

Monthly Auto Review: Feb. '09

Feb. Sales May Further Confirm Stabilization

- **We believe February US SAAR will come in at 9.4MM units, representing further signs of potential sequential stabilization** (January was 9.6MM). While Chrysler sales may recover sequentially on increased incentives and late-Jan. aid to its financing affiliate, most sources we have spoken with suggest the magnitude in y/y retail sales declines at other automakers has likely accelerated somewhat from Jan. to Feb. (we note that Jan. retail SAAR was +7% vs. Dec.). While a large amount of fleet deliveries tend to occur in the last week of the month and have the ability to skew SAAR to the upside (in our opinion, fleet sales have little room to decline sequentially), data available to us also suggests month-to-date fleet deliveries seem to have not rebounded notably from January lows. Overall, we maintain our cautious stance on the sector, as we believe odds of a GM/Chrysler bankruptcy have risen from a few months ago and continue to prefer dealers (GPI top dealer pick) and suppliers with low leverage but only on further pullbacks (e.g., ALV, BWA, GPC, GNTX, JCI, etc.).
- **Light vehicle selling rate (page 2).** We forecast February US light vehicle SAAR to be 9.4 MM units (-38.6% y/y) with GM -46%, F -44%, and Chrysler -47% (all sell day adjusted). January auto sales weakened across the geographies (US SAAR -37% y/y, western European SAAR -22% y/y, China sedan sales -12% y/y and Brazil/Argentina sales -25% y/y) and February WE auto sales are predicted by JPM's European Autos research team to be -29% y/y.
- **US dealer inventories (page 3).** January ending US dealer inventory (107 days) remained above 100 days-on-hand with GM taking the lead (159 days) followed by Chrysler (152 days) and Ford (118 days). Even on an adjusted days supply basis (current inventory / avg. of last 6 months' DSR), US dealer inventories remained above 100 level, GM (137 days; 42 days above long-term avg.) being the highest. GM T900 inventories soared further at January-end (Pickups: 105 days; SUVs 74 days). Relatively low Ford F series (64 days) inventories rose marginally.
- **Market shares (page 7).** Retail market share for GM went down 7.3% y/y in Jan, whereas Ford gained 1 pt amidst falling auto sales.
- **Retail incentives and marketing costs (page 11).** GM and Ford each cut on their incentive spending by 14% m/m, while Chrysler made unfruitful attempt to regain declining market share through enhancing incentives by 5% m/m.
- **Raw materials (page 14).** JPM weighted commodity index increased moderately driven by Natural rubber (4% m/m), Polypropylene (7.4%) and Aluminum (3.2%).
- **Economic data (page 15).** Overall used vehicle index manifested a reversal in trend and increased 3.8% m/m in January. University of Michigan car-buying conditions improved further by 3.2% m/m (January: +1.6% m/m) in February.
- **Auto-finance data (page 16).** Car finance rates touched the historical high level of 8.4% (+2 pts m/m, +4.1 pts y/y) in January. 3-year swap yields decreased moderately after a modest rise in December. Loan-to-value for new car loans was almost stable at 85% in January.

See page 24 for analyst certification and important disclosures.

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US Autos

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We expect February light vehicle SAAR of 9.4 million.

Table 1: Auto OEMs Highlighted

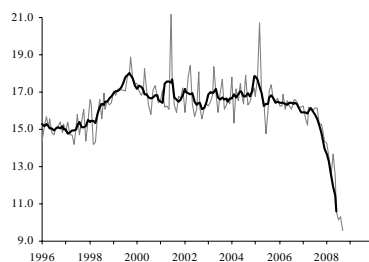
Auto Producers	JPM Rating	Price*
General Motors	GM N	\$2.22
Ford	F N	\$2.00

J.P. Morgan ratings: OW = Overweight;
N = Neutral; UW = Underweight.
* Price as of February 24, 2009 COB.

Source: J.P. Morgan, FactSet.

Light Vehicle Selling Rate

U.S. SAAR



Monthly U.S. Light Vehicle SAAR

SAAR, millions of units

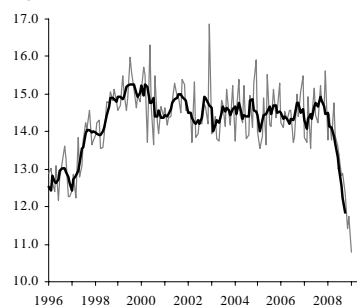
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2002	15.9	16.8	16.7	17.2	15.9	16.4	17.9	18.4	16.4	15.7	16.1	18.1	16.8
2003	16.1	15.6	16.1	16.4	16.3	16.5	16.9	18.4	17.0	15.9	16.9	17.7	16.6
2004	16.1	16.3	16.6	16.4	17.8	15.4	17.2	16.6	17.5	16.9	16.3	17.9	16.9
2005	16.3	16.5	16.9	17.2	16.8	17.8	20.7	16.8	16.5	14.8	16.0	17.1	16.9
2006	17.4	16.5	16.5	16.7	16.2	16.2	16.9	16.1	16.5	16.3	16.1	16.6	16.5
2007	16.6	16.5	16.2	16.2	16.3	15.6	15.2	16.2	16.2	16.0	16.1	16.2	16.1
2008	15.3	15.3	15.1	14.4	14.3	13.6	12.5	13.7	12.5	10.6	10.2	10.3	13.1
2009	9.6												

YOY -37.3%

Source: U.S. Department of Commerce and JPMorgan estimates.

Note: January 2004 SAAR adjustment factors are JPMorgan estimates based on prior U.S. Dept. of Commerce figures.

W. European SAAR



Monthly W. Europe SAAR

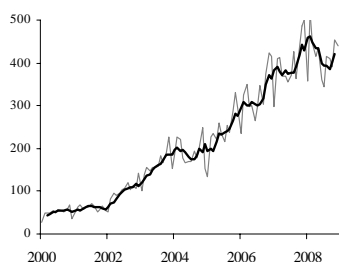
SAAR, millions of units

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2003	13.9	14.1	14.4	13.8	13.7	14.8	14.7	14.1	15.1	14.5	14.2	15.2	14.2
2004	13.7	14.5	15.4	14.5	14.2	15.2	13.8	13.9	15.0	14.1	15.6	15.9	14.5
2005	13.9	13.8	13.9	14.9	13.7	15.5	14.2	14.1	15.1	14.4	14.5	15.3	14.5
2006	14.2	14.1	14.5	14.3	14.6	14.6	13.7	13.8	15.0	14.4	15.1	15.5	14.6
2007	13.8	13.7	14.9	13.6	14.4	15.2	14.4	14.2	15.2	14.8	14.7	15.6	14.7
2008	13.8	14.5	13.8	14.8	13.9	13.6	13.4	12.8	12.9	12.4	11.4	11.7	13.5
2009	10.8												

YOY -21.8%

Source: ACEA data.

Chinese Sedan Sales



Monthly Chinese Sedan Sales

in units 000s

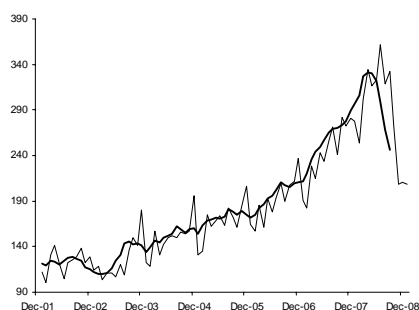
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2003	141	100	139	156	147	157	157	159	184	166	191	227	1,924
2004	155	185	226	220	178	167	170	170	194	179	203	247	2,295
2005	152	134	227	236	221	259	236	215	255	237	286	331	2,788
2006	296	235	325	351	297	301	264	297	346	304	374	423	3,812
2007	414	298	409	412	368	368	355	372	426	365	437	486	4,711
2008	501	357	516	445	415	434	361	345	416	410	390	452	5,040
2009	439												

YOY -12.3%

Source: Auto Consultancy affiliated with the state information center.

Note: Data include only sedans.

Argentina & Brazil Lt. Vehicle Sales



Monthly Argentina & Brazil Lt. Vehicle Sales

in units 000s

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2003	114	118	103	111	111	106	120	109	137	150	141	180	1500
2004	123	118	157	131	142	150	152	150	156	154	157	196	1787
2005	131	135	175	163	168	174	163	183	172	162	185	206	2017
2006	165	157	185	161	192	178	194	209	190	207	212	236	2286
2007	191	182	229	214	243	234	256	272	241	282	273	280	2898
2008	278	254	302	334	317	323	362	319	332	273	209	211	3513
2009	208												

YOY -25.1%

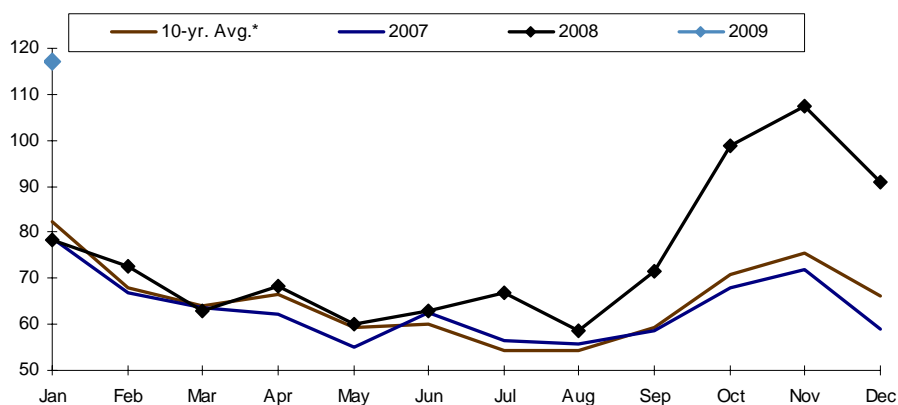
Source: Brazil sales data from Anfavea & Argentina Sales data from Adefa

Dealer Inventories

January industry inventories (adj. days supply) were 37 days above historical average. GM was 64 days above and Ford was 27 days above historical average.

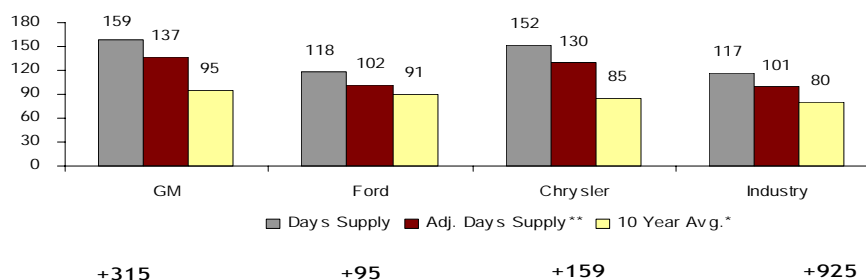
Figure 1: U.S. Light Vehicle Inventory: Total Industry

Days Supply



Source: Ward's Automotive Reports, Autodata Corp., and JPMorgan estimates. * Industry average for 1998-2007.

Figure 2: January Light Vehicle Inventory



Days Supply & Adjusted Days Supply vs. 10-year Average †

Source: Ward's Automotive Reports, Autodata Corp., and JPMorgan estimates.

* Industry average for 1998-2007.

** Adjusted days supply compares month-end inventory to the seasonally adjusted average six-month daily sales rate.

† Historical GM dealer inventory adjusted for new dealer inventory reporting method adopted in May 2001.

Table 2: Big 3 and Industry December Ending Inventory*

	Jan-09	Dec-08	Jan-08
Industry	2932	3099	3255
GM	791	854	885
Ford	424	437	581
Chrysler	360	398	414

Source: Ward's Automotive Reports, Autodata Corp., and JPMorgan estimates.

* Inventory figures excluding imports.

Table 3: Big 3 Year Ending Inventory*

	Dec-06	Dec-07	Dec-08	08 vs. 07 (% change)
GM				
days supply	1001	874	1061	21%
Ford				
days supply	582	529	567	7%
Chrysler				
days supply	536	433	545	26%

Source: Ward's Automotive Reports, Autodata Corp., and JPMorgan estimates. *Inventory figures excluding imports.

Table 4: 2008/2009 Monthly U.S. Dealer Inventory

	2008												2009
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Days Supply													
LIGHT VEHICLES													
<i>10-Year Average*</i>													
Industry	78	68	64	66	59	60	53	54	58	67	72	64	80
GM†	94	79	77	77	70	69	57	62	66	80	90	74	95
Ford	89	74	69	73	66	67	60	63	66	75	79	71	91
Chrysler	84	68	68	70	65	69	67	69	75	81	79	73	85
Big Three	90	75	72	74	68	68	60	64	67	78	83	73	91
Japanese	52	61	57	53	55	46	49	42	40	46	52	56	52
European	57	75	69	64	61	57	56	55	49	52	59	59	56
Reported Days Supply													
Industry	78	73	63	68	60	63	67	58	71	99	107	91	117
vs. average	+0	+5	-1	+2	+1	+3	+14	+4	+13	+32	+35	+27	+37
GM	88	86	79	81	76	71	81	63	61	125	138	101	159
vs. average	-6	+7	+2	+4	+6	+2	+24	+1	-5	+45	+48	+27	+64
Ford	93	79	66	78	71	78	82	81	97	102	99	84	118
vs. average	+4	+5	-3	+5	+5	+11	+22	+18	+31	+27	+20	+13	+27
Chrysler	76	73	66	75	75	90	109	93	86	114	118	116	152
vs. average	-8	+5	-2	+5	+10	+21	+42	+24	+11	+33	+39	+43	+67
Big Three	87	80	72	79	74	77	87	74	75	115	120	99	144
vs. average	-3	+5	+0	+5	+6	+9	+27	+10	+8	+37	+37	+26	+53
Japanese	74	70	58	65	52	57	56	48	74	91	103	90	104
vs. average	+22	+9	+1	+12	-3	+11	+7	+6	+34	+45	+51	+34	+52
European	68	60	57	55	54	49	51	50	58	72	83	72	114
vs. average	+11	-15	-12	-9	-7	-8	-5	-5	+9	+20	+24	+13	+58
Adjusted Days Supply: Compares month end inventory to the 6 month daily average sales rate													
Industry	75	70	60	64	57	59	59	58	66	81	89	81	101
vs. average	-3	+2	-4	-2	-2	-1	+6	+4	+8	+14	+17	+17	+21
GM	84	83	76	76	72	66	72	62	57	103	115	90	137
vs. average	-10	+4	-1	-1	+2	-3	+15	+0	-9	+23	+25	+16	+42
Ford	89	76	64	73	68	72	72	80	90	84	83	74	102
vs. average	+0	+2	-5	+0	+2	+5	+12	+17	+24	+9	+4	+3	+11
Chrysler	72	70	64	70	71	84	96	92	79	94	98	103	130
vs. average	-12	+2	-4	+0	+6	+15	+29	+23	+4	+13	+19	+30	+45
Big Three	83	78	69	74	70	72	77	73	69	95	100	88	124
vs. average	-7	+3	-3	+0	+2	+4	+17	+9	+2	+17	+17	+15	+33
Japanese	71	67	56	61	49	53	50	47	68	75	86	80	89
vs. average	+19	+6	-1	+8	-6	+7	+1	+5	+28	+29	+34	+24	+37
European	65	57	54	51	51	45	45	49	54	60	69	64	98
vs. average	+8	-18	-15	-13	-10	-12	-11	-6	+5	+8	+10	+5	+42
Units Supply													
Unit 000's													
LIGHT VEHICLES													
Industry	3255	3394	3266	3273	3097	3101	2908	2692	2783	3037	3171	3099	2928
GM	885	922	856	805	754	771	731	720	701	781	845	854	785
Ford	581	601	567	589	565	553	495	458	471	489	478	437	416
Chrysler	414	436	424	422	412	440	409	381	381	396	400	398	360
Big Three	1880	1959	1847	1816	1732	1765	1635	1558	1554	1667	1723	1689	1561
Japanese	1165	1226	1197	1228	1135	1118	1060	930	1012	1133	1197	1161	1116
European	160	160	174	178	178	167	161	152	158	175	187	188	192

Source: Ward's Automotive Reports and Autodata Corp.

* Average for 1998-2007.

† Historical GM dealer inventory adjusted for new dealer inventory reporting method adopted in May 2001.

Table 5: U.S. Dealer Inventory: Key Platforms

	2008												2009
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan
<i>Inventory - Key Platforms - Absolute Units (000s)</i>													
GM													
T900 Pickups	301	312	264	239	227	230	214	196	161	155	156	153	162
T900 SUVs	109	120	119	114	110	108	91	74	66	66	64	60	51
Memo: Total T900	409	432	383	353	337	338	305	270	228	221	220	213	212
Lambda	31	33	32	29	23	29	33	32	33	42	47	50	43
Mid-size SUVs	30	30	24	20	18	21	22	21	15	15	13	13	10
Malibu	15	20	22	23	18	25	25	31	35	50	58	60	51
Ford													
F Series	184	202	203	223	226	215	185	152	132	113	101	89	88
Large SUVs	26	25	23	25	26	26	22	17	16	17	15	10	7
Edge/MKX	42	47	47	54	49	44	38	34	34	34	36	34	32
Mid-Size SUVs	36	35	31	32	33	30	27	24	23	21	19	13	12
Chrysler													
Dodge Ram	97	101	101	102	104	108	91	73	71	74	79	80	74
Minivans	46	48	50	57	58	64	56	48	52	54	57	57	50
Adjusted Days Supply (Days) - Compares month end inventory to the 6 month daily average sales rate for individual platforms													
GM													
T900 Pickups	131	131	120	109	113	120	116	91	65	64	77	92	105
T900 SUVs	105	124	133	128	130	125	108	80	78	89	103	89	74
Lambda	85	76	63	57	46	66	78	67	61	87	130	185	156
Mid-size SUVs	59	57	57	63	87	74	75	49	35	37	51	82	63
Malibu	33	38	39	41	30	42	42	53	52	83	109	125	136
Ford													
F Series	98	103	104	113	125	131	112	95	87	76	68	57	64
Large SUVs	85	80	76	84	92	110	108	94	92	92	77	53	42
Edge/MKX	67	77	79	93	84	82	77	73	84	95	122	122	116
Mid-Size SUVs	87	82	74	77	88	93	91	92	113	115	108	67	59
Chrysler													
Dodge Ram	97	104	111	107	116	138	123	91	81	90	110	126	126
Minivans	44	49	56	58	58	65	66	63	74	75	86	99	105

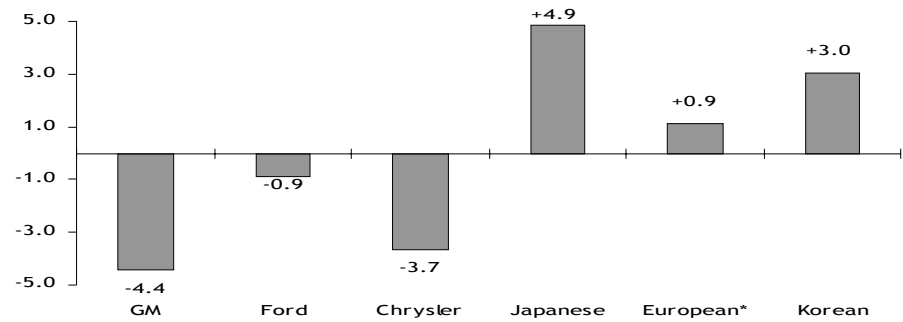
Source: Autodata Corp.

Market Shares

GM lost 5.1 pts of market share in January, a month in which US auto sales plunged by 37% y/y and 7.1% m/m.

Figure 3: January Light Vehicle Market Share Change vs. Previous Year

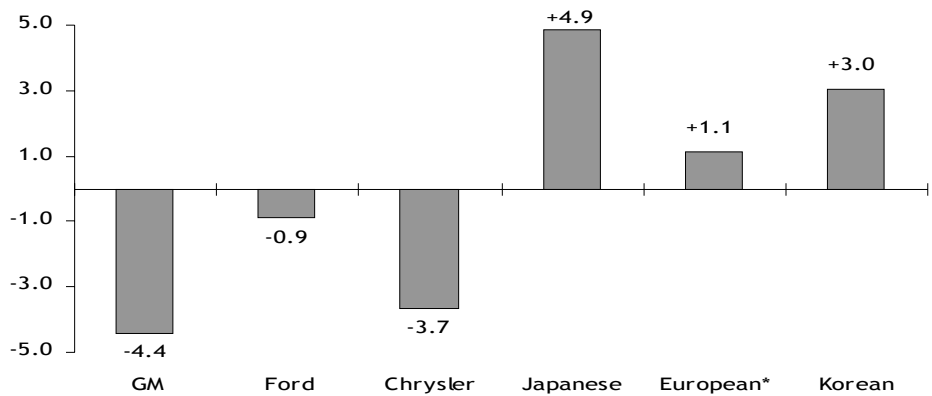
percentage points



Source: Ward's Automotive Reports.

Figure 4: YTD Light Vehicle Market Share Change

percentage points



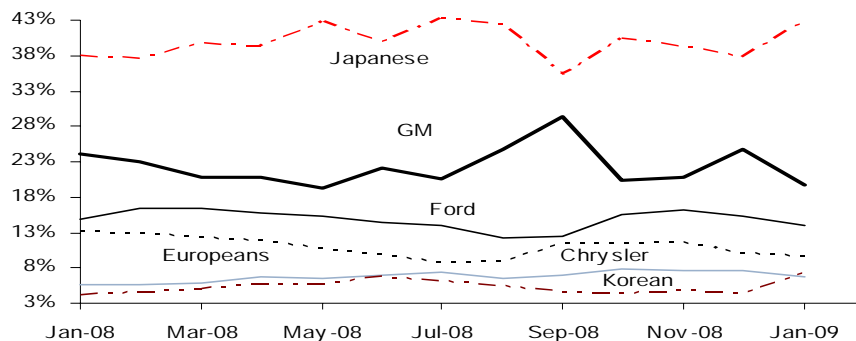
Big3 lost market share to Japanese OEs.

Source: Ward's Automotive Reports.

* Excludes Jaguar, Land Rover, and Volvo, which are included in Ford's results; and Saab, which is included in GM's results; includes sales of DaimlerChrysler's Mercedes-Benz division.

Figure 5: Monthly Light Vehicle Market Share Trends

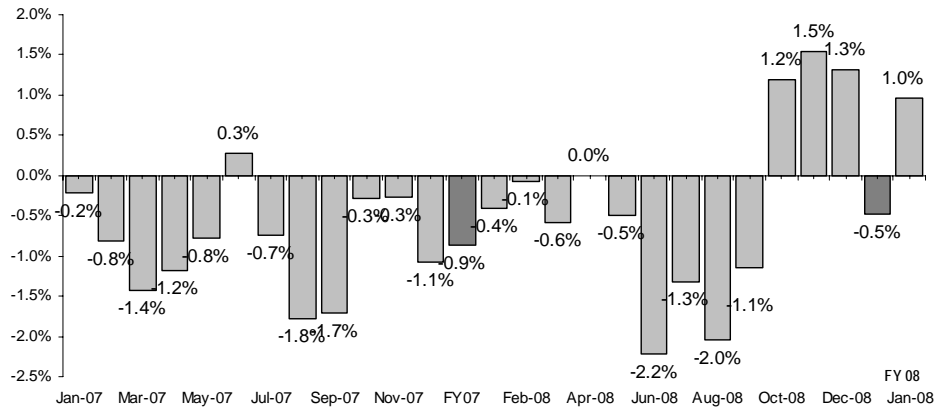
as a % of light vehicles



Source: Ward's Automotive Reports.

Figure 6: Ford Retail Market Share

Y/Y Change in Retail Market Share (% points, estimated)
 %

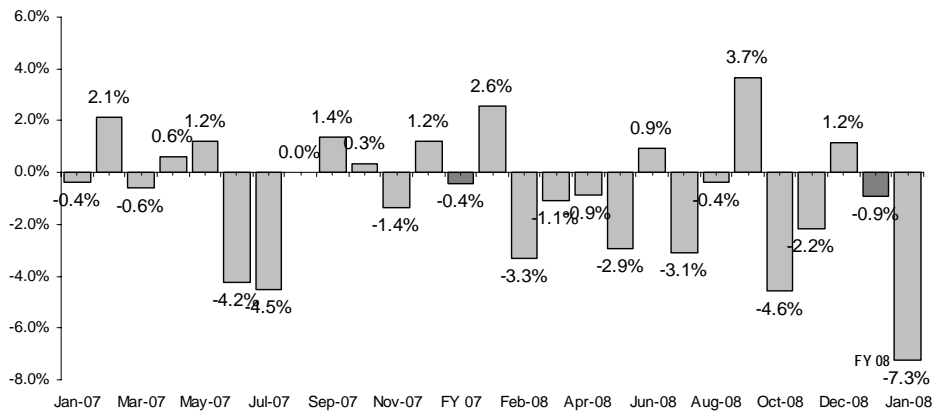


Source: Ward's Automotive Reports, Company Reports and J.P. Morgan.

Retail Market Share calculated as Ford (includes Ford/Lincoln/Mercury only) retail sales to overall Industry sales

Figure 7: GM Retail Market Share

Y/Y Change in Retail Market Share (% points, estimated)
 %



Source: Ward's Automotive Reports, Company Reports and J.P. Morgan

Retail Market Share calculated as GM retail sales to overall Industry sales.

Table 6: Light Vehicle Market Share Trends

	2008												2009
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept.	Oct.	Nov.	Dec.	Jan.
Sales (000s)													
GM	251.0	268.8	280.8	257.8	269.0	262.4	233.4	307.4	274.5	168.8	153.5	220.1	128.3
Ford	155.4	190.9	222.0	196.2	213.6	170.3	157.3	152.1	116.1	129.4	120.2	135.7	91.4
Chrysler	136.8	149.7	165.9	147.1	148.3	117.1	97.8	110.2	106.9	94.0	84.9	89.3	61.7
Big 3	543.2	609.4	668.6	601.1	630.9	549.7	488.5	569.7	497.6	392.2	358.5	445.1	281.4
Toyota	171.8	182.2	217.7	217.7	257.4	193.2	197.4	211.5	144.3	152.1	130.3	141.9	117.3
Honda	98.5	115.4	138.7	135.2	168.0	142.5	138.7	146.9	83.4	85.9	76.2	86.1	71.0
Nissan	76.6	86.2	106.9	75.9	100.9	75.9	95.3	108.5	59.6	57.0	46.6	62.1	53.9
Other	47.5	55.4	71.8	59.9	67.9	59.7	56.9	58.4	42.4	40.7	36.4	44.2	36.3
Japanese	394.4	439.2	535.2	488.6	594.2	471.3	488.4	525.3	329.6	335.7	289.6	334.4	278.5
VW	20.8	22.7	27.6	27.1	30.9	31.4	27.2	28.7	18.5	23.3	21.1	25.3	17.5
BMW	16.9	24.2	27.4	31.4	31.8	26.2	29.0	30.9	18.5	25.5	19.8	21.6	14.3
Mercedes	18.3	18.6	22.6	23.0	24.5	22.1	23.4	20.9	18.8	15.0	14.1	18.5	10.4
European*	58.6	67.2	80.0	84.4	90.0	82.4	82.8	82.0	57.0	65.2	56.3	67.6	43.9
Hyundai	21.5	31.1	42.8	39.3	46.4	50.0	40.7	41.1	24.8	20.8	19.2	24.0	24.5
Kia	21.4	22.0	24.9	30.1	31.0	28.3	28.0	25.1	17.4	15.5	15.2	14.6	22.1
Korean	42.8	53.1	67.7	69.3	77.5	78.3	68.7	66.2	42.1	36.3	34.4	38.7	46.6
Total	1039.1	1168.9	1351.5	1243.5	1392.6	1181.7	1128.5	1243.2	934.5	829.4	738.8	885.8	650.4
% Change y-o-y													
GM	7.5%	-16.0%	10.2%	41.0%	-30.2%	-8.0%	-31.8%	-20.3%	-14.7%	-47.2%	-41.3%	-31.2%	-50.9%
Ford	-4.3%	-11.3%	-7.5%	-18.3%	-18.7%	-20.5%	-21.3%	-27.7%	-34.0%	-34.0%	-32.5%	-34.1%	-43.5%
Chrysler	-12.5%	-17.6%	-13.5%	-29.7%	-28.4%	-28.2%	-34.4%	-34.5%	-30.3%	-37.7%	-47.2%	-53.3%	-56.6%
Big 3	-3.6%	-15.2%	-11.1%	-23.2%	-26.3%	-17.0%	-29.4%	-25.4%	-23.6%	-41.1%	-40.3%	-37.9%	-50.2%
Toyota	-2.3%	-6.6%	-3.4%	-4.5%	-7.9%	-11.5%	-18.7%	-9.4%	-24.0%	-25.9%	-33.9%	-36.7%	-34.4%
Honda	-2.3%	0.7%	4.2%	-1.3%	11.3%	13.8%	-9.2%	-7.3%	-31.7%	-28.0%	-31.6%	-34.7%	-30.7%
Nissan	-7.3%	-2.9%	3.6%	-1.6%	4.4%	-7.5%	0.1%	13.6%	-28.3%	-35.5%	-42.3%	-30.7%	-32.4%
Other	-4.3%	-1.7%	-3.9%	-3.0%	-3.8%	-0.3%	-13.2%	-9.2%	-29.1%	-27.2%	-27.5%	-23.7%	-26.4%
Japanese	-3.5%	-3.4%	-0.2%	-3.0%	-0.6%	-2.9%	-12.2%	-4.8%	-27.5%	-28.4%	-34.1%	-33.6%	-32.1%
VW	-9.5%	-5.1%	17.0%	-7.9%	-4.4%	14.3%	-6.1%	-2.0%	-28.4%	-9.0%	-21.3%	-12.9%	-19.4%
BMW	-22.4%	-5.8%	1.8%	1.2%	-0.7%	0.1%	-5.7%	1.0%	-22.7%	-8.5%	-26.8%	-35.9%	-18.7%
Mercedes	7.1%	3.0%	12.4%	1.4%	8.4%	27.1%	16.5%	-0.2%	-12.9%	-36.8%	-38.2%	-32.1%	-45.1%
European*	-9.6%	-3.6%	8.7%	-2.3%	-0.5%	11.4%	-0.7%	-1.8%	-22.9%	-18.6%	-28.9%	-27.3%	-28.1%
Hyundai	-22.6%	-13.5%	9.8%	-7.4%	1.8%	14.0%	-13.6%	-8.8%	-22.3%	-33.7%	-39.7%	-48.3%	9.9%
Kia	-5.2%	-10.2%	-2.8%	6.7%	4.9%	21.1%	-3.1%	-6.7%	-24.8%	-40.8%	-37.2%	-39.2%	-0.5%
Korean	-14.8%	-12.2%	4.8%	-1.7%	3.1%	16.5%	-9.6%	-8.0%	-23.4%	-36.9%	-38.6%	-45.2%	4.7%
Total	-4.4%	-10.3%	-5.3%	-13.8%	-14.0%	-8.3%	-19.8%	-15.5%	-24.3%	-34.8%	-37.1%	-36.0%	-39.8%
Market Shares													
GM	24.2%	23.0%	20.8%	20.7%	19.3%	22.2%	20.7%	24.7%	29.4%	20.3%	20.8%	24.8%	19.7%
Ford	15.0%	16.3%	16.4%	15.8%	15.3%	14.4%	13.9%	12.2%	12.4%	15.6%	16.3%	15.3%	14.0%
Chrysler	13.2%	12.8%	12.3%	11.8%	10.6%	9.9%	8.7%	8.9%	11.4%	11.3%	11.5%	10.1%	9.5%
Big 3	52.3%	52.1%	49.5%	48.3%	45.3%	46.5%	43.3%	45.8%	53.2%	47.3%	48.5%	50.3%	43.3%
Toyota	16.5%	15.6%	16.1%	17.5%	18.5%	16.4%	17.5%	17.0%	15.4%	18.3%	17.6%	16.0%	18.0%
Honda	9.5%	9.9%	10.3%	10.9%	12.1%	12.1%	12.3%	11.8%	8.9%	10.4%	10.3%	9.7%	10.9%
Nissan	7.4%	7.4%	7.9%	6.1%	7.2%	6.4%	8.4%	8.7%	6.4%	6.9%	6.3%	7.0%	8.3%
Other	4.6%	4.7%	5.3%	4.8%	4.9%	5.0%	5.0%	4.7%	4.5%	4.9%	4.9%	5.0%	5.6%
Japanese	38.0%	37.6%	39.6%	39.3%	42.7%	39.9%	43.3%	42.3%	35.3%	40.5%	39.2%	37.8%	42.8%
VW	2.0%	1.9%	2.0%	2.2%	2.2%	2.7%	2.4%	2.3%	2.0%	2.8%	2.9%	2.9%	2.7%
BMW	1.6%	2.1%	2.0%	2.5%	2.3%	2.2%	2.6%	2.5%	2.0%	3.1%	2.7%	2.4%	2.2%
Mercedes	1.8%	1.6%	1.7%	1.8%	1.8%	1.9%	2.1%	1.7%	2.0%	1.8%	1.9%	2.1%	1.6%
European*	5.6%	5.7%	5.9%	6.8%	6.5%	7.0%	7.3%	6.6%	6.1%	7.9%	7.6%	7.6%	6.7%
Hyundai	2.1%	2.7%	3.2%	3.2%	3.3%	4.2%	3.6%	3.3%	2.7%	2.5%	2.6%	2.7%	3.8%
Kia	2.1%	1.9%	1.8%	2.4%	2.2%	2.4%	2.5%	2.0%	1.9%	1.9%	2.1%	1.7%	3.4%
Korean	4.1%	4.5%	5.0%	5.6%	5.6%	6.6%	6.1%	5.3%	4.5%	4.4%	4.7%	4.4%	7.2%

Source: Ward's Automotive Reports.

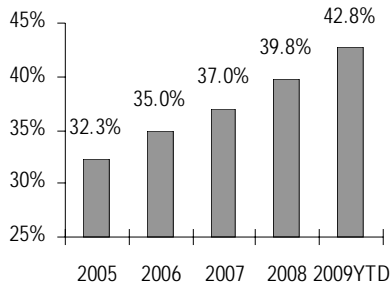
Note: Last 13 months. All yoy % changes are sale day adjusted.

* Excludes Jaguar, Land Rover, and Volvo, all of which are included in Ford's results; excludes Saab, which is included in GM's results; includes sales of DaimlerChrysler's Mercedes-Benz division.

Table 7: U.S. Light Vehicle Retail Sales and Market Shares

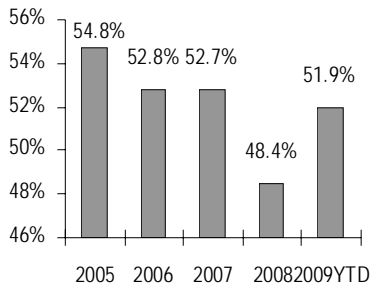
units,000s

Japanese Market Share



Source: Ward's Automotive Reports.

Light Truck Share of Market



Source: Ward's Automotive Reports.

	2004	2005	2006	2007	2008	Jan 2008	Jan 2009	YTD 2008	YTD 2009
General Motors									
Unit sales	4,657	4,457	4,068	3,825	2,947	251	128	251	128
Change	-1.6%	-4.0%	-8.4%	-6.3%	-23.2%		-48.9%		-48.9%
Market share	27.6%	26.3%	24.6%	23.8%	22.4%	24.2%	19.7%	24.2%	19.7%
Ford									
Unit sales	3,271	3,107	2,850	2,494	1,959	155	91	155	91
Change	-5.2%	-4.7%	-8.0%	-12.8%	-21.7%		-41.2%		-41.2%
Market share	19.4%	18.3%	17.3%	15.5%	14.9%	15.0%	14.0%	15.0%	14.0%
Chrysler									
Unit sales	2,206	2,305	2,143	2,076	1,448	137	62	137	62
Change	3.4%	4.8%	-6.7%	-3.4%	-30.5%		-54.9%		-54.9%
Market share	13.1%	13.6%	13.0%	12.9%	11.0%	13.2%	9.5%	13.2%	9.5%
Toyota									
Unit sales	2,060	2,260	2,543	2,605	2,218	172	117	172	117
Change	10.0%	10.1%	12.9%	2.1%	-15.2%		-31.7%		-31.7%
Market share	12.2%	13.3%	15.4%	16.2%	16.9%	16.5%	18.0%	16.5%	18.0%
Honda									
Unit sales	1,394	1,462	1,509	1,552	1,416	99	71	99	71
Change	3.0%	5.2%	3.5%	2.5%	-9.1%		-27.9%		-27.9%
Market share	8.3%	8.6%	9.1%	9.7%	10.8%	9.5%	10.9%	9.5%	10.9%
Nissan									
Unit sales	986	1,077	1,019	1,061	951	77	54	77	54
Change	23.7%	9.5%	-5.0%	3.7%	-10.6%		-29.7%		-29.7%
Market share	5.8%	6.4%	6.2%	6.6%	7.2%	7.4%	8.3%	7.4%	8.3%
Other Japanese									
Unit sales	719	678	703	726	641	47	36	47	36
Change	-9.9%	-5.4%	3.9%	2.9%	-11.9%		-23.5%		-23.5%
Market share	4.3%	4.0%	4.3%	4.5%	4.9%	4.6%	5.6%	4.6%	5.6%
Total Japanese									
Unit sales	5,160	5,478	5,774	5,943	5,226	394	279	394	279
Change	7.0%	6.5%	5.7%	2.6%	-12.4%		-29.4%		-29.4%
Market share	30.6%	32.3%	35.0%	37.0%	39.8%	38.0%	42.8%	38.0%	42.8%
European*									
Unit sales	883	870	921	948	882	59	44	59	44
Change	-3.6%	-1.1%	6.2%	2.6%	-7.3%		-25.2%		-25.2%
Market share	5.2%	5.1%	5.6%	5.9%	6.7%	5.6%	6.7%	5.6%	6.7%
Korean									
Unit sales	689	731	750	772	675	43	47	43	47
Change	7.6%	6.5%	2.9%	2.7%	-12.9%		8.9%		8.9%
Market share	4.1%	4.3%	4.5%	4.8%	5.1%	4.1%	7.2%	4.1%	7.2%
Total U.S. Sales									
Unit sales	16,867	16,948	16,504	16,059	13,137	1,039	650	1,039	650
Change	1.0%	0.8%	-2.3%	-3.0%	-18.5%		-37.4%		-37.4%
Memo: Light Truck %	55.5%	54.8%	52.8%	52.7%	48.4%	52.0%	51.9%	52.0%	51.9%

Source: Ward's Automotive Reports.

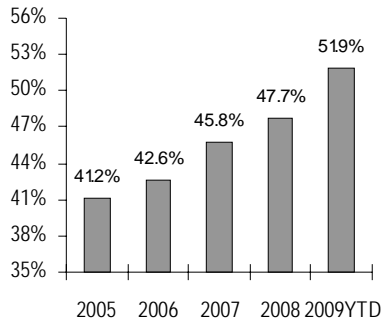
Note: Change is change in daily selling rate.

* Excludes Jaguar and Land Rover as of 1999 and Volvo as of 1998, which are included in Ford's results; excludes Saab as of 1997, which is included in GM's results; includes sales of DaimlerChrysler's Mercedes-Benz division.

Table 8: Sales and Market Share Detail: Passenger Cars and Light Trucks

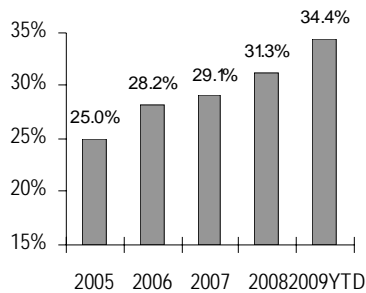
units,000s

Japanese Passenger Car Share



Source: Ward's Automotive Reports.

Japanese Light Truck Share



Source: Wards Automotive Reports

	2004	2005	2006	2007	2008	Jan 2008	Jan 2009	YTD 2008	YTD 2009
Passenger Cars									
General Motors									
Unit sales	1,876	1,744	1,622	1,489	1,249	104	44	104	44
Change	-4.6%	-6.7%	-6.7%	-8.5%	-16.4%		-57.9%		-57.9%
Market share	25.0%	22.7%	20.8%	19.6%	18.4%	20.9%	14.1%	20.9%	14.1%
Ford									
Unit sales	1,018	1,039	1,095	832	721	50	31	50	31
Change	-13.2%	2.3%	5.7%	-24.3%	-13.5%		-38.9%		-38.9%
Market share	13.6%	13.5%	14.1%	11.0%	10.6%	10.0%	9.8%	10.0%	9.8%
Chrysler									
Unit sales	474	527	518	566	406	46	16	46	16
Change	3.5%	11.5%	-1.4%	9.0%	-28.5%		-65.6%		-65.6%
Market share	6.3%	6.9%	6.6%	7.5%	6.0%	9.2%	5.0%	9.2%	5.0%
Total Japanese									
Unit sales	2,947	3,159	3,315	3,477	3,234	226	162	226	162
Change	5.4%	7.5%	5.3%	4.5%	-7.3%		-28.2%		-28.2%
Market share	39.3%	41.2%	42.6%	45.8%	47.7%	45.3%	51.9%	45.3%	51.9%
Other*									
Unit sales	1,191	1,199	1,239	1,225	1,164	73	60	73	60
Change	-4.2%	1.0%	3.7%	-1.5%	-5.3%		-17.7%		-17.7%
Market share	15.9%	15.6%	15.9%	16.1%	17.2%	14.6%	19.2%	14.6%	19.2%
Total Cars									
Unit sales	7,506	7,667	7,788	7,588	6,774	499	313	499	313
Change	-1.7%	2.5%	1.9%	-2.9%	-11.0%		-37.4%		-37.4%
Light Trucks									
General Motors									
Unit sales	2,782	2,713	2,446	2,335	1,698	147	84	147	84
Change	0.6%	-2.2%	-9.5%	-4.8%	-27.5%		-42.5%		-42.5%
Market share	29.7%	29.2%	28.1%	27.6%	26.7%	27.2%	25.0%	27.2%	25.0%
Ford									
Unit sales	2,253	2,068	1,755	1,663	1,238	105	61	105	61
Change	-1.0%	-7.9%	-14.9%	-5.6%	-25.8%		-42.3%		-42.3%
Market share	24.1%	22.3%	20.1%	19.6%	19.5%	19.5%	18.0%	19.5%	18.0%
Chrysler									
Unit sales	1,732	1,778	1,625	1,510	1,042	91	46	91	46
Change	3.3%	3.0%	-8.3%	-7.4%	-31.2%		-49.5%		-49.5%
Market share	18.5%	19.2%	18.6%	17.8%	16.4%	16.9%	13.6%	16.9%	13.6%
Total Japanese									
Unit sales	2,214	2,319	2,459	2,467	1,992	168	116	168	116
Change	9.1%	5.1%	6.4%	0.0%	-19.5%		-31.0%		-31.0%
Market share	23.6%	25.0%	28.2%	29.1%	31.3%	31.2%	34.4%	31.2%	34.4%
Other									
Unit sales	381	402	432	496	393	29	30	29	30
Change	21.9%	6.0%	7.7%	14.5%	-20.9%		6.8%		6.8%
Market share	4.1%	4.3%	5.0%	5.9%	6.3%	5.9%	5.3%	5.3%	9.0%
Total Light Trucks									
Unit sales	9,361	9,280	8,716	8,470	6,363	540	338	540	338
Change	3.3%	-0.5%	-5.8%	-3.1%	-25.1%		-37.4%		-37.4%

Source: Ward's Automotive Reports.

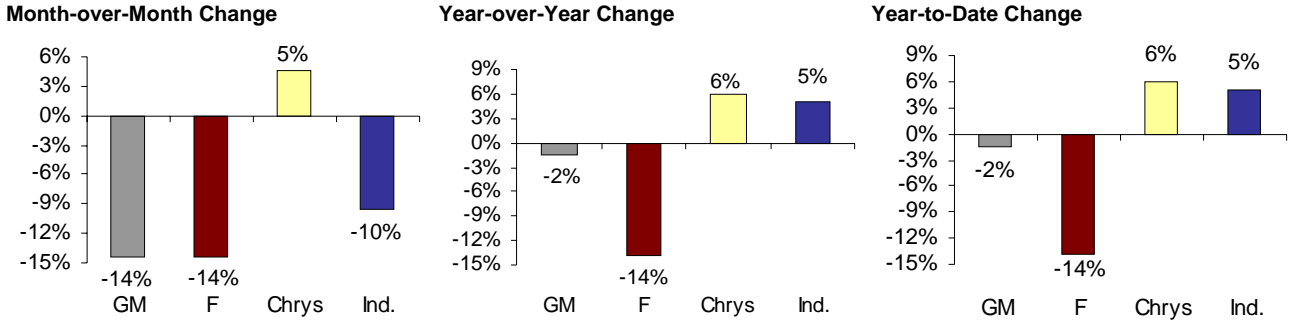
Note: Change is change in daily selling rate.

* Excludes Jaguar and Land Rover as of 1999 and Volvo as of 1998, which are included in Ford's results; excludes Saab as of 1997, which is included in GM's results; includes sales of DaimlerChrysler's Mercedes-Benz division.

Overall incentives for Jan were down 10% m/m. Chrysler enhanced its incentives spending by 5% m/m, while GM and Ford made it down by 14% each.

Retail Incentives and Marketing Costs

Figure 8: January Light Vehicle Promotion Costs



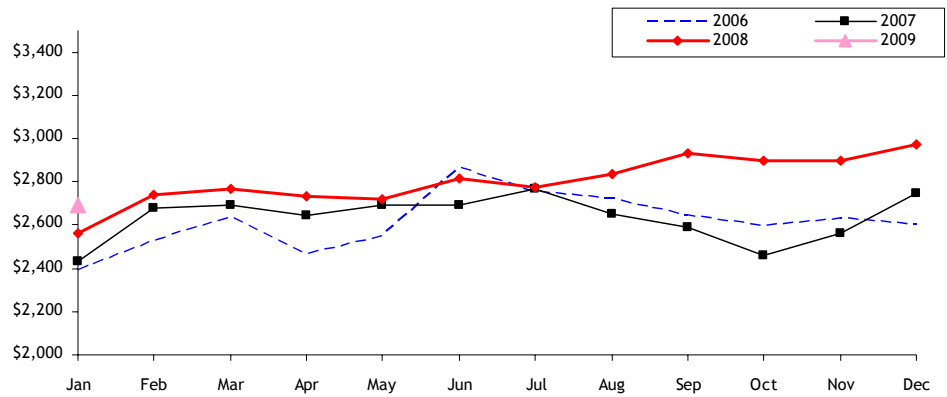
Source: Autodata.

Figure 9: Monthly Light Vehicle Retail Promotion Costs

\$ per vehicle

Retail promotion costs are the rebates, discounts, and interest rate and lease subsidies seen by the customer.

Retail Promotion cost declined 9.5% m/m in Jan, though it remained at an elevated level on y/y basis. (5.0% y/y).



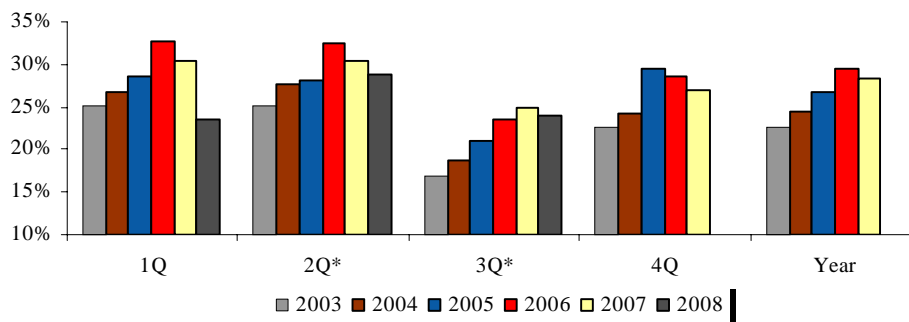
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg.
2003*	\$2,025	\$2,225	\$2,207	\$2,508	\$2,724	\$2,867	\$3,029	\$3,004	\$2,917	\$2,715	\$2,685	\$2,803	\$2,628
2004*	\$2,750	\$2,906	\$3,029	\$2,994	\$3,046	\$2,979	\$3,090	\$3,121	\$3,125	\$2,781	\$2,655	\$2,705	\$2,958
2005*	\$2,542	\$2,777	\$2,921	\$2,844	\$2,965	\$3,269	\$3,263	\$2,886	\$2,598	\$2,204	\$2,363	\$2,572	\$2,965
2006*	\$2,391	\$2,527	\$2,635	\$2,468	\$2,548	\$2,863	\$2,752	\$2,720	\$2,645	\$2,597	\$2,632	\$2,606	\$2,622
2007*	\$2,434	\$2,675	\$2,690	\$2,646	\$2,694	\$2,694	\$2,766	\$2,648	\$2,587	\$2,460	\$2,563	\$2,746	\$2,434
2008*	\$2,562	\$2,743	\$2,767	\$2,733	\$2,717	\$2,812	\$2,773	\$2,838	\$2,933	\$2,896	\$2,898	\$2,975	\$2,793
2009*	\$2,691												
YOY	5.0%												
MOM	-9.5%												

Source: Autodata.

* Starting in August 2002, the methodology for tracking U.S. retail promotion costs was revised. 2002 and 2001 figures have been restated; however, data prior to 2001 have not been revised, and comparability is skewed.

Fleet Sales Percentage

Figure 10: Average Big Three Fleet Sales Percentage *



Source: Company data and J.P. Morgan estimates
 Note: 2Q 3Q & 4Q07, 1Q08 excludes Chrysler.

Table 10: Historical Big Three Fleet Sales Percentage by Quarter

		1Q	2Q	3Q	4Q	Year
General Motors	2003	21.6%	21.0%	18.1%	23.9%	21.2%
	2004	26.7%	25.7%	22.0%	24.2%	24.5%
	2005	26.9%	23.8%	25.2%	28.7%	25.9%
	2006	30.0%	28.1%	24.1%	26.0%	28.3%
	2007	25.5%	26.7%	27.1%	23.6%	25.7%
	2008	26.7%	22.8%	25.9%	27.3%	25.4%
Ford*	2003	28.0%	27.0%	16.0%	24.0%	23.8%
	2004	27.8%	31.0%	18.0%	25.0%	25.5%
	2005	33.0%	33.0%	18.0%	30.0%	28.5%
	2006	35.0%	36.0%	24.5%	31.0%	31.6%
	2007	33.1%	34.6%	22.0%	30.9%	30.2%
	2008	34.7%	35.7%	28.8%	28.6%	32.6%
Chrysler	2003	27.4%	29.8%	16.2%	18.3%	23.7%
	2004	25.6%	25.4%	13.8%	23.4%	23.9%
	2005	30.6%	28.5%	17.2%	30.2%	26.4%
	2006	34.0%	34.5%	20.8%	29.3%	29.9%
	2007	35.3%	NA	NA	NA	NA
Big Three**	2003	25.2%	25.1%	16.9%	22.7%	22.6%
	2004	26.8%	27.6%	18.8%	24.3%	24.5%
	2005	28.7%	28.2%	20.9%	29.5%	26.8%
	2006	32.7%	32.4%	23.5%	28.5%	29.4%
	2007	30.4%	30.4%	24.8%	26.9%	28.4%
2008	23.5%	28.8%	24.1%	27.8%	28.1%	

Source: Company reports and J.P. Morgan estimates.

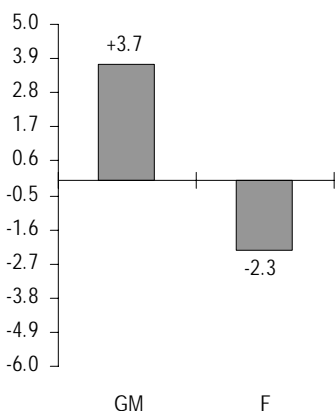
* Unlike GM and Chrysler, Ford included employee sales in its fleet totals in 2000. We have adjusted Ford's reported figures downward for these years by 1.0 percentage point to make them approximately comparable to the 2001 and 2002 figures.

** Big Three average weighted by retail sales.

^ 2Q07, 3Q07, 4Q07, 1Q08 excludes Chrysler Fleet sales data.

4Q08 Fleet Sales Percentage Point Change

YOY

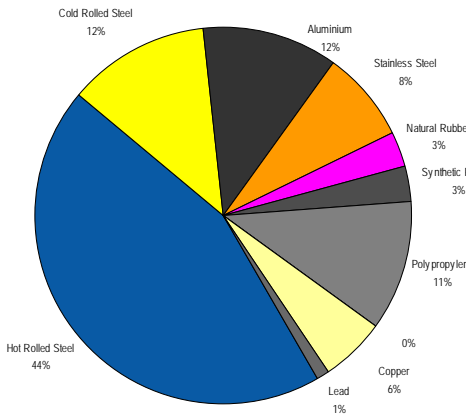


Source: Company data, J.P. Morgan estimates.

Key Commodities in a Vehicle

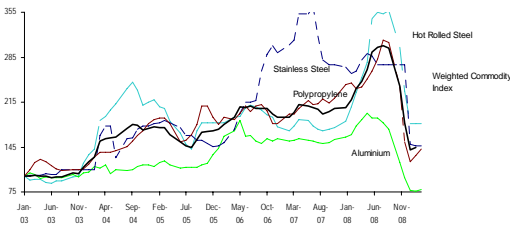
Table 11: Key Raw Material Price Trends

Vehicle's Commodity Index, Cost Weighted



Source: J.P. Morgan estimates.

Raw Material Price Trends



* Indexed to 100 at January 2003.

YOY% Change in Weighted Commodity Index



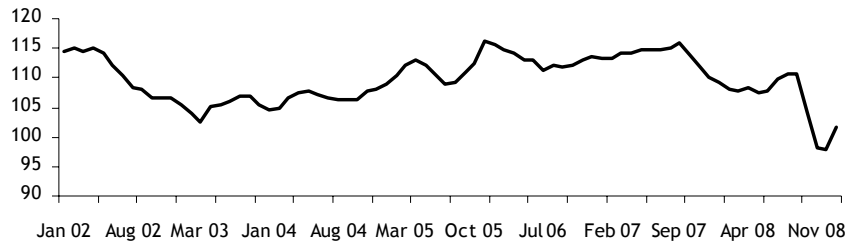
Source: J.P. Morgan estimates.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	vs. prior Dec
Hot Rolled Steel¹ (US dollars/short ton)													
2003	300	280	285	285	270	265	278	278	295	295	301	360	16.1%
2004	402	425	560	580	610	640	660	710	740	700	630	645	79.1%
2005	655	625	615	558	540	500	450	425	510	550	550	550	-14.8%
2006	550	550	550	575	580	620	630	625	610	585	575	530	-3.6%
2007	530	510	535	565	560	535	520	510	520	525	525	555	4.8%
2008	625	690	760	830	1,035	1,065	1,060	1,075	1,020	901	698	544	25.7%
2009	544	544											
vs. prior mo.		12.6%	0.0%										
Cold Rolled Steel¹ (US dollars/short ton)													
2003	420	395	395	390	385	365	370	370	375	375	379	413	-2.8%
2004	474	493	650	670	695	725	760	805	825	790	730	730	76.9%
2005	730	705	695	632	630	590	540	530	600	640	640	640	-12.4%
2006	640	640	640	660	680	715	725	720	705	680	670	625	-2.3%
2007	625	600	625	640	630	615	605	600	615	615	615	645	3.2%
2008	720	785	855	930	1,130	1,160	1,155	1,165	1,115	1,010	780	630	20.9%
2009	630	630											
vs. prior mo.		0.0%	0.0%										
Aluminium² (US dollars/metric ton)													
2003	1,405.0	1,465.0	1,444.5	1,352.5	1,392.5	1,365.0	1,366.0	1,372.5	1,360.5	1,432.5	1,381.0	1,467.5	8.1%
2004	1,490.0	1,607.5	1,570.0	1,645.0	1,462.5	1,535.0	1,552.5	1,530.0	1,535.0	1,605.5	1,650.0	1,637.5	11.6%
2005	1,617.5	1,695.0	1,727.5	1,642.5	1,542.0	1,570.0	1,600.0	1,592.5	1,587.5	1,637.5	1,682.5	1,667.5	14.0%
2006	2,002.5	2,265.0	2,352.5	2,395.0	2,617.5	2,270.0	2,285.0	2,165.0	2,115.0	2,220.0	2,170.5	2,225.0	19.1%
2007	2,160.5	2,160.5	2,191.5	2,217.5	2,190.5	2,170.5	2,140.0	2,115.5	2,141.5	2,195.0	2,255.5	2,252.0	1.2%
2008	2,305.0	2,500.5	2,645.0	2,772.5	2,670.0	2,668.5	2,560.5	2,430.0	2,205.0	1,705.0	1,370.0	1,090.5	-39.2%
2009	1,065.5	1,099.5											
vs. prior mo.		-2.3%	3.2%										
Stainless Steel³ (US dollars/metric ton)													
2003	1,445	1,460	1,460	1,460	1,490	1,480	1,480	1,590	1,590	1,590	1,590	1,590	10.0%
2004	1,590	1,590	2,350	2,575	2,575	1,850	2,275	2,285	2,300	2,500	2,575	2,575	61.9%
2005	2,625	2,650	2,700	2,650	2,550	2,525	2,350	2,350	2,250	2,250	2,175	2,100	-18.4%
2006	2,125	2,200	2,450	2,500	2,850	3,100	3,100	3,150	3,800	4,175	4,375	4,225	101.2%
2007	4,225	4,400	4,500	5,100	5,100	5,250	4,600	4,050	3,950	3,950	3,975	3,900	-7.7%
2008	3,750	3,800	4,050	4,200	4,150	3,950	3,950	3,950	3,950	3,950	3,950	2,150	-44.9%
2009	2,125	2,125											
vs. prior mo.		-1.1%	0.0%										
Natural Rubber Price⁴ (US cents/pound)													
2003	40.9	44.6	45.5	42.2	45.9	43.3	44.5	46.5	50.4	64.0	52.4	55.8	49.5%
2004	55.7	58.2	59.4	59.8	60.5	60.4	55.2	54.4	56.4	56.2	52.7	53.2	-4.7%
2005	53.8	57.5	59.3	58.7	62.3	69.0	78.7	72.5	75.1	73.7	71.4	78.1	46.8%
2006	88.9	94.4	96.2	97.6	120.9	123.1	100.9	91.6	78.8	80.1	67.9	74.5	-4.6%
2007	94.6	100.9	102.7	107.1	109.5	98.2	93.6	92.9	97.5	107.0	111.3	113.1	49.4%
2008	116.6	128.6	123.6	129.2	144.7	149.8	141.7	131.8	126.6	129.4	61.6	61.4	-45.7%
2009	65.0	67.6											
vs. prior mo.		5.9%	4.0%										
Synthetic Rubber Price⁵ (US dollars/metric ton)													
2003	850	900	850	850	850	870	860	900	870	900	850	850	11.8%
2004	950	950	1,000	1,050	1,050	1,100	1,120	1,200	1,300	1,325	1,350	1,305	53.5%
2005	1,280	1,320	1,350	1,340	1,400	1,360	1,330	1,300	1,250	1,250	1,250	1,230	-5.7%
2006	1,230	1,250	1,300	1,440	1,525	1,480	1,580	1,600	1,600	1,600	1,510	1,450	-6.3%
2007	1,470	1,460	1,460	1,450	1,400	1,400	1,480	1,480	1,500	1,520	1,570	1,600	11.9%
2008	1,600	1,800	1,850	2,000	2,200	2,600	3,000	2,925	2,850	1,700	1,200	1,000	-37.5%
2009	1,138	1,100											
vs. prior mo.		13.8%	-3.3%										
Polypropylene⁵ (Cents/Pound)													
2003	36.0	39.5	43.5	45.5	44.0	41.5	40.0	39.0	40.0	39.5	39.5	40.0	12.7%
2004	42.5	46.5	49.5	49.5	50.0	50.5	52.5	55.5	58.5	61.5	65.5	65.5	63.8%
2005	67.5	68.5	68.5	65.5	60.0	55.0	56.0	59.0	65.0	75.0	69.0	69.0	5.3%
2006	65.0	69.0	69.0	67.5	71.0	75.0	72.0	75.0	76.0	72.5	65.5	65.5	-5.1%
2007	68.0	70.5	70.5	74.0	78.5	76.0	76.5	79.0	77.0	79.5	86.0	87.0	32.8%
2008	88.0	85.0	86.0	90.5	95.0	101.5	112.0	111.0	95.0	86.0	55.0	44.0	-49.4%
2009	47.5	51.0											
vs. prior mo.		8.0%	7.4%										
Copper² (US dollars/metric ton)													
2003	1,662	1,639	1,636	1,612	1,661	1,682	1,732	1,737	1,783	1,926	2,103	2,179	35.9%
2004	2,403	2,729	3,038	2,939	2,701	2,554	2,839	2,847	2,821	2,975	3,115	3,122	43.3%
2005	3,116	3,251	3,354	3,330	3,191	3,512	3,563	3,795	3,717	3,958	4,319	4,481	43.5%
2006	4,685	4,954	5,010	6,208	8,185	6,881	8,151	7,682	7,405	7,521	6,762	6,711	49.8%
2007	5,445	5,873	6,808	8,100	7,260	7,312	8,001	7,055	7,852	7,909	6,535	6,272	-6.5%
2008	6,915	8,247	7,789	8,630	8,376	8,491	8,259	7,861	6,879	4,701	3,511	2,826	-54.9%
2009	3,275	3,148											
vs. prior mo.		15.9%	-3.9%										
Lead² (US dollars/metric ton)													
2003	435	481	466	441	465	464	522	477	515	577	629	683	53.4%
2004	748	878	895	732	770	823	919	920	934	908	987	966	41.3%
2005	925	949	1,009	949	963	997	824	903	881	992	1,015	1,104	14.3%
2006	1,229	1,240	1,185	1,148	1,172	917	1,145	1,186	1,340	1,594	1,470	1,725	56.2%
2007	1,601	1,899	1,939	2,015	1,993	2,600	3,314	2,940	3,314	3,830	2,980	2,432	41.0%
2008	2,479	3,266	2,648	2,814	1,997	1,801	2,183	1,880	1,812	1,512	1,243	882	-63.7%
2009	1,143	1,015											
vs. prior mo.		29.6%	-11.1%										
Weighted Commodity Index* (US dollars/metric ton)													
2003	908	909	923	911	902	878	890	896	920	946	940	1,026	13.6%
2004	1,104	1,175	1,398	1,441	1,445	1,458	1,517	1,584	1,635	1,621	1,560	1,585	54.5%
2005	1,600	1,589	1,590	1,492	1,437	1,388	1,332	1,314	1,428	1,525	1,536	1,549	-2.3%
2006	1,573	1,641	1,667	1,736	1,884	1,873	1,894	1,868	1,861	1,860	1,790	1,741	

Economic Data

Figure 11: Manheim Used Vehicle Value Index

January 1995 = 100



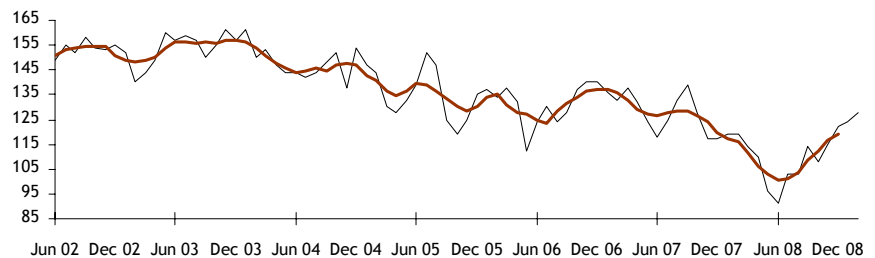
Manheim used vehicle index increased for the first time in last few months and soared up to the level 101.7 (3.8% m/m; -6.7% y/y).

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	vs. prior Dec
2003	105.5	104.1	102.5	102.4	102.8	104.3	105.1	105.5	105.9	107.0	106.8	105.3	-1.3%
2004	104.7	104.8	106.6	107.6	107.9	107.1	106.5	106.2	106.3	106.4	107.7	108.2	2.8%
2005	108.8	110.3	112.2	112.9	112.1	110.7	108.8	109.1	110.9	112.5	114.9	116.1	7.3%
2006	116.3	115.5	114.9	114.2	112.9	112.9	111.4	112.1	111.9	112.0	112.9	113.5	-2.2%
2007	113.3	113.3	114.1	114.2	114.7	114.9	114.9	115.1	115.8	113.9	111.9	110.2	-2.9%
2008	109.1	108.1	107.7	108.4	107.5	107.8	109.9	110.7	110.8	104.2	98.3	98.0	-11.1%
2009	101.7												

Source: Manheim Auctions.

Figure 12: University of Michigan Consumer Confidence Index: Buying Conditions for Cars

Unsmoothed and five-month moving average



The index of car-buying conditions rose by 3.2% m/m in January.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	vs. prior Dec
2003	152.0	140.0	144.0	149.0	160.0	157.0	159.0	157.0	150.0	155.0	161.0	157.0	1.3%
2004	161.0	150.0	153.0	147.0	144.0	144.0	142.0	144.0	148.0	152.0	138.0	154.0	-1.9%
2005	147.0	144.0	130.0	128.0	133.0	139.0	152.0	147.0	125.0	119.0	125.0	135.0	-12.3%
2006	137.0	134.0	138.0	132.0	112.0	124.0	130.0	124.0	128.0	137.0	140.0	140.0	3.7%
2007	136.0	133.0	138.0	132.0	124.0	118.0	125.0	133.0	139.0	128.0	117.0	117.0	-16.4%
2008	119.0	119.0	114.0	110.0	96.0	91.0	103.0	103.0	114.0	108.0	115.0	122.0	4.3%
2009	124.0	128.0											
vs. prior mth.	1.6%	3.2%											

Source: University of Michigan.

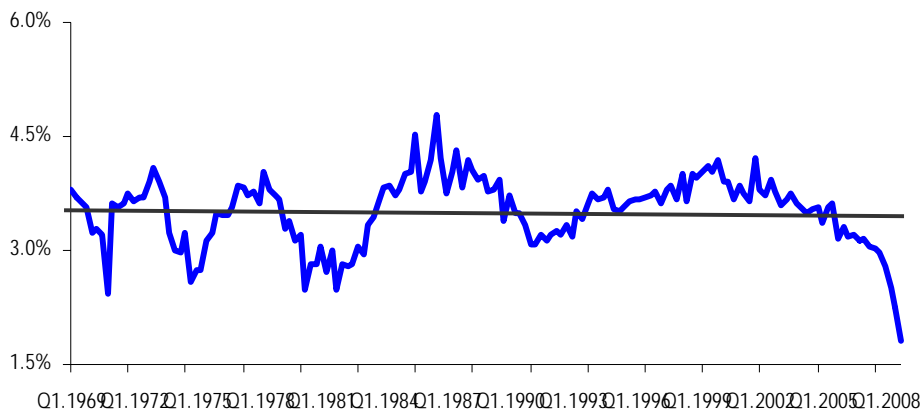
4Q08 light vehicle expenditure as a percentage of GDP fell by 120bps y/y

Table 12: Vehicle Expenditures as a % of GDP

	Q1	Q2	Q3	Q4	FY
2003	3.6%	3.7%	3.7%	3.6%	3.7%
2004	3.6%	3.5%	3.6%	3.6%	3.5%
2005	3.4%	3.6%	3.6%	3.1%	3.4%
2006	3.3%	3.2%	3.2%	3.1%	3.2%
2007	3.2%	3.1%	3.0%	3.0%	3.1%
2008	2.8%	2.5%	2.3%	1.8%	2.3%

Source: Bureau of Economic Analysis and J.P. Morgan.

Figure 13: Light Vehicle Expenditures as a Percentage of GDP



Source: Bureau of Economic Analysis and J.P. Morgan.

Car loan rates increased to multiyear high level of 8.4%.

Figure 14 Auto Finance Company Loan Rates: New Cars vs. 3-Year Swap Yield

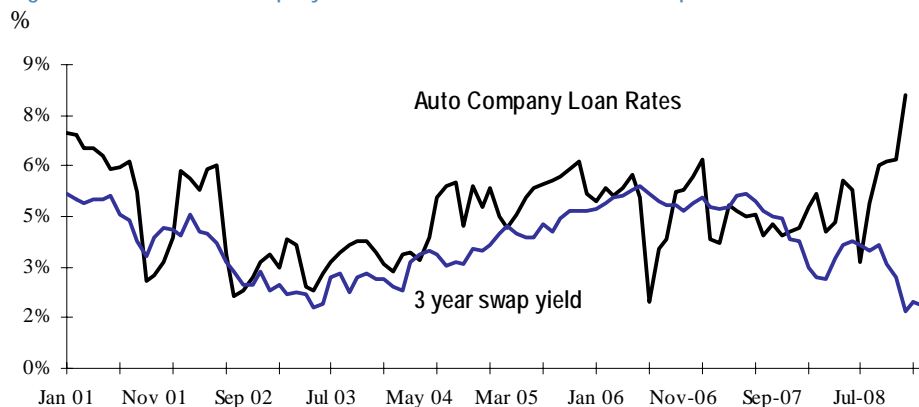


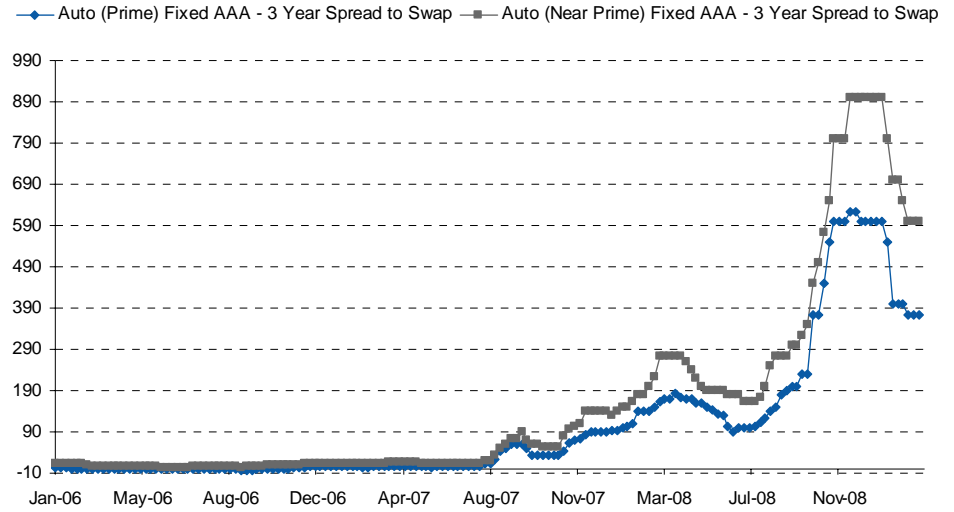
Table 13: Auto Finance Company Loan Rates

%	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	4.0%	6.1%	5.9%	5.5%	6.2%	6.3%	3.5%	2.2%	2.4%	2.8%	3.3%	3.5%
2003	3.1%	4.0%	3.8%	2.5%	2.4%	2.9%	3.3%	3.6%	3.8%	3.9%	3.9%	3.6%
2004	3.2%	3.0%	3.5%	3.6%	3.3%	4.0%	5.3%	5.6%	5.7%	4.4%	5.6%	5.0%
2005	5.6%	4.7%	4.4%	4.8%	5.3%	5.6%	5.7%	5.8%	5.9%	6.1%	6.4%	5.4%
2006	5.1%	5.5%	5.4%	5.6%	6.0%	5.3%	2.1%	3.7%	4.0%	5.4%	5.5%	5.9%
2007	6.5%	4.0%	3.9%	5.0%	4.9%	4.7%	4.7%	4.1%	4.5%	4.1%	4.2%	4.3%
2008	5.0%	5.4%	4.2%	4.5%	5.8%	5.5%	3.3%	5.1%	6.2%	6.4%	6.4%	8.4%

Source for both: Federal Reserve Board and J.P. Morgan Fixed Income Research.

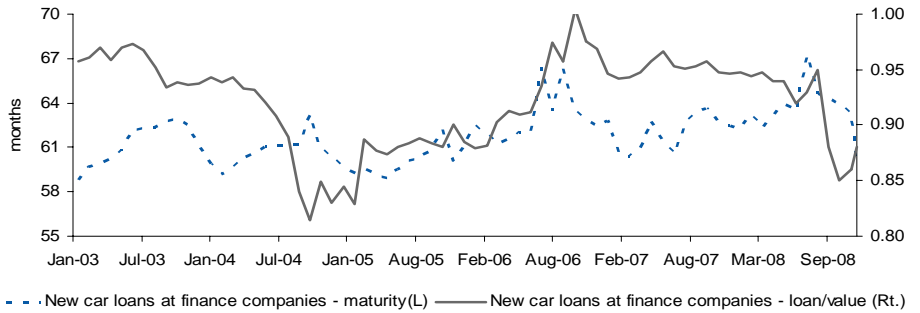
Figure 15: Spread to Swap (3-Year) for Various Auto ABS Categories

bp



Source: J.P. Morgan.

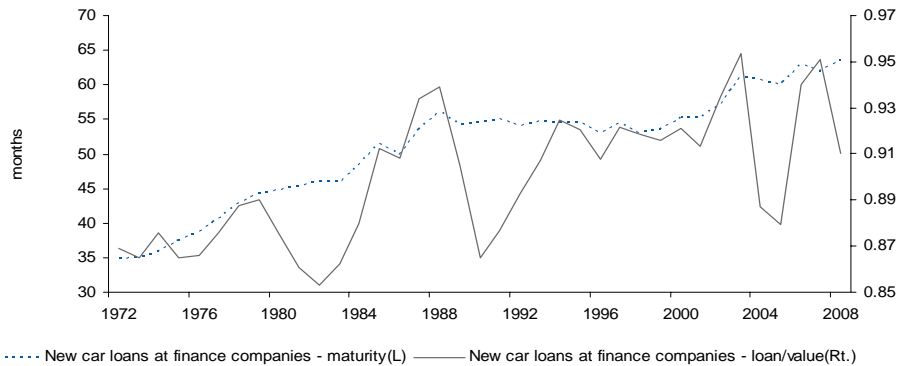
Figure 16: New Car Loans at Finance Companies – Maturity and Loan/Value (2003-2007) –Monthly



Right axis is a ratio of loan amount to value.

Source: J.P. Morgan, Federal Reserve Board.

Figure 17: New Car Loans at Finance Companies – Maturity and Loan/Value (1972-2007) – Annual



Right axis is a ratio of loan amount to value.

Source: J.P. Morgan, Federal Reserve Board

Production Schedules – North America

Table 14: North American Production (Quarterly)

units 000s

	2007					2008E					2009E					2009E	2010E
	2006	Q1	Q2	Q3	Q4	2007	Q1	Q2	Q3	Q4	2008	Q1E	Q2E	Q3E	Q4E		
GM - Car	1,821	399	402	367	358	1,526	360	381	415	371	1,527	143	207	245	254	849	1,038
GM - Truck	2,828	664	740	653	684	2,741	525	454	473	452	1,904	277	348	368	363	1,356	1,554
GM Total	4,649	1,063	1,142	1,020	1,042	4,267	885	835	888	823	3,431	420	555	613	616	2,204	2,592
Ford - Car	1,138	200	234	182	204	820	202	245	184	173	804	115	167	177	179	638	834
Ford - Truck	1,883	540	577	455	437	2,009	490	440	228	250	1,408	252	332	336	339	1,258	1,389
Ford Total	3,021	740	811	637	641	2,829	692	685	412	423	2,212	367	499	513	518	1,896	2,223
Chrysler	2,456	629	712	512	612	2,465	532	586	362	362	1,841	239	323	230	243	1,036	726
Big 3 N. Am.	10,126	2,432	2,665	2,169	2,295	9,561	2,109	2,106	1,662	1,608	7,484	1,026	1,376	1,356	1,377	5,136	5,541
Asian Transplants	4,639	1,253	1,242	1,162	1,201	4,858	1,197	1,184	1,071	930	4,381	625	877	996	1,008	3,505	4,505
European Transplants	635	163	183	203	200	748	197	206	216	182	801	133	137	172	165	607	793
Total Transplants	5,274	1,417	1,424	1,365	1,400	5,606	1,394	1,389	1,287	1,112	5,183	758	1,013	1,168	1,173	4,112	5,298
Total NA Production	15,400	3,849	4,089	3,534	3,695	15,167	3,503	3,495	2,949	2,720	12,667	1,785	2,390	2,524	2,550	9,248	10,838
YoY Change in NA Production																	
GM - Car	-0.7%	-19.6%	-13.0%	-12.0%	-19.7%	-16.2%	-9.8%	-5.2%	13.0%	3.6%	0.1%	-60.3%	-45.6%	-40.9%	-31.7%	-44.4%	21.4%
GM - Truck	-6.4%	-12.5%	-4.5%	3.2%	3.5%	-3.1%	-20.9%	-38.6%	-27.5%	-33.9%	-30.5%	-47.2%	-23.4%	-22.2%	-19.7%	-28.8%	18.3%
GM Total	-4.3%	-15.3%	-7.7%	-2.9%	-5.9%	-8.2%	-16.7%	-26.9%	-12.9%	-21.0%	-19.6%	-52.5%	-33.5%	-30.9%	-25.1%	-35.7%	17.6%
Ford - Car	12.0%	-36.7%	-28.7%	-28.3%	-15.0%	-27.9%	1.0%	4.7%	1.3%	-15.2%	-1.9%	-42.9%	-31.9%	-4.2%	3.6%	-20.7%	28.9%
Ford - Truck	-18.8%	-3.6%	1.4%	17.3%	19.4%	6.7%	-9.3%	-23.7%	-49.9%	-42.8%	-29.9%	-48.6%	-24.5%	47.4%	35.4%	-10.6%	8.2%
Ford Total	-9.4%	-15.5%	-9.6%	-0.8%	5.8%	-6.4%	-6.5%	-15.5%	-35.3%	-34.0%	-21.8%	-47.0%	-27.2%	24.3%	22.4%	-14.3%	17.2%
Chrysler	-7.8%	-3.1%	-1.1%	10.8%	-2.1%	0.4%	-15.5%	-17.7%	-32.1%	-40.9%	-25.3%	-15.5%	-17.7%	-32.1%	-32.8%	-43.8%	-26.9%
Big 3 N. Am.	-6.7%	-12.5%	-6.6%	0.7%	-1.8%	-5.6%	-13.3%	-21.0%	-23.4%	-29.9%	-21.7%	-51.3%	-34.6%	-18.4%	-14.3%	-31.4%	7.9%
Asian Transplants	4.2%	1.7%	8.6%	5.4%	3.4%	4.7%	-4.5%	-4.7%	-7.9%	-22.5%	-9.8%	-4.5%	-4.7%	-7.9%	8.3%	-20.0%	22.2%
European Transplants	17.2%	-3.4%	13.8%	33.3%	30.0%	17.8%	20.7%	12.8%	7.6%	-8.8%	7.1%	20.7%	12.8%	7.6%	-9.4%	-24.2%	26.9%
Total Transplants	5.6%	1.1%	9.2%	8.7%	6.5%	6.3%	-1.6%	-2.4%	-5.7%	-20.6%	-7.6%	-45.6%	-27.1%	-9.2%	5.4%	-20.7%	28.8%
Total NA Production	-2.8%	-7.9%	-1.7%	3.7%	1.2%	-1.5%	-9.0%	-14.5%	-16.5%	-26.4%	-16.5%	-49.1%	-31.6%	-14.4%	-6.3%	-27.0%	17.2%

*Asian Transplants include Honda, Renault/Nissan, Toyota, Subaru, Mitsubishi, Suzuki, Mazda, and Hyundai.

**European Transplants include BMW, Mercedes, and Volkswagen.

Source: Company reports, CSM Auto, and J.P. Morgan estimates.

Production Schedules – Europe

Table 15: Europe Production (Quarterly) – Key Badges

Units 000s

OEM	Badge	2005	2006	2007	2008E				2008E	2009E				2009E	2010E
					Q1	Q2	Q3E	Q4E		Q1E	Q2E	Q3E	Q4E		
BMW	Mini	200	185	238	63	63	62	46	235	47	55	55	58	215	222
	BMW	830	883	1,007	274	277	210	192	953	183	214	197	205	799	820
	Total	1,031	1,069	1,245	337	340	273	239	1,189	230	269	253	264	1,015	1,046
DCX	Total	1,157	1,151	1,315	355	370	335	279	1,339	228	327	294	307	1,157	1,196
Fiat	Fiat	919	1,096	1,189	325	328	237	217	1,107	209	259	235	263	967	1,044
Ford	Ford	1,713	1,829	1,916	536	562	391	360	1,848	295	389	350	402	1,436	1,461
	Volvo	444	407	444	108	111	69	96	384	74	88	70	86	318	331
	Total	2,161	2,263	2,423	677	709	488	477	2,352	381	497	441	509	1,827	1,875
GM	Opel	1,606	1,586	1,368	287	303	212	123	925	150	176	155	201	681	695
	Saab	103	107	97	22	24	15	11	73	11	14	12	16	53	62
	Total	1,737	1,724	1,689	409	433	327	198	1,368	220	258	234	284	995	993
PSA	Total	2,481	2,310	2,513	733	719	522	475	2,451	429	506	484	485	1,904	2,141
Renault	Renault	2,116	1,893	1,900	491	498	357	263	1,609	309	402	349	373	1,432	1,681
VW	VW/Other	1,931	1,986	2,043	532	555	496	466	2,049	388	474	485	481	1,828	1,965
	Audi	745	813	858	233	231	241	215	920	195	219	207	202	823	857
	Total	3,596	3,742	3,921	1,059	1,085	967	887	3,998	718	896	906	901	3,422	3,654
Total Europe		19,946	20,414	21,712	5,778	5,939	4,787	4,028	20,532	3,482	4,471	4,269	4,478	16,700	18,309
YoY change in Production(%)															
BMW	Mini	5.8	-7.3	28.2	10.6	11.1	-1.2	-23.9	-1.3	-25.5	-13.2	-11.2	25.0	-8.4	3.6
	BMW	13.3	6.4	14.0	14.3	6.6	-14.3	-26.6	-5.3	-33.3	-22.6	-6.3	6.8	-16.2	2.6
	Total	11.8	3.7	16.5	13.6	7.4	-11.6	-26.0	-4.5	-31.9	-20.9	-7.5	10.3	-14.6	3.1
DCX	Total	-1.3	-0.5	14.2	15.5	15.8	-2.1	-19.3	1.8	-35.6	-11.5	-12.1	10.1	-13.5	3.3
Fiat	Fiat	-6.9	19.3	8.5	14.9	2.1	-13.5	-30.3	-6.9	-35.6	-21.0	-1.0	21.5	-12.7	8.0
	Ford	1.6	6.8	4.8	4.9	11.7	-5.8	-26.3	-3.6	-45.0	-30.7	-10.5	11.8	-22.3	1.7
	Volvo	2.3	-8.4	9.2	-15.0	1.2	-24.4	-16.8	-13.4	-31.6	-20.4	1.3	-10.3	-17.1	4.1
	Total	1.7	4.7	7.1	4.7	14.7	-7.9	-24.1	-3.0	-43.8	-29.9	-9.6	6.6	-22.3	2.6
GM	Opel	1.1	-1.2	-13.7	-36.8	-26.0	-11.0	-54.0	-32.4	-47.8	-42.0	-26.9	63.1	-26.3	2.1
	Saab	1.3	3.6	-9.2	-17.7	-3.1	-30.2	-52.6	-25.3	-48.4	-42.5	-18.1	37.9	-26.6	16.9
	Total	0.4	-0.8	-2.0	-16.4	-2.1	-5.2	-51.8	-19.0	-46.3	-40.5	-28.4	42.9	-27.2	-0.3
PSA	Total	-6.6	-6.9	8.8	13.5	11.2	-7.1	-27.7	-2.5	-41.6	-29.7	-7.3	2.1	-22.3	12.5
Renault	Renault	-4.2	-10.5	0.4	-0.6	-4.2	-7.0	-47.5	-15.3	-37.1	-19.3	-2.3	41.7	-11.0	17.4
	VW	3.2	2.9	2.9	-2.2	4.9	7.4	-8.2	0.3	-27.1	-14.6	-2.2	3.2	-10.8	7.5
	Audi	7.4	9.0	5.6	-2.5	9.5	18.3	5.1	7.2	-16.1	-5.0	-14.1	-6.3	-10.5	4.1
	Total	2.9	4.1	4.8	3.1	8.9	9.0	-12.1	2.0	-32.2	-17.4	-6.3	1.6	-14.4	6.8
Total Europe		-0.2	2.3	6.4	3.1	5.1	-1.3	-28.2	-5.4	-39.7	-24.7	-10.8	11.2	-18.7	9.6

Source: CSM and J.P. Morgan estimates. Note: Nameplates include variants.

Table 16: NA Production – Key Platforms

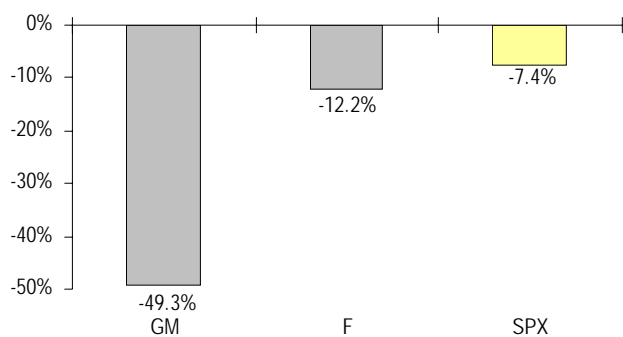
Units 000's

		2006	2007	2008E				2008E	2009E				2009E	2010E
				Q1	Q2	Q3	Q4		Q1E	Q2E	Q3E	Q4E		
GM	Cobalt/Ion/Pursuit/G4/G5/Ion/Lacetti/9-1	530	414	92	98	115	114	419	28	46	48	50	171	288
	Malibu/Aura/G6/BLS	417	342	117	114	133	109	473	45	64	90	93	293	334
	Impala/LaCrosse/Allure/Monte Carlo/Intrigue/Grand Pix	543	470	81	91	98	89	359	24	37	49	52	162	193
	Trailblazer/Rainer/Envoy/Ascender/Bravada/SSR/9-7X	245	206	27	20	33	23	103	0	0	0	0	0	0
	GMT800/T900 Full size Pickups	937	1,017	151	138	150	150	589	135	151	158	146	589	627
	GMT800/T900 Large SUVs	612	508	119	78	43	72	312	52	63	64	58	237	228
	Enclave/Traverse/Acadia/Outlook/Escalade	7	190	46	36	63	80	224	27	38	36	37	138	194
	Equinox/Torrent/Vue/Terrain/XL-7/Captiva Sport	294	228	60	64	56	36	217	14	38	46	56	154	208
	*Memo GMT800/900 Total	1,549	1,524	270	216	193	222	901	187	214	221	204	827	855
	Ford	Fusion/Milan/MKZ	287	250	66	77	62	68	273	36	50	62	58	206
Edge/ MKX		11	225	61	45	26	29	161	18	31	23	26	98	127
F Series Super Duty		325	324	133	63	31	39	265	20	48	50	50	167	199
F Series		532	519	137	116	28	65	346	102	114	111	112	440	458
Expedition/Navigator		107	133	23	24	7	13	68	0	15	25	25	64	56
Explorer/Aviator/Mountaineer		321	284	63	59	38	26	187	30	34	32	31	128	88
*Memo F Series Total	858	843	270	179	58	104	611	122	162	161	162	607	657	
Chrysler	Ram Pickup/ Full Size SUV	412	411	72	90	48	72	281	60	68	40	47	214	193
	Pacifica/Caravan/Town & Country/Midsize Van/Voyager	502	400	86	117	57	58	318	38	53	49	45	185	174
	300/300C/Challenger/Charger/Imperial/Pacifica/Magnum	314	273	61	57	48	44	211	32	41	35	40	148	143
YoY Change in Production (%)														
GM	Cobalt/Ion/Pursuit/G4/G5/Ion/Lacetti/9-1	11.9	-21.9	-22.4	-2.5	16.3	18.2	1.1	-69.8	-53.4	-58.1	-56.4	-59.1	68.3
	Malibu/Aura/G6/BLS	13.0	-18.0	56.3	33.4	59.1	10.9	38.3	-61.6	-43.6	-32.3	-14.0	-38.1	14.3
	Impala/LaCrosse/Allure/Monte Carlo/Intrigue/Grand Pix	3.4	-13.5	-33.2	-33.7	-15.8	-6.1	-23.5	-69.7	-59.7	-49.8	-42.0	-54.8	18.7
	Trailblazer/Rainer/Envoy/Ascender/Bravada/SSR/9-7X	-38.2	-15.9	-47.6	-62.4	-38.0	-52.3	-50.1	NA	NA	NA	NA	NA	NA
	GMT800/T900 Full size Pickups	-9.0	8.5	-44.7	-51.9	-32.9	-35.6	-42.1	-10.6	8.8	5.4	-2.7	0.0	6.3
	GMT800/T900 Large SUVs	34.8	-17.0	3.0	-42.8	-65.4	-45.1	-38.5	-56.2	-18.4	47.1	-19.4	-23.9	-4.0
	Lambda	NA	2643.7	26.2	-26.1	37.3	35.5	18.3	-40.2	5.9	-43.1	-53.8	-38.4	40.4
	Theta	6.4	-22.6	22.7	14.1	-2.1	-44.5	-4.9	-76.3	-40.8	-17.6	53.7	-28.9	35.3
	*Memo GMT800/900 Total	4.4	-1.6	-30.5	-49.0	-44.6	-39.0	-40.9	-30.6	-1.0	14.8	-8.2	-8.3	3.4
	Ford	Fusion/Milan/MKZ	340.5	-12.8	19.3	16.4	-13.3	18.9	9.1	-45.5	-34.5	0.6	-14.8	-24.3
Edge/MKX		NA	1910.8	-0.8	-25.5	-48.1	-46.0	-28.7	-70.0	-31.6	-8.6	-11.1	-38.8	29.4
F Series Super Duty		-23.0	-0.5	61.2	-43.4	-56.1	-36.2	-18.1	-85.1	-24.0	63.6	28.6	-36.8	18.6
F Series		-20.4	-2.5	0.0	-22.4	-77.6	-40.1	-33.3	-25.6	-1.7	301.9	72.3	27.0	4.3
Expedition/Navigator		-22.7	24.2	-47.8	-30.4	-71.3	-54.3	-49.2	-100.0	-37.6	230.9	93.2	-5.0	-13.2
Explorer/Aviator/Mountaineer		-17.1	-11.4	-15.1	-33.5	-35.8	-57.7	-34.4	-53.2	-41.6	-15.3	19.7	-31.5	-31.3
*Memo F Series Total	-21.4	-1.8	22.9	-31.3	-69.8	-38.7	-27.5	-54.9	-9.5	176.8	56.0	-0.7	8.2	
Chrysler	Ram Pickup/ Full Size SUV	-7.9	-0.3	-1.7	-34.5	-54.8	-24.7	-31.6	-16.7	-24.2	-16.8	-35.1	-23.8	-10.0
	Pacifica/Caravan/Town & Country/Midsize Van/Voyager	-17.4	-20.4	-40.2	42.4	-3.6	-49.5	-20.6	-55.4	-54.8	-14.2	-22.1	-41.7	-5.9
	300/300C/Challenger/Charger/Imperial/Pacifica/Magnum	-1.6	-13.0	-1.5	-28.9	-7.1	-44.1	-22.9	-48.2	-28.1	-26.5	-9.2	-29.7	-3.2

Source: CSM and J.P. Morgan estimates.

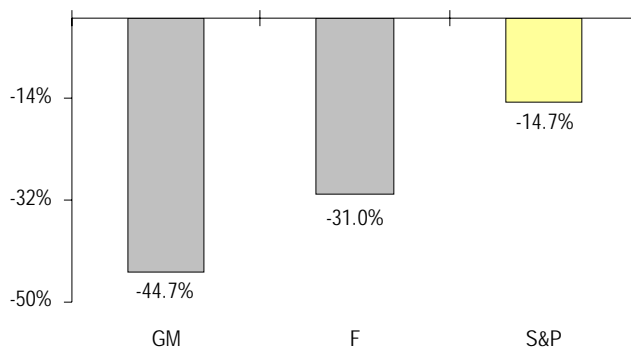
Stock Prices and Earnings Estimates

Figure 18: Monthly Price Performance (through Feb 23)



Source: Factset.

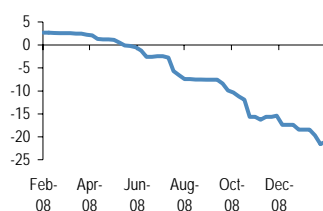
Figure 19: Year-to-Date 2009 Stock Price Performance (through Feb 23)



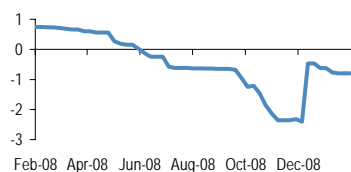
Source: Factset.

Rolling 2009 Consensus Earnings Estimate Histories

General Motors



Ford



Source: Factset.

Table 17: Earnings Estimates as of 2/23/09

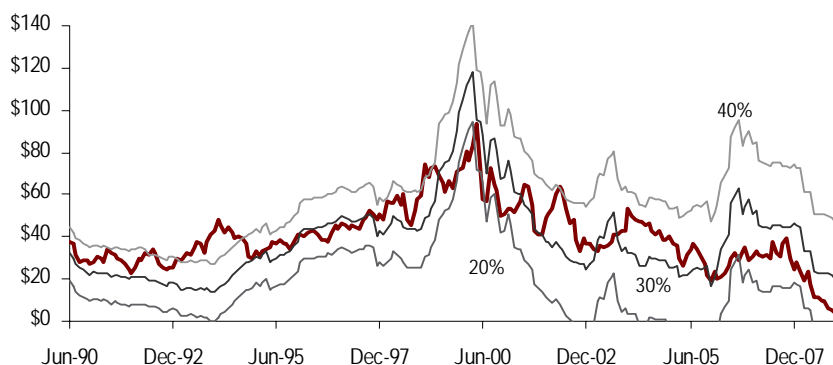
	2007	4Q08	2008	1Q09E	2Q09E	3Q09E	4Q09E	2009E	2010E
General Motors									
J.P. Morgan		(\$8.75)	(\$27.86)					(\$25.25)	(\$8.75)
Consensus	(\$0.49)	(\$6.62)	(\$25.46)	(\$4.48)	(\$3.51)	(\$2.83)	(\$1.73)	(\$18.45)	(\$5.20)
Ford									
J.P. Morgan		(\$1.37)	(\$3.13)	(\$1.17)	(\$0.91)	(\$0.60)	(\$0.47)	(\$3.75)	(\$1.80)
Consensus	(\$0.52)	(\$1.37)	(\$3.13)	(\$1.17)	(\$0.91)	(\$0.60)	(\$0.47)	(\$3.18)	(\$0.92)

Source: Company reports, Factset, and J.P. Morgan estimates.

Valuation Multiples - GM

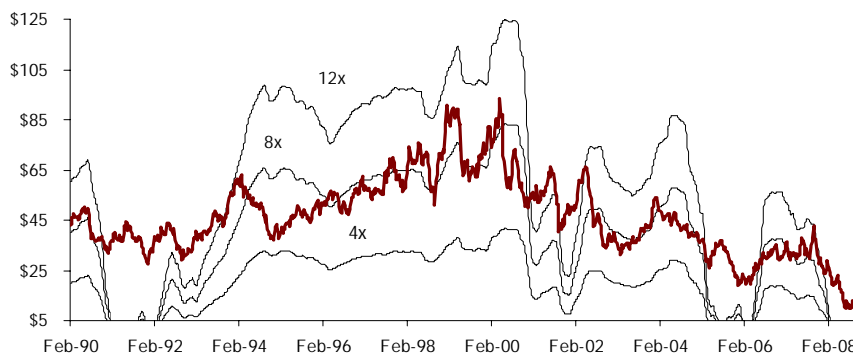
GM trades at 25% discount to its long-term EV/Sales average.

Figure 20: GM Actual Share Price vs. Implied Share Price at Various EV/Sales Multiples



Source: Company reports, FactSet, and J.P. Morgan estimates.

Figure 21: GM Actual Share Price vs. Implied Share Price at Various P/E Multiples



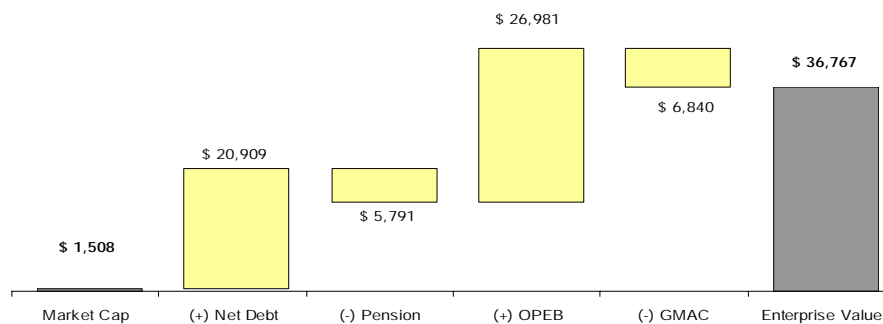
Source: Company reports, FactSet, J.P. Morgan estimates.

Table 18: GM Pension and OPEB Detail*

(\$ million)	Pension	OPEB
Benefit Obligation	109030	64013
Plan Assets	117378	16603
Funded Status	8348	(47410)
Adjusted for VEBA		(48310)

Source: Company reports. *As on December 31, 2007.

Figure 22: GM Enterprise Value Components*

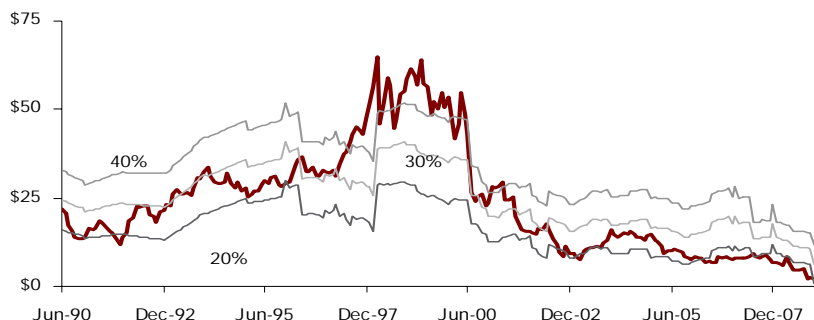


Source: Company reports, FactSet, and J.P. Morgan estimates. * Based on latest reported data; Note: OPEB Discounted at 40%.

Valuation Multiples - Ford

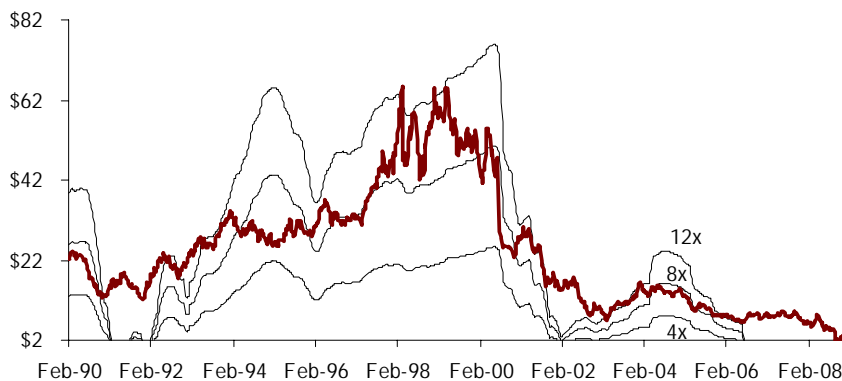
Ford trades at 18% discount to its long-term EV/Sales average.

Figure 23: F Actual Share Price vs. Implied Share Price at Various EV/Sales Multiples



Source: Company reports, FactSet, J.P. Morgan estimates.

Figure 24: F Actual Share Price vs. Implied Share Price at Various P/E Multiples



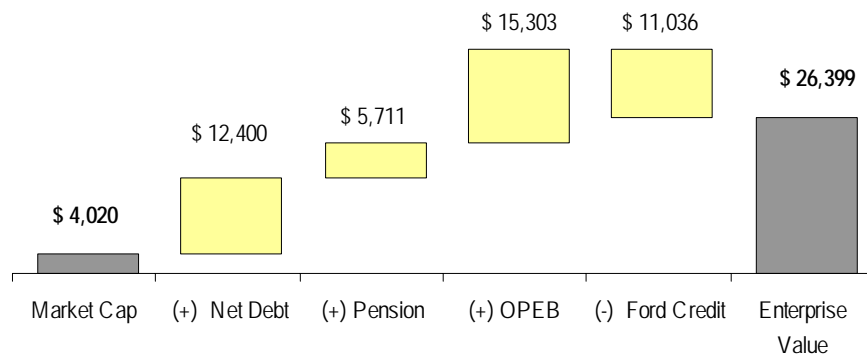
Source: Company reports, FactSet, J.P. Morgan estimates.

Table 19: Ford Pension and OPEB Detail*

(\$ million)	Pension	OPEB
Benefit Obligation	71451	28096
Plan Assets	68188	3875
Funded Status	(3263)	(24221)
Adjusted for VEBA		(26121)

Source: Company reports. *As on December 31, 2007.

Figure 25: F Enterprise Value*



Source: Company reports, FactSet, J.P. Morgan estimates. * Based on latest reported data; Note: OPEB Discounted at 40%.

Companies Recommended in This Report (all prices in this report as of market close on 24 February 2009)

Autoliv (ALV/\$16.33/Overweight), Borg Warner Inc. (BWA/\$18.22/Overweight), Ford Motor Company (F/\$2.00/Neutral), General Motors (GM/\$2.22/Neutral), Gentex Corporation (GNTX/\$8.19/Neutral), Genuine Parts Company (GPC/\$29.00/Neutral), Group 1 Automotive, Inc (GPI/\$11.29/Overweight), Johnson Controls, Inc. (JCI/\$12.62/Neutral)

Analyst Certification:

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Autoliv (ALV) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
05-Jan-09	OW	22.23	18.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

Borg Warner Inc. (BWA) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
28-Feb-08	N	46.09	-
21-Oct-08	OW	22.71	-
05-Jan-09	OW	23.99	18.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

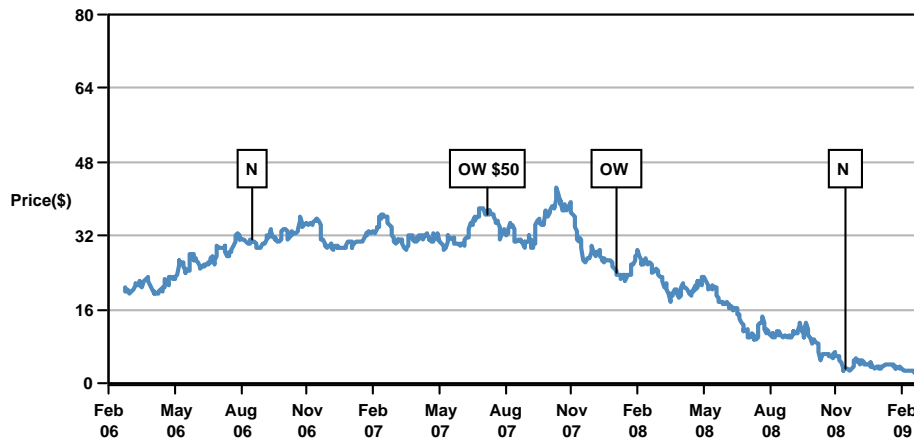
Ford Motor Company (F) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
16-Mar-06	UW	7.85	-
10-Jul-07	OW	9.08	-
25-Apr-08	N	8.40	-

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

General Motors (GM) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
17-Aug-06	N	30.99	-
10-Jul-07	OW	36.77	50.00
04-Jan-08	OW	23.92	--
13-Nov-08	N	3.08	--

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 Break in coverage Apr 16, 2003 - Jun 12, 2003. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

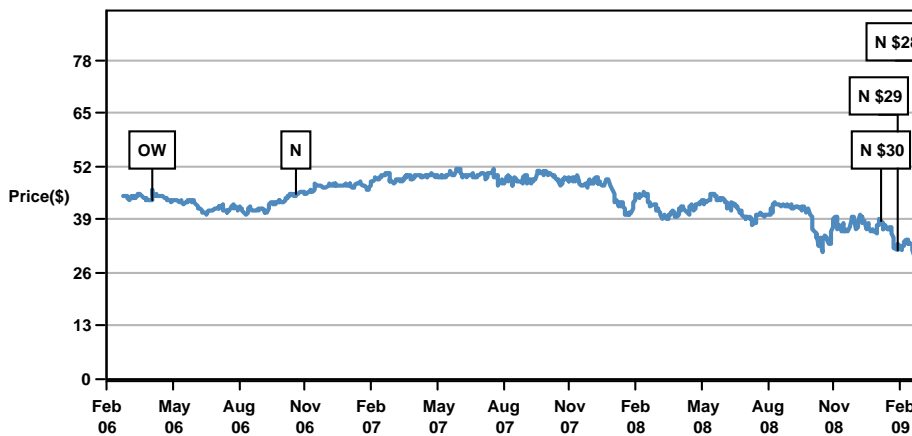
Gentex Corporation (GNTX) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
05-Jan-09	N	9.01	7.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

Genuine Parts Company (GPC) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
05-Apr-06	OW	43.89	-
19-Oct-06	N	45.18	-
05-Jan-09	N	38.63	30.00
26-Jan-09	N	31.42	29.00
18-Feb-09	N	31.66	28.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

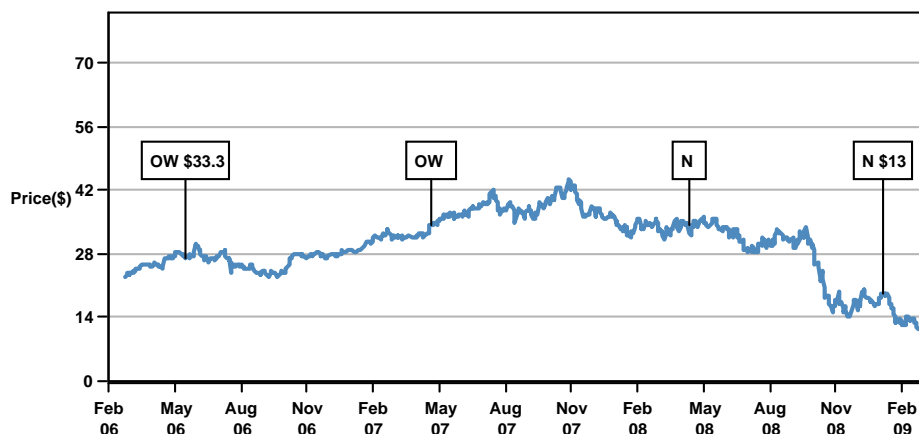
Group 1 Automotive, Inc (GPI) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
22-Dec-06	N	51.20	-
04-Apr-07	OW	41.31	-
05-Jan-09	OW	10.80	10.00
20-Feb-09	OW	7.42	9.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 Initiated coverage Dec 22, 2006. This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
 J.P. Morgan ratings: OW = Overweight, N = Neutral, UW = Underweight.

Johnson Controls, Inc. (JCI) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
18-May-06	OW	26.87	33.30
23-Apr-07	OW	34.12	--
11-Apr-08	N	34.25	--
05-Jan-09	N	19.04	13.00

Source: Reuters and J.P. Morgan; price data adjusted for stock splits and dividends.
 This chart shows J.P. Morgan's continuing coverage of this stock; the current analyst may or may not have covered it over the entire period.
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IB clients*	76%	71%	62%

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