



Austria



Denmark



France



Germany



Italy



Netherlands



Poland



Portugal



Spain



Sweden



Turkey



United
Kingdom

INDICATA Market Watch- COVID-19

Edition 11 - Has Christmas come early but for all the wrong reasons?

December 2020



INDICATA
PART OF AUTOROLA GROUP

Executive Summary

- New coronavirus restrictions and lockdowns cause havoc for the used car market.
- Dealers have been stocking up to meet demand with stock up 4.9% month-on-month
- But used car sales have gone into reverse as a second spike in Covid-19 sees new restrictions across Europe resulting in a -15.6% fall in sales year-on-year (October +12.5%).
- Stock turn remains higher than a year ago with diesel (+9% YoY) and petrol (+14% YoY) still in demand.
- But reduced demand over last month has seen stock turn reduce with diesel at 5.6x, petrol 5.1x, hybrids at 4.2x and BEVs sitting in stock the longest with a stock turn of just 3.8x.
- Used car sales have fallen for both petrol (-15%) and diesel (-22%) whilst alternative powertrains have fared better with BEVs up +84% and hybrids +62% YoY.
- Stock turns of non-ICE cars remain well below the market norm (3.8x BEVs and 4.2x hybrid) indicating a risk that dealers may be having to push alternative powertrains to keep stock moving.
- There are rumours of some OEMs supporting tactical sales (0km/pre-registrations) to lower their fleet emissions but with <1-year old volumes down so significantly (-20.0% YoY) the data suggests any action being taken is very limited.
- But stock turn levels for <1-year old cars rose by 13% YoY with 1-2-year-old car stock turns increasing by 15% indicating strong demand compared to this time last year.
- Our pricing index is based on a consistent basket of vehicles and therefore we would expect prices to soften month on month due to lifecycle, but prices remain firm or even increasing in most countries as demand continues to exceed supply.
- December is normally the quietest month in the automotive sales calendar and whilst Portugal, Germany and Italy have been notable exceptions the November lockdown and its impact on car sales looks like it may have all but ended the car sales market a month earlier as consumers' focus switches to the festive period and making up for lost retail shopping time.



European Markets

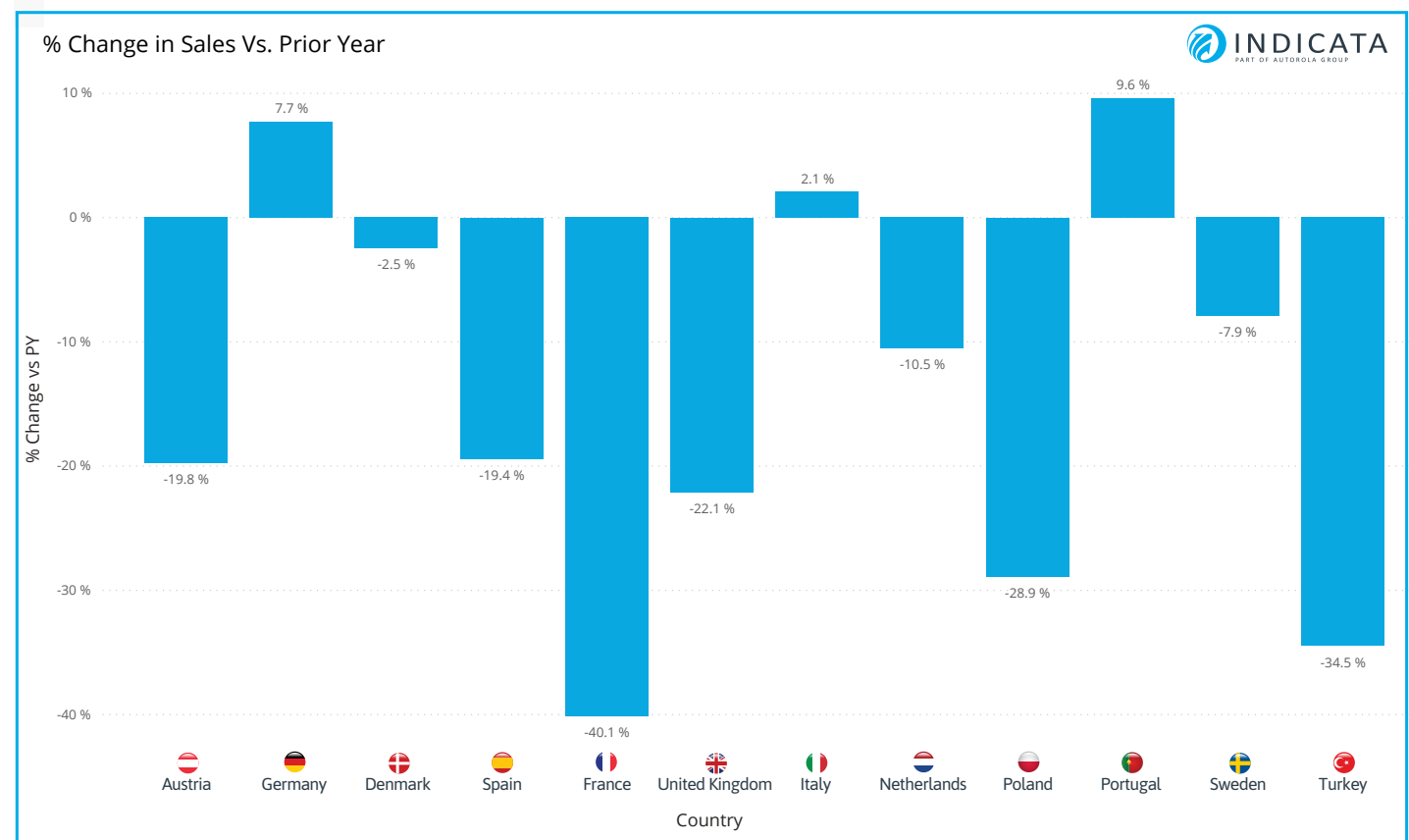
Covid-19 brings year end slowdown forward.

New and used car sales typically start to slow down from late October until the end of the year but we are seeing a far more dramatic fall this year.

The second wave of Covid-19 infections spreading across Europe in October and November saw the introduction of lockdown 2 or at least more stringent controls across much of the region.

Despite the various measures brought in by European governments the labour market has also hit its tipping point, resulting in unemployment hitting levels not seen since the fallout from the 2008 economic crisis. Unemployment in the EU is forecast to hit 7.7% by the year end, rising to 8.6% in 2021 according to the latest data from the European Commission, although some are forecasting it going as high as 9.4%.

Looking at used car sales and September saw sales grow 18.4% over September 2019, as the pent-up demand during the previous period of lockdown resulted in strong levels of growth. Whilst October saw the level of sales growth easing back (+12.45% YoY) this was still a good result, underlining how the market was playing catch up on the first half of the year.



November shows how fragile that recovery was as sales fell 15.6% compared to the same month last year. With restrictions on freedom to move about combining with job losses and uncertainty about the economic future, the reduction in used car sales we are seeing across most of the region is not surprising, but the scale of that reduction would indicate that 2020 used

car sales market may have all but come to an end a month earlier than normal.

This edition of our Market Watch stays focused on both volumes and market stock turns to see what this might mean for the start of 2021.

Falling demand in the used car market impacts all powertrains.

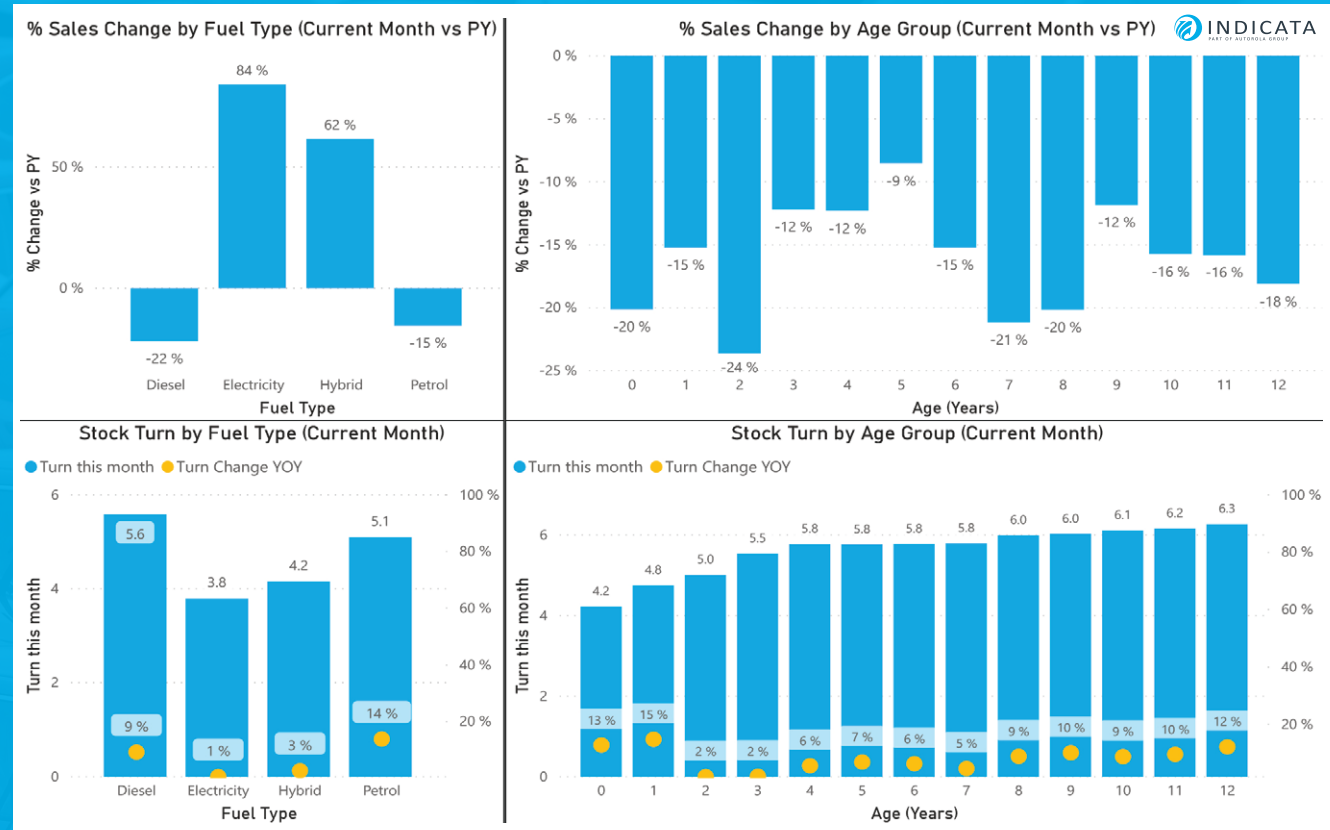
The November fall in used car sales shows no favours to powertrain or age of vehicles with similar drops across all metrics compared to October.

Used diesel car sales fell by 22% YoY compared to an increase of 8% last month YoY. Used petrol car sales saw a similar decline, down 15% this month compared to November 2019 compared to a 12% YoY increase in October. Whilst alternative powertrains (BEV and hybrid) saw sales continue to rise, up 84% and 62% respectively, this is still a considerable downturn compared to growth rates of over 100% in October versus the same month last year.

In growth terms, "alternative" powertrains continue to outperform their traditional ICE equivalents with BEVs and hybrids both seeing sales increase by over 100% compared to October 2019. But this statistic flatters these powertrains when you look at the overall picture in volume terms.

The rate of stock turn has also been hit by the latest sales reductions. At the latest sales rates stock turn for BEVs is now just 3.8 times, a marginal 1% improvement over November 2019 and down from the 4.5x in October. Stock turn of hybrids has also slowed to just 4.2x, just a 3% improvement YoY, and much lower than the 5.3x in October.

Year-on-Year Changes (This Month vs. Last Year, Same month):



We have been reporting how stock of used cars had been freeing up over the last few months, particularly for ICE vehicles. With sales now slowing down significantly, the two elements combined have resulted in stock turn also dropping for ICE cars. Diesel stock turn in November is now 5.6x versus 7.4x last month, whilst petrol turn rates have dropped to 5.1x (6.7x in October).

This means the short supply on ICE has now righted itself and we are starting to see some oversupply on alternative powertrain vehicles as they are sitting in dealer stock longer than their traditional contemporaries with supply lagging demand.

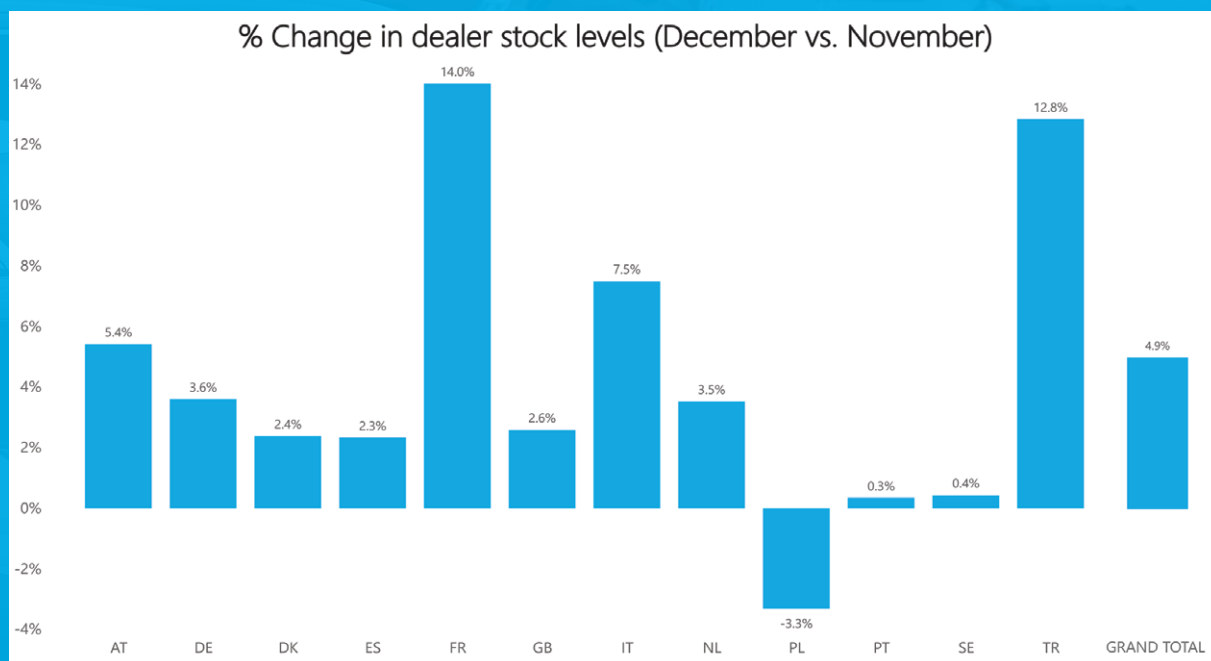
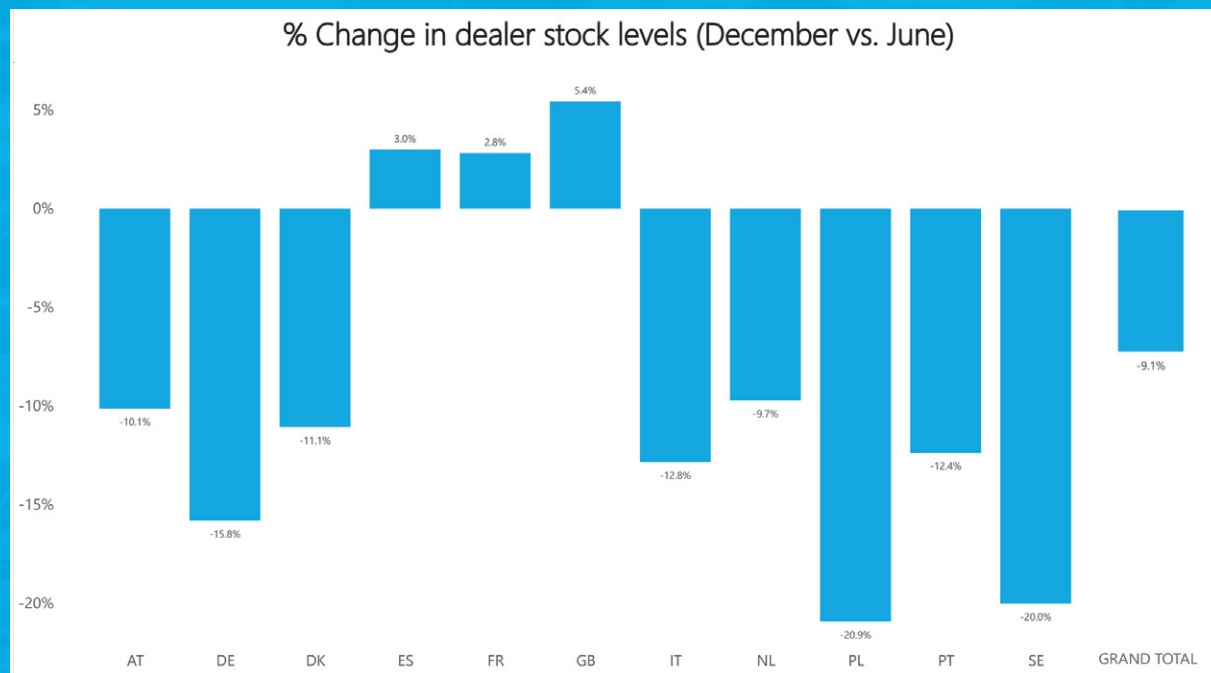
Stock levels rise as sales fall.

The easing of the first lockdown saw a rise in demand followed by dealers scrambling to get used car stocks to meet it. From a starting position of June 2020, we saw stock levels 15% lower by September as dealers struggled to meet the demand. The situation improved into October as dealers closed the gap to June to 13.4% across all the markets and by November the gap to the mid-year point was down to just 9.1%.

Only a month after discussing the impact of lockdowns easing, we are now having to consider the impact of the new restrictions, whether that is a circuit breaker, lockdown 2 or just tiered restrictions and other measures.

Across most markets the reduction in sales, just as dealers had been buying up stock, has resulted in stock levels rising from last month. Last month we flagged the risk of a sales slowdown creating stock pressures for dealers. With December traditionally the quietest in the car market calendar and Covid-19 restrictions still in place the stock position is only likely to worsen further as we head towards the end of the year, leaving many dealers with stock surpluses going into 2021.

Dealers in Spain, France and the UK in particular are sitting on stock levels above where they were in June, with stock levels up again this month over last month whilst sales are down.





Austria

BEVs and older cars fare better in a weakening market.

Used car demand in Austria has seen the second successive monthly decline in sales YoY. Sales fell 19.8% in November following a 2.1% decline in October.

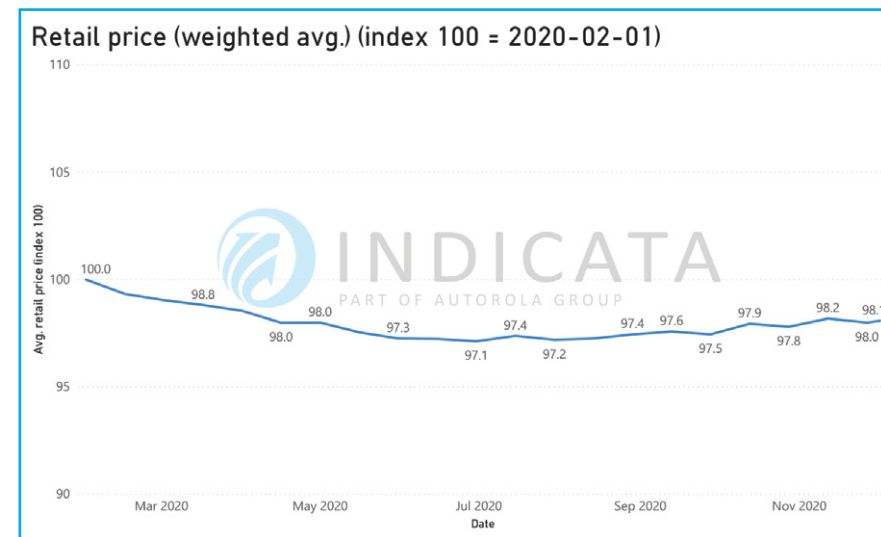
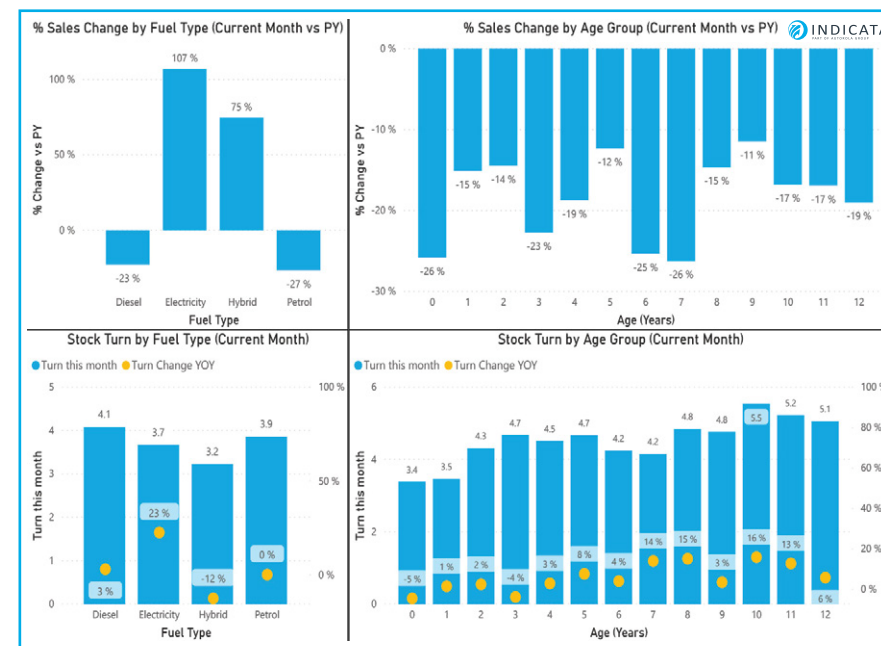
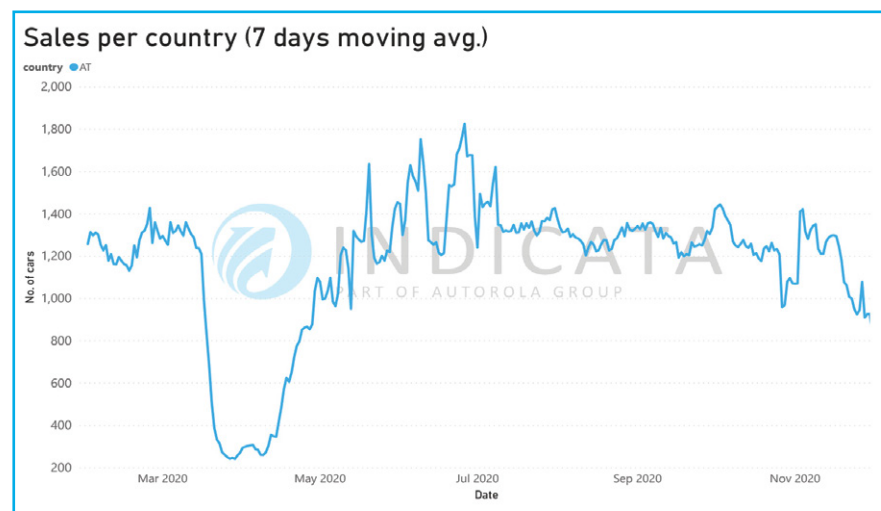
Like the rest of Europe, unemployment has risen this year and is forecast to rise by 1 percentage point to 5.5% by the year end compared to 2019 according to the European Commission. GDP has also collapsed with a forecast of -7.1% for the year, compared to growth of 1.5% last year.

Whilst we have to hope that the news on a Covid-19 vaccine should improve the situation next year there is no doubt that the virus is impacting consumers' willingness to venture out which means the good times may be at an end for 2020.

Unlike some markets Austria has bucked the trend of falling used car sales impacting all ages and particularly powertrains. BEVs and hybrids saw continued healthy growth, up 107% and 75% respectively. More importantly stock turn for BEVs remained relatively low but at least steady at 3.7x (October also 3.7x). In contrast the others all saw a sharp decline as demand fell with stock turn of hybrids (3.2x versus 3.9x October), petrol (3.9x versus 5.1x MoM) and diesel (4.1x compared to 5.4x the previous month) all down. Sales of petrol and diesel also fell sharply, down 27% and 23% YoY respectively.

Whilst used car sales fell across all age ranges, there is clear evidence of a move towards older cars. The stock turn of vehicles 8 years and older are well above younger used cars, with levels generally seeing low teens level of increase over this time last year.

Contact: Andreas Steinbach | ash@autorola.at



Denmark Used car sales growth goes into reverse.

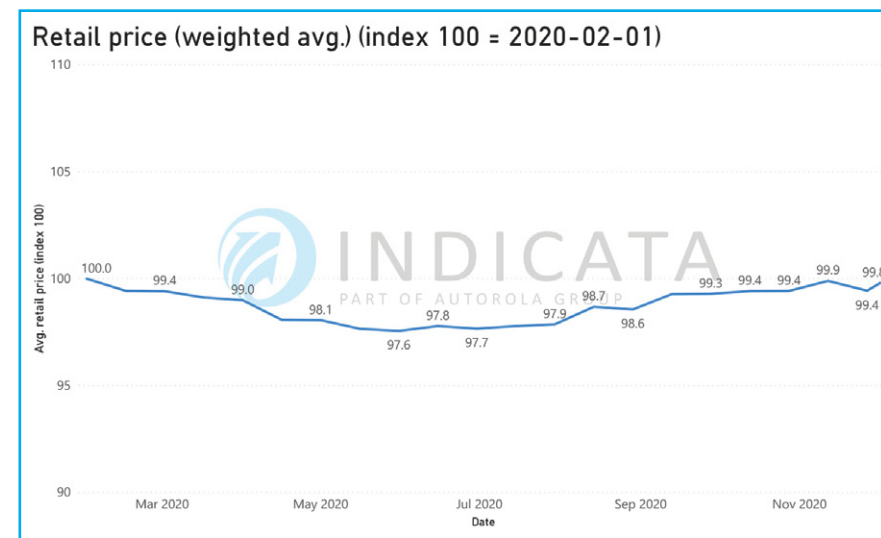
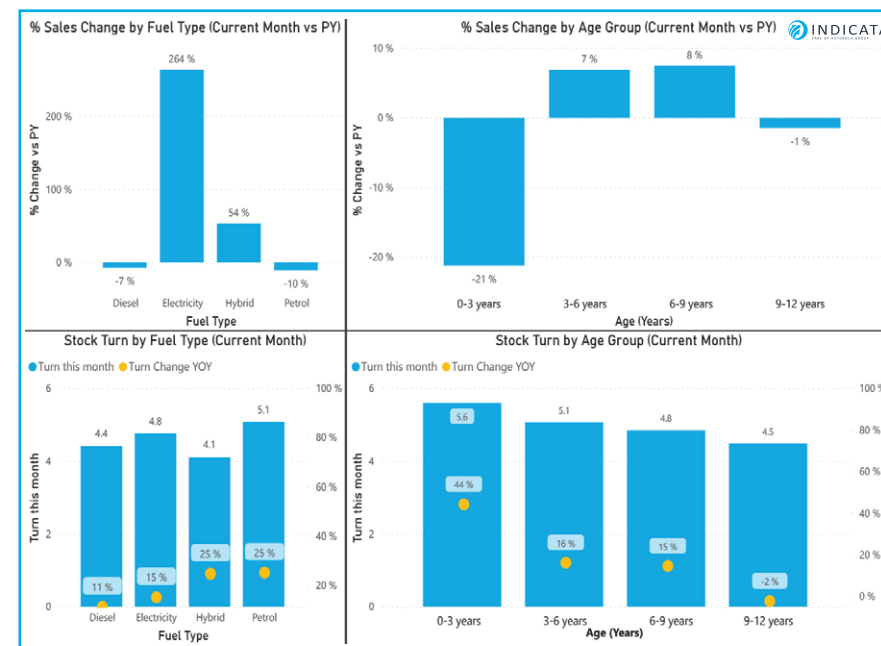
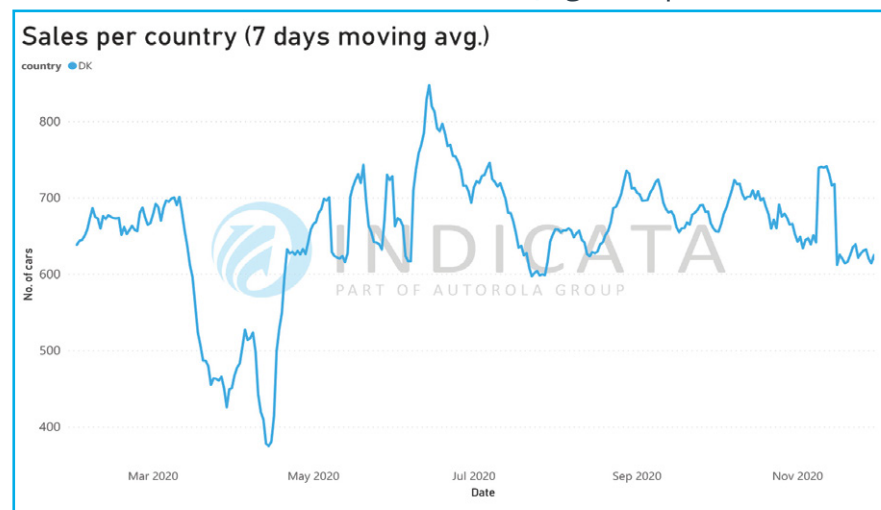
Denmark's economy is faring better than much of Europe with GDP forecast to only fall by around -3.9%, according to the European Commission, far better than the -7.8% drop for the Eurozone and the -7.4% for the EU overall. Unemployment is also forecast to end the year only around 1.1 percentage points higher than last year, in line with the rest of Europe. But the economic backdrop and new Covid-19 restrictions mean the used car market may be coming to an early end for 2020.

The rate of growth in used car sales in Denmark has been in a downward trend since mid-year. From a 31% increase in year-on-year sales in June, through July (+21%), August (+9.6%), September (+8.4%) and October (+4.7%). In November sales went into reverse, down -2.5% compared to November 2019. This drop was even though the government released the "frozen holiday money" in an attempt to provide a financial stimulus to encourage the public to spend.

Denmark's green credentials remain strong as evidenced by November's used car trends. Despite used car sales being in decline this month, the sale of BEVs increased by 264%, whilst stock turn for electric vehicles rose to 4.8x from 4.6x last month, a 15% improvement YoY.

Stock turn for petrol and hybrids are up 25% YoY although they have dropped from October's 6.2x (petrol) and 5.3x (hybrid) to 5.1x and 4.1x respectively, but there could still be a little supply constraint on petrol. Hybrids are still seeing demand increasing, but the lower stock turn indicates supply is a little more freely available versus petrol. In contrast diesel car stock turn is down to 4.4x and only 11% up YoY indicating that diesel is falling out of favour.

Contact: Thomas Groth Andersen | tga@bilpriser.dk



Only a month ago we were talking about the easing of lockdown bringing relief for French used car dealers with sales increasing by 1.8% YoY in August, up 8.4% in September and jumping 19.5% in October. Unfortunately, the second wave of Covid-19 and the subsequent lockdown, which even in December is only slowly easing, has seen used car sales tumble, down 40.1% YoY in November.

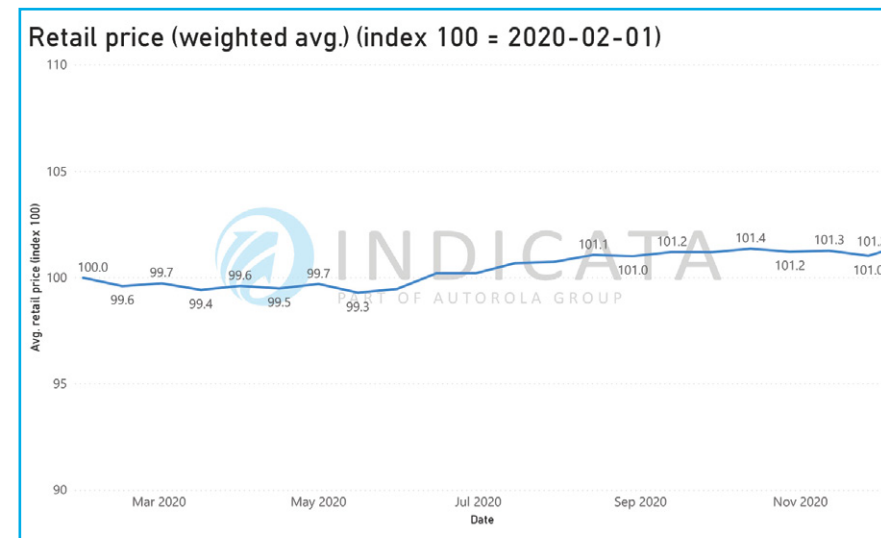
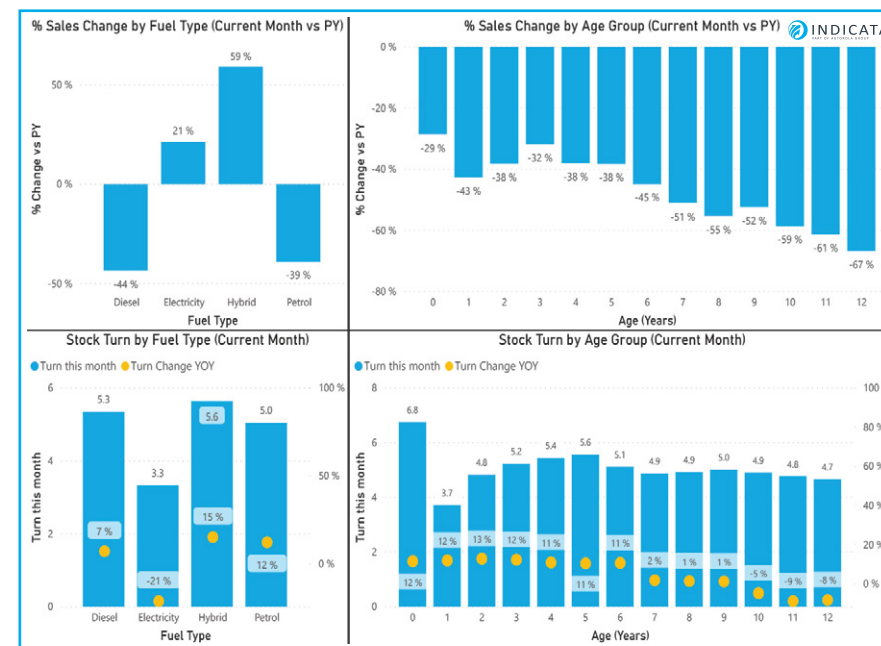
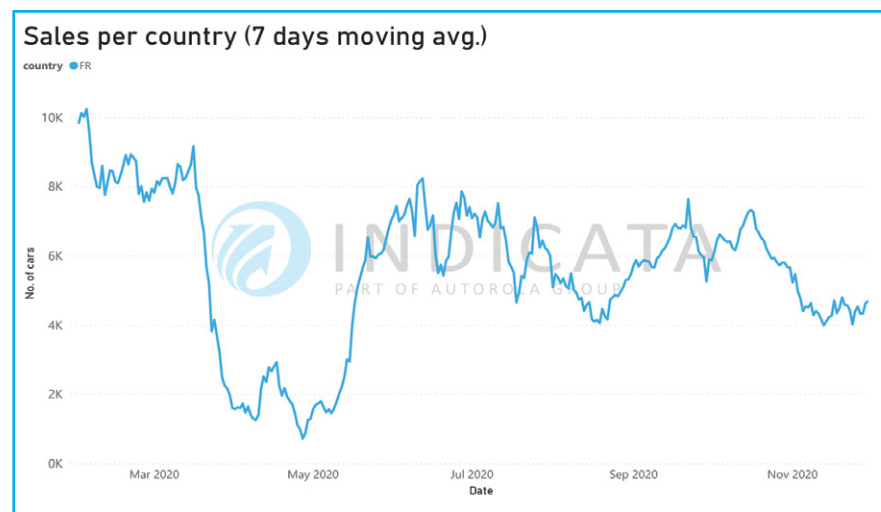
Dealers, who had been buying up used cars to meet demand, now find themselves with stock levels 2.8x higher than in June but with limited demand. Compared to other parts of Europe, France seem to have fallen out of love with diesel but increasingly want hybrids. After hybrid sales increased by 191% in October, we saw a further 59% increase in November. BEVs also saw the level of growth remain positive but ease back from 88% to 21%, whilst petrol and diesel used car sales fell by 39% and 44% respectively compared to growth of 37% (petrol) and 19% (diesel) in October.

Stock turns of petrol used cars has dropped from 9.3x to 5.0x, with hybrids falling to 5.6x from 8.0x last month. Diesel and BEV stock turns also fell, by around 40% to 5.3x and 3.3x respectively. Whilst the drop in sales is impacting across the board BEVs seem to be particularly struggling and remain in very free supply with sales growing only relatively modestly compared to other countries.

Whilst sales of sub 1-year old cars remains low, due to a lack of OEM activity, the high level of stock turn, relative to other ages shows that French demand for very young used vehicles remains strong. In fact the market continues to favour younger vehicles in general with vehicles over 6 years old seeing some of the largest falls in sales and lowest levels of stock turn.

With so much instability in the market place it is not surprising that prices are remaining stable as the normal dynamism of the market is being overtaken by other factors. However, the latest lockdown restrictions, the slowdown in demand and the sharp decline in stock turn is indicating 2021 could see a lot of dealers struggling with overstocking problems.

Contact: Pierre-Emmanuel BEAU | peb@autorola.fr





Germany

Germany bucks the European trend with used car sales still rising.

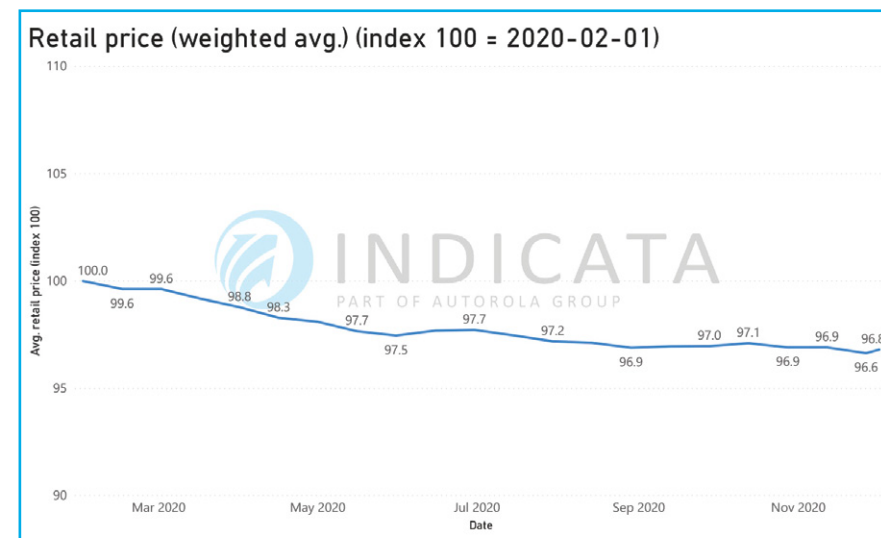
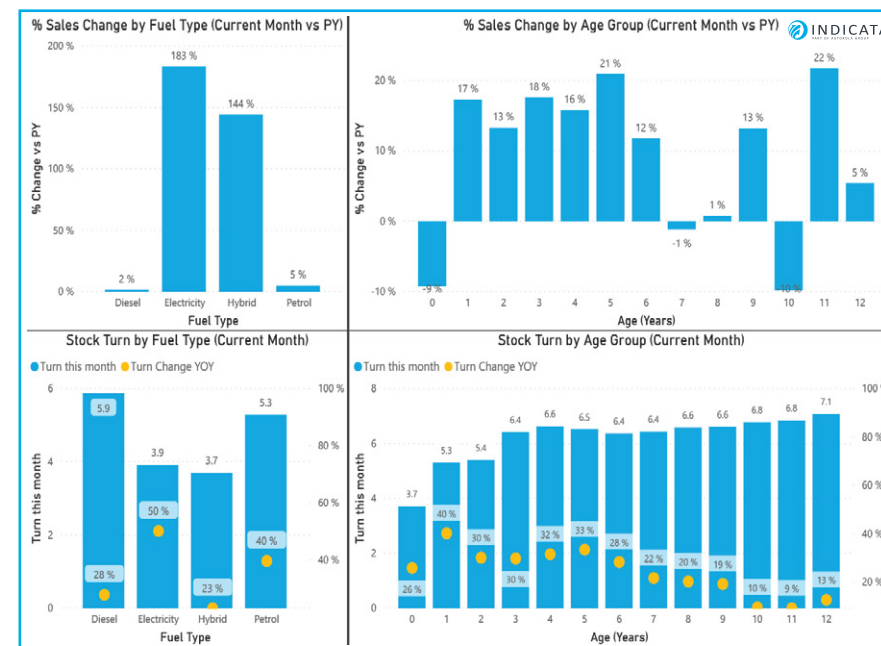
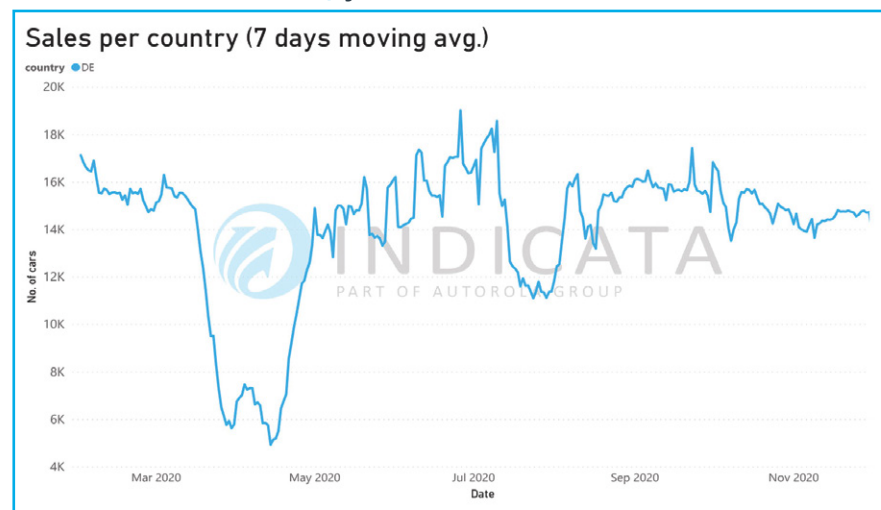
Unlike much of Europe, used car sales in Germany could almost be considered as following “normal” seasonal trends. The 6.4% year-on-year increase in July was followed by a 14.1% increase in August, a 23.4% rise in September and as we draw closer to year end October saw growth of 17.1% YoY with November dropping back to a 7.7% YoY increase. Even though sales growth may have slowed in Germany it remains healthy and positive.

Demand has been consistently outstripping supply meaning German dealers are having to play catch up to close the supply constraints. The strength of demand has pushed stock turn levels up with BEVs 50% up on November 2019, petrol 40% higher and even diesel stock turn is 28% up on last year. Hybrid has also seen a 23% YoY increase in stock turn but at 3.7x it still means they are sitting around on dealer's forecourts a lot longer than traditional ICE cars, with petrol at 5.3x and diesel at 5.9x..

Whilst stock turn for all ages and fuel types are down by about 1 turn over October, demand remains healthy and the market is still showing signs of constraint. Used car sales for all powertrains were up on the same period last year with BEVs up 183%, hybrids +144%, petrol +5% and diesel +2%. Sales growth is at its strongest for cars in the 1- 6-year-old age range, which is also where we are seeing the highest YoY increase in stock turn

Used car pricing continues to generally follow the natural lifecycle drift downwards in line with our consistent basket of cars but the flattening we saw last month is showing a little upward kick as demand remains stronger than supply.

Contact: Jonas Maik | jmk@indicata.de



The negative impact of Covid-19, in terms of restrictions and people's concerns about going out has had a negative impact on used car sales recovery but taking the full picture into consideration Italian dealers and traders are faring better than much of Europe.

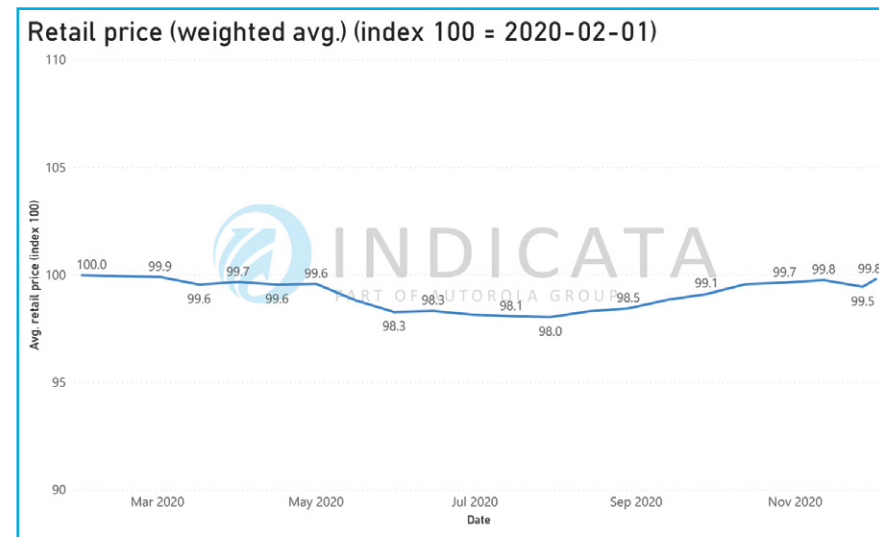
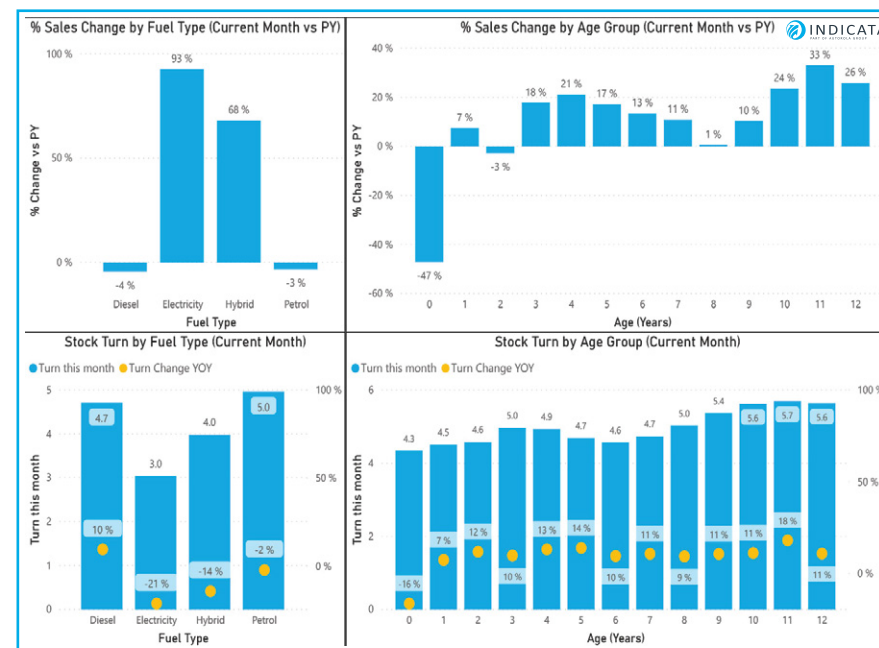
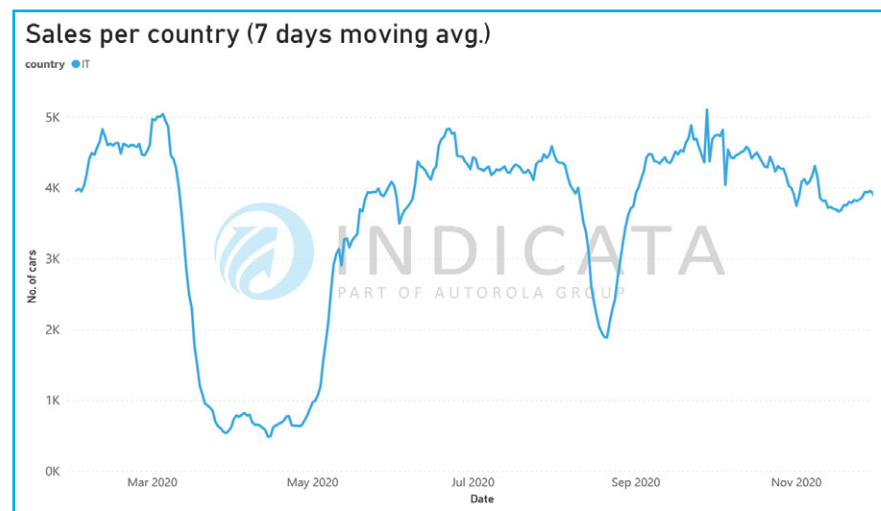
From a 33% YoY growth seen in August, sales growth in September dropped to 29.6% and then to 17.1% in October but with the lockdowns and tier restrictions now firmly in place used car sales growth fell to just 2.1% in November but it is still positive over pre-Covid-19 November 2019.

Demand for BEVs saw sales rise by 93% YoY with hybrids enjoying the second largest growth rate with a 68% YoY increase. The traditional petrol and diesel cars saw sales fall by -3% and -4% respectively but given the war on diesel and now the pressure to move to zero emission mobility a drop of only this amount could be seen as positive.

Currently Italy shows a similar trend to most of Europe with stock turns of petrol, diesel and hybrids down around 1 turn compared to October 2020 and there has been a similar decrease in stock turn for all age types. Stock turn on BEVs are down 21% YoY and virtually flat at 3x compared to October indicating that they remain in very free supply.

In October we reported that the natural lifecycle drift down in pricing up to July, which is in line with expectations for our constant basket of cars, had started to see some inflationary pressure since August. The cause being the strong demand and whilst demand has eased a little it is still enough to continue the upward pressure on used car prices.

Contact: Alberto Ongari | ao@autorola.it





Netherlands Used car sales start to fall year-on-year.

The easing of the first round of lockdown restrictions across Europe saw pent-up demand pushing up sales of used car sales and the Netherlands followed that trend. The easing of restrictions in the summer saw used car sales up 20% YoY in June but this fell to just a 9.7% increase the following month with a 2.8% and 2.9% increase through August and September respectively. October saw the Netherlands used car market go into the red as sales dropped 4.2% YoY and November has seen a 10.5% drop virtually sealing the fate of 2020.

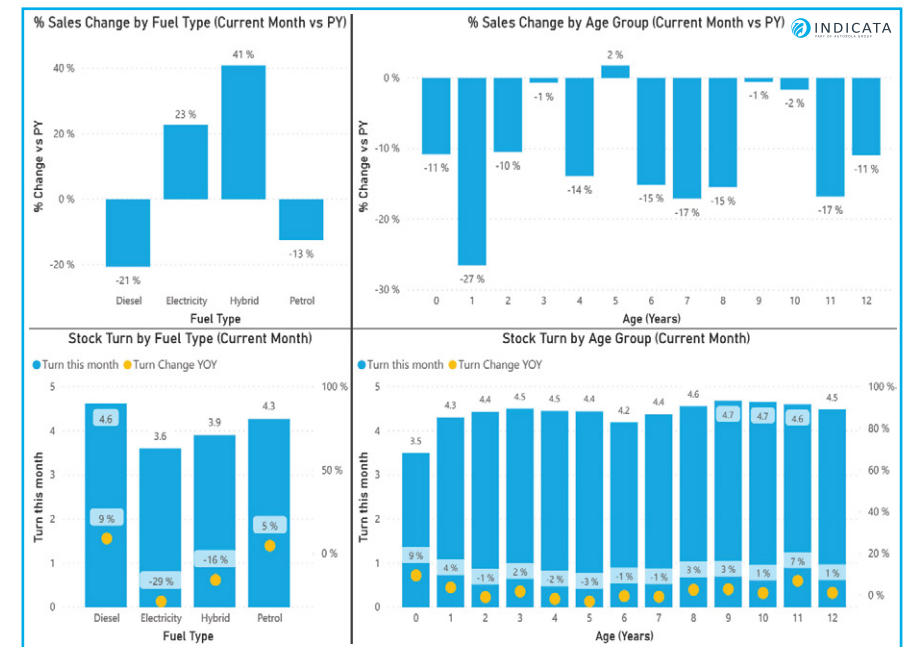
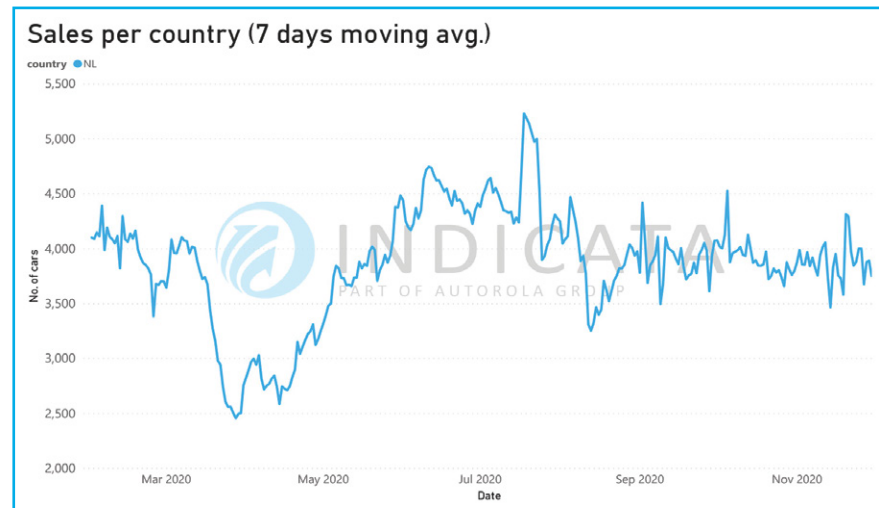
Used car sales growth fell for all powertrains compared to October. Diesel sales fell -21% YoY this month following a 16% YoY decline in October. Petrol sales declined -6% YoY in October with a further -13% fall this month. Used car sales of hybrids (+53% October vs +41% November) and BEVs both continued to grow, albeit at a slower rate than last month, but the rate of growth for the latter fell sharply from 112% last month YoY to just 23% this month.

Despite the negative growth in ICE, it is worth noting that stock turn levels are up 9% (diesel) and 5% (petrol) compared to November 2019 whereas BEVs (-29%) and hybrids (-16%) both saw stock turn levels decline to 3.6x and 3.9x. This could cause some concern for dealers who may have been stocking up on these alternative powertrains and who are now finding them sitting in stock longer than the traditional ICE vehicles.

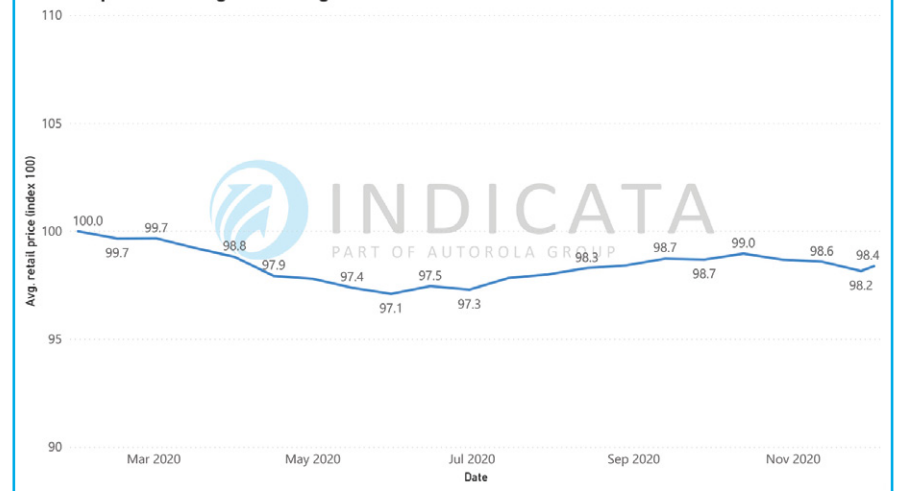
The general fall in demand is across all age ranges meaning dealers across the board are all seeing a reduction in buying customers.

The lag between falling demand and price movements meant the summer supply shortage stopped pricing from following the natural lifecycle decline expected for a constant basket of cars, remaining stable with even some upward pressure but as expected this has now changed with a general downward trend through November.

Contact: Bobby Rietveld | bri@autorola.nl



Retail price (weighted avg.) (index 100 = 2020-02-01)





Despite a little uplift in used car sales towards the end of November the month ended -28.9% down versus November 2019. This continues the downward trend we saw in October where sales fell -3.8% compared to the 12.9% increase in September.

But doubts exist over whether this is truly due to a fall in demand. Used car stock levels in November are 20.9% lower than in June and by the 1st December they had dropped -3.3% compared to the start of the previous month. This means a lot of the sales being done are eating into dealer stock and indicating that there are some supply constraint problems.

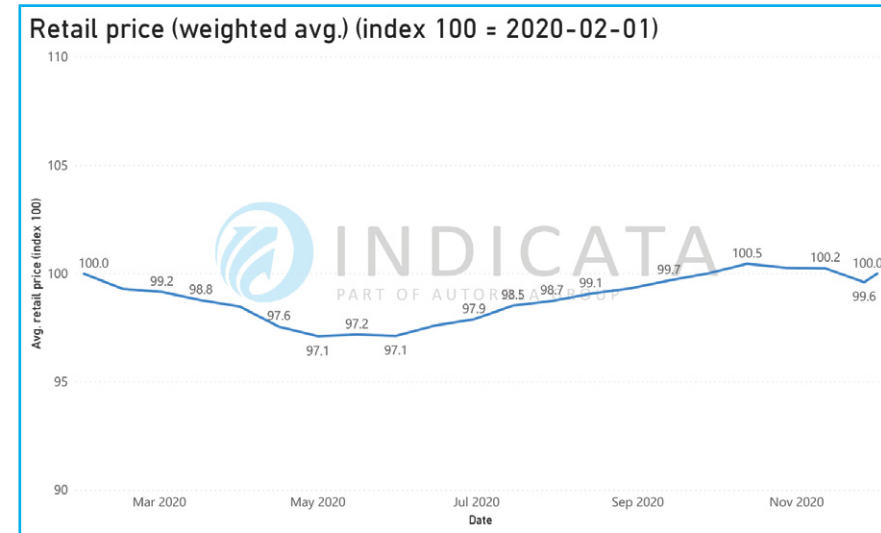
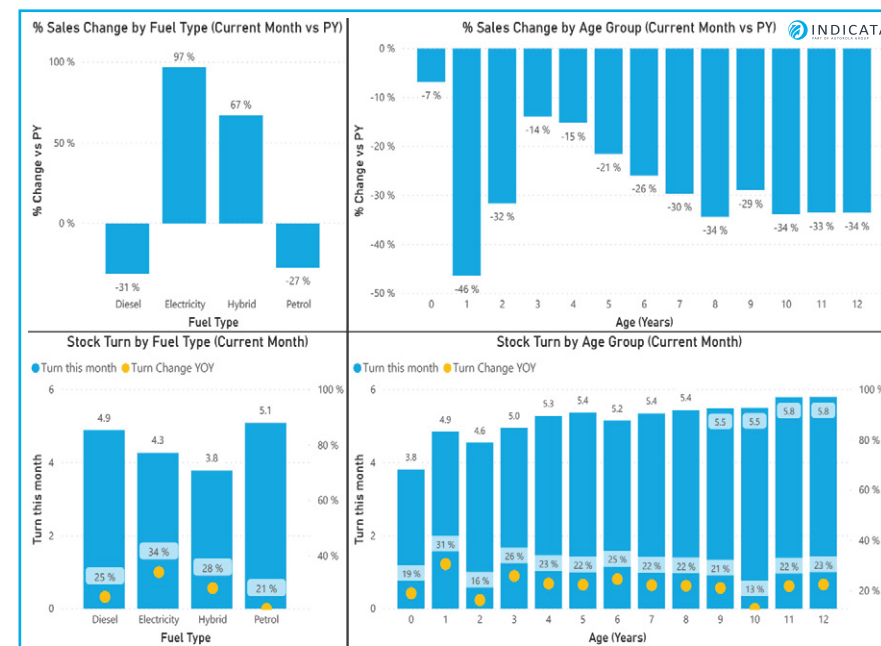
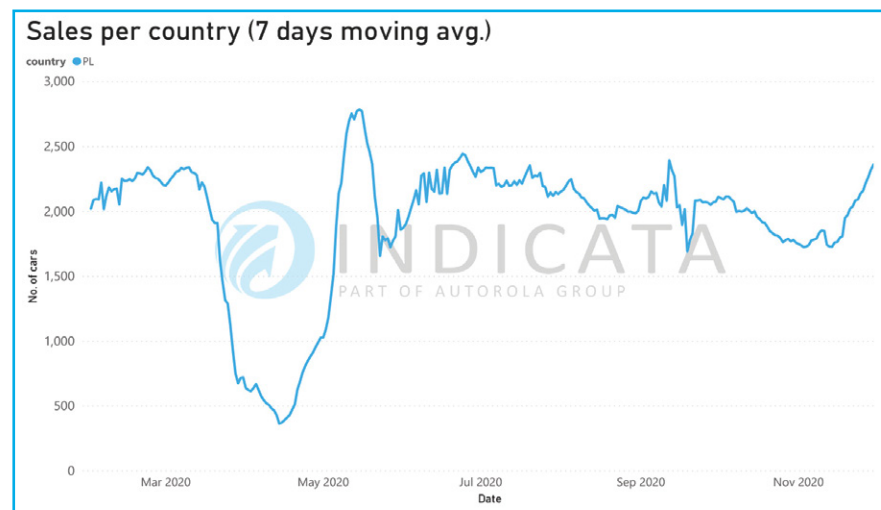
BEVs (+97%) and hybrids (+67%) continue to see the highest percentage growth rates, a consistent pattern with the rest of Europe. Used petrol car sales have dropped 27% and whilst stock turn is 0.8x lower than last month at 5.1x, it is still 21% higher than this time last year. Used diesel car sales show a similar picture with sales down 31% but stock turn 25% above the same period last year.

Whilst stock turn for BEVs has grown by 34% YoY to 4.3x and hybrids are 28% higher YoY at 3.8x they still trail the ICE cars indicating the alternative powertrains remain in free supply whilst traditional powertrains are selling faster.

Demand clearly remains supply constrained especially for younger used ICE cars with a 31% YoY increase in stock turn for 1-2-year-old cars. The impact of coronavirus has played havoc with rental companies' fleets this year and as a market which imports a lot from Southern Europe this is clearly impacting supply.

Following the typical lag in changes in demand and pricing, the fall in sales has seen a general downward trend in pricing in November. This follows the sustained upward movement in pricing caused by the supply shortages over the middle part of 2020.

Contact: Michał Wojciechowski | mw@autorola.pl





Portugal Used car demand continues to grow strongly eating into stock reserves.

As we reported last month used car sales in Portugal are softening, a pattern repeated across Europe. But also like last month the rate of sales growth has merely gone from strong to very good. Following a 39% YoY growth in August used car sales grew by 36.2% in September and 31.1% in October and whilst November has seen the rate of YoY growth fall to +9.6% it is still extremely healthy.

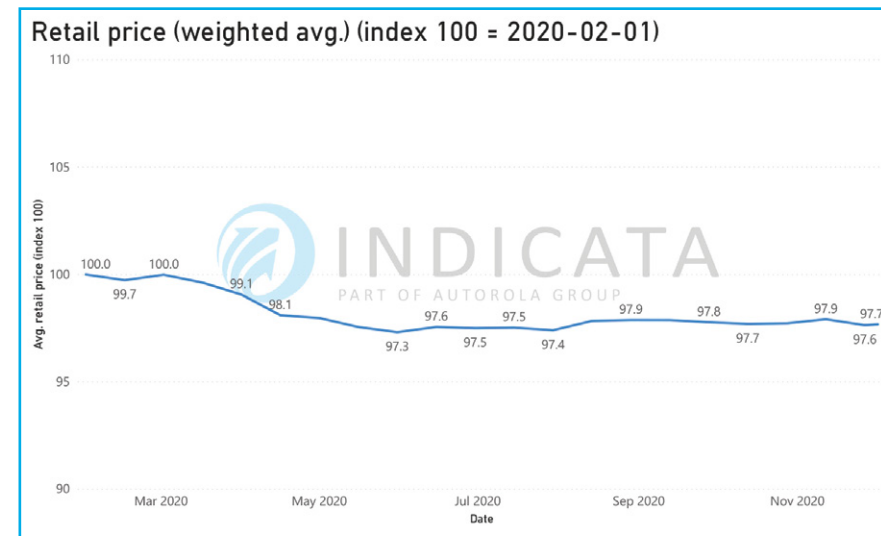
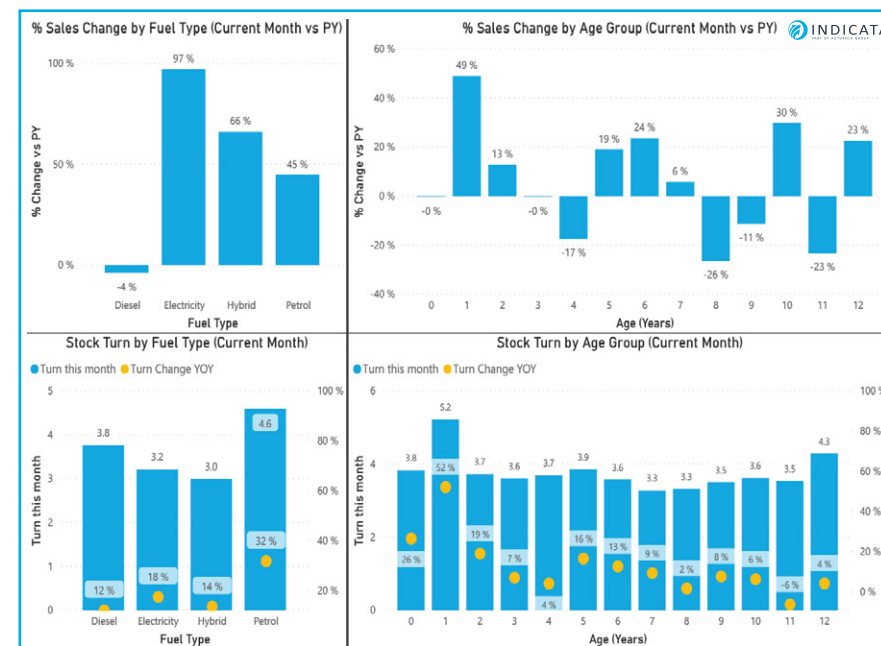
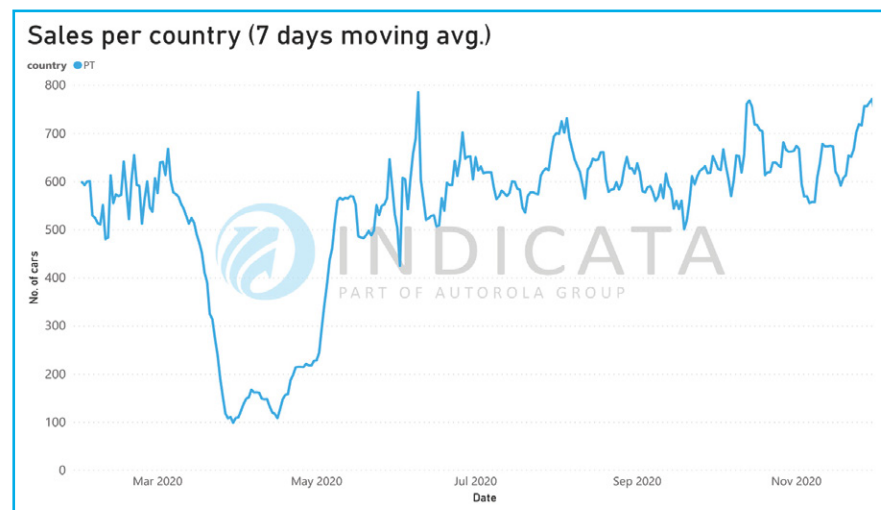
We reported on supply constraints last month and with stock levels up just 0.3% on last month and down 12.4% over June levels there is little to indicate the situation is getting any better.

The tax regime and market dynamics which make smaller engine petrol cars in Portugal explains why it is showing a different sales pattern to other countries. A 45% increase in petrol sales YoY in November coupled with a relatively high stock turn shows how supply constrained that segment is and indicates further sales opportunities. BEVs (+97%) and hybrids (+66%) also enjoyed another month of healthy sales growth, but low stock turn indicates a free supply of vehicles and thus less of an opportunity for further sales compared to petrol vehicles. Whilst the growth rates for these alternative powertrains look astounding it is worth remembering that they are coming off a lower volume base.

Stock turn for petrol of 6.8x last month has dropped to 4.6x this month with the other powertrains seeing similar reductions. But even though stock levels are marginally up MoM demand still seems to be outstripping supply overall.

The area of most opportunity remains in the younger used sector where sales are up 49% YoY and stock is turning over at 5.2x, a 52% increase over last year. As our price index is based on a constant basket of vehicles we would expect a gentle decrease over time due to the natural lifecycle decline however the strong demand is has kept prices flat with even a small upward trend for much of the second half of this year.

Contact: Sandra Sequerra | sas@autorola.pt





Spain Used ICE car sales crumble as hybrid enjoy strong growth.

Spain has officially declared a state of emergency and put the country under a nationwide curfew (except the Canary Islands) until May 2021.

Following the first wave of Covid-19 and the subsequent easing of controls used car sales saw pent-up demand push YoY sales up by +28.7% in August, +20.7% in September and +9.7% in October but the latest round of restrictions seems to have brought an early end to 2020 for used car dealers with sales dropping -19.4% in November

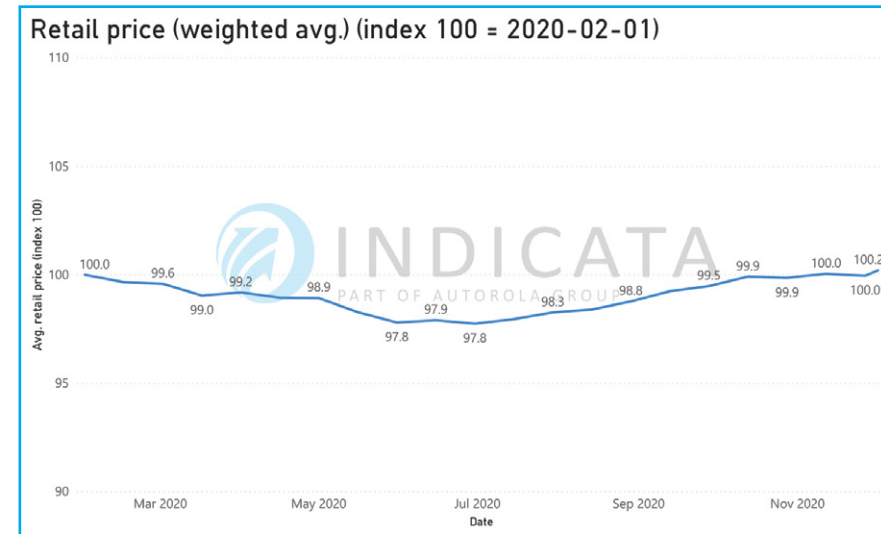
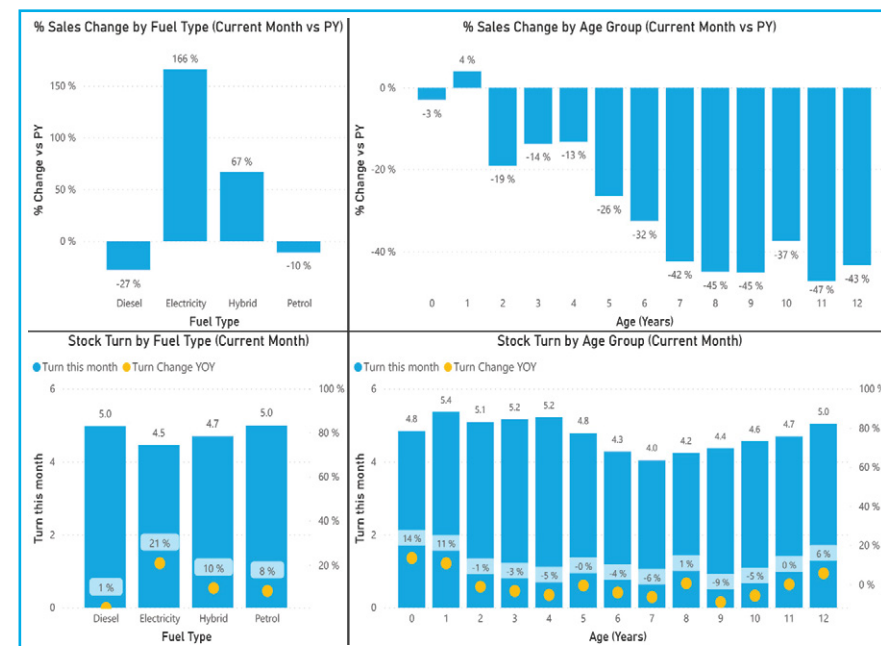
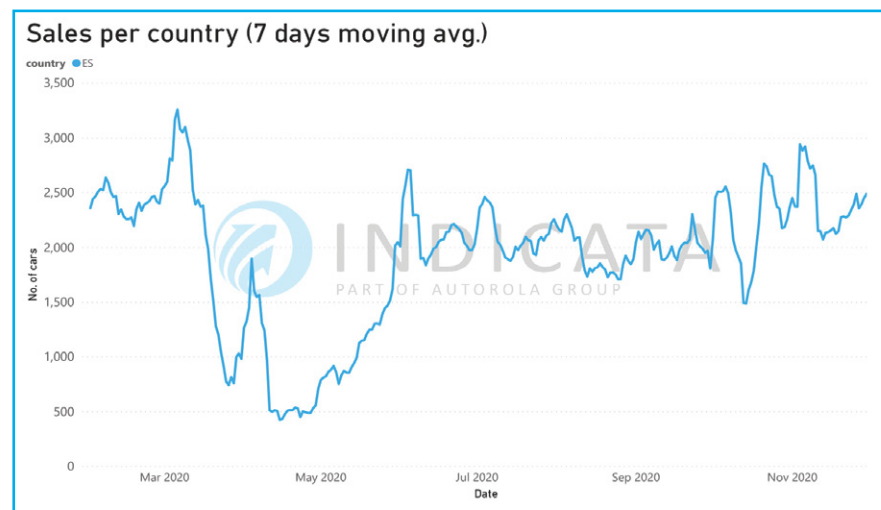
Used diesel car sales took the brunt of that fall with sales down -27% YoY in November, whilst petrol sales fell -10%. But stock turn remained strong for both ICE types indicating some supply constraints. In October diesel stock turn stood at 5.5x and this month it is still running at 5.0x, whilst used petrol car stock turn dropped from 5.5x to 5.0x this month. This indicates that dealers are managing their stock levels in line with demand with the rate of stock turn a little higher for diesel (+1%) and petrol (+8%) than this time last year.

Demand for hybrids continues to grow strongly. Sales are up 67% with stock turning only 0.3x lower than the ICE powertrains at 4.7x, which is a 10% increase in turn compared to November 2019. BEVs are also doing well with sales up 166% this month YoY and stock turn up 21% YoY to 4.5x a clear indication of the level of free supply of BEVs but also showing that it is also closing the gap on ICE vehicles.

Sales of young used cars, i.e. under 1 year old, are down just -3% whilst stock turn is up +14% to 4.8x showing demand is being held back by supply constraints as OEMs have not been as active in tactical registrations this year.

Since July pricing has stopped following the natural lifecycle decline we would expect using a constant basket of cars. Supply constraints have actually been pushing used car values up and they now stand at similar levels to early this year.

Contact: Leyre Delgado | Ide:autorola.es



Despite not having the strict Covid-19 restrictions seen across the rest of Europe Sweden's economy has still been impacted, with GDP expected to be down -3.4% this year compared to growth of +1.3% in 2019, according to the European Commission. Unemployment has also risen from 6.8% last year to an expected 8.8% by the end of this year. November also saw a second wave of Covid-19 hit the country resulting in an increase in restrictions compared to what had been a light touch approach.

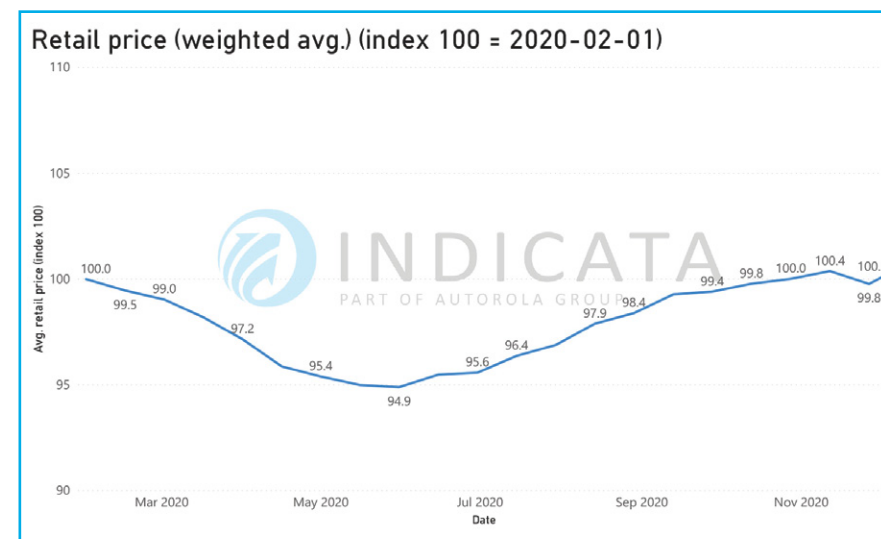
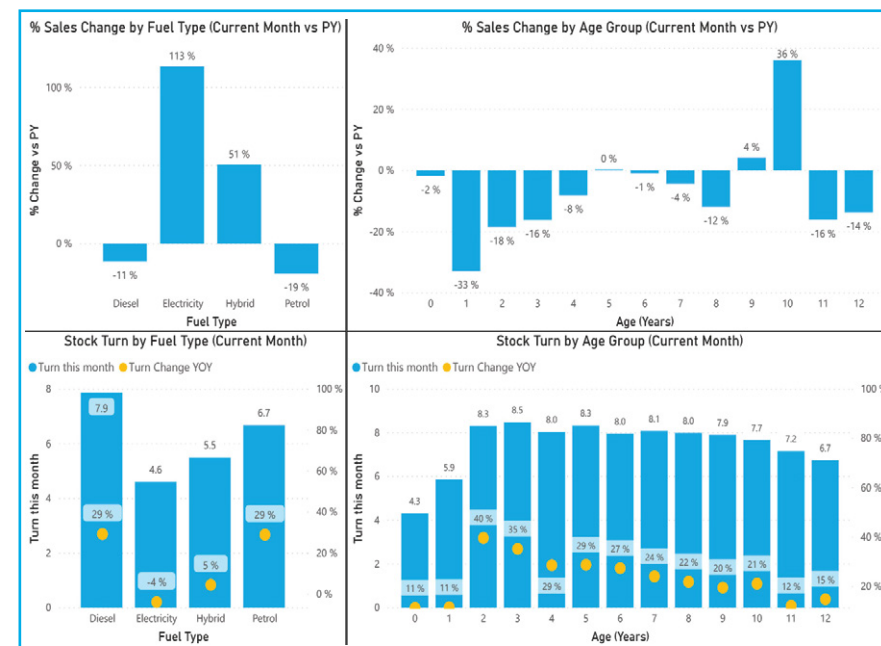
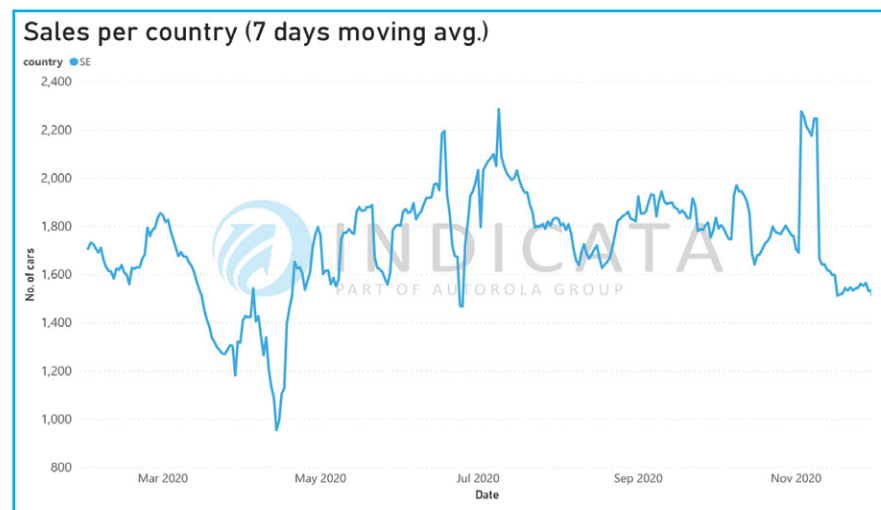
This appears to have had an impact on used car sales. From a 1.7% increase in YoY used car sales in August, to the 4.6% growth in September and a 0.8% decline in October it looked like a relatively typical year but in November YoY sales fell -7.9%. But supply constraint remains an issue and could be a more significant factor depressing used car sales rather than just falling demand.

BEVs saw another increase in demand with sales up 113% YoY compared to an 83% increase last month, whilst hybrids grew by 51% in November versus a 70% increase in October.

But stock turn remains high, with used diesel stock turn increasing by 29% YoY and at 7.9x this may be the key factor behind diesel sales falling 11% YoY. Used petrol car stock turn also grew by the same 29% and stands at 6.7x in November. This means dealers are having to work hard to find the limited supply to meet demand and it is selling so fast stock levels have remained virtually flat, with just a marginal 0.4% increase MoM and down 20% on where stock levels stood in June.

With stock turn so high and demand outstripping supply used car prices are continuing their upward trend instead of the normal downward drift due to lifecycle expected for a constant basket of cars.

Contact: Yngvar Paulsen | yjn@autorola.se





Turkey Used car sales hitting a tipping point?

The Covid-19 lockdowns across Europe resulted in a shortage of new cars and concerns about travelling by public transport in many countries. The net result was an increase in demand for personal mobility and in particular used cars.

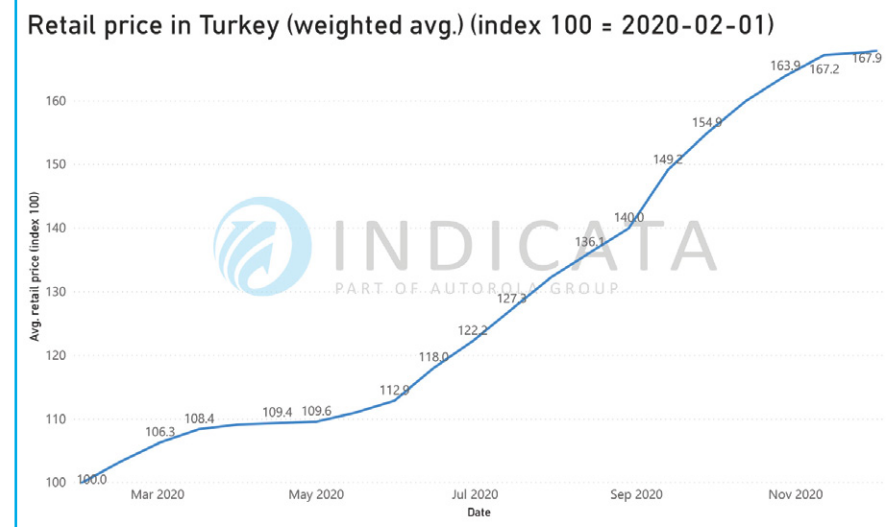
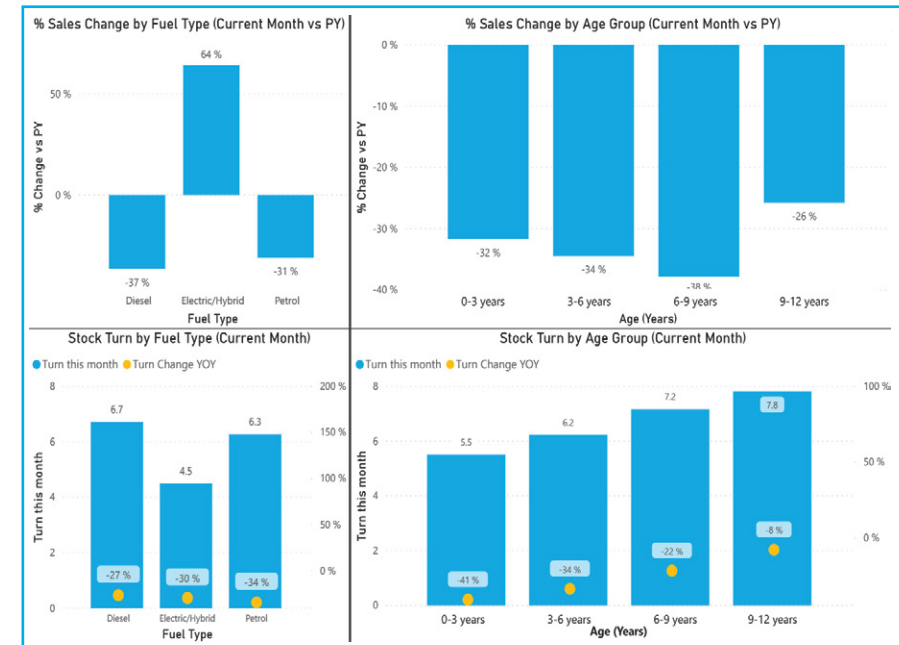
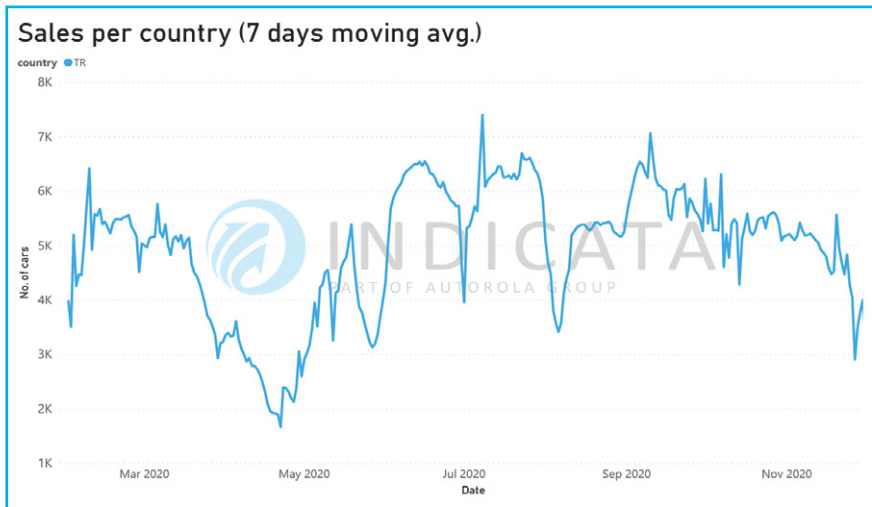
Turkey provides one of the best examples of this where demand for used cars saw used car sales increase by a staggering 59.6% year-on-year in September and a further 24.1% in October. It also resulted in used car prices jumping up, as you can see from the graph where prices are at 167% compared to the start of our index just 8 months earlier.

With prices now so high it shouldn't come as too much of a surprise that this position is not sustainable, and it seems Turkey may be at a tipping point with demand falling and used car sales in November dropping by 34.5%

Dealers had been snapping up stock which increased by 12.8% by 1st December compared to just a month earlier, but with demand waning there had to be an impact in used car pricing which is why we have seen prices plateau during the month.

The fall in demand also means cars are starting to remain in dealer stock longer than they have been used to this year. Just one month ago used petrol cars saw stock turning over 10.3x, with used diesel cars at 9.9x and even BEVs and hybrids at 7x. In November they all fell with petrol at 6.3x, which is a -34% drop YoY, diesel at 6.7x (down -27x% YoY) and BEVs and hybrids down 30% YoY to 4.5x.

Contact: Aslı GÖKER | asl@indicata.com.tr





United Kingdom **Has lockdown brought an end to the 2020 car market?**

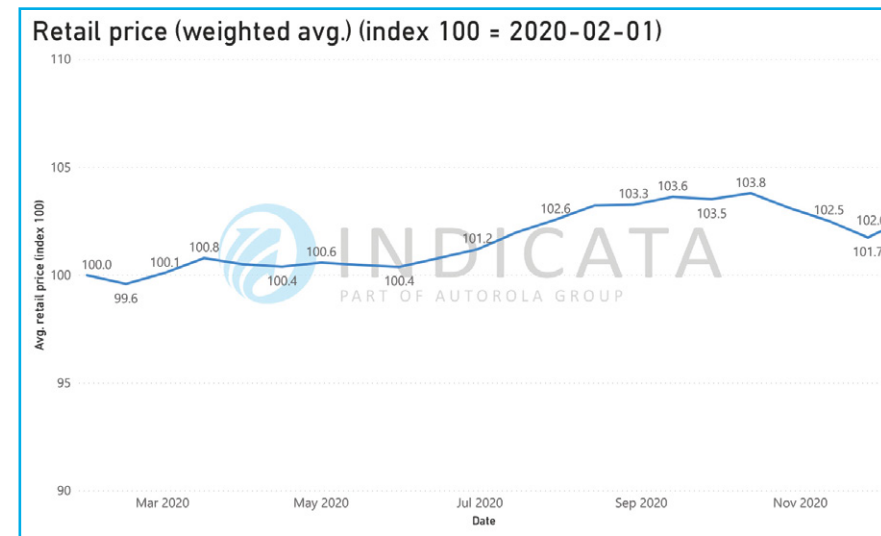
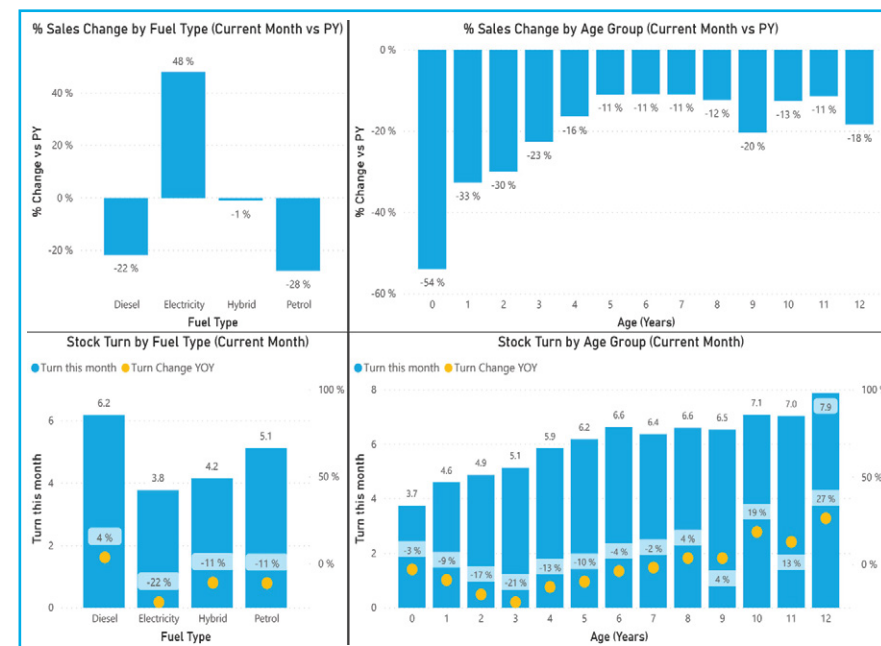
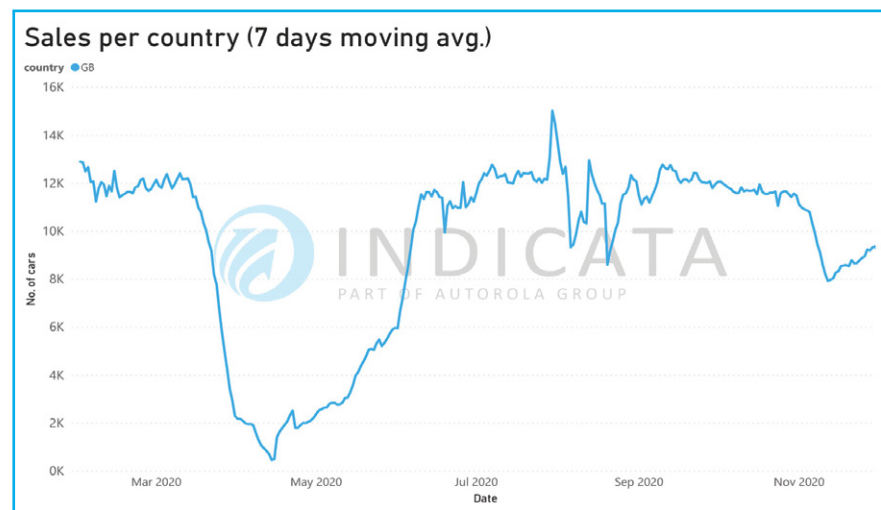
Many hoped the easing of lockdown would see pent-up demand push up new and used car sales. Unfortunately, this did not materialise with YoY used car sales down -1.8% in July and a -3.3% fall in August due to a lack of stock. Frantic trade buying saw an improved situation in September as stock levels rose by 5%, enabling used car sales to grow 6.3% YoY. A further 7.4% MoM increase in October stock levels helped fuel a further 5.7% YoY increase in used car sales.

The new tiered restrictions system had already seen dealers reporting a reduction in showroom traffic, but November saw the UK enter another lockdown. The impact on the used car market was swift in coming. Despite stock levels increasing MoM by a further 2.6% in November, meaning they were now 5.4% higher than in June the freer availability of stock was met by a sharp reduction in demand as buyers kept away due to the restrictions and used car sales fell by 22.1% YoY in November.

With demand falling and stock levels rising stock turn has eased a little compared to last month but there is still some constraint. Used diesel stock is still seeing a stock turn of 6.2x, 4% above the same period last year and an indication that demand remains strong for diesel despite the -22% drop in used diesel car sales in November. Interestingly petrol used car sales fared much worse, with sales down -28% in November and stock turn -11% lower YoY at 5.1x. Demand for hybrids also fell with sales down -1%, but with stock turn of just 4.2x there is plenty of stock available. Even BEVs struggled as stock turn dropped to just 2.8x, a -22% fall YoY. Although sales did increase by 48% YoY dealers are having to fund their stock of BEVs far longer than their ICE contemporaries.

The fear of ending the year with high levels of stock but low levels of demand is never good news and it would appear dealers are trying to stimulate business through pricing. Used car pricing, which had been rising due to constrained supply, has now gone into reverse with prices falling sharply in November. December is typically the quietest month of the year for car dealers but even with pricing action has lockdown 2, the tighter tier restrictions and people's focus on Christmas brought the automotive year to an early end?

Contact: Jon Mitchell | jm@autorola.co.uk



INDICATA country contacts

If you are interested in contacting INDICATA, please see below a list of country contacts or register through [Indicata.com](https://indicata.com)

Jon Mitchell – UK

UK Sales Director
Mobile: +44 7714 398799
Email: jm@autorola.co.uk

Pierre-Emmanuel BEAU – France

Country manager
Téléphone: +33 (0)1 30 02 89 01
Mobile: +33 (0)6 62 43 09 66
Email: peb@autorola.fr

Leyre Delgado – Spain

INDICATA Product Management
Phone: +34 91 781 64 54
Mobile: +34 630 246 158
Email: ld@autorola.es

Sandra Sequerra – Portugal

Solutions & INDICATA Business
Unit Manager
Phone: +351 271 528 135
Mobile: +351 925 299 243
Email: sas@autorola.pt

Alberto Ongari – Italy

Head of INDICATA Italy
[Autorola.it](https://autorola.it)
Mobile: +39335208233
Email: ao@autorola.it

Andreas Steinbach – Austria

Autorola | Market Intelligence |
INDICATA
Office: +43 1 2700 211-90
Mobile: +43 664 411 5642
Email: ash@autorola.at

Jonas Maik – Germany

Senior Key Account Manager
Mobile: +49 151-402 660 18
Email: jmk@indicata.de

Jurgen Claus – Belgium

International Business
Development Manager
Phone: 0032 (0)3/887 19 00
Mobile: 0032 (0)473 96 41 09
Email: jcl@autorola.be

Bobby Rietveld – The Netherlands

Sales Director Autorola & INDICATA
indicata.nl
Mobile: +31 (0)6 113 091 58
Email: bri@autorola.nl

Yngvar Paulsen – Sweden

Country Manager
[Autorola.se](https://autorola.se)
Mobile: +46 736871920
Email: ypn@autorola.se

Thomas Groth Andersen – Denmark

Country Manager
[Bilpriser.dk](https://bilpriser.dk)
Mobile: +4563147057
Email: tga@bilpriser.dk

Michał Wojciechowski – Poland

Dyrektor Zarządzający
Telefon: +48 22 300 81 88
Telefon komórkowy:
Mobile: +48 602 188 902
Email: mw@autorola.pl

Aslı GÖKER - Turkey

Sales Director, INDICATA
Phone: +90 212 290 35 30
Mobile: +90 533 157 86 05
Email: asl@indicata.com.tr

Background

On the 24th March INDICATA published its White Paper ***"COVID-19 To what extent will the used car market be affected (and how to survive)?"***

This document explored:

- **Early market trends** - Initial impact of the virus and the social distancing measures implemented.
- **Market scenarios** - A range of impacts based on infection rate development and historical market data.
- **Mitigation** - Risk assessment by sector coupled with potential corrective actions.

We committed to keeping the market updated with live data, volume and price, to keep abreast of the fast-moving environment.

As such we are pleased to announce **INDICATA Market Watch**.

What is INDICATA Market Watch?

INDICATA Market Watch takes two forms:

1. **A regular PDF** - Regular market overviews available for all on the INDICATA country websites (this document)
2. **Free-to-access web-based reporting** - Available for senior management in all major Leasing, Rental, OEM and Dealer Groups.

If you would like FREE access to the web-based INDICATA Market Watch tool (and are a Senior Manager within the auto industry), please contact your local INDICATA office.

How do we produce our data?

INDICATA analyses 9m Used Vehicle adverts across Europe every day. In order to ensure data integrity, our system goes through extensive data cleansing processes.

The Sales (deinstall data) in this report are based on advertisements of recognised automotive retailers of true used vehicles. As such, it does not include data related to private (P2P) advertisements.

Where an advert is removed from the internet, it is classified as a "Sale".



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