

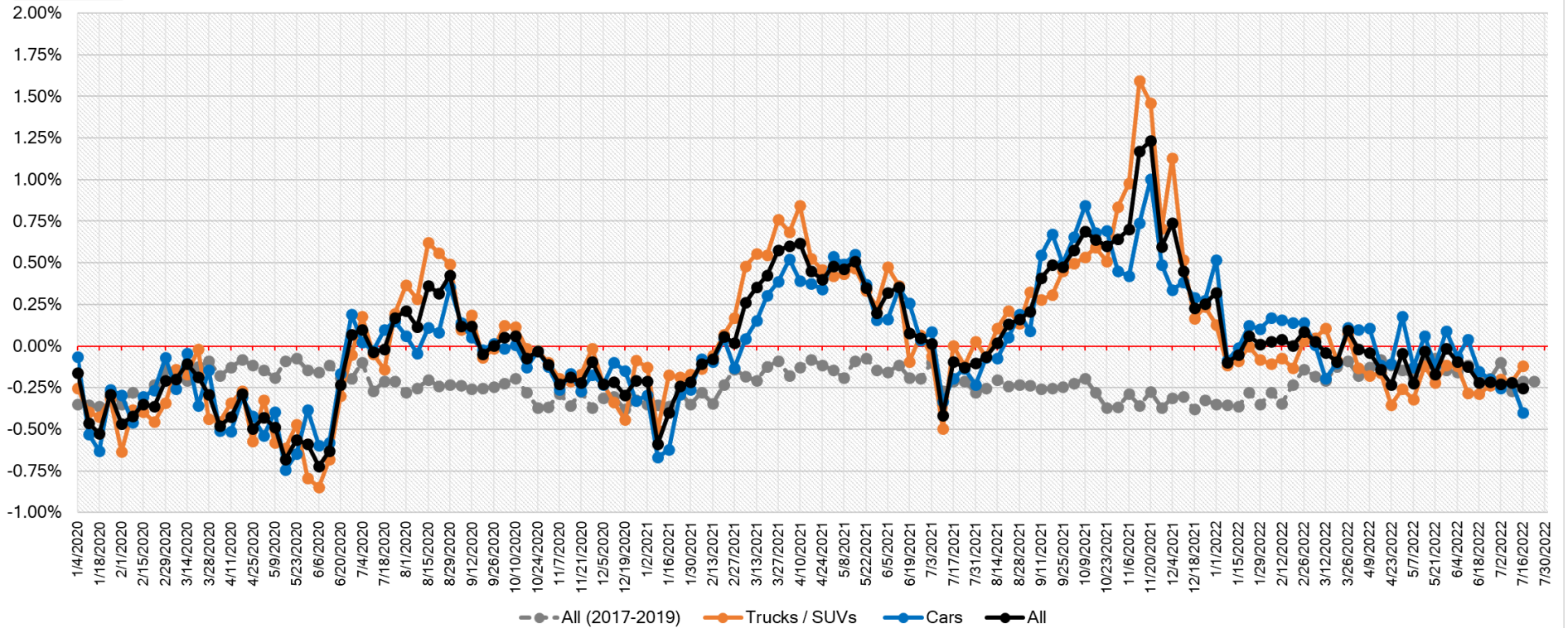
Wholesale Prices, Week Ending July 15th

Overall, the Canadian used wholesale market saw prices decline for the week (-0.26%). The Car segment performed the same as the SUV/Truck segment. The Car segment saw prices decline (-0.40%), while the Truck/SUV segment saw prices decline (-0.12%), for the week. 5 of the 22 segments saw prices increase for the week, with Full-Size Van leading the way +0.45%.

	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.40%	-0.22%	-0.23%
Truck & SUV segments	-0.12%	-0.22%	-0.19%
Market	-0.26%	-0.22%	-0.21%

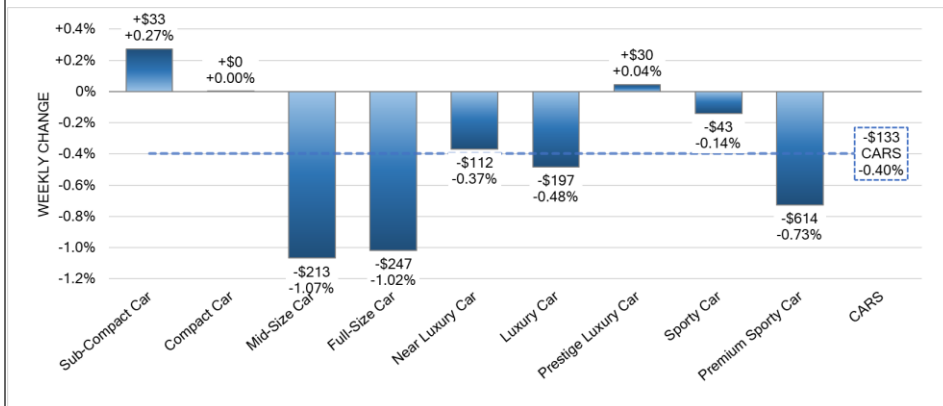
Week Over Week Wholesale Price Changes

(2-8-year-old vehicles)



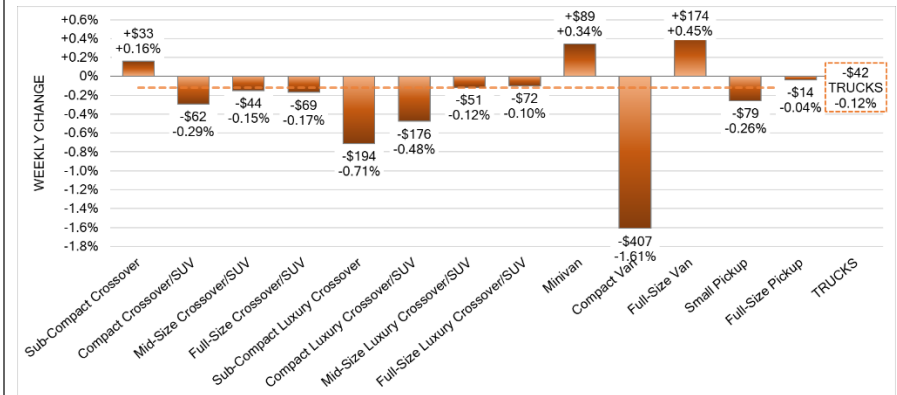
Car Segments

- Used cars had an overall decrease with a weekly change of -0.40%.
- Decreases were seen across 6 of 9 segments, taking focus on larger Sedan and Luxury vehicles with the greatest value losses in Mid-size Car (-1.07%), Full -size Car (-1.02%) and Premium Sporty Car (-0.73%).
- The only segments increasing in value vs. last week were Prestige Luxury Car (+0.04%) and Subcompact Car (+0.27%).



Truck Segments

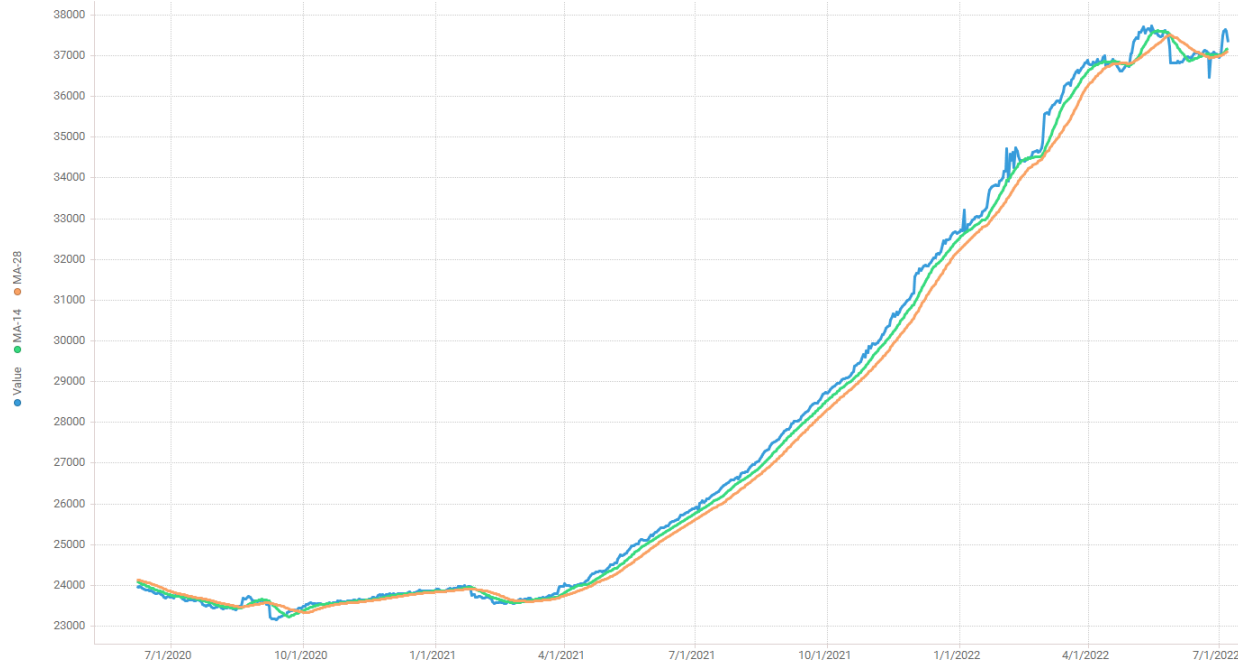
- Overall, Truck segment weekly values decreased -0.12%
- The continued decline in price was attributed to increasing sales rate for SUVs, with Compact Van seeing the biggest drop (-1.61%), followed by Sub-Compact Luxury Crossover (-0.71%), and Compact Luxury Crossover (-0.48%).
- Full-Size Van segment led the Truck/SUV segments with increase of +0.45%.



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.

Active Listing Price, Canada



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 fluctuated this week. Some observed sell rates were as high as 75% but most were in the 45% 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

- The Bank of Canada expects inflation to go "a little over" eight per cent for the month of June and stay in that range for a few more months, Governor Tiff Macklem told a business group in a webcast transcript released late Friday.
- Bank of Canada increases policy interest rate by 100 basis points, continues quantitative tightening
- The Canadian dollar strengthened against the greenback on Monday, and the yield on benchmark government debt climbed. The loonie was trading 0.5% higher at C\$1.2965 to the greenback, or 77.13 U.S. cents, after trading in a range of 1.2899 to 1.3029.
- Housing starts in Canada fell 3 percent over a month earlier to 273,841 units in June of 2022, but well above market expectations of 265,000 units, according to the Canada Mortgage and Housing Corporation (CHMC). Urban starts declined by 3 percent to 257,438 units, as multi-unit urban starts decreased 2 percent to 197,022 units and single-detached urban starts fell 4 percent to 60,416 units.

U.S. Market

In the U.S., overall, Car and Truck segments (-0.45%) decreased for a fourth consecutive week; the prior week decreased by -0.35%.

Volume-weighted Car segments decreased -0.47%, compared to the prior week's decrease of -0.20%:

- All nine Car segments decreased last week.
- Sub-Compact Cars reported the smallest Car segment decline at -0.10%, similar to the prior week's -0.13%.
- Compact Cars dramatically increased the rate of depreciation last week, declining -0.72% compared to the prior week's decline of -0.08%.
- The Luxury Car segment also had a large adjustment last week with a decline of -0.50%.

Volume-weighted Truck segments decreased by -0.47%; the previous week had a decrease of -0.43%:

- Twelve out of the thirteen truck segments reported decreases.
- Full-Size Van was the only segment to increase last week with a minimal gain of +0.04%.
- Full-Size Luxury Crossovers reported the largest Truck segment decline last week at -0.65%. The segment has now had twenty-seven weeks of softening prices.
- Full-Pickups (-0.54%) declined for a fourth consecutive week, reporting an average weekly adjustment of -0.27%.

Industry News

- GM CEO Mary Barra warns chip shortage will go into 2023. She wants congress to help. General Motors didn't finish 95,000 cars in the second quarter because of a lack of parts.
- Nissan planning to phase out production of its first EV, the Leaf within the next few years
- GM partners with EVgo, Pilot and Flying J to build out their charging network with 2,000 charging stalls at up to 500 locations across the US
- Stellantis says it will be bringing the work currently done by contractor Syncreon back into the Windsor Assembly Plant. The company is responsible for receiving auto parts and managing their delivery in line with the needs of the plant.

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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