



May 26, 2017

Fifth Consecutive Month of Slowing Sales Results in Revised Forecast for 2017

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 1,529,500 units in May, up 0.3 percent from a year ago and down on a selling day adjusted basis at -3.7 percent.

These figures imply a seasonally adjusted annualized rate (SAAR) of 16.8 million units for May. Excluding fleet sales, U.S. retail deliveries of new cars and light trucks are expected to be up 0.5 percent with 1,238,141, units and down on a selling adjusted basis at -3.6 percent.

"Based on five consecutive months of year-over-year sales declines, our revised estimate for full year sales in 2017 is now 17.2 million units, which still represents a robust and healthy sales environment," said Eric Lyman, chief industry analyst for ALG.

"Automakers, particularly GM, continue to work through elevated inventory levels with near record incentive spending. However, on a month-over-month basis, automaker discounting is down and fleet mix continues to decline, both signals that the industry is adapting to lower overall sales volumes," Lyman continued.

Incentive spending is expected to average an estimated \$3,435 per automaker in May, up 9.5 percent from a year ago, and down 0.2 percent from April 2017.

[The University of Michigan's Index of Consumer Sentiment](#) is at 97.7 this month, up from 97.0 in April which indicates continued confidence in the health of the U.S. economy. Other key factors for positive economic conditions include the April [unemployment rate](#) which came in at 4.4 percent combined with a favorable average gas price of [\\$2.37](#) recorded for this current week.

Other key findings for May:

- ▮ Registration mix is expected to be 81.0 percent retail sales and 19.0 percent fleet versus 80.8 percent retail and 19.2 percent fleet last May.
- ▮ Total used auto sales, including franchise and independent dealerships and private-party transactions, may reach 3,227,957, down -5.4 percent from May 2016.

Forecasts for the 12 largest manufacturers by volume:

Total Unit Sales

Manufacturer	May 2017 Forecast	May 2016	% Change vs. May 2016	YoY % Change (Daily Selling Rate)
BMW	31,300	33,685	-7.1%	-10.8%
Daimler	31,800	32,567	-2.4%	-6.3%
FCA	186,000	194,108	-4.2%	-8.0%
Ford	235,000	234,748	0.1%	-3.9%
GM	250,000	240,450	4.0%	-0.2%
Honda	145,000	147,108	-1.4%	-5.4%
Hyundai	70,000	71,006	-1.4%	-5.4%
Kia	62,000	62,926	-1.5%	-5.4%
Nissan	136,000	133,496	1.9%	-2.2%
Subaru	52,500	50,083	4.8%	0.6%
Toyota	217,000	219,339	-1.1%	-5.0%
Volkswagen Group	55,800	52,291	6.7%	2.4%

Industry	1,529,500	1,524,987	0.3%	-3.7%
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Total Market Share

Manufacturer	May 2017 Forecast	May 2016	April 2017
BMW	2.0%	2.2%	1.8%
Daimler	2.1%	2.1%	2.1%
FCA	12.2%	12.7%	12.4%
Ford	15.4%	15.4%	15.0%
GM	16.3%	15.8%	17.1%
Honda	9.5%	9.6%	9.7%
Hyundai	4.6%	4.7%	4.3%
Kia	4.1%	4.1%	3.7%
Nissan	8.9%	8.8%	8.6%
Subaru	3.4%	3.3%	3.7%
Toyota	14.2%	14.4%	14.2%
Volkswagen Group	3.6%	3.4%	3.6%

Retail Unit Sales

Manufacturer	May 2017 Forecast	May 2016	YoY % Change	YoY % Change (Daily Selling Rate)
BMW	30,320	32,894	-7.8%	-11.5%
Daimler	30,100	30,819	-2.3%	-6.2%
FCA	145,000	154,915	-6.4%	-10.1%
Ford	155,000	153,895	0.7%	-3.3%
GM	193,000	183,394	5.2%	1.0%
Honda	143,463	145,573	-1.4%	-5.4%
Hyundai	48,985	47,653	2.8%	-1.3%
Kia	47,415	46,313	2.4%	-1.7%
Nissan	101,000	100,116	0.9%	-3.2%
Subaru	47,859	45,314	5.6%	1.4%
Toyota	195,178	197,369	-1.1%	-5.1%
Volkswagen Group	51,700	47,794	8.2%	3.8%
Industry	1,238,141	1,232,431	0.5%	-3.6%

Incentive Spending

Manufacturer	Incentive per Unit May 2017 Forecast	Incentive per Unit May 2016	Incentive per Unit Apr 2017	Incentive per Unit % Change vs. May 2016	Incentive per Unit % Change vs. Apr 2017	Total Spending May 2017 Forecast
BMW	\$ 4,550	\$ 5,724	\$ 4,424	-20.5%	2.8%	\$ 141,960,143
Daimler	\$ 4,511	\$ 4,737	\$ 4,557	-4.8%	-1.0%	\$ 143,434,345
FCA	\$ 4,250	\$ 4,115	\$ 4,359	3.3%	-2.5%	\$ 781,985,668
Ford	\$ 4,090	\$ 3,596	\$ 4,114	13.7%	-0.6%	\$ 961,253,655
GM	\$ 4,255	\$ 4,057	\$ 4,238	4.9%	0.4%	\$1,063,836,690
Honda	\$ 1,833	\$ 1,756	\$ 1,809	4.4%	1.3%	\$ 265,759,279
Hyundai	\$ 3,166	\$ 2,104	\$ 3,135	50.5%	1.0%	\$ 221,602,176

Kia	\$ 3,240	\$ 2,734	\$ 3,247	18.5%	-0.2%	\$ 200,891,362
Nissan	\$ 3,867	\$ 3,242	\$ 3,903	19.3%	-0.9%	\$ 525,958,575
Subaru	\$ 969	\$ 610	\$ 957	58.9%	1.3%	\$ 50,896,461
Toyota	\$ 2,323	\$ 2,176	\$ 2,346	6.8%	-1.0%	\$ 504,187,371
Volkswagen Group	\$ 4,075	\$ 3,605	\$ 4,008	13.0%	1.7%	\$ 226,630,331
Industry	\$ 3,435	\$ 3,138	\$ 3,443	9.5%	-0.2%	\$5,231,570,052

(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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