

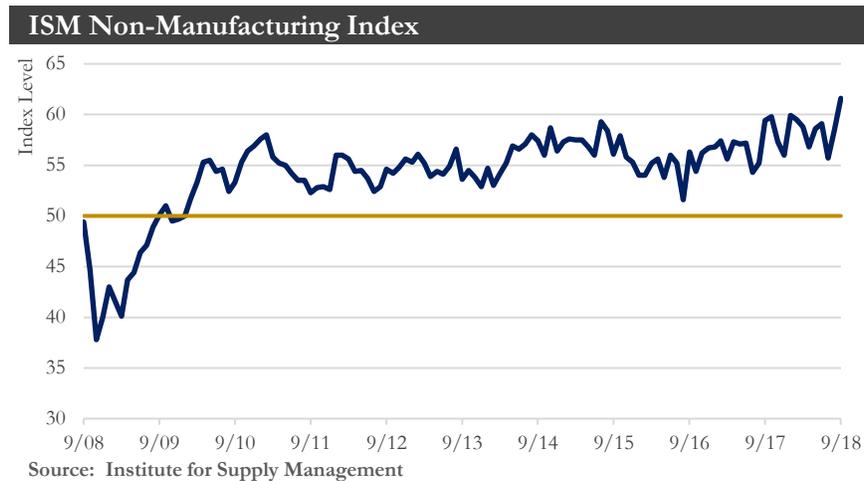
CMC UPDATE: ISM Non-Manufacturing Index Hits a 21 year High in September

Abdur Chowdhury, Ph.D. Chief Economist

October 3, 2018

The ISM non-manufacturing index hit a 21-year high in September, leaping 3.1 points to 61.6. Current activity, new orders and supplier deliveries all increased. Backlogs continue to rise, helped in part by elevated levels of export orders.

While, non-manufacturing industries are less exposed to international trade than their manufacturing counterparts, they are not immune to tariffs, as evidenced by concerns in retail and construction industries. While the newly minted USMCA deal with Canada and Mexico signed this week has helped to dissuade some trade-related fears, the battle with China looks likely to escalate further in the coming months. This could lead to increases in input costs, possible disruptions in supply chains and lower business sentiment and output.



Dr. Abdur Chowdhury is a Professor of Economics at Marquette University, the Chief Economist at Capital Market Consultants, Inc. (CMC) and a member of the Federal Reserve Board of Chicago's Academic Advisory Council. CMC provides capital market, investment manager and economic research to financial professionals (for more information about Capital Market Consultants, Inc. see our website at www.cmarkc.com).

The opinions expressed herein are those of Capital Market Consultants, Inc. and may not reflect the opinions of other advisory firms or their affiliates. The information herein has been obtained from sources believed to be reliable, but we cannot assure its accuracy or completeness. Neither the information nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Any reference to past performance is not to be implied or construed as a guarantee of future results.

This email and any files transmitted with it are privileged and confidential. This email is intended solely for the use of the individual(s) or entity to which it is addressed. If you do not wish to receive CMC News Alerts please notify the sender. If you are not the named addressee, then any dissemination, distribution, and copying is strictly prohibited. Please notify the sender immediately, by email, if you have received this email in error and delete the message from your system. The sender does not accept liability for any errors or omissions in the content of this message that arise as a result of email transmission.