



Blue Book

MARKET REPORT

FIRST QUARTER 2018

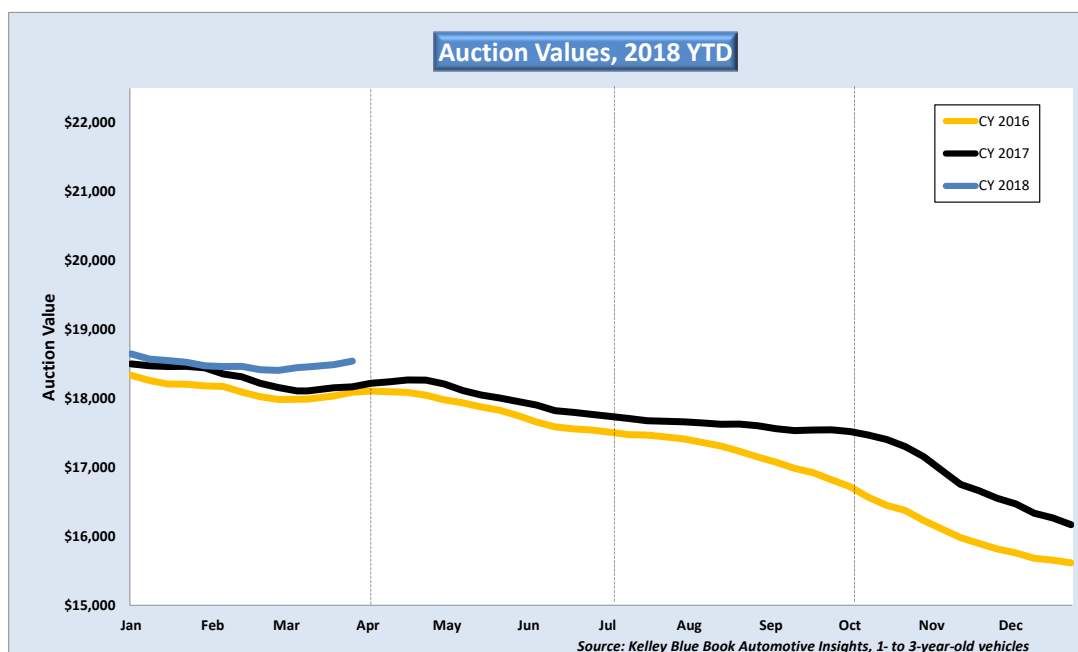
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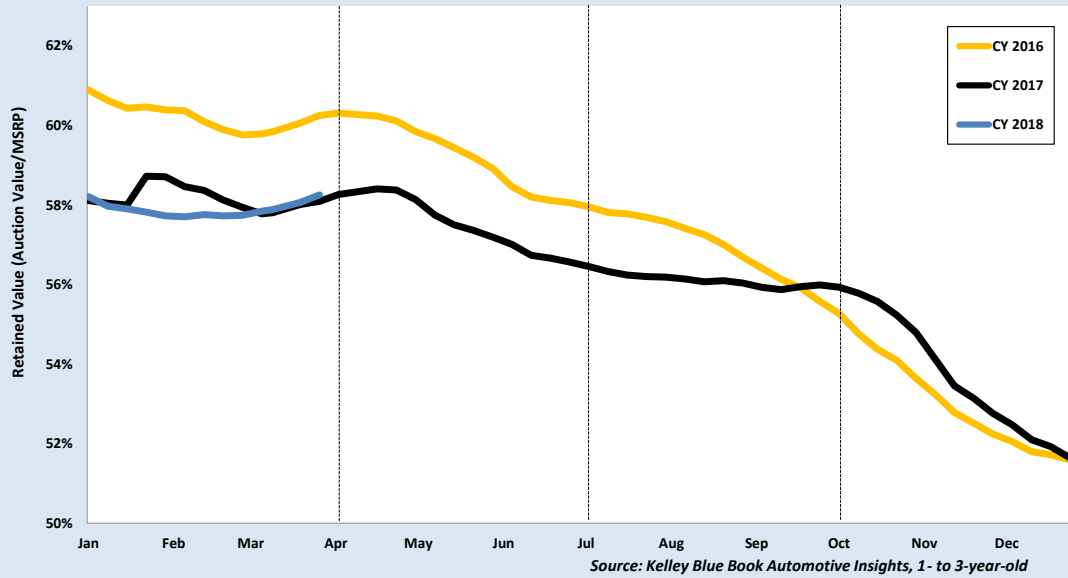
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Wholesale Market Showed Strength in Q1 2018 with New Tax Bill Driving Up Demand

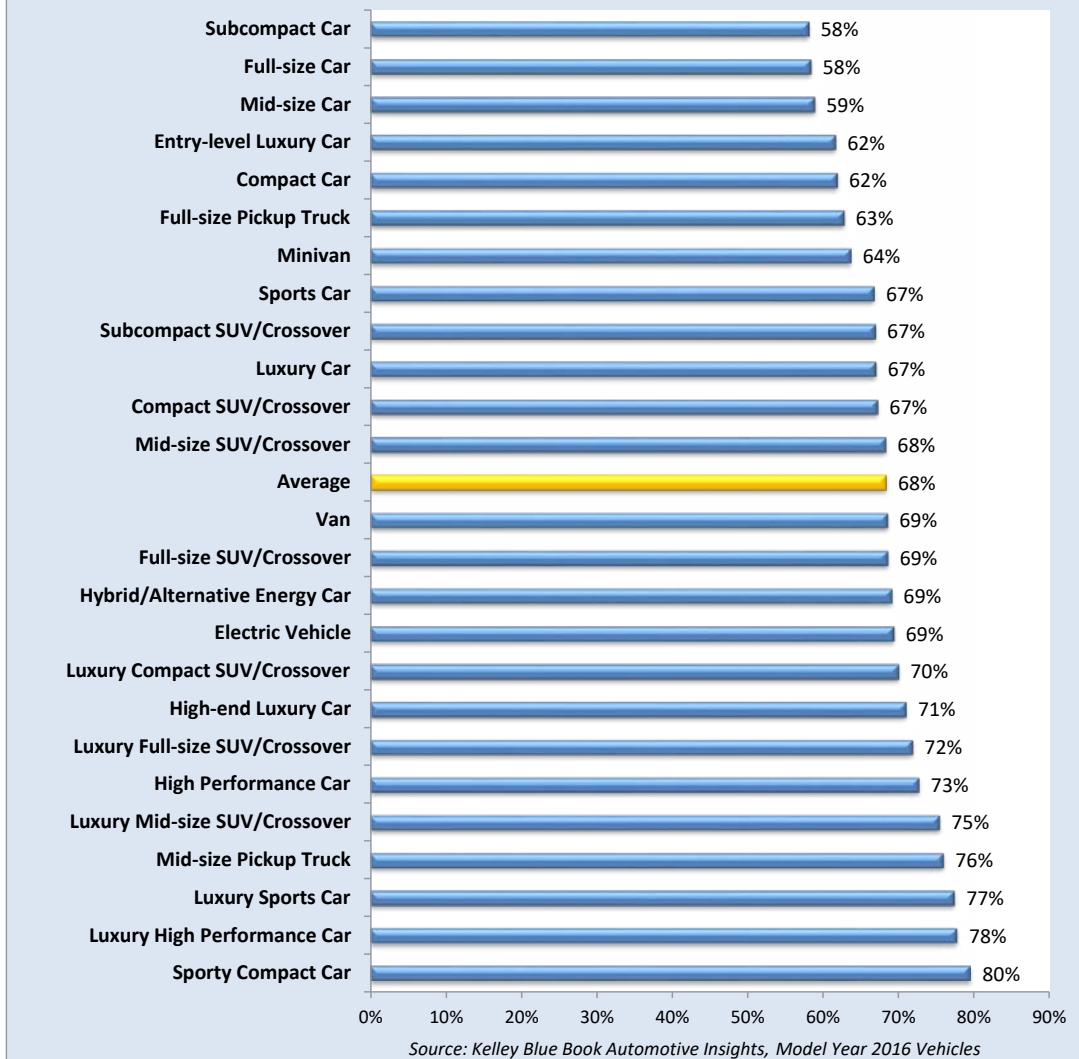
- The used-car market remained strong in the first quarter of 2018, falling only 0.6 percent compared to 2017, when Kelley Blue Book® Auction Values fell 2 percent, or \$332 per unit. The recent change in the tax bill provided many consumers with a considerable amount of disposable income for purchasing vehicles and influenced high demand for buyers at auction.
- Retention values for 1- to 3-year-old vehicles climbed 0.1 percent in Q1, ending the quarter with a 0.2 percent year-over-year gain. Wholesale retention values are looking to stay strong up until the start of summer, and then they generally drop quickly from seasonal factors.
- Market value disparity between cars and SUVs/crossovers were evident in Q1 2018, as cars experienced an 8.8 percent decrease year-over-year in retention values, while SUVs/crossovers saw a 5.7 percent increase year-over-year. Relatively low retail fuel prices and a stable economy has favored SUVs/crossovers in recent years and this trend is expected to continue. Used-car values in the second quarter of 2018 are expected to follow in a similar trend to 2017, but the drop may be delayed due to the current strength in demand.
- Hybrid and electric vehicles distinctively saw the biggest increase in wholesale values in Q1 2018, due to their increasing popularity and demand amidst increasing gas prices, ending the quarter up 14.4 percent for electric vehicles and 7.9 percent for hybrid vehicles.
- MINI and FIAT experienced the highest increase in year-over-year retention values among non-luxury brands in Q1 2018, with MINI at an impressive 13 percent and FIAT at 9 percent, driven by unusually high demand compared to 2017. On the luxury side, BMW and Cadillac experienced a moderate 5 percent increase in year-over-year retention values among luxury brands, followed closely by Jaguar, up 4 percent. These luxury brands have a competitive mix of cars and SUVs in their lineups, which helps drive these gains.
- The U.S. Energy Information Administration forecasted regular gasoline retail prices are expected to be an average of \$2.71 per gallon during the summer driving season, up compared to last year's average of \$2.41 per gallon.



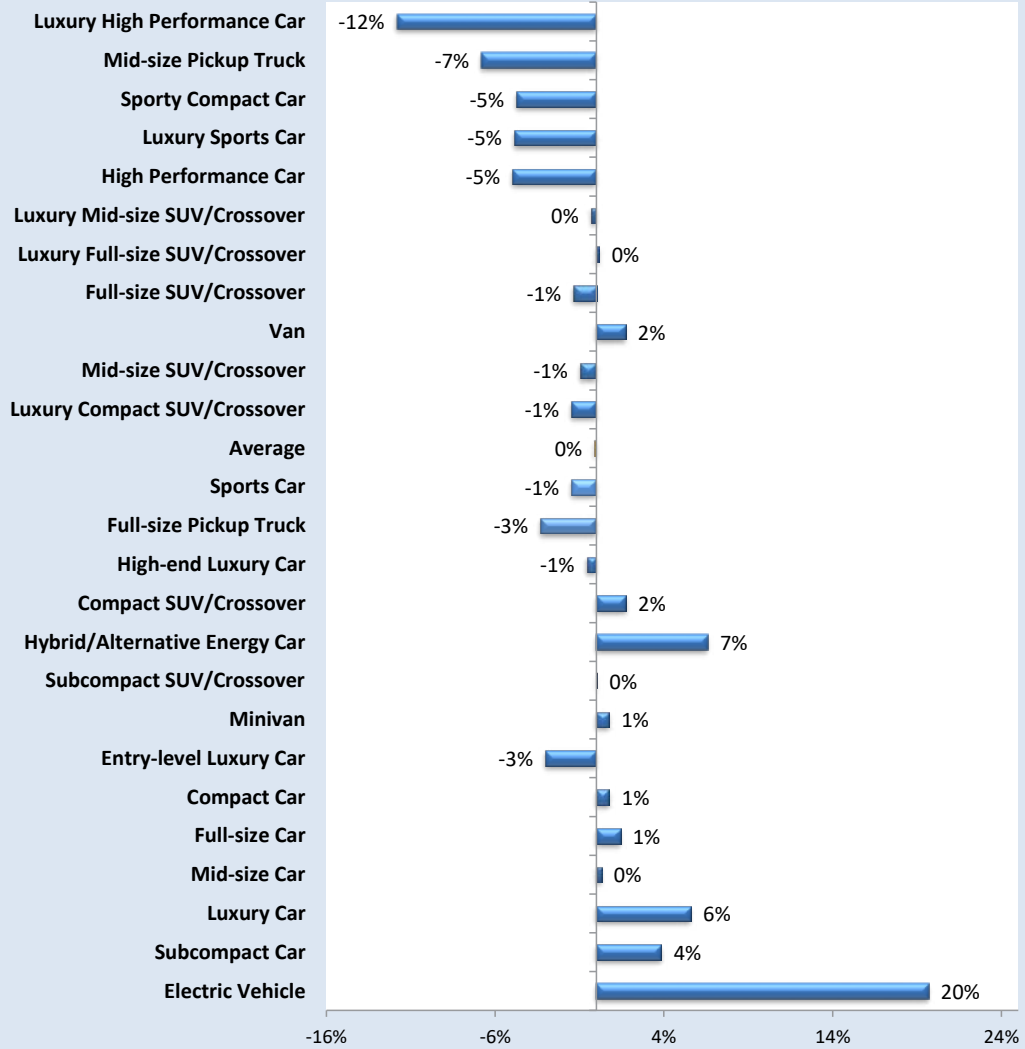
Retained Value, 2018 YTD



Retained Value, MY 2017

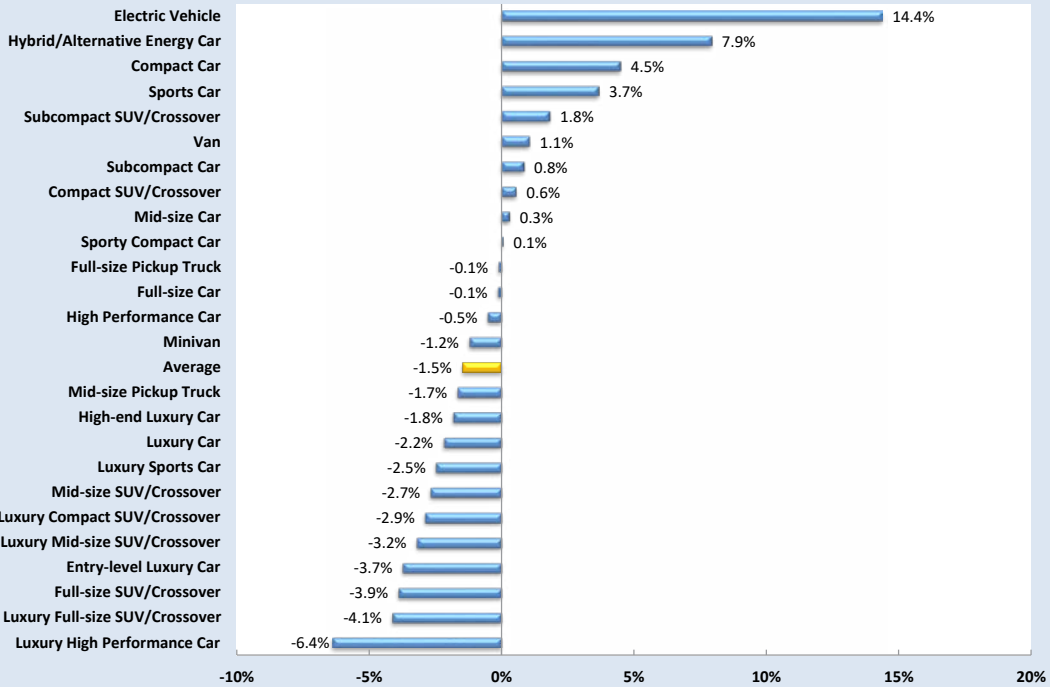


Year-over-Year Point Change, Retained Value



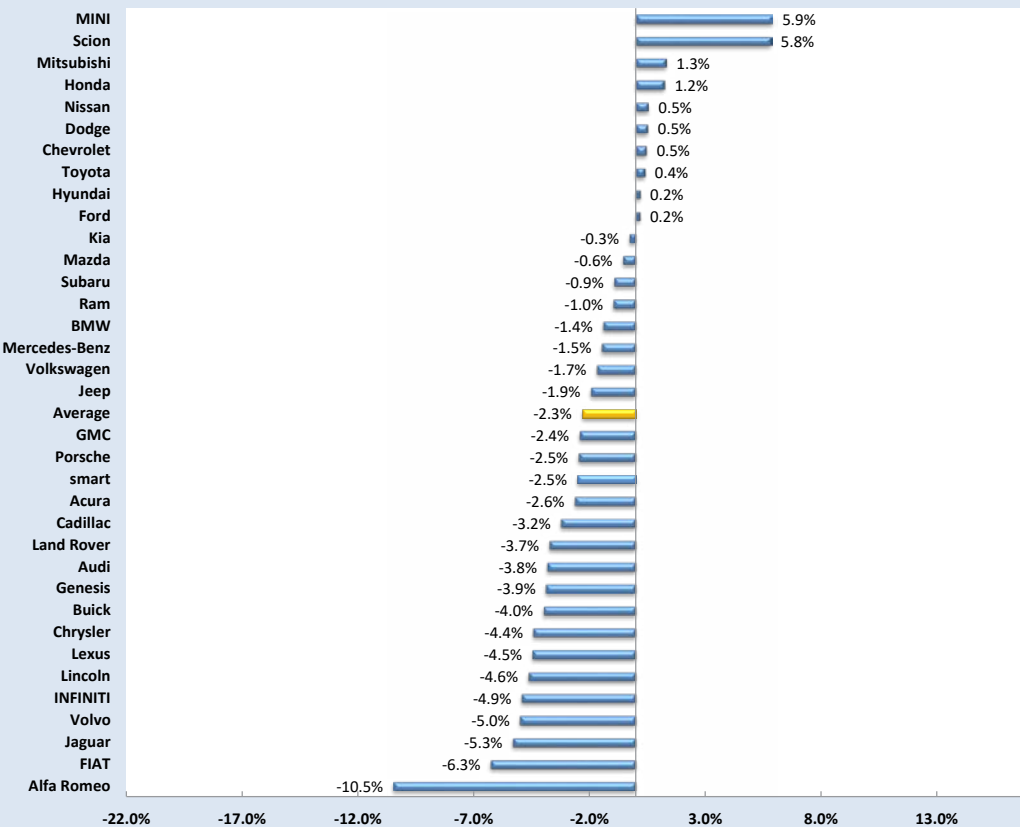
Source: Kelley Blue Book Automotive Insights, Model Year 2016 vs 2015

Q1 to Date Change (%) by Segment



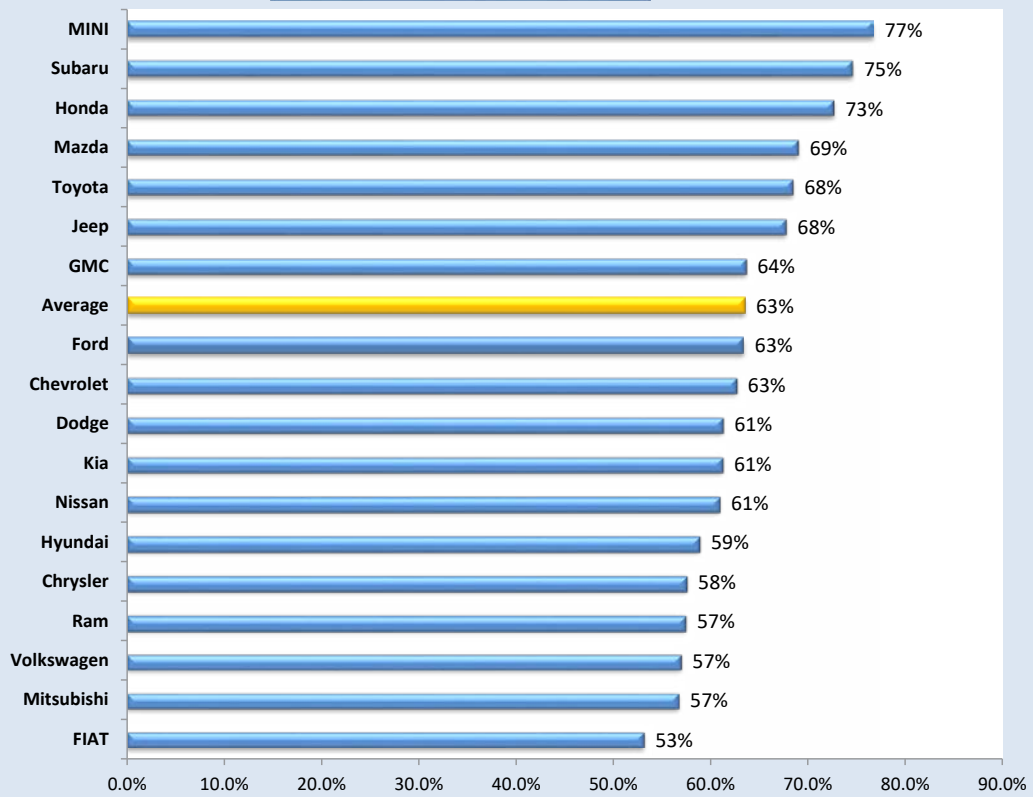
Source: Kelley Blue Book Automotive Insights, 1 to 3 year old

Q1 to Date Change (%) by Manufacturer



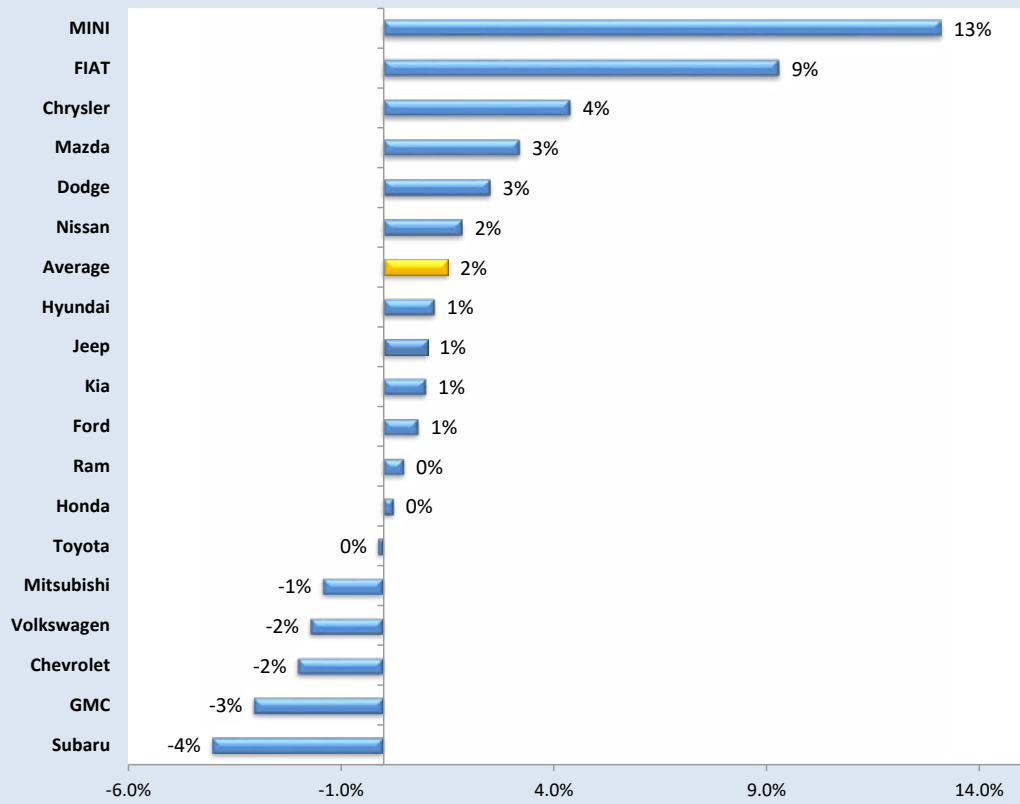
Source: Kelley Blue Book Automotive Insights, 1 to 3 year old

Retained Value, MY 2017 Non-Luxury Brands



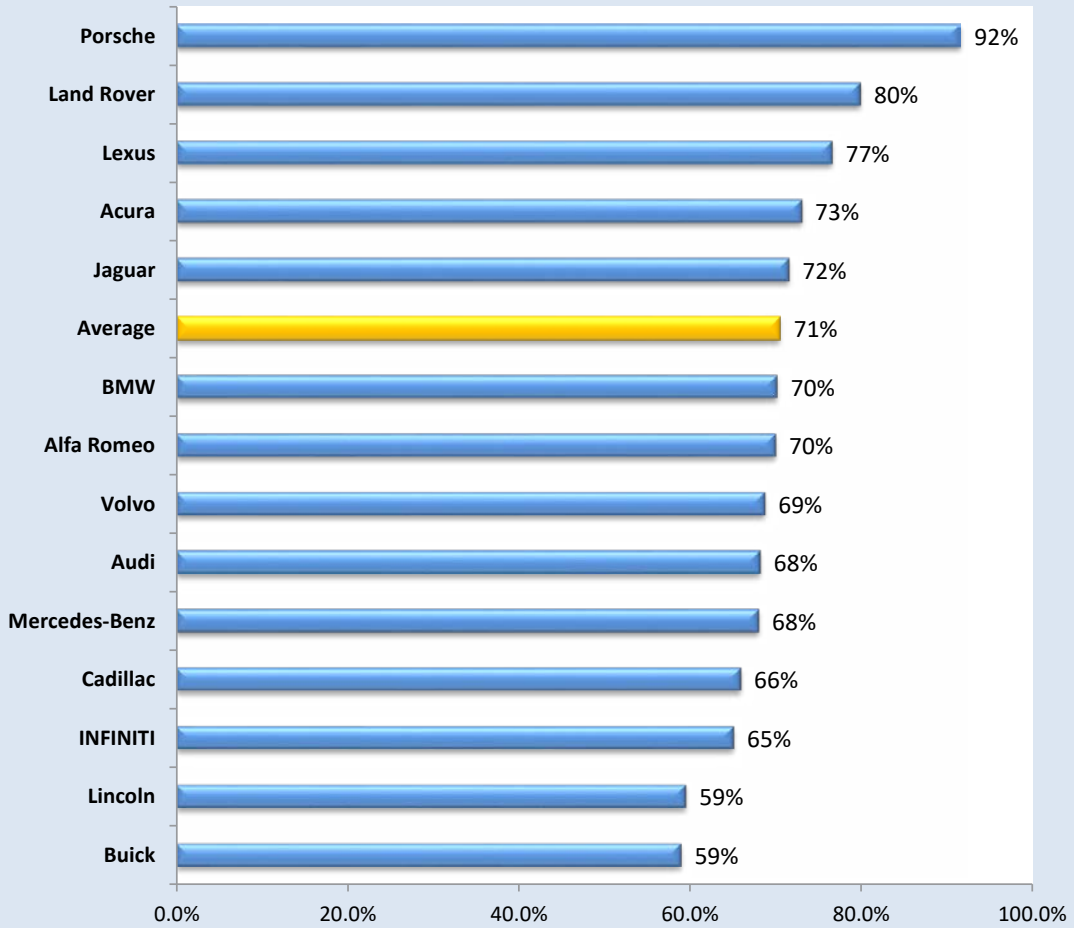
Source: Kelley Blue Book Automotive Insights, Model Year 2016

Year-over-Year Point Change, Retained Value Non-Luxury Brands



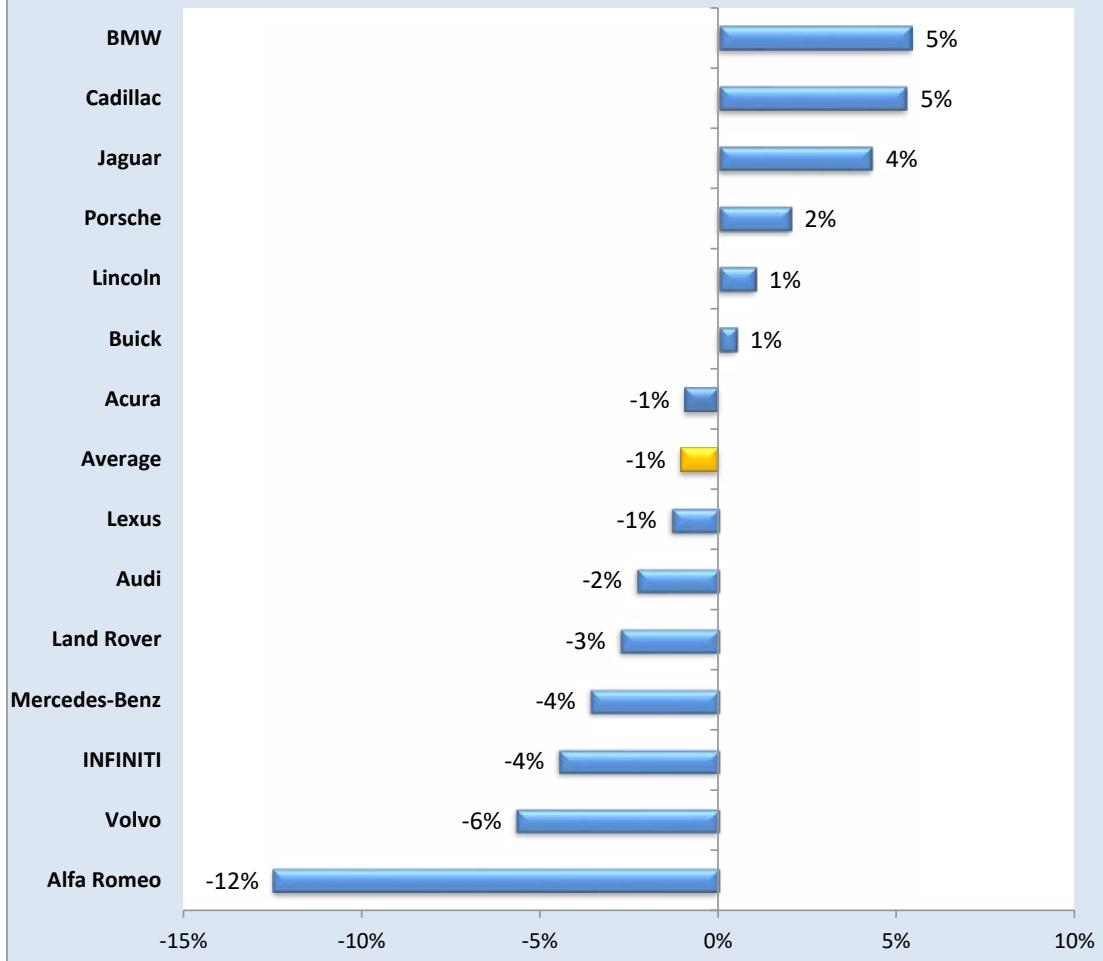
Source: Kelley Blue Book Automotive Insights, Model Year 2016 vs 2015

Retained Value, MY 2017 Luxury Brands

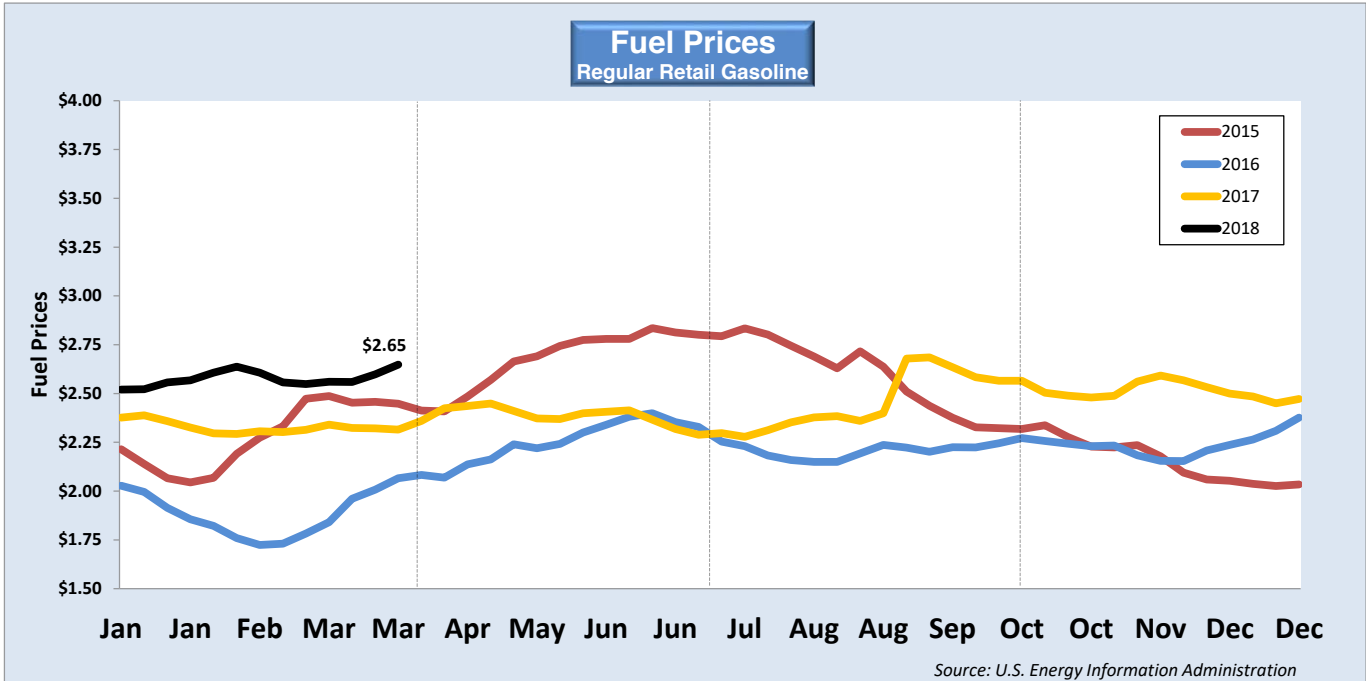


Source: Kelley Blue Book Automotive Insights, Model Year 2016

Year-over-Year Point Change, Retained Value Luxury Brands



Source: Kelley Blue Book Automotive Insights, Model Year 2016 vs 2015



Average Fuel Prices By Month (\$)														
Year	Chart (Hi/Lo)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018		\$2.55	\$2.59	\$2.59										
2017		\$2.37	\$2.30	\$2.32	\$2.42	\$2.39	\$2.36	\$2.31	\$2.38	\$2.63	\$2.51	\$2.55	\$2.49	\$2.42
2016		\$1.98	\$1.76	\$1.93	\$2.11	\$2.25	\$2.36	\$2.21	\$2.18	\$2.22	\$2.25	\$2.18	\$2.28	\$2.14
2015		\$2.14	\$2.22	\$2.46	\$2.47	\$2.72	\$2.80	\$2.79	\$2.67	\$2.41	\$2.29	\$2.18	\$2.04	\$2.43

Top 5 Performing Segments - Auction Value	
SEGMENT	Q1 Change (%)
Electric Vehicle	14.4%
Hybrid/Alternative Energy Car	7.9%
Compact Car	4.5%
Sports Car	3.7%
Subcompact SUV/Crossover	1.8%
<i>MY 2015 - 2017, Kelley Blue Book Auction Value</i>	
Bottom 5 Performing Segments - Auction Value	
SEGMENT	Q1 Change (%)
Luxury High Performance Car	-6.4%
Luxury Full-size SUV/Crossover	-4.1%
Full-size SUV/Crossover	-3.9%
Entry-level Luxury Car	-3.7%
Luxury Mid-size SUV/Crossover	-3.2%
<i>MY 2015 - 2017, Kelley Blue Book Auction Value</i>	

Top 5 Performing Brands - Auction Value	
MAKE	Q1 Change (%)
MINI	5.9%
Scion	5.8%
Mitsubishi	1.3%
Honda	1.2%
Nissan	0.5%
<i>MY 2015 - 2017, Kelley Blue Book Auction Value</i>	
Bottom 5 Performing Brands - Auction Value	
MAKE	Q1 Change (%)
Alfa Romeo	-10.5%
FIAT	-6.3%
Jaguar	-5.3%
Volvo	-5.0%
INFINITI	-4.9%
<i>MY 2015 - 2017, Kelley Blue Book Auction Value</i>	

Top 10 Performing Models - Auction Value		
MAKE	MODEL	Q1 Chang
MINI	Countryman	24.5%
BMW	i3	22.2%
Mercedes-Benz	B-Class	20.1%
Kia	Cadenza	17.0%
Kia	Forte	12.0%
Dodge	Viper	10.6%
Ram	C/V Tradesman	10.0%
Ford	Focus	9.9%
Toyota	Prius	9.5%
Chevrolet	Express 2500 Cargo	8.8%
<i>MY 2015 - 2017, Kelley Blue Book Auction Value</i>		
Bottom 10 Performing Models - Auction Value		
MAKE	MODEL	Q1 Chang
Jaguar	XF	-11.9%
BMW	i8	-10.4%
Cadillac	XTS	-9.5%
INFINITI	Q70	-9.2%
Audi	R8	-8.0%
Lincoln	Navigator	-7.8%
Ford	Expedition	-7.8%
INFINITI	Q50	-7.5%
Kia	K900	-7.3%
Volkswagen	Tiguan	-6.9%
<i>MY 2015 - 2017, Kelley Blue Book Auction Value</i>		

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