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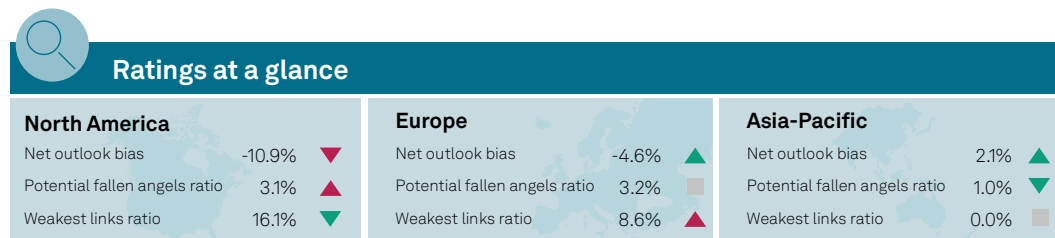
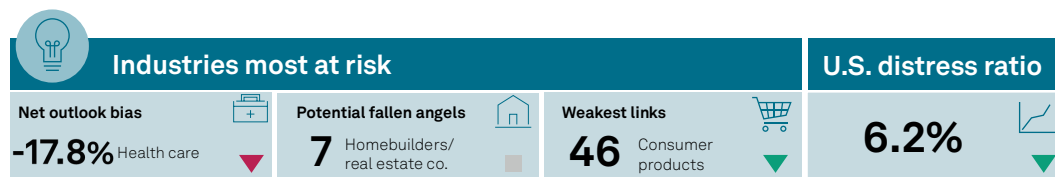
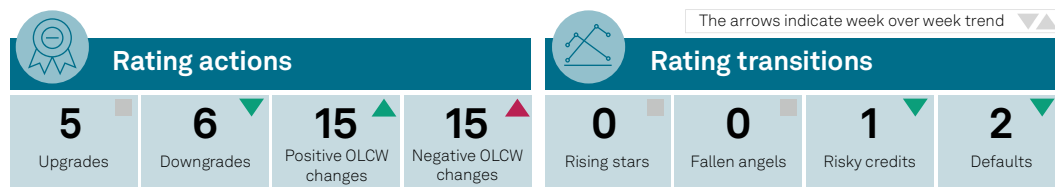
### The Top Line | Jan. 29, 2024

Nonfinancial global corporate issuance is expected to grow by 5.5% according to our latest issuance forecast, supported by a healthy refinancing pipeline and expectations for lower rates, but tempered by slower global economic growth. The main focus this week is likely to be the tone of Chairman Powell's comments following the U.S. Federal Reserve's meeting (Wednesday), as markets remain bullish on the speed and quantum of 2024 U.S. rate cuts. The Bank of England's monetary policy meeting (Thursday) will also be watched closely. Key economic data releases this week include the Euro Area fourth-quarter GDP flash estimate (Tuesday) and flash consumer price index for January (Thursday), and U.S. payroll data (Friday)--amid a number of fourth-quarter earnings reports.

### Key Takeaways

- There were two defaults last week, both U.S. issuers, bringing the year-to-date total to 11.
- There was a jump in outlook/CreditWatch changes last week, both positive and negative. After only a week in the second position, health care once again became the sector with the highest net negative bias, at 17.8%.
- Market pricing trends were mixed last week with benchmark rates generally up outside of Europe, while spreads were down outside of Asia.

### Ratings performance trends



Data as of Jan. 25, 2024. 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.

### Contacts

**Sarah Limbach**  
Paris  
+33-14-420-6708  
sarah.limbach@spglobal.com

**Patrick Drury Byrne**  
Dublin  
+353-1-568-0605  
patrick.drurybyrne@spglobal.com

**Vincent Conti**  
Singapore  
+65-6216-1188  
vincent.conti@spglobal.com

### Media Contacts

**Jeff Sexton**  
New York  
jeff.sexton@spglobal.com

**Michelle James**  
London  
michelle.james@spglobal.com

**Michelle Lei**  
Beijing  
michelle.lei@spglobal.com

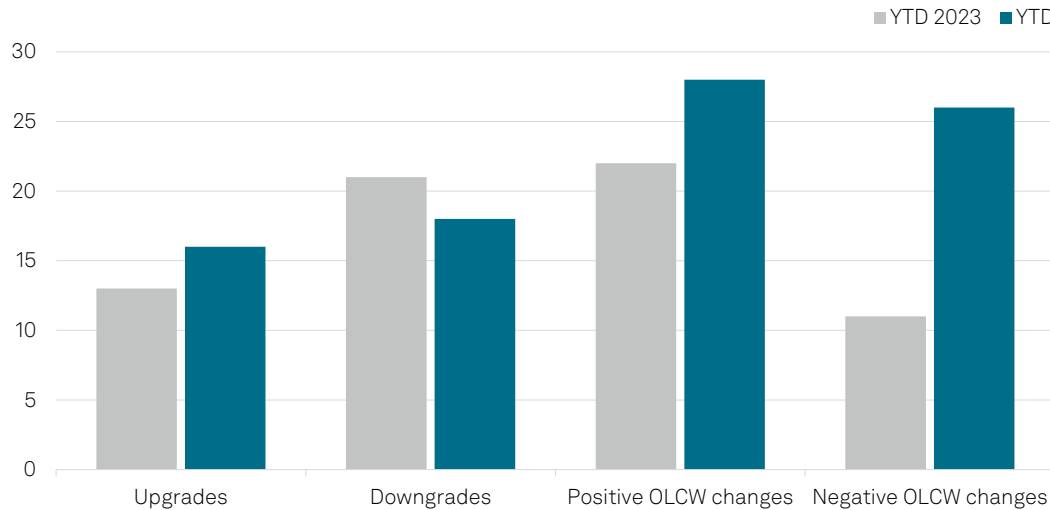


## Year To This Week

Chart 1

### Rating actions

Year-to-date totals

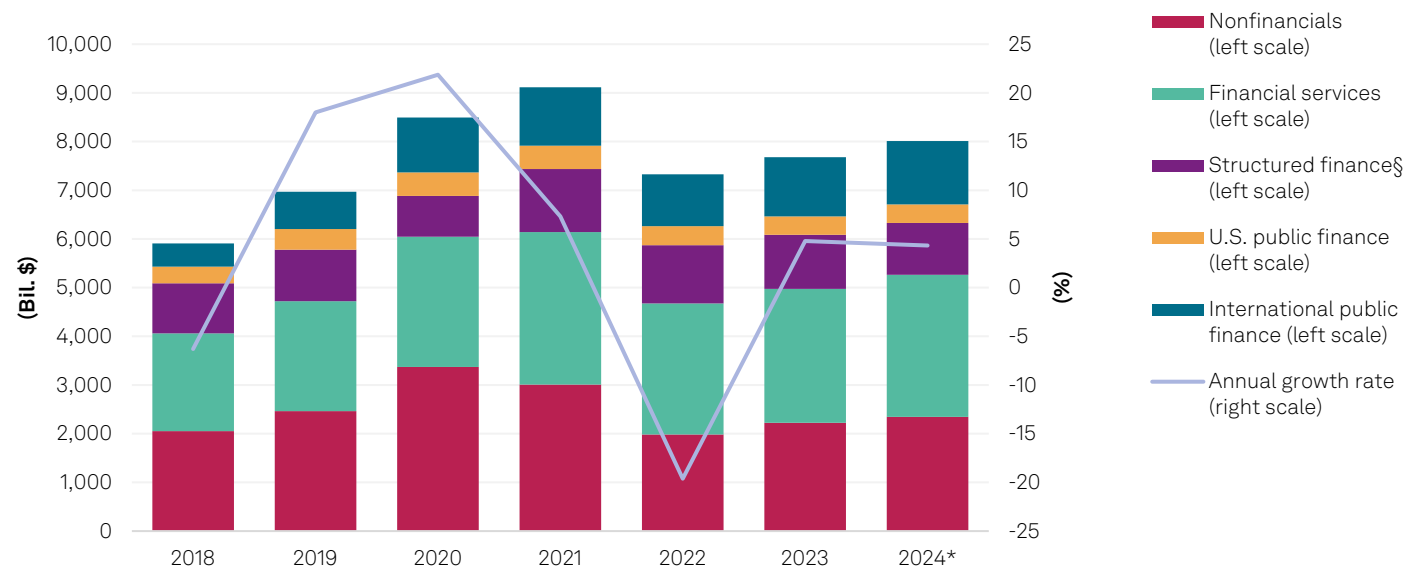


Data as of Jan. 25, 2024 (2023 data is through Jan. 25). OLCW--Outlook/CreditWatch.  
Source: S&P Global Ratings Credit Research & Insights.

## Chart Of The Week

Chart 2

### Historical global issuance and forecast



Note: Chart first appeared in 'Global Financing Conditions: Cautious Optimism After Peak Rates', published on Jan. 25, 2024. \*Full-year forecast. §Structured finance excludes transactions that were fully retained by the originator, domestically rated Chinese issuance, and collateralized loan obligation resets and refinancings. Sources: Green Street Advisors, Refinitiv, and S&P Global Ratings Credit Research & Insights.

## Related Research

[U.S. Corporate Bond Yields As Of Jan. 24, 2023](#), Jan. 25, 2024

[Global Credit Markets Update Q1 2024: Competing Forces](#), Jan. 25, 2024

[Global Financing Conditions: Cautious Optimism After Peak Rates](#), Jan. 25, 2024

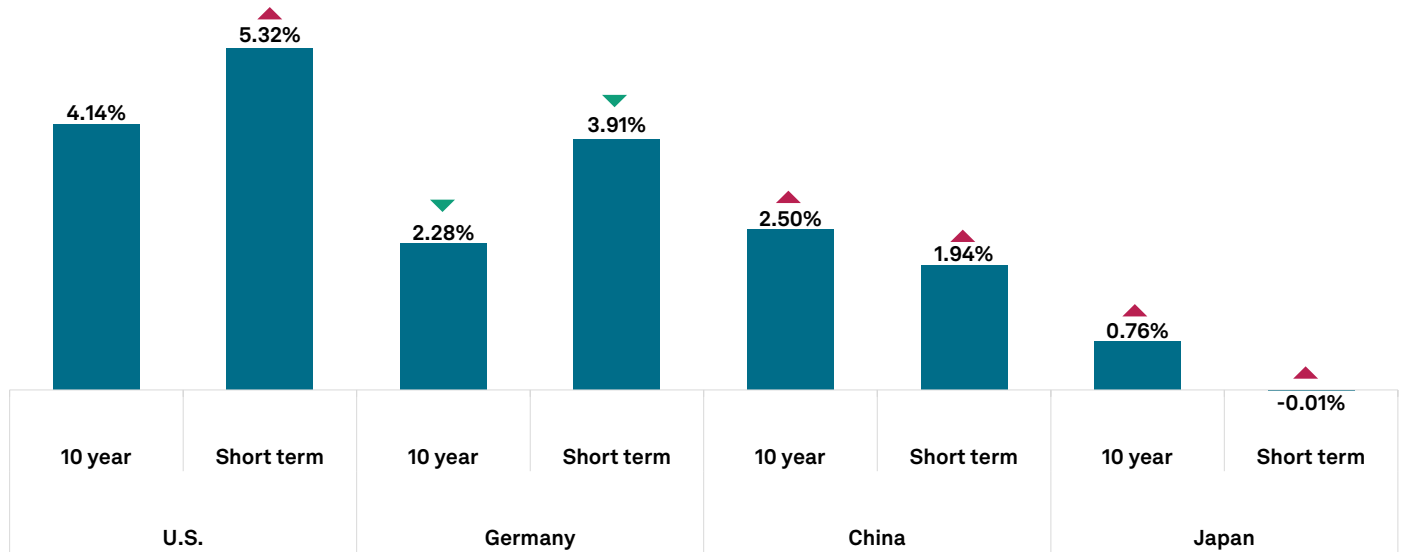
## Upcoming Webinars

[Rating Performance Insights 2024](#), Jan. 30, 2024

# Credit Market Conditions

Chart 3

## Benchmark yields



Data as of Jan. 25, 2024. 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 4

## Secondary market credit spreads

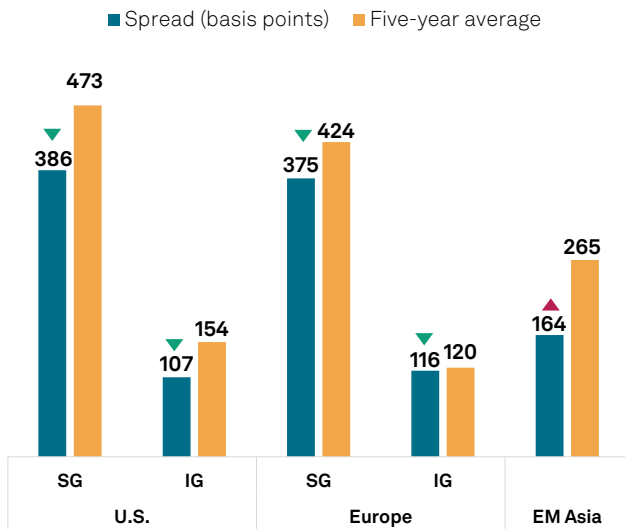
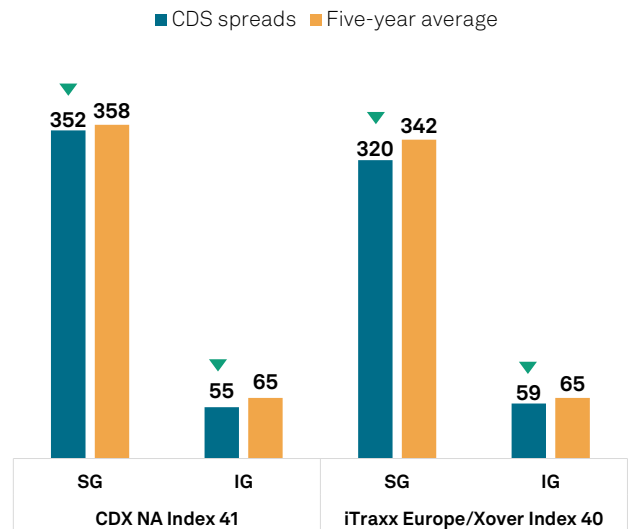


Chart 5

## CDS pricing



Data as of Jan. 25, 2024. 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: Fed Focus This Week

Table 1

### Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Jan. 24, 2024	Upgrade	Camelot U.K. Holdco Ltd.	Media and entertainment	U.K.	BB-/Stable	B+/Positive	7,553
Jan. 23, 2024	Upgrade	Summit Materials LLC	Forest products and building materials	U.S.	BB+/Stable	BB/Watch Pos	3,810
Jan. 25, 2024	Upgrade	Cinemark Holdings Inc.	Media and entertainment	U.S.	BB-/Stable	B+/Positive	2,770
Jan. 23, 2024	Downgrade	BW Homecare Holdings LLC	Health care	U.S.	CCC/Negative	CCC+/Negative	2,392
Jan. 19, 2024	Downgrade	Atos SE	High technology	France	B-/Watch Dev	BB-/Watch Neg	2,061
Jan. 19, 2024	Downgrade	Leggett & Platt Inc.	Capital goods	U.S.	BBB-/Stable	BBB/Negative	1,800
Jan. 23, 2024	Downgrade	Sirona Holdco	Chemicals, packaging, and environmental services	France	B-/Stable	B/Stable	1,012
Jan. 24, 2024	Downgrade	New Trojan Parent Inc.	Consumer products	U.S.	D/NM	CCC-/Negative	715
Jan. 25, 2024	Downgrade	P&L Development Holdings LLC	Consumer products	U.S.	CCC/Negative	CCC+/Negative	465
Jan. 24, 2024	Downgrade	Branicks Group AG	Homebuilders/real estate co.	Germany	CCC+/Negative	B+/Watch Neg	435

Data as of Jan. 25, 2024. 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
Jan. 19, 2024	System1 Inc.	U.S.	Media and entertainment	SD	CCC	Distressed exchange
Jan. 24, 2024	New Trojan Parent Inc.	U.S.	Consumer products	D	CCC-	Bankruptcy

Data as of Jan. 25, 2024. 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.

## Research Contributors

**Amol Nakashe**  
Mumbai

**Nivritti Mishra**  
Mumbai

**Deegant Pandya**  
New York

**Bushra Dawawala**  
Mumbai

## 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](#)."

## This Week In Credit: Fed Focus This Week

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