

Auto News Flash

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Canadian and U.S. Vehicle Sales — August 2011

Canada

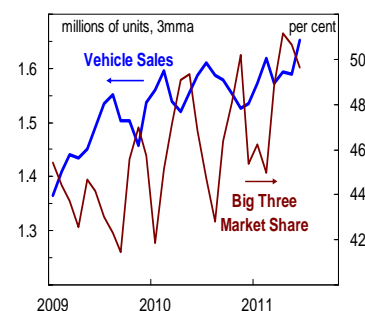
Generous incentives lifted passenger vehicle sales 3% above a year earlier in August, keeping volumes above an annualized 1.63 million units for the third consecutive month. Despite this summer's global economic roller coaster, Canadian vehicle sales have remained stable and should strengthen further in coming months as inventories increase at Japanese dealerships. Of note, Toyota's sales improved y/y last month — only the second increase since April 2010.

United States

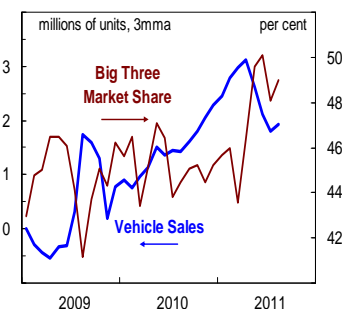
Passenger vehicle sales were stronger than expected in August, with volumes for the Detroit Three advancing 18% above a year earlier. We estimate that despite ongoing shortages for several Japanese automakers, U.S. industry volumes continued to hover at an annualized 12 million units for the second consecutive month. This represents a solid performance, considering the weak economic and financial market backdrop of the past month, not to mention the anxiety generated by the storm that hit the eastern United States in late August.

With inventories for Japanese automakers returning to 'normal' levels in coming months, overall purchases are likely to continue to strengthen. Anticipating increased volumes, Ford announced plans to boost its fourth-quarter North American output 9% above a year earlier, a further improvement from a 7% gain in the July-September period.

Vehicle Sales & Detroit Three Market Share — Canada



Vehicle Sales & Detroit Three Market Share — United States



Canada/U.S. Motor Vehicle Sales Outlook

	<u>1991-01</u>	<u>2002-08</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	
	Average	Average			Jan-Aug *	Annual f
(thousands of units, annualized)						
CANADA	1,323	1,642	1,461	1,557	1,595 *	1,590
Cars	772	869	748	709	709 *	735
Light Trucks	551	773	713	848	886 *	855
(millions of units, annualized)						
UNITED STATES	15.0	16.4	10.4	11.6	12.4	12.7
Cars	8.5	7.8	5.4	5.7	6.1	6.2
Light Trucks	6.5	8.6	5.0	5.9	6.3	6.5
(millions of units, annualized)						
NORTH AMERICAN PRODUCTION**	15.30	15.67	8.53	12.15	13.19	13.33

*Includes Scotiabank estimates for July-Aug 2011. **Canada, USA and Mexico; cars, light, medium and heavy trucks.

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