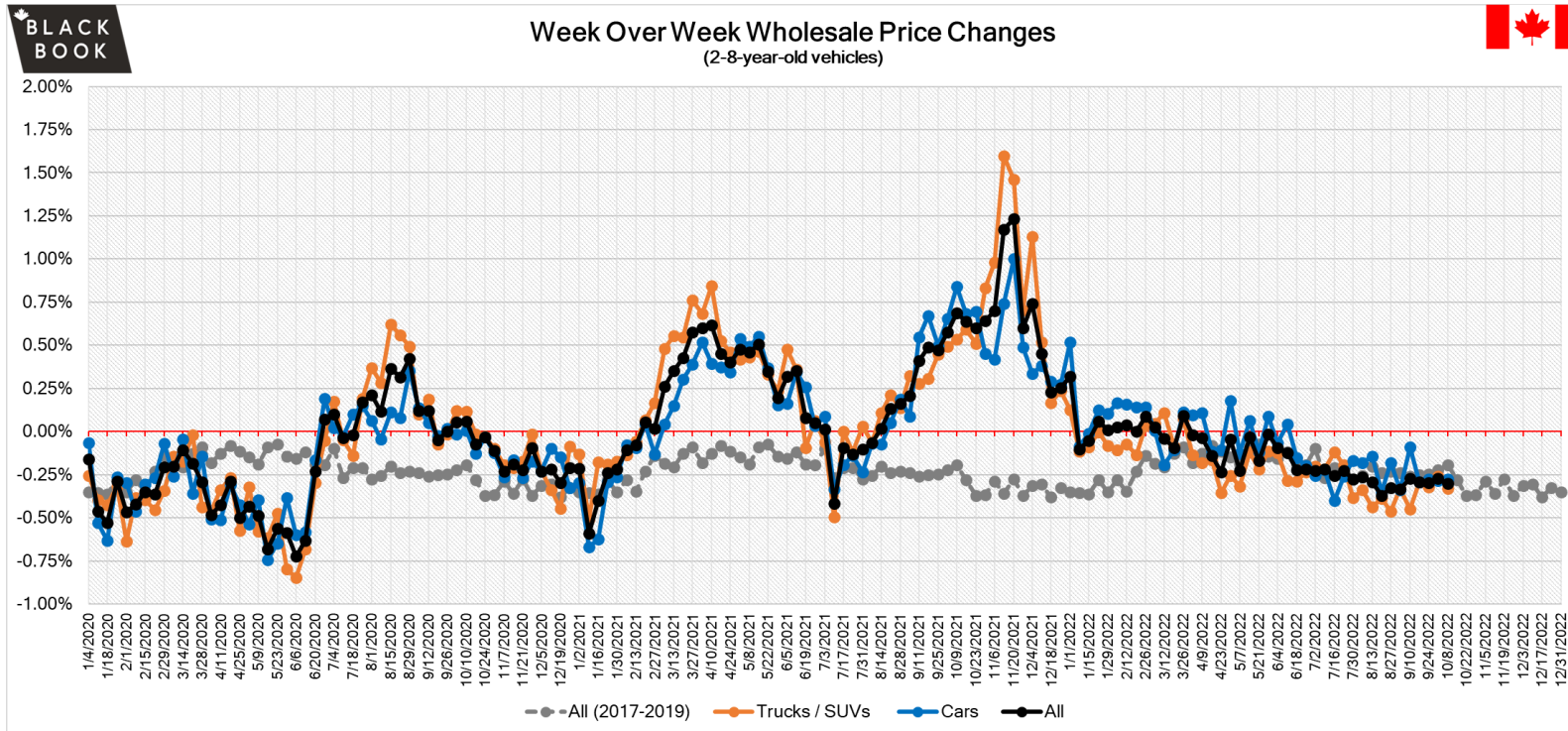


Wholesale Prices, Week Ending October 8th

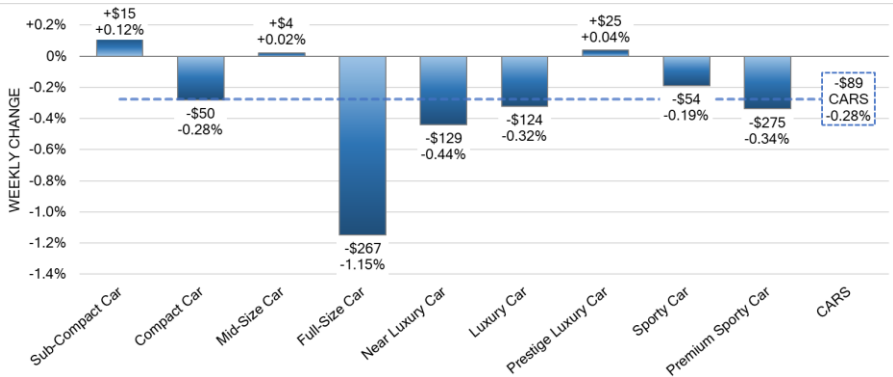
The Canadian used wholesale market saw overall prices decline for the week (-0.30%). Both Car and Truck/SUV segments saw prices decrease on average, with Truck/SUV's at (-0.33%) and the Car segment following with a (-0.28%) decrease. 5 of the 22 segments' values have increased for the week, Full-Size Pickups leading with (+0.26%), Sub-Compact Car following at (+0.12%) followed by Minivans at (+0.06%) increase.

	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.28%	-0.28%	-0.19%
Truck & SUV segments	-0.33%	-0.26%	-0.20%
Market	-0.30%	-0.27%	-0.19%



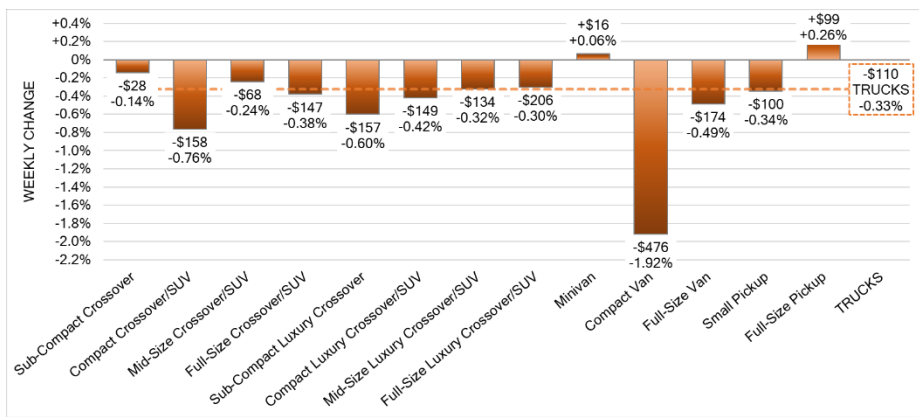
Car Segments

- Overall car segments decreased on average -0.28% last week.
- Six segments depreciated last week. Those with the largest declines were Full-Size Car (-1.15%), followed by Near Luxury Car (-0.44%), Premium Sporty Car (-0.34%) and Luxury Car (-0.32%).
- Three segments had increases, Sub-Compact Car (+0.12%) Prestige Luxury Car (+0.04%), and Mid-Size Car (+0.02%)



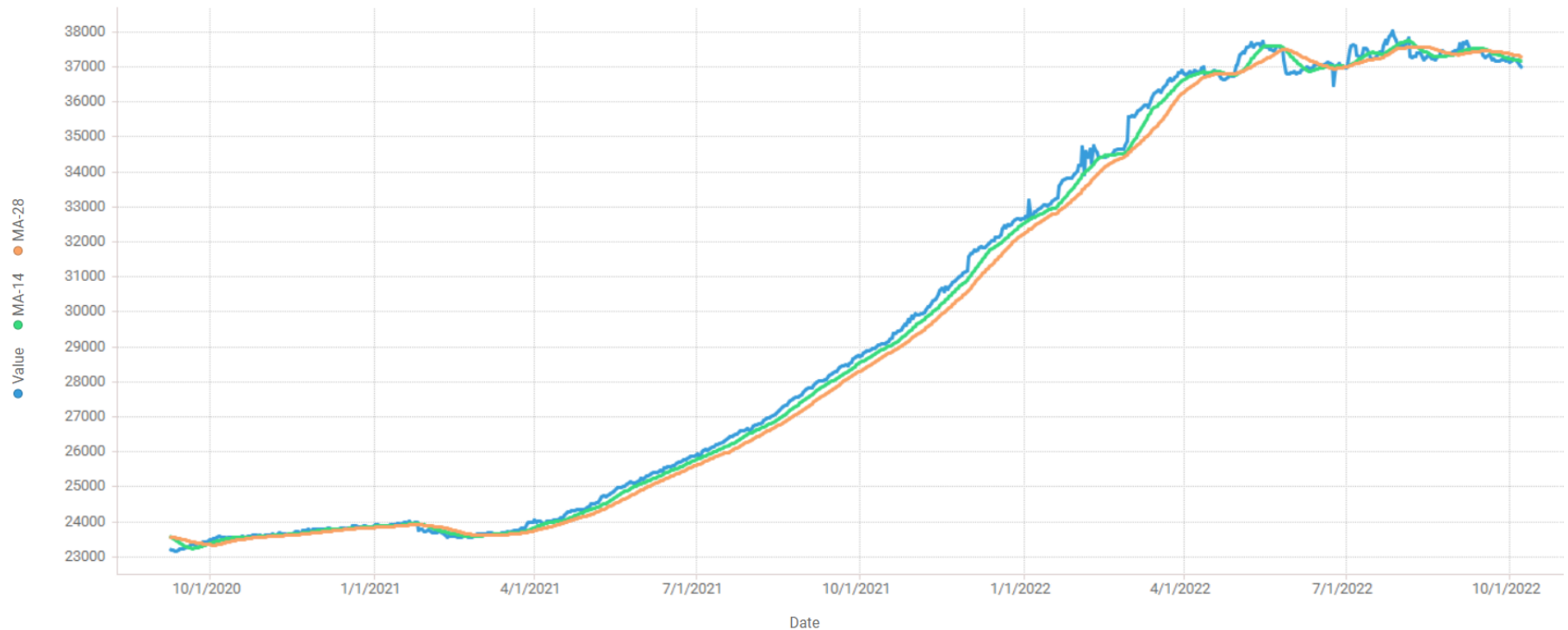
Truck Segments

- Overall truck segments decreased on average -0.33% last week.
- Compact Van had the largest drop (-1.92%), followed by Compact Crossover (-0.76%), and Sub-Compact Luxury Crossover/SUV (-0.60%).
- Two segments had increases, Full-Size Pickup leading with (+0.26%), followed by 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 \$37,200. 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 71% but most were in the 45-55% 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

- Interest rates are expected to rise again with money markets currently pricing in a 75bps increase for the US Fed and a 50bps increase for the Bank of Canada.
- The Canadian economy added 21,100 jobs in the month of September which was a little higher than the market expectations of a 20,000 addition. This was the first rise in employment since May. The change in employment marked unemployment rate moving from 5.4% to 5.2%.
- Canadian imports fell by 1.7% in August to a five month low. This was the second monthly decline in a row with motor vehicles & parts with the largest decline of -7.1% due to continued supply chain issues.
- The Canadian dollar continues its slide and is trading around two year lows in the \$0.72-0.73 range. If the observed decline continues we may approach the previous low of \$0.69 seen in March of 2020. Interest rate increases, fear of recession along with other economic factors continue to weaken the Canadian dollar.

U.S. Market

In the U.S., overall, Car and Truck segments decreased -0.72% last week; the prior week decreased by -0.77%.

Volume-weighted Car segments decreased -0.66%, compared to the prior week's decrease of -0.80%:

- All nine Car segments decreased last week.
- Luxury (-0.90%) and Prestige Luxury (-0.83%) Car had the largest declines last week, compared with the prior week's declines of -0.74% and -1.00%, respectively.
- Compact Car declined -0.81% last week, compared with -0.67% the week prior. The segment has now been in negative territory for fifteen consecutive weeks, with an average weekly change rate of -0.74%.

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

- All thirteen truck segments reported declines.
- Three of the thirteen segments reported declines greater than 1%, with Full-Size Crossover/SUV (-1.11%) reported the largest drop, followed by Minivan (-1.04%) and Sub-Compact Crossovers (-1.01%).
- Full-Size Vans had been experiencing slowing in the level of declines in recent weeks, but the declines accelerated last week to -0.24%, compared with -0.02% the week prior.

Industry News

- New car sales for Q3 are in, and Desrosiers Automotive Consultants report that this quarter is down 11.8% vs. 2021, while the Detroit 3 were the real winners, up a combined 17.9% with GM up the highest at 27.6%.
- Edmonton dealer group AutoCanada Inc. has acquired North Toronto Auction as it sets its eyes on entering the used car market,
- Honda enters the EV market with its release of the Honda Prologue EV; this will be a midsize crossover using its partnership with General Motors to utilize the Ultium EV platform and come to market in 2024. Honda plans to go all EV by 2040.
- For the first time on Canadian soil a fully autonomous vehicle without a safety driver will be set onto roads in the Greater Toronto Area by self-driving company Gatik as a project with grocer giant Loblaw Co.

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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