



# MARKET BEAT

June 2020

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New light-vehicle sales in June improved compared to May but remain down significantly compared to this time last year. The June SAAR of 13.05 million units represents a 7% increase compared to May, but the June sales rate represents a decline of 24% compared to June 2019. Through the first half of 2020, sales were down by 23.1% compared to the first half of 2019. Light trucks continue to be popular, accounting for 76.7% of all new vehicles sold in June. And in the first half of the year, three out of every four vehicles sold were light trucks.

As in May, the sales headlines don't tell the whole story. Retail sales have recovered much more quickly than fleet sales. According to Wards Intelligence, retail sales in June were down by only 6% year-over-year while fleet sales were off a whopping 73%. The retail sales recovery has been driven by generous manufacturer incentives. According to J.D. Power, incentive spending is expected to average \$4,411 per unit, an increase of \$445 from June 2019 and a record level for the month of June. After reaching an all-time record in April 2020 of \$4,981 per unit, incentive spending was dialed back in May and June. For the rest of the year, incentive levels are expected to be elevated compared to last year but likely won't be as high as in April 2020.

We expect new light-vehicle retail sales will continue to recover during the second half of the year. But fleet sales are forecast to remain down significantly, because of major cancellations from rental car companies and fewer sales to state and local governments dealing with pandemic-related revenue losses. According to Cox Automotive, fleet sales are expected to fall to 1.3 million units by the end of 2020, a decline of roughly 2 million units compared to 2019.

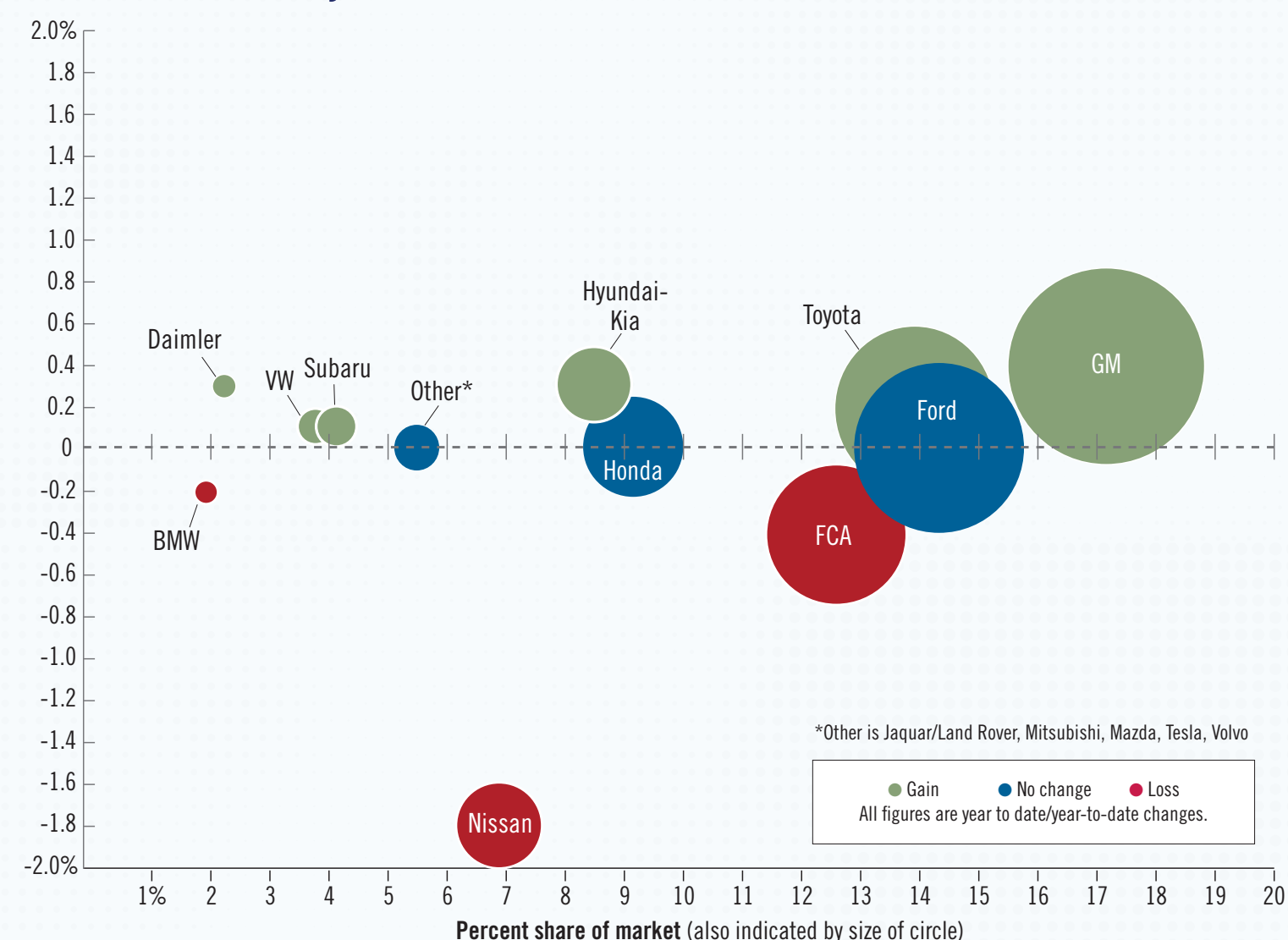
For the rest of the summer, inventory constraints—especially in popular segments—will be a headwind for the retail sales recovery. Additionally, new spikes in COVID-19 cases across the country or within the North American supply chain could cause additional plant shutdowns that further limit available inventory. We expect new light-vehicle sales to fall within 13 million to 13.5 million units for 2020.

## U.S. Light-Vehicle Sales

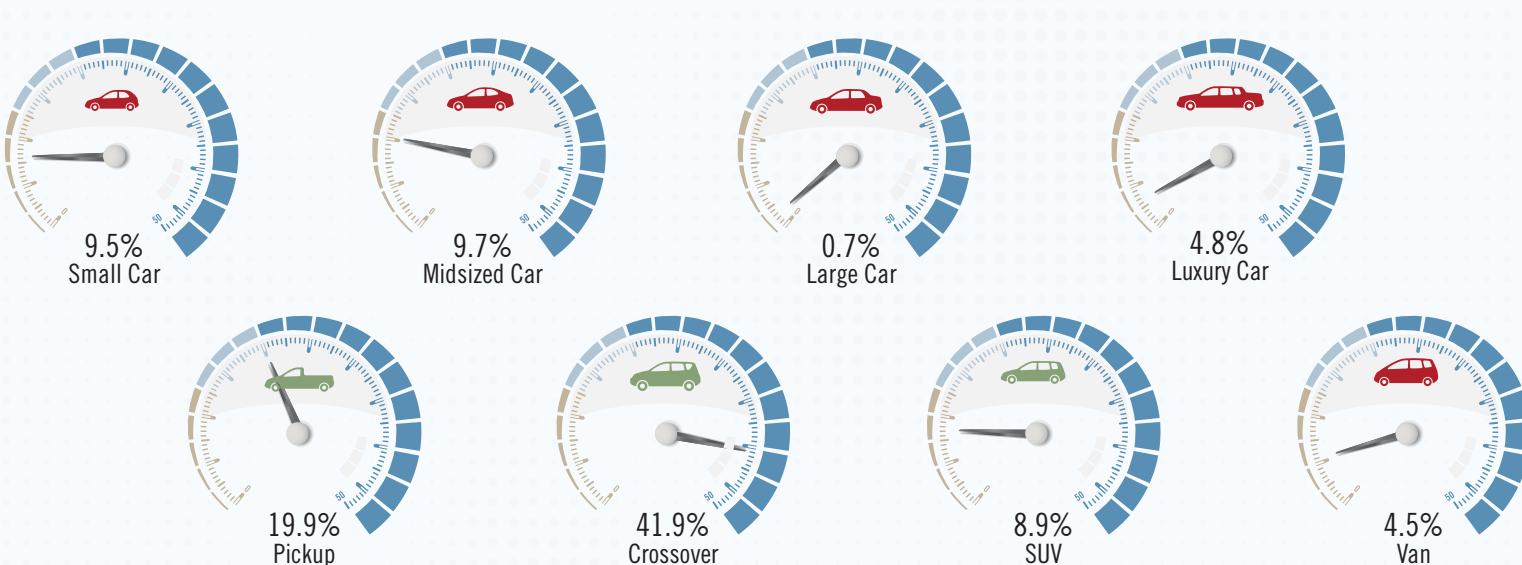
(Seasonally Adjusted at Annual Rates)

	Jun 2020	Y/Y %	Jan - Jun 2020	YTD/YTD %
Total Car	2.97	-39.3%	3.13	-36.1%
Total Light Truck	10.07	-18.1%	9.89	-17.9%
Domestic Light Vehicle	9.59	-28.4%	10.00	-24.1%
Import Light Vehicle	3.46	-8.7%	3.03	-20.1%
Total Light Vehicle SAAR	13.05	-24.0%	13.03	-23.1%

## Market Share, by manufacturer



## Market Share, by segment



## Market Share, by powertrain

