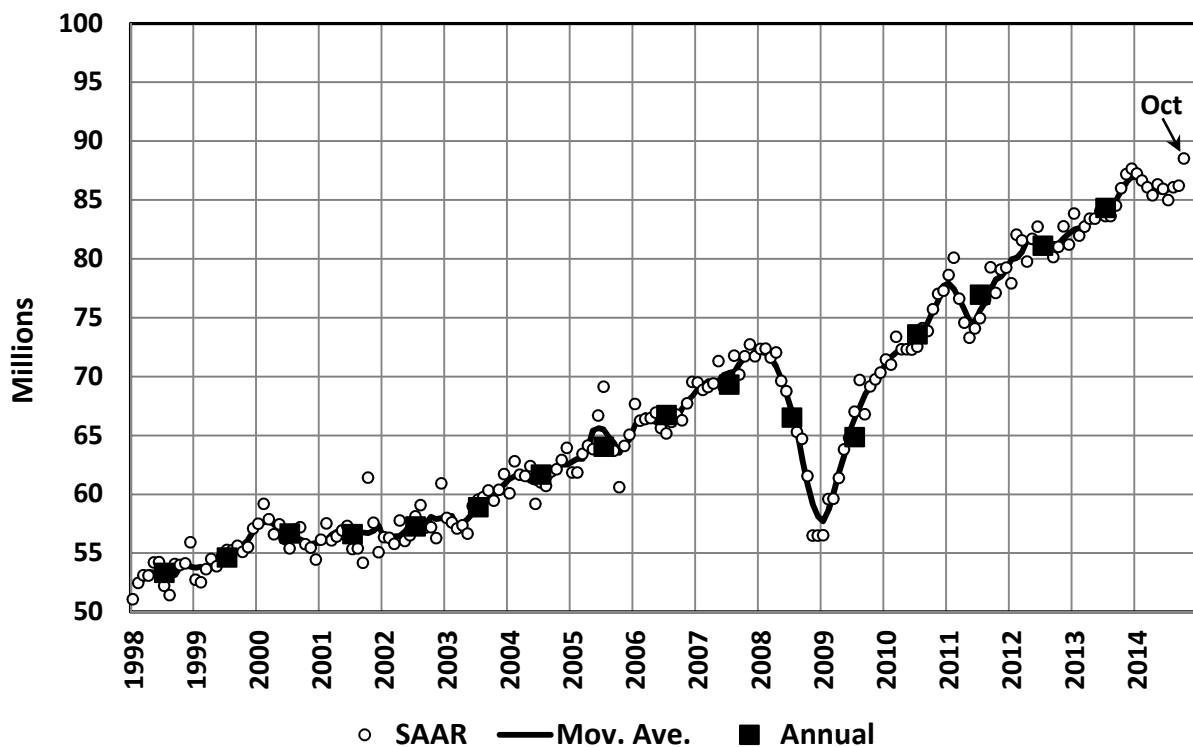


Summary

Commentary

- Global Light Vehicle sales, on a seasonally adjusted annualised basis, reached a record level of over 88 mn units/year in October despite prevailing economic concerns globally. Strength in China underpinned this result with solid outcomes in North America and Western Europe.
- East European demand remained somewhat fragile, though sales in Russia have improved a little from prior months. Markets in Brazil and Argentina remained weak.

Global Light Vehicle Sales



North America

- In the US, while there was no repeat of the soaring September result, the 16.4 mn units/year selling rate represented ongoing strength. Light truck demand continued to hold up well with year-to-date truck sales up by 10%. Car demand is marginally ahead of the same period last year on both month (2%) and year-to-date (0.6%) measures.
- Canadian demand remained remarkably strong, with a selling rate of over 1.9 mn units/year, making a new full-year record all but certain for 2014.

Europe

- Economic gloom is growing again in Western Europe and, yet, vehicle markets produced a relatively solid result in October with Light Vehicle sales up by almost 6%, more than offsetting weakness in Central and Eastern Europe. UK, Spanish and German markets were strongest while concerns remain in France.
- Light Vehicle sales were down by 4.5% in October in Central and Eastern Europe. The year-on-year contraction in the region for October was reduced from the previous month (which was down 14% in September) as a scrappage scheme in Russia started to boost sales, though this effect may be short lived as the outlook in Russia remains poor in light of continued currency depreciation and falling oil prices. The selling rate also continued to pick up in Turkey after a low point earlier in the year.
- Overall European sales were up by 3% in October.

China

- Preliminary data indicates that the selling rate in China surged to a robust 24.4 mn units/year in October, up nearly 6% from September. After hovering around 22-23 mn units/year rate in the first nine months of this year, deliveries to dealerships appear to have gained momentum, perhaps because automakers are trying to achieve their year-end targets.
- On a year-on-year basis, passenger vehicle sales increased by nearly 10% in October, while light commercial vehicle sales are estimated to have declined by nearly 5%, being undermined by uncertainty over the looming China IV emissions standard, as well as a slowing economy.

Other Asia

- In Japan, sales continued to decline (on a year-on-year basis) after the consumption tax hike in April, but have remained resilient in general, with the October selling rate exceeding 5 mn units/year. Following the Bank of Japan's latest monetary easing, the Nikkei stock market has rallied, but the falling yen could fuel inflation and erode consumer spending.
- The South Korean market has lost some steam along with a slowing economy. Yet the market is still expected to finish this year with near record-high sales, supported by record-low interest rates and expansionary fiscal policies.

South America

- In Brazil, the October selling rate of 3.4 mn units/year was stronger than expected and perhaps boosted by fiscal spending ahead of the run-off presidential election at the end of the month. However, the re-election of President Rousseff and the recent interest rate hike bode ill for the sales outlook.
- The Argentine market has stabilised this year despite the country's debt default in July. The selling rate exceeded 600,000 units/year for the fourth consecutive month in October. On a year-over-year basis, however, the rate of decline deepened to 40% in October which, along with a deteriorating economy, suggests that the market is yet to bottom out.

12 November 2014

Global Light Vehicle Sales

	Sales (units)						Selling rate (Units/year)			
	Oct 2014	Oct 2013	Percent change	Year to date 2014	Year to date 2013	Percent change	Oct 2014	Year to date 2014	Year 2013	Percent change
WORLD	7,301,558	7,109,810	2.7%	71,977,393	69,843,558	3.1%	88,510,795	86,323,378	84,364,234	2.3%
USA	1,278,629	1,205,193	6.1%	13,686,920	12,973,221	5.5%	16,398,374	16,313,941	15,572,933	4.8%
CANADA	155,192	145,680	6.5%	1,582,461	1,495,179	5.8%	1,933,263	1,841,564	1,742,475	5.7%
WESTERN EUROPE	1,159,620	1,095,529	5.9%	11,482,161	10,862,257	5.7%	14,162,220	13,526,661	12,886,191	5.0%
EASTERN EUROPE	393,786	412,266	-4.5%	3,624,574	4,002,103	-9.4%	4,667,734	4,453,590	4,937,203	-9.8%
JAPAN	388,578	413,935	-6.1%	4,608,742	4,392,374	4.9%	5,128,525	5,362,159	5,255,108	2.0%
KOREA	135,909	133,171	2.1%	1,314,801	1,242,924	5.8%	1,557,802	1,603,905	1,507,985	6.4%
CHINA	2,058,046	1,928,491	6.7%	19,152,678	17,723,417	8.1%	24,440,471	23,291,913	21,875,132	6.5%
BRAZIL / ARGENTINA	341,767	396,666	-13.8%	3,275,732	3,750,767	-12.7%	3,998,953	3,968,323	4,478,532	-11.4%
OTHER	1,390,031	1,378,879	0.8%	13,249,323	13,401,316	-1.1%	16,223,451	15,961,322	16,108,675	-0.9%

Notes:

- The percentage change in the final column compares the average selling rate in the year-to-date with the last full year.
- Late reporting countries and estimates are included in "Other".
- Eastern Europe includes Turkey.
- China includes estimate of light vehicle imports.

Decisions based on this information are at the user's own risk and LMC Automotive cannot accept any liability for its accuracy. If the information in this document is reproduced in any form then full attribution must be given to LMC Automotive.