



Economics Group

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Mixed Results in November Services ISM

Service sector business activity slowed in November as rising virus case counts renewed pressure on service providers even as they struggle to get scarce supplies. A bright spot: hiring picked up slightly to 51.5.

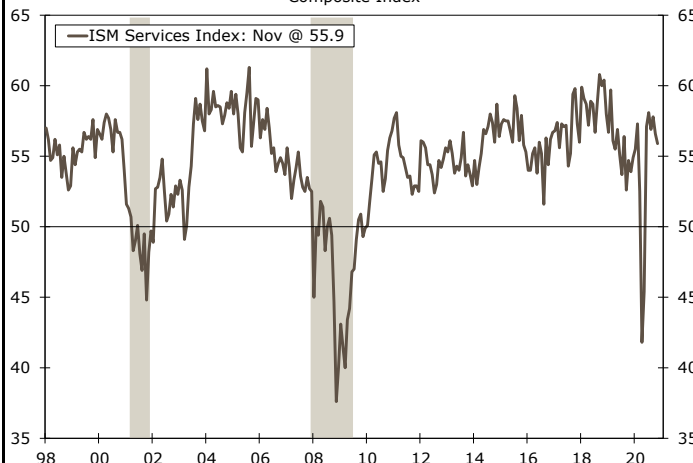
Despite Slower Activity, Business Can't Get Supplies

- The services ISM slipped slightly in November, though it remains in expansion territory at 55.9. Business activity dropped 3.2 points to 58.0 as the re-opening bounce continues to fade.
- Supplier deliveries rose for a second straight month as service businesses struggled with supply chain constraints and long wait times. The scarcity of supplies may be a factor behind the rise in the prices paid measure which jumped to an eight-year high.

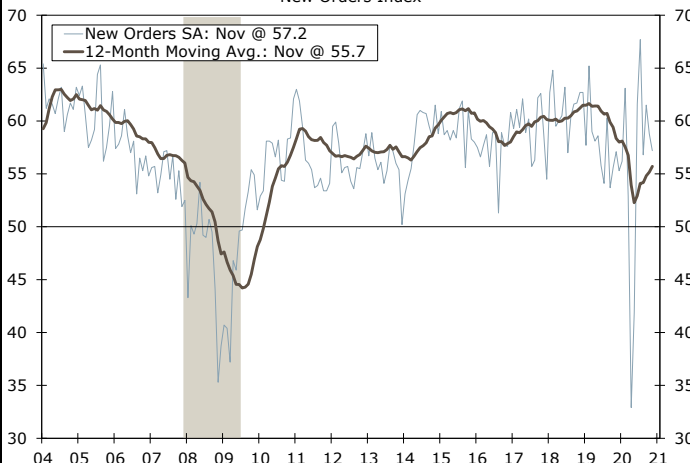
Orders Are Slipping

- Initial strength in service sector activity was showing promising signs when case counts were falling, but the latest round of virus outbreaks around the country are taking their toll as new orders slowed to 57.2 from 58.8 in the prior month.
- Order backlogs slipped 3.7 points to 50.7, a reading that is just in expansion territory. Despite the vaccine news, the near-term outlook remains grim with case counts still high in December.

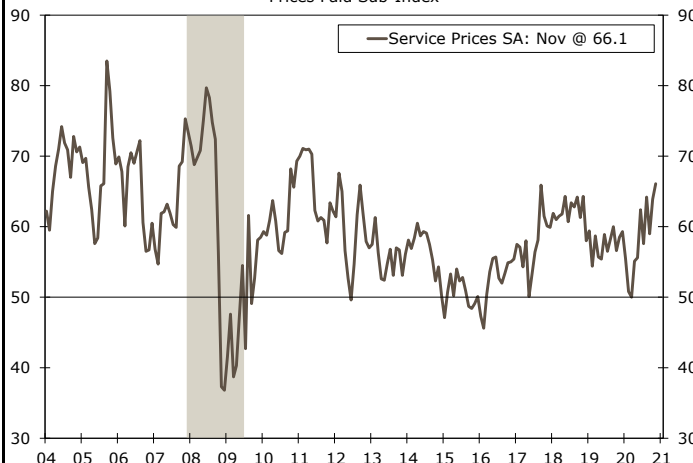
ISM Services
Composite Index



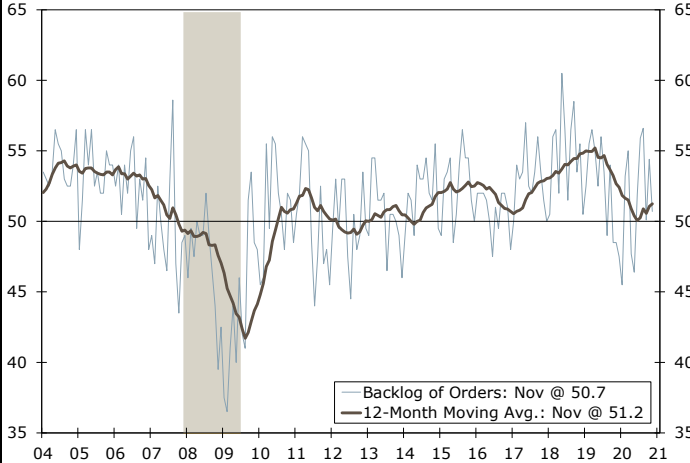
ISM Services New Orders
New Orders Index



ISM Services Prices
Prices Paid Sub-Index



ISM Services Backlog of Orders
Diffusion Index



Source: Institute of Supply Management and Wells Fargo Securities

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