

This Week In Credit

Big Week For Positivity

This report does not constitute a rating action.

Oct. 28, 2024

Key Takeaways

- Positive rating actions jumped last week with upgrades and positive outlook revisions outnumbering negative rating actions 2:1.
- Upgrades reached their highest weekly number since the end of August and were diversified across 10 sectors. They included one rising star, PPF Telecom Group B.V.
- All downgrades happened to speculative-grade issuers, as the investment-grade downgrade ratio hit its lowest level since Q4 2021. Three of the downgrades last week were also new risky credits, all U.S. based issuers in health care, media and entertainment, and high technology.
- There were three defaults, including one confidential issuer. The two public defaults were by WideOpenWest Finance LLC and American Tire Distributors Inc. in the telecommunications and automotive sectors, respectively.

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
13 ↑	7 ↓	15 ↑	7 ↓	1 ■	0 ↓	3 ↑	3 ↓

Industries most at risk			U.S. distress ratio
Net outlook bias Chemicals, packaging, and environmental services -18.1% ↑	Potential fallen angels 6 Utilities ↓	Weakest links 37 Consumer products ↑	4.0% ↑

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-8.6% ↑	Net outlook bias	-4.0% ↑	Net outlook bias	-0.2% ↓
Potential fallen angels ratio	3.4% ↓	Potential fallen angels ratio	3.1% ■	Potential fallen angels ratio	2.0% ■
Weakest links ratio	12.6% ↓	Weakest links ratio	7.0% ■	Weakest links ratio	5.4% ■

Data as of Oct. 24, 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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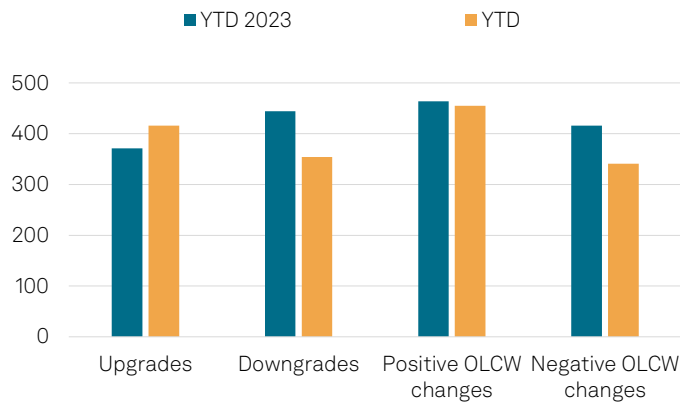
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Year To This Week

Chart 1

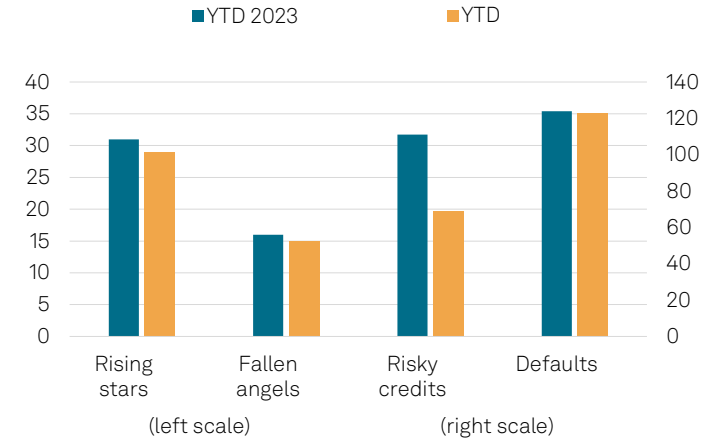
Rating actions Year-to-date total



Data as of Oct. 24, 2024 (2023 data is through Oct. 19). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions Year-to-date total

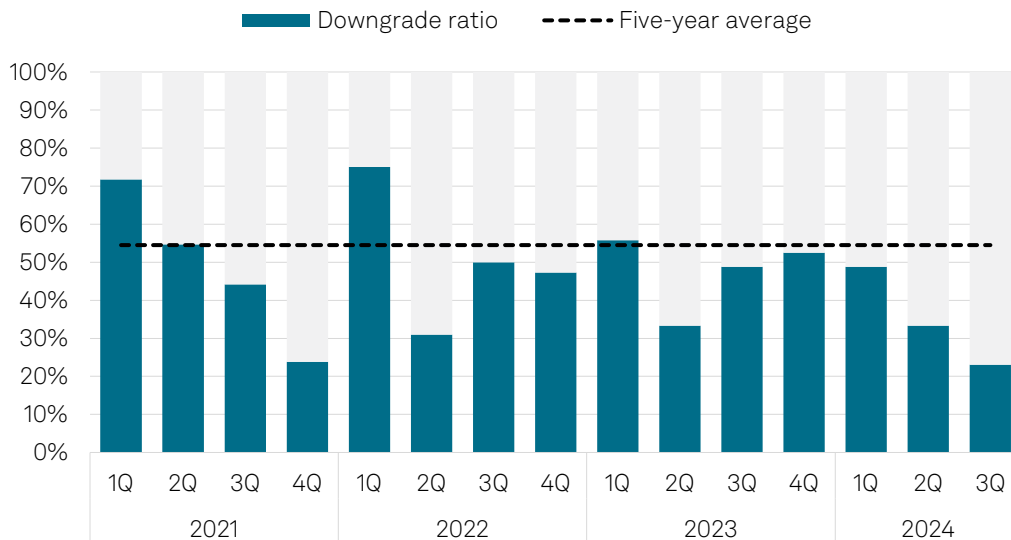


Data as of Oct. 24, 2024 (2023 data is through Oct. 19). YTD--Year to date. Due to a calculation correction, we revised the number of risky credits. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Quarterly downgrade ratio at its lowest level since Q4 2021



This chart was first published in "[Investment Grade Credit Check: Downgrade Lull](#)", on Oct. 25, 2024. Data as of Sept. 30, 2024. Excludes investment-grade sovereign upgrades and downgrades globally. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of Oct. 23, 2024](#), Oct. 24, 2024

[Credit Trends: Global Refinancing: Reductions In Near-Term Maturities Continue Ahead Of Further Rate Cuts](#), Oct. 23, 2024

[Investment-Grade Credit Check: Downgrade Lull](#), Oct. 25, 2024

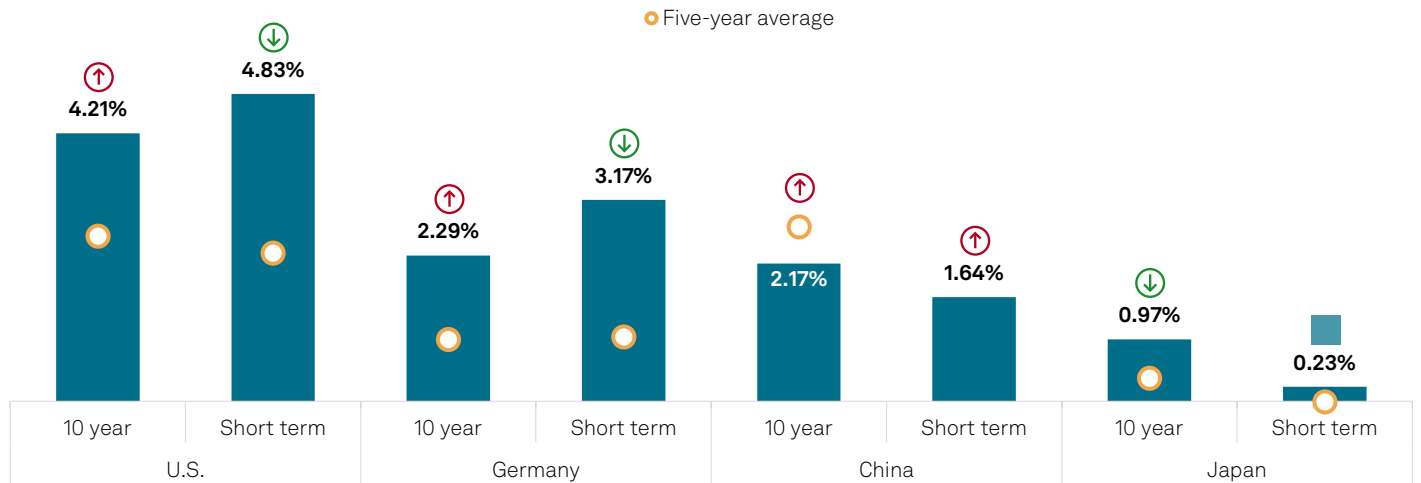
Upcoming Webinars

[Global Rating Performance Insights: What We Are Watching](#), Nov. 05, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of Oct. 24, 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

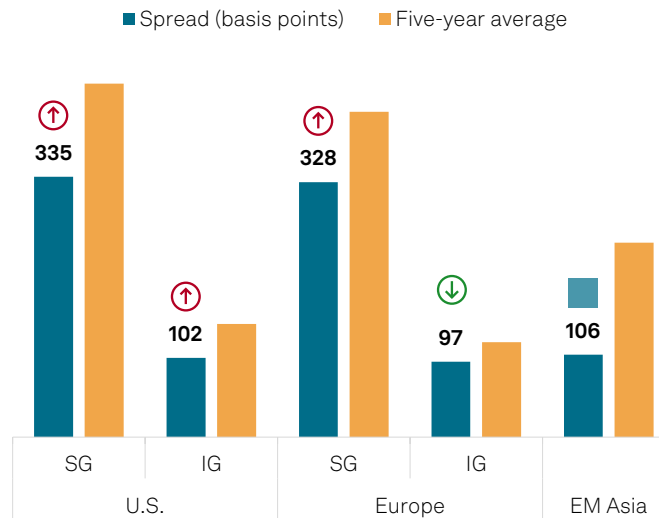
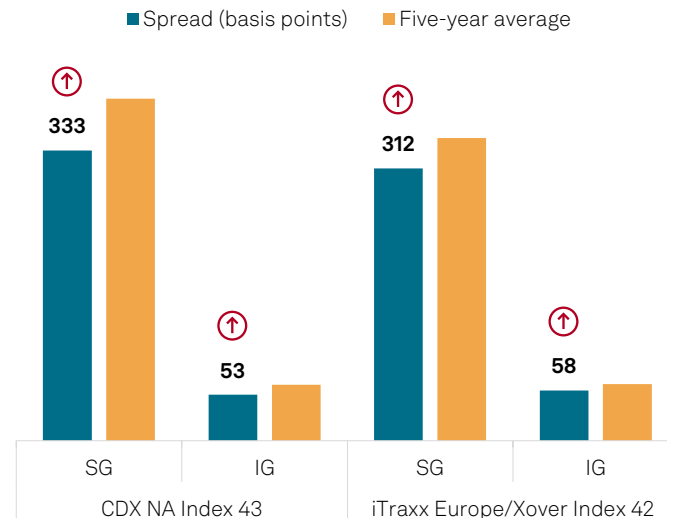


Chart 6

CDS pricing



Data as of Oct. 24, 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: Twice As Many Downgrades Than Upgrades

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Oct. 18, 2024	Upgrade	Cote d'Ivoire	Sovereign	Cote d'Ivoire	BB/Stable	BB-/Positive	13,760
Oct. 22, 2024	Upgrade	Dynasty Acquisition Co. Inc.,	Aerospace and defense	U.S.	BB-/Stable	B/Stable	13,514
Oct. 24, 2024	Upgrade	Banco BPM SpA	Financial institutions	Italy	BBB/Stable	BBB-/Positive	10,051
Oct. 18, 2024	Upgrade	Enlink Midstream LLC,	Utilities	U.S.	BBB/Stable	BBB-/Watch Pos	6,206
Oct. 24, 2024	Downgrade	VeriFone Systems Inc. (Vertex HoldCo Inc.)	High technology	U.S.	CCC+/Negative	B-/Negative	2,175
Oct. 24, 2024	Upgrade	PPF Telecom Group B.V.	Telecommunications	Czech Republic	BBB-/Stable	BB+/Watch Pos	1,784
Oct. 21, 2024	Downgrade	Atlantica Sustainable Infrastructure PLC	Utilities	U.K.	BB-/Stable	BB+/Watch Neg	1,688
Oct. 22, 2024	Upgrade	Unite Group PLC	Homebuilders/real estate co.	U.K.	BBB+/Stable	BBB/Positive	1,662
Oct. 18, 2024	Upgrade	KUEHG Corp. (KinderCare Learning Cos. Inc.)	Media and entertainment	U.S.	B+/Stable	B/Watch Pos	1,590
Oct. 24, 2024	Downgrade	American Tire Distributors Inc.	Automotive	U.S.	D/--	CCC+/Negative	1,000

Data as of Oct. 24, 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
Oct. 18, 2024	WideOpenWest Finance LLC	U.S.	Telecommunications	SD	B-	Distressed exchange
Oct. 22, 2024	Confidential	Confidential	Financial institutions	SD	B	Confidential
Oct. 24, 2024	American Tire Distributors Inc.	U.S.	Automotive	D	CCC+	Bankruptcy

Data as of Oct. 24, 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](#)."

This Week In Credit: Twice As Many Downgrades Than Upgrades

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