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February Auto Sales Expected to Remain Steady

SANTA MONICA, Calif.--(BUSINESS WIRE)-- [ALG](#), the industry benchmark for determining the future resale value of a vehicle, projects total new vehicle sales, including fleet deliveries, will reach 1,325,000 units in February, down 1.4 percent from a year ago.

This month's seasonally adjusted annualized rate (SAAR) for total light vehicle sales is an estimated 17.45 million units for the month, down from a 17.69 million-unit SAAR a year ago. Excluding fleet sales, U.S. retail deliveries of new cars and light trucks should remain flat with 1,039,299 units.

"Retail sales are flat, but the collective reduction on fleet sales is leading to year-over-year declines," said Eric Lyman, ALG's chief industry analyst. "Disciplined fleet and inventory management are positive signs for the industry. The modest drop in sales is a byproduct of the medicine the industry needs to take to sustain a healthy balance between inventory and demand."

Incentive spending by automakers averaged an estimated \$3,443 per vehicle in February, up 13.5 percent from a year ago, and down 0.8 percent from January 2017.

"Look for incentives to decline to more manageable levels in Q2 as pullbacks in production lead to right size inventory on dealer lots," said Lyman.

[The University of Michigan's Index of Consumer Sentiment](#) is at 96.3 this month compared to 98.5 in January. While slightly below last month, the Sentiment Index continues to signal the strength of a healthy U.S. economy. The January [unemployment rate](#) came in at a nine year low of 4.8 percent in combination with a favorable average gas price of [\\$2.29](#) recorded for this current week.

Other key findings for February:

- ▮ Registration mix is expected to be 78.4 percent retail sales and 21.6 percent fleet versus 77.3 percent retail and 22.7 percent fleet last February.
- ▮ Total used auto sales, including franchise and independent dealerships and private-party transactions, may reach 3,167,780, up 7.9 percent from February 2016.

Forecasts for the 12 largest manufacturers by volume:

Total Unit Sales

Manufacturer	February 2017 Forecast	February 2016	% Change vs. February 2016
BMW	25,500	25,414	0.3%
Daimler	27,500	25,632	7.3%
FCA	165,000	183,607	-10.1%
Ford	207,000	216,045	-4.2%
GM	230,500	227,825	1.2%
Honda	122,000	118,985	2.5%
Hyundai	52,000	53,009	-1.9%
Kia	45,000	49,737	-9.5%
Nissan	124,000	130,911	-5.3%
Subaru	46,000	42,011	9.5%
Toyota	185,000	187,954	-1.6%
Volkswagen Group	43,500	37,747	15.2%
Industry	1,325,000	1,344,225	-1.4%

Total Market Share

Manufacturer	February 2017 Forecast	February 2016	January 2017
BMW	1.9%	1.9%	1.9%
Daimler	2.1%	1.9%	2.4%
FCA	12.5%	13.7%	13.4%
Ford	15.6%	16.1%	15.0%
GM	17.4%	16.9%	17.1%
Honda	9.2%	8.9%	9.3%
Hyundai	3.9%	3.9%	3.9%
Kia	3.4%	3.7%	3.1%
Nissan	9.4%	9.7%	9.8%
Subaru	3.5%	3.1%	3.8%
Toyota	14.0%	14.0%	12.5%
Volkswagen Group	3.3%	2.8%	3.6%

Retail Unit Sales

Manufacturer	February 2017		
	Forecast	February 2016	YoY % Change
BMW	23,900	24,073	-0.7%
Daimler	25,500	23,625	7.9%
FCA	122,500	126,514	-3.2%
Ford	134,500	133,616	0.7%
GM	177,750	177,924	-0.1%
Honda	120,500	117,379	2.7%
Hyundai	35,485	34,330	3.4%
Kia	33,015	41,073	-19.6%
Nissan	87,000	88,715	-1.9%
Subaru	43,500	40,353	7.8%
Toyota	154,250	156,911	-1.7%
Volkswagen Group	36,900	33,143	11.3%
Industry	1,039,299	1,038,696	0.1%

Incentive Spending

Manufacturer	Incentive per Unit		Incentive per Unit		Total Spending Feb 2017 Forecast
	Feb 2017 Forecast	Incentive per Unit Feb 2016	Incentive per Unit Jan 2017	% Change vs. Feb 2016	
BMW	\$ 4,450	\$ 4,584	\$ 4,032	-2.9%	\$ 113,163,241
Daimler	\$ 4,415	\$ 3,754	\$ 4,465	17.6%	\$ 121,413,963
FCA	\$ 4,187	\$ 3,916	\$ 4,219	6.9%	\$ 686,249,164
Ford	\$ 4,096	\$ 3,317	\$ 4,144	23.5%	\$ 847,959,642
GM	\$ 4,547	\$ 4,022	\$ 4,587	13.0%	\$ 1,047,996,755
Honda	\$ 2,168	\$ 1,490	\$ 2,095	45.5%	\$ 264,536,790
Hyundai	\$ 2,182	\$ 2,099	\$ 2,176	3.9%	\$ 113,456,413
Kia	\$ 3,383	\$ 2,872	\$ 3,366	17.8%	\$ 152,216,510

Nissan	\$ 3,975	\$ 3,396	\$ 3,993	17.1%	-0.4%	\$ 492,939,580
Subaru	\$ 896	\$ 557	\$ 966	60.9%	-7.2%	\$ 41,221,553
Toyota	\$ 2,155	\$ 2,102	\$ 2,212	2.5%	-2.6%	\$ 398,685,309
Volkswagen Group	\$ 3,466	\$ 3,386	\$ 3,418	2.4%	1.4%	\$ 150,163,698
Industry	\$ 3,443	\$ 3,034	\$ 3,472	13.5%	-0.8%	\$ 4,545,210,258

(Note: This forecast is based solely on ALG's analysis of industry sales trends and conditions and is not a projection of the company's operations.)

About ALG

Founded in 1964 and headquartered in Santa Monica, California, ALG is an industry authority on automotive residual value projections in both the United States and Canada. By analyzing nearly 2,500 vehicle trims each year to assess residual value, ALG provides auto industry and financial services clients with market industry insights, residual value forecasts, consulting and vehicle portfolio management and risk services. ALG is a wholly-owned subsidiary of TrueCar, Inc., a digital automotive marketplace that provides comprehensive pricing transparency about what other people paid for their cars. ALG has been publishing residual values for all cars, trucks and SUVs in the U.S. for over 50 years and in Canada since 1981.

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