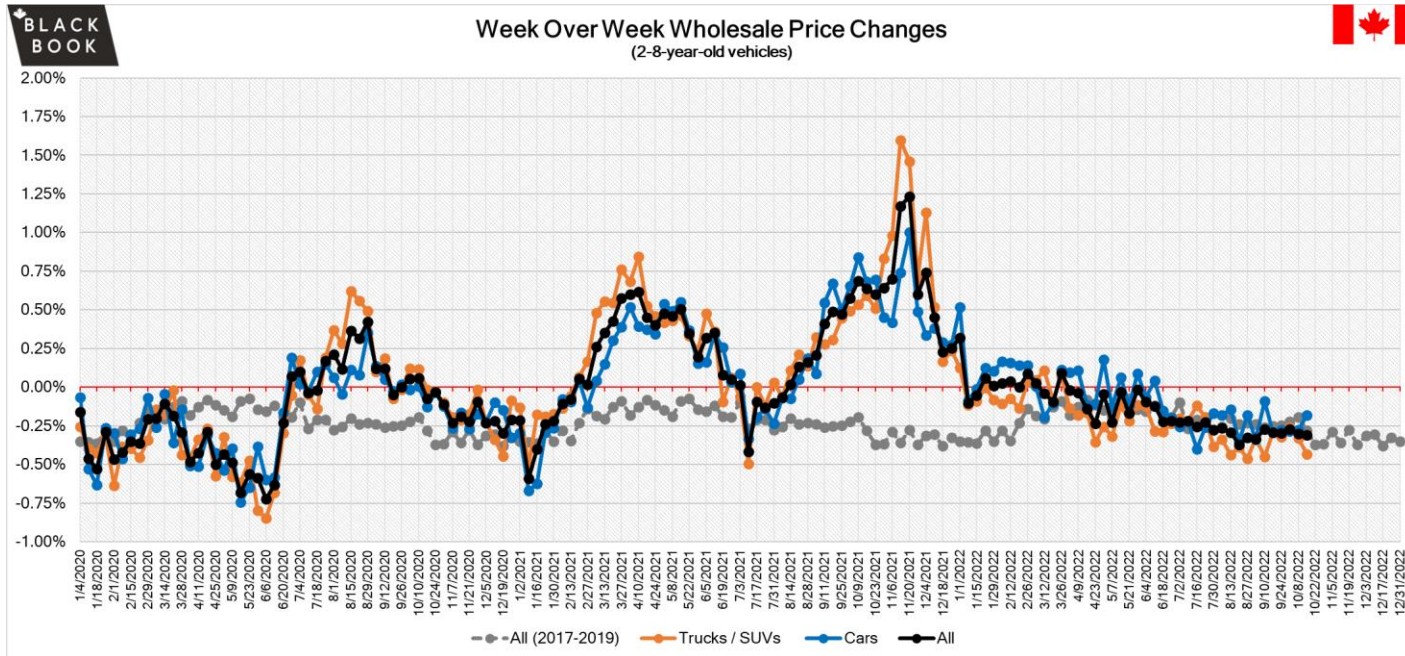


**Wholesale Prices, Week Ending October 14<sup>th</sup>**

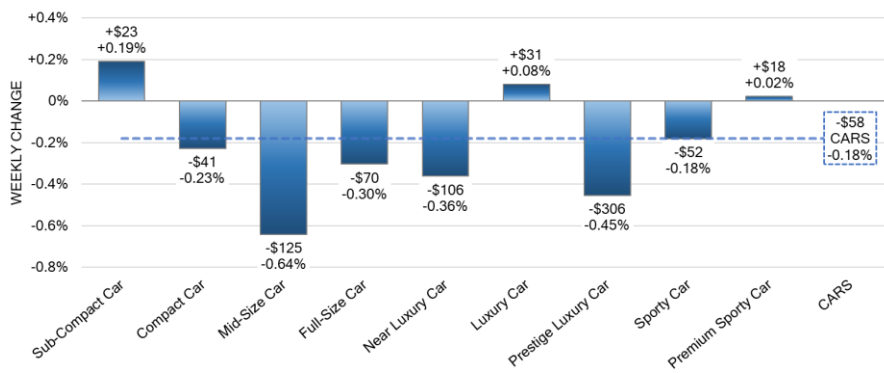
The Canadian used wholesale market saw overall prices decline for the week (-0.31%). Both Car and Truck/SUV segments saw prices decrease on average, with Truck/SUV's at (-0.43%) and the Car segment following with a (-0.18%) decrease. 6 of the 22 segments' values have increased for the week, Full-Size Pickups leading with (+0.22%), Sub-Compact Car following at (+0.19%) followed by both Luxury Cars & Small Pickups at (+0.08%) increase.

	This Week	Last Week	2017-2019 Average (Same Week)
<b>Car segments</b>	<b>-0.18%</b>	<b>-0.28%</b>	<b>-0.28%</b>
<b>Truck &amp; SUV segments</b>	<b>-0.43%</b>	<b>-0.33%</b>	<b>-0.28%</b>
<b>Market</b>	<b>-0.31%</b>	<b>-0.30%</b>	<b>-0.28%</b>



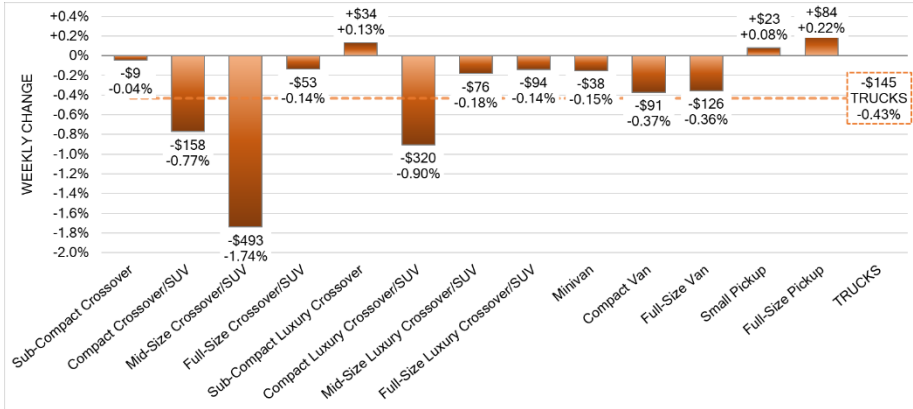
### Car Segments

- Car segments decreased on average -0.18% last week.
- Six segments had declines. The segment with the largest was Mid-Size Car (-0.64%), followed by Prestige Luxury Car (-0.45%), Near Luxury Car (-0.36%) and Full-Size Car (-0.30%).
- There were three segments with increases. These were Sub-Compact Car (+0.19%), Luxury Car (+0.08%) and Premium Sporty Car (+0.02%).



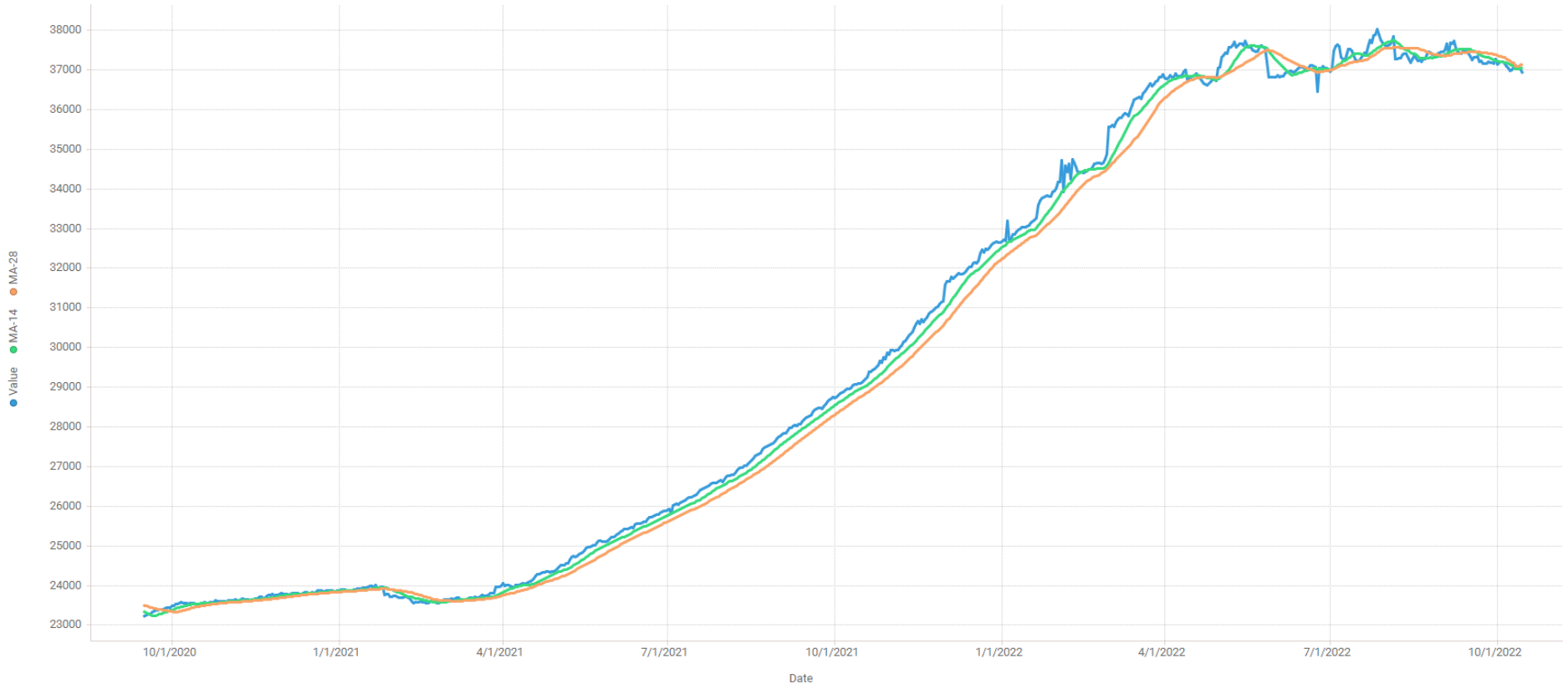
### Truck Segments

- Overall truck segments decreased on average -0.43% last week.
- Mid-Size Crossover had the largest drop (-1.74%), followed by Compact Luxury Crossover (-0.90%), and Compact Crossover/SUV (-0.77%).
- There were three segments with increases. Full-Size Pickup led with (+0.22%), followed by Sub-Compact Luxury Crossover (+0.13%) Small Pickup at (+0.08%)



## Used Retail Prices & Listing Volumes

The average listing price for used vehicles increased slightly week-over-week, as the 14-day moving average declined to \$37,000. 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 were similar to last week. Some observed sell rates were as low as 18% but most were in the 40-50% 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.

## Canadian Black Book's Market Insights

### Economics & Government

- August saw a slight increased investment in building construction which grew by 0.4% to 21.1 billion with the largest gains in the province of British Columbia. The residential sector increased by 0.5% to \$15.7 billion, while the non-residential sector declined 0.2% to \$5.3 billion.
- Canadian manufacturing declined for the fourth consecutive month by 2.0% to \$70.4 billion in August. The decrease was led by paper (-5.7%), chemical (-4.5%), wood products (-4.3%), and petroleum and coal products (3.9%).
- Consumer confidence dropped to 48.51 in October from 50.14 in September as reported by an IPSOS survey. High inflation and quickly increasing interest rates are the driving factor.
- The Canadian dollar strengthened over the past week from a low of \$0.719 to \$0.728.

### U.S. Market

In the U.S., overall, Car and Truck segments decreased -0.82% last week; the prior week decreased by -0.72%.

Volume-weighted Car segments decreased -1.11%, compared to the prior week's decrease of -0.66%:

- All nine Car segments decreased last week.
- Four segments reported declines greater than 1% last week: Compact Car (-1.41%), Near Luxury Car (-1.34%), Prestige Luxury Car (-1.34%), and Sporty Car (-1.31%).
- Premium Sporty Car reported the smallest decline at -0.33%.
- Sub-Compact Car (-0.75%) had the largest single week decline for the segment since August 2021.

Volume-weighted Truck segments decreased by -0.67%; the previous week had a decrease of -0.75%:

- All thirteen truck segments reported declines.
- Small Pickups (-0.98%) reported the largest Truck segment decline last week, and Compact Crossovers were not far behind, with a decline of -0.94%.
- Full-Size Vans (-0.05%) continued to decline, but the rate of decline is minimal with the past five weeks averaging -0.09% depreciation each week.

### Industry News

- OEMs are beginning to make cuts to their 2023 production numbers, as supply issues continue to wreak havoc on the industry; Sam Fiorani of AFS says, "Chips are moving to the industry, just not enough to ensure production of even the most popular models". Another 25,900 units were just added to the annual global tally of production units lost to the chip shortage in 2022.
- ZEV registrations in Canada have hit a record quarterly high as of Q2 this year, at 29,832 units, ZEVs represent 6.9% market share. Of that, battery-electrics represent the largest portion at 21,764.
- Polestar has released its next electric vehicle, the "3" as the brand's highest volume EV which will be arriving late next year. The 3 will have up to 482km range based on the EPA standard and start at \$97,400.
- GM has redesigned its Chevrolet Trax as the popular crossover gets an overhaul. What's most important is that this new generation Trax is now cheaper than its predecessor and labelled as the gateway into the Chevrolet brand.

## 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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