

**J.D. Power and LMC Automotive Report:  
January Retail Light-Vehicle Sales Pace: A Favorable Start to 2014**

**WESTLAKE VILLAGE, Calif.: 23 January 2014** — Demand for new vehicles remains strong and sales growth continues, according to a monthly sales forecast developed jointly by J.D. Power and LMC Automotive.

**Retail Light-Vehicle Sales**

New-vehicle retail sales in January are expected to reach 847,400, a 3 percent increase from January 2013. The January 2014 seasonally adjusted annualized rate (SAAR) for retail sales is projected to reach 13.1 million, an increase of 400,000 units from December and 300,000 units ahead of the selling rate in January 2013.

**U.S. Retail SAAR—January 2013 to January 2014  
(in millions of units)**



Source: Power Information Network® (PIN) from J.D. Power

Retail transaction prices in January are also on track to exceed \$29,500, up nearly \$300 from January 2013, and consumer spending is expected to increase by \$1 billion vs. January 2013, which is driven by both higher prices and higher sales volume.

“We are forecasting January 2014 to have the strongest level of retail sales for a January since 2004, and transaction prices will be the highest on record for the month of January,” said John Humphrey, senior vice

president of the global automotive practice at J.D. Power. “In combination, the strong sales rate and record transaction prices are expected to result in record levels of consumer spending for the sector.”

Other noteworthy trends include strong demand for vehicles in the compact CUV segment, which currently accounts for 16.3 percent of industry retail sales, up 3.5 percentage points from last January.

“The growth of the CUV segment reflects the confluence of several factors, but most notably the availability of recently redesigned products that offer new technology and improved fuel economy,” said Humphrey. “However, gains in the compact CUV segment are coming at the expense of the midsize sedan segment, which has lost some momentum as products redesigned several years ago lose ground to newer CUV models.”

### **Total Light-Vehicle Sales**

Total light-vehicle sales in January are expected to approach 1.1 million, a 1 percent increase from January 2013, as fleet sales are expected to remain below the level of a year ago and represent less than 20 percent of total light-vehicle sales for the month.

### **J.D. Power and LMC Automotive U.S. Sales and SAAR Comparisons**

	<b>January 2014<sup>1</sup></b>	<b>December 2013</b>	<b>January 2013</b>
<b>New-Vehicle Retail Sales</b>	847,400 units (3% higher than January 2013)	1,138,815 units	822,018 units
<b>Total Vehicle Sales</b>	1,056,100 units (1% higher than January 2013)	1,357,044 units	1,043,274 units
<b>Retail SAAR</b>	13.1 million units	12.7 million units	12.8 million units
<b>Total SAAR</b>	15.9 million units	15.3 million units	15.2 million units

<sup>1</sup>Figures cited for January 2014 are forecasted based on the first 15 selling days of the month.

### **Sales Outlook**

As projected, 2013 total light-vehicle sales finished at 15.6 million units, and January 2014 is also in line with initial expectations. Therefore, LMC Automotive is holding the forecast for 2014 at a modest increase of 600,000 units from 2013 to 16.2 million units for the total light-vehicle market. Retail light-vehicle sales are expected to reach 13.3 million units in 2014.

“All systems are a go for a strong and stable U.S. auto market in 2014, with risk of not achieving modest growth diminished,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. “We look for economic growth, a robust level of lease maturities, 70 percent more new model launches and an increase in consumers’ willingness to spend to be the major drivers of growth in 2014.”

### **North American Production**

Vehicle production in North America ended 2013 at 16.1 million units, an increase of 5 percent from 2012, which represents 750,000 units of additional volume. The month of December kept pace with the annual 5 percent increase, with volume at 1.1 million units, 50,000 units stronger than in December 2012.

Inventory levels retreated from the highs in the fourth quarter of 2013, with the overall industry beginning 2014 at a 63-day supply, down from the 77-day supply at the start of December. Every manufacturer across the industry experienced a decline in supply levels as we start 2014; however, the Detroit Three are collectively running with a higher supply than the other manufacturers (77 days vs. the industry average of 63 days), which is consistent with a higher truck mix and the ramp-up of several launches.

“While inventory will need to be closely watched and managed, the concerns over excess inventory were likely overblown and it is not expected to be a problem in 2014,” said Schuster.

Production in North America is expected to continue to increase in 2014, but with a slowdown in the rate of growth. LMC Automotive is maintaining the current forecast of 16.6 million units for the year, a 4 percent increase from 2013. First-quarter 2014 production is expected to grow to 4.2 million units, the highest level for a first quarter since 2000.

#### **About J.D. Power**

J.D. Power is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. Headquartered in Westlake Village, Calif., J.D. Power has offices in North/South America, Europe and Asia Pacific. For more information on car reviews and ratings, car insurance, health insurance, cell phone ratings, and more, please visit [JDPower.com](http://JDPower.com). J.D. Power is a business unit of McGraw Hill Financial.

#### **About McGraw Hill Financial**

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#### **About LMC Automotive**

LMC Automotive, formerly J.D. Power Automotive Forecasting, is the premier supplier of automotive forecasts and intelligence to an extensive client base of automotive manufacturer, component supplier, logistics and distribution companies, as well as financial and government institutions around the world. LMC’s global forecasting services encompass automotive sales, production and powertrain expertise, as well as advisory capability. LMC Automotive has offices in the United States, the UK, Germany, China and Thailand and is part of the Oxford, UK-based LMC group, the global leader in economic and business consultancy for the agribusiness sector. For more information please visit [www.lmc-auto.com](http://www.lmc-auto.com).

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