



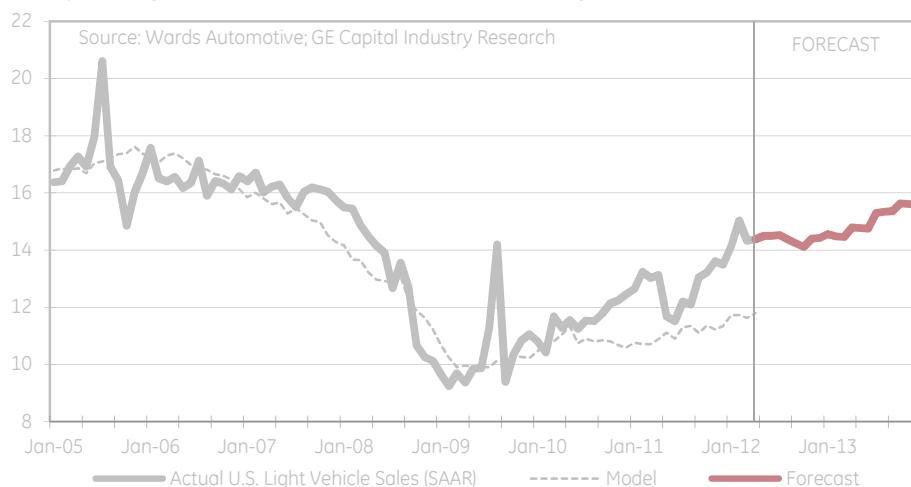
## Key Developments

- U.S. light vehicle sales came in at a 14.3 million unit SAAR – up 10% YoY and about flat MoM. The rise came despite a continued decline in incentive spending to its lowest level in almost 7 years. Canadian LV sales also jumped 11% YoY in April.
- We have boosted our 2012 SAAR estimate slightly to 14.4 million units and are holding to our 2013 estimate of 15.1.
- North American LV production, rose 34% YoY in April and is forecast to rise 20%+ YoY in 2Q 2012, and 10% in 3Q 2012. Evonik's nylon-12 resin outage currently isn't expected to have a major impact.
- Though LV inventories rose 19% YoY in April on a unit level basis, inventories remain lean on a days supply basis at 56 days – 13% below the trailing 5 year average for April.
- Our weighted PPI index of automotive raw material producer price indices in March was flat MoM and up only 0.5% YoY.

## Key Indicators

U.S. light vehicle sales continued on a path of steady double digit YoY growth in April, with pent up demand, improved confidence, and better credit availability driving gains.

### Monthly U.S. Light Vehicles Sales on a SAAR Basis vs. Regression Model

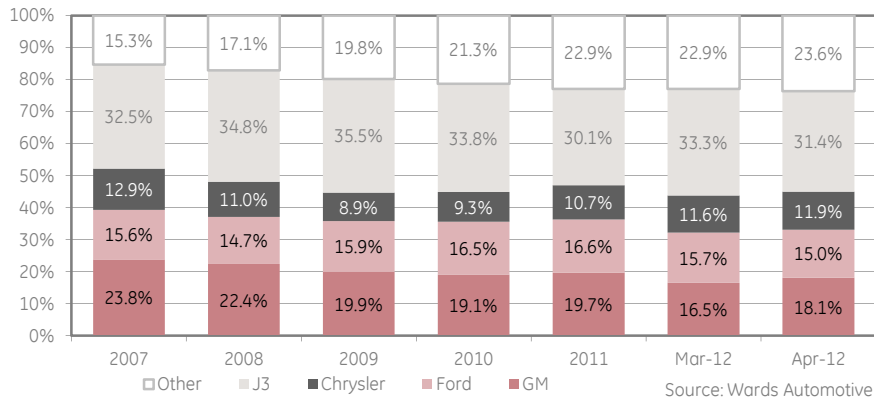


**U.S. light vehicle sales in April rose 10% YoY and were flat MoM on a SAAR basis.** Retail SAAR is preliminarily estimated to have continued in the mid 11 million unit SAAR range., up about 5%+ YoY.

Total May SAAR is currently forecast to come in at about 14.5 million units which would represent a 24% YoY gain owing to easy Japanese quake / tsunami related comparisons.

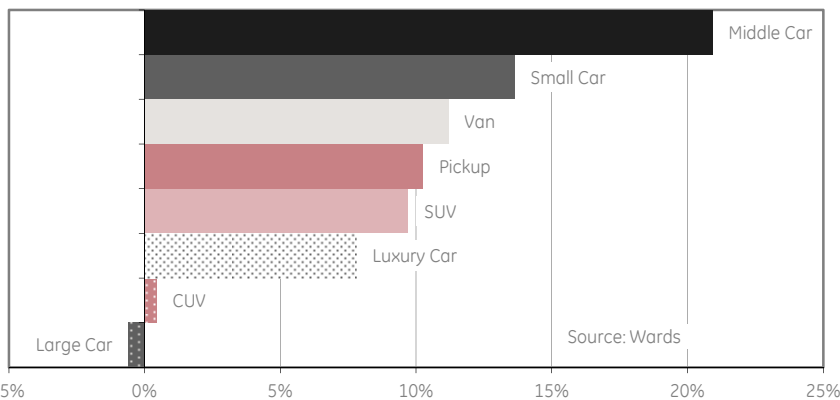
# U.S. & Canadian Light Vehicle Sales Trends

## OEM U.S. Market Share Trends



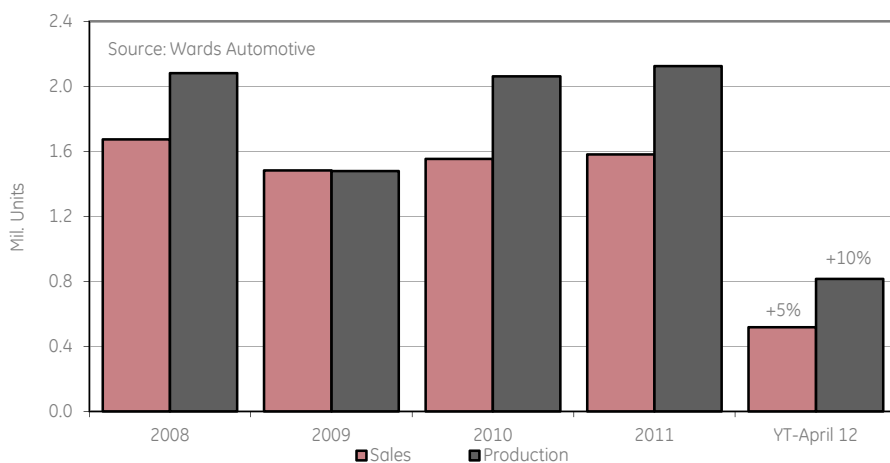
The Detroit 3's market shares rose to 45.0% in April vs. 43.8% in March but was down vs. 46.4% a year ago. Movement within the D3 was not homogenous, with Chrysler seeing steady gains MoM and YoY, GM up MoM but down YoY and Ford down MoM and YoY.

## U.S. Light Vehicle Sales by Vehicle Segment YTD



YT-April 2012 U.S. light vehicle sales by segment, as shown to the left, have seen small and mid-size cars sales growth outpacing other segments. However, in the month of April, SUV's Pick-ups and Vans interestingly saw 18-22% YoY growth that outpaced small car growth of 11% despite rising gas prices.

## Canadian Light Vehicle Sales and Production Trends

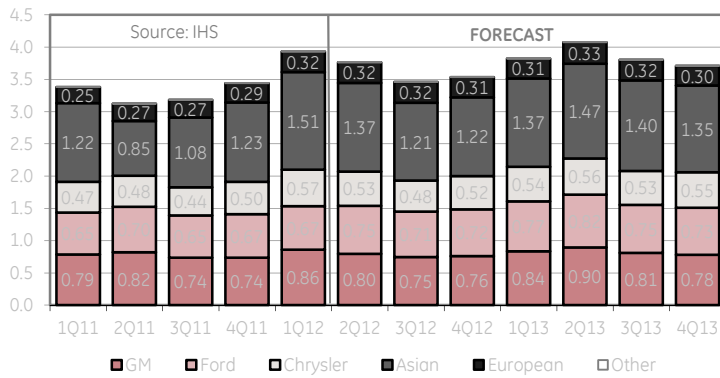


Canadian dealers sold 157,258 new light vehicles in April, up 21% on a daily rate basis MoM and up 11% YoY. YT-April, Canadian light vehicle sales are up 5%. Chrysler saw impressive 16% YoY gains and edged out Ford for the top market share slot. D3 sales collectively were up 9.4% in the month of April and 0.6% for YT--April, while Asian-brands jumped 12.2% and 8.7%, respectively.

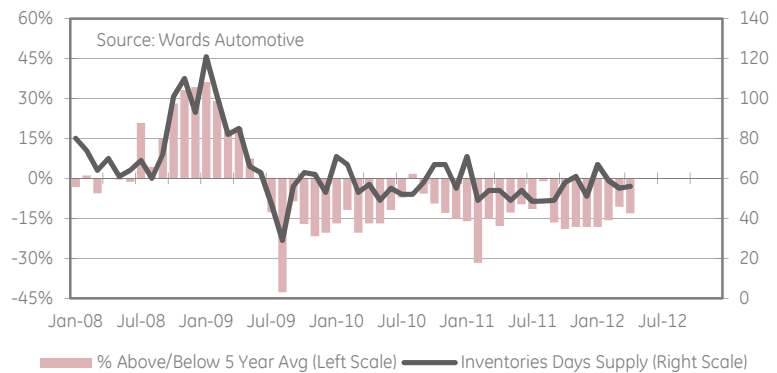
## North American Production & Inventory Trends

U.S. light vehicle production has been rising to meet demand, but inventories remain low on a days supply basis relative to their historical levels.

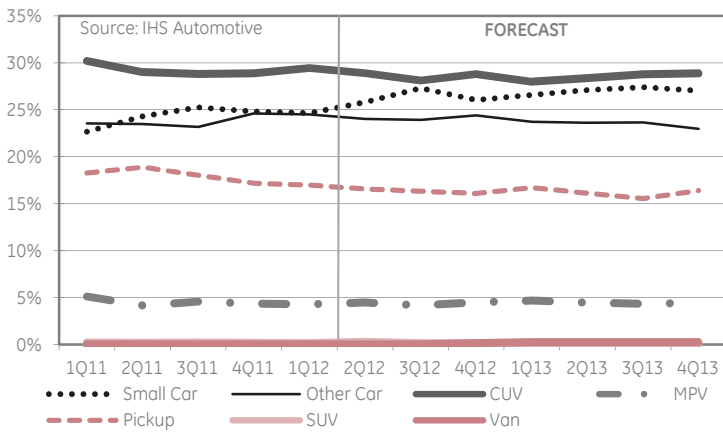
### N.A. Light Vehicle Production by OEM



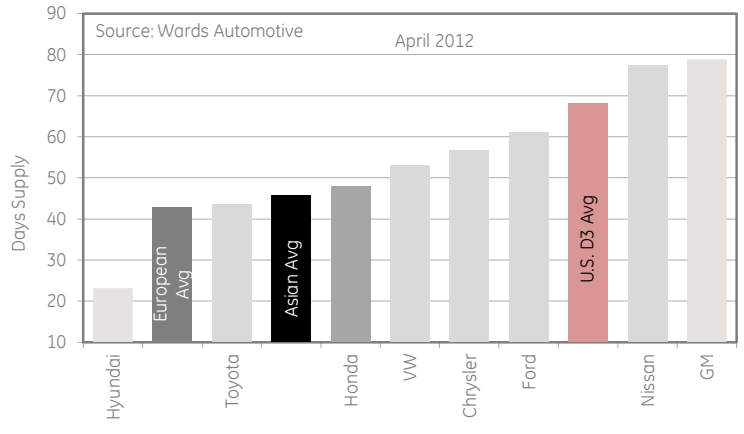
### U.S. Light Vehicle Inventory Days Supply



### N.A. Light Vehicle Production by Segment



### U.S. Light Vehicle Inventory by Major OEM



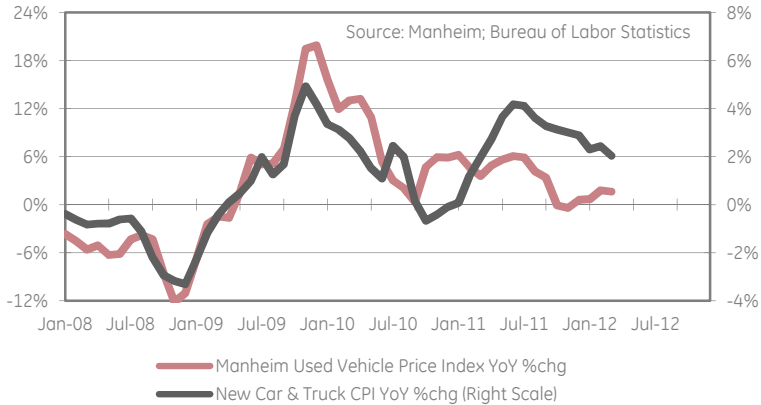
- North American light vehicle production in April rose 34% YoY but fell 11% MoM according to Ward's Automotive data. Production growth is forecast to rise over 20% YoY in 2Q 2012, 10% in 3Q 2012., and 12%+ for full year 2012.
- Segment share of production in North America is expected to remain relatively stable through 2013, with the small car segment expected to see modest gains at the expense of larger vehicles, particularly in view of rising gas prices. (Note that CSM's segment definitions shown here have changed following their acquisition by IHS. Van's for example no longer include minivans).

- U.S. light vehicle inventories fell to 56 days supply in April – down 1 days MoM and up 2 days YoY. The 56 day figure was 13% below the trailing 5 year average for April. Small cars continued to have the lowest inventory levels at only 44 days followed by CUV's at 57 days. Large car and pickup truck inventories were highest at 46 and 93 days supply, respectively.
- The Detroit 3's inventory fell to 68 days supply in April vs. 70 days in March, but were up 4 days vs a year ago. GM's inventories continue to be on the higher side at 79 days vs. Chrysler and Ford's at 58 and 63 days respectively. European and Asian OEM inventories remain low at 43 and 46 days, respectively.

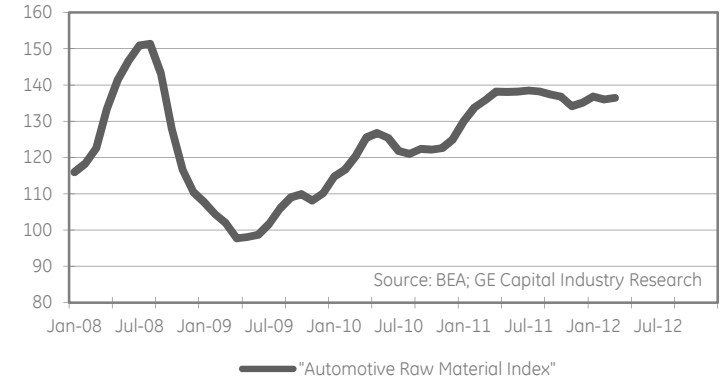
## Pricing & Raw Material Cost Trends

Vehicle pricing remains firm with incentive spending at almost a seven year low. Spot raw material prices have stabilized.

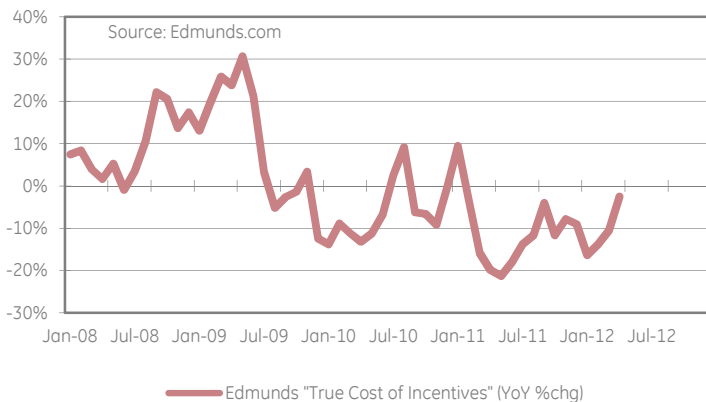
### New & Used Light Vehicle Price Trends



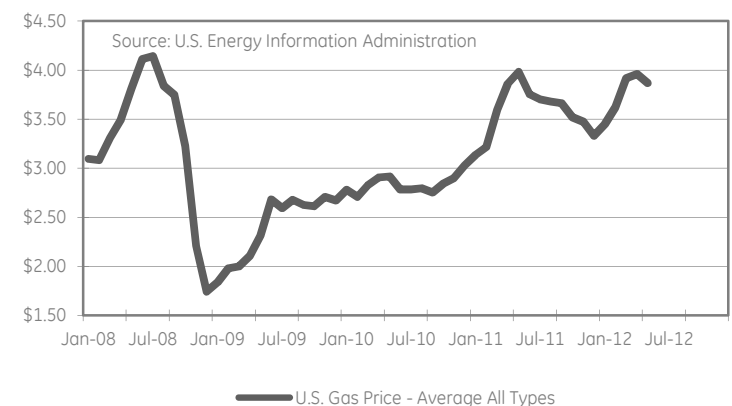
### Automotive Raw Materials Price Trends



### Edmunds' "True Cost of Incentives"



### U.S. Average Gas Pricing

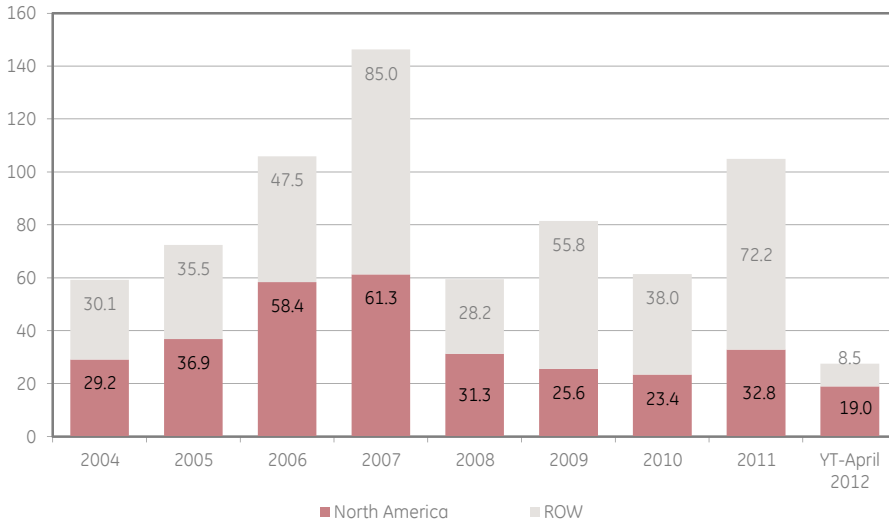


- **New and used vehicle consumer price indices (CPI) have continued to see stable to lower YoY inflation.** CPI for new cars and trucks rose 2.0% YoY in March vs. 2.4% the prior month while used car and truck CPI rose 1.9% YoY vs. 2.0% the prior month. The Manheim Index of used vehicle pricing index fell slightly (0.4% YoY and 0.1% MoM) in April, but remains at historically high levels.
- **Edmunds' "True Cost of Incentives" – a measure of OEM incentive spending – was down 3% both YoY and MoM in April, reflecting continued OEM pricing discipline.** The average TCISM per vehicle in April was \$2,055, the lowest level seen in almost seven years. Ford and Nissan drove most of the MoM decline in incentives, down 11% and 15% MoM, respectively.

- **Our composite index of automotive raw materials – made up of a usage weighted average of PPI's for various automotive materials such as steel, aluminum, copper, plastic rubber and glass – has flattened out in recent months, rising just 0.5% YoY and 0.3% MoM in April.** Spot nonferrous and steel pricing has been relatively stable on average over the past month or so., suggesting April and May will remain flattish for our composite PPI index.
- **The average price of gasoline in the U.S. (all types) approached \$4/gallon in April, but has since begun to pull back in May.** Looking forward, the EIA sees gasoline averaging \$3.87/gallon in May and sliding into the \$3.60/gallon range in the latter half on 2012.

# Financing Trends

North American Automotive Company Loan Volume (\$ Bil)



Global auto industry leveraged loan volume (i.e. sub investment grade or not rated) rose to \$27B YTD-April 2012 vs. a year ago. In North America, YTD-April volume of \$19B is up almost 200% reflecting large Ford and Goodyear deals.

# GE Capital Commitments

## \$9.2 Billion in Investments Across the Value Chain\*

\*GE Capital as of 12/2011; Americas only; Note includes motorcycle floor plan financing



\$1.5 Billion  
Auto Parts



\$0.4 Billion  
Vehicle  
Manufacturing



\$7.2 Billion  
Distribution  
& Service

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