

Automotive Rapid Response Report | COVID-19

## CA Market Rapid Reporting

**18% QC**

w/w increase

**12% ON**

w/w decline

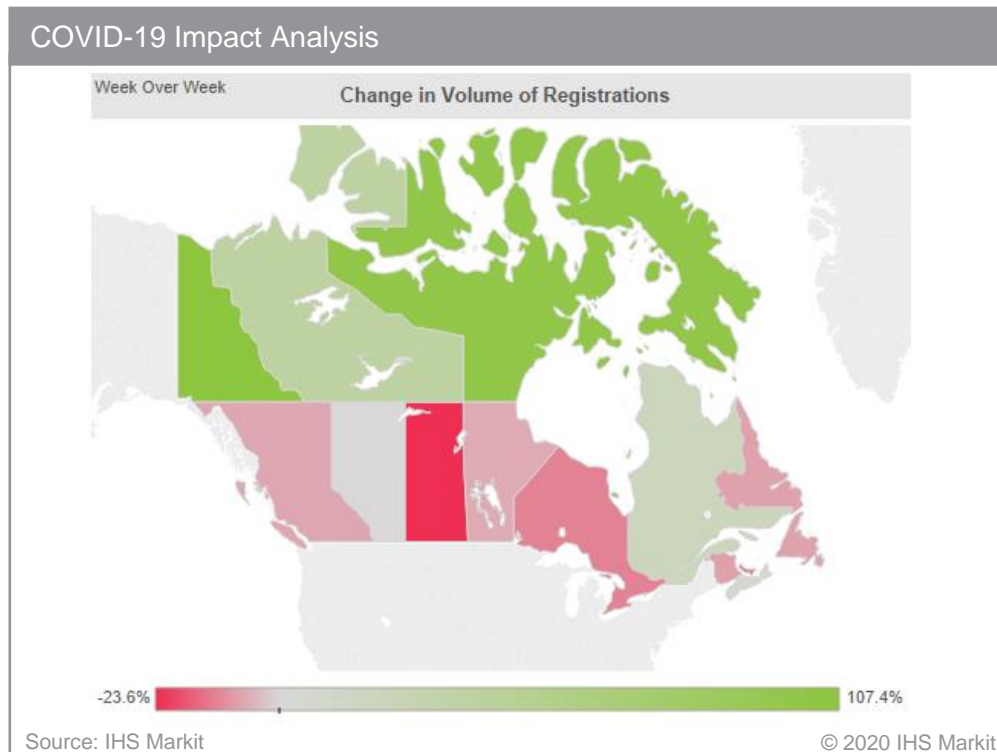
**7% BC**

w/w decline

**6% ATL**

w/w decline

- A **3% decrease week-on-week (w/w) in national registration volume**, representing a volume decline of 1,000 units
  - Positive w/w performance in Full Size (up 50%), Luxury Sport (up 9%) and Small Sporty (up 6%)
- A **18% w/w improvement in Quebec**, with a 1,700 unit improvement led by Pickup (36% w/w)
  - Pickup improvements were led by Ford F150 increased 47% w/w, Ram 1500 Classic 36% w/w improvement and Ram 1500 33% w/w improvement and
- A **12% w/w decline in Ontario**, almost 2,000 unit decrease from prior week
  - In line with the Nation, the bright spots in w/w performance in Full Size (up 150%), Luxury Sport (up 20%) and Small Sporty (up 5%)
- As we look further into COVID-19's impact on the industry, key findings will be shared in our upcoming [Automotive COVID-19 Recovery Series](#)



## Global economic overview

# 47.7

Global Composite Index up by a record 11.4 points

# 47.8

Canadian PMI up from 40.2 in May

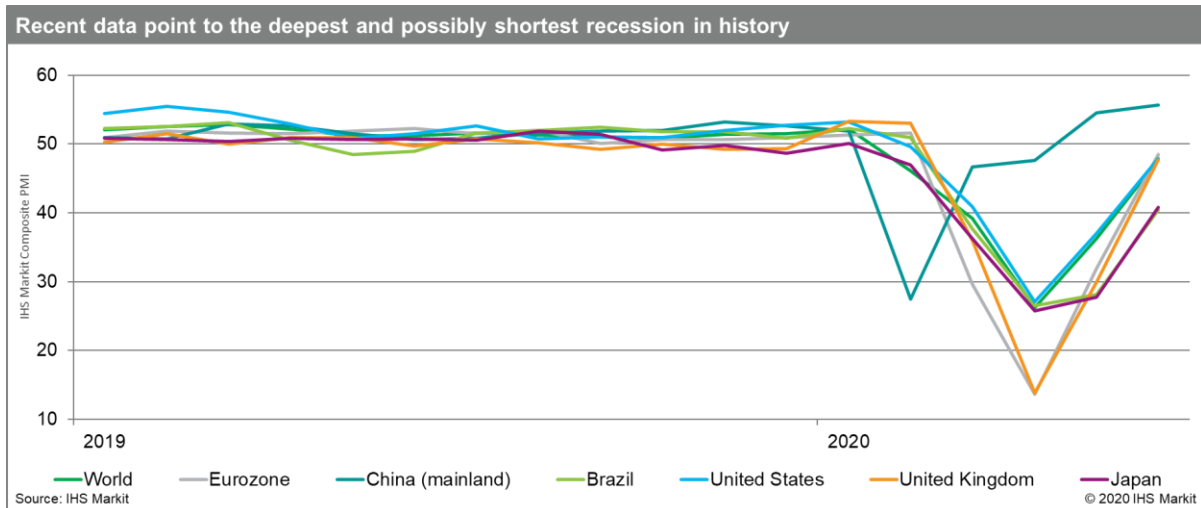
# 46.8

U.S. PMI up from 37.0 in May

# 55.7

China Output Index expands at quickest rate since November 2010

- IHS Markit Purchasing Managers' Index® (PMI®) data show global economy moving closer to stabilization in June as rates of contraction eased in manufacturing and service sectors. **The Global Composite Index posted a 47.7 in June, up by a record 11.4 points** from 36.3 in May, as the spread of COVID-19 eased across much of the world and businesses began the process of re-opening.
- Canada's manufacturing purchasing managers' index (PMI) solidly jumped for the second consecutive month, up 7.2 points to 47.8 in June**, which indicated a mild but continued downturn in manufacturing business conditions. Manufacturers were struggling with high levels of uncertainty regarding customer demand outlook that weigh heavily on manufacturers' rehiring decision. While manufacturers noted that both domestic and abroad customers were reluctant to commit to new spending, low demand was specifically severe in the international market as the declining pace of new export orders was faster than that of total new orders.
- US Composite PMI® Output Index posted 46.8 in June**, up from 37.0 in May, indicating that the rate of contraction slowed further from April's record low. Companies expressed optimism towards the outlook for output over the coming year for the first time since March.
- Eurozone PMI® rebounded for a second successive month, rising to 48.5, up nearly 17 points since May's 31.9 reading. Country level data for June showed that all countries enjoyed their best Composite PMI® readings since February. **Across the eurozone, PMI® has risen to a level indicative of GDP contracting at a quarterly rate of just 0.2% in the second quarter.**
- Chinese business activity expands at quickest rate since November 2010 as the Composite Output Index rose from 54.5 in May to 55.7 in June**, signaling a sharp and accelerated increase in overall business activity. Sales rose sharply across the service sector, while manufacturers noted the first increase in total orders since January.



## Canada automotive overview

**49%**

decline in aggregate  
fleet registrations YTD  
through May

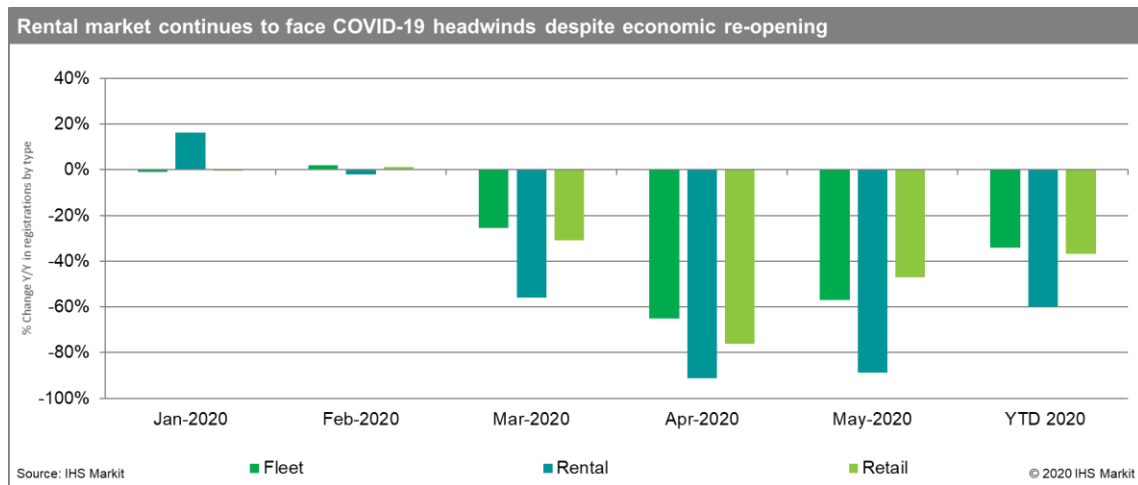
**90%**

decrease in rental  
registrations in April &  
May

**37%**

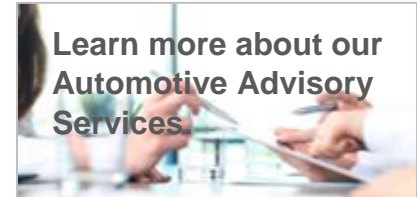
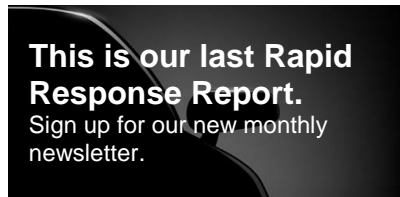
decline in retail  
registrations YTD through  
May

- IHS Markit new registration data through 31 May 2020 highlight the extreme burden the pandemic is having on Canada fleet market. Aggregate light vehicle (Class 1-3) **fleet registrations (including fleet and rental categories) are down 49% YTD through May**. The daily rental market plunged a collective 90% in the April-May period.
- Rental orders did begin the year, up over 16% in January 2020, but have certainly declined beginning in March. Daily rental sales will continue to be pressured until travel metrics show sustained levels of recovery, an outlook hampered by the various travel bans still implemented
- On average, aggregate fleet volume represented about 20% of the Canada market with volumes averaging 390,000 units from 2018-2019.



Total Registrations Jan-May 2020

## Access more information and resources



Disclaimer: No portion of this report may be reproduced, reused, or otherwise distributed in any form without prior written consent, with the exception of any internal client distribution as may be permitted in the license agreement between client and IHS Markit. Content reproduced or redistributed with IHS Markit permission must display IHS legal notices and attributions of authorship. The information contained herein is from sources considered reliable but its accuracy and completeness are not warranted, nor are the opinions and analyses which are based upon it, and to the extent permitted by law, IHS shall not be liable for any errors or omissions or any loss damage or expense incurred by reliance on information in or any statement contained herein.

Copyright © 2020 IHS Markit. All Rights Reserved