



Weekly Car Dealers Newsletter

August 16, 2010

This information that follows is taken from sources including *The Carconnection*, *Autoweek*, and other industry sources.

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[**NADA USED CAR GUIDE: DEPRECIATION TRENDS STABLE, USED VALUES CLIMB**](#)

Depreciation trends have continued to be relatively steady, according to NADA Used Car Guide, which said the majority of used-vehicle sub-segments have only seen a "minor" softening of their values. .. of the 165 sub-segment/model-year combinations, the used values of only eight showed depreciation of 2 percent or more from July to August. Most of rest fell between zero percent and 2 percent, while a few increased. "For yet another month, NADA used car values only experienced a minor depreciation in most sub-segments, which is a continuation of the pattern that has dominated the 2010 calendar year," stated Jonathan Banks, executive automotive analyst for NADA Used Car Guide. Compared to June, vans showed the heaviest gain (up more than 0.9 percent), while cars climbed more than 0.7 percent and pickups jumped almost 0.6 percent. SUV prices were ahead 0.5 percent from June and CUV prices gained more than 0.4 percent. *Source: AutoRemarketing*

GM IPO: TOUGH SELL FOR OBAMA ADMINISTRATION?

U.S. taxpayers were already mad about getting stuck with a \$50 billion tab for bailing out a poorly managed General Motors. Now, the Obama administration will try to convince a skeptical public that a sale from a better-run GM is in their best interests. (Chief Executive Officer Ed Whitacre) said on Thursday that GM was preparing its IPO filing. GM will be pushing its IPO while car sales are still well below pre-crisis levels and a full recovery of the U.S. auto industry is still questionable. "With the government's involvement and the extremely unusual bankruptcy that it went through, there are a number of stakeholders who have very conflicting interests," said Linda Killian, a portfolio manager at Connecticut-based Renaissance Capital. "They need to be very clear about what the plans are for the company and who is going to be making the decisions,"

Source: Reuters

FLEETS FUEL SURGE AT GM, CHRYSLER

Internal documents obtained by Automotive News show that much of the recovery at the two companies comes from sales to daily rental fleets. The data show retail sales were down less than 1 percent at GM and off 19 percent at Chrysler through July. Essentially, GM and Chrysler regained the fleet business they lost during their troubled 2009 trip through bankruptcy. After stumbling badly in 2009, fleet sales soared to about 1.6 million units in the first seven months from fewer than 1 million a year earlier. Daily rental companies, contractors and other fleet operators that deferred vehicle purchases last year are more confident -- or are forced to replace worn-out vehicles. Manufacturers expect the pace of fleet sales to slow in the second half. Ford, Chrysler and GM say fleet will be a smaller part of their sales mix by year end. *Source: Associated Press*

DEALERS BEG FOR CARS AS AUTOMAKERS' NEW DISCIPLINE CURBS SALES

Ford Motor Co. used to flood Beau Boeckmann with more cars than he knew what to do with. Now, he's not getting enough. Boeckmann, vice president of Galpin Ford in Los Angeles, asked for 100 Fusion sedans in July. He received 7. "I am begging for inventory across the board," said Boeckmann, whose dealership is the automaker's top-selling U.S. store. "I couldn't sleep a year ago because I thought, 'We have a year's supply of these cars!' And now I'm worried about our inventory again because we don't have enough." With Ford, General Motors Co. and Chrysler Group LLC kicking a decades-long habit of building more cars than customers want, dealers are howling that they can't get enough models to drive sales back to pre-recession levels. "Buyers have always been able to find 10 versions of the same vehicle they want," said Jeff Schuster, J.D. Power's executive director of forecasting. "Now we're in an environment that they're probably not going to get the exact one they want and they're going to pay more because the incentives aren't there." The trend contributed to lower-than-expected sales in the past few months, he said. *Source: Bloomberg.com*

4 FORD F-150 ENGINES SET TO LIFT PICKUP SALES

Ford's U.S. pickup sales gains are already double those of the rest of the auto industry, but the Dearborn automaker is expecting an even bigger boost after it offers four new engines in its 2011 F-150. Ford is promising a 20% overall fuel economy increase with its new engines, which are expected to begin arriving at dealerships by early December. "We know that GM and Toyota customers in particular tend to prioritize fuel economy highly," Doug Scott, Ford's truck marketing manager, said Wednesday at a news media event in Dearborn to show off the new powertrain lineup. "And we know from the research that more of them are willing to switch brands for a significant improvement in fuel economy." Ford's new engines include a 3.7-liter V6, a 5.0-liter V8, a 6.2-liter V8 and a turbocharged EcoBoost 3.5-liter V6. *Source: Detroit Free Press*

LIMITED EDITION JAGUAR DEBUTS

Jaguar celebrates its 75th anniversary today with the debut of the limited edition 2011 Jaguar XKR175 Coupe at the McCall's Motorworks Revival at the Monterey Jet Center during the Pebble Beach Automotive Weekend. This is the first appearance of the exclusive sports car in North America.



The XKR175 is powered by a supercharged V8 with 510 horsepower and 461 lb-ft of torque with top speed raised to an electronically-limited 174 mph. To ensure that the XKR175 remains stable at high speeds, a revised aerodynamic package incorporates a new front air dam, new side sills, a new rear diffuser and a larger rear spoiler providing increased balance and a reduction in lift. New 20-inch Kasuga 10-spoke alloy wheels, red brake calipers and Ultimate Black exterior paint adorn the car's exterior.

Inside, door sill tread plates reading "XKR175 – 1 of 175" greet the driver and passenger while the leather is finished in Warm Charcoal with Cranberry stitching, all accompanied by Piano Black wood veneer.

Production of the XKR175 is limited to 175 vehicles at an MSRP of US\$104,500 (including destination charge). There will be 15 Jaguar XKR175 models for the Canadian market as well.

Source: Speedtv.com

NEW INFINITI LINE

Time will tell whether the IPL brand will carry the gravitas of Mercedes-Benz AMG or BMW M. But for now, it spells 18 hp and a host of sporty cosmetics. Infiniti is launching a range of athletic gear for its luxury cars, called Infiniti Performance Line. The first car will be a reworked version of the G coupe, packing 348 hp when it arrives in December.



The IPL G coupe, which is being revealed this weekend at the Pebble Beach Concours d'Elegance, adds a bit more gusto to the rear-wheel-drive car. The 3.7-liter V6 engine is boosted from 330 hp in the conventional G coupe thanks to exhaust and engine-management upgrades. Torque is up 6 lb-ft to 276 lb-ft. Engine redline is increased from 7,000 rpm to 7,400 rpm, and the torque curve is modified for more linear acceleration. The engine is paired with a seven-speed automatic or short-throw six-speed manual. The sheetmetal is dressed up with new fascia and bumper designs, integrated fog lights, side sills, rear spoiler and chrome exhaust tips. The car rolls on 19-inch IPL wheels split by seven spokes finished in graphite. The coupe will come in graphite and black. Inside are red leather seats, a red stitched steering wheel and aluminum trim.

Infiniti says the suspension is worked over considerably to produce a flat and smooth ride. Front spring rates are increased 20 percent compared with the base G coupe, while rear spring rates are increased 10 percent. The steering and shocks also have been retuned, and stopping comes from four-wheel sport brakes with aluminum-alloy calipers. It's all topped off with the IPL badges.

Pricing was not immediately announced. IPL will be offered in North American vehicles and is being evaluated for other markets. *Source: Autoweek.com*

NO MID-ENGINE CORVETTE

It's official: There's no mid-engine Chevrolet Corvette on the horizon. That's the word from General Motors' top global engineer. As for a Corvette with a hybrid powertrain, that remains a possibility.

Karl-Friedrich Stracke, GM vice president of global vehicle engineering, on Tuesday discussed a wide range of topics--including the next-generation Corvette.



Over the past two years or so, countless Web and print stories have been written about the upcoming redesigned Corvette, and nearly all have speculated that GM was developing a mid-engine model. Speculation regarding the timing for the mid-engine car's debut was anywhere from the 2014 model year to several years later. Stracke said he was familiar with those stories: "I don't know who made this public. I think it is wrong." On Wednesday, when asked for clarification about Stracke's comments, Dan Flores, a GM communications spokesman, said Stracke "is quashing those rumors." "The rumors and speculation about the Corvette are just that. There is no mid-engine in the plans" nor any plans for a wet dual-clutch transmission.

Earlier this month, a story attributed to a Saab engineer said the Swedish automaker had developed a wet dual-clutch transmission for a mid-engine Corvette, according to Autocar.co.uk. The transmission supposedly had been created when Saab was part of GM. Stracke has been the head of GM global engineering since December. Talk about a mid-engine Corvette has been a hot topic in chat rooms. But not everyone is in favor of that engine configuration, which puts the engine behind the driver and passenger seats instead of the usual spot, under the hood.

On the subject of eight cylinders versus six--another hot topic online--Stracke said GM is not testing a V6-powered Corvette. However, asked whether a hybrid powertrain will ever be offered in a Corvette, Stracke said, "That is an interesting idea." "Porsche has announced a full hybridization for their complete lineup. What can they do? They need it" to meet CAFÉ rules, he said. "The customer always wants power. That will not go away," so automakers will need to improve fuel economy along with offering better performance, he said. Stracke said automakers, including GM, could decide on a strategy that limits the number of conventional powertrains in their sports cars. "You could keep a normal powertrain configuration for a small amount of very excited car enthusiasts," Stracke said. "And turn 80 to 90 percent of your sports-car portfolio to hybridization." *Source: Autoweek.com*