

ISM® REPORT ON BUSINESS® NON-MANUFACTURING

APRIL 2018

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Economic activity in the non-manufacturing sector grew in April for the 99th consecutive month, say the nation's purchasing and supply executives in the latest Non-Manufacturing ISM® *Report On Business*®.

The New Orders Index registered 60 percent, 0.5 percentage point higher than the reading of 59.5 percent in March. The Employment Index decreased 3 percentage points in April to 53.6 percent from the March reading of 56.6 percent. The Prices Index increased by 0.3 percentage point from the March reading of 61.5 percent to 61.8 percent, indicating that prices increased in April for the 26th consecutive month. The respondents

have expressed concern regarding the uncertainty about tariffs and the effect on the cost of goods. Overall, the respondents remain positive about business conditions and the economy. All 18 non-manufacturing industries reported growth in April, listed in order: Mining; Utilities; Retail Trade; Educational Services; Wholesale Trade; Construction; Transportation & Warehousing; Public Administration; Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Finance & Insurance; Other Services; Arts, Entertainment & Recreation; Management of Companies & Support Services; Professional, Scientific & Technical Services; Accommodation & Food Services; Information; and Health Care & Social Assistance.

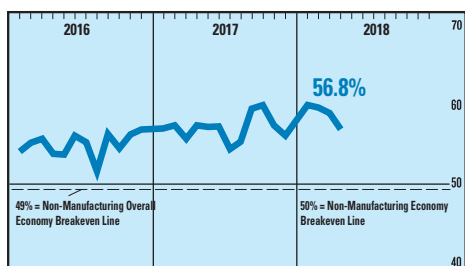
NMI® @ 56.8%

❖ *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	Apr Index	Mar Index	% Point Change	Direction	Rate of Change	Trend* (months)
NMI®	56.8	58.8	-2.0	Growing	Slower	99
Business Activity	59.1	60.6	-1.5	Growing	Slower	105
New Orders	60.0	59.5	+0.5	Growing	Faster	87
Employment	53.6	56.6	-3.0	Growing	Slower	50
Supplier Deliveries	54.5	58.5	-4.0	Slowing	Slower	28
Inventories	57.0	53.5	+3.5	Growing	Faster	3
Prices	61.8	61.5	+0.3	Increasing	Faster	26
Backlog of Orders	52.0	56.5	-4.5	Growing	Slower	4
New Export Orders	61.5	58.0	+3.5	Growing	Faster	15
Imports	54.5	55.0	-0.5	Growing	Slower	2
Inventory Sentiment	60.0	58.5	+1.5	Too High	Faster	251
OVERALL ECONOMY				Growing	Slower	104
Non-Manufacturing Sector				Growing	Slower	99

*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 April, the NMI® registered 56.8 percent, 2 percentage points lower than the 58.8 percent registered in March, indicating continued growth in the non-manufacturing sector for the 99th 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.

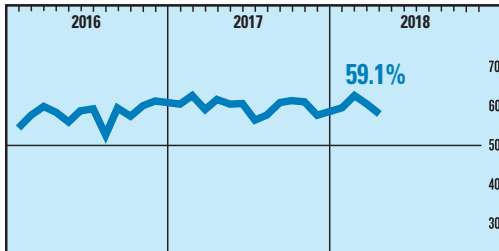
COMMODITIES REPORTED

Commodities Up in Price: Aluminum Products; Corrugated Boxes; Diesel; Freight Charges (3); Fuel; Gasoline; Pharmaceuticals; Roofing Products; Steel; Steel Products (7); and Transportation Costs.

Commodities Down in Price: Beef; Eggs; and Soybean Oil.

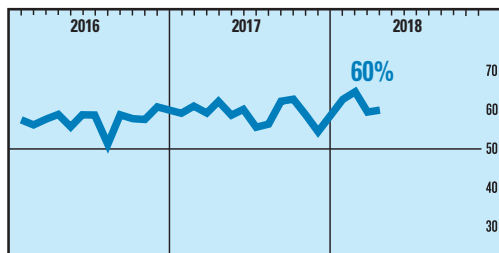
Commodities in Short Supply: Construction Subcontractors (4); IV Solutions (9); Labor — Construction (25); Printed Circuit Board Assemblies; and Trucking Services.

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



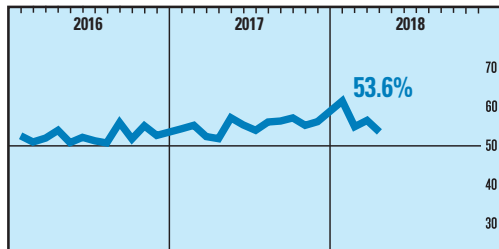
Business Activity

ISM's Business Activity Index registered 59.1 percent. The 15 industries reporting growth of business activity in April — listed in order — are: Mining; Utilities; Educational Services; Transportation & Warehousing; Arts, Entertainment & Recreation; Retail Trade; Public Administration; Wholesale Trade; Construction; Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Finance & Insurance; Information; Other Services[†]; and Professional, Scientific & Technical Services.



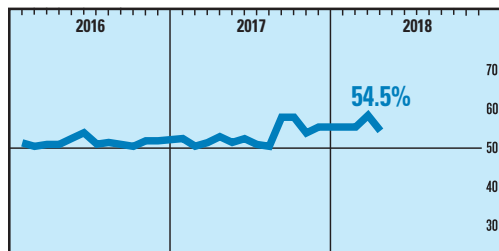
New Orders

ISM's Non-Manufacturing New Orders Index registered 60 percent. The 16 industries reporting growth of new orders in April — listed in order — are: Utilities; Mining; Educational Services; Transportation & Warehousing; Retail Trade; Construction; Public Administration; Wholesale Trade; Agriculture, Forestry, Fishing & Hunting; Management of Companies & Support Services; Finance & Insurance; Accommodation & Food Services; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Health Care & Social Assistance; and Information.



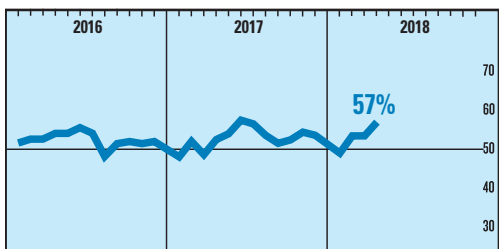
Employment

ISM's Non-Manufacturing Employment Index registered 53.6 percent. The 10 industries reporting an increase in employment in April — listed in order — are: Mining; Other Services[†]; Retail Trade; Wholesale Trade; Real Estate, Rental & Leasing; Public Administration; Construction; Management of Companies & Support Services; Finance & Insurance; and Professional, Scientific & Technical Services.



Supplier Deliveries

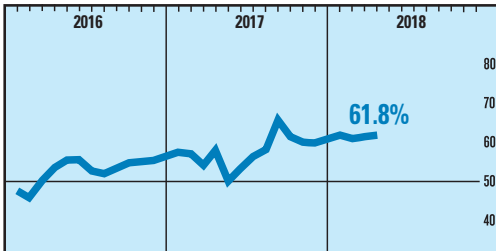
The Supplier Deliveries Index registered 54.5 percent. The seven industries reporting slower deliveries in April — listed in order — are: Mining; Accommodation & Food Services; Wholesale Trade; Construction; Transportation & Warehousing; Professional, Scientific & Technical Services; and Health Care & Social Assistance.



Inventories

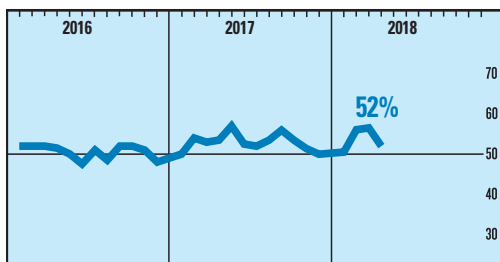
ISM's Non-Manufacturing Inventories Index grew in April for the third consecutive month, registering 57 percent. The nine industries reporting an increase in inventories in April — listed in order — are: Public Administration; Management of Companies & Support Services; Agriculture, Forestry, Fishing & Hunting; Utilities; Mining; Retail Trade; Construction; Wholesale Trade; and Accommodation & Food 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).



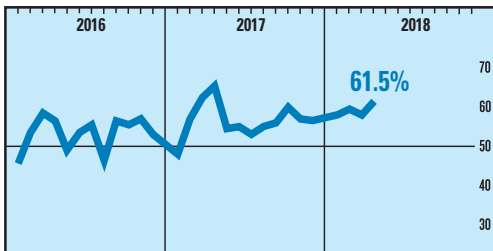
Prices

ISM's Non-Manufacturing Prices Index registered 61.8 percent. The 14 non-manufacturing industries reporting an increase in prices paid during the month of April — listed in order — are: Mining; Construction; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Wholesale Trade; Public Administration; Other Services^{**}; Management of Companies & Support Services; Information; Professional, Scientific & Technical Services; Health Care & Social Assistance; Real Estate, Rental & Leasing; Finance & Insurance; and Accommodation & Food Services.



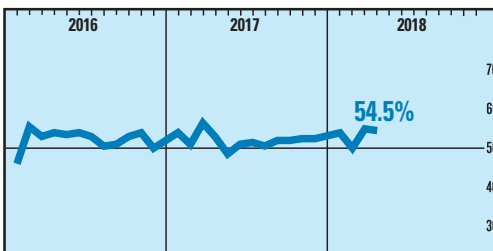
Backlog of Orders

ISM's Non-Manufacturing Backlog of Orders registered 52 percent. The four industries reporting an increase in order backlogs in April are: Finance & Insurance; Health Care & Social Assistance; Public Administration; and Construction. The three industries reporting a decrease in order backlogs in April are: Other Services^{**}; Professional, Scientific & Technical Services; and Wholesale Trade.



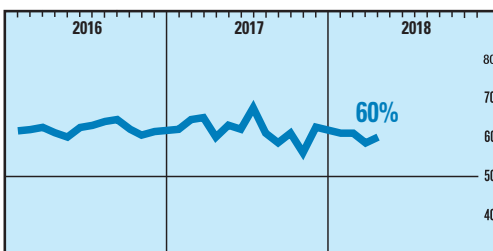
New Export Orders

The New Export Orders Index registered 61.5 percent. The 11 industries reporting an increase in new export orders in April — listed in order — are: Retail Trade; Mining; Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Accommodation & Food Services; Transportation & Warehousing; Construction; Finance & Insurance; Wholesale Trade; Information; and Professional, Scientific & Technical Services.



Imports

The Imports Index reading of 54.5 percent is 0.5 percentage point lower than the 55 percent reported in March. The six industries reporting an increase in imports for the month of April — listed in order — are: Retail Trade; Mining; Professional, Scientific & Technical Services; Wholesale Trade; Construction; and Transportation & Warehousing.



Inventory Sentiment

The ISM Non-Manufacturing Inventory Sentiment Index in April registered 60 percent. The 11 industries reporting a feeling that their inventories were too high in April — listed in order — are: Utilities; Information; Agriculture, Forestry, Fishing & Hunting; Wholesale Trade; Mining; Construction; Health Care & Social Assistance; Retail Trade; Transportation & Warehousing; Professional, Scientific & Technical 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).