



## ECONOMIC INDICATORS

- **Headline unemployment rate fell to 3.5% in September, which was last seen in December 1969.** The underemployment rate, which is the broadest measure of unemployment, fell to 6.9%, which was its lowest level since December 2000. The labor force participation rate was unchanged in September, but the employment-population ratio increased to a high for this economic expansion. Average hourly earnings growth YOY slowed to 2.9%, which was the lowest level in 15 months.
- Second quarter economic growth as measured by GDP was left unchanged at 2.0% in the third and final estimate. **The first half of the year delivered 2.6% growth relative to 3% growth in first half of 2018.**

## DEMAND

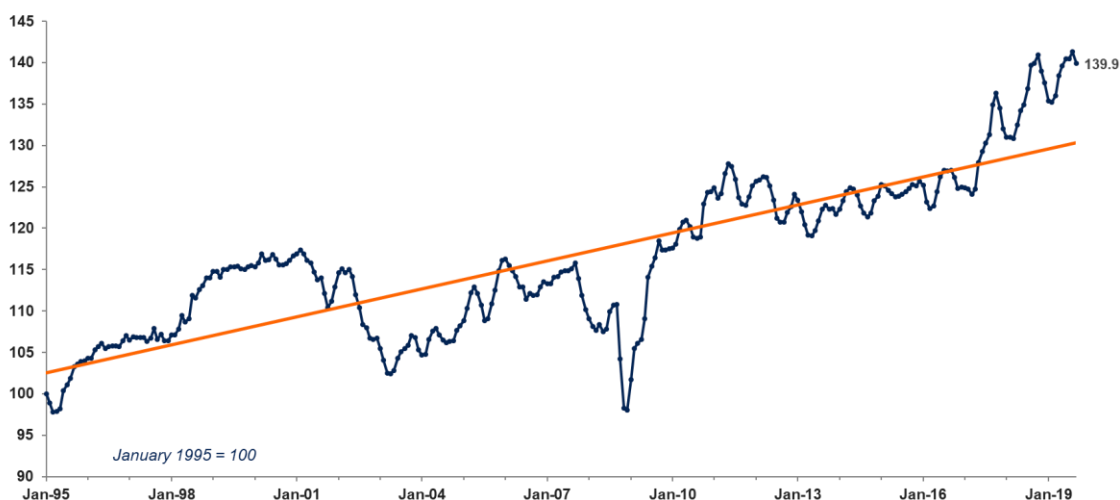
- **September total new vehicle sales were down 11.3% YOY, with two fewer selling days compared to September 2018 and did not include Labor Day weekend.** The September SAAR came in at 17.2 million, a decline from last year's 17.3 million and up slightly from August's 17.0 million rate.
- Cox Automotive estimates that used vehicle sales **decreased in September** as sales declined by 0.1% YOY, which led to the September used SAAR coming in at 39.8 million units, up from last September's 39.7 million.
- Combined rental, commercial, and government purchases of new vehicles were down 7.3% YOY in September. **The commercial fleet channel was particularly strong, up 18% YOY in September.** Retail sales of new vehicles were down 12% in September, leading to a retail SAAR of 14.6 million, down from 14.8 million last September.

### LIGHT VEHICLE SALES

- ↓ **17% Rental**
- ↑ **18% Commercial**
- ↓ **12% Government**

## SUPPLY

- **Days' supply for September was 66, up 2 days YOY and up 5 days from August.** Average car days' supply came in at 56 which was flat YOY and up 3 days from August. Light truck days' supply was 69 last month, up 1 day from last year and up 5 days from August. The Manheim Index decreased 1.04% MOM in September. This brought the Manheim Used Vehicle Value Index to 139.9, flat from a year ago.



## CREDIT

- The Federal Reserve Bank of New York reported that total household debt increased by \$192 billion (roughly 1.4%) to \$13.86 trillion in the second quarter of 2019. **It was the twentieth consecutive quarter with an increase.**