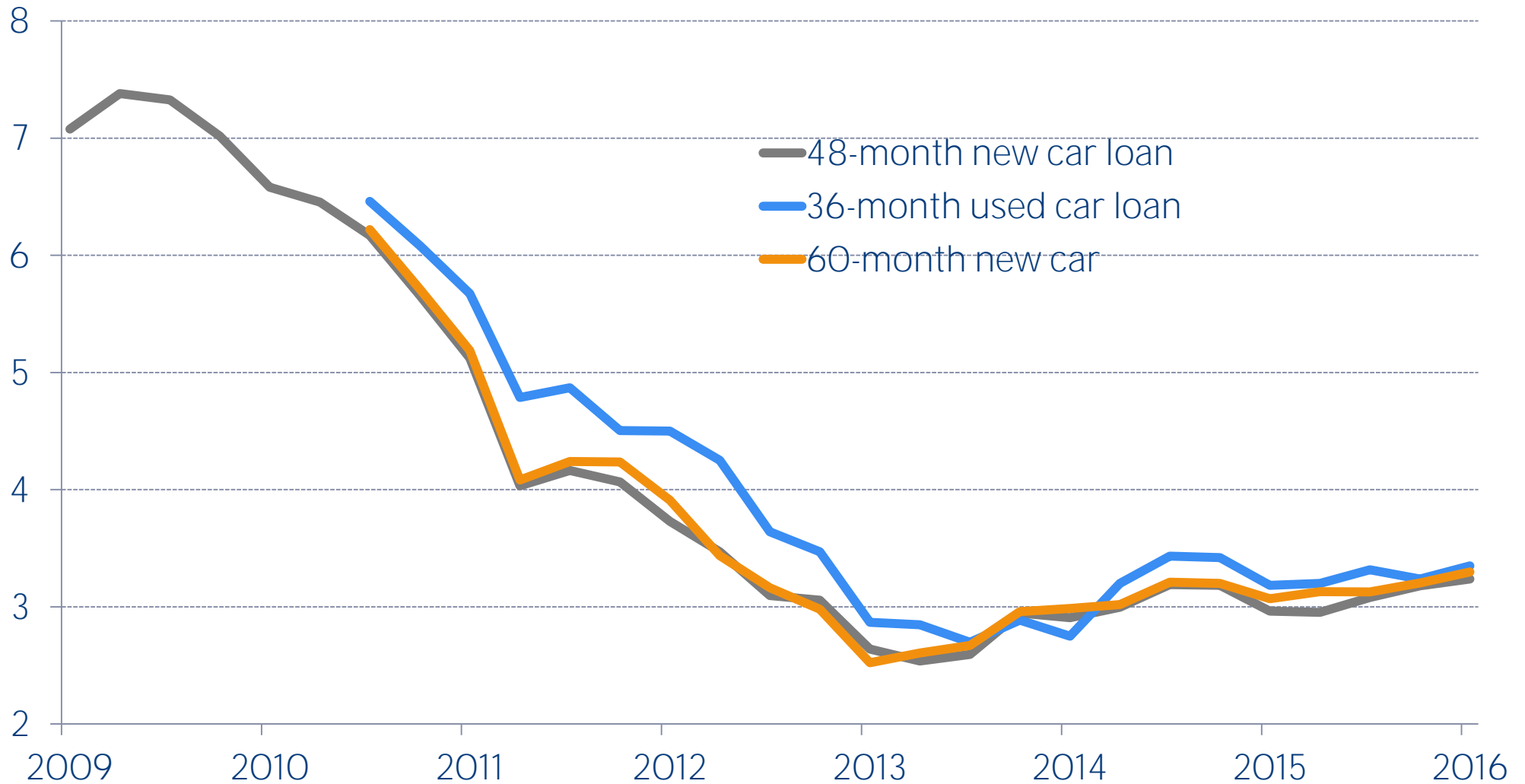
U.S. Auto prices



Source: Haver Analytics & Bloomberg

Financing conditions

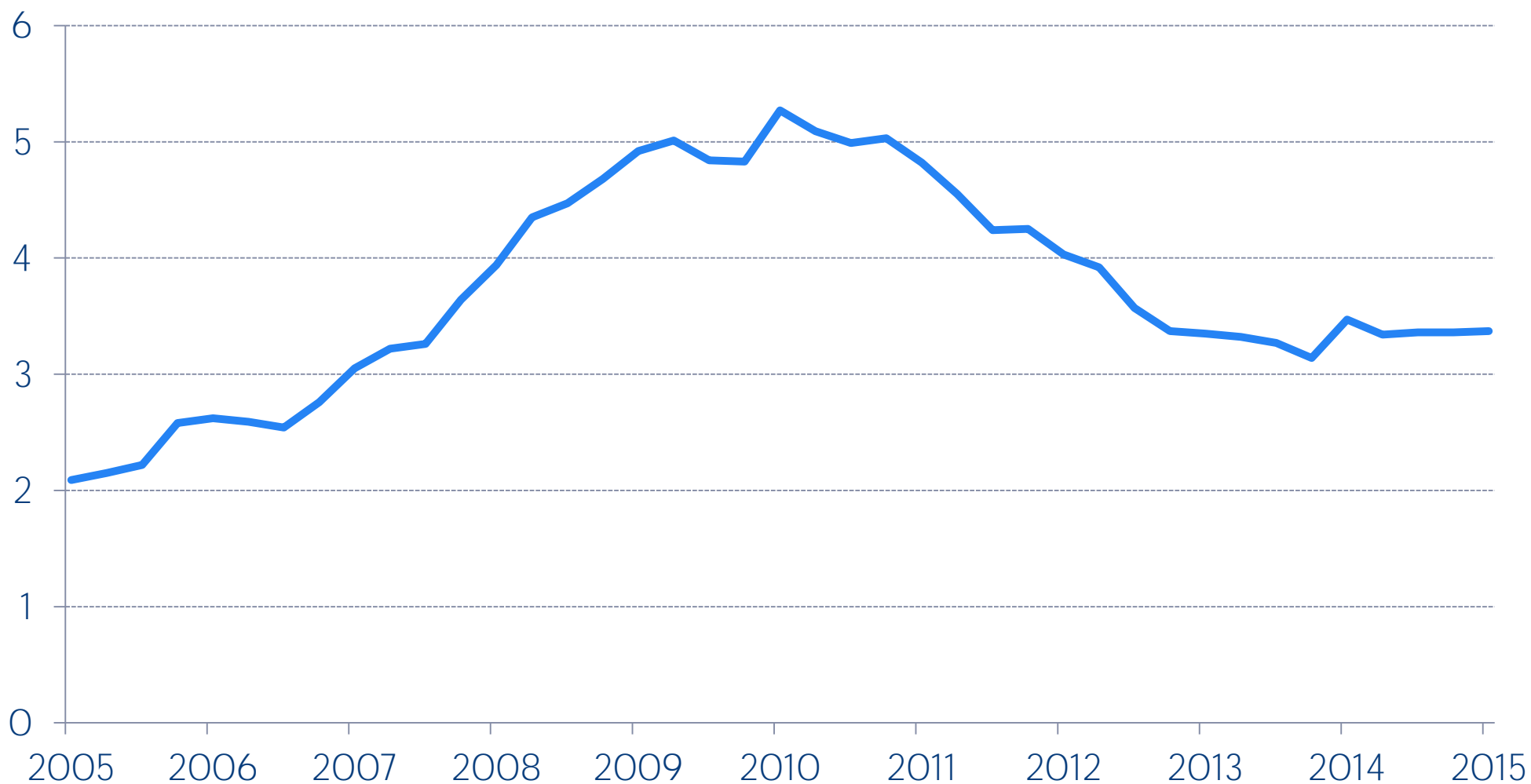
U.S. Car loan rates (%)



Source: Haver Analytics

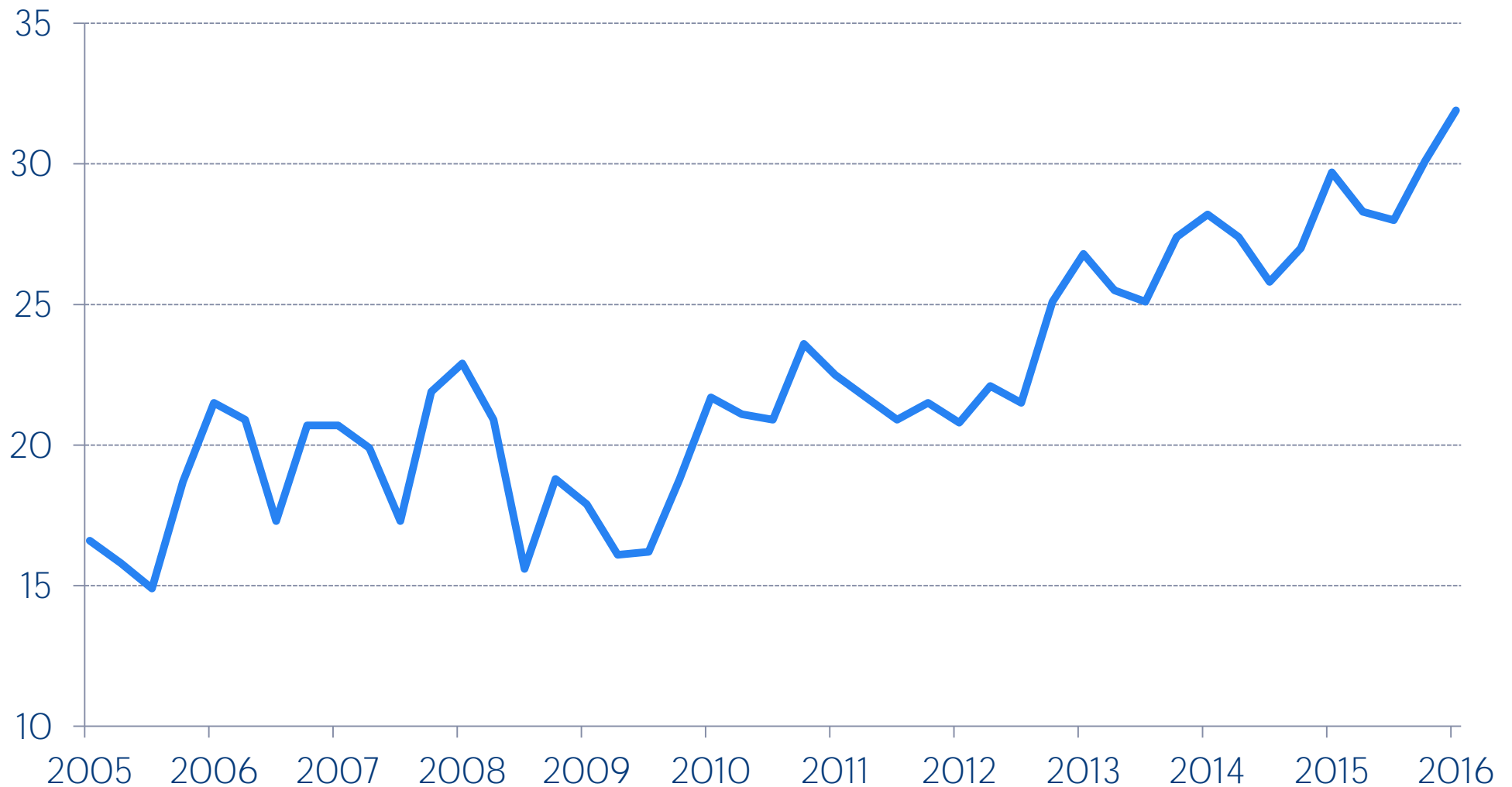
Financing conditions

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



Financing conditions

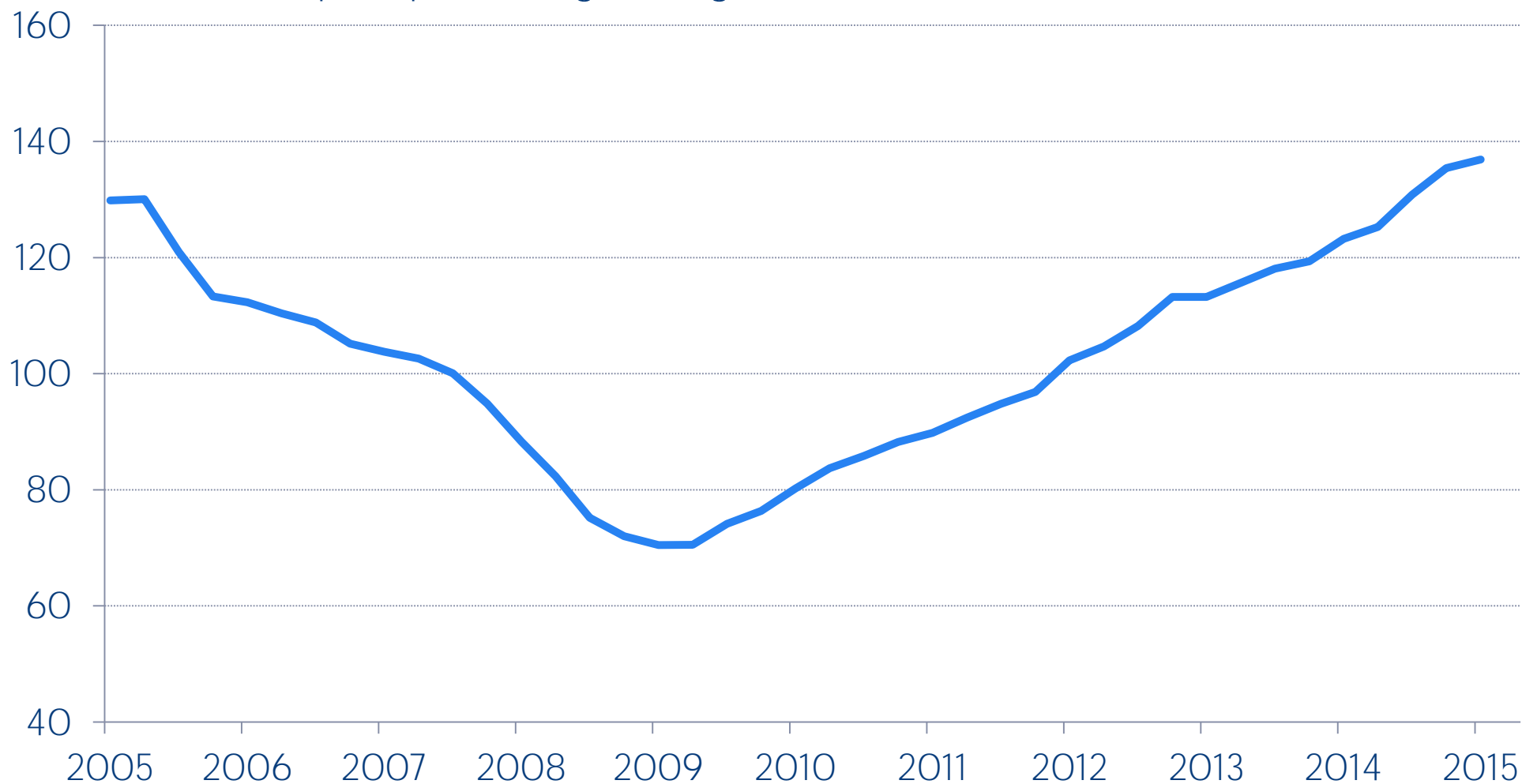
U.S. Leasing penetration rate, %



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)

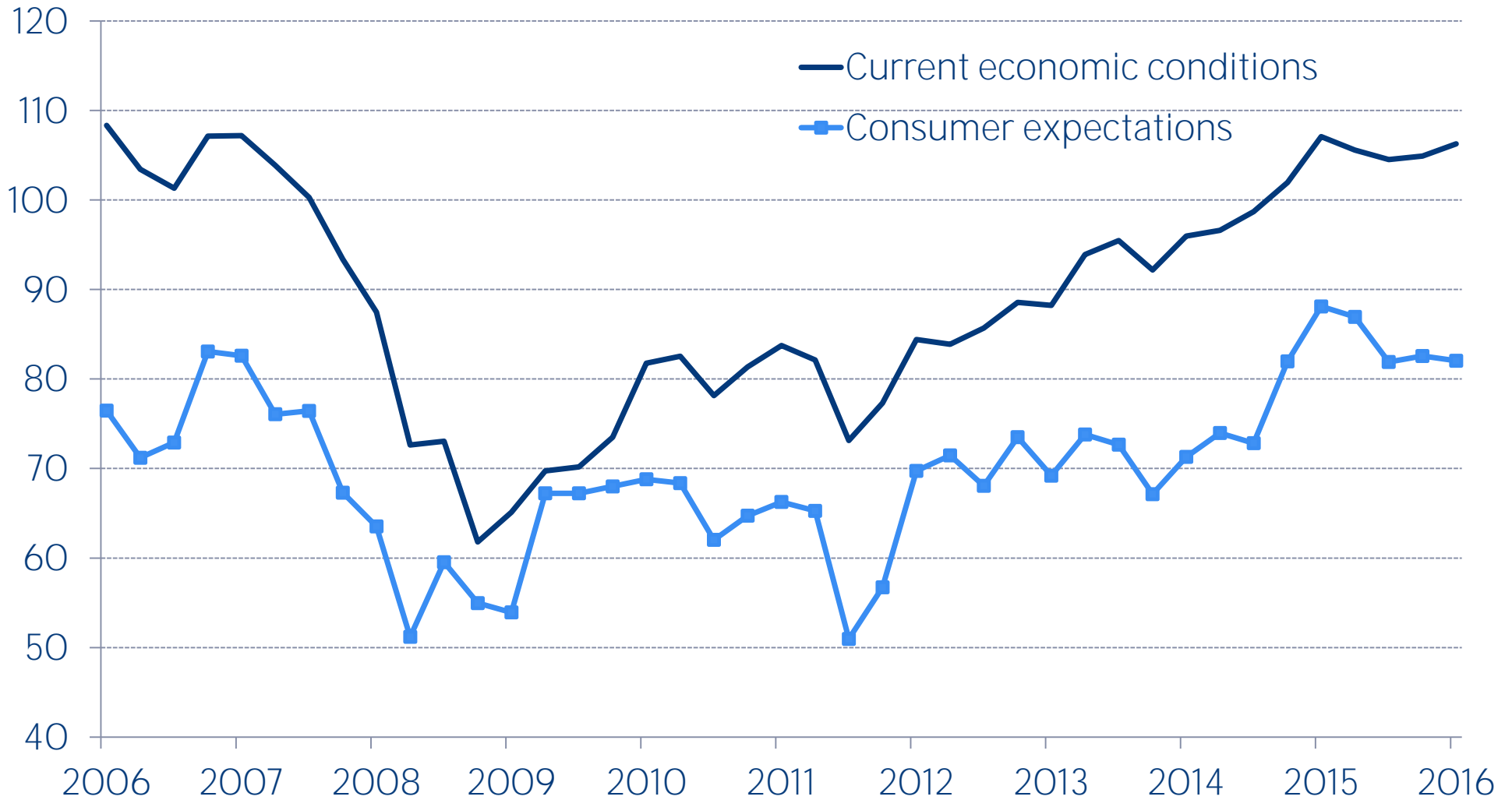


2

Consumers

Consumers

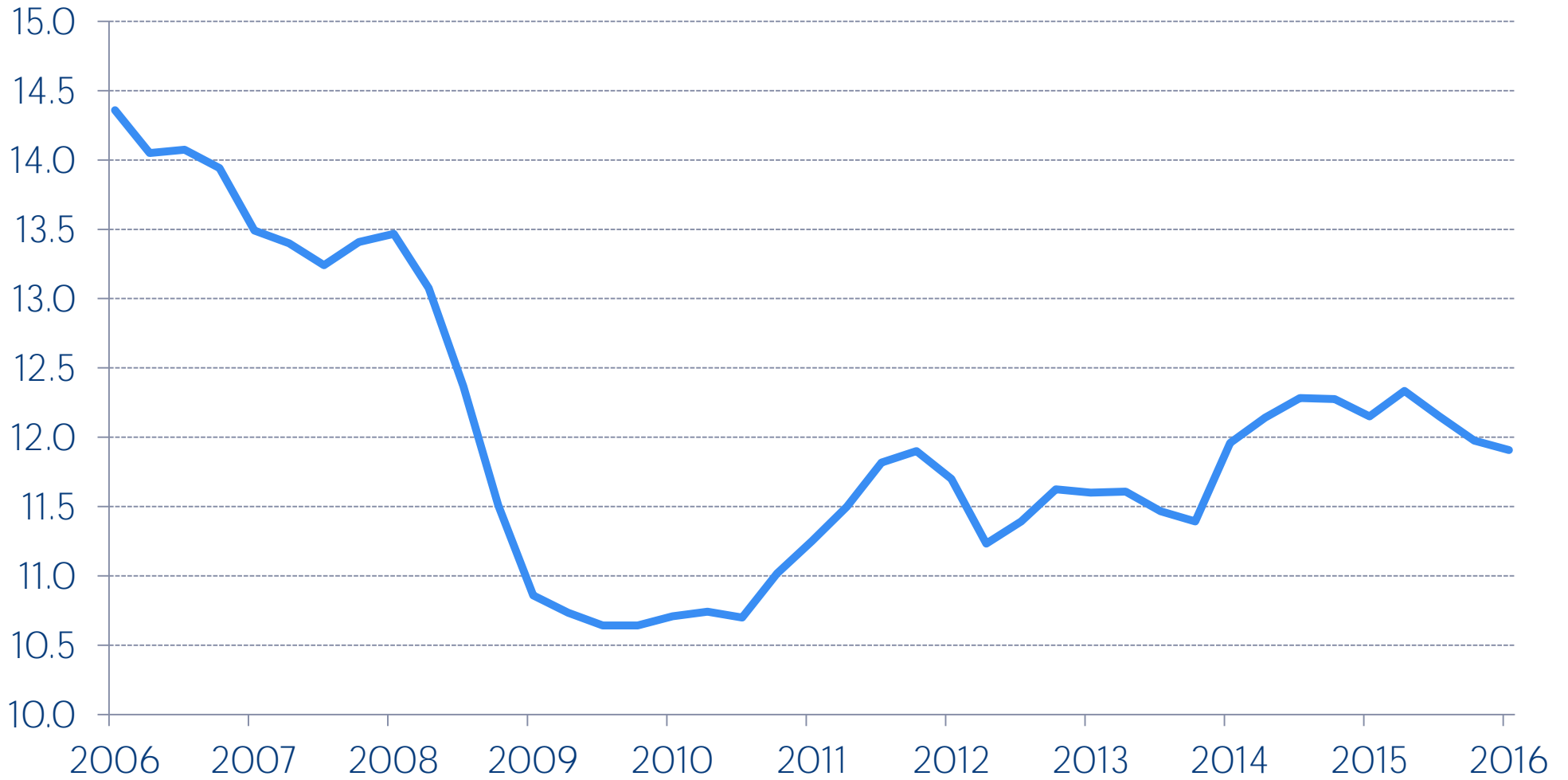
U.S. Consumer sentiment index



Source: Haver Analytics

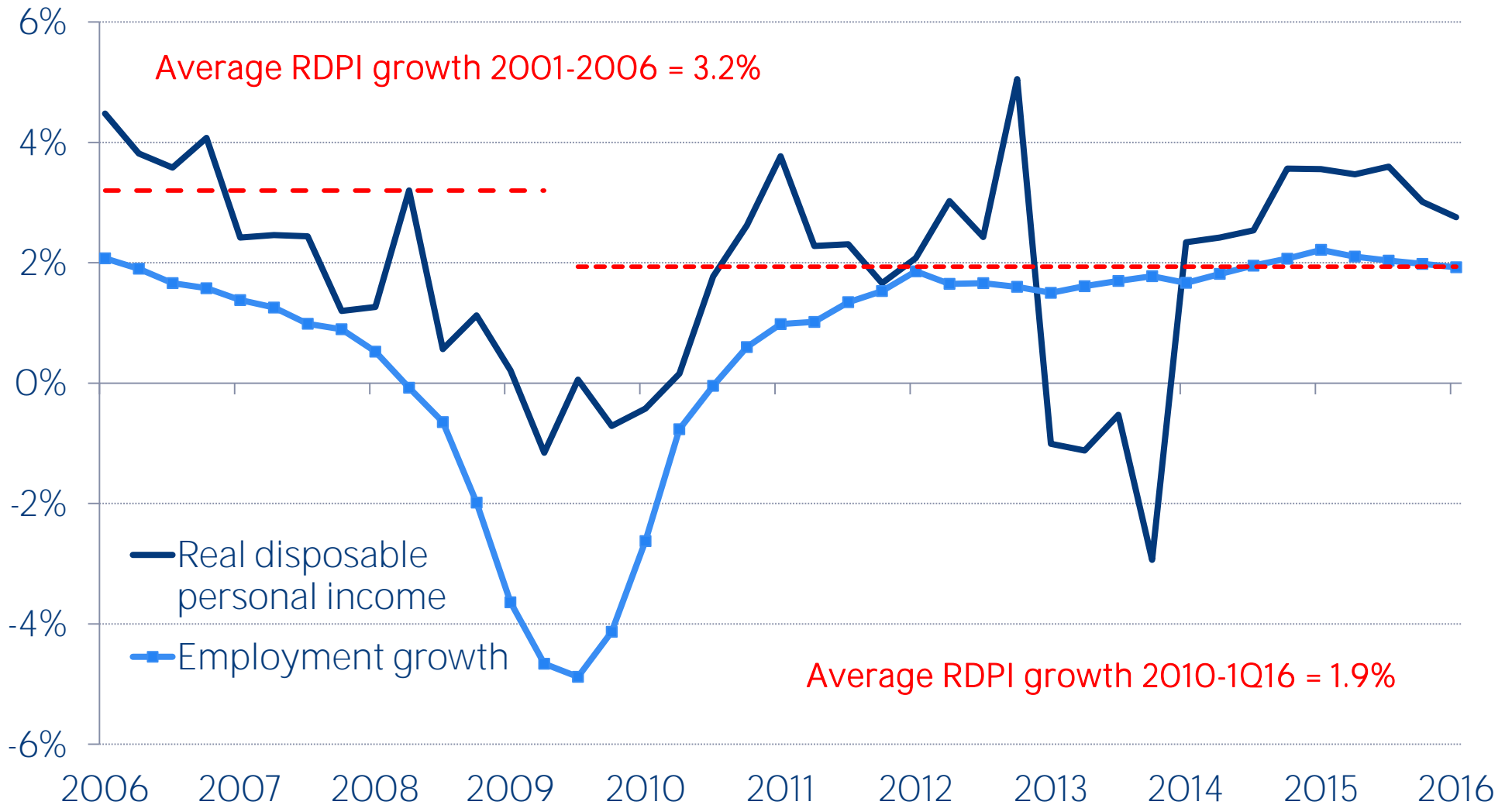
Consumers

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



Consumers

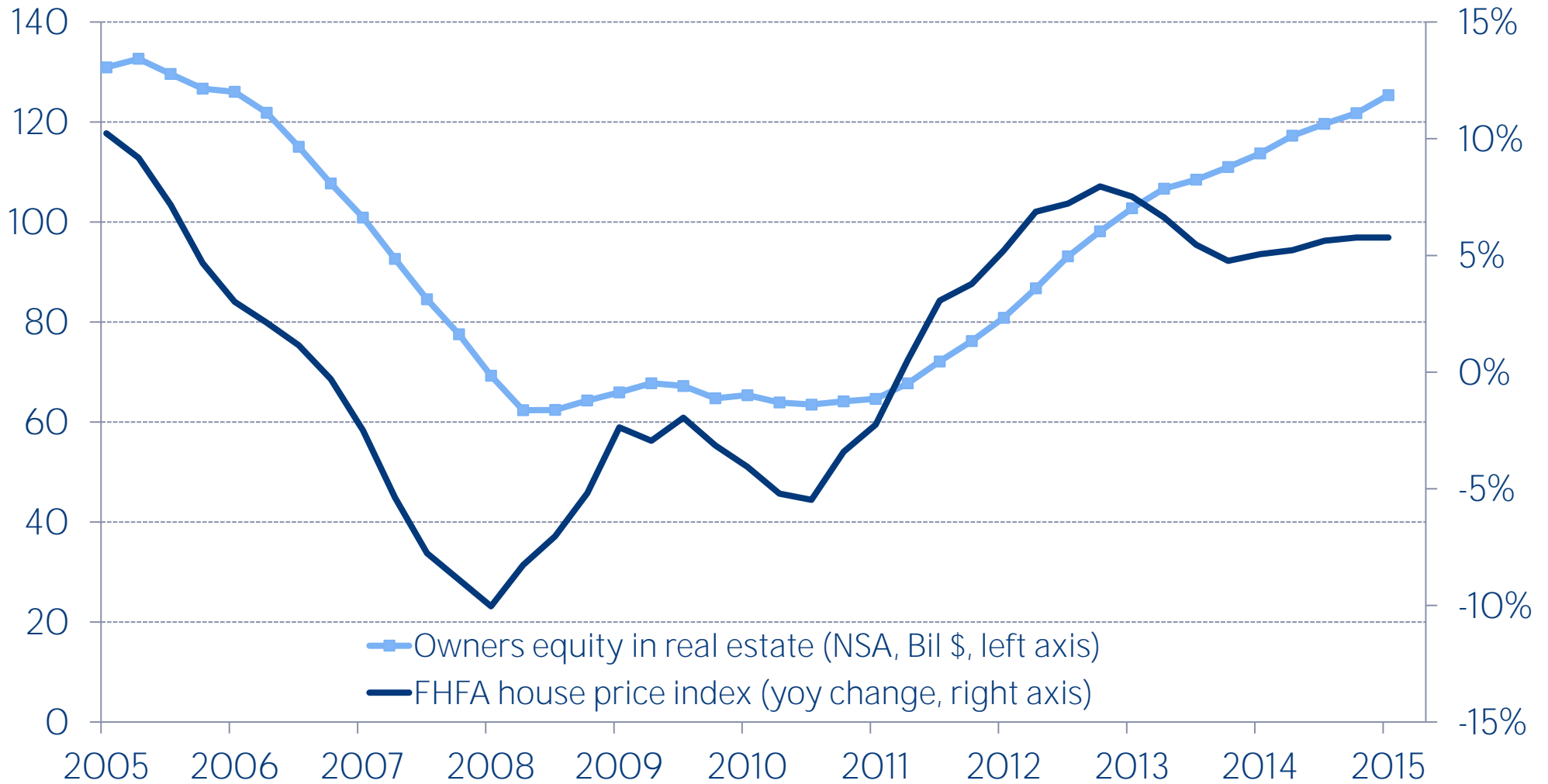
U.S. Employment and real disposable personal income growth (yoy % change)



Source: BBVA Research and Haver Analytics

Household equity

U.S. Household equity and home prices



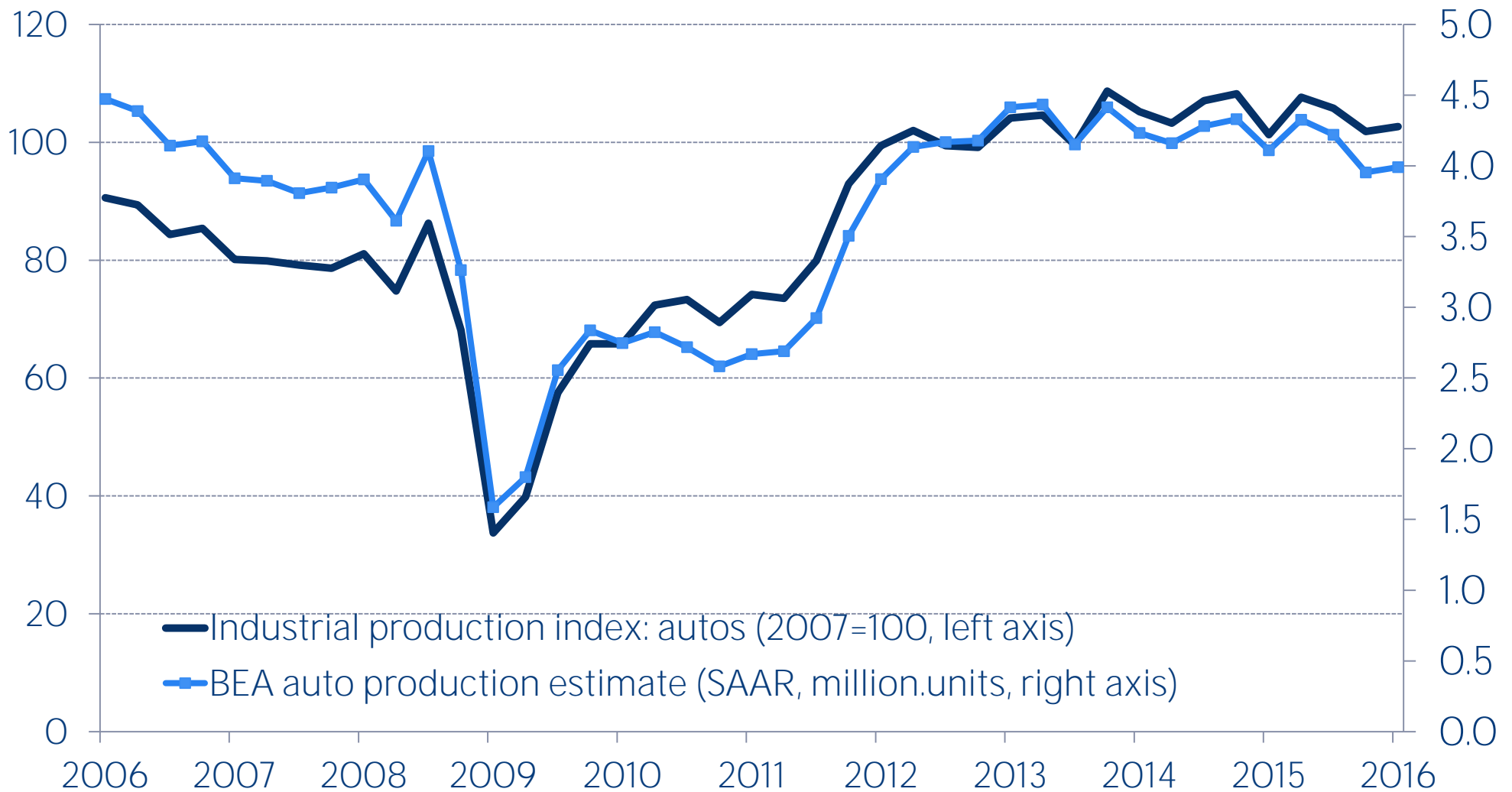
Source: Haver Analytics

3

Production

Production

U.S. Auto production



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

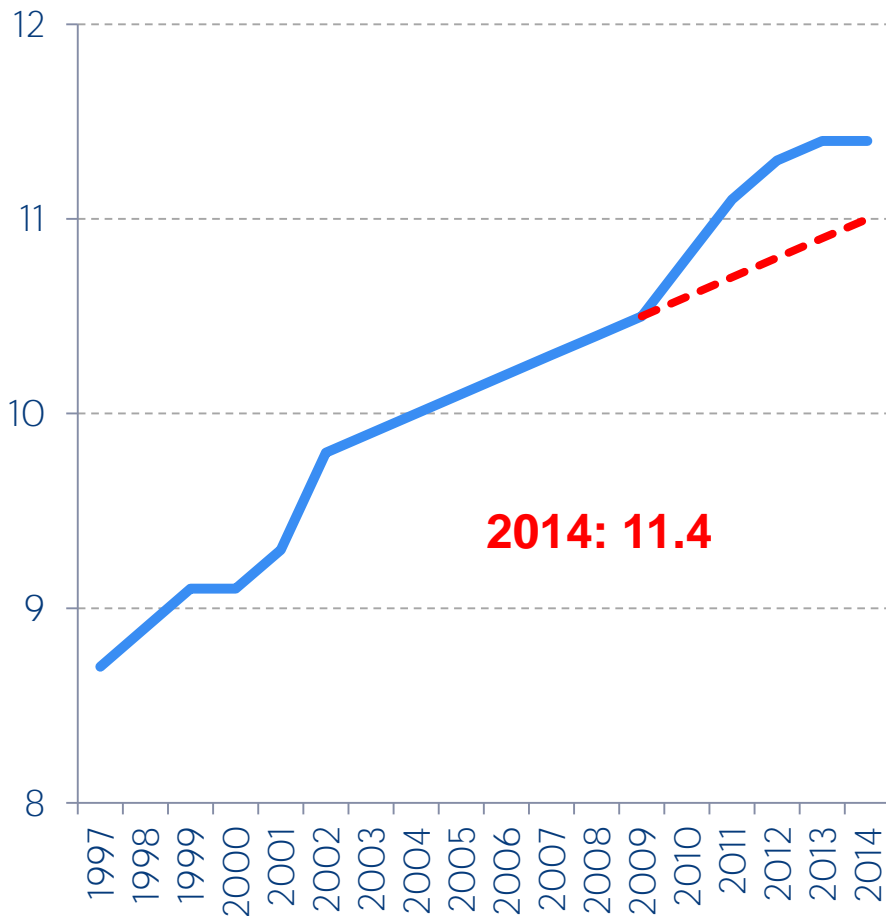
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Structural

Fundamentals

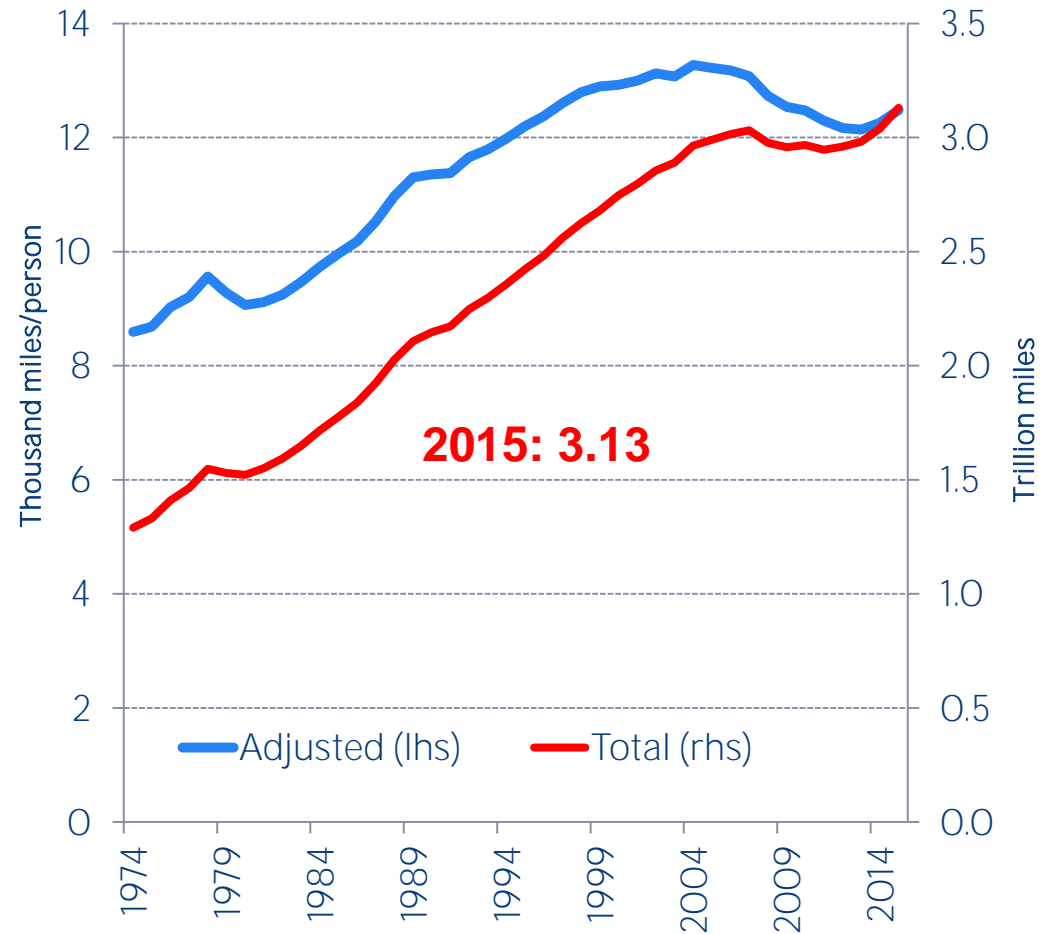
Mean Age of Passenger Cars in Operation

Years



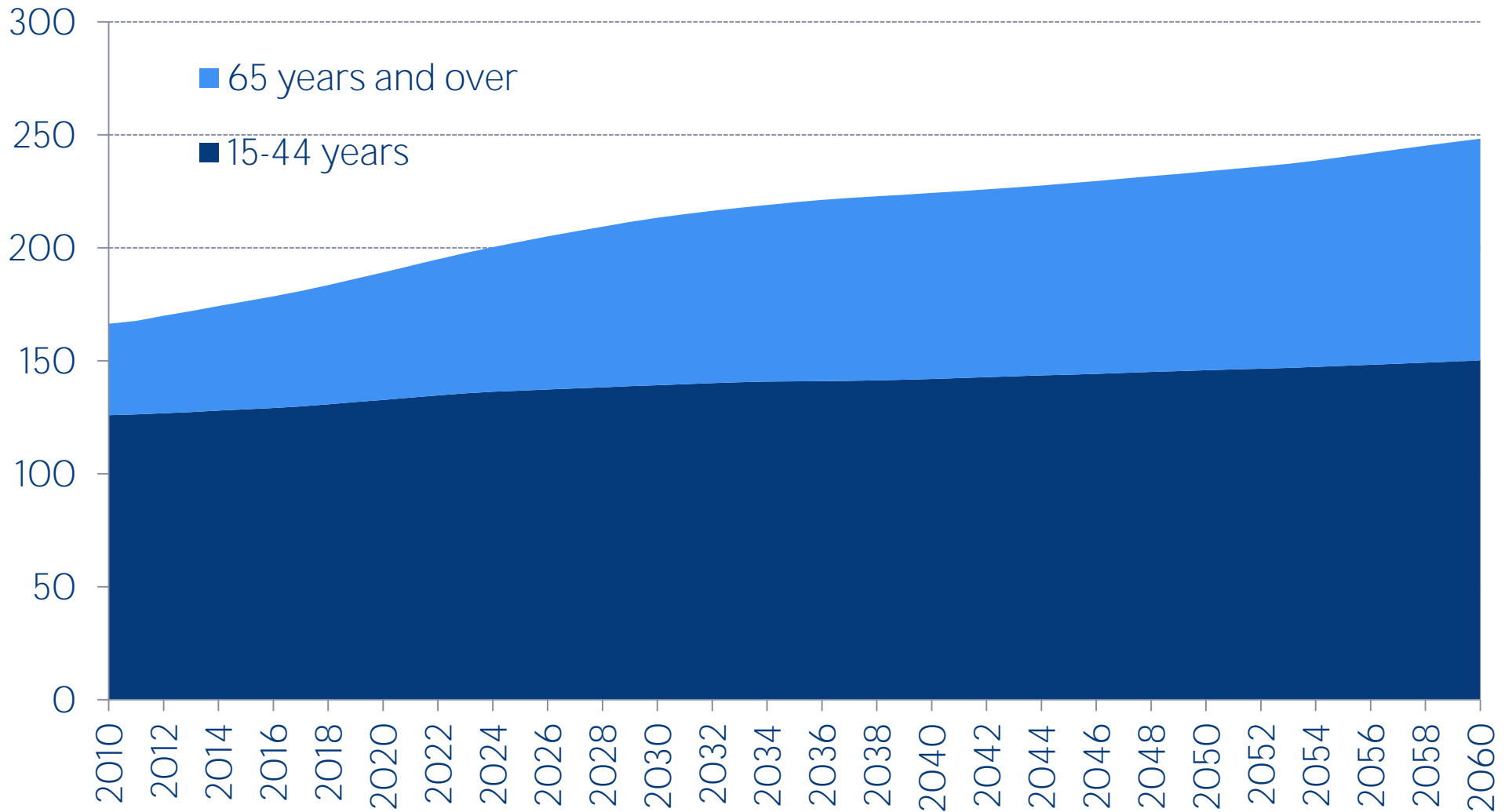
Vehicle Miles of Travel

Total and adjusted by labor force



Demographics

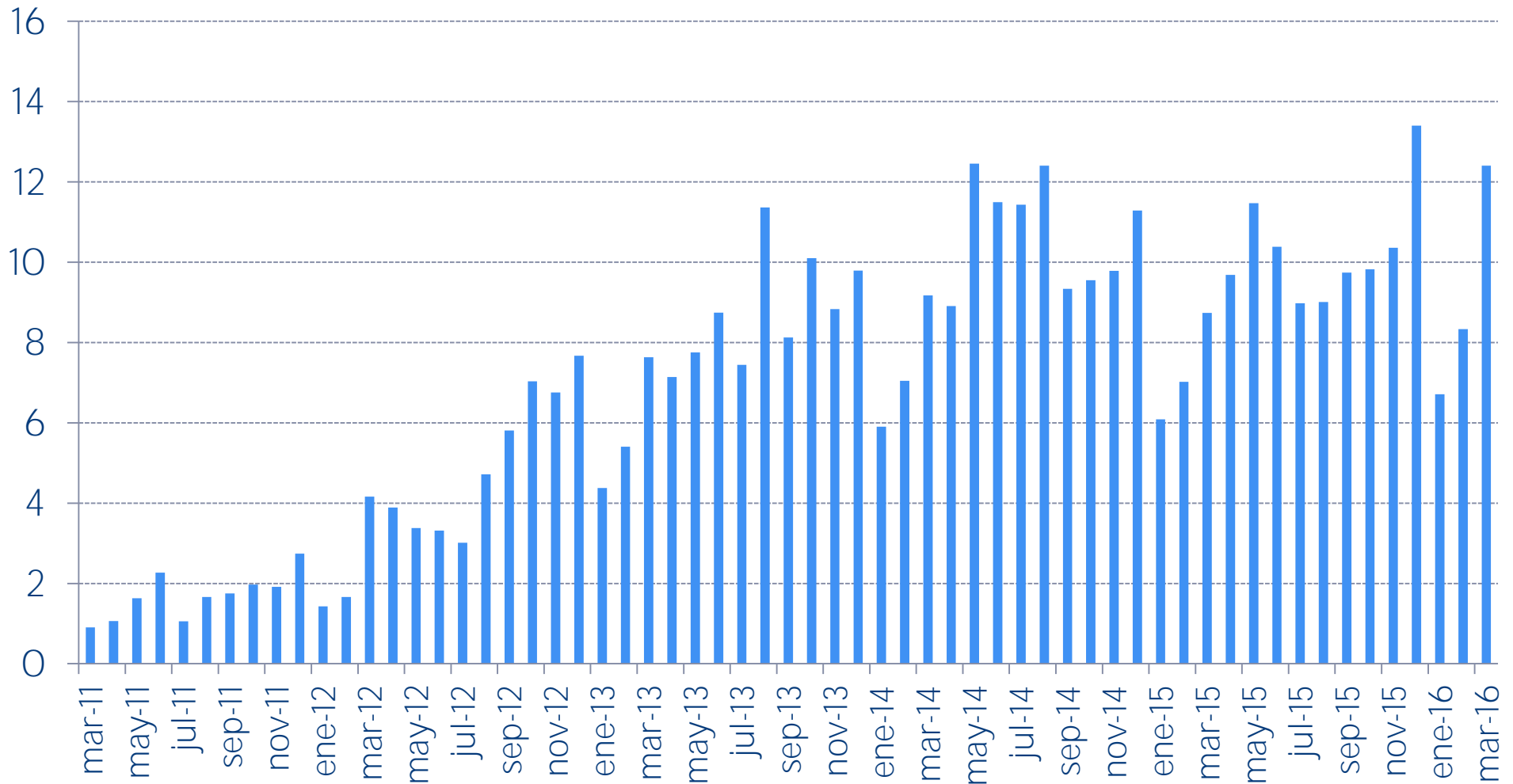
U.S. Population projections by age (millions)



Source: Haver Analytics

Alternative vehicles

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



Source: Electric Drive Transportation Association

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Forecasts

Forecasts

Average	2013	2014	2015	2016	2017	2018
Auto sales (millions units)	15.6	16.5	17.4	17.3	17.1	16.8
GDP growth (% change)	2.2	2.4	2.4	2.5	2.4	2.3
Unemployment rate (% avg.)	7.4	6.2	5.3	4.8	4.6	4.5
Fed funds (%, eop)	0.25	0.25	0.50	1.00	2.00	3.00
5-year Treasuries (%, avg)	1.17	1.64	1.53	1.48	2.02	2.95

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