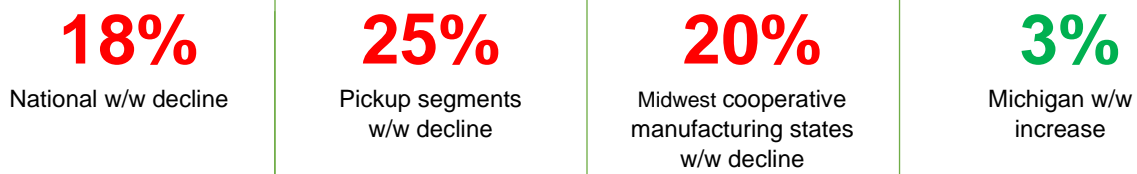
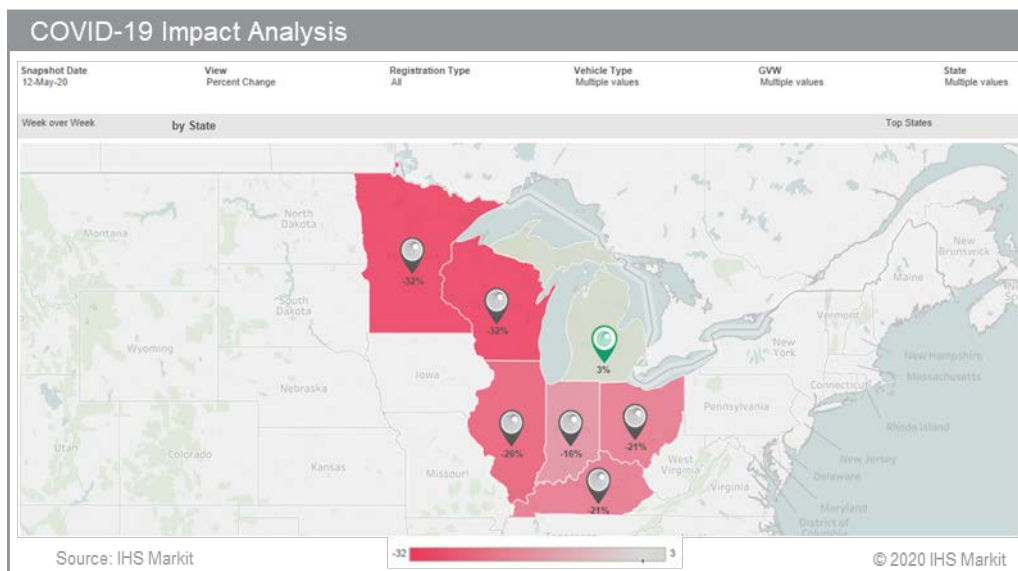


Automotive Rapid Response Report | COVID-19

US market rapid reporting



- **An 18% week-on-week (w/w) decrease in national registration volume coming off the April sales close**
 - A 25% w/w decline across all pickup segments, pickups were a considerable highlight in April with a positive year-on-year (y/y) trend in performance
 - April concluded with a 3% month-on-month (m/m) decline across pickup segments, resulting in a 1% y/y decline
 - Starting in May, several OEMs de-escalated finance incentives from 0% for 84 months to 0% for 72 months as inventory pressure dissolves
- **A 20% w/w decrease observed across the Midwest cooperative manufacturing states**
 - A 3% w/w increase in Michigan, momentum continues as manufacturing plans are solidify and employees are heading back to work
 - An 18% w/w decline in the high-volume non-luxury SUV/CUV segments, segments previously with strong weekly gains through April
- As manufacturers continue to work through their recovery plans and some new models are delayed, this will have an impact on vehicle showrooms—extending existing models and influencing incentives and marketing initiatives.



Global economic overview

\$4.6T

approx. in fiscal spending approved across 56 nations

16.4%

Australia GDP legislated to prevent layoffs, leading scale of efforts

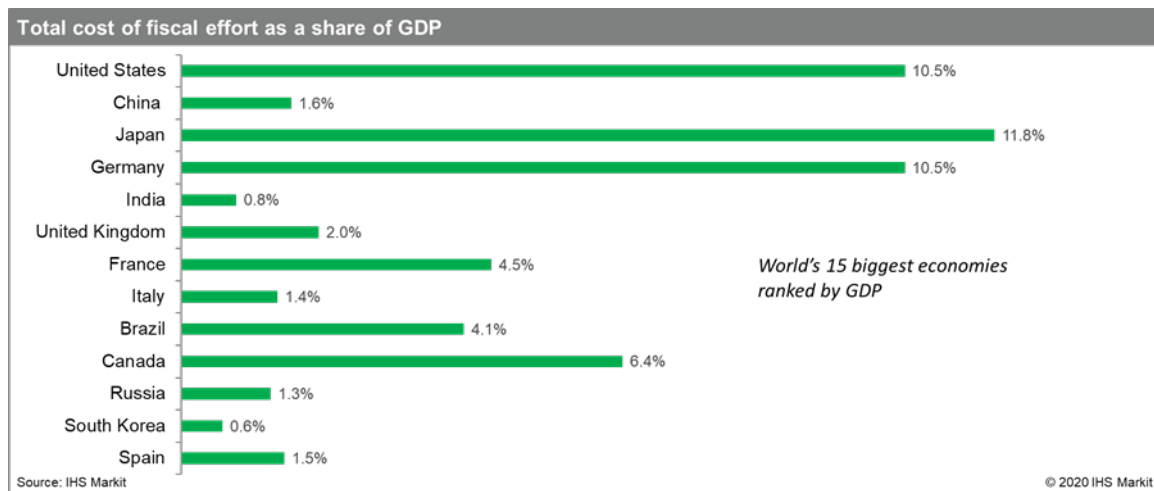
10.5%

US GDP or \$2.3T pledged, almost half of total global efforts

1.6%

China GDP pledged

- **Fifty-six nations have taken action to support their economies** in the wake of the coronavirus disease 2019 (COVID-19) pandemic. The IHS Markit COVID-19 Government Response tracker (released 6 May) summarizes the latest fiscal and monetary response to the crisis. So far, **over USD4.6 trillion in fiscal spending has been approved**. Policies designed to ease financial burdens include personal and business tax forbearance, payroll subsidies, expanded sick leave, self-employment support, business grants, and other income support measures including direct payments.
- The world's five largest economies have all pledged resources to fight the pandemic. The **United States has marshalled 10.5% of GDP or over USD2.3 trillion** to support the economy, representing almost half of total global efforts thus far. US efforts dwarf fiscal spending within the next four largest economies; China (1.6% of GDP), Japan (11.8% of GDP), Germany (10.5% of GDP), and India (0.8% of GDP).
- **Australia leads the world in terms of scale of effort to fight COVID-19**. Over 16.4% of GDP has been legislated to prevent layoffs by providing direct public financial assistance to companies without an obligation to repay for maintaining payrolls as well as increasing the generosity of its welfare system for those who have lost work.
- Additionally, all major central banks have enacted unprecedented monetary stimulus. The US Federal Reserve, European Central Bank, Bank of England, Bank of Japan, and the People's Bank of China have enacted interest rate cuts, boosted liquidity support and asset purchase programs, and announced easing of regulatory policies.



Global automotive overview

69.4M

baseline global LV sales forecast, lowest since 2010

72.5M

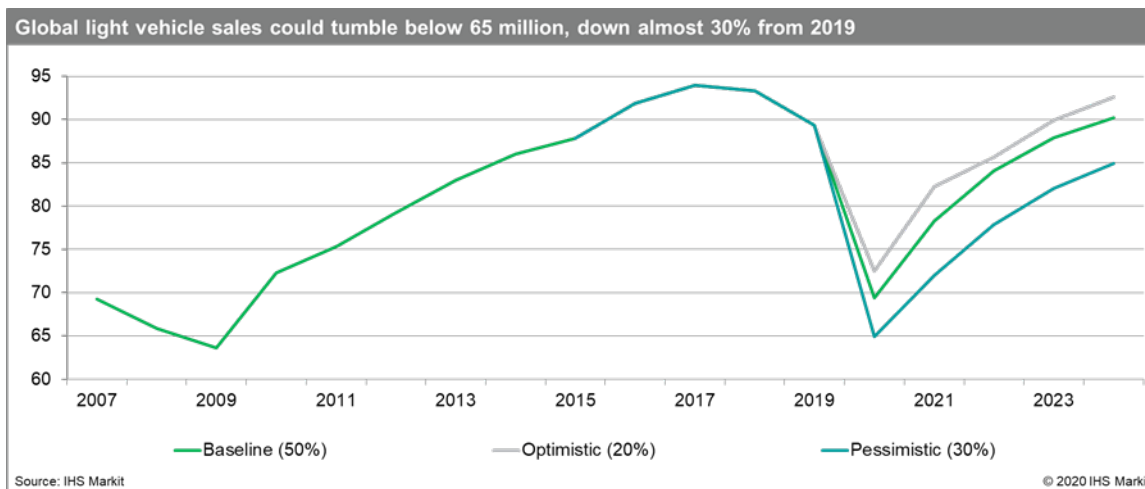
optimistic global LV sales scenario reflecting broader V-shaped recovery

64.9M

pessimistic global LV sales scenario with stringent virus-fighting efforts into third quarter

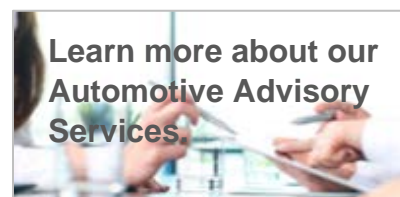
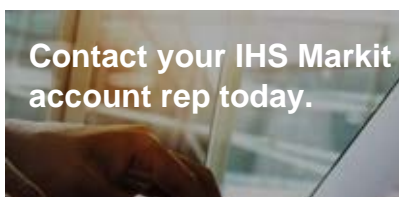
IHS Markit Contingency Forecasts assess vehicle sales under alternative market conditions providing high- and low-band sensitivity forecast scenarios for key drivers of the global automotive industry. Our COVID-19 scenarios take into consideration the immediate impacts of containment measures, stimulus policies, unemployment, and more.

- IHS Markit COVID-19 scenarios, published 28 April 2020, signal deeper market declines in 2020 than the 6 April 2020 forecast release. Fiscal policy will aid auto recovery efforts in 2021–22. Globally, our baseline sales forecast anticipates the **light vehicle market to decline 22% in 2020 to 69.4 million units**, the lowest since 2010.
- The 20% probability of a more **optimistic forecast reflects a broader V-shaped recovery** globally as stimulus measures are expanded to include light vehicle scrapping programs. Additionally, measures to gradually reopen shuttered economies are successful and not interrupted by a return of the virus. Global vehicle sales pare losses, **falling only 19% to 72.5 million. Sales down 21.4 million units from the 2017 peak.** (United States down 23% in 2020 to 13.2 million units, Europe down 22% to 16 million, and China down 10% to 22.8 million)
- There is a 30% probability of an **extended pessimistic scenario contains stringent virus-fighting efforts lasting into the third quarter** of 2020 as markets in northern hemisphere see renewed COVID-19 cases. 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 27% to 64.9 million units.** Sales down 29.1 million units from 2017 peak. (United States down 34% in 2020 to 11.3 million units, Europe down 29% to 14.6 million, and China down 22% to 19.7 million).



*Based on data received through 12 May 2020.

Access more information and resources



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