

This Week In Credit

Upgrades Nearly Triple Downgrades

This report does not constitute a rating action.

July 8, 2024

Key Takeaways

- Rating activity last week was slightly higher than the week before. While the number of upgrades was nearly triple that of downgrades, changes in outlooks and CreditWatch placements were balanced.
- There was only one default last week, due to a distressed exchange by the Swedish real estate company Samhallsbyggnadsbolaget i Norden AB. Comparatively, there have been an average of nearly three defaults weekly in the year to date.
- We added two risky credits to our list, both are U.S. nonfinancial corporates. Out of the 34 new risky credits this year, 25 are U.S. issuers.
- Despite a mixed week for benchmark yields, corporate and CDS spreads tightened across regions.

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
14	5	9	8	0	0	2	1

Industries most at risk			U.S. distress ratio
Net outlook bias Chemicals, packaging, and environmental services -17.9%	Potential fallen angels Homebuilders/real estate co. 6	Weakest links Consumer products 40	6.0%

Ratings at a glance								
North America			Europe			Asia-Pacific		
Net outlook bias	-9.6%		Net outlook bias	-4.0		Net outlook bias	-0.8%	
Potential fallen angels ratio	3.6%		Potential fallen angels ratio	2.8%		Potential fallen angels ratio	1.0%	
Weakest links ratio	14.3%		Weakest links ratio	8.0%		Weakest links ratio	7.0%	

Data as of July 4, 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.

Contacts

Sarah Limbach
Paris
+33-14-420-6708
sarah.limbach@spglobal.com

Patrick Drury Byrne
Dublin
+353-1-568-0605
patrick.drurybyrne@spglobal.com

Vincent Conti
Singapore
+65-6216-1188
vincent.conti@spglobal.com

Media Contacts

Jeff Sexton
New York
jeff.sexton@spglobal.com

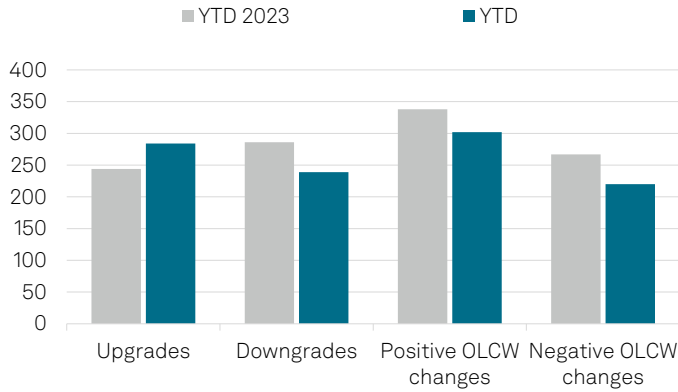
Michelle James
London
michelle.james@spglobal.com

Michelle Lei
Beijing
michelle.lei@spglobal.com

Year To This Week

Chart 1

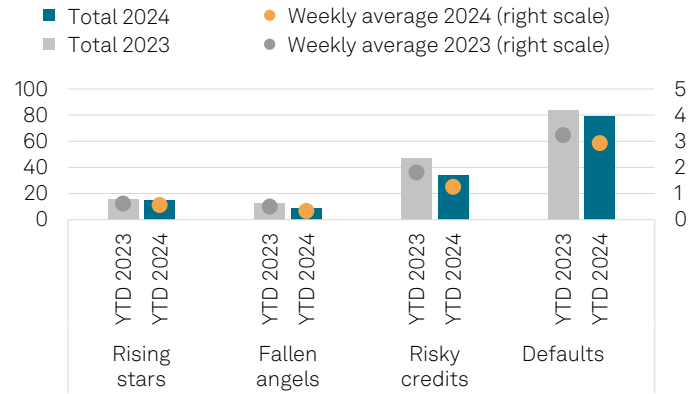
Rating actions Year-to-date total



Data as of July 4, 2024 (2023 data is through July 4). 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



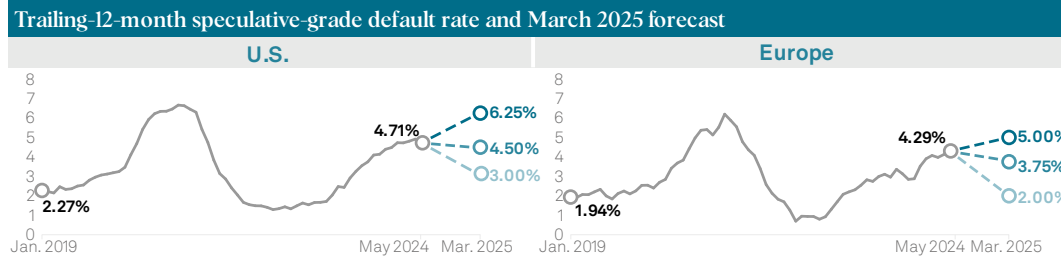
Data as of July 4, 2024 (2023 data is through July 4). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Global Credit Conditions Q3 2024

Global credit conditions: key highlights		
<p>Slower GDP growth in 2024</p> <p>Global: 3.3%</p> <p>U.S.: 2.5%, eurozone: 0.7%, China: 4.8%</p>	<p>Trade vulnerability</p> <p>% of GDP from imports and exports, 2022 figures</p> <p>U.S.: 27.4%</p> <p>China: 38.1%</p> <p>World: 62.6%</p>	<p>Diverging rates ahead</p> <p>Year-end policy rates for 2024</p> <p>U.S.: 5.3%, Europe: 3.4%, Japan: 0.25%, China: 2.5%</p>
<p>Falling negative outlook bias</p> <p>As of June 17, 2024</p> <p>Investment-grade: 9.7%</p> <p>Speculative-grade: 18.9%</p> <p>'B-' & lower: 34.8%</p>	<p>'CCC+' and lower</p> <p>All corporates (% of all spec-grade)</p> <p>As of May 31, 2024</p> <p>Global: 10.1%</p> <p>U.S.: 11.7%</p> <p>Europe: 9.1%</p> <p>RoW: 5.7%</p>	<p>Corporate debt</p> <p>As of April 1, 2024</p> <p>\$1.26 tril.</p> <p>rated 'B-' or lower and 76% due through 2028</p>



This chart was first published in "Global Credit Conditions Q3 2024 Soft Landing, Fragmenting Trajectories," July 1, 2024. Note: China's one-year medium-term lending facility (MLF) rate is shown, as is the ECB's refi rate. ROW--Rest of the world. Q--Quarter. Trade is the sum of exports and imports of goods and services measured as a share of gross domestic product. Source: Worldbank, S&P Global Ratings.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of July 3, 2024](#), July 4, 2024

[Global Credit Conditions Q3 2024 Soft Landing, Fragmenting Trajectories](#), July 1, 2024

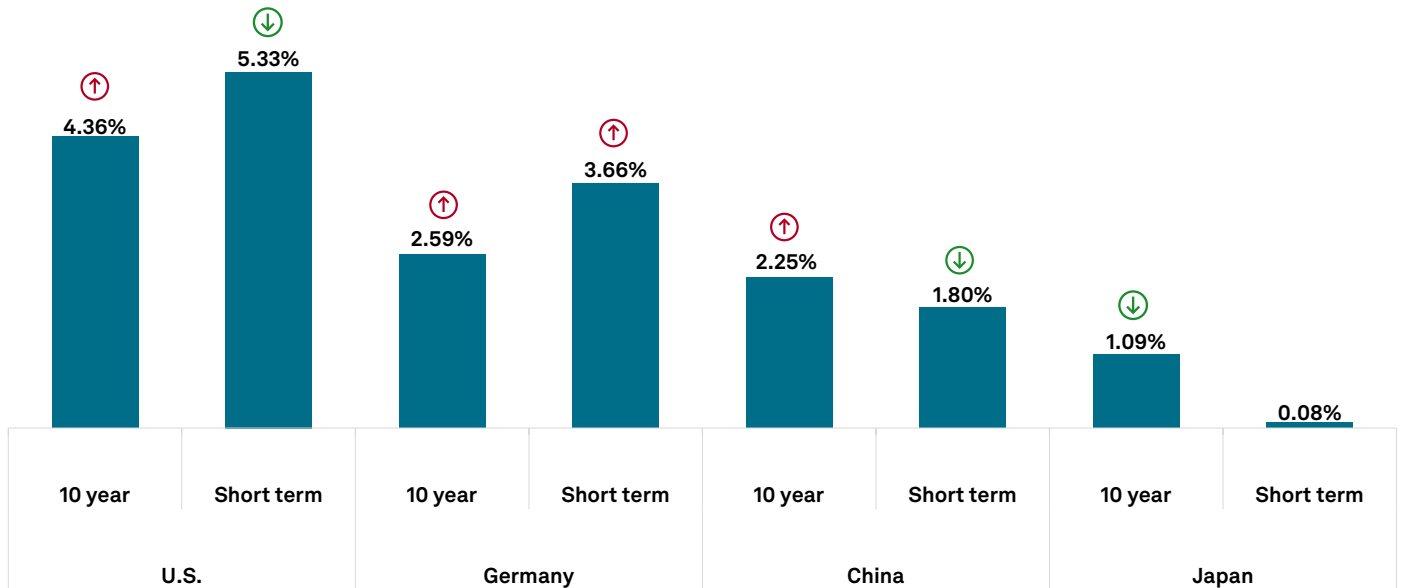
Upcoming Webinars

[Global Credit Conditions Q3: Soft Landing, Fragmenting Trajectories \(Americas/EMEA Session\)](#), July 9, 2024

Credit Market Conditions

Chart 4

Benchmark yields

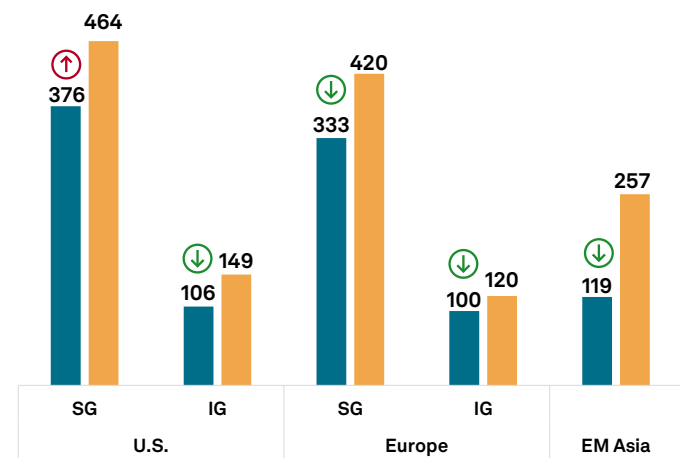


Data as of July 4, 2024. U.S. yields as of July 3, 2024. Source: S&P Global Ratings Credit Research & Insights, Refinitiv, ICE Data Indices, Federal Reserve Bank of St. Louis. Economics & Country Risk from IHS Markit. Short-term rates: U.S., SOFR; Germany, euro short-term rate; China, DR007; and Japan, uncollateralized overnight call rate.

Chart 5

Secondary market credit spreads

■ Spread (basis points) ■ Five-year average

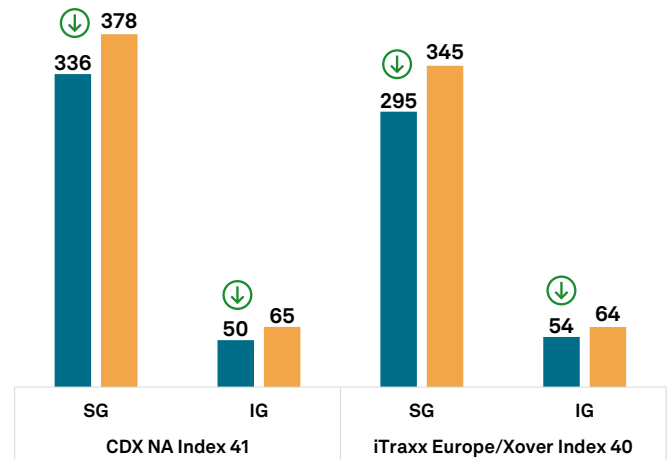


Data as of July 4, 2024. The arrows indicate weekly trends. Sources: S&P Global Ratings Credit Research & Insights, ICE Data Indices LLC, ICE BofA Euro High-Yield Index Option-Adjusted Spread, retrieved from the Federal Reserve Bank of St. Louis, S&P Global Market Intelligence.

Chart 6

CDS pricing

■ CDS spreads ■ Five-year average



This Week In Credit: Upgrades Nearly Triple Downgrades

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
July 1, 2024	Upgrade	Six Flags Entertainment Corp.	Media and entertainment	U.S.	BB/Stable	B+/Watch Pos	9,354
July 4, 2024	Upgrade	Eurobank Ergasias Services and Holdings SA	Financial institutions	Greece	BB-/Positive	B+/Positive	4,457
July 4, 2024	Upgrade	Alpha Services and Holdings Societe Anonyme	Financial institutions	Greece	B+/Positive	B/Positive	3,490
July 3, 2024	Downgrade	Samhallsbyggnadsbolaget i Norden AB (publ)	Homebuilders/real estate co.	Sweden	SD/NM	CCC/Negative	3,487
July 4, 2024	Upgrade	Piraeus Financial Holdings S.A.	Financial institutions	Greece	B+/Positive	B/Positive	3,061
July 2, 2024	Downgrade	Rockwell Automation Inc.	Capital goods	U.S.	A-/Stable	A/Negative	2,900
July 2, 2024	Upgrade	Range Resources Corp.	Oil and gas	U.S.	BB+/Stable	BB/Stable	1,850
July 4, 2024	Upgrade	National Bank of Greece S.A.	Financial institutions	Greece	BB+/Positive	BB/Positive	1,757
June 28, 2024	Upgrade	Kite Realty Group Trust	Homebuilders/real estate co.	U.S.	BBB/Stable	BBB-/Positive	1,575
July 1, 2024	Upgrade	Cablevision Lightpath LLC (Altice USA Inc.)	Telecommunications	U.S.	B/Stable	B-/Watch Neg	1,465

Data as of July 4, 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
July 3, 2024	Samhallsbyggnadsbolaget i Norden AB (publ)	Sweden	Homebuilders/real estate co.	SD	CCC	Distressed exchange

Data as of July 4, 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®.

Research Contributors

Suresh Kasa
Mumbai

Amol Nakashe
Mumbai

Deegant Pandya
New York

Bushra Dawawala
Mumbai

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](#)."

This Week In Credit: Upgrades Nearly Triple Downgrades

Copyright © 2024 by S&P Global Ratings Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Ratings Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its websites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of S&P Global Ratings Financial Services LLC.