

ISM® REPORT ON BUSINESS® NON-MANUFACTURING

MARCH 2018

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Economic activity in the non-manufacturing sector grew in March for the 98th consecutive month, say the nation's purchasing and supply executives in the latest Non-Manufacturing ISM® *Report On Business*®.

The NMI® registered 58.8 percent. The New Orders Index registered 59.5 percent. The Employment Index increased 1.6 percentage points in March to 56.6 percent from the February reading of 55.6 percent. The Prices Index increased by 0.5 percentage point from the February reading of 61 percent to 61.5 percent, indicating that prices increased in March for the 25th consecutive month. According to the NMI®, 15 non-manufacturing industries reported growth. Despite the

slight dip in the NMI® composite index, the non-manufacturing sector enjoyed another month of strong growth in March. The cooling off of the New Orders index possibly prevented an even stronger reading for the NMI® composite index. The majority of respondents remain positive about business conditions. The

NMI® @ 58.8%

15 non-manufacturing industries reporting growth in March — listed in order — are: Mining; Transportation & Warehousing; Agriculture, Forestry, Fishing & Hunting; Retail Trade; Real

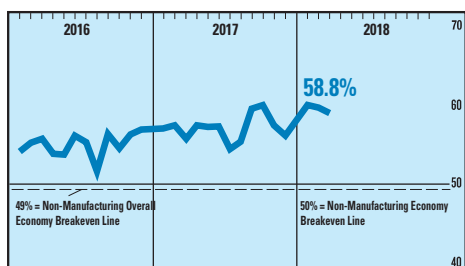
Estate, Rental & Leasing; Wholesale Trade; Finance & Insurance; Management of Companies & Support Services; Professional, Scientific & Technical Services; Accommodation & Food Services; Public Administration; Construction; Health Care & Social Assistance; Other Services*; and Utilities.

*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	Mar Index	Feb Index	% Point Change	Direction	Rate of Change	Trend* (months)
NMI®	58.8	59.5	-0.7	Growing	Slower	98
Business Activity	60.6	62.8	-2.2	Growing	Slower	104
New Orders	59.5	64.8	-5.3	Growing	Slower	86
Employment	56.6	55.0	+1.6	Growing	Faster	49
Supplier Deliveries	58.5	55.5	+3.0	Slowing	Faster	27
Inventories	53.5	53.5	0.0	Growing	Same	2
Prices	61.5	61.0	+0.5	Increasing	Faster	25
Backlog of Orders	56.5	56.0	+0.5	Growing	Faster	3
New Export Orders	58.0	59.5	-1.5	Growing	Slower	14
Imports	55.0	50.0	+5.0	Growing	From Unchanged	1
Inventory Sentiment	58.5	61.0	-2.5	Too High	Slower	250
OVERALL ECONOMY				Growing	Slower	103
Non-Manufacturing Sector				Growing	Slower	98

*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®

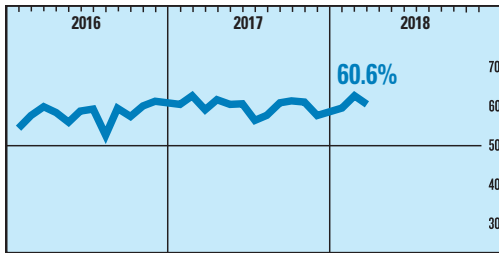
In March, the NMI® registered 58.8 percent, 0.7 percentage point lower than the 59.5 percent registered in February, indicating continued growth in the non-manufacturing sector for the 98th consecutive month. A reading above 50 percent indicates the non-manufacturing sector economy is generally expanding; below 50 percent indicates the non-manufacturing sector is generally contracting. An NMI® above 49 percent, over a period of time, generally indicates an expansion of the overall economy.

COMMODITIES REPORTED

Commodities Up in Price: Coated Paper; Copper Products (8); Freight Charges (2); and Steel Products (6).

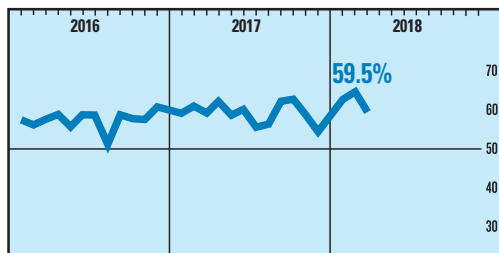
Commodities Down in Price: HVAC Equipment.

Commodities in Short Supply: Construction Subcontractors (3); IV Solutions (8); Labor — Construction (24); and Medical Supplies.



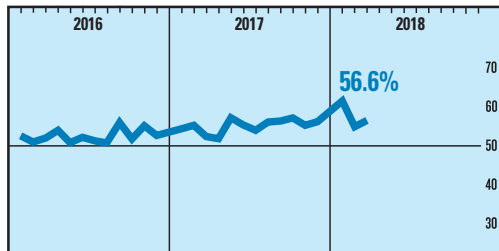
Business Activity

ISM's Business Activity Index registered 60.6 percent. The 13 industries reporting growth of business activity in March — listed in order — are: Mining; Real Estate, Rental & Leasing; Agriculture, Forestry, Fishing & Hunting; Retail Trade; Transportation & Warehousing; Professional, Scientific & Technical Services; Finance & Insurance; Construction; Public Administration; Accommodation & Food Services; Health Care & Social Assistance; Wholesale Trade; and Other Services[†].



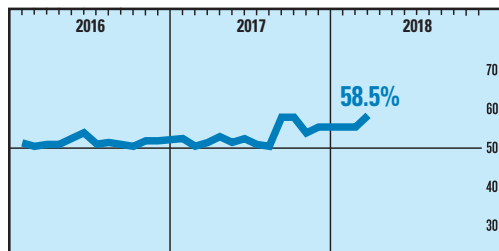
New Orders

ISM's Non-Manufacturing New Orders Index registered 59.5 percent. The 13 industries reporting growth of new orders in March — listed in order — are: Real Estate, Rental & Leasing; Mining; Agriculture, Forestry, Fishing & Hunting; Retail Trade; Finance & Insurance; Transportation & Warehousing; Other Services[†]; Wholesale Trade; Professional, Scientific & Technical Services; Public Administration; Management of Companies & Support Services; Health Care & Social Assistance; and Accommodation & Food Services.



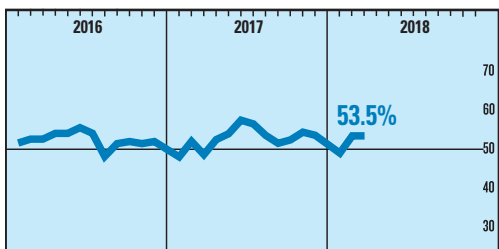
Employment

ISM's Non-Manufacturing Employment Index registered 56.6 percent. The 12 industries reporting an increase in employment in March — listed in order — are: Retail Trade; Transportation & Warehousing; Wholesale Trade; Management of Companies & Support Services; Finance & Insurance; Utilities; Real Estate, Rental & Leasing; Mining; Construction; Public Administration; Professional, Scientific & Technical Services; and Health Care & Social Assistance.



Supplier Deliveries

The Supplier Deliveries index registered 58.5 percent. The 11 industries reporting slower deliveries in March — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Management of Companies & Support Services; Accommodation & Food Services; Mining; Wholesale Trade; Health Care & Social Assistance; Professional, Scientific & Technical Services; Construction; Finance & Insurance; and Public Administration.



Inventories

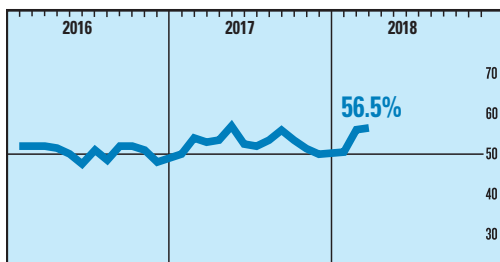
ISM's Non-Manufacturing Inventories Index grew in March for the second consecutive month, registering 53.5 percent, which is the same percent reported in February. The eight industries reporting an increase in inventories in March — listed in order — are: Wholesale Trade; Utilities; Real Estate, Rental & Leasing; Public Administration; Mining; Information; Accommodation & Food Services; and Health Care & Social Assistance.

[†]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).



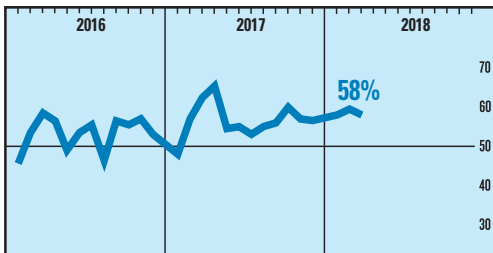
Prices

ISM's Non-Manufacturing Prices Index registered 61.5 percent. The 12 non-manufacturing industries reporting an increase in prices paid during the month of March — listed in order — are: Wholesale Trade; Mining; Agriculture, Forestry, Fishing & Hunting; Construction; Management of Companies & Support Services; Finance & Insurance; Public Administration; Accommodation & Food Services; Health Care & Social Assistance; Professional, Scientific & Technical Services; Transportation & Warehousing; and Information.



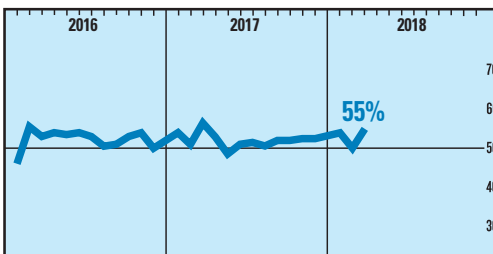
Backlog of Orders

ISM's Non-Manufacturing Backlog of Orders registered 56.5 percent. The eight industries reporting an increase in order backlogs in March — listed in order — are: Management of Companies & Support Services; Wholesale Trade; Transportation & Warehousing; Professional, Scientific & Technical Services; Public Administration; Mining; Information; and Finance & Insurance.



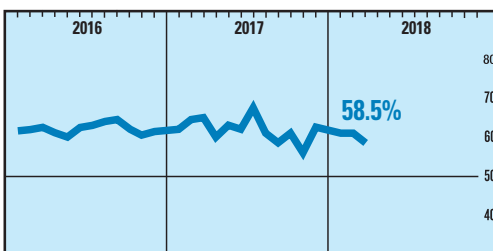
New Export Orders

The New Export Orders Index registered 58 percent. The nine industries reporting an increase in new export orders in March — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Mining; Retail Trade; Real Estate, Rental & Leasing; Finance & Insurance; Other Services^{†*}; Construction; Wholesale Trade; and Professional, Scientific & Technical Services.



Imports

The Imports Index registered 55 percent. The nine industries reporting an increase in imports for the month of March — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Management of Companies & Support Services; Retail Trade; Mining; Information; Transportation & Warehousing; Health Care & Social Assistance; Wholesale Trade; and Construction.



Inventory Sentiment

The ISM Non-Manufacturing Inventory Sentiment Index in March registered 58.5 percent. The seven industries reporting a feeling that their inventories were too high in March — listed in order — are: Wholesale Trade; Information; Utilities; Mining; Other Services^{†*}; Health Care & Social Assistance; 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).