

This Week In Credit

Positive Rating Trends Make A Strong Return

This report does not constitute a rating action.

May 13, 2024

Key Takeaways

- A positive week for rating activity as the number of positive rating actions and outlook changes was double that of negative ones.
- That positive picture was bolstered by the addition of one rising star, Canada-based telecommunications provider Videotron Ltee, which brings this year's total to 11.
- There was only one default, down from four in the prior week. U.S. radio broadcaster Cumulus Media Inc. completed a debt restructuring, which we view as distressed and tantamount to a default.
- Credit pricing also had a positive week, with bond and CDS spreads tightening across the board and benchmark yields falling.

Ratings performance trends

Arrows indicate week over week trend

Positive No change Negative

Rating actions				Rating transitions			
Upgrades	Downgrades	Positive OLCW changes	Negative OLCW changes	Rising stars	Fallen angels	Risky credits	Defaults
19	7	7	6	1	0	0	1

Industries most at risk			U.S. distress ratio
Net outlook bias	Potential fallen angels	Weakest links	
-17.2% Homebuilders/real estate co.	8 Homebuilders/real estate co.	41 Consumer products	5.4%

Ratings at a glance								
North America			Europe			Asia-Pacific		
Net outlook bias	-9.6%		Net outlook bias	-6.5		Net outlook bias	-3.4%	
Potential fallen angels ratio	3.4%		Potential fallen angels ratio	3.7%		Potential fallen angels ratio	1.0%	
Weakest links ratio	14.4%		Weakest links ratio	9.4%		Weakest links ratio	3.5%	

Data as of May 9, 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.

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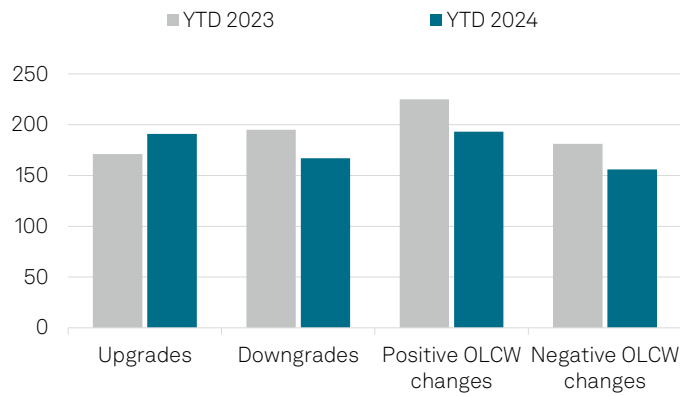
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Year To This Week

Chart 1

Rating actions

Year-to-date total and weekly average

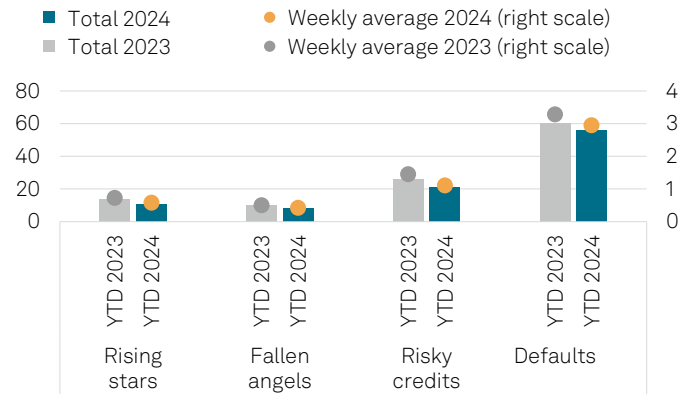


Data as of May 9, 2024 (2023 data is through May 9). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions

Year-to-date total and weekly average



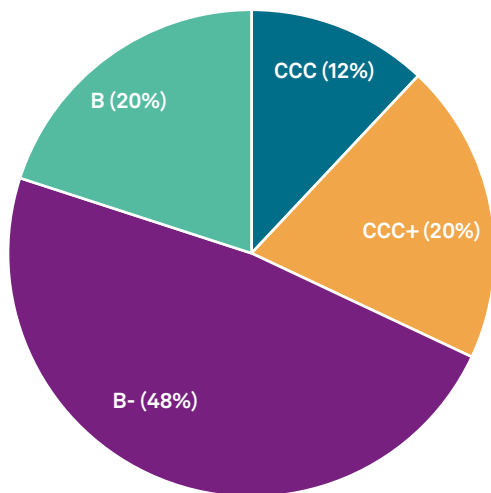
Data as of May 9, 2024 (2023 data is through May 9). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Who's turning private?

Issuer rating before withdrawal



This chart was first published in "[Credit Trends: Public-To-Private Borrowing Is A Two-Way Street](#)" on May 7, 2024. Based on a review of 25 issuers that went from public to private. Source: S&P Global Ratings.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of May 8, 2024](#), May 9, 2024

[Corporate Results Roundup Q1 2024: Recovery continues excluding commodity sectors but remains fragile and fragmented](#), May 8, 2024

[Credit Trends: Public-To-Private Borrowing Is A Two-Way Street](#), May 7, 2024

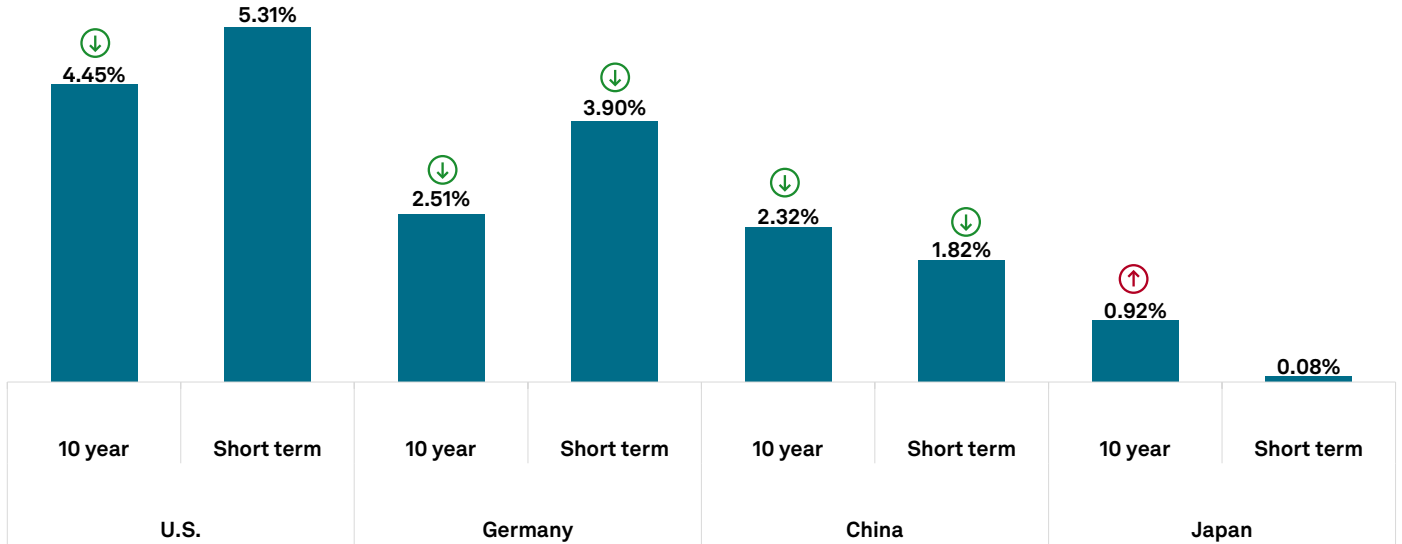
Upcoming Webinars

[Companies' and US Governments' Exposure And Adaptation To Physical Climate Risks](#), May 15, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of May 9, 2024. Source: S&P Global Ratings Credit Research & Insights, Refinitiv, ICE Data Indices, Federal Reserve Bank of St. Louis. Economics & Country Risk from IHS Markit. Short-term 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

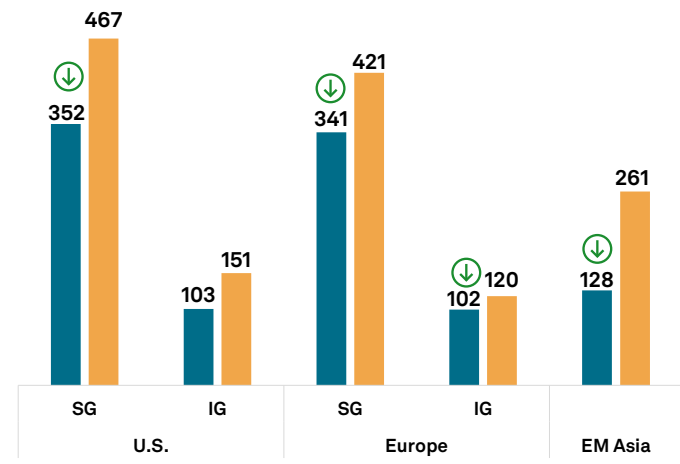
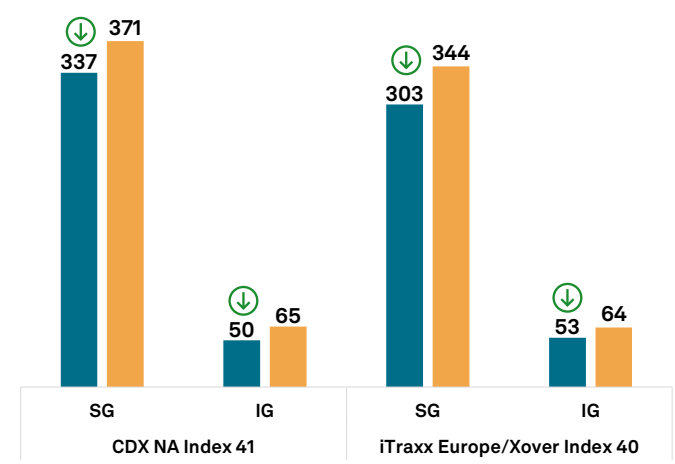


Chart 6

CDS pricing

■ CDS spreads ■ Five-year average



Data as of May 9, 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.

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Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
May 3, 2024	Upgrade	Sunoco LP (Energy Transfer LP)	Utilities	U.S.	BB+/Stable	BB/Watch Pos	7,300
May 6, 2024	Upgrade	Ingersoll Rand Inc.	Capital goods	U.S.	BBB/Stable	BBB-/Positive	7,275
May 6, 2024	Upgrade	Pioneer Natural Resources Co.	Oil and gas	U.S.	AA-/Stable	BBB/Watch Pos	6,590
May 7, 2024	Downgrade	Adler Group S.A. (ADO Group Ltd.)	Homebuilders/real estate co.	Luxembourg	CCC-/Negative	CCC+/Negative	4,984
May 6, 2024	Upgrade	Videotron Ltee (Quebecor Inc.)	Telecommunications	Canada	BBB-/Stable	BB+/Positive	3,875
May 7, 2024	Downgrade	Hertz Global Holdings Inc.	Financial institutions	U.S.	B+/Negative	BB-/Stable	3,545
May 6, 2024	Downgrade	Whirlpool Corp.	Consumer products	U.S.	BBB-/Stable	BBB/Negative	3,500
May 3, 2024	Upgrade	NuStar Energy L.P.	Utilities	U.S.	BB+/Stable	BB-/Watch Pos	3,375
May 7, 2024	Upgrade	Viking Cruises Ltd. (Viking Holdings Ltd)	Media and entertainment	U.S.	BB-/Stable	B+/Positive	3,270
May 7, 2024	Downgrade	Vestis Corp.	Consumer products	U.S.	BB-/Negative	BB/Stable	1,800

Data as of May 9, 2024. Note: Rating actions include financial and nonfinancial corporates and sovereign issuer credit ratings. Excludes no-debt corporate rating actions and confidential rating actions. *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
May 6, 2024	Cumulus Media Inc.	U.S.	Media and entertainment	SD	CC	Distressed exchange

Data as of May 9, 2024. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®. Excludes local currency defaults. Preliminary data. 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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