



Automotive Rapid Response Report – COVID-19

As the COVID-19 pandemic continues to unfold, IHS Markit offers uniquely actionable, rapid insights to drive your business.

Insights powered by the most up-to-date information available provide critical intelligence to inform near-term planning and longer-term strategic decision making.

- See immediate impact of actions at a national, state, and DMA level; OEM announcements, school closings, business actions, government announcements, COVID updates
- Identify emerging trends to enable proactive planning including guidance on OEM sales efforts to maximize and measure their effect
- Gain visibility to evolving impacted areas and engage specific efforts (inventory management, incentives, dealer services, variable offers, risk mitigation actions)
- Updated weekly with top line leading indicators/insights backed by granular and custom services available upon request

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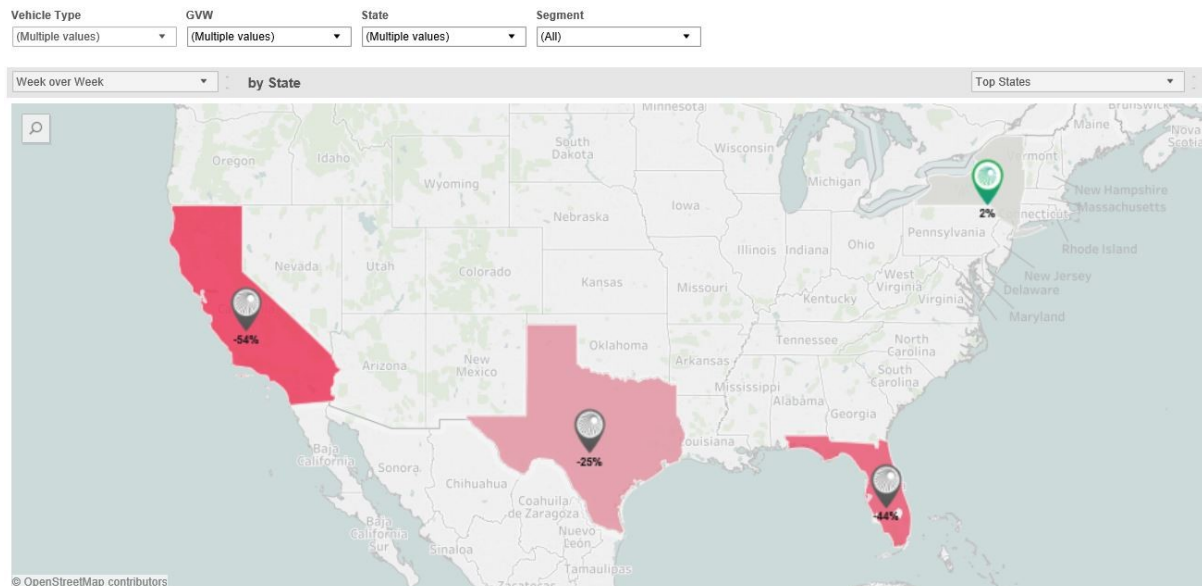
US Market Rapid Reporting

Evaluating registrations for passenger car and truck, this week we are looking at 4 key states that comprise approximately 37% of the US retail volume for 2019CY. Three of the four state's year to date performance decline remains in the single digits, while Texas, a large pickup market is off year to date 20%. Notably, the Non Luxury Full Size Half Ton Pickup Segment only declined 1% week over week and is flat year over year. We will be watching this segment closely as COVID-19 continues to impact the automotive industry. As dealerships are affected by state mandated closures and sales departments are deemed non-essential, we will monitor the registration impact and report out on key insights.

COVID-19 Impact Analysis

Data as of: Wk-12 2020

New Vehicle Registrations % Change



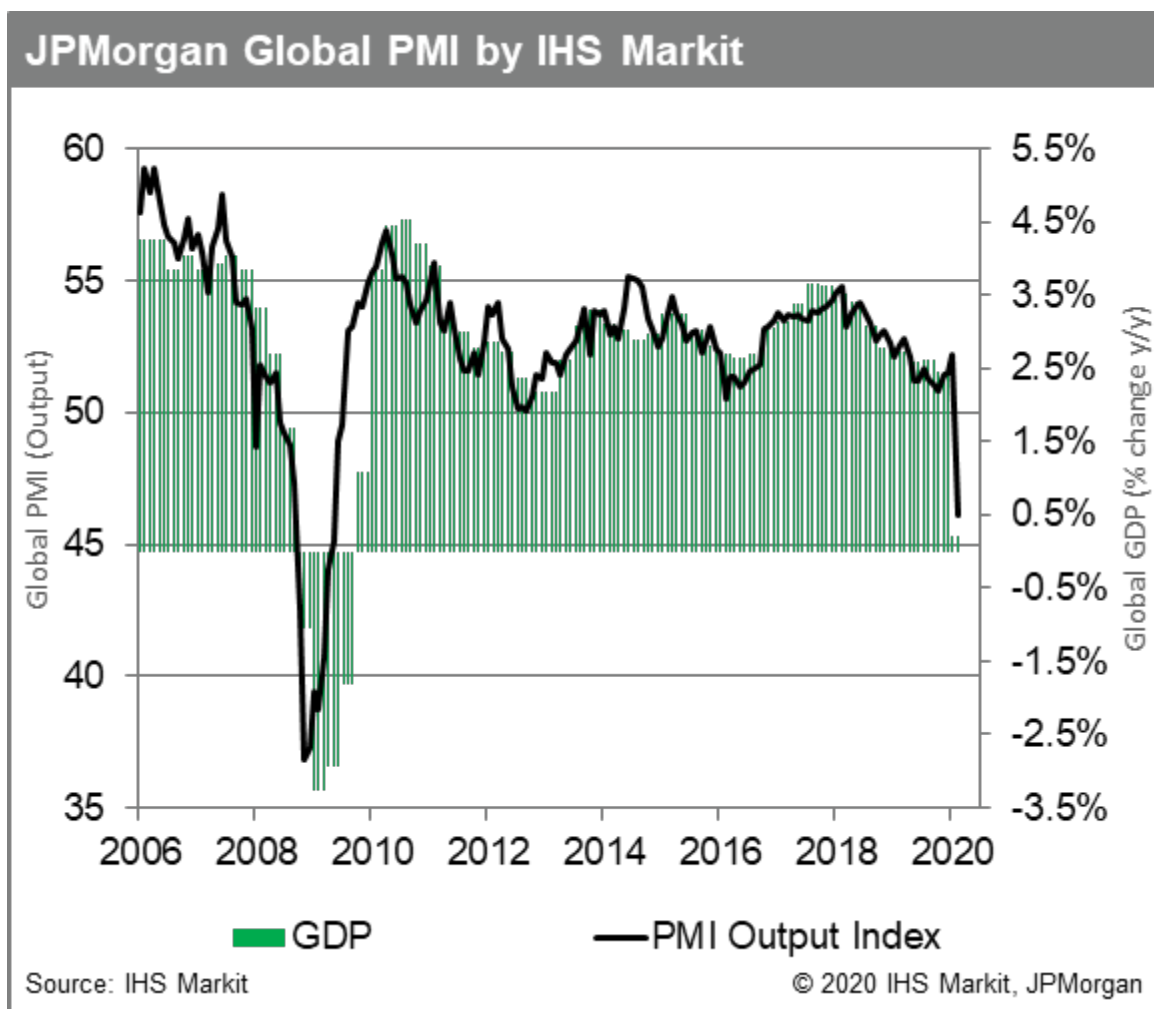
As the map illustrates, the WoW changes range from 2% in New York to -54% in California.

- California
 - Has 3rd highest volume of COVID-19 cases
 - Declared State of Emergency on March 4th (Week 10); state-wide Shelter-in-Place effective March 19th (Week 12), first state to enact consumer restrictions
- Texas
 - Confirmed COVID-19 cases remain relatively minimal at 17 cases per million
 - TX declared a State of Emergency on March 13th (Week 11)
- Florida
 - Confirmed COVID-19 cases volume is 593, equating to 44 cases per million
 - Declared a State of Emergency on March 9th (Week 11)
 - Economy heavily dependent on service sector and tourism, which was recently constrained. It will be interesting to watch in coming weeks
- New York
 - Has highest number of confirmed COVID-19 cases, at 780 cases per million
 - Declared a State of Emergency on March 7th (Week 10). "NY State on PAUSE" executive order put in place March 22nd, lighter restrictions than Shelter-in-Place
 - As a high leasing state, lease renewals could be contributing to the week over week improvement – this could be impacted by the PAUSE executive order

***COVID cases reported in alignment with calendar week.*

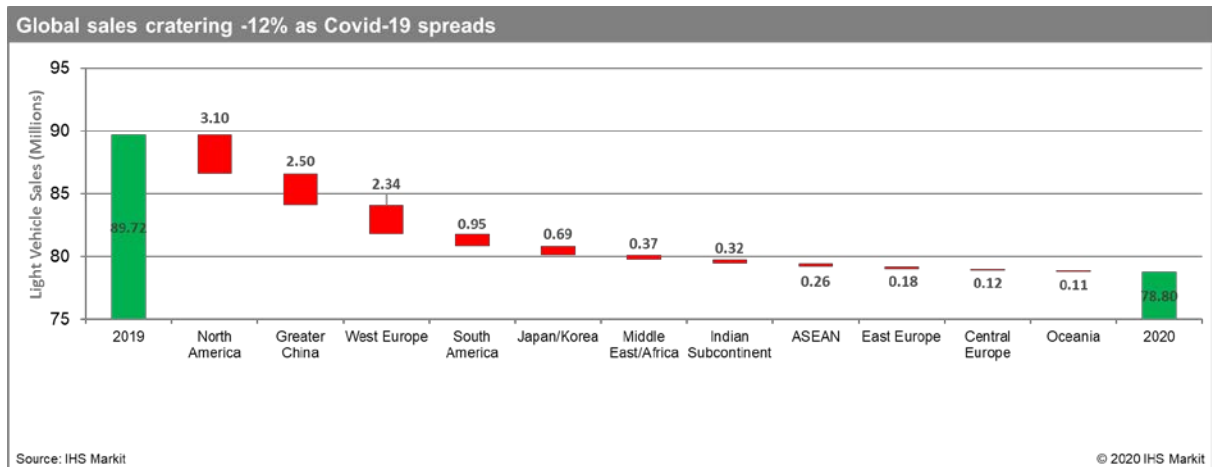
Global Economic Overview

- 2020 world real GDP growth reset below 0.9% (recession) (was 1.7%)
- We project a U-shaped cycle with sharp reduction in near-term growth followed by a slow recovery
- Real GDP growth for China revised down to 3.9% for 2020 (was 4.3%)
- Eurozone GDP growth forecast to slump -1.3% in 2020 (was 0.0%)
- US expectations are reset at -1.7% GDP growth for 2020 (was -0.2%)
- Price of West Texas Intermediate crude dropping well below \$50/barrel through 2024; driving declines in domestic production of crude and capital spending on exploration



Global Autos Overview

- Global spread of the coronavirus pandemic has emerged as the single biggest risk factor facing the autos industry for many years
- Expected global 2020 slump similar to 2-year decline global recession 2008/2009—with risks skewed to downside & ultra-dependent on govt. action & support/stimulus packages
- “Patient zero” China market should bottom out in 2020—hopes for beginnings of recovery from 2021—some demand likely to have been destroyed
- Europe gripped by full-scale coronavirus crisis with demand conditions worsening by the day—region faces months of disruption (Brexit talks & EU30 CO2 plans might require delays)
- Expected US recession leads to sharp consumer contraction and immediate LV demand slump with sales falling to 14.46M units in 2020
- ROW mixed prospects—early crisis markets seem to be coping but risk “flare-ups” and early days for Brazil, Russia, India. Iran shows how virus can hit hard in less developed economies
- Remote/flexible crisis working arrangements could influence future mobility patterns...



Access more information and resources

