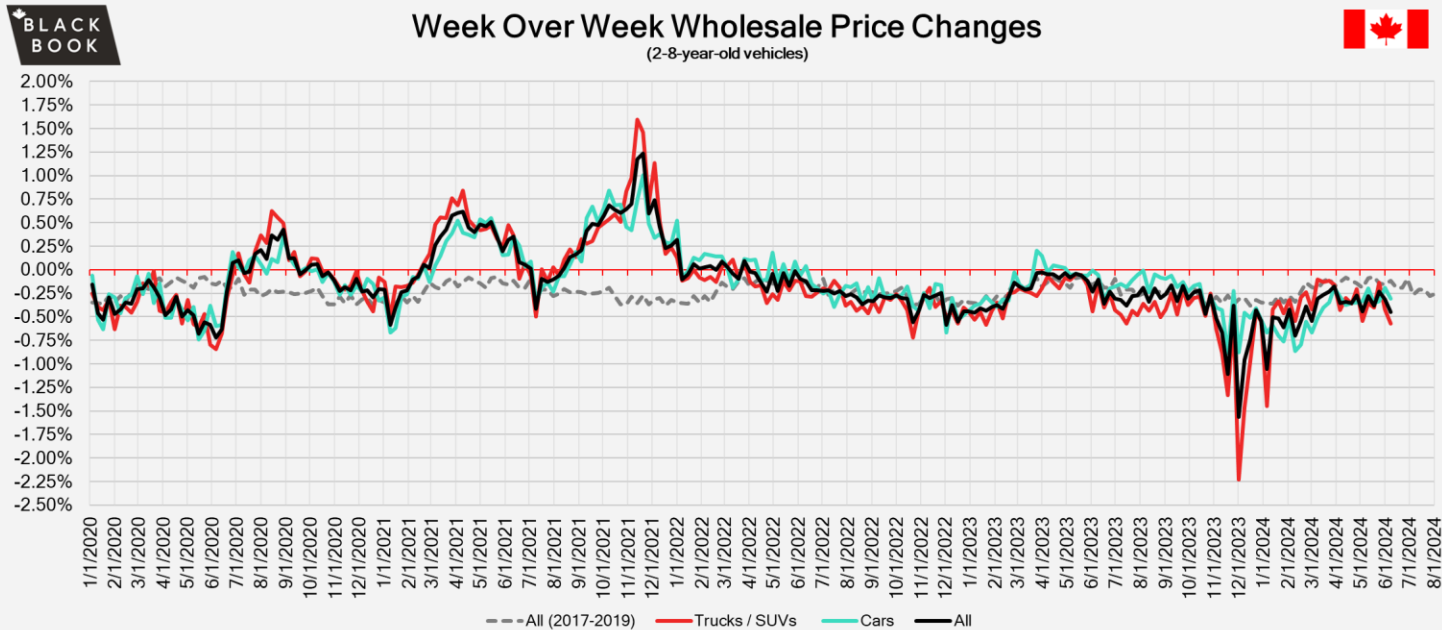


# Wholesale Prices, Week Ending June 8<sup>th</sup>, 2024

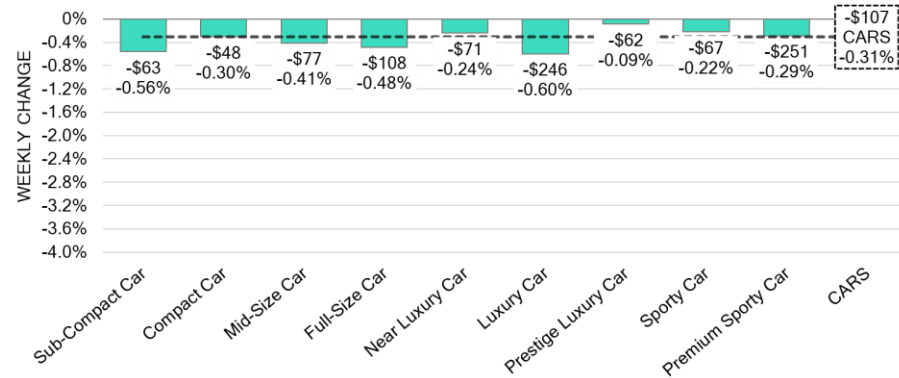


The Canadian used wholesale market saw a decline in prices for the week at -0.45%. The Car segment fell by -0.31% and the Truck/SUVs segment prices declined -0.57%. The only segment with increased values for the week was Compact Van with +0.12%, The car segments with the largest declines were Luxury Car at -0.60% followed by Sub-Compact Car at -0.56%. The largest declines for the Truck/SUV segments were, Full-Size Pickup at -1.07% followed by Full-Size Crossover/SUV at -1.01%.

	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.31%	-0.19%	-0.12%
Truck & SUV segments	-0.57%	-0.42%	-0.11%
Market	-0.45%	-0.31%	-0.12%

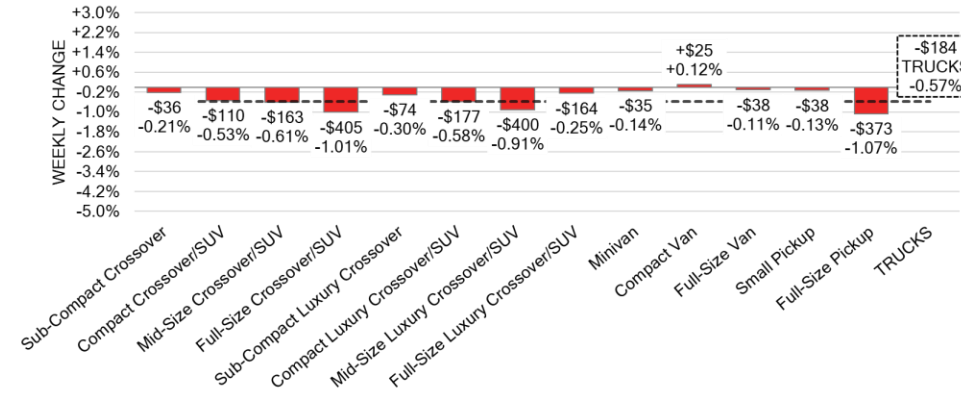


# Car Segments



- Last week there was an overall decrease of -0.31% seen in Car segments. This decrease was noted across all nine segments.
- The segment that showed the smallest decrease in pricing was Prestige Luxury Car at (-0.09%), trailed by Sporty Car at (-0.22%) and Premium Sporty Car at (-0.29%).
- The most notable decrease was seen from Luxury Car (-0.60%), followed by Sub-Compact Car at (-0.56%) and Full-Size Car at (-0.48%).

# Truck / SUV Segments



- Last week truck segments reflected an overall downturn of -0.57%.
- Those with the largest depreciations were Full-Size Pickup (-1.07%), Full-Size Crossover/SUV (-1.01%) and Mid-Size Luxury Crossover/SUV (-0.91%).
- One segment had an increase. That segment was Compact Van (+0.12%).

## Wholesale

The decline in the Canadian market continues, with decreases that were similar to the prior week. Inventory is building with the demand for vehicles at auction on both sides of the border increasing. Supply continues to be tapped by Upstream channels prior to being available to the wholesale market. 46% of segments saw a change in average value of more than \$100 this week, as the Truck segments decreased 37% more than the Car segments. Last week there was an increase in conversion rates compared to last week was noted, however sale rates are still low, ranging from 18% to 69%. The drop in floor prices could be a contributing factor to the variation in sale rates across different lanes.

# Used Retail Prices & Listing Volume



The average listing price for used vehicles was slightly down week-over-week, as the 14-day moving average was at \$33,900. This analysis is based on approximately 220,000 used vehicles listed for sale on Canadian dealer lots.



## Economics & Government

- The Bank of Canada cut its key interest rate by 25bps to 4.75% in its June 2024 meeting, as expected, and signaled that more rate cuts are to be delivered should inflation continue to slow as expected.
- Canada reported a trade deficit of 1.05 billion dollars in April 2024, almost half of the 2-billion-dollar deficit recorded in March and much lower than market forecasts of a 1.4-billion-dollar gap.
- The unemployment rate in Canada rose to 6.2% in May of 2024 from 6.1% in the earlier month, the highest since October of 2021, and in line with market expectations.
- The yield on the Canadian 10-year government bond fell to 3.50%.
- The Canadian dollar is around \$0.725 this Monday morning, down from \$0.734 a week prior.

## U.S. Market

- Last week's rate of depreciation accelerated, showing the largest single week decline since mid-January. The only segments continuing to report stabilization were the Sporty and Premium Sporty Cars.

	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-0.34%	-0.06%	-0.31%
Truck & SUV segments	-0.55%	-0.19%	-0.16%
Market	-0.49%	-0.15%	-0.22%

## Industry News

- The Bank of Canada released its latest rate decision on the overnight interest rate this week, reducing it for the first time in 4 years by 25bp where it now sits at 4.75%. With consumer sentiment likely waiting for this very action, this provides the possibility of renewed interest in the car market.
- Desrosiers Automotive Consultants has reported on the sales result in May, recording a 5.7% increase over last year, reducing the SAAR to 1.63 million, which is the lowest point seen so far this year as year-over-year monthly increases have slowed in the last two months.
- A Canadian border strike may be upon us, as the Canada Border Services Agency (CBSA) is looking for improved wages, remote work flexibility, and more substantial retirement benefits. A strike could threaten cross border transportation of automotive parts and supply, slowing down vehicle production.
- Despite the uncertainty around electric vehicles, the latest data from Transport Canada on the Federal iZEV program in April shows a record 19,162 rebate requests, eclipsing the previous record from March. Quebec accounts for 54% of rebates while Ontario and B.C. represent roughly 20% each.
- The first electric vehicle from Honda's luxury brand, the Acura ZDX has landed in Canada, with a starting price of \$88,560 including delivery charge. It follows the recent release of the Prologue as the platform sharing duo take on other EV crossovers. The ZDX comes with an available 490hp A-Spec trim and up to 489km of range, based off the Ultium architecture from General Motors.

# About Black Book



Black Book® is best known in the automotive industry for providing timely, independent, and precise vehicle pricing information, and is available to industry-qualified users through online subscription products, mobile applications, and licensing agreements. Since 1955 Black Book has continuously evolved to ensure that it achieves its goal of delivering mission-critical information to its customers, along with the insight necessary to successfully buy, sell, and lend. Black Book data is published daily by National Auto Research, a Hearst company, and maintains offices in Georgia as well as the Canadian Black Book in Toronto.

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