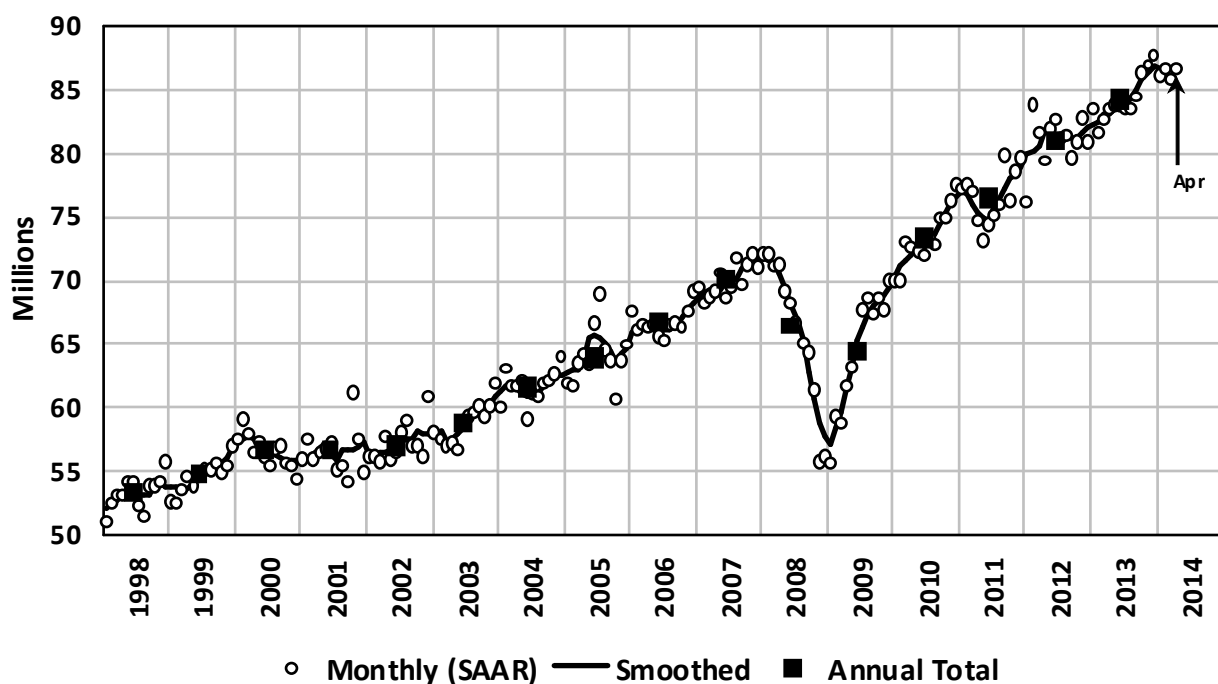


Summary

Commentary

- Global Light Vehicle sales remained strong in April, even though there were some weaker results from a number of emerging markets. The seasonally adjusted annualised rate of sales hit 86.6 mn units/year, improving slightly from March.
- US sales strengthened while Chinese demand was solid. These markets, added to by a steady recovery in Western Europe, helped offset weakening in Japan (tax change), Eastern Europe and a number of other emerging markets.

Global Light Vehicle Sales



North America

- US Light Vehicle sales consolidated the gains from April with a selling rate at a level not seen since mid-2007. The 8% year-on-year increase was supported by strong Light Truck sales, which were up by almost 13%, while growth in Car segments was much slower, at just 3%.
- The 16.4 mn units/year selling rate in April is a little higher than our full-year 2014 expectation for the US; we may see some softening in coming months.
- Strong sales in Canada kept the market on course for a record performance this year.

Europe

- West European sales were up again in year-on-year terms in April, marking out the eighth consecutive monthly increase. The selling rate of 13.6 mn units/year puts the market back on a level with that in early 2012, before the very weak performance of 2013. The slowly improving economic backdrop points to further steady gains this year.
- The picture is not so positive in Eastern Europe where the unstable situation in Ukraine is likely to lead to a setback in the region in 2014. While Russian Light Vehicle sales – so important for the region in total – have not yet reported, preliminary reports imply a significant slowdown may be in evidence for much of this year.

China

- Advance data indicates that China's market has maintained a robust pace, with the April selling rate reaching 23.2 mn units/year, up 1.2% from a downwardly revised 23.0 mn units/year in March. On the one hand, since major cities are announcing restrictions on vehicle purchases in order to curb air pollution, "panic buying" is spreading among China's consumers and may continue to boost sales in the near term.
- On the other hand, the medium-term sales outlook is becoming more uncertain owing to the pull-ahead effect of the "panic buying" and a slowing economy. Q1 GDP growth of 7.4% (YoY) was weaker than expected and the government has recently announced mini-stimulus measures to boost the economy.

Other Asia

- As expected, sales in Japan declined sharply in April, as the consumption tax has been raised for the first time in 17 years. Yet the April selling rate of 5.1 mn units/year was much stronger than expected, supported by Mini Passenger Vehicle sales. A reduction in vehicle acquisition tax and dealerships' aggressive incentives have helped mitigate the post-tax-hike drop in sales.
- In South Korea, the central bank reported a sharp fall in consumer confidence in the wake of the tragic ferry accident. Nonetheless, the April selling rate reached a robust 1.7 mn units/year, boosted by new model launches. Weak exports and the rising unemployment rate, however, suggest that such strong momentum will not be sustained.

South America

- In Brazil, sales rebounded strongly in April after a weak holiday-distorted March. Yet, sales remain weak, hampered by higher interest rates and rising household debt. Already high inflation is expected to rise further due to the severe drought in the country and a planned hike in utility tariffs. A weakening job market is another concern.
- In Argentina, the peso and foreign reserves have stabilized somewhat, but the risk of a financial crisis has not abated. In the face of rampant inflation and falling real wages, sales plunged by 35% (on a year-on-year basis) for the second straight month in April, with no sign of improvement in sight.

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Global Light Vehicle Sales

	Sales (Units)						Selling rate (Units/year)			
	Apr 2014	Apr 2013	Percent change	Year to date 2014	Year to date 2013	Percent change	Apr 2014	Year to date 2014	Year 2013	Percent change
WORLD	7,223,657	6,992,096	3.3%	28,971,950	27,799,499	4.2%	86,572,116	86,334,280	84,420,101	2.3%
USA	1,388,167	1,285,750	8.0%	5,124,825	4,973,283	3.0%	16,402,211	15,745,250	15,572,933	1.1%
CANADA	179,022	171,848	4.2%	538,137	526,938	2.1%	1,827,129	1,735,931	1,742,475	-0.4%
WESTERN EUROPE	1,178,561	1,123,803	4.9%	4,665,191	4,366,041	6.9%	13,611,894	13,325,954	12,880,007	3.5%
EASTERN EUROPE	395,498	436,354	-9.4%	1,445,438	1,498,347	-3.5%	4,344,287	4,797,492	4,938,171	-2.8%
JAPAN	338,321	356,826	-5.2%	2,142,086	1,843,435	16.2%	5,144,553	5,940,407	5,255,108	13.0%
KOREA	144,810	129,417	11.9%	518,062	480,758	7.8%	1,721,965	1,638,418	1,507,985	8.6%
CHINA	1,972,327	1,800,932	9.5%	7,894,163	7,215,402	9.4%	23,242,256	22,904,980	21,879,600	4.7%
BRAZIL / ARGENTINA	330,480	394,645	-16.3%	1,310,648	1,422,855	-7.9%	4,142,429	4,227,759	4,473,688	-5.5%
OTHER	1,296,471	1,292,521	0.3%	5,333,400	5,472,440	-2.5%	16,135,392	16,018,088	16,170,134	-0.9%
Notes:	<p>The percentage change in the final column compares the average selling rate in the year-to-date with the last full year.</p> <p>Late reporting countries and estimates are included in "Other".</p> <p>Eastern Europe includes Turkey.</p> <p>China includes estimate of light vehicle imports.</p>									

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