

Downgrades Tick Up

This report does not constitute a rating action.

Sept. 16, 2024

Key Takeaways

- Positive rating momentum continued last week although upgrades and downgrades were more balanced. Most rating actions were on speculative-grade issuers.
- There were four defaults last week (zero the week before), mostly by U.S. issuers. We also downgraded a Mexican financial institution, Operadora de Servicios Mega, S.A. de C.V. SOFOM, E.R., to 'SD' (selective default) on a missed interest payment.
- We added this year's 22nd rising star, U.K.-based aircraft lessor Macquarie AirFinance Holdings Ltd. Rising stars have doubled fallen angels so far in 2024.

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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
8	7	13	5	1	0	0	4

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Industries most at risk			U.S. distress ratio
Net outlook bias	Potential fallen angels	Weakest links	
-18.0% Chemicals, packaging, and environmental services	8 Utilities	34 Consumer products	5.3%

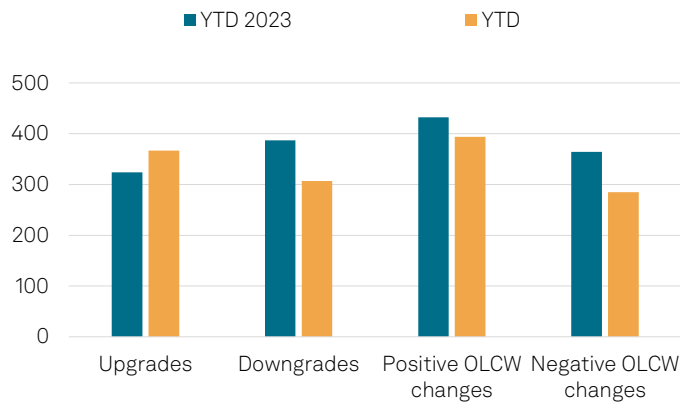
Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-8.7%	Net outlook bias	-3.6%	Net outlook bias	0.2%
Potential fallen angels ratio	3.6%	Potential fallen angels ratio	2.8%	Potential fallen angels ratio	1.5%
Weakest links ratio	13.4%	Weakest links ratio	7.6%	Weakest links ratio	5.4%

Data as of Sept. 12, 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.

Year To This Week

Chart 1

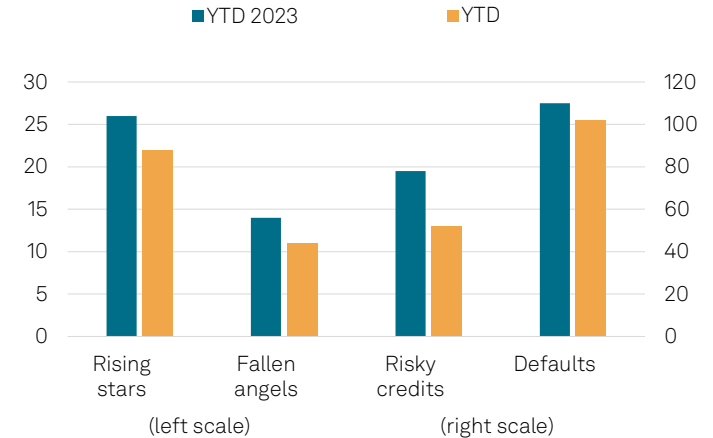
Rating actions Year-to-date total



Data as of Sept. 12, 2024 (2023 data is through Sept. 12). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions Year-to-date total

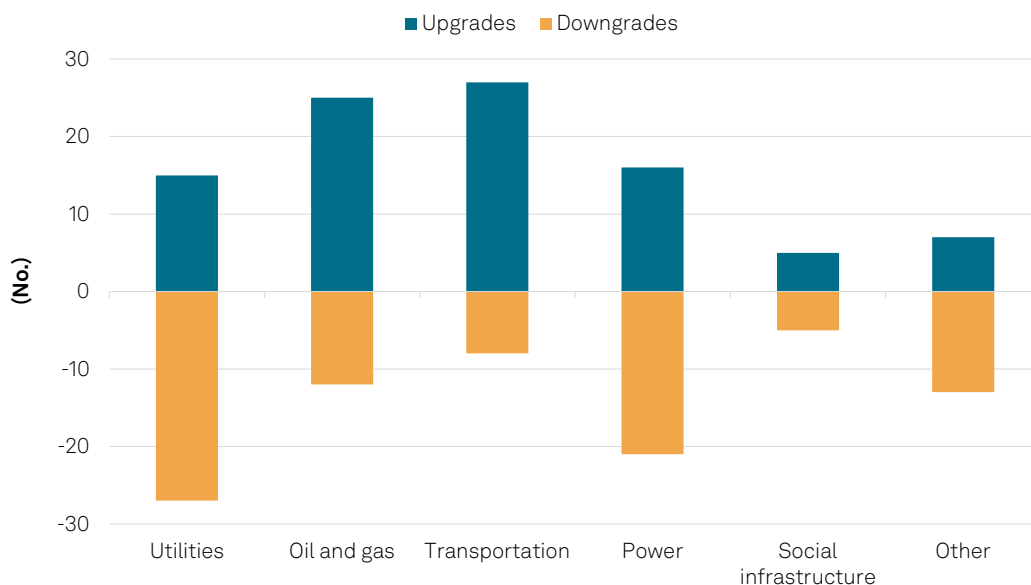


Data as of Sept. 12, 2024 (2023 data is through Sept. 12). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Infrastructure rating actions in 2023



This chart was first published in “[Default, Transition, and Recovery: 2023 Annual Infrastructure Default And Rating Transition Study](#),” on September 11, 2024. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of September 11, 2024](#), September 12, 2024

[Default, Transition, and Recovery: 2023 Annual Infrastructure Default And Rating Transition Study](#), September 11, 2024

[Corporate Results Roundup Q2 2024: Slow recovery continues, driven more by margin improvement than revenue growth](#), September 11, 2024

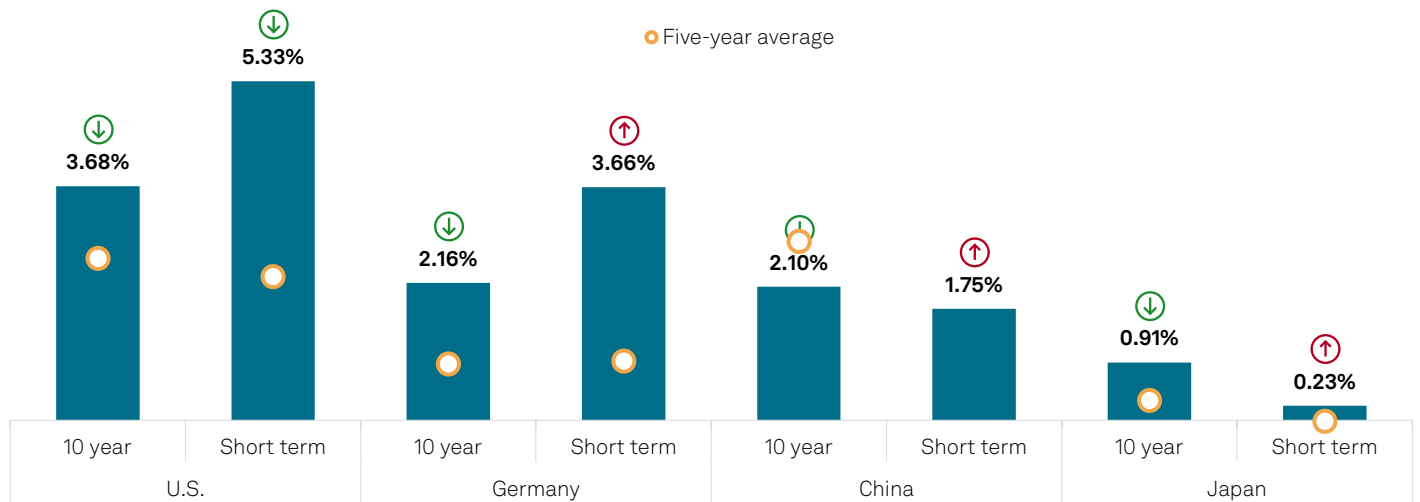
Upcoming Webinars

[Nine Takeaways From European Banks' Results And The Future Role Of Central Bank Refinancings](#), September 17, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of Sept. 12, 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

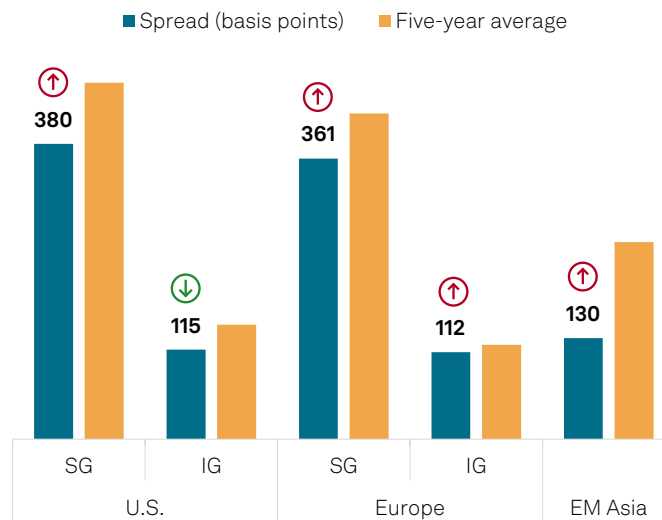
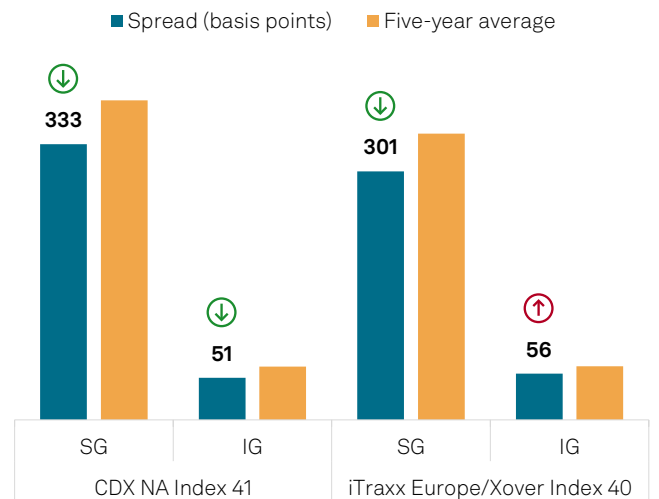


Chart 6

CDS pricing



Data as of Sept. 12, 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.

This Week In Credit: Downgrades Tick Up

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Sept. 12, 2024	Downgrade	BCE Inc.	Telecommunications	Canada	BBB/Stable	BBB+/Negative	26,366
Sept. 10, 2024	Upgrade	Sirius XM Radio, LLC (Sirius XM Holdings Inc.)	Media and entertainment	U.S.	BB+/Stable	BB/Watch Pos	8,750
Sept. 6, 2024	Upgrade	Jordan	Sovereign	Jordan	BB-/Stable	B+/Stable	6,715
Sept. 11, 2024	Downgrade	Evoke PLC	Media and entertainment	Gibraltar	B-/Stable	B/Negative	2,825
Sept. 9, 2024	Upgrade	Macquarie AirFinance Holdings Limited (Macquarie Group Ltd.)	Financial institutions	U.K.	BBB-/Stable	BB+/Positive	2,000
Sept. 6, 2024	Downgrade	China Vanke Co. Ltd.	Homebuilders/real estate co.	China	BB-/Negative	BB+/Negative	1,795
Sept. 10, 2024	Downgrade	Wheel Pros Inc.	Automotive	U.S.	D/NM	CC/Negative	1,775
Sept. 10, 2024	Upgrade	Weatherford International plc	Oil and gas	Ireland	BB-/Positive	B+/Positive	1,500
Sept. 6, 2024	Upgrade	Burford Capital Ltd.	Financial institutions	Guernsey	BB/Stable	BB-/Positive	1,425
Sept. 9, 2024	Downgrade	Patagonia Holdco 3 Ltd	Forest products and building materials	U.K.	CCC+/Stable	B-/Stable	1,250

Data as of Sept. 12, 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
Sept. 10, 2024	American Rock Salt Company LLC	U.S.	Metals, mining, and steel	SD	CCC-	Missed payments
Sept. 10, 2024	Wheel Pros Inc.,	U.S.	Automotive	D	CC	Bankruptcy
Sept. 11, 2024	Operadora de Servicios Mega, S.A. de C.V. SOFOM, E.R.	Mexico	Financial Institutions	SD	CC	Missed payments
Sept. 12, 2024	Digital Media Solutions Inc.	U.S.	Media and entertainment	D	CCC	Bankruptcy

Data as of Sept. 12, 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®.

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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 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.

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

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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