



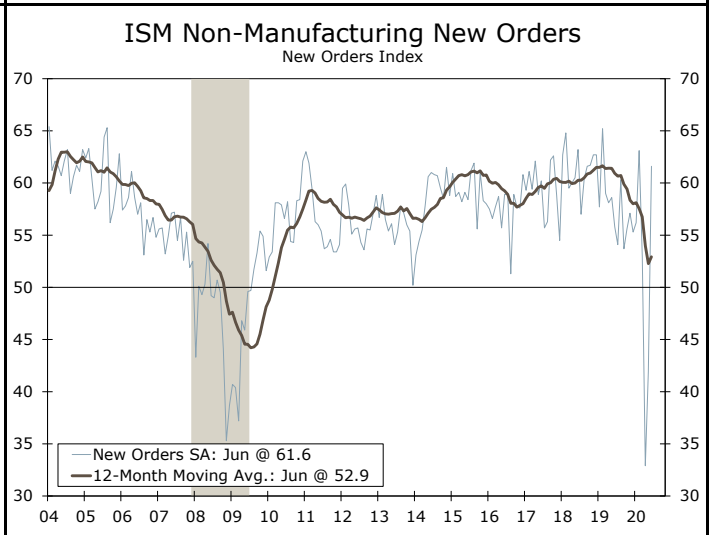
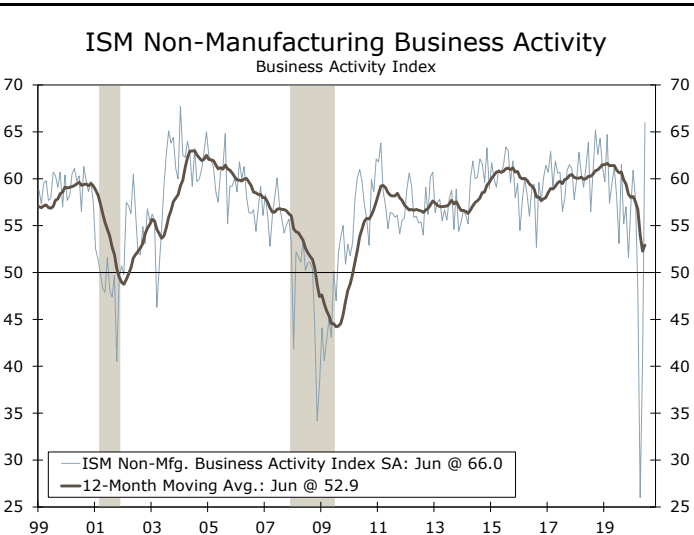
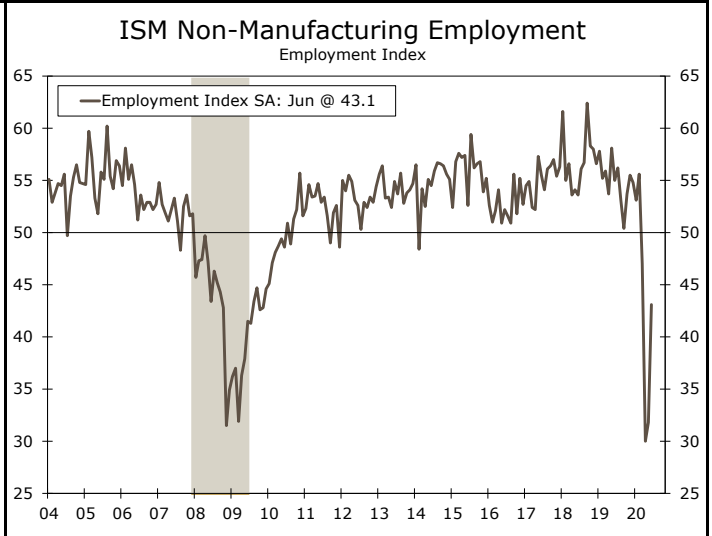
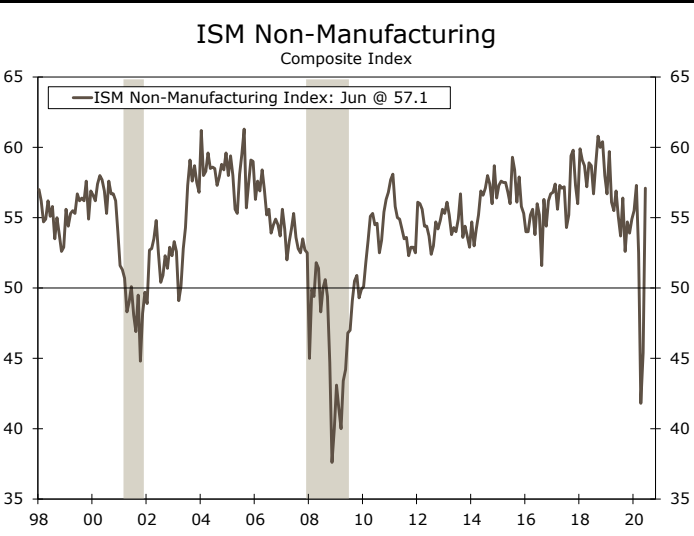
Economics Group

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About as V as it Gets for Service Sector ISM

Though the survey came before the recent jump in virus case counts, the non-manufacturing index signaled a sharp rebound in June. The activity index hit a 15-year high. Low base effects help and it is a tough road ahead.

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| <p>From Stopped to Reopening</p> <ul style="list-style-type: none"> • The ISM non-manufacturing index rose to 57.1 in June—a much larger rise than had been expected—bringing the index close to where it was before the crisis. • While the survey was conducted before the latest flare-up in case counts, the service sector was coming back online in a remarkable fashion. The activity/production index rocketed to a 15-year high of 66.0, just off the all-time record set in 2004. | <p>Employment Not Rebounding Yet</p> <ul style="list-style-type: none"> • The employment component rose sharply, but at 43.1, remains in contraction. Employers will need to see a smoother re-opening before hiring picks up meaningfully. • Elsewhere, there are signs that the worst of the impact from the virus and related lockdowns is fading. Supplier deliveries fell almost 10 points and orders picked up meaningfully to 61.6, even order backlogs moved into expansion territory. |
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Source: Institute for Supply Management and Wells Fargo Securities

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