

READING THE METER

*A look inside a cleaner, safer,
smarter auto industry.*



ALLIANCE FOR AUTOMOTIVE INNOVATION

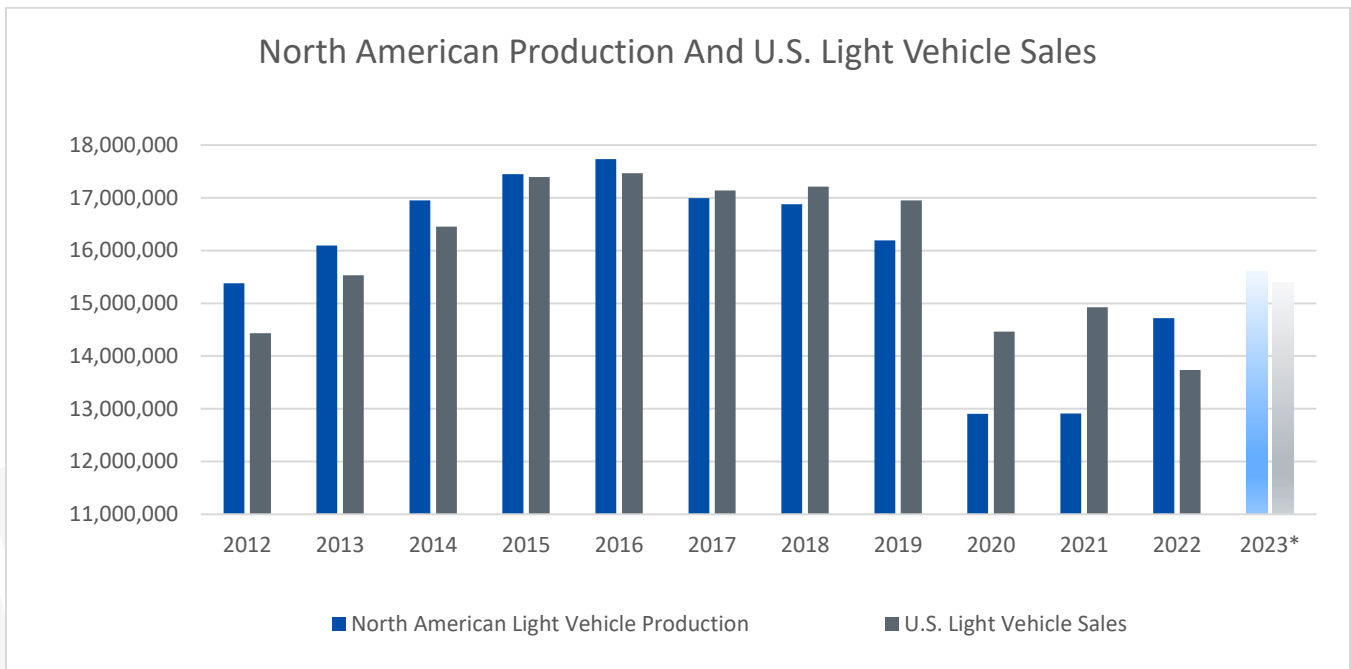
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Forecast Meter

Sales & Production Summary and Forecast (Updated 7/7)

2022-2023 Sales,¹ Extended Sales Forecast,² and Production Forecasts.³		
	U.S. Sales & Forecasts	North American Production
January '22	991,156 (-10% YoY)	1,111,390 (-4% YoY)
February '22	1,052,524 (-11.8% YoY)	1,112,429 (-1% YoY)
March '22	1,246,336 (-22% YoY)	1,350,102 (-.1% YoY)
April '22	1,226,950 (-22% YoY)	1,177,851 (+8% YoY)
May '22	1,104,993 (-23.8% YoY)	1,215,000 (+20.4% YoY)
June '22	1,126,724 (-16.8% YoY)	1,259,515 (+13.8% YoY)
July '22	1,129,371 (-8.4% YoY)	977,485 (+7% YoY)
August '22	1,128,200 (-.7% YoY)	1,413,262 (+29 %)
September '22	1,112,245 (+3.9% YoY)	1,258,501 (+38% YoY)
October '22	1,151,774 (+13.8% YoY)	1,299,707 (+12.4% YoY)
November '22	1,120,067 (+6% YoY)	1,200,244 (+5.5% YoY)
December '22	1,263,268 (+4.9% YoY)	1,074,938 (+3.4% YoY)
January '23	1,033,002 (+4.2% YoY)	1,195,548 (+12.9% YoY)
February '23	1,136,332 (+8.7% YoY)	1,257,482 (+15% YoY)
March '23	1,365,966 (+8.6% YoY)	1,442,991 (+6.7 YoY)
April '23	1,347,159 (+13.1% YoY)	1,281,626 (+8.6 YoY)
May '23	1,362,019 (+18.0% YoY)	1,462,273 (+25.5 YoY)
June '23	1,370,976 (+19.9% YoY)	
2022 Full Year	15.3 million units (WardsIntelligence)	14,721,053 (+9.8% YoY) (U.S. 10,019,791)



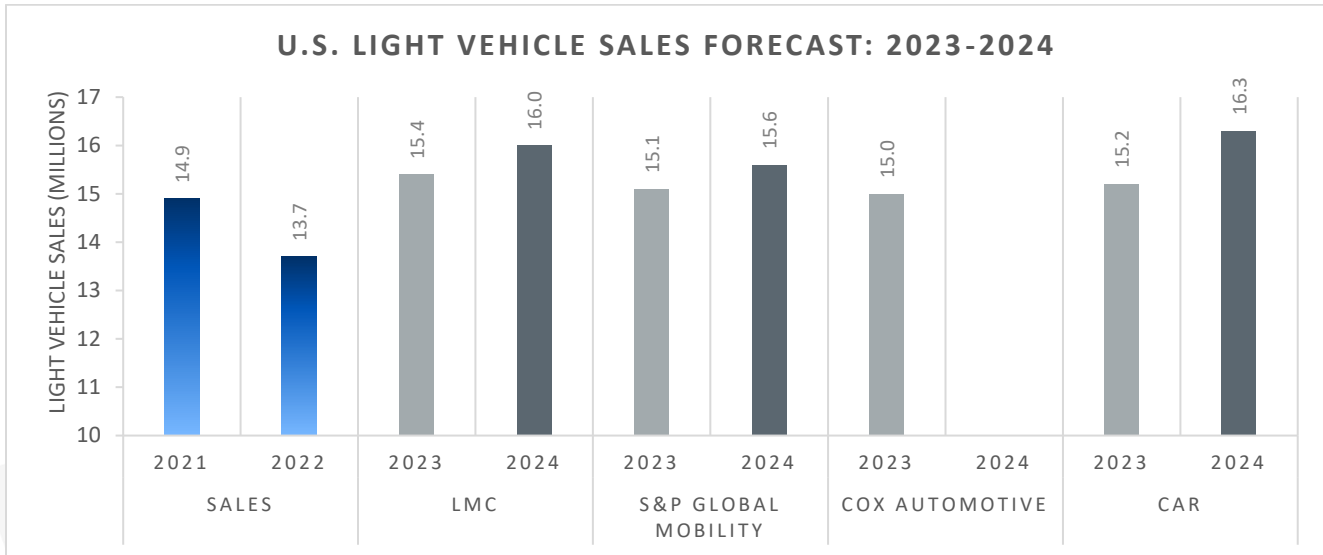
U.S. Light Vehicle Sales Outlook (Updated 7/7)

Wards Intelligence Outlook (7/7)-4: “The forecast for sales in the U.S. also has been steadily revised in small increments in recent months to a current total of 15.4 million units in 2023. Light-vehicle sales in first-half 2023 equaled a 15.4 million-unit seasonally adjusted annual rate and need only match that in the second half to get to the entire-year forecast.

“There are economic and geopolitical headwinds, as well as the negative impact of a possible strike (or strikes), that could kick in over the rest of the year and cut demand, but, conversely, the inventory outlook puts more upside potential to forecast second-half sales.

“Also boding well for stronger sales is inventory of more affordable light vehicles – non-luxury small and midsize cars, CUVS and SUVs – is rising. For the second straight month, the mix of those vehicles increased from the same year-ago period after having declined every month for two consecutive years. Inventory share for the group rose to 34.9% in June from 32.4% in like-2022. That is bearing out in sales market share, which increased to 46.1% in June from 44.7% in same-month 2022 – also the second straight year-over-year increase after mostly declines over the past two years.

“In fact, the inventory mix in June for just the Small Car and Small CUV segments, or entry-price segments, both increased year-over-year, also after mostly declines over the past 24 months, with the same pattern in sales. The two segments combined for sales market share of 16.0% in June, up from 15.1% in like-2022.



North American Production & Inventory Outlook (Updated 7/7)

Wards Intelligence Production Outlook (7/7)⁵: “Excluding the possibility of production-stopping strikes later this year depending on negotiations in Canada and the U.S. between the two main labor unions and Ford, General Motors and Stellantis, Wards Intelligence partner GlobalData has increased the production forecast for North America for entire-2023 to 15.6 million units from month-ago’s expectations of 15.4 million.”

Wards Intelligence Inventory Outlook (7/7)⁶: “Inventory is now tracking toward a total of 2.3 million units at the end of the year, a hefty upward revision from the 2.1 million forecast a month ago. . . . In June, days’ supply totaled 36, up from the prior month’s 33 and like-2022’s 28. Based on the forecast, days’ supply should be in the mid-40s at the end of the year. Pre-pandemic, December days’ supply averaged about 60 - June typically was around 65.”

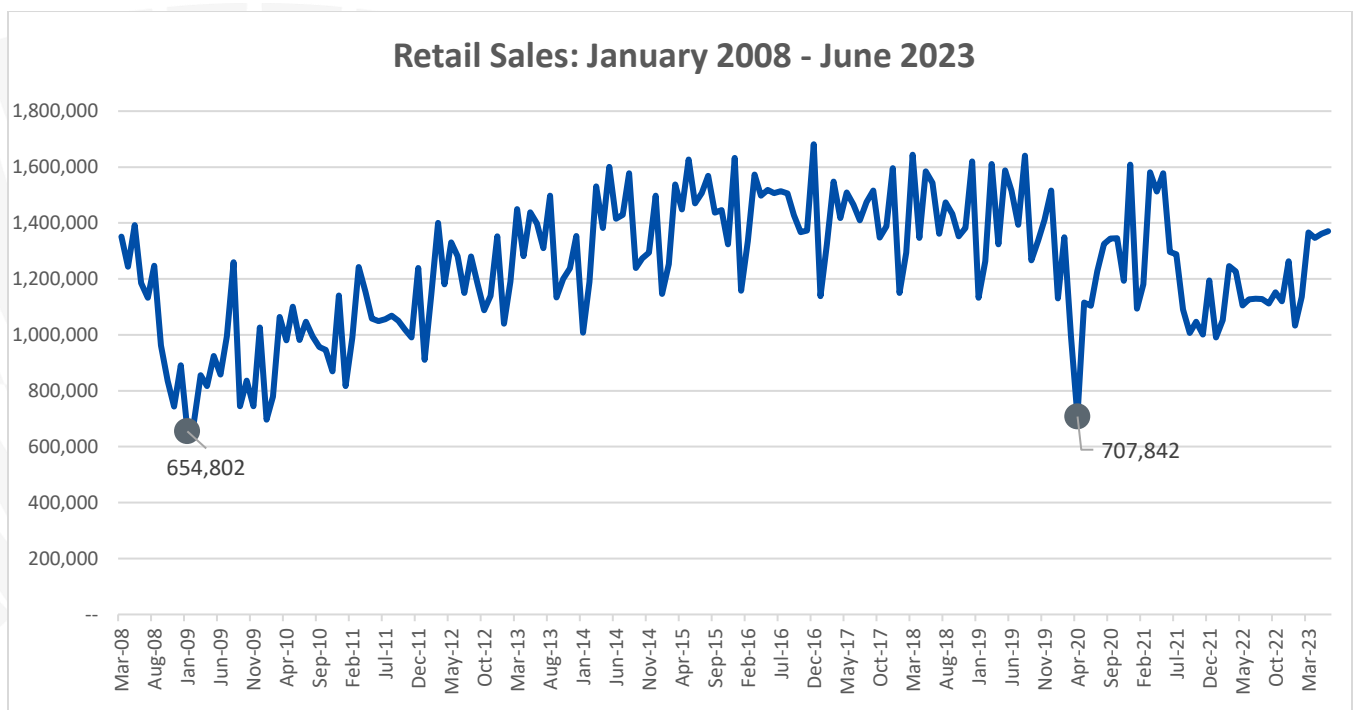
S&P Global Mobility Outlook (6/22)⁷: “North America: The outlook for North America light vehicle production was increased by 317,000 units and reduced by 75,000 units for 2023 and 2024, respectively (and reduced by 37,000 units for 2025). With persistent demand and improving supply chain conditions, most notable among the Japanese manufacturers in the region, the outlook for 2023 was revised upwards by 2.1% to total 15.35 million units. While the immediate near-term outlook improves, rising interest rates and tightening credit standards are expected to begin to take their toll in the coming months with production in 2024 revised down 0.5% to total 15.48 million units. While production support exists in the form of inventory restocking, there are signs that manufacturers are working to preserve their strong pricing power at the expense of building back inventory levels at an excessive pace. Despite the supply chain improvements, the manufacturing environment remains vulnerable with renewed logistics concerns surrounding the US West Coast ports tempering the overall outlook. Additional concern surrounds the upcoming union negotiations between the United Auto Workers (UAW) in the US and Unifor in Canada when their respective contracts expire in September 2023. Hard-line stances from union leadership along with strong pay and benefits expectations from rank-and-file members create a ripe environment for higher strike probabilities. However, a strike event is not reflected in our baseline forecast settings.”

Market Meter

U.S. Light Vehicle Sales (Updated 7/7)

Monthly Sales (Updated 7/7)

This chart helps to put into context the monthly retail sales due to the COVID pandemic and showing the relative drop in sales compared to the 2008 financial crisis.



May Sales (Updated 7/7)

WardsIntelligence[®]: “U.S. light-vehicle sales ended first-half 2023 with solid growth, posting a seasonally adjusted annual rate of 15.7 million units in June, which lifted the second quarter to a 15.6 million annualized rate. June marked the second straight month deliveries finished below expectations, but still represented significant year-over-year growth.

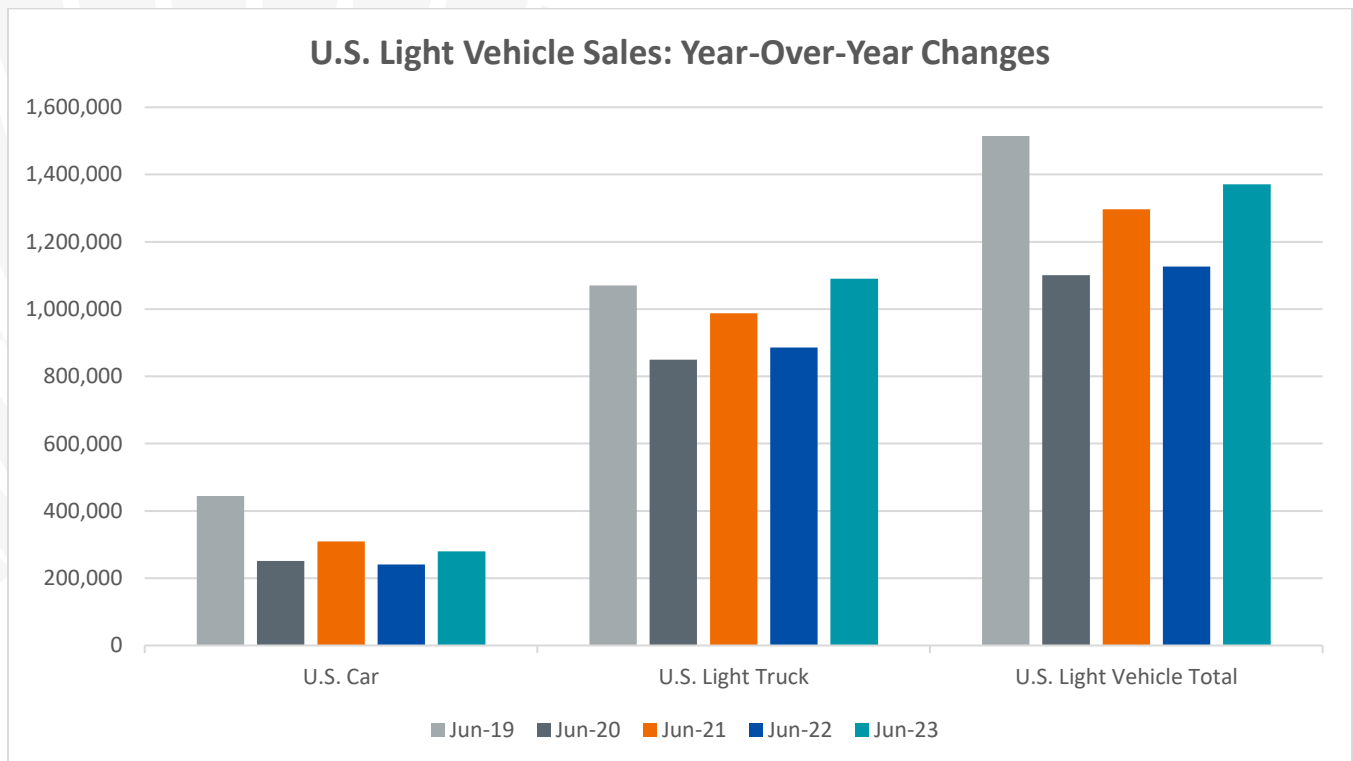
“Raw volume totaled 1.37 million units, up 19.9% year-over-year. June’s daily selling rate was 52,730, up from like-2022’s 43,993 – 26 selling days both periods. The SAAR was well above June 2022’s 13.0 million and May’s 15.1 million.

“The second-quarter SAAR was the highest for any quarter since 16.7 million units in Q2-2021. Deliveries in April-June totaled 4.10 million units, 17.5% above Q2-2022’s 3.49 million.

“Strong growth in Q2 lifted first-half 2023 volume to 7.66 million units, 12.9% above like-2022. Sales are forecast to total 7.72 million units in the second half of 2023, and the entire year is pegged at 15.4 million units. The second-half outlook is an 11% year-over-year gain and the highest volume for the period since 8.06 million in 2020.

“In June, the estimated mix for fleet deliveries was 18%, about the same as the prior month and well above like-2022’s 16.0%. Volume for both retail and fleet increased from June 2022.

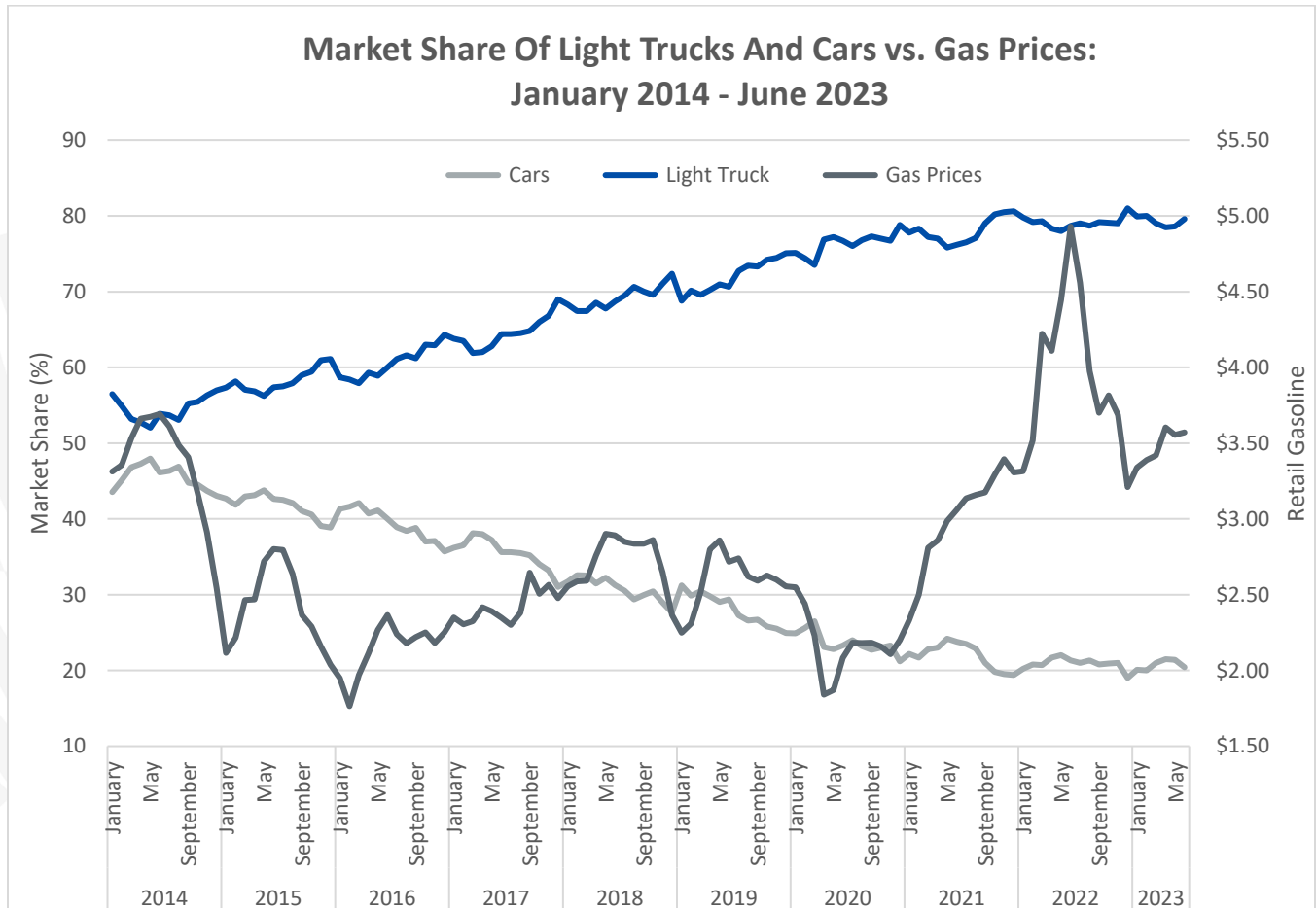
“Estimated retail volume in the first half of 2023 was up 7.6%, while fleet deliveries increased 45%. For the entire year, retail volume is forecast to total 12.6 million units – up 6% year-over-year - with fleet tracking to 2.8 million, up 48%.”



Segments vs. Gas Prices (Updated 7/7)

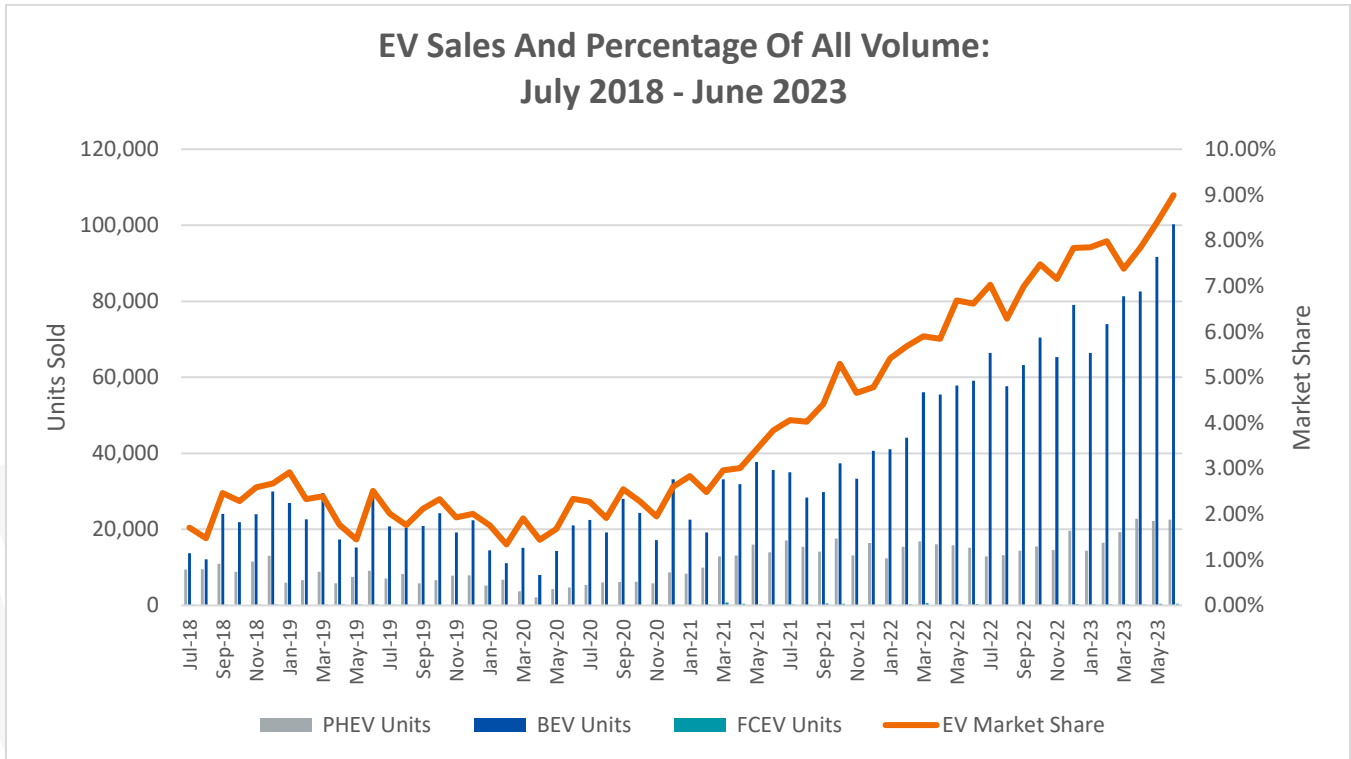
Monthly Sales For June: Light trucks accounted for 79.6 percent of sales in June, nearly flat with the market share a year ago. Compared to the same period in 2022, sales of cars are up about 40,000, and down more than 164,000 from June 2019, when cars comprised 29% of the market as opposed to the 20.4% of the market passenger cars have now.

Historic Perspective: The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments...⁹ and gas was over \$3.00...¹⁰ a gallon. As fuel prices dropped below the \$3.00 mark in mid-September 2014, light truck sales began to take off. Gas prices since have averaged only \$2.83 a gallon (through December 2022) and when combined with increased fuel economy for light trucks, an increase of 4 mpg since 2013, the perfect conditions existed to continue fueling light truck market growth...¹¹



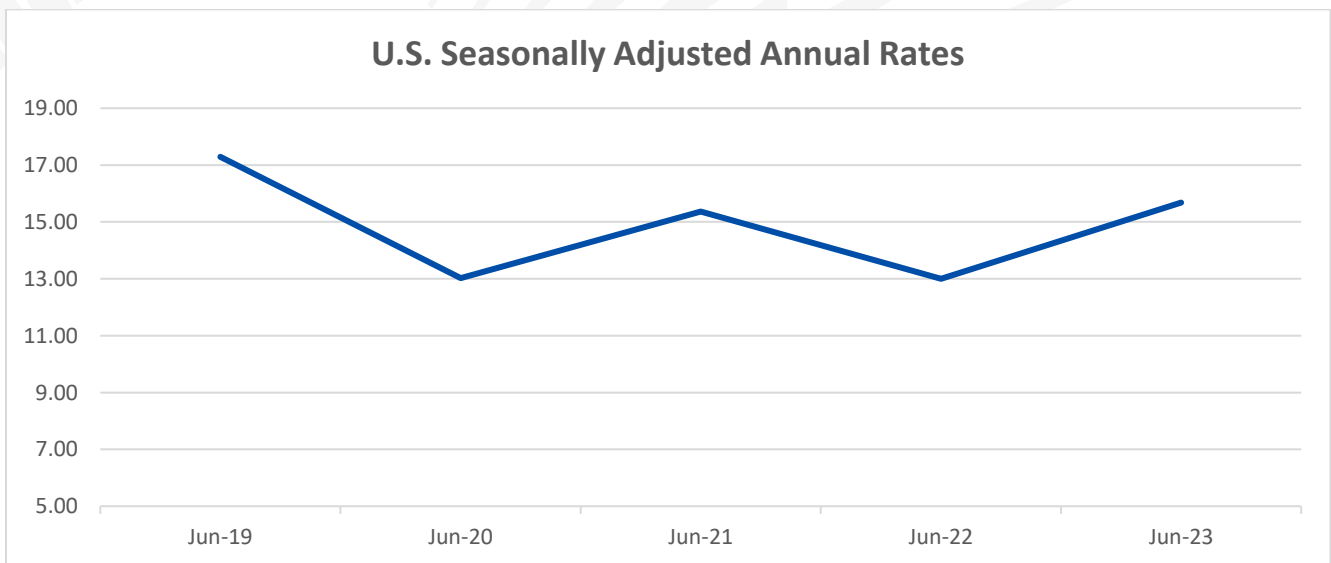
EV Powertrain Sales (Updated 7/7)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 8.9% of total vehicle sales in June 2023 (123,301) – the highest monthly volume and market share to date. Market share increased 0.60 percentage points from May 2023 according to Wards Intelligence data. June’s EV market share is up 2.38 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 7.3 percent of total sales, up 2.1 pp from June 2022. Plug-in hybrids accounted for 1.6%, up 0.3 pp from the same time last year...¹²



Seasonally Adjusted Annual Rates (Updated 7/7)

WardsIntelligence¹³: “U.S. light-vehicle sales ended first-half 2023 with solid growth, posting a seasonally adjusted annual rate of 15.7 million units in June, which lifted the second quarter to a 15.6 million annualized rate.”



Average Transaction Price (Updated 6/22)

Kelley Blue Book (May) (Updated 6/22)¹⁴: “The average price Americans paid for a new vehicle in May remained below the manufacturer's suggested retail price (MSRP) for the fifth consecutive month, according to data released today by Kelley Blue Book, a Cox Automotive company. The average transaction price (ATP) of a new vehicle in the U.S. increased May 2023 to \$48,528, a month-over-month increase of 0.5% (\$251) from an upwardly revised April reading of \$48,277.

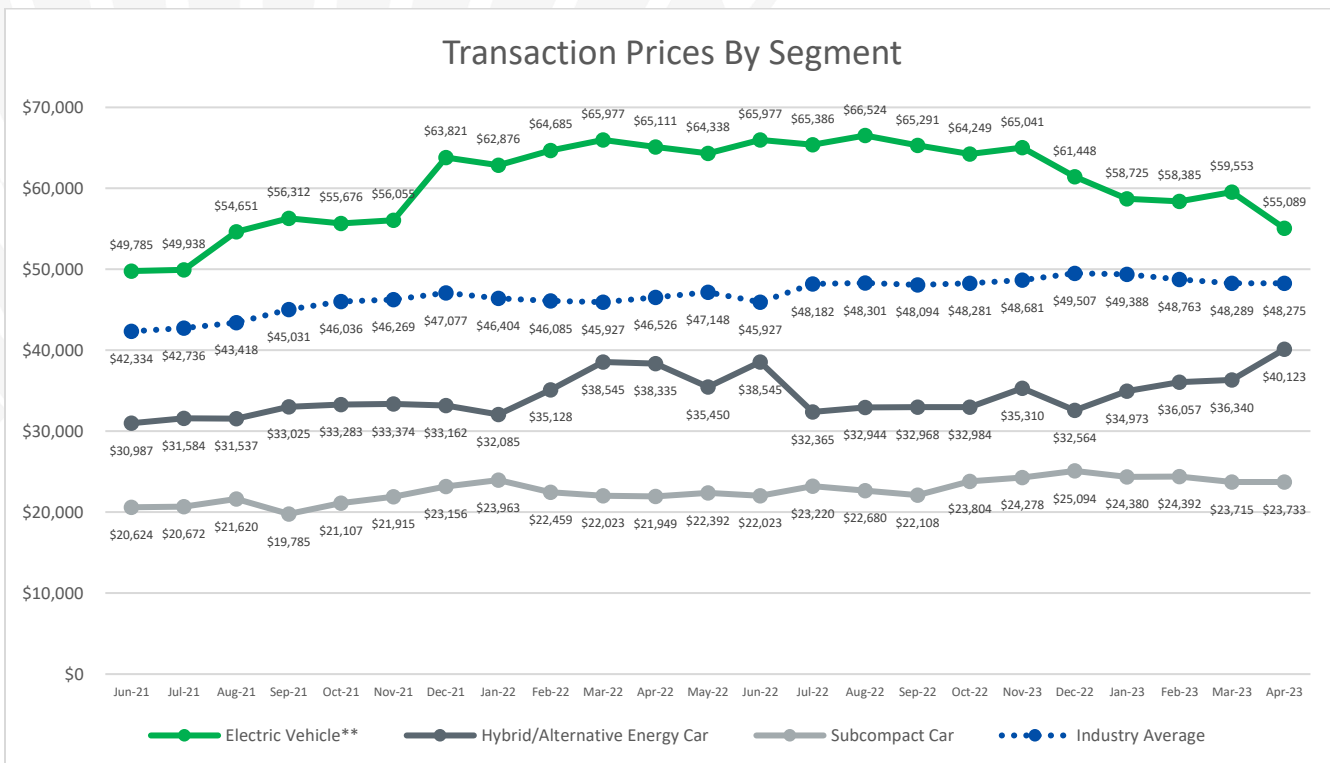
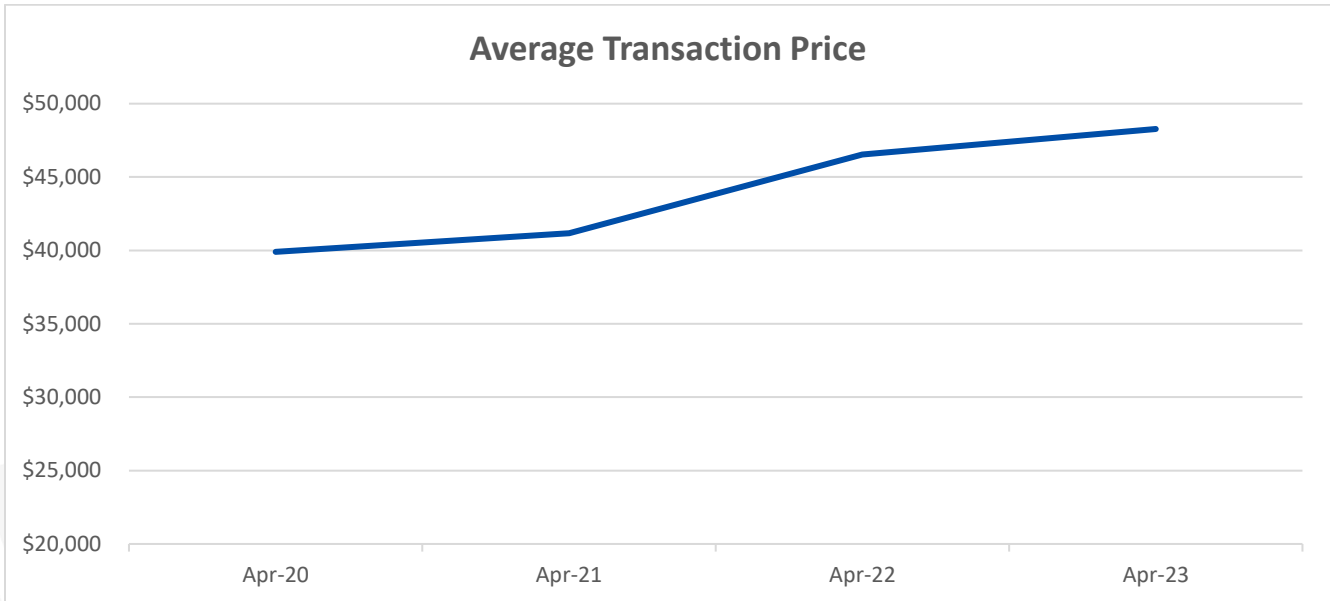
“New-vehicle transaction prices in May were up 3% (\$1,393) compared to year-ago levels. The year-over-year increase in May of 3% was the smallest in 2023; in May 2022, new-vehicle prices were up 13.5% year over year. Meanwhile, auto manufacturers' incentive spend in May rose to the highest level in the past year at 3.9% of the ATP, averaging \$1,914. One year ago, average incentive spending was 2.5% of ATP.

“In May 2023, the average price consumers paid for a new vehicle fell to \$410 below MSRP, or sticker price. For comparison, a year ago, the average ATP was \$637 above MSRP.

“The initial estimate for the average price paid for a new electric vehicle (EV) in May is \$55,488, mostly stable from last month and aligned with the industry change. The ATP for EVs in May 2023 is down a noteworthy \$9,370 (down 14%) compared to one year ago. New EV pricing peaked in June 2022 and has fallen more than \$5,800 so far in 2023. EV incentives are trending higher.”

J.D. Power (Updated 6/6)¹⁵: “New-vehicle transaction prices continue to rise, with the average price reaching a May record of \$45,838. This is a 0.7% increase from a year ago. The record transaction prices means that consumers are on track to spend nearly \$46.9 billion on new vehicles this month—the second highest for the month of May and 13% higher than May 2022.

“Manufacturer discounts have remained relatively consistent compared with April but have increased materially from a year ago. The average incentive spend per vehicle has risen 88.1% from May 2022 and is currently on track to reach \$1,788. Expressed as a percentage of MSRP, incentive spending is currently trending at 3.7%, an increase of 1.6 percentage points from May 2022. One of the factors contributing to this low level of spending relative to historical norms is the lower discounts on leased vehicles.”

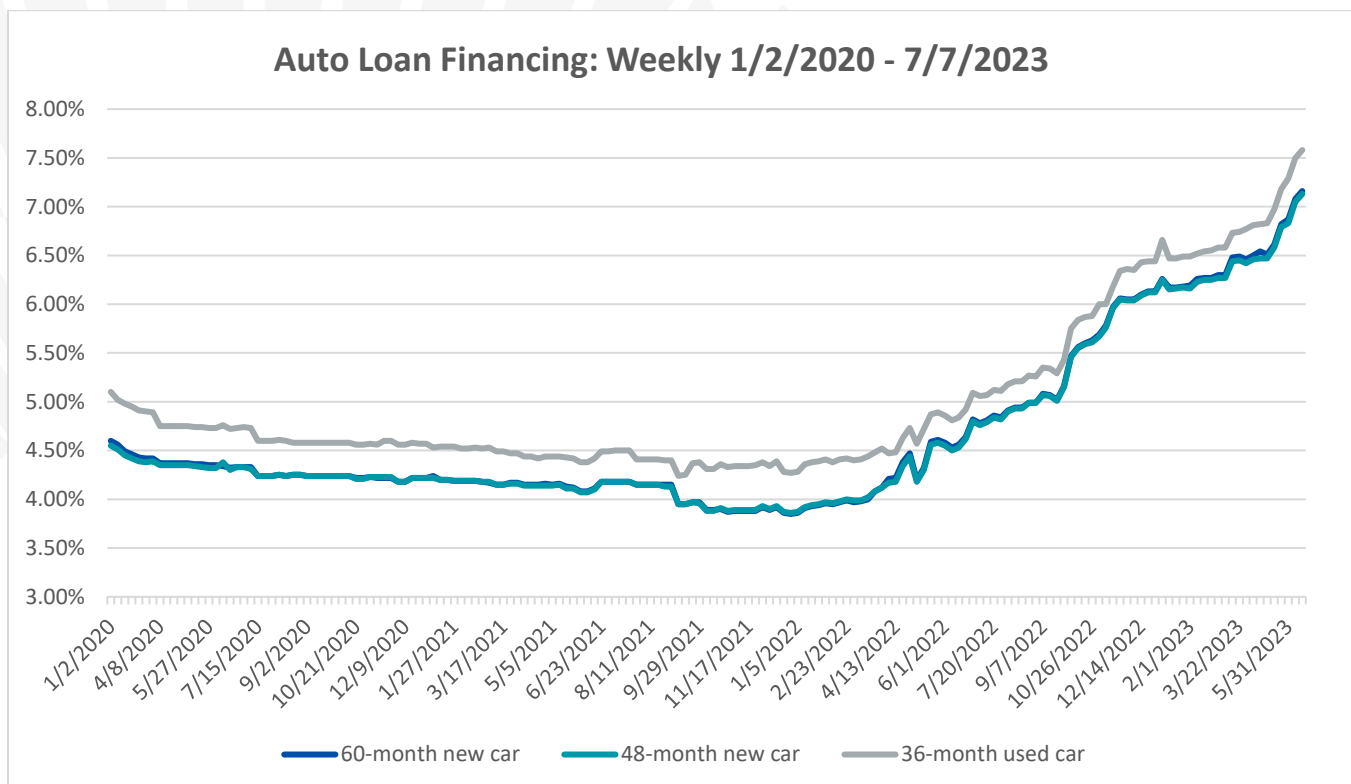


Auto Loan Financing (Updated 7/7)

Interest Rates (updated 6/6): Interest rates continued their upward trajectory on the 60-month, 48-month and 36-month used car loans. Rates now stand at 7.16%, 7.13%, and 7.6%, respectively. Since the beginning of 2020, 60-month rates are up 2.56 pp, and are up 2.38 pp since the same time a year ago...¹⁶

JD Power (5/4)¹⁷: “Elevated pricing coupled with interest rate increases continue to inflate monthly loan payments. The average monthly finance payment in May is on pace to be \$736, up \$48 from May 2022. That translates to a 7.0% increase in monthly payments from a year ago. The average interest rate for new-vehicle loans is expected to be 7.0%, an increase of 206 basis points from a year ago.”

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
7/6/2022	4.78%	4.76%	5.06%
6/22/2023	7.08%	7.05%	7.50%
7/5/2023	7.16%	7.13%	7.58%
Two Week Change	0.08%	0.08%	0.08%
Change since 1/3/20	2.56%	2.58%	2.48%
One Year Change	2.38%	2.37%	2.52%



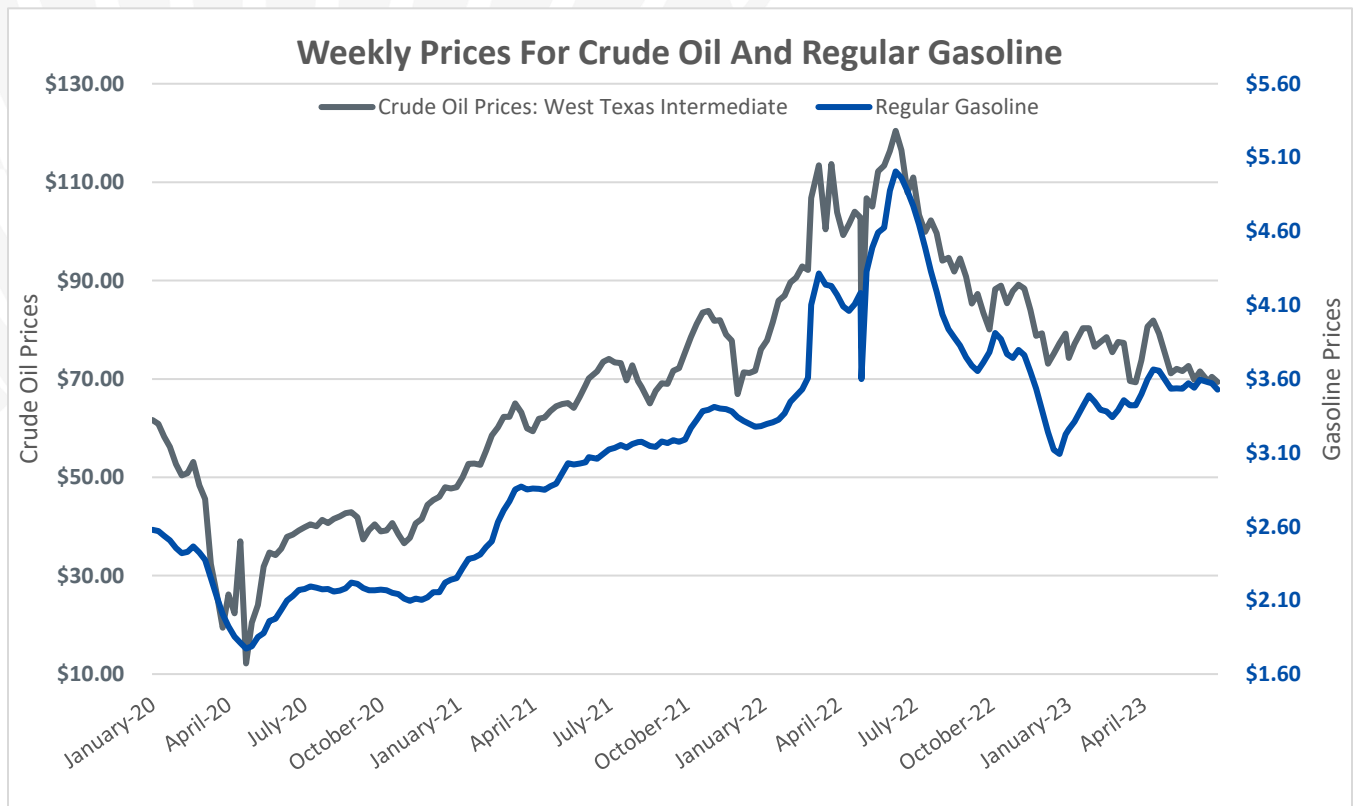
Crude Oil and Gas Prices (Updated 7/7)

EIA Outlook For Gasoline (6/22)¹⁸: “So far, gasoline crack spreads (the difference between the wholesale price of gasoline and crude oil)

have been at or above the 2018–2022 average during 2Q23 in response to low gasoline inventories. U.S. gasoline consumption has been above 2022 levels, while significant refinery maintenance during the spring turnaround season reduced gasoline production. U.S. refiners are required to change over to producing summer-grade gasoline by the start of May, which also contributes to higher gasoline prices and crack spreads.”

EIA Outlook For Oil (6/22)¹⁹: “We estimate West Texas Intermediate (WTI) crude oil prices will average \$83/b over the three years from 2022 to 2024, while annual growth in U.S. crude oil production over the same period will average 0.4 million b/d. That compares to average crude oil production growth of 1.1 million b/d during the three-year period from 2017 to 2019, when the WTI price averaged only \$58/b. The changing response to crude oil prices by U.S. producers may reflect a combination of the use of capital to increase dividends and repurchase shares instead of investing in new production, the effects of tighter labor markets and higher costs, and increased pressure on oilfield supply chains. Despite this shift from the historical price response, we still expect U.S. crude oil production to continue growing to record levels, driven primarily by production growth in the Permian Basin.”

Gas And Oil Holding Mostly Steady (7/7): Oil prices, as benchmarked at West Texas Intermediate, held steady at \$69. Since election day 2020, oil prices are \$33 a barrel higher. Gas prices are mostly unchanged from two weeks prior. Gas is 37% higher than the beginning of 2020.²⁰



Production Meter

U.S. Light Vehicle Inventory and Days' Supply (Updated 7/7)

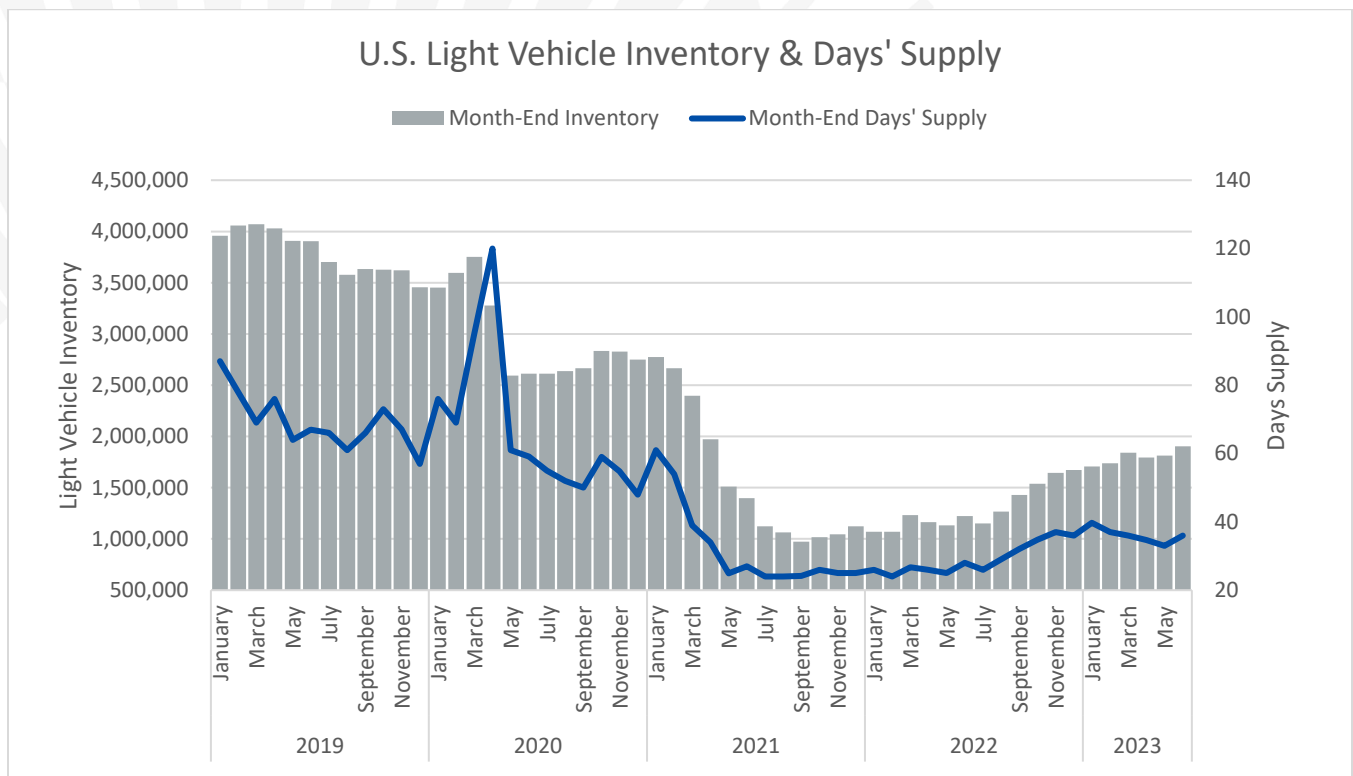
WardsIntelligence Inventory Update (7/7)²¹: “Inventory ended June higher than expected and the outlook in the second half of 2023 for greater availability on dealer lots is much stronger than just a month ago.

“U.S. light-vehicle inventory, which includes stock on dealer lots and in transit from factories and ports, ended June at 1.91 million units, roughly 50,000 higher than expected.

“June was the second straight month inventory ended significantly higher than forecast and the result of production – in North America and from overseas – for the U.S. market rebounding faster than expected in the second quarter from the shortages and volatile conditions of the past three-plus years since the beginning of the pandemic in the U.S.

“Still at historic lows – June inventory in the five years through 2019 averaged 3.9 million units – June 30 stocks were up 5.0% from May and 55.8% above like-2022.

“In June, days’ supply totaled 36, up from the prior month’s 33 and like-2022’s 28. Based on the forecast, days’ supply should be in the mid-40s at the end of the year. Pre-pandemic, December days’ supply averaged about 60 - June typically was around 65.”



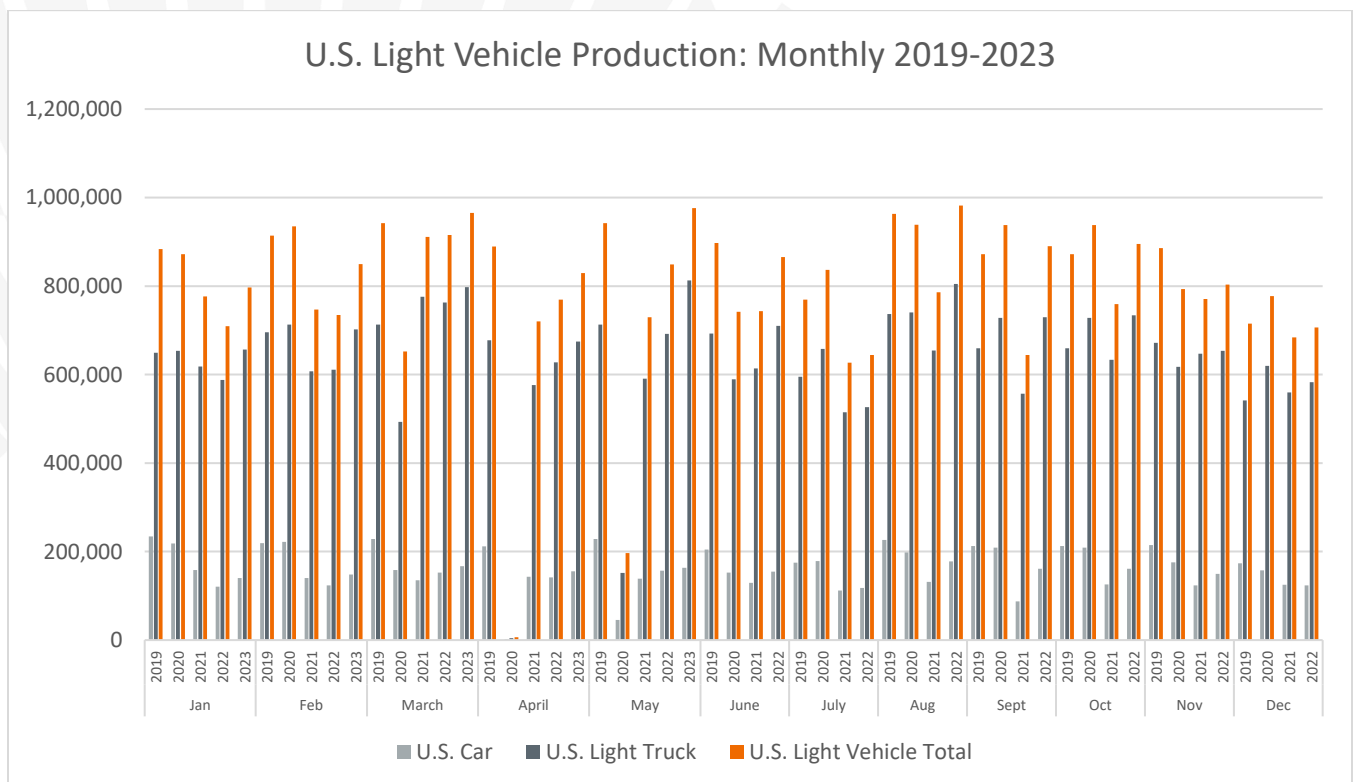
North American Production (Updated 6/22)

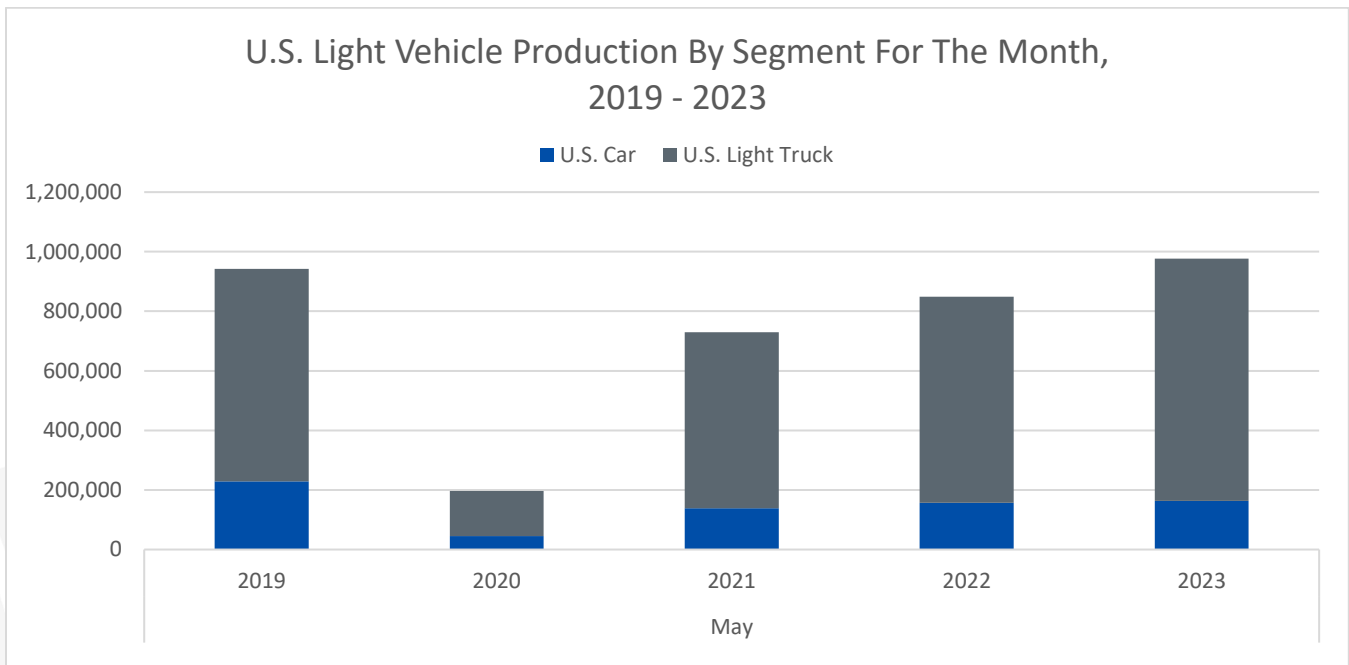
Wards Intelligence²²: “Production in North America finished well above expectations in May, with overbuilds nearly across the board by manufacturer. In fact, May’s total of 1.509 million units – including light vehicles and medium-/heavy-duty trucks - was the highest for any month in the era of the pandemic and subsequent supply-chain disruptions, which first hit North America in early 2020. The total was 24.9% above like-2022 and highest for any month since August 2019’s 1.522 million units. May’s production also represented an overbuild of 119,500 units vs. month-ago’s expectations for the period. Furthermore, May’s surge, plus an upward revision to June, puts the second-quarter tracker 131,000 units above month-ago’s outlook for the period.”

U.S. Light Vehicle Production (Updated 6/22)

Monthly Production (Updated 6/22)

U.S. Light vehicle production for May 2023 increased month-over-month by 17.7 percent, totaling 976,264 vehicles (163,257 cars, 813,007 light trucks), year-over-year, production is up 21.8 percent from 2022. ...²³





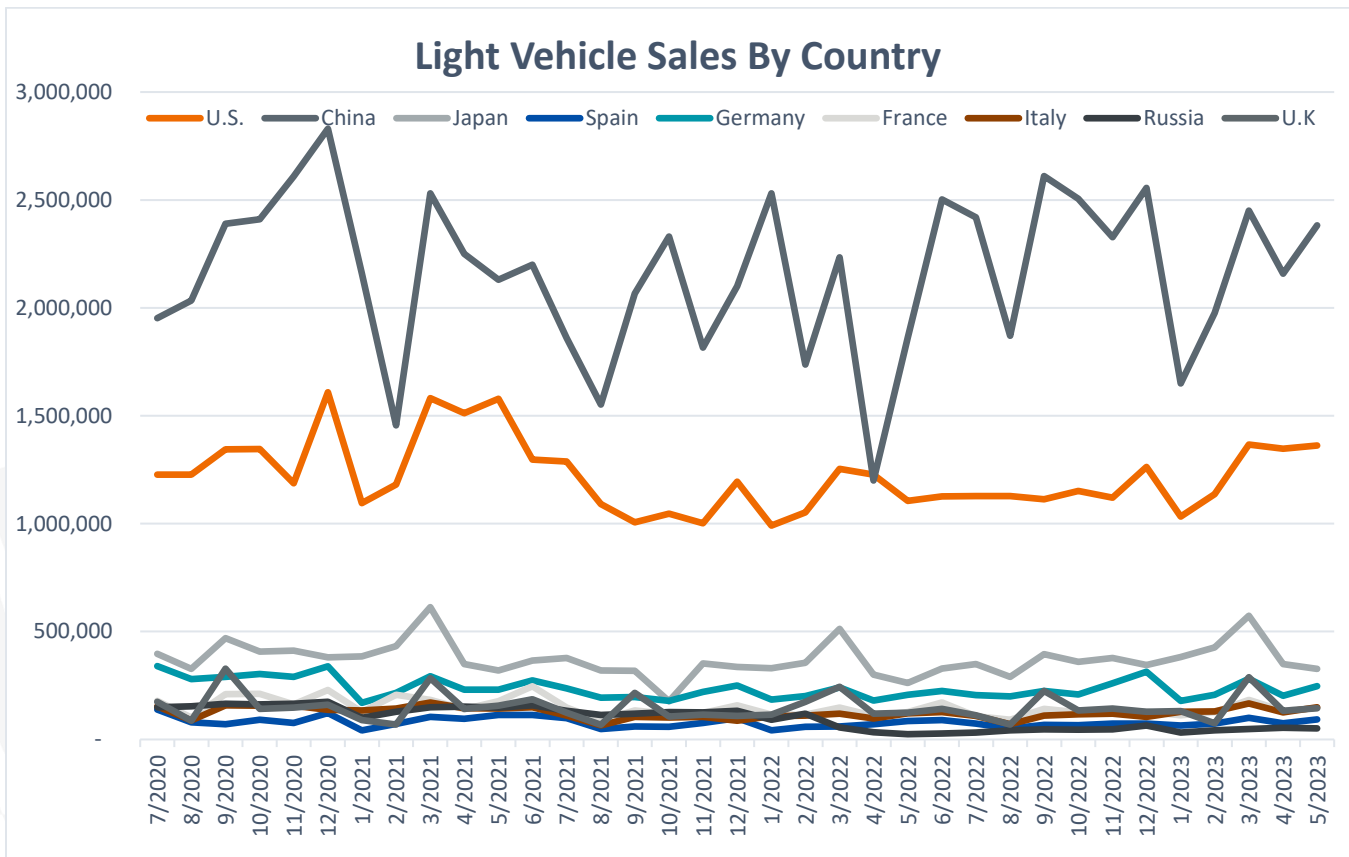
Global Meter

Global Light Vehicle Sales (Updated 7/7)

Wards Intelligence²⁴: “Following a revised year-over-year surge of 26.2% in April, global sales of light vehicles and medium-/heavy-duty trucks posted robust growth again in May, rising 18.5% to 7.516 million units from the prior year’s 6.344 million.

“May’s results marked the fourth straight increase. It was spurred by big growth in China, Europe and North America, while South America recorded its third decline in four months and the combined total of the smaller markets, or rest of the world, also posted a drop in May.

“Excluding the big trucks, light vehicles totaled 6.994 million units in May, up 14.5% from like-2022. Year-to-date 2023 volume through May totaled 34.303 million units, up 9.9% from 5-months 2022.”



Global Light Vehicle Production (Updated 6/22)

S&P Global Mobility Forecast (6/22)²⁵: “As we approach mid-year, the pace and cadence of production recovery across various markets is becoming more apparent. Many regions have finally transitioned away from supply chain disruptions in favor of supporting recovering vehicle demand and inventory restocking. There remains a keen focus on the state of consumer demand and underlying conditions to support the release of pent-up demand. Elevated vehicle pricing in some markets and weakening credit conditions remain critical considerations. Yet, for many areas, vehicle sales have been running at or near recessionary levels for several years and consumers are finally considering a new vehicle purchase. Looking beyond 2023, the general production outlook reflects a more constrained position given the aforementioned pull-ahead in inventory restocking in many markets. The June 2023 forecast update reflects a mix of upgrades and downgrades, yet net to the upside in the immediate near-term, as the industry shifts away from supply chain issues and supports demand recovery in select markets. The acceleration in inventory restocking supported by strengthening output in the near-term results in downward revisions beyond 2023 as the production profile more closely aligns to demand expectations. The more noteworthy regional adjustments with the latest forecast update are detailed below:

“Europe: The outlook for Europe light vehicle production was increased by 166,000 units and reduced by 189,000 units for 2023 and 2024, respectively (and reduced by 48,000 units for 2025). Production activity in Europe continues to outperform expectations. As a result of that strength, our outlook for H1-2023 has been increased by 99,000 units. However, our Q2-2023 estimates indicate that sequential deceleration is already

occurring after several consecutive quarters of growth. As a result, although we have increased H2-2023 by around 67,000 units, we maintain the view that growth will slow throughout the year. Reflecting the current softness of order intakes reported in key European countries (and likely to feed the next 6-9 months of production), we have reduced the forecast for 2024 by 1.1% relative to the May forecast update, mainly on the first quarter of the year. While 2023 volumes are somewhat secured by inventory restocking and a reduction of the sales backlog, we believe that the backlog will decrease rather quickly in H2-2023, and lingering weak underlying demand given the context of higher prices and tighter credit conditions will guide volumes next year once corrections to inventory and backlog levels are completed.

“Greater China: The outlook for Greater China light vehicle production was reduced by 99,000 units and by 250,000 for 2023 and 2024, respectively (and reduced by 141,000 units for 2025). Chinese light vehicle output continued to exhibit relative strength in April with passenger vehicle production surging 76% relative to the prior year owing to both a weak base of comparison as well as strong New Energy Vehicle (NEV) business and export activity. Reflecting the ongoing recent momentum, the production outlook for Q2-2023 has been increased by 171,000 units; however, it should be noted that the outlook for Q4-2023 has been reduced by 276,000 on the expected need to maintain inventory discipline and given the recent extension of the NEV tax cut policy to next year, negatively impacting potential pre-buying activity that would have occurred at the end of this year. Given the demographic impacts of revised expectations around an increasingly aging and declining population, the intermediate-to-longer term production forecast has been recast, including the outlook for 2024 and 2025 being reduced and now reflecting growth rates of 5.0% and 5.3%, respectively, for the region.

“Japan/Korea: Full-year 2023 Japan production was increased by 26,000 units. Toyota is the main driver for the modest increase as the company satisfies pent-up demand with semiconductor shortage issues continuing to improve. Long-term volumes were largely downgraded by 3.3% per year. Japan exports are expected to lose momentum, primarily to North America, China and Europe, as the export portfolio remains centered on internal combustion engines. Full-year 2023 South Korea production was increased by 62,000 units relative to the previous forecast, reflecting continued steady production recovery without disruptions in the supply chain and given continued export growth. Furthermore, 2024 production was rebalanced and increased by 81,000 units as momentum is expected to remain intact. However, production for 2025 was reduced by 23,000 units in consideration of a quicker fulfillment of outstanding backlog orders. In the longer-term, higher global demand for the Chevrolet Trax, extended production of the Kia Stonic and the addition of the KG Mobility Torres Pickup increased production by about 40,000 units per year.

“North America: The outlook for North America light vehicle production was increased by 317,000 units and reduced by 75,000 units for 2023 and 2024, respectively (and reduced by 37,000 units for 2025). With persistent demand and improving supply chain conditions, most notable among the Japanese manufacturers in the region, the outlook for 2023 was revised upwards by 2.1% to total 15.35 million units. While the immediate near-term outlook improves, rising interest rates and tightening credit standards are expected to begin to take their toll in the coming months with production in 2024 revised down 0.5% to total 15.48 million units. While production support exists in the form of inventory restocking, there are signs that manufacturers are working to preserve their strong pricing power at the expense of building back inventory levels at an excessive pace. Despite the supply chain improvements, the manufacturing environment remains vulnerable with renewed logistics concerns surrounding the US West Coast ports tempering the overall outlook. Additional concern surrounds the upcoming union negotiations between the United Auto Workers (UAW) in the US and Unifor in Canada when their respective contracts expire in September 2023. Hard-line stances from union leadership along with strong pay and benefits expectations from rank-and-file members create a ripe environment for higher strike probabilities. However, a strike event is not reflected in our baseline forecast settings.

“South America: The outlook for South America light vehicle production was reduced by 37,000 units and by 117,000 units for 2023 and 2024, respectively (and reduced by 112,000 units for 2025). The near-term forecast downgrade was primarily focused on Brazil and Colombia on reduced demand expectations as affordability remains a central issue further complicated by high interest rates and deteriorating credit conditions. The downward production revisions for 2024 and 2025 were primarily spread between Brazil and Argentina and were more aggressive than the underlying demand reductions on expectations that manufacturers will seek to maintain inventory discipline with post-pandemic restocking largely complete.

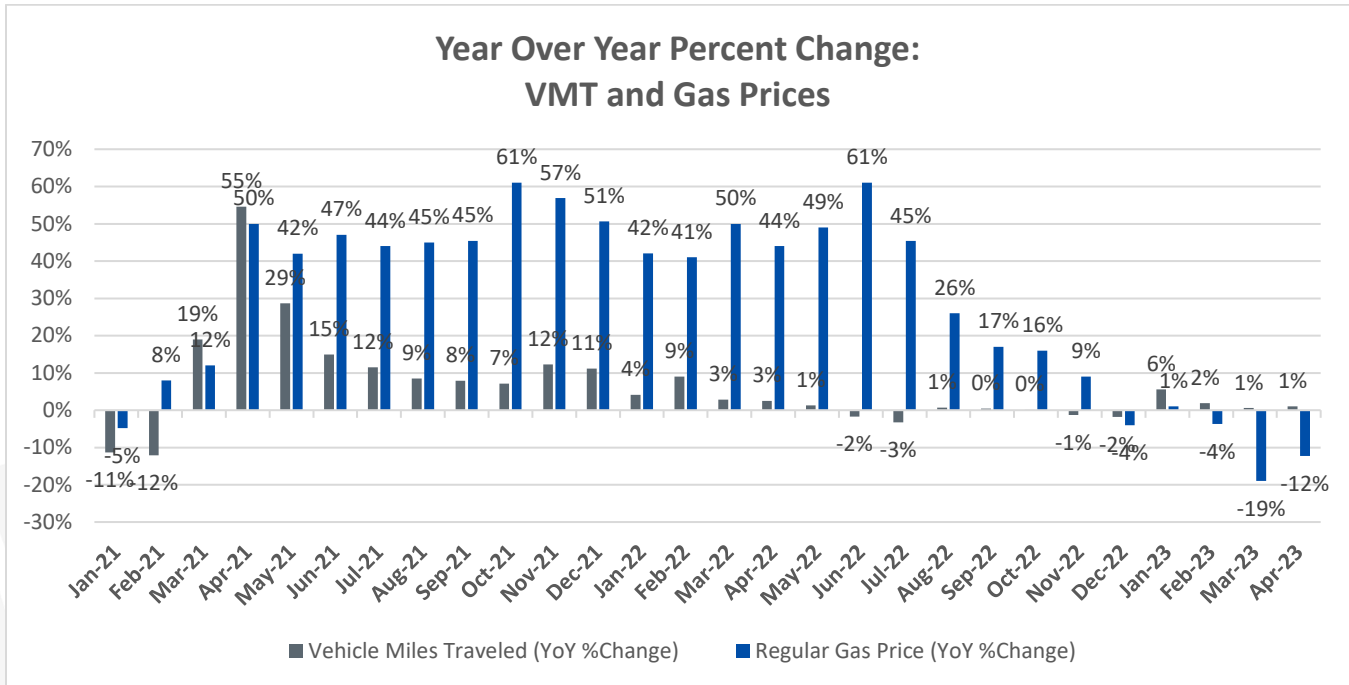
“South Asia: The outlook for South Asia light vehicle production was reduced by 34,000 units and by 25,000 units for 2023 and 2024, respectively (and reduced by 11,000 units for 2025). Production downgrades for this month were focused primarily on deterioration in the ASEAN market as well as Pakistan. Regarding the ASEAN market, while efforts remain underway to fulfill order backlogs, automakers are adjusting to somewhat modestly reduced domestic demand and export expectations through the near-term forecast horizon. One exception is Thailand with automakers continuing to maintain robust output of midsize pickups and subcompact cars to satisfy outstanding orders and rebuild inventories. Forecast expectations for Pakistan were revised downward again this month on deteriorating conditions in the country. The recent political crisis resulting in the former prime minister Imran Khan’s removal and the formation of a new government could undermine the government’s effectiveness at economic management, further weaken the Pakistani currency and threaten the renewed International Monetary Fund (IMF) financing program. The resulting uncertainty has the potential to negatively impact vehicle sales and production in the near-term.”

Recovery Meter

Roadway Travel (Updated 6/22)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in April increased 1.2 percent from the same time a year ago. The cumulative travel estimate for 2023 is 1,008.7 billion vehicle miles....²⁶

- “Travel on all roads and streets changed by +0.1% (+0.2 billion vehicle miles) for April 2023 as compared with April 2022. Travel for the month is estimated to be 256.1 billion vehicle miles.
- “The seasonally adjusted vehicle miles traveled for April 2023 is 267.0 billion miles, a 1.20% (3.2 billion vehicle miles) change over April 2022. It also represents a 0.10% change (0.2 billion vehicle miles) compared with March 2023.
- “Cumulative Travel for 2023 changed by +2.0% (+19.8 billion vehicle miles). The cumulative estimate for the year is 1,008.7 billion vehicle miles of travel.



Economic News (Updated 6/22)

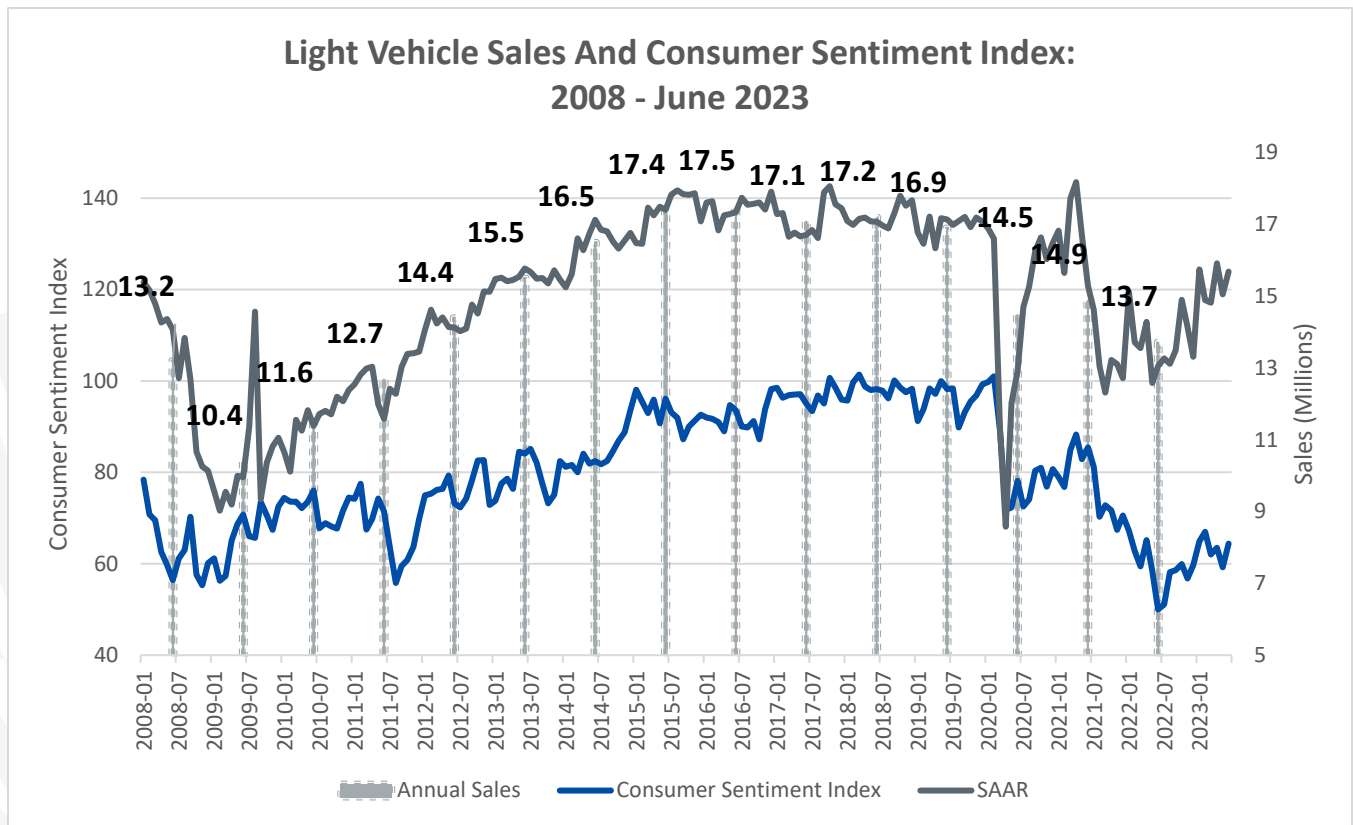
Manufacturing Jobs Held Steady In May, While Motor Vehicles And Parts Gained 6,800. “Manufacturing jobs overall were little changed in May, according to a breakdown by industry released today by the Bureau of Labor Statistics. Durable goods added 3,000 jobs while non-durable goods lost 5,000 for an overall loss of 2,000. Within durable goods, transportation was the best performer with a gain of 10,500 jobs. That included an increase of 6,800 in motor vehicles and parts.”²⁷

The ISM Index Slips To 46.9 Percent In May. “The manufacturing economy slowed further in May as companies cope with uncertainty, the Institute for Supply Management said today. The Tempe, Ariz.-based group’s manufacturing index, known as the PMI, slipped to 46.9% for the month, down from 47.1% in April. An index reading below 50% indicates economic contraction. May was the seventh consecutive month in negative territory.”²⁸

Consumer Confidence and Sales (Updated 7/7)

Surveys of Consumers Director Joanne Hsu²⁹: “Consumer sentiment rose 9% this month, a consensus improvement across all demographic groups. The year-ahead economic outlook soared 28% over last month, and long-run expectations rose 11% as well. Overall, this striking upswing reflects a recovery in attitudes generated by the early-month resolution of the debt ceiling crisis, along with more positive feelings over softening inflation. Views of their own personal financial situation were unchanged, however, as persistent high prices and expenses continued to weigh on consumers.

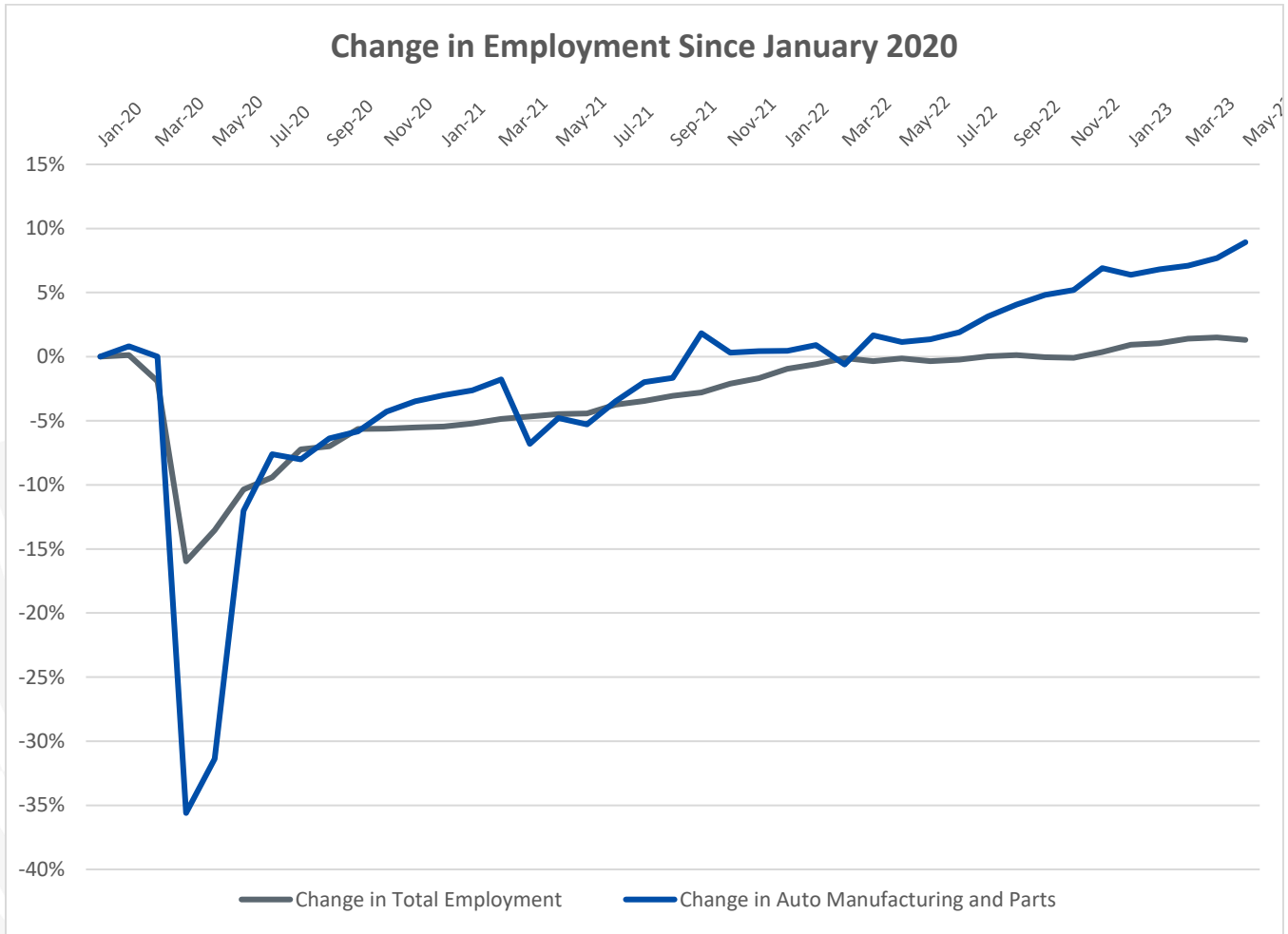
Year-ahead inflation expectations receded for the second consecutive month, falling to 3.3% in June from 4.2% in May. The current reading is the lowest since March 2021. Long-run inflation expectations were little changed from May at 3.0%, again staying within the narrow 2.9-3.1% range for 22 of the last 23 months. These expectations remained elevated relative to the 2.2-2.6% range seen in the two years pre-pandemic.”



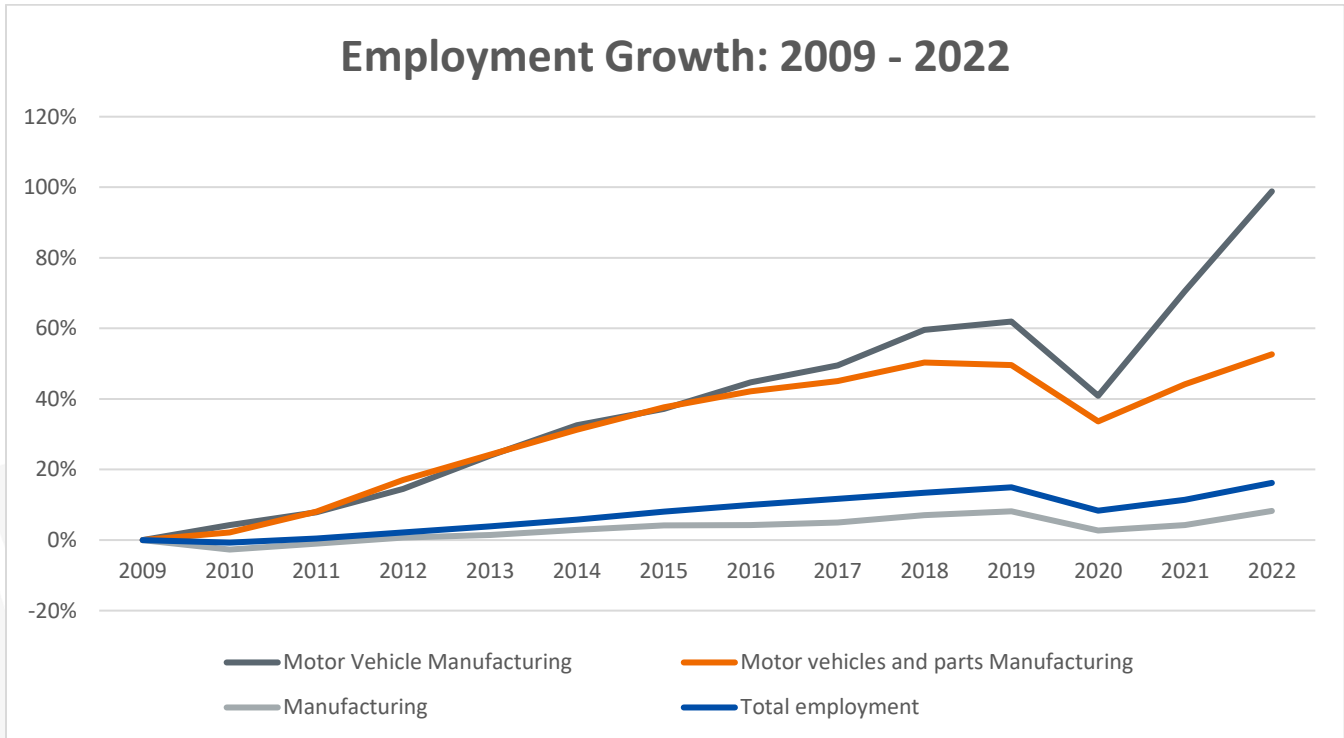
Employment (Updated 6/22)

Motor Vehicle And Parts Manufacturing Gained 6,800 Jobs In May.³⁰

After a loss of nearly 350,000 employees (about 35% of the workforce) in the height of the pandemic, employment in the Automobile Manufacturing and Parts sectors raced back but is now fighting losses due to supply chain disruptions with semiconductors.³¹



After the recession in 2009, the auto industry was credited with being on the leading edge of the recovery, which began a ripple effect through other parts of the country.³² Additionally, the chart below shows how the recovery of jobs in motor vehicle manufacturing alone and motor vehicle and parts manufacturing far outpaced the recovery of manufacturing and total jobs.



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- ¹⁹ EIA, “[Short-Term Energy Outlook](#),” 2/2023
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