

US Auto Sales Forecasted to Reach New Heights in 2023



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As the automotive industry embarks on the midyear mark, the stage is set for yet another promising month in the US auto sales landscape. June brings a surge of optimism, fueled by the anticipation of the month-end holiday boost. Recent data suggests that green shoots are sprouting within the auto demand environment, indicating a sustained upward trajectory in sales volume. In this blog post, we delve into the projected figures, factors contributing to the growth, and the ongoing electric vehicle revolution that continues to shape the industry.

A Promising Outlook

According to S&P Global Mobility, June 2023 is expected to witness a remarkable surge in new light vehicle sales, surpassing the year-over-year volume by an impressive 17%. This would mark the 11th consecutive month of growth, underscoring the resilience of the automotive market. With an estimated sales pace of 15.9 million units, inching closer to the 16.0-million-unit milestone, the second quarter is poised to build upon the solid volume levels of the preceding months.

Holiday Programs Boost Auto Sales

For the second month in a row, the automotive industry can rely on the support of month-end holiday programs to bolster sales volumes. This not only signifies positive signs for automakers but also alleviates concerns regarding new vehicle affordability, inventory shortages, and macroeconomic uncertainties. The fact that consumers remain in the market for new vehicles despite rising interest rates and tighter credit conditions is a testament to their unwavering demand and confidence in the industry.

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Maintaining Balance

While the inventory levels in June align with the recent trend of approximately 2.050 million vehicles, manufacturers are taking cautious steps to strike a balance between production and pricing power. The focus lies on preserving strong pricing strategies, even if it means sacrificing a rapid rebuild of inventory levels. This approach showcases their commitment to sustainability and ensuring a stable market for both consumers and producers.

A Year of Growth

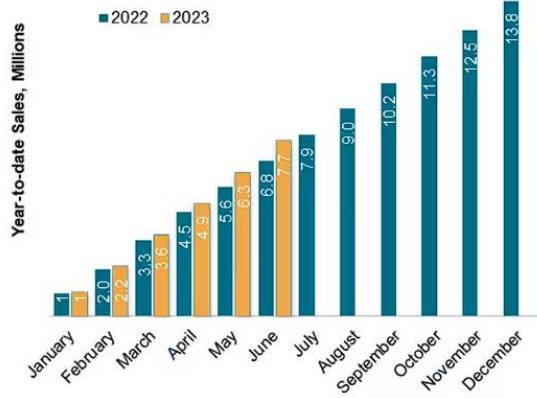
With June on the horizon, the US auto sales industry is poised for an extraordinary achievement that could surpass all expectations. If projections hold true, the year-to-date sales volume for 2023 is set to soar beyond the 7.7 million unit mark, signaling a remarkable growth rate of over 12% when compared to the same period in 2022. Notably, the second quarter alone is expected to contribute to this monumental feat, with an estimated 4.1 million units sold. This impressive figure represents a substantial increase of nearly 581,000 units from the corresponding quarter of the previous year. The industry's ability to adapt to shifting market dynamics is underscored by these extraordinary numbers, solidifying its position as a resilient force in the automotive realm.

US Light Vehicle Sales

		Jun 23 (Est)	May 23	Jun 22
Total Light Vehicle	Units, NSA	1,380,000	1,362,018	1,143,820
	In millions, SAAR	15.8	15.0	13.0
Light Truck	In millions, SAAR	12.5	11.9	10.3
Passenger Car	In millions, SAAR	3.3	3.1	2.7

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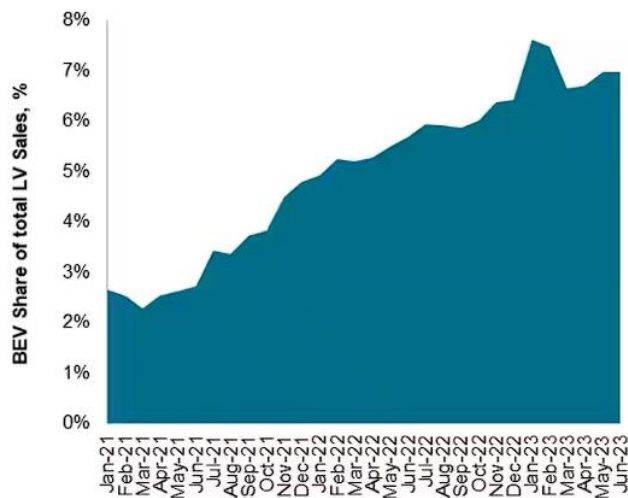
Light Vehicle Sales Comparisons



Looking Ahead

While mixed signals continue to prevail in the new vehicle demand environment, the current trend is expected to persist in the coming months. S&P Global Mobility projects that calendar year 2023 will witness a growth of 9%, equivalent to an incremental 1.2 million units, from the sales volume of 2022. One constant assumption in this evolving landscape is the continued development of battery-electric vehicle (BEV) sales.

US Battery Electric Vehicle Sales Share



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Despite some expected month-to-month volatility, the share of BEV sales in June is projected to reach 7.0%, contributing to an estimated 46% growth in year-to-date BEV sales. As the year unfolds, the industry can anticipate sustained momentum in BEV sales, driven by the introduction of new and refreshed models, aggressive production expectations, and the evolving strategies of industry leaders like Tesla.

The US auto sales industry is set to break new records in June, riding the wave of consistent growth and positive consumer sentiment. As automakers gear up for the month-end holiday programs, they can celebrate another milestone in a string of success. With the continued rise of electric vehicles and a market that remains resilient in the face of challenges, the automotive landscape of 2023 promises to be an exciting journey for both manufacturers and consumers alike.