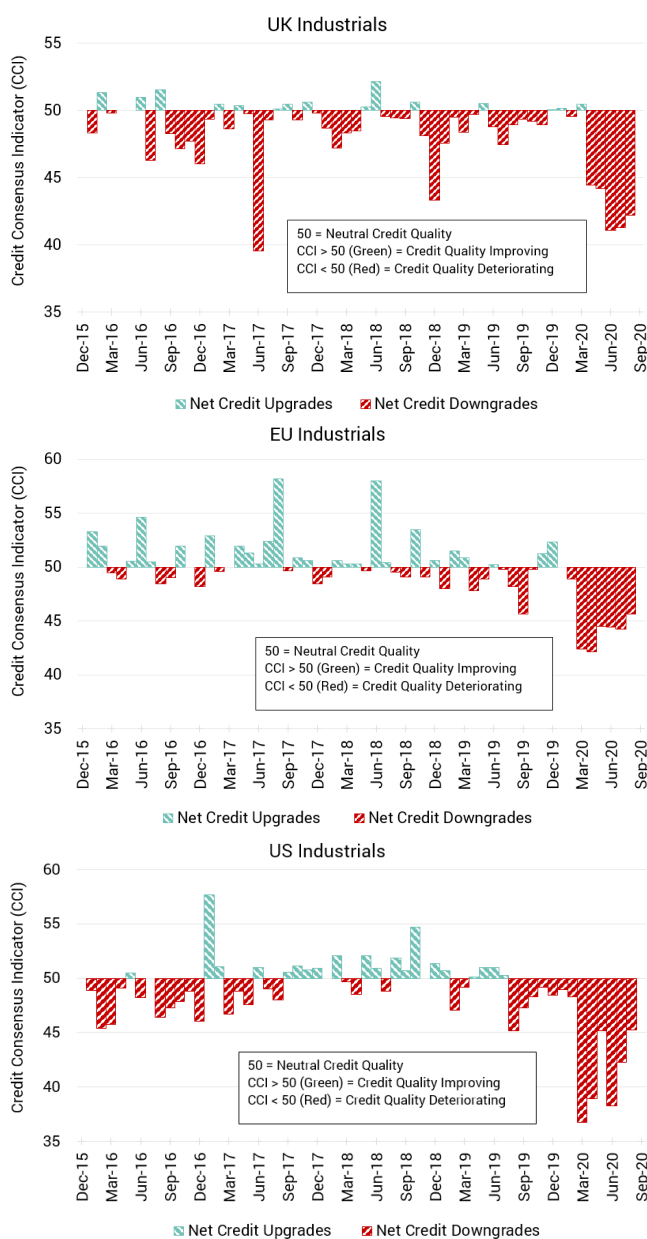


Credit Consensus Indicator (CCI) UK, EU & US Industrials

October 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: Little Variation Seen in Negative Trend

UK Industrial companies have continued to deteriorate for a fifth successive month, with little recent variation in the severity of the deterioration.

The CCI for this month sits at 42.2; a minimal improvement from last month's CCI of 41.3.

Output for the UK is [still 9% below pre-pandemic levels](#) and the spectre of a second full lockdown hangs over the economy. As the outlook continues to deteriorate there is an increasingly heated debate about the timing and scale of further stimulus packages.

EU Industrials: Downgrades Persist but Severity Lessens

Although EU Industrial companies have shown net deterioration for the past seven months, the severity of the trend is gradually lessening.

This month's CCI is 45.7, an improvement from last month's CCI of 44.2, and the comparatively best position since February 2020.

Emergency measures taken by Eurozone governments to counter coronavirus amount to a [potential budget deficit of almost €1tn](#) – a powerful short term boost but increases concerns about longer-term sovereign debt challenges.

US Industrials: Downgrades Dominate but Trend Moving in the Right Direction

The deep drops in credit quality observed over recent months for US Industrials are easing, though the CCI still remains firmly in the red.

This month, the CCI sits at 45.3, a modest improvement from last month's CCI of 42.3. The CCI is comparatively in its best position since February 2020.

US manufacturing dropped by 0.3% in September after earlier increases - suggesting a possible [‘tea kettle’ shaped recovery?](#)

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.