



POWERED BY Price Digests

COMMERCIAL TRUCK

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY	YEAR OVER YEAR		MONTH OVER MONTH	
	MARKET METRICS		PRICE STABILITY INDEX™	
\$4,007,123,750 MARKET VALUE	89,413 ASSETS	VALUES ▼ 15.0% FMV ▲ 1.4% FLV	VALUES ▼ 1.6% FMV ▲ 0.6% FLV	
		VOLUME ▼ 29.5% RESALE ▼ 44.9% AUCTION	VOLUME ▲ 100.6% RESALE ▲ 35.6% AUCTION	

MARKET PERFORMANCE

As expected, the FLV went up 0.6% last month with a 1.4% increase year over year. With the increase in FLV, there was also an increase in average usage as the age dropped indicating the newer trucks have higher mileage but are also dominating the channel with a 35.6% increase in activity.

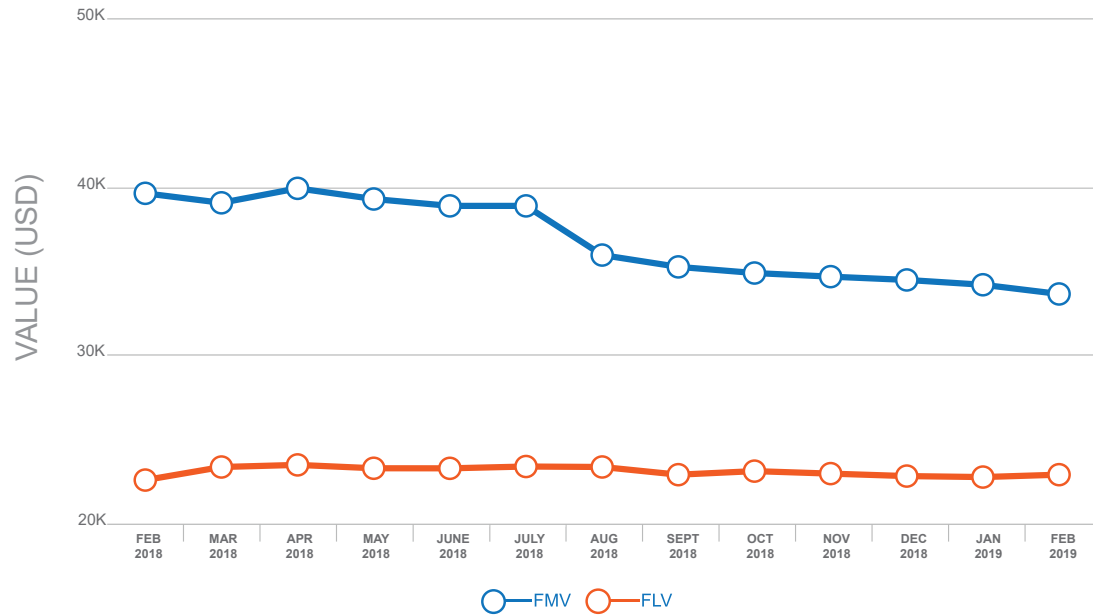
MARKET HIGHLIGHTS

- The resale channel activity was up 100.6% last month, but still 29.5% below last year.
- Average usage increase both month over month and year over year on both the auction and resale channels, so even though age dropped in a few cases, the trucks are accumulating more miles on average.
- FMV was down for the month, primarily due to the 2017 and 2018 model year trucks in their first two years of depreciation.

MARKET FORECAST

Expect the auction channel to slow down with the hopes that activity on the resale channel will pick up.

FMV AND FLV TRENDS



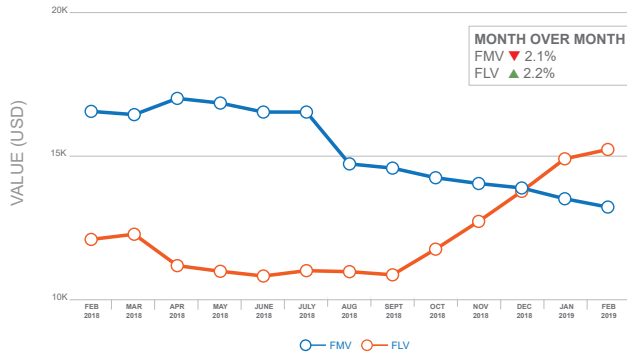
	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 100.6% RESALE	▲ 35.6% AUCTION	▲ 12.0% RESALE	▼ 15.5% AUCTION	▲ 1.9% RESALE	▲ 37.5% AUCTION
YEAR OVER YEAR	▼ 29.5% RESALE	▼ 44.9% AUCTION	▼ 22.9% RESALE	▲ 8.2% AUCTION	▲ 19.9% RESALE	▲ 25.3% AUCTION



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COMMERCIAL TRUCK OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

MEDIUM DUTY CABOVER DAY CAB CHASSIS



Due to the low level of activity on the auction channel, the FLV has been able to continue increasing.

MARKET ACTIVITY MONTH OVER MONTH

▲ 72.5% RESALE ▲ 200.0% AUCTION

USAGE TRENDS MONTH OVER MONTH

▲ 15.4% RESALE ▲ 140.6% AUCTION

YEAR OVER YEAR

▼ 8.3% RESALE 0.0% AUCTION

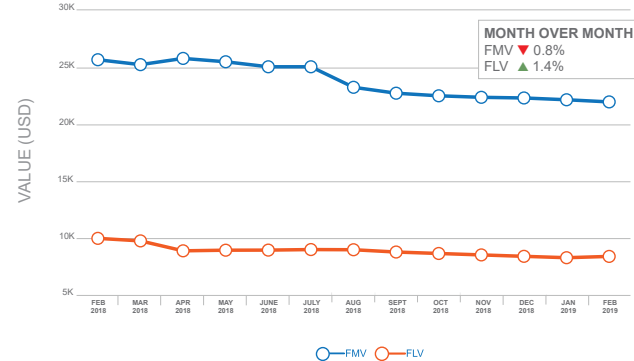
AGE TRENDS MONTH OVER MONTH

▲ 20.3% RESALE ▼ 70.6% AUCTION

YEAR OVER YEAR

▼ 82.6% RESALE 0.0% AUCTION

MEDIUM DUTY CONVENTIONAL DAY CAB CHASSIS



The average age of these trucks on the auction channel was well above any other subtype last month due to significant drops in other subtypes, but an increase here.

MARKET ACTIVITY MONTH OVER MONTH

▲ 75.4% RESALE ▲ 58.1% AUCTION

USAGE TRENDS MONTH OVER MONTH

▼ 2.9% RESALE ▲ 6.3% AUCTION

YEAR OVER YEAR

▲ 7.2% RESALE ▼ 12.0% AUCTION

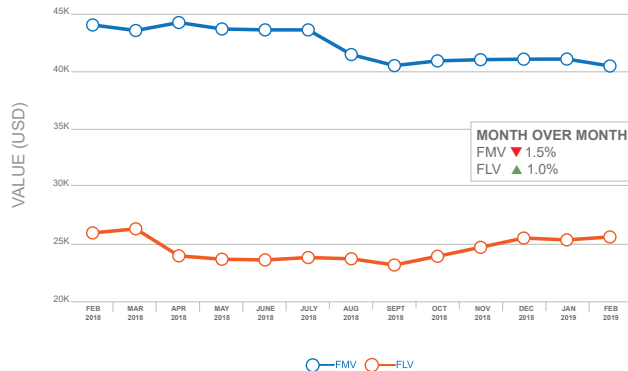
AGE TRENDS MONTH OVER MONTH

▼ 7.4% RESALE ▲ 10.5% AUCTION

YEAR OVER YEAR

▼ 5.8% RESALE ▲ 24.6% AUCTION

HEAVY DUTY CONVENTIONAL DAY CAB CHASSIS



These were the only trucks with a month over month drop in activity on the auction channel, but the second highest increase on resale.

MARKET ACTIVITY MONTH OVER MONTH

▲ 120.7% RESALE ▼ 8.2% AUCTION

USAGE TRENDS MONTH OVER MONTH

▼ 10.8% RESALE ▲ 25.0% AUCTION

YEAR OVER YEAR

▲ 26.5% RESALE ▲ 86.5% AUCTION

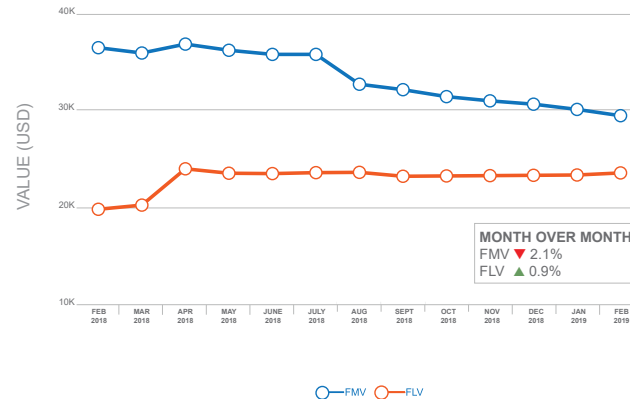
AGE TRENDS MONTH OVER MONTH

▲ 5.4% RESALE ▲ 6.4% AUCTION

YEAR OVER YEAR

▲ 5.5% RESALE ▲ 17.7% AUCTION

HEAVY DUTY CONVENTIONAL DAY CAB TRACTOR



With average usage and activity up on both channels, the increase in volume also brought more mileage to the trucks even though the average age for auction dropped 61.2% month over month but increased 121.4% for the resale channel.

MARKET ACTIVITY MONTH OVER MONTH

▲ 267.0% RESALE ▲ 37.0% AUCTION

USAGE TRENDS MONTH OVER MONTH

▲ 50.3% RESALE ▲ 45.7% AUCTION

YEAR OVER YEAR

▲ 31.1% RESALE ▲ 11.6% AUCTION

AGE TRENDS MONTH OVER MONTH

▲ 121.4% RESALE ▼ 61.2% AUCTION

YEAR OVER YEAR

▼ 3.4% RESALE ▼ 35.7% AUCTION



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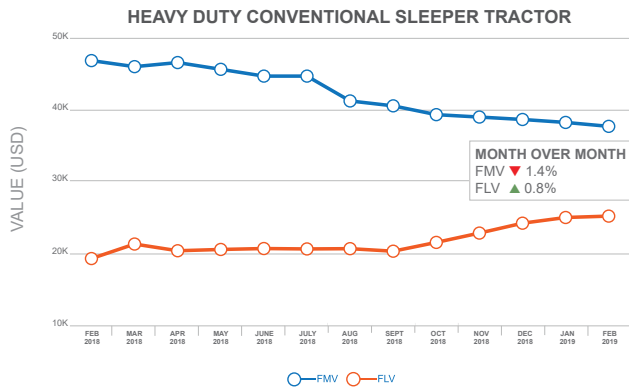
COMMERCIAL TRUCK

OVERALL

TYPE TRENDS

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REGIONAL TRENDS



The average age and usage for the resale channel had only small changes last month with only a 1.4% drop in FMV and much larger fluctuations across the auction channel.

MARKET ACTIVITY MONTH OVER MONTH

▲ 24.9% RESALE ▲ 140.0% AUCTION

USAGE TRENDS MONTH OVER MONTH YEAR OVER YEAR

▼ 2.6% RESALE ▲ 27.8% AUCTION

YEAR OVER YEAR

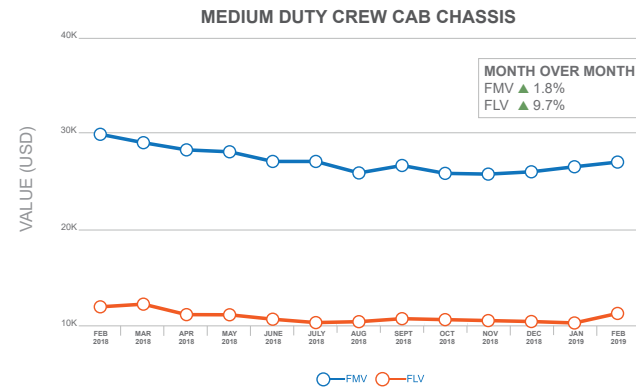
▲ 25.4% RESALE ▲ 9.7% AUCTION

AGE TRENDS MONTH OVER MONTH

▲ 1.3% RESALE ▼ 53.1% AUCTION

YEAR OVER YEAR

▼ 1.3% RESALE ▲ 18.6% AUCTION



While activity on these trucks is still quite low in comparison to the other subtypes, it increased last month for both the resale and auction channels.

MARKET ACTIVITY MONTH OVER MONTH

▲ 18.9% RESALE 0.0% AUCTION

USAGE TRENDS MONTH OVER MONTH

▼ 15.0% RESALE 0.0% AUCTION

YEAR OVER YEAR

▲ 5.8% RESALE ▲ 10.0% AUCTION

AGE TRENDS MONTH OVER MONTH

▼ 5.2% RESALE 0.0% AUCTION

YEAR OVER YEAR

▲ 15.4% RESALE ▼ 2.4% AUCTION



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REGIONAL TRENDS

MARKET DATA: FEBRUARY 2019

MONTH OVER MONTH ANALYSIS

\$4,007,123,750
MARKET VALUE

89,413
ASSETS

MARKET PERFORMANCE

With FMV down due to the large increases in volume of trucks available for sale, it came as no surprise that every brand showed a drop. While a few brands sat relatively close to last year's activity levels, Volvo dropped much lower year over year.

MARKET HIGHLIGHTS

- The average age on the resale channel was up for Hino and Kenworth, but the remaining brands dropped which still left Peterbilt in the highest average age spot.
- Average usage on the auction channel was up for Kenworth, Peterbilt, and Freightliner while the remaining brands dropped and Volvo saw an increase year over year despite the month over month drop.
- Auction channel activity increased the most on Kenworth, Volvo, and Freightliner brands but surprisingly dropped for Hino and International.

MARKET FORECAST

As sales pick up on the resale channel, it should allow for FMV to increase in the coming months.

FREIGHTLINER

VALUE TRENDS		USAGE TRENDS	
▼ 1.9%	▲ 1.1%	▼ 8.6%	▲ 18.7%
FMV	FLV	RESALE	AUCTION
MARKET ACTIVITY		AGE TRENDS	
▲ 34.4%	▲ 251.9%	▼ 1.9%	▼ 56.0%
RESALE	AUCTION	RESALE	AUCTION

HINO

VALUE TRENDS		USAGE TRENDS	
▼ 0.4%	0.0%	▲ 33.6%	▼ 25.7%
FMV	FLV	RESALE	AUCTION
MARKET ACTIVITY		AGE TRENDS	
▲ 519.9%	▼ 40.0%	▲ 43.2%	0.0%
RESALE	AUCTION	RESALE	AUCTION

INTERNATIONAL

VALUE TRENDS		USAGE TRENDS	
▼ 0.8%	▲ 0.2%	▲ 34.5%	▼ 41.2%
FMV	FLV	RESALE	AUCTION
MARKET ACTIVITY		AGE TRENDS	
▲ 378.6%	▼ 41.1%	▼ 6.8%	▲ 1.8%
RESALE	AUCTION	RESALE	AUCTION

KENWORTH

VALUE TRENDS		USAGE TRENDS	
▼ 0.8%	▼ 0.2%	▲ 50.8%	▲ 18.1%
FMV	FLV	RESALE	AUCTION
MARKET ACTIVITY		AGE TRENDS	
▲ 186.6%	▲ 783.3%	▲ 33.6%	▼ 62.4%
RESALE	AUCTION	RESALE	AUCTION

PETERBILT

VALUE TRENDS		USAGE TRENDS	
▼ 1.9%	0.0%	▼ 23.8%	▲ 36.4%
FMV	FLV	RESALE	AUCTION
MARKET ACTIVITY		AGE TRENDS	
▲ 221.5%	▲ 9.8%	▼ 12.8%	▲ 24.0%
RESALE	AUCTION	RESALE	AUCTION

VOLVO

VALUE TRENDS		USAGE TRENDS	
▼ 3.0%	▲ 2.1%	▼ 1.8%	▼ 27.9%
FMV	FLV	RESALE	AUCTION
MARKET ACTIVITY		AGE TRENDS	
▲ 62.2%	▲ 350.0%	▼ 0.1%	▼ 48.2%
RESALE	AUCTION	RESALE	AUCTION



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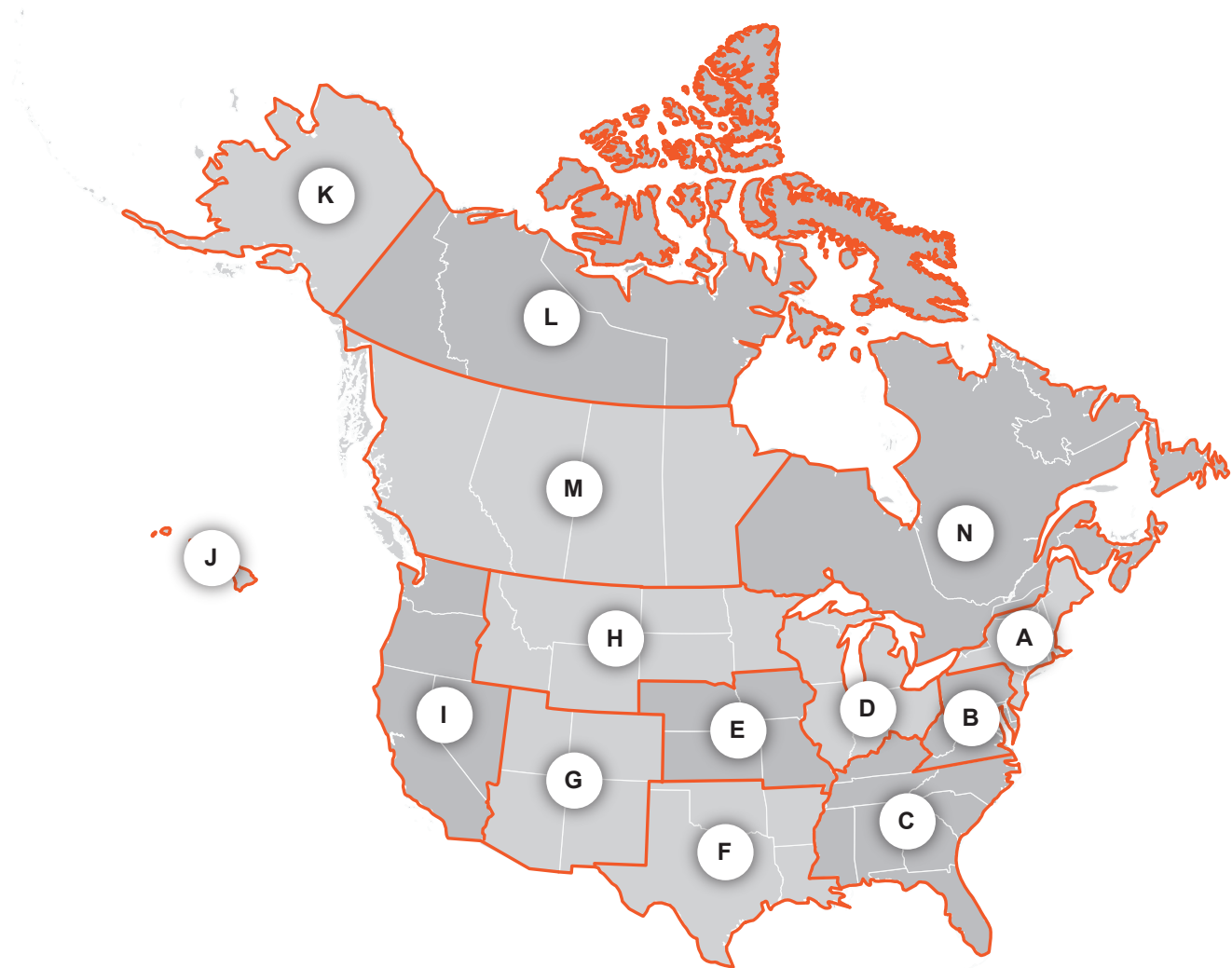
COMMERCIAL TRUCK OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

Most regions were deflated last month with the exception of C, M and N. These regions had larger increases in volume than the others to counteract the drop in price. The region with the lowest volume increase was region G which had a deflated price stability index for the month. After the high stability last month, it came as no surprise the volume increases would cause a bit of deflation.

EQUIPMENTWATCH PRICE STABILITY INDEX BY REGION

Region	Price Stability INDEX	Description
A	98.94	Deflated
B	98.93	Deflated
C	99.06	Stable
D	99.10	Deflated
E	99.14	Stable
F	99.08	Stable
G	99.25	Stable
H	98.99	Deflated
I	99.11	Stable
J	NA*	NA*
K	NA*	NA*
L	NA*	NA*
M	98.93	Deflated
N	99.03	Stable

*Insufficient data. See Appendix for explanation.
*See Appendix for regions.





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APPENDIX

INTRODUCTION

The Truck Blue Book Commercial Truck Report is a compilation of a wide array of Truck Blue Book’s data, designed to bring you an in-depth look at used equipment markets over the last month.

This Appendix is designed to answer your questions regarding this report. Here we define and illustrate how we think about values, market activity, age, usage, and regional influence for the most common types of commercial trucks seen on used markets across North America.

OUR DATA

Selection Criteria for OEMs and Subtypes

Price Digests tracks Resale and Auction prices and activity for over 920 models across 38 manufacturers throughout North America. With over \$93 billion in observed equipment transactions, Truck Blue Book is your primary source for intelligence regarding the used commercial truck market.

The data in this report is divided into the top six truck types based on their market share from January 2015 to December 2015. They’re listed in the table to the right.

Commercial Trucks
Heavy Duty: Conventional - Sleeper (Heavy Tractor)
Heavy Duty: Conventional - Day Cab (Heavy Tractor)
Heavy Duty: Conventional - Day Cab (Heavy Cab Chassis)
Medium Duty: Conventional - Day Cab (Cab Chassis)
Medium Duty: Cabover - Day Cab (Cab Chassis)
Medium Duty: Crew (Cab Chassis)

We have also limited the scope of the EquipmentWatch Market Report to the following brands in each market:

Commercial Truck
International
Freightliner
Volvo
Kenworth
Peterbilt
Hino



APPENDIX

THE PRICE STABILITY INDEX™

Academic justification

The Price Stability Index™ is a new metric for understanding the market for used commercial trucks. It measures resale price variations based on the movement of market prices and market activity among the equipment types and manufacturers presented above.

Methodology and Calculation

The Price Stability Index™ is based on the Laspeyres Index, one of the many economic indices used to monitor changes in prices over time. To calculate it, we use the framework provided by the Laspeyres Index:

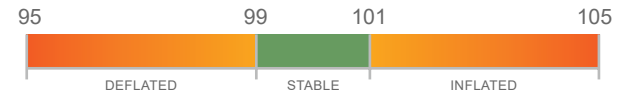
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

This equation sums the product of prices in the current month and quantity of the previous month and divides that by the product of prices in the previous month and quantity in the previous month.

We have modified this method to track the change in prices for each equipment type from month-to-month against the change in market activity for each equipment type month to month.

Interpretation

The Price Stability Index™ can be thought of as an index of price capacity. In more formal terms, it measures how efficiently used markets adjust to equilibrium given previous levels of prices and market activity. There are three primary ranges in the Price Stability Index™, as noted below:



When the Price Stability Index™ is higher than 101, that indicates that equipment is valued at a higher level than expected, given last month’s prices and amount of market activity. We categorize this range as “Inflated”.

When the Price Stability Index™ is lower than 99, it indicates that equipment is valued at a lower level than expected, given last month’s prices and market activity. We categorize this range as “Deflated”.

When the Price Stability Index™ is between 99 and 101, it is typically demonstrating that equipment prices and market activity are moving appropriately towards market equilibrium. We categorize this range as “Stable”.

It is important to note that a higher rating on the Price Stability Index™ does not necessarily imply that used markets are better than a lower rating. For some, price inflation is desirable; for others, it is undesirable. However, all parties involved in buying or selling equipment on used markets can use the Price Stability Index™ to easily understand how prices in a particular region or equipment market are moving relative to the previous month.



APPENDIX

SECTION GUIDES

Overall Trends

This page is an overview of each market. The graph highlights an overall FMV and FLV trend line for all of the equipment types and manufacturers in the report for the last 13 months. It also displays very general month over month and year over year trends across the entire market.

Type Trends

This page subsets the analysis of the previous page across each of the key equipment types in this report.

Brand Trends

This page shows some of the key month over month trends for the manufacturers represented in this report, including equipment values, usage, market activity, and age trends.

Regional Trends

This page shows the Price Stability Index™ for each of the 14 regions, using the same calculation method as the Price Stability Index™ shown on the first page of the report. The states and provinces which make up each region are listed in the table below.

Note that due to regional disparity in market activity, some regions with very little or no market activity in the last month are excluded from the analysis. These are marked with “NA” on the map.

Country	Region	State/Province
USA	A	CT, DE, MA, ME, NH, NJ, MY, RI, VT
USA	B	MD, P, VA, WV
USA	C	AL, FL, GA, KY, MS, NC, SC, TN
USA	D	IL, IN, MI, OH, WI
USA	E	IA, KS, MO, NE
USA	F	AR, LA, OK, TX
USA	G	AZ, CO, NM, UT
USA	H	ID, MN, MT, ND, SD, WY
USA	I	CA, NV, OR, WA
USA	J	HI
USA	K	AK
CAN	L	NT, NU, YT
CAN	M	AB, BC, MB, SK
CAN	N	NB, NL, NS, ON, PE, QC



APPENDIX

FAQS

Why did you limit the equipment types in this report?

Truck Blue Book tracks activity for over twenty unique equipment types each month. For the truck market, we selected the most popular equipment types, based on the frequency of appearance on the resale and auction channels.

Why are there only 6 manufacturers in this report?

Truck Blue Book tracks market activity for 38 unique manufacturers each month. We selected the top 6 manufacturers. As the markets shift and prominence on used changes, we will adjust our selections accordingly.

Why don't you use OLV?

Orderly Liquidation Value, or OLV, is a third major category of values. These are the values of an asset given a single seller and multiple potential buyers given a long or indefinite timeframe in which to dispose. Given the lack of clarity around the time dimension, we have chosen not to make assumptions about the orderly liquidation process. However, OLV is typically between FLV and FMV in gross value.

IMPORTANT DEFINITIONS

Fair Market Value (FMV): the value of an asset sold to a single buyer under no compulsion.

Forced Liquidation Value (FLV): the value of an asset sold at a properly advertised and conducted auction in which the seller is under compulsion to sell on an as-is, where-is basis as of a specific date.

Market Activity: A measure of the total number of observations collected by Truck Blue Book, including publicly-available dealer listings, auction results, and final sales data.

Meter Reads: A measure of usage that varies by equipment market. For most equipment types, this represents engine hours at the time of observation

Age: the age of an asset, based on model year and the year of observation.

ABOUT TRUCK BLUE BOOK AND PRICE DIGESTS

Truck Blue Book is the trusted source for commercial truck data and intelligence. Truck Blue Book produces the leading business-to-business valuations for dealers, insurance, government, financial and tax professionals. Since 1928, Truck Blue Book has served as an industry leader in truck values powered by big-data.

For over 100 years, Price Digests has served the vehicle data and risk mitigation needs of the insurance, finance, government, and dealer markets through its portfolio of Values, VIN and Specs data solutions for the commercial truck, automobile, boat, powersport, and recreational vehicle asset classes.

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