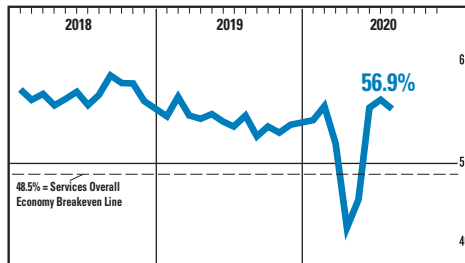


SERVICES PMI™ at 56.9%

In August, the Services PMI™ registered 56.9 percent, 1.2 percentage points lower than July's figure of 58.1 percent. The reading indicates the services sector grew for the third consecutive month after two months of contraction and 122 months of growth before that. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates the services sector is generally contracting.



Economic activity in the services sector grew in August for the third month in a row, say the nation's purchasing and supply executives in the latest Services ISM® Report On Business®.

The Services PMI™ (formerly the Non-Manufacturing NMI®) registered 56.9 percent. This reading represents growth in the services sector for the third straight month and the 125th time in the last 127 months, with the exception of April's and May's contraction. Respondents' comments are mostly optimistic and industry specific about business conditions and the economy as businesses are starting to reopen. Industries that have not reopened remain concerned about the ongoing uncertainty. There is a challenge with capacity and logistics due to the pandemic and the impact on deliveries and order fulfillment. The 15 services industries reporting growth in August — listed in order — are: Arts, Entertainment & Recreation; Health Care & Social Assistance; Utilities; Accommodation & Food Services; Transportation & Warehousing; Wholesale Trade; Construction; Retail Trade; Management of Companies & Support Services; Public Administration; Finance & Insurance; Educational Services; Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; 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	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI™	56.9	58.1	-1.2	Growing	Slower	3
Business Activity	62.4	67.2	-4.8	Growing	Slower	3
New Orders	56.8	67.7	-10.9	Growing	Slower	3
Employment	47.9	42.1	+5.8	Contracting	Slower	6
Supplier Deliveries	60.5	55.2	+5.3	Slowing	Faster	15
Inventories	45.8	52.0	-6.2	Contracting	From Growing	1
Prices	64.2	57.6	+6.6	Increasing	Faster	5
Backlog of Orders	56.6	55.9	+0.7	Growing	Faster	3
New Export Orders	55.8	49.3	+6.5	Growing	From Contracting	1
Imports	50.8	46.3	+4.5	Growing	From Contracting	1
Inventory Sentiment	52.5	50.0	+2.5	Too High	From Unchanged	1
Overall Economy				Growing	Slower	3
Services Sector				Growing	Slower	3

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

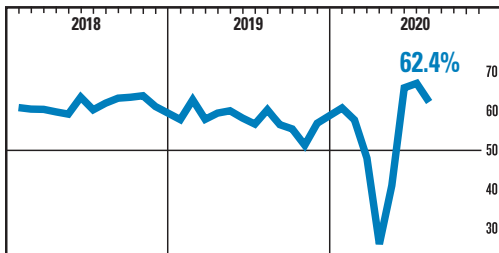
Commodities Reported

Commodities Up in Price: Cleaning Products (6); Construction; Copper Products; COVID-19 Testing Kits; Dairy; Diesel Fuel* (3); Food Products; Fuel (3); Hardware; Janitorial Chemicals; Janitorial Supplies; Labor; Lumber Products (4); Medical Supplies (7); N95 Masks; Oriented Strand Board (OSB) (2); Paper Products; Personal Protective Equipment (PPE) (7); PPE — Gloves (6); PPE — Gowns (6); PPE — Masks; Pharmaceuticals; Plastic Products; Shingles; Steel Products; and Transportation.

Commodities Down in Price: Computer Hardware; Diesel Fuel*; Gasoline; and Hand Sanitizer.

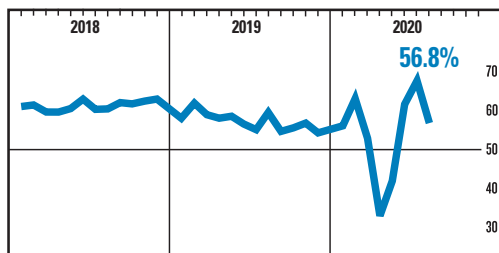
Commodities in Short Supply: Alcohol; Bouffant Caps (2); Disinfectant Wipes (4); Fiber Optic Cable; Hand Sanitizer (6); Labor (3); Labor — Construction (3); Labor — Temporary; Lumber; N95 Masks (6); Nitrile Gloves (3); Personal Protective Equipment (PPE) (7); PPE — Gloves (5); PPE — Gowns (5); PPE — Masks (6); Plastic Products; Powered Air-Purifying Respirator (PAPR) Systems and Hoods; Sanitary Supplies (5); Steel Products; and Wipes (3).

Note: The number of consecutive months the commodity is listed is indicated after each item.*Reported as both up and down in price.



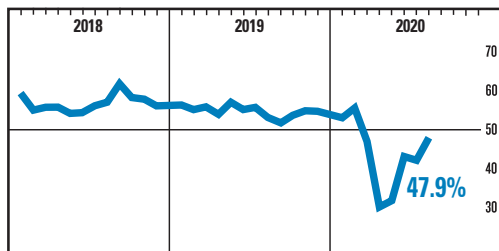
Business Activity

ISM's Business Activity Index registered 62.4 percent. The 13 industries reporting an increase in business activity for the month of August — listed in order — are: Arts, Entertainment & Recreation; Utilities; Management of Companies & Support Services; Real Estate, Rental & Leasing; Health Care & Social Assistance; Wholesale Trade; Public Administration; Construction; Transportation & Warehousing; Finance & Insurance; Educational Services; Accommodation & Food Services; and Retail Trade.



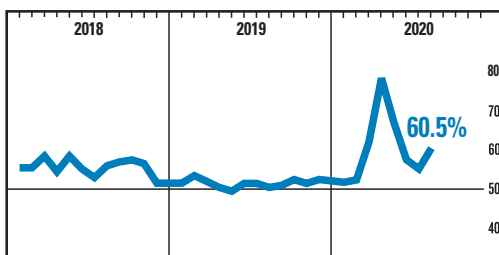
New Orders

ISM's New Orders Index registered 56.8 percent. The 12 industries reporting growth of new orders in August — listed in order — are: Arts, Entertainment & Recreation; Utilities; Public Administration; Accommodation & Food Services; Health Care & Social Assistance; Educational Services; Management of Companies & Support Services; Wholesale Trade; Finance & Insurance; Retail Trade; Transportation & Warehousing; and Construction.



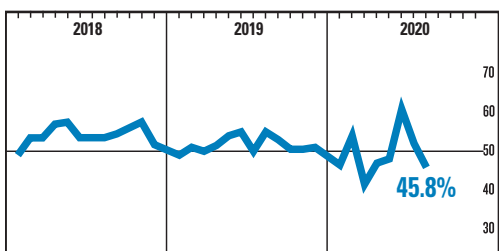
Employment

Employment activity in the services sector contracted in August for the sixth month in a row following 72 consecutive months of growth. ISM's Services Employment Index registered 47.9 percent. The eight industries reporting an increase in employment in August — listed in order — are: Arts, Entertainment & Recreation; Agriculture, Forestry, Fishing & Hunting; Accommodation & Food Services; Wholesale Trade; Health Care & Social Assistance; Transportation & Warehousing; Utilities; and Professional, Scientific & Technical Services.



Supplier Deliveries

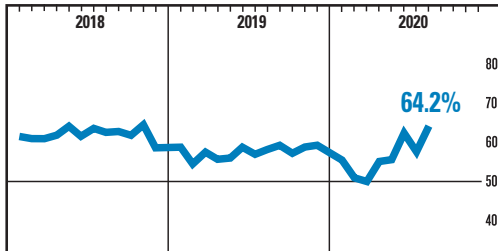
The Supplier Deliveries Index registered 60.5 percent. The 16 industries reporting slower deliveries in August — listed in order — are: Retail Trade; Agriculture, Forestry, Fishing & Hunting; Construction; Transportation & Warehousing; Health Care & Social Assistance; Other Services; Accommodation & Food Services; Real Estate, Rental & Leasing; Educational Services; Information; Public Administration; Management of Companies & Support Services; Wholesale Trade; Finance & Insurance; Utilities; and Professional, Scientific & Technical Services.



Inventories

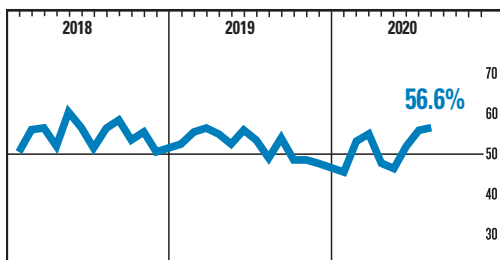
The Inventories Index contracted in August after two months of growth, registering 45.8 percent. The six industries reporting an increase in inventories in August — listed in order — are: Educational Services; Finance & Insurance; Health Care & Social Assistance; Retail Trade; Utilities; and Information.

*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).



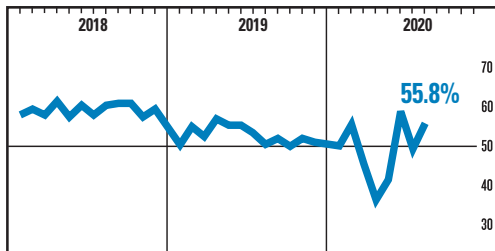
Prices

Prices paid by service organizations for materials and services increased in August, with the index registering 64.2 percent. The 14 service industries that reported an increase in prices paid during the month of August — listed in order — are: Accommodation & Food Services; Real Estate, Rental & Leasing; Wholesale Trade; Agriculture, Forestry, Fishing & Hunting; Health Care & Social Assistance; Educational Services; Professional, Scientific & Technical Services; Management of Companies & Support Services; Transportation & Warehousing; Mining; Utilities; Finance & Insurance; Construction; and Public Administration.



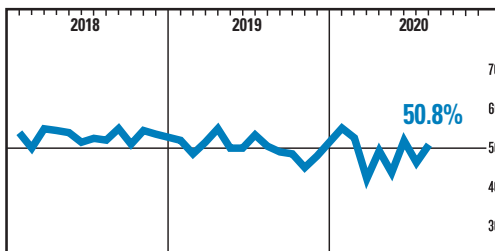
Backlog of Orders

The ISM Services Backlog of Orders Index registered 56.6 percent. The eight industries reporting an increase in order backlogs in August — listed in order — are: Accommodation & Food Services; Real Estate, Rental & Leasing; Educational Services; Health Care & Social Assistance; Utilities; Public Administration; Wholesale Trade; and Construction.



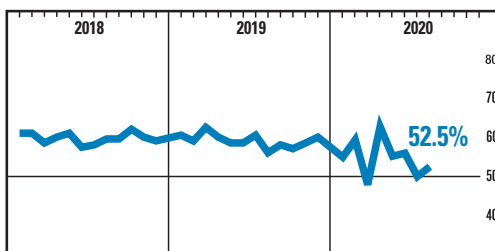
New Export Orders

The New Export Orders Index registered 55.8 percent. The five industries reporting an increase in new export orders in August are: Real Estate, Rental & Leasing; Utilities; Construction; Wholesale Trade; and Finance & Insurance.



Imports

The Services Imports Index grew after one month of contraction, as the index registered 50.8 percent in August, 4.5 percentage points higher than July's figure of 46.3 percent. The seven industries reporting an increase in imports for the month of August — listed in order — are: Wholesale Trade; Accommodation & Food Services; Retail Trade; Finance & Insurance; Health Care & Social Assistance; Educational Services; and Transportation & Warehousing.



Inventory Sentiment

The ISM Services Inventory Sentiment Index in August registered 52.5 percent, which is 2.5 percentage points higher than the 50-percent reading in July. The seven industries reporting sentiment that their inventories were too high in August — listed in order — are: Arts, Entertainment & Recreation; Mining; Other Services^{**}; Information; Wholesale Trade; Finance & Insurance; and Utilities.

^{**}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).