

# This Week In Credit

## Defaults Up In An Otherwise Positive Week

This report does not constitute a rating action.

Dec. 2, 2024

### Key Takeaways

- Last week was generally positive for rating activity, with upgrades and positive outlook revisions or CreditWatch placements nearly doubling negative ones.
- The upgrades included a rising star, Spain-based Banco de Credito Social Cooperativo S.A. Downgrades included the Panama sovereign, and the subsequent and related downgrade of Autoridad del Canal de Panama.
- There were five defaults last week, up from two in the previous week. Of the four publicly rated defaults, three were from the U.S. Also, three of the public defaults were due to distressed exchanges.

### 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
12 ↕	7 ↘	20 ↘	10 ↘	1 ↕	0 ■	1 ↘	5 ↕

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> 36 Consumer products ↘	<b>4.1%</b> ↕

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	<b>-8.4%</b> ↘	Net outlook bias	<b>-4.0%</b> ■	Net outlook bias	<b>-1.3%</b> ↘
Potential fallen angels ratio	<b>3.4%</b> ■	Potential fallen angels ratio	<b>3.7%</b> ↕	Potential fallen angels ratio	<b>2.6%</b> ↕
Weakest links ratio	<b>12.3%</b> ↘	Weakest links ratio	<b>7.6%</b> ■	Weakest links ratio	<b>5.5%</b> ■

Data as of Nov. 28, 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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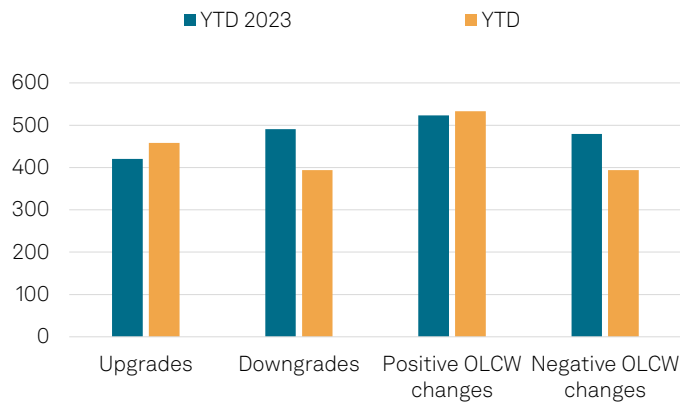
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## Year To This Week

Chart 1

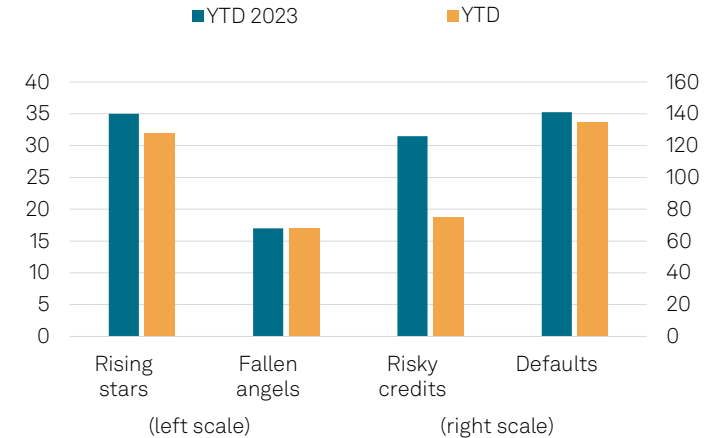
### Rating actions Year-to-date total



Data as of Nov. 28, 2024 (2023 data is through Nov. 23). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

### Rating transitions Year-to-date total

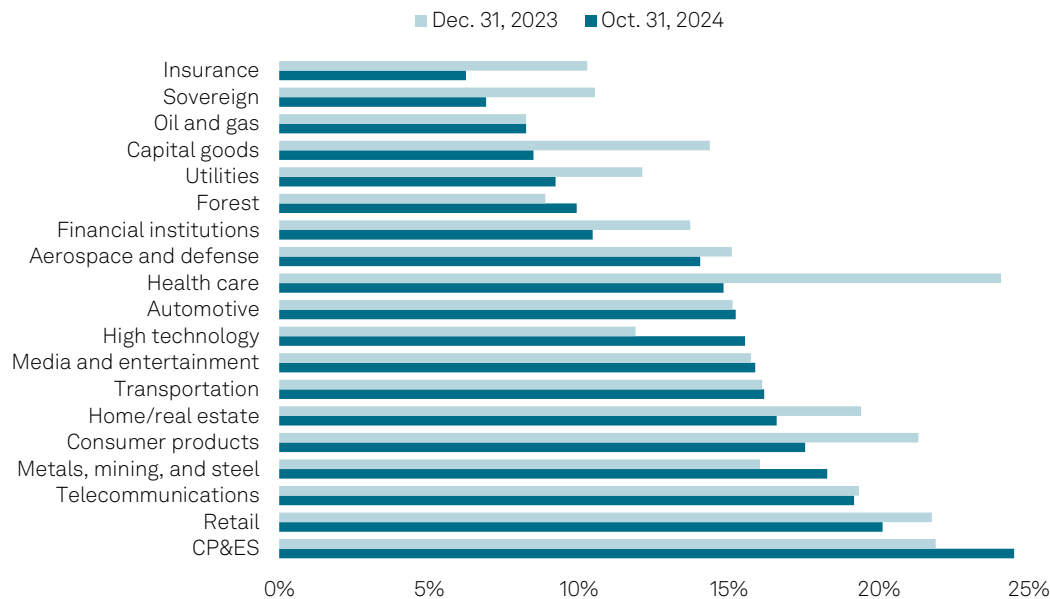


Data as of Nov. 28, 2024 (2023 data is through Nov. 23). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

## Chart Of The Week

Chart 3

### Half of the sectors experienced year-to-date declines in negative bias through October, though chemicals, telecom, and retail remain elevated



This chart was first published in "[This Month In Credit: Conflicting Signals \(November 2024\)](#)", on Nov. 27, 2024. Note: Data as of Oct. 31, 2024. CP&ES--Chemicals, packaging, and environmental services. Excludes diversified. Source: S&P Global Ratings Credit Research & Insights.

## Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of Nov. 27, 2024](#), Nov. 28, 2024

[This Month In Credit: Conflicting Signals \(November 2024\)](#), Nov. 27, 2024

[Economic Research: Global Economic Outlook Q1 2025: Buckle Up](#), Nov. 27, 2024

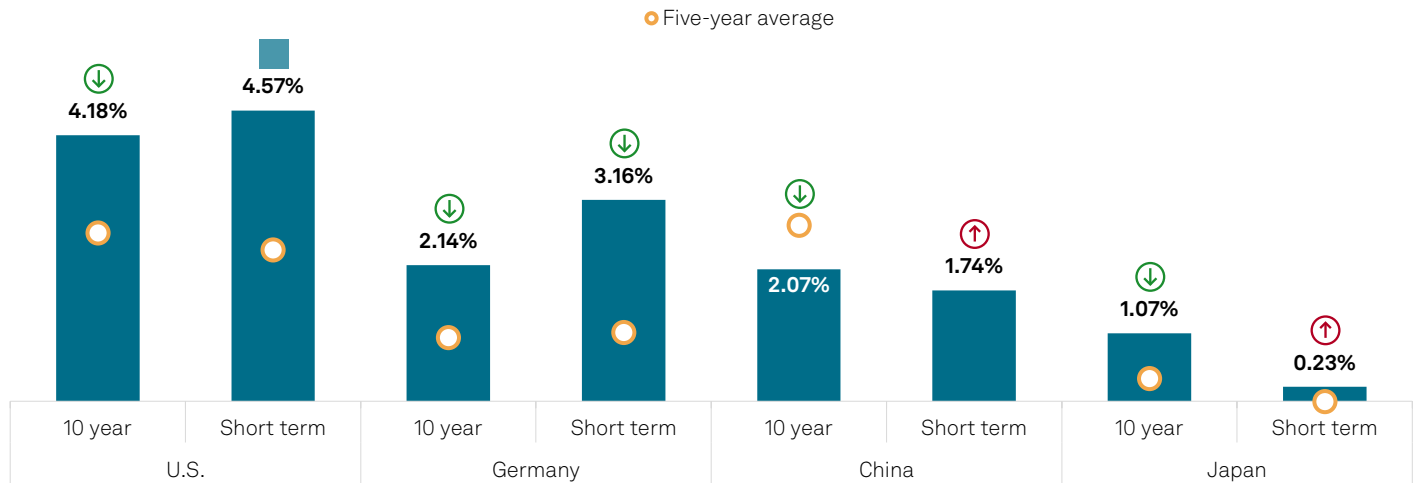
## Upcoming Webinars

[Global Credit Outlook 2025 \(Americas-EMEA Session\)](#), Dec. 5, 2024

# Credit Market Conditions

Chart 4

## Benchmark yields



Data as of Nov. 28, 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

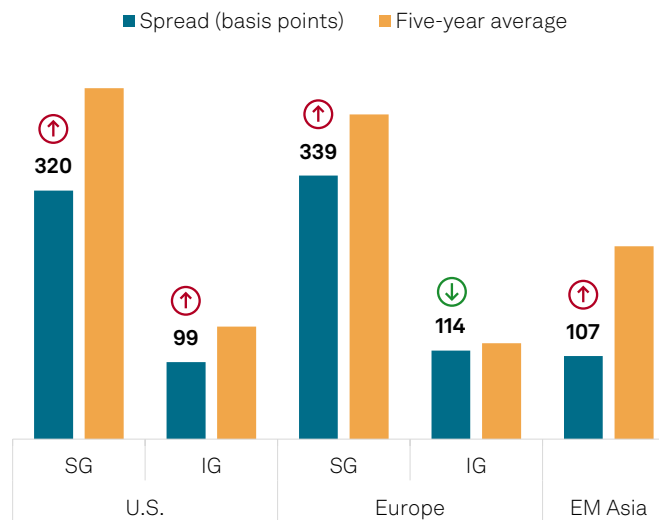
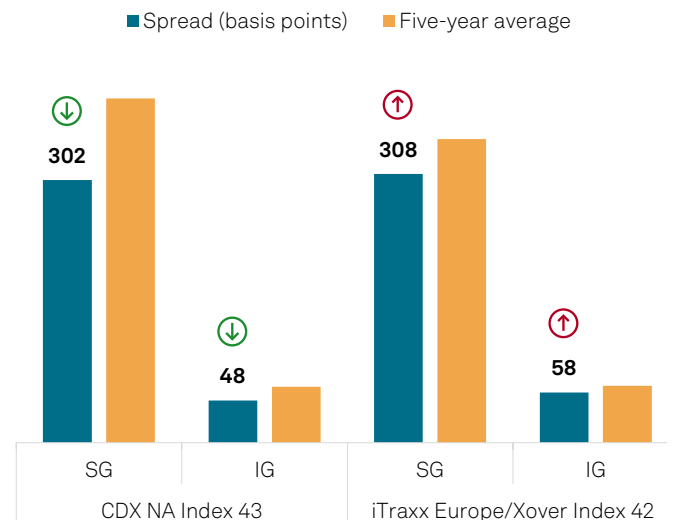


Chart 6

## CDS pricing



Data as of Nov. 28, 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: Defaults Up In An Otherwise Positive Week

Table 1

### Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Nov. 26, 2024	Upgrade	American Express Company	Financial institutions	U.S.	A-/Stable	BBB+/Positive	44,155
Nov. 26, 2024	Downgrade	Republic of Panama	Sovereign	Panama	BBB-/Stable	BBB/Negative	34,570
Nov. 26, 2024	Upgrade	United Airlines Holdings Inc,	Transportation	U.S.	BB/Stable	BB-/Stable	11,350
Nov. 26, 2024	Upgrade	ARES Capital Corp.	Financial institutions	U.S.	BBB/Stable	BBB-/Positive	9,430
Nov. 25, 2024	Upgrade	Leidos Holdings Inc.	Aerospace and defense	U.S.	BBB/Stable	BBB-/Stable	5,475
Nov. 28, 2024	Downgrade	Motion Midco Ltd	Media and entertainment	U.K.	B-/Stable	B/Stable	4,089
Nov. 26, 2024	Upgrade	Howmet Aerospace Inc	Aerospace and defense	U.S.	BBB/Stable	BBB-/Stable	4,055
Nov. 22, 2024	Upgrade	Marathon Oil Corp.	Oil and gas	U.S.	A-/Stable	BBB-/Watch Pos	4,000
Nov. 25, 2024	Upgrade	ZF Invest S.A.S	Retail/restaurants	France	B/Stable	B-/Positive	3,396
Nov. 28, 2024	Upgrade	Banco de Credito Social Cooperativo S.A.	Financial institutions	Spain	BBB-/Stable	BB+/Positive	2,464

Data as of Nov. 28, 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. 22, 2024	H-Food Holdings LLC	U.S.	Consumer products	D	CCC-	Bankruptcy
Nov. 22, 2024	LaserShip Inc.	U.S.	Transportation	SD	CCC-	Distressed exchange
Nov. 26, 2024	CD&R Vialto UK Intermediate 3 Ltd.	U.K.	Media and entertainment	SD	CC	Distressed exchange
Nov. 26, 2024	FinThrive Software Intermediate Holdings Inc.	U.S.	Health care	SD	CCC	Distressed exchange
Nov. 27, 2024	Confidential	Confidential	Utilities	D	CCC-	Confidential

Data as of Nov. 28, 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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