

UK new car registrations fell in October by -6% y/y as fleet demand slipped for only second month in over two years. Though we still await Germany to announce its prior month auto registration data, the rest of European continent witnessed car sales decompress somewhat from -5.8% in September to -3.4%.

Crucially given the concern for German automakers it is very interesting to note **Volkswagen's** European new sales grew by 6% y/y last month in contrast to the collapsing demand of Stellantis -21% y/y (see chart 2). Clearly closure of three factories is a negotiating tactic to extract labour concessions but at the same time productivity has fallen when we examine workers per car produced trends (chart available upon request). This is likely down to their decision to produce both ICE and BEV vehicles at scale which demand different platforms in today's modular manufacture. Among premium car makers we note **Mercedes** saw sales expand by 3.6% compared to **BMW Group** decline of -2.3%. This is not altogether surprising given the former's defensive qualities (taxis limos etc.). We note yesterday deliveries of Italian **Lamborghinis (VW Group)** & **Ferrari** (latter reports today) rise 21 & 11-fold respectively! Tax breaks anybody?

Japanese car makers are generally seeing sales contract (**Nissan, Honda, Mazda, Suzuki**) but the world's biggest car maker **Toyota Motors** (a relatively small player in EU market) is seeing demand rise by 11% y/y as it leverages off affordable HEV sales, a technology pioneered late 90s.

Chart 1: European new car sales vs German auto output

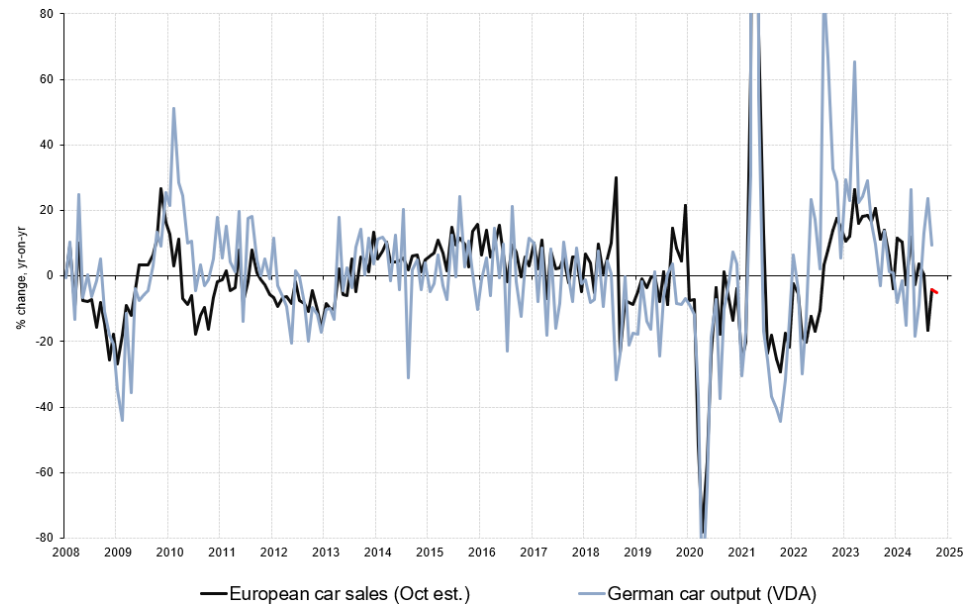


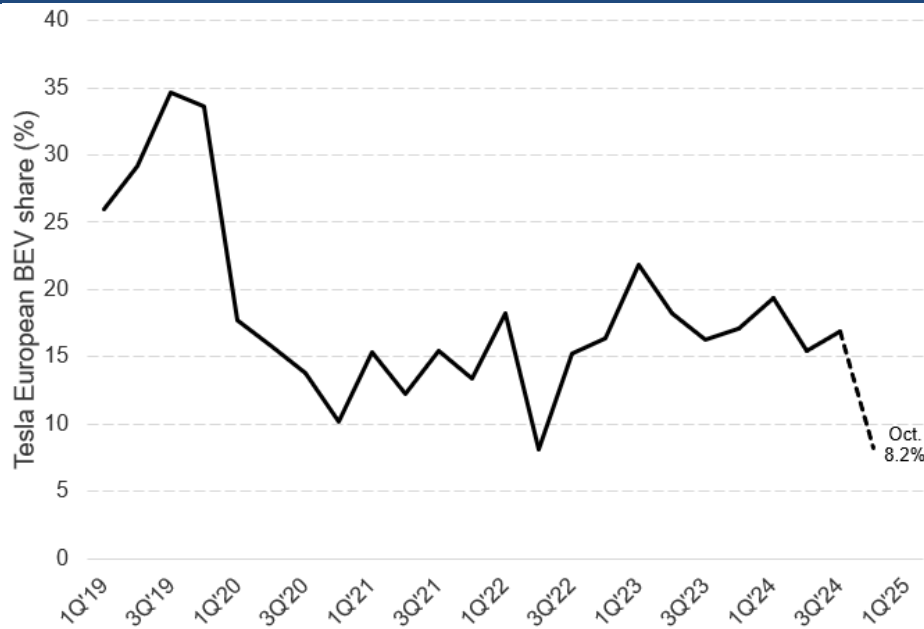
Chart 2: Ranking Global automakers' Oct. European sales by growth incl vols & prior month

	QM Oct'24 sales (est)	QM est. Oct 24 sales,% yoy	Actual Sep'24, sales,% yoy	Momentum
BYD	2,716	132.7	138.9	-6.2
Ferrari	703	825.0	-14.4	839.4
SsangYong	333	60.1	-18.7	78.8
Volvo (Geely)	30,106	23.7	24.2	-0.5
Subaru	1,196	14.4	-3.5	18.0
Aston-Martin	260	12.1	-4.1	16.2
Toyota	84,933	11.2	3.6	7.5
VW Group	288,459	6.1	1.0	5.1
Mercedes-Benz	67,561	3.6	-2.9	6.5
Porsche	5,873	2.9	-2.4	5.4
Mitsubishi	3,414	1.6	-13.1	14.7
BMW Group	81,909	-2.3	5.1	-7.4
Hyundai Group	97,337	-2.7	-4.9	2.2
Renault	100,613	-3.9	-1.8	-2.2
Overall	1,118,086	-5.0	-4.2	-0.8
SAIC Motors	273	-97.9	-28.0	-69.9
Nissan	28,555	-9.0	-12.3	3.3
Mazda	16,894	-10.5	-15.0	4.5
Honda	8,508	-17.4	14.2	-31.6
Suzuki	18,087	-17.5	-12.4	-5.1
JLR (Tata Motors)	16,177	-17.7	4.6	-22.3
Ford	42,238	-18.6	-16.2	-2.4
Stellantis	148,306	-21.3	-26.0	4.7
Tesla	44,519	-23.8	29.8	-53.6

Source: European national auto bodies, ACEA, QuantMetriks Research

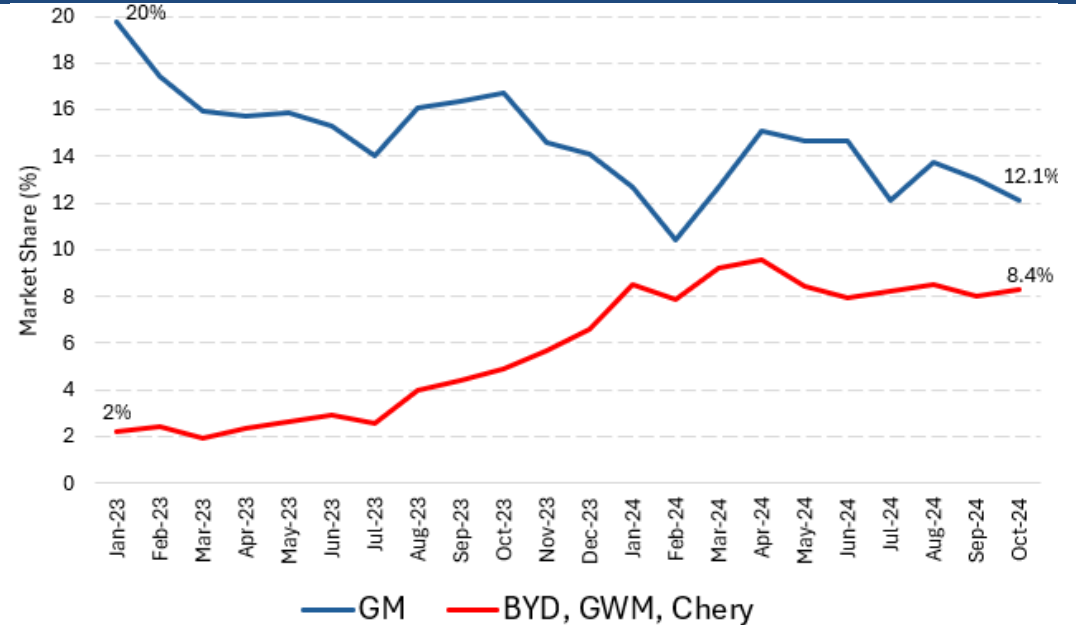
Tesla is seeing demand implode by -24% y/y and this is not solely a function of falling BEV demand given price sensitivity, for it is losing market share in the power chain it used to dominate. Chart 3 shows Tesla quarterly market share across EU+EFTA+UK including October's share representing 4Q. Typically the last month of quarter is best but it remains to be seen whether Tesla's reputation impaired given Musk's vocal support of Trump. The EV tariffs imposed on China are slowly being felt (car deliveries lag orders) with **SAIC Motors** seeing sales collapse -7% but **BYD Xpend** and **Polestar** are still doing well. Indeed **Volvo Cars** (owned by **Geely**) who recently slashed its sales forecast saw European October sales ramp by over 20%.

Chart 3: Tesla European BEV market share (EU,UK,EFTA), Q (incl. Oct.)



Source: ACEA, QuantMetriks Research, Febabrave

Chart 4: Brazil auto consumption market share of GM vs 3 China brands



Worth noting US announced auto sales rise by 11% y/y (was -13%), Japan 1% (was 0.3% and China prelims 8% (4.5% prior). Brazil continues to see sales ramp by 20% but **GM** saw regional demand fall -13%. We thought it would be interesting to show how the once mighty GM is losing market share to a triad of Chinese new entrants (chart 4). These growth markets are the real battleground for Sino-US supremacy in the future.

We will update chart 2 post release of German new car registrations, and the ACEA reports October's European winners/losers on 21st November.

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