



# MARKET BEAT

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New light-vehicle sales in January 2023 totaled a SAAR of 15.7 million units. January's SAAR marks the fifth straight month of year-over-year SAAR increases. Sales in February and March 2023 are also expected to increase year over year as more inventory becomes available. Supply chain headwinds aren't fully in the rearview but are hindering vehicle production much less than a year ago.

The retail inventory mix continues to be skewed toward more expensive models and trim levels. J.D. Power estimates that the average new-vehicle transaction price in January 2023 will set a record for the month of January at \$46,437, an increase of 4.2% from January 2022. Average transaction price increases should moderate somewhat throughout 2023 as more inventory becomes available and OEMs are able to build more affordable models for retail. Average incentive spending per unit is expected to total \$1,260, down 7% year over year, but up by \$4 compared with December 2022, J.D. Power says. Higher interest rates and more expensive vehicles have kept the average monthly payment for a new vehicle above \$700 for seven straight months. J.D. Power expects the average monthly payment in January 2023 to be \$723, up \$59 from January 2022.

Interest rates for vehicle financing increased significantly throughout 2022 and are expected to increase further in first-half 2023. The average rate on a new-vehicle finance contract in January 2023 should reach 6.8%, an increase of 264 basis points year over year, says J.D. Power. The Fed increased the targeted range of the Fed Funds Rate by 25 basis points at its first meeting of 2023. This increase will push vehicle-financing rates higher in coming months, and we believe that the Fed will increase rates a couple more times before pausing later this year.

For the rest of the year, we expect that inventory levels will continue to build slowly, giving consumers more choice on dealer lots. With fewer supply constraints, OEMs should also be able to deliver more vehicles to fleet customers. Our forecast for new light-vehicle sales in 2023 is 14.6 million units.

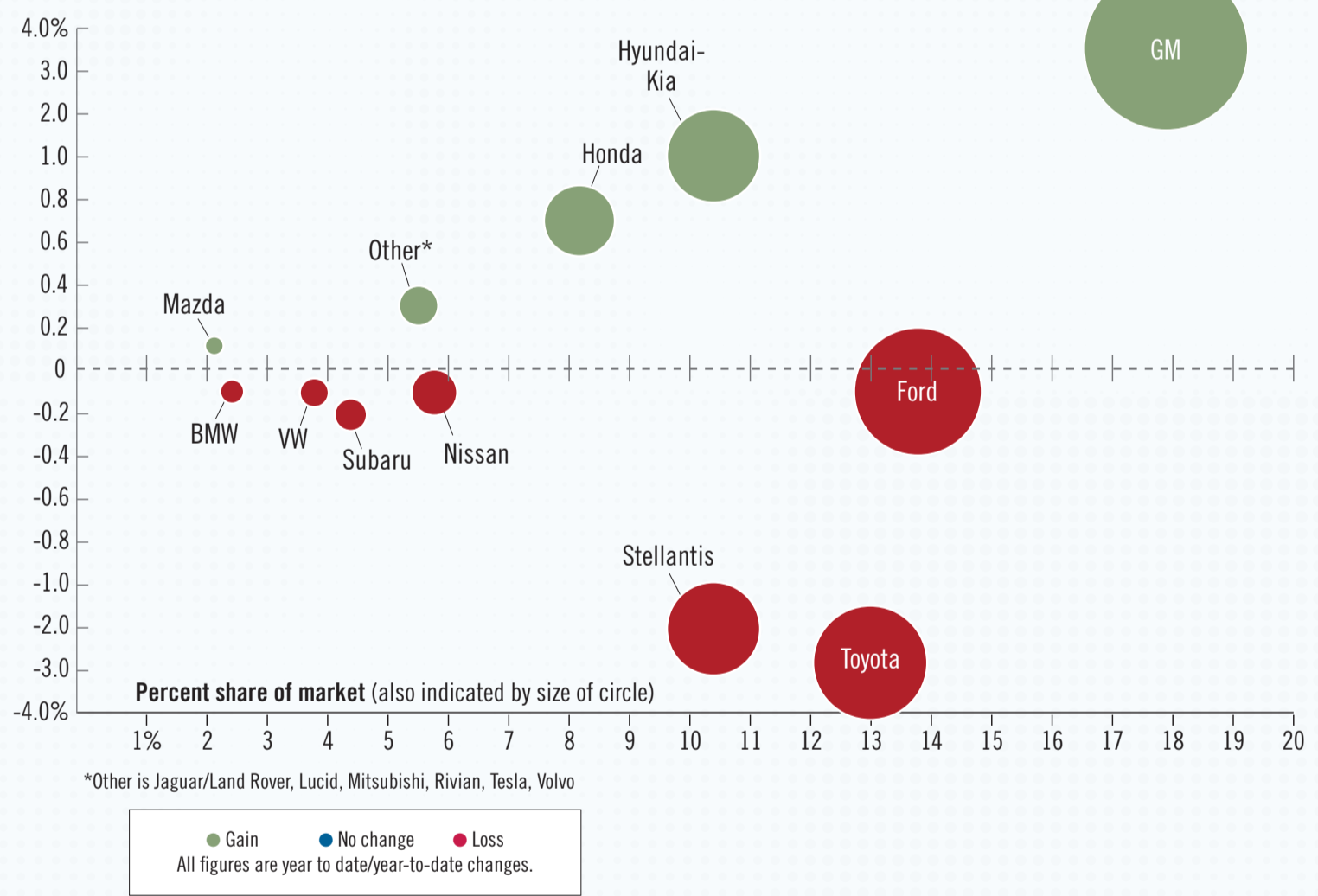
## U.S. Light-Vehicle Sales

(Seasonally Adjusted at Annual Rates)

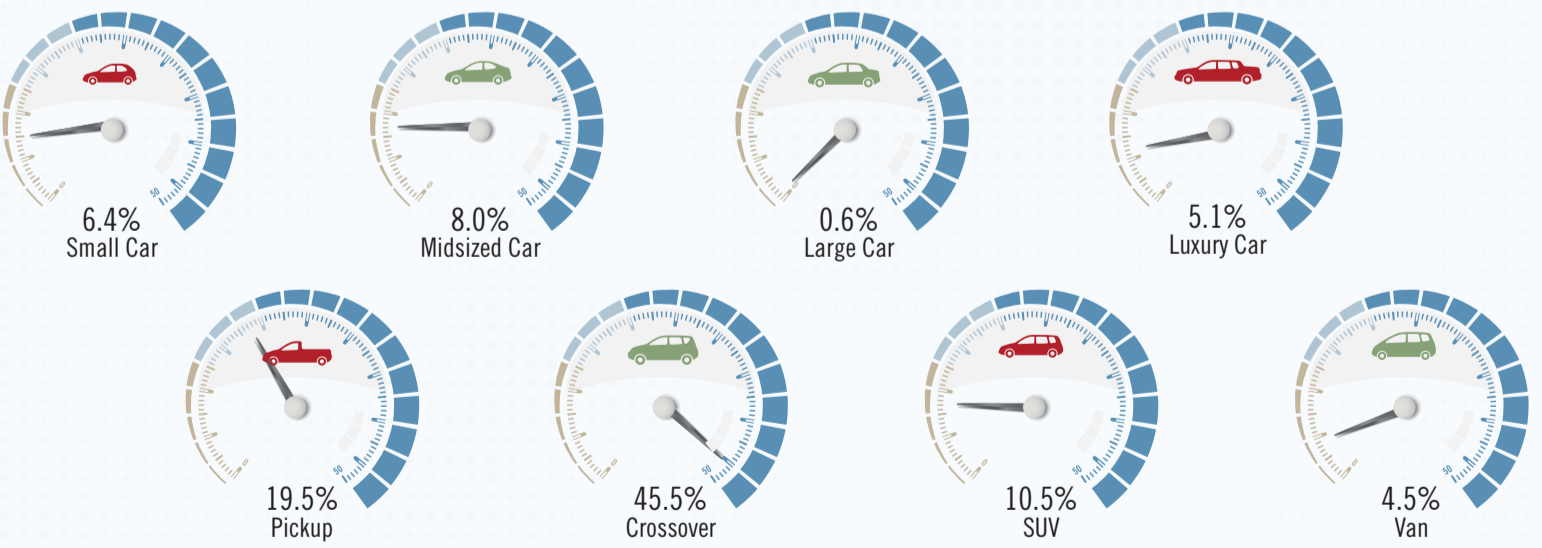


	January 2023	Y/Y %	Jan - Jan 2023	YTD/YTD %
Total Car	3.12	2.6%	3.12	2.6%
Total Light Truck	12.62	4.6%	12.62	4.6%
Domestic Light Vehicle	12.43	5.5%	12.43	5.5%
Import Light Vehicle	3.31	-0.6%	3.31	-0.6%
Total Light Vehicle SAAR	15.74	4.2%	15.74	4.2%

## Market Share, by manufacturer



## Market Share, by segment



## Market Share, by powertrain

