READING THE METER

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

ALLIANCE FOR AUTOMOTIVE INNOVATION

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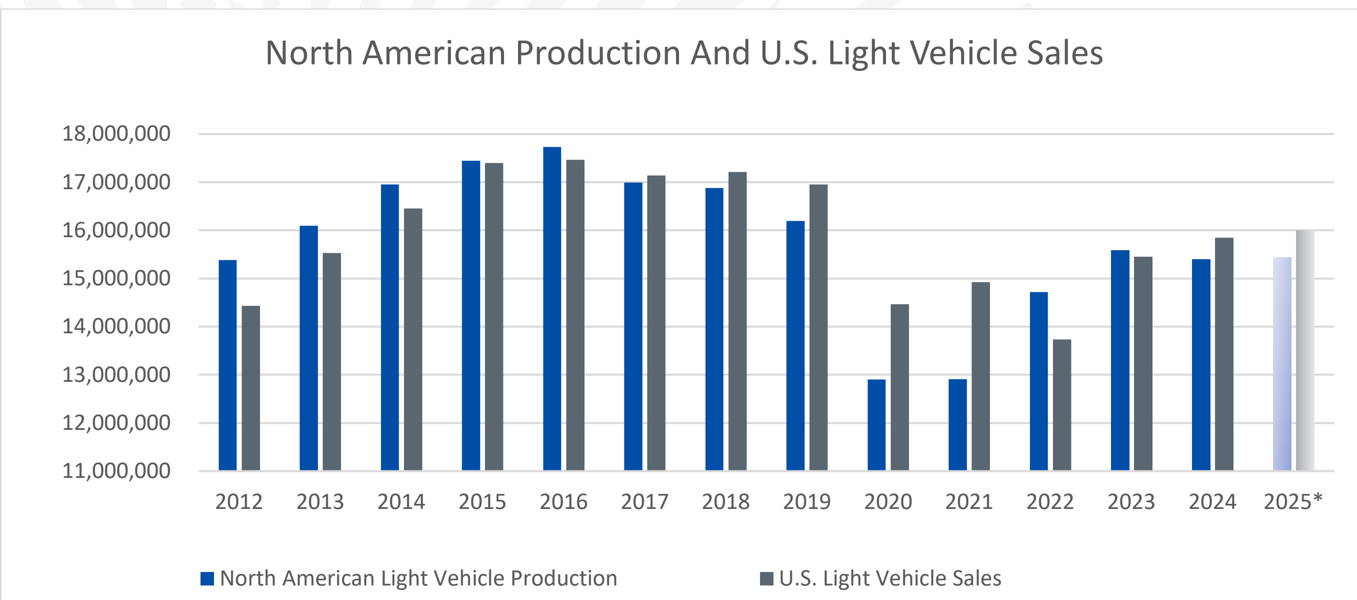
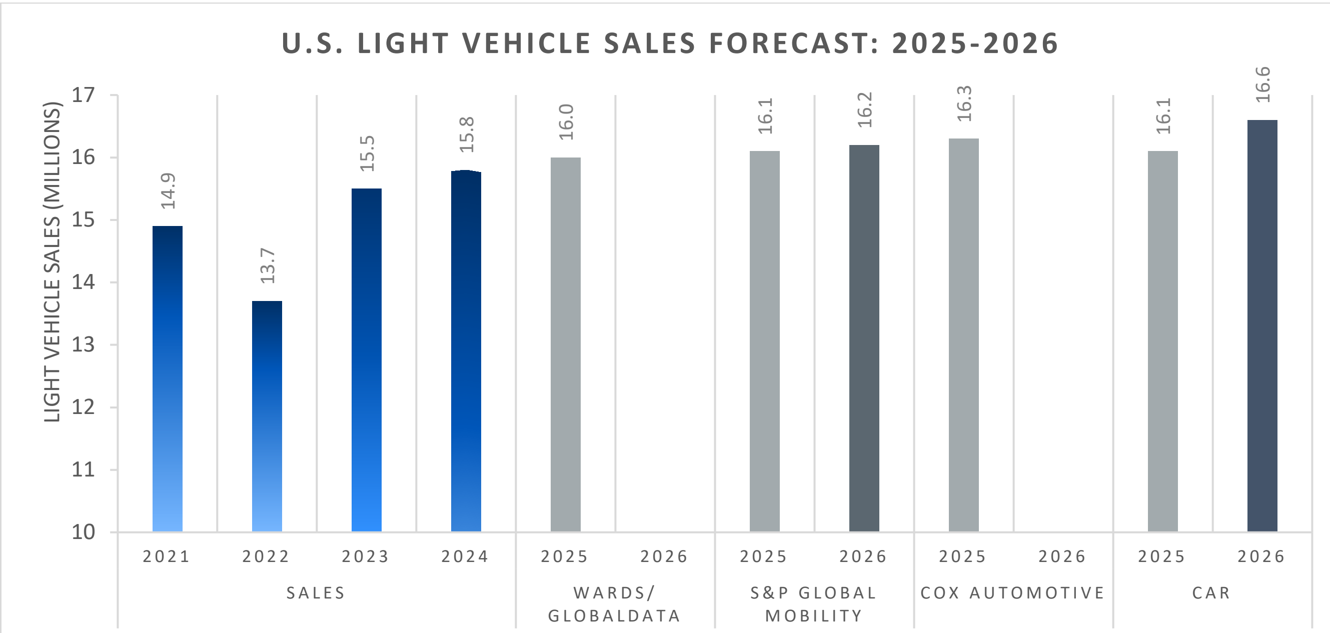
Forecast Meter

Sales & Production Summary and Forecast (Updated 3/21)

2024-2025 Sales,[1] Extended Sales Forecast[2] and Production Forecasts[3]		
	U.S. Sales & Forecasts	**North American Production**
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)	1,428,177 (+32.6% YoY)
September '24	1,169,908 (-1.4% YoY)	1,399,608 (+0.8% YoY)
October '24	1,325,263 (+2.4% YoY)	1,506,154 (+7% YoY)
November '24	1,360,060 (+5.8% YoY)	1,331,155 (-3.1% YoY)
December '24	1,488,577 (+6.1% YoY)	972,571 (-11.2% YoY)
January '25	1,110,721 (+3.8% YoY)	1,194,682 (-7.1 YoY)
February '25	1,219,841 (+3.4% YoY)	1,290,302 (-8.7% YoY)
2024 Full Year	15,851,070 (+2.2% YoY)	15,972,369 (-1.3% YoY) (U.S. 10,561,234)
2025 Forecast	16,000,000	15,440,000



U.S. Light Vehicle Sales Outlook (Updated 3/21)



Wards Intelligence Outlook (3/5)[4]: "Excluding any impact from the tariffs, an initial look at March shows sales matching February's 16.0 million-unit seasonally adjusted annual rate, with raw volume at roughly 1.43 million.

"In that scenario, Q1-2025 sales total 3.75 million units, 0.5% above like-2024's 3.73 million – there are two fewer selling days in Q1-2025 vs. Q1-2024, negatively impacting volume vs. year-ago. March 31 inventory is projected to rise 2.0% from February to 2.873 million units, about 9.0% above the year-ago total."

North American Production & Inventory Outlook (Updated 3/21)

Wards Intelligence Production Outlook (3/21)[5]: "Frist-quarter 2025 output is pegged at 3.886 million units, down 5.2% from Q1-2024's 4.10 million.

"In a first look at Q2 output, production is forecast at 4.159 million units, down 1.5% from Q1-2024, and marking the fourth consecutive quarterly downturn.

"First-quarter light-vehicle output is forecast to total 3.763 million units, down 4.7% year-over-year, while Q2 is projected to fall 1.4% to 4.025 million."

S&P Global Mobility Outlook (3/21)[6]: "North America: The outlook for North America light vehicle production was reduced by 155,000 units and by 78,000 units for 2025 and 2026, respectively (and reduced by 175,000 units for 2027). Amid trade risks and the impact on the broader economy, production in North America for 2025 was revised down 1.0% to 14.96 million units. Production in Q1-2025 was revised down by 27,000 units, from the last forecast, totaling 3.69 million units with Q2-2025 production revised down by around 100,000 units totaling 3.86 million units. Select vehicles with higher risk associated with USMCA content compliance or Canadian and Mexican sourcing were targeted in the reduced outlook. Reductions cascade into Q3-2025 that was revised down 28,000 units totaling 3.76 million units with the outlook for Q4-2025 virtually unchanged. Trade risk will determine future revisions to the forecast, up or down, either directly or indirectly through the broader economy. Global indications are pointing to material declines in demand at Tesla as some consumers flee the brand as it has become increasingly polarizing. As a result, the outlook for Tesla was revised down by 100,000 units for 2025 reflecting the largest contributor to the lower outlook for 2025. The outlook for 2026 was revised down 0.5% to 15.28 million units with 2027 revised down 1.1% to 15.46 million units. In both years a lower outlook for Tesla and various program delays are the primary contributors to the reduced outlook."

Wards Intelligence Inventory Outlook (3/5) [7]: "Indicating little interest in padding dealer lots ahead of the tariffs placed on vehicles built in Canada and Mexico as of March 4, U.S. light-vehicle manufacturers increased inventory at the end of February by a tepid 1.2% from the prior month to 2.816 million units.

"That there was not any significant inventory buildup ahead of time in case of tariffs means sales could be negatively impacted sooner if manufacturers react with short-term production cuts. If there is not a quick change in the tariff status, it is possible some automakers could reduce production at Canada and Mexico plants in March, possibly lessening the supply to dealers of vehicles that could have been sold in the same month – certainly in April.

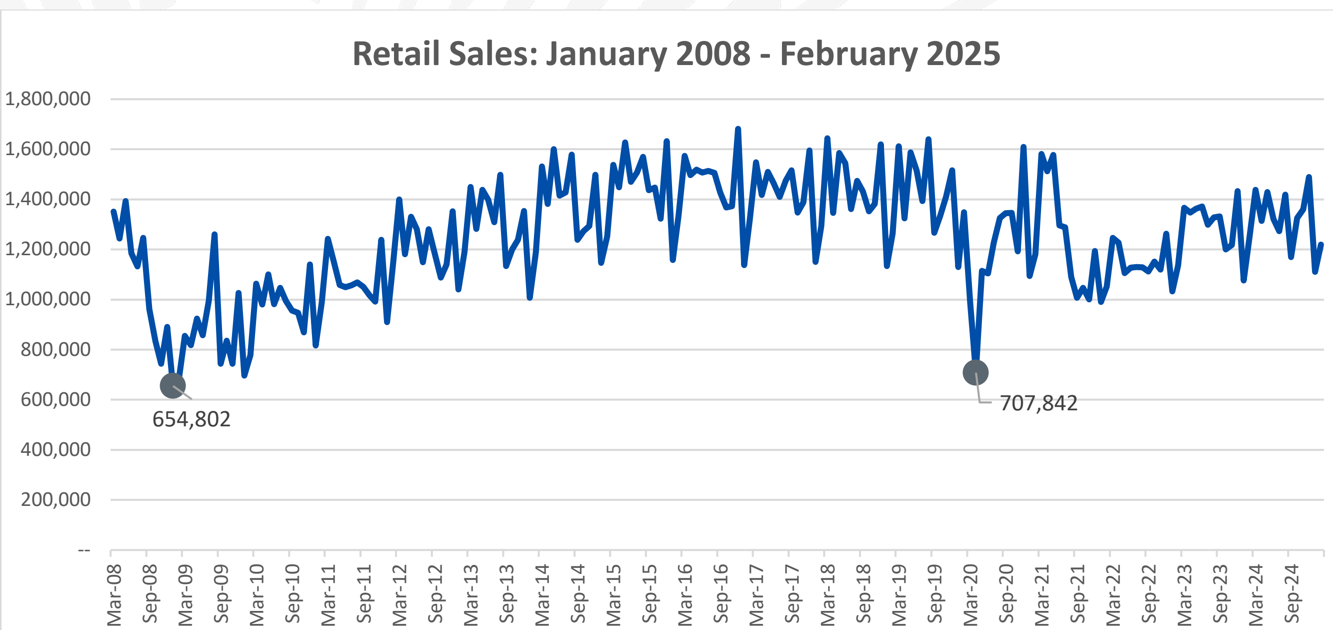
"Plants in the U.S. dependent on parts from Canada and Mexico could also be affected."

Market Meter

U.S. Light Vehicle Sales (Updated 3/5)

Monthly Sales (Updated 3/5)

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.



February Sales (Updated 3/5)

WardsIntelligence[8]: "February U.S. light-vehicle sales finished a smidgeon above expectations, posting a 16.0 million-unit seasonally adjusted annual rate, an increase from January's 15.5 million and same-month 2024's 15.7 million.

"Raw volume totaled 1.220 million units, down 0.7% from February 2024's 1.229 million. However, the daily selling rate (DSR) over the month's 24 selling days rose 3.4% to 50,827 from the year-ago total of 49,160 – 25 selling days.

"February's DSR marked the fifth straight year-over-year increase.

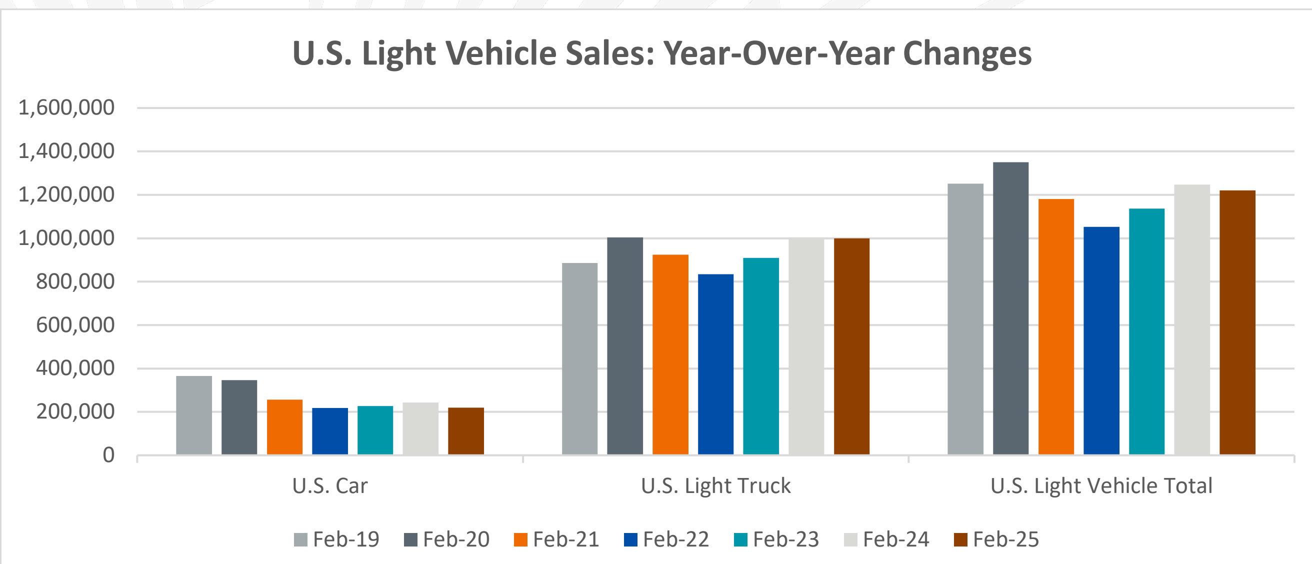
"Retail volume was estimated at 1.010 million units, up 8.7% year-over-year, based on DSRs. Fleet deliveries were estimated at 210,000, down 16.3% (based on DSRs).

"By Segment Group, the most affordable sector, Small Car, rose 16.0% year-over-year, with share rising to 8.5% from 7.5%. The light-truck entry-level Small CUV subsegment rose 9.1%. At the other end of the price scale, luxury-segment vehicles increased 16.8%.

"Non-luxury midsize cars and compact and midsize CUVs and SUVs – generally considered the mainstream sector of the market – all recorded big declines.

"Among the Segment Groups, Van and Pickup also posted strong gains – 18.6% and 17.3%, respectively - with Van penetration totaling 5.2% vs. 4.5% in the year-ago month, and Pickup share soaring to 17.9% from 15.8%.

"Overall, cars fell 0.4% from like-2024, while trucks were up 4.2%."



Calendar year-to-date sales through February totaled 2.33 million units, up 0.3% from 2024's 2.32 million.

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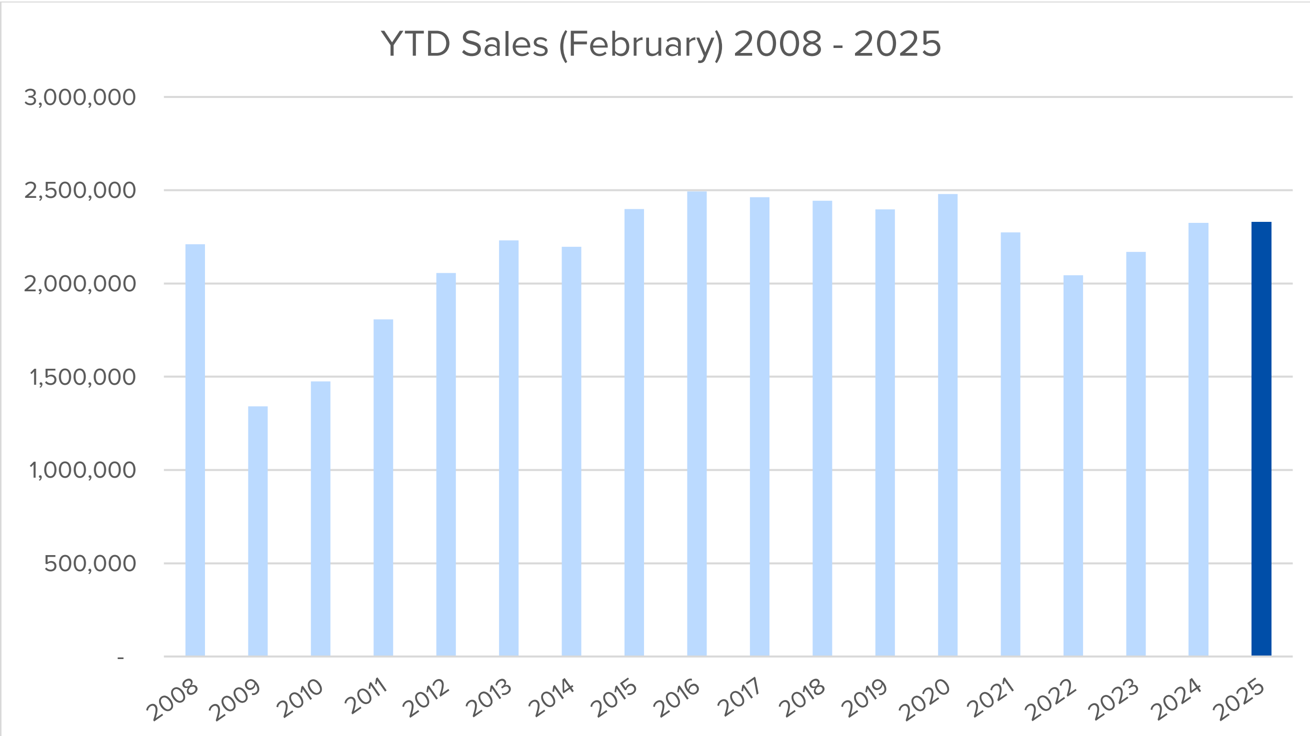
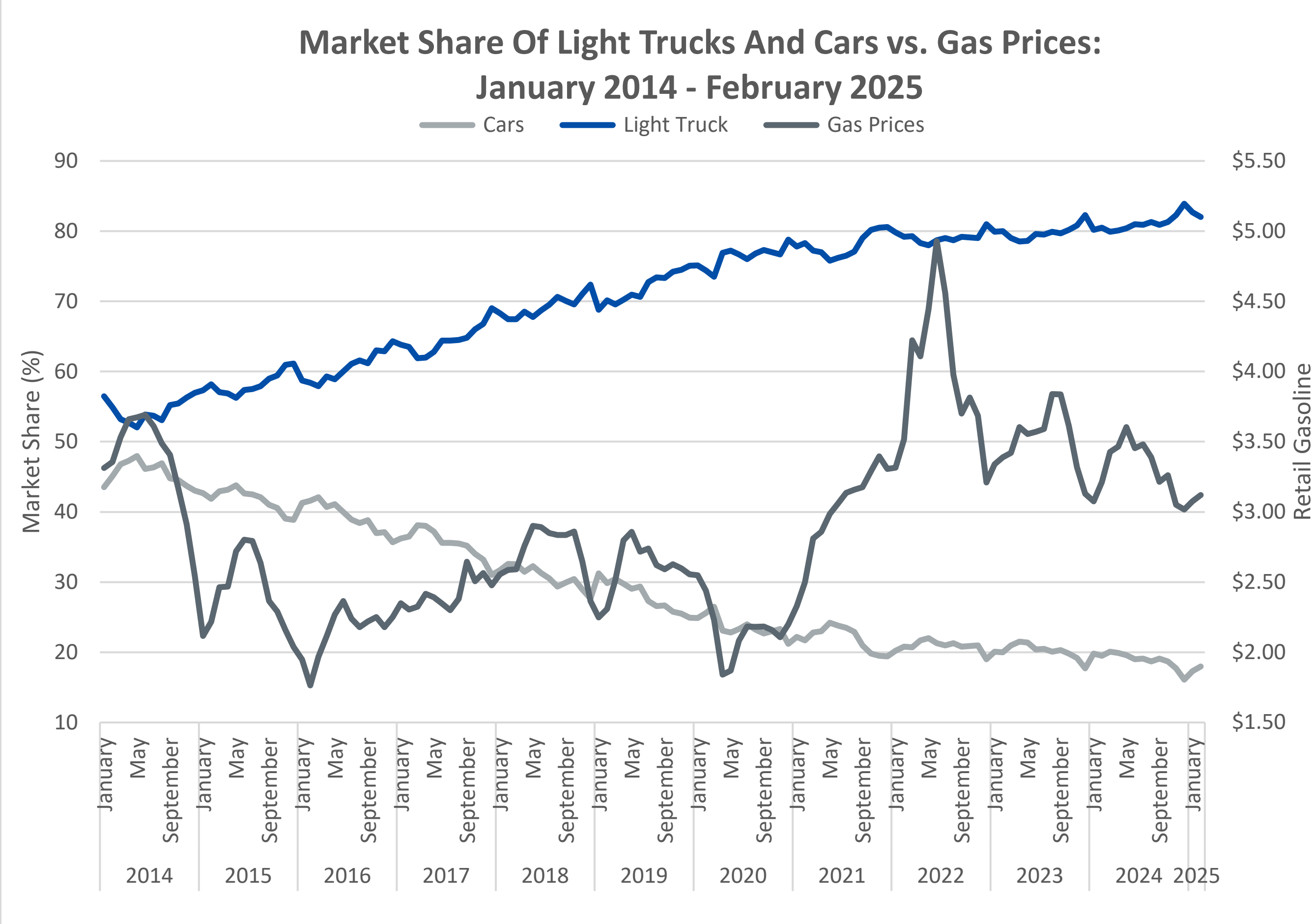


Segments vs. Gas Prices (Updated 3/5)

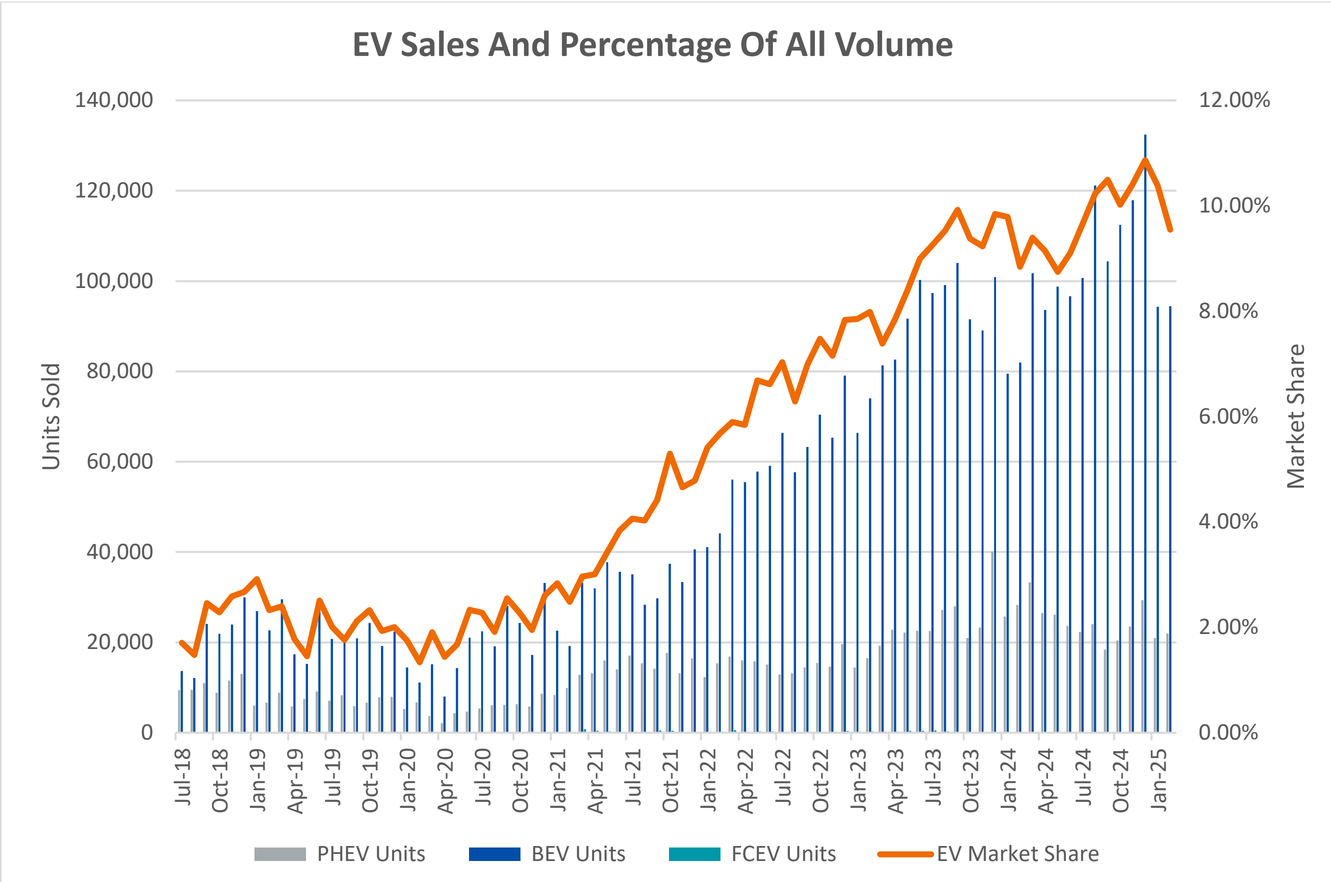
Monthly Sales For January: Light trucks accounted for 82 percent of sales in February, up 1.5 percentage points from the market share a year ago. Compared to the same period in 2024, sales of cars are down 24,000 units, and down more than 145,000 from February 2019, when cars comprised 29% of the market as opposed to the 18 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]



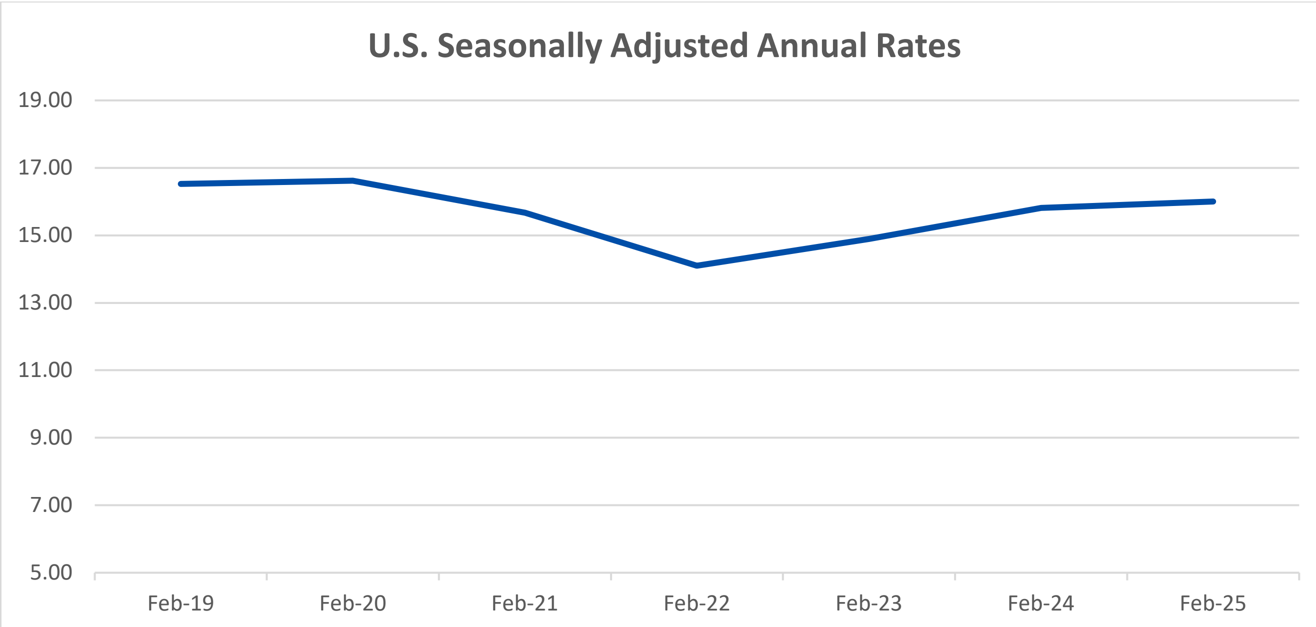
EV Powertrain Sales (Updated 3/5)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 9.6 percent of total vehicle sales in February 2025 (116,451), per Wards estimates. Market share decreased 0.84 percentage points (pp) from January 2025. February'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 7.7 percent of total sales, up 1.2 pp from February 2024. Plug-in hybrids accounted for 1.8 percent, down 0.5 pp from the same time last year.



Seasonally Adjusted Annual Rates (Updated 3/5)

WardsIntelligence[12]: "February U.S. light-vehicle sales finished a smidgeon above expectations, posting a 16.0 million-unit seasonally adjusted annual rate, an increase from January's 15.5 million and same-month 2024's 15.7 million."



Average Transaction Price (Updated 3/21)

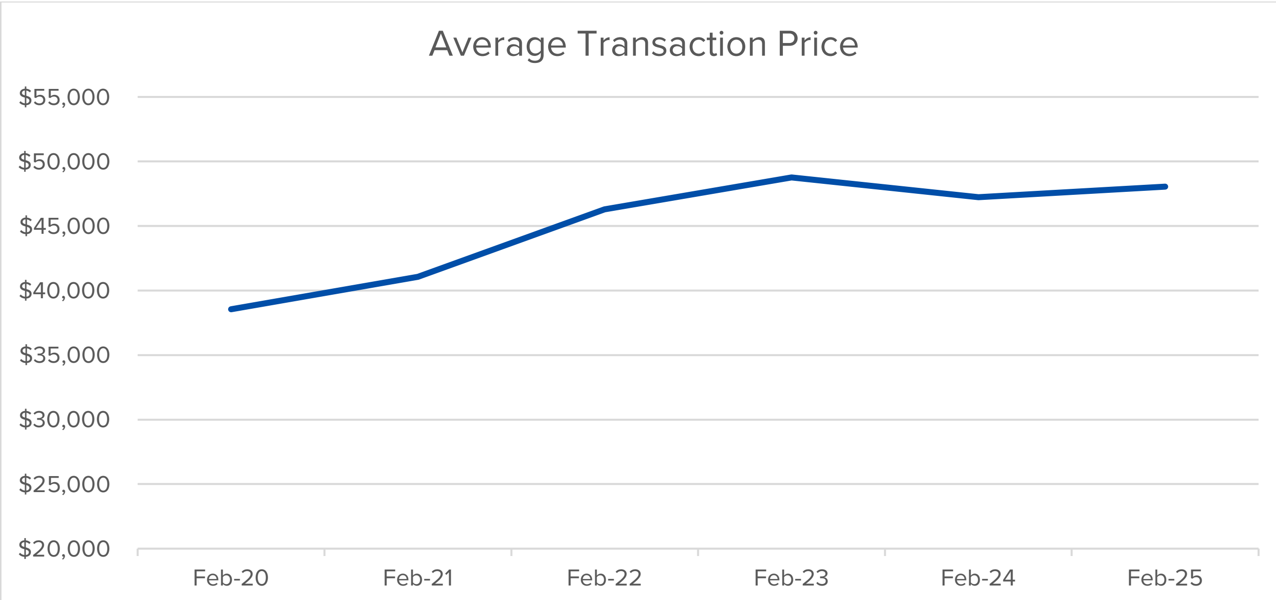
Kelley Blue Book (February)[13]**:** "The estimated February new-vehicle ATP from Kelley Blue Book was $48,039, a year-over-year gain of 1.0%, but lower by 1.3% from January.

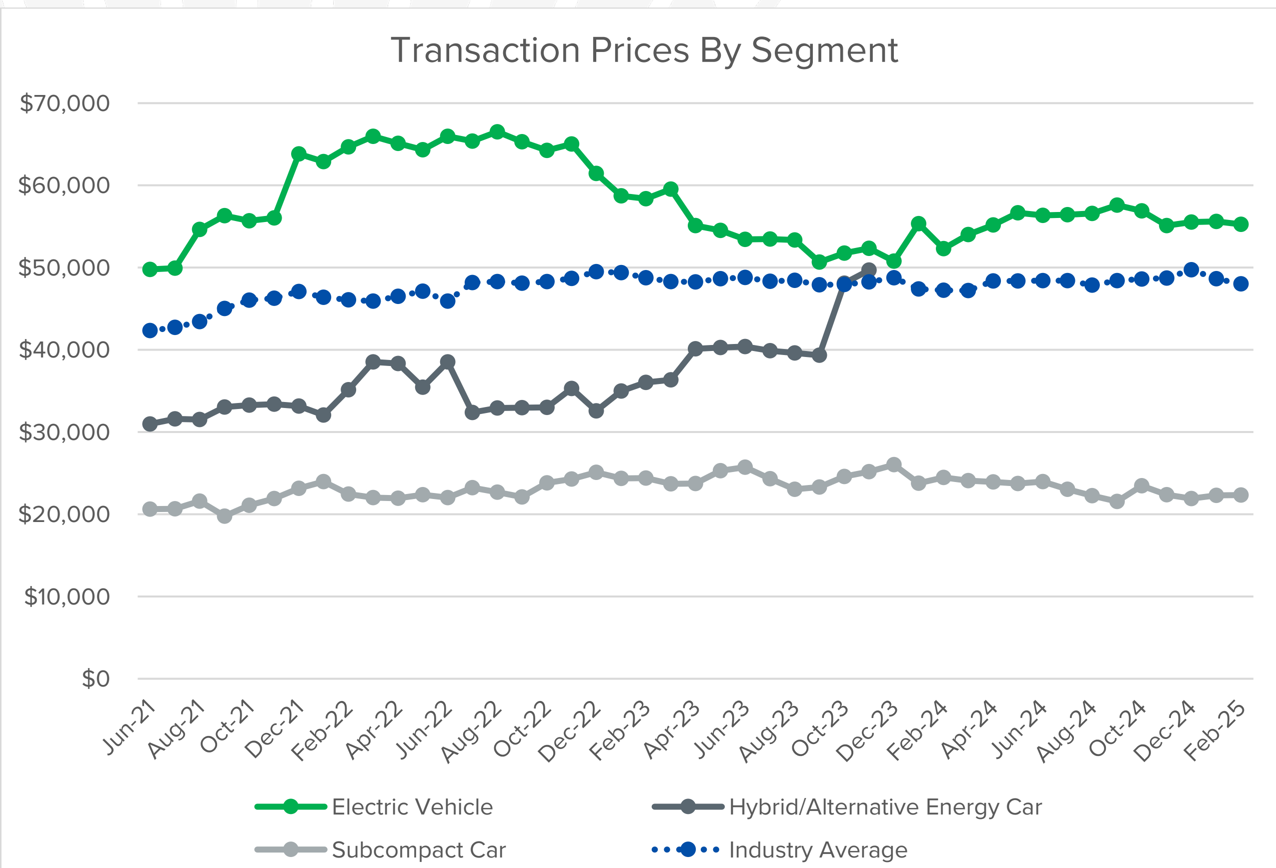
"Sales incentive levels were mostly flat month over month but higher compared to February 2024 by 18.6%. The average incentive package last month was equal to 7.1% of ATP, or roughly $3,392. A year ago, it was 6%. Incentives for electric vehicles (EVs) increased.

"In February, at $55,273, new-electric vehicle prices were lower by 1.2% from January – generally aligned with the industry – and higher by 3.7% versus February 2024. The January EV ATP was revised higher by 0.06% to $55,929. Compared to the overall industry ATP ($48,039), EV ATPs in February were higher by 15.1%, an increase from the 14.9% gap recorded in January.

"The average incentive package for a new EV was 14.8% of ATP, or approximately $8,162, the highest level in more than 5 years. Incentives for EVs are more than twice the overall market. A year ago, EV incentives were 10.2%. EV incentives, as a percentage of ATP, have increased by 44% in the past year.

J.D. Power (Updated 3/5)[14]**:** "Despite rising manufacturer discounts and falling retailer profits, average transaction prices remain high. The average retail transaction price for new vehicles is trending toward $44,619, up $71 (0.2%) from February 2024."


Average Transaction Price
$55,000
$50,000
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
Feb-20
Feb-21
Feb-22
Feb-23
Feb-24
Feb-25

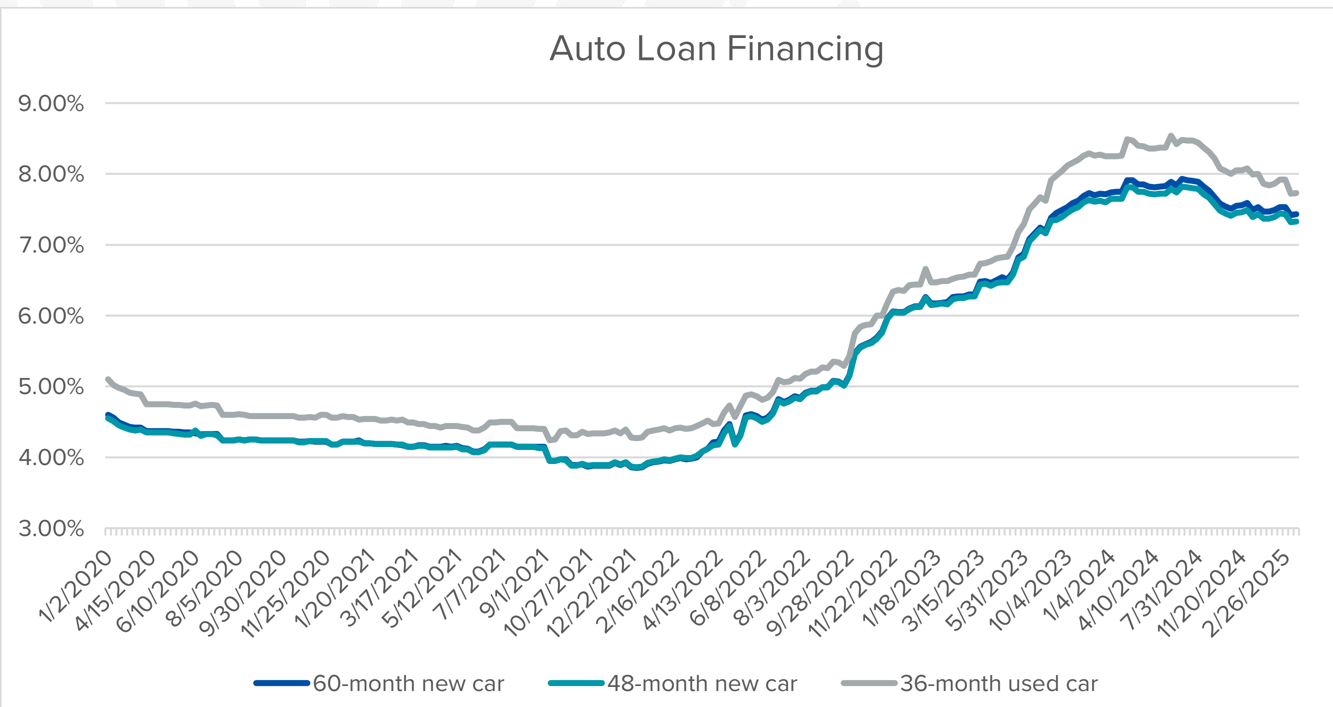

Transaction Prices By Segment
$70,000
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$0
Jun-21
Aug-21
Oct-21
Dec-21
Feb-22
Apr-22
Jun-22
Aug-22
Oct-22
Dec-22
Feb-23
Apr-23
Jun-23
Aug-23
Oct-23
Dec-23
Feb-24
Apr-24
Jun-24
Aug-24
Oct-24
Dec-24
Feb-25
Electric Vehicle
Hybrid/Alternative Energy Car
Subcompact Car
Industry Average

Auto Loan Financing (Updated 3/21)

Interest Rates (updated 3/21): Interest rates dropped on the 60-month and 48-month and the 36-month used car loans over the past two weeks. Rates now stand at 7.43%, 7.33%, and 7.73%, respectively. Since the beginning of 2020, 60-month rates are up 2.83 pp, and are down 0.42 pp since the same time a year ago.[15]

JD Power (3/5)[16]: "Average monthly finance payments this month are on pace to be $738, up $17 from February 2024, and the highest February on record. The average interest rate for new-vehicle loans is expected to be 6.80%, down 3 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%
2/28/2024	7.91%	7.81%	8.47%
2/26/2025	7.53%	7.43%	7.92%
3/19/2025	7.43%	7.33%	7.73%
Two Week Change	-0.10%	-0.10%	-0.19%
Change since 1/3/20	2.83%	2.78%	2.63%
One Year Change	-0.42%	-0.42%	-0.67%



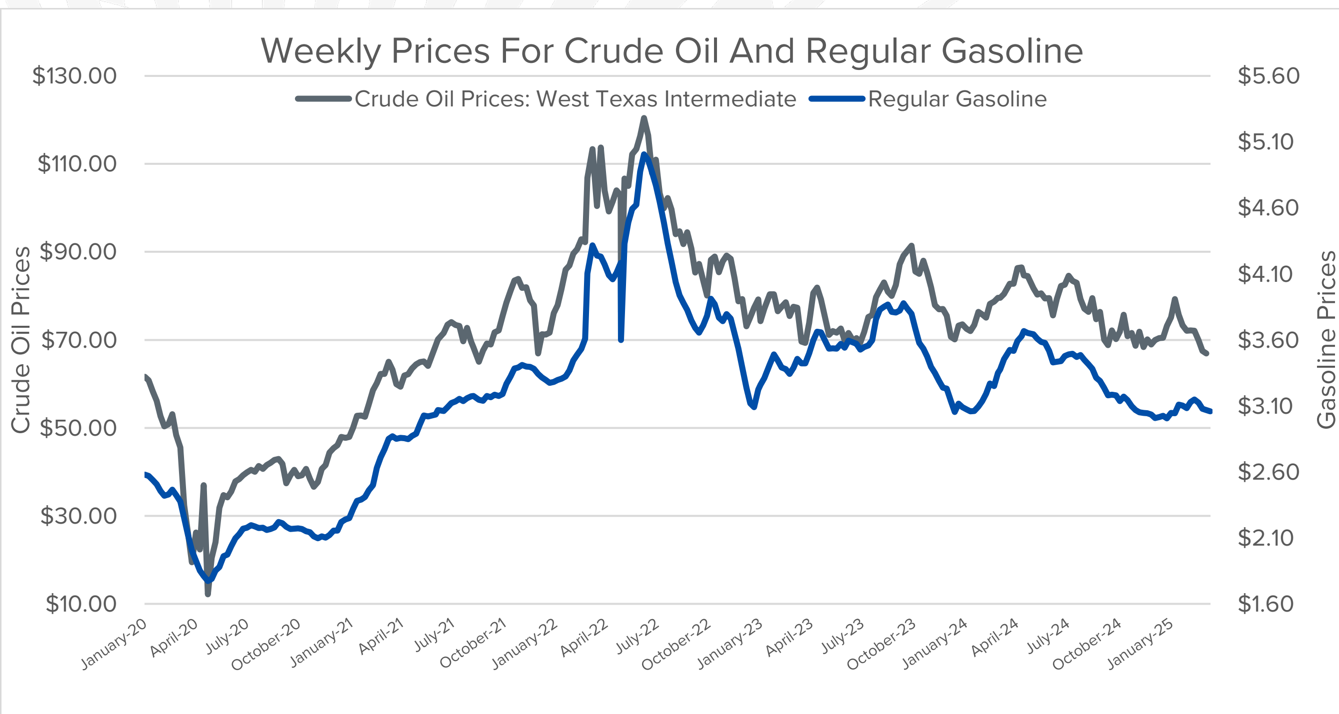
Crude Oil and Gas Prices (Updated 3/21)

Gas And Oil Remain Elevated But Continue to Decline (3/21): Oil prices, as benchmarked at West Texas Intermediate were $67 at the mid-point of March, down $5 since the same time a month-ago. Since election day 2024, oil prices are down $1.74 a barrel. Gas is down slightly from a week ago at $3.06. Gas is 19% higher than the beginning of 2020 and has not been below $3 a gallon since May 2021 (though it did hit $3.01 at the end of December 2024).[17]

EIA Outlook For Oil (3/5):[18] "We expect the closure of two U.S. refineries to result in less U.S. crude oil refining in both 2025 and 2026, decreasing the production of refined products. U.S. refinery output in our forecasts decreases by 190,000 barrels per day (b/d) in 2025 and 180,000 b/d in 2026 as refinery capacity decreases. LyondellBasell began shutting down its 263,776-b/d Houston refinery on January 27, 2025, and expects completion in early February. We expect Phillips 66 to close its 138,700-b/d Los Angeles refinery at the end of 2025.

"To meet the forecast increase in U.S. consumption of petroleum products with less U.S. refinery capacity, we expect refinery utilization to remain relatively high and for net U.S. exports of petroleum products to decrease to meet domestic fuel demand. We also forecast that U.S. inventories of gasoline, distillate fuel, and jet fuel will decline.

EIA Outlook For Gasoline (3/5)[19]**:** "Motor gasoline is the only one of the three primary transportation fuels that we do not forecast to surpass 2019 volumes in the United States in the next two years. Fuel efficiency gains in the vehicle fleet have generally outpaced growth in driving since 2019, allowing drivers to travel more miles using less gasoline. We forecast U.S. motor gasoline consumption to remain about flat in 2025 as driving activity, measured by vehicle miles traveled, keeps pace with fuel efficiency gains. We forecast gasoline consumption to decrease slightly in 2026, when we assume slower growth in driving activity as employment growth slows. Compared with 2019, we forecast 4% less U.S. motor gasoline consumption in 2025 and 5% less in 2026, despite more miles driven in both years."



Production Meter

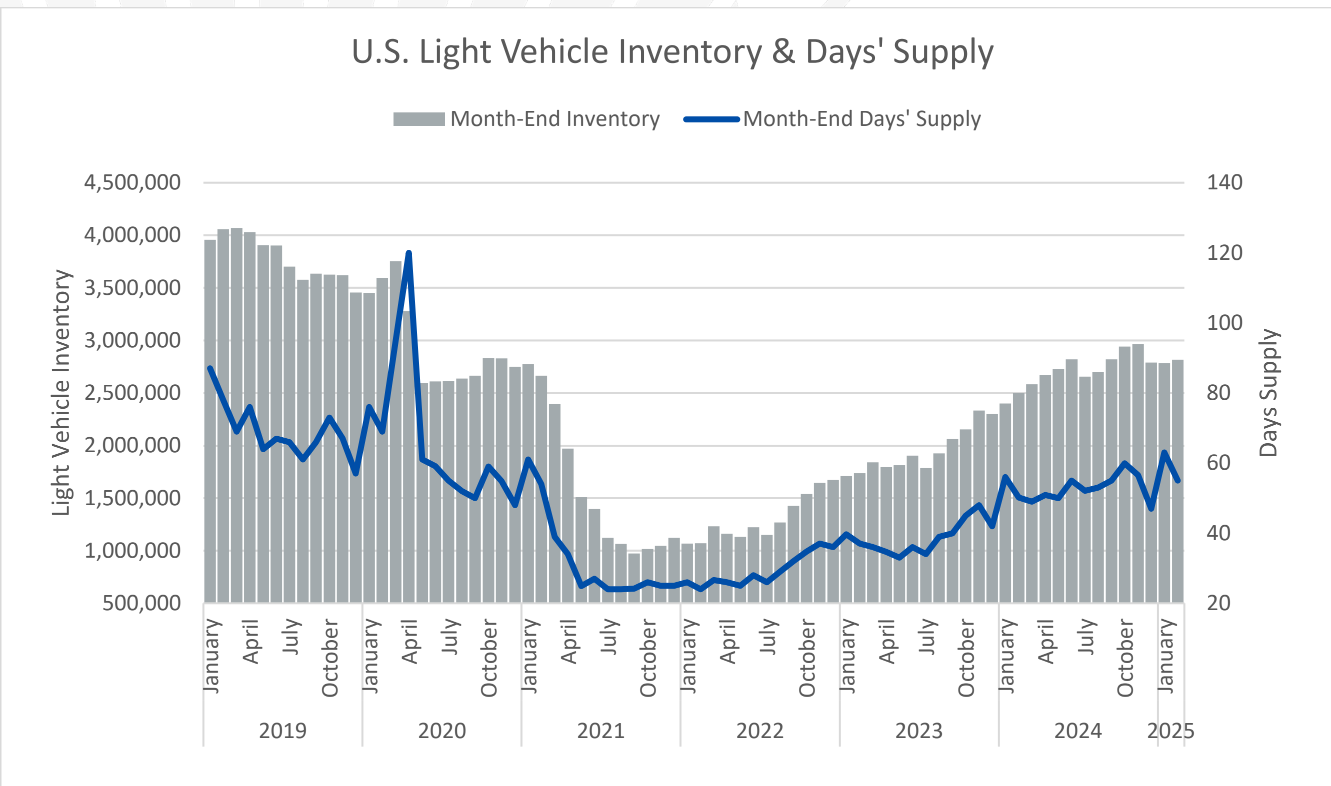
U.S. Light Vehicle Inventory and Days' Supply (Updated 3/5)

WardsIntelligence Inventory Update (2/6)[20]: "Indicating little interest in padding dealer lots ahead of the tariffs placed on vehicles built in Canada and Mexico as of March 4, U.S. light-vehicle manufacturers increased inventory at the end of February by a tepid 1.2% from the prior month to 2.816 million units.

"In the 20 years through 2019, or pre-pandemic period, inventory increased an average 2.5% in February from January - a year ago it rose 5.1%. The difference between the January-to-February increase in 2025 and the average gain is not a shocking amount nor totally unusual, but it comes after an atypical decline in inventory from December to January and just as the U.S. is imposing 25% tariffs on nearly everything coming from Canada and Mexico.

"In 2024, 23% of the light vehicles sold in the U.S. were built in Canada or Mexico, while roughly 53% were assembled in the U.S., according to Wards Intelligence partner GlobalData.

"February's inventory total was 11.4% above same-month-2024's 2.529 million units and equated to a 55 days' supply, down from January's 63 but up from February 2024's 51. Historically, a 71 days' supply is normal for February."



North American Production (Updated 3/21)

Wards Intelligence[21]: “February finished just 2,400 units below the month-ago projection for the period, totaling 1.290 million units of light vehicles and medium-/heavy-duty trucks combined, while 16,600 units were shaved from March, which is tracking to 1.405 million.

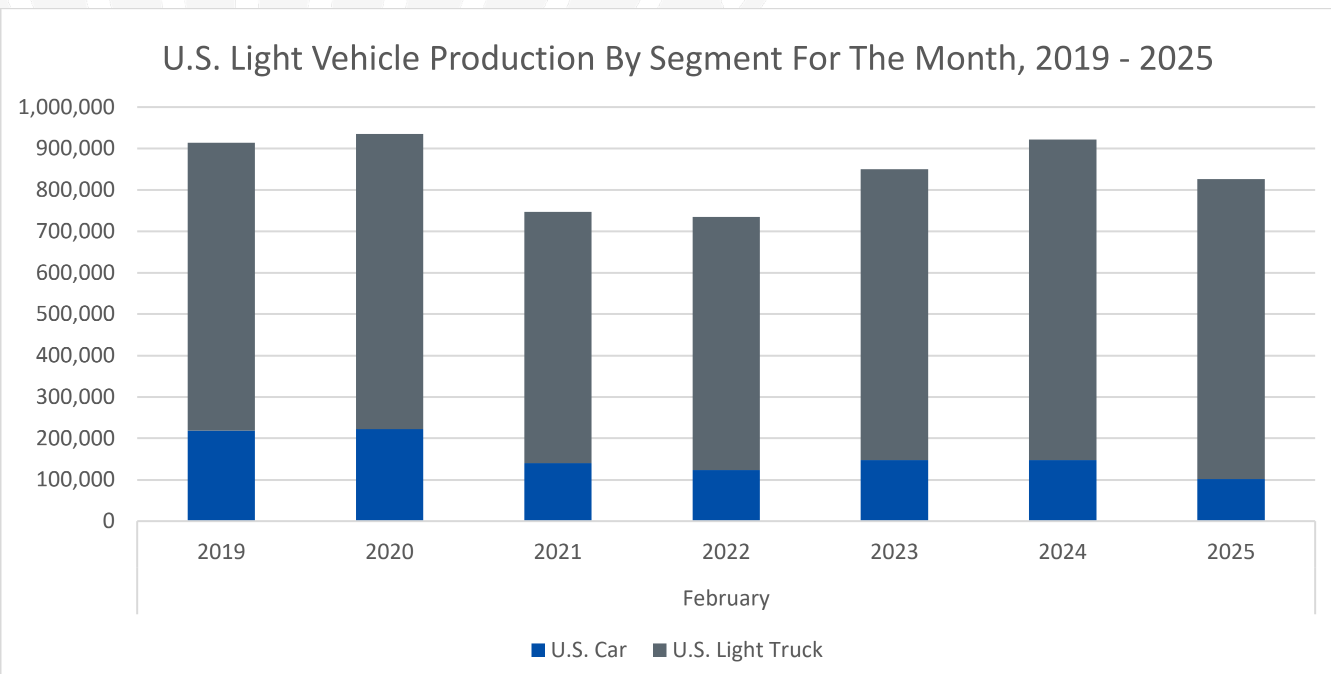
“The February total was 8.6% below like-2024 and March is up 0.2% - barely registering, but the first increase since October, if it holds firm.

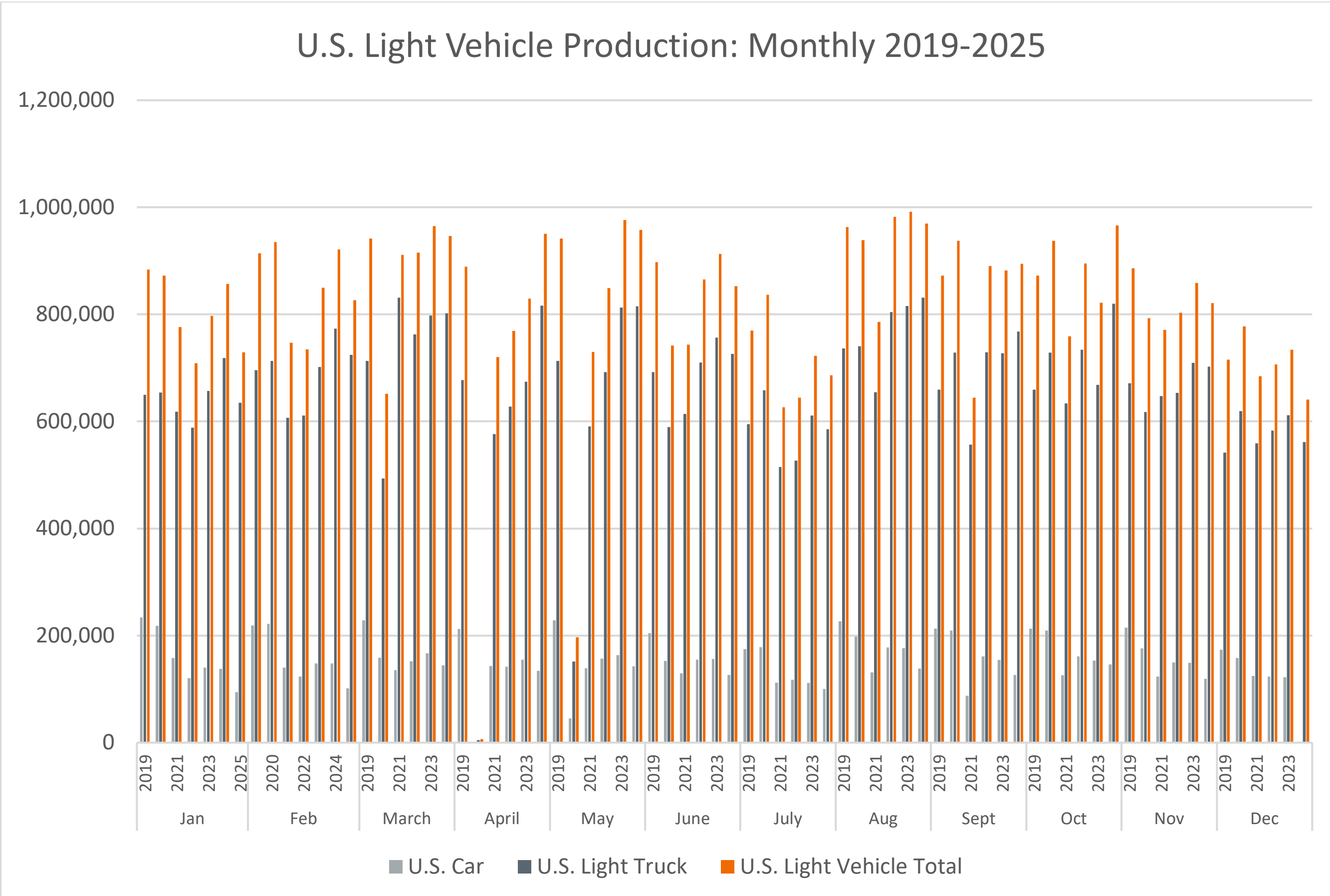
“Excluding medium- and heavy-duty trucks, February’s light-vehicle production totaled 1.252 million units, 8.0% below like-2024. March light-vehicle output is tracking to 1.357 million, up 0.8%.”

U.S. Light Vehicle Production (Updated 3/21)

U.S. Monthly Production (Updated 3/21)

U.S. Light vehicle production for February was up 13.3 percent month-over-month, totaling 826,247 vehicles (101,648 cars, 724,599 light trucks), year-over-year, production is down 10 percent from 2024.[22]





Global Meter

Global Light Vehicle Sales (Updated 3/21)

Wards Intelligence[23]: "Global vehicle sales started the year with a small 0.7% year-over-year increase in January, as deliveries of light vehicles and medium-/heavy duty trucks totaled 7.308 million units, vs. like-2024's 7.254 million.

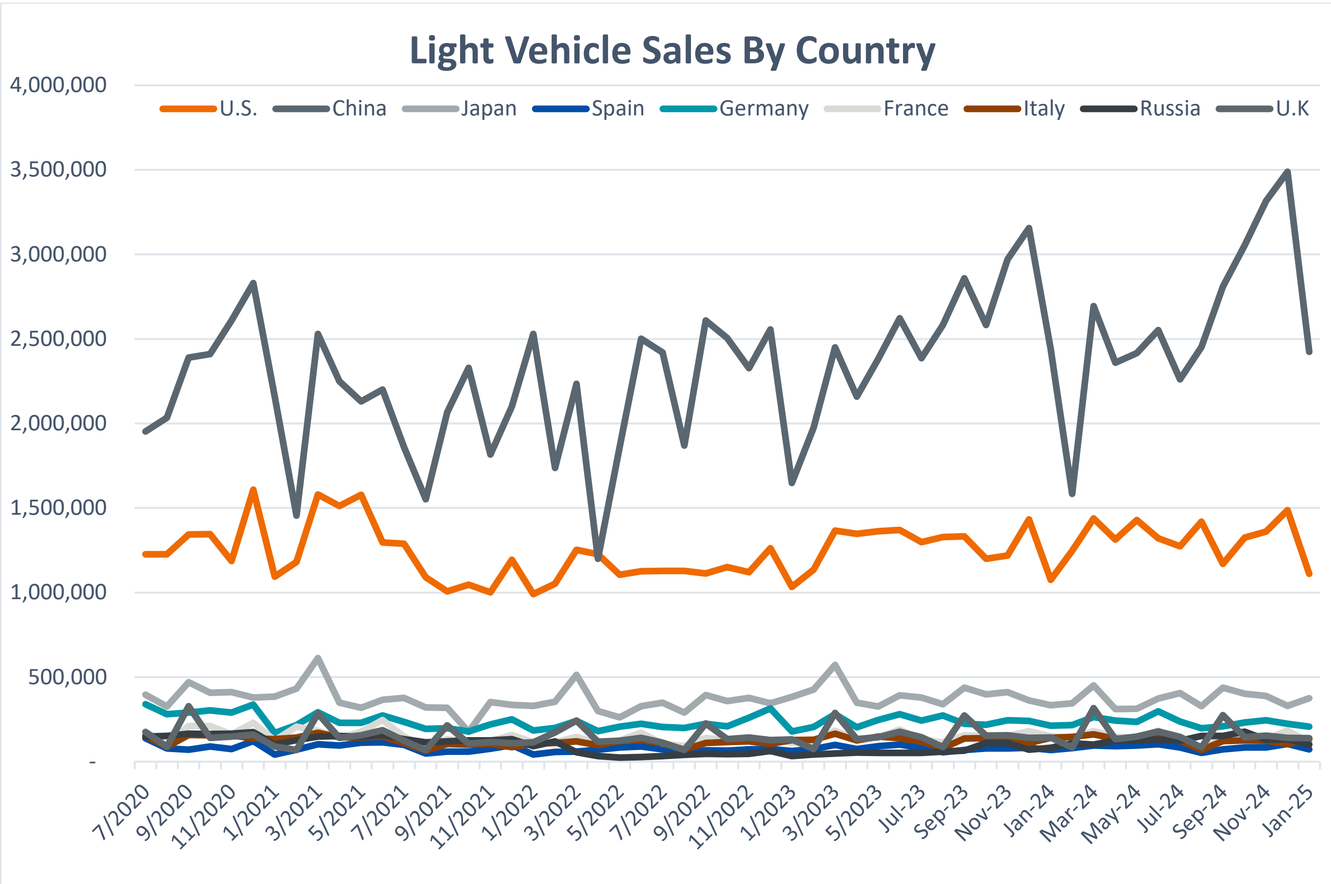
"The results marked the fourth straight increase and were boosted by gains in North America and South America, which were up 2.1% and 20.4%, respectively.

"Deliveries in Europe were down 1.6% and Asia-Pacific declined 1.9%. Excluding China, the largest global market, which recorded a 1.6% year-over-year downturn, Asia-Pacific sales were down 2.3%.

"Excluding medium-/heavy-duty trucks, January global light-vehicle sales rose 1.2% year-over-year.

“Wards Intelligence partner GlobalData pegged January’s annualized rate for light vehicles at 88.5 million units, the highest for the month since 2018.

“Global light-vehicle sales for entire-2025 are forecast to total 91.6 million units, up 4% from 2024.”



Global Light Vehicle Production (Updated 3/21)

S&P Global Mobility Forecast (1/24)[24]: “The global auto industry continues to assess the possible impacts of pending tariff actions by the US and potential reciprocal tariffs while navigating ongoing industry-specific dynamics. Vehicle demand, while still recovering in some markets, remains extremely vulnerable. The potential for significant tariffs on imports to the US presents risk for both market participants in the US and indeed markets around the world based on the negative macro implications. While the threat of damaging 25% tariffs on Canada and Mexico imports to the US remains, the deadline has been pushed out to April 2, allowing for further negotiations. As a result, the full impacts of these potential tariffs are not reflected in this month’s update, yet there remains a distinct possibility for material disruption. The March forecast update reflects a mix of upgrades and downgrades of varying magnitudes in the extreme near-term, while we maintain a cautious eye on ongoing trade negotiations in the US. The positive impacts of the strong reception to the extension of the vehicle scrappage and replacement policy in China and revisions to EU CAFE

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regulations are offset by trade inspired influences for North America and increasing weakness in the ASEAN market. The more noteworthy regional adjustments with the latest forecast update are detailed below:

“**Europe:** The outlook for Europe light vehicle production was increased by 63,000 units and by 26,000 units for 2025 and 2026, respectively (and increased by 27,000 units for 2027). In spite of ongoing pressure from tariffs and geopolitical topics, the near-term outlook for European production was upgraded given revisions to EU CAFE regulations for the 2025-2027 timeframe, leading to more volume for ICE-based vehicles over that period and a more visible path towards compliance for the industry as a whole. Additionally, there was a noteworthy upgrade to the outlook for light vehicle demand in Turkey which further supports production through the near-term forecast horizon. Beyond 2025, topline volume adjustments were more modest, yet BEV rates have been reduced given the aforementioned regulatory revisions.

“**Greater China:** The outlook for Greater China light vehicle production was increased by 76,000 units and by 24,000 for 2025 and 2026, respectively (and reduced by 112,000 units for 2027). Motivated by the scrappage policy extension, January output maintained strong momentum and exceeded our own initial conservative estimates given the Lunar New Year seasonality. In January, mainland China light vehicle production totaled 2.3 million units representing 2% year-on-year growth. For February we expect a significant increase compared to the previous year, primarily due to a lower base of comparison, which might lead to some inventory building. According to CDCA, the passenger vehicle inventory level rose to an index of 1.61 in February. The NEV market continues to rise, making up a substantial portion of the overall market. Production of NEVs in February totaled around 800,000 units, representing a y-o-y increase of 85%. The Chinese government is expected to continue its proactive fiscal policy and accommodative monetary policy thereby supporting consumption. The auto industry in China benefits from those policies in the near-term and will be further supported as automakers ramp-up production and expand their offerings, particularly in NEV sector. Of note, more material negative revisions were made to the region beyond 2027 given downward revisions to population growth estimates and expected payback effects as various stimulus programs wind down.

“**Japan/Korea:** For the full years 2025 and 2026, Japan production was upgraded by 93,000 units and 90,000 units, respectively, relative to last month’s forecast. This is due primarily to the upward revision of export demand for the new RAV4 and the ongoing production recovery of the Alphard, Voxy, and Noah given strong demand in the domestic market. Of note, the shutdown of Toyota, Daihatsu, and Suzuki due to the explosion at supplier Chuo Spring has resulted in a total production impact of 19,000 units in March. The longer-term outlook for Japan production was upgraded by around 60,000 units per year. This is due to higher export demand for Lexus ICE models, such as the NX, RX and ES. As the prolonged political uncertainty in South Korea is expected to further dampen domestic consumer sentiment, production in 2025 was downgraded by 7,000 units or 0.2%. Conversely, Hyundai is expected to extend production of small CUVs such as the Hyundai Venue and the Kia Stonic leading to an increase of 15,000 units in 2026 and 47,000 units in 2027. To meet growing demand for hybrids and fill the volume gap caused by slower BEV adoption, Hyundai is expected to add hybrid variants to models like the Hyundai Sonata and the Kia K5 extending their production to the 2030s. Accordingly, in addition to the increase in volume due to the production extension of small CUVs, long-term output was upgraded by approximately 140,000 units per year.

“**North America:** The outlook for North America light vehicle production was reduced by 155,000 units and by 78,000 units for 2025 and 2026, respectively (and reduced by 175,000 units for 2027). Amid trade risks and the impact on the broader economy, production in North America for 2025 was revised down 1.0% to 14.96 million units. Production in Q1-2025 was revised down by 27,000 units, from the last forecast, totaling 3.69 million units with Q2-2025 production revised down by around 100,000 units totaling 3.86 million units. Select vehicles with higher risk associated with USMCA content compliance or Canadian and Mexican sourcing were targeted in the reduced outlook. Reductions cascade into Q3-2025 that was revised down 28,000 units totaling 3.76 million units with the outlook for Q4-2025 virtually unchanged. Trade risk will determine future revisions to the forecast, up or down, either directly or indirectly through the broader economy. Global indications are pointing to material declines in demand at Tesla as some consumers flee the brand as it has become increasingly polarizing. As a result, the outlook for Tesla was revised down by 100,000 units for 2025 reflecting the largest contributor to the lower outlook for 2025. The outlook for 2026 was revised down 0.5% to 15.28 million units with 2027 revised down 1.1% to 15.46 million units. In both years a lower outlook for Tesla and various program delays are the primary contributors to the reduced outlook.

"South America: The outlook for South America light vehicle production was increased by 2,000 units and by 51,000 units for 2025 and 2026, respectively (and increased by 41,000 units for 2027). The outlook for 2025 remains fairly stable as relatively minor production weakness with Argentina is offset by upgrades elsewhere. At the same time, our sales outlook for Argentina was increased by 60,000 units, yet the impact to production is expected to be more limited as much of the boost in demand is driven by imports. The production outlook for South America for the balance of the near-term forecast horizon was modestly changed overall and generally aligns with upward revisions to demand for the region. The primary beneficiaries of the production upgrade through the near-term horizon reside with both Brazil and Argentina.

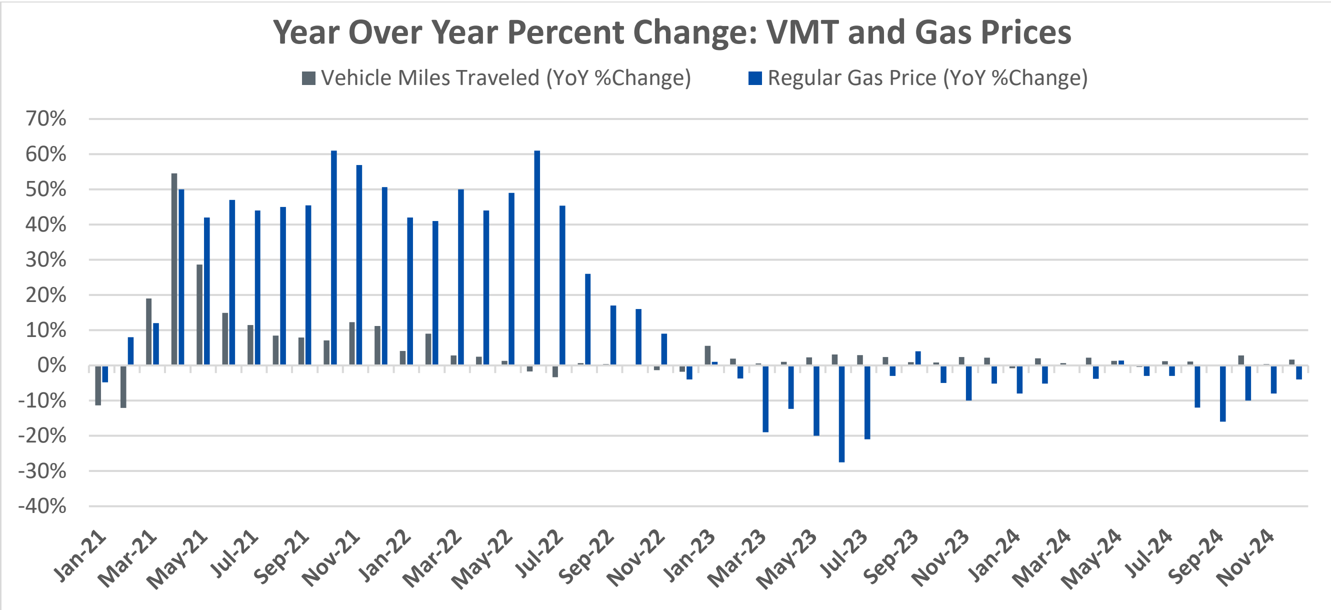
"South Asia: The outlook for South Asia light vehicle production was reduced by 65,000 units for 2025 and increased by 6,000 units for 2026 (and reduced by 51,000 units for 2027). The ASEAN market's automotive struggles have deteriorated, painting a challenging picture for Southeast Asia's vehicle industry in early 2025. The region's light vehicle production dropped sharply again in February, down 7.3% from last year – a sign of deepening economic challenges and sluggish consumer confidence throughout the region. Both Thailand and Indonesia face pressures on the export front as global trade tensions and tariff uncertainties threaten external demand for ASEAN-built vehicles. These combined factors result in a reduction of the ASEAN 2025 vehicle production forecast by 59,000 units, setting regional output expectations at a four-year low of 3.71 million units. Notwithstanding the challenges facing the ASEAN market, the outlook for the India market remains largely unchanged for 2025 and 2026. However, inventory levels remain somewhat elevated and will continue to be monitored. Of note, the outlook for India in 2027 was reduced by around 50,000 units due to downward revisions for Renault and the removal of the VinFast VF3 and VF5 from the forecast in the short-term."

Economy Meter

Roadway Travel (Updated 3/5)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in December increased by 1.5 percent from the same time a year ago. The cumulative travel estimate for 2024 is 3,279.1 billion vehicle miles.[25]

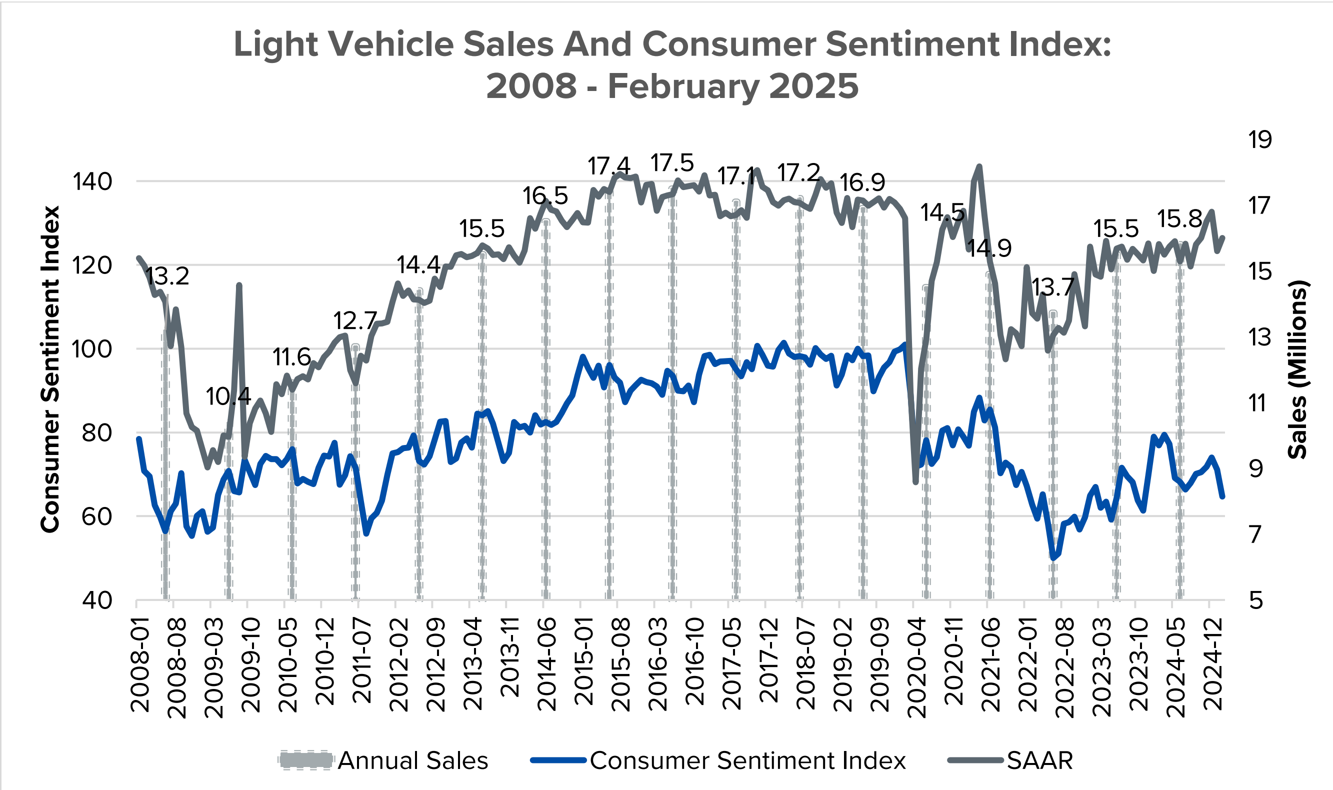
- Travel on all roads and streets changed by +1.7% (+4.3 billion vehicle miles) for December 2024 as compared with December 2023. Travel for the month is estimated to be 263.0 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for December 2024 is 274.4 billion miles, a +1.5% (3.9 billion vehicle miles) change over December 2023. It also represents a 0.6% change (1.7 billion vehicle miles) compared with November 2024.
- Cumulative Travel for 2024 changed by +1.0% (+32.3 billion vehicle miles). The cumulative estimate for the year is 3,279.1 billion vehicle miles of travel.



Consumer Confidence and Sales (Updated 3/21)

Surveys of Consumers Director Joanne Hsu[26]: “Consumer sentiment slid another 11% this month, with declines seen consistently across all groups by age, education, income, wealth, political affiliations, and geographic regions. Sentiment has now fallen for three consecutive months and is currently down 22% from December 2024. While current economic conditions were little changed, expectations for the future deteriorated across multiple facets of the economy, including personal finances, labor markets, inflation, business conditions, and stock markets. Many consumers cited the high level of uncertainty around policy and other economic factors; frequent gyrations in economic policies make it very difficult for consumers to plan for the future, regardless of one’s policy preferences. Consumers from all three political affiliations are in agreement that the outlook has weakened since February. Despite their greater confidence following the election, Republicans posted a sizable 10% decline in their expectations index in March. For Independents and Democrats, the expectations index declined an even steeper 12 and 24%, respectively.

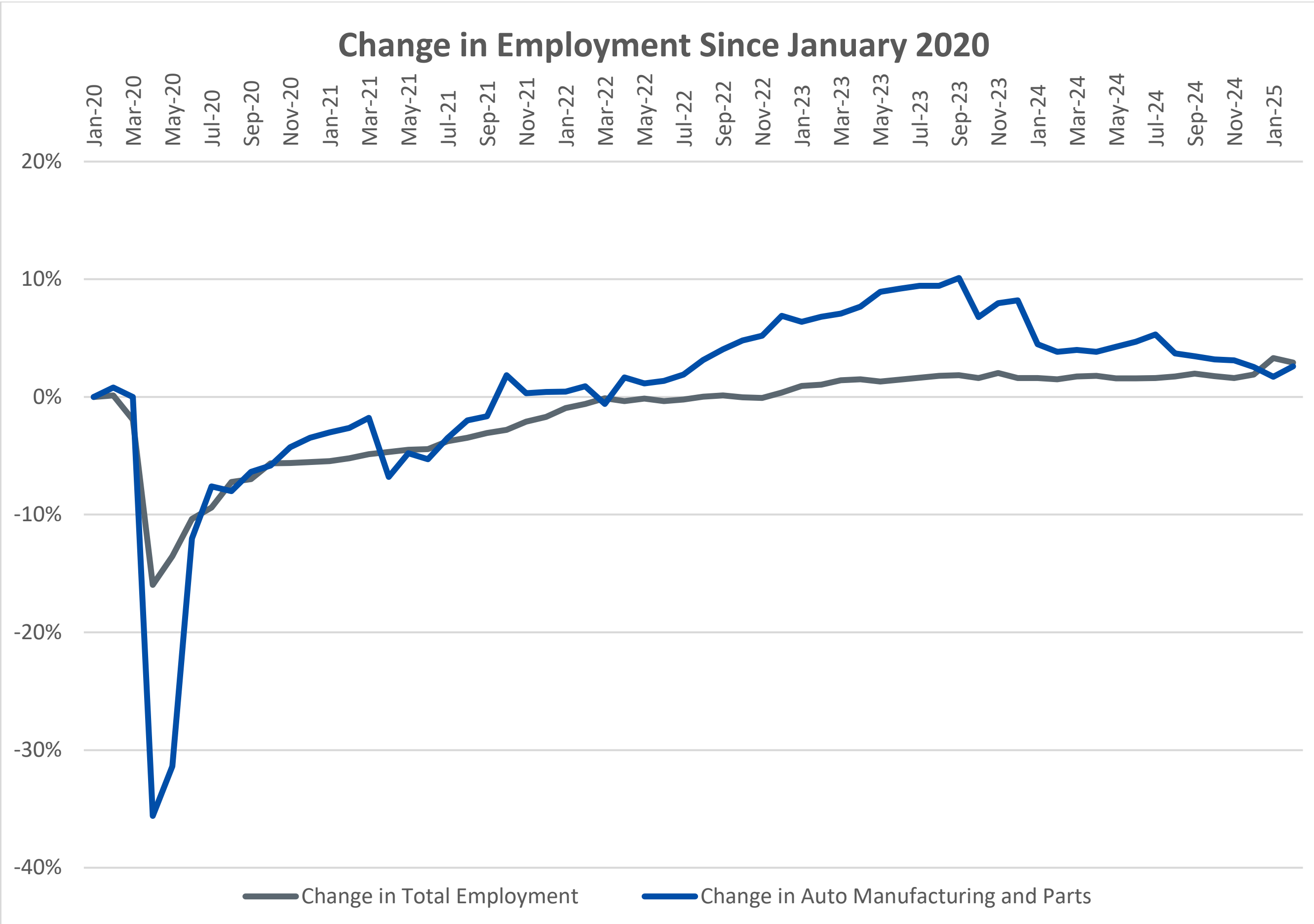
“Year-ahead inflation expectations jumped up from 4.3% last month to 4.9% this month, the highest reading since November 2022 and marking three consecutive months of unusually large increases of 0.5 percentage points or more. This month’s rise was seen across all three political affiliations. Long-run inflation expectations surged from 3.5% in February to 3.9% in March. This is the largest month-over-month increase seen since 1993, stemming from a sizable rise among Independents, and followed an already-large increase in February.”



Employment (Updated3/21)

Motor Vehicle And Parts Manufacturing Gained 8,900 Jobs in February.

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.[27]



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.[28] 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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