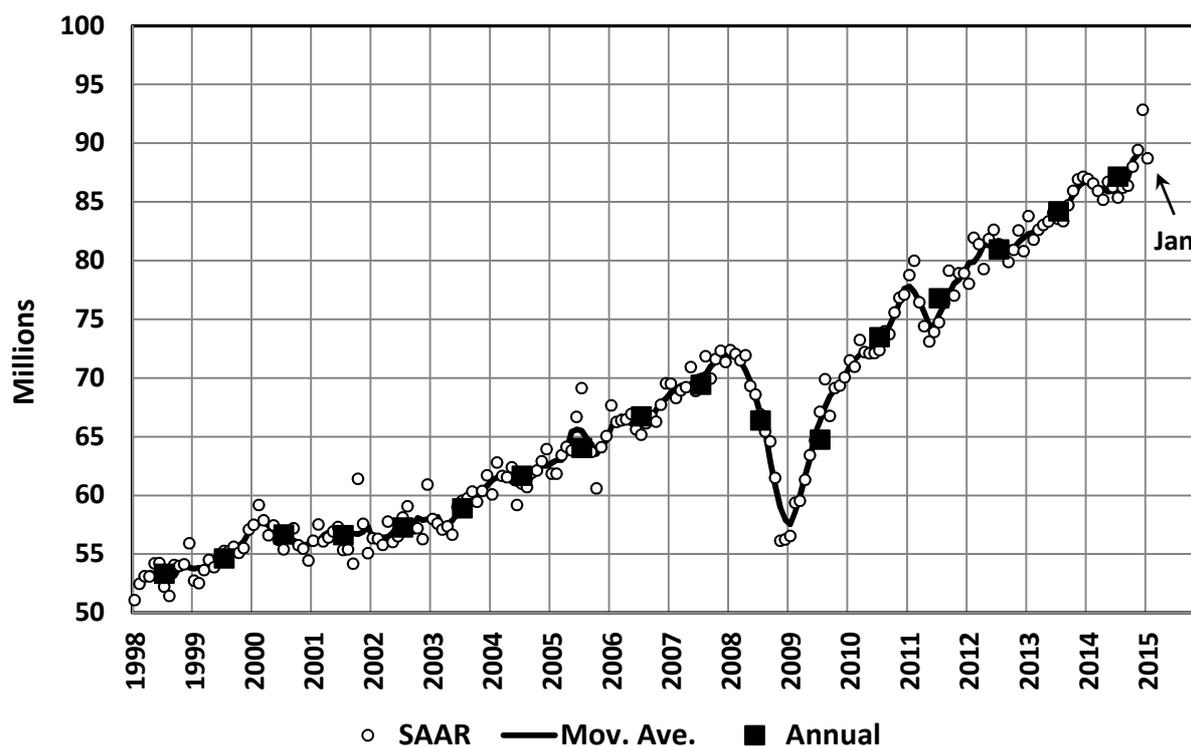


Summary

Commentary

- As expected, the Global Light Vehicle market cooled a little in January, but not dramatically — the 88.7 mn units/year seasonally adjusted annualised rate of sales is only a little below our expectation for 2015 in total.
- China and the US remained strong while West European markets enjoyed a solid start to the year. Russian demand fell away sharply, and sales in Brazil also dipped after a strong finish to 2014.

Global Light Vehicle Sales



North America

- The US Light Vehicle market continued its well-established run of strong sales in January — positive economic fundamentals underpinned the result. The outlook for the near term remains good. SUV segment growth remained a feature in January, though growth in Midsize SUVs was also more notable than last year, when Compact SUVs did well.
- After a record 2014, Light Vehicle demand in Canada is cooling slightly but a strong market — at or around the 2014 level — is still expected for 2015 in total.

Europe

- A solid result in many West European countries saw sales increase by almost 8%, year on year. Of note was the marked improvement for a number of previously crisis-hit markets such as Spain, Portugal and Ireland, despite continuing macroeconomic uncertainty.
- The collapse in Russian sales dominates the picture for Eastern Europe — the January selling rate in Russia was under 2.0 mn units/year, down substantially on sales in final months of 2014 when buyers flocked to buy cars before exchange-rate-induced price increase come through. These effects may not yet be fully felt so more negative year-on-year declines could be in the offing for the coming months. Other major markets in the region fared well.

China

- Advance data indicates that the Chinese market is off to a strong start in the New Year. The January selling rate was 25.2 mn units/year, down 2.6% from a record high in December, but still an impressive result. Passenger vehicle sales continued to rise, led by popular SUVs and MPVs, while light commercial vehicle sales continued to decline, dragged by weak sales of Mini-Buses.
- The January sales were boosted by sales campaigns ahead of the Chinese New Year (19 February this year), but there are also reports that inventory at dealerships is rising. A number of smaller cities are expected to start to restrict vehicle sales in order to reduce air pollution, which may be also pulling sales ahead. A slowing economy and a deflationary trend present some challenges to the notion of continued rapid growth.

Other Asia

- In Japan, the selling rate declined by 19% to 5 mn units/year in January from an exceptionally high 6.2 mn units/year in December. While winter bonuses and the rising stock market helped push sales up in December, consumers seem to have returned to the reality of the weak economy. The 5 mn units/year rate is, however, still good for the post-tax-hike Japan.
- In South Korea, the strong sales momentum in December was carried over into the New Year. The January selling rate of 1.7 mn units/year, however, does not coincide with a slowing economy. Weak exports, slowing income and employment growth, and already high household debt are expected to constrain sales in the coming months.

South America

- After the end of the temporary IPI tax cuts in December, the Brazilian market decelerated sharply, with the selling rate falling by 15% to 3.1 mn units/year in January. The new finance minister is committed to fiscal austerity measures which, along with the January interest rate hike (to a near four-year high), has discouraged consumers from vehicle purchases.
- The Argentine market made another nosedive. The January selling rate was 485,000 units/year, a five-year low and down 22% from a relatively strong December. On a year-on-year basis, sales declined by nearly 40% in January. The deteriorating economy implies no quick turn-around in the market this year.

Updated 13 February 2015

Global Light Vehicle Sales

	Sales (units)						Selling rate (Units/year)			
	Jan 2015	Jan 2014	Percent change	Year to date 2015	Year to date 2014	Percent change	Jan 2015	Year to date 2015	Year 2014	Percent change
WORLD	7,230,822	6,963,262	3.8%	7,230,822	6,963,262	3.8%	88,685,061	88,685,061	87,185,811	1.7%
USA	1,149,261	1,010,713	13.7%	1,149,261	1,010,713	13.7%	16,581,657	16,581,657	16,490,861	0.6%
CANADA	99,069	95,821	3.4%	99,069	95,821	3.4%	1,792,409	1,792,409	1,852,549	-3.2%
WESTERN EUROPE	1,081,222	1,003,634	7.7%	1,081,222	1,003,634	7.7%	13,936,818	13,936,818	13,580,935	2.6%
EASTERN EUROPE	245,285	288,778	-15.1%	245,285	288,778	-15.1%	4,218,601	4,218,601	4,563,873	-7.6%
JAPAN	393,339	489,075	-19.6%	393,339	489,075	-19.6%	5,000,378	5,000,378	5,439,522	-8.1%
KOREA	129,690	119,330	8.7%	129,690	119,330	8.7%	1,733,972	1,733,972	1,624,669	6.7%
CHINA	2,420,194	2,231,465	8.5%	2,420,194	2,231,465	8.5%	25,169,581	25,169,581	23,686,097	6.3%
BRAZIL / ARGENTINA	307,384	402,716	-23.7%	307,384	402,716	-23.7%	3,612,132	3,612,132	3,972,603	-9.1%
OTHER	1,405,378	1,321,731	6.3%	1,405,378	1,321,731	6.3%	16,639,513	16,639,513	15,974,702	4.2%

Notes:

- The percentage change in the final column compares the average selling rate in the year-to-date with the last full year.
- Late reporting countries and estimates are included in "Other".
- Eastern Europe includes Turkey.
- China includes estimate of light vehicle imports.

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