



September 1, 2016

## TD Economics

### Data Release: U.S. auto sales take another breather in August

- Following July's surge to 17.8 million units, auto sales fell back to 16.9 million units in August. This is the third month this year that sales have fallen below the 17 million unit mark.
- Compared to last year, most of the top-selling brands recorded lower sales, with Ford, Kia, Toyota, Nissan, GM and Honda all reporting declines in the 4% to 8% range. FCA (+3%) was the only major automaker to enjoy higher sales, while Hyundai's sales were flat.
- Light trucks (+4%) continued to outperform cars (-13.5%), and have accounted for 59% of total sales year-to-date. That is up from a share of 55% over the same period last year.

### Key Implications

- Despite the step back in August, demand for autos is still quite strong given that automakers cut back on incentives and discounts relative to July, and sales were still close to the 17 million unit mark.
- There has been a lot of focus on whether auto sales will reach a new record this year. Economic and financing conditions will continue to be supportive, and sales are expected to remain elevated in the second half of the year. However, sales were particularly strong in the second half of last year, and with the average pace for the year sitting at only 17.2 million units, setting a new record will be challenging. But even if the current pace holds, automakers will be happy with the still robust level of sales.

**Dina Ignjatovic, Economist**  
**416-982-2555**

 **@TD\_Economics**

#### DISCLAIMER

This report is provided by TD Economics. It is for informational and educational purposes only as of the date of writing, and may not be appropriate for other purposes. The views and opinions expressed may change at any time based on market or other conditions and may not come to pass. This material is not intended to be relied upon as investment advice or recommendations, does not constitute a solicitation to buy or sell securities and should not be considered specific legal, investment or tax advice. The report does not provide material information about the business and affairs of TD Bank Group and the members of TD Economics are not spokespersons for TD Bank Group with respect to its business and affairs. The information contained in this report has been drawn from sources believed to be reliable, but is not guaranteed to be accurate or complete. This report contains economic analysis and views, including about future economic and financial markets performance. These are based on certain assumptions and other factors, and are subject to inherent risks and uncertainties. The actual outcome may be materially different. The Toronto-Dominion Bank and its affiliates and related entities that comprise the TD Bank Group are not liable for any errors or omissions in the information, analysis or views contained in this report, or for any loss or damage suffered.