

This Week In Credit

Downgrades Outnumber Upgrades For Fifth Consecutive Week

S&P Global
Ratings

This report does not constitute a rating action.

June 2, 2025

Key Takeaways

- Downgrades outnumbered upgrades for the fifth consecutive week despite slower overall rating activity. However, positive outlooks and CreditWatch changes were double those of negative ones.
- Leading the downgrades was chemicals, packaging, and environmental services with four, followed by financial institutions with three, and Japanese utilities with two. Upgrades included a sovereign, Guatemala, citing economic resilience.
- There were two defaults last week: U.S.-based home decor retailer At Home Group Inc. was downgraded to 'SD' (selective default) due to a missed interest payment; and Brazil-based airline Azul S.A. filed for bankruptcy and was downgraded to 'D' (default).

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Ratings performance trends

Arrows indicate week over week trend ↗ ↘

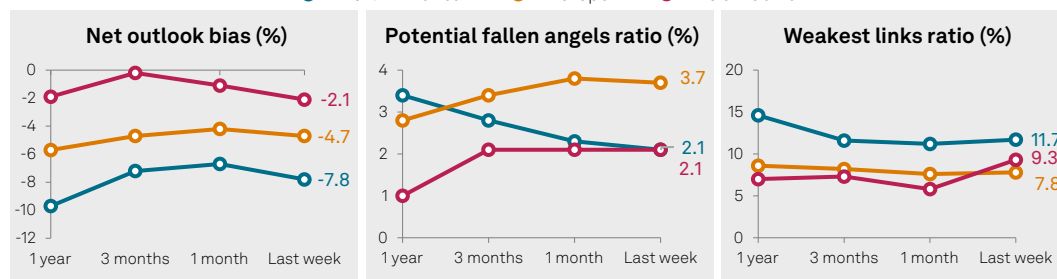
Positive ■ No change ■ Negative ■

Rating actions				Rating transitions			
Upgrades	Downgrades	Positive OLCW changes	Negative OLCW changes	Rising stars	Fallen angels	Risky credits	Defaults
5 ↘	12 ↘	14 ↗	7 ↘	0 ↗	0 ↘	1 ↘	2 ↘

Industries most at risk			U.S. distress ratio (%)
Net outlook bias (%)	Potential fallen angels	Weakest links	
-19.2 Retail/restaurants ↗	6 Utilities ↗	37 Consumer products ↗	5.5 ↘

Ratings at a glance

— North America — Europe — Asia-Pacific

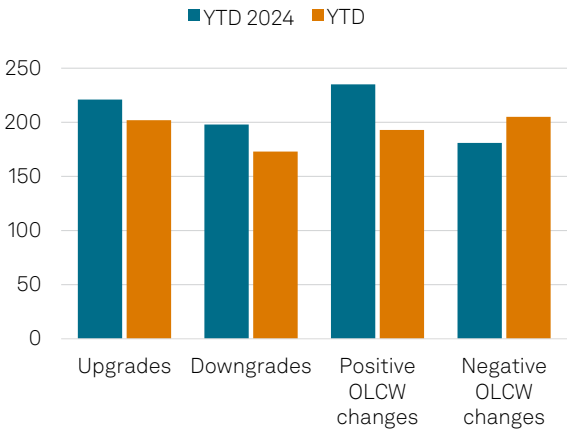


Data as of May 29, 2025. Note: Weekly rating actions, weekly transitions, and industries most at risk are all global data. Data excludes structured and public finance. Upgrades and downgrades exclude no-debt corporate rating actions and confidential rating actions. Downgrades exclude transitions to default. 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

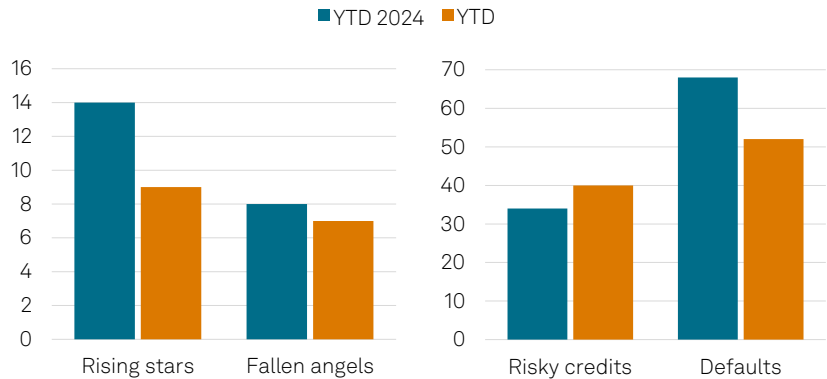
Rating actions
Year-to-date total



Data as of May 29, 2025. (2024 data is through May 23).
YTD--Year to date. OLCW--Outlook/CreditWatch.
Source: S&P Global Ratings Credit Research & Insights.

Chart 2

Rating transitions
Year-to-date total

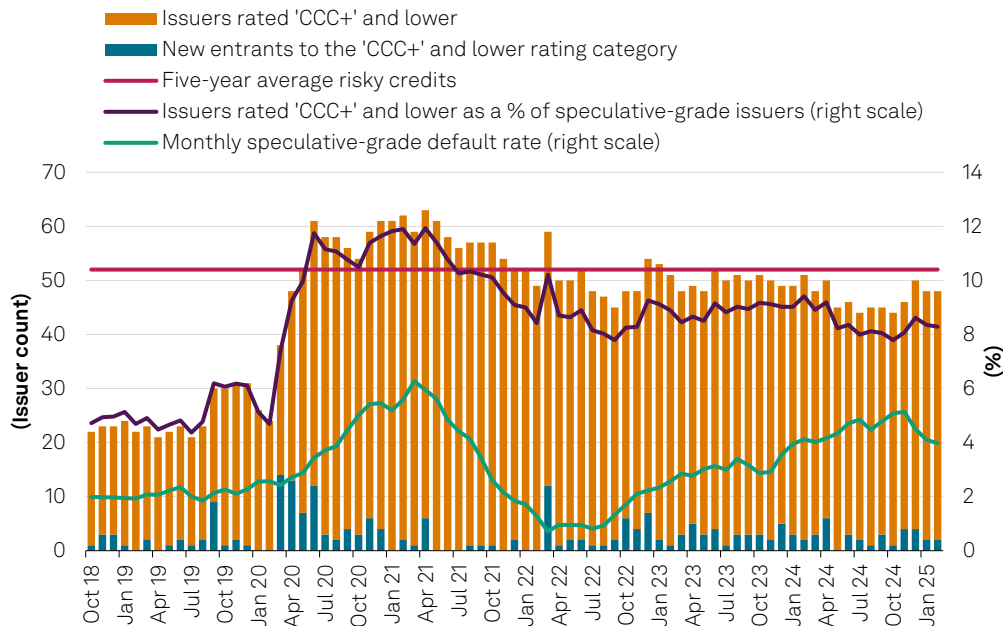


Data as of May 29, 2025. (2024 data is through May 23).
YTD--Year to date.
Source: S&P Global Ratings Credit Research & Insights.

Chart Of The Week

Chart 3

The number of European risky credits hardly changed, while underlying risks persist



Data as of April 30, 2025. This chart was first published in “[European Risky Credits: Signs Of Stability Amid Sectoral Strain](#)” on May 28, 2025. Source: S&P Global Ratings Credit Research & Insights.

Related Research

[Credit Trends: U.S. Corporate Bond Yields As Of May 28, 2025](#), May 29, 2025

[Credit Trends: European Risky Credits: Signs Of Stability Amid Sectoral Strain](#), May 28, 2025

[North American Risky Credits: Overall Tally Steadies Despite Rising Pressure In Key Sectors](#), May 30, 2025

[Emerging Market Risky Credits Number Drops Amid Market Slowdown](#), May 28, 2025

Upcoming Webinars

[Asia-Pacific Credit Focus](#), June 4, 2025

Credit Market Conditions

Chart 4

North America 1-month Credit VIX

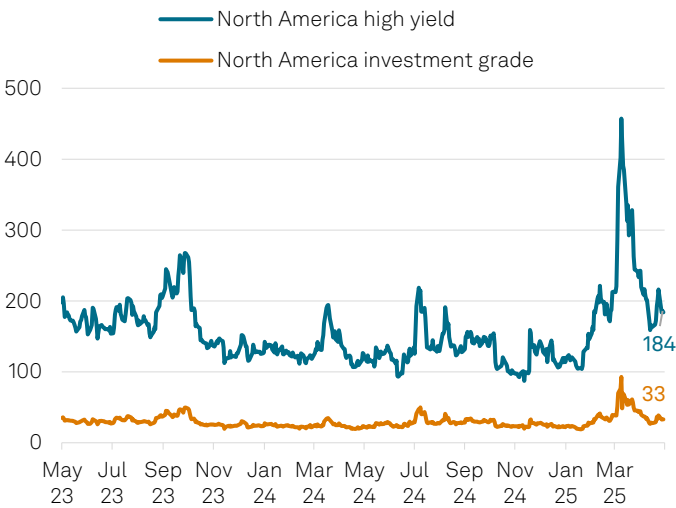
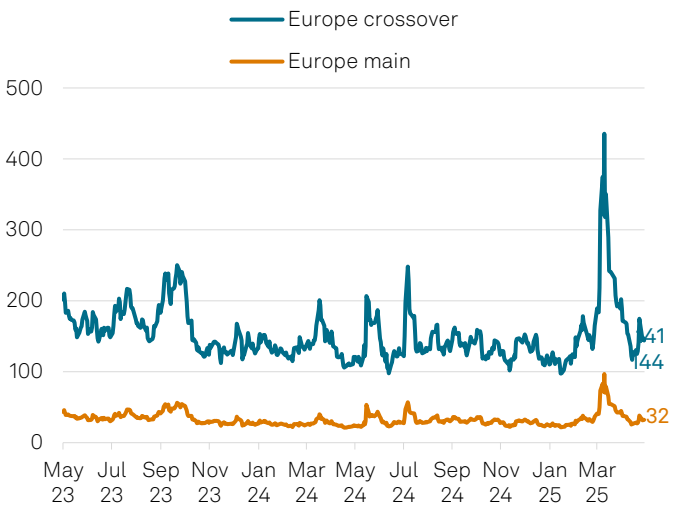


Chart 5

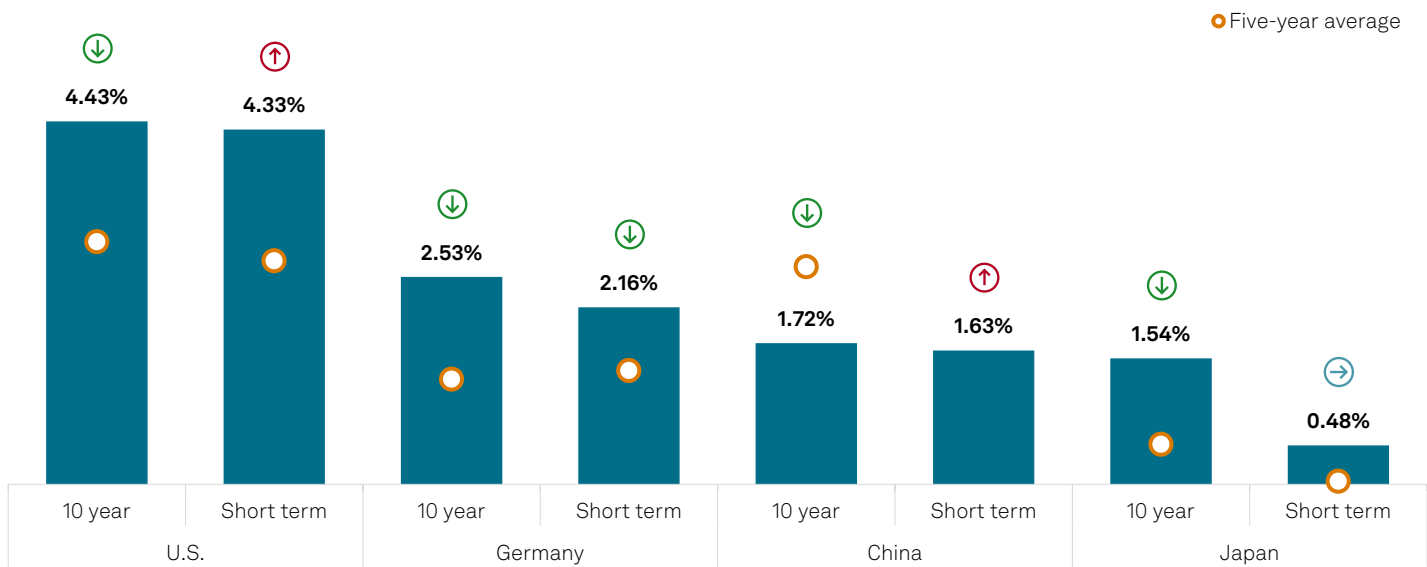
Europe 1-month Credit VIX



Data as of May 29, 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); North America high-yield--CDX/Cboe NA High-yield 1-Month Volatility Index (BP Volatility); North America investment-grade--CDX/Cboe NA Investment-grade 1-Month Volatility Index (BP Volatility). The launch date of the indices was Oct. 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's Credit Volatility Indices (Credit VIX).

Chart 6

Benchmark yields



Data as of May 29, 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.

This Week In Credit: Downgrades Outnumber Upgrades For Fifth Consecutive Week

Chart 7

Secondary market credit spreads

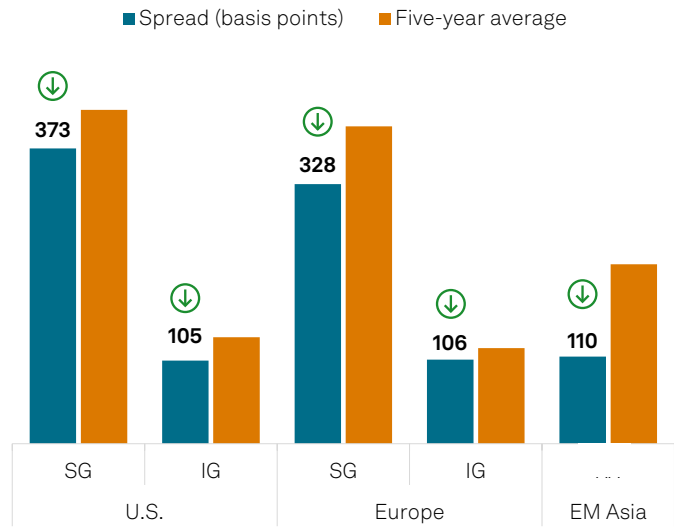
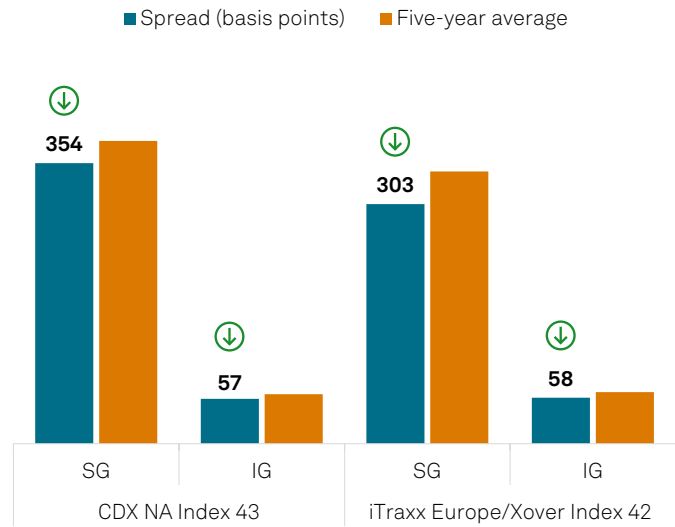


Chart 8

CDS pricing



Data as of May 29, 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: Downgrades Outnumber Upgrades For Fifth Consecutive Week

Table 1

Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
May 23, 2025	Downgrade	Motability Operations Group PLC	Financial institutions	U.K.	A-/Stable	A/Negative	15,592
May 23, 2025	Upgrade	Guatemala	Sovereign	Guatemala	BB+/Stable	BB/Positive	8,395
May 27, 2025	Downgrade	Braskem S.A.	Chemicals, packaging, and environmental services	Brazil	BB/Negative	BB+/Negative	7,050
May 23, 2025	Upgrade	QBE Insurance Group Ltd.	Insurance	Australia	A-/Stable	A-/Positive	4,893
May 29, 2025	Downgrade	Inizio Group Ltd.	Health care	U.K.	B-/Stable	B/Negative	4,383
May 28, 2025	Upgrade	New Cineworld Midco Ltd.	Media and entertainment	U.K.	B/Stable	B-/Positive	1,900
May 28, 2025	Downgrade	Pearls (Netherlands) Bidco B.V.	Chemicals, packaging, and environmental services	Netherlands	B-/Stable	B/Stable	1,688
May 27, 2025	Upgrade	Waystar Technologies Inc.	Health care	U.S.	BB-/Stable	B+/Stable	1,167
May 27, 2025	Downgrade	Carrefour Banque	Financial institutions	France	BBB-/Stable	BBB/Negative	1,020
May 28, 2025	Upgrade	Enmax Corp.	Utilities	Canada	BBB/Stable	BBB-/Positive	911

Data as of May 29, 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. \$)
None							

Data as of May 29, 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	To	From	Reason	Debt Volume (mil. \$)
May 28, 2025	At Home Group Inc.	Retail/restaurants	U.S.	SD	CCC	Missed payments	1,513
May 28, 2025	Azul S.A.	Transportation	Brazil	D	CCC-	Bankruptcy	0

Data as of May 29, 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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