

This Week In Credit

A Jump In Risky Credits

S&P Global
Ratings

This report does not constitute a rating action.

April 7, 2025

Key Takeaways

- Rating activity slowed last week, led by a dip in the number of upgrades that left them trailing downgrades for the first time in a month.
- There were three new risky credits (issuers in the 'CCC' rating category) last week. While most rating performance metrics have improved year-on-year, the number of risky credit additions has notably increased so far this year to 22, from 16 over the same period in 2024.
- There was one default last week, U.S.-based veterinary practice management company Pathway Vet Alliance LLC, which was downgraded to 'SD' following a distressed debt transaction.

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Ratings performance trends

Arrows indicate week over week trend ↗ ↘

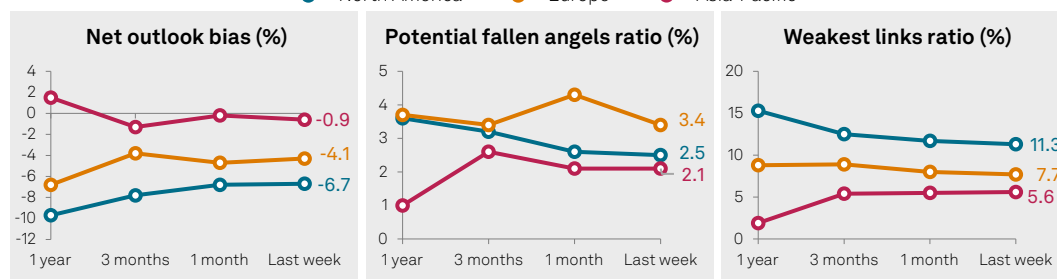
Positive ■ No change ■ Negative ■

Rating actions				Rating transitions			
Upgrades	Downgrades	Positive OLCW changes	Negative OLCW changes	Rising stars	Fallen angels	Risky credits	Defaults
8 ↘	9 ↗	10 ↘	8 ↘	0 ↘	0 ↗	3 ↗	1 ↗

Industries most at risk			U.S. distress ratio (%)
Net outlook bias (%) Chemicals, packaging, and environ. services -18.7 ↘	Potential fallen angels 6 Utilities ↗	Weakest links 33 Consumer products ↗	6.6 ↗

Ratings at a glance

— North America — Europe — Asia-Pacific

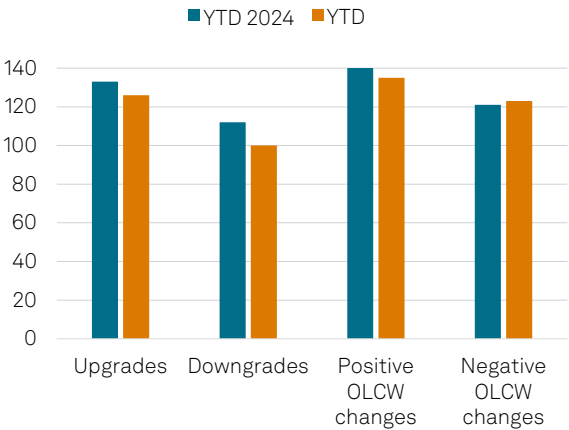


Data as of April 3, 2025. Note: Weekly rating actions, weekly transitions, and industries most at risk are all global data. Data excludes structured and public finance. Upgrades and downgrades exclude no-debt corporate rating actions and confidential rating actions. Downgrades exclude transitions to 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

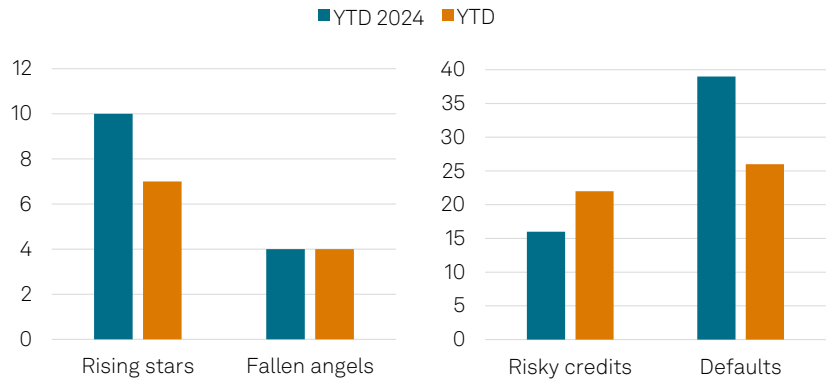
Rating actions
Year-to-date total



Data as of April 3, 2025. (2024 data is through March 28).
YTD--Year to date. OLCW--Outlook/CreditWatch.
Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions
Year-to-date total

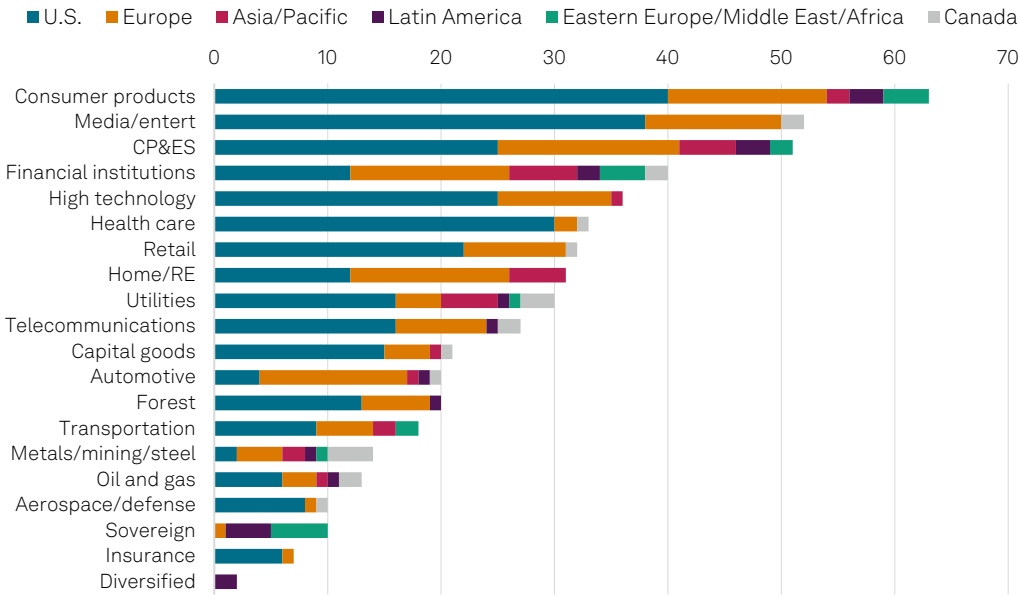


Data as of April 3, 2025. (2024 data is through March 28).
YTD--Year to date.
Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Potential downgrades by sector (no.)



Data as of Feb. 28, 2025. This chart was first published in "This Month In Credit March 2025: Positive Momentum Amid Market Volatility", on March 27, 2025. CP&ES – Chemicals, packaging and environmental services. Forest – Forest products and building materials. Home/ RE – Homebuilders/ real estate. Retail – Retail and restaurants. Sources: S&P Global Ratings Credit Research & Insights.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of April 2, 2025](#), April 3, 2025

[CreditWeek: How Much Will Credit Conditions Deteriorate As Global Trade Tensions Heat Up?](#), April 3, 2025

[Global Credit Conditions Q2 2025: Puzzling Reshuffling](#), March 31, 2025

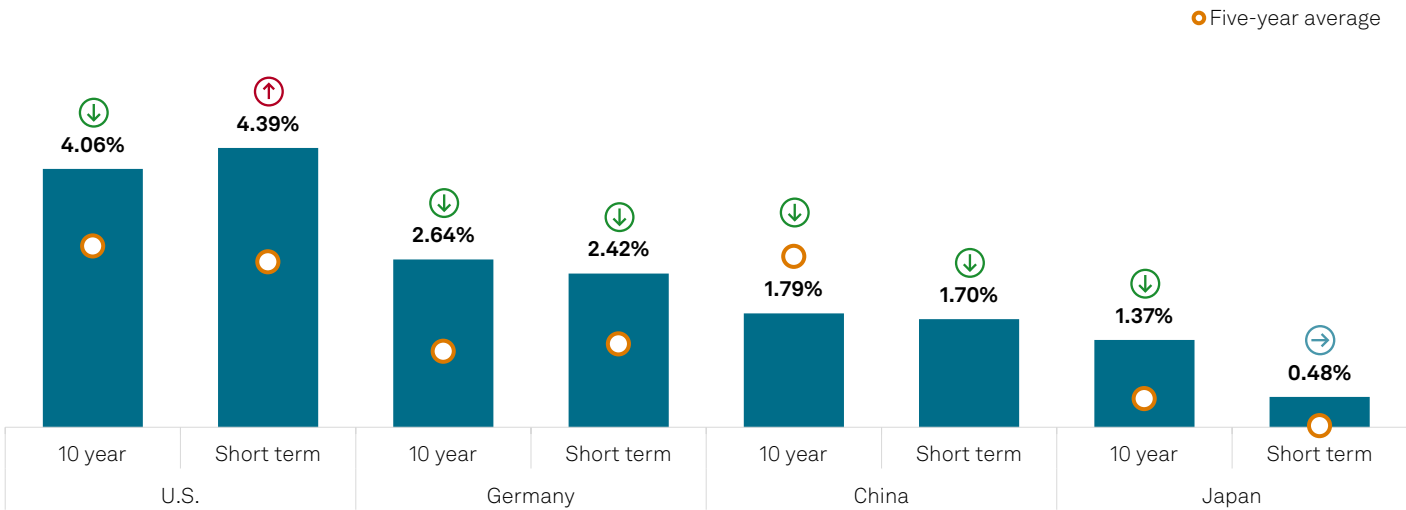
Upcoming Webinars

[Ripple Effect: How Value Chains Compound Sector Exposures To Physical Climate Risks](#), April 10, 2025

Credit Market Conditions

Chart 4

Benchmark yields



Data as of April 3, 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

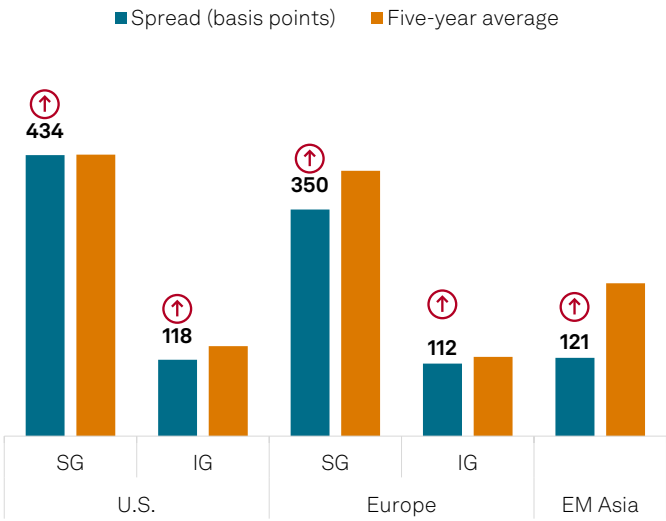
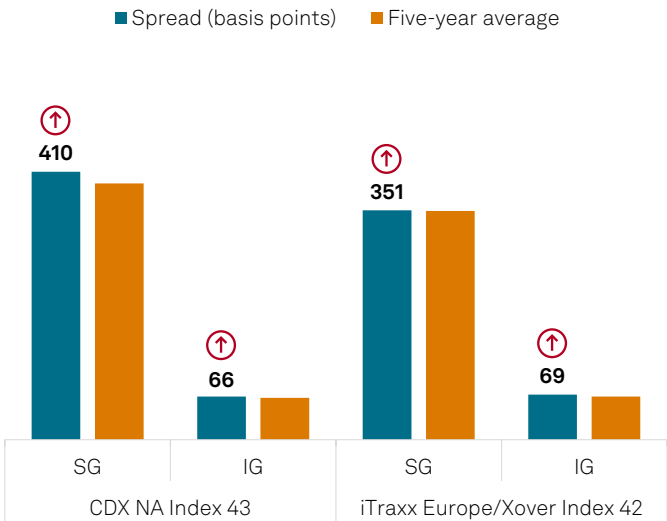


Chart 6

CDS pricing



Data as of April 3, 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.

This Week In Credit: A Jump In Risky Credits

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Mar. 28, 2025	Upgrade	Welltower Inc.	Homebuilders/real estate co.	U.S.	A-/Stable	BBB+/Positive	11,713
Apr. 2, 2025	Downgrade	Hilton Grand Vacations Inc.	Media and entertainment	U.S.	BB-/Negative	BB/Watch Neg	6,550
Mar. 31, 2025	Upgrade	Compagnie Generale des Etablissements Michelin S.C.A.	Automotive	France	A/Stable	A-/Stable	6,062
Mar. 31, 2025	Upgrade	Wayne-Sanderson Farms Holdings LLC	Consumer products	U.S.	BB/Stable	BB-/Positive	5,800
Apr. 3, 2025	Upgrade	Meituan	Consumer products	Cayman Islands	A-/Stable	BBB+/Stable	4,500
Mar. 28, 2025	Upgrade	US Foods Inc.	Retail/restaurants	U.S.	BB+/Stable	BB/Positive	4,235
Apr. 1, 2025	Downgrade	Great Canadian Gaming Corp.	Media and entertainment	Canada	B-/Stable	B/Negative	2,930
Mar. 31, 2025	Upgrade	Brookfield Residential Properties ULC	Homebuilders/real estate co.	Canada	B+/Stable	B/Stable	2,850
Apr. 2, 2025	Downgrade	Kleopatra Holdings 2 S.C.A.	Chemicals, packaging and environmental services	Luxembourg	CC/Negative	CCC+/Negative	2,129
Mar. 31, 2025	Upgrade	Xiaomi Corp.	High technology	China	BBB/Stable	BBB-/Positive	1,800

Data as of April 3, 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 rising stars or fallen angels.

Data as of April 3, 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. \$)
Apr. 3, 2025	Pathway Vet Alliance LLC	Health care	U.S.	SD	CCC+	Distressed exchange	1,560

Data as of April 3, 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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