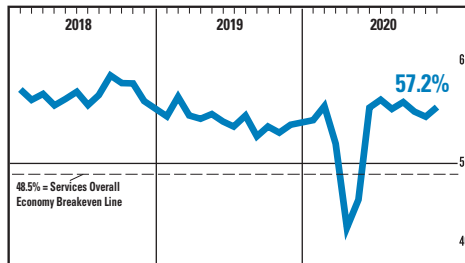


SERVICES PMI™ at 57.2%

In December, the Services PMI™ registered 57.2 percent, 1.3 percentage points higher than November's figure of 55.9 percent. This reading indicates the services sector grew for the seventh 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 December (57.2 percent) corresponds to a 2.9-percent increase in real gross domestic product (GDP) on an annualized basis.



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

The Services PMI™ registered 57.2 percent. The Prices Index figure of 64.8 percent is 1.3 percentage points lower than the November reading of 66.1 percent, indicating that prices increased in December, and at a slower rate. The Supplier Deliveries Index registered 62.8 percent, up 5.8 percentage points from November's reading of 57 percent. In December, a slight uptick in the rate of services-sector growth continued. Respondents' comments are mixed about business conditions and the economy. Various local- and state-level COVID-19 shut-downs continue to negatively impact companies and industries. Applicable human resources, production capacity and logistics have been more constrained than during the previous month. Most respondents are cautiously optimistic about business conditions with the recent approval and impending distribution of vaccines. The 14 services industries reporting growth in December — listed in order — are: Management of Companies & Support Services; Wholesale Trade; Retail Trade; Health Care & Social Assistance; Transportation & Warehousing; Finance & Insurance; Utilities; Agriculture, Forestry, Fishing & Hunting; Information; Professional, Scientific & Technical Services; Mining; Public Administration; Construction; and Educational Services. [ISM](#)

Services at a Glance

INDEX	Dec Index	Nov Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI™	57.2	55.9	+1.3	Growing	Faster	7
Business Activity	59.4	58.0	+1.4	Growing	Faster	7
New Orders	58.5	57.2	+1.3	Growing	Faster	7
Employment	48.2	51.5	-3.3	Contracting	From Growing	1
Supplier Deliveries	62.8	57.0	+5.8	Slowing	Faster	19
Inventories	58.2	49.3	+8.9	Growing	From Contracting	1
Prices	64.8	66.1	-1.3	Increasing	Slower	9
Backlog of Orders	48.7	50.7	-2.0	Contracting	From Growing	1
New Export Orders	57.3	50.4	+6.9	Growing	Faster	5
Imports	51.8	55.0	-3.2	Growing	Slower	3
Inventory Sentiment	47.7	49.9	-2.2	Too Low	Faster	2
Overall Economy				Growing	Faster	7
Services Sector				Growing	Faster	7

*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

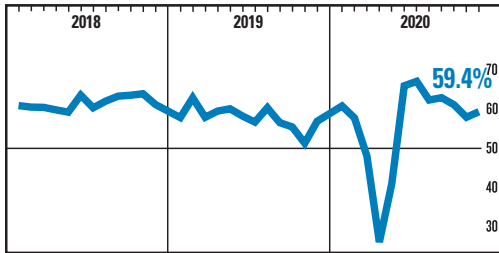
Commodities Up in Price: Copper Products; Copper Wire; Construction Contractors (3); Diesel; Disinfectant Supplies (4); Exam Gloves (3); Freight; Gasoline; Gloves; Labor; Labor — Construction; Medical Supplies (11); Nitrile Gloves (4); Oriented Strand Board; Personal Protective Equipment (PPE) (11); PPE — Gloves (3); PPE — Gowns (3); Plastic Products (3); PVC Products (4); Shingles; and Steel (4).

Commodities Down in Price: None.

Commodities in Short Supply: Construction Contractors (3); Disinfectant Supplies (2); Electrical Components; Exam Gloves (3); Gloves; Labor; N95 Masks (10); Needles & Syringes; Nitrile Gloves (7); Personal Protective Equipment (PPE) (11); PPE — Gloves (9); PPE — Gowns (9); Plastic Products; PVC Products (3); Steel; Steel Products; and Sterile Water.

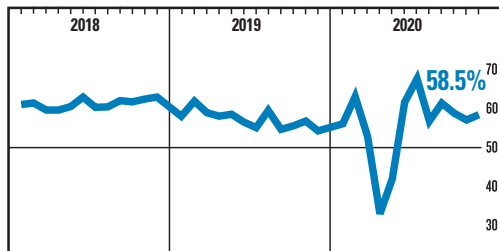
*Note: The number of consecutive months the commodity is listed is indicated after each item.*Reported as both up and down in price.*

• **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).



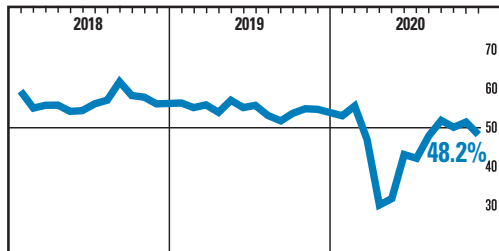
Business Activity

ISM's Business Activity Index registered 59.4 percent. The 11 industries reporting an increase in business activity for the month of December — listed in order — are: Management of Companies & Support Services; Health Care & Social Assistance; Transportation & Warehousing; Information; Retail Trade; Agriculture, Forestry, Fishing & Hunting; Mining; Wholesale Trade; Finance & Insurance; Professional, Scientific & Technical Services; and Utilities.



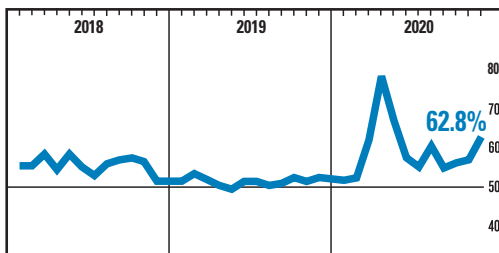
New Orders

ISM's New Orders Index registered 58.5 percent. The 10 industries reporting growth of new orders in December — listed in order — are: Management of Companies & Support Services; Retail Trade; Health Care & Social Assistance; Transportation & Warehousing; Wholesale Trade; Finance & Insurance; Information; Construction; Public Administration; and Professional, Scientific & Technical Services.



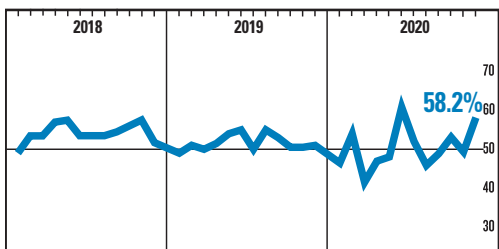
Employment

ISM's Services Employment Index registered 48.2 percent. The four industries reporting an increase in employment in December are: Management of Companies & Support Services; Wholesale Trade; Utilities; and Finance & Insurance.



Supplier Deliveries

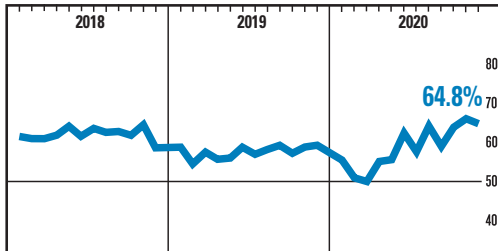
The Supplier Deliveries Index registered 62.8 percent. The 17 industries reporting slower deliveries in December — listed in order — are: Wholesale Trade; Real Estate, Rental & Leasing; Agriculture, Forestry, Fishing & Hunting; Management of Companies & Support Services; Retail Trade; Professional, Scientific & Technical Services; Health Care & Social Assistance; Utilities; Accommodation & Food Services; Mining; Construction; Other Services; Transportation & Warehousing; Educational Services; Public Administration; Finance & Insurance; and Information.



Inventories

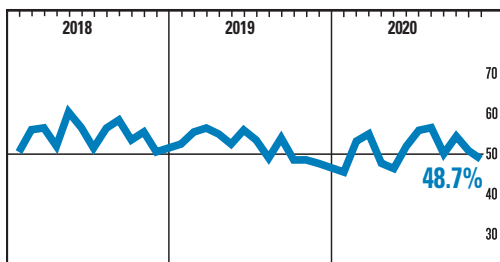
The Inventories Index registered 58.2 percent. The 11 industries reporting an increase in inventories in December — listed in order — are: Arts, Entertainment & Recreation; Agriculture, Forestry, Fishing & Hunting; Accommodation & Food Services; Retail Trade; Real Estate, Rental & Leasing; Utilities; Health Care & Social Assistance; Wholesale Trade; Public Administration; Professional, Scientific & Technical Services; and Educational Services.

*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).



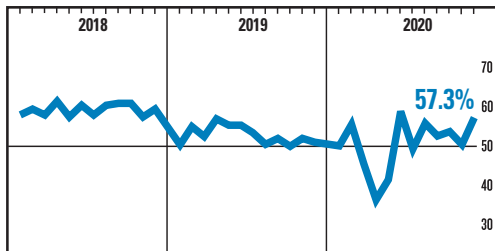
Prices

Prices paid by service organizations for materials and services increased in December, with the index registering 64.8 percent. The 12 Services industries that reported an increase in prices paid during the month of December — listed in order — are: Accommodation & Food Services; Transportation & Warehousing; Wholesale Trade; Agriculture, Forestry, Fishing & Hunting; Health Care & Social Assistance; Finance & Insurance; Management of Companies & Support Services; Real Estate, Rental & Leasing; Mining; Public Administration; Utilities; and Professional, Scientific & Technical Services.



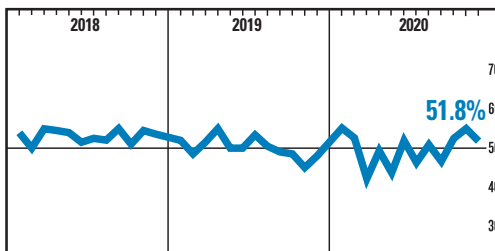
Backlog of Orders

The ISM Services Backlog of Orders Index registered 48.7 percent. The seven industries reporting an increase in order backlogs in December — listed in order — are: Construction; Transportation & Warehousing; Retail Trade; Health Care & Social Assistance; Wholesale Trade; Finance & Insurance; and Professional, Scientific & Technical Services.



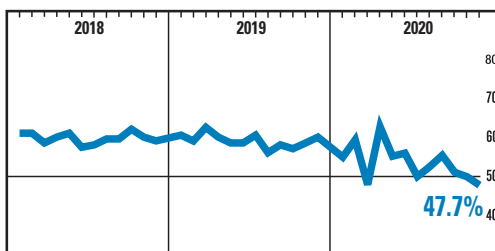
New Export Orders

The New Export Orders Index registered 57.3 percent. The seven industries reporting an increase in new export orders in December — listed in order — are: Transportation & Warehousing; Educational Services; Real Estate, Rental & Leasing; Finance & Insurance; Wholesale Trade; Professional, Scientific & Technical Services; and Information.



Imports

The Imports Index grew at a slower rate in December, as it registered 51.8 percent. The four industries reporting an increase in imports for the month of December are: Transportation & Warehousing; Wholesale Trade; Information; and Utilities. The two industries reporting a decrease in imports in December are: Mining; and Accommodation & Food Services.



Inventory Sentiment

The ISM Services Inventory Sentiment Index in December registered 47.7 percent. The six industries reporting sentiment that their inventories were too high in December — listed in order — are: Arts, Entertainment & Recreation; Mining; Other Services^{**}; Utilities; Educational Services; 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).