

## NEWS RELEASE



For immediate release: Nov 2, 2022

### **The US Light Vehicle market showed signs of life in October, as a strong close helped sales grow robustly YoY, while the selling rate reached its highest level since June 2021**

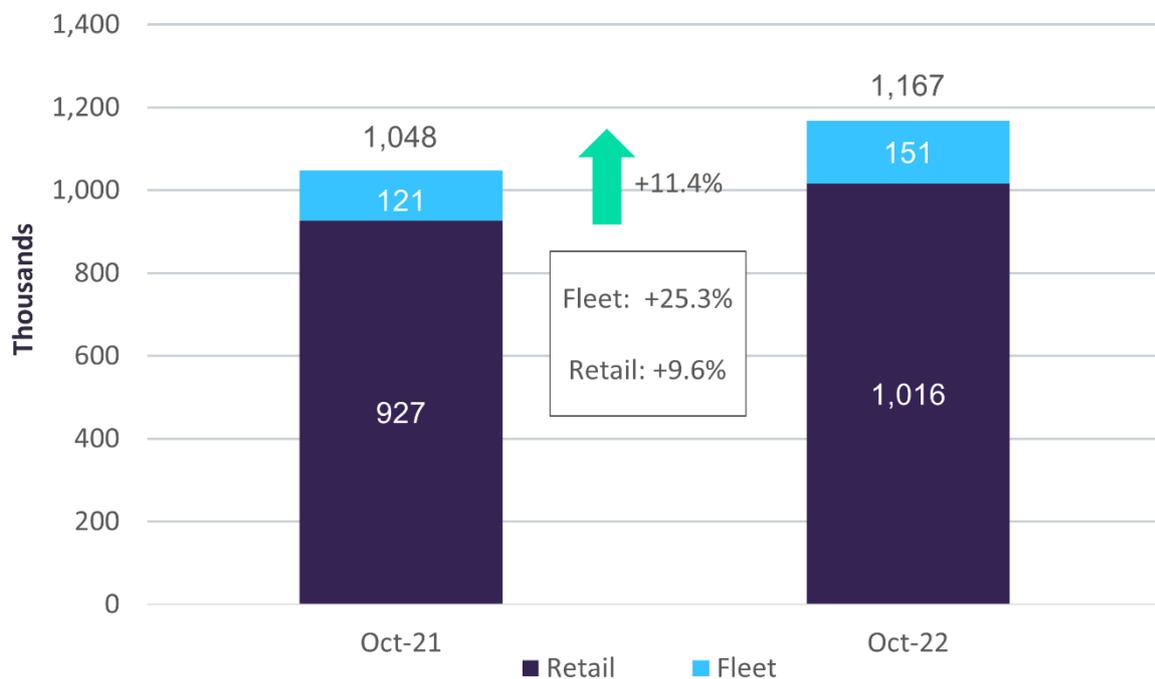
- LV sales grew by 11.4% YoY in October, to 1.17 mn units. While the YoY comparison continues to be flattered by a low base – as the market struggled a year ago with dwindling inventory – October 2022 had one fewer selling day than October 2021, making last month’s performance somewhat more impressive.
- General Motors was again the bestselling OEM in October, beating Toyota Group by around 14k units, although the Toyota brand remained number one in the rankings, comfortably ahead of Ford. As was the case in September, the Toyota RAV4 was the most popular vehicle in October, although the Ford F-150 claimed second place, having slipped behind the Toyota Camry in September.
- Global outlook – September fared slightly better than expected with volume up 15% from a year ago and the selling rate for global light vehicles coming in at 84.9 million units. India led the way with YoY growth of 81%. Collectively, Asia-Pacific was up 30% with double digit growth in all major markets, including China being up 28%. North America (9%) and Western Europe (6%) were up but lagged the rest of the world. The global outlook for 2022 now stands at 81.4 million units, down 400,000 units from last month and now lower than 2021 by 15,000 units. Gains in China have started to level off as risk in Europe increases.

**(DETROIT, MI):** US Light Vehicle sales totaled 1.17 million units in October, according to LMC Automotive, a GlobalData Company. This was the strongest monthly total since April, and sales gained 59,000 units compared to September, albeit boosted by one extra selling day. In YoY terms, October registered a gain of 11.4%, but this reflects the weakness of the market a year ago. Volumes were down by 14.1% when compared with October 2020.

The October selling rate was 15.1 mn units/year, up from 13.4 mn units/year in September, and only the second time that the rate has exceeded 15 mn units/year in 2022. The daily selling rate is estimated at around 44,900 units/selling day, up from 44,300 units/selling day in September. According to preliminary estimates, retail sales totaled around 1,016,000 units, compared to 955,000 units in September, which would mean that retail sales topped 1 million units for the first time since April. This translates to an 87% total market share for retail sales.

Even though October sales were upbeat compared to recent months, we should remember that the market has fallen significantly from its typical levels over recent years. Excluding 2021, the last October that saw lower sales than last month was in 2012. Through the first 10 months of the year, sales are down by 10.9% YoY.

### US light vehicle sales



### **David Oakley, Manager, Americas Sales Forecasts, LMC Automotive, A**

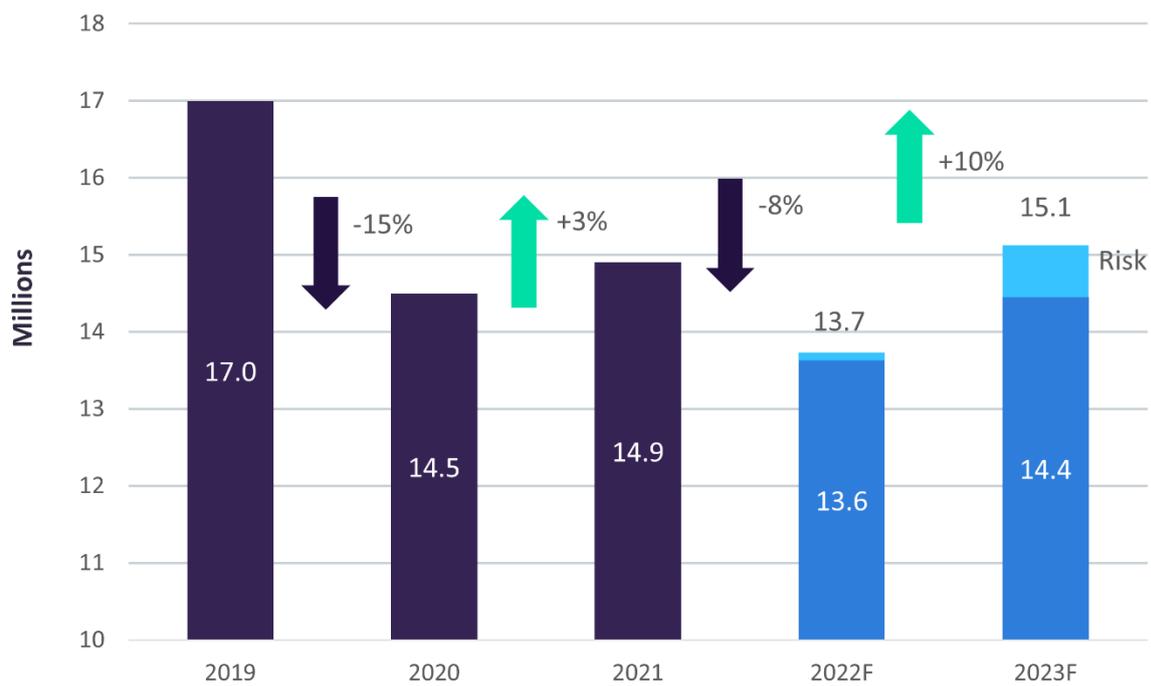
**GlobalData Company, said:** “While the industry continues to face challenges on a number of different fronts, some encouragement can perhaps be drawn from the October results. A selling rate of 15.1 mn units/year might be unremarkable in normal times, but the 15 mn units/year mark has only been surpassed twice since the first half of 2021, providing some cheer heading into the final two months of 2022. Inventory levels have improved notably over the last two months, relieving some of the pressure on the supply side of the market. However, we cannot necessarily assume progress in this area will be linear, as a number of logistical problems are still affecting the industry, besides semiconductor shortages. As

interest rates continue to climb, financing costs are also increasing, with average transaction prices still at near-record levels, even if there has been a slight decline over recent months”.

Looking at the market by OEM, Mercedes-Benz enjoyed the strongest YoY growth in October, with a 53.0% YoY gain, but of the higher-volume manufacturers, General Motors showed the strongest growth, up by 51.2% YoY. GM also led the market, with a 17.2% share, 0.9 percentage points (pp) ahead of Toyota Group. Honda Group’s recent struggles showed no sign of ending, with sales down by 16.0% YoY. Stellantis and Ford Group also saw YoY declines, of 14.0% and 10.2%, respectively.

Compact Non-Premium SUV was the most popular segment in October, with an 18.3% market share, up by 4.1 pp, YoY. Midsize Non-Premium SUV was the next bestselling segment, on 16.1%, down by 2.6 pp, YoY. Large Pickups claimed a 13.5% share of the market in October, down by 2.2 pp, YoY, but an increase of 0.5 pp from September’s figure. With Ford’s Pickups seemingly recovering somewhat from a very weak September, Pickups outsold Cars by 15k units in October, compared to just 2k units in September.

### US light vehicle sales outlook



GlobalData Automotive Intelligence Center

 GlobalData.

The performance of Light Vehicle sales in October were consistent with expectations in our annual forecast, suggesting there continues to be solid level of pent-up demand. The forecast for 2022 is holding at 13.7 million units, a decline of 8% from 2021. A key variable to the near-term outlook is the tone from the Fed, as markets

look for signals that the aggressive rate hiking will begin to tail off. However, pressure on economic outlook and auto recovery next year remains high. The 2023 outlook has been cut by 200,000 to 15.1 million units, an increase of 10% from 2022. The low band of the forecast remains at 14.4 million units if the US is hit with a moderate recession.

Vehicle inventory in September edged up, adding 160,000 units since August and crossed the 30-day supply level for the first time since April 2021. However, total disruption for 2022 in North America remains at 1.85 million units and full-year North America production volume was trimmed by 100,000 units to 14.3 million.

**Jeff Schuster, President, LMC Automotive, A GlobalData Company, said:** “The disruption picture is expected to improve as the end of 2022 nears. Inventory constraints should ease into 2023 but will be present throughout most of the year. Given the baseline forecast is calling for a mild recession next year, pressure on the consumer and demand levels will remain. However, 2023 is still expected to see an increase in sales volume, even as the great recession takes shape, thus this is a vastly different market than the financial crisis of 2008/2009. When the dust settles and market forces are back to equilibrium, we would expect a lower topline level than the 17-million-unit level the market averaged before the pandemic”.

**ENDS**

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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, LMC is part of GlobalData and 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, now integrated with GlobalData's Automotive Intelligence Center, which meet an individual client's needs and are delivered in a range of flexible and sophisticated formats.

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