



ECONOMIC INDICATORS

- The job market continues to be solid, as impressive **job creation in 2018 has pushed unemployment to a level that has not been lower in 50 years**. Wages are growing, but not as fast as the unemployment rate would suggest and higher inflation is eating into the gains for a typical consumer. Spending continues to outpace growth in disposable income, which is good for the economy in the short term.
- Economic growth is strong, but higher interest rates are leading to higher interest expense, and consumers are spending more than they make, which means that the growth we have been enjoying is likely peaking. The percentage of households reporting plans to purchase a vehicle in the next six months declined to 12.8% in May from 12.9% in both April and last May. **Consumer Confidence**, as measured by the Conference Board, **increased in May to 128, the second highest level for the year and the third best level in more than 17 years**.

DEMAND

- **May New vehicle retail sales volume increased 5% YOY**. Commercial fleet sales increased 2%, Rental fleet increased 30% and Government fleet decreased 1%. The May New SAAR was 16.8 million, up from last year's 16.7 million Light trucks outperformed cars and were up 14% YOY.
- **Cox Automotive estimates that Used vehicle sales decreased by 1% YOY in May, but CPO sales were up 5% YOY**. The annualized pace of Used sales remains up 1% over last year and the May Used SAAR remained at 39.7 million, the highest in four months.
- **The top OEM in May was GM, with a market share of 16.8%**. FCA came in second, with a market share of 13.6%, thanks to its best retail sales since July of 2005.

LIGHT VEHICLE SALES

- ↑ **5% New Retail**
- ↑ **30% Rental**
- ↑ **2% Commercial**
- ↓ **1% Government**

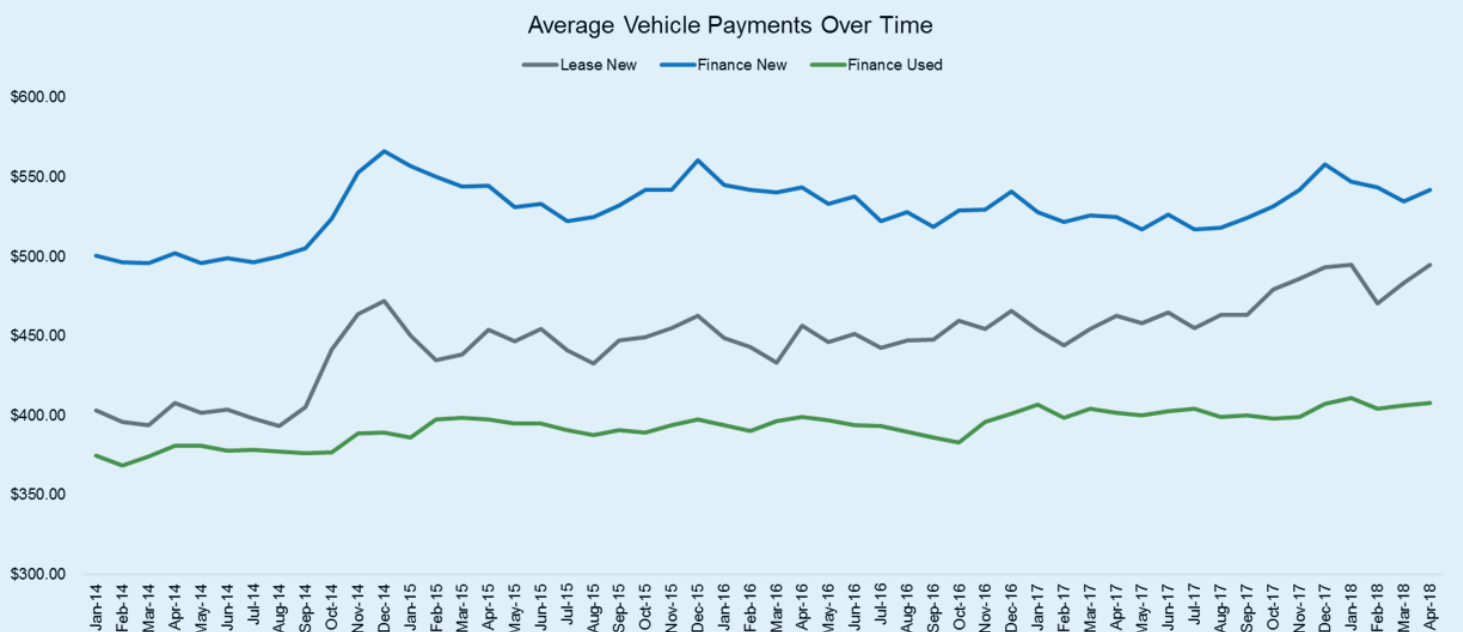
SUPPLY

- **The days' supply for May was 64, down 3 days YOY and up 7 days from April**. New vehicle inventories came in under 4 million units for the first time in three months and are at their lowest levels since January. Average incentive spend was \$3,740, up 7% YOY and up 3% MOM.

CREDIT

- Auto loan rates increased slightly with **the best available rate on 60-month new auto loans reaching 4.27%** on June 7, according to Bankrate.com. As of April, average New lease payments were up 7% compared to average New loan payments that were up 3.3% and Used loan payments which were up only 1.6%.

Lease Payments Have Risen Most, Used Loan Payments Have Risen Least



Source: Dealertrack