

This Week In Credit

Weekly Defaults Remain At Year-To-Date High

This report does not constitute a rating action.




April 15, 2024









Key Takeaways





- Last week's positive and negative rating actions and outlook changes were roughly equal, marking an easing of the credit-improvement momentum of the past two months.
- There were six defaults last week, equal to the prior week's year-to-date high. Distressed exchanges and bankruptcy filings each accounted for half the defaults.
- The addition of a new fallen angel last week, Chinese real estate developer China Vanke Co. Ltd., brought this year's count to five, compared to 10 rising stars for the year-to-date.
- It was a mixed week for credit pricing as benchmark yields increased at the longer end, CDS spreads widened, but corporate bond spreads dipped.










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
10 	9 	7 	6 	0 	1 	1 	6 

Industries most at risk			U.S. distress ratio
Net outlook bias Chemicals, packaging, and environmental services -17.7% 	Potential fallen angels 8 Homebuilders/real estate co. 	Weakest links 45 Consumer products 	5.3% 

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-9.7% 	Net outlook bias	-6.9% 	Net outlook bias	-2.5% 
Potential fallen angels ratio	3.6% 	Potential fallen angels ratio	3.7% 	Potential fallen angels ratio	1.0% 
Weakest links ratio	15.0% 	Weakest links ratio	8.9% 	Weakest links ratio	1.8% 

Data as of April 11, 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 and confidential rating actions. 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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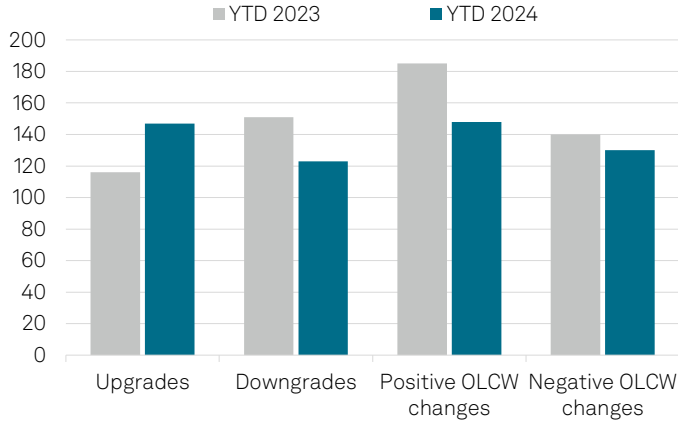
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Year To This Week

Chart 1

Rating actions

Year-to-date total and weekly average

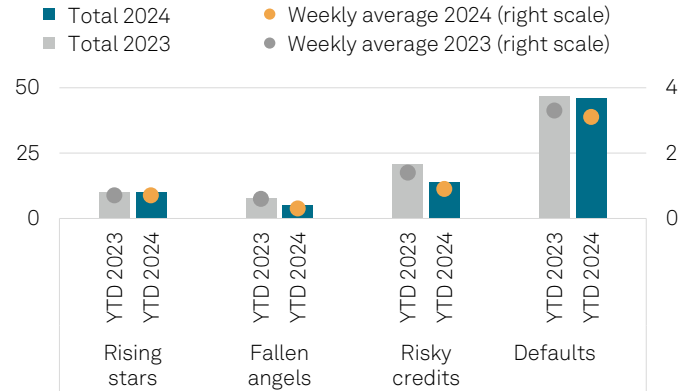


Data as of April 11, 2024 (2023 data is through April 11). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions

Year-to-date total and weekly average

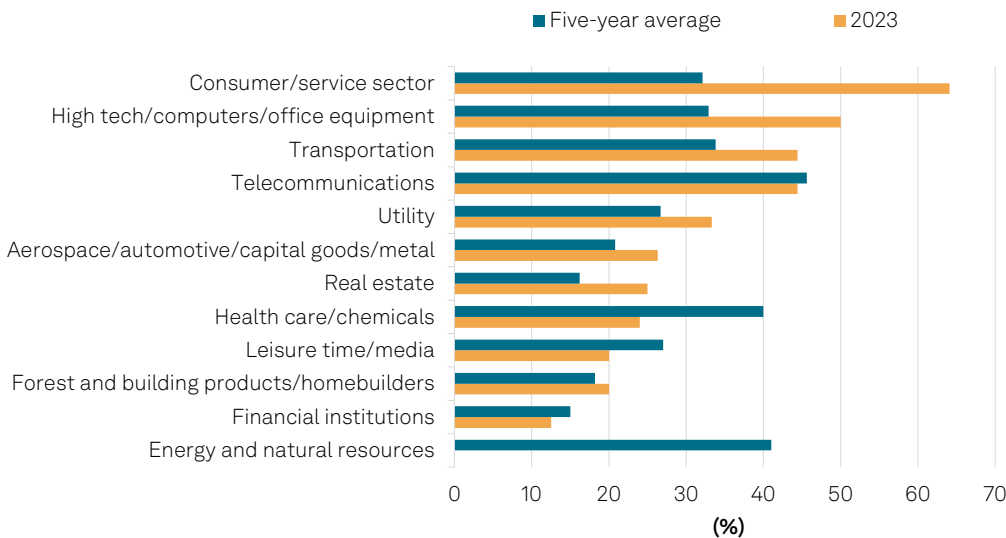


Data as of April 11, 2024 (2023 data is through April 11). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Percentage of issuers with previous defaults by sector



This chart was first published in "[Credit FAQ: The Rise of Repeat Defaulters](#)" on April 11, 2024. Source: S&P Global Ratings Credit Research & Insights; S&P Global Market Intelligence's CreditPro®.

Related Research

[U.S. Corporate Bond Yields As Of April 10, 2024](#), April 11, 2024

[Credit FAQ: The Rise of Repeat Defaulters](#), April 11, 2024

[The Ratings View: Apr. 10, 2024](#), April 10, 2024

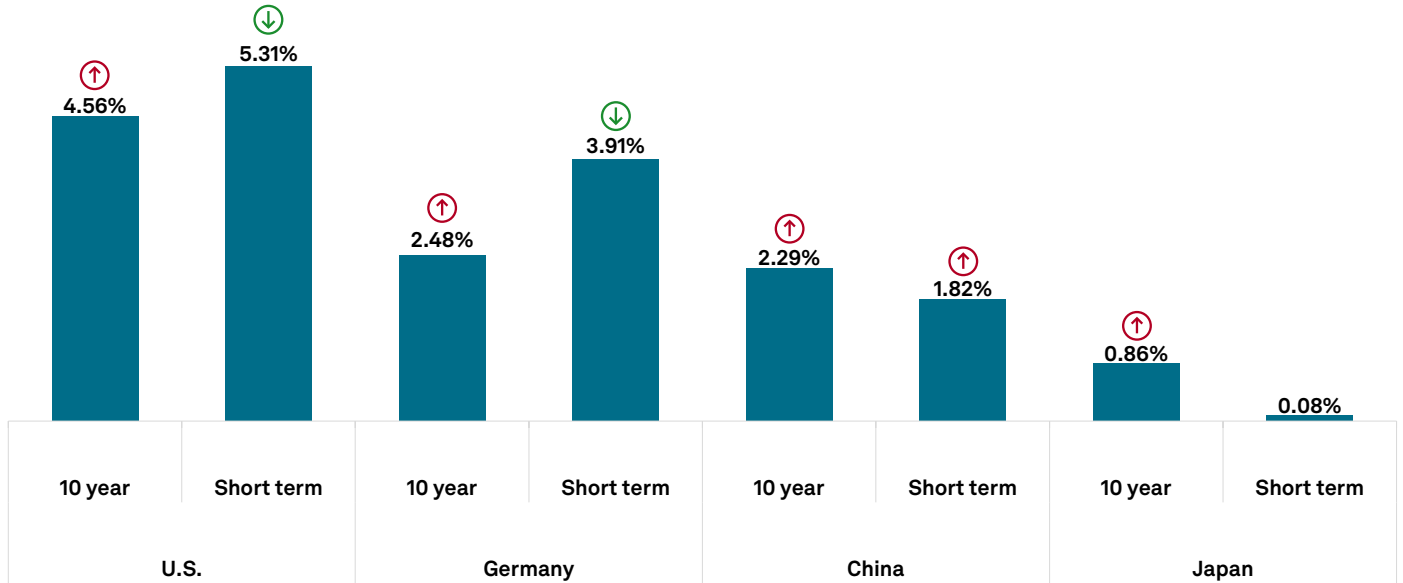
Upcoming Webinars

[Spotlight On Shadow Banks: Global Trends And APAC's Risk Realities](#), April 16, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of April 11, 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

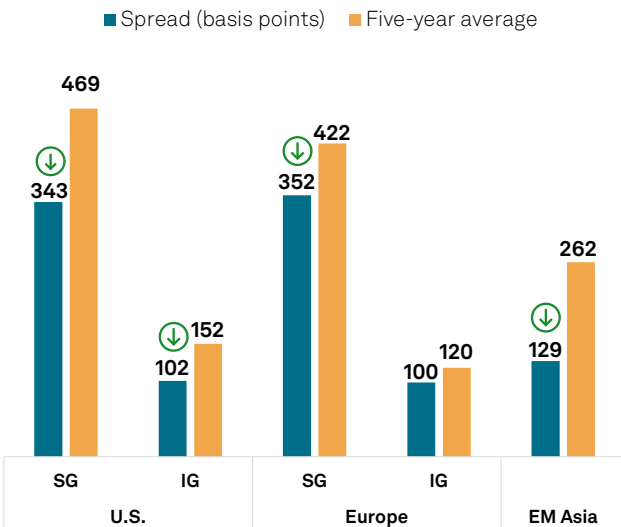
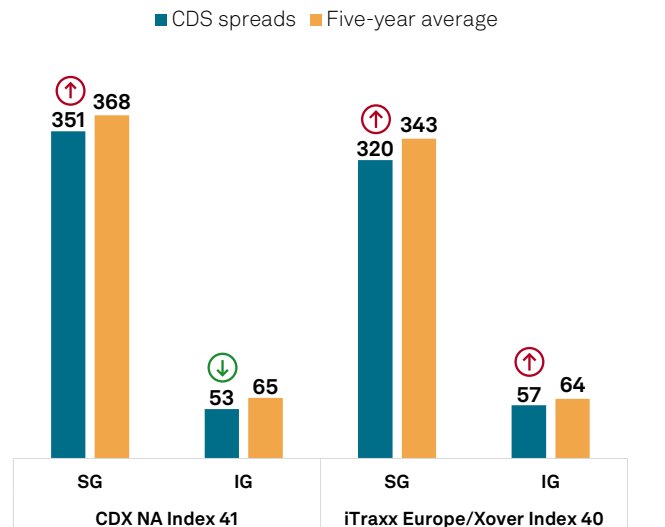


Chart 6

CDS pricing



Data as of April 11, 2024. The arrows indicate weekly trends. 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.

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Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
April 5, 2024	Downgrade	ARD Finance S.A. (ARD Securities Finance S.a.r.l.)	Chemicals, packaging, and environmental services	Luxembourg	B-/Negative	B/Stable	19,992
April 9, 2024	Downgrade	Entain PLC	Media and entertainment	U.K.	BB-/Stable	BB/Negative	4,743
April 10, 2024	Downgrade	China Vanke Co. Ltd.	Homebuilders/real estate Co.	China	BB+/Negative	BBB+/Watch Neg	2,593
April 11, 2024	Downgrade	Atos SE	High technology	France	CCC-/Negative	CCC/Negative	2,063
April 11, 2024	Upgrade	Five Point Holdings LLC,	Homebuilders/real estate Co.	U.S.	B-/Stable	CCC+/Negative	1,723
April 5, 2024	Downgrade	Petco Health and Wellness Co. Inc.,	Retail/restaurants	U.S.	B/Negative	B+/Stable	1,700
April 11, 2024	Upgrade	EquipmentShare.com Inc.,	Capital goods	U.S.	B/Stable	B-/Stable	1,440
April 5, 2024	Downgrade	ConvergeOne Holdings Inc.	Media and entertainment	U.S.	D/NM	CCC+/Stable	1,385
April 9, 2024	Upgrade	HERC Holdings Inc.	Capital goods	U.S.	BB/Stable	BB-/Positive	1,200
April 5, 2024	Downgrade	Baffinland Iron Mines Corp.	Metals, mining, and steel	Canada	SD/NM	CCC/Negative	1,150

Data as of April 11, 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. Source: S&P Global Ratings Credit Research & Insights. SD-- Selective default. D--Default.

Table 2

Last week's defaults

Date	Parent company	Country/market	Subsector	To	From	Reason
April 5, 2024	Arvos LuxCo S.a.r.l.	Luxembourg	Capital goods	D	CC	Distressed exchange
April 5, 2024	Baffinland Iron Mines Corp.	Canada	Metals, mining, and steel	SD	CCC	Distressed exchange
April 5, 2024	Casa Systems Inc.,	U.S.	High technology	D	CCC+	Bankruptcy
April 5, 2024	ConvergeOne Holdings Inc.	U.S.	Media and entertainment	D	CCC+	Bankruptcy
April 8, 2024	PHM Netherlands Midco B.V.	Netherlands	Forest products and building materials	SD	CCC+	Distressed exchange
April 10, 2024	99 cents only stores LLC	U.S.	Retail/restaurants	D	CCC	Bankruptcy

Data as of April 11, 2024. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®. Excludes local currency defaults. Preliminary data. SD--Selective default. D--Default.

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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 rated 'CCC+' and below with a negative outlook or CreditWatch placement.

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.

CPI--Consumer price index.

DR007--Seven-day repurchase rate for depository institutions.

EM--Emerging markets.

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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