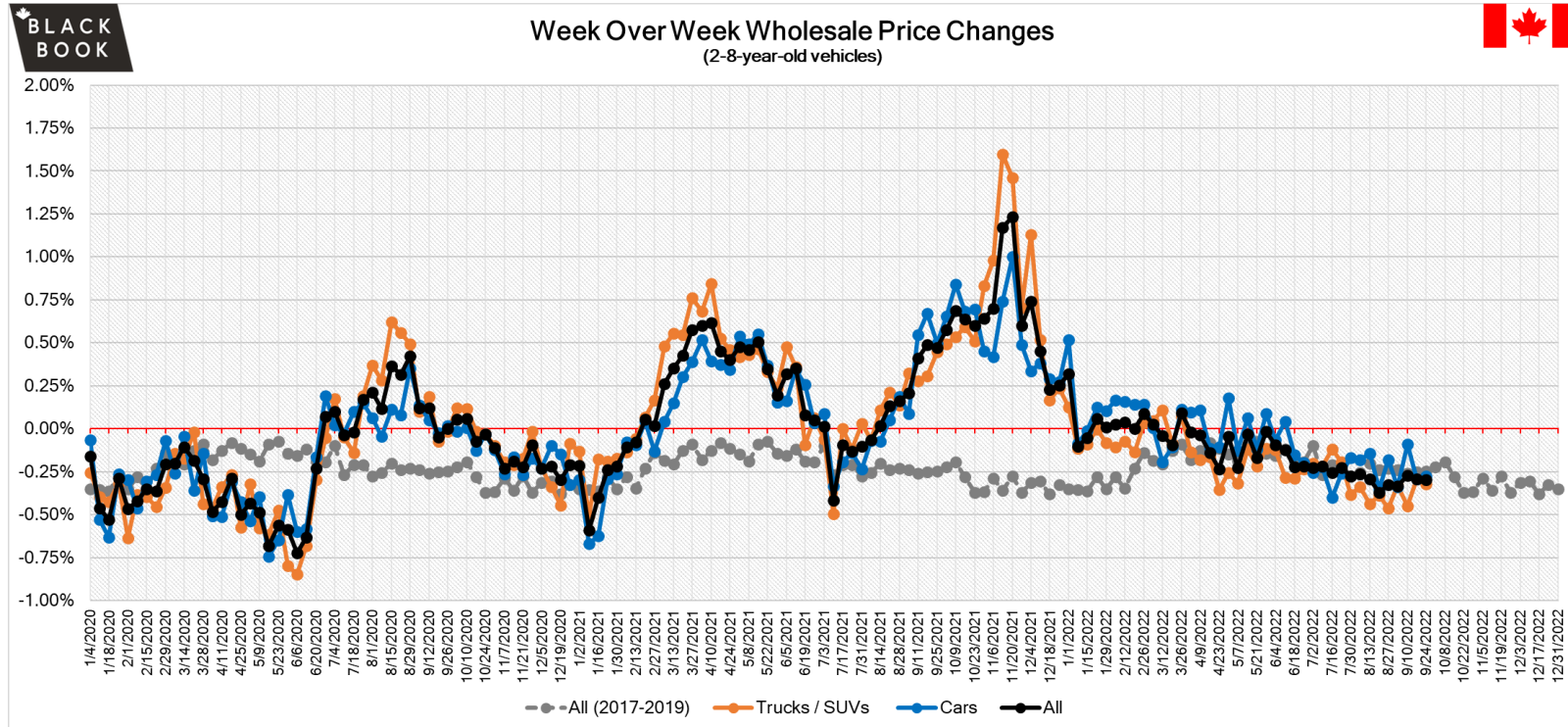


Wholesale Prices, Week Ending September 23rd

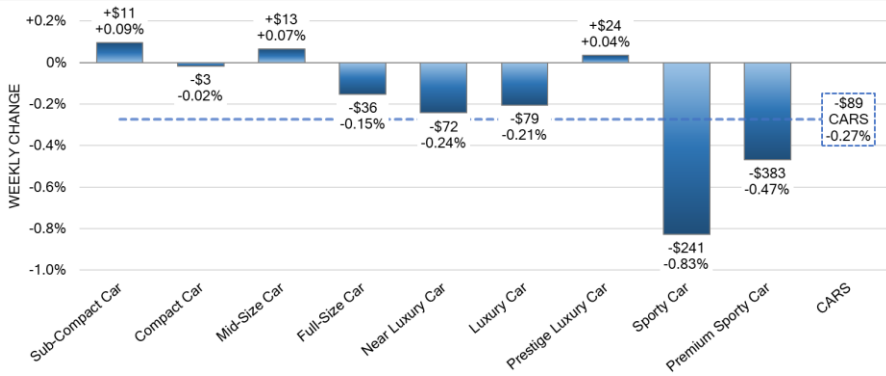
Prices continue to decline in the Canadian used wholesale market, with a (-0.30%) decline for the week. A decline was seen across a majority of the 22 segments, excluding Sub-Compact Car at (+0.09%), Mid-Size Car at (+0.07%) and Prestige Luxury Car following behind with a (+0.04%) increase. Both Car and Truck segments saw prices decline for the week with Cars at a (-0.27%) decrease and the Truck/SUV segment leading with (-0.32%). Canada's wholesale market continues to slow down as markets cool on both sides of the border.

	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.27%	-0.29%	-0.33%
Truck & SUV segments	-0.32%	-0.29%	-0.16%
Market	-0.30%	-0.29%	-0.25%



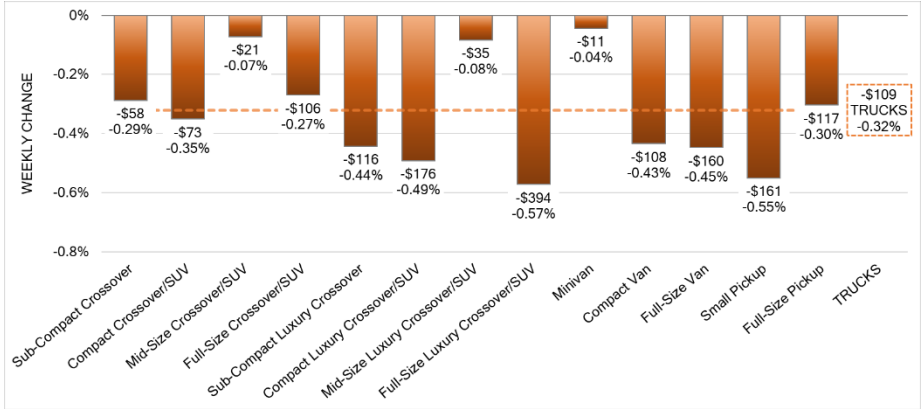
Car Segments

- Overall car segments decreased on average -0.27% last week.
- Sporty Car had the largest depreciation (-0.83%), followed by Premium Sporty Car (-0.47%), Near Luxury Car (-0.24%) and Luxury Car (-0.21%).
- Three segments had increases, these were Sub-Compact Car (+0.09%), Mid-Size Car (+0.07%) and Prestige Luxury Car (+0.04%).



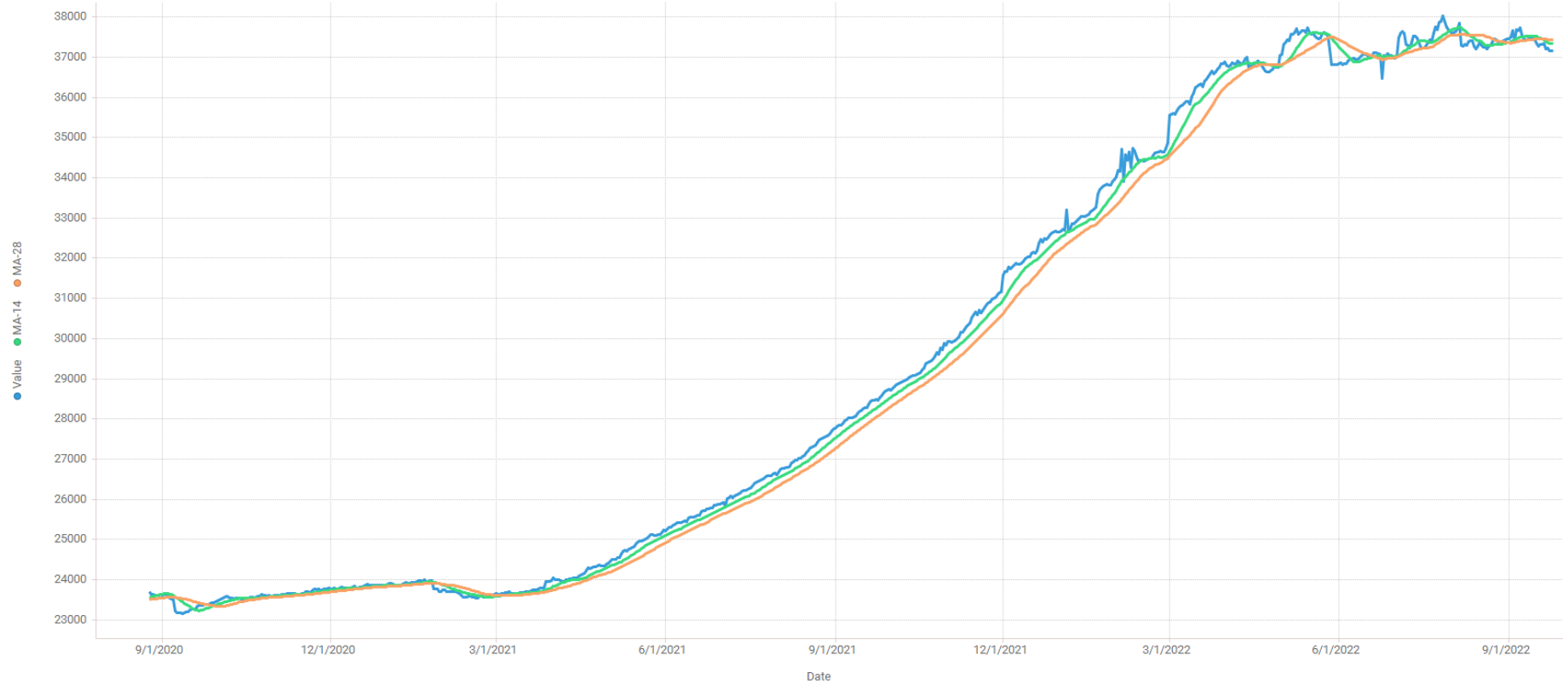
Truck Segments

- Overall truck segments decreased on average -0.32% last week.
- Full-Size Luxury Crossover/SUV had the largest drop (-.57%), followed by Small Pickup (-0.55%), and Compact Luxury Crossover/SUV (-0.49%).
- No segments had any increases.



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 \$37,350. Analysis is based on approximately 120,000 vehicles listed for sale on Canadian dealer lots.



Wholesale

The Canadian wholesale market decreased further last week. The overall decreases were similar to the prior week's declines. Supply remains low with demand for more recent and clean 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 improve last week. Some observed sell rates were as high as 80% but most were in the 50-65% range. Last week we saw less sellers holding floor prices higher than buyers are willing to go, which has been contributing to lanes with improved 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

- Canada recorded a government budget surplus of CAD 3.9 billion in July of 2022, compared to a deficit of CAD 10.9 billion in the corresponding month of the previous year. Revenues increased by CAD 5.9 billion, or 20%, reflecting broad-based improvement across revenue streams. At the same time, program expenses excluding net actuarial losses were down CAD 1.8 billion, or 4.8%, largely reflecting lower transfers to individuals and businesses, offset in part by higher transfers to other levels of government.
- New home prices for Canada increased 0.1% for the second consecutive month in August of 2022. Prices were unchanged in most of the 27 census metropolitan areas (CMAs) surveyed; prices were up in 4 CMAs and down in 1.
- Canada's annual inflation rate slowed to 7% in August of 2022, from 7.6% in July and below market estimates of 7.3%. Excluding gasoline, consumer prices rose by 6.3%, easing from the 6.6% in the prior month. On a monthly basis, consumer prices fell 0.3%, the first decrease since December 2021 and the steepest since the start of the pandemic in April 2020.

U.S. Market

In the U.S., overall, Car and Truck segments decreased -0.89% last week; the prior week decreased by -0.90%.

Volume-weighted Car segments decreased -0.87%, compared to the prior week's decrease of -0.89%:

- All nine Car segments decreased last week.
- Full-Size Car is a shrinking segment in terms of competition, but it also reported the largest adjustment last week with a decline of -1.54%. The segment has now had fourteen weeks of declines for an average weekly change of -0.69%.
- Compact Car (-0.78%) had another large week of declines, but the rate of decline was the lowest for the segment in the past 4 weeks.

Volume-weighted Truck segments decreased by -0.90%; the previous week had a decrease of -0.91%:

- Twelve of the thirteen truck segments reported declines.
- Compact Van is a very small segment, but it did move back into positive territory last week with an increase of +0.16%.
- Full-Size Vans are continuing to decline, but the rate of decline was a minimal -0.06% last week.
- The Full-Size Crossover/SUV segment (-1.85%) continues the trend of large weekly declines. Over the last eight weeks the segment has averaged a weekly decline of -1.33%.

Industry News

- Hertz Rental plans to order 175,000 GM electric vehicles over the next 5 years in a joint agreement through 2027. Hertz is anticipating delivery of its first EV models (Chevrolet Bolt EVs and EUVs) in early 2023.
- Record shipping costs are adding to automotive supply chain complications as fees have now increased to up to \$740 USD per vehicle for ships carrying as many as 6,500 cars across the world.
- Deliveries of new BEV and PHEVs qualifying as Zero Emission Vehicles have increased to a new high in August; Tesla has now earned back the top spot from Hyundai as the largest volume EV brand under the federal program.
- LG Energy Solution has signed a supply deal with two Canadian lithium mining companies as the battery cell manufacturer utilizes local supply chains as electric vehicle demand strengthens in North America.

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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