

# This Week In Credit

## Fallen Angels On The Rise

This report does not constitute a rating action.

Nov. 18, 2024

### Key Takeaways

- Positive outlook and CreditWatch changes more than doubled and negative ones nearly halved, with all but two of the negative changes to investment-grade issuers.
- All but one of this week's upgrades were to speculative-grade issuers with no new rising stars. Three of the upgrades were to telecommunication issuers, with two in Eastern Europe, the Middle East, and Africa; and one in the U.S.
- Downgrades primarily occurred in the U.S. and included two fallen angels; this increases the number of fallen angels year-to-date above the number from last year for the first time since March. Fallen angels included consumer products issuer VF Corp.; and chemicals, packaging, and environmental services issuer Celanese Corp.
- There were two defaults last week, both in the U.S., because of a distressed exchange; capital goods issuer Sensience Inc., and telecommunications issuer Dish Network Corp.

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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
7 ↓	7 ↑	13 ↑	8 ↓	0 ↓	2 ↑	0 ↓	2 ↓

Industries most at risk			U.S. distress ratio
<b>Net outlook bias</b> Chemicals, packaging, and environmental services <b>-19.5%</b> ↑	<b>Potential fallen angels</b> 6 Utilities ■	<b>Weakest links</b> 38 Consumer products ■	<b>3.9%</b> ↓

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	<b>-8.7%</b> ↑	Net outlook bias	<b>-4.1%</b> ■	Net outlook bias	<b>-0.4%</b> ■
Potential fallen angels ratio	<b>3.6%</b> ↓	Potential fallen angels ratio	<b>3.1%</b> ■	Potential fallen angels ratio	<b>1.5%</b> ■
Weakest links ratio	<b>12.6%</b> ■	Weakest links ratio	<b>7.2%</b> ↓	Weakest links ratio	<b>5.5%</b> ■

Data as of Nov. 14, 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

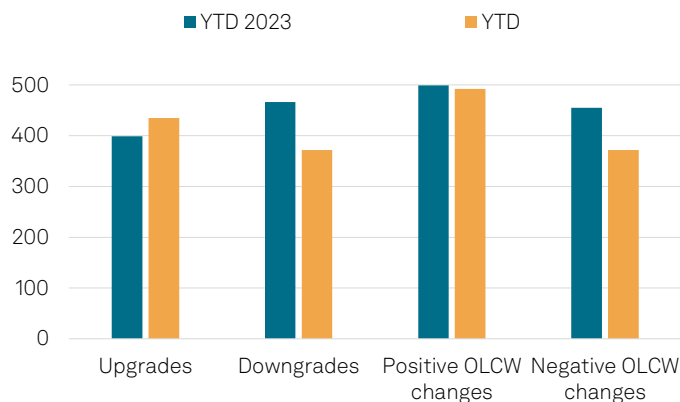
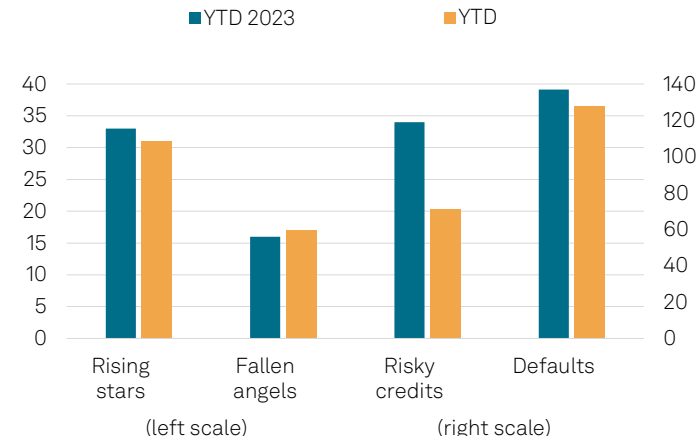


Chart 2

### Rating transitions Year-to-date total



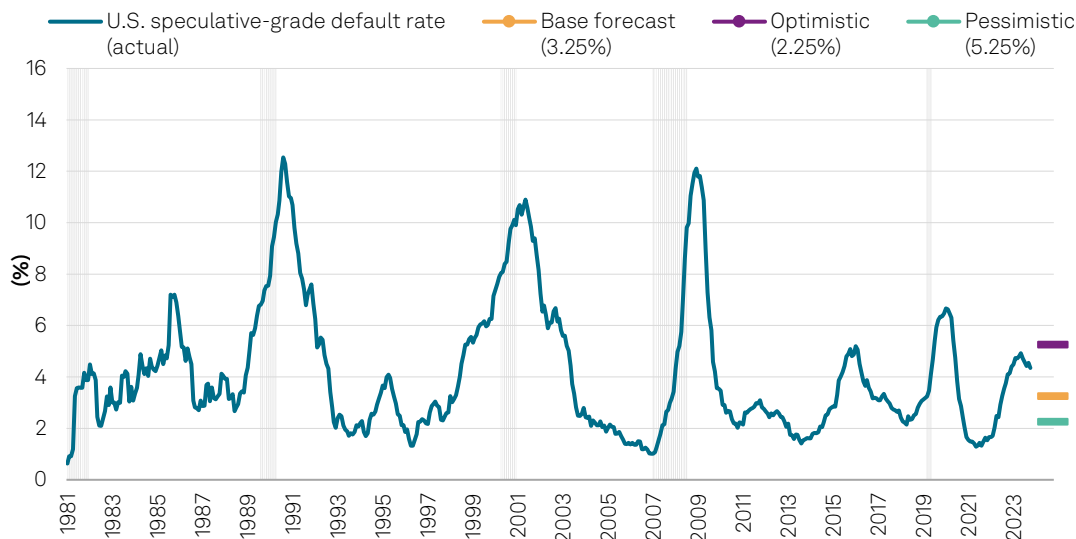
Data as of Nov. 14, 2024 (2023 data is through Nov. 9). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Data as of Nov. 14, 2024 (2023 data is through Nov. 9). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

## Chart Of The Week

Chart 3

### U.S. Speculative-Grade Default Rate Expected To Hit 3.25% By September 2025



This chart was first published in "Default, Transition, and Recovery: U.S. Speculative-Grade Corporate Default Rate To Fall Further To 3.25% By September 2025", on Nov. 15, 2024. Note: Shaded areas are periods of recession as defined by the National Bureau of Economic Research. Source: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®.

## Related Research

[U.S. Speculative-Grade Corporate Default Rate To Fall Further To 3.25% By September 2025](#), Nov. 15, 2024

[U.S. Corporate Bond Yields As Of Nov. 13, 2024](#), Nov. 14, 2024

[Credit Trends: U.S. Public Finance Credit Quality: Obligors' Finances Drove Rating Actions In The Third Quarter](#), Nov. 12, 2024

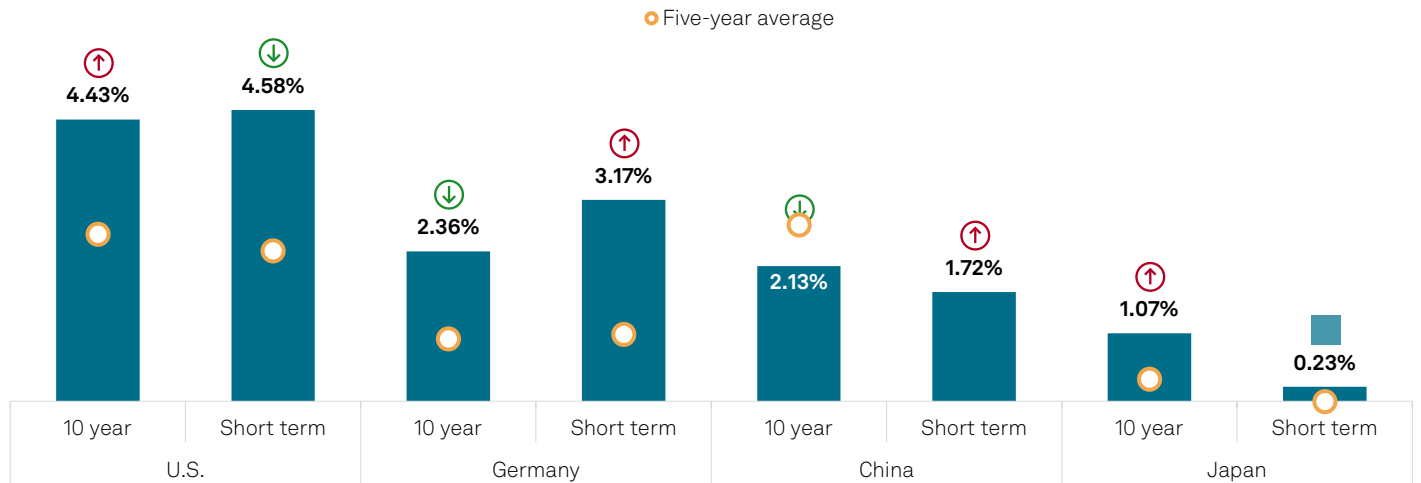
## Upcoming Webinars

[Global Banks Outlook 2025](#), Nov. 20, 2024

# Credit Market Conditions

Chart 4

## Benchmark yields



Data as of Nov. 14, 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

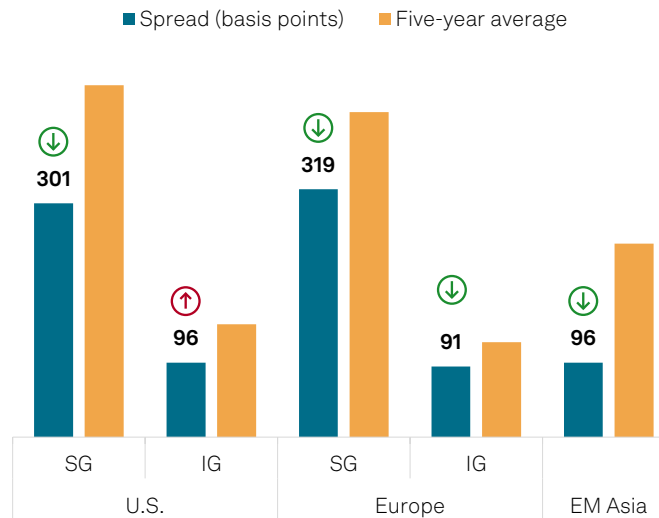
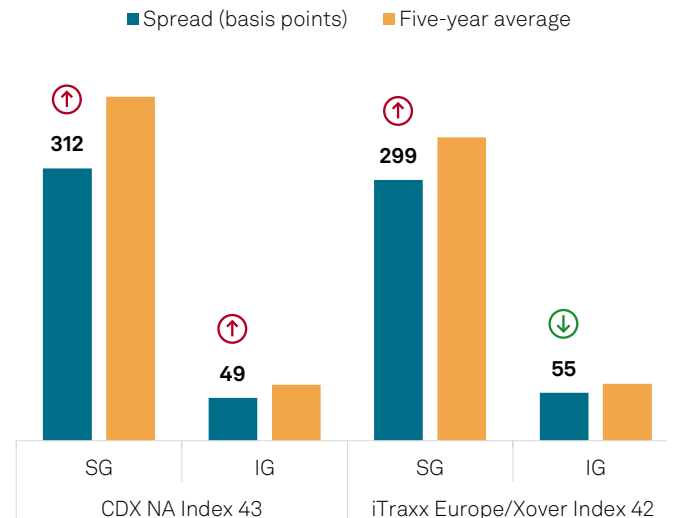


Chart 6

## CDS pricing



Data as of Nov. 14, 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: Fallen Angels On The Rise

Table 1

### Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Nov. 14, 2024	Upgrade	CaixaBank S.A.	Financial institutions	Spain	A/Stable	A-/Positive	43,543
Nov. 14, 2024	Upgrade	EchoStar Corp.	Telecommunications	U.S.	CCC+/Negative	CCC-/Positive	27,519
Nov. 14, 2024	Downgrade	Celanese Corp.	Chemicals, packaging, and environmental services	U.S.	BB+/Stable	BBB-/Negative	11,871
Nov. 13, 2024	Upgrade	Pactiv Evergreen Inc.	Chemicals, packaging, and environmental services	U.S.	BB-/Positive	B+/Positive	7,466
Nov. 13, 2024	Downgrade	VF Corp.	Consumer products	U.S.	BB/Stable	BBB-/Negative	4,779
Nov. 13, 2024	Downgrade	GrafTech International Ltd.	Metals, mining, and steel	U.S.	CC/Watch Neg	CCC+/Negative	3,200
Nov. 13, 2024	Upgrade	Ingram Micro Inc. (Imola Acquisition Corp.)	High technology	U.S.	BB/Stable	BB-/Watch Pos	3,160
Nov. 13, 2024	Downgrade	Sandvik AB (publ)	Capital goods	Sweden	BBB+/Stable	A-/Negative	1,969
Nov. 14, 2024	Downgrade	CPM Holdings Inc.	Capital goods	U.S.	B-/Stable	B/Negative	1,315
Nov. 14, 2024	Upgrade	Boparan Holdings Ltd.	Consumer products	U.K.	B/Stable	B-/Watch Pos	1,104

Data as of Nov. 14, 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
Nov. 12, 2024	Sensience Inc.	U.S.	Capital goods	SD	CCC-	Distressed exchange
Nov. 14, 2024	DISH Network Corp.	U.S.	Telecommunications	SD	CC	Distressed exchange

Data as of Nov. 14, 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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