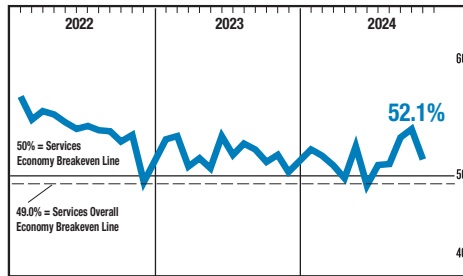


SERVICES PMI® at 52.1%

In November, the Services PMI® registered 52.1 percent, a 3.9-percentage point decrease compared to the October reading of 56 percent, and 0.1 percentage point below the 12-month average. The reading in November marked the ninth time the composite index has been in expansion territory this year. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates it is generally contracting.



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

The Services PMI® registered 52.1 percent, indicating expansion for the 51st time in 54 months since recovery from the coronavirus pandemic-induced recession began in June 2020. The Business Activity Index registered 53.7 percent in November, 3.5 percentage points lower than the 57.2 percent recorded in October, indicating a fifth month of expansion after a contraction in June. The New Orders Index also recorded a reading of 53.7 percent in November, 3.7 percentage points lower than October's figure of 57.4 percent. The Employment Index landed in expansion territory for the fourth time in five months; the reading of 51.5 percent is a 1.5-percentage point decrease compared to the 53 percent recorded in October. The Supplier Deliveries Index registered 49.5 percent, 6.9 percentage points lower than the 56.4 percent recorded in October.

The 14 services industries reporting growth in November — listed in order — are: Accommodation & Food Services; Arts, Entertainment & Recreation; Health Care & Social Assistance; Wholesale Trade; Agriculture, Forestry, Fishing & Hunting; Public Administration; Finance & Insurance; Management of Companies & Support Services; Retail Trade; Transportation & Warehousing; Information; Professional, Scientific & Technical Services; Construction; 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 | Nov Index | Oct Index | % Point Change | Direction | Rate of Change | Trend* (months) |
|------------------------|-----------|-----------|----------------|----------------|----------------|-----------------|
| Services PMI® | 52.1 | 56.0 | -3.9 | Growing | Slower | 5 |
| Business Activity | 53.7 | 57.2 | -3.5 | Growing | Slower | 5 |
| New Orders | 53.7 | 57.4 | -3.7 | Growing | Slower | 5 |
| Employment | 51.5 | 53.0 | -1.5 | Growing | Slower | 2 |
| Supplier Deliveries | 49.5 | 56.4 | -6.9 | Faster | From Slower | 1 |
| Inventories | 45.9 | 57.2 | -11.3 | Contracting | From Growing | 1 |
| Prices | 58.2 | 58.1 | +0.1 | Increasing | Faster | 90 |
| Backlog of Orders | 47.1 | 47.7 | -0.6 | Contracting | Faster | 4 |
| New Export Orders | 49.6 | 51.7 | -2.1 | Contracting | From Growing | 1 |
| Imports | 53.8 | 50.2 | +3.6 | Growing | Faster | 5 |
| Inventory Sentiment | 54.6 | 53.0 | +1.6 | Too High | Faster | 19 |
| Overall Economy | | | | Growing | Slower | 5 |
| Services Sector | | | | Growing | Slower | 5 |

*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.

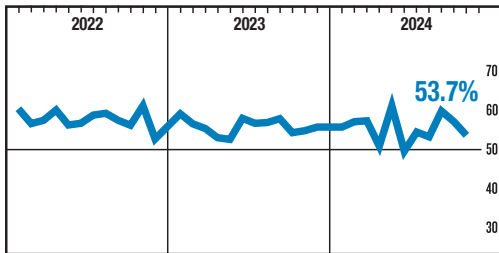
Commodities Reported

Commodities Up in Price: Aluminum Products; Diesel Fuel*; Electrical Components; Labor (48); Labor — Skilled; Lumber (3); Maintenance Services; and Propane.

Commodities Down in Price: Computers; Diesel Fuel* (2); Fuel (3); and Steel Products.

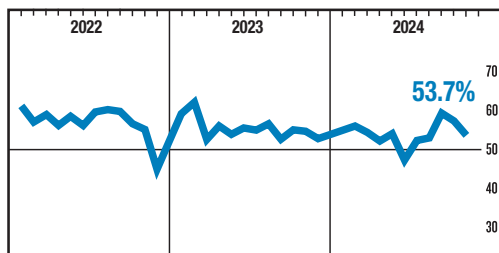
Commodities in Short Supply: Appliances; Construction Contractors (2); Electrical Equipment (6); IV Irrigation; IV Solutions (2); Switchgear; and Transformers (6).

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.



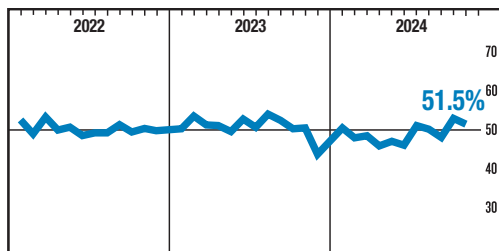
Business Activity

ISM's Business Activity Index registered 53.7 percent. The 14 industries reporting an increase in business activity for the month of November — listed in order — are: Arts, Entertainment & Recreation; Accommodation & Food Services; Finance & Insurance; Information; Retail Trade; Health Care & Social Assistance; Public Administration; Agriculture, Forestry, Fishing & Hunting; Transportation & Warehousing; Wholesale Trade; Management of Companies & Support Services; Professional, Scientific & Technical Services; Educational Services; and Utilities.



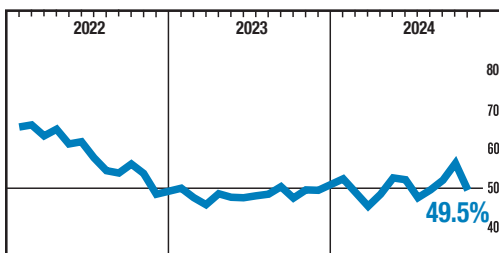
New Orders

ISM's New Orders Index registered 53.7 percent. The 13 industries reporting an increase in new orders for the month of November — listed in order — are: Arts, Entertainment & Recreation; Accommodation & Food Services; Management of Companies & Support Services; Public Administration; Information; Wholesale Trade; Retail Trade; Agriculture, Forestry, Fishing & Hunting; Health Care & Social Assistance; Professional, Scientific & Technical Services; Finance & Insurance; Transportation & Warehousing; and Utilities.



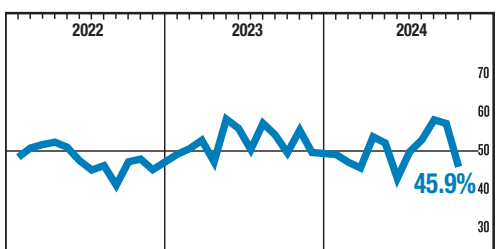
Employment

The Employment Index registered 51.5 percent. The five industries reporting an increase in employment in November are: Accommodation & Food Services; Wholesale Trade; Other Services^{**}; Construction; and Transportation & Warehousing.



Supplier Deliveries

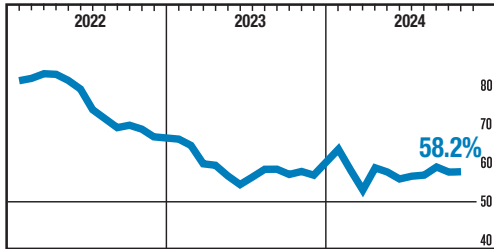
The Supplier Deliveries Index registered 49.5 percent. The six industries reporting slower deliveries in November — in the following order — are: Accommodation & Food Services; Health Care & Social Assistance; Agriculture, Forestry, Fishing & Hunting; Public Administration; Educational Services; and Utilities.



Inventories

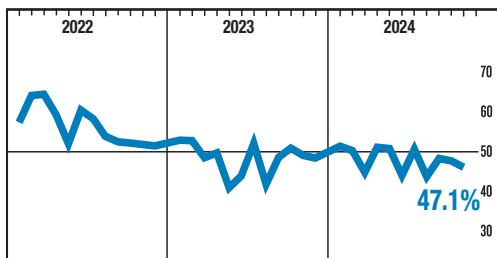
The Inventories Index registered 45.9 percent. The four industries reporting an increase in inventories in November are: Transportation & Warehousing; Construction; Professional, Scientific & Technical Services; and Health Care & Social Assistance.

^{**}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).



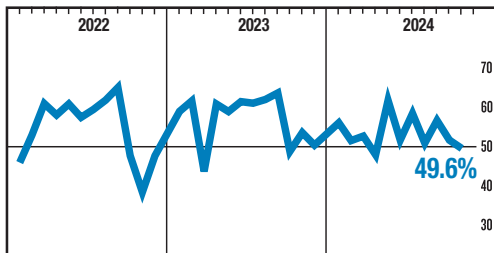
Prices

The Prices Index registered 58.2 percent. Fourteen of the 18 services industries reported an increase in prices paid during the month of November, in the following order: Mining; Arts, Entertainment & Recreation; Construction; Other Services^{†*}; Finance & Insurance; Health Care & Social Assistance; Educational Services; Utilities; Information; Retail Trade; Professional, Scientific & Technical Services; Public Administration; Wholesale Trade; and Management of Companies & Support Services.



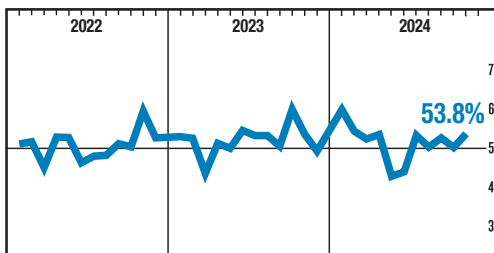
Backlog of Orders

The ISM Services Backlog of Orders Index registered 47.1 percent. The five industries reporting an increase in order backlogs in November are: Utilities; Health Care & Social Assistance; Professional, Scientific & Technical Services; Finance & Insurance; and Wholesale Trade.



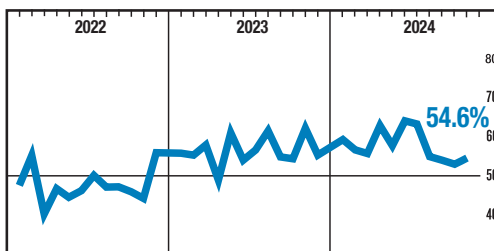
New Export Orders

The New Export Orders Index registered 49.6 percent. The seven industries reporting an increase in new export orders in November — in the following order — are: Finance & Insurance; Wholesale Trade; Management of Companies & Support Services; Transportation & Warehousing; Utilities; Information; and Professional, Scientific & Technical Services.



Imports

The Imports Index registered 53.8 percent. The eight industries reporting an increase in imports for the month of November — in the following order — are: Accommodation & Food Services; Wholesale Trade; Educational Services; Management of Companies & Support Services; Health Care & Social Assistance; Information; Utilities; and Professional, Scientific & Technical Services.



Inventory Sentiment

The ISM Services Inventory Sentiment Index registered 54.6 percent. The nine industries reporting sentiment that their inventories were too high in November — listed in order — are: Arts, Entertainment & Recreation; Mining; Wholesale Trade; Utilities; Retail Trade; Construction; Public Administration; Educational Services; 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).

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 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 Panel (formerly Non-Manufacturing Business Survey Panel) is diversified by NAICS-based industries' 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 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 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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