



MARKET BEAT

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New light-vehicle sales showed signs of recovery in May, with a SAAR of 12.21 million units. While this represents a decline of 29.8% compared to May 2019, it is a marked improvement over the 47.9% decrease last month. April appears to have been the bottom of the slump for new-vehicle sales, which improved throughout May as many state and local governments relaxed or ended their stay-at-home orders. After outselling the entire car segment for the first time in April, pickup trucks in May remained popular but did not best the car segment. But the entire light-truck segment—crossovers, pickups and SUVs—remained strong in May, with a record 77.2% of all sales. So far in 2020, light-trucks have accounted for three out of every four new-vehicle sales.

Many customers took advantage of near-record manufacturer incentives, including generous loan terms of zero-percent financing for up to 84 months. Expect this level of incentive spending to be dialed back in coming months, thanks to reduced dealer inventory from automaker shutdowns during the COVID-19 pandemic. These inventory shortages, especially in the popular pickup and SUV segments, will likely be more pronounced in areas of the country that had less stringent lockdowns. According to Wards Intelligence, inventory at the end of May is forecast to be down by roughly 30% compared to this time last year and also may limit sales in June. It will take time for inventory levels to recover, because most automotive plants have just begun to re-start production and inventory in hot segments will likely be limited until late summer.

Fleet sales have been hit harder than retail sales, because large rental companies have significantly reduced or canceled their fleet orders. According to Wards Intelligence, retail sales represented 87% of sales in April and 90% of sales in May, significantly above the nearly 80% average in 2019. For the rest of the year, look for both fleet and retail sales to be down compared to 2019, with fleet sales taking a bigger hit than retail. For 2020, we expect total new light-vehicle sales to be between 13 million and 13.5 million units.

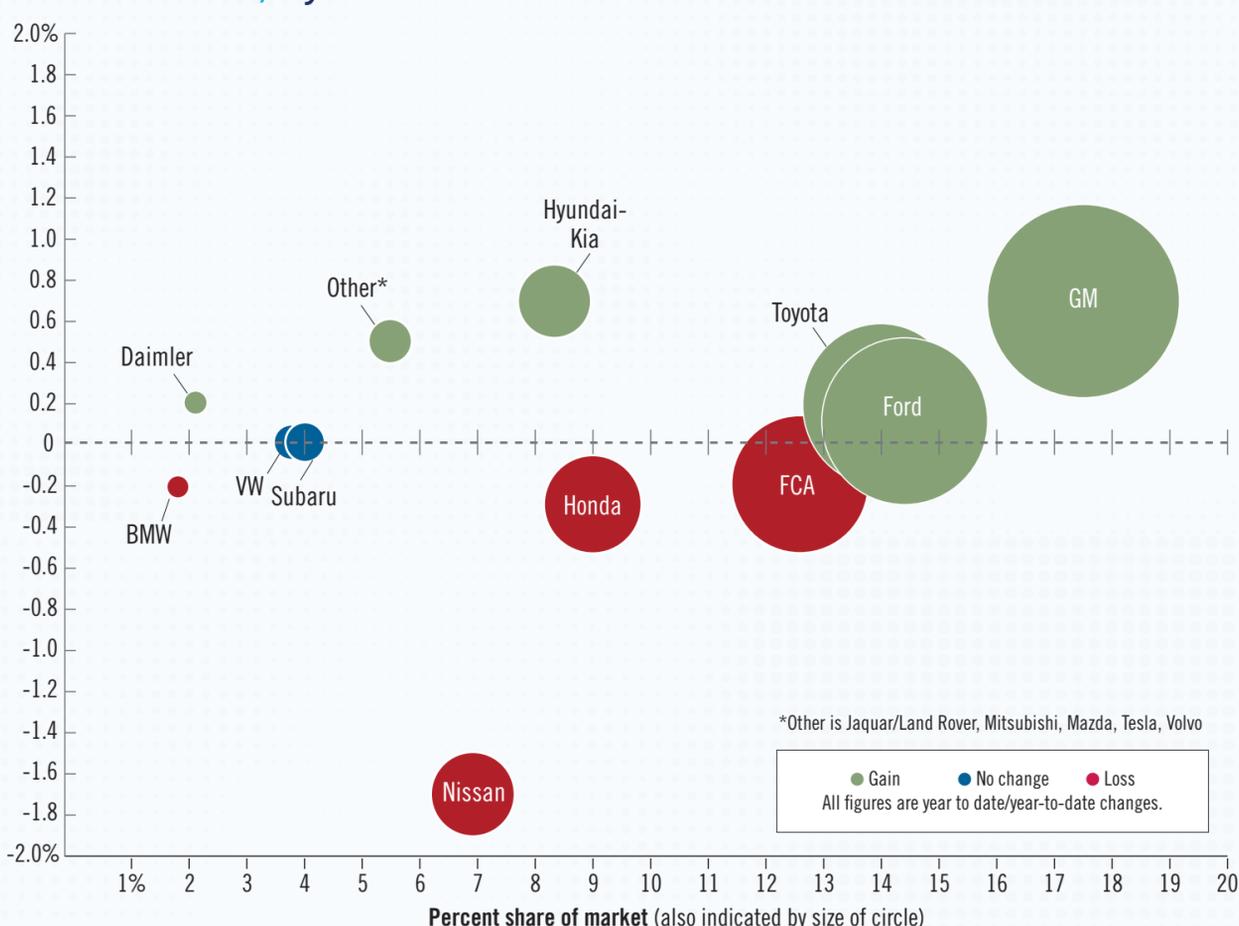
U.S. Light-Vehicle Sales

(Seasonally Adjusted at Annual Rates)

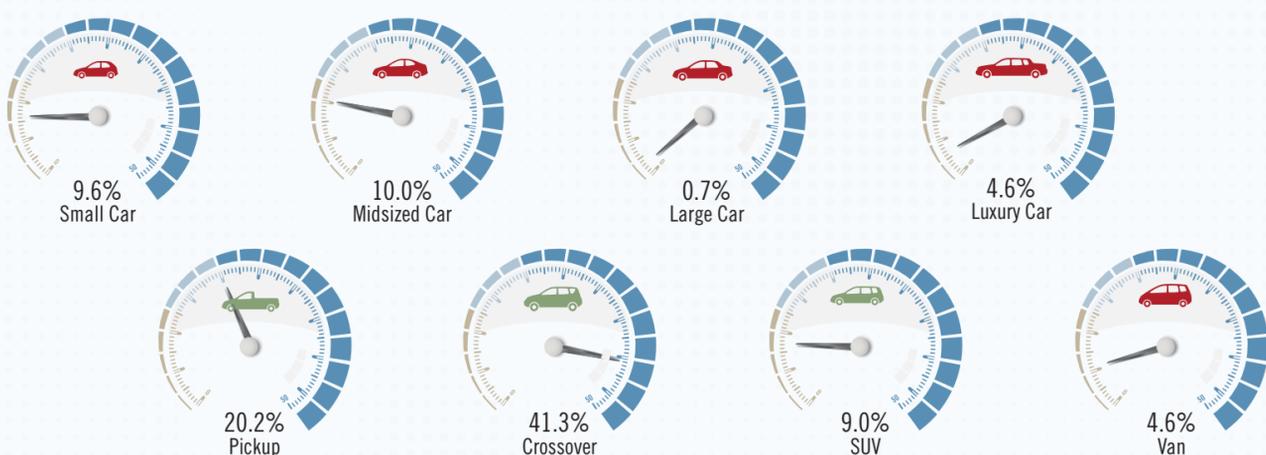


	May 2020	Y/Y %	Jan - May 2020	YTD/YTD %
Total Car	2.65	-44.9%	3.15	-35.7%
Total Light Truck	9.56	-23.9%	9.85	-17.9%
Domestic Light Vehicle	9.10	-32.8%	10.07	-23.2%
Import Light Vehicle	3.11	-18.8%	2.93	-22.5%
Total Light Vehicle SAAR	12.21	-29.8%	13.00	-23.1%

Market Share, by manufacturer



Market Share, by segment



Market Share, by powertrain

