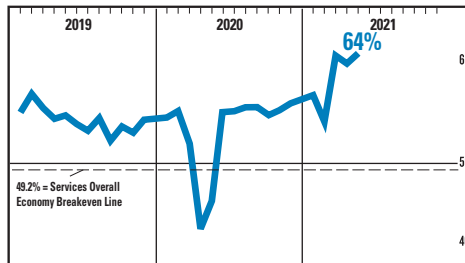


# SERVICES PMI® at 64%

In May, the Services PMI® registered 64 percent, a 1.3-percentage point increase compared to the April figure of 62.7 percent. This reading indicates the services sector grew for the 12th 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 May for the 12th month in a row, say the nation's purchasing and supply executives in the latest Services ISM® Report On Business®.

The Services PMI® reached another all-time high in May, registering 64 percent. The previous record high was 63.7 percent in March. According to the Services PMI®, all 18 services industries reported growth. The composite index indicated growth for the 12th consecutive month after a two-month contraction in April and May 2020. The rate of expansion is very strong, as businesses have reopened and production capacity has increased. However, some capacity constraints, material shortages, weather-related delays, and challenges in logistics and employment resources continue.

The 18 services industries reporting growth in May — listed in order — are: Retail Trade; Wholesale Trade; Construction; Arts, Entertainment & Recreation; Transportation & Warehousing; Real Estate, Rental & Leasing; Mining; Finance & Insurance; Management of Companies & Support Services; Utilities; Other Services\*; Information; Accommodation & Food Services; Health Care & Social Assistance; Agriculture, Forestry, Fishing & Hunting; Public Administration; Professional, Scientific & Technical Services; and Educational Services. **ISM**

## Services at a Glance

INDEX	May Index	Apr Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	64.0	62.7	+1.3	Growing	Faster	12
Business Activity	66.2	62.7	+3.5	Growing	Faster	12
New Orders	63.9	63.2	+0.7	Growing	Faster	12
Employment	55.3	58.8	-3.5	Growing	Slower	5
Supplier Deliveries	70.4	66.1	+4.3	Slowing	Faster	24
Inventories	51.5	49.1	+2.4	Growing	From Contracting	1
Prices	80.6	76.8	+3.8	Increasing	Faster	48
Backlog of Orders	61.1	55.7	+5.4	Growing	Faster	5
New Export Orders	60.0	58.6	+1.4	Growing	Faster	4
Imports	50.4	55.7	-5.3	Growing	Slower	8
Inventory Sentiment	40.5	46.8	-6.3	Too Low	Faster	2
<b>Overall Economy</b>				<b>Growing</b>	<b>Faster</b>	<b>12</b>
<b>Services Sector</b>				<b>Growing</b>	<b>Faster</b>	<b>12</b>

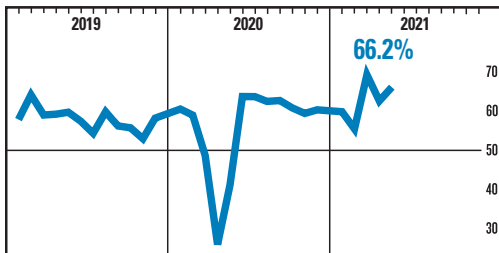
\*Number of months moving in current direction.  
Services ISM® Report On Business® data is seasonally adjusted for the Business Activity, New Orders, Prices and Employment indexes.

## Commodities Reported

**Commodities Up in Price:** Aluminum Products (2); Beef; Chicken; Computer Products; Construction Materials (3); Copper; Copper Wire (2); Corn; Corrugated Boxes (2); Diesel (6); Electrical Components (4); Electronic Components (2); Equipment; Exam Gloves; Food; Freight; Fuel (5); Gasoline (6); Gasoline-Related Products; Integrated Circuits; Labor (6); Labor — Construction (3); Labor — Skilled; Labor — Temporary (5); Logistics Services; Lumber (5); Lumber Products; Maintenance Services; Metal Products; Nitrile Gloves (2); Oriented Strand Board (OSB) (6); Packaging Materials; Pallets; Pharmaceuticals; Plastic Products; Plywood; Polyvinyl Chloride (PVC) (2); Polyvinyl Chloride (PVC) Products (9); Resin Products (5); Rubber-Based Products; Steel (9); Steel — Carbon; Steel Products (5); Transportation; and Trucking Services. **Commodities Down in Price:** No commodities are reported down in price.

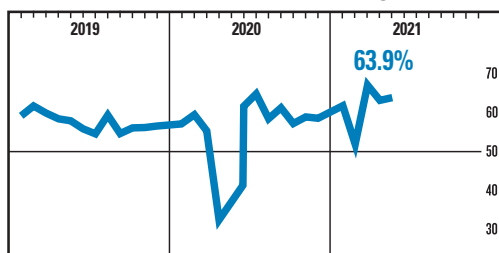
**Note:** To view the full list, visit the ISM website at [ismworld.org](http://ismworld.org).

\*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).



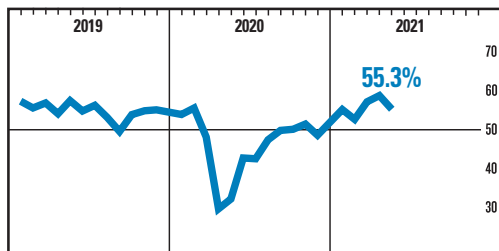
## Business Activity

ISM's Business Activity Index registered 66.2 percent. All 18 industries reporting an increase in business activity for the month of May — listed in order — are: Retail Trade; Arts, Entertainment & Recreation; Wholesale Trade; Finance & Insurance; Mining; Construction; Real Estate, Rental & Leasing; Utilities; Transportation & Warehousing; Information; Health Care & Social Assistance; Management of Companies & Support Services; Other Services<sup>††</sup>; Educational Services; Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; Professional, Scientific & Technical Services; and Public Administration.



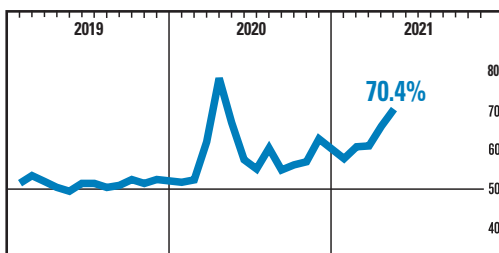
## New Orders

ISM's New Orders Index registered 63.9 percent. All 18 industries reported growth of new orders in May, listed in order: Retail Trade; Wholesale Trade; Finance & Insurance; Transportation & Warehousing; Mining; Construction; Health Care & Social Assistance; Arts, Entertainment & Recreation; Information; Management of Companies & Support Services; Other Services<sup>††</sup>; Educational Services; Utilities; Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Accommodation & Food Services; Professional, Scientific & Technical Services; and Public Administration.



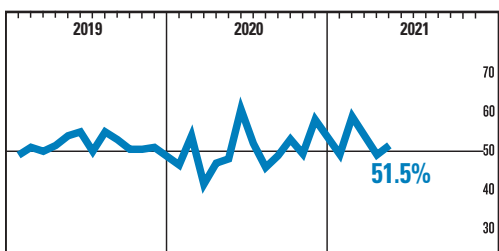
## Employment

ISM's Services Employment Index registered 55.3 percent. The 10 industries reporting an increase in employment in May — listed in order — are: Arts, Entertainment & Recreation; Real Estate, Rental & Leasing; Retail Trade; Construction; Finance & Insurance; Wholesale Trade; Mining; Transportation & Warehousing; Public Administration; and Utilities. The three industries that reported a reduction in employment in May are: Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; and Educational Services.



## Supplier Deliveries

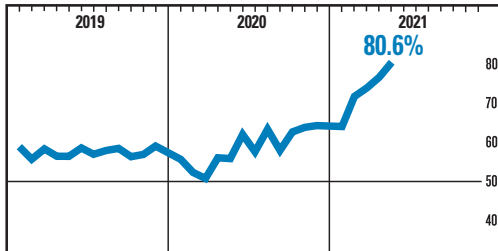
The Supplier Deliveries Index registered 70.4 percent. The 17 industries reporting slower deliveries in May — listed in order — are: Accommodation & Food Services; Management of Companies & Support Services; Wholesale Trade; Transportation & Warehousing; Construction; Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Utilities; Other Services<sup>††</sup>; Retail Trade; Mining; Information; Health Care & Social Assistance; Professional, Scientific & Technical Services; Finance & Insurance; Public Administration; and Educational Services.



## Inventories

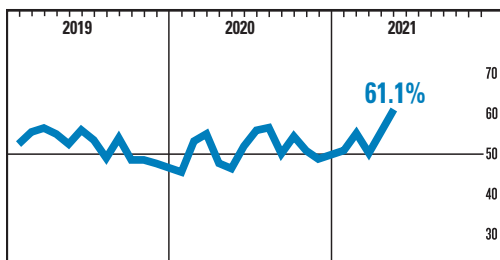
The Inventories Index grew in May after contracting in April. The reading of 51.5 percent was a 2.4-percentage point increase from the 49.1 percent reported in April. The seven industries reporting an increase in inventories in May — listed in order — are: Arts, Entertainment & Recreation; Management of Companies & Support Services; Wholesale Trade; Agriculture, Forestry, Fishing & Hunting; Mining; Finance & Insurance; and Educational Services.

<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).



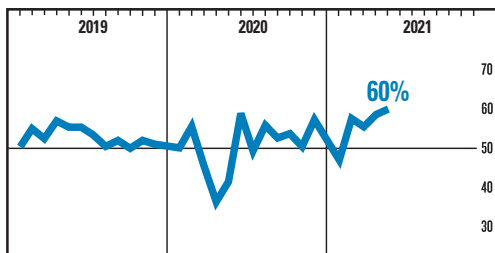
## Prices

Prices paid by service organizations for materials and services increased in May, with the index registering 80.6 percent. All 18 services industries reported an increase in prices paid during the month of May, listed in order: Real Estate, Rental & Leasing; Wholesale Trade; Construction; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Accommodation & Food Services; Utilities; Management of Companies & Support Services; Public Administration; Arts, Entertainment & Recreation; Finance & Insurance; Mining; Other Services<sup>†\*</sup>; Retail Trade; Professional, Scientific & Technical Services; Educational Services; Information; and Health Care & Social Assistance.



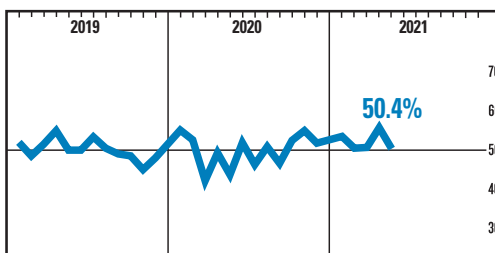
## Backlog of Orders

The ISM Services Backlog of Orders Index registered 61.1 percent. The 12 industries reporting an increase in order backlogs in May — listed in order — are: Accommodation & Food Services; Real Estate, Rental & Leasing; Transportation & Warehousing; Wholesale Trade; Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Retail Trade; Utilities; Public Administration; Construction; Educational Services; and Health Care & Social Assistance.



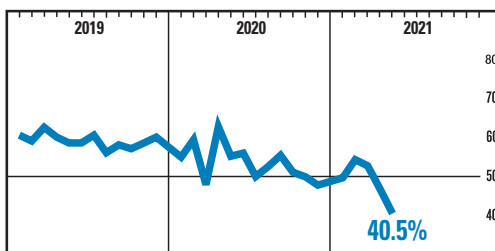
## New Export Orders

The New Export Orders Index registered 60 percent. The eight industries reporting an increase in new export orders in May — listed in order — are: Accommodation & Food Services; Transportation & Warehousing; Construction; Real Estate, Rental & Leasing; Agriculture, Forestry, Fishing & Hunting; Wholesale Trade; Finance & Insurance; and Professional, Scientific & Technical Services.



## Imports

The Imports Index grew at a slower rate in May, as it registered 50.4 percent. The five industries reporting an increase in imports for the month of May are: Retail Trade; Wholesale Trade; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; and Utilities.



## Inventory Sentiment

The ISM Services Inventory Sentiment Index contracted in May for the second consecutive month, registering 40.5 percent. The five industries reporting sentiment that their inventories were too high in May are: Arts, Entertainment & Recreation; Health Care & Social Assistance; Utilities; Mining; and Construction.

<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).