



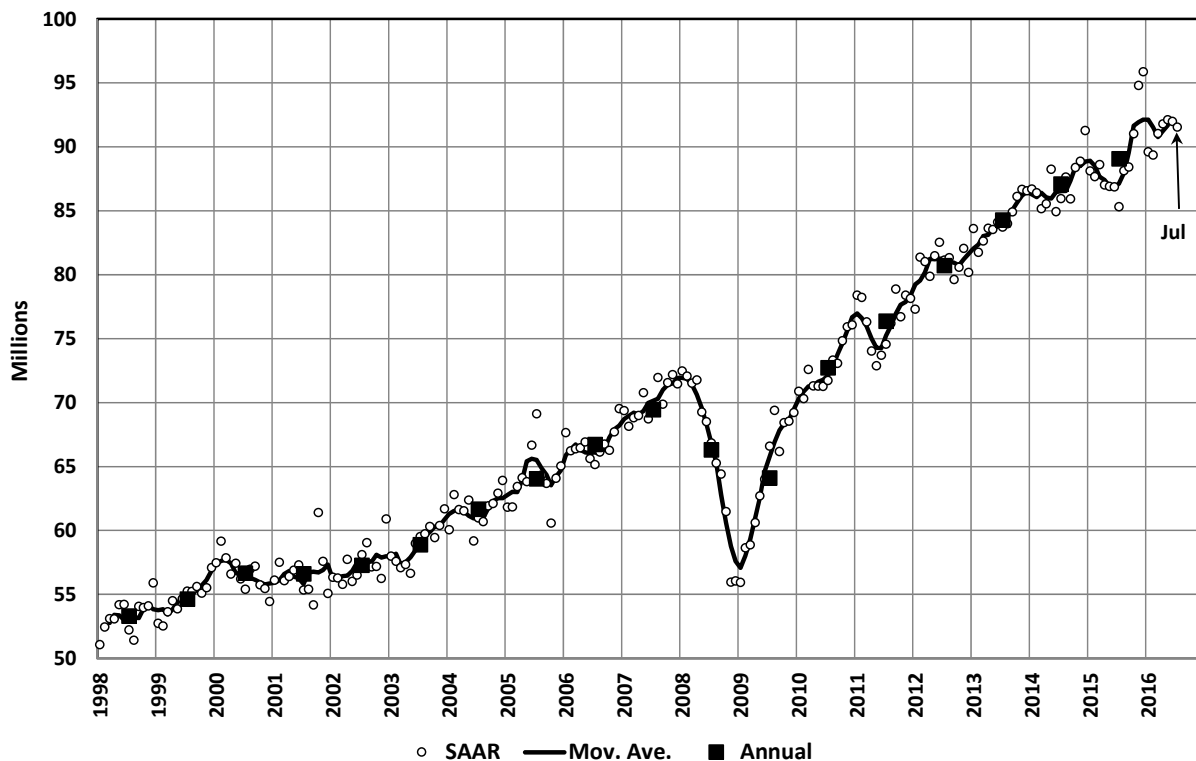
Global Light Vehicle Sales Update

Summary

Commentary

- The Global Light Vehicle market recorded another near-92 mn units/year selling rate last month, having shown stability at around that mark for the last four months.
- In year-on-year (YoY) terms, Global volume was 3% higher, with this result primarily down to the Chinese market. The US market claimed a small improvement YoY, though Western Europe slipped back, as did Russia and Brazil.

Global Light Vehicle Sales



North America

- July US Light Vehicle sales totalled 1,521,000 units, up slightly YoY, and translated into a selling rate of 17.8 mn units/year. On average, OEM incentives were up 9.1% YoY, or \$300 more per vehicle, with consumer-facing transaction prices up an average of \$660 per vehicle. While the latest selling rate is somewhat better than in recent months, the 2016 market will struggle to exceed last year's total.
- Canadian Light Vehicle sales for July stood at 173,000 units — a SAAR of 1.87 mn units/year — representing a 2.5% decrease from 2015's record July, which is the second YoY decline this year for the Canadian market.



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Europe

- The West European Light Vehicle market recorded a fairly disappointing selling rate of 15.0 mn units/year in July; in YoY terms, the market fell for the first time since August 2013 (though there was one fewer selling day last month). While there were a mixed set of results across the region, Italy and Spain continued to recover, while the UK market was fairly flat. France and Germany were a little lower.
- Overall, Eastern Europe posted a double-digit percentage fall last month. With a very challenging macroeconomic backdrop, Russian Light Vehicle sales slipped back nearly 17%; the selling rate fell back 1.23 mn units/year, bringing the year-to-date average down to 1.40 mn units/year. The Turkish market fell by nearly one third YoY following the failed coup mid-month.

China

- Advance data indicates the selling rate in China picked up to 27.7 mn units/year in July, up 4% from June. That was the highest selling rate so far this year, while it was still lower than the exceptionally high 29.3 mn units/year in November 2015. Passenger Vehicle (PV) sales accelerated strongly, increasing by 26% year-on-year. That was, however, due at least partially to very weak sales a year ago. Automakers' heavy discounts also helped boost PV sales.
- In contrast, Light Commercial Vehicle sales continued to decline by double-digit rates through July, reflecting a sluggish industrial sector. Both industrial production and fixed asset investment have continued to decelerate. The official manufacturing PMI slipped back into the contraction territory in July. Excess capacity and high levels of corporate debt, as well as global uncertainty, are expected to remain major drags for investment and thus LCV sales in the near term.

Other Asia

- In Japan, the July selling rate was 4.7 mn units/year, down 2.6% from an upwardly revised June. Mini Vehicle sales continued to decline markedly, undermined by the scandals over fuel efficiency. Non-Mini Vehicle sales also fell slightly on the year, as the strengthening of the yen and increased global uncertainty weighed on consumer and business confidence.
- As expected, the selling rate in South Korea fell sharply to 1.5 mn units/year in July from a record high of 2.1 mn units/year in June, due to the expiration of the temporary tax cut. Sales in the second half of this year will also be impacted by the planned implementation of Euro VI for diesel-powered Light Trucks in September 2016.

South America

- Although the festive mood of the Rio Olympics may be prevailing in Brazil, the depressed state of the automotive market is unchanged. The July selling rate was just below 2 mn units/year, a slight decline from June. High inflation and interest rates, and the deteriorating job market continue to undermine consumer spending on new vehicles.
- The Argentine market continues to feel the impact of the ongoing reforms. The reductions of government subsidies and the plunge of the peso (following the lifting of capital controls late last year) have led to spiraling inflation. Yet, the July selling rate of 651,000 units/year was slightly better than expected.

15 August 2016



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	Sales (units)						Selling rate (Units/year)			
	Jul 2016	Jul 2015	Percent change	Year to date 2016	Year to date 2015	Percent change	Jul 2016	Year to date 2016	Year 2015	Percent change
WORLD	7,210,406	6,974,970	3.4%	53,111,994	51,313,719	3.5%	91,535,251	91,059,514	89,231,462	2.0%
USA	1,520,679	1,508,468	0.8%	10,157,149	10,019,493	1.4%	17,843,168	17,255,655	17,446,375	-1.1%
CANADA	173,176	177,641	-2.5%	1,161,900	1,110,343	4.6%	1,873,163	1,946,410	1,897,452	2.6%
WESTERN EUROPE	1,199,508	1,219,680	-1.7%	9,618,951	8,960,116	7.4%	15,014,012	15,634,107	14,830,417	5.4%
EASTERN EUROPE	292,223	333,750	-12.4%	2,146,502	2,211,552	-2.9%	3,337,289	3,938,435	3,921,652	0.4%
JAPAN	411,450	422,083	-2.5%	2,927,539	3,076,613	-4.8%	4,696,276	4,784,151	4,998,933	-4.3%
KOREA	135,232	153,939	-12.2%	1,049,158	992,899	5.7%	1,534,769	1,814,294	1,797,798	0.9%
CHINA	1,857,418	1,541,941	20.5%	14,745,942	13,597,207	8.4%	27,729,616	26,153,282	24,893,417	5.1%
BRAZIL / ARGENTINA	235,106	277,078	-15.1%	1,507,913	1,845,058	-18.3%	2,621,573	2,657,982	3,085,141	-13.8%
OTHER	1,385,614	1,340,390	3.4%	9,796,940	9,500,438	3.1%	16,885,385	16,875,198	16,360,276	3.1%
Notes:	<p>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.</p>									



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