



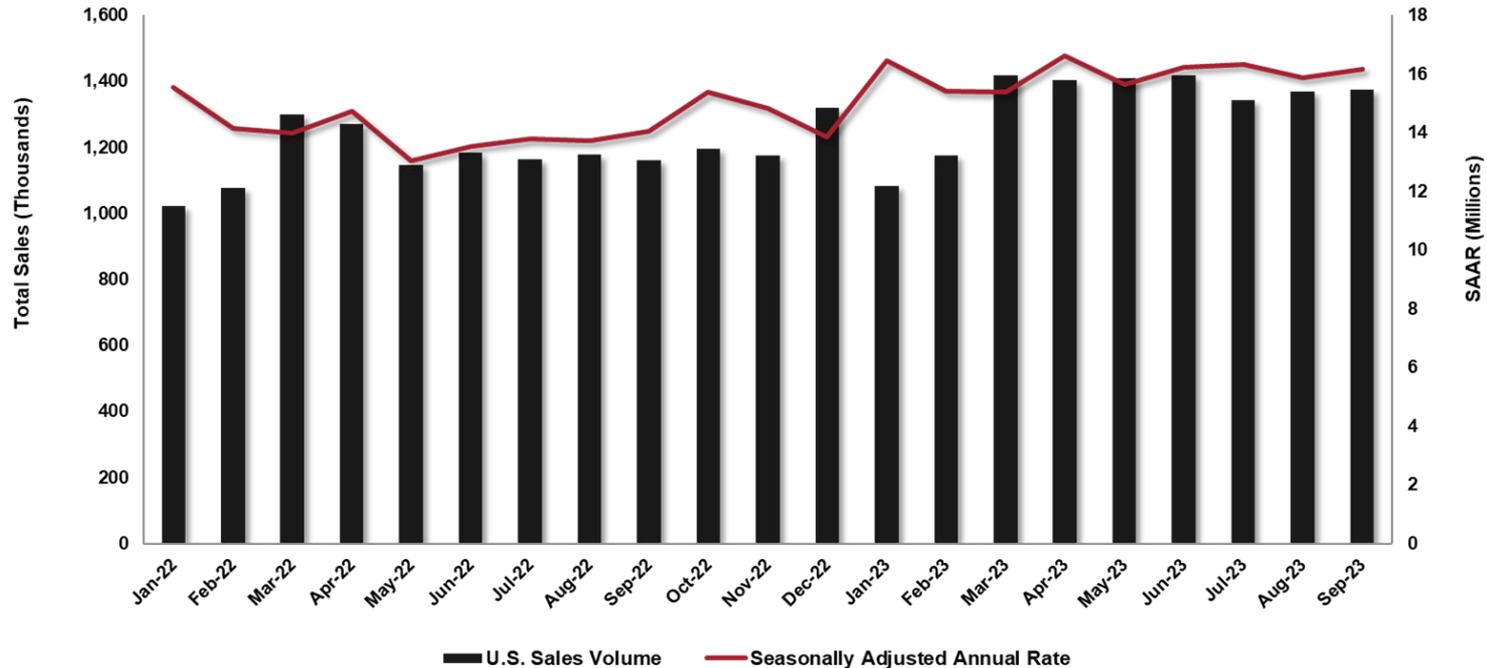
Industry Trends

August - September 2023

**Merchants**
FLEET

ACQUISITION

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



All US Sales

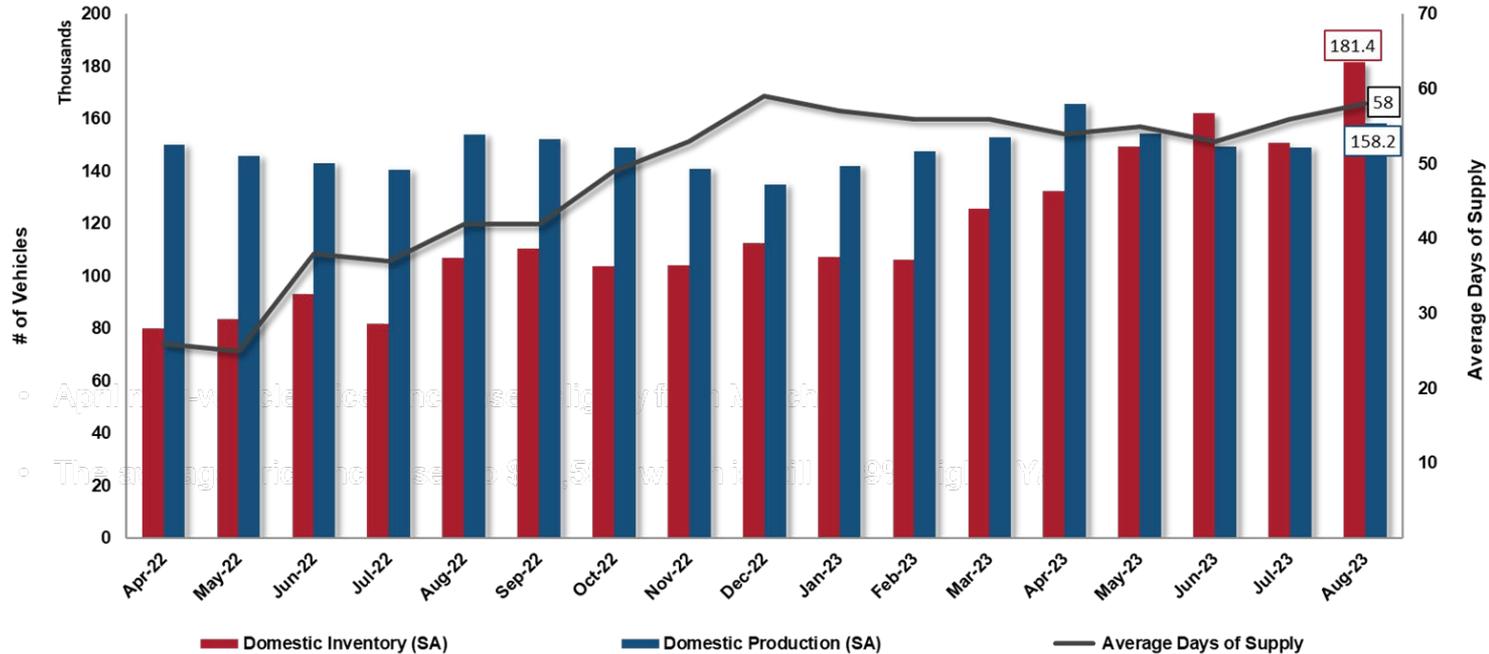
- September's sales increased by 2.2% M/M.
- Passenger vehicles sales increased by 16.1% Y/Y, and light truck increased by 19.1% Y/Y.
- September's light truck sales accounted for 80% of all sales.

Fleet Sales Only

- In September, 154,400 total fleet units were sold, a 26.0% Y/Y increase.

ACQUISITION

Dealer Inventory & Days of Supply

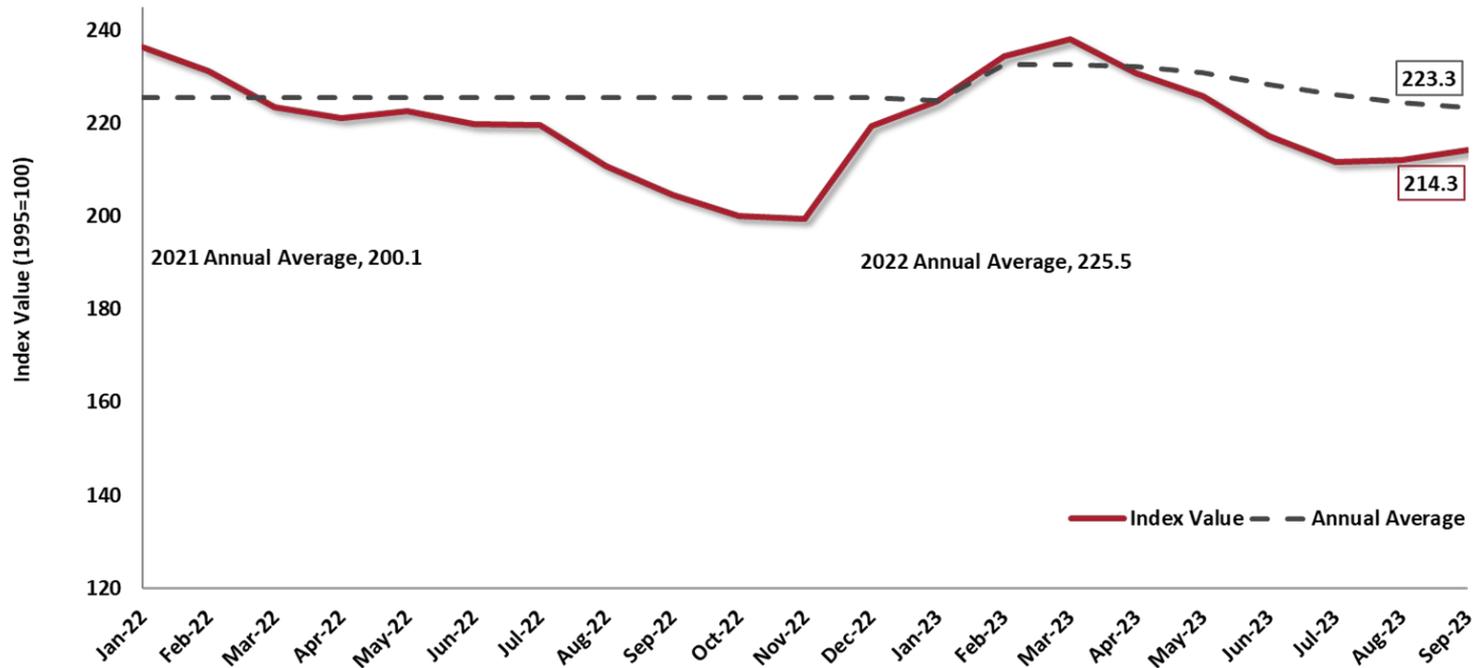


- August's new vehicle inventories increased 5.1% M/M, and Domestic inventory for August is up 70% Y/Y.
- The average dealership days' supply increased to 58. Still lower compared with 59 days in March 2021
- New vehicle production increased 6% M/M, and Y/Y production increased 3%.

- August's new-vehicle prices increased M/M.
- The average price increased to \$47,417 which is 2% higher Y/Y.

WHOLESALE RESALE MARKET

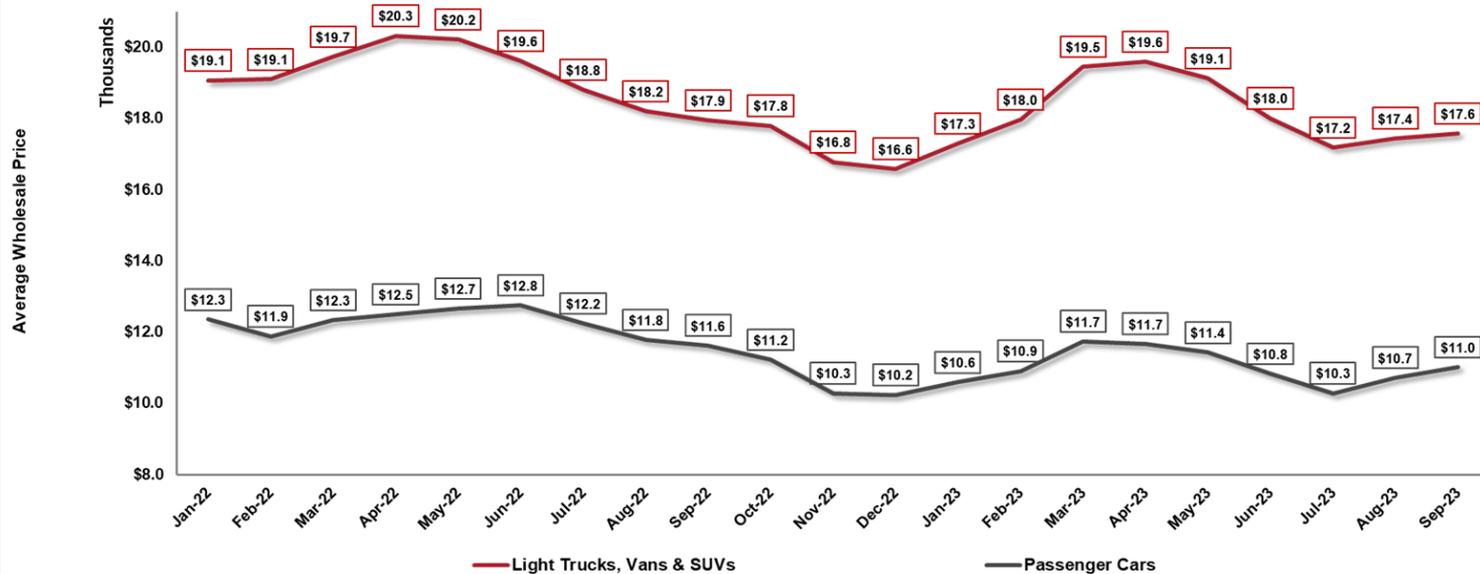
Manheim Used Vehicle Value Index



- Wholesale used vehicle prices increased 1% M/M in September.
- The Manheim Used Vehicle Value Index decreased by 3.9% Y/Y.
- Total volume of used vehicle sales decreased 2% Y/Y in September.
- All major market segments saw lower seasonally adjusted prices Y/Y.
- In September, all major segments saw overall price increases M/M.

WHOLESALE RESALE MARKET

Average Wholesale Price by Segment



- Wholesale prices increased 1.7% M/M compared to August.
- Wholesale prices are now down 2.7% Y/Y.
- September wholesale prices are 36.6% above pre-pandemic prices.

- 2021 average prices were up more than 45% above pre-COVID19.

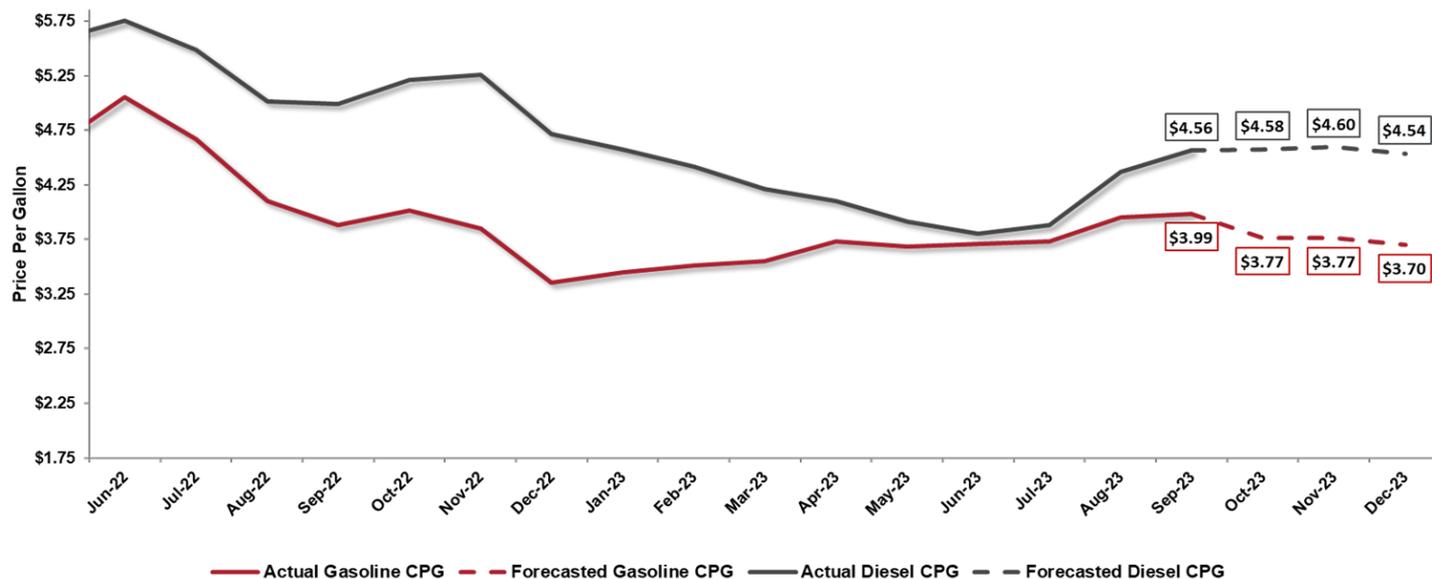
• Recommendation:

Review current inventory for any under utilized vehicles that can be sold, to take advantage of the high market.

Source: ADESA; Kontos Kommentary

FUEL

National Average Cost per Gallon Regular Grade & Diesel

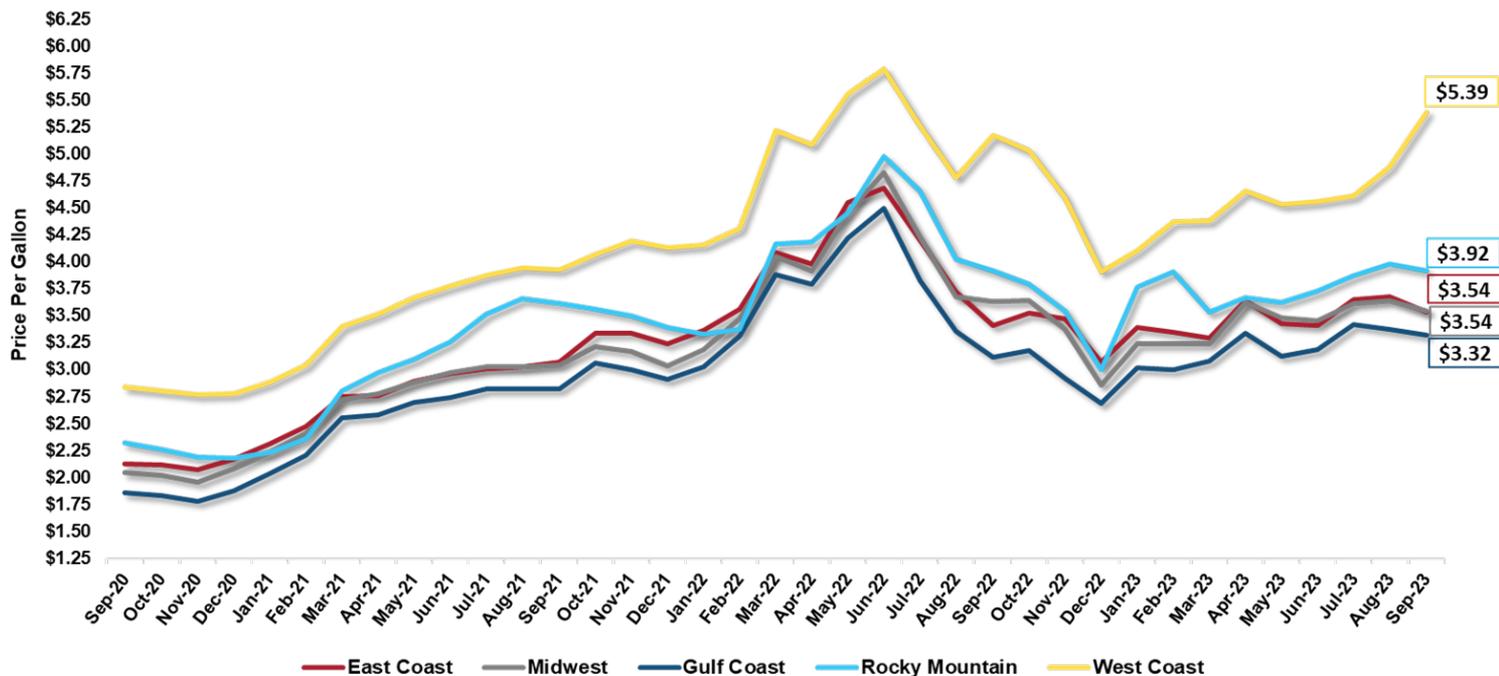


- U.S. regular gasoline prices increased from the previous month and averaged \$3.99/gal. in September.
- U.S. diesel retail prices increased from the previous month and averaged \$4.56/gal.

- September was up 3% gasoline and diesel was down 9% Y/Y.
- October's forecast for gasoline retail price is \$3.77/gal. and diesel retail price of \$4.58/gal.
- **Recommendation:**
Closely monitor fuel prices for accurate fuel budget forecasting.

FUEL

Regional Average Cost per Gallon – Regular Grade



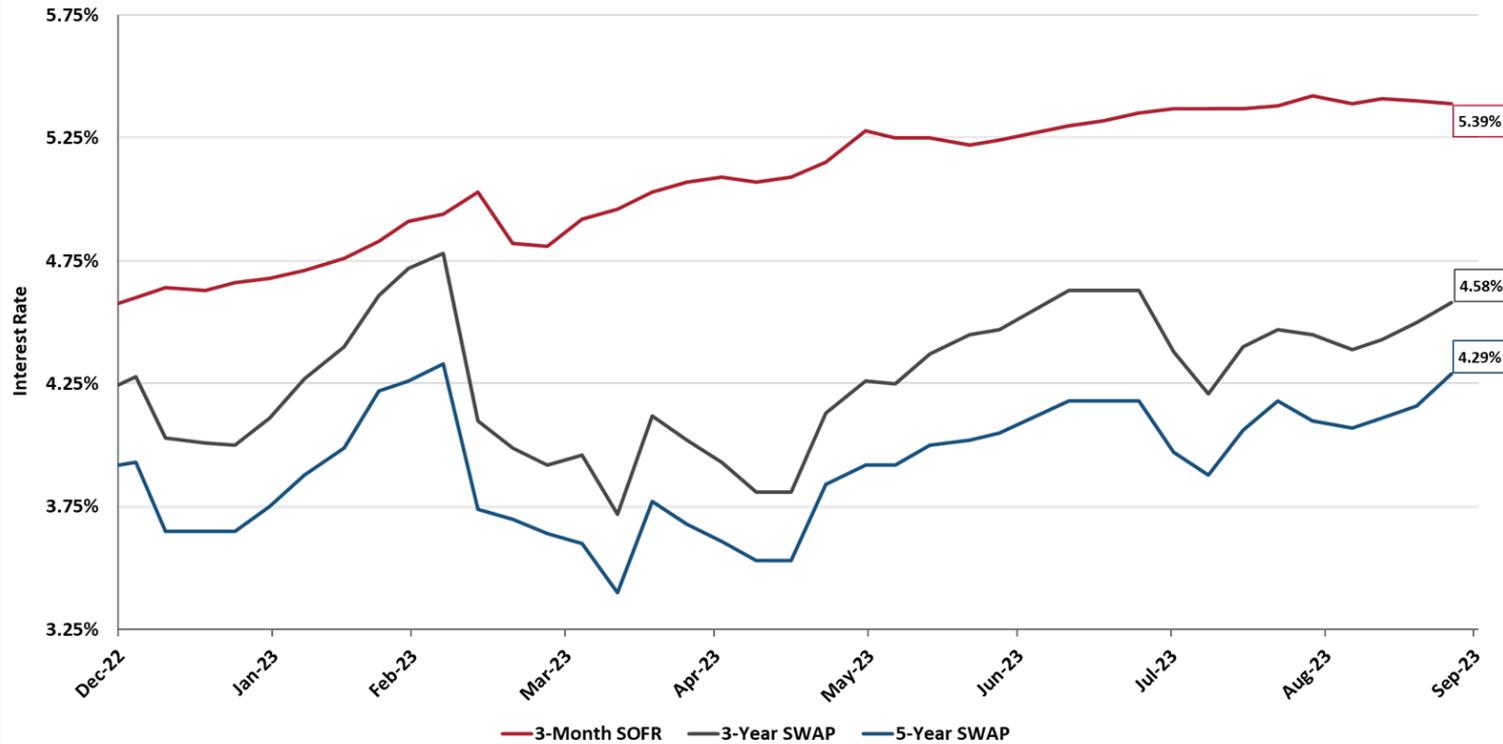
- Overall, September fuel prices decreased ~\$0.01 M/M.
- Some factors that contribute to regional gas price differences:
 - Distance from supply
 - Transportation costs
 - State and local taxes
 - Retail Competition

• Recommendation:

Closely monitor fuel prices for accurate fuel budget forecasting.

INTEREST

Interest Rates



- 3-Month SOFR rate is currently at 5.39%, a M/M decrease of 0.03%.

- The 3-Year SWAP rate has increased to 4.58%.

- The 5-Year SWAP rate increased and is currently 4.29%.

- All rates are expected to gradually increase throughout the rest of 2023.