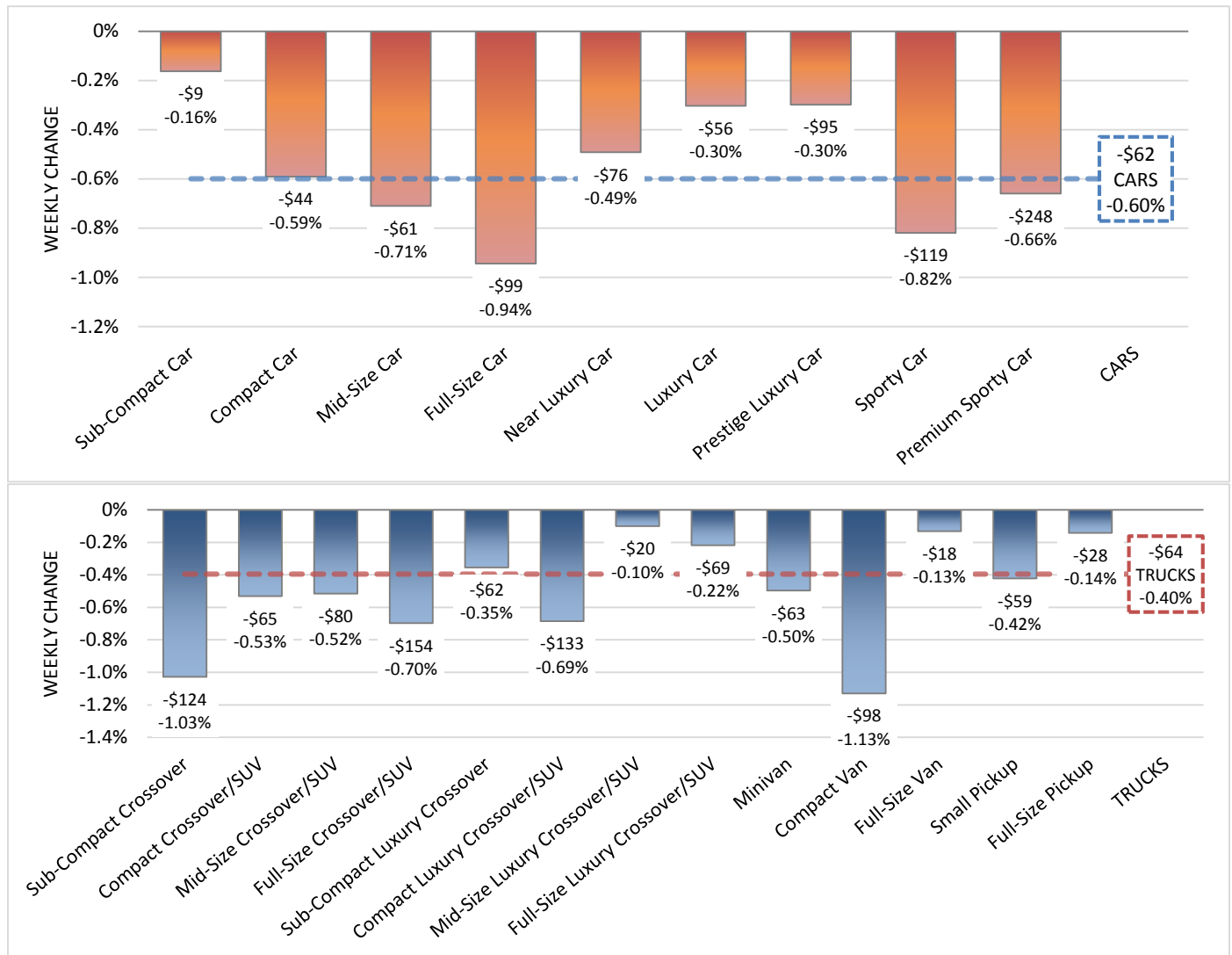


“Depreciation rates increased on both car and truck segments as buyers become hesitant to load up on inventory.”

Anil Goyal, Senior Vice President of Automotive Valuation and Analytics



Model Years: 2009-2015, Volume Weighted Wholesale Average Values, Weekly Change from 10/27/17 to 11/3/17

Significant Increase in Weekly Depreciation Last Week

- Volume-weighted, overall car segment values declined by 0.60% last week. In comparison, the market values had decreased on average by 0.41% per week in the previous four weeks.
- Among cars, Full-Size Car and Sporty Car segments performed the worst, decreasing by 0.94% and 0.82%, respectively.
- Volume-weighted, overall truck segment (including pickups, SUVs and vans) values decreased by 0.40% last week, worse than the average decrease of 0.25% per week in the previous four weeks.
- Among trucks, Sub-Compact Crossover and Compact Van segments performed the worst last week.

Sentiment from the Auction Lanes

Our editors and personnel attend about 60 auctions every week across the country to provide key insights:

"More no sales than the past few weeks as buyers don't seem to be speculating at all." Rick in FL

"A large quantity buyer says that he will wait until the sellers lower their floor prices, which he believes is just around the corner." Bret in GA

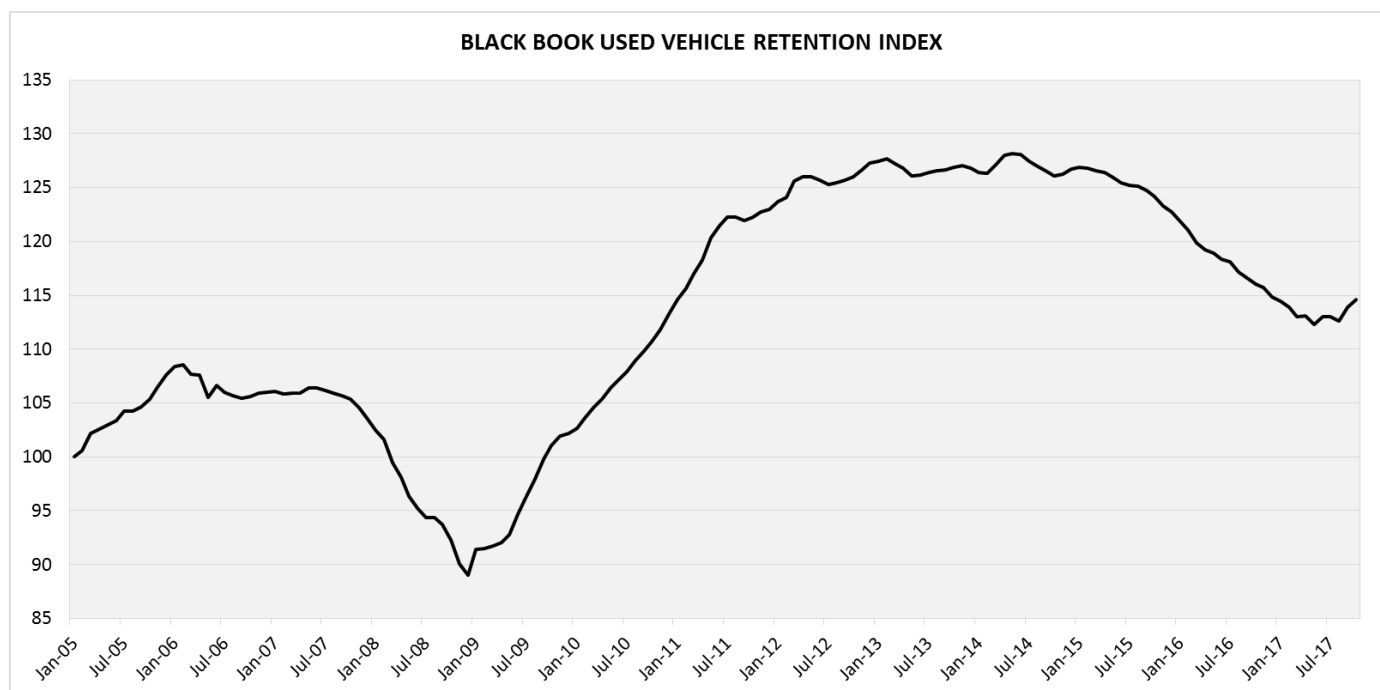
"The market remains good but dealers are cautious about over supplying their retail lots in the event of a downward market pivot." Greg in NV

"More hesitation in the bidding process this week, which produced a noticeable amount of no sales." Frank in AZ



Retention Index

Updated with October Data



Source: Visual Analytics

The Retention Index increased 0.6% to 114.6 from 113.9 in the previous month. The index has shown positive gains driven by the short-term replacement of vehicles damaged by the recent hurricanes. Full-Size Pickup segment, one of the strongest retention segments, registered a 4.3% gain on a YOY basis.

Vehicle Highlight



2018 Honda Civic Si Coupe and Sedan bridge the gap between the standard model EX and the highly anticipated Type R, coming in at a price tag of \$24,975 with destination. The Si is equipped with a turbocharged 1.5L I4 engine producing 205 hp and 192lb-ft of torque. The key competitors for the Si in both the sporty coupe/sedan categories range from the Toyota 86 and Kia Forte Koup to the Subaru WRX.

This week's report includes our **Monthly Edition Supplement on Specialty Markets**.

SPECIALTY MARKETS: COLLECTIBLE CARS

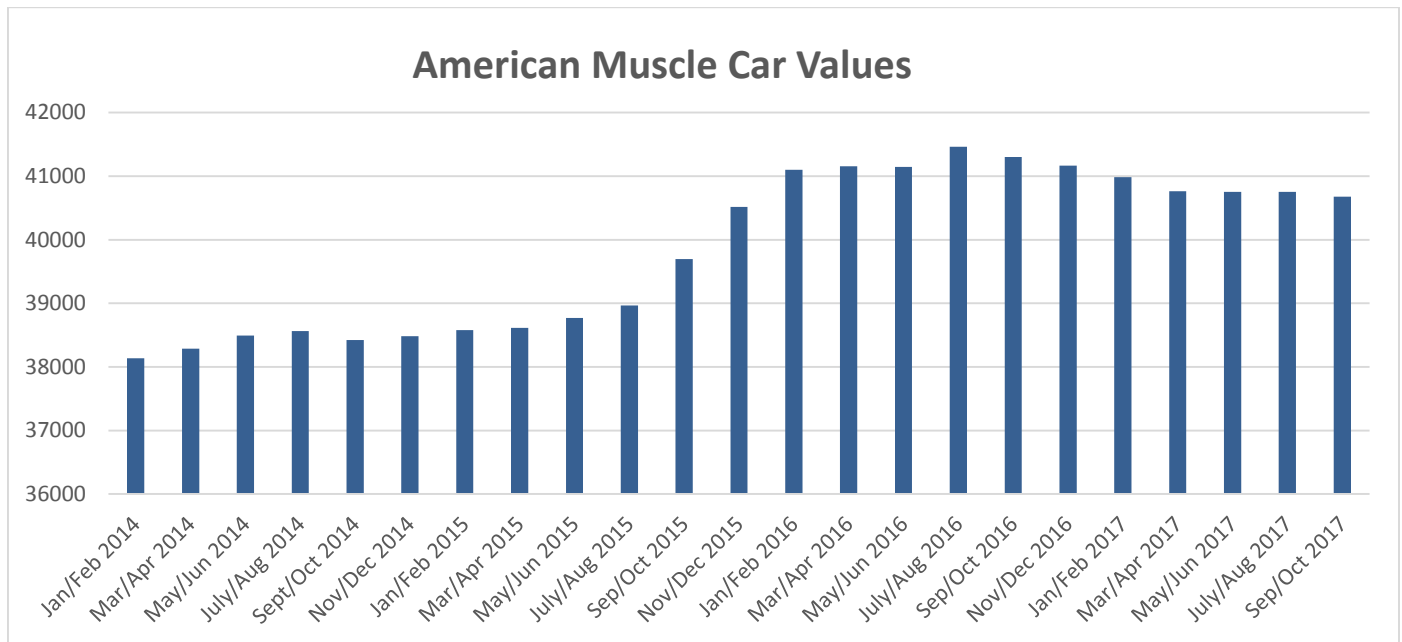
November 6, 2017

Classics and Muscle Cars Shine in Early Fall Auctions

"Most segments of the collectible car hobby have done well at the various auctions held so far this Fall. It's encouraging to see such broad interest among hobbyists; everything from Classics at RM's AACA Hershey sale to Muscle Cars (and farm tractors!) at Mecum to rods and customs at Barrett-Jackson's Las Vegas event."



Eric Lawrence, Director of Specialty Markets



- **RM Sotheby's Hershey** auction, held in conjunction with the annual AACA Fall meet, was very successful, with sales coming in at \$15,900,000 and a very impressive 96% sell-through rate. Two collections were featured prominently, including some stunning cars from Thomas Derro and Ralph Whitworth.
- **Barrett-Jackson's Las Vegas** auction brought in \$31,320,000 on the sale of 671 vehicles, primarily "no reserve". One donated for charity, a 2007 Shelby GT500 Super Snake, raised \$1,000,000 for first responders.
- **Mecum** held auctions in *Louisville* and *Chicago* recently, with \$7,600,000 and \$12,600,000 in sales respectively. The Louisville location saw 310 of 521 vehicles trade hands, a 60% sell-through rate, while Chicago came in a little higher at 72% (572 of 795 sold). Their *Gone Farmin'* sale saw two collectible tractors exceed \$30,000.

Notable Recent Auction Sales Include:



Pierce Arrow. Courtesy of RM Sotheby's.

- 1933 Pierce Arrow Silver Arrow \$2,310,000 (RM Sotheby's)
- 1929 Duesenberg J Cabriolet \$1,485,000 (RM Sotheby's)
- 1957 Dual-Ghia Convertible \$341,000 (RM Sotheby's)
- 1957 Chevrolet Bel Air Convertible \$75,000 (Mecum)
- 1964 Studebaker Avanti R2 Coupe (Mecum)
- 1957 Cadillac Eldorado Biarritz Convertible \$110,000 (Mecum)
- 1987 Porsche 911 Turbo Coupe \$78,000 (Mecum)
- 2005 Mercedes Benz SLR McLaren \$222,000 (Barrett-Jackson)
- 1971 Plymouth Hemi 'Cuda \$396,000 (Barrett-Jackson)
- 2015 Porsche 918 Spyder \$1,760,000 (Barrett-Jackson)

SPECIALTY MARKETS: RECREATIONAL VEHICLES

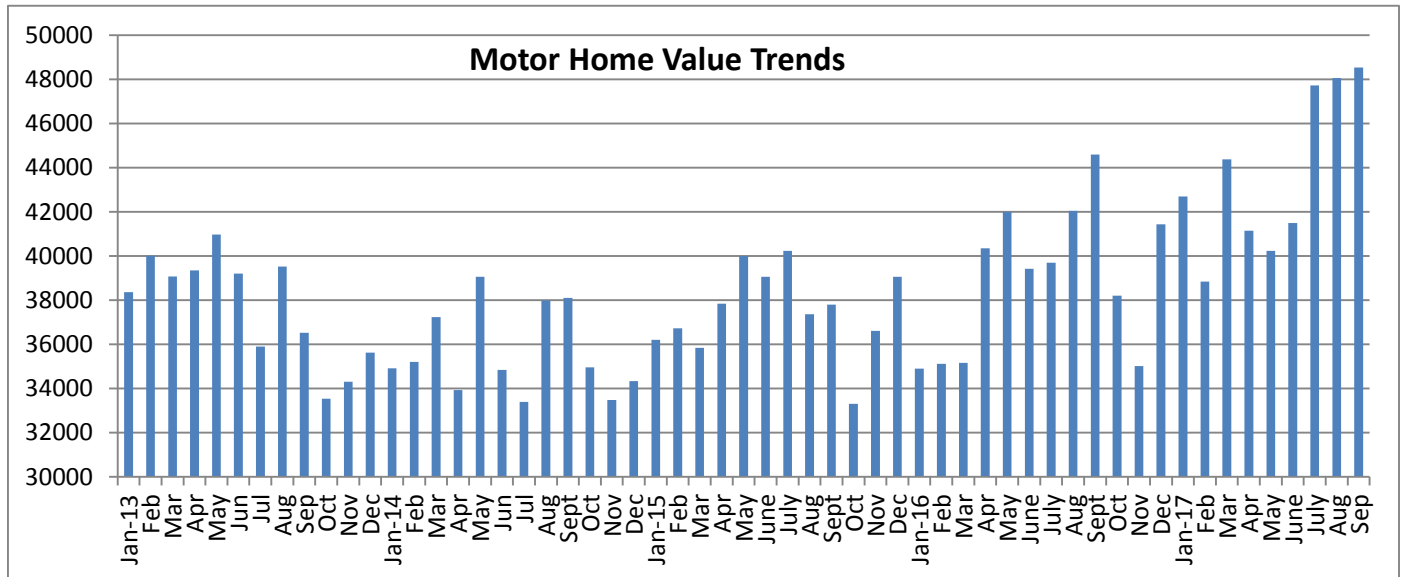
November 6, 2017

RV Values at Auctions Continue to Rise

“The values of both motorized and towable units sold at wholesale auctions increased once again this past month, which, as we said last time, is unusual for this time of year. I believe the unexpected strength is a combination of factors: RVs are red hot right now, the economy is strong (the Dow recently exceeded 23,000) and the number of late model, good condition RVs running through the auction lanes is way up when compared to previous years.”

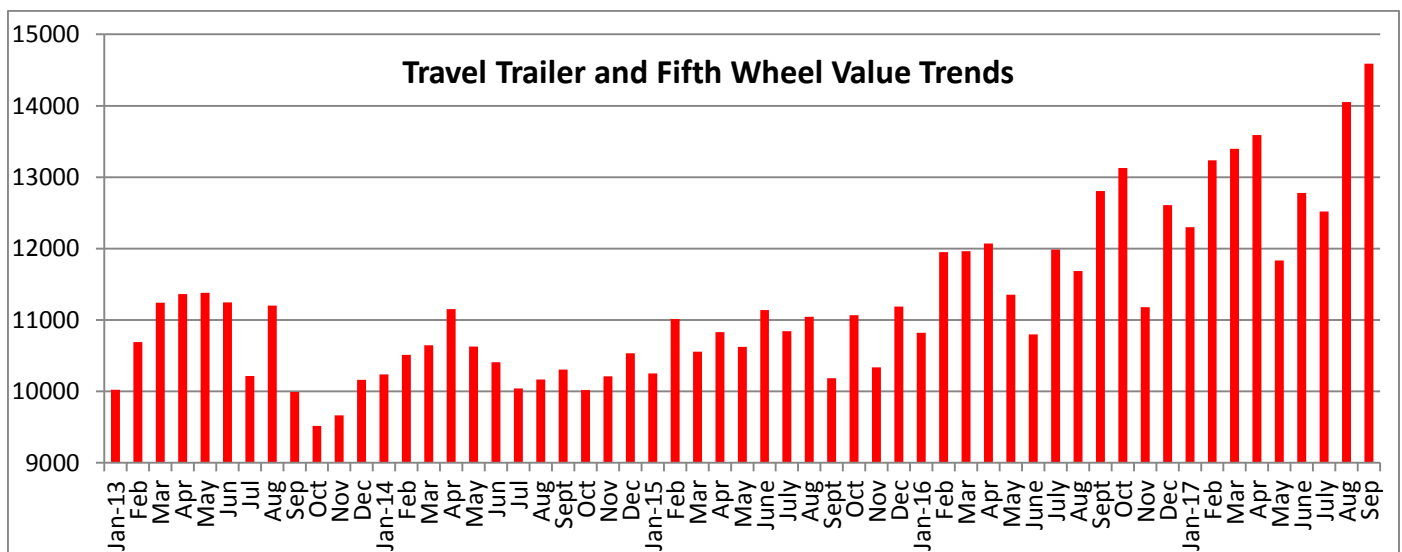


Eric Lawrence, Director of Specialty Markets



For Motor Homes (including Class A, B, and C)

- Average selling price was \$48,537, up \$475 (0.9%) from previous month
- One year ago, the average selling price was \$44,597
- Auction volume was unchanged from the previous month



For Towables (including Travel Trailers and Fifth Wheels)

- Average selling price was \$14,591, up \$539 (3.8%) from previous month
- One year ago, the average selling price was \$12,808
- Auction volume was down 8% from previous month

SPECIALTY MARKETS: POWERSPORTS

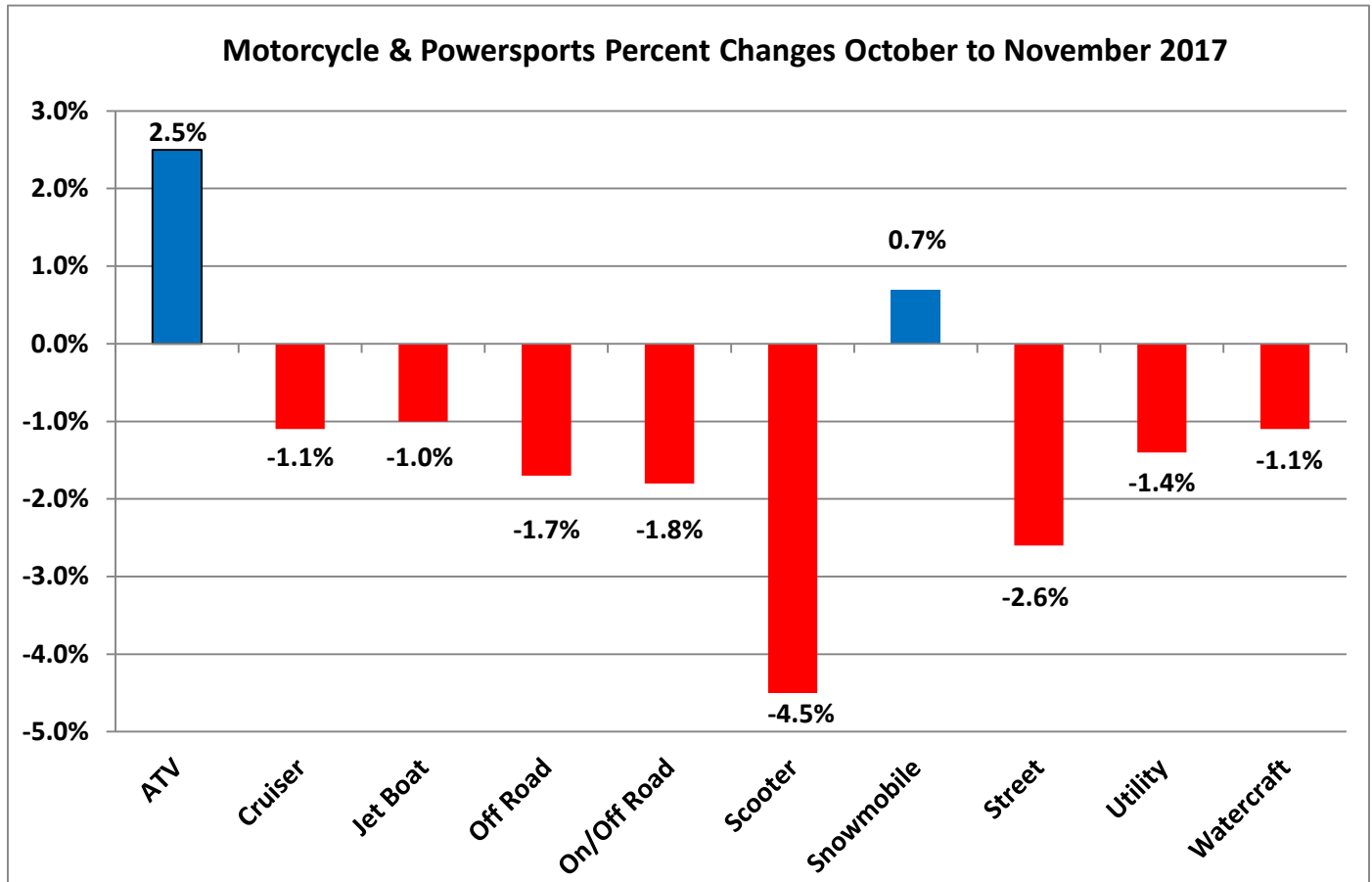
November 6, 2017

Powersports Market Values Level Off

“November finds the Powersports market in a leveling off period. Changes in value this month are more subdued than we have seen recently. 2017 has been a somewhat down year across the board as far as used Powersports values go, and even with this month’s more modest changes, values are still low by historical norms.”



Scott Yarbrough, Motorcycle & Powersports Editor



- ATVs are the highlight this month; they’re up 2.5%, finally showing a bit of their traditional fall pricing strength. This contrasts with the Utility Vehicles, which are down 1.4%.
- The biggest percent change this month is in the Scooters, a highly seasonal segment that typically sees big declines once the summer riding season is over, and is down 4.5%.
- Street bikes were the second biggest decliners, dropping 2.6%, while the other main road going segments, the Dual Sports and the Cruisers, performed much better, only losing 1.8 and 1.1% respectively.
- We are still waiting for the Snowmobiles to show a larger increase in values, but these units are just now beginning to show up at the auctions in significant volume.

SPECIALTY MARKETS: HEAVY DUTY

November 6, 2017

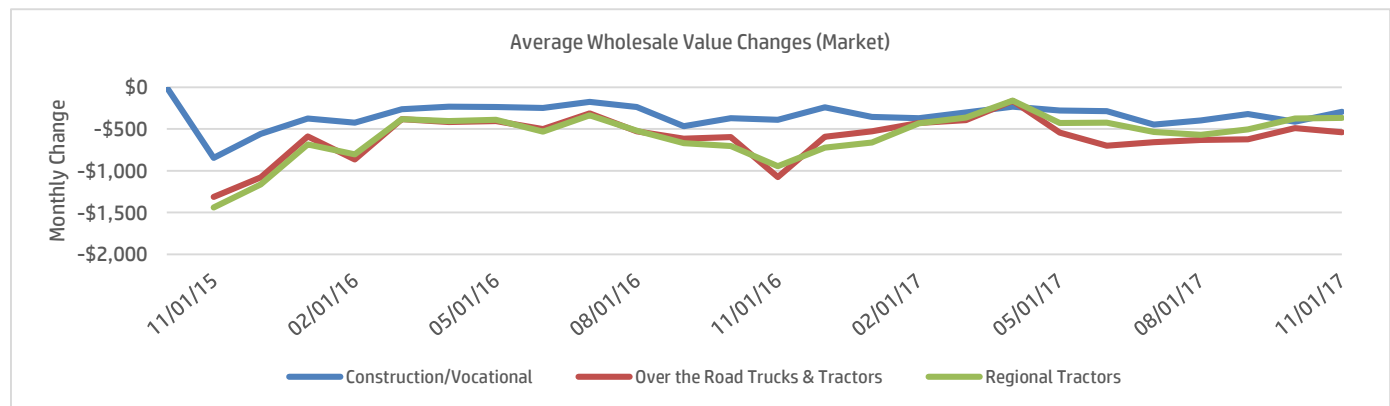
Values Drop, But Not Too Much as Equipment Gets Added or Replaced

"A good supply of units in several segments helps to maintain steady depreciation in October. Construction/Vocational group values have dropped the most since August, but still bring strong numbers!"



Charles Cathey - Editor HD Data

The values of very old trucks drop the most, mainly because of miles and condition as these units age. There are still some nice Pre-emissions units being offered for sale and since the trips they are generally used for are shorter, they have a lot of useful life in their future. The newer trucks in this segment (2007-2014) and the Late Model Segment (2015-2016) get more money when they are in good shape and the miles are low. As the cost of maintaining emissions equipment still being scrutinized, the rougher newer high mileage trucks drag down the overall average sale price more than in the past.



DATE	Construction/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
11/01/17	90,328	-385	-0.4%	72,685	-806	-1.1%	63,994	-567	-0.9%	2015-2016
10/01/17	90,714	-723	-0.8%	73,490	-833	-1.1%	64,561	-570	-0.9%	2015-2016

- 2015-2016 HD Construction/Vocational segment dropped an average of \$385 (0.4%) in October compared to the average decline of \$723 (0.8%) in September.
- 2015-2016 HD Over the Road Tractor segment dropped an average of \$806 (1.1%) in October compared to the average drop of \$833 (1.1%) in September.
- 2015-2016 HD Regional Tractor segment dropped an average of \$567 (0.9%) in October compared to the average depreciation of \$570 (0.9%) in September.

DATE	Construction/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
11/01/17	45,793	-296	-0.6%	32,486	-540	-1.6%	24,845	-369	-1.5%	2007-2014
10/01/17	46,089	-413	-0.9%	33,026	-491	-1.5%	25,214	-374	-1.5%	2007-2014

- 2007-2014 HD Construction/Vocational segment dropped an average of \$296 (0.6%) in October compared to the \$413 (0.9%) in September.
- 2007-2014 HD Over the Road Tractor segment dropped an average of \$540 (1.6%) in October compared to \$491 (1.5%) average depreciation in September.
- 2007-2014 HD Regional Tractor segment dropped an average of \$396 (1.5%) in October compared to the average drop of \$374 (1.5%) in September.

SPECIALTY MARKETS: MEDIUM DUTY

November 6, 2017

Late Models Depreciating Less Than Older Units

“The Wholesale Market continues its downward trend; however, some Late Model Unit prices have stabilized.”

Josh Giles - Senior Truck Editor



Overall, the Medium Duty segments continue to depreciate as we get closer towards the end of the year. However, some new units are holding their values well at auction. Reports are indicating that retail sales were pretty steady throughout the month. With delivery and construction units in high demand, we expect these segments to stabilize even more as we close out 2017. This past month the Late Model Units (2016 – 2015) depreciated an average of \$301 (0.6%), which is better than the \$332 drop we saw in September. The Older Year Models (2007-2014) dropped an average of \$177 (0.9%) in October, which is slightly more than drop we witnessed in September when prices fell an average of \$167. This is the fourth month in a row where we have seen a slight increase in depreciation on the older model years. It's going to be interesting to watch this segment grow over the next couple of years as they increase in popularity due to the increase in deliveries all across the country. We are experiencing a shift from mom and pop stores and physical locations to online purchasing and home delivery.

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
11/01/17	46,285	-301	-0.6%	2015-2016
10/01/17	46,586	-332	-0.7%	2015-2016

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
11/01/17	19,861	-177	-0.9%	2007-2014
10/01/17	20,038	-167	-0.8%	2007-2014

Medium Duty Trucks overall may be dropping in value, but fuel prices continue to slowly increase. Currently we are paying an average of \$2.80 per gallon for diesel. This is only an increase of \$0.01 from last month. However, fuel prices have been slowly increasing since the second week of June of this year. Hopefully this trend will end soon.

