

Mexico's MHCV Market

An overview at the Q2 2026 outlook for Mexico and North America

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June 2026



Agenda

1. Changes in forecast assumptions
2. Mexico's macroeconomic outlook
3. Mexico medium/heavy truck sales outlook
4. North American outlook
5. Conclusions



Forecast Assumptions



New assumptions in “2026Q2” published forecast (May 2026)

1. New macroeconomic outlook

- Lower economic-growth expectations for US and Mexico in 2026 and 2027 alike, in all major GDP components

2. The new external tariff environment is the same as the old external tariff environment (...in many ways)

- Replacement of IEEPA tariffs with “122” tariffs leaves broad US tariff level similar to previous, despite different details
- Legal challenge to “122” tariffs has not stopped their collection, for now

3. Cost of compliance with 2027 engine standards (EPA, NHTSA) tracking below previous expectations

4. Deeper and longer impact of Middle East war evident, with projected Strait of Hormuz re-opening further delayed to June

- Increased likelihood of elevated inflation, high fuel costs, higher input costs of chemicals/plastics in agriculture and industry, and risks of outright shortages of fuels and derivatives in some countries (the latter having indirect impacts on the US)

Assumptions that remain the same in our baseline

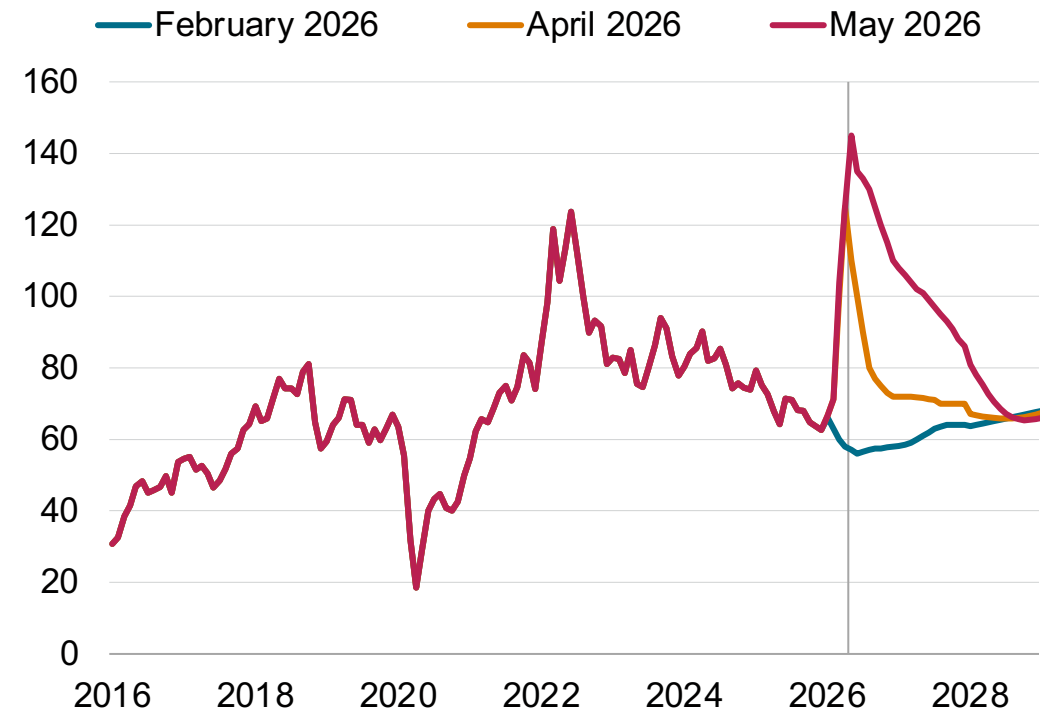
- So-called “232” tariffs on US imports of commercial vehicles remain in place
- Tariff impacts on new truck prices are staying at the low end of our range (though individual-brand outcomes vary)
- Timing of EPA 2027 NOx/PM & NHTSA 2027 fuel economy technical standards remains
- California will continue to support ZEV transition, but with more “carrot” and less “stick” following loss of state waiver
- United States-Mexico-Canada Agreement (USMCA) review in 2026, still expected to reach a successful conclusion
- We are making no specific assumptions about US midterm elections: Our principle is to assume policy continuity

Higher-for-longer crude oil price assumptions: Oil price outlook further increased since the completion of our 2026Q2 MHCV forecast (which used April oil price fc)

- As highlighted above, S&P Global Energy's **assessment of the near-term outlook for crude oil production, supply and prices changed materially** between April and May's economic forecasts.
- April's assumptions were based on flows through the Strait of Hormuz remaining very low through April and recovering in May.
- The base case included a peak average Dated Brent price of US\$110/b in the second quarter and an end-2026 level of US\$72/b.
- Compared with February's pre-conflict forecast round, annual average prices for Dated Brent were about 50% and 15% higher.
- The **current base case is for the Strait of Hormuz to remain closed through May**, with flows recovering from June. The expected recovery in oil production is delayed.
- This leads to **higher-for-longer crude oil prices**, with a projected peak for Dated Brent of US\$145/b in the second quarter of 2026.
- The projected Dated Brent price levels for end-2026 and end-2027 are US\$110/b and US\$86/b, respectively, yielding annual averages of US\$116/b and US\$97/b.
- In May's forecast, **annual average prices** for Dated Brent in 2026 and 2027 are **about 96% and 58% higher**, respectively, than we had assumed in our pre-conflict forecast in February.

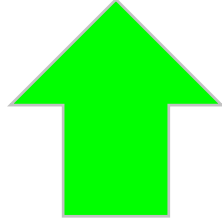
Higher-for-longer crude oil prices

Dated Brent base case assumptions, US\$ per barrel (monthly)

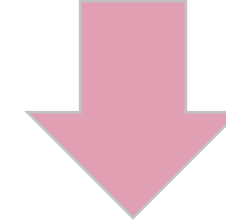


As of May 15, 2026.
Source: S&P Global Market Intelligence.

What is **not included** in the latest S&P Global Mobility tariff & trade assumptions (these represent risks & opportunities)



1. Any prospective autos & commercial-vehicle duty reductions (e.g. could include leniency on implementation of parts tariffs)
2. Global economy may benefit from new trade agreements among midsize economies (Canada, EU, others)
3. Elimination of Federal Excise Tax (FET) on Class 8 trucks (very unlikely)
 - March 2025: Legislation reintroduced to eliminate the 12% FET. Follows H.R. 1440 introduced in 2023.



4. Extended Strait of Hormuz (SOH) closure, lasting through the end of summer or beyond
 - Oil and oil derivative feedstocks for ag, manufacturing
 - Further oil price spikes
 - Etc.
5. Parties decide to sunset USMCA
 - No agreement to extend or re-negotiate
6. Implementation of threat against the EU to increase car/truck duties from 15% to 25%
 - Main MHCV impact would be economic, not vehicle-specific
 - Chicken tax already means trucks face 25%

Economic Outlook





NA economic outlook

- The economic outlooks for all three North American countries have been downgraded for 2026 compared to our last report. Apart from incoming high-frequency indicators, the latest Middle East war continues to smolder. In the North American region, consequences of the protracted conflict include higher-than-expected fuel prices, increased transportation costs, elevated fertilizer and food costs, among other things.
- Across the region, real GDP growth for 2026 is now forecast nearly 0.3 points slower than previous. After these changes, expected growth for 2026 is slightly below 2.0% year over year, essentially flat relative to the 2.02% expansion in 2025. Looking ahead to 2027, a slight improvement in growth is seen, but still topline growth will be shy of 2.0%. It is only in 2028 that this level is expected to be exceeded again



As of April 15, 2026
Source: S&P Global Mobility

Mexico: Key outlook factors

	Short term	Medium term	Long term
	<ul style="list-style-type: none"> – Possible infrastructural investments, such as highway development, to boost truck demand — if realized – Relief valve for US in cross-Pacific import traffic volume (plus still-advantageous position for nearshoring — a continued focus) – New tariffs on non-FTA countries, such as China and India, likely to stimulate local plant investment and production, or near-shoring investments 	<ul style="list-style-type: none"> – Economy should steadily expand, with car and light vehicle production – Trump tariffs may not be sticky and could drop or end (e.g., parallel to United States-Mexico-Canada Agreement [USMCA] re-negotiation) – For original equipment manufacturers, alignment with emissions rules vis-à-vis the rest of the world, offering opportunities – Truck production on growth curve 	<ul style="list-style-type: none"> – Economic growth within trade area to continue; positive for traffic flow and equipment demand – Return to higher oil prices would support nation's important energy sector, albeit unlikely
	<ul style="list-style-type: none"> – Elevated interest rates, although cuts are in prospect in 2026 – Volatility around both Mexico and US tariffs creating turbulent month-to-month production output – Reduced near-term economic outlook – Mainland Chinese imports threaten the balance of locally produced and sold trucks due to lower price points and competitive products – Lack of compliant diesel fuel for new trucks 	<ul style="list-style-type: none"> – Peso expected to weaken – Political climate colored by persistent security risks – Public economic support for zero-emission vehicles (ZEVs) constrained – USMCA negotiation outcome uncertain 	<ul style="list-style-type: none"> – Further regulations may hit independent truck operators particularly hard – Political and security situation likely to remain unsettled, even in longer term; possibility of new restrictions on trucks in future – Dependency on oil and gas industry offers limited market opportunities for trucks

General: As a major net exporter of the trucks it produces to the US, the recently elected Scheinbaum administration will have to work closely with the newly elected Trump administration to curtail aggressive tariffs and/or retaliatory tariffs.

As of April 15, 2026

Source: S&P Global Market Intelligence, National Institute of Statistics and Geography (INEGI)

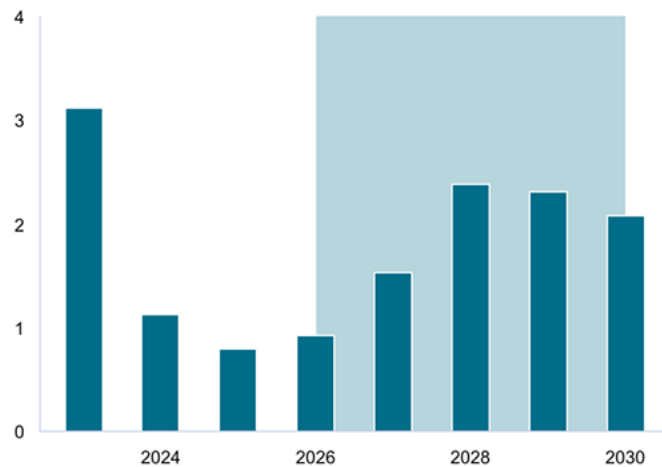
Mexico Economic Outlook

Mexico: Key indicators and forecasts

	Historical data edge	2024	2025	2026	2027	2028	2029	2030
Real GDP (% change)	2025	1.1	0.8	0.9	1.5	2.4	2.3	2.1
Nominal GDP (\$ billion)	2025	1,826	1,835	2,068	2,026	2,039	2,066	2,101
Nominal per-capita GDP (\$)	2023	13,951	13,909	15,548	15,121	15,102	15,197	15,347
Consumer price index (% change)	2025	4.7	3.8	4.7	4.4	4.2	3.6	3.5
Exchange rate (year end, per \$)	2025	20.27	17.97	18.82	20.18	21.08	21.89	22.55

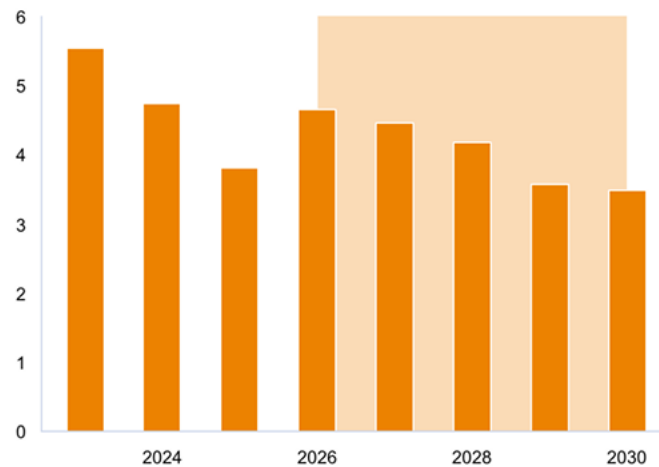
Data compiled April 15, 2026.
Source: S&P Global Market Intelligence.
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Real GDP (% change, YOY)



Last Update: Apr 15, 2026.
Source: S&P Global.
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Consumer price inflation (% , YOY)



Last Update: Apr 15, 2026.
Source: S&P Global.
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After evaluating the negative impacts of the Middle East war, the 2026 GDP outlook has been lowered from 1.2% in February to 0.9% in April. By comparison, the US GDP growth forecast has declined from 2.7% to 2.1%.

The weakness of growth is attributed largely to weak investments arising from reduced business confidence and heightened policy uncertainty.

While higher oil prices will boost export revenues and public finances, Mexico's status as a net oil importer means the overall economic impact is negative.

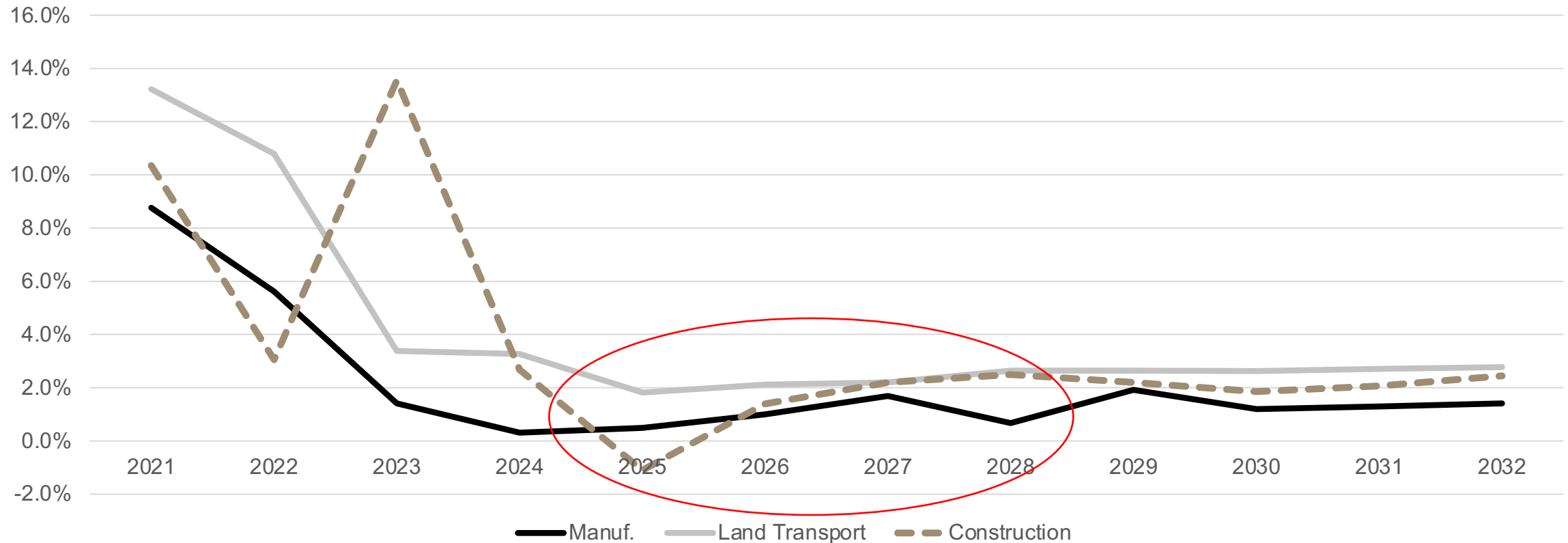
We assess the central bank will lower the policy rate by 25 basis points in the fourth quarter of 2026. However, the scope for further cuts is limited because the real policy rate is almost neutral and inflation is increasing.

High security and operational risks are expected to persist and hurt business sentiment and investment, further constraining economic growth.

Mexico: Many individual vocations (industries) are expected to grow more slowly

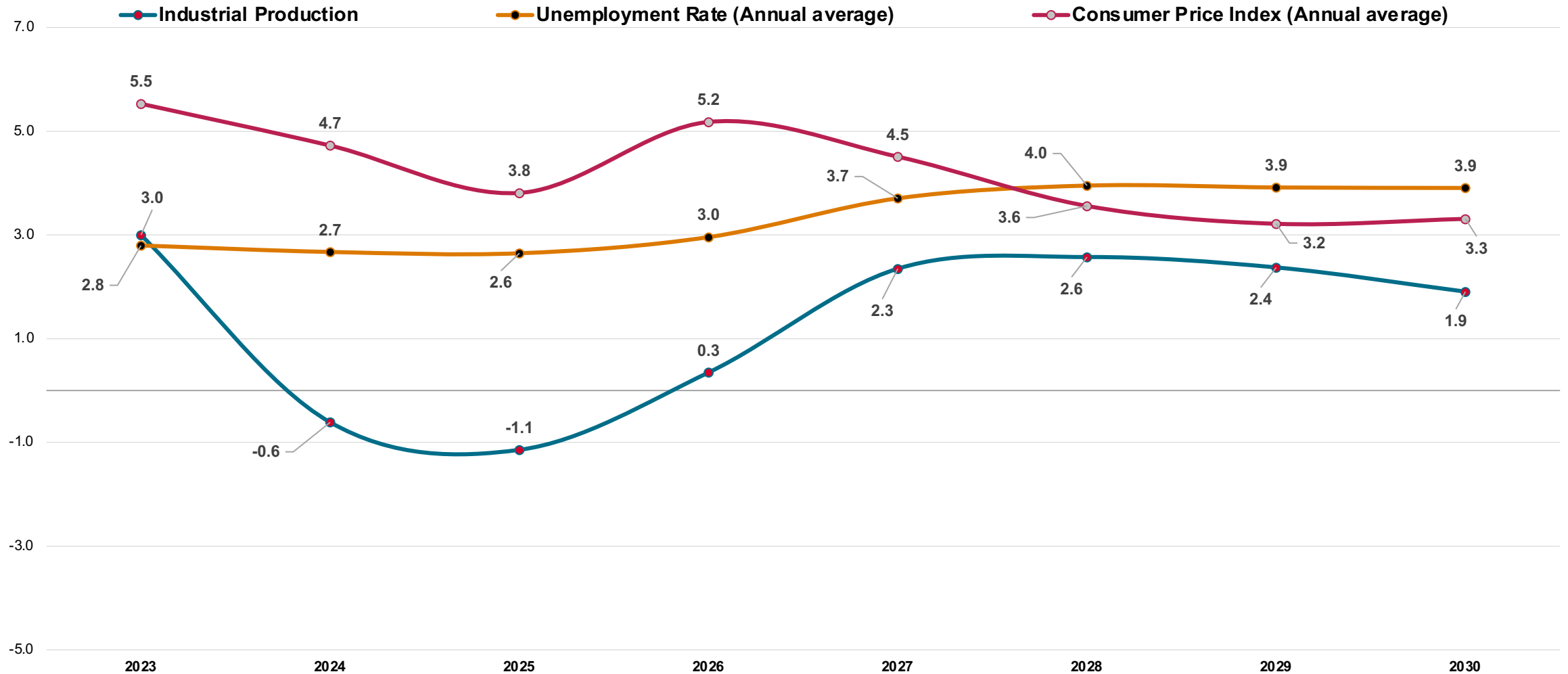
Along with GDP, many parts of the physical economy may expand below long-term trend pace in 2025-26

Mexico: Class 4-8 truck sales by month



As of November 11, 2025
Source: S&P Global Market Intelligence..

Mexico industrial production expected to recover while CPI lowers and unemployment climbs

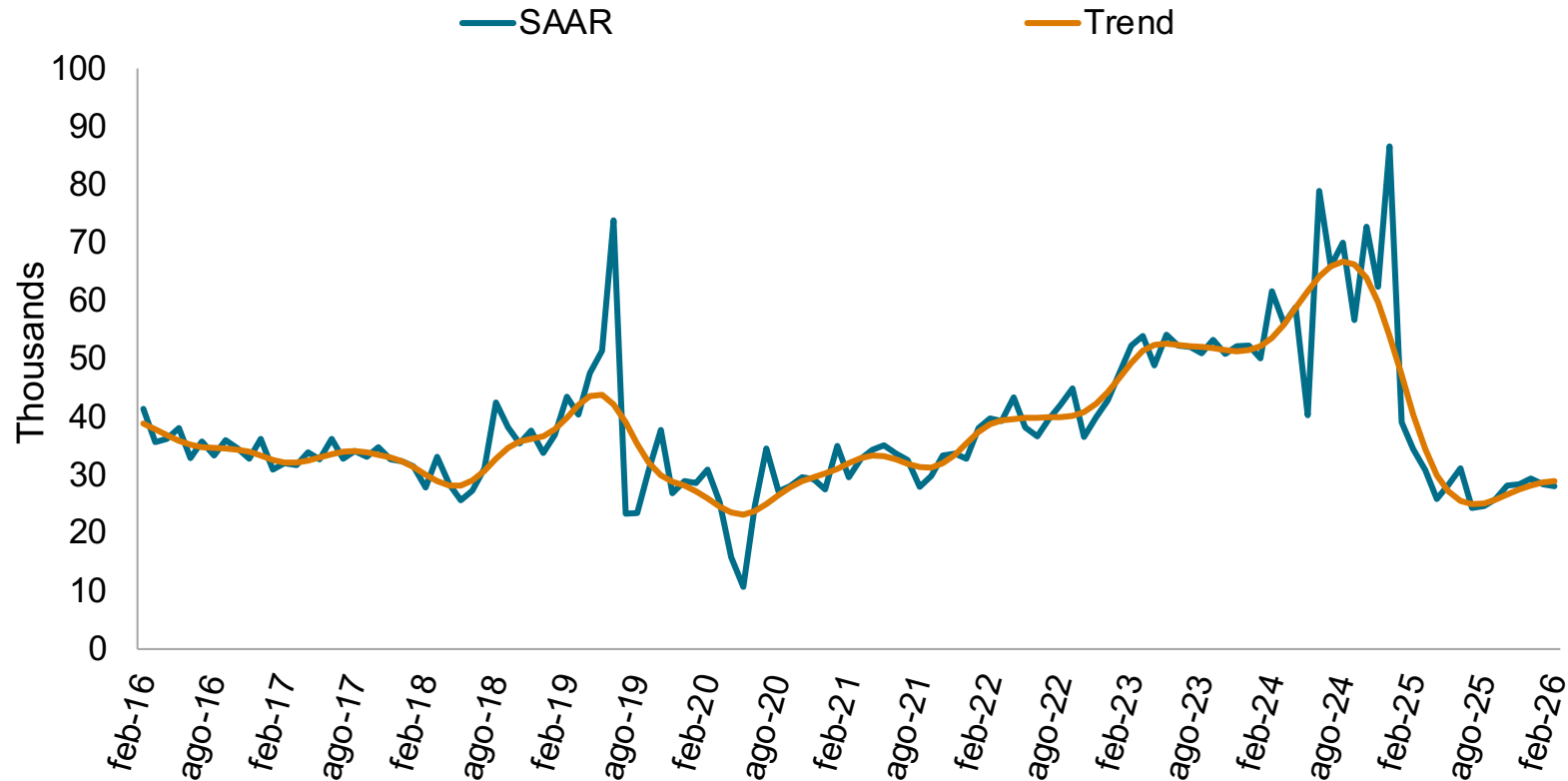


Mexico's truck market



Mexico: Class 4-8 truck demand trend (seasonally adjusted, annualized)

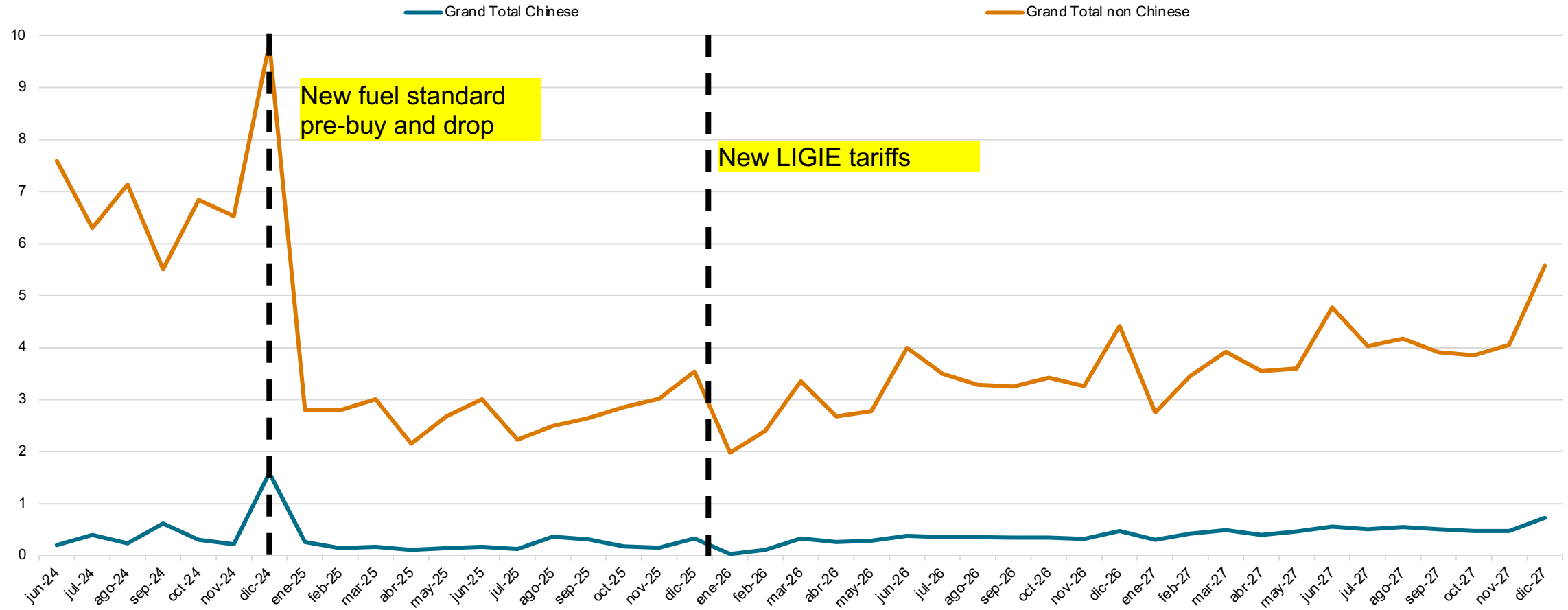
In 2026, Mexico will be a positive MHCV market growth support, following market collapse in 2025



- Mexico's truck market outlook is being shaped by the country's January 2025 emissions change (NOM-44 ≈ Euro VI)
- Following the change, Mexico dropped from being a Top-10 global market to #14
- Multiple delays (lots of anticipation) and insufficient new fuel availability combined to drive the market down
- Economic growth is also disappointing, <1.5% y/y
- The increase in US tariffs is a driver of Mexico's projected economic-growth stagnation, which is expected to continue through 2026.

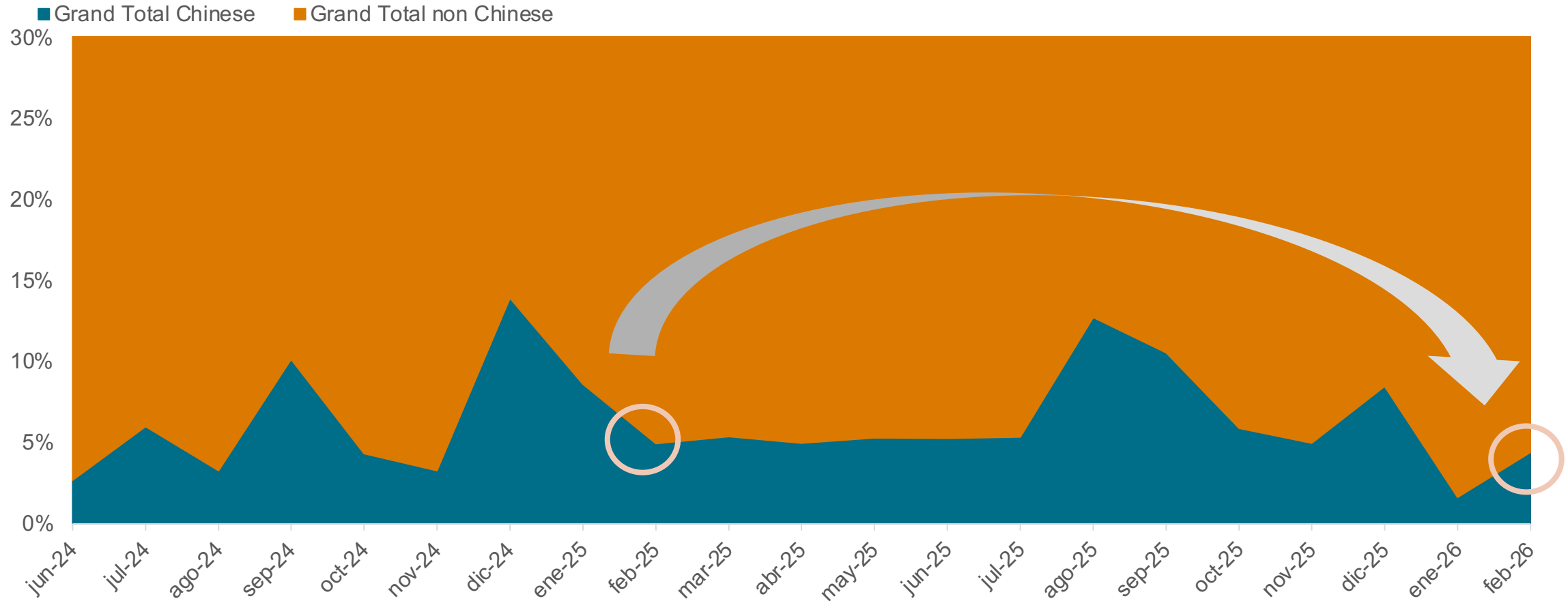
Source: S&P Global Mobility.
Data compiled May 6, 2026.

Sales between Chinese and non-Chinese OEMs follow similar trend



Source: S&P Global Mobility.
 Data compiled June 5, 2026
 In thousands..

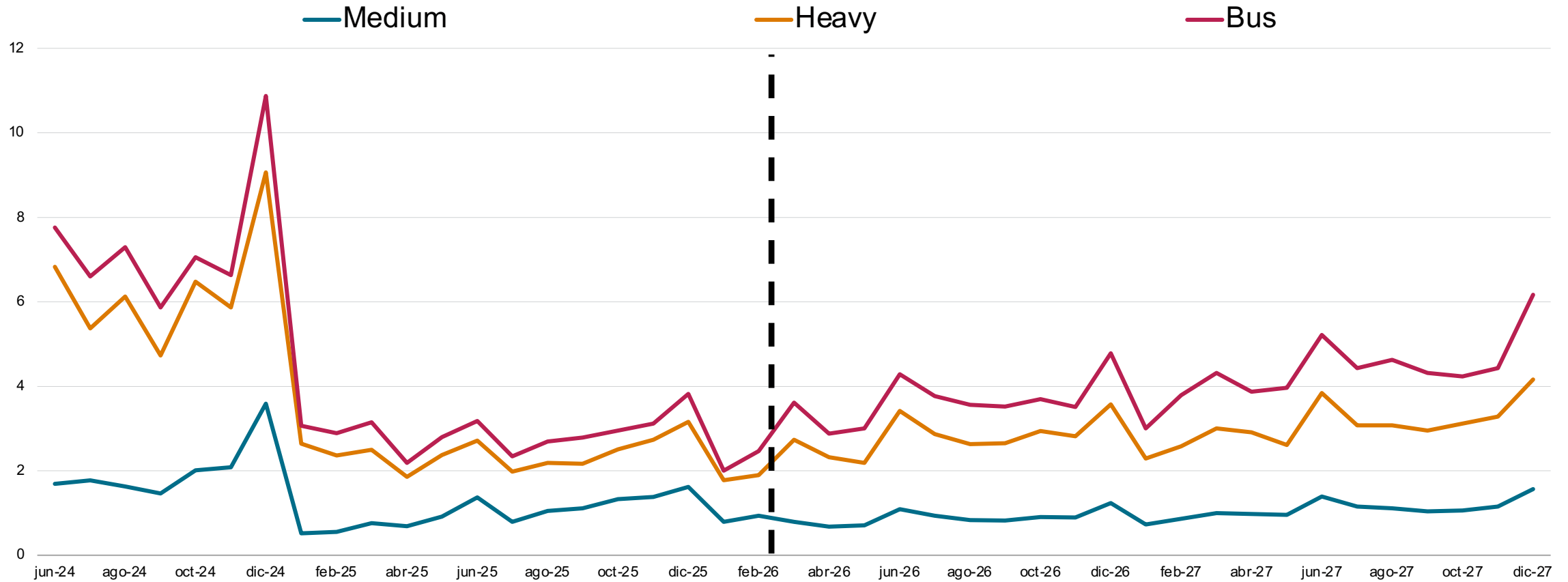
But since the January 2026 implementation of new LIGIE tariffs, Chinese OEM share is down in YTD



Source: S&P Global Mobility.
Data compiled May 20, 2026.

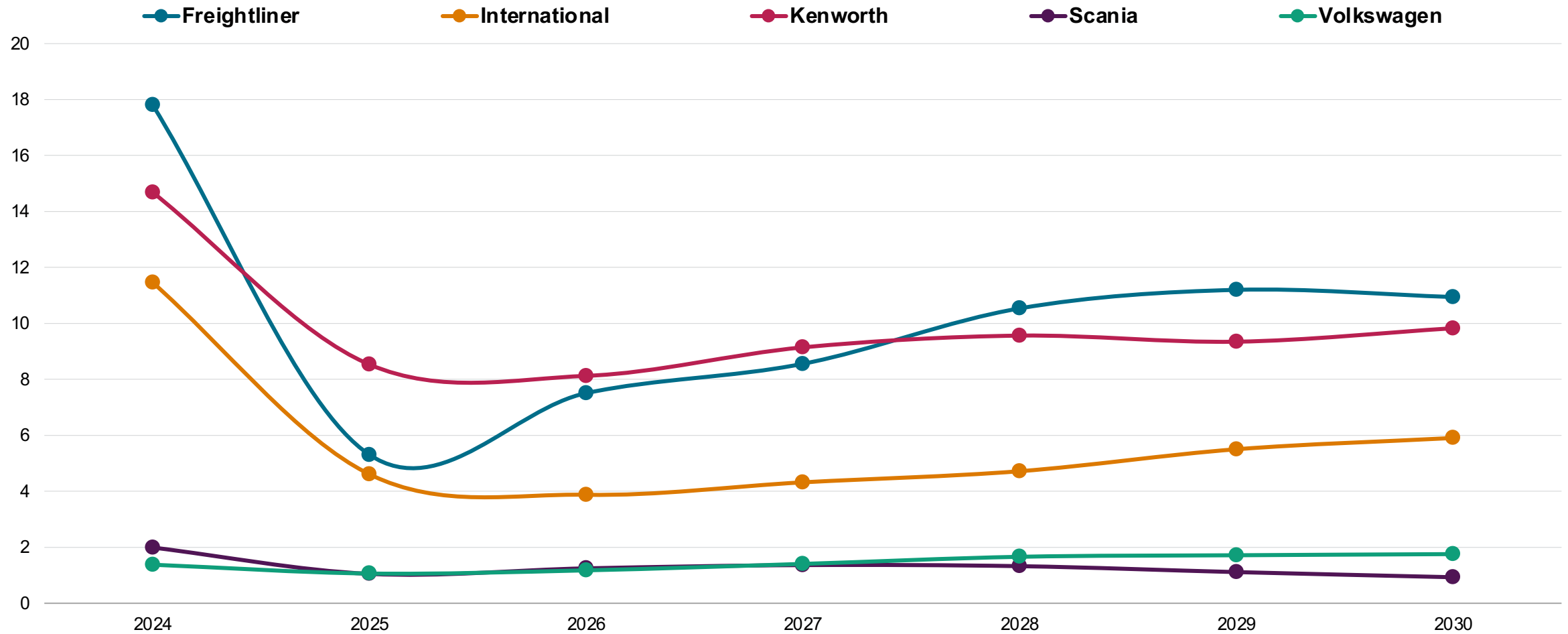
Total Mexico Sales

Medium duty, heavy trucks and buses all marching to the same beat



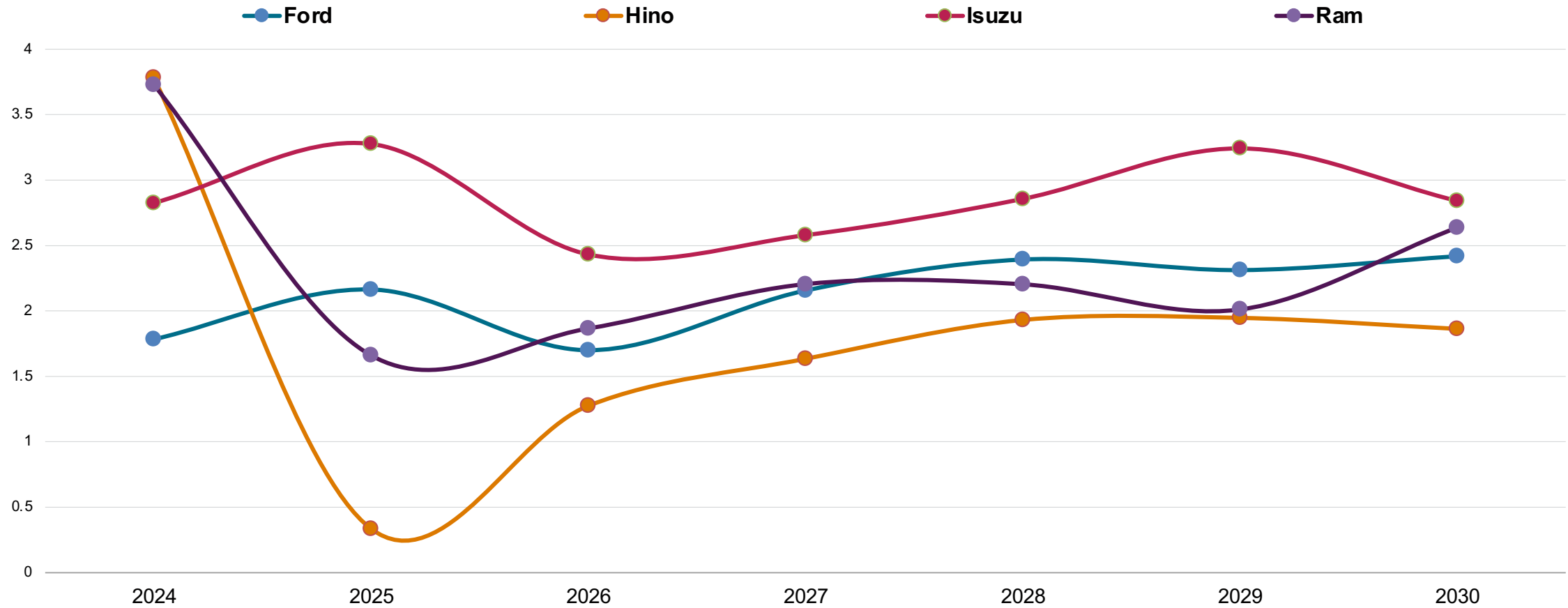
Source: S&P Global Mobility.
Data compiled June 5, 2026
In thousands..

Mexico heavy truck sales, by brand



Source: S&P Global Mobility.
Data compiled June 5, 2026
In thousands..

Mexico medium truck sales by brand



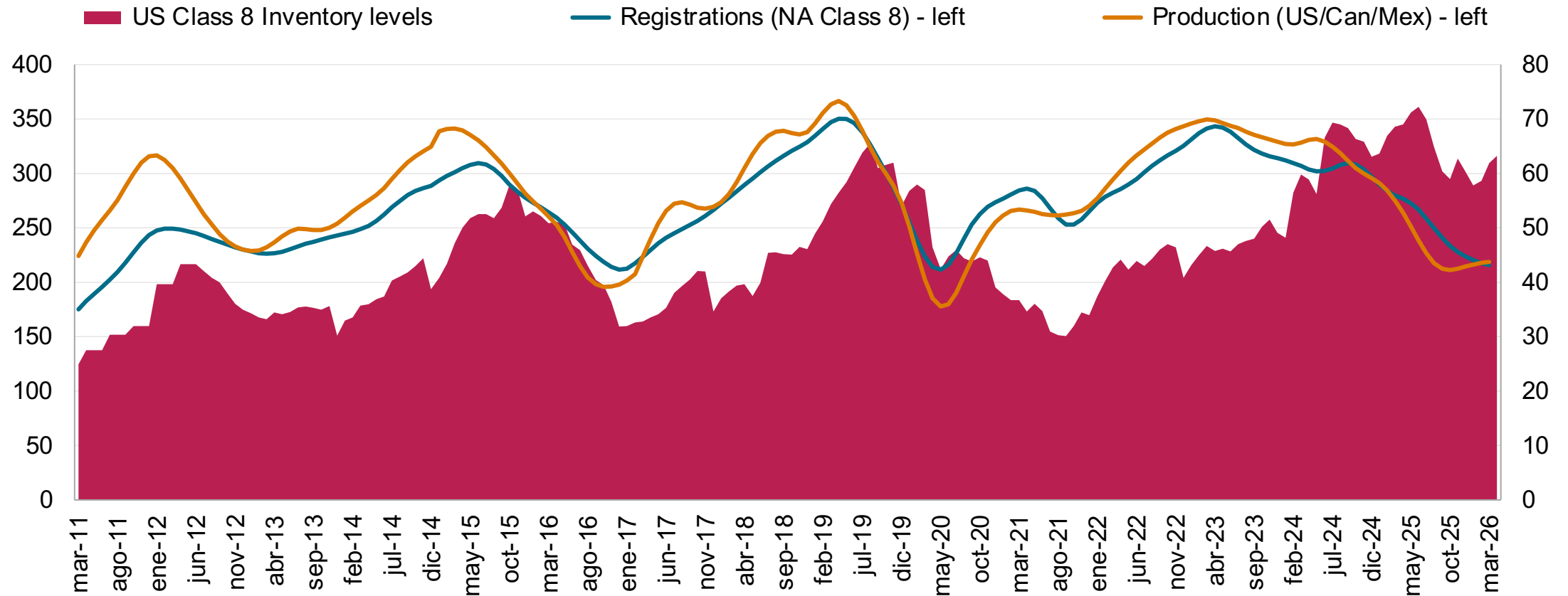
Source: S&P Global Mobility.
Data compiled June 5, 2026
In thousands..

North America



Inventory, production trends recovering in North America, on strong order intake

US Class 8 inventory compared to North American sales (regs.) and production

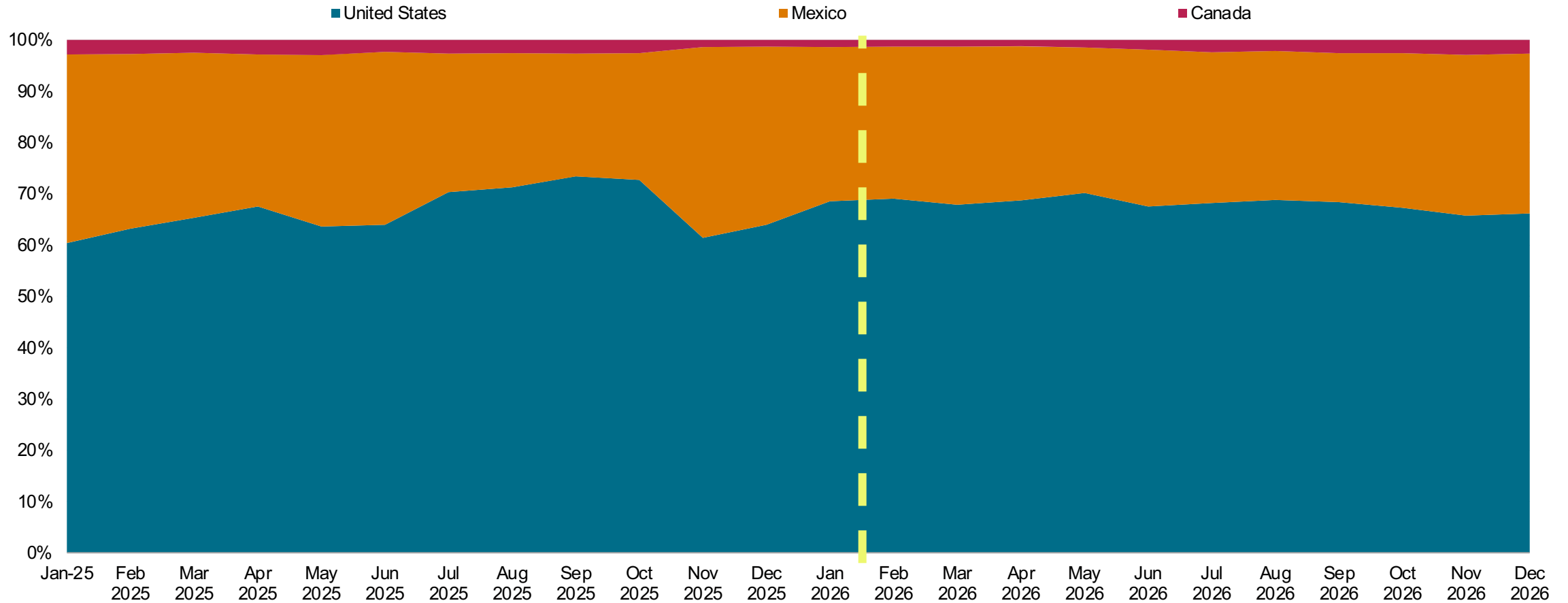


As of May 12, 2026.

Source: S&P Global Mobility analysis using internal data and data from Wards (Omdia)

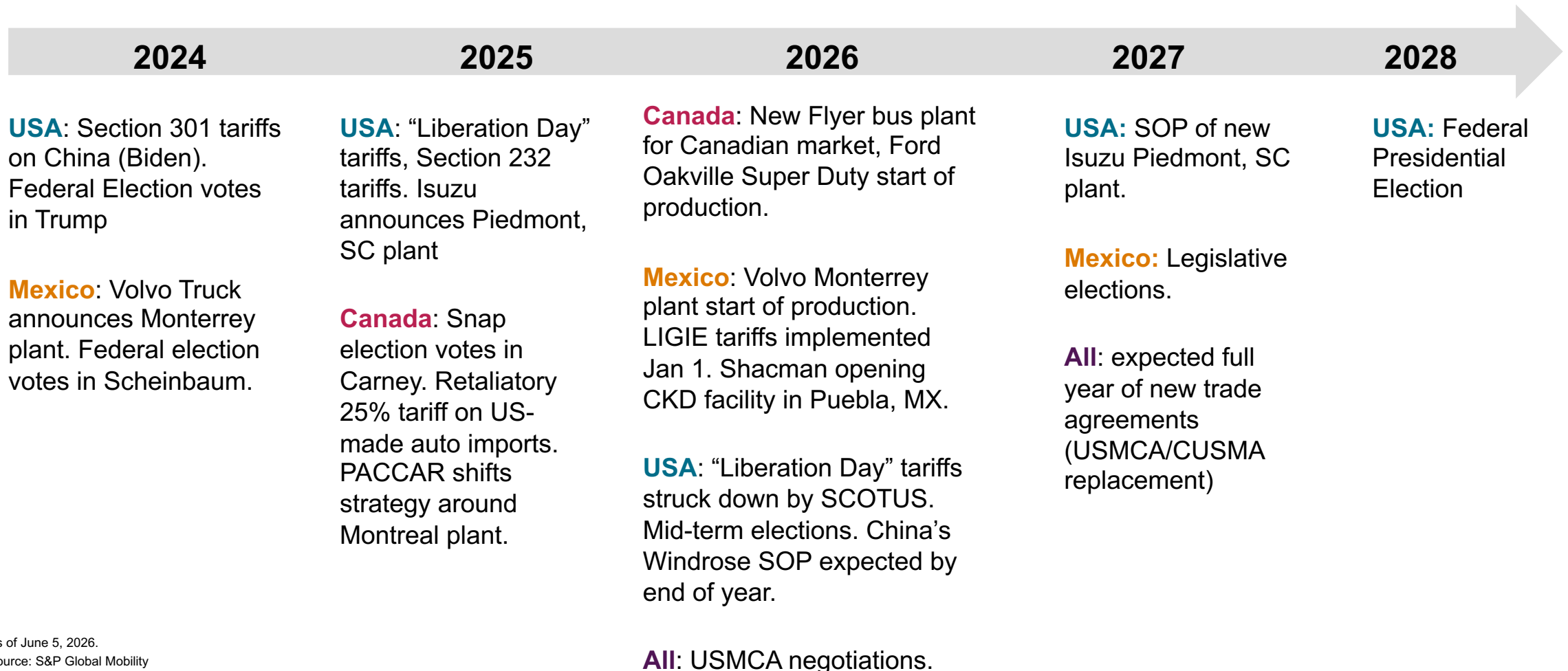
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NA Prod Mix Q2 2026



Source: S&P Global Mobility.
Data compiled June 5, 2026

Shifting trade policies in North America correlate with major OEM manufacturing strategy announcements



As of June 5, 2026.
Source: S&P Global Mobility

Medium Duty Product Horizon

<p>2026</p>	<p>BMC Nexio</p> <p>Ford Super Duty Trucks</p> <p>Exiting: Silverado MD, Int'l CV</p>	<p>Texas</p> <p>Ontario</p> <p>Ohio</p>
<p>2027</p>	<p>New Mack Granite</p> <p>New Isuzu N-Series, F-Series,</p> <p>Chevrolet LCF*</p>	<p>Pennsylvania, Mexico</p> <p>South Carolina, Japan</p>
<p>2028</p>	<p>Freightliner M4</p> <p>New Super Duty</p>	<p>North Carolina, Oregon, Mexico</p> <p>Various</p>
<p>2029</p>	<p>New Ram HD</p>	<p>Mexico</p>

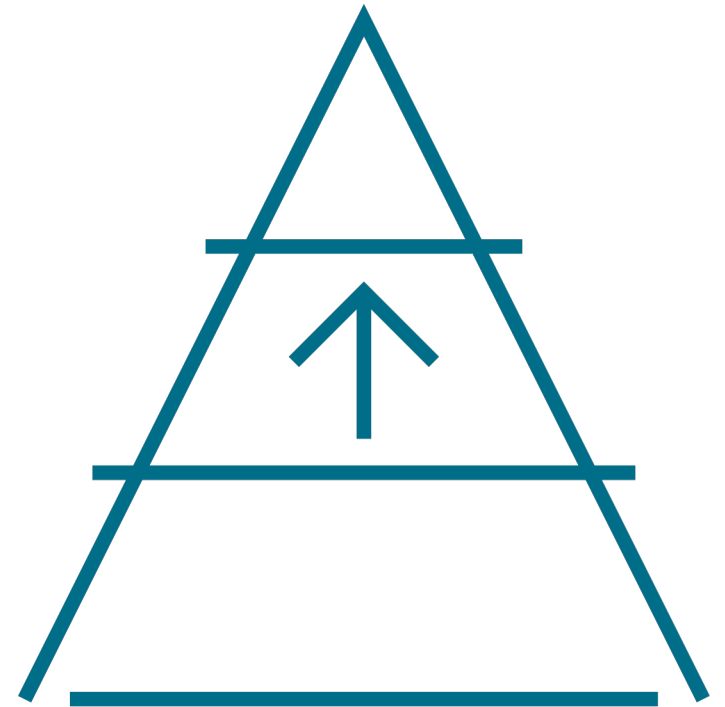
Heavy Duty truck product horizon

2026	International HV (refresh) Dongfeng Kinland GX Mack Anthem (new) Mack Pioneer Windrose R700 Tesla Semi	Mexico, Texas China Pennsylvania, Monterrey Pennsylvania, Monterrey China, USA Nevada
2027	Mack Granite (new) Mack Keystone Volvo VNX (new)	Pennsylvania, Monterrey Pennsylvania, Monterrey Virginia
2028	International LT/RH (next-gen) Freightliner M4 (next-gen M2)	Escobedo Santiago, USA
2029	Kenworth T880 (next-gen) Peterbilt 567 (next-gen) Peterbilt 520 (next-gen)	Renton Denton, Montreal Mexicali

As of June 5, 2026
Source: S&P Global Mobility

Early signposts ahead of Q3 release (August 2026)

- Strait of Hormuz (SOH) situation (effective re-opening delayed to July or August?)
- US interest rates (and before that, inflation)
- Consumer confidence in June and July
- Truck prices (have been <2% y/y each month, but have potential to go higher)
- High-frequency freight-market data, including rates, miles, tons and carrier profits (we expected rates up, tons flat or up modestly, but latest indication is tons could dip slightly)
- US Class 8 retail sales trend: Does it continue to climb, ahead of new registrations?
- Summer Class 8 truck orders
- Class 8 inventory drawdown, as a signal of prebuy
- July's USMCA news



As of June 1, 2026.
Source: S&P Global Mobility.

Conclusions



In Summary...

- 2026 looks to be a modest sales recovery for Mexico's MHCV market after a hard dive in 2025 following a pre-buy bubble in 2024.
- The North American market as a whole, with the United States as the primary engine, is seeing strong fundamental improvements for the freight market, including climbing spot rates and reports of strong seasonal orders, especially comparing year-over-year.
- Major headwinds include geopolitical instability, high fuel prices, essential product shortages (fertilizers, chips), as well as uncertainty around major trade agreements like USMCA (CUSMA).
- Several new medium and heavy trucks are nonetheless entering the North American market, or will be soon.

As of June 5, 2026.

Source: S&P Global Mobility, Getty Images.



Contact us

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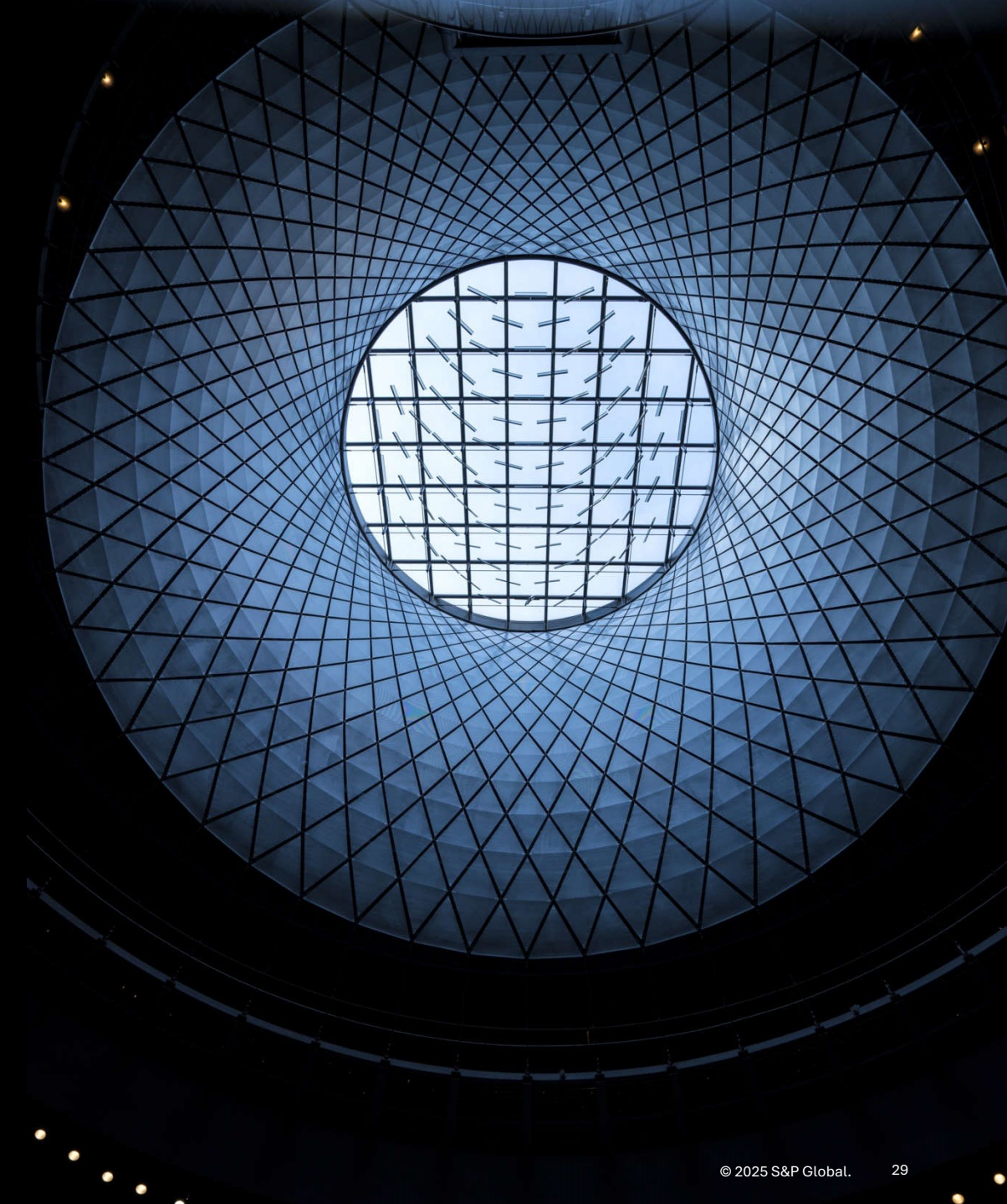
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