

## **June Auto Sales Should Be A Strong Finish For the First Half of 2013**

U.S. auto sales are expected to finish strong for the first half of 2013, at the best annual sales rate for the month of June since 2007. “The auto cycle seems poised to up-shift to third gear,” said Peter Nesvold, New York-based auto industry analyst for Jefferies LLC. That is, the annual sales rate for June is expected to be the best since the bottom really fell out of U.S. auto sales in 2008. That led to bankruptcy restructuring for Chrysler and General Motors in 2009, and their remarkable comeback since then. “There is little question that the automotive market has strong momentum as we close out the first half of 2013,” said Jeff Schuster, senior vice president of forecasting at LMC Automotive. Automakers are expected to announce June U.S. auto sales on Tuesday, July 2. LMC and J.D. Power and Associates expect June sales to hit close to 1.4 million units. That works out to a Seasonally Adjusted Annual Rate of 15.7 million, vs. 14.4 million a year ago. The SAAR is an estimate of how much sales would be for a full year at the current monthly pace. TrueCar.com had the same SAAR estimate of 15.7 million. Edmunds.com and Kelly Blue Book said separately their estimated SAAR for June was 15.5 million. Nesvold said his SAAR forecast was in a range that averaged out to 15.6 million. For all of 2013, forecasters for LMC and J.D. Power expect sales of 15.4 million, up from 14.5 million in 2012. The good news is, since downsizing and restructuring, Ford Motor F-150 Co., GM and Chrysler have lowered their breakeven points to the sales pace at the rock bottom of the business cycle. Sales bottomed out in the last recession at only 10.4 million in 2009, the lowest U.S. auto sales on a per capita basis since World War II. The June SAAR shows the industry is beginning to flirt with the magic number of 16 million car and trucks, even though with half of 2013 there’s no way U.S. auto sales will get that high for the full year. Auto industry insiders are nostalgic about the benchmark 16 million represents. U.S. auto sales hit a then-record 16 million back in 1986, which stood until 1999. The new record is 17.4 million, back in 2000. Sales mostly subsided for the next seven years, but for those years U.S. auto sales averaged well over 16 million. Certainly U.S. automakers are hoping it doesn’t take another 13 years to break the old record. But with lower breakeven points, they’re in no rush. [forbes.com](http://forbes.com)