

Big Jump In Rating Actions

This report does not constitute a rating action.

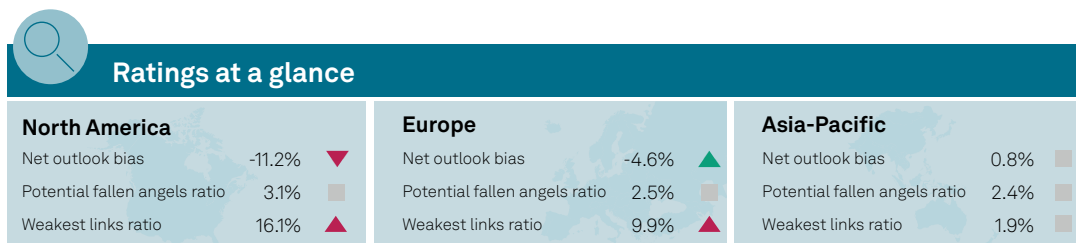
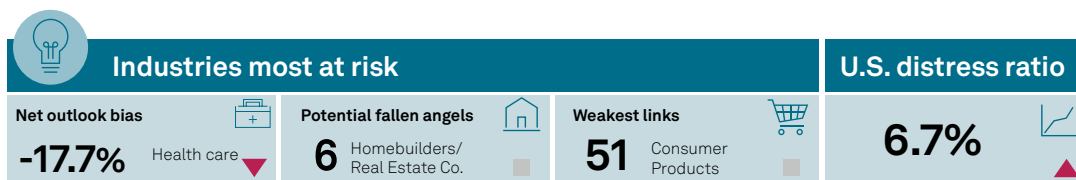
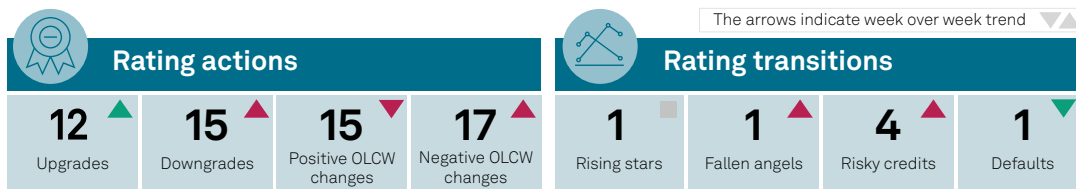
The Top Line | Nov. 27, 2023

There was a sharp pickup in overall rating activity last week, with the tone more negative than positive. Notably, the health care sector saw net outlook bias jump to negative 17.7%. This week will be busy in terms of economic data releases. Key points of interest for markets will be flash consumer price inflation in the eurozone (Thursday), and the personal consumption expenditure (PCE) and core PCE price indices in the U.S. (Thursday), which will indicate whether recent strong deceleration in inflation is likely to continue. There will be third-quarter GDP numbers from Canada and revised numbers from Germany and the U.S., while China's official purchasing managers' index (Wednesday) rounds off the releases.

Key Takeaways

- Four new risky credits (issuers downgraded to 'CCC+' or below with a negative outlook or CreditWatch placement) were added, from four different sectors.
- There was just one default last week, a distressed exchange in the U.S. health care sector, down from five in the prior week.
- Another positive week for market pricing as both benchmark yields and spreads generally tightened.

Ratings performance trends



Data as of Nov. 23, 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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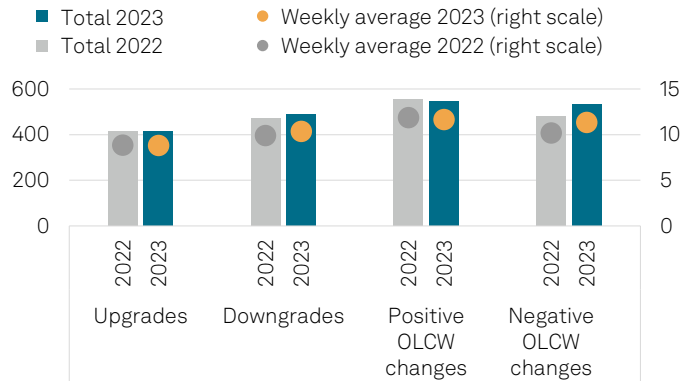


Year To This Week

Chart 1

Rating actions

Year-to-date total and weekly average

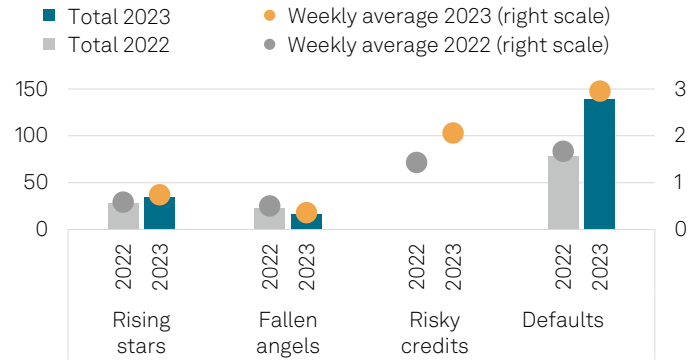


Data as of Nov. 23 (2022 data is January to Nov. 23). OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions

Year-to-date total and weekly average



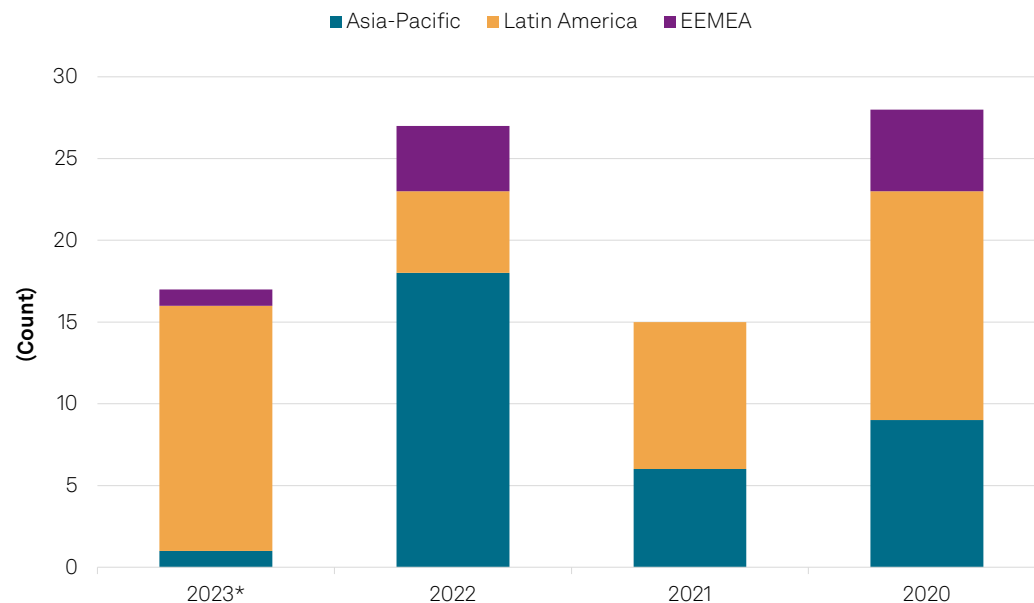
Data as of Nov. 23 (2022 data is January to Nov. 23). Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Latin America is dominating emerging market defaults in 2023

Emerging market defaults



Note: Chart first appeared in "[Default, Transition, and Recovery: U.S. Defaults To Rise After October Lull](#)," published Nov. 16, 2023. *Data as of Oct. 31, 2023. Data has been updated to reflect confidential issuers. EEMEA--Eastern Europe, the Middle East, and Africa. Sources: S&P Global Ratings Credit Research & Insights.

Related Research

[Default, Transition, and Recovery: U.S. Defaults To Rise After October Lull](#), Nov. 16, 2023

[ESG In Credit Ratings November 2023: Positive Rating Actions Fall To A Year-To-Date Low](#), Nov. 16, 2023

[Credit Quality Improved At A Slower Pace In Third Quarter 2023](#), Nov. 16, 2023

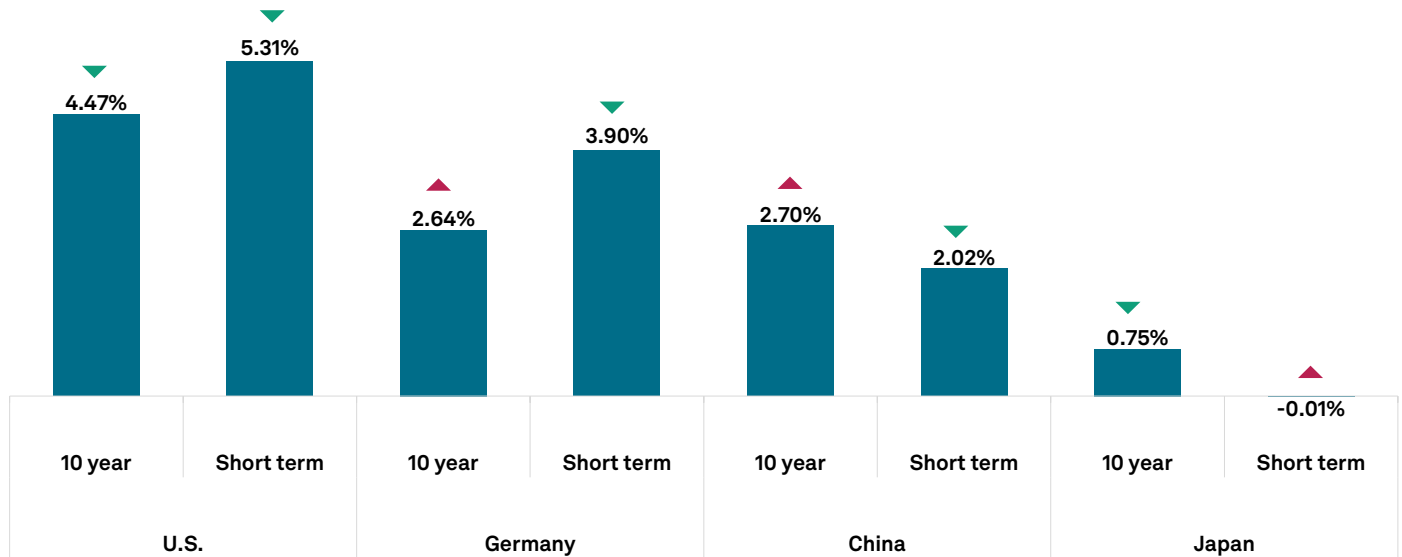
Upcoming Webinars

[China Bond Recovery Review: Property And Non-Property Diverge](#), Nov. 30, 2023

Credit Market Conditions

Chart 4

Benchmark yields



Data as of Nov. 23, 2023. U.S. 10-year and Japan short-term rates as of Nov. 24, 2023. U.S. short-term rate as of Nov. 22, 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

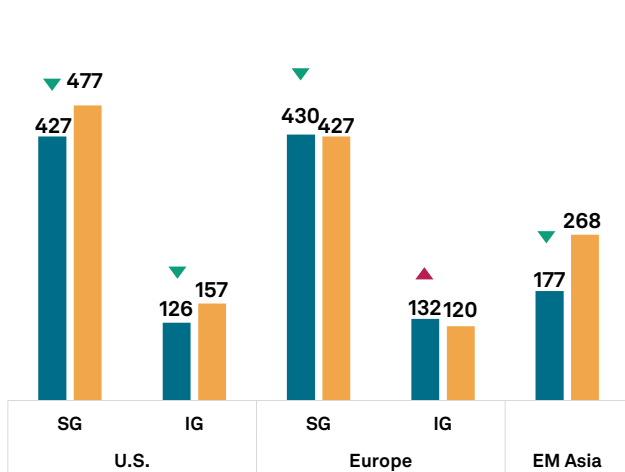
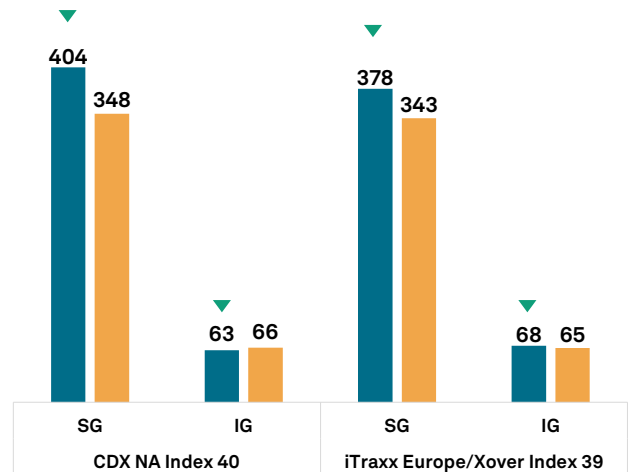


Chart 6

CDS pricing

■ CDS spreads ■ Five-year average



Data as of Nov. 23, 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: Big Jump In Rating Actions

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Nov. 20, 2023	Downgrade	MidAmerican Energy Co. (Berkshire Hathaway Inc.)	Utilities	U.S.	A-/Stable	A/Negative	8,825
Nov. 17, 2023	Downgrade	Deutsche Pfandbriefbank AG	Bank	Germany	BBB/Negative	BBB+/Stable	8,153
Nov. 20, 2023	Downgrade	CommScope Holding Co. Inc.	High technology	U.S.	CCC/Negative	B-/Watch Neg	7,650
Nov. 21, 2023	Downgrade	Chrome HoldCo SAS	Health care	France	B-/Stable	B/Stable	4,290
Nov. 21, 2023	Downgrade	Altalink Investments L.P.	Utilities	Canada	A-/Stable	A/Negative	3,460
Nov. 20, 2023	Downgrade	Nevada Power Co. (Berkshire Hathaway Inc.)	Utilities	U.S.	A-/Stable	A/Negative	3,380
Nov. 17, 2023	Downgrade	GrafTech International Ltd.	Metals, mining, and steel	U.S.	B+/Negative	BB-/Negative	3,200
Nov. 21, 2023	Downgrade	Eastern Energy Gas Holdings, LLC (Berkshire Hathaway Inc.)	Utilities	U.S.	A-/Stable	A/Negative	3,000
Nov. 21, 2023	Upgrade	Surgery Partners Inc.	Health care	U.S.	B/Stable	B-/Positive	2,425
Nov. 17, 2023	Upgrade	Constellium SE	Metals, mining, and steel	France	BB-/Stable	B+/Positive	2,411

Data as of Nov. 23, 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. SD--Selective default. D--Default.

Table 2

Last week's defaults

Date	Parent company	Country/market	Subsector	To	From	Reason
Nov. 20, 2023	FinThrive Software Intermediate Holdings Inc.	U.S.	Health care	SD	CCC+	Distressed exchange

Data as of Nov. 23, 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.

CPI--Consumer price index.

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

EM--Emerging markets.

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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