

This report does not constitute a rating action.



We will pause *This Week In Credit* starting next week. Publication will resume on Sept. 9, 2024.



July 29, 2024









Key Takeaways





- Rating actions were broadly neutral last week, though negative outlooks or CreditWatch placements comfortably exceeded the positive ones. Walgreens Boots Alliance Inc., a U.S. issuer from the retail sector, became the 10th fallen angel this year.
- There were three defaults last week, all in consumer-focused sectors and two were in consumer products.
- Credit pricing was mixed, though CDS indices once again widened across the board last week.










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 	6 	4 	9 	0 	1 	3 	3 

Industries most at risk			U.S. distress ratio
Net outlook bias Chemicals, packaging, and environmental services -17.9% 	Potential fallen angels 6 Homebuilders/real estate co. 	Weakest links 35 Consumer products 	5.5% 

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-9.8% 	Net outlook bias	-4.2 	Net outlook bias	-0.4% 
Potential fallen angels ratio	3.3% 	Potential fallen angels ratio	2.8% 	Potential fallen angels ratio	1.0% 
Weakest links ratio	14.3% 	Weakest links ratio	7.8% 	Weakest links ratio	7.0% 

Data as of July 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. 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

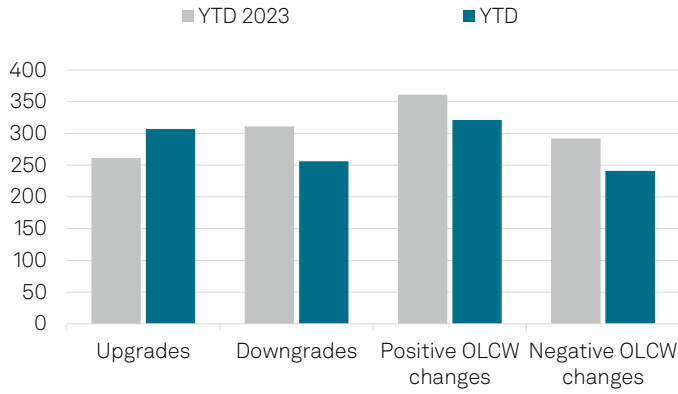
Michelle James
London
michelle.james@spglobal.com

Michelle Lei
Beijing
michelle.lei@spglobal.com

Year To This Week

Chart 1

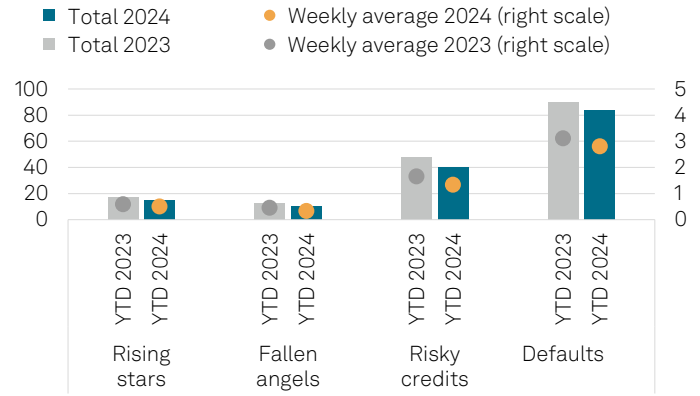
Rating actions Year-to-date total



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

Chart 2

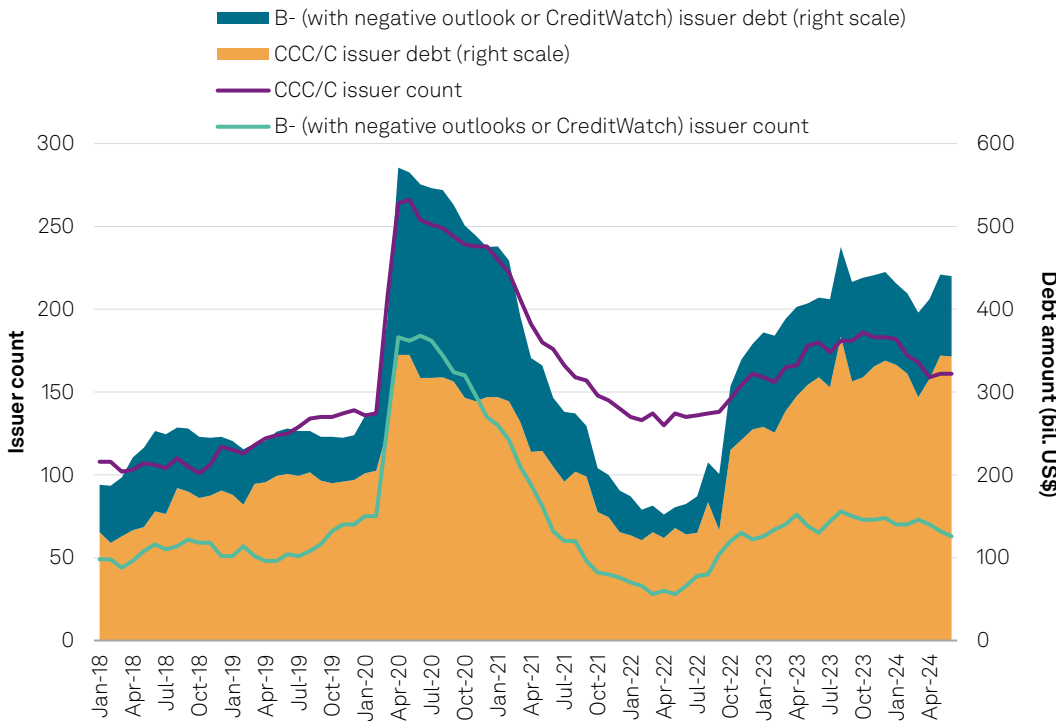
Rating transitions Year-to-date total and weekly average



Data as of July 25, 2024 (2023 data is through July 25). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart 3

U.S. and Canadian 'CCC+' and below rated issuers fell by seven in Q2



This chart was first published in "[Risky Credits: U.S. And Canadian Downgrades Into 'CCC' Sharply Rise](#)" on July 26, 2024. Data as June 30, 2024. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of July 24 2024](#), July 25, 2024

[Risky Credits: U.S. And Canadian Downgrades Into 'CCC' Sharply Rise](#), July 26, 2024

[Risky Credits: Positive Ratings Momentum In Europe Continues](#), July 26, 2024

[Risky Credits: Corporate Ratings In Emerging Markets Stabilize](#), July 26, 2024

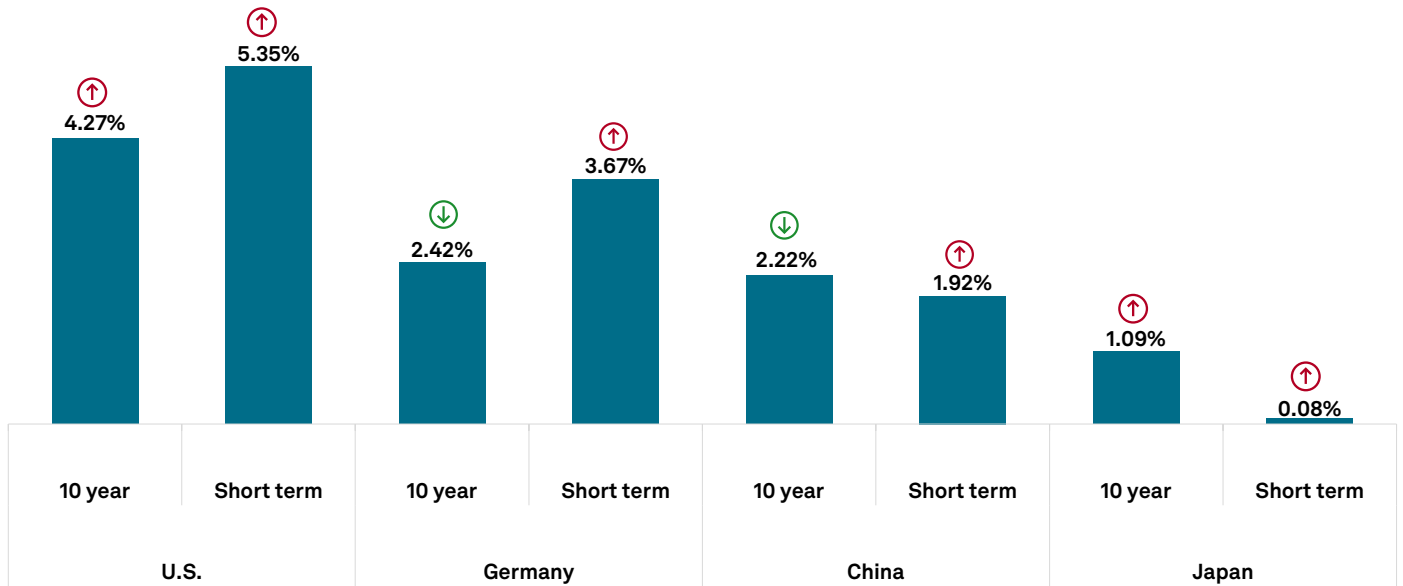
Upcoming Webinars

[S&P Global Ratings' Analytical Approaches To Data Center Ratings](#), Aug. 1, 2024

Credit Market Conditions

Chart 4

Benchmark yields

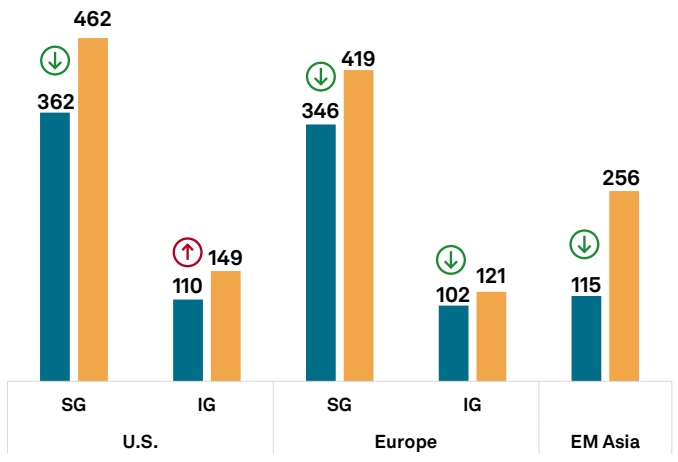


Data as of July 25, 2024. Source: S&P Global Ratings Credit Research & Insights, Refinitiv, ICE Data Indices, Federal Reserve Bank of St. Louis. Economics & Country Risk from IHS Markit. Short-term rates: U.S., SOFR; Germany, euro short-term rate; China, DR007; and Japan, uncollateralized overnight call rate.

Chart 5

Secondary market credit spreads

■ Spread (basis points) ■ Five-year average

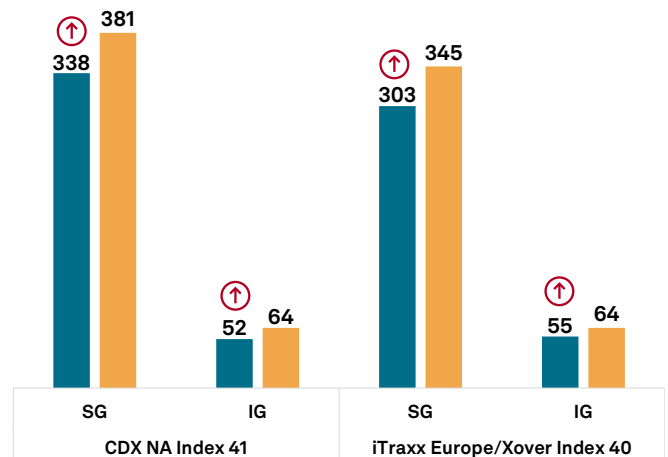


Data as of July 25, 2024. The arrows indicate weekly trends. SG--Speculative grade. IG--Investment grade. EM--Emerging market. Sources: S&P Global Ratings Credit Research & Insights, ICE Data Indices LLC, ICE BofA Euro High-Yield Index Option-Adjusted Spread, retrieved from the Federal Reserve Bank of St. Louis, S&P Global Market Intelligence.

Chart 6

CDS pricing

■ CDS spreads ■ Five-year average



This Week In Credit: Mixed Signals

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
July 22, 2024	Upgrade	Netflix Inc	Media and entertainment	U.S.	A/Stable	BBB+/Stable	13,930
July 23, 2024	Upgrade	Amentum Holdings LLC	Aerospace and defense	U.S.	BB-/Stable	B/Positive	10,226
July 19, 2024	Downgrade	Walgreens Boots Alliance Inc.	Retail/restaurants	U.S.	BB/Negative	BBB-/Negative	9,710
July 22, 2024	Upgrade	McGraw-Hill Education Inc.	Media and entertainment	U.S.	B/Stable	B-/Positive	7,500
July 23, 2024	Downgrade	Magenta Buyer LLC	High technology	U.S.	CCC/Negative	CCC+/Stable	4,340
July 23, 2024	Downgrade	AMC Entertainment Holdings Inc.	Media and entertainment	U.S.	SD/NM	CCC+/Negative	3,841
July 25, 2024	Upgrade	Permian Resources Corp.	Oil and gas	U.S.	BB/Stable	BB-/Positive	3,450
July 25, 2024	Upgrade	Vedanta Resources Ltd.	Metals, mining, and steel	U.K.	B-/Stable	CCC+/Stable	2,972
July 23, 2024	Downgrade	Corus Entertainment Inc.	Media and entertainment	Canada	CCC/Negative	B-/Negative	2,222
July 22, 2024	Upgrade	FirstEnergy Transmission LLC (FirstEnergy Corp.)	Utilities	U.S.	A-/Positive	BBB/Positive	2,000

Data as of July 25, 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. SD--Selective default. D--Default.
Source: S&P Global Ratings Credit Research & Insights.

Table 2

Last week's defaults

Date	Parent company	Country/market	Subsector	To	From	Reason
July 22, 2024	Hunkemoller International B.V. (Shero Holdco BV)	Netherlands	Consumer products	SD	CCC+	Distressed exchange
July 23, 2024	AMC Entertainment Holdings Inc.	U.S.	Media and entertainment	SD	CCC+	Distressed exchange
July 24, 2024	Stitch Acquisition Corp.	U.S.	Consumer products	SD	CCC-	Missed payments

Data as of July 25, 2024. Excludes local currency defaults. Preliminary data. SD--Selective default. D--Default.
Sources: S&P Global Ratings Credit Research & Insights, S&P Global Market Intelligence's CreditPro®.

Research Contributors

Suresh Kasa
Mumbai

Amol Nakashe
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 in the 'CCC' rating category.

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](#)."

Copyright © 2024 by S&P Global Ratings Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Ratings Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its websites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of S&P Global Ratings Financial Services LLC.