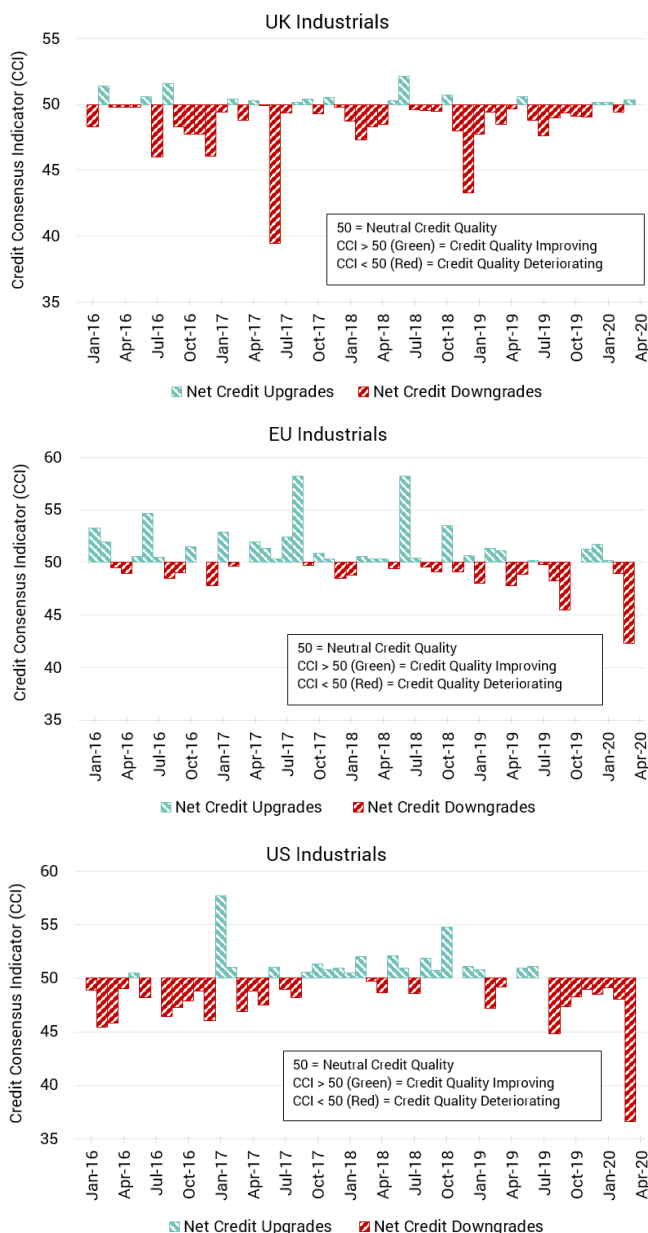


Credit Consensus Indicator (CCI) UK, EU & US Industrials

May 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: Credit Risk Continues to Toe the Line

UK Industrial companies have seen a slight reprieve from last month's net downgrades but continue to hover near neutral.

The CCI for this month sits at 50.4; slipping back into positive territory after last month's CCI of 49.4.

Over the last six months, the CCI has remained between 49 and 51. Three of the last six months have shown net improvement and three months have shown net deterioration. Recent growth in Health and Food manufacturing may be helping to keep the group afloat – or earlier Brexit-related deteriorations could mean there is little remaining ground to lose.

EU Industrials: Net Downgrades Rise Sharply

EU Industrials have compounded last month's swing towards downgrades with a significant further drop.

This month, the CCI for the region's industrial companies is 42.3, following last month's CCI of 48.9.

[A forecast given by Germany's DIHK chambers of industry and commerce](#) expects the national economy to shrink by at least 10% this year due to COVID-19, and industrial companies are reportedly facing massive liquidity problems. Industrial production across the [EU dropped by 10.4%](#) in March 2020.

US Industrials: CCI Paints Worrying Picture for US Industrial Credit

US Industrial companies have seen the largest recorded instance of net deterioration since CCI records began in December 2015.

The CCI for US firms has fallen to 36.6 this month from its previous position of 48. The CCI has trended towards deterioration for eight consecutive months.

Manufacturing output plummeted by 13.7% in April [according to the Federal Reserve](#), stoking fears that the US economy will contract at a pace not seen since the Great Depression. On 18 May, [Fiat Chrysler Automobiles](#) announced the return of 12,000 manufacturing staff, which may prompt some recovery in future months.

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.