

# ISM® REPORT ON BUSINESS® NON-MANUFACTURING

APRIL 2019

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Economic activity in the non-manufacturing sector grew in April for the 111th consecutive month, say the nation's purchasing and supply executives in the latest Non-Manufacturing ISM® *Report On Business*®.

The NMI® registered 55.5 percent. The Non-Manufacturing Business Activity Index increased to 59.5 percent, 2.1 percentage points higher than the March reading of 57.4 percent, reflecting growth for the 117th consecutive month, at a faster rate in April. The New Orders Index registered 58.1 percent; 0.9 percentage point lower than the reading of 59 percent in March. The Prices Index decreased 3 percentage points from the March reading of 58.7 percent to 55.7 percent,

indicating that prices increased in April for the 23rd consecutive month. The non-manufacturing sector has experienced an uptick in business activity, but in general, there has been a leveling off. Respondents are still mostly optimistic about overall business conditions, but concerns remain about employment resources.

## NMI® @ 55.5%

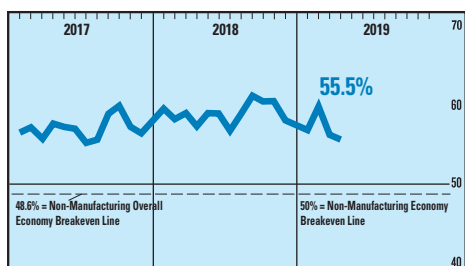
The 15 non-manufacturing industries reporting growth in April — listed in order — are: Transportation & Warehousing; Professional, Scientific & Technical Services; Construction; Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; Public Administration; Health Care & Social Assistance; Utilities; Other Services\*; Wholesale Trade; Management of Companies & Support Services; Mining; Educational Services; Finance & Insurance; and Information.

\*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®                            | 55.5      | 56.1      | -0.6           | Growing        | Slower         | 111             |
| Business Activity               | 59.5      | 57.4      | +2.1           | Growing        | Faster         | 117             |
| New Orders                      | 58.1      | 59.0      | -0.9           | Growing        | Slower         | 117             |
| Employment                      | 53.7      | 55.9      | -2.2           | Growing        | Slower         | 62              |
| Supplier Deliveries             | 50.5      | 52.0      | -1.5           | Slowing        | Slower         | 40              |
| Inventories                     | 51.5      | 50.0      | +1.5           | Growing        | From Unchanged | 1               |
| Prices                          | 55.7      | 58.7      | -3.0           | Increasing     | Slower         | 23              |
| Backlog of Orders               | 55.0      | 56.5      | -1.5           | Growing        | Slower         | 16              |
| New Export Orders               | 57.0      | 52.5      | +4.5           | Growing        | Faster         | 27              |
| Imports                         | 55.0      | 51.5      | +3.5           | Growing        | Faster         | 2               |
| Inventory Sentiment             | 60.0      | 62.5      | -2.5           | Too High       | Slower         | 262             |
| <b>OVERALL ECONOMY</b>          |           |           |                | <b>Growing</b> | <b>Slower</b>  | <b>117</b>      |
| <b>Non-Manufacturing Sector</b> |           |           |                | <b>Growing</b> | <b>Slower</b>  | <b>111</b>      |

\*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 55.5 percent, 0.6 percentage point lower than the 56.1 percent in March and the lowest reading since August 2017 (55.5 percent). The non-manufacturing sector grew for the 111th 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.

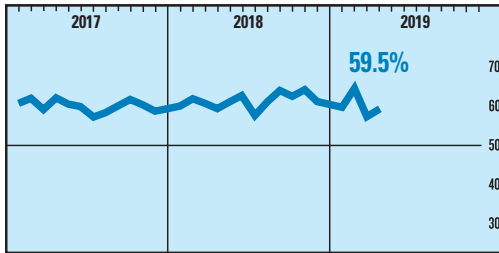
### COMMODITIES REPORTED

**Commodities Up in Price:** Aircraft Parts; Bacon; Beef; Construction Subcontractors (2); Diesel Fuel (2); Fuel; Gasoline (2); Labor (7); Labor — Construction (2); Labor — Temporary (2); and Pharmaceuticals (2).

**Commodities Down in Price:** Steel Products.

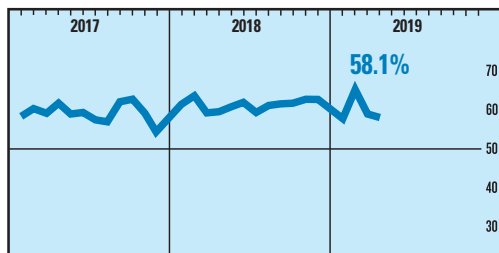
**Commodities in Short Supply:** Catheters; Construction Subcontractors (16); Labor (7); Labor — Construction (37); Labor — Temporary (8); Needles & Syringes (2); and Tubing.

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



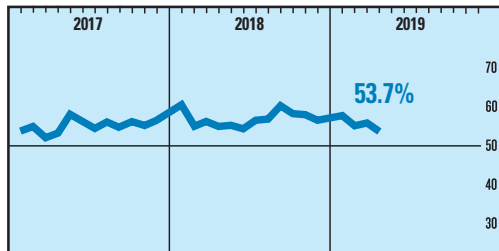
## Business Activity

ISM's Business Activity Index registered 59.5 percent. The 16 industries reporting growth of business activity in April — listed in order — are: Accommodation & Food Services; Utilities; Construction; Public Administration; Professional, Scientific & Technical Services; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Other Services<sup>†</sup>; Health Care & Social Assistance; Management of Companies & Support Services; Educational Services; Wholesale Trade; Finance & Insurance; Mining; Real Estate, Rental & Leasing; and Information.



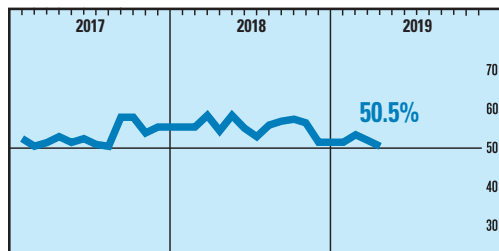
## New Orders

ISM's Non-Manufacturing New Orders Index registered 58.1 percent. The 15 industries reporting growth of new orders in April — listed in order — are: Accommodation & Food Services; Public Administration; Other Services<sup>†</sup>; Health Care & Social Assistance; Utilities; Construction; Agriculture, Forestry, Fishing & Hunting; Management of Companies & Support Services; Wholesale Trade; Professional, Scientific & Technical Services; Finance & Insurance; Educational Services; Mining; Information; and Transportation & Warehousing.



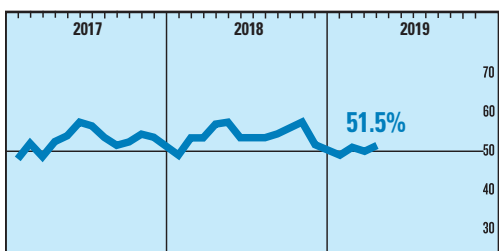
## Employment

ISM's Non-Manufacturing Employment Index registered 53.7 percent. The 10 industries reporting an increase in employment in April — listed in order — are: Professional, Scientific & Technical Services; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Management of Companies & Support Services; Wholesale Trade; Mining; Health Care & Social Assistance; Construction; Real Estate, Rental & Leasing; and Public Administration.



## Supplier Deliveries

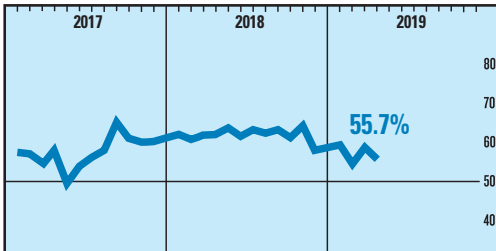
Supplier deliveries were slower in April for the 40th consecutive month. The index registered 50.5 percent, which is 1.5 percentage points lower than the 52 percent registered in March. The six industries reporting slower deliveries in April — listed in order — are: Transportation & Warehousing; Utilities; Professional, Scientific & Technical Services; Other Services<sup>†</sup>; Construction; and Information.



## Inventories

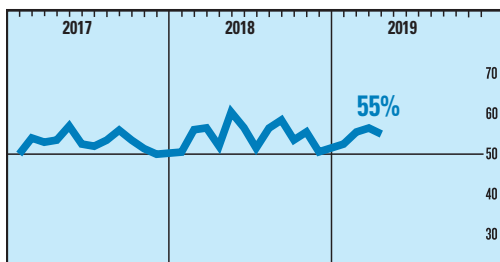
ISM's Non-Manufacturing Inventories Index grew in April after a month of being unchanged, registering 51.5 percent, which is 1.5 percentage points higher than the 50 percent that was reported in March. The eight industries reporting an increase in inventories in April — listed in order — are: Other Services<sup>†</sup>; Accommodation & Food Services; Utilities; Professional, Scientific & Technical Services; Information; Wholesale Trade; Finance & Insurance; and Public Administration.

<sup>†</sup>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).



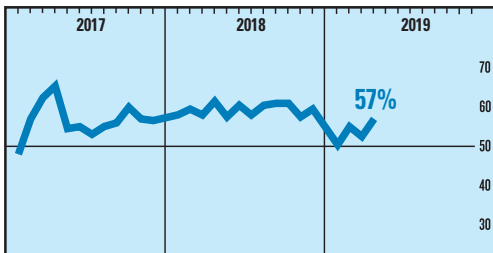
## Prices

ISM's Non-Manufacturing Prices Index registered 55.7 percent; 3 percentage points lower than the 58.7 percent reported in March. Eleven non-manufacturing industries reported an increase in prices paid during the month of April, listed in the following order: Accommodation & Food Services; Transportation & Warehousing; Construction; Wholesale Trade; Retail Trade; Public Administration; Other Services<sup>†</sup>; Health Care & Social Assistance; Finance & Insurance; Professional, Scientific & Technical Services; and Information.



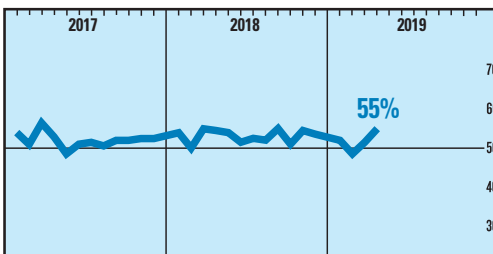
## Backlog of Orders

ISM's Non-Manufacturing Backlog of Orders Index grew in April. The index registered 55 percent, which is 1.5 percentage points lower than the 56.5 percent reported in March. The 10 industries reporting an increase in order backlogs in April — listed in order — are: Educational Services; Other Services<sup>†</sup>; Real Estate, Rental & Leasing; Accommodation & Food Services; Transportation & Warehousing; Construction; Health Care & Social Assistance; Professional, Scientific & Technical Services; Information; and Mining.



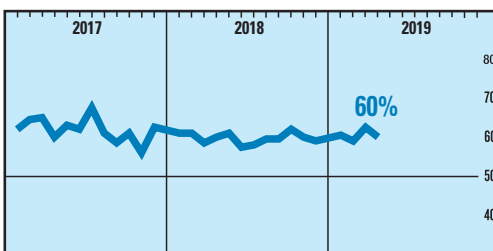
## New Export Orders

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 27th consecutive month. The New Export Orders Index registered 57 percent. The eight industries reporting an increase in new export orders in April — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Wholesale Trade; Construction; Mining; Professional, Scientific & Technical Services; Finance & Insurance; and Information.



## Imports

The Imports Index grew in April for the second consecutive month. The reading of 55 percent is 3.5 percentage points higher than the 51.5 percent reported in March. The seven industries reporting an increase in imports for the month of April are: Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Accommodation & Food Services; Other Services<sup>†</sup>; Mining; Professional, Scientific & Technical Services; and Wholesale Trade.



## Inventory Sentiment

The ISM Non-Manufacturing Inventory Sentiment Index in April registered 60 percent. The eight industries reporting sentiment that their inventories were too high in April — listed in order — are: Wholesale Trade; Information; Mining; Utilities; Construction; Management of Companies & Support Services; Public Administration; and Health Care & Social Assistance.

<sup>†</sup>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).