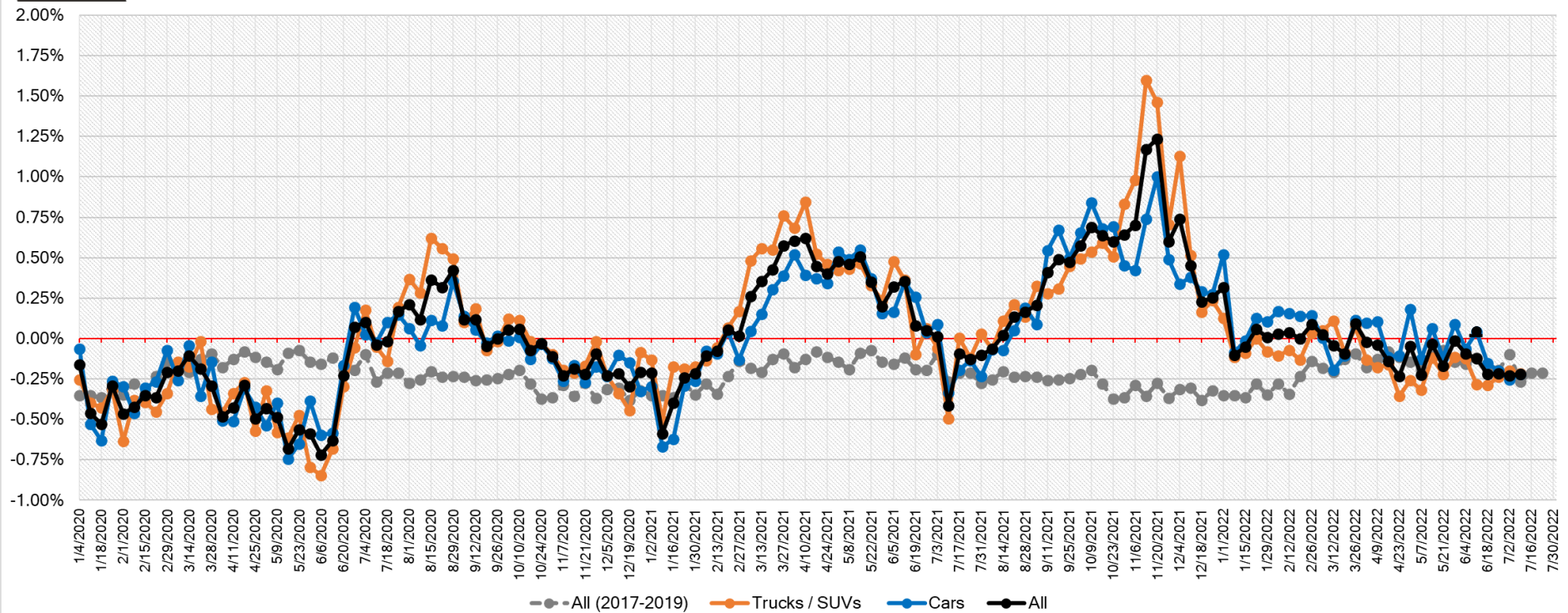


Wholesale Prices, Week Ending July 8th

Overall, the Canadian used wholesale market saw prices decline for the week (-0.22%). The Car segment performed the same as the SUV/Truck segment. The Car segment saw prices decline (-0.22%), while the Truck/SUV segment saw prices decline (-0.22%), for the week. 4 of the 22 segments saw prices increase for the week, with Prestige Luxury Car leading the way +0.37%.

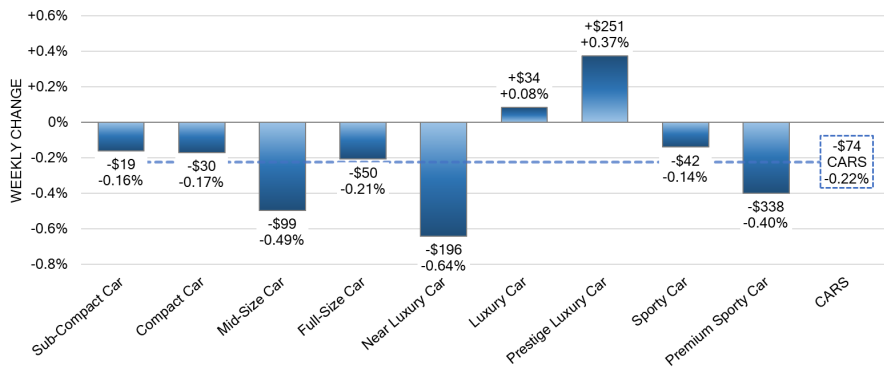
	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.22%	-0.25%	-0.25%
Truck & SUV segments	-0.22%	-0.20%	-0.29%
Market	-0.22%	-0.23%	-0.27%

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



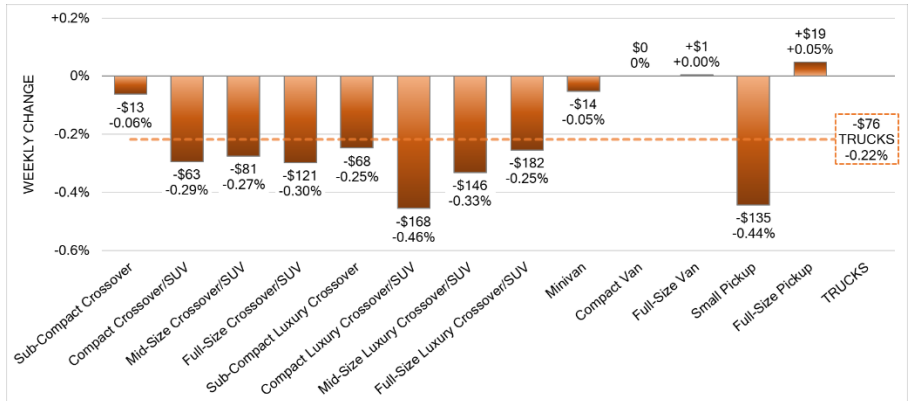
Car Segments

- Used cars had an overall decrease with a weekly change of -0.22%.
- Price decreases were seen across 7 of 9 car segments, with Near Luxury Car down the most (-0.64%) followed by Midsize Car (-0.49%) and Premium Sport Car (-0.40%).
- The only segments seeing an uptick in value were Large Luxury Car (+0.08%) and Prestige Luxury Car (+0.37%).



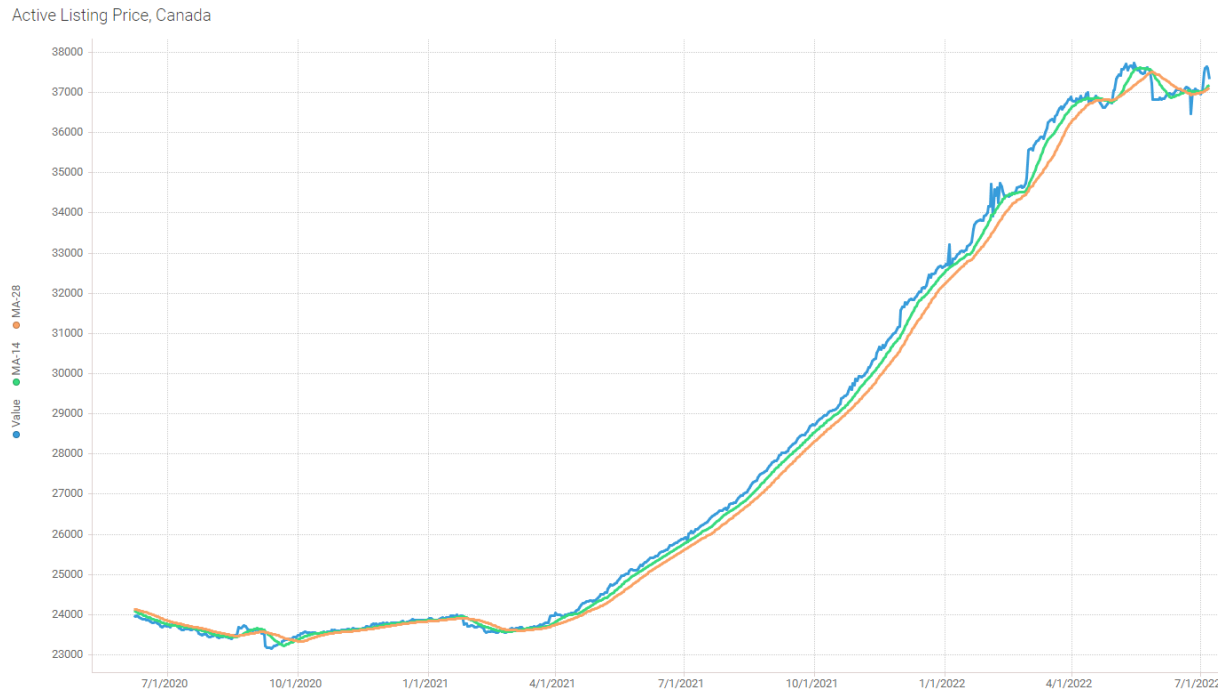
Truck Segments

- Overall, Truck segment weekly values decreased -0.22%
- The continued decline in price was attributed to increasing sales rate for SUVs, with Compact Luxury Crossover seeing the biggest drop (-0.46%), followed by Small Pickup (-0.44%), and Mid-Size Crossover/SUVs (-0.33%).
- Full-Size Pickup segment led the Truck/SUV segments with increase of +0.05%.



Used Retail Prices & Listing Volumes

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



Note: Based on 2015 to 2022 Model Year vehicle listings.

Wholesale

The Canadian wholesale market decreased further this week. The decreases seen this week were similar to the previous week. Supply remains low with high demand for newer good condition vehicles on both sides of the boarder. Upstream channels continue to tap supply before it can be available to wholesale markets.

Conversion rates improved this week. Some observed sell rates were as high as 85% but most were in the 55% 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 unemployment rate fell to a record low of 4.9 per cent last month, despite a surprise loss of 43,000 jobs in the month. Unemployment came down from 5.1 per cent in May as the participation rate fell. In further evidence of how tight the labour market is, Statistics Canada said hourly wages spiked 5.6 per cent year-over-year.
- According to new research highlighted by Bloomberg, Canadian consumer confidence levels have fallen to near crisis-era lows. The Bloomberg Nanos Canadian Confidence Index, a measure of sentiment based on weekly polling, declined for a ninth straight week. This marks the lowest reading ever outside of the last two economic crises.
- The Canadian dollar has fluctuated over the past week but remains in the \$0.77 range.
- The Bank of Canada has been hiking its key overnight interest rate aggressively this year to combat skyrocketing inflation, which surged to 7.7 per cent in May, the fastest rise in nearly four decades and well above economists' expectations. With the central bank maintaining its two per cent target, more aggressive moves are expected this month and beyond to bring inflation down by 5.7 per cent. Economists are predicting a 75 basis point hike in July – mirroring the U.S. Federal Reserve's move in June – and another 50 in September, a Reuters poll suggests.

U.S. Market

In the U.S., overall, Car and Truck segments (-0.35%) decreased for a third consecutive week; the prior week decreased by -0.15%.

Volume-weighted Car segments decreased -0.20%, compared to the prior week's decrease of -0.11%:

- All nine Car segments decreased last week.
- Despite gasoline prices beginning to decline, Compact Cars continued to decline last week, -0.08% compared to the prior week's decrease of -0.11%.
- The Near Luxury Car segment reported the largest decline last week, down -0.34%.
- Sporty Car depreciations accelerated last week, -0.29% after the prior week's decline of -0.02%.

Volume-weighted Truck segments decreased by -0.43%; the previous week had a decrease of -0.16%:

- Eleven out of the thirteen truck segments reported decreases.
- Compact (+0.22%) and Full-Size (+0.14%) Vans were the only segments last week to increase.
- Sub-Compact (-0.69%) and Compact (-0.68%) Crossovers led the declines last week, accelerating in the rate of depreciation after the prior week's declines of -0.08% and -0.21%, respectively.
- Full-Size Trucks also sped up the rate of declines last week, down -0.31%, compared to the prior week's decline of -0.12%.

Industry News

- Innovation Minister of Canada is in Japan this week meeting with the heads of several Japanese automakers that do not have a Canadian manufacturing presence, to push electric vehicle and battery production in Canada
- Dealer Direct Canada enters retail automotive mergers and acquisitions market as it has been highly active since the pandemic, and the robust market is expected to continue in the years ahead
- Volkswagen s working to build an operating system capable of frequent over-the-air updates to enable enhancements such as full autonomous driving for a set distance as a way of getting ahead of Tesla
- Europe takes a new hit in microchip shortages as 230,000 vehicles have been dropped factory production schedules over the past three weeks

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.

Contact

Canadian Black Book

p. 1.800.562.3150

e. info@canadianblackbook.com

www.canadianblackbook.com