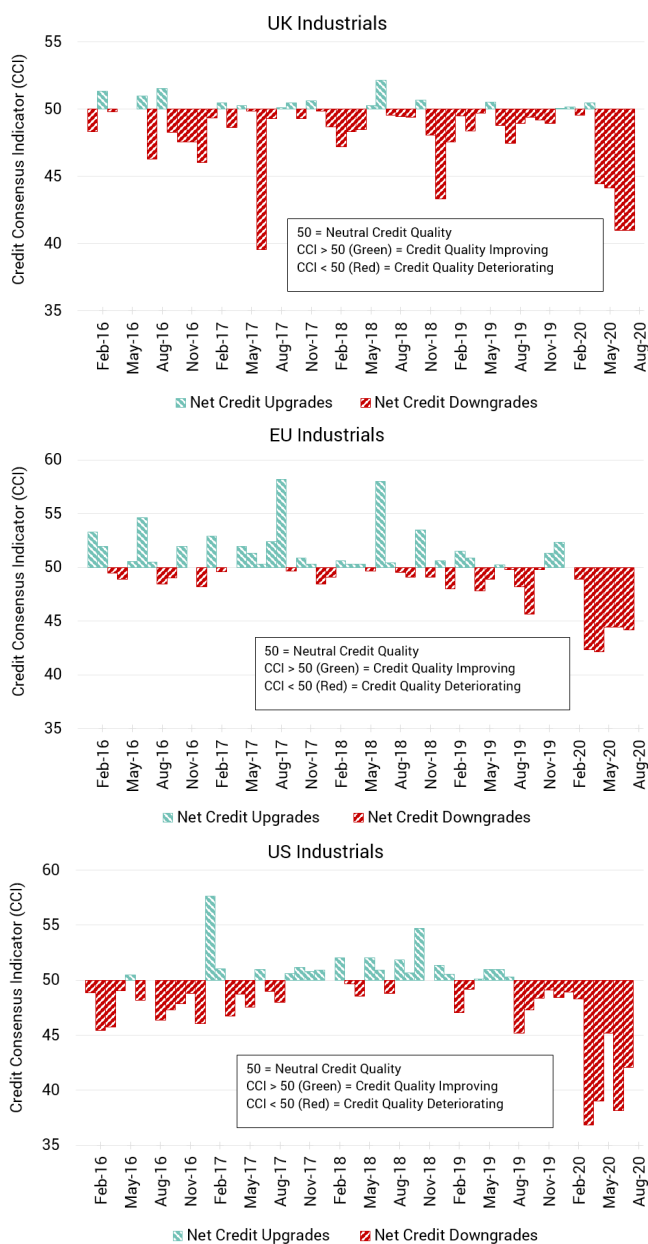


# Credit Consensus Indicator (CCI) UK, EU & US Industrials

September 2020

Credit Benchmark's monthly measure of credit risk sentiment and activity draws on the collective intelligence of over 20,000 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: No Improvement Seen in CCI

UK Industrial companies have seen no improvement in their credit quality since last month – but nor have they worsened, after three prior months of progressive deterioration.

This month, the CCI is 40.9; unchanged from last month.

[A CEBR report](#) warns that in the event of another coronavirus wave and lockdown, UK GDP could be 3% to 5% lower in the fourth quarter compared to Q3.

## EU Industrials: Credit Deterioration is Prolonged but Steady

EU Industrial companies have shown a steady pattern of credit deterioration for several months, with little month-to-month fluctuation in the CCI.

This month, the CCI for EU firms is 44.2, a slight worsening from last month's CCI of 44.4.

Though Eurozone manufacturing [showed some signs](#) of bouncing back from earlier COVID-induced crashes, confidence has taken a hit and any sustained return to growth is some way off.

## US Industrials: CCI Stays Negative After a Year of Deteriorations

Credit quality for US Industrial companies remains negative, with only a slight reduction in the severity of this month's CCI.

The CCI is currently 42.1, a mild improvement from 38.2 last month.

The latest update completes a 12th month of continuous net deterioration, with trade tensions already having affected industrial output ahead of the unanticipated COVID impact in early 2020. While manufacturing activity has recently improved, [employment figures](#) are still contracting, supporting economists' views that the US labor market faces future trouble.

### 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 20,000 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.