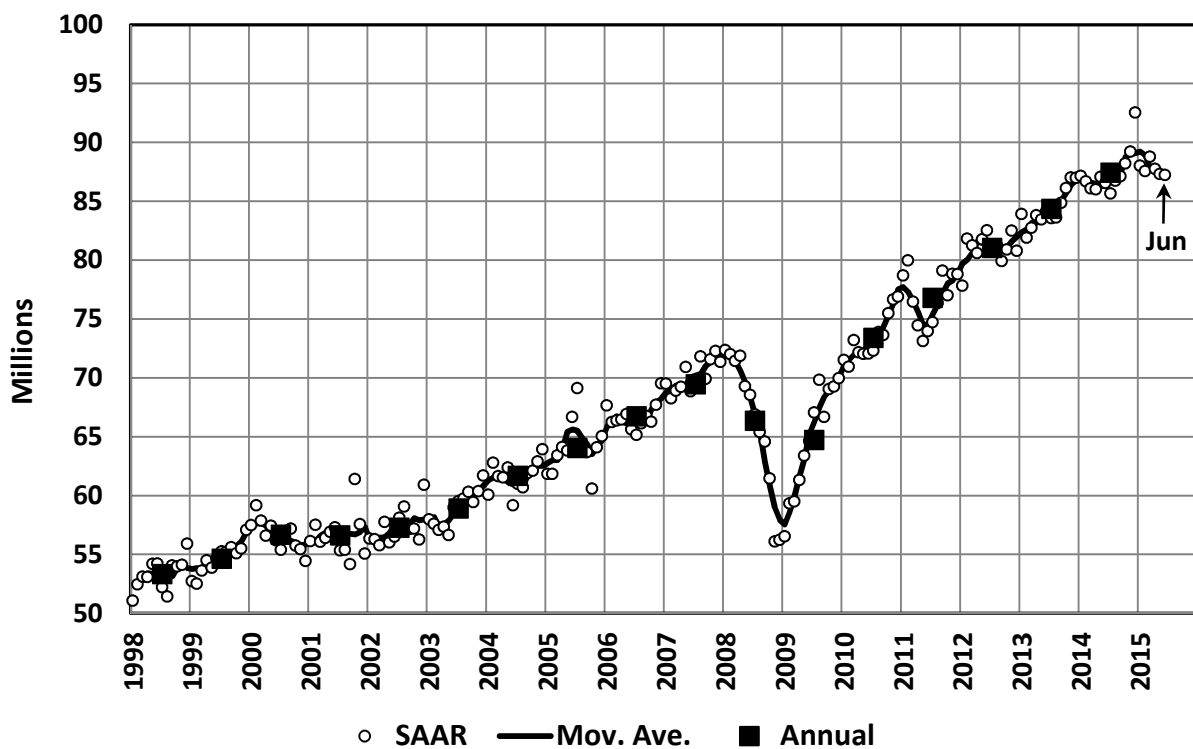


Summary

Commentary

- The softening in Global Light Vehicle demand continued in June as the seasonally adjusted annualised rate of sales came in at 87.2 mn units/year, similar to the previous month.
- The decline in sales in China marked a significant change in the regional dynamics of the past couple of years in which that market has been a pillar of strength. US and West European markets fared better but Brazil and Russia continued to languish.

Global Light Vehicle Sales



North America

- June US Light Vehicle sales were 1,475,062 units – resulting in the strongest June since 2005 – translating into a selling rate of 17.1 mn units/year. Several factors were evident in enticing consumers to purchase new automobiles including: an improving labour market, high consumer confidence, low interest rates, increased OEM incentives, and lower-than-normal summer gasoline prices.
- Continuing with its record-setting monthly Light Vehicle sales, Canadian June sales registered at approximately 178k units, representing a selling rate of 1.81 mn units/year.

## Europe

- Central and East European sales continued to decline as the dramatic drop in Russian demand hit the regional total: Russia sales were down by almost 30% in June and 36% in the year to date. In the rest of the region, however, the market has continued to do well: sales in non-Russia Eastern Europe were up by almost 20% in June, and 14% in the year to date.
- Notwithstanding the current uncertainty in relation to Greece's membership of the Eurozone, West European sales fared well in June, with sales rising by an estimated 14%. Concerns have obviously not yet fed through to consumers in the region. Our expectations for the region have been lowered in response to fallout from the crisis, but a major negative economic and vehicle market impact is still considered to be a low probability.

## China

- According to preliminary data, China's June selling rate was 22.8 mn units/year, down over 4% from May. The selling rate declined month-on-month in five out of the six months so far this year. On a year-on-year (YoY) basis, sales fell by nearly 2% in June. A notable development is that Passenger Vehicle sales declined YoY in June for the first time since the global financial crisis, excluding Januarys and Februarys in which YoY comparisons are distorted by the timing of the New Year holidays.
- The economy continues to decelerate. While there is some news that the ailing property market is showing some signs of bottoming out, the recent sharp falls in the Shanghai stock market could dampen consumer confidence and spending, as individuals account for 80% of stock buyers in China.

## Other Asia

- In Japan, the selling rate rebounded slightly to just below 5 mn units/year in June after a weak May. The summer bonuses from large corporations, a gradually improving job market, and higher stock prices helped support sales.
- Defying expectations of a slowdown amidst the outbreak of the MERS virus, the selling rate in Korea surged to a record high of 1.85 mn units/year in June. Sales were boosted by robust demand for SUVs. Luxury imports from Europe also sold well, thanks to a strong won.

## South America

- The Brazilian market continues to decelerate sharply along with the deteriorating economy. The June selling rate of 2.4 mn units/year was the lowest rate since the 2008 global financial crisis. The looming recession (the worst in 25 years) is of course hitting consumer spending.
- The Argentine market remains highly volatile. The selling rate surged by 31% in June from the previous month, following a 17% decline in May. Sales were supported by a surge in government spending in the run-up to the presidential election.

10 July 2015

## Global Light Vehicle Sales

	Sales (units)						Selling rate (Units/year)			
	Jun 2015	Jun 2014	Percent change	Year to date 2015	Year to date 2014	Percent change	Jun 2015	Year to date 2015	Year 2014	Percent change
WORLD	7,526,638	7,362,507	2.2%	44,261,418	43,725,704	1.2%	87,222,404	87,763,693	87,362,753	0.5%
USA	1,475,062	1,418,520	4.0%	8,508,210	8,148,718	4.4%	17,128,692	16,854,338	16,490,861	2.2%
CANADA	177,857	175,786	1.2%	932,308	909,805	2.5%	1,806,172	1,816,517	1,852,549	-1.9%
WESTERN EUROPE	1,462,625	1,287,368	13.6%	7,725,765	7,130,037	8.4%	14,836,483	14,455,873	13,587,387	6.4%
EASTERN EUROPE	346,458	372,676	-7.0%	1,862,665	2,180,889	-14.6%	3,946,511	4,074,479	4,558,104	-10.6%
JAPAN	433,778	442,828	-2.0%	2,615,023	2,943,533	-11.2%	4,966,707	4,971,959	5,439,522	-8.6%
KOREA	157,061	136,881	14.7%	840,861	789,205	6.5%	1,853,633	1,728,056	1,624,669	6.4%
CHINA	1,819,362	1,851,783	-1.8%	12,034,402	11,726,698	2.6%	22,766,508	23,979,756	23,628,960	1.5%
BRAZIL / ARGENTINA	258,580	300,039	-13.8%	1,568,318	1,942,456	-19.3%	3,094,182	3,264,043	3,972,603	-17.8%
OTHER	1,395,855	1,376,627	1.4%	8,173,867	7,954,364	2.8%	16,823,516	16,618,673	16,208,098	2.5%

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.

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