

📅 3 NOVEMBER 2021

October Light Vehicle Sales fall to the lowest daily average this year, continuing the pain felt in the industry from the parts shortage

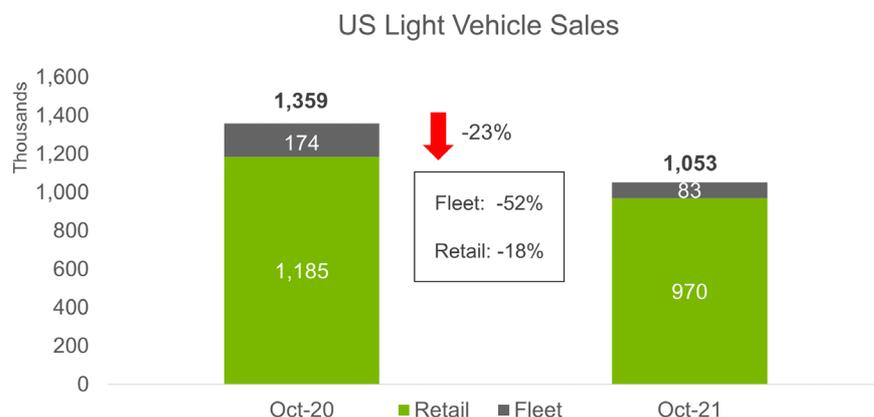
- Light Vehicle sales in the US plunged to 1.05 mn units in October, down 23% YoY, while the annualized selling rate edged back to the August level, at 13.1 million units.
- Ford led the market, but Toyota outsold GM once again and is now the only OEM that has sold more than 2 million units in the year to date. Several brands, including Hyundai, Kia and Tesla, have already surpassed their 2020 total sales.
- Global update – Global Light Vehicle sales in 2021 are now expected to finish at 80.2 million units, revised down by 400,000 units from last month as disruptions continue to impact the ability for vehicle production to keep up with demand. Our 2022 forecast has also been cut by 400,000 to 84.8 million units, with a higher level of risk in the first half of the year.

(DETROIT, MI): Thanks to calendar effects, US sales would appear to have improved in October. However, the daily volume average hit the lowest level so far in 2021 due to extremely lean inventories, according to LMC Automotive, the leading independent automotive global forecasting and market intelligence company.

Sales totalled 1.05 mn Light Vehicles, down 23% YoY, but were 5% higher than September with the 2 extra selling days. The annualized rate grew to 13.1 million units from 12.1 million in the previous month and back to the level registered in August. However, OEMs sold just 39,000 vehicles per selling day, compared to 40,000 units last month, way down from a peak of 62,000 vehicles in March.

Retail sales were below the 1 million mark for the third consecutive month, but were still higher than in both August and September. With low inventories, transaction prices hit record highs of almost US\$44,000 and this also probably contributed to the drop in retail volumes to 970,000 units - 24% below last year's figure. Fleet sales are expected to have plunged by 32% YoY, accounting for just 8% of total sales in the month.

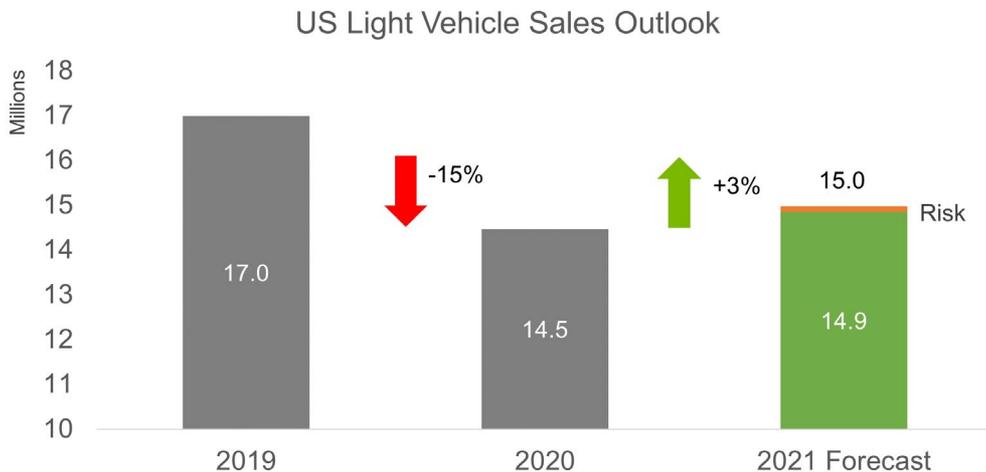
YTD Light Vehicle sales now stand at 12.7 million units, up 9% YoY, but the lowest ten-month total of the year since 2013.





Augusto Amorim, Senior Manager, Americas Vehicle Sales Forecasts, LMC Automotive, adds:

“While Ford was the market leader in October, Toyota has likely solidified its leadership for the year. Toyota lost 1.3 pp of share from September and General Motors gained 1.5 pp, but Toyota is the only OEM that has now broken the 2 million threshold and is ahead of GM by more than 105,000 units. In October, Honda sold fewer than 100,000 units for the second consecutive month, falling behind Hyundai by 13,000 units YTD. Another important milestone for numerous brands is that they have already sold more so far this year than in the whole of 2020. That was the case for Acura, Aston Martin, Buick, Freightliner, Genesis, Hyundai, Kia, Lotus, Maserati, Mazda, Polestar, and Tesla.”



The outlook for the remainder of the year is for US sales to remain suppressed at current levels, with both November and December producing annualized selling rates at 13.0 million units. Looking specifically at November, sales are projected to be down by 15% from 2020, in spite of one additional selling day. Volume is expected to be at the 1.0-million-unit level once again.

Light Vehicle production continues to suffer from plant shutdowns and slower line rates at most OEMs in North America. This and the continued challenge of getting imported vehicles from ships to dealerships remain a roadblock to stronger sales. 2021 North American Light Vehicle production is now expected to be just 12.9 million units, 35,000 units lower than the already atrocious results for 2020. Locally built vehicles accounted for 75% of sales through October, after ending 2020 with a 77% share.

The US auto sales forecast has stabilized somewhat after significant downgrades over the past four months. The forecast for 2021 continues to be around 15.0 million units but was trimmed by about 40,000 units given the slightly weaker performance in October. Both retail and fleet sales absorbed the slight reduction and continue to be around 13.0 million units and 1.9 million units respectively. Even with some expected production recovery next year, a lower start to the year will put additional pressure on demand in 2022 – after several previous cuts, our forecast for demand currently remains at 15.7 million units.



Jeff Schuster, President, Americas Operations and Global Vehicle Forecasts, LMC Automotive said:

“We now believe that we are at or just past the peak in the semiconductor crisis but there is an array of risks and other disruptions in the background that remain a significant threat. The latest is a possible shortage of magnesium, which has the potential to derail a recovery in production in 2022 and possibly even further into 2023. While the volumes may start to improve from the lows of 2021, we continue to expect production to be well below pre-pandemic levels for quite some time and demand could also suffer from rising transaction prices, pushing some consumers out of the market.”

ENDS

About LMC Automotive: For over 30 years, LMC’s mission has been to provide the most comprehensive, timely and actionable services to all sectors of the auto industry. Focusing exclusively on this sector, while being highly responsive to our large and growing client base of car and truck makers, component manufacturers and suppliers, and financial and government institutions, has fostered our rapid growth. Today, from offices in all the major automotive markets, LMC provides insights and forecasts for both the Light Vehicle and Commercial Vehicle sectors, with specific emphasis on vehicle sales, production and propulsion systems. Our experts examine global industry dynamics from every angle – be they macroeconomic trends, market and production developments or regulatory and technological changes. These insights are shaped into a comprehensive suite of services that can be tailored to an individual client’s needs and are delivered in a range of flexible and sophisticated formats.

As a company, we pride ourselves on the quality of our products, as well as our commitment to customer service. Our team, and our carefully selected partner companies, are dedicated to what they do – bringing the most accurate information to market and helping our clients to gain maximum benefit from our insights.

For more information about LMC Automotive, visit www.lmc-auto.com, email us at media@lmc-auto.com or follow [@LMCAutomotive](https://twitter.com/LMCAutomotive) on Twitter and LinkedIn.

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