This Month In Credit

This report does not constitute a rating action.

Back On Track

(Editor's note: This Month In Credit datasets cover sovereign, financial, and nonfinancial corporate issuers globally unless otherwise stated. For additional exhibits on credit trends, including rating actions, outlooks, fallen angels, rising stars, weakest links, and the U.S. distress ratio, please see the related data publication: "This Month In Credit: 2024 Data Companion".)

Key Takeaways

- A prolonged trend of upgrades outnumbering downgrades resumed in September after an August pause. Investment-grade trends were particularly strong, with just three downgrades in September.

- Financial institutions led September upgrades, and all but one of those upgrades came from outside the U.S. Downgrades were concentrated in media and entertainment--specifically, in the business services subsector and the radio, TV, and broadband subsector.

- Potential rising stars momentum has moderated, while potential fallen angels have risen sharply to 38. Commercial real estate challenges are of particular focus among financial institution potential fallen angels.

- There are clear regional differences among potential downgrades. Consumer products and health care lead in the U.S., while the chemicals, packaging, and environmental services sector is tilted toward Europe.

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For a weekly snapshot of rating trends and credit conditions, please see **"This Week In Credit,"** released every Monday.

Pockets Of Pressure

Potential fallen angels increased sharply while potential rising stars declined in recent months.
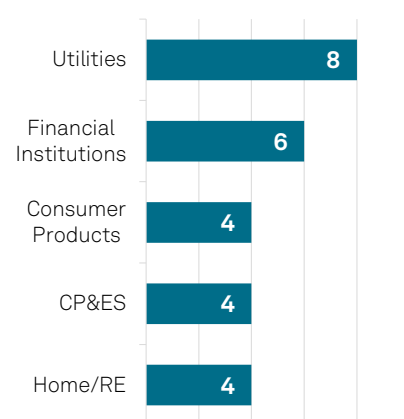
Global net bias (%)
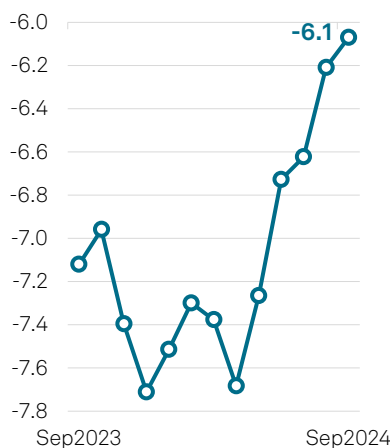
Potential fallen angels and rising stars (no.)
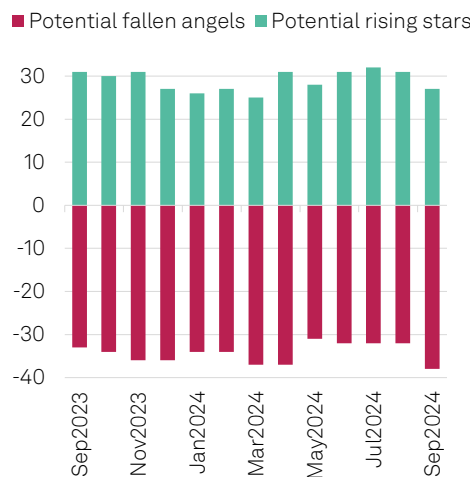
Sectors with the most PFAs (no.)

Data as of Sept. 30, 2024. Charts show bias figures globally, including investment-grade and speculative-grade issuers. Net bias is the positive bias minus the negative bias (for both investment- and speculative-grade issuers). Potential fallen angels are issuers rated 'BBB-' with negative outlooks or on CreditWatch negative. Potential rising stars are issuers rated 'BB+' with positive outlooks or on CreditWatch positive. PFA--Potential fallen angel. CP&ES--Chemicals, packaging, and environmental services. Home/RE--Homebuilders and real estate companies. Source: S&P Global Ratings Credit Research & Insights.

Credit Notes: Angels And Stars

New rising stars so far in 2024 have outnumbered new fallen angels by a two-to-one ratio, but that gap may be poised to close, with potential fallen angels easily outnumbering potential rising stars.

Indeed, a glance at the top-line data would reinforce the idea that potential rising stars are losing steam. There were no new potential rising stars in September, and so the total number of issuers rated 'BB+' with positive outlooks or on CreditWatch with positive implications dropped to 27--its lowest level since March.

But that seems odd in this environment. The chances of a soft landing are rising. New rate-cutting cycles have begun in several major economies. And rating performance indicators are generally flashing green; upgrades have outnumbered downgrades in seven of the last nine months while global net bias also rose for the fifth month in a row.

A closer inspection indicates that the drop in potential rising stars is very much aligned with the constructive backdrop. The reduction since the peak in August is largely due to the fact that five issuers jumped from potential rising stars to true rising stars, and just two were removed or have outlooks that were revised to stable. Therefore, the number largely declined for positive reasons.

The September addition of six potential fallen angels (issuers rated 'BBB-' with negative outlooks or on CreditWatch with negative implications) is less easily explained given the strong ratings performance among investment-grade issuers (which saw just three downgrades in September and nine total in the third quarter, a record low). The jump in potential fallen angels was the largest one-month increase since November 2022, and it brought the total number of potential fallen angels to 38, the most since February 2023.

New additions were spread across five sectors with utilities (two) seeing the most additions. However, looking more closely one common theme does link several of the 38 potential fallen angels in September: regional risks in commercial real estate (CRE). Three of the six financial institutions are U.S.-based issuers that have negative rating outlooks for reasons pertaining to CRE. This is in addition to a Europe-based financial institution, the rating on which was affirmed at 'BBB-' with a negative outlook this month as it also continues to navigate through difficult CRE markets, particularly in the U.S. So, while year-to-date fallen angels trail rising stars, regional CRE risks remain front and center at the cusp of investment grade.
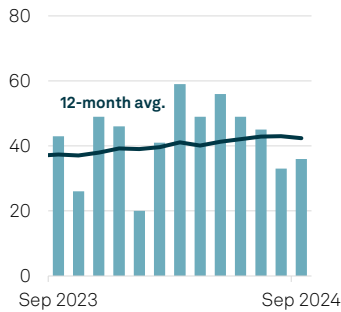
For more accompanying data, click here

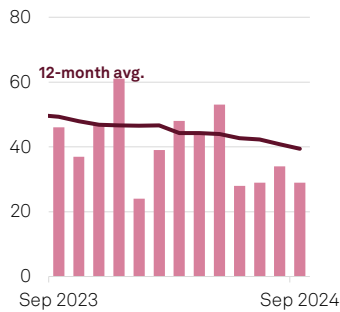Upgrades have outnumbered downgrades in seven of the last nine months.

The jump in potential fallen angels was the largest one-month increase since November 2022.

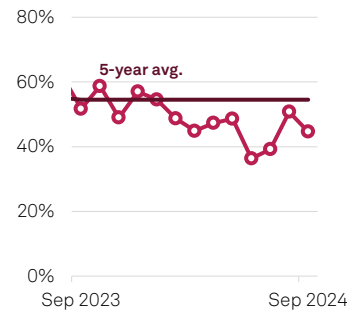# Ratings Trends Snapshot--Through Sept. 30, 2024
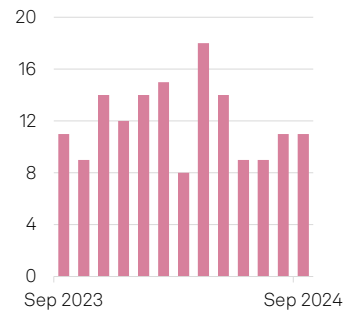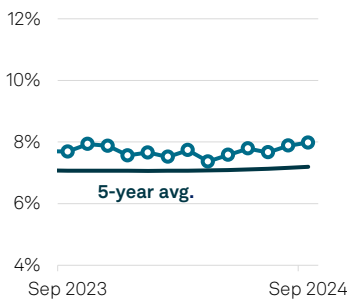
Upgrades (no.)

Downgrades (no.)

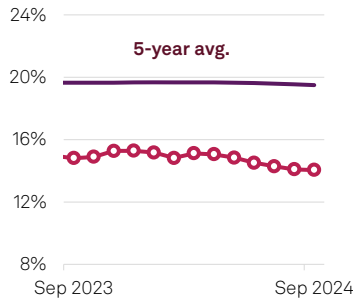

Downgrade ratio
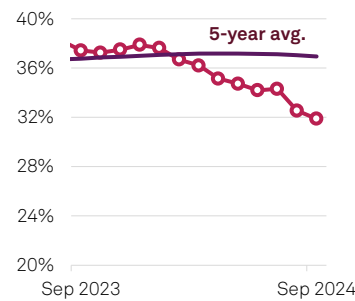

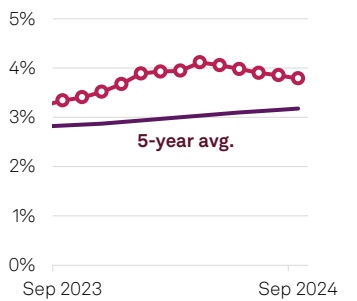### Defaults (no.)

Positive bias

Negative bias

Negative bias 'B-' and lower

SG default rate

Data as of Sept. 30, 2024. Data represents rating actions and biases for sovereign, financial, and nonfinancial corporate issuers globally. Downgrade counts exclude defaults. Defaults and the speculative-grade default rate exclude sovereigns. SG--Speculative grade. Source: S&P Global Ratings Credit Research & Insights.

Credit Trends: Sector Trends Expose Regional Divides

- A prolonged trend of upgrades outnumbering downgrades resumed in September; that trend was in place for six straight months earlier this year before pausing in August. Upgrades increased to 36 in September from 33 in August. Downgrades fell to 29 from 34.

- The uptick in upgrades and the decrease in downgrades led to a lower downgrade ratio. It was 45% in September, down from 51% in August and well below the five-year average of 55%.

- The U.S. continued to lead downgrades in September, but downgrades in the U.S. still fell sharply, to 15 from 26 in August, a 42% decline. Meanwhile, Europe saw the largest month-over-month increase in downgrades, up to 10 from six the month prior.

- Financial institutions led upgrades in September (six), followed by the media and entertainment sector and the oil and gas sector (five each). All but one of the upgrades of financial institutions last month involved financial institutions based outside the U.S. (in either Europe or EMEA). Those upgrades were largely issuer specific.

A prolonged trend of upgrades outnumbering downgrades resumed in September; that trend was in place for six straight months earlier this year before pausing in August.

All but one of September's six financial institution upgrades came from outside the U.S.

- Media and entertainment led downgrades in September, with six. They were almost exclusively in the business services subsector and the radio, TV, and broadband subsector, and they largely cited a tough business environment and debt restructuring as reasons for the downgrade. Upgrades were largely due to improving credit metrics, particularly leverage and liquidity metrics.

- Downgrades remained concentrated in the lower end of the rating spectrum. The 'B', 'B-', and 'CCC+' rating levels accounted for 55% of downgrades, down slightly from 59% in August.

- By debt amount, the largest downgrade was of **Lumen Technologies Inc.** It had $36.5 billion in rated debt outstanding as of Sept. 30.

Bias trends are generally improving but regional and sectoral divergences are apparent:

- Two-thirds of the major regions we track saw negative bias rise in September, with only the U.S. and Canada seeing monthly declines. Latin America continued to have the highest negative bias (22.1%), and it also saw the largest increase.

- EEMEA (Eastern Europe, the Middle East, and Africa) saw the largest increase in positive bias (up 2.9 percentage points, to 20.9%). The primary contributor was the revision of the outlook on our sovereign rating of **Saudi Arabia** to positive, as well as subsequent revisions to several corporates.

- For the second month in a row, the aerospace and defense sector saw the greatest decline in negative bias (down 1.9 percentage points, to 11.9%). **Peraton Corp.** was downgraded on higher-than-expected leverage; it is now rated 'B-' with a stable outlook.

- Telecommunications continues to be a sector under strain. Two issuers no longer have negative rating outlooks: **BCE Inc.** was downgraded and assigned a stable outlook, and **TalkTalk Holdings Ltd.** defaulted. The rating outlooks on four other issuers were revised to negative. Negative bias ticked up 1.65 percentage points, placing the sector behind only the chemicals, packaging, and environmental services sector.

- For the second month in a row, the metals, mining, and steel sector saw the largest increase in positive bias (up 2.0 percentage points, to 9.6%). The rating outlooks on two U.S.-based issuers were revised to positive.

Eastern Europe/Middle East/Africa saw the largest increase in positive bias, up 2.9 percentage points to 20.9%.

Telecommunications continues to be a sector under strain ... Negative bias ticked up 1.65 percentage points, placing it behind only CP&ES.

Chart 1

Regional divergences are evident among potential downgrades

Lower risk ⟶ Higher risk

Total

Consumer products	U.S, 52 — Europe, 14 — Asia-Pacific, 1 — Latin America, 4 — EEMEA, 4	75
Financial institutions	U.S, 16 — Europe, 14 — Asia-Pacific, 7 — Latin America, 9 — EEMEA, 4 — Canada, 3	53
CP&ES	U.S, 27 — Europe, 16 — Asia-Pacific, 4 — EEMEA, 2 — Latin America, 2 — Canada, 1	52
Health care	U.S, 42 — Europe, 2 — Canada, 1	45
Home/real estate	U.S, 15 — Europe, 13 — Asia-Pacific, 4	32
Telecommunications	U.S, 17 — Europe, 9 — EEMEA, 1 — Latin America, 2 — Canada, 2	31
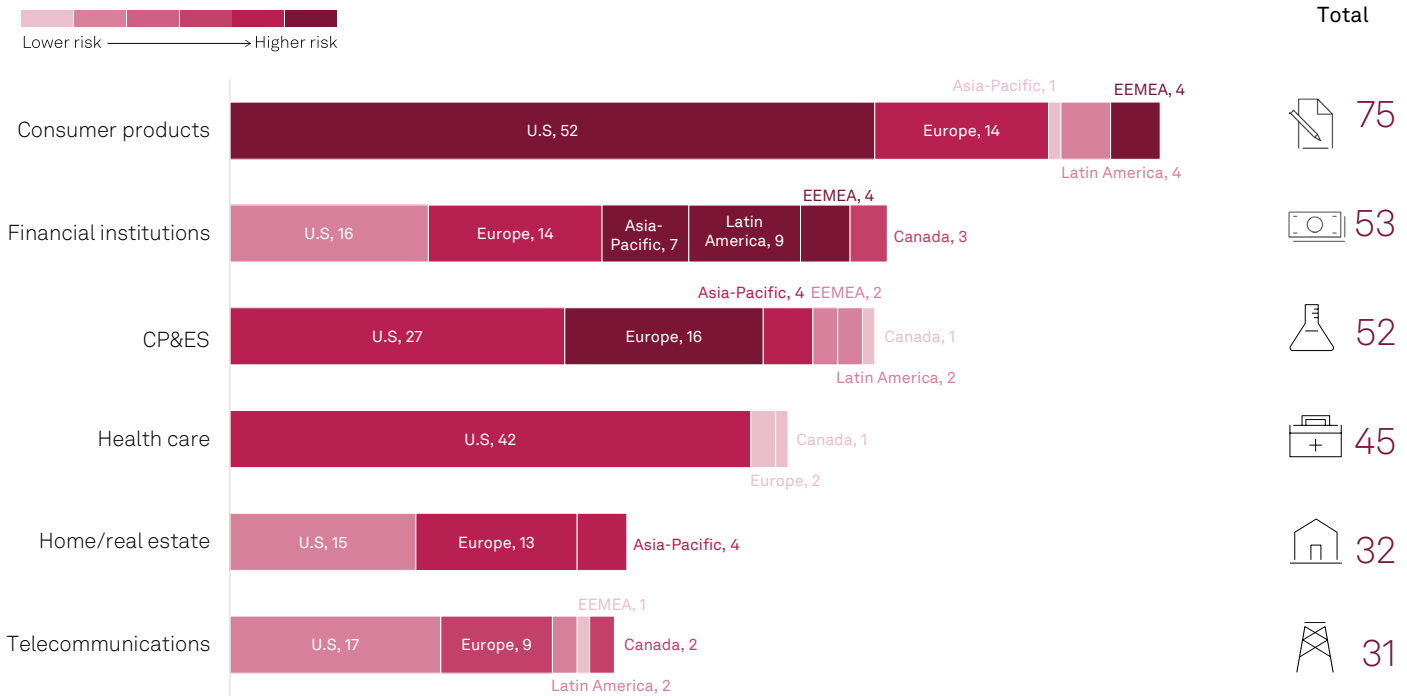
Data as of Sept. 30, 2024. The darker red indicates more potential downgrades in a given region, relative to the number of issuers. CP&ES--Chemicals, packaging, and environmental services. EEMEA--Eastern Europe, the Middle East, and Africa. Source: S&P Global Ratings Credit Research & Insights.
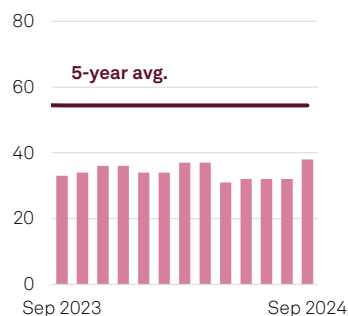
Chart 1 magnifies some of the regional separation among sectors that we've seen among potential downgrades (issuers with negative outlooks or ratings on CreditWatch negative), both in recent months and over the course of the year. Consumer products leads total potential downgrades globally, but two-thirds are U.S.-based issuers. Similarly, potential downgrades in the health care sector are almost exclusively in the U.S. Though potential downgrades in the consumer products sector are declining, that sector is still battling high inflation, which has increased the costs of goods sold and dampened consumer spending. Higher marketing and advertising costs are also driving underperformance.

Meanwhile, potential downgrades among financial institutions; chemicals, packaging, and environmental services companies; and homebuilders and real estate companies are more pronounced in Europe, Asia-Pacific, and Latin America.

Financial institutions in Latin America are under strain, as asset quality metrics have deteriorated because of softening economic growth and persistently high interest rates. This has affected both consumer lending segments and small and midsize enterprise lending segments.

Meanwhile, chemicals, packaging, and environmental services, particularly in Europe, hit a harsh downcycle following the pandemic as massive destocking occurred, and that has prolonged its recovery. Higher energy prices in the region contributed to weaker demand for chemicals, and geopolitical risks remain at the forefront since supply chains for chemicals rely on the timely and efficient flow of materials.

Financial institutions in Latin America are under strain, as asset quality metrics have deteriorated because of softening economic growth and persistently high interest rates.

Chart 2

Inflationary pressures and company-specific risks saw the highest increases in new potential downgrades in September
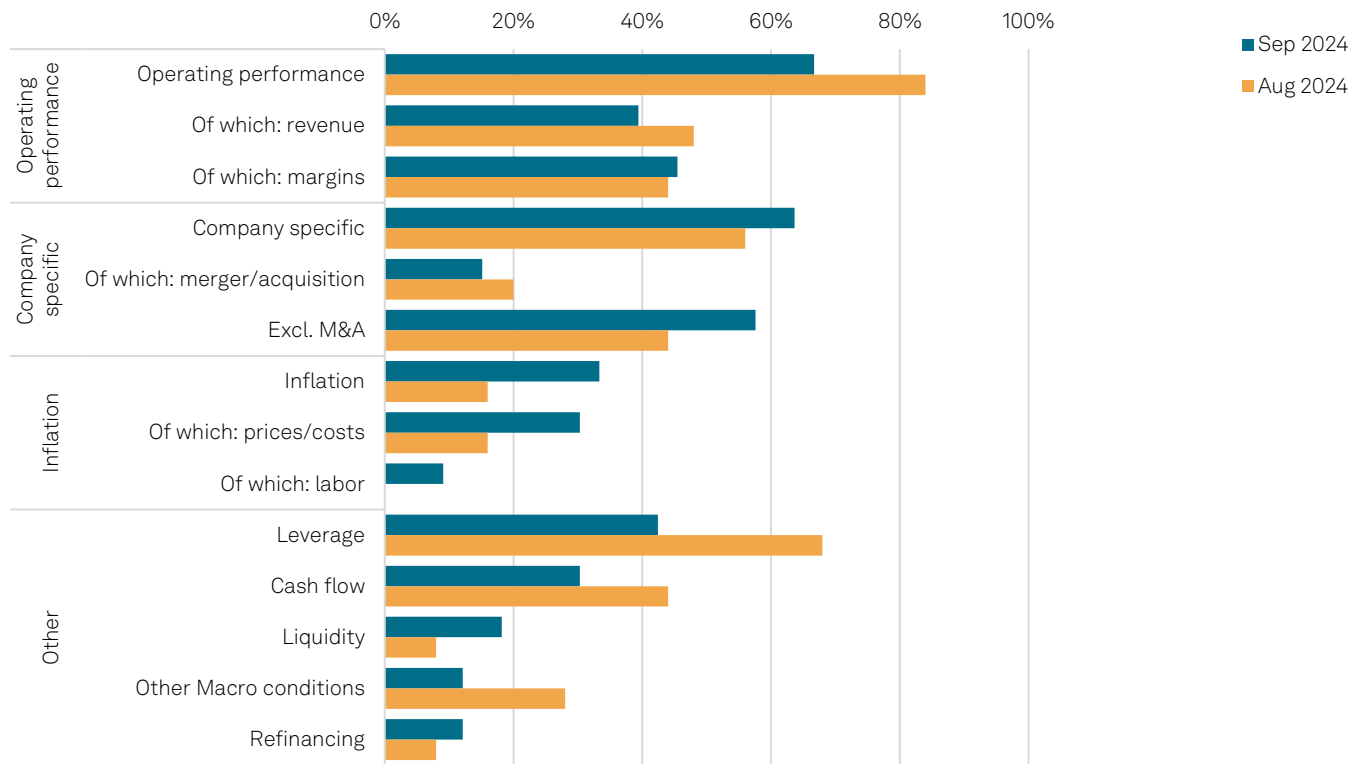
Data as of Sept. 30, 2024. Data represents rating actions and biases for sovereign, financial, and nonfinancial corporate issuers globally. Note that more than one factor can influence a rating action. Source: S&P Global Ratings Credit Research & Insights.

- Operating performance remained the most common driver for new potential downgrades in September, at 67%. However, this represents a 17-percentage-point decline from August's level of 84%.

- Leverage concerns saw the highest month-over-month decrease in September, down 26 percentage points.

- The number of issuers affected by interest rates and by other macroeconomic conditions also fell in September as a share of new potential downgrades. They were down 17 and 16 percentage points, respectively.

- Negative outlook revisions citing inflation as a key driver saw the largest month-over-month increase in new potential downgrades in September, to 33%--up from 16% in August. This was followed closely by company-specific reasons excluding mergers and acquisitions, up 14 percentage points to 58% from 44% in August.

- Company-specific concerns cited in September rating actions were broadly mixed, with small concentrations in consumer products and chemicals, packaging, and environmental services. Unsurprisingly, these issuers were also affected by weaker operating performance.

> Leverage concerns saw the highest month-over-month decrease in September, down 26 percentage points.

Chart 3

Potential downgrades by region (no.)

Canada, 22

Europe, 120

U.S., 347

Asia-Pacific, 29

EEMEA, 17

Latin America, 30
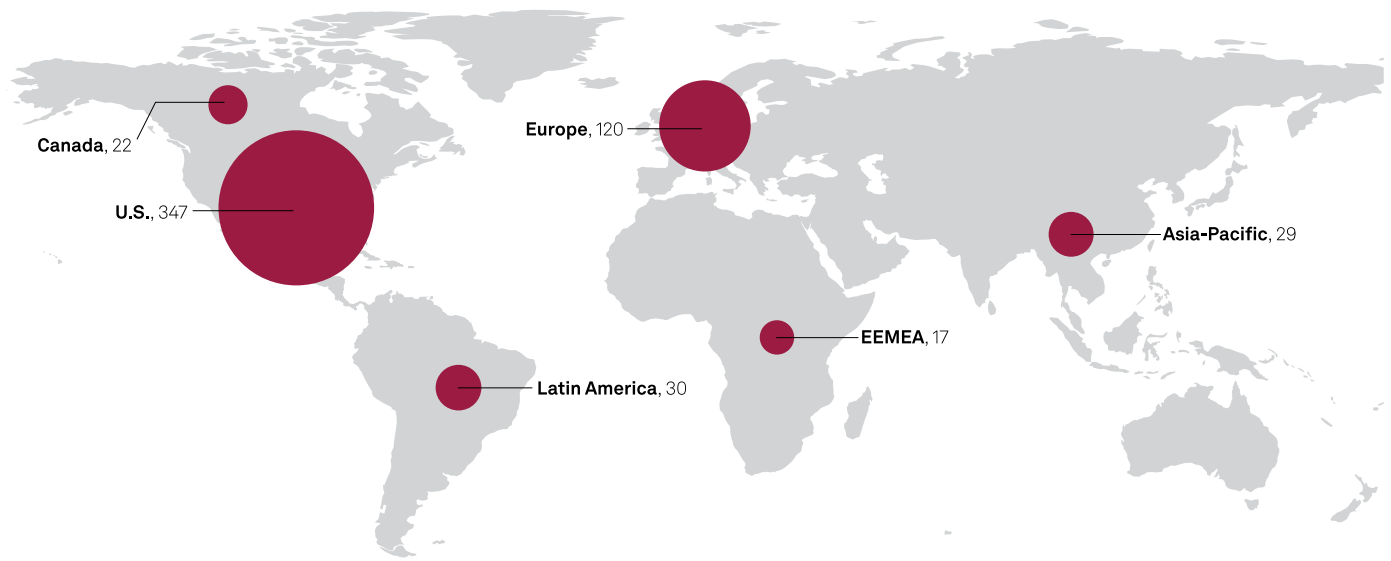
Data as of Sept. 30, 2024. EEMEA--Eastern Europe, the Middle East, and Africa. Source: S&P Global Ratings Credit Research & Insights.

Specific Credit Indicators--Through Sept. 30, 2024

Potential rising stars (no.)	Potential fallen angels (no.)	Weakest links (no.)	Distress ratio
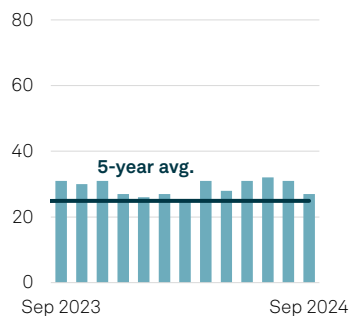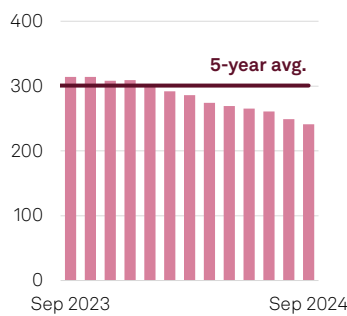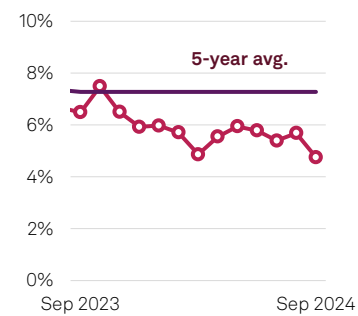
Data as of Sept. 30, 2024. Data represents sovereign, financial, and nonfinancial corporate issuers globally, except for S&P Global Ratings' U.S. distress ratio, which is defined as the number of U.S. speculative-grade issues with option-adjusted spreads of more than 1,000 basis points above U.S. Treasury bonds. Source: S&P Global Ratings Credit Research & Insights.

Fallen angels: There was just one new fallen angel in September, bringing the year-to-date total to 12. We downgraded Luxembourg-based **Belron Group S.A.**, a vehicle glass repair and replacement services company, on its proposed dividend recapitalization and higher leverage.

There were six new potential fallen angels. Utilities led the additions with two: Australia-based **Pacific National Holdings Pty Ltd.** and Estonia-based **Eesti Energia AS**.

Two other European issuers were among the new potential fallen angels: The CreditWatch placement of our rating on chemicals, packaging, and environmental services issuer **OCI N.V.** was revised to CreditWatch negative due to additional disposals, while the outlook on our rating on high technology issuer **Worldline S.A.** was revised to negative on weaker-than-expected performance.

Prospect Capital Corp. is the fourth U.S. financial institution to be added to the potential fallen angels list. The rating outlook on steelmaker **PT Krakatau Posco (Posco Holdings Inc.)** was revised to negative; it was the only metals, mining, and steel issuer added to the potential fallen angels list this month.

Rising stars: There were four new rising stars in September, bringing the year-to-date total to 24 (double the number of fallen angels). We upgraded **Oman** to reflect the continued strengthening of the government's public finances and the ongoing external deleveraging of many state-owned enterprises (SOEs); **Energy Development Oman SAOC** was upgraded following the rating action on Oman. Two U.K.-based companies were also upgraded to investment grade: **Harbour Energy PLC** and **Macquarie AirFinance Holdings Ltd. (Macquarie Group Ltd.)**.

There were no new potential rising stars this month. The total stands at 27.

Weakest links: The number of weakest links (issuers rated 'B-' or lower with negative outlooks or ratings on CreditWatch negative) has fallen for nine consecutive months, and it ended September at 241, eight fewer than at the end of August.

On the surface, a falling weakest link tally would signal easing pressure at the bottom end of credit spectrum--which may be the case here. However, of the 19 issuers that were removed from the list last month, over half were removed because of defaults or downgrades; only 26% were removed because of upgrades or because of positive outlook or CreditWatch revisions.

> The year-to-date total of rising stars stands at 24, double the number of fallen angels.

> The number of weakest links has fallen for nine consecutive months.

The U.S. accounted for all six of the positive rating actions last month. They were spread across six different sectors.

This month's additions to the weakest links list were led by the **consumer products, high technology, telecom, and transportation** sectors, with two each--a signal of where potential risk still lies. And the telecom sector accounted for the greatest quarterly increase in weakest links. Cash flow deficits have worsened in the sector amid the high interest rates of recent years. That is straining lower-rated companies' capital structures and increasing defaults.

Because of all of this, telecom companies that are facing upcoming maturities or significant floating-rate exposure may see a prolonged period of weaker cash flow metrics (see "High Interest Rates And Massive Debt Burdens Will Pressure U.S. Telecom And Cable Speculative-Grade Ratings In 2024," published Feb. 26, 2024, and "Industry Credit Outlook Update North America: Telecommunications," published July 18, 2024).

Distress ratio: The U.S. distress ratio dropped to 4.76% in September from 5.68% the previous month, and it's now nearly 3 percentage points below its five-year average of 7.28%. The distress ratio is lower because of spread compression in September following restored confidence in the U.S. Federal Reserve of a soft-landing scenario for the U.S. economy.

Most sectors saw a drop in their distress ratios from August. The high technology sector saw the greatest drop: Its distress ratio decreased 4 percentage points to 5.3%. Only three sectors--the oil and gas, retail, and utilities sectors--saw increases in the number of distressed issues. (It increased by one in each of those sectors.)

Defaults: September saw 11 defaults, unchanged from August, but quarterly defaults have slowed. The 31 defaults in the third quarter were the fewest since 2022, driven by a drop in U.S. defaults.

Europe is the only region where the number of defaults increased in September. Its 30 defaults year to date are 43% more than the number of defaults it saw up to this point in 2023, and they're the most it has seen up to this point in a given year since 2008.

By sector, European chemicals and U.S. packaging services companies led monthly defaults with three. European speculative-grade chemical companies are struggling with weak free cash flows amid tough industry conditions and high interest rates, which are complicating debt servicing. Meanwhile, U.S. packaging services issuers face a low-growth economy, the lingering effects of high inflation, reduced consumer purchasing power, and declining consumer confidence.

Still, most of the defaults so far in 2024 have been in the media and entertainment sector, the consumer products sector, or the health care sector. Together, they account for 43% of global corporate defaults.

For more data and charts on fallen angels, potential fallen angels, rising stars, potential rising stars, weakest links, and the U.S. distress ratio, please see the related publication: "**This Month In Credit: 2024 Data Companion.**"

The U.S. distress ratio dropped to 4.76% in September, from 5.68% the previous month, and it's now nearly 3 percentage points below its five-year average of 7.28%.

The 31 defaults in the third quarter were the fewest since 2022, driven by a drop in U.S. defaults.

U.S. Public Finance Ratings Trends Snapshot-- Through Sept. 30, 2024
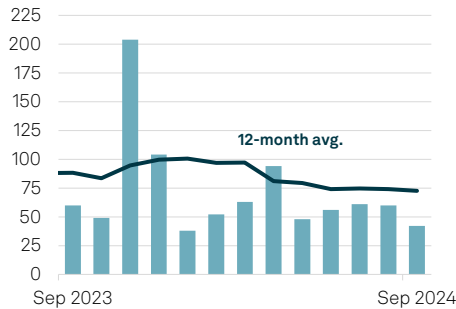
Upgrades (no.)
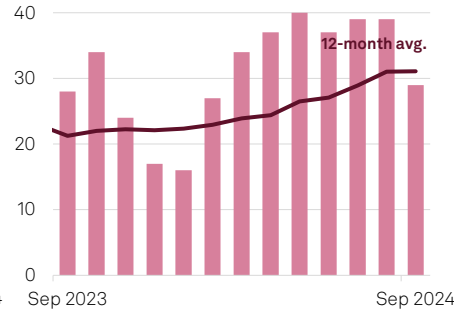
Downgrades (no.)

Downgrade ratio
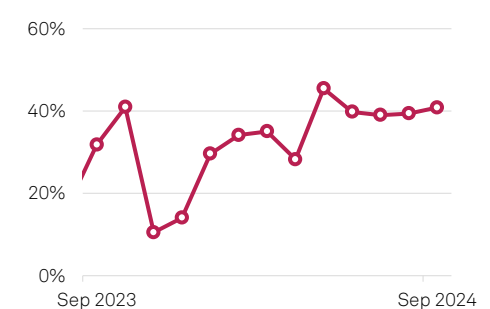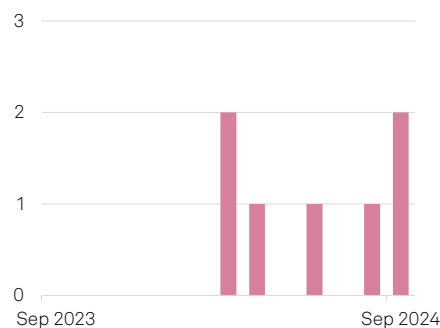
### Defaults (no.)

Positive bias
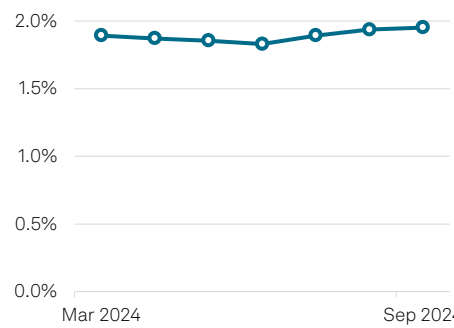
Negative bias
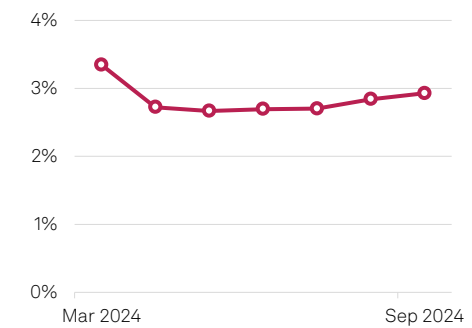
Data as of Sept. 30, 2024. The U.S. public finance data included in this report is based on S&P Global Ratings default study data sets and may differ slightly from other sources of U.S. public finance data. Data represents rating actions and biases for U.S. public finance issuers. Downgrade counts exclude defaults. Source: S&P Global Ratings Credit Research & Insights.

U.S. public finance rating trends:

- Utilities are continuing to see deteriorating credit quality, as obligors see high costs, capital needs, and regulatory challenges weigh on cash flows.

- The health care sector has continued to see weaker cash flows and more downgrades than upgrades, but there have also been more favorable trends with respect to outlook revisions-- possibly a signal of emerging stability.

- Overall credit quality improved in September, however, as state and local governments continued to see more upgrades than downgrades.

- There were two defaults in September (both in health care); there was just one in August. We lowered our long-term rating on bonds issued for **Jackson Hospital & Clinic** in Alabama to 'D' from 'CC' after it missed an interest payment. **Tower Health** of Reading, Pennsylvania, went through a distressed debt exchange.

- In addition to the defaults, there was one fallen angel in September, down from two in August. Our underlying rating on the city of **Winslow**, Arizona's series 2016 wastewater system revenue obligations bond was lowered to 'BB+' from 'A' because of the utility's lack of effective risk management. (A negative outlook was also assigned.)

- Negative bias increased slightly, to 2.9% from 2.8% in August. Positive bias was flat at 1.9%.

Table 1

Potential downgrades distribution by sector and region (no.)

Sectors	Global	U.S.	Europe	Asia-Pacific	Latin America	EEMEA	Canada
Aerospace and defense	8	7	1				
Automotive	14	6	6	1	1		
Capital goods	16	12	2	2			
Consumer products	75	52	14	1	4	4	
CP&ES	52	27	16	4	2	2	1
Diversified	2				2		
Financial institutions	53	16	14	7	9	4	3
Forest PBM	11	8	3				
Health care	45	42	2				1
High technology	40	29	10	1			
Home/real estate	32	15	13	4			
Insurance	7	4	1	2			
Media/entertainment	54	42	10				2
Metals, mining, and steel	16	4	4	2	1	1	4
Oil and gas	12	5	2		1	1	3
Retail/restaurants	35	29	3	1	1		1
Sovereign	8				6	2	
Telecommunications	31	17	9		2	1	2
Transportation	17	9	4	1	1	2	
Utilities	37	23	6	3			5

Data as of Sept. 30, 2024. The darker red indicates more potential downgrades per region.
Forest PBM--Forest products and building materials. CP&ES--Chemicals, packaging, and environmental services.
Source: S&P Global Ratings Credit Research & Insights.

Table 2

Potential upgrades distribution by sector and region (no.)

Sectors	Global	U.S.	Europe	Asia-Pacific	Latin America	EEMEA	Canada
Aerospace and defense	8	4	4				
Automotive	7	3	3			1	
Capital goods	14	8	3	1			2
Consumer products	31	17	9	1	1	1	2
CP&ES	12	5	5			2	
Diversified							
Financial institutions	46	16	22	5		3	
Forest PBM	9	7	2				
Health care	12	6	4			1	1
High technology	14	11	2	1			
Home/real estate	9	5	4				
Insurance	13	8	2	2			1
Media/entertainment	27	20	7				
Metals, mining, and steel	8	6	1		1		
Oil and gas	23	12	5	1	2		3
Retail/restaurants	13	7	5				1
Sovereign	16		5	1	4	6	
Telecommunications	11	1	6		1	3	
Transportation	9	1	4	2	1	1	
Utilities	20	13	3	1		1	2

Data as of Sept. 30, 2024. The darker blue indicates more potential upgrades per region.
Forest PBM--Forest products and building materials. CP&ES--Chemicals, packaging, and environmental services.
Source: S&P Global Ratings Credit Research & Insights.

Table 3

Top 10 downgrades in September

Issuer	Sector	Date	To	From	Country	Amount (bil. $)
Lumen Technologies Inc.	Telecommunications	9/4/2024	CC	CCC+	U.S.	36.5
BCE Inc.	Telecommunications	9/12/2024	BBB	BBB+	Canada	26.4
Belron Group S.A.	Media and entertainment	9/23/2024	BB-	BBB-	Luxembourg	15.3
Radiate Holdco LLC	Telecommunications	9/27/2024	CCC	CCC+	U.S.	9.9
Peraton Corp.	Aerospace and defense	9/17/2024	B-	B	U.S.	6.2
Service Properties Trust	Homebuilders/real estate companies	9/13/2024	B	B+	U.S.	5.4
SL Green Realty Corp.	Homebuilders/real estate companies	9/16/2024	BB	BB+	U.S.	5.1
E.W. Scripps Co. (The)	Media and entertainment	9/18/2024	B-	B	U.S.	3.1
Evoke PLC	Media and entertainment	9/11/2024	B-	B	Gibraltar	2.8
Foundever Group S.A.	Media and entertainment	9/20/2024	B+	BB-	Luxembourg	2.8

Data as of Sept. 30, 2024. Excludes defaults. Table shows 10 largest issuer downgrades, excluding defaults, by debt amount (rated only) in September 2024. Source: S&P Global Ratings Credit Research & Insights.

Table 4

Top 10 upgrades in September

Issuer	Sector	Date	To	From	Country	Amount (bil. $)
American Tower Corp.	Telecommunications	9/3/2024	BBB	BBB-	U.S.	29.9
Croatia	Sovereign	9/13/2024	A-	BBB+	Croatia	16.0
Diamondback Energy Inc.	Oil and gas	9/19/2024	BBB	BBB-	U.S.	15.0
Sirius XM Radio LLC (Sirius XM Holdings Inc.)	Media and entertainment	9/10/2024	BB+	BB	U.S.	8.8
Dynasty Acquisition Co. Inc.	Aerospace and defense	9/23/2024	B	B-	U.S.	8.3
Jordan	Sovereign	9/6/2024	BB-	B+	Jordan	6.7
Navient Corp.	Financial institutions	9/17/2024	BB	BB-	U.S.	6.3
Oman	Sovereign	9/27/2024	BBB-	BB+	Oman	5.7
Coty Inc.	Consumer products	9/18/2024	BB+	BB	U.S.	4.3
Alpha Services and Holdings Societe Anonyme	Financial institutions	9/4/2024	BB-	B+	Greece	3.6

Data as of Sept. 30, 2024. Table shows 10 largest issuer upgrades by debt amount (rated only) in September 2024. Source: S&P Global Ratings Credit Research & Insights.

Related Research

- [Credit Trends: Investment-Grade Credit Check: Downgrade Lull](#), Oct. 25, 2024
- [Credit Trends: Global Financing Conditions: Blockbuster Growth In 2024 With Tailwinds Heading Into 2025](#), Oct. 23, 2024
- [Credit Trends: Global Refinancing: Reductions In Near-Term Maturities Continue Ahead Of Further Rate Cuts](#), Oct. 23, 2024
- [Credit Trends: ESG In Credit Ratings Q3 2024: Negative Actions Outweigh Positive By Four To One](#), Oct. 21, 2024
- [Credit Trends: Floating-Rate Debt Is Still A Cause For Concern Despite Rate Reductions](#), Oct. 17, 2024
- [Default, Transition, and Recovery: The Pace Of Global Corporate Defaults Slows](#), Oct. 16, 2024
- [Ratings Performance Insights Q3 2024: On A Hot Streak](#), Oct. 10, 2024
- [Credit Trends: Global State Of Play: Strong Issuance Fuels Debt Growth](#), Oct. 3, 2024
- [Credit Cycle Indicator Q4 2024: Credit Recovery Prospects Are Mixed Across Markets](#), Oct. 1, 2024
- [Global Credit Conditions Q4 2024: Policy Rates Easing, Conflicts Simmering](#), Oct. 1, 2024

Glossary And Abbreviations

Downgrade ratio--The number of downgrades divided by the number of downgrades plus upgrades.

Fallen angels--Issuers downgraded to speculative grade from investment grade.

Investment grade--Issuers rated 'BBB-' or above.

Negative bias--Percentage of issuers with negative outlooks or ratings on CreditWatch negative.

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 positive outlooks or ratings on CreditWatch positive.

Potential downgrade--An issuer rated by S&P Global Ratings with a negative outlook or on CreditWatch negative.

Potential fallen angels--Issuers rated 'BBB-' with either negative outlooks or on CreditWatch negative.

Potential upgrade--An issuer rated by S&P Global Ratings with a positive outlook or on CreditWatch positive.

Rising stars--Issuers upgraded to investment grade from speculative grade.

Risky credits--Issuers in the 'CCC' rating category.

Speculative grade--Issuers rated 'BB+' or below.

S&P Global Ratings' U.S. distress ratio--The proportion of speculative-grade issues with option-adjusted spreads of more than 1,000 basis points relative to U.S. Treasury bonds divided by the total number of speculative-grade issues.

Speculative grade--Issuers rated 'BB+' or below.

Weakest links--Issuers rated 'B-' and below with either negative outlooks or on CreditWatch negative.

Weakest links ratio--The number of weakest links divided by the total speculative-grade ratings population.