



December 19, 2023

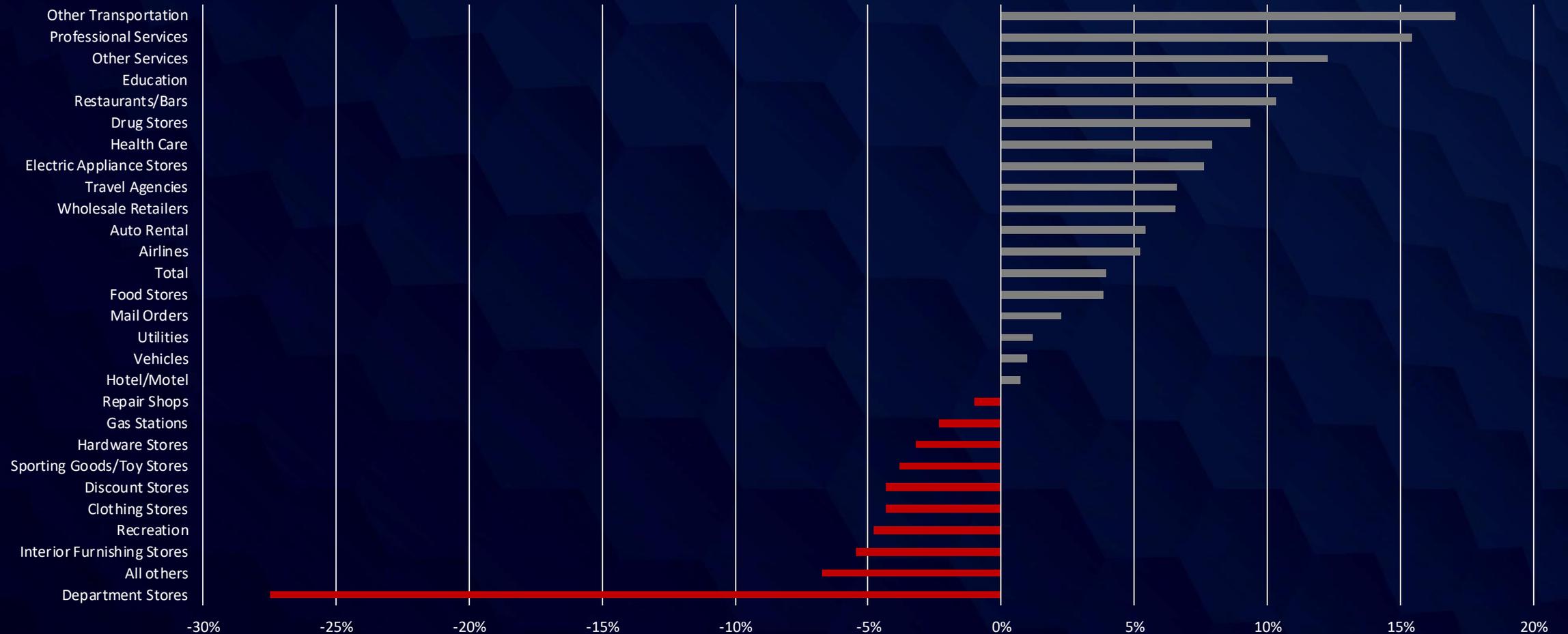
# COX AUTOMOTIVE AUTO MARKET REPORT

Translating Data and Trends into Actionable Insights

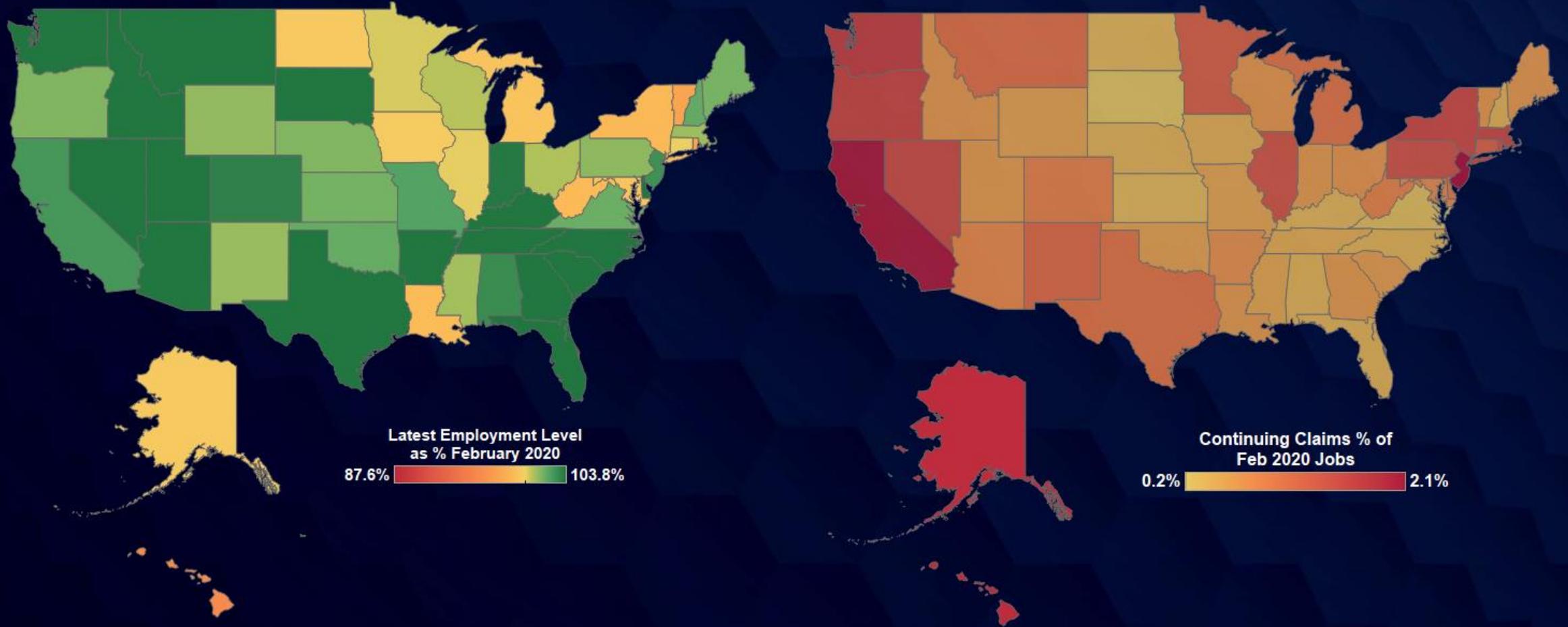
# Consumer Spending Growth Slowing and More Varied

Total spending in late November was up 4% y/y with strength in travel, services, education, and dining out

Y/Y Spending % Change for Week Ending November 25, 2023



# Continuing Claims at 1.86 Million Nationally

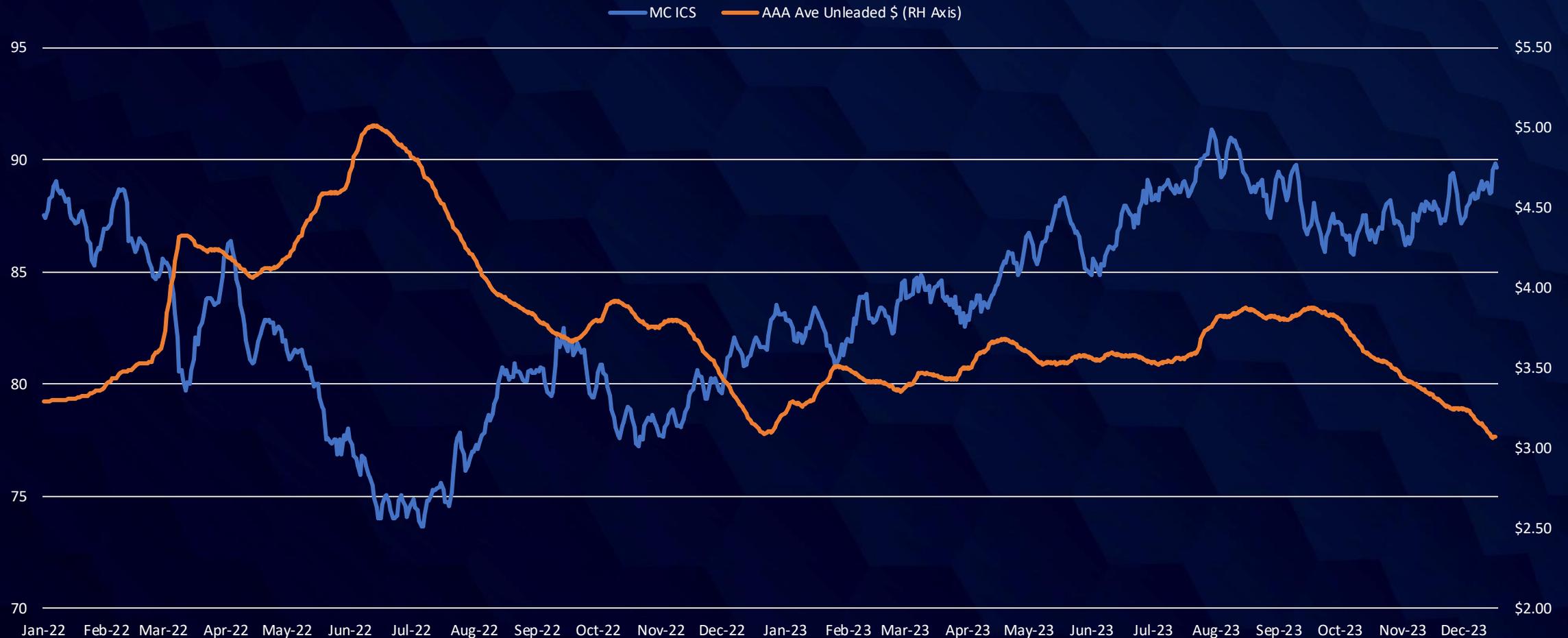


NOTE: Latest Employment Numbers for October 2023; Continuing Claims Unemployment Data for Week Ending November 18

# Consumer Sentiment Improving in December

The Index of Consumer Sentiment is up 2.8% so far in December and is up 9.4% y/y

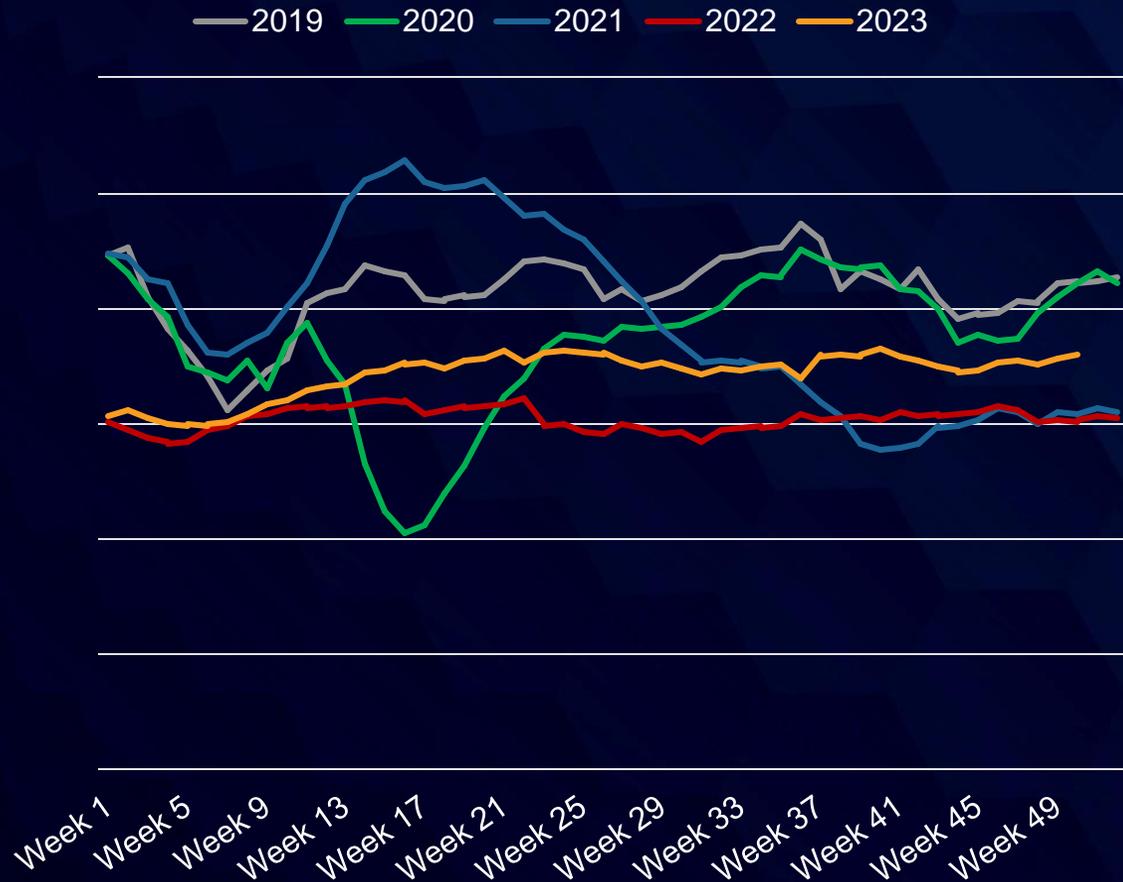
Morning Consult Index of Consumer Sentiment vs. Average Price of Unleaded



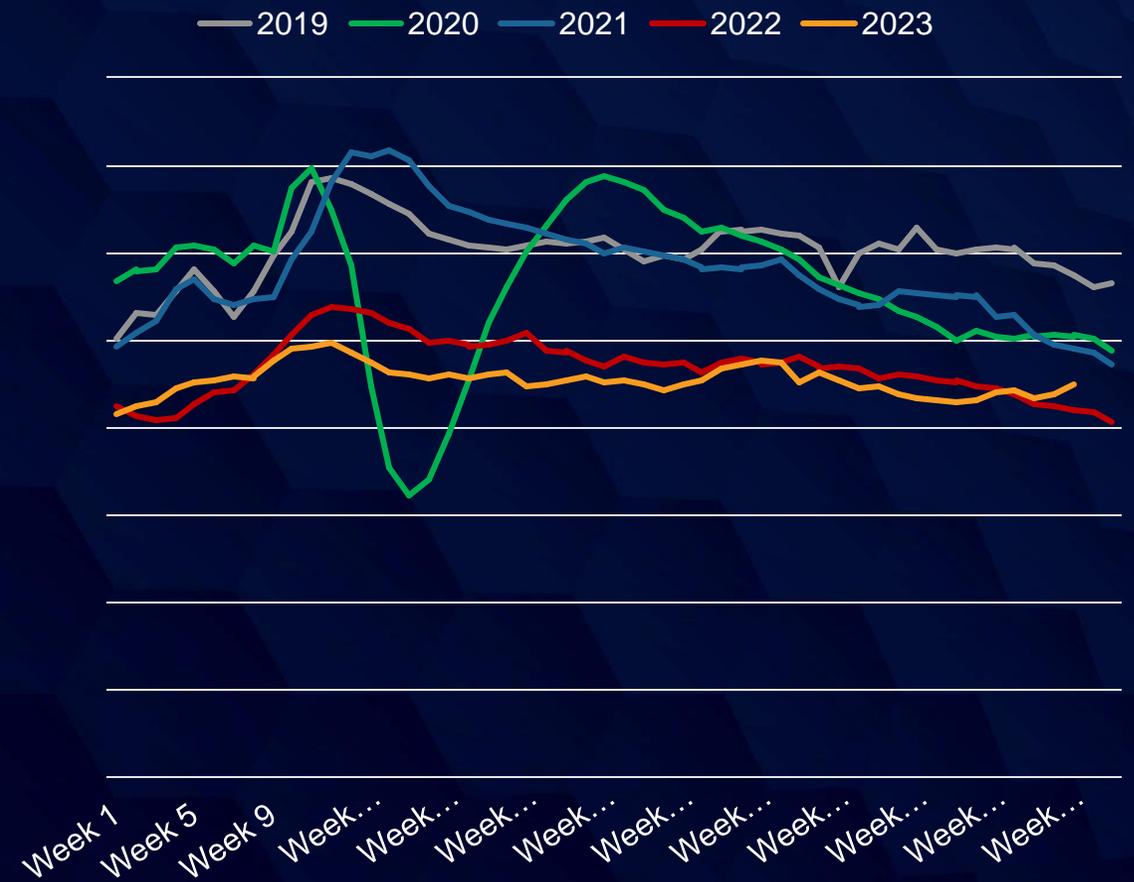
# Retail Sales Estimates

New sales increased 1% in the latest week and are up 19% y/y as used sales were up 2% and up 7% y/y

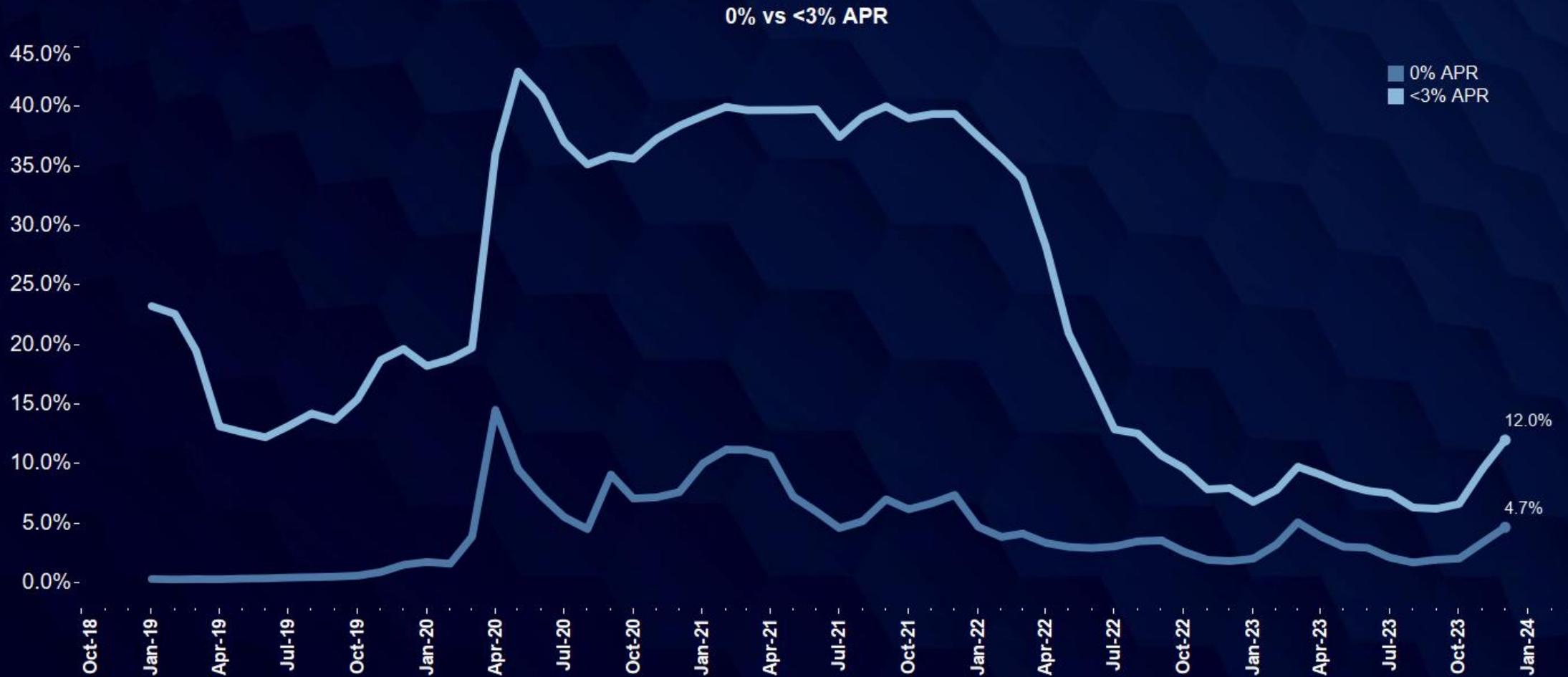
## New Retail Sales



## Used Retail Sales

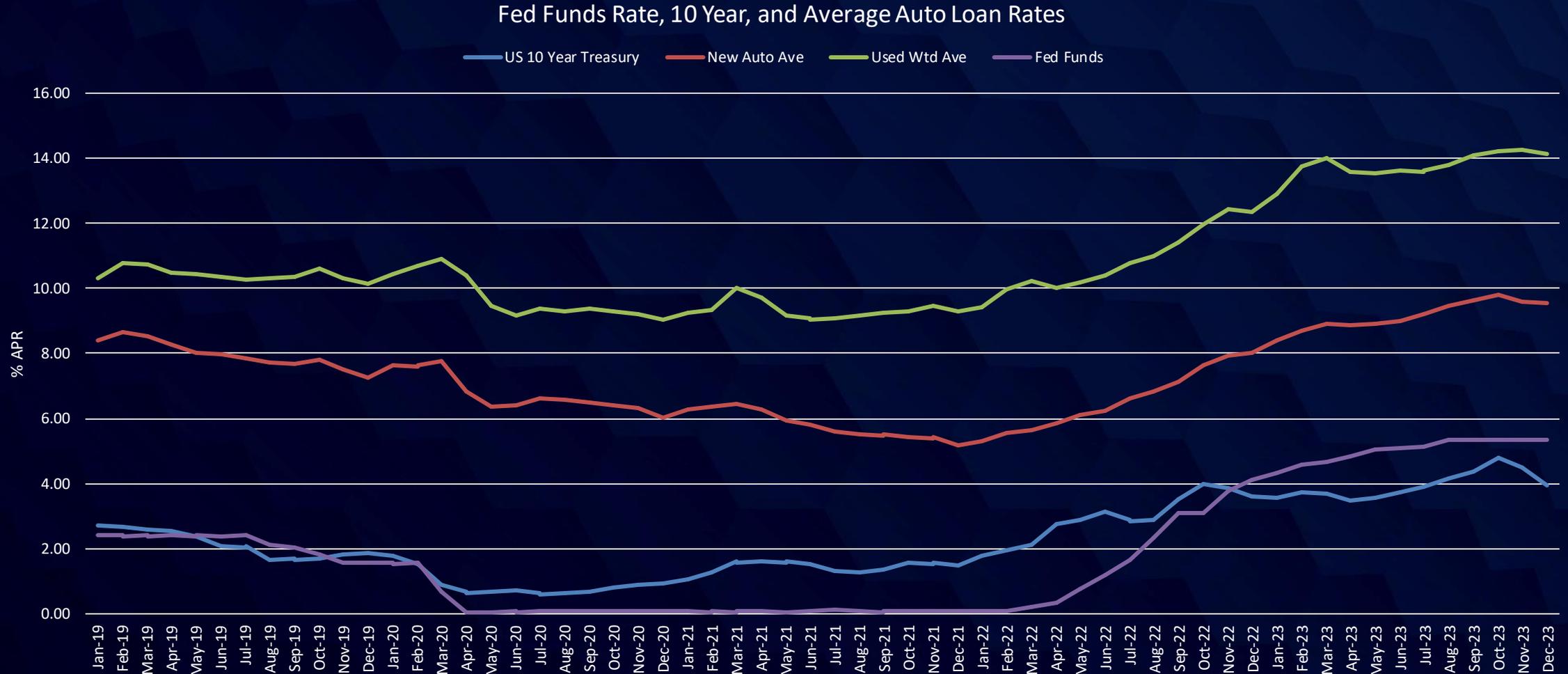


# Low APR Financing



# Average Auto Loan Rates Below Peaks in December

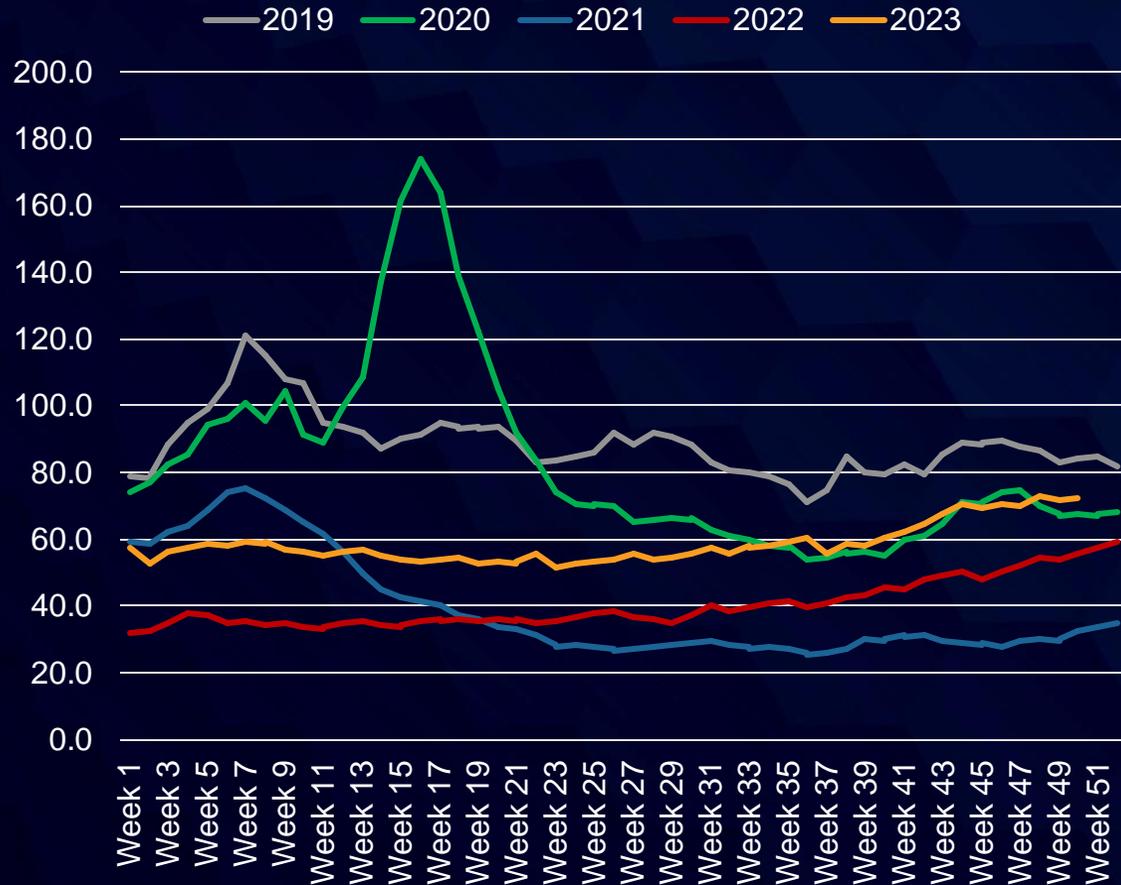
Average auto loan rates have moved lower in December with ave used at 14.14% and ave new at 9.55%



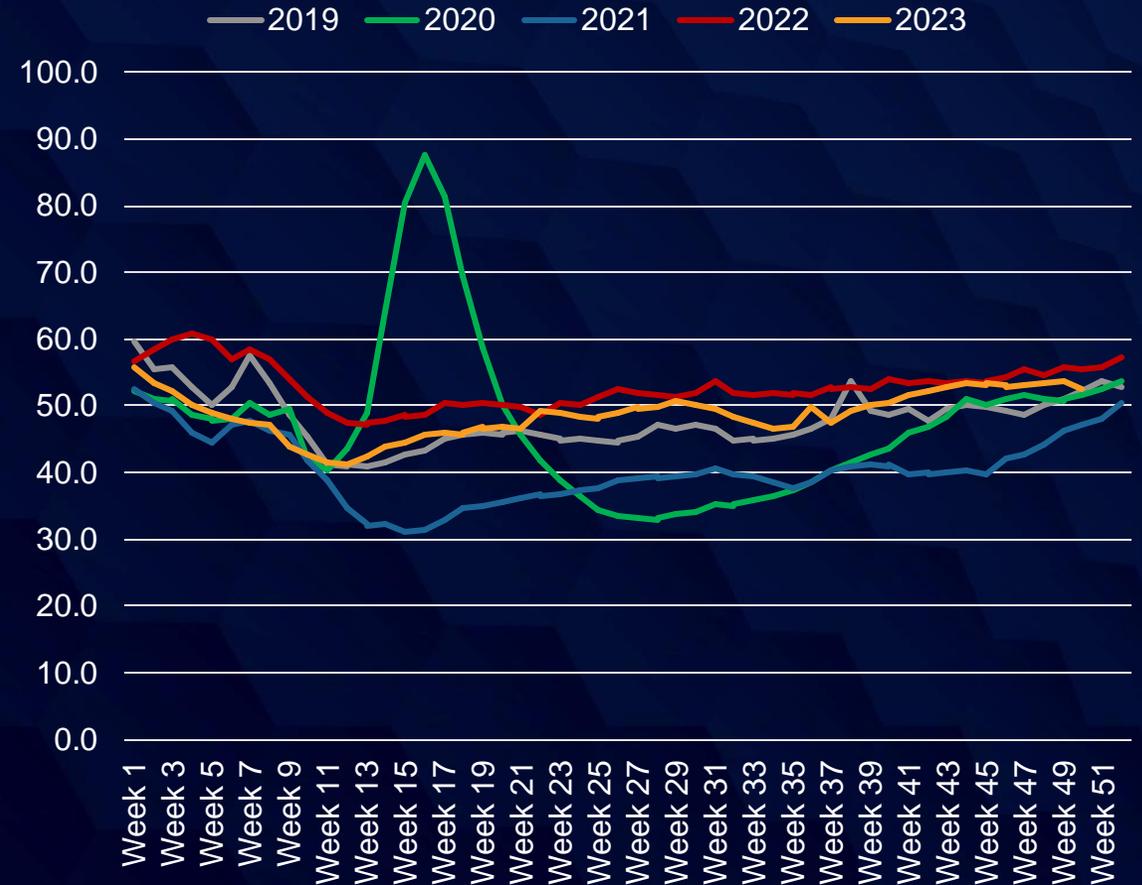
# Supply Higher for New in the Fourth Quarter

New supply is up 17 days y/y and up 1% w/w while used supply is down 3 days y/y and trended down last week

## New Days' Supply

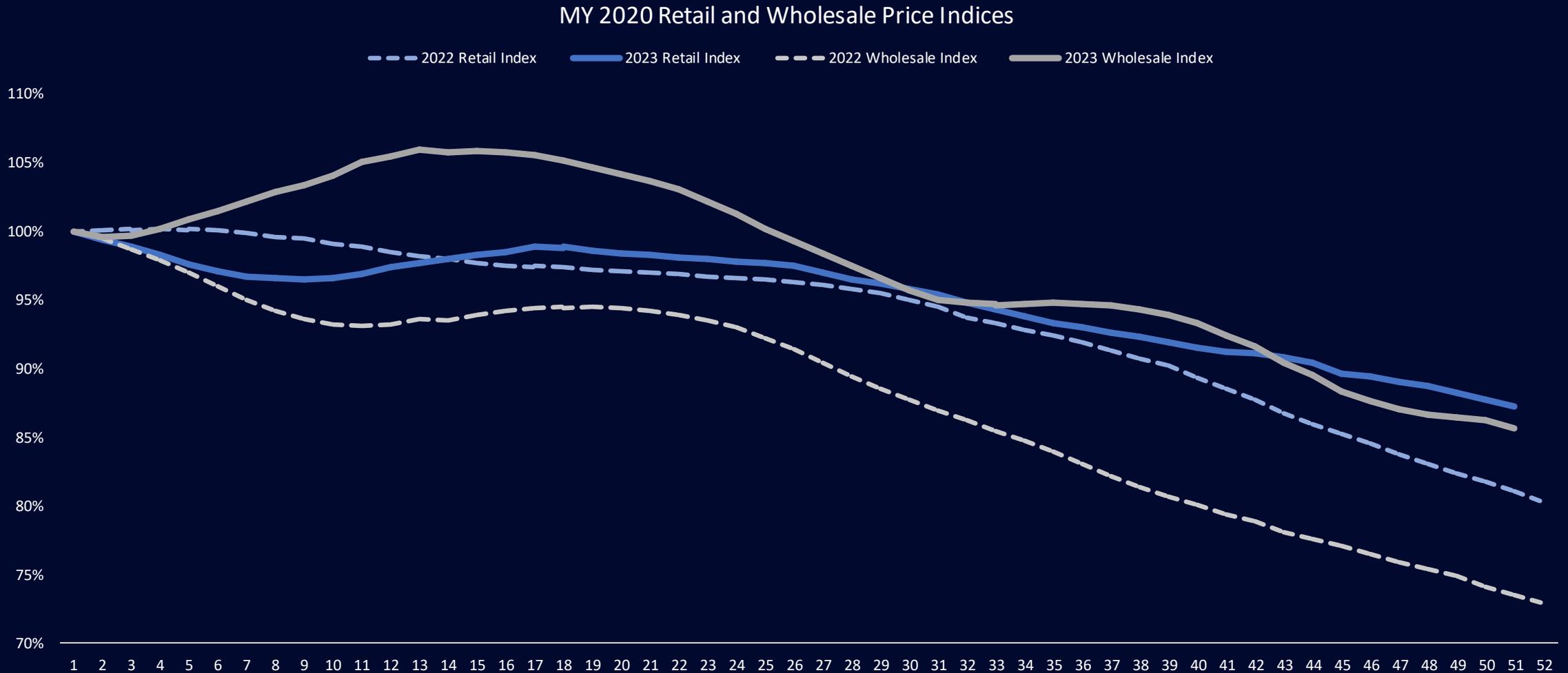


## Used Days' Supply



# Used Prices Continue Declining

The average MY 2020 wholesale price declined 0.7% last week while the average retail price declined 0.6%



# Forecast: 2024

5 themes to look for in '24

## 1. **Slow Growth Ahead**, But It Beats a Recession.

- Rising rates, depleted inventory and low incentives may be in the rearview mirror

## 2. **Vehicle Supply Is Back to Favoring Consumers**, with Downward Pressure on Prices.

- Inventory to rise, incentives to be higher and discounting to increase

## 3. In 2024, We Officially **Bid Farewell to the Seller's Market**.

- Dealer profitability is expected to fall further
- The Good News: Used-vehicle margins and fixed ops should remain strong

**15.6M**

new-vehicles sold  
in the U.S.  
in 2024

**<2%**

new-vehicle sales  
growth in 2024

## Forecast: 2024

### 3. In the Electric Vehicle Market, 2024 Will Be the **Year of More**.

- More models
- More incentives
- More discounting
- More advertising
- More sales muscle

### 4. Car Buying in America: **Normal Is Nice**.

- Balance to return to the market
- 2024 may be the best year for car buyers since the pandemic

**1M+**

electric vehicles sold  
in the U.S.  
in 2024

**>10%**

EV share of  
new-vehicle market  
in the U.S.  
in 2024

# COX AUTOMOTIVE

