

This Week In Credit

Downgrades In Focus

This report does not constitute a rating action.

(Editor's note: This Week In Credit will take a short break. We plan to publish the next update on Jan. 13, 2025)

Dec. 16, 2024

Key Takeaways

- Despite a balanced week for rating actions, of the top seven by rated debt amount six were downgrades. Notably, we downgraded Intel Corp. for the third time this year.
- Downgrades included one fallen angel, U.S. financial institution Prospect Capital Corp. One issuer became a new Risky Credit (issuers in the 'CCC' rating category), consumer products issuer IM Group.
- All but one of this week's upgrades were to speculative-grade rated companies, primarily from issuers rated 'B' or below. There were no new rising stars.
- We lowered to 'SD' our ratings on U.S.-based retail/restaurants firm Empire Today LLC, due to a distressed exchange. One issuer with a confidential rating also defaulted.

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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
8	9	12	5	0	1	1	2

Industries most at risk			U.S. distress ratio
Net outlook bias	Potential fallen angels	Weakest links	
-19.0% Chemicals, packaging, and environmental services	6 Utilities	36 Consumer products	3.7%

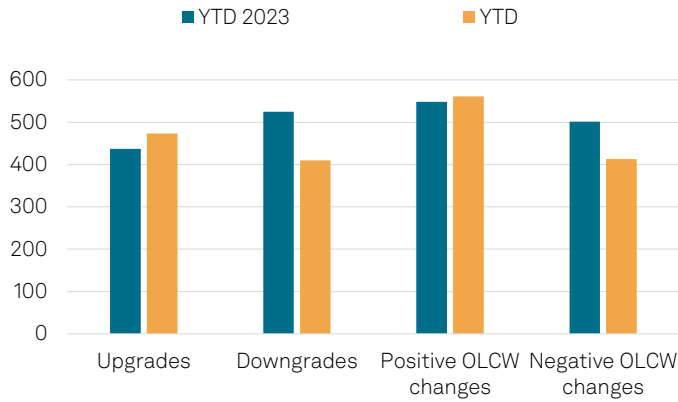
Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-8.1%	Net outlook bias	-3.8%	Net outlook bias	-1.3%
Potential fallen angels ratio	3.2%	Potential fallen angels ratio	3.4%	Potential fallen angels ratio	2.6%
Weakest links ratio	12.2%	Weakest links ratio	7.9%	Weakest links ratio	5.5%

Data as of Dec. 12, 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

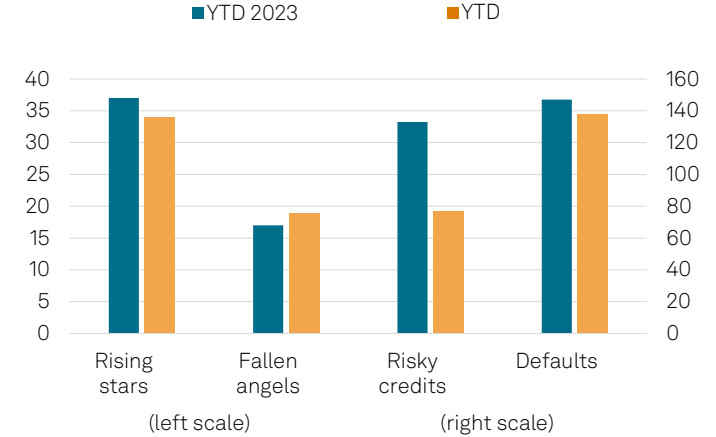
Rating actions Year-to-date total



Data as of Dec. 12, 2024 (2023 data is through Dec. 7). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions Year-to-date total

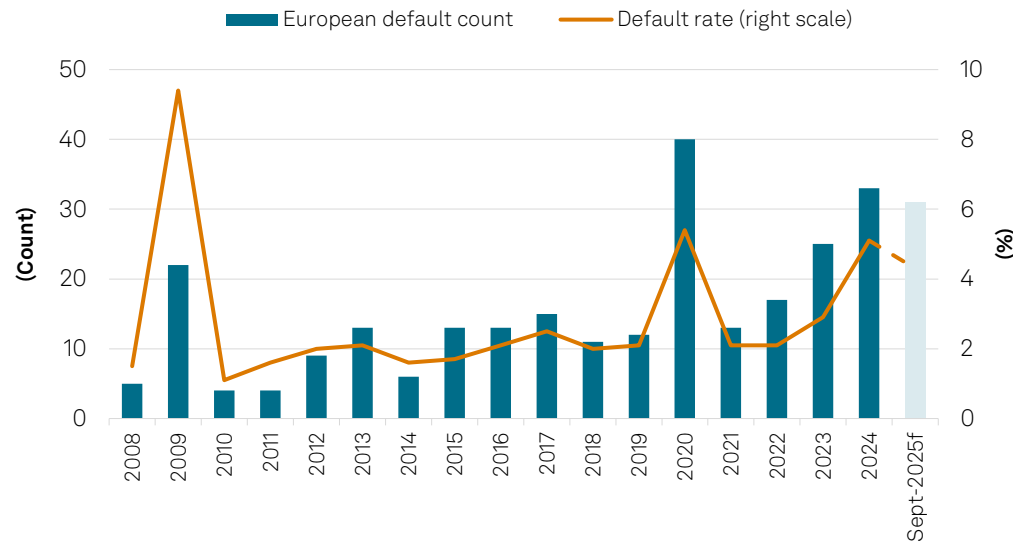


Data as of Dec. 12, 2024 (2023 data is through Dec. 7). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

European defaults remain elevated



This chart was first published in "[Default, Transition, and Recovery: Defaults On Track To Close The Year Below 2023 Levels](#)" on Dec. 11, 2024. Data as of Nov. 30, 2024. Data have been updated to reflect confidential issuers. Default rate is as of Nov. 30 for each year, the default rate as of Nov. 30, 2024, is estimated. f--Forecast. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of Dec. 11, 2024](#), Dec. 12, 2024

[Default, Transition, and Recovery: Global Speculative-Grade Corporate Default Rate To Decline To 3.5% By September 2025](#), Dec. 12, 2024

[Default, Transition, and Recovery: Defaults On Track To Close The Year Below 2023 Levels](#), Dec. 11, 2024

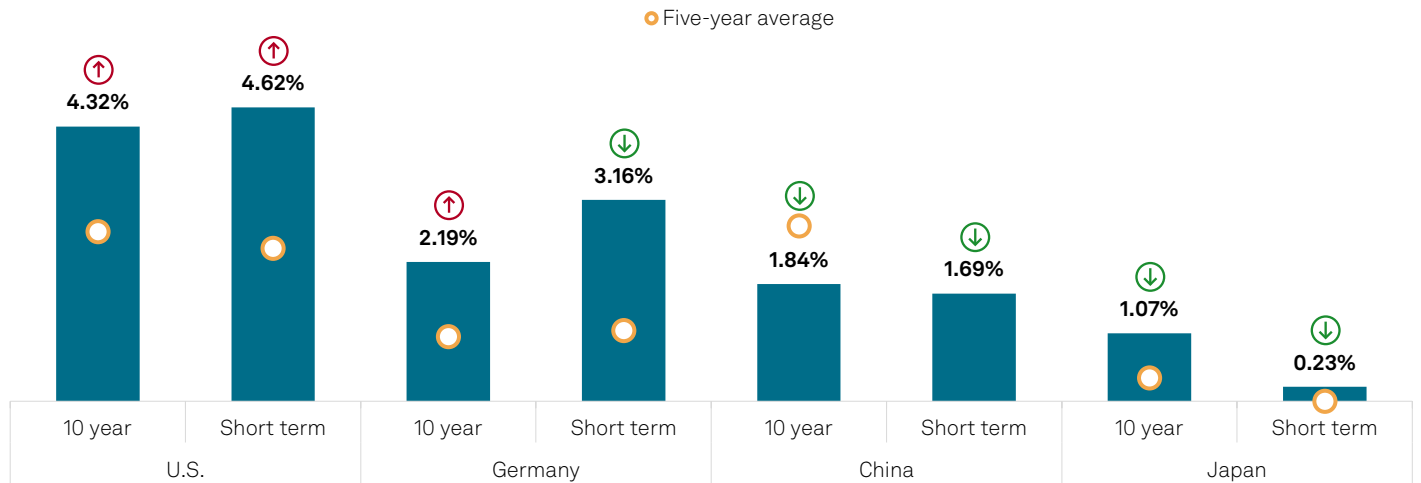
Upcoming Webinars

[Insurance In Focus](#), Dec. 17, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of Dec. 12, 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

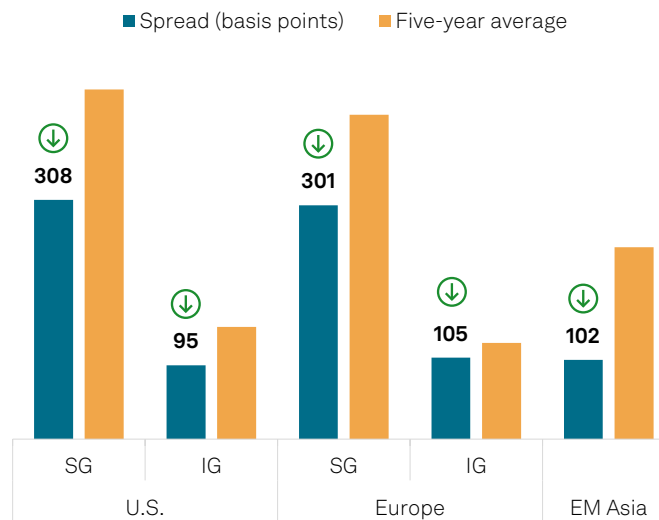
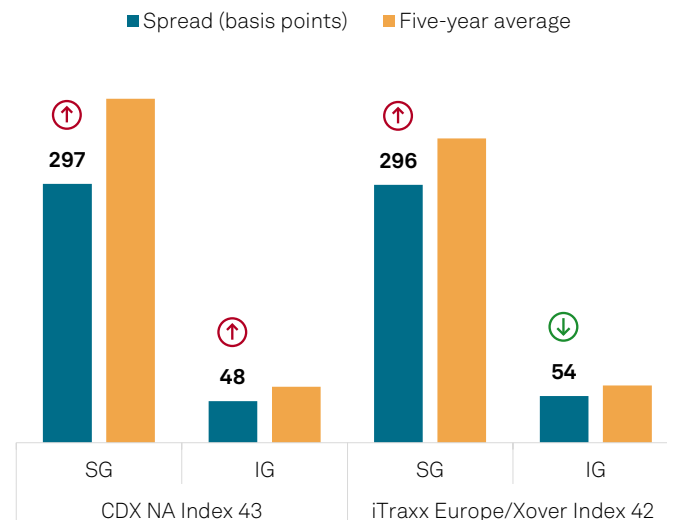


Chart 6

CDS pricing



Data as of Dec. 12, 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 In Focus

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Dec. 10, 2024	Downgrade	Intel Corp.	High technology	U.S.	BBB/Stable	BBB+/Negative	51,475
Dec. 11, 2024	Downgrade	Altice France S.A. (Altice Europe N.V.)	Telecommunications	France	CCC/Developing	CCC+/Developing	25,625
Dec. 9, 2024	Downgrade	Eversource Energy	Utilities	U.S.	BBB+/Stable	A-/Negative	23,283
Dec. 6, 2024	Downgrade	Prospect Capital Corp.	Financial institutions	U.S.	BB+/Stable	BBB-/Negative	13,631
Dec. 11, 2024	Upgrade	Grifols S.A.	Health care	Spain	B+/Stable	B/Stable	9,958
Dec. 6, 2024	Downgrade	Gray Television Inc.	Media and entertainment	U.S.	B-/Stable	B/Negative	6,625
Dec. 6, 2024	Downgrade	AMG Critical Materials N.V.	Metals, mining, and steel	Netherlands	B/Stable	B+/Stable	1,350
Dec. 11, 2024	Upgrade	Twilio Inc.	High technology	U.S.	BB+/Stable	BB/Stable	1,000
Dec. 9, 2024	Upgrade	Perimeter Holdings LLC, (Perimeter Solutions Inc.)	Chemicals, packaging and environmental services	U.S.	B+/Stable	B/Negative	675
Dec. 6, 2024	Upgrade	Enerflex Ltd.	Utilities	Canada	BB/Stable	BB-/Positive	625

Data as of Dec. 12, 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
Dec. 9, 2024	Confidential	Confidential	Consumer products	D	CCC-	Confidential
Dec. 11, 2024	Empire Today LLC	U.S.	Retail/restaurants	SD	CCC	Distressed exchange

Data as of Dec. 12, 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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