



# Auto News Flash

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## Canadian and U.S. Vehicle Sales — July 2010

### Canada

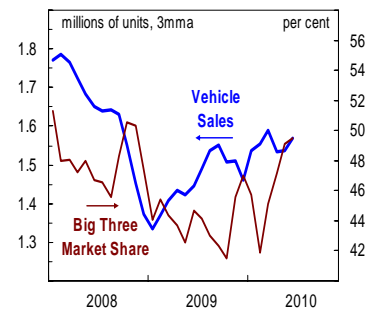
Sales advanced 6% above a year earlier, climbing to an annualized 1.65 million units and lifting volumes at several automakers to the highest level on record for the month of July. This represents the second consecutive monthly rebound from a weak performance in May and indicates that Canadians are once again in a buying mood — especially for light trucks, which surged 22% above a year earlier. Improving sales, combined with a stronger-than-expected job market, have led us to raise our full-year 2010 sales forecast to 1.565 million units from 1.525 million.

### United States

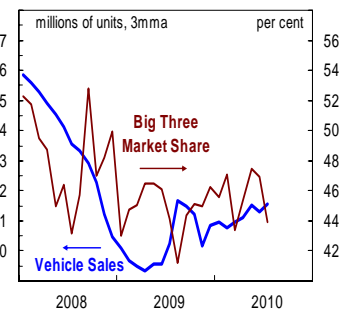
Purchases climbed 5% y/y to an estimated annual rate of 12 million units — the highest level since last year's "cash for clunkers" program, and well above the 11.1 million average of the first half of 2010. Higher retail activity accounted for all of the improvement. We estimate that retail purchases approached an annualized 10.0 million units in July, up from 9.0 million in the second quarter and 8.6 million in the opening months of 2010. Strengthening retail sales is a key development for the auto industry, especially since it occurred without much of an increase in incentive spending and against a backdrop of some softening in consumer confidence in recent months.

A continuing sharp rebound in pickup truck sales also represents another encouraging sign. Pickup truck volumes jumped in July to the highest level since September 2008 — prior to the sharp downturn in global economic activity.

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-Jul * Annual f	
		(thousands of units, annualized)				
<b>CANADA</b>	1,323	1,614	1,642	1,461 *	1,569 *	1,565
Cars	772	864	898	748 *	734 *	735
Light Trucks	551	750	744	713 *	835 *	830
		(millions of units, annualized)				
<b>UNITED STATES</b>	15.0	16.6	13.2	10.4	11.2	11.5
Cars	8.5	7.7	6.8	5.4	5.6	5.7
Light Trucks	6.5	8.9	6.4	5.0	5.6	5.8
		(millions of units, annualized)				
<b>NORTH AMERICAN PRODUCTION**</b>	15.30	16.10	12.90	8.53	12.22	12.20

\*Includes Scotiabank estimates for June-July 2010. \*\*Canada, USA and Mexico; cars, light, medium and heavy trucks.

### Scotia Economics

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