

October 20, 2020

COVID-19 AUTO MARKET UPDATE

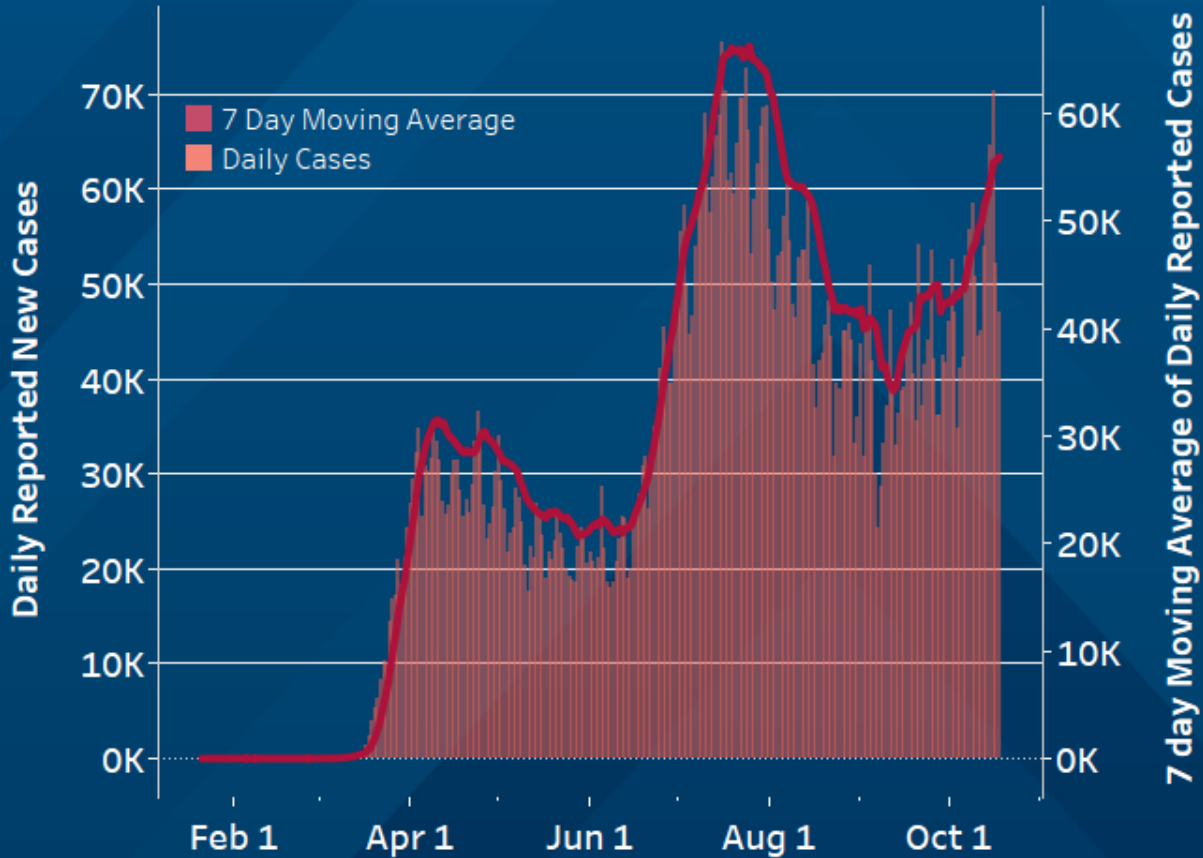
THE WAY
FORWARD

Driven by COX AUTOMOTIVE

Jonathan Smoke

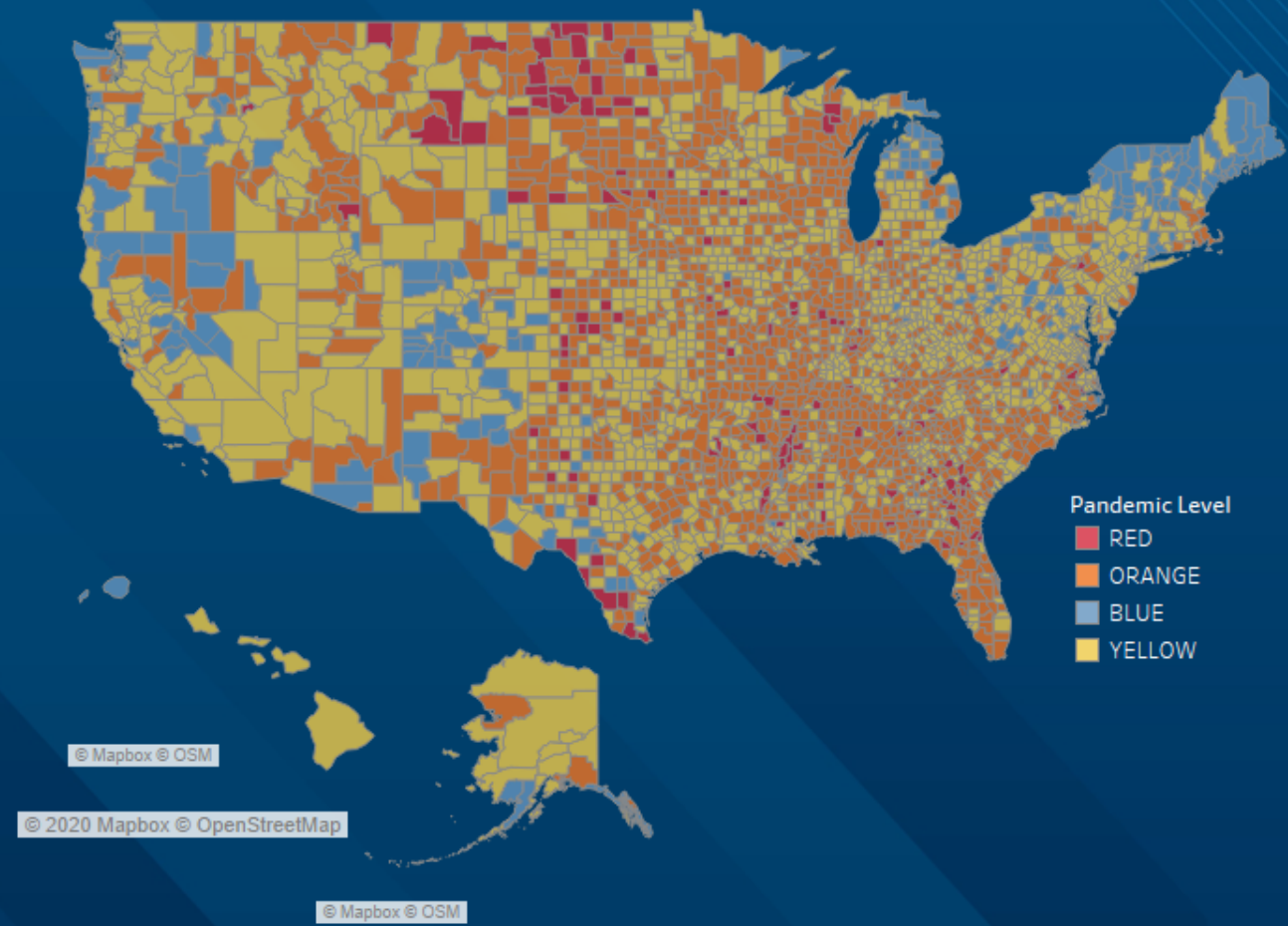
Chief Economist, Cox Automotive

COVID-19 LOCAL IMPACT ASSESSMENT



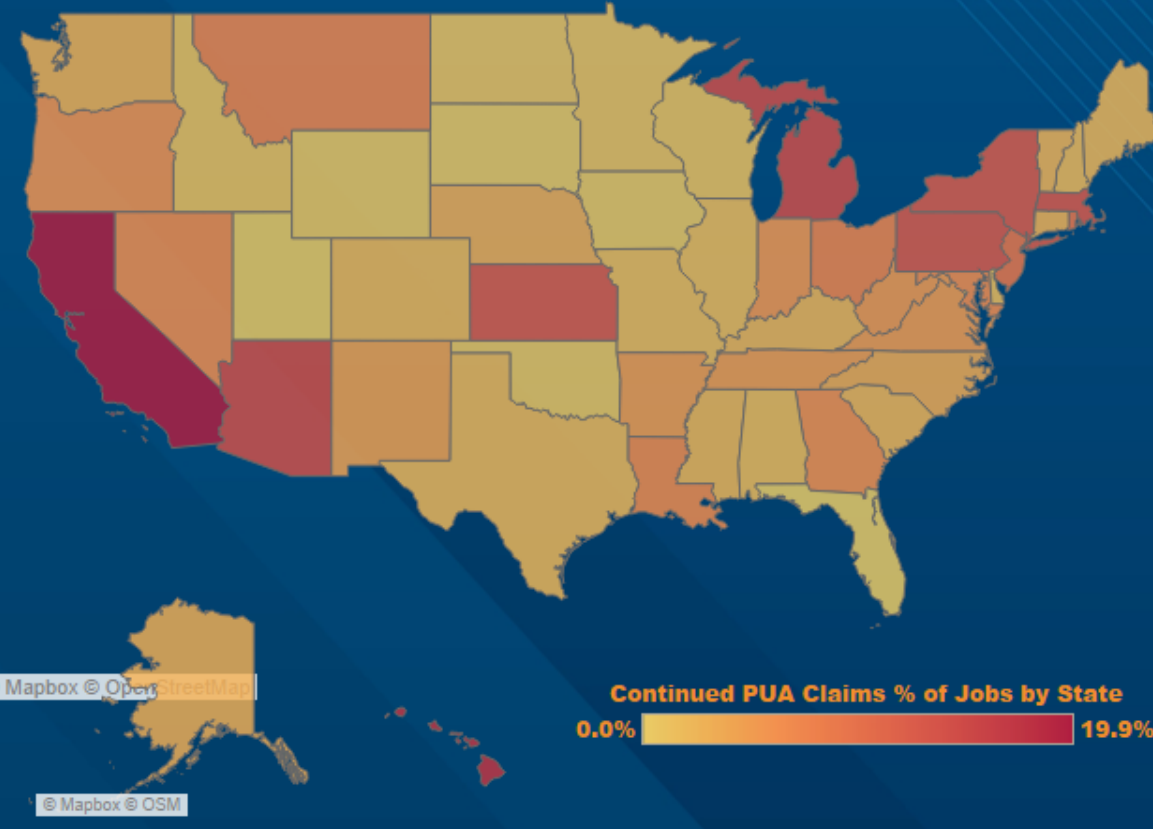
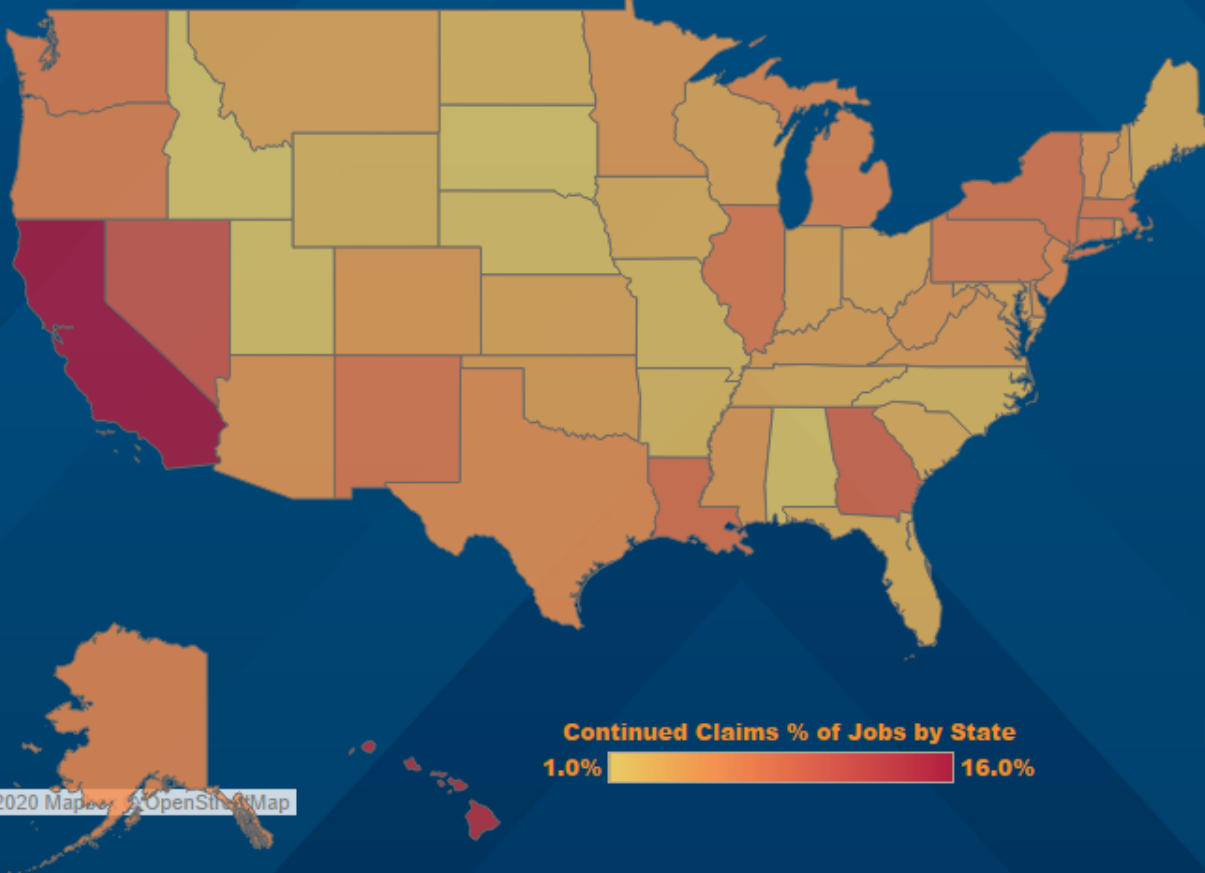
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7 day Moving Average of Daily Reported Cases



Source: Cox Automotive

CONTINUING CLAIMS AT 10 MILLION NATIONALLY



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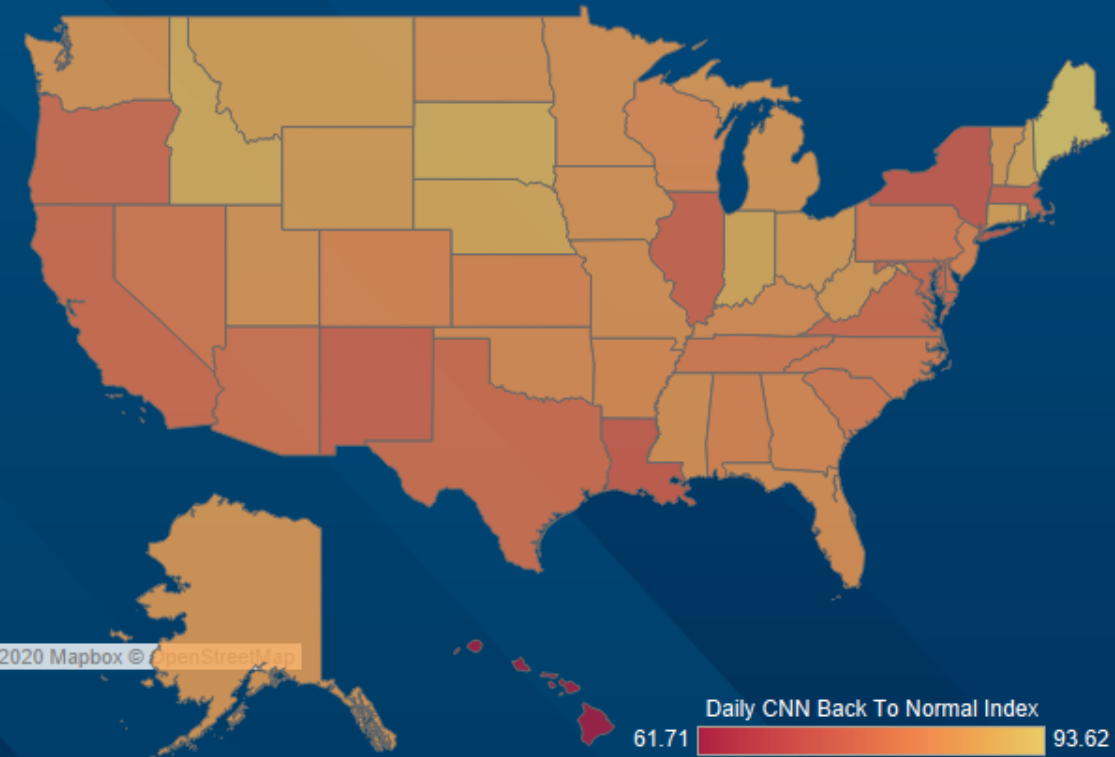
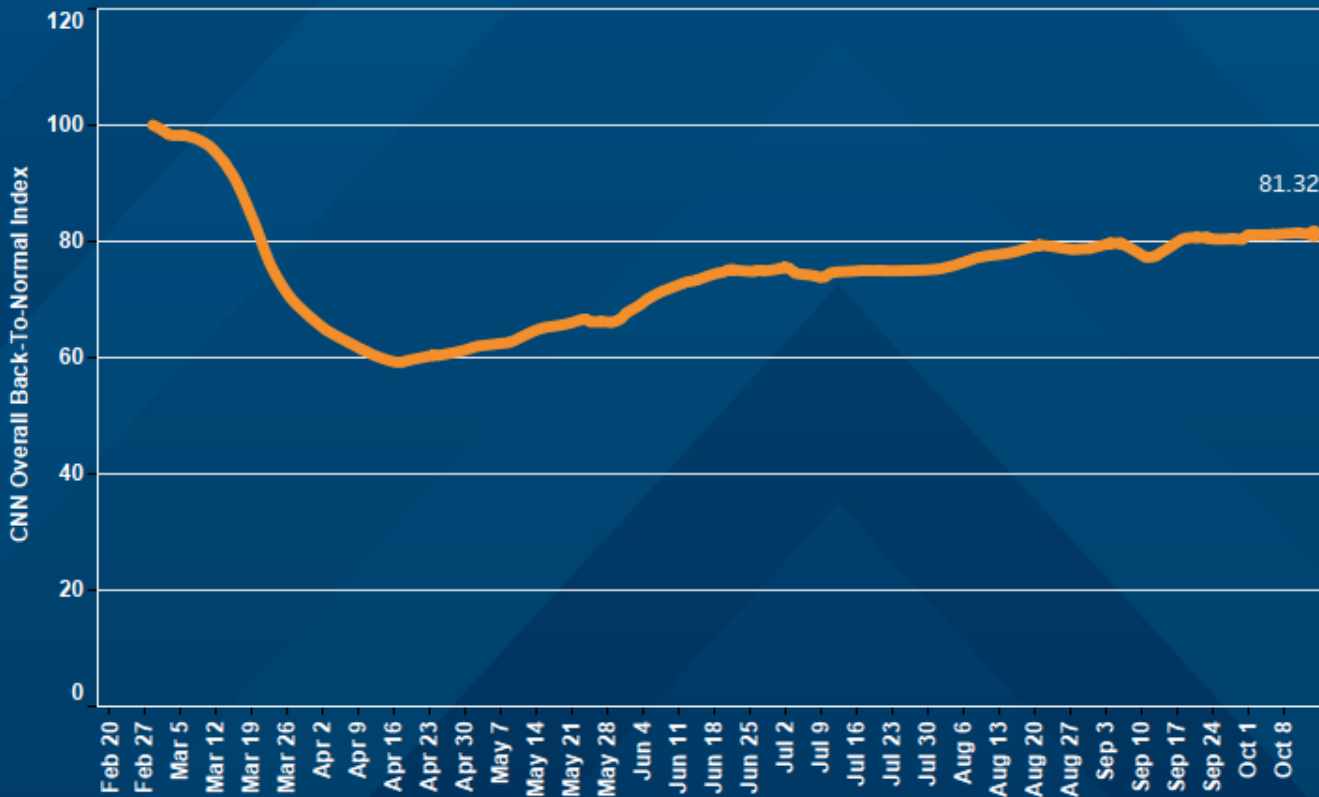
Data as of October 15, 2020

Note: Continued Claims Unemployment Data For Week Ending October 3
Continued PUA Unemployment Data For Week Ending September 26
Source: Department of Labor

BUSINESS RECOVERY ESTIMATES

Moody's-CNN Business Back-To-Normal Index (February 29 = 100)

Data as of October 14, 2020



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CONSUMER SENTIMENT UP SLIGHTLY LAST WEEK

Morning Consult's Index of Consumer Sentiment on Monday was down 18.6% since February 29

ICS Value (7-Day Average)



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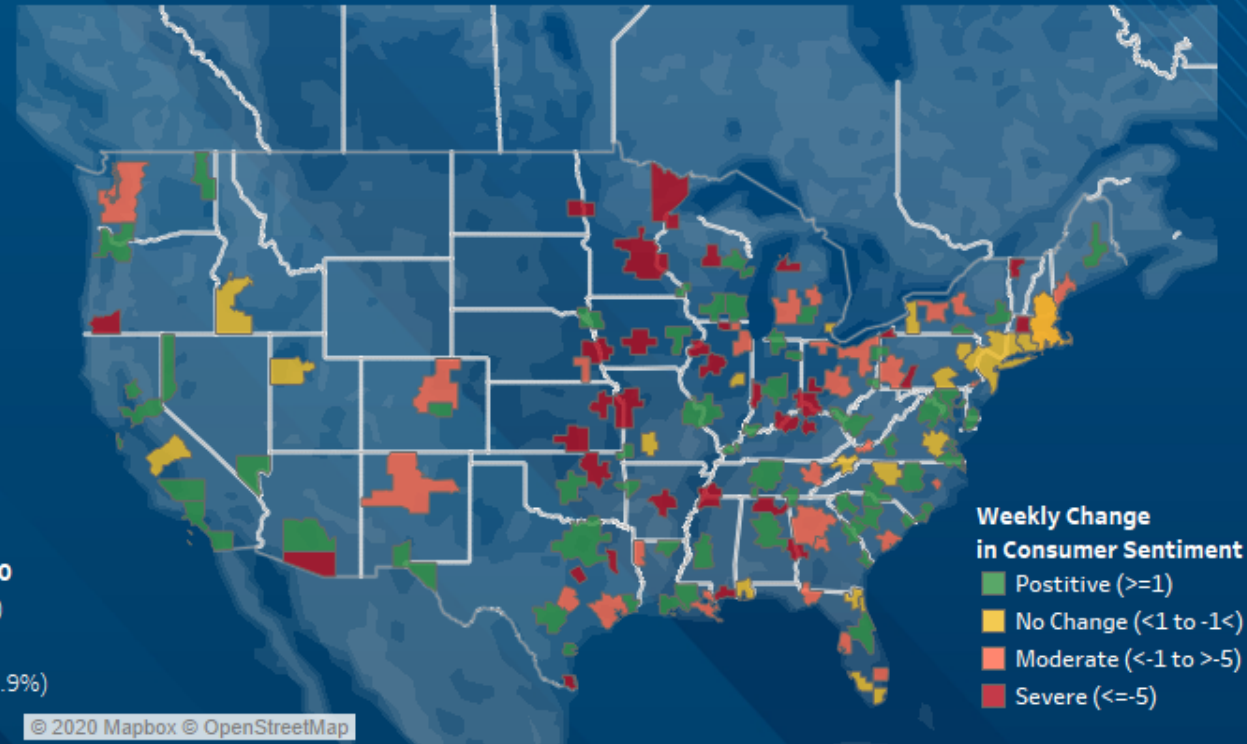
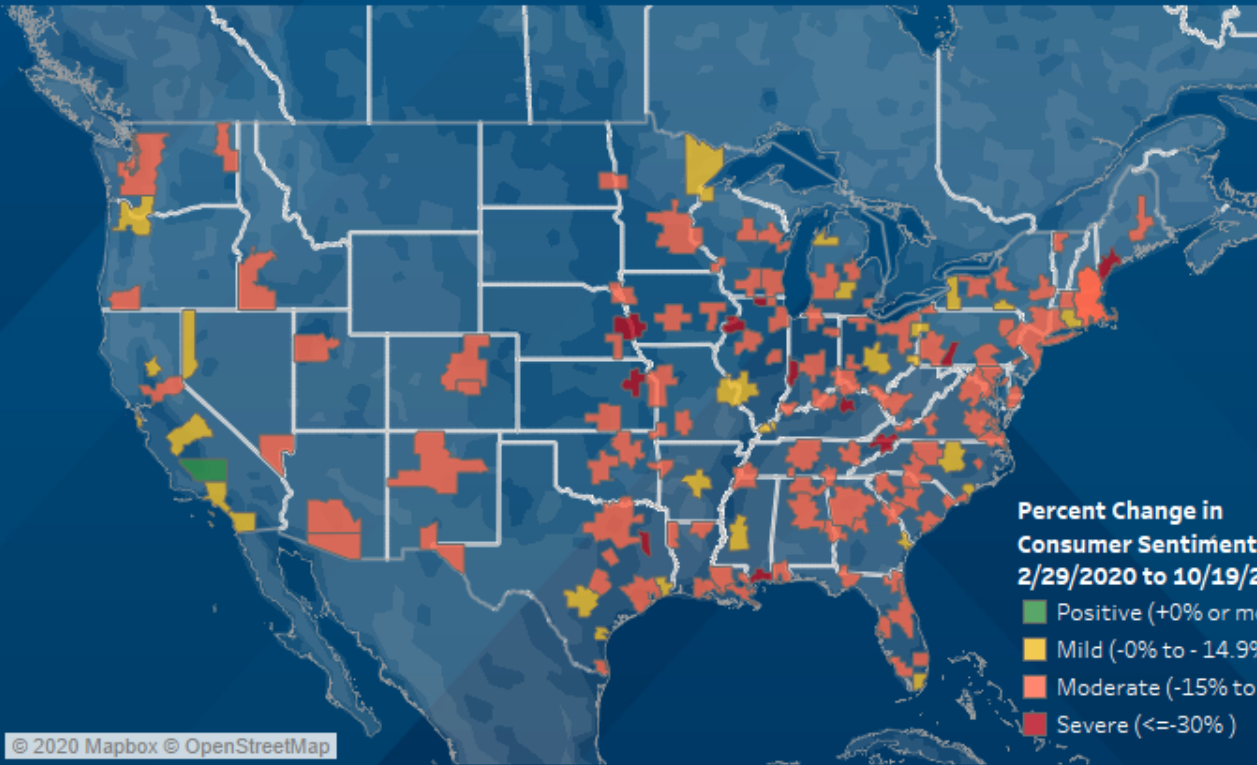
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Source: Morning Consult

CONSUMER SENTIMENT DECLINES IN MORE MARKETS

Since February 29th

Since October 12th



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Source: Morning Consult

The number of in-market shoppers continues to trend lower since the start of COVID-19

% OF CONSUMERS IN-MARKET TO PURCHASE A VEHICLE
WITHIN THE NEXT 6 MONTHS

20%

Early Outbreak
(March)

20%

Shelter in Place
(Late March - April)

17%↓

Reopening
(May – Mid June)

16%

Summer Spike
(Late June-July)

15%

Back to School
(August-Sept)

14%

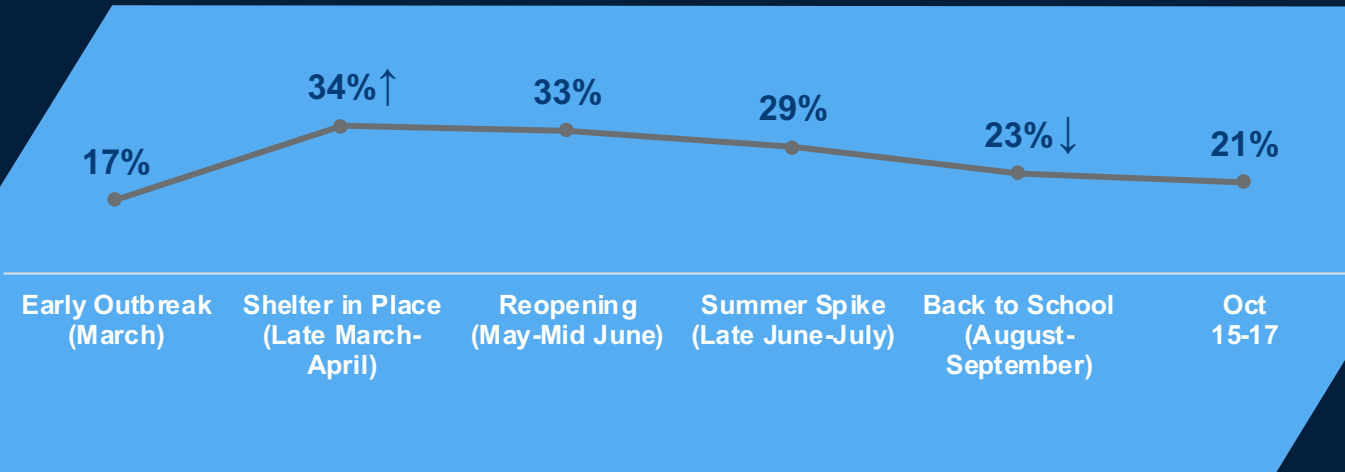
October 15-17



Q4. Now as of today, when do you think you will be in the market to purchase or lease a vehicle?

Purchase delays remain for 1 in 5 shoppers driven by cost and financial concerns

Delaying Vehicle Purchase/Lease*



Top reasons for delaying purchase (top 2)*

	Back to School (August-September)	October 15-17
Concerned about cost/financial situation	29%	29%
Concern about having contact with people	24%	26%
Waiting to see if I can get a better deal or special incentive	15%	22%↑
Prefer to stay home/social distancing	19%	20%
Not driving as many miles as usual/don't need a vehicle now	17%	16%
Waiting to see if federal government will provide a second stimulus check	20%	16%

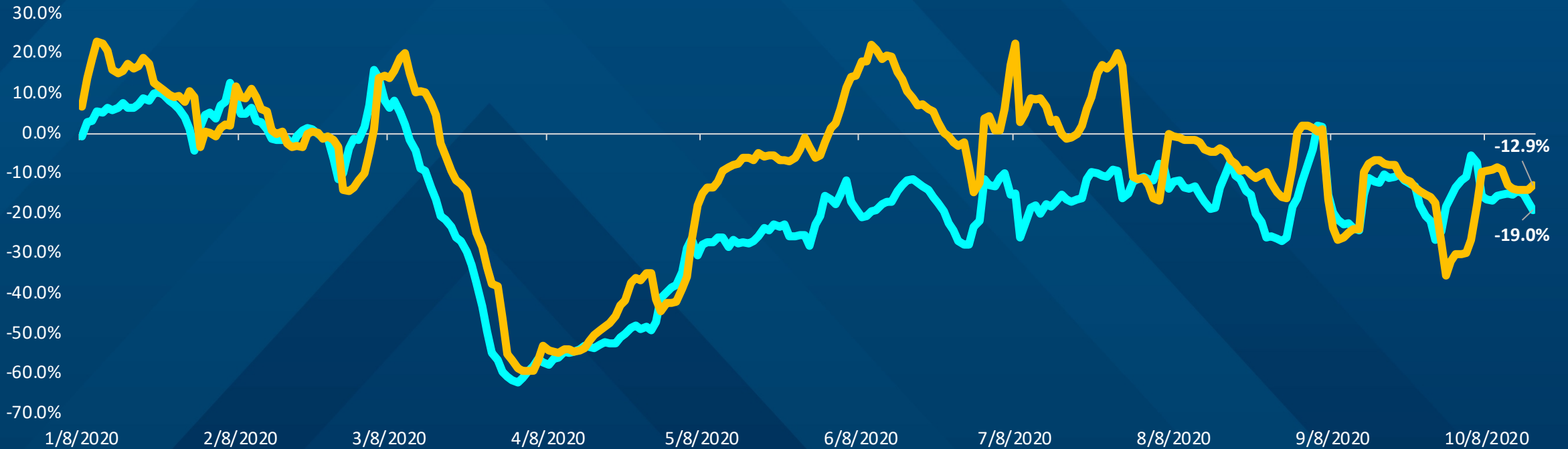
Q10. Have you done, or do you think you will do any of the following because of the coronavirus? *Note: Added "have done" in Wave 4
 Q17a3. You said you may delay purchasing/leasing a vehicle due to coronavirus. What are the main reasons? Please select up to 2 of the main reasons.

*Among 6-month auto intenders

RETAIL SALES RECOVERY ESTIMATES

Y/Y % Change in 7-Day Moving Average of Retail Sales

New Used

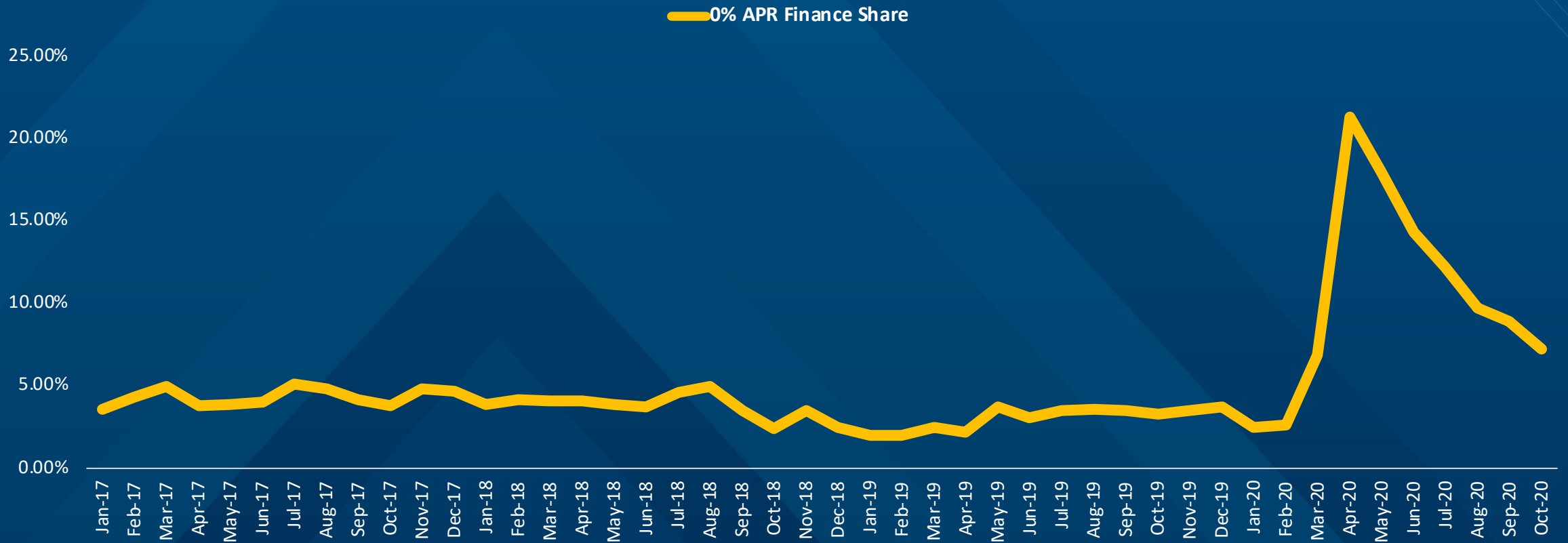


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Source: Cox Automotive

ZERO PERCENT FINANCING DOWN IN OCTOBER

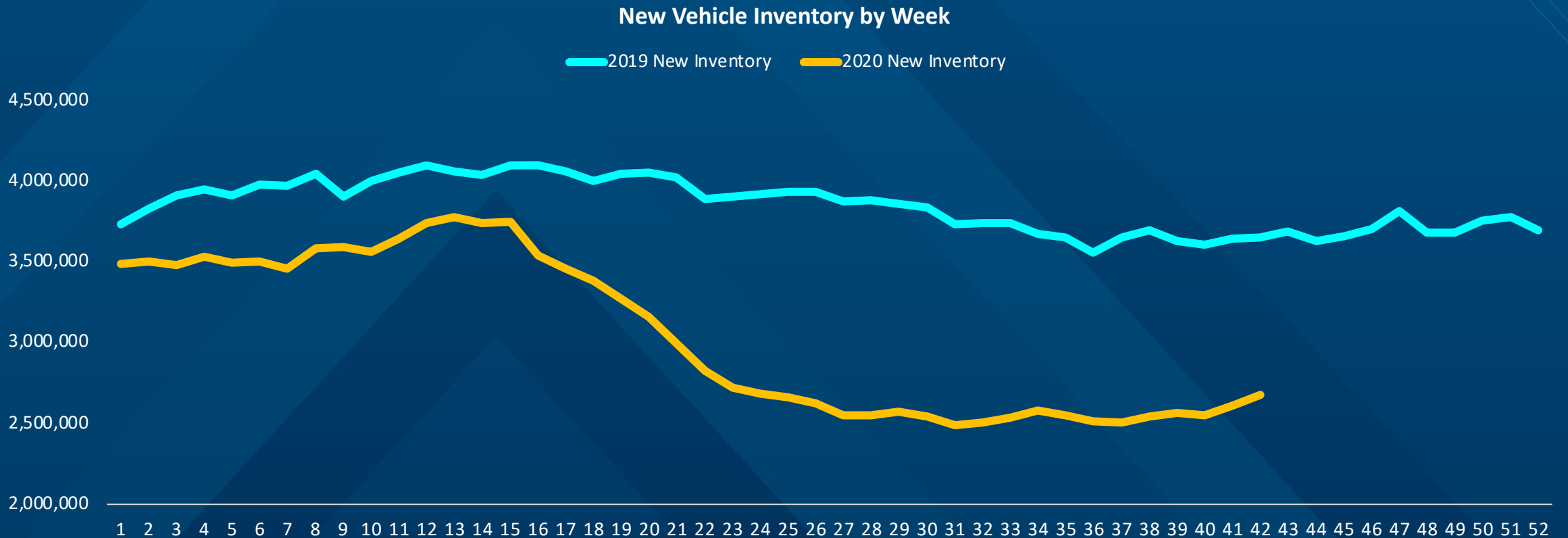


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Source: Cox Automotive

NEW SALES HAMPERED BY SUPPLY

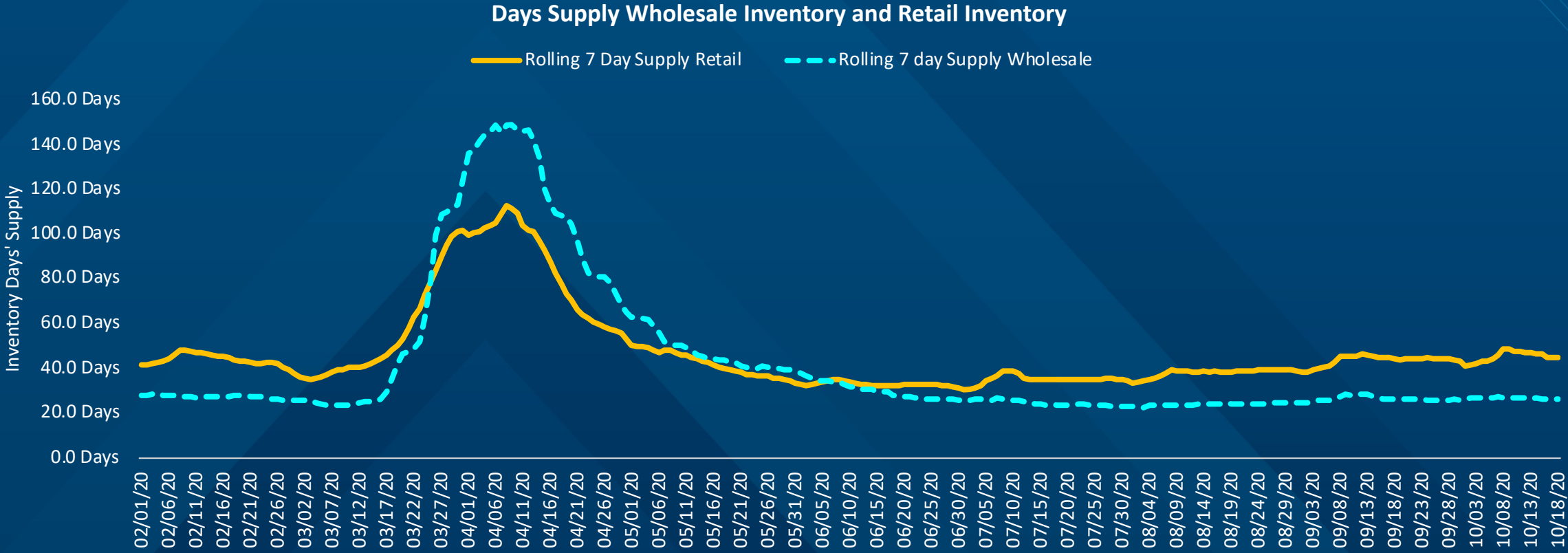


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Source: Cox Automotive

USED SUPPLY CLOSE TO NORMAL BUT STABLE



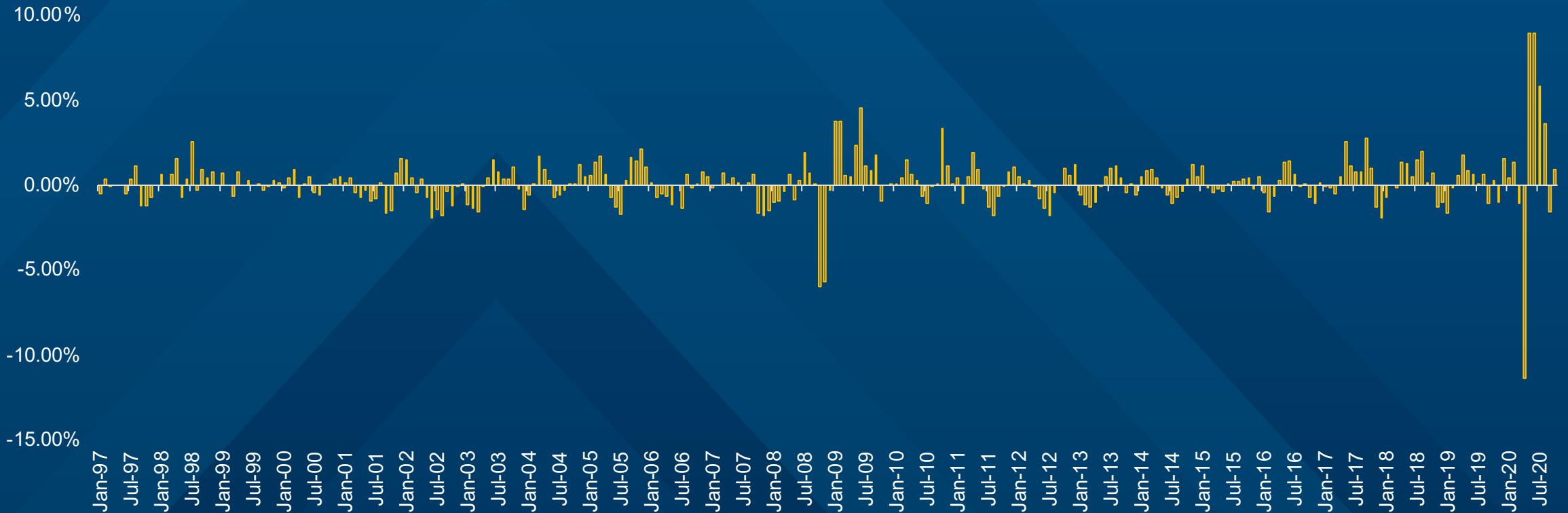
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Source: Cox Automotive

WHOLESALE PRICES SHOW SEASONAL STRENGTH

Manheim Index - % Change M/M



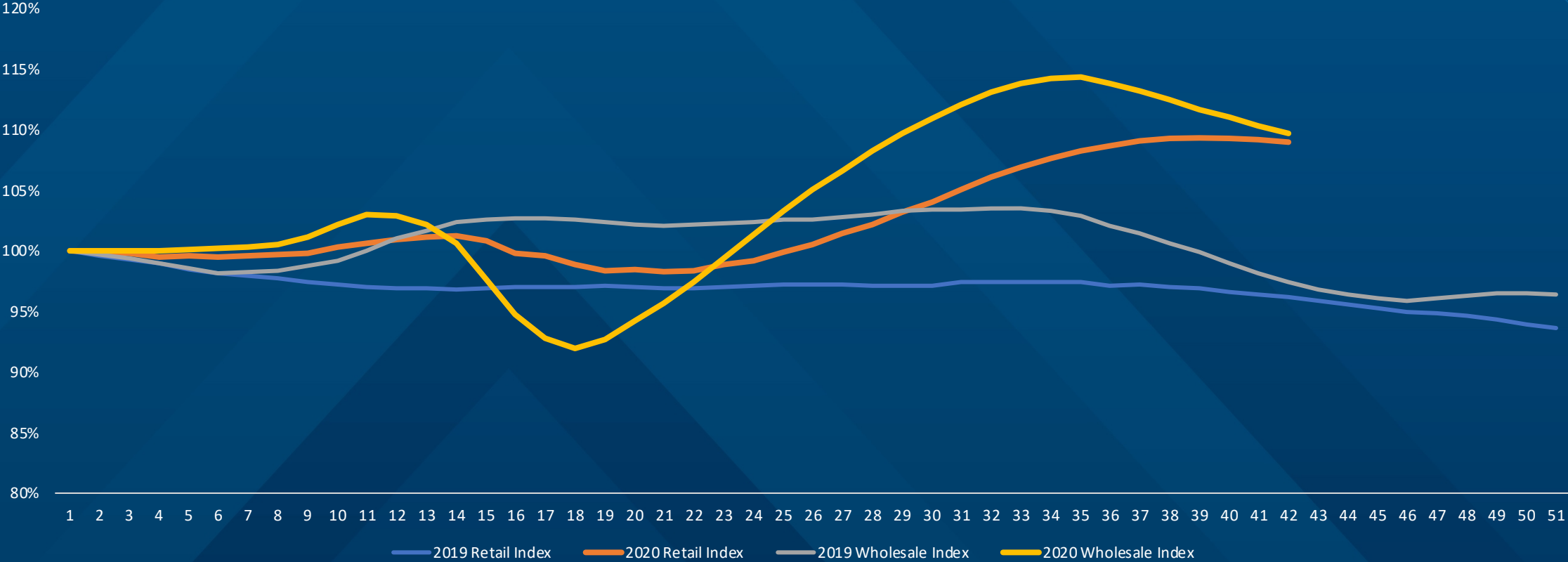
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Source: Cox Automotive

USED PRICES CONTINUE FALLING

MY 2017 Retail and Wholesale Price Indices (wk1=100)



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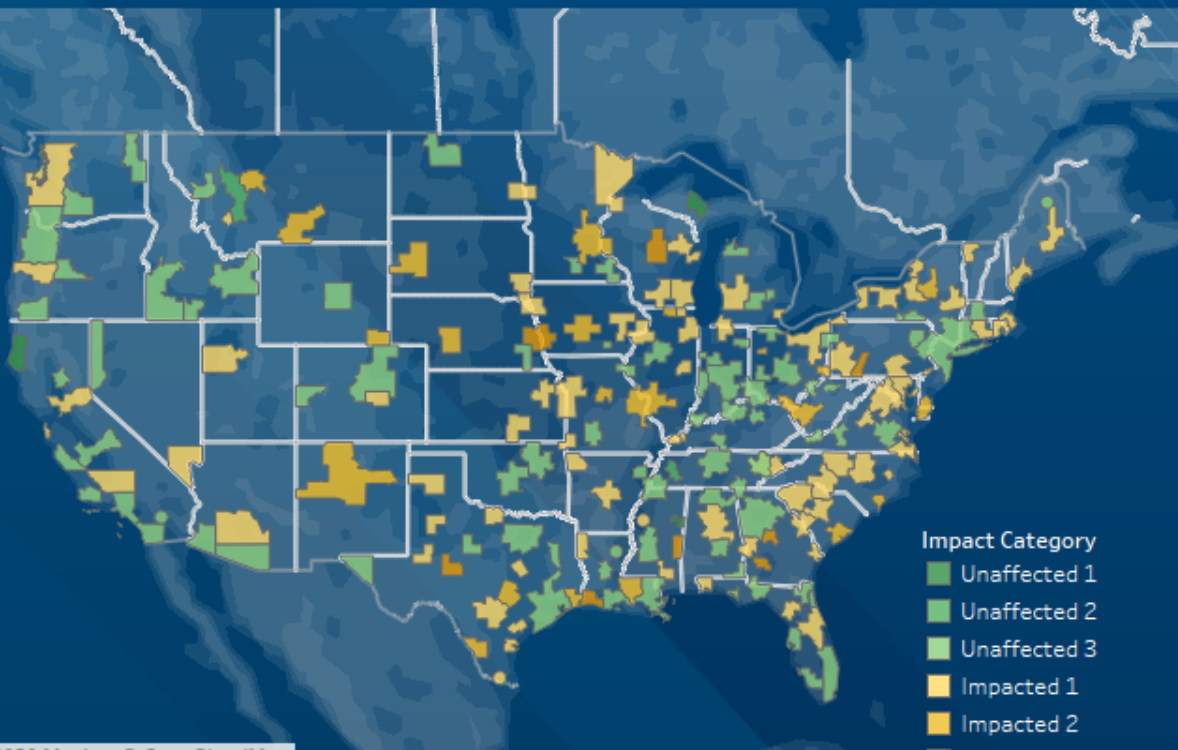
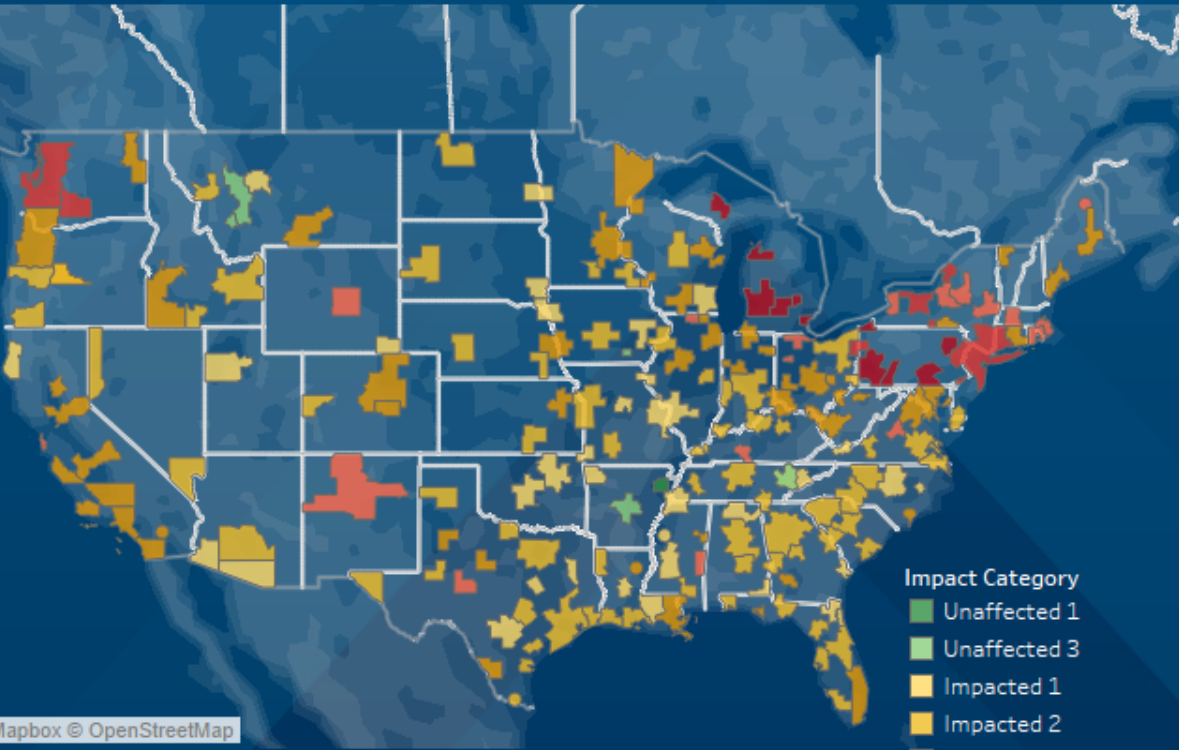
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Source: Cox Automotive

SALES IMPACT VARIES BY DMA AS EVIDENCED BY UNIQUE CREDIT APPS

April 5th

October 18th



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Source: Cox Automotive

COX AUTOMOTIVE LEADING INDICATORS

- Leads on **Autotrader** were up 8% y/y in October through the 17th and on **Kelley Blue Book** up 21%; both gained over the weekend
- **Dealer.com** continues to see both New and Used Vehicle Form Submissions up from last year, but both lost momentum over the weekend
- **Dealertrack** unique credit applications on same-store basis were down 15% y/y last week, which was a slight improvement from the prior week
- **Xtime** saw a 13% decrease y/y last week in consumers having their cars serviced, which was a decline from the prior week

COX AUTOMOTIVE

Autotrader 

 CLUTCH

DEALER.COM

Dealertrack 

 F&I Express

 HOMENET
AUTOMOTIVE

 Kelley Blue Book

 Manheim

NEXTGEAR
CAPITAL

PIVET

 RideKleen

vAuto
LIVE MARKET VIEW

VinSolutions

 xtime