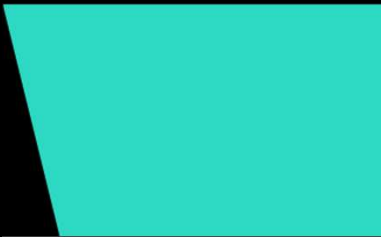




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Residual Value Newsletter
July 2025



Market Summary

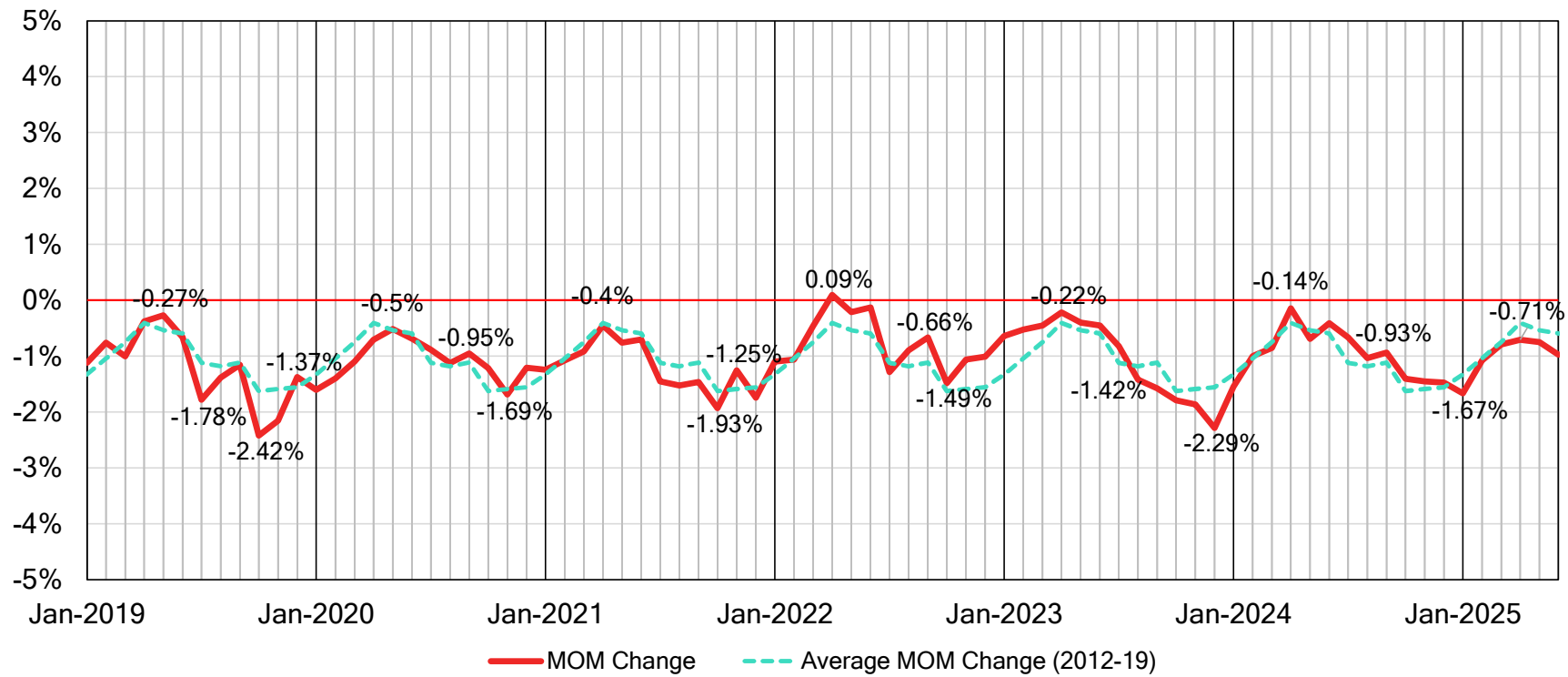
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July 2025

- Economic uncertainty related to tariffs, counter-tariffs, raw material shortages and supply chain disruptions continue to plague the vehicle market
- Unemployment has risen to 7%, its highest level since 2016 as the manufacturing sector in particular bleeds jobs
- Canada's trade deficit has hit a record level as exports dropped sharply in the face of US tariffs
- Wholesale prices have begun to drop slowly as exporters have become more disciplined at auction as to what they are willing to bid on
- New vehicles sales have slowed as consumers pulled ahead sales in Q1 in anticipation of tariff induced price increases
- Negotiations on a new Trade and Security Agreement between the US and Canada have commenced with a deadline set for mid-July

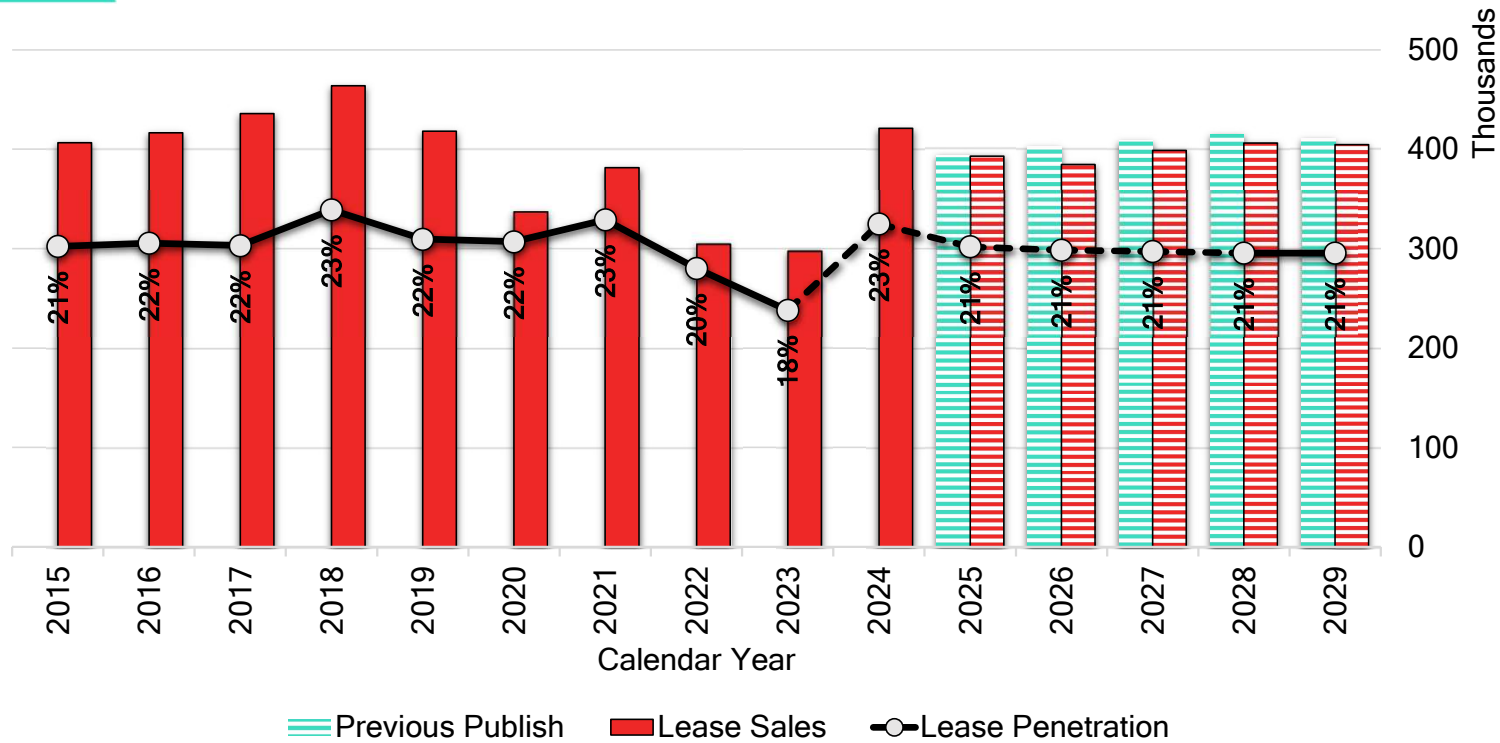
Month over Month Wholesale Price Changes 2 to 6-year-old vehicles

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- Values improved slightly versus Prior Publish

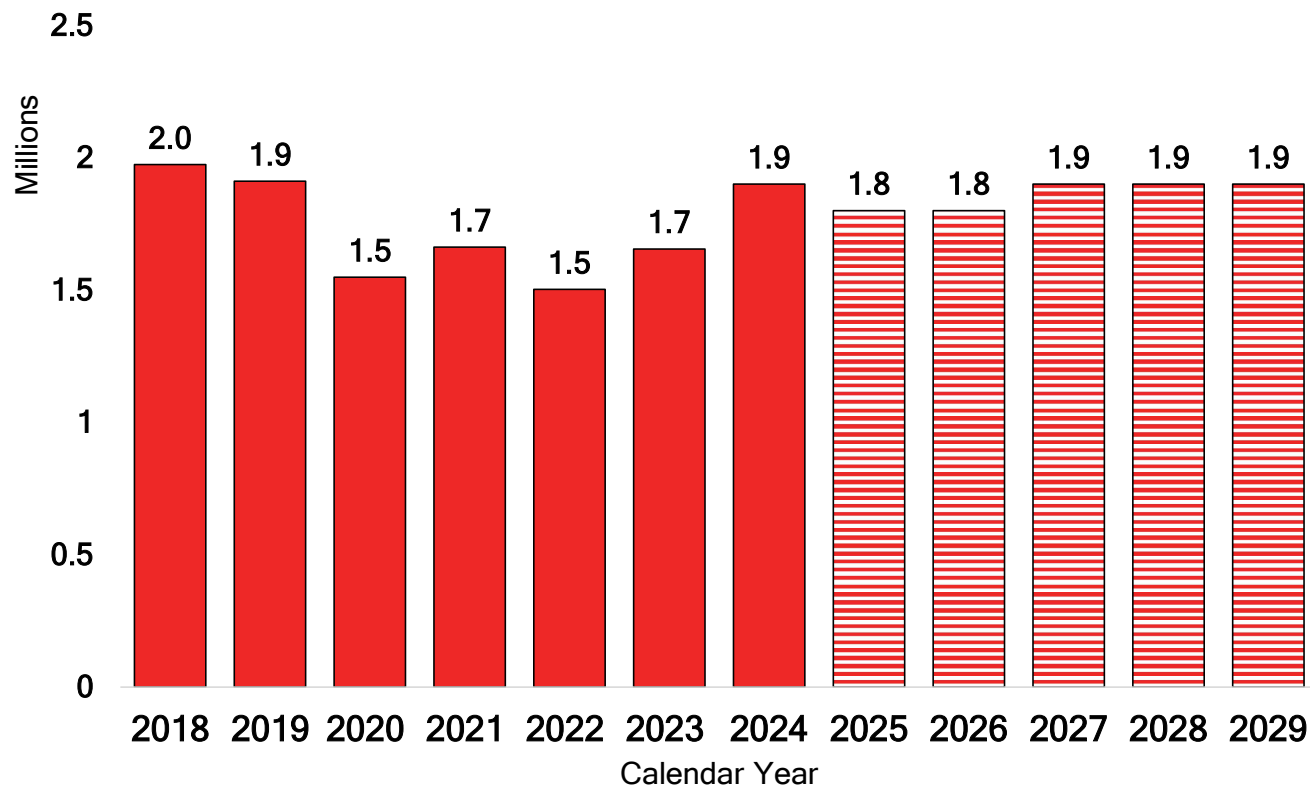
Total Lease Penetration



- CY25 Lease Penetration unchanged versus Prior Publish

New Vehicle Sales

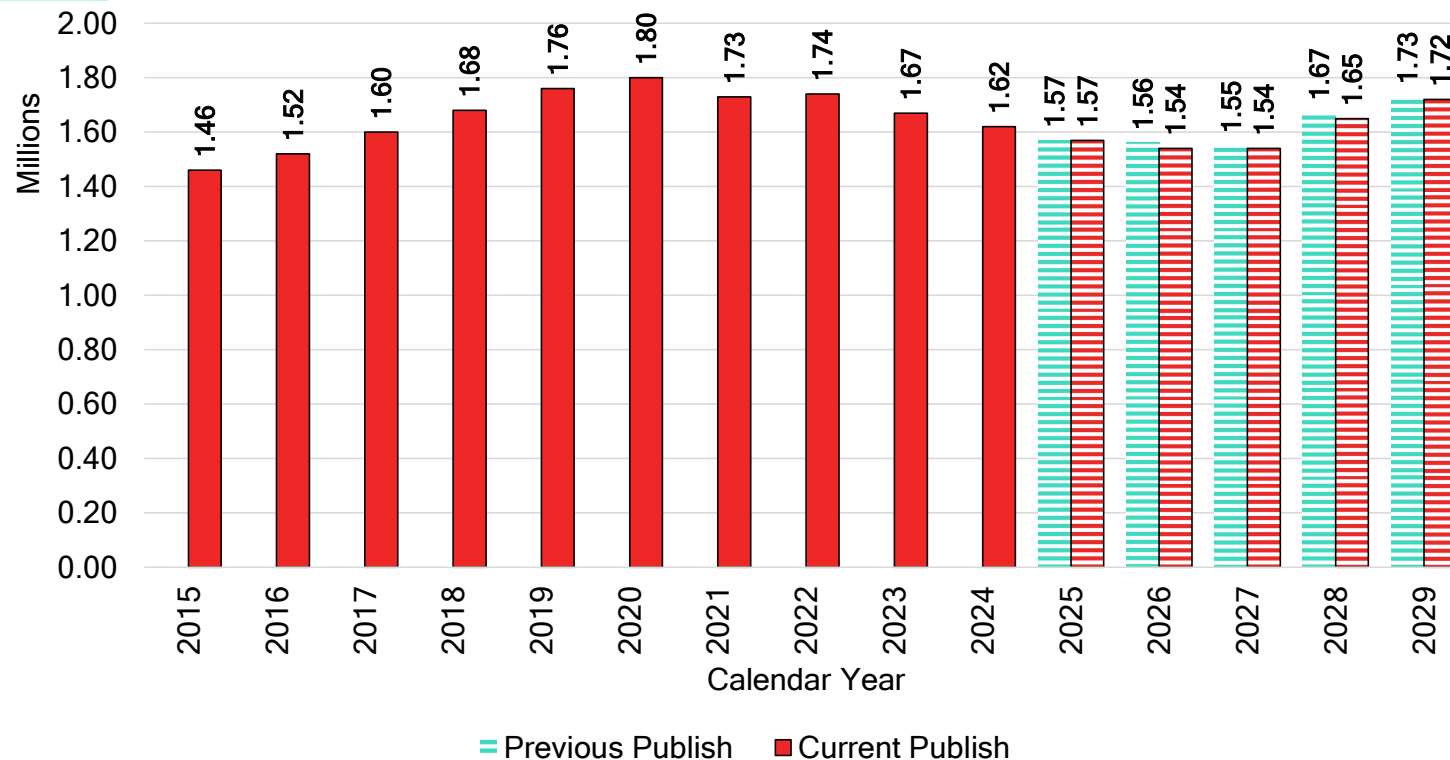
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- 2025CY forecast dropped by 100K to 1.8 million reflecting slower economic growth

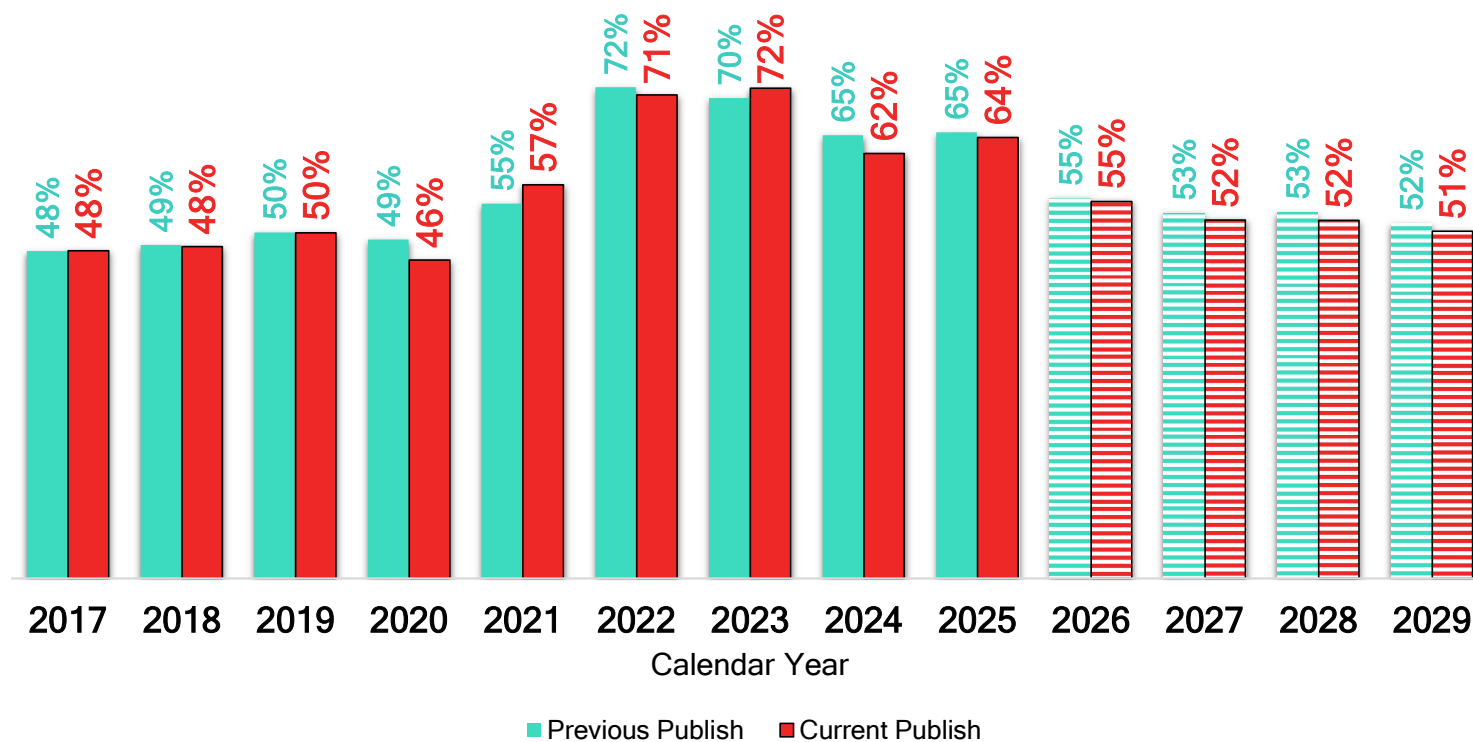
Used Vehicle Supply

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- Forecast for 2026-2029 dropped by 100K versus May due to slower growth in new vehicle sales

Average Retention of a 4-year-old Vehicle



- 2025 retention dropped slightly as overall market continues its decline
- Downward trend continues starting in 2027



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INTELLIGENT DECISIONS

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