



Auto News Flash

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Canadian and U.S. Vehicle Sales — May 2010

Canada

Sales weakened to less than an annualized 1.50 million units in May — the lowest level since January, and well below the 1.56 million unit average of the previous four months. Lower car sales accounted for much of the weakness, falling 10% below a year earlier — the first double-digit decline since last summer.

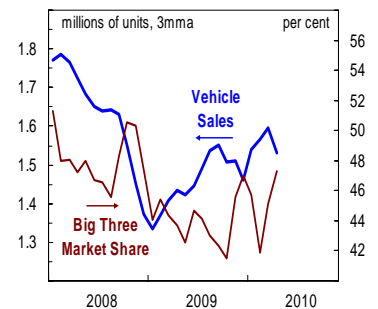
In contrast, truck sales continued to power ahead, as Canadians are increasingly shifting to crossover utility vehicles (CUVs) and pickup trucks, and away from subcompact cars. In particular, six manufacturers — including two based in North America — reported year-over-year gains of more than 28% last month. Of note, the Detroit Three captured 67% of the Canadian light truck market in May — the highest level since November 2008. This strong performance lifted their overall market share (cars and light trucks) above 47% for the first time since January 2009.

United States

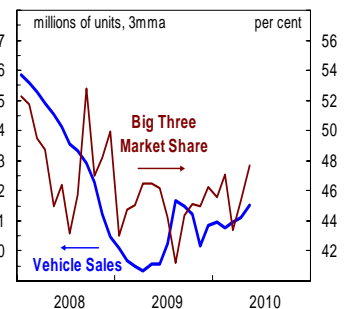
Purchases exceeded expectations last month, surging 20% above a year earlier to an annualized 11.6 million units in May. Sales surpassed the annual rate of 11.2 million units reported in April, and were nearly in line with the incentive-induced 11.8 million posted in March.

As in Canada, light trucks led the way. For example, sales of GM's CUVs — which now account for nearly 40% of the company's overall volumes — surged 83% y/y, while Ford's pickup truck sales soared 46%. Last month's stronger-than-expected performance prompted Ford to boost its second-quarter North American assemblies an additional 2.5%, and to lift its third-quarter output further.

Vehicle Sales & Detroit Three Market Share — Canada



Vehicle Sales & Detroit Three Market Share — United States



Canada/U.S. Motor Vehicle Sales Outlook

	1991-01 Average	2002-07	2008 Average	2009	2010	
					Jan-May *	Annual f
(thousands of units, annualized)						
CANADA	1,323	1,614	1,642	1,461 *	1,539 *	1,525
Cars	772	864	898	748 *	731 *	740
Light Trucks	551	750	744	713 *	808 *	785
(millions of units, annualized)						
UNITED STATES	15.0	16.6	13.2	10.4	11.1	11.5
Cars	8.5	7.7	6.8	5.4	5.6	5.8
Light Trucks	6.5	8.9	6.4	5.0	5.5	5.7
(millions of units, annualized)						
NORTH AMERICAN PRODUCTION**	15.30	16.10	12.90	8.53	11.75	11.60

*Includes Scotiabank estimates for May 2010. **Canada, USA and Mexico; cars, light, medium and heavy trucks.

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