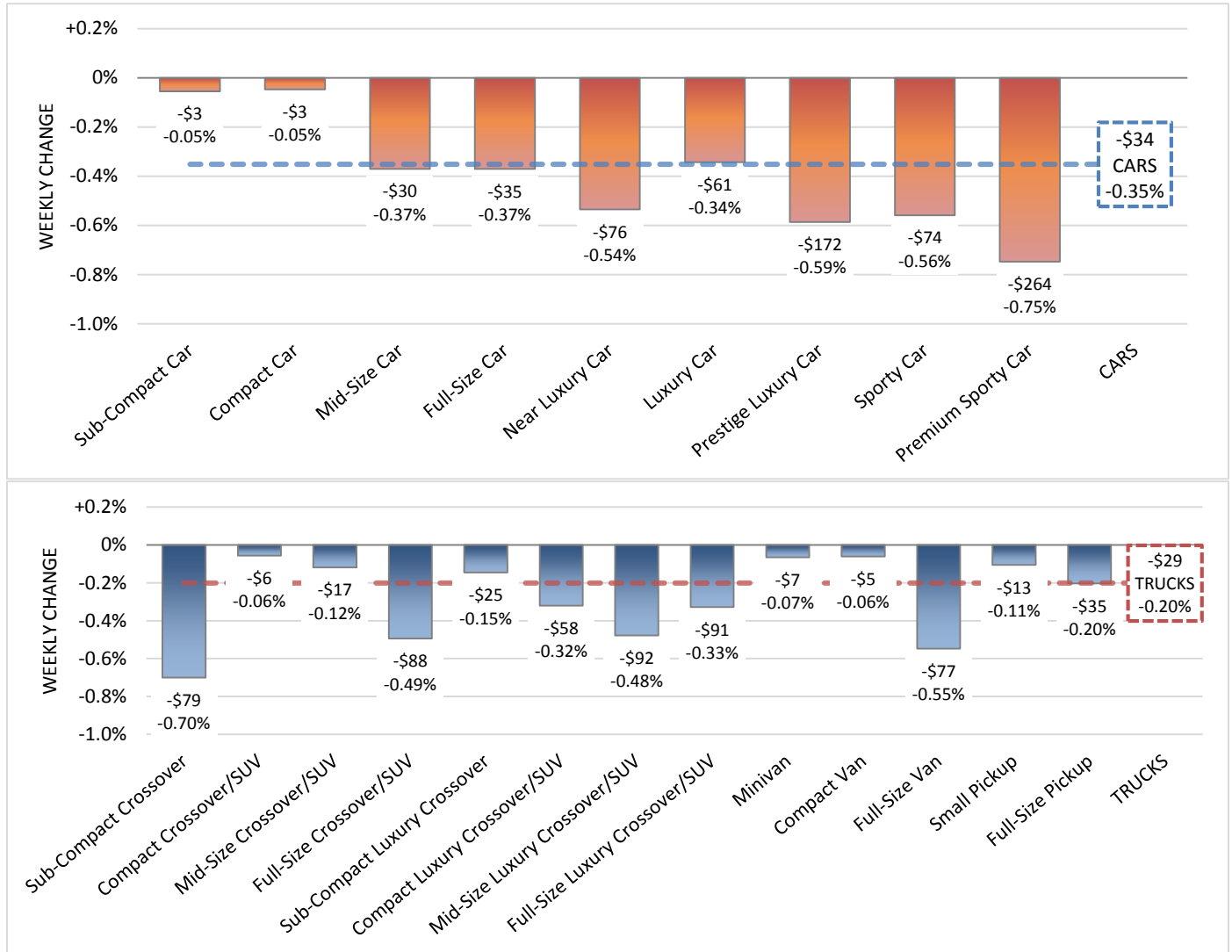




“Good sales and optimism from auction buyers reported across the country. Both car segments and light truck segments showed good retention in values with depreciation levels lowest in nine months.”

Anil Goyal, Senior Vice President of Automotive Valuation and Analytics



Model Years: 2008-2014, Volume Weighted Wholesale Average Values, Weekly Change from 1/27/17 to 2/3/17

Best Market Performance in Nine Months

- Volume-weighted, overall car values decreased by 0.35% last week. This is better than the average depreciation rate of 0.43% seen in the previous four weeks.
- In car segments, Premium Sporty Car, Prestige Luxury Car, Sporty Car, and Near Luxury Car segments declined the most, dropping by 0.75%, 0.59%, 0.56% and 0.54%, respectively.
- Volume-weighted, overall truck values decreased by 0.20% last week. This is better than the average depreciation rate of 0.42% seen in the previous four weeks.
- In truck segments, Sub-Compact Crossover, Full-Size Van, Full-Size Crossover/SUV and Mid-Size Luxury Crossover/SUV segments declined the most, dropping by 0.70%, 0.55%, 0.49% and 0.48%, respectively.

Sentiment from the Auction Lanes

Our editors and personnel attend about 60 auctions every week across the country to provide key insights:

“Stable market here with sedans, SUVs and trucks all in demand.” Ted from OH

“Above normal amount of consignment and attendance both contibuted today to a good amount of sales.” Jim from TN

“Nice weather today with normal amount of dealers but still many no-sales.” David from TX

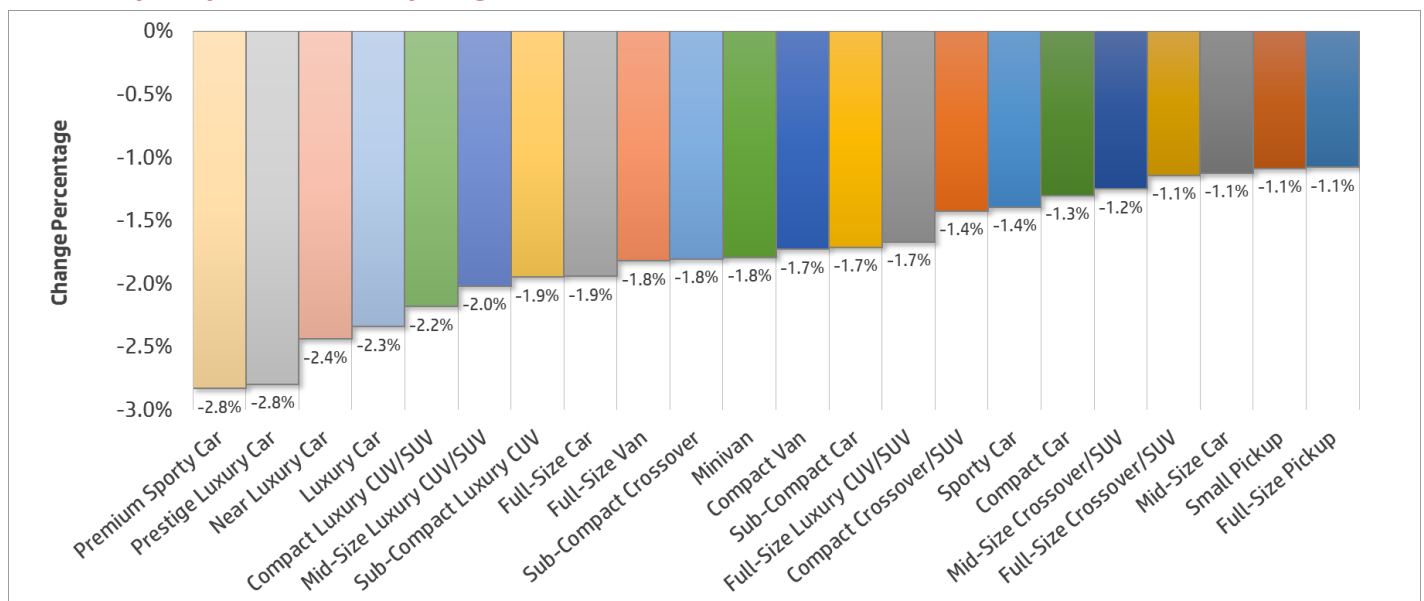
“Prices continue to be stable with normal amount of sales and good positive attitudes at this location.” Jim from WA

“Above normal amount of buyers here this week which is very positive for this time of year.” Gene from PA

“Great sale with lots of optimism from buyers and sellers alike. Mid-size and compacts cars both sold well today.” Greg from NV



Monthly Depreciation by Segment (1/1/17 - 2/1/17)



Overall depreciation across all vehicle segments was at 1.5% last month. Luxury cars and crossovers performed the worst with more than 2% depreciation whereas compact cars and mid-size cars performed better than average.

Vehicle Highlight



2017 Acura RDX is available in Base and Advance models in both FWD and AWD drivetrains. Front-wheel drive is standard and all-wheel drive is optional. The 3.5-liter V-6 generates 279 hp. Base MSRP starts at \$36,310 including factory destination charge. Close competitors include Porsche Macan, Jaguar F-Pace, BMW X3, Audi Q5 and Mercedes-Benz GLC.

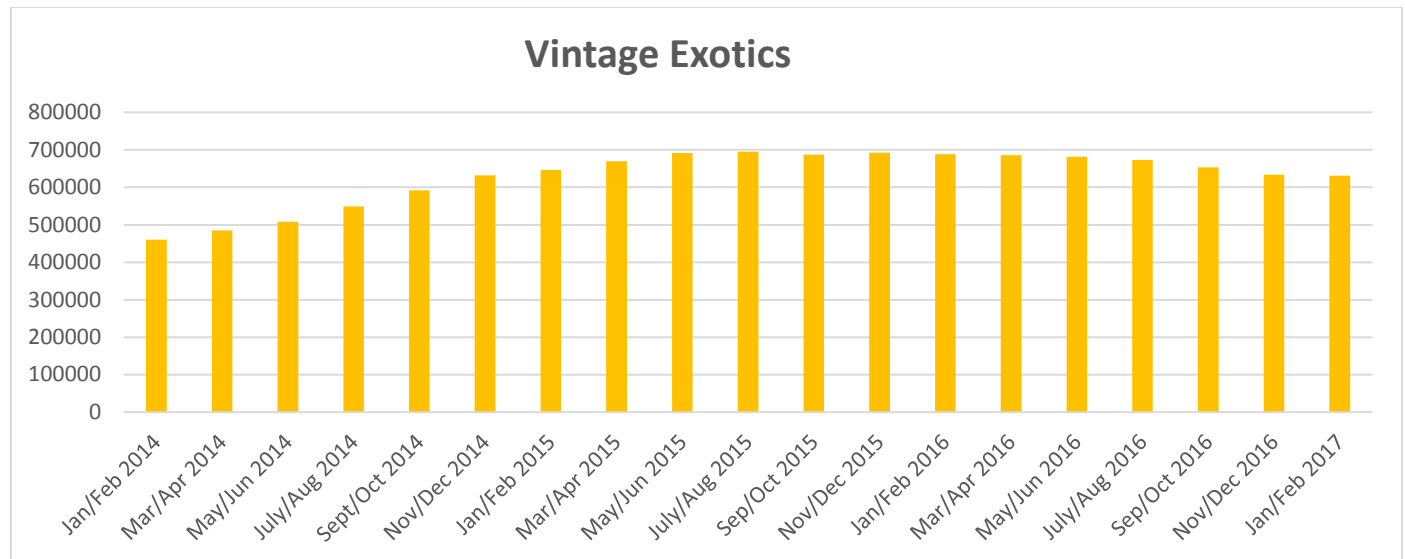
This week’s report includes our **Monthly Edition Supplement on Specialty Markets**.

January Auctions Close In On \$350,000,000

"If the January auctions are any indication, and they usually are, 2017 is going to be a very good year for collectible vehicles. Mecum's Kissimmee, Florida sale, followed closely by Barrett-Jackson, Russo and Steele, RM Sotheby's, Bonhams, Gooding, Worldwide, and Silver in the Scottsdale, Arizona area, were very well attended, both in person and electronically (television and Internet). Selling prices and sales percentages were strong.



Eric Lawrence, Director of Specialty Markets



- Mecum's Kissimmee auction is billed as the world's largest collectible car auction, and it's easy to see why. Over the course of ten days, 2,700 vehicles (and a ton of automobilia) were run across the block, resulting in the sale of 1,981 (an impressive 75% sell through rate) for a total in excess of \$86,000,000.
- RM Sotheby's Scottsdale sale was also very successful, if more intimate, with 141 of 158 lots selling for a total of \$53,000,000. Fourteen cars sold for more than \$1,000,000, so it was entirely possible for a car to sell for seven figures and yet not crack the top ten. Bonhams and Gooding both had good, and remarkably similar, events, selling a total of \$36,000,000 (82%) and \$33,000,000 (84%) respectively. Many of the offerings at these two sales were limited production vintage sportscars, some with a competition history. Russo and Steele, which always strikes me as a Barrett-Jackson (which we'll be discussing next time) in miniature, topped \$22,000,000 on the sale of just over 600 vehicles with a 78% closing rate.



Photo courtesy of RM Sotheby's

Notable Recent Auction Sales Include:

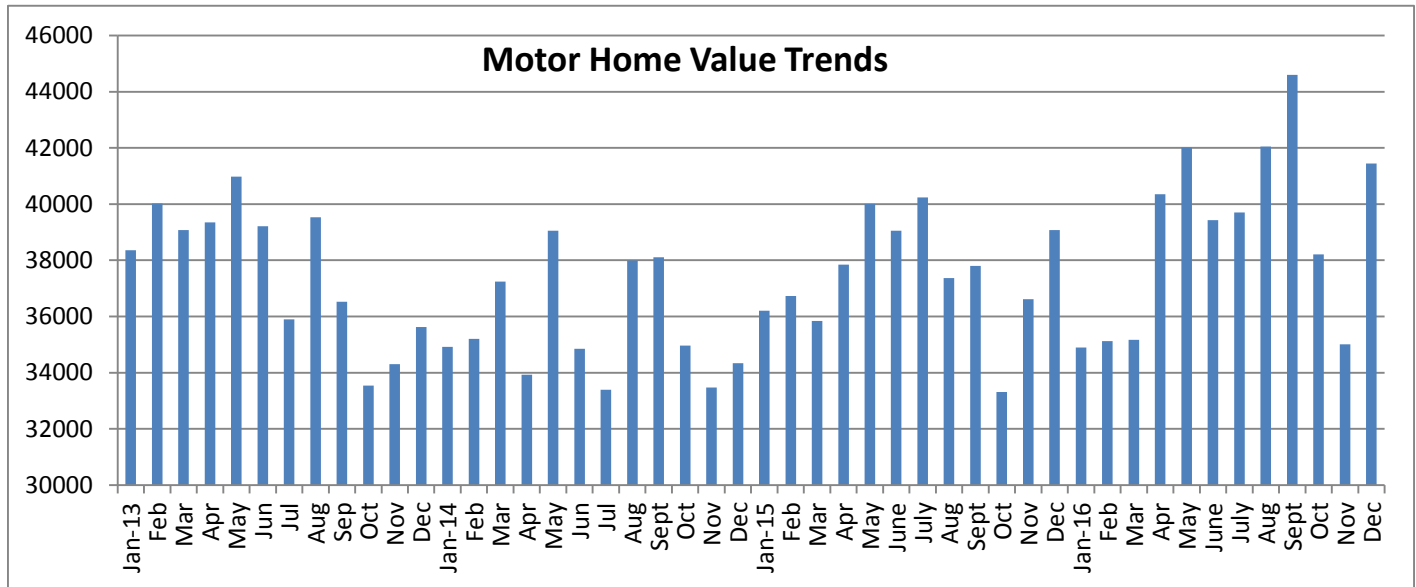
- 1958 Cadillac Eldorado Brougham \$170,000 (RM)
- 1969 Ferrari 365GTS Spider \$3,600,000 (RM)
- 2013 Bugatti Veyron Super Sports Coupe \$2,000,000 (RM)
- 1956 Porsche 356A Speedster \$528,000 (Bonhams)
- 2011 Ferrari 599 SA Aperta Spider \$1,485,000 (Gooding)
- 1955 Mercedes 300SL Gullwing \$1,457,000 (Gooding)
- 1955 Lancia Aurelia B24 Spider America \$1,100,000 (Worldwide)
- 1970 Oldsmobile 4-4-2 W30 Coupe \$165,000 (Russo and Steele)
- 1954 Mercedes 300 S Cabriolet \$423,500 (Russo and Steele)
- 1969 Maserati Ghibli SS 4.9 Spyder \$920,000 (Mecum)

Auction Values Reverse Course and Increase Significantly

“Just when you think the markets have stabilized and settled into long established seasonal patterns, they do something to surprise you. Both motorized and towable units shook off their recent losses and posted impressive gains for the month. As we head into warmer weather, we expect to see auction volume pick up and values start to increase as dealers begin to compete with each other to stock their lots for the arrival of the first Spring shoppers.”

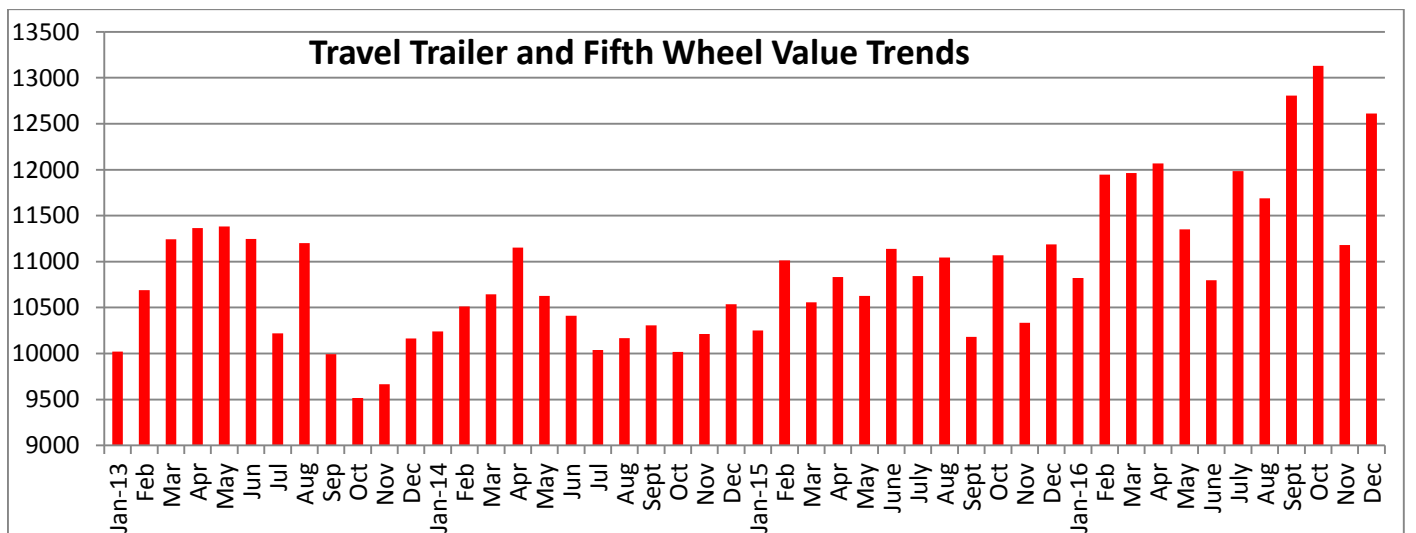


Eric Lawrence, Director of Specialty Markets



For Motor Homes (including Class A, B, and C)

- Average selling price was \$41,444, up \$6,429 (18.3%) from previous month
- One year ago, the average selling price was \$39,070
- Auction volume was down 17% from the previous month



For Towables (including Travel Trailers and Fifth Wheels)

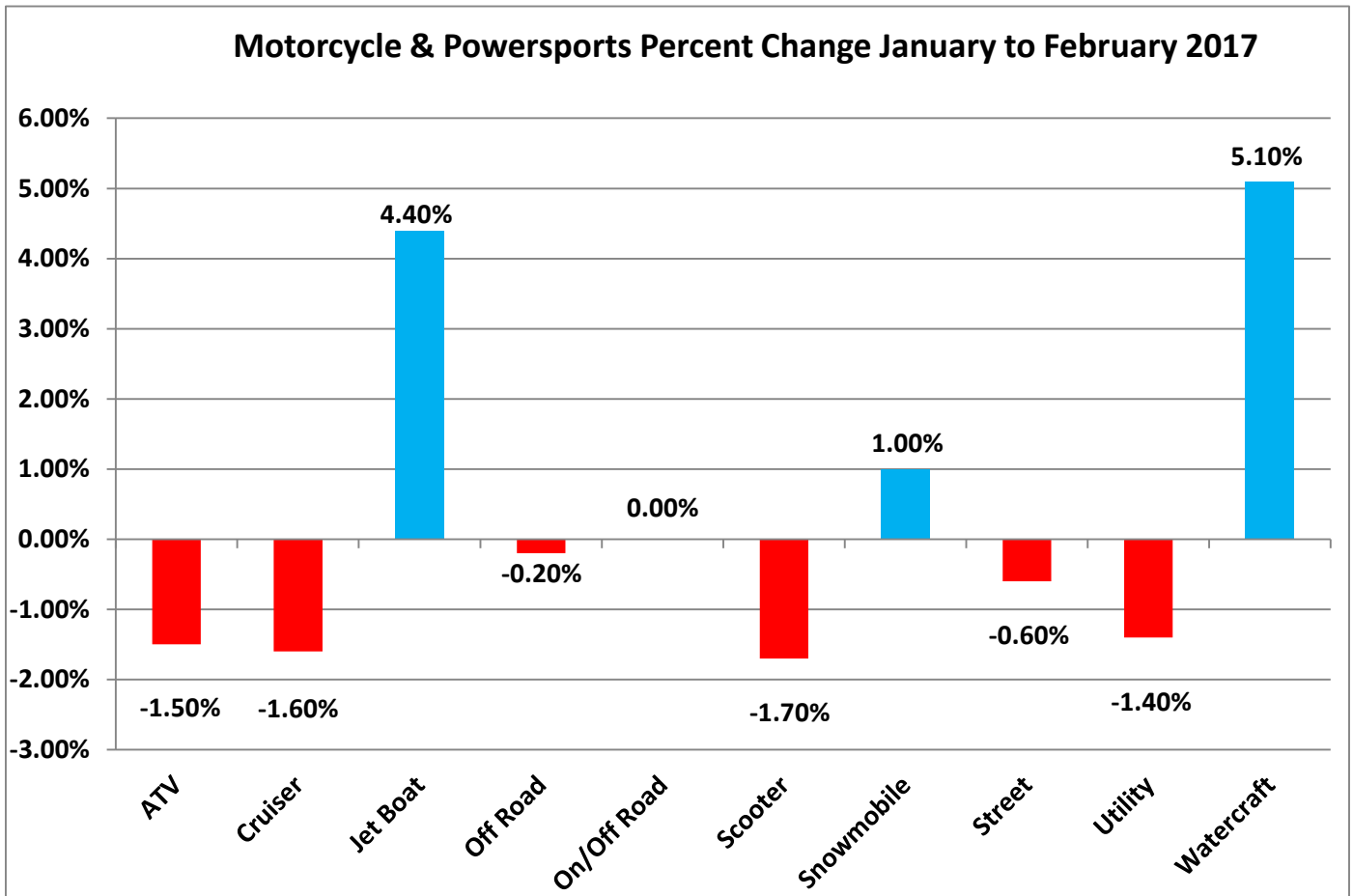
- Average selling price was \$12,610, up \$1,429 (12.7%) from previous month
- One year ago, the average selling price was \$11,189
- Auction volume was down 12% from previous month

Powersports Market Remains Flat

“The Powersports Market is off to a slow start this year as auction activity and pricing, which usually begin to pick up steam sometime between December and January, have remained relatively flat so far this year.”



Scott Yarbrough, Motorcycle & Powersports Editor



- Oddly, considering the time of year, most of the on-road segments are down a bit this month, though the dollar amounts are not huge. Not all of the reasons for this are known, but at least one contributing factor is likely the uncertainty surrounding many areas of the government and economy as we transition to the new administration.
- Last month Polaris announced the cancelation of the entire Victory motorcycle line. It is too early for this to have had an impact on values listed in the guide, but it is sure to affect things moving forward.
- There is one rather unique item to note this month: both the Snowmobile and the Personal Watercraft and Jet Boat segments are up simultaneously. Given their seasons are somewhat at odds, it is rather rare for this to occur. The Snowmobiles are up by a little over one percent as they are still in season, while the Personal watercraft and Jet Boats are up between four and five percent due to dealers adding inventory for the coming Spring selling season.

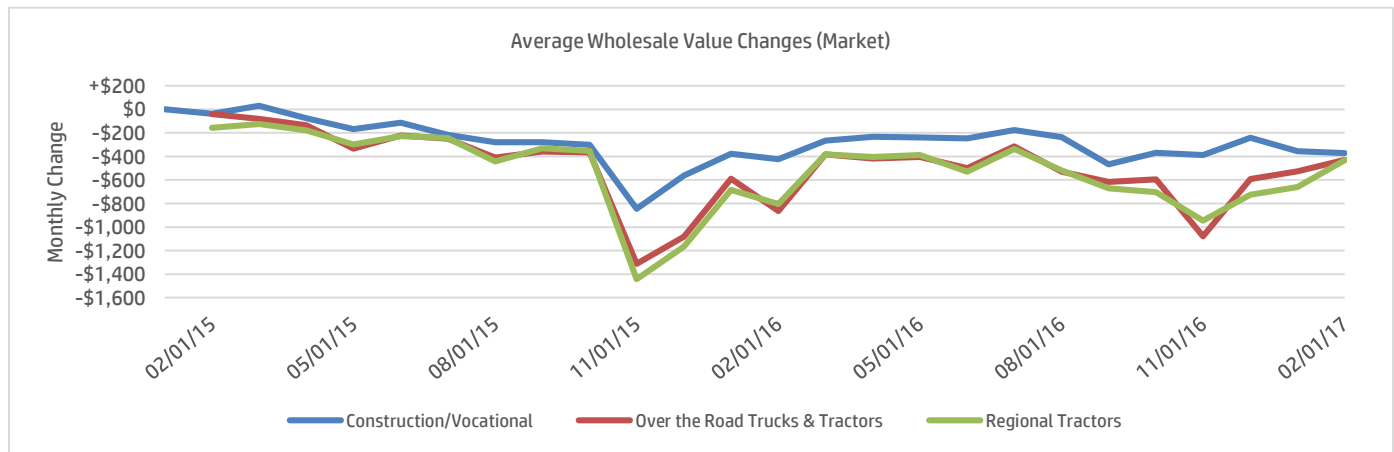
Very Few Late Model Class 8 Units Offered for Sale at Auction

“With less than half the volume in January than we saw at auction in December, it seems, for the moment, that demand has lined up with supply resulting in very little late model depreciation for month one of 2017.”

Charles Cathey, Editor – Heavy Duty Truck Data



The late model Class 8 Over the Road and Regional Tractors that sold at auction in January were limited, yet very clean and sold for about the same money that they brought in December. Later year models, 2013 and older, did a little better as well. Late Model Over the Road Tractor depreciation dropped from 1.5 % to 0.8% and Late Model Regional Tractors dropped from 2.2% to 1%. Late Model Construction/Vocational Trucks held steady at 0.5%. With right at twice as many auctions lined up for February, we’ll be watching to see if the volume per auction doubles and if so, what affect that has on values.



DATE	Construction/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
02/01/17	84,225	-384	-0.5%	68,183	-531	-0.8%	57,623	-608	-1.0%	2014-2015
01/01/17	84,609	-424	-0.5%	68,715	-1065	-1.5%	57,884	-1323	-2.2%	2014-2015

- 2014-2015 HD Construction/Vocational segment dropped an average of \$384 (0.5%) in January compared to the average decline of \$424 (0.5%) in December.
- 2014-2015 HD Over the Road Tractor segment dropped an average of \$531 (0.8%) in January compared to the average drop of \$1065 (1.5%) in December.
- 2014-2015 HD Regional Tractor segment dropped an average of \$608 (1.0%) in January compared to the average depreciation of \$1323 (2.2%) in December.

DATE	Construction/Vocational			Over the Road Trucks & Tractors			Regional Tractors			MODEL YEARS
	Value	\$ Change	% Change	Value	\$ Change	% Change	Value	\$ Change	% Change	
02/01/17	41,688	-372	-0.9%	31,636	-430	-1.3%	22,912	-432	-1.9%	2006-2013
01/01/17	42,060	-355	-0.8%	32,066	-527	-1.6%	23,344	-661	-2.8%	2006-2013

- 2006-2013 HD Construction/Vocational segment dropped an average of \$372 (0.9%) in January compared to the \$355 (0.8%) in December.
- 2006-2013 HD Over the Road Tractor segment dropped an average of \$430 (1.3%) in January compared to \$527 (1.6%) average depreciation in December.
- 2006-2013 HD Regional Tractor segment dropped an average of \$432 (1.9%) in January compared to the average drop of \$661 (2.8%) in December.

The Medium Duty Market Continues its Downward Trend



“Medium Duty units continue to depreciate as we begin 2017.”

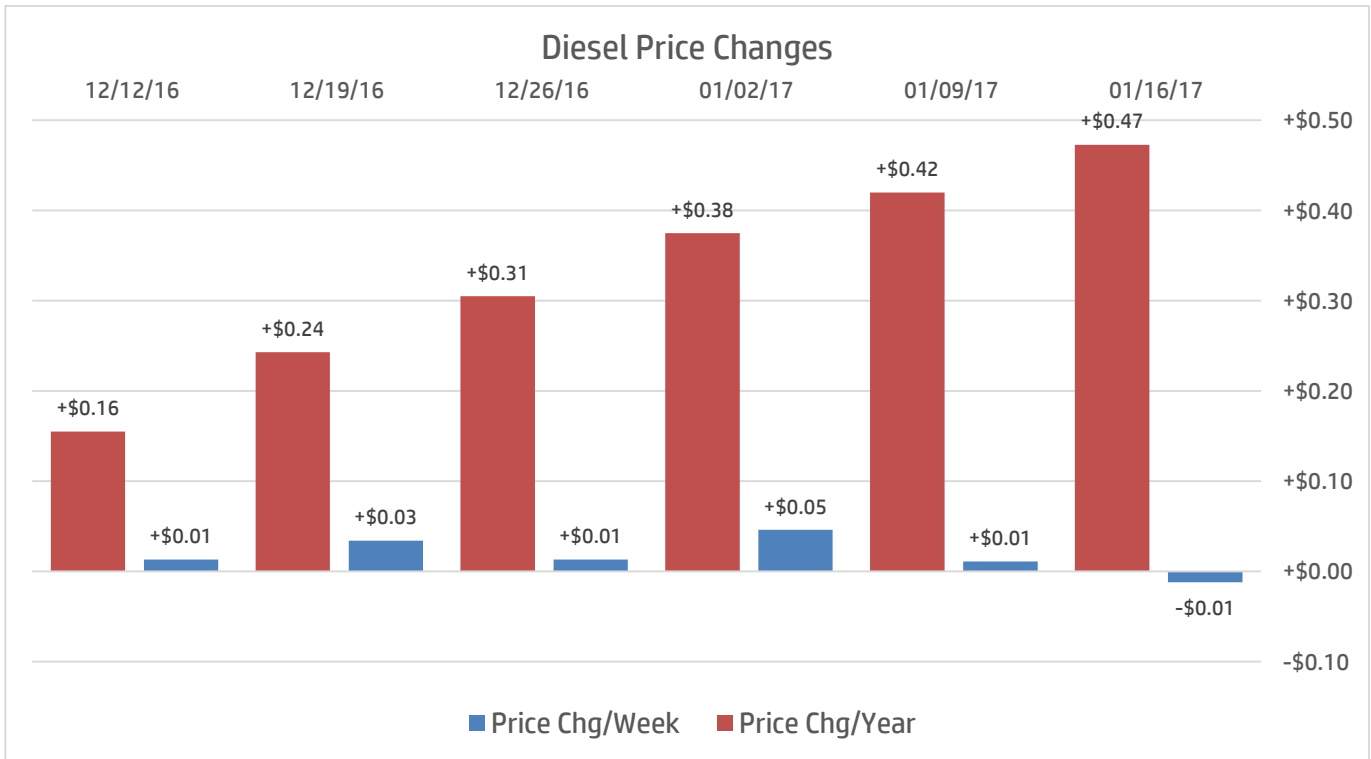
Josh Giles, Senior Truck Editor

Medium Duty segments dropped a bit more in January compared to the previous four months. This past month, the 2006 -2013 models depreciated an average of \$278 or 1.50%. The 2014 – 2015 models dropped an average of \$498 or 1.2%. Reports are indicating that overall orders for this segment are down. It will be interesting to see how this impacts the market going forward. Will this help improve depreciation rates down the road as these units become more scarce? The current supply of Medium Duty units is pretty steady, which is helping fuel the downward trend.

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
2/1/2017	18,623	-278	-1.50%	2006-2013
1/1/2017	18,902	-261	-1.40%	2006-2013

DATE	Medium Duty			MODEL YEARS
	Value	\$ Change	% Change	
02/01/17	42,513	-498	-1.2%	2014-2015
01/01/17	43,011	-432	-1.0%	2014-2015

Fuel prices are another concern for this industry. We are currently paying an average of \$2.59 per gallon for diesel. This is a \$0.10 increase from last month and a \$0.47 increase in just one year. Fuel prices haven't been this high since August 2015. At least we are still a long way away from paying \$4.76, which is the record set back in July of 2008.



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