

# READING THE METER®

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



ALLIANCE FOR AUTOMOTIVE INNOVATION

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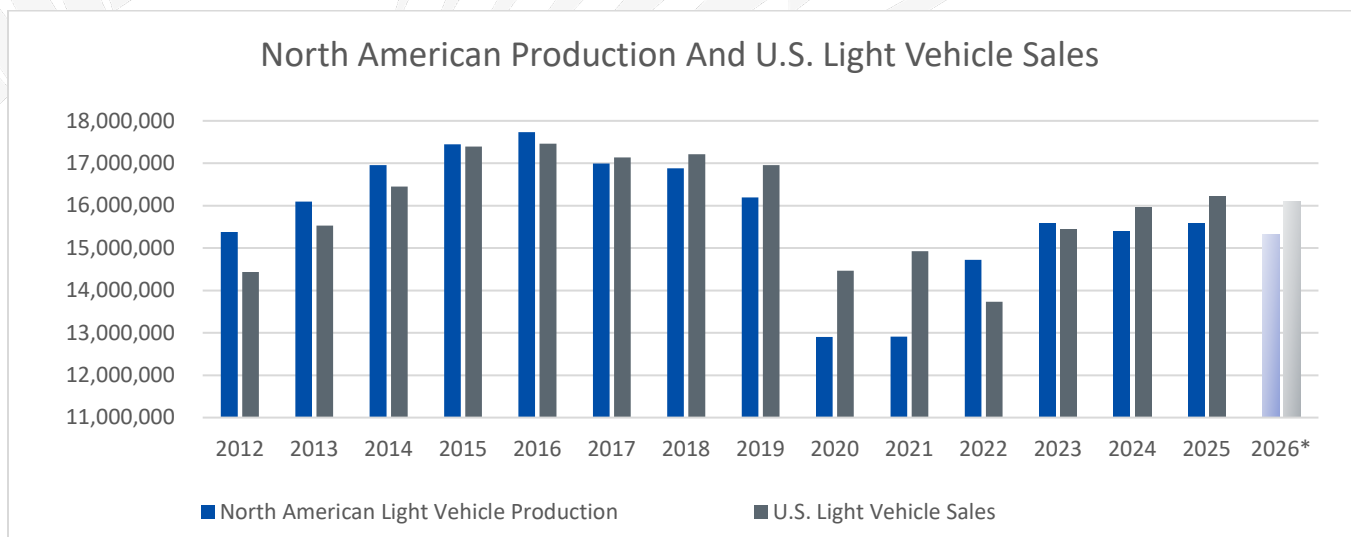
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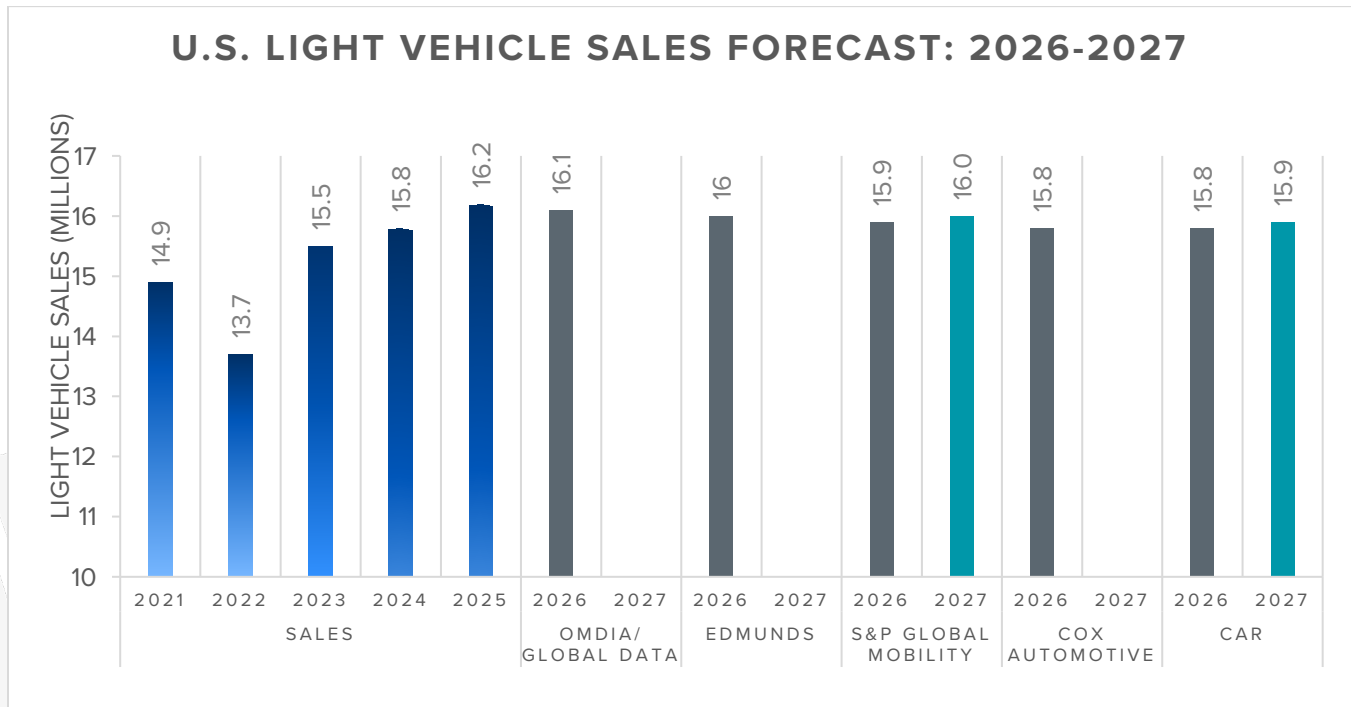
## Forecast Meter

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

2024-2025 Sales, <sup>1</sup> Extended Sales Forecast <sup>2</sup> and Production Forecasts <sup>3</sup>		
	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)	1,260,121 (-2.9% YoY)
March '26	1,403,623 (-8.4% YoY)	1,417,384 (+2.1% YoY)
April '26	1,361,970 (-6.9% YoY)	
<b>2025 Full Year</b>	<b>16,233,363 (+2.4% YoY)</b>	<b>15,576,688 (-3% YoY)</b>
<b>2026 Forecast</b>	<b>16,100,000</b>	<b>15,325,750</b>



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



**Omdia Outlook (5/5)<sup>4</sup>:** “Looking ahead to May, Omdia’s forecasted volume is 1,451 million units (15.9 SAAR). Interestingly, pre-COVID-19, sales in May averaged a 9% increase over April. Yet, post-COVID-19, May sales increase on average by only 3% over April. That puts the estimated raw volume for May closer to 1.403 million units, tracking 4.0% below May a year ago’s 1.461 million units.

“OEMs have cautioned that it would take sustained gas prices above \$5 per gallon before they anticipate a change in sales or the sales mix (people switching to electrified powertrains over IC-only). However, the coastal states (California, Washington, and Oregon), which import more oil from the Middle East, are already over \$5 per gallon, with California topping \$6 per gallon, according to AAA.”

## North American Production & Inventory Outlook (Updated 4/23)

**Omdia Production & Inventory Outlook (5/5)<sup>5</sup>:** “The most pressing risk to the industry is the ongoing closure of the Strait of Hormuz. This conflict has severed access to Middle Eastern aluminum, which accounts for roughly 20% of US imports.

“Two additional factors are aggravating the shortage:

1. A 50% tariff on imported aluminum
2. The continued outage of the Novelis hot smelter, which is not expected to return to operation until later this quarter

While the confluence of events is driving a massive increase in aluminum costs specifically, tariffs and the war are driving up transportation and commodity costs in general.”

**S&P Global Mobility Outlook (4/23)<sup>6</sup>:** “North America: The outlook for North America light vehicle production was reduced by 63,000 units and by 235,000 units for 2026 and 2027, respectively (and reduced by 85,000 units for 2028). Amid the US-Iran conflict, the outlook for 2026 was reduced 0.4% totaling 14.96 million units. Despite the inherent headwinds, the forecast is tied to several high-volume vehicles in need of builds to meet demand and to bolster lean inventory levels. The most notable vehicles include GM’s full-size pickups that face retooling and begin the production transition to the redesigned programs later this year. Ford is still working to recover lost volume stemming from the Novelis fire in September 2025. Production of the T3-based full-size trucks backslid in March, missing an already conservative forecast by 10.8% or 10,000 units. Ford has reportedly cancelled summer shutdown plans at key truck plants to help recover lost volume. Facing economic headwinds and other externalities amid the US-Iran conflict, the forecast is built around the rationale that automakers won’t pre-emptively slow or cut output until there is ample evidence of a demand slowdown. Production planning is therefore expected to remain consistent with a more measured decline beginning to creep into the outlook beginning in late third quarter and through the first half of 2027. As a result, the outlook for 2027 incurs the brunt of the risk and reductions, revised down 1.5% totaling 15.30 million units.”

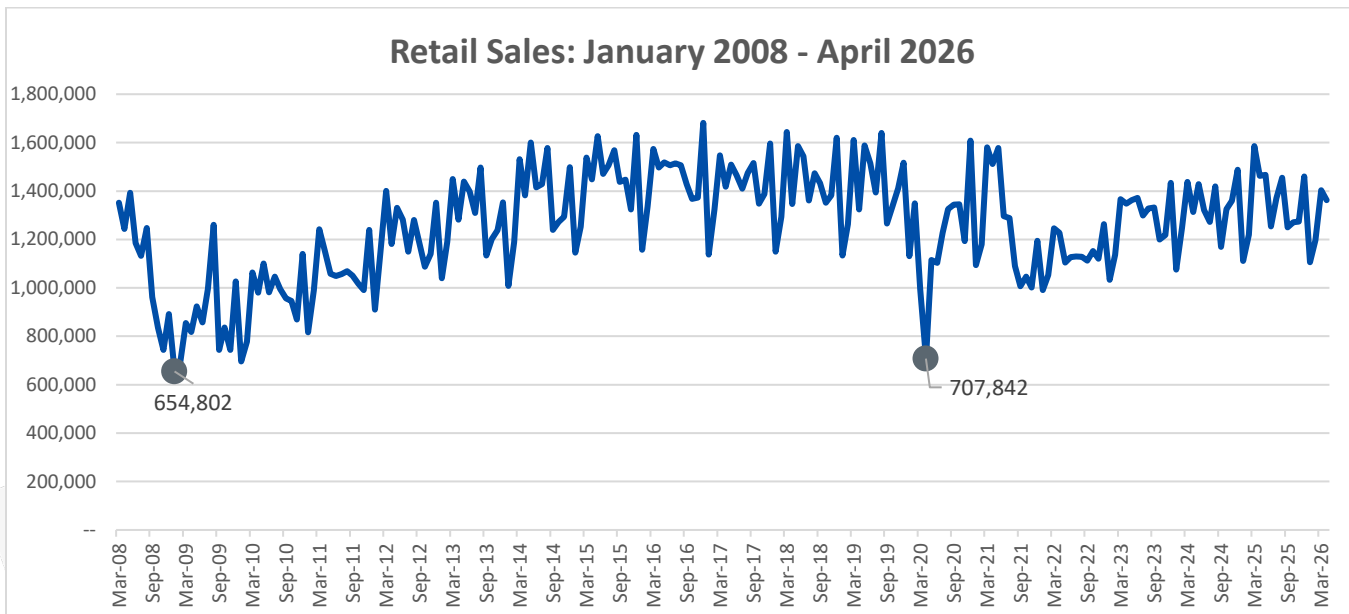
## Market Meter

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### 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)**

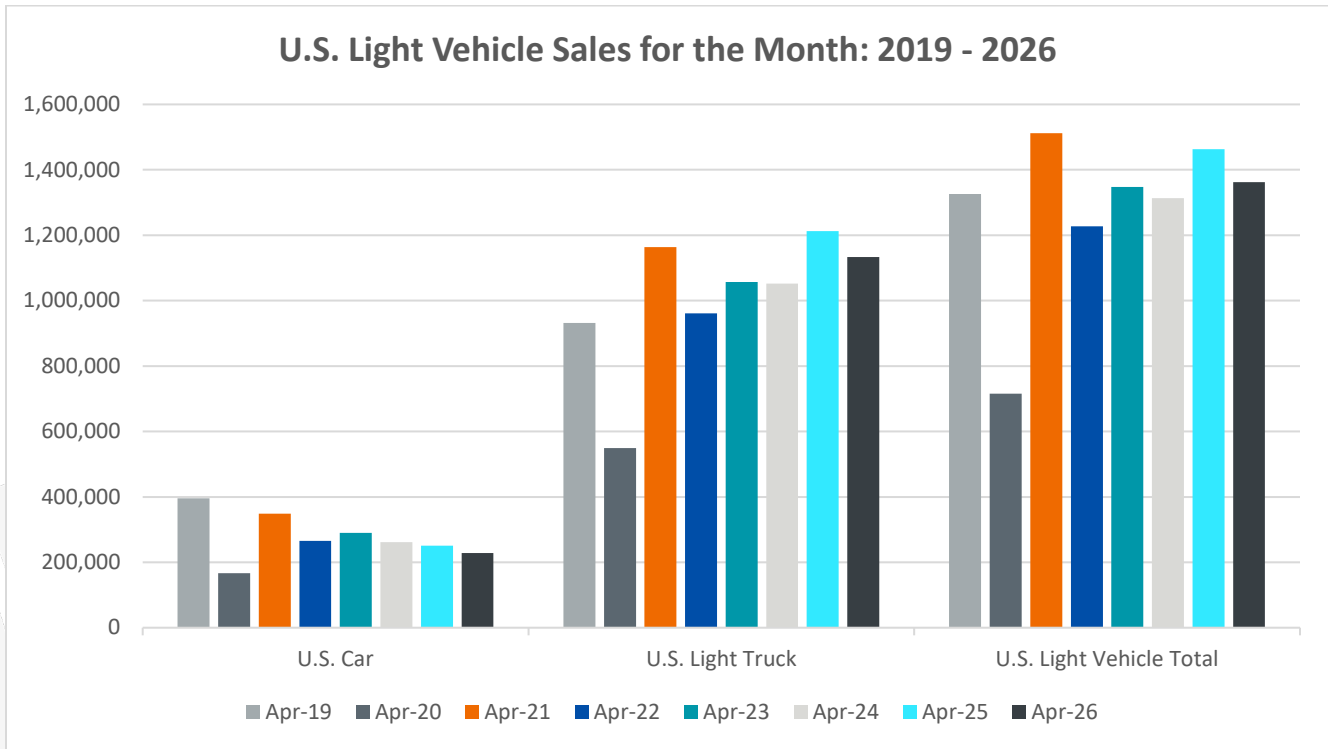
**Omdia**<sup>7</sup>: “US light vehicle sales fell year-over-year (YoY) for the eighth consecutive month in April. Light vehicle sales declined (3.8%) compared to last year but came in higher than April’s mid-month estimate.

April’s SAAR of 15.9 million units came in well under the same month’s 2025 SAAR of 17.3 million units. However, as Omdia reported earlier, last March and into April experienced a pull-ahead effect as consumers rushed to make purchases before the start of the new tariffs, which makes YoY comparisons difficult, if not unhelpful.

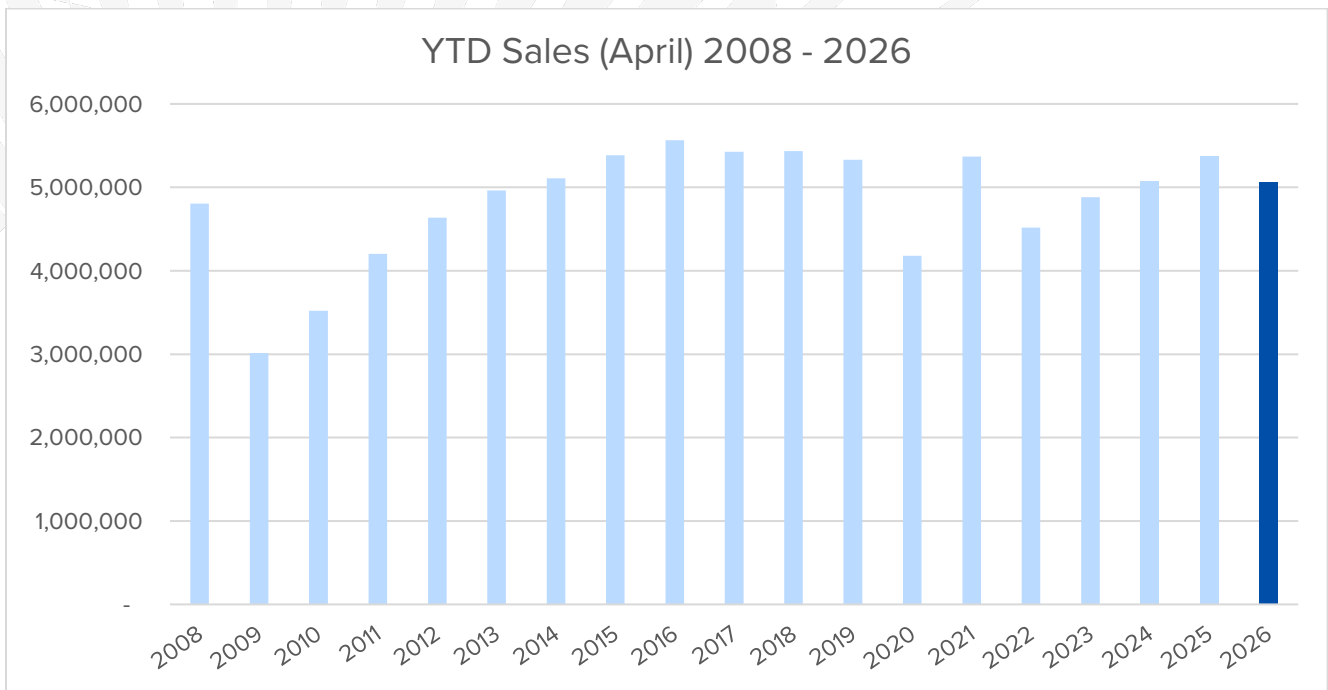
“Raw volume in April totaled 1.362 million units, 6.9% below the same month in 2025’s 1.463 million units. The daily selling rate (DSR) for April 2026 equaled 52,383 over the month’s 26 selling days, 6.9% below the year-ago’s 56,293, also with 26 selling days.

“Non-plug-in hybrids (HEVs) totaled 209,500 in April. That is up 10.1% from last year’s [190,000] and up almost 3.0% from last month’s 203,500 units. In fact, hybrids have been making gains all year. The segment had its biggest month-over-month (MoM) gain so far this year in March when sales totaled 203,500, a 24.4% increase from February’s 163,300. PEVs also recorded their highest MoM gain in March, with raw volume totaling 89,200, up 28.9% from February.

“OEMs have cautioned that it would take sustained gas prices above \$5 per gallon before they anticipate a change in sales or the sales mix (people switching to electrified powertrains over IC-only). However, the coastal states (California, Washington, and Oregon), which import more oil from the Middle East, are already over \$5 per gallon, with California topping \$6 per gallon, according to AAA.”



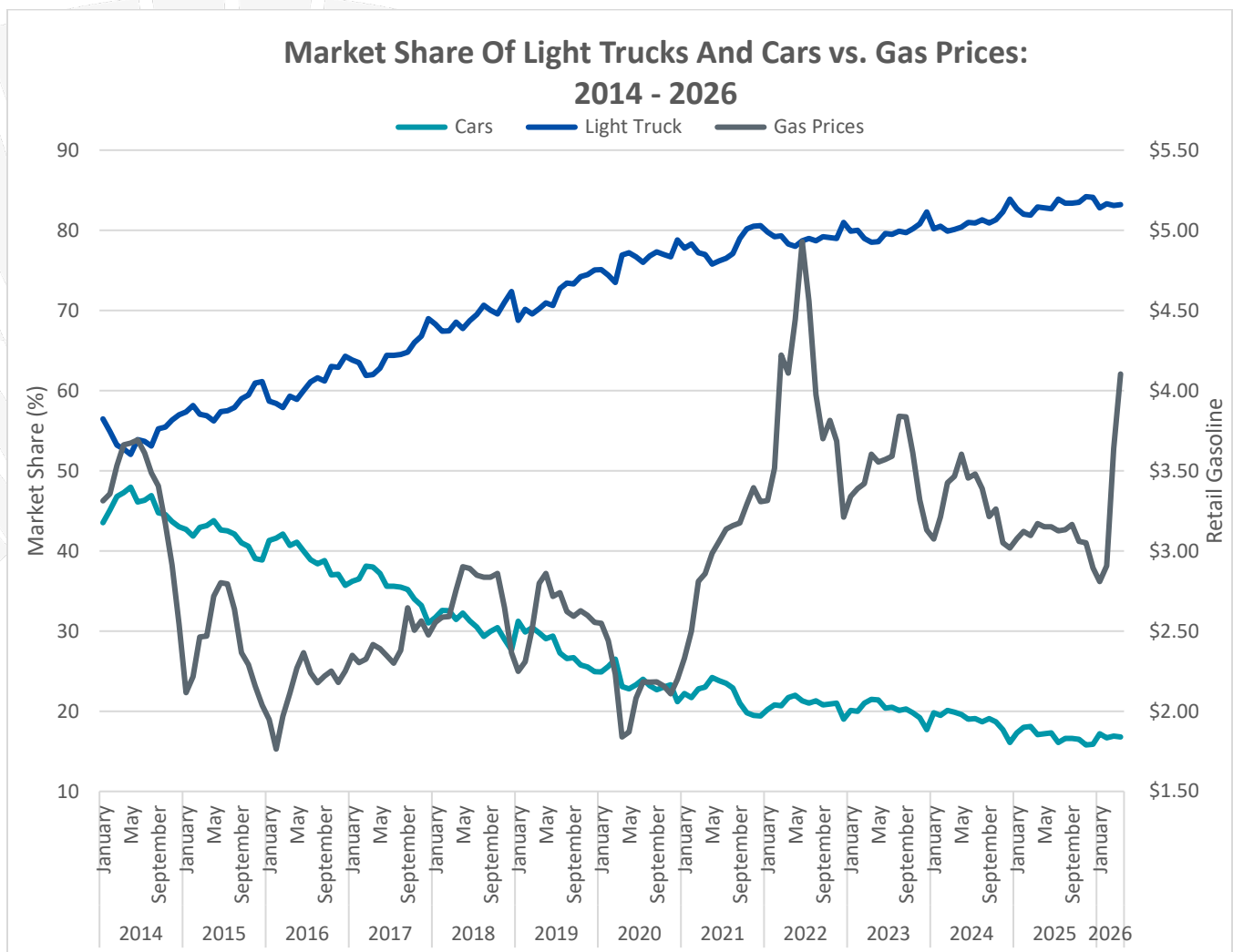
Calendar year-to-date sales through April totaled 5.07 million units, down 5.8 percent from 2025's 5.4 million.



## Segments vs. Gas Prices (Updated 5/5)

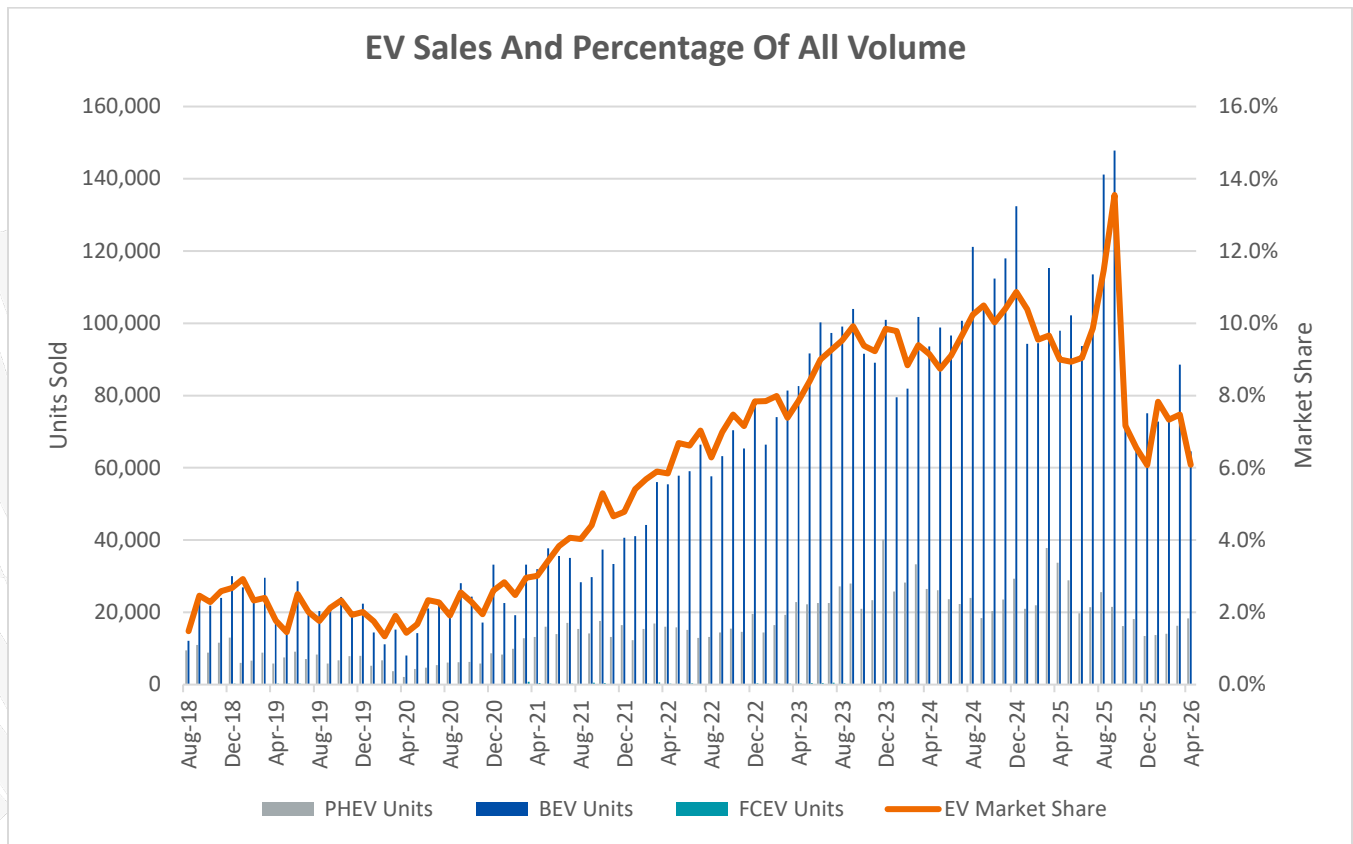
**Monthly Sales:** Light trucks accounted for 83.2 percent of sales in April, up 0.3 percentage points from the market share a year ago. Compared to the same period in 2025, sales of cars are down about 22,000 units, and down about 166,000 from April 2019, when cars comprised 30 percent of the market as opposed to the 16.8 percent of the market passenger cars have now.

**Historic Perspective:** The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments<sup>8</sup> and gas was over \$3.00<sup>9</sup> 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.<sup>10</sup>



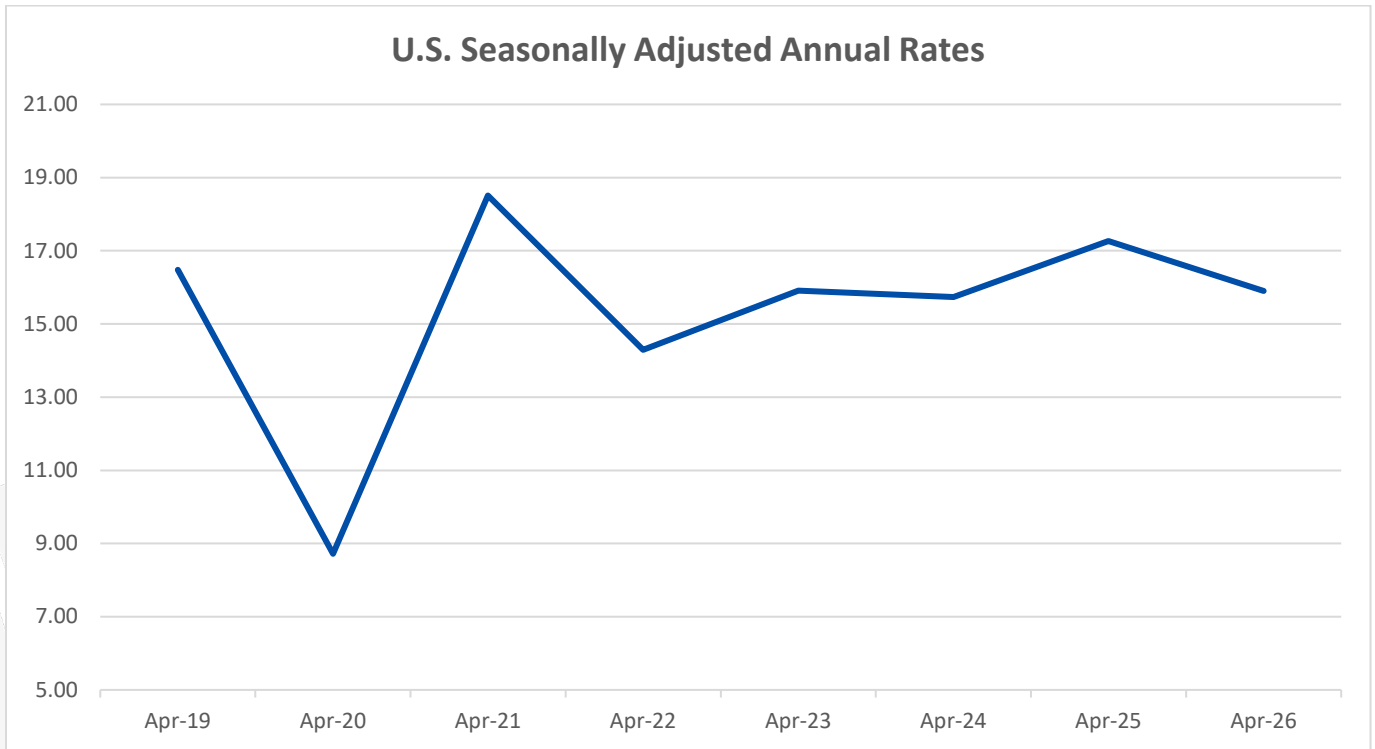
## EV Powertrain Sales (Updated 5/5)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 6.1 percent of total vehicle sales in April 2026 (82,855) per Omdia estimates. Market share decreased 1.4 percentage points (pp) from March 2026's 7.4 percent. April's EV market share is down 2.9 pp from a year ago. Sales of battery electric vehicles accounted for 4.7 percent of total sales, down 2 pp from April 2025. Plug-in hybrids accounted for 1.3 percent, down 1 pp from the same time last year. Hybrid market share was 15.4 percent.



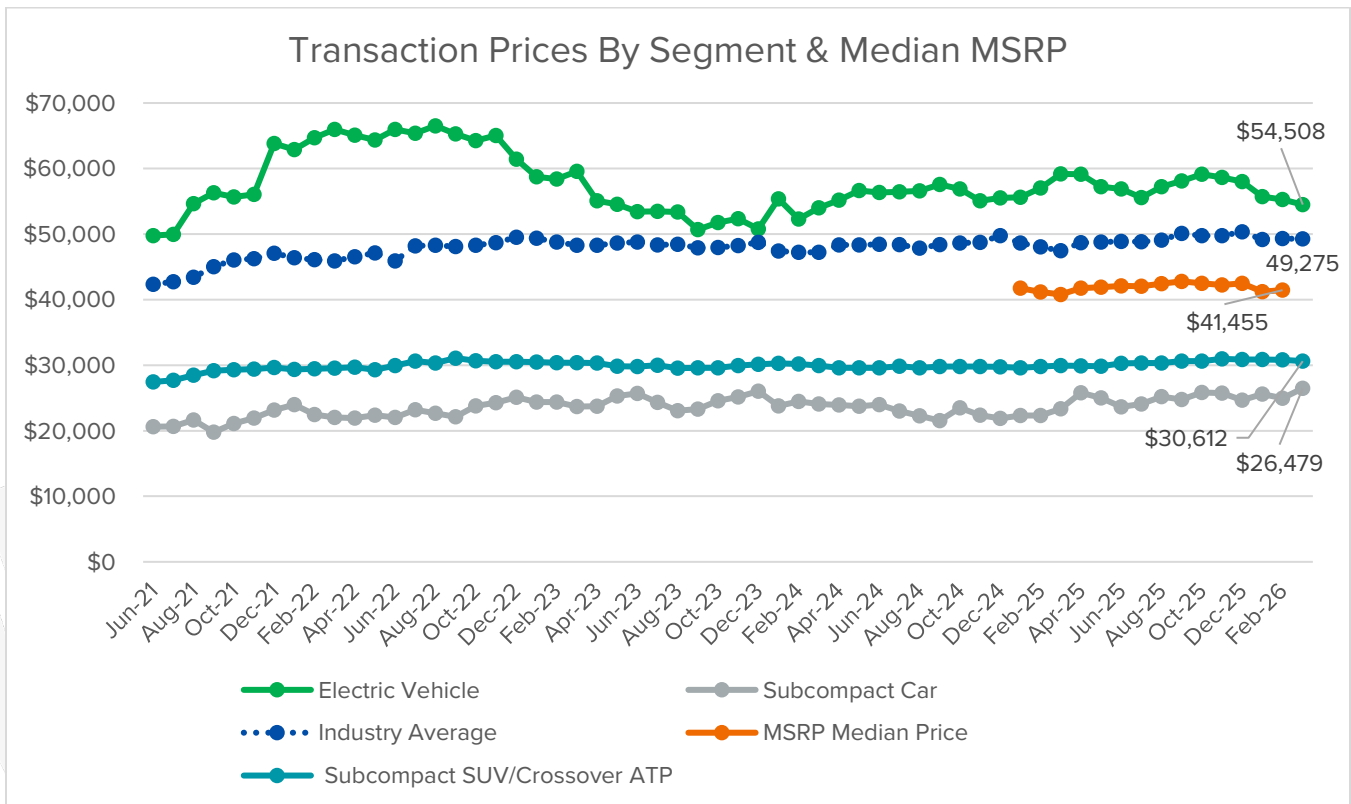
## Seasonally Adjusted Annual Rates (Updated 5/5)

**Omdia<sup>11</sup>:** “April’s SAAR of 15.9 million units came in well under the same month’s 2025 SAAR of 17.3 million units. However, as Omdia reported earlier, last March and into April experienced a pull-ahead effect as consumers rushed to make purchases before the start of the new tariffs, which makes YoY comparisons difficult, if not unhelpful.”



## Average Transaction Price (Updated 4/23)

**J.D. Power (Updated 4/23)**<sup>12</sup>: “Affordability continues to constrain the vehicle sales pace even as pricing and financing conditions show modest signs of improvement. Average retail transaction prices are trending toward \$45,990 in April, essentially unchanged from a year ago



**Median MSRP (February) (4/23):** The Median MSRP In February 2026 Was \$41,455, Nearly \$8,000 Below the Average Transaction Price of \$49,329.

- Median MSRP increased month-over-month by less than 1 percent (\$260). Year-over-year, median MSRP was up similarly by less than 1 percent (\$265).

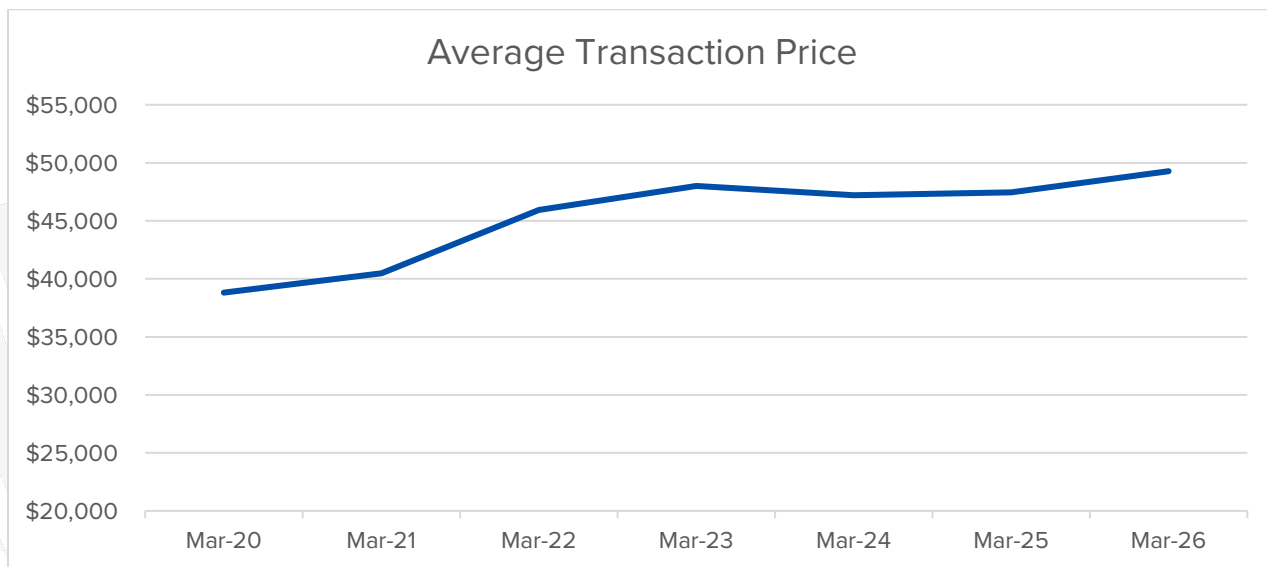
**Kelley Blue Book (March) (4/23)**<sup>13</sup>: “The ATP for a new vehicle, according to Kelley Blue Book, was \$49,275, up 3.5% from one year earlier. Compact and subcompact vehicles lost share in March, as sales of full-size pickup trucks and SUVs, and midsize SUVs accelerated and pulled the industry average ATP higher. Transaction prices in March were mostly unchanged from February, declining by 0.1%.

“March incentives rose to 7.2% of ATP, up modestly from 7.1% of ATP a year earlier. Incentives in March were higher compared to February, when the average was 6.9% of ATP. Incentive spending has now increased for two consecutive months. In January, incentives stood at 6.5% of ATP. The additional discounts helped improve the sales pace in March and reduce inventory levels.

- **Erin Keating, Executive Analyst, Cox Automotive:** “Despite higher fuel costs, U.S. consumers stayed focused on larger segments in March. Buying behavior does not change quickly, and most Americans have ridden the gas-price rollercoaster before. They know where the ride ends. The numbers this month also show that the industry’s near-\$50,000 ATP is reflective of a market that favors large, expensive vehicles. While affordable vehicles still exist, the demand continues to be concentrated in higher-priced segments.”

“The EV ATP was lower year over year by 2.8% at \$54,508 and was lower for the third straight month. The March EV ATP declined 0.7% from the revised-lower February ATP. The gap between EV and ICE+ pricing has dropped to roughly \$5,800, the smallest gap in the Kelley Blue Book data set.

“Incentives for EVs increased in March, helping improve the sales pace. Last month, the average incentive for a new EV was 14.6% of ATP (nearly \$8,000), more than double the industry average and an increase from 14.2% of ATP in February. One year ago, the average incentive package for a new EV was equal to 12.9% of ATP.”



**Cox Automotive Used Vehicle Prices (4/23)<sup>14</sup>:** “The average used-vehicle listing price was \$25,390, up less than 1% compared to the levels observed a year earlier and higher by 0.7% from the revised \$25,209 recorded in February, a month-over-month increase consistent with typical March trends.

“Price-conscious buyers have limited options for affordable used vehicles. Used cars priced below \$15,000 continue to have low availability, with only 27 days’ supply, which is 11 days below the overall industry average. The top five sellers of the month had an average price of \$23,861, nearly 6% below the average listing price for all used vehicles sold.”

**Cox Automotive Used EV Prices (4/23)<sup>15</sup>:** “The average listing price for used EVs was \$34,653 in March, down 6.1% year over year and lower by 0.4% month over month. . . . The used EV price premium over ICE+ vehicles narrowed to \$1,012 in March, continuing a trend toward parity.”

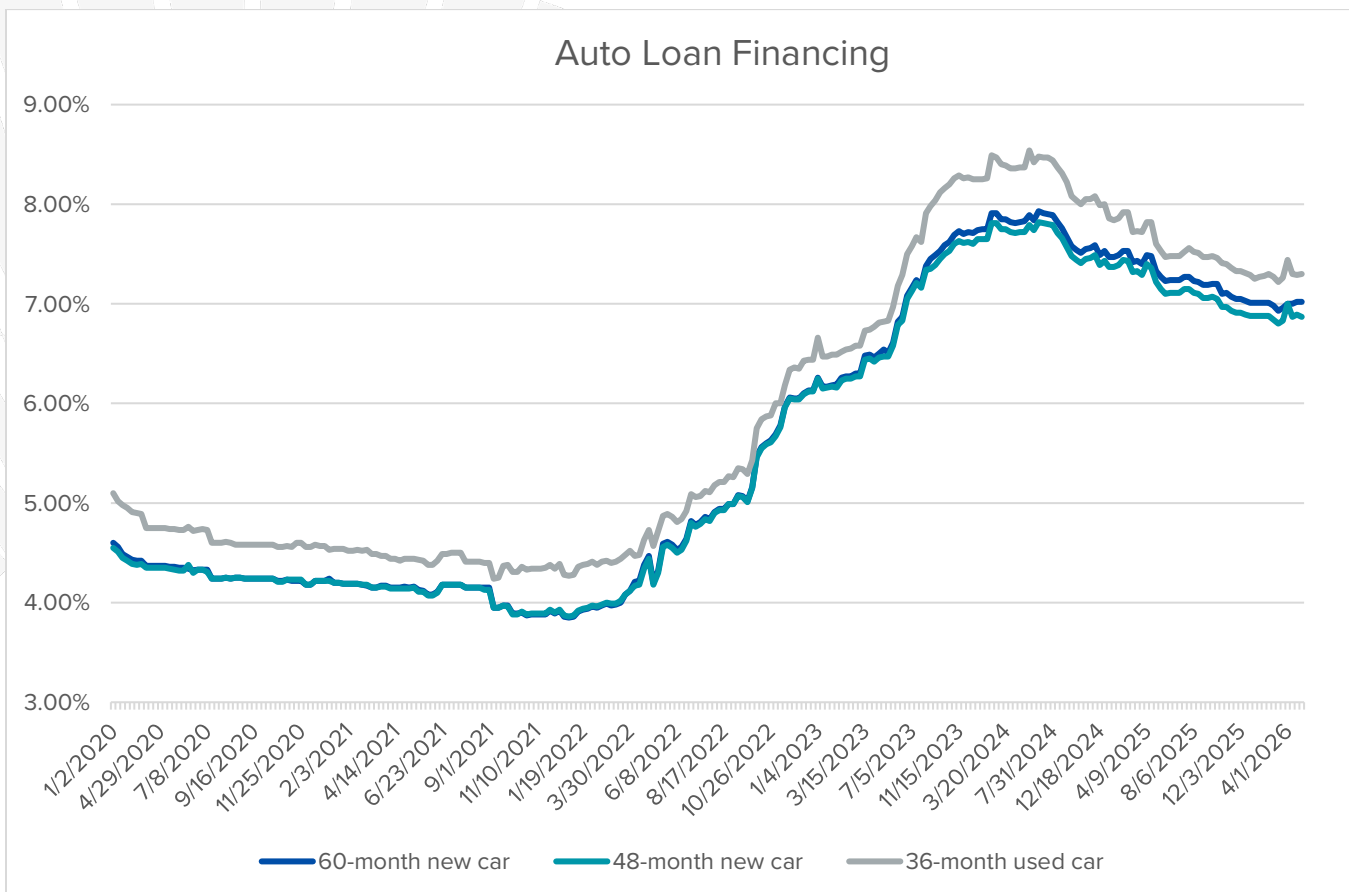
## Auto Loan Financing (Updated 5/5)

**JD Power (4/23)<sup>16</sup>:** “[T]he average interest rate on new-vehicle loans is expected to decline 0.3 percentage points to 6.73%. Despite easing borrowing costs, average monthly finance payments are expected to increase 3.1% year over year to \$812, driven primarily by continued deterioration in trade-in equity.”

**Interest Rates Rise to 7.02 Percent for 60-Month New Car Loan (updated 5/5):** Interest rates held mostly steady over the last two weeks, increasing slightly on the 60-month and remaining the same on the 48-month

new car loan as well as the 36-month use car loans. Rates on the 60-month new car loan remain at 7.02 percent. Rates for the 48-month new loan and 36-month used car loan now stand at 6.87%, and 7.30%, respectively. Since the beginning of 2020, 60-month rates are up 2.42 pp, and are down 0.31 pp since the same time a year ago.<sup>17</sup>

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
4/30/2025	7.33%	7.22%	7.60%
4/15/2026	7.00%	6.87%	7.30%
4/29/2026	7.02%	6.87%	7.30%
Two Week Change	0.02%	0.00%	0.00%
Change since 1/3/20	2.42%	2.34%	2.19%
One Year Change	-0.31%	-0.33%	-0.31%



## Crude Oil and Gas Prices (Updated 5/5)

**Gas and Oil Moderating on the Rise (5/5):<sup>18</sup>** Oil prices, as benchmarked at West Texas Intermediate were \$95.43 in late April, up \$32 from the same time a year ago. Since election day 2024, oil prices are up \$26 a

barrel. After spending 13 weeks under \$3.00 a gallon, gas rose to a four-year high at the end of March (\$4.12) and currently remains at that price point. Gas is 60 percent higher than the beginning of 2020.

**EIA Outlook For Gasoline (4/23)**<sup>19</sup>: “Higher crude oil prices are leading to higher prices at the pump for gasoline and diesel. We forecast U.S. average retail gasoline price will increase to nearly \$4.30 per gallon (gal) in April and the U.S. average retail diesel price will increase to more than \$5.80/gal.

“U.S. retail gasoline and distillate prices compared with Brent crude oil price

“Crude oil prices typically constitute around half the total retail price of gasoline and slightly less for diesel. Other factors include refinery margins (found by subtracting crude oil cost from refined product price), retail and distribution margins (subtracting wholesale gasoline costs from pump prices), and taxes.

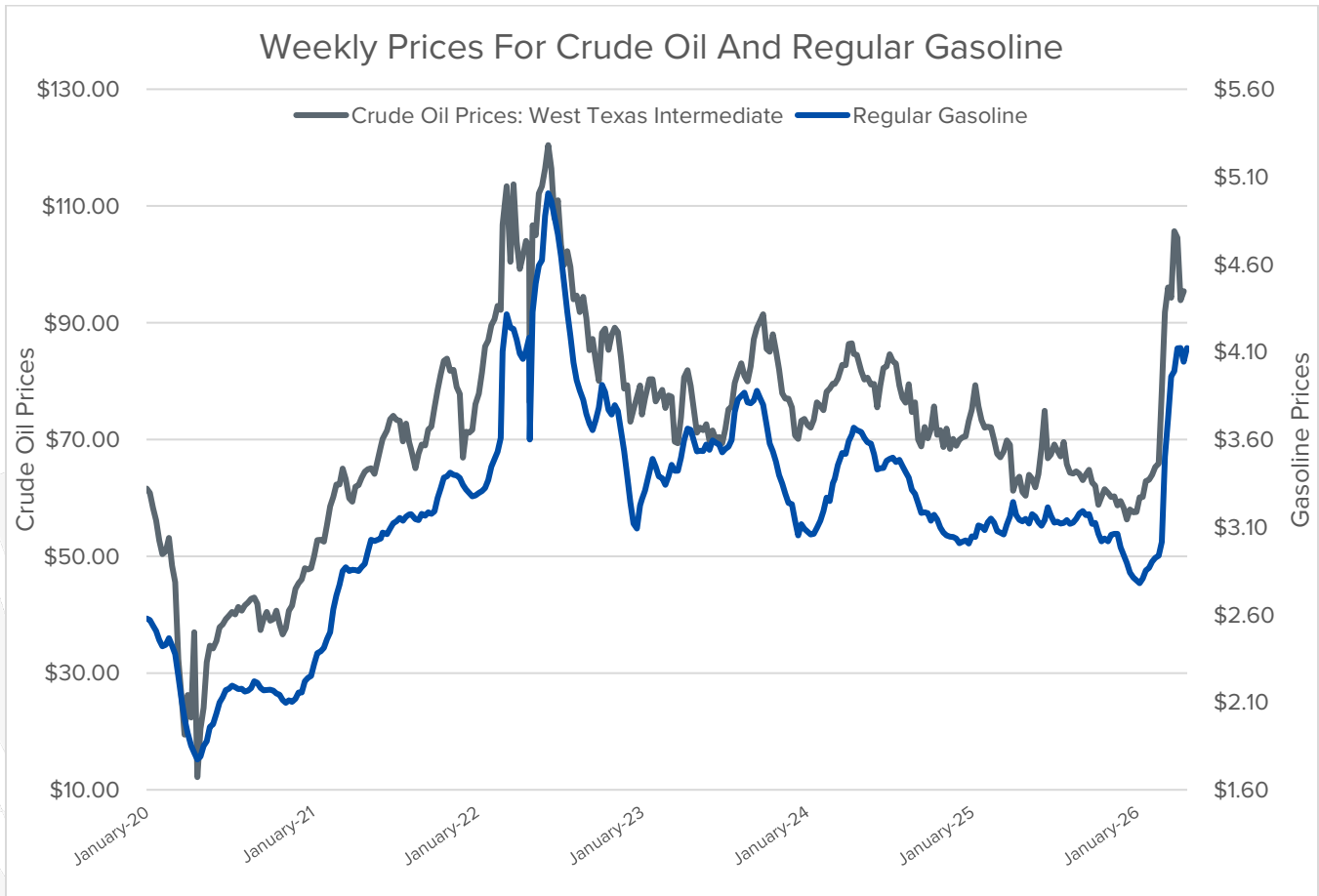
“Most of the increase in retail gasoline prices will be driven by the increased crude oil price and typical seasonal patterns. We forecast U.S. gasoline inventories to be average or above average throughout the forecast period, which contributes to less pressure on refiner and retail margins for gasoline than for diesel.

“We forecast U.S. retail gasoline prices to average \$3.70/gal in 2026 and \$3.46/gal in 2027, both up from \$3.10/gal in 2025. Diesel prices average \$4.80/gal this year and \$4.11/gal in 2027, both up from \$3.66 in 2025.”

**EIA Outlook For Oil (4/23)**<sup>20</sup> “In March, the spot price spread between Brent crude oil and West Texas Intermediate (WTI) crude oil priced at Cushing, Oklahoma, widened to an average of \$12 per barrel (b) in March, compared with \$6/b in February.

“The price of Brent crude oil increased more than that of WTI because the Brent crude oil price is more exposed to global crude oil market conditions. An increase in transportation costs, which has been exacerbated by disrupted navigation through the Strait of Hormuz, has reduced the shipping capacity to move crude oil between markets. In addition, WTI price increases were relatively smaller because of above-average domestic inventories and policy interventions in the United States. The U.S. government announced plans for the release of crude oil from the Strategic Petroleum Reserve (SPR) on March 11 and announced a 60-day Jones Act waiver to allow foreign vessels to transport commodities between U.S. ports on March 17.

“We forecast U.S. crude oil inventories to remain above average levels, softening the upward price effects on WTI crude oil, relative to Brent. The Brent-WTI spread in our forecast peaks at \$15/b in April, when production disruptions are largest. The spread falls to \$9/b on average in 3Q26 and \$4/b by 4Q26, when we assume most of the disruptions to global crude oil production and trade will dissipate.”



## Production Meter

### North American Production (Updated 4/23)

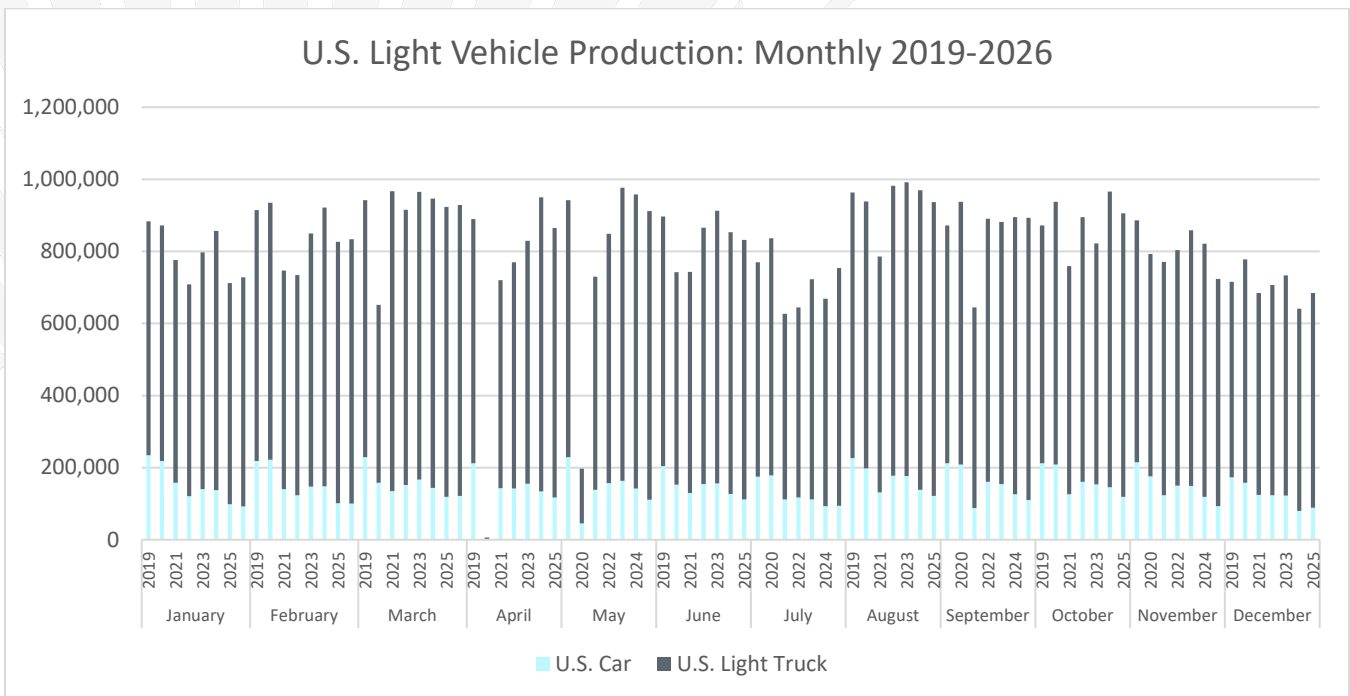
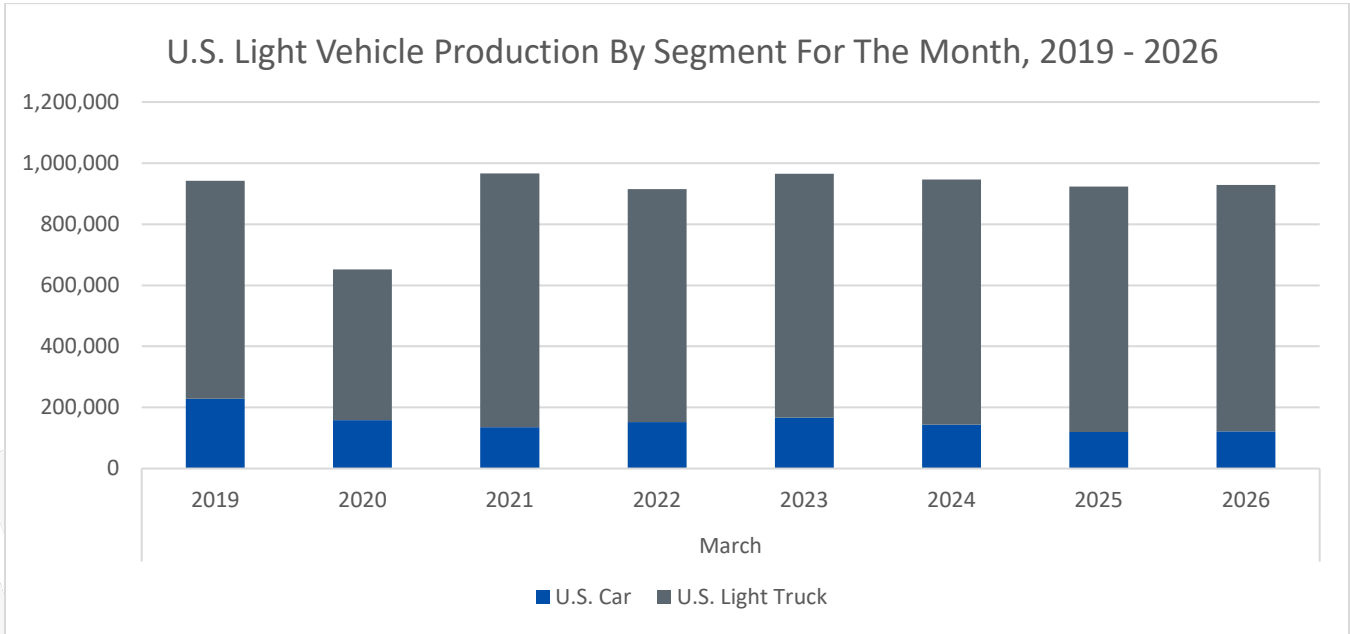
**Omdia**<sup>21</sup>: “March production ended higher than estimated at 1.417 million units, and up 2.1% year-over-year (YoY) as automakers got ready for the spring selling season. Medium and heavy-duty truck production experienced a 13.3% year-over-year decline in March, totaling 35,549 units.

“The first quarter total, which is still subject to revision, of 3.812 million units was 1.3% below like-2025’s 3.861 million. The light-vehicle total was 3.693 million, 1.4% below 1Q25.”

### U.S. Light Vehicle Production (Updated 4/23)

#### **U.S. Monthly Production**

U.S. Light vehicle production for March was up 11 percent month-over-month, totaling 928,525 vehicles (121,547 cars; 806,978 light trucks), year-over-year, production is up 3.6 percent from 2025.<sup>22</sup>

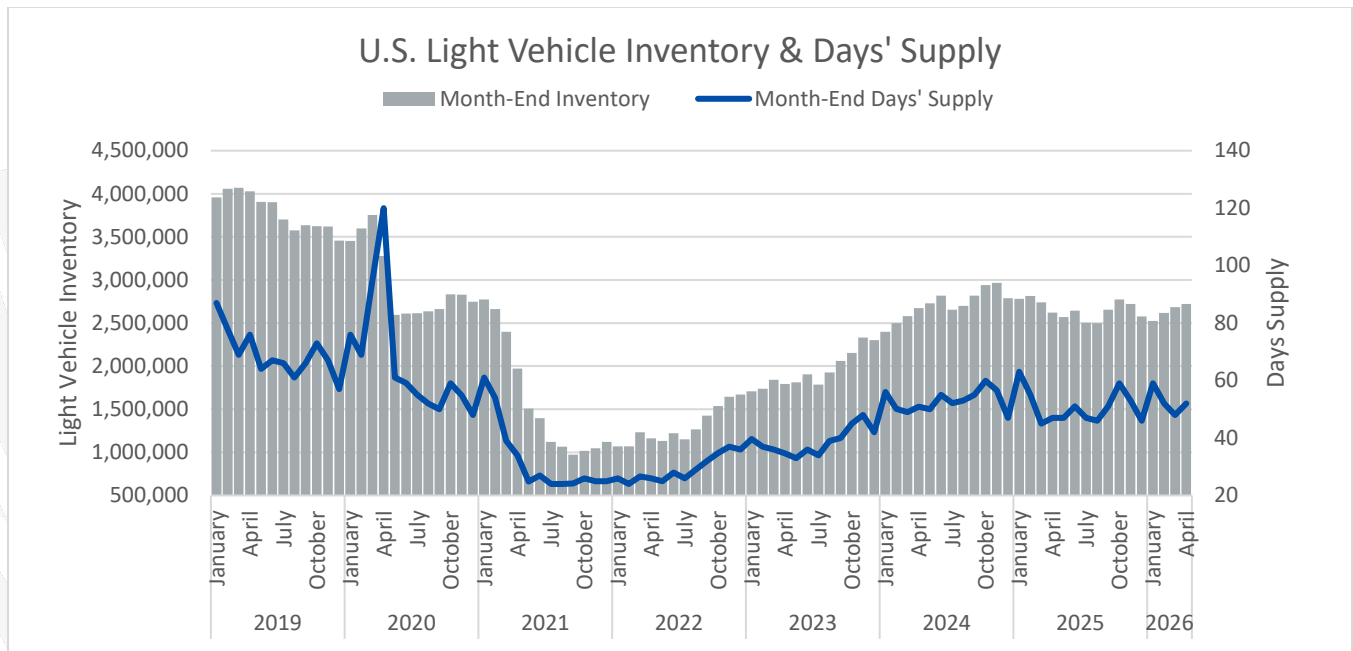


## U.S. Light Vehicle Inventory and Days' Supply (Updated 5/5)

**Omdia Inventory Update (5/5)<sup>23</sup>:** "At the end of April, total units reached 2.723 million, up 3.6% from 2025 and 1.4% from March. This shift ends a 12-month streak of annual declines.

“While April’s raw volume sales of 1.362 million units were better than expected, they were 6.9% below the 1.463 million units from the same month a year ago and were lower than the previous month’s 1.389 million units. This cooling pace provided dealerships with some breathing room to restock. Days’ supply subsequently climbed to 52 days, a jump from the 47 days recorded during the same period last year.

“EVs continue to destock as OEM interest and demand remain low. Total plug-in electric vehicle (PEV) stocks plummeted by more than 32% compared to last year. This decline is mirrored almost identically across both pure battery electric (BEV) and plug-in hybrid (PHEV) models.”



## Global Meter

### Global Light Vehicle Sales (Updated 5/5)

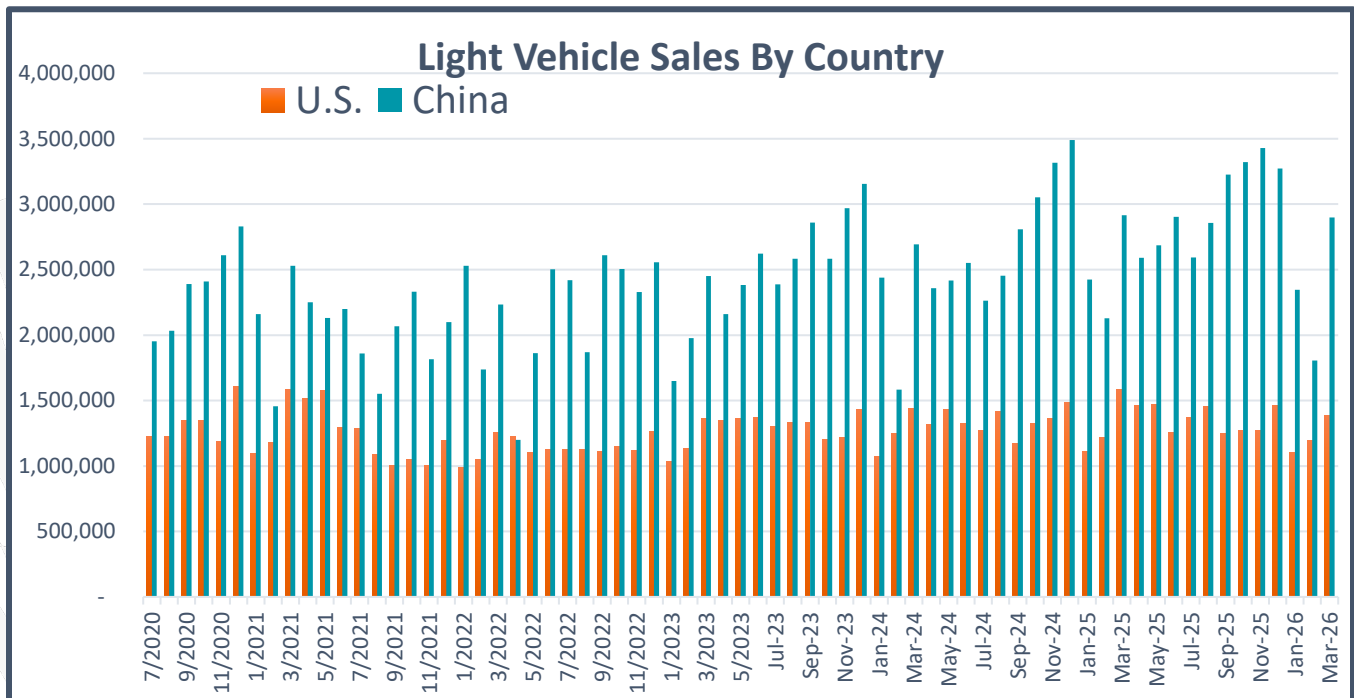
**Omdia<sup>24</sup>:** “Global sales of light vehicles and medium- and heavy-duty trucks combined rose YoY for the first time in five months. March’s raw volume of 9.185 million units was 1.2% above the same month a year ago’s 9.078 million units and was 35.4% over February’s 6.785 million units.

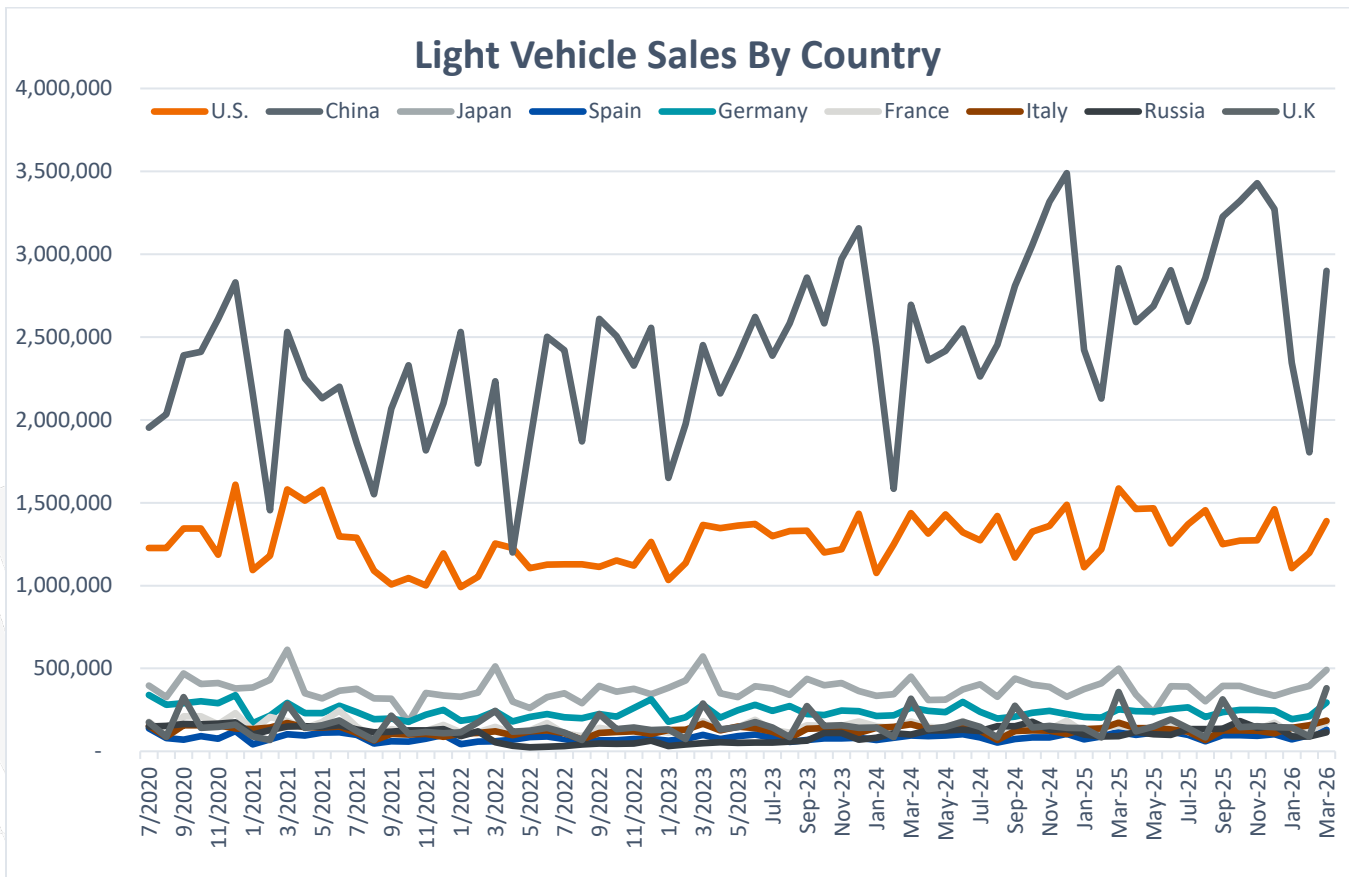
“Increases in South America (30.0% YoY), Europe (9.0% YoY), and Other regions (10.8% YoY) mainly drove the hike. This was enough to overcome an 11.1% YoY drop in North America, which had more to do with an artificially high bar set last year during the rush to get ahead of price increases from tariffs rather than an actual slump in sales.

“Excluding medium-/heavy-duty trucks, light vehicles totaled 8.893 million units in March, up 1.6% from March a year ago’s 8.753 million units and 36.2% from last month.

“Looking ahead to April, GlobalData expects global light-vehicle sales to fall 1.3% YoY, despite China potentially bouncing back from its post-Lunar New Year slump and India and other Asian markets continuing along their growth trend.

“Expected weakness in North America mainly drives the drop. The effects of the conflict in the Middle East are finally working their way into forecasts, and it is clear that North America is not immune.”





## Global Light Vehicle Production (Updated 4/23)

**S&P Global Mobility Forecast (4/23)<sup>25</sup>:** “The global auto industry continues to navigate the effects of the ongoing Middle East conflict as well as industry-specific dynamics and general macro developments. A key driver of the outlook for the industry in the near-term is governed by assumptions around the ongoing conflict in Iran. We have modified our base case assumptions to reflect a somewhat extended conflict with the Strait of Hormuz remaining effectively closed through April (rather than a 1-2 week closure underpinning the March update) and a resulting increase in oil prices relative to prior expectations. While we still aren’t projecting a significantly prolonged crisis, the market is expected to experience further price volatility. Of note, we continue to model alternative scenarios, in particular, the potential for an oil shock scenario that could result in extended severe disruption significantly impacting oil prices and broader macro conditions as well as resultant vehicle demand and production. The April forecast update reflects a mix of downward revisions through the near-term forecast horizon with more meaningful cuts for Iran and other Middle East countries as we adjust to reflect the ongoing impacts of the conflict in Iran as well a downward revision for China to reflect near-term demand headwinds. The more noteworthy regional adjustments with the latest forecast update are detailed below:

**“Europe:** The outlook for Europe light vehicle production was reduced by 114,000 units and by 143,000 units for 2026 and 2027, respectively (and reduced by 262,000 units for 2028). Our April forecast update for Europe reflects additional pressure from the escalation related to the Iran war as well as continued challenges

associated with vehicle affordability as rising manufacturing and logistics costs present ongoing headwinds for automakers. The war in Iran creates downside factors such as rising energy costs and supply chain destabilization. As a result, demand estimates have been downgraded across key domestic and export markets.

**“Greater China:** The outlook for Greater China light vehicle production was reduced by 239,000 units and by 156,000 units for 2026 and 2027, respectively (and reduced by 70,000 units for 2028). In March, mainland China’s passenger vehicle market showed a clear post-holiday recovery in month-on-month terms, while year-on-year performance remained under pressure amid weak consumer confidence and a deterioration associated with the Iran conflict. The contrast between robust sequential growth and weak annual comparisons indicates that domestic demand has not returned to prior-year levels, mainly owing to pay-back effects as incentives have retreated. Although the domestic sales recovery remained uneven in March, production schedules and dealer activity normalized after the holiday period, even as underlying consumer demand, particularly in entry level segments, remained subdued. According to the CDCA, the passenger vehicle inventory index has improved but remains above average at 1.76 for March. Of note, exports remain a significant growth driver, highlighting the increasing importance of overseas markets. The production forecast in the extreme near-term remains influenced by domestic demand challenges yet offset somewhat by strong export activity. Downward revisions for 2027 reflect structural headwinds such as destocking, continued DRAM pricing/availability impacts, overseas localization and regulatory tightening.

**“Japan/Korea:** The production outlook for Japan for 2026 and 2027 was reduced by 60,000 units and 26,000 units, respectively, relative to last month’s forecast. The prolonged and somewhat deteriorating situation in the Middle East is expected to inevitably affect both domestic and export demand as inflation and general market instability create noteworthy headwinds. The long-term production outlook for Japan was reduced by around 94,000 units per year. This is primarily due to a change in sourcing patterns for the Toyota Corolla and the Subaru Crosstrek. While South Korea vehicle production in March was about 40,000 units higher than expected, the 2026 production forecast was reduced by 5,000 units relative to last month as demand is expected to decrease due to rising crude oil prices caused by the war between the US and Iran. Given the expectation that geopolitical instability in the Gulf region will continue through the short-term, South Korea production was reduced by 16,000 units and by 13,000 units for 2027 and 2028, respectively.

**“Middle East/Africa:** The outlook for Middle East/Africa light vehicle production was reduced by 143,000 units and by 126,000 units for 2026 and 2027, respectively (and increased by 36,000 units for 2028). Production revisions for Middle East/Africa are dominated by the escalating impacts of the ongoing Iran war with demand as well as production, logistics and supply chain capabilities being significantly affected. Further, the implications spread beyond Iran and also influence the outlook for surrounding GCC countries. Of note, the volume upgrade in 2028 is supported by new production for Chinese automakers in Egypt and an upward revision for light commercial vehicle production in Algeria.

**“North America:** The outlook for North America light vehicle production was reduced by 63,000 units and by 235,000 units for 2026 and 2027, respectively (and reduced by 85,000 units for 2028). Amid the US-Iran conflict, the outlook for 2026 was reduced 0.4% totaling 14.96 million units. Despite the inherent headwinds, the forecast is tied to several high-volume vehicles in need of builds to meet demand and to bolster lean inventory levels. The most notable vehicles include GM’s full-size pickups that face retooling and begin the production transition to the redesigned programs later this year. Ford is still working to recover lost volume stemming from the Novelis fire in September 2025. Production of the T3-based full-size trucks backslid in March, missing an already conservative forecast by 10.8% or 10,000 units. Ford has reportedly cancelled summer shutdown plans at key truck plants to help recover lost volume. Facing economic headwinds and other externalities amid the US-Iran conflict, the forecast is built around the rationale that automakers won’t pre-emptively slow or cut output until there is ample evidence of a demand slowdown. Production planning is

therefore expected to remain consistent with a more measured decline beginning to creep into the outlook beginning in late third quarter and through the first half of 2027. As a result, the outlook for 2027 incurs the brunt of the risk and reductions, revised down 1.5% totaling 15.30 million units.

**“South America:** The outlook for South America light vehicle production was reduced by 40,000 units and increased by 5,000 units for 2026 and 2027, respectively (and reduced by 52,000 units for 2028). The downward revision in the extreme near-term for the region reflects a more cautious outlook linked to the Iran war. This comes even though March actuals for Brazil were quite strong due to sizeable discounting by many brands. We don’t expect this to be a sustainable strategy and have adopted a profile that reflects the inherent geopolitical risks. Regional volumes for 2027-2028 were revised down by of 0.7% (23,000 units per year). This is driven by the general downgrade applied from 2026 reflecting an extended impact from the Iran war. In addition, Colombia suffers from a 28% downgrade over the period (around 10,000 units per year) due to the revised end of production for the Renault Duster (in 2026) with no direct successor compensating immediately for the loss of volume.

**“South Asia:** The outlook for South Asia light vehicle production was reduced by 88,000 units and by 74,000 units for 2026 and 2027, respectively (and reduced by 48,000 units for 2028). ASEAN production fell sharply in March, declining 8.5% year-on-year to 293,000 units. The rather significant drop erased strong gains from the start of the year. Given the ongoing impacts from the Iran war including nascent economic headwinds, inflationary pressures from energy supply shocks and the growing risk of automotive supply chain disruptions, the production outlook for the ASEAN market was reduced by 65,000 units for 2026. Notwithstanding a rather strong start to production for India thus far, the country remains one of the world’s most vulnerable large economies to the effects of the war in Iran. India is highly dependent on energy imports, with over 85% of its oil demand met through imports, about half of which comes from the Gulf region. Gulf countries also supply approximately 68% of India’s natural gas and more than 90% of its cooking gas imports. Production volumes for India have been reduced by 22,000 units and 49,000 units for 2026 and 2027, respectively, as war in the Middle East gives rise to uncertainty at the doorstep of the Indian subcontinent.

## Economy Meter

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### Roadway Travel (Updated 5/5)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in February increased by 2.3 percent from the same time a year ago. The cumulative travel estimate for 2026 is 497.8 billion vehicle miles.<sup>26</sup>

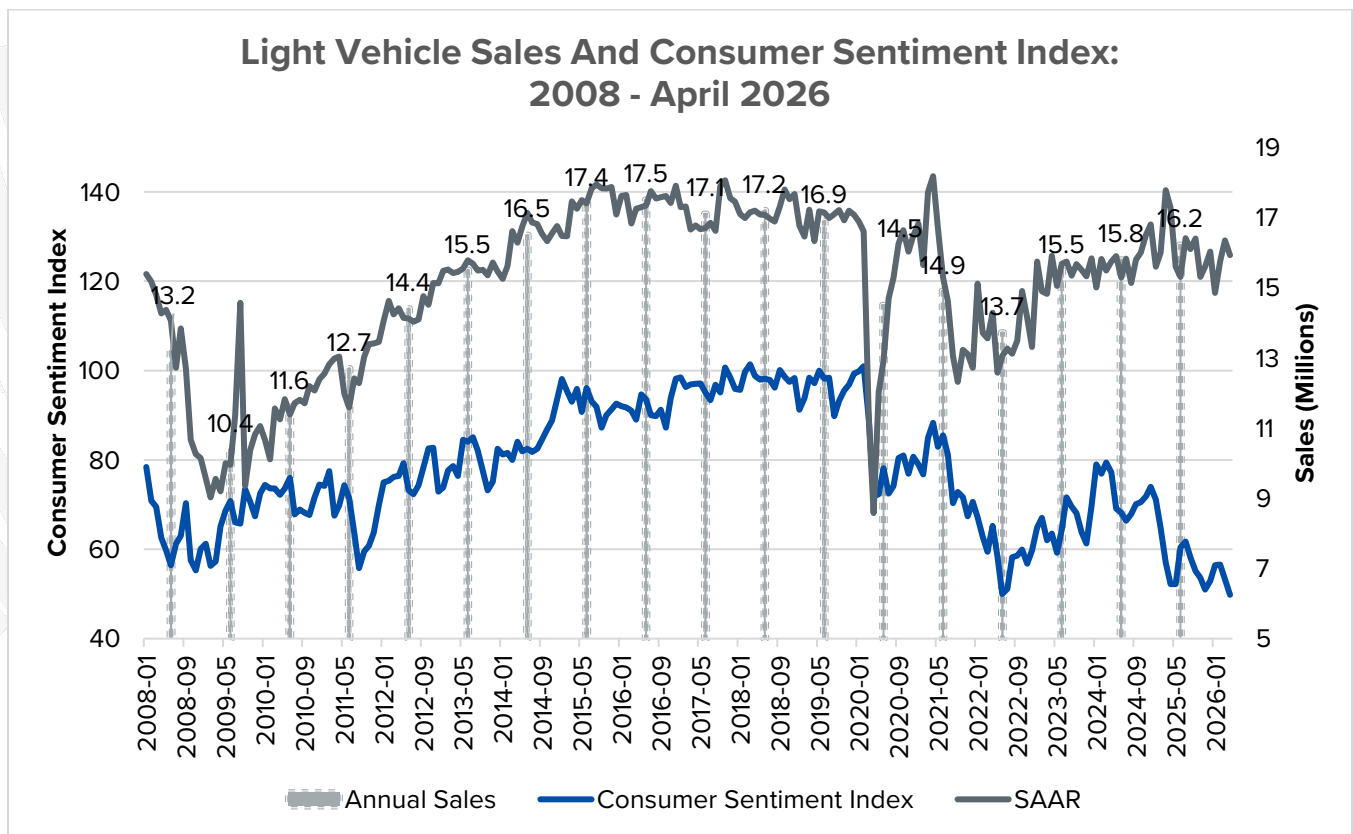
- Travel on all roads and streets changed by +2.6% (+6.3 billion vehicle miles) for February 2026 as compared with February 2025. Travel for the month is estimated to be 245.0 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for February 2026 is 279.2 billion miles, a +2.3% ( 6.2 billion vehicle miles) change over February 2025. It also represents a 0.6% change (1.6 billion vehicle miles) compared with January 2026.
- Cumulative Travel for 2026 changed by +1.3% (+6.6 billion vehicle miles). The cumulative estimate for the year is 497.8 billion vehicle miles of travel.

### Consumer Confidence and Sales (Updated 5/5)

**Surveys of Consumers Director Joanne Hsu<sup>27</sup>:** “Consumer sentiment ticked down 3.5 index points this month, now comparable to the trough seen in June 2022. Decreases in sentiment were seen across political

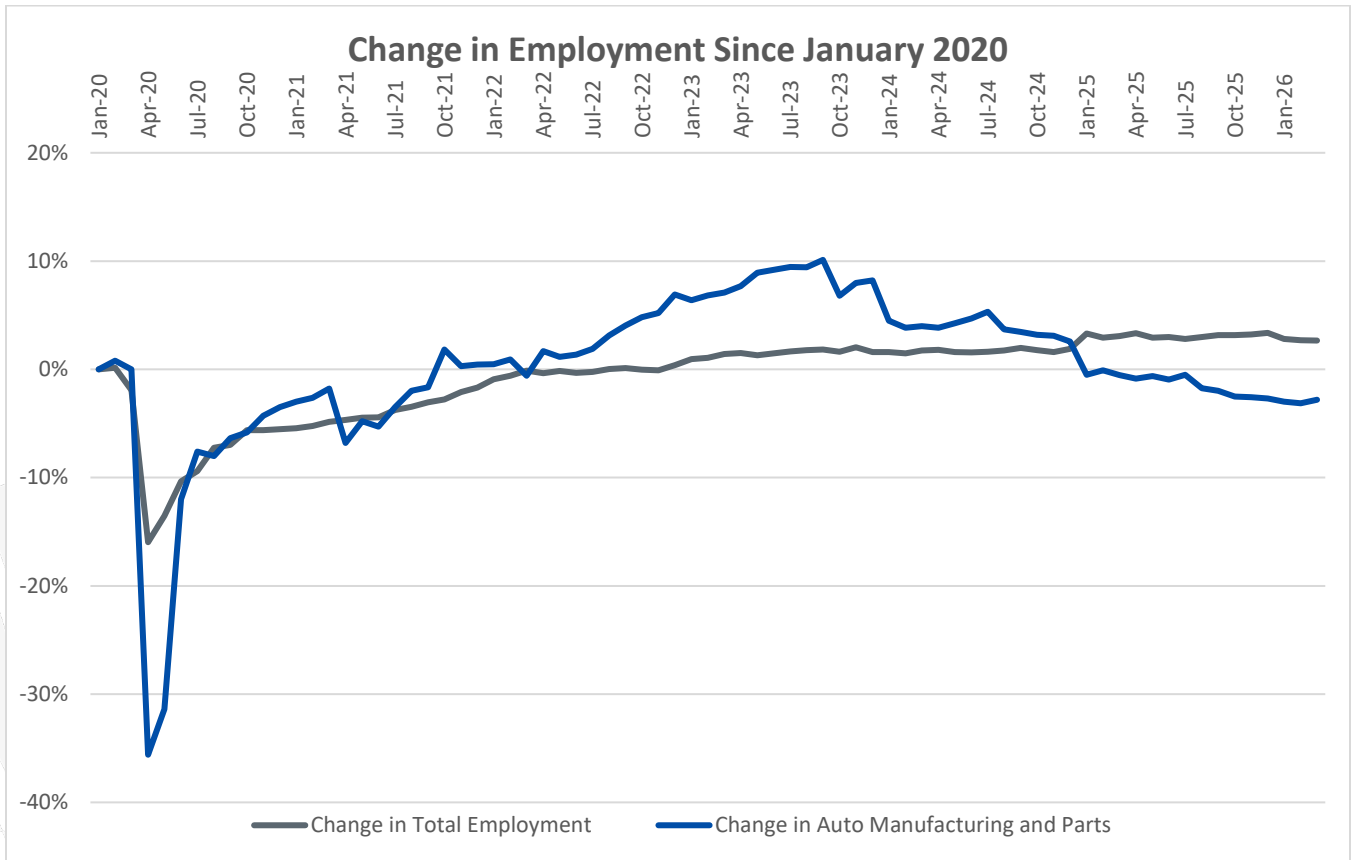
party, income, age, and education. Expected business conditions declined for both short and long time horizons, nearly matching year-ago readings when the reciprocal tariff regime was implemented. After the two-week cease-fire was announced and gas prices softened a touch, sentiment recovered a modest portion of its early-month losses. The Iran conflict appears to influence consumer views primarily through shocks to gasoline and potentially other prices. In contrast, military and diplomatic developments that do not lift supply constraints or lower energy prices are unlikely to buoy consumers.

Year-ahead inflation expectations surged from 3.8% in March to 4.7% this month, the largest one-month increase since April 2025. The current reading exceeds those seen in 2024 and remains well above the 2.3-3.0% range seen in the two years pre-pandemic. After hovering between 3.2 and 3.3% for the previous four months, long-run inflation expectations climbed to 3.5% in April, the highest reading since October 2025. In 2024, values ranged between 2.8% and 3.2%, while in 2019 and 2020, they were consistently below 2.8%.”



## Employment (Updated 4/6)

**Motor Vehicle And Parts Manufacturing Gained 600 Jobs in March.**



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