

INDUSTRY UPDATE

November 2020

ECONOMIC INDICATORS

- The pace of the jobs recovery slowed again in October, as the month saw **638,000 jobs created** compared to **September**. The prior two monthly numbers were revised up for a net increase of 15,000 jobs than originally estimated.
- The **headline unemployment rate declined to 6.9% in October**. However, the BLS reported that the rate could have been at most 0.3 points higher if not for misclassification due to confusion about people considered as employed but away from work.
- For the full year, an estimated **2.1 million auto loans defaulted in 2019**. Through October this year, an estimated **1.35 million loans have defaulted**. In October, 1.28% of auto loans were severely delinquent, which was an increase from 1.26% in September. 4.64% of subprime loans were severely delinquent, which was an increase from 4.54%. 60-day delinquencies have increased in each of the last 3 months.

DEMAND

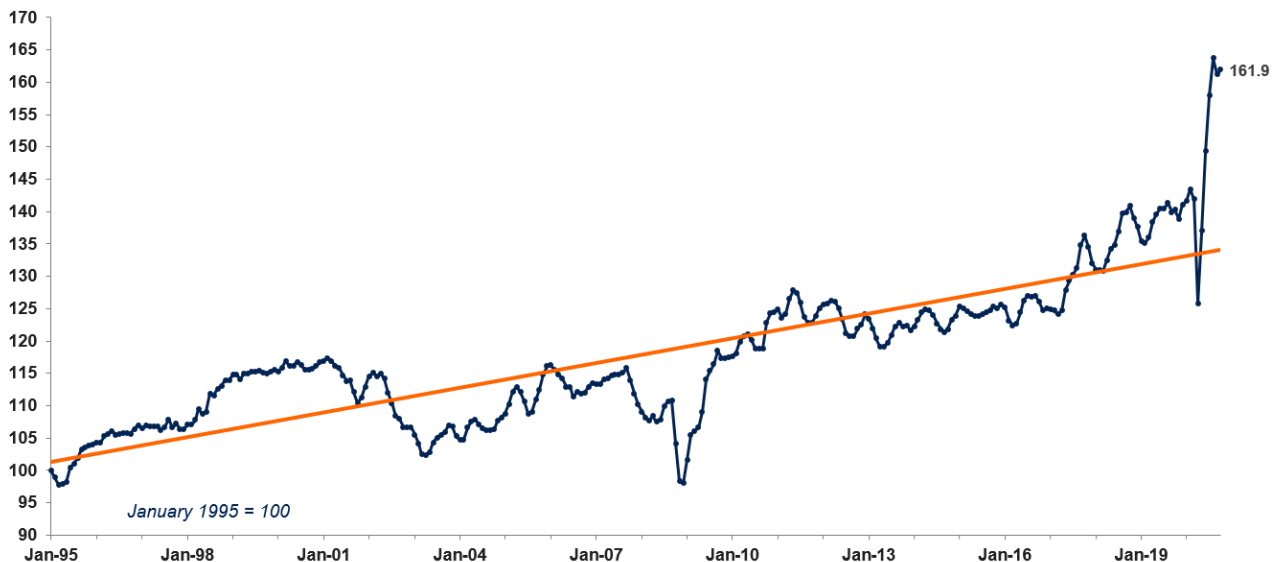
- **October total new vehicle sales were up 0.9% y/y with one more selling day compared to October 2019**. With those volumes, the October SAAR was 16.2 million, a 4% decrease from last year's 16.8 million and a slight decline from September's 16.3 million.
- **Combined sales into large rental, commercial, and government buyers were down 27% y/y in October**. Including an estimate for fleet deliveries into the dealer and manufacturer channel, we estimate that the remaining retail deliveries were up 5% y/y in October, leading to an estimated retail SAAR of 14.3 million, which was up from 14.1 million last October but down from September's 14.4 million rate.
- **CPO sales in October increased 1.4% y/y and 4% m/m**. CPO sales are down 6% YTD.

LIGHT VEHICLE SALES

- ↓ **43%** Rental
- ↓ **13%** Commercial
- ↑ **8%** Government

SUPPLY

- Days' supply for October was 56, down 17 days y/y and up 8 days from September. Average car days' supply came in at 59, down 7 days y/y and up 8 days from September. Light truck days' supply was 55 last month, down 21 days from last year and up 7 days from the prior month. The Manheim Used Vehicle Value Index, which is seasonally adjusted, increased 0.47% m/m in October. **The increase brought the Index to 161.9, which was a 15.4% increase from a year ago.**



COVID-19

- The number of **COVID-19 cases reached 49.1 million globally**. There have been **1.24 million deaths**. The number of infected in the U.S. has risen to 9.67 million cases; 235,416 have died. Daily new cases continue to rise. Thursday's total of 121,139 was a new daily record. We could see 200,000 daily cases by Thanksgiving. Hospitalizations and daily deaths are also growing, and hospitalizations are also setting records.