



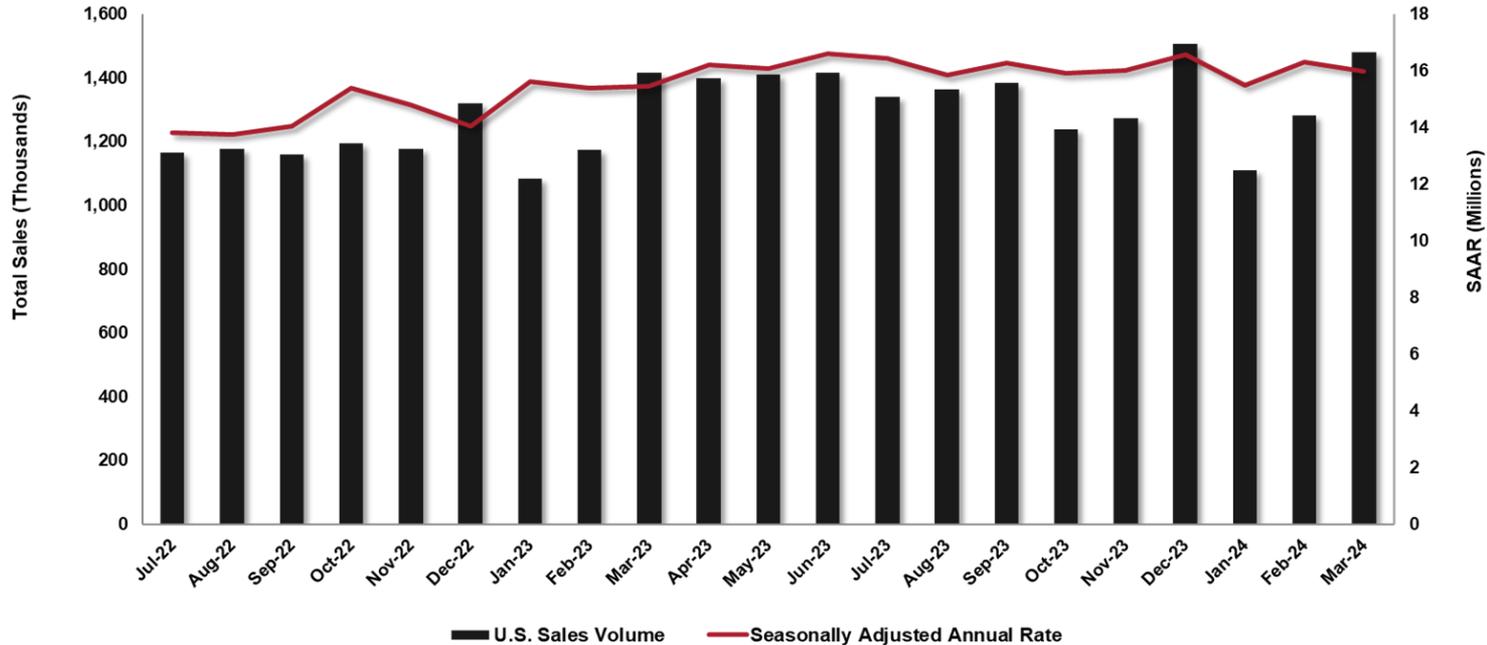
Industry Trends

March 2024 – April 2024


Merchants
FLEET

ACQUISITION

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



US Sales – All Channels

- March's sales decreased by 1.3% month over month.
- Passenger vehicles sales increased by 1.3% year over year, and light truck increased by 5.4% year over year.
- March's light truck sales accounted for 80% of all sales.

- On a seasonally adjusted annualized basis, sales are up 16.1% month over month and 4.5% year over year.

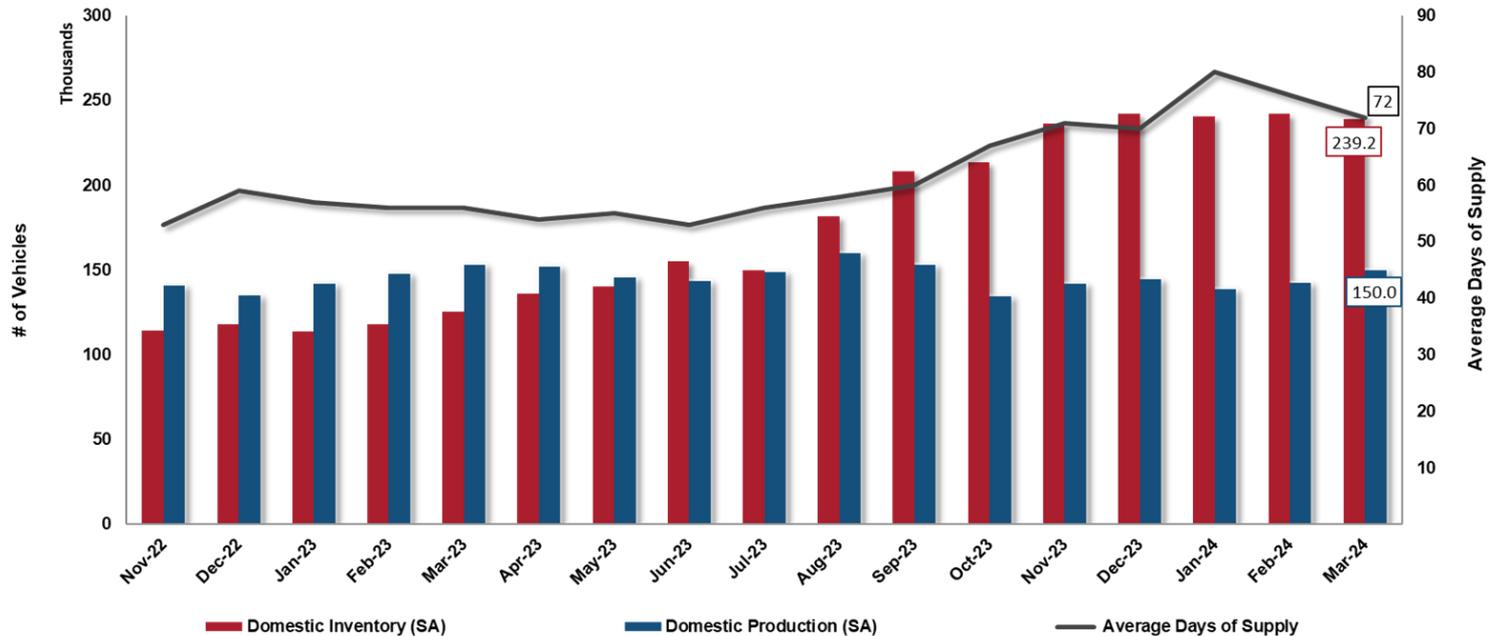
Fleet Sales

- In March, 300,702 total fleet units were sold, an 18.4% year over year increase.

Source: FRED; TD Economics; COX Automotive; JD Power



Dealer Inventory & Days of Supply



- March's new vehicle inventories ended with 239,196, a 1.2% month over month decrease and a 90.4% year over year increase.
- The average dealership supply decreased to 72 days compared to 76 the month prior.
- New vehicle production increased 5.3% month over month and decreased 1.8% year over year.

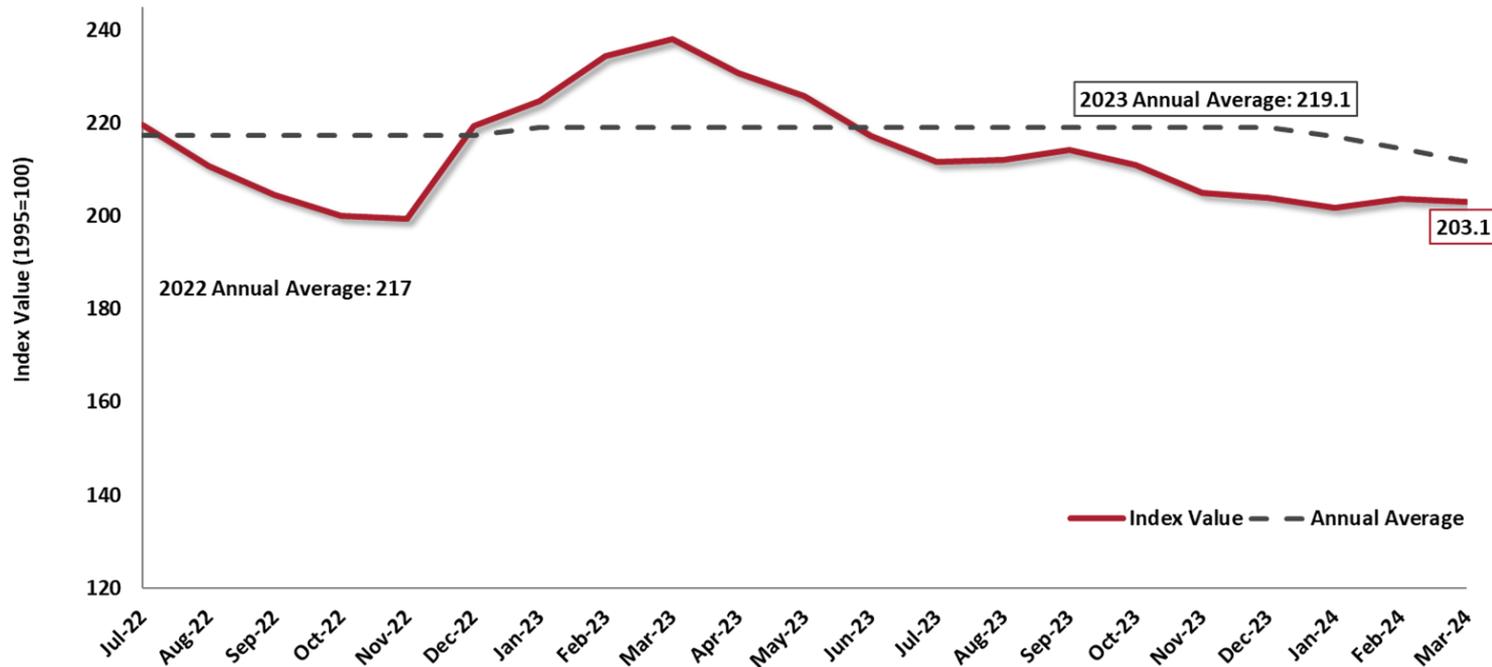
- March's new vehicle price averaged \$47,240, a 0.1% decrease month over month and 0.4% year over year.

Recommendations:

- Place orders as soon as possible and consider ReadyFleet with current component shortages and production lags.
- Take advantage of opportunities for negotiation leverage as inventory increases.

WHOLESALE RESALE MARKET

Manheim Used Vehicle Value Index



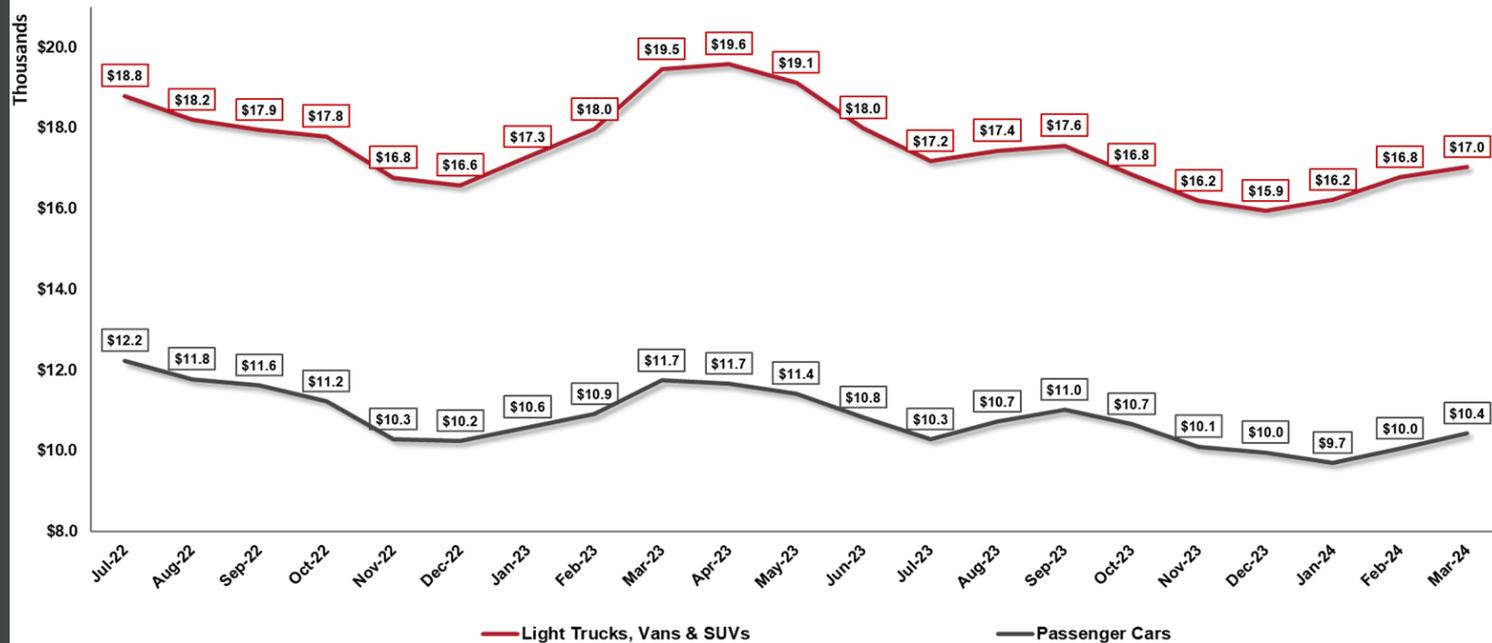
- Total volume of used vehicle sales increased 7% year over year in March.
- The Manheim Used Vehicle Value Index decreased by 14.7% year over year.
- 2019 (pre-pandemic) Annual Average was 138.9
- All major market segments saw lower seasonally adjusted prices year over year in March.
- All major segments saw overall price increases month over month, but pickups were down 0.6%

Recommendation:

- While resale values have softened, prices remain well above pre-pandemic levels. Utilize Merchants' GuaranteeBUY program to capture that increased equity.

WHOLESALE RESALE MARKET

Average Wholesale Price by Segment



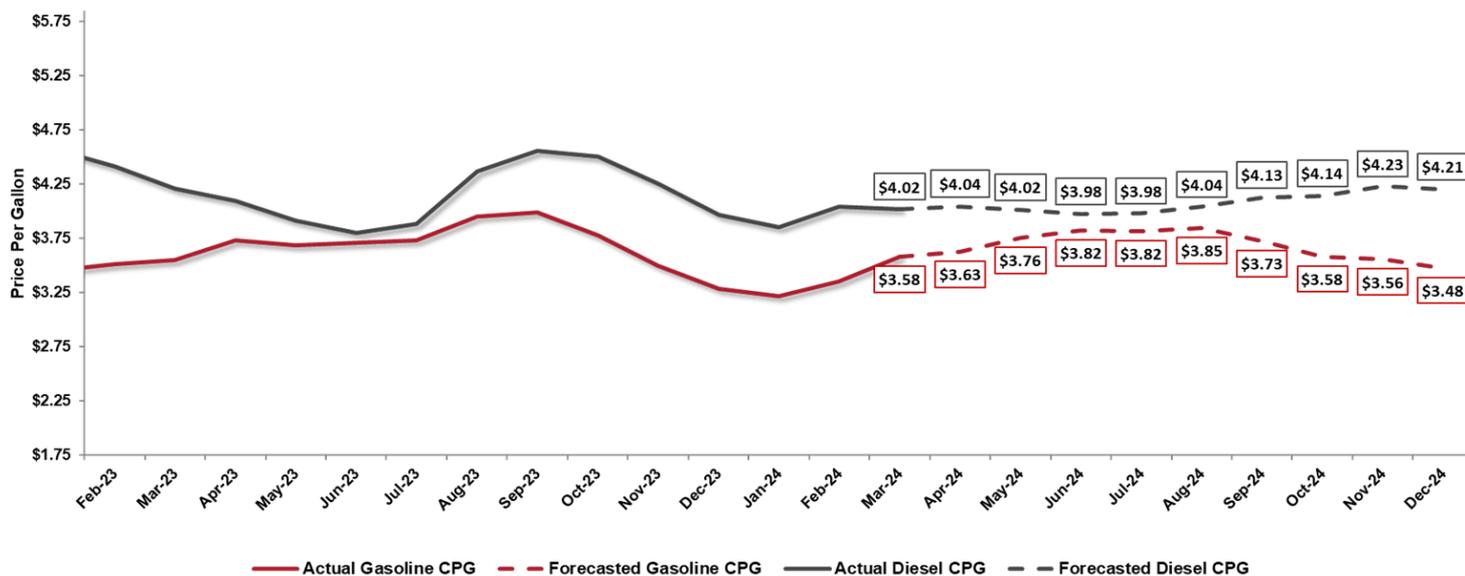
- Wholesale prices increased 2% month over month compared to February.
- Wholesale prices saw a decrease of 10.9% year over year.
- March 2024 wholesale prices are 32.2% above pre-pandemic prices.

Recommendation:

- Use GuaranteeBUY for under-utilized assets when resale values tend to peak, typically between March and May.

FUEL

National Average Cost per Gallon Regular Grade & Diesel



- U.S. regular gasoline prices increased from the previous month and averaged \$3.58 per gallon in March.
- U.S. diesel retail prices decreased from the previous month and averaged \$4.04 per gallon.

- April's forecasted gasoline price is \$3.63 per gallon, and diesel has a forecasted price of \$4.04 per gallon.

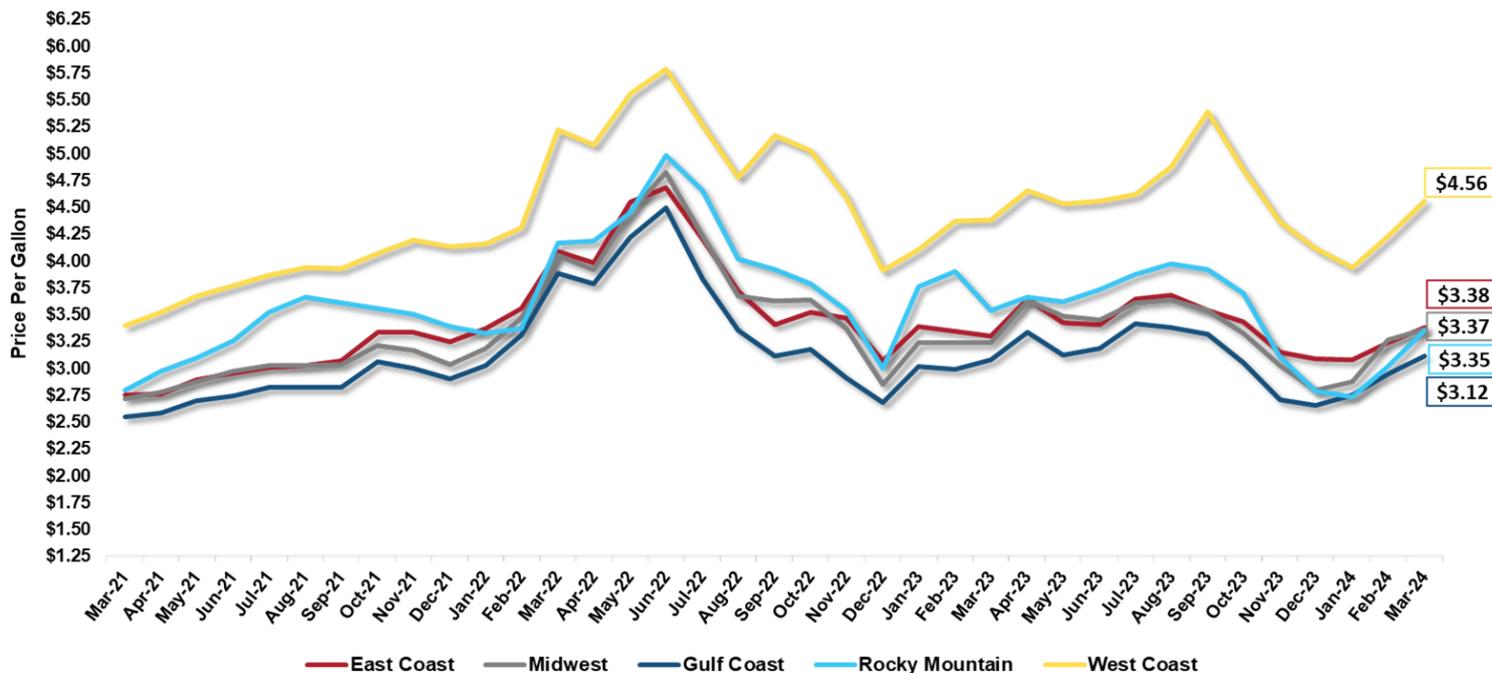
Recommendations:

- Closely monitor fuel prices for accurate fuel budget forecasting.
- Consider enrolling in TotalConnect to monitor driving patterns for cost savings opportunities.



FUEL

Regional Average Cost per Gallon – Regular Grade



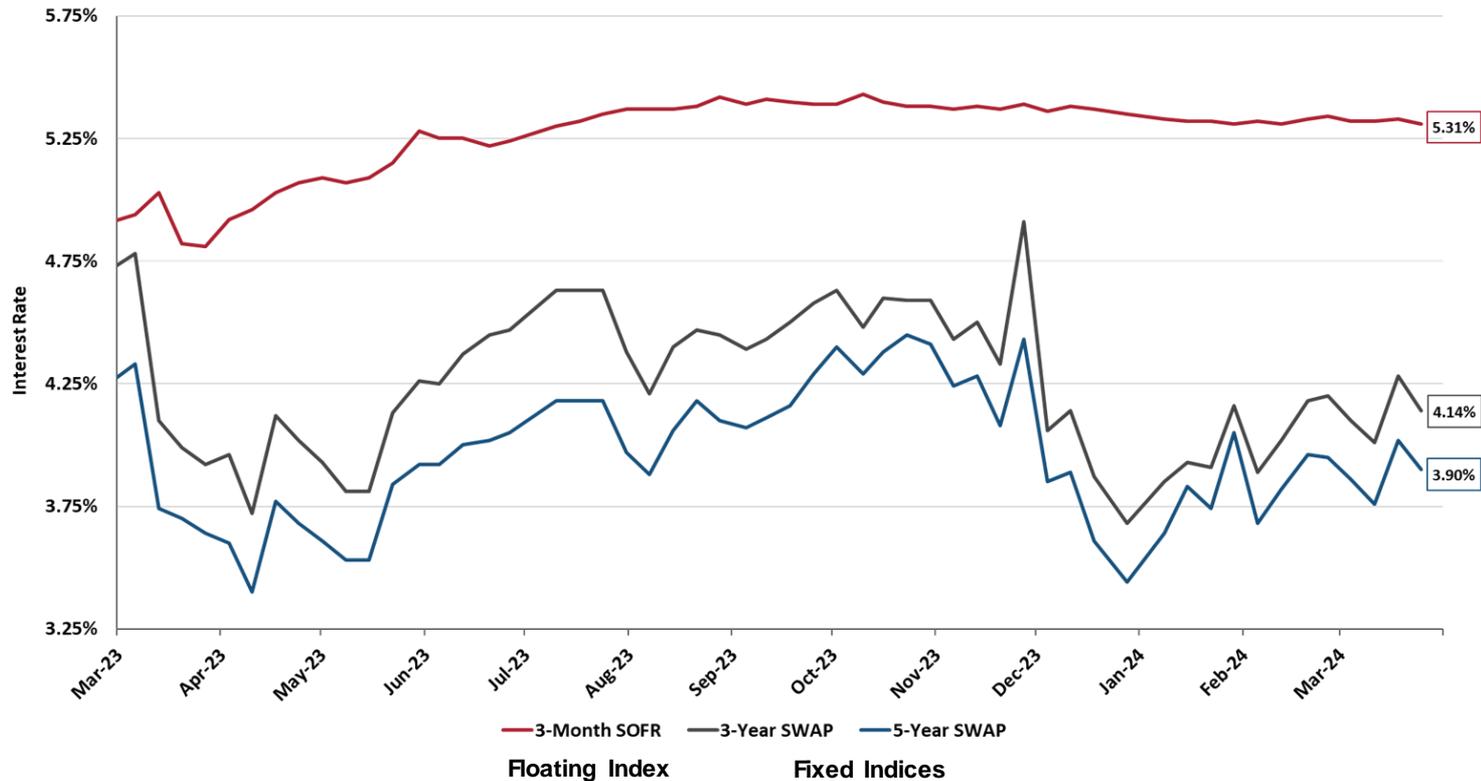
- Overall, Regular Grade Fuel prices have increased in March with a U.S. average of \$3.52 per gallon.
- Some factors that contribute to regional gas price differences:
 - Distance from supply
 - Transportation costs
 - State and local taxes
 - Retail Competition

Recommendations:

- Closely monitor fuel prices and vehicle location changes for accurate fuel budget forecasting.
- Consider enrolling in TotalConnect to monitor driving patterns for cost savings opportunities.

INTEREST

Interest Rates



- 3-Month SOFR rate is currently at 5.31%, a month over month decrease of 0.03%
- The 3-Year SWAP rate has decreased to 4.14%
- The 5-Year SWAP rate decreased and is currently 3.90%

Recommendations:

- Consider using floating rates for leases going forward to take advantage of the expected decrease in future interest rates.
- A fixed rate lease locks in the current, escalated interest rate for the duration of a lease.