

This Week In Credit

Negative Rating Activity Persists

S&P Global
Ratings

This report does not constitute a rating action.

May 12, 2025

Key Takeaways

- Downgrades outnumbered upgrades for the second week in a row, with all downgrades occurring across speculative-grade issuers. Of the seven downgrades, three were into the 'CCC' category, as year to date new risky credits (31) remain elevated compared to the same time last year (26).
- Upgrades predominantly occurred across speculative-grade issuers and included one new rising star; Finland-based food and consumer products packaging provider, Huhtamaki Oyj.
- The weekly default count increased to five, up from four last week, with four U.S.-based issuers and one Germany-based issuer, three of the defaults were due to distressed exchanges.

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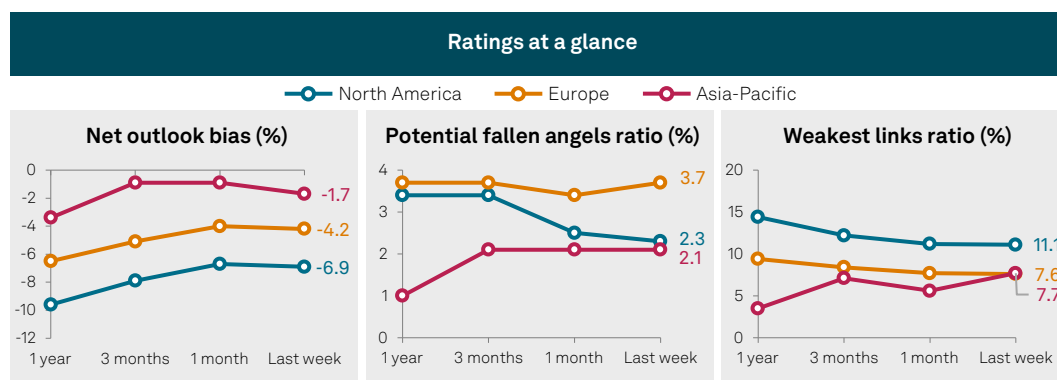
Ratings performance trends

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 ↘	7 ↘	5 ↗	12 ↗	1 ↗	0 ↘	3 ↗	5 ↗

Industries most at risk			U.S. distress ratio (%)
Net outlook bias (%) Chemicals, packaging, and environ. services -17.8 ↘	Potential fallen angels 6 Utilities ↗	Weakest links 33 Consumer products ↘	6.5 ↘

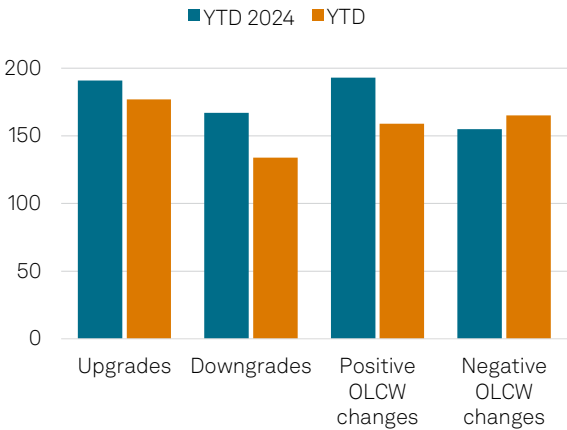


Data as of May 8, 2025. Note: Weekly rating actions, weekly transitions, and industries most at risk are all global data. Data excludes structured and public finance. Upgrades and downgrades exclude no-debt corporate rating actions and confidential rating actions. Downgrades exclude transitions to default. 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

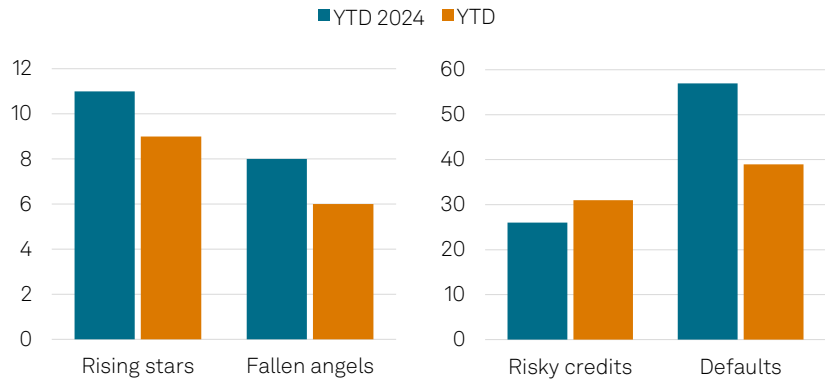
Rating actions
Year-to-date total



Data as of May 8, 2025. (2024 data is through May 2).
YTD--Year to date. OLCW--Outlook/CreditWatch.
Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions
Year-to-date total

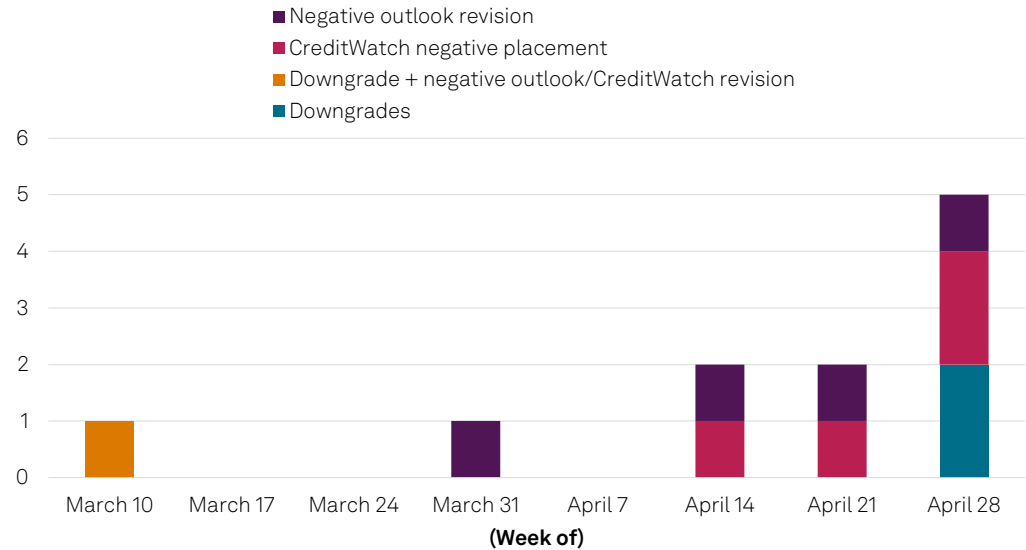


Data as of May 8, 2025. (2024 data is through May 2).
YTD--Year to date.
Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

Weekly distribution of tariff-driven rating actions by action type



Note: Data as of May 2, 2025. Data includes rating actions on nonfinancial and financial corporates, sovereigns, U.S. public finance, and international public finance issuers. This chart was first published in "[Global Tariff Tracker: Rating Actions As Of May 2, 2025](#)" on May 6, 2025. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of May 7, 2025](#), May 8, 2025

[Default, Transition, and Recovery: 2024 Annual U.S. Public Finance Default And Rating Transition Study](#), May 6, 2025

[Global Tariff Tracker: Rating Actions As Of May 2, 2025](#), May 6, 2025

Upcoming Webinars

[Asia-Pacific Insurance Mid-Year Outlook 2025: Strong Capital Buffers Dampen Tariff-Driven Market Volatility](#), May 13, 2025

Credit Market Conditions

Chart 4

North America 1-month credit VIX

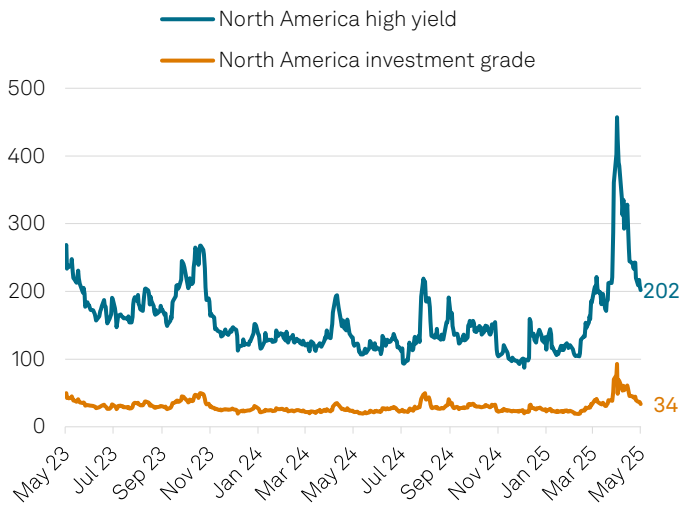
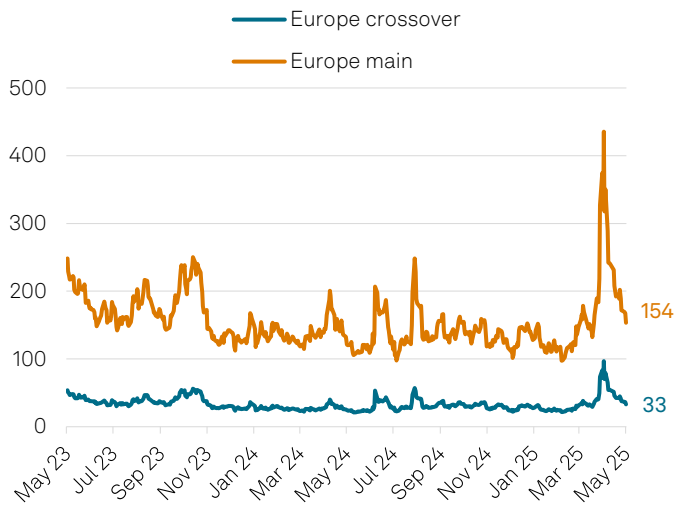


Chart 5

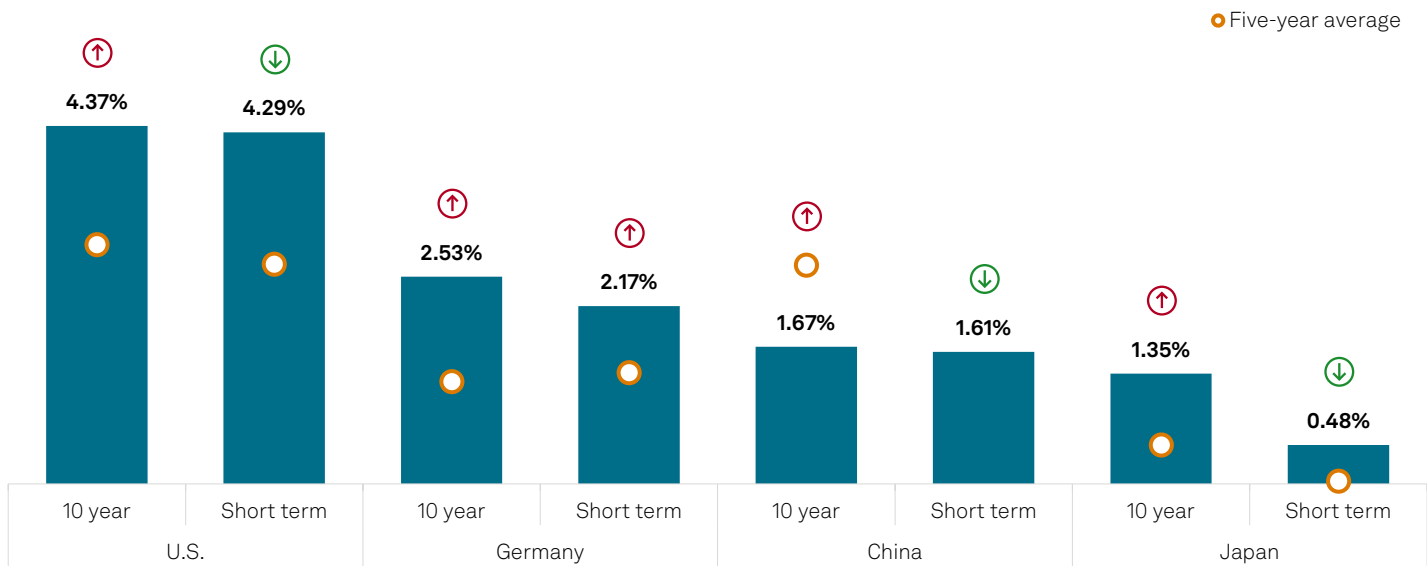
Europe 1-month credit VIX



Data as of May 8, 2025. Note: Europe Crossover--ITraxx/Cboe Europe Crossover 1-Month Volatility Index (BP Volatility); Europe Main--ITraxx/Cboe Europe Main 1-Month Volatility Index (BP Volatility); NA HY--CDX/Cboe NA High-yield 1-Month Volatility Index (BP Volatility); NA IG--CDX/Cboe NA Investment-grade 1-Month Volatility Index (BP Volatility). The launch date of the indices was October 13, 2023. All information for an index prior to its Launch Date is hypothetical back-tested, not actual performance, based on the index methodology in effect on the Launch Date. Source: S&P Dow Jones Indices LLC.

Chart 6

Benchmark yields



Data as of May 8, 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 7

Secondary market credit spreads

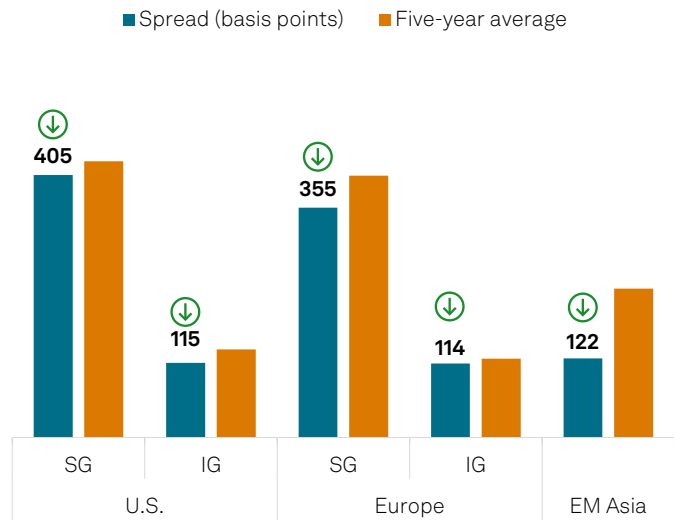
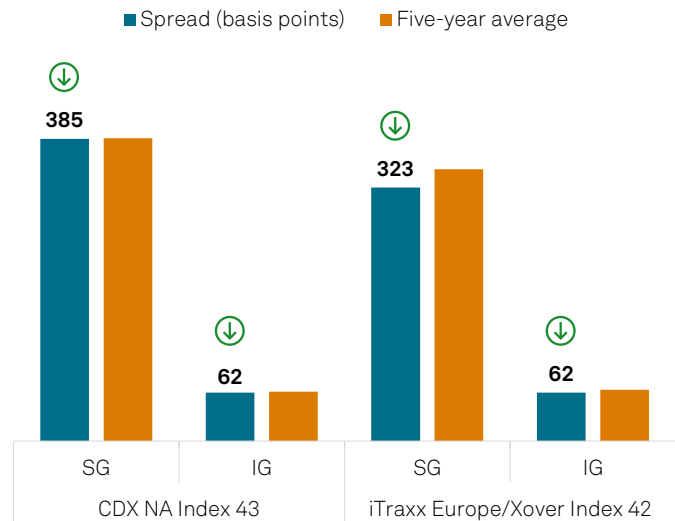


Chart 8

CDS pricing



Data as of May 8, 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. \$)
May 6, 2025	Downgrade	Newell Brands Inc.	Consumer products	U.S.	B+/Stable	BB-/Negative	6,560
May 8, 2025	Upgrade	Auris Luxembourg II S.A.	Health care	Luxembourg	B/Stable	B-/Positive	3,126
May 8, 2025	Downgrade	PECF USS Intermediate Holding III Corp.	Chemicals, packaging, and environmental services	U.S.	CCC/Negative	CCC+/Negative	2,536
May 5, 2025	Downgrade	Red Ventures Holdco L.P.	Media and entertainment	U.S.	B+/Negative	BB-/Negative	1,625
May 7, 2025	Downgrade	Fortna Group Inc.	Capital goods	U.S.	CCC+/Negative	B-/Negative	1,471
May 5, 2025	Downgrade	PLZ Corp.	Chemicals, packaging, and environmental services	U.S.	CCC+/Negative	B-/Watch Neg	1,044
May 7, 2025	Upgrade	Huhtamaki Oyj	Chemicals, packaging, and environmental services	Finland	BBB-/Stable	BB+/Positive	907
May 7, 2025	Upgrade	RC Buyer Inc.	Automotive	U.S.	B/Stable	B-/Positive	676
May 2, 2025	Downgrade	Playtech PLC	Media and entertainment	U.K.	BB-/Stable	BB/Watch Neg	511
May 8, 2025	Upgrade	Hikma Pharmaceuticals PLC	Health care	Jordan	BBB/Stable	BBB-/Stable	500

Data as of May 8, 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. \$)
May 7, 2025	Upgrade	Huhtamaki Oyj	Chemicals, packaging, and environmental services	Finland	BBB-	BB+	907

Data as of May 8, 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. \$)
May 6, 2025	Office Properties Income Trust	Homebuilders/real estate co.	U.S.	SD	CC	Distressed exchange	2,555
May 7, 2025	Ivanti Software Inc.	High technology	U.S.	SD	CCC+	Distressed exchange	2,770
May 7, 2025	Pixelle Specialty Solutions LLC (Spectrum Group Buyer Inc.)	Forest products and building materials	U.S.	SD	CCC	Missed payment	0
May 7, 2025	WW International Inc.	Consumer products	U.S.	D	CCC-	Bankruptcy	1,500
May 8, 2025	OQ Chemicals International Holding GmbH (OQ S.A.O.C)	Chemicals, packaging, and environmental services	Germany	D	CCC-	Distressed exchange	0

Data as of May 8, 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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