



MARKET BEAT

Patrick Manzi, NADA Chief Economist

New light-vehicle sales in October 2024 started the fourth quarter off strong with a SAAR of 16 million units. October 2024's SAAR was the highest in six months and was up 4.6% from October 2023. Through the first 10 months of the year, new light-vehicle sales totaled 13.02 million units, an increase of 1.6% compared with the same period in 2023.

New light-vehicle inventory on the ground and in transit increased in October 2024. Vehicle inventory totaled 2.94 million units at the end of the month, up 4.3% from September 2024 and up 36.2% from October 2023. We expect that inventory will increase in November before declining in December, as is typical at the end of the year. Looking ahead to 2025, we expect that vehicle inventory will hover around 3 million units during most of the year. As inventory has grown, so, too, has OEM incentive spending. J.D. Power estimates that average incentive spending per unit in October 2024 will total \$3,149, an increase of 70.5% year over year.

Alternative-fueled vehicles continue to chip away at the market share held by ICE-powered vehicles. Through the first 10 months of the year, alternative-fuel vehicles accounted for 19.5% of all new vehicles sold. Conventional hybrid vehicles have made up most of the broader alternative-fuel category and have seen the largest year-over-year sales gain. Year to date, conventional hybrid vehicles accounted for 9.8% of all new vehicles sold, and sales have increased 34.1% from the same period last year. Battery electric vehicles (BEV) have represented 7.8% of sales so far this year, and BEV sales volume increased by 7.9% year over year.

There will be two more Fed meetings before the end of the year, and we expect to see additional cuts to the Fed funds rate. We currently expect two 25 basis point rate cuts, which would result in 100 total basis points of rate cuts in 2024. We expect 100-plus basis points of rate cuts next year as well. We believe that these actions by the Fed will lead to lower auto loan finance rates next year, which should be a tailwind for new- and used- vehicle sales in 2025. Our outlook for total new light-vehicle sales in 2024 is 15.7 million units.

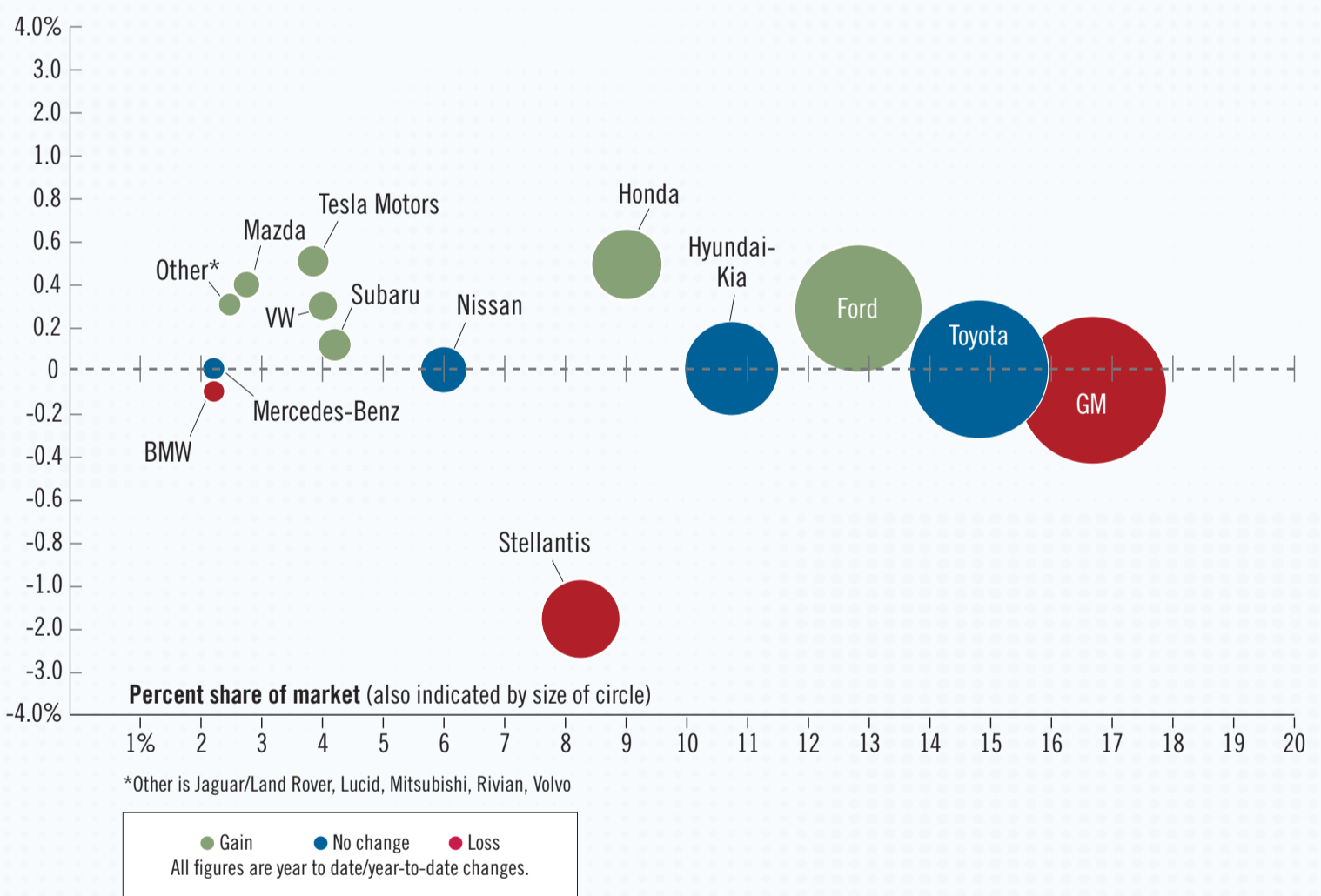
U.S. Light-Vehicle Sales

(Seasonally Adjusted at Annual Rates)

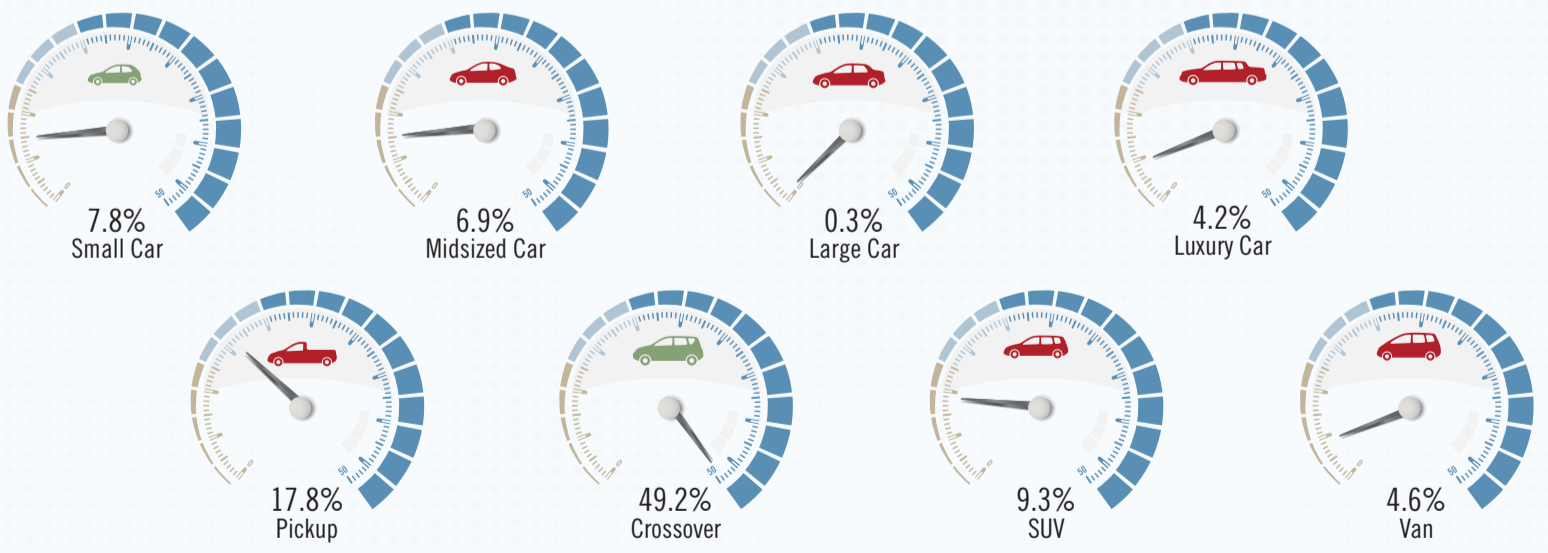


	October 2024	Y/Y %	Jan - Oct 2024	YTD/YTD %
Total Car	3.05	1.0%	2.96	-4.8%
Total Light Truck	12.99	5.4%	12.68	2.6%
Domestic Light Vehicle	12.38	4.2%	12.02	-0.9%
Import Light Vehicle	3.66	5.8%	3.62	8.1%
Total Light Vehicle SAAR	16.04	4.6%	15.64	1.1%

Market Share, by manufacturer



Market Share, by segment



Market Share, by powertrain

