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# Market Intelligence

8 July 2022

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“

An economy and an industry which is increasingly difficult to navigate but starting to be more predictable and showing some consistent signs which is creating opportunity for some to expand or invest as we have seen in recent weeks.

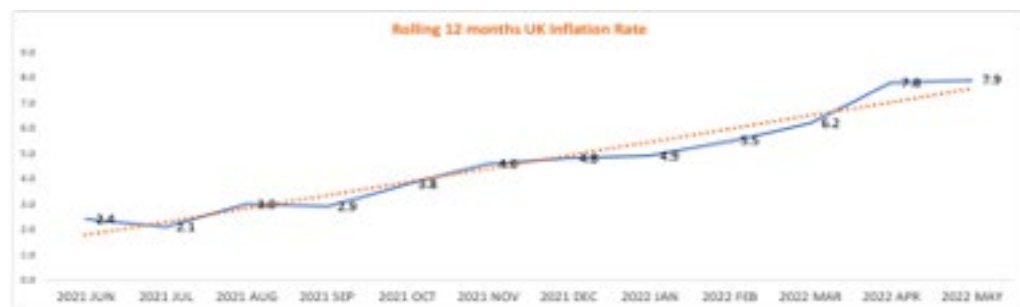
Inflation will continue to rise throughout this year, interest rates will increase slightly more as a tool for the Bank of England to help control inflation. Road usage seems to be back to pre-pandemic levels (for now) despite fuel prices, yet repair estimate volumes are consistently 10-15% lower than pre-pandemic.

Electric and alternative fuel vehicles will continue to grow in marketshare rapidly, but new car sales will continue to be suppressed for some time yet, keeping the used car market values high. Restricted new vehicle market supply will see continued difficulty in mobility fleet availability and constraints in certain parts availability – further reinforcing the ‘new normal’ of longer lead times.

At time of writing, further uncertainty too exists across the political landscape with the UK Prime Minister Boris Johnson having resigned.

It is certainly a time to keep your finger on the pulse. ”

# Inflation & Fuel Prices



The Consumer Prices Index (CPIH) rose again narrowly from 7.8 to 7.9%.

CPI moved up 0.1% too – from 9% to 9.1% **highest CPI 12-month inflation rate in the National Statistics series**, which began in January 1997.

Fuel Price continues to rise at 191.43p and 199.07p respectively.

How have prices changed over time?

## Unleaded petrol - average UK pump and wholesale prices over time

Latest prices for E10 fuel in pence per litre

— Unleaded pump (inc VAT) — Unleaded pump (exc VAT) — Unleaded delivered wholesale



Errors and omissions accepted

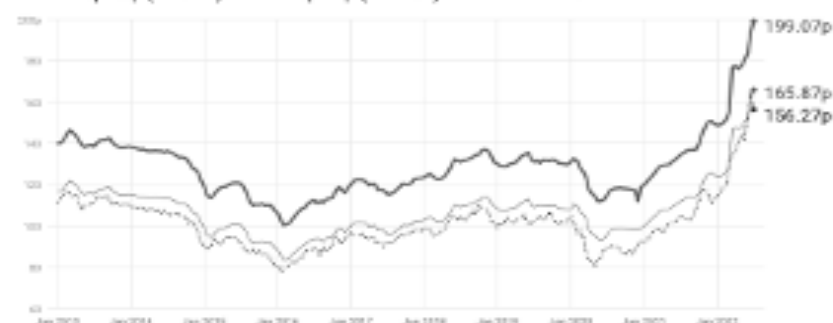
Source: [RAC Fuel Watch](#) • Embed

RAC

## Diesel - average UK pump and wholesale prices over time

Latest prices for B7 fuel in pence per litre

— Diesel pump (inc VAT) — Diesel pump (exc VAT) — Diesel delivered wholesale

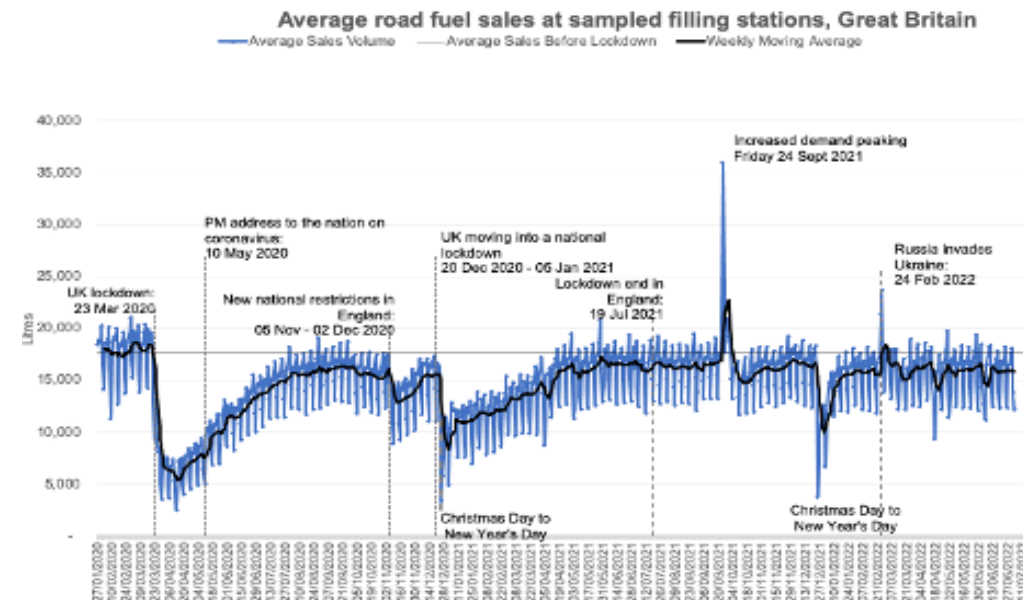


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Source: [RAC Fuel Watch](#) • Embed

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# Transport



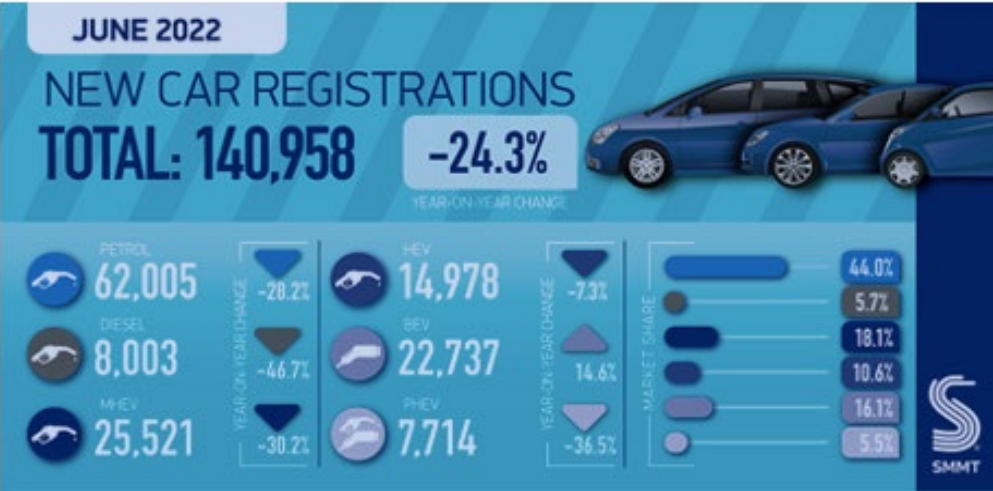
**Road Traffic use** continues to trend up Vs March 2020 despite fuel prices. Looking at the last three months a continued gradual climb, reported by ONS today as **being back to pre-pandemic levels**.

Department of Transport also states that in w/e 3 July fuel sales decreased 0.5% compared to the previous week – still 1% higher than the same time in 2021.





# New Car market



June new car registrations fall -24.3% to 140,958 units – weakest performance for the month since 1996.

Ongoing challenges in component supply, exacerbated by restrictions in China, hamper industry’s ability to fulfil demand.

Year-to-date registrations reach 802,079 units – a fall of -11.9% on last year, and second weakest first half for 30 years.

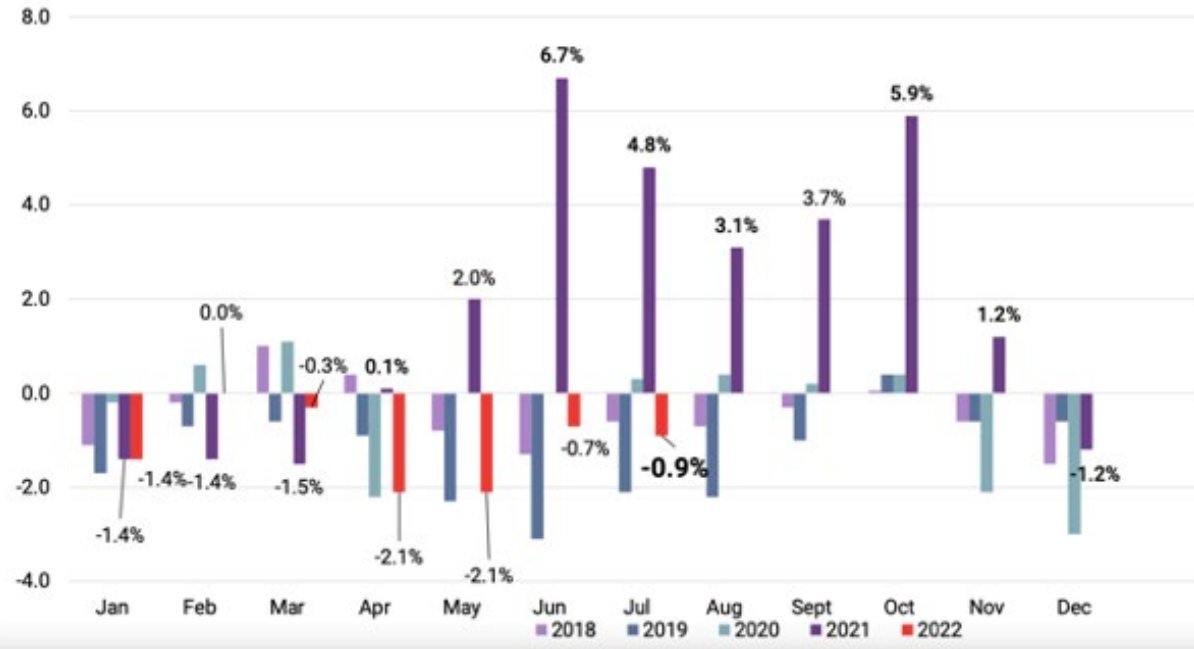
More positively, **electric vehicle marketshare continues to grow. Plug-ins account for a record one in five new car registrations**

The UK new light commercial vehicle (LCV) market **declined for the sixth consecutive month in June.**



## Used Car market

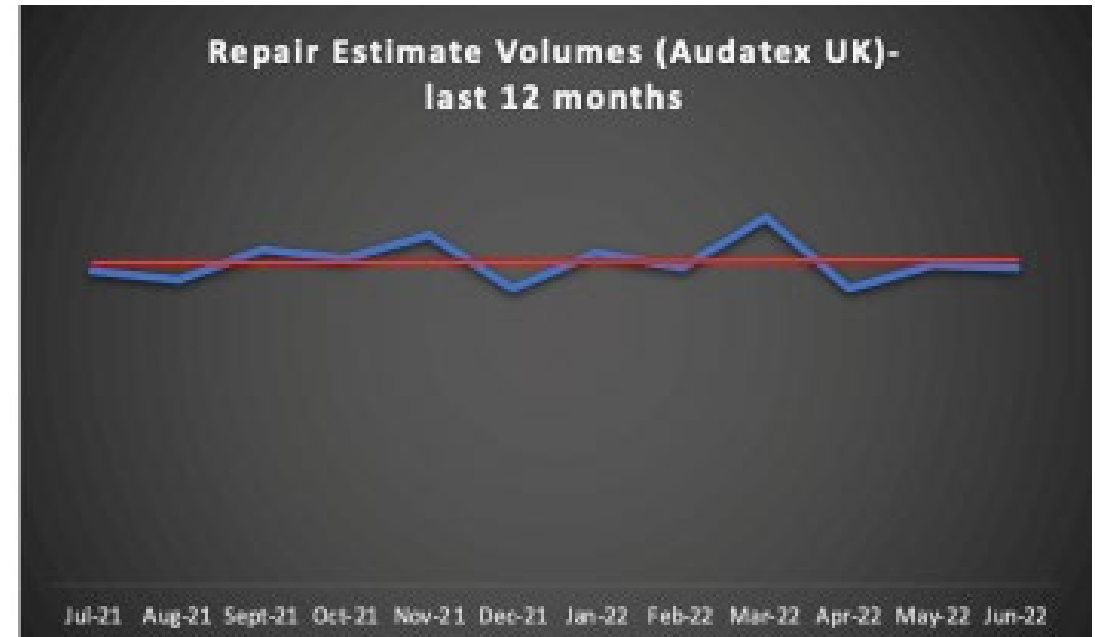
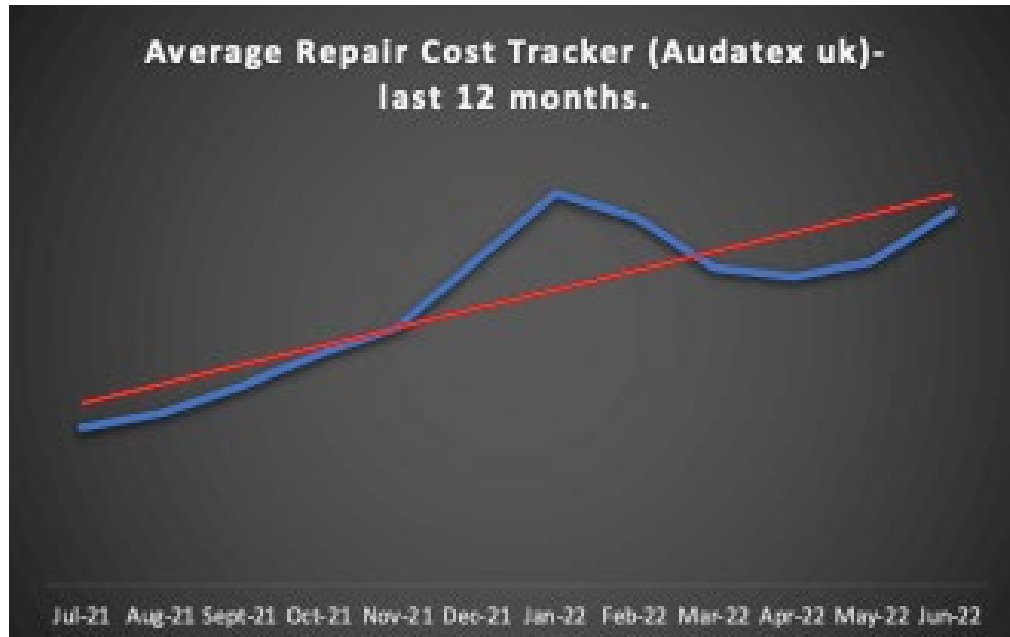
Monthly percentage movements in Live valuations (3-years, 60k miles)



*‘With demand and supply well matched, June’s Live values continued a similar trajectory to May. The average movement at 3-years 60,000 miles was 0.9% down, equivalent to c.£120. This followed the 0.7% drop in May. Both months have seen a lower-than-normal reduction for the time of year, off the back of two months of heavier downward movements in March and April. The plateauing we have reported previously is continuing.’*

Diesel vehicles are dropping faster than any other – which is to be expected. Electric vehicles increasing in value 0.5% at one-year old and 0.9% at three-years, representing consumers looking for value to switch to EVs.

## Repair volumes and rising costs



June 2022 saw an increase in repair estimate volumes vs May, at 89% of 2019 levels, Trend Tracker predicts a continued consistency.

Repair costs continue to rise, month-on-month, year-on-year. This is also predicted to continue with further energy cost rises due in October.

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