

READING THE METER®

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



ALLIANCE FOR AUTOMOTIVE INNOVATION

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Contents – December 5, 2025

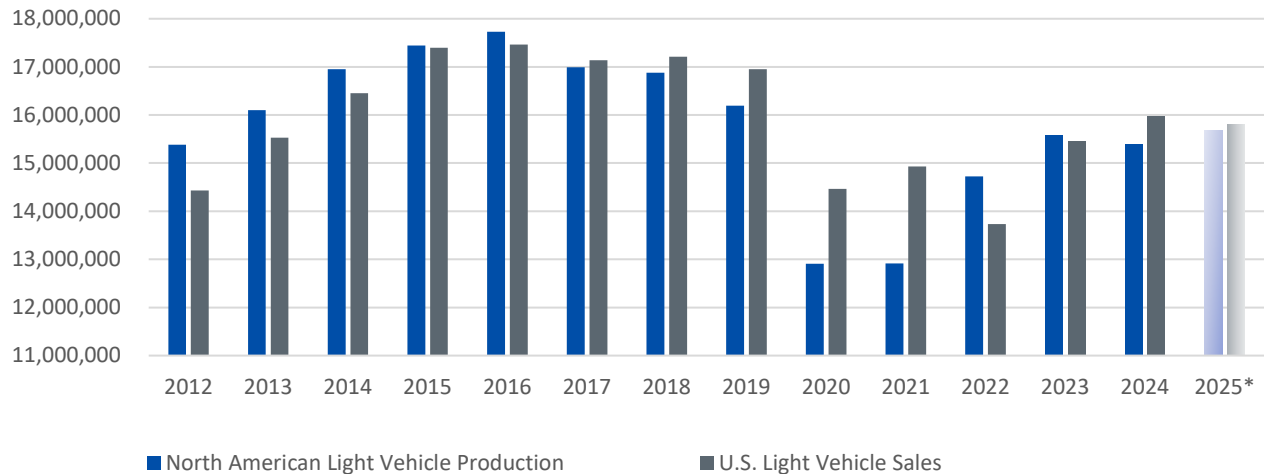
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Forecast Meter

Sales & Production Summary and Forecast (Updated 12/5)

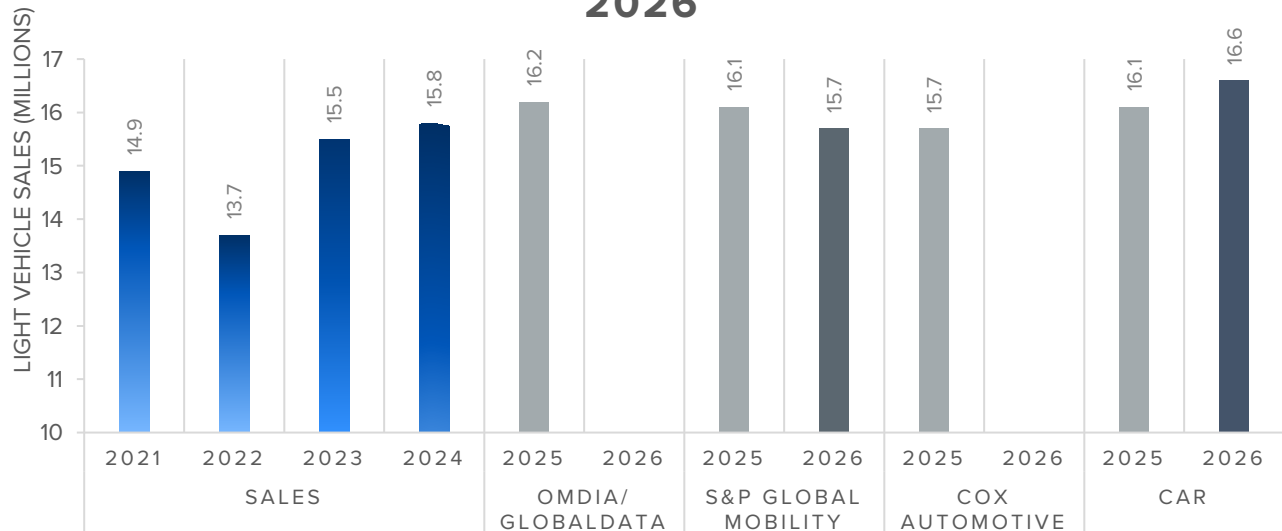
2024-2025 Sales, ¹ Extended Sales Forecast ² and Production Forecasts ³		
	U.S. Sales & Forecasts	North American Production
January '24	1,076,047 (-1.3% YoY)	1,327,765 (+7.8% YoY)
February '24	1,247,516 (+5.2% YoY)	1,358,836 (+10% YoY)
March '24	1,438,012 (+4.6% YoY)	1,414,502 (-5.7% YoY)
April '24	1,313,512 (+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)	1,374,124 (-4.5% YoY)
November '25	1,273,390 (-7.3% YoY)	
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Forecast	16,200,000	15,350,000

North American Production And U.S. Light Vehicle Sales



U.S. Light Vehicle Sales Outlook (Updated 12/5)

U.S. LIGHT VEHICLE SALES FORECAST: 2025-2026



Omdia (Formerly Wards Intelligence) Outlook (12/5)*: “The initial look at December calls for sales of 1.450 million units, or a 15.9 million-unit seasonally adjusted annual rate, which would put total 2025 deliveries at 16.2 million. Assuming the December outlook holds, 4Q volume will decline roughly 5% YoY to 4.0 million units. The 4Q SAAR will be 15.6 million, down from 4Q24’s 16.5 million and lowest for any quarter since 15.5 million in 1Q23.

“Lower inventory, affordability, and sales of BEVs being likely to tank again are the main reasons why December is expected to continue the YoY downturn of the prior two months.

“Conversely, some lost BEV sales are being replaced with other models, plus the tariff-related pull-ahead effect that lifted demand in the first nine months of the year could be wearing off, and buyers could hit the market in force before the end of the year—even more so if holiday discounting takes off. Thus, December could surpass expectations.

North American Production & Inventory Outlook (Updated 12/5)

Omdia Inventory Outlook (12/5)⁵: “As is typical, with nearly all factories supplying vehicles to the US market scheduled to be closed for at least one week in December for the year-end holiday season, inventory will decline from November. Days’ supply is expected to fall month-to-month again in December.”

Omdia Production Outlook (11/24)⁶: “Fourth-quarter North America production of light vehicles and medium- and heavy-duty trucks together moves further down to 3.450 million units from the 3.661 million units expected in last month’s revision and 8.4% below 4Q24’s 3.767 million. It was the second straight month the 4Q outlook was cut from its initial total.

“Estimated production for November of 1.063 million units is down 131,700 units from the 1.195 million in last month’s outlook for 4Q, as estimates at several automakers continue to be ratcheted down. Supply disruptions from the fire and the chip stoppage could shed more output into December.

“A third fire at Novellis’ Oswego, New York aluminum plant could delay the company’s ambitious December 2025 restart. While the disruption has been slightly mitigated by sourcing from other suppliers and Novellis facilities, the Oswego mill supplies 40% of the aluminum sheet for the US auto industry.

“Production for the entire year of 2025 is tracking to 15.35 million units, 4.4% below 2024’s 16.06 million, and down slightly from last month’s estimate of 15.57 million units.”

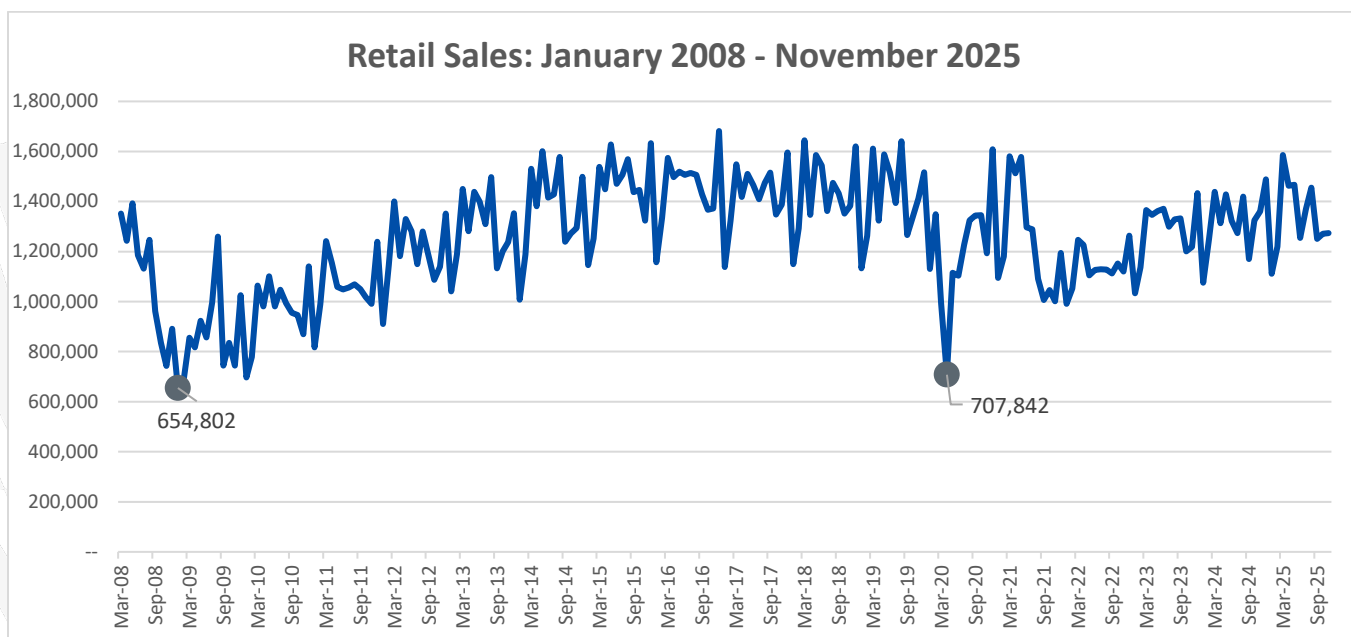
S&P Global Mobility Outlook (11/24)⁷: “The global light vehicle production outlook continues to balance an evolving US trade environment as well as other regional dynamics. Our assumptions regarding tariffs remain largely intact as automakers’ strategies in mitigating the impacts continue to evolve. Companies are spreading the cost/price impact pragmatically across markets and are adjusting content, trim and mix accordingly. Additionally, automakers operating in the US are benefitting from not facing emissions penalties and the need to purchase regulatory credits. The net effect, consumers are not expected to bear as much of the burden by way of major price increases, yet the cost implications of some of the more severe tariff impacts will still prove impactful to consumer demand and resulting production as we look to next year. A key consideration for the industry is the upcoming review of the USMCA in mid-2026 which will offer further insights as to the state of play for tariffs regarding critical trade partners, Canada and Mexico. The November forecast update reflects a mix of mostly modest revisions through the near-term as we adjust to reflect the ongoing impacts of a continued variable trade environment as well as other regional factors. One particularly noteworthy upgrade in the near-term is concentrated on Greater China given the continued strength in vehicle sales as well as robust export activity.”

Market Meter

U.S. Light Vehicle Sales (Updated 12/5)

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 12/5)

Omdia (formerly WardsIntelligence)⁸: “US sales slid downward again in November, as lean inventory, a tanking battery electric vehicle sector, and rising prices put a crimp on deliveries for the second straight month.

“November’s 15.6 million-unit seasonally adjusted annual rate (SAAR) was an improvement on October’s 15.3 million, but, along with the same total in May, the second lowest this year. It was also well below November 2024’s 16.5 million.

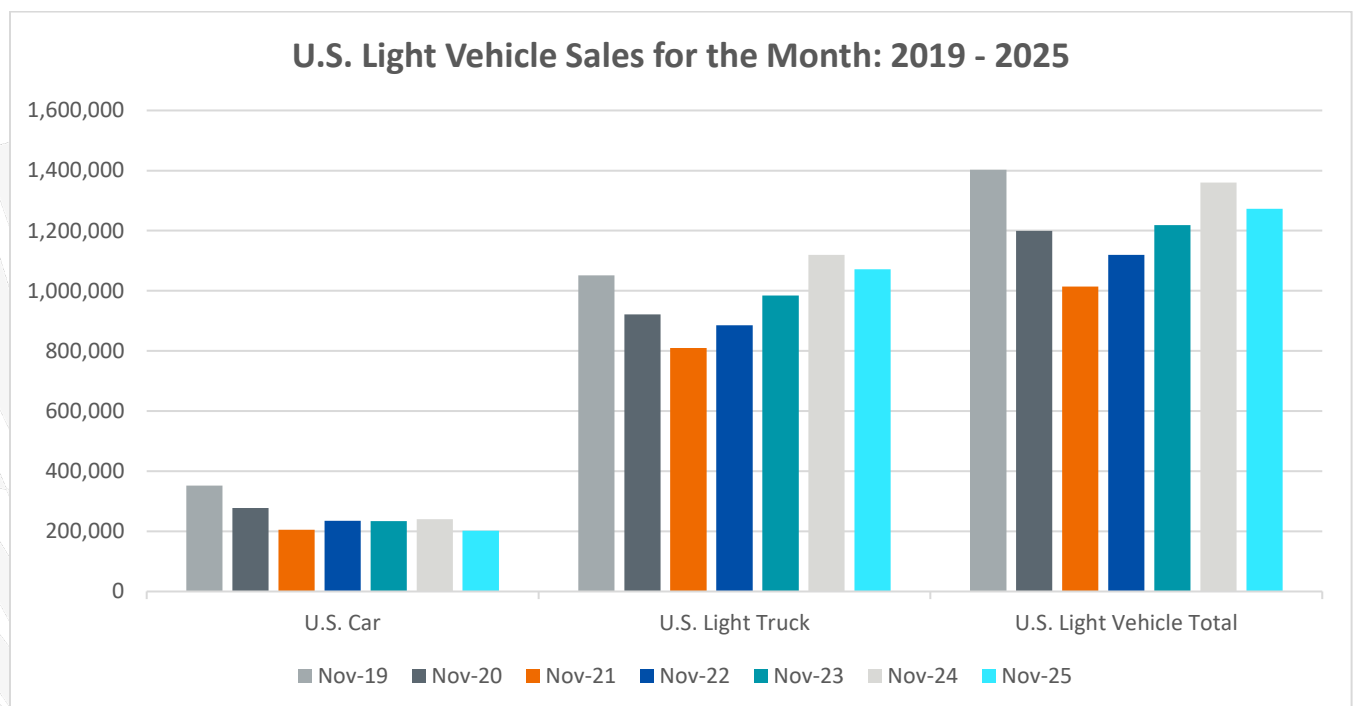
“The 2025 calendar year-to-date (YTD) SAAR has dropped from 16.4 million units through September to 16.2 million through November. However, the 11-month 2025 SAAR is above like-2024’s 15.8 million. Sales are expected to total 16.1 million units in entire 2025.

“November’s raw volume totaled 1.273 million units, 7.3% below like-2024’s 1.373 million. November’s daily selling rate (DSR) equated to 50,936 units over the month’s 25 selling days, down 3.6% from the year-ago

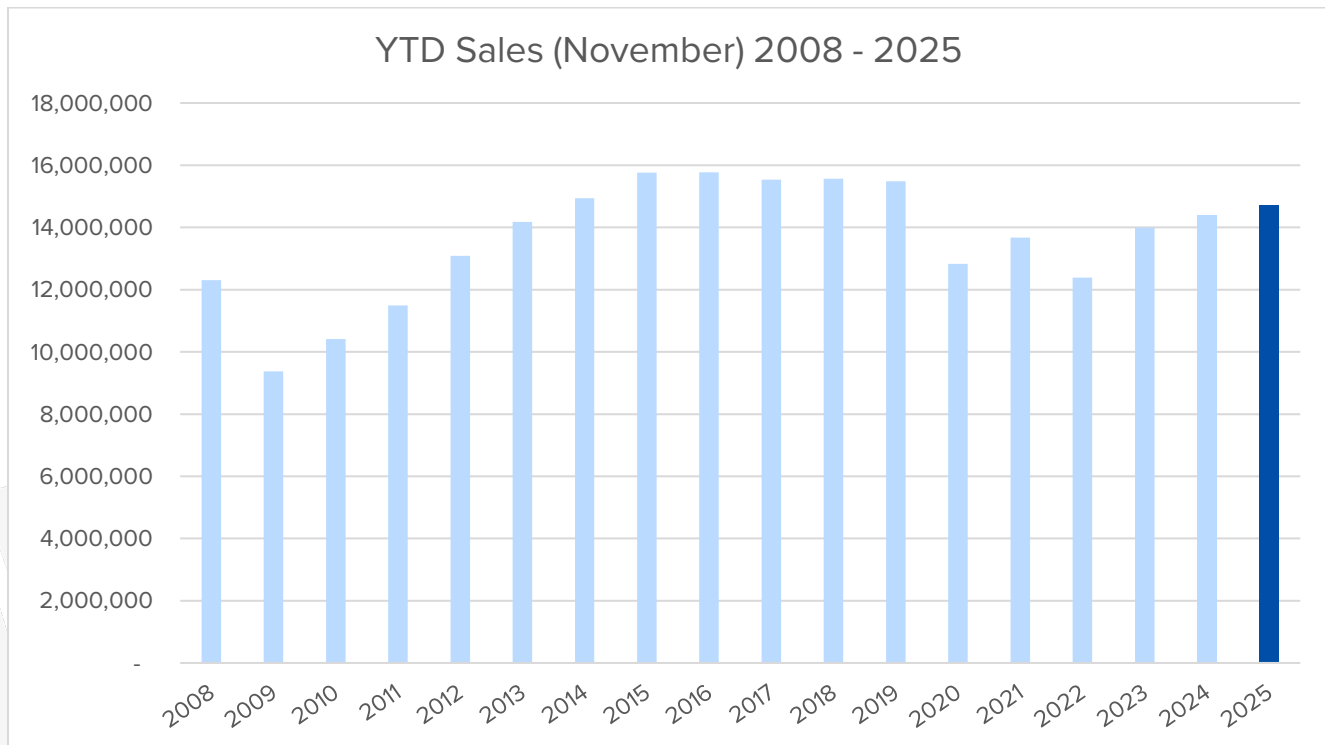
total of 52,877 over 26 selling days. The year-over-year (YoY) DSR decline was the second straight downturn, which follows a 12-month stretch that recorded 11 increases.

“In the second month of results following the end of the EV credit, deliveries of BEVs fell 43% YoY, based on DSRs. That followed a 29% downturn in October.

“Part of the downturn can also be blamed on pull-ahead volume in the first three quarters of the year, including consumers getting ahead of potential tariff-related price increases on '26 model-year vehicles, and a surge in BEV volume in August and September as buyers took advantage of the EV credit before it expired. That could bode well for December as those pull-ahead effects wear off.”



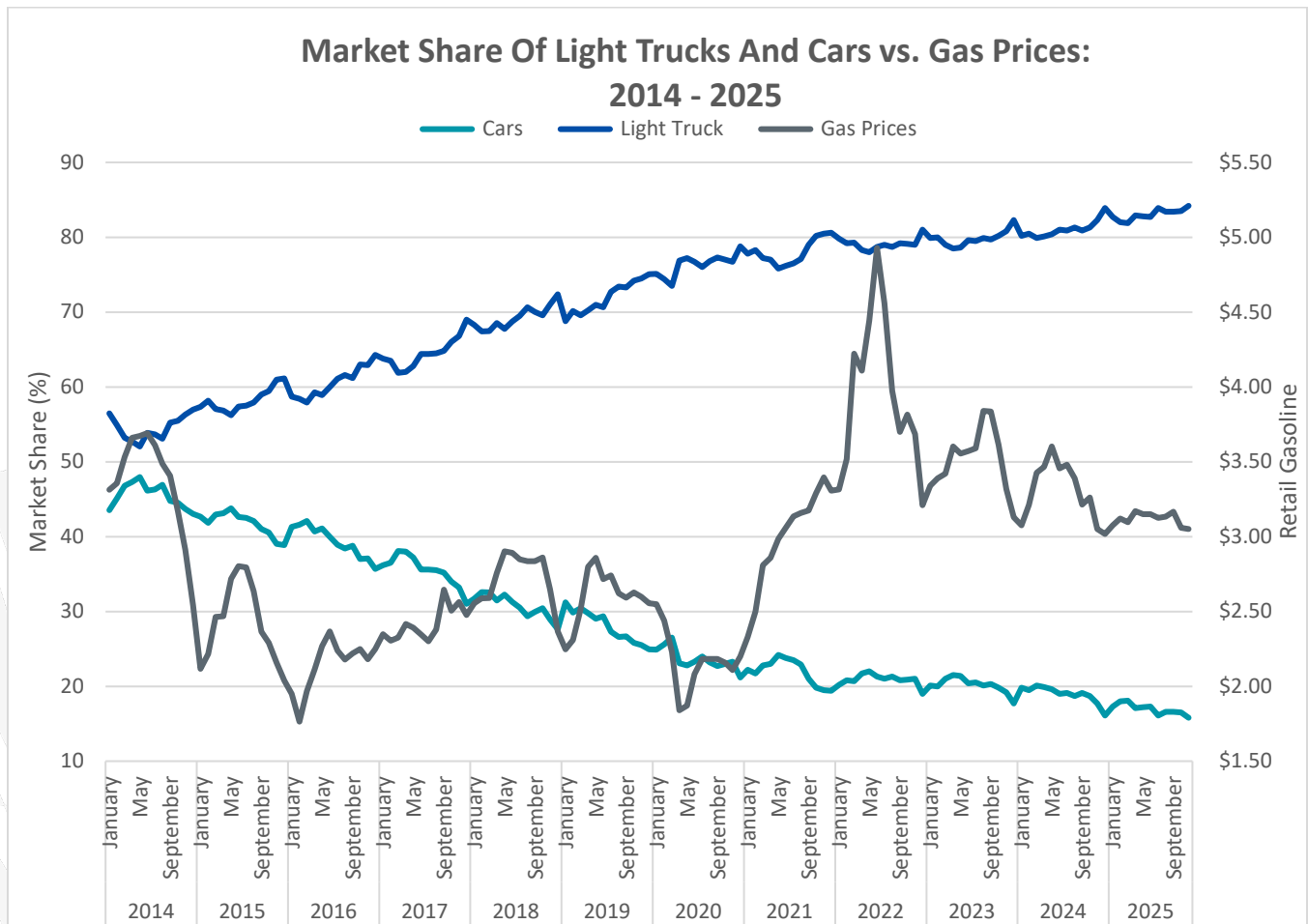
Calendar year-to-date sales through November totaled 14.72 million units, up 2.4 percent from 2024's 14.37 million.



Segments vs. Gas Prices (Updated 12/5)

Monthly Sales: Light trucks accounted for 84.2 percent of sales in November, up 1.9 percentage points from the market share a year ago and the highest share ever. Compared to the same period in 2024, sales of cars are down 38,860 units, and down about 155,000 from November 2019, when cars comprised 25 percent of the market as opposed to the 15.8 percent of the market passenger cars have now.

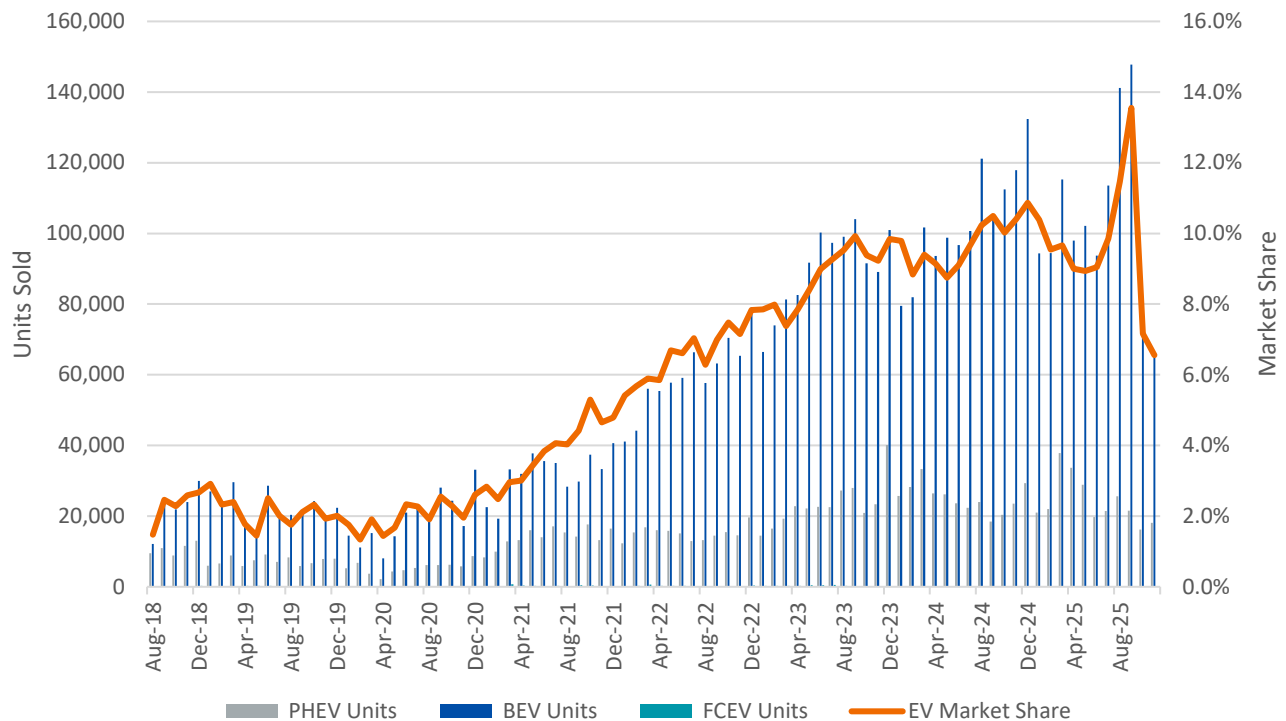
Historic Perspective: The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments.⁹ and gas was over \$3.00.¹⁰ a gallon. As fuel prices dropped below the \$3.00 mark in mid-September 2014, light truck sales began 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.¹¹



EV Powertrain Sales (Updated 12/5)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 6.6 percent of total vehicle sales in November 2025 (83,424) – the lowest in three years, per Omdia estimates. Market share decreased 0.6 percentage points (pp) from October 2025. November’s EV market share is down 3.9 pp from a year ago. Sales of battery electric vehicles accounted for 5.1 percent of total sales, down 3.5 pp from November 2024. Plug-in hybrids accounted for 1.4 percent, down 0.3 pp from the same time last year. Hybrid market market share was 12.4 percent.

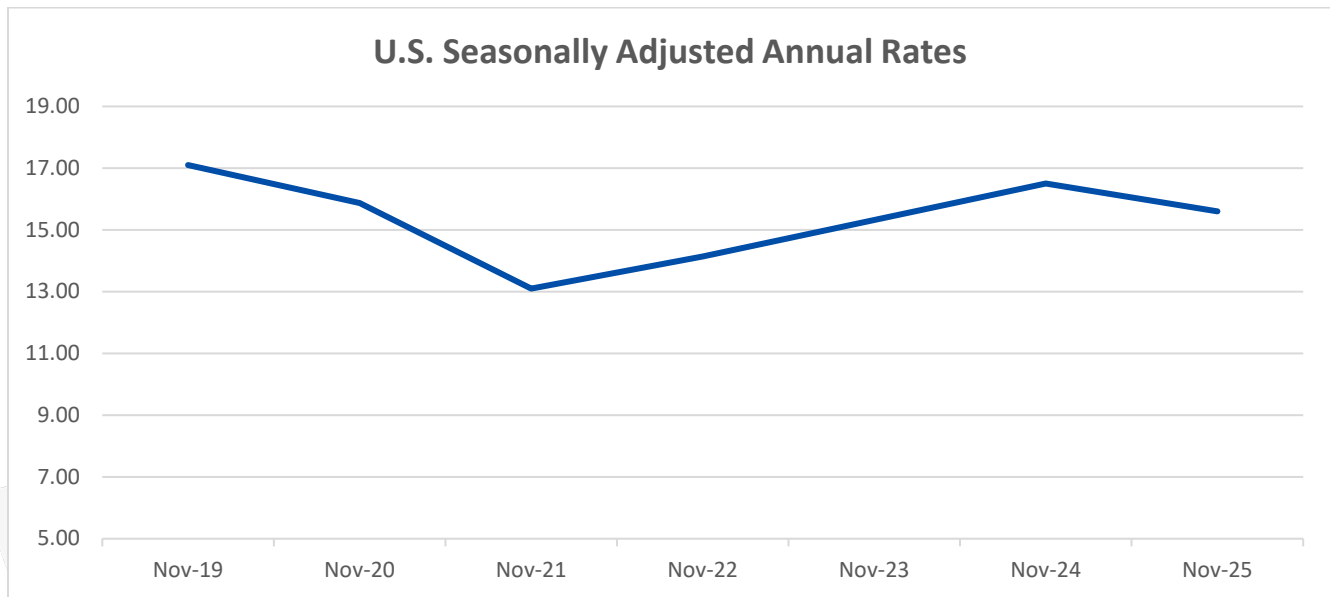
EV Sales And Percentage Of All Volume



Seasonally Adjusted Annual Rates (Updated 12/5)

Omdia (formerly WardsIntelligence)¹²: “November’s 15.6 million-unit seasonally adjusted annual rate (SAAR) was an improvement on October’s 15.3 million, but, along with the same total in May, the second lowest this year. It was also well below November 2024’s 16.5 million.

The 2025 calendar year-to-date (YTD) SAAR has dropped from 16.4 million units through September to 16.2 million through November. However, the 11-month 2025 SAAR is above like-2024’s 15.8 million. Sales are expected to total 16.1 million units in entire 2025.”



Average Transaction Price (Updated 12/5)

J.D. Power (Updated 12/5)¹³: “The average new-vehicle retail transaction price in November is expected to reach \$46,029, up \$722 or 1.6% from November 2024.

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

“The average interest rate for new-vehicle loans in November is 6.05%, a decrease of 27 basis points from a year ago.

“The average used-vehicle price is trending toward \$29,696, up \$725 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, although average trade-in equity in November is down a modest \$111 year over year to \$7,822.”

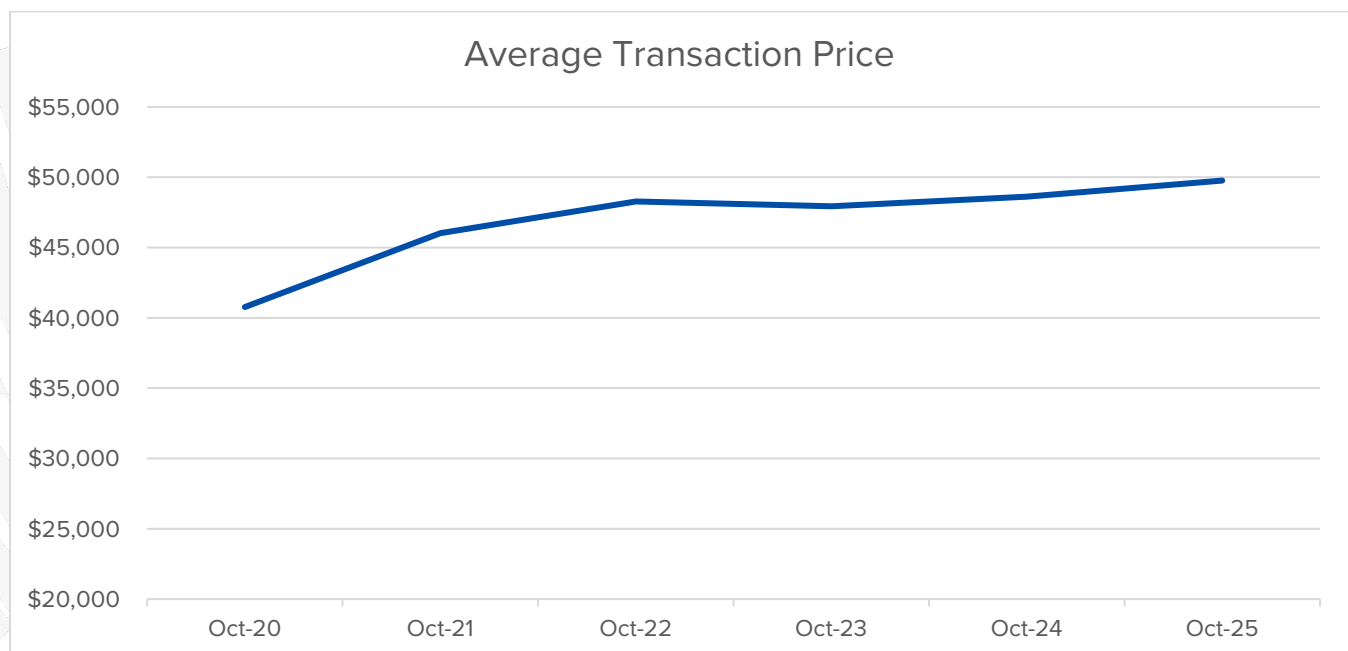
“The average manufacturer's incentive spend per vehicle is on track to reach \$3,211, which is \$375 higher than October but \$125 lower than a year ago. The year-over-year decline in incentive spending is mostly due to sales shifting away from heavily discounted EVs and moving towards non-EVs with much lower discounts.”

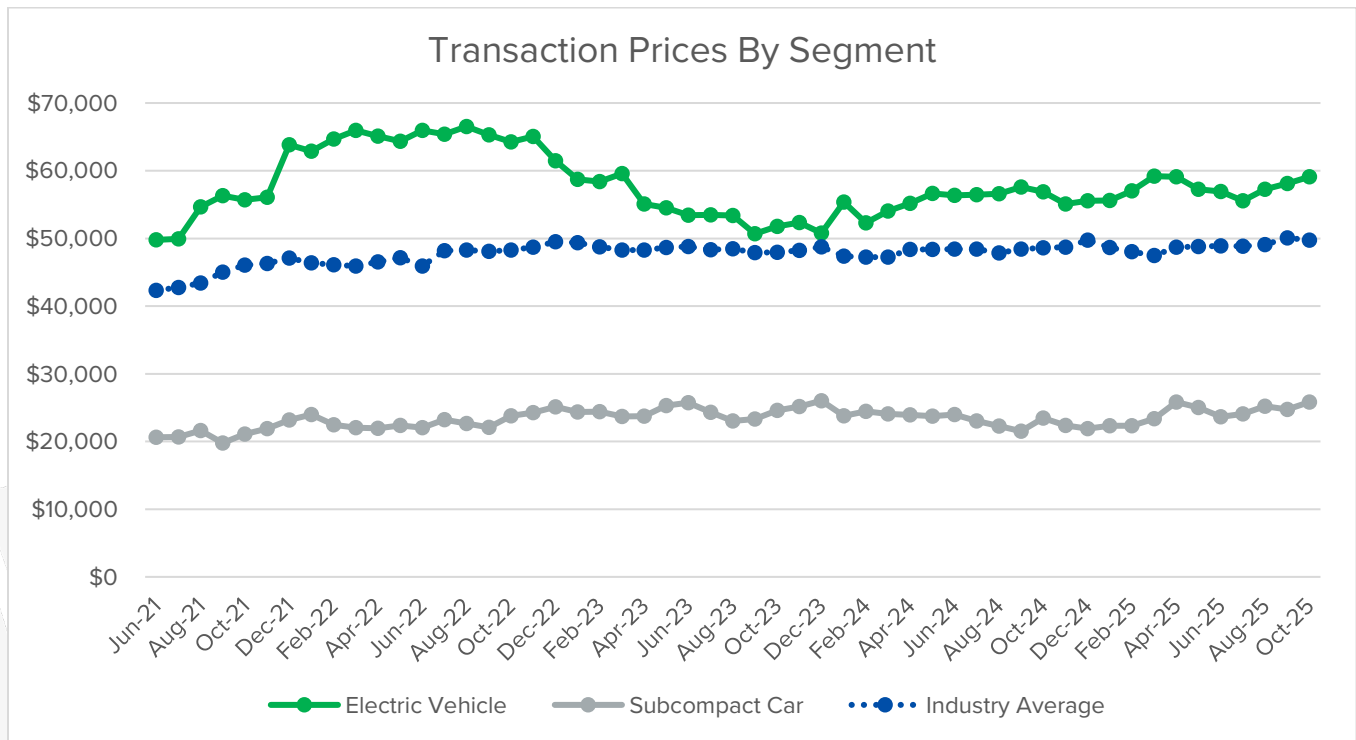
Kelley Blue Book (October) (11/24)¹⁴: “The average transaction price (ATP) of a new vehicle in the U.S. declined marginally in October, according to estimates released today by Kelley Blue Book, a Cox Automotive brand, falling from a record high set in September. New-vehicle ATPs last month were higher compared to year-ago levels. The ATP decline was mostly expected, as sales of expensive electric vehicles (EVs) fell sharply month over month, as government-backed sales incentives expired at the end of September.

“In October, the new-vehicle ATP was \$49,766, falling as expected from the all-time high in September. The ATP last month was lower by 0.4% compared to September but higher year over year by 2.1%, slightly below the long-term average ATP increase.

“Incentive spending declined in October. The average incentive package last month was equal to 6.5% of ATP, a decrease of 11.4% compared to September, when incentive spending equaled 7.3% of ATP. A year ago, the average incentive package was equal to 7.6% of ATP.”

“Electric vehicle sales fell sharply in October, as expected, dropping to 74,835, a decline of 48.9% month over month, according to initial estimates from Cox Automotive. EV sales in October were lower year over year by 30.3%. In October, the ATP for a new EV was 1.6% higher month over month, climbing to \$59,125. New EV prices in October were higher year over year by 2.3%.”



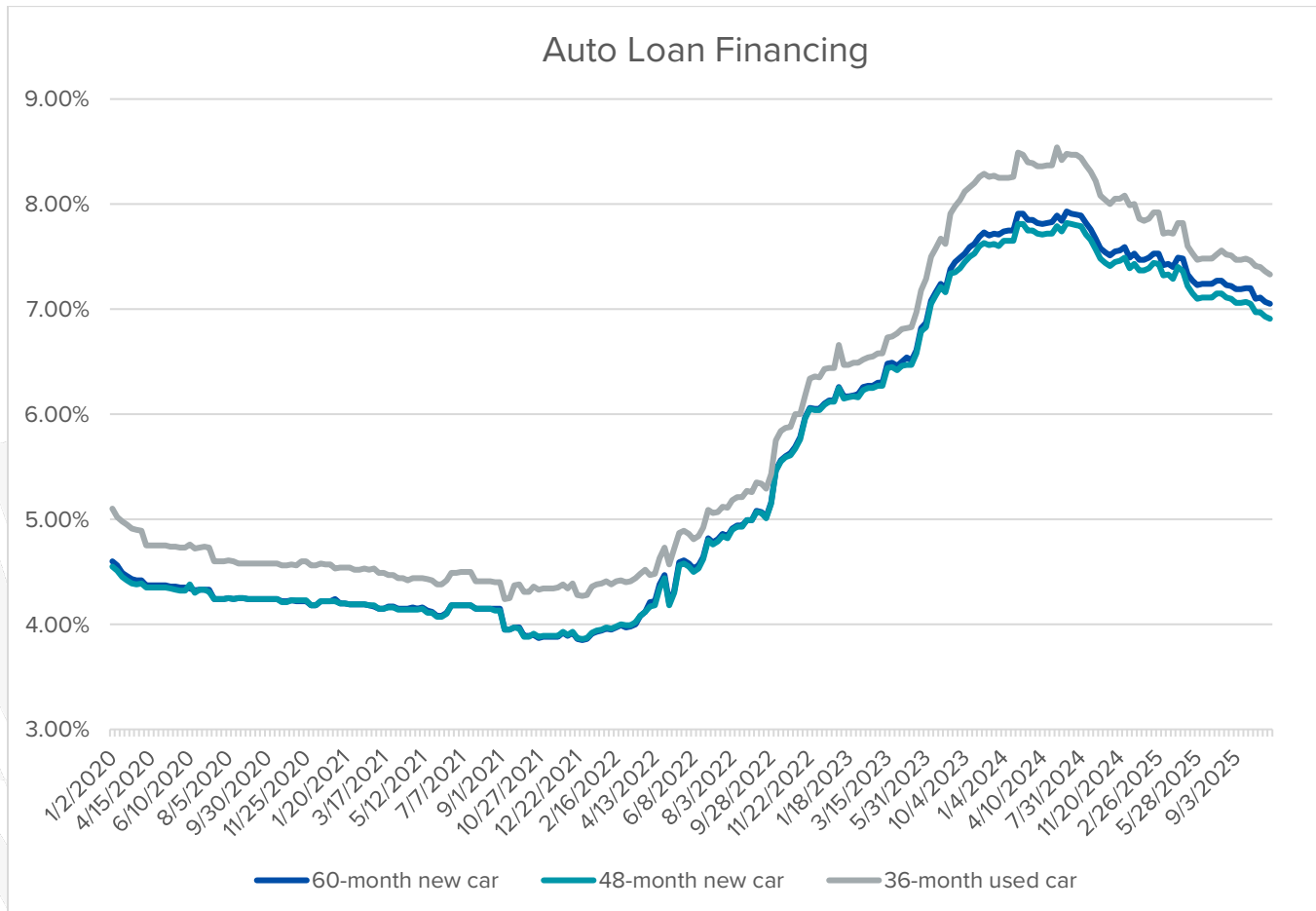


Auto Loan Financing (Updated 12/5)

JD Power (12/5)¹⁵: “Affordability pressures remain, with monthly finance payments reaching a record for the month of November at \$760. In response, more consumers are turning to extended 84-month loan terms, which are expected to account for 11.1% of financed sales this month—nearing the highest level on record for the month of November set in 2022.”

Interest Rates Lowest Since Mid-2023 (updated 12/5): 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 7.05%, 6.91%, and 7.33%, respectively. Since the beginning of 2020, 60-month rates are up 2.45 pp, and are down 0.51 pp since the same time a year ago.¹⁶

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
11/20/2024	7.56%	7.46%	8.05%
11/12/2025	7.07%	6.93%	7.36%
11/26/2025	7.05%	6.91%	7.33%
Two Week Change	-0.02%	-0.02%	-0.03%
Change since 1/3/20	2.45%	2.36%	2.23%
One Year Change	-0.51%	-0.55%	-0.72%



Crude Oil and Gas Prices (Updated 12/5)

Oil Continues to Moderate, Gas Falls Below \$3 A Gallon For First Time Since May 2021 (12/5):¹⁷ Oil prices, as benchmarked at West Texas Intermediate were \$58.69 at the end of November, down \$11 from the same time a year ago. Since election day 2024, oil prices are down \$10 a barrel. Gas fell to \$2.99 a gallon. Gas is 16 percent higher than the beginning of 2020 and is below \$3 a gallon for the first time since May 2021.

EIA Outlook For Gasoline (12/5):¹⁸ “Lower crude oil prices will continue to push down retail gasoline and diesel prices in the United States in 2026. We forecast the average U.S. retail gasoline price to remain near \$3.00 per gallon (gal) for the remainder of 2025, resulting in an average 2025 price of \$3.10/gal, a 6% decrease from 2024. In 2026, we forecast the average retail gasoline price to fall by 4% to just under \$3.00/gal, which would be the lowest annual average price since 2020. We forecast the U.S. retail diesel price will average almost \$3.70/gal in 2025, down 3% from 2024. Diesel prices are forecast to fall by another 4% in 2026. As with gasoline, lower diesel prices are primarily a result of lower crude oil prices.

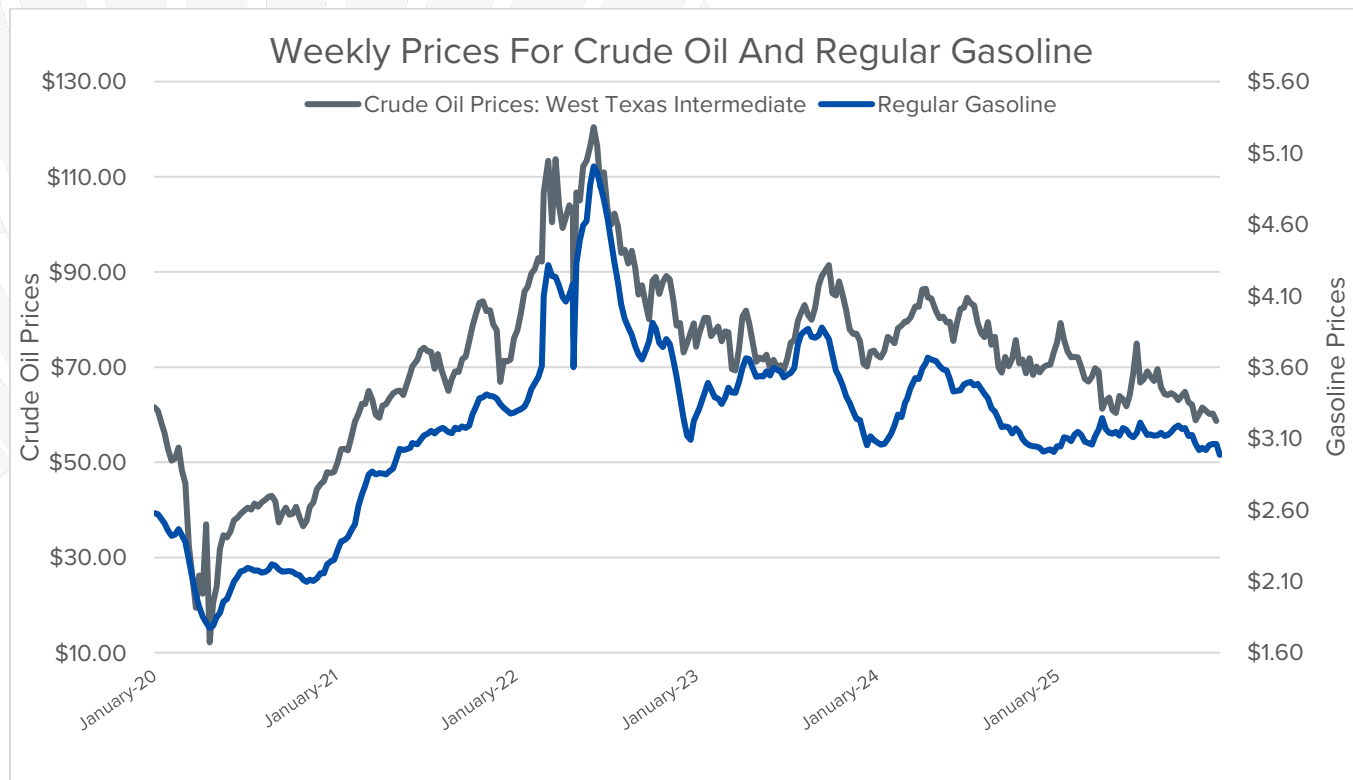
“We forecast all regional gasoline prices in the United States will average less than \$3.00/gal in 2026 except for on the West Coast, where the forecast annual average price is \$4.10/gal. The West Coast—which usually has the highest retail fuel cost in the country—faces additional price pressure in the coming years due to

reduced refinery capacity stemming from two planned refinery closures: Phillips 66's Wilmington refinery in the Los Angeles area this year and Valero's Benicia refinery in the Bay Area in April 2026."

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."



Production Meter

North American Production (Updated 11/24)

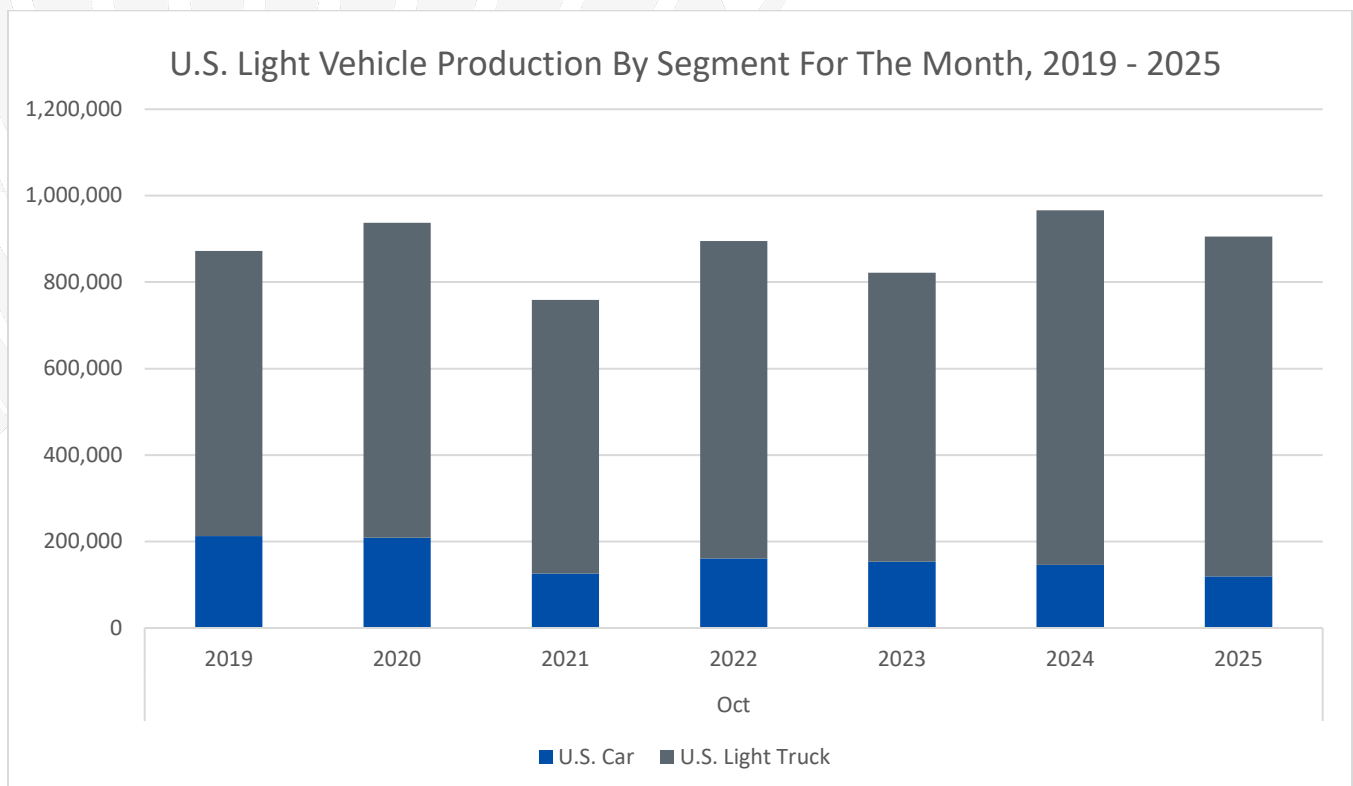
Wards Intelligence²⁰: “Despite the year-over-year (YoY) decline and supply chain disruptions, 3Q production ended at 3.983 million units, 1.0% above the year-ago total of 3.945 million units. Revisions to estimates cut September’s final total 9,000 units to 1.388 million, nearly flat with like 2025.

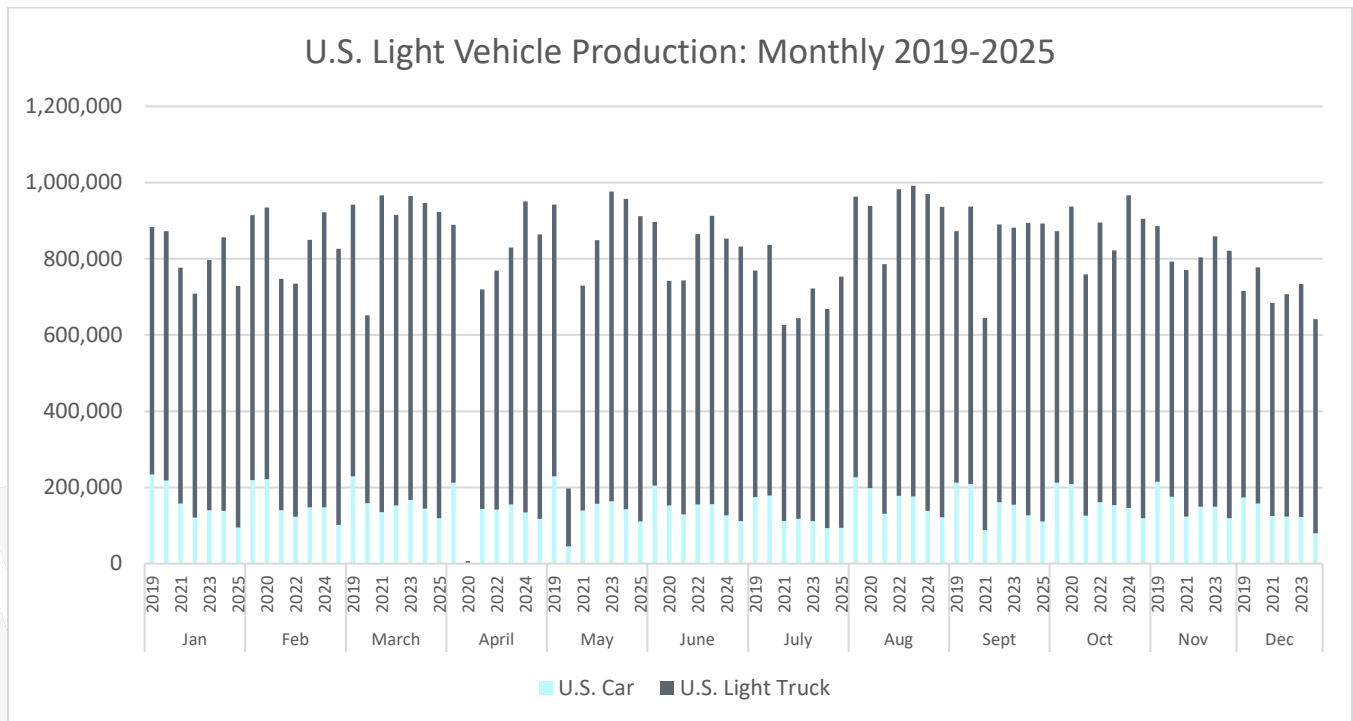
“Production in October totaled 1.412 million units, down 38,000 from the month-ago’s forecast, and 4.8% below the year-ago month.

U.S. Light Vehicle Production (Updated 11/24)

U.S. Monthly Production

U.S. Light vehicle production for October was up 1.4 percent month-over-month, totaling 905,222 vehicles (119,268 cars; 785,954 light trucks), year-over-year, production is down 4 percent from 2024.²¹

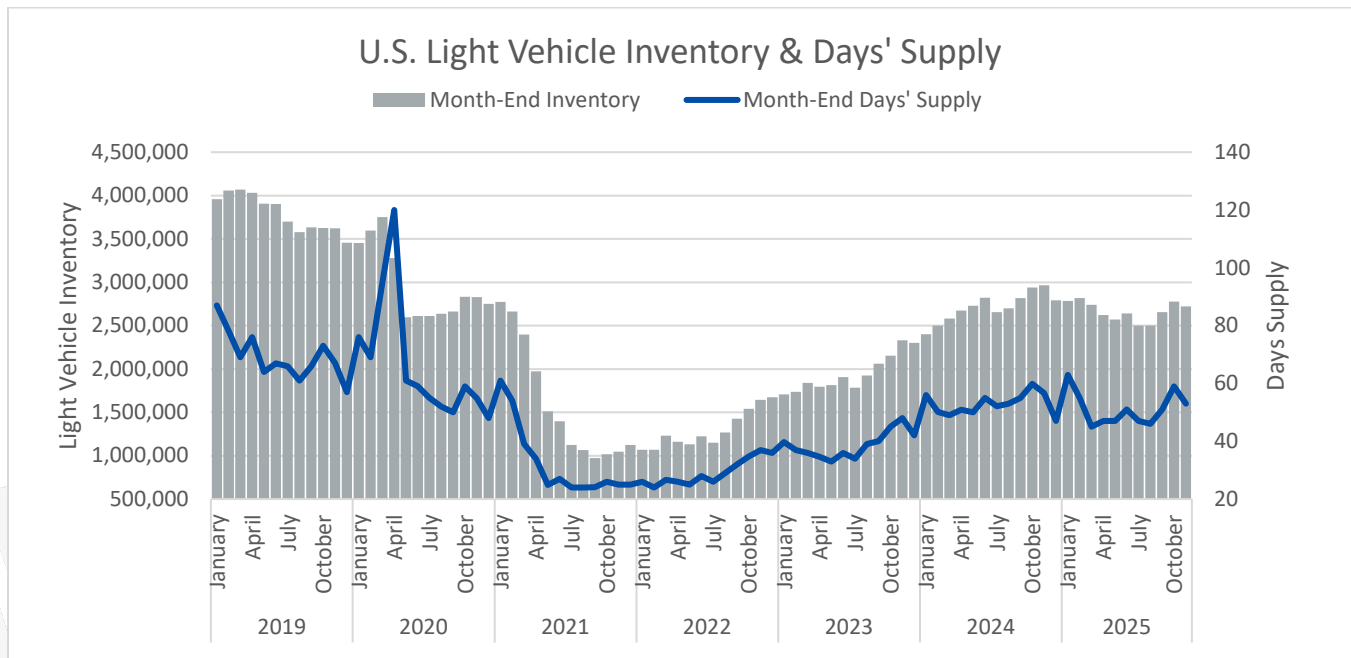




U.S. Light Vehicle Inventory and Days' Supply (Updated 12/5)

Omdia Inventory Update (12/5)²²: “US light-vehicle inventory fell in November from the prior month, bucking the usual seasonal trend of rising from October and putting a potential damper on sales in the final month of 2025. November 30 inventory fell 2.0% to 2.72 million units from October’s 2.78 million, but the comparison with the year-ago month represented an even bigger drop of 8.9% from like-2024’s 2.99 million. Although inventory has been below the year-ago total since April, leaner dealer stocks partially explain the year-over-year (YoY) decline in sales in the past two months after rising 4.7% through the first three quarters of 2025.

“Days’ supply in November totaled 53, a drop from October’s 59 and same-month 2024’s 57. Days’ supply is expected to fall month-to-month again in December.”



Global Meter

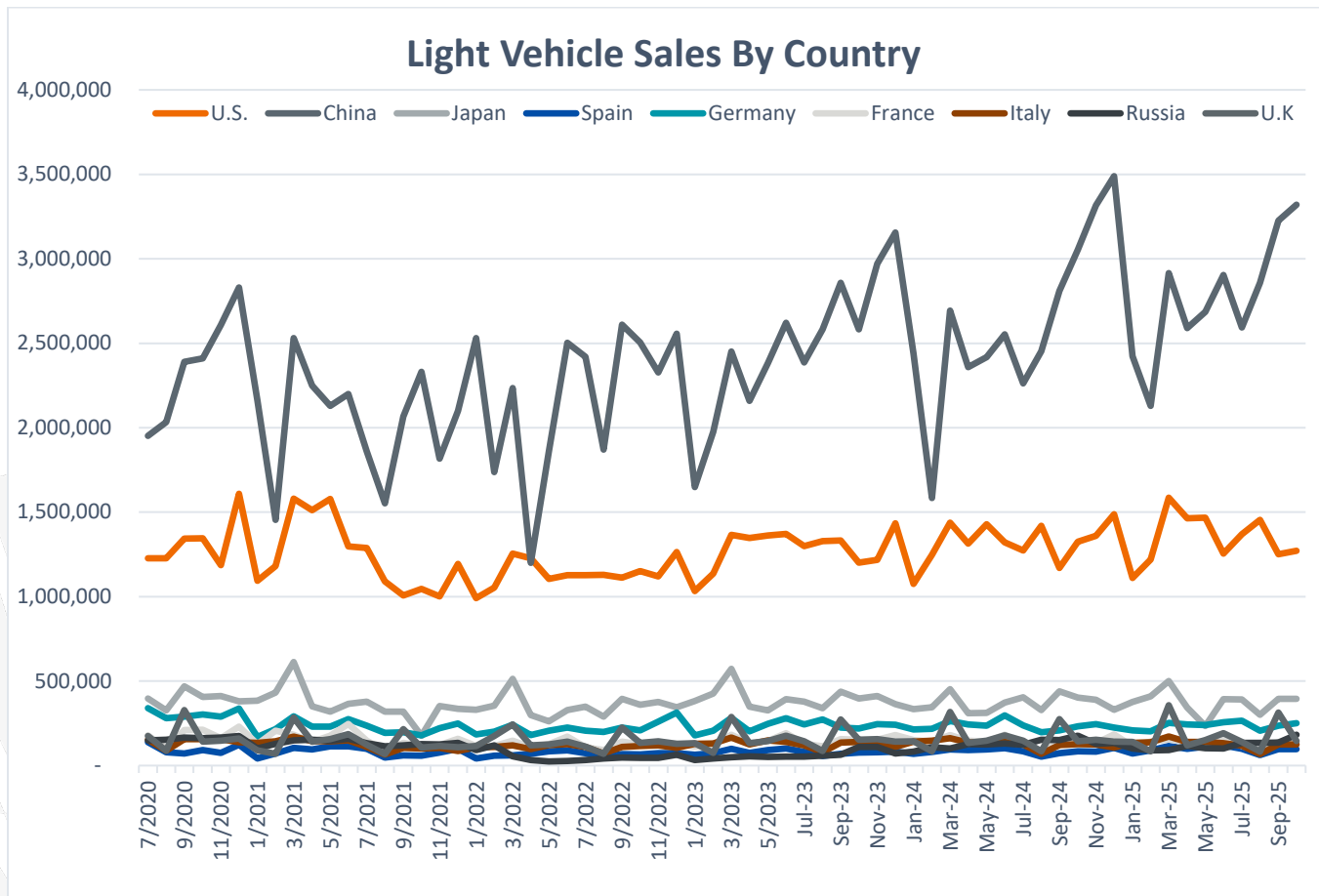
Global Light Vehicle Sales (Updated 12/5)

Wards Intelligence²³: “Global sales of light vehicles and medium- and heavy-duty trucks combined increased year-over-year (YoY) for the 13th consecutive month in October, with all major regions except North America posting gains. Deliveries in October totaled 8.85 million units, 4.0% above same-month 2024’s 8.52 million. Calendar year-to-date sales through October totaled 81.47 million, up 5.6% from 10-month 2024’s 77.14 million.

“Among the major regions in September, Asia & Oceania posted the strongest YoY growth, rising 7.0% from same-month 2024. Deliveries in South America rose 1.8%, followed by a 1.6% gain in Europe. North America recorded a 5.0% YoY decline. Thanks to headwinds in the US, sales in North America are expected to decline in November and December, too.

“Excluding medium-/heavy-duty trucks, light vehicles totaled 8.54 million units in October, up 3.7% from same-month 2024’s 8.23 million. Calendar year-to-date light vehicle sales through October totaled 78.54 million, up 5.7% from the year-ago period’s 74.31 million.

“Omdia Automotive partner GlobalData estimates global light vehicle sales in October totaled a seasonally adjusted annual rate of 95.9 million units, up from September’s downwardly revised 92.3 million.”



Global Light Vehicle Production (Updated 11/24)

S&P Global Mobility Forecast (11/24)²⁴: “The global light vehicle production outlook continues to balance an evolving US trade environment as well as other regional dynamics. Our assumptions regarding tariffs remain largely intact as automakers’ strategies in mitigating the impacts continue to evolve. Companies are spreading the cost/price impact pragmatically across markets and are adjusting content, trim and mix accordingly. Additionally, automakers operating in the US are benefitting from not facing emissions penalties and the need to purchase regulatory credits. The net effect, consumers are not expected to bear as much of the burden by way of major price increases, yet the cost implications of some of the more severe tariff impacts will still prove impactful to consumer demand and resulting production as we look to next year. A key consideration for the industry is the upcoming review of the USMCA in mid-2026 which will offer further insights as to the state of play for tariffs regarding critical trade partners, Canada and Mexico. The November forecast update reflects a mix of mostly modest revisions through the near-term as we adjust to reflect the ongoing impacts of a continued variable trade environment as well as other regional factors. One particularly noteworthy upgrade in the near-term is concentrated on Greater China given the continued strength in vehicle sales as well as robust export activity. The more noteworthy regional adjustments with the latest forecast update are detailed below:

“Europe: The outlook for Europe light vehicle production was increased by 20,000 units and by 21,000 units for 2025 and 2026, respectively (and reduced by 80,000 units for 2027). The near-term revisions for this month are primarily related stronger actualized production, particularly for Volkswagen and Stellantis which is partially offset by forecast reductions for Q4-2025. Overall, the outlook for 2025 was slightly raised despite concerns around the Nexperia situation arising in the second half of November. Looking to 2026, volumes were revised downward modestly, yet an overall flat-ish production outlook year-over-year is maintained. Of note, there is some upside depending on the EU commission announcements that are due mid-December, especially regarding the regulatory impacts to LCV demand in Europe. More noteworthy production cuts have been added for 2027 and 2028 related to Chinese automaker kit assembly operations in the CIS market and adjustments with Stellantis.

“Greater China: The outlook for Greater China light vehicle production was increased by 387,000 units and by 191,000 units for 2025 and 2026, respectively (and increased by 102,000 units for 2027). The mainland China light vehicle market continues to report steady production growth with finalized Q3-2025 results up 15% relative to last year. Passenger vehicle sales for October decelerated slightly, down 0.8% year-on-year, in part due to calendar effects from the national holiday. A sustained positive production environment is still expected considering strong export activity and stock-building by automakers. Of note, according to the CPCA, more than 55% of total passenger vehicle output was NEV in October, resulting in continued double digit growth. Government trade-in subsidies continue to support production, particularly in the extreme near-term, as forthcoming stricter NEV tax policies potentially result in some pull-ahead sales for PHEVs. Looking to 2026 and 2027, 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: Full-year 2025 and 2026 Japan production was upgraded by 12,000 units and 37,000 units, respectively. The short-term outlook was upgraded primarily due to Toyota’s steady production plan for FHEV models through March 2026 and given an EOP timing extension for the Mazda 2 to August 2026 from December 2025. In the longer term, there were no significant changes to the light vehicle production forecast for Japan. Full-year 2025 South Korea production was upgraded by 19,000 units relative to last month primarily driven by stronger production results for October. For 2026 and 2027, production was increased by around 100,000 units each year as Hyundai’s strategy of diversifying exports to other regions centered on Europe to offset the decline in exports to the United States is expected to continue.

“North America: The outlook for North America light vehicle production was increased by 22,000 units and by 48,000 units for 2025 and 2026, respectively (and reduced by 25,000 units for 2027). Despite supply chain issues surrounding the Novelis fire and the politics of the Nexperia chip restrictions, the short-term outlook for the remainder of 2025 was revised higher by a marginal 0.1% totaling 15.17 million units for the year. While Ford, Honda and Nissan are predominantly impacted by the supply chain issues, production at GM and Stellantis was revised higher by around 106,000 units, even amid mounting inventories. Much of the production losses incurred in the extreme near-term are expected to be recovered in 2026 with the outlook revised higher by 0.3% to total 14.79 million units. The outlook for the all-important Detroit 3 full-size pickups for 2025 was revised higher by a combined 15,000 units despite increasing inventory levels and the aluminum shortage facing Ford owing to the Novelis fire. The impact of the fire results in the outlook for the combined F-Series being revised lower by 29,000 units for 2025 totaling 939,000 units. Conversely, Ford is expected to recover the lost output through the first half of 2026 with the forecast for the combined F-Series pickups revised higher by 59,000 units to a projected total of 1.01 million units in 2026.

“South America: The outlook for South America light vehicle production was reduced by 9,000 units and by 22,000 units for 2025 and 2026, respectively (and reduced by 32,000 units for 2027). The outlook for 2025

was downgraded slightly due to weaker production actuals for Argentina as imports continue to gain share relative to local output. Additionally, the production outlook for Brazil for the balance of the year was reduced somewhat as a reflection of a slowdown in sales more recently. Regional volumes for 2026-2027 were reduced by 0.8% per year on average. This is primarily the result of a more cautious outlook for Brazilian demand in the short-term and mostly translates a slight revision of our assessment regarding the impact of the new IPI (purchase tax) and affordable car incentive. This impacts production volumes both in Argentina (around 10,000 units per year on average) and Brazil (around 17,000 units per year on average).

“South Asia: The outlook for South Asia light vehicle production was increased by 27,000 units and reduced by 42,000 units for 2025 and 2026, respectively (and reduced by 78,000 units for 2027). The light vehicle production forecast for the ASEAN market remains broadly in line with our previous forecast in the near-term, with only a slight downgrade reflecting ongoing economic challenges and persistent market softness in key markets. However, we have made deeper cuts to the 2026 and 2027 projections as the recovery in domestic markets across the region is now expected to lag earlier expectations, despite still-resilient export momentum. The production outlook for India in the extreme near-term was upgraded by 27,000 units due primarily to stronger actual production results over the last few months. For 2026 and 2027, volumes are largely unchanged with the forecast this month. Of note, the outlook for India light vehicle production was upgraded noticeably in the September and October forecast rounds 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 12/5)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in October increased by 0.5 percent from the same time a year ago. The cumulative travel estimate for 2025 is 2,782.1 billion vehicle miles.²⁵

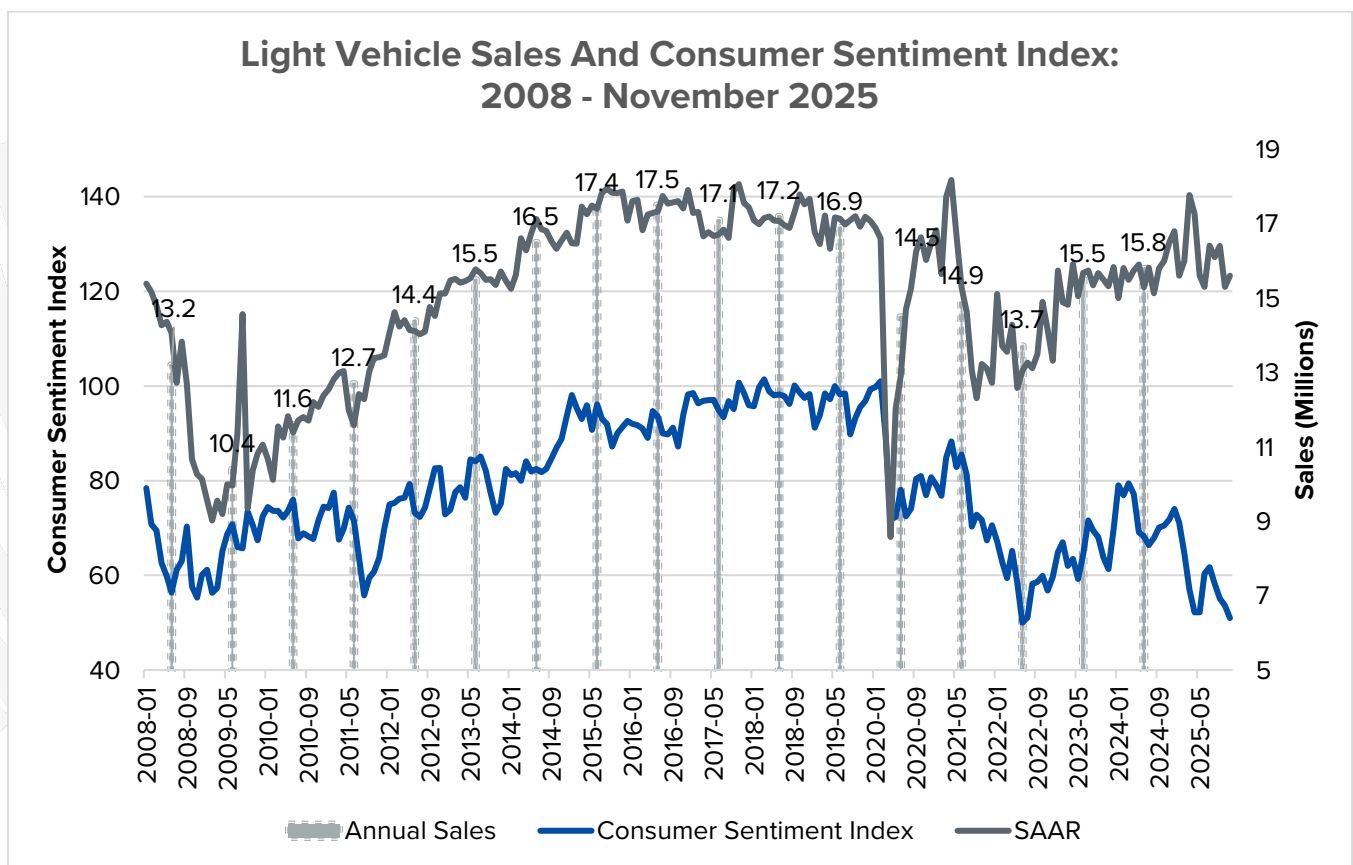
- Travel on all roads and streets changed by +0.6% (+1.8 billion vehicle miles) for October 2025 as compared with October 2024. Travel for the month is estimated to be 290.0 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for October 2025 is 276.4 billion miles, a +0.5% (1.4 billion vehicle miles) change over October 2024. It also represents a -0.2% change (-0.6 billion vehicle miles) compared with September 2025.
- Cumulative Travel for 2025 changed by +1.0% (+27.0 billion vehicle miles). The cumulative estimate for the year is 2,782.1 billion vehicle miles of travel.

Consumer Confidence and Sales (Updated 12/5)

Surveys of Consumers Director Joanne Hsu²⁶: “Consumer sentiment lifted 2.3 index points in early December, within the margin of error. This month’s increase was concentrated primarily among younger consumers. Overall, while views of current conditions were little changed, expectations improved, led by a 13% rise in expected personal finances, with improvements visible across age, income, education, and political affiliation. Still, December’s reading on expected personal finances is nearly 12% below the beginning of the year. Similarly, labor market expectations improved a touch but remained relatively dismal. Consumers

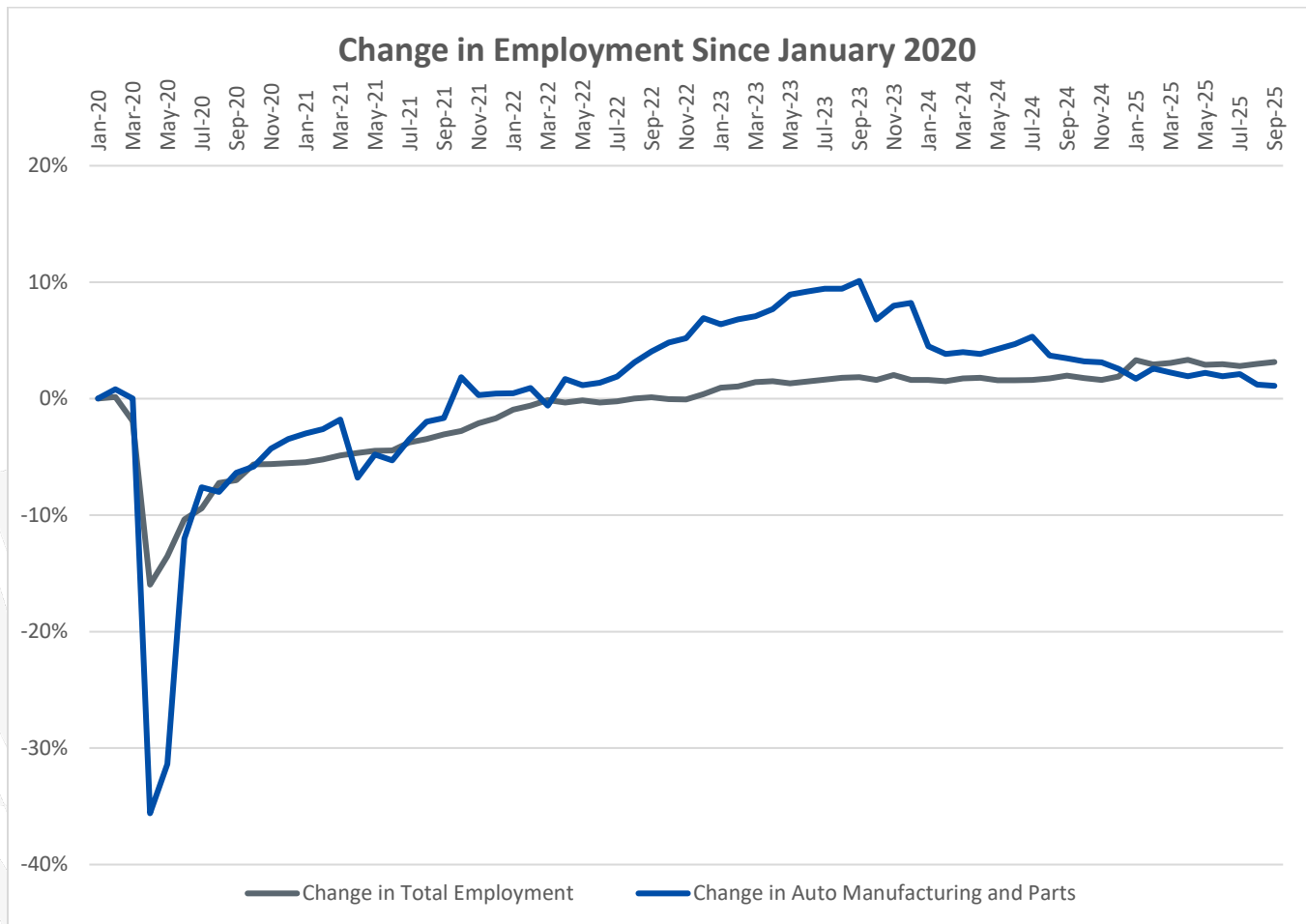
see modest improvements from November on a few dimensions, but the overall tenor of views is broadly somber, as consumers continue to cite the burden of high prices.

“Looking to the future, year-ahead inflation expectations decreased from 4.5% last month to 4.1% this month, the lowest reading since January 2025. This marks four consecutive months of declines, but short-run inflation expectations are still above the 3.3% seen in January. Long-run inflation expectations softened from 3.4% last month to 3.2% in December, matching the January 2025 reading. In comparison, 2024 readings ranged between 2.8 and 3.2%, while the readings in 2019 and 2020 were below 2.8%. Inflation uncertainty over both time horizons—as measured by the interquartile range of responses—remains higher than January of this year.”



Employment (Updated 11/24)

Motor Vehicle And Parts Manufacturing Lost 1,200 jobs in September.



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