

ISM® REPORT ON BUSINESS® NON-MANUFACTURING

MARCH 2019

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Economic activity in the non-manufacturing sector grew in March for the 110th consecutive month, say the nation's purchasing and supply executives in the latest Non-Manufacturing ISM® *Report On Business*®.

The NMI® registered 56.1 percent. This represents continued growth in the non-manufacturing sector, at a slower rate. The Non-Manufacturing Business Activity Index decreased to 57.4 percent, 7.3 percentage points lower than the February reading of 64.7 percent, reflecting growth for the 116th consecutive month, at a slower rate in March. The New Orders Index registered 59 percent, 6.2 percentage points lower than the reading of 65.2 percent in February. The Employment Index

increased 0.7 percentage point in March to 55.9 percent from the February reading of 55.2 percent. The Prices Index increased 4.3 percentage points from the February reading of 54.4 percent to 58.7 percent, indicating that prices increased in March for the 22nd consecutive month. The 16 non-manufacturing industries reporting growth in March — listed in order — are: Construction; Other Services†; Professional, Scientific & Technical Services; Health Care & Social Assistance; Accommodation & Food Services; Public Administration; Mining; Management of Companies & Support Services; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Real Estate, Rental & Leasing; Information; Arts, Entertainment & Recreation; Utilities; Finance & Insurance; and Wholesale Trade.

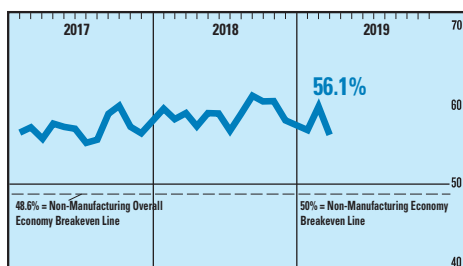
NMI® @ 56.1%

†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®	56.1	59.7	-3.6	Growing	Slower	110
Business Activity	57.4	64.7	-7.3	Growing	Slower	116
New Orders	59.0	65.2	-6.2	Growing	Slower	116
Employment	55.9	55.2	+0.7	Growing	Faster	61
Supplier Deliveries	52.0	53.5	-1.5	Slowing	Slower	39
Inventories	50.0	51.0	-1.0	Unchanged	From Growing	1
Prices	58.7	54.4	+4.3	Increasing	Faster	22
Backlog of Orders	56.5	55.5	+1.0	Growing	Faster	15
New Export Orders	52.5	55.0	-2.5	Growing	Slower	26
Imports	51.5	48.5	+3.0	Growing	From Contracting	1
Inventory Sentiment	62.5	59.0	+3.5	Too High	Faster	261
OVERALL ECONOMY				Growing	Slower	116
Non-Manufacturing Sector				Growing	Slower	110

*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 56.1 percent, 3.6 percentage points lower than the 59.7 percent registered in February, indicating growth in the non-manufacturing sector for the 110th 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.

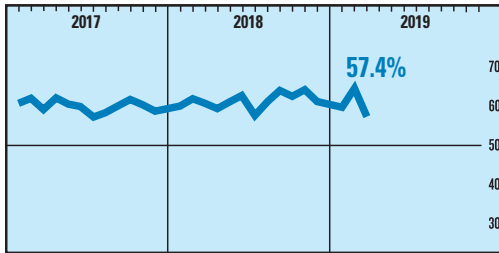
COMMODITIES REPORTED

Commodities Up in Price: Aluminum Products; Construction Subcontractors; Diesel Fuel; Gasoline; Labor (6); Labor — Construction; Labor — Temporary; Paper (2); Paper Products (2); Pharmaceuticals; and Steel Products (18).

Commodities Down in Price: Bacon.

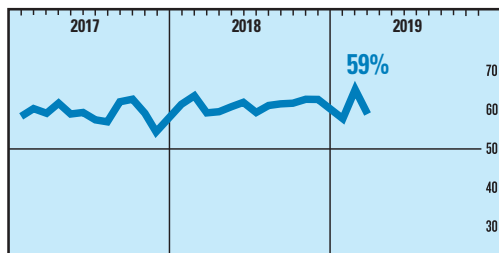
Commodities in Short Supply: Construction Subcontractors (15); Gowns; Helium; Labor (6); Labor — Construction (36); Labor — Temporary (7); Needles & Syringes; Pharmaceuticals; and Truck Deliveries.

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



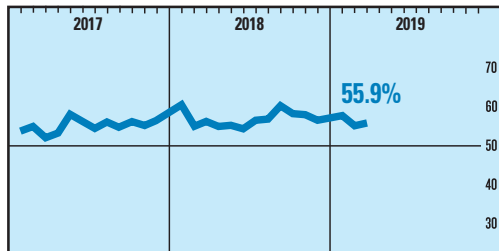
Business Activity

ISM's Business Activity Index registered 57.4 percent. The 12 industries reporting growth of business activity in March — listed in order — are: Construction; Accommodation & Food Services; Other Services^{†*}; Arts, Entertainment & Recreation; Utilities; Transportation & Warehousing; Health Care & Social Assistance; Professional, Scientific & Technical Services; Information; Public Administration; Mining; and Management of Companies & Support Services.



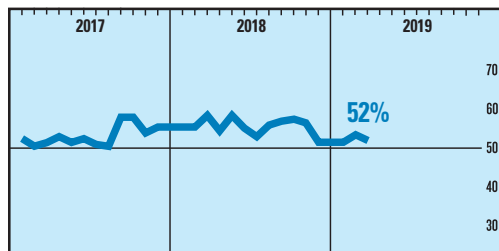
New Orders

ISM's Non-Manufacturing New Orders Index registered 59 percent. The 12 industries reporting growth of new orders in March — listed in order — are: Other Services^{†*}; Construction; Accommodation & Food Services; Health Care & Social Assistance; Information; Utilities; Professional, Scientific & Technical Services; Management of Companies & Support Services; Public Administration; Mining; Transportation & Warehousing; and Finance & Insurance.



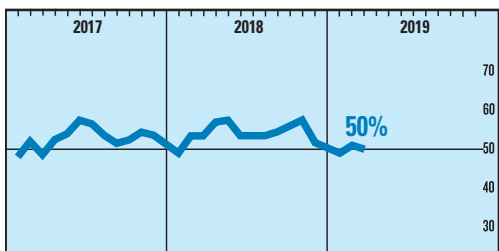
Employment

ISM's Non-Manufacturing Employment Index registered 55.9 percent. The 12 industries reporting an increase in employment in March — listed in order — are: Real Estate, Rental & Leasing; Construction; Professional, Scientific & Technical Services; Agriculture, Forestry, Fishing & Hunting; Educational Services; Wholesale Trade; Health Care & Social Assistance; Management of Companies & Support Services; Public Administration; Mining; Transportation & Warehousing; and Other Services^{†*}.



Supplier Deliveries

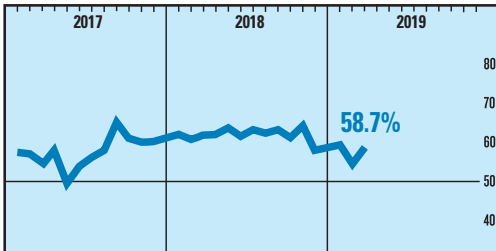
Supplier deliveries were slower in March for the 39th consecutive month. The index registered 52 percent, which is 1.5 percentage points lower than the 53.5 percent registered in February. The nine industries reporting slower deliveries in March — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Mining; Health Care & Social Assistance; Retail Trade; Finance & Insurance; Construction; Professional, Scientific & Technical Services; Public Administration; and Wholesale Trade.



Inventories

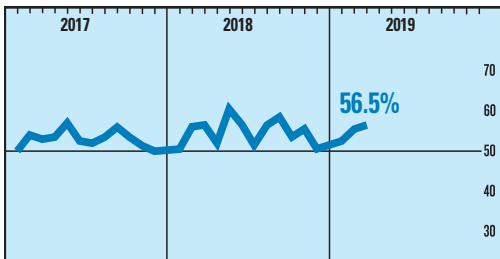
ISM's Non-Manufacturing Inventories Index is unchanged in March after a month of growth, registering 50 percent, which is 1 percentage point lower than the 51 percent that was reported in February. The five industries reporting an increase in inventories in March are: Agriculture, Forestry, Fishing & Hunting; Professional, Scientific & Technical Services; 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).



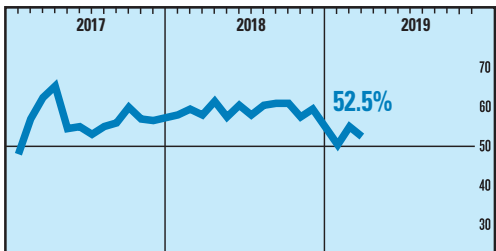
Prices

ISM's Non-Manufacturing Prices Index registered 58.7 percent. Thirteen non-manufacturing industries reported an increase in prices paid during the month of March, listed in the following order: Other Services[‡]; Construction; Information; Public Administration; Wholesale Trade; Educational Services; Mining; Transportation & Warehousing; Finance & Insurance; Utilities; Health Care & Social Assistance; Management of Companies & Support Services; and Professional, Scientific & Technical Services.



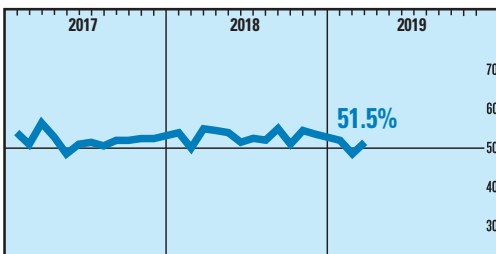
Backlog of Orders

ISM's Non-Manufacturing Backlog of Orders Index grew in March. The index registered 56.5 percent, which is 1 percentage point higher than the 55.5 percent reported in February. The nine industries reporting an increase in order backlogs in March — listed in order — are: Accommodation & Food Services; Health Care & Social Assistance; Transportation & Warehousing; Professional, Scientific & Technical Services; Utilities; Public Administration; Other Services[‡]; Construction; and Mining.



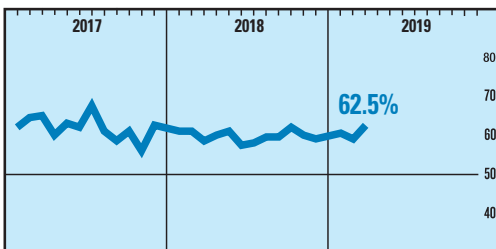
New Export Orders

The New Export Orders Index registered 52.5 percent. The seven industries reporting an increase in new export orders in March — listed in order — are: Real Estate, Rental & Leasing; Information; Construction; Finance & Insurance; Health Care & Social Assistance; Professional, Scientific & Technical Services; and Wholesale Trade.



Imports

The Imports Index grew in March after a month of contraction. The reading of 51.5 percent is 3 percentage points higher than the 48.5 percent reported in February. The five industries reporting an increase in imports for the month of March are: Agriculture, Forestry, Fishing & Hunting; Accommodation & Food Services; Information; Finance & Insurance; and Professional, Scientific & Technical Services.



Inventory Sentiment

The Non-Manufacturing Inventory Sentiment Index in March registered 62.5 percent. The 11 industries reporting a feeling that their inventories were too high in March — listed in order — are: Other Services[‡]; Wholesale Trade; Information; Agriculture, Forestry, Fishing & Hunting; Construction; Public Administration; Utilities; Health Care & Social Assistance; Mining; Retail Trade; and Finance & Insurance.

[‡]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).