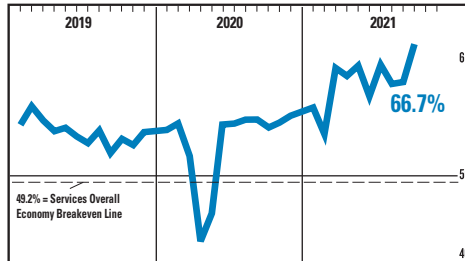


# SERVICES PMI® at 66.7%

In October, the Services PMI® registered 66.7 percent, a 4.8-percentage point increase compared to the September figure of 61.9 percent. This is the highest reading since the inception of the index in 2008. The 12-month average is 61.1 percent, which reflects the strong demand in the services sector. This reading indicates the services sector grew for the 17th consecutive month after two months of contraction and 122 months of growth prior to the two contracting months.



Economic activity in the services sector grew in October for the 17th month in a row — with the rate of expansion setting a record for the fourth time in 2021 — say the nation’s purchasing and supply executives in the latest Services ISM® *Report On Business*®.

In October, the Services PMI® registered another all-time high of 66.7 percent. Demand shows no signs of slowing, reflected by two other subindexes in October. The Backlog of Orders Index set a record of 67.3 percent, 5.4 percentage points higher than the September reading of 61.9 percent; the previous high of 65.8 percent was set in June. The Prices Index reached its second-highest reading ever at 82.9 percent, up 5.4 percentage points from the September figure of 77.5 percent and exceeded only by September 2005 (83.5 percent).

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

## Services at a Glance

INDEX	Oct Index	Sep Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	66.7	61.9	+4.8	Growing	Faster	17
Business Activity	69.8	62.3	+7.5	Growing	Faster	17
New Orders	69.7	63.5	+6.2	Growing	Faster	17
Employment	51.6	53.0	-1.4	Growing	Slower	4
Supplier Deliveries	75.7	68.8	+6.9	Slowing	Faster	29
Inventories	42.2	46.1	-3.9	Contracting	Faster	5
Prices	82.9	77.5	+5.4	Increasing	Faster	53
Backlog of Orders	67.3	61.9	+5.4	Growing	Faster	10
New Export Orders	62.3	59.5	+2.8	Growing	Faster	9
Imports	53.3	47.7	+5.6	Growing	From Contracting	1
Inventory Sentiment	37.3	46.3	-9.0	Too Low	Faster	7
<b>Overall Economy</b>				<b>Growing</b>	<b>Faster</b>	<b>17</b>
<b>Services Sector</b>				<b>Growing</b>	<b>Faster</b>	<b>17</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

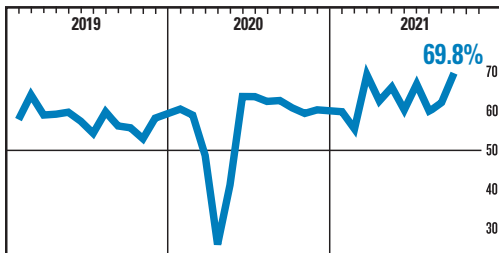
**Commodities Up in Price:** Aluminum (4); Aluminum Products (2); Beef (2); Chemicals (2); Chicken (2); Chips; Construction Contractors (4); Copper; Copper Products (4); Corrugated Products (2); Dairy; Diesel Fuel (11); Electrical Components (9); Electronics (2); Food (2); Food and Beverages (3); Freight (6); Fuel (10); Gasoline (11); Integrated Circuits; Labor (11); Labor — Construction (3); Labor — Temporary (10); Logistics Services (2); Metals; Metal-Based Products; Natural Gas; Ocean Freight (2); Pallets; Petroleum Products; Plastic Products (3); Poly Film Products (2); Polyvinyl Chloride (PVC) Products (2); Resin-Based Products (4); Security Services; Software Licensing; Software Maintenance and Support; Steel; Steel Products (10); and Transportation Costs. **Commodities Down in Price:** Lumber (4).

\*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).

**Note:** To view the full list, visit the ISM® *Report On Business*® website at [ismrob.org](http://ismrob.org)

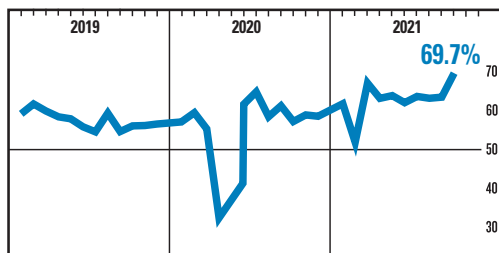
**Note:** The number of consecutive months the commodity is listed is indicated after each item.\*Reported as both up and down in price.





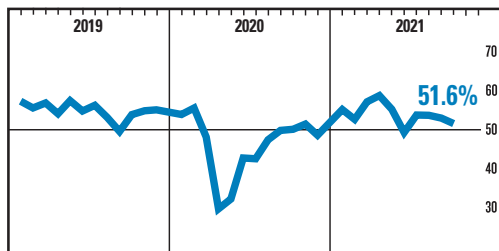
## Business Activity

ISM's Business Activity Index registered an all-time high of 69.8 percent. The 17 industries reporting an increase in business activity for the month of October — listed in order — are: Real Estate, Rental & Leasing; Retail Trade; Information; Transportation & Warehousing; Educational Services; Utilities; Health Care & Social Assistance; Arts, Entertainment & Recreation; Mining; Wholesale Trade; Finance & Insurance; Management of Companies & Support Services; Other Services<sup>††</sup>; Construction; Accommodation & Food Services; Professional, Scientific & Technical Services; and Public Administration.



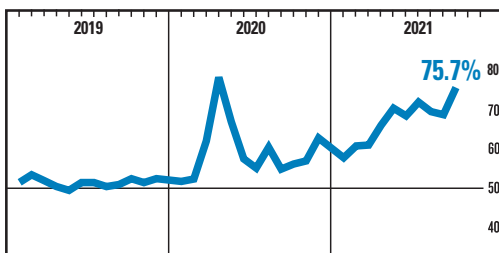
## New Orders

ISM's New Orders Index registered 69.7 percent. The 16 industries that reported growth of new orders in October — listed in order — are: Retail Trade; Transportation & Warehousing; Other Services<sup>††</sup>; Real Estate, Rental & Leasing; Utilities; Information; Management of Companies & Support Services; Accommodation & Food Services; Arts, Entertainment & Recreation; Health Care & Social Assistance; Wholesale Trade; Construction; Educational Services; Finance & Insurance; Professional, Scientific & Technical Services; and Public Administration.



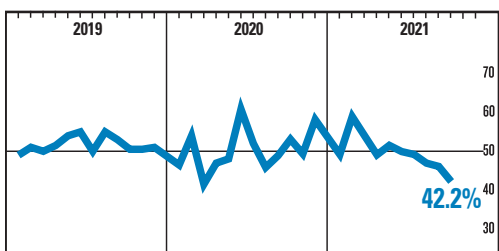
## Employment

ISM's Services Employment Index registered 51.6 percent. The 12 industries reporting an increase in employment in October — listed in order — are: Arts, Entertainment & Recreation; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Construction; Retail Trade; Wholesale Trade; Educational Services; Other Services<sup>††</sup>; Information; Utilities; Finance & Insurance; and Professional, Scientific & Technical Services.



## Supplier Deliveries

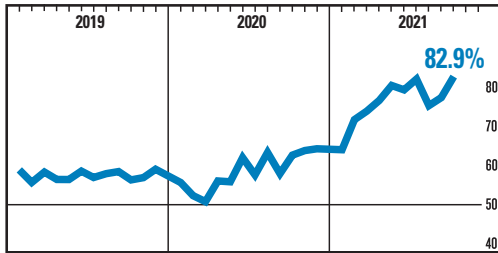
The Supplier Deliveries Index registered 75.7 percent. The 17 industries reporting slower deliveries in October — listed in order — are: Real Estate, Rental & Leasing; Retail Trade; Accommodation & Food Services; Construction; Utilities; Health Care & Social Assistance; Transportation & Warehousing; Educational Services; Management of Companies & Support Services; Other Services<sup>††</sup>; Agriculture, Forestry, Fishing & Hunting; Wholesale Trade; Public Administration; Arts, Entertainment & Recreation; Professional, Scientific & Technical Services; Information; and Finance & Insurance.



## Inventories

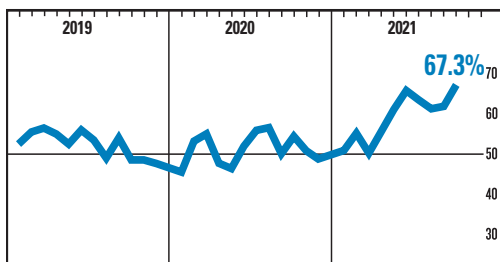
The Inventories Index registered 42.2 percent. The six industries reporting an increase in inventories in October — listed in order — are: Arts, Entertainment & Recreation; Accommodation & Food Services; Construction; Educational Services; Utilities; and Health Care & Social Assistance.

<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).



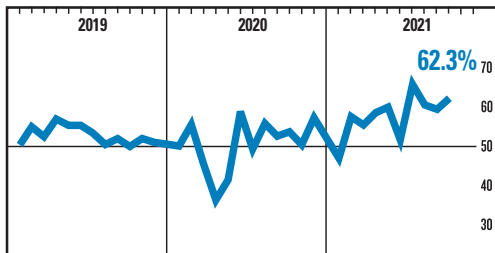
## Prices

Prices paid by services organizations registered 82.9 percent. All 18 services industries reported an increase in prices paid during the month of October, in the following order: Arts, Entertainment & Recreation; Real Estate, Rental & Leasing; Management of Companies & Support Services; Wholesale Trade; Utilities; Other Services<sup>†</sup>; Public Administration; Transportation & Warehousing; Educational Services; Retail Trade; Information; Construction; Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; Professional, Scientific & Technical Services; Finance & Insurance; Mining; and Health Care & Social Assistance.



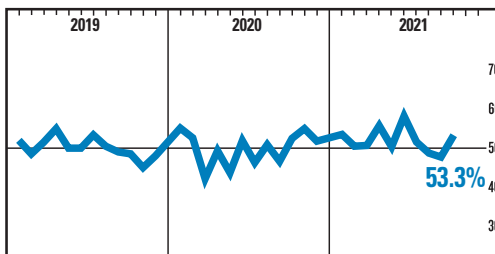
## Backlog of Orders

The ISM Services Backlog of Orders Index registered 67.3 percent. The 14 industries reporting an increase in order backlogs in October — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Accommodation & Food Services; Management of Companies & Support Services; Real Estate, Rental & Leasing; Wholesale Trade; Utilities; Health Care & Social Assistance; Information; Professional, Scientific & Technical Services; Other Services<sup>†</sup>; Transportation & Warehousing; Public Administration; Construction; and Retail Trade.



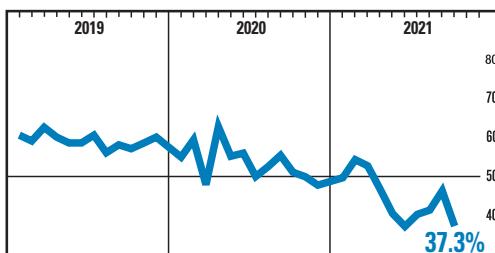
## New Export Orders

The New Export Orders Index registered 62.3 percent. The eight industries reporting an increase in new export orders in October — listed in order — are: Real Estate, Rental & Leasing; Accommodation & Food Services; Construction; Information; Transportation & Warehousing; Wholesale Trade; Finance & Insurance; and Professional, Scientific & Technical Services.



## Imports

The Imports Index grew in October after two consecutive months of contraction, as it registered 53.3 percent. The six industries reporting an increase in imports for the month of October — listed in order — are: Retail Trade; Educational Services; Finance & Insurance; Transportation & Warehousing; Construction; and Wholesale Trade.



## Inventory Sentiment

The ISM Services Inventory Sentiment Index contracted in October for the seventh consecutive month, registering 37.3 percent. The two industries reporting sentiment that their inventories were too high in October are: Arts, Entertainment & Recreation; 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).