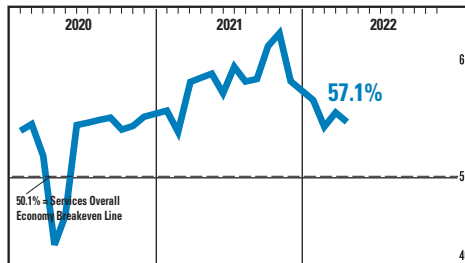


SERVICES PMI® at 57.1%

In April, the Services PMI® registered 57.1 percent, a 1.2-percentage point decrease compared to the March reading of 58.3 percent. The 12-month average is 61.8 percent, which reflects consistently strong growth in the services sector. The April reading indicates the services sector grew for the 23rd consecutive month. 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 April for the 23rd month in a row — with the Services PMI® registering 57.1 percent — say the nation’s purchasing and supply executives in the latest Services ISM® Report On Business®.

In April, the Services PMI® registered 57.1 percent. There was a pullback in the composite index, mostly due to the restricted labor pool (impacting the Employment Index) and slowing of new orders growth. Business activity remains strong; however, high inflation, capacity constraints and logistical challenges are impediments, and the Russia-Ukraine war continues to affect material costs, most notably of fuel and chemicals.

The Prices Index reached an all-time high of 84.6 percent, up 0.8 percentage point from the March figure of 83.8 percent and surpassing the previous record of 83.9 percent in December 2021.

The 17 services industries reporting growth in April — listed in order — are: Construction; Utilities; Management of Companies & Support Services; Real Estate, Rental & Leasing; Accommodation & Food Services; Public Administration; Professional, Scientific & Technical Services; Educational Services; Mining; Transportation & Warehousing; Wholesale Trade; Finance & Insurance; Other Services[±]; Health Care & Social Assistance; Retail Trade; Arts, Entertainment & Recreation; and Agriculture, Forestry, Fishing & Hunting. **ISM**

Services at a Glance

INDEX	Apr Index	Mar Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	57.1	58.3	-1.2	Growing	Slower	23
Business Activity	59.1	55.5	+3.6	Growing	Faster	23
New Orders	54.6	60.1	-5.5	Growing	Slower	23
Employment	49.5	54.0	-4.5	Contracting	From Growing	1
Supplier Deliveries	65.1	63.4	+1.7	Slowing	Faster	35
Inventories	52.3	51.7	+0.6	Growing	Faster	3
Prices	84.6	83.8	+0.8	Increasing	Faster	59
Backlog of Orders	59.4	64.5	-5.1	Growing	Slower	16
New Export Orders	58.1	61.0	-2.9	Growing	Slower	3
Imports	52.9	45.0	+7.9	Growing	From Contracting	1
Inventory Sentiment	46.7	40.2	+6.5	Too Low	Slower	2
Overall Economy				Growing	Slower	23
Services Sector				Growing	Slower	23

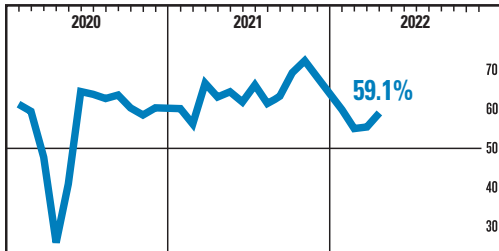
*Number of months moving in current direction.
Services ISM® Report On Business® data has been seasonally adjusted for the Business Activity, New Orders, Employment and Prices indexes.

Commodities Reported

Commodities Up in Price: Aluminum; Aluminum Products (5); Chemicals; Chicken (8); Computer Equipment; Copper (2); Dairy Products; Diesel Fuel (17); Electrical Components (15); Electric Motors; Electronic Components (5); Food and Beverages; Food Products (2); Freight (12); Fuel* (16); Fuel Related Products (2); Gasoline (17); Heating, Ventilation and Air Conditioning (HVAC) Equipment; Labor (17); Labor — Contingent; Labor — Temporary (3); Maintenance, Repair and Operating (MRO) Supplies; Natural Gas (2); Office and Computer Supplies (2); Paper (3); Paper Products (5); Petroleum (2); Plastic Products (9); Polyvinyl Chloride (PVC) Products (8); Safety Supplies; Shipping Costs; Software Maintenance and Support; Stainless Steel Products (2); Steel; Steel Products (16); Syringe Needles; Tires; and Transportation Costs (3).

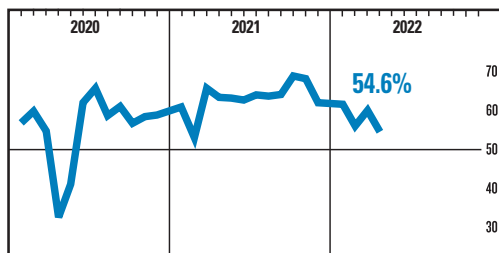
[±]Other Services (services such as Equipment & Machinery Repairing; Promoting or Administering Religious Activities; Grantmaking; Advocacy; and Providing Dry-Cleaning & Laundry Services, Personal Care Services, Death Care Services, Pet Care Services, Photofinishing Services, Temporary Parking Services and Dating Services).

Note: To view the full report, visit the ISM® Report On Business® website at ismrob.org
The number of consecutive months the commodity has been listed is indicated after each item. *Reported as both up and down in price.



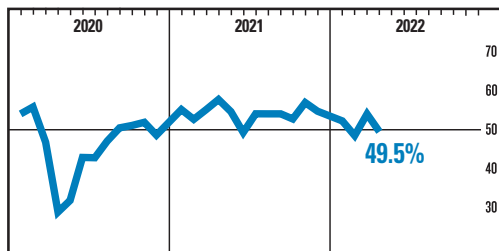
Business Activity

ISM's Business Activity Index registered 59.1 percent. The 14 industries reporting an increase in business activity for the month of April — listed in order — are: Real Estate, Rental & Leasing; Accommodation & Food Services; Educational Services; Mining; Public Administration; Utilities; Transportation & Warehousing; Professional, Scientific & Technical Services; Construction; Management of Companies & Support Services; Health Care & Social Assistance; Wholesale Trade; Other Services[‡]; and Finance & Insurance.



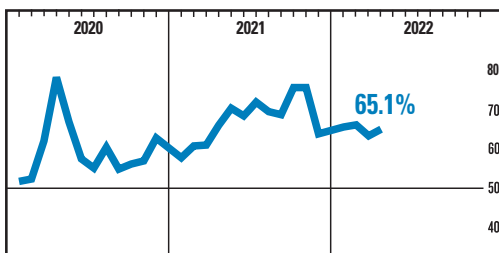
New Orders

ISM's New Orders Index registered 54.6 percent. Thirteen industries reported growth of new orders in April, in the following order: Utilities; Management of Companies & Support Services; Real Estate, Rental & Leasing; Accommodation & Food Services; Educational Services; Transportation & Warehousing; Professional, Scientific & Technical Services; Public Administration; Construction; Wholesale Trade; Health Care & Social Assistance; Other Services[‡]; and Finance & Insurance.



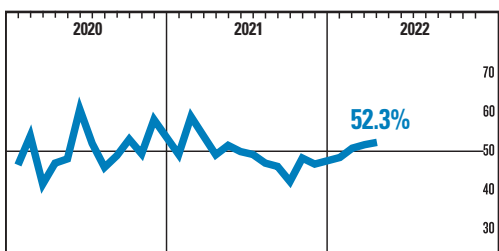
Employment

ISM's Services Employment Index registered 49.5 percent. The 10 industries reporting an increase in employment in April — listed in order — are: Construction; Mining; Management of Companies & Support Services; Arts, Entertainment & Recreation; Professional, Scientific & Technical Services; Transportation & Warehousing; Accommodation & Food Services; Wholesale Trade; Utilities; and Finance & Insurance.



Supplier Deliveries

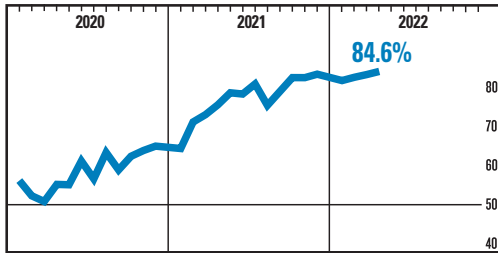
The Supplier Deliveries Index registered 65.1 percent. The 16 industries reporting slower deliveries in April — listed in order — are: Retail Trade; Real Estate, Rental & Leasing; Utilities; Construction; Public Administration; Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Other Services[‡]; Arts, Entertainment & Recreation; Information; Educational Services; Management of Companies & Support Services; Wholesale Trade; Health Care & Social Assistance; Accommodation & Food Services; and Professional, Scientific & Technical Services.



Inventories

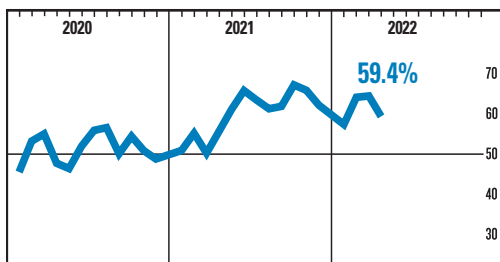
The Inventories Index registered 52.3 percent. The eight industries reporting an increase in inventories in April — listed in order — are: Finance & Insurance; Mining; Other Services[‡]; Construction; Utilities; Wholesale Trade; Accommodation & Food Services; and Public Administration.

[‡]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).



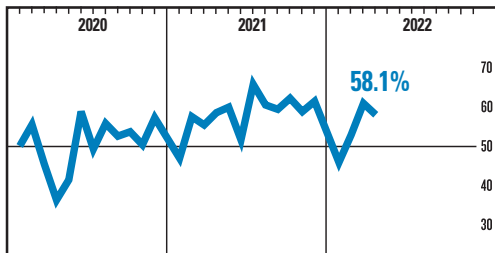
Prices

Prices paid by services organizations for materials and services increased in April for the 59th consecutive month, with the index registering 84.6 percent. All 18 services industries reported an increase in prices paid during the month of April, in the following order: Arts, Entertainment & Recreation; Mining; Real Estate, Rental & Leasing; Wholesale Trade; Construction; Accommodation & Food Services; Management of Companies & Support Services; Educational Services; Finance & Insurance; Public Administration; Utilities; Information; Transportation & Warehousing; Professional, Scientific & Technical Services; Health Care & Social Assistance; Retail Trade; Other Services[‡]; and Agriculture, Forestry, Fishing & Hunting.



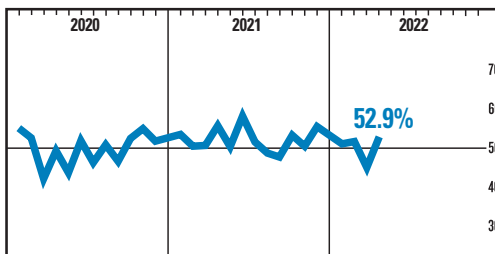
Backlog of Orders

The ISM Services Backlog of Orders Index registered 59.4 percent. The 11 industries reporting an increase in order backlogs in April — listed in order — are: Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; Mining; Real Estate, Rental & Leasing; Utilities; Retail Trade; Professional, Scientific & Technical Services; Public Administration; Transportation & Warehousing; Health Care & Social Assistance; and Wholesale Trade.



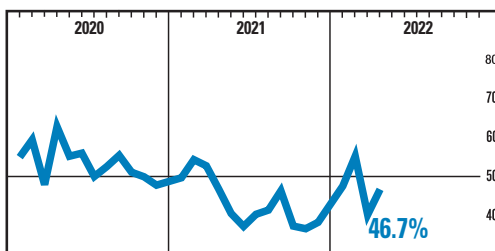
New Export Orders

The New Export Orders Index registered 58.1 percent. The six industries reporting an increase in new export orders in April — listed in order — are: Real Estate, Rental & Leasing; Accommodation & Food Services; Educational Services; Utilities; Retail Trade; and Transportation & Warehousing. The four industries reporting a decrease in new export orders in April are: Mining; Management of Companies & Support Services; Information; and Wholesale Trade.



Imports

The Imports Index grew in April after contracting in March, registering 52.9 percent. The six industries reporting an increase in imports for the month of April — listed in order — are: Retail Trade; Accommodation & Food Services; Utilities; Professional, Scientific & Technical Services; Construction; and Health Care & Social Assistance.



Inventory Sentiment

The ISM Services Inventory Sentiment Index contracted in April for the 12th time in the last 13 months, registering 46.7 percent. The 11 industries reporting sentiment that their inventories were too high in April — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Arts, Entertainment & Recreation; Mining; Other Services[‡]; Finance & Insurance; Retail Trade; Educational Services; Transportation & Warehousing; Health Care & Social Assistance; Utilities; and Wholesale Trade.

[‡]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).

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report.

The data presented herein is obtained from a survey of manufacturing and services supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

Data and Method of Presentation

The **Manufacturing ISM® Report On Business®** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Committee is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industry's contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data are weighted based on each industry's contribution to GDP. According to the BEA estimates for 2020 GDP (released December 22, 2021), the six largest manufacturing subsectors are: Computer & Electronic Products; Chemical Products; Transportation Equipment; Petroleum & Coal Products; Food, Beverage & Tobacco Products; and Machinery. Beginning in February 2018 with January 2018 data, computation of the indexes is accomplished utilizing unrounded numbers.

The **Services ISM® Report On Business®** (formerly the Non-Manufacturing ISM® Report On Business®) is based on data compiled from purchasing and supply executives nationwide. Membership of the Services Business Survey Committee (formerly Non-Manufacturing Business Survey Committee) is diversified by NAICS, based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Committee responses are divided into the following NAICS code categories: Agriculture, Forestry, Fishing & Hunting; Mining; Utilities; Construction; Wholesale Trade; Retail Trade; Transportation & Warehousing; Information; Finance & Insurance; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Educational Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Accommodation & Food Services; Public Administration; and 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). The data are weighted based on each industry's contribution to GDP. According to the BEA estimates for 2020 GDP (released December 22, 2021), the six largest services sectors are: Real Estate, Rental & Leasing; Government; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance. Beginning in February 2020 with January 2020 data, computation of the indexes is accomplished utilizing unrounded numbers.

Survey responses reflect the change, if any, in the current month compared to the previous month. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (for Manufacturing: New Orders, Production, Employment, and Inventories) (for Services: Business Activity, New Orders, Employment and Prices) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. The remaining indexes have not indicated significant seasonality. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them.

The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted). The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change.

A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing

PMI® above 48.7 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.7 percent, it is generally declining. The distance from 50 percent or 48.7 percent is indicative of the extent of the expansion or decline. A Services PMI® reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. A Services PMI® above 50.1 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 50.1 percent, it is generally declining. The distance from 50 percent or 50.1 percent is indicative of the strength of the expansion or decline. With some of the indicators within the Manufacturing ISM® Report On Business®, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The *Report On Business®* surveys are sent out to Manufacturing and Services Business Survey Committee respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity.

The industries reporting growth, as indicated in the monthly reports, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

ISM ROB Content

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