



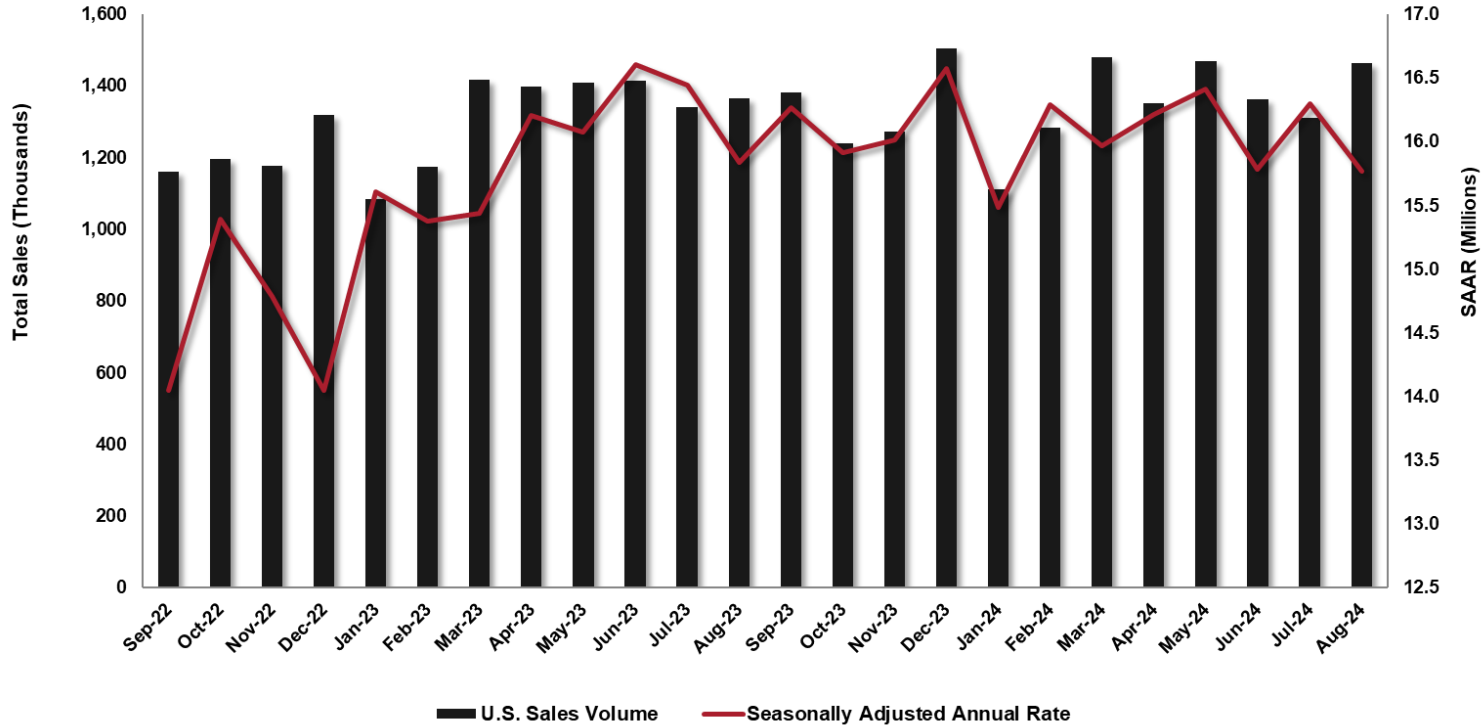
# Industry Trends

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Aug 2024 – Sep 2024

**Merchants**  
FLEET

## U.S. Sales Volume by Month & SAAR All Manufacturers



### US Sales – All Channels

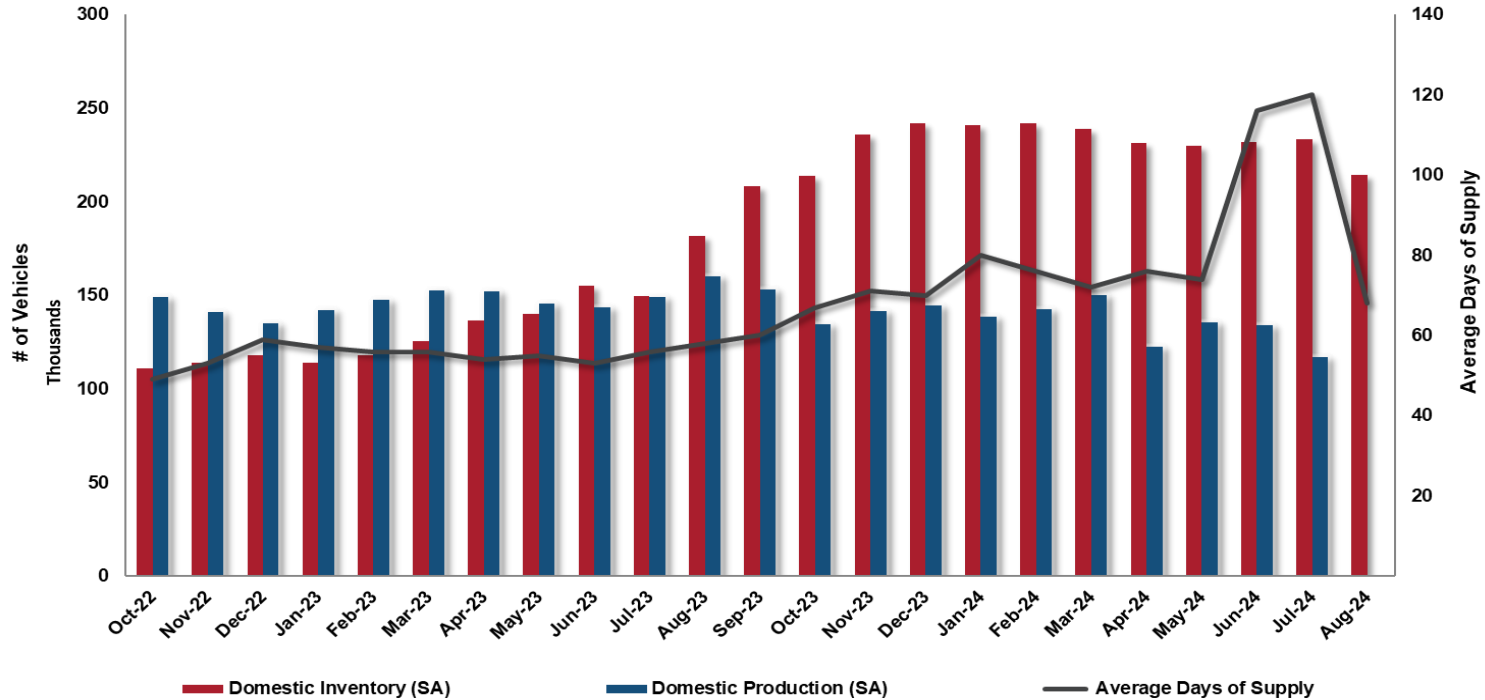
- Aug sales increased by 11.5% month over month and 7.2% year over year.
- SAAR declined by 3.3% month over month as high financing costs dragged sales below expectations
- Light trucks accounted for 81% of last month's sales

### Recommendations

- With slumping sales and newly lowered interest rates, leverage your buying power to order new vehicles now to take advantage of lowering your Total Cost of Ownership.

# ACQUISITION

## Dealer Inventory & Days of Supply

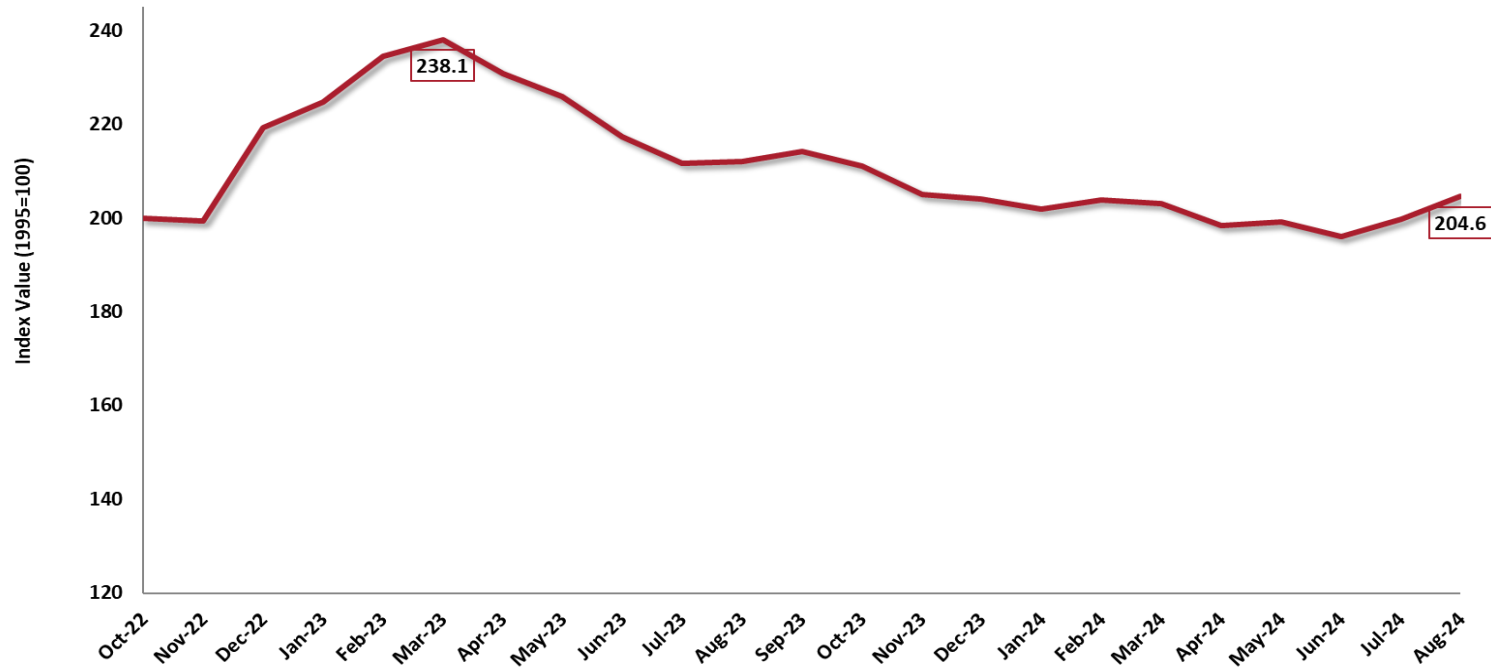


- Aug new vehicle inventories ended with 214,221 units, an 8.3% month over month decrease and 18% year over year increase.
- The changeover from Model Year 24 to 25 vehicles likely impacted this reduced inventory versus the prior month.
- Days of supply normalized as Jun/Jul data likely impacted by cyber-breach with widely used Dealer Mgmt System.

- Aug new vehicle price averaged \$47,384, a 1% decrease month over month and a 0.7% decrease year over year.
- With declining prices and newly lowered interest rates, order new vehicles now to take advantage of lowering your Total Cost of Ownership.

# WHOLESALE RESALE MARKET

## Manheim Used Vehicle Value Index



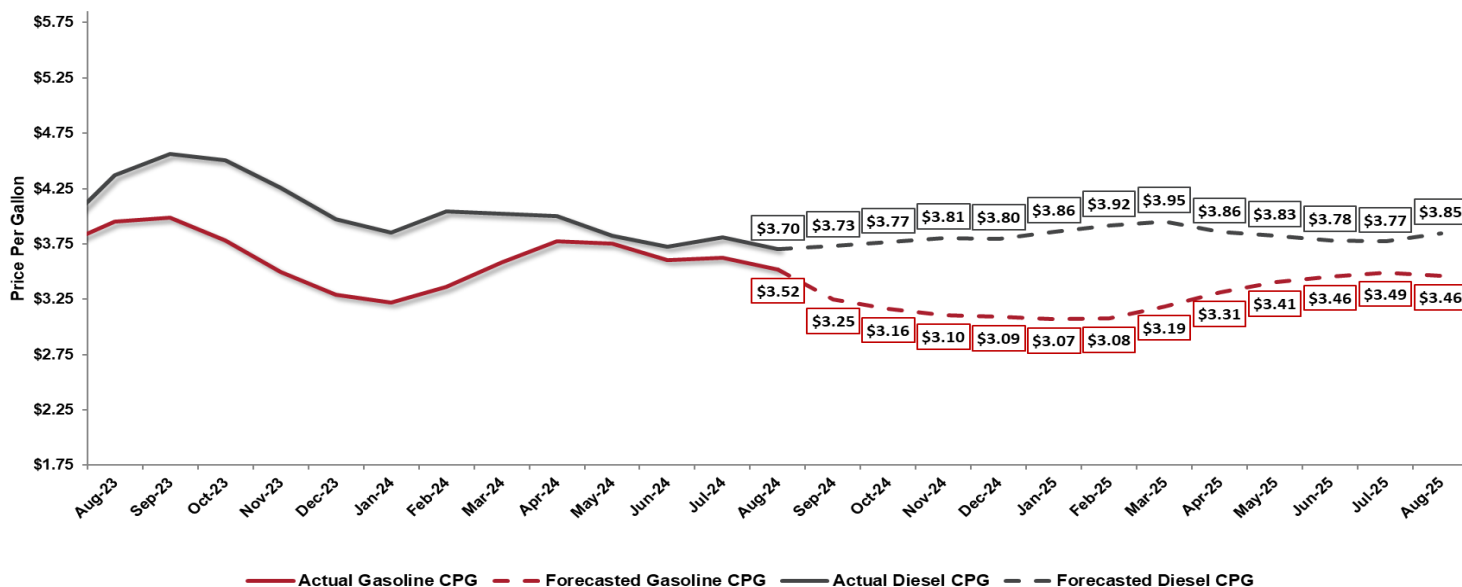
- The Manheim Used Vehicle Value Index increased by 2.5% month over month in Aug but decreased by 3.5% year over year.
- 2019 (pre-pandemic) Annual Average was 138.9

### Recommendation:

- While resale values have softened, prices remain well above pre-pandemic levels. Utilize Merchants' GuaranteeBUY program to capture that increased equity.

# FUEL

## National Average Cost per Gallon Regular Grade & Diesel



- Aug U.S. regular gasoline prices decreased 2.8% from the previous month and averaged \$3.52 per gallon.
- Aug U.S. diesel retail prices decreased 2.9% from the previous month and averaged \$3.70 per gallon.

- September forecasted gasoline price is \$3.25 per gallon, and diesel has a forecasted price of \$3.73 per gallon.

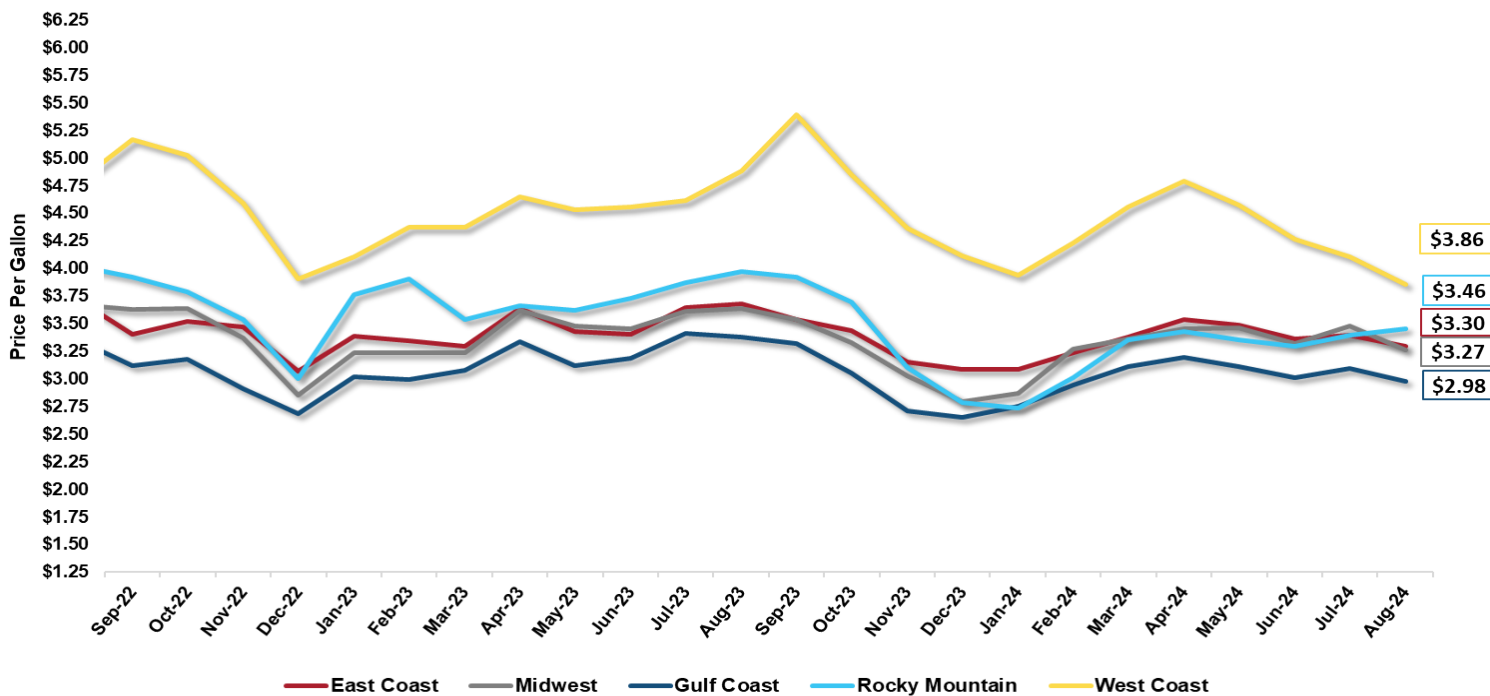
### Recommendations:

- Closely monitor fuel prices for accurate fuel budget forecasting.
- Consider enrolling in TotalConnect to monitor driving patterns for cost savings opportunities.



# FUEL

## Regional Average Cost per Gallon – Regular Grade



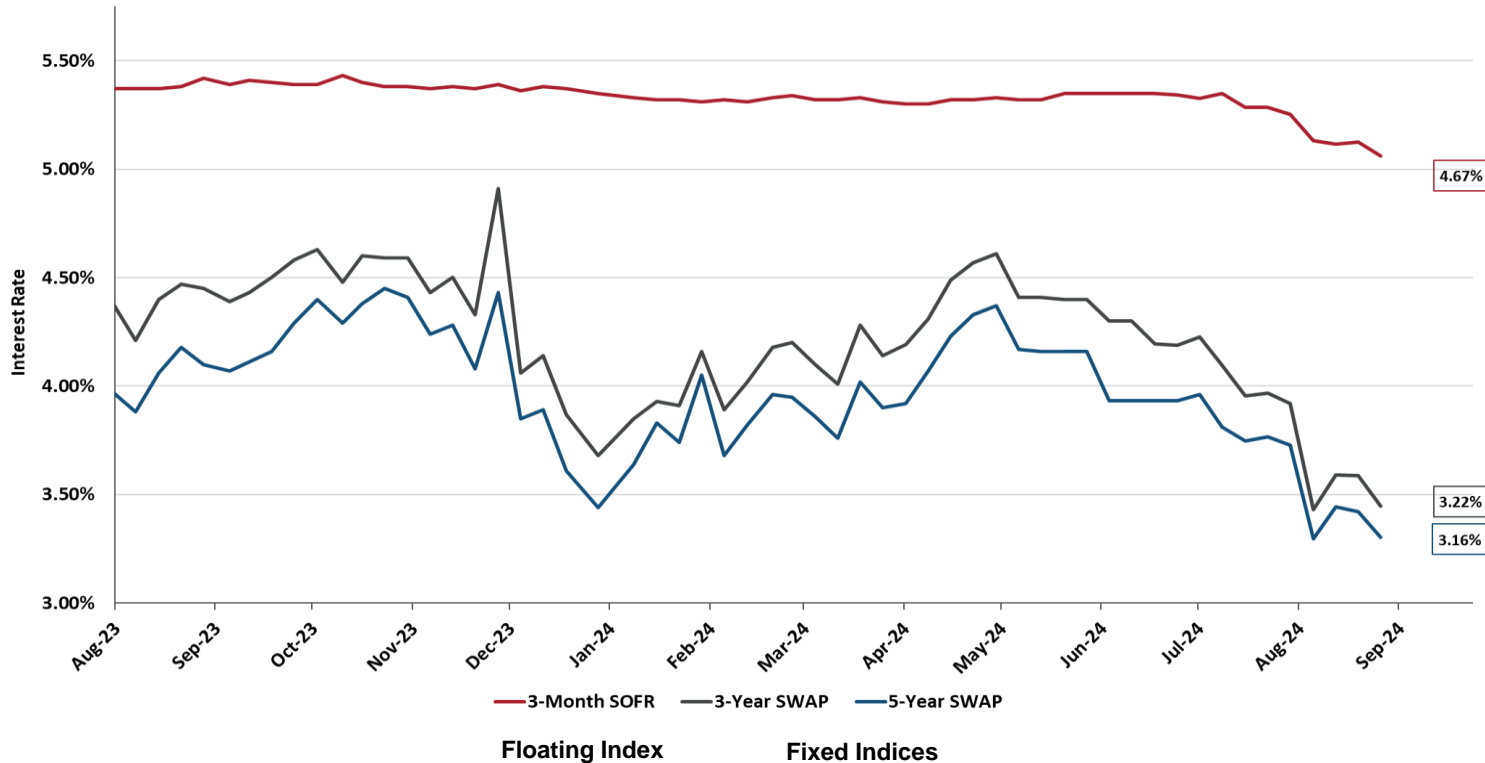
- Pricing in the Rocky Mtn region increased while other regions saw a decline
- Some factors that contribute to regional gas price differences:
  - State and local taxes
  - Distance from supply
  - Transportation costs
  - Retail Competition

### Recommendations:

- Closely monitor fuel prices and vehicle location changes for accurate fuel budget forecasting.
- Consider enrolling in TotalConnect to monitor driving patterns for cost savings opportunities.

# INTEREST

## Interest Rates



- 3-Month SOFR rate decreased by 0.39% month over month
- The 3-Year SWAP rate decreased by 1.36%
- The 5-Year SWAP rate decreased by 1.13%

### Recommendations:

- Consider using floating rates for leases going forward to take advantage of the expected decrease in future interest rates.
- A fixed rate lease locks in the current, escalated interest rate for the duration of a lease.