

This Week In Credit

Positive Rating Actions On The Up

This report does not constitute a rating action.

Sept. 9, 2024

Key Takeaways

- Positive rating actions outnumbered negative actions by a factor of four last week. Rating activity was almost exclusively concentrated among speculative-grade rated issuers.
- Harbour Energy PLC, a U.K.-based issuer from the oil and gas sector, became 2024's 21st rising star.
- There were no defaults last week, compared to three defaults the previous week.

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
8 ■	2 ↓	12 ↓	3 ↓	1 ■	0 ■	1 ↓	0 ↓

Industries most at risk			U.S. distress ratio
Net outlook bias Chemicals, packaging, and environmental services -17.9% ↑	Potential fallen angels 8 Utility ↑	Weakest links 36 Consumer products ■	5.4% ↓

Ratings at a glance					
North America		Europe		Asia-Pacific	
Net outlook bias	-9.2% ↑	Net outlook bias	-3.6% ↓	Net outlook bias	0.0% ↑
Potential fallen angels ratio	3.6% ■	Potential fallen angels ratio	2.8% ↑	Potential fallen angels ratio	1.5% ↑
Weakest links ratio	13.7% ↓	Weakest links ratio	7.6% ■	Weakest links ratio	5.4% ■

Data as of Sept. 5, 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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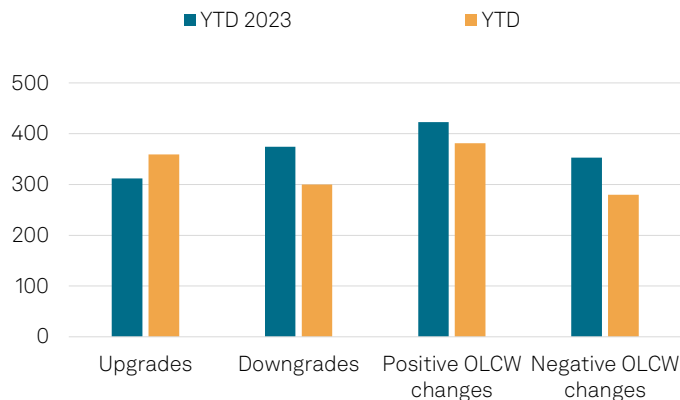
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Year To This Week

Chart 1

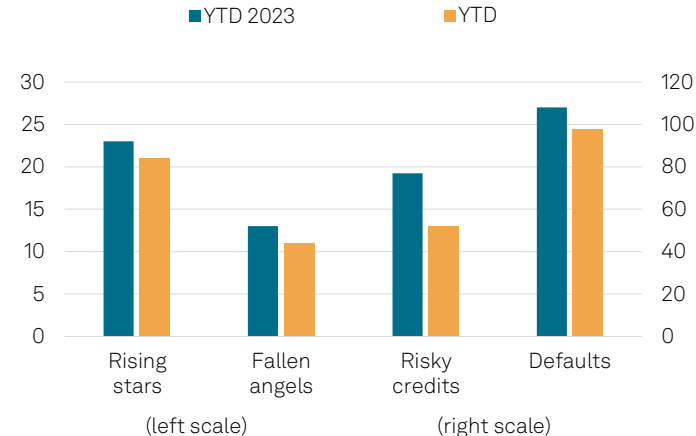
Rating actions Year-to-date total



Data as of Sept. 5, 2024 (2023 data is through Sept. 5). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions Year-to-date total

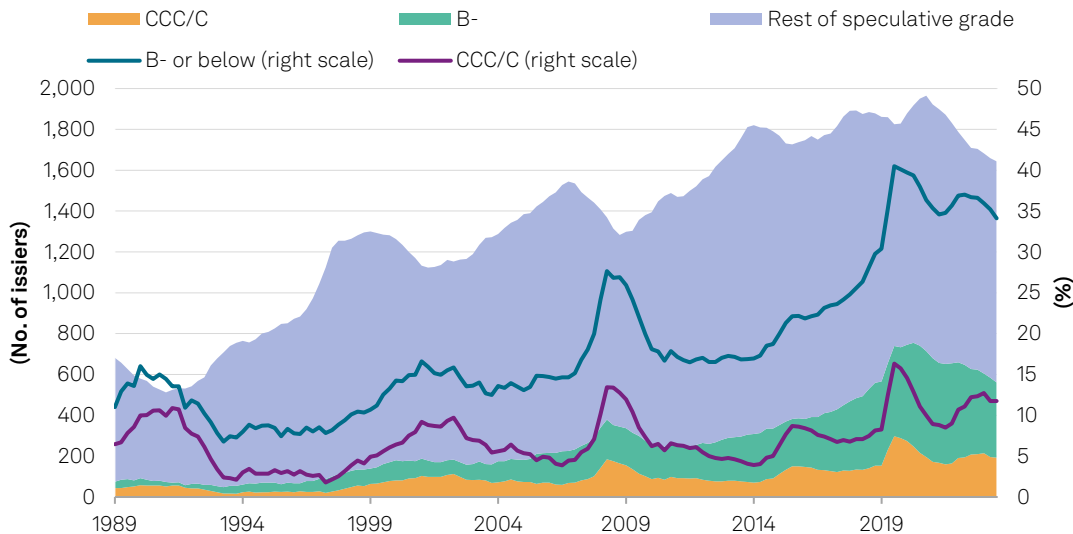


Data as of Sept. 5, 2024 (2023 data is through Sept. 5). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Sustained market volatility could strain a more vulnerable speculative-grade issuer population in our downside scenario



This chart was first published in "The U.S. Speculative-Grade Corporate Default Rate Will Continue Its Descent, Reaching 3.75% By June 2025," on August 19, 2024. Sources: S&P Global Market Intelligence's CreditPro and S&P Global Ratings Credit Research & Insights.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of September 4 2024](#), September 5, 2024

[CreditWeek: Will A Decline In Corporate Defaults Come As Quickly As Their Recent Rise?](#), September 5, 2024

[The European Speculative-Grade Default Rate Will Level Out At 4.25% By June 2025](#), August 22, 2024

[The U.S. Speculative-Grade Corporate Default Rate Will Continue Its Descent, Reaching 3.75% By June 2025](#), August 19, 2024

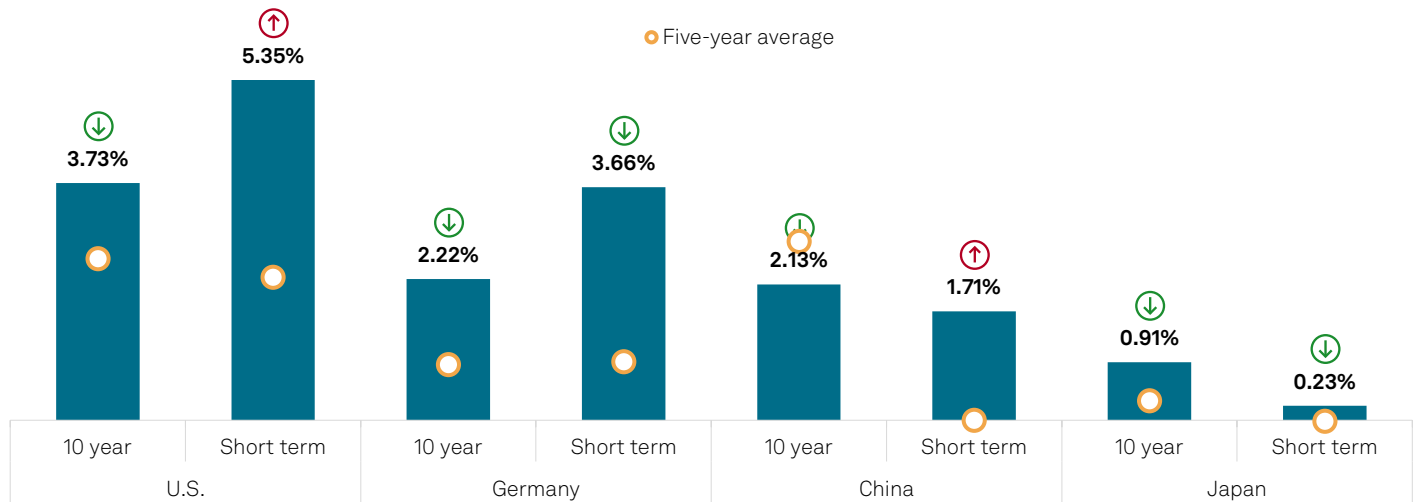
Upcoming Webinars

[Climate Litigation: Assessing Potential Impacts Remains Complex](#), September 12, 2024

Credit Market Conditions

Chart 4

Benchmark yields



Data as of Sept. 5, 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

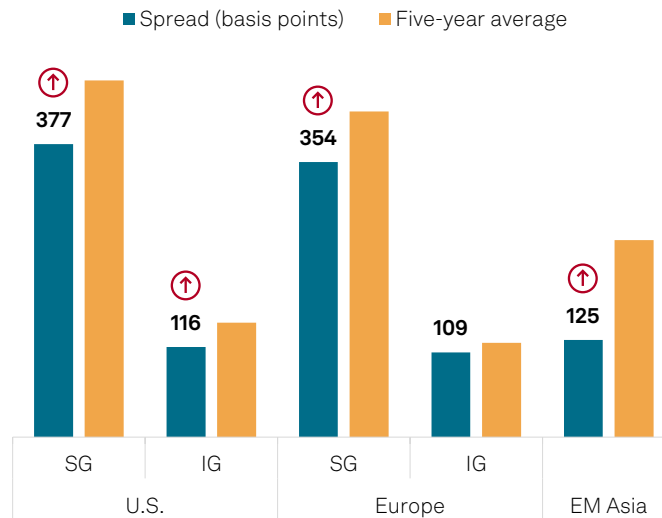
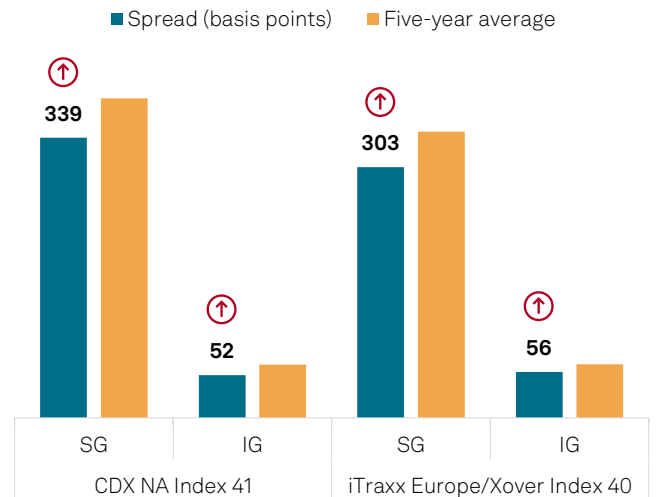


Chart 6

CDS pricing



Data as of Sept. 5, 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.

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Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Sept. 4, 2024	Downgrade	Lumen Technologies Inc.	Telecommunications	U.S.	CC/Negative	CCC+/Stable	36,533
Sept. 3, 2024	Upgrade	American Tower Corp.	Telecommunications	U.S.	BBB/Stable	BBB-/Stable	29,907
Sept. 4, 2024	Upgrade	Alpha Services and Holdings S.A.	Financial institutions	Greece	BB-/Stable	B+/Positive	3,598
Sept. 4, 2024	Upgrade	Victra Holdings LLC	Retail/restaurants	U.S.	B+/Stable	B/Stable	2,884
Aug. 30, 2024	Upgrade	Montenegro	Sovereign	Montenegro	B+/Stable	B/Positive	2,698
Sept. 4, 2024	Upgrade	Rede D'Or Sao Luiz S.A.	Health care	Brazil	BB+/Stable	BB/Stable	1,350
Sept. 5, 2024	Upgrade	Diamond Offshore Drilling Inc.	Oil and gas	U.S.	BB-/Stable	B/Watch Pos	550
Sept. 5, 2024	Upgrade	Harbour Energy PLC	Oil and gas	U.K.	BBB-/Stable	BB/Watch Pos	500
Aug. 30, 2024	Downgrade	TJC Spartech Acquisition Corp. (Spartech Parent Corp.)	Capital goods	U.S.	CCC-/Negative	CCC+/Negative	420
Sept. 3, 2024	Upgrade	Emerald X Inc.	Media and entertainment	U.S.	B+/Stable	B/Stable	415

Data as of Sept. 5, 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. Issuer credit rating on Diamond Offshore Drilling Inc. subsequently withdrawn following acquisition by Noble Corp. PLC and upgrade. Source: S&P Global Ratings Credit Research & Insights.

Table 2

Last week's defaults

Date	Parent company	Country/market	Subsector	To	From	Reason
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No defaults this week

Data as of Sept. 5, 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.

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

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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