

June 1, 2017

## **TD Economics**

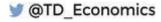
## Data Release: Auto sales tally 16.6 million units in May

- U.S. auto sales rose slightly to16.6 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 increasing 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.

Dina Ignjatovic, Economist 416-982-2555



## 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.