

February New Car Sales Jump 16.5%

In December 2012, new car and light truck sales in the U.S. came in at a seasonally adjusted annual rate of about 15.4 million units sold. According to TrueCar.com, forecast sales for February put new light vehicle sales up sharply from the December annual rate to a total of 15.7 million units sold, an increase of 5.7% over February 2012 sales. According to TrueCar.com's forecast, 1.21 million new vehicles will be sold in February, up 16.5% (unadjusted) month-over-month from January sales. Six of eight automakers included in the survey are expected to post higher sales in February than they did in January, with Volkswagen leading the charge, up 14.1%; Ford Motor Co. (NYSE: F), up 11.9%; Chrysler, up 9.1%; Toyota Motor Co. (NYSE: TM), up 6%; General Motors Co. (NYSE: GM), up 5.6%; and Honda Motor Corp. (NYSE: HMC), up 2.3%. Only Hyundai/Kia and Nissan are touted to post lower sales, down 6.9% and 4.7% respectively. Incentive spending dropped 3.9% month-over-month in February, following a 12.2% drop in January. GM offered the highest incentives in February, with an average \$3,143 per vehicle. Honda cut incentives by nearly 40% in February, to just \$1,291, the lowest in the group. According to a TrueCar.com analyst: We expect incentives spending to track within a narrow range the rest of the year as the supply of vehicles and consumer demand are forecasted to increase at similar levels. Used car sales are up 4.6% year-over-year in February. TrueCar.com estimates that about 3.4 million used cars will be sold in February. The ratio of new car sales to used car sales is estimated at 1:3. Paul Ausick