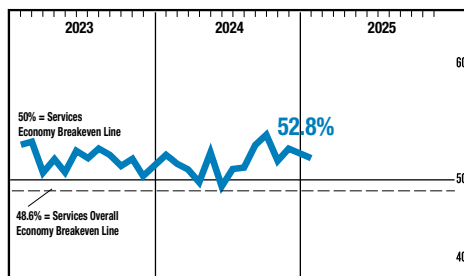


SERVICES PMI® at 52.8%

In January, the Services PMI® registered 52.8 percent, a 1.2-percentage point decrease compared to the seasonally adjusted December reading of 54 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 48.6 percent, over time, generally indicates an expansion of the overall economy.

Therefore, the January Services PMI® indicates the overall economy is expanding for the 56th straight month.



Economic activity in the services sector expanded for the seventh consecutive month in January, say the nation's purchasing and supply executives in the latest Services ISM® Report On Business®.

The Services PMI® registered 52.8 percent, indicating expansion for the 53rd time in 56 months since recovery from the coronavirus pandemic-induced recession began in June 2020. The Business Activity Index registered 54.5 percent in January, 3.5 percentage points lower than the seasonally adjusted 58 percent recorded in December. After seasonal adjustments, this is the 56th consecutive month of expansion for the index. The New Orders Index recorded a reading of 51.3 percent in January, 3.1 percentage points lower than the seasonally adjusted December figure of 54.4 percent. The Employment Index remained in expansion territory for the fourth consecutive month; the reading of 52.3 percent is a 1-percentage point increase compared to the seasonally adjusted 51.3 percent recorded in December. The Prices Index registered 60.4 percent in January, a 4-percentage point decrease from December's seasonally adjusted reading of 64.4 percent.

The 14 services industries reporting growth in January — listed in order — are: Agriculture, Forestry, Fishing & Hunting; Accommodation & Food Services; Mining; Wholesale Trade; Finance & Insurance; Health Care & Social Assistance; Educational Services; Transportation & Warehousing; Retail Trade; Information; Construction; Management of Companies & Support Services; Public Administration; and Utilities. **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	Jan Index	Dec Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	52.8	54.0	-1.2	Growing	Slower	7
Business Activity	54.5	58.0	-3.5	Growing	Slower	56
New Orders	51.3	54.4	-3.1	Growing	Slower	7
Employment	52.3	51.3	+1.0	Growing	Faster	4
Supplier Deliveries	53.0	52.5	+0.5	Slowing	Faster	2
Inventories	47.5	49.4	-1.9	Contracting	Faster	3
Prices	60.4	64.4	-4.0	Increasing	Slower	92
Backlog of Orders	44.8	44.3	+0.5	Contracting	Slower	6
New Export Orders	52.0	50.1	+1.9	Growing	Faster	2
Imports	49.8	50.7	-0.9	Contracting	From Growing	1
Inventory Sentiment	53.5	53.4	+0.1	Too High	Faster	21
Overall Economy				Growing	Slower	56
Services Sector				Growing	Slower	7

*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.

This report reflects the recently completed annual adjustments to the seasonal factors used to calculate the indexes.

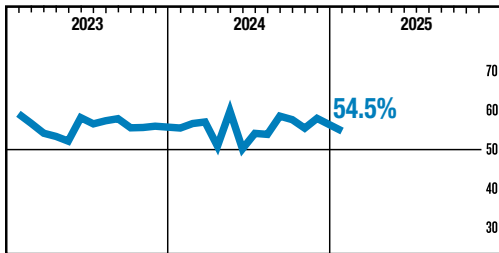
Commodities Reported

Commodities Up in Price: Aluminum, Diesel Fuel (2); Gasoline*; Labor (50); Labor — Construction (2); Labor — Contract; Laboratory Supplies; Lumber* (5), Oil and Related Products; Paint Related Materials; and Steel Products.

Commodities Down in Price: Copper Based Products; Gasoline* (2); and Lumber*.

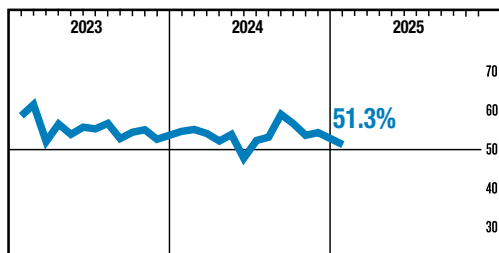
Commodities in Short Supply: Construction Contractors (4); IV Solutions (4); Labor — Construction (2); and Transformers (8).

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. *Indicates both up and down in price.



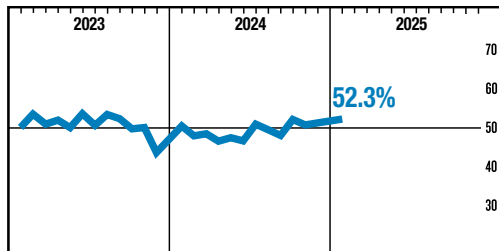
Business Activity

ISM's Business Activity Index registered 54.5 percent. The nine industries reporting an increase in business activity for the month of January — listed in order — are: Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; Educational Services; Finance & Insurance; Retail Trade; Health Care & Social Assistance; Public Administration; Transportation & Warehousing; and Wholesale Trade.



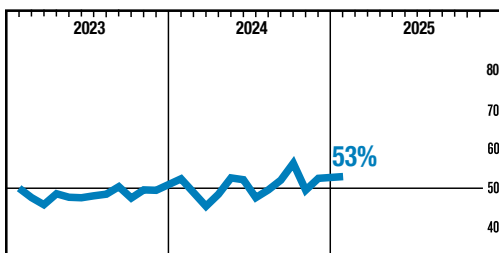
New Orders

ISM's New Orders Index registered 51.3 percent. The 10 industries reporting an increase in new orders for the month of January — listed in order — are: Accommodation & Food Services; Agriculture, Forestry, Fishing & Hunting; Educational Services; Finance & Insurance; Wholesale Trade; Transportation & Warehousing; Health Care & Social Assistance; Public Administration; Construction; and Retail Trade.



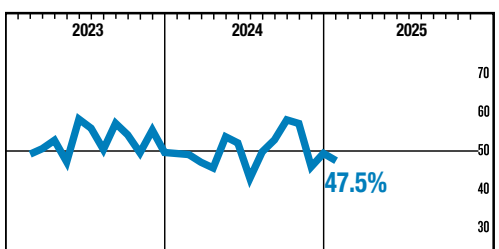
Employment

The Employment Index registered 52.3 percent. The six industries reporting an increase in employment in January — in the following order — are: Construction; Finance & Insurance; Management of Companies & Support Services; Wholesale Trade; Health Care & Social Assistance; and Utilities.



Supplier Deliveries

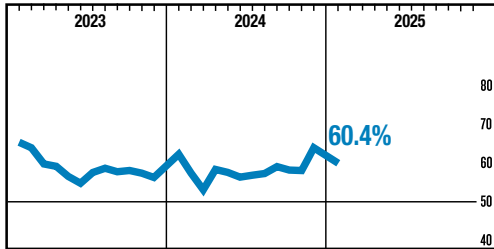
In January, the Supplier Deliveries Index registered 53 percent. The nine industries reporting slower deliveries in January — in the following order — are: Mining; Agriculture, Forestry, Fishing & Hunting; Information; Retail Trade; Wholesale Trade; Construction; Professional, Scientific & Technical Services; Health Care & Social Assistance; and Public Administration.



Inventories

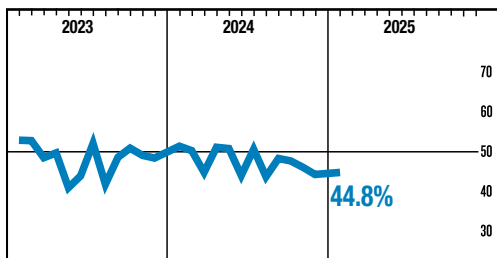
The Inventories Index registered 47.5 percent. The eight industries reporting an increase in inventories in January — in the following order — are: Agriculture, Forestry, Fishing & Hunting; Health Care & Social Assistance; Information; Educational Services; Management of Companies & Support Services; Construction; Transportation & Warehousing; 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).



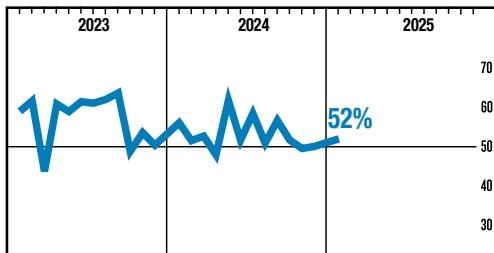
Prices

The Prices Index registered 60.4 percent. Fifteen of the 18 services industries reported an increase in prices paid during the month of January, in the following order: Mining; Other Services^{†*}; Finance & Insurance; Accommodation & Food Services; Construction; Professional, Scientific & Technical Services; Wholesale Trade; Transportation & Warehousing; Utilities; Public Administration; Real Estate, Rental & Leasing; Educational Services; Information; Health Care & Social Assistance; and Management of Companies & Support Services.



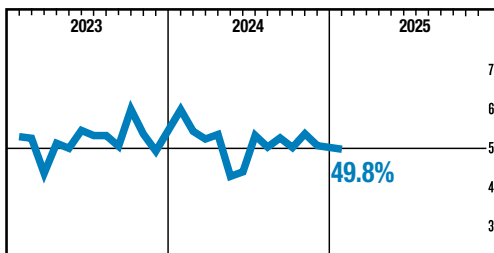
Backlog of Orders

The ISM Services Backlog of Orders Index registered 44.8 percent. The five industries reporting an increase in order backlogs in January are: Agriculture, Forestry, Fishing & Hunting; Finance & Insurance; Wholesale Trade; Professional, Scientific & Technical Services; and Management of Companies & Support Services.



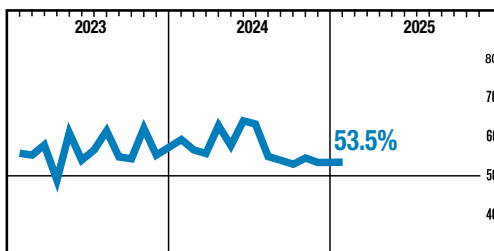
New Export Orders

The New Export Orders Index registered 52 percent. The five industries reporting an increase in new export orders in January are: Transportation & Warehousing; Retail Trade; Finance & Insurance; Wholesale Trade; and Information.



Imports

The Imports Index registered 49.8 percent. The five industries reporting an increase in imports for the month of January are: Agriculture, Forestry, Fishing & Hunting; Retail Trade; Health Care & Social Assistance; Professional, Scientific & Technical Services; and Wholesale Trade.



Inventory Sentiment

The ISM Services Inventory Sentiment Index registered 53.5 percent. The 10 industries reporting sentiment that their inventories were too high in January — listed in order — are: Accommodation & Food Services; Arts, Entertainment & Recreation; Wholesale Trade; Utilities; Educational Services; Construction; Information; Professional, Scientific & Technical Services; Health Care & Social Assistance; and Retail 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).

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 Panel 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 2023 GDP estimate and the GDP estimates for first, second, and third quarter 2024, as released on December 19, 2024), the six largest manufacturing industries are: Chemical Products; Transportation Equipment; Computer & Electronic Products; Food, Beverage & Tobacco Products; Machinery; and Petroleum & Coal 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 Panel (formerly Non-Manufacturing Business Survey Panel) is diversified by NAICS, based on each industry's contribution to gross domestic product (GDP). The Services Business Survey Panel 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 2023 GDP estimate and the GDP estimates for first, second, and third quarter 2024, as released on December 19, 2024), 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 42.3 percent, over a period of time, indicates that the overall economy, or gross

domestic product (GDP), is generally expanding; below 42.3 percent, it is generally declining. The distance from 50 percent or 42.3 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 48.6 percent, over time, indicates that the overall economy, or gross domestic product (GDP), is generally expanding; below 48.6 percent, it is generally declining. The distance from 50 percent or 48.6 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 Panel 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.

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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.