

JULY SALES INSIGHTS

July tops year ago totals for the first time in 2019

Key insights

Nice start to the second half

July sales came in at 1.4M for a SAAR of 16.8M. Sales for the month topped analyst's expectations and grew 1.7% from July 2018. July 2019 sales were spurred by growing incentives from the model-year sell down, fleet sales and lower APRs. The month also benefitted from an extra selling day, which makes the comparison more favorable. Although July bucked the pattern of year-over-year declines, we expect sales to resume their downward trend in the remaining months of the year.

Fed rate cut impacts APRs

The Federal Reserve cut interest rates by a quarter of a percent in late July, which led to a drop in new-vehicle APRs. Finance rates averaged 5.8% in July, the lowest level of the year and the first sub-6% rate of 2018. Rising rates have been a deterrent to sales, costing shoppers on average thousands of dollars more in interest payments than the historically low finance rates from 2009-2017. Although July's lower interest rates are a welcome reprieve from the first half of the year, rates are still much higher than they were in the recovery years.

Pickup trucks continue sales push

The Silverado and Ram redesigns and the debuts of the midsize Ranger and Gladiator have been major sales drivers. Pickup truck sales have been steadily growing and accounted for 18.3% of sales in July. These vehicles are high-profit vehicles that are pushing margins, especially for domestic automakers that sell the bulk of these models. In July 2019, sales of pickup trucks rose by 12% from July 2018.

Best-selling car

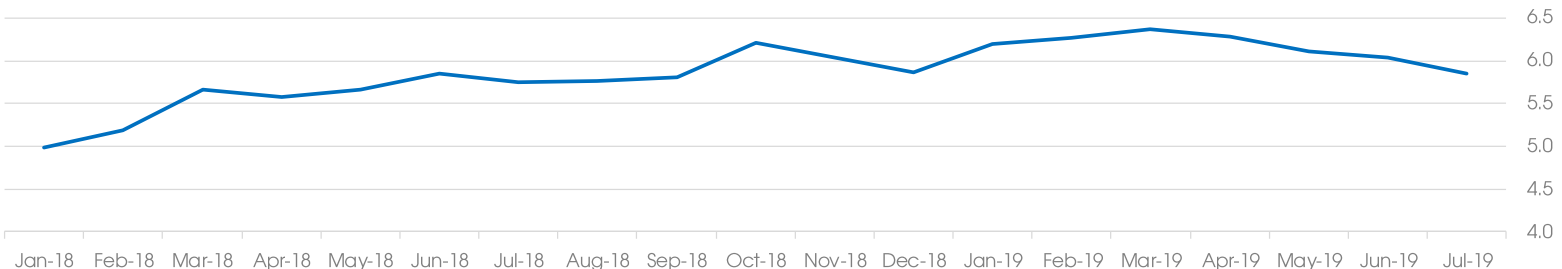
Corolla: 33,656 units

Best-selling truck

F-Series: 71,675 units



Average New Vehicle APR



New vehicle sales **1,397,654**

SAAR (seasonally adjusted annual rate) **16.8M**

	235,000* Market Share: 16.8% ▲ +7% YOY
	209,204 Market Share: 15.0% ▲ +0% YOY
	191,000* Market Share: 13.7% ▼ -1% YOY
	170,000* Market Share: 12.2% ▼ -1% YOY
	141,296 Market Share: 10.1% ▲ +2% YOY
	112,711 Market Share: 8.1% ▲ +7% YOY
	98,880 Market Share: 7.1% ▼ -9% YOY

*estimate