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TD Economics

Data Release: U.S. auto sales remain strong in February

- U.S. auto sales remained steady in February, tallying 17.4 million units (on a seasonally-adjusted annualized rate). This is the highest sales pace for the month of February seen since 2001, but is still below the 18 million unit pace seen towards the end of 2015.
- Several automakers recorded double digit growth relative to year ago levels, including Ford (+20%), Honda (+13%), Kia (+13%), Nissan (+11%) and FCA (+11%). Sales at Toyota (+4%) and Hyundai (+1%) were up modestly, while GM sales slipped 2% during the month.
- Light trucks remained high in demand, with sales up 12% y/y, while passenger car sales were flat in February.

Key Implications

- President's Day promotions and the pushing forward of some January sales that were hindered by the massive snowstorm that hit some parts of the U.S. last month helped to keep auto sales strong in February, despite heightened financial market volatility and concerns surrounding global economic growth.
- Indeed, auto sales continue to be a bright spot in the U.S. economy, highlighting the strength of American consumers. With gains in jobs and incomes poised for further improvement in the coming months, this trend should remain intact.
- While interest rates are expected to tick higher this year, the increase will be very gradual and the level of interest rates will remain well below historical norms. Along with the lengthening in loan terms, this should help to keep new vehicle sales affordable for consumers, and support sales in the coming year.

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