

Press Release

J.D. Power and LMC Automotive Report: Retail Light-Vehicle Sales Strengthening in March

WESTLAKE VILLAGE, Calif.: 20 March 2014 — New-vehicle retail sales in March are showing signs of improvement, following slower-than-expected sales in the first two months of 2014, according to a monthly sales forecast developed jointly by J.D. Power and LMC Automotive.

Retail Light-Vehicle Sales

New light-vehicle retail sales are expected to reach 1.19 million units in March—a 7 percent increase compared with March 2013—with the seasonally adjusted annualized rate (SAAR) for retail sales projected to reach 12.6 million. Retail sales in February reached 946,766 with a SAAR of 12.4 million.

“The severe weather had an impact on retail sales in January and February, but as the weather has improved, so have sales,” said John Humphrey, senior vice president of the global automotive practice at J.D. Power. “Additionally, stronger pricing coupled with lower reliance on fleet continues to bode well for the overall health of the sector.”

The average new-vehicle retail transaction price in March—as it has been for seven consecutive months—remains above \$29,300, up nearly \$700 from March 2013 and the highest level ever recorded for the month of March.

U.S. Retail SAAR—March 2013 to March 2014
(in millions of units)



Source: *Power Information Network® (PIN)* from J.D. Power

Total Light-Vehicle Sales

Total light-vehicle sales in March 2014 are expected to rise 6 percent to nearly 1.5 million units. Fleet sales as a percentage of total sales remain low, with March expected at 20 percent, which is 1 percentage point below March 2013. Fleet sales for the full year are projected to reach 17.3 percent, which is near the record low of 17.1 percent in 2009.

J.D. Power and LMC Automotive U.S. Sales and SAAR Comparisons

	March 2014¹	February 2014	March 2013
New-Vehicle Retail Sales	1,185,900 units (7% higher than March 2013) ²	946,766 units	1,148,338 units
Total Vehicle Sales	1,485,000 units (6% higher than March 2013)	1,191,564 units	1,452,325 units
Retail SAAR	12.6 million units	12.4 million units	12.1 million units
Total SAAR	15.8 million units	15.3 million units	15.3 million units

¹Figures cited for March 2014 are forecasted based on the first 13 selling days of the month.

²The percentage change is adjusted based on the number of selling days in the month (26 days in March 2014 vs. 27 days in March 2013).

Sales Outlook

Low fleet mix combined with a weather-impacted sales pace in January and February has led to a slight downward revision in the outlook for 2014. LMC Automotive has cut its forecast for total light-vehicle sales in 2014 to 16.1 million units from 16.2 million. The retail light-vehicle sales forecast remains 13.3 million units.

“The selling pace for the year was slow out of the gate, but the industry remains poised for stable growth in the near- to mid-term,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “Modest improvements are expected as 2014 progresses, the recovery from the deep recession nears an end and the market transitions to a post-recovery stage.”

North American Production

North American vehicle output in February 2014 finished at 1.4 million units, a 4 percent increase from February 2013. Inventory levels on a days’ supply basis are still hovering at nearly 80 days, which is 20 days higher than ideal levels. LMC Automotive expects a faster selling rate to continue to pull down inventory levels, ending the quarter on a positive note.

“In spite of flat January numbers and higher-than-normal inventory levels, output for the first quarter is expected to exceed 4 million units and to top first quarter 2013 levels by 3 percent,” said Bill Rinna, senior manager of forecasting at LMC Automotive. “Although demand is starting to pick up, production growth is also being helped by new models, most notably the Jeep Cherokee, Nissan Rogue, and the Nissan Versa Note.”

LMC Automotive’s North American production forecast for 2014 remains 16.5 million units, with U.S. volume of 11.1 million units, a 3 percent increase over 2013. Production in Mexico is expected to increase 7 percent to 3.1 million units, while Canada volume is expected to drop nearly 5 percent, to 2.3 million units.

About J.D. Power

J.D. Power is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. Headquartered in Westlake Village, Calif., J.D. Power has offices in North/South America, Europe and Asia Pacific. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit JDPower.com. J.D. Power is a business unit of McGraw Hill Financial.

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About LMC Automotive

LMC Automotive, formerly J.D. Power Automotive Forecasting, is the premier supplier of automotive forecasts and intelligence to an extensive client base of automotive manufacturer, component supplier, logistics and distribution companies, as well as financial and government institutions around the world. LMC's global forecasting services encompass automotive sales, production and powertrain expertise, as well as advisory capability. LMC Automotive has offices in the United States, the UK, Germany, China and Thailand and is part of the Oxford, UK-based LMC group, the global leader in economic and business consultancy for the agribusiness sector. For more information please visit www.lmc-auto.com.

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