

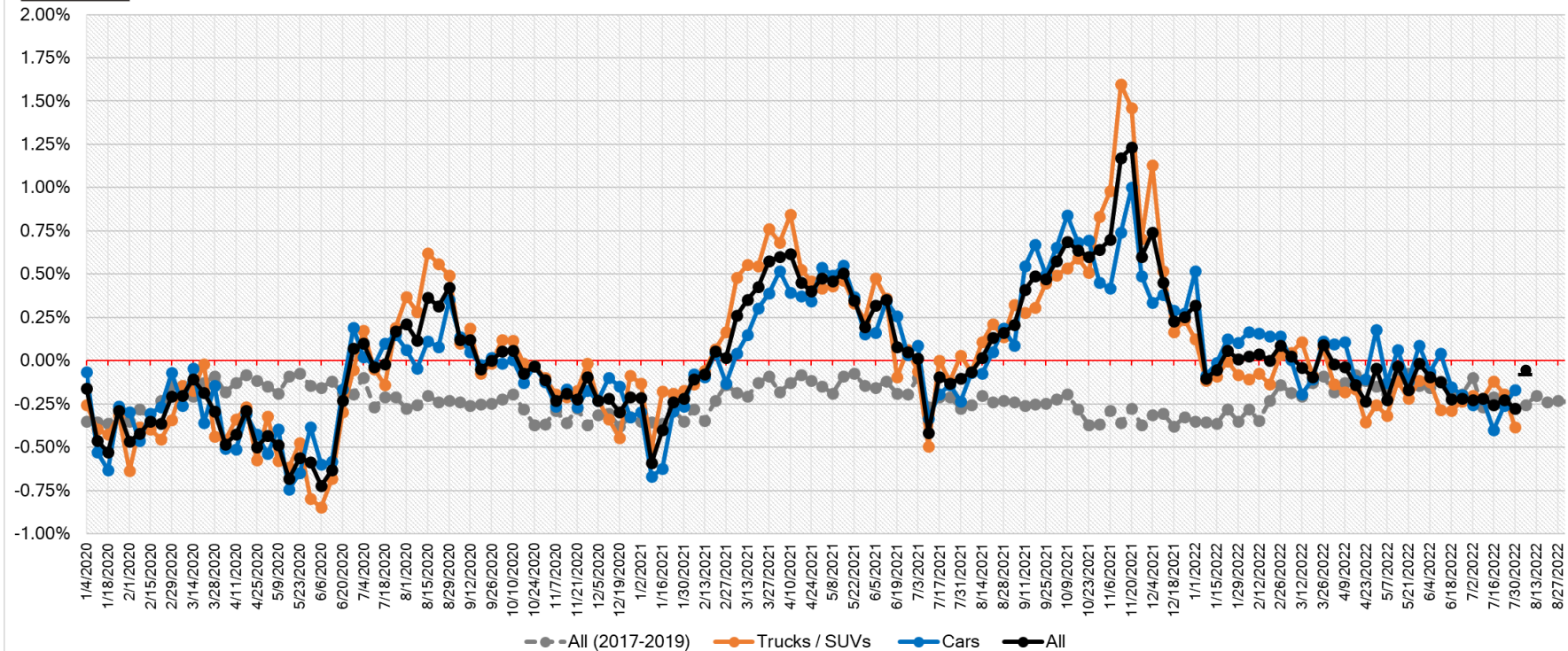
Wholesale Prices, Week Ending July 29th

Overall, the Canadian used wholesale market saw prices decline for the week (-0.28%). Both Car and Truck/SUV segments performed similarly with Car segment prices declining -0.17% and Truck/SUV segment prices declining -0.38% last week. 6 of the 22 segments did have value increases for the week, with the Mid-Size Car segment leading the way at +0.46%. Value changes this week seem to be returning to normal seasonality, as can be seen in the 2017-2019 average changes.

	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.17%	-0.26%	-0.33%
Truck & SUV segments	-0.38%	-0.19%	-0.23%
Market	-0.28%	-0.23%	-0.28%

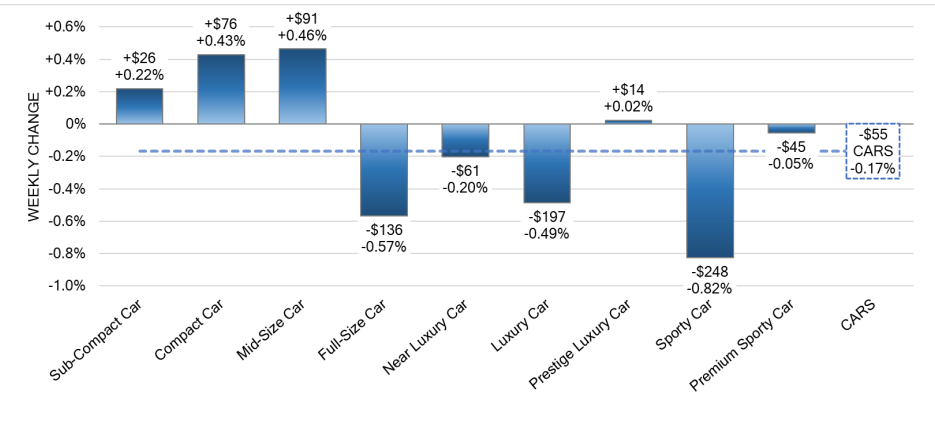


Week Over Week Wholesale Price Changes
(2-8-year-old vehicles)



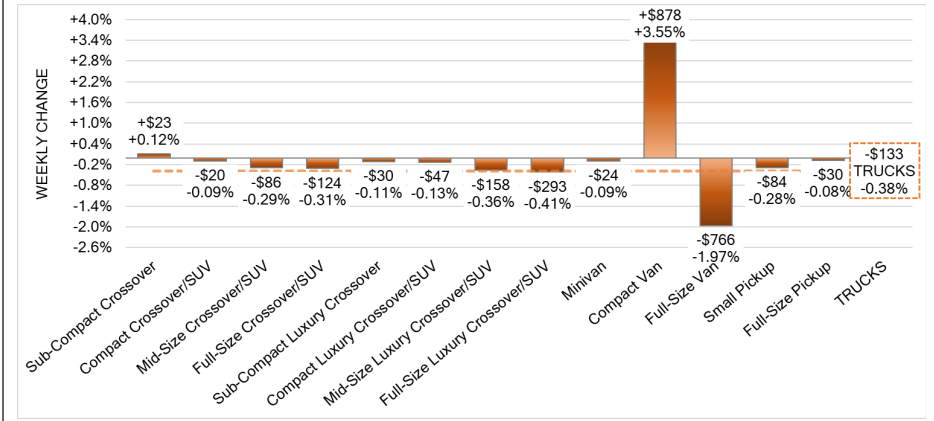
Car Segments

- The overall car segments decreased marginally at -0.17%.
- Car segments had both ups and downs this week; 5 segments were down with the largest decreases for Sporty Car (-0.82%), Full-Size Car (-0.57%) and Luxury Car (-0.49%).
- There were 4 Car segments with positive changes in value, with Midsize Car (+0.46%), Compact Car (+0.43%) and Sub-Compact Car (+0.22%) realizing the highest increases week over week.



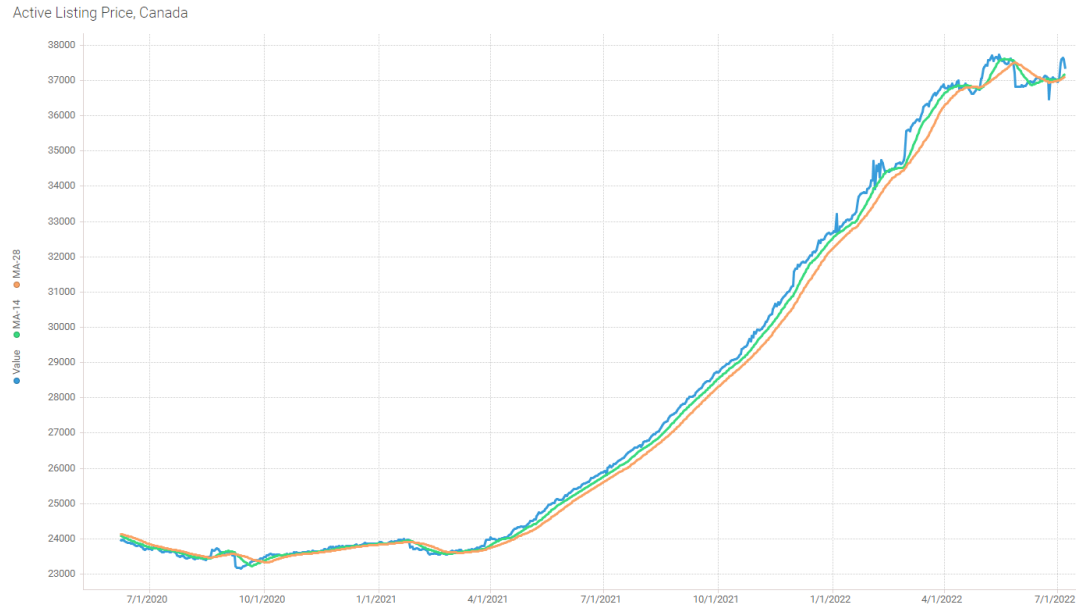
Truck Segments

- Overall, Truck segment values decreased -0.38%.
- The continued decline in values can be attributed to an increased sales rate for SUVs, with Full-Size Van seeing the biggest drop (-1.97%), followed by Full-Size Luxury Crossover (-0.41%) and Mid-Size Luxury Crossover (-0.36%).
- The Compact Van segment was one of only 2 Truck/SUV segments that increased, with an increase of +3.55%.



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 week's declines. Supply remains low with high demand for newer good condition vehicles on both sides of the border. 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 12%, but most were in the 30-40% range this week. We are seeing more sellers holding floor prices higher than buyers are willing to go, which has been contributing to lanes with lower 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 in U.S. buyers, causing a steady flow of vehicles to exit Canada's wholesale market.

Canadian Black Book's Market Insights

Economics & Government

- Canada's government budget switched to surplus of CAD 2.66 billion in May of 2022 from a deficit of CAD 13.98 billion in the corresponding month of the previous year. Revenues rose by 21.20% to CAD 35.95 billion, reflecting broad-based improvement across revenue streams. At the same time, program expenses excluding net actuarial losses were 27.2% lower at CAD 29.39 billion, largely reflecting lower transfers to individuals, businesses, and other levels of government.
- The Canadian economy likely expanded by 1.1% on a quarterly basis during Q2 2022, according to preliminary estimates. On a monthly basis, the economy grew by 0.1% in June, amid higher output in construction, manufacturing, and accommodation and food services industries, while mining, quarrying, and oil extraction declined. Regarding May, the Canadian economy stagnated, improving from preliminary estimates of a 0.2% contraction.
- Statistics Canada has released its monthly payroll employment, earnings, hours, and job vacancy report for May 2022. Based on the report, the number of employees in Canada receiving pay or benefits from their employer has decreased for the first time since May 2021.

U.S. Market

In the U.S., overall, Car and Truck segments (-0.86%) decreased for a sixth consecutive week; the prior week decreased by -0.47%.

Volume-weighted Car segments decreased -0.91%, compared to the prior week's decrease of -0.45%:

- All nine Car segments decreased last week.
- Sub-Compact Car (-0.21%) had the lowest level of declines last week across all reporting segments, but the rate of decline was the largest for the segment since early March.
- The luxury segments are leading the declines with Near Luxury Car (-1.24%) and Prestige Luxury Car (-1.06%) having declines exceeding 1%.

Volume-weighted Truck segments decreased by -0.84%; the previous week had a decrease of -0.48%:

- All thirteen truck segments reported decreases.
- Full-Size Pickups (-0.84%) reported its largest single week decline since August 2021 when the segment had a decline of -1.48%.
- The Full-Size Luxury Crossover/SUV and Sub-Compact Luxury Crossover segments reported the largest declines last week, -1.76% and -1.67%, respectively.

Industry News

- Canadian automakers breathed a sigh of relief Thursday after U.S. lawmakers scrapped part of a massive incentive package for electric vehicles that would have excluded those assembled in Canada from a proposed consumer tax credit.
- Canadian zero-emission vehicle registrations jumped 50% in the first quarter of 2022, compared with the same three-month period a year earlier as buyers continue to pivot to battery-electric (BEV) and plug-in hybrid vehicles (PHEV), new data from Statistics Canada shows.
- Stellantis posted record first-half results despite rising costs and chip headwinds. The strong performance was supported by sales of high-margin vehicles.
- Ford Motor Co. on Wednesday posted second-quarter net income of \$667 million USD, up 19% from the same period a year earlier, as it managed a significant production increase after more than a year of being stymied by the ongoing global microchip shortage.

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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