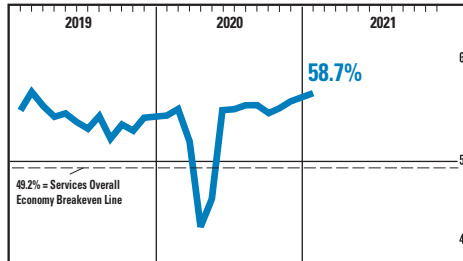


SERVICES PMI® at 58.7%

In January, the Services PMI® registered 58.7 percent, 1 percentage point higher than seasonally adjusted December figure of 57.7 percent. This reading indicates the services sector grew for the eighth 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 January for the eighth month in a row, say the nation's purchasing and supply executives in the latest Services ISM® Report On Business®.

The Services PMI® registered 58.7 percent, 1 percentage point higher than the seasonally adjusted December reading of 57.7 percent. This reading represents a twelve-month high and the eighth straight month of growth for the services sector, which has expanded for all but two of the last 132 months. This is the highest reading since February 2019 when the index registered 58.8 percent. There was continued growth in the services sector for the month of January. Respondents' comments are more optimistic about business conditions and the economy. Various local and state-level COVID-19 restrictions continue to negatively impact companies and industries. Production capacity and logistics issues continue to cause supply chain challenges.

The 14 services industries reporting growth in January — listed in order — are: Real Estate, Rental & Leasing; Construction; Wholesale Trade; Finance & Insurance; Transportation & Warehousing; Health Care & Social Assistance; Management of Companies & Support Services; Agriculture, Forestry, Fishing & Hunting; Accommodation & Food Services; Other Services; Mining; Professional, Scientific & Technical Services; 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	Jan Index	Dec Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	58.7	57.7	+1.0	Growing	Faster	8
Business Activity	59.9	60.5	-0.6	Growing	Slower	8
New Orders	61.8	58.6	+3.2	Growing	Faster	8
Employment	55.2	48.7	+6.5	Growing	From Contracting	1
Supplier Deliveries	57.8	62.8	-5.0	Slowing	Slower	20
Inventories	49.2	58.2	-9.0	Contracting	From Growing	1
Prices	64.2	64.4	-0.2	Increasing	Slower	44
Backlog of Orders	50.9	48.7	+2.2	Growing	From Contracting	1
New Export Orders	47.0	57.3	-10.3	Contracting	From Growing	1
Imports	53.5	51.8	+1.7	Growing	Faster	4
Inventory Sentiment	49.7	47.7	+2.0	Too Low	Slower	3
Overall Economy				Growing	Faster	8
Services Sector				Growing	Faster	8

*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.

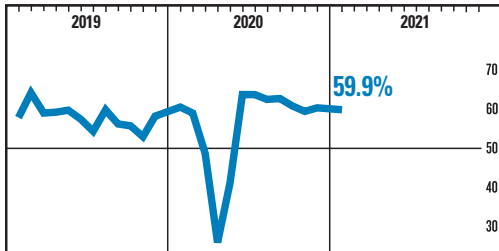
Commodities Reported

Commodities Up in Price: Aluminum; Copper; Copper Wire (2); Diesel (2); Exam Gloves (4); Freight (2); Fuel; Gasoline (2); Gloves (2); Interior Door Slabs; Isolation Gowns; Labor (2); Labor — Temporary; Lumber; Nitrile Gloves (5); Oriented Strand Board (2); Personal Protective Equipment (PPE) (12); PPE — Gloves (4); Pharmaceuticals; Polyvinyl Chloride (PVC) Products (5); Rebar; Resin Products; Steel (5); Steel Products; and Transportation.

Commodities Down in Price: None.

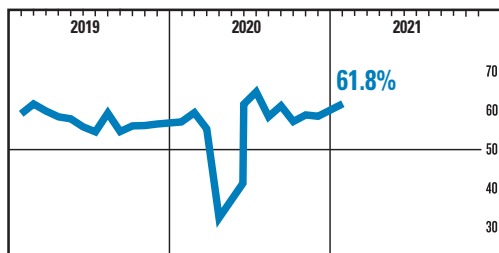
Commodities in Short Supply: Appliances; Computer Equipment; Construction Contractors (4); Corrugate; Electrical Components (2); Gloves (2); Labor (2); Labor — Construction; Labor — Temporary; Lumber; N95 Masks (11); Needles & Syringes (2); Nitrile Gloves (8); Oriented Strand Board; Personal Protective Equipment (PPE) (12); PPE — Gloves (10); PPE — Masks; Pipette Tips; Steel Products (2); and Tubing.

Note: The number of consecutive months the commodity is listed is indicated after each item.



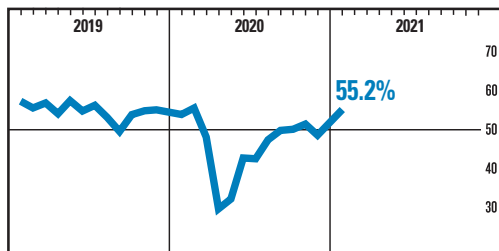
Business Activity

ISM's Business Activity Index registered 59.9 percent. The 10 industries reporting an increase in business activity for the month of January — listed in order — are: Construction; Finance & Insurance; Real Estate, Rental & Leasing; Wholesale Trade; Accommodation & Food Services; Health Care & Social Assistance; Professional, Scientific & Technical Services; Public Administration; Utilities; and Information.



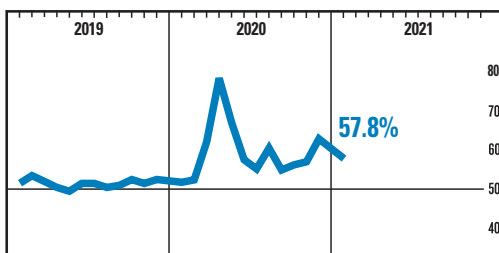
New Orders

ISM's New Orders Index registered 61.8 percent. The eight industries reporting growth of new orders in January — listed in order — are: Real Estate, Rental & Leasing; Finance & Insurance; Agriculture, Forestry, Fishing & Hunting; Wholesale Trade; Construction; Transportation & Warehousing; Information; and Professional, Scientific & Technical Services.



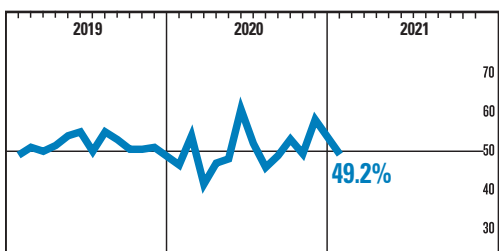
Employment

ISM's Services Employment Index registered 55.2 percent. The eight industries reporting an increase in employment in January are: Management of Companies & Support Services; Real Estate, Rental & Leasing; Construction; Finance & Insurance; Accommodation & Food Services; Health Care & Social Assistance; Public Administration; and Wholesale Trade.



Supplier Deliveries

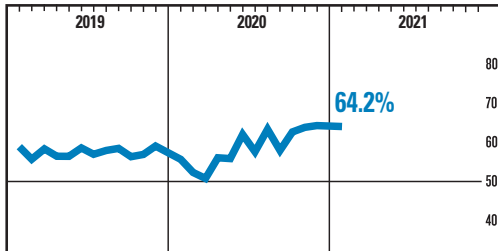
The Supplier Deliveries Index registered 57.8 percent. The 13 industries reporting slower deliveries in January — listed in order — are: Transportation & Warehousing; Wholesale Trade; Accommodation & Food Services; Retail Trade; Health Care & Social Assistance; Other Services^{**}; Mining; Agriculture, Forestry, Fishing & Hunting; Construction; Information; Management of Companies & Support Services; Educational Services; and Professional, Scientific & Technical Services.



Inventories

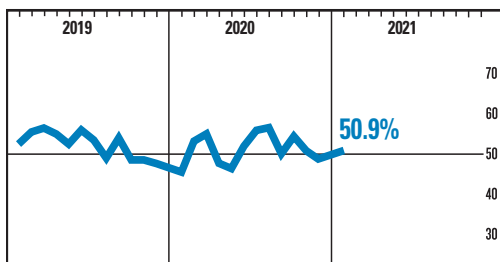
The Inventories Index contracted in January after the prior month of growth. The reading of 49.2 percent was a 9-percentage point decrease from the 58.2 percent reported in December. The seven industries reporting an increase in inventories in January — listed in order — are: Finance & Insurance; Educational Services; Other Services^{**}; Health Care & Social Assistance; Utilities; Public Administration; 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).



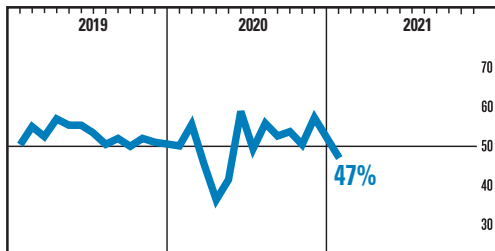
Prices

Prices paid by service organizations for materials and services increased in January, with the index registering 64.2 percent. The 16 services industries that reported an increase in prices paid during the month of January — listed in order — are: Wholesale Trade; Construction; Agriculture, Forestry, Fishing & Hunting; Retail Trade; Accommodation & Food Services; Mining; Arts, Entertainment & Recreation; Transportation & Warehousing; Health Care & Social Assistance; Professional, Scientific & Technical Services; Public Administration; Utilities; Management of Companies & Support Services; Other Services[‡]; Finance & Insurance; and Educational Services.



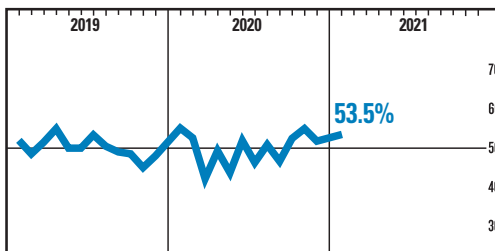
Backlog of Orders

The ISM Services Backlog of Orders Index registered 50.9 percent. The eight industries reporting an increase in order backlogs in January — listed in order — are: Accommodation & Food Services; Health Care & Social Assistance; Retail Trade; Construction; Finance & Insurance; Transportation & Warehousing; Professional, Scientific & Technical Services; and Wholesale Trade.



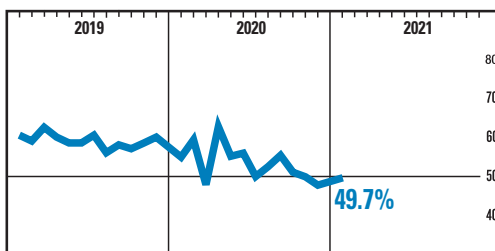
New Export Orders

The New Export Orders Index registered 47 percent. The six industries reporting an increase in new export orders in January — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Health Care & Social Assistance; Utilities; Wholesale Trade; Transportation & Warehousing; and Professional, Scientific & Technical Services.



Imports

The Imports Index grew at a faster rate in January, as it registered 53.5 percent. The eight industries reporting an increase in imports for the month of January — listed in order — are: Transportation & Warehousing; Real Estate, Rental & Leasing; Educational Services; Retail Trade; Agriculture, Forestry, Fishing & Hunting; Health Care & Social Assistance; Wholesale Trade; and Professional, Scientific & Technical Services.



Inventory Sentiment

The ISM Services Inventory Sentiment Index in January registered 49.7 percent. The eight industries reporting sentiment that their inventories were too high in January — listed in order — are: Arts, Entertainment & Recreation; Other Services[‡]; Mining; Utilities; Construction; Information; Health Care & Social Assistance; and Public Administration.

[‡]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).