



Manheim Market Insights

February Mid-Month

Jeremy Robb
Senior Director
Economic & Industry Insights

COX AUTOMOTIVE

A Surprisingly Robust Market

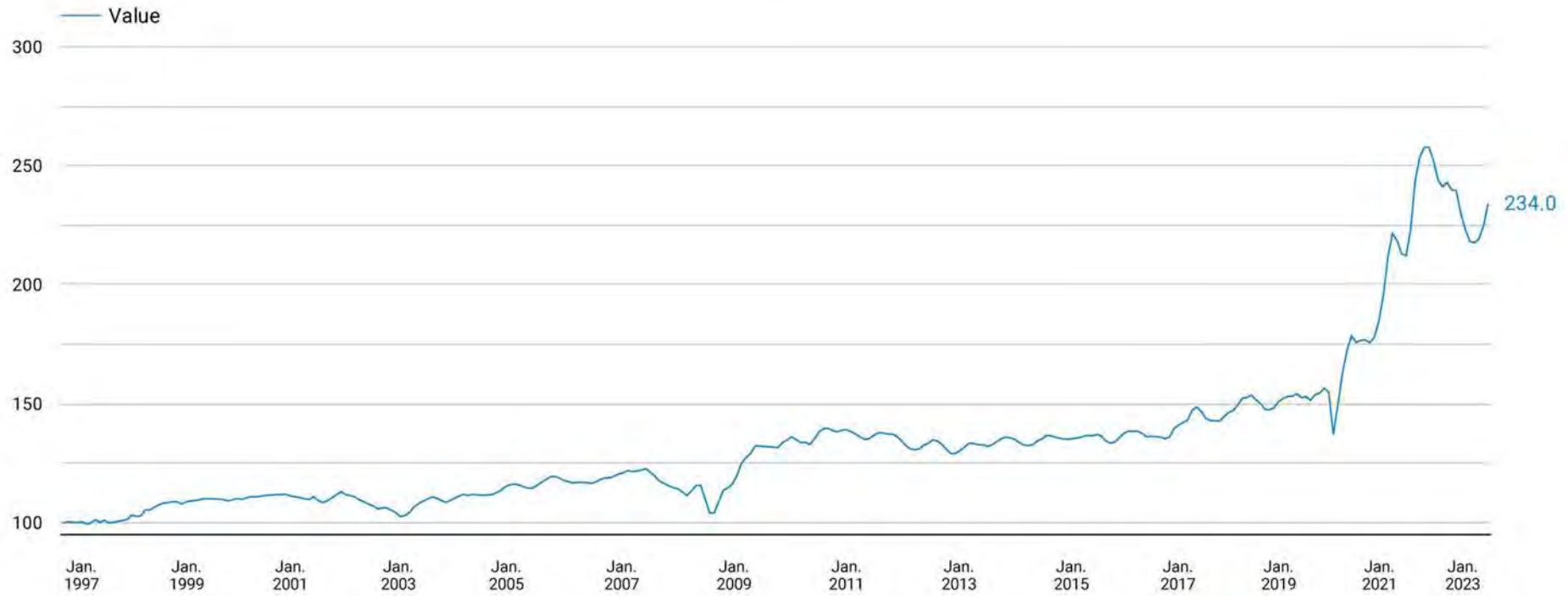


- Consumer resiliency persists in the face of rising rates.
- New-vehicle transaction prices declined in January versus December while incentives increased. However, automakers are becoming more aggressive with fleet sales, which are propping up the new-vehicle market.
- Used-vehicle sales in the early part of 2023 are proving to be robust, pushing used-vehicle inventories lower.
- Wholesale used-vehicle values bucked the norm and are running higher out of the gate in 2023.

February Mid-month MUVVI



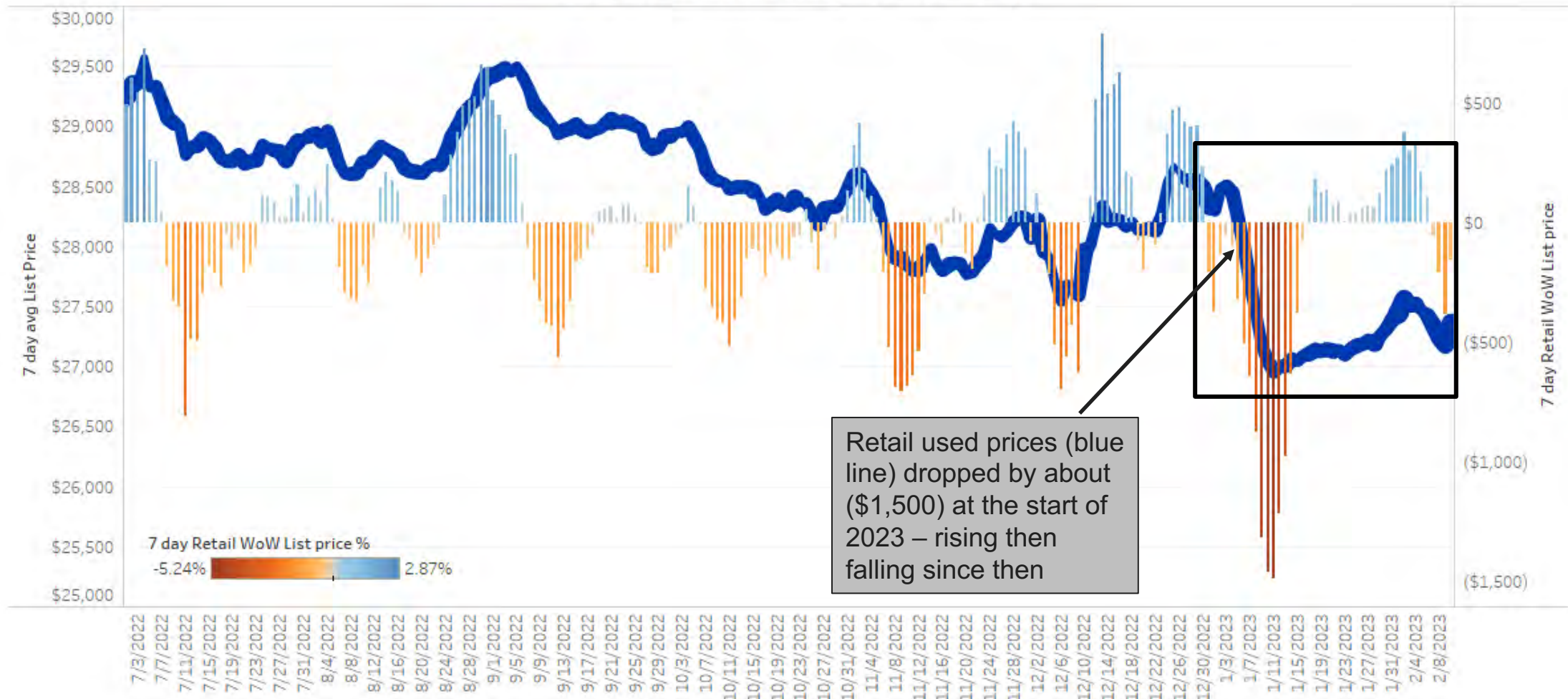
MANHEIM USED VEHICLE VALUE INDEX
Mid-February 2023



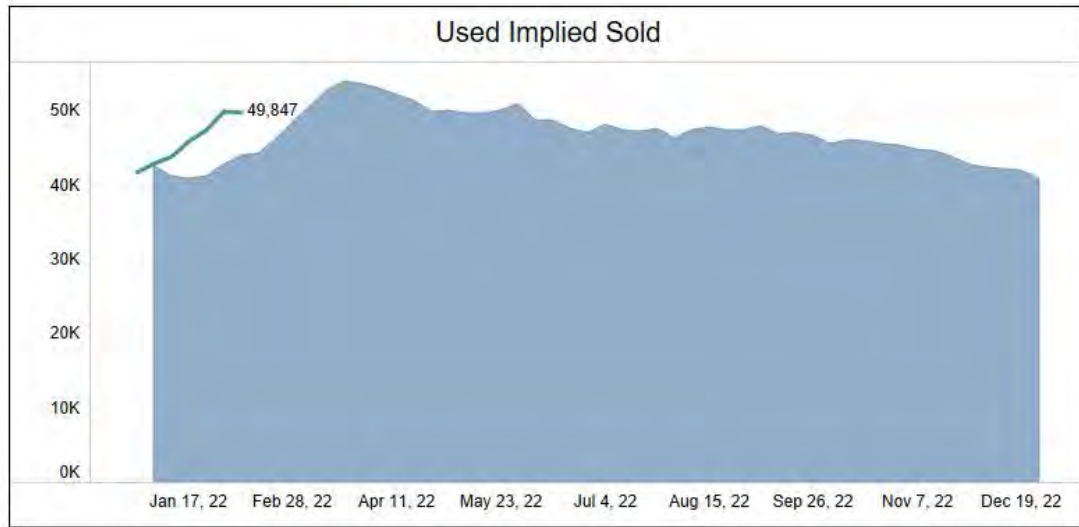
Used-Vehicle Market: Softer Prices Stirred Demand



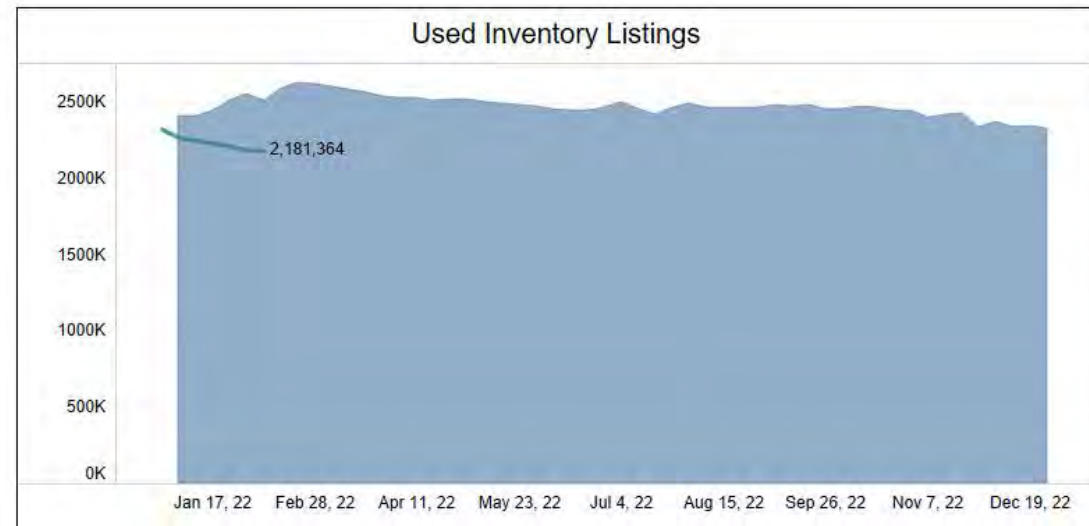
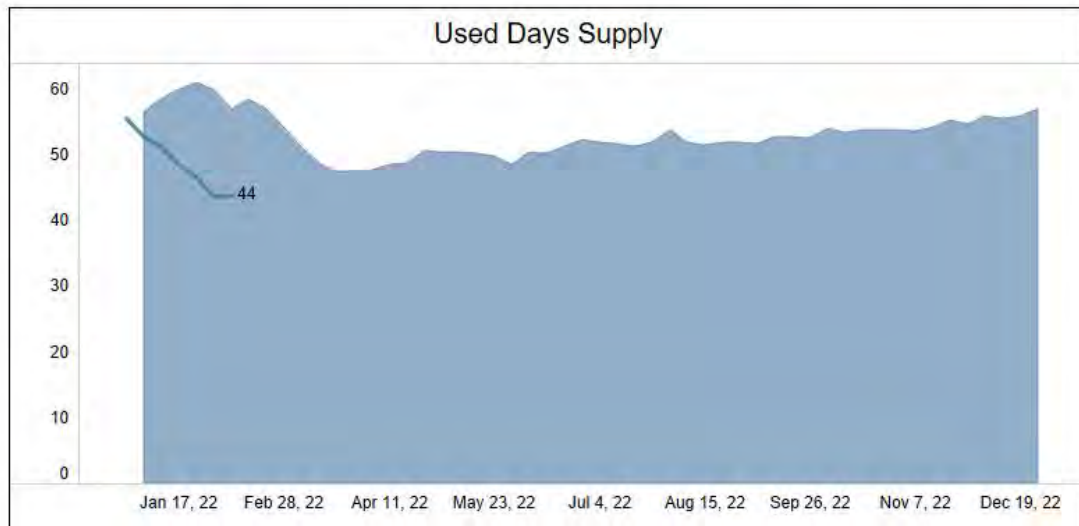
Used Retail Listed Price & WoW Change



Used-Vehicle Retail Supply: Declining



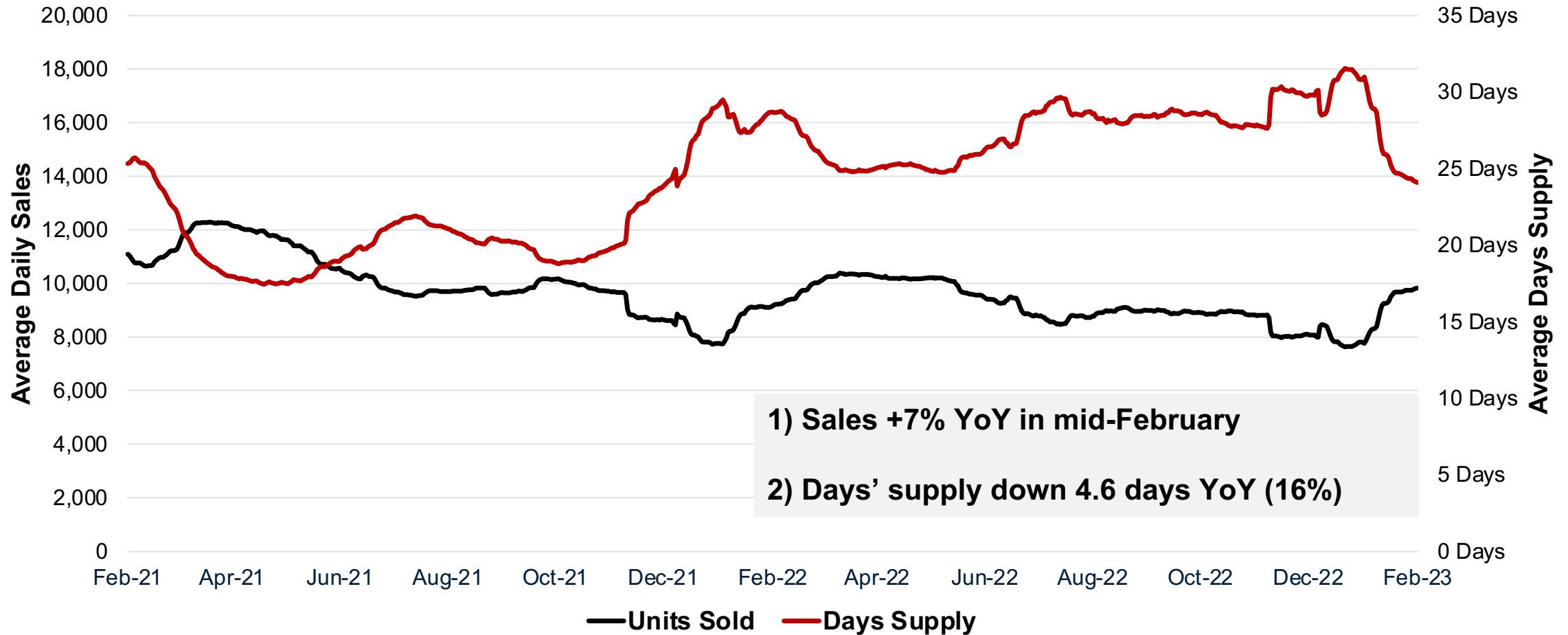
- Sales are much stronger than in '22, running about 13% higher than the same time last year.
- Listings are down (13%) versus this week last year & also (6%) lower than the 2022 year-end.
- This yields days' supply at 44 days currently, lower than any point in 2022 and down (13%) YoY.



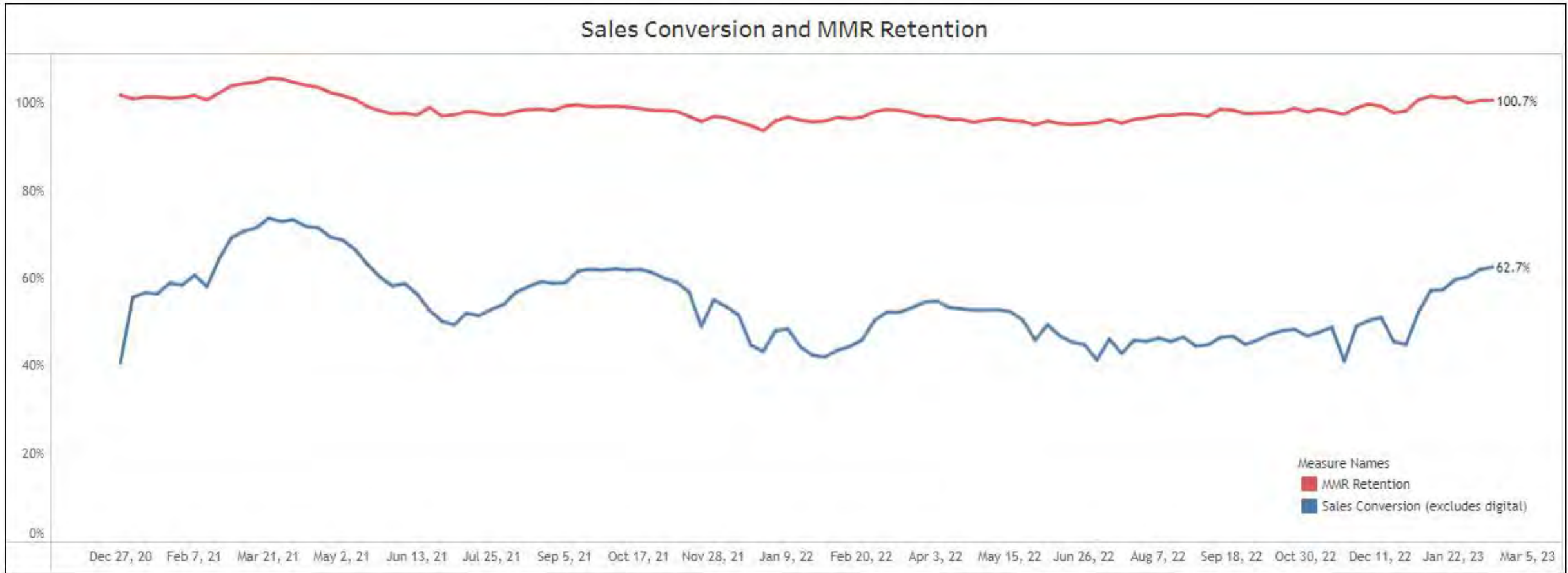
Wholesale Sales & Days Supply: More Demand



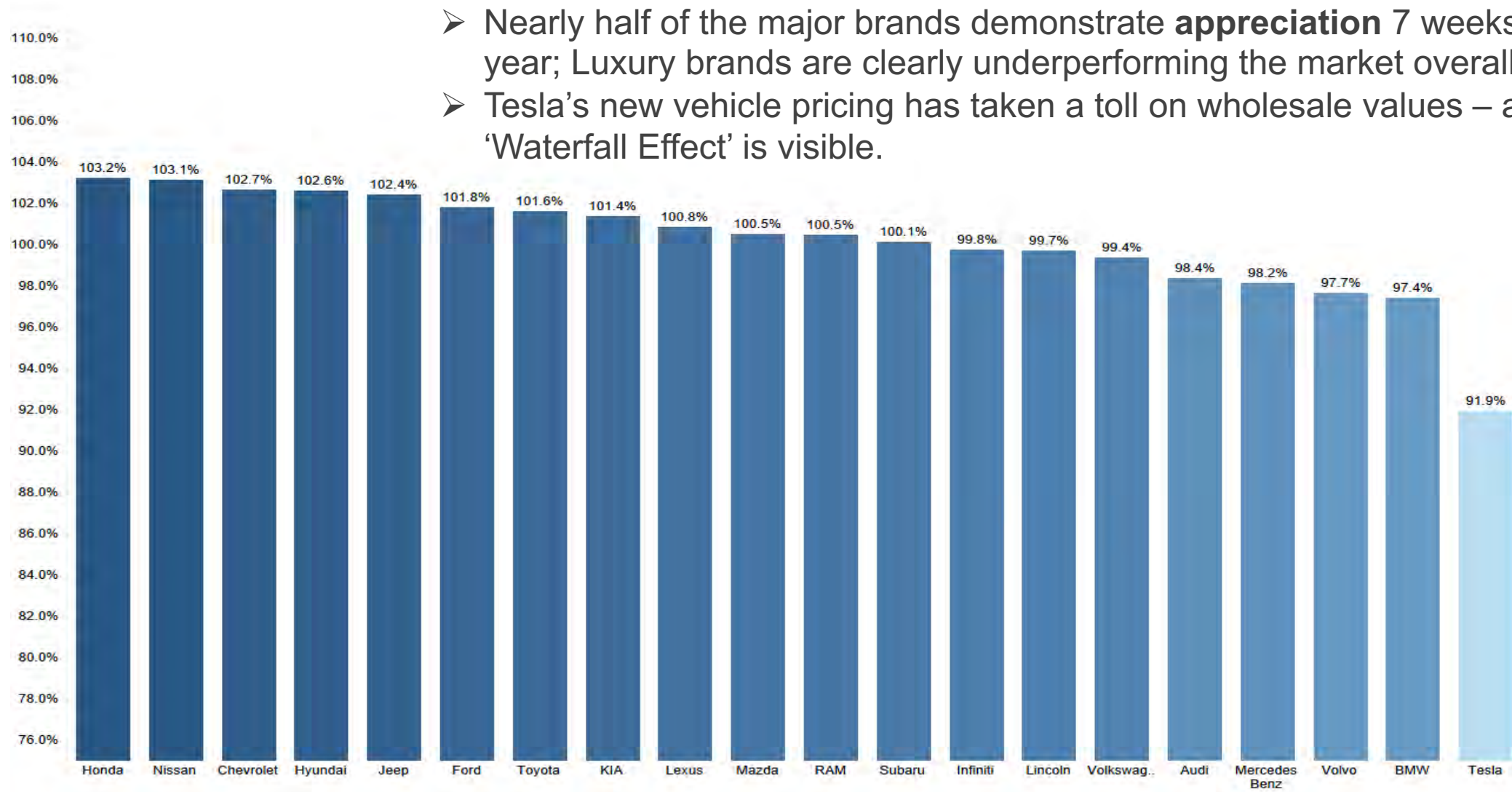
Manheim Sales & Days Supply (4 week rolling avg)



MMR Trends & Retention / Sales Efficiency



Brand Strength at Wholesale



- Nearly half of the major brands demonstrate **appreciation** 7 weeks into the year; Luxury brands are clearly underperforming the market overall.
- Tesla’s new vehicle pricing has taken a toll on wholesale values – aka the ‘Waterfall Effect’ is visible.

Summary



“The principal reason for improving used retail sales early in 2023 is the price decline that was a product of last fall’s wholesale price drops.

Now dealers are restocking at higher prices, and driving prices even higher, so the retail price trend will reverse soon. It’ll be tough to maintain positive sales momentum with higher prices, especially as rates keep rising.”

Cox Automotive Chief Economist
Jonathan Smoke

