READING THE METER

A look inside a cleaner, safer, smarter auto industry.

ALLIANCE FOR AUTOMOTIVE INNOVATION

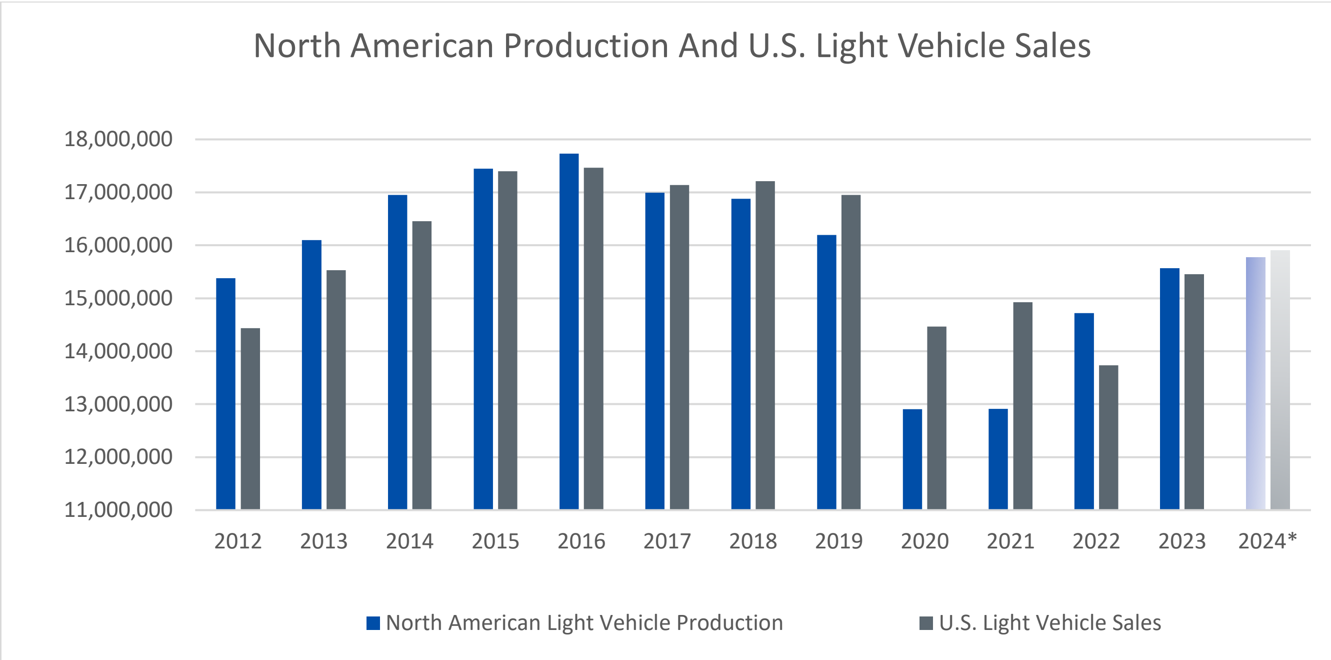
Contents – September 9, 2024

ALLIANCE FOR AUTOMOTIVE INNOVATION
Cleaner. Safer. Smarter.

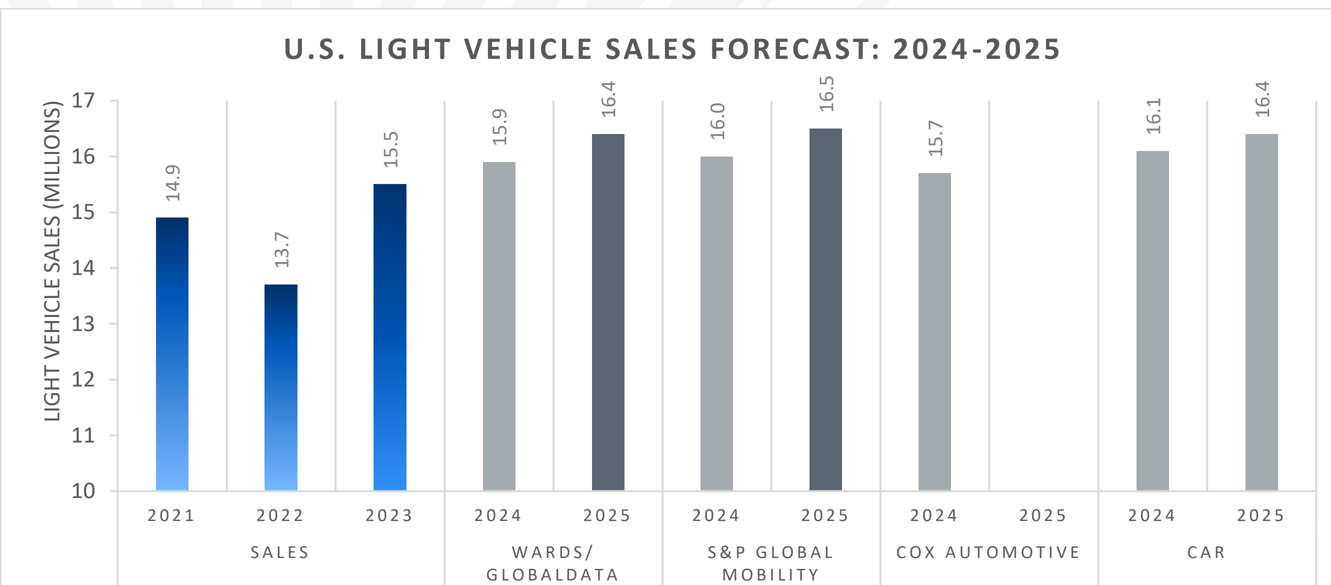
Forecast Meter

Sales & Production Summary and Forecast (Updated 9/9)

2023-2024 Sales,[1] Extended Sales Forecast[2] and Production Forecasts[3]		
	U.S. Sales & Forecasts	**North American Production**
January '23	1,033,002 (+4.2% YoY)	1,195,548 (+12.9% YoY)
February '23	1,136,332 (+8.7% YoY)	1,257,482 (+15% YoY)
March '23	1,365,966 (+8.6% YoY)	1,442,991 (+6.7% YoY)
April '23	1,347,159 (+13.1% YoY)	1,281,626 (+8.6% YoY)
May '23	1,362,019 (+18.0% YoY)	1,462,273 (+25.5% YoY)
June '23	1,370,976 (+19.9% YoY)	1,387,090 (+13.8% YoY)
July '23	1,299,199 (+19.9% YoY)	1,173,342 (+15.6 YoY)
August '23	1,328,526 (+12.8% YoY)	1,467,284 (+4.5% YoY)
September '23	1,331,952 (+13.9% YoY)	1,353,072 (+7.6% YoY)
October '23	1,200,286 (+5.7% YoY)	1,388,720 (+4.5% YoY)
November '23	1,218,647 (+7.3% YoY)	1,372,253 (+8.1 YoY)
December '23	1,433,266 (+17.3 YoY)	1,082,176 (-2.3% YoY)
January '24	1,076,047 (-1.3% YoY)	1,327,765 (+7.8% YoY)
February '24	1,247,516 (+5.2% YoY)	1,358,836 (+10% YoY)
March '24	1,438,012 (+4.6% YoY)	1,414,502 (-5.7% YoY)
April '24	1,313,512 (+0.6% YoY)	1,473,567 (+15.9% YoY)
May '24	1,429,028 (+0.8% YoY)	1,485,373 (-1.7% YoY)
June '24	1,321,932 (-3.4% YoY)	1,346,584 (-6.1% YoY)
July '24	1,273,115 (-2.0% YoY)	1,117,833 (-4.4% YoY)
August '24	1,419,245 (+3.8% YoY)	
2023 Full Year	15,457,447 (+12.4% YoY)	16,144,461 (+9.3% YoY) (U.S. 10,611,580)
2024 Estimate	15.9 M	15.77 (U.S. 10.8M)



U.S. Light Vehicle Sales Outlook (Updated 9/9)



Wards Intelligence Outlook (8/22)[4]: "The slower-than-expected growth in sales so far this year has led Wards Intelligence partner GlobalData to downwardly revise its sales forecast for 2024 to 15.9 million units from 16.1 million. Furthermore, the outlook for 2025 has been lowered to 16.4 million from 16.5 million.

"Coming out of the volatility of the past four-plus years, several automakers appear serious about sticking to a strategy of running with leaner inventory than in the past. Even though sales are growing, and inventory remains historically low, there already have been production slowdowns aimed at keeping inventory from getting too excessive – production declined year-over-year in the three months through July, and August's results are expected to be flat.

"Sales in Q3 are forecast to total 3.9 million units, down 1.6% from Q3-2023. Despite August's increase in raw volume of 7.6% from the year-ago month, September's selling period includes just 23 selling days, well below the typical 25 - sometimes 26. Thus, even though the daily selling rate is expected to rise, raw volume will drop dramatically from the year-ago period. (In fact, the entire quarter has two fewer selling days than the year-ago period.)

"Fourth-quarter sales – with two more selling days than the year-ago period – are forecast to rise 8% year-over-year to 4.2 million units."

North American Production & Inventory Outlook (Updated 9/9)

Wards Intelligence Production Outlook (9/9)[5]: "Production for entire-2024 is forecast to total 15.77 million units, up just 1.1% from 2023, a marked slowdown from 2023's 9.6% gain."

Wards Intelligence Inventory Outlook (9/9)[6]: "Despite the production cutbacks, inventory is forecast to generally continue an upward trend. Wards Intelligence/GlobalData expects Sept. 30 inventory to increase 7.5% from August to 2.9 million units, which, if holds firm, would be 41% above same-month 2023."

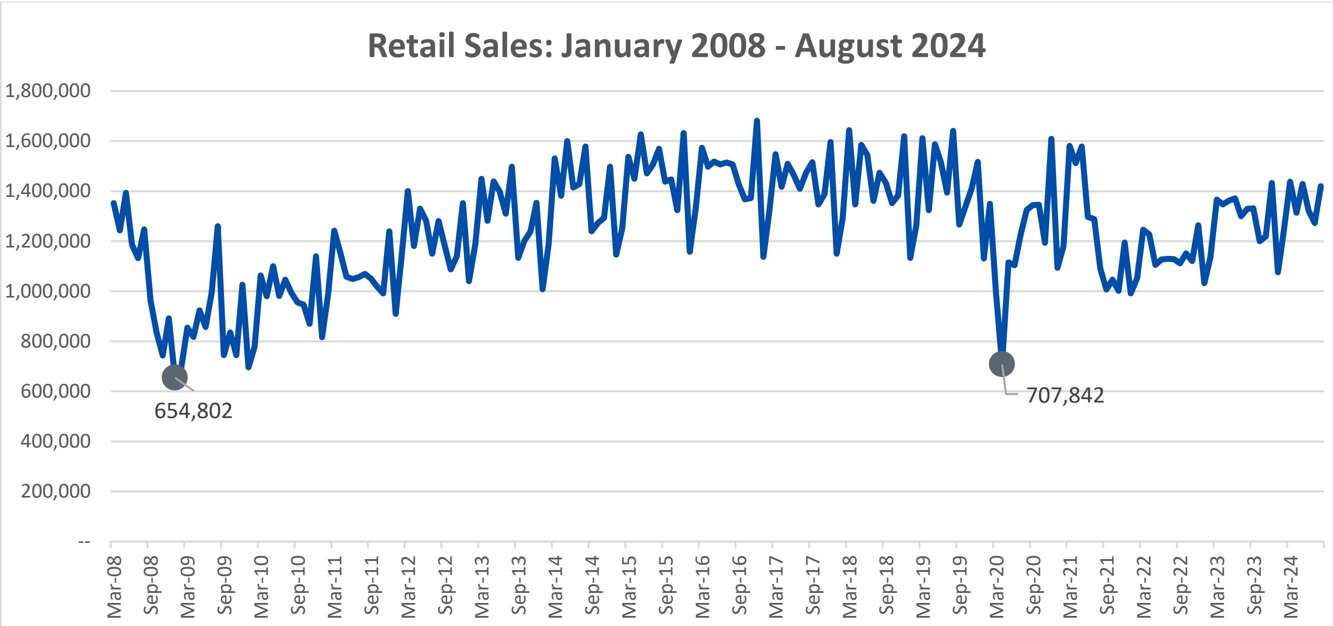
S&P Global Mobility Outlook (8/22)[7]: "The outlook for North America light vehicle production was reduced by 173,000 units and by 102,000 units for 2024 and 2025, respectively (and reduced by 85,000 units for 2026). The outlook for North American production was revised down rather sharply to 15.6 million units on further inventory related reductions targeting the Detroit 3 automakers and production related issues, most notably at Toyota. Production at Toyota's Princetown West plant for the Toyota Grand Highlander and Lexus TX remains idled as it works with suppliers for a fix related to a recent airbag recall. Production was initially expected to resume in early August, but downtime was extended until late October resulting in the loss of an additional 51,000 units, representing 29% of the total reduction for the year. The outlook for Tesla continues to sour with generalized demand concerns for Tesla vehicles with the Cybertruck now forecast to be relegated to niche status within the lineup. Further out in 2026, production of the all-new entry level C-CUV EV is likely to slip into 2027 resulting in a proactive reduction in this forecast release. Regional production in 2025 was revised down 0.6% to total 15.84 million units as the inventory correction process is expected to continue into early 2025. Production in 2026 was revised down 0.5% to total 16.40 million units."

Market Meter

U.S. Light Vehicle Sales (Updated 9/9)

Monthly Sales (Updated 9/9)

This chart helps to put into context the monthly retail sales due to the COVID pandemic and showing the relative drop in sales compared to the 2008 financial crisis.



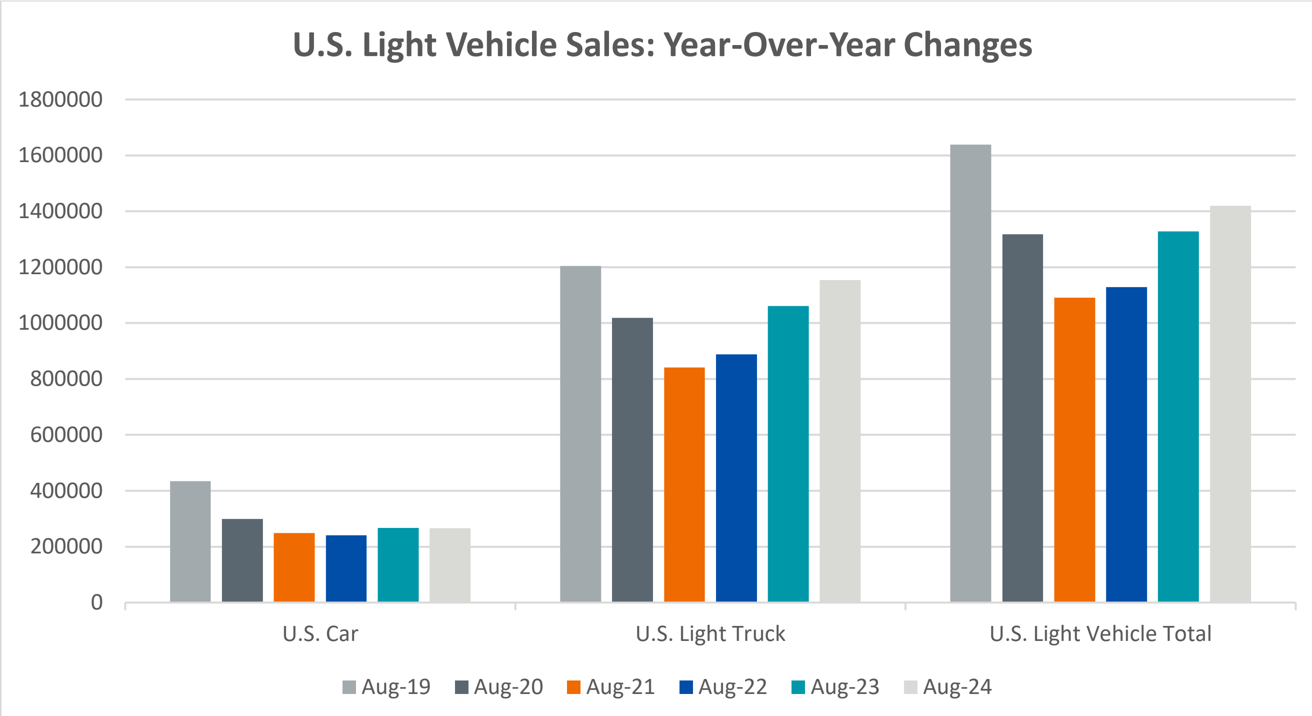
August Sales (Updated 9/9)

WardsIntelligence[8]: "U.S. light-vehicle sales finished August above expectations, with volume showing tepid growth but with the seasonally adjusted annual rate still at a long-time low.

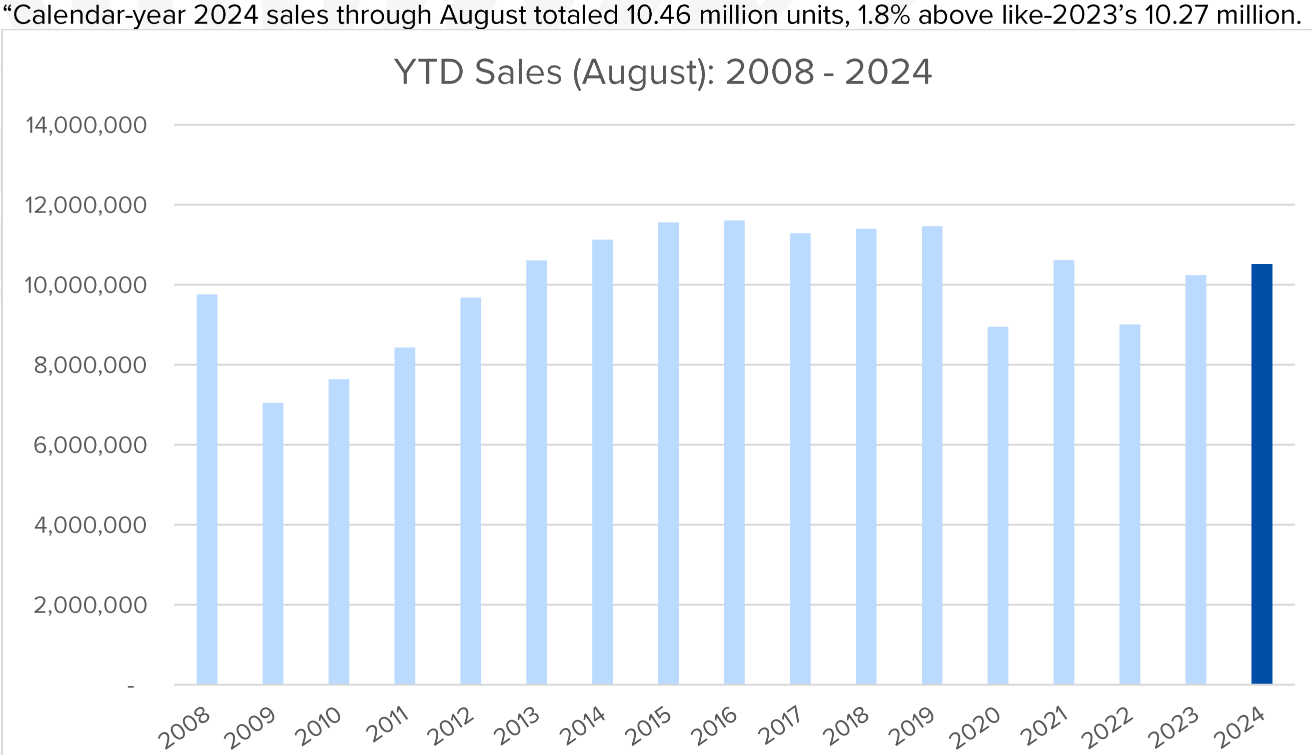
Although higher than expected, August's 15.1-million-unit SAAR was the lowest for any month since January's 14.9 million units and slightly below like-2023's 15.3 million. It also was the third straight year-over-year decline.

However, raw volume, as well as the daily selling rate, were above the year-ago month in August for the first time since May. Deliveries totaled 1.42 million units, up 7.6% from August 2023. The DSR was 50,670 over the month's 28 selling days, up 3.8% from like-2023's 48,837 – 27 selling days.

Based on daily selling rates, retail volume increased 9.7% year-over-year in August, while fleet deliveries fell 23.5%."



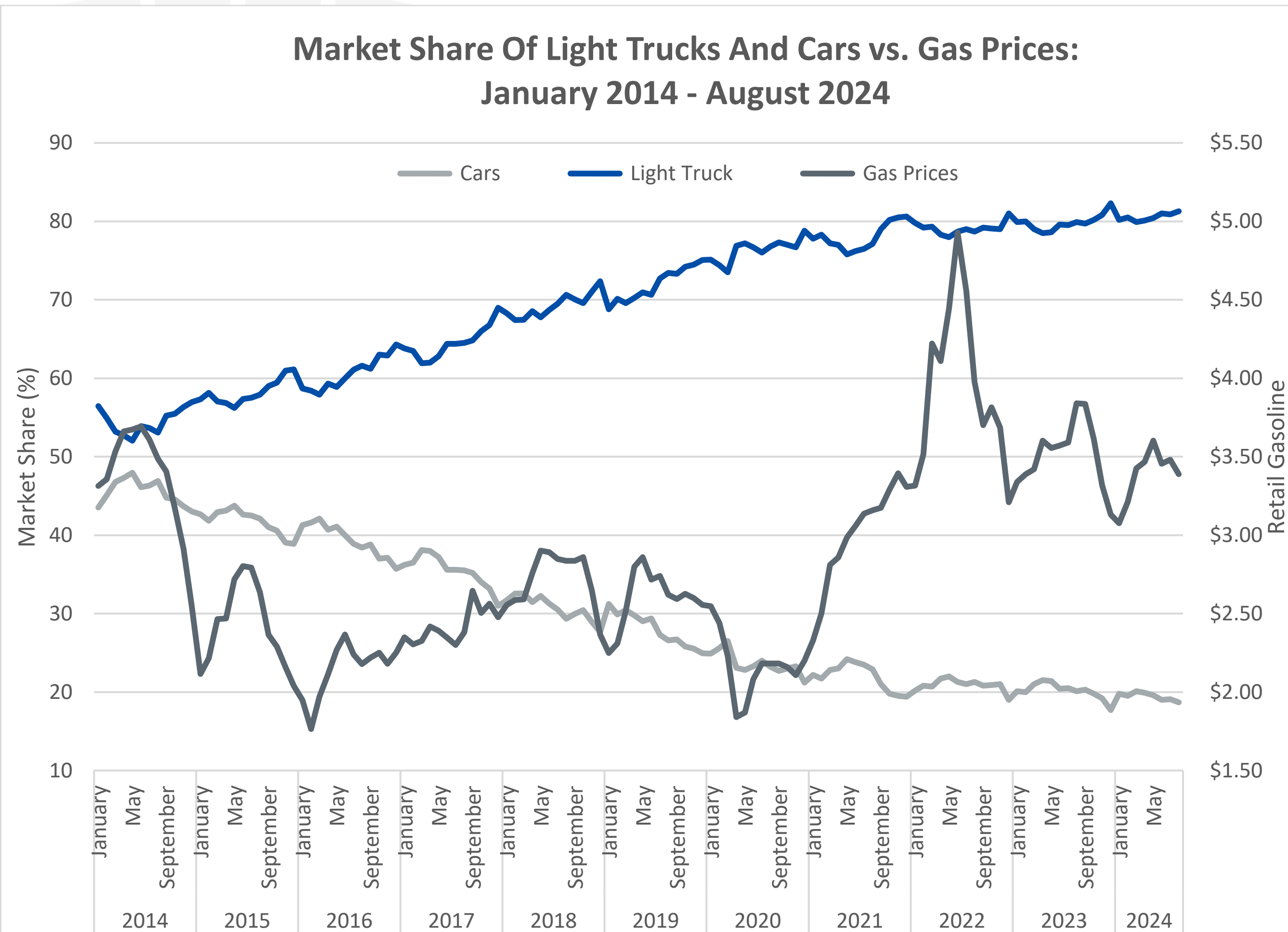
"Calendar-year 2024 sales through August totaled 10.46 million units, 1.8% above like-2023's 10.27 million.



Segments vs. Gas Prices (Updated 9/9)

Monthly Sales For August: Light trucks accounted for 81 percent of sales in August, up slightly from the market share a year ago. Compared to the same period in 2023, sales of cars are down by 1,627 units, and down more than 168,000 from August 2019, when cars comprised 26% of the market as opposed to the 19 percent of the market passenger cars have now.

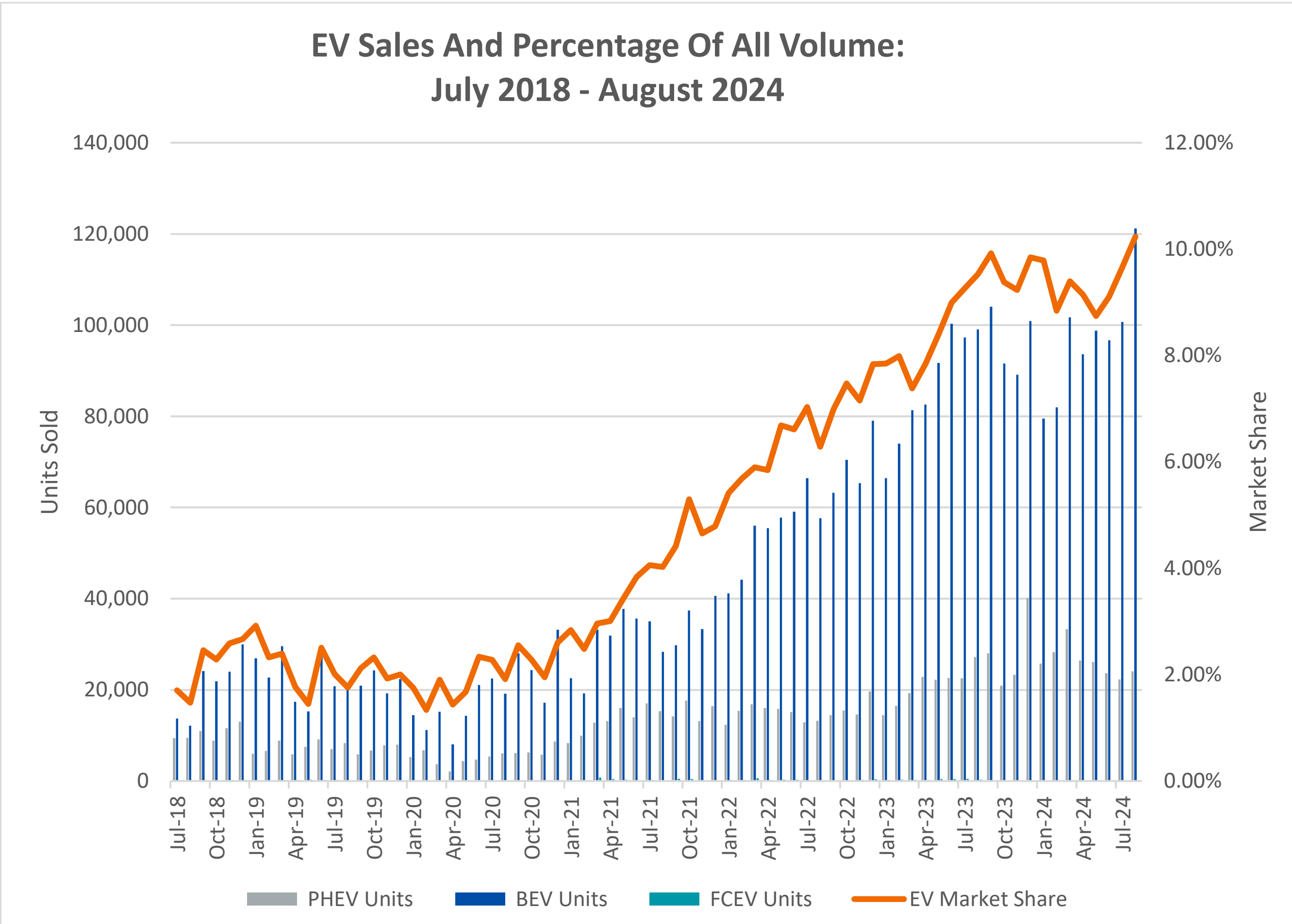
Historic Perspective: The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments[9] and gas was over $3.00[10] a gallon. As fuel prices dropped below the $3.00 mark in mid-September 2014, light truck sales began to take off. Gas prices since have averaged only $2.92 a gallon (through July 2024) and when combined with increased fuel economy for light trucks, an increase of 4 mpg since 2013, the perfect conditions existed to continue fueling light truck market growth[11]



EV Powertrain Sales (Updated 9/9)

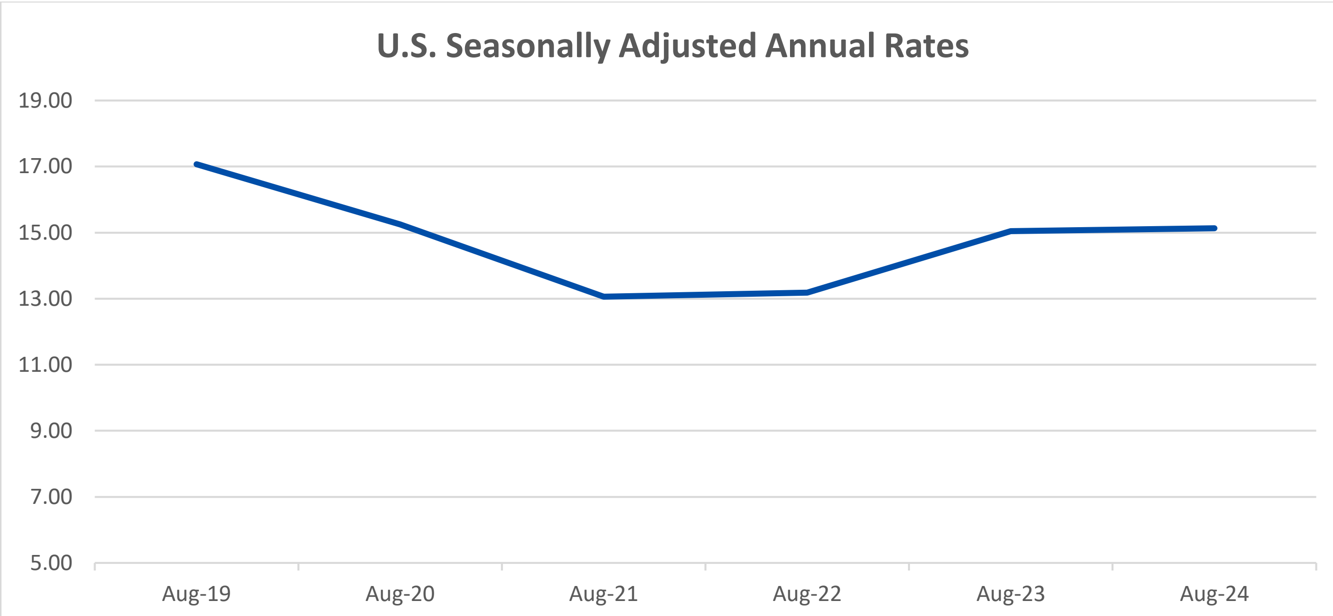
Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 10.2 percent of total vehicle sales in August 2024 (145,252), per Wards estimates. Market share increased 0.57 percentage points (pp) from

July 2024. August's EV market share is up 0.7 pp from a year ago. Sales of battery electric vehicles led the way for EVs, accounting for 8.5 percent of total sales, up 1.1 pp from August 2023. Plug-in hybrids accounted for 1.7 percent, down 1.35 pp from the same time last year.[12]



Seasonally Adjusted Annual Rates (Updated 9/9)

WardsIntelligence[13]: "August's 15.1-million-unit SAAR was the lowest for any month since January's 14.9 million units and slightly below like-2023's 15.3 million. It also was the third straight year-over-year decline."



Average Transaction Price (Updated 9/9)

J.D. Power (Updated 9/9)[14]: "The average new-vehicle retail transaction price is declining from a year ago due to higher manufacturer incentives, larger retailer discounts and rising availability of lower-priced vehicles. Transaction prices are trending towards $44,039—down $1,895 or 4.1%—from August 2023."

Kelley Blue Book (July) (Updated 8/22)[15]: "New-vehicle prices were lower year over year for the 10th consecutive month in July. Higher inventory levels and higher incentives have shifted the U.S. auto market to favor buyers, but high loan rates and tight credit conditions continue to hold industry sales below potential.

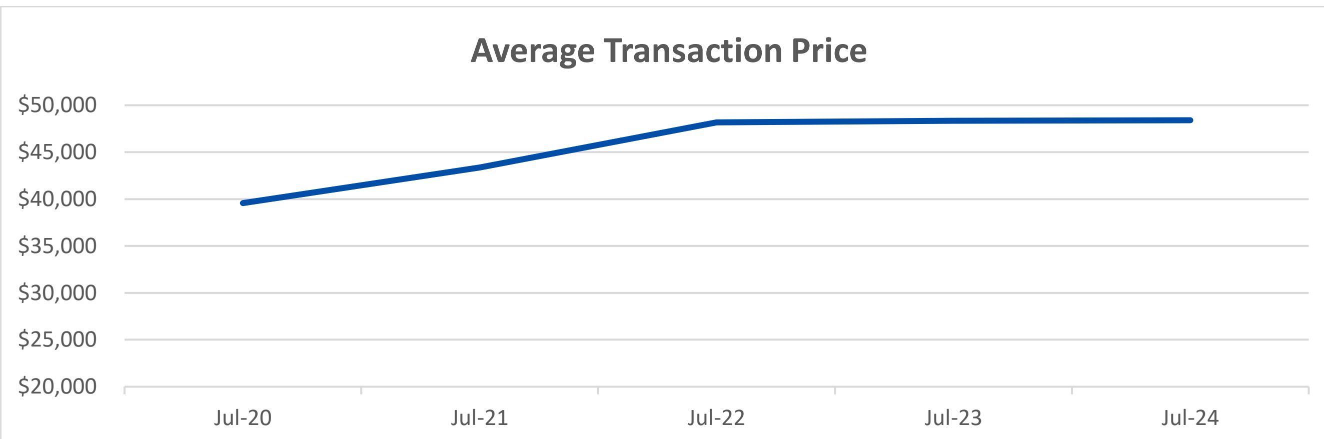
"In July, according to data released today by Kelley Blue Book, the average transaction price (ATP) for a new vehicle in the U.S. was $48,401. New-vehicle prices in July were mostly unchanged from the revised-lower June ATP of $48,424 (lower by $23) and last year ($106). According to Kelley Blue Book, new-vehicle ATPs were lower in July by 3.1% from the peak in December 2022 at $49,929.

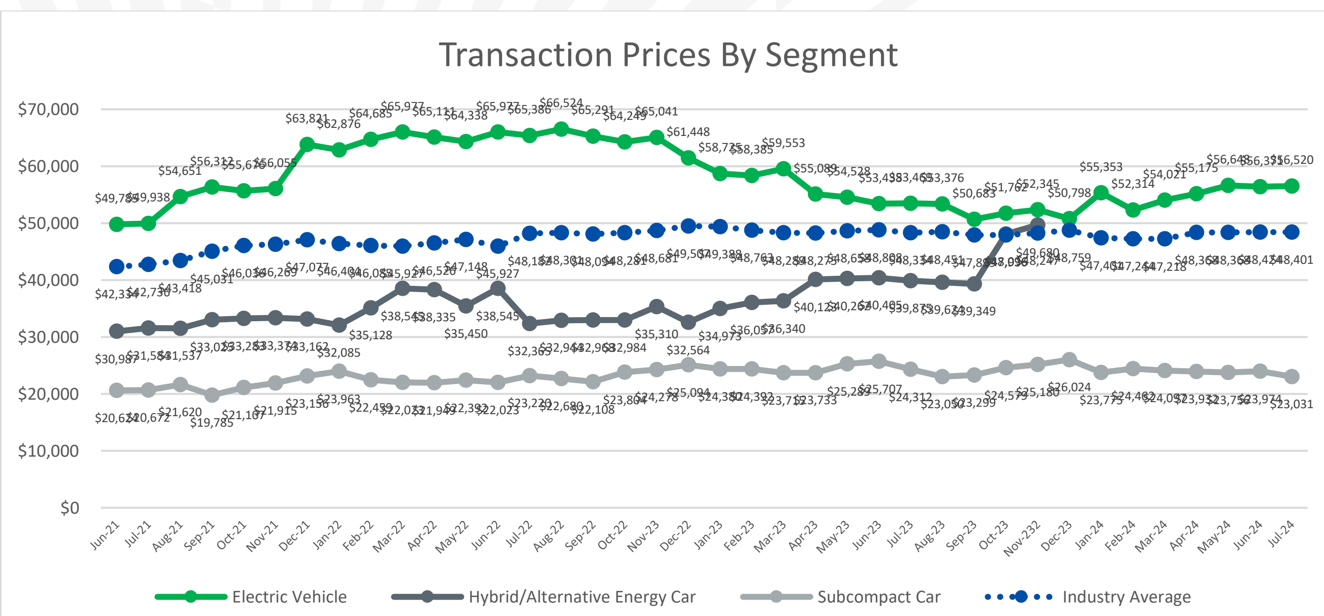
"Healthy inventory levels – 2.91 million vehicles at the start of July, higher by 52% year over year, according to Cox Automotive's vAuto Live Market View – continue to keep downward pressure on vehicle prices. But stubbornly high auto loan rates, which make monthly payments higher, are leading many consumers to stay on the sidelines or hunt for affordable options. Only one new vehicle in July posted an ATP below $20,000, the Mitsubishi Mirage, which will be discontinued at the end of the year.

"Average incentives in July rose to 7.0% of the average transaction price – $3,383 – up from 6.4% in June and the most generous level seen in 2024. Incentives are now higher by 59.1% compared to one year ago, when the average incentive package was 4.4% of ATP in July 2023. New-vehicle incentives in July were at the highest point in more than three years.

"The average transaction price for an EV in July, at $56,520, was higher than in June but lower year over year by 1.5%. The average incentive package offered with a new EV in July was over 12% of the transaction price, the highest level in more than three years and roughly twice the level seen in July 2023 when typical incentive packages were equal to 6.0% of ATP. EV incentives in July were 73% higher than the industry average.

Average transaction prices at Tesla continue to move higher after dropping to near the industry average in December 2023. In July, Tesla ATPs were $59,593, up 11% from one year ago and at the highest point since February 2023. Success of the popular new Cybertruck is likely pulling Tesla prices higher, although the volume products, the Model 3 and Model Y, have seen prices rise consistently through the year. In July, the ATP for the Model Y was $52,055, up 5% from January, while the Model 3 was $53,878, up a remarkable 30% from January when Model 3 ATPs were $41,531. The Model Y and the Model 3 are the top-selling EVs in the U.S. market."



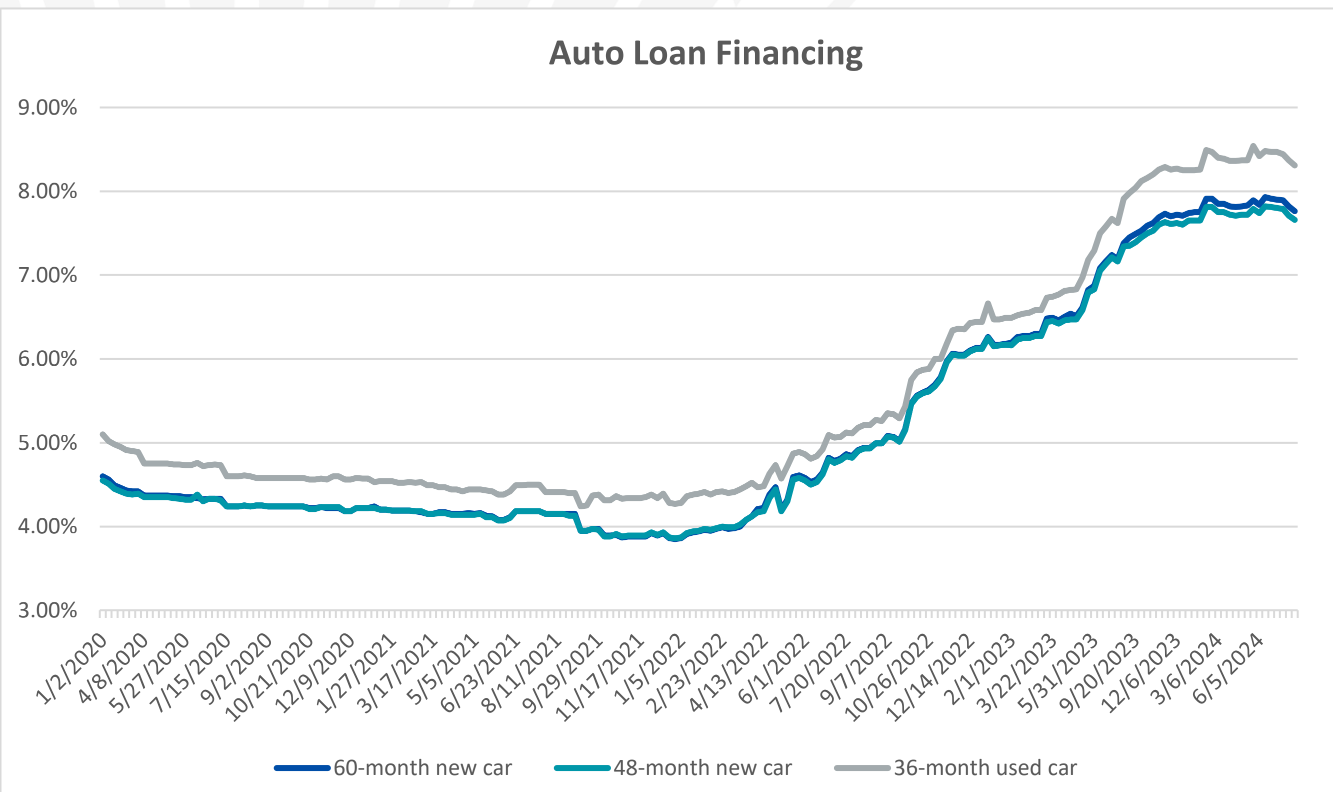


Auto Loan Financing (Updated 9/9)

Interest Rates (updated 9/9): Interest rates dipped slightly on the 60-month, 48-month and the 36-month used car loans over the past two weeks. Rates now stand at 7.76%, 7.66%, and 8.31%, respectively. Since the beginning of 2020, 60-month rates are up 3.16 pp, and are up 0.38 pp since the same time a year ago.[16]

JD Power (9/9)[17]: "Average monthly finance payments this month are on pace to be $729, up $4 from August 2023. The average interest rate for new-vehicle loans is expected to be 6.87%, down 36 basis points from a year ago.

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
8/16/2023	7.38%	7.34%	7.91%
8/14/2024	7.82%	7.71%	8.37%
8/28/2024	7.76%	7.66%	8.31%
Two Week Change	-0.06%	-0.05%	-0.06%
Change since 1/3/20	3.16%	3.11%	3.21%
One Year Change	0.38%	0.32%	0.40%

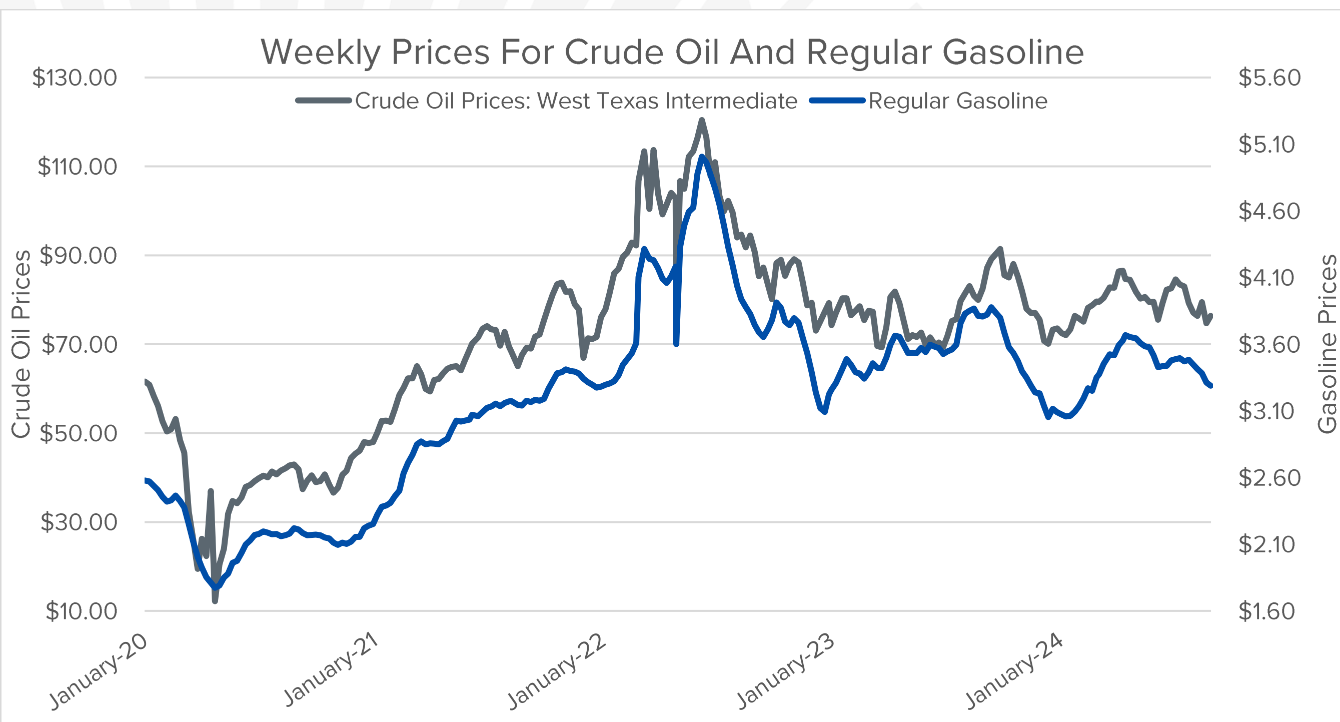


Crude Oil and Gas Prices (Updated 9/9)

Gas And Oil Remain Elevated (9/9): Oil prices, as benchmarked at West Texas Intermediate were $76.36, up $1.68 from the prior week. Since election day 2020, oil prices are $40 a barrel higher. Gas is down slightly from a week ago at $3.29. Gas is 28% higher than the beginning of 2020 and has not been below $3 a gallon since May 2021.[18]

EIA Outlook For Oil (8/7):[19] "Crude oil prices. Although crude oil prices have fallen recently, we continue to expect crude oil prices will rise in the second half of 2024 (2H24). The Brent crude oil spot price ended July at $81 per barrel (b), compared with an average for the month of $85/b. We expect the Brent price will return to between $85/b and $90/b by the end of the year. Rising crude oil prices in our forecast are the result of falling global oil inventories. We estimate global oil inventories decreased by 0.4 million barrels per day (b/d) in 1H24 and will fall by 0.8 million b/d in 2H24. Inventory withdrawals stem in part from ongoing OPEC+ production cuts. Although we expect crude oil prices to rise in the coming months, our forecast for the annual average Brent crude oil price in 2025 is down from a forecast of $88/b in our July STEO, owing mostly to reduced oil consumption."

EIA Outlook For Gasoline (7/9)[20]**:** "We forecast regular-grade gasoline prices will average around $3.50 per gallon in 2025 and gasoline consumption will average 8.9 million b/d. Continued increases in vehicle efficiency mean U.S. drivers will drive more miles in 2025 than before, but we expect 1% less U.S. gasoline consumption than in 2023 and 5% less than the record set in 2018."



Production Meter

U.S. Light Vehicle Inventory and Days' Supply (Updated 9/9)

WardsIntelligence Inventory Update (9/9)[21]: "U.S. light-vehicle inventory rose from the prior month in August, continuing its steady climb from rock-bottom levels in 2021 and 2022, but the gain, combined with sluggish growth in demand, is leading to production slowdowns in North America.

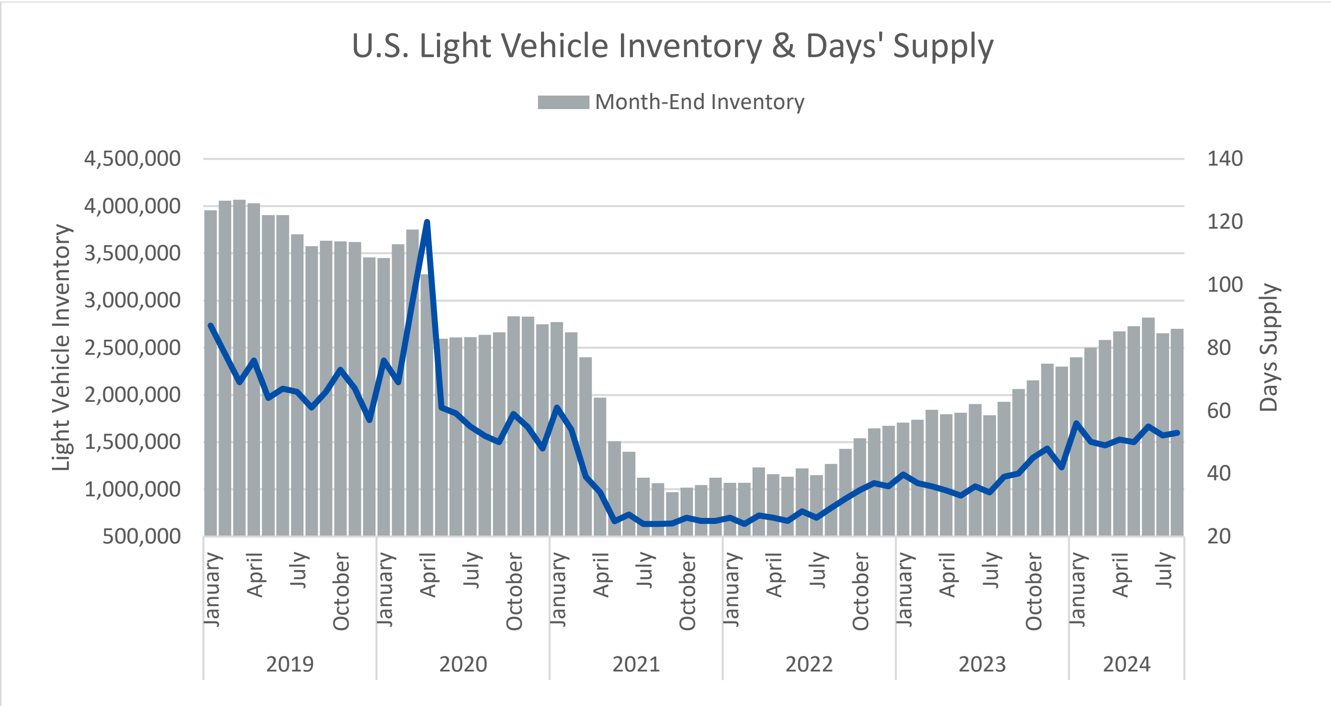
"Aug. 31 inventory totaled 2.70 million units, 1.7% above July, and 39.9% higher than the year-ago total. It was the highest for the month since 3.58 million in 2019. Days' supply ended August at 53, up slightly from July's 52, and well above like-2023's 40. In the five years through pre-pandemic 2019, August days' supply averaged 63.

"Sales perked up in August but not enough to make up for the weakness of the prior two months. Demand overall in the three months through August grew a lackluster 1% year-over-year, after rising 3.4% in the first five months of 2024.

"Inventory, when compared with typical historical trends prior to pre-pandemic/supply-chain-disruption 2020, remains lean when looking at days' supply – or inventory-to-sales ratios – which measures inventory relative to current demand. However, a lot of the inventory gap when using that measure is heavily weighted to entry-price CUVs and cars, the sector where most replacement demand exists.

"Compared with pre-2020 norms, the lack of lower-price vehicles, average higher prices and monthly payments in most other segments, and a dearth of fresh (non-electrified) products on dealer lots, all are contributing to keeping growth from being stronger.

"However, in general, it can still be said that the overall lower level of inventory is a damper to demand – the lower the stock on dealer lots, the more pricing power they have."



North American Production (Updated 8/22)

Wards Intelligence[22]: "Production in North America of all vehicles finished below expectations in July, and cuts were made to the rest of Q3, as automakers appear to be reacting to excess inventory of some slow-selling vehicles, caused by lower-than-expected demand in the U.S.

"Production of light vehicles and medium-/heavy-duty trucks totaled 1.118 million units in July, 4.4% below like-2023. It was the third straight month production declined year-over-year, which followed a two-year stretch of mostly growth. July's total, which still includes some estimates, was 74,900 units below month-ago's projection for the period.

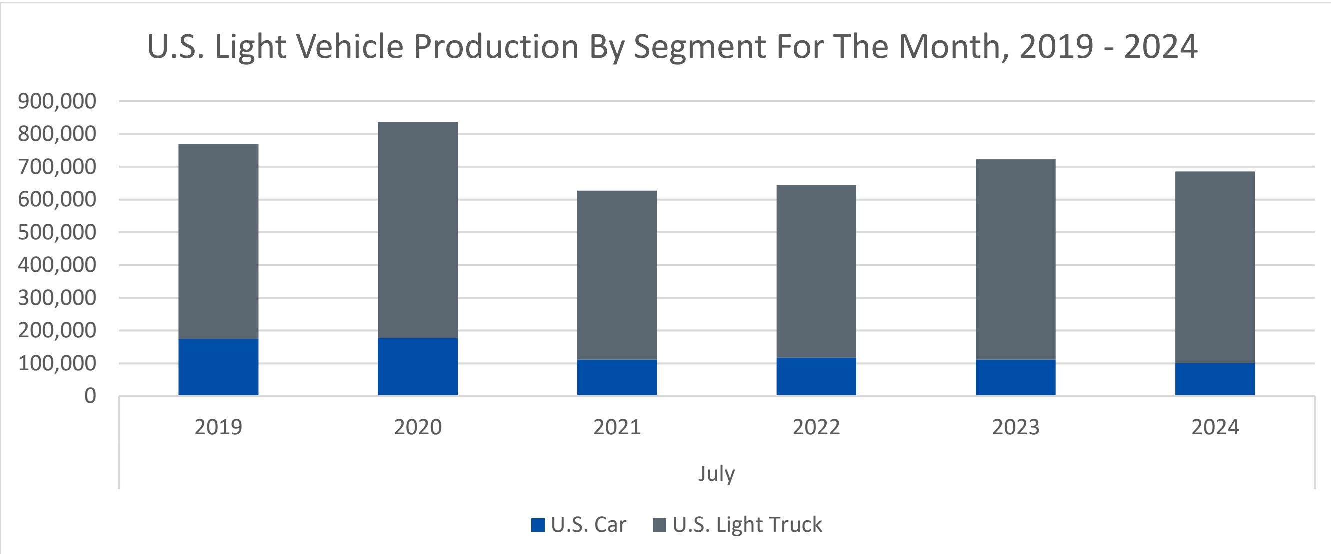
"Production is tracking to resume growth in August and September, but if the trend of the past few months continues, that puts downside risk to the rest of Q3. In fact, compared with month-ago's tracker for the period, this month's update cuts 25,800 units from August and 27,000 from September.

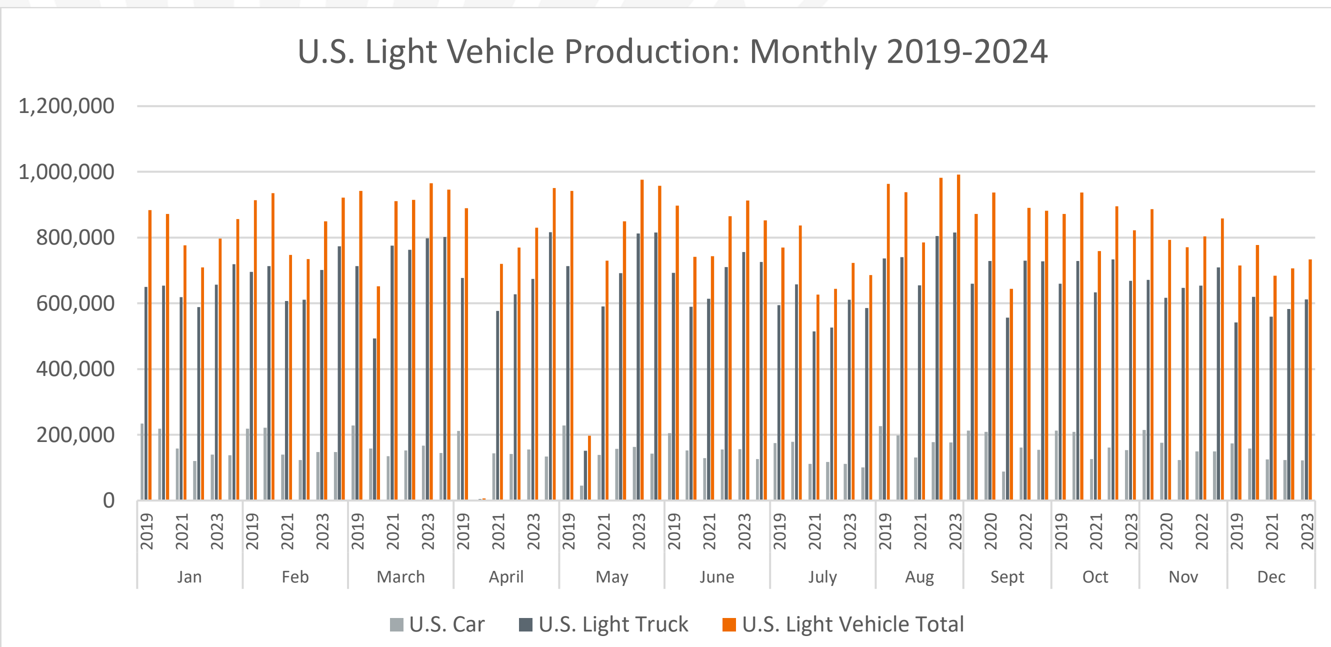
"With U.S. demand initially expected to grow faster throughout the year, production through the first four months of 2024 appeared on a good upward path. However, though sales continue to increase year-over-year, growth has slowed, leaving inventory for some vehicles too high as automakers prepare to roll out the '25 models in earnest in Q4. The rise in production of new electric vehicles for the U.S. market, which in most cases has outpaced demand, also is creating pockets of excess inventory, contributing to production slowdowns."

U.S. Light Vehicle Production (Updated 8/22)

U.S. Monthly Production (Updated 8/22)

U.S. Light vehicle production for July 2024 was down 18.5 percent month-over-month, totaling 685,990 vehicles (100,447 cars, 585,543 light trucks), year-over-year, production is down 4.8 percent from 2023.[23]





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Global Meter

Global Light Vehicle Sales (Updated 9/9)

Wards Intelligence[24]: "World sales of all vehicles, including light vehicles and medium- and heavy-duty trucks, declined an estimated 0.3% year-over-year in July, dragged down mainly by weakness in China, the largest global market.

"Including estimates for some markets, July sales totaled 7.503 million units, down slightly from like-2023's 7.525 million.

"While sales increased 6.1% year-over-year in South America, 2.1% in Europe and were negligibly higher in North America, demand in the Asia-Pacific region fell 2.2%.

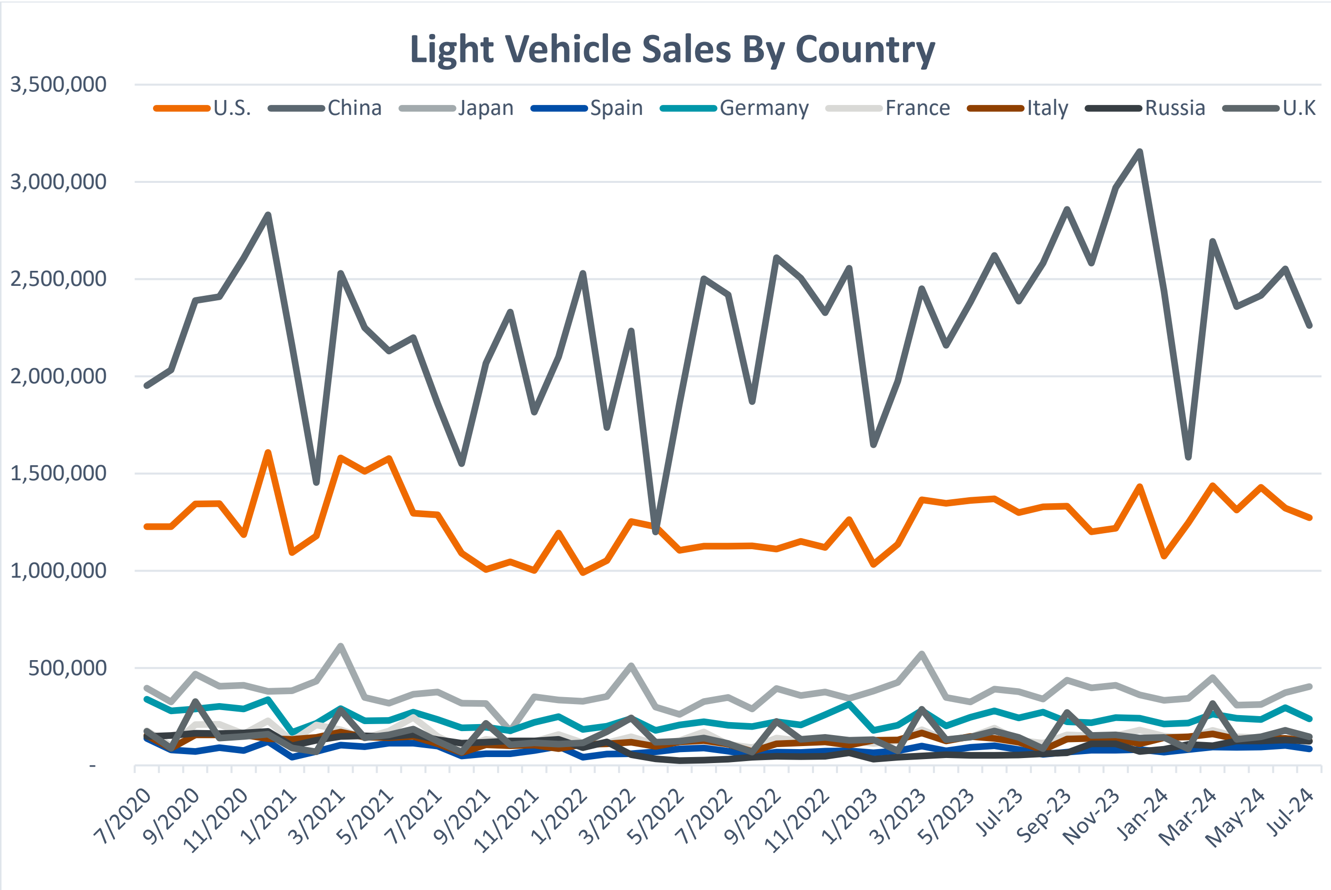
"Calendar year-to-date global sales through July totaled 53.05 million units, 2.6% above like-2023's 51.71 million.

"Excluding medium- and heavy-duty trucks, global light-vehicle sales in July totaled 7.23 million units, 0.5% below same-month 2023's 7.26 million. Calendar year-to-date light-vehicle deliveries totaled 50.99 million units, 2.5% above seven-months 2023's 49.75 million.

"Wards Intelligence partner GlobalData estimates July's global light-vehicle seasonally adjusted annual rate at 89.9 million units, 200,000 above June but well below same-month 2023's 92.2 million. GlobalData expects light-vehicle sales in August to maintain at least a 90-million-unit SAAR but with volume down from a year ago.

"The forecaster expects the August downturn to be heavily impacted by year-over-year declines in the Western Europe – especially Germany - and China markets, overwhelming increases in Japan, North America and Eastern Europe.

"GlobalData's global light-vehicle forecast for 2024 remains at 88.7 million units, up 2.2% from 2023, but risk to the final five months of the year is weighted more to the downside than upside.



Global Light Vehicle Production (Updated 8/22)

S&P Global Mobility Forecast (8/22)[25]**:** "The global auto industry continues to wrestle with slowing sales growth in several key markets and rather high inventories, among other factors. The near-term outlook continues to be distinguished by automakers seeking to balance regional demand dynamics and inventory conditions. The production outlook reflects those ongoing challenges, yet after two months of fairly meaningful reductions, this month's forecast update incorporates more modest revisions with some notable regional adjustments (both positive and negative) reflecting the impact of expanded policy support in China offset by a focus on inventory management and company-specific adjustments in North America. Propulsion mix developments continue to vary by region as some markets face slower EV adoption growth rates while other areas continue to see rather encouraging results. The August forecast update reflects a mix of both upgrades and downgrades in the near-term, with adjustments spread across several regions. Downward revisions are primarily focused on North America and Japan/Korea as those markets navigate dynamic demand fundamentals, inventory management, changing vehicle launch activity and near-term production challenges, among other factors. The associated upgrades in the extreme near-term are primarily associated with Greater China and Europe on stronger government stimulus for China and a modestly improved production outlook for Eastern Europe. The more noteworthy regional adjustments with the latest forecast update are detailed below:

"Europe: The outlook for Europe light vehicle production was increased by 60,000 units and by 31,000 units for 2024 and 2025, respectively (and was largely unchanged for 2026). The outlook for Western and Central Europe, including Turkey, was revised down by 14,000 units. Despite better-than-expected actuals in Q2-2024, with an increase of 58,000 units, the outlook for H2-2024 was downgraded due to somewhat stagnated vehicle demand and supply chain issues, resulting in a reduction of 72,000 units. Most of this reduction was attributed to Stellantis, which cut production by 79,000 units in H2-2024, following a similar trend in the past two months. The broader market continues to be influenced by elevated vehicle pricing, lingering high inflation and the ongoing shift in electrification. The overall regional outlook for 2024 has been modestly upgraded, primarily due to ongoing production capacity expansion in Russia. Looking ahead to 2025, the revisions are more limited, with a slight downgrade of 16,000 units for Western and Central Europe including Turkey, offset by an increase of 48,000 units in the CIS region. There is largely no change in the overall outlook for 2026..

"Greater China: The outlook for Greater China light vehicle production was increased by 227,000 units and reduced by 354,000 for 2024 and 2025, respectively (and reduced by 214,000 units for 2026). The first wave of incentives and subsidies to support demand and promote the scrappage of ICE vehicles has proven less effective than initial expectations. According to the CPCA, passenger vehicle sales grew by a modest 2.9% in H1-2024. Starting in August, in an effort to further motivate potential consumers, the government announced a bolstered "second wave" of scrappage incentives. According to reports, the plan has received 364,000 applications with a daily increase of over 10,000 applications. The forecast continues to reflect some negative impact to production from European tariff actions; however, we expect export activity to remain quite robust as markets wait for Chinese localization efforts to more fully ramp-up. Considering the positive influence from the increased scrappage subsidy, the outlook for 2024 was increased to 29.3 million units and now reflects modest growth of 0.8% relative to 2023. Conversely, the outlook for 2025 and 2026 was reduced to reflect something of a pay-back effect to the bolstered incentive policy as well as the expectation of a somewhat weaker market recovery amidst macro challenges.

"Japan/Korea: Full-year 2024 Japan production was downgraded modestly by 11,000 units relative to last month's forecast. The downward revision is primarily associated with Daihatsu as the company is expected to face production impacts later this year on difficulties in complying with new regulations relating to cyber security, real driving emissions (RDE) and back monitors. In the longer-term, there were no major changes relative to last month's forecast. Partial strikes as part of wage negotiations in South Korea in July had a slightly greater than expected impact on Hyundai and GM Korea's output (all negotiations have now been settled). Therefore, 2024 production was downgraded by 28,000 units to 4.15 million units. In contrast, global demand for the Renault Arkana was increased by about 30,000 to 35,000 units per year from 2025, so South Korea production was upgraded accordingly to 4.11 million units in 2025 and 3.91 million units in 2026. In the long term, there was no significant change other than to increase output by about 34,000 units per year from 2027 to 2028 to be in line with global demand for the aforementioned Renault Arkana.

"North America: The outlook for North America light vehicle production was reduced by 173,000 units and by 102,000 units for 2024 and 2025, respectively (and reduced by 85,000 units for 2026). The outlook for North American production was revised down rather sharply to 15.6 million units on further inventory related reductions targeting the Detroit 3 automakers and production related issues, most notably at Toyota. Production at Toyota's Princetown West plant for the Toyota Grand Highlander and Lexus TX remains idled as it works with suppliers for a fix related to a recent airbag recall. Production was initially expected to resume in early August, but downtime was extended until late October resulting in the loss of an additional 51,000 units, representing 29% of the total reduction for the year. The outlook for Tesla continues to sour with generalized demand concerns for Tesla vehicles with the Cybertruck now forecast to be relegated to niche status within the lineup. Further out in 2026, production of the all-new entry level C-CUV EV is likely to slip into 2027 resulting in a proactive reduction in this forecast release. Regional production in 2025 was revised down

0.6% to total 15.84 million units as the inventory correction process is expected to continue into early 2025. Production in 2026 was revised down 0.5% to total 16.40 million units.

“South America: The outlook for South America light vehicle production was reduced by 2,000 units and by 1,000 units for 2024 and 2025, respectively (and reduced by 18,000 units for 2026). In the extreme near-term, the outlook for the region remains largely in-line with expectations as stronger production actuals for Brazil offset lingering weakness in Argentina. For 2025 and especially 2026, production volumes were revised down due primarily to the impact of delayed launches for potentially strong selling models (such as the Chevrolet B-CUV and VW compact pickup). This particularly impacts Brazil where these models will be localized. The addition of another BYD model at its Brazilian plant (starting in December 2024) only partially offsets this impact.

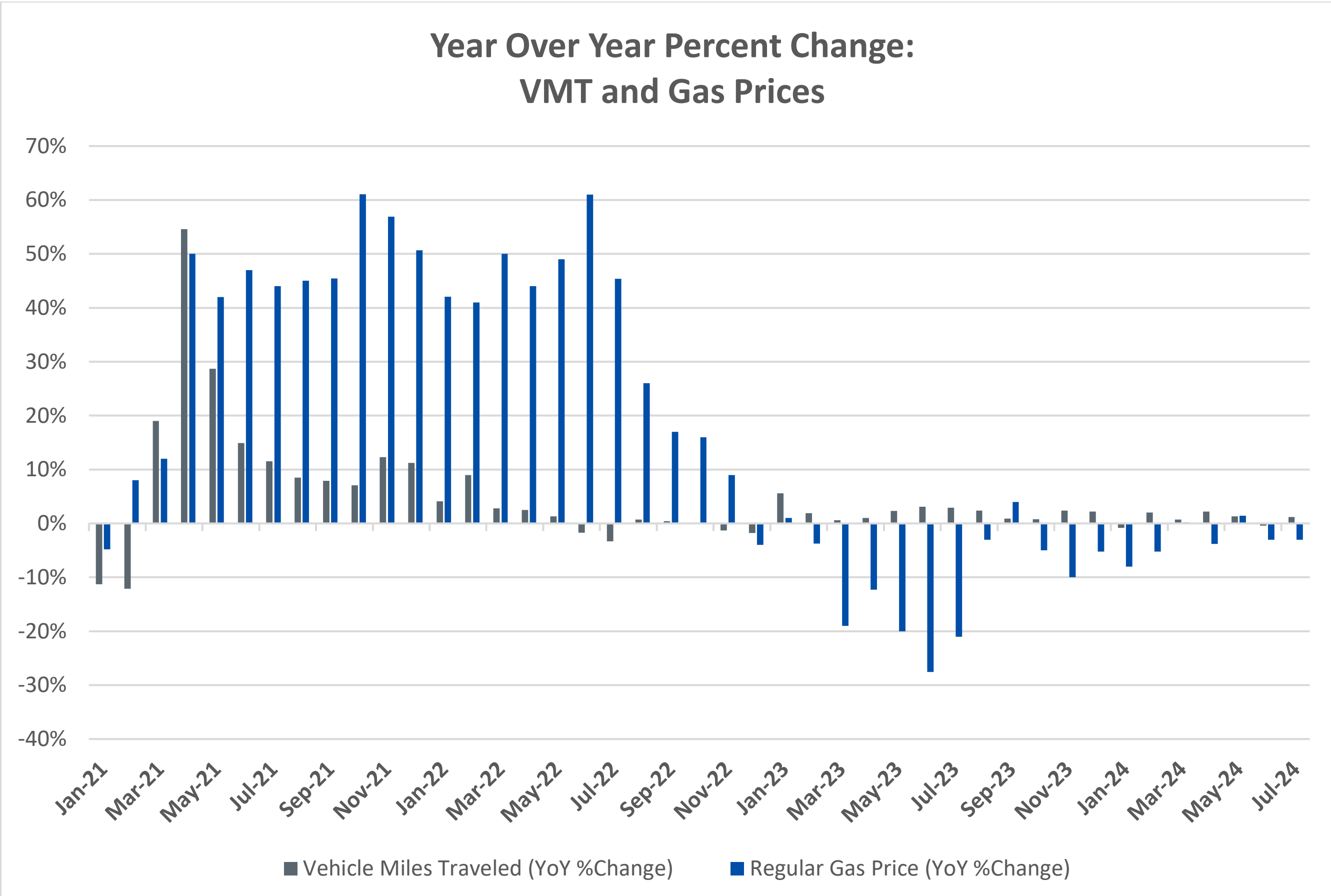
“South Asia: The outlook for South Asia light vehicle production was reduced by 11,000 units and by 56,000 units for 2024 and 2025, respectively (and reduced by 54,000 units for 2026). South Asia's light vehicle production forecast for 2024 was largely unchanged with the August update, with only a minor downward adjustment for the ASEAN market due to stricter auto loan approvals amidst a challenging market environment. The weakness in ASEAN continues to be primarily focused on Thailand and Indonesia. Thailand’s auto market has been significantly impacted by stricter auto loan policies, exacerbating the challenges posed by ongoing economic headwinds. Meanwhile, Indonesia’s auto production sector has been adversely affected by weaker household spending, elevated interest rates and a slowdown in exports. Regarding the India market, production was largely unchanged for 2024 and revised down by 39,000 units and 42,000 units for 2025 and 2026, respectively. In the near-to-intermediate term, we expect the weaker rupee and elevated interest rates coupled with lingering high inventory levels and uncertainties associated with a possible alliance government to impact the Indian market somewhat negatively.

Recovery Meter

Roadway Travel (Updated 9/9)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in July increased .6 percent from the same time a year ago. The cumulative travel estimate for 2024 is 1,898 billion vehicle miles.[26]

- Travel on all roads and streets changed by +1.2% (+3.5 billion vehicle miles) for July 2024 as compared with July 2023. Travel for the month is estimated to be 293.3 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for July 2024 is 274.3 billion miles, a +0.6% (+1.6 billion vehicle miles) change over July 2023. It also represents a 0.04% change (0.1 billion vehicle miles) compared with June 2024.
- Cumulative Travel for 2024 changed by +0.9% (+16.6 billion vehicle miles). The cumulative estimate for the year is 1,898.0 billion vehicle miles of travel.

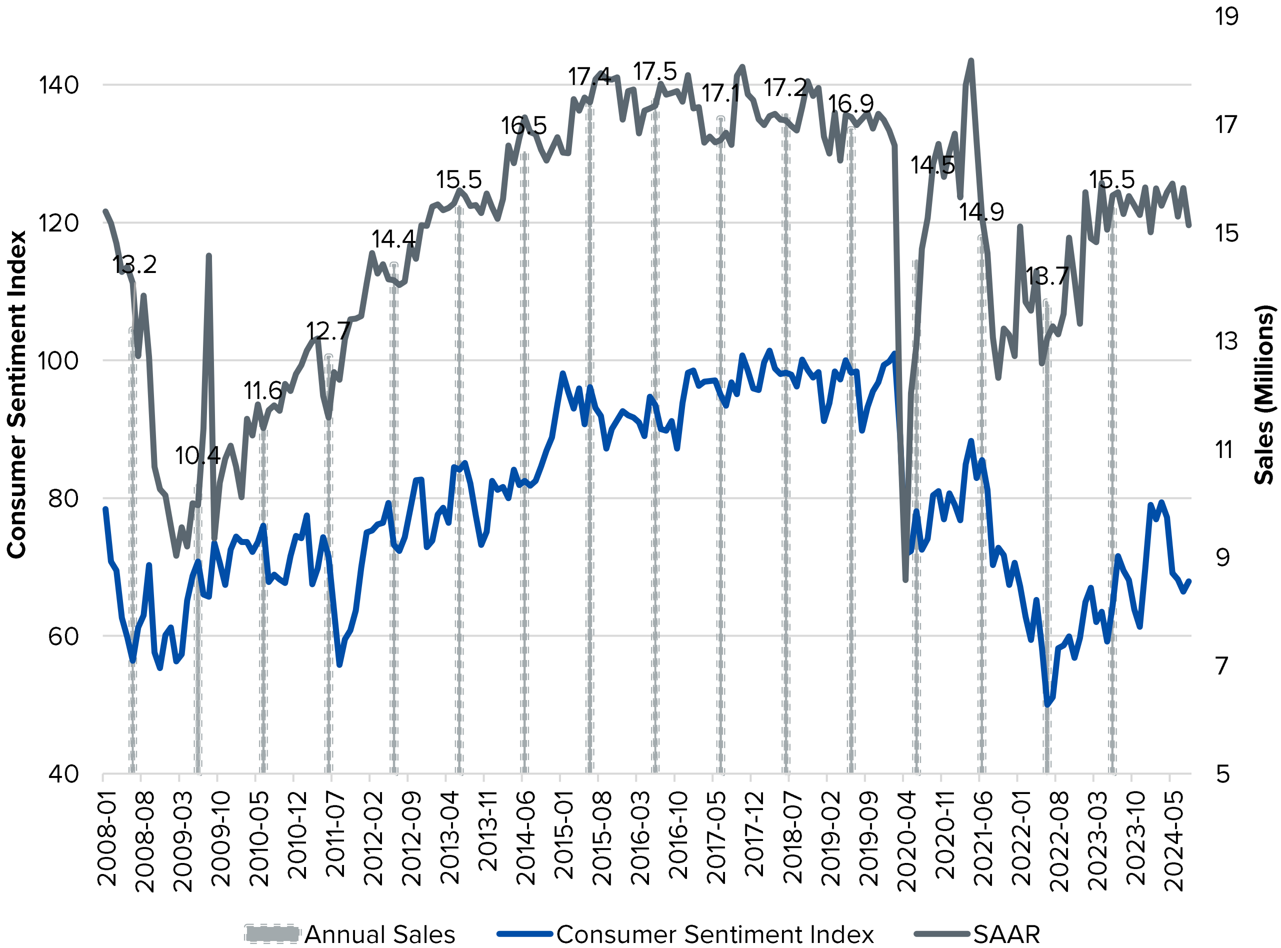


Consumer Confidence and Sales (Updated 9/9)

Surveys of Consumers Director Joanne Hsu[27]: "Consumer sentiment has remained virtually unchanged in the last three months. July's reading was a statistically insignificant 1.8 index points below June, well under the margin of error. Sentiment has lifted 33% above the June 2022 historic low, but it remains guarded as high prices continue to drag down attitudes, particularly for those with lower incomes. Labor market expectations remain relatively stable, providing continued support to consumer spending. However, continued election uncertainty is likely to generate volatility in economic attitudes in the months ahead.

"Year-ahead inflation expectations fell for the second straight month, reaching 2.9%. In comparison, these expectations ranged between 2.3 to 3.0% in the two years prior to the pandemic. Long-run inflation expectations came in at 3.0%, unchanged from last month and remaining remarkably stable over the last three years. These expectations remain somewhat elevated relative to the 2.2-2.6% range seen in the two years pre-pandemic.

Light Vehicle Sales And Consumer Sentiment Index: 2008 - August 2024



Employment (Updated 9/9)

Motor Vehicle And Parts Manufacturing Lost 5,900 Jobs in August.

After a loss of nearly 350,000 employees (about 35% of the workforce) in the height of the pandemic, employment in the Automobile Manufacturing and Parts sectors raced back but is now fighting losses due to supply chain disruptions with semiconductors.[28]

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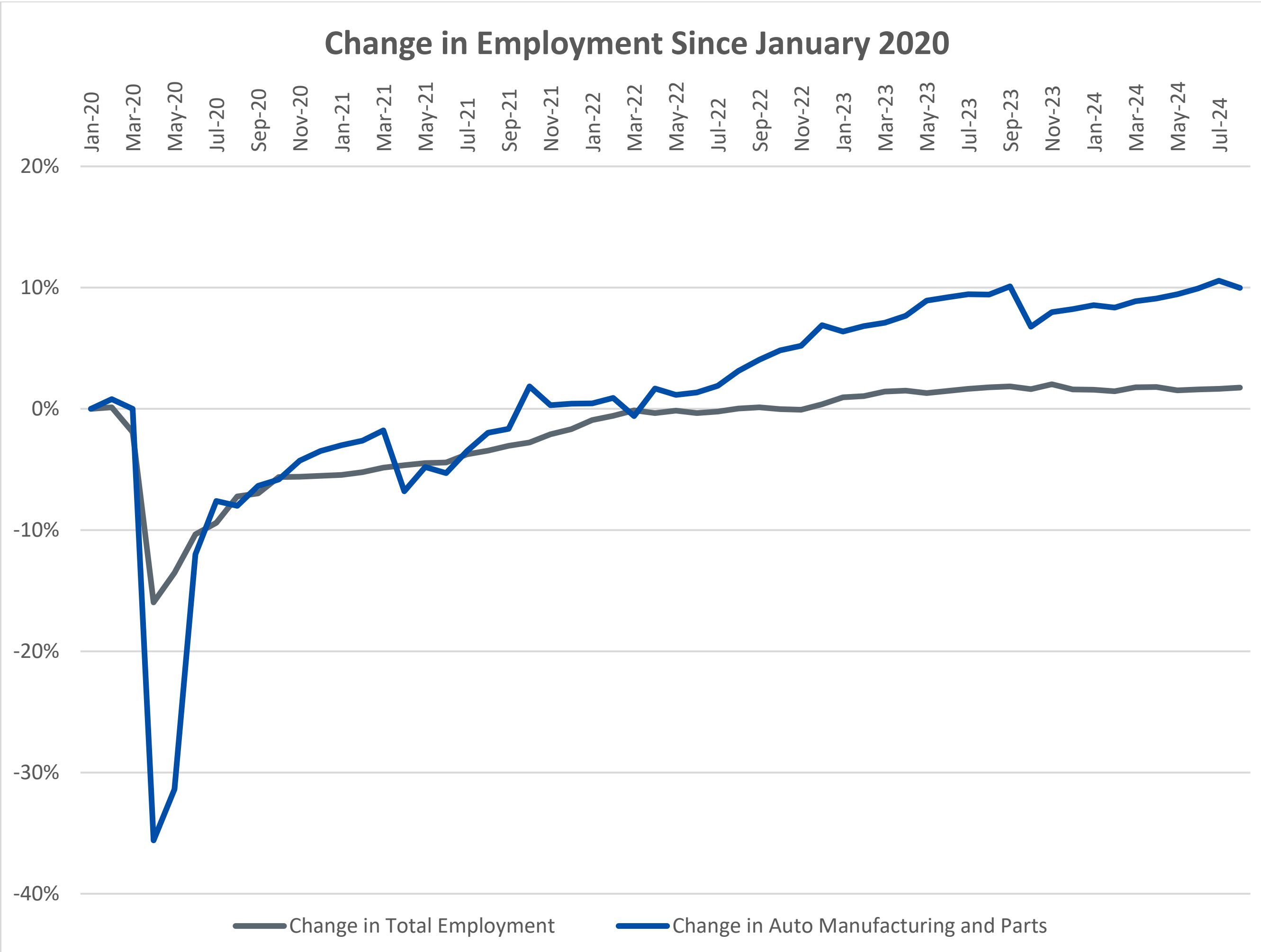
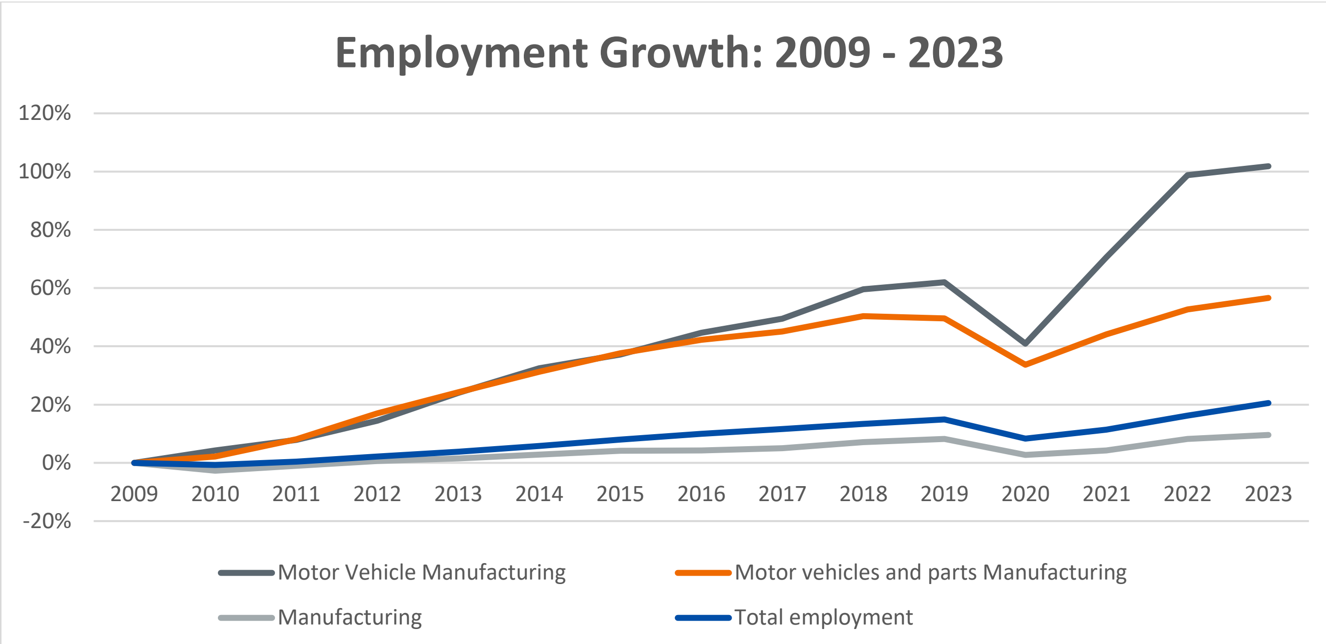


After the recession in 2009, the auto industry was credited with being on the leading edge of the recovery, which began a ripple effect through other parts of the country.[29] Additionally, the chart below shows how the recovery of jobs in motor vehicle manufacturing alone and motor vehicle and parts manufacturing far outpaced the recovery of manufacturing and total jobs.



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