GlobalCapital Bond Awards 2020

S&P Global Ratings

Best Rating Agency for Corporate Bonds

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It is hard, if not impossible, to think of a single event that has changed the financial outlook for so many companies as quickly as the Covid-19 pandemic. Corporates, investors and other capital markets participants raced to grasp the implications, putting ratings agencies in the spotlight.

S&P Global Ratings immediately understood its two key aims. "Transparency and time to market were crucial for us," says Alexandra Dimitrijevic, managing director, global head of research.

When the pandemic struck the firm made all its macro and sectoral research related to the impact of Covid-19 available for free, creating a dedicated page on its website.

It also responded to investors' needs for more timely information. So, instead of its usual schedule of updating its macro forecasts every quarter, it moved to updating them as soon it had new information. "There was unprecedented speed of change, from the economic shut down, through to the recovery story," says Dimitrijevic. "It was really important to update the market because our macro views really underpin our credit analysis."

S&P has published more than 630 articles looking at the pandemic's sectoral impact. To help investors make sense of this flood of information, it provided bite-sized summaries. It also made its webinar series more frequent, moving to a weekly slot that attracted over 60,000 people during the first half of 2020, triple last year's audience.

It was also crucial to signal its changing views on ratings in as timely a manner as possible.

"Time to market absolutely does not mean we were quick to downgrade," says Dimitrijevic. "What we focused on was the resilience of corporates to a short recession and that was reflected in downgrades."

"There was unprecedented speed of change"

By September, it had made around 2,000 rating actions related to the twin issues of the pandemic and the oil price collapse, of which half were downgrades. Most downgrades were at the single-B level and below, with 80% of rating actions concentrated at speculative grade. "For these companies, it's really a question of survival," says Dimitrijevic.

In the spring, S&P focussed on the impact of Covid-19, but by July it had turned to the shape of the recovery. Helping investors understand the implications over the longer term is a central part of its operations.


Alexandra Dimitrijevic, managing director, global head of research


Lynn Maxwell, managing director, head of sales (EMEA)

Environmental, social and governance issues have become central in recent years and the pandemic accelerated the trend. Ever more investors are including ESG factors into their credit analysis or screening.

S&P launched ESG Evaluation, a new product, in 2019 to help investors and the product took off this year, says Lynn Maxwell, managing director, head of sales (EMEA). "It's a deep dive into the 'E', the 'S' and the 'G' of corporates but what further differentiates our offering is that it is focused on a company's preparedness for future challenges on these topics."

It takes into account a strategic dialogue with the entity's management about its ESG approach and then sustainable finance experts and credit analysts have an input. "We can bring in all the industry expertise and the knowledge of the company and its governance and strategy and then marry that to our ESG and sustainable finance expertise," says Maxwell.

S&P can also take pride in its work with the Bank of England during the crisis. The Covid Corporate Financing Facility, set up by the government and the Bank to help larger firms to bridge the disruption, required applicants to be considered investment grade whether or not they had a rating.

The firm worked with the Bank on its credit assessments for no fees. "We wanted very much to ensure that this programme could have the impact that it was intended to have," says Maxwell. GC