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## **TD Economics**

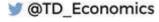
## Data Release: U.S. auto sales take another breather in August

- 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.

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