New light-vehicle sales for July 2022 totaled a year-over-year gain of 13.4 million units, up 2.5% from June and down 8.1% from July 2021, when sales first started to be constrained by the supply chain shortage. As has been the case all year, sales continue to be fueled by lack of new vehicle inventory. At the start of July, new vehicle inventory was at 1.2 million units, and we expect much of that increase to offset the end of the month.

Sales of battery electric vehicles (BEVs) reached 5% of all new light-vehicle sales through July 2022—the highest market share for BEVs to date. Sales of BEVs by franchised dealerships have accounted for 34% of all BEV sales this year. We expect that the share of BEVs sold by franchised dealers will continue to grow in coming years as new models are introduced.

Another industry first also occurred in July—the average monthly payment for a new vehicle reached an all-time high, topping $500. According to J.D. Power, the average monthly payment for a new vehicle is on track to be $518—an increase of $91 dollars compared with July 2021 and resulting in just-for-higher new-vehicle transaction prices, rising interest rates and lower discounts. July 2022’s average transaction price, says J.D. Power, is expected to reach $49,063, just shy of the all-time record set last month. Meanwhile, CWM average incentive spending per unit in July should total just $4,844, down 54.7% year-over-year and the first straight month below $5,000. These transaction prices likely shied a little bit for consumers with a trade-in, as demand for used vehicles remains high because of the tight supply of new vehicles. In July 2022, according to J.D. Power, average trade-in equaled a near-record-high $10,985, up 37.4% from July 2021.

For the rest of the year, new-light-vehicle sales will continue to be constrained by lack of inventory, and that likely won’t change much before year-end. Additionally, the Food has increased the federal funds rate by 25% basis points since the start of the year, pushing borrowing costs for new and used vehicles higher. We think that the Fed will increase interest rates further as its come meeting this year. This will continue to put a upward pressure on monthly payments for new- and used-car buyers, but we don’t believe it will materially impact new-vehicle demand. We forecast that new-vehicle sales for 2022 will total 14.2 million units.

### U.S. Light-Vehicle Sales

<table>
<thead>
<tr>
<th></th>
<th>July 2022</th>
<th>YoY %</th>
<th>Jan - July 2022</th>
<th>YTD/YTD %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Car</td>
<td>7.74</td>
<td>0.16%</td>
<td>2.25</td>
<td>-24.7%</td>
</tr>
<tr>
<td>Total Truck</td>
<td>10.96</td>
<td>-6.8%</td>
<td>10.84</td>
<td>-19.1%</td>
</tr>
<tr>
<td>Domestic Vehicle Light</td>
<td>10.69</td>
<td>-2.9%</td>
<td>10.82</td>
<td>-13.0%</td>
</tr>
<tr>
<td>Import Light Vehicle</td>
<td>2.66</td>
<td>-27.9%</td>
<td>2.86</td>
<td>-30.2%</td>
</tr>
<tr>
<td>Total Light Vehicle SAMI</td>
<td>13.35</td>
<td>8.9%</td>
<td>13.67</td>
<td>-17.3%</td>
</tr>
</tbody>
</table>

### Market Share, by manufacturer

- **Ford**
- **GM**
- **Stellantis**
- **Toyota**
- **Honda**
- **Hyundai-Kia**
- **Others**

**Market Share, by segment**

- **Small Car**
- **Midsize Car**
- **Large Car**
- **Pickup truck**
- **SUV**
- **Sport Truck**
- **Luxury Car**

**Market Share, by powertrain**

- **Internal Combustion Engine 87.8%**
- **Hybrid 5.5%**
- **Electric 5.1%**
- **Plug-in Hybrid 1.4%**