

This Week In Credit

Positive Outlook Changes Continue To Tick Up

This report does not constitute a rating action.

Feb. 24, 2025

Key Takeaways

- In a muted week for rating actions, downgrades outnumbered upgrades after a decline in the latter. Downgrades included the first fallen angel of the year, luxury fashion company Capri Holdings Limited.
- Meanwhile, positive outlook and CreditWatch changes continue to exceed negative ones. Positive revisions were driven by six U.S. regional banks for which we revised the outlooks to stable on their improved ability to handle commercial real estate challenges.
- There were two defaults last week both due to a distressed exchange. One was financial institution, Altisource Portfolio Solutions S.A., and the other was Norway-based cruise ship operator; Hurtigruten Newco AS.

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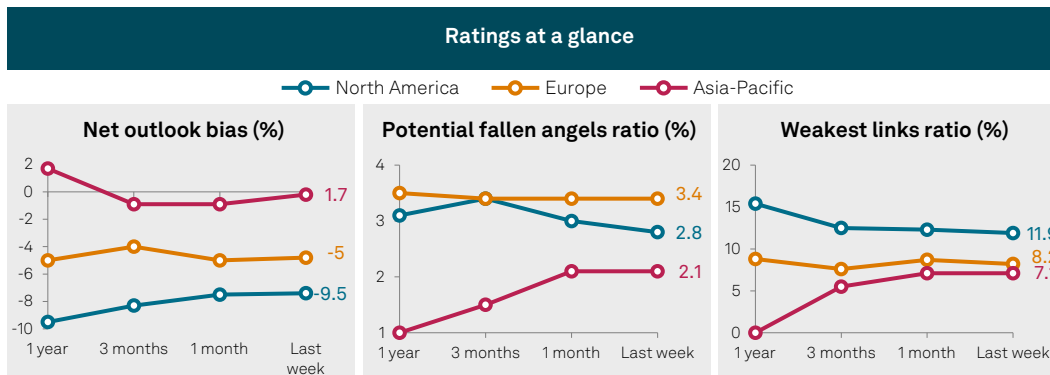
Ratings performance trends

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
5 ↘	8 ■	18 ↗	8 ↗	0 ↘	1 ↗	1 ↘	2 ↗

Industries most at risk			U.S. distress ratio (%)
Net outlook bias (%) -17.8 Chemicals, packaging, and environ. services ↗	Potential fallen angels 4 Utilities ↘	Weakest links 34 Consumer products ■	3.8 ↘

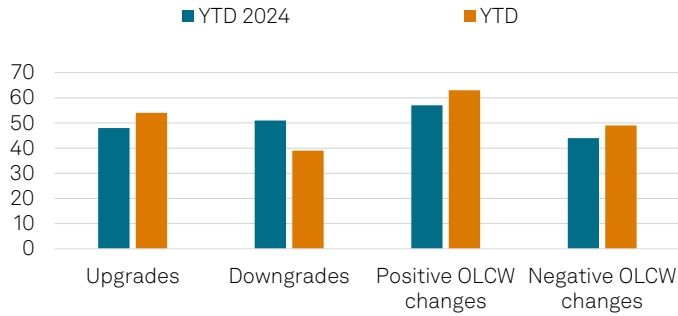


Data as of Feb. 20, 2025. Note: Weekly rating actions, weekly transitions, and industries most at risk are all global data. Data excludes structured and public finance. Upgrades and downgrades exclude no-debt corporate rating actions and confidential rating actions. Downgrades exclude transitions to default. Defaults from confidential issuers are included in the default tally. As of Feb. 20, three sectors had four potential fallen angels each. We highlight utilities which has the highest amount of rated debt outstanding. The other sectors are chemicals, packaging and environmental services and capital goods. 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

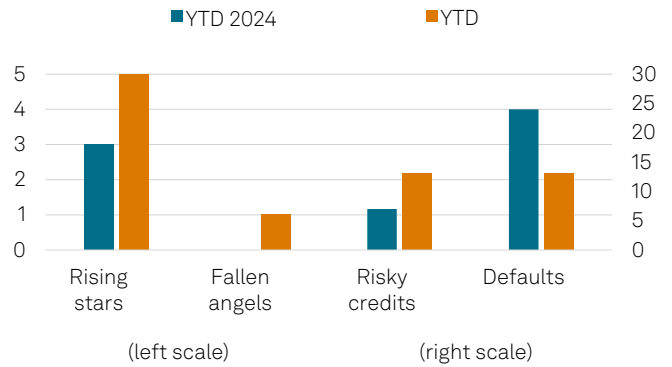
Rating actions
Year-to-date total



Data as of Feb. 20, 2025. (2024 data is through Feb. 15). YTD--Year to date. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions
Year-to-date total

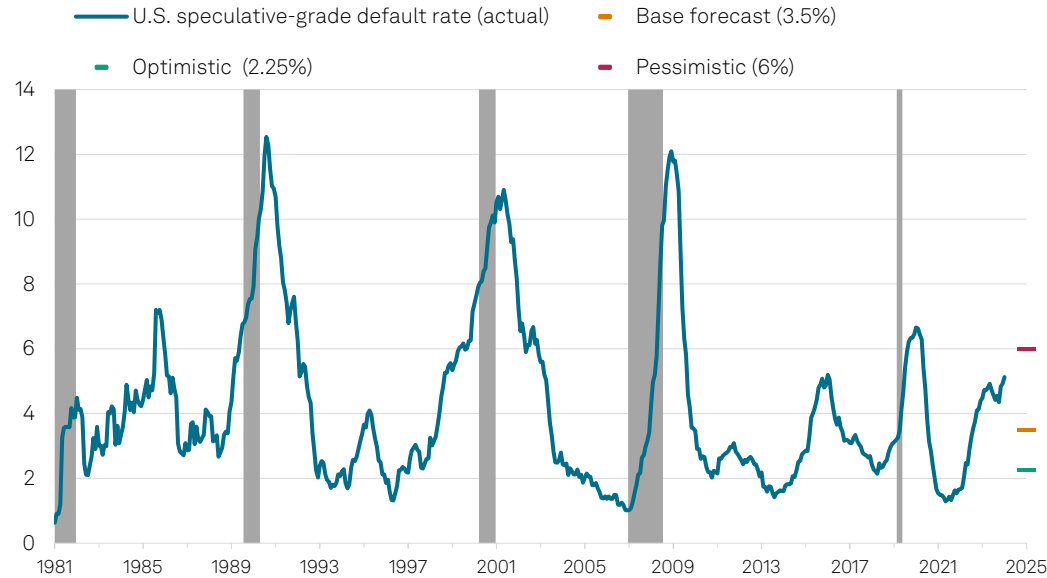


Data as of Feb. 20, 2025. (2024 data is through Feb. 15). YTD--Year to date. Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

U.S. speculative-grade default rate expected to hit 3.5% by December 2025



Data as of Feb. 20, 2025. This chart was first published in "The U.S. Speculative-Grade Corporate Default Rate Could Fall To 3.5% By December 2025" on Feb. 20, 2025. Shaded areas are periods of recession as defined by the National Bureau of Economic Research. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of Feb. 19, 2025](#), Feb. 20, 2025

[Default, Transition, and Recovery: The U.S. Speculative-Grade Corporate Default Rate Could Fall To 3.5% By December 2025](#), Feb. 20, 2025

[Interest Rate Forecasts For Key Emerging Markets Revised Following Recent Change To The U.S. Rate Forecast](#), Feb. 18, 2025

Upcoming Webinars

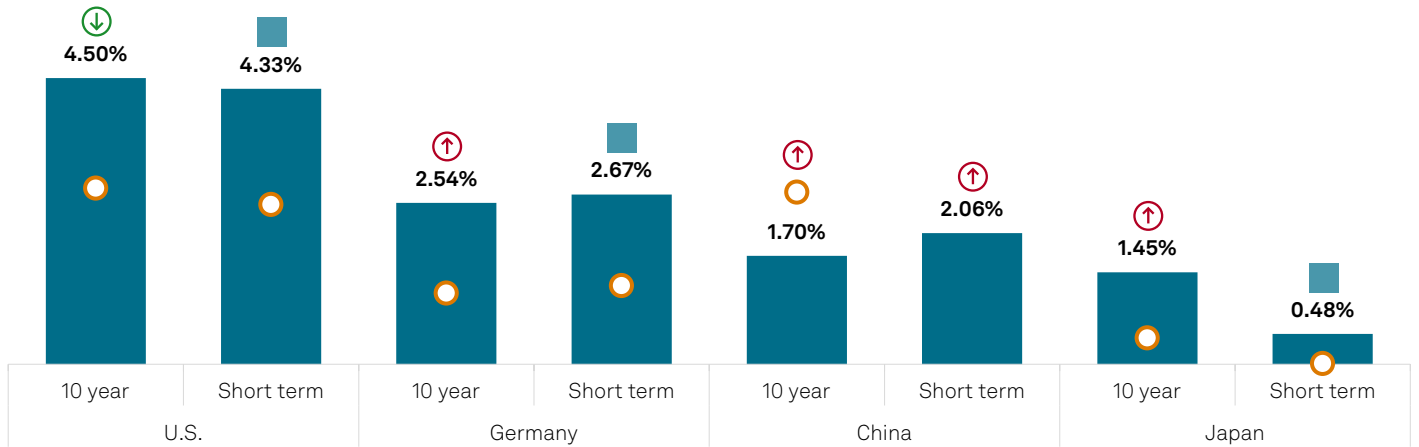
[Spotlight on Emerging Markets: Africa In Focus](#), Feb. 25, 2025

Credit Market Conditions

Chart 4

Benchmark yields

○ Five-year average



Data as of Feb. 20, 2025. Short-term rates: U.S., SOFR; Germany, euro short-term rate; China, DR007; and Japan, uncollateralized overnight call rate. Sources: S&P Global Ratings Credit Research & Insights, Refinitiv, ICE Data Indices, Federal Reserve Bank of St. Louis. Economics & Country Risk, S&P Global Market Intelligence.

Chart 5

Secondary market credit spreads

■ Spread (basis points) ■ Five-year average

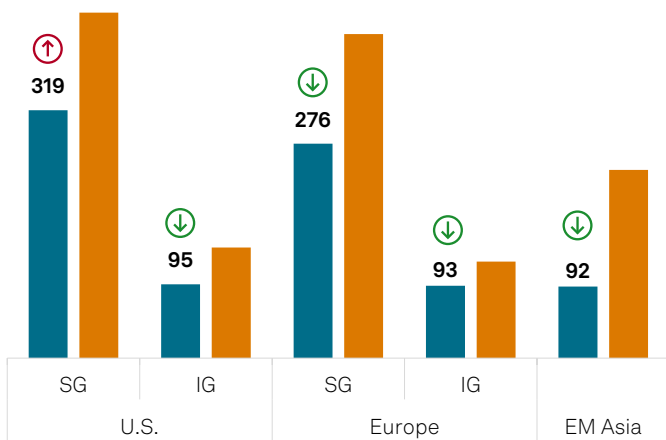
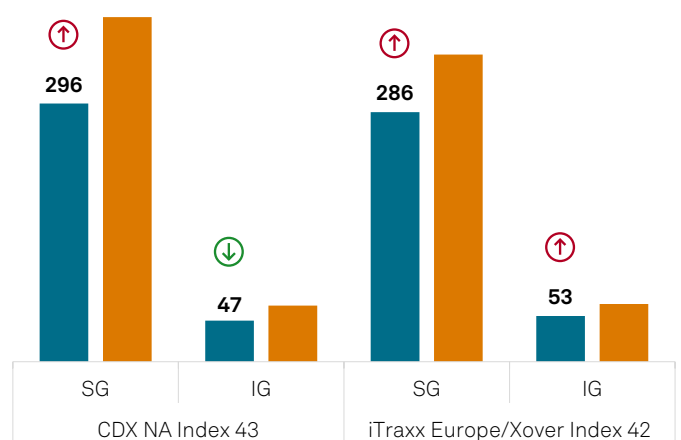


Chart 6

CDS pricing

■ Spread (basis points) ■ Five-year average



Data as of Feb. 20, 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. \$)
Feb. 19, 2025	Downgrade	Public Service Co. of Colorado (Xcel Energy Inc.)	Utilities	U.S.	BBB+/Negative	A-/Negative	8,750
Feb. 19, 2025	Upgrade	Boston Scientific Corp.	Health care	U.S.	A-/Stable	BBB+/Stable	7,743
Feb. 20, 2025	Downgrade	Capri Holdings Ltd.	Retail/restaurants	British Virgin Islands	BB/Negative	BBB-/Watch Neg	3,784
Feb. 14, 2025	Upgrade	Griffon Corp.	Forest products and building materials	U.S.	BB-/Stable	B+/Positive	1,459
Feb. 18, 2025	Downgrade	Ascend Performance Materials Operations LLC	Chemicals, packaging and environmental services	U.S.	CCC+/Negative	B/Negative	1,100
Feb. 14, 2025	Upgrade	Unit4 Group Holding B.V.	High technology	Netherlands	B/Stable	B-/Positive	1,012
Feb. 19, 2025	Downgrade	Leslie's Poolmart Inc.	Retail/restaurants	U.S.	B/Stable	B+/Negative	810
Feb. 19, 2025	Upgrade	EnergySolutions Inc.	Chemicals, packaging and environmental services	U.S.	B+/Stable	B/Stable	790
Feb. 17, 2025	Downgrade	HSE Finance S.a.r.l.	Retail/restaurants	Luxembourg	CCC/Negative	CCC+/Stable	662
Feb. 18, 2025	Downgrade	Acacium Group Ltd.	Media and entertainment	U.K.	B/Stable	B+/Stable	613

Data as of Feb. 20, 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. \$)
Feb. 20, 2025	Downgrade	Capri Holdings Ltd.	Retail/restaurants	British Virgin Islands	BB	BBB-	3,784

Data as of Feb. 20, 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. \$)
Feb. 20, 2025	Altisource Portfolio Solutions S.A.	Financial institutions	Luxembourg	SD	CC	Distressed exchange	0
Feb. 20, 2025	Hurtigruten Newco AS	Media and entertainment	Norway	D	CC	Distressed exchange	701

Data as of Feb. 20, 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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