

New-Vehicle Sales To Jump 5.4 Percent In October, According To Kelley Blue Book

Rising Incentive Spend Reveals Slowing in Growth from Recent Years; Jeep Cherokee Driving Fiat Chrysler Success

IRVINE, Calif., Oct. 27, 2014 /PRNewswire/ -- [New-vehicle sales](#) are expected to increase 5.4 percent year-over-year to a total of 1.27 million units, resulting in an estimated 16.3 million seasonally adjusted annual rate (SAAR), according to Kelley Blue Book www.kbb.com, the only vehicle valuation and information source trusted and relied upon by both consumers and the automotive industry. October is typically the second weakest month of the year for sales, only above January. Many consumers take advantage of Labor Day deals in September, or wait for Black Friday and other holiday sales in the coming months.



"One cause for concern is the rising levels of incentive spend in the industry, which in recent months has drifted close to an average of \$3,000 per vehicle," said Alec Gutierrez, senior analyst for Kelley Blue Book. "The ratio of incentive spend to average transaction prices is at its highest since 2010, but remains below pre-recession levels. Since inventory levels have remained consistent, this isn't a red flag quite yet, but it does underline that the natural industry growth we've had in recent years is slowing."

Key Highlights for Estimated October 2014 Sales Forecast:

- In October, new light-vehicle sales, including fleet, are expected to hit 1,270,000 units, up 5.4 percent from October 2013 and up 2.2 percent from September 2014.
- The seasonally adjusted annual rate (SAAR) for October 2014 is estimated to be 16.3 million, up from 15.3 million in October 2013 and even with 16.3 million in September 2014.
- Retail sales are expected to account for 84 percent of volume in October 2014, down from 85 percent in October 2014.

Jeep Cherokee Driving Fiat Chrysler Automobiles' Impressive Growth

The newly minted Fiat Chrysler Automobiles should enjoy another strong month in October with expected growth approaching 20 percent. Once again, the majority of its growth is attributed to the Jeep Cherokee, which launched late last year. If you exclude the Jeep Cherokee, Fiat Chrysler's impressive growth in 2014 drops from 14.7 percent to 5.2 percent.

Nissan North America also is expected to post double-digit growth, making great strides this year in the small car segments, which is especially notable considering there isn't much strength in these segments. The Versa is up 20 percent, while subcompacts are up 4.5 percent, and the Sentra has increased 44 percent, while compact cars are only up 1.7 percent.

Manufacturer	Sales Volume ¹			Market Share ²		
	Oct-14	Oct-13	YOY %	Oct-14	Oct-13	YOY %
General Motors (Buick, Cadillac, Chevrolet, GMC)	236,000	226,402	4.2%	18.6%	18.8%	-0.2%
Ford Motor Company (Ford, Lincoln)	185,000	191,267	-3.3%	14.6%	15.9%	-1.3%
Toyota Motor Company (Lexus, Scion, Toyota)	179,000	168,976	5.9%	14.1%	14.0%	0.1%
Fiat Chrysler (Chrysler, Dodge, FIAT, Jeep, RAM)	167,000	140,083	19.2%	13.1%	11.6%	1.5%
American Honda (Acura, Honda)	120,000	114,538	4.8%	9.4%	9.5%	-0.1%

Nissan North America (Infiniti, Nissan)	102,000	91,018	12.1%	8.0%	7.6%	0.5%
Hyundai-Kia	99,000	93,309	6.1%	7.8%	7.7%	0.0%
Volkswagen Group (Audi, Volkswagen, Porsche)	46,000	44,692	2.9%	3.6%	3.7%	-0.1%
Total ³	1,270,000	1,205,176	5.4%	-	-	-

¹ Historical data from OEM sales announcements

² Kelley Blue Book Automotive Insights

³ Includes brands not shown

Big Gains Expected for Domestic Pickups as Ford Manages Remaining F-Series Inventory

Models like the Toyota RAV4, Subaru Forester and Nissan Rogue are expected to help compacts SUVs remain the industry's fastest growing segment. As a result of consumers opting for these small utility vehicles, market share for compact and mid-size cars will continue to fall.

"As Ford is forced to manage their inventory of the F-Series, we wonder if Fiat Chrysler and General Motors will make the most of the market opportunity," said Gutierrez. "Big gains are expected from the RAM pickup and solid numbers should be reported for both the Chevrolet Silverado and GMC Sierra."

Segment	Sales Volume ¹			Market Share		
	Oct-14	Oct-13	YOY %	Oct-14	Oct-13	YOY %
Mid-Size Car	180,000	172,199	4.5%	14.2%	14.3%	-0.1%
Full-Size Pickup Truck	174,000	164,372	5.9%	13.7%	13.6%	0.1%
Compact Car	166,000	160,699	3.3%	13.1%	13.3%	-0.3%
Compact SUV/Crossover	159,000	139,904	13.6%	12.5%	11.6%	0.9%
Entry-level Luxury Car	67,000	68,123	-1.6%	5.3%	5.7%	-0.4%
Total ²	1,270,000	1,205,176	5.4%	-	-	-

¹ Kelley Blue Book Automotive Insights

² Includes segments not shown

There are 27 sales days in October 2014, compared to 27 sales days in October 2013. All percentages are based on raw volume, not daily selling rate.

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