

# This Week In Credit

## Lots Of Global Data To Digest

S&P Global  
Ratings

This report does not constitute a rating action.

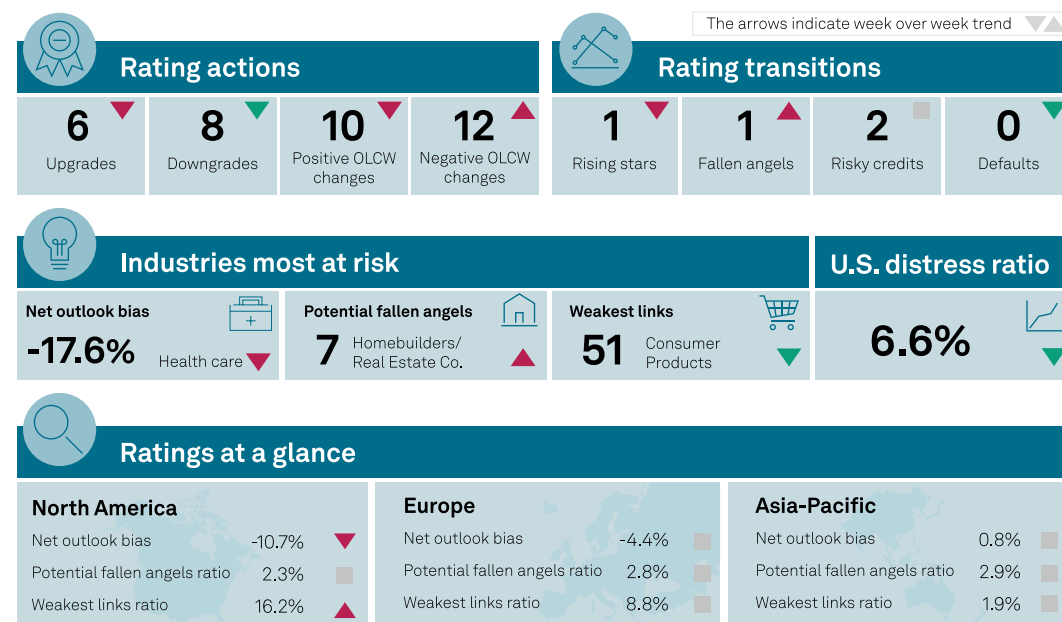
### The Top Line | Oct. 16, 2023

There were no defaults last week for the first time since early July, while last week negative rating actions marginally outnumbered the positive ones. This week, markets will look at China, where Wednesday's publication of third-quarter GDP numbers will provide more insight on the state of the economy. In Europe, markets await this week's release of U.K. inflation and labor market data, which might give a clue to the Bank of England's next interest rate decision, to be announced on Nov. 2. In the U.S., retail sales data will be released on Tuesday.

### Key Takeaways

- Rating activity slowed last week although negative outlook and CreditWatch actions jumped to 12 from the prior week's total of four.
- Last week, France-based Eutelsat Communications S.A. became a fallen angel--the first since mid-September and the 15th this year so far. Also, there was one new rising star, Ireland-based ICON PLC.
- Credit spreads tightened and benchmark yields declined, with the notable exception of China.

### Ratings performance trends



Data as of Oct. 12, 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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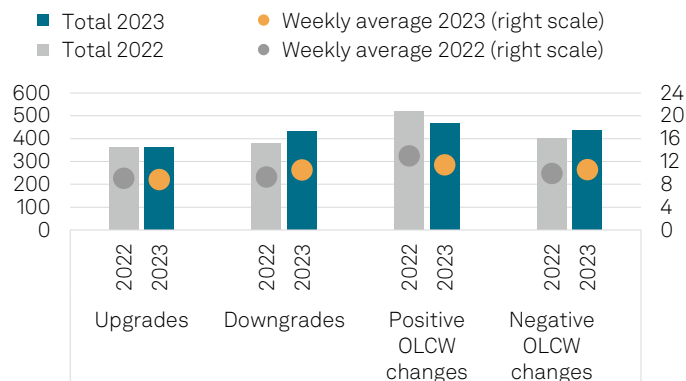
For more  
Credit Market  
Research  
[click here](#)

## Year To This Week

Chart 1

### Rating actions

Year-to-date total and weekly average

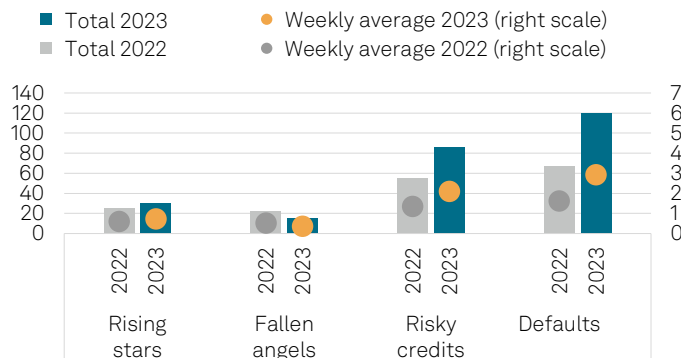


Data as of Oct. 12 (2022 data is January to Oct. 12). OLCW-- Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

Chart 2

### Rating transitions

Year-to-date total and weekly average



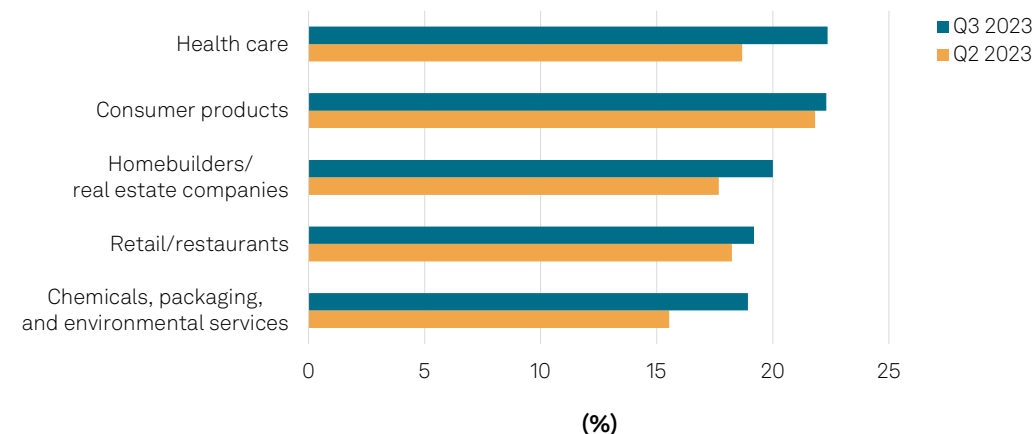
Data as of Oct. 12 (2022 data is January to Oct. 12). Source: S&P Global Ratings Credit Research & Insights.

## Chart Of The Week

Chart 3

### Negative bias by sector

Top five based on highest negative bias in Q3 2023



Note: Chart first appeared in "[Ratings Performance Insights: Q3 2023](#)," published Oct. 11, 2023. Data as of Sept. 30, 2023. Includes nonfinancial and financial corporates and sovereigns. Negative bias -- Percentage of issuers with negative outlooks ratings on CreditWatch negative. Source: S&P Global Ratings Credit Research & Insights.

### Related Research

[U.S. Corporate Bond Yields As Of Oct. 11, 2023](#), Oct. 12, 2023

[Ratings Performance Insights: Q3 2023](#), Oct. 11, 2023

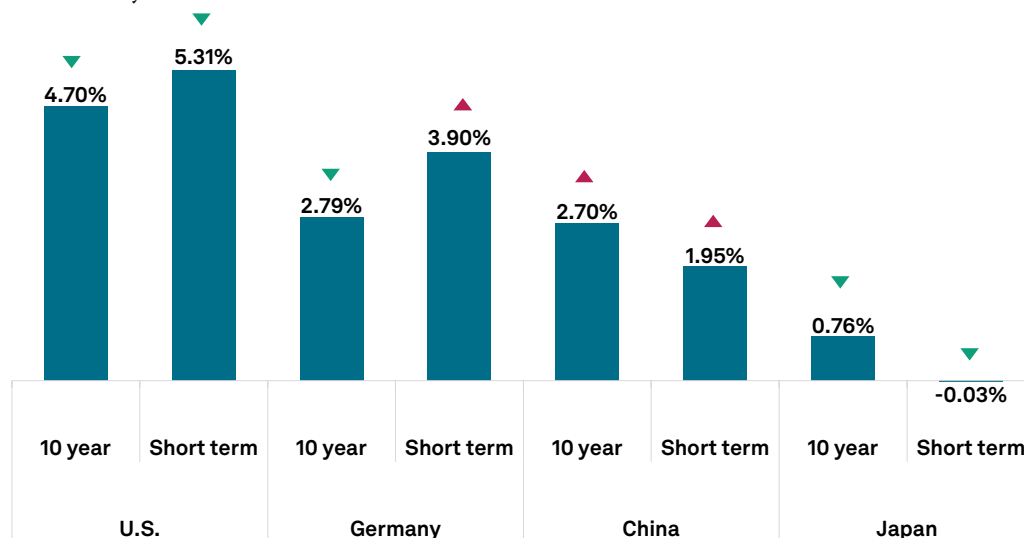
### Upcoming Webinars

[China Credit Spotlight Virtual Conference 2023](#), Oct. 19, 2023

## Credit Market Conditions

Chart 4

### Benchmark yields



Data as of Oct. 12, 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

■ Spread (basis points) ■ Five-year average

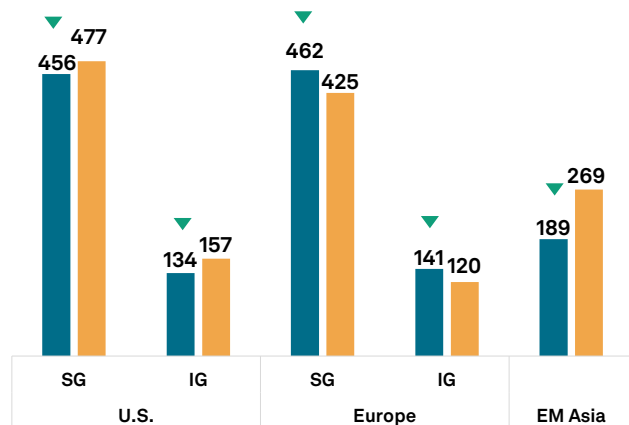
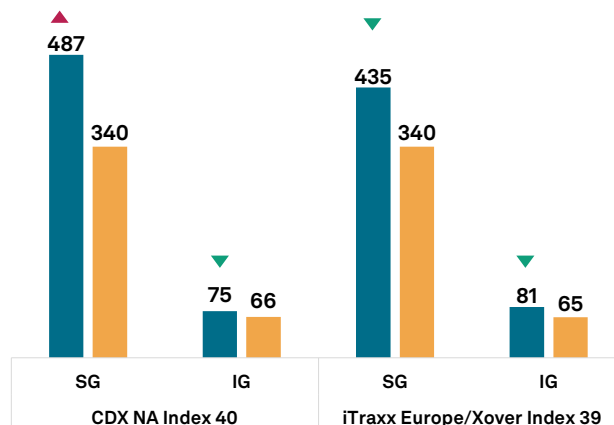


Chart 6

### CDS pricing

■ CDS spreads ■ Five-year average



Data as of Oct. 12, 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.

## This Week In Credit: Lots Of Global Data To Digest

Table 1

### Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Oct. 12, 2023	Upgrade	ICON PLC	Consumer products	Ireland	BBB-/Stable	BB+/Positive	6,015
Oct. 12, 2023	Upgrade	Peer Holding III B.V.	Retail/restaurants	Netherlands	BB/Stable	BB-/Stable	3,745
Oct. 12, 2023	Downgrade	Petroleos del Peru Petroperu S.A.	Oil and gas	Peru	B+/Stable	BB/Stable	3,000
Oct. 9, 2023	Downgrade	Eutelsat Communications S.A.	Telecommunications	France	B+/Stable	BBB-/Watch Neg	2,740
Oct. 9, 2023	Upgrade	Shelf Drilling Holdings Ltd.	Oil and gas	Cayman Islands	B-/Stable	CCC+/Watch Pos	2,305
Oct. 11, 2023	Upgrade	Ashton Woods USA LLC	Homebuilders/real estate co.	U.S.	BB-/Stable	B+/Stable	2,000
Oct. 12, 2023	Downgrade	ClubCorp Holdings Inc.,	Media and entertainment	U.S.	CC/Negative	CCC+/Negative	1,600
Oct. 12, 2023	Downgrade	Badger Finance, LLC	Consumer products	U.S.	CCC/Developing	CCC+/Negative	1,180
Oct. 12, 2023	Downgrade	Premier Dental Services Inc.	Health care	U.S.	CCC+/Watch Neg	B-/Negative	540
Oct. 12, 2023	Upgrade	UST Holdings Ltd.	Media and entertainment	Bermuda	BB-/Stable	B+/Stable	400

Data as of Oct. 12, 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
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Data as of Oct. 12, 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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