

AUTOS Report

Monthly Report on the Global Automotive Industry

DECEMBER 2011

Index Fundamentals

TTM EPS			TTM P/E			TTM Div. Yield		
<u>S&P 500</u>	<u>AUTOS</u>		<u>S&P 500</u>	<u>AUTOS</u>		<u>S&P 500</u>	<u>AUTOS</u>	
94.97	155.61		13.52	9.69		2.08	1.81	
Forward EPS			Forward P/E			Forward Div. Yield		
<u>S&P 500</u>	<u>AUTOS</u>		<u>S&P 500</u>	<u>AUTOS</u>		<u>S&P 500</u>	<u>AUTOS</u>	
102.55	175.53		12.52	8.59		2.22	1.91	
Forecast			Forecast			Forecast		
<u>S&P 500</u>	<u>AUTOS</u>		<u>S&P 500</u>	<u>AUTOS</u>		<u>S&P 500</u>	<u>AUTOS</u>	
+7.99	+12.80		+6.73%	+5.52%				

Traffic Lights: Green indicates potentially stronger than S&P 500; Amber indicates neutral versus S&P 500; Red indicates potentially weaker than S&P 500.

Source: Bloomberg

Industry News

- The US automotive industry had its best year since 2008 as sales rose +10% to 12.8 million vehicles in 2011. The increase in demand was caused by consumers looking to replace aging cars and a greater number of financing options in the market. US car sales also rose for the seventh consecutive month to +8.7% in December, largely due to holiday discount offers. [Quick Link 1](#)
- Detroit's Big Three all reported increases in market share to a combined +47% in 2011, up from 45% in 2010. The companies also recorded higher US vehicle sales. Ford Motor Co's sales were up +10% in December and +11% in 2011, while Chrysler's sales rose +37% and +26%, and GM's sales rose +5% and +14% respectively. [Quick Link 2](#) [Quick Link 3](#) [Quick Link 4](#)
- Germany's new car sales grew +6% in December and +9% for the full year. However, sales in Spain dropped -18% on the month, while Italy's sales fell -15% in December and -11% in 2011. [Quick Link 5](#)
- Japanese automotive sales fell -17% in 2011 due to the March earthquake and tsunami and flooding in Thailand. However, auto sales rose in December for the fourth straight month to +24% as manufacturers worked to catch up on the production slowdown caused by the March disasters. [Quick Link 6](#)
- Global auto sales are forecasted to rise +6.7% in 2012 to 77.7 million vehicles. Growth will occur in all major markets, aside from Europe. Chinese demand will lead the way, as analysts anticipate sales to rise +16% to 17.9 million in 2012. The outlook for Japan's automotive industry looks positive thanks to the government's tax break extension and the reintroduction of subsidies for fuel-efficient cars. And the US auto industry is predicted to grow +7% to 13.7 million in 2012. [Quick Link 6](#) [Quick Link 7](#) [Quick Link 8](#)

Quick Links

- "Good Year for Autos, but a Test Waits in '12" <http://www.nytimes.com/2012/01/05/business/chrysler-sales-climbed-26-last-year.html?scp=1&sq=auto%20&st=Search> (accessed January 5, 2012).
- "2011 Ford Brand Sales up 17 Percent for the Year in U.S." http://media.ford.com/article_display.cfm?article_id=35785 (accessed January 4, 2012).
- "Chrysler Group LLC Reports December 2011 U.S. Sales Increased 37%; Full-Year Sales Up 26 Percent" <http://www.marketwatch.com/story/chrysler-group-llc-reports-december-2011-us-sales-increased-37-percent-full-year-sales-up-26-percent-2012-01-04> (accessed January 4, 2012).
- "GM's U.S. Sales Increase 5 Percent in December" <http://media.gm.com/content/media/us/en/gm/news.detail.html/content/Pages/news/us/en/2012/Jan/gmsales> (accessed January 4, 2012).
- "German Car Sales Grew 6% in December" <http://europe.autonews.com/apps/pbcs.dll/article?AID=/20120103/ANE/301039867/1193> (accessed January 4, 2012).
- "Japanese Auto Sales Jump 24%" http://online.wsj.com/article/SB10001424052970203471004577141953915661384.html?mod=googlenews_wsj (accessed January 5, 2012).
- "Global Auto Sales to Grow 6.7% this Year, Polk Says" <http://www.freep.com/article/20120104/BUSINESS01/201040332/Global-auto-sales-to-grow-6-7-this-year-Polk-says?odyssey=mod%7Cnewswell%7Ctext%7CFRONTPAGE%7Cs> (accessed January 5, 2012).
- "Global Auto Sales to Rise 6.7% in 2012 on Chinese Demand" <http://www.autonews.com/apps/pbcs.dll/article?AID=/20120103/RETAIL01/301039878/1131> (accessed January 4, 2012).

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