

The logo for BBVA Research, featuring the letters "BBVA" in a bold, white, sans-serif font, followed by the word "Research" in a smaller, lighter weight sans-serif font. A small teal square is positioned to the right of the word "Research".

**BBVA** Research

# U.S. Auto Industry Chartbook

## 4Q18

January 2019

Creating Opportunities

## Key Messages



- Auto sales closed 2018 at 17.2 million units, virtually unchanged from the previous year
- Robust economic growth has been the main driver of auto sales
- Going forward, higher interest rates and a higher supply of “off-leasing” vehicles will exert downward pressures on demand for new vehicles
- Retailers are expected to focus on the more lucrative “used vehicle” segment
- Electric vehicle sales increased 80% in 2018, surpassing 350,000 units. EV sales are expected to grow further in 2019



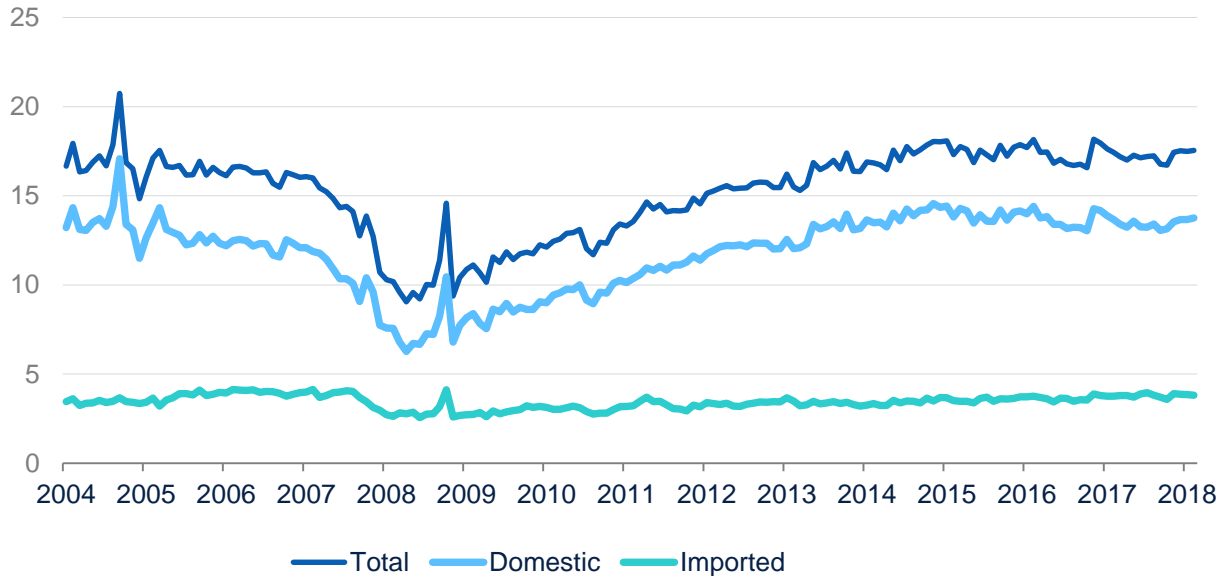
# 01

## Sales

# Sales

## U.S. Total light weight vehicle sales

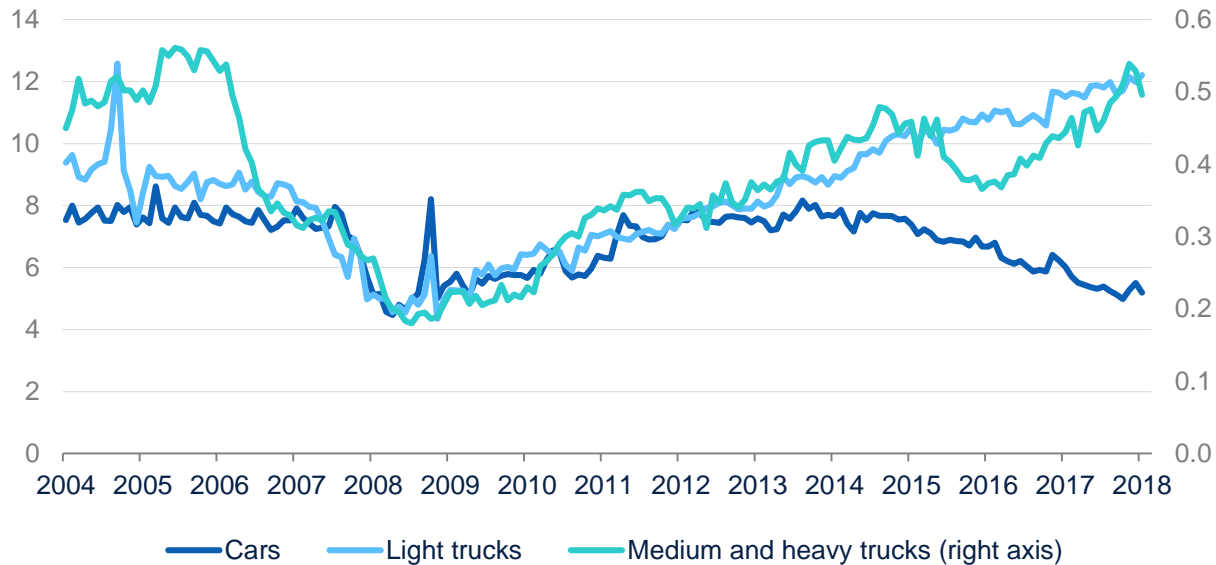
(SAAR, million units)



# Sales

## U.S. Total vehicle sales

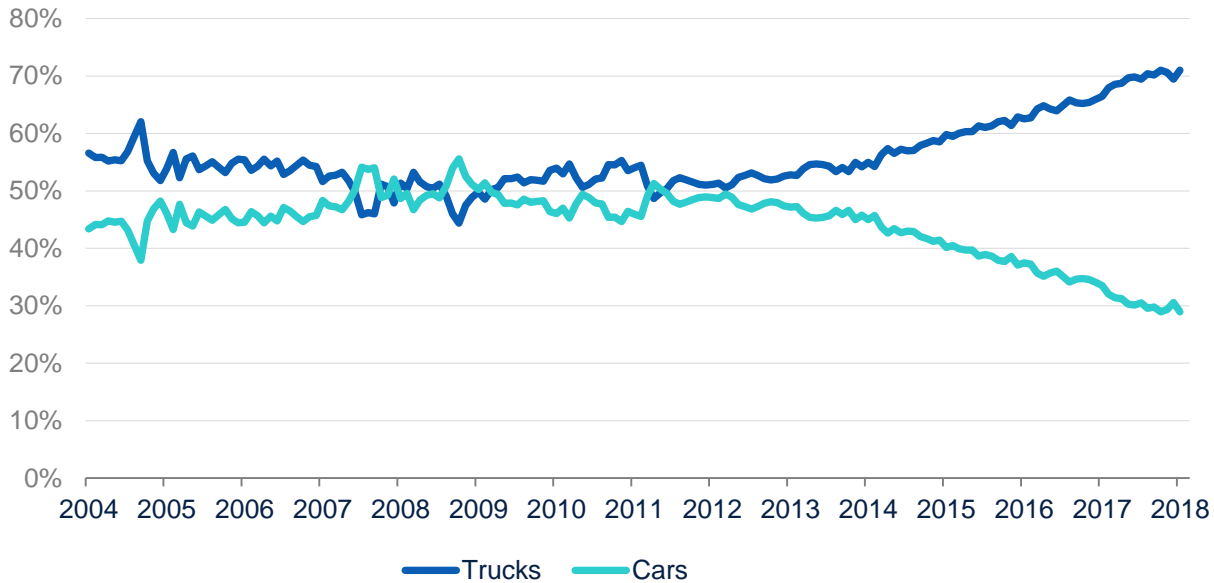
(SAAR, million units)



# Sales

## U.S. Total vehicle sales

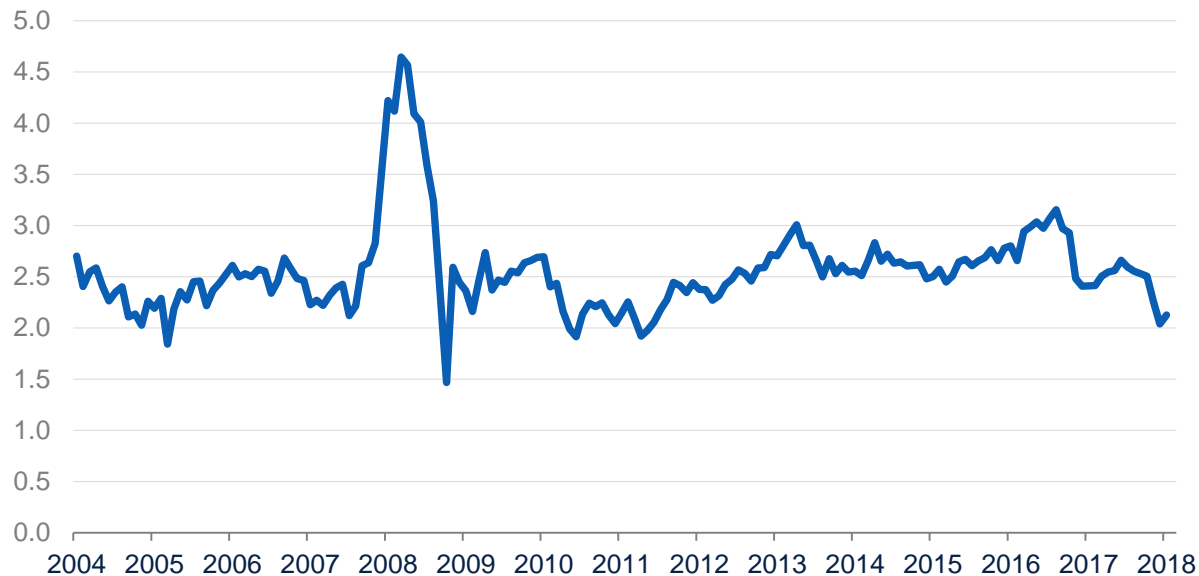
(Share of total)



# Sales

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

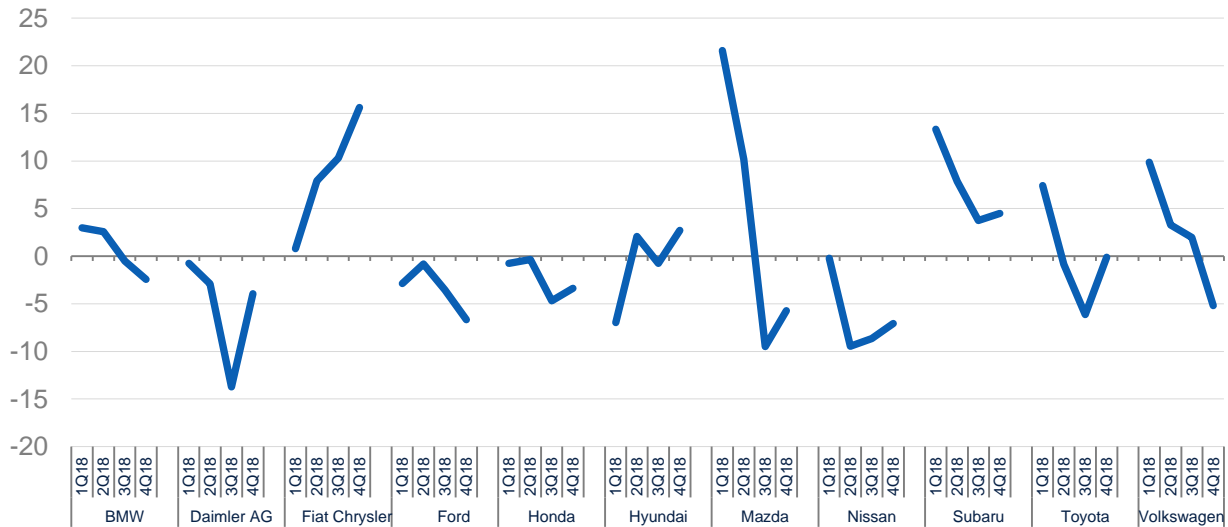
(Seasonally adjusted)



# Sales

## U.S. Sales growth by brand

(4Q18, yoy % change)

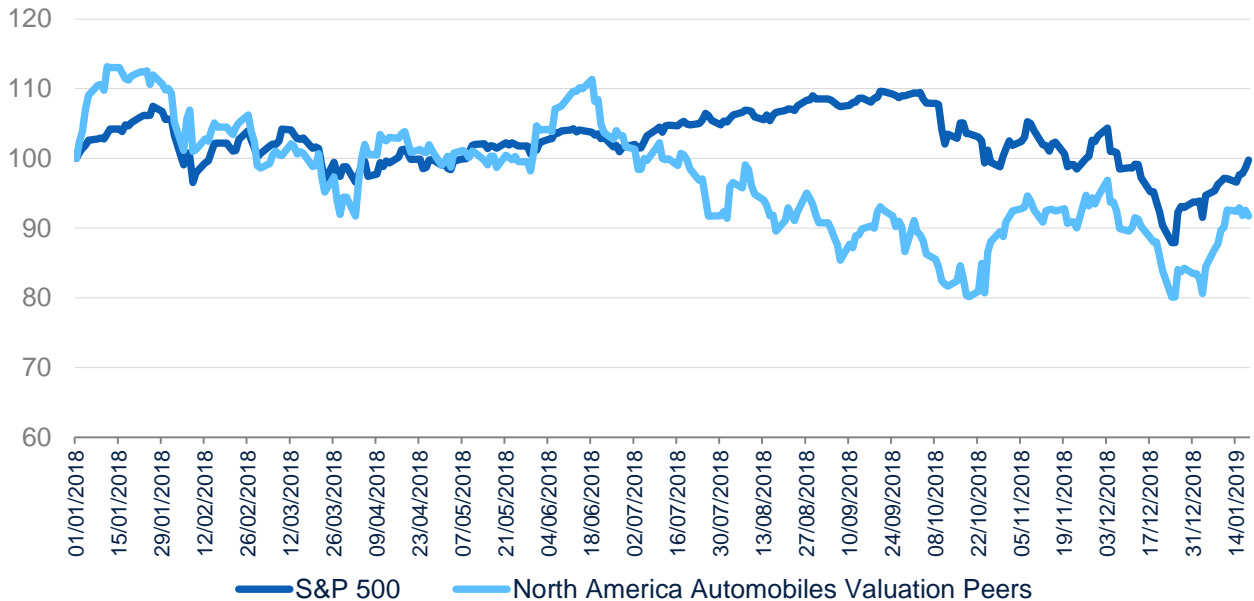




# Stock market

## Stock market indices

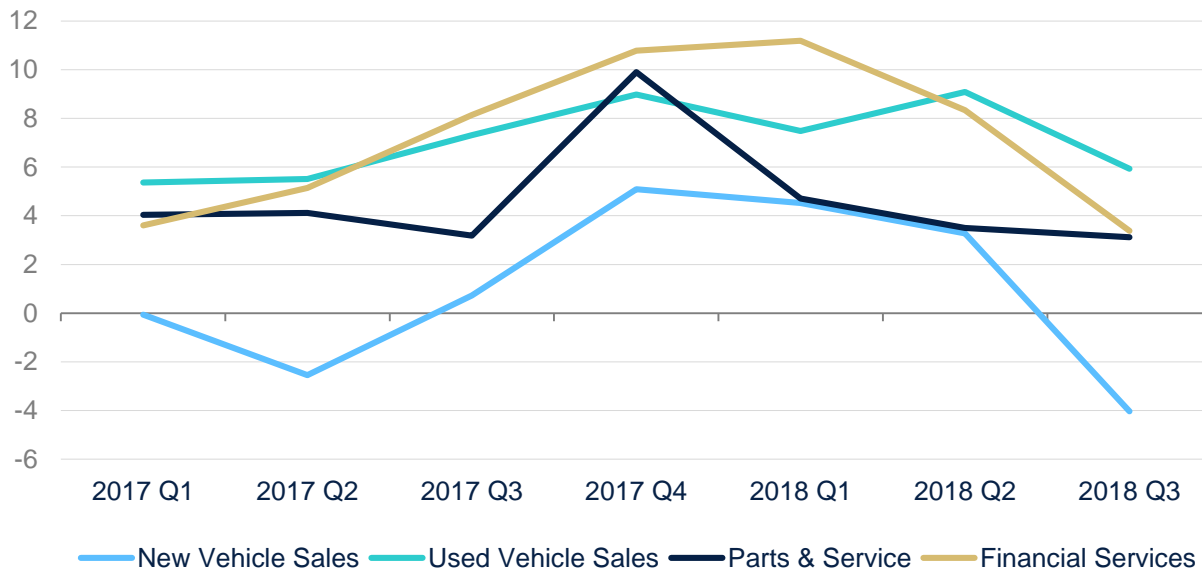
(Index, 1/1/2018 = 100)



# Auto retailers

## U.S. Auto retailers: revenue by product segment

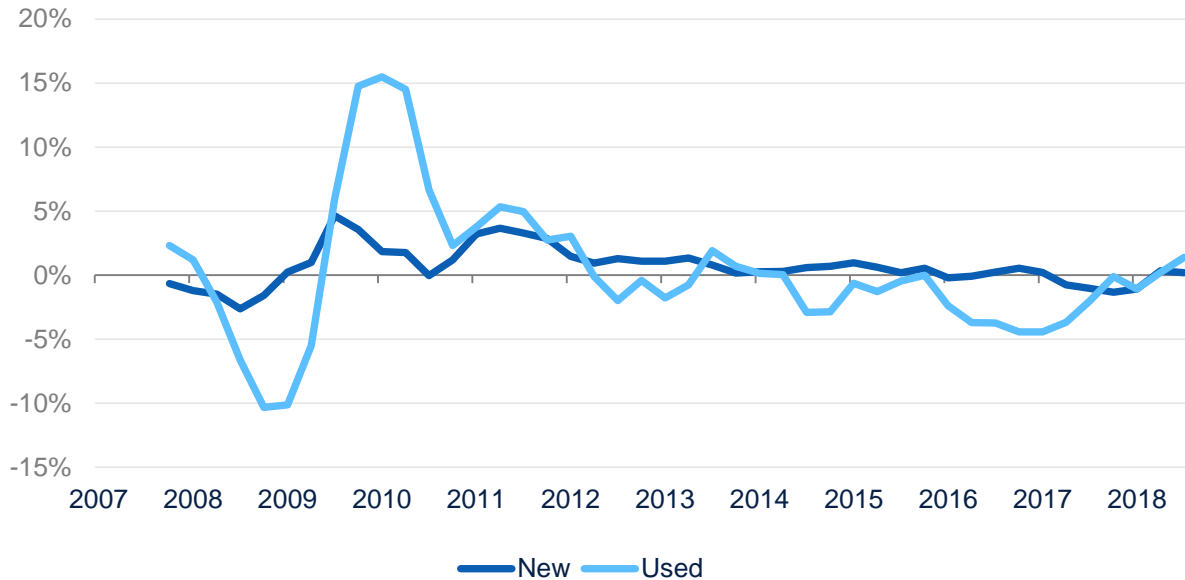
(yoy % change)



# Prices

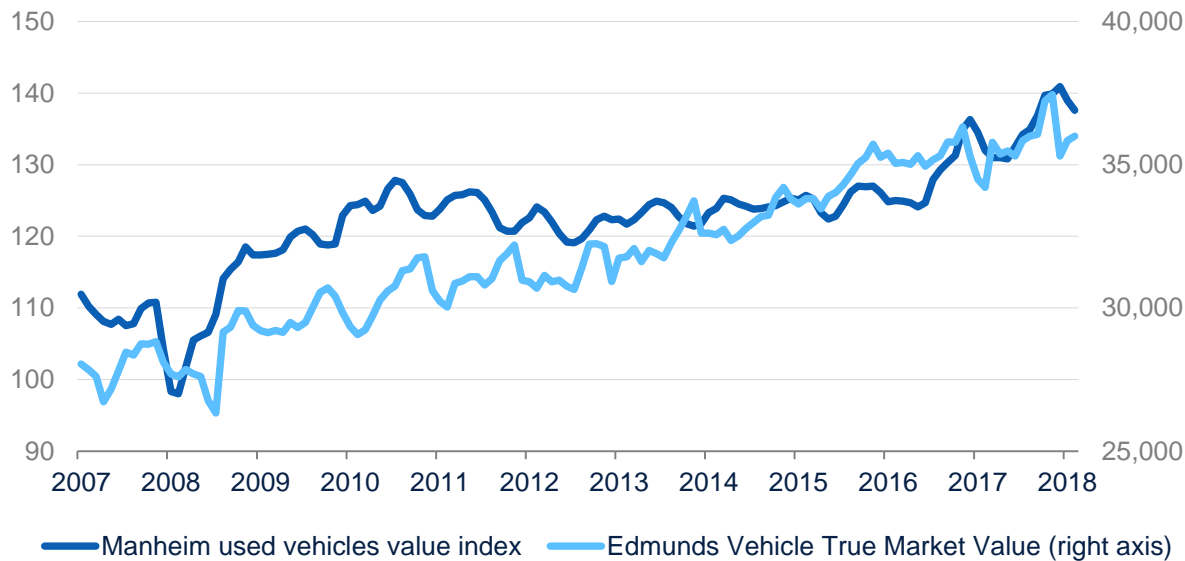
## U.S. Consumer price index: cars and trucks

(yoy % change)



# Prices

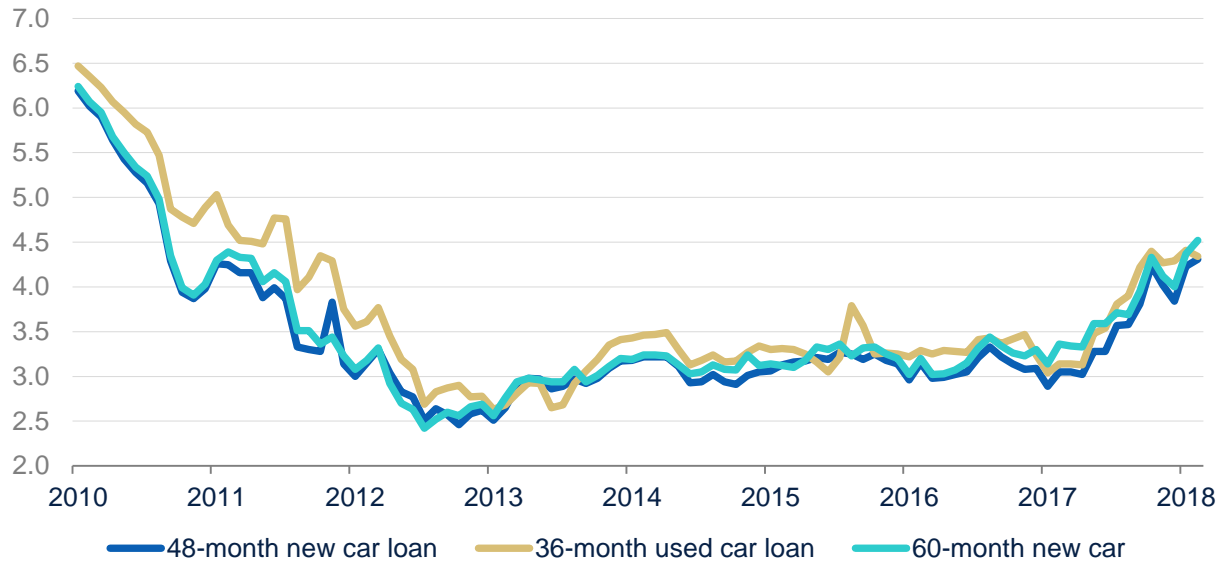
## U.S. Auto Prices



# Financial conditions

## U.S. Interest rates

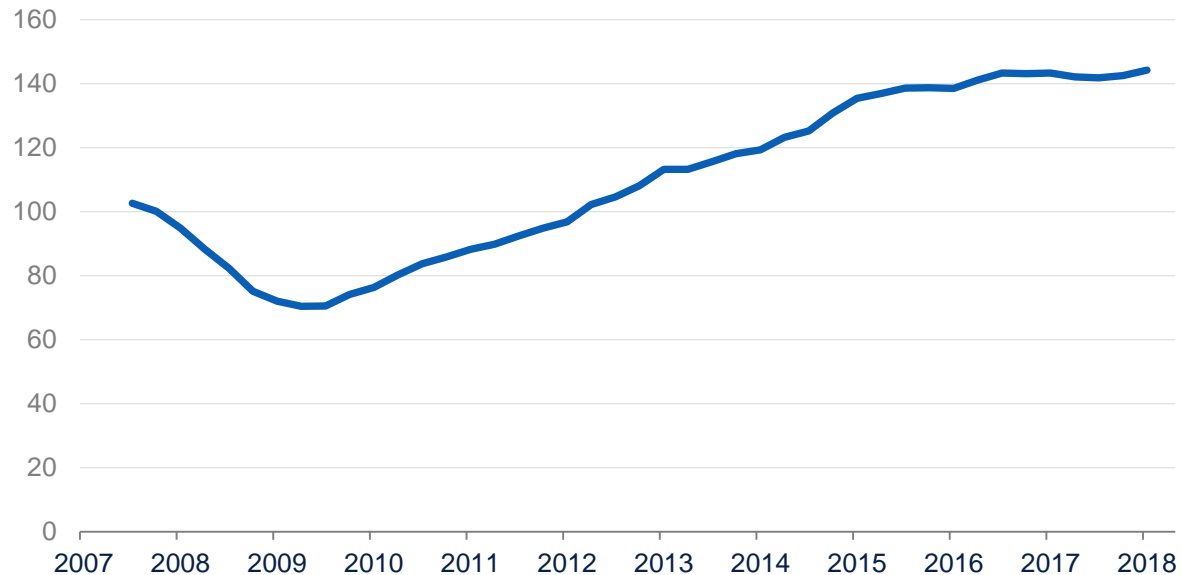
(yoy % change)



# Financial conditions

## U.S. Newly originated installment auto loans

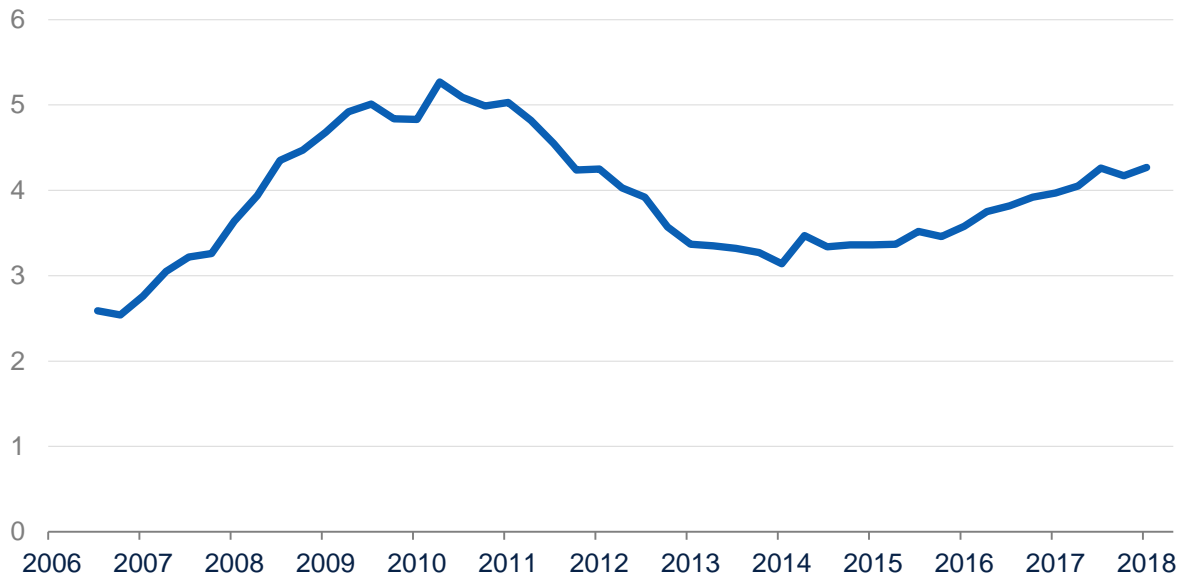
(\$ billion, eop, 4-qtr moving avg.)



# Financial conditions

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

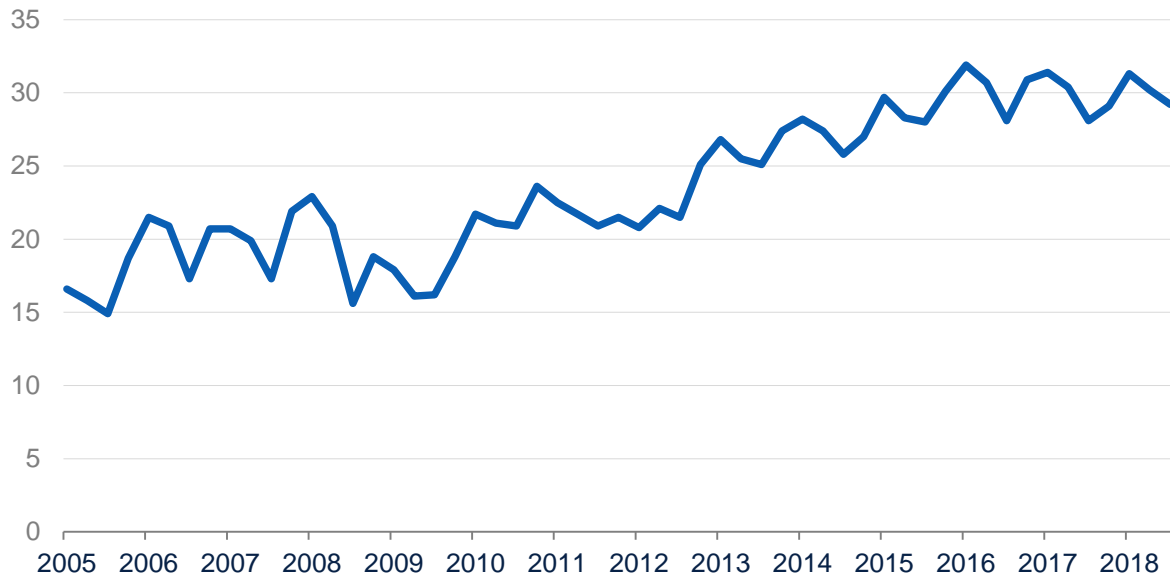
(% of balance)



# Leasing

## U.S. Leasing penetration rate

(%)





# Gasoline

## U.S. Spot price

(cents per gallon)



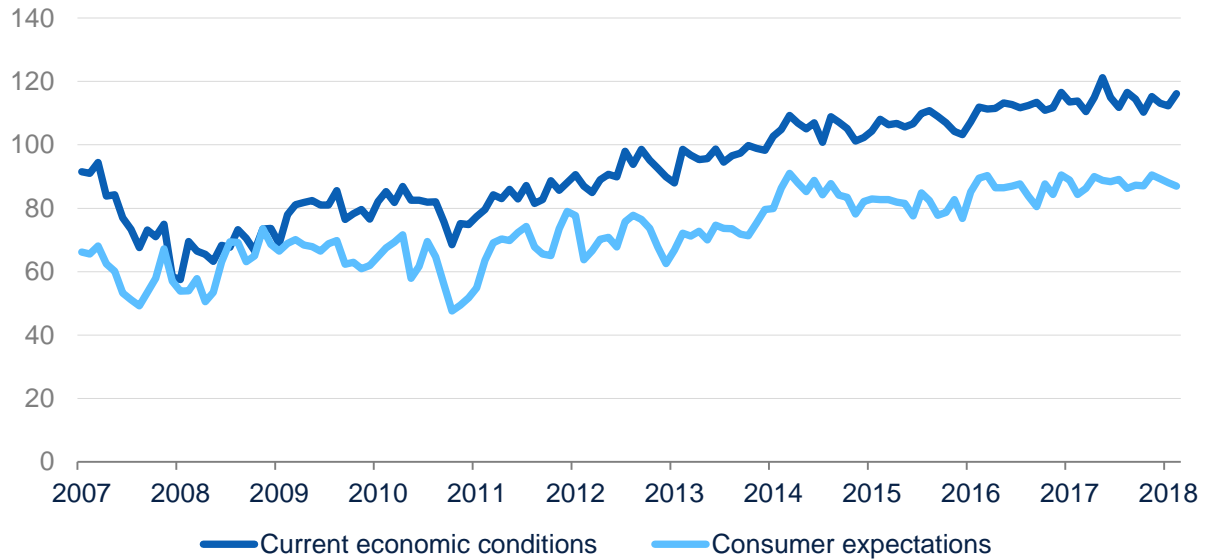


# 02

## Consumers

# Consumers

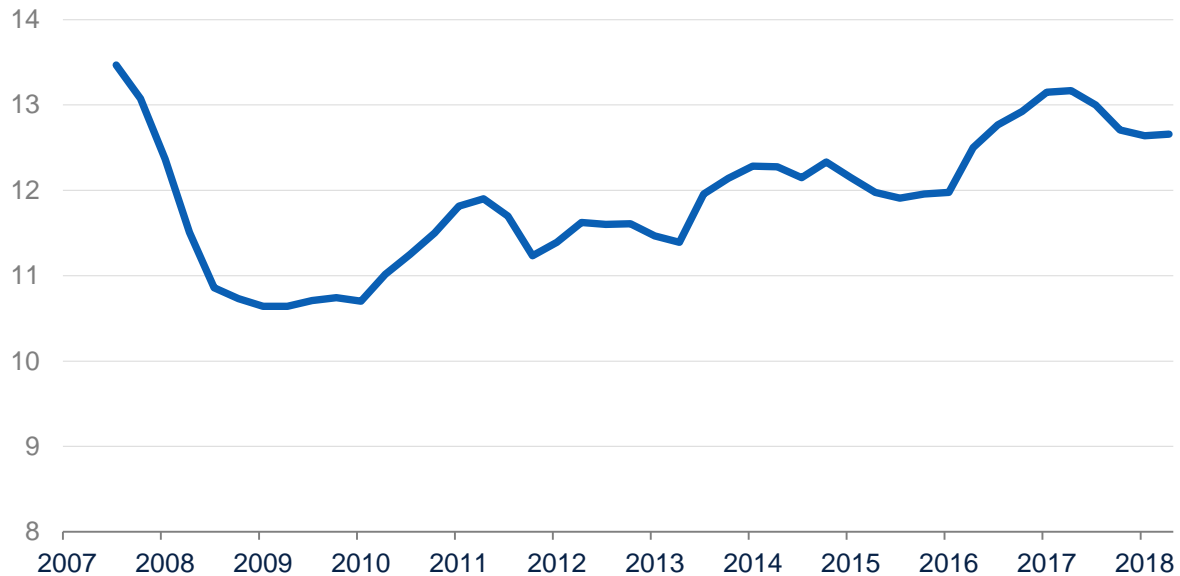
## U.S. Consumer sentiment index



# Consumers

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

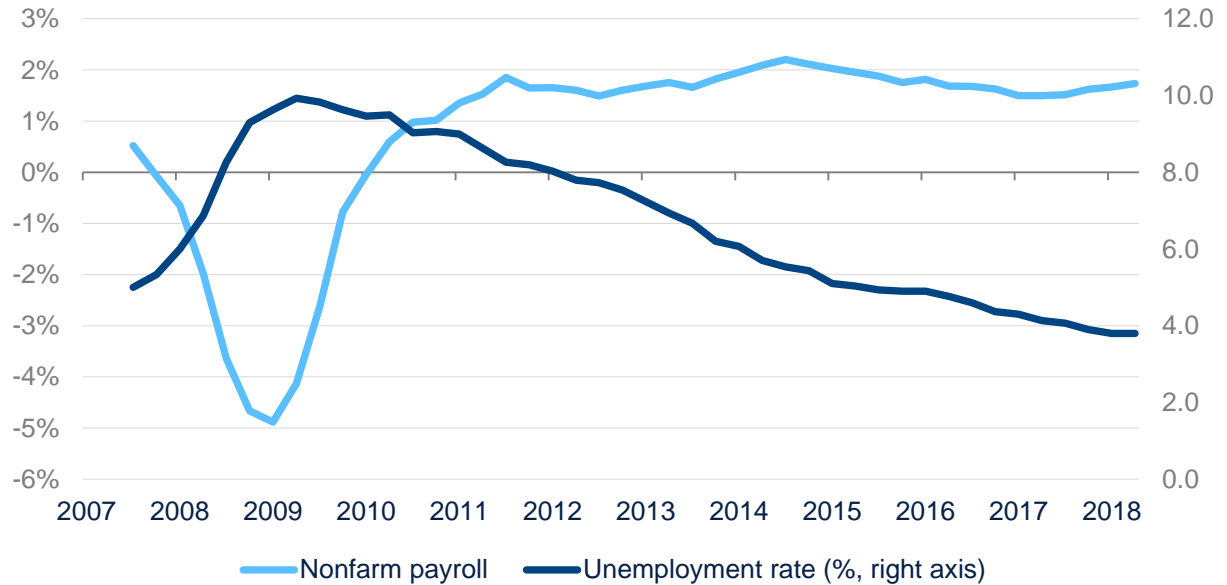
(% of respondents)



# Consumers

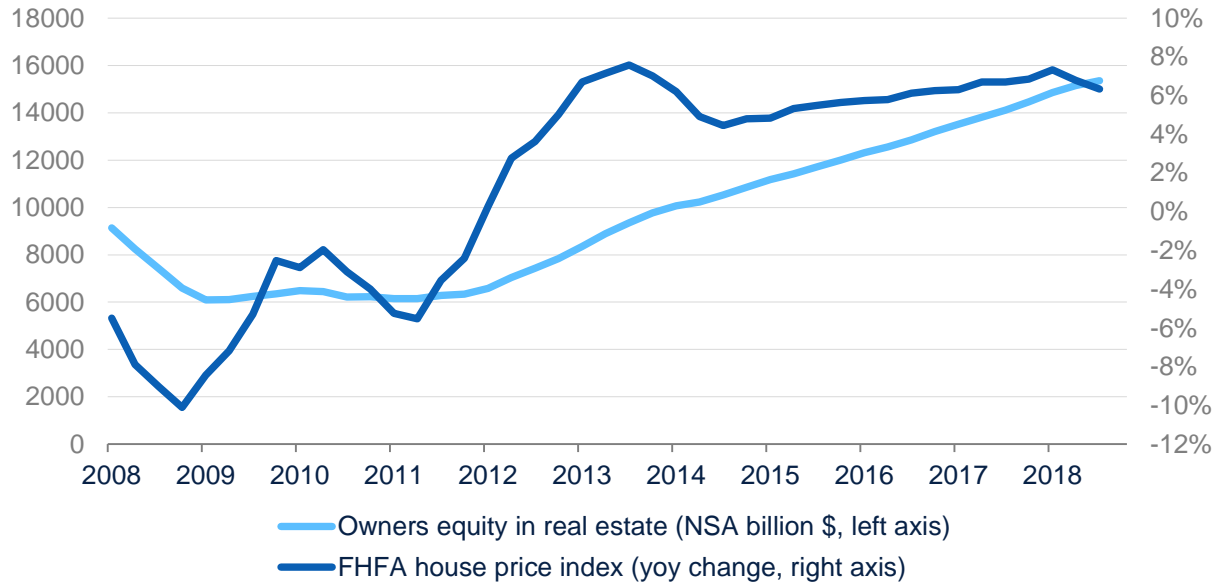
## U.S. Nonfarm payroll growth and unemployment rate

(yoy % change and %)



# Consumers

## U.S. Household equity and home prices



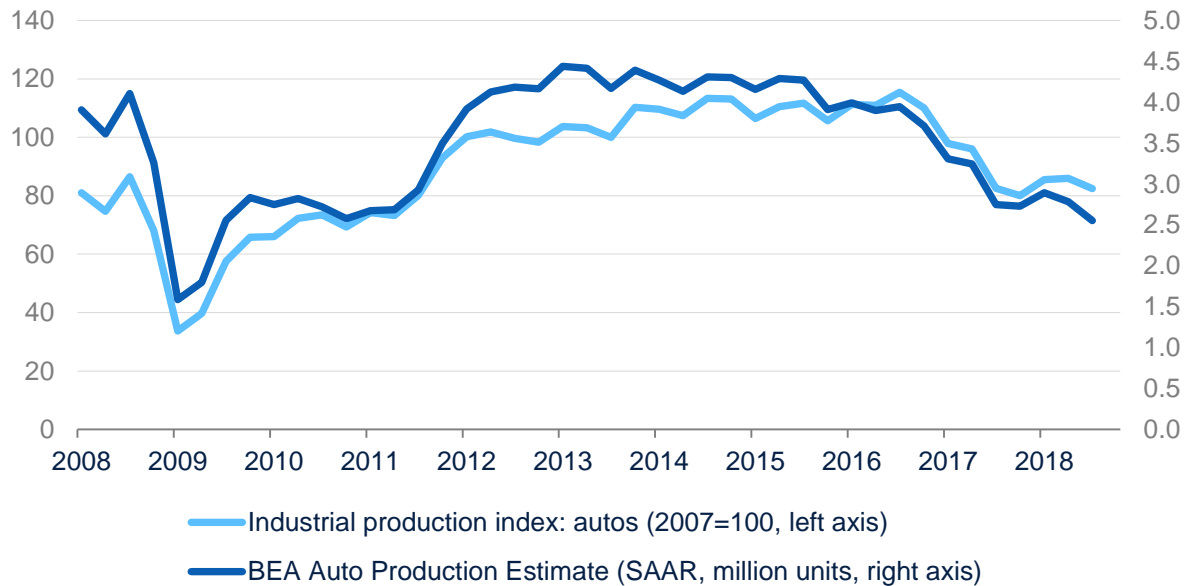


# 03

## Production

# Production

## U.S. Auto production





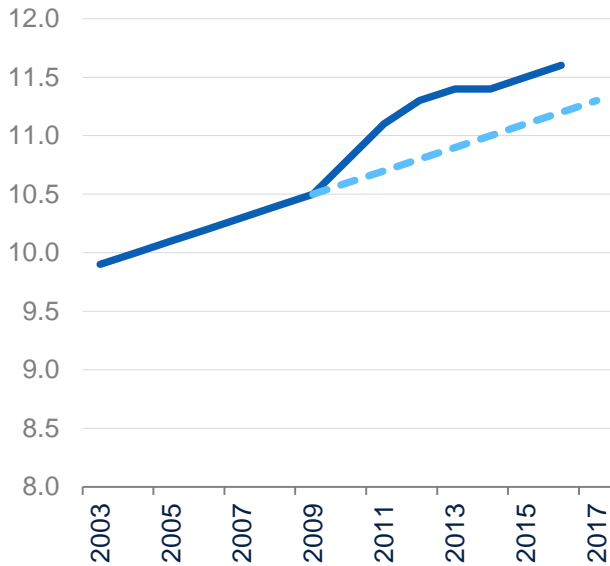


# 04

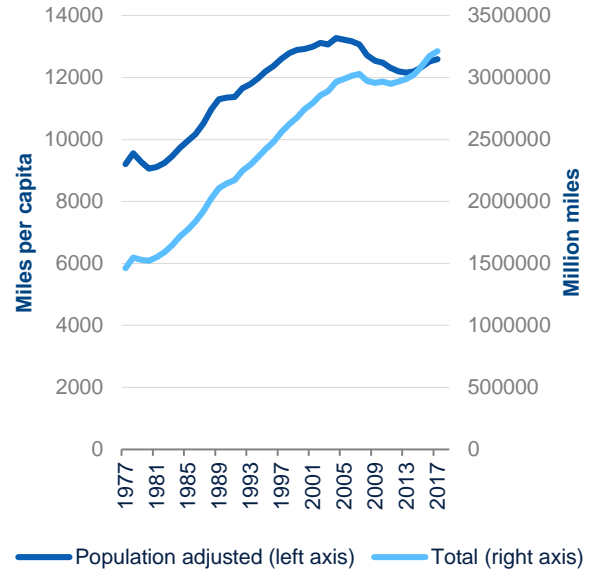
## Structural

# Fundamentals

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



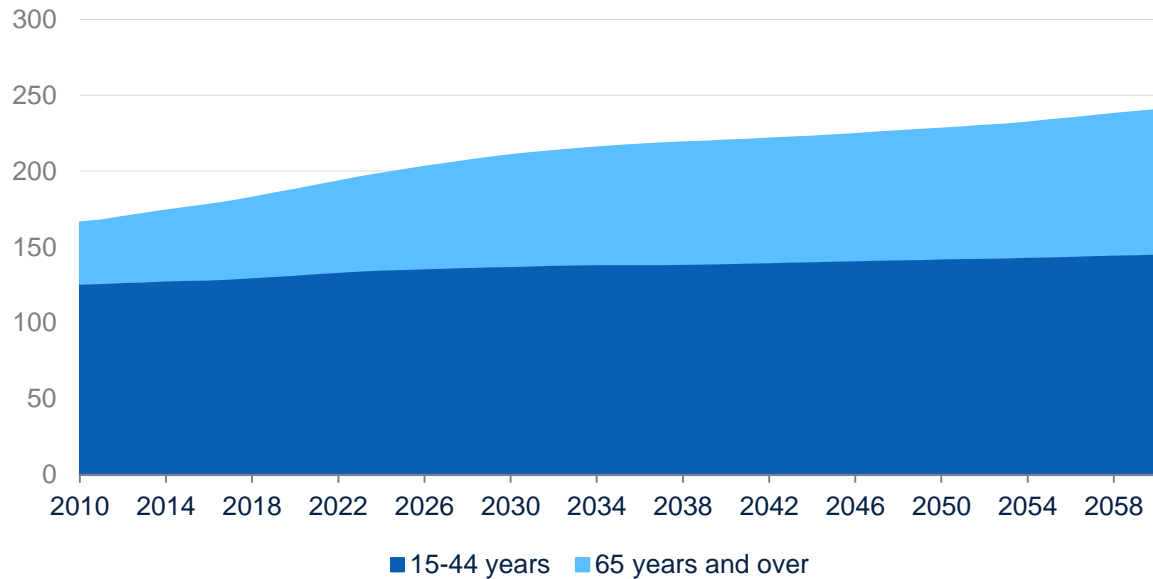
## Vehicle miles of travel (total and adjusted by labor force)



# Demographics

## U.S. Population projections by age

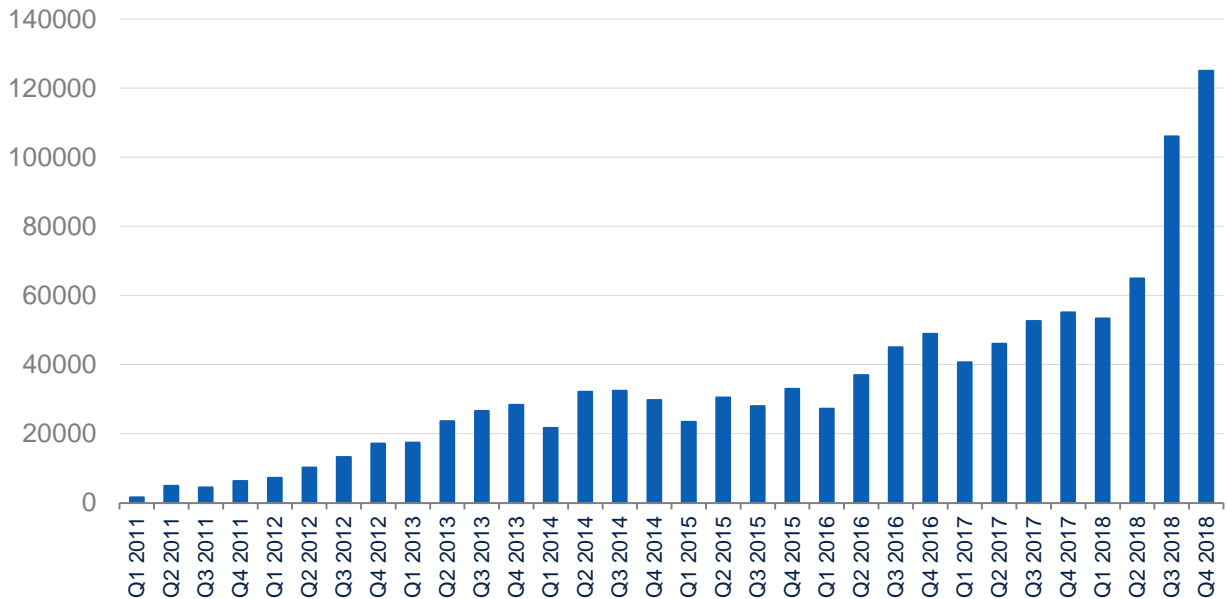
(millions)



# 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	<b>16.9</b>	<b>16.6</b>	<b>16.8</b>	<b>16.8</b>
<b>Real GDP growth*</b> (% change)	2.9	1.6	2.3	2.9	<b>2.5</b>	<b>2.0</b>	<b>1.9</b>	<b>1.8</b>
<b>Unemployment rate</b> (% avg.)	5.3	4.9	4.4	3.9	<b>3.8</b>	<b>4.1</b>	<b>4.2</b>	<b>4.5</b>
<b>Fed funds*</b> (%, eop)	0.50	0.75	1.50	2.50	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<b>5-year Treasuries*</b> (%, avg)	1.5	1.3	1.9	2.8	<b>2.9</b>	<b>3.2</b>	<b>3.3</b>	<b>3.4</b>

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