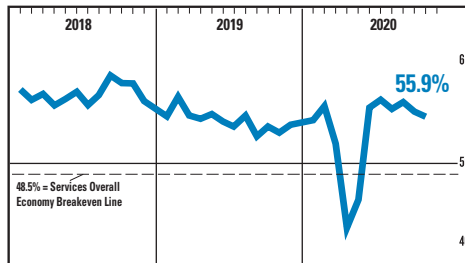


# SERVICES PMI™ at 55.9%

In November, the Services PMI™ (formerly the Non-Manufacturing NMI®) registered 55.9 percent, 0.7 percentage point lower than October's figure of 56.6 percent. This reading indicates the services sector grew for the sixth 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. The past relationship between the Services PMI™ and the overall economy indicates that the Services PMI™ for November (55.9 percent) corresponds to a 2.5-percent increase in real gross domestic product (GDP) on an annualized basis.



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

The Services PMI™ registered 55.9 percent, 0.7 percentage point lower than the October reading of 56.6 percent. This reading represents a sixth straight month of growth for the services sector, which has expanded for all but two of the last 130 months. The Prices Index figure of 66.1 percent is 2.2 percentage points higher than the October reading of 63.9 percent, indicating that prices increased in November at a faster rate. The composite index indicated growth for the sixth consecutive month after a two month contraction in April and May. In November, there continued to be a slight pullback in the rate of growth in the services sector. Respondents' comments are mixed about business conditions and the economy. The 14 services industries reporting growth in November — listed in order — are: Transportation & Warehousing; Management of Companies & Support Services; Health Care & Social Assistance; Utilities; Accommodation & Food Services; Construction; Retail Trade; Wholesale Trade; Professional, Scientific & Technical Services; Finance & Insurance; Agriculture, Forestry, Fishing & Hunting; Mining; Public Administration; and Information. **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	Nov Index	Oct Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI™	55.9	56.6	-0.7	Growing	Slower	6
Business Activity	58.0	61.2	-3.2	Growing	Slower	6
New Orders	57.2	58.8	-1.6	Growing	Slower	6
Employment	51.5	50.1	+1.4	Growing	Faster	3
Supplier Deliveries	57.0	56.2	+0.8	Slowing	Faster	18
Inventories	49.3	53.1	-3.8	Contracting	From Growing	1
Prices	66.1	63.9	+2.2	Increasing	Faster	8
Backlog of Orders	50.7	54.4	-3.7	Growing	Slower	6
New Export Orders	50.4	53.7	-3.3	Growing	Slower	4
Imports	55.0	52.5	+2.5	Growing	Faster	2
Inventory Sentiment	49.9	51.1	-1.2	Too Low	From Too High	1
<b>Overall Economy</b>				<b>Growing</b>	<b>Slower</b>	<b>6</b>
<b>Services Sector</b>				<b>Growing</b>	<b>Slower</b>	<b>6</b>

\*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.

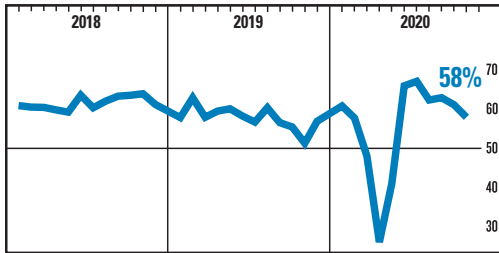
## Commodities Reported

**Commodities Up in Price:** Cheese; Construction Contractors (2); Corn (3); Disinfectant Supplies (3); Electrical Components; Exam Gloves (2); Lumber Products (7); Medical Supplies (10); Nitrile Gloves (3); Personal Protective Equipment (PPE)\* (10); PPE — Gloves (2); PPE — Gowns (2); PPE — Masks (4); Pharmaceuticals; Plastic Products (2); PVC Products (3); Soybean Products; and Steel (3).

**Commodities Down in Price:** Beef; Diesel (2); and Personal Protective Equipment (PPE)\* (2).

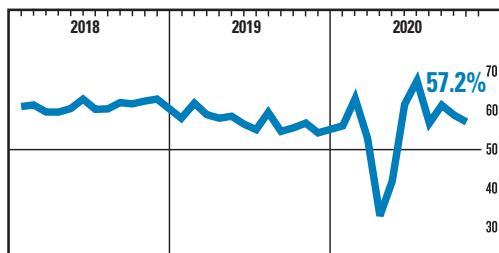
**Commodities in Short Supply:** Construction Contractors (2); Construction Subcontractors (2); Disinfectant Supplies; Disinfectant Wipes (7); Exam Gloves (2); Isolation Gowns (2); Labor — Temporary; Medical Supplies (3); N95 Masks (9); Nitrile Gloves (6); Personal Protective Equipment (PPE) (10); PPE — Gloves (8); PPE — Gowns (8); PPE — Masks (9); PVC Products (2); Sanitary Supplies (8); Sterile Surgical Gowns; Swabs; Transformers; Vinyl Gloves (2); and Wipes (6).

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



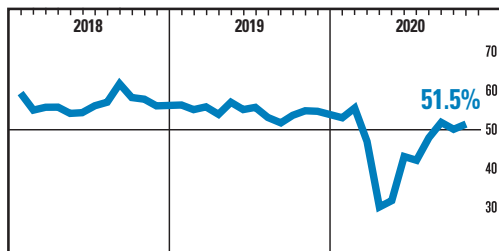
## Business Activity

ISM's Business Activity Index registered 58 percent. The 14 industries reporting an increase in business activity for the month of November — listed in order — are: Transportation & Warehousing; Management of Companies & Support Services; Health Care & Social Assistance; Utilities; Accommodation & Food Services; Finance & Insurance; Professional, Scientific & Technical Services; Retail Trade; Mining; Construction; Wholesale Trade; Public Administration; Information; and Educational Services.



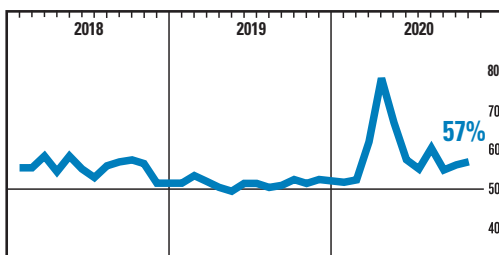
## New Orders

ISM's New Orders Index registered 57.2 percent. The 13 industries reporting growth of new orders in November — listed in order — are: Transportation & Warehousing; Management of Companies & Support Services; Mining; Health Care & Social Assistance; Finance & Insurance; Professional, Scientific & Technical Services; Construction; Retail Trade; Utilities; Accommodation & Food Services; Educational Services; Wholesale Trade; and Public Administration.



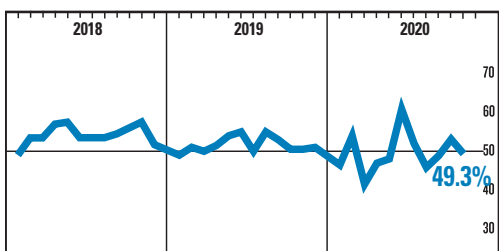
## Employment

Employment activity in the services sector grew in November for the third consecutive month after a six-month period of contraction, which was preceded by 72 consecutive months of growth. ISM's Services Employment Index registered 51.5 percent. The seven industries reporting an increase in employment in November — listed in order — are: Transportation & Warehousing; Utilities; Construction; Wholesale Trade; Accommodation & Food Services; Health Care & Social Assistance; and Management of Companies & Support Services.



## Supplier Deliveries

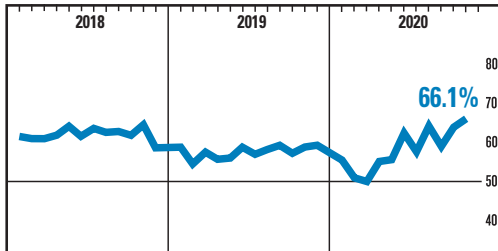
The Supplier Deliveries Index registered 57 percent, which is 0.8 percentage point higher than the 56.2 percent reported in October. The 14 industries reporting slower deliveries in November — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Wholesale Trade; Construction; Management of Companies & Support Services; Retail Trade; Information; Other Services<sup>††</sup>; Accommodation & Food Services; Health Care & Social Assistance; Utilities; Professional, Scientific & Technical Services; Public Administration; and Educational Services.



## Inventories

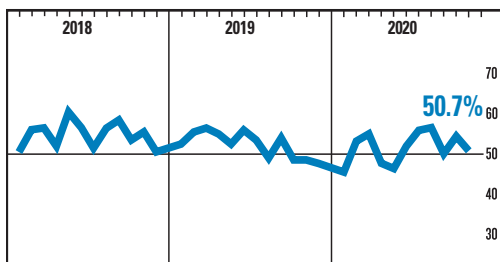
The Inventories Index contracted in November after one month of growth. The reading of 49.3 percent was a 3.8-percentage point decrease from the 53.1 percent reported in October. The eight industries reporting an increase in inventories in November — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Health Care & Social Assistance; Finance & Insurance; Utilities; Accommodation & Food Services; Wholesale Trade; Educational Services; and Public Administration.

<sup>††</sup>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).



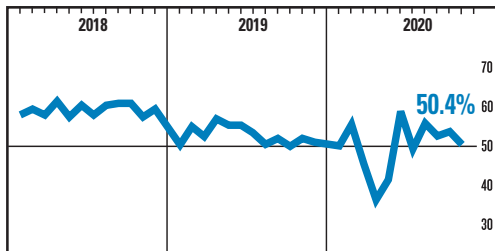
## Prices

Prices paid by service organizations for materials and services increased in November, with the index registering 66.1 percent. The 15 services industries that reported an increase in prices paid during the month of November — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Transportation & Warehousing; Wholesale Trade; Management of Companies & Support Services; Health Care & Social Assistance; Finance & Insurance; Utilities; Accommodation & Food Services; Mining; Construction; Public Administration; Information; Professional, Scientific & Technical Services; and Educational Services.



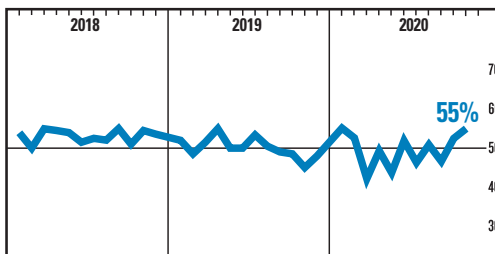
## Backlog of Orders

The ISM Services Backlog of Orders Index grew in November for the sixth consecutive month. The index registered 50.7 percent; 3.7 percentage points lower than the 54.4 percent reported in October. The eight industries reporting an increase in order backlogs in November — listed in order — are: Accommodation & Food Services; Construction; Transportation & Warehousing; Management of Companies & Support Services; Finance & Insurance; Professional, Scientific & Technical Services; Utilities; and Health Care & Social Assistance.



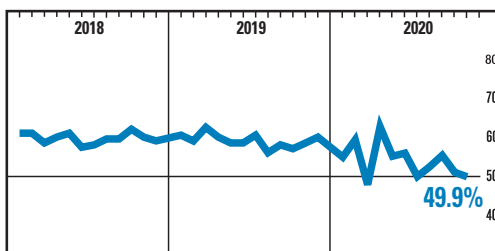
## New Export Orders

The New Export Orders Index registered 50.4 percent. The six industries reporting an increase in new export orders in November — listed in order — are: Retail Trade; Transportation & Warehousing; Professional, Scientific & Technical Services; Finance & Insurance; Wholesale Trade; and Health Care & Social Assistance.



## Imports

The Services Imports Index grew, as it registered 55 percent. The nine industries reporting an increase in imports for the month of November — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Retail Trade; Management of Companies & Support Services; Wholesale Trade; Utilities; Transportation & Warehousing; Construction; and Professional, Scientific & Technical Services.



## Inventory Sentiment

The ISM Services Inventory Sentiment Index in November registered 49.9 percent. The 10 industries reporting sentiment that their inventories were too high in November — listed in order — are: Arts, Entertainment & Recreation; Mining; Other Services<sup>†\*</sup>; Agriculture, Forestry, Fishing & Hunting; Information; Utilities; Educational Services; Construction; Public Administration; and Health Care & Social Assistance.

<sup>†\*</sup>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).