U.S. Economic and Industry Fundamentals

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U.S. KEY ECONOMIC INDICATORS

GDP and Consumer Spending

- **GDP QoQ SAAR**
  - 4.9
  - (8.2)
  - 4.7
  - (1.5)
  - 0.9
  - 2.2
  - 3.2

- **Consumer Confidence**
  - 95.50
  - 96.90
  - 98.10
  - 100.70
  - 95.90

Source: BEA, University of Michigan

Solid Consumer Fundamentals Driving Confidence And Spending
**U.S. VEHICLE BUYING SENTIMENT: UNIVERSITY OF MICHIGAN**

**GOOD TIME TO BUY AND SELECTED REASONS FOR GTB – ALL HOUSEHOLDS**

<table>
<thead>
<tr>
<th>(%)</th>
<th>Good Time to Buy</th>
<th>Times Are Good</th>
<th>Prices Are Low</th>
<th>Prices Will Rise</th>
<th>Net Prices</th>
<th>Interest Rates Are Low</th>
<th>Interest Rates Will Rise</th>
<th>Net Interest Rates</th>
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<tr>
<td>2014*</td>
<td>65</td>
<td>9</td>
<td>30</td>
<td>5</td>
<td>25</td>
<td>23</td>
<td>1</td>
<td>22</td>
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<tr>
<td>2015*</td>
<td>69</td>
<td>11</td>
<td>27</td>
<td>5</td>
<td>22</td>
<td>26</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td>2016*</td>
<td>69</td>
<td>11</td>
<td>26</td>
<td>5</td>
<td>21</td>
<td>26</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td>2017*</td>
<td>69</td>
<td>14</td>
<td>26</td>
<td>6</td>
<td>20</td>
<td>20</td>
<td>3</td>
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</tr>
</tbody>
</table>

**Overall Buying Sentiment Consistently Favorable Since 2015, But Consumers Citing Low Interest Rates Less Often As Reason For Good Time To Buy**

*All data are annual averages; Source: University of Michigan Survey of..."
Demand Strength, Along With Energy Price Stabilization, Supporting Manufacturing Sector

Source: ISM, U.S. Census Bureau
Rig Counts Still Well Below Peak But Up Over 103% From Trough In Mid-2016

Source: EIA, Baker Hughes
Sales At Mid-Year Were Weaker Than Expectations, Especially Fleet, While Retail Sales Demonstrated A Typical Second-Half Seasonal Acceleration
U.S. Lease Originations and Off-Lease Volumes

Volume Of Off-Lease Vehicles Was A Significant Concern Heading Into 2017

Source: Manheim Consulting
Strong Used Vehicle Demand Appears To Have Offset Some Of These Pressures; Used Vehicle Sales Have Been Rising Despite Flat Scrappage

Source: Manheim Consulting, Wards Automotive
Pace Of Decline In Used Vehicle Prices Has Moderated Since Mid-Year, Suggesting Less Drag On New Vehicle Pricing As Well

Source: BLS
Q/A

Thank you!