

This Week In Credit

Negative Shift In A Quiet Week

This report does not constitute a rating action.

Jan. 20, 2025

Key Takeaways

- Downgrades outnumbered upgrades last week, with all five downgrades affecting speculative-grade issuers--three from the media and entertainment sector.
- Among the downgrades, three issuers became risky credits (entered the 'CCC' rating category): Alvogen Pharma US, Inc. (Alvogen Lux Holdings S.a.r.l.) in healthcare, College Parent LP in media and entertainment, and JOANN Inc., a specialty retailer that subsequently defaulted on January 16 due to bankruptcy.
- There were two other defaults, both involving consumer product companies undergoing distressed exchanges: Blue Ribbon, LLC (Blue Ribbon Holdings LLC) and Packers Holdings, LLC.

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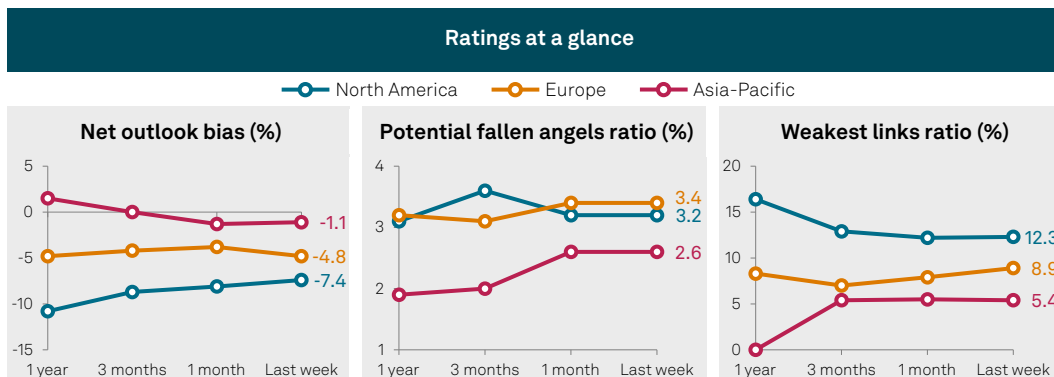
Ratings performance trends

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
3 ■	5 ⬆️	7 ⬆️	6 ⬆️	0 ⬆️	0 ■	3 ⬆️	3 ⬆️

Industries most at risk			U.S. distress ratio
Net outlook bias -18.8% Chemicals, packaging, and environmental services ⬆️	Potential fallen angels 6 Utilities ■	Weakest links 36 Consumer products ⬆️	4.0% ⬆️

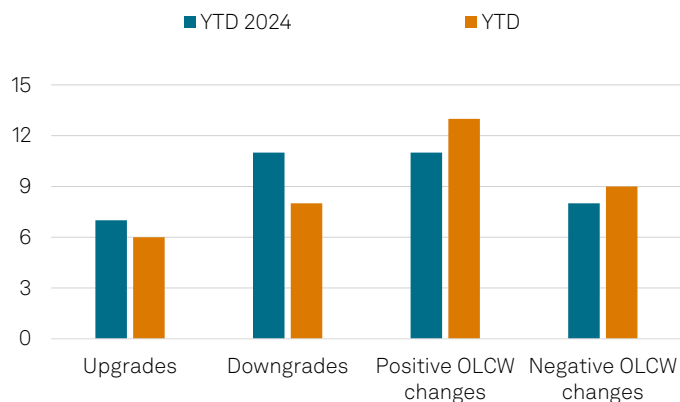


Data as of Jan. 16, 2025. Note: Weekly rating actions, weekly transitions, and industries most at risk are all global data. Data excludes structured and public finance. Upgrades and downgrades exclude no-debt corporate rating actions and confidential rating actions. Downgrades exclude transitions to default. Defaults from confidential issuers are included in the default tally. As shown in the 'Ratings at a glance' graphic all points reference historical point in time data. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Year To This Week

Chart 1

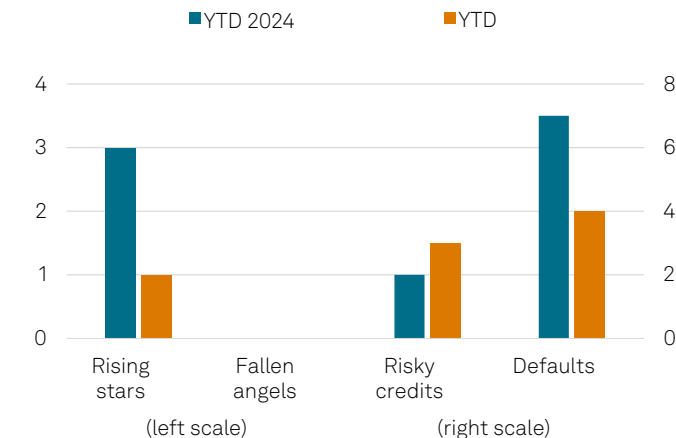
Rating actions Year-to-date total



Data as of Jan.16, 2025. (2024 data is through Jan. 11). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions Year-to-date total

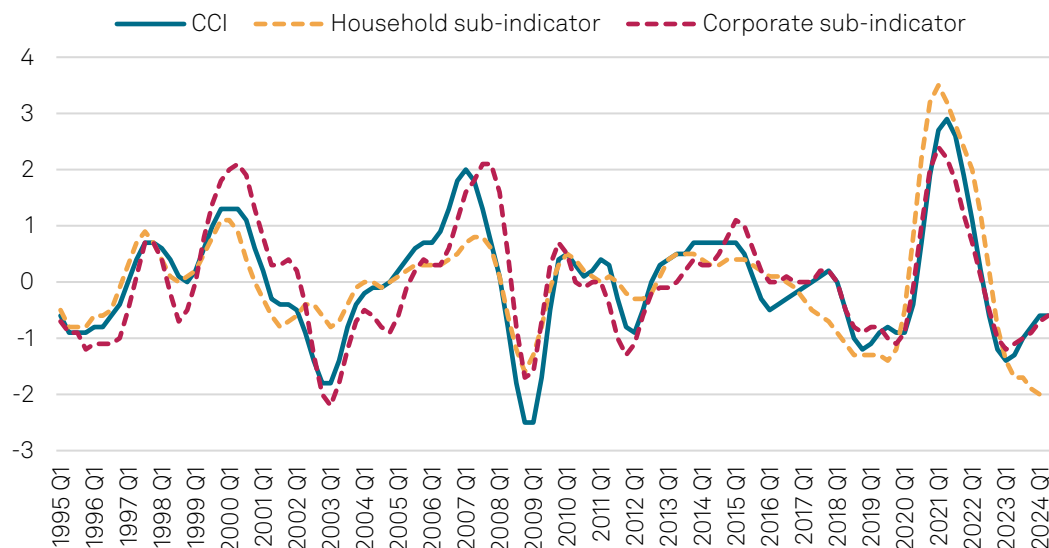


Data as of Jan. 16, 2025. (2024 data is through Jan. 11). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Global credit cycle indicator Q1 2025



Peaks in the CCI tend to lead credit stresses by six to ten quarters. When the CCI's upward trend is prolonged or the CCI nears upper thresholds, the associated credit stress tends to be greater. Sovereign risk is not included as a formal part of the CCI. The CCI period ends in the second quarter of 2024. Q1--First quarter. Q2--Second quarter. Q3--Third quarter. Q4--Fourth quarter. Sources: Bank for International Settlements. Bloomberg. S&P Global Ratings. This chart was first published in "[Credit Cycle Indicator Q1 2025: The Recovery Could Be More Elusive For Some](#)" on Jan. 15, 2025. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[Ratings Performance Insights: 2024 In Review](#), Jan. 13, 2025

[Credit Cycle Indicator Q1 2025: The Recovery Could Be More Elusive For Some](#), Jan. 15, 2025

[Credit Trends: U.S. Corporate Bond Yields As Of Jan. 15, 2025](#), Jan. 16, 2025

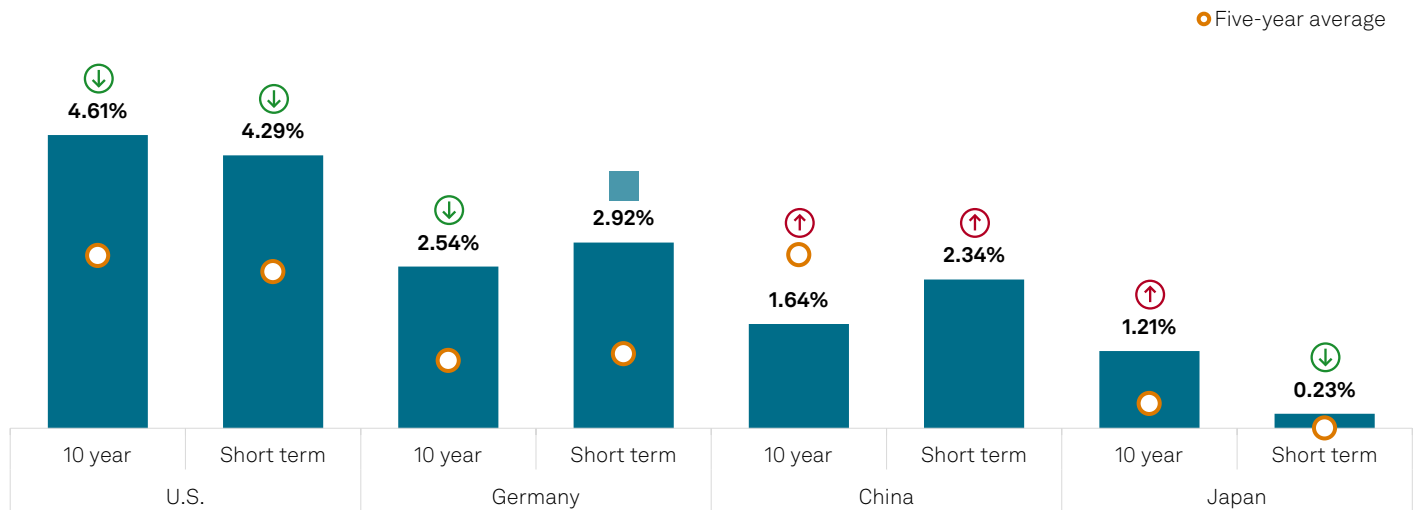
Upcoming Webinars

[Global Credit Outlook 2025: Questions That Matter](#), Jan. 24, 2025

Credit Market Conditions

Chart 4

Benchmark yields



Data as of Jan. 16, 2025. 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

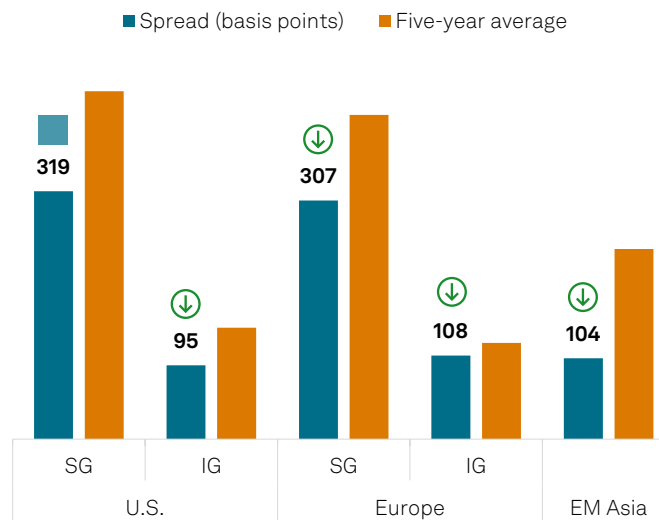
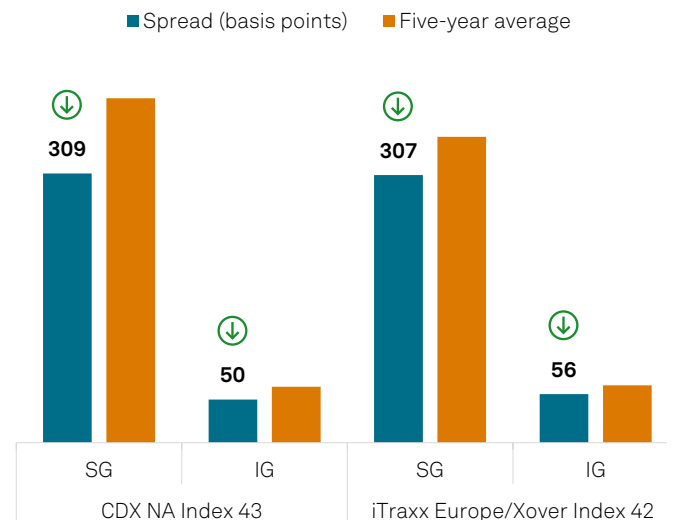


Chart 6

CDS pricing



Data as of Jan. 16, 2025. 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 Dow Jones Indices.

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Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Jan. 13, 2025	Upgrade	Broadcom Inc	High technology	U.S.	BBB+/Positive	BBB/Stable	51,700
Jan. 16, 2025	Downgrade	Endeavor Group Holdings Inc.	Media and entertainment	U.S.	B+/Stable	BB-/Watch Neg	13,975
Jan. 15, 2025	Downgrade	Sinclair Inc.,	Media and entertainment	U.S.	B-/Stable	B/Negative	4,940
Jan. 14, 2025	Upgrade	Office Properties Income Trust	Homebuilders/real estate co.	U.S.	CCC/Negative	CCC-/Watch Dev	3,205
Jan. 16, 2025	Downgrade	College Parent LP	Media and entertainment	U.S.	CCC+/Stable	B-/Negative	1,800
Jan. 13, 2025	Downgrade	Alvogen Pharma US Inc., (Alvogen Lux Holdings S.a.r.l.)	Health care	U.S.	CCC+/Watch Neg	B-/Watch Neg	831
Jan. 15, 2025	Upgrade	Forestar Group Inc. (D.R. Horton Inc.)	Homebuilders/real estate co.	U.S.	BB-/Stable	B+/Stable	700
Jan. 14, 2025	Downgrade	JOANN Inc.	Retail/restaurants	U.S.	CCC/Negative	B-/Negative	154

Data as of Jan. 16, 2025. 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 exclude defaults. Source: S&P Global Ratings Credit Research & Insights.

Table 2

Last week's rising stars and fallen angels

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
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No fallen angel or rising star last week.

Data as of Jan. 16, 2025. Note: Rising stars--Issuers upgraded to investment-grade from speculative-grade. Fallen angels--Issuers downgraded to speculative-grade from investment-grade. 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. Source: S&P Global Ratings Credit Research & Insights.

Table 3

Last week's defaults

Date	Parent company	Subsector	Country/Market	To	From	Reason	Debt volume (mil. \$)
Jan. 16, 2025	Blue Ribbon LLC, (Blue Ribbon Holdings LLC)	Consumer products	U.S.	SD	CCC-	Distressed exchange	368
Jan. 16, 2025	JOANN Inc.	Retail/restaurants	U.S.	D	CCC	Bankruptcy	0
Jan. 16, 2025	Packers Holdings LLC	Consumer products	U.S.	SD	CCC-	Distressed exchange	1240

Data as of Jan. 16, 2025. 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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