

# READING THE METER®

*A look inside a cleaner, safer,  
smarter auto industry.*



ALLIANCE FOR AUTOMOTIVE INNOVATION

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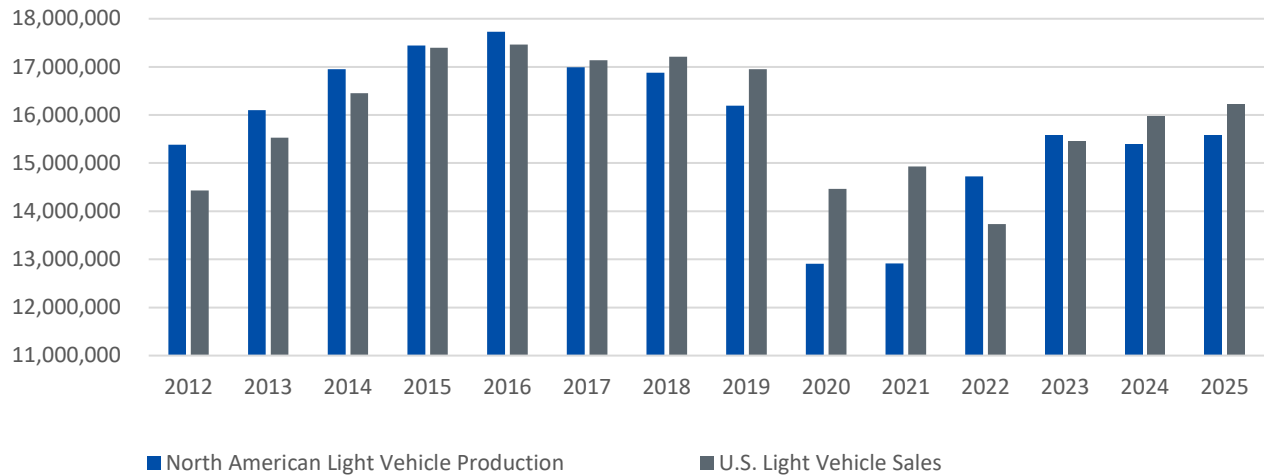
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## Forecast Meter

### Sales & Production Summary and Forecast (Updated 1/22)

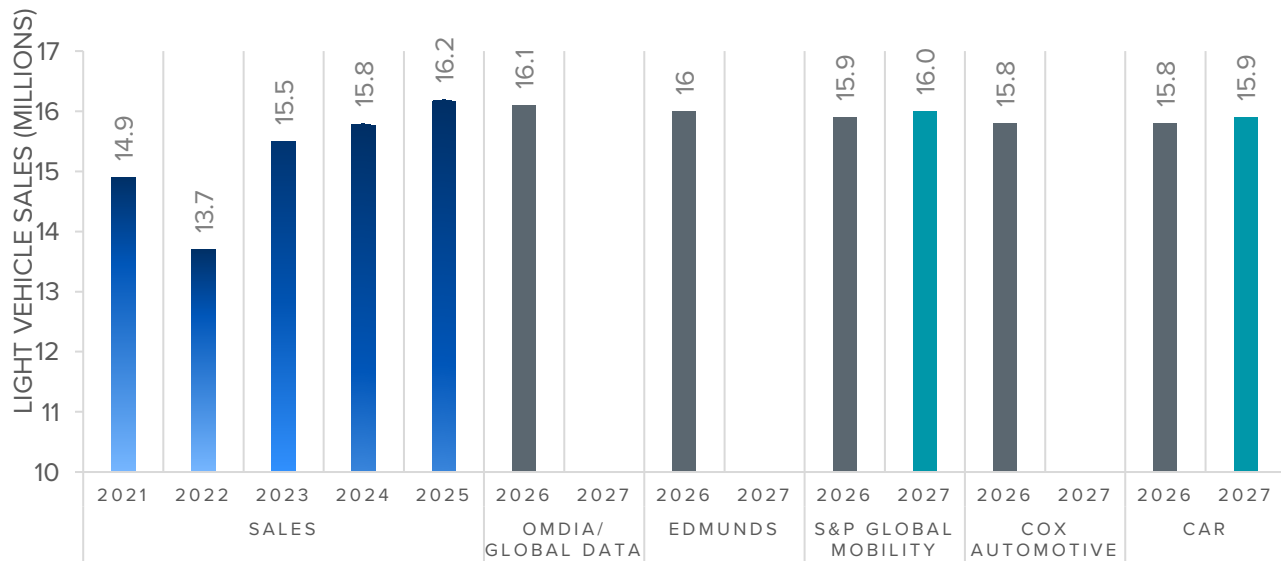
2024-2025 Sales, <sup>1</sup> Extended Sales Forecast <sup>2</sup> and Production Forecasts <sup>3</sup>		
	U.S. Sales & Forecasts	North American Production
January '24	1,076,047 (-1.3% YoY)	1,327,765 (+7.8% YoY)
February '24	1,247,516 (+5.2% YoY)	1,358,836 (+10% YoY)
March '24	1,438,012 (+4.6% YoY)	1,414,502 (-5.7% YoY)
April '24	1,313,512 (+0.6% YoY)	1,473,567 (+15.9% YoY)
May '24	1,429,028 (+0.8% YoY)	1,485,373 (-1.7% YoY)
June '24	1,321,932 (-3.4% YoY)	1,346,584 (-6.1% YoY)
July '24	1,273,115 (-2.0% YoY)	1,117,833 (-4.4% YoY)
August '24	1,419,245 (+3.8% YoY)	1,428,177 (+32.6% YoY)
September '24	1,169,908 (-1.4% YoY)	1,399,608 (+0.8% YoY)
October '24	1,325,263 (+2.4% YoY)	1,506,154 (+7% YoY)
November '24	1,360,060 (+5.8% YoY)	1,331,155 (-3.1% YoY)
December '24	1,488,577 (+6.1% YoY)	972,571 (-11.2% YoY)
January '25	1,110,721 (+3.8% YoY)	1,194,682 (-7.1 YoY)
February '25	1,219,841 (+3.4% YoY)	1,290,302 (-8.7% YoY)
March '25	1,585,390 (+10.7% YoY)	1,424,691 (+1.5% YoY)
April '25	1,463,379 (+6.8% YoY)	1,338,714 (-8.2% YoY)
May '25	1,466,595 (-1.3% YoY)	1,419,834 (-2.4% YoY)
June '25	1,254,418 (-4.2% YoY)	1,331,187 (0.03% YoY)
July '25	1,370,061 (+6.6% YoY)	1,197,801 (+7.9% YoY)
August '25	1,454,685 (+6.8% YoY)	1,425,340 (-1.5% YoY)
September '25	1,250,274 (+2.3% YoY)	1,358,730 (+1.3% YoY)
October '25	1,271,331 (-4.5% YoY)	1,374,124 (-4.5% YoY)
November '25	1,273,390 (-7.3% YoY)	1,157,195 (-11.5% YoY)
December '25	1,460,177 (-6% YoY)	1,020,573 (+4.6% YoY)
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Full Year	16,233,363 (+2.4% YoY)	15,576,688 (-3% YoY)

### North American Production And U.S. Light Vehicle Sales



### U.S. Light Vehicle Sales Outlook (Updated 1/7)

#### U.S. LIGHT VEHICLE SALES FORECAST: 2026-2027



**Omdia Outlook (1/7)<sup>4</sup>:** “Since 2022, the US inventory-to-sales ratio has been normalizing, rising from 0.4 (less than half a month’s supply) in the post-COVID era marred by supply-chain bottlenecks to a cooler 1.5 as of

July 2025. Yet, the immediate trend seems to be heating up as inventories have slid relative to sales since then.

“The US Bureau of Economic Analysis has not released the December figures yet, but given the sales push at the end of this year, that ratio is likely to slide further. And even though that ratio is likely affected by the holiday, supply-side disruptions (the fire at aluminum maker Novelis and the ongoing chip battle at Nexperia), and the loss of some BEV production, this is still good news going into 2026. Sales are likely to remain relatively strong even if they are down from December’s high.

“The more nuanced answer, however, is that sales are more reliant on a relatively small group of wealthy consumers. This is evidenced by the trend for luxury vehicles in general and higher cost, full-size trucks specifically. Full-size trucks accounted for 15% of the market in December, up from 14% in December of last year and 1.7% from last month. Luxury vehicles in general, while down 1% year-over-year, have gained market share every month since July 2025 and account for 37% of the market in December. In contrast, more affordable models continue to lose share year-over-year and hold 12% of the market. CUVs and SUVs (including vans and small pickups) make up the other 50% of the market.

“This creates some vulnerabilities if automakers abandon the lower and middle segments.

“Chinese OEMs have spent the last decade perfecting high-tech, high-quality, affordable cars, exactly what US makers are abandoning. And while the US market remains protected by high tariffs, Chinese automakers will breach that barrier sooner rather than later.”

## North American Production & Inventory Outlook (Updated 1/22)

**Omdia Production Outlook (1/22)**<sup>5</sup>: “For now, supply chain disruptions seem to be under control. Novelis continues to rebuild its hot mill in Oswego, New York, and OEMs have found a DIY workaround for Nexperia. But uncertainty may be the biggest risk to production this year.

“Production for January is estimated at 1.143 million units, down 43,000 units from the 1.186 million estimated in last month’s outlook.

“The estimate for 1Q26 is tracking at 3.760 million units, down from last month’s estimate of 3.806 million units and below 1Q25’s 3.866 million.

“Supply disruptions from the Novelis fire and the Nexperia chip stoppage are being managed, even if they are not quite over.

“While January may prove to be event-free, the industry faces headwinds in 2026. The biggest risk to production is uncertainty. Consider the recent announcement from the White House that several European countries will face an additional 10% tariff by February 1 and 25% by June 1 if they do not support US President Trump’s geopolitical agenda. Automotive sector participants—particularly Stellantis and the German automakers—are the most exposed here.

“Even more significant than the tariffs themselves is the uncertainty of future tariffs or policies designed to invoke behavioral change: do x or get y. While this tactic is useful for negotiations, it hinders cost and demand forecasts and, therefore, production and investment decisions. Moreover, it may have lasting effects even if the policy(ies) are never implemented.”

**S&P Global Mobility Outlook (1/22)<sup>6</sup>:** “North America: The outlook for North America light vehicle production was reduced by 121,000 units and by 147,000 units for 2026 and 2027, respectively (and reduced by 10,000 units for 2028). The outlook for 2026 in North America was revised down 0.8% totaling 14.96 million units as market dynamics continue to evolve. Post COVID, the autos sector has been skewed in favor of higher end vehicles. This year is expected to see automakers wrestle with normalizing market conditions and face margin pressure by either continuing to support diminishing pent-up demand for higher trim level vehicles or move further down the price ladder to bolster sales. Evidence for 2026 points toward some manufacturers planning to prioritize protecting margins at the expense of volume. This balancing act is expected to lead to more dynamic planning conditions over the course of the year. Moreover, pressure is coming from plans by several Asian manufacturers to focus on increasing imports at the expense of localized production with efforts to bolster capacity utilization in their home markets despite US tariff pressures. Based on evolving US inventory assumptions, the North American production forecast is built around inventory levels remaining between to 2.4 to 2.8 million units or a healthy 45 to 55 day supply as the market has ranged in over the past two years with an expected roughly 16.0 million unit US sales environment over the next two years.”

**Omdia Inventory Outlook (12/23)<sup>7</sup>:** “Meantime, December inventory is forecast to total 2.44 million units, down 10.5% from the prior month and 13.5% below same-month 2024. Days’ supply is pegged at 44, down from November’s 53 and December 2024’s 47.”

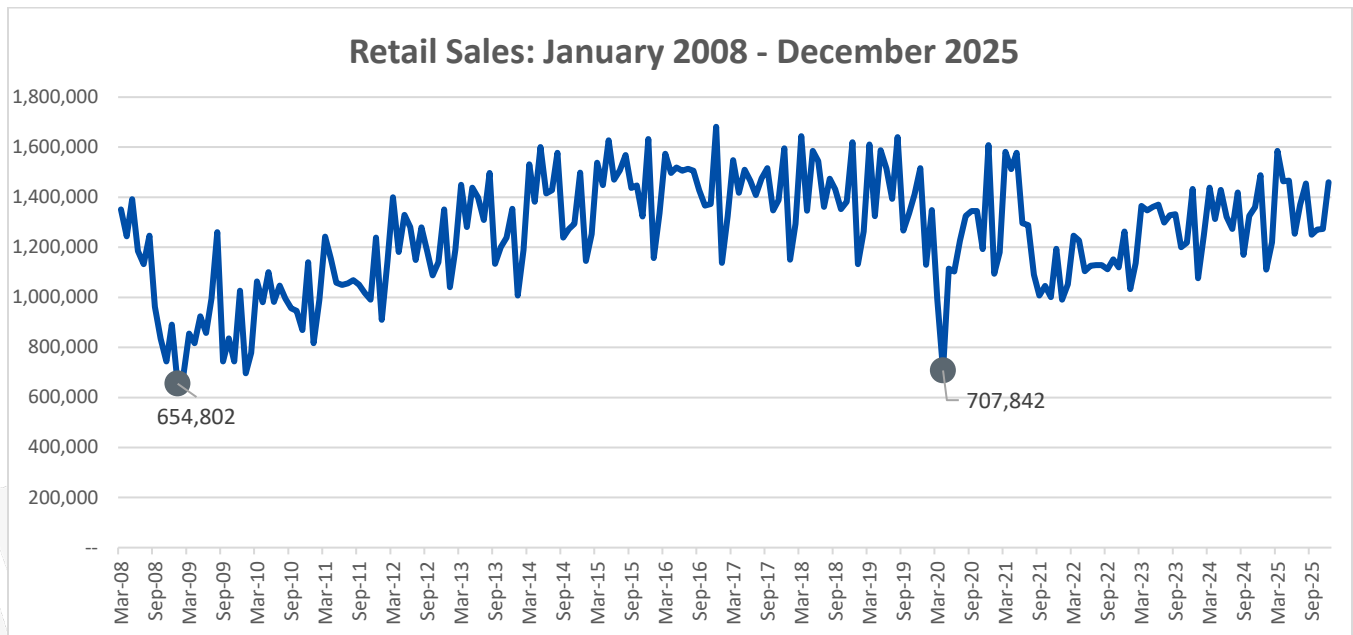
## Market Meter

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### U.S. Light Vehicle Sales (Updated 1/7)

#### **Monthly Sales (Updated 12/5)**

This chart helps to put into context the monthly retail sales due to the COVID pandemic and showing the relative drop in sales compared to the 2008 financial crisis.



### **Monthly Sales (Updated 1/7)**

**Omdia (formerly WardsIntelligence)**<sup>8</sup>: “US light-vehicle sales fell year-over-year (YoY) for the third consecutive month in December, the culmination of a 4Q decline of 4.6%, the first quarterly drop since 1Q-2023.

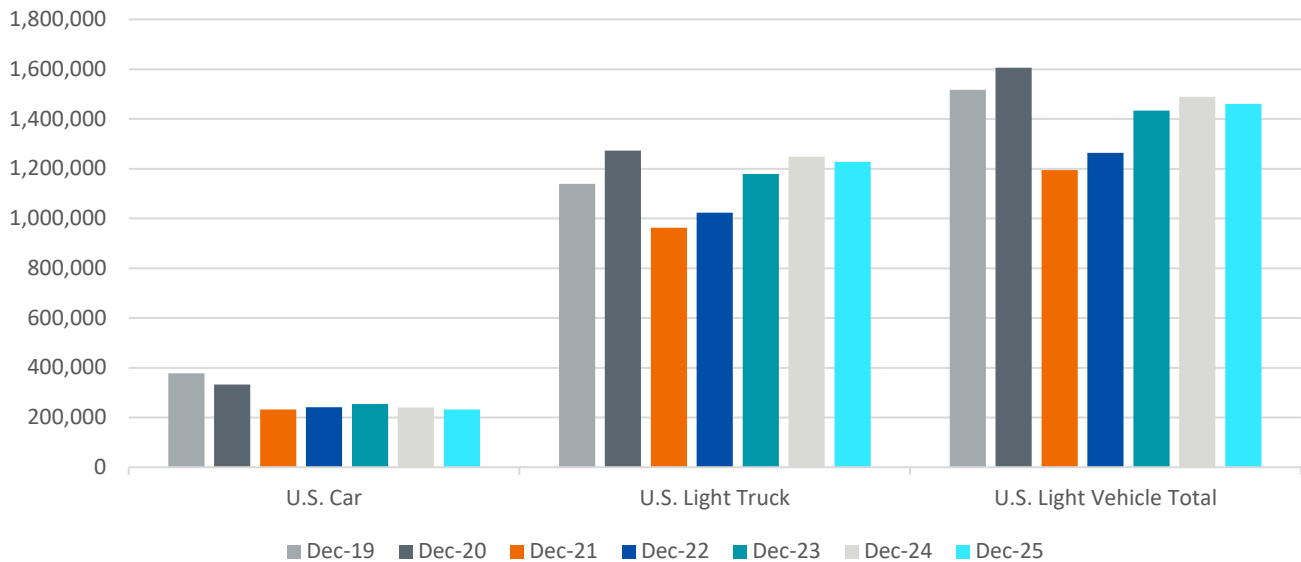
“Despite the 4Q slowdown, entire 2025 totaled 16.2 million units, up 2% from 2024’s 15.9 million and the highest since 17.0 million in 2019.

“December’s seasonally adjusted annual rate (SAAR) totaled 16.0 million units, well below same-month 2024’s 16.8 million. The 4Q SAAR totaled 15.76 million, down from Q4-2024’s 16.2 million and lowest for any quarter since Q1-2024’s 15.6 million.

“Raw volume in December totaled 1.460 million units, 2.3% below same-month 2024’s 1.494 million. The daily selling rate (DSR) equated to 56,161 over the month’s 26 selling days, 6.0% below year-ago’s 59,769—25 selling days.

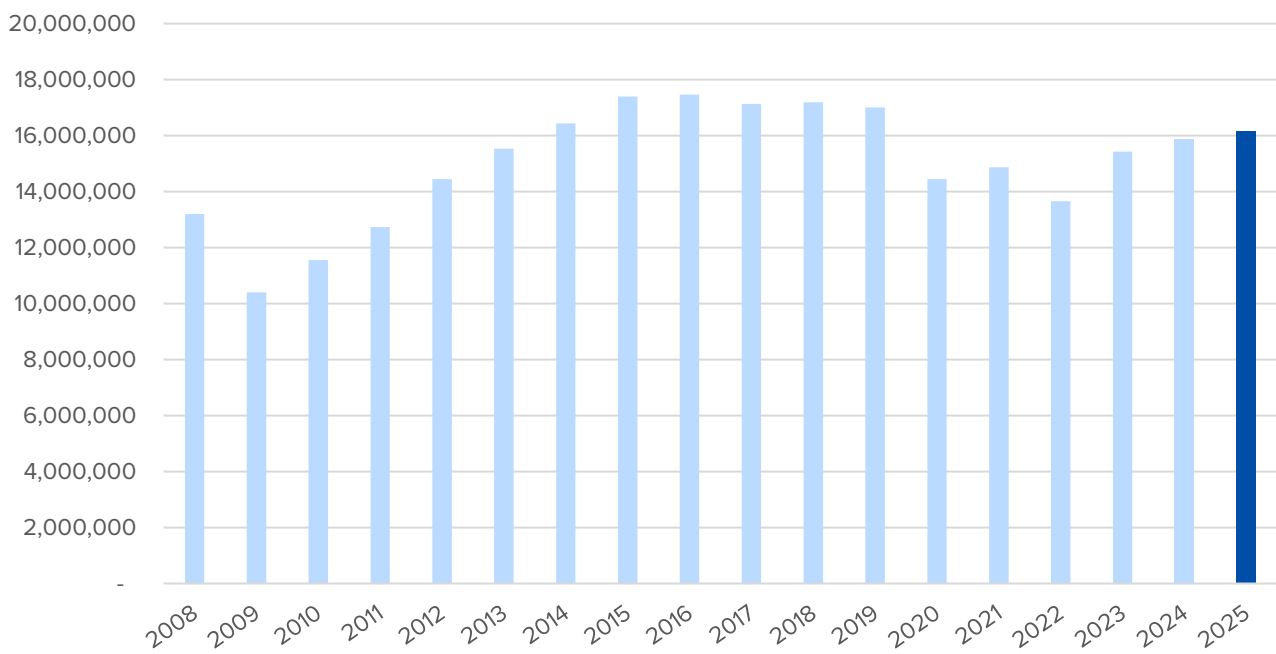


### U.S. Light Vehicle Sales for the Month: 2019 - 2025



Calendar year-to-date sales through December totaled 16.2 million units, up 2 percent from 2024's 15.9 million.

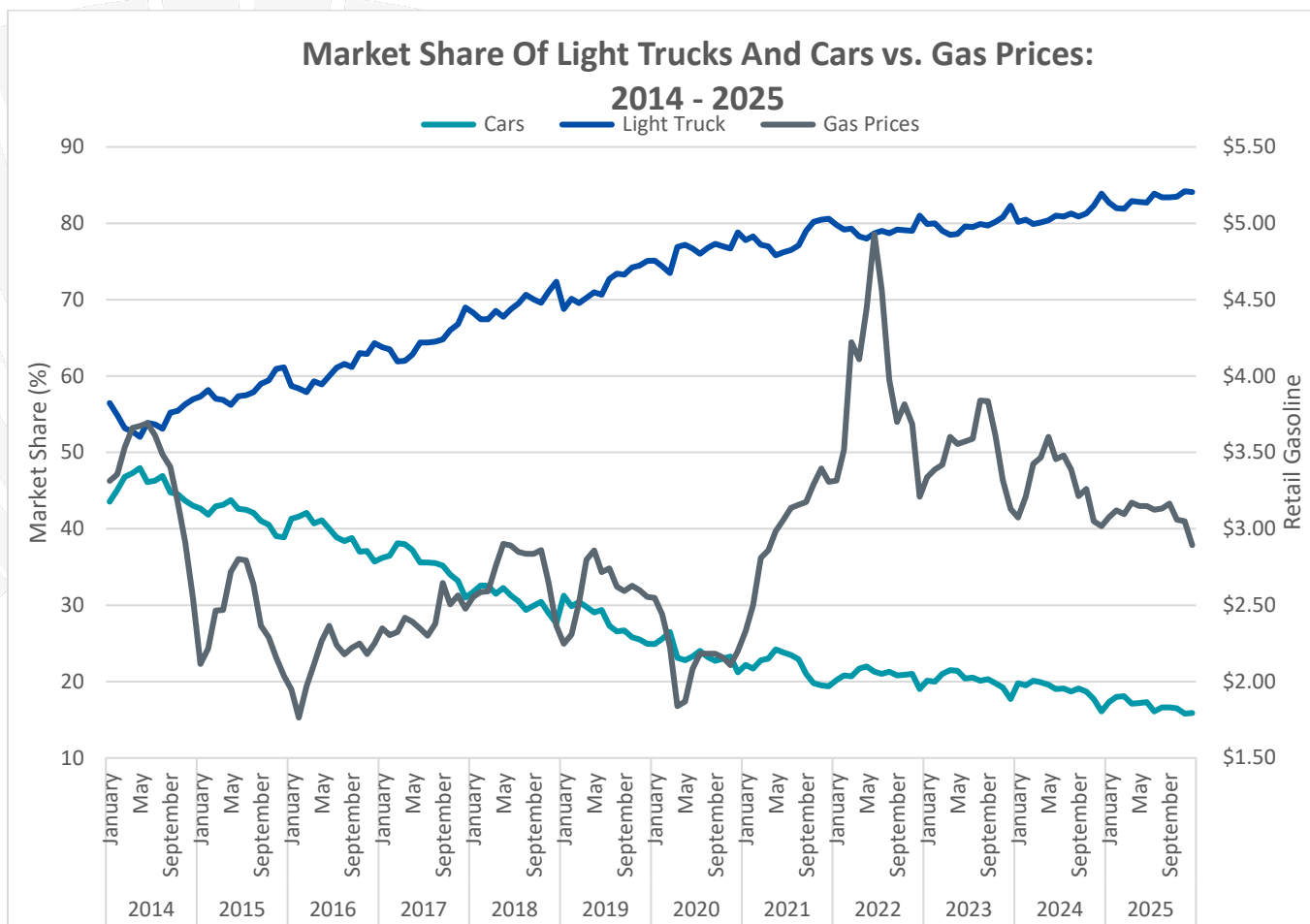
### YTD Sales (December) 2008 - 2025



## Segments vs. Gas Prices (Updated 1/7)

**Monthly Sales:** Light trucks accounted for 84.1 percent of sales in December, up 0.2 percentage points from the market share a year ago and the second highest share ever. Compared to the same period in 2024, sales of cars are down about 8,000 units, and down about 146,000 from December 2019, when cars comprised 25 percent of the market as opposed to the 15.9 percent of the market passenger cars have now.

**Historic Perspective:** The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments.<sup>9</sup> and gas was over \$3.00.<sup>10</sup> a gallon. As fuel prices dropped below the \$3.00 mark in mid-September 2014, light truck sales began to take off. Gas prices since have averaged only \$2.85 a gallon (through January 7, 2026) and when combined with increased fuel economy for light trucks, an increase of 4 mpg since 2013, the perfect conditions existed to continue fueling light truck market growth.<sup>11</sup>

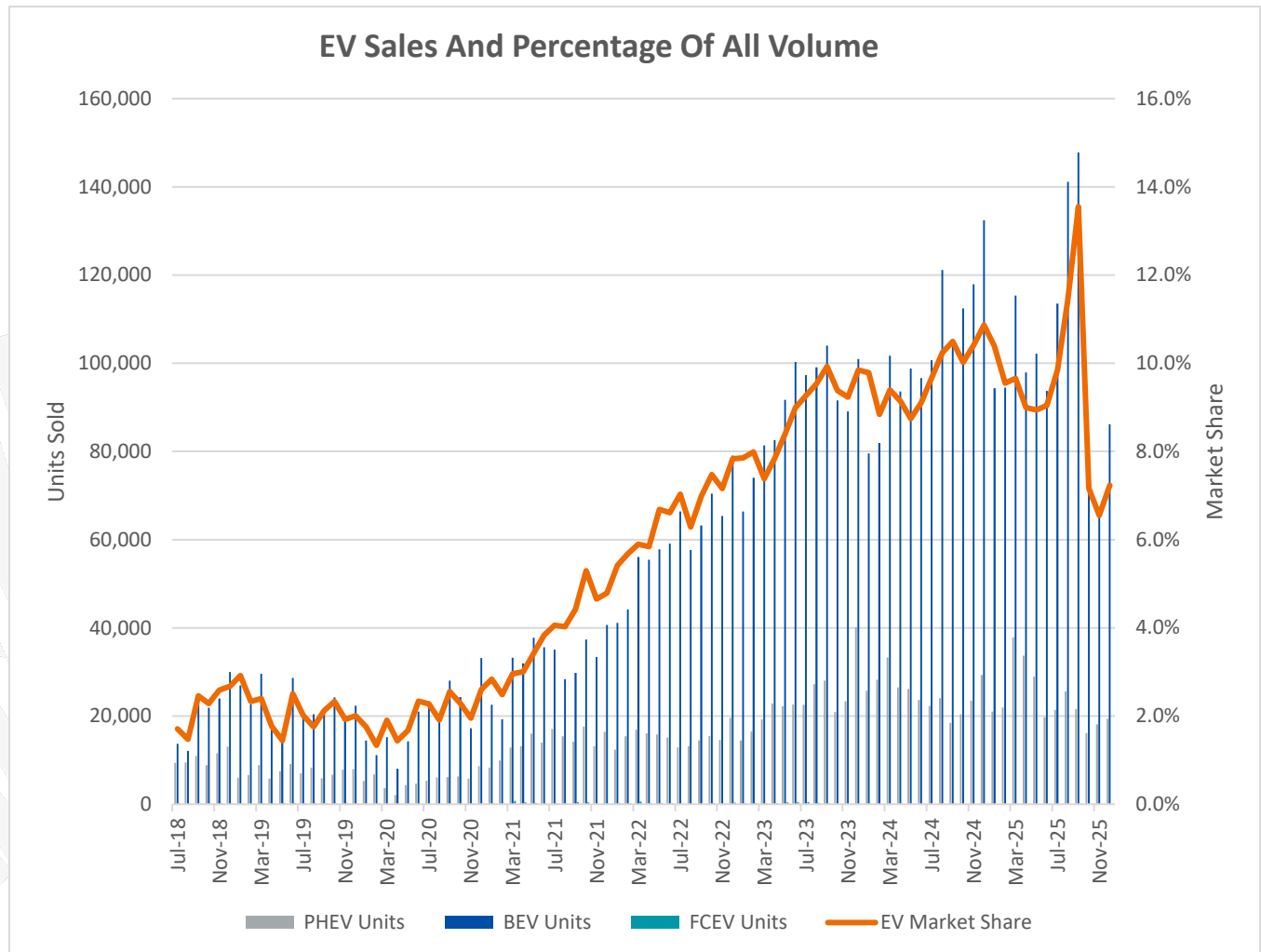


## EV Powertrain Sales (Updated 1/7)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 7.2 percent of total vehicle sales in December 2025 (105,575) per Omdia estimates. Market share increased 0.7 percentage points (pp) from

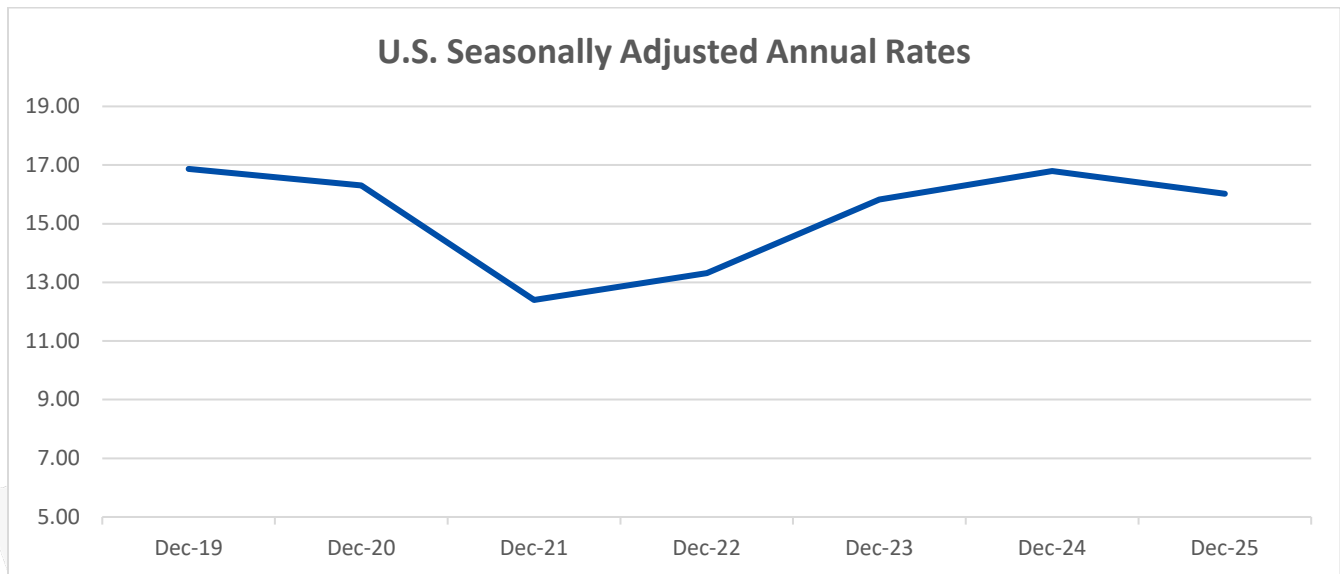


November 2025. December's EV market share is down 3.6 pp from a year ago. Sales of battery electric vehicles accounted for 5.9 percent of total sales, down 3 pp from December 2024. Plug-in hybrids accounted for 1.3 percent, down 0.6 pp from the same time last year. Hybrid market market share was 12.7 percent.



## Seasonally Adjusted Annual Rates (Updated 1/7)

**Omdia (formerly WardsIntelligence)**<sup>12</sup>: “December’s seasonally adjusted annual rate (SAAR) totaled 16.0 million units, well below same-month 2024’s 16.8 million. The 4Q SAAR totaled 15.76 million, down from Q4-2024’s 16.2 million and lowest for any quarter since Q1-2024’s 15.6 million.”



## Average Transaction Price (Updated 1/22)

**Kelley Blue Book (December) (1/22)<sup>13</sup>:** “The average transaction price (ATP) for a new vehicle hit an all-time high in December, according to estimates released today by Kelley Blue Book, a Cox Automotive brand. A strong mix of midsize SUVs and full-size pickup trucks pushed the average higher, as both segments outperformed in the final month of 2025. New-vehicle prices typically peak in December. The average price paid for a new vehicle in December was \$50,326, an all-time high according to initial Kelley Blue Book estimates. The ATP last month was up 0.8% year over year and up 1.1% from November.

“The average new-vehicle manufacturer’s suggested retail price (MSRP) – commonly called “the asking price” – also set a record in December, at \$52,627. The average MSRP was 1.2% higher year over year, below the long-term average increase. The average MSRP has been above \$50,000 for eight straight months.

“Incentives increased in December to 7.5% of ATP, the highest point in 2025. The incentive level in December increased 10.7% compared to November (6.7% of ATP) but was lower year over year. In December 2024, the average incentive was equal to 7.9% of ATP.

“New electric-vehicle (EV) prices were higher year over year by 2.4% in December but were modestly lower compared to November. The average price paid for a new EV last month was \$58,034, up from \$56,691 in December 2024.

“Incentives jumped higher in December, both year over year and month over month. At 18% of ATPs last month, sales incentives for EVs were in record territory, helping push sales over 84,000 units for the month, the best result since the government-backed sales incentives were revoked.”

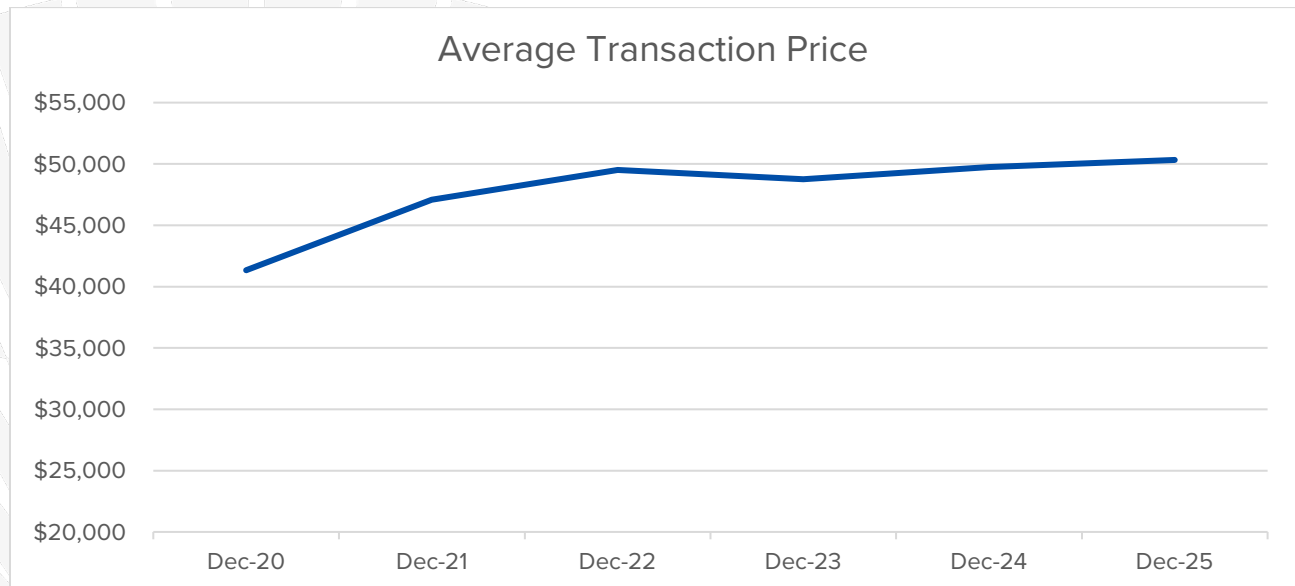
**J.D. Power (Updated 1/7)<sup>14</sup>:** “The average new-vehicle retail transaction price in December for all vehicles is expected to reach \$47,104, up \$715 or 1.5 percent from December 2024. Separating out electric vehicles, the average price on non-EV’s has powered vehicles rose 1.4% to \$46,807.

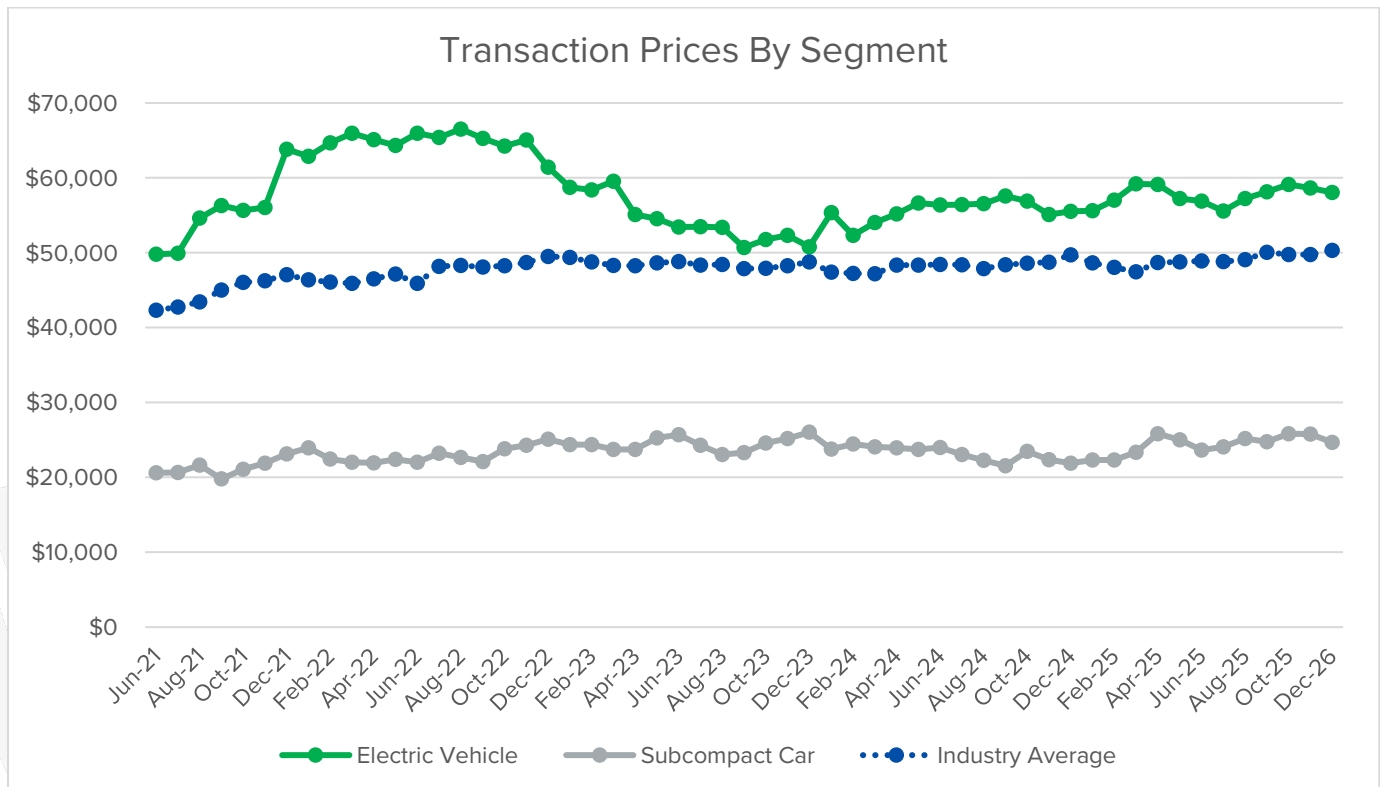
“The average manufacturer's incentive spend per vehicle is on track to reach \$3,433, which is \$140 higher than November and \$77 higher than a year ago. Expressed as a percentage of MSRP, incentive spending is currently at 6.5%, up 0.1 percentage points from last year. Discounts on EVs are expected to average \$11,414 in December, down \$57 compared with December 2024, and down \$472 from November 2025. Discounts on non-EVs are projected at \$3,219, an increase of \$425 from last year.

“Easing interest rates and strong used-vehicle values—reflected in higher trade-in equity—are providing some relief to buyers facing elevated monthly payments.

“The average interest rate for new-vehicle loans in December is 5.84%, a decrease of 32 basis points from a year ago.

“The average used-vehicle price is trending toward \$29,571, up a modest \$8 from a year ago.”



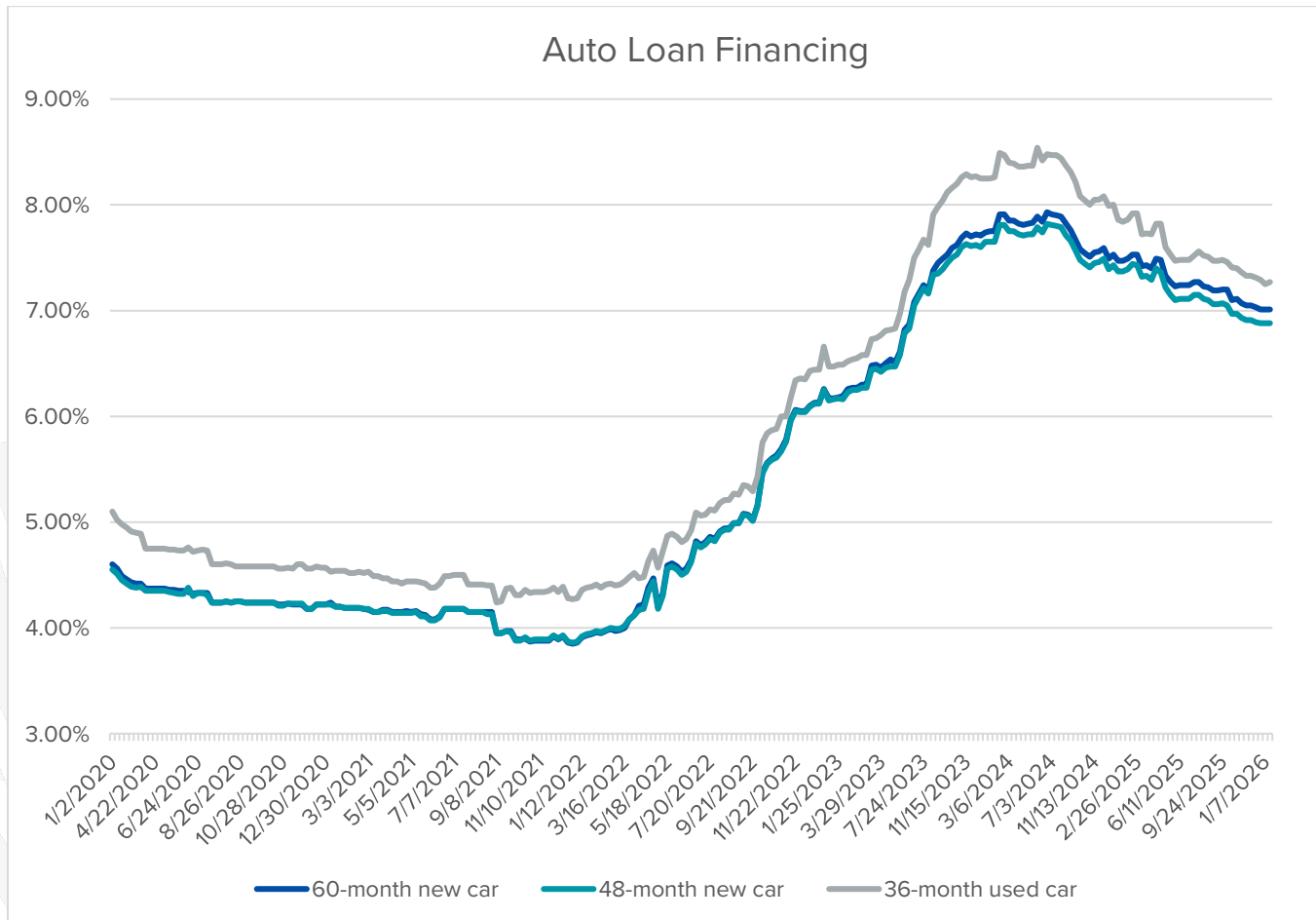


## Auto Loan Financing (Updated 1/22)

**JD Power (1/7)<sup>15</sup>:** “Average monthly finance payments are on pace to be \$776, up \$21 from December 2024. The average interest rate for new-vehicle loans is expected to be 5.84%, down 0.32 percentage points from a year ago.”

**Interest Rates Lowest Since Mid-2023 (updated 1/22):** Interest rates continue their gradual decline, but held steady the over the last two weeks on the 60-month and 48-month new car loan while increasing slightly on the 36-month used loan. Rates now stand at 7.01%, 6.88%, and 7.27%, respectively. Since the beginning of 2020, 60-month rates are up 2.41 pp, and are down 0.46 pp since the same time a year ago.<sup>16</sup>

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
1/22/2025	7.47%	7.37%	7.84%
1/7/2026	7.01%	6.88%	7.25%
1/21/2026	7.01%	6.88%	7.27%
Two Week Change	0.00%	0.00%	0.02%
Change since 1/3/20	2.41%	2.33%	2.17%
One Year Change	-0.46%	-0.49%	-0.57%



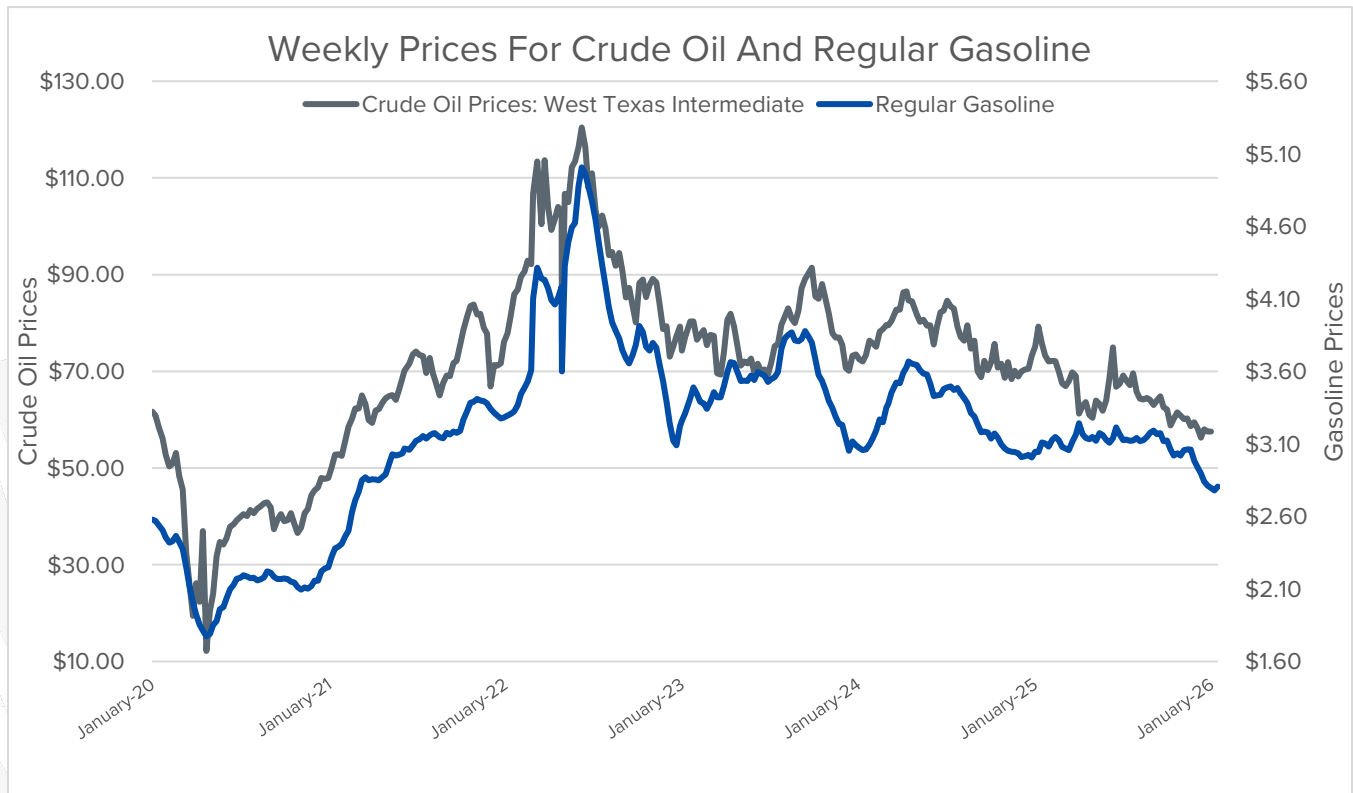
## Crude Oil and Gas Prices (Updated 1/22)

**Oil Continues to Moderate, Gas Falls to ~\$2.80 A Gallon – Lowest Since March 2021 (1/22):**<sup>17</sup> Oil prices, as benchmarked at West Texas Intermediate were \$57.56 at the beginning of January, down nearly \$18 from the same time a year ago. Since election day 2024, oil prices are down more than \$11 a barrel. Gas remains ~\$2.80 a gallon. Gas is 9 percent higher than the beginning of 2020 and is at the lowest point since March 2021.

**EIA Outlook For Gasoline (1/22):**<sup>18</sup> “U.S. retail gasoline prices in our forecast are mostly lower in 2026 and 2027 than they were in 2025. We forecast U.S. gasoline prices in 2026 will average \$2.92 per gallon (gal), a decrease of 18 cents/gal or about 6%, compared with 2025. In 2027, we forecast retail gasoline prices will average \$2.95/gal. Even with the slight increase in 2027, prices remain below 2025 levels in most regions.”

**EIA Outlook For Oil (1/22):**<sup>19</sup> “We forecast U.S. crude oil production will remain close to the 2025 average on an annual basis in 2026 before falling by 340,000 barrels per day (b/d) in 2027. Although there were 13% fewer rigs drilling for oil in the United States at the end of 2025 than there were at the beginning of the year—according to Baker Hughes—production reached a record high last year as rising well-level productivity

outweighed this drop. Over the next two years, we expect sustained lower crude oil prices will result in a pullback in drilling and completion activity that is enough to outweigh ongoing increases in productivity.



## Production Meter

### North American Production (Updated 1/22)

**Wards Intelligence**<sup>20</sup>: “North America production of light vehicles and medium- and heavy-duty trucks together finished 4Q at 3.603 million units, a little higher than the 3.519 million units estimated in December. However, this figure is still 4.4% below 4Q24’s 3.767 million units and just under Omdia’s initial October estimate of 3.662 million units. Production ended the year at 15.58 million units, down 3% from 2024 but slightly better than December’s 15.41 million units estimate.”

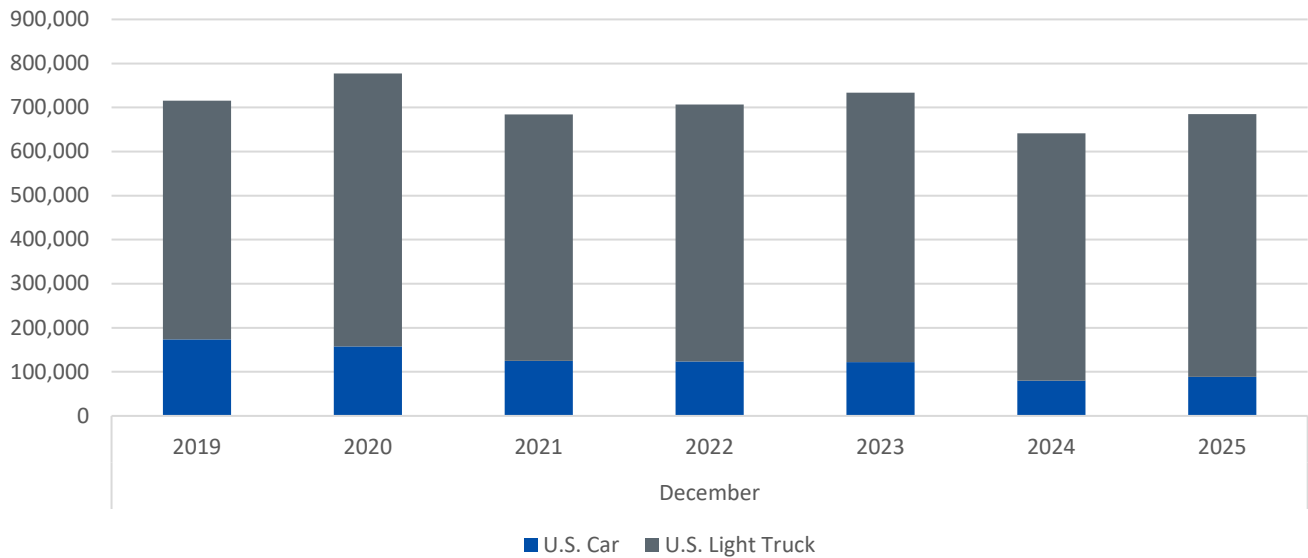
### U.S. Light Vehicle Production (Updated 1/22)

#### U.S. Monthly Production

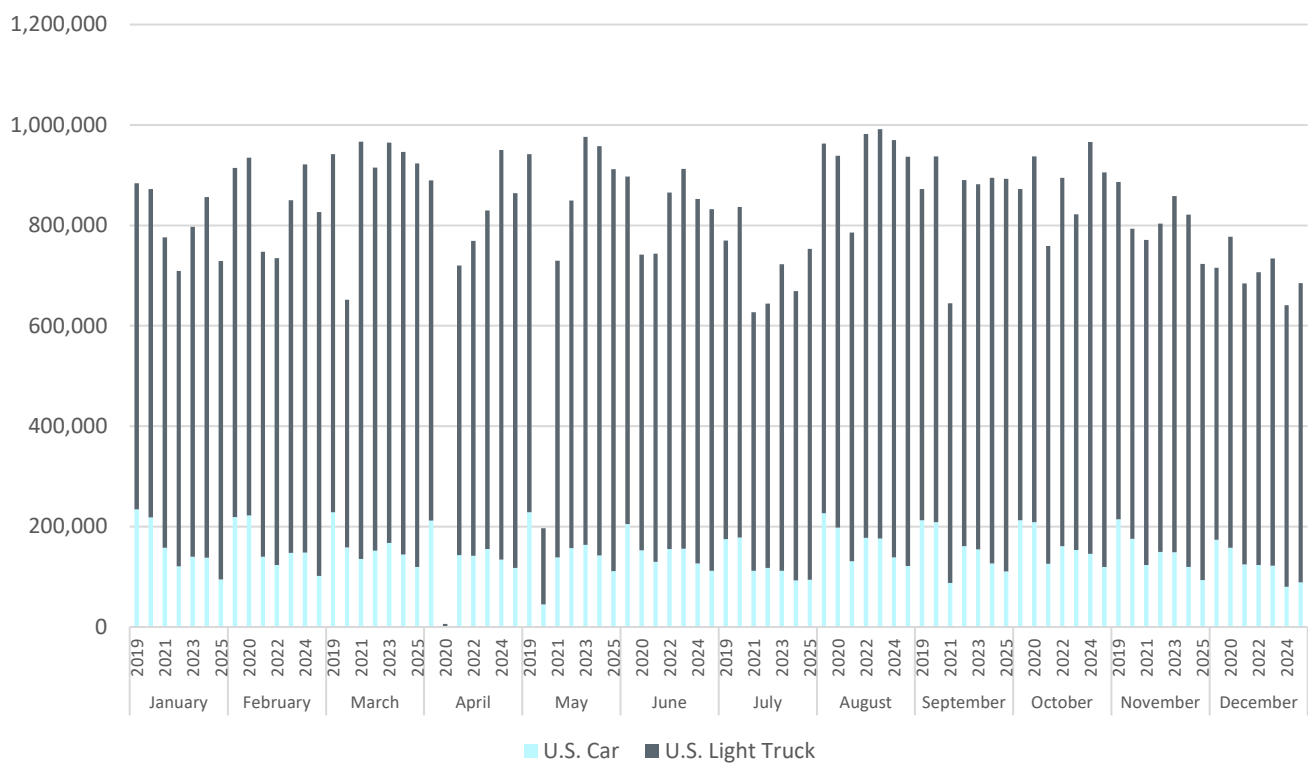
U.S. Light vehicle production for December was down 5.5 percent month-over-month, totaling 684,767 vehicles (88,776 cars; 595,991 light trucks), year-over-year, production is up 9.7 percent from 2024.<sup>21</sup>



U.S. Light Vehicle Production By Segment For The Month, 2019 - 2025



U.S. Light Vehicle Production: Monthly 2019-2025

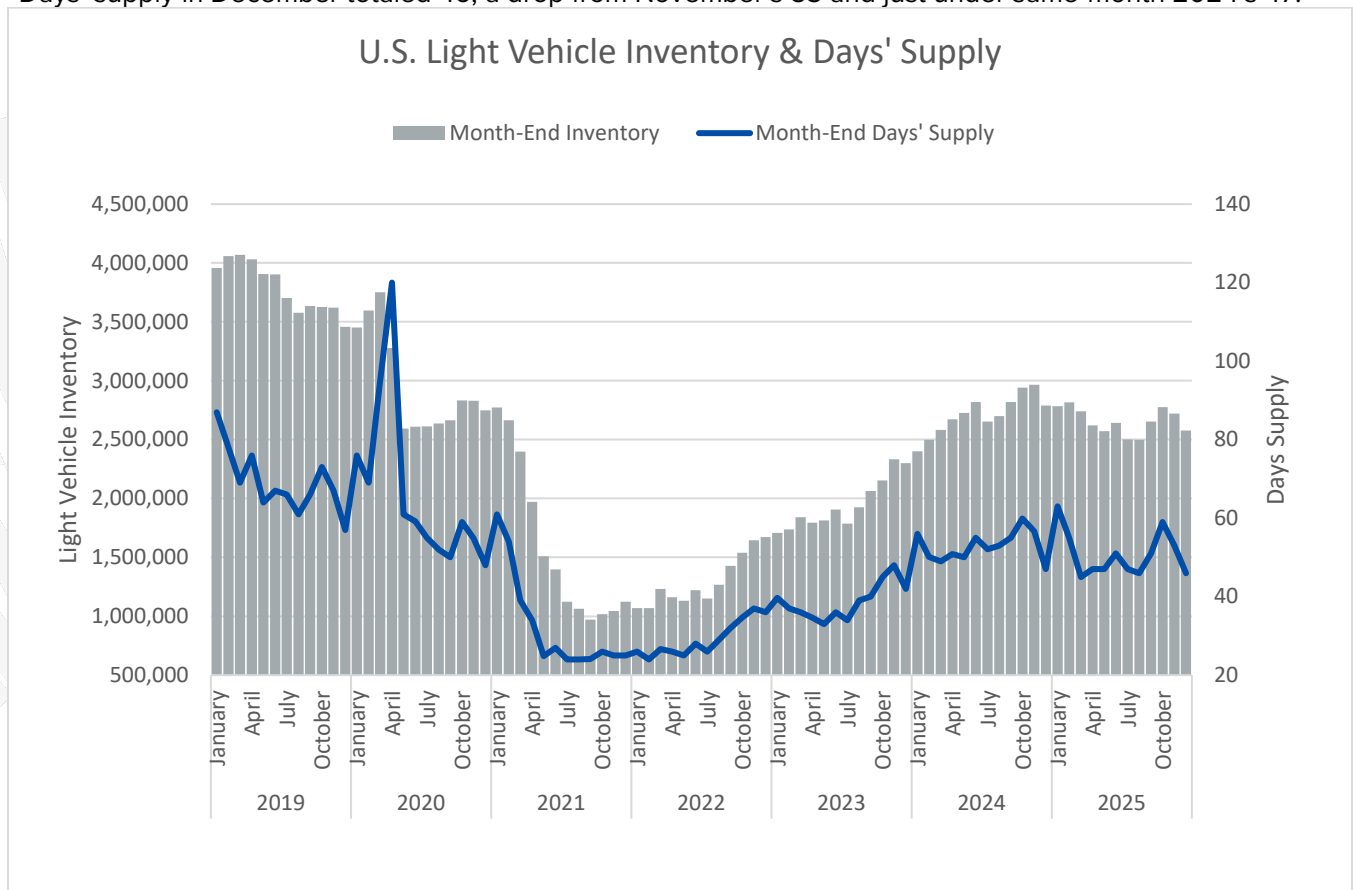


## U.S. Light Vehicle Inventory and Days' Supply (Updated 1/7)

**Omdia Inventory Update (1/7)<sup>22</sup>:** “US light-vehicle inventory totaled 2.578 million units at the end of December, down 8.5% from same month-2024 and the eighth straight month dealers had fewer vehicles in stock compared with the year-ago period.

“December’s total was a 5.3% drop from the prior month, though a sequential decline from November is typical due to most plants building vehicles for the US market generally shuttered in the final week of the month for the holiday season, lowering shipments to dealers.

“Days’ supply in December totaled 46, a drop from November’s 53 and just under same-month 2024’s 47.”



## Global Meter

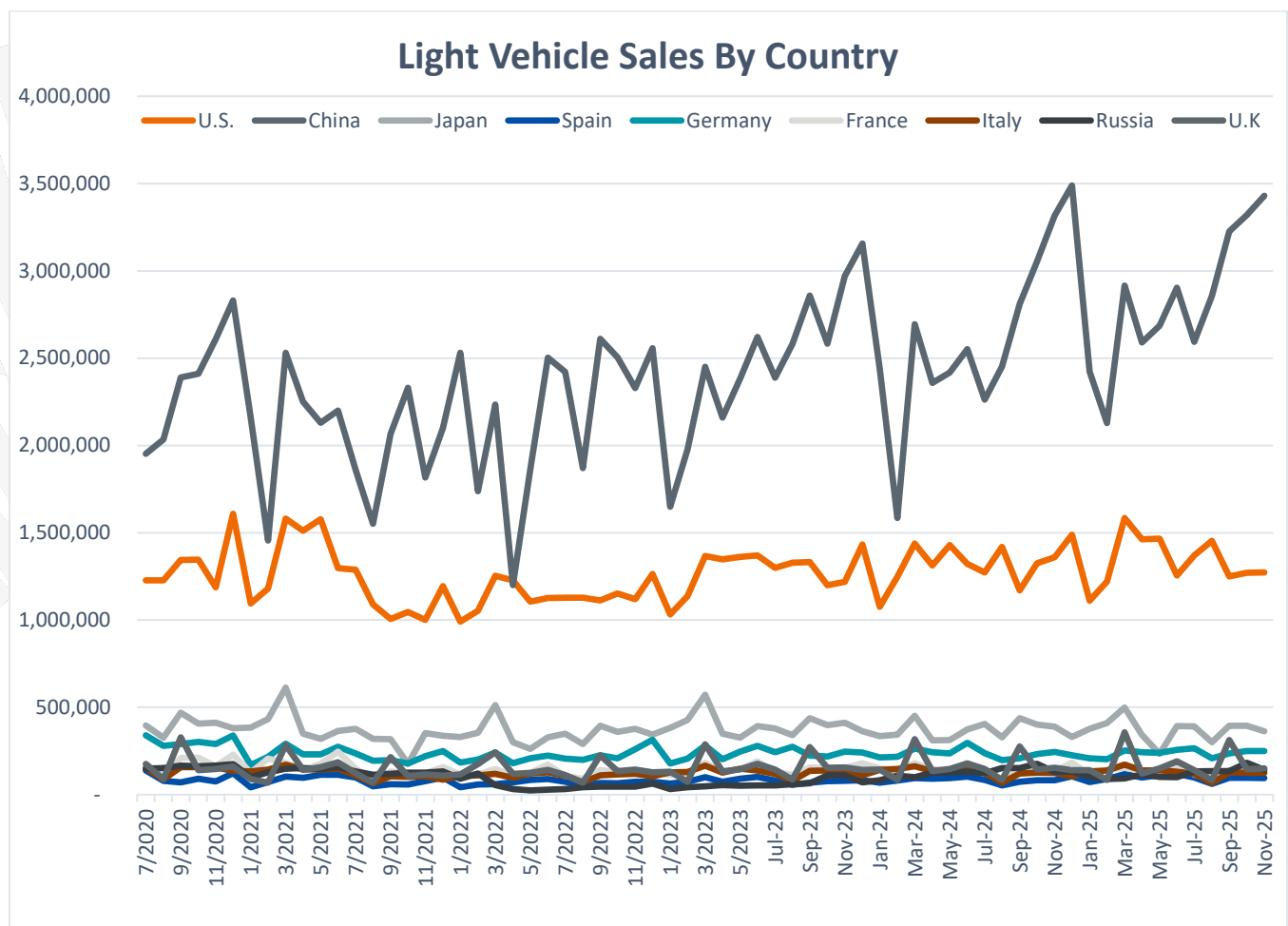
### Global Light Vehicle Sales (Updated 1/7)

**Wards Intelligence<sup>23</sup>:** “Global sales fell by over 2% year-over-year (YoY) in November, as all major regions except Europe recorded losses. Continued weakness in China and the US is expected to curtail growth in December.

“Global sales of light vehicles and medium- and heavy-duty trucks combined decreased YoY, ending 13 months of gains, with all major regions except Europe posting losses.

“Deliveries in November totaled 8.85 million units, 1.0% above same-month 2024’s 8.76 million. Calendar year-to-date sales through November totaled 92.9 million, up 8.3% from 11-month 2024’s 85.82 million.

“Despite weakness in some markets, GlobalData’s light-vehicle outlook for entire 2025 was raised 700,000 from month-ago’s outlook to 92.1 million units, 3.7% above 2024.”



## Global Light Vehicle Production (Updated 1/22)

**S&P Global Mobility Forecast (1/22)<sup>24</sup>:** “As a new year begins, the auto industry reflects a blend of both resiliency and challenges. For 2026, we continue to forecast a modest decline in global light vehicle production. Three main themes still dominate: US tariffs/trade policy, the scale of the mainland Chinese auto industry both at home and abroad and evolving battery electric vehicle (BEV) demand, particularly in Europe and North America. While China is facing some near-term demand headwinds as scrappage and NEV incentives are reduced, production is expected to be supported by continued export strength. Looking to North America, US sales have generally outperformed expectations, yet demand faces inflationary pressures as automakers seek to recoup at least a portion of tariff costs. The January forecast update reflects a mix of largely positive revisions through the near-term forecast horizon as we adjust to reflect the ongoing impacts of a continued variable trade environment as well as other regional factors. A couple of particularly noteworthy upgrades in the near-term are concentrated on Greater China given the continued strength in export activity and a stronger outlook for India (part of the South Asia forecast) on improved demand expectations benefitting from a reduction in the Goods and Services Tax (GST) for different sized vehicles. The more noteworthy regional adjustments with the latest forecast update are detailed below:

**“Europe:** The outlook for Europe light vehicle production was increased by 69,000 units and by 109,000 units for 2026 and 2027, respectively (and increased by 71,000 units for 2028). The European light vehicle production forecast continues to move roughly in parallel with demand settings and remains aligned with a modest decrease for 2026. The demand-to-supply rationale for the short-term is unchanged: domestic demand continues to grow marginally and adverse trade flows (notably China imports) push production into negative territory in 2026 similar to 2025. From an OEM perspective, in 2026, we foresee domestic mainstream production declining 2% while premium specialists are forecast to grow regional production by 2%, largely owing to product activity on the electric D-SUV segment front (e.g. BMW iX3, Mercedes GLC, Volvo EX60). Asian OEMs are expected to decline as the rise of Chinese production in the region is offset by a notable decrease for Japanese and Korean OEMs. Looking ahead to 2027, an uplift is expected as Chinese OEM localization starts to make more of a constructive impact to overall regional volumes. The trend is also slightly positive in 2028/2029 before the next CO2 regulatory milestone puts additional pressure on European demand in 2030.

**“Greater China:** The outlook for Greater China light vehicle production was increased by 452,000 units and by 534,000 units for 2026 and 2027, respectively (and increased by 425,000 units for 2028). According to the CPCA, passenger vehicle retail sales deteriorated in December, down by 15% year-over-year. The widespread weakening of trade-in and scrappage subsidies was a factor contributing to the decline along with lower consumer confidence, particularly impactful to affordable entry segments. Due to the weakening subsidies, the traditional front-loaded purchase effect was constrained in the last quarter. We don’t expect a quick production recovery in Q1-2026 considering the seasonality effect related to the Lunar New Year holidays and the expectation that there has been a level of demand that has been brought forward over the last year. Despite weaker domestic consumption, export activity has become a significant pillar of light vehicle production, surging by 560,000 units with nearly 70% year-over-year growth in December 2025 according to the CPCA. Nearly half of export vehicles were NEVs, primarily supported by PHEVs. With a prospective EV price agreement between China and EU, we expect a sustainable flow of NEV exports to the European market going forward, which offsets the headwinds for ICE exports to markets such as Russia and Mexico. The robust export outlook is a primary driver of the production upgrades through the near-term.

**“Japan/Korea:** The short-term production volume for Japan for the 2026-2028 period was increased by around 80,000 units per year. This is due to an increase in domestic demand of 40,000 units per year as a result of a provisional gasoline tax reduction and the abolition of the environmental performance tax, as well as the reallocation of the Mazda CX-30 between Japan and Mexico. The long-term production volume for Japan was also increased by 70,000 units per year. A positive adjustment of 30,000 units is based on the Mazda CX-5 due to the strength of ICE variants in the US. In addition, a positive adjustment of 20,000 units is

based on the Suzuki A-Hatch EV, which is mainly exported to Europe. In the short term, South Korea production was revised modestly upward due to the strengthening trend for hybrid SUVs. Specifically, as 2028 enters the short-term horizon, production volume has been upgraded by around 21,000 units

**“North America:** The outlook for North America light vehicle production was reduced by 121,000 units and by 147,000 units for 2026 and 2027, respectively (and reduced by 10,000 units for 2028). The outlook for 2026 in North America was revised down 0.8% totaling 14.96 million units as market dynamics continue to evolve. Post COVID, the autos sector has been skewed in favor of higher end vehicles. This year is expected to see automakers wrestle with normalizing market conditions and face margin pressure by either continuing to support diminishing pent-up demand for higher trim level vehicles or move further down the price ladder to bolster sales. Evidence for 2026 points toward some manufacturers planning to prioritize protecting margins at the expense of volume. This balancing act is expected to lead to more dynamic planning conditions over the course of the year. Moreover, pressure is coming from plans by several Asian manufacturers to focus on increasing imports at the expense of localized production with efforts to bolster capacity utilization in their home markets despite US tariff pressures. Based on evolving US inventory assumptions, the North American production forecast is built around inventory levels remaining between to 2.4 to 2.8 million units or a healthy 45 to 55 day supply as the market has ranged in over the past two years with an expected roughly 16.0 million unit US sales environment over the next two years.

**“South America:** The outlook for South America light vehicle production was increased by 24,000 units and reduced by 1,000 units for 2026 and 2027, respectively (and increased by 11,000 units for 2028). The upgrade for 2026 was primarily focused on Brazil (15,000 units) and is related to expected growth on the export side (benefiting from renewed dynamism for imports in neighboring Argentina). Regional volumes for 2027-2028 remained mostly stable for the period with a marginal gain of 0.1% (5,000 units/year) and largely reflects the limited revision applied on the demand side. There are no major changes to the market and/or expected macro conditions that would justify deeper changes at this time.

**“South Asia:** The outlook for South Asia light vehicle production was increased by 130,000 units and by 98,000 units for 2026 and 2027, respectively (and increased by 225,000 units for 2028). For the ASEAN market in 2026, we expect a mixed regional trajectory, with Vietnam remaining the key growth engine and Indonesia showing signs of recovery, partially offset by Thailand’s slower economic backdrop. This results in only modest ASEAN production growth of 1.8% year-over-year to 3.84 million units. Looking to 2027 and 2028, the ASEAN forecast reflects downward revisions of around 41,000 units per year focused primarily on Thailand as concerns over economic headwinds, tighter auto loan approvals and potential trade challenges impacting exports are expected to cap the pace of recovery. The production outlook for India was upgraded for 2026 and 2027 by 117,000 units and 123,000 units, respectively. The robust outlook for India light vehicle production is driven by the domestic demand outlook which benefits materially from a reduction in the Goods and Services Tax (GST) for different sized vehicles. Automakers are adjusting their production schedules accordingly to capitalize on this demand and seize every opportunity available.”

## Economy Meter

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### Roadway Travel (Updated 1/22)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in November increased by 1.0 percent from the same time a year ago. The cumulative travel estimate for 2025 is 3,044.3 billion vehicle miles.<sup>25</sup>

- Travel on all roads and streets changed by +0.3% (+0.7 billion vehicle miles) for November 2025 as compared with November 2024. Travel for the month is estimated to be 261.8 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for November 2025 is 276 billion miles, a +1.0% (2.8 billion vehicle miles) change over November 2024. It also represents a -0.1% change (-0.4 billion vehicle miles) compared with October 2025.
- Cumulative Travel for 2025 changed by +0.9% (+28.1 billion vehicle miles). The cumulative estimate for the year is 3,044.3 billion vehicle miles of travel.

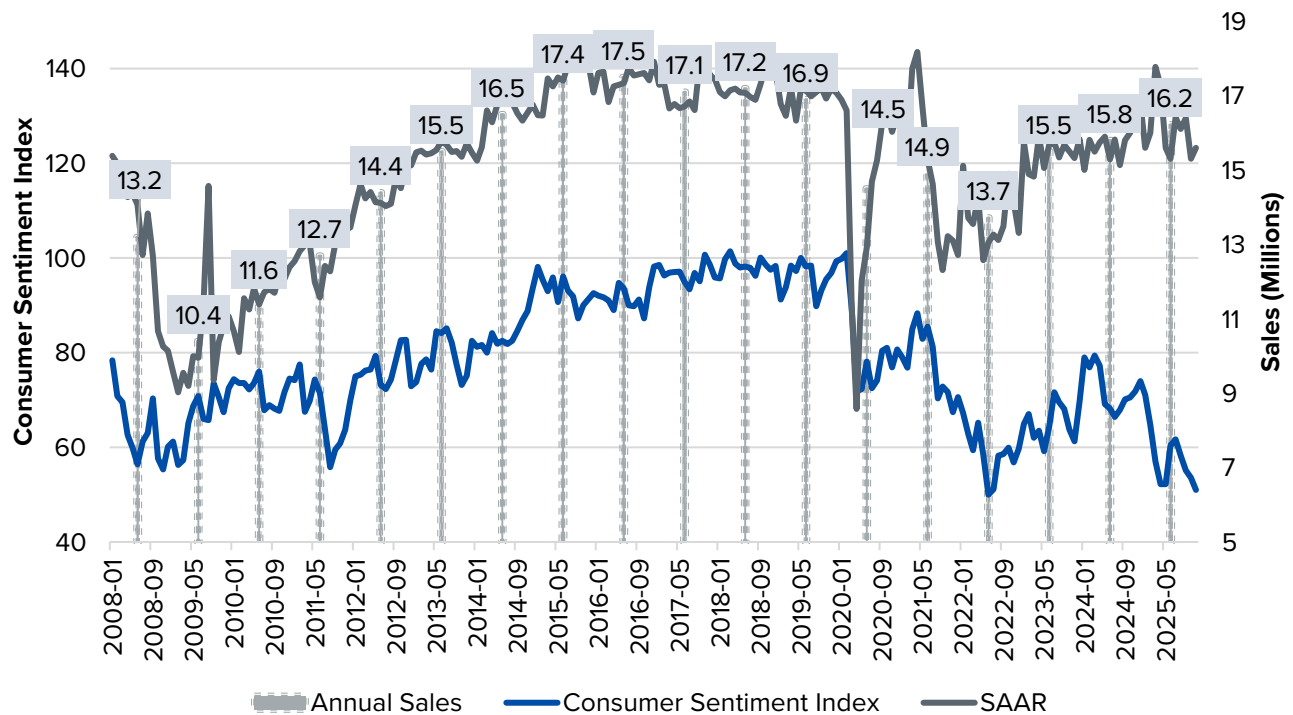
## Consumer Confidence and Sales (Updated 1/22)

**Surveys of Consumers Director Joanne Hsu<sup>26</sup>:** “Consumer sentiment inched up for the second straight month and reached its highest reading since September 2025. Improvements in January were seen among lower-income consumers, while sentiment fell for those with higher incomes. All told, while consumers perceived some modest improvement in the economy over the past two months, their sentiment remains nearly 25% below last January’s reading. They continue to be focused primarily on kitchen table issues, like high prices and softening labor markets. Although consumers’ worries about tariffs appear to be gradually receding, they remain guarded about the overall strength of business conditions and labor markets. Note that more than 90% of interviews for this release were collected prior to the capture of Maduro in Venezuela.

“Year-ahead inflation expectations held steady in January at 4.2%. This is the lowest reading since January 2025 but remains well above that month’s 3.3%. Long-run inflation expectations ticked up slightly from 3.2% in December to 3.4% this month. In comparison, readings ranged between 2.8 and 3.2% in 2024, and were below 2.8% throughout 2019 and 2020.

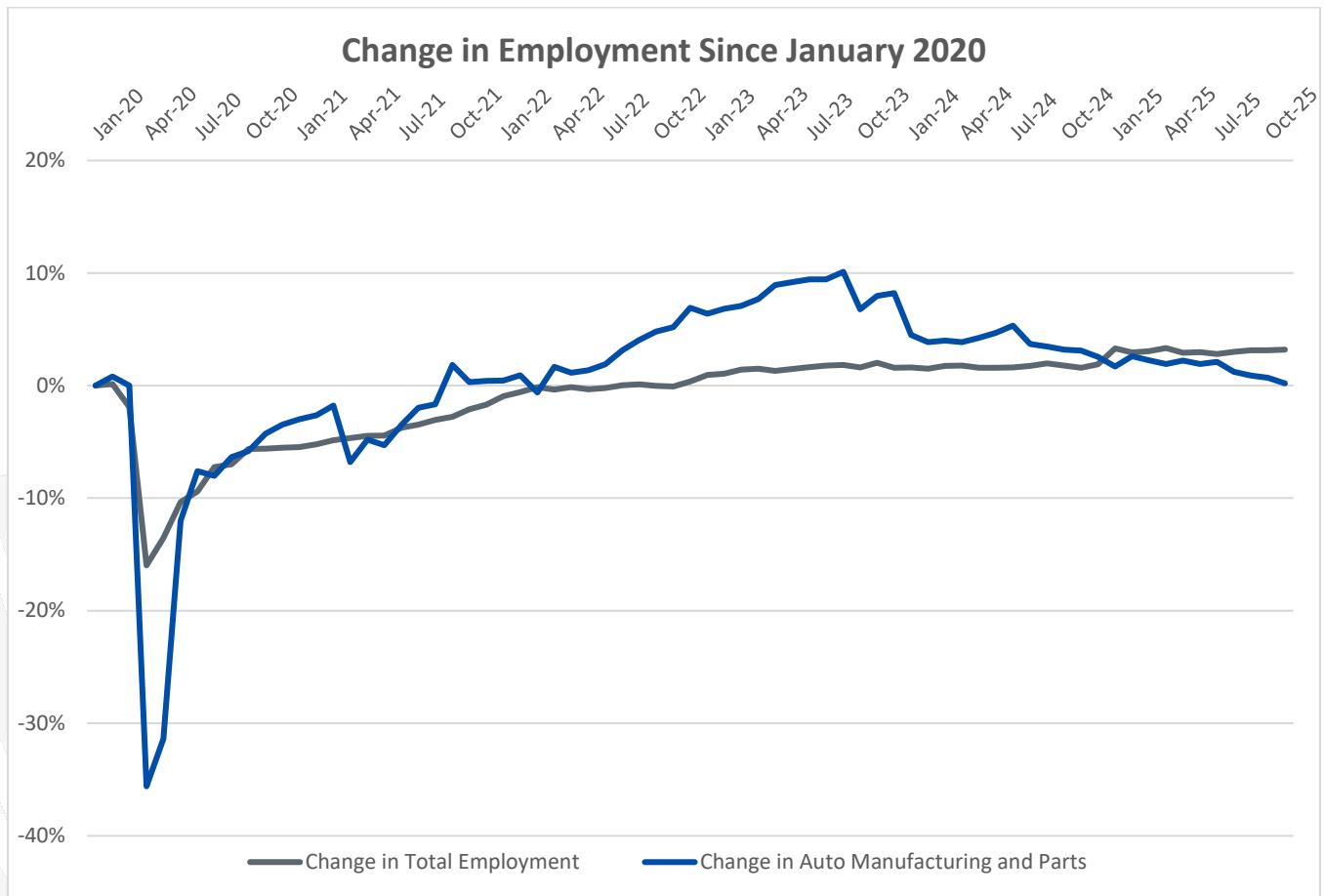


### Light Vehicle Sales And Consumer Sentiment Index: 2008 - May 2025



### Employment (Updated 1/7)

**Motor Vehicle And Parts Manufacturing Lost 4,900 jobs in November.**



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