

This report does not constitute a rating action.

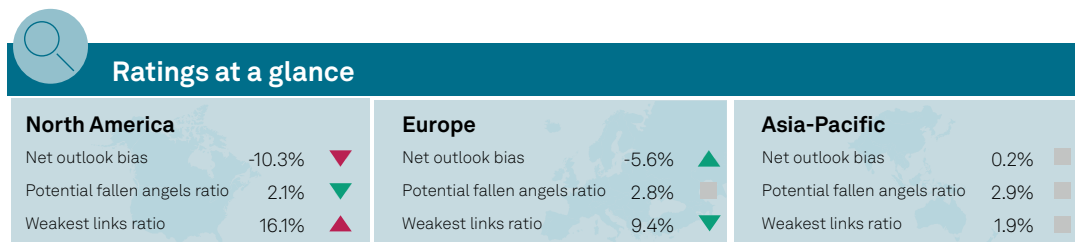
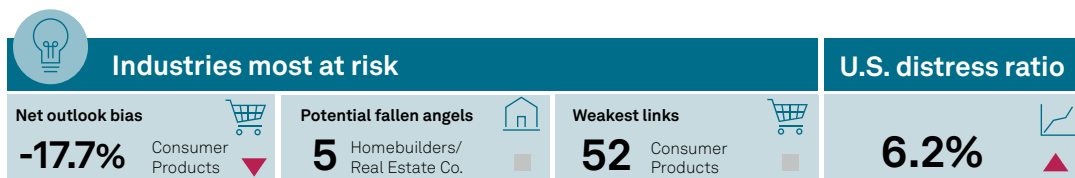
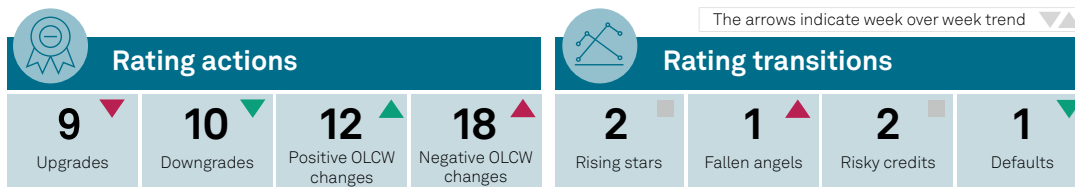
### The Top Line | Sept. 18, 2023

Markets expect the Fed to pause when it concludes on Wednesday. But a pause is far from a hard stop, so communication regarding the outlook for interest rates--already at a 22-year high--will be key. The Fed is far from the only central bank on deck this week, with Thursday a particularly busy day including the Bank of England, before the Bank of Japan wraps up monetary policy updates on Friday. A single corporate default last week was welcome relief, following the highest August tally since 2009, and this week a global suite of flash PMI numbers for September will provide a temperature check on global economic activity.

### Key Takeaways

- Upgrades and downgrades both decreased marginally last week but there was a noticeable pick up in negative outlooks, which rose to 18 from eight the prior week.
- There was only one default last week; it was from a media and entertainment issuer located in the U.S.--2023's leading sector and region for defaults.
- A mixed week for benchmark yields but a more positive for credit pricing, as credit spreads tightened, with most now back below five-year averages.

### Ratings performance trends



Data as of Sept. 14, 2023. Note: Weekly rating actions, weekly transitions, and industries most at risk are all global data. Data excludes structured and public finance. Upgrades and downgrades exclude no-debt corporate rating actions and confidential rating actions. Downgrades exclude transitions to default and confidential rating actions. Defaults from confidential issuers are included in the default tally. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

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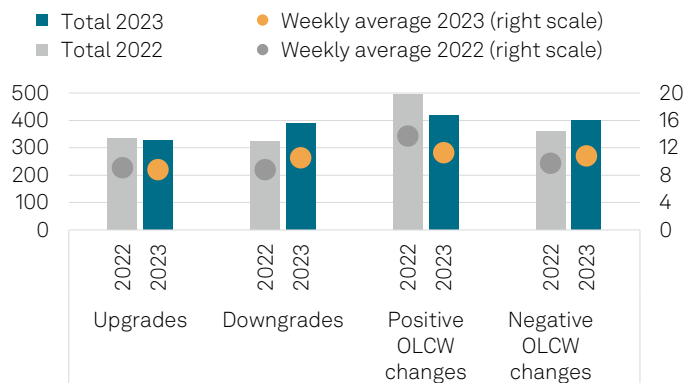


## Year To This Week

Chart 1

### Rating actions

Year-to-date total and weekly average

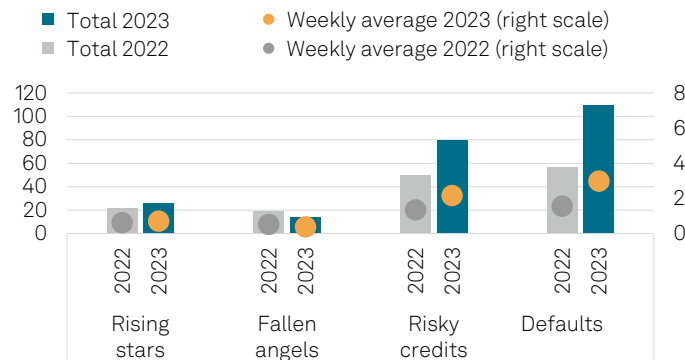


Data as of Sept. 14 (2022 data is January to Sept. 14). OLCW-- Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

### Rating transitions

Year-to-date total and weekly average

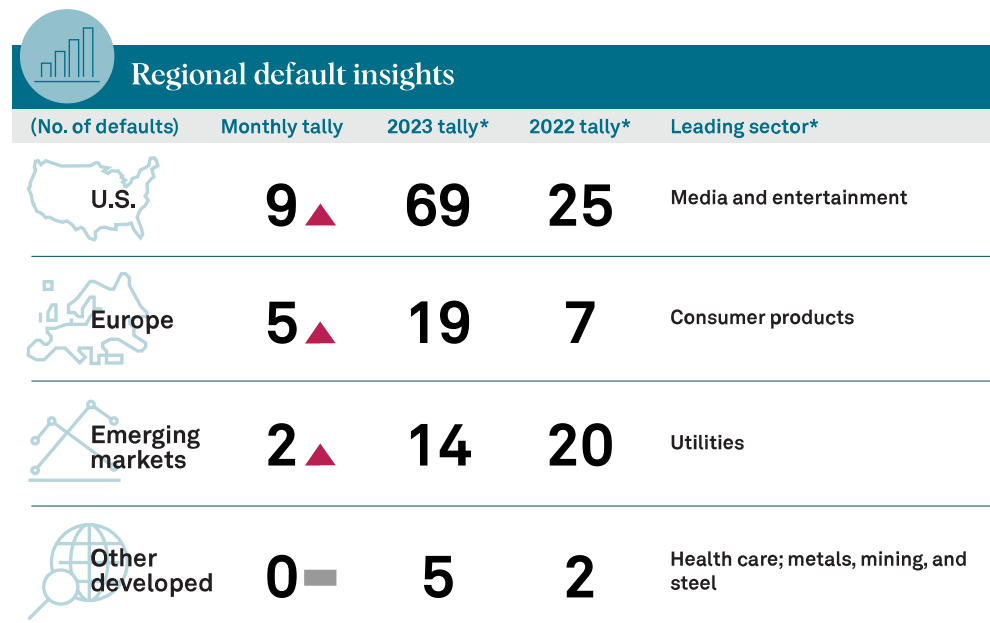


Data as of Sept. 14 (2022 data is January to Sept. 14). Source: S&P Global Ratings Credit Research & Insights.

## Chart Of The Week

Chart 3

Default, Transition, and Recovery: Corporate Defaults Record Highest August Total Since 2009



Note: Chart first appeared in "Default, Transition, and Recovery: Corporate Defaults Record Highest August Total Since 2009," published Sept. 12, 2023. Data as of Aug. 31, 2023. \* Captures year-to-date tally. Direction of arrow indicates month over month change. Energy includes midstream, IPP and utilities subsectors. Other developed region includes Australia, Canada, Japan, and New Zealand. Default counts may include confidentially-rated issuers Sources: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

## Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of Sep.13, 2023](#), Sept. 15, 2023

[Emerging Markets Monthly Highlights: Domestic Demand Is Holding Up](#), Sept. 13, 2023

[Instant Insights: Key Takeaways From Our Research](#), Sept. 13, 2023

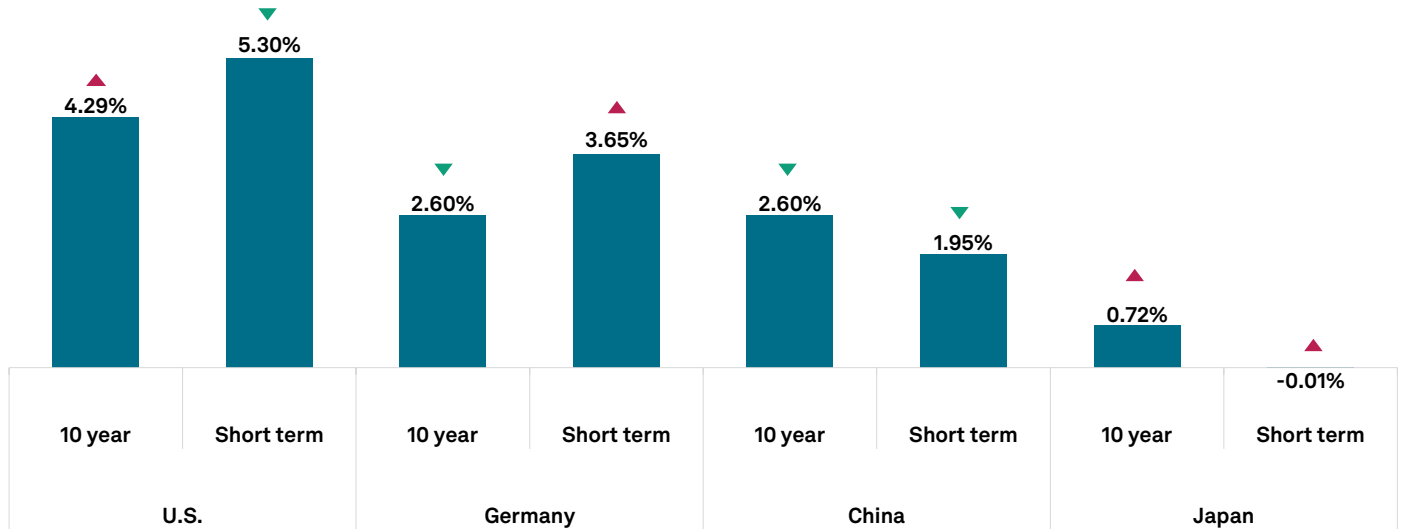
## Upcoming Webinars

[European Banks: Update on Profitability Trends, And What Quantitative Tightening Could Mean For Eurozone Banks](#), Sept. 20, 2023

# Credit Market Conditions

Chart 4

## Benchmark yields



Data as of Sept. 14, 2023. Sources: S&P Global Market Intelligence, ECB, People's Bank Of China. Short rates: U.S., SOFR; Germany, € short-term rate; China, DR007; and Japan, uncollateralized overnight call rate.

Chart 5

## Secondary market credit spreads

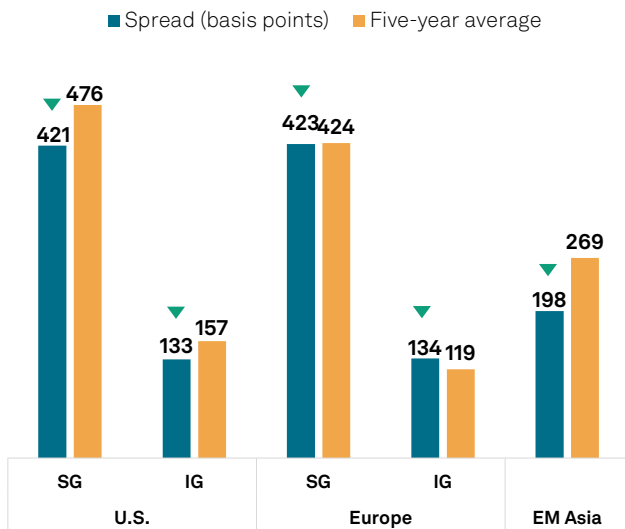
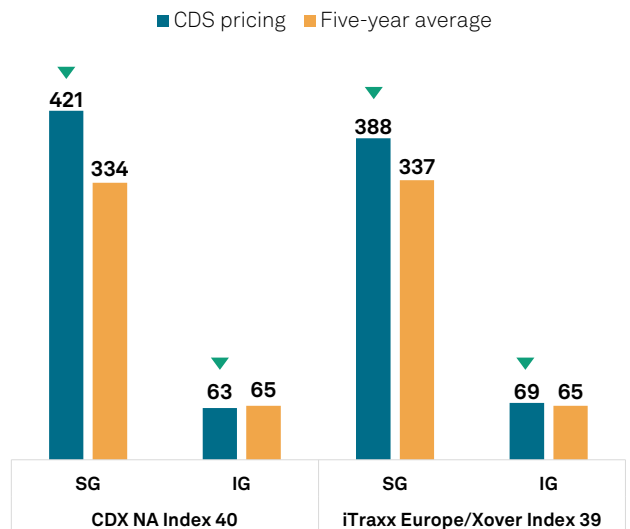


Chart 6

## CDS pricing



Data as of Sept. 14, 2023. The arrows indicate weekly trends. Sources: S&P Global Ratings Credit Research & Insights, Ice Data Indices LLC, ICE BofA Euro High-Yield Index Option-Adjusted Spread, retrieved from the Federal Reserve Bank of St. Louis, S&P Global Market Intelligence.

## This Week In Credit: Central Bank Action Stations

Table 1

### Top 10 upgrades and downgrades by debt

| Date           | Action    | Issuer   | Industry   | Country   | To*          | From*         | Debt volume (mil. \$) |
|----------------|-----------|--|--|-----------|--------------|---------------|-----------------------|
| Sept. 13, 2023 | Upgrade   | Jamaica  | Sovereign  | Jamaica   | BB-/Stable   | B+/Stable     | 5,649                 |
| Sept. 12, 2023 | Upgrade   | Accor S.A.   | Media and entertainment                          | France    | BBB-/Stable  | BB+/Positive  | 4,608                 |
| Sept. 8, 2023  | Downgrade | Catalent, Inc.   | Health care                                      | U.S.      | B+/Negative  | BB-/Negative  | 3,583                 |
| Sept. 13, 2023 | Downgrade | PECF USS Intermediate Holding III Corp.                | Chemicals, packaging, and environmental services | U.S.      | CCC/Negative | CCC+/Negative | 2,550                 |
| Sept. 13, 2023 | Upgrade   | Delta Topco Ltd.                                       | Media and entertainment                          | U.K.      | BB+/Stable   | BB/Stable     | 2,425                 |
| Sept. 8, 2023  | Upgrade   | Grab Holdings Ltd.                                     | High technology                                  | Singapore | B/Stable     | B-/Stable     | 2,000                 |
| Sept. 12, 2023 | Downgrade | Advance Auto Parts Inc.                                | Retail/Restaurants                               | U.S.      | BB+/Stable   | BBB-/Negative | 1,800                 |
| Sept. 12, 2023 | Upgrade   | Banco Comercial Portugues S.A.                         | Financial Institutions                           | Portugal  | BBB-/Stable  | BB+/Positive  | 1,265                 |
| Sept. 11, 2023 | Downgrade | Forest City Realty Trust Inc. (Brookfield Corporation) | Homebuilders/Real estate co.                     | U.S.      | B-/Negative  | B/Negative    | 1,241                 |
| Sept. 11, 2023 | Downgrade | EP Global Production Solutions LLC                     | Consumer products                                | U.S.      | B-/Watch Neg | B/Stable      | 1,200                 |

Data as of Sept. 14, 2023. Note: Rating actions include financial and nonfinancial corporates and sovereign issuer credit ratings. Excludes rating actions with no debt and actions on local currency. \*Long-term issuer credit rating/outlook or CreditWatch status. Downgrades include defaults. Source: S&P Global Ratings Credit Research & Insights.

Table 2

### This week's defaults

| Date           | Parent company                | Country/market | Subsector               | To | From | Reason              |
|----------------|-------------------------------|----------------|-------------------------|----|------|---------------------|
| Sept. 13, 2023 | Learfield Communications, LLC | U.S.           | Media and entertainment | SD | CCC- | Distressed exchange |

Data as of Sept. 14, 2023. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®. Excludes local currency defaults.

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## Glossary And Abbreviations

### Ratings Performance Trends

**Fallen angels**--Issuers downgraded to speculative grade from investment grade.

**Investment grade**--Issuers rated 'BBB-' or above.

**Negative bias**--Percentage of issuers with a negative outlook or on CreditWatch.

**Net outlook bias**--Percentage of issuers with a positive bias minus those with a negative bias.

**OLCW**--Outlooks and CreditWatch placements.

**Positive bias**--Percentage of issuers with a positive outlook or CreditWatch placement.

**Potential fallen angels**--Issuers rated 'BBB-' with either a negative outlook or CreditWatch placement.

**Potential fallen angel ratio**--The number of potential fallen angels divided by the population of issuers rated in the 'BBB' category.

**Rising stars**--Issuers upgraded to investment grade from speculative grade.

**Risky credits**--Issuers rated 'CCC+' and below.

**Speculative grade**--Issuers rated 'BB+' or below.

**U.S. distress ratio**--Proportion of speculative-grade issues with option-adjusted composite spreads of more than 1,000 basis points relative to U.S. Treasury bonds.

**Weakest links**--Issuers rated 'B-' and below with either a negative outlook or CreditWatch placement.

**Weakest links ratio**--The number of weakest links divided by the total speculative-grade ratings population.

### Credit Market Conditions

**CDS**--Credit default swaps.

**DR007**--Seven-day repurchase rate for depository institutions.

**EM**--Emerging markets.

**IG**--Investment grade.

**PMI**--Purchasing Managers Index.

**SG**--Speculative grade.

**SOFR**--Secured overnight financing rate.

Note: For definitions of ratings, outlooks, CreditWatch status, and other credit terms, see: "S&P Global Ratings Definitions."

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