



## FOR IMMEDIATE RELEASE

### **Cox Automotive November Forecast: Seasonality Weakens U.S. Auto Sales After Months of Recovery**

- Annual vehicle sales pace in November forecast to finish near 15.8 million, down from last month's 16.2 million pace, and down from last year's 17.0 million pace.
- November sales volume is expected to fall nearly 15% from the year-ago level and finish near 1.21 million units.
- Seasonal adjustments will negatively impact November sales due to fewer selling days.

**ATLANTA, Nov. 24, 2020** – U.S. auto sales for November are expected to show a market that is now weakening after months of recovery from April's historic low seasonally adjusted annual rate (SAAR). The sales pace for light vehicles is expected to fall to 15.8 million this month, down from last year's 17.0 million pace, but more importantly down from last month's 16.2 million level. A decline in November would be the second monthly decline in a row after the market's post-COVID-19 peak of 16.3 million in September and suggests the market is weakening heading into the holiday season.

November's SAAR calculation has large seasonal adjustments this year. There are only 23 selling days compared to last November's 26, and there are five fewer days than last month. As a result, vehicle sales volume is expected to be down significantly; with the adjustment, a sales volume decline of 8-9% is a "flat" market. This month, sales volume is expected to decrease nearly 15%, but after adjustments, this would represent a 7% decline from last year's selling pace. This is still a relatively strong level given the headwinds facing the market, including a surge in the pandemic and on-going high levels of unemployment claims.

One market headwind is improving, however, albeit just slightly. According to Cox Automotive Senior Economist Charlie Chesbrough, product availability has improved: "The tight inventory situation, where available products at dealerships were drawn down to very low levels, reached a peak in late summer. However, factory production has improved while sales pace has slowed, and the combination is allowing dealerships to replenish somewhat. Overall, supply still remains far below last year's levels, and holiday sales may slow if buyers can't find what they want."

It's hard to know if a robust sales pace will continue through December and into 2021 due to so many potential threats and unknowns facing new-vehicle buyers. However, with factories now operating close to the pre-pandemic levels, production should not be the hurdle it was earlier in the year. The economic recovery is also continuing to show modest improvements, so there is little reason to expect that the vehicle market will make substantial changes to its current recovery path in the coming months. However, there remain many risks that could hold back sales including a large COVID-19 wave through the winter, a second dip in the economy, and ongoing U.S. politics – all potential disruptions that could hamper vehicle sales.

#### **November 2020 Sales Forecast Highlights**

- New light-vehicle sales are forecast to fall to 1.21 million units, down 14.8% compared to November 2019. When compared to last month, sales are expected to fall around 150,000 units, or nearly 11%.



- The SAAR in November 2020 is estimated to be 15.8 million, below last year’s 17.0 million level, and a decrease from last month’s 16.2 million pace.
- The Cox Automotive full-year forecast remains at 14.3 million units, down 16% from 2019. New retail will perform better than fleet, down 9%, while fleet is forecast to come in near 1.9 million, down 42%.

### November 2020 Sales Forecast

Segment	Sales Forecast <sup>1</sup>					Market Share		
	Nov-20	Nov-19	Oct-20	YOY%	MOM%	Nov-20	Oct-20	MOM
Mid-Size SUV/Crossover	210,000	225,374	234,324	-6.8%	-10.4%	17.4%	17.2%	0.1%
Compact SUV/Crossover	190,000	242,779	215,638	-21.7%	-11.9%	15.7%	15.8%	-0.1%
Full-Size Pickup Truck	190,000	216,056	213,240	-12.1%	-10.9%	15.7%	15.7%	0.0%
Mid-Size Car	90,000	103,730	104,221	-13.2%	-13.6%	7.4%	7.7%	-0.2%
Compact Car	85,000	114,014	93,444	-25.4%	-9.0%	7.0%	6.9%	0.2%
<b>Grand Total<sup>2</sup></b>	<b>1,210,000</b>	<b>1,419,419</b>	<b>1,360,908</b>	<b>-14.8%</b>	<b>-11.1%</b>			

<sup>1</sup> Cox Automotive Industry Insights data

<sup>2</sup> Total includes segments not shown

All percentages are based in raw volume, not daily selling rate.

### About Cox Automotive

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