

U.S. Auto Sales Forecast To Climb More Than 3 Percent In May 2018

Cox Automotive forecasts new light-vehicle sales to reach 1.56 million units; seasonally adjusted annual rate at 16.6 million, down slightly from last year

ATLANTA, May 25, 2018 /PRNewswire/ -- U.S. new-vehicle sales in May 2018 are expected to increase 3.1 percent compared to May 2017, according to a forecast released today by Cox Automotive. The seasonally adjusted annual rate (SAAR), projected at 16.6 million for this month, is expected to fall to its lowest level since August 2017. The forecast 16.6 million SAAR is down slightly from the 16.7 million level in May 2017, and down from the 17.1 million pace the market has been averaging in 2018.

"This month's sales volume is expected to rise over last year, but May 2018 has one additional selling day," said Charles Chesbrough, senior economist at Cox Automotive. "Sales volume is expected to reach 1.56 million, an increase of nearly 50,000 units from this time last year and up 15.6 percent from April 2018. This selling rate, however, would mark the first month below 17 million SAAR since last August, when Hurricane Harvey disrupted the market."

May is a critical month for the auto industry, with Memorial Day Weekend deals often driving robust sales. During the last five years, May has averaged the highest volume over any other month, driven in part by aggressive holiday incentives and promotions. This year, Memorial Day is earlier than usual, which will afford automotive dealers and buyers more time to take advantage of special offers. The all-time May sales record was in 2015 when 1.63 million units were sold. However, the record on a seasonally adjusted basis occurred back in 2004 when SAAR hit 17.8 million.

Key Highlights for May 2018:

- In May, new light-vehicle sales, including fleet, are forecast to reach 1,560,000 units, up 3.1 percent – 47,000 units – compared to May 2017 and up more than 15 percent from last month.
- The SAAR in May 2018 is estimated to be 16.6 million, down slightly from last year's 16.7 million pace, down from April's 17.1 million level and well below the 17.1 million average for 2018.
- A record SAAR in May is possible, but with the seasonal adjustments a huge Memorial Day Weekend would be required to reach a volume of 100,000 above current forecasts.

Sales Increases Expected for Most OEMs

Cox Automotive expects most OEMs to report higher year-over-year sales in May 2018. With one additional selling day, increases are predicted even in a flat market. The Jeep and VW brands should continue to perform well. However, Nissan, which had a significant decline last month, is expected to post lower sales again, as they pull back on fleet and incentives.

Autotrader Executive Analyst Michelle Krebs noted, "the entire industry will be watching Nissan this month after the surprise in April. Nissan has been making strategic decisions about its sales approach, working to reduce incentive spend and fleet sales, focusing more on quality sales and less on absolute market share."

	Sale Forecast ¹					Market Share			
	May-18	May-17	Apr-18	YOY	MOM	May-18	Apr-18	MOM	May-17
GM	265,000	237,156	*	11.7%	*	17.0%	*	*	15.7%
Ford Motor Co	215,000	240,250	203,856	-10.5%	5.5%	13.8%	15.1%	-1.3%	15.9%
Toyota Motor Co	220,000	218,248	192,353	0.8%	14.4%	14.1%	14.3%	-0.1%	14.4%
Fiat Chrysler	216,000	193,040	184,149	11.9%	17.3%	13.8%	13.6%	0.2%	12.8%
American Honda	150,000	148,414	125,701	1.1%	19.3%	9.6%	9.3%	0.3%	9.8%
Nissan	125,000	137,471	87,764	-9.1%	42.4%	8.0%	6.5%	1.5%	9.1%
Hyundai Kia	125,000	118,518	106,648	5.5%	17.2%	8.0%	7.9%	0.1%	7.8%
VW	62,000	54,016	53,468	14.8%	16.0%	4.0%	4.0%	0.0%	3.6%
Subaru	59,000	56,135	53,170	5.1%	11.0%	3.8%	3.9%	-0.2%	3.7%
Grand Total²	1,560,000	1,513,200	1,349,835	3.1%	15.6%				

¹ May 18 Cox Automotive Industry Insights Forecast; all historical data from OEM sales announcements where available

² Includes brands not shown

Consistent with the trend seen all year, car sales are expected to see double-digit declines. Truck and SUV/CUVs share growth will continue.

"Gas prices continue to be in the news," said Rebecca Lindland, executive analyst at Kelley Blue Book. "Our survey shows that \$4 a gallon is when consumers start thinking about a more fuel-efficient vehicle. I would encourage consumers to look at the most fuel efficient version of a vehicle they already want to buy, particularly if it comes in a hybrid. This will ensure long-term satisfaction with the vehicle, regardless of peaks and valleys in gas prices."

Segment	Sale Forecast ¹					Market Share			
	May-18	May-17	April-18	YOY	MOM	May-18	Apr-18	YOY	May-17
Mid-Size Car	130,000	171,003	114,829	-24.0%	13.2%	8.3%	8.5%	-0.2%	11.1%
Compact Car	165,000	195,836	149,877	-15.7%	10.1%	10.6%	11.1%	-0.5%	11.1%

Compact SUV/Crossover	298,000	238,334	227,248	17.5%	19.8%	17.9%	17.6%	0.4%	1
Full-Size Pickup Truck	220,000	198,493	187,025	12.0%	17.8%	14.1%	13.9%	0.2%	1
Mid-Size SUV/Crossover	240,000	208,151	203,043	15.3%	18.2%	15.4%	15.0%	0.3%	1
Grand Total²	1,560,000	1,513,200	1,349,835	3.1%	15.6%				

¹ Cox Automotive Industry Insights data

² Includes segments not shown

All percentages are based on raw volume, not daily selling rate. There were 26 selling days in May 2018 versus 25 in May 2017.

Additional Insights from the Cox Automotive team

Although the sales pace is expected to moderate, the U.S. vehicle market remains on sound footing. Economic conditions are strong with robust consumer confidence levels and decades lows unemployment rates. The recent passage of tax reform has likely led to additional strength in the vehicle market in 2018. There is strong underlying support for a high 16-million vehicle market even with interest rates rising modestly.

Cox Automotive expects 2018 to finish near 16.7 million, down slightly from the 17.1 million units in 2017, a top five all-time finish. However, overall economic conditions and strong sales in the spring may lead Cox Automotive to make an upward revision to its current forecast at the end of Q2.

Cox Automotive will host its monthly automotive sales day call on Friday, June 1, at 11 a.m. EDT. Charlie Chesbrough and Karl Brauer, executive editor at Autotrader and Kelley Blue Book, will provide an economic overview, share industry trends and answer questions. To discuss any automotive-related topic with a Cox Automotive analyst, contact a member of the Public Relations team to schedule an interview.

About Cox Automotive

Cox Automotive Inc. makes buying, selling and owning cars easier for everyone. The global company's 34,000-plus team members and family of brands, including Autotrader®, Dealer.com®, Dealertrack®, Kelley Blue Book®, Manheim®, NextGear Capital®, VinSolutions®, vAuto® and Xtime®, are passionate about helping millions of car shoppers, 40,000 auto dealer clients across 100+ countries and many others throughout the automotive industry thrive for generations to come. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately-owned, Atlanta-based company with revenues exceeding \$20 billion. www.coxautoinc.com

SOURCE Cox Automotive

For further information: Mark Schirmer, 734 883 6346, mark.schirmer@coxautoinc.com; Dara Hailes, 470 658 0656, dara.hailes@coxautoinc.com

<https://press.autotrader.com/2018-05-25-U-S-Auto-Sales-Forecast-To-Climb-More-Than-3-Percent-In-May-2018>