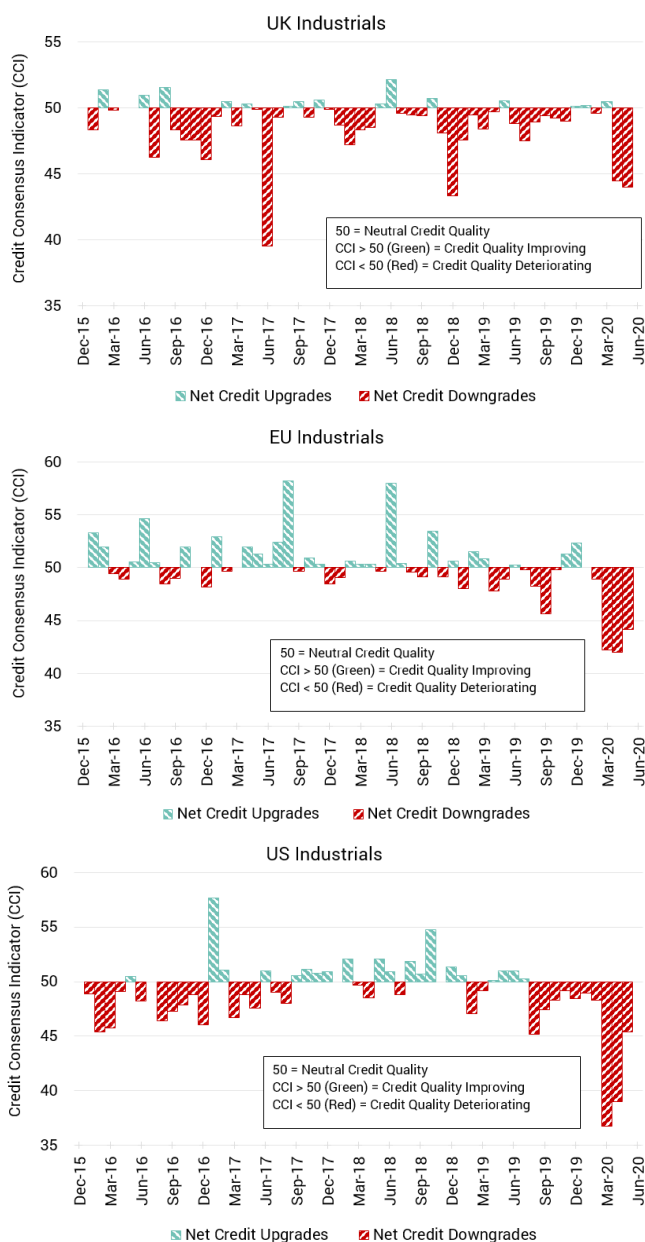


Credit Consensus Indicator (CCI) UK, EU & US Industrials

July 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: CCI Shows Further Deterioration

Last month's swing from near-neutral credit quality to pronounced deterioration for UK Industrial companies continued for a second month in similar severity.

The CCI for this month is 44, a very slight worsening from last month's CCI of 44.4.

[Recent output figures](#) indicated that industrial manufacturing and production in the UK improved from April to May, against expectations. UK businesses must contend with the dual threats of COVID-19 and the approaching end of the Brexit transitional period with no deal yet confirmed.

EU Industrials: Credit Downgrades Persist

EU Industrial companies continue a pattern of net credit downgrades which has persisted for four months.

The CCI for this month is 44.2; a slight improvement from last month's CCI of 41.9 but still firmly in the red.

[PMI figures](#) from last month indicate that Eurozone manufacturing is recovering as EU nations move out of lockdown. However, [export figures](#) remain well below pre-virus levels as COVID-19 continues to stymie international trade.

US Industrials: CCI Remains Negative But Severity Eases

This month saw fewer downgrades for US Industrial companies than the previous two months, but the balance remains negative.

The CCI for this month is 45.4; something of a reprieve from last month's CCI of 38.9.

This is the tenth consecutive month of net downgrades for the sector. Though production levels are growing, with an [increase of 7.2% last month](#), factory output in the US is still 11.1% lower than in February.

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.