

# This Week In Credit

## Data Examination Ahead

S&P Global  
Ratings

This report does not constitute a rating action.

### The Top Line | Oct. 9, 2023

Credit trends last week were largely positive across sectors and regions. This week will be data heavy. In the U.S., given recent stronger-than-expected labor market data, the focus is on Wednesday's PPI announcement and Thursday's CPI release. The Federal government's September budget statement will be important given the continuing debates in Congress. Additional economic data releases include credit data for China (Wednesday) and the U.K.'s August GDP (Friday).

### Key Takeaways

- Last week's rating activity was upbeat, as upgrades outnumbered downgrades and the count of positive outlook/CreditWatch placements materially exceeded negatives ones. There were three new rising stars--the highest weekly total since July.
- There were two defaults last week, one U.S.-based packaging manufacturer and a confidential issuer from the consumer products sector.
- CDS and bond spreads widened across the board, while benchmark yields remained volatile in many developed markets.

### Ratings performance trends



Data as of Oct. 5, 2023. 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 and confidential rating actions. Defaults from confidential issuers are included in the default tally. OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

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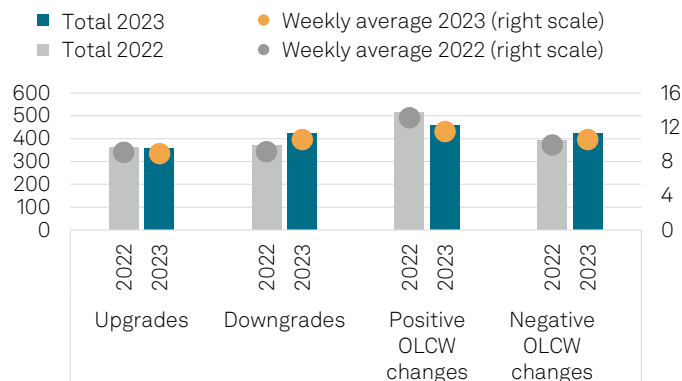
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Credit Market  
Research  
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## Year To This Week

Chart 1

### Rating actions

Year-to-date total and weekly average

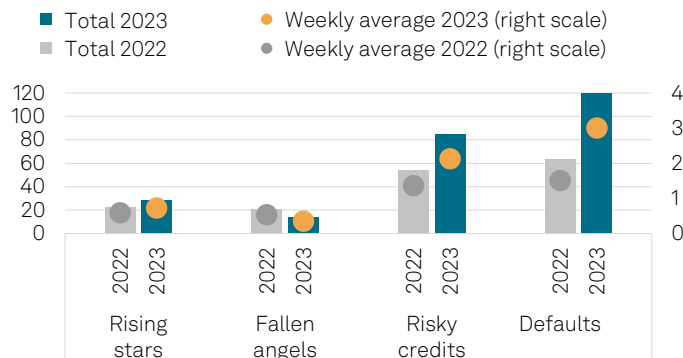


Data as of Oct. 5 (2022 data is January to Oct. 5). OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

### Rating transitions

Year-to-date total and weekly average

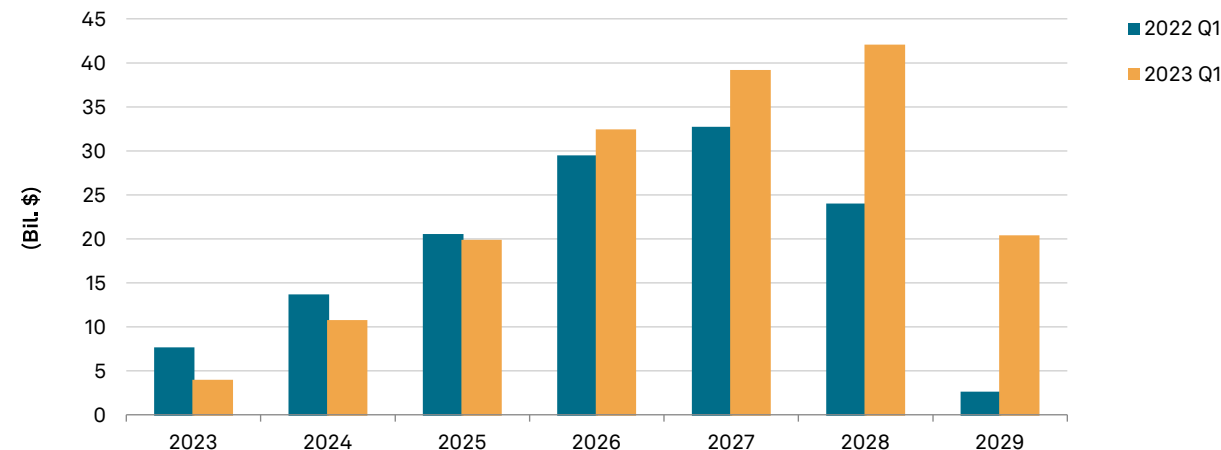


Data as of Oct. 5 (2022 data is January to Oct. 5). Source: S&P Global Ratings Credit Research & Insights.

## Chart Of The Week

Chart 3

### Maturity wall for private credit is being pushed into later years

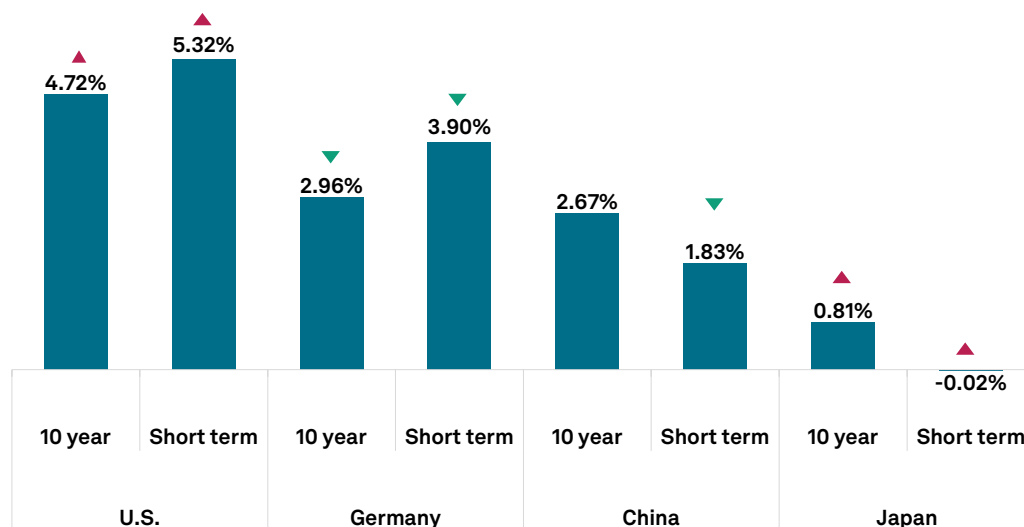


Note: Chart first appeared in "[Credit Trends: Business Development Companies' Assets Provide A Glimpse Into The Private Credit Market](#)", published Oct. 2, 2023. Note: Chart shows fair value BDC holdings of private credit loan assets maturing by year. Source: S&P Global Ratings Credit Research & Insights. Copyright by Standard & Poor's Financial Services LLC. All rights reserved.

## Credit Market Conditions

Chart 4

### Benchmark yields



Data as of Oct. 5, 2023. Data for DR007 as of Oct.7, 2023. Sources: S&P Global Market Intelligence, ECB, People's Bank Of China. Short rates: U.S., SOFR; Germany, euro short-term rate; China, DR007; and Japan, uncollateralized overnight call rate.

Chart 5

### Secondary market credit spreads

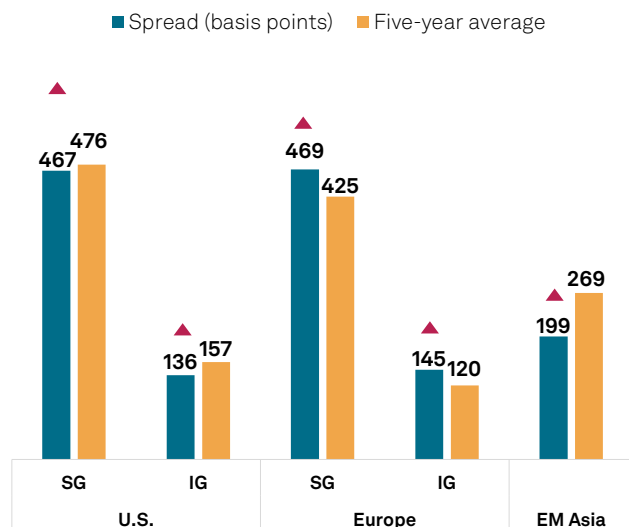
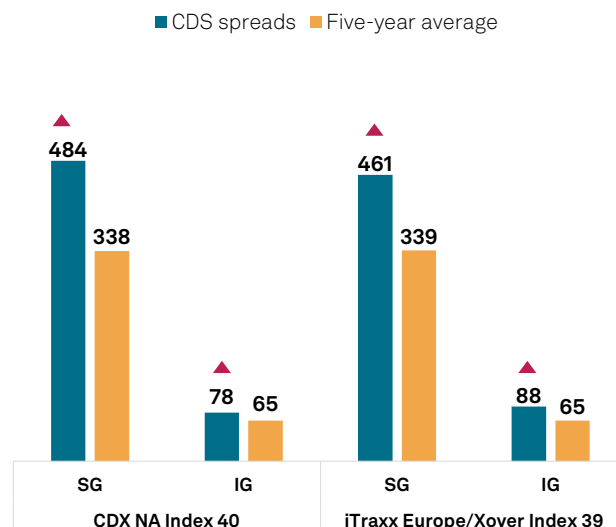


Chart 6

### CDS pricing



Data as of Oct. 5, 2023. The arrows indicate weekly trends. 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 Global Market Intelligence.

## Related Research

[U.S. Corporate Bond Yields As Of Oct. 4, 2023](#), Oct. 5, 2023

[Challenges To Trading Oil In Renminbi Remain Significant](#), Oct. 5, 2023

[Credit Trends: Business Development Companies' Assets Provide A Glimpse Into The Private Credit Market](#), Oct. 2, 2023

## Upcoming Webinars

[Alternative Investment Funds: Choppy Conditions Are Pushing Some AIFs Towards Debt](#), Oct. 11, 2023

## This Week In Credit: Data Examination Ahead

Table 1

### Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Oct. 5, 2023	Upgrade	Endeavor Group Holdings Inc.	Media and entertainment	U.S.	BB-/Positive	B+/Watch Pos	9,772
Oct. 5, 2023	Upgrade	Molson Coors Beverage Co.	Consumer products	U.S.	BBB/Stable	BBB-/Stable	6,467
Sept. 29, 2023	Upgrade	Sultanate of Oman	Sovereign	Oman	BB+/Stable	BB/Positive	6,160
Sept. 29, 2023	Upgrade	Coty Inc.	Consumer products	U.S.	BB/Positive	BB-/Stable	4,225
Oct. 4, 2023	Downgrade	Michaels Cos. Inc., (The)	Retail/restaurants	U.S.	CCC+/Negative	B-/Negative	4,100
Sept. 29, 2023	Downgrade	Vedanta Resources Ltd.	Metals, mining, and steel	U.K.	CCC/Watch Neg	B-/Negative	3,800
Sept. 29, 2023	Upgrade	Triton International Ltd.	Transportation	Bermuda	BBB/Stable	BBB-/Watch Pos	3,600
Sept. 29, 2023	Upgrade	Taylor Morrison Home Corp.	Homebuilders/real estate co.	U.S.	BB+/Stable	BB/Stable	3,592
Oct. 5, 2023	Downgrade	NOVA Chemicals Corp.	Chemicals, packaging, and environmental services	Canada	BB-/Negative	BB/Negative	3,175
Oct. 5, 2023	Downgrade	Restoration Hardware Inc.,	Retail/restaurants	U.S.	B+/Stable	BB-/Negative	2,500

Data as of Oct. 5, 2023. Note: Rating actions include financial and nonfinancial corporates and sovereign issuer credit ratings. Excludes rating actions with no debt and actions on local currency. \*Long-term issuer credit rating/outlook or CreditWatch status. Downgrades include defaults. Source: S&P Global Ratings Credit Research & Insights.

Table 2

### This week's defaults

Date	Parent company	Country/market	Subsector	To	From	Reason
Oct. 4, 2023	Poseidon Investment Intermediate, L.P.	U.S.	Chemicals, packaging, and environmental services	SD	CCC+	Distressed exchanged
Oct. 4, 2023	Confidential	Confidential	Consumer products	SD	CCC+	Confidential

Data as of Oct. 5, 2023. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®. Excludes local currency defaults.

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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 rated 'CCC+' and below.

**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.

**ECB**--European Central Bank

**EM**--Emerging markets.

**U.S. PCE**--United States Personal Consumption Expenditure Price Index

**PMI**--Purchasing Managers Index.

**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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