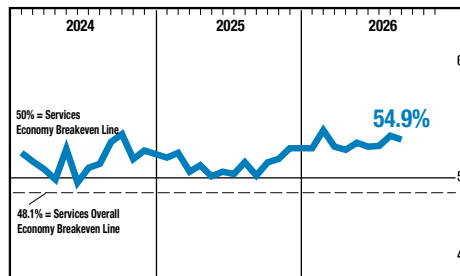


SERVICES PMI® at 54.9%

In September, the Services PMI® registered 54.9 percent, 0.8 percentage point above its 12-month moving average of 54.1 percent. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates it is generally contracting. The past relationship between the Services PMI® and the overall economy indicates that the Services PMI® for September (54.9 percent) corresponds to a 2.1-percentage point increase in real gross domestic product (GDP) on an annualized basis.



Economic activity in the services sector continued to expand in September, say the nation's purchasing and supply executives in the latest ISM® *Services PMI® Report*.

The Services PMI® registered 54.9 percent, the 27th consecutive month in expansion territory. The Business Activity Index remained in expansion territory in September, decreasing 5.2 percentage points to 56.5 percent from August's reading of 61.7 percent. The New Orders Index registered 59.8 percent, 1.1 percentage points below August's figure of 60.9 percent. The Employment Index moved into expansion territory for the first time in three months with a reading of 50.1 percent, a 2.3-percentage point increase from the 47.8 percent recorded in August. The Supplier Deliveries Index registered 53.2 percent, 1.9 percentage points higher than the 51.3 percent recorded in August. This is the 22nd consecutive month that the index has been in expansion territory, indicating slower supplier delivery performance. The Prices Index registered above 70 percent for the sixth time in seven months; the reading of 74 percent in September is 1.4 percentage points above August's figure of 72.6 percent and the highest since July 2022 (74.5 percent).

The 13 services industries reporting growth in September — listed in order — are: Wholesale Trade; Real Estate, Rental & Leasing; Other Services[†]; Public Administration; Retail Trade; Educational Services; Utilities; Information; Transportation & Warehousing; Finance & Insurance; Accommodation & Food Services; Health Care & Social Assistance; and Professional, Scientific & Technical Services. **ISM**

[†]**Other Services** (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).

Services at a Glance

INDEX	Sep Index	Aug Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	54.9	55.4	-0.5	Growing	Slower	27
Business Activity	56.5	61.7	-5.2	Growing	Slower	27
New Orders	59.8	60.9	-1.1	Growing	Slower	16
Employment	50.1	47.8	+2.3	Growing	From Contracting	1
Supplier Deliveries	53.2	51.3	+1.9	Slowing	Faster	22
Inventories	57.8	56.7	+1.1	Growing	Faster	8
Prices	74.0	72.6	+1.4	Increasing	Faster	112
Backlog of Orders	56.6	55.6	+1.0	Growing	Faster	8
New Export Orders	46.9	56.3	-9.4	Contracting	From Growing	1
Imports	52.9	56.3	-3.4	Growing	Slower	3
Inventory Sentiment	51.7	54.1	-2.4	Too High	Slower	41
Overall Economy				Growing	Slower	76
Services Sector				Growing	Slower	27

*Number of months moving in current direction. ISM® *Services PMI® Report* data have been seasonally adjusted for the Business Activity, New Orders, Employment and Prices indexes.

Commodities Reported

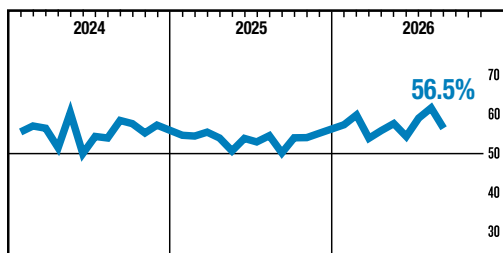
Commodities Up in Price: Aluminum Chlorohydrate; Contractors — Construction; Copper (10); Copper Based Products (2); Copper Wire; Diesel (7); Food Products (2); Fuel (8); Garage Doors; Gasoline (8); Labor; Lumber*; Memory Products (9); Office Supplies; Petroleum Based Products (5); Software — Licensing (8); Steel; Steel Products (6); Switchgear; and Wire and Cable.

Commodities Down in Price: Lumber*; and Pork Products.

Commodities in Short Supply: Computers and Related Products; Fuel; Memory Components (9); Solid State Drives (SSDs); Steel Products (4); Switchgear; and Wire and Cable (4).

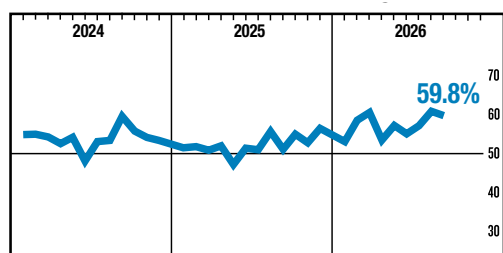
Note: To view the full report, visit the ISM® PMI® Reports website at ismrob.org

The number of consecutive months the commodity has been listed is indicated after each item. *Indicates both up and down in price.



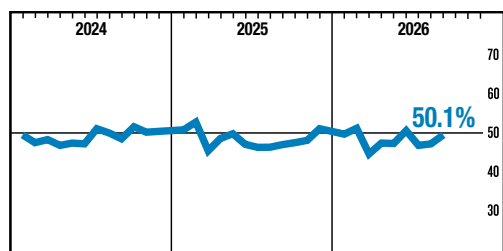
Business Activity

ISM's Business Activity Index registered 56.5 percent. The 12 industries reporting an increase in business activity for the month of September — listed in order — are: Other Services[†]; Public Administration; Retail Trade; Information; Transportation & Warehousing; Real Estate, Rental & Leasing; Wholesale Trade; Utilities; Educational Services; Finance & Insurance; Professional, Scientific & Technical Services; and Health Care & Social Assistance.



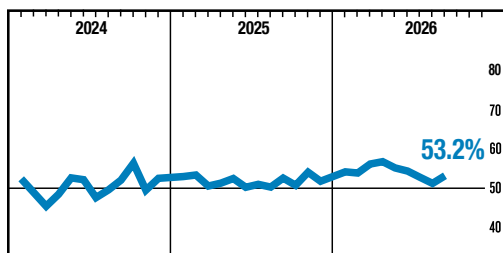
New Orders

ISM's New Orders Index registered 59.8 percent. The 13 industries reporting an increase in new orders for the month of September — listed in order — are: Real Estate, Rental & Leasing; Wholesale Trade; Retail Trade; Public Administration; Other Services[†]; Utilities; Health Care & Social Assistance; Educational Services; Management of Companies & Support Services; Finance & Insurance; Information; Transportation & Warehousing; and Professional, Scientific & Technical Services.



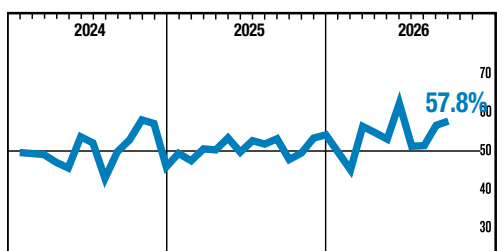
Employment

The Employment Index registered 50.1 percent. The seven industries reporting an increase in employment in September — listed in order — are: Accommodation & Food Services; Wholesale Trade; Educational Services; Real Estate, Rental & Leasing; Transportation & Warehousing; Retail Trade; and Professional, Scientific & Technical Services.



Supplier Deliveries

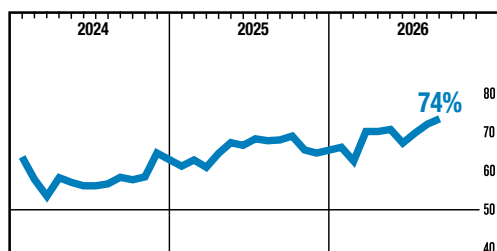
The Supplier Deliveries Index registered 53.2 percent. The 11 industries reporting slower deliveries in September — in the following order — are: Accommodation & Food Services; Utilities; Construction; Health Care & Social Assistance; Management of Companies & Support Services; Finance & Insurance; Wholesale Trade; Information; Public Administration; Professional, Scientific & Technical Services; and Transportation & Warehousing.



Inventories

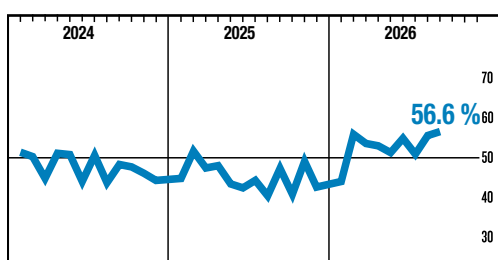
The Inventories Index registered 57.8 percent. The nine industries reporting an increase in inventories in September — in the following order — are: Public Administration; Other Services[†]; Professional, Scientific & Technical Services; Real Estate, Rental & Leasing; Educational Services; Transportation & Warehousing; Wholesale Trade; Construction; and Health Care & Social Assistance.

[†]Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).



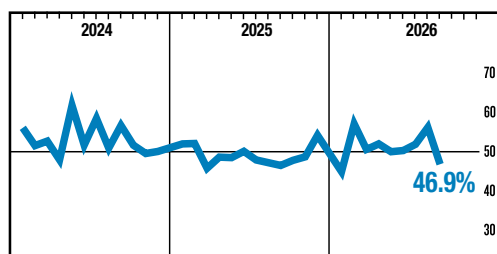
Prices

The Prices Index registered 74 percent. Seventeen industries reported an increase in prices paid during the month of September, in the following order: Management of Companies & Support Services; Transportation & Warehousing; Agriculture, Forestry, Fishing & Hunting; Other Services[‡]; Real Estate, Rental & Leasing; Utilities; Construction; Professional, Scientific & Technical Services; Accommodation & Food Services; Information; Public Administration; Wholesale Trade; Educational Services; Mining; Finance & Insurance; Health Care & Social Assistance; and Retail Trade.



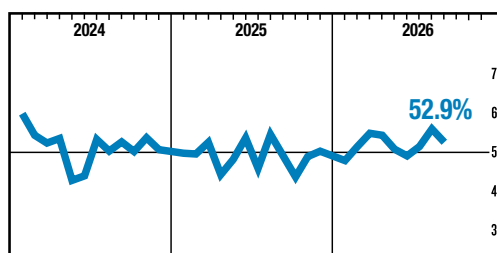
Backlog of Orders

The ISM Services Backlog of Orders Index registered 56.6 percent. The 10 industries reporting an increase in order backlogs in September — in the following order — are: Other Services[‡]; Real Estate, Rental & Leasing; Finance & Insurance; Retail Trade; Educational Services; Transportation & Warehousing; Health Care & Social Assistance; Professional, Scientific & Technical Services; Utilities; and Wholesale Trade.



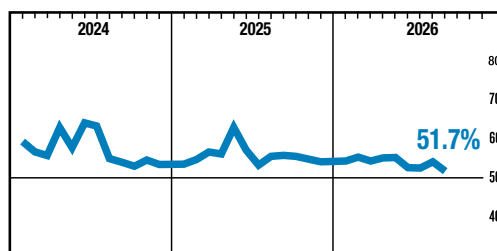
New Export Orders

The New Export Orders Index registered 46.9 percent. The three industries reporting an increase in new export orders in September are: Retail Trade; Health Care & Social Assistance; and Wholesale Trade.



Imports

The Imports Index registered 52.9 percent. The six industries reporting an increase in imports for the month of September, in order, are: Public Administration; Retail Trade; Information; Professional, Scientific & Technical Services; Utilities; and Wholesale Trade.



Inventory Sentiment

The ISM Services Inventory Sentiment Index registered 51.7 percent. The nine industries reporting sentiment that their inventories were too high in September, in order, are: Mining; Accommodation & Food Services; Other Services[‡]; Wholesale Trade; Utilities; Public Administration; Educational Services; Transportation & Warehousing; and Retail Trade.

[‡]Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report.

The data presented herein is obtained from a survey of manufacturing and services supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

Data and Method of Presentation

The **ISM® Manufacturing PMI® Report** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Panel is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industries' contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2024 GDP estimate and the GDP estimates for first, second, and third quarter 2025, as released on January 22, 2026), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Food, Beverage & Tobacco Products; Computer & Electronic Products; Machinery; and Petroleum & Coal Products.

The **ISM® Services PMI® Report** (formerly the Non-Manufacturing ISM® *Report On Business*®) is based on data compiled from purchasing and supply executives nationwide. Membership of the Services Business Survey Panel (formerly Non-Manufacturing Business Survey Committee) is diversified by the North American Industry Classification System (NAICS), based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Panel responses are divided into the following NAICS code categories: Agriculture, Forestry, Fishing & Hunting; Mining; Utilities; Construction; Wholesale Trade; Retail Trade; Transportation & Warehousing; Information; Finance & Insurance; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Educational Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Accommodation & Food Services; Public Administration; and Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services, and Dating Services). The data are weighted based on each industry's contribution to GDP. According to U.S. Bureau of Economic Analysis (BEA) estimates (the average of the fourth quarter 2024 GDP estimate and the GDP estimates for first, second, and third quarter 2025, as released on January 22, 2026), the six largest services sectors are: Real Estate, Rental & Leasing; Public Administration; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance.

Survey responses reflect the change, if any, in the current month compared to the previous month. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (for Manufacturing: New Orders, Production, Employment, and Inventories) (for Services: Business Activity, New Orders, Employment and Prices) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. The remaining indexes have not indicated significant seasonality. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them.

The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted). The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change.

A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing PMI® above 47.5 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 47.5 percent, it is generally declining. The distance from 50 percent or 47.5 percent is indicative of the extent of the expansion or decline. A Services PMI® reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. A Services PMI® above 48.1 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.1 percent, it is generally declining. The distance from 50 percent or 48.1 percent is indicative of the strength of the expansion or decline. With some of the indicators within the ISM® Manufacturing PMI® Report, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The ISM® *PMI® Report* surveys are sent out to Manufacturing and Services Business Survey Panel respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity.

The industries reporting growth, as indicated in the monthly reports, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

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