

ISM® REPORT ON BUSINESS® NON-MANUFACTURING

SEPTEMBER 2018

Analysis by **Anthony Nieves, CPSM, C.P.M., A.P.P., CFPM**,
Chair of the Institute for Supply Management® Non-Manufacturing
Business Survey Committee

Economic activity in the non-manufacturing sector grew in September for the 104th consecutive month, say the nation's purchasing and supply executives in the latest Non-Manufacturing ISM® Report On Business®.

The NMI® registered 61.6 percent. This represents continued growth in the non-manufacturing sector at a faster rate and at an all-time high since the inception of the report and the composite index in 2008. The Employment Index substantially increased 5.7 percentage points in September to 62.4 percent from the August reading of 56.7 percent. The non-manufacturing sector has reflected two consecutive months of strong rates of growth

NMI® @ 61.6%

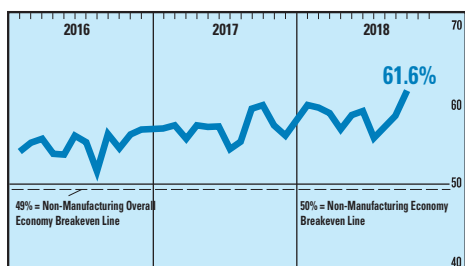
since the 'cooling off' in July. Overall, respondents remain positive about business conditions and the current and future economy. Concerns remain about capacity, logistics and the uncertainty with global trade. The 17 non-manufacturing industries reporting growth in September — listed in order — are: Mining; Real Estate, Rental & Leasing; Wholesale Trade; Management of Companies & Support Services; Construction; Retail Trade; Arts, Entertainment & Recreation; Professional, Scientific & Technical Services; Transportation & Warehousing; Information; Accommodation & Food Services; Health Care & Social Assistance; Public Administration; Other Services*†; Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; 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	Sep Index	Aug Index	% Point Change	Direction	Rate of Change	Trend* (months)
NMI®	61.6	58.5	+3.1	Growing	Faster	104
Business Activity	65.2	60.7	+4.5	Growing	Faster	110
New Orders	61.6	60.4	+1.2	Growing	Faster	92
Employment	62.4	56.7	+5.7	Growing	Faster	55
Supplier Deliveries	57.0	56.0	+1.0	Slowing	Faster	33
Inventories	54.5	53.5	+1.0	Growing	Faster	8
Prices	64.2	62.8	+1.4	Increasing	Faster	31
Backlog of Orders	58.5	56.5	+2.0	Growing	Faster	9
New Export Orders	61.0	60.5	+0.5	Growing	Faster	20
Imports	55.0	52.0	+3.0	Growing	Faster	7
Inventory Sentiment	59.5	59.5	0.0	Too High	Same	256
OVERALL ECONOMY				Growing	Faster	109
Non-Manufacturing Sector				Growing	Faster	104

*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 September, the NMI® registered 61.6 percent, 3.1 percentage points higher than the 58.5 percent registered in August, indicating continued growth in the non-manufacturing sector for the 104th 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.

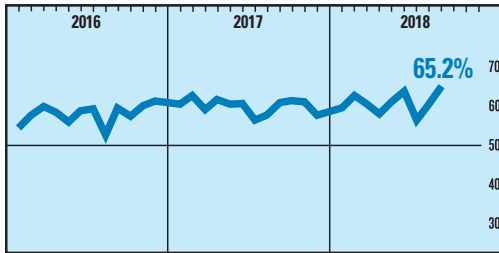
COMMODITIES REPORTED

Commodities Up in Price: Aluminum (6); Consultant Services; Diesel (6); Freight (2); Metal Products; Paper (2); Paper Products (2); and Steel Products*(12).

Commodities Down in Price: Beef; Copper Products; Pork; Steel Products*; and Unleaded Gasoline.

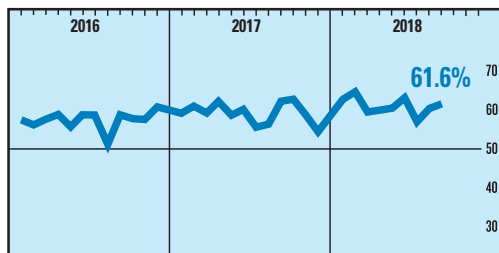
Commodities in Short Supply: Construction Subcontractors (9); Labor — Construction (30); Labor — Temporary; Steel Products; and Titanium Sheets.

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



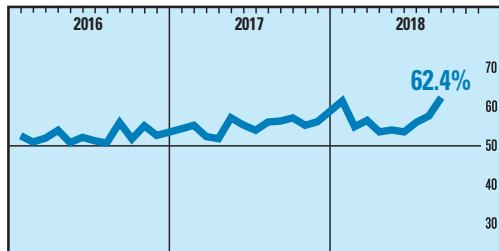
Business Activity

ISM's Business Activity Index registered 65.2 percent. The 17 industries reporting growth of business activity in September — listed in order — are: Real Estate, Rental & Leasing; Information; Construction; Wholesale Trade; Management of Companies & Support Services; Transportation & Warehousing; Retail Trade; Agriculture, Forestry, Fishing & Hunting; Mining; Arts, Entertainment & Recreation; Professional, Scientific & Technical Services; Public Administration; Health Care & Social Assistance; Accommodation & Food Services; Utilities; Finance & Insurance; and Other Services[†].



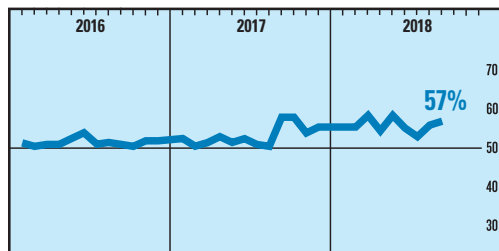
New Orders

ISM's Non-Manufacturing New Orders Index registered 61.6 percent. The 17 industries reporting growth of new orders in September — listed in order — are: Mining; Arts, Entertainment & Recreation; Transportation & Warehousing; Construction; Management of Companies & Support Services; Wholesale Trade; Information; Professional, Scientific & Technical Services; Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Public Administration; Accommodation & Food Services; Utilities; Retail Trade; Other Services[†]; Health Care & Social Assistance; and Finance & Insurance.



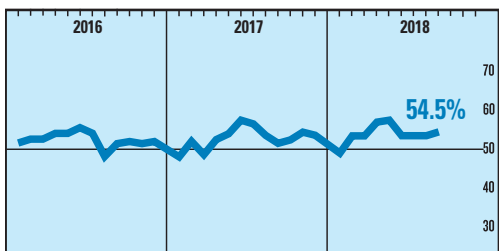
Employment

ISM's Non-Manufacturing Employment Index registered 62.4 percent. The 13 industries reporting an increase in employment in September — listed in order — are: Mining; Real Estate, Rental & Leasing; Retail Trade; Other Services[†]; Health Care & Social Assistance; Arts, Entertainment & Recreation; Finance & Insurance; Wholesale Trade; Construction; Management of Companies & Support Services; Professional, Scientific & Technical Services; Public Administration; and Transportation & Warehousing.



Supplier Deliveries

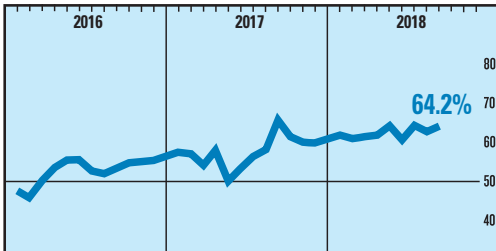
Supplier deliveries were slower in September for the 33rd consecutive month. The index registered 57 percent, which is 1 percentage point higher than the 56 percent registered in August. The 12 industries reporting slower deliveries in September — listed in order — are: Mining; Accommodation & Food Services; Wholesale Trade; Management of Companies & Support Services; Information; Professional, Scientific & Technical Services; Real Estate, Rental & Leasing; Retail Trade; Transportation & Warehousing; Construction; Health Care & Social Assistance; and Public Administration.



Inventories

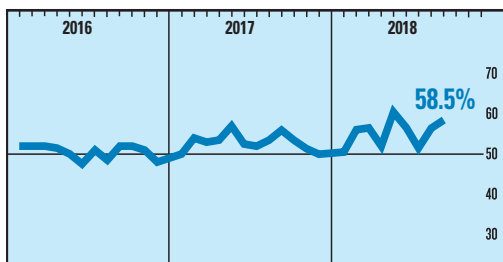
ISM's Non-Manufacturing Inventories Index grew in September for the eighth consecutive month, registering 54.5 percent, which is 1 percentage point higher than the 53.5 that was reported in both June, July and August. The nine industries reporting an increase in inventories in September — listed in order — are: Retail Trade; Finance & Insurance; Real Estate, Rental & Leasing; Other Services[†]; Utilities; Wholesale Trade; Accommodation & Food Services; Information; and Construction.

[†]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).



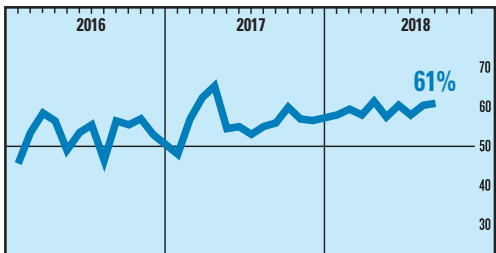
Prices

ISM's Non-Manufacturing Prices Index registered 64.2 percent. The 13 non-manufacturing industries reporting an increase in prices paid during the month of September — listed in order — are: Mining; Information; Transportation & Warehousing; Public Administration; Wholesale Trade; Professional, Scientific & Technical Services; Retail Trade; Management of Companies & Support Services; Health Care & Social Assistance; Construction; Real Estate, Rental & Leasing; Finance & Insurance; and Other Services^{†*}.



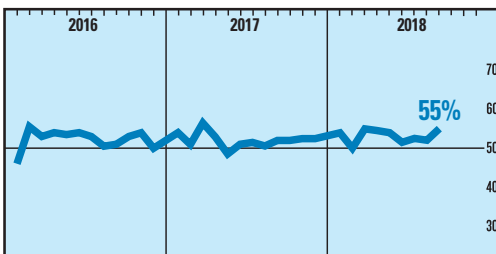
Backlog of Orders

ISM's Non-Manufacturing Backlog of Orders grew in September. The index registered 58.5 percent, which is 2 percentage points higher than the 56.5 percent reported in August. The 10 industries reporting an increase in order backlogs in September — listed in order — are: Management of Companies & Support Services; Accommodation & Food Services; Transportation & Warehousing; Construction; Mining; Health Care & Social Assistance; Wholesale Trade; Public Administration; Finance & Insurance; and Professional, Scientific & Technical Services.



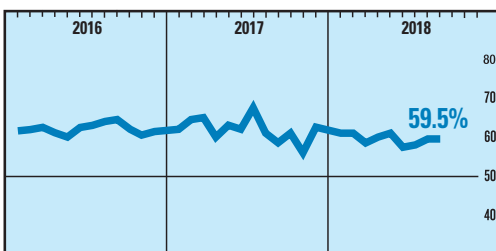
New Export Orders

Orders and requests for services and other non-manufacturing activities to be provided outside of the U.S. by domestically based personnel grew for the 20th consecutive month, at a faster rate in September. The New Export Orders Index registered 61 percent. The 10 industries reporting an increase in new export orders in September — listed in order — are: Construction; Real Estate, Rental & Leasing; Accommodation & Food Services; Information; Mining; Other Services^{†*}; Wholesale Trade; Professional, Scientific & Technical Services; Retail Trade; and Transportation & Warehousing.



Imports

The Imports Index reading of 55 percent. The eight industries reporting an increase in imports for the month of September — listed in order — are: Other Services^{†*}; Mining; Construction; Information; Wholesale Trade; Health Care & Social Assistance; Professional, Scientific & Technical Services; and Retail Trade.



Inventory Sentiment

The Non-Manufacturing Inventory Sentiment Index in September registered 59.5 percent. The 11 industries reporting a feeling that their inventories were too high in September — listed in order — are: Mining; Wholesale Trade; Utilities; Transportation & Warehousing; Information; Management of Companies & Support Services; Construction; Accommodation & Food Services; Retail Trade; Health Care & Social Assistance; and Professional, Scientific & Technical Services.

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