

This Week In Credit

Positive Outlooks Spiked

This report does not constitute a rating action.

June 3, 2024

Key Takeaways

- Rating activity picked up last week. There were more downgrades than upgrades, but positive outlooks and CreditWatch changes more than doubled negative ones.
- We have added one rising star, the Chilean government owned power company Empresa Nacional del Petróleo. This was the 14th rising star of 2024.
- There were three defaults last week, all were in the media and entertainment sector and all were due to distressed exchanges. AMC Entertainment Holdings Inc. had already defaulted this year, and Maverick Gaming LLC defaulted within the last 12 months.
- Borrowing costs generally rose. Benchmarks were mostly up across the board outside of China. High-yield spreads and CDS spreads were higher.

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
10	13	26	11	1	0	1	3

Industries most at risk			U.S. distress ratio
Net outlook bias Chemicals, packaging, and environmental services -19.9%	Potential fallen angels 7 Homebuilders/real estate co.	Weakest links 41 Consumer products	5.9%

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-9.7%	Net outlook bias	-5.7	Net outlook bias	-1.9%
Potential fallen angels ratio	3.4%	Potential fallen angels ratio	2.8%	Potential fallen angels ratio	1.0%
Weakest links ratio	14.6%	Weakest links ratio	8.6%	Weakest links ratio	7.0%

Data as of May 30, 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. 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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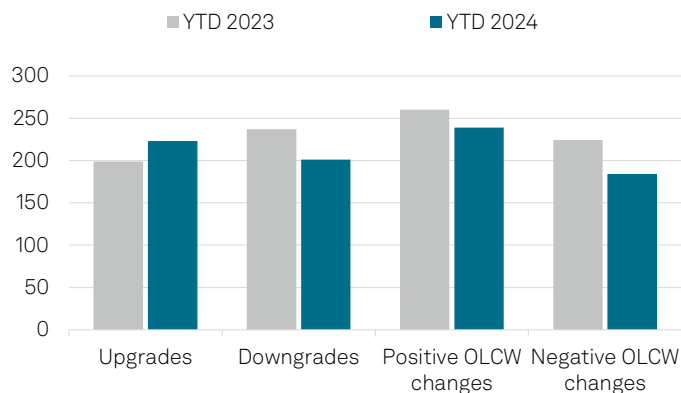
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Year To This Week

Chart 1

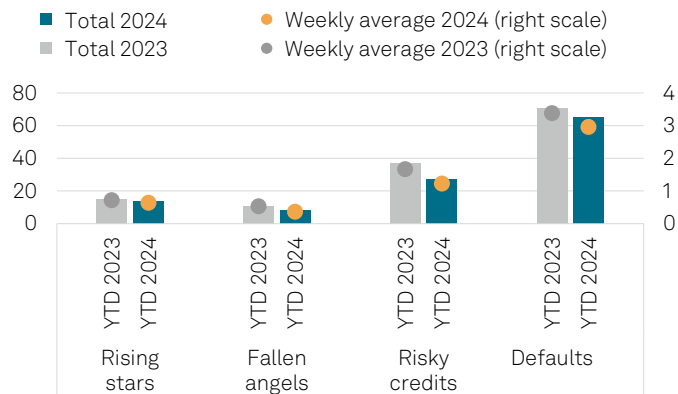
Rating actions Year-to-date total



Data as of May 30, 2024 (2023 data is through May 30). 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

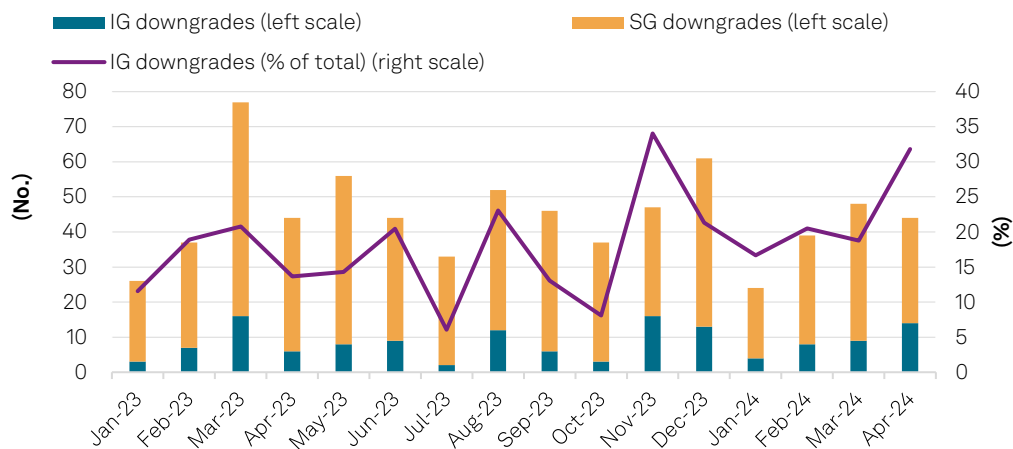


Data as of May 30, 2024 (2023 data is through May 30). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Monthly downgrades



This chart was first published in "This Month In Credit: Fallen Angels Gain Steam," on May 29, 2024. IG--Investment grade. SG--Speculative grade. Data as of April 30, 2024. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[U.S. Corporate Bond Yields As Of May 29, 2024](#), May 30, 2024

[This Month In Credit: Fallen Angels Gain Steam](#), May 29, 2024

[Default, Transition, and Recovery: 2023 Annual U.S. Corporate Default And Rating Transition Study](#), May 28, 2024

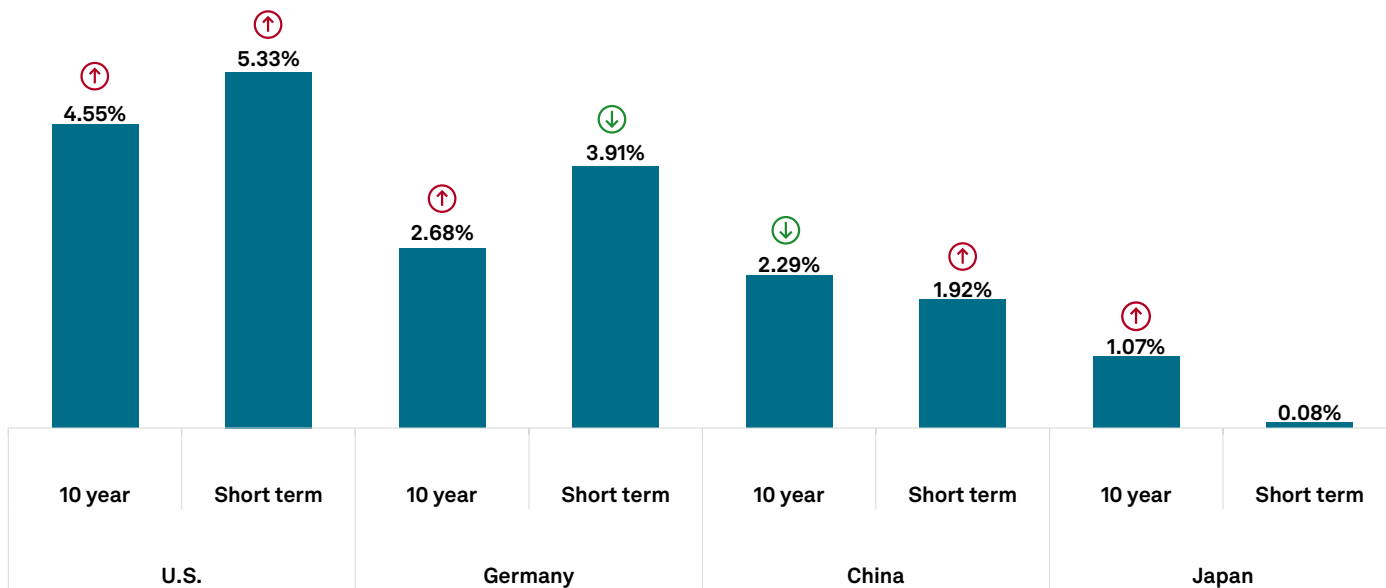
Upcoming Webinars

[Asia-Pacific Credit Focus](#), June 4, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of May 30, 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

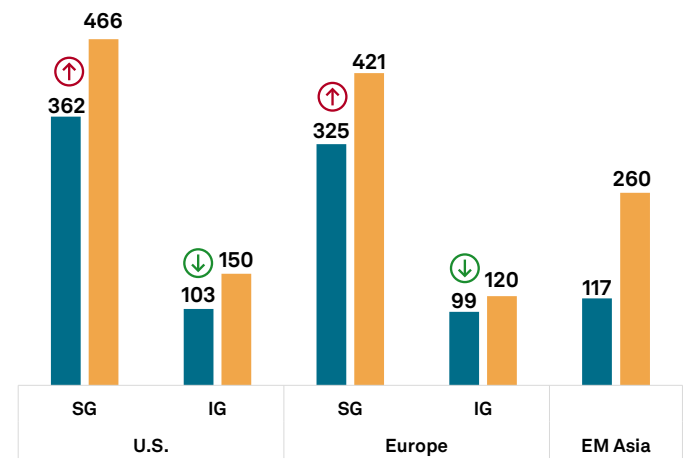
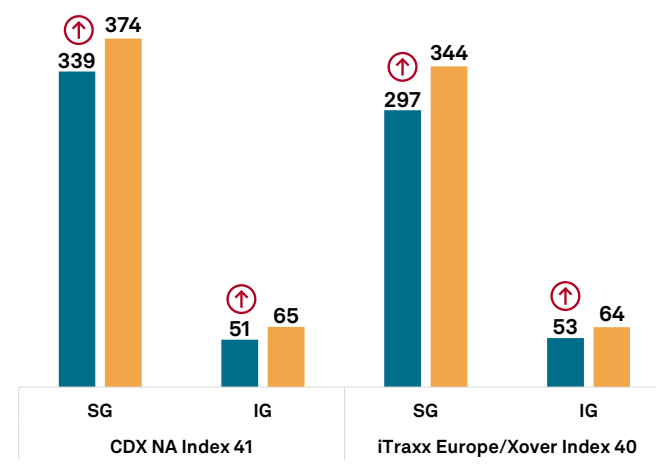


Chart 6

CDS pricing

■ CDS spreads ■ Five-year average



Data as of May 30, 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: Positive Outlooks Spiked

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
May 29, 2024	Upgrade	George Weston Ltd.	Retail/restaurants	Canada	BBB+/Stable	BBB/Stable	9,105
May 30, 2024	Downgrade	AMC Entertainment Holdings Inc.	Media and entertainment	U.S.	SD/NM	CCC+/Negative	4,784
May 30, 2024	Upgrade	Madison IAQ LLC (Madison Industries Holdings LLC)	Forest products and building materials	U.S.	B/Stable	B-/Positive	4,275
May 30, 2024	Upgrade	Tenaga Nasional Berhad	Utilities	Malaysia	A-/Stable	BBB+/Stable	3,500
May 28, 2024	Downgrade	Petroleos del Peru Petroperu S.A.	Oil and gas	Peru	B/Watch Neg	B+/Stable	3,000
May 27, 2024	Upgrade	Empresa Nacional del Petroleo	Utilities	Chile	BBB-/Stable	BB+/Positive	2,440
May 29, 2024	Upgrade	Universal Music Group N.V.	Media and entertainment	Netherlands	BBB+/Stable	BBB/Stable	1,945
May 24, 2024	Upgrade	Informa PLC	Media and entertainment	U.K.	BBB/Stable	BBB-/Stable	1,873
May 29, 2024	Upgrade	Suedzucker AG	Consumer products	Germany	BBB/Stable	BBB-/Positive	1,737
May 24, 2024	Downgrade	LD Holdings Group LLC	Financial institutions	U.S.	CCC+/Stable	B-/Negative	1,525

Data as of May 30, 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 28, 2024	Maverick Gaming LLC	U.S.	Media and entertainment	D	CCC	Distressed exchange
May 28, 2024	Safari Beteiligungs GmbH (Dice Holdings S.a r.l.)	Germany	Media and entertainment	D	CCC+	Distressed exchange
May 30, 2024	AMC Entertainment Holdings Inc.	U.S.	Media and entertainment	SD	CCC+	Distressed exchange

Data as of May 30, 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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