

Beggs on the Used Car Market

September 22, 2009

Strength still present...Cash for clunkers effects

Hello and welcome to this week's edition of Beggs on the Used Car Market. I'm Ricky Beggs, Managing Editor at Black Book. Week before last I spent a few days attending the 41st annual AFLA Conference. There was a record attendance level for this year's conference which consisted of very pertinent educational sessions throughout the conference agenda.

With my being away, this gave you a chance to get to know about Terry Park our Import Editor during last week's video. Terry and the other Editors have been extremely busy again this week attending auctions and looking for trends and any changes within the auction data. Their efforts resulted in an average of 1435 models being adjusted each day during the past week. The results for last week had only 2 of the 14 truck segments going down in value and 1 of the 10 car segments dropping. Of the Clean condition adjustments, 66% were increases at a level just over \$131.

Almost every day during the last 5 to 6 months, we ask ourselves, just how high can the prices go. Over the last 3 months the trend has been very consistent. For 14 of the past 16 weeks the overall car segments have been up in value while the truck market has been positive for the past 17 straight weeks. The bottom line is the auction activity has solid buyer interest with a few models being extremely strong. This past week we were not seeing as many cases where there were 3 to 4 bidders involved up until the final bid.

Once the Cash for Clunkers program came to an end almost a month ago, the lot traffic has been almost non-existent. With not as many empty holes to fill during the last few weeks, the current demand on the wholesale side may be temporarily slowing down.

That's how we see the market right now. Because the market is a moving target, the Editors and Black Book survey personnel will be out in full force again this week, all across the country, on the auction lanes, gathering more fresh market information to provide the results with the Black Book Daily values. For those of you that have provided feedback, we appreciate your insight into the market. Have a great week!