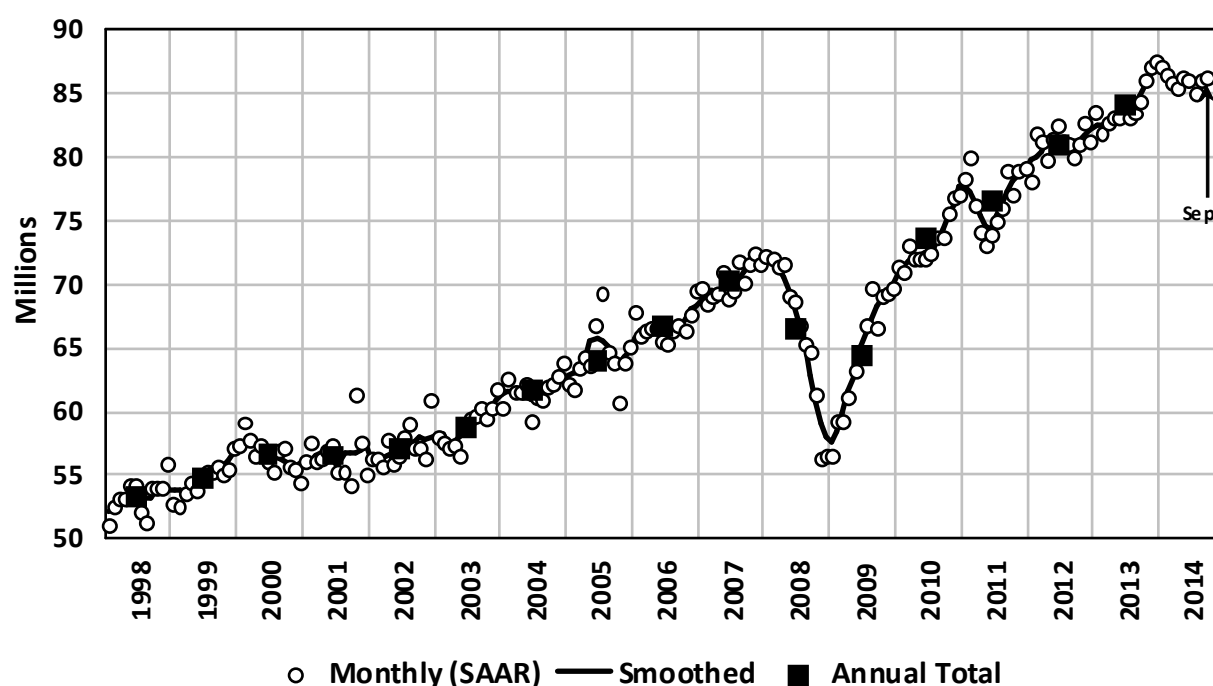


Summary

Commentary

- The Global Light Vehicle market continued to pick up in September, with the market up 2.9% year-on-year. The Seasonally Adjusted Annualised Rate (SAAR) of sales stood at 86.2 mn units/year, slightly ahead of the August result.
- The contrast between the performance of the mature markets and many developing markets continued — Western Europe and North America improved, while South America and Eastern Europe struggled against year-ago levels as economic gloom persists. The market in China grew once again, albeit at a slower pace.

Global Light Vehicle Sales



North America

- The US Light Vehicle market continued its positive momentum in September. Year-on-year, sales were up 9.4%. The selling rate eased from the very strong August result, though, at 16.4 mn units/year, the September rate is in line with our full year expectations. Further growth is expected in 2015 as the market moves towards full recovery.
- The Light Vehicle market in Canada was also up strongly, 12.7% higher than the previous September. The selling rate was, once again, just below 2.0 mn units/year.

Europe

- Light Vehicle sales in Western Europe continued to improve last month. All the Big Five markets were higher year-on-year, with a boost coming from an extra selling day in the most recent month. The selling rate picked up to 13.6 mn units/year, a little above where the market is expected to finish for the full year (13.5 mn units). Further improvement is expected in 2015, on the back of ongoing economic expansion.
- The contrast between West and East Europe continues, with the latter market falling sharply. Russian sales fell 20% last month as sanctions and economic troubles weighed on vehicle demand, though there was some improvement in the selling rate from previous months — a reflection of the scrappage incentive getting underway. Nonetheless, Eastern Europe is heading for a major fall in 2014 overall, with 2015 prospects looking no better.

China

- According to advance data, the selling rate in China weakened slightly to 23.2 mn units in September, compared to 23.7 mn units in August, held back by weak Light Commercial Vehicle sales. On a year-over-year basis, Passenger Vehicle sales continued to rise, while Light Commercial Vehicle sales declined in six out of the nine months so far this year, with September recording a nearly 12% fall.
- The weakness in the Light Commercial Vehicle market can be attributed to the uncertainty over the impending China IV emission standard, which is expected to be much stricter than the current standard. A sluggish economy — in particular, the marked slowdown in the property sector and the subsequent deceleration in investment — must also be dampening demand for Light Commercial Vehicles.

Other Asia

- The Japanese market surprised on the upside, with the selling rate picking up to 5.2 mn units/year, up 14% from the August SAAR. Such a strong rate is, however, unlikely to be sustained due to rising inflation and falling real wages. Adding to the consumption tax hike in April, the recent sharp weakening of the yen is expected to fuel inflation further.
- In South Korea, the selling rate edged down in September, following a weak August. Sales may have been dampened by the lingering impact of the supply disruptions caused by partial labour strikes. Yet, the market is heading for record-high sales this year.

South America

- In Brazil, the selling rate rebounded strongly to 3.3 mn units/year in September from a weak August. However, the market remains far from robust in the face of tightening credit conditions, high inflation, and political uncertainty ahead of the run-off presidential election later this month.
- The Argentine market has been resilient despite the country's default at the end of July. The rate of year-on-year decline in September was 30%, no different from the previous three months. The deteriorating economy suggests that the worst is far from over in the auto market.

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Global Light Vehicle Sales

	Sales (Units)						Selling rate (Units/year)			
	Sep 2014	Sep 2013	Percent change	Year to date 2014	Year to date 2013	Percent change	Sep 2014	Year to date 2014	Year 2013	Percent change
WORLD	7,430,947	7,221,388	2.9%	64,673,410	62,668,630	3.2%	86,189,695	86,015,456	84,378,997	1.9%
USA	1,243,239	1,136,354	9.4%	12,408,291	11,768,028	5.4%	16,398,207	16,304,559	15,572,933	4.7%
CANADA	168,202	149,312	12.7%	1,427,269	1,349,499	5.8%	1,996,935	1,831,375	1,742,475	5.1%
WESTERN EUROPE	1,332,405	1,263,201	5.5%	10,304,734	9,766,387	5.5%	13,637,474	13,416,669	12,886,082	4.1%
EASTERN EUROPE	369,035	426,441	-13.5%	3,234,135	3,590,263	-9.9%	4,286,915	4,418,682	4,937,610	-10.5%
JAPAN	508,399	511,209	-0.5%	4,228,080	3,978,439	6.3%	5,179,893	5,396,737	5,255,108	2.7%
KOREA	125,851	112,561	11.8%	1,178,948	1,109,753	6.2%	1,517,707	1,609,264	1,507,985	6.7%
CHINA	2,003,657	1,932,197	3.7%	17,102,542	15,794,926	8.3%	23,172,492	23,174,236	21,875,132	5.9%
BRAZIL / ARGENTINA	339,043	372,769	-9.0%	2,934,674	3,354,101	-12.5%	3,917,306	3,965,930	4,478,532	-11.4%
OTHER	1,341,117	1,317,344	1.8%	11,854,738	11,957,234	-0.9%	16,082,767	15,898,004	16,123,140	-1.4%
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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