

Automotive Rapid Response Report | COVID-19

US Market Rapid Reporting

-30%
national volume MoM decline

-34%
Non-Luxury CUV / SUV MoM decline
50% of the 2019 Non-Luxury Market

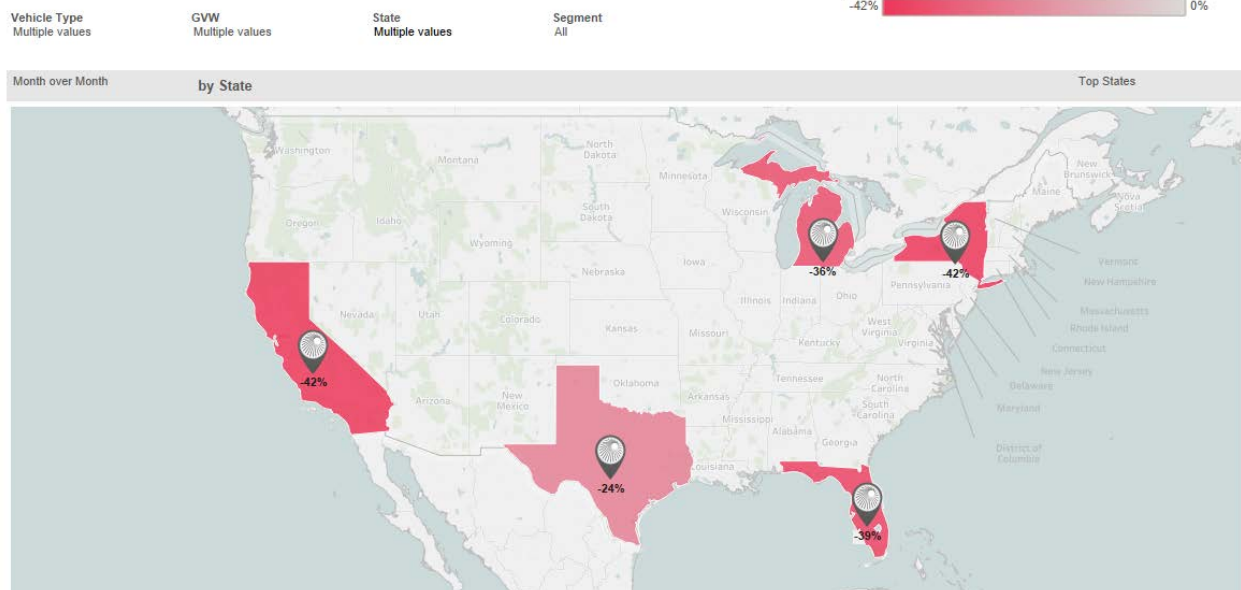
-31%
Non-Luxury Cars MoM decline
28% of the 2019 Non-Luxury Market

-17%
Non-Luxury Pick Ups MoM decline
20% of the 2019 Non-Luxury Market

- **30% decline in national registration volume March 2020 over February 2020**
- 24% decline month-over-month (MoM) in Texas, an executive order enacted March 31, social distancing measures not a full shelter-in-place
 - In Texas, Non-Luxury Full & Mid-Size Pickups up 2% year-over-year (YoY), however they are down 11% MoM
- Half of the United States is now seeing a MoM new vehicle registration decline of 25% or greater from February into March, as April unfolds, we will likely see a further decline as more states move to tighter consumer and business restrictions

COVID-19 Impact Analysis

Data as of: Wk-14 2020



COVID cases reported in alignment with calendar week.

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Global Economic Overview

26.5%

US GDP projected decline in second quarter

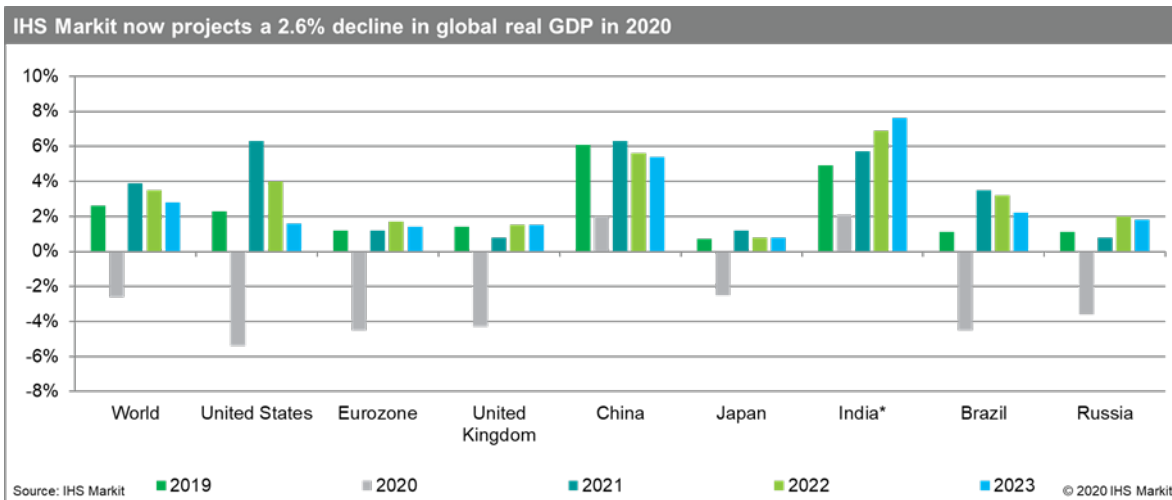
2.0%

China's real GDP projected increase in 2020

2 to 3

number of years for most economies to return to pre-COVID-19 output levels

- In United States, restrictions on non-essential business activity precipitate a real GDP decline of 3.5% quarter-over-quarter (QoQ) in first quarter. The unemployment rate will quickly rise above 10%. The US economy is expected to contract faster and deeper than any previous recession in the post-WWII era before stabilizing as business restrictions end. **Real GDP is projected to fall 5.4% in 2020.**
- Recessions across Europe will be significantly deeper than during the global financial crisis. Mirroring the US outlook, the economic crisis is expected to peak in second quarter with GDP declining 5.6% q/q, exceeding 3.2% contraction in first quarter of 2009. Italy (-6.0%) and Spain (-5.0%) are forecast to suffer largest declines in real GDP in 2020. **Eurozone Real GDP to decline 4.5% in 2020.**
- Recent data suggests COVID-19 outbreak in China has largely been brought under control. Economic conditions started to improve by mid-March. The work resumption rate for companies listed on China's stock exchange reached 98%. However, the percent of workers returned to work was lower (76%) due to travel restrictions. Economic growth to return in the second quarter but **China's real GDP is projected to increase just 2.0% in 2020** as new factory orders continue to decline on weak global demand.
- It will take at least two to three years for most economies to return to their pre-COVID-19 levels of output. The collapse in economic activity and the extensive public support requisitioned to jumpstart growth will become a key source of financial market risk. Rising deficits and debt burdens are likely to restrain future growth rates once stimulus dissipates.



Global Autos Overview

-18%

global vehicle sales decline YoY under extended lockdown to 73.3m

-26%

US vehicle sales decline YoY to 12.6m units

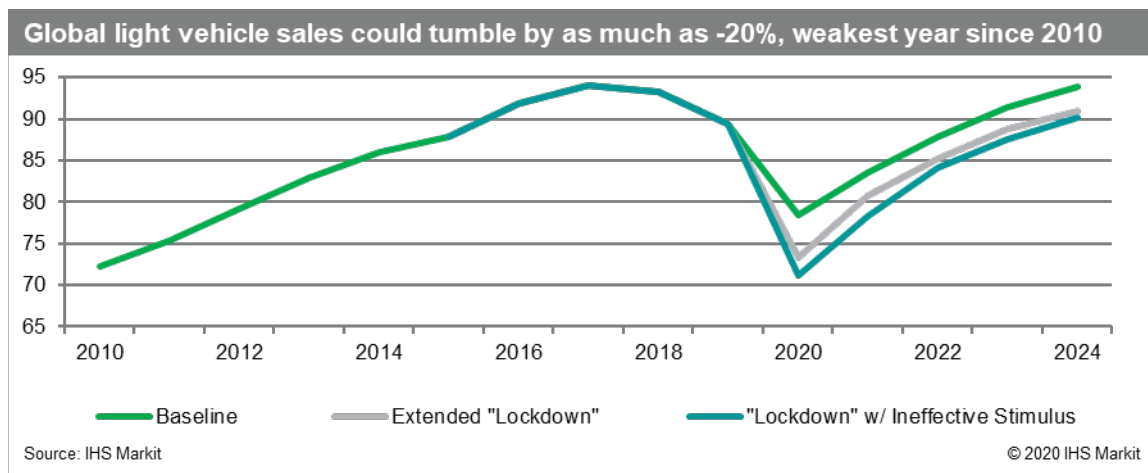
-17%

Europe vehicle sales decline YoY to 17.1m units

-14%

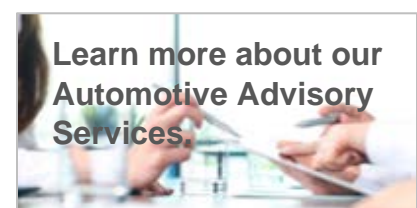
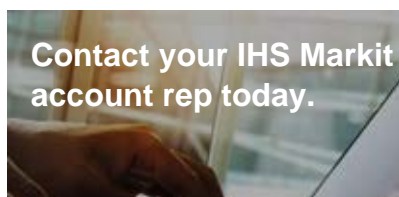
China vehicle sales decline YoY to 21.8m units

- The 40% chance of an **extended "lockdown"** **forecast** reflects immediate impacts of new containment measures that have been announced globally and expanded within countries already confronting the virus. A stronger economic response in 2021-2023 pushes global growth above 3% annually. **Global vehicle sales losses accelerate**, falling 18%, to 73.3m. Sales down 20.7m units from 2017 peak.
- The 15% probability of an extended "Lockdown" with ineffective stimulus scenario contains stringent virus-fighting efforts lasting into the third quarter of 2020. Stimulus measures prove ineffective at backstopping crisis and unemployment rates spiral. Recovery begins later and at a much slower rate than anticipated. Global vehicle sales collapse by more than 20% to 71.2m units. Sales down 22.8m units from 2017 peak.
- IHS Markit COVID-19 scenarios, published 6 April 2020, signal deeper market declines in 2020 than 26 March forecast release. Fiscal policy to aid auto recovery efforts in 2021-2022. April 17 e-file will reflect 40% probability numbers.



*Based on data received through April 7, 2020

Access more information and resources



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