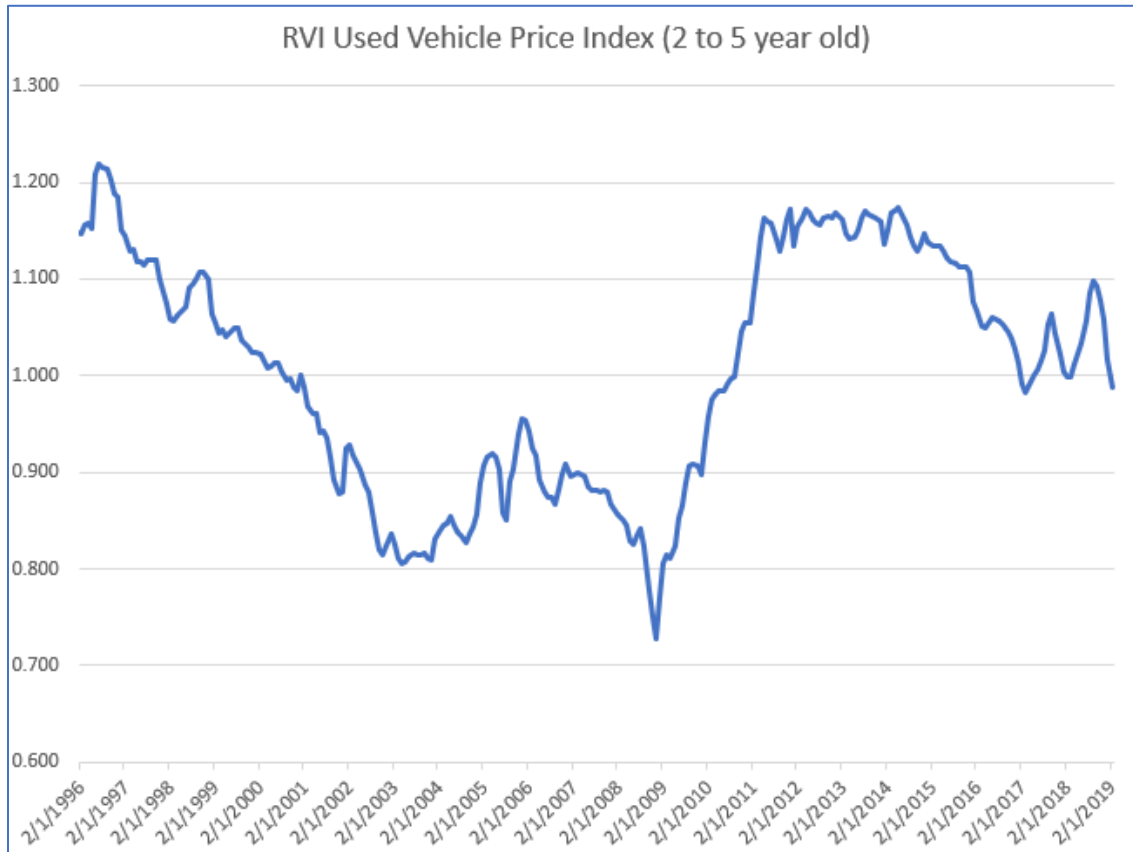


## February 2019 Wholesale Vehicle Transactions



| RVI UVPI Indexes |        |              |        |              |        |
|------------------|--------|--------------|--------|--------------|--------|
| 2-to-5           |        | 0-to-2       |        | 6-to-12      |        |
| M-to-M           | Y-to-Y | M-to-M       | Y-to-Y | M-to-M       | Y-to-Y |
| -2.6%            | -0.9%  | -1.8%        | -0.4%  | -4.0%        | -2.0%  |
| 0.988            |        | Premium Only |        | Premium Only |        |

Although used car values dropped for a fifth consecutive month, wholesale and retail used vehicle markets were impacted again by bad weather and the delay in income tax refund checks, but this trend is not necessarily indicative of the overall performance for the year. Dealers around the country have seen encouraging weekend sales activity as tax refund checks arrived. However, the average tax refund will be lower this year compared to 2018, so used car shoppers are facing the same affordability issues as new car buyers.

Macroeconomic factors will determine the strength of the used vehicle industry for the rest of the year. Currently, lenders are accommodating shoppers with long-term loans that ease the monthly payment burden. However, another rate hike by the Federal Reserve or tightening of credit standards by lenders would have an immediate adverse impact on retail demand. According to several reports, various lenders are seeing an uptick in auto loan delinquencies, which is a trend that is concerning many analysts.

Offsetting this is an ongoing shift from new to late model used vehicles among consumers who previously were able to take advantage of automaker subvented leases and zero percent auto loans. CPO vehicle sales have been

trending upward over the last few years, which is an indication of worsening affordability for new cars as well as late model used cars being seen as a smart purchase (and new car alternative).

Franchise dealers are especially determined to increase their inventory of late model units and focus more attention on this segment, where they can still generate a reasonable front-end profit when they acquire inventory at the right price. Currently, franchise dealers have too much new car inventory but not enough used inventory to achieve their sales targets for the year.

Auction volume in the 2-to-5-segment declined 20.7% from February 2018 and declined 21.2% from January. All three RVI indexes dropped in February on a monthly and year-over-year basis.

### Segment Results (UVPI Main – 2-to-5-year-old cars)

| RVI_SEGMENT            | Feb-19       | Jan-19       | Feb-18       | M-to-M       | Y-to-Y       |
|------------------------|--------------|--------------|--------------|--------------|--------------|
| COMPACT                | 0.933        | 0.971        | 0.931        | -4.0%        | 0.2%         |
| FULL-SIZE PICKUP       | 0.996        | 1.019        | 1.013        | -2.2%        | -1.6%        |
| FULL-SIZE SEDAN        | 1.049        | 1.103        | 1.037        | -4.9%        | 1.2%         |
| FULL-SIZE SUV          | 0.883        | 0.906        | 0.929        | -2.5%        | -4.9%        |
| FULL-SIZE VAN          | 1.034        | 1.035        | 1.038        | 0.0%         | -0.3%        |
| LUXURY COUPE           | 0.902        | 0.917        | 0.903        | -1.6%        | -0.2%        |
| LUXURY FULL-SIZE SEDAN | 0.901        | 0.922        | 0.915        | -2.3%        | -1.5%        |
| LUXURY MID-SIZE SEDAN  | 0.827        | 0.825        | 0.824        | 0.2%         | 0.3%         |
| LUXURY SMALL SEDAN     | 0.765        | 0.763        | 0.782        | 0.2%         | -2.2%        |
| LUXURY SUV             | 0.973        | 0.982        | 1.001        | -1.0%        | -2.8%        |
| MID-SIZE SEDAN         | 0.984        | 1.022        | 0.986        | -3.7%        | -0.1%        |
| MID-SIZE SUV           | 1.051        | 1.073        | 1.084        | -2.0%        | -3.0%        |
| MINIVAN                | 0.992        | 0.979        | 1.007        | 1.3%         | -1.5%        |
| SMALL PICKUP           | 1.190        | 1.201        | 1.216        | -0.9%        | -2.2%        |
| SMALL SUV              | 1.018        | 1.043        | 1.053        | -2.4%        | -3.3%        |
| SPORTS CAR             | 1.048        | 1.084        | 1.045        | -3.3%        | 0.2%         |
| SPORTY COUPE           | 1.066        | 1.091        | 1.053        | -2.3%        | 1.2%         |
| SUB-COMPACT            | 1.015        | 1.065        | 0.986        | -4.6%        | 3.0%         |
| <b>UVPI Market</b>     | <b>0.990</b> | <b>1.016</b> | <b>0.998</b> | <b>-2.6%</b> | <b>-0.9%</b> |

### 2019 Certified Vehicle U.S. Sales

|            | 2019           | 2018           | % Change Y-o-Y |
|------------|----------------|----------------|----------------|
| January    | 199,687        | 203,310        | -1.8%          |
| February   | 211,584        | 212,359        | -0.4%          |
| <b>YTD</b> | <b>411,139</b> | <b>415,669</b> | <b>-1.1%</b>   |

END OF REPORT

**All data provided by RVI.**

**Industry commentary and analysis provided by [Maryann Keller & Associates](#).**