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## TD Economics

### Data Release: Auto sales tally 16.6 million units in May

- U.S. auto sales rose slightly to 16.6 million units in May (on a seasonally adjusted annualized basis). This is below last year's 17.1 million unit sales performance and the third consecutive month that sales have come in under the 17 million unit mark.
- Sales results among the top selling brands were mixed. Nissan (+3%), Ford (+2%) and Honda (+1%) recorded gains during the month, while Hyundai (-15%), Kia (-7%), FCA (-1%) and GM (-1%) all posted declines. Toyota's sales were flat.
- Light trucks remained in high demand at 10.6 million (up 2.9% from year-ago levels), while weakness in passenger cars (down -12.4% year-on-year) sales continued.

### Key Implications

- Five months into the year and it is becoming increasingly clear that U.S. auto sales have peaked. May's soft performance suggests that auto sales are likely to weigh on consumer spending again in the second quarter.
- Going forward, automakers will be faced with a number of challenges, including lack of pent up demand, competition from the used vehicle market and some tightening in credit conditions. However, while slowing, sales remain at a healthy level and should continue to do so over the next 18 months, supported by a strong economy and still-attractive financing conditions.
- Overall, we expect sales to hover around the 17 million unit mark through 2018. See our recent [report](#) for more details on our auto industry outlook.

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