

Appraiser Blog

# Auto Market Update Week Ending Aug 05, 2023



By Tony Rached

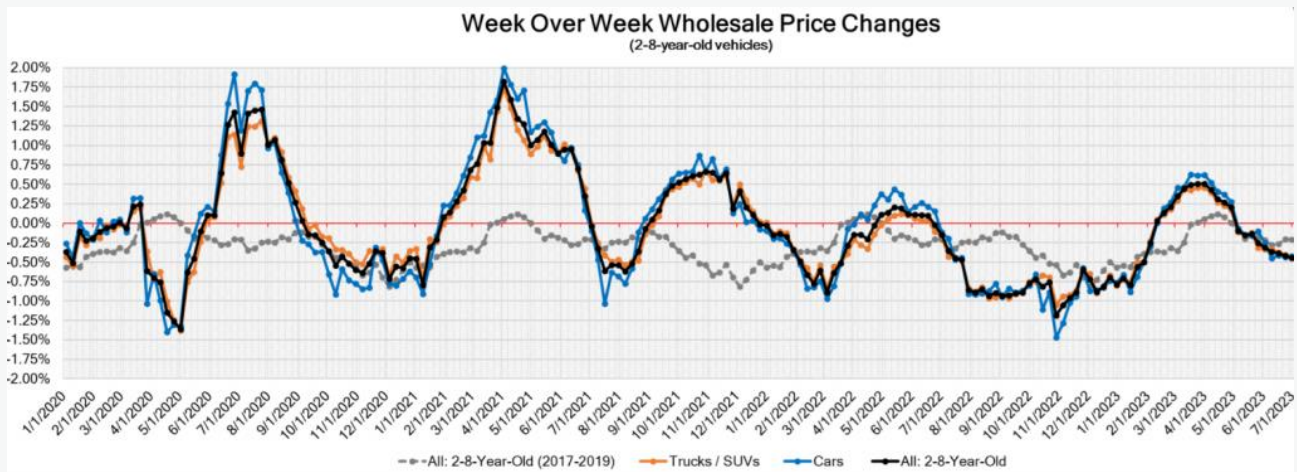
## Auto Market Update Week Ending Aug 05, 2023

**Friday, August 11, 2023**

In a captivating twist of events, the automotive market encountered a seismic shift in the first week of August, sending ripples across wholesale prices and igniting discussions about the industry's trajectory. After a triumphant three-month stretch of intensified wholesale price reductions, the market experienced its most substantial single-week drop since the bygone days of October.

The week culminated with an overall decline of -1.10%, echoing throughout various segments and age groups. Interestingly, while the more affordable older models stood their ground, their decline was less pronounced compared to the rest of the market. Amidst these fluctuations, retail asking prices tread cautiously, exhibiting a gentler descent, painting a picture of a market grappling to define its newfound equilibrium in both wholesale and retail realms.

	This Week	Last Week	2017-2019 Average (Same Week)
Car segments	-1.36%	-0.27%	-0.31%
Truck & SUV segments	-0.98%	-0.41%	-0.20%
<b>Market</b>	<b>-1.10%</b>	<b>-0.37%</b>	<b>-0.25%</b>



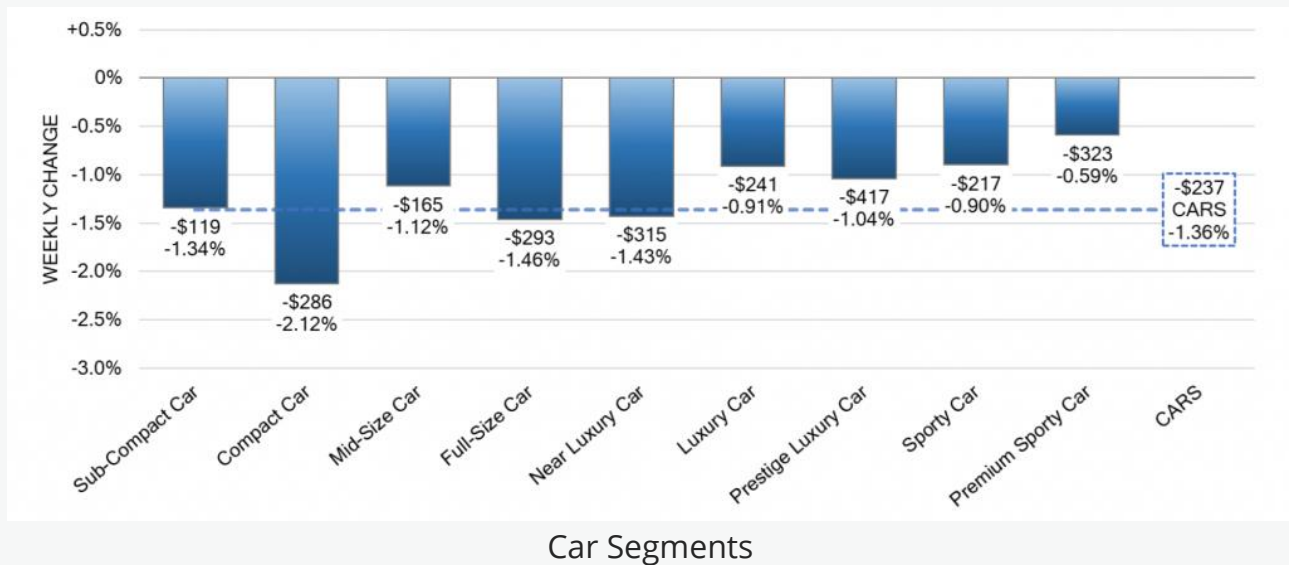
Week Over Week Wholesale Price Changes

## Car Segments

The intricate dance of numbers within the Car segment revealed an intriguing narrative. Embracing a volume-weighted perspective, the Car segment witnessed a notable decline of -1.36%, an unmistakable contrast from the previous week's modest reduction of -0.27%. Delving further into the age spectrum, the 0-to-2-year-old Car segments bore the brunt of a -1.13% drop, while their more seasoned counterparts, the 8-to-16-year-old Cars, experienced a milder -1.02% downturn. A unanimous chorus of decline resonated across all nine Car segments, each contributing to the unfolding tableau.

Amongst the symphony of change, the Compact Car segment emerged as a protagonist, navigating an eye-catching descent of -2.12%. In juxtaposition, the prior week had witnessed a more tempered -0.66% shift. Impressively, the Compact Car segment is now weaving through its eleventh consecutive week of declines, touting an average weekly shift of -0.67%. In a dramatic twist, the Premium Sporty Car segment showcased the smallest dip of -0.59% last week, concealing a story of its most substantial decline since February.

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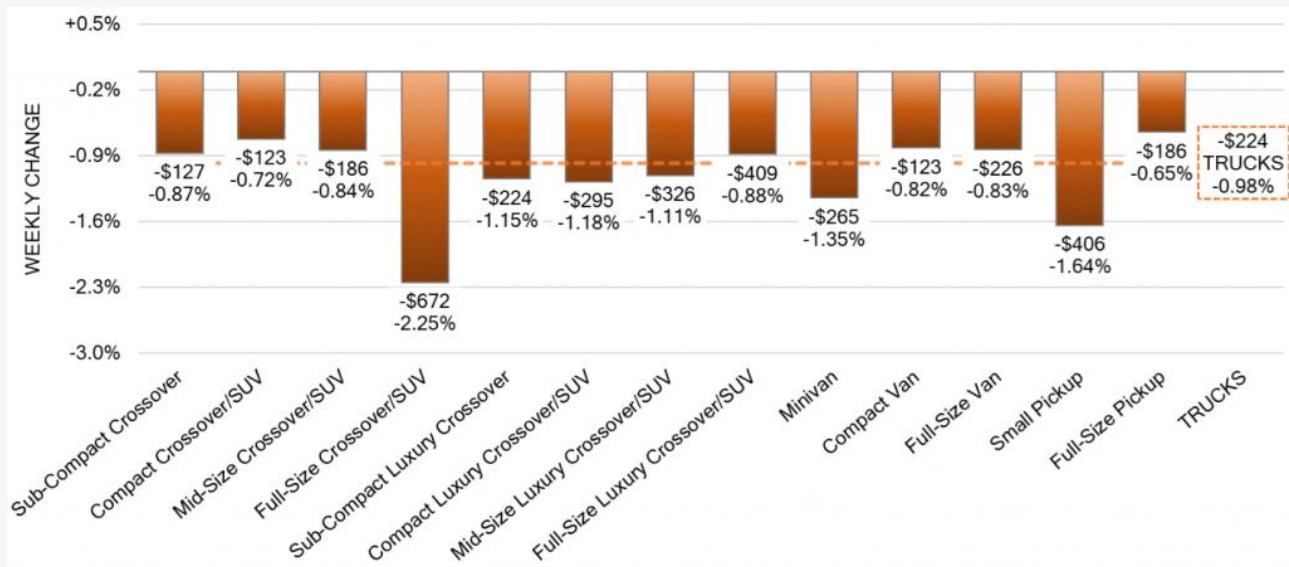


## Truck / SUV Segments

In the parallel realm of Truck and SUV segments, a unique tale unfolded. With the weight of volume-based analysis, the overall Truck segment registered a -0.98% decline, signaling an acceleration of depreciation compared to the preceding week's -0.41% descent. Peering into the age-centric perspective, the 0-to-2-year-old models bore witness to a swifter decline of -0.97%, while their seasoned counterparts, the 8-to-16-year-olds, experienced a gentler -0.55% shift. Across the spectrum, all thirteen Truck segments resonated with echoes of decline.

The narrative unfolded with distinct brushstrokes across particular segments. Among these, the Full-Size Crossover segment emerged with a resounding impact, tracing its path with a substantial depreciation of -2.25% over the course of the week. A fascinating juxtaposition arose as the elder statesmen of Full-Size Crossovers, aged 8-to-16 years, experienced a more tempered -0.73% descent. Meanwhile, the Small Pickup segment embarked on a noteworthy expedition, characterized by a resolute decline of -1.64%. This journey stood in poignant contrast to the preceding six weeks, where a consistent weekly average of -0.37% depreciation had taken root.

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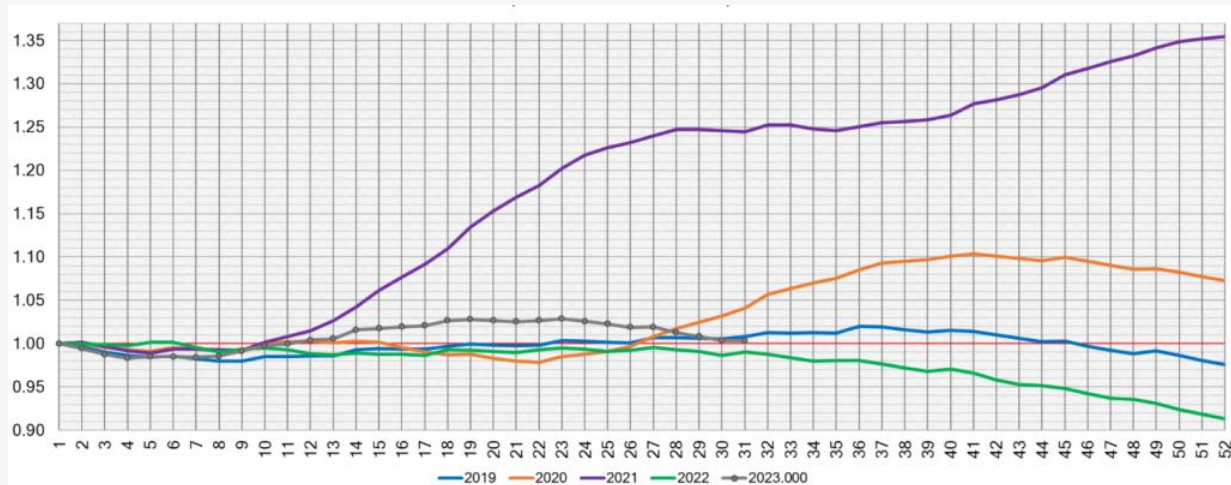
Truck Segments

## A Glance at Used Retail and Wholesale Realities

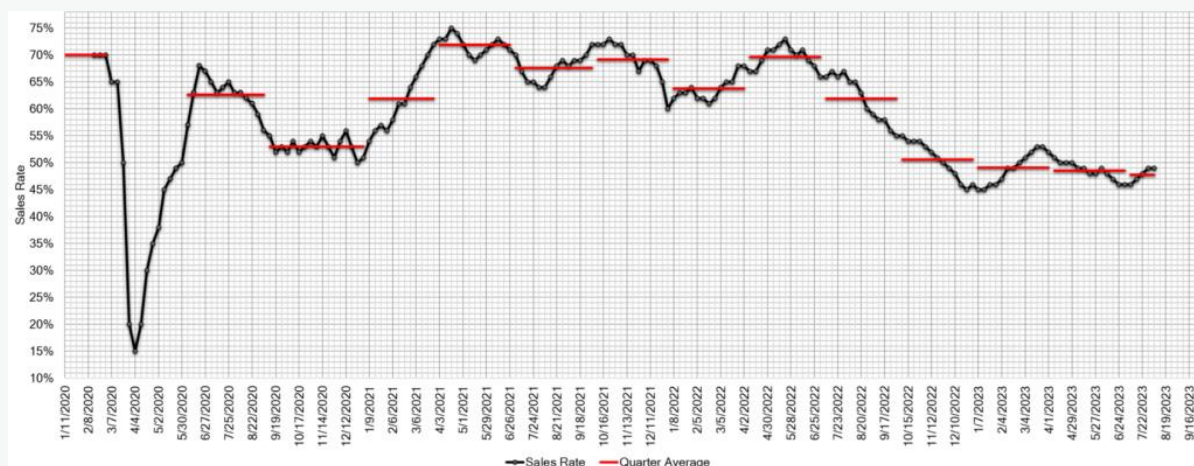
In the realm of used retail, the stage is set with the Used Retail Active Listing Volume Index sitting comfortably at 1.01 points, capturing the dynamic pulse of the market's available inventory. Meanwhile, within the wholesale realm, the first week of August unveiled a formidable narrative of change. Car and truck segments experienced more substantial declines than witnessed in nearly a year, leaving industry players pondering if this is a wake-up call or merely a fleeting anomaly in the intricate symphony of the automotive business.

Despite a stable auction conversion rate, wholesale prices embarked on a downward spiral, driven by sellers adjusting their floors and buyers refraining from stretching their bids any further. Amidst the flux, the estimated Average Weekly Sales Rate remained unwavering at 49% for the week, offering a snapshot of the prevailing transactional rhythm.





Used Retail Listing Volume Index



Estimated Average Weekly Sales Rate at US Auctions

## Unraveling the Threads of Transformation

As the curtain falls on the first week of August, the auto market's landscape is resplendent with transformation. An astonishing -1.10% decline marks the crescendo of this week's narrative, reverberating through segments and ages. The scene is set for further exploration as the market navigates its intricate dance between wholesale and retail realms.

Whether this week's turmoil signifies a pivotal wake-up call or a temporary disruption is yet to be unveiled, but within the kaleidoscope of shifting numbers, one thing is certain – the auto market continues its vibrant and unpredictable journey.