

This Week In Credit

Downgrades Doubled

This report does not constitute a rating action.

Nov. 25, 2024

Key Takeaways

- Rating actions picked up from the previous week and downgrades more than doubled, with 12 out of 15 being on speculative grade issuers. Total rating activity remained net positive thanks to the pickup in outlook revisions to positive and positive CreditWatch placements.
- There were no fallen angels or rising stars last week. Meanwhile, downgrades included two new risky credits, U.S. radio broadcaster Cumulus Media Inc. and French chemical producer Lune S.a.r.l.
- There were two defaults last week, both on U.S.-based issuers: Spirit Airlines Inc., an ultra-low-cost airline, defaulted as it filed for bankruptcy, and data and analytics provider Dodge Construction Network LLC was downgraded to 'SD' following a distressed exchange.

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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
11	15	21	12	0	0	2	2

Industries most at risk			U.S. distress ratio
Net outlook bias Chemicals, packaging, and environmental services	Potential fallen angels 6 Utilities	Weakest links 37 Consumer products	4.1%
-19.0%			

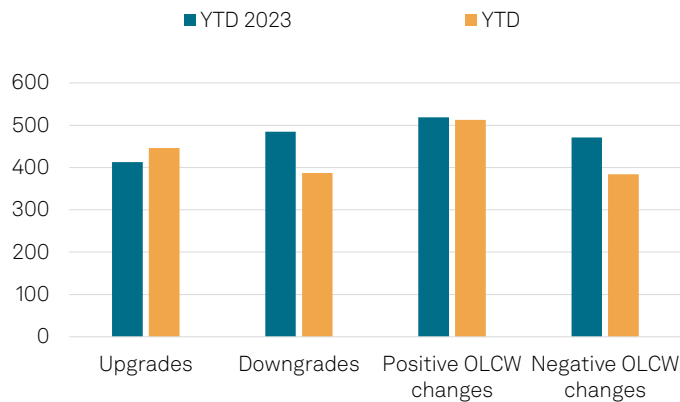
Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-8.3%	Net outlook bias	-4.0%	Net outlook bias	-0.9%
Potential fallen angels ratio	3.4%	Potential fallen angels ratio	3.4%	Potential fallen angels ratio	1.5%
Weakest links ratio	12.5%	Weakest links ratio	7.6%	Weakest links ratio	5.5%

Data as of Nov. 21, 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

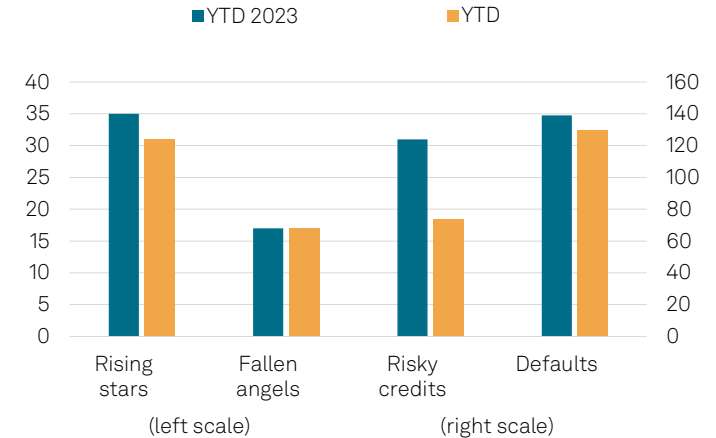
Rating actions Year-to-date total



Data as of Nov. 21, 2024 (2023 data is through Nov. 16). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions Year-to-date total

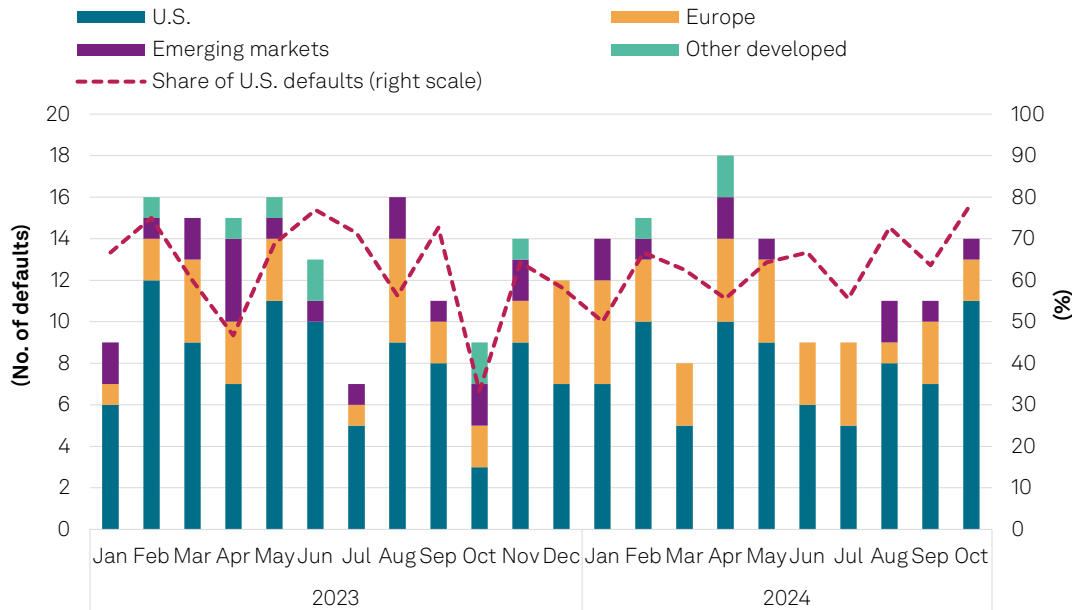


Data as of Nov. 21, 2024 (2023 data is through Nov. 16). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

U.S. Defaults Led The Monthly Count



This chart was first published in "[Default, Transition, and Recovery: Spotlight On U.S. Defaults In October](#)", on Nov. 24, 2024. Note: Data as of Oct. 31, 2024. Data has been updated to reflect confidential issuers. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[U.S. Corporate Bond Yields As Of Nov. 20, 2024](#), Nov. 21, 2024

[Default, Transition, and Recovery: Spotlight On U.S. Defaults In October](#), Nov. 19, 2024

[European Speculative-Grade Default Rate Should Fall To 4.25% By September 2025](#), Nov. 18, 2024

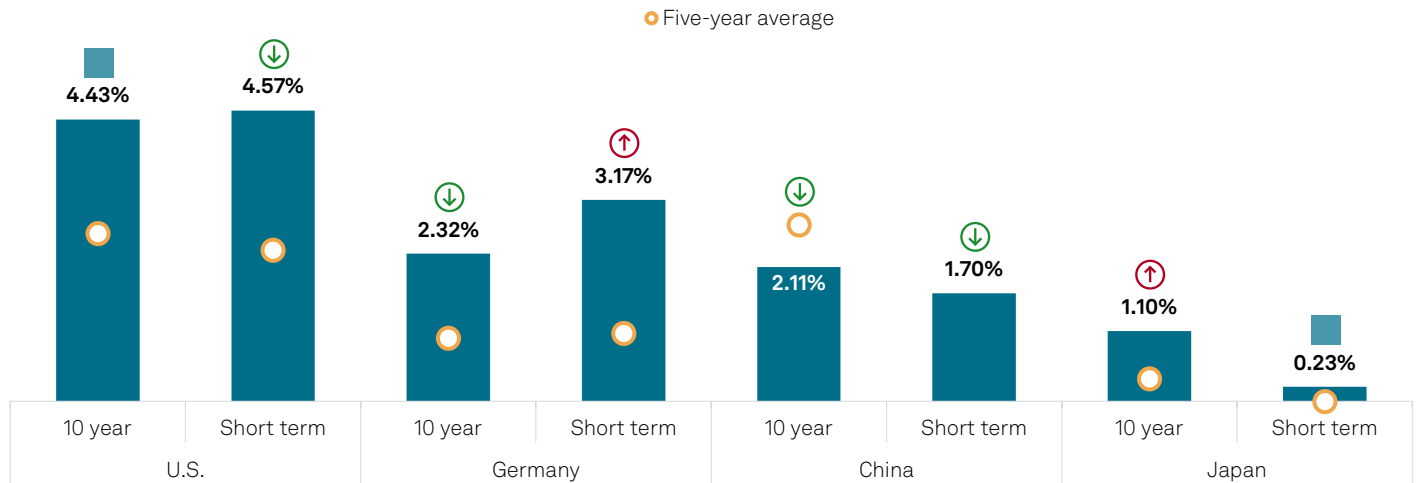
Upcoming Webinars

[The Outlook For Bank Operating Performance And Significant Risk Transfer Activity](#), Nov. 26, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of Nov. 21, 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

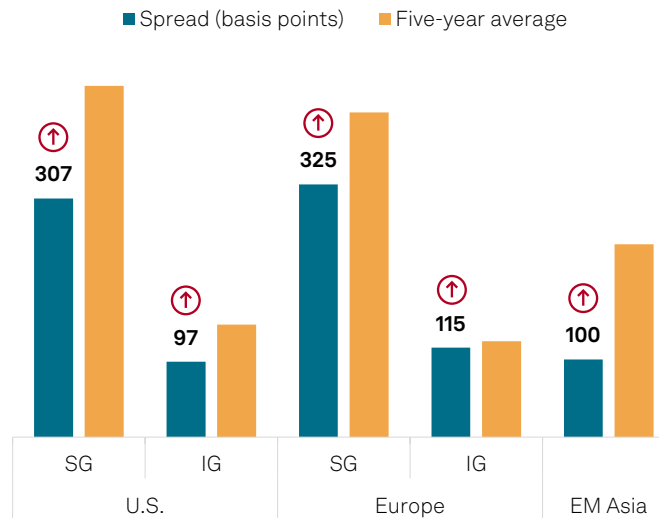
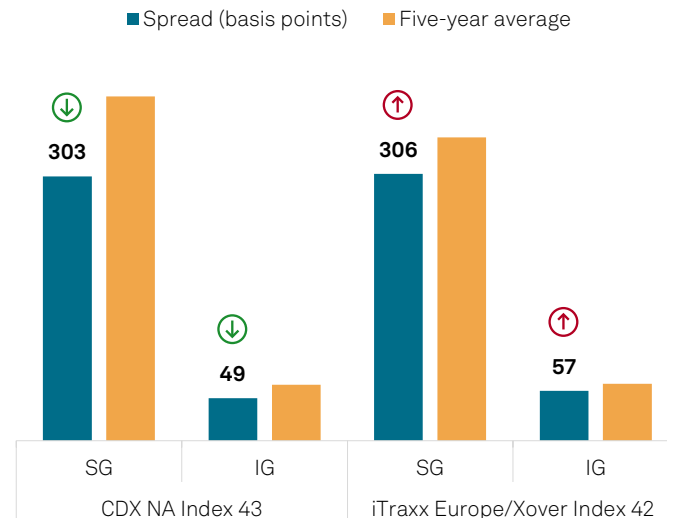


Chart 6

CDS pricing



Data as of Nov. 21, 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 Dow Jones Indices.

This Week In Credit: Downgrades Doubled

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Nov. 15, 2024	Upgrade	JPMorgan Chase & Co.	Financial institutions	U.S.	A/Stable	A-/Positive	292,878
Nov. 19, 2024	Upgrade	Teva Pharmaceutical Industries Ltd.	Health care	Israel	BB/Positive	BB-/Positive	13,903
Nov. 21, 2024	Downgrade	Medical Properties Trust Inc.	Homebuilders/real estate co.	U.S.	CCC+/Negative	B-/Negative	12,931
Nov. 18, 2024	Downgrade	iHeartCommunications Inc.	Media and entertainment	U.S.	CC/Negative	CCC+/Negative	6,051
Nov. 19, 2024	Downgrade	Great Outdoors Group, LLC	Retail/restaurants	U.S.	BB-/Stable	BB/Negative	4,666
Nov. 18, 2024	Downgrade	Icade S.A.	Homebuilders/real estate co.	France	BBB/Stable	BBB+/Negative	3,739
Nov. 18, 2024	Downgrade	Xerox Holdings Corporation	High technology	U.S.	B+/Negative	BB-/Negative	3,550
Nov. 19, 2024	Downgrade	China Vanke Co. Ltd.	Homebuilders/real estate co.	China	B+/Negative	BB-/Negative	1,794
Nov. 19, 2024	Downgrade	Cumulus Media Inc.	Media and entertainment	U.S.	CCC+/Negative	B-/Stable	1,646
Nov. 18, 2024	Downgrade	WW International, Inc.	Consumer products	U.S.	CCC/Negative	CCC+/Negative	1,500

Data as of Nov. 21, 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. 18, 2024	Spirit Airlines Inc.	U.S.	Transportation	D	CCC	Bankruptcy
Nov. 21, 2024	Dodge Construction Network LLC	U.S.	Consumer products	SD	CCC+	Distressed exchange

Data as of Nov. 21, 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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