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**BBVA** Research

# U.S. Auto Industry Chartbook

## 3Q18

October 2018

Creating Opportunities

## Key Messages

- By year-end, auto sales will most likely be unchanged from the previous year
- Industry revenue supported by solid fundamentals and consumers preference for light-trucks
- Going forward, higher interest rates and oil prices may impact demand
- A substitution between gasoline-hybrids and plug-ins is taking place, however, the number of customer remains stable
- Companies are expected to continue investing in advanced driver-assistance systems, and vehicle electrification



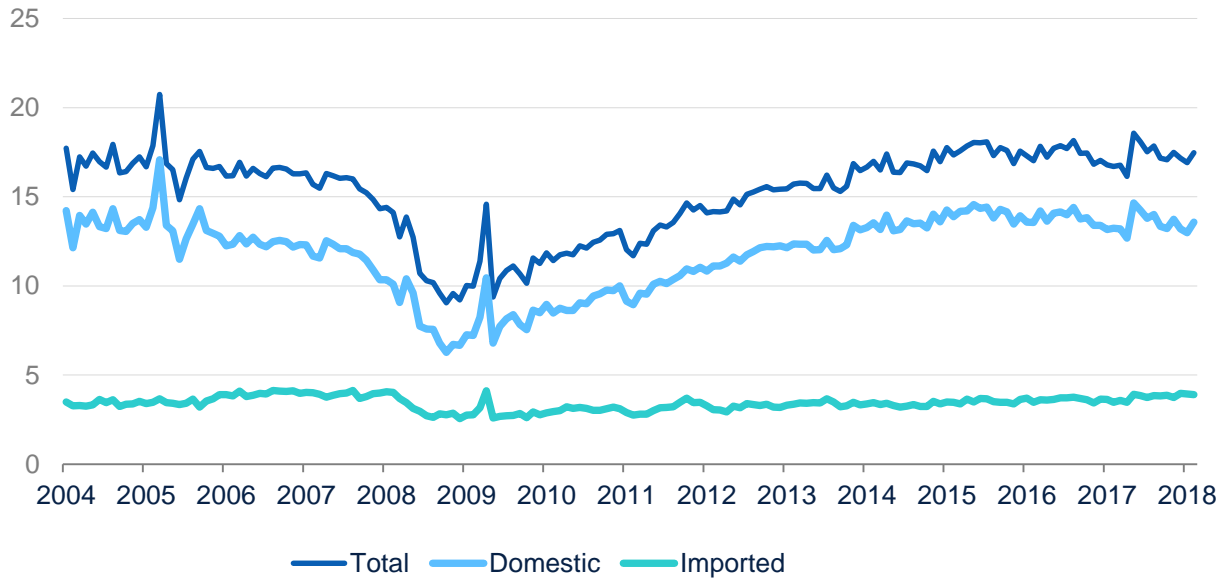
# 01

## Sales

# Sales

## U.S. Total light weight vehicle sales

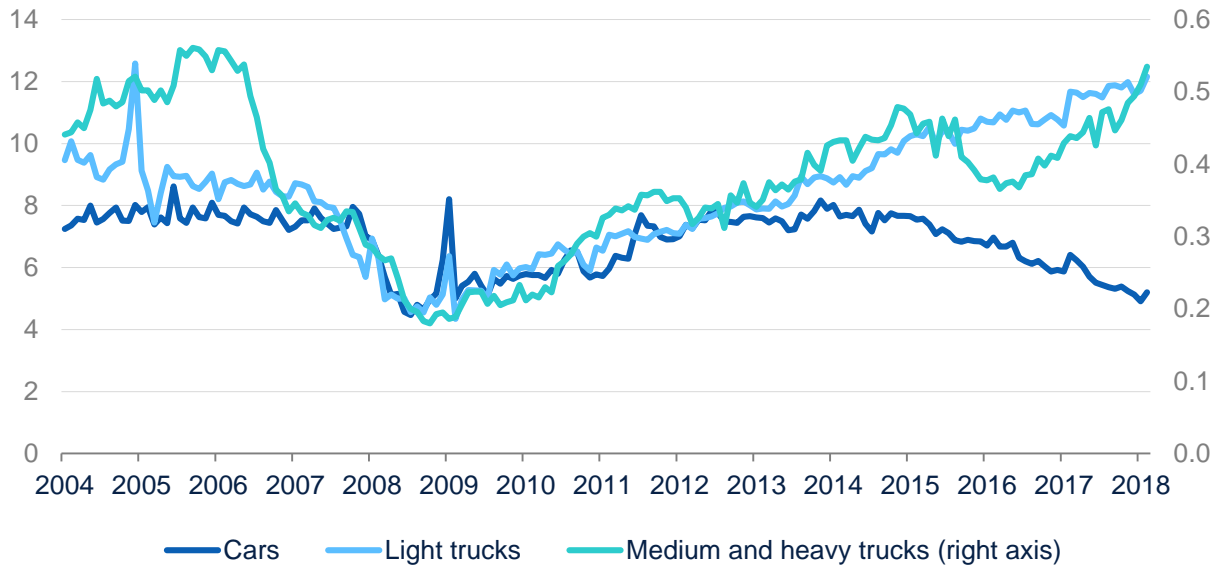
(SAAR, million units)



# Sales

## U.S. Total vehicle sales

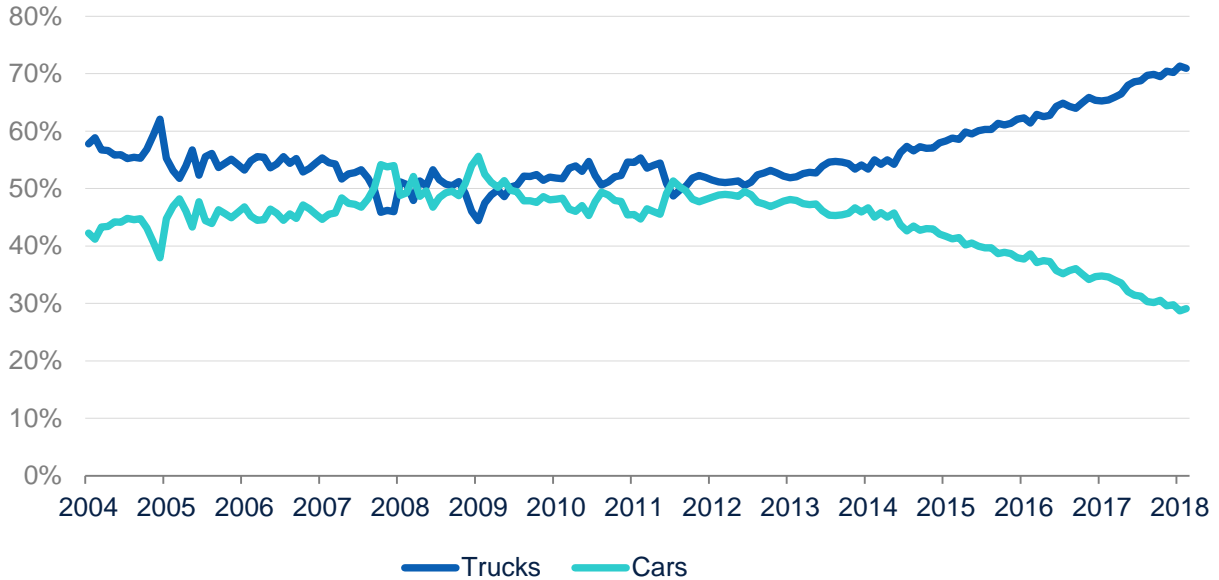
(SAAR, million units)



# Sales

## U.S. Total vehicle sales

(Share of total)



# Sales

## U.S. Domestic auto inventory/sales ratio

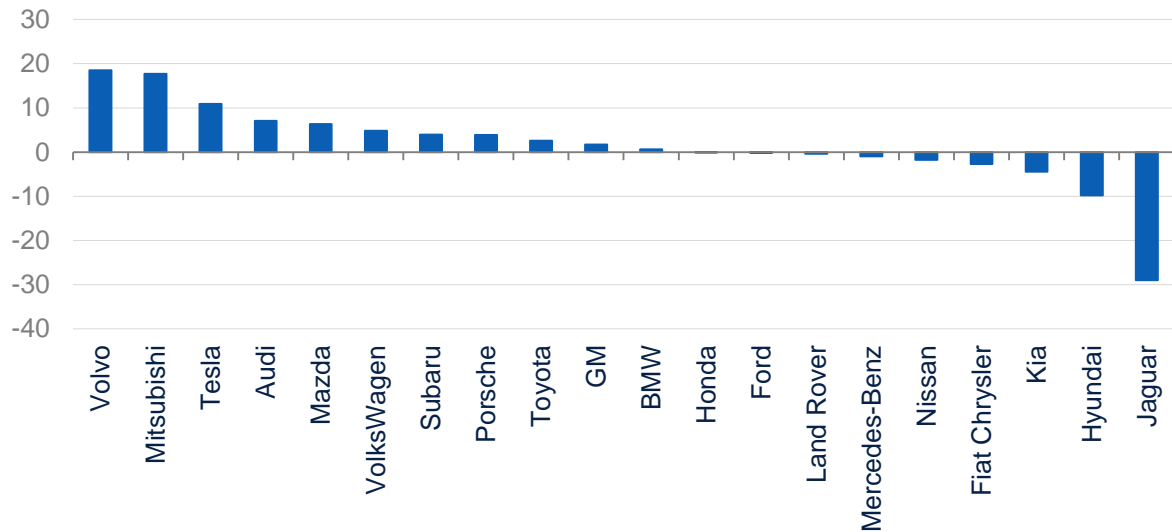
(Seasonally adjusted)



# Sales

## U.S. Sales growth by brand

(2Q18, yoy % 4Q-moving average)

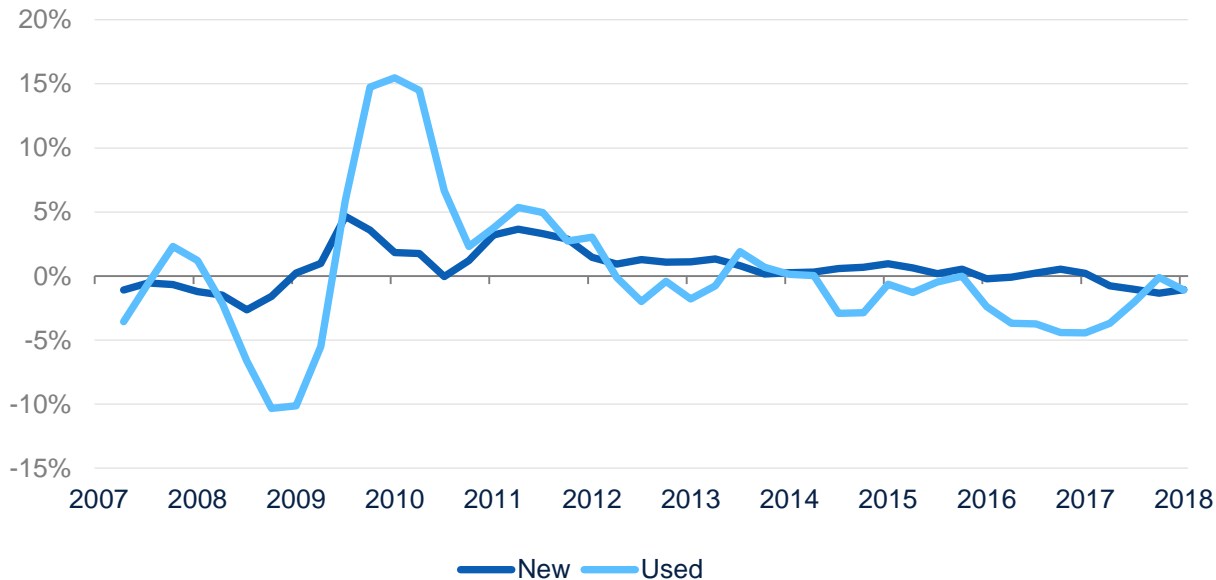




# Prices

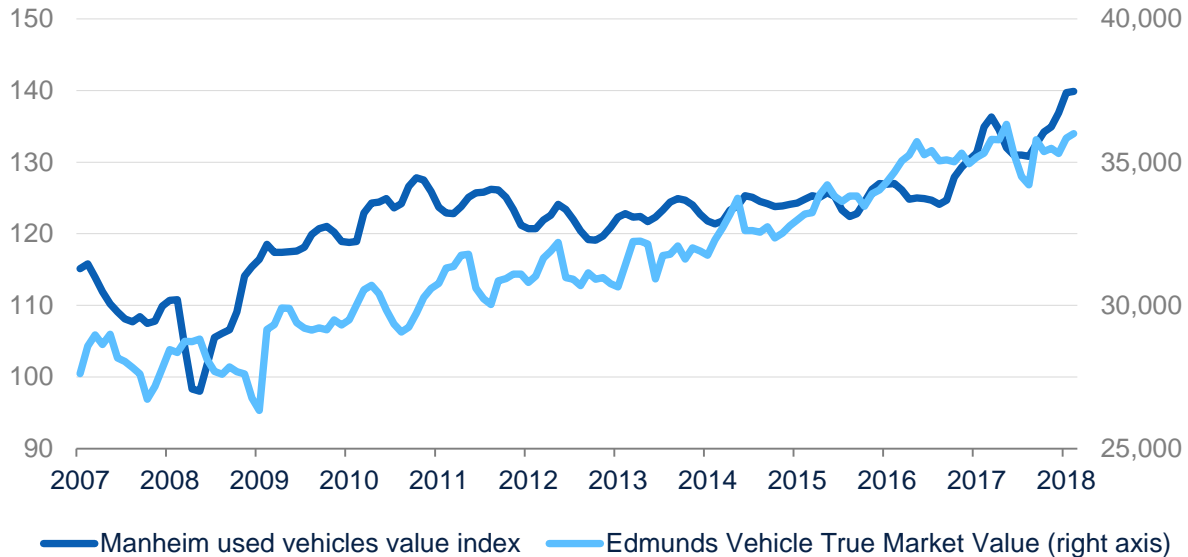
## U.S. Consumer price index: cars and trucks

(yoy % change)



# Prices

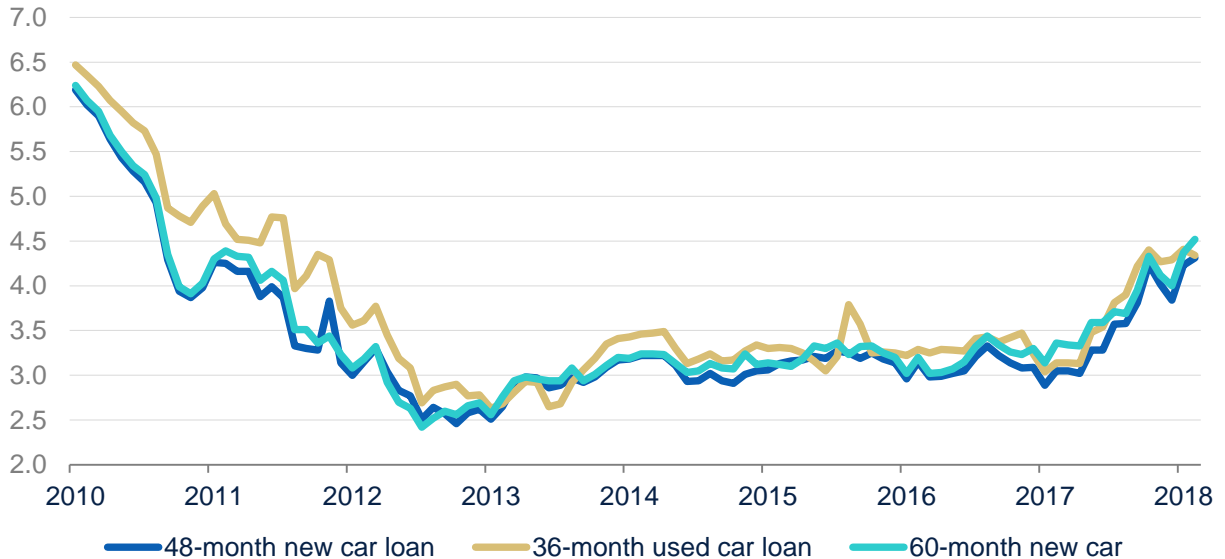
## U.S. Auto Prices



# Financial conditions

## U.S. Interest rates

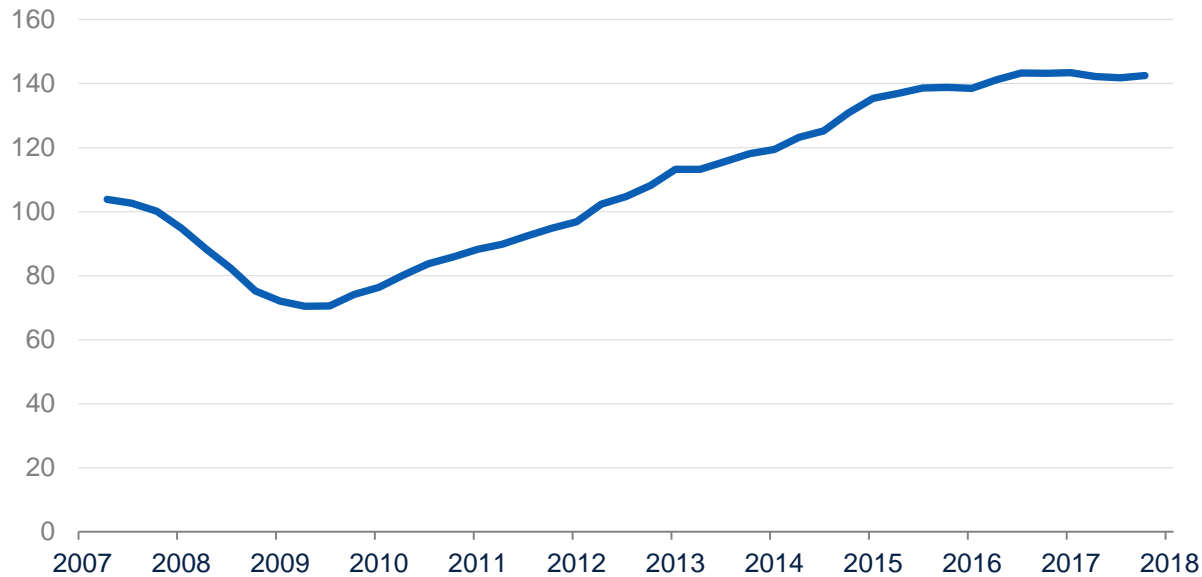
(yoy % change)



# Financial conditions

## U.S. Newly originated installment auto loans

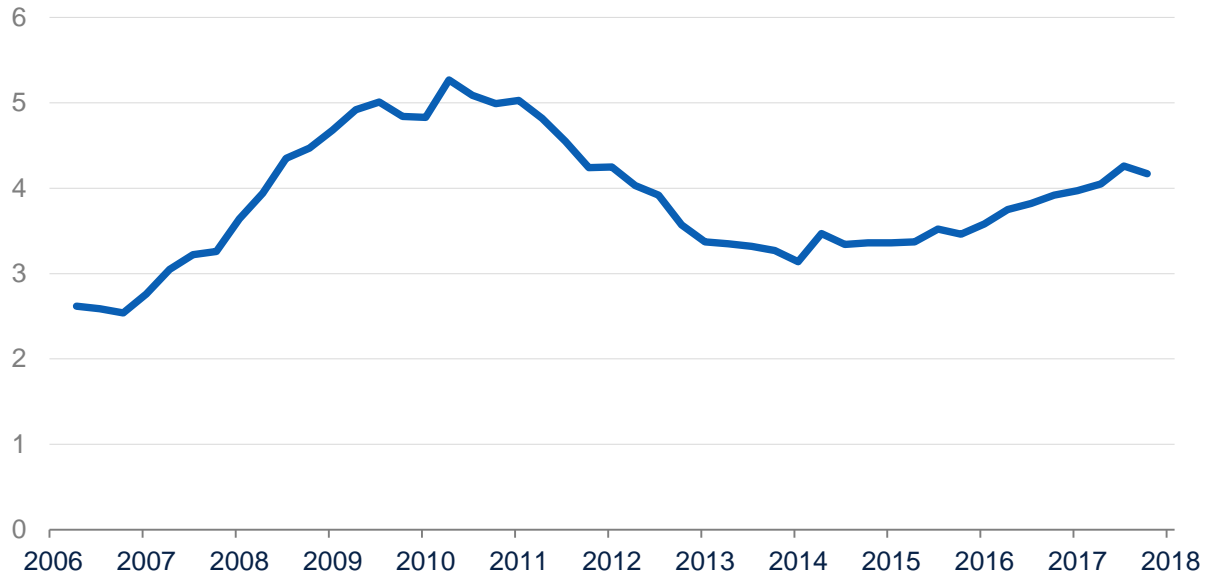
(\$ billion, eop, 4-qtr moving avg.)



# Financial conditions

## U.S. Auto loan 90+ days delinquent

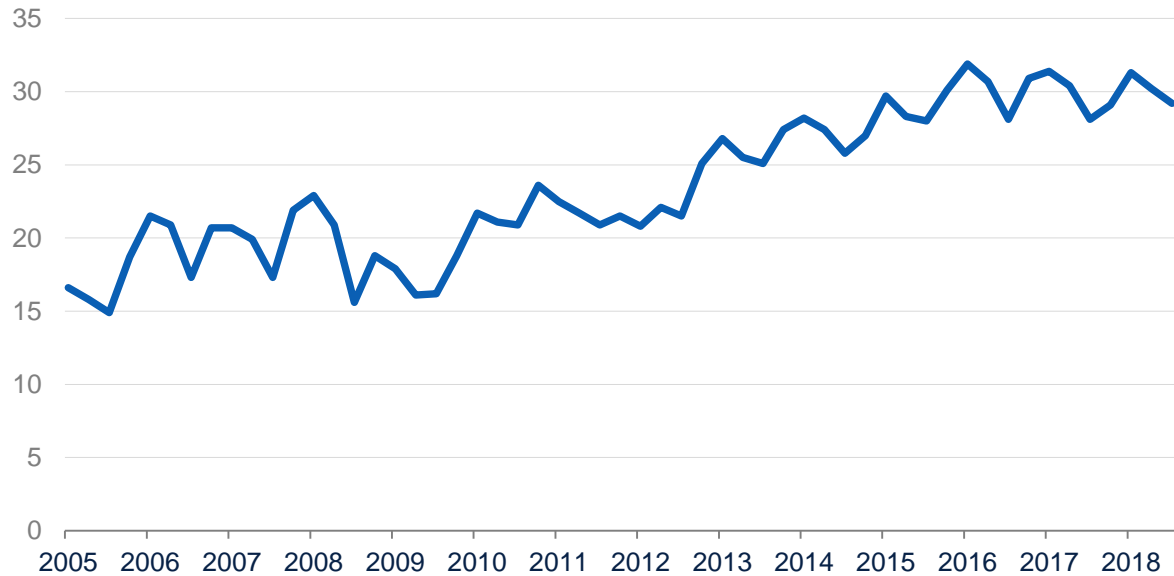
(% of balance)



# Leasing

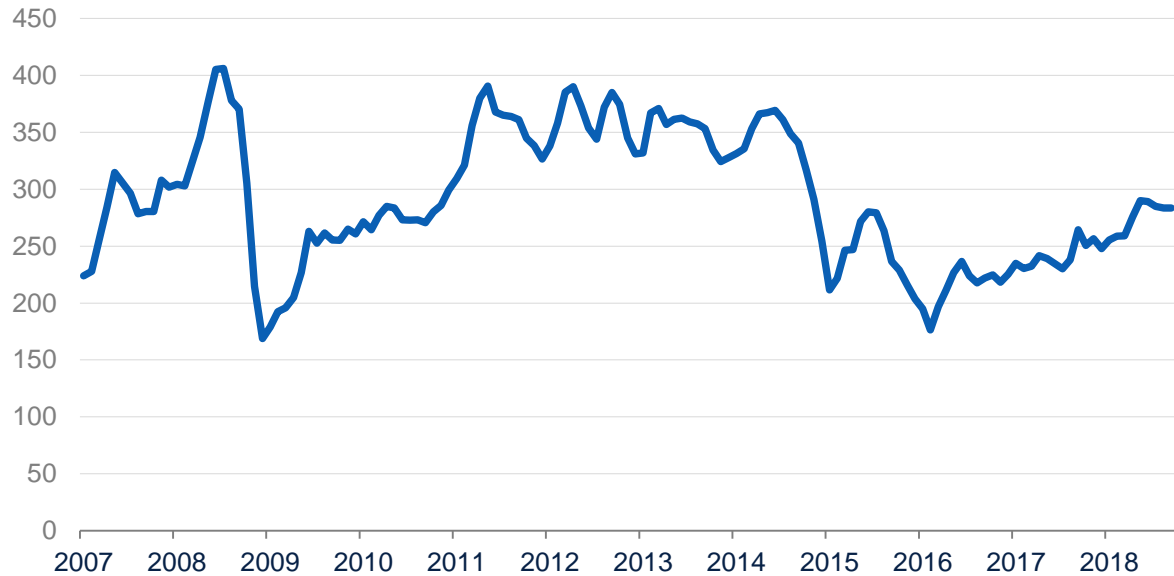
## U.S. Leasing penetration rate

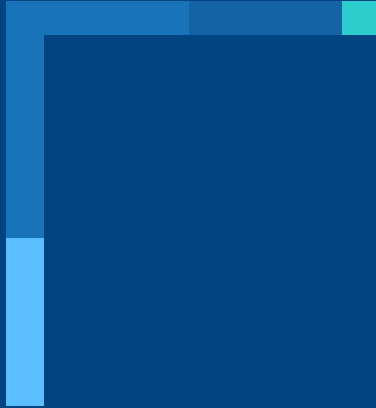
(%)



# Gasoline

## U.S. Spot price (cents per gallon)





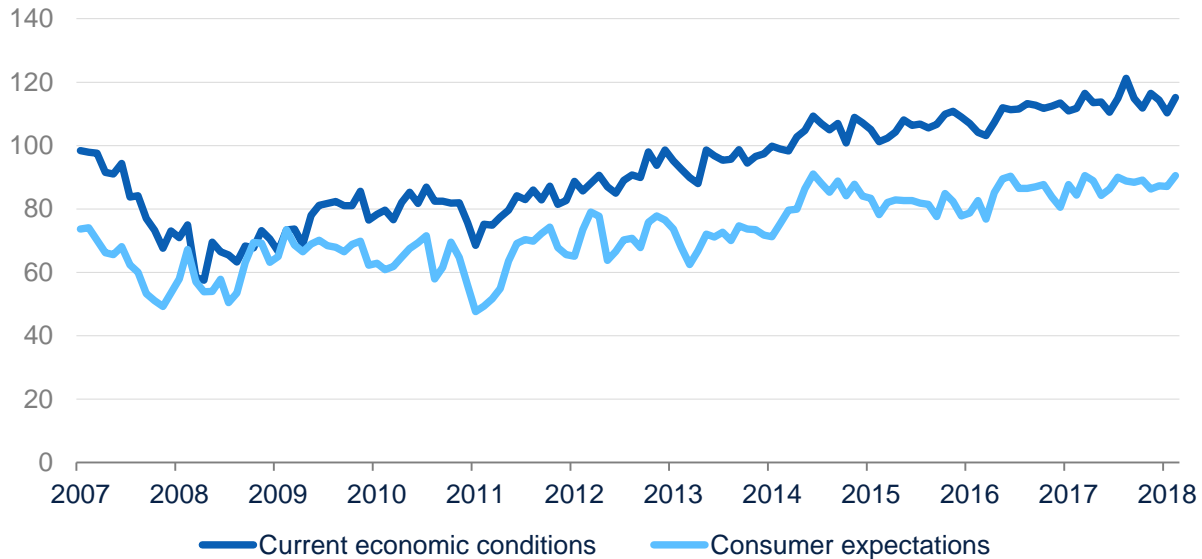
# 02

## Consumers



# Consumers

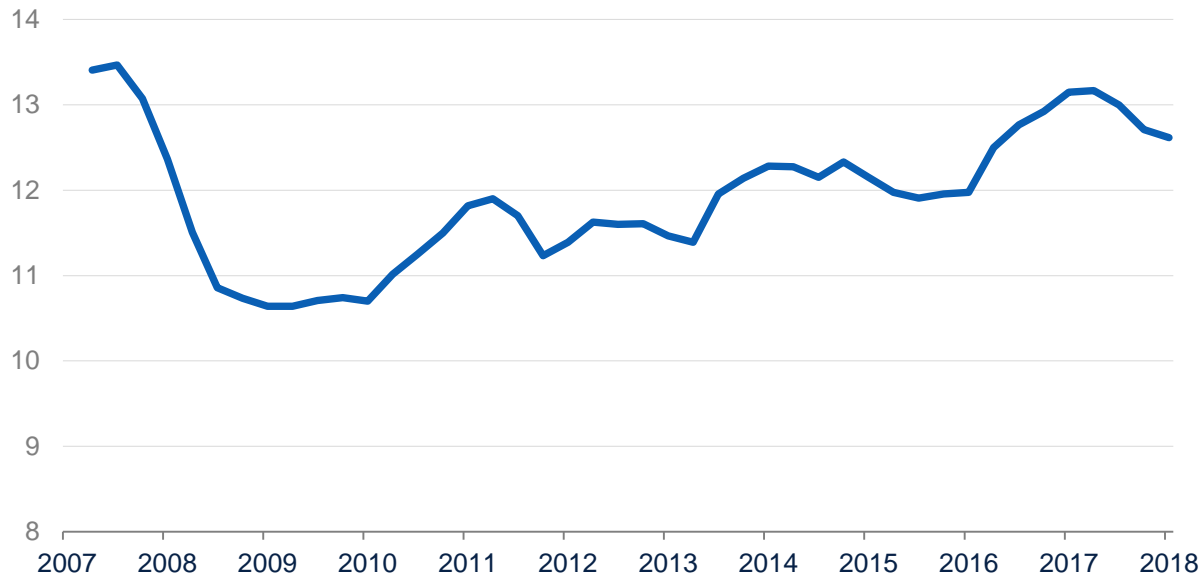
## U.S. Consumer sentiment index



# Consumers

## U.S. Plans to buy a car within 6 months

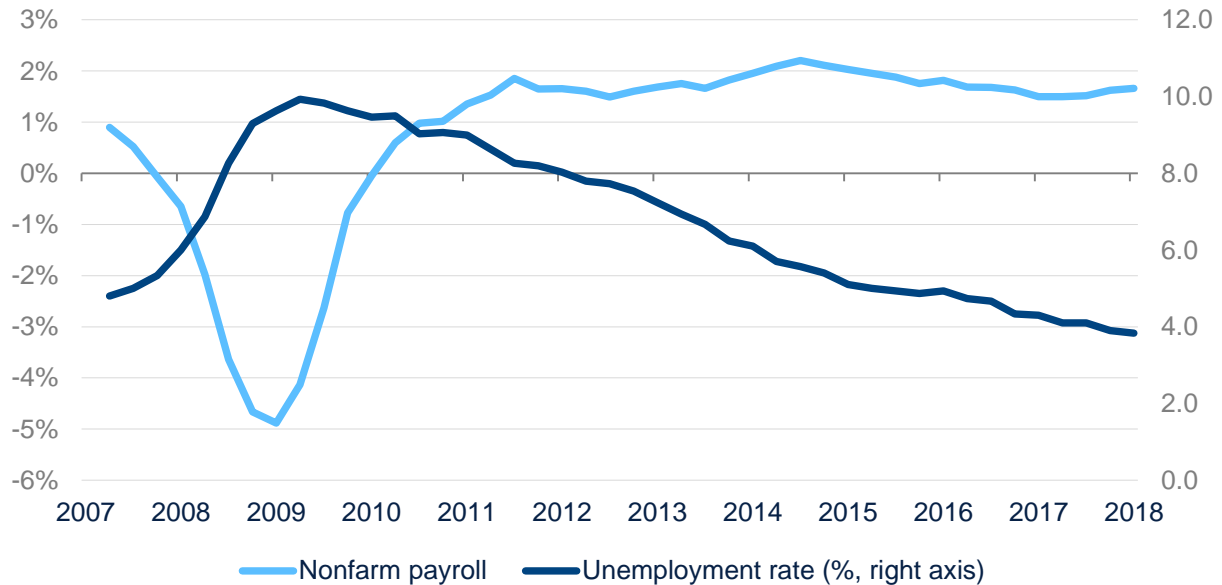
(% of respondents)



# Consumers

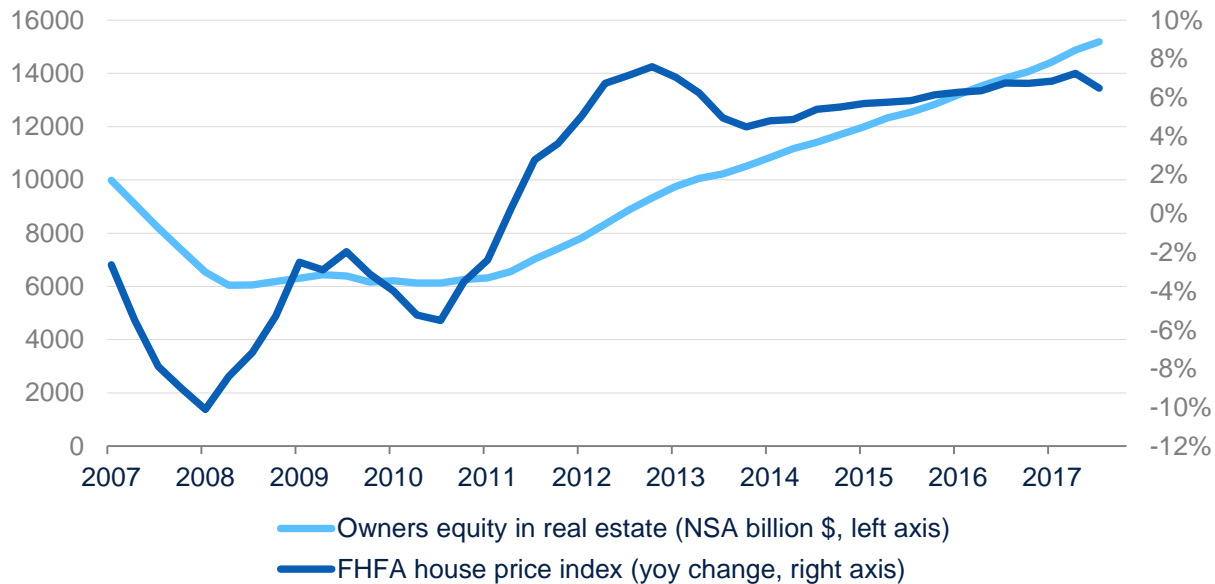
## U.S. Nonfarm payroll growth and unemployment rate

(yoy % change and %)



# Consumers

## U.S. Household equity and home prices



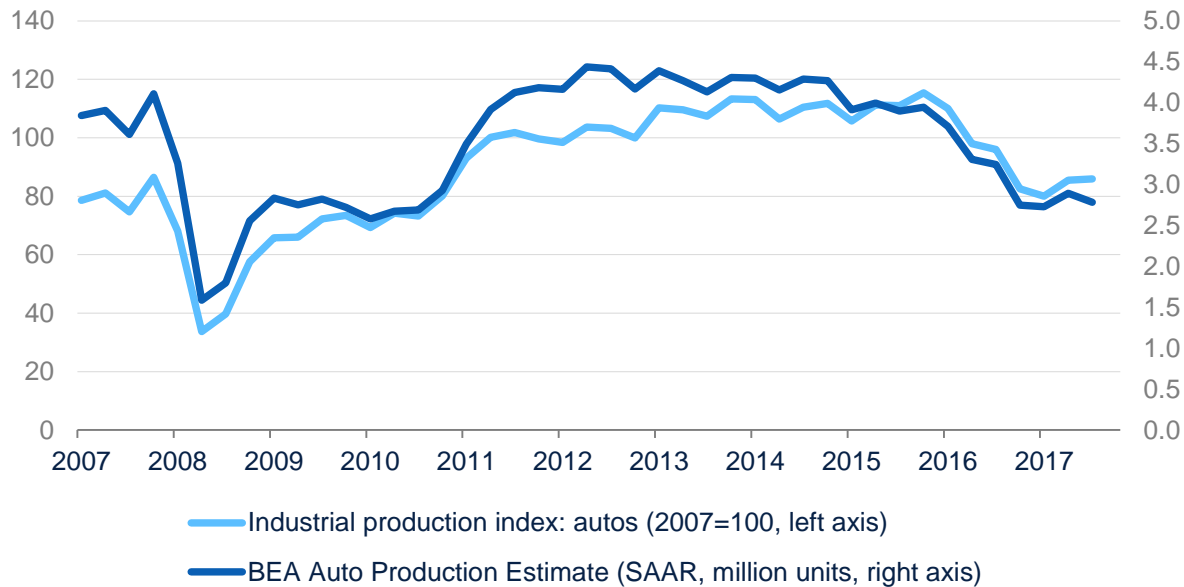


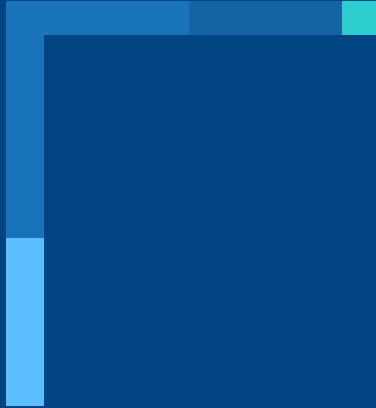
# 03

## Production

# Production

## U.S. Auto production



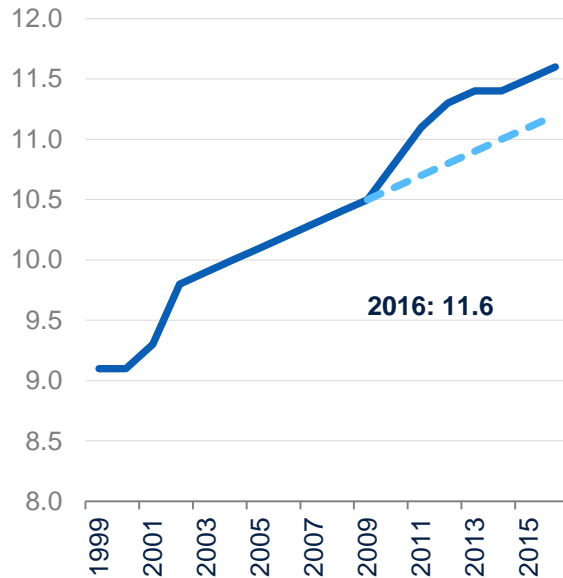


# 04

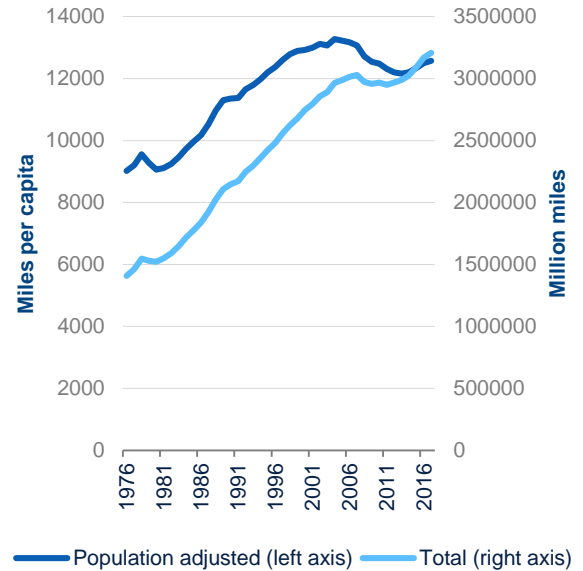
## Structural

# Fundamentals

## Mean age of passenger cars in operation (years)



## Vehicle miles of travel (total and adjusted by labor force)

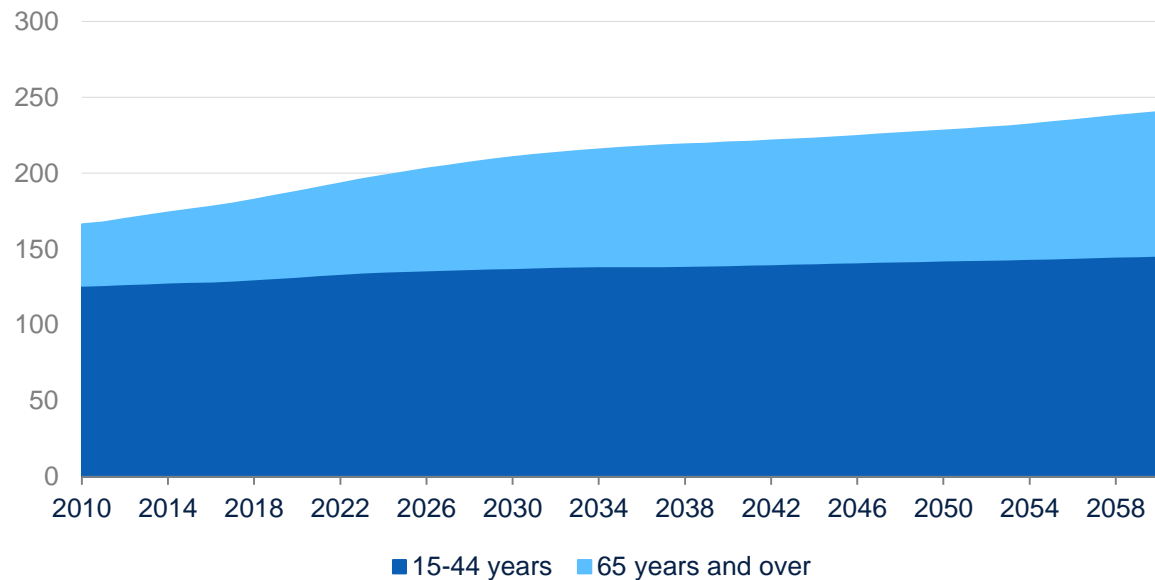




# Demographics

## U.S. Population projections by age

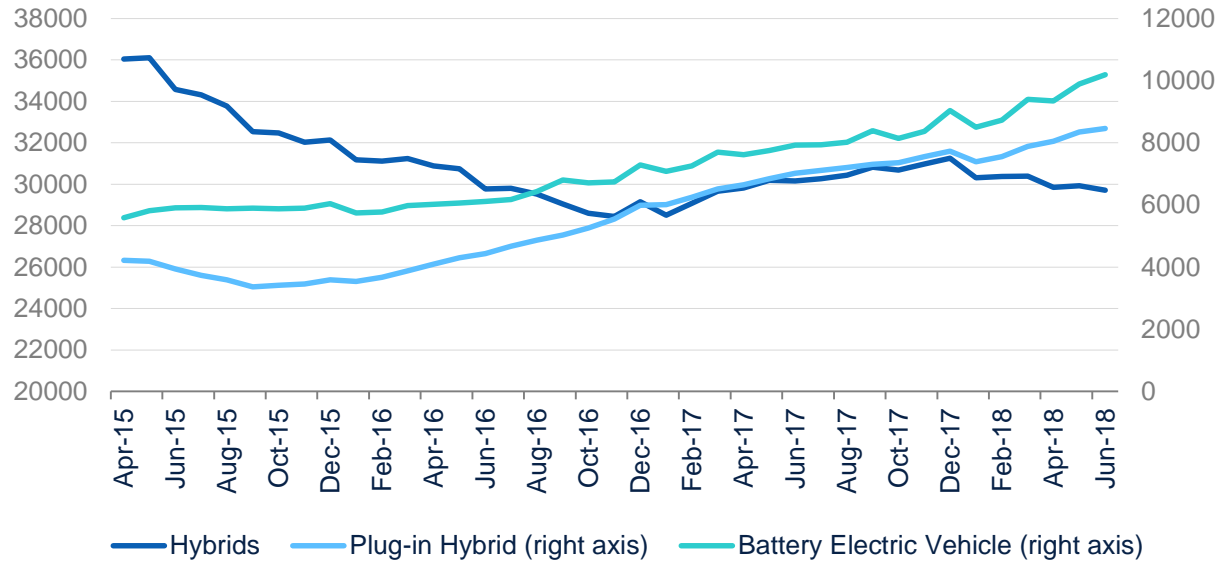
(millions)



# Electric vehicles

## U.S. Electric vehicle sales

(units)





# 05

## Forecasts

## Forecast

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Auto sales</b> (millions units)	17.5	17.5	17.2	17.2	17.2	17.0	16.8	16.5
<b>Real GDP growth</b> (% change)	2.9	1.6	2.3	2.8	2.8	2.5	2.3	2.1
<b>Unemployment rate</b> (% avg.)	5.3	4.9	4.4	3.9	3.7	4.0	4.3	4.3
<b>Fed funds</b> (%, eop)	0.50	0.75	1.50	2.50	3.25	3.00	3.00	3.00
<b>5-year Treasuries</b> (%, avg)	1.5	1.3	1.9	2.8	3.2	3.5	3.6	3.7

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