

ISM® REPORT ON BUSINESS® NON-MANUFACTURING

NOVEMBER 2017

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Economic activity in the non-manufacturing sector grew in November for the 95th consecutive month, say the nation's purchasing and supply executives in the latest Non-Manufacturing ISM® *Report On Business*®.

The NMI® registered 57.4 percent. This represents continued growth in the non-manufacturing sector at a slower rate. The Non-Manufacturing Business Activity Index decreased to 61.4 percent, 0.8 percentage point lower than the October reading of 62.2 percent, reflecting growth for the 100th consecutive month, at a slightly slower rate in November. The Prices Index decreased by 2 percentage points from the October reading of 62.7 percent to 60.7 percent, indicating prices increased in

November for the sixth consecutive month. The rate of growth has lessened in the non-manufacturing sector after two very strong months of growth. Comments from the survey respondents indicate that the economy and sector will continue to grow for the remainder of the year. The 16 non-manufacturing industries reporting growth in November

NMI® @ 57.4%

reporting growth in November — listed in order — are: Retail Trade; Wholesale Trade; Utilities; Transportation & Warehousing; Real Estate, Rental & Leasing; Educational

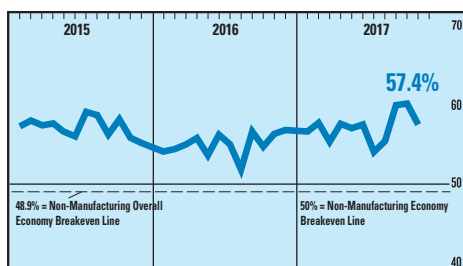
Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Other Services†; Public Administration; Information; Finance & Insurance; Construction; Management of Companies & Support Services; Accommodation & Food Services; and Professional, Scientific & Technical Services.

†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).

NON-MANUFACTURING AT A GLANCE

Index	Nov Index	Oct Index	% Point Change	Direction	Rate of Change	Trend* (months)
NMI®	57.4	60.1	-2.7	Growing	Slower	95
Business Activity	61.4	62.2	-0.8	Growing	Slower	100
New Orders	58.7	62.8	-4.1	Growing	Slower	100
Employment	55.3	57.5	-2.2	Growing	Slower	45
Supplier Deliveries	54.0	58.0	-4.0	Slowing	Slower	23
Inventories	54.5	52.5	+2.0	Growing	Faster	8
Prices	60.7	62.7	-2.0	Increasing	Slower	6
Backlog of Orders	51.5	53.5	-2.0	Growing	Slower	10
New Export Orders	57.0	60.0	-3.0	Growing	Slower	10
Imports	52.5	52.0	+0.5	Growing	Faster	6
Inventory Sentiment	56.0	61.0	-5.0	Too High	Slower	246
OVERALL ECONOMY				Growing	Slower	100
Non-Manufacturing Sector				Growing	Slower	95

*Number of months moving in current direction. Non-Manufacturing ISM® *Report On Business*® data is seasonally adjusted for the Business Activity, New Orders, Prices and Employment Indexes.



NMI®

In November, the NMI® registered 57.4 percent, 2.7 percentage points lower than the 60.1 percent registered in October, indicating continued growth in the non-manufacturing sector for the 95th consecutive month. A reading above 50 percent indicates the non-manufacturing sector economy is generally expanding; below 50 percent indicates the non-manufacturing sector is generally contracting.

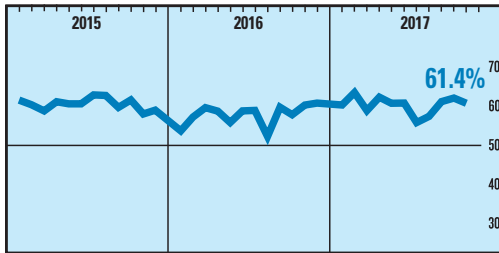
COMMODITIES REPORTED

Commodities Up in Price: Cheese (3); Copper Products (4); Corrugated Boxes (7); #1 Diesel Fuel (6); #2 Diesel Fuel (4); Fuel (5); Gasoline (4); Labor — Construction (9); Lumber Products (5); Natural Gas; Paper; Paper Products; Plastic Products; and Steel Products* (2).

Commodities Down in Price: Bacon (3); Butter; Dairy Products (2); and Steel Products*.

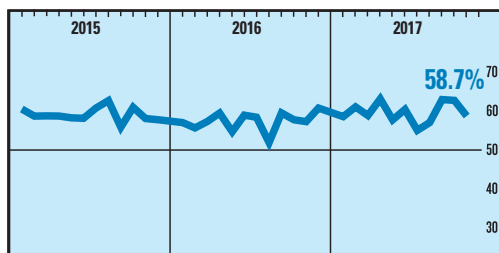
Commodities in Short Supply: Integrated Circuits; IV Solutions (4); Groundwood; Labor (4); Labor — Construction (20); and Labor — Temporary (3).

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



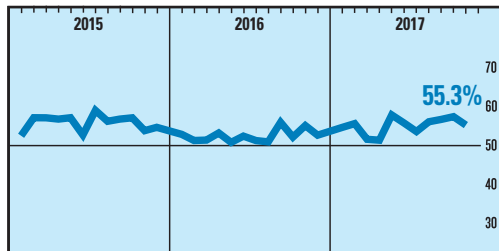
Business Activity

ISM's Business Activity Index registered 61.4 percent. The 14 industries reporting growth of business activity in November — listed in order — are: Utilities; Transportation & Warehousing; Retail Trade; Wholesale Trade; Educational Services; Public Administration; Finance & Insurance; Real Estate, Rental & Leasing; Accommodation & Food Services; Health Care & Social Assistance; Other Services^{†‡}; Information; Construction; and Professional, Scientific & Technical Services.



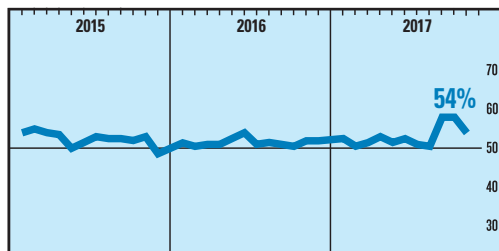
New Orders

ISM's Non-Manufacturing New Orders Index registered 58.7 percent. The 12 industries reporting growth of new orders in November — listed in order — are: Transportation & Warehousing; Utilities; Wholesale Trade; Retail Trade; Real Estate, Rental & Leasing; Public Administration; Health Care & Social Assistance; Professional, Scientific & Technical Services; Accommodation & Food Services; Information; Management of Companies & Support Services; and Other Services^{†‡}.



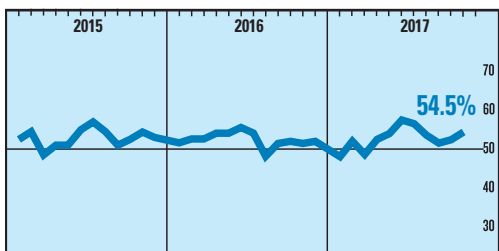
Employment

ISM's Non-Manufacturing Employment Index registered 55.3 percent. The 11 industries reporting an increase in employment in November — listed in order — are: Arts, Entertainment & Recreation; Real Estate, Rental & Leasing; Retail Trade; Educational Services; Other Services^{†‡}; Wholesale Trade; Finance & Insurance; Health Care & Social Assistance; Construction; Public Administration; and Management of Companies & Support Services.



Supplier Deliveries

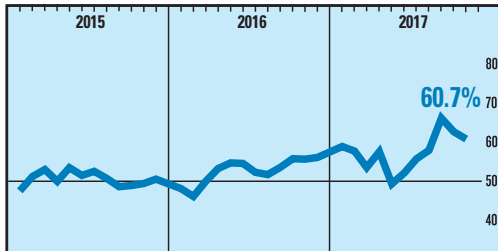
Supplier deliveries were slower in November for the 23rd consecutive month. The index registered 54 percent, which is 4 percentage points lower than the 58 percent that was registered in October. The 10 industries reporting slower deliveries in November — listed in order — are: Mining; Agriculture, Forestry, Fishing & Hunting; Information; Management of Companies & Support Services; Professional, Scientific & Technical Services; Wholesale Trade; Health Care & Social Assistance; Construction; Retail Trade; and Finance & Insurance. The only industry reporting faster deliveries in November is Public Administration.



Inventories

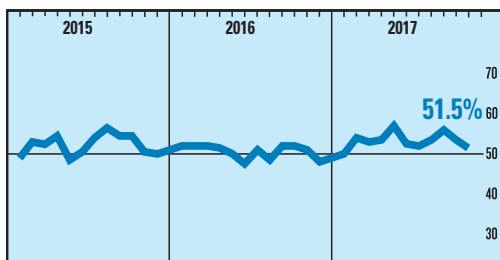
ISM's Non-Manufacturing Inventories Index grew in November for the eighth consecutive month and registered 54.5 percent. The 11 industries reporting an increase in inventories in November — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Utilities; Retail Trade; Transportation & Warehousing; Information; Real Estate, Rental & Leasing; Wholesale Trade; Construction; Accommodation & Food Services; Public Administration; and Professional, Scientific & Technical 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).



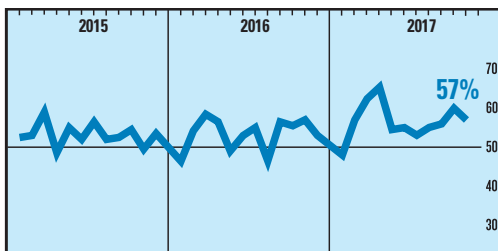
Prices

ISM's Non-Manufacturing Prices Index registered 60.7 percent. The 15 non-manufacturing industries reporting an increase in prices paid during the month of November — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Mining; Transportation & Warehousing; Wholesale Trade; Utilities; Construction; Retail Trade; Public Administration; Management of Companies & Support Services; Other Services[†]; Finance & Insurance; Accommodation & Food Services; Information; Professional, Scientific & Technical Services; and Health Care & Social Assistance.



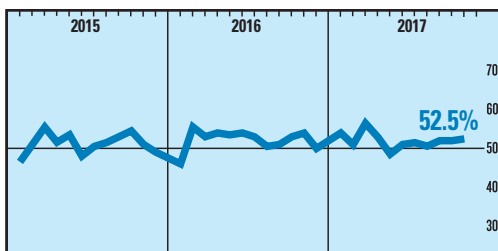
Backlog of Orders

ISM's Non-Manufacturing Backlog of Orders Index registered 51.5 percent. The seven industries reporting an increase in order backlogs in November — listed in order — are: Management of Companies & Support Services; Retail Trade; Finance & Insurance; Utilities; Public Administration; Professional, Scientific & Technical Services; and Wholesale Trade.



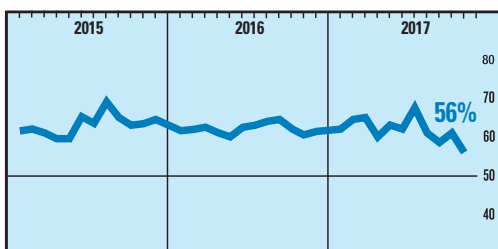
New Export Orders

Orders and requests for services and other non-manufacturing activities to be provided outside of the U.S. by domestically based personnel grew in November for the 10th consecutive month at a slower rate. The New Export Orders Index registered 57 percent. The eight industries reporting an increase in new export orders in November — listed in order — are: Utilities; Retail Trade; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Other Services[†]; Construction; Health Care & Social Assistance; and Professional, Scientific & Technical Services.



Imports

Imports grew in November for the sixth consecutive month. This month's reading at 52.5 percent is the 0.5 percentage point higher than the 52 percent that was reported in October. The six industries reporting an increase in imports for the month of November — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Utilities; Other Services[†]; Health Care & Social Assistance; Retail Trade; and Wholesale Trade.



Inventory Sentiment

The ISM Non-Manufacturing Inventory Sentiment Index in November registered 56 percent. The seven industries reporting a feeling that their inventories are too high in November — listed in order — are: Mining; Utilities; Retail Trade; Other Services[†]; Wholesale Trade; Information; and Professional, Scientific & Technical Services.

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