READING THE METER®

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

ALLIANCE FOR AUTOMOTIVE INNOVATION

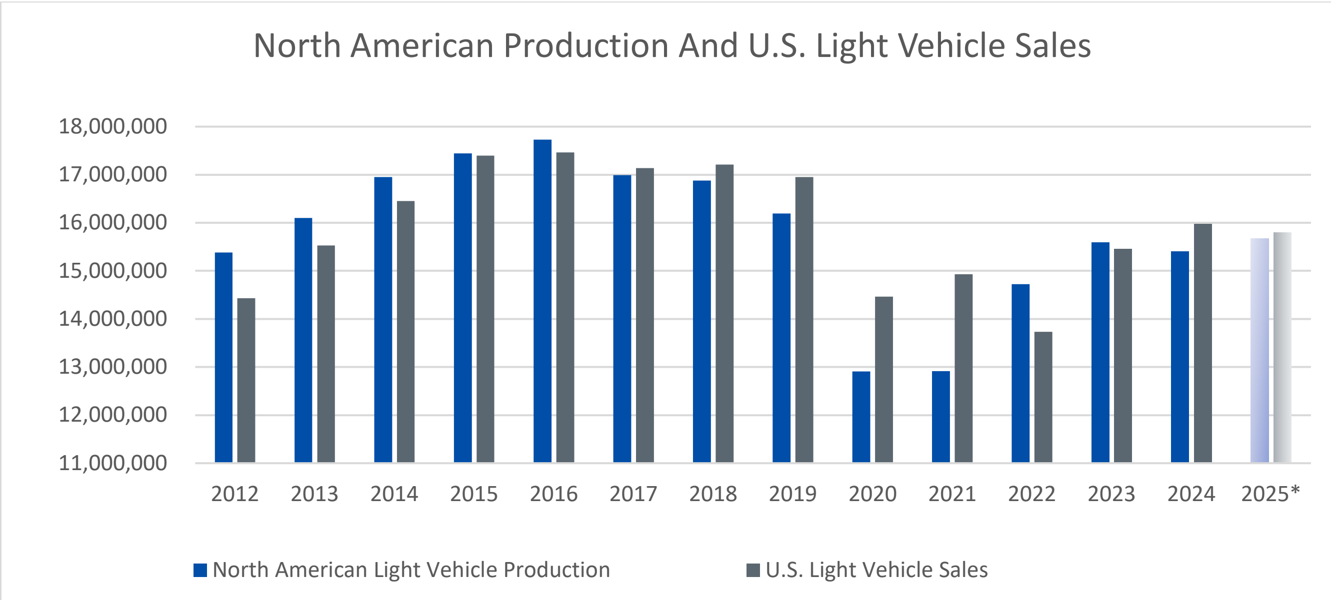
Sponsored by: Hogan Lovells

Contents – November 5, 2025

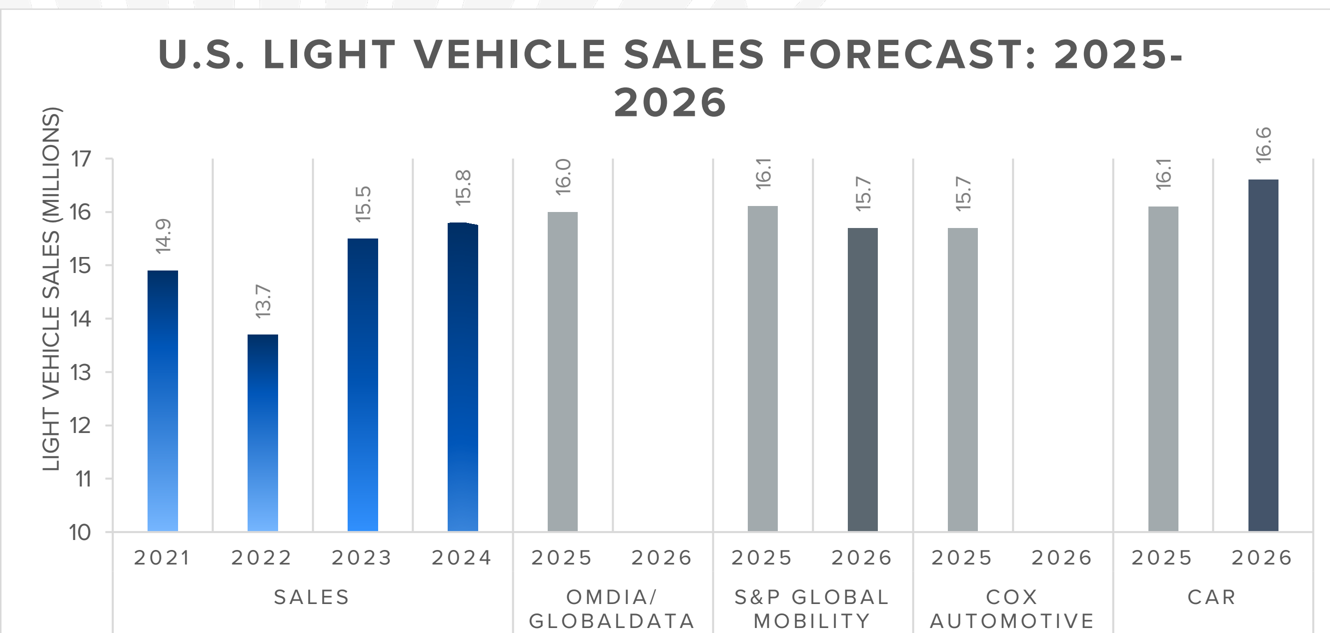
Forecast Meter

Sales & Production Summary and Forecast (Updated 11/5)

2024-2025 Sales,[1] Extended Sales Forecast[2] and Production Forecasts[3]		
	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)	
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Forecast	16,000,000	15,670,000



U.S. Light Vehicle Sales Outlook (Updated 10/22)



Omdia (Formerly Wards Intelligence) Outlook (10/3)[4]: "The sales gains will likely end in October. In fact, after all the pull-ahead volume earlier in the year, sales may literally tank over the entire fourth quarter.

With tariff-induced above-average price increases expected across the board on the ’26 models now rolling out, and the end of the EV credit, how much sales drop off is the big question. There are also potential economic and political headwinds that could stall growth.

“A gradual rebound in November and December could follow the October nosedive, as consumers digest prices on ’26 models, and if automakers respond with higher incentives, especially with the end-of-year holiday season, traditionally a time for offering deals. Also, while October likely will record the first YoY volume decline in 12 months, it is possible that demand does not fall off the shelf from the annualized rate of 16.4 million units recorded in the first nine months of 2025 to a level, for example, under 15 million.

“Although a lot of ’26 prices have yet to be announced, so far, what has been announced is not cause for severe sticker shock. Average increases to date appear closer to a range of around 5%, which would still be above average for new model-year changes but below the 10–15% figures mentioned in the spring when tariffs were first announced. Also, a significant mix of ’25 models remain on dealer lots, and their prices will not rise. Indeed, some high-volume ’26 models are just starting to be shipped from factories or are not yet in production.

“Another positive aspect of October’s results is that orders in September for battery EVs that were not in stock—an allowance for consumers to take advantage of the $7,500 EV tax credit, which expired at midnight on September 30—will be counted as a sale when they are delivered to the customer.

“Still, there is a low level of certainty heading into 4Q. The fourth quarter is likely to set the tone for 2026, not just by its raw results, but by specifically gauging consumer reaction to higher prices and the response automakers make to a major decline in sales. For automakers, if demand falls far enough, the decision will be whether to reignite the market with retail incentives to maintain volume or to cut production.

Omdia Automotive (formerly Wards Intelligence) Full Year Outlook:[5] “Sales are expected to total 16.0 million units in 2025, which puts the 4Q outlook at a 15.3 million seasonally adjusted annual rate. Inventory is forecast to remain below year-ago levels through the end of the year. The bottom line is that there is as much upside as downside risk to the 4Q outlook.”

North American Production & Inventory Outlook (Updated 11/5)

Omdia Production Outlook (11/5)[6]**:** “With sales already expected to continue declining year-over-year (YoY) in the final two months of the year, the parts shortages will exacerbate the downturn because of a bigger negative impact on inventory.

“The production losses at several automakers caused by the temporary shutdown at an aluminum supplier plant, as well as a slowdown in shipments from an overseas supplier of semiconductors, are projected to cause 4Q North America production losses of 75,000–125,000 units, based on Omdia partner GlobalData’s estimate. Most of that lost output is for the US market. While the impact could put a dent in November’s sales results, it will definitely do so in December.”

Omdia Inventory Outlook (11/5)[7]**:** “Depending on how much production is lost during the month, inventory could decline from October, which would be atypical of the usual MoM increase in November. With nearly all plants scheduled to be closed for at least a week in December for the year-end holiday season, inventory will decline from November because of the production slowdown, and December’s YoY decline is likely to be bigger than October’s 6.4%.”

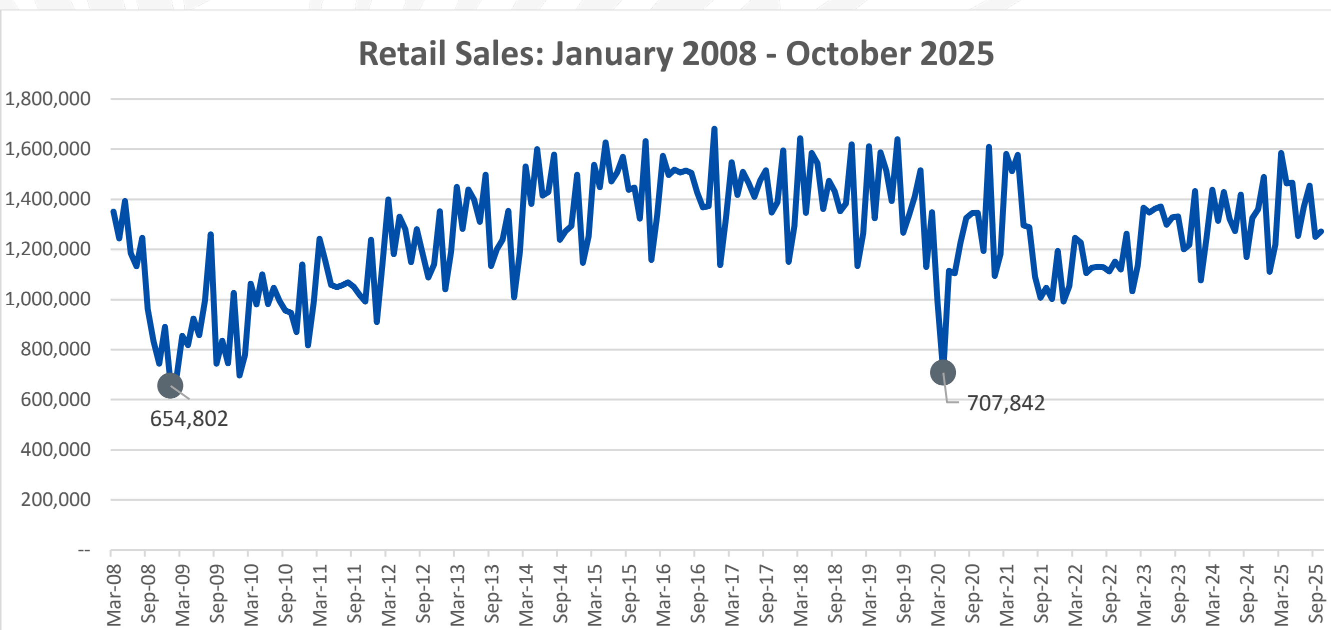
S&P Global Mobility Outlook (10/22)[8]: "The outlook for North America light vehicle production was reduced by 7,000 units and increased by 85,000 units for 2025 and 2026, respectively (and reduced by 2,000 units for 2027). The short-term outlook for the rest of 2025 remains flat, down only marginally totaling 15.14 million units with the recent fire at a Novelis aluminum plant near Oswego, New York contributing to a reduced outlook most notably at Ford who is the largest customer for the facility. Based on our assessment, the key risk appears to be potentially more cost-related rather than a significant loss of production volume. Given the importance of the F-Series lineup, we expect the company will take every measure to sustain output. Our current analysis points to an estimated loss of 25,000-50,000 units in fourth quarter production for T3-based pickups and SUVs that rely heavily on Novelis aluminum supply. The October forecast reflects Ford T3 platform volume being revised down at the lower end of that range. We will continue to monitor the situation and provide updates as new information becomes available. The outlook for 2026 was revised higher by 0.6% with the pull ahead of Toyota RAV4 production in the US accounting for half the increase. Additional support comes from remaining pockets of vehicles in need of inventory restocking, though volatility surrounding the US government shutdown and its short-term effects on the economy in addition to evolving trade policies present risk."

Market Meter

U.S. Light Vehicle Sales (Updated 11/5)

Monthly Sales (Updated 11/5)

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.



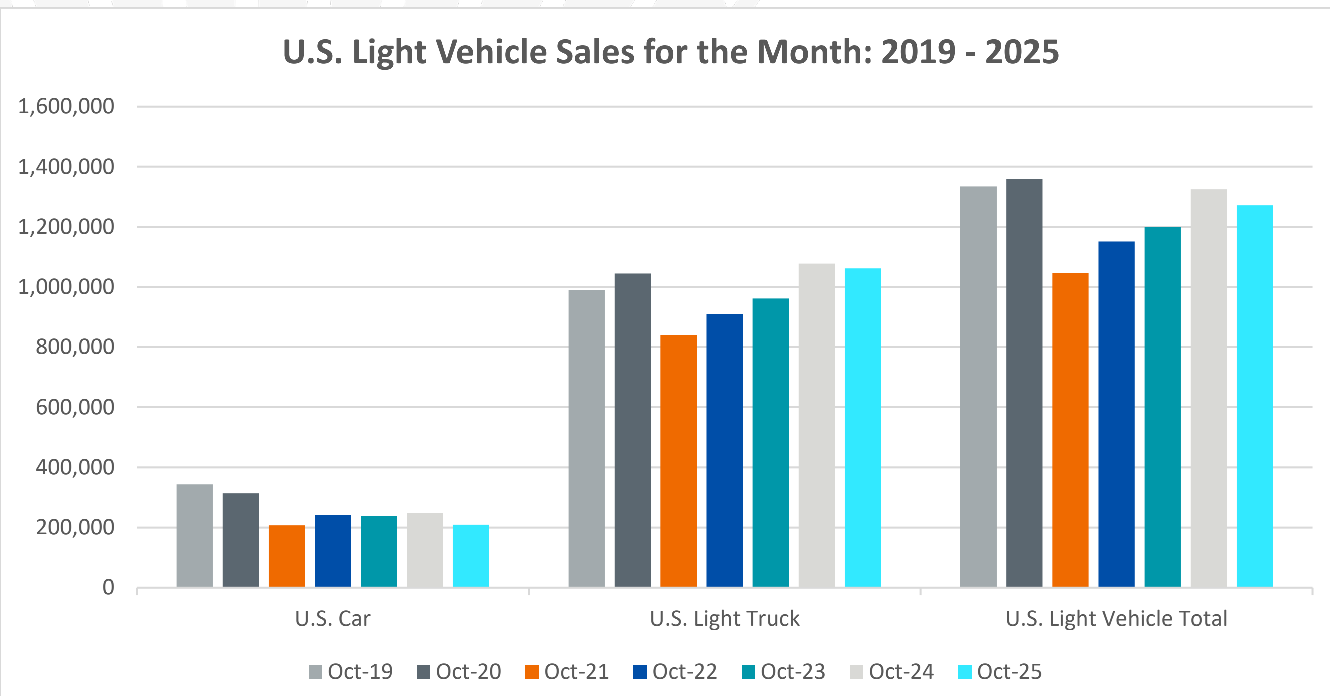
Monthly Sales (Updated 11/5)

Omdia (formerly WardsIntelligence)[9]: "US demand for light vehicle sales dropped in October, which was expected following pull-ahead volume earlier in the year due to anticipation that prices would rise dramatically from the impact of tariffs and because the government-sponsored credit for electric vehicles ended September 30.

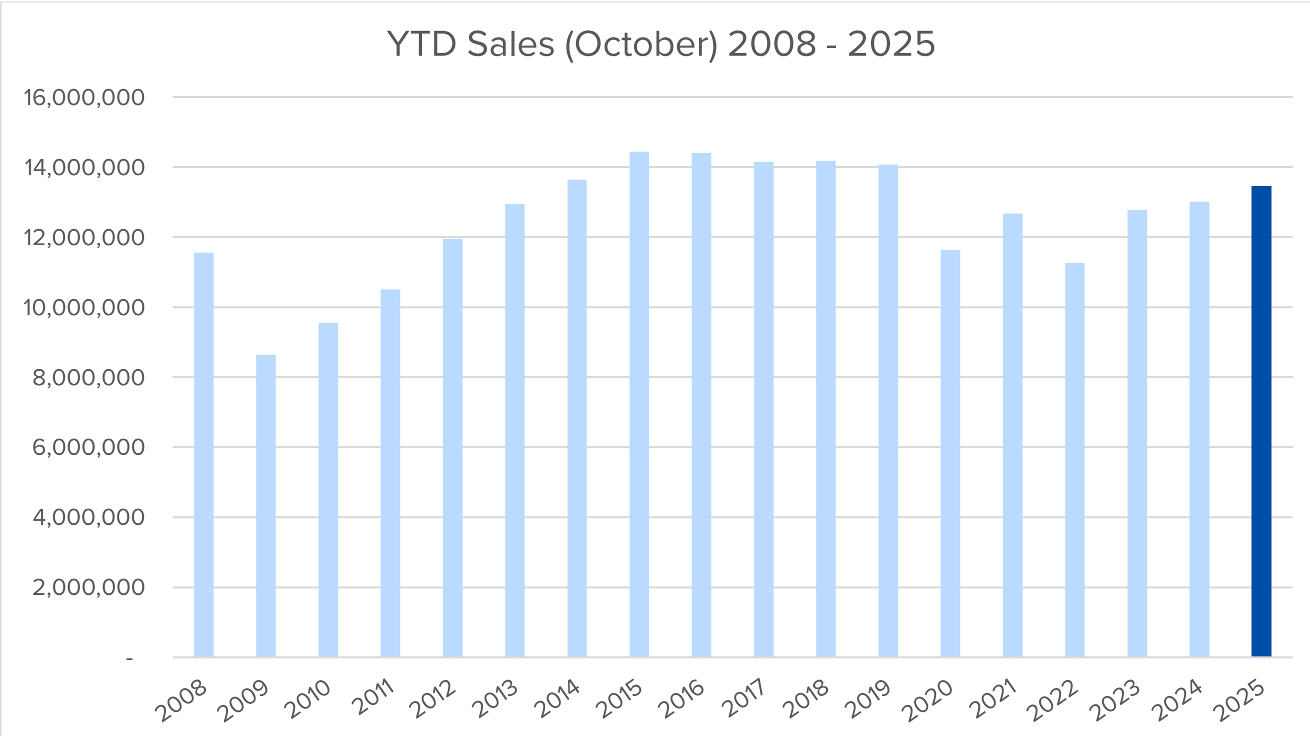
"October's 15.3 million-unit seasonally adjusted rate was the lowest for any month since the same total in June 2024, and well below like-2024's 16.1 million. It was also significantly below the January-through-September SAAR of 16.4 million, lowering the year-to-date through October to 16.3 million—the 2024 YTD through October was 15.7 million.

"Raw volume totaled 1.271 million units, 4.5% below October 2024's 1.332 million. October's daily selling rate (DSR) equated to 47,086 units, down from the year-ago total of 49,325—27 selling days in both periods. The YoY decline in the DSR was the first since May and only the second downturn over the past 13 months.

"In the first month of results following the end of the EV credit, October deliveries of battery electric vehicles declined 23.8% YoY, based on DSRs. BEV sales in 2025 through September were up 13.5%, including DSR gains of 29.7% and 28.3% in August and September, respectively."



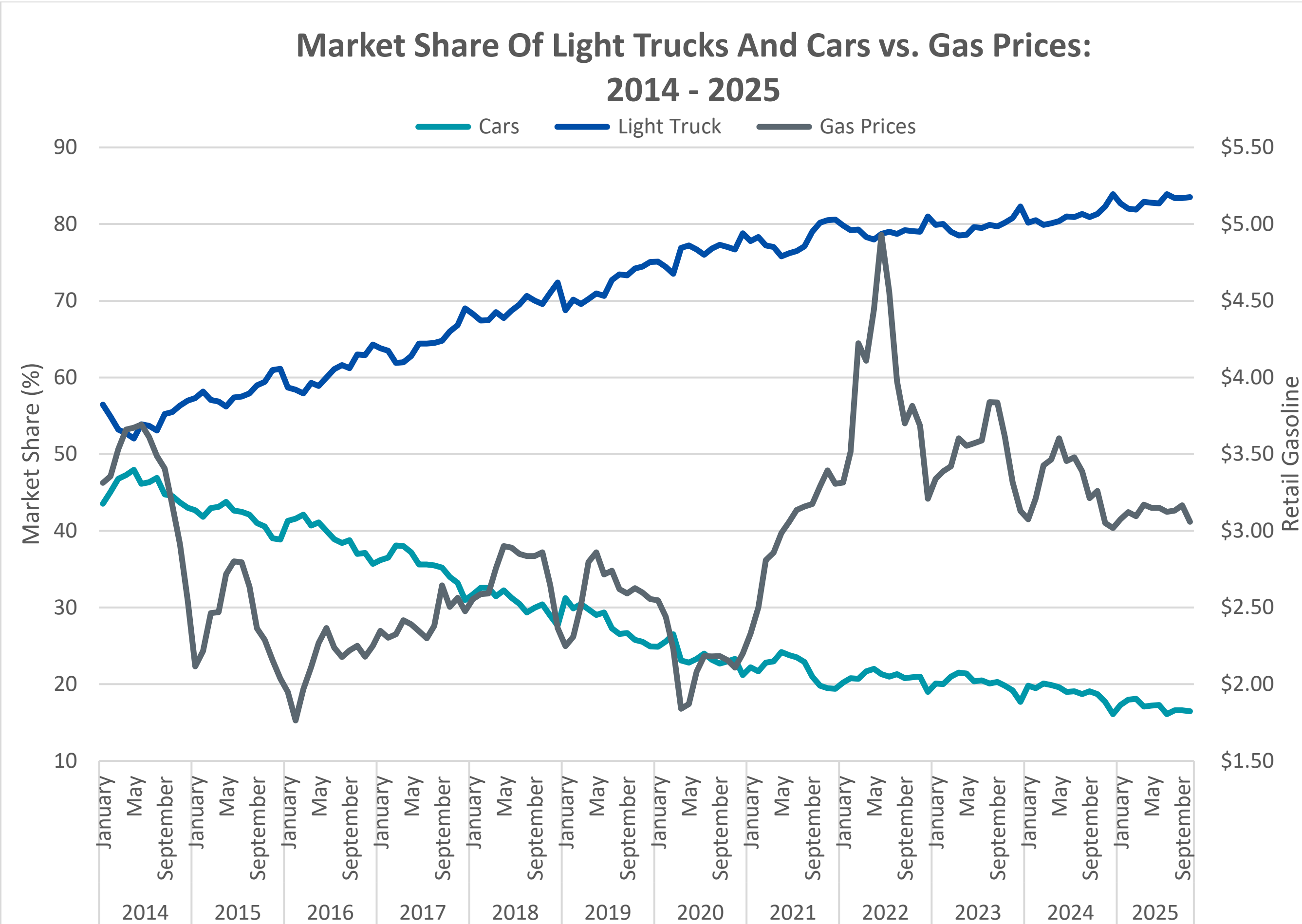
Calendar year-to-date sales through October totaled 13.45 million units, up 3.3 percent from 2024's 13.0 million.



Segments vs. Gas Prices (Updated 11/5)

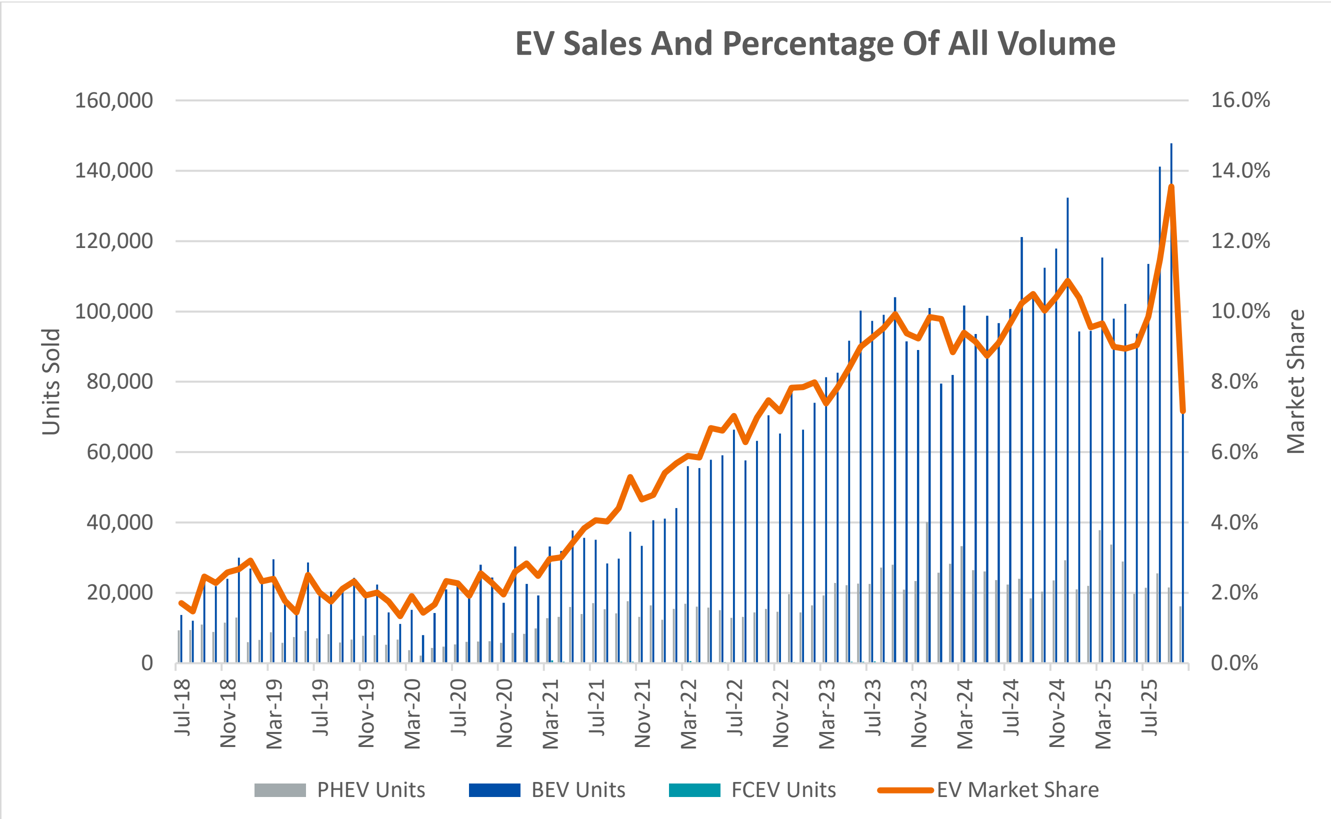
Monthly Sales: Light trucks accounted for 83.5 percent of sales in October, up 2.2 percentage points from the market share a year ago. Compared to the same period in 2024, sales of cars are down 38,000 units, and down nearly 134,000 from October 2019, when cars comprised 26 percent of the market as opposed to the 16.5 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[10] and gas was over $3.00[11] 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 $2.84 a gallon (through August 2025) 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.[12]



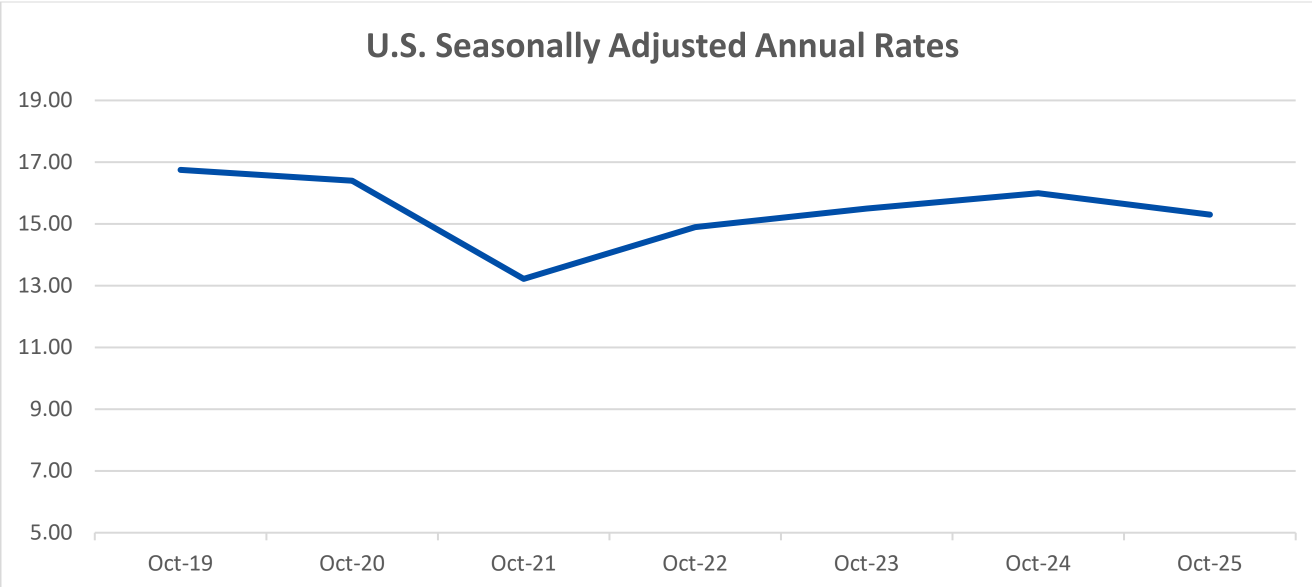
EV Powertrain Sales (Updated 11/5)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 7.2 percent of total vehicle sales in October 2025 (91,100) – the lowest in three years, per Omdia estimates. Market share decreased 6.4 percentage points (pp) from September 2025. October's EV market share is down 2.9 pp from a year ago. Sales of battery electric vehicles accounted for 5.9 percent of total sales, down 2.6 pp from October 2024. Plug-in hybrids accounted for 1.3 percent, down 0.3 pp from the same time last year. Hybrid market market share was 12.5 percent.



Seasonally Adjusted Annual Rates (Updated 11/5)

Omdia (formerly WardsIntelligence)[13]: "October's 15.3 million-unit seasonally adjusted rate was the lowest for any month since the same total in June 2024, and well below like-2024's 16.1 million. It was also significantly below the January-through-September SAAR of 16.4 million, lowering the year-to-date through October to 16.3 million—the 2024 YTD through October was 15.7 million."



Average Transaction Price (Updated 11/5)

J.D. Power (Updated 11/5)[14]**:** "The average new-vehicle retail transaction price in October is expected to reach $46,057, up $994 (2.2%) from October 2024. The average manufacturer incentive spend per vehicle is on track to reach $2,674, a decrease of $540 from September and a decrease of $444 from a year ago. Expressed as a percentage of MSRP, incentive spending is currently at 5.3%, down a percentage point from a year ago."

"The average used-vehicle price is trending toward $29,446, up $473 from a year ago. This reflects the combination of reduced supply of recent model-year used vehicles due to lower new-vehicle production during the pandemic, fewer lease maturities and manufacturers moderating discounts. The rise in used-vehicle prices is good news for new-vehicle buyers with a trade-in, as average trade-in equity in October is up $386 year over year to $8,378."

Kelley Blue Book (September) (10/22)[15]**:** "In September, the average transaction price (ATP) of a new vehicle in the U.S. was above $50,000 for the first time, according to new estimates released today by Kelley Blue Book. New-vehicle prices have risen steadily for more than a year, with the pace of the increases accelerating in recent months. Despite higher prices, retail sales continue to maintain a healthy pace.

"The new-vehicle ATP was $50,080 in September, marking the first time it ever exceeded the $50,000 mark. The ATP last month was up 2.1% from August and was higher year over year by 3.6%. The annual gain of 3.6% in September was the largest gain since the spring of 2023, but aligned with the long-term average of ATP inflation.

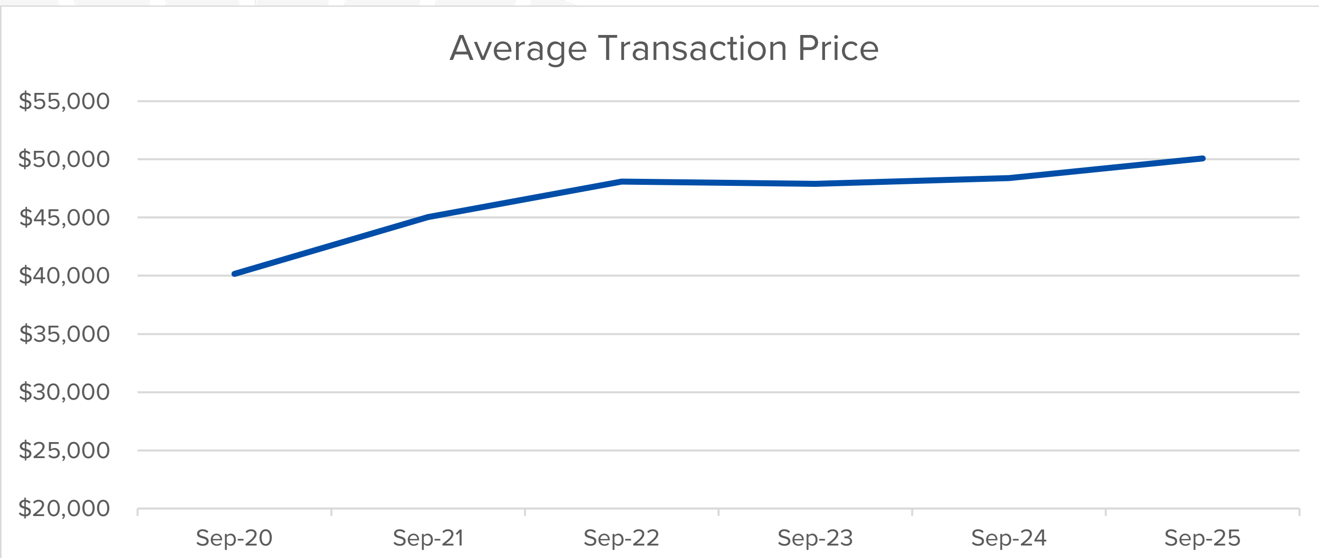
"Incentive spending increased in September to 7.4% of ATP, or approximately $3,700. Incentive levels in September were at the highest point in 2025, up from 7.2% of ATP in August. A year ago, in September 2024, incentive levels were equal to 7.3% of ATP.

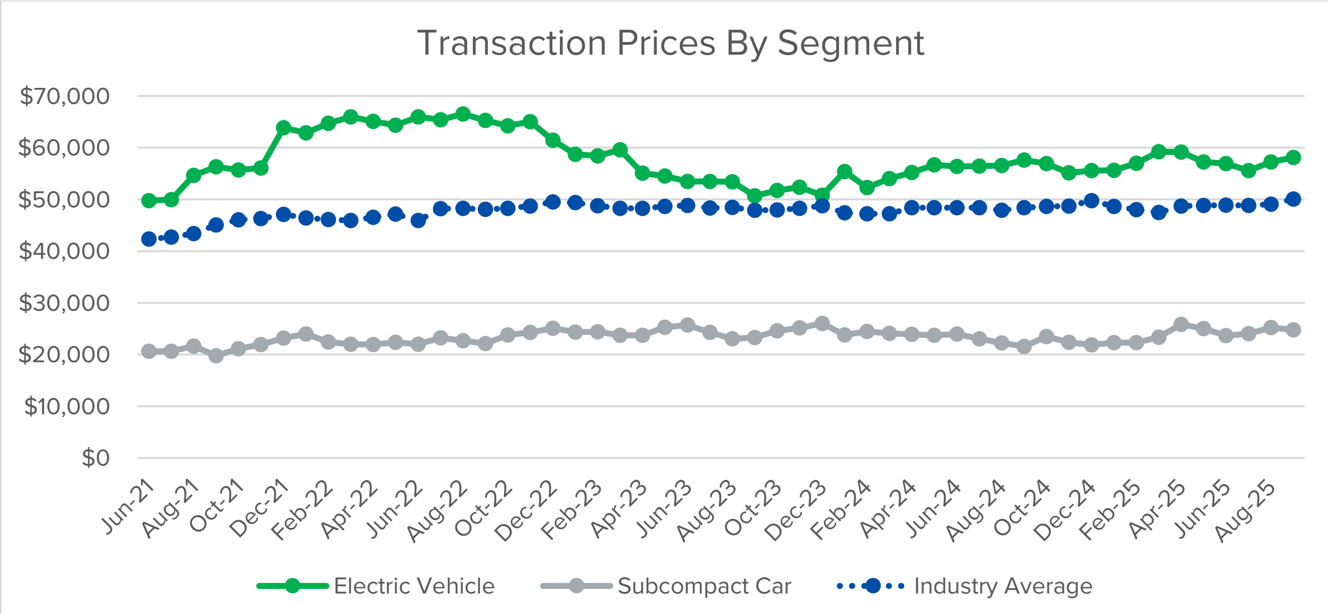
"As 2026 model year product arrives on dealer lots, the average new-vehicle manufacturer's suggested retail price (MSRP) – commonly called "the asking price" – also reached a new record-high in September of $52,183. The MSRP last month was higher by 4.2% year over year, an increase above the long-term average.

"A rich mix of luxury vehicles and expensive EV models likely helped push the ATP into record territory last month. Kelley Blue Book is initially estimating the electric vehicle share of the U.S. market in September at 11.6%, a record high. The electric vehicle ATP last month was $58,124, up 3.5% from the revised lower EV ATP in August.

"The initial estimate of the EV average transaction price in September was $58,124, up 3.5% from the revised-lower ATP in August. Year over year, EV prices remained mostly unchanged, lower by 0.4%.

"At 15.3% of ATP (nearly $8,900), EV incentives in September were lower compared to August. A year ago, EV incentives averaged 13.0% of ATP."



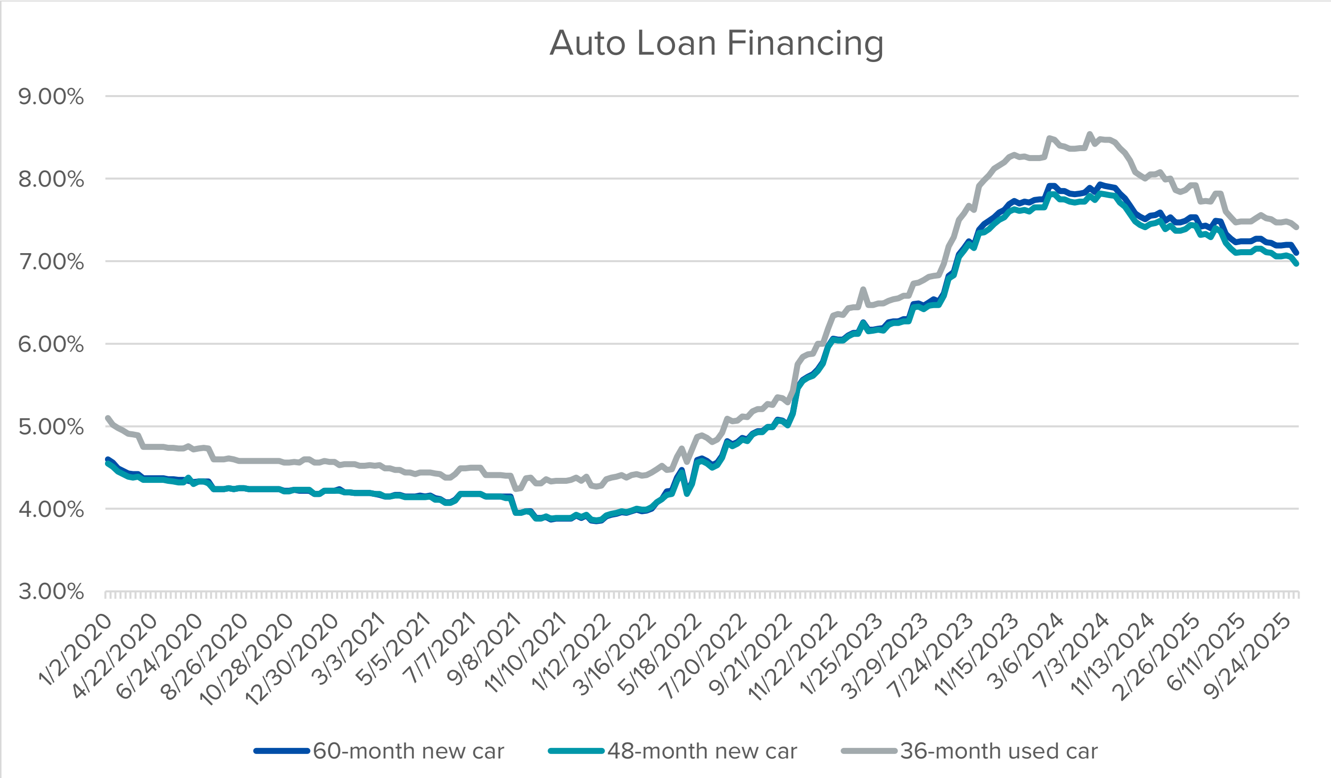


Auto Loan Financing (Updated 11/5)

JD Power (11/5)[16]: "Affordability pressures remain, with monthly finance payments reaching a record for the month of October at $758. In response, more consumers are turning to extended 84-month loan terms, which are expected to account for 11.8% of financed sales this month—the second highest level on record for the month of October.

Interest Rates Lowest Since Mid-2023 (updated 10/22): Interest rates continued their gradual decline, decreasing slightly on the 60-month, 48-month new car and 36-month used vehicle loans over the past two weeks. Rates now stand at 7.10%, 6.97%, and 7.41%, respectively. Since the beginning of 2020, 60-month rates are up 2.50 pp, and are down 0.44 pp since the same time a year ago.[17]

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
10/16/2024	7.54%	7.44%	8.04%
10/8/2025	7.20%	7.05%	7.46%
10/22/2025	7.10%	6.97%	7.41%
Two Week Change	-0.10%	-0.08%	-0.05%
Change since 1/3/20	2.50%	2.42%	2.31%
One Year Change	-0.44%	-0.47%	-0.63%



Crude Oil and Gas Prices (Updated 11/5)

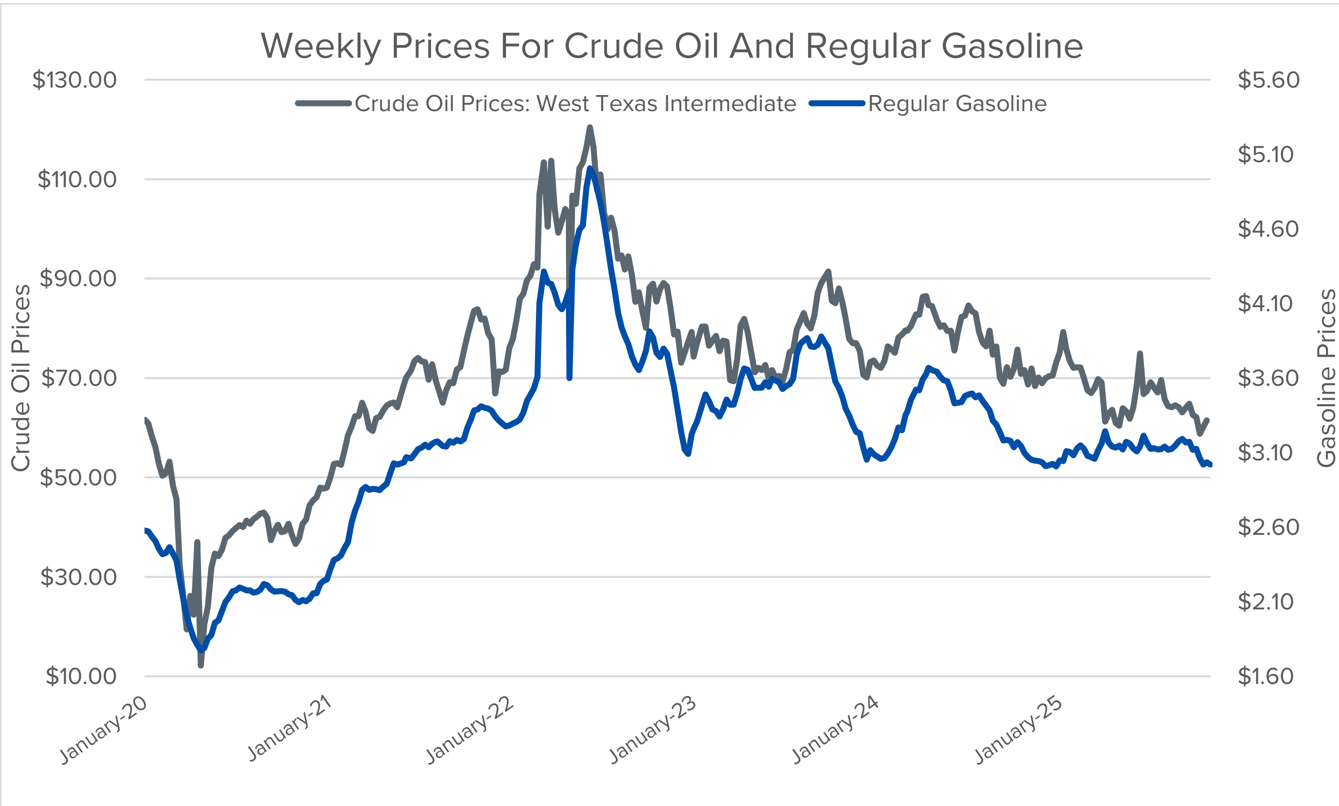
Oil and Gas Continue to Moderate (11/5):[18] Oil prices, as benchmarked at West Texas Intermediate were $61.49 at the end of October, down $10 from the same time a year ago. Since election day 2024, oil prices are down $7 a barrel. Gas fell to $3.02 a gallon. Gas is 17 percent higher than the beginning of 2020 and has not been below $3 a gallon since May 2021.

EIA Outlook For Oil (11/5):[19] "With less capacity to refine petroleum products domestically, we expect the United States will import less crude oil but import more petroleum products in 2026, as shown in our net import forecasts. Net imports are defined as total imports minus total exports.

"Our forecast for refinery inputs decreases more than our forecast for crude oil production in 2026, resulting in crude oil inventory builds. With rising inventories, we forecast the United States will reduce net imports of crude oil to less than 1.9 million b/d in 2026 compared with 2.1 million b/d this year, the lowest annual average crude oil net imports in a year since 1971.

"Lower U.S. refinery inputs in 2026 also reduce our forecast for domestic production of petroleum products. At the same time, we expect the United States will consume about the same amount of petroleum products in 2026 as in 2025. As a result, we expect the United States—particularly the West Coast—will need to import more petroleum products to meet market demand. We forecast total net imports of petroleum products, not including biofuels and hydrocarbon gas liquids (HGLs), will increase to 1.5 million b/d in 2026, up 0.3 million b/d from 2025 and 0.4 million b/d from 2024."

EIA Outlook For Gasoline (10/3)[20]**:** "We forecast regular-grade gasoline prices will average around $2.90 per gallon in 2026 and gasoline consumption will average 8.9 million b/d. Forecast expenditures will average less than 2% of disposable income and will differ across the United States depending on region, household income, and driving habits. Households with older, less efficient vehicles, those that drive more, or those in regions of the country with higher gasoline prices, will spend more than those households with more efficient vehicles, those that drive less, or those in regions with lower gasoline prices."



Production Meter

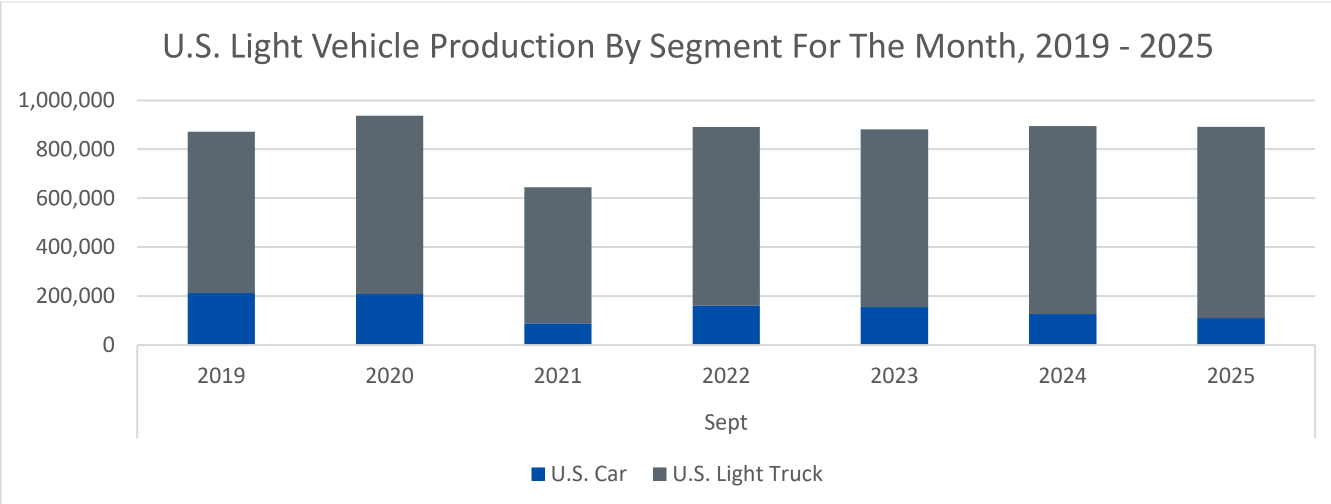
North American Production (Updated 10/22)

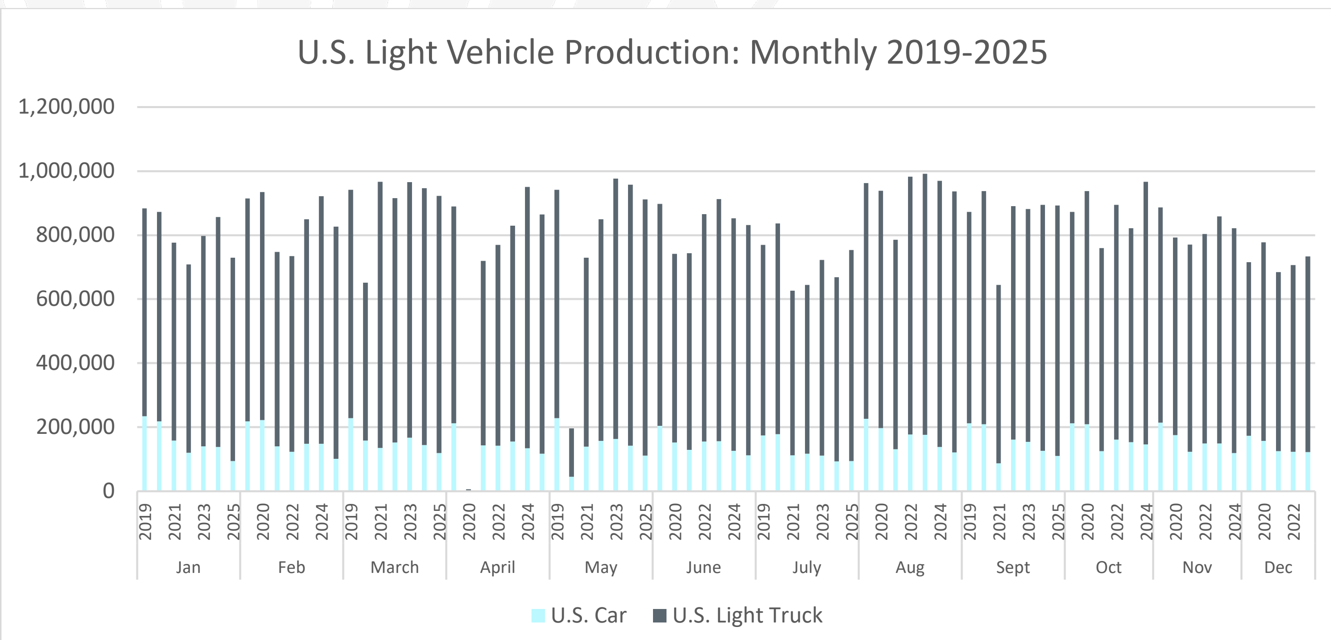
Wards Intelligence[21]: "Production ended 3Q on a strong note, with September totaling 1.397 million units, 0.7% above same-month 2024. September's total was 57,000 units above month-ago's outlook for the period. Production in 3Q25 totaled 3.993 million units, 1.2% above 3Q24. It was the first quarter since 2Q24 to record a year-over-year gain."

U.S. Light Vehicle Production (Updated 10/22)

U.S. Monthly Production

U.S. Light vehicle production for September was down 4.1 percent month-over-month, totaling 892,772 vehicles (110,582 cars; 782,190 light trucks), year-over-year, production is up 3.9 percent from 2024.[22]



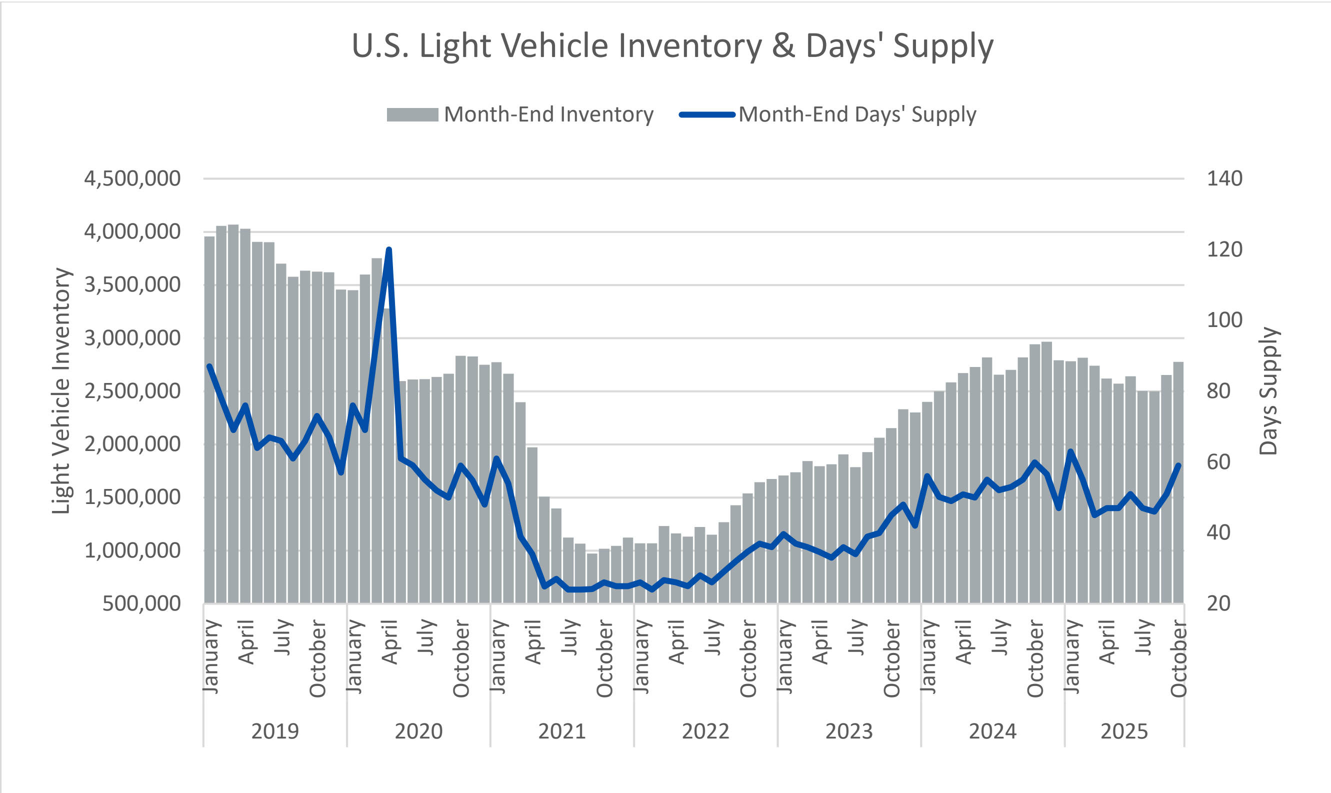


U.S. Light Vehicle Inventory and Days' Supply (Updated 11/5)

WardsIntelligence Inventory Update (10/3)[23]: "US light-vehicle inventory rose 4.6% to 2.78 million units in October from September but was 6.4% below the year-ago total of 2.96 million.

"Slower sales in October, which resulted in less stock being drained from dealer lots, prevented inventory from falling further. At the same time, production slowdowns related to parts shortages, which did not impact on deliveries in October, played a minor role in preventing inventory from ending higher.

"Days' supply ended October at 59, up from September's 51 but slightly below like-2024's 60. Historically, a days' supply of around 70 is typical for October."



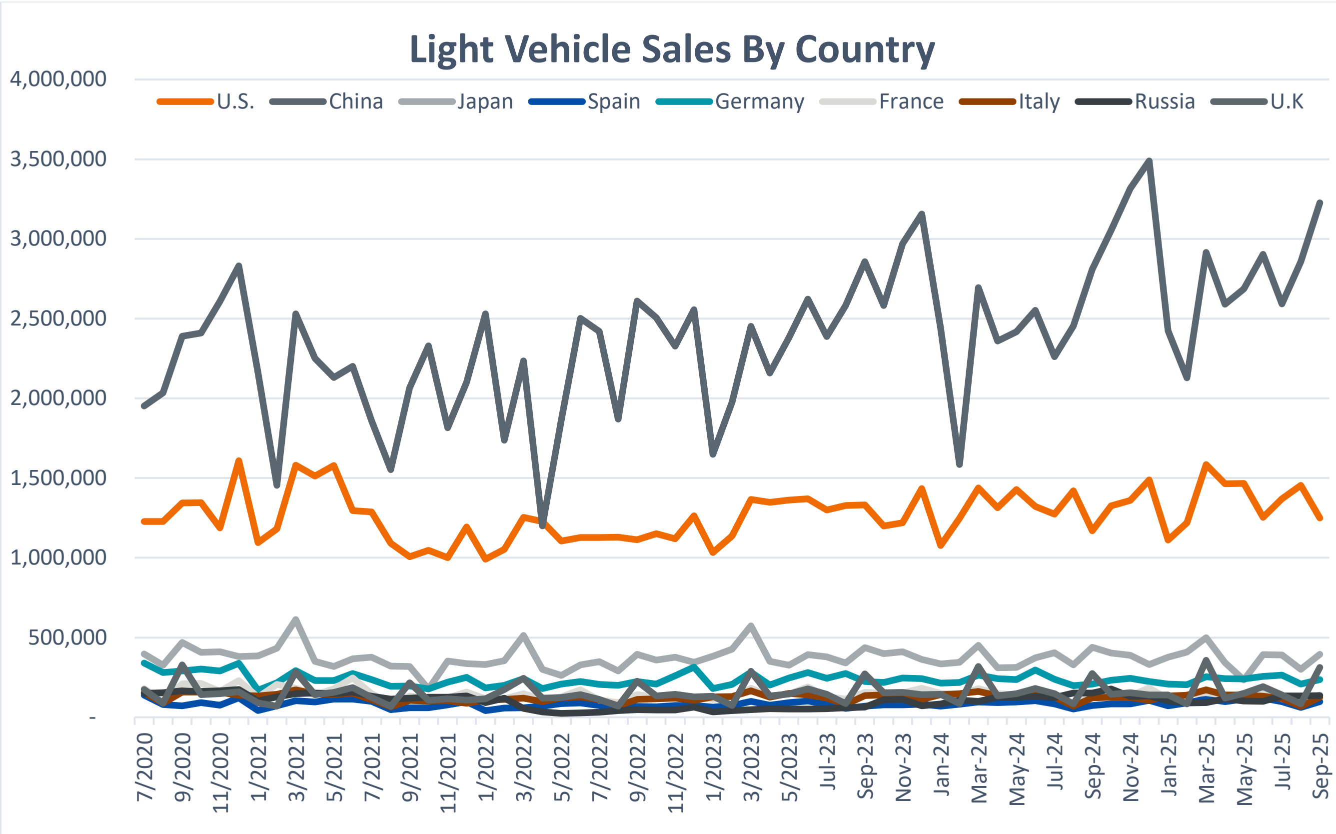
Global Meter

Global Light Vehicle Sales (Updated 11/5)

Wards Intelligence[24]: "Global sales of light vehicles and medium- and heavy-duty trucks combined increased YoY for the 12th consecutive month in September, with all major regions posting gains for the third straight time.

"Deliveries in September totaled 8.73 million units, 8.2% above the same month in 2024, 8.07 million. Calendar year-to-date sales through September totaled 72.50 million, up 5.6% from nine-month 2024's 68.63 million. Third-quarter volume totaled 24.71 million, up 1.1% from 3Q24's 23.02 million.

"Excluding medium- and heavy-duty trucks, light vehicles totaled 8.45 million units in September, up 8.2% from the same month in 2024, 7.81 million. Calendar year-to-date light-vehicle sales through September totaled 70.14 million, up 6.1% from the year-ago period's 66.08 million."



Global Light Vehicle Production (Updated 9/26)

S&P Global Mobility Forecast (9/26)[25]: "The outlook for the global auto industry has improved somewhat, particularly for North America and Greater China, among other regions. While markets continue to navigate evolving US trade actions and other regional dynamics, the actions and reactions of industry participants influence our forecast revisions for this month. Our assumptions regarding tariffs remain largely intact; however, automakers' strategies in mitigating the impacts are becoming more apparent. Companies are increasingly spreading the cost/price impact pragmatically across markets and are adjusting content, trim and mix accordingly. Additionally, automakers in the US are benefitting from not facing emissions penalties and the need to purchase regulatory credits. The net effect is we are not expecting consumers to bear as much of the burden by way of major price increases, which results in an improved demand and production outlook through the near-term. The September forecast update reflects a mix of mostly upgrades in the near-term as we adjust to reflect the ongoing impacts of a rather variable trade environment as well as other regional dynamics. Of note, upgrades are particularly concentrated on Greater China given the strength in vehicle sales as well as robust export activity. Also, North America upgrades reflect stronger production as automakers adjust to and mitigate the cost of tariffs rather than pass them on to consumers in the near-term. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was increased by 78,000 units and by 117,000 units for 2025 and 2026, respectively (and increased by 31,000 units for 2027). The positive revisions for this month are primarily related to an improved demand outlook for countries like Germany, France, Austria and

Turkey. In addition, there is a positive effect stemming from some relief on the US export front that is expected to benefit premium OEMs in Europe. Finally, we are also adjusting our assumption around inventories which no longer anticipates the need for material destocking next year. While production has been upgraded through the near-term, the forecast for EV production has been downgraded further on lingering demand challenges. Of note, the upward revisions for this month's update were distributed across a variety of ICE models, particularly for Volkswagen.

"Greater China: The outlook for Greater China light vehicle production was increased by 390,000 units and by 223,000 for 2025 and 2026, respectively (and increased by 120,000 units for 2027). Despite a traditional seasonal summer downturn, the mainland China light vehicle market maintained steady momentum in August 2025. According to the CPCA, passenger vehicle production achieved over 2.4 million units and double-digit year-on-year growth, mainly driven by government trade-in subsides, relaxed auto loan policies, domestic demand recovery and increasing exports. The new strengthened NEV subsidy policy and an ongoing "price war" have further motivated potential consumers in the entry level market and in rural areas. According to the CPCA, new energy passenger vehicle industrial output posted 24% year-on-year growth, leading to a 52% penetration rate in August. Car dealers are preparing for the "golden autumn" season with increased inventory and faster turnover strategies, but prices are under pressure from new model launches and supply chain fluctuations. According to the CDCA, the passenger vehicle inventory level has remained at 1.31 in August. Looking to 2026, the outlook for Great China production was increased given support from subsidy extensions and a generally constructive demand outlook. The market remains influenced by policy measures and innovation, although the industry must navigate competitive pressures and economic uncertainties to sustain growth.

"Japan/Korea: While full-year 2025 Japan production was only modestly upgraded this month, full-year 2026 production was upgraded by 75,000 units. This is primarily related to plans by Toyota to expand production of the new RAV4 and push exports to markets other than (and in addition to) the US to mitigate the negative impact from US tariffs. Long-term volumes were downgraded by an average of around 48,000 units per year. This is primarily related to rebalancing of Subaru Crosstrek production between Japan and the US. It was increased in the US to help mitigate the impact of US auto tariffs. Full-year 2025 South Korea production was upgraded by 18,000 units. Since the new government took office in June, domestic demand has been steadily recovering, and exports have also increased as other regions have made up for the decline in exports to the US due to tariffs. Meanwhile, as Korean OEMs are expected to raise vehicle prices in the US at a lower-than-expected rate, production forecasts for 2026 and 2027 were upgraded by 50,000 units and by 37,000 units, respectively

"North America: The outlook for North America light vehicle production was increased by 212,000 units and by 337,000 units for 2025 and 2026, respectively (and increased by 244,000 units for 2027). The forecast for 2025 production in North America was revised higher by 1.4% totaling 15.15 million units amid continued strength in production planning and the ongoing effects of a measure of pull-ahead demand. The outlook for the fourth quarter of 2025 was revised higher by 4.8% or 162,000 units to a projected 3.55 million units. Revised demand settings result in the outlook for US sales in 2026 being revised higher by 2.2% or 337,000 units totaling 15.69 million units while the 2025 outlook increased by 1.6% or 259,000 units totaling 16.02 million units. US sales for 2027 were revised higher by 1.5% or 242,000 units to 15.89 million units. As a result, the forecast for 2026 North American production was revised higher by 2.4% to 14.66 million units. The increased outlook is most prominent in the first half of 2026 that was previously more heavily discounted on economic and tariff impact concerns. The outlook for 2027 was revised higher by 1.6% to 15.56 million units driven by a stronger demand outlook coming out of a still relatively weak 2026 and the continued localization of vehicles into the region, including Hyundai onshoring Palisade production in 2027 (which sold around 122,000 units over the trailing 12-month period in the US).

“South America: The outlook for South America light vehicle production was reduced by 11,000 units and by 44,000 units for 2025 and 2026, respectively (and increased by 10,000 units for 2027). The outlook for 2025 was downgraded modestly primarily related to Argentina where imports are increasingly impacting sales of domestically built vehicles. In comparison, the forecast for Brazil remained mostly stable despite a somewhat lower than expected performance in August. We will be monitoring the market over the near-term for any signs that an expected positive benefit of incentives on sales of more affordable cars does not materialize. Regional volumes for 2026-2027 were reduced by around 17,000 units per year as measured over the time period. Argentina has been revised upwards mostly due to an improvement in demand for some brands, particularly Ford (with the Ranger performing better in some neighboring countries) and Peugeot (with confirmation of new hybrid variants being introduced from late 2025). In contrast, Brazil is reduced over the period, mostly due to a change in SOP for BYD operations (from mid-2025 to mid-2027).

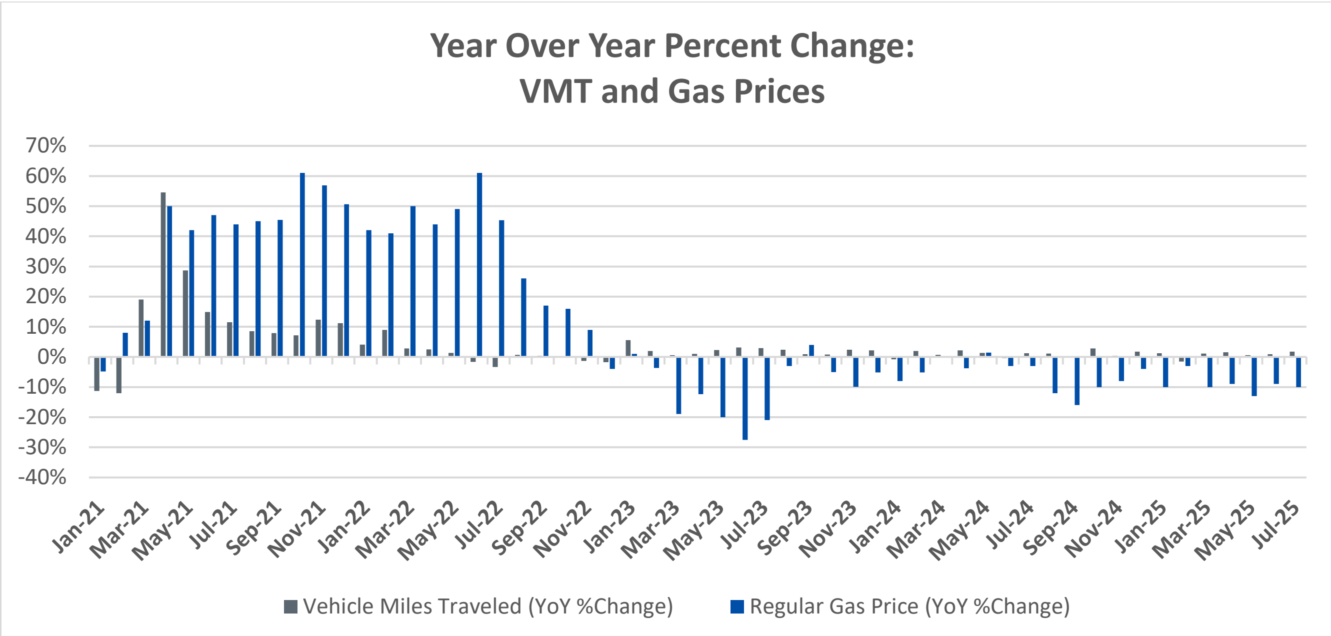
“South Asia: The outlook for South Asia light vehicle production was increased by 13,000 units and by 171,000 units for 2025 and 2026, respectively (and increased by 116,000 units for 2027). The light vehicle production forecast for the ASEAN market was upgraded modestly for 2025 but was reduced by 50,000 units for both 2026 and 2027. We remain cautious on the near-term outlook given persistent concerns over market deterioration in Indonesia, Thailand and Malaysia. The downgrades for 2026 and 2027 signal that an ASEAN production recovery is likely to take longer than previously expected. Over the medium to longer term, Japanese OEMs are expected to face escalating challenges, not only in the BEV space where Chinese players are advancing aggressively, but also in the hybrid segment which has traditionally been their competitive stronghold. The production outlook for India in the extreme near-term was only modestly adjusted. However, for 2026 and 2027, volumes were upgraded by 221,000 units and 166,000 units, respectively, as domestic demand is expected to benefit materially from a reduction in the Goods and Services Tax (GST) for different sized vehicles. Historically, reductions in GST provide a noteworthy boost to vehicle sales.”

Economy Meter

Roadway Travel (Updated 11/5)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in September increased by 1.9 percent from the same time a year ago. The cumulative travel estimate for 2025 is 2,492 billion vehicle miles.[26]

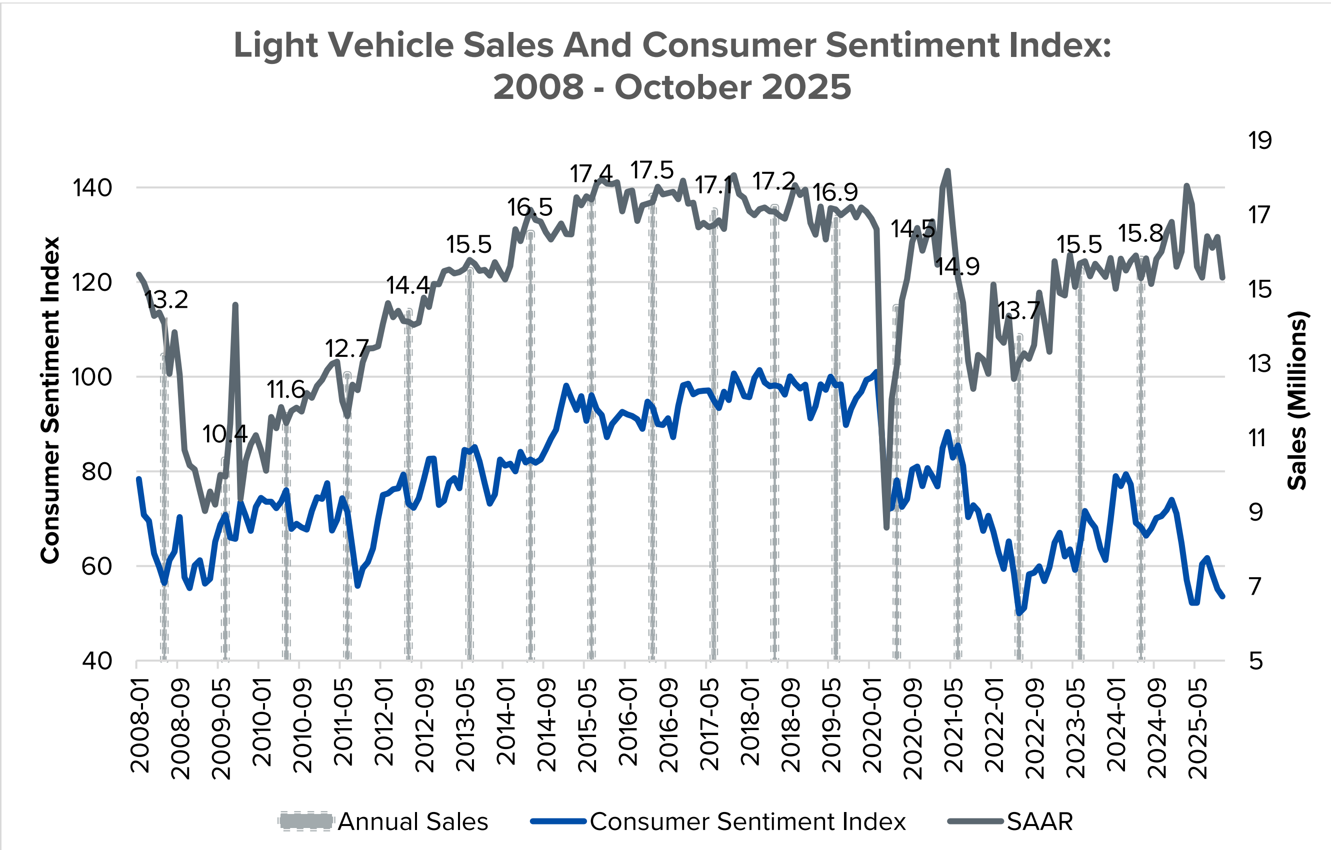
- Travel on all roads and streets changed by +2.0% (+5.4 billion vehicle miles) for September 2025 as compared with September 2024. Travel for the month is estimated to be 278.3 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for September 2025 is 277.1 billion miles, a +1.9% (5.0 billion vehicle miles) change over September 2024. It also represents a 0.2% change (0.6 billion vehicle miles) compared with August 2025.
- Cumulative Travel for 2025 changed by +1.0% (+25.1 billion vehicle miles). The cumulative estimate for the year is 2,492.0 billion vehicle miles of travel.



Consumer Confidence and Sales (Updated 11/5)

Surveys of Consumers Director Joanne Hsu[27]: "Consumer sentiment was little changed this month, slipping a scant 1.5 index points from September. A modest increase in sentiment among younger consumers was offset by decreases among middle-age and older consumers. Current personal finances inched up, while expected personal finances receded. Overall, consumers perceive few material changes in economic circumstances from last month; inflation and high prices remain at the forefront of consumers' minds. There was little evidence this month that consumers connect the federal government shutdown to the economy. Only about 2% spontaneously referenced the shutdown during this month's interviews, compared with the 10% of consumers who did so in January 2019 during that 35-day shutdown.

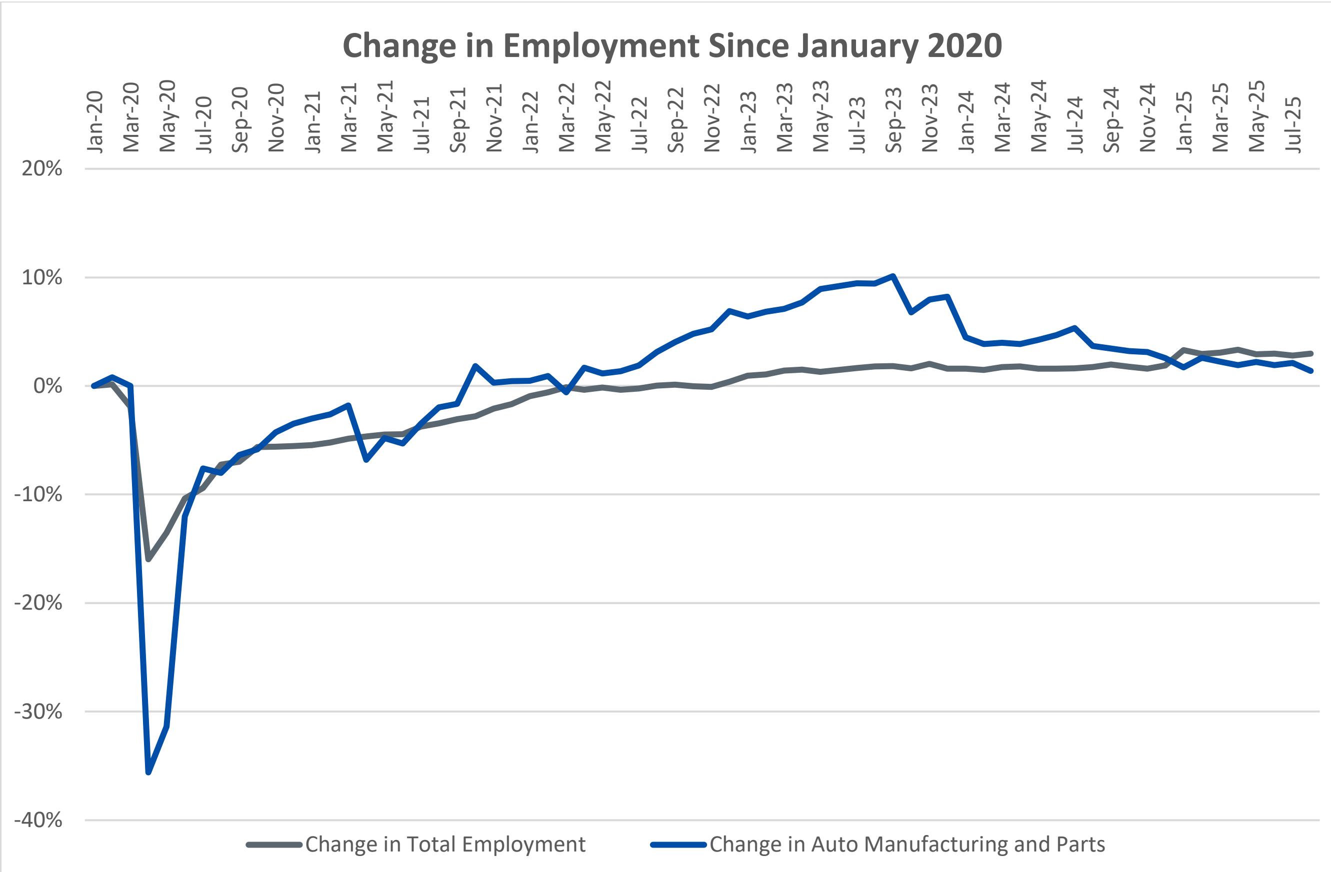
"Year-ahead inflation expectations ebbed from 4.7% last month to 4.6% this month. These expectations are currently midway between the readings seen a year ago and the highs seen this year in May in the wake of the initial announcements of major tariff changes. Long-run inflation expectations increased from 3.7% last month to 3.9% this month but remains below this year's high point seen in April. This month's increase in long-run inflation expectations was driven primarily by independents and Republicans. Inflation uncertainty—as measured by the interquartile range of expectations—ticked up for both time horizons this month."



Employment (Updated 9/5)

No update due to the shutdown

Motor Vehicle And Parts Manufacturing Lost 7,100 jobs in August.



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