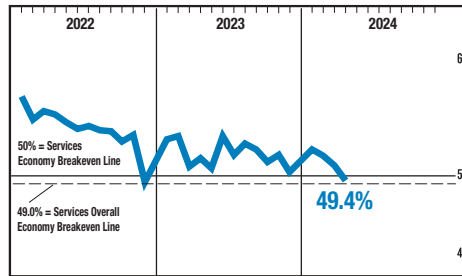


SERVICES PMI® at 49.4%

In April, the Services PMI® registered 49.4 percent, a 2-percentage point decrease compared to the March reading of 51.4 percent. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates it is generally contracting. A Services PMI® above 49 percent, over time, generally indicates an expansion of the overall economy. Therefore, the April Services PMI® indicates the overall economy is growing for the 16th consecutive month.



Economic activity in the services sector contracted in April for the first time since December 2022, ending a period of 15 consecutive months of growth, say the nation's purchasing and supply executives in the latest Services ISM® Report On Business®.

The Services PMI® registered 49.4 percent; it indicated sector expansion in 45 of the previous 47 months. The Business Activity Index registered 50.9 percent in April, which is 6.5 percentage points lower than the 57.4 percent recorded in March. The New Orders Index expanded in April for the 16th consecutive month after contracting in December 2022 for the first time since May 2020; the figure of 52.2 percent is 2.2 percentage points lower than the March reading of 54.4 percent. The Employment Index contracted for the fourth time in five months with a reading of 45.9 percent, a 2.6-percentage point decrease compared to the 48.5 percent recorded in March. The Backlog of Orders Index grew in April after contracting in March, registering 51.1 percent, a 6.3-percentage point increase compared to the March reading of 44.8 percent.

The 12 services industries reporting growth in April — listed in order — are: Accommodation & Food Services; Construction; Agriculture, Forestry, Fishing & Hunting; Utilities; Mining; Management of Companies & Support Services; Educational Services; Retail Trade; Finance & Insurance; Health Care & Social Assistance; Public Administration; and Wholesale 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).

Services at a Glance

INDEX	Apr Index	Mar Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	49.4	51.4	-2.0	Contracting	From Growing	1
Business Activity	50.9	57.4	-6.5	Growing	Slower	47
New Orders	52.2	54.4	-2.2	Growing	Slower	16
Employment	45.9	48.5	-2.6	Contracting	Faster	3
Supplier Deliveries	48.5	45.4	+3.1	Faster	Slower	3
Inventories	53.7	45.6	+8.1	Growing	From Contracting	1
Prices	59.2	53.4	+5.8	Increasing	Faster	83
Backlog of Orders	51.1	44.8	+6.3	Growing	From Contracting	1
New Export Orders	47.9	52.7	-4.8	Contracting	From Growing	1
Imports	53.6	52.4	+1.2	Growing	Faster	4
Inventory Sentiment	62.9	55.7	+7.2	Too High	Faster	12
Overall Economy				Growing	Slower	16
Services Sector				Contracting	From Growing	1

*Number of months moving in current direction. Services ISM® Report On Business® data has been seasonally adjusted for the Business Activity, New Orders, Employment and Prices indexes.

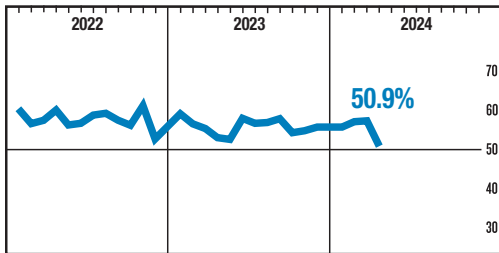
Commodities Reported

Commodities Up in Price: Caustic Soda; Construction Contractors (4); Copper Wire (2); Diesel Fuel (2); Food and Beverages; Fuel (3); Gasoline (3); Heating, Ventilation and Air Conditioning (HVAC) Equipment (3); Labor (41); Labor — Technology and Web Related; Office Supplies; Oriented Strand Board (OSB); Paper; Software Maintenance; and Unleaded Fuel (2).

Commodities Down in Price: Propane.

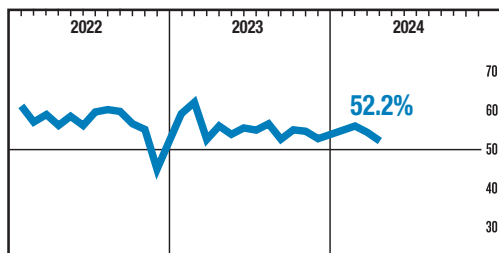
Commodities in Short Supply: Brass Fittings; Electrical Components (4); Electrical Equipment (2); Labor (3); Switchgear (2); and Transformers.

Note: To view the full report, visit the ISM® Report On Business® website at ismrob.org
The number of consecutive months the commodity has been listed is indicated after each item.



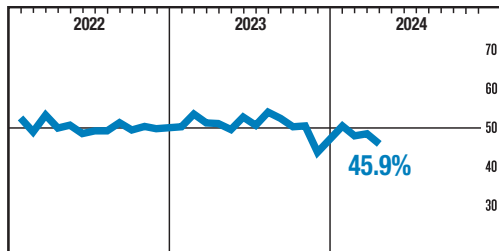
Business Activity

ISM's Business Activity Index registered 50.9 percent. The 13 industries reporting an increase in business activity for the month of April — listed in order — are: Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Mining; Wholesale Trade; Utilities; Educational Services; Public Administration; Retail Trade; Construction; Health Care & Social Assistance; Management of Companies & Support Services; and Transportation & Warehousing.



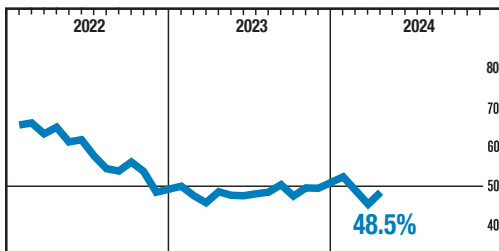
New Orders

ISM's New Orders Index registered 52.2 percent. The 12 industries reporting an increase in new orders for the month of April — listed in order — are: Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; Wholesale Trade; Construction; Mining; Utilities; Real Estate, Rental & Leasing; Finance & Insurance; Retail Trade; Educational Services; Public Administration; and Health Care & Social Assistance.



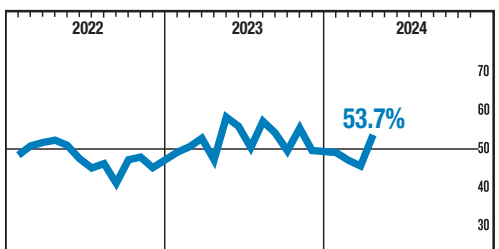
Employment

The Employment Index registered 45.9 percent. The five industries reporting an increase in employment in April are: Accommodation & Food Services; Management of Companies & Support Services; Construction; Mining; and Utilities.



Supplier Deliveries

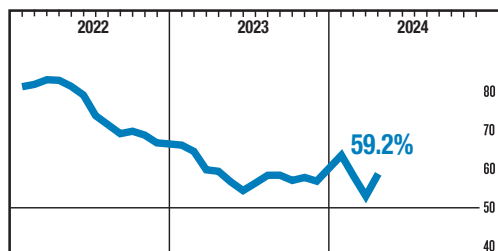
The Supplier Deliveries Index registered 48.5 percent. The five industries reporting slower deliveries in April are: Retail Trade; Educational Services; Health Care & Social Assistance; Construction; and Utilities.



Inventories

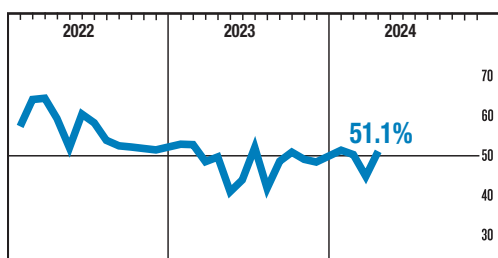
The Inventories Index registered 53.7 percent. The six industries reporting an increase in inventories in April — in the following order — are: Retail Trade; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Public Administration; Real Estate, Rental & Leasing; and Wholesale Trade.

*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).



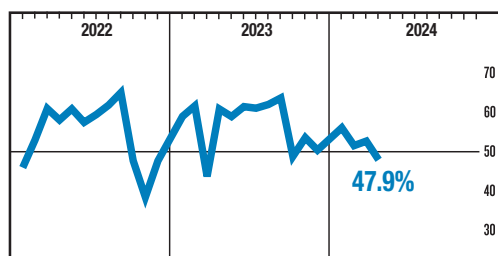
Prices

The Prices Index registered 59.2 percent. Fourteen services industries reported an increase in prices paid during the month of April, in the following order: Construction; Management of Companies & Support Services; Public Administration; Other Services[†]; Retail Trade; Accommodation & Food Services; Educational Services; Finance & Insurance; Real Estate, Rental & Leasing; Wholesale Trade; Information; Utilities; Health Care & Social Assistance; and Professional, Scientific & Technical Services.



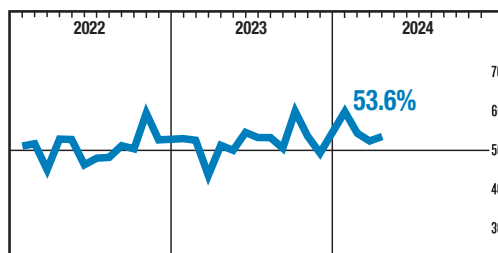
Backlog of Orders

The ISM Services Backlog of Orders Index registered 51.1 percent. The nine industries reporting an increase in order backlogs in April, in order, are: Agriculture, Forestry, Fishing & Hunting; Real Estate, Rental & Leasing; Management of Companies & Support Services; Utilities; Educational Services; Finance & Insurance; Construction; Transportation & Warehousing; and Professional, Scientific & Technical Services.



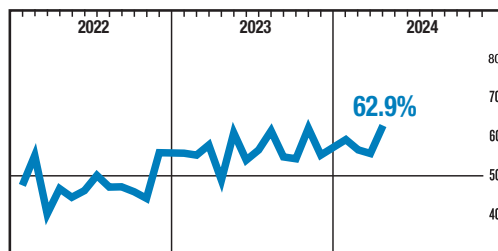
New Export Orders

The New Export Orders Index registered 47.9 percent. The three industries reporting an increase in new export orders in April are: Transportation & Warehousing; Utilities; and Professional, Scientific & Technical Services.



Imports

The Imports Index registered 53.6 percent. The seven industries reporting an increase in imports for the month of April, in order, are: Accommodation & Food Services; Real Estate, Rental & Leasing; Transportation & Warehousing; Management of Companies & Support Services; Utilities; Wholesale Trade; and Professional, Scientific & Technical Services.



Inventory Sentiment

The ISM Services Inventory Sentiment Index registered 62.9 percent. The 11 industries reporting sentiment that their inventories were too high in April — listed in order — are: Real Estate, Rental & Leasing; Agriculture, Forestry, Fishing & Hunting; Other Services[†]; Wholesale Trade; Retail Trade; Mining; Utilities; Information; Health Care & Social Assistance; Management of Companies & Support Services; 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).

About This Report

DO NOT CONFUSE THIS NATIONAL REPORT with the various regional purchasing reports released across the country. The national report's information reflects the entire U.S., while the regional reports contain primarily regional data from their local vicinities. Also, the information in the regional reports is not used in calculating the results of the national report.

The data presented herein is obtained from a survey of manufacturing and services supply executives based on information they have collected within their respective organizations. ISM® makes no representation, other than that stated within this release, regarding the individual company data collection procedures. The data should be compared to all other economic data sources when used in decision-making.

Data and Method of Presentation

The **Manufacturing ISM® Report On Business®** is based on data compiled from purchasing and supply executives nationwide. The composition of the Manufacturing Business Survey Committee is stratified according to the North American Industry Classification System (NAICS) and each of the following NAICS-based industries' contribution to gross domestic product (GDP): Food, Beverage & Tobacco Products; Textile Mills; Apparel, Leather & Allied Products; Wood Products; Paper Products; Printing & Related Support Activities; Petroleum & Coal Products; Chemical Products; Plastics & Rubber Products; Nonmetallic Mineral Products; Primary Metals; Fabricated Metal Products; Machinery; Computer & Electronic Products; Electrical Equipment, Appliances & Components; Transportation Equipment; Furniture & Related Products; and Miscellaneous Manufacturing (products such as medical equipment and supplies, jewelry, sporting goods, toys and office supplies). The data are weighted based on each industry's contribution to GDP. According to BEA estimates (the average of the fourth quarter 2022 GDP estimate and the GDP estimates for first, second, and third quarter 2023, as released on December 21, 2023), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Food, Beverage & Tobacco Products; Computer & Electronic Products; Machinery; and Fabricated Metal Products.

The **Services ISM® Report On Business®** (formerly the Non-Manufacturing ISM® Report On Business®) is based on data compiled from purchasing and supply executives nationwide. Membership of the Services Business Survey Committee (formerly Non-Manufacturing Business Survey Committee) is diversified by NAICS-based industries' contribution to gross domestic product (GDP). The Services Business Survey Committee responses are divided into the following NAICS code categories: Agriculture, Forestry, Fishing & Hunting; Mining; Utilities; Construction; Wholesale Trade; Retail Trade; Transportation & Warehousing; Information; Finance & Insurance; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Management of Companies & Support Services; Educational Services; Health Care & Social Assistance; Arts, Entertainment & Recreation; Accommodation & Food Services; Public Administration; and 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). The data are weighted based on each industry's contribution to GDP. According to BEA estimates (the average of the fourth quarter 2022 GDP estimate and the GDP estimates for first, second, and third quarter 2023, as released on December 21, 2023), the six largest services sectors are: Real Estate, Rental & Leasing; Public Administration; Professional, Scientific, & Technical Services; Health Care & Social Assistance; Information; and Finance & Insurance.

Survey responses reflect the change, if any, in the current month compared to the previous month. Responses are raw data and are never changed. The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive).

The resulting single index number for those meeting the criteria for seasonal adjustments (for Manufacturing: New Orders, Production, Employment, and Inventories) (for Services: Business Activity, New Orders, Employment and Prices) is then seasonally adjusted to allow for the effects of repetitive intra-year variations resulting primarily from normal differences in weather conditions, various institutional arrangements, and differences attributable to non-moveable holidays. The remaining indexes have not indicated significant seasonality. All seasonal adjustment factors are subject annually to relatively minor changes when conditions warrant them.

The Manufacturing PMI® is a composite index based on the diffusion indexes of five of the indexes with equal weights: New Orders (seasonally adjusted), Production (seasonally adjusted), Employment (seasonally adjusted), Supplier Deliveries, and Inventories (seasonally adjusted). The Services PMI® is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity (seasonally adjusted), New Orders (seasonally adjusted), Employment (seasonally adjusted) and Supplier Deliveries.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change.

A Manufacturing PMI® reading above 50 percent indicates that the manufacturing economy is generally expanding; below 50 percent indicates that it is generally declining. A Manufacturing PMI® above 42.5 percent, over a period of time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 42.5 percent, it is generally declining.

The distance from 50 percent or 42.5 percent is indicative of the extent of the expansion or decline. A Services PMI® reading above 50 percent indicates that the services economy is generally expanding; below 50 percent indicates that it is generally declining. A Services PMI® above 49 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 49 percent, it is generally declining. The distance from 50 percent or 49 percent is indicative of the strength of the expansion or decline. With some of the indicators within the Manufacturing ISM® Report On Business®, ISM® has indicated the departure point between expansion and decline of comparable government series, as determined by regression analysis.

The *Report On Business®* surveys are sent out to Manufacturing and Services Business Survey Committee respondents the first part of each month. Respondents are asked to report on information for the current month for U.S. operations only. ISM® receives survey responses throughout most of any given month, with the majority of respondents generally waiting until late in the month to submit responses to give the most accurate picture of current business activity.

The industries reporting growth, as indicated in the monthly reports, are listed in the order of most growth to least growth. For the industries reporting contraction or decreases, those are listed in the order of the highest level of contraction/decrease to the least level of contraction/decrease.

ISM ROB Content

The Institute for Supply Management® ("ISM®") *Report On Business®* (Manufacturing, Services, and Hospital reports) ("ISM ROB") contains information, text, files, images, video, sounds, musical works, works of authorship, applications, and any other materials or content (collectively, "Content") of ISM ("ISM ROB Content"). ISM ROB Content is protected by copyright, trademark, trade secret, and other laws, and as between you and ISM, ISM owns and retains all rights in the ISM ROB Content. ISM hereby grants you a limited, revocable, nonsub licensable license to access and display on your individual device the ISM ROB Content (excluding any software code) solely for your personal, non-commercial use. The ISM ROB Content shall also contain Content of users and other ISM licensors. Except as provided herein or as explicitly allowed in writing by ISM, you shall not copy, download, stream, capture, reproduce, duplicate, archive, upload, modify, translate, publish, broadcast, transmit, retransmit, distribute, perform, display, sell, or otherwise use any ISM ROB Content.

Except as explicitly and expressly permitted by ISM, you are strictly prohibited from creating works or materials (including but not limited to tables, charts, data streams, time-series variables, fonts, icons, link buttons, wallpaper, desktop themes, online postcards, montages, mashups and similar videos, greeting cards, and unlicensed merchandise) that derive from or are based on the ISM ROB Content. This prohibition applies regardless of whether the derivative works or materials are sold, bartered, or given away. You shall not either directly or through the use of any device, software, internet site, web-based service, or other means remove, alter, bypass, avoid, interfere with, or circumvent any copyright, trademark, or other proprietary notices marked on the Content or any digital rights management mechanism, device, or other content protection or access control measure associated with the Content including geo-filtering mechanisms. Without prior written authorization from ISM, you shall not build a business utilizing the Content, whether or not for profit.

You shall not create, recreate, distribute, incorporate in other work, or advertise an index of any portion of the Content unless you receive prior written authorization from ISM. Requests for permission to reproduce or distribute ISM ROB Content can be made by contacting in writing at: ISM Research, Institute for Supply Management, 309 West Elliot Road, Suite 113, Tempe, Arizona 85284-1556, or by emailing kcahill@ismworld.org; Subject: Content Request.

ISM shall not have any liability, duty, or obligation for or relating to the ISM ROB Content or other information contained herein, any errors, inaccuracies, omissions or delays in providing any ISM ROB Content, or for any actions taken in reliance thereon. In no event shall ISM be liable for any special, incidental, or consequential damages, arising out of the use of the ISM ROB. *Report On Business®*, PMI®, Manufacturing PMI®, Services PMI®, and Hospital PMI® are registered trademarks of Institute for Supply Management®. Institute for Supply Management® and ISM® are registered trademarks of Institute for Supply Management, Inc.

About Institute for Supply Management® (ISM®)

Institute for Supply Management® (ISM®) is the first and leading not-for-profit professional supply management organization worldwide. Its community of more than 50,000 in more than 100 countries manage about US\$1 trillion in corporate and government supply chain procurement annually. Founded in 1915 by practitioners, ISM is committed to advancing the practice of supply management to drive value and competitive advantage for its members, contributing to a prosperous and sustainable world. ISM empowers and leads the profession through the ISM® *Report On Business®*, its highly-regarded certification and training programs, corporate services, events, and assessments. The ISM® *Report On Business®*, Manufacturing, Services and Hospital, are three of the most reliable economic indicators available, providing guidance to supply management professionals, economists, analysts, and government and business leaders. For more information, please visit: www.ismworld.org.