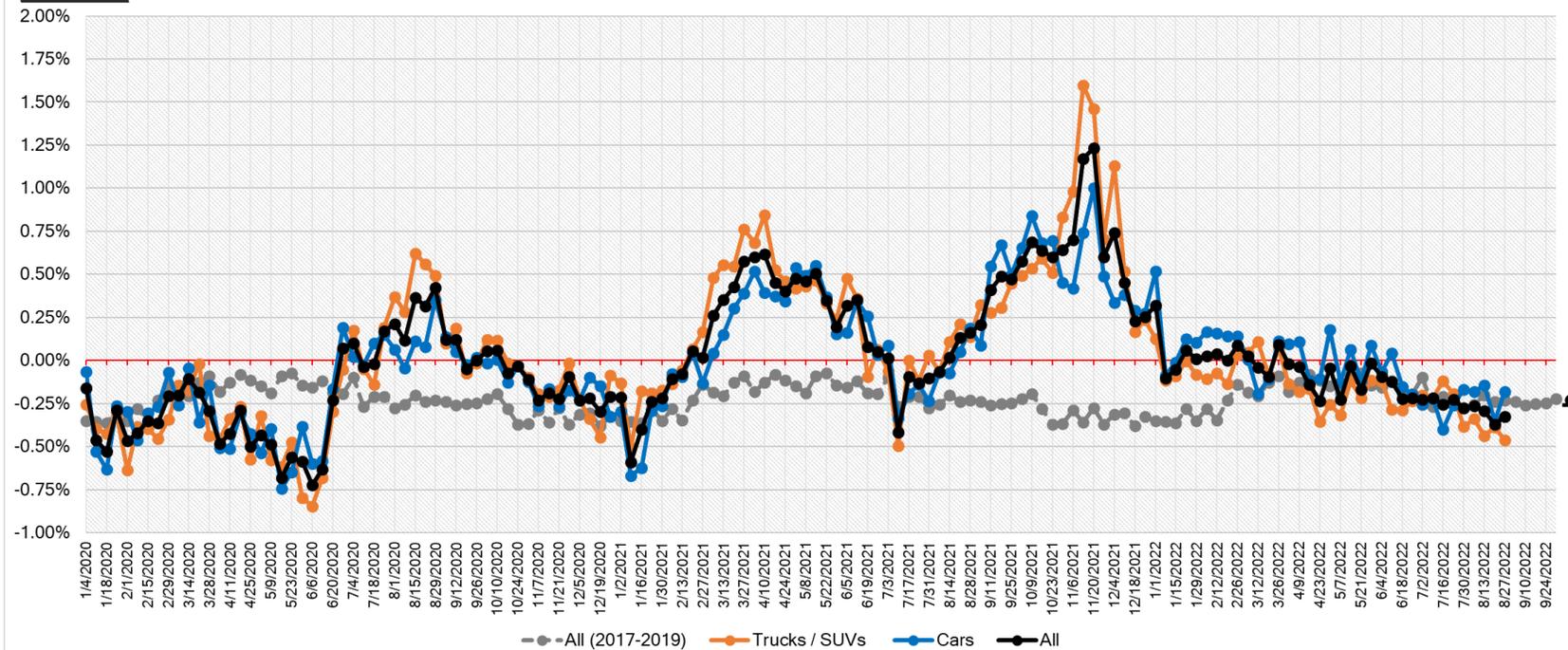


## Wholesale Prices, Week Ending August 26<sup>th</sup>

Once again, the Canadian used wholesale market saw prices decline for the week (-0.32%). The Car segment continues to outperform the Truck/SUV segments with a decline of -0.18%, while the Truck/SUV segment prices declined -0.46%. Out of the 22 segments, 5 categories' values have increased for the week, with the Compact Van segment leading the way at +0.88%, followed by Compact Car at +0.12%. Canada's wholesale markets are slowing as markets cool on both sides of the border.

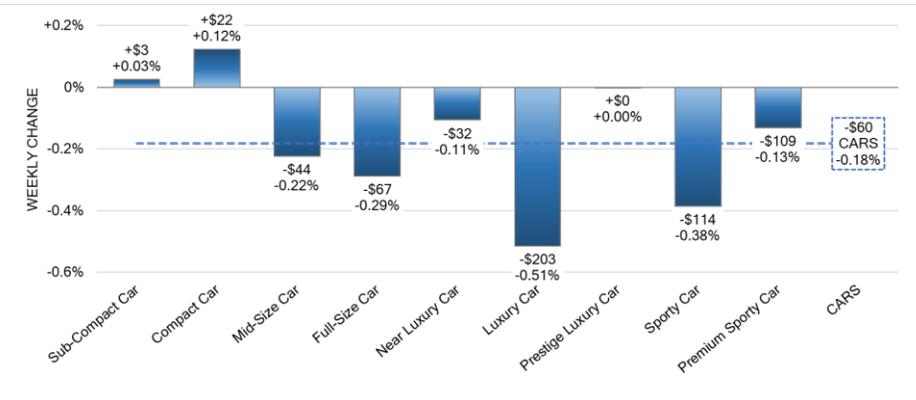
	This Week	Last Week	2017-2019 Average (Same Week)
<b>Car segments</b>	<b>-0.18%</b>	<b>-0.35%</b>	<b>-0.22%</b>
<b>Truck &amp; SUV segments</b>	<b>-0.46%</b>	<b>-0.39%</b>	<b>-0.25%</b>
<b>Market</b>	<b>-0.32%</b>	<b>-0.37%</b>	<b>-0.23%</b>

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



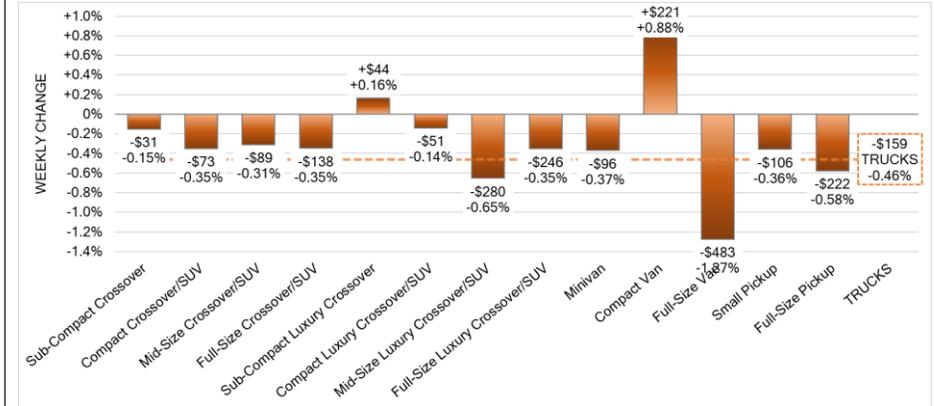
### Car Segments

- Overall, Car segments decreased -0.18% last week.
- Segments with the largest decreases were Luxury Cars at -0.51%, followed by Sporty Cars at -0.38% and lastly Full-Size Cars at -0.29%.
- Only two segments had small positive changes; they were Compact Cars at +0.12% and Sub-Compact Cars at +0.03%.



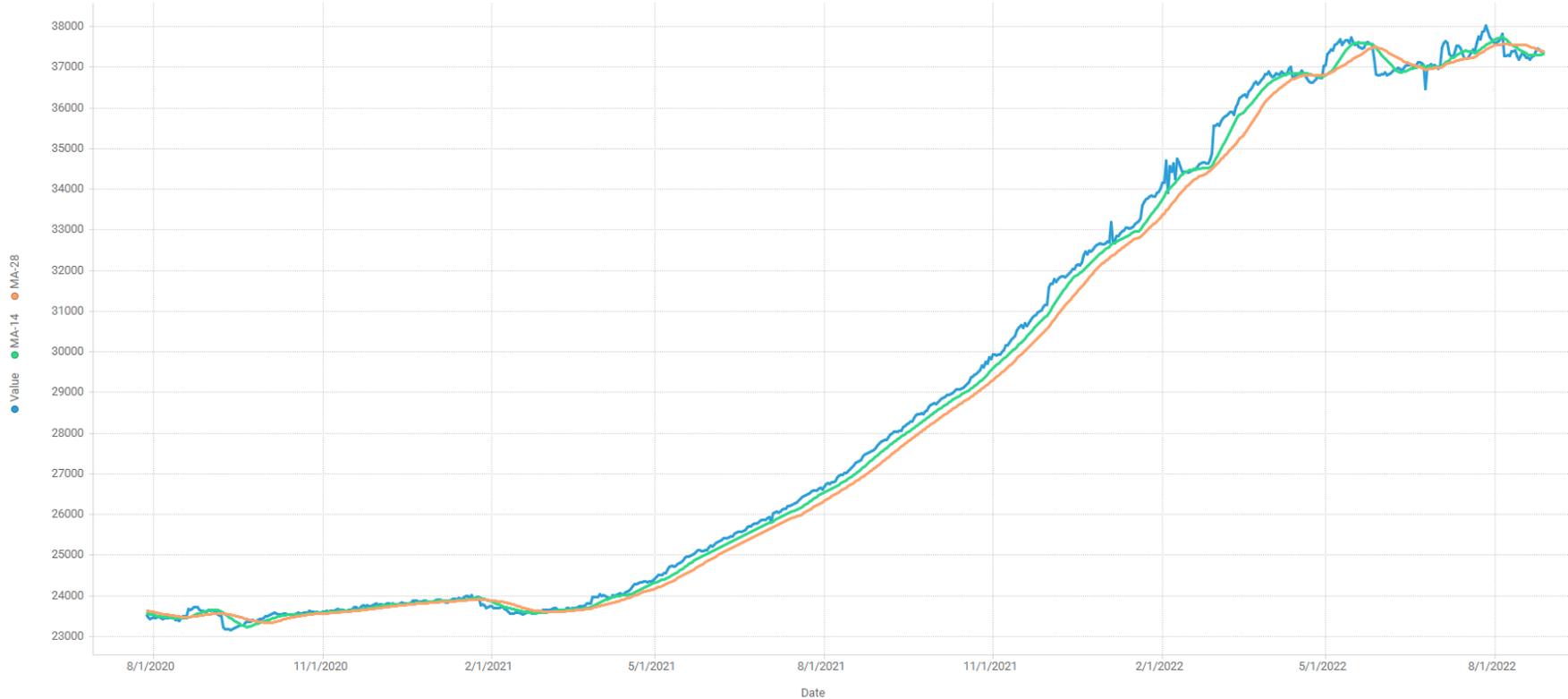
### Truck Segments

- Overall, Truck segment values decreased -0.46%.
- There were two segments that increased last week. The Compact Van increased (+0.88%), followed by Sub Compact Luxury Crossover (+0.16%). All other segments had negative changes.
- Full-Size Vans had the largest decrease (-1.27%)



## Used Retail Prices & Listing Volumes

The average listing price for used vehicles increased slightly week-over-week, as the 14-day moving average remains stable at roughly \$37,500. Analysis is based on approximately 120,000 vehicles listed for sale on Canadian dealer lots.



### Wholesale

The Canadian wholesale market decreased further this week. The overall decreases seen this week were slightly less than 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 continued to fluctuate last week. Some observed sell rates were as low as 25% but most were in the 40-50% range. 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 but slowing as markets cool on both sides of the boarder.

## Canadian Black Book's Market Insights

### Economics & Government

- New home prices for Canada increased by 0.1% from a month earlier in July of 2022, the smallest rise in two years, and well below the average increases witnessed in the first two quarters of 2022. Ottawa registered the highest increase in July with prices rising by 0.6%, as higher interest rates might be affecting the new home market more slowly than the resale one.
- Canada recorded a government budget surplus of CAD 4.88 billion in June of 2022, swinging from a deficit of CAD 12.71 billion in the corresponding month of the previous year. Revenues rose by CAD 22.2% on the year to CAD 36.22 billion, reflecting broad-based improvements across multiple revenue streams. At the same time, program expenses excluding net actuarial losses were 28.4% lower at CAD 28.04 billion, due to lower transfers for individuals and business.
- Research from JLL Canada shows that, compared to the US, Europe and China, economic momentum in Canada was strong in Q2 2022. In fact, an advance estimate for real GDP revealed a 1.1% quarter-over-quarter expansion in Canada. This was in spite of high inflation, commodity scarcity, rapid monetary tightening, and financial market turbulence – all of which are weighing heavily on global markets.

### U.S. Market

In the U.S., overall, Car and Truck segments decreased -0.89% last week; the prior week decreased by -0.93%.

Volume-weighted Car segments decreased -0.77%, compared to the prior week's decrease of -0.87%:

- All nine Car segments decreased last week.
- Sub-Compact Cars have now declined for nine weeks straight, but the average rate of decline (-0.22%) has been well below the overall Car market declines (-0.62%).
- The Near Luxury Car segment reported the largest decline last week, at -0.97%, which is less than the prior week's -1.02% decline.
- Newer (0-to-2-year-old) used Compact Cars increased +0.03%, compared to the 2-to-8-year-old models that decreased -0.63%. Last week's decline was significantly less than the prior week's depreciation of -1.22%.

Volume-weighted Truck segments decreased by -0.95%; the previous week had a decrease of -0.96%:

- All thirteen truck segments reported decreases.
- Compact Luxury (-1.86%) and Full-Size Luxury (-1.51%) Crossover/SUV segments had the largest declines last week.
- Full-Size Vans continued to decline last week, but the rate of decline was very minimal at -0.01%, compared with -0.24% last week.
- Compact Vans are a very small segment but are also slowing in their rate of weekly depreciation, -0.28% last week compared with -0.83% the week prior.

### Industry News

- While many nations have announced goals to eliminate gas car sales in the 2030s and beyond, California will be the first major government to make the target binding. It is not a goal, but a deadline. The California Air Resources Board (CARB) will mandate that 35% of all new cars be zero-tailpipe-emissions by 2026, climbing to 68 percent in 2030 before all new gasoline-engine car sales are banned in 2035, per The Times.
- Mercedes-Benz Canada names Andreas Tetzloff new CEO, Tetzloff has been leading Mercedes-Benz Russia since March 2022; Eva Wiese heads to Germany.
- Genesis taps Eric Marshall as new Canadian boss as Lawrence Hamilton heads to Europe. Beginning Sept. 1, Marshall will oversee all operations at Genesis Motor Canada in his new role as director.

## 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

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