

# READING THE METER®

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



ALLIANCE FOR AUTOMOTIVE INNOVATION

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## Contents – July 21, 2025

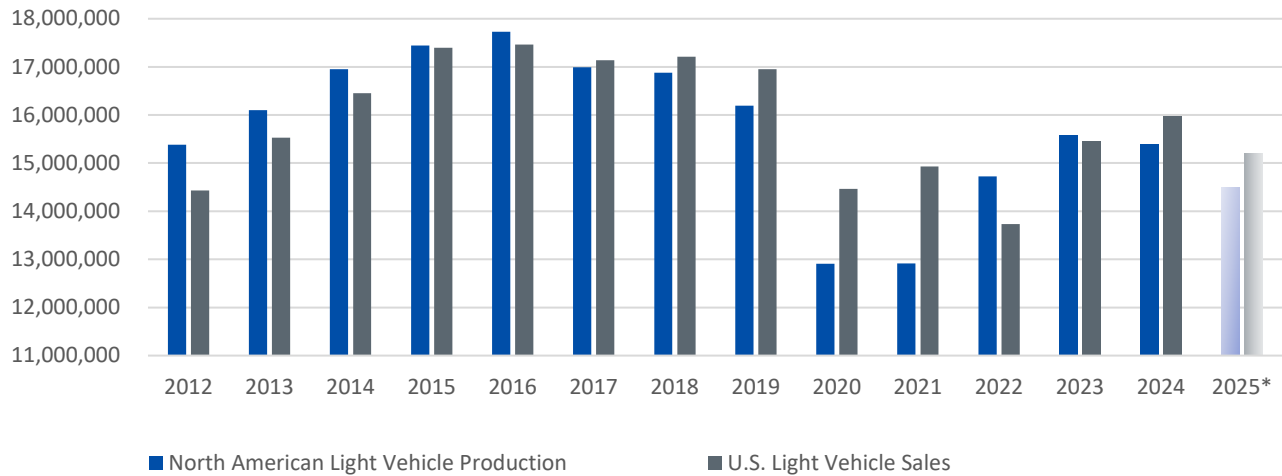
Forecast Meter .....	2
Sales & Production Summary and Forecast (Updated 7/21) .....	2
U.S. Light Vehicle Sales Outlook (Updated 7/21) .....	3
North American Production & Inventory Outlook (Updated 7/21) .....	4
Market Meter .....	4
U.S. Light Vehicle Sales (Updated 7/7) .....	5
Segments vs. Gas Prices (Updated 7/7) .....	7
EV Powertrain Sales (Updated 7/7) .....	8
Seasonally Adjusted Annual Rates (Updated 7/7) .....	9
Average Transaction Price (Updated 7/21) .....	10
Auto Loan Financing (Updated 7/21) .....	12
Crude Oil and Gas Prices (Updated 7/21) .....	13
Production Meter .....	14
North American Production (Updated 7/21) .....	14
U.S. Light Vehicle Production (Updated 7/21) .....	14
U.S. Light Vehicle Inventory and Days' Supply (Updated 7/6) .....	16
Global Meter .....	17
Global Light Vehicle Sales (Updated 7/21) .....	17
Global Light Vehicle Production (Updated 7/21) .....	18
Economy Meter .....	20
Roadway Travel (Updated 6/26) .....	20
Consumer Confidence and Sales (Updated 7/7) .....	21
Employment (Updated 6/26) .....	22
Sources .....	23

## Forecast Meter

### Sales & Production Summary and Forecast (Updated 7/21)

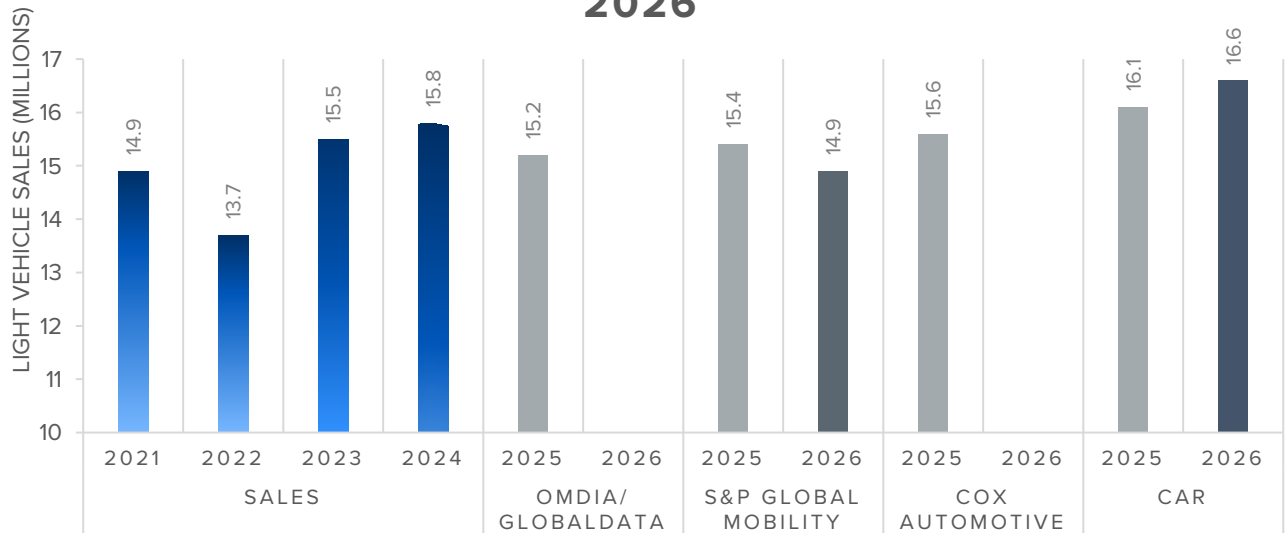
2024-2025 Sales, <sup>1</sup> Extended Sales Forecast <sup>2</sup> and Production Forecasts <sup>3</sup>		
	U.S. Sales & Forecasts	North American Production
January '24	1,076,047 (-1.3% YoY)	1,327,765 (+7.8% YoY)
February '24	1,247,516 (+5.2% YoY)	1,358,836 (+10% YoY)
March '24	1,438,012 (+4.6% YoY)	1,414,502 (-5.7% YoY)
April '24	1,313,512 (+0.6% YoY)	1,473,567 (+15.9% YoY)
May '24	1,429,028 (+0.8% YoY)	1,485,373 (-1.7% YoY)
June '24	1,321,932 (-3.4% YoY)	1,346,584 (-6.1% YoY)
July '24	1,273,115 (-2.0% YoY)	1,117,833 (-4.4% YoY)
August '24	1,419,245 (+3.8% YoY)	1,428,177 (+32.6% YoY)
September '24	1,169,908 (-1.4% YoY)	1,399,608 (+0.8% YoY)
October '24	1,325,263 (+2.4% YoY)	1,506,154 (+7% YoY)
November '24	1,360,060 (+5.8% YoY)	1,331,155 (-3.1% YoY)
December '24	1,488,577 (+6.1% YoY)	972,571 (-11.2% YoY)
January '25	1,110,721 (+3.8% YoY)	1,194,682 (-7.1 YoY)
February '25	1,219,841 (+3.4% YoY)	1,290,302 (-8.7% YoY)
March '25	1,585,390 (+10.7% YoY)	1,424,691 (+1.5% YoY)
April '25	1,463,379 (+6.8% YoY)	1,338,714 (-8.2% YoY)
May '25	1,466,595 (-1.3% YoY)	1,419,834 (-2.4% YoY)
June '25	1,254,418 (-4.2% YoY)	1,331,187 (0.03% YoY)
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Forecast	15,200,000	14,500,000

### North American Production And U.S. Light Vehicle Sales



### U.S. Light Vehicle Sales Outlook (Updated 7/21)

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



**Omdia (Formerly Wards Intelligence) Outlook (7/21)\*:** “Last month’s unexpected production increase explains why June US inventory surprised on the high side, rising 2.8% from May. Roughly 80% of North American output is built for the US market. With inventory at lean levels and declining on a YoY basis since April, more stock on dealer lots almost certainly will positively impact Q3 sales.

“Although stiffer pricing—either through increased prices or by lowering retail incentives—related to US tariffs is starting to kick in, some automakers could have raised production in June to get ahead of ’26-model-year production, which begins at most plants in Q3.

“As is true with every new model year in the US, most ’26 models will come with price increases over their ’25-model iterations. It appears some automakers are choosing to absorb a significant portion of the increased duties on selected US import models until their next model-year versions hit dealer lots—most ’26 models will become widely available during Q4.”

**Omdia Automotive (formerly Wards Intelligence) Full Year Outlook:**<sup>5</sup> “Currently, Omdia Automotive partner GlobalData expects US light-vehicle sales in entire 2025 to total 15.2 million, which means the market is expected to continue deteriorating through the end of the year. Including June’s forecast, the first-half-2025 SAAR will total 16.2 million units. The second half is pegged at 14.2 million.”

## North American Production & Inventory Outlook (Updated 7/21)

**Omdia (Formerly Wards Intelligence) Production Outlook (7/21)**<sup>6</sup>: “Despite coming off an overbuild in June, 62,500 units were cut from the Q3 North America production outlook versus the month-ago projection for the quarter.

“Third-quarter production is tracking to 3.642 million units, down from the 3.705 million expected a month ago, and 6.7% below like-2024’s 3.902 million.

“Excluding medium- and heavy-duty trucks, North American light-vehicle output in Q2 was 3.954 million units, 3.5% below Q2 2024’s 4.095 million. Light-vehicle output in Q3 is pegged at 3.527 million, 7.0% below the year-ago’s 3.794 million.”

**S&P Global Mobility Outlook (7/21)**<sup>7</sup>: “The outlook for North America light vehicle production was increased by 241,000 units and reduced by 220,000 units for 2025 and 2026, respectively (and reduced by 359,000 units for 2027). Despite ongoing volatility relating to the Trump administration’s global tariff and trade policies, the outlook for light vehicle production in 2025 was revised higher by 1.6% totaling 14.85 million units amid surprising resilience in the supply chain in this challenging environment. With the increased outlook for 2025, production in 2026 is expected to slow further as inventory levels stabilize to a range of 2.0-2.5 million units. As a result, production for 2026 was revised down by 1.5% totaling 14.32 million units with the impacts cascading into 2027 which was revised down by 2.3% to 15.32 million units. Previously, 2027 was forecasted to be an inventory restocking year, but with stronger near-term production, that rebuild is more evenly distributed. Electric vehicles are expected to experience volatility in the coming months as the One Big Beautiful Act (OBBA) eliminates the Inflation Reduction Act’s (IRA) up to \$7,500 in EV subsidies to consumers after September 30, 2025. Further, the forecast fully integrates impacts as there is now formal timing and definition surrounding the changes to emissions and fuel economy policies. As a result, production of dedicated BEV nameplates between the remainder of 2025 through 2027 was reduced by 670,000 units.”

**Wards Intelligence Inventory Outlook (7/7)**<sup>8</sup>: “With July being a month when several plants in North America close for one- and two-week vacations or model changeovers, the production slowdowns mean inventory will decline from June.”

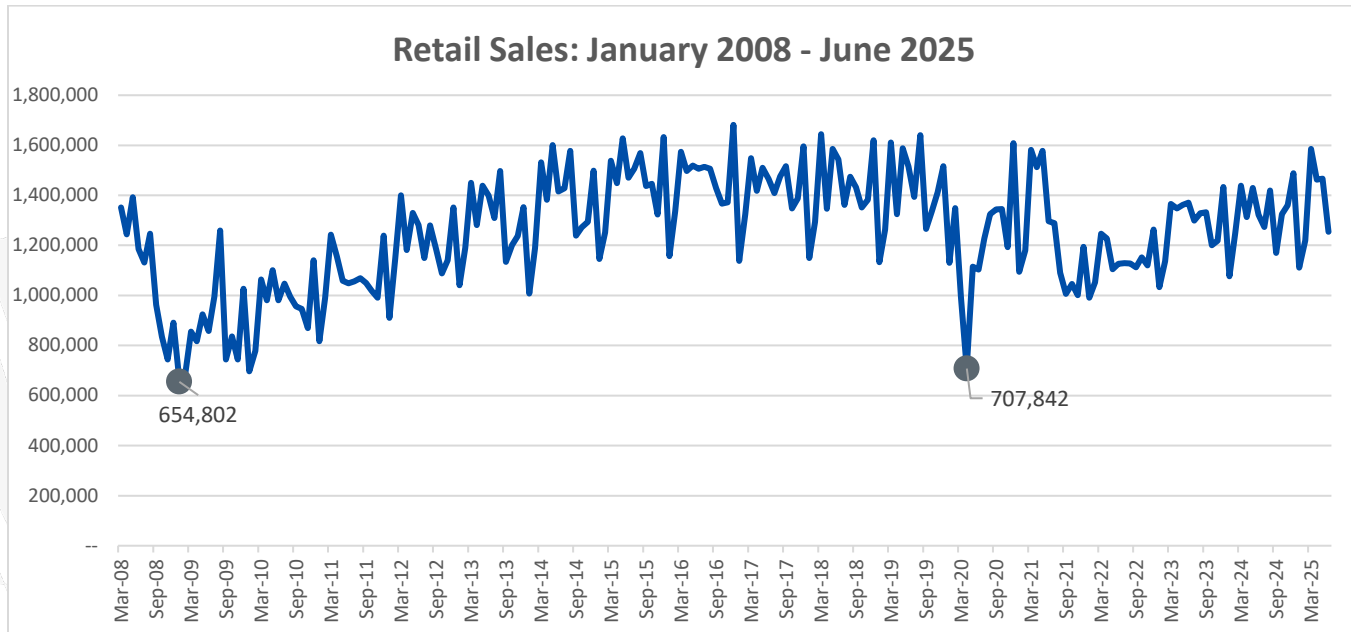
## Market Meter

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## U.S. Light Vehicle Sales (Updated 7/7)

### Monthly Sales (Updated 7/7)

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 7/9)

**Omdia (formerly WardsIntelligence)**<sup>9</sup>: “US light-vehicle sales in June finished above forecast, totaling a 15.3 million-unit seasonally adjusted annual rate, down from the prior month’s 15.6 million, but an increase from like-2024’s 15.0 million.

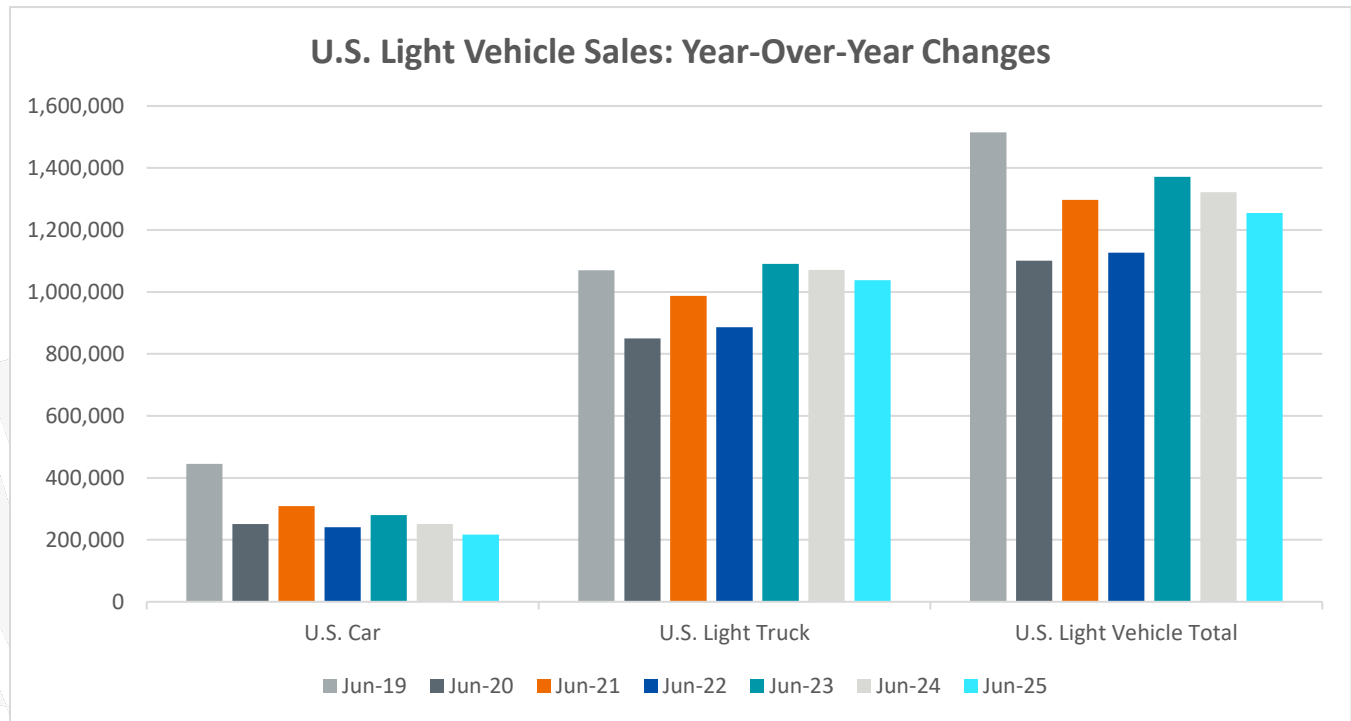
“Although topping the 15.0 million units expected for the month, June’s SAAR was the lowest since last August’s 15.1 million. However, June’s weaker results were due to pull-ahead volume in March and April when there was a surge in buying caused by consumers trying to get ahead of price hikes potentially coming later this year as a consequence of US tariff policy. Without the pull-ahead, sales likely would have totaled around a 16-million-unit annual rate.

“Raw volume of 1.254 million units was 4.2% below June 2024’s 1.309 million. However, the month’s daily selling rate over 24 selling days was 52,267, 3.8% above like-2024’s 50,346 – 26 selling days.

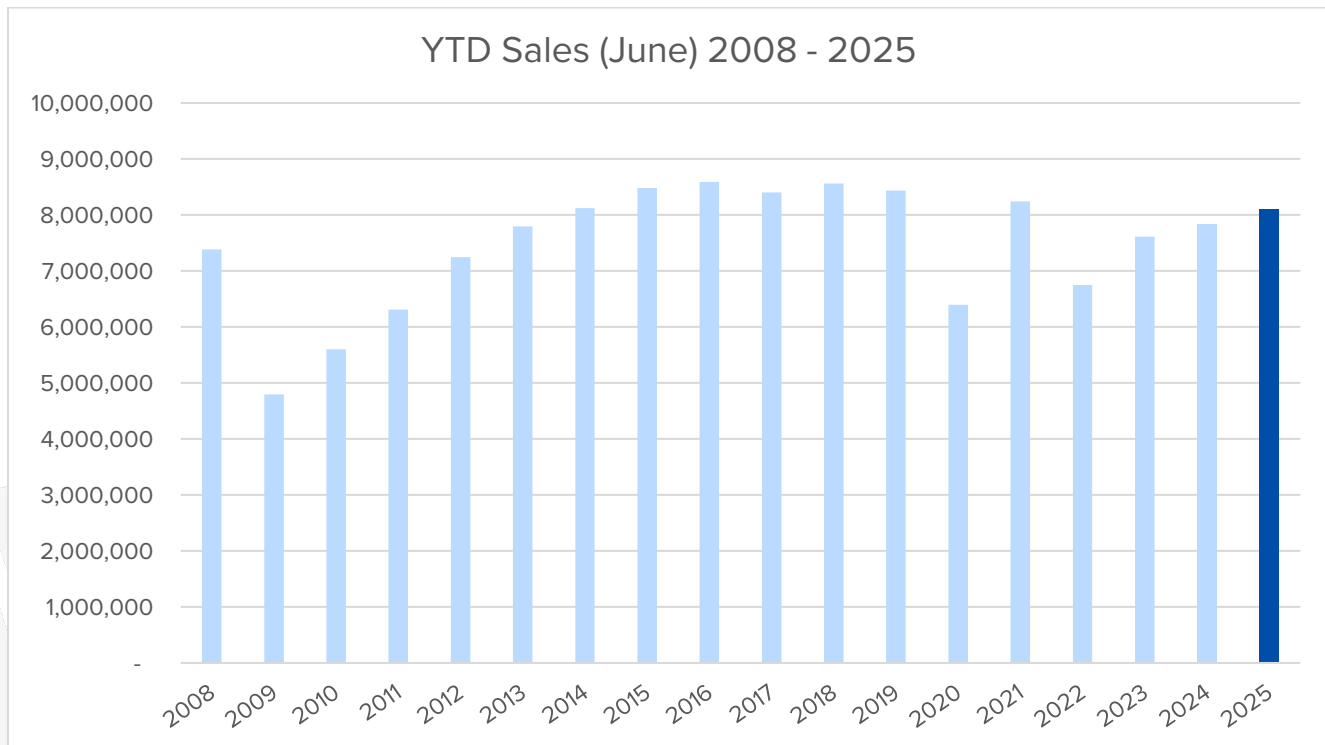
“Based on daily selling rates, retail sales in June rose an estimated 8.3% over like-2024, while fleet deliveries fell 12.5%.

“Sales in second-quarter 2025 totaled 4.18 million units, up 3.0% from Q2-2024’s 4.06 million. The Q2 SAAR of 16.1 million units was down from 16.5 million in Q1, but above Q2-2024’s 15.5 million.

Altogether, first-half-2025 results were up 3.9% from January-June 2024, totaling 8.09 million units. The first-half-2025 SAAR was 16.3 million units, vs. like-2024's 15.5 million."



Calendar year-to-date sales through June totaled 8.1 million units, up 3.5% from 2024's 7.8 million.

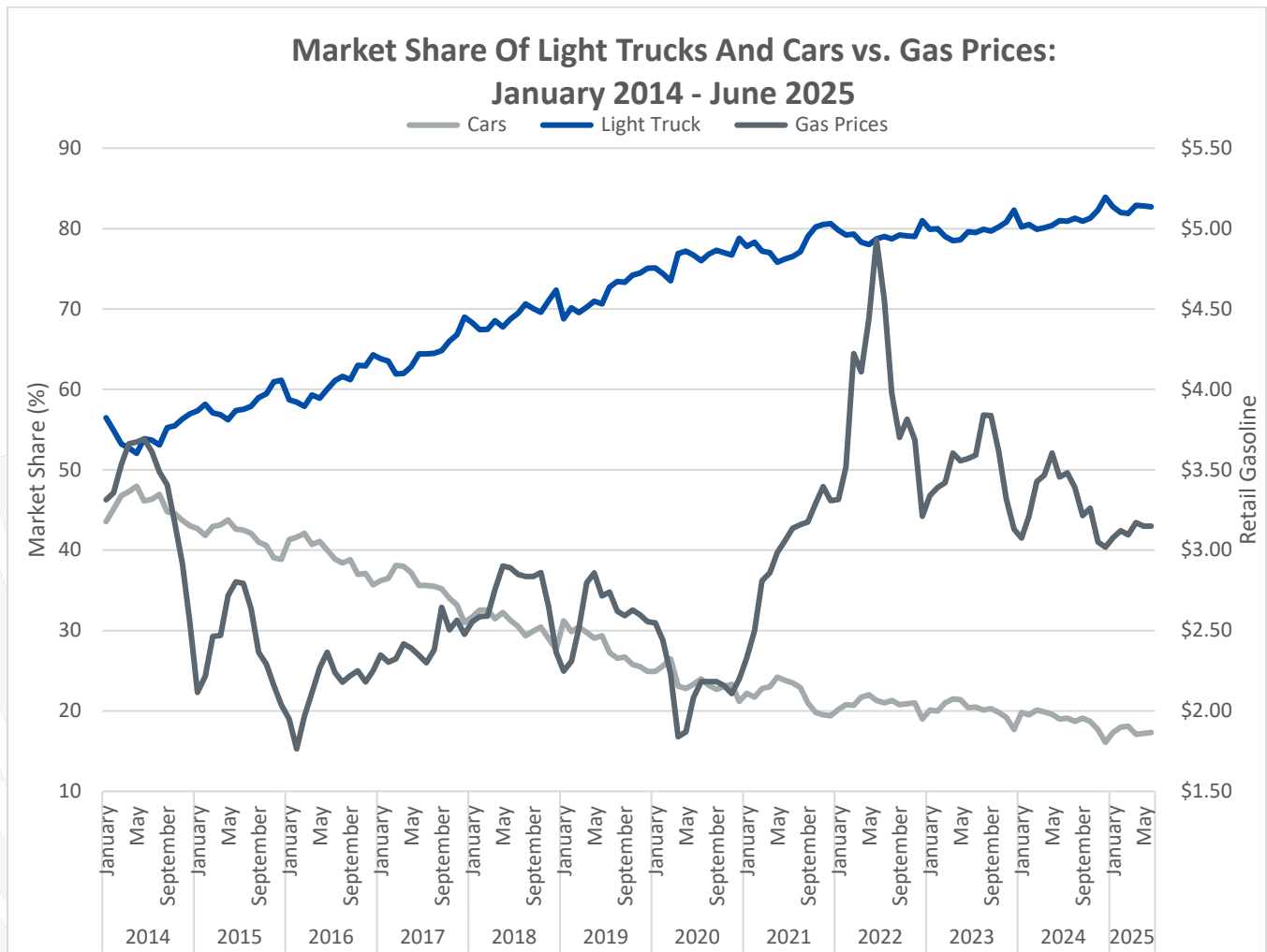


## Segments vs. Gas Prices (Updated 7/7)

**Monthly Sales:** Light trucks accounted for 82.7 percent of sales in June, up 1.7 percentage points from the market share a year ago. Compared to the same period in 2024, sales of cars are down 34,000 units, and down nearly 228,000 from June 2019, when cars comprised 29% 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.<sup>10</sup> and gas was over \$3.00.<sup>11</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 \$2.83 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.<sup>12</sup>

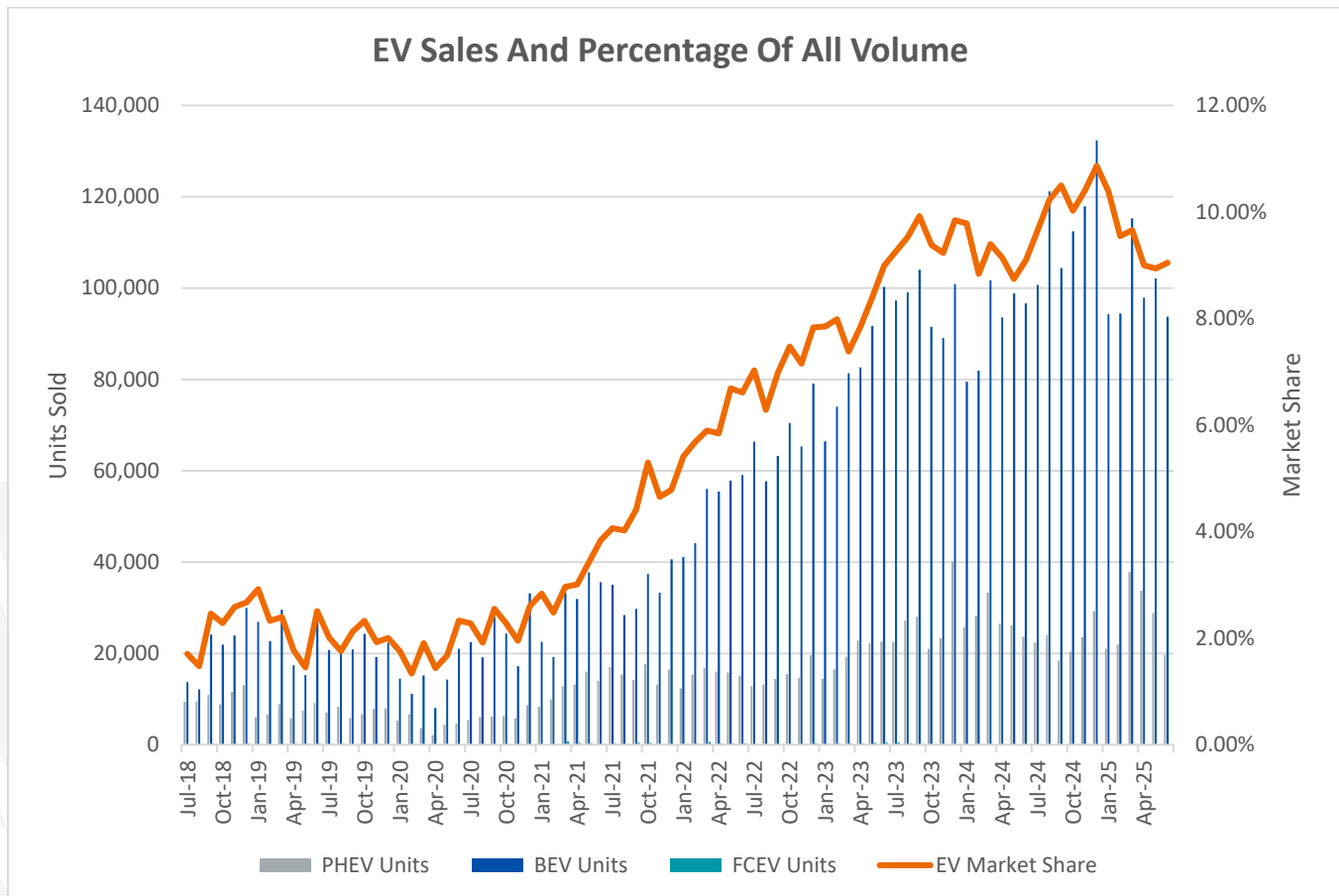




## EV Powertrain Sales (Updated 7/7)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 9.0 percent of total vehicle sales in June 2025 (113,458), per Omdia estimates. Market share decrease 0.2 percentage points (pp) from May 2025. June's EV market share is down 0.2 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 7.5 percent of total sales, up 1.2 pp from June 2024. Plug-in hybrids accounted for 1.6 percent, down 0.75 pp from the same time last year.

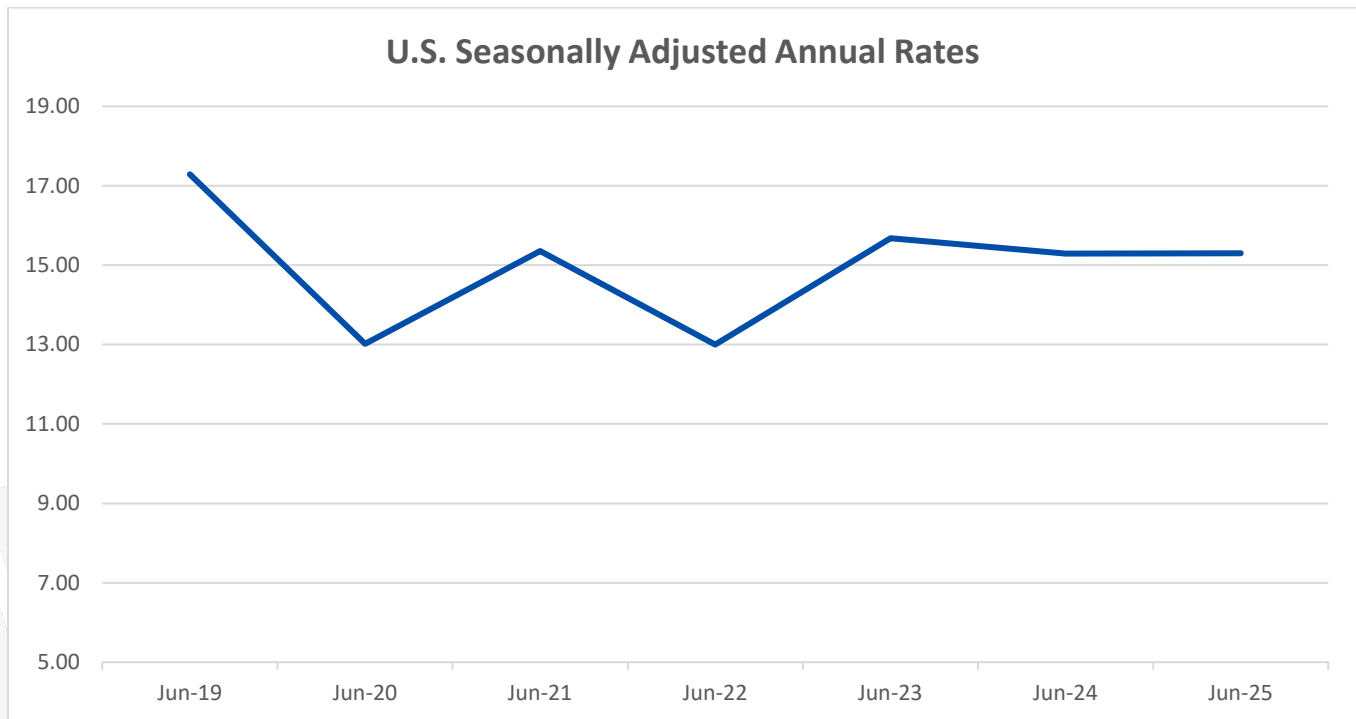




## Seasonally Adjusted Annual Rates (Updated 7/7)

**WardsIntelligence<sup>13</sup>:** “US light-vehicle sales in June finished above forecast, totaling a 15.3 million-unit seasonally adjusted annual rate, down from the prior month’s 15.6 million, but an increase from like-2024’s 15.0 million.

“Although topping the 15.0 million units expected for the month, June’s SAAR was the lowest since last August’s 15.1 million. However, June’s weaker results were due to pull-ahead volume in March and April when there was a surge in buying caused by consumers trying to get ahead of price hikes potentially coming later this year as a consequence of US tariff policy. Without the pull-ahead, sales likely would have totaled around a 16-million-unit annual rate.”



## Average Transaction Price (Updated 7/21)

**J.D. Power (Updated 6/26)<sup>14</sup>:** “The average new-vehicle retail transaction price in June is expected to reach \$46,233, up \$1,400 or 3.1% from June 2024, but up only \$77 or 0.2% from May. The average manufacturer incentive per vehicle is on track to reach \$2,727, an increase of \$93 from May, and an increase of \$39 from a year ago. However, expressed as a percentage of MSRP, incentive spending is currently at 5.4%, a decrease of 0.1 percentage point from a year ago.”

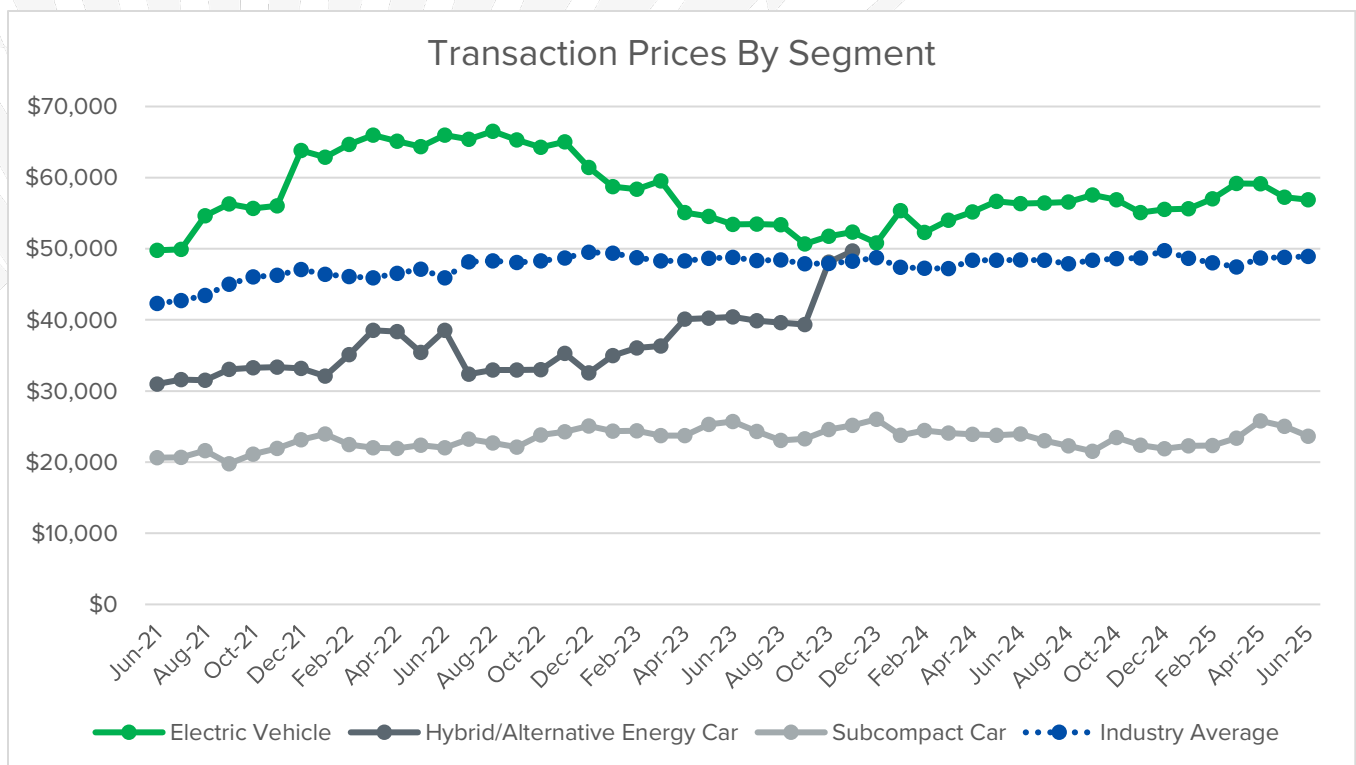
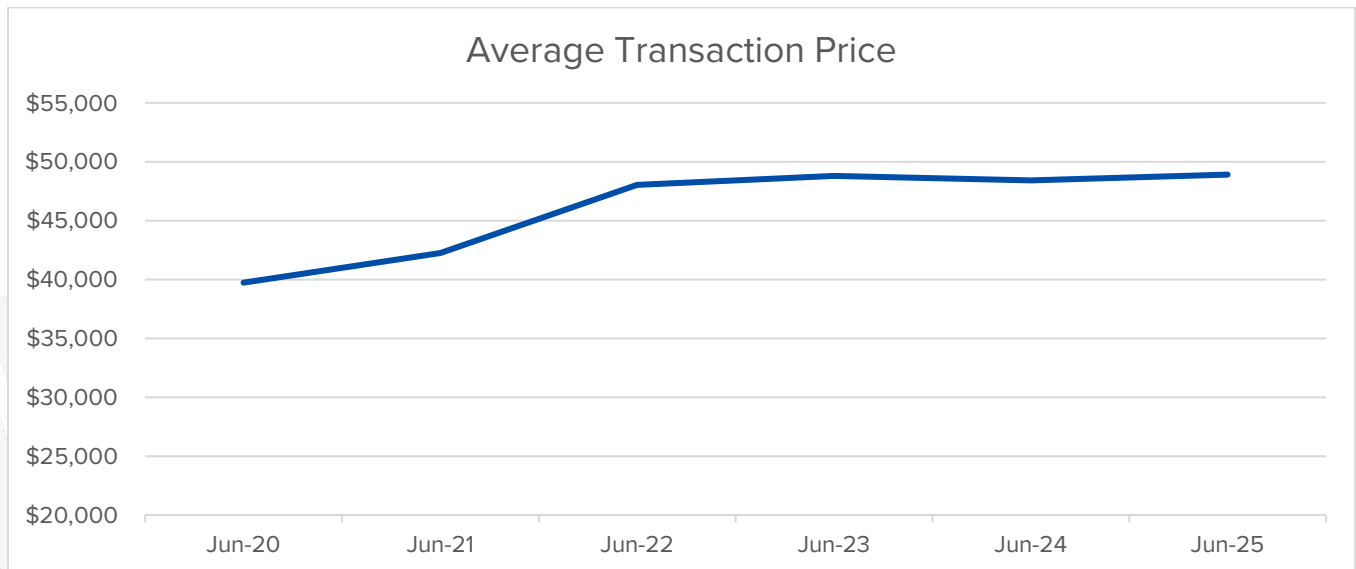
**Kelley Blue Book (June) (7/21)<sup>15</sup>:** “The cost of a new vehicle climbed higher in June, according to data released today by Kelley Blue Book, a Cox Automotive brand, but the average transaction price (ATP) increase was relatively mild and below the long-term average. New-vehicle sales incentives held mostly steady last month, increasing only modestly from May. The sales pace in June was little changed from the previous month, and inventory climbed higher. Key takeaways from the Kelley Blue Book June ATP report include:

“New-vehicle ATP in June was \$48,907, higher by 0.4% from the downwardly revised May ATP of \$48,717. ATPs in June were higher year over year by 1.2%, the largest year-over-year gain in 2025, but well below the 10-year average increase of 3.9%.

“The new-vehicle sales pace in June was marginally lower month over month at 15.3 million on a seasonally adjusted basis, down from 15.6 million in May, as the market cooled from its spring surge. The seasonally adjusted annual rate (SAAR) of sales in April was 17.3 million, down from 17.8 million in March.

“The Kelley Blue Book team's initial ATP estimate for a new electric vehicle in June was \$56,910, down from the revised-lower ATP of \$57,236 in May. Year over year, new EV prices in June were lower by 2.8%.

“EV incentives moved higher for the second consecutive month and reached a new record of 14.8% of ATP, or more than \$8,400. EV sales in Q2 were higher than Q1, but lower year over year by more than 6%, as market leader Tesla's sales continue to tumble. Through the first half of 2025, Tesla sales are down more than 10%. Ford and Kia also have notably lower EV sales year over year.”

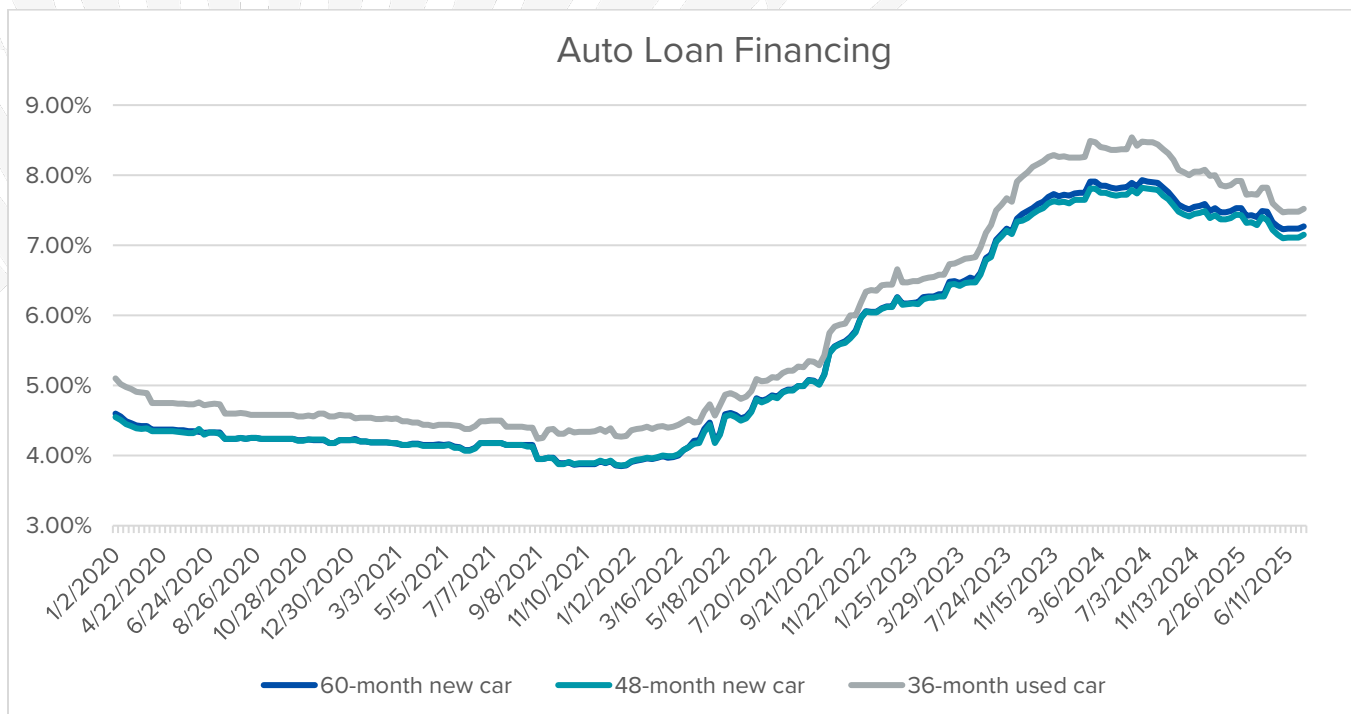


## Auto Loan Financing (Updated 7/21)

**JD Power (6/26)<sup>16</sup>:** “Higher prices translate to higher monthly loan payments. Average monthly finance payments in June are on track to reach \$747, an increase of \$22 from June 2024, and the highest on record for the month of June. The average interest rate for new-vehicle loans is 6.89%, a nominal decrease of 8 basis points from a year ago. Finance loans with terms greater than or equal to 84 months are expected to reach 12.0% of finance sales this month, up 3.0 percentage points from June 2024.”

**Interest Rates (updated 7/21):** Interest rates increased slightly on the 60-month, 48-month new car and 36-month used vehicle loans over the past two weeks. Rates now stand at 7.27%, 7.15%, and 7.52%, respectively. Since the beginning of 2020, 60-month rates are up 2.67 pp, and are down 0.63 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%
7/17/2024	7.90%	7.80%	8.47%
7/2/2025	7.24%	7.11%	7.48%
7/16/2025	7.27%	7.15%	7.52%
Two Week Change	0.03%	0.04%	0.04%
Change since 1/3/20	2.67%	2.60%	2.42%
One Year Change	-0.63%	-0.65%	-0.95%



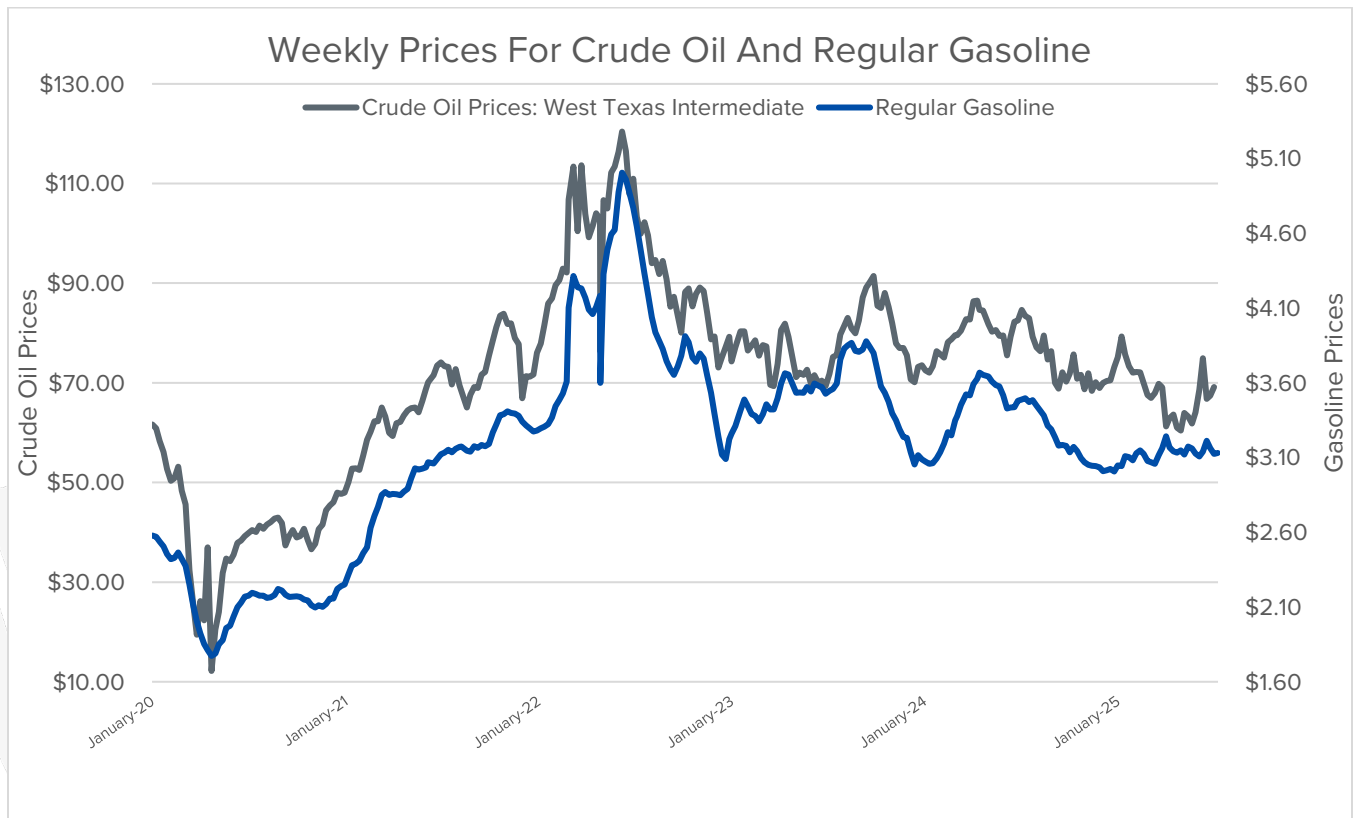
## Crude Oil and Gas Prices (Updated 7/21)

**Oil Near Four Year Low (7/21):**<sup>18</sup> Oil prices, as benchmarked at West Texas Intermediate were \$69 at the mid-point of July, down nearly \$14 from the same time a year ago and up \$0.50 with the same period last month. Since election day 2024, oil prices are down \$2 a barrel. Gas is down slightly from a week ago at \$3.13. Gas is 21% 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)

**EIA Outlook For Oil (7/7):**<sup>19</sup> “We estimate the Brent crude oil price will average \$66 per barrel (b) in 2025, a nearly \$15/b decrease compared with 2024, contributing to a decrease of about 35 cents per gallon in gasoline prices. In 2026, we forecast the Brent price will decrease an additional \$7/b, corresponding to a further 16 cents per gallon decrease in the national average gasoline price.

“Lower crude oil prices are partially offset by higher refiner and retail margins (the difference between the crude oil price and wholesale and retail gasoline prices, respectively). Wider refiner margins reflect decreasing U.S. refinery capacity through 2026, including the closure of the LyondellBasell Houston refinery earlier this year, which had a capacity of around 264,000 barrels per day (b/d).”

**EIA Outlook For Gasoline (7/7):**<sup>20</sup> “We expect that retail gasoline prices will decrease across most of the United States through the end of 2026. The exception is the West Coast, where refinery capacity reductions are expected to cause an annual price increase next year. The forecast decreases in retail gasoline prices are primarily the result of lower expected crude oil prices, which comprise about half of the total price of gasoline.”



## Production Meter

### North American Production (Updated 7/21)

**Wards Intelligence**<sup>21</sup>: “A big overbuild, mostly in Mexico, pushed North America production in June to an even level with the year-ago month, only the second time this year it did not decline.

“Combined production of light vehicles and medium- and heavy-duty trucks in North America totaled 1.331 million units in June, flat with the same month in 2024. Furthermore, the total was 109,800 units above the month-ago’s expectations for the period.

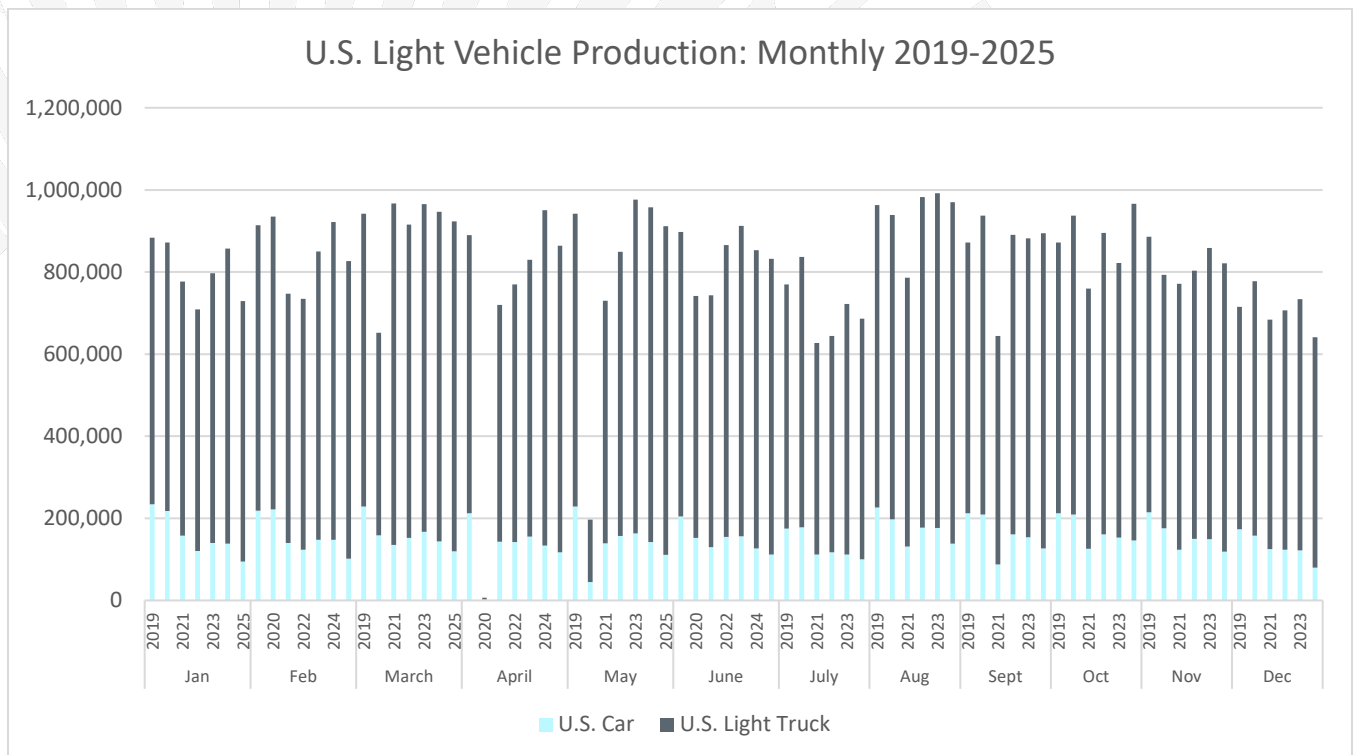
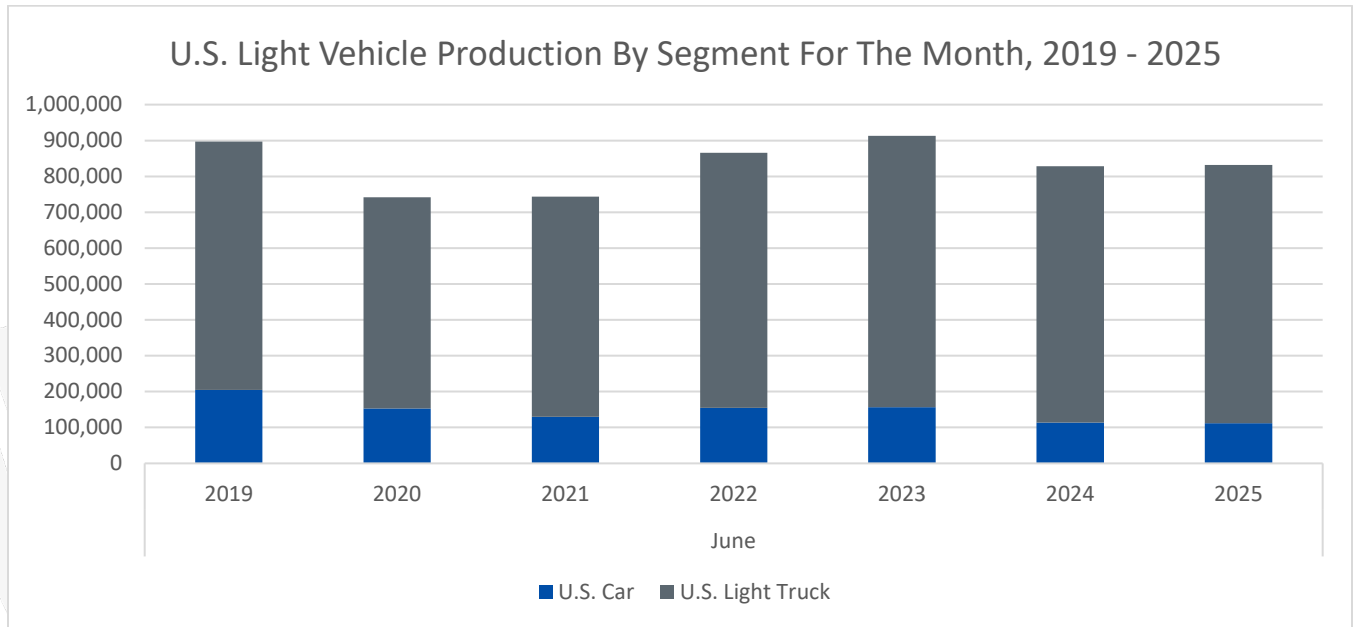
“The second quarter still ended below the year-ago period, totaling 4.074 million units, 3.6% below Q2 2024’s 4.244 million. This was also the last quarter to record a year-over-year (YoY) gain (0.6%).

“The bulk of the June overbuild was in Mexico, where production totaled 357,409 units, 4.1% above like-2024 and 93,900 units above last month’s Tracker projection for the period. However, plants in Canada also recorded an overbuild of 13,300, and US factories surpassed expectations by 2,600.”

### U.S. Light Vehicle Production (Updated 7/21)

## U.S. Monthly Production

U.S. Light vehicle production for June was down 8.7 percent month-over-month, totaling 831,991 vehicles (111,962 cars, 720,029 light trucks), year-over-year, production is up 0.5 pp from 2024.<sup>22</sup>





## U.S. Light Vehicle Inventory and Days' Supply (Updated 7/6)

**WardsIntelligence Inventory Update (7/6)<sup>23</sup>:** "US light-vehicle inventory remained below like-2024 at the end of June, extending a downward trend established in earnest in April when it fell below the year-ago month for the first time in three years.

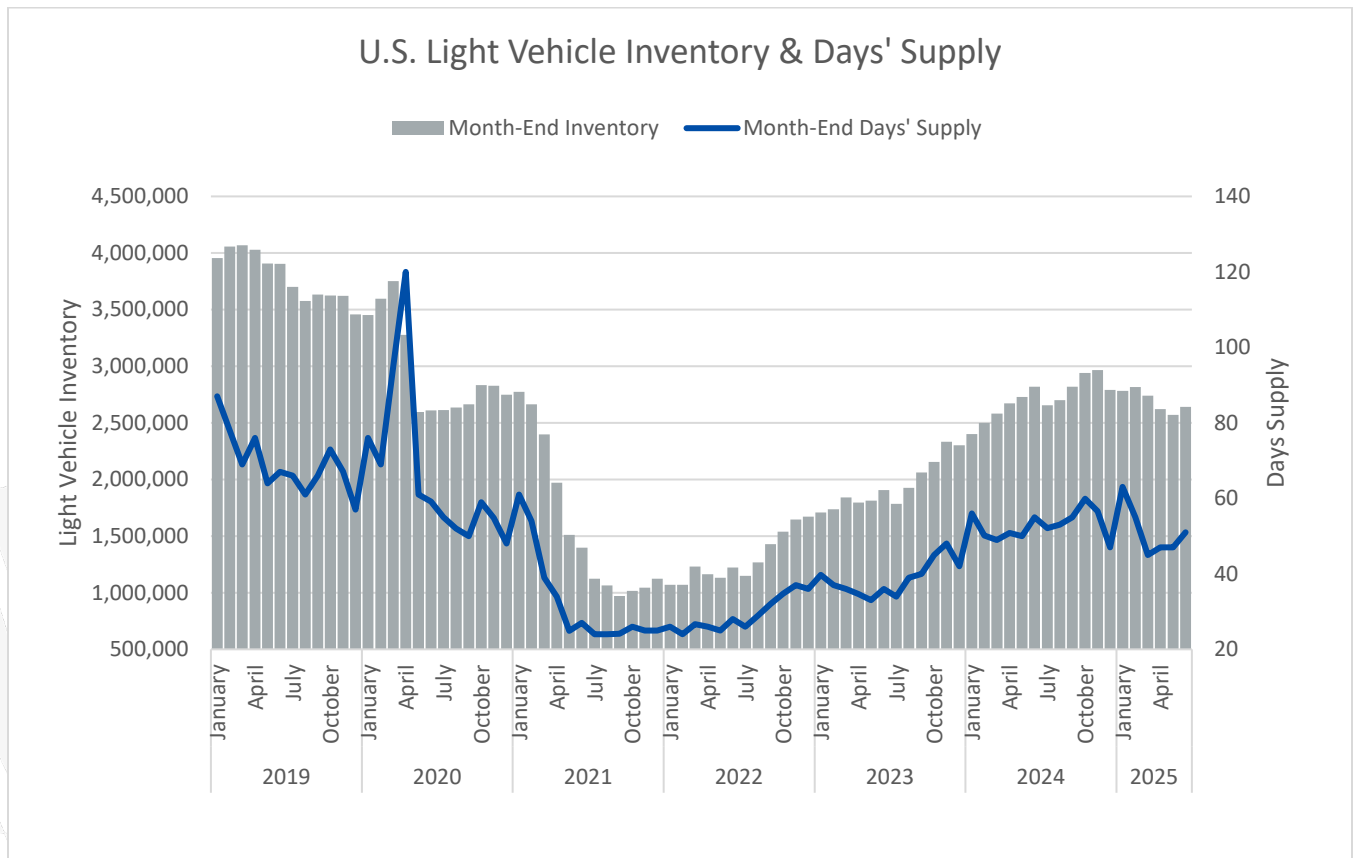
"However, June 30 inventory did surprise on the high side compared with expectations, rising 2.8% from the prior month to 2.642 million units – though down 5.7% from like-2024.

"That inventory did not fall as much as expected could bode a little better for sales in the third quarter.

"The sequential rise in inventory increases the odds July's sales results end the downward slide since the pre-tariff surge in March and April. The seasonally adjusted annual rate rose well above 17-million units in both those months but fell to 15.6 million in May and 15.3 million in June. However, there are economic headwinds that could tamp down demand, and, because overall inventory is lean, automakers might continue to scale back retail incentives.

"With July being a month when several plants in North America close for one- and two-week vacations or model changeovers, the production slowdowns mean inventory will decline from June.

"June 30 days' supply was 51, up from the prior month's 47 but down from like-2024's 56. Historically, June averaged a 63 days' supply."



## Global Meter

### Global Light Vehicle Sales (Updated 7/21)

**Wards Intelligence<sup>24</sup>:** “Global sales of light vehicles and medium- and heavy-duty trucks combined grew year-over-year for the eighth straight month in May, rising 5.4% to 8.123 million units from like-2024’s 7.708 million.

“All major regions except Europe posted year-over-year gains in May.

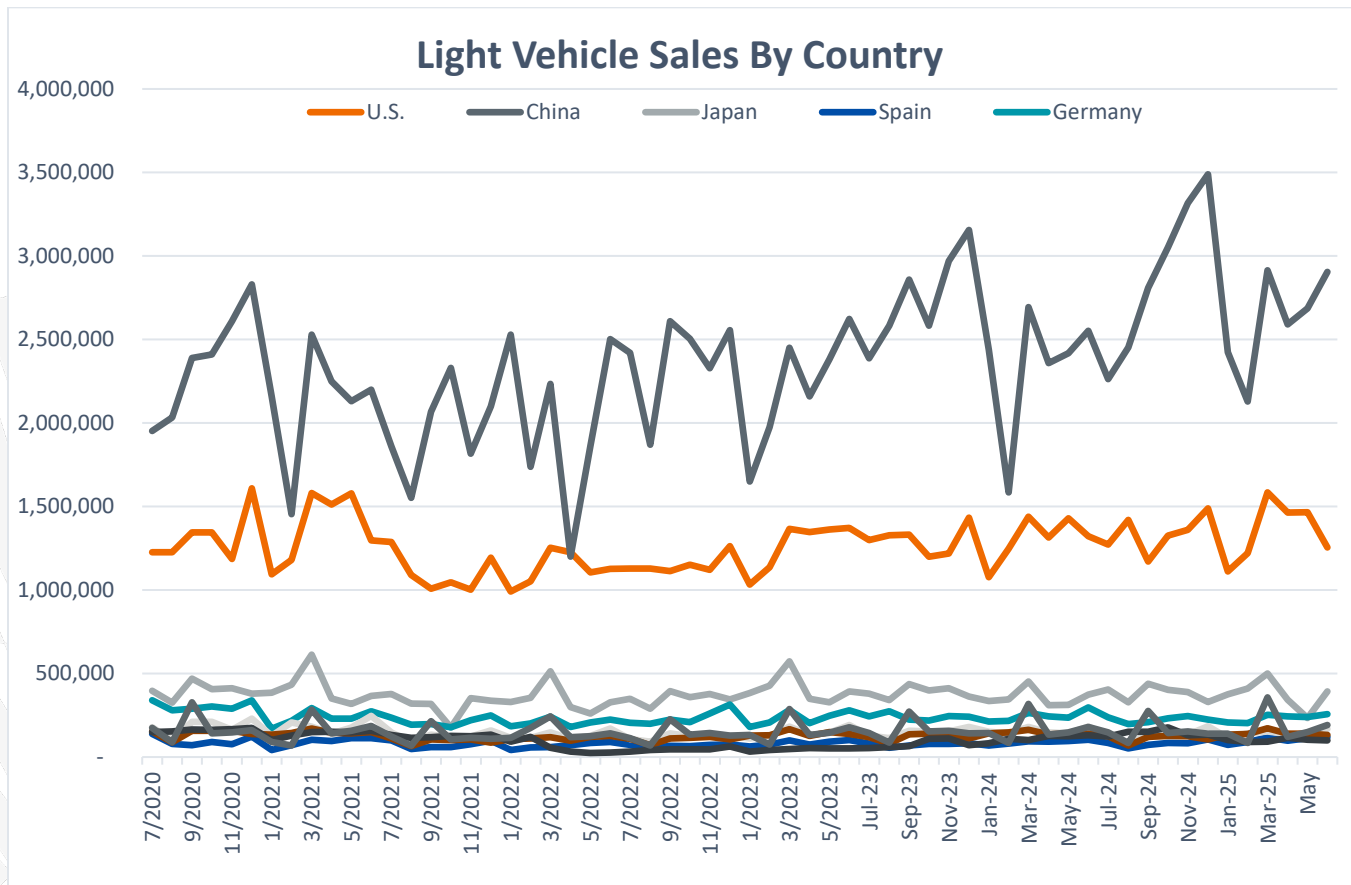
“Calendar year-to-date global volume through May totaled 39.498 million units, 5.3% above five-month 2024’s 37.508 million.

“Excluding medium-/heavy-duty trucks, light vehicles totaled 7.836 million units in May, up 5.5% from same-month 2024. Calendar year-to-date light-vehicle sales totaled 38.045 million, up 5.6% from the year-ago period’s 36.044 million.

“Omdia Automotive partner GlobalData estimates global light-vehicle sales in May totaled a seasonally adjusted annual rate of 90.1 million units, down from April’s 91.8 million.

“GlobalData expects light-vehicle deliveries in June to decline 1.2% year-over-year, with weakness in North America and Western Europe the main causes for the downturn. The annualized rate is expected to decline month-to-month again, totaling 89.8 million units.

“GlobalData’s light-vehicle outlook for entire 2025 is 89.7 million units, 1.1% above 2024.”



## Global Light Vehicle Production (Updated 7/21)

**S&P Global Mobility Forecast (7/21)<sup>25</sup>:** “The global auto industry continues to navigate dynamic conditions, including evolving US trade actions. Notwithstanding the rather volatile tariff environment, the continued exemption of USMCA compliant parts and two-year tariff adjustments for non-compliant parts remain key supports for production amid still challenging conditions in the near-term. Our baseline forecast continues to reflect a general stepdown in baseline tariffs across trading partners starting in 2026 with quota triggers for higher tariffs, although timing and magnitude remain subject to change. The potential for production disruption due to Chinese export restrictions associated with the supply of rare earth elements and magnets remains a concern. The near-term risk is elevated but challenging to assign to a specific automaker or plant/program. The July forecast update reflects a mix of upgrades in the extreme near-term as we adjust to reflect the ongoing impacts of a rather volatile trade environment as well as other regional dynamics. Of note, the upgrades are particularly concentrated in North America reflecting continued strength of production given the more accommodative trade policy as it relates to USMCA-compliant parts, among other factors. Also,

Greater China was revised upward on the strength in vehicle sales as well as stronger export activity. The more noteworthy regional adjustments with the latest forecast update are detailed below:

**“Europe:** The outlook for Europe light vehicle production was increased by 90,000 units and by 55,000 units for 2025 and 2026, respectively (and reduced by 58,000 units for 2027). For the European market, actual production results continue to exceed expectations, leading to the overall upgrade to the forecast this month. However, our outlook for H2-2025 remains unchanged as we expect inventory reductions to take effect after a strong first half of production versus rather subdued sales activity. While the negative impacts associated with the supply of China rare earth elements has subsided somewhat, the US tariff situation remains a concern with risks to the broader economy given the potential implications relative to automotive exports. Looking to 2026, the outlook has been positively revised as we continue to incorporate the impacts of the EU CAFE regulation update and the US tariff assumption set that includes a step down in 2026. The positive adjustments are made exclusively to ICE-based vehicles while EVs continue to be reduced in the 2025-2027 period. In the longer term, the top-line changes are more modest yet reflect a noteworthy re-balance of volumes from EVs in favor of ICE and electrified ICE offerings.

**“Greater China:** The outlook for Greater China light vehicle production was increased by 164,000 units and by 148,000 for 2025 and 2026, respectively (and increased by 1,000 units for 2027). Production activity in Greater China remains robust. Supported by government trade-in subsidies, NEV incentives and relaxed auto loan policies, total passenger vehicle production in June posted growth of 12% year-on-year. Meanwhile, according to the CDCA, the passenger vehicle inventory index remained at a healthy level, albeit rising slightly to 1.42. Benefiting from a de-escalation in trade tensions with other countries, Chinese export activity recovered in June, back to over 30% year-on-year growth. Looking to the domestic NEV market, Chinese brands like BYD and Geely continue to dominate, leveraging technology and aggressive pricing, while foreign automakers continue to face challenges adapting to the NEV shift. Note, the intensifying price war poses risks to profitability and long-term sustainability, particularly for lower tier OEMs. Increased consolidation in the Chinese auto industry is likely in the near future. Looking to 2026, the outlook for Great China production was increased given expectations around support from subsidy extensions and a generally improved demand outlook. The market’s trajectory remains influenced by policy measures and innovation, although the industry must navigate competitive pressures and economic uncertainties to sustain growth.

**“Japan/Korea:** Full-year 2025 and 2026 Japan production volumes were upgraded by 23,000 units and 34,000 units, respectively. This is primarily due to Toyota aggressively expanding full-hybrid exports such as the new RAV4 and Corolla Cross to the global market, except the US, to mitigate the negative impact by US tariffs. Long-term volumes were upgraded by around 48,000 units per year. This is primarily the result of adding the Honda Civic and CR-V not only for Japan, but also for export to Europe and Oceania. Full-year 2025 South Korea production was upgraded by 36,000 units due to the recovery in demand resulting from domestic political stability and exports deteriorating less than expected despite concerns over U.S. tariffs. However, given the expectation that the US tariff increase will have an impact starting in the second half of the year, the production forecasts for 2026 and 2027 in the short term were maintained in-line with last month’s forecast.

**North America:** The outlook for North America light vehicle production was increased by 241,000 units and reduced by 220,000 units for 2025 and 2026, respectively (and reduced by 359,000 units for 2027). Despite ongoing volatility relating to the Trump administration’s global tariff and trade policies, the outlook for light vehicle production in 2025 was revised higher by 1.6% totaling 14.85 million units amid surprising resilience in the supply chain in this challenging environment. With the increased outlook for 2025, production in 2026 is expected to slow further as inventory levels stabilize to a range of 2.0-2.5 million units. As a result, production for 2026 was revised down by 1.5% totaling 14.32 million units with the impacts cascading into 2027 which was revised down by 2.3% to 15.32 million units. Previously, 2027 was forecasted to be an inventory

restocking year, but with stronger near-term production, that rebuild is more evenly distributed. Electric vehicles are expected to experience volatility in the coming months as the One Big Beautiful Act (OBBA) eliminates the Inflation Reduction Act's (IRA) up to \$7,500 in EV subsidies to consumers after September 30, 2025. Further, the forecast fully integrates impacts as there is now formal timing and definition surrounding the changes to emissions and fuel economy policies. As a result, production of dedicated BEV nameplates between the remainder of 2025 through 2027 was reduced by 670,000 units.

**“South America:** The outlook for South America light vehicle production was increased by 56,000 units and by 78,000 units for 2025 and 2026, respectively (and increased by 70,000 units for 2027). The outlook for 2025 was upgraded primarily due to the positive impact of a new taxation regime in Brazil linked to the MOVER program, an incentive program for the auto industry focused on competitiveness and environmental criteria. Two primary elements are considered: a general change in the IPI tax (tax on industrialized products) based on different criteria of the underlying vehicle and a so-called “IPI verde” (green tax) which allows for a 0% IPI for select qualifying vehicles. In summary, the Brazilian market is expected to benefit through the near-to-intermediate term. Looking to 2026/2027, regional volumes were increased principally due to the aforementioned new Brazilian tax regime. For this period, Brazil output is the most positively impacted, up around 107,000 units per year. Conversely, Argentina production suffers somewhat with volumes down around 35,000 units per year as two elements combine: the new tax regime in Brazil negatively impacts some Argentina output (typically pickups as diesel engines get penalized) and the continuous flow of imports reduces demand for local models.

**“South Asia:** The outlook for South Asia light vehicle production was increased by 10,000 units for 2025 and reduced by 80,000 units for 2026 (and reduced by 68,000 units for 2027). The 2025 light vehicle production forecast for the ASEAN market was revised up by 22,000 units, reflecting stronger than expected output in May and June. We maintain a cautious outlook for the remainder of 2025 as economic and trade uncertainties continue to loom. The improved outlook for the ASEAN market in the near-term is supported by robust Thai export momentum for midsize pickups to Oceania and Middle Eastern markets in the May-June timeframe. Thailand's full-year 2025 production is still forecast to decline by 2.6% year-over-year to 1.42 million units largely due to the tightening of auto loan policies by financial institutions amid growing concerns over high household debt. The production outlook for India in the near-term remains subdued given maintenance shutdowns at Maruti Suzuki and inventory corrections with other automakers. With the July forecast update, India volumes were revised down by 19,000 units and 71,000 units for 2025 and 2026, respectively driven particularly by downward revisions to JSW MG vehicles and Kia Syros. The situation regarding rare earth materials remains uncertain. Currently, we believe that the issue can be mitigated through product mix adjustments and alternative sourcing. We will continue to monitor the situation as it develops further.

## Economy Meter

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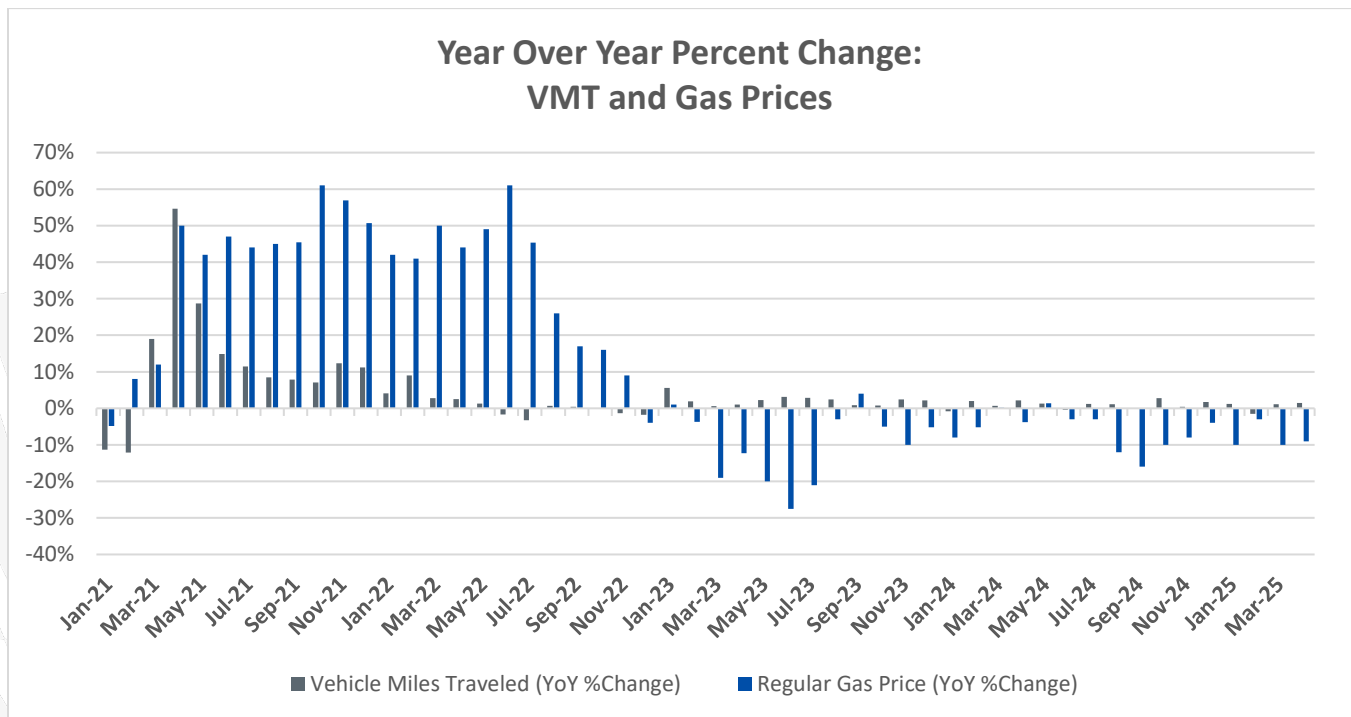
### Roadway Travel (Updated 6/26)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in April increased by 1.3 percent from the same time a year ago. The cumulative travel estimate for 2025 is 1,043.5 billion vehicle miles.<sup>26</sup>

- Travel on all roads and streets changed by +1.5% (+4.1 billion vehicle miles) for April 2025 as compared with April 2024. Travel for the month is estimated to be 277.3 billion vehicle miles.



- The seasonally adjusted vehicle miles traveled for April 2025 is 277.0 billion miles, a +1.3% ( 3.6 billion vehicle miles) change over April 2024. It also represents a 0.3% change (0.8 billion vehicle miles) compared with March 2025.
- Cumulative Travel for 2025 changed by +0.8% (+8.3 billion vehicle miles). The cumulative estimate for the year is 1,043.5 billion vehicle miles of travel.

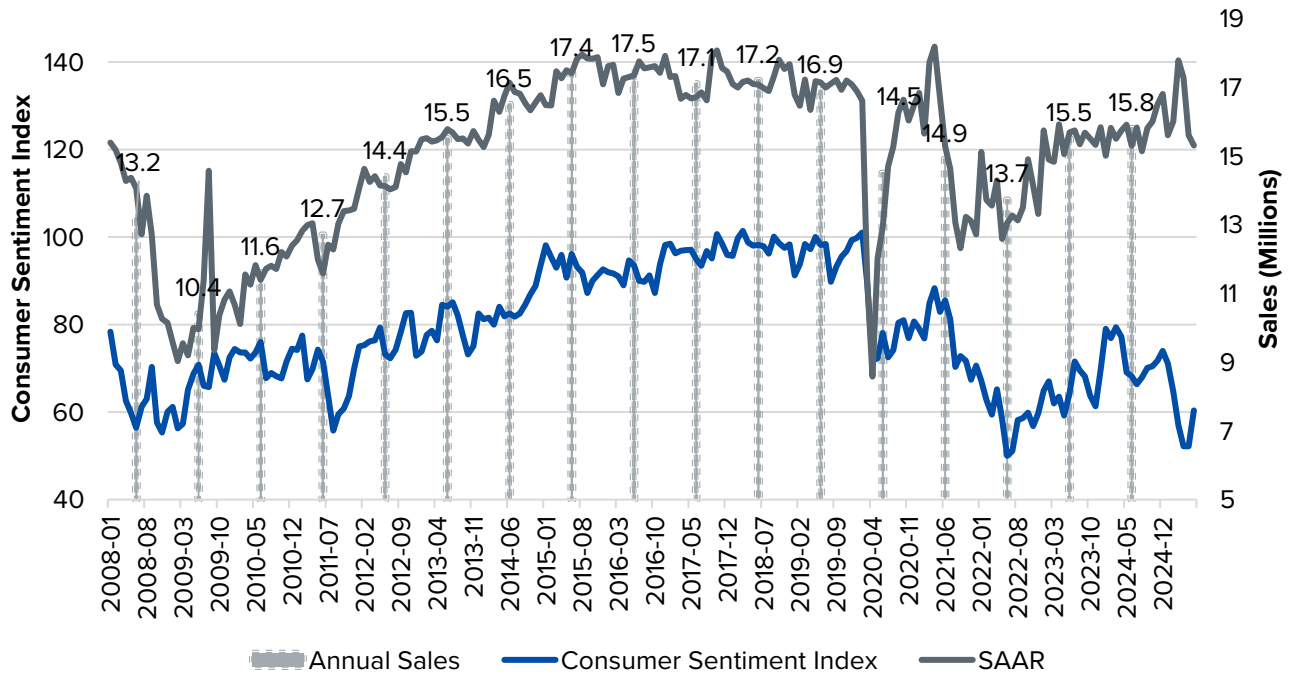


## Consumer Confidence and Sales (Updated 7/7)

**Surveys of Consumers Director Joanne Hsu<sup>27</sup>:** “Consumer sentiment surged 16% from May in its first increase in six months—confirming the mid-month reading—but remains well below the post-election bounce seen in December 2024. The improvement was broadbased across numerous facets of the economy, with expectations for personal finances and business conditions climbing about 20% or more. Despite June’s gains, however, sentiment remains about 18% below December 2024, right after the election; consumer views are still broadly consistent with an economic slowdown and an increase in inflation to come. Consumers continue to be concerned about the potential impact of tariffs, but at this time they do not appear to be connecting developments in the Middle East with the economy.

Year-ahead inflation expectations plummeted from 6.6% last month to 5.0% this month. Long-run inflation expectations receded for the second straight month, falling back from 4.2% in May to 4.0% in June. Both readings are the lowest in three to four months. Consumers’ fears about the potential impact of tariffs on future inflation softened somewhat in June. Still, inflation expectations remain above readings seen throughout the second half of 2024, reflecting widespread beliefs that risks to inflation have not fully abated.”

### Light Vehicle Sales And Consumer Sentiment Index: 2008 - June 2025



### Employment (Updated 6/26)

#### Motor Vehicle And Parts Manufacturing Lost 500 Jobs in June.

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.<sup>28</sup>

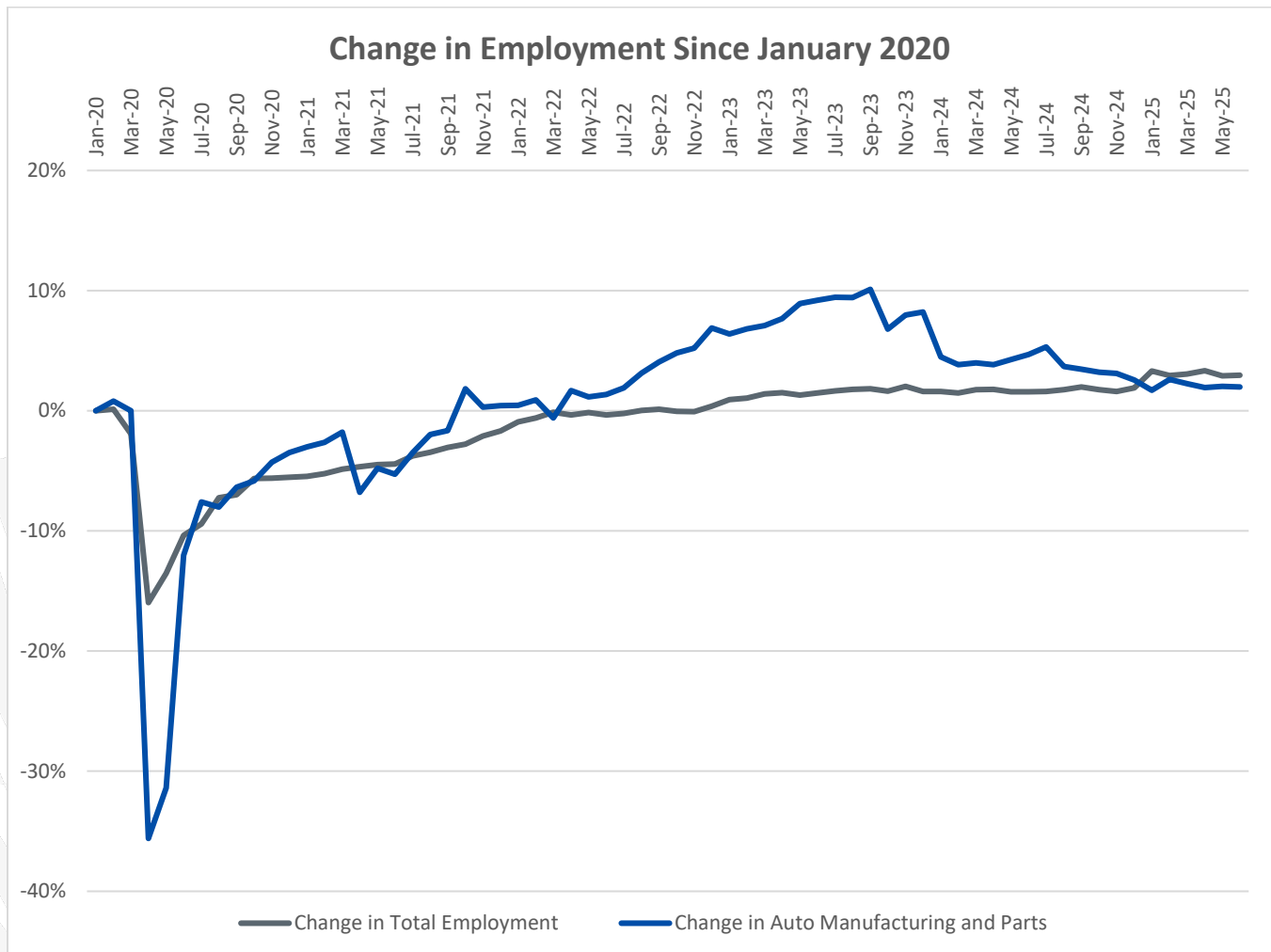




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