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**Chart 1**



**Chart 2**



# April Auto Sales: Steady Despite Ongoing Headwinds

## CANADA: A TEMPORARY VERSUS MORE ENDURING REBOUND

**Canadian auto sales increased 3% month-over-month to 1.9 mn units at a seasonally adjusted annualized rate (SAAR) in April based on data from Omdia (chart 1).** Last month's sales rate was the highest seasonally adjusted month since July 2025, while a 1% upward revision to Q1 sales provided a stronger hand-off going into Q2. In non-seasonally adjusted terms as reported by the same source, auto sales were 181.6 k in April, down 4.1% y/y but up 7.9% relative to the same month in 2024.

Canadian auto sales have improved in recent months, with the three-month moving average (3mma) rising to 1.86 mn (SAAR) in April, up from 1.76 mn (SAAR, 3mma) in January. This rise is primarily supported from higher car sales, which increased 22% m/m (SA) in April amid a surge in demand for small cars. It remains to be seen whether this is a temporary rebound from the softer sales at the end of last year versus a more enduring rebound. One possible explanation for the rise in car sales is increased demand owing to the recently implemented Electric Vehicle Affordability Program (EVAP). Statistics Canada is expected to publish new vehicle sales by fuel type for March on May 14<sup>th</sup> which could show early signs of an uptick in ZEV sales from the EV rebate program. Canada's labour market continues to face headwinds, as employment gains have stalled this year, with the unemployment rate increasing to 6.9% in April. Meanwhile, the ongoing conflict in the Middle East is keeping oil prices elevated. The Bank of Canada held the policy rate unchanged at the April 29<sup>th</sup> meeting, but flagged that they could raise the overnight rate in response to persistently elevated oil prices to avoid the risk of inflation moving higher and becoming broad based. The BoC's Monetary Policy Report also flagged that they could cut the policy rate should significant trade restrictions be imposed on the Canadian economy. We expect the Bank of Canada to begin rate hikes in the H2-2026, raising the policy rate from 2.25% to 3% by the end of year and holding unchanged thereafter, with large uncertainty amid volatile oil prices.

Our outlook for Canadian light vehicle sales is 1.81 mn in 2026. Auto sales remain quite volatile on a monthly basis, smoothing through this volatility we expect demand to gradually improve throughout this year and next, rising to 1.87 mn in 2027, albeit with larger uncertainty given elevated and volatile oil prices clouding the outlook.

## UNITED STATES: SALES ARE TRENDING SIDWAYS AMID MIXED BACKDROP

**US auto sales fell 1.6% m/m to 15.9 mn (SAAR) units in April, according to the BEA (chart 2).** Q1 vehicle sales were revised down 1.4%, as such, the 6-month moving average (6mma) automotive selling rate has trended around 15.6 mn (SAAR) units since February. In non-seasonally adjusted terms, the BEA reported 1.36 mn units in April, down 6.9% y/y but up 3.3% relative to April 2024.

Light vehicle sales have largely trended sideways since October, albeit with elevated variability from month-to-month, against a mixed underlying backdrop. The US labour market has added more than 100 k jobs in three of the past four months, while the unemployment rate held steady around 4.3%. An improvement in the recent jobs data is allowing the Federal Reserve some time to assess oil price developments and the potential impact on inflation, as they held the policy rate at 3.75% in April. Our outlook expects the Fed to begin cutting the policy rate towards the end of this year into early 2027, but a persistent rise in inflation would pose headwinds to this outlook.

Our outlook for US auto sales is 15.7 mn units in 2026 with the sales rate trending sideways this year, and marginally improving to 15.8 mn in 2027 as expected interest rate relief and improving labour market dynamics support consumer demand but remains highly uncertain in the face of headwinds from elevated and volatile oil prices.

**GLOBAL AUTO SALES: BROAD IMPROVEMENTS AT THE END OF A SOFT Q1**

**Global auto sales increased 4.6% m/m (SA) in March, as monthly sales increased in nearly all regions tracked (chart 3).** Nevertheless, global vehicle sales had a soft start to the year, -3.5% q/q in Q1, weighed down by the lower selling rate in January and February.

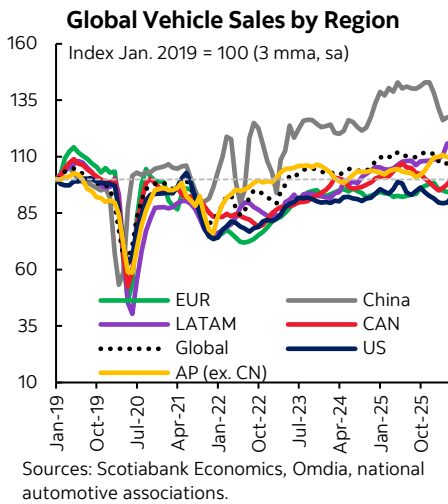
In western Europe, vehicle sales increased 6.4% m/m (SA) to the highest seasonally adjusted month since August 2023 and the gains were broad based, as sales increased in 14 of the 15 countries tracked. However, auto sales in the region remain volatile on a monthly basis, and were marginally lower (-0.3% q/q) in Q1. Meanwhile, auto sales in eastern Europe fell 0.7% m/m (SA), having slowed in four of the past five months, and were down 17% q/q in Q1.

In the Asia Pacific region, auto sales increased 3.3% m/m (SA), up for a second consecutive month as seasonally adjusted sales rebound from their recent low at the start of the year, notably in China (4.6% m/m), which accounts for roughly two thirds of sales in the region. However, Q1 auto sales fell 5.3% q/q in the Asia Pacific region, weighed down by the softer sales in China (-7.8% q/q).

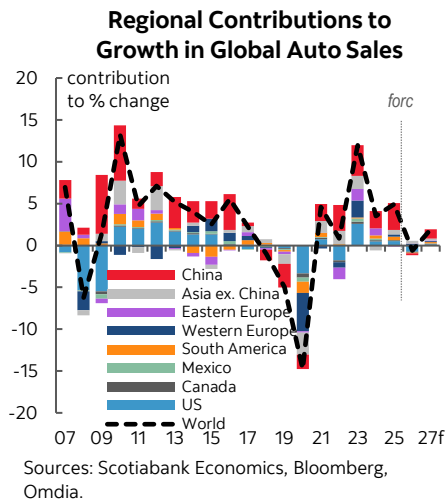
In Latin America, vehicle sales increased 15.7% m/m (SA) owing to a surge in Brazil (31.1% m/m SA), while increasing 1.6% m/m in the other countries tracked for the region, and Q1 auto sales increased 6.5% q/q.

Our outlook for global vehicle sales is a decline of 0.6% in 2026 before increasing 1.9% in 2027 but could face downside risk from the recent higher and more volatile oil prices (chart 4).

**Chart 3**



**Chart 4**



**Table 1—Global Auto Sales Outlook (mns units)**

	2010-19	2023	2024	2025	2026f	2027f	Mar-26, SA % m/m	Mar-26, NSA % y/y	2026 ytd, NSA % y/y
<b>Total Sales</b>	<b>71.1</b>	<b>75.4</b>	<b>78.0</b>	<b>81.8</b>	<b>81.3</b>	<b>82.9</b>	<b>4.6</b>	<b>0.6</b>	<b>-1.8</b>
<b>North America</b>	<b>18.7</b>	<b>18.5</b>	<b>19.2</b>	<b>19.7</b>	<b>19.0</b>	<b>19.2</b>	<b>3.6</b>	<b>-11.2</b>	<b>-5.7</b>
Canada	1.82	1.68	1.82	1.89	1.81	1.87	0.3	-6.7	-5.6
United States	15.7	15.5	15.9	16.3	15.7	15.8	4.3	-12.8	-6.6
Mexico	1.22	1.36	1.49	1.51	1.54	1.57	0.7	3.3	4.6
<b>Western Europe</b>	<b>13.0</b>	<b>11.4</b>	<b>11.4</b>	<b>11.6</b>	<b>11.7</b>	<b>11.8</b>	<b>6.4</b>	<b>10.5</b>	<b>4.2</b>
Germany	3.2	2.8	2.8	2.9	2.9	3.0	8.1	16.0	5.2
United Kingdom	2.3	1.9	2.0	2.0	2.0	2.0	5.4	6.6	5.9
<b>Eastern Europe</b>	<b>3.3</b>	<b>2.8</b>	<b>3.4</b>	<b>3.3</b>	<b>3.3</b>	<b>3.4</b>	<b>-0.7</b>	<b>7.7</b>	<b>-0.3</b>
Russia	2.1	1.1	1.6	1.4	1.5	1.5	-7.4	22.8	0.3
<b>Asia</b>	<b>31.9</b>	<b>39.4</b>	<b>40.5</b>	<b>43.4</b>	<b>43.5</b>	<b>44.6</b>	<b>3.3</b>	<b>0.4</b>	<b>-3.2</b>
China	19.7	26.0	27.6	30.1	29.9	30.8	4.6	-2.3	-7.5
India	3.3	4.7	4.9	5.2	5.2	5.3	4.3	18.5	14.1
Japan	5.1	4.8	4.4	4.6	4.7	4.7	-1.7	-1.8	-2.5
<b>South America</b>	<b>4.3</b>	<b>3.2</b>	<b>3.5</b>	<b>3.9</b>	<b>3.8</b>	<b>3.9</b>	<b>21.4</b>	<b>30.0</b>	<b>13.5</b>
Brazil	2.91	2.18	2.49	2.55	2.60	2.68	31.1	40.3	15.5
Chile	0.34	0.31	0.30	0.31	0.31	0.32	8.7	14.0	5.8
Colombia	0.26	0.18	0.20	0.25	0.22	0.23	8.2	54.0	48.0
Peru	0.16	0.16	0.15	0.19	0.16	0.16	-2.9	38.3	37.3

Sources: Scotiabank Economics, Omdia, Bloomberg.

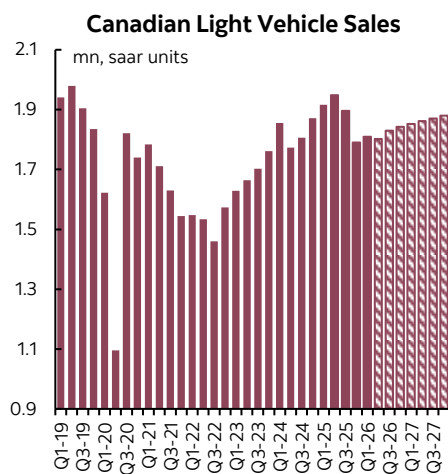
**Table 2—Provincial Auto Sales Outlook (thousands of units ann.)**

	2010-19	2023	2024	2025	2026f	2027f	Feb-26, SA % m/m	Feb-26, NSA % y/y	2026 ytd nsa % y/y	ZEV* (Feb-26) % of new LV sales
<b>Canada</b>	<b>1,817</b>	<b>1,684</b>	<b>1,819</b>	<b>1,894</b>	<b>1,806</b>	<b>1,866</b>				<b>10.2</b>
<b>Atlantic</b>	<b>134</b>	<b>115</b>	<b>135</b>	<b>148</b>	<b>130</b>	<b>128</b>	<b>1.3</b>	<b>-8.0</b>	<b>-9.2</b>	<b>4.5</b>
<b>Central</b>	<b>1,179</b>	<b>1,129</b>	<b>1,237</b>	<b>1,244</b>	<b>1,157</b>	<b>1,196</b>	<b>2.1</b>	<b>3.9</b>	<b>-0.7</b>	<b>10.9</b>
Quebec	441	411	473	457	431	438	-0.9	16.6	5.5	17.2
Ontario	738	718	764	787	726	757	3.8	-2.4	-4.1	7.1
<b>West</b>	<b>548</b>	<b>508</b>	<b>547</b>	<b>566</b>	<b>526</b>	<b>543</b>	<b>-2.3</b>	<b>-8.6</b>	<b>-6.9</b>	<b>10.0</b>
Manitoba	56	49	58	63	57	57	-2.4	-13.1	-9.5	6.7
Saskatchewan	54	45	51	55	51	51	2.5	-9.1	-9.8	2.7
Alberta	239	209	223	234	220	223	-2.9	-10.1	-7.2	4.4
British Columbia**	199	205	214	215	199	211	-2.7	-5.4	-5.0	18.6

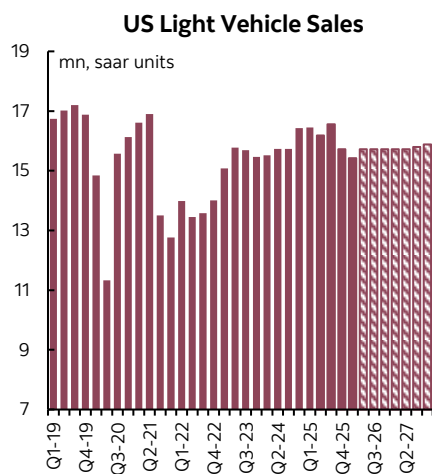
\*ZEV includes battery electric and plug-in hybrid electric vehicles. \*\*British Columbia includes the territories.

Sources: Scotiabank Economics, Omdia, Statistics Canada.

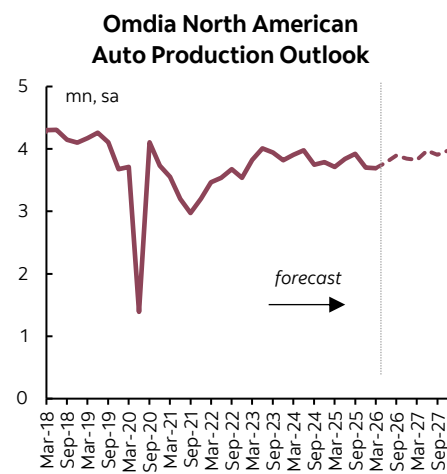
Quarterly Outlook for North American Auto Sector



Sources: Scotiabank Economics, Omdia.



Sources: Scotiabank Economics, Omdia.



Sources: Scotiabank Economics, Omdia.

Table 3—North American Annual Production Outlook

	2010–19	2023	2024	2025	2026f	2027f
	(millions of units, annualised)					
<b>North American Production</b>	<b>15.9</b>	<b>15.6</b>	<b>15.5</b>	<b>15.2</b>	<b>15.3</b>	<b>15.7</b>
Canada	2.2	1.5	1.3	1.3	1.3	1.4
United States	10.4	10.3	10.2	10.0	10.0	10.4
Mexico	3.2	3.8	4.0	3.9	4.0	3.9

Sources: Scotiabank Economics, Omdia.

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