READING THE METER®

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

ALLIANCE FOR AUTOMOTIVE INNOVATION

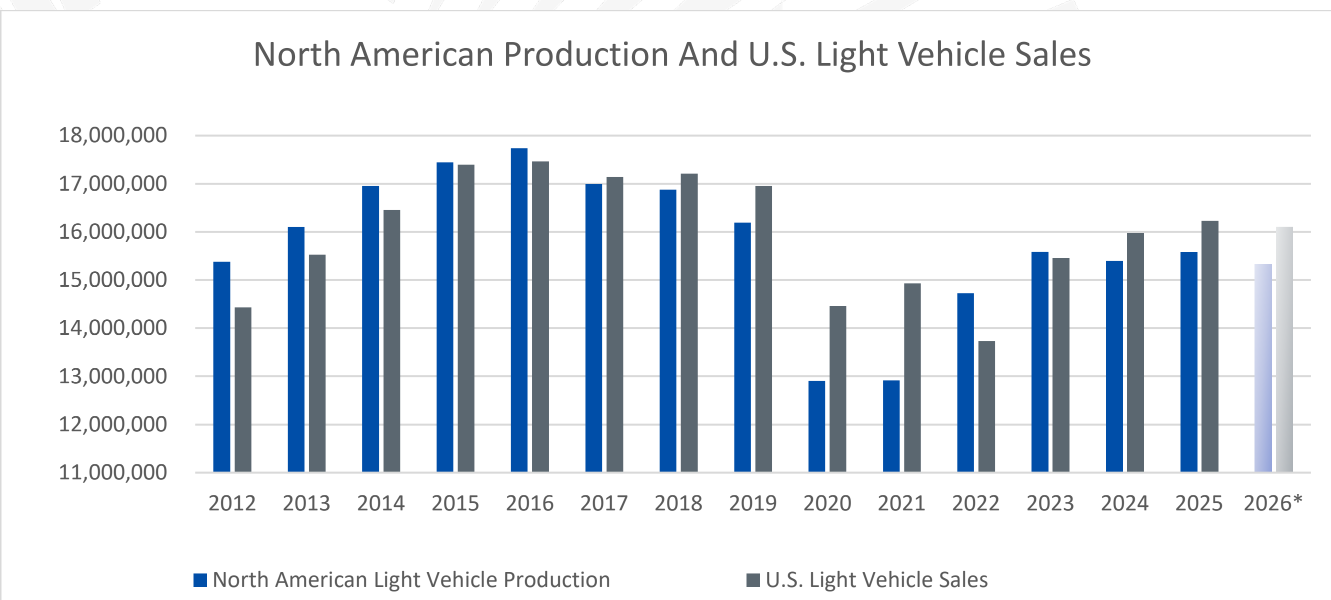
Sponsored by: Hogan Lovells

Contents – March 5, 2026

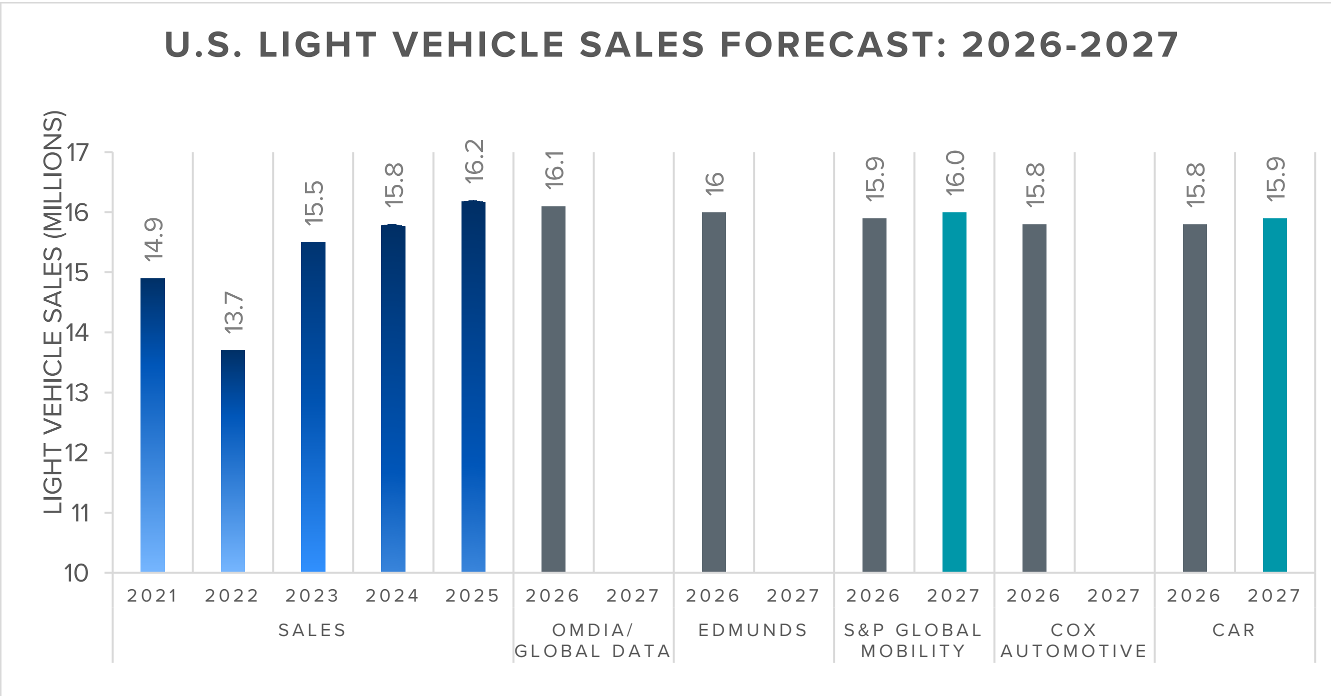
Forecast Meter

Sales & Production Summary and Forecast (Updated 3/5)

2024-2025 Sales,[1] Extended Sales Forecast[2] and Production Forecasts[3]		
	U.S. Sales & Forecasts	**North American Production**
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)
January '26	1,105,581 (-3.9% YoY)	1,145,975 (-2.6% YoY)
February '26	1,197,312 (-1.5% YoY)	
2025 Full Year	16,233,363 (+2.4% YoY)	15,576,688 (-3% YoY)
2026 Forecast	16,100,000	15,325,750



U.S. Light Vehicle Sales Outlook (Updated 3/5)



Omdia Outlook (3/5)[4]: "Looking ahead to March, sales are estimated at 1.409 million units (SAAR 16.4), well under March 2025's banner month of 1.593 million units and just under March 2024's 1.432 million units.

The war in Iran, while unlikely to have an immediate effect on US auto sales, could drive up energy prices in the near and possibly long term."

North American Production & Inventory Outlook (Updated 2/24)

Omdia Production Outlook (2/24)[5]: "In January 2026, North America production for all vehicles (light and medium-/heavy-duty trucks) fell 2.6% YoY to 1.146 million units but was revised up from last month's 1.143 million units. The month-over-month gain is offset by downward revisions in February and March from last month's estimate. The up-and-down revisions suggest automakers are balancing inventory with demand to avoid the destocking that occurred this time last year.

"Canada played an outsize role in production losses in the first quarter, losing 36% YoY in January and an estimated 18% for the whole first quarter. This will be the second quarter in a row that production in Canada is down YoY. This contrasts with Mexico, which is expected to gain 2.5% YoY. Though Mexico's gain does not fully account for the losses in the rest of North America, it's likely some of that production went to Asia.

"The full production estimate for all vehicles in the first quarter of 2026 is tracking at 3.758 million units, down from last month's estimate of 3.760 million units and 2.7% below 1Q25's 3.864 million. Light vehicles are expected to total 577,000 units, 7.8% below the same quarter a year ago's 625,700 units.

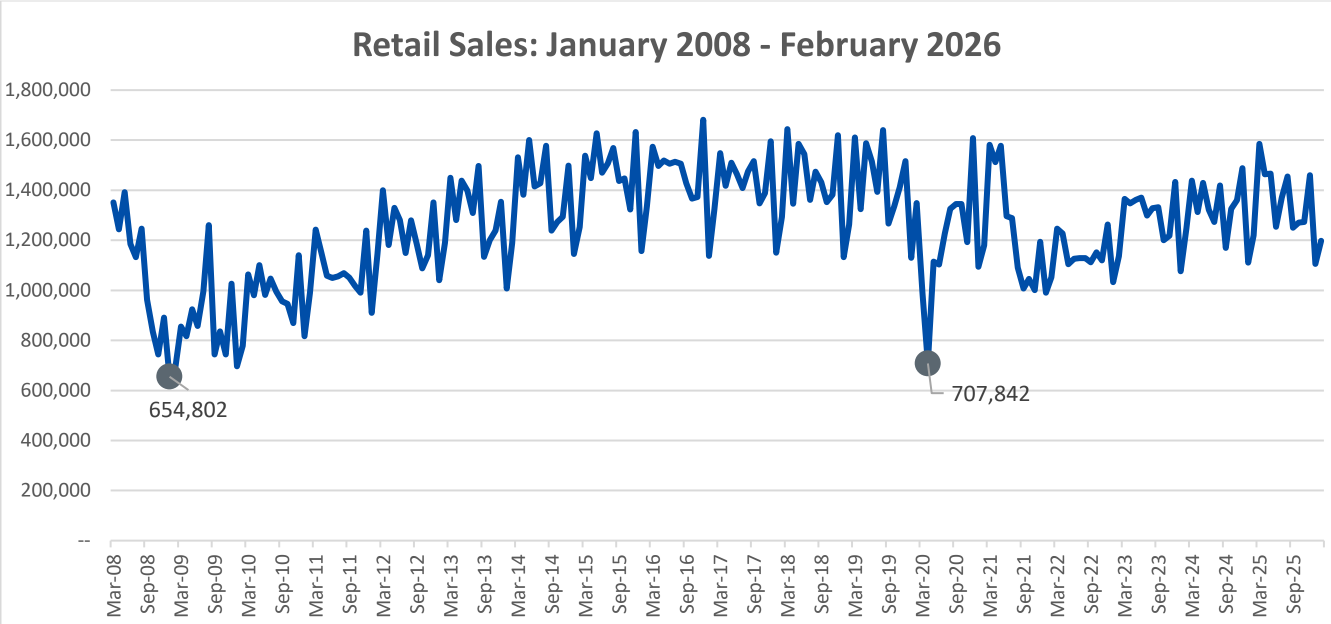
S&P Global Mobility Outlook (2/24)[6]: "North America: The outlook for North America light vehicle production was increased by 61,000 units and by 60,000 units for 2026 and 2027, respectively (and increased by 51,000 units for 2028). The outlook for 2026 in North America was revised higher by 0.4% totaling 15.02 million units, in part, on a stronger outlook for Stellantis' Ram brand amid the return of the HEMI V8 that is experiencing solid pent-up demand while also requiring inventory stocking. The outlook for Stellantis was revised higher by 53,000 units along with more modest increases at General Motor and Honda. Conversely, the outlook for Ford was reduced by 25,000 units with the all-important T3 truck platform being revised down by 27,000 units with production results for Kentucky Truck, in particular, coming in below expectations. With the three-crew, six-day per week work pattern at the perennially stretched Kentucky Truck, recouping all the lost volume will prove challenging in the near-term, although more appreciable volume gains are expected in 2027. The outlook for 2027 was revised higher by 0.4% totaling 15.51 million units with 2028 revised higher by 0.3% to total 15.57 million units to keep pace with demand. Based on adjusted 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 with an expected roughly 16.0 million unit US sales environment over the next two years."

Market Meter

U.S. Light Vehicle Sales (Updated 3/5)

Monthly Sales (Updated 3/5)

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.

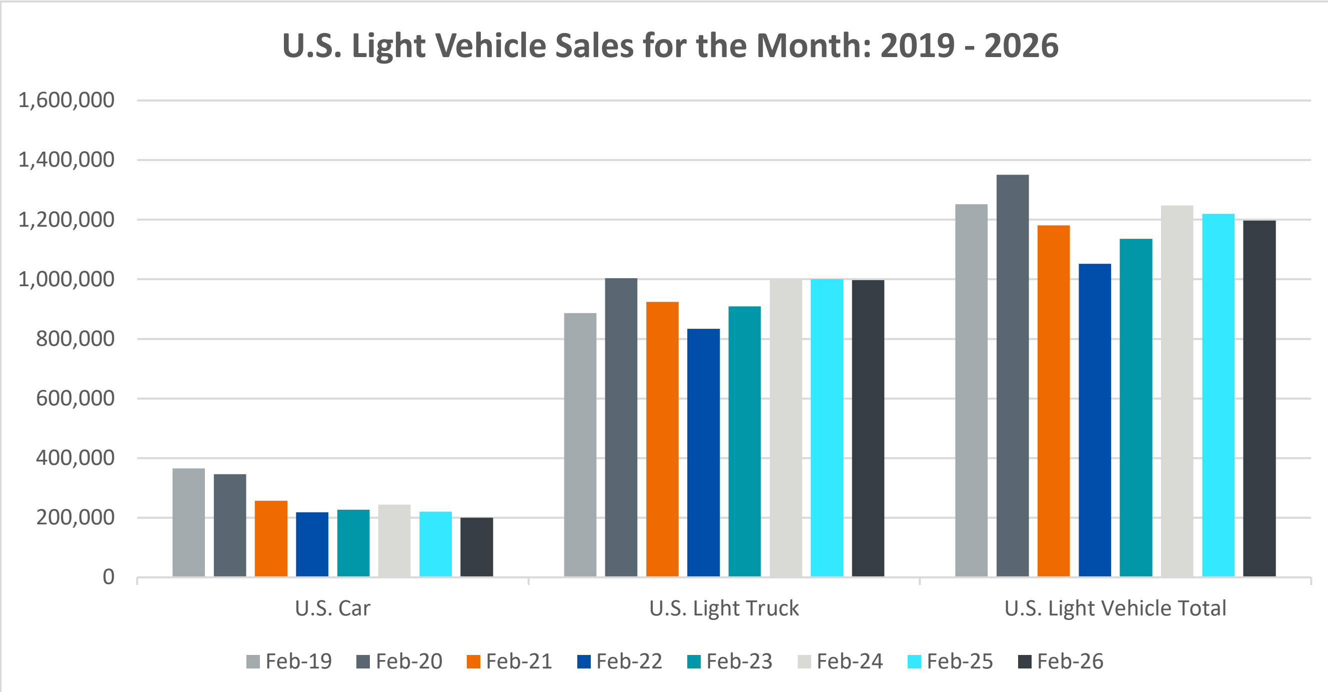


Monthly Sales (Updated 3/5)

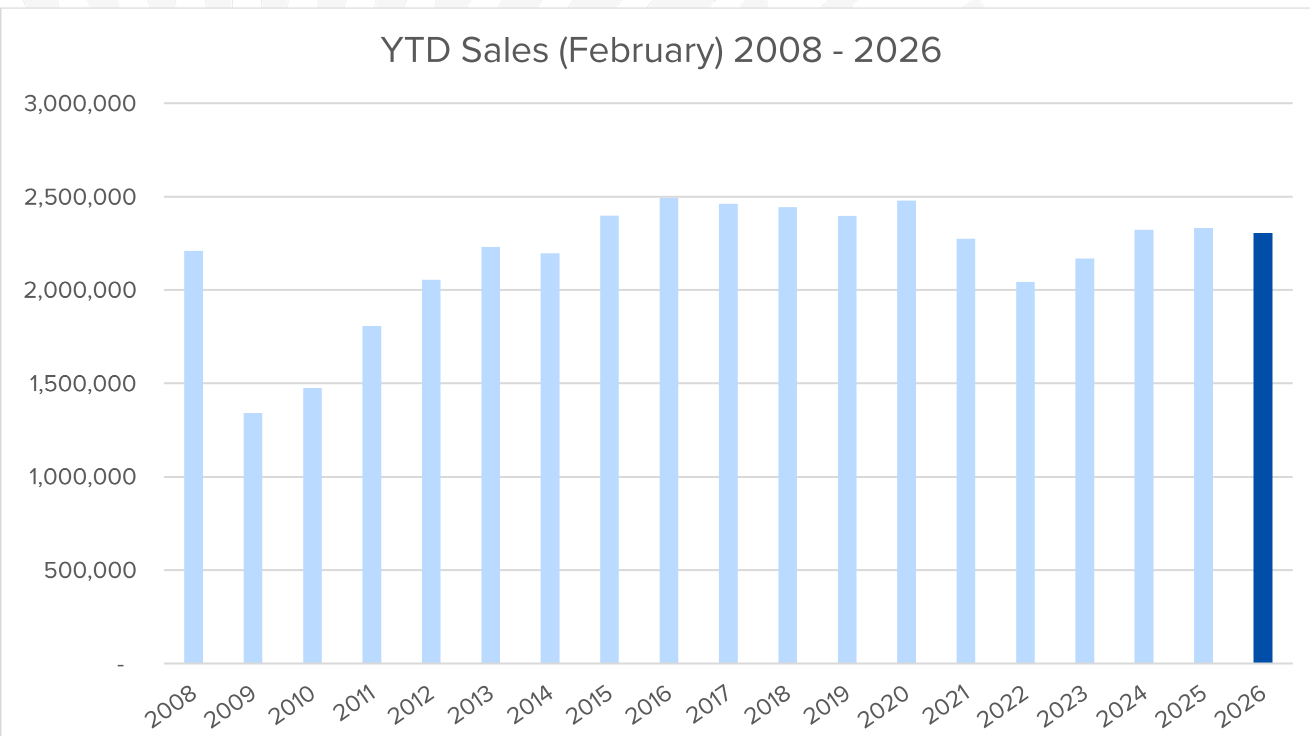
Omdia[7]: "US light vehicle sales fell year-over-year (YoY) for the sixth consecutive month in February. Light vehicle sales declined 1.5% but came in higher than February's estimate.

February's SAAR of 15.75 million units came in under same-month 2025's 15.97 million units.

Raw volume in February totaled 1.197 million units, 1.5% below same-month 2025's 1.215 million units. The daily selling rate (DSR) equated to 49,888 over the month's 24 selling days, 1.5% below the year-ago's 50,628 (also with 24 selling days).



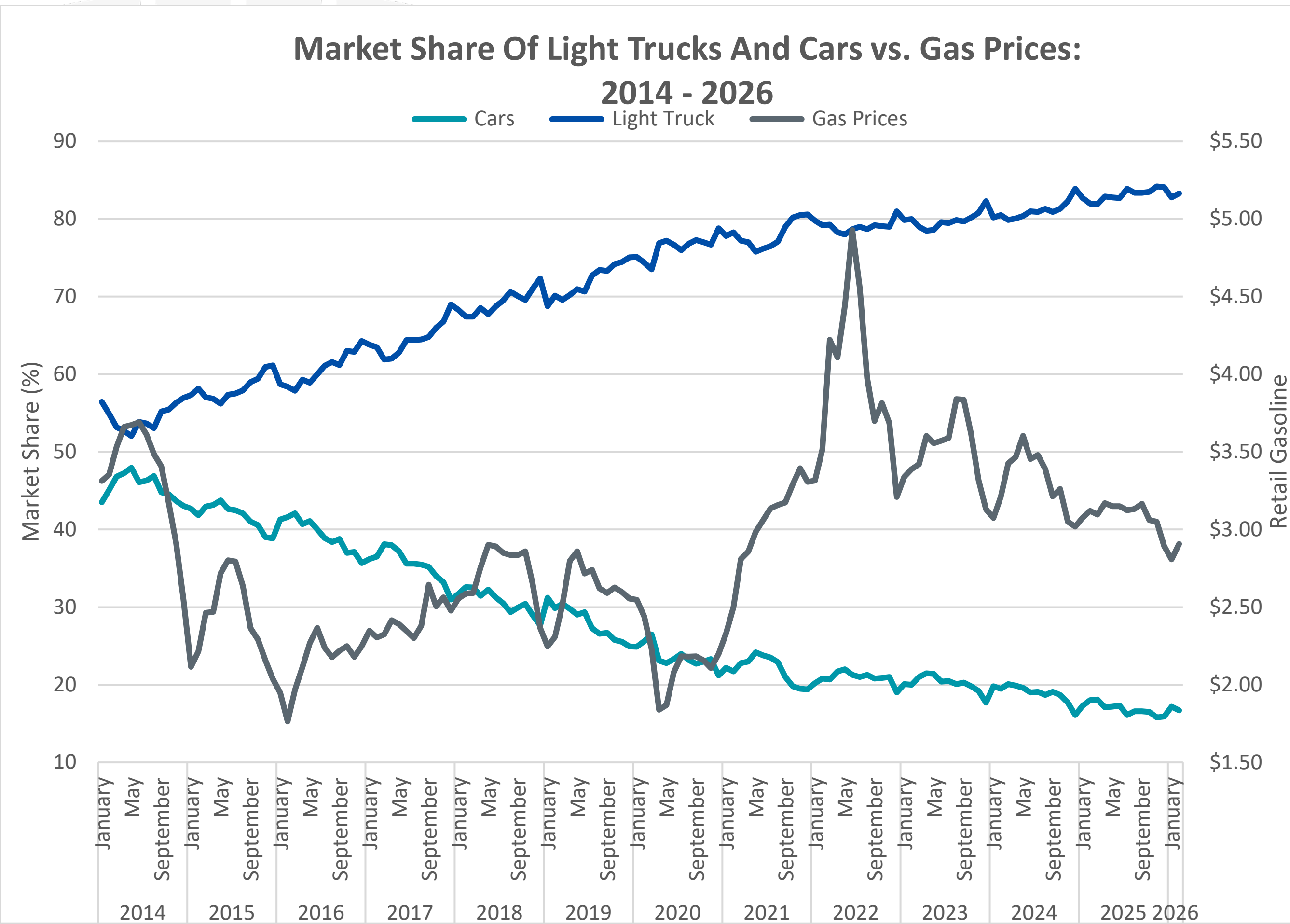
Calendar year-to-date sales through February totaled 2.3 million units, down 1.2 percent from 2025's 2.33 million.



Segments vs. Gas Prices (Updated 3/5)

Monthly Sales: Light trucks accounted for 83.3 percent of sales in February, up 1.3 percentage points from the market share a year ago. Compared to the same period in 2025, sales of cars are down about 2,000 units, and down about 165,000 from February 2019, when cars comprised 29 percent of the market as opposed to the 16.7 percent of the market passenger cars have now.

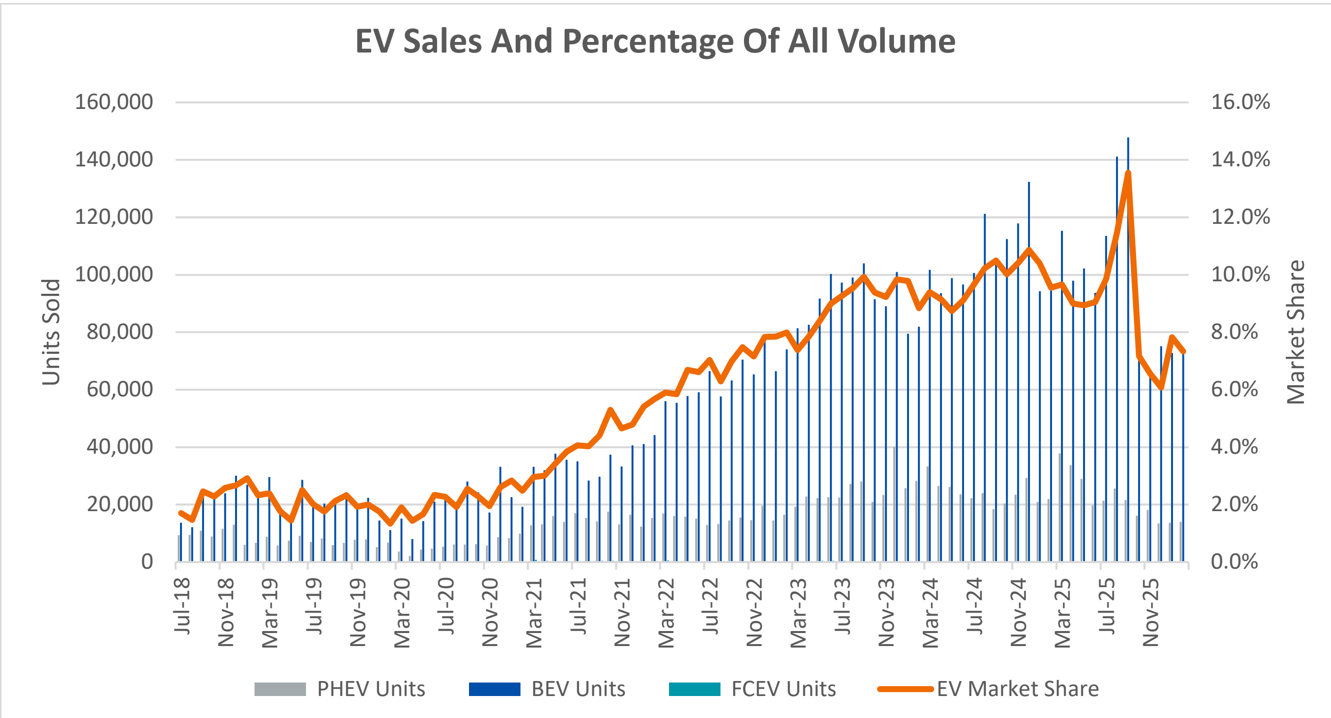
Historic Perspective: The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments[8] and gas was over $3.00[9] a gallon. As fuel prices dropped below the $3.00 mark in mid-September 2014, light truck sales began 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.[10]



EV Powertrain Sales (Updated 3/5)

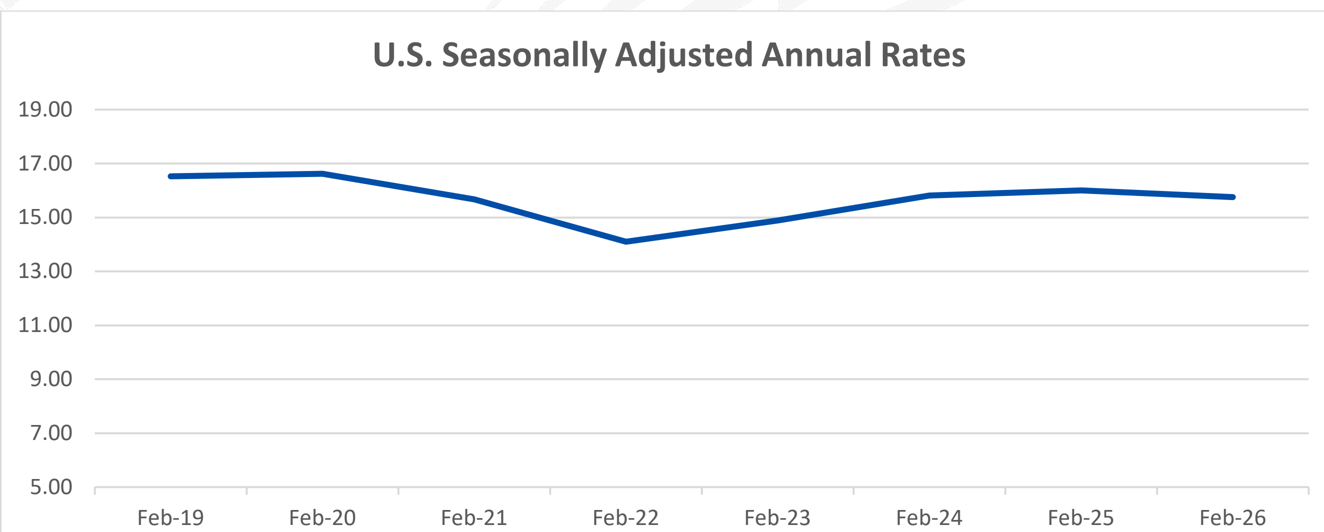
Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 7.3 percent of total vehicle sales in February 2026 (87,770) per Omdia estimates. Market share decreased 0.5 percentage points (pp) from January 2026's

7.8 percent. February's EV market share is down 2.2 pp from a year ago. Sales of battery electric vehicles accounted for 6.2 percent of total sales, down 1.6 pp from February 2025. Plug-in hybrids accounted for 1.2 percent, down 0.6 pp from the same time last year. Hybrid market market share was 13.5 percent.



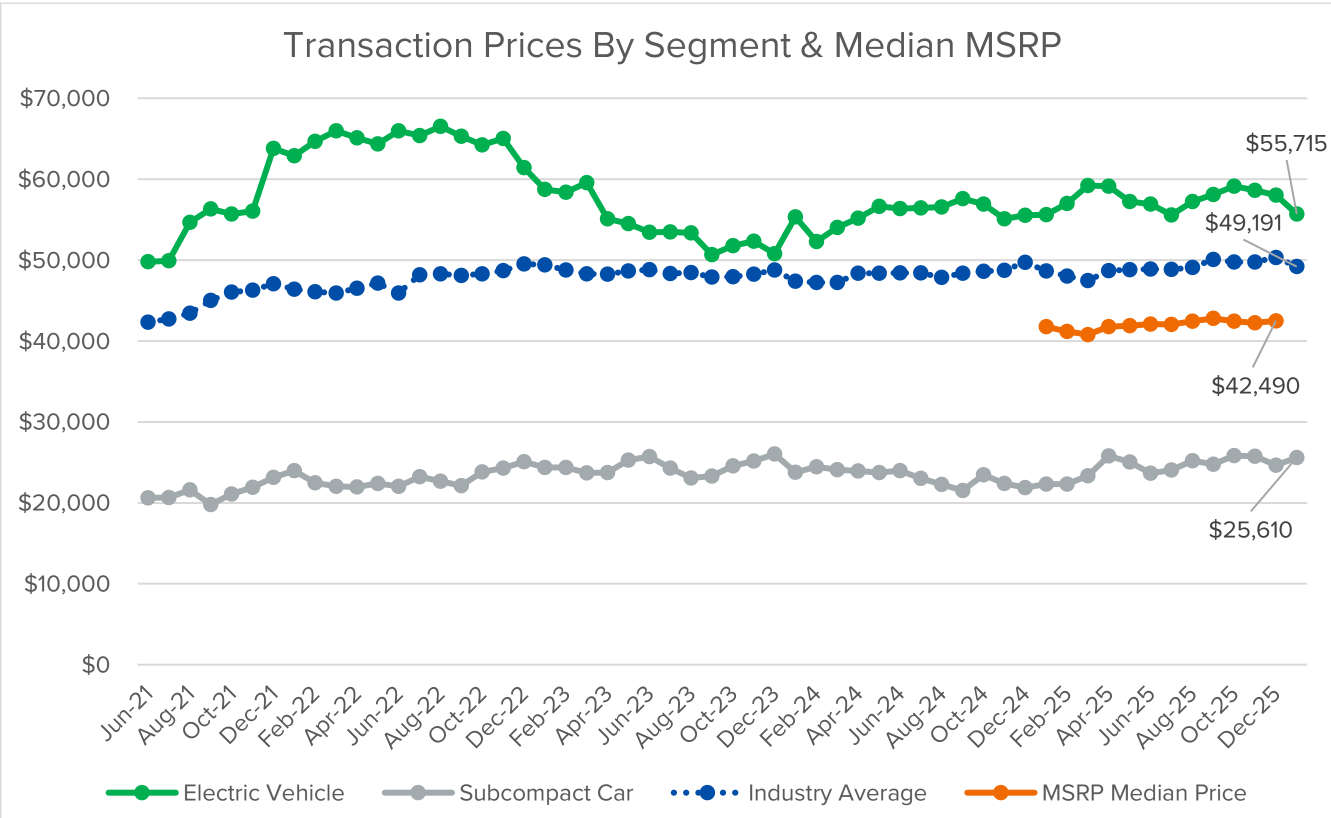
Seasonally Adjusted Annual Rates (Updated 3/5)

Omdia (formerly WardsIntelligence)[11]: "February's SAAR of 15.75 million units came in under same-month 2025's 15.97 million units."



Average Transaction Price (Updated 3/5)

The Median MSRP In December 2025 Was $42,490, $7,836 Below the Average Transaction Price of $50,326.



J.D. Power (Updated 3/5)[12]: "Average retail transaction prices are expected to rise 2.7% to $46,303 from a year ago, with non-EV prices increasing 3.0% to $46,097 and EV prices rising 2.6% to $46,528. The combination of reduced EV subsidies, higher EV pricing and more modest discounting across the industry continues to influence shopper behavior and segment mix.

The average manufacturer's incentive spend per vehicle is on track to reach $3,293, which is $63 higher than a year ago. However, the changes in average discounts are heavily influenced by the decline in EV sales. Discounts on EVs are expected to average $10,356 in February, down $1,664 compared with February 2025. Meanwhile, discounts on non-EVs are projected at $3,085, an increase of $346 from last year. As a percentage of MSRP, discounts on non-EVs are at 6.0% in February, up 0.6ppts from a year ago."

Kelley Blue Book (January) (2/24)[13]: "In January, the ATP for a new vehicle was $49,191, a 1.9% increase from year-earlier levels and, according to Kelley Blue Book records, an all-time high for January. The ATP last month was down 2.2% from December, a seasonally normal decline. The December 2025 record ATP was revised down to $50,318.

“The average new-vehicle manufacturer's suggested retail price (MSRP) – commonly called "the asking price" – in January also climbed higher compared to year-earlier estimates. At $51,288, the average MSRP was 2.1% higher year over year, an increase below long-term averages. Typically, MSRPs show an annual increase of approximately 3% in January. The average MSRP has been above $50,000 for 10 straight months, according to Kelley Blue Book estimates.

“Automakers reduced sales incentives in January. Last month, the average incentive package was equal to 6.5% of ATP, or roughly $3,200. A year ago, incentives averaged 7.1%; in December, incentives averaged 7.5% of ATP, the highest point in 2025. Last month, sales incentives were strongest for luxury vehicles and full-size pickup trucks; full-size SUVs, compact cars, and midsize cars had among the lowest incentive levels.

“In January, the best-selling vehicle segment was again the compact SUV segment (e.g., Toyota RAV4, Honda CR-V, Nissan Rogue and Chevrolet Equinox), where ATPs were $36,414, down 0.4% year over year in an industry that recorded a 1.9% gain. The popular compact SUV segment is a reminder that many excellent vehicles are available at more than 25% below the industry average.

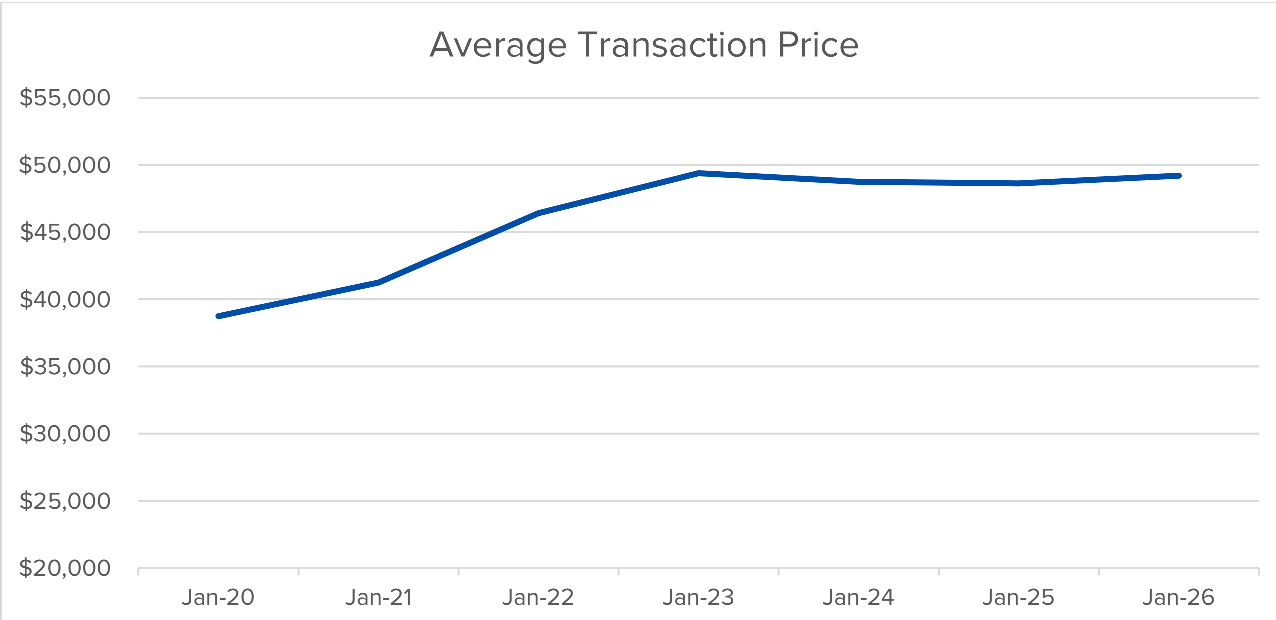
“In January, with the subcompact Mitsubishi Mirage all but gone, the U.S. market no longer has a new vehicle with an average MSRP below $20,000. Last month, the Nissan Versa, with an average MSRP of $22,315, took up the mantle as America's most affordable vehicle, but the role will be short-lived as reports suggest production of the Nissan Versa ended in December.

“New electric-vehicle (EV) prices declined to $55,715 in January. Average transaction prices were lower by 0.6% compared to year-earlier levels and down 3.1% from December.

“Incentives for EVs fell notably in January, to an average of 12.4% of ATP, down from an upwardly revised 18.3% in December and below the 12-month average of 13.7% in 2025. Still, at 12.4% of ATP, EV sales incentives continue to be well above industry averages.”

Cox Automotive Used Vehicle Prices (2/24)[14]: “Price-conscious buyers have limited options for affordable used vehicles. Used cars priced below $15,000 continue to have low availability, with only 37 days’ supply, which is 11 days below the overall industry average. The top five sellers of the month had an average price of $23,668, nearly 7% below the average listing price for all used vehicles sold.”

Cox Automotive Used EV Prices (2/24)[15]: “Used EV Listing Price: The average listing price for used EVs was $35,442 in January, down 5.1% year over year and 2.5% month over month. The price premium over ICE+ vehicles narrowed further to $1,376, down from $2,591 in December, as used EVs continue to approach price parity with their ICE+ counterparts. Among high-volume brands, Nissan (-3.2%), Kia (-2.8%), and Mercedes-Benz (-2.3%) posted the steepest month-over-month declines. Audi bucked the trend, rising 4.8% to $39,502 even as sales surged 63.4%. Tesla edged up 0.6% to $31,760.”



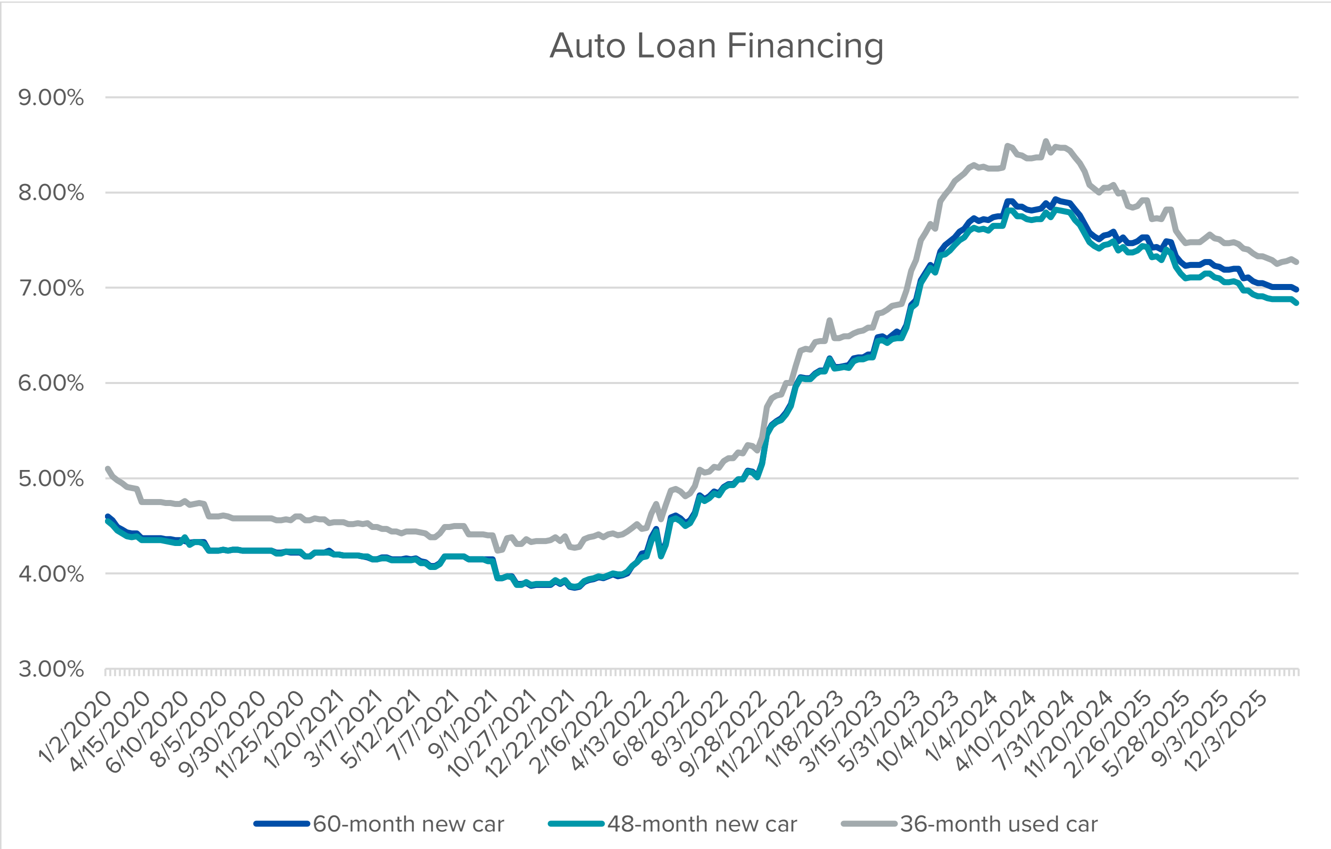
Auto Loan Financing (Updated 3/5)

JD Power (3/5)[16]: "Affordability pressure remains significant, with the average monthly finance payment reaching $811, up $32 from a year ago. In response, more consumers are turning to 84-month loan terms, which are expected to account for 12.7% of financed sales this month compared to 7.7% a year ago.

"Easing interest rates and strong used-vehicle values are providing some relief to buyers facing elevated monthly payments. The average interest rate for new-vehicle loans in February is 6.72%, a decrease of 31 basis points from a year ago."

Interest Rates Lowest Since Mid-2023 (updated 3/5): Interest rates continued their gradual decline over the last two weeks on the 60-month and 48-month new car loan as well as the 36-month use car loans. Rates on the 60-month new car loan dipped below 7 percent for the first time since May 2023. Rates now stand at 6.98%, 6.84%, and 7.27%, respectively. Since the beginning of 2020, 60-month rates are up 2.38 pp, and are down 0.55 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%
2/26/2025	7.53%	7.43%	7.92%
2/11/2026	7.01%	6.88%	7.30%
2/25/2026	6.98%	6.84%	7.27%
Two Week Change	-0.03%	-0.04%	-0.03%
Change since 1/3/20	2.38%	2.29%	2.17%
One Year Change	-0.55%	-0.59%	-0.65%

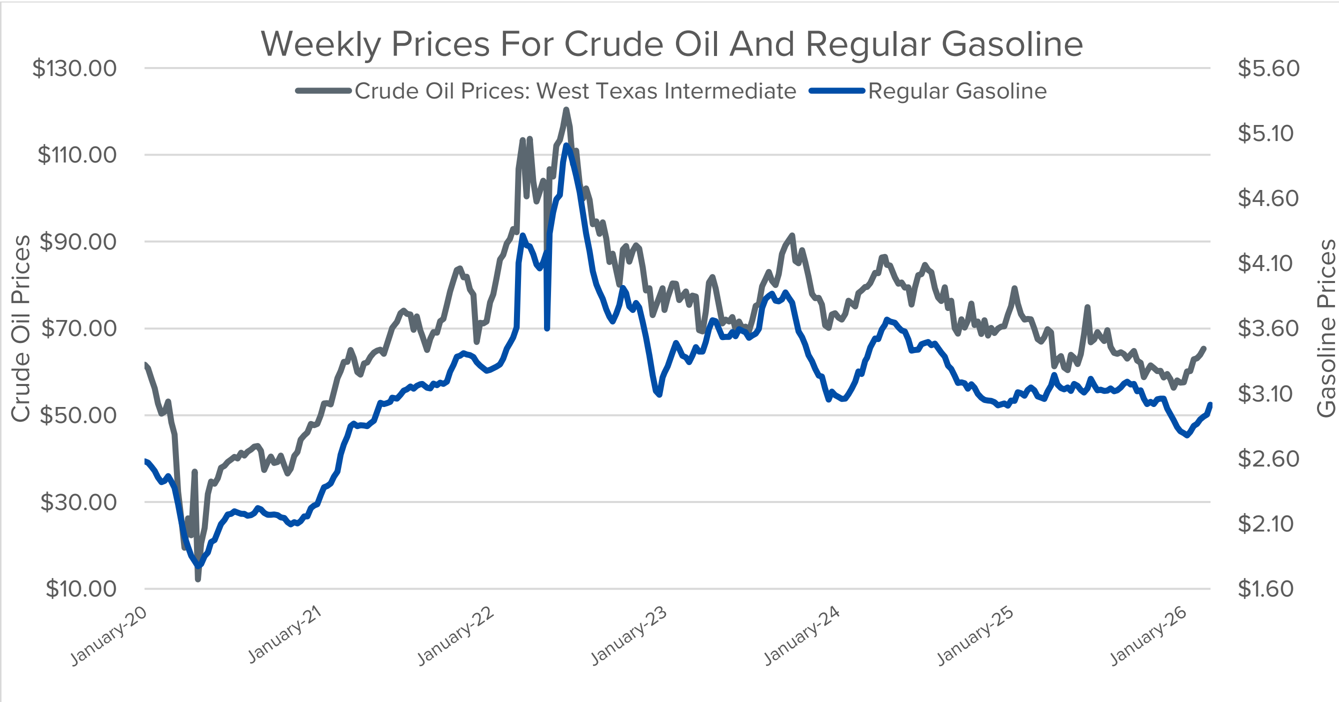


Crude Oil and Gas Prices (Updated 3/5)

Oil Ticks Upward, Gas Rises Above $3 A Gallon (3/5):[18] Oil prices, as benchmarked at West Texas Intermediate were $65.30 at the mid-point of February, down $7 from the same time a year ago. Since election day 2024, oil prices are down about $3.40 a barrel. After spending 13 weeks under $3.00 a gallon, gas rose to $3.02 at the beginning of March. Gas is 17 percent higher than the beginning of 2020.

EIA Outlook For Gasoline (1/22)[19]**:** "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):[20] "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

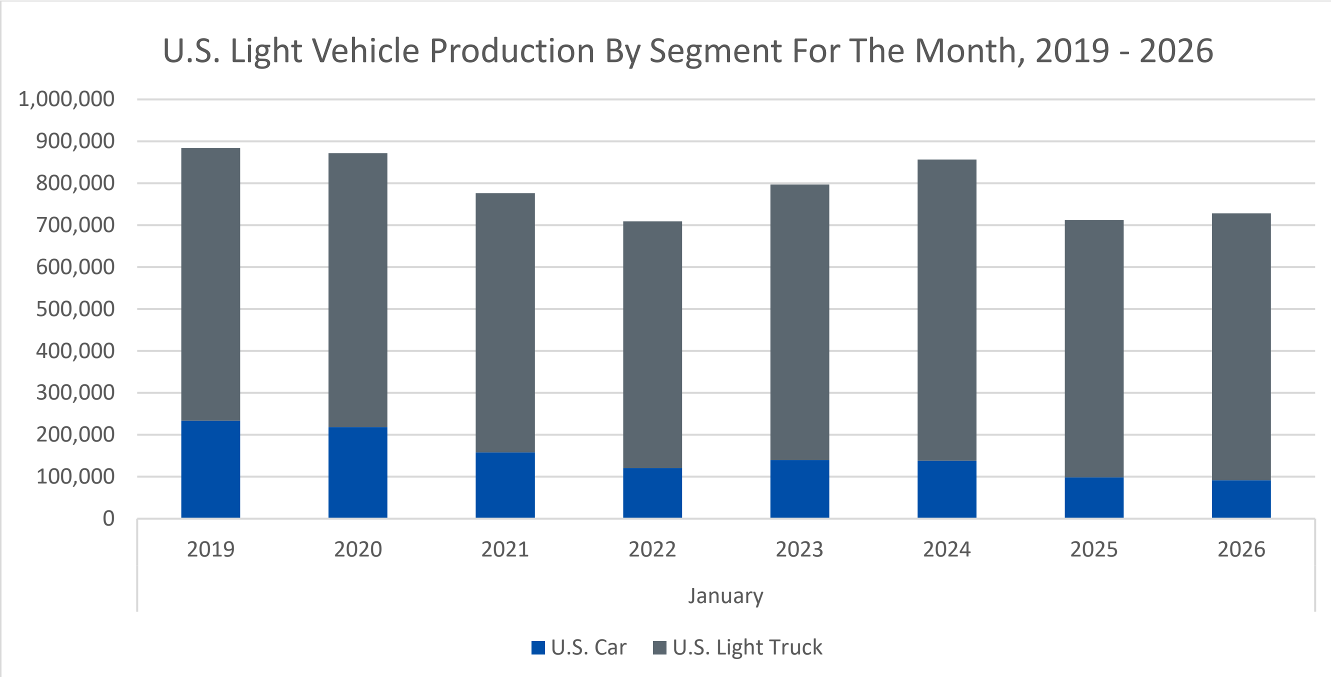
North American Production (Updated 2/24)

Wards Intelligence[21]: "In January 2026, North America production for all vehicles (light and medium-/heavy-duty trucks) fell 2.6% YoY to 1.146 million units but was revised up from last month's 1.143 million units. The month-over-month gain is offset by downward revisions in February and March from last month's estimate. The up-and-down revisions suggest automakers are balancing inventory with demand to avoid the destocking that occurred this time last year."

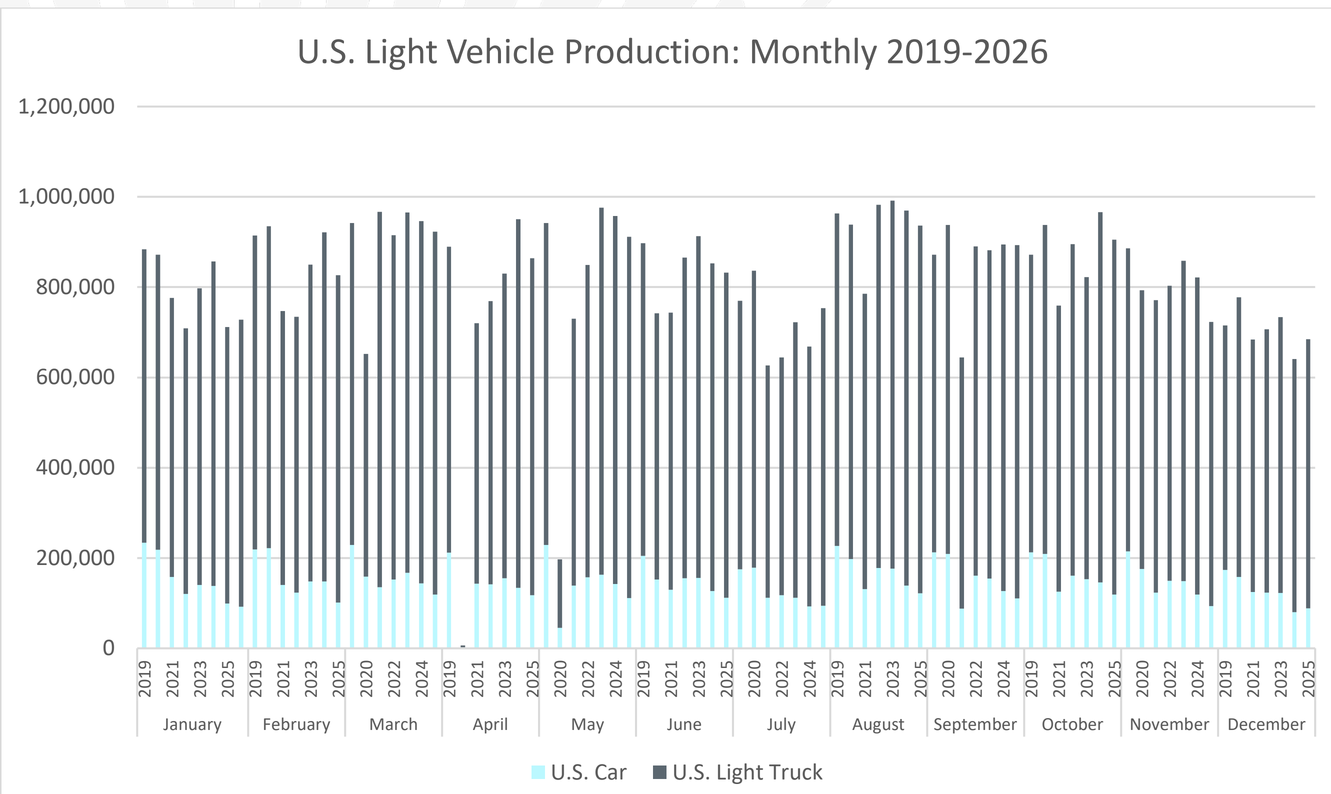
U.S. Light Vehicle Production (Updated 2/24)

U.S. Monthly Production

U.S. Light vehicle production for January was up 6 percent month-over-month, totaling 728,166 vehicles (92,125 cars; 636,040 light trucks), year-over-year, production is up 2.3 percent from 2025.[22]



U.S. Light Vehicle Production By Segment For The Month, 2019 - 2026
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
2019
2020
2021
2022
2023
2024
2025
2026
January
U.S. Car
U.S. Light Truck



U.S. Light Vehicle Production: Monthly 2019-2026
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
January
February
March
April
May
June
July
August
September
October
November
December
U.S. Car
U.S. Light Truck

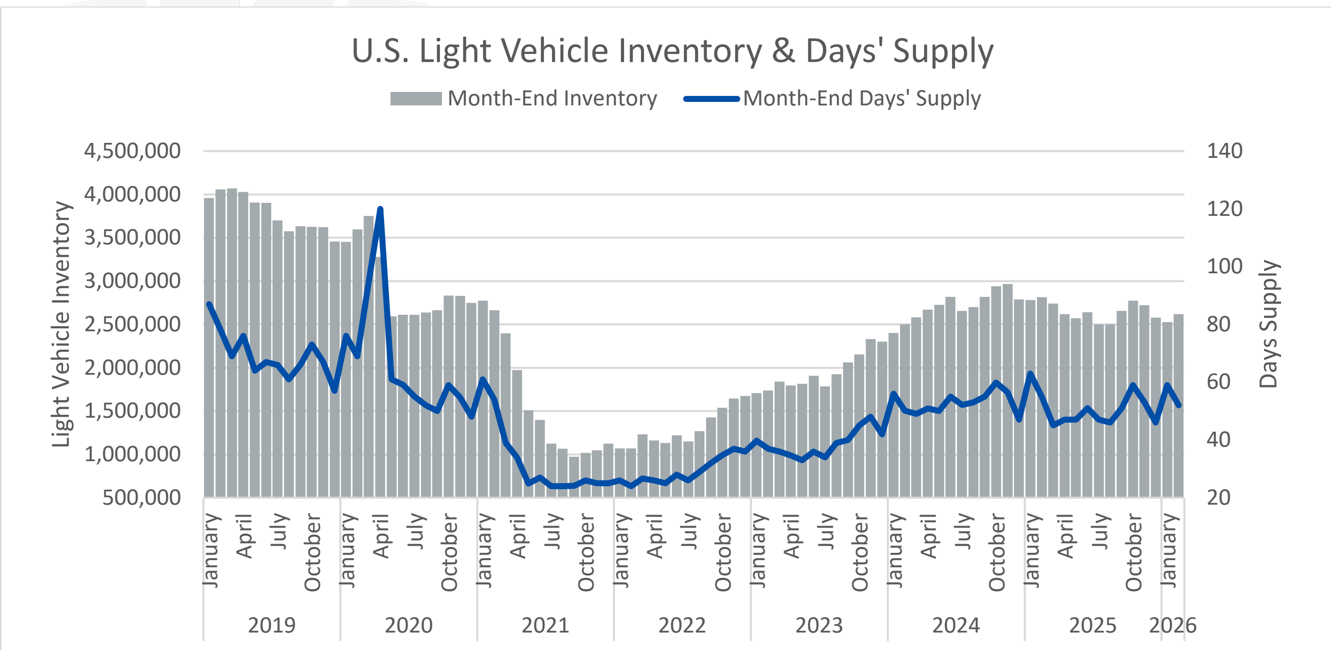
U.S. Light Vehicle Inventory and Days' Supply (Updated 3/5)

Omdia Inventory Update (3/5)[23]: "US light vehicle inventory totaled 2.618 million units at the end of February, down 7.3% from the same month in 2025 and the eleventh straight month of YoY inventory declines.

"February's total was a 3.7% gain from the prior month, as automakers and dealers look forward to March's seasonal uptick in sales.

"Days' supply in February totaled 52, down from January's 59 days and below the same month in 2025's 56 days. Domestic days' supply was 54 and was down compared to a year ago's 58 days' supply.

"Stocks of all light plug-in electric vehicles (PEVs) were down 34% YoY. BEV inventories fell 30% YoY, while PHEV inventories fell 51%."



Global Meter

Global Light Vehicle Sales (Updated 3/5)

Omdia[24]: "Global sales of light vehicles and medium- and heavy-duty trucks combined were down 19.7% from December and 1.2% YoY. Strong BEV sales in Europe could not offset overall weakness in the region.

"Sales in January totaled 7.28 million units, 1.2% below the same month in 2025, 7.37 million units.

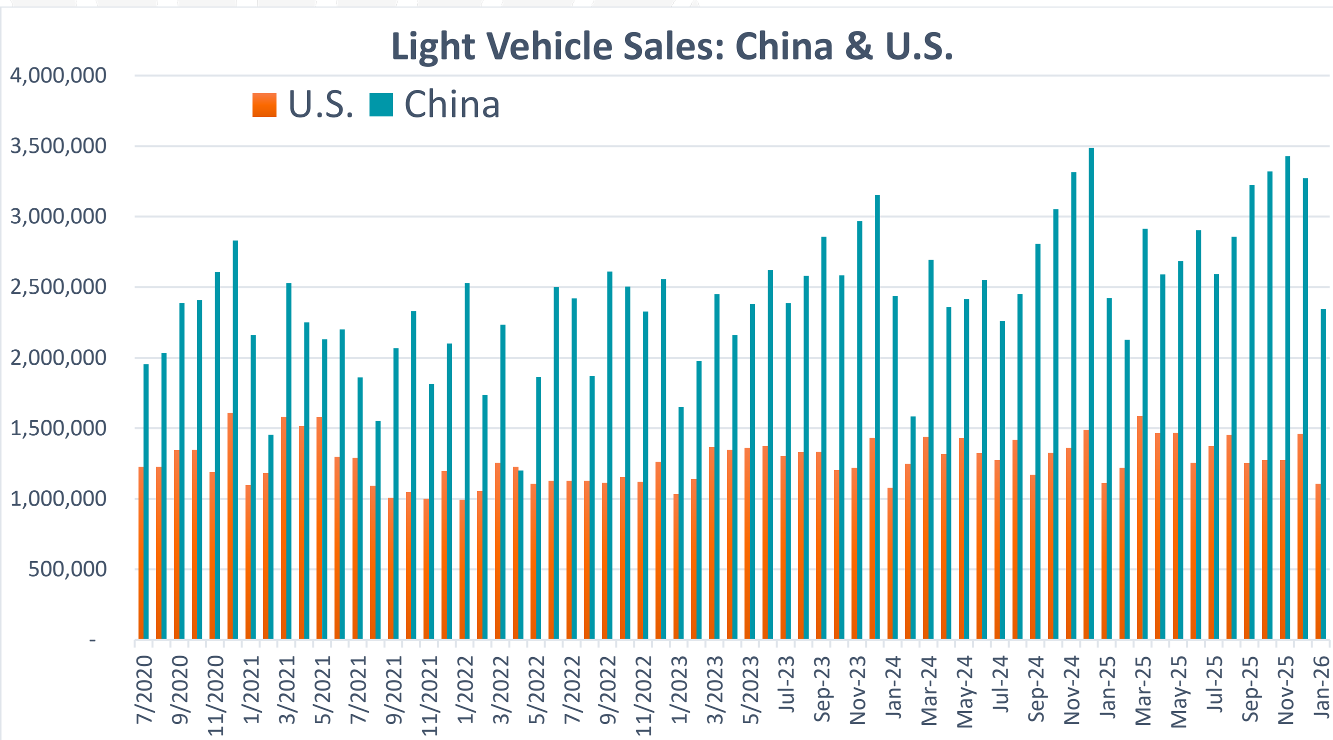
“Among the major regions, Europe posted the largest YoY loss in January, losing 5.0% from the same month in 2025; North America followed, losing 0.4%, and Asia & Oceana lost 0.3% YoY. In contrast, deliveries in South America rose 0.3% YoY.

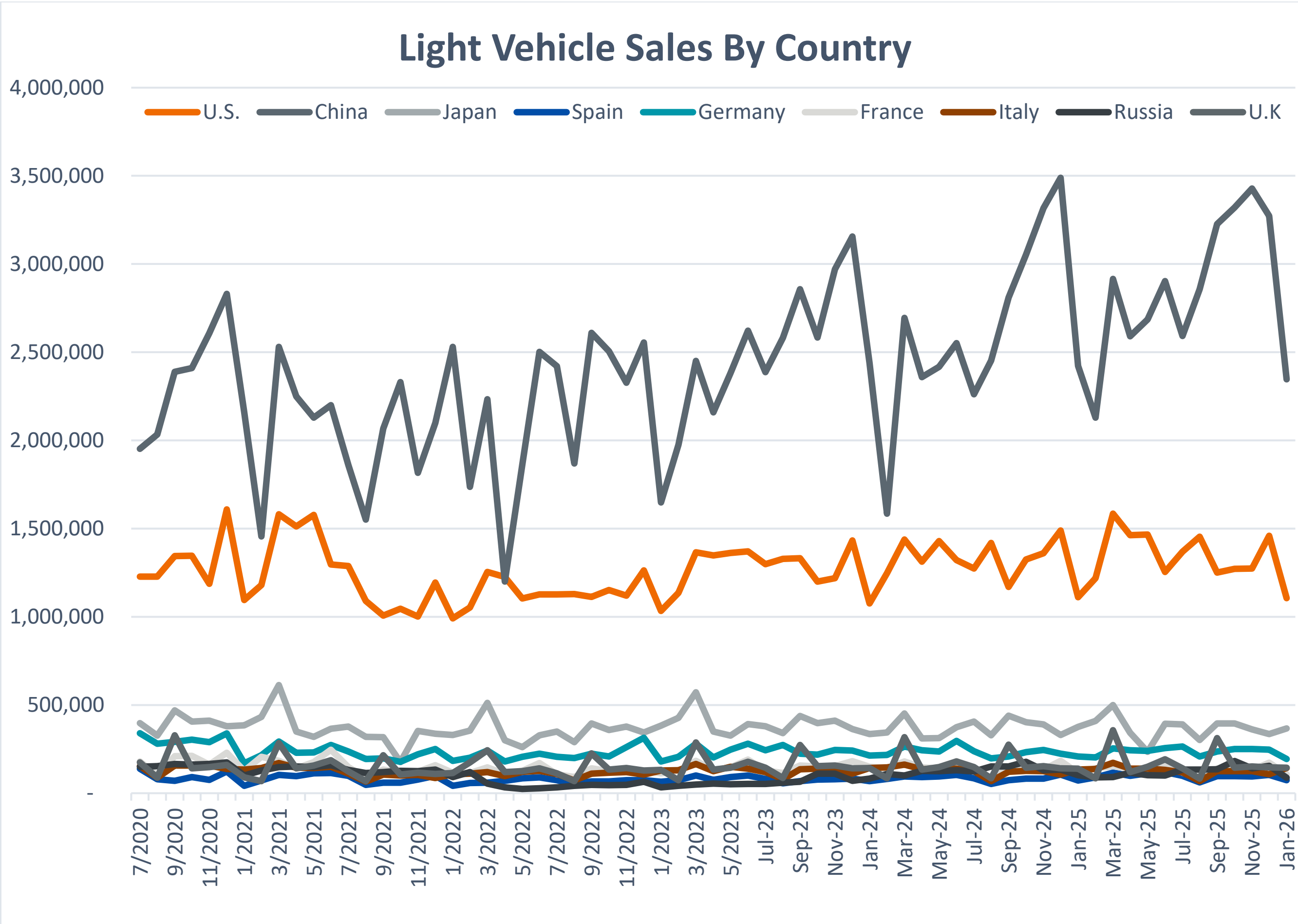
“Excluding medium- and heavy-duty trucks, light vehicles totaled 7.04 million units in January, down 0.9% from the same month in 2025, 7.10 million units.

“Omdia Automotive partner GlobalData estimates global light-vehicle sales in February will decrease 5.5% YoY, driven by a slowing Chinese market and mostly flat sales in other major markets. India and other Asian markets, however, are expected to grow.”

China

“A slowdown in the domestic Chinese market goes beyond the seasonal Lunar New Year slump. The property sector crash and resulting declines in property values have made Chinese consumers less wealthy and less likely to spend. Additionally, a new 5% tax on EVs and reduced EV subsidies contributed to the slump. Sales in China fell 13.4% YoY in January, and the losses are expected to continue in February, according to Omdia partner GlobalData.”





Global Light Vehicle Production (Updated 2/24)

S&P Global Mobility Forecast (2/24)[25]: "Following a year of uneven recovery and shifting consumer sentiment, the near-term automotive industry outlook is defined by relative stability in overall global vehicle sales, a recalibrated electrification trajectory, and heightened competition from Chinese automakers. While the risk of DRAM chip shortages and other semiconductor chip shortages remain on the radar, we expect carmakers to mitigate potential supply chain interruptions by absorbing higher costs. While global light vehicle demand is projected to remain flat in 2026, global vehicle production is forecasted to edge down modestly to reflect the state of maturing markets and evolving regional dynamics. The February forecast update reflects a mix of mostly rather modest 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. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was increased by 39,000 units and reduced by 53,000 units for 2026 and 2027, respectively (and increased by 31,000 units for 2028). The modest upgrade for European light vehicle production this year reflects a slightly more optimistic short-term outlook for H1-2026 led primarily by Toyota and Renault. This improvement offsets the volume shortfall caused by the delayed launch of Chery models in the region. Looking ahead to 2027, the downgrade was caused by fairly small reductions for a variety of OEMs. However, a couple to highlight are production of the Discovery Sport now expected to end in 2026 and the launch of the new Jaguar JEA platform being pushed out to Q2-2027. For the longer-term forecast, a revision for Tesla has a more material impact. The capacity of the Grünheide plant in Germany will not be expanded; instead, Tesla will operate at its existing technical capacity of 375,000 units per year. This reduces the projected output by roughly 100,000 units from 2030 onward.

"Greater China: The outlook for Greater China light vehicle production was reduced by 16,000 units and by 96,000 units for 2026 and 2027, respectively (and increased by 29,000 units for 2028). Entering 2026, the Chinese auto industry has shifted from expansion to a phase of moderation and structural adjustment. According to the CPCA, early year retail data showed a noteworthy decline, with nationwide retail sales in the first half of January dropping meaningfully year-on-year, reflecting growing consumer caution due to policy transitions and shifting market dynamics. Further, CAAM reported passenger vehicle output of 2.06 million units and a year-on-year reduction of 4% in January. Of note, we don't expect a rapid recovery in the first quarter. The forecast reflects a 10% contraction in production for Q1-2026 on the need to destock and reflective of domestic demand challenges in the near-term. Notwithstanding headwinds on the demand front, we continue to see production support from Chinese vehicle exports, particularly given improving trade dynamics with Europe and Canada, among other factors. After two years of stimulus driven demand and accelerated NEV adoption, the industry now faces slowing demand, reduced incentives and persistent price wars. Mass market brands are disproportionately exposed, while premium OEMs and technologically advanced NEV players should remain more resilient.

"Japan/Korea: The production outlook for Japan for 2026 was upgraded by 29,0000 units. The increase was primarily associated with Toyota and Mazda with production expected to be more robust as we approach the end of the March fiscal year end. In the longer term, there were no significant changes to Japan production. In the short term, reflecting the strengthening trend of hybrid SUVs, South Korea production was revised upward by an average of 63,000 units per year from 2026 to 2028. Hybrid vehicles more than offset the sluggish output of battery electric vehicles. Moreover, steady demand in the US market, where OEMs are absorbing some of the additional costs from tariffs, is further mitigating the impact.

"North America: The outlook for North America light vehicle production was increased by 61,000 units and by 60,000 units for 2026 and 2027, respectively (and increased by 51,000 units for 2028). The outlook for 2026 in North America was revised higher by 0.4% totaling 15.02 million units, in part, on a stronger outlook for Stellantis' Ram brand amid the return of the HEMI V8 that is experiencing solid pent-up demand while also requiring inventory stocking. The outlook for Stellantis was revised higher by 53,000 units along with more modest increases at General Motor and Honda. Conversely, the outlook for Ford was reduced by 25,000 units with the all-important T3 truck platform being revised down by 27,000 units with production results for Kentucky Truck, in particular, coming in below expectations. With the three-crew, six-day per week work pattern at the perennially stretched Kentucky Truck, recouping all the lost volume will prove challenging in the near-term, although more appreciable volume gains are expected in 2027. The outlook for 2027 was revised higher by 0.4% totaling 15.51 million units with 2028 revised higher by 0.3% to total 15.57 million units to keep pace with demand. Based on adjusted 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 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 28,000 units and by 3,000 units for 2026 and 2027, respectively (and increased by 13,000 units for 2028). The upgrade for 2026 was primarily focused on Brazil (36,000 units) where activity is stronger than previously expected and helped offset modest incremental weakness in Argentina. Regional volumes for 2027-2028 remained mostly stable for the period with a marginal gain of 0.2% (8,000 units/year). This is primarily related to select lifecycle changes that are reflected this month, impacting production accordingly.

"South Asia: The outlook for South Asia light vehicle production was increased by 24,000 units and by 31,000 units for 2026 and 2027, respectively (and reduced by 3,000 units for 2028). For the ASEAN market in 2026, we expect the near-term outlook to continue to be shaped by pricing discipline amid intensifying BEV competition, localization execution and export capacity absorption, especially as affordability and retail credit remain constraints in parts of the region. Reflecting this backdrop, our ASEAN 2026 production forecast was revised down by 20,000 units to 3.82 million units, implying marginal growth of 0.7% year-over-year. The production outlook for India was upgraded for 2026 and 2027 by 40,000 units and 43,000 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. India's recent EU FTA and the US Interim Trade Agreement, both announced in early 2026, create noteworthy trade opportunities by reducing tariffs and enhancing market access. The overall trade outlook has become more favorable for India in the mid-to-long term. However, given the lack of details that currently exists, we do not see an immediate impact on our forecast."

Economy Meter

Roadway Travel (Updated 2/24)

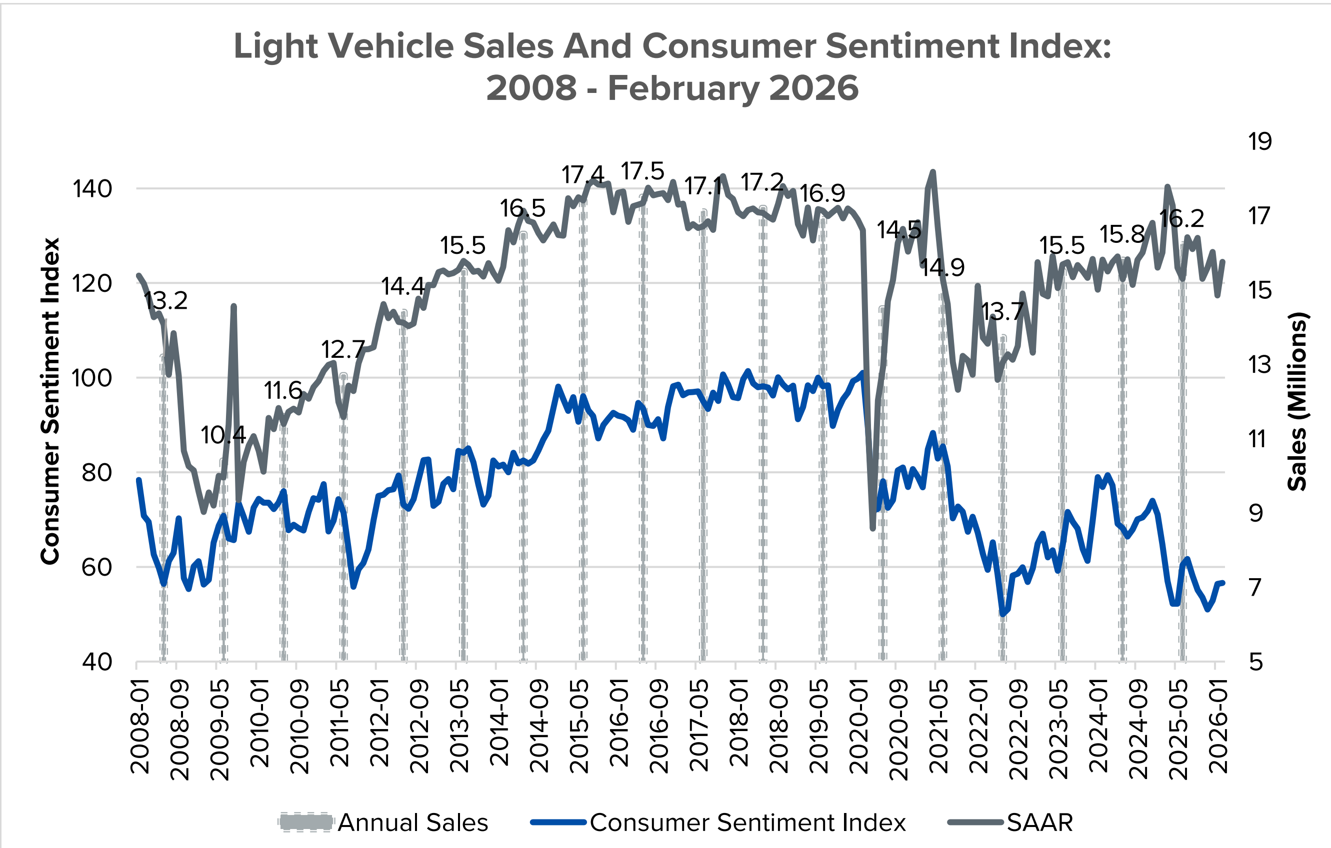
According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in December increased by 0.4 percent from the same time a year ago. The cumulative travel estimate for 2025 is 3,323.8 billion vehicle miles.[26]

- Travel on all roads and streets changed by +0.6% (+1.6 billion vehicle miles) for December 2025 as compared with December 2024. Travel for the month is estimated to be 265.8 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for December 2025 is 277.2 billion miles, a +0.4% (1.1 billion vehicle miles) change over December 2024. It also represents a -0.01% change (-0.02 billion vehicle miles) compared with November 2025.
- Cumulative Travel for 2025 changed by +0.9% (+29.8 billion vehicle miles). The cumulative estimate for the year is 3,323.8 billion vehicle miles of travel.

Consumer Confidence and Sales (Updated 3/5)

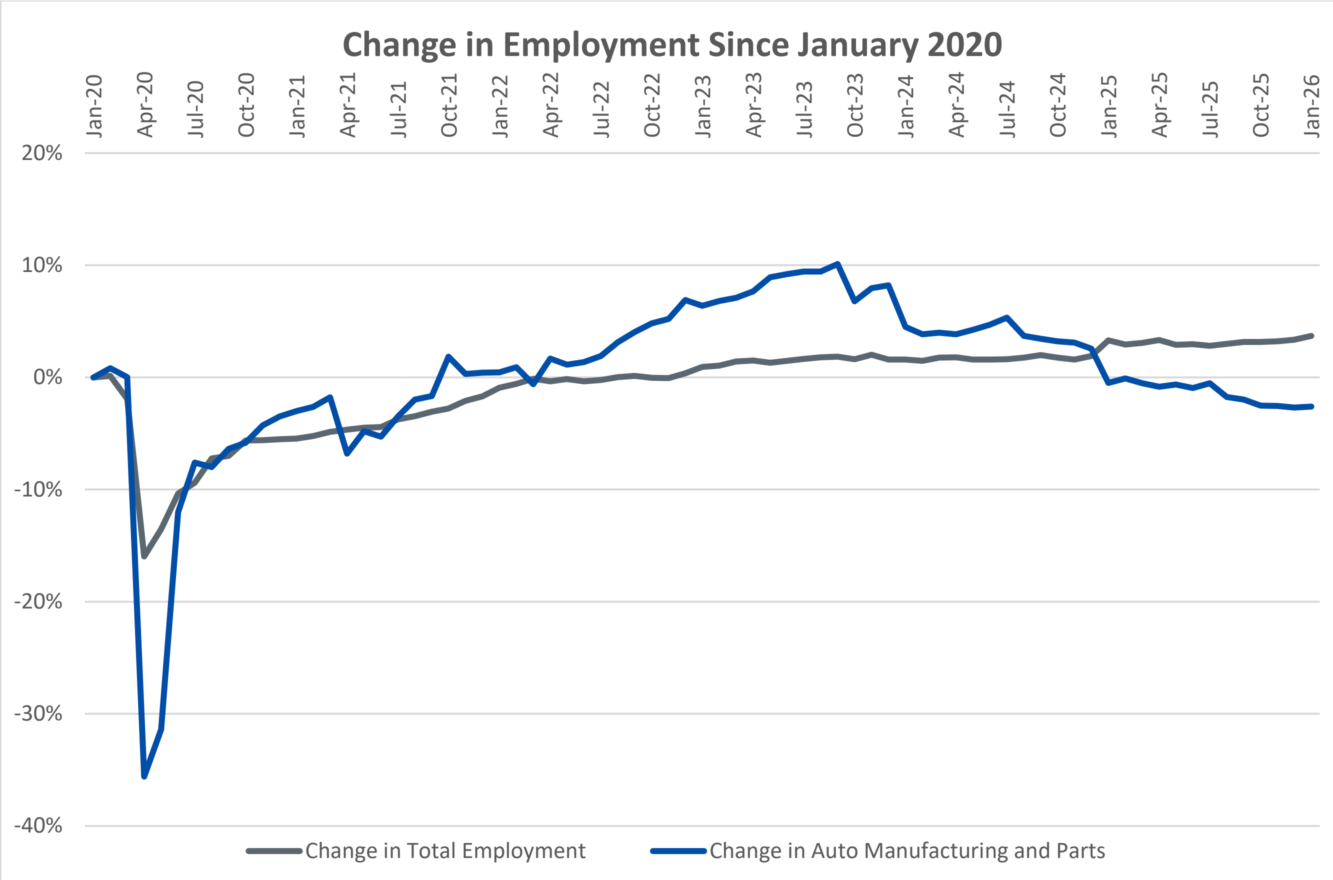
Surveys of Consumers Director Joanne Hsu[27]: "Consumer sentiment stagnated this month with very little change, just 0.2 index points higher than January. All index components posted insignificant movements this month; overall, consumers do not perceive any material differences in the economy from last month. About 46% of consumers spontaneously mentioned high prices eroding their personal finances; readings have exceeded 40% for seven months in a row. Sentiment is about 13% below a year ago and 21% below January 2025. That said, views vary considerably across the population. A sizable month-to-month increase in sentiment for the largest stockholders was fully offset by a decline among consumers without stock holdings. Similar divergences were seen across income and education, where higher-income or college educated consumers exhibited increases in sentiment while lower-income or less-educated counterparts did not. With their much stronger income prospects and investment porfolios, wealthier and higher-income consumers feel better insulated from any possible risks to the economy.

"Year-ahead inflation expectations fell from 4.0% last month to 3.4% this month, the lowest reading since January 2025. This month's reading still exceeds those seen in 2024 and remains well above the 2.3-3.0% range seen in the two years pre-pandemic. Long-run inflation expectations held steady at 3.3%, just above the 2.8% and 3.2% range seen in 2024. In 2019 and 2020, long-run inflation expectations were consistently below 2.8%. Uncertainty, as measured by the middle 50% of expectations, is now its lowest since December 2024 for the short run and October 2024 for the long run."



Employment (Updated 2/24)

Motor Vehicle And Parts Manufacturing Gained 900 jobs in January.



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