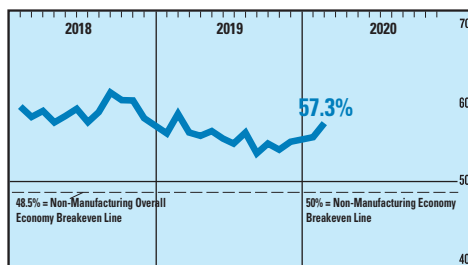


Analysis by

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Non-Manufacturing Business Survey Committee

# NMI® at 57.3%

In February, the NMI® registered 57.3 percent, 1.8 percentage points higher than the 55.5 percent in January. This is the highest reading since February 2019, when the index registered 58.5 percent. The non-manufacturing sector grew for the 121st 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.



Economic activity in the non-manufacturing sector grew in February for the 121st consecutive month, say the nation's purchasing and supply executives in the latest Non-Manufacturing ISM® Report On Business®.

The NMI® registered 57.3 percent. The Non-Manufacturing Business Activity Index decreased to 57.8 percent, 3.1 percentage points lower than the January reading of 60.9 percent, reflecting growth for the 127th consecutive month. The Employment Index increased 2.5 percentage points in February to 55.6 percent from the January reading of 53.1 percent. The Prices Index of 50.8 is 4.7 percentage points lower than the January reading of 55.5 percent, indicating that prices increased in February for the 33rd consecutive month. Most respondents are concerned about the coronavirus and its supply chain impact. They also continue to have difficulty with labor resources. They do remain positive about business conditions and the overall economy.

The 16 non-manufacturing industries reporting growth in February — listed in order — are: Accommodation & Food Services; Management of Companies & Support Services; Mining; Finance & Insurance; Real Estate, Rental & Leasing; Other Services; Construction; Health Care & Social Assistance; Public Administration; Wholesale Trade; Transportation & Warehousing; Educational Services; Professional, Scientific & Technical Services; Utilities; Information; and Retail Trade. ISM

• **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	Feb Index	Jan Index	% Point Change	Direction	Rate of Change	Trend* (months)
NMI®	57.3	55.5	+1.8	Growing	Faster	121
Business Activity	57.8	60.9	-3.1	Growing	Slower	127
New Orders	63.1	56.2	+6.9	Growing	Faster	127
Employment	55.6	53.1	+2.5	Growing	Faster	72
Supplier Deliveries	52.4	51.7	+0.7	Slowing	Faster	9
Inventories	53.9	46.5	+7.4	Growing	From Contracting	1
Prices	50.8	55.5	-4.7	Increasing	Slower	33
Backlog of Orders	53.2	45.5	+7.7	Growing	From Contracting	1
New Export Orders	55.6	50.1	+5.5	Growing	Faster	4
Imports	52.6	55.1	-2.5	Growing	Slower	2
Inventory Sentiment	59.3	54.9	+4.4	Too High	Faster	272
<b>Overall Economy</b>				<b>Growing</b>	<b>Faster</b>	<b>127</b>
<b>Non-Manufacturing Sector</b>				<b>Growing</b>	<b>Faster</b>	<b>121</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.



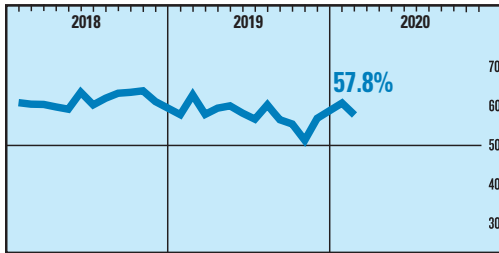
## Commodities Reported

**Commodities Up in Price:** Beef Products (3); Construction Contractors; Diesel Fuel\*; Labor (2); Labor — Construction (2); Medical Supplies; Personal Protective Equipment (PPE); Pharmaceuticals (2); and Professional Services.

**Commodities Down in Price:** Cheese; Dairy; Diesel Fuel\* (2); and Gasoline.

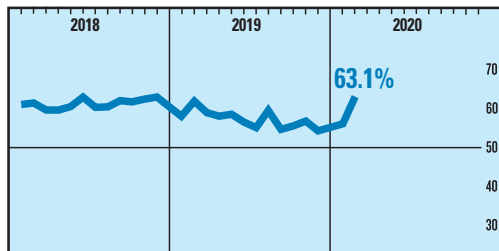
**Commodities in Short Supply:** Construction Contractors (4); Construction Subcontractors (26); Labor (17); Labor — Construction (47); Labor — Temporary (8); Medical Supplies; Personal Protective Equipment (PPE); Professional Services; Surgical Gowns (2); Surgical Masks; and Surgical Packs.

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



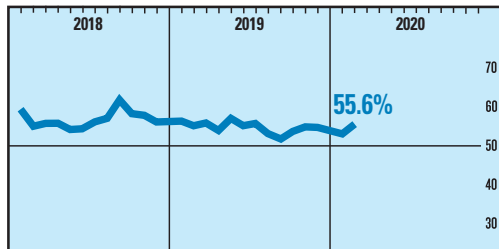
## Business Activity

ISM's Business Activity Index registered 57.8 percent. The 13 industries reporting growth of business activity in February — listed in order — are: Accommodation & Food Services; Management of Companies & Support Services; Mining; Real Estate, Rental & Leasing; Finance & Insurance; Public Administration; Transportation & Warehousing; Health Care & Social Assistance; Educational Services; Construction; Wholesale Trade; Professional, Scientific & Technical Services; and Other Services<sup>†\*</sup>.



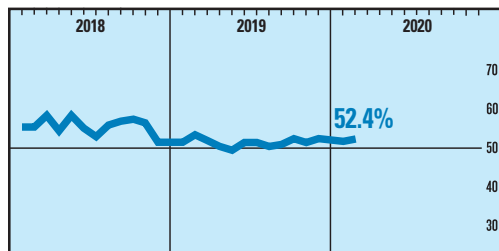
## New Orders

ISM's Non-Manufacturing New Orders Index registered 63.1 percent. The 16 industries reporting growth of new orders in February — listed in order — are: Accommodation & Food Services; Real Estate, Rental & Leasing; Management of Companies & Support Services; Mining; Construction; Transportation & Warehousing; Finance & Insurance; Agriculture, Forestry, Fishing & Hunting; Public Administration; Wholesale Trade; Other Services<sup>†\*</sup>; Health Care & Social Assistance; Educational Services; Professional, Scientific & Technical Services; Information; and Utilities.



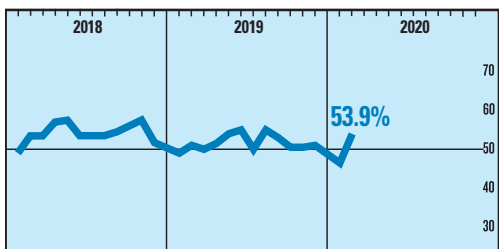
## Employment

ISM's Non-Manufacturing Employment Index registered 55.6 percent. The 11 industries reporting an increase in employment in February — listed in order — are: Other Services; Management of Companies & Support Services; Finance & Insurance; Real Estate, Rental & Leasing; Accommodation & Food Services; Mining; Construction; Public Administration; Educational Services; Health Care & Social Assistance; and Professional, Scientific & Technical Services.



## Supplier Deliveries

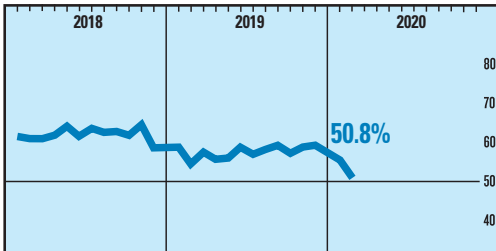
The Supplier Deliveries Index registered 52.4 percent. The 11 industries reporting slower deliveries in February — listed in order — are: Information; Wholesale Trade; Utilities; Health Care & Social Assistance; Other Services<sup>†\*</sup>; Construction; Professional, Scientific & Technical Services; Management of Companies & Support Services; Finance & Insurance; Public Administration; and Educational Services.



## Inventories

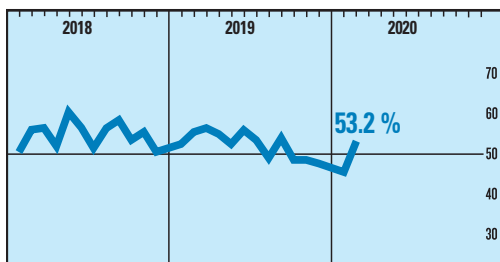
ISM's Non-Manufacturing Inventories Index grew in February after a month of contraction, registering 53.9 percent. The eight industries reporting an increase in inventories in February — listed in order — are: Arts, Entertainment & Recreation; Accommodation & Food Services; Real Estate, Rental & Leasing; Finance & Insurance; Wholesale Trade; Professional, Scientific & Technical Services; Health Care & Social Assistance; 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).



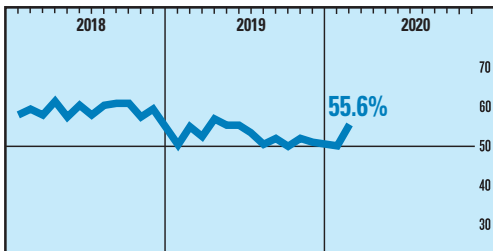
## Prices

ISM's Non-Manufacturing Prices Index registered 50.8 percent. The 10 non-manufacturing industries that reported an increase in prices paid during the month of February — listed in order — are: Arts, Entertainment & Recreation; Utilities; Construction; Transportation & Warehousing; Management of Companies & Support Services; Public Administration; Educational Services; Health Care & Social Assistance; Wholesale Trade; and Professional, Scientific & Technical Services.



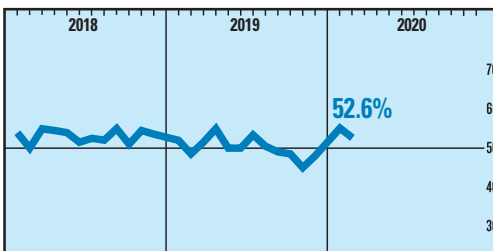
## Backlog of Orders

ISM's Non-Manufacturing Backlog of Orders Index grew in February for the first time since September 2019. The index registered 53.2 percent, which is the 7.7 percentage points higher than the 45.5 percent reported in January. The nine industries reporting an increase in order backlogs in February — listed in order — are: Accommodation & Food Services; Construction; Educational Services; Finance & Insurance; Health Care & Social Assistance; Public Administration; Management of Companies & Support Services; Transportation & Warehousing; and Professional, Scientific & Technical Services.



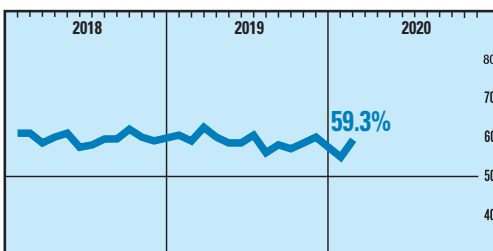
## New Export Orders

The New Export Orders Index registered 55.6 percent. The seven industries reporting an increase in new export orders in February — listed in order — are: Management of Companies & Support Services; Real Estate, Rental & Leasing; Accommodation & Food Services; Finance & Insurance; Health Care & Social Assistance; Construction; and Information.



## Imports

The Imports Index grew for the second consecutive month after four consecutive months of contracting. The index registered 52.6 percent in February, 2.5 percentage points lower than January's figure of 55.1 percent. The five industries reporting an increase in imports for the month of February are: Real Estate, Rental & Leasing; Utilities; Management of Companies & Support Services; Health Care & Social Assistance; and Wholesale Trade.



## Inventory Sentiment

The ISM Non-Manufacturing Inventory Sentiment Index in February registered 59.3 percent. The 11 industries reporting sentiment that their inventories were too high in February — listed in order — are: Arts, Entertainment & Recreation; Retail Trade; Real Estate, Rental & Leasing; Wholesale Trade; Other Services<sup>\*\*</sup>; Mining; Construction; Information; Management of Companies & Support Services; Health Care & Social Assistance; and Utilities.

<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).