



For Immediate Release

### **NasTrac Quarterly Index Shows Decline in Trucking and Machine Tool Repossessions in Q3 2009**

#### ***Nassau Asset Management's Index Shows Construction and Printing Equipment Repossessions Still Rising***

WESTBURY, NY, November 9, 2009 -- Repossessions and liquidations of trucking equipment and machine tools in the third quarter of 2009 declined as compared to similar figures from 2008, according to Nassau Asset Management's NasTrac Quarterly Index (NQI). The figures, culled from the company's activity reports for both repossessions and orderly liquidations, also indicated a rise in repossessions for both construction and printing equipment, offering mixed news on the health the American economy as it emerges from the recent recession.

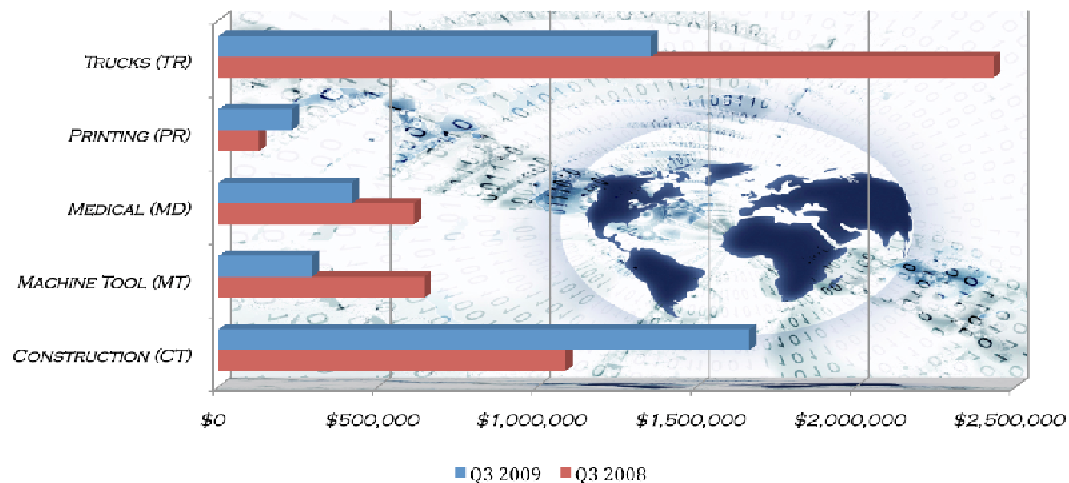
Trucking repossessions, which have undergone a steady and continuous increase over the past year and a half, dropped by 44 percent in the latest NQI. Machine tool repossessions processed by Nassau declined by 55 percent in Q3 2009, as compared to the same period in 2008.

However, other sectors continued to report increased activity in the NQI. Construction repossessions and liquidations rose by 53 percent during the quarter and printing equipment repossessions increased by 82 percent, as compared to the same total last year.

"After two very difficult quarters to start the year, there have been some scattered signs of improvement in the general economy and in some of the most battered verticals of the equipment leasing sector," said Ed Castagna, president of Nassau Asset Management. "These numbers obviously offer a mixed message and it appears that the economy is showing some signs of life but many sectors have yet to take part in that growth."

Castagna continued, "We recommend to anyone who is in the process of liquidating or remarketing assets that they be quick and smart in their decisions. Equipment values in this market are changing daily. Sellers must be conscious of the current actual liquidation value of their equipment, and be ready and able to take the best offer given to them in full confidence."

### *2008 vs. 2009 NQI Q3 COMPARISON TOP 5 REPOSSESSED CAPITAL ASSETS*



*NOTE: Information based on Nassau Asset Management's markets only*

#### **Trucking Repossessions and Liquidations**

The 44 percent drop in truck repossessions shows this sector may have stabilized and much of the excess of equipment has been drained from the market, ending the hysteria of the past few quarters in a sector that has seen an extraordinary amount of activity in the past few years.

The decline in recent repossessions in the trucking sector is likely due in part to the limited production of new vehicles. FTR Associates, an industry analyst firm, is forecasting a 47 percent decline in new Class 8 truck production this year.

The NQI data also reflects a mixed bag of news in trucking activity. The August 2009 Freight Transportation Services Index (TSI), which measures the month-to-month changes in freight shipments in ton-miles, rose 0.7 percent in August from its July level, a second consecutive monthly increase, according to the U.S. Department of Transportation.

In fact, the Freight TSI has now avoided a decline for four consecutive months for the first time since 2002, after a stretch of nine of the previous 12 months in which the index declined. However, the Freight TSI marked its lowest figure for August since August 1997 with a 10.9 percent decline from August 2008, the largest month-to-month decline in August in the 20 years for which the TSI is calculated.

#### **Other Repo Trends**

Nassau's latest NQI compares the company's internal repossession and orderly liquidation activity in the first quarter of 2009 with the same period of 2008. In addition to reporting on truck volume, the latest NQI revealed the following trends:

**Construction Repos Still On The Rise** – the current 53 percent rise in construction activity shows the continued problems faced by the homebuilding industry.

The Commerce Department recently announced that construction of new homes rose slightly, by

0.5 percent in September, with an increase in single-family construction leading the way. But applications for building permits fell by 1.2 percent, the largest amount in five months, raising doubts about the state of future housing activity.

On the other hand, the Architecture Billings Index, conducted by the American Institute of Architects to track increases or declines in workloads, rose 1.4 points to 43.1 in September, indicating improving business conditions. Additionally, the AIA's new project inquiries index reached its highest level since September 2007 of 59.1, up from 55.2 in August.

**Machine Tool Repos Decreased by 55 Percent** – Repossessions of machine tool equipment in Q3 2009 dropped by 55 percent as compared to totals for the same quarter in 2008, offering some hope for a sector that may best reflect the true economic condition of the country.

External data supports the perception of some form of turnaround in this sector. According to recent monthly reports by AMT (The Association for Manufacturing Technology) and AMTDA (the American Machine Tool Distributors' Association), U.S. manufacturing technology consumption has risen in three of the last four months. The Institute for Supply Management (ISM) reported in its August 2009 Manufacturing ISM Report on Business that the U.S. manufacturing sector finally achieved growth in August, for the first time in 18 months.

However, the AMT/AMTDA consumption rate for August dropped by almost 15 percent as compared to July and was down 63 percent from the total reported for August 2008. The year-to-date total is down 67.7 percent compared with 2008.

**Printing Equipment Repos Rose by 82 Percent in Q3 09** – Printing equipment repossessions continue to rise because that sector faces considerable pressure from the problems faced by many other business markets. Until those areas show improvement, the printing market will remain under duress. Recent analyst reports on companies such as Xerox, Canon and Océ state they are operating in weak markets that will remain in that situation for some time to come.

**Medical Equipment Repos Decreased From Q3 08** – Data in the NQI showed repossessions of medical equipment in 2009 declined by 32% from the same quarter of 2008. The recent decline in activity appears to reflect the fact that lenders are being more flexible with their terms and have been conservative in their approach to proceeding with repossession.

## **NQI Graphics**

For graphics outlining the findings of the NQI go to:

[http://www.nasset.com/news/pdf/NQI\\_2008-2009\\_Comparison\\_Q3\\_Final.pdf](http://www.nasset.com/news/pdf/NQI_2008-2009_Comparison_Q3_Final.pdf)

## **About NQI**

NQI reports on Nassau's internal repossession and orderly liquidation activity in a given quarter compared to the same quarter the previous year or to previous quarters in the same year. Readers should keep in mind that results must be viewed over several quarters to establish trends. Finance companies and industry analysts can also contract with Nassau to dig deeper into the numbers, determining the root causes for trends and researching specific equipment types. Companies can use their private reports created by Nassau to help mitigate risk in portfolios and/or provide useful economic indicators to their own clients.

## **ABOUT NASSAU**

Nassau Asset Management of Westbury, NY, has been providing full-service asset management, including asset recovery, collections, remarketing, plant liquidations, and appraisals for more than 25 years to the equipment finance industry. For more information, please visit [www.nasset.com](http://www.nasset.com) or call 1-800-4.NASSAU.

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## **Media Contacts**

### **Edward Castagna**

Nassau Asset Management  
800.462.7728, ext. 301  
[ecast@nasset.com](mailto:ecast@nasset.com)

### **George Evanko**

Susan Carol Associates  
703-848-1655  
[gevanko@scapr.com](mailto:gevanko@scapr.com)