

# READING THE METER®

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



ALLIANCE FOR AUTOMOTIVE INNOVATION

*Sponsored by:*

**Hogan  
Lovells**

## Contents – September 26, 2025

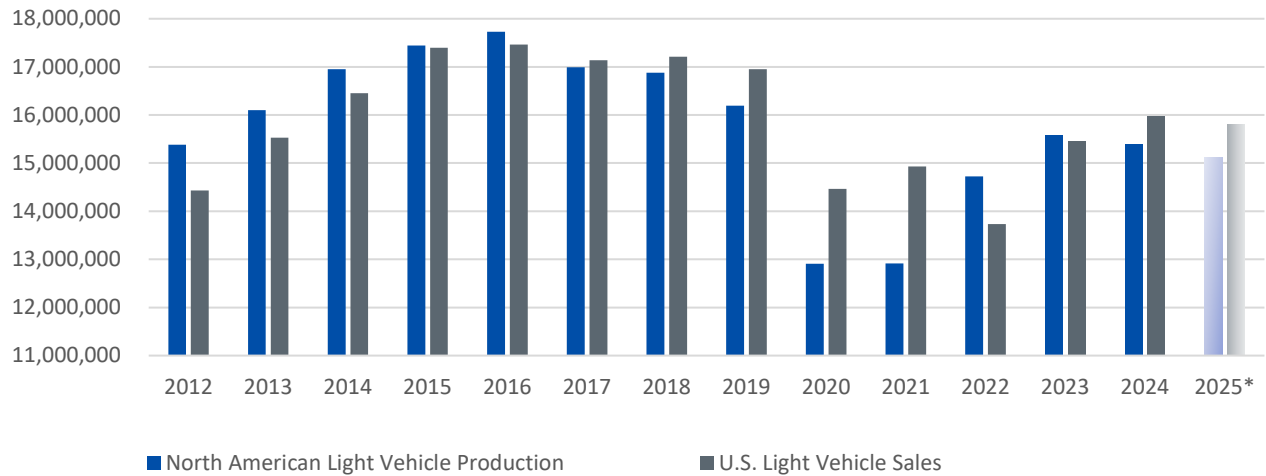
Forecast Meter .....	2
Sales & Production Summary and Forecast (Updated 9/26).....	2
U.S. Light Vehicle Sales Outlook (Updated 9/26) .....	3
North American Production & Inventory Outlook (Updated 9/26).....	4
Market Meter .....	5
U.S. Light Vehicle Sales (Updated 9/5) .....	5
Segments vs. Gas Prices (Updated 9/5).....	8
EV Powertrain Sales (Updated 9/5).....	8
Seasonally Adjusted Annual Rates (Updated 9/5) .....	9
Average Transaction Price (Updated 9/26) .....	10
Auto Loan Financing (Updated 9/26).....	12
Crude Oil and Gas Prices (Updated 9/26).....	13
Production Meter .....	13
North American Production (Updated 9/26) .....	13
U.S. Light Vehicle Production (Updated 9/26) .....	14
U.S. Light Vehicle Inventory and Days' Supply (Updated 9/5).....	15
Global Meter .....	16
Global Light Vehicle Sales (Updated 9/26) .....	16
Global Light Vehicle Production (Updated 9/26).....	17
Economy Meter .....	19
Roadway Travel (Updated 9/5).....	19
Consumer Confidence and Sales (Updated 9/5).....	19
Employment (Updated 9/5).....	20
Sources .....	21

## Forecast Meter

### Sales & Production Summary and Forecast (Updated 9/26)

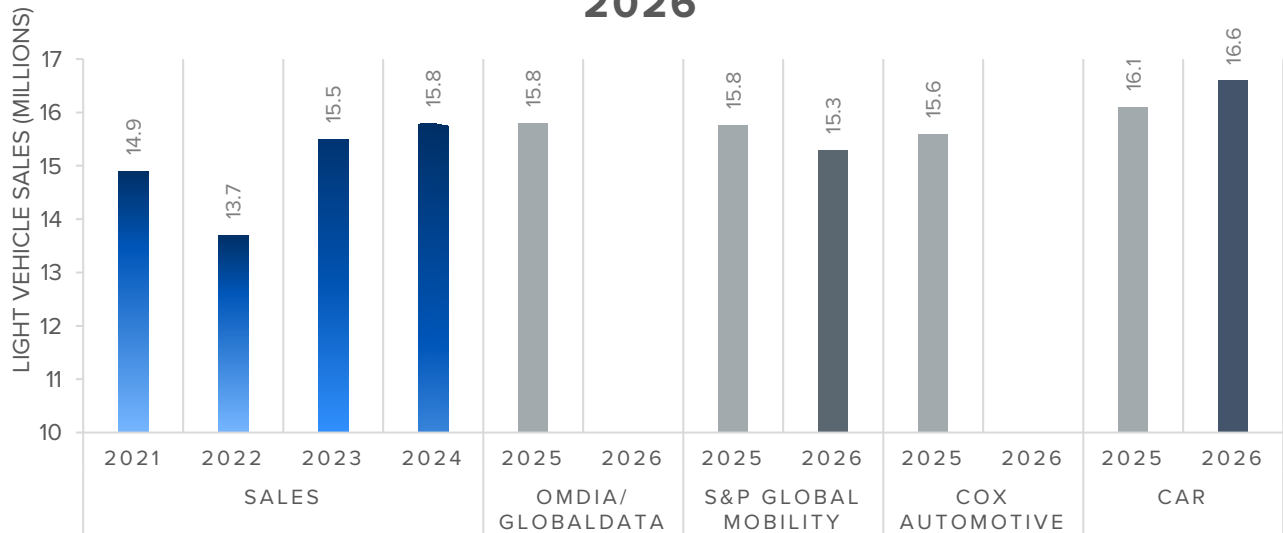
2024-2025 Sales, <sup>1</sup> Extended Sales Forecast <sup>2</sup> and Production Forecasts <sup>3</sup>		
	U.S. Sales & Forecasts	North American Production
January '24	1,076,047 (-1.3% YoY)	1,327,765 (+7.8% YoY)
February '24	1,247,516 (+5.2% YoY)	1,358,836 (+10% YoY)
March '24	1,438,012 (+4.6% YoY)	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)
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)
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Forecast	15,800,000	15,110,000

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



### U.S. Light Vehicle Sales Outlook (Updated 9/26)

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



**Omdia (Formerly Wards Intelligence) Outlook (9/26)<sup>4</sup>:** “US sales in September are tracking toward results that will continue the strength seen so far in 2025. US light-vehicle sales are expected to total a 16.3 million-unit seasonally adjusted annual rate in September, topping both August’s 16.1 million and year-ago’s 15.8 million, making it the eighth month out of nine in 2025 to record a year-over-year (YoY) increase. The calendar year-to-date SAAR through September will rise to 16.3 million from like-2024’s 15.5 million.

“Raw volume is forecast to total 1.24 million units, 5.6% above September 2024’s 1.17 million. The daily selling rate (DSR) over the month’s 24 selling days will increase 1.2% to 51,567 from the same month 2024’s 50,942—24 selling days.

“Including September’s forecast, the 3Q SAAR will total 16.3 million units, a solid gain from 2Q’s 16.1 million and well above 3Q24’s 15.6 million. Third-quarter raw volume will total 4.075 million units, 5.3% above like-2024’s 3.870 million.

“Although most of it happened earlier in the year when the SAAR soared to four-year highs of 17.8 million in March and 17.3 million units in April, some tariff-related pre-price-hike buying likely remains. Automakers so far have largely held off raising prices to offset the rising cost of tariffs imposed by the US government last spring, with most waiting to adjust them on their ’26 models, which already are filtering onto dealer lots and will become widely available in 4Q.

“Anxiety about 4Q stems from the possibility that sales could fall as pull-ahead volume dissipates and automakers raise prices on their ’26 models. Though there will be enough to support continued growth, inventory is forecast to remain well below year-ago levels through the end of the year. The less inventory, the less reason there is for dealers to negotiate on prices.

“Omdia expects US sales to decline YoY in 4Q. However, how much depends on consumers’ reaction to price increases, if they are significant. October will be the first month to begin getting a solid gauge on the tariff impact, though it is not necessarily a final indicator. If sales remain roughly 16 million SAAR, it could mean the automotive market will remain resilient over the rest of 4Q and in 2026, while a sharp downturn could just as well mean demand is tanking for the long run.”

**Omdia Automotive (formerly Wards Intelligence) Full Year Outlook:**<sup>5</sup> “Omdia partner GlobalData is forecasting sales for entire-2025 at 15.8 million units, down from 2024’s 15.9 million.”

## North American Production & Inventory Outlook (Updated 9/26)

**Omdia Production Outlook (9/26)**<sup>6</sup>: “The outlook for North America production in Q3 looks better than month-ago’s update, as an overbuild in August means output is on track to record a slight increase from same-quarter 2024, ending a string of four straight quarterly declines.

“However, the first look at Q4 shows a decline, and results for entire 2025 will fall below the prior year total, the second consecutive year-over-year drop.

“The Q3 production outlook of light vehicles and medium- and heavy-duty trucks combined has been revised upward 99,900 units to 3.961 million units, 0.4% above July-September 2024’s 3.945 million. If the forecast holds firm, it will be the first increase since a 0.6% increase in Q2-2024.

“The fourth quarter is forecast to decline 2.7% year-over-year to 3.663 million units, the lowest total for the period since 3.77 million in 2021, and well below its most recent peak of 4.080 million in 2023.

“Entire-2025 is tracking to production of 15.56 million units, 3.1% below 2024’s 16.06 million and lowest since 14.765 million in 2022. Excluding medium-/heavy-duty trucks, light-vehicle production is pegged at 15.11 million in 2025, 2.4% below the prior year’s 15.48 million.”

**Omdia Inventory Outlook (8/6)**<sup>7</sup>: “Inventory in August is expected to remain relatively flat with July, then rise month-to-month until December, when holiday-related plant shutdowns sharply lower production.”

**S&P Global Mobility Outlook (9/16)**<sup>8</sup>: “North America: The outlook for North America light vehicle production was increased by 212,000 units and by 337,000 units for 2025 and 2026, respectively (and increased by 244,000 units for 2027). The forecast for 2025 production in North America was revised higher by 1.4% totaling 15.15 million units amid continued strength in production planning and the ongoing effects of a measure of pull-ahead demand. The outlook for the fourth quarter of 2025 was revised higher by 4.8% or 162,000 units to a projected 3.55 million units. Revised demand settings result in the outlook for US sales in 2026 being revised higher by 2.2% or 337,000 units totaling 15.69 million units while the 2025 outlook increased by 1.6% or 259,000 units totaling 16.02 million units. US sales for 2027 were revised higher by 1.5% or 242,000 units to 15.89 million units. As a result, the forecast for 2026 North American production was revised higher by 2.4% to 14.66 million units. The increased outlook is most prominent in the first half of 2026 that was previously more heavily discounted on economic and tariff impact concerns. The outlook for 2027 was revised higher by 1.6% to 15.56 million units driven by a stronger demand outlook coming out of a still relatively weak 2026 and the continued localization of vehicles into the region, including Hyundai onshoring Palisade production in 2027 (which sold around 122,000 units over the trailing 12-month period in the US).”

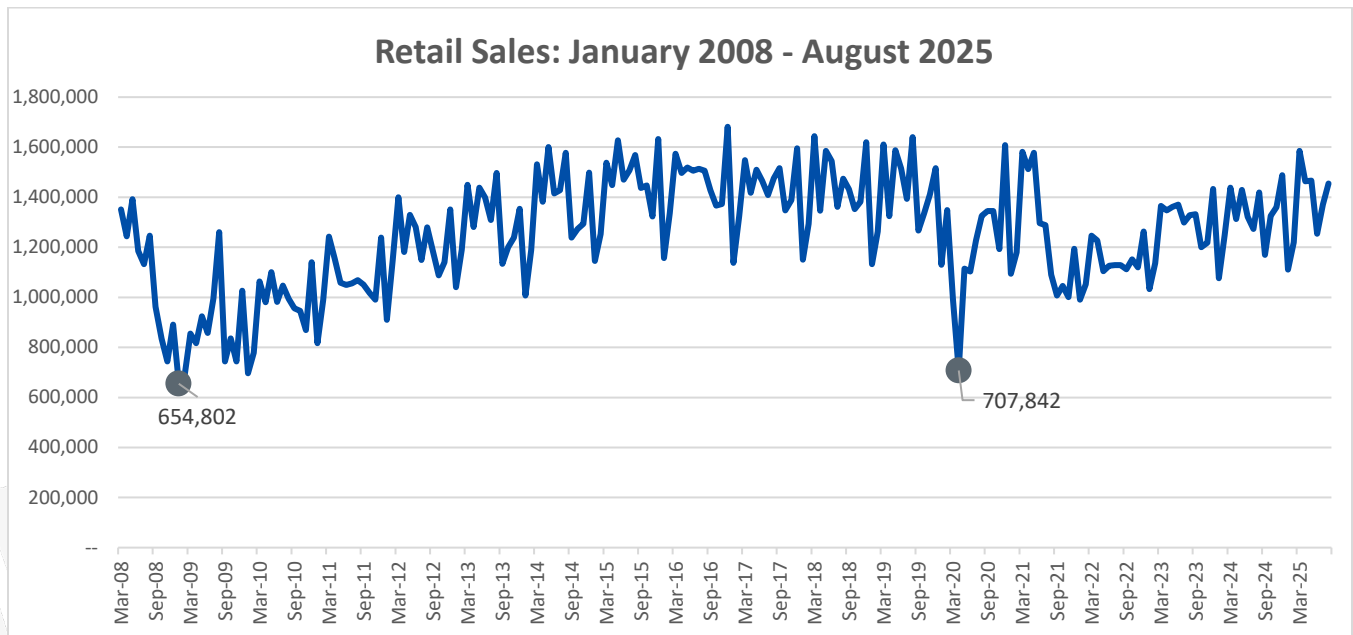
## Market Meter

---

### U.S. Light Vehicle Sales (Updated 9/5)

#### **Monthly Sales (Updated 9/5)**

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.



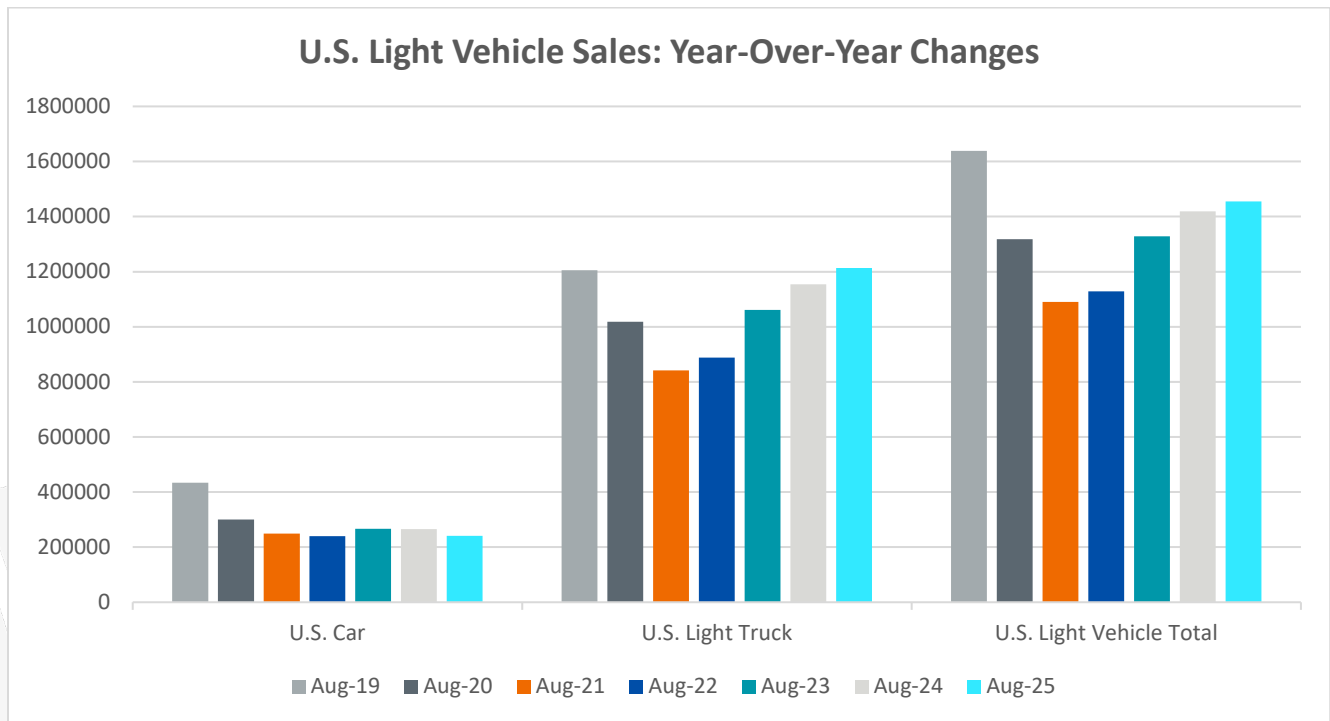
### **Monthly Sales (Updated 9/5)**

**Omdia (formerly WardsIntelligence)**<sup>9</sup>: “US light-vehicle sales in August finished close to expectations, totaling a 16.1 million-unit seasonally adjusted annual rate, down from the prior month’s 16.5 million but well above same-month 2024’s 15.1 million.

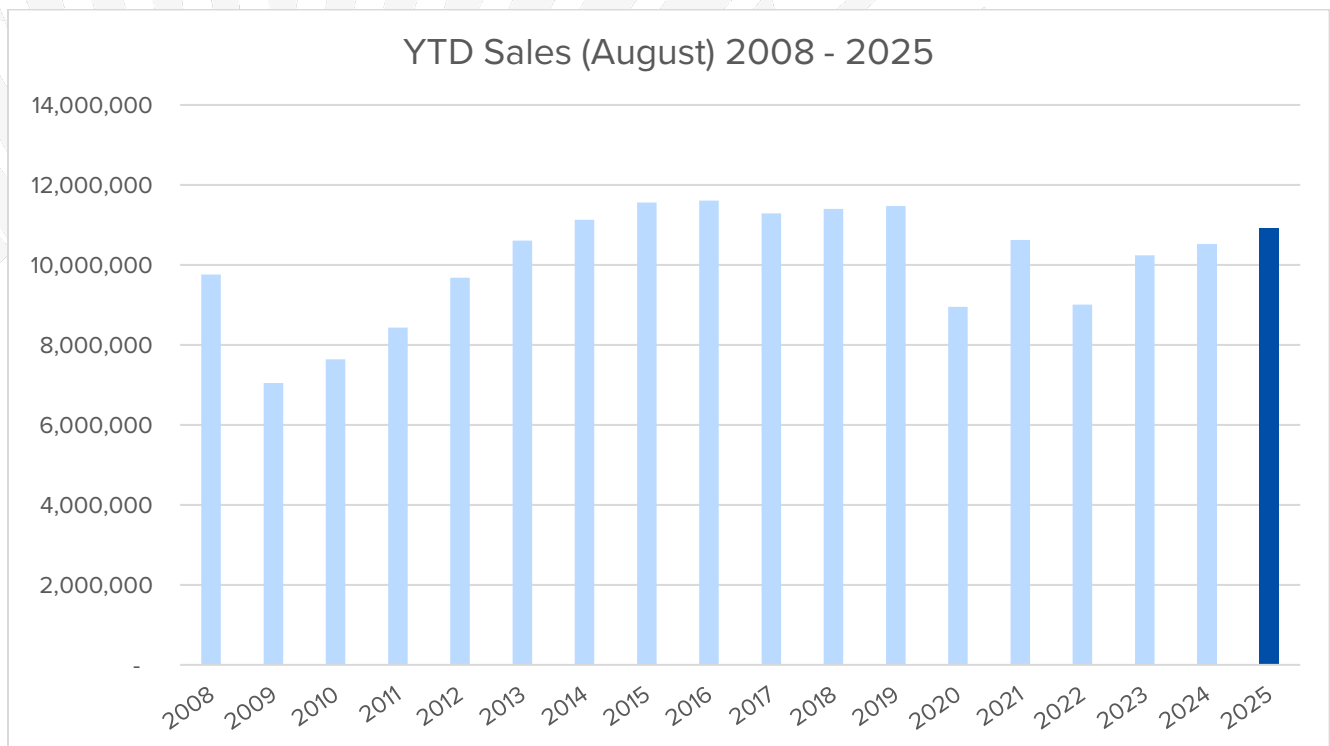
“Raw volume totaled 1.455 million units, 3.0% above August 2024’s 1.412 million. The daily selling rate over August’s 27 selling days totaled 53,877, 6.8% above the year-ago month’s 50,441 – 28 selling days. The year-over-year increase in the daily selling rate was the tenth gain in the past 11 months.

“Some of August’s strength can be attributed to expectations that tariff adjustments will cause prices to surge on ’26 models as they roll out over the rest of the year, leading to some pull-ahead purchases. Also, sales of battery-electric vehicles got a boost because government credits on purchases end Sept. 30. The daily selling rate for BEVs soared 23.1% above August 2024 and was the first increase since March.”





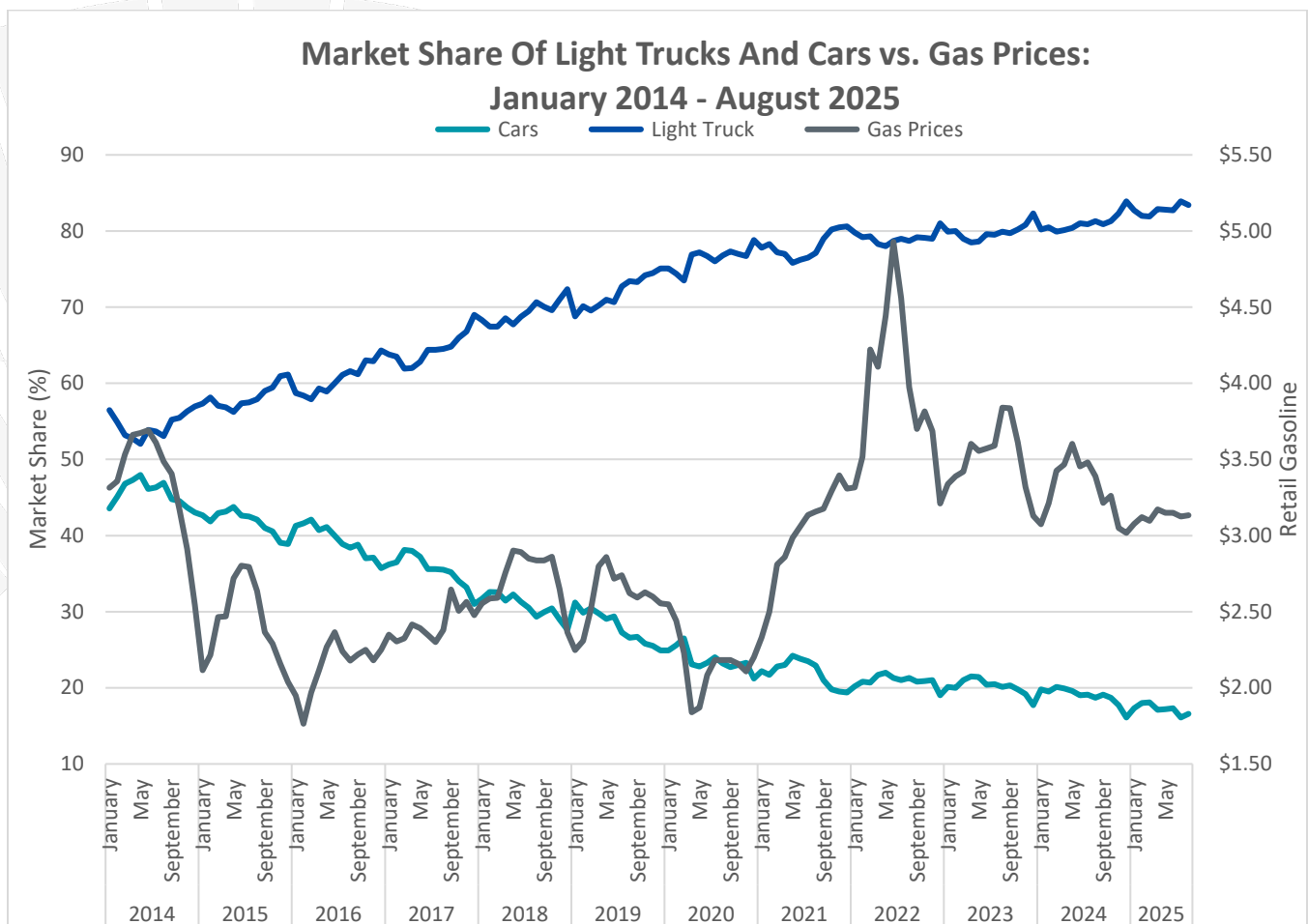
Calendar year-to-date sales through August totaled 10.9 million units, up 3.9 percent from 2024's 10.5 million.



## Segments vs. Gas Prices (Updated 9/5)

**Monthly Sales:** Light trucks accounted for 83.4 percent of sales in August, up 2.1 percentage points from the market share a year ago. Compared to the same period in 2024, sales of cars are down 24,674 units, and down nearly 193,000 from August 2019, when cars comprised 26 percent of the market as opposed to the 16.6 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 \$2.84 a gallon (through August 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>

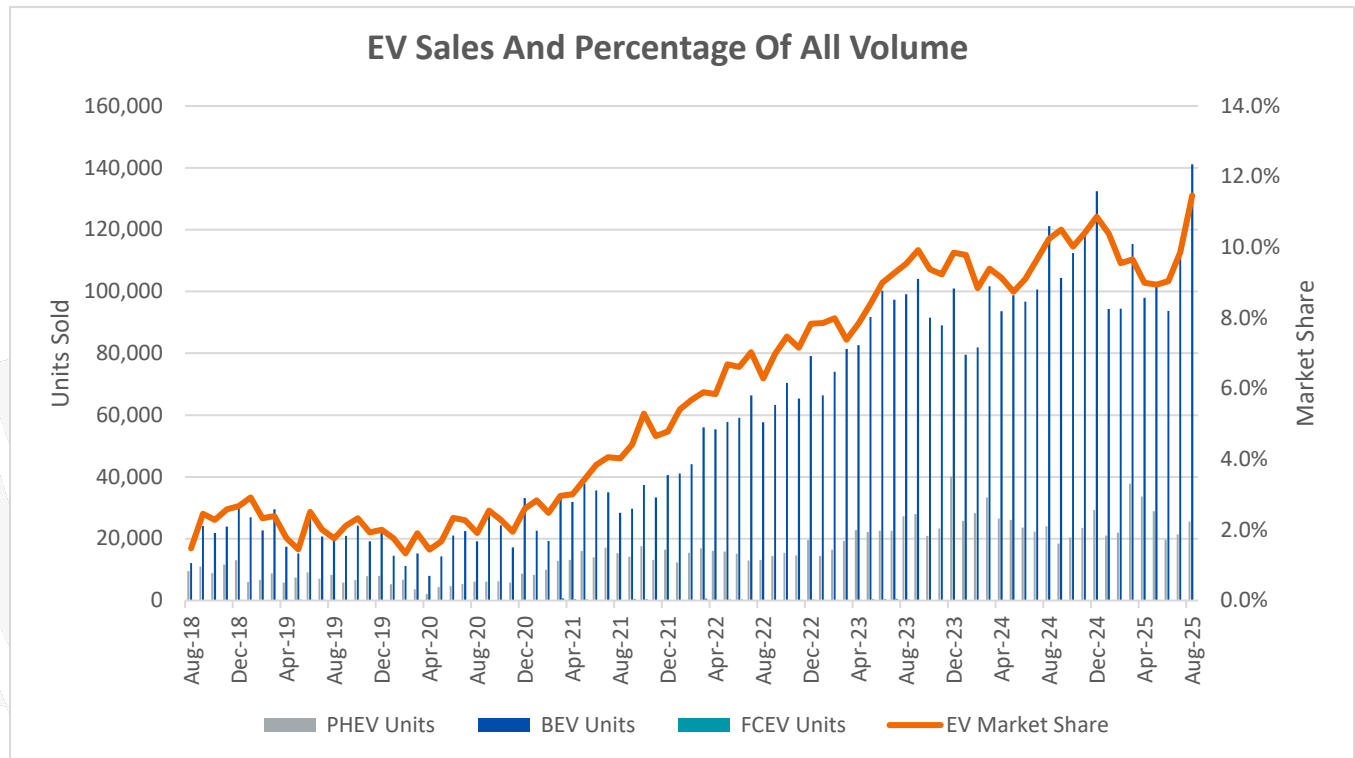


## EV Powertrain Sales (Updated 9/5)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 11.5 percent of total vehicle sales in August 2025 (166,768) – an all-time high for both market share and volume, per Omdia estimates. Market share

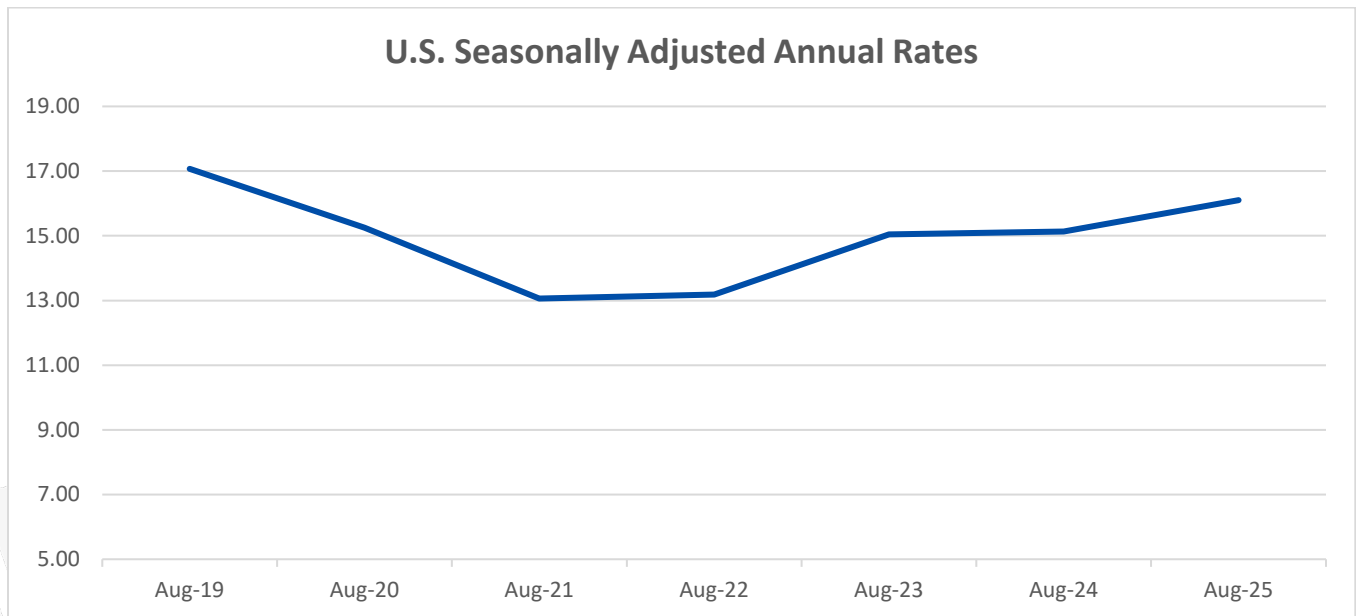


increased 1.6 percentage points (pp) from July 2025. August's EV market share is up 1.2 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 9.7 percent of total sales, up 1.2 pp from August 2024. Plug-in hybrids accounted for 1.8 percent, up 0.1 pp from the same time last year.



## Seasonally Adjusted Annual Rates (Updated 9/5)

**Omdia (formerly WardsIntelligence)<sup>13</sup>:** "US light-vehicle sales in August finished close to expectations, totaling a 16.1 million-unit seasonally adjusted annual rate, down from the prior month's 16.5 million but well above same-month 2024's 15.1 million."



## Average Transaction Price (Updated 9/26)

**J.D. Power (Updated 9/26)<sup>14</sup>:** “The average new-vehicle retail transaction price in September is expected to reach \$45,795, up \$1,310 or 2.9% from September 2024. The average manufacturer incentive per vehicle is on track to reach \$3,116, an increase of just \$24 from August, and a decrease of \$3 from a year ago. Expressed as a percentage of MSRP, incentive spending is at 6.1%, a decrease of 0.2 percentage points from a year ago.”

**Kelley Blue Book (August) (9/26)<sup>15</sup>:** “New-vehicle prices moved higher in August as more model year 2026 vehicles hit dealer lots and automakers work to offset higher costs. According to estimates from Kelley Blue Book, price increases accelerated in August as both key measures – average transaction price (ATP) and manufacturer's suggested retail prices (MSRPs) – increased month over month and year over year.

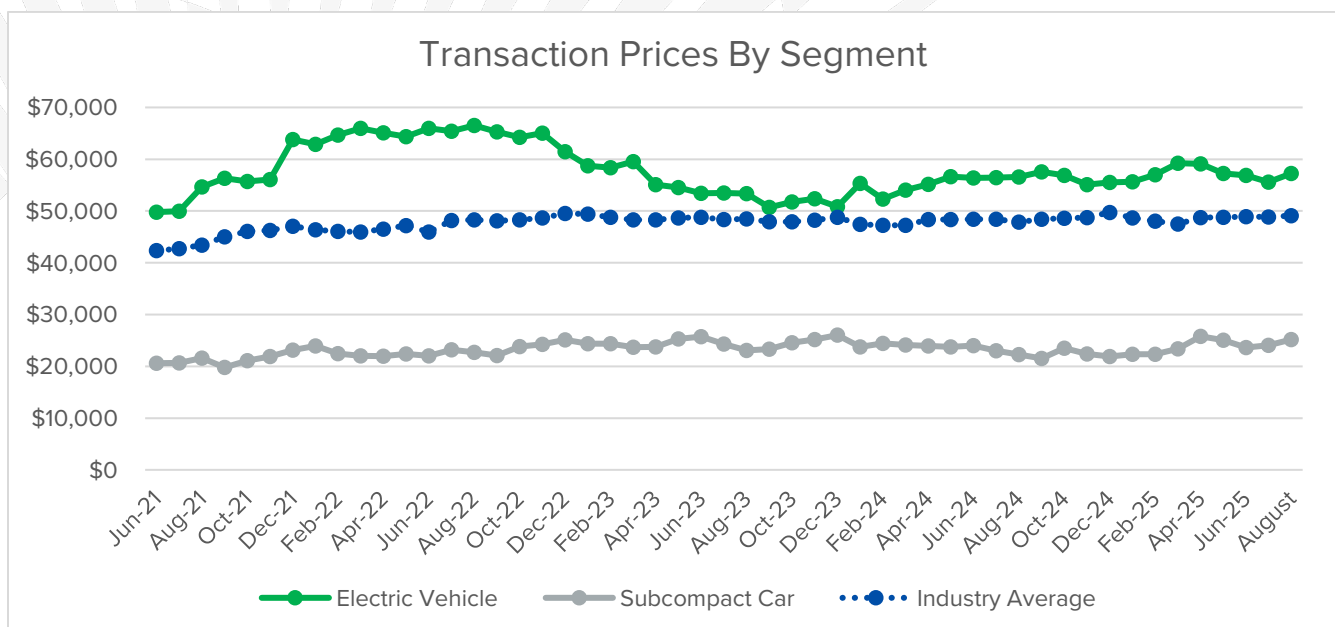
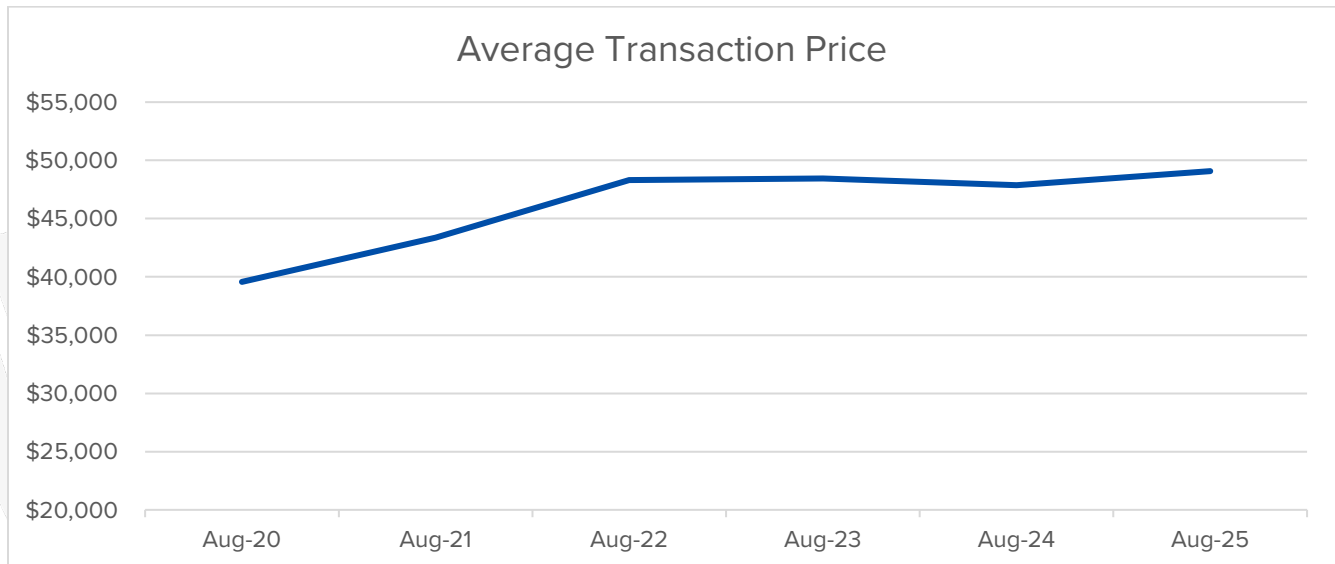
“The new-vehicle ATP was \$49,077 in August, up 0.5% from July (\$48,841) and higher year over year by 2.6%. The annual gain of 2.6% in August was the largest gain in more than two years, although it remains below long-term averages.

“The average new-vehicle MSRP – commonly called “the asking price” – in August was \$51,099, an increase compared to July and higher year over year by 3.3%, a rate of increase very close to long-term averages and the largest gain in 2025.

“Incentives spending softened, falling to 7.2% of ATP in August from 7.3% in July. Compared to a year ago, new-vehicle incentive spending is mostly unchanged. In fact, over the past year, incentive spending has held relatively steady, averaging 7.2% of ATP, with the highest incentive spending in the final months of 2024 and the lowest in April 2025.

“The initial estimate of the EV average transaction price in August was \$57,245, up 3% from the revised lower EV ATP of \$55,562 in July. Year over year, EV prices were mostly unchanged, lower by 0.1%. The higher volume of EV sales helped push the overall industry ATP higher as well.

EV incentives in August were down from the July record, but at 16% of ATP, EV incentives remain more than twice as high as the overall market. The average incentive package on a new EV was more than \$9,000 in August. A year ago, incentive packages for EVs averaged 13.6% of ATP.”

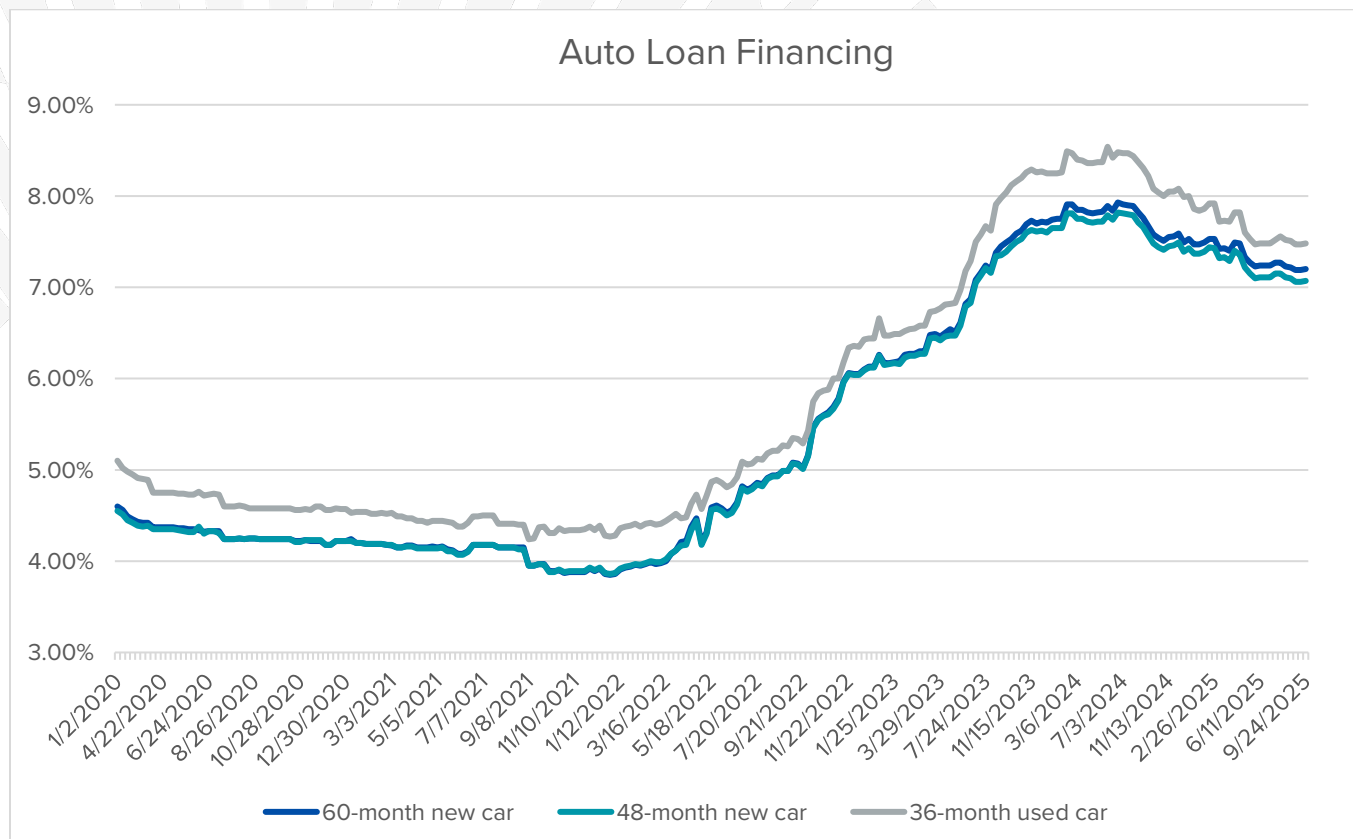


## Auto Loan Financing (Updated 9/26)

**JD Power (9/26)<sup>16</sup>:** “Average monthly finance payments are on track to reach \$756, an increase of \$21 from September 2024, and the highest on record for the month of September. In response, more buyers are opting for extended 84-month loan terms, which are expected to account for 11.0% of finance sales this month—the second-highest level on record for September.”

**Interest Rates (updated 9/26):** Interest rates continued their gradual decline, but 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 7.20%, 7.07%, and 7.48%, respectively. Since the beginning of 2020, 60-month rates are up 2.60 pp, and are down 0.47 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%
9/18/2024	7.67%	7.57%	8.22%
9/10/2025	7.19%	7.06%	7.47%
9/24/2025	7.20%	7.07%	7.48%
Two Week Change	0.01%	0.01%	0.01%
Change since 1/3/20	2.60%	2.52%	2.38%
One Year Change	-0.47%	-0.50%	-0.74%

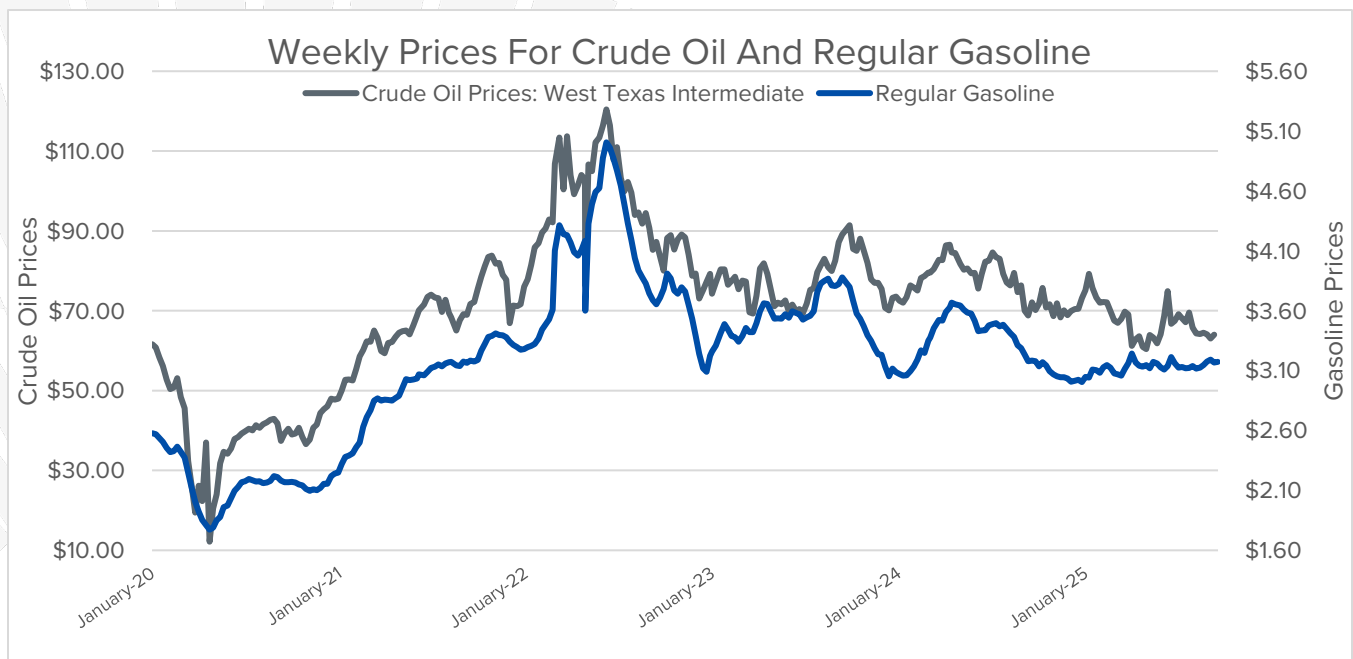


## Crude Oil and Gas Prices (Updated 9/26)

**Oil Near Four Year Low (9/26):**<sup>18</sup> Oil prices, as benchmarked at West Texas Intermediate were \$63.92 at the middle of September, down \$5 from the same time a year ago. Since election day 2024, oil prices are down \$4.71 a barrel. Gas was unchanged from a week ago at \$3.17. Gas is 23 percent 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 (8/21):**<sup>19</sup> “We expect the Brent crude oil price will average \$67 per barrel (b) this year, down from \$81/b in 2024, and we expect it will fall to an average of \$51/b in 2026.”

**EIA Outlook For Gasoline (8/21):**<sup>20</sup> “Lower crude oil prices will push down U.S. average retail gasoline prices to less than \$3.00 per gallon (gal) next year. We expect the retail gasoline price will average less than \$2.90/gal next year, about 20 cents/gal (6%) less than this year. In most regions, we forecast prices to fall below \$3.00/gal by the fourth quarter of this year and remain less than \$3.00/gal during 2026.”



## Production Meter

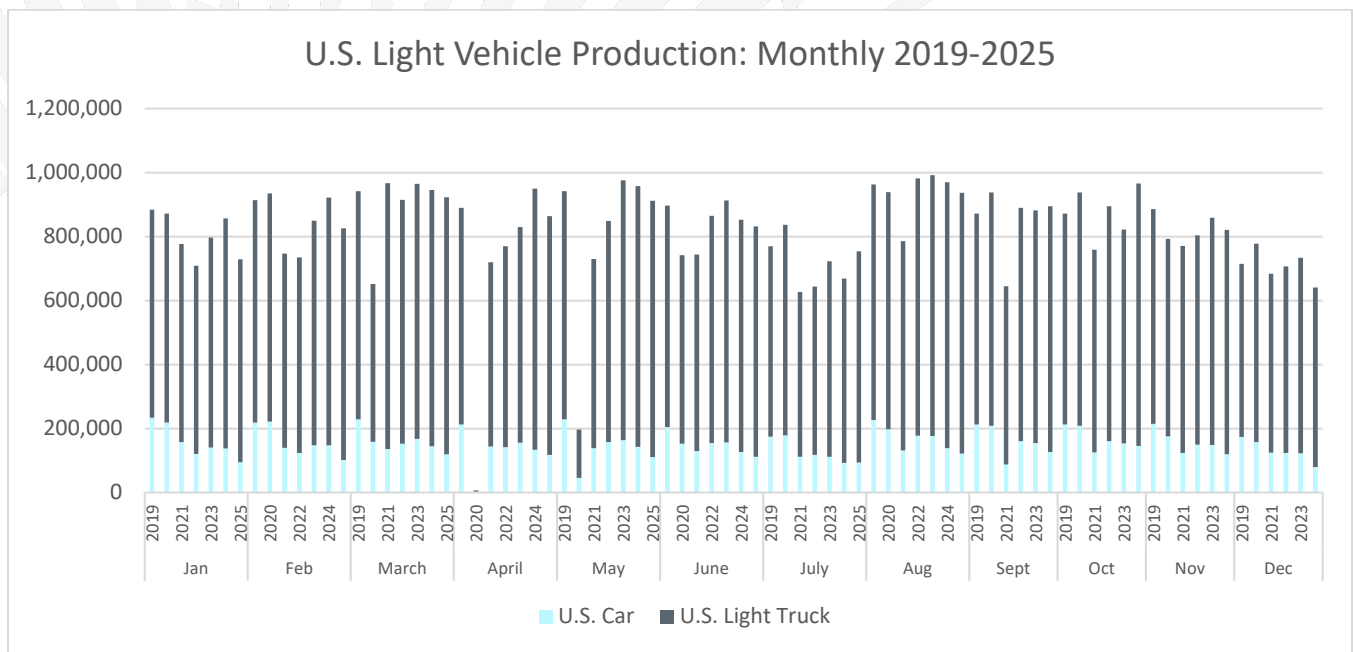
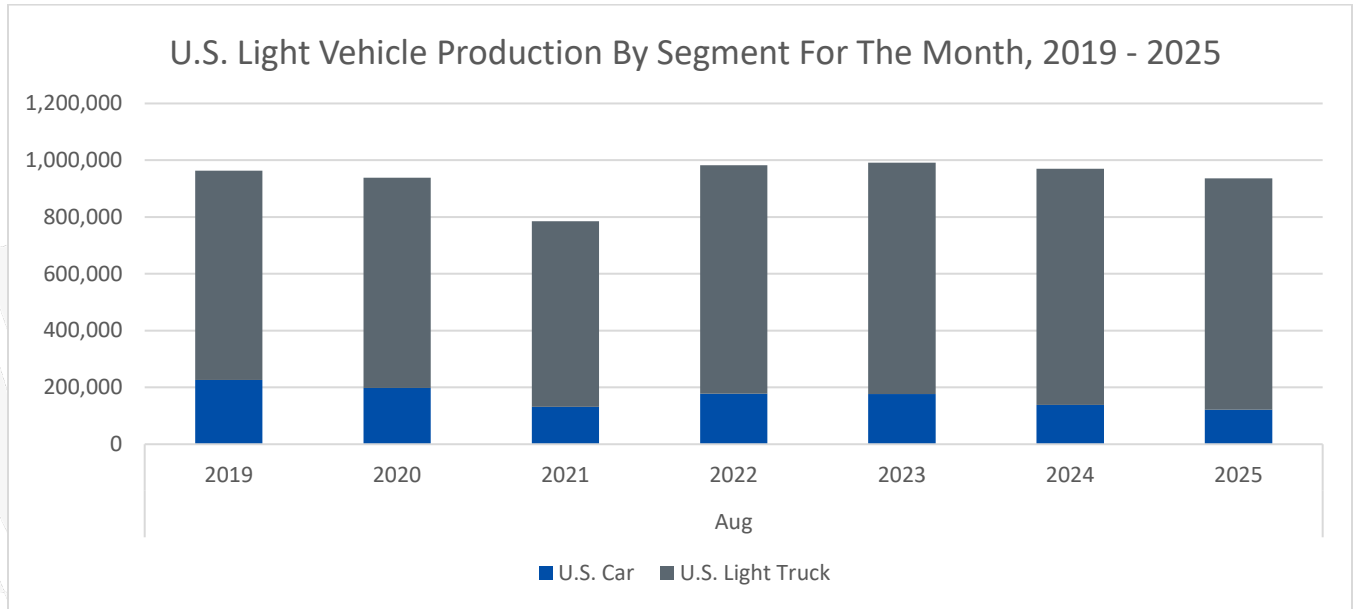
### North American Production (Updated 9/26)

**Wards Intelligence**<sup>21</sup>: “[F]inal total in August of 1.425 million units, 64,300 above month-ago’s estimate for the month. August’s total was 1.5% below same-month 2024’s 1.447 million. The downturn was one of seven in the first eight months of 2025.”

## U.S. Light Vehicle Production (Updated 9/26)

### U.S. Monthly Production

U.S. Light vehicle production for August was up 24.3 percent month-over-month, totaling 936,487 vehicles (121,628 cars, 814,859 light trucks), year-over-year, production is down 0.1 percent from 2024.<sup>22</sup>





## U.S. Light Vehicle Inventory and Days' Supply (Updated 9/5)

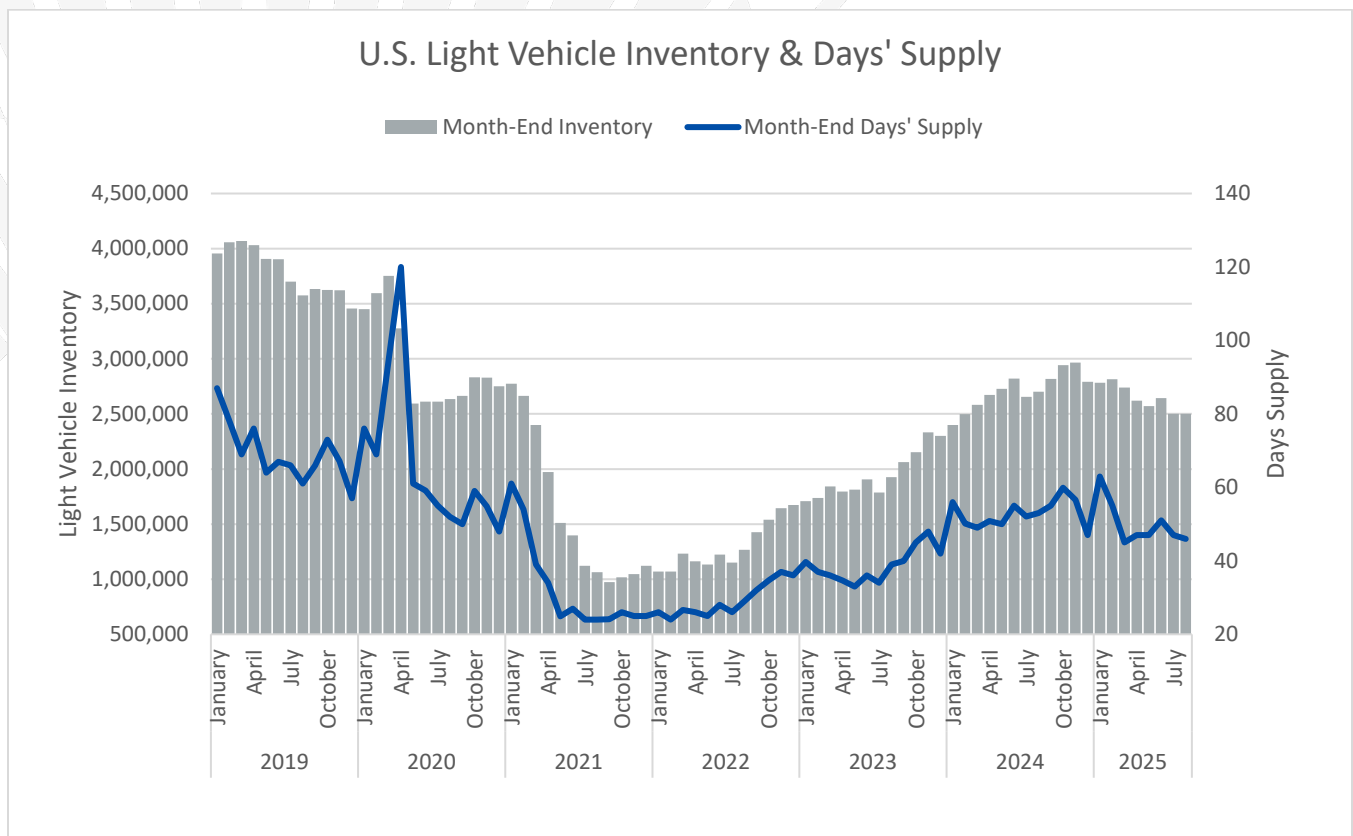
**WardsIntelligence Inventory Update (9/5)<sup>23</sup>:** “US light vehicle inventory ended August nearly flat with July, coming in higher than forecasted, and probably meaning that North America production—at least output for the US—was higher than expected in the month.

“August inventory totaled 2.500 million units, a smidgeon below July’s 2.502 million but down 7.7% from like-2024’s 2.708 million. Days supply was 46, nearly even with July’s 47 but down from August 2024’s 54.

“The flat comparison with July went against normal seasonal trends. Inventory typically declines from July to August due to normally scheduled summer vacation and model-year shutdowns at North American plants supplying the US market.

“However, although flat with July, the year-over-year decline still represented a thinning of dealer stocks. The 7.7% downturn was the biggest drop from the year-ago month since inventory first declined in April, which ended three years of continuous increases while the industry was climbing back from the global supply-chain disruptions of 2020 to 2022 that resulted in a near emptying of US dealer lots.

“Despite numerous headwinds—such as the declining inventory—sales overall have continued to grow. The higher sales volume, in combination with production slowdowns, has gradually reduced new-vehicle availability.”



## Global Meter

### Global Light Vehicle Sales (Updated 9/26)

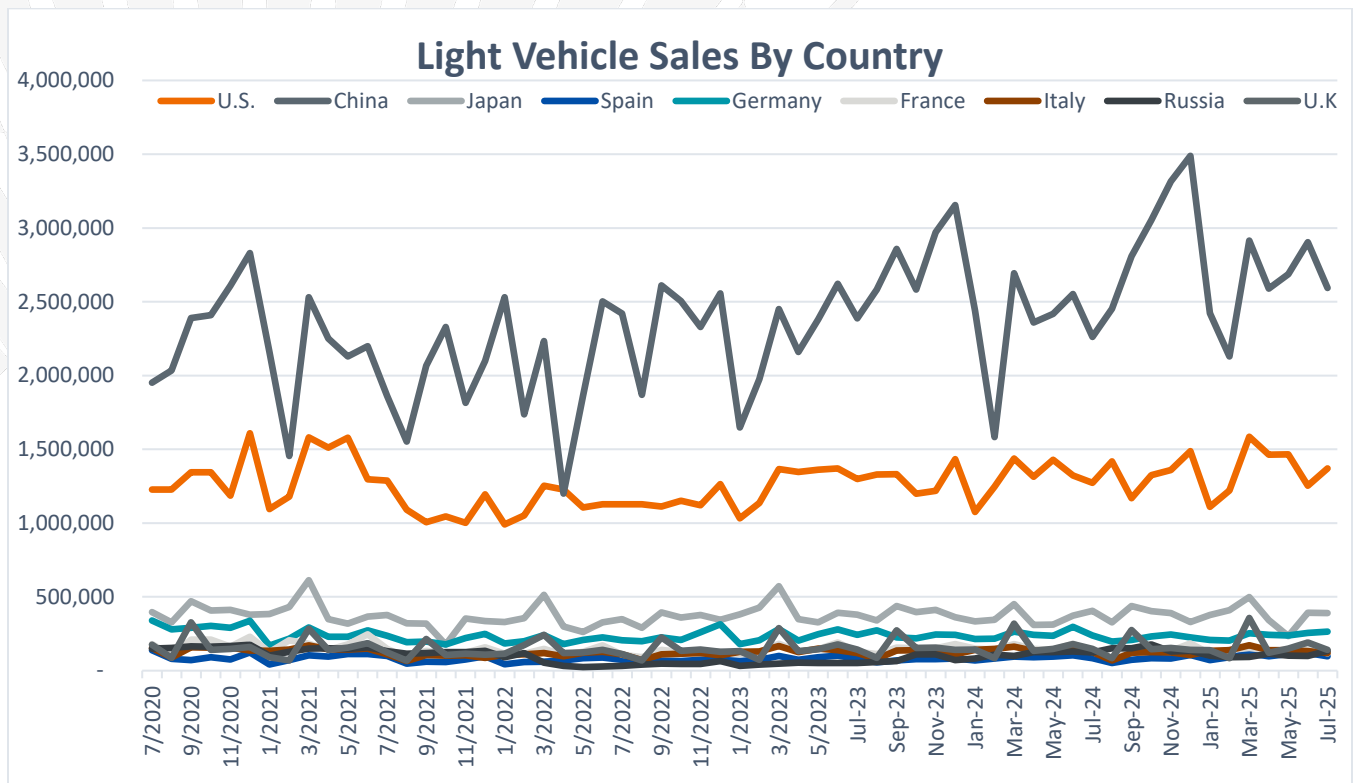
**Wards Intelligence<sup>24</sup>:** “Global sales of light vehicles and medium- and heavy-duty trucks combined increased year-over-year for the 10th straight month in July, with all major region’s posting gains for the first time in 2025.

“Deliveries in July totaled 8.048 million units, 7.0% above same-month 2024’s 7.521 million. Calendar year-to-date sales through July totaled 55.804 million, up 5.0% from 8-month 2024’s 53.132 million.

“As in June, strength in Asia & Oceania and South America—up 8.7% and 9.7% year-over-year, respectively—led global growth.

“Also, for the second straight month, China, the largest global market, was mostly behind the gain in the Asia & Oceania region.

“Demand in China rose 13.8% from July 2024, with global market share rising to 32.8% from the year-ago total of 30.8%. Excluding China, Asia & Oceania sales in July rose a meager 0.3% year-over-year, with market share falling to 17.3% from same-month 2024’s 18.4%.”



## Global Light Vehicle Production (Updated 9/26)

**S&P Global Mobility Forecast (9/26)<sup>25</sup>:** “The outlook for the global auto industry has improved somewhat, particularly for North America and Greater China, among other regions. While markets continue to navigate evolving US trade actions and other regional dynamics, the actions and reactions of industry participants influence our forecast revisions for this month. Our assumptions regarding tariffs remain largely intact; however, automakers’ strategies in mitigating the impacts are becoming more apparent. Companies are increasingly spreading the cost/price impact pragmatically across markets and are adjusting content, trim and mix accordingly. Additionally, automakers in the US are benefitting from not facing emissions penalties and the need to purchase regulatory credits. The net effect is we are not expecting consumers to bear as much of the burden by way of major price increases, which results in an improved demand and production outlook through the near-term. The September forecast update reflects a mix of mostly upgrades in the near-term as we adjust to reflect the ongoing impacts of a rather variable trade environment as well as other regional dynamics. Of note, upgrades are particularly concentrated on Greater China given the strength in vehicle sales as well as robust export activity. Also, North America upgrades reflect stronger production as automakers adjust to and mitigate the cost of tariffs rather than pass them on to consumers in the near-term. The more noteworthy regional adjustments with the latest forecast update are detailed below:

**“Europe:** The outlook for Europe light vehicle production was increased by 78,000 units and by 117,000 units for 2025 and 2026, respectively (and increased by 31,000 units for 2027). The positive revisions for this month are primarily related to an improved demand outlook for countries like Germany, France, Austria and Turkey. In addition, there is a positive effect stemming from some relief on the US export front that is expected to benefit premium OEMs in Europe. Finally, we are also adjusting our assumption around inventories which no longer anticipates the need for material destocking next year. While production has been upgraded through the near-term, the forecast for EV production has been downgraded further on lingering demand challenges. Of note, the upward revisions for this month’s update were distributed across a variety of ICE models, particularly for Volkswagen.

**“Greater China:** The outlook for Greater China light vehicle production was increased by 390,000 units and by 223,000 for 2025 and 2026, respectively (and increased by 120,000 units for 2027). Despite a traditional seasonal summer downturn, the mainland China light vehicle market maintained steady momentum in August 2025. According to the CPCA, passenger vehicle production achieved over 2.4 million units and double-digit year-on-year growth, mainly driven by government trade-in subsidies, relaxed auto loan policies, domestic demand recovery and increasing exports. The new strengthened NEV subsidy policy and an ongoing “price war” have further motivated potential consumers in the entry level market and in rural areas. According to the CPCA, new energy passenger vehicle industrial output posted 24% year-on-year growth, leading to a 52% penetration rate in August. Car dealers are preparing for the “golden autumn” season with increased inventory and faster turnover strategies, but prices are under pressure from new model launches and supply chain fluctuations. According to the CDCA, the passenger vehicle inventory level has remained at 1.31 in August. Looking to 2026, the outlook for Great China production was increased given support from subsidy extensions and a generally constructive demand outlook. The market remains influenced by policy measures and innovation, although the industry must navigate competitive pressures and economic uncertainties to sustain growth.

**“Japan/Korea:** While full-year 2025 Japan production was only modestly upgraded this month, full-year 2026 production was upgraded by 75,000 units. This is primarily related to plans by Toyota to expand production of the new RAV4 and push exports to markets other than (and in addition to) the US to mitigate the negative impact from US tariffs. Long-term volumes were downgraded by an average of around 48,000 units per year. This is primarily related to rebalancing of Subaru Crosstrek production between Japan and the US. It was

increased in the US to help mitigate the impact of US auto tariffs. Full-year 2025 South Korea production was upgraded by 18,000 units. Since the new government took office in June, domestic demand has been steadily recovering, and exports have also increased as other regions have made up for the decline in exports to the US due to tariffs. Meanwhile, as Korean OEMs are expected to raise vehicle prices in the US at a lower-than-expected rate, production forecasts for 2026 and 2027 were upgraded by 50,000 units and by 37,000 units, respectively

**“North America:** The outlook for North America light vehicle production was increased by 212,000 units and by 337,000 units for 2025 and 2026, respectively (and increased by 244,000 units for 2027). The forecast for 2025 production in North America was revised higher by 1.4% totaling 15.15 million units amid continued strength in production planning and the ongoing effects of a measure of pull-ahead demand. The outlook for the fourth quarter of 2025 was revised higher by 4.8% or 162,000 units to a projected 3.55 million units. Revised demand settings result in the outlook for US sales in 2026 being revised higher by 2.2% or 337,000 units totaling 15.69 million units while the 2025 outlook increased by 1.6% or 259,000 units totaling 16.02 million units. US sales for 2027 were revised higher by 1.5% or 242,000 units to 15.89 million units. As a result, the forecast for 2026 North American production was revised higher by 2.4% to 14.66 million units. The increased outlook is most prominent in the first half of 2026 that was previously more heavily discounted on economic and tariff impact concerns. The outlook for 2027 was revised higher by 1.6% to 15.56 million units driven by a stronger demand outlook coming out of a still relatively weak 2026 and the continued localization of vehicles into the region, including Hyundai onshoring Palisade production in 2027 (which sold around 122,000 units over the trailing 12-month period in the US).

**“South America:** The outlook for South America light vehicle production was reduced by 11,000 units and by 44,000 units for 2025 and 2026, respectively (and increased by 10,000 units for 2027). The outlook for 2025 was downgraded modestly primarily related to Argentina where imports are increasingly impacting sales of domestically built vehicles. In comparison, the forecast for Brazil remained mostly stable despite a somewhat lower than expected performance in August. We will be monitoring the market over the near-term for any signs that an expected positive benefit of incentives on sales of more affordable cars does not materialize. Regional volumes for 2026-2027 were reduced by around 17,000 units per year as measured over the time period. Argentina has been revised upwards mostly due to an improvement in demand for some brands, particularly Ford (with the Ranger performing better in some neighboring countries) and Peugeot (with confirmation of new hybrid variants being introduced from late 2025). In contrast, Brazil is reduced over the period, mostly due to a change in SOP for BYD operations (from mid-2025 to mid-2027).

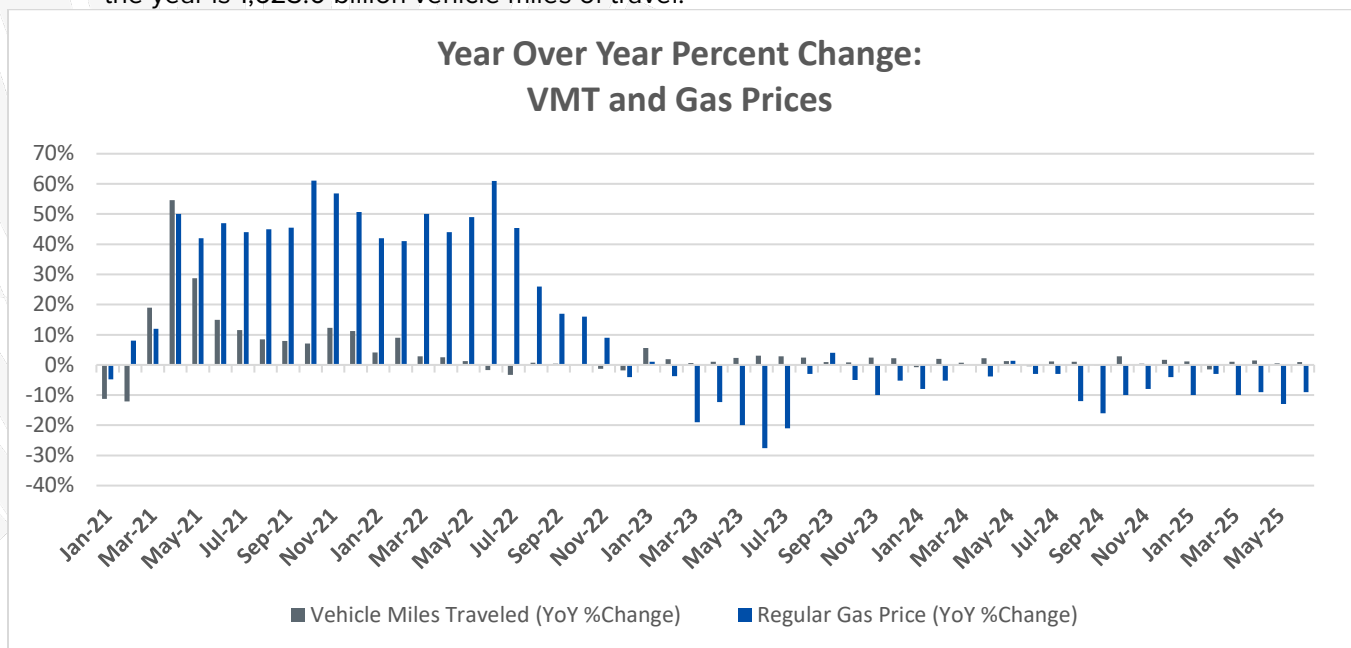
**“South Asia:** The outlook for South Asia light vehicle production was increased by 13,000 units and by 171,000 units for 2025 and 2026, respectively (and increased by 116,000 units for 2027). The light vehicle production forecast for the ASEAN market was upgraded modestly for 2025 but was reduced by 50,000 units for both 2026 and 2027. We remain cautious on the near-term outlook given persistent concerns over market deterioration in Indonesia, Thailand and Malaysia. The downgrades for 2026 and 2027 signal that an ASEAN production recovery is likely to take longer than previously expected. Over the medium to longer term, Japanese OEMs are expected to face escalating challenges, not only in the BEV space where Chinese players are advancing aggressively, but also in the hybrid segment which has traditionally been their competitive stronghold. The production outlook for India in the extreme near-term was only modestly adjusted. However, for 2026 and 2027, volumes were upgraded by 221,000 units and 166,000 units, respectively, as domestic demand is expected to benefit materially from a reduction in the Goods and Services Tax (GST) for different sized vehicles. Historically, reductions in GST provide a noteworthy boost to vehicle sales.”

## Economy Meter

### Roadway Travel (Updated 9/5)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in June increased by 0.7 percent from the same time a year ago. The cumulative travel estimate for 2025 is 1,623.0 billion vehicle miles.<sup>26</sup>

- Travel on all roads and streets changed by +0.9% (+2.5 billion vehicle miles) for June 2025 as compared with June 2024. Travel for the month is estimated to be 285.6 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for June 2025 is 274.9 billion miles, a +0.7% (1.9 billion vehicle miles) change over June 2024. It also represents a -0.1% change (-0.3 billion vehicle miles) compared with May 2025.
- Cumulative Travel for 2025 changed by +0.8% (+12.1 billion vehicle miles). The cumulative estimate for the year is 1,623.0 billion vehicle miles of travel.



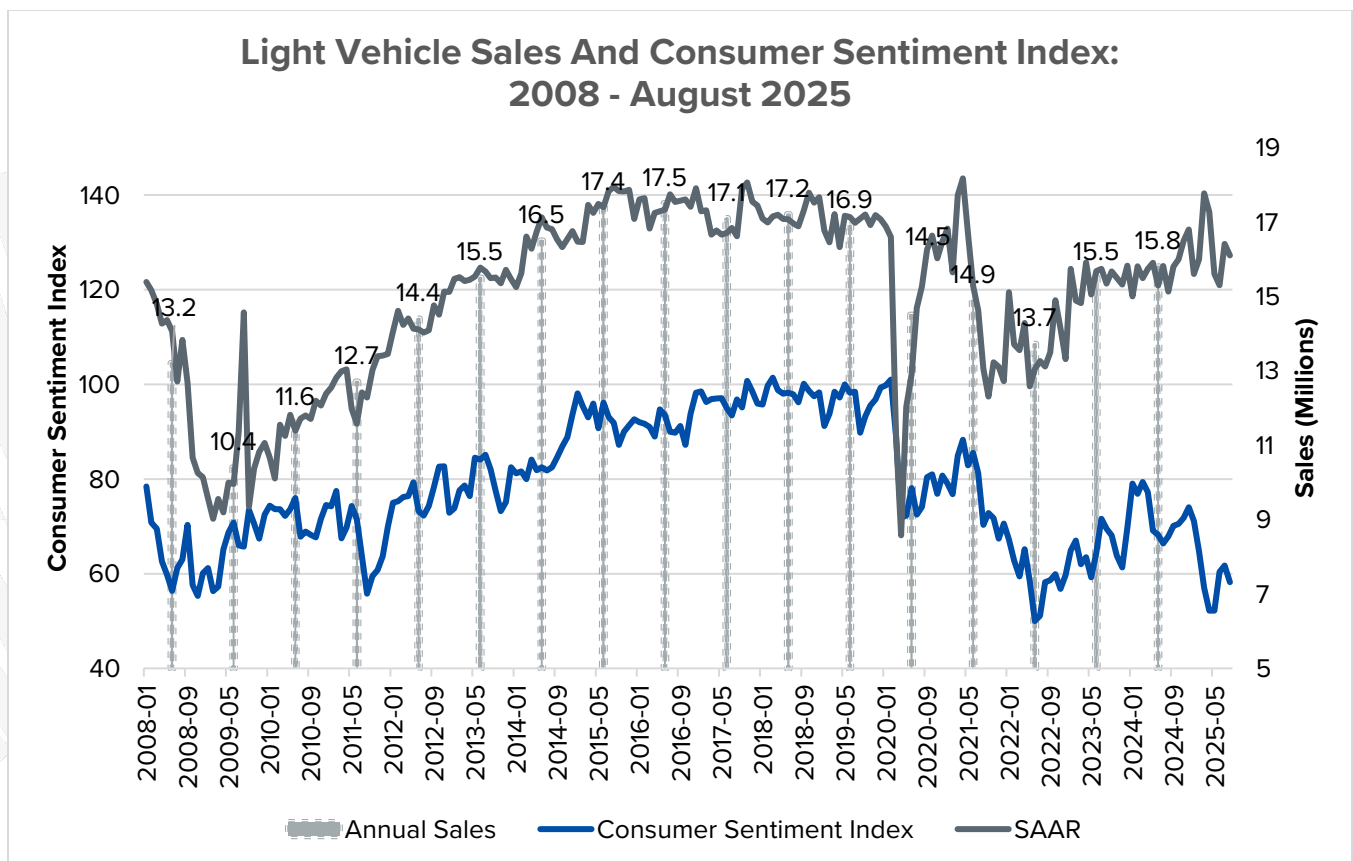
### Consumer Confidence and Sales (Updated 9/5)

**Surveys of Consumers Director Joanne Hsu<sup>27</sup>:** “Consumer sentiment confirmed its early-month reading, moving down about 6% from July. Sentiment now stands about 11% above readings from April and May but remains at least 10% below 6 and 12 months ago. This month’s decrease was visible across groups by age, income, and stock wealth. Moreover, perceptions of many aspects of the economy slipped. Buying conditions for durable goods subsided to their lowest reading in a year, and current personal finances declined 7%, both due to heightened concerns about high prices. Expectations for business conditions and labor markets contracted in August as well. That said, expectations for personal finances held steady this month, albeit at relatively subdued levels relative to a year ago. This month, few consumers spontaneously mentioned the



recent events at the Bureau of Labor Statistics and the Federal Reserve (interviews closed on Monday, August 25, the day Trump announced he was firing Governor Cook).

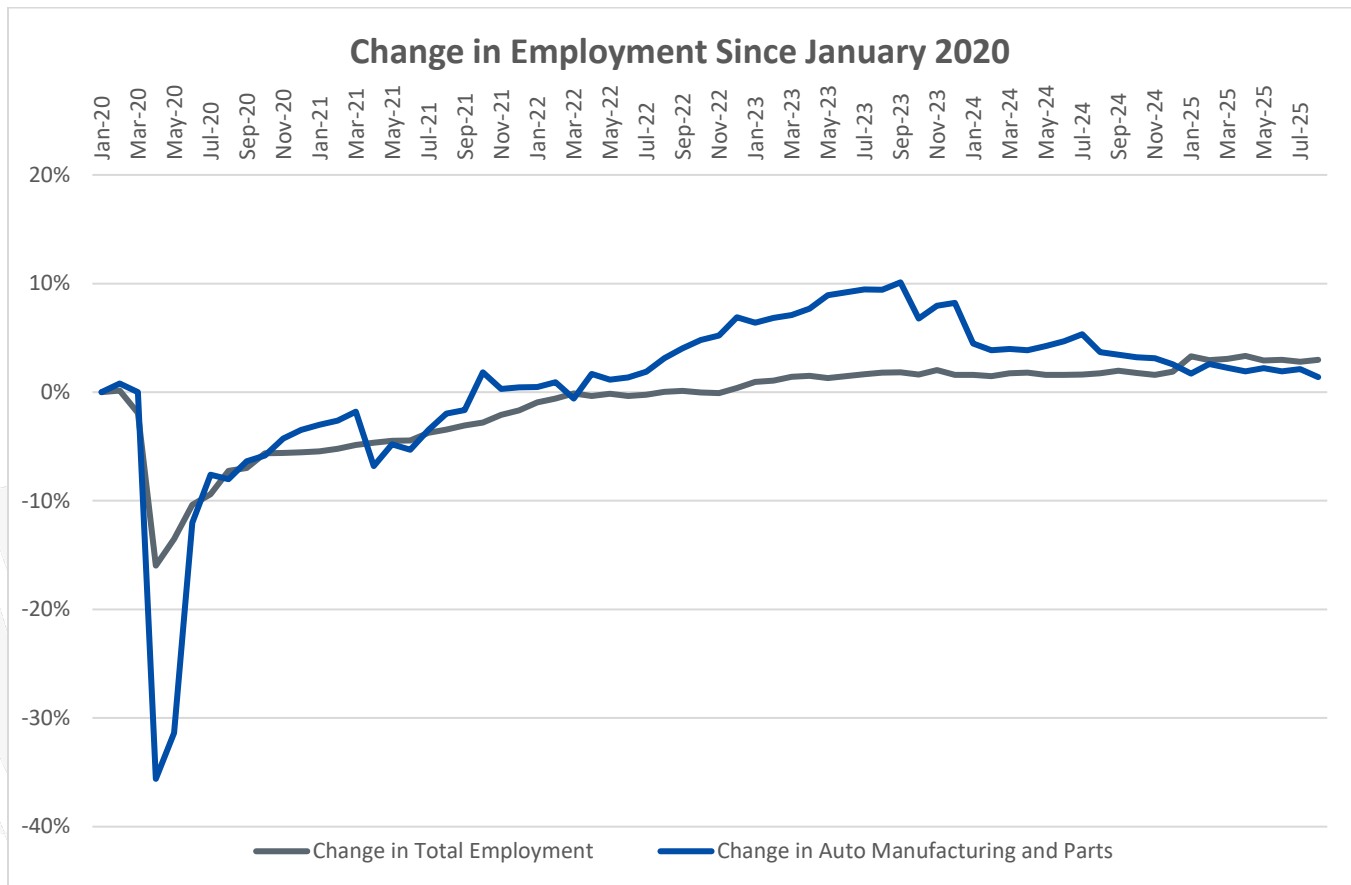
“Year-ahead inflation expectations moved up from 4.5% last month to 4.8% this month. This rise was seen across multiple demographic groups. Independents and Republicans both exhibited month-over-month increases; expectations for Democrats were unchanged from July. Long-run inflation expectations edged up from 3.4% in July to 3.5% in August. This month ended two consecutive months of receding inflation for short-run expectations and three straight months for long-run expectations. Still, both readings remain well below the highs seen briefly in April and May 2025.



## Employment (Updated 9/5)

**Motor Vehicle And Parts Manufacturing Lost 7,100 jobs in August.**





## Sources

- <sup>1</sup> WardsIntelligence, U.S. Light Vehicle Sales, January 2021 – June 2025
- <sup>2</sup> WardsIntelligence, North America Production, January 2021 – June 2025
- <sup>3</sup> WardsIntelligence, North America Platform by Plant Production Forecast
- <sup>4</sup> Haig Stoddard, "US Light Vehicle Sales in September Tracking to Another Gain as Auto Industry Casts a Wary Eye on 4Q," Omdia Automotive, 9/24/25
- <sup>5</sup> Haig Stoddard, "August US Light Vehicle Inventory Flat with July, but Down 8% Year-over-Year," Omdia Automotive, 9/4/25
- <sup>6</sup> Haig Stoddard, "North America Q3 Production Outlook Revised Upward to Long-Time Gain," Omdia Automotive, 9/19/25
- <sup>7</sup> Haig Stoddard, "US Light-Vehicle Sales Slow Again in June," Omdia Automotive, 6/25/2025
- <sup>8</sup> S&P Global Mobility, "S&P Global Mobility Monthly Automotive Update – September 2025," 9/16/2025
- <sup>9</sup> Haig Stoddard, "August US Light Vehicle Sales Rise 7%," Omdia, 9/3/2025
- <sup>10</sup> WardsIntelligence, U.S. Light Vehicle Sales, January 2013 – May 2025
- <sup>11</sup> U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices, Regular price per gallon, including taxes
- <sup>12</sup> WardsIntelligence, Fuel Economy Index, December 2013 & 2019
- <sup>13</sup> Haig Stoddard, "August US Light Vehicle Sales Rise 7%," Omdia, 9/3/2025
- <sup>14</sup> J.D. Power, Press Release, "J.D. Power-GlobalData Forecast September 2025," 9/25/2025
- <sup>15</sup> Kelley Blue Book, Press Release, "Kelley Blue Book Report: New-Vehicle Prices Trend Higher, as Higher Costs Hit Automakers, 2026 Model Year Product Arrives" 8/11/2025
- <sup>16</sup> J.D. Power, Press Release, "J.D. Power-GlobalData Forecast September 2025," 9/25/2025
- <sup>17</sup> Bankrate, "[Current Car Loan Interest Rates](#)," Accessed 8/21/2025

<sup>18</sup> U.S. Energy Information Administration, Regular Gasoline, [www.eia.gov](http://www.eia.gov), Accessed 8/21/2025; U.S. Energy Information Administration, Weekly Cushing, OK WTI Spot Price, [www.eia.gov](http://www.eia.gov), Accessed 8/21/2025

<sup>19</sup> EIA, "[Short-Term Energy Outlook](#)," 8/12/2025

<sup>20</sup> EIA, "[Short-Term Energy Outlook](#)," 8/12/2025

<sup>21</sup> Haig Stoddard, "North America Production Still Headed for Q3 Downturn Despite Upward Revision," Omdia Automotive, 8/21/25

<sup>22</sup> Omdia, "North America Production, July" 2019, 2020, 2021, 2022, 2023, 2024, 2025

<sup>23</sup> Haig Stoddard, "August US Light Vehicle Inventory Flat with July, but Down 8% Year-over-Year," Omdia Automotive, 9/4/25

<sup>24</sup> Haig Stoddard, "Global Sales Record 10th Straight Increase in July; August Could See First Decline in 2025," Omdia, 8/29/2025

<sup>25</sup> S&P Global Mobility, email, "S&P Global Mobility Monthly Automotive Update – September 2025," 9/16/2025

<sup>26</sup> U.S. Department of Transportation, [https://www.fhwa.dot.gov/policyinformation/travel\\_monitoring/21septvt/](https://www.fhwa.dot.gov/policyinformation/travel_monitoring/21septvt/), Accessed 6/26/2025

<sup>27</sup> University of Michigan, Survey of Consumers, <http://www.sca.isr.umich.edu/>, Accessed 8/6/2024