

## Update

## Autos Sector

## September US gasoline retail volume estimates, October retail tire prices

**Gasoline retail sales volume down 6.9% YoY in September**

Based on figures released on 17 October, we estimate that US gasoline retail sales volume for September fell 6.9% YoY (Figure 1), the third straight month of decline. Sales volume was up 0.8% MoM and down 9.2% versus September 2019.

Among leading indicators of demand for aftermarket tires, (1) the used vehicle value index fell 1.6% MoM in the first half of October, down for the first time in four months; (2) the average number of miles traveled increased 2.4% in August, up for the eighth straight month; and (3) gasoline prices are peaking out, recently reaching just over USD3.70/gallon. For prices of major raw material prices, butadiene and natural rubber slightly rose over the past month, while there was a fall for crude oil (which has a major impact on earnings).

Preliminary figures released on 11 October show that aftermarket tire sales volume for light vehicles was up 18.8% YoY in September, up for the third straight month. Breaking this figure down, TBR continued to slump, falling by 20%. While we continue to watch Bridgestone given its high exposure, it is worth noting that industry concerns are easing.

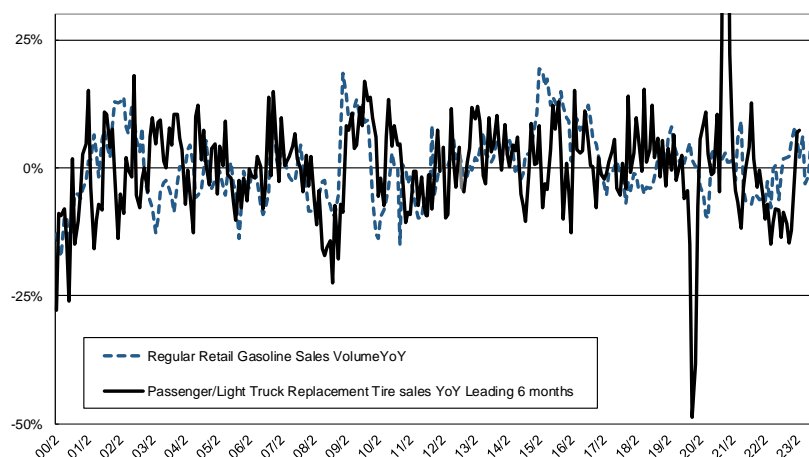
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**Figure 1: US estimated gasoline retail sales volume and aftermarket tire sales volume**



Source: MUMSS, from US Tire Manufacturers Association (USTMA) data

**October retail tire prices: More brands raising prices**

Our sample survey of aftermarket tire retail prices divides products into three groups: one where prices increased (compared with the previous month), one where prices were flat, and one where prices fell.

Takeaways from our mid-October survey (comparing prices with those in mid-September) are as follows.

Overall: Prices were up for 11 products, flat for 32, and down for 10 (Figure 2). Prices were flat for the bulk of products in each of the key categories (16-inch, 18-inch, 20-inch). Compared with the previous month, the percentage of products for which prices rose increased by 9ppt; those for which prices were flat declined by 3ppt; and those for which prices fell declined by 6ppt. While these figures partly reflect a rebound from the previous month, there was a notable increase in the number of 20-inch tires for which prices rose.

Prices of raw materials for tires have moved as follows since mid-September: TSR 20 natural rubber +2%, Dubai crude oil -4%, and butadiene +5%.

Based on FY12/22 sales, we estimate North American market exposure at approximately 45% for Bridgestone, 23% for Sumitomo Rubber Industries, and 37% for Yokohama Rubber.

**Figure 2. US tire retail price trends (205/55R16, 225/45R18 and 37x13.5 R20 LT)**

Size	Maker	Country	Product	Price as of 14 August 23(USD)	vs 14 July	Price as of 11 September 23(USD)	vs 14 August	Price as of 13 October 23(USD)	vs 11 September
<b>205/55R16</b>	Westlake	China	RP18	73.1	-1%	73.5	1%	73.7	0%
	Crosswind	China	HP010 Plus	76.3	0%	76.3	0%	83.8	10%
	Kenda	Taiwan	Kenetica KR217	72.9	0%	72.9	0%	72.9	0%
	Dunlop	Japan	Enasave 01 A/S	244.0	0%	204.4	-16%	204.4	0%
	Kumho	Korea	Solus KH25	136.6	-6%	130.8	-4%	130.8	0%
	Sumitomo	Japan	Ice Edge	89.3	-11%	89.3	0%	99.3	11%
	Goodyear	US	Eagle Sport All-season	147.0	0%	147.0	0%	147.0	0%
	Firestone	Japan	Firestone All Season	128.7	0%	128.7	0%	142.7	11%
	Nexen	Korea	CP662	129.0	0%	129.0	0%	129.0	0%
	Falken	Japan	Ziex ZE950 A/S	87.6	-6%	85.2	-3%	98.5	16%
	Nitto	Japan	NT-SN2	96.7	0%	96.7	0%	96.7	0%
	Yokohama	Japan	AVID Ascend LX	125.5	0%	125.5	0%	125.5	0%
	Toyo	Japan	EXTENZA A/S II	116.7	0%	116.7	0%	116.7	0%
	Bridgestone	Japan	Ecopia EP422	169.0	0%	169.0	0%	169.0	0%
	Michelin	France	Pilot Sport All Season 4	182.0	3%	197.2	8%	182.7	-7%
<b>225/45R18</b>	Westlake	China	SA07 Sport	97.3	0%	95.0	-2%	95.0	0%
	Falken	Japan	Ziex ZE960 A/S	152.0	0%	152.0	0%	152.0	0%
	Fuzion	Japan	UHP Sport A/S	168.5	0%	168.5	0%	168.5	0%
	Sumitomo	Japan	HTR A/S P03	137.6	0%	137.6	0%	138.0	0%
	Yokohama	Japan	Avid Ascend GT	177.7	0%	179.4	1%	178.9	0%
	Goodyear	US	Eagle RS-A	142.0	-7%	144.5	2%	153.5	6%
	Hankook	Korea	Ventus V12 EVO2 K120	180.0	0%	180.0	0%	180.0	0%
	Toyo	Japan	Extensa HP II	156.7	0%	156.7	0%	156.7	0%
	Nitto	Japan	Motivo	163.9	0%	163.9	0%	160.0	-2%
	Firestone	Japan	Firehawk Indy 500	220.6	-11%	220.6	0%	217.9	-1%
	Pirelli	Italy	Cinturato P7 All Season	257.9	8%	238.2	-8%	238.2	0%
	Yokohama	Japan	Avid Ascend GT	177.7	0%	179.4	1%	178.9	0%
	Continental	Germany	PureContact LS	200.0	0%	200.0	0%	182.0	-9%
	Bridgestone	Japan	Turanza EL400-02	283.3	0%	283.3	0%	283.3	0%
	Michelin	France	Cross Climate2	228.0	1%	228.0	0%	228.4	0%
	Bridgestone	Japan	Driveguard Plus	262.0	0%	262.0	0%	258.7	-1%
<b>275/55R20</b>	Bridgestone	Japan	Dueler A/T Revo 3	313.2	0%	307.7	-2%	307.7	0%
	Firestone	Japan	Destination A/T2	263.2	-4%	263.2	0%	287.2	9%
	Falken	Japan	Wildpeak A/T3W	270.9	-6%	254.2	-6%	254.2	0%
	Yokohama	Japan	Geolandar A/T G015	287.1	0%	287.8	0%	287.8	0%
	Toyo	Japan	Open Country M/T	454.0	0%	454.0	0%	454.0	0%
	Nitto	Japan	Ridge Grappler	334.2	0%	314.3	-6%	328.8	5%
	BF Goodrich	France	All-Terrain T/A KO2	335.5	2%	335.5	0%	323.4	-4%
	Continental	Germany	TerrainContact A/T	245.5	0%	245.5	0%	245.5	0%
	Toyo	Japan	Open Country R/T	332.8	0%	328.4	-1%	328.4	0%
	Kenda	Taiwan	Kleever A/T2 KR628	223.1	0%	223.1	0%	222.8	0%
<b>37x13.50 R20 LT</b>	General	US	Grabber X3	595.0	3%	578.0	-3%	578.0	0%
	Maxxis	Taiwan	Razr MT MT-772	592.3	1%	592.3	0%	580.5	-2%
	Cooper	US	Discoverer STT Pro	509.3	0%	509.3	0%	509.0	0%
	BF Goodrich	France	Mud-Terrain T/A KM3	589.6	-3%	589.6	0%	593.0	1%
	Yokohama	Japan	Geolandar X-AT	496.6	-1%	493.4	-1%	536.4	9%
	Arisun	China	ZG06	215.4	0%	215.4	0%	223.4	4%
	Falken	Japan	Wildpeak A/T3W	501.3	0%	507.5	1%	490.0	-3%
	Yokohama	Japan	Geolandar M/T G003	594.1	-1%	593.4	0%	590.1	-1%
	Firestone	Japan	Destination M/T2	544.0	-6%	544.0	0%	544.0	0%
	Kumho	Korea	Road Venture MT71	507.0	9%	466.0	-8%	466.0	0%
	Toyo	Japan	Open Country R/T	534.2	0%	534.2	0%	553.4	4%
	Toyo	Japan	Open Country M/T	579.3	1%	579.3	0%	575.9	-1%

Source: MUMSS, from tires-easy and TIRE RACK

## Appendix A

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NR Not Rated. Stock rating, target price have not been assigned

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<b>Others</b>	0.7%	0%

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