

# This Week In Credit

## Two Defaults In A Light Week For Rating Activity

This report does not constitute a rating action.

July 22, 2024

### Key Takeaways

- Downgrades outnumbered upgrades for the first time since May, albeit in a light week for rating activity.
- There were two defaults last week--Netherlands-based electricity producer DTEK Renewables B.V. and U.S.-based skincare company Rodan & Fields LLC.
- We added two risky credits (issuers downgraded into the 'CCC' category) to our list last week--Allen Media, LLC and CMG Media Corporation, both U.S. issuers from the media and entertainment sector.
- CDS spreads widened across the board, but remain well below five-year averages.

### 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
6	7	9	7	0	0	2	2

Industries most at risk			U.S. distress ratio
<b>Net outlook bias</b> Chemicals, packaging, and environmental services <b>-18.5%</b>	<b>Potential fallen angels</b> 6 Homebuilders/real estate co.	<b>Weakest links</b> 37 Consumer products	<b>5.7%</b>

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	<b>-9.6%</b>	Net outlook bias	<b>-4.1</b>	Net outlook bias	<b>-0.6%</b>
Potential fallen angels ratio	<b>3.4%</b>	Potential fallen angels ratio	<b>2.8%</b>	Potential fallen angels ratio	<b>1.0%</b>
Weakest links ratio	<b>14.3%</b>	Weakest links ratio	<b>8.0%</b>	Weakest links ratio	<b>7.0%</b>

Data as of July 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. 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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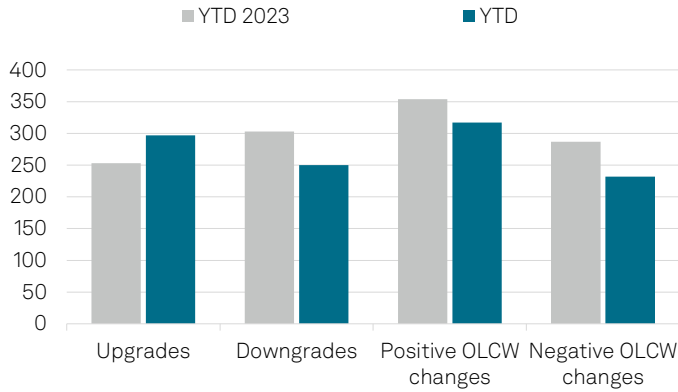
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## Year To This Week

Chart 1

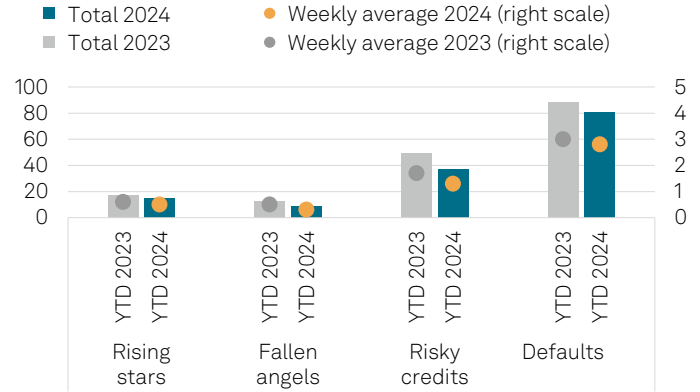
### Rating actions Year-to-date total



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

Chart 2

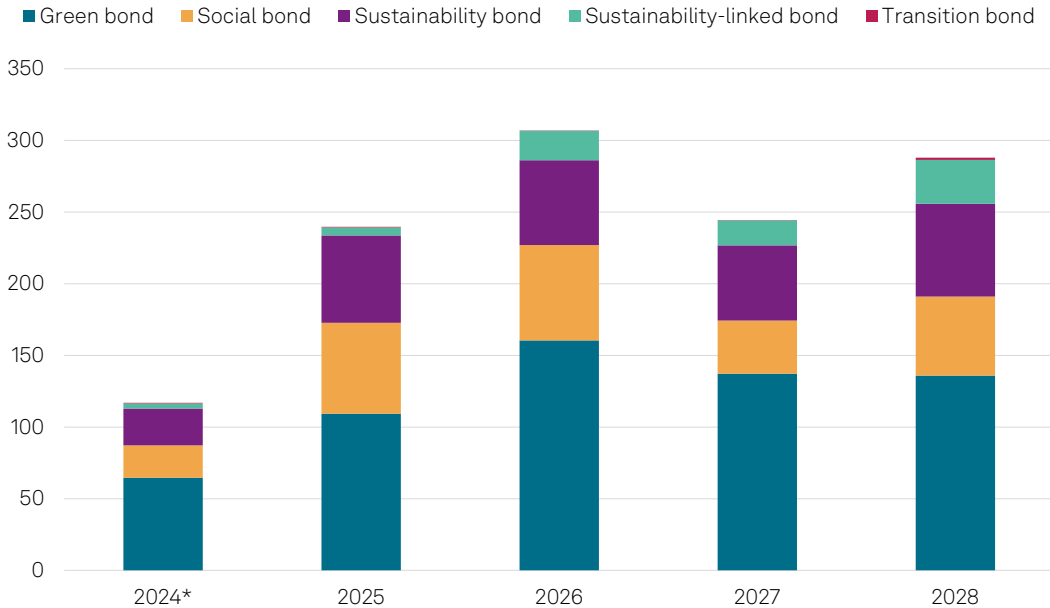
### Rating transitions Year-to-date total and weekly average



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

Chart 3

### Green bonds represent more than half of GSSSB maturities through 2028 (Bil. \$)



This chart was first published in "Green, Social, And Sustainable Debt Maturities Approach \$1.2 Trillion Through 2028" July 17, 2024. \*From April 1, 2024, to Dec. 31, 2024. Data as of April 1. Sources: Environmental Finance, S&P Global Market Intelligence, S&P Global Ratings Credit Research & Insights.

## Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of July 17 2024](#), July 18, 2024

[Green, Social, And Sustainable Debt Maturities Approach \\$1.2 Trillion Through 2028](#), July 17, 2024

[Default, Transition, and Recovery: Defaults Drop In June](#), July 17, 2024

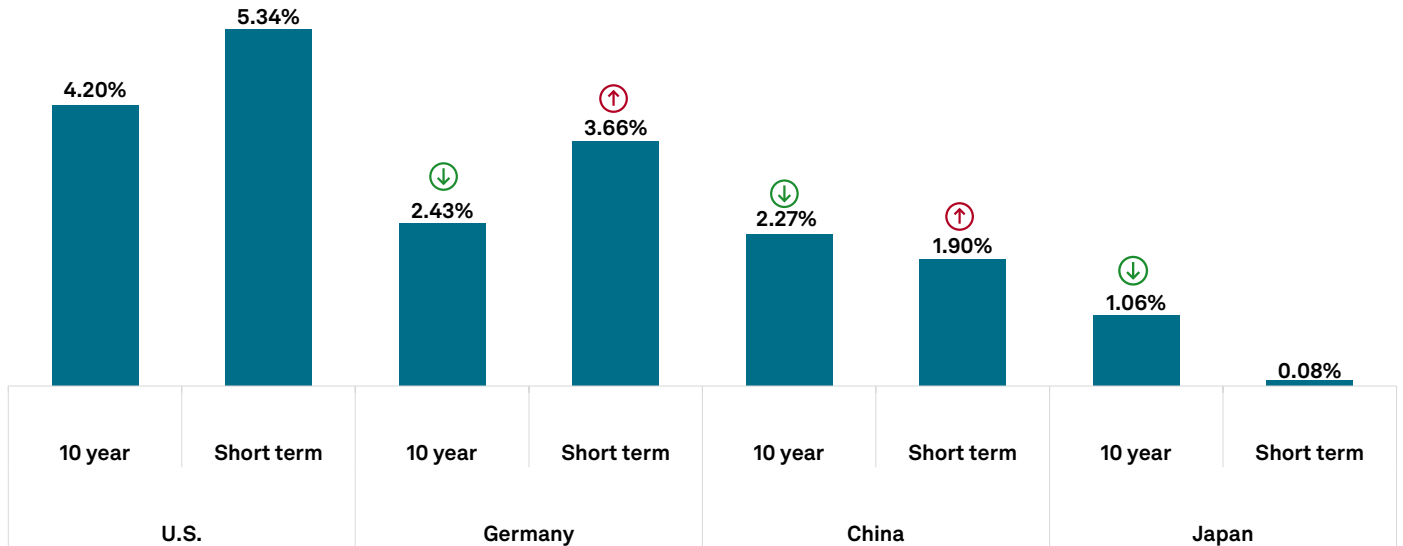
## Upcoming Webinars

[Cyber Risk Insights: Through the APAC Lens](#), July 24, 2024

## Credit Market Conditions

Chart 4

### Benchmark yields

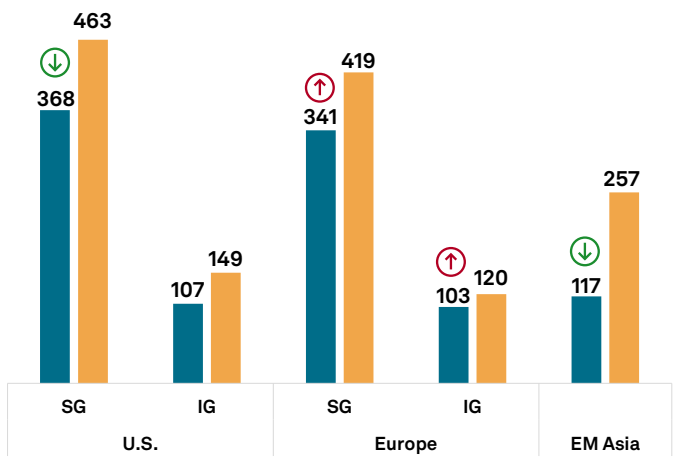


Data as of July 18, 2024. Source: S&P Global Ratings Credit Research & Insights, Refinitiv, ICE Data Indices, Federal Reserve Bank of St. Louis. Economics & Country Risk from IHS Markit. Short-term rates: U.S., SOFR; Germany, euro short-term rate; China, DR007; and Japan, uncollateralized overnight call rate.

Chart 5

### Secondary market credit spreads

■ Spread (basis points) ■ Five-year average

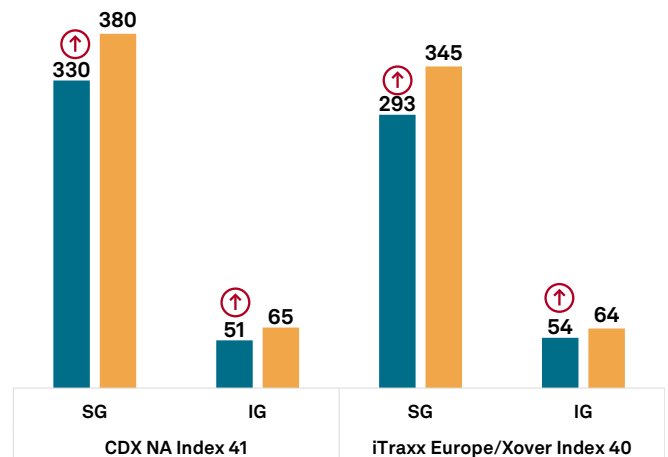


Data as of July 18, 2024. The arrows indicate weekly trends. SG--Speculative grade. IG--Investment grade. EM--Emerging market. Sources: S&P Global Ratings Credit Research & Insights, ICE Data Indices LLC, ICE BofA Euro High-Yield Index Option-Adjusted Spread, retrieved from the Federal Reserve Bank of St. Louis, S&P Global Market Intelligence.

Chart 6

### CDS pricing

■ CDS spreads ■ Five-year average



## This Week In Credit: Two Defaults In A Light Week For Rating Activity

Table 1

### Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
July 15, 2024	Upgrade	BPCE	Financial institutions	France	A+/Stable	A/Stable	108,193
July 16, 2024	Upgrade	General Dynamics Corp.	Aerospace and defense	U.S.	A/Stable	A-/Positive	9,250
July 12, 2024	Downgrade	Intrum AB (publ)	Financial institutions	Sweden	CC/Negative	CCC/Negative	4,166
July 17, 2024	Upgrade	Summit Midstream Partners LP	Utilities	U.S.	B+/Stable	B/Positive	3,320
July 18, 2024	Downgrade	CMG Media Corp. (CMG Holdings Inc.)	Media and entertainment	U.S.	CCC+/Negative	B-/Watch Neg	3,169
July 12, 2024	Downgrade	Medical Solutions Parent Holdings Inc.	Health care	U.S.	B-/Stable	B/Stable	1,520
July 18, 2024	Downgrade	Allen Media LLC	Media and entertainment	U.S.	CCC+/Negative	B-/Stable	1,505
July 12, 2024	Downgrade	Ingenovis Health Inc.	Health care	U.S.	B-/Stable	B/Stable	830
July 18, 2024	Upgrade	FAGE International S.A	Consumer products	Luxembourg	BB/Stable	BB-/Stable	640
July 15, 2024	Upgrade	Speedway Motorsports LLC	Media and entertainment	U.S.	BB+/Stable	BB/Positive	600

Data as of July 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. 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 18, 2024	DTEK Renewables B.V.	Netherlands	Utilities	SD	CCC-	Distressed exchange
July 18, 2024	Rodan & Fields LLC,	U.S.	Consumer products	D	CCC-	Missed payments

Data as of July 18, 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.

**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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