READING THE METER

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

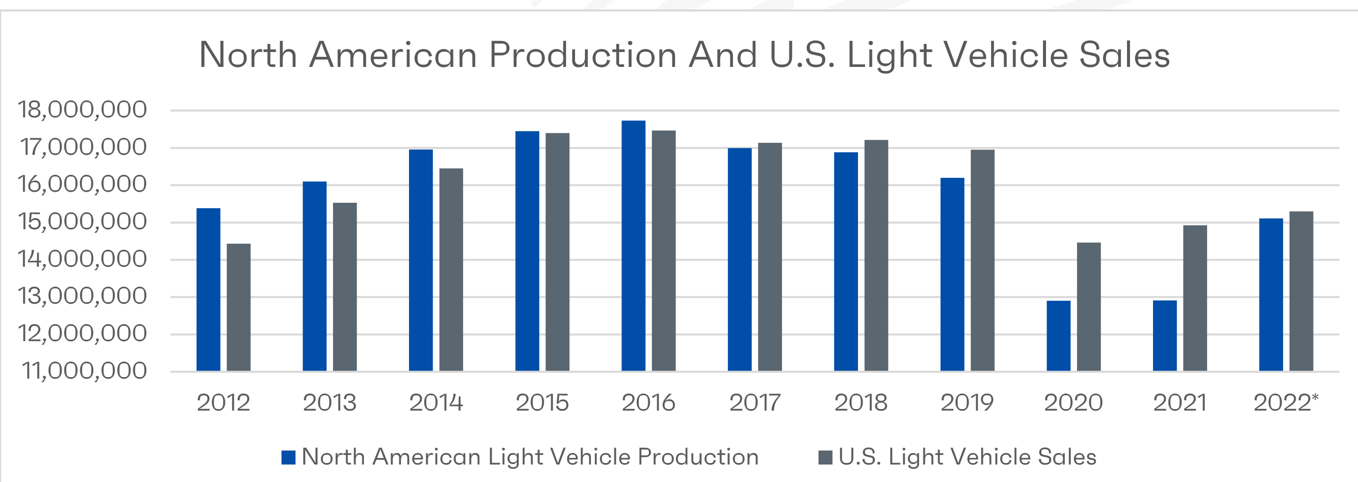
ALLIANCE FOR AUTOMOTIVE INNOVATION

Contents – May 25, 2022

Forecast Meter

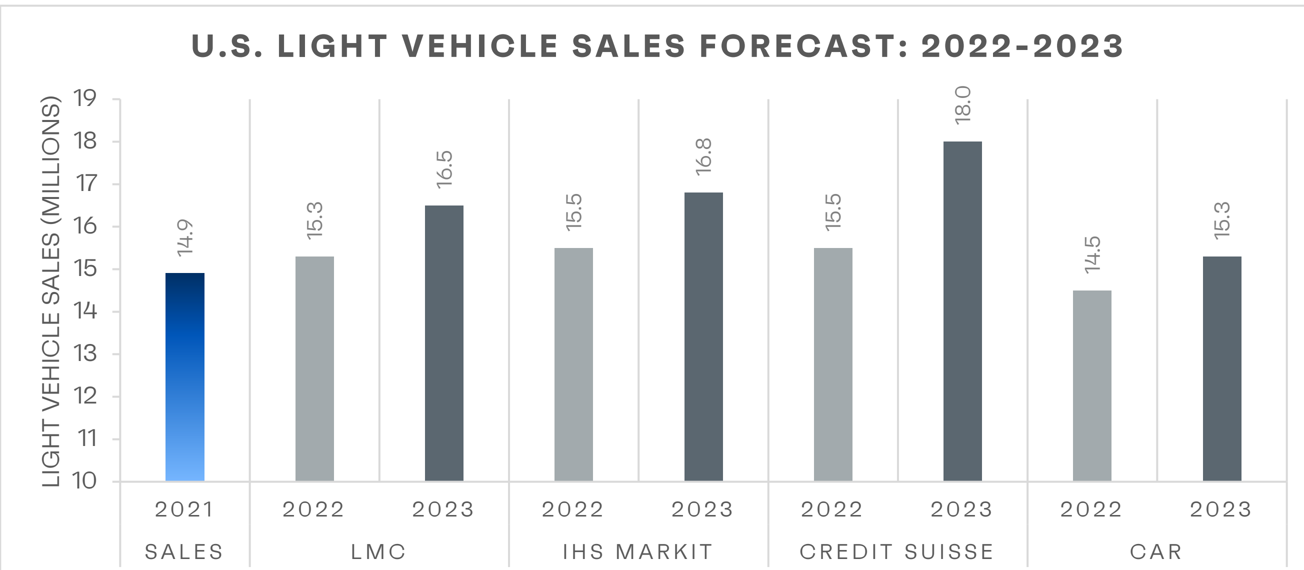
Sales & Production Summary and Forecast (Updated 5/25)

2021-2022 Sales, [1] Extended Sales Forecast [2] and Production Forecasts [3]		
	U.S. Sales & Forecasts	**North American Production**
January '21	1,094,689 (-3.6% YoY)	1,175,940 (-14.0% YoY)
February '21	1,180,506 (-5.3% YoY)	1,120,200 (-22.9% YoY)
March '21	1,581,067 (+59.7% YoY)	1,376,904 (31% YoY)
April '21	1,512,186 (+111.4 YoY)	1,094,891 (-21% YoY)
May '21	1,577,941 (+41% YoY)	729,879 (+271% YoY)
June '21	1,296,517 (+17% YoY)	1,107,958 (-1.9% YoY)
July '21	1,288,494 (-7.9% YoY)	926,035 (3% YoY)
August '21	1,090,446 (-11% YoY)	1,113,327 (-19% YoY)
September '21	1,006,875 (-25% YoY)	907,470 (-33.4% YoY)
October '21	1,046,282 (-20% YoY)	1,140,383 (-22.1% YoY)
November '21	1,001,351, (-20% YoY)	1,168,245 (-9% YoY)
December'21	1,194,313 (-22.9% YoY)	1,029,501 (-13.8% YoY)
January '22	991,156 (-10% YoY)	1,111,390 (-4% YoY)
February '22	1,052,524 (-11.8% YoY)	1,112,429 (-1% YoY)
March '22	1,246,336 (-22% YoY)	1,350,102 (-.1% YoY)
April '22	1,226,950 (-22% YoY)	1,177,851 (+8% YoY)
1st Quarter '22	14.01 million-unit SAAR	3,458,480 (-1.4% YoY)
2021 Full Year	14,926,933 (+3.1% YoY)	8,899,632 (+4% YoY)
2022 Full Year Estimate	15.3 million units	15,107,419 (+17% YoY)



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

Wards Intelligence Outlook (5/5) [4]: "Initial modeling for May suggests a slight increase in the seasonally adjusted annual rate from April's 14.3 million units to 14.6 million, with a bump in June to 15.0 million. The second quarter is tracking to a 14.6 million-unit SAAR, up from Q1's 14.1 million. Wards Intelligence/LMC Automotive still is forecasting 15.3 million units for enitre-2022 and 16.5 million in 2023."



North American Production & Inventory Outlook (Updated 5/25)

Wards Intelligence Production Outlook (5/25) [5]: "Second-quarter North production of light vehicles and medium-/heavy-duty trucks combined is expected to total 3.848 million units, 16.9% above like-2021's 3.290 million. . . . However, indicating there could be more upside than downside to May and June, production in April totaled 1.188 million units, 8.0% above the same year-ago period, and nearly 10,000 units higher than the final estimate for the month.

"April's year-over-gain was the first monthly increase since May 2021. Q2's expected gain will be the first for any quarter since the year-ago period. Still, with parts shortages continuing to plague the industry, April-June's production is 12.6% below pre-pandemic Q2-2019's 4.400 million units. Light-vehicle production in Q2 is tracking to a total of 3.708 million units, 17.1% above the year-ago period."

Wards Intelligence Inventory Outlook (5/5) [6]: "The current inventory outlook calls for a decline in May from April, then resuming sequential growth in June. It was during the year-ago quarter that inventory started the sharp downward slide mostly as a ramification of the semiconductor shortage, thus year-over-year comparisons will continue to look better – though the projection has sometime in the third quarter when inventory tops year-ago totals."

"But the cuts are not just because of increased disruption to the supply of raw materials and parts caused by Russia's invasion of Ukraine or lockdowns in China due to rising Covid-19 cases, the overall economic picture looks dimmer – though not disastrous – for the remainder of the year. Chief among economic concerns is the prospect of inflation and rising interest rates putting a dent in consumer confidence and pocketbooks, which could hurt new-vehicle demand. One bright spot is March's overbuild of 58,100 units from month-ago's projection for the period. . . .

"Although the month is tracking to a hefty 119,300 units below its month-ago expectations, April's estimated output of 1.168 million is 7.1% above the year-ago total. In fact, May is projected to rise 23.9% year-over-year and June is pegged to increase 21.2%. Underlying the huge May-June increases is that the impact of the semiconductor shortage, which had begun in the prior quarter, hit automakers full force in North America during Q2-2021, causing huge production stoppages in the period.

"Production in April-June is tracking to a total of 3.862 million units, reflecting a reduction of 239,000 units from month-ago's outlook, but a 17.4% increase over year-ago's 3.290 million. Light-vehicle output is tracking to a Q2 total of 3.723 million units, 18.2% above like-2021.

"Compared to Q2-2019, or the last pre-pandemic year, Q2 output is down 18.2%. Currently, it looks like sometime in 2023 before production returns to pre-2020-like levels."

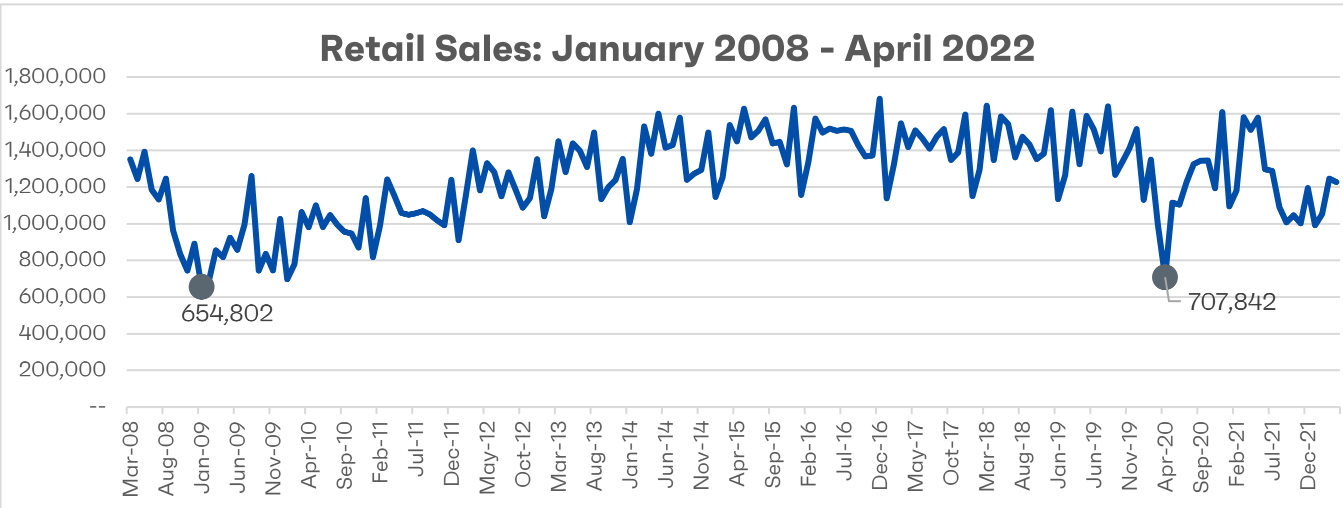
S&P Global Mobility Production Outlook (4/20) [7]: "The outlook for North America light vehicle production was increased by 9,000 units and reduced by 177,000 units for 2022 and 2023, respectively (and reduced by 242,000 units for 2024). In spite of the backdrop of the Russia/Ukraine conflict and continued supply chain challenges, the outlook for North American light vehicle production in 2022 remains flat at 14.75 million units. Production in Q1-2022 came in a bit higher than forecast with 3.55 million units produced. However, production in Q2- 2022 was revised down approximately 78,000 units on continued supply chain struggles and concerns surrounding additional logistics issues at border crossings between the US and Mexico in Texas that may exacerbate already strained conditions in the near-term. Despite some of the negative sentiment associated with supply chain and logistics challenges, upside exists in the forecast depending on manufacturers ability to produce vehicles as demonstrated with the stronger results in Q1-2022. Production for 2023 was revised down by 1.1% to total 16.49 million units on the growing threat of demand destruction. Further, production in 2024 was reduced by 1.4% to total 17.24 million units. Latent demand is currently stronger than US sales results to date, yet pent-up demand remains under threat from inflationary pressures."

Market Meter

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

Monthly Sales (Updated 5/5)

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.



April Sales (Updated 5/5)

WardsIntelligence[8]**:** "U.S. light-vehicle sales picked up in April from Q1's results, while also recording both the second highest annualized rate and raw volume since last summer.

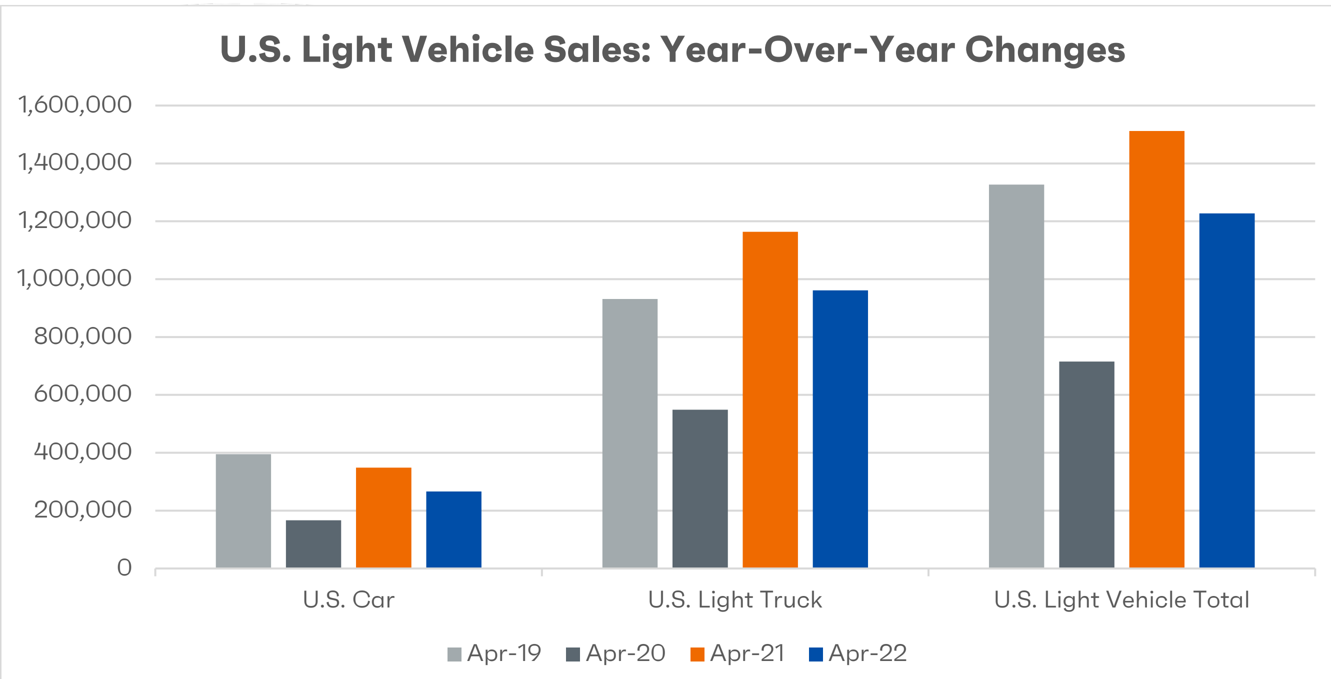
"April sales totaled a 14.3 million-unit seasonally adjusted annual rate, well above March's 13.4 million, and – except for January's 15.0 million, best since July 2021's 14.7 million. April's SAAR also makes a solid footing for Q2 to improve on Q1's 14.0 million units.

"Still, thanks to a dearth of availability, sales remain underwhelming.

"Last month's results could almost be called a cliff-drop from April 2021's 18.3 million-unit SAAR, which was a 16-year any-month high, and the last month prior to a sharp decline in sales over the summer caused by the slashing of inventory due to global supply chain disruptions. The dried-up inventory led to a bottoming out of deliveries during a stretch from August to December when the SAAR averaged a paltry 12.8 million.

"April's volume totaled 1.227 million units, 19.2% below like-2021's 1.518 million. The total was 2.2% below March's 1.249 million units but the second highest since July's 1.281 million. April's daily selling rate over the month's 27 selling days was 45,443, 22.2% below same-month-2021's 58,401 – 26 selling days.

"The final tally for April was below expectations for a 14.5 million-unit SAAR and appeared to be the result of retail volume finishing slightly weaker, probably due to underestimating the negative impact of rising prices exacerbated by the high mix in inventory of higher priced vehicles, higher fuel prices and some trepidation by consumers on the economic outlook. Fleet, which proportionately has more pent-up demand than retail from the pandemic impact of the past two years, remains at historic lows."



Fleet Sales (Updated 5/5)

TrueCar [9]: "Fleet sales for April 2022 are expected to be down 24% from a year ago and up 19% from March 2022 when adjusted for the same number of selling days.

J.D. Power [10]: "Fleet sales are expected to total 165,100 units in April, down 2.0% from April 2021 on a selling day adjusted basis. Fleet volume is expected to account for 13% of total light-vehicle sales, up from 11% a year ago."

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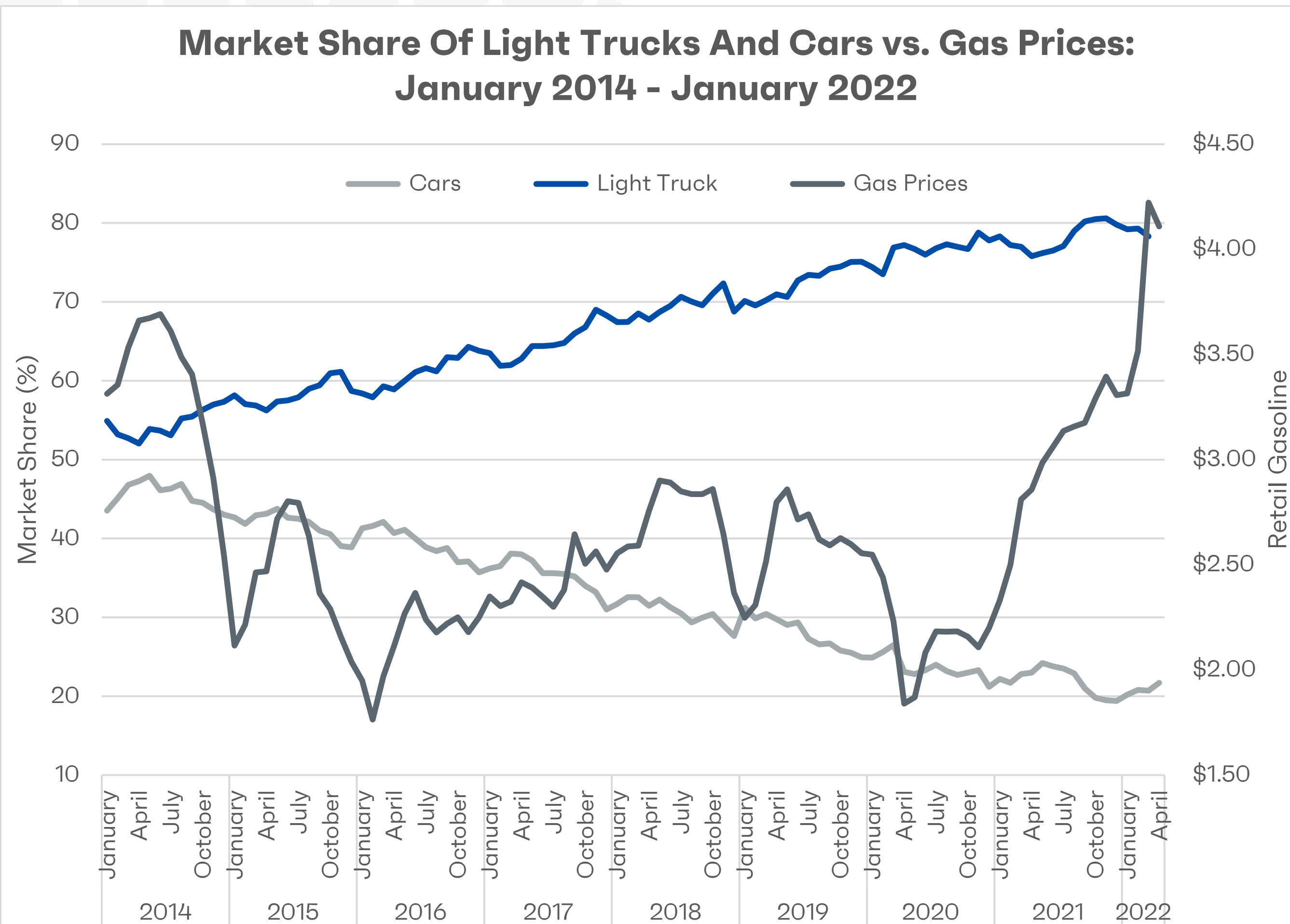
Segments vs. Gas Prices (Updated 5/5)

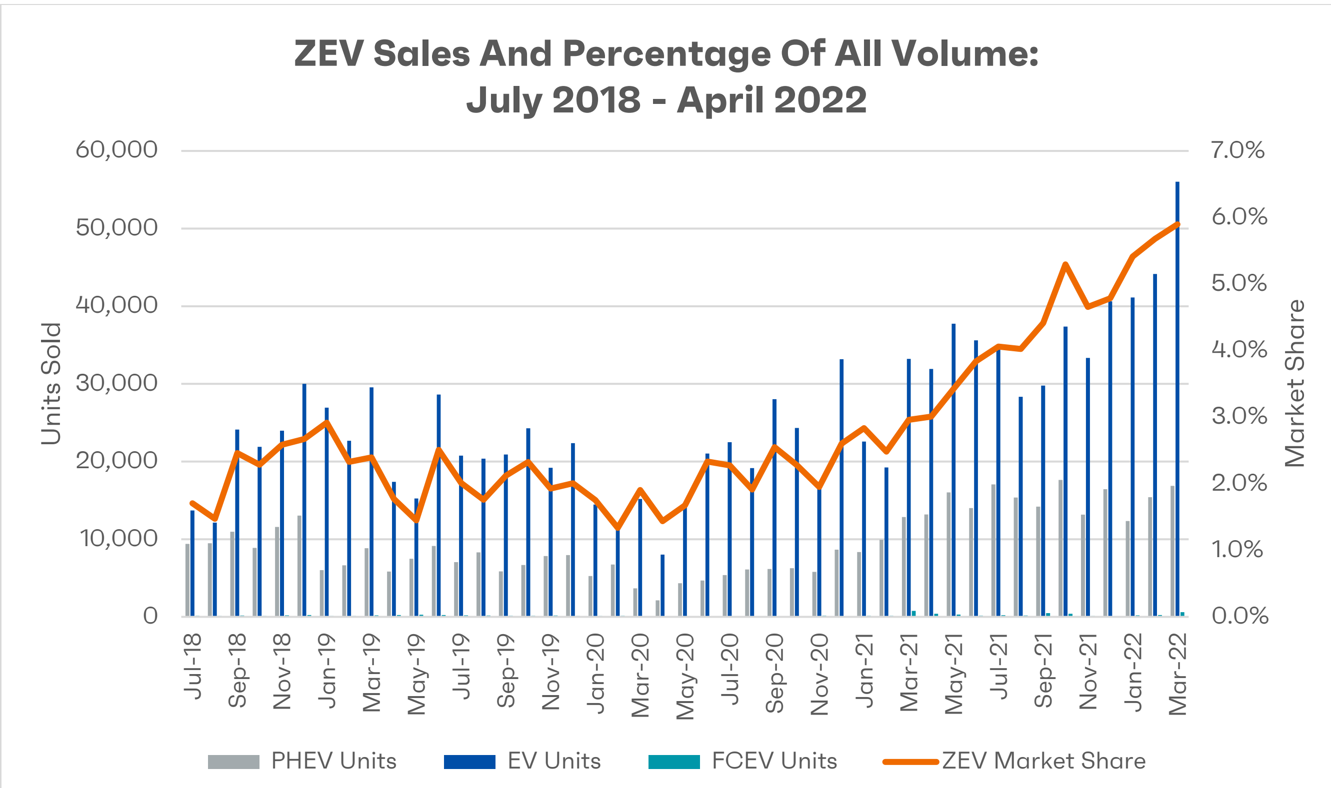
Monthly Sales For April: Light trucks accounted for 78.3% of sales in April, a 1.3 pp increase market share from a year ago. Compared to the same period in 2021, sales of cars are down more than 82,000, and down more than 129,000 from March 2019, when cars comprised 30% of the market as opposed to the 22% 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[11] and gas was over $3.00[12] 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 $2.61 a gallon (through January 2022) 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.[13]



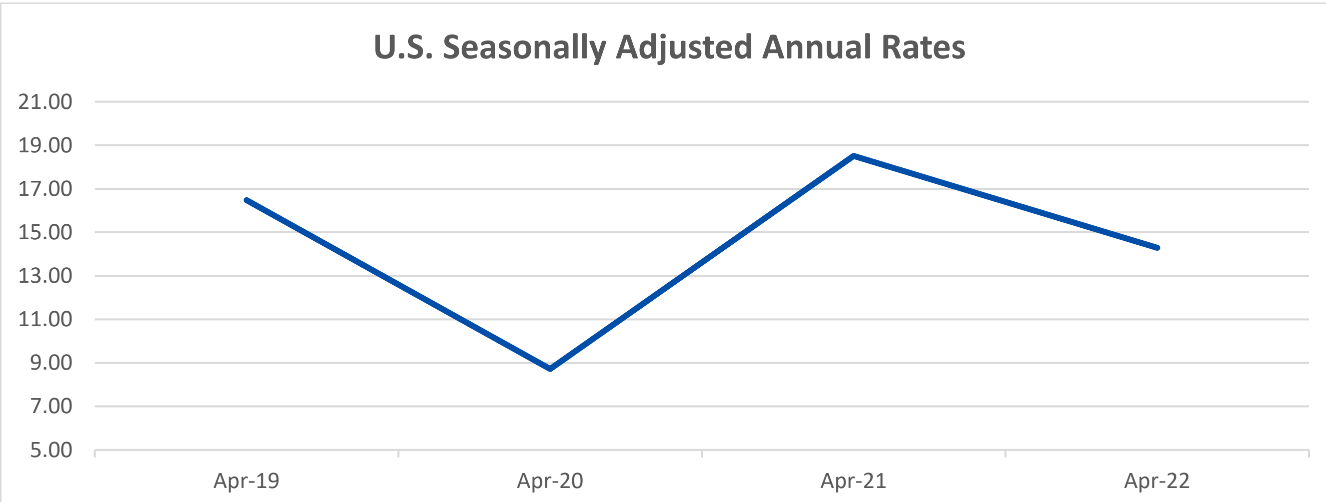
ZEV Powertrain Sales (Updated 5/5)

Sales of zero emission vehicles (BEV, PHEV, & Fuel Cell) accounted for 5.8% of total vehicle sales in April 2022 (71,714 units), up 2.8 pp from a year ago and down 0.1 pp from March 2022. Sales of battery electric vehicles led the way for ZEVs, accounting for 4.52% of total sales, up 2.4 pp from March 2021. Plug-in hybrids accounted for 1.31%, 0.44 pp higher than the same time last year. [14]



Seasonally Adjusted Annual Rates (Updated 5/5)

WardsIntelligence: "April sales totaled a 14.3 million-unit seasonally adjusted annual rate, well above March's 13.4 million, and – except for January's 15.0 million, best since July 2021's 14.7 million. April's SAAR also makes a solid footing for Q2 to improve on Q1's 14.0 million units." [15]



Average Transaction Price (Updated 5/25)

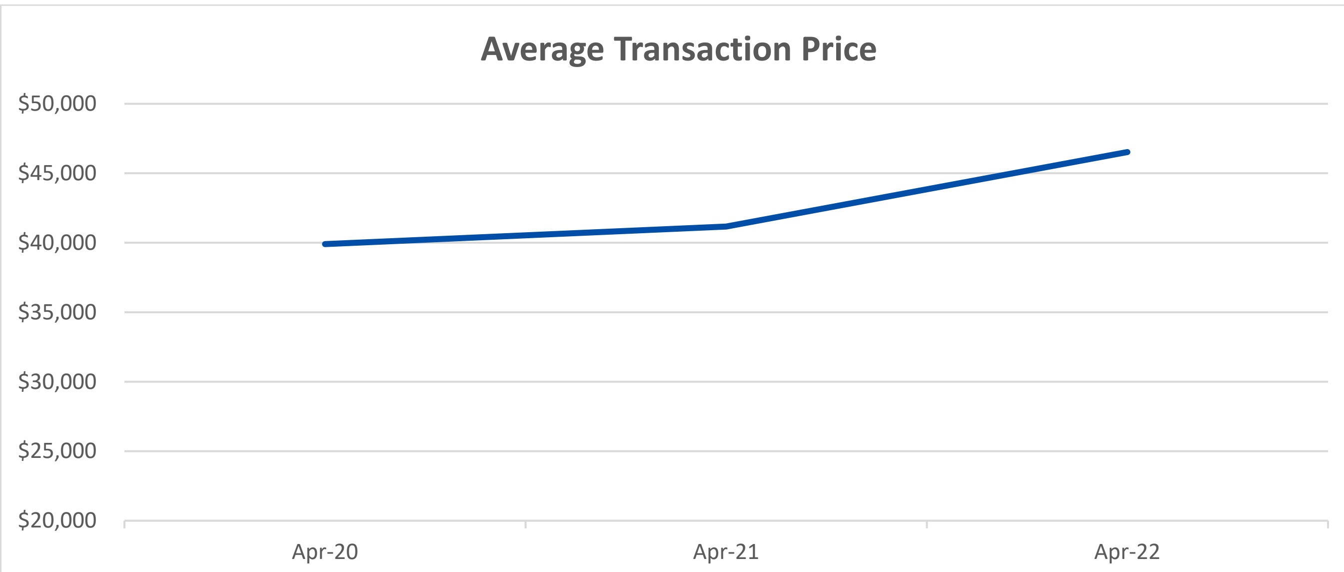
Kelley Blue Book (April): "New-vehicle average transaction prices (ATPs) increased to $46,526 in April 2022, according to new data released by Kelley Blue Book, a Cox Automotive company. Prices rose 0.7% ($304) month over month and remain elevated compared to one year ago, up 13.0% ($5,354) from April 2021. . . . Luxury vehicle share rose to 17.4% of total sales in April, up from 16.7% of total sales in March but still down from 18.4% in December 2021, when the average transaction price for a new vehicle hit a record high of $47,064.

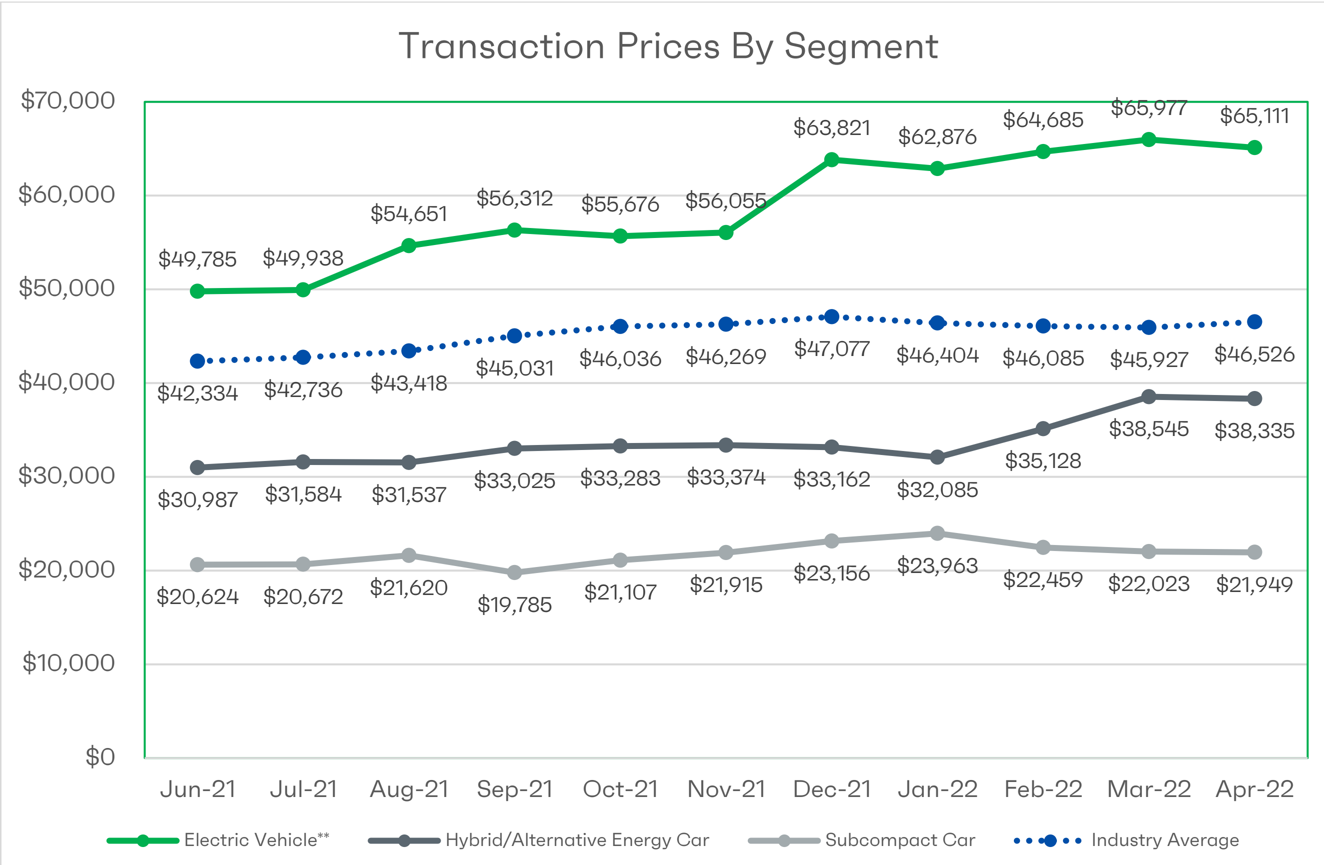
"The average price paid for a new electric vehicle (EV) dropped in April compared to March, as more lower-priced models enter the market and offset the many luxury EVs currently available. The Chevrolet Bolt is back in the market after an extensive recall, and the new Kia EV6 is selling well. Even Tesla had slightly lower ATPs month-over-month in April. Still, the average price for a new electric vehicle – over $65,000 according to Kelley Blue Book estimates – is well above the industry average and more aligned with luxury prices than mainstream prices.

"New-vehicle average transaction price changes month over month by segment saw all segments increasing except cars, a reversal of March. With an ATP of $55,210, trucks saw the largest increase of $621. With an ATP of $47,731, vans saw an increase of $136 in April, while SUVs increased by $391 to an ATP of $45,290. Cars had an average transaction price of $42,165 in April, a $101 decrease month over month." [16]

J.D. Power (Updated 5/5) [17]: "New-vehicle prices continue to set records, with the average transaction price expected to reach an April record of $45,232—an 18.7% increase from a year ago and the second-highest level on record behind $45, 247 set in December 2021.

"The growth in transaction prices means that, while the sales pace is down 23.8% year over year, consumers will spend $48.7 billion on new vehicles this month, the second-highest level ever for the month of April and down just 6.1% from April 2021."



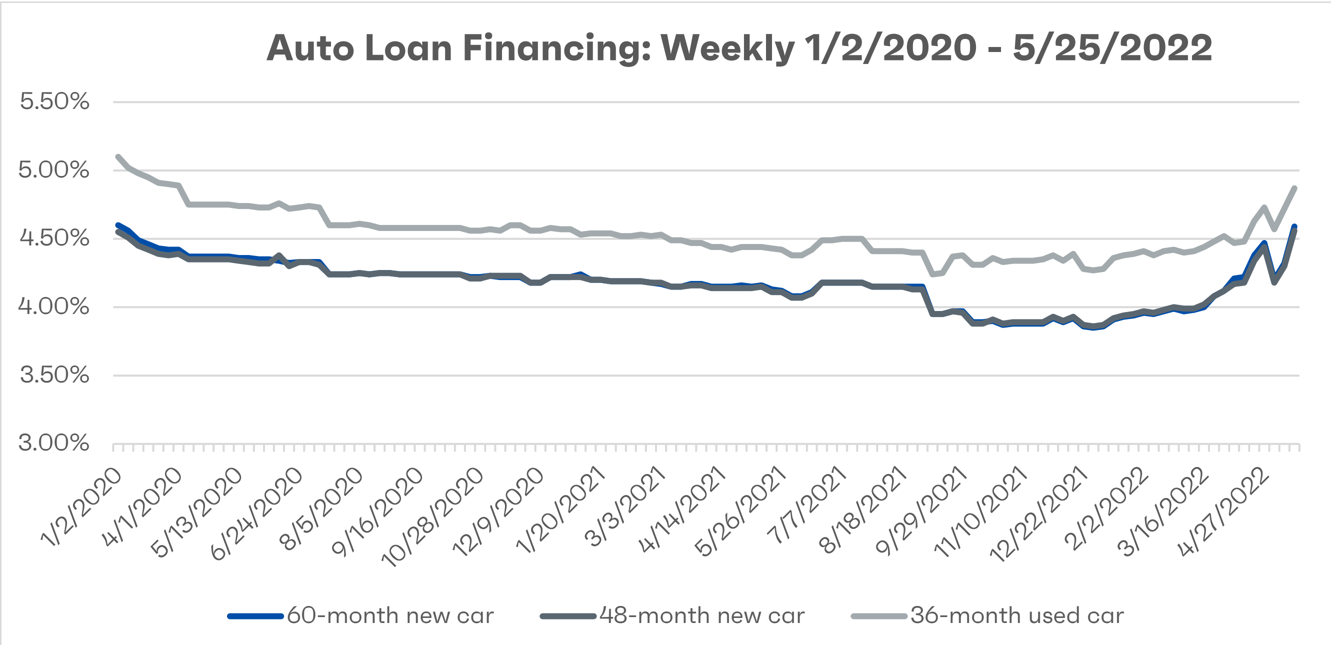


**Due to reporting errors with Tesla Motors, the Electric Vehicle ATP is likely higher than Kelley Blue Book estimates.

Auto Loan Financing (Updated 5/25)

Interest Rates Rise: Interest rates for new cars rose 0.27 pp and now stand at 4.59%. Rates also rose 0.15 pp on the 36-month used car loan and now stand at 4.87%. The 48-month new car loan rose to 4.56%. Since the beginning of 2020, 60-month rates are down 0.01 pp, and are up 0.47 pp since the same time a year ago.[18]

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
5/26/2021	4.12%	4.11%	4.42%
5/11/2022	4.32%	4.30%	4.72%
5/18/2022	4.59%	4.56%	4.87%
One Week Change	0.27%	0.26%	0.15%
Two Week Change	0.39%	0.38%	0.30%
Change since 1/3/20	-0.01%	0.01%	-0.23%
One Year Change	0.47%	0.45%	0.45%



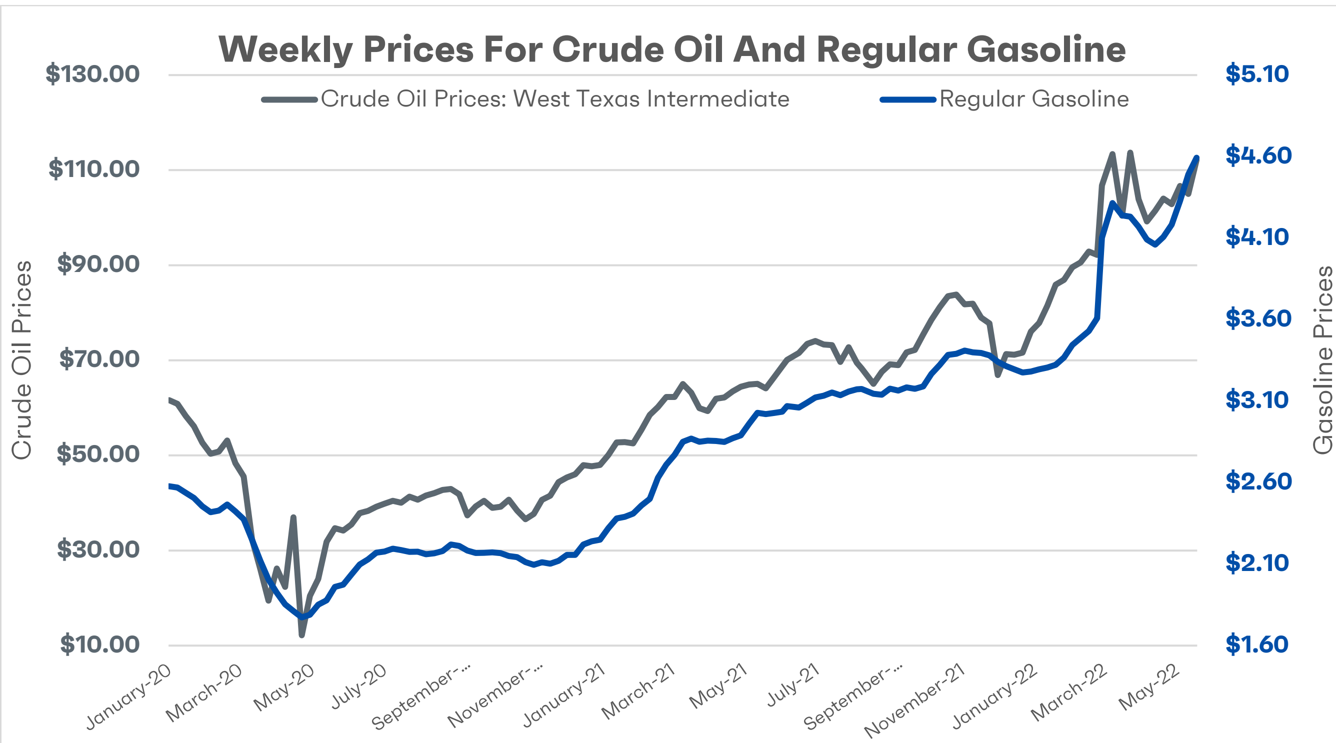
Crude Oil and Gas Prices (Updated 5/25)

EIA Outlook For Gasoline (5/11) [19]**:** "The front-month futures price of RBOB (the petroleum component of gasoline used in many parts of the country) settled at $3.66 per gallon (gal) on May 5, up 51 cents/gal from April 1 (Figure 5). The RBOB–Brent crack spread (the difference between the price of RBOB and the price of Brent crude oil) settled at $1.02/gal on May 5, up 35 cents/gal during the same period. The RBOB–Brent crack spread increased by 11 cents/gal (13%) on April 27, the third-highest daily percentage increase in 2022 (March 1 marked the highest increase when the RBOB futures contract rolled to a new month reflecting more expensive summer grade gasoline). April's increasing RBOB–Brent crack spread was likely due to decreasing gasoline inventories. We estimate that U.S. gasoline inventories decreased from March to April by 8.2 million barrels (3.5%). One reason for this inventory decrease was increased driving. We estimate that gasoline consumption increased to 8.7 million barrels per day (b/d) in April, a 0.1 million b/d (1%) increase from March.

EIA Outlook For Oil (5/11) [20]**:** "The Brent crude oil spot price averaged $105 per barrel (b) in April, a $13/b decrease from March. Although down from March, crude oil prices remain above $100/b following Russia's full-scale invasion of Ukraine. Sanctions on Russia and other independent corporate actions contributed to falling oil production in Russia and continue to create significant market uncertainties about the potential for further oil supply disruptions. These events occurred against a backdrop of low oil inventories and persistent upward oil price pressures. Global oil inventory draws averaged 1.7 million barrels per day (b/d) from the third quarter of 2020 (3Q20) through the end of

2021. We estimate that commercial oil inventories in the OECD ended 1Q22 at 2.63 billion barrels, up slightly from February, which was the lowest level since April 2014."

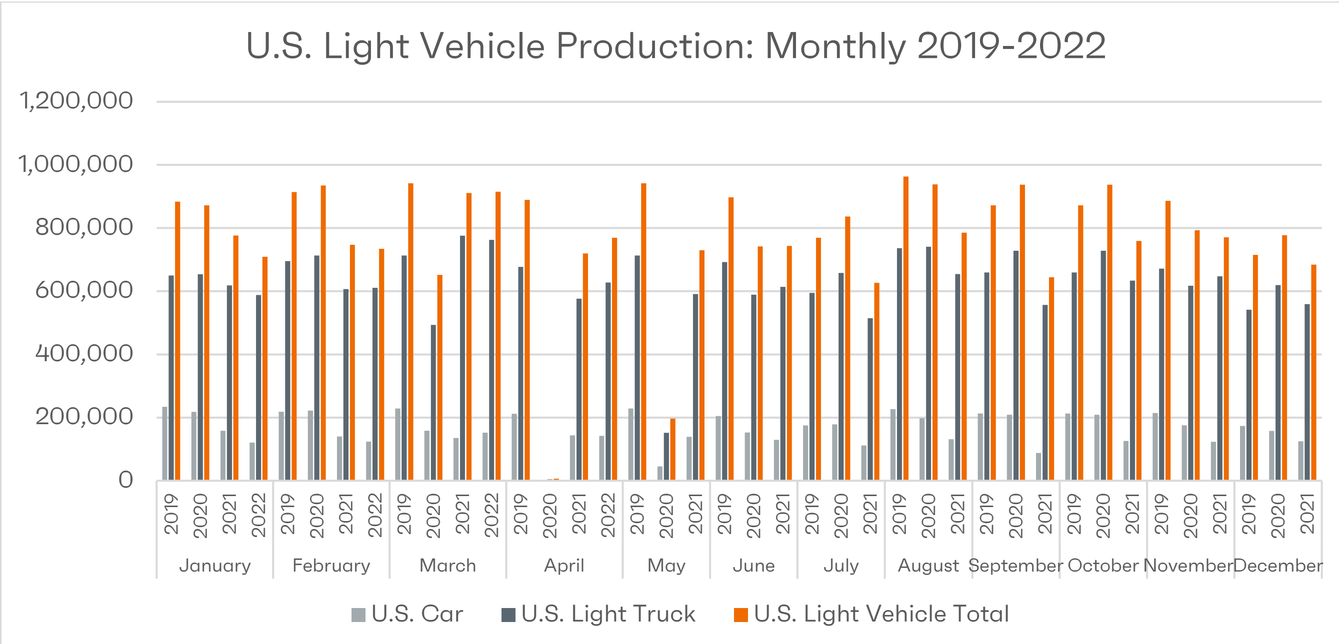
Gas And Oil Remain High: Oil prices, as benchmarked at West Texas Intermediate, fell $1 to $102.85 a barrel for the week of May 2. Since election day 2020, oil prices have climbed $66 a barrel. Gas prices rose $0.07 to $4.18. Gas is 57.5% higher than the beginning of 2020. [21]



Production Meter

U.S. Light Vehicle Production (Updated 5/25)

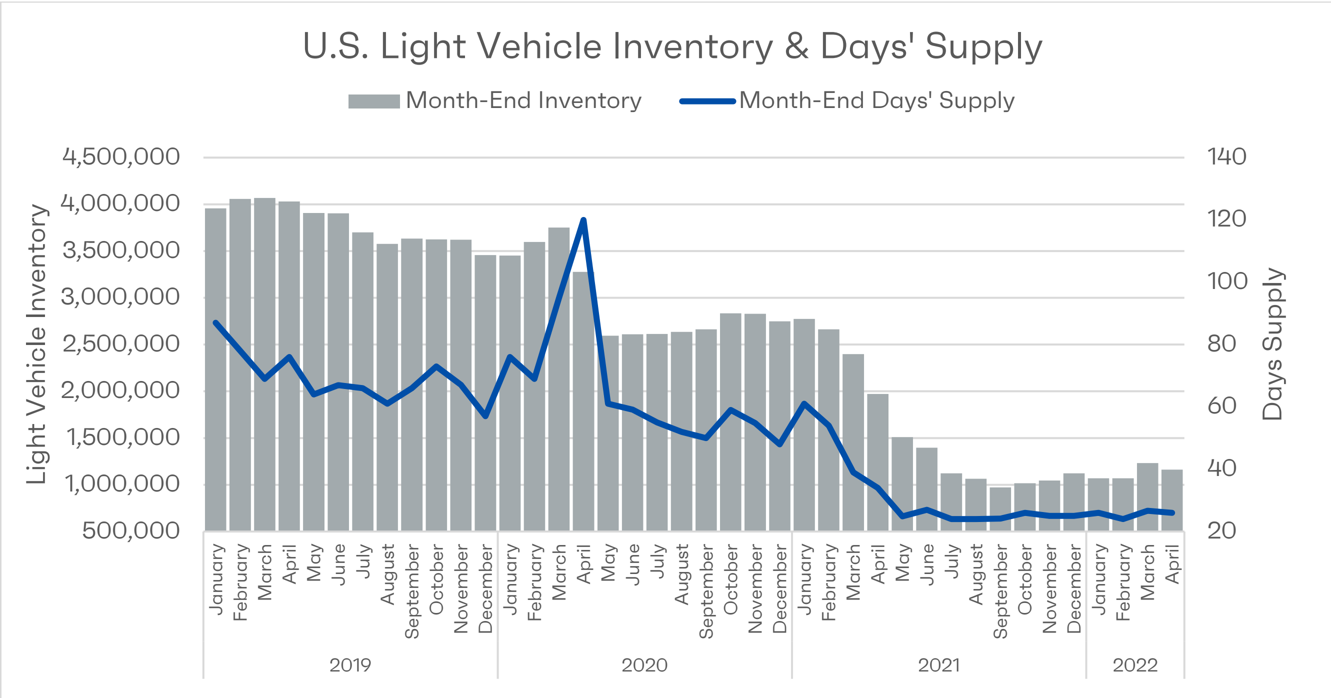
U.S. Light vehicle production for April 2022 decreased month-over-month by 15.9 percent, totaling 769,413 vehicles (141,969 cars, 627,444 light trucks), year-over-year, production is up 8.5 percent from 2021. [22]



Wards Intelligence North America Production [23]**:** "In March, 1.396 million light vehicles and medium-/heavy-duty trucks were built in North America, nearly even with same-month 2021's 1.399 million. The last month to record year-over-year growth was May 2021. March light-vehicle production totaled 1.350 million units, a smidgeon below like-2021's 1.352 million. . . . First-quarter production totaled 3.579 million units, 3.7% below Q1-2021's 3.717 million."

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

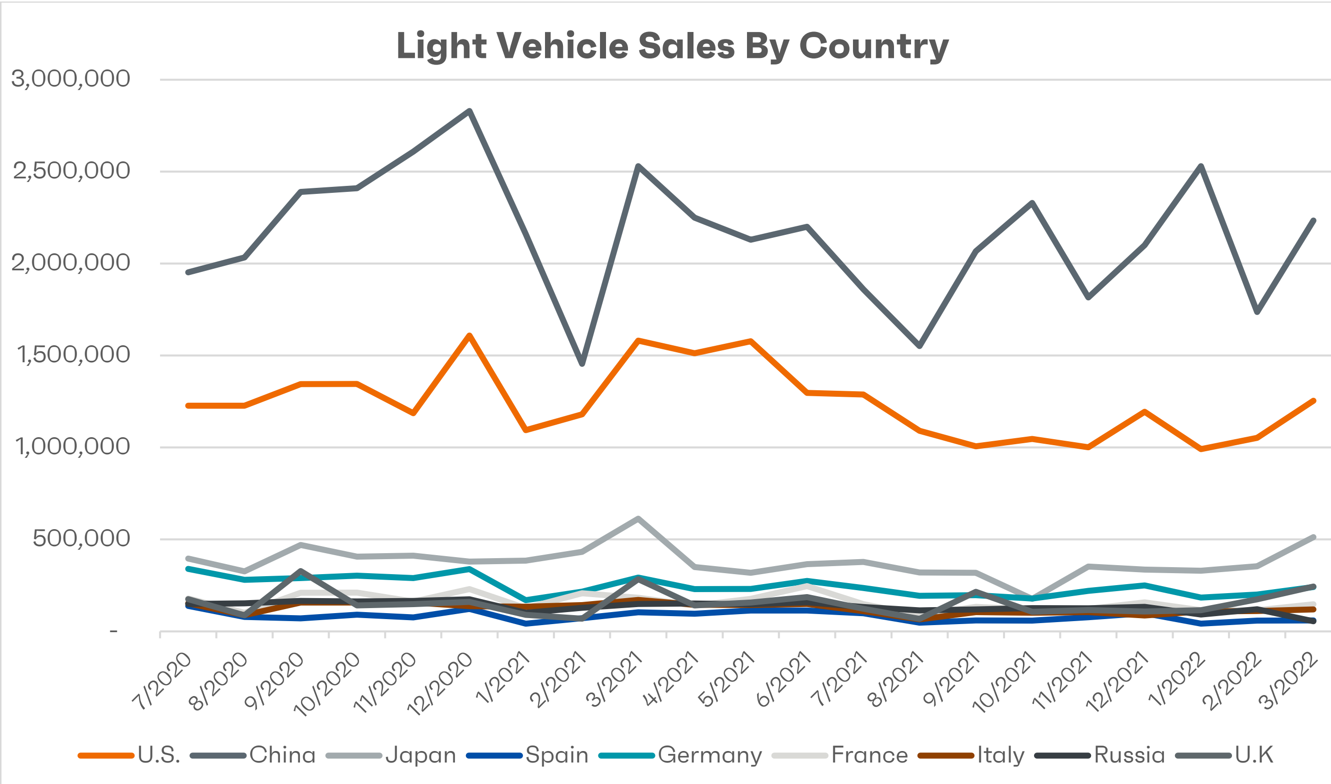
WardsIntelligence Inventory Update (5/5) [24]**:** "U.S. light-vehicle inventory dropped 5.7% from the prior month in April, which was a larger decline than expected, though not enough to keep the gap between this year and last year from narrowing. April inventory totaled 1.162 million units, 41.1% below like-2021. The total fell from March's 1.232 million, which was 48.7% below the same year-ago level. Inventory was expected to decline slightly from March due to seasonal factors. Most of the drop was centered in a 10.5% month-to-month decline in imports, while inventory of domestically made vehicles fell 4.6%. Days' supply ended April at 26, down from the prior month's 27 and like-2021's 34. Historically, an increase in days' supply from March to April is normal. Pre-pandemic, roughly a 70 days' supply was normal for April."



Global Meter

Global Light Vehicle Sales (Updated 5/5)

Wards Intelligence [25]: "Though global vehicle sales saw a brief recovery in February, this was not expected to last; Russia's invasion of Ukraine added to the stress on vehicle sales already stemming from the microchip shortage. World vehicle sales sank 14.6% in March, totaling 7.51 million units in comparison with 8.79 million in like-2021. All regions posted declines for the month. . . . Wrapping up the first quarter with 20.45 million deliveries, global vehicle sales fell behind year-ago's 21.96 million by 6.9%."



Global Light Vehicle Production (Updated 4/20)

Wards Intelligence Outlook (3/17) [26]: "With the impact from the Russia-Ukraine war on global supply chains worsening, and the general economic outlook looking less rosy, Wards Intelligence partner LMC Automotive revised its expectations from two weeks ago and cut forecast 2022 light-vehicle production 1.4 million units to 83.9 million. The global light-vehicle forecast for 2023 was chopped 1.6 million units to 91.1 million. Regionally, Europe is expected to be hit the hardest, with Asia and North America totals also impacted. Production in Europe for 2022 is forecast to total 17.7 million units, Asia is pegged for 46.2 million and North America has been reduced to 14.9 million. In 2023, production in Europe is forecast to rise to 18.7 million units, Asia increases to 49.7 million and North America totals 16.3 million."

S&P Global Mobility Forecast (4/20) [27]: "While the March 2022 forecast update reflected the impact of Russia's invasion of Ukraine, the April update addresses some additional issues that have arisen, including a rather sluggish recovery in semiconductor supplies, the impact of further COVID lockdowns in China and the longer-term influence of high raw material prices that will put added pressure on new vehicle affordability. The April 2022 forecast update reflects noteworthy reductions for several markets, to varying degrees, with the most significant reductions focused on Europe and Greater China as well as intermediate/longer-term revisions made across various other markets. Given the ongoing uncertainty, a scenarios-based approach to planning is advised to help navigate dynamic market conditions. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was reduced by 498,000 units and by 320,000 units for 2022 and 2023, respectively (and reduced by 422,000 units for 2024). While most markets are influenced in some way by the ongoing Russia/Ukraine conflict, Europe is undeniably the most severely impacted. Last month, we made material revisions to both Russia output directly, as well as broader European production (the latter significantly influenced by the disruption of critical component supplies from Ukraine). With the April update, we see European production remaining challenged as the region continues to navigate the Russia/Ukraine impact as well as ongoing supply chain issues. We have seen actual production results for several countries in Europe coming in considerably weaker for Q1-2022 and early indications are that the weakness is carrying into Q2-2022. As a result, the downward revisions were particularly focused on the first half of 2022 with more limited downgrades for the back half of the year. Looking beyond 2022, the European production outlook was reduced largely commensurate with reductions in the demand outlook for the region as the market is expected to face noteworthy challenges in navigating higher raw material and component prices and more challenging macro conditions which will contribute to additional demand destruction.

"Greater China: The outlook for Greater China light vehicle production was reduced by 396,000 units and by 222,000 units for 2022 and 2023, respectively (and reduced by 339,000 units for 2024). Heavily hit by strict COVID containment measures, particularly in Changchun and Shenyang in North China, light vehicle production in March declined by 8% a year-over-year. In April, the high infectious Omicron variant has spread to Shanghai and forced local government officials to implement comprehensive lockdowns. According to the zero-COVID policy, all manufacturing facilities in Shanghai have suspended operations and are expected to remain closed for all of April. Key automakers impacted include Shanghai-GM, Shanghai-Volkswagen and Tesla whose plants remain non-operative since the beginning of the month. As the influence of lockdowns expanded from vehicle production to parts production, component shortages are expected to interrupt auto production outside of Shanghai in the near-term, leading to further vehicle output impact in following months. Given the negative lingering impacts of growing COVID case counts and resultant lockdowns as well as the macro implications of the Russia/Ukraine conflict, further downward forecast adjustments were made, particularly through the intermediate-term.

"Japan/Korea: Full-year 2022 Japan production volume was reduced by 17,000 units relative to the March forecast. Domestic operations have been affected by supply chain disruptions associated with the Fukushima earthquake and the zero COVID-19 policy in China, in addition to ongoing semiconductor shortages. While full year 2023 Japan production was only modestly revised, production for 2024 was reduced by 91,000 units. Near-term production remains influenced by efforts to overcome supply chain challenges, yet vehicle production in the intermediate-term is expected to be negatively impacted by stagnant consumer demand due to macroeconomic deterioration as a result of the lingering effects of the Russia/Ukraine conflict. Full-year 2022 South Korea production was reduced by 34,000 units relative to the previous forecast. The Russia/Ukraine conflict and lingering semiconductor availability challenges continue to influence production in the near-term. In addition, recent COVID-19 lockdowns in China have created challenges in securing wire harnesses, among other components, further impacting the production recovery in South Korea. In the long-term, South Korea production was reduced by an average of 1.3% per year. As the macro effects of the crisis between Russia and Ukraine are expected to be prolonged, demand and production have been adjusted accordingly.

"North America: The outlook for North America light vehicle production was increased by 9,000 units and reduced by 177,000 units for 2022 and 2023, respectively (and reduced by 242,000 units for 2024). In spite of the backdrop of the Russia/Ukraine conflict and continued supply chain challenges, the outlook for North American light vehicle production in 2022 remains flat at 14.75 million units. Production in Q1-2022 came in a bit higher than forecast with 3.55 million units produced. However, production in Q2- 2022 was revised down approximately 78,000 units on continued supply chain struggles and concerns surrounding additional logistics issues at border crossings between the US and Mexico in Texas that may exacerbate already strained conditions in the near-term. Despite some of the negative sentiment associated with supply chain and logistics challenges, upside exists in the forecast depending on manufacturers ability to produce vehicles as demonstrated with the stronger results in Q1-2022. Production for 2023 was revised down by 1.1% to total 16.49 million units on the growing threat of demand destruction. Further, production in 2024 was reduced by 1.4% to total 17.24 million units. Latent demand is currently stronger than US sales results to date, yet pent-up demand remains under threat from inflationary pressures.

"South America: The outlook for South America light vehicle production was reduced by 73,000 units and by 37,000 units for 2022 and 2023, respectively (and reduced by 36,000 units for 2024). The downgrade in production for 2022 was driven primarily by continued weakness in production results for Brazil as well as a downward revision for demand in the near-term. While Argentina continues to exhibit a level of production stability, that is not enough to offset the weakness associated with the Brazil market. The outlook for 2023 and 2024 was downgraded on rising macro concerns resulting from the Russia/Ukraine conflict impacting demand and continued challenges regarding semiconductor availability. Of note, we continue to expect some restocking to occur throughout 2023; however, we will be closely monitoring demand, particularly in Brazil, for signs of further deterioration that could negatively impact the need for broader restocking.

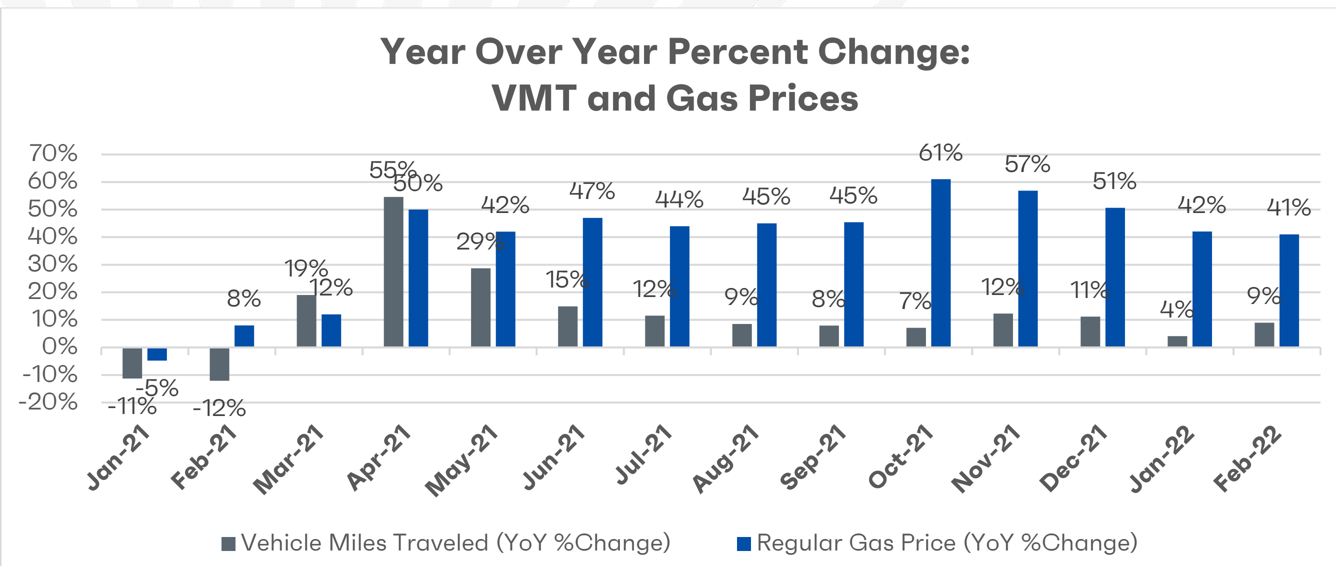
"South Asia: The outlook for South Asia light vehicle production was reduced by 27,000 units and by 19,000 units for 2022 and 2023, respectively (and reduced by 107,000 units for 2024). The downgrade in outlook for 2022 was primarily focused on the ASEAN market amid ongoing semiconductor constraints and recent China COVID-19 lockdowns, as well as a fragile economic outlook resulting from the Russia/Ukraine conflict. Looking beyond 2022, the forecast has been negatively impacted by expected longer-term demand destruction (post-COVID pandemic and supply chain crisis) influenced by rising commodity prices and a deteriorating economic outlook. On the commodity front, India is particularly vulnerable given its position as a net oil importer and relative sensitivity to capital outflows."

Recovery Meter

Roadway Travel (Updated 5/11)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in February rose 9% from the same time a year ago. The cumulative travel estimate for 2022 is 476.2 billion vehicle miles. [28]

- Travel on all roads and streets changed by +10.6% (+22.6 billion vehicle miles) for February 2022 as compared with February 2021. Travel for the month is estimated to be 235.7 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for February 2022 is 276.4 billion miles, a 9% (22.7 billion vehicle miles) increase over February 2021. It also represents 2.2% increase (5.9 billion vehicle miles) compared with January 2022.
- Cumulative Travel for 2022 changed by +7.2% (+32.1 billion vehicle miles). The cumulative estimate for the year is 476.2 billion vehicle miles of travel.



Economic News (Updated 5/11)

Manufacturing Gained 55,000 Jobs In April; Motor Vehicles And Parts Manufacturing Gained 6,100. "Manufacturing added 55,000 jobs in April, with the transportation sector leading the way, the U.S. Bureau of Labor Statistics said today. Durable goods accounted for a 31,000-job gain, according to a breakdown by industry issued by the bureau. Transportation equipment posted an increase of 13,700 jobs. Within transportation, motor vehicles and parts saw an increase of 6,100 jobs. The auto industry has had employment ups and downs. A continuing shortage of computer chips has caused temporary plant shutdowns. [29]

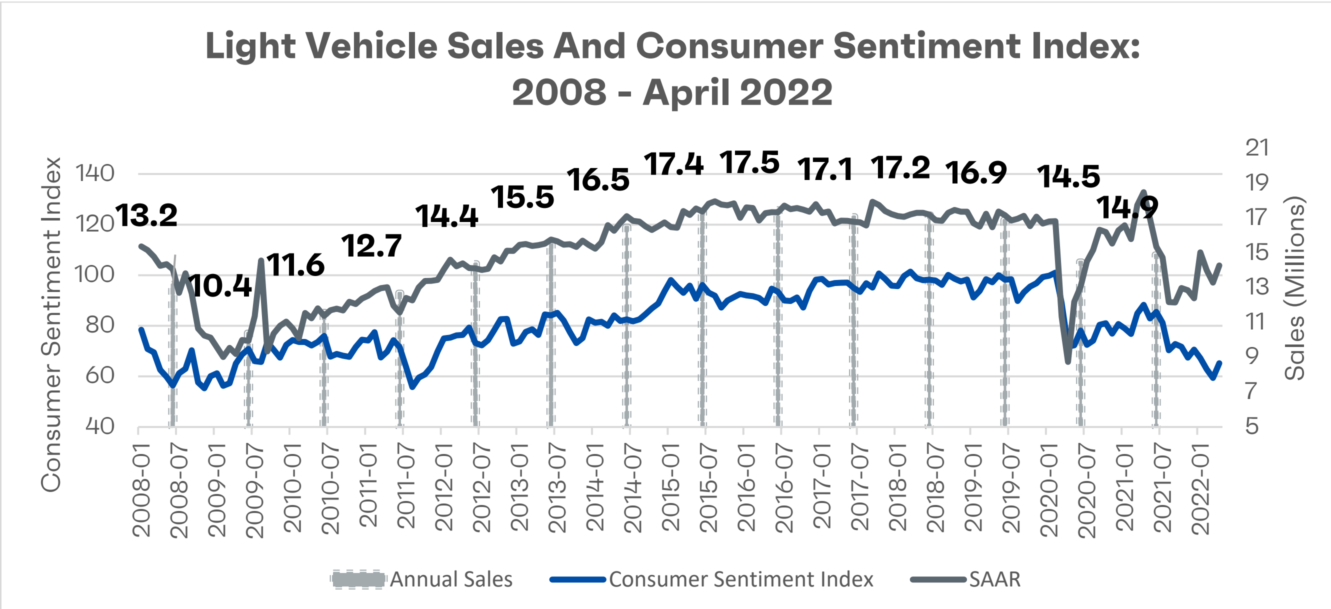
The ISM Index Fell To 55.4 In April. "The manufacturing economy slowed in April as supply chain issues such as transportation of goods complicated operations, the Institute for Supply Management said today. The Tempe, Ariz.-based group's manufacturing index, known as the PMI, fell to 55.4 percent last month, down from 57.1 percent in March. [30]

The Consumer Price Index Increased 8.3%, Closest To Highest Level Since 1982. "Inflation rose again in April, continuing a climb that has pushed consumers to the brink and is threatening the economic expansion, the Bureau of Labor Statistics reported Wednesday. The consumer price index, a broad-based measure of prices for goods and services, increased 8.3% from a year ago, higher than the Dow Jones estimate for an 8.1% gain. That represented a slight ease from March's peak but was still close to the highest level since the summer of 1982. [31]

Consumer Confidence and Sales (Updated 5/25)

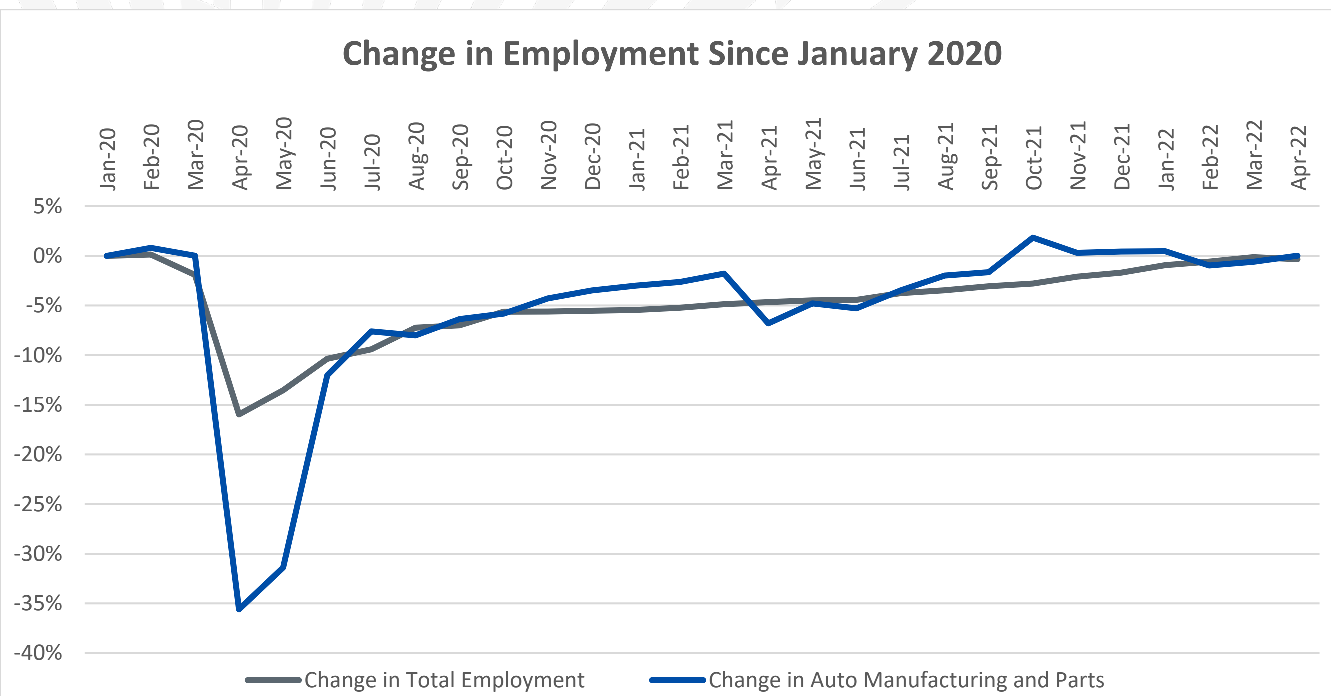
Surveys of Consumers Director Joanne Hsu[32]: "Consumer sentiment declined by 9.4% from April, reversing gains realized that month. These declines were broad based--for current economic conditions as well as consumer expectations, and visible across income, age, education, geography, and political affiliation--continuing the general downward trend in sentiment over the past year. Consumers' assessment of their current financial situation relative to a year ago is at its lowest reading since 2013, with 36% of consumers attributing their negative assessment to inflation. Buying conditions for durables reached its lowest reading since the question began appearing on the monthly surveys in 1978, again primarily due to high prices.

The median expected year-ahead inflation rate was 5.4%, little changed over the last three months, and up from 4.6% in May 2021. The mean was considerably higher at 7.4%, reflecting substantial variation in price changes across types of goods and services, and in household spending patterns. At the same time, long term inflation expectations remain well-anchored with a median of 3.0%, settling within the 2.9 to 3.1% range seen over the last 10 months."



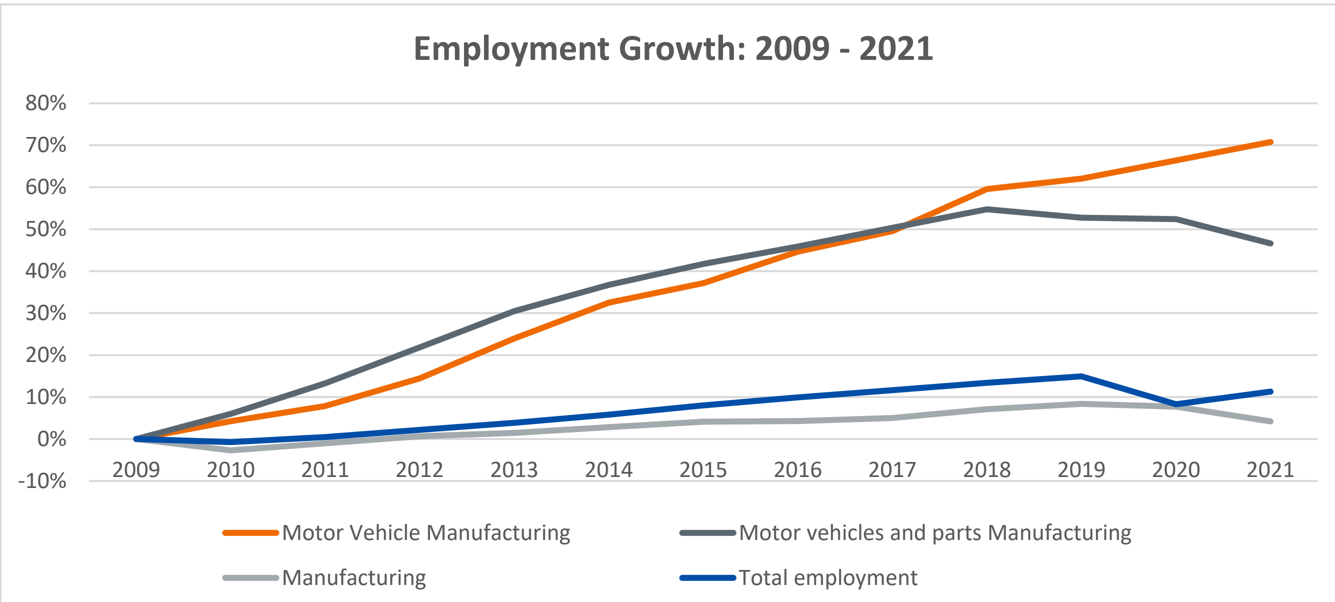
Employment (Updated 5/11)

After a loss of nearly 350,000 employees (about 35% of the workforce) in the height of the pandemic, employment in the Automobile Manufacturing and Parts sectors raced back but is now fighting losses due to supply chain disruptions with semiconductors. [33]



Motor Vehicle And Parts Manufacturing Gained 6,100 Jobs In April. [34]

After the recession in 2009, the auto industry was credited with being on the leading edge of the recovery, which began a ripple effect through other parts of the country. [35] Additionally, the chart below shows how the recovery of jobs in motor vehicle manufacturing alone and motor vehicle and parts manufacturing far outpaced the recovery of manufacturing and total jobs.



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