

## Central Banks Will Be Front And Center

This report does not constitute a rating action.

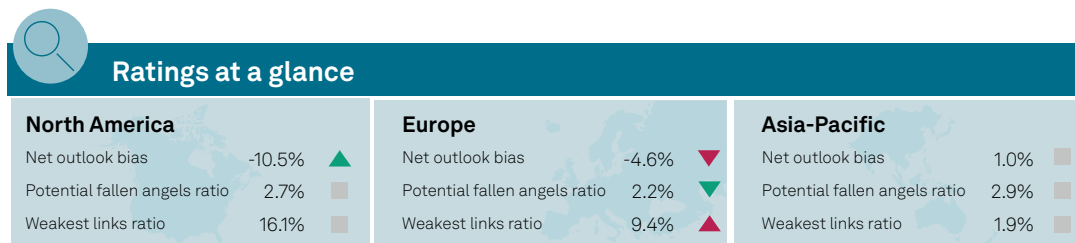
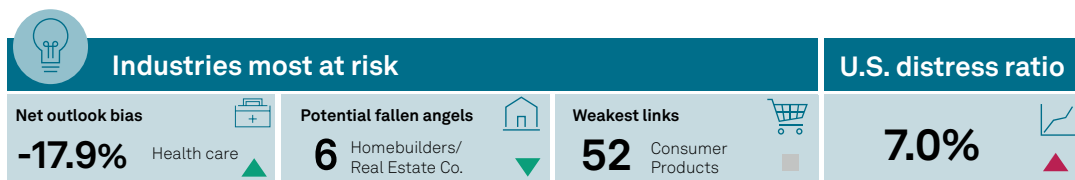
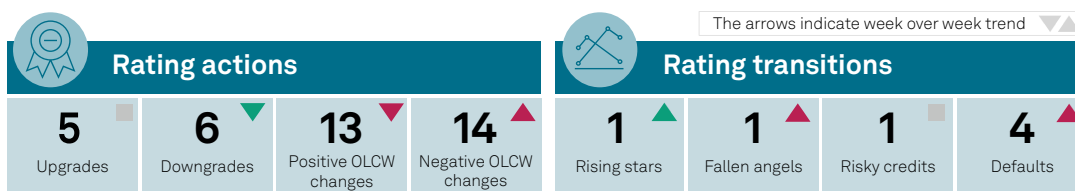
### The Top Line | Oct. 30, 2023

Last week saw the highest weekly default count (four) for this October, led by two North American health care defaults. Looking ahead, central bank meetings will dominate this week. Markets expect the U.S. Federal Reserve, Bank of England, Norges Bank, and Bank of Japan all to keep rates on hold, although the latter's yield curve control policy and inflation forecast changes will be closely watched. For economic data, key releases include the eurozone's third-quarter GDP and October CPI (Tuesday), as well as labor market data for the U.S. and eurozone (Friday). Third-quarter results will keep coming in after a generally positive start to reporting season last week.

### Key Takeaways

- Total rating activity slowed but included activity on the cusp of investment grade, with one new fallen angel and one rising star.
- The under-pressure homebuilders and real estate sector continues to have the highest number of potential fallen angels, but this dropped by one last week when an issuer became an actual fallen angel.
- The picture for benchmark yields was mixed, but bond spreads and CDS widened.

### Ratings performance trends



Data as of Oct. 26, 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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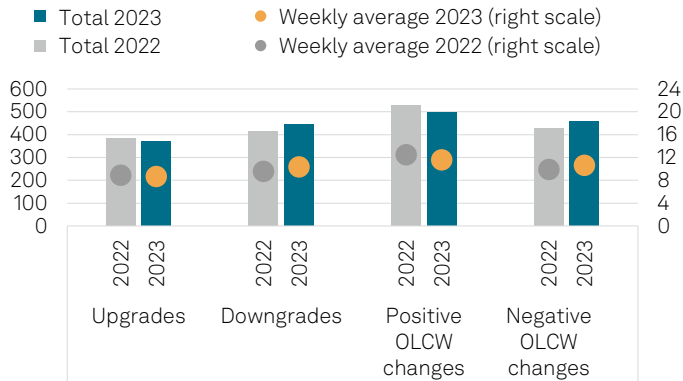


# Year To This Week

Chart 1

## Rating actions

Year-to-date total and weekly average

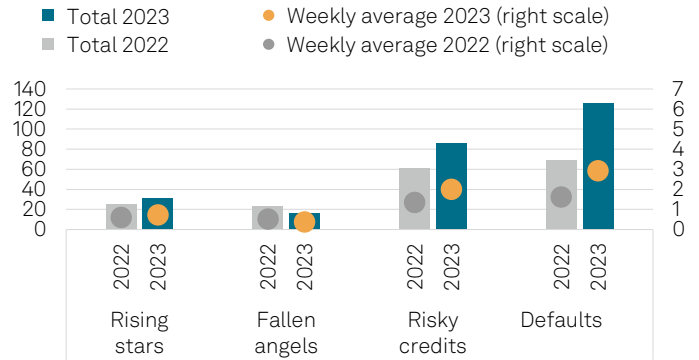


Data as of October 26 (2022 data is January to October 26). OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

## Rating transitions

Year-to-date total and weekly average

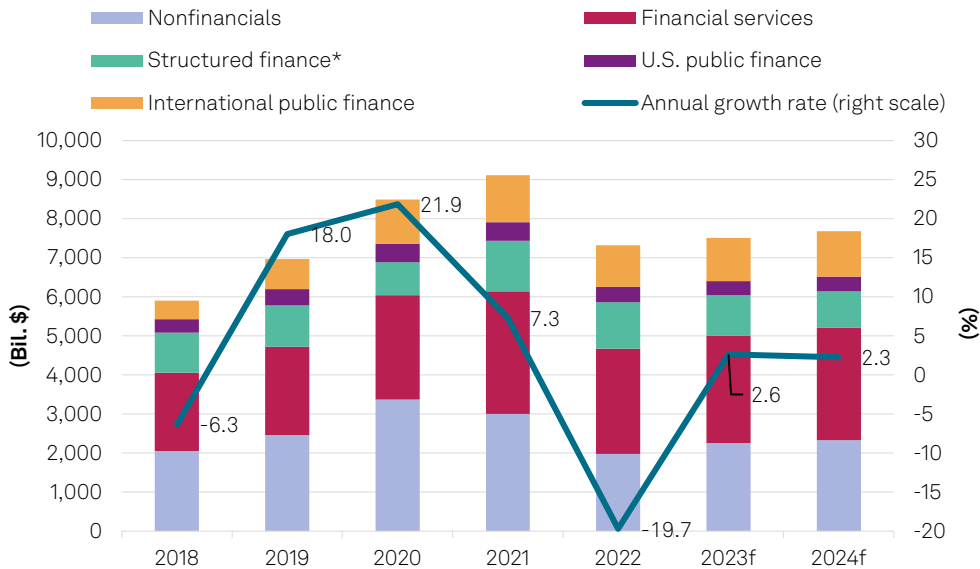


Data as of October 26 (2022 data is January to October 26). Source: S&P Global Ratings Credit Research & Insights.

# Chart Of The Week

Chart 3

## Historical global issuance and forecast



Note: Chart first appeared in "Global Financing Conditions: Stubborn Rates Portend Slower Issuance Growth In 2023 And 2024," published Oct. 26, 2023. f--Forecast. \*Structured finance excludes transactions that were fully retained by the originator, domestically-rated Chinese issuance, and CLO resets and refinancings. Sources: Green Street Advisors, Refinitiv, and S&P Global Ratings Credit Research & Insights.

## Related Research

[This Month In Credit: On Fragile Footing](#), Oct. 27, 2023

[Credit Trends: U.S. Corporate Bond Yields As Of October 25, 2023](#), Oct. 26, 2023

[Credit Trends: Global Financing Conditions: Stubborn Rates Portend Slower Issuance Growth In 2023 And 2024](#), Oct. 26, 2023

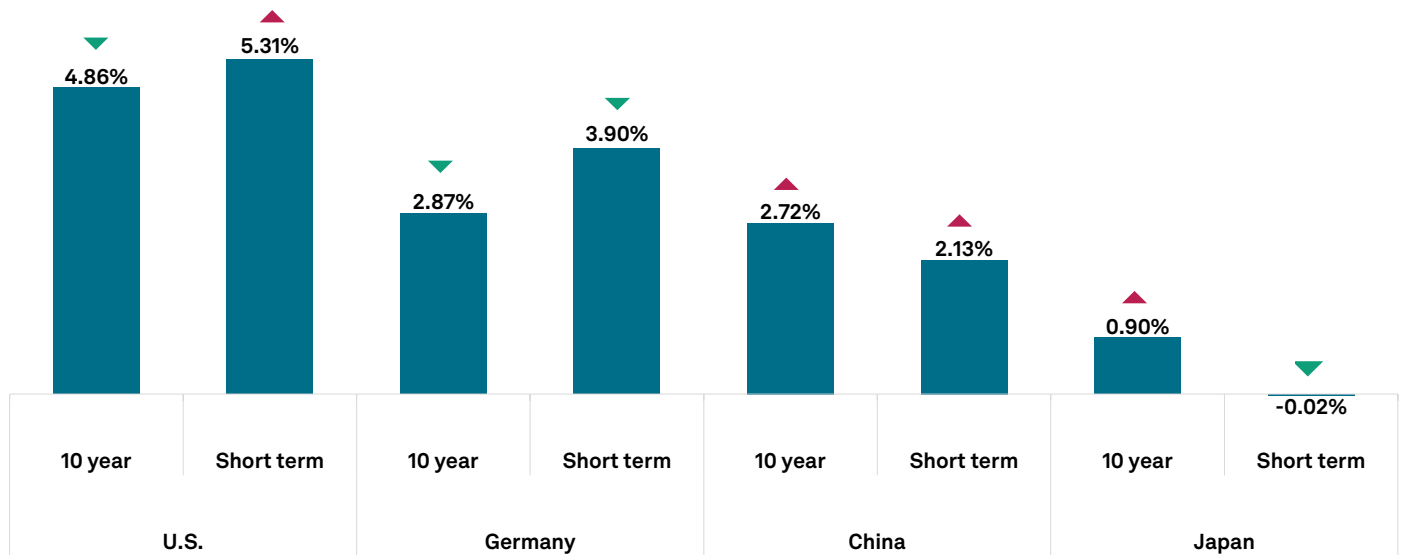
## Upcoming Webinars

[Latin America Monthly Spotlight: Views On Financial Institutions](#), Oct. 31, 2023

# Credit Market Conditions

Chart 4

## Benchmark yields



Data as of Oct. 26, 2023. Sources: S&P Global Market Intelligence, European Central Bank, People's Bank Of China. Short rates: U.S., SOFR; Germany, euro short-term rate; China, DR007; and Japan, uncollateralized overnight call rate.

Chart 5

## Secondary market credit spreads

■ Spread (basis points) ■ Five-year average

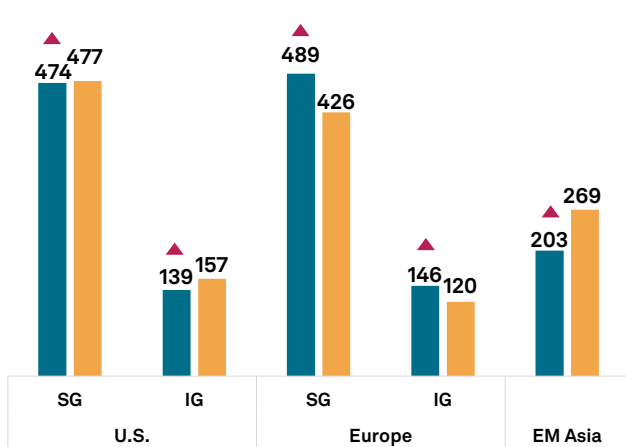
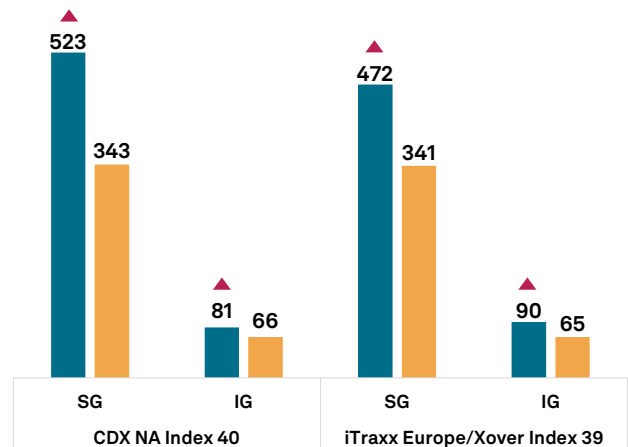


Chart 6

## CDS pricing

■ CDS spreads ■ Five-year average



Data as of Oct. 26, 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 Banks Will Be Front And Center

Table 1

### Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Oct. 20, 2023	Upgrade	Hellenic Republic	Sovereign	Greece	BBB-/Stable	BB+/Positive	155,935
Oct. 20, 2023	Downgrade	Arab Republic of Egypt	Sovereign	Egypt	B-/Stable	B/Negative	32,668
Oct. 23, 2023	Downgrade	Iris Holding Inc.,	Chemicals, packaging and environmental services	U.S.	CCC+/Stable	B-/Stable	1,900
Oct. 25, 2023	Downgrade	Air Methods Corp.	Health care	U.S.	D/--	CCC/Negative	1,810
Oct. 20, 2023	Upgrade	Prestige Consumer Healthcare Inc.	Consumer products	U.S.	BB/Stable	BB-/Stable	1,600
Oct. 20, 2023	Downgrade	Alstria Office REIT-AG	Homebuilders/real estate co.	Germany	BB+/Negative	BBB-/Negative	1,159
Oct. 20, 2023	Downgrade	Hurtigruten Group AS	Media and entertainment	Norway	CCC-/Negative	CCC+/Stable	1,096
Oct. 20, 2023	Upgrade	Kito Crosby Ltd.	Capital goods	U.K.	B/Stable	B-/Positive	1,005
Oct. 24, 2023	Downgrade	Akumin Inc.	Health care	Canada	D/--	CCC/Negative	850
Oct. 25, 2023	Downgrade	Echo Global Logistics Inc.,	Transportation	U.S.	B-/Stable	B/Stable	575

Data as of Oct. 26, 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. D--Default.

Table 2

### Last week's defaults

Date	Parent company	Country/market	Subsector	To	From	Reason
Oct. 24, 2023	Akumin Inc.	Canada	Health care	D	CCC	Bankruptcy
Oct. 25, 2023	Air Methods Corp.	U.S.	Health care	D	CCC	Bankruptcy
Oct. 25, 2023	Investimentos e Participacoes em Infraestrutura S.A. - Invepar	Brazil	Transportation	D	CCC-	Distressed exchange
Oct. 25, 2023	Muganbank OJSC	Azerbaijan	Financial institutions	D	B-	Regulatory

Data as of Oct. 26, 2023. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®. Excludes local currency defaults. SD--Selective default. D--Default.

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## Glossary And Abbreviations

### Ratings Performance Trends

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

**Investment grade (IG)**--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 with a negative outlook or CreditWatch placement.

**Speculative grade (SG)**--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.

**ECB**--European Central Bank

**EM**--Emerging markets.

**U.S. PCE**--United States Personal Consumption Expenditure Price Index

**PMI**--Purchasing Managers Index.

**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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