

This Week In Credit

Positive Rating Momentum Resumes

This report does not constitute a rating action.

April 22, 2024

Key Takeaways

- After a brief pause, net positive rating developments picked up again last week, with positive rating actions or outlook revisions outnumbering the negative ones, 20 to 15.
- There were no defaults for the first time in four weeks, after two straight weeks with year-to-date highs of six each.
- The addition of a fallen angel (property and real estate company Longfor Group Holdings Ltd.) and two risky credits highlight persisting risks to generally positive rating trends since February.
- Credit pricing rose across the board as benchmark interest rates, bond spreads, and CDS spreads increased week on week, underscoring risks to credit performance.

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
7 ↓	9 ■	13 ↑	6 ■	0 ■	1 ■	2 ↑	0 ↓

Industries most at risk			U.S. distress ratio
Net outlook bias Chemicals, packaging, and environmental services -17.3% ↑	Potential fallen angels 8 Homebuilders/real estate co. ■	Weakest links 45 Consumer products ■	5.6% ↑

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-9.7% ■	Net outlook bias	-7.1% ↓	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	9.3% ↑	Weakest links ratio	3.6% ↑

Data as of April 18, 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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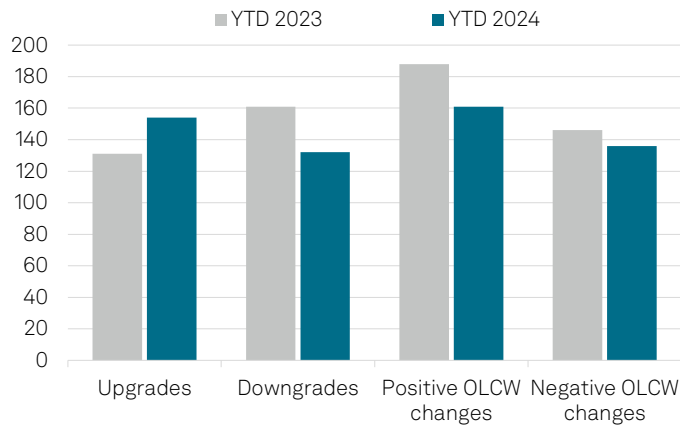
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Year To This Week

Chart 1

Rating actions

Year-to-date total and weekly average

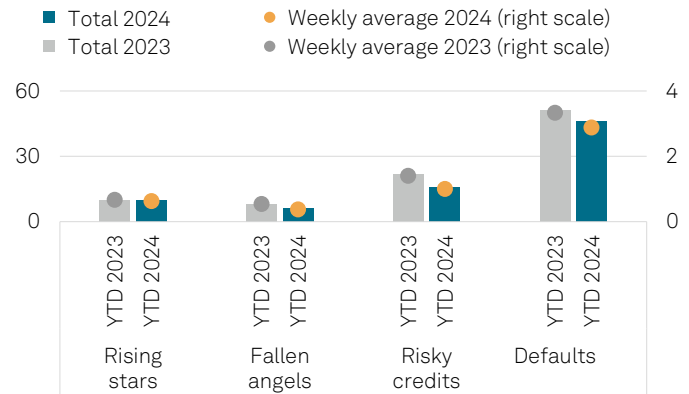


Data as of April 18, 2024 (2023 data is through April 18). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions

Year-to-date total and weekly average

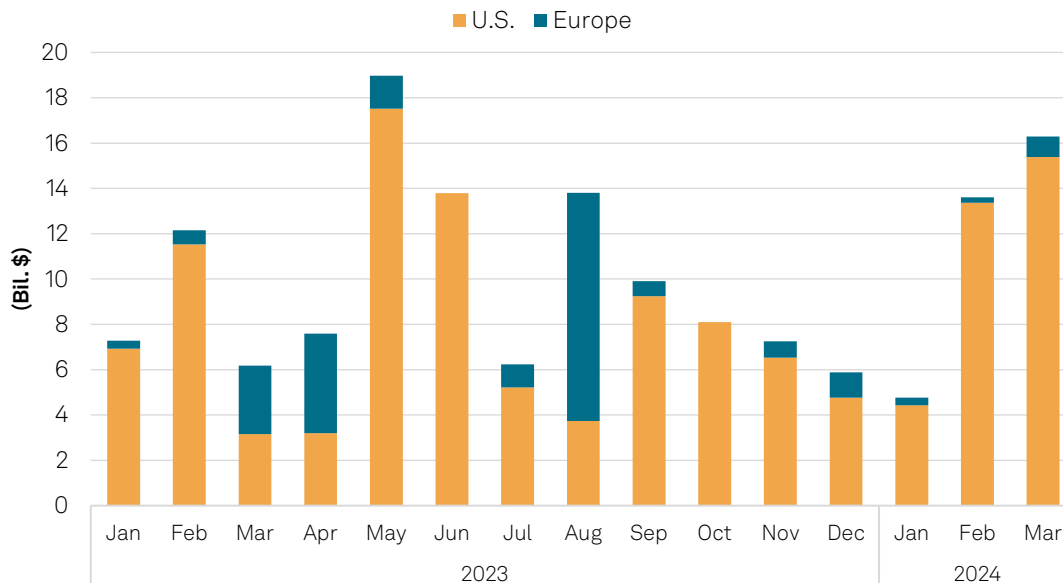


Data as of April 18, 2024 (2023 data is through April 18). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

U.S.-based entities lead the cumulative defaulted debt volumes



This chart was first published in [“Default, Transition, and Recovery: Global Defaults Are Still High Despite Dipping In March”](#), April 16, 2024. Data as of March 31, 2024. Data has been updated to reflect confidential issuers. Defaulted debt is the volume of debt upon which the issuer defaulted at the issuer level. Sources: S&P Global Ratings Credit Research & Insights.

Related Research

[U.S. Corporate Bond Yields As Of April 17, 2024](#), April 18, 2024

[Default, Transition, and Recovery: Global Defaults Are Still High Despite Dipping In March](#), April 16, 2024

[Ratings Performance Insights Q1 2024 : Ray Of Sunlight](#), April 16, 2024

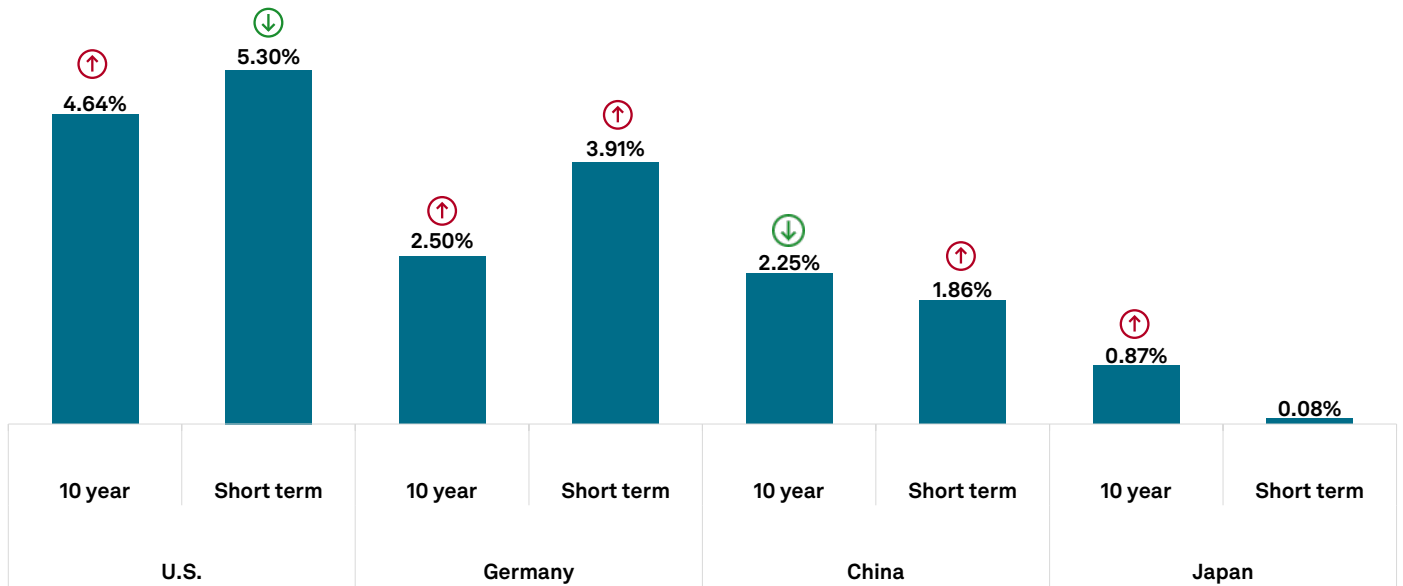
Upcoming Webinars

[Asia-Pacific 2Q 2024 Banking Update: As Good As It Gets](#), April 24, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of April 18, 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

■ Spread (basis points) ■ Five-year average

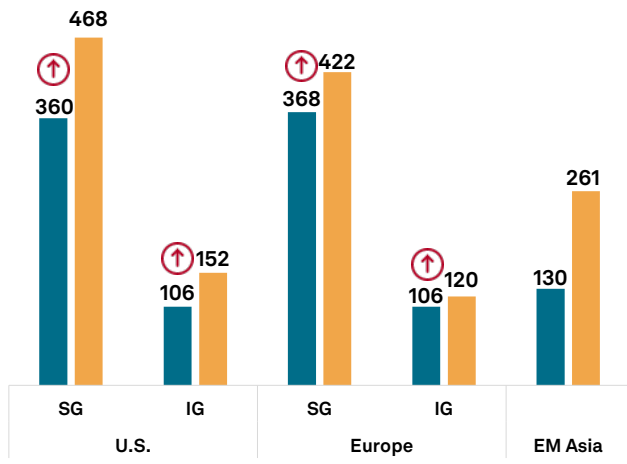
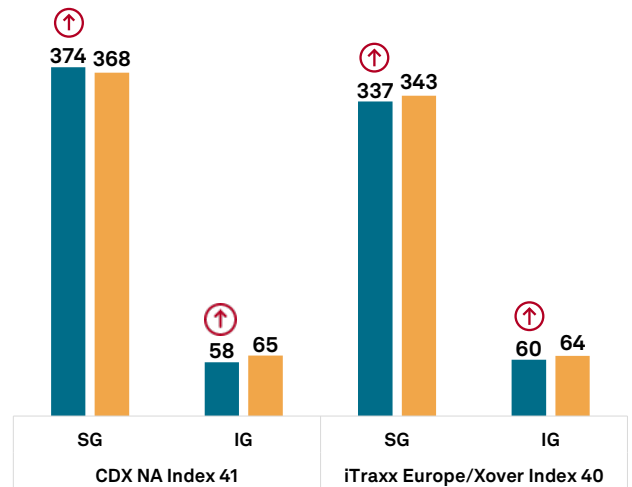


Chart 6

CDS pricing

■ CDS spreads ■ Five-year average



Data as of April 18, 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 18, 2024	Upgrade	Bausch Health Companies Inc.	Health care	Canada	CCC+/Negative	CCC/Negative	45,650
April 18, 2024	Downgrade	State of Israel	Sovereign	Israel	A+/Negative	AA-/Negative	43,194
April 15, 2024	Downgrade	Kering S.A.	Consumer products	France	A-/Stable	A/Negative	11,574
April 18, 2024	Downgrade	Global Medical Response Inc. (Air Medical Holdings LLC)	Health care	U.S.	CC/Negative	CCC+/Negative	4,474
April 12, 2024	Upgrade	Michaels Companies Inc., (The)	Retail/restaurants	U.S.	B-/Stable	CCC+/Negative	4,100
April 16, 2024	Upgrade	Vallourec	Oil and gas	France	BB+/Stable	BB/Positive	1,908
April 12, 2024	Downgrade	Pathway Vet Alliance LLC	Health care	U.S.	CCC+/Negative	B-/Negative	1,560
April 12, 2024	Downgrade	Longfor Group Holdings Ltd.	Homebuilders/real estate co.	Cayman Islands	BB+/Negative	BBB-/Stable	1,500
April 16, 2024	Upgrade	Shea Homes L.P.	Homebuilders/real estate co.	U.S.	BB-/Stable	B+/Stable	1,500
April 18, 2024	Upgrade	Getlink S.E.	Transportation	France	BB/Stable	BB-/Positive	904

Data as of April 18, 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
No defaults this week	--	--	--	--	--	--

Data as of April 18, 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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