



FOR IMMEDIATE RELEASE

Cox Automotive Forecast: Relatively Healthy U.S. Auto Sales Continue in January

- Sales momentum carries into January after strong close to 2020.
- January sales pace forecast to reach 16.4 million, up from December, but down from January 2020.
- Sales volume expected to fall 3.7% from one year ago, and finish near 1.10 million units.

ATLANTA, Jan. 26, 2020 – January is normally the quietest month of the year for vehicle sales as buyers take a break after holiday shopping, but according to a Cox Automotive forecast released today, January 2021 U.S. auto sales are expected to be healthy, up from last month and down less than 4% from January 2020.

The forecast volume decline of 3.7% from last year—a drop of nearly 40,000 units—is relatively mild and driven in part by one less selling day versus 2020. The January 2021 seasonally adjusted annual rate (SAAR) of sales is forecast by Cox Automotive to be 16.4 million, down from last January’s 16.9 million level but up from last month’s 16.3 million pace. According to Cox Automotive senior economist Charlie Chesbrough, “The expected month-over-month uptick in sales pace suggests the vehicle market is starting the year on solid ground even with so much uncertainty in the economy.”

Consumer activity has kept the vehicle market on a strong recovery path in recent months. Retail sales, which generally account for 4-out-of-5 vehicles sold in the U.S. market, are expected to remain strong in January. Positive economic news, coupled with improving consumer confidence, is helping rebuild both interest and ability to buy.

Fleet sales, on the other hand, were a large drag on auto sales volume in 2020, and the trend is expected to continue in January. Business and family travel remains well below 2020 levels, leading rental car companies to delay fleet purchasing. Cox Automotive is forecasting fleet sales to begin recovering later this year as vaccine distribution improves over the next few months and more travel is likely to follow.

Vehicle sales held up relatively well in 2020. The full-year result, while down 14.5% year over year, was better than expected thanks mostly to strong retail demand through the second half of the year. Cox Automotive is forecasting full-year 2021 sales near 15.7 million, an increase of 8% from 2020, but the outlook remains uncertain with many potential threats and unknowns facing vehicle buyers.

Vehicle supply is one of the largest concerns. Thin inventories remain a reality for many dealers and consumers, a result of COVID-19 production disruptions, although the worst inventory issues are in the rearview mirror now that most manufacturing sites are operating near pre-pandemic levels. Issues in the global supply chain persist, however, as news of a recent computer chip shortage reveals. Other risks to auto sales include large waves of COVID-19 cases during the winter and a second dip in the economy.

January 2021 Sales Forecast Highlights

- Vehicle sales are forecast to fall nearly 40,000 units, or 3.7%, compared to January 2020. The volume drop from last month, however, is forecast to be significant, nearly 32%. The month-over-month comparison is skewed though, as December 2020 was among the 10-best months for auto



sales in the past decade, and December is typically among the strongest sales months each year, whereas January is among the weakest. A sizable month-over-month drop was expected.

- The January 2021 SAAR is estimated to be 16.4 million, below last year’s 16.9 million level but slightly above last month’s 16.3 million pace. Car share is forecast to fall further, while pickup trucks are forecast to gain market share.

January 2021 Forecast

Segment	Sales Forecast ¹					Market Share		
	Jan-21	Jan-20	Dec-20	YOY%	MOM%	Jan-21	Dec-20	MOM
Mid-Size Car	65,000	93,472	100,249	-30.5%	-35.2%	5.9%	6.2%	-0.3%
Compact Car	65,000	87,039	99,239	-25.3%	-34.5%	5.9%	6.1%	-0.2%
Compact SUV/Crossover	195,000	201,089	260,316	-3.0%	-25.1%	17.7%	16.1%	1.6%
Full-Size Pickup Truck	185,000	165,824	261,744	11.6%	-29.3%	16.8%	16.2%	0.6%
Mid-Size SUV/Crossover	195,000	187,605	277,381	3.9%	-29.7%	17.7%	17.1%	0.6%
Grand Total²	1,100,000	1,142,543	1,617,670	-3.7%	-32.0%			

¹ Cox Automotive Industry Insights data

² Total includes segments not shown

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

About Cox Automotive

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