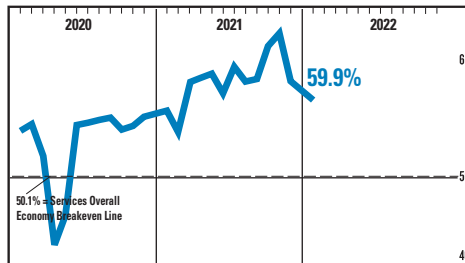


# SERVICES PMI® at 59.9%

In January, the Services PMI® registered 59.9 percent, a 2.4-percentage point decrease compared to the seasonally adjusted December reading of 62.3 percent. The 12-month average is 62.6 percent, which reflects strong and sustained demand in the services sector. The January reading indicates the services sector grew for the 20th consecutive month after two months of contraction and 122

months of growth before that. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates the services sector is generally contracting.



Economic activity in the services sector grew in January for the 20th month in a row — with the Services PMI® registering 59.9 percent — say the nation’s purchasing and supply executives in the latest Services ISM® Report On Business®.

In January, the Services PMI® registered 59.9 percent. The composite index indicated growth for the 20th consecutive month after a two-month contraction in April and May 2020. Although there was a pullback for most of the subindexes in January, the rate of growth remains strong for the services sector, which has expanded for all but two of the last 144 months. Respondents continue to be impacted by coronavirus pandemic-related supply chain issues, including capacity constraints, demand-pull inflation, logistical challenges and labor shortages. Moreover, the COVID-19 omicron variant has disrupted operations, especially through reduced staffing levels. Despite these impediments, business activity and economic growth continue.

The 15 services industries reporting growth in January — listed in order — are: Construction; Retail Trade; Health Care & Social Assistance; Public Administration; Real Estate, Rental & Leasing; Utilities; Professional, Scientific & Technical Services; Other Services\*<sup>†</sup>; Educational Services; Finance & Insurance; Mining; Management of Companies & Support Services; Transportation & Warehousing; Wholesale Trade; and Accommodation & Food Services. [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®	59.9	62.3	-2.4	Growing	Slower	20
Business Activity	59.9	68.3	-8.4	Growing	Slower	20
New Orders	61.7	62.1	-0.4	Growing	Slower	20
Employment	52.3	54.7	-2.4	Growing	Slower	7
Supplier Deliveries	65.7	63.9	+1.8	Slowing	Faster	32
Inventories	49.4	46.7	+2.7	Contracting	Slower	8
Prices	82.3	83.9	-1.6	Increasing	Slower	56
Backlog of Orders	57.4	62.3	-4.9	Growing	Slower	13
New Export Orders	45.9	61.5	-15.6	Contracting	From Growing	1
Imports	51.1	55.5	-4.4	Growing	Slower	4
Inventory Sentiment	47.5	38.3	+9.2	Too Low	Slower	10
<b>Overall Economy</b>				<b>Growing</b>	<b>Slower</b>	<b>20</b>
<b>Services Sector</b>				<b>Growing</b>	<b>Slower</b>	<b>20</b>

\*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.

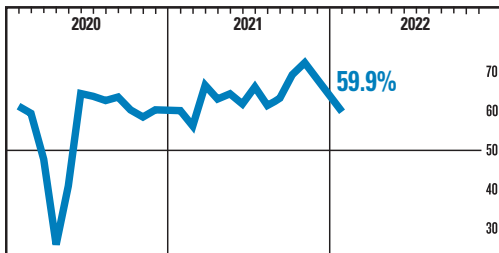
This report reflects the recently completed annual adjustments to the seasonal factors used to calculate the indexes.

## Commodities Reported

**Commodities Up in Price:** Aluminum Products (2); Beef; Chicken (5); Chlorine; Computers and Peripherals; Construction Contractors (7); Copper Products (2); Diesel Fuel (14); Electrical Components (12); Electronic Components (2); Food and Beverages (2); Freight (9); Fuel (13); Gasoline\* (14); Heating Fuel; Heating, Ventilation and Air Conditioning (HVAC) Equipment; Labor (14); Labor — Construction (6); Labor — Technical (3); Lumber; Metal Based Products (2); Paper — Coated Free Sheet; Paper Products (2); Personal Protective Equipment (PPE) (2); Plastic Products (6); Polyvinyl Chloride (PVC) Products (5); Steel (4); Steel — Stainless; Steel Products (13); Sulfuric Acid (2); Transformers (2); and Vehicles.

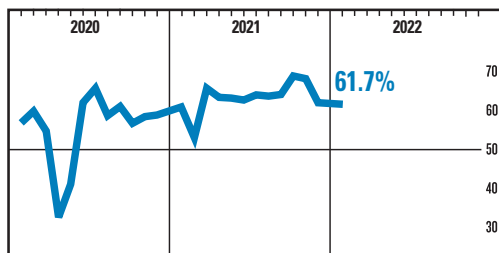
Note: To view the full report, visit the ISM® Report On Business® website at [ismrob.org](http://ismrob.org)

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



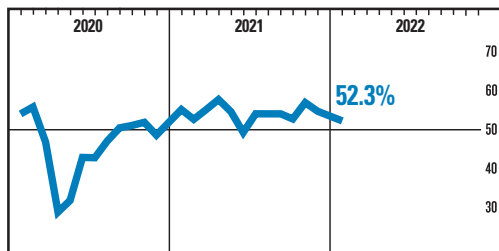
## Business Activity

ISM's Business Activity Index registered 59.9 percent. The eight industries reporting an increase in business activity for the month of January — listed in order — are: Retail Trade; Health Care & Social Assistance; Construction; Public Administration; Utilities; Professional, Scientific & Technical Services; Finance & Insurance; and Management of Companies & Support Services.



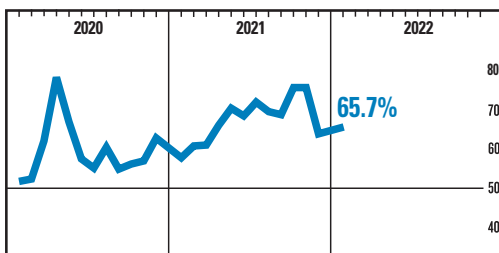
## New Orders

ISM's New Orders Index registered 61.7 percent. Ten industries reported growth of new orders in January, in the following order: Retail Trade; Construction; Public Administration; Health Care & Social Assistance; Management of Companies & Support Services; Utilities; Professional, Scientific & Technical Services; Finance & Insurance; Transportation & Warehousing; and Educational Services.



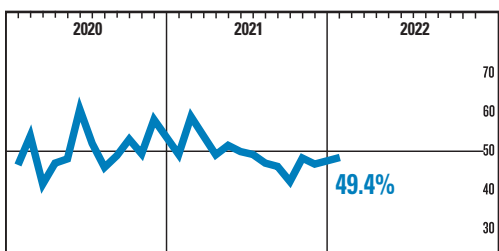
## Employment

ISM's Services Employment Index registered 52.3 percent. The five industries reporting an increase in employment in January are: Construction; Real Estate, Rental & Leasing; Professional, Scientific & Technical Services; Accommodation & Food Services; and Wholesale Trade.



## Supplier Deliveries

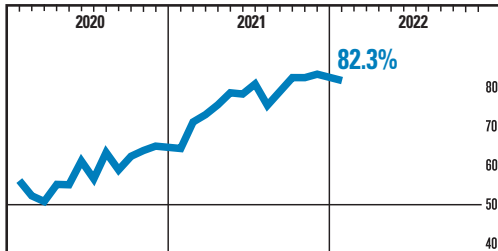
The Supplier Deliveries Index registered 65.7 percent. The 17 industries reporting slower deliveries in January — listed in order — are: Real Estate, Rental & Leasing; Accommodation & Food Services; Transportation & Warehousing; Health Care & Social Assistance; Construction; Educational Services; Other Services<sup>†</sup>; Utilities; Arts, Entertainment & Recreation; Mining; Retail Trade; Wholesale Trade; Management of Companies & Support Services; Public Administration; Finance & Insurance; Information; and Professional, Scientific & Technical Services.



## Inventories

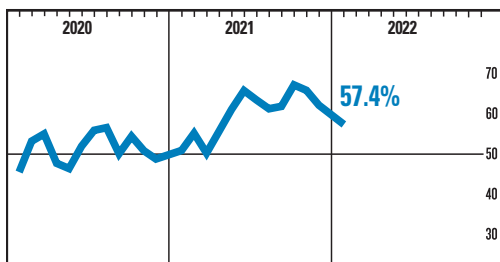
The Inventories Index registered 49.4 percent. The seven industries reporting an increase in inventories in January — listed in order — are: Educational Services; Wholesale Trade; Construction; Utilities; Health Care & Social Assistance; Accommodation & Food Services; and Information.

<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).



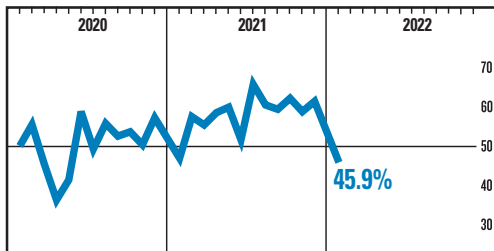
## Prices

Prices paid by services organizations for materials and services increased in January for the 56th consecutive month, with the index registering 82.3 percent. All 18 services industries reported an increase in prices paid during the month of January, in the following order: Agriculture, Forestry, Fishing & Hunting; Arts, Entertainment & Recreation; Construction; Management of Companies & Support Services; Accommodation & Food Services; Retail Trade; Transportation & Warehousing; Wholesale Trade; Utilities; Mining; Professional, Scientific & Technical Services; Public Administration; Finance & Insurance; Health Care & Social Assistance; Information; Real Estate, Rental & Leasing; Educational Services; and Other Services<sup>‡</sup>.



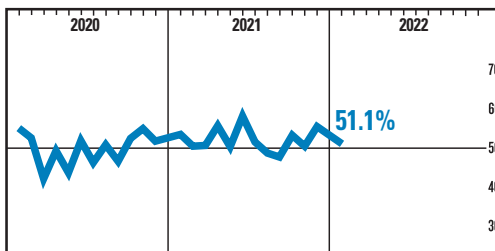
## Backlog of Orders

The ISM Services Backlog of Orders Index registered 57.4 percent. The 11 industries reporting an increase in order backlogs in January — listed in order — are: Management of Companies & Support Services; Health Care & Social Assistance; Real Estate, Rental & Leasing; Construction; Utilities; Educational Services; Professional, Scientific & Technical Services; Public Administration; Retail Trade; Finance & Insurance; and Wholesale Trade.



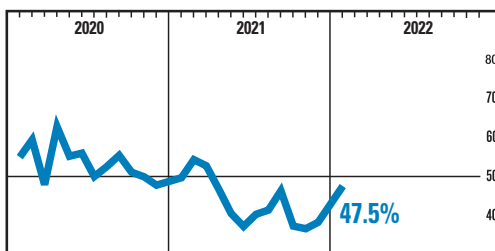
## New Export Orders

The New Export Orders Index registered 45.9 percent. The four industries reporting an increase in new export orders in January are: Construction; Finance & Insurance; Utilities; and Wholesale Trade.



## Imports

The Imports Index grew in January for the fourth consecutive month, as it registered 51.1 percent. The six industries reporting an increase in imports for the month of January — listed in order — are: Real Estate, Rental & Leasing; Finance & Insurance; Construction; Educational Services; Professional, Scientific & Technical Services; and Wholesale Trade.



## Inventory Sentiment

The ISM Services Inventory Sentiment Index registered 47.5 percent. The eight industries reporting sentiment that their inventories were too high in January — listed in order — are: Arts, Entertainment & Recreation; Mining; Other Services<sup>‡</sup>; Public Administration; Educational Services; Wholesale Trade; Information; 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).