



Auto News Flash

Carlos Gomes (416) 866-4735
carlos_gomes@scotiacapital.com

Canadian and U.S. Vehicle Sales — August 2010

Canada

Passenger vehicle sales remained above a year earlier, but edged down to an annualized 1.57 million units in August, from 1.65 million the previous month. Despite the month-to-month moderation, sales gains are broadening out to include more automakers — a positive for the industry. However, most of the strength is concentrated in the heavily-incentivized light truck segments.

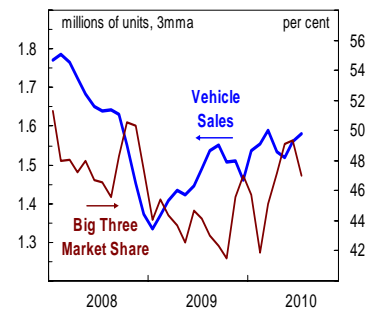
United States

Car and light truck purchases softened to an annual rate of 11.2 million units in August, down from 11.5 million in July, but in line with the year-to-date average. Lower retail volumes accounted for last month's moderation, reversing the improvement in July.

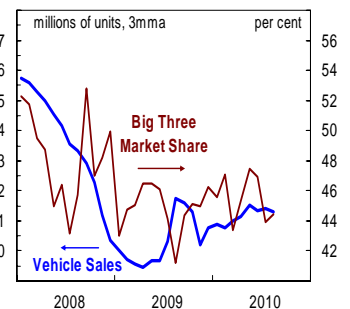
A flattening trend in retail vehicle purchases is consistent with incoming sluggish U.S. employment data in recent months and with some leveling off in overall consumer spending. This reflects consumer anxiety about the ongoing erosion in U.S. house prices, as well as continuing high unemployment and weak equity markets.

However, despite heightened consumer caution, the industrial side of the U.S. economy is still moving ahead, with order backlogs continuing to rise in most sectors. For their part, automakers have scheduled a further small increase in fourth-quarter North American output.

Vehicle Sales & Detroit Three Market Share — Canada



Vehicle Sales & Detroit Three Market Share — United States



Canada/U.S. Motor Vehicle Sales Outlook

	<u>1991-01</u>	<u>2002-07</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	
	Average		Average		Jan-Aug *	Annual f
(thousands of units, annualized)						
CANADA	1,323	1,614	1,642	1,461	1,567 *	1,565
Cars	772	864	898	748	725 *	735
Light Trucks	551	750	744	713	842 *	830
(millions of units, annualized)						
UNITED STATES	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)						
NORTH AMERICAN PRODUCTION**	15.30	16.10	12.90	8.53	12.30	12.20

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

Scotia Economics

Scotia Plaza 40 King Street West, 63rd Floor
 Toronto, Ontario Canada M5H 1H1
 Tel: (416) 866-6253 Fax: (416) 866-2829
 Email: scotia_economics@scotiacapital.com

This Report is prepared by Scotia Economics as a resource for the clients of Scotiabank and Scotia Capital. While the information is from sources believed reliable, neither the information nor the forecast shall be taken as a representation for which The Bank of Nova Scotia or Scotia Capital Inc. or any of their employees incur any responsibility.