

# This Week In Credit

## Defaults Pick Up Where They Left Off

S&P Global  
Ratings

This report does not constitute a rating action.

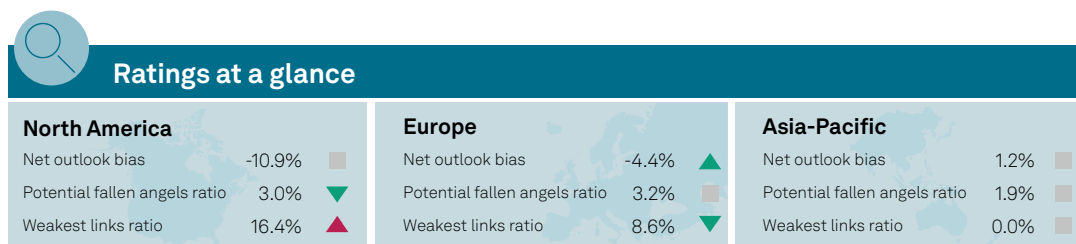
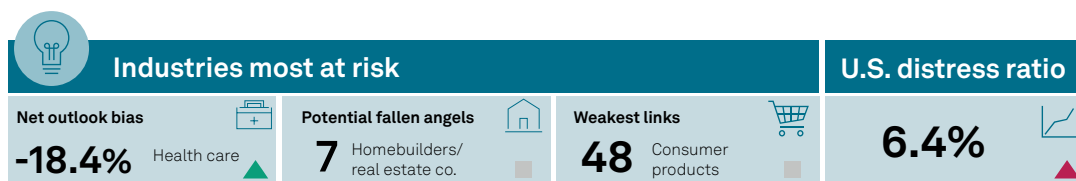
### The Top Line | Jan. 15, 2024

Corporate default momentum continues into early 2024, with six defaults so far, after an eye-catching 80% jump in defaults in 2023. Downgrades exceeded upgrades by 19% last year; in 2024, slower economic growth and high financing costs will continue to influence rating performance trends. In terms of major data releases this week, Wednesday is the main focus of attention with Chinese fourth-quarter GDP data, the U.S. Fed's Beige Book, and December U.S. retail sales. Corporate earnings season kicks off in earnest this week and we have the start of the U.S. presidential election cycle with the Iowa caucuses today.

### Key Takeaways

- The three rising stars were the highlight, the highest weekly total since early October last year. All three are U.S.-based. Two are insurance companies: MGIC Investment Corp. and Radian Group Inc., while NASCAR Holdings LLC is from the media and entertainment sector.
- There were four defaults last week. Missed interest payments was the main reason and, in contrast to recent regional trends, three of the four were issuers based in Europe.
- A rather positive week for pricing trends--credit spreads and CDS pricing tightened while the picture was more mixed for benchmark yields.

### Ratings performance trends



Data as of Jan. 11, 2024. 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. From January 2024 to ensure better regional alignment, we have incorporated minor adjustments to the country composition of certain regions. Source: S&P Global Ratings Credit Research & Insights.

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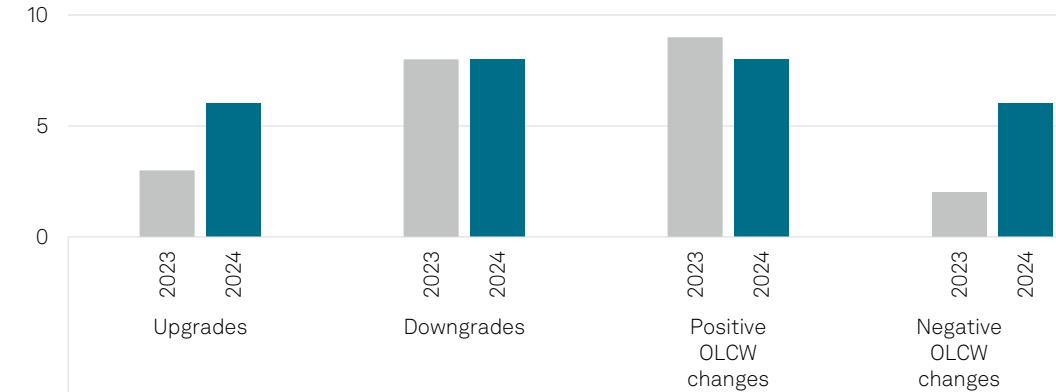
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# Year To This Week

Chart 1

Rating actions  
Year-to-date totals

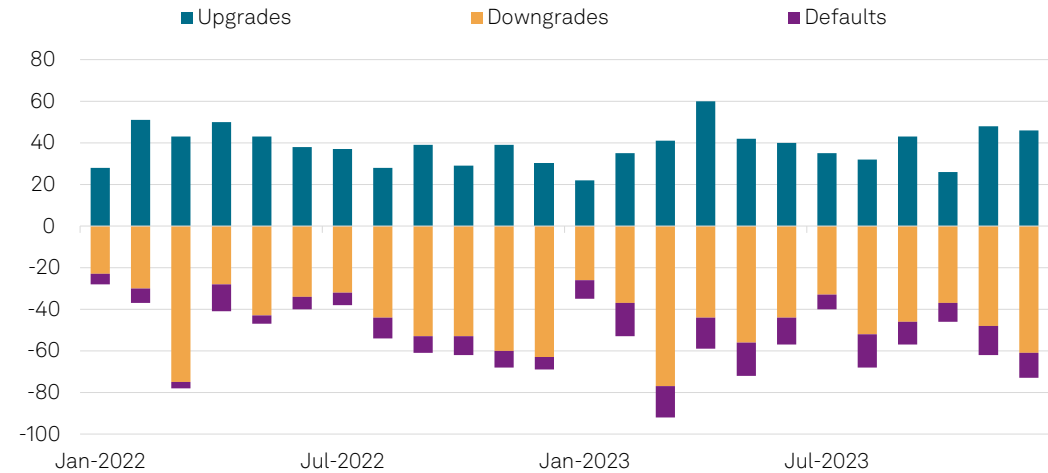


Data as of Jan. 11, 2024 (2023 data is through Jan.11). OLCW--Outlook/CreditWatch. Source: S&P Global Ratings Credit Research & Insights.

# Chart Of The Week

Chart 2

Downgrades outpaced upgrades in 2023, as defaults remained elevated



Note: Chart first appeared in "[CreditWeek: What Do Last Year's Credit Trends Mean For Ratings Performance In 2024?](#)" published Jan. 11, 2024. Source: S&P Global Ratings.

## Related Research

[Ratings Performance Insights: 2023 In Review](#), Jan. 12, 2024

[U.S. Corporate Bond Yields As Of Jan. 11, 2023](#), Jan. 11, 2024

[CreditWeek: What Do Last Year's Credit Trends Mean For Ratings Performance In 2024?](#) Jan. 11, 2024

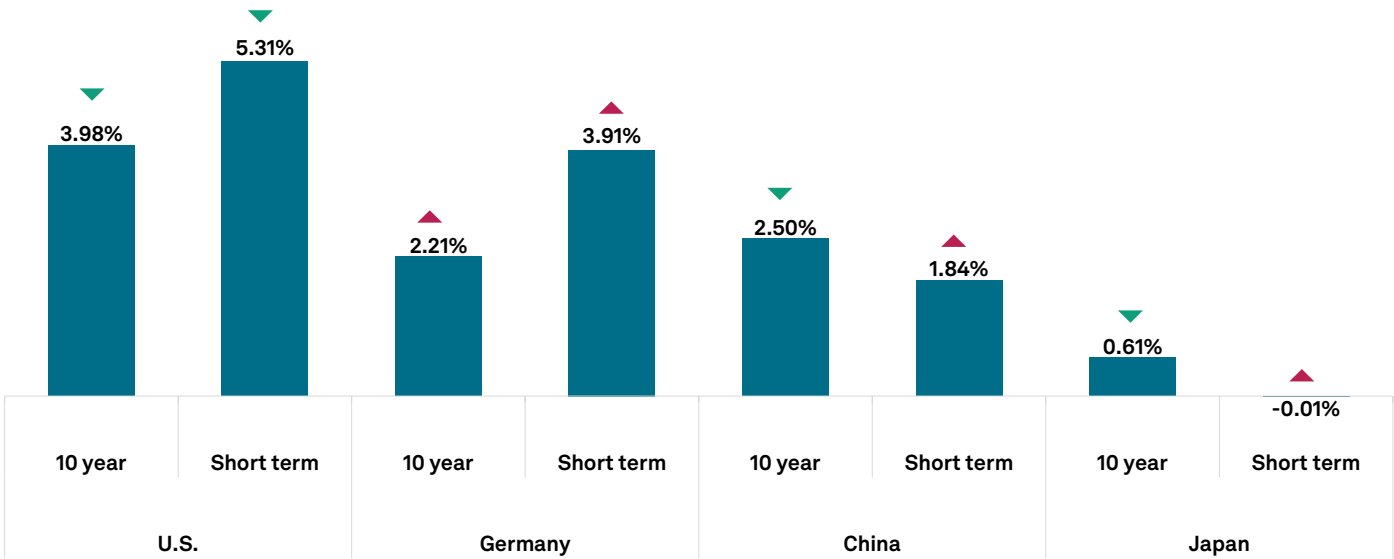
## Upcoming Webinars

[Global Credit Outlook 2024: New Risks, New Playbook – Questions That Matter On Geopolitical Uncertainty](#), Jan. 18, 2024

# Credit Market Conditions

Chart 3

Benchmark yields



Data as of Jan. 11, 2024. Sources: S&P Global Market Intelligence, European Central Bank, People's Bank Of China. Short rates: U.S., SOFR; Germany, euro short-term rate; China, DR007; and Japan, uncollateralized overnight call rate.

Chart 4

Secondary market credit spreads

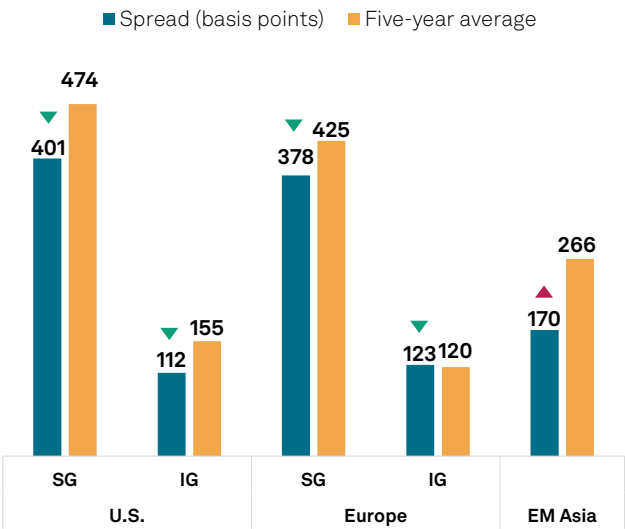
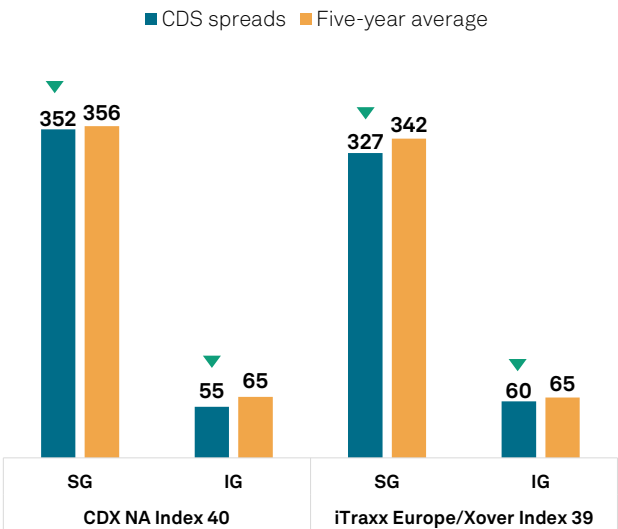


Chart 5

CDS pricing



Data as of Jan. 11, 2024. 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: Defaults Pick Up Where They Left Off

Table 1

### Top 10 upgrades and downgrades by debt

Date	Action	Issuer	Industry	Country	To*	From*	Debt volume (mil. \$)
Jan. 11, 2024	Downgrade	Boston Properties Inc.	Homebuilders/real estate co.	U.S.	BBB/Negative	BBB+/Negative	10,550
Jan. 11, 2024	Upgrade	Chobani Global Holdings, LLC	Consumer products	U.S.	B/Stable	B-/Watch Pos	3,860
Jan. 11, 2024	Downgrade	Vedanta Resources Ltd.	Metals, mining, and steel	U.K.	SD/NM	CC/Watch Neg	3,800
Jan. 8, 2024	Upgrade	Radian Group Inc.	Insurance	U.S.	BBB-/Stable	BB+/Stable	1,425
Jan. 5, 2024	Upgrade	NASCAR Holdings, LLC	Media and entertainment	U.S.	BBB/Stable	BB+/Positive	1,410
Jan. 11, 2024	Downgrade	Del Monte Foods Inc.,	Consumer products	U.S.	B-/Negative	B/Positive	725
Jan. 8, 2024	Upgrade	MGIC Investment Corp.	Insurance	U.S.	BBB-/Stable	BB+/Stable	650
Jan. 11, 2024	Downgrade	Affinity Interactive	Media and entertainment	U.S.	B-/Stable	B/Stable	545
Jan. 8, 2024	Upgrade	NMI Holdings Inc.,	Insurance	U.S.	BB+/Stable	BB/Stable	400
Jan. 11, 2024	Downgrade	Amphora Intermediate II Ltd.	Consumer products	U.K.	SD/NM	CCC+/Negative	382

Data as of Jan. 11, 2024. 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. SD--Selective default. D--Default.

Table 2

### Last week's defaults

Date	Parent company	Country/market	Subsector	To	From	Reason
Jan. 5, 2024	AMT TopCo, LLC	U.S.	Health care	D	CCC	Missed interest payments
Jan. 10, 2024	Ignition Topco BV	Netherlands	Chemicals, packaging and environmental services	D	CCC	Missed interest payments
Jan. 11, 2024	Amphora Intermediate II Ltd.	U.K.	Consumer products	SD	CCC+	Missed interest payments
Jan. 11, 2024	Vedanta Resources Ltd.	U.K.	Metals, mining, and steel	SD	CC	Distressed exchange

Data as of Jan. 11, 2024. Sources: S&P Global Ratings Credit Research & Insights and S&P Global Market Intelligence's CreditPro®. Excludes local currency defaults. SD--Selective default. D--Default.

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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 with a negative outlook or CreditWatch placement.

**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.

**CPI**--Consumer price index.

**DR007**--Seven-day repurchase rate for depository institutions.

**EM**--Emerging markets.

**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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