



Vehicle Sales

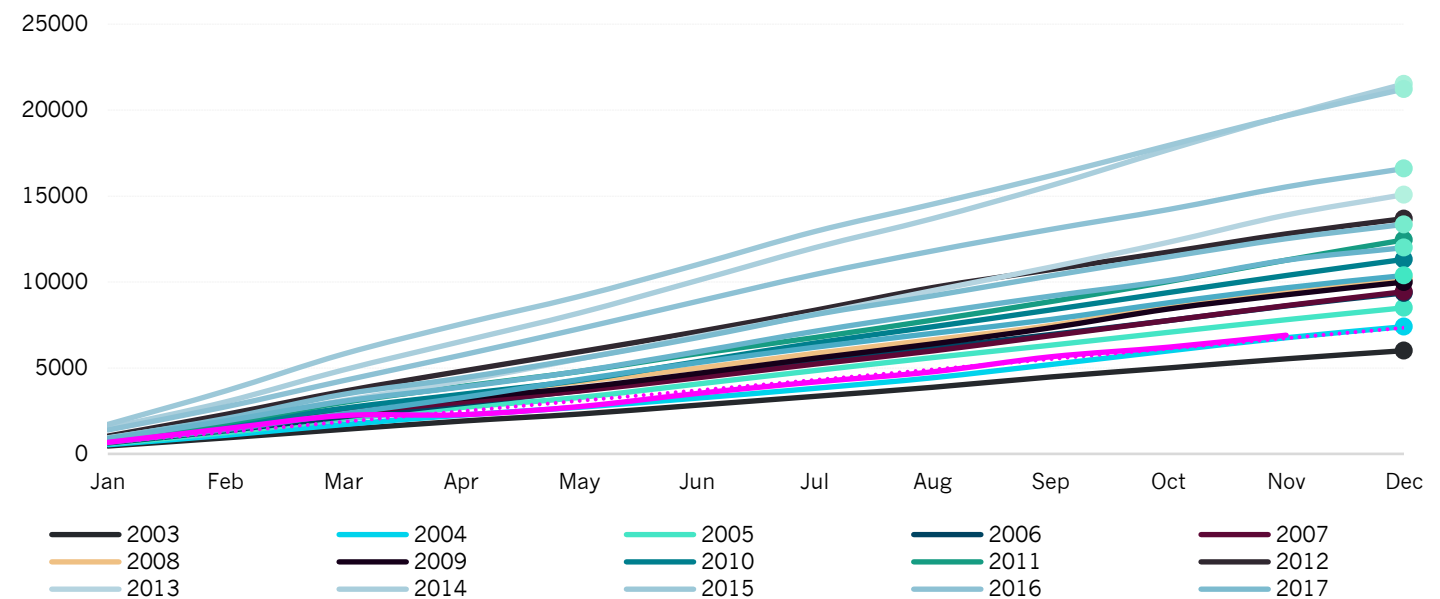
November 2020

15 Dec '20

The month of November saw vehicle sales increase on a monthly basis with a growth rate of 24.9%. However, on an annual basis, vehicle sales remained contractionary with growth of -20.0%. This amounted to 698 vehicles being sold over the month. Moreover, over the comparable period, 2020 year-to-date sales remain significantly (28.5%) lower than 2019 sales.

YTD Vehicle Sales

November sales continue liner trend which anticipate lowest vehicle sales around 2004

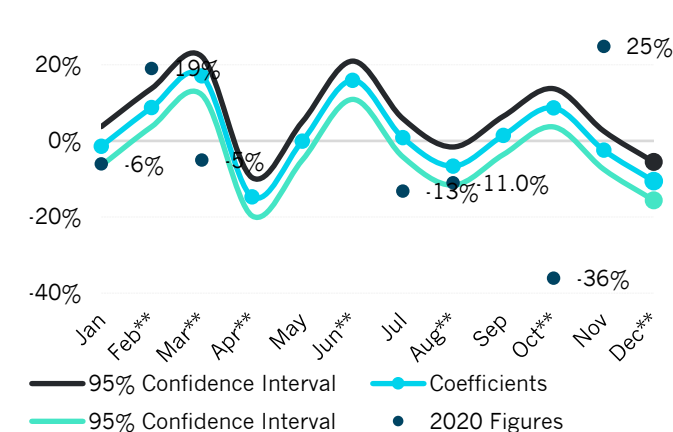


Source: Cirrus Securities, Lightstone Auto

In the month of November, a total of 698 new vehicles were sold resulting in monthly, annual and year-to-date growth rates of 24.9%, -20.0% and -28.5%, respectively. Commercial vehicles were, as was the case in September, the primary contributor to the decrease which saw the vehicle type grow by negative growth of 31.7% over the year. Passenger vehicles saw slight reductions over the year with a respective growth rate of -2.3%. These decreases have extended the linear trend set for the year and suggests that 2020 vehicle sales are comparable to that achieved in 2004.

Vehicle Sales Seasonality

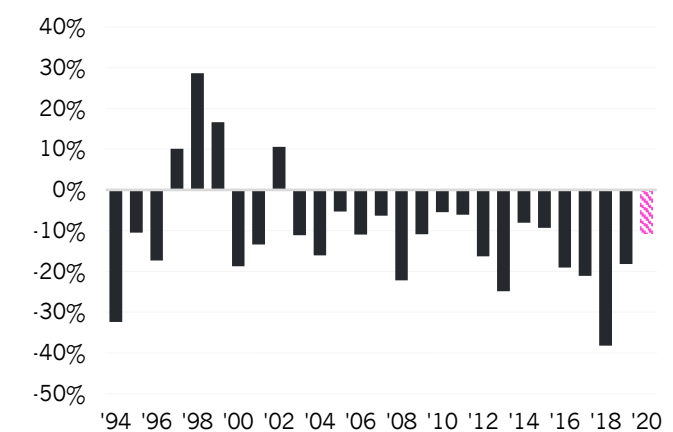
December shows statically weaker vehicle sales



Source: Cirrus Securities, Lightstone Auto

Month-on-month December Growth

Since 1994, December sales predominately negative



Source: Cirrus Securities, Lightstone Auto



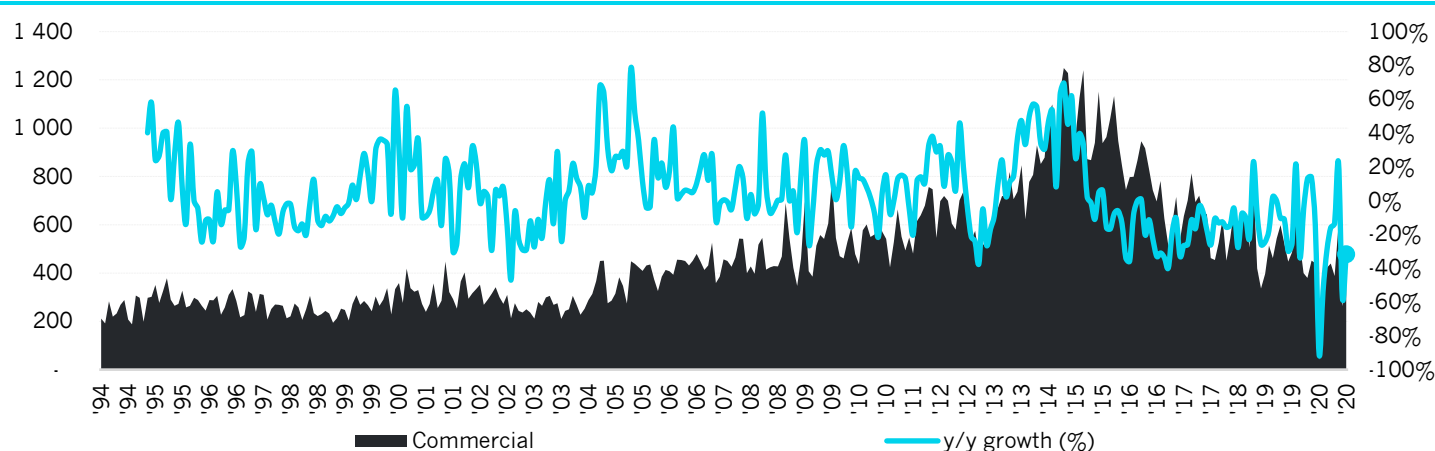
Expectations for vehicle sales this year remain significantly lower due to households remain characterised by risk of either retrenchments or wage reductions, high debt levels (relative to disposable income) and greater difficulty accessing finance given the riskier macro environment.

Moreover, once analysing vehicle sales seasonality it is evident that December is historically a bad month for new vehicle sales. This has also been found with a high level of statistical significance. This further dampens our outlook for the closing month of the year regarding vehicle sales. Traditionally, the holiday season—when consumers make large expenditures of disposable income elsewhere—contribute to the slowing of auto sales.

Commercial Vehicles

Commercial Vehicles

359 Commercial vehicles were sold in November with annual growth of -31.7%



Source: Cirrus Securities, Lightstone Auto

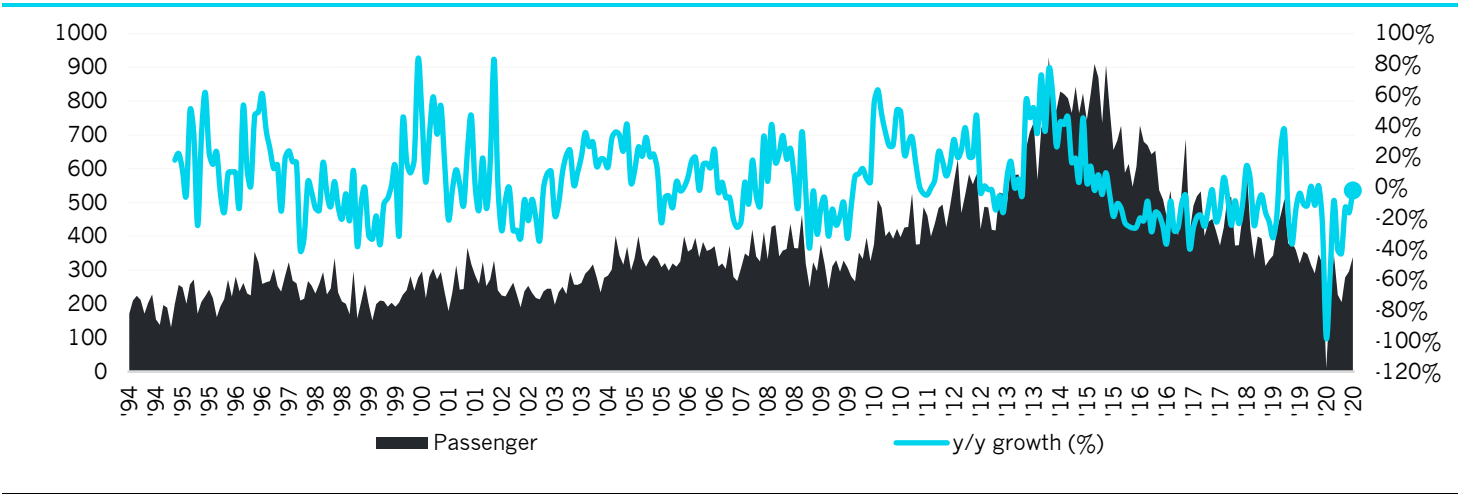
A total of 359 commercial vehicles were sold in November. This is a 31.7% decrease on an annual basis. Conversely, commercial vehicle sales saw a 36.5% increase over the month of November. Cumulative sales for the year amount to 4,032 units, significantly fewer than the 5,449 units sold over the comparable period in 2019. This is the 13th biggest yearly contraction on record.

Light commercial vehicle (LCV) sales saw decreases on an annual basis with a growth rate of -31.3% however recovered on a monthly basis with a significant increase of 47.9%. This amounted to 321 LCVs sold in November. Like the month of September, the significant increase in LCVs was largely driven by a surge in bakkie sales (Toyota Hilux, Nissan Hardbody, Ford Ranger, and VW Amarok's account for 32% of total vehicle sales). 9 Medium commercial vehicles were sold in November, with YTD sales amounting to 159 units – 86 less than the comparable period in 2019. Finally, 3 heavy commercial vehicles, 25 extra heavy vehicles and 1 bus were sold in November. The festive seasons does not bode well for commercial vehicle sales as many businesses will reduce economic activity over the last month of the year. Moreover, the dampened economic activity will lead to ongoing supply on the second-hand market and will depress demand for any new vehicles.

Passenger Vehicles

Passenger Vehicles

339 Passenger vehicles were sold in November with annual growth of -2.3%



Source: Cirrus Securities, Lightstone Auto

A total of 339 passenger vehicles were sold in November, an increase of 14.5% on a monthly basis. However passenger vehicles further contracted on an annual basis, growing by -2.3% compared to November 2019. Moreover, November sales represent a 31.8% decrease on a year-to-date basis. Weak sales can be attributed to weaker balance sheets of households which are further exacerbated by the increase in cheaper substitutes, as previously mentioned.

DISCLAIMER

This publication has been issued by Cirrus Securities (Pty) Ltd ("**Cirrus**"). It is confidential and issued for the information of Cirrus' clients only. It shall not be reproduced in whole or in part without Cirrus' written permission. Any unauthorized use, duplication, redistribution or disclosure is prohibited by law. The information contained herein has been obtained from sources which and persons whom Cirrus believes to be reliable but is not guaranteed for accuracy, completeness or otherwise. Any views reflect the current views of Cirrus. All opinions expressed and recommendations made, are as of the date of this publication and are subject to change without notice.

Cirrus provides this publication for information purposes only and this publication is not to be construed as providing investment services in any jurisdiction where the provision of such services is not permitted. No information contained herein, no opinion expressed, and no recommendation made constitutes a representation by Cirrus or a solicitation for the purchase of securities mentioned herein and Cirrus has no responsibility whatsoever arising here from or in consequence hereof.

This publication does not attempt to identify the nature of the specific market or other risks associated with an investment. Cirrus confirms that this publication does not constitute investment advice and that it does not act as an investment advisor to its clients. Securities or financial instruments mentioned herein may not be suitable for all investors and investors must make their own investment decisions using their own independent advisors as they believe necessary and based upon their specific financial situations and investment objectives. A security's or a firm's past investment performance is not a guarantee or predictor of future investment performance.

Cirrus and/or its employees may from time to time own securities mentioned herein.

ANALYST CERTIFICATION

The research analyst who prepared this report certifies that the view expressed in the report accurately reflect the research analyst's personal views about any or all of the subject securities and issuers and that no part of his/her compensation was, is or will be directly or indirectly related to specific recommendations or views contained in this report.

LEGAL ENTITIES INVOLVED IN PRODUCING CIRRUS RESEARCH

Cirrus Capital (Pty) Ltd

