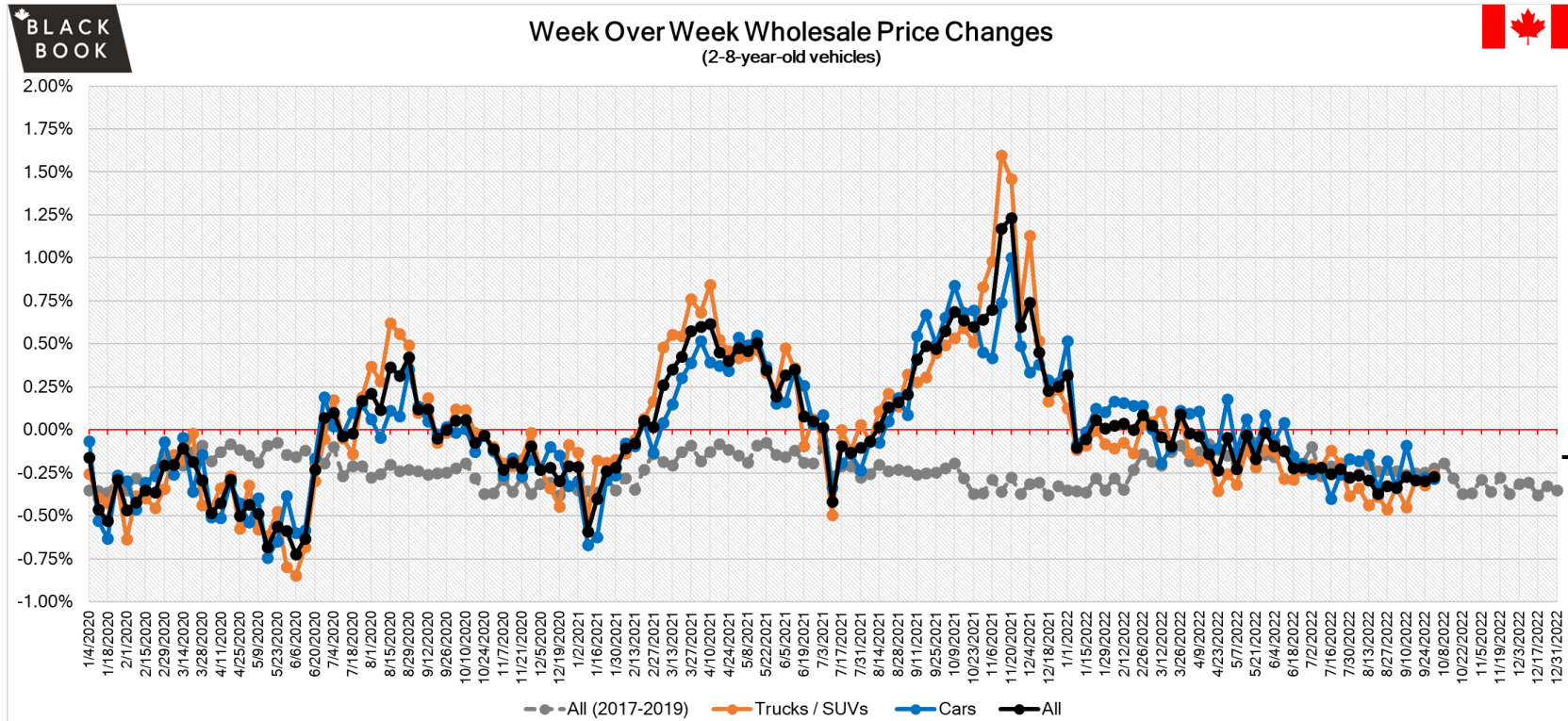


Wholesale Prices, Week Ending September 30th

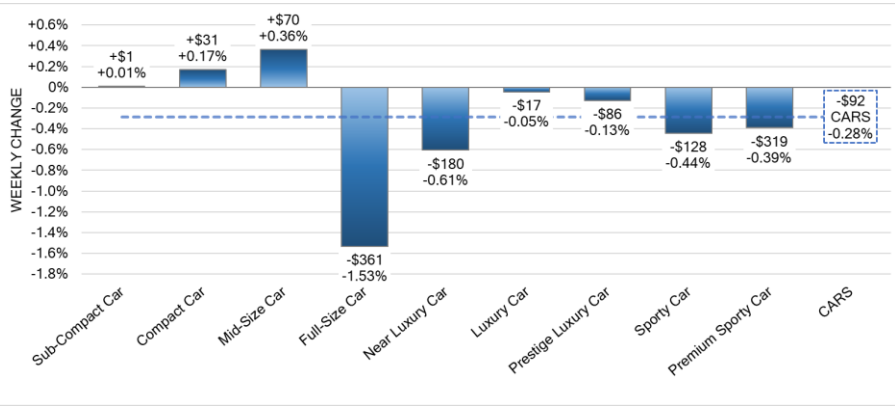
The Canadian used wholesale market saw overall prices decline for the week (-0.30%). Both Car and Truck/SUV segments saw prices decrease on average, with Truck/SUV's at (-0.26%) and the Car segment with a (-0.28%) decrease. Only 7 of the 22 segments' values have increased for the week with Compact Van leading the way with a significant (+0.66%), Mid-Size Car following at (+0.36%) and Sub-Compact Luxury Crossover at a (+0.31%) increase.

	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.28%	-0.27%	-0.25%
Truck & SUV segments	-0.26%	-0.32%	-0.19%
Market	-0.27%	-0.30%	-0.22%



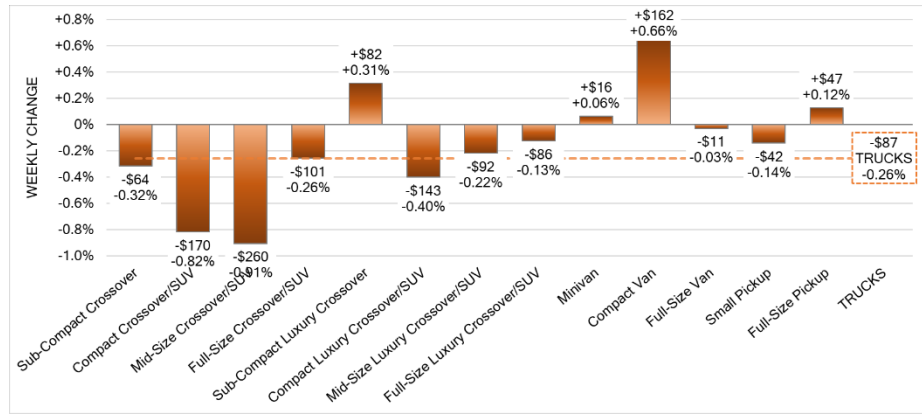
Car Segments

- Overall car segments decreased on average -0.28% last week.
- Six segments depreciated last week. Those with the largest declines were Full-Size Cars (-1.53%), followed by Near Luxury Car (-0.61%), Sporty Car (-0.44%) and Premium Sporty Car (-0.39%).
- Three segments had increases, these were Mid-Size Car (+0.36%), Compact Car (+0.17%) and Sub-Compact Car (+0.01%).



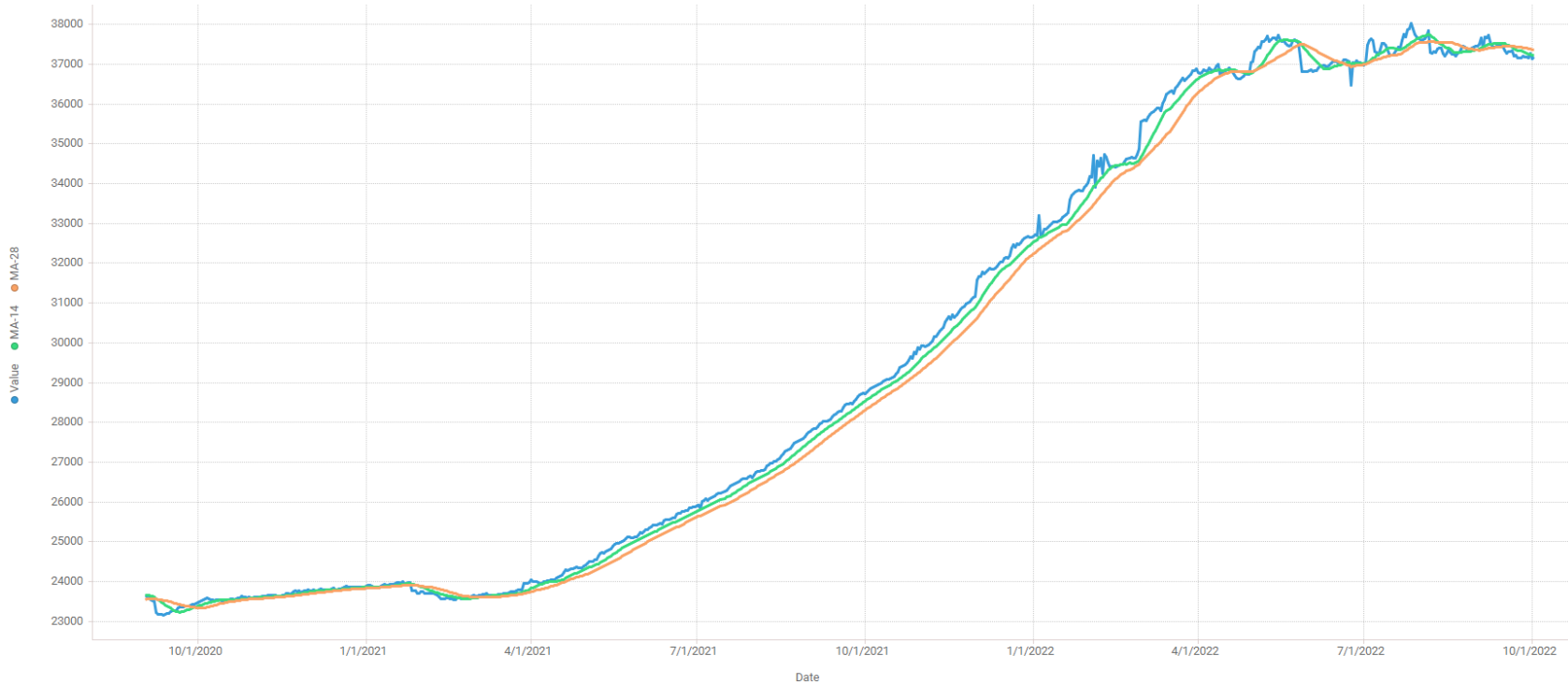
Truck Segments

- Overall truck segments decreased on average -0.26% last week.
- Mid-Size Luxury Crossover/SUV had the largest drop (-0.91%), followed by Compact Crossover (-0.82%), and Compact Luxury Crossover/SUV (-0.40%).
- Four segments had increases, Compact Van leading with (+0.66%), followed by Sub-Compact Luxury Crossover at (+0.31%), Full-Size Pickup at (+0.12%), and Minivans at (+0.06%)



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 \$37,250. 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 75% but most were in the 50-60% 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

- Canadian GDP increased by 0.1% in July which was the same increase as June. Markets had forecasted a 0.1% drop so the increase beat expectations.
- Consumer confidence in September decreased slightly to 50.14 points from 50.32 points in August as reported by Ipsos. The decline is rather minimal as we have been slowly dropping from a confidence score of 50.42 points in May.
- Numerous bank economist are forecasting a recession in Canada with some expecting it to be severe. Weakness in the housing sector, high inflation, and increasing interest rates are driving factors. Most are anticipating a further increase to interest rates by the Bank of Canada on October 26.
- Statistics Canada data show interprovincial migration increased in Q2 2022. Ontario saw over 49,000 people leave the province in Q2 which was 77.6% higher than the previous quarter and 45.9% higher than Q2 of last year. Lack of perceived opportunity and high housing costs are the driving factor causing the move to provinces such as Alberta and Nova Scotia.

U.S. Market

In the U.S., overall, Car and Truck segments decreased -0.77% last week; the prior week decreased by -0.89%.

Volume-weighted Car segments decreased -0.80%, compared to the prior week's decrease of -0.87%:

- All nine Car segments decreased last week.
- Mid-Size Car reported the largest decline last week, at -1.01%. Prestige Luxury Car (-1.00%) and Sporty Car (-0.96%) also had large declines.
- Sub-Compact Car reported the smallest decline last week, of -0.39%, which was a much smaller decline than the previous three weeks that averaged a weekly change rate of -0.60%.

Volume-weighted Truck segments decreased by -0.75%; the previous week had a decrease of -0.90%:

- Twelve of the thirteen truck segments reported declines.
- The Sub-Compact Luxury (-1.34%) and Compact Luxury (-1.19%) Crossovers reported the largest declines last week. A change from the Mid-Size and Full-Size Luxury segments having the largest declines for numerous weeks.
- Full-Size Van continues to trend down, but the rate of decline last week was a minimal -0.02%.

Industry News

- Stellantis CEO, Carlos Taveres has said the semiconductor shortage will remain tight until at least the end of 2023, as supply constraints are still very complicated within the global supply chain.
- Rivian is delivering trucks to Canadian customers because as of this past week Transport Canada certified and registered them to sell vehicles in here after Rivian failed to meet the necessary requirements to deliver their trucks in Canada. Transport Canada required additional information and documentation before certification, which has now been provided.
- Hurricane Fiona struck Atlantic Canada late last week as the Canadian auto industry came to aid those affected by the storm by way of financial support. Fiona is believed to be the strongest Hurricane with damages between \$300-700 million.
- The Canada Infrastructure Bank is backing private-sector investment in EV charging networks with a new \$500-million program aimed at improving the Canadian charging infrastructure deficit, by taking on some private investor risk arising from uncertainties around EV adoption in Canada.

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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