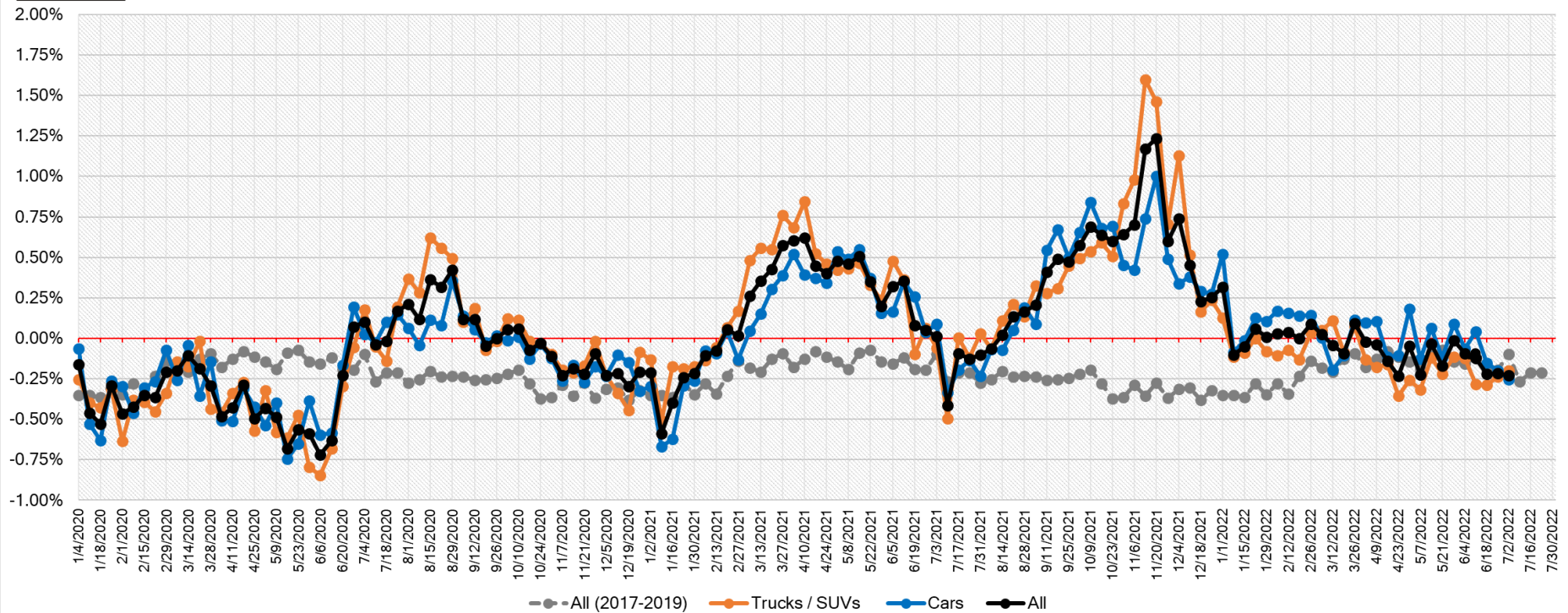


Wholesale Prices, Week Ending July 1st

Overall, the Canadian used wholesale market saw prices decline for the week (-0.23%). The Car segment performed worst than the SUV/Truck segment for the first week since mid-March. The Car segment saw prices decline (-0.25%), while the Truck/SUV segment saw prices decline by -0.20%, for the week. 6 of the 22 segments saw prices increase for the week, with Mid-Size Car leading the way +0.44%.

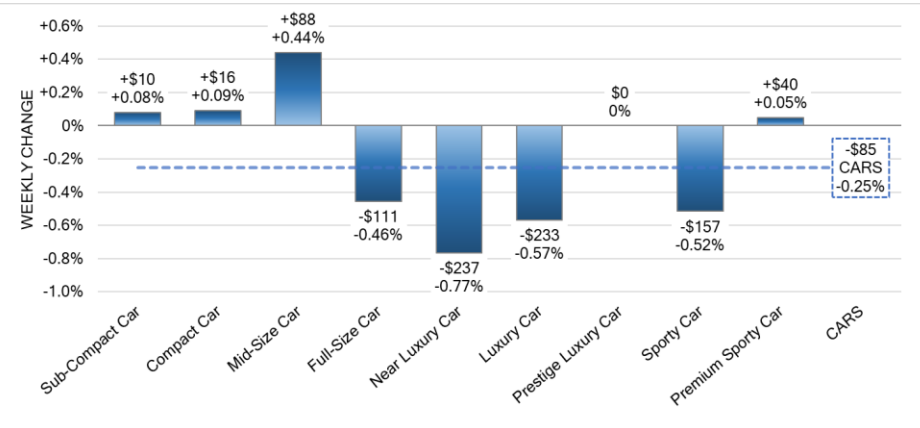
	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.25%	-0.20%	-0.12%
Truck & SUV segments	-0.20%	-0.24%	-0.08%
Market	-0.23%	-0.22%	-0.10%

Week Over Week Wholesale Price Changes
(2-8-year-old vehicles)



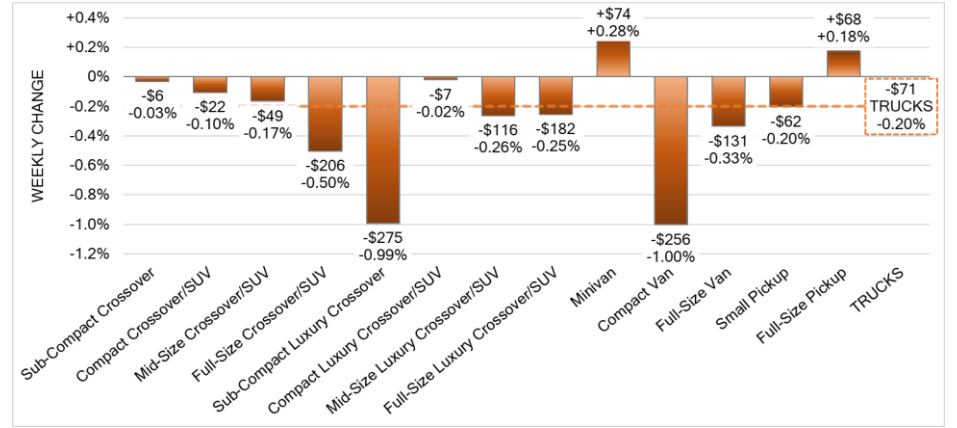
Car Segments

- Used cars had an overall decrease with a weekly change of -0.25%.
- With another weekly price decrease from the Sporty Car segment, down -0.52%, Near Luxury and Luxury Car segments were down the most, at -0.77% and -0.57% respectively from prior week.
- Mid-Size Car recovered, up +0.44% vs prior week, Compact Car, Sub-compact Car, and Premium Sporty Car segments all saw minor increases from prior week.



Truck Segments

- Overall, Truck segment weekly values decreased -0.20%
- The continued decline in price was attributed to increasing sales rate for SUVs, with Compact Vans seeing the biggest drop (-1.00%), followed by Sub-Compact Luxury Crossover (-0.99%), and Full-Size Crossover/SUVs (-0.50%).
- Minivan and Full-Size Pickup segments led the Truck/SUV segments with increases of +0.28% & +0.18%, respectively.

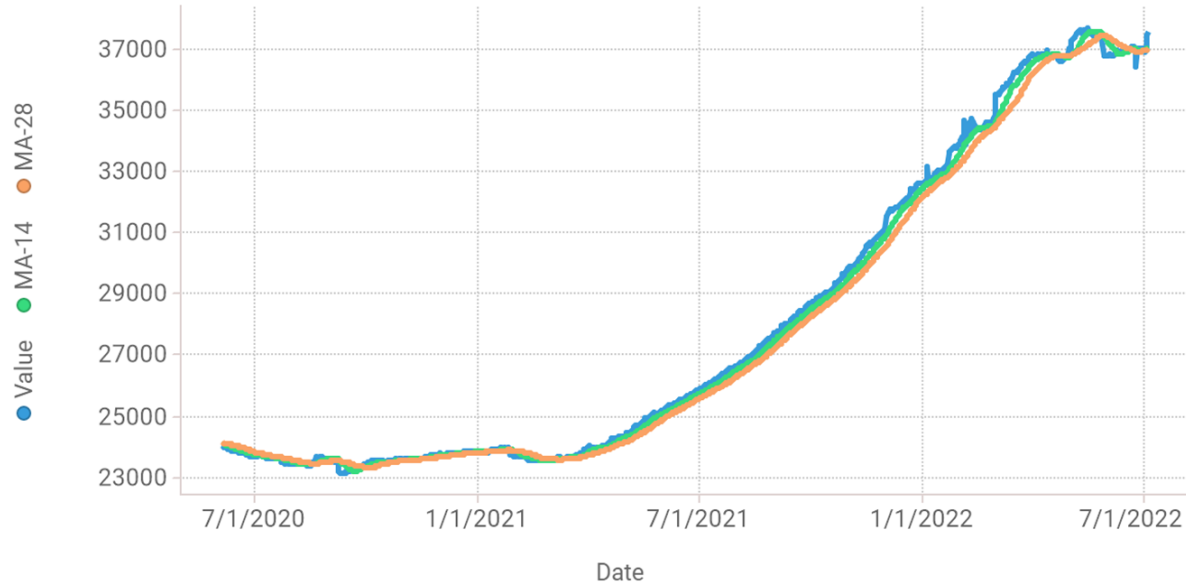


Used Retail Prices & Listing Volumes

The average listing price for used vehicles increased slightly week over week, as the 14-day moving average is hovering around \$37,000. Analysis is based on approximately 120,000 vehicles listed for sale on Canadian dealer lots.

Canada – Retail Trends

Active Listing Price, Canada



Wholesale

The Canadian wholesale market decreased further this week. The decreases seen this week were slightly more than the previous week, mostly due to a large drop in the Car segments. Supply remains low with extremely high demand on both sides of the border. Upstream channels continue to tap supply before it can be available to wholesale markets.

Conversion rates decreased this week. Some observed sell rates were as high as 85% but most were in the 50% range this week. We are seeing more sellers setting floors lower which has been contributing to increasing sell rates.

The U.S. market exchange rate remains favourable for exportation when price and demand are taken into consideration. Arbitrage opportunities have continued to bring US buyers, causing a steady flow of vehicles south across the border.

Canadian Black Book's Market Insights

Economics & Government

- Canada's economy contracted 0.2% in May due, in large part, to a slowdown in oil production. Preliminary data from Statistics Canada showed that the country's gross domestic product (GDP) fell into negative territory in May as output slowed in the oil and gas, construction, and manufacturing sectors. May's result followed GDP gains of 0.3% in April and 0.7% in March.
- The yield on the Canadian 10-year government bond fell to under 3.2% in early July, the lowest in four weeks, as concerns of an economic slowdown lifted demand for safer assets such as government debt.
- The Canadian dollar fell against its broadly stronger U.S. counterpart on Tuesday and was on track for its biggest decline in nearly four weeks, as worries about the global economic outlook weighed on investor sentiment. The loonie was trading 1.1% lower at 1.30 to the greenback, or 76.92 U.S. cents, after touching its weakest since June 23 at 1.3010. The last time the currency fell by as much as 1.1% was on June 9.

U.S. Market

In the U.S., overall, Car and Truck segments (-0.15%) decreased for a second consecutive week; the prior week decreased by -0.02%.

Volume-weighted Car segments decreased -0.11%, compared to the prior week's increase of +0.16%:

- All nine Car segments decreased last week.
- After fourteen consecutive weeks of increases, Compact Cars declined -0.11%. Sub-Compact Cars also ended a streak of increases, with a decline of -0.05%.
- The Prestige Luxury Car segment led the Car segment declines last week, with a depreciation of -0.36%. The Luxury and Premium Sporty segments also had large declines of -0.25% and -0.23%, respectively.

Volume-weighted Truck segments decreased by -0.16%; the previous week had a decrease of -0.11%:

- Ten out of the thirteen truck segments reported decreases.
- Supply is still tight in the Compact and Full-Size Van segments which is evident in the wholesale trends for these vehicles, with values continuing to increase when the rest of the market is reporting stabilization and/or softening.
- The volume leading truck segment, Compact Crossovers, declined for a second week in a row, -0.21%, compared with -0.15% the previous week.
- Full-Size Pickups declined -0.12%, compared with the prior week's decline of -0.09%.

Industry News

- Buick ranks highest overall in J.D. Power Initial Quality Study, while disruptions caused by the pandemic contributed to vehicle problems reaching a record high in the 36-year history of this study; the industry experienced an 11 per cent increase in problems per 100 vehicles.
- Stellantis pouring billions of dollars – committed \$8.6 billion so far – into Canada's nascent electric-vehicle industry and is halfway to its goal of hiring 650 research engineers; they plan to launch 75 EVs globally by 2030
- General Motors launched a hassle-free plug-and-charge service that automatically charges without a mobile app to pay. The feature will be available this week, at EVgo DC fast charging stations in the Ultium 360 network, for drivers with an EVgo account, active OnStar connected services, and the GM brand app for their vehicle.
- Quebec pledges \$80M to relaunch Nemaska Lithium mine as 'pillar' of EV supply chain

About Canadian Black Book

For 60 years, Canadian Black Book has been the trusted and unbiased Canadian automotive industry source for vehicle values. Today the company has grown into a leading data provider of vehicle valuations, residual value forecast solutions and VIN decoding. Canadian Black Book tools and information are considered 'The Authority' for vehicle values, not only by car dealers and manufacturers, but also the leasing, finance, insurance, and wholesale sectors. In 2020, Canadian Black Book brought to market its Enhanced Vehicle Matching (EVM) solution, which allows the industry to more consistently decode 17-digit VINs down to a specific trim package, allowing a more precise vehicle valuation.

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