



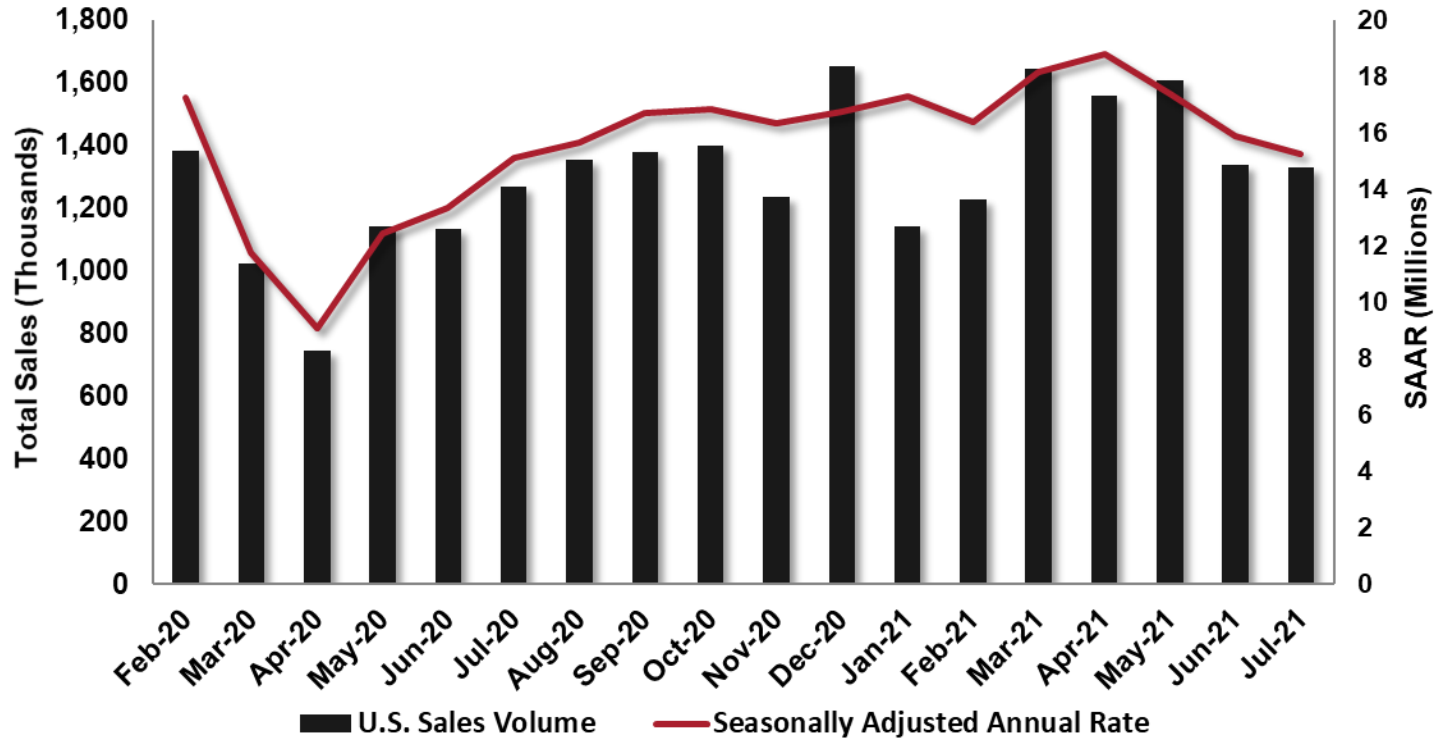
# Industry Trends

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July – August 2021

**Merchants**  
FLEET

## U.S. Sales Volume by Month & SAAR All Manufacturers

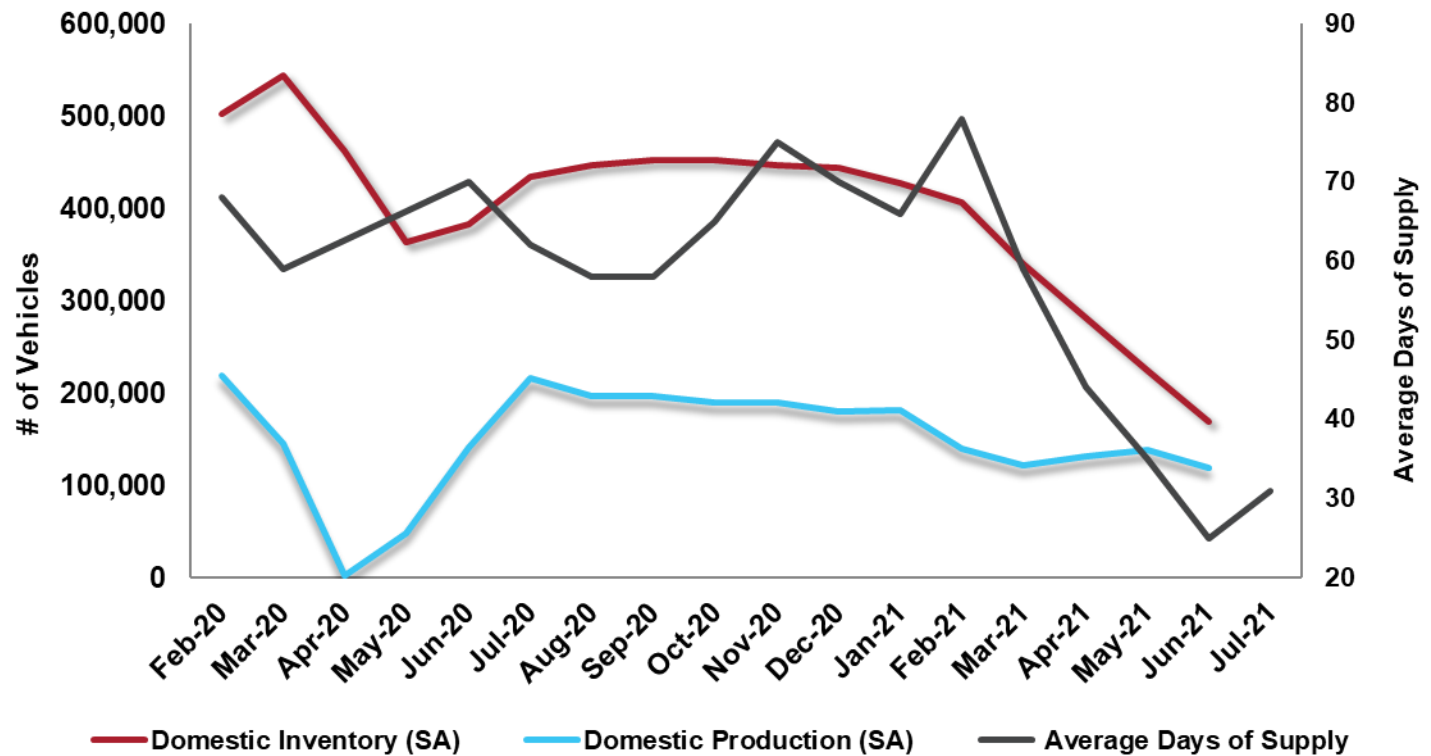


U.S. seasonally averaged sales (SAAR) fell 4.2% M/M in July. The light trucks segment accounted for 76.4% of sales in July, roughly equal to the 76.3% share a year ago. July's report pulls down the 6-month moving average of sales to 16.5 million, now well behind the pre-pandemic 16.9 million reading in February 2020

North American OEM production is still lagging due to supply issues. With the scarcity of supplies, new vehicle prices continue to increase - with prices for new vehicles up 5.3% Y/Y .

# ACQUISITION

## Dealer Inventory & Days of Supply



After slumping to historic lows a month ago, new-vehicle inventory, based on days of supply, showed signs of stabilizing as a slight uptick was realized in July.

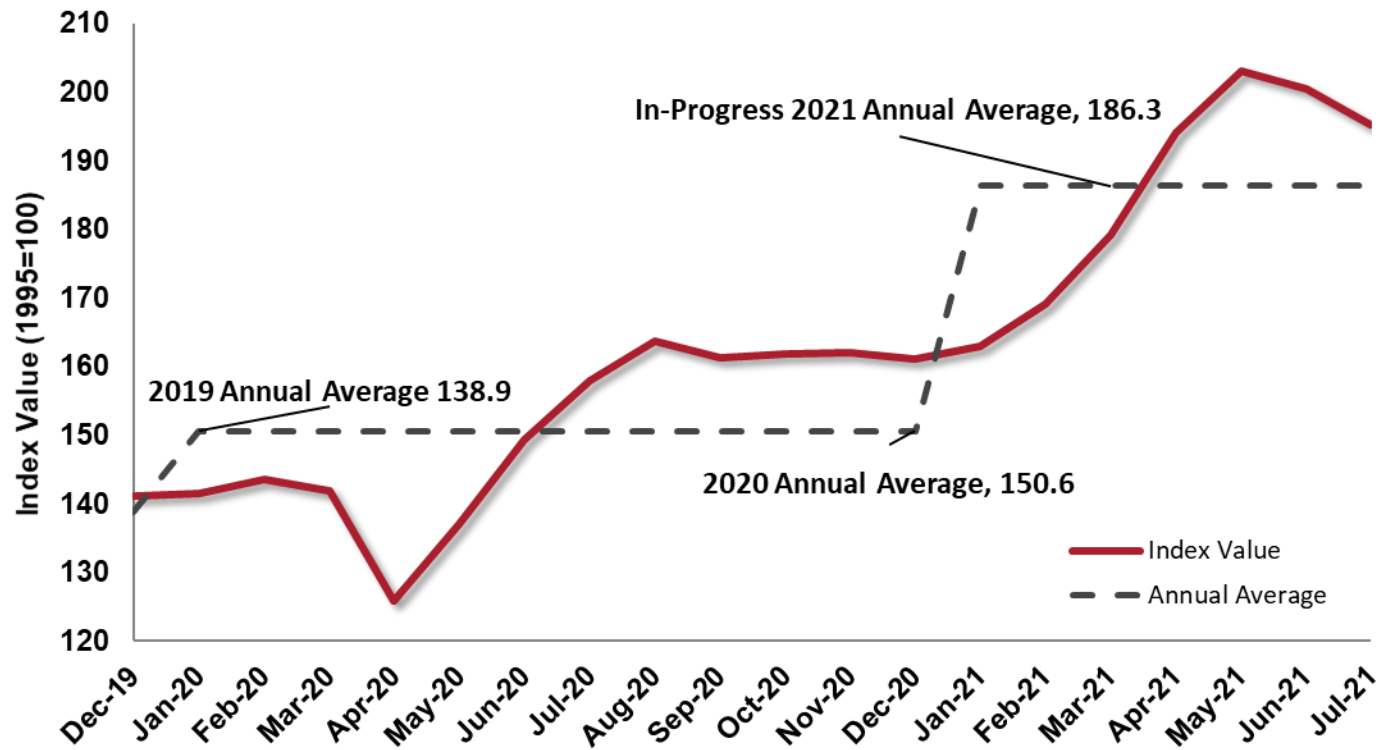
As August began, inventories were running 53% below 2020 levels and 68% below 2019 levels

July set a record for average listing price of new vehicles, \$41,729, up from \$40,999 in June.

The average dealership days' supply has increased to 31 days.

# WHOLESALE RESALE MARKET

## Manheim Used Vehicle Value Index

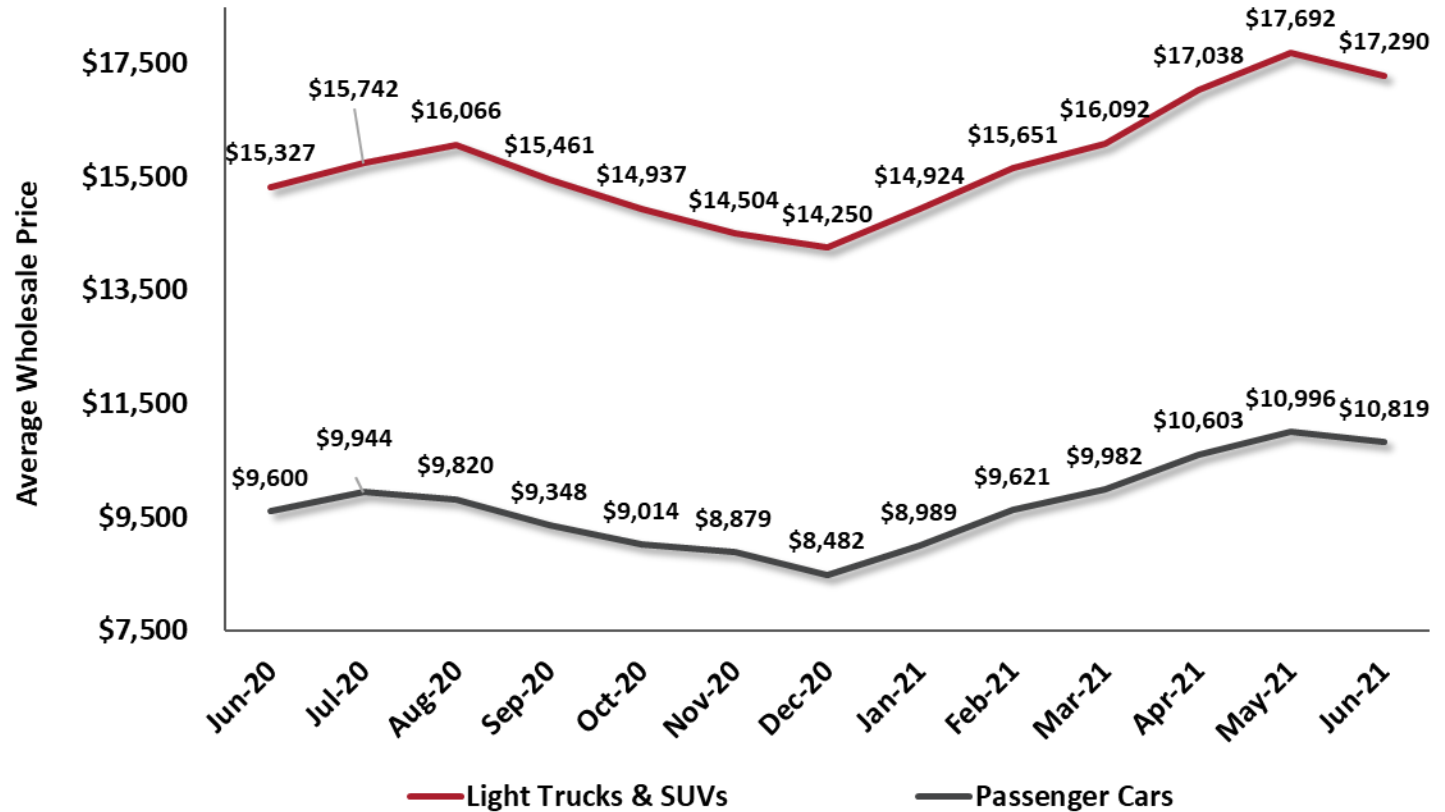


As the OEMs are struggling with component shortages to build new vehicles, the resale market is still strong – but is showing signs of that the market may have peaked. As August opened, inventories were running 53% below 2020 levels and 68% below 2019 levels.

Even though the resale market has decreased for the 2nd straight month, there is still a **very strong market for used vehicles**, especially in the SUV and truck segments. We **strongly recommend** remarketing any under utilized vehicles as soon as possible, as prices have begun to soften across all vehicle segments.

# WHOLESALE RESALE MARKET

## Average Wholesale Price by Segment



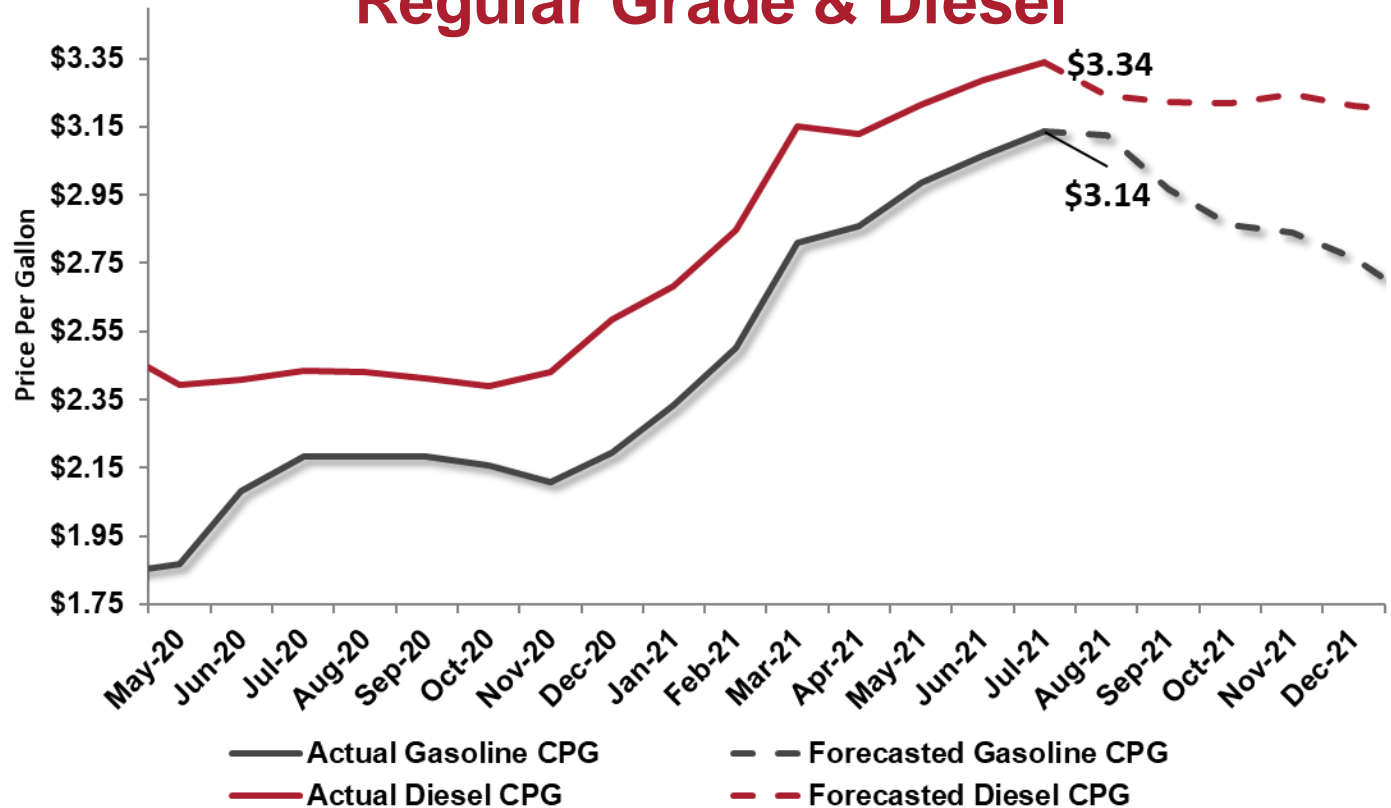
Average wholesale used vehicle prices fell modestly to below \$15,000 in June after reaching that threshold for the first time in May, and this moderation continued into July. Lower conversion rates (vehicles sold as a percentage of vehicles offered) are a further indication that dealers may be pushing back on high wholesale used vehicle prices.

Wholesale prices in June averaged \$14,652 — this is down 2.3% compared to May, up 12.4% relative to June 2020, and up 27.6% compared to pre-COVID/June 2019.

All segments are seeing a decline in average prices; mid size SUVs and full-size pickups are down by 3.1% and 2.7% MM, respectively.

# FUEL

## National Average Cost per Gallon Regular Grade & Diesel



U.S. regular gasoline retail prices averaged \$3.14 per gallon in July, the highest monthly average price since October 2014.

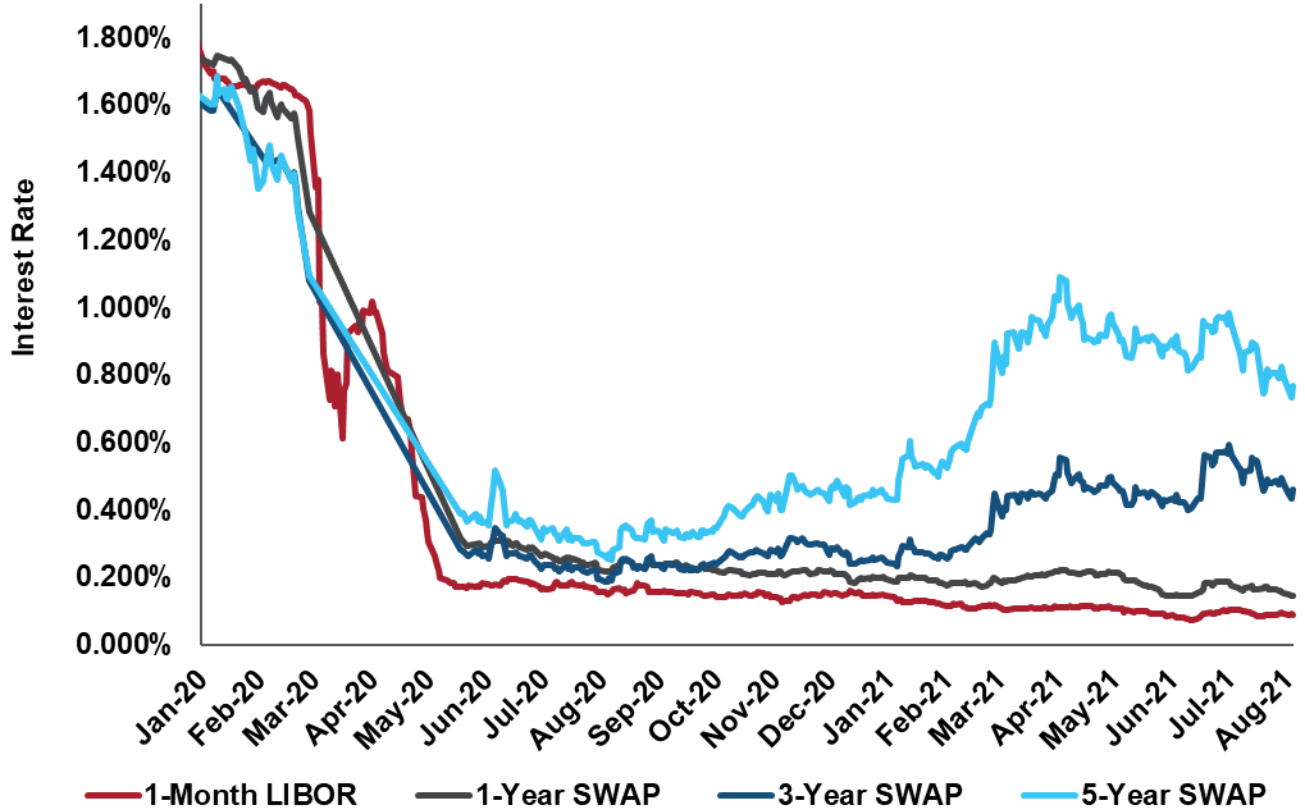
Expect that regular gas prices will average \$3.12/gal in August before falling to \$2.82/gal, on average, in Q4 21.

U.S. diesel retail prices averaged \$3.34 per gallon in July, even though it was forecasted to peak in June. M/M per gallon increase was \$.05.

**July 2021 was up 44% and 37% Y/Y for gasoline and diesel, respectively.**

# INTEREST

## Interest Rates



The 1-Month LIBOR rate is currently at 0.09% and has held below 0.20% since June 2020. The 5-Year SWAP rate has continued to decrease and is currently 0.77%. It was as low as 0.25% in August 2020.

The remainder of 2021 is expected to offer continued stability of very low interest rates, especially for short term indices.