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smarter auto industry.*



ALLIANCE FOR AUTOMOTIVE INNOVATION

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Contents – August 26, 2026

Forecast Meter	2
Sales & Production Summary and Forecast (Updated 8/25).....	2
U.S. Light Vehicle Sales Outlook (Updated 8/5).....	3
North American Production & Inventory Outlook (Updated 8/25).....	3
Market Meter	4
U.S. Light Vehicle Sales (Updated 8/5)	4
Segments vs. Gas Prices (Updated 8/5).....	7
EV Powertrain Sales (Updated 8/5).....	7
Seasonally Adjusted Annual Rates (Updated 8/5)	8
Average Transaction Price (Updated 8/25)	9
Auto Loan Financing (Updated 8/5)	12
Crude Oil and Gas Prices (Updated 8/25).....	13
Production Meter	15
North American Production (Updated 8/25)	15
U.S. Light Vehicle Production (Updated 8/25)	15
U.S. Light Vehicle Inventory and Days' Supply (Updated 8/5).....	16
Global Meter	17
Global Light Vehicle Sales (Updated 8/5).....	17
Global Light Vehicle Production (Updated 8/25).....	19
Economy Meter	21
Roadway Travel (Updated 8/25)	21
Consumer Confidence and Sales (Updated 8/25)	21
Employment (Updated 8/25).....	22
Sources	23



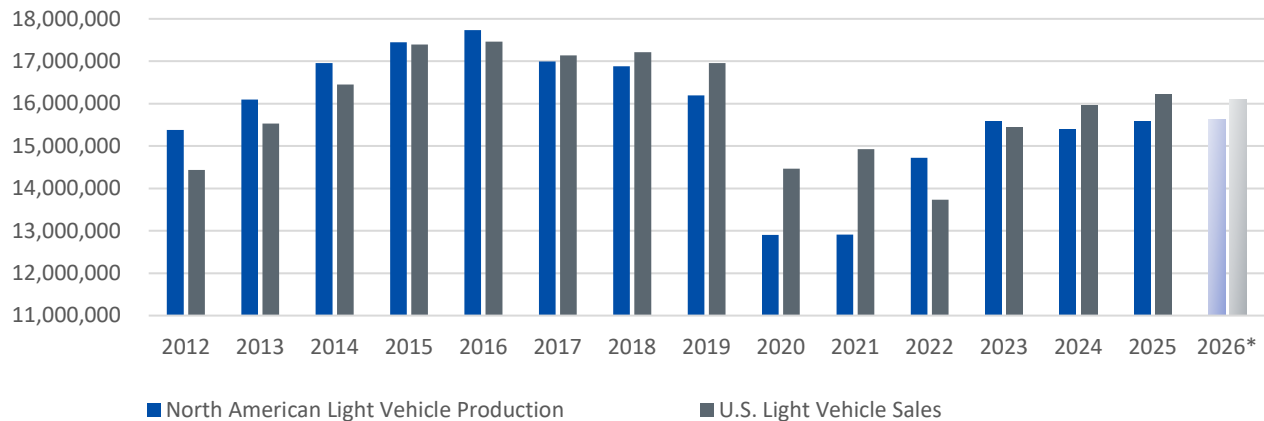
Forecast Meter

Sales & Production Summary and Forecast (Updated 8/25)

2024-2025 Sales, ¹ Extended Sales Forecast ² and Production Forecasts ³		
	U.S. Sales & Forecasts	North American Production
January '25	1,110,721 (+3.8% YoY)	1,194,682 (-7.1 YoY)
February '25	1,219,841 (+3.4% YoY)	1,290,302 (-8.7% YoY)
March '25	1,585,390 (+10.7% YoY)	1,424,691 (+1.5% YoY)
April '25	1,463,379 (+6.8% YoY)	1,338,714 (-8.2% YoY)
May '25	1,466,595 (-1.3% YoY)	1,419,834 (-2.4% YoY)
June '25	1,254,418 (-4.2% YoY)	1,331,187 (0.03% YoY)
July '25	1,370,061 (+6.6% YoY)	1,197,801 (+7.9% YoY)
August '25	1,454,685 (+6.8% YoY)	1,425,340 (-1.5% YoY)
September '25	1,250,274 (+2.3% YoY)	1,358,730 (+1.3% YoY)
October '25	1,271,331 (-4.5% YoY)	1,374,124 (-4.5% YoY)
November '25	1,273,390 (-7.3% YoY)	1,157,195 (-11.5% YoY)
December '25	1,460,177 (-6% YoY)	1,020,573 (+4.6% YoY)
January '26	1,105,581 (-3.9% YoY)	1,145,975 (-2.6% YoY)
February '26	1,197,312 (-1.5% YoY)	1,260,121 (-2.9% YoY)
March '26	1,403,623 (-8.4% YoY)	1,417,384 (+2.1% YoY)
April '26	1,361,970 (-6.9% YoY)	1,333,762 (+1.2% YoY)
May '26	1,466,276 (+4.2% YoY)	1,340,788 (-5.2 YoY)
June '26	1,364,418 (+2.0% YoY)	1,384,007 (+2.8% YoY)
July '25	1,364,039 (-1.8% YoY)	1,237,892 (+1.8% YoY)
2025 Full Year	16,233,363 (+2.4% YoY)	15,576,688 (-3% YoY)
2026 Forecast	16,100,000	15,614,000

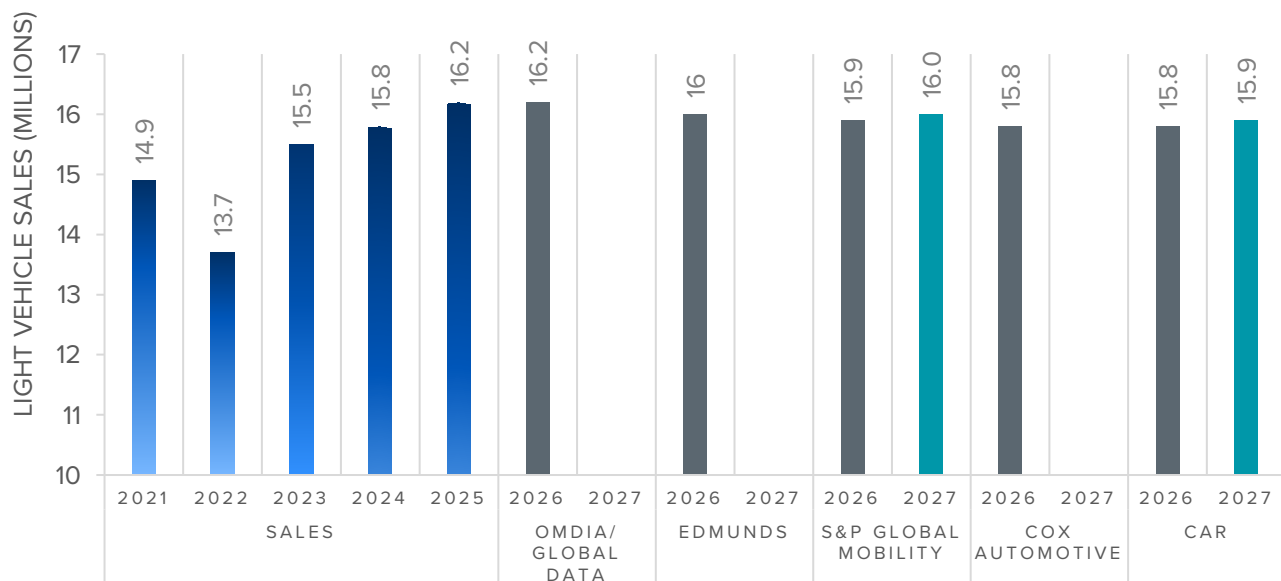


North American Production And U.S. Light Vehicle Sales



U.S. Light Vehicle Sales Outlook (Updated 8/5)

U.S. LIGHT VEHICLE SALES FORECAST: 2026-2027



Omdia Outlook (8/5) 4: “Looking ahead to August, Omdia forecasts raw sales volume of 1.332 million units and a SAAR of 16.2 million.”

North American Production & Inventory Outlook (Updated 8/25)



Omdia Production & Inventory Outlook (8/25) ⁵: “The January–September 2026 estimate has been revised down to 11.857 million units from last month’s projection of 11.898 million. If the estimate holds, it would be a 0.9% YoY decline. Conversely, the full-year 2026 forecast for all North American vehicle production ticked down to 15.601 million units, compared to last month’s 15.619 million.

Overall, third-quarter output in North America is tracking at 3.978 million units, down 1.3% from the 4.030 million units produced in the same period last year. US 3Q production is pacing at 2.630 million units—an improvement over last month’s estimate of 2.617 million, but still a 1.5% loss compared to 3Q25’s 2.670 million. 3Q26 production growth for Canada and Mexico remains at opposite ends of the spectrum, with both numbers downgraded since last month’s estimate. Canada’s 3Q forecast shed 25,600 units on track to produce 319,000 units and a 5.3% YoY gain, while Mexico’s projection fell by 16,000 units to 1.029 million units, a 2.1% decline YoY. Total North American production for August is tracking at 1.393 million units, a 1.4% YoY decline.”

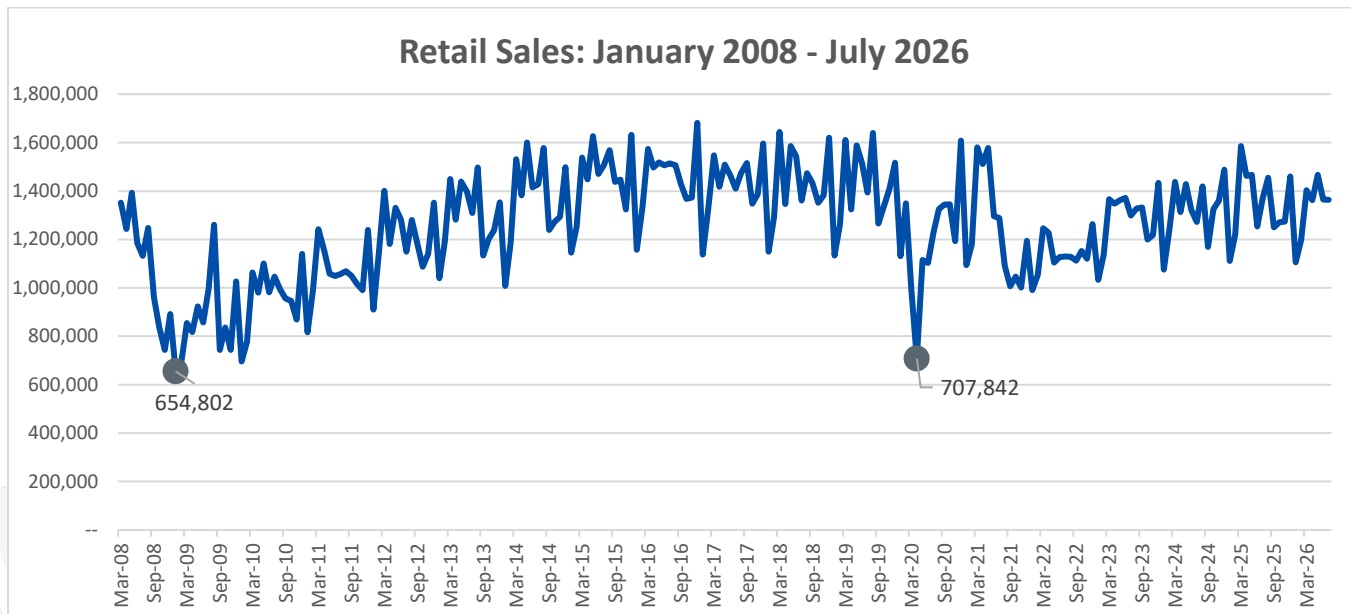
Mobility Global (formerly S&P Global Mobility) Outlook (8/25) ⁶: “North America: The outlook for North America light vehicle production was increased by 22,000 units and by 224,000 units for 2026 and 2027, respectively (and increased by 218,000 units for 2028). North American resilience continues with vehicle demand in the US facing upside pressure, despite economic headwinds, as upper income buyers bolster the market. As expected, uneven inventory levels in the US continue to point to production slowdowns for certain manufacturers with the North America light vehicle production outlook for 2026 revised only marginally higher by 0.1% totaling 15.08 million units. Despite the modest overall upgrade, more significant actions lie beneath the surface with Stellantis revised down 86,000 units as short-lead summer shutdowns, inventory pressures and challenges associated with launch vehicles and tariffs (most notably for the Toluca, Mexico produced Compass and Cherokee) impact output. Amid demand resilience, the outlook for 2027 was revised higher by 1.5% totaling 15.25 million units. Broad increases are dispersed across the manufacturer base in the region with Honda, Ford and Stellantis as the largest beneficiaries of the increase with the latter rising after a correction through the remainder of 2026. The outlook for Hyundai was revised down by 33,000 units due to sourcing shifts between the US and South Korea with the latter being favored as of late.

Market Meter

U.S. Light Vehicle Sales (Updated 8/5)

Monthly Sales (Updated 8/5)

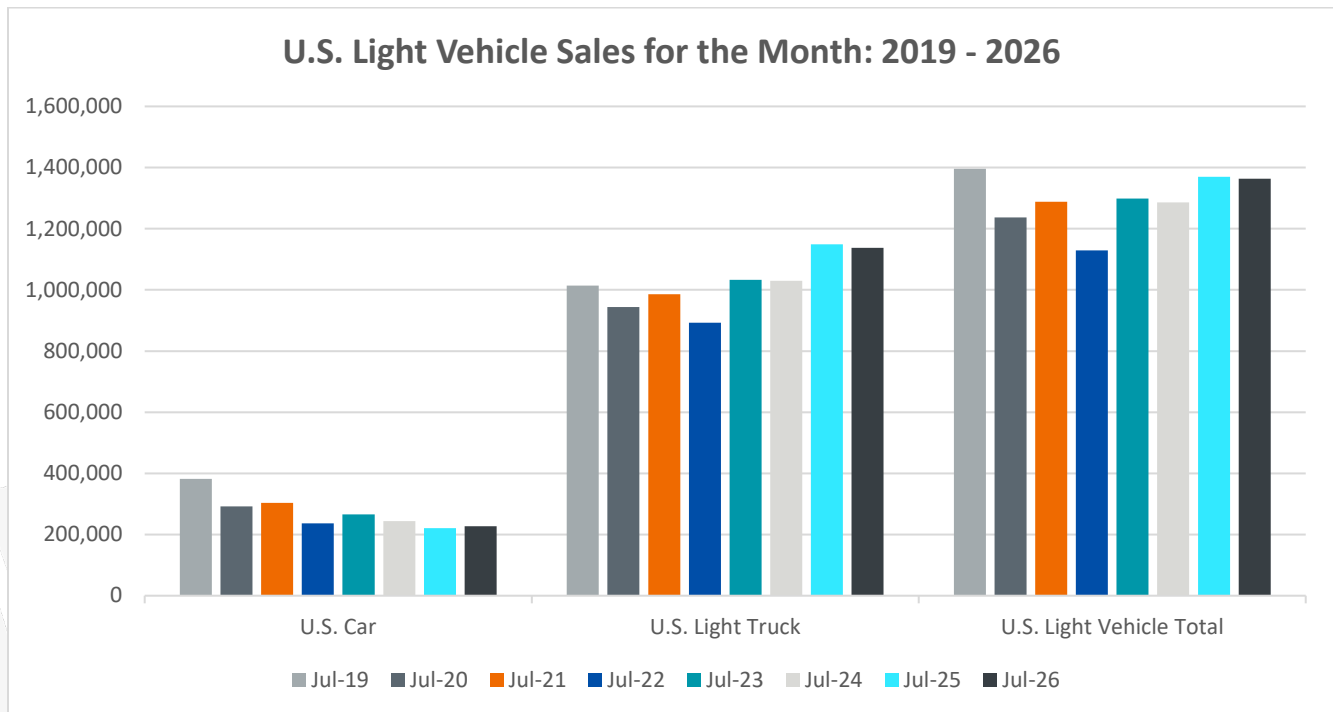
This chart helps to put into context the monthly retail sales due to the COVID pandemic and showing the relative drop in sales compared to the 2008 financial crisis.



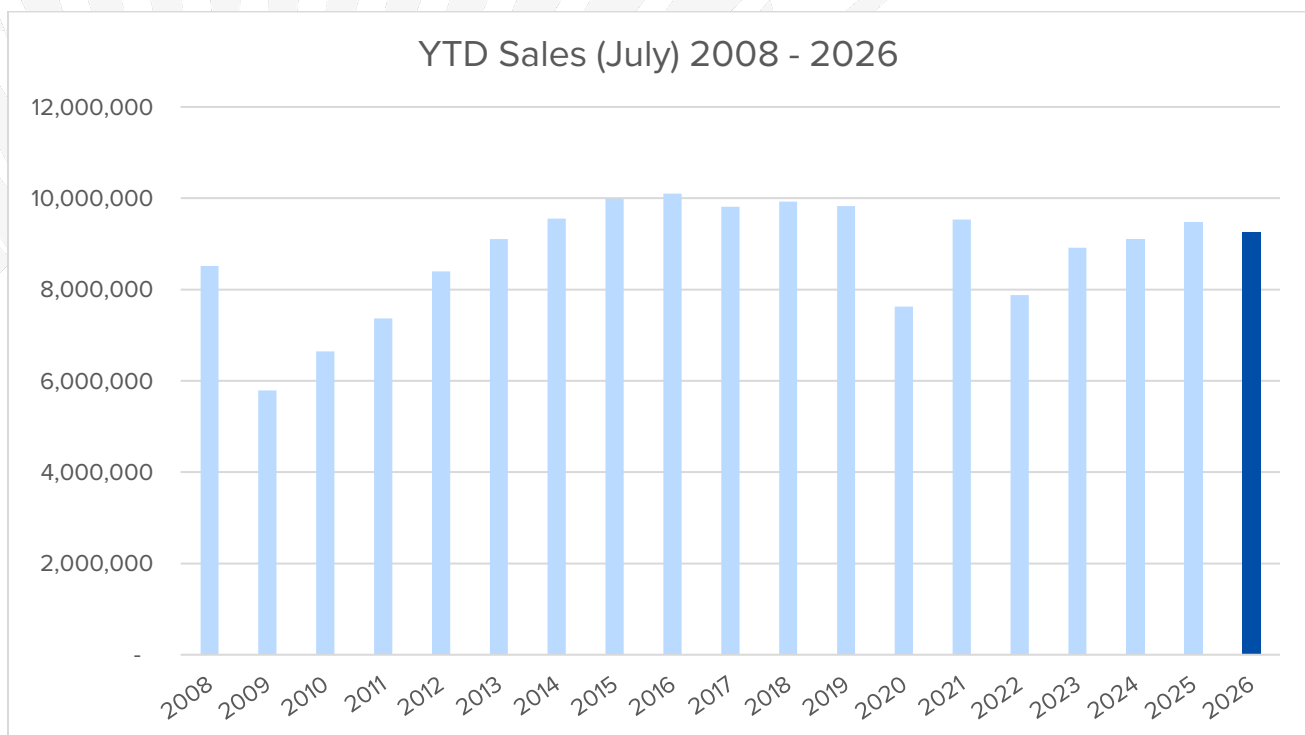
Monthly Sales (Updated 8/5)

Omdia⁷: “US light-vehicle sales in July 2026 fell 1.8% YoY, losing momentum from May and June, and missing the mid-month estimate of 1.389 million units.

July’s seasonally adjusted annualized rate (SAAR) was 16.3 million units, below July 2025’s 16.6 million and June’s 16.6 million. Raw July volume totaled 1.364 million units, 0.2% lower than June’s 1.367 million. The daily selling rate (DSR) averaged 52,463 over 26 selling days, down 1.8% from July 2025’s 53,449, also across 26 selling days.”



Calendar year-to-date sales through July totaled 9.3 million units, down 2.2 percent from 2025's 9.5 million.

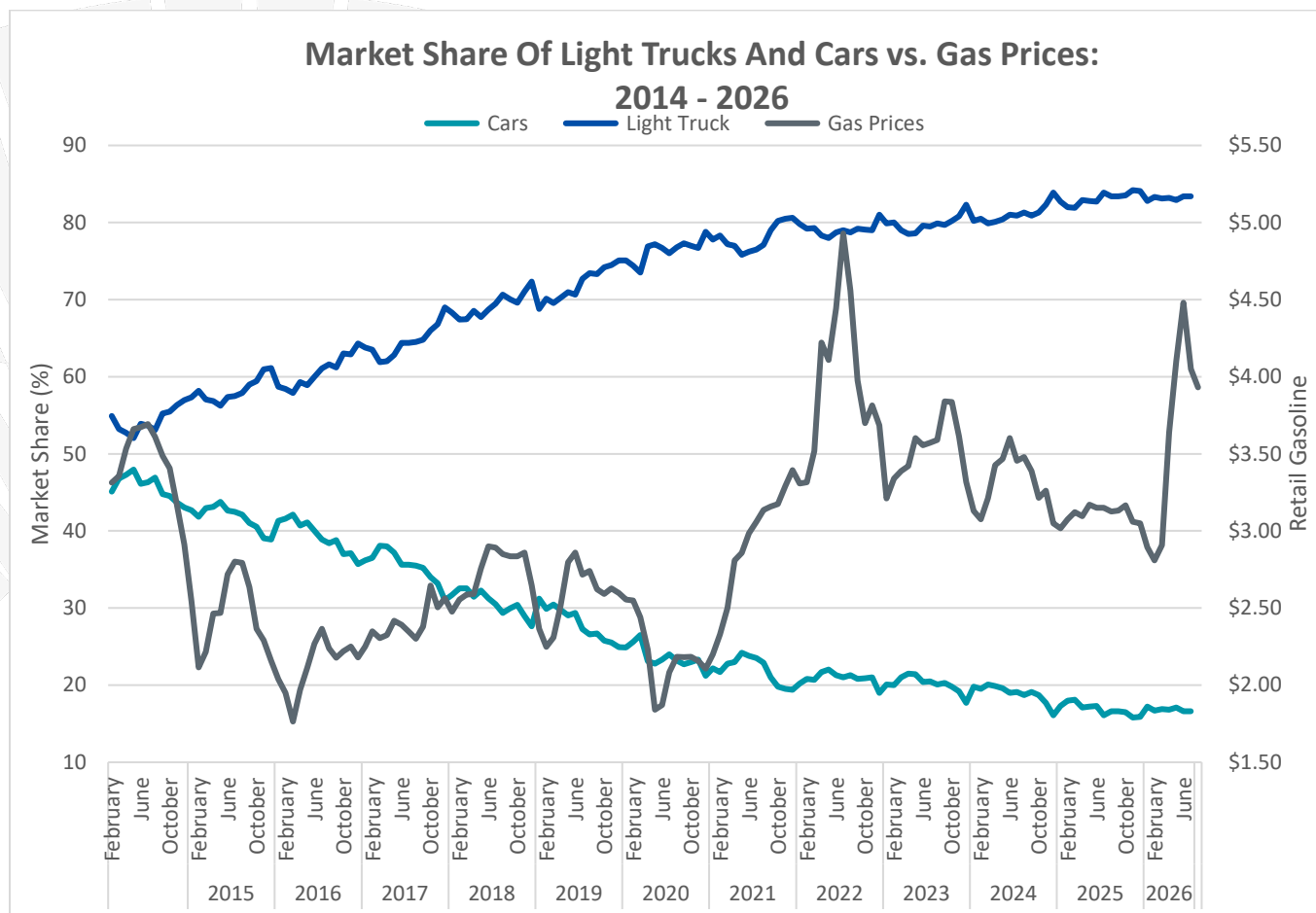




Segments vs. Gas Prices (Updated 8/5)

Monthly Sales: Light trucks accounted for 83.4 percent of sales in July, down 0.5 percentage points from the market share a year ago. Compared to the same period in 2025, sales of cars are down about 6,000 units, and down about 156,000 from July 2019, when cars comprised 27 percent of the market as opposed to the 16.6 percent of the market passenger cars have now.

Historic Perspective: The upward trend in the popularity of light trucks over cars has been steady since 2013, when only 2% of annual market share separated the two segments.⁸ and gas was over \$3.00.⁹ a gallon. As fuel prices dropped below the \$3.00 mark in mid-September 2014, light truck sales began to take off. Gas prices since have averaged only \$2.85 a gallon (through January 7, 2026) and when combined with increased fuel economy for light trucks, an increase of 4 mpg since 2013, the perfect conditions existed to continue fueling light truck market growth.¹⁰

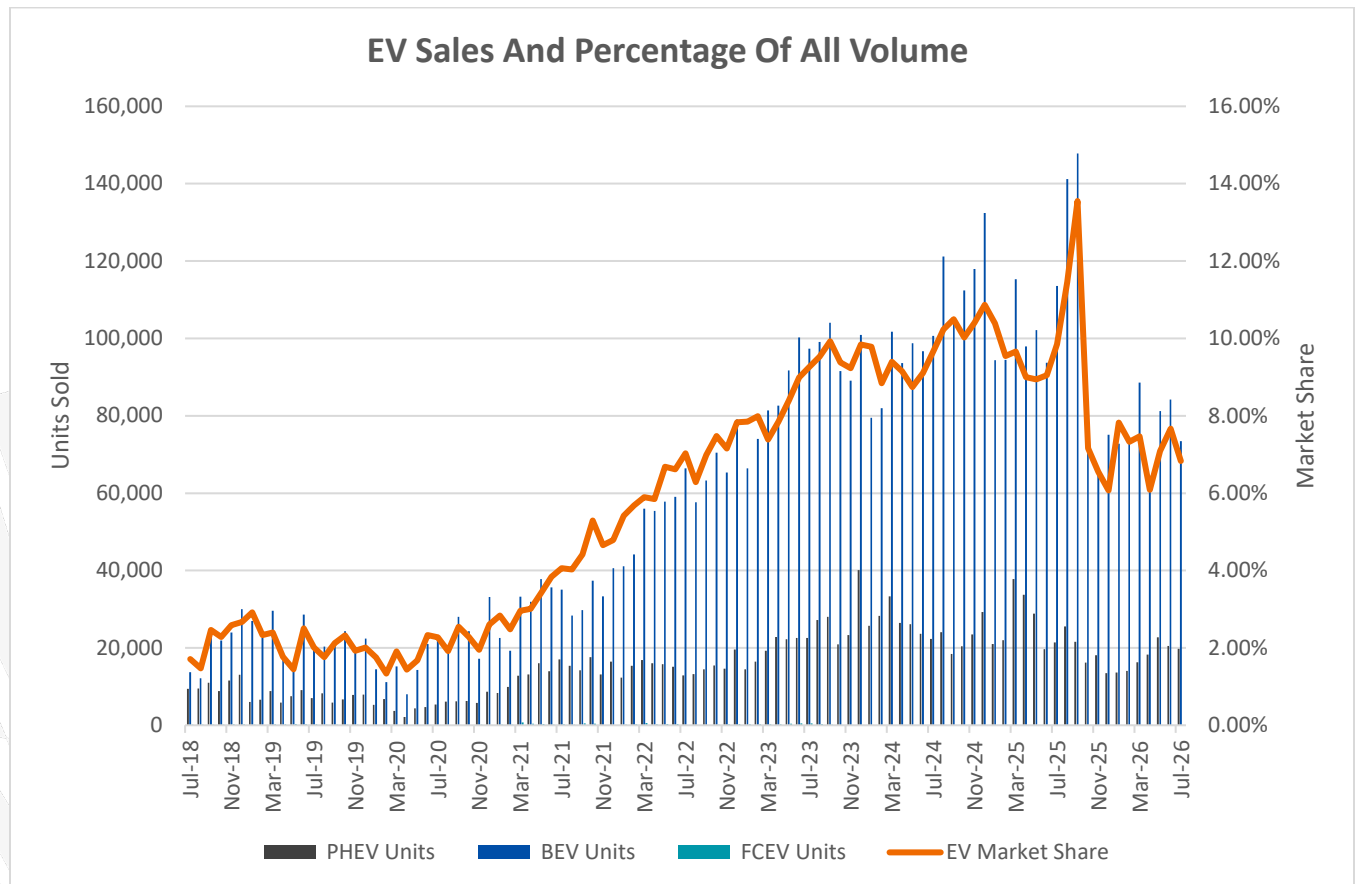


EV Powertrain Sales (Updated 8/5)

Sales of electric vehicles (BEV, PHEV, & Fuel Cell) accounted for 6.8 percent of total vehicle sales in July 2026 (93,241) per Omdia estimates. Market share decreased 0.8 percentage points (pp) from June 2026's 7.7 percent. July's EV market share is down 3 pp from a year ago. Sales of battery electric vehicles accounted for



5.4 percent of total sales, down 2.9 pp from July 2025. Plug-in hybrids accounted for 1.5 percent, down 0.1 pp from the same time last year. Hybrid market share was 15.1 percent.



Seasonally Adjusted Annual Rates (Updated 8/5)

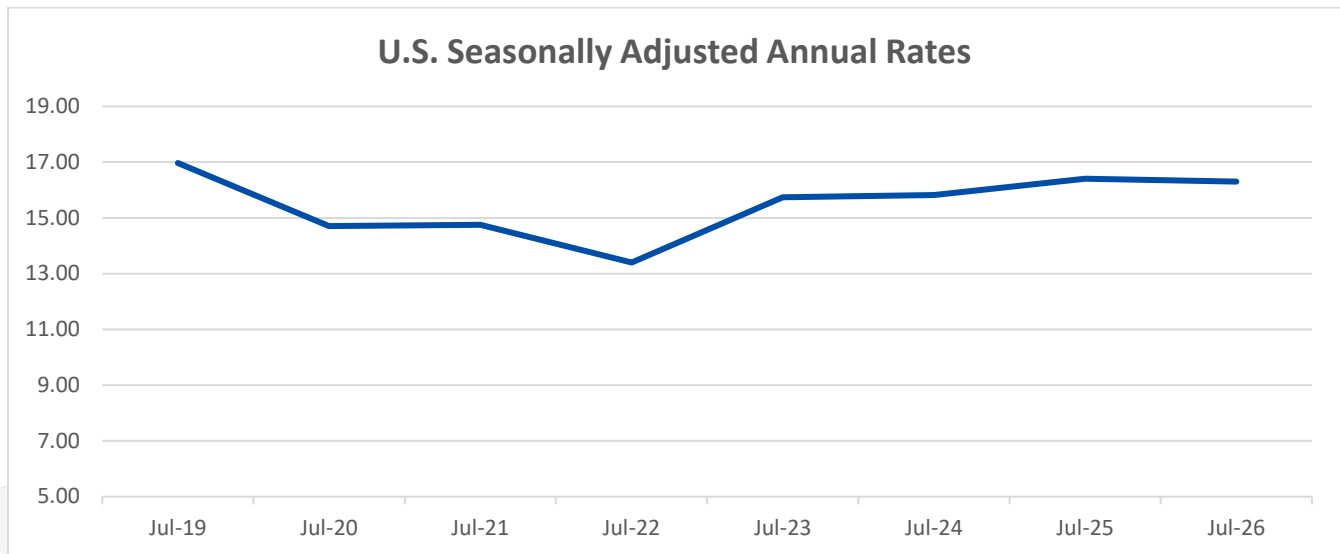
Omdia ¹¹: “July’s seasonally adjusted annualized rate (SAAR) was 16.3 million units, below July 2025’s 16.6 million and June’s 16.6 million. Raw July volume totaled 1.364 million units, 0.2% lower than June’s 1.367 million. The daily selling rate (DSR) averaged 52,463 over 26 selling days, down 1.8% from July 2025’s 53,449, also across 26 selling days.”



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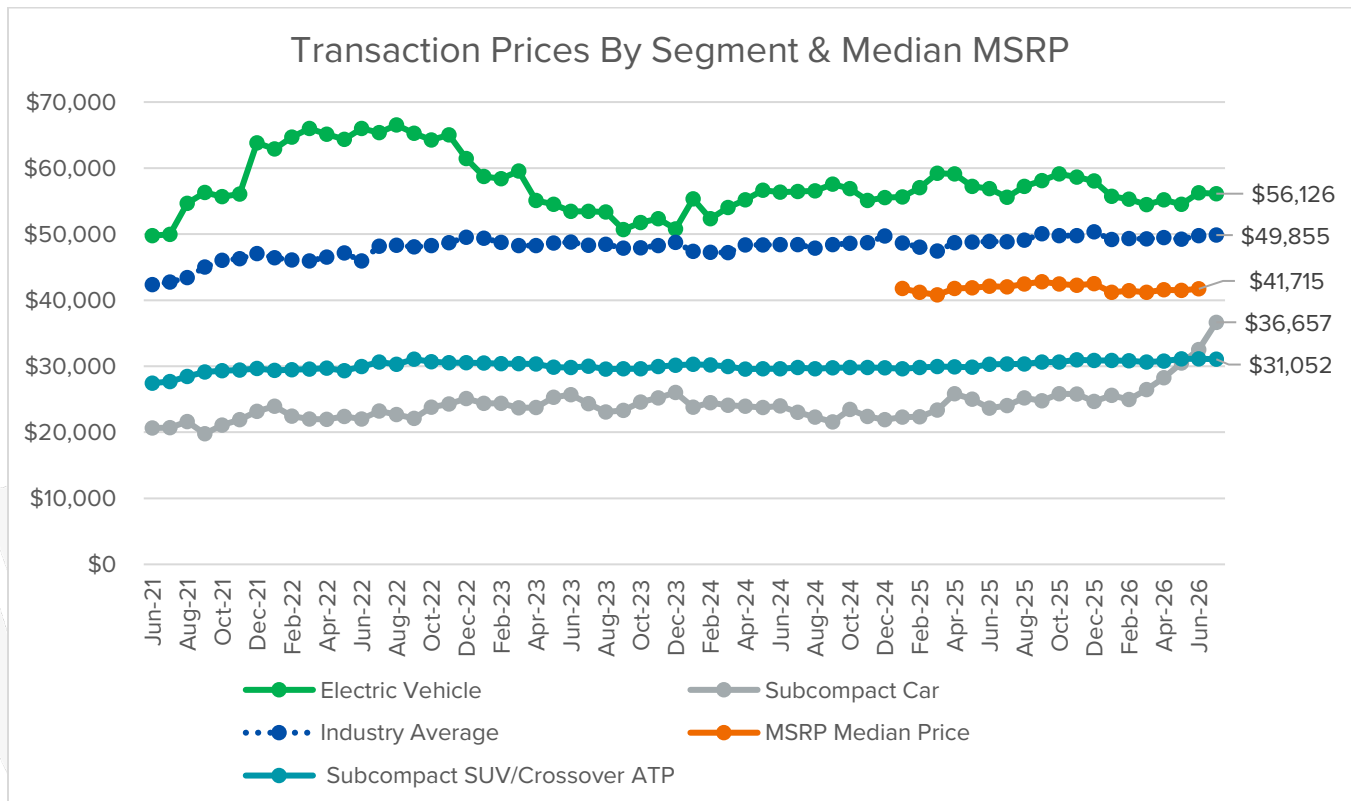
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Average Transaction Price (Updated 8/25)

Median MSRP (June) (8/25): The Median MSRP In June 2026 Was \$41,715, More than \$8,000 Below the KBB Reported Average Transaction Price in June of \$49,758.

- Median MSRP increased month-over-month by less than 1 percent (\$215). Year-over-year, median MSRP was down less than 1 percent (\$320).



Kelley Blue Book (July) (8/25)¹²: “New-vehicle prices increased in July to \$49,855, the highest level of 2026, according to new data from Kelley Blue Book, a Cox Automotive brand. The average transaction price (ATP) was higher year over year by 1.9% but remained below the all-time peak reached in December 2025 of \$50,612. New-vehicle sales in July were lower year over year by 1.5% and mostly flat compared to June, as the market slowed, and buyers continued to migrate to lower-priced vehicles.

“Generally speaking, the sales mix is helping hold down industry average prices. Many high-volume segments, including subcompact SUVs, compact cars, and mid-size cars – segments priced well below industry average – saw year-over-year sales gains last month, while sales of full-size pickups, full-size SUVs and many luxury segments were comparatively softer. As the new-vehicle sales mix leans toward lower-priced vehicles, inflation trends are held below long-term averages.

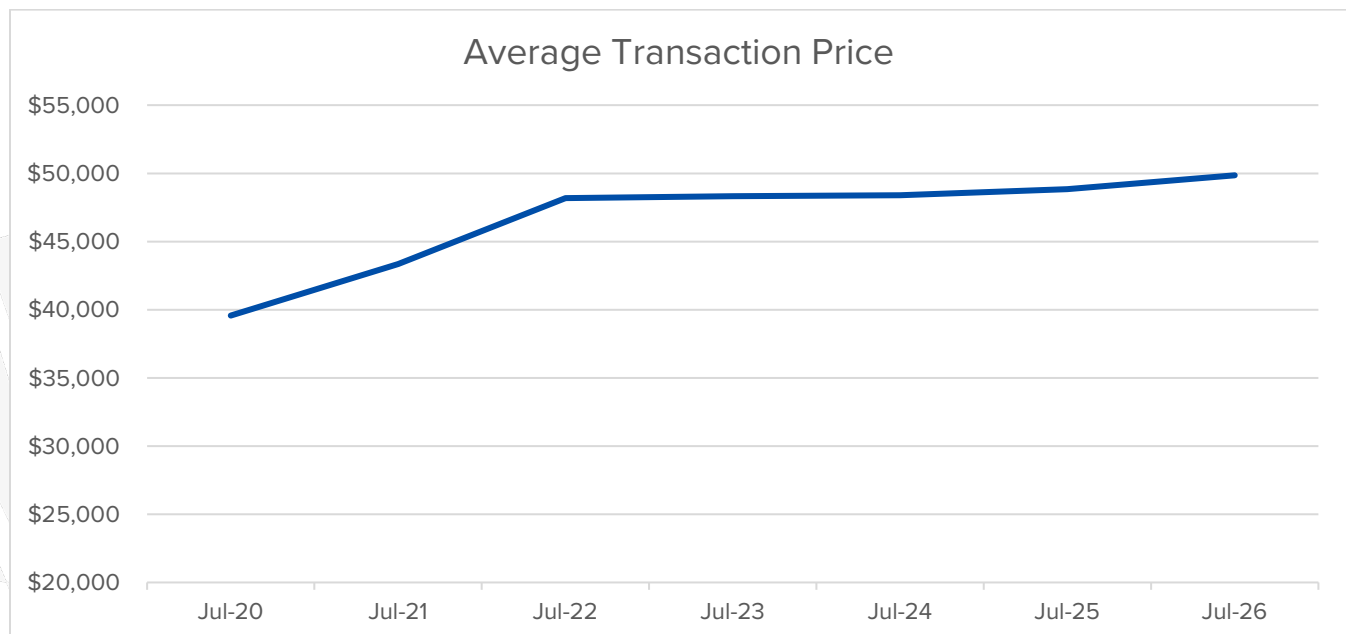
“Industry ATP: The average transaction price (ATP) for a new vehicle in July was \$49,855, an increase of 1.9% year over year and higher by 0.2% from June. ATPs typically trend lower in July; the long-term monthly move is a decline of 0.1%. The industry average ATP has increased 0.9% since January, a historically typical gain.

“Incentives: Incentive spending declined in July and was lower for the second consecutive month, falling to 6.4% of ATP. In June, the average incentive package was equal to 7% of ATP. A year ago, incentive spending averaged 7.3% of ATP. Incentive spending last month was at the lowest point since January. Spending was elevated in many of the best-selling segments, including full-size pickup trucks (8.6%), compact SUVs (7.8%) and mid-size SUVs (6.8%).



“Electric Vehicle ATP: EV prices have increased for two consecutive months, and July marks the first positive year-over-year reading since December 2025, ending a six-month streak of annual declines. The average price paid for a new EV was \$56,126 in July, up 1.2% month over month and 1.6% year over year.

“EV Incentives: Electric-vehicle incentives declined to \$6,626 in July, down 9.1% from June and 24.3% year over year. Incentives as a percent of ATP were 11.8%, down from 15.8% a year ago, but remained well above the industry average of 6.4%.”



Cox Automotive Used Vehicle Prices (8/25) ¹³: “The average used-vehicle listing price was \$27,028 in July, up 6% from a year earlier and essentially unchanged from the revised \$27,016 recorded in June. While that is technically a fourth consecutive monthly increase, the run-up appears to have leveled off for the time being. July was also the second consecutive month with average listing prices above \$27,000, marking the first back-to-back stretch above that level since the summer of 2023.”

Cox Automotive Used EV Prices (8/25) ¹⁴: “The average listing price for a used EV was \$37,832 in July, down 1.2% month over month but 8.3% higher year over year. Although prices moderated from June’s elevated level, used EV values continued to outpace the broader used-vehicle market, while ICE+ prices declined 0.2% month over month and increased 3.6% year over year.

“The used EV premium over ICE+ narrowed modestly to \$2,967 in July, down from \$3,344 in June.”

J.D. Power (Updated 8/5) ¹⁵: “Regarding affordability, the cost of financing a new vehicle keeps easing, though not by enough to neutralize the structural affordability pressures weighing on buyers. The average interest rate on new-vehicle loans is expected to fall 7 basis points to 6.54%, the lowest July reading since 2022. However, the average transaction price of a new vehicle has increased to \$45,369, an increase of 1.2% from a year ago, while average monthly finance payments have climbed 3.3% to \$808, the highest ever for the month of July. A key driver of the higher monthly payment, despite longer loan terms, is lower trade-in equity. Many of the buyers returning to showrooms today purchased when prices were at their peak several



years ago when inventory was scarce. This is resulting in more buyers carrying negative equity on their trade-in; 29.4% of trade-ins had negative equity in July, up 1.1 percentage points from a year ago.

“Manufacturers are leaning harder on discounts to keep buyers in the market. Average incentive spending per vehicle is trending towards \$3,451, an 8.1% increase from a year ago. Part of that jump reflects tariff dynamics last year, since several OEMs made unseasonal pullbacks in incentive spending last July as they cut discounts precautionarily to offset tariff costs. Incentives as a percentage of MSRP are expected to hit 6.7% in July, up 0.4 percentage points from July 2025.

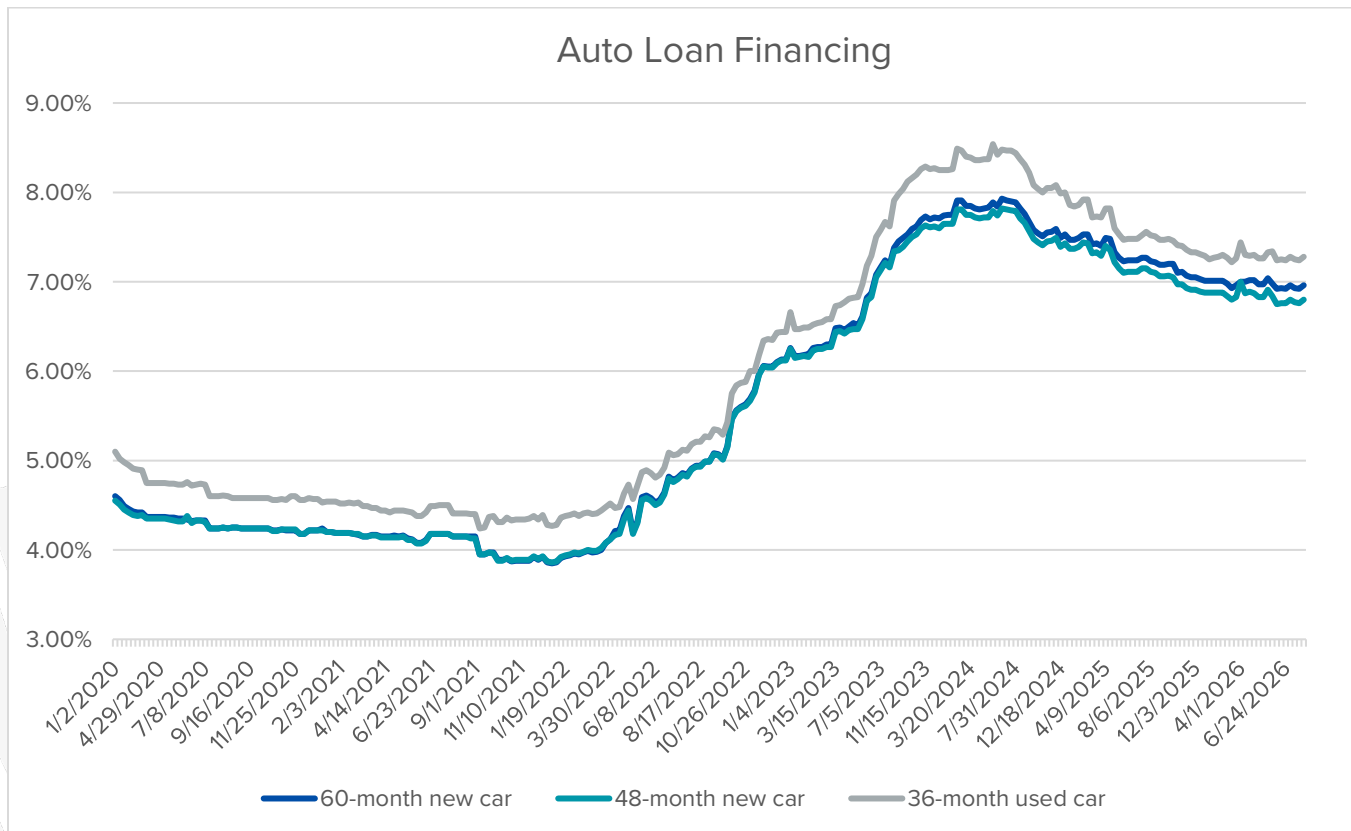
“The divergence in manufacturer incentive strategies by powertrain continues to be evident in July. Incentive spending on traditional ICE and hybrid vehicles is expected to increase \$578 per unit year-over-year, up 22.2%, to \$3,181 in July 2026. Meanwhile, EV incentives moved in the opposite direction with a forecasted decline of \$759 per unit or 7.0% to \$10,092, contributing to the 3.3 percentage point decline in EV share of new vehicle sales compared to last year.

Auto Loan Financing (Updated 8/5)

JD Power (8/5)¹⁶: “The average interest rate on new-vehicle loans is expected to fall 7 basis points to 6.54%, the lowest July reading since 2022.

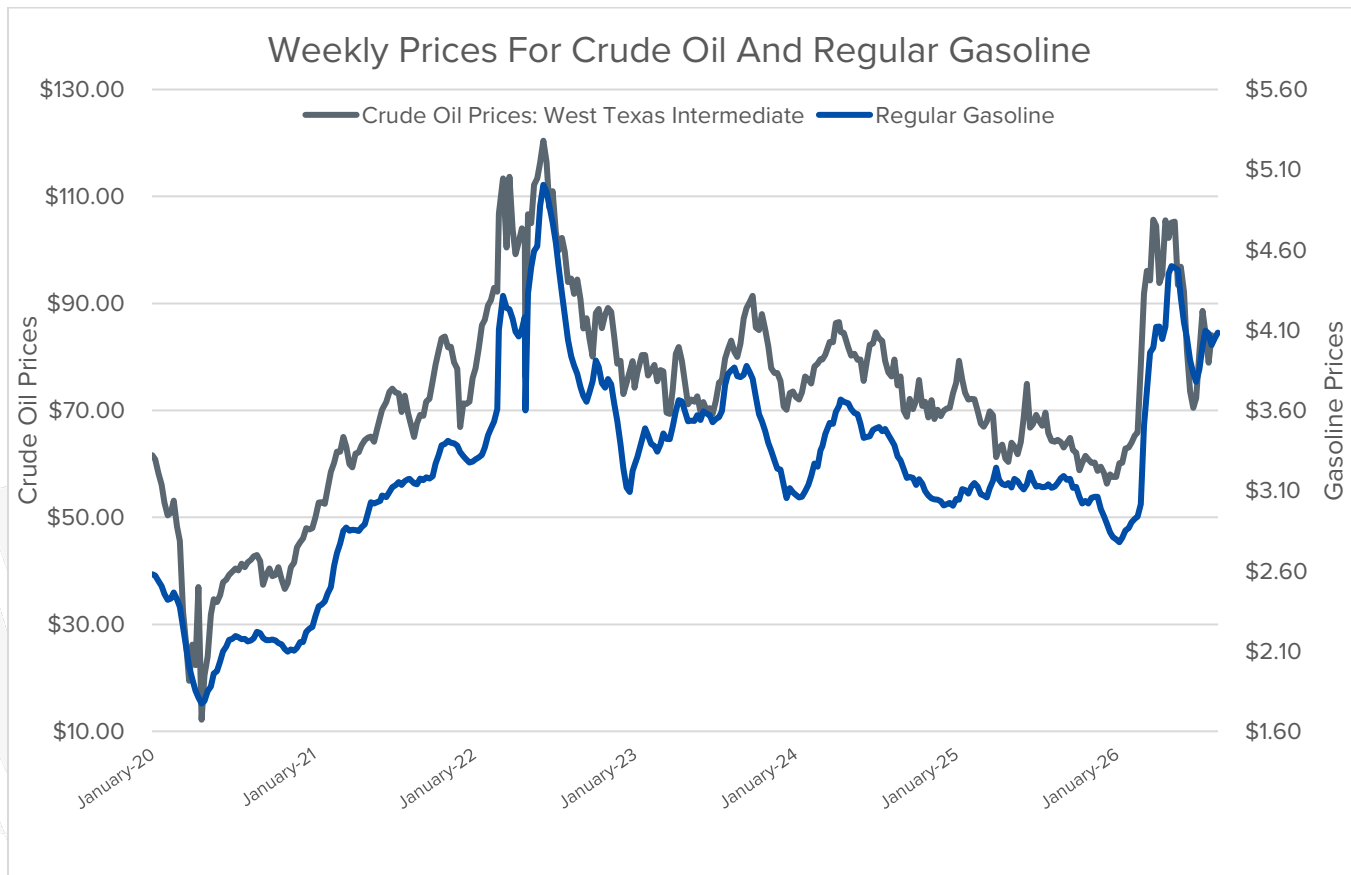
Interest Rates Below 7 Percent for 60-Month New Car Loan (updated 7/27): Interest rates increased over the last two weeks, rising 0.03 on the 60-month, 48-month new car loan and on the 36-month use car loans. Rates on the 60-month new car loan now stand at 6.96 percent. Rates for the 48-month new loan and 36-month used car loan are 6.8% and 7.28%, respectively. Since the beginning of 2020, 60-month rates are up 2.36 pp, and are down 0.31 pp since the same time a year ago.¹⁷

Dates	60-month new car	48-month new car	36-month used car
1/2/2020	4.60%	4.55%	5.10%
7/23/2025	7.27%	7.15%	7.56%
7/8/2026	6.93%	6.77%	7.25%
7/22/2026	6.96%	6.80%	7.28%
Two Week Change	0.03%	0.03%	0.03%
Change since 1/3/20	2.36%	2.25%	2.18%
One Year Change	-0.31%	-0.35%	-0.28%



Crude Oil and Gas Prices (Updated 8/25)

Gas and Oil Prices Remain Turbulent (8/25):¹⁸ Oil prices, as benchmarked at West Texas Intermediate were \$84 in early August, up \$19.71 from the same time a year ago and down more than \$21 after peaking at \$106 amid the Iran conflict in late March 2026. Since election day 2024, oil prices are up \$15 a barrel. After four weeks below \$4 a gallon, gas is now \$4.09. Gas is 58 percent higher than the beginning of 2020.



EIA Outlook For Gasoline (7/27)¹⁹: “We expect lower crude oil prices will contribute to retail gasoline prices falling by about 41 cents/gal in the third quarter (3Q26) compared with 2Q26 and averaging just under \$3.80 per gallon (gal). A decrease in crude oil prices contributes to a decrease of almost 50 cents/gal in quarter-on-quarter gasoline prices. However, this decrease is offset by increases in the wholesale and retail gasoline margins. Ongoing tightness in gasoline inventories will support the crack spread for gasoline—the difference between the wholesale price and the crude oil price—as we expect the wholesale price of gasoline will not fall as quickly as the price of crude oil. We estimate the gasoline crack spread will increase about 10 cents/gal on average in 3Q26.”

EIA Outlook For Oil (4/23)²⁰: “In March, the spot price spread between Brent crude oil and West Texas Intermediate (WTI) crude oil priced at Cushing, Oklahoma, widened to an average of \$12 per barrel (b) in March, compared with \$6/b in February.

“The price of Brent crude oil increased more than that of WTI because the Brent crude oil price is more exposed to global crude oil market conditions. An increase in transportation costs, which has been exacerbated by disrupted navigation through the Strait of Hormuz, has reduced the shipping capacity to move crude oil between markets. In addition, WTI price increases were relatively smaller because of above-average domestic inventories and policy interventions in the United States. The U.S. government announced plans for the release of crude oil from the Strategic Petroleum Reserve (SPR) on March 11 and announced a 60-day Jones Act waiver to allow foreign vessels to transport commodities between U.S. ports on March 17.



“We forecast U.S. crude oil inventories to remain above average levels, softening the upward price effects on WTI crude oil, relative to Brent. The Brent-WTI spread in our forecast peaks at \$15/b in April, when production disruptions are largest. The spread falls to \$9/b on average in 3Q26 and \$4/b by 4Q26, when we assume most of the disruptions to global crude oil production and trade will dissipate.”

Production Meter

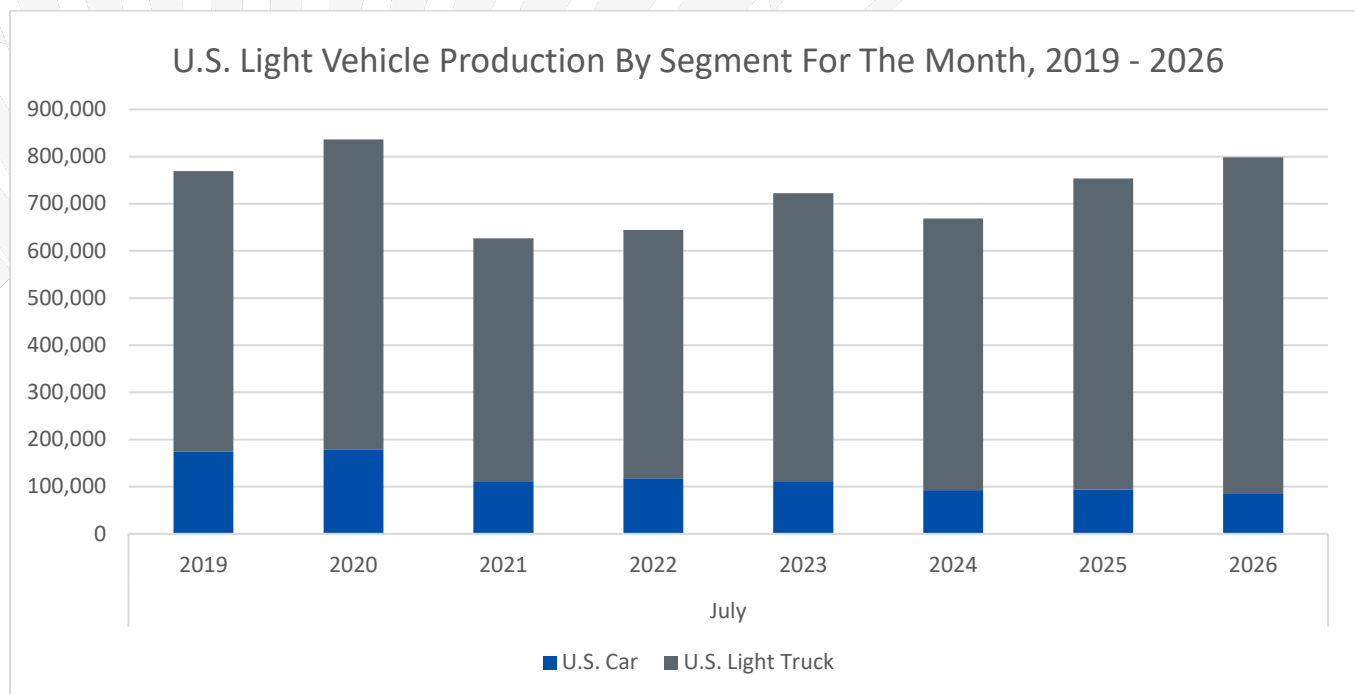
North American Production (Updated 8/25)

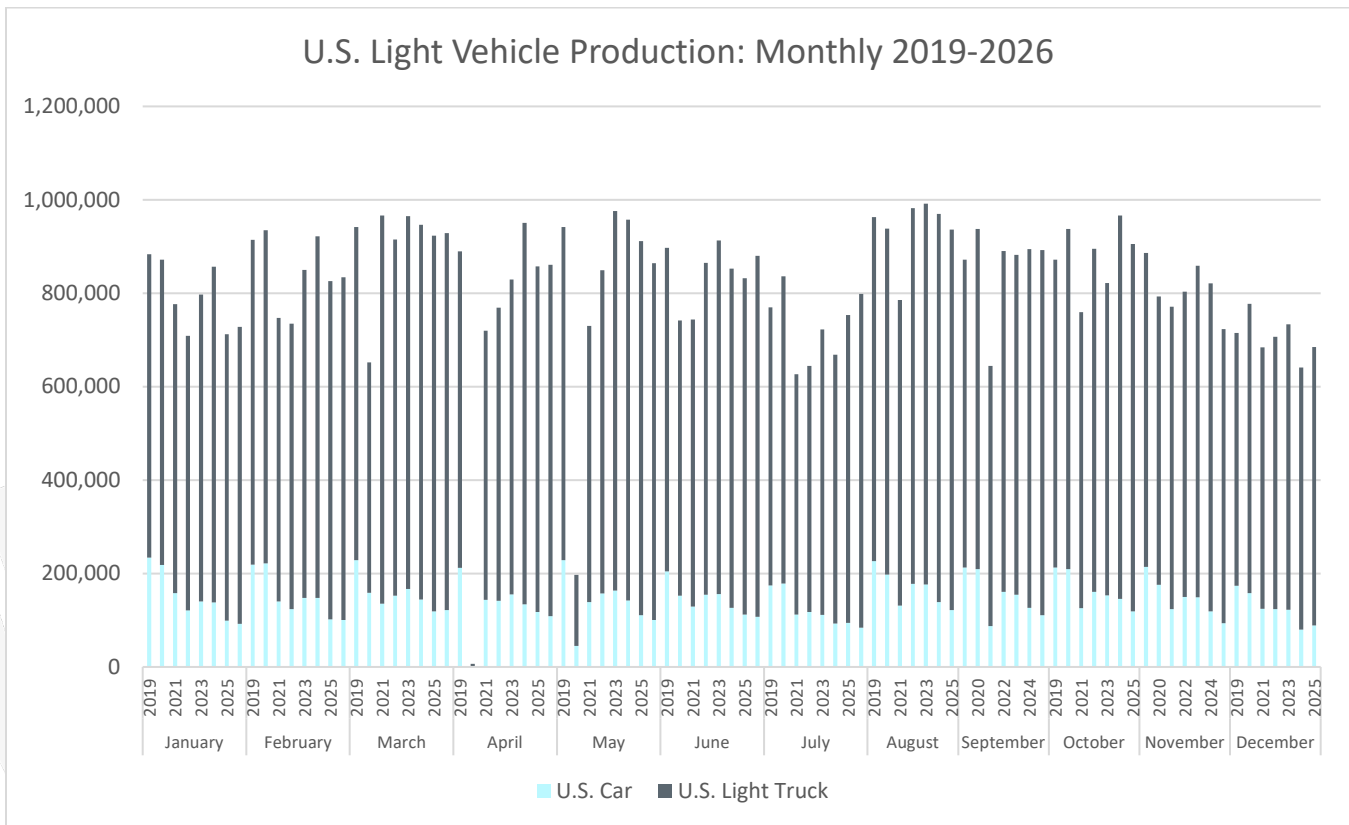
Omdia²¹: “North American production of light vehicles and medium- and heavy-duty trucks in July finished at 1.238 million units, 1.8% above the 1.216 million units produced in July of last year. However, that figure is down 10.5% from June’s 1.383 million units and is well below last month’s estimate of 1.282 million. Excluding medium- and heavy-duty trucks, July light-vehicle output totaled 1.200 million units, representing a 1.3% year-over-year (YoY) increase.

U.S. Light Vehicle Production (Updated 8/25)

U.S. Monthly Production

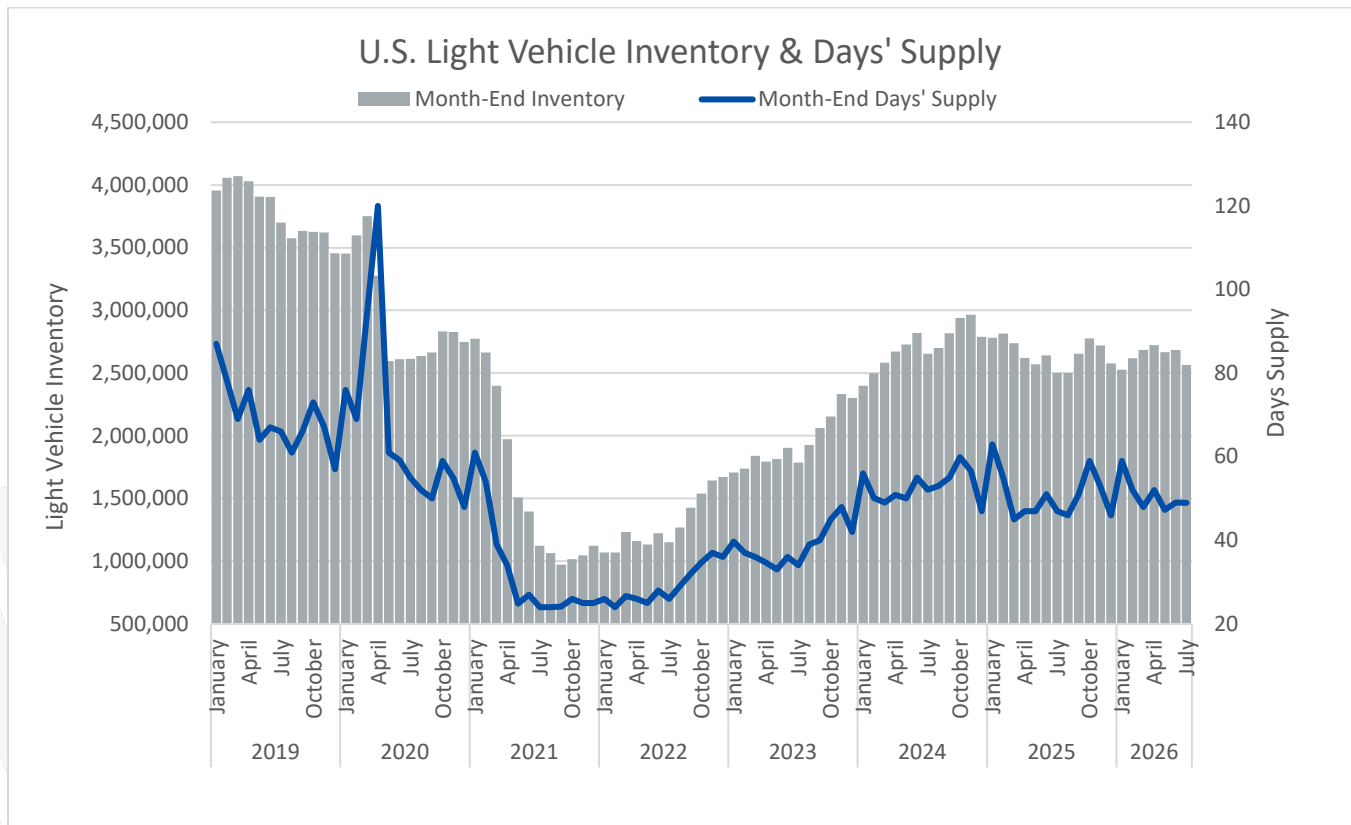
U.S. Light vehicle production for July was down 8.8 percent month-over-month, totaling 798,355 vehicles (84,377 cars; 713,978 light trucks), year-over-year, production is up 3.1 percent from 2025.²²





U.S. Light Vehicle Inventory and Days' Supply (Updated 8/5)

Omdia Inventory Update (8/5)²³: "July marked the fourth consecutive month of rising US inventories. Stocks rose 2.5% YoY to 2.566 million units. Days' supply held at 49, unchanged from June but slightly higher than July 2025's 47 days. Although the days' supply was steady month-over-month, July inventory volume declined versus June, likely reflecting seasonal shutdowns at several North American plants in June. Softer August demand alongside lower inventory build could pressure prices lower this month."



Global Meter

Global Light Vehicle Sales (Updated 8/5)

Omdia ²⁴: “Global sales of light vehicles and medium- and heavy-duty trucks increased YoY for the fourth straight month in June, rising 7.0% to 8.875 million units. Month-over-month (MoM), June sales were up 6.4% from May’s 8.342 million units.

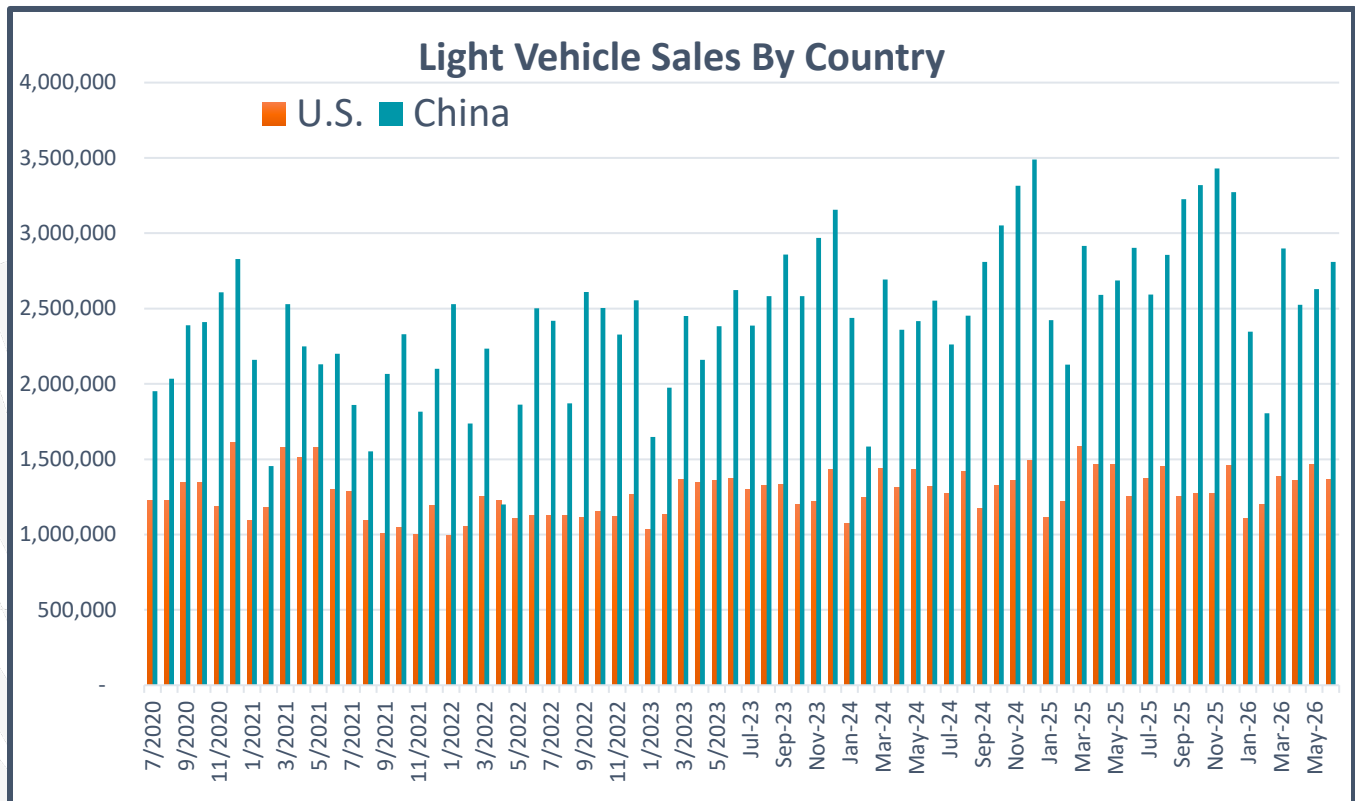
“All major regions recorded YoY growth in June. North America added 115,000 units (a 7.1% YoY increase). Asia-Pacific added 85,000 units (a 2.0% YoY increase), while Europe advanced 11.0% YoY—an additional 183,000 units versus a year ago—and 316,000 more units than in May. South America continued to post strong gains with a 21.9% YoY increase, equal to 73,000 additional units.

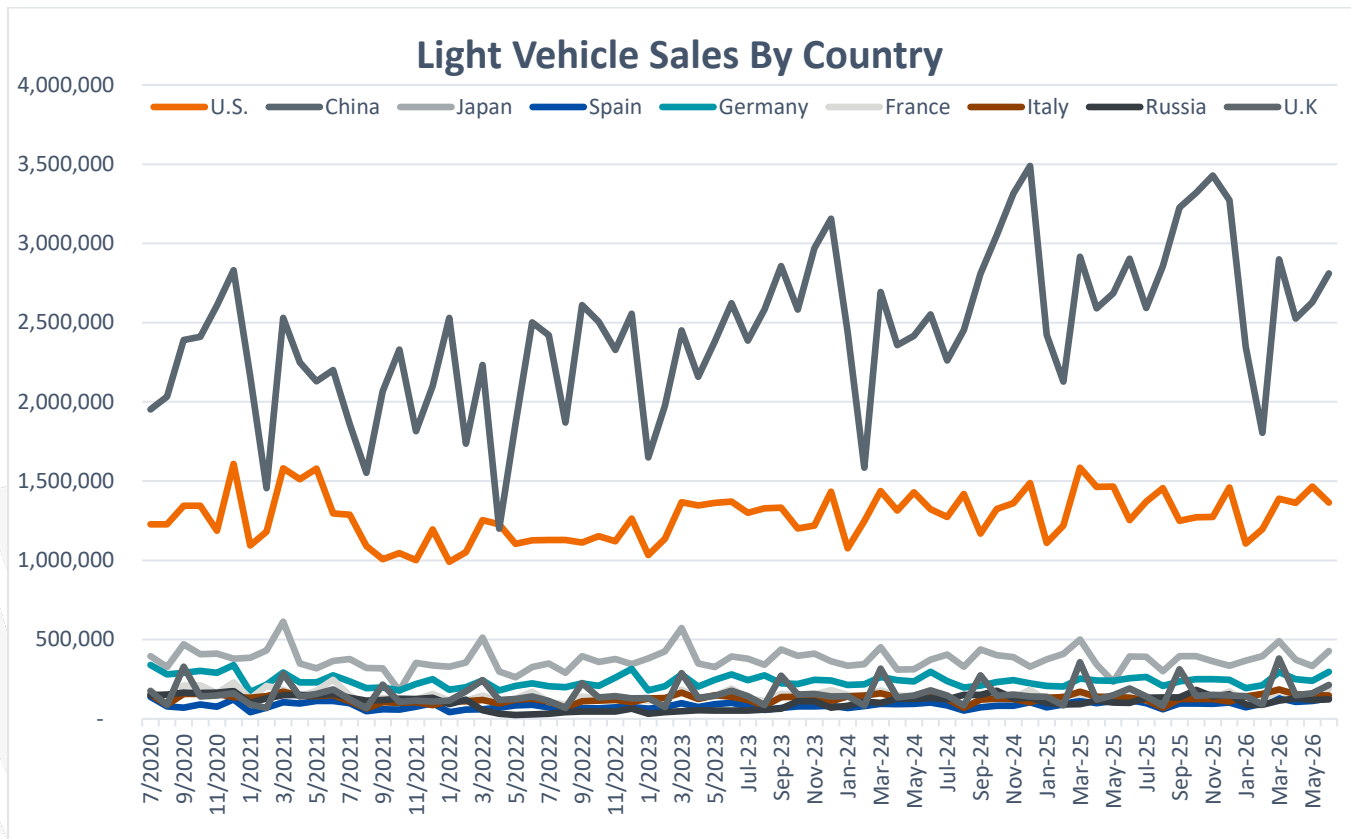
“Calendar year-to-date (YTD) sales in North America fell 1.9% from the same period a year ago, with strong results in Mexico offset by declines in Canada and the U.S. The YTD performance reflects weak first-quarter 2026 results in the US and Canada, as well as a skewed comparison to March–May 2025, when consumers accelerated purchases to lock in prices before US tariffs raised prices on Canadian- and Mexican-built vehicles.



“In China, June sales rose 6.9% MoM to 2.858 million units but declined 3.4% YoY, leaving YTD sales down 4.3% and YTD global market share at 31.4%, down 5.9 percentage points. June marked the seventh straight month of YoY declines.

“From a powertrain perspective, 2Q26 marked a turning point in China’s mix—battery electric vehicle (BEV) sales exceeded conventional gasoline vehicle sales from April through June.”





Global Light Vehicle Production (Updated 8/25)

Mobility Global (formerly S&P Global Mobility) Forecast (8/25)²⁵: “The global auto industry remains fairly resilient notwithstanding lingering uncertainty and noteworthy headwinds. To be sure, challenges still remain for auto industry stakeholders. The situation in the Middle East continues to be volatile even as some markets report better than expected results in spite of the uncertainty. Further, consumer demand in many of the standout regions remains vulnerable to lingering inflation pressures and possible macro contagion. Continuing a more recent theme and a notable influence again this month is a deteriorating outlook for China light vehicle demand, impacting both sales and production for the market. Importantly, even as Chinese domestic demand remains challenged, the negative impacts to production are partially mitigated by a much stronger export environment as Chinese manufacturers target other markets and in some cases are bolstering overall market volumes in key growth and/or emerging markets with attractively priced and well contented offerings. The August forecast update reflects a mix of mostly modest upward revisions in the extreme near-term offset somewhat by reductions for Greater China to reflect the aforementioned lingering domestic demand headwinds. The more noteworthy regional adjustments with the latest forecast update are detailed below:

“**Europe:** The outlook for Europe light vehicle production was increased by 123,000 units and by 23,000 units for 2026 and 2027, respectively (and increased by 18,000 units for 2028). Our August forecast update for Europe primarily reflects upgrades based on stronger actualized production results, including backfill orders registered for the first half of the year. Volvo and Volkswagen, in particular, outperformed in H1. Further,



production volumes for H2-2026 have been bolstered by 30,000 units reflecting a degree of continued momentum, while the US tariff situation and macroeconomic factors remain largely unchanged from the previous month's forecast. For 2027 and 2028, the production upgrades are more modest and spread primarily among select Western and Central European countries.

“Greater China: The outlook for Greater China light vehicle production was reduced by 193,000 units and by 496,000 units for 2026 and 2027, respectively (and reduced by 446,000 units for 2028). Mainland China’s passenger vehicle market continues to present a clear pattern of weak domestic demand but strong export momentum. According to CPCA, July passenger vehicle retail sales reached 1.47 million units, down 18% year-on-year and 6% month-on-month, while passenger vehicle production stood at 2.24 million units, down 2.1% year-on-year and 5.2% month-on-month. This shows that demand remained much weaker than production and wholesale activity. Exports continue to play a critical stabilizing role for China’s auto industry. In July, total vehicle exports reached 1.043 million units, exceeding one million units for the second consecutive month, with year-on-year growth of 81.3% according to CAAM. China’s auto market has entered a stage of deeper structural divergence. Domestic demand remains under pressure, especially for ICE vehicles and joint-venture brands, while NEVs and exports have become two core pillars supporting the industry. The near-term outlook remains cautious. Automakers will need to manage inventory carefully, improve pricing discipline, and accelerate international localization to sustain growth. In our view, exports will remain the most important growth engine in the near term, while domestic recovery is likely to be gradual and uneven across segments.

“Japan/Korea: The short-term production outlook for Japan was upgraded by 60,000 units relative to last month’s forecast. Even though Japan lost roughly 65,000 units in late July and early August due to the Kumamoto earthquake and a typhoon, production in Q4-2026 was upgraded by over 100,000 units as we expect domestic production to maintain its momentum supported by solid domestic demand with fiscal expansion and FHEV exports to Europe and the United States. In the long term, there were no significant revisions relative to last month’s Japan production forecast. Despite ongoing US tariffs and the conflict in the Strait of Hormuz, exports to North America remain particularly strong, leading to an increase of nearly 17,000 units for South Korea production for 2026. With the current trend expected to continue through the near-term forecast horizon, production volumes were increased by 70,000 units and 40,000 units for 2027 and 2028, respectively.

“Middle East/Africa: The outlook for Middle East/Africa light vehicle production was increased by 36,000 units and by 6,000 units for 2026 and 2027, respectively (and only marginally revised for 2028). Output revisions for Middle East/Africa in the near-term are driven primarily by stronger recent actualized production for Iran, South Africa and Morocco.

“North America: The outlook for North America light vehicle production was increased by 22,000 units and by 224,000 units for 2026 and 2027, respectively (and increased by 218,000 units for 2028). North American resilience continues with vehicle demand in the US facing upside pressure, despite economic headwinds, as upper income buyers bolster the market. As expected, uneven inventory levels in the US continue to point to production slowdowns for certain manufacturers with the North America light vehicle production outlook for 2026 revised only marginally higher by 0.1% totaling 15.08 million units. Despite the modest overall upgrade, more significant actions lie beneath the surface with Stellantis revised down 86,000 units as short-lead summer shutdowns, inventory pressures and challenges associated with launch vehicles and tariffs (most notably for the Toluca, Mexico produced Compass and Cherokee) impact output. Amid demand resilience, the outlook for 2027 was revised higher by 1.5% totaling 15.25 million units. Broad increases are dispersed across the manufacturer base in the region with Honda, Ford and Stellantis as the largest beneficiaries of the increase with the latter rising after a correction through the remainder of 2026. The outlook for Hyundai was revised down by 33,000 units due to sourcing shifts between the US and South Korea with the latter being favored as of late.



“South America: The outlook for South America light vehicle production was increased by 25,000 units and by 23,000 units for 2026 and 2027, respectively (and increased by 4,000 units for 2028). The upward revision for the region in the extreme near-term is focused exclusively on Brazil. Production results came in near expectations and confirm that the sales momentum in the country is not abating. Our upward production revision for Brazil partly anticipates an upgrade for the sales outlook in the upcoming September forecast round. Regional volumes for 2027-2028 were revised up modestly, 0.4% or 13,000 units on average each year. The improvement was applied only to Brazil and further aligns with and follows the slight upgrade for 2026. Part of the upgrade is also due to lifecycle updates that specifically favor 2027.

“South Asia: The outlook for South Asia light vehicle production was increased by 104,000 units and by 40,000 units for 2026 and 2027, respectively (and reduced by 27,000 units for 2028). ASEAN production declined 3.5% year-over-year in July while year-to-date remains up 3.0% across the market. The overall results result mask an increasingly divergent performance across various countries. Thailand returned to monthly growth, while Indonesia, Malaysia and Vietnam reported softer July output despite retaining positive year-to-date growth. The Philippines remained the area’s weakest manufacturing market, with production falling sharply both in July and over the first seven months of the year. The relatively solid overall year-to-date performance for the region, combined with stronger OEM production schedules entering August, supports a 60,000-unit upward revision to the regional 2026 forecast. Even with the ongoing tensions in the Middle East, the India market is proving to be remarkably resilient. The recent Goods and Services Tax (GST) cut continues to stimulate demand. As we transition into August, we continue to expect solid production results. Many OEMs are offering robust growth forecasts for 2026. In addition, dealer inventories remain relatively low, providing additional support to near-term production. As a result, production volumes for India have been increased by 41,000 units for both 2026 and 2027.

Economy Meter

Roadway Travel (Updated 8/25)

According to the U.S. Department of Transportation, seasonally-adjusted vehicle miles traveled in June increased by 0.5 percent from the same time a year ago. The cumulative travel estimate for 2026 is 1,643.6 billion vehicle miles.²⁶

- Travel on all roads and streets changed by +0.9% (+2.6 billion vehicle miles) for June 2026 as compared with June 2025. Travel for the month is estimated to be 289.4 billion vehicle miles.
- The seasonally adjusted vehicle miles traveled for June 2026 is 278.0 billion miles, a +0.5% (1.4 billion vehicle miles) change over June 2025. It also represents a 0.4% change (1 billion vehicle miles) compared with May 2026.
- Cumulative Travel for 2026 changed by +0.8% (+12.9 billion vehicle miles). The cumulative estimate for the year is 1,643.6 billion vehicle miles of travel.

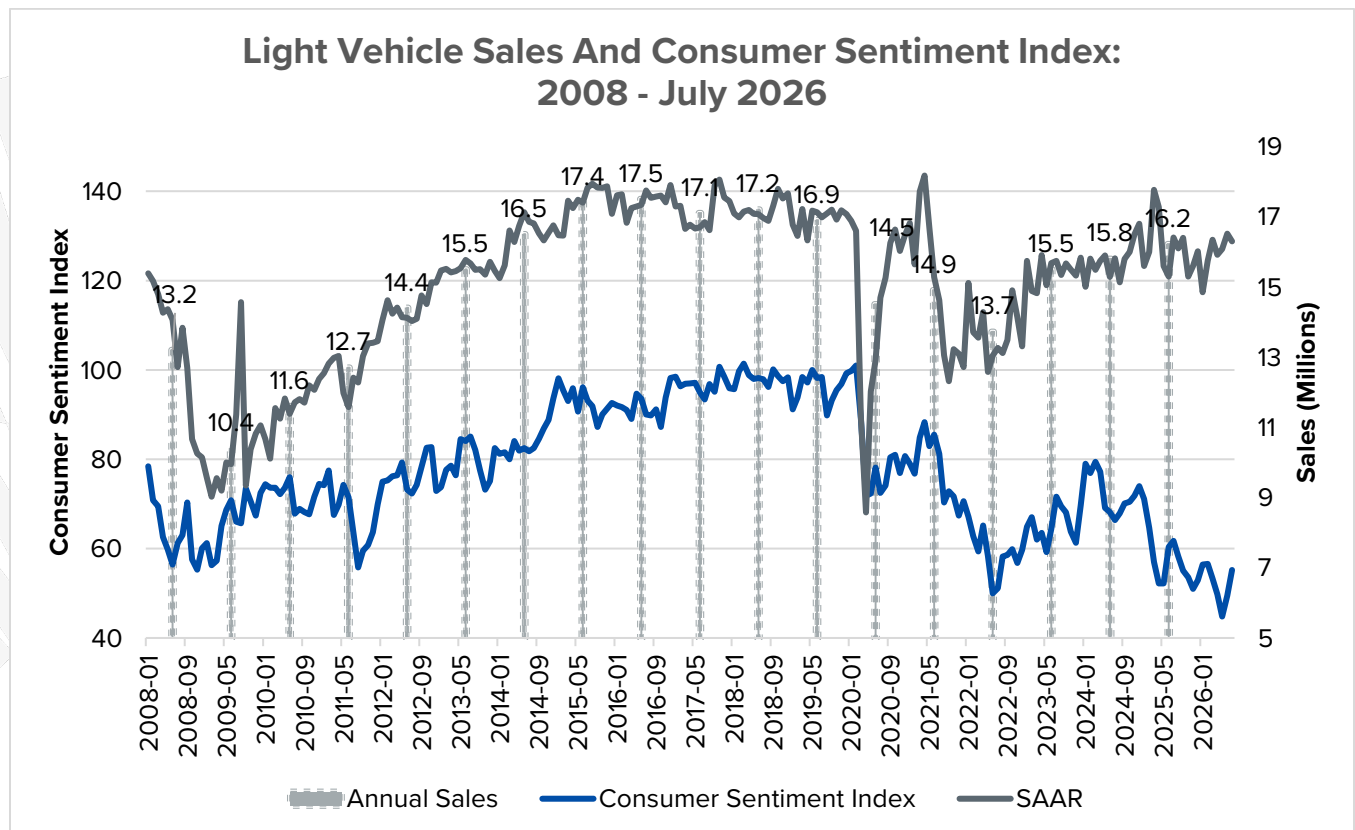
Consumer Confidence and Sales (Updated 8/25)

Surveys of Consumers Director Joanne Hsu²⁷: “Consumer sentiment fell about 8% this August, ending two consecutive months of improvement. While views of personal finances saw only minor declines, expected business conditions sank 11% for the short run and 17% for the long run. Decreases in sentiment were seen across the political spectrum, with Republicans exhibiting the strongest month-to-month decline in August. Sentiment among Republicans is now 19% below readings just prior to the Iran conflict and the lowest since



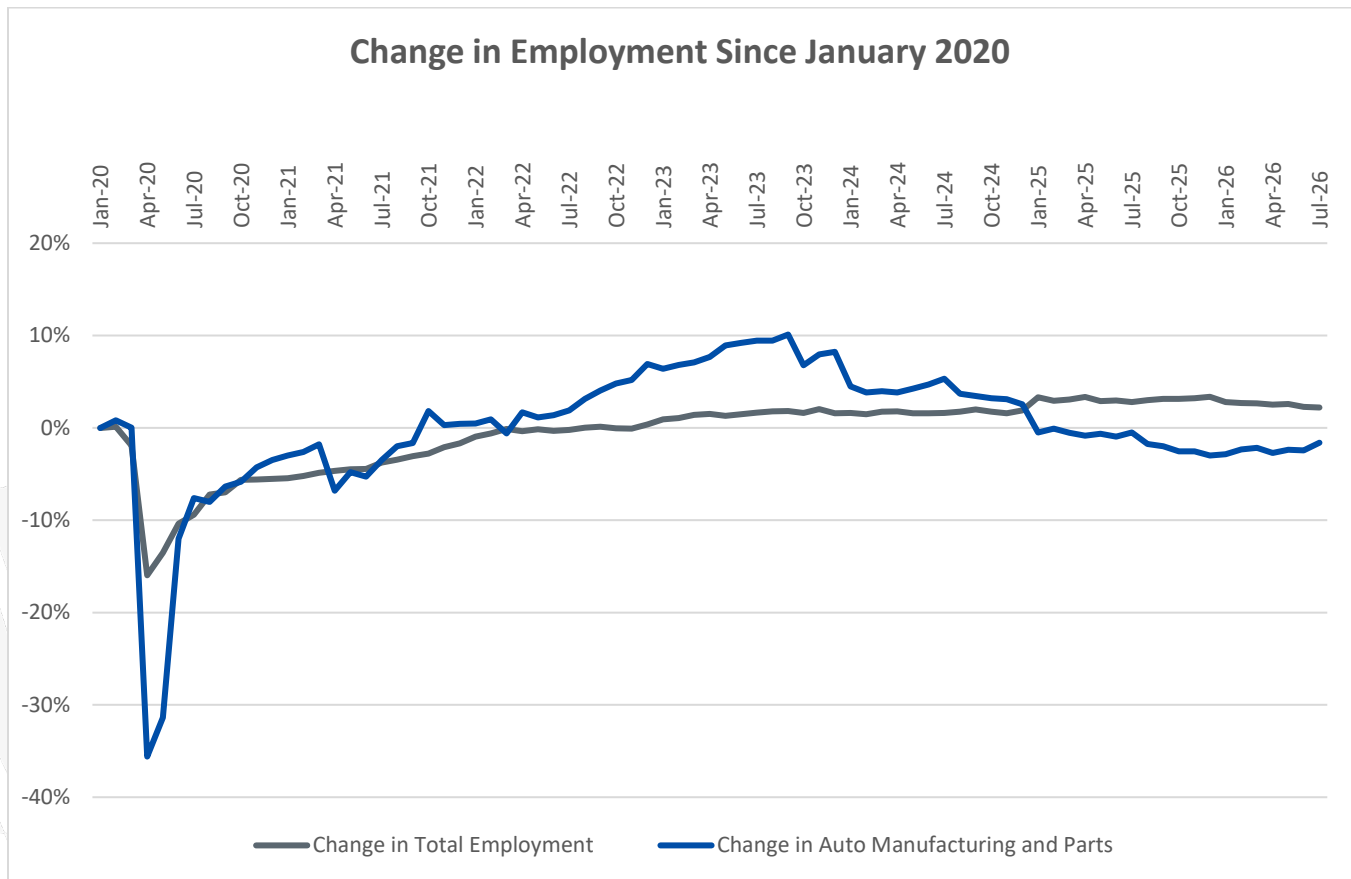
the 2024 election. Although the early-month weakening in sentiment was pervasive across various demographic groups, notably large reductions were seen among older consumers, lower-income consumers, and those without a college degree. These groups are all particularly vulnerable to any erosion of purchasing power stemming from inflation. Across all consumers, only 8% expect their income growth to exceed inflation in the year ahead, down from 18% in December 2024, a reflection of the belief that high prices will continue to be burdensome.

Year-ahead inflation expectations ticked up from 4.2% in July to 4.3% this month. The current reading substantially exceeds the 3.4% seen in February before the Iran conflict began, along with all 2024 readings. Long-run inflation expectations held steady at 3.3% for the third consecutive month, remaining a bit higher than its 2024 range of 2.8% to 3.2%.



Employment (Updated 8/25)

Motor Vehicle And Parts Manufacturing Gained 7,900 Jobs in July.



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