

Economics Group

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ISM Non-Manufacturing Index Settles Higher

The ISM non-manufacturing composite index rose 0.5 points in June to 57.4, surprising consensus estimates which called for a slight dip. Service sector activity appears to be settling to a comfortable pace of expansion.

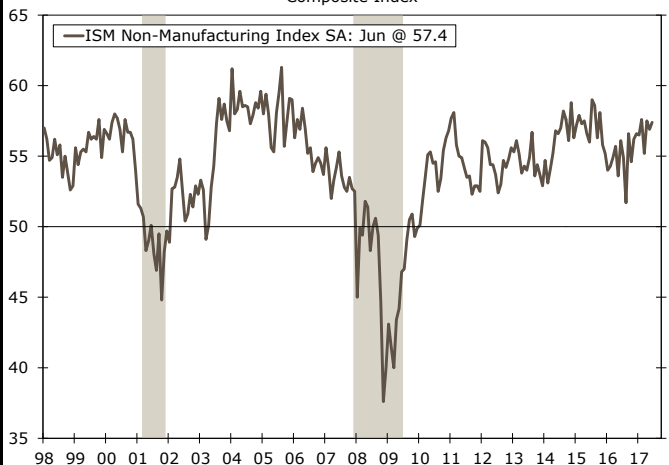
Little Deviation from Solid Expansion

- The headline ISM non-manufacturing index recovered most of the ground lost in May by rising 0.5 points to 57.4 in June. The rebound largely resulted from small gains across sub-indices.
- The index of business activity gained 0.1 point to 60.8, which signals continued strength in demand for services. Most respondents reported business activity was the same as in May. The only sector to report falling activity was retail trade.

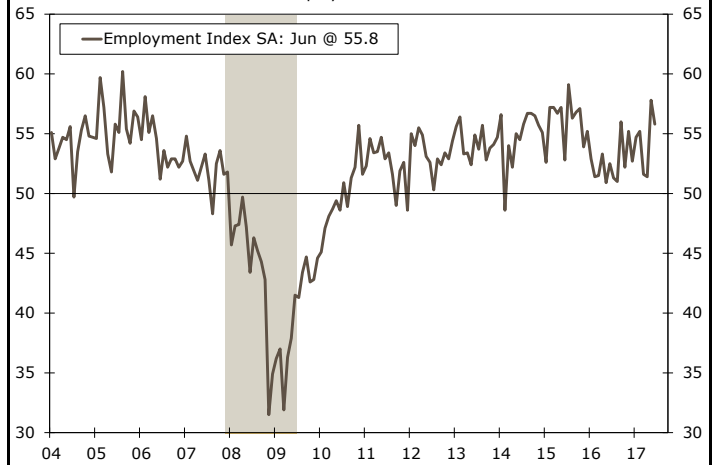
Hiring Moderates Slightly, Price Pressure Returns

- The major sub-indices that declined in June also recorded a bump in May, including employment and order backlog. Both settled solidly in expansion territory.
- The prices paid measure moved back above the demarcation line in June after posting in contraction territory in May. Measures of price pressures have come in soft recently, making this timely gauge an important one to watch in coming months.

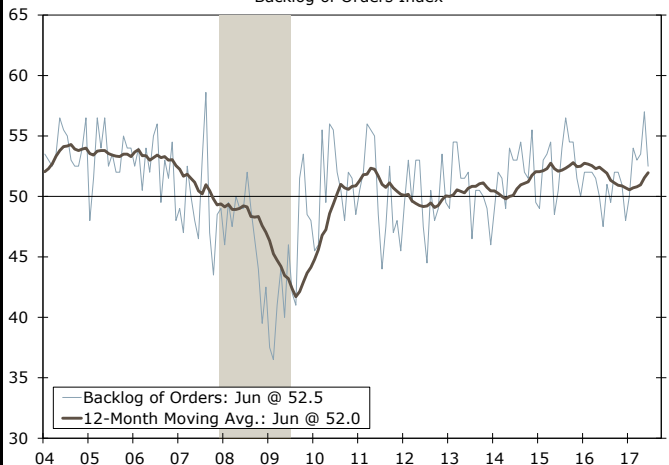
ISM Non-Manufacturing
Composite Index



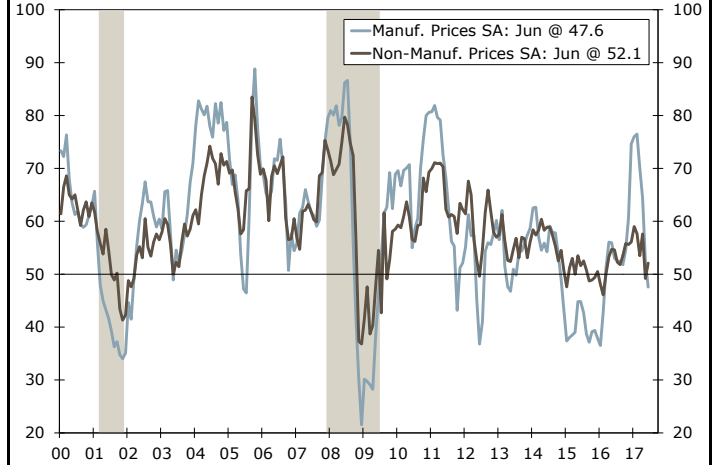
ISM Non-Manufacturing Employment
Employment Index



ISM Non-Manufacturing Backlog of Orders
Backlog of Orders Index



ISM Manuf. and Non-Manuf. Prices
Price Index



Source: Institute for Supply Management and Wells Fargo Securities

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