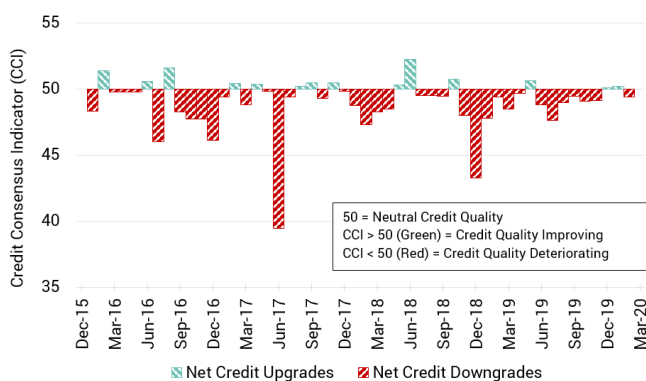


Credit Consensus Indicator (CCI) UK, EU & US Industrials

April 2020

Credit Benchmark's monthly measure of credit risk sentiment and activity draws on the collective intelligence of over 30,000 analysts at 40+ of the world's leading financial institutions.

This measure, known as the **Credit Benchmark Credit Consensus Indicator (CCI)**, shows changes in forward looking credit opinion for aggregated Industrials across the US, UK, and EU.

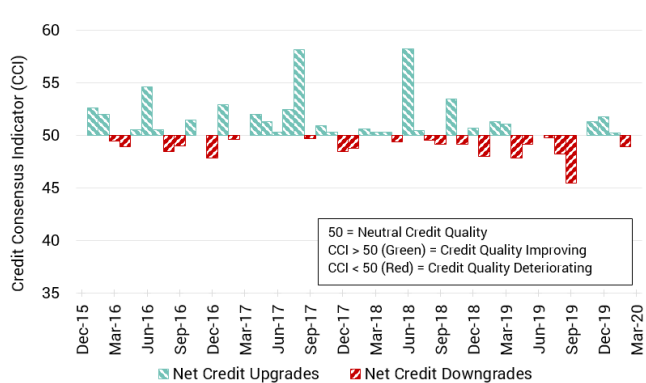


UK Industrials: Return to Credit Deterioration

The credit risk of UK Industrial companies has been dominated by downgrades in the past month.

The CCI for this month sits at 49.4; a return to negative territory after minor respite at the start of the year.

Efforts to switch manufacturing output to much-needed ventilator and PPE supplies has been compared positively to past wartime collaboration, but the sector faces an uphill fight against supply chain disruption and a sudden and severe contraction in demand.

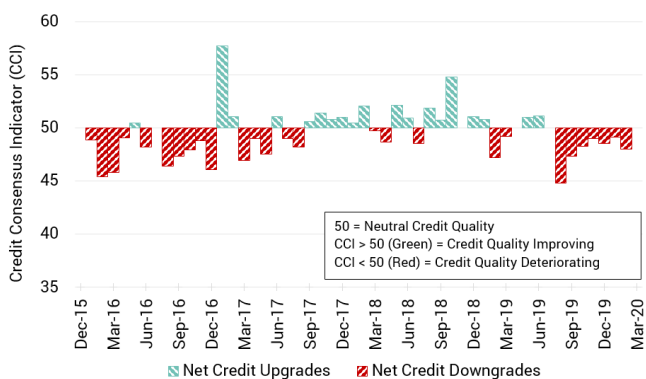


EU Industrials: CCI Back in Negative Territory

After several months of net credit upgrades, EU Industrials have fallen back into negative territory.

This month, the CCI for the region's industrial companies is 48.9.

Given Germany's industrial dominance and relative minimisation of coronavirus impact, the group may yet fare better than their US and UK counterparts – though the hit to Italian and French manufacturing threatens to drag down the average.



US Industrials: Seventh Consecutive Month of Net Downgrades

US Industrial companies have seen a seventh consecutive month of net credit downgrades.

The CCI for US firms sits at 47.9 this month; the longest continuous run in either direction for the tracked time period.

The Federal Reserve recently reported a drop of 6.3% in US manufacturing output; the biggest decline since WW2. This is largely due to the closure of several large auto factories.

About Credit Benchmark Credit Consensus Indicators (CCIs)

CCI data from Credit Benchmark is based on over 800,000 contributed credit observations from 40+ of the world's leading financial institutions. The credit observations, which represent the work of over 30,000 analysts, are collected, anonymized and aggregated monthly by Credit Benchmark. CCIs provide forward-looking insights into credit risk sentiment and activity over time, leveraging overall credit distribution and trends.