READING THE METER

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

ALLIANCE FOR AUTOMOTIVE INNOVATION

Contents – May 5, 2025

ALLIANCE FOR AUTOMOTIVE INNOVATION

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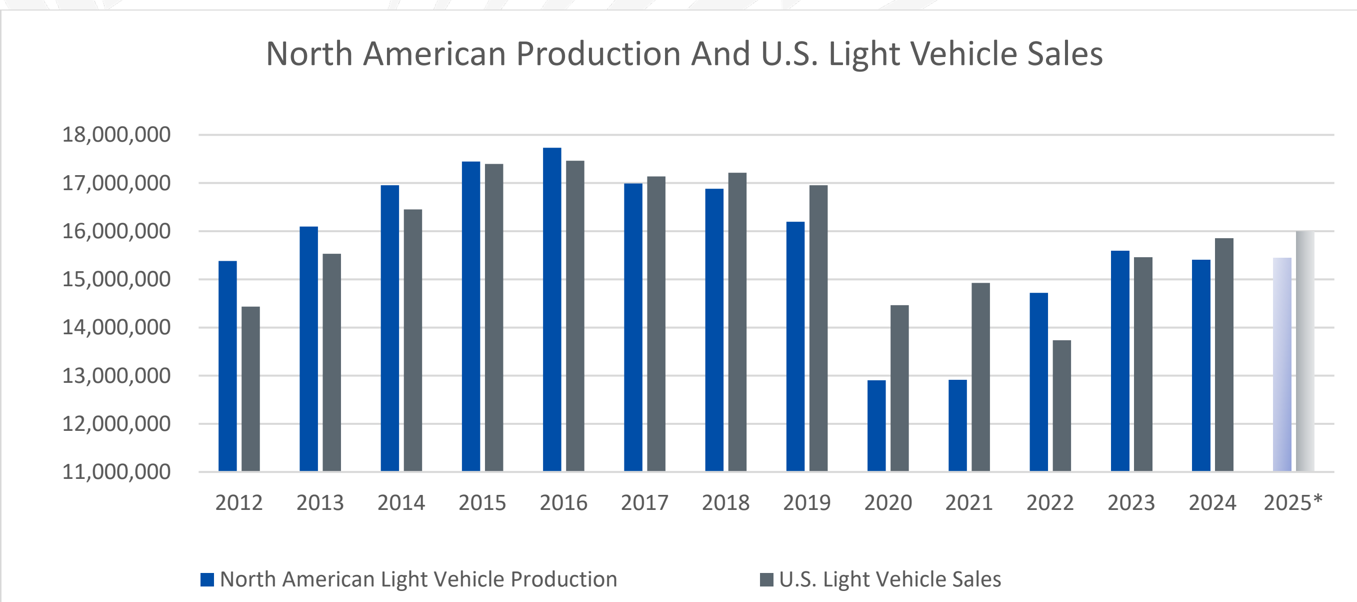
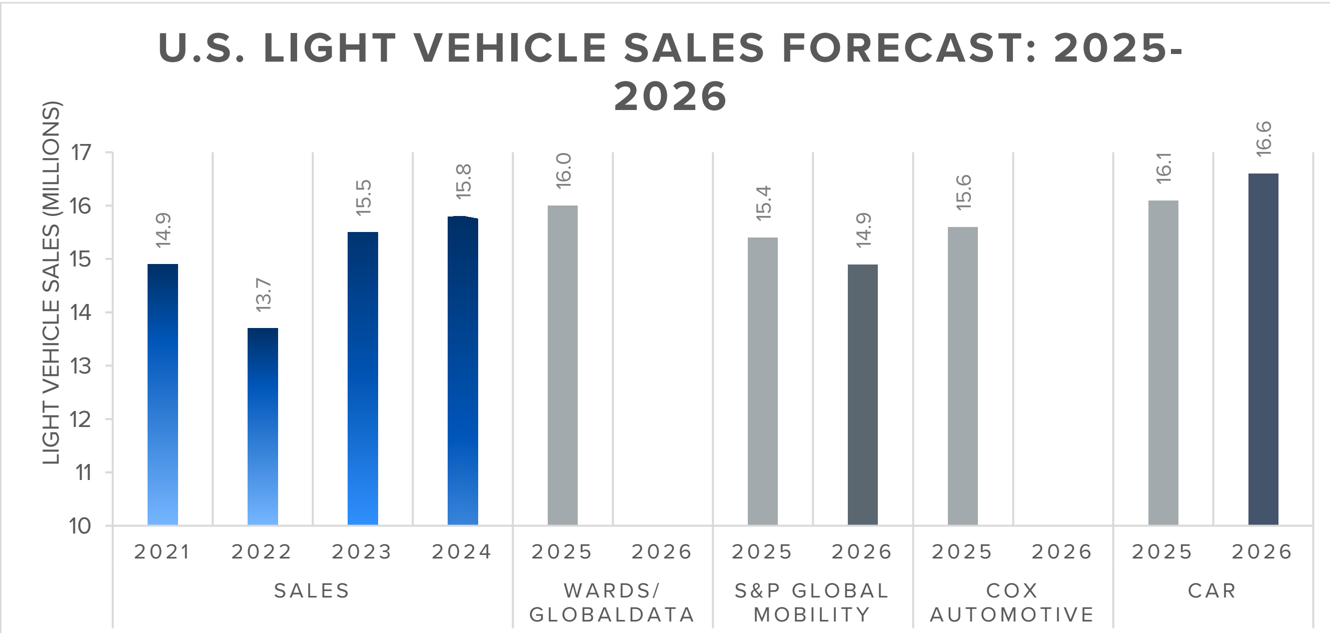
Forecast Meter

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

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	
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Forecast	16,000,000	15,440,000



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



Wards Intelligence Outlook (5/5)[4]: "There remains enough inventory for May to see the continuation of the tariff-related sales surge of March and April, when the seasonally adjusted annual rates soared to 17.8 million and 17.3 million units, respectively, from January-February's combined 15.8 million. Without the tariff effect, Wards Intelligence estimates March-April sales would have recorded roughly a 16.0-million SAAR.

"It's hard to say how much the tariff-induced buying will continue in May, though price hikes, if they are significant, probably won't show themselves until the third quarter. However, there could be some increases in May, with more in June. It's also possible the Trump Administration further refines the overall level of automotive tariffs, even as soon as this month, with the likelihood changes would be to ease up more.

"May sales likely remain above WI's baseline estimate of a 16.0 million SAAR but probably fall below 17 million. At the end of April there appeared some deceleration in tariff buying, plus inventory will continue to decline. In fact, May 31 inventory is projected to fall even further year-over-year from April's 4.1% decline, possibly by double digits if sales top a 16-million SAAR."

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

Wards Intelligence Inventory Outlook (5/5) [5]: "U.S. light-vehicle inventory declined year-over-year in April, the first time in almost three years, since the start of the rebound from the depletion of dealer stock caused by the 2021/2022 global semiconductor shortage, it did not post growth. Furthermore, inventory is likely to decline even more in May.

"May 31 inventory is projected to fall even further year-over-year from April's 4.1% decline, possibly by double digits if sales top a 16-million SAAR. The tariff sales surge, combined with slower production, was behind the steady decline in inventory, which in normal times would be rising along with growing sales."

Wards Intelligence Production Outlook (5/5)[6]: "North America assembly plants, which supply slightly above three-fourths of the vehicles sold in the U.S., are forecast to build 3.86 million light vehicles in the second quarter, 5.9% below the year-ago total. It will be the fourth straight year-over-year decline – and the shortfalls are expected to continue through the rest of the year.

"Thus, the downward slide in inventory will continue until when-and-if sales weaken enough to offset the production slowdowns. Automakers and dealers could still react by keeping a lid on price hikes to maintain a certain level of showroom traffic – and factory production - but even if they absorb a large amount of higher costs caused by tariffs, the most likely scenario is still that sales eventually hit the skids."

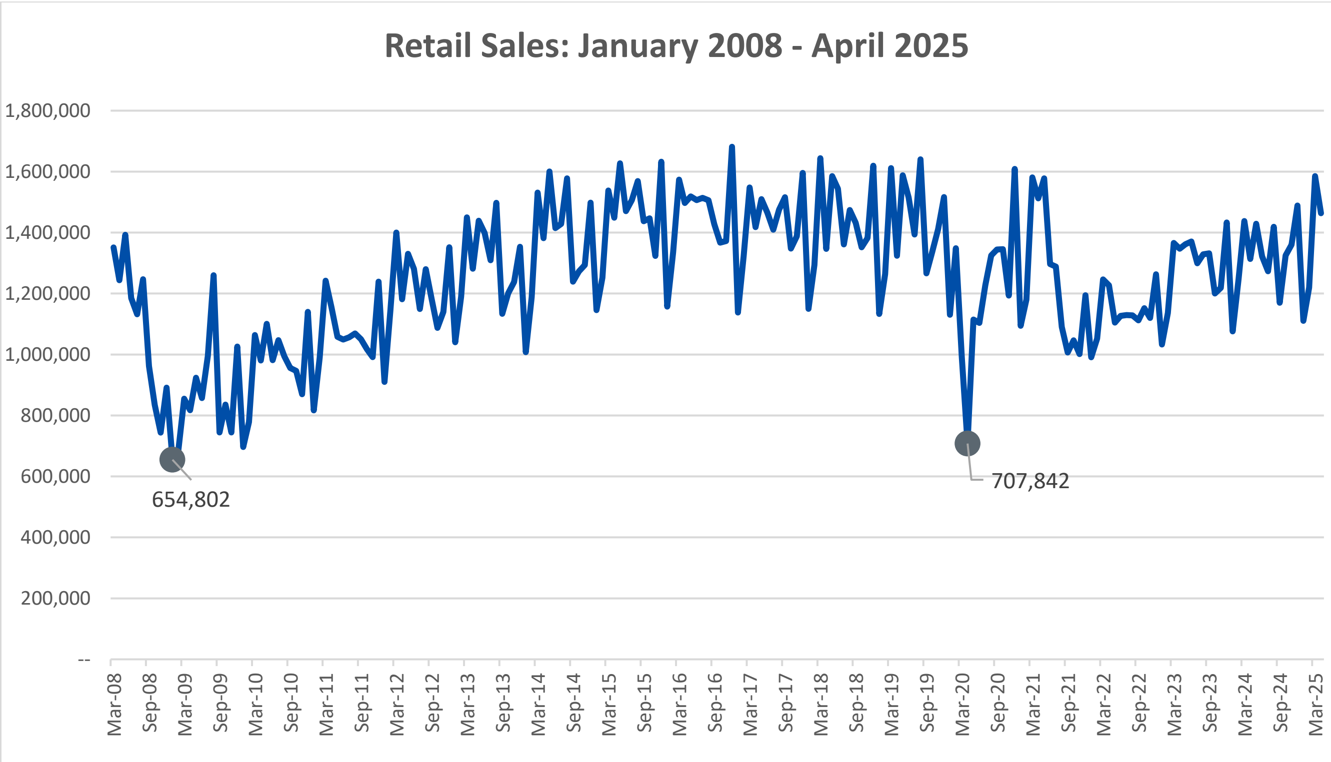
S&P Global Mobility Outlook (4/24)[7]: "North America: The outlook for North America light vehicle production was reduced by 944,000 units and by 778,000 units for 2025 and 2026, respectively (and increased by 6,000 units for 2027). As autos tariffs begin to affect global economies, the outlook for North American production amid direct tariff implications and demand impacts results in the steepest cuts since COVID. Select vehicles with higher risk associated with USMCA compliance and Canadian and Mexican sourcing were targeted in the reductions. Inventory levels are projected to decline as consumers rush to secure pre-tariff priced dealer stock followed by manufacturers holding shipments and less inclined to restock inventory levels amid ongoing tariff uncertainty. Based on this working US inventory assumption, the North American production forecast is built around inventory levels declining to 1.7-to-2.0-million units in a now reduced 15.0-to-15.4-million-unit US sales environment mimicking what was experienced during COVID and the semiconductor shortages. Despite the sharply reduced demand outlook, inventory restocking and onshoring are expected to become evident with the production outlook for 2027 remaining essentially flat at 15.47 million units. The largest beneficiary to onshoring is Nissan with other gainers including BMW, Honda, Hyundai, and Subaru that all benefit from expected increased localization of existing vehicles. Longer range onshoring is still being evaluated for future forecast updates."

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.



Monthly Sales (Updated 5/5)

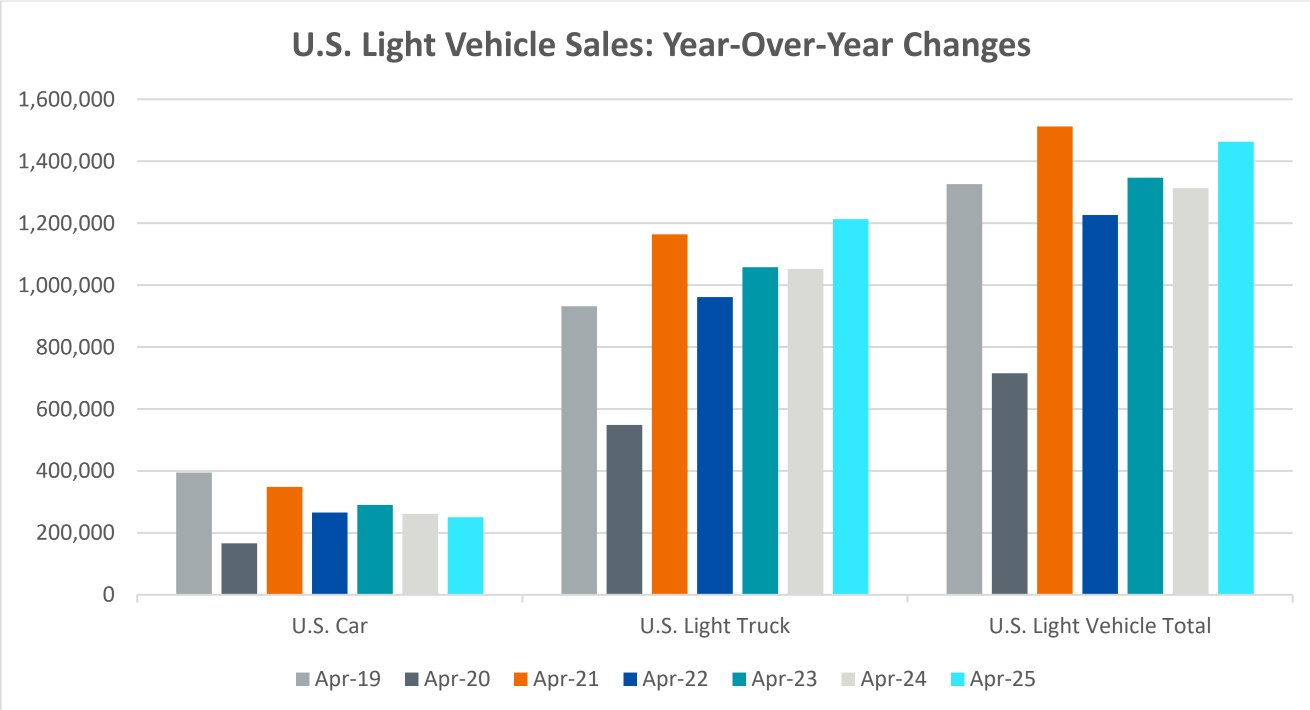
WardsIntelligence[8]**:** "Fear of tariff-related price hikes later in the year drove more consumers to dealer lots again in April, as sales surged well above base-line demand for the second straight month.

"April U.S. light-vehicle sales totaled 1.463 million units, 11.1% above April 2024. The total equaled a daily selling rate over the month's 26 selling days of 56,284, 6.8% above the year-ago total of 52,699 – 25 selling days.

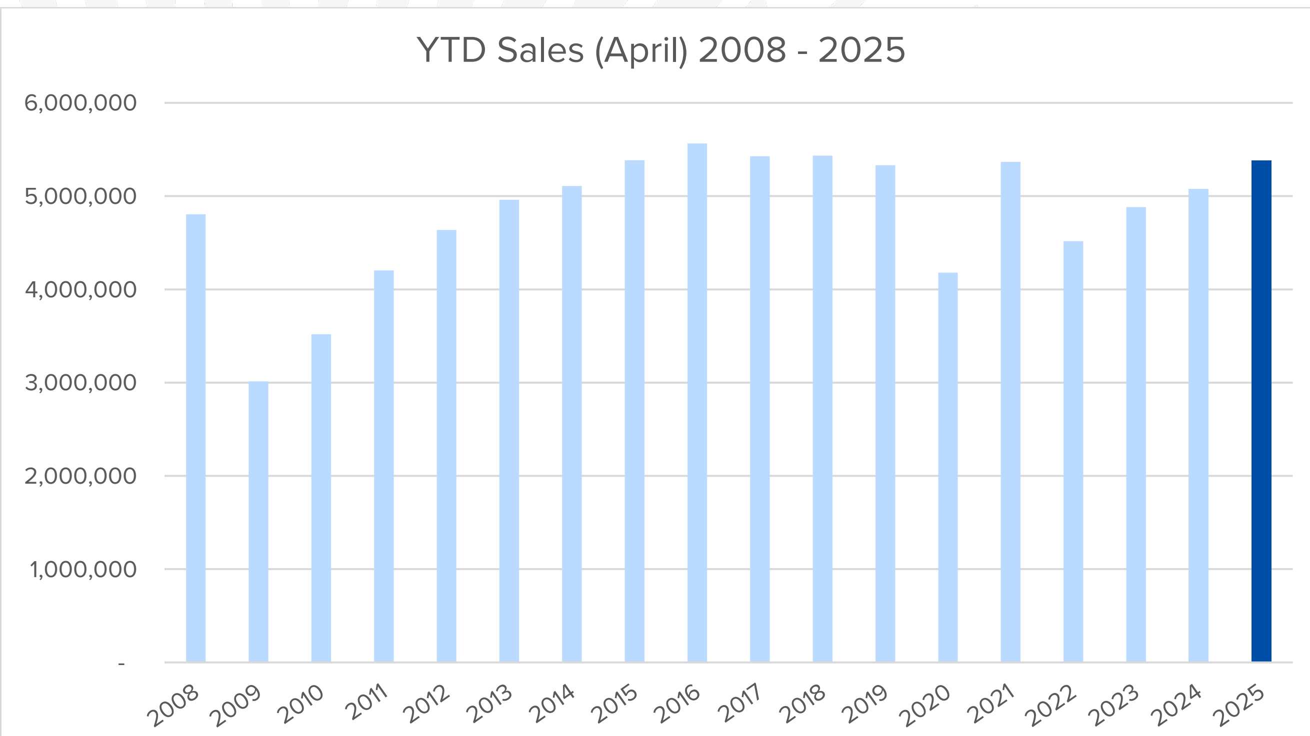
"April's seasonally adjusted annual rate of 17.3 million units dropped from March's 4-year any-month high of 17.8 million but was well above same-month 2024's 16.0 million, which also is the total Wards Intelligence would have expected sales to have run at over the past two months if not for the tariff-induced buying.

"Including January-February's combined SAAR of 15.8 million, the 2025 year-to-date total through April is 16.7 million, compared with 4-month 2024's 15.6 million. It's the highest for that 4-month stretch since 17.1 million in 2021.

"There were indications sales weakened toward the end of the month. The final total came in slightly below WI's forecast, which already assumed some late-month deceleration due to expectations inventory would start to fall, as well as the pre-tariff exuberance in general continuing a slow-but-steady decline from March."



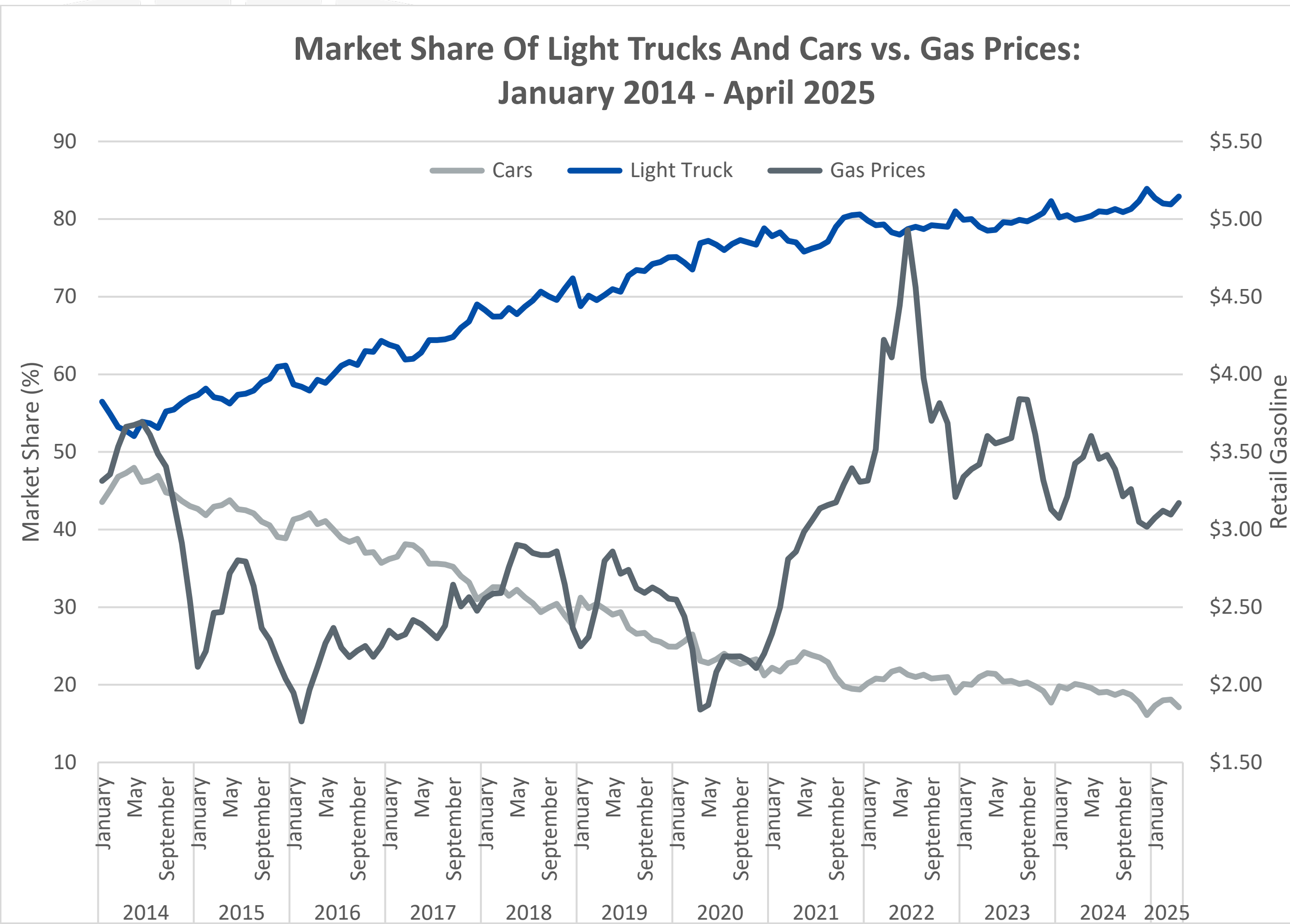
Calendar year-to-date sales through April totaled 5.4 million units, up 6% from 2024's 5.1 million.



Segments vs. Gas Prices (Updated 5/5)

Monthly Sales: Light trucks accounted for 82.9 percent of sales in April, up 2.8 percentage points from the market share a year ago. Compared to the same period in 2024, sales of cars are down 11,000 units, and down more than 144,000 from April 2019, when cars comprised 30% of the market as opposed to the 17 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 $2.83 a gallon (through April 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 5/5)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 9.0 percent of total vehicle sales in April 2025 (131,661), per Wards estimates. Market share decrease 0.66 percentage points (pp) from March 2025.

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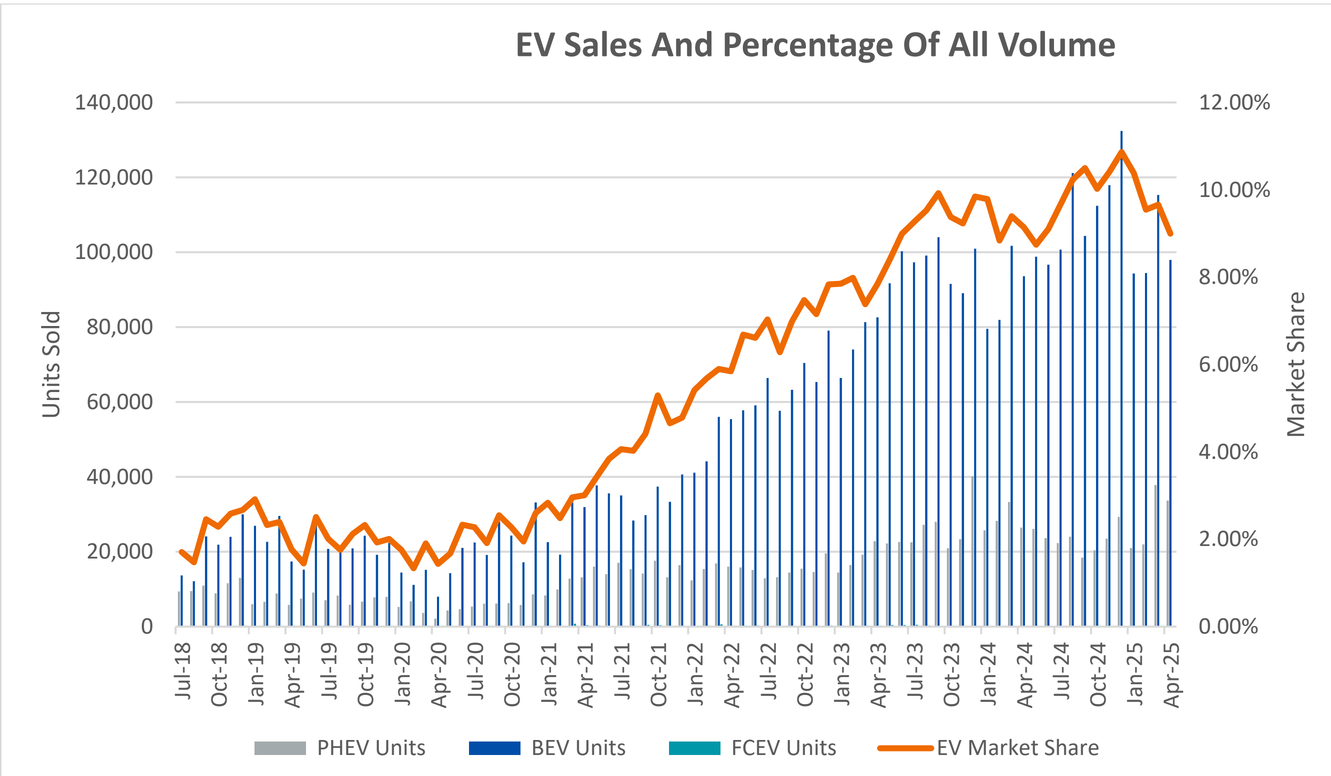
April's EV market share is down 0.1 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 6.7 percent of total sales, down 0.43 pp from April 2024. Plug-in hybrids accounted for 2.3 percent, up 0.3 pp from the same time last year.



Seasonally Adjusted Annual Rates (Updated 5/5)

WardsIntelligence[12]: "Fear of tariff-related price hikes later in the year drove more consumers to dealer lots again in April, as sales surged well above base-line demand for the second straight month.

"April U.S. light-vehicle sales totaled 1.463 million units, 11.1% above April 2024. The total equaled a daily selling rate over the month's 26 selling days of 56,284, 6.8% above the year-ago total of 52,699 – 25 selling days.

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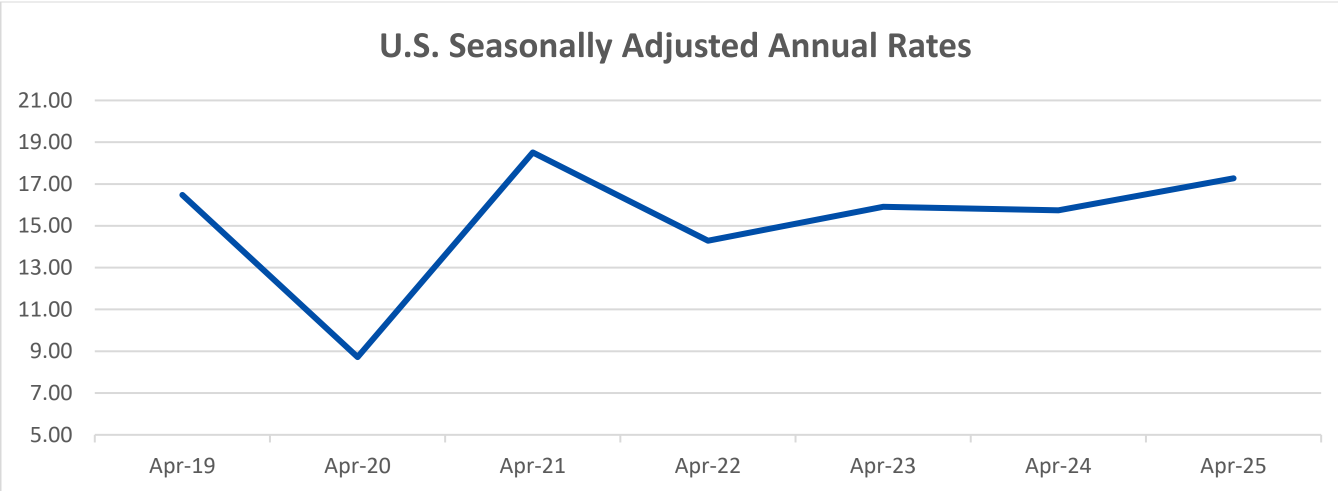

Average Transaction Price (Updated 5/5)

J.D. Power (Updated 5/5)[13]: "The moderation of discounting from manufacturers and dealers means the average transaction price for new vehicles has risen. The average new-vehicle retail transaction price in April is expected to reach $45,764, up $887 from April 2024, and up $975 from March."

Kelley Blue Book (March)[14]: "New-vehicle ATP held mostly steady month over month and year over year in March at $47,462, down slightly from the revised-lower ATP of $47,577 in February. In March, new-vehicle ATPs were higher year over year by less than 1%.

"Sales incentives in March were flat compared to February at 7.0% of ATP, but higher by 5% than year-ago levels when incentives were equal to 6.7% of ATP. For a year now, new-vehicle incentives have averaged near 7.1% of ATP; incentives during the past 12 months peaked in November and December of 2024 at 7.9% of ATP. Last month, the average incentive package was $3,339.

"In March, only 26 models had ATPs below $30,000, accounting for roughly 14% of total U.S. sales. Vehicles priced below $30,000 are highly vulnerable to the new tariff policy adopted by the White House. Many vehicles in the category are assembled outside the U.S. and are now subject to 25% tariffs. These include well-known models such as the Buick Envista, Chevy Trax, Honda HR-V, Kia Soul, Mazda3 and Nissan Sentra, and the now-discontinued Mitsubishi Mirage – the only vehicle in the U.S. with an ATP under $20,000.

"New EV prices in March are initially estimated by the team to be $59,205, higher year over year by 7.0%. New EV prices increased from the revised-higher February ATP of $57,015.

"Compared to the overall industry ATP ($47,462), EV ATPs in March were higher by nearly 25% as the gap between new ICE and new EV grows wider. EV incentives continued to range far above the industry average. In March, the average incentive package for an EV was 13.3% of ATP, down from the revised 14.3% in February."

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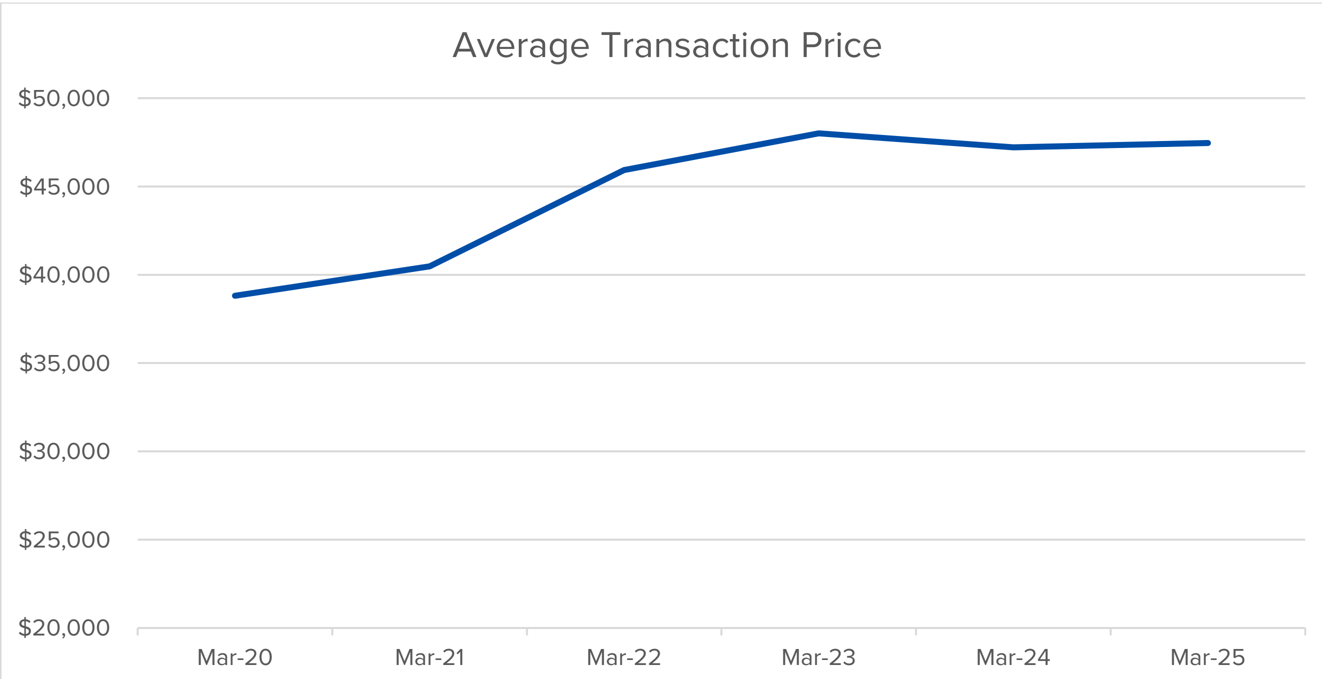
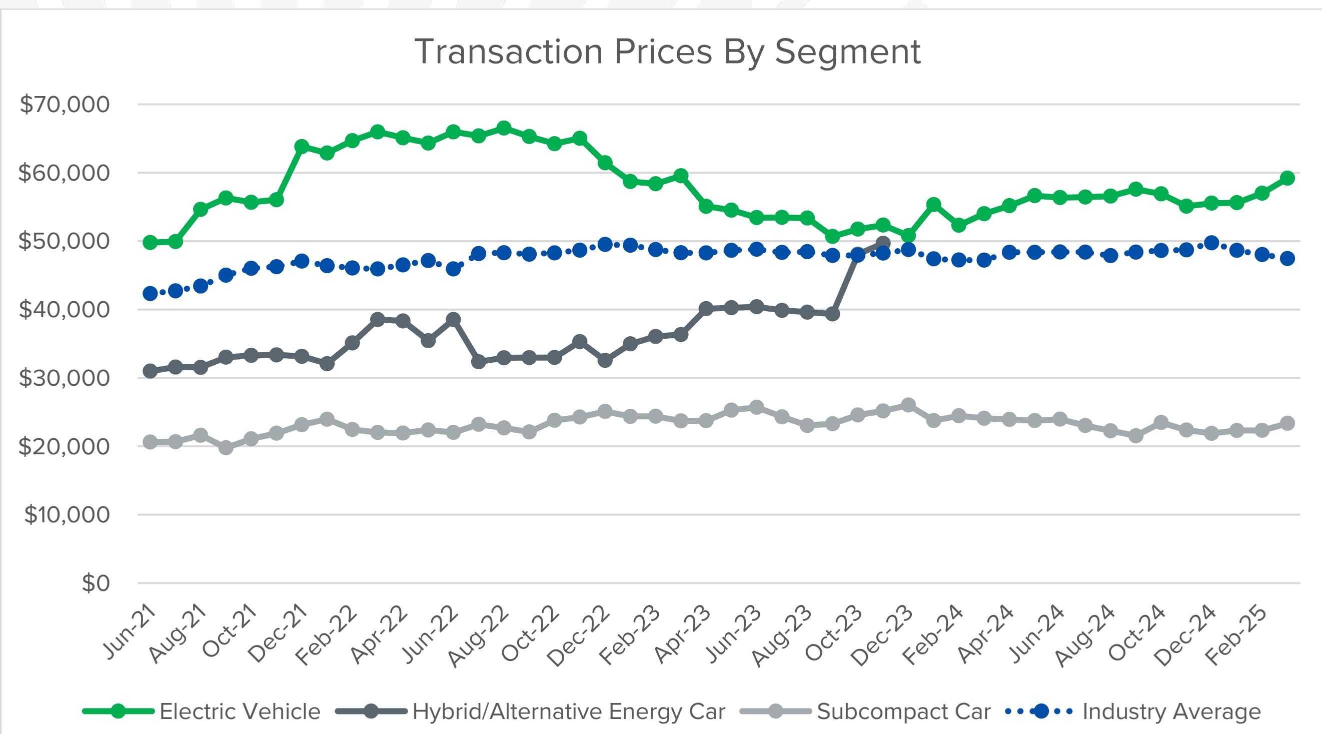


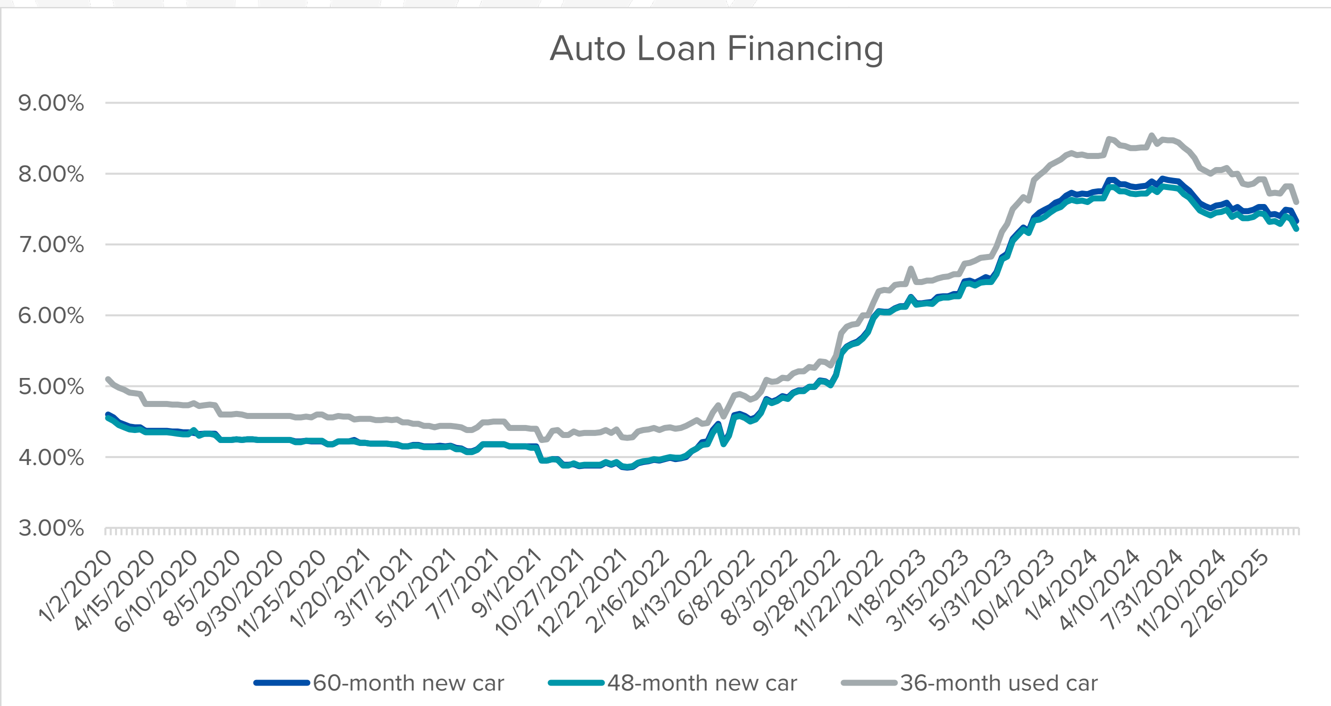


Auto Loan Financing (Updated 5/5)

JD Power (5/5)[15]: "Average monthly finance payments in April are on track to reach $742, an increase of $19 from April 2024, and the highest on record for the month of April. The average interest rate for new-vehicle loans is 6.80%, a nominal 18 basis point decrease from a year ago."

Interest Rates (updated 4/24): Interest rates dropped on the 60-month and 48-month and were flat on the 36-month used car loans over the past two weeks. Rates now stand at 7.33%, 7.22%, and 7.60%, respectively. Since the beginning of 2020, 60-month rates are up 2.73 pp, and are down 0.50 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%
5/8/2024	7.83%	7.72%	8.37%
4/9/2025	7.49%	7.40%	7.82%
4/30/2025	7.33%	7.22%	7.60%
Two Week Change	-0.16%	-0.18%	-0.22%
Change since 1/3/20	2.73%	2.67%	2.50%
One Year Change	-0.50%	-0.50%	-0.77%

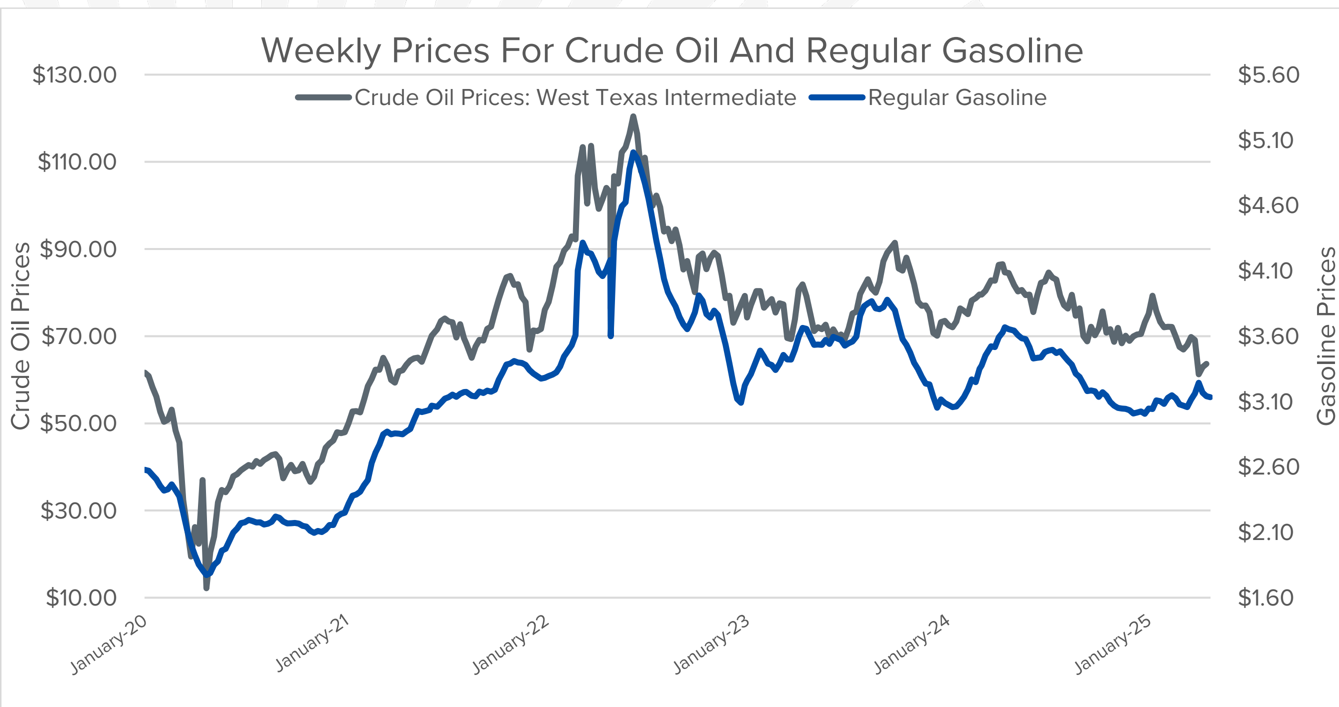


Crude Oil and Gas Prices (Updated 5/5)

Gas And Oil Remain Elevated (5/5): Oil prices, as benchmarked at West Texas Intermediate were $63 at the mid-point of Paril, down nearly $24 from the same time a year ago and down $5 with the same period last month. Since election day 2024, oil prices are down $5.77 a barrel. Gas is down slightly from a week ago at $3.14. Gas is 22% higher than the beginning of 2020 and has not been below $3 a gallon since May 2021 (though it did hit $3.01 at the end of December 2024).[17]

EIA Outlook For Oil (5/5):[18] "We completed modeling and analysis for this report on April 7. More recent policy changes are not incorporated. Recent developments in trade policy and oil production led to a significant drop in oil prices during the first week of April. On April 2, President Donald J. Trump signed an Executive Order announcing 10% tariffs on imports from all countries, with higher tariffs initially imposed on some countries. On April 4, China responded by imposing 34% tariffs on imports from the United States. Amidst the tariff announcements, OPEC+ members announced on April 3 that some countries will start production increases in May that were originally set for July. Following these announcements, the Brent crude oil spot price fell by 14% from April 2 to $66 per barrel (b) on April 7. We expect that prices for crude oil and other commodities will continue to experience significant volatility as market participants assess the effects of trade policies"

EIA Outlook For Gasoline (5/5)[19]**:** "We forecast that this summer's inflation-adjusted U.S. average regular gasoline price will be the lowest since 2020. The 2025 forecast summer average of about $3.10 per gallon (gal) is based on the average of the 2Q25 and 3Q25 U.S. regular gasoline price, when increased travel during the warmer months of the year puts upward pressure on gasoline prices. We expect gasoline prices will average near $3.20/gal in the summer of 2026. Compared with recent years, lower forecasted U.S. gasoline prices in 2025 and 2026 are mainly a result of lower crude oil prices. Although we expect crude oil prices will continue to fall in 2026, creating a downward effect on gasoline prices, that effect is offset by refinery closures and lower gasoline inventories, which cause refining margins for gasoline to rise."



Production Meter

North American Production (Updated 4/24)

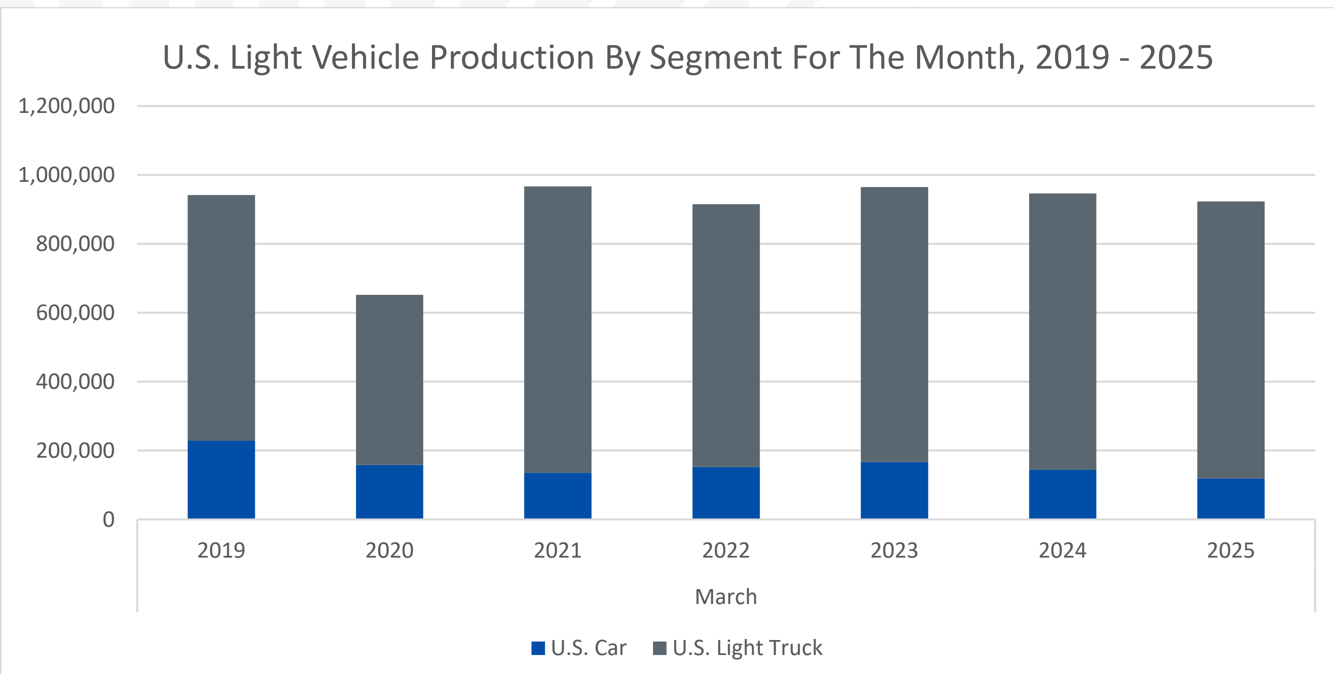
Wards Intelligence[20]: "Production in March ended 20,000 units above expectations, rising 1.6% year-over-year to 1.425 million. It was the first year-over-year gain since October. Part of the increase was due to the Easter holiday, with some plants closing on the Friday before Easter, occurring in March last year, vs. falling in April in 2024. How much, if any, is uncertain, but there also could have been extra production to get some vehicles shipped to dealers ahead of tariffs.

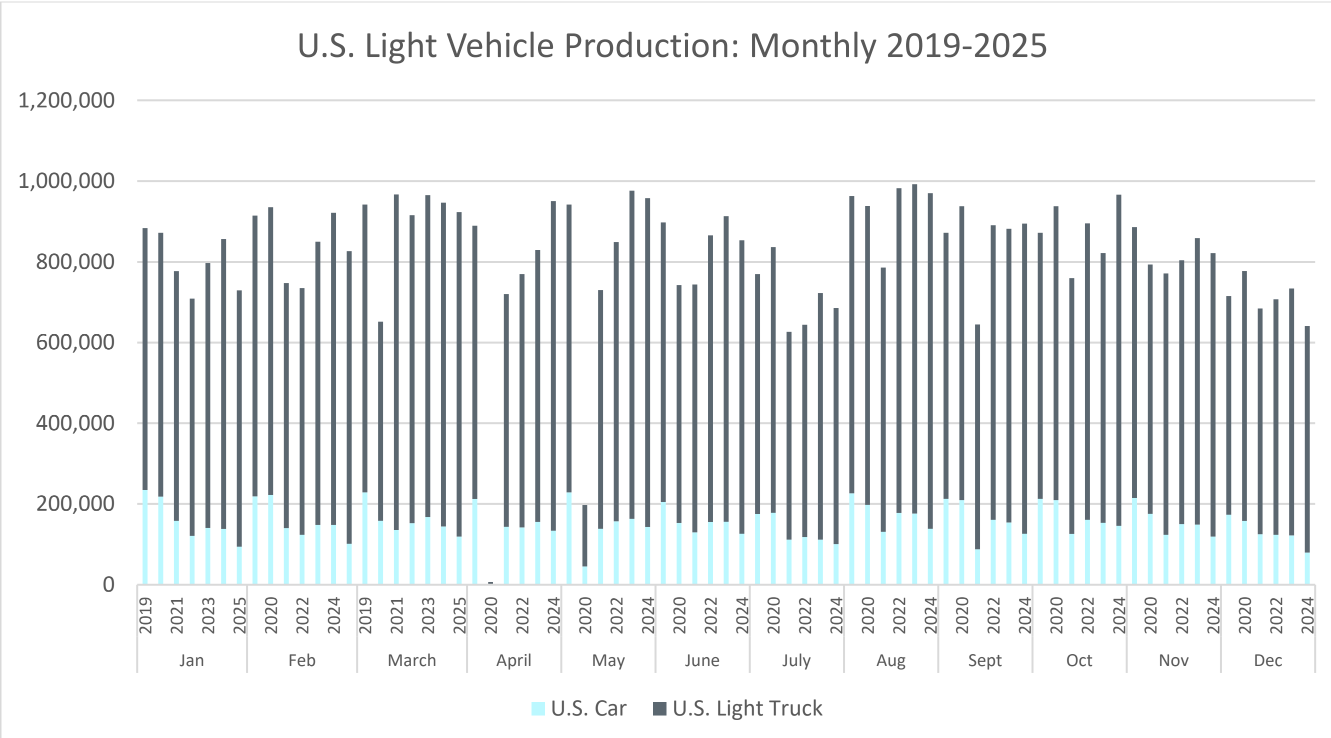
"The first quarter total, which still has some results subject to revision, of 3.913 million units was 4.6% below like-2024's 4.101 million. The light-vehicle total was 3.793 million, 4.0% below Q1-2024.

U.S. Light Vehicle Production (Updated 4/24)

U.S. Monthly Production (Updated 4/24)

U.S. Light vehicle production for March was up 10.6 percent month-over-month, totaling 923,068 vehicles (119,332 cars, 803,736 light trucks), year-over-year, production is down 0.7 percent from 2024.[21]





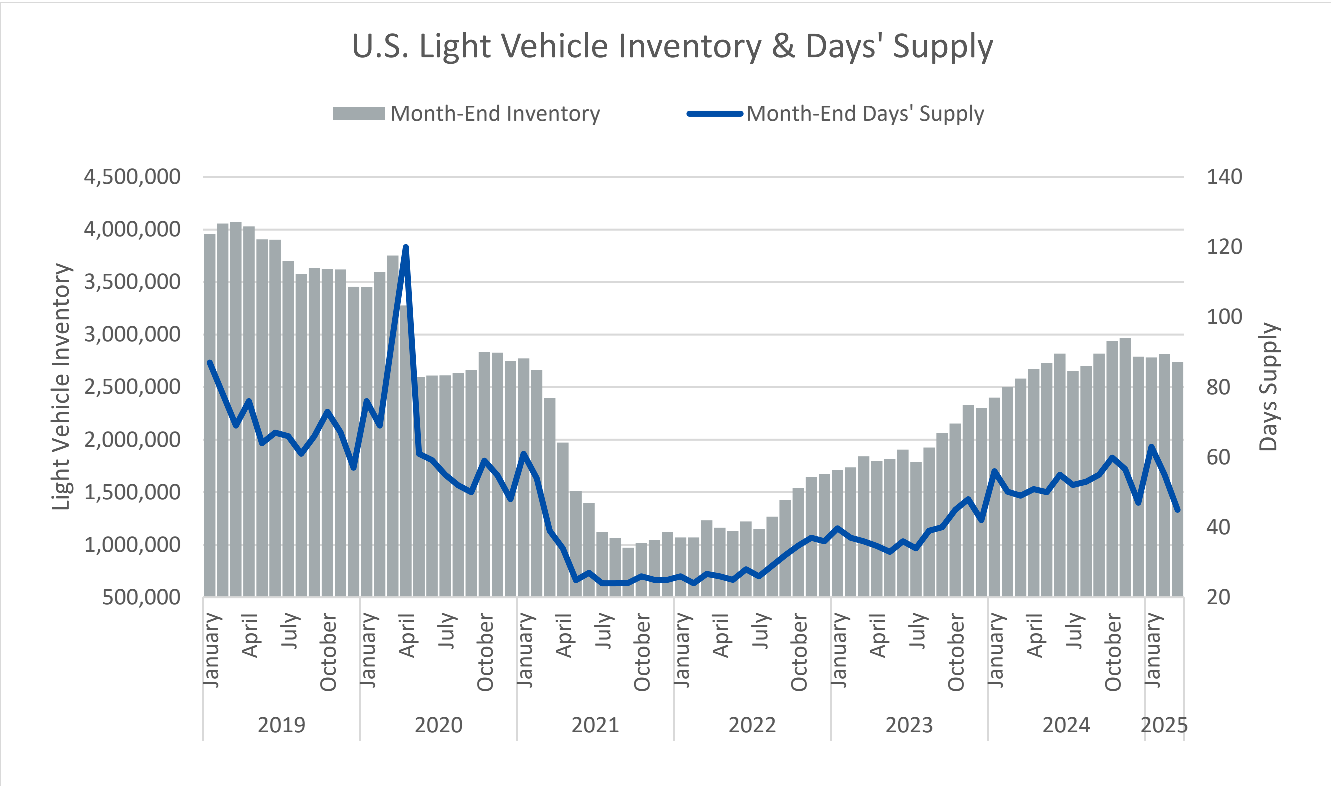
U.S. Light Vehicle Inventory and Days' Supply (Updated 5/5)

WardsIntelligence Inventory Update (5/5)[22]: "U.S. light-vehicle inventory declined year-over-year in April, the first time in almost three years, since the start of the rebound from the depletion of dealer stock caused by the 2021/2022 global semiconductor shortage, it did not post growth.

"Furthermore, inventory is likely to decline even more in May.

"April inventory totaled 2.621 million units, 4.1% below same-month 2024's 2,732 million. Days' supply was 47, up from the prior month's 45, but a decline from April 2024's 52. A typical April days' supply in the pre-2020, or pre-pandemic, era was around 70.

"Most automakers ended with inventory below their year-ago totals, with exceptions among the high-volume sellers being Honda (up 17.5%), Hyundai (37.1%) and Kia (16.4%), while Ford was down just 1.0%."



Global Meter

Global Light Vehicle Sales (Updated 4/24)

Wards Intelligence[23]: "Global sales of all light vehicles and medium- and heavy-duty trucks rose year-over-year for the fifth straight month in February, totaling 6.47 million units, 3.2% above like-2024.

"Calendar-year volume through February totaled 14.04 million units, 2.3% above 2-month 2024's 13.72 million.

"When sales are reported for March, they are expected to record another increase. However, fallout from the U.S. government's Apr. 2 tariff announcements could cause demand in the second quarter to waver depending on if there is a negative economic impact, and how much it hurts markets not just in North America but in other global regions.

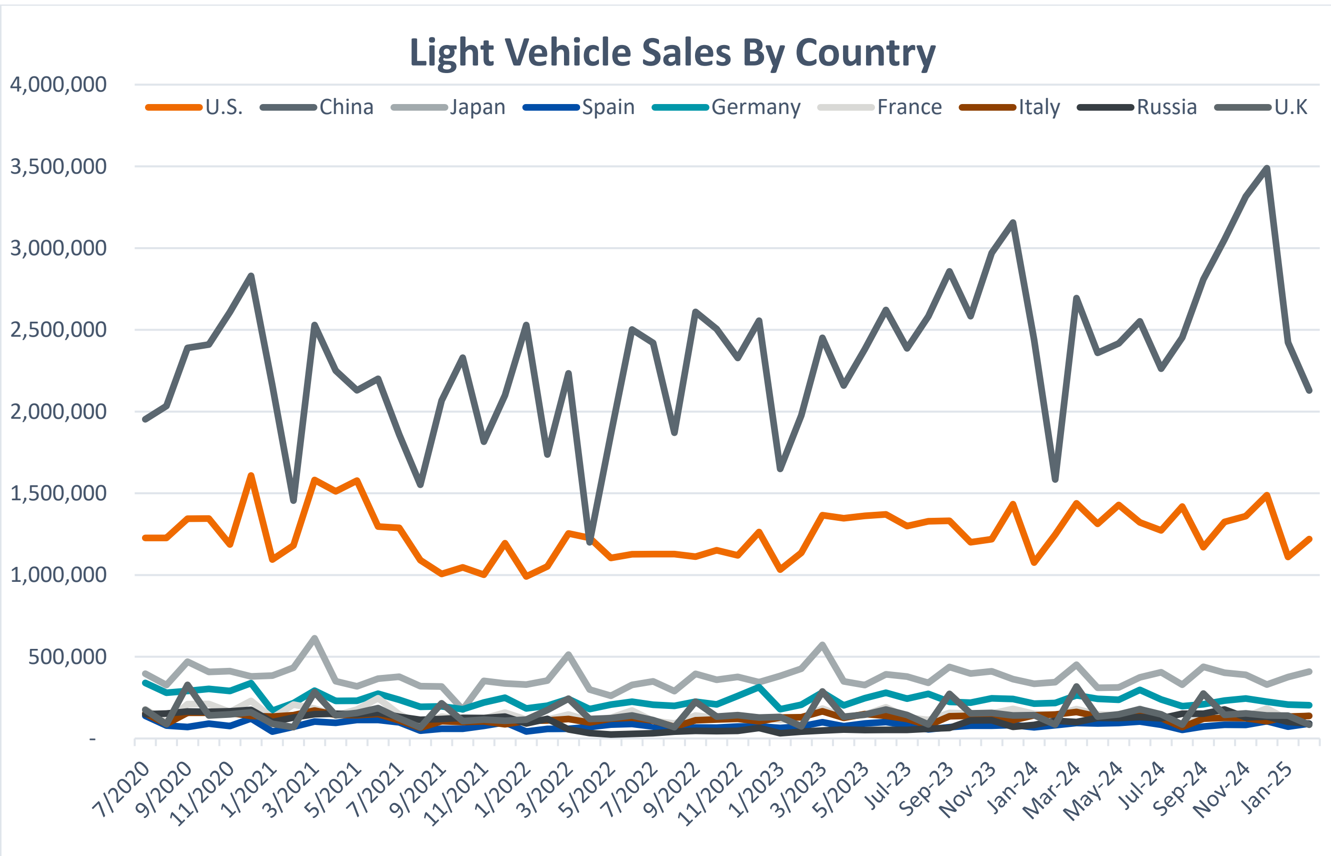
"February volume was supercharged by a 33.7% year-over-year gain in China. Excluding China's results, global volume declined 2.0% from the year-ago month.

"Excluding medium-/heavy-duty trucks, global light-vehicle deliveries increased 3.3% year-over-year to 6.42 million units. Combined January-February light-vehicle sales totaled 13.52 million, 2.6% above like-2024.

"Wards Intelligence partner GlobalData pegged February's annualized rate for light vehicles at 86.8 million units, down from January's revised total of 88.9 million, but highest for the month since 2018.

"GlobalData expects light-vehicle deliveries in March to increase 5% year-over-year, with the annualized rate rising close to 88 million units from same-month 2024's 84.2 million.

"Although it notes downside risks are "mounting", the forecaster – prior to the Apr. 2 tariff announcements – said it expected global light-vehicle sales in 2025 to rise more than 3% year-over-year to 91.5 million units."



Global Light Vehicle Production (Updated 4/24)

S&P Global Mobility Forecast (4/24)[24]: "Recent tariff actions by the US take stage front and center this month and have resulted in broad impacts to our outlook for light vehicle sales and production. This month's forecast update reflects two distinct paths of impact to volumes: direct auto-specific tariffs impacting North American sales and production (as well as key countries exporting vehicles to the US) and more general reciprocal and retaliatory tariffs impacting other international markets driven primarily by macro influences. Further, we are incorporating two stages of step-down reductions in autos tariffs, one in early 2026 for Canada/Mexico autos tariffs and one in early 2027 for the remaining relevant country-specific autos tariffs. The April forecast update reflects a broad mix of downgrades of varying magnitudes as we reflect the impacts of recent tariff announcements by the Trump administration in the US. The downward revisions are more pronounced for

2026 given rather decent results already registered for many markets through Q1-2025. A significant portion of the overall is concentrated on North America with noteworthy impacts to Japan/Korea and Europe, among others, given the macro influences of the reciprocal tariffs combined with the effects of the autos-specific tariffs on exports to the US. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was reduced by 12,000 units and by 251,000 units for 2025 and 2026, respectively (and reduced by 266,000 units for 2027). This month's forecast update for Europe is heavily influenced by the 25% US tariffs imposed on vehicles and auto parts that are assumed to stay in place through 2025 and 2026, before being reduced to 15% starting in early 2027. The forecast is also influenced by the macro impact on demand of the assumed 10% US reciprocal tariffs (these do not stack on the automotive tariffs). These effects are only partially offset by positive factors such as the impacts of recent EU CAFE rule adjustments and the announced Germany investment plan. For 2025, the volume adjustment is more modest at the full-year level, but it includes an increase of 116,000 in Q1-2025 and a decrease of 128,000 for the balance of the year. Looking to 2026, we have reduced volumes more meaningfully. Due to the nature of European exports to the US, the forecast downgrades have targeted mainly premium brands, with a reduction of 99,000 units in 2025 and 172,000 units in 2026.

"Greater China: The outlook for Greater China light vehicle production was reduced by 198,000 units and by 503,000 for 2025 and 2026, respectively (and reduced by 502,000 units for 2027). Facing increasing headwinds in international trade arena, particularly amid escalated tariff war between China and US, passenger vehicle exports have been negatively impacted. Under the pressure of the US-China tariff dispute, businesses and consumers are facing challenges of uncertainty and rising costs. The increase in tariffs has led to higher prices for imported goods, affecting consumer confidence. The Chinese government is expected to enhance proactive fiscal policy and accommodative monetary policy in the coming months, aiming to boost domestic consumption and support export expansion. For the April forecast, entire 2025 light vehicle production in Greater China was reduced to 30.5 million units, leading to 1.4% reduction relative to 2024. Looking to 2026 and 2027, the auto industry is expected to remain under greater pressure in terms of supply chain management and cost control, with many companies needing to adjust their operational strategies to cope with the changing trade environment. Furthermore, the trade dispute could have far-reaching impacts on global markets and economic growth. The near-to-intermediate term production outlook has been reduced accordingly to reflect the increasing risk.

"Japan/Korea: In the short-term 2026-2027 timeframe, Japan production volume was reduced by around 300,000 units per year. This is based on the latest US tariff activity in which the US levies a 25% auto tariff on Japan and other countries which is expected to continue until 2027 at which time the tariffs are forecasted to be reduced to 15%. Japanese exports to the US will be widely affected by these tariffs. In the longer term, Japan production volume was also downgraded by around 160,000 units per year. We expect the 15% US auto tariff on Japan will continue through the forecast horizon, even though it is reduced from 25%. Of note, we have not included any significant production shift to the US at this time. In the future, if OEMs decide to shift production from Japan to the US, there would be downside risk to the Japan production outlook. Amid the short-term decline in consumption due to political instability in South Korea following the impeachment of the president, the expansion of US tariff policies is expected to have a major impact on Korean auto exports. Accordingly, the production forecast was reduced by about 112,000 units in 2025, and by 203,000 units in 2026 when the tariffs will be in effect for the full year. Meanwhile, assuming that the tariff rate in the US is mitigated starting in 2027, the decline is expected to be reduced to 145,000 units.

"North America: The outlook for North America light vehicle production was reduced by 944,000 units and by 778,000 units for 2025 and 2026, respectively (and increased by 6,000 units for 2027). As autos tariffs begin to affect global economies, the outlook for North American production amid direct tariff implications and "demand impacts results in the steepest cuts since COVID. Select vehicles with higher risk associated with USMCA compliance and Canadian and Mexican sourcing were targeted in the reductions. Inventory levels are projected to decline as consumers rush to secure pre-tariff priced dealer stock followed by manufacturers holding shipments and less inclined to restock inventory levels amid ongoing tariff uncertainty. Based on this working US inventory assumption, the North American production forecast is built around inventory levels declining to 1.7-to-2.0-million units in a now reduced 15.0- to-15.4-million-unit US sales environment mimicking what was experienced during COVID and the semiconductor shortages. Despite the sharply reduced demand outlook, inventory restocking and onshoring are expected to become evident with the production outlook for 2027 remaining essentially flat at 15.47 million units. The largest beneficiary to onshoring is Nissan with other gainers including BMW, Honda, Hyundai, and Subaru that all benefit from expected increased localization of existing vehicles. Longer range onshoring is still being evaluated for future forecast updates.

"**South America**: The outlook for South America light vehicle production was reduced by 28,000 units and by 34,000 units for 2025 and 2026, respectively (and reduced by 36,000 units for 2027). The outlook for 2025 was reduced due to modestly lower production actuals for Argentina and as a result of the negative macro implications of the recently enacted US tariff strategy. While there isn't as much direct vehicle impact due to the tariffs, the collateral impacts to demand in the region as well as the broader supply chain (e.g. steel, aluminum, auto parts, etc.) are important considerations. Looking to 2026/2027, regional volumes have been reduced by 1% over the period, representing around 35,000 units per year. This aligns broadly with the revision applied to demand for the period and illustrates the ongoing impacts of the US tariff strategy. Brazil is less affected than Argentina with volumes down 0.6% vs. 3.0%. This is mostly due to a less dynamic outlook for local production in Argentina in the short term as the domestic market is expected to remain more open to imports, with Brazil being the main beneficiary.

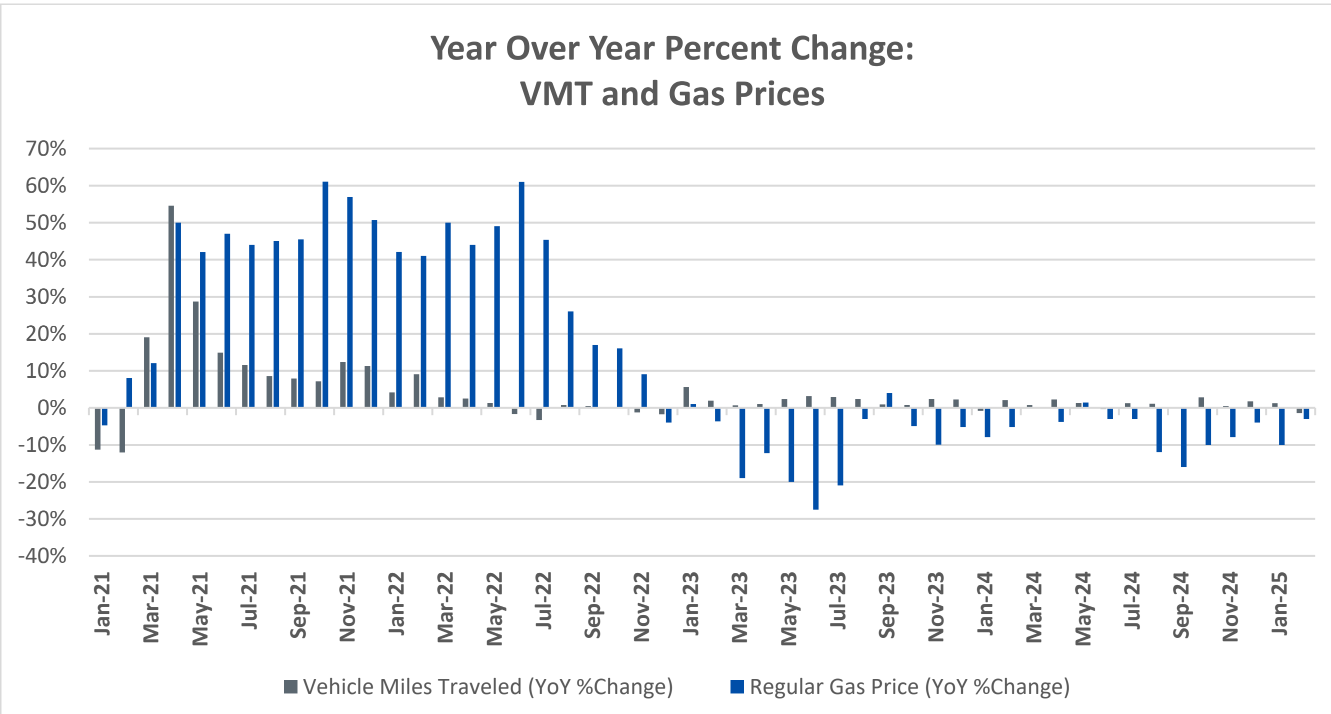
"**South Asia:** The outlook for South Asia light vehicle production was reduced by 88,000 units for 2025 and by 174,000 units for 2026 (and reduced by 153,000 units for 2027). The ASEAN market faces mounting challenges following the United States' implementation of a 25% import tariff on automotive parts and completely built units (CBUs), which has significantly impacted Thai exports, particularly in automotive components such as tires. Also, the announcement of reciprocal tariffs sent shockwaves across the region, further weighing on industry sentiment. However, a 90-day pause on the full measure of US reciprocal tariffs has offered a critical window for economies to cushion the near-term impact and pursue negotiations on more favorable trade terms. Nevertheless, the negative macro impact on demand influences the production outlook for the ASEAN market through the forecast horizon. With the April 2025 update, we have reduced the India production forecast by 37,000 units for 2025 and by 50,000 to 60,000 units for both 2026 and 2027. This adjustment is attributed to the increasing uncertainty from US tariffs on the global market and the negative macro implications to the Indian market. Volumes for the Maruti Suzuki e-Vitara and Toyota Urban Cruiser have been revised downward due to their significant reliance on the European market for 2026 and 2027. Additionally, we have adjusted Hyundai's volumes to better align with export demand.

Economy Meter

Roadway Travel (Updated 5/5)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in February decreased by 1.2 percent from the same time a year ago. The cumulative travel estimate for 2025 is 488.5 billion vehicle miles.[25]

- Travel on all roads and streets changed by -1.5% (-3.7 billion vehicle miles) for February 2025 as compared with February 2024. Travel for the month is estimated to be 237.3 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for February 2025 is 271.9 billion miles, a -1.2% (-3.4 billion vehicle miles) change over February 2024. It also represents a -1% change (-2.7 billion vehicle miles) compared with January 2025.
- Cumulative Travel for 2025 changed by +0.2% (+1.1 billion vehicle miles). The cumulative estimate for the year is 488.5 billion vehicle miles of travel.

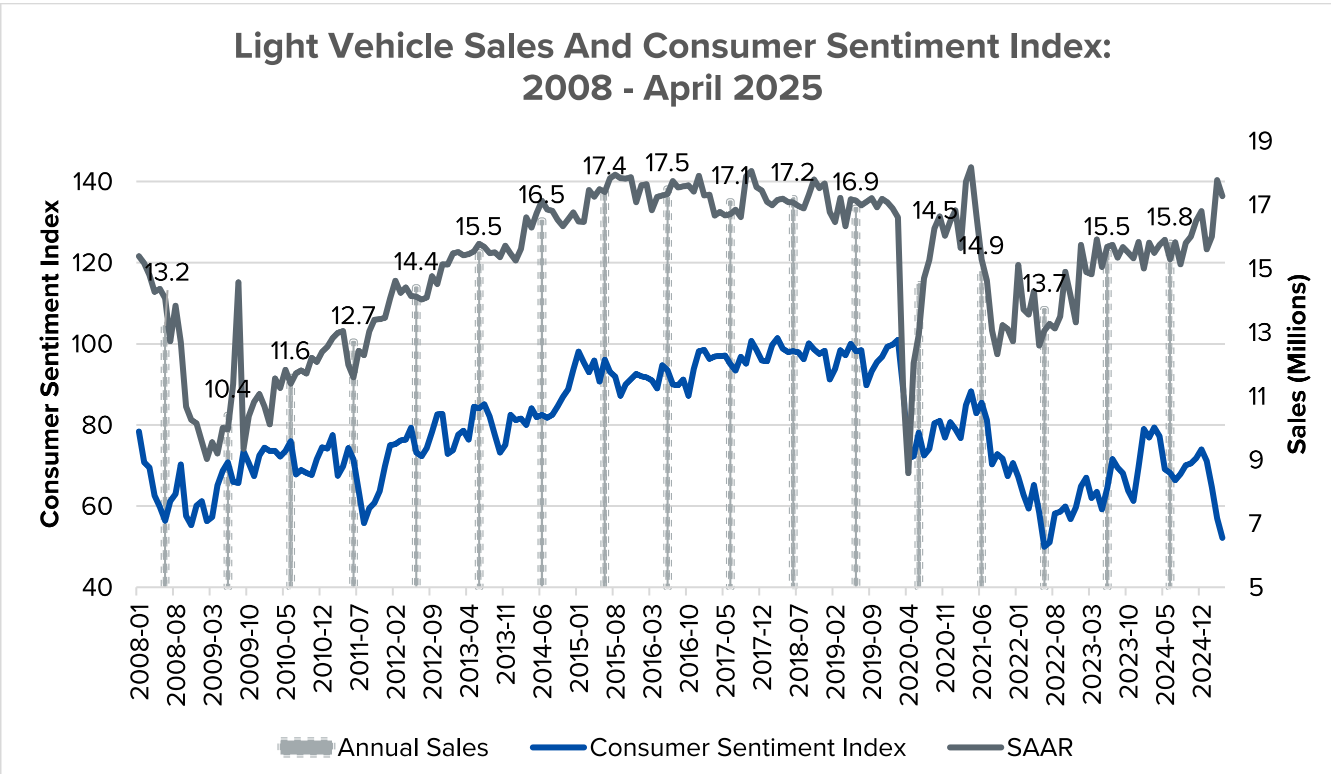


Consumer Confidence and Sales (Updated 5/5)

Surveys of Consumers Director Joanne Hsu[26]: “Consumer sentiment fell for the fourth straight month, plunging 8% from March. While the April decline in current conditions was modest, the expectations index plummeted with drop-offs in personal finances as well as business conditions. Expectations have fallen a precipitous 32% since January, the steepest three-month percentage decline seen since the 1990 recession. While this month’s deterioration was particularly strong for middle-income families, expectations worsened for vast swaths of the population across age, education, income, and political affiliation. Consumers perceived risks to multiple aspects of the economy, in large part due to ongoing uncertainty around trade policy and the potential for a resurgence of inflation looming ahead. Labor market expectations remained bleak. Even more concerning for the path of the economy, consumers anticipated weaker income growth for themselves in the year ahead. Without reliably strong incomes, spending is unlikely to remain strong amid the numerous warnings signs perceived by consumers.

“Year-ahead inflation expectations surged from 5.0% last month to 6.5% this month, the highest reading since 1981 and marking four consecutive months of unusually large increases of 0.5 percentage points or more.

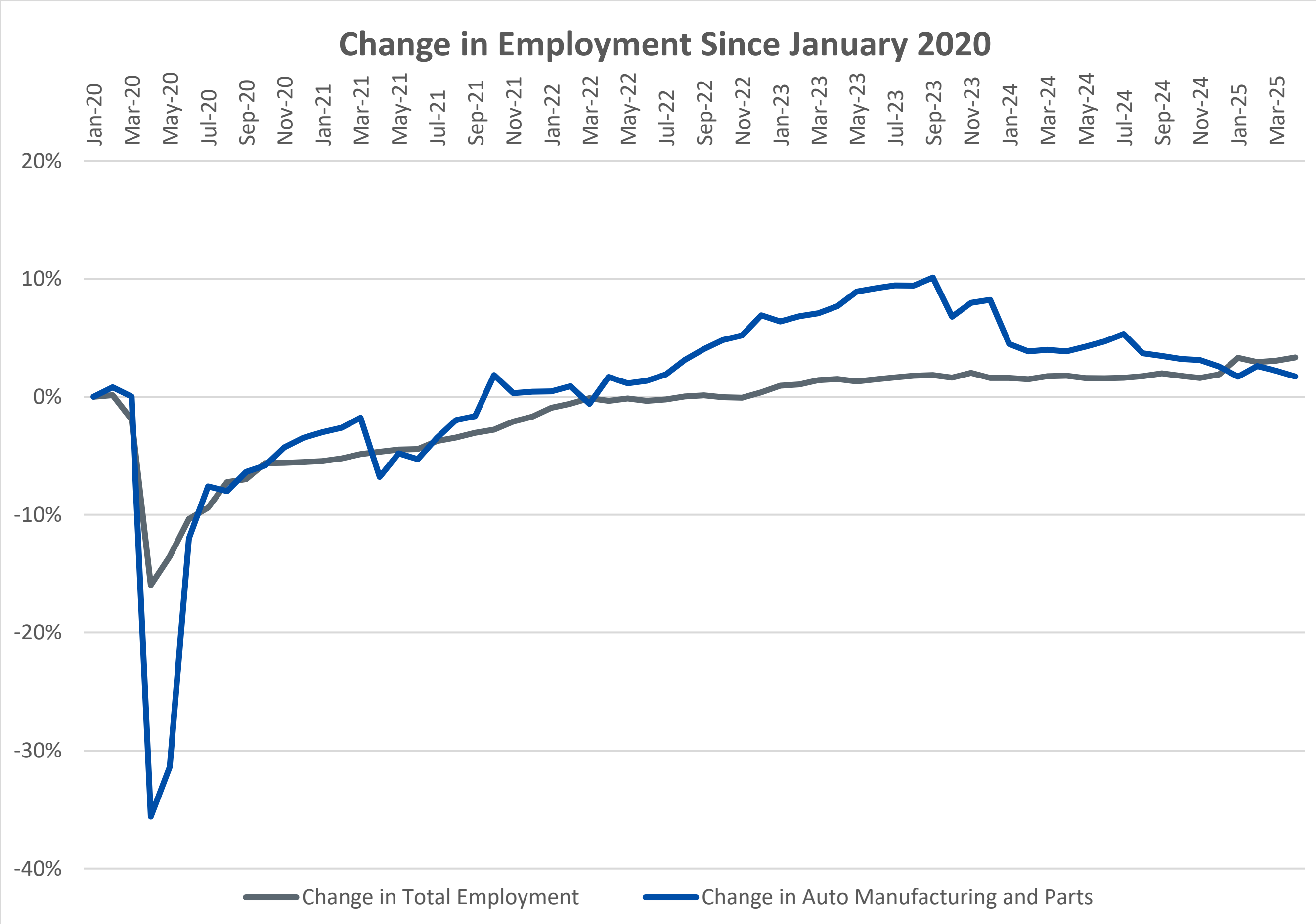
This month's rise was seen across all three political affiliations. As seen in the chart, inflation expectations evolved with major trade policy announcements this month. After the April 9 partial pause in tariff increases, inflation expectations ebbed but remained substantially elevated relative to March. Long-run inflation expectations climbed from 4.1% in March to 4.4% in April, reflecting a particularly large jump among independents."



Employment (Updated 5/5)

Motor Vehicle And Parts Manufacturing Lost 4,700 Jobs in April.

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.[27]



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