



## ECONOMIC INDICATORS

→ The headline unemployment rate declined to 4.8% in September from 5.2% in August. However, the BLS reported that the rate could have been 0.1 points higher if not for misclassification due to confusion about people considered as employed but away from work. This error rate declined from 0.3 points in August, so the likely true headline unemployment rate in September was indeed lower. The labor force participation rate ticked lower to 61.6% from 61.7% in August.

→ Consumer Confidence according to the Conference Board declined 5.1% in September and left confidence down 17.6% compared to February 2020. Confidence has declined for 3 straight months. Plans to purchase a vehicle in the next 6 months declined to the lowest level in 8 months and was much lower than a year ago. Plans to purchase a home also declined to the lowest level in 3 months and was also down y/y.

→ The third and final estimate of second quarter real GDP resulted in an upward revision to growth of 6.7% annualized from the second estimate of 6.6%. Personal consumption was revised up to 12.0% from the second estimate of 11.9%. Spending on goods was revised up to a gain of 13.0% from the second estimate of 12.8% while spending on services was revised up to 11.5% from the second estimated gain of 11.3%.

## DEMAND

→ September total new vehicle sales were down 25% year-over-year, with the same number of selling days compared to September 2020. Month-over-month, September new vehicle sales were down 7%. The September SAAR came in at 12.2 million, a decrease from last year's 16.3 million and September 2019's 17.2 million rate.

→ Combined sales into large rental, commercial, and government buyers were down 21% year-over-year in September. Sales into rental decreased 17% year-over-year in September and are up 6% year-to-date. Commercial sales are down 18% year-over-year in September and are up 13% year-to-date 2021 versus 2020. Including an estimate for fleet deliveries into the dealer and manufacturer channel, we estimate that the remaining retail sales were down 23% year-over-year in September, leading to an estimated retail SAAR of 10.7 million, which was down from 14.0 million last September and down from September 2019's 13.8 million rate.

→ We estimate that total used vehicle sales were down 13% year-over-year in September. This brings the September used SAAR to be 36 million, down from 40.9 million last September and down compared to August's 36.5 million SAAR. The September used retail SAAR estimate is 19.5 million, down from 21.7 million last year and flat month-over-month. Compared to 2019, total used vehicle sales were down 11%.

### LIGHT VEHICLE SALES

↓ 17% Rental  
↓ 18% Commercial  
↓ 36% Government

## SUPPLY

Wholesale used vehicle prices (on a mix-, mileage-, and seasonally adjusted basis) increased 5.3% month-over-month in September. This brought the Manheim Used Vehicle Value Index to 204.8, a 27.1% increase from a year ago. Days' supply for September was 22, down 26 days y/y and down 1 day from August. Average car days' supply came in at 16, down 35 days y/y and down 2 days from August. Light truck days' supply was 24 last month, down 24 days from last year and up flat from the prior month. Used retail days' supply ended September at 37 days, which is below normal levels (44 days'). The wholesale normal supply is typically around 23 days and ended September at 18 days.

