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Auto Physical Damage

Motor Vehicle Markets: Q2 2017

October 7, 2017
3 MIN READ

New Vehicle Sales

WardsAuto 10 Best-Selling U.S. Cars and Trucks

As of July 2017

Source: WardsAuto InfoBank

WardsAuto U.S. Light Vehicle Sales by Company

July 2017

Light vehicles are cars and light trucks (GVW Classes 1-3, under 14,001 lbs.). DSR is daily sales rate. Tesla Motors monthly sales estimated. Source: WardsAuto InfoBank

Current Used Vehicle Market Conditions

June 2017 Kontos Kommentary

The following commentary is produced monthly by Tom Kontos, Executive Vice-President, ADESA Analytical Services. ADESA is a leading provider of wholesale used vehicle auctions and ancillary remarketing services. As part of the KAR Auction Services family, ADESA works in collaboration with its sister company, Insurance Auto Auctions, a leading salvage auto auction company, to provide insights, trends and highlights of the entire automotive auction industry.

Wholesale Used Vehicle Price Trends

Average Prices / Latest Month Versus

Source: ADESA Analytical Services. May data revised.

Summary

Average wholesale prices in June were down versus May but up on a year-over-year basis. However, drilling down into the data once again clearly reveals price softening on a year-over-year basis when accounting for sale type, vehicle age, model class and mileage.

Details

According to ADESA Analytical Services' monthly analysis of Wholesale Used Vehicle Prices by Vehicle Model Class, wholesale used vehicle prices in June averaged $11,067 -- down 0.7% compared to May and up 4.7% relative to June 2016. Compact and fullsize pickup trucks and minivans showed significant average price gains for the month, while most other model classes registered month-over-month declines or modest increases. (Note: the year-over-year growth in minivan prices is exaggerated by newer models as discussed in January's report.) Average wholesale prices for used vehicles remarketed by manufacturers were down 1.0% month-over-month and down 1.9% year-over-year. Prices for fleet/lease consignors were down 1.1% sequentially and up 3.2% annually. Average prices for dealer consignors were up 0.9% versus May and up 7.7% relative to June 2016. Price softening continues to be evident when holding constant for sale type, model-year age, mileage, and model class segment:

Lease Sales

As the table shows, average prices for both of these two bellwether car and truck segments were down by about four percent year-over-year, reflecting growth in off-lease supply. June CPO sales were down 6.6% month-over-month and 0.8% year-over-year according to figures from Autodata, but remain up 1.2% on a year-to-date basis.

[1] The analysis is based on over seven million annual sales transactions from over 150 of the largest U.S. wholesale auto auctions, including those of ADESA as well as other auction companies. ADESA Analytical Services segregates these transactions to study trends by vehicle model class, sale type, model year, etc.The views and analysis provided herein relate to the vehicle remarketing industry as a whole and may not relate directly to KAR Auction Services, Inc. The views and analysis are not the views of KAR Auction Services, its management or its subsidiaries; and their accuracy is not warranted. The statements contained in this report and statements that the company may make orally in connection with this report that are not historical facts are forward-looking statements. Words such as "should," "may," "will," "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "bode", "promises", "likely to" and similar expressions identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by the forward-looking statements. Factors that could cause or contribute to such dfferences include those matters disclosed in the company's Securities and Exchange Commission filings. The company does not undertake any obligation to update any forward-looking statements.



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