



Manheim Market Insights

August Mid-Month

Jeremy Robb
Senior Director
Economic & Industry Insights

COX AUTOMOTIVE

Used-Vehicle Metrics Show Volatility

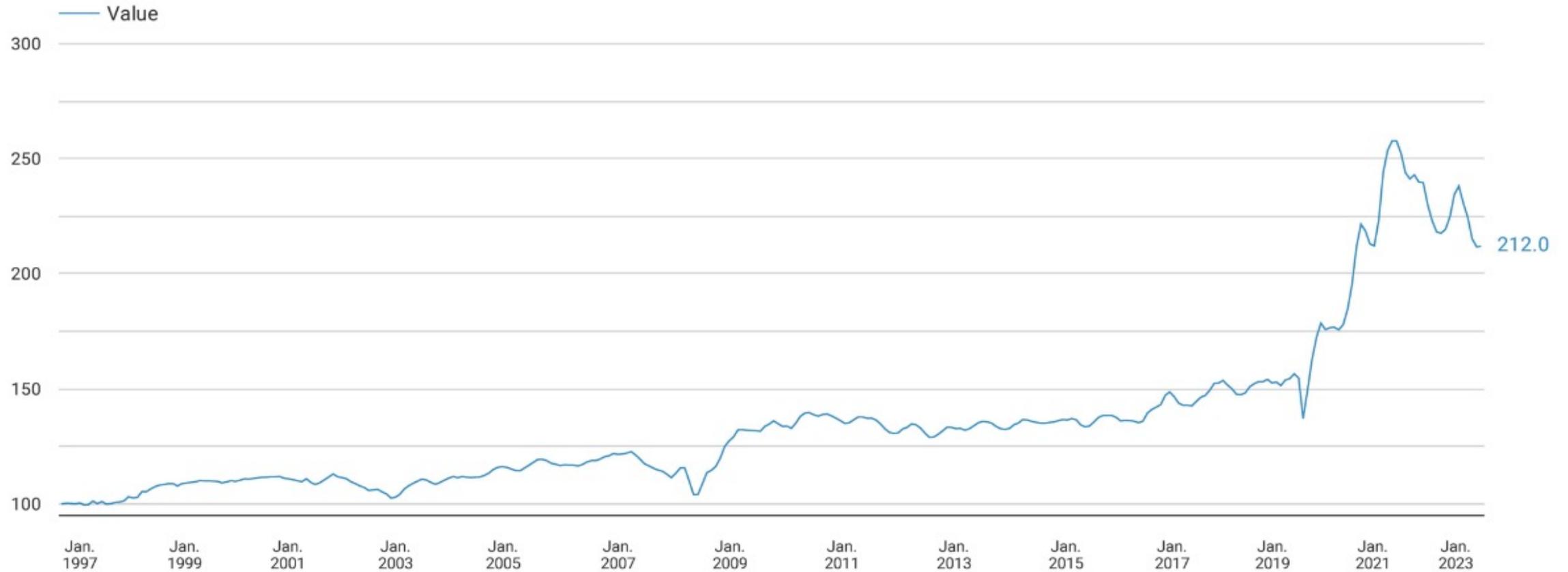


- Changing the narrative: Wholesale values increased in the first half of August after declining over the last several months. Manheim's days' supply has been tightening recently, and we are seeing the impact on prices.
- MMR Index values were also declining more than normal in early summer, yet also show flattening trends in recent weeks.
- Used markets are tight, with retail sales picking up over the last four weeks on the back of lower prices. Tighter inventories can create volatility in both retail and wholesale environments.
- Loan defaults are up vs 2022 and driving repos higher – but the overall levels are not too concerning right now.

August Mid-Month MUVVI



MANHEIM USED VEHICLE VALUE INDEX Mid-August 2023

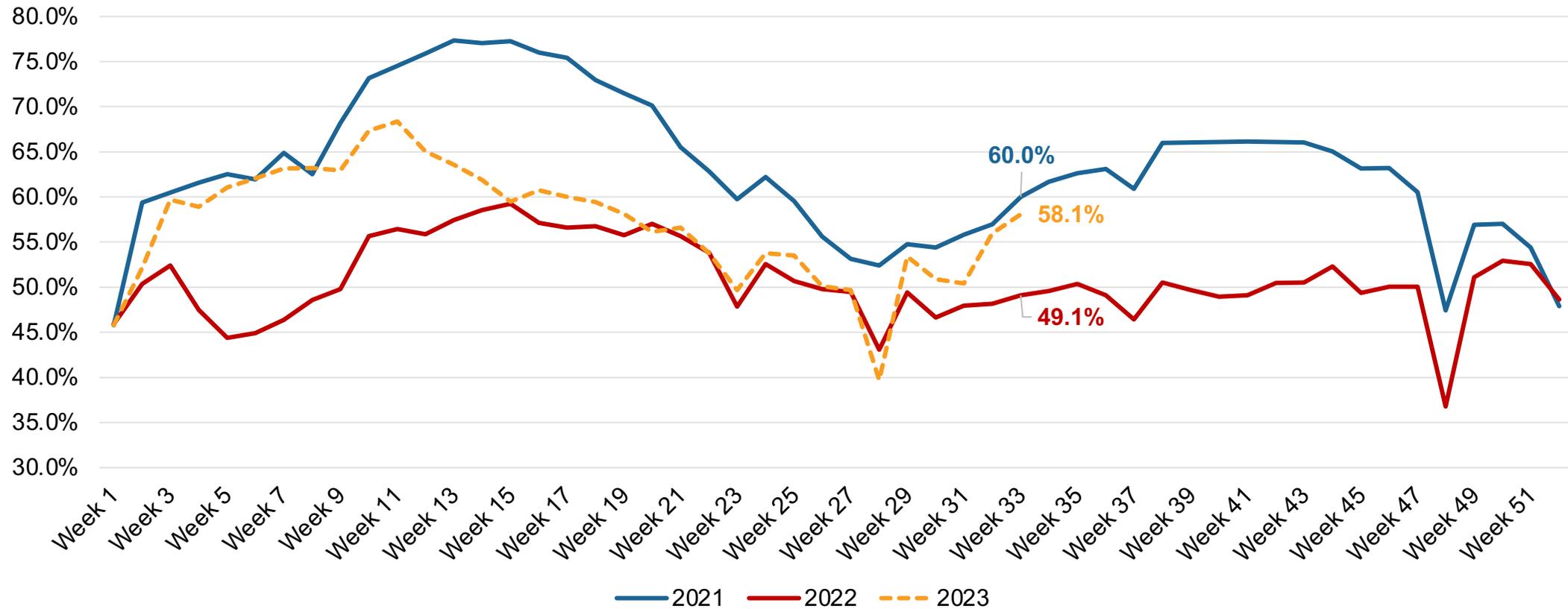




Wholesale Sales Conversion

Sales conversion has been tracking 2022 trends but moved up substantially in July

Sales Conversion

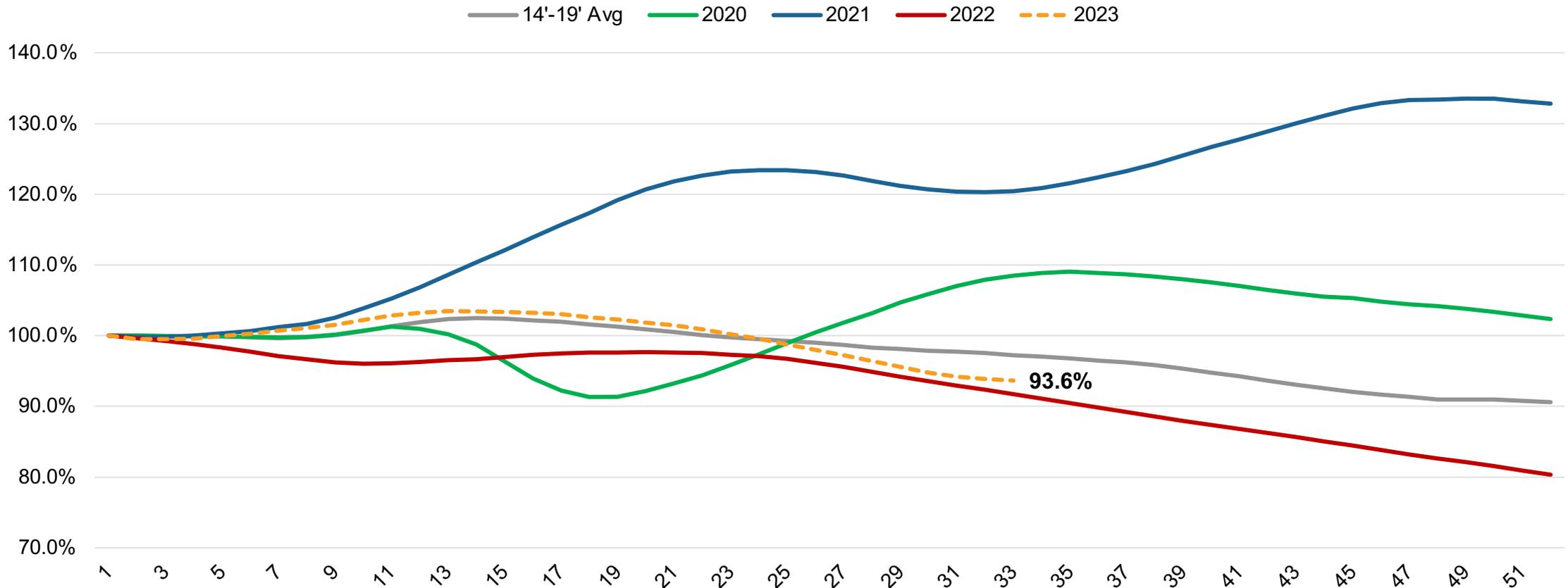


Wholesale MMR Index



Wholesale MMR values fell faster in early summer but have been flattening in recent weeks

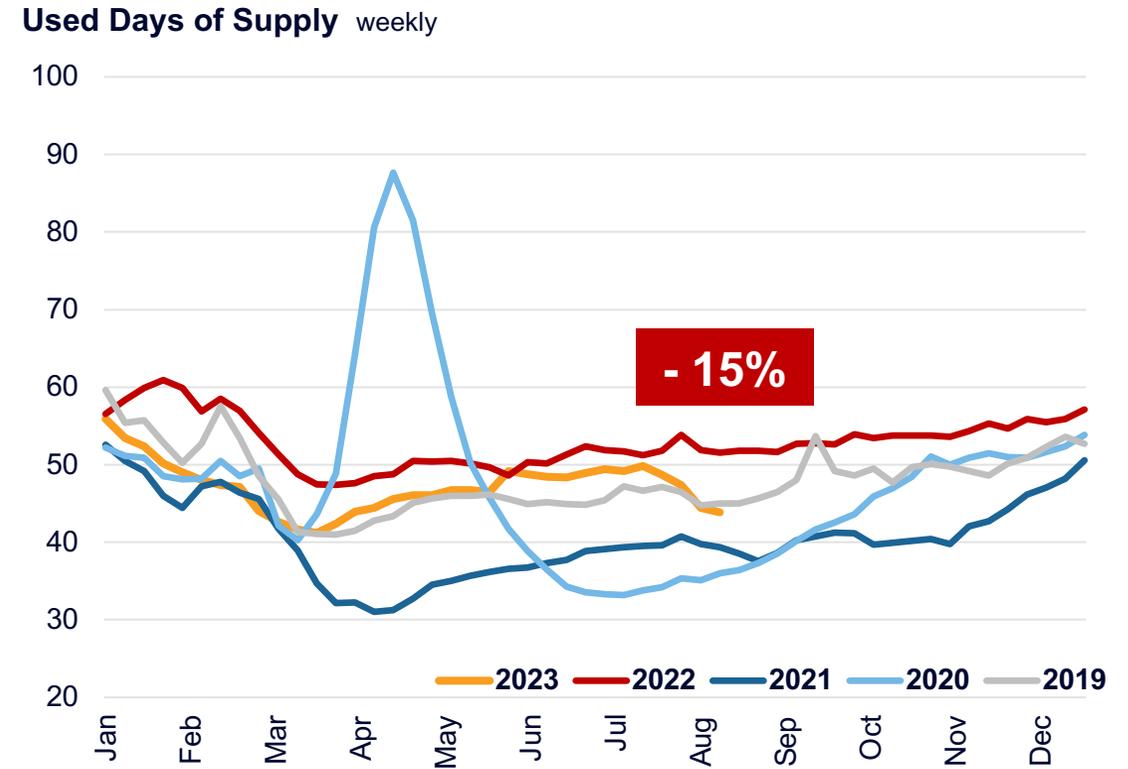
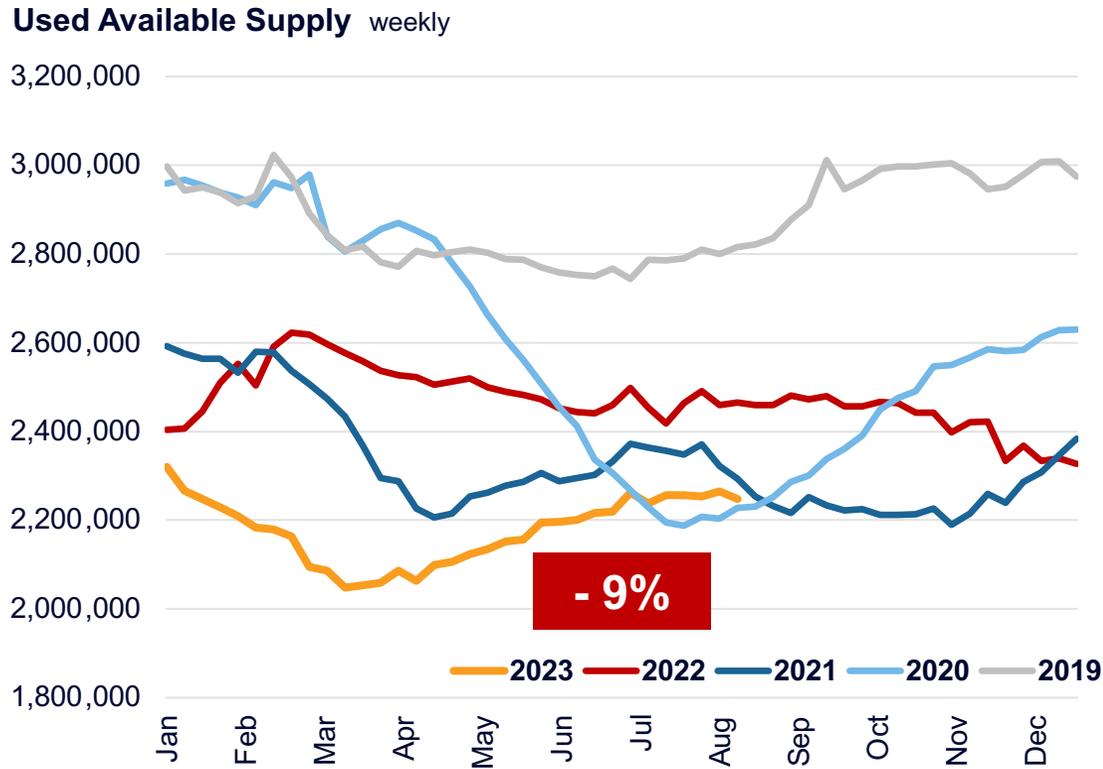
Overall MMR Index Trends
All Model Years



Used Retail Inventory & Days of Supply



Used inventory units remain lower, and days' supply has dropped over the last month on the back of rising sales

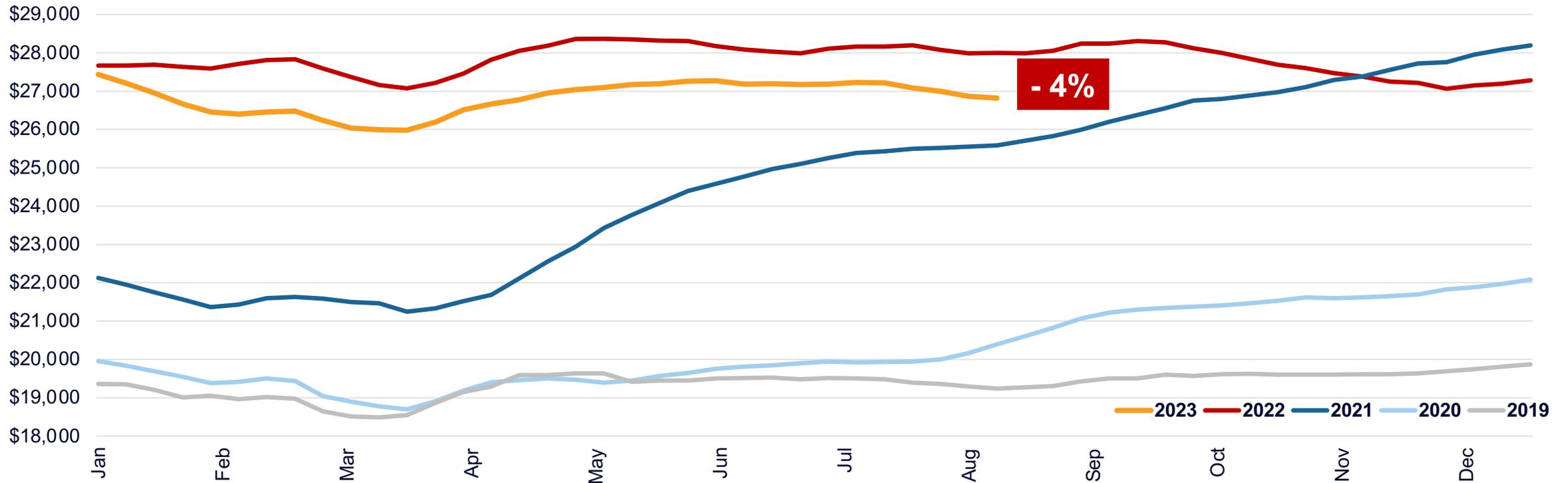


Used Retail Prices



Prices are 4% lower than 2022 following declines in wholesale values in early summer

Average List Price weekly

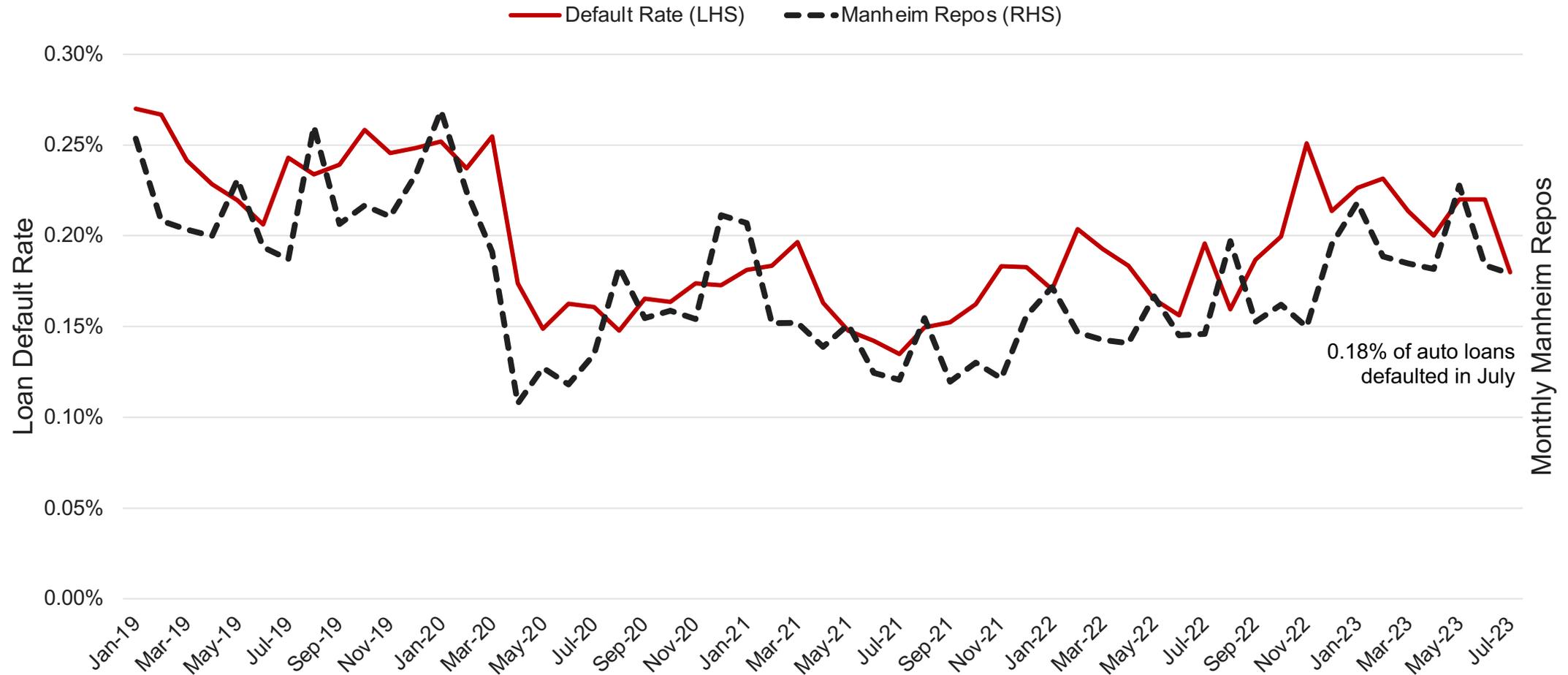


Loan Defaults and Repossessions



Auto loan defaults have increased Y/Y driving repos higher: yet both remain lower than pre-covid levels

Auto Loan Defaults and Manheim Repos



Summary



As August has started, some of the trends in recent months are diverging. As we have talked about before, shallow supply can lead to volatility in prices – both on the downside and the upside. Right now, we are seeing wholesale values flatten with retail price declines stirring some demand.

Next month, student loan payments resume for the first time since the pandemic began. This is likely to have an impact on consumer purchasing and will be key to monitor this fall. The job market is strong and consumers have been holding up, but we may be coming to a fork in the road.

