



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

MARKET DATA: JULY 2018

EquipmentWatch remains the largest sales database on the planet with 20x the sales data of any other source.

\$34,190,762,184

RESALE
\$34,041,760,263

450,360 Assets

AUCTION
\$149,001,921

6,394 Assets

The *EquipmentWatch Market Report*™ is a monthly resource for the construction, lift/access, agriculture and commercial truck industries to make better-informed decisions by leveraging key **equipment values, market activity, age and usage metrics.**

How is the Price Stability INDEX calculated?

MARKET SUMMARY

For more detailed articles, visit [EquipmentWatch Intelligence](#) online.

MARKET ACTIVITY	YEAR OVER YEAR MARKET METRICS			MONTH OVER MONTH MARKET METRICS			PRICE STABILITY INDEX™
	VALUES			VALUES			
CONSTRUCTION \$19,783,307,410 MARKET VALUE 228,327 ASSETS	VALUES	0.0% FMV	▲ 4.9% FLV	VALUES	▼ 0.5% FMV	▲ 0.6% FLV	99.48
	VOLUME	▲ 19.2% RESALE	▼ 6.2% AUCTION	VOLUME	▲ 1.4% RESALE	▼ 51.8% AUCTION	
LIFT/ACCESS \$1,439,428,635 MARKET VALUE 49,539 ASSETS	VALUES	▼ 4.2% FMV	▲ 5.8% FLV	VALUES	0.0% FMV	▲ 0.4% FLV	99.87
	VOLUME	▲ 4.1% RESALE	▼ 28.0% AUCTION	VOLUME	▲ 7.3% RESALE	▼ 66.4% AUCTION	
AGRICULTURE \$10,614,355,263 MARKET VALUE 128,697 ASSETS	VALUES	▲ 1.6% FMV	▲ 5.6% FLV	VALUES	▼ 0.2% FMV	▲ 2.7% FLV	99.72
	VOLUME	▼ 17.2% RESALE	▲ 20.3% AUCTION	VOLUME	▲ 9.4% RESALE	▲ 31.5% AUCTION	
COMMERCIAL TRUCK \$2,353,670,876 MARKET VALUE 50,191 ASSETS	VALUES	▼ 14.0% FMV	▼ 1.2% FLV	VALUES	▼ 1.9% FMV	▲ 0.5% FLV	98.02
	VOLUME	▲ 18.3% RESALE	▲ 4.4% AUCTION	VOLUME	▼ 21.4% RESALE	▼ 46.1% AUCTION	



SUMMARY

CONSTRUCTION

LIFT/ACCESS

AGRICULTURE

COMMERCIAL TRUCK

CONSTRUCTION

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

\$19,783,307,410 **228,327**
MARKET VALUE ASSETS

YEAR OVER YEAR

MARKET METRICS

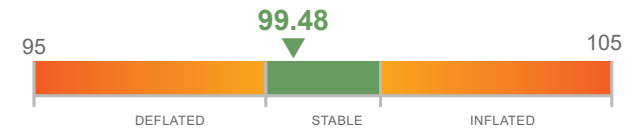
VALUES **0.0%** **▲ 4.9%**
FMV FLV
VOLUME **▲ 19.2%** **▼ 6.2%**
RESALE AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES **▼ 0.5%** **▲ 0.6%**
FMV FLV
VOLUME **▲ 1.4%** **▼ 51.8%**
RESALE AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

For the second month in a row, resale values decreased by 0.5%. Auction values increased for the third straight month. The overall index score for July 2018 was 99.48, which was only a slight drop from June.

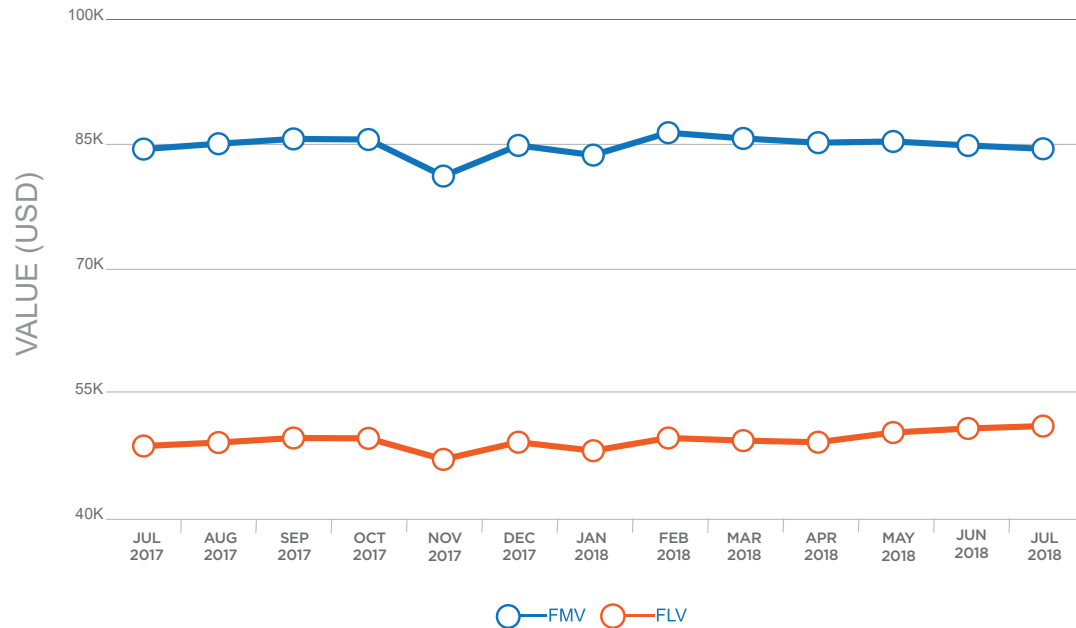
MARKET HIGHLIGHTS

- After having a big activity month in June, auction took a step back in July, dropping by over 50%. Resale market activity remained basically even, only increasing 1.4% month-over-month.
- The overall number of assets increased by about 11% from June to July, while the overall market value increased by 14%.
- Month-over-month average age had little to no movement in both the auction and resale channels, while average utilization followed the same trends with neither having more than a 3% change.

MARKET FORECAST

Values should increase slightly for August across both channels, while market activity should decline.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 1.4% RESALE	▼ 51.8% AUCTION	▲ 0.2% RESALE	▲ 1.5% AUCTION	▲ 2.1% RESALE	▼ 2.7% AUCTION
YEAR OVER YEAR	▲ 19.2% RESALE	▼ 6.2% AUCTION	▲ 1.7% RESALE	▼ 4.4% AUCTION	▼ 5.2% RESALE	▲ 29.3% AUCTION



SUMMARY

CONSTRUCTION

LIFT/ACCESS

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COMMERCIAL TRUCK

[How is the Price Stability INDEX calculated?](#)

LIFT/ACCESS

OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

MARKET ACTIVITY

\$1,439,428,635
MARKET VALUE

49,539
ASSETS

YEAR OVER YEAR

MARKET METRICS

VALUES ▼ **4.2%** FMV ▲ **5.8%** FLV

VOLUME ▲ **4.1%** RESALE ▼ **28.0%** AUCTION

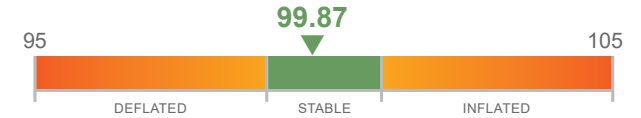
MONTH OVER MONTH

MARKET METRICS

VALUES **0.0%** FMV ▲ **0.4%** FLV

VOLUME ▲ **7.3%** RESALE ▼ **66.4%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

Lift FMVs remained even in July, when compared to June, while lift FLVs increased by 0.4%. The overall Price Stability Index was 99.87 for July, which is only down slightly from June.

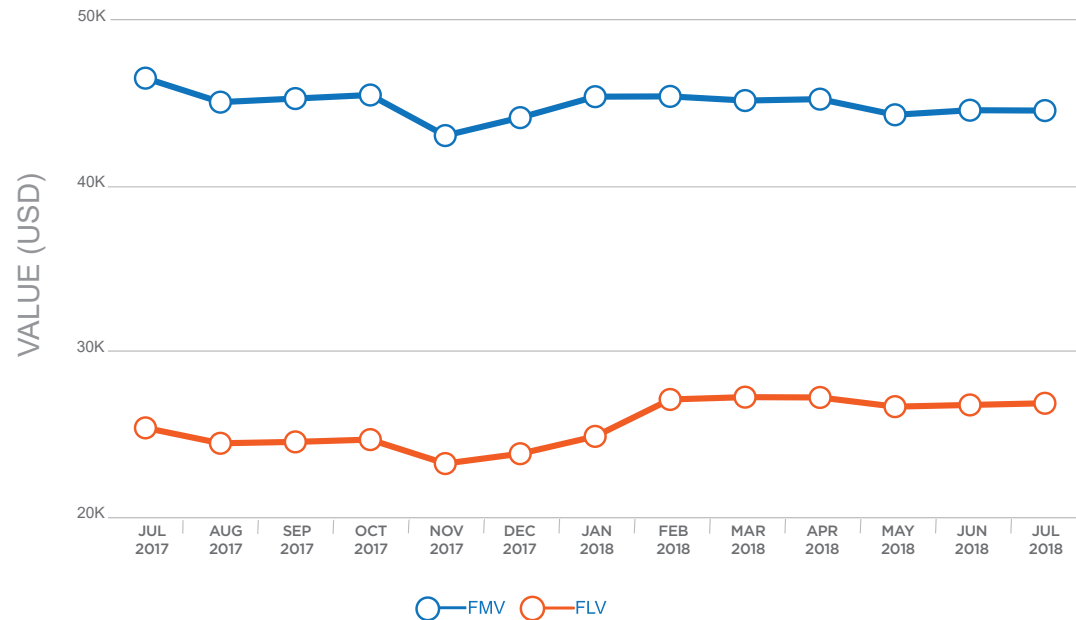
MARKET HIGHLIGHTS

- The overall market value for lift increased by a large amount (27.3%) while the overall number of assets went up by even more (31.8%).
- Resale market activity increased slightly in July, when compared to June, and when compared to last July. Auction market activity dropped significantly month-over-month, decreasing by over 66%.
- Month over month average age had little movement across both channels, with neither changing by more than 2%. Average utilization in the auction channel increased by 16.2% from June to July.

MARKET FORECAST

Looking forward to August, we should see values increase slightly, while resale market activity should decline slightly and auction market activity should increase.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 7.3% RESALE	▼ 66.4% AUCTION	▼ 2.0% RESALE	▲ 1.8% AUCTION	▼ 1.6% RESALE	▲ 16.2% AUCTION
YEAR OVER YEAR	▲ 4.1% RESALE	▼ 28.0% AUCTION	▲ 2.2% RESALE	▼ 7.8% AUCTION	▲ 2.0% RESALE	▼ 0.3% AUCTION



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How is the Price Stability INDEX calculated?

AGRICULTURE

OVERALL TYPE TRENDS BRAND TRENDS REGIONAL TRENDS

MARKET ACTIVITY

YEAR OVER YEAR

MARKET METRICS

\$10,614,355,263 MARKET VALUE
128,697 ASSETS

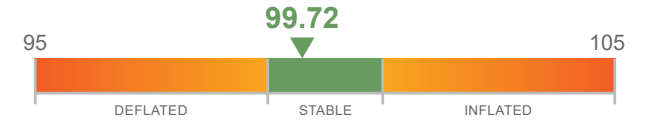
VALUES **▲ 1.6%** FMV **▲ 5.6%** FLV
VOLUME **▼ 17.2%** RESALE **▲ 20.3%** AUCTION

MONTH OVER MONTH

MARKET METRICS

PRICE STABILITY INDEX™

VALUES **▼ 0.2%** FMV **▲ 2.7%** FLV
VOLUME **▲ 9.4%** RESALE **▲ 31.5%** AUCTION



MARKET PERFORMANCE

FLV values have bucked the declining trend from the previous few months showing a slight growth of 2.7% in July, while FMV values ticked down less than half a percent for the month. Volumes have increased across the board this month, but most significantly at auction displaying a 31.5% expansion. Although resale market volumes have increased 9.4% this month, they are still down 17.2% year over year.

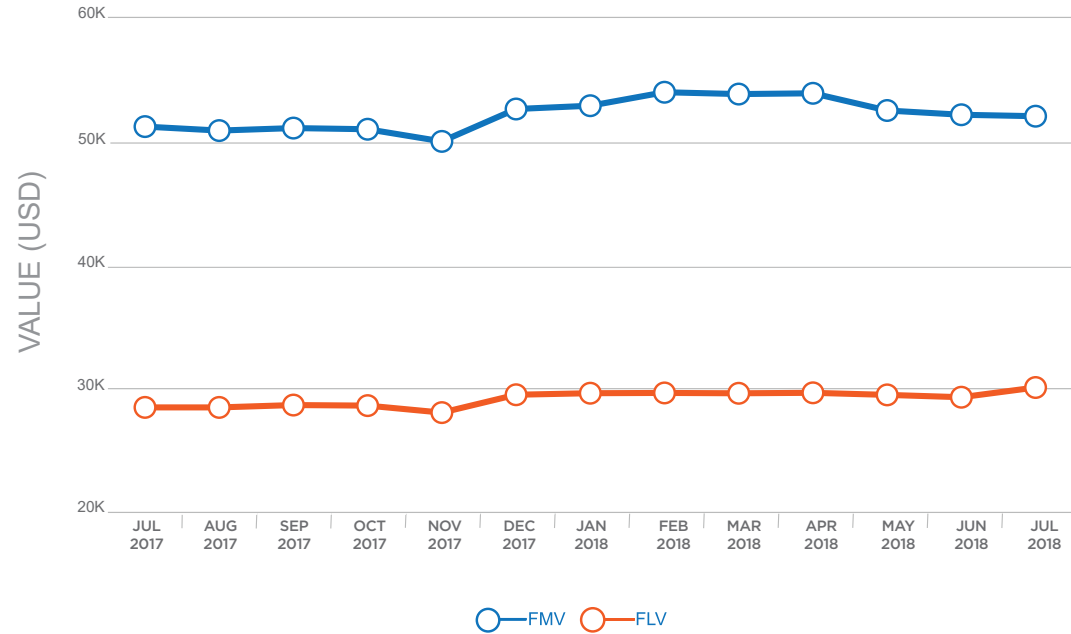
MARKET HIGHLIGHTS

- Compared with last year, assets with more wear and tear have become more predominate at auction as indicated by FLV usage figures climbing 43.3% year over year in July.
- Younger assets with relatively higher utilization remain in the resale channel this month as FMV average age notches down 5.4% and FMV usage shows upward movement of 16.0%.
- FLV values are up slightly for both the month and the year with increases of 4.7% and 8.6% respectively.

MARKET FORECAST

Do expect FMV figures to continue their decline going into August. Despite having a mild upturn in July, FLV values are not likely to continue this upward trajectory in the coming months.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▲ 9.4% RESALE	▲ 31.5% AUCTION	▼ 5.4% RESALE	▲ 4.7% AUCTION	▲ 16.0% RESALE	▲ 5.7% AUCTION
YEAR OVER YEAR	▼ 17.2% RESALE	▲ 20.3% AUCTION	▲ 1.3% RESALE	▲ 8.6% AUCTION	▲ 15.7% RESALE	▲ 43.3% AUCTION



SUMMARY

CONSTRUCTION

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COMMERCIAL TRUCK

OVERALL

TYPE TRENDS

BRAND TRENDS

REGIONAL TRENDS

How is the Price Stability INDEX calculated?

MARKET ACTIVITY

\$2,353,670,876
MARKET VALUE

50,191
ASSETS

YEAR OVER YEAR

MARKET METRICS

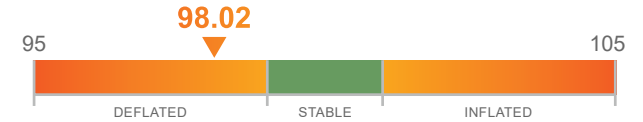
VALUES ▼ **14.0%** FMV ▼ **1.2%** FLV
VOLUME ▲ **18.3%** RESALE ▲ **4.4%** AUCTION

MONTH OVER MONTH

MARKET METRICS

VALUES ▼ **1.9%** FMV ▲ **0.5%** FLV
VOLUME ▼ **21.4%** RESALE ▼ **46.1%** AUCTION

PRICE STABILITY INDEX™



MARKET PERFORMANCE

The activity for both the resale and auction channels was down last month, well below where it previously was, yet year over year was up. Volume decreases are always expected at this point in the year, so even though the drops appear large the activity remains above previous years. The average age increased on both channels year over year as more of the older trucks are remaining on the market at this point in the year.

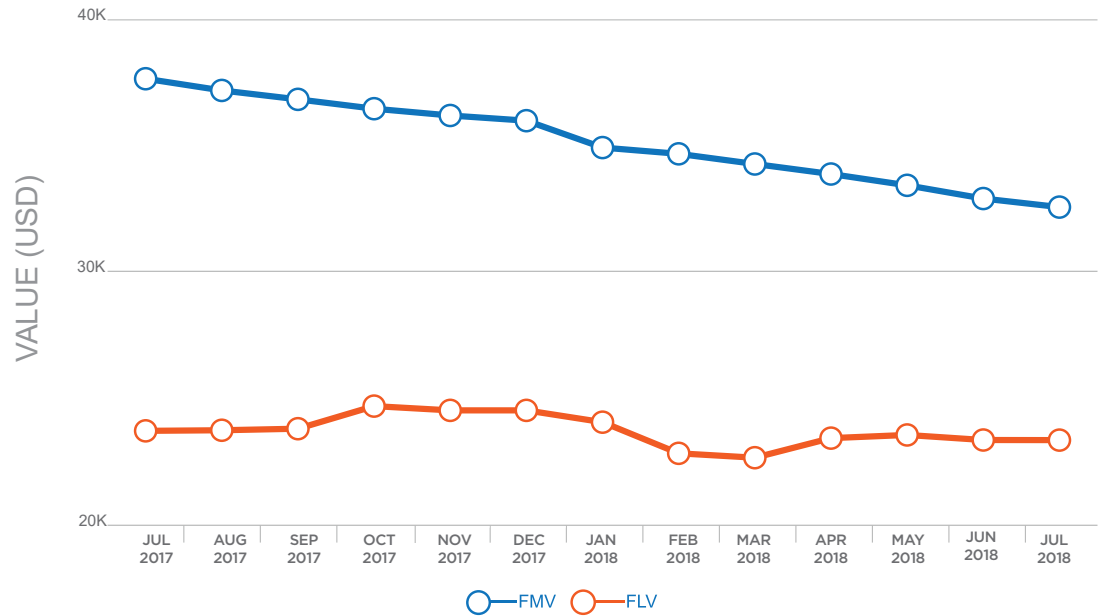
MARKET HIGHLIGHTS

- The largest drops in FMV were on 2009-2011 models while 2013-2015 models were increasing and the older models were holding value.
- While FLV was up for the channel overall and all six brands, but sleeper tractors were down 0.3%.
- Overall, the market was deflated due to the larger drops in volume with the changes seen on FMV.

MARKET FORECAST

Expect FMV to no longer be on a downward turn with the largest focus on models between 2011-2008.

FMV AND FLV TRENDS



	VOLUME CHANGE		AVERAGE AGE		USAGE	
MONTH OVER MONTH	▼ 21.4% RESALE	▼ 46.1% AUCTION	▼ 0.4% RESALE	▲ 4.2% AUCTION	▲ 1.4% RESALE	▲ 0.3% AUCTION
YEAR OVER YEAR	▲ 18.3% RESALE	▲ 4.4% AUCTION	▲ 2.7% RESALE	▲ 6.2% AUCTION	▼ 5.2% RESALE	▲ 7.4% AUCTION



APPENDIX

INTRODUCTION

The EquipmentWatch Market Report is a compilation of a wide array of EquipmentWatch'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 equipment seen on used markets across North America.

OUR DATA

Selection Criteria for OEMs and Subtypes

EquipmentWatch tracks Resale and Auction prices and activity for over 15,000 models across 389 manufacturers throughout North America. With over \$800 billion in collected equipment transactions, EquipmentWatch is your primary source for intelligence regarding used equipment markets.

The data in this report is divided into four distinct equipment markets: Construction, Lift/Access, Agriculture, and Commercial Trucks. For each market, we selected the top equipment types based on their market share from January 2015 to December 2015. They're listed in the table to the right.

Construction	Lift/Access	Agriculture	Commercial Trucks
4-Wd Articulated Wheel Loaders	Electric Self Propelled Scissor Lifts	Track Tractors	Heavy Duty: Conventional - Sleeper (Heavy Tractor)
Articulated Frame Graders	I.C. Pneumatic Tire Lift Trucks	Balers	Heavy Duty: Conventional - Day Cab (Heavy Tractor)
Articulated Rear Dumps	I.C. Self Propelled Telescopic Boom Aerial Lifts	Combines	Heavy Duty: Conventional - Day Cab (Heavy Cab Chassis)
Compact Track Loaders	I.C. Self-Propelled Articulating Boom Aerial Lifts	Corn Headers	Medium Duty: Conventional - Day Cab (Cab Chassis)
Crawler Mounted Compact Excavators	Telescoping Boom Rough Terrain Lift Trucks	Wheel Tractors	Medium Duty: Cabover - Day Cab (Cab Chassis)
Crawler Mounted Hydraulic Excavators	I.C. Cushion Tire Lift Trucks	Planters	Medium Duty: Crew (Cab Chassis)
Large Generator Sets			
Single Drum Vibratory Compactors			
Skid Steer Loaders			
Standard Crawler Dozers			
Tandem Vibratory Compactors			
Tractor-Loader-Backhoes			



APPENDIX

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

Construction	Lift/Access	Agriculture	Commercial Truck
Bobcat	Caterpillar	Deere	International
Case	Genie	Case IH	Freightliner
Caterpillar	JLG	New Holland	Volvo
Deere	Sky Trak	Massey Ferguson	Kenworth
Komatsu	Skyjack	Challenger	Peterbilt
Volvo	Hyster	Kubota	Hino

THE EQUIPMENTWATCH PRICE STABILITY INDEX™

Academic justification

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

Methodology and Calculation

The EquipmentWatch 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:

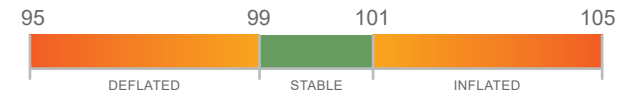
$$P_L = \frac{\sum(p_{c,t_n}) * (q_{c,t_0})}{\sum(p_{c,t_0}) * (q_{c,t_0})}$$

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 EquipmentWatch 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 adjustments in prices and market activity. There are three primary ranges in the EquipmentWatch Price Stability Index™, as noted below:



When the EquipmentWatch 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 EquipmentWatch 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 EquipmentWatch 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 EquipmentWatch 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 EquipmentWatch Price Stability Index™ to easily understand how prices in a particular region or equipment channel are moving relative to the previous month.



APPENDIX

SECTION GUIDES

The Introduction

In the top left, we exhibit a tally of the estimated market value of market activity last month in the Resale channel and Auction channel.

In the main table, we display market activity and assets for each market, along with month over month and year over year changes in Fair Market Value and Forced Liquidation Value.

Overall Trends

This page is an overview of each channel. 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 channel.

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 EquipmentWatch Price Stability Index™ for each of the 14 regions, using the same calculation method as the EquipmentWatch 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 to the right.

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

FAQS

Why did you limit the equipment types in this report?

EquipmentWatch tracks market activity for over a hundred unique equipment types each month. For each channel, we selected the most popular equipment types, based on the frequency of appearance on the resale and auction channels.

Why are there only 24 manufacturers in this report?

EquipmentWatch tracks market activity for almost 400 unique manufacturers each month. For each market, we selected the top 6 manufacturers. As the markets shift and prominence on used markets changes, we will adjust our selections accordingly.



APPENDIX

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 EquipmentWatch, 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 EQUIPMENTWATCH

EquipmentWatch is the trusted source for heavy equipment data and intelligence. EquipmentWatch produces the leading database information products for the construction equipment industry and is the world leader in heavy construction research and serves more than 15,000 professional, high-volume users of construction and lift-truck data. Our online and print products are valuable tools in decisions surrounding the purchase, valuation, operation, and disposal of equipment.

For nearly 50 years, EquipmentWatch has served contractors, equipment manufacturers, dealers, rental companies, lenders and insurers, and government agencies involved in heavy civil construction.

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