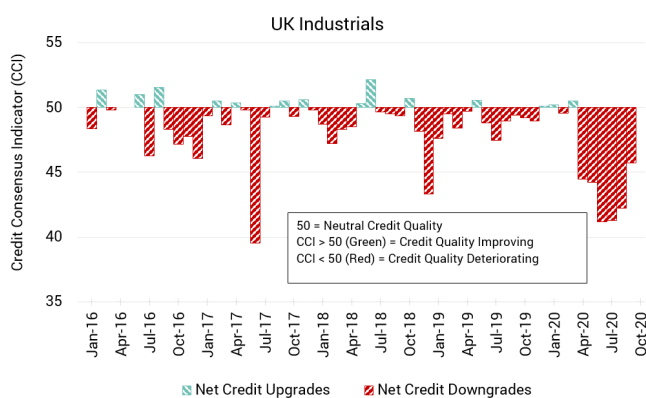


Credit Consensus Indicator (CCI) UK, EU & US Industrials

November 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.

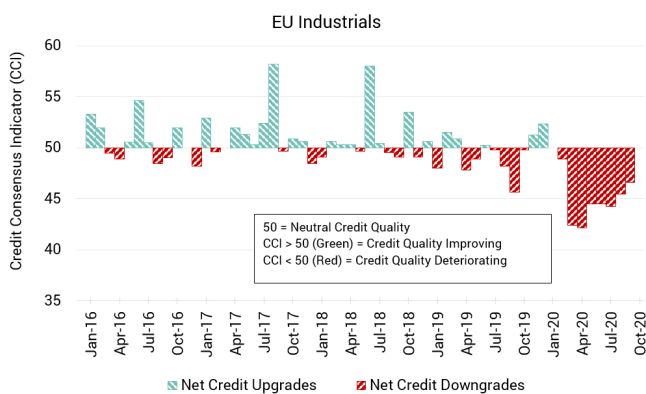


UK Industrials: CCI Jumps in the Right Direction

UK Industrial companies have entered a sixth consecutive month of net credit deterioration but the severity has lessened, and the overall position is the best it has been since March – before COVID had begun to majorly impact the global economy.

The CCI for this month sits at 45.7; an improvement from last month's CCI of 42.2.

Recent promising developments in the race for a COVID vaccine may see UK credit quality continue to improve, but the spectre of Brexit still hangs over international trade and foreign investment.

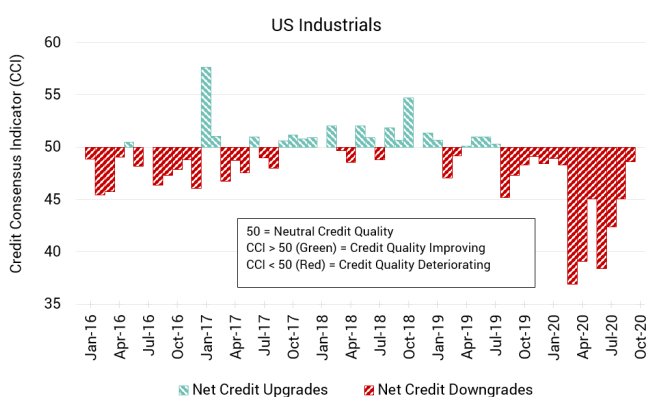


EU Industrials: Downgrades Gradually Lessen

EU Industrial companies have not seen a month of net credit improvement since last December – but unlike their UK and US peers, deterioration has been milder and more consistent.

This month's CCI is 46.6, an improvement from last month's CCI of 45.5. The recent trend of net deterioration is gradually lessening.

Eurozone manufacturing saw a [fourth consecutive increase](#) in factory output last month, with Germany the stand-out performer for the region. But with a second wave of COVID consumer demand will probably struggle to support current output levels.



US Industrials: Credit Quality Moves Closer to Equilibrium

US Industrial companies have seen the biggest improvement in their collective credit quality this month vs. their UK and EU peers.

This month, the CCI sits at 48.6, a significant improvement from the deep drops observed in recent months. Last month's CCI was 45.1.

As the US struggles to recover after months of dampened economic activity, not all manufacturers are emerging as equals. [The Federal Reserve reported](#) that while business-to-consumer sales are booming in areas like recreational vehicles, boats, appliances and trucks, the business-to-business sector remains stalled.

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.