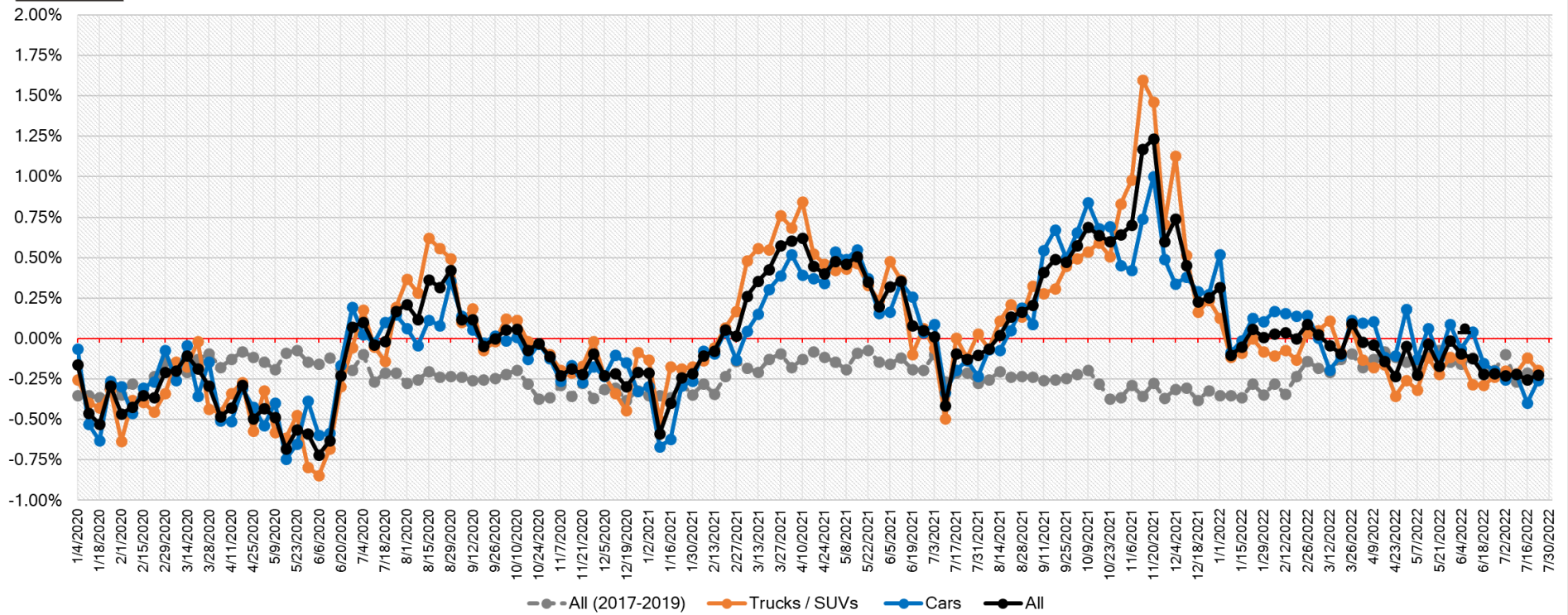


Wholesale Prices, Week Ending July 22nd

Overall, the Canadian used wholesale market saw prices decline for the week (-0.23%). Both Car and Truck/SUV segments performed the same. The Car segment saw prices decline (-0.26%), while the Truck/SUV segment saw prices decline (-0.19%), for the week. 4 of the 22 segments saw prices increase for the week, with Full-Size Van leading the way +0.45%.

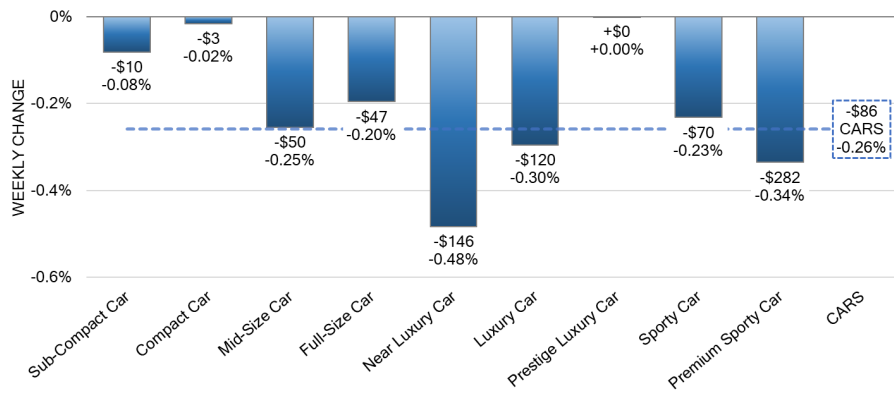
	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.26%	-0.40%	-0.21%
Truck & SUV segments	-0.19%	-0.12%	-0.21%
Market	-0.23%	-0.26%	-0.21%

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



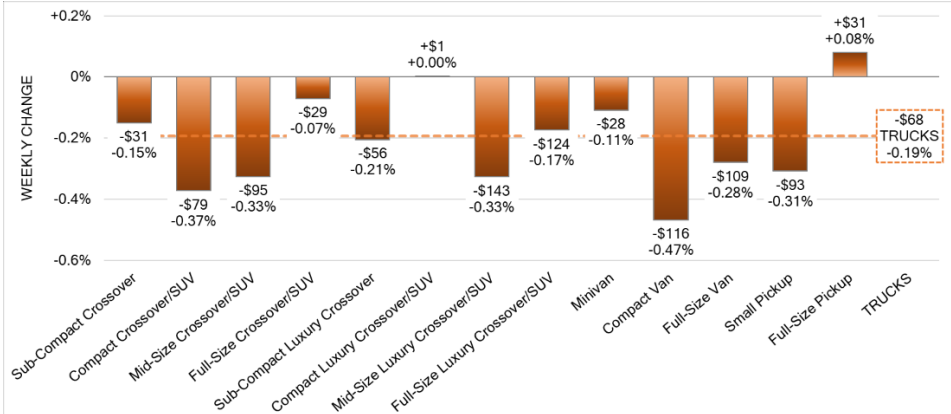
Car Segments

- The overall car segment decreased -0.26%.
- All car segments were down this week, with values down most in the Premium Sporty Car (-0.34%) and Near Luxury Car (-0.48%) segments.
- Segments with the smallest negative change in value were Compact Car (-0.02%) and Subcompact Car (-0.08%), while Prestige Luxury Car stayed even compared to the prior week (0.00%).



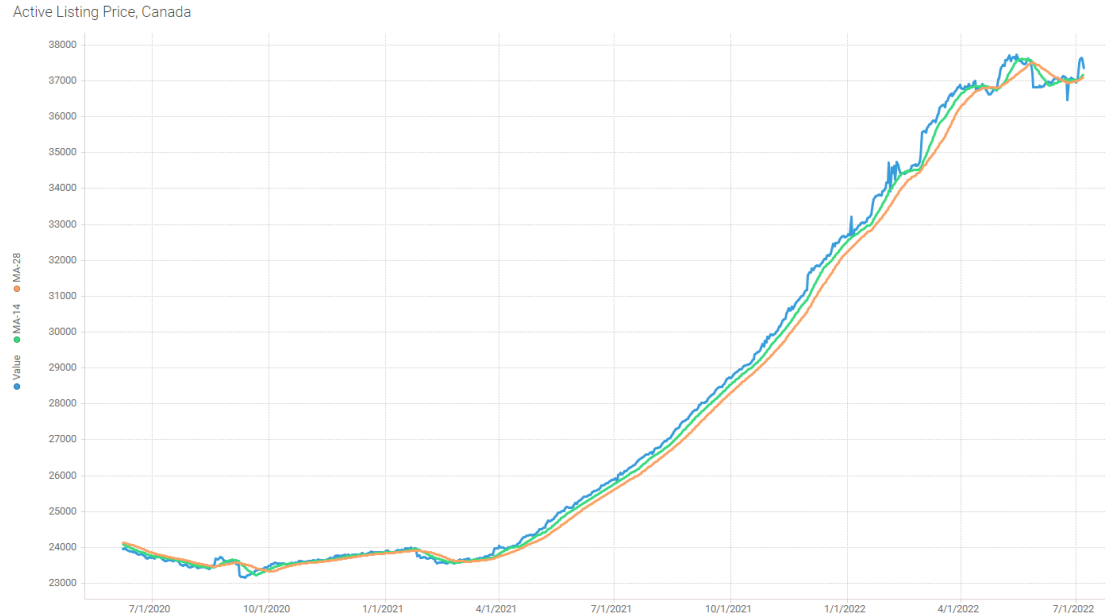
Truck Segments

- Overall, Truck segment values decreased -0.19%
- The continued decline in price was attributed to an increased sales rate for SUVs, with Compact Van seeing the biggest drop (-0.47%), followed by Compact Crossover (-0.37%), and both Mid-Size and Mid-Size Luxury Crossover (-0.33%).
- Full-Size Pickup segment led the Truck/SUV segments with an increase of +0.08%.



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 overall decreases seen this week were similar to the previous weeks declines. 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 low as 5% but most were in the 40% range this week. We are seeing more sellers setting floors lower which has been contributing to lanes with increased 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 U.S. buyers, causing a steady flow of vehicles south of the border.

Canadian Black Book's Market Insights

Economics & Government

- Retail sales in Canada rose by 0.3% month-over-month in June of 2022, preliminary estimates showed. Considering May, retail sales increased by 2.2% from a month earlier, above preliminary estimates of a 1.6% increase and picking up from a downwardly revised 0.7% advance in the prior month. Retail also rose at motor vehicle/ parts dealers (3.3%) and general merchandise stores (1.4%), rebounding from three consecutive months of declines.
- The yield on Canada's 10-year government bond retreated below 3%, a level not seen since late May, as investors digested inflation data amid a return in appetite for safe-haven assets worldwide.
- The Canadian dollar strengthened to its highest level in two weeks against the US dollar, testing the \$0.78 level, as the dollar rally momentarily paused and the Bank of Canada continued to raise rates.
- New home prices for Canada inched up by 0.2% from a month earlier, slowing from a 0.5% increase in the prior month and marginally below market forecasts of a 0.3% rise. Prices were up in 12 of the 27 census metropolitan areas surveyed, unchanged in 14, and lower in 1, as higher interest rates dampen demand in the housing market.

U.S. Market

In the U.S., overall, Car and Truck segments (-0.47%) decreased for a fifth consecutive week; the prior week decreased by -0.45%.

Volume-weighted Car segments decreased -0.45%, compared to the prior week's decrease of -0.45%:

- Sub-Compact Car has been declining in recent weeks, but the declines are continuing to be significantly less than the other Car segments. Last week, the segment only declined -0.07%, compared to the -0.45% overall Car segment decline.
- Luxury Car increased the rate of declines last week, depreciating -0.82% compared to the prior week's already large decline of -0.50%.
- Sporty Car (-0.63%), Near Luxury Car (-0.62%), Premium Sporty Car (-0.53%), and Prestige Luxury Car (-0.51%) also had large declines that were larger than their respective prior week changes.

Volume-weighted Truck segments decreased by -0.48%; the previous week had a decrease of -0.44%:

- Twelve out of the thirteen truck segments reported decreases.
- Full-Size Vans experienced the first true signs of softening with a decline of -0.55% last week. This comes after seventy-seven weeks of increases and/or stability that accounted for an average weekly increase of +0.52%.
- Full-Size luxury Crossovers declined the most for trucks, down -1.31%. This now makes for twenty-eight consecutive weeks of depreciation with an average weekly decline of -0.48%.

Industry News

- General Motors is launching a new tool that it believes will assist in filling the "EV knowledge gap" for electric vehicle ownership, not just for its own cars but other automakers as well.
- Toyota has decided against asking its suppliers to lower prices even as its build costs continue to go up.

- There's been a bit of a backlash to the news that BMW will now charge owners a subscription to use the heated seats in their cars if they weren't a paid-for option when new. The German carmaker has been putting extra features, like high-beam assist, behind a paywall for a couple of years now, and you pay to access the pre-installed software feature.

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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