S&P Global Mobility: September US auto sales reflect pressures of current market conditions; projection of 1.3 million units

Demand remains static, with current events casting a shadow over potential Q4 momentum

SOUTHFIELD, Mich., Sept. 26, 2023 /PRNewswire/ -- US light vehicle sales in September should remain relatively unchanged from the month-prior result, according to S&P Global Mobility, which projects sales volume of 1.30 million units for the month. For optimists, that auto sales levels remain steady in wake of still palpable "affordability" issues of rising interest rates and slow-to-decelerate new vehicle pricing levels are a good sign. For pessimists, the daily selling rate metric in September will reflect continued deceleration from the monthly readings realized from March-July.

For certain, the outlook for the remainder of the 2023 remains even cloudier given the UAW strike against GM, Ford and Stellantis. While sales impacts for September are limited, the production disruptions caused by the strike will have ramifications for potential sales levels moving through the fourth quarter. Impact will be determined by the length and expansion of shutdowns beyond the current plants.

"Impacts from the UAW strike will be immediate in regard to US vehicle assembly volumes, however sales impacts primarily by way of dwindling inventory on specific models and secondarily via potential for sustained high vehicle pricing, will be lagged, and dependent on the breadth and depth of the respective plant shutdowns," reports Chris Hopson, principal analyst at S&P Global Mobility. "Light vehicle sales in September are projected to reflect an unspectacular SAAR of 15.2 million units, reflective of the current market conditions."

According to Joe Langley, associate director at S&P Global Mobility, "While the UAW strike started with three vehicle assembly plants, it signifies the beginning of a potentially long-lasting and damaging strike. This strategy aims to gradually intensify pressure on the manufacturers in the coming weeks with more plants expected to strike. With the three plants on strike along with the related effects of the impact on other facilities, our current estimates of daily losses stand at just over 4,000 units (assuming straight time). Further UAW strike actions could ultimately lead to cumulative losses reaching hundreds of thousands of units."

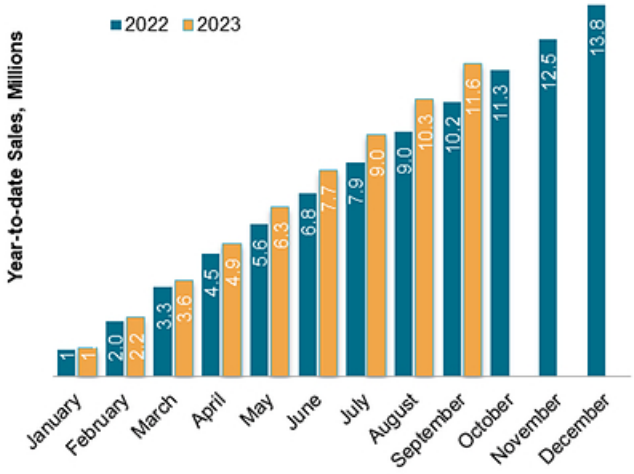
Regarding inventory levels, which will be a closely followed metric if/when the UAW strike is sustained, the industry continues its year-long trend of seeing dealer advertised inventories drop at month-end, then surge through the first two weeks of the following month.

"However, if you smooth the peaks and valleys to a trend line, it is a pretty stable climb of about 50,000 units of incremental inventory per month this year," said Matt Trommer, associate director of Market Reporting at S&P Global Mobility. Available dealer advertised inventories – not counting listed vehicles that have sold – were at 1.6 million as of the week of Dec 22, 2022, and have since increased to 1.966 million as of the end of the week of Sept 11.

US Light Vehicle Sales

		Sep 23 (Est)	Aug 23	Sep 22
Total Light Vehicle	Units, NSA	1,297,000	1,328,526	1,124,297
	In millions, SAAR	15.2	15.0	13.6
Light Truck	In millions, SAAR	12.1	12.0	10.7
Passenger Car	In millions, SAAR	3.1	3.0	2.9
Source: S&P Global Mobility (Est), U.S. Bureau of Economic Analysis				

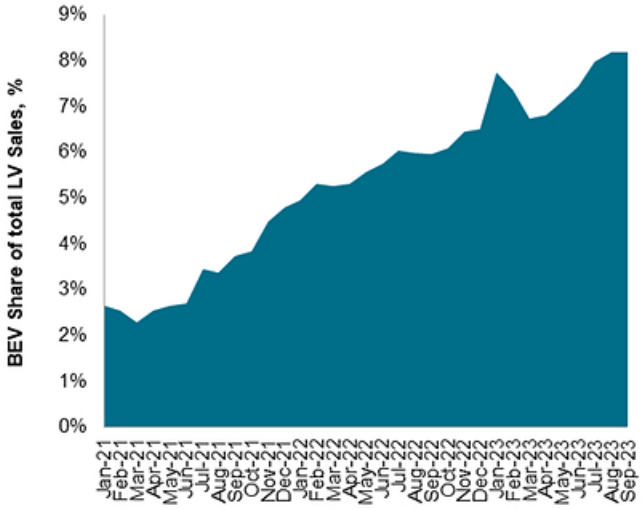
Light Vehicle Sales Comparisons



Source: US Bureau of Economic Analysis and S&P Global Mobility.
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Continued development of battery-electric vehicle (BEV) sales remains a constant assumption for 2023 although some month-to-month volatility is expected. September 2023 BEV share is expected to reach 8.2%, similar to the month prior reading and pushing year-to-date BEV sales growth to an estimated 53%. Looking at the remainder of the year, beyond potential future pricing developments by Tesla, a sustained churn of new and refreshed BEVs will continue to promote BEV sales as the year progresses.

US Battery Electric Vehicle Sales Share



Source: S&P Global Mobility.
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