



Custer Contexo Group

Market Recap March 16-20 2026 CCG Automotive Electronics Daily News and Executive Briefing

Global Economics, Supply Chain Realignment, and End Market Growth

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Market Intelligence | For Those That Need To Know



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Executive Value Matrix: Strategic Takeaways

CEOs & SrVPs

- Navigating macro headwinds, geopolitical shocks, and powertrain recalibration.

Sales & Marketing

- Adapting to hybrid/EREV demand surges and regional sales volatility.

Finance & Mergers and Acquisitions

- Reallocating capital from stalled EV projects to ESS and semiconductor localization.

Procurement & Purchasing Managers

- Hedging against raw material price spikes, Middle East logistics blocks, and tariff impacts.

Strategic Question: How resilient is our supply chain and capital allocation strategy against the compounding shocks of geopolitical conflict, EV market recalibration, and semiconductor localization?





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Macroeconomic & Geopolitical Pressures

Energy Shocks

\$5.00+

U.S. average diesel price crosses \$5/gallon benchmark due to US-Israel-Iran conflict pressures (11, 14).

Logistics Chokepoints

Strait of Hormuz

Trade route disruptions blocking Middle East/North Africa shipments; Indian OEMs delaying exports and facing critical material shortages (33).

Tariff Fallout & Metals

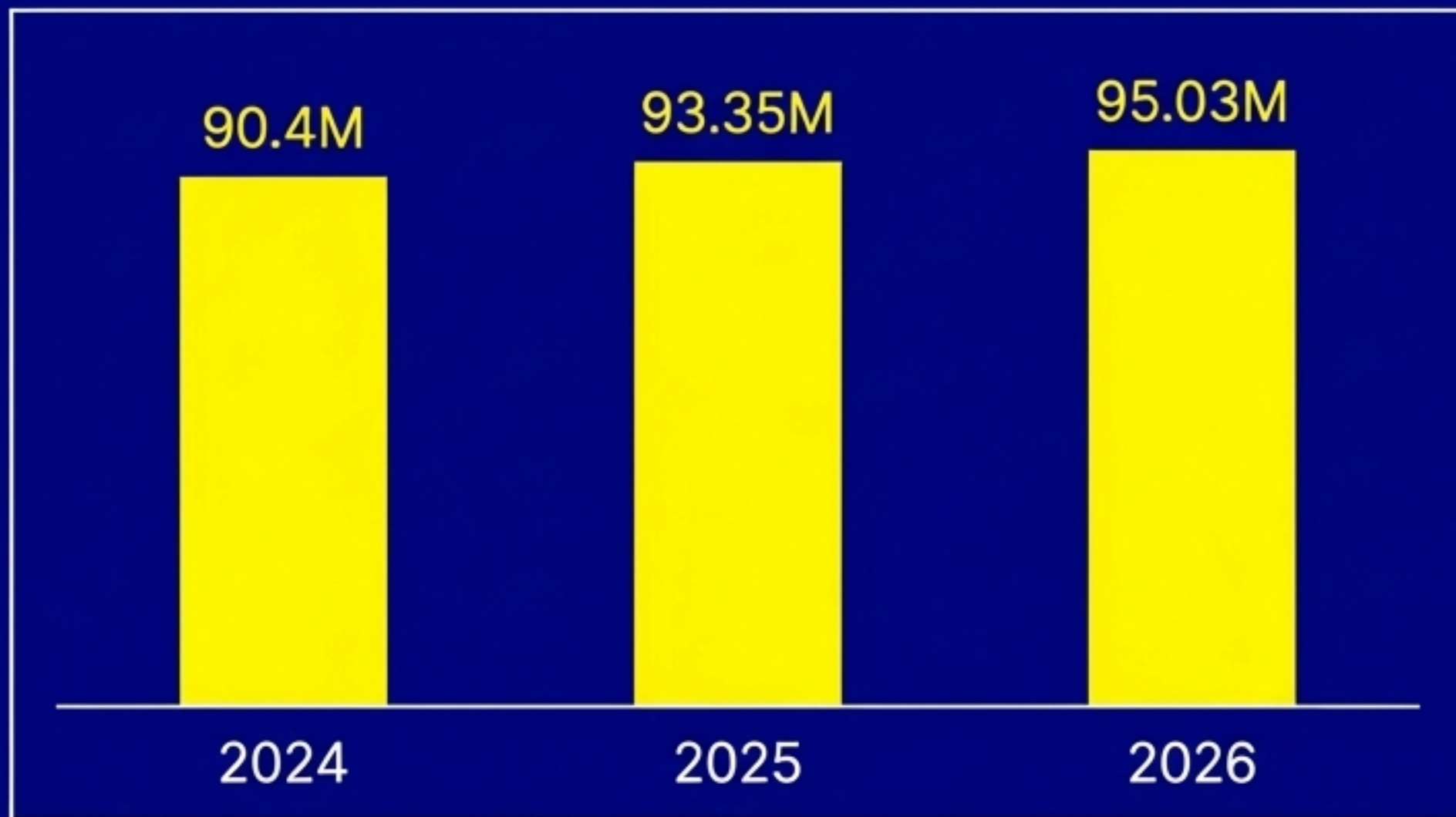
Surging Steel & Aluminum

U.S. steel prices and production soaring one year post-tariffs; concurrent aluminum output slashed by major Middle East smelters (23, 26).



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Global Light Vehicle Production Outlook (2025-2026)



(24)

Top OEMs	2025 Units	2026 Units
1 Toyota	11.21M	10.73M
2 VW Group	8.74M	8.67M
3 Hyundai	7.34M	7.17M
4 BYD	4.75M	5.59M

Global penetration of Chinese LV exports skews global production upgrades heavily toward Chinese OEMs (24).



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Global Market Sales Dashboard: US & Europe

Region

United States

Volume

1.19M units

YoY Change

▼ -1.9% YoY (34)

Context: 65 days' supply; EV momentum stalling due to credit expiration.

Region

United Kingdom

Volume

90.1K units

YoY Change

▲ +7.2% YoY (33)

Context: Busiest February since 2004; fleet sales driving volume.

Region

Germany

Volume

211K units

YoY Change

▲ +3.8% YoY (28)

Context: Supported by electrified and commercial vehicle growth.

Region

France

Volume

120.7K units

YoY Change

▼ -14.7% YoY (27)

Context: Sharp contraction in passenger car volume.





Global Market Sales Dashboard: China & India

China

Feb Sales: 1.67M units | ▼ **-20.5%**
YoY (26)

YTD (Jan-Feb): 4.12M units | ▼ **-9.5%**
YoY (26)

Driver: Lunar New Year holiday timing drastically reduced effective working days, artificially suppressing Q1 heat.

India

Feb PV Wholesale: 355.3K units | ▲
+7.3% YoY (16)

FY26 Projection: Hitting 4.7M unit
run rate (17)

Driver: Strong H2 momentum (+14.7% YoY from Oct-Feb); SUV segment reshaping volumes despite global bumps (17, 28).



Powertrain Realignment: The Hybrid/EREV Pivot

The BEV Retreat

- Legacy OEMs (Honda, GM, Ford) scaling back pure EV targets due to profitability pressure and lack of charging infrastructure (6).
- Honda scraps 3 EV models, triggering a potential \$15.7B writedown and \$10B in supplier compensation (11, 19).

The HEV/EREV Surge

- \$4.29/gallon gas prices reigniting consumer demand for fuel efficiency without range anxiety (7).
- Mainstream automakers pivoting capital to Extended-Range Electric Vehicles (EREV) to bridge the gap and protect margins (17).





Battery Market & The Grid/ESS Shift

Market Dominance

CATL expands global EV/hybrid battery share to 39.2% (3).

Material Demand

Global EV electrolyte installment reaches 89K tons (+13.6% YoY) despite EV headwinds (3).

The Pivot

Automakers retooling infrastructure. GM-LG shifting a \$70M US battery plant (Tennessee) from EV cells directly to LFP Energy Storage Systems (ESS) due to stalling vehicle demand (5).

Conclusion: Battery manufacturers are aggressively shifting output to grid and data center power solutions to hedge against auto market volatility.





Semiconductors & Power Electronics

In-House Production

Nio's in-house chip production eclipses 550,000 units, trading short-term R&D for long-term margin control (27).

Direct Competition

Horizon Robotics preparing J7 series to directly outpace Nvidia's Thor-X in compute power by 2027 (26).

Power Electronics Localization

Taiwan accelerating SiC and GaN power electronics strategy, focusing heavily on EV inverters to build competitive moats in packaging and thermal materials (25, 29).



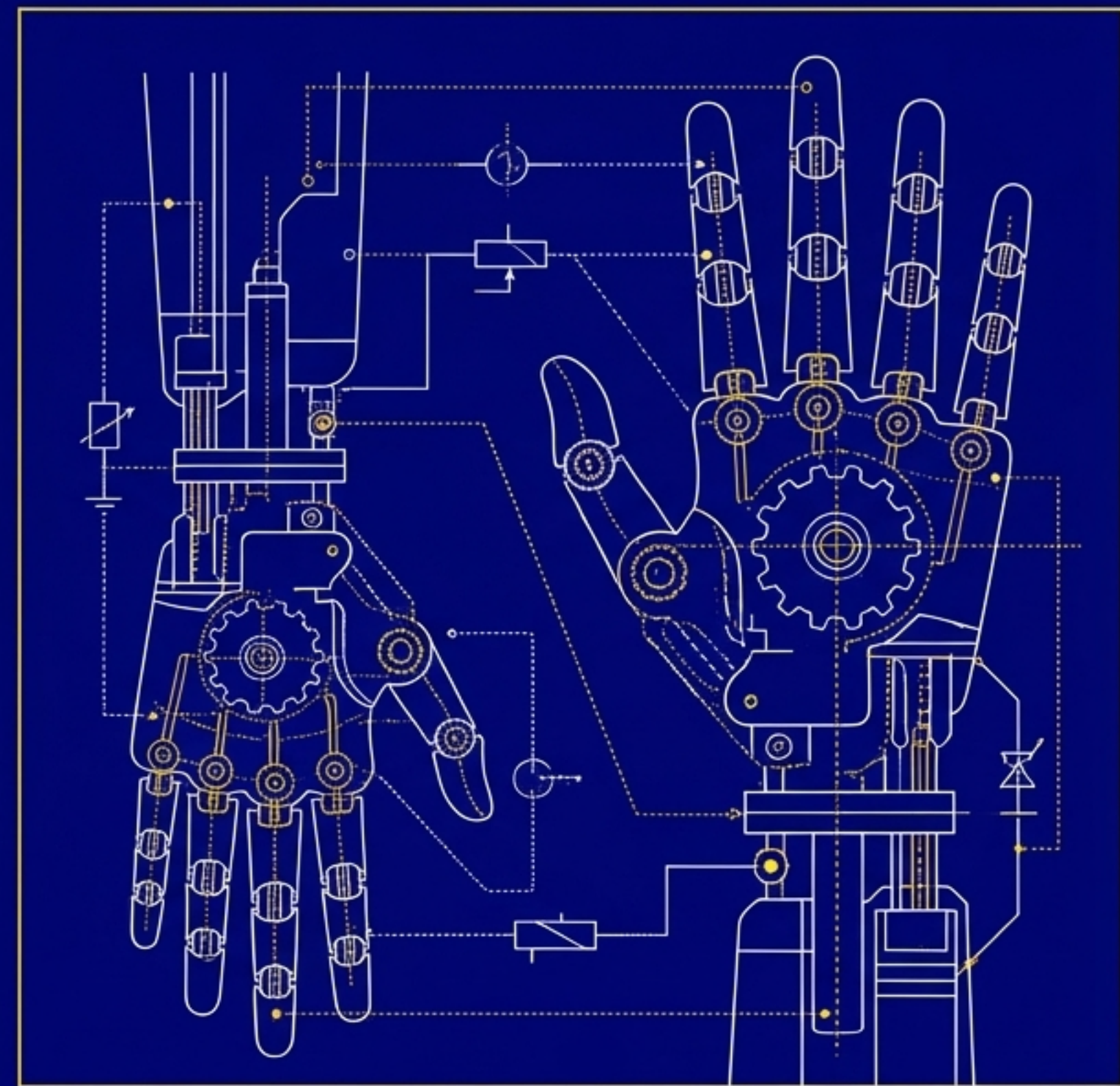


Auto Manufacturing, Robotics & Automation

Deployment: Humanoid robots are rapidly moving from R&D to active deployment in small-town factories to offset critical labor shortages. Active deployments noted at Renault, BMW, and Schaeffler facilities (28, 30, 49).

Financial Impact: Aurotek reports record revenue, driven by a robotics pivot that now accounts for >10% of sales, projecting double-digit growth (29).

Strategic Focus: The competitive battleground is shifting from AI 'brains' to physical hardware integration—specifically dexterity and 'last mile' deployment parameters (27).





Tier 1 Supplier Dynamics & Nearshoring

Supplier Leverage

Western Tier 1 suppliers are reclaiming the upper hand. As Chinese OEMs aggressively push overseas, they face strict 2027 compliance barriers requiring integration with established Western supply chains (35).

The Nearshoring Surge

Mexico's aerospace and specialized manufacturing exports surge from \$6.7B to \$10.7B, driven by deep North American supply chain integration and avoidance of trans-Pacific shipping risks (1).



CCG Automotive Electronics Supply Chain Heat Map

OEM Sales	[Mixed]	Western stalling offset by HEV pivot.
Electric Vehicles	[High Risk]	Capital withdrawal, pricing pressure.
Raw & Rare Earth Materials	[Elevated Risk]	Tariff impacts, strategic pacts.
Manufacturing Processes	[High Growth]	Nearshoring, advanced casting.
Parts & Components	[Stable]	Western suppliers reclaiming leverage.
Batteries	[Pivoting]	Overcapacity forcing shift to ESS/Grid.
EV Charging Infrastructure	[High Growth]	Heavy investments to solve range anxiety.



CCG Daily Market Index

Economic Data



[Neutral] – Inflation sticky, mixed regional sales.

Tone



[Cautious/Pivoting] – Capital discipline replacing EV exuberance.

Geopolitical Activity



[Highly Negative] – Hormuz blocked, Middle East war, tariffs expanding.

End Market Activities



[Volatile] – Shift toward hybrids, commercial fleets holding steady.

Growth Opportunity



[Highly Positive] – Factory automation, ESS, and SiC semiconductors.

Deep friction exists between compounding geopolitical risk (negative) and the aggressive acceleration of automation/hybrid architectures (positive).





Key Components & Raw Materials Outlook

Advanced Materials	Critical Minerals	Component Innovation
Carbon fiber demand surging to support drone and robotics booms. China upgrading to T1200-grade to raise stakes in advanced manufacturing (21, 24).	Japan and US forging new cooperation agreements to handle supply disruptions of critical minerals against Chinese market dominance (22).	Integration of 3D-printed metallic glass into motor parts successfully cutting iron losses, paving the way for hyper-efficient next-gen drivetrains (25).





Conclusion & Executive Directives

1

Rebalance Powertrain Portfolios

Shift immediate capital expenditure from pure BEV capacity toward high-margin HEV/EREV architectures and localized ESS production.

2

Secure Supply Chains Against Shocks

Diversify logistics away from Hormuz/Middle East chokepoints; accelerate nearshoring in Mexico to bypass compounding tariff barriers.

3

Accelerate Factory Automation

Deploy capital into autonomous robotics and localized semiconductor packaging to protect shrinking margins from labor shortages and supply volatility.

