Credit Benchmark®

Trade Credit Risk and Supply Chains: The Post-Pandemic Landscape

July 2021

Table of Contents

1. Introduction 4
2. Country Credit Risk 6
3. Global Trends 8
4. Travel & Leisure 11
5. Oil & Gas 12
6. Metals and Mining 13
7. Autos 14
8. Forestry 15
9. Airlines & Hotels 16
10. REITs 18
11. OEMs 20
12. Counterparts Analysis: Sample Reports 21
13. Conclusion 23

Executive Summary

- **Sovereign Risk:** Developing countries hit hardest; Africa and Middle East recovering.
- **Global Corporates** recovering; **Financials** stabilizing after shallow dip.
- **Industrials:** US shows sharpest recovery after deepest dip.
- **Travel and Leisure:** Pace of downgrades slowing, but balance still negative.
- **Oil & Gas:** Production and Services show slight bias to upgrades.
- **Metals & Mining:** Broad recovery, especially sharp in North America.
- **Automobiles & Parts:** US rebounds, but no recovery yet in Europe and Asia.
- **Forestry & Paper:** Sharp rebound in US, Europe lackluster.
- **Hotels and Airlines:** Still deteriorating, but recent data shows tentative stabilization.
- **REITs:** Retail stabilizing after long and deep deterioration; Office and Industrial reversing most of their Covid-related decline.
- Gartner Top 25 analysis shows that supply chain excellence can be a major contributing factor in a strong credit rating.
- Consensus credit data now supports a growing set of analytics to assess any chosen group of counterparts where bank coverage is available.

Supply chains and trade credit are now critical in a post-COVID world. Trade volumes are likely to fluctuate, reflecting the collision of pent-up consumer demand with widespread skill shortages, supply bottlenecks and uncertainty about further COVID variants.

Disruption is the new status quo with global shortages hitting supplies of both goods and labour. Advances in technology are helping to create more flexible supply chains but there is a long way to go to repair the damage from COVID.

Growing regulatory pressure to understand end-to-end supply chain credit risk leaves SMEs at a disadvantage when it comes to accessing credit. There is growing evidence that more transparent and widely available credit data benefits the global economy. Consensus credit estimates provide part of the solution. With coverage on 30,000+ corporate, financial and sovereign issuers, the Credit Benchmark dataset helps fill the gap between the need for flexible, robust global supply chains and the need to minimize payables and receivables risk arising from supply chain volatility.

About Credit Benchmark

Credit Benchmark produces a comprehensive view of credit risk by creating Credit Consensus Ratings ("CCRs") and analytics on the credit quality of companies, financial institutions, sovereigns, and funds.

The data is sourced from more than 40 global financial institutions, representing the work of over 20,000 analysts and is also used by regulators to monitor Basel rules on capital adequacy.

Credit Benchmark collects a specific measure of credit risk: a one-year, forward-looking Probability of Default (PD) and forward-looking senior unsecured Loss Given Default (LGD).

The underlying inputs are subject to a rigorous data quality approval process and derived from models that are approved by regulatory authorities. The resultant accuracy of each PD and LGD leads to a credible market view of credit risk for each given entity.

After being anonymized and aggregated, the contributed risk estimates are mapped to the appropriate credit category on the Credit Benchmark Consensus scale, which is calibrated periodically and can be used as a comparison to the scales published by the rating agencies.

Credit Benchmark produces regular data updates with history going back to 2015.

1. Introduction

At the end of June 2021, the Economist published its normalcy index. This tracks road traffic, retail activity, flights and various other indicators across 50 countries. Based on a pre-pandemic value of 100, it is currently standing at 66 – double the April 2020 value. Though by some metrics global recovery is underway, it will take time before "normality" is fully restored.

Figure 1.1 shows some likely trajectories for the recovery in global trade to the end of 2022.

Figure 1.1 Global Trade Flows: Post-Pandemic Growth Scenarios

Sources: WTO and UNCTAD for trade volume data; WTO for forecasts.

This chart shows WTO/UNCTAD projections for post-pandemic growth. The optimistic scenario shows world trade volumes returning to normal levels and trend growth rates early in 2022, which implies very rapid trade growth in H2 2021. The pessimistic scenario shows a dip in volumes in H1 2021 and a return to trend growth in H2 2021. The baseline forecast is for growth to continue at its normal rate but from a lower base volume.

This bifurcation – trade volumes could rise or fall – reflects the collision of pent-up consumer demand as savings return to normal, with widespread skill shortages, supply bottlenecks and uncertainty about further COVID variants.

Supply chains and trade credit are now critical. In 2019, DHL published "10 Top Supply Chain Risk Trends to Watch in 2019". The main topics were global warming, cyberattacks and the risks of unregulated drones. What a difference a pandemic makes. The 2019 trends show a sharp contrast to a report from Standard Chartered earlier this year which observed that "For decades, businesses optimised supply chains at the expense of strengthening their ability to absorb disruption."

Disruption is the new status quo: global shortages have hit semiconductors, timber, cement, glass and steel. These have been compounded by the labour shortages in transport, construction and – most recently – hospitality. Businesses need flexible supply chains and nimble management of working capital. New technology – AI, IoT, 5G and blockchain – is beginning to address those needs, but the global supply chain has a long way to go to repair the damage from COVID.

There is also a growing set of regulatory requirements to not only "Know Your Customer" but also to "Know Your Customer's Customer" – part of the counterpart risk assessment. Global Treasurer has highlighted the ongoing move from traditional *documentary* (delivery vs. payment) to faster and cheaper *open account* (regular invoicing) supply chain transactions. The latter bring more credit risk – if a company delivers goods today and is paid by weekly or monthly invoice, how does it know who to trust? When should receivables be insured, and at what cost? Can payables risk be finessed, in scale and in timing?

Large companies with the resources to invest in technology and access to finance alternatives can navigate this new world and even develop a competitive edge in doing so. But the International Chamber of Commerce estimates that 45% of all SMEs have been refused trade finance at some point; even though many of these firms are actually acceptable credit risks. There is growing evidence that more transparent, widely available credit data benefits the global economy.

Consensus credit estimates from international banks provide part of the solution. Covering more than 30,000 corporate, financial and sovereign issuers, with hundreds of industry and sector trend-tracking aggregates, this dataset fills some of the rapidly growing gap between the operational need for a flexible, robust and broadly-based global supply chain versus the need to minimize or hedge payables and receivables risk arising from increasing supply chain volatility.

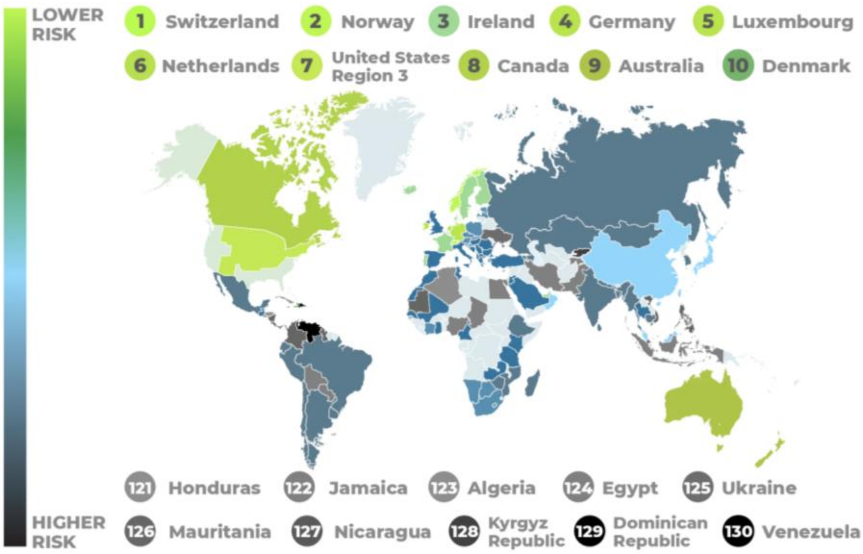
This paper shows the current credit position and recent trends for Sovereigns, Corporates and Financials with a specific focus on the patterns of recovery in industries and sectors hit hardest by COVID, and those with specific relevance to supply chain credit risk management.

2. Country Credit Risk

According to Bank for International Settlements estimates[1], trade finance directly supports about one-third of global trade. Working capital management in this enormous set of transactions is a balancing act in space and time. If it goes well, the right materials and products appear in the right place at the right moment; cash is conserved and can even be invested. If it goes badly, buyer or supplier defaults lead to unsold inventory, production bottlenecks and cash dries up, putting the entire business in jeopardy.

The challenge of supply chain finance can span multiple countries; as Figure 2.1 illustrates, in these cases sovereign risk is a good proxy for overall supply chain reliability. Countries that are ranked as having the most reliable supply chains are usually strong Sovereign credits, and vice-versa.

Figure 2.1 Global Supply Chain Risk Rankings Top 10 and Bottom 10



Source: GHY International

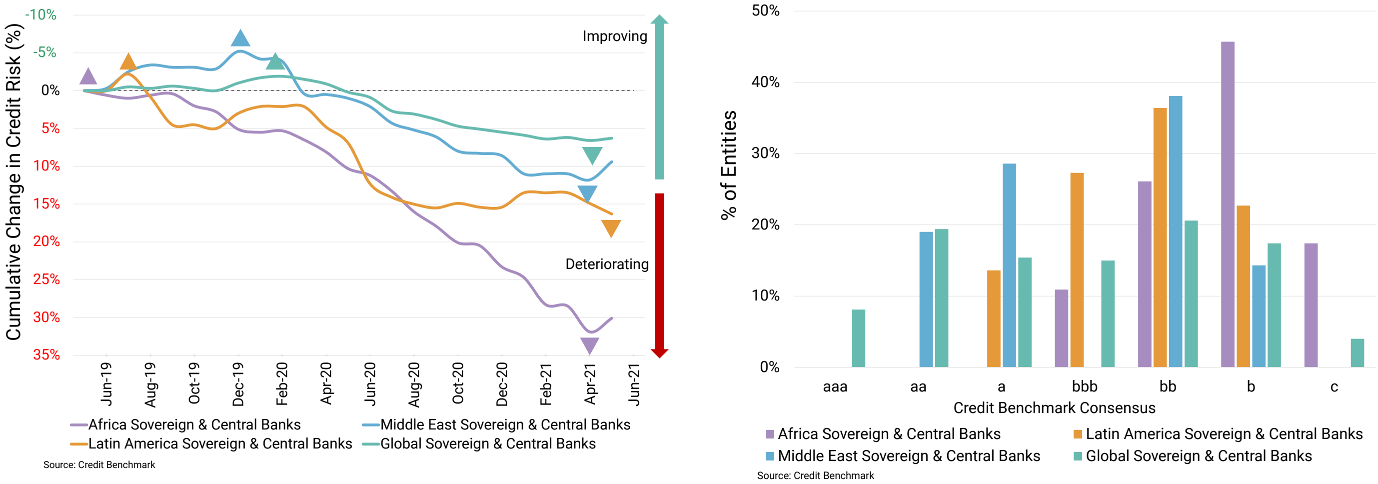
COVID has pushed Government debt to unprecedented levels, with a disproportionate impact on developing countries.

Figure 2.2 shows the trends and credit distributions for Sovereigns in Africa, Latin America, and the Middle East vs. the Global Sovereign aggregate.

Figure 2.2 Sovereign Credit Trends and Distributions: Africa, Latin America, Middle East, Global

Credit Trend

Credit Level

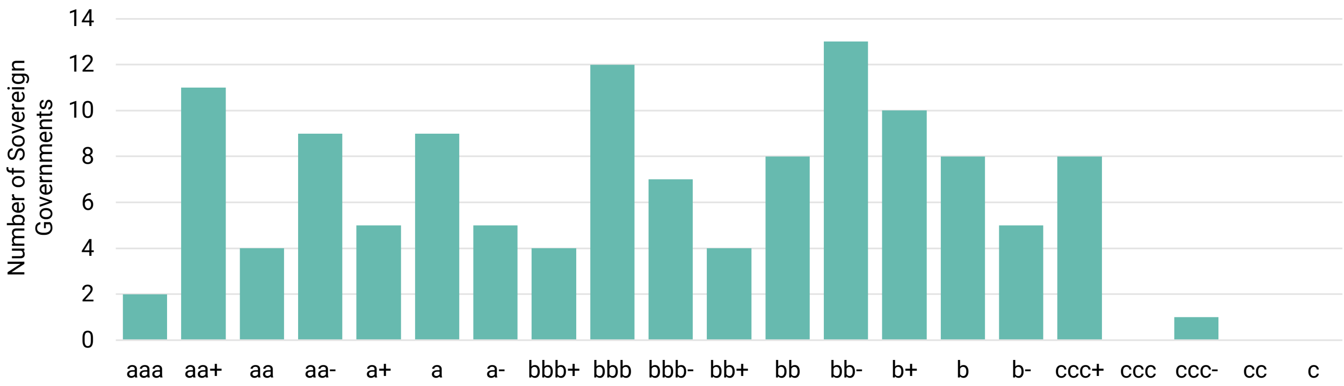


[1] The Handbook of Global Trade Policy, Andreas Klasen

Africa was hit hardest, deteriorating by about 20% since the onset of the pandemic. Latin America showed less impact but the recent trend is down as COVID cases have increased sharply in the region. Middle East Sovereigns are on average of higher credit quality than Latin America and Africa and have generally tracked the Global aggregate more closely, recovering from a recent shallow dip.

Figure 2.3 shows current consensus risk ratings for 125 Sovereign Governments and Territories.

Figure 2.3 June 2021 Consensus Risk Ratings: Sovereign Governments



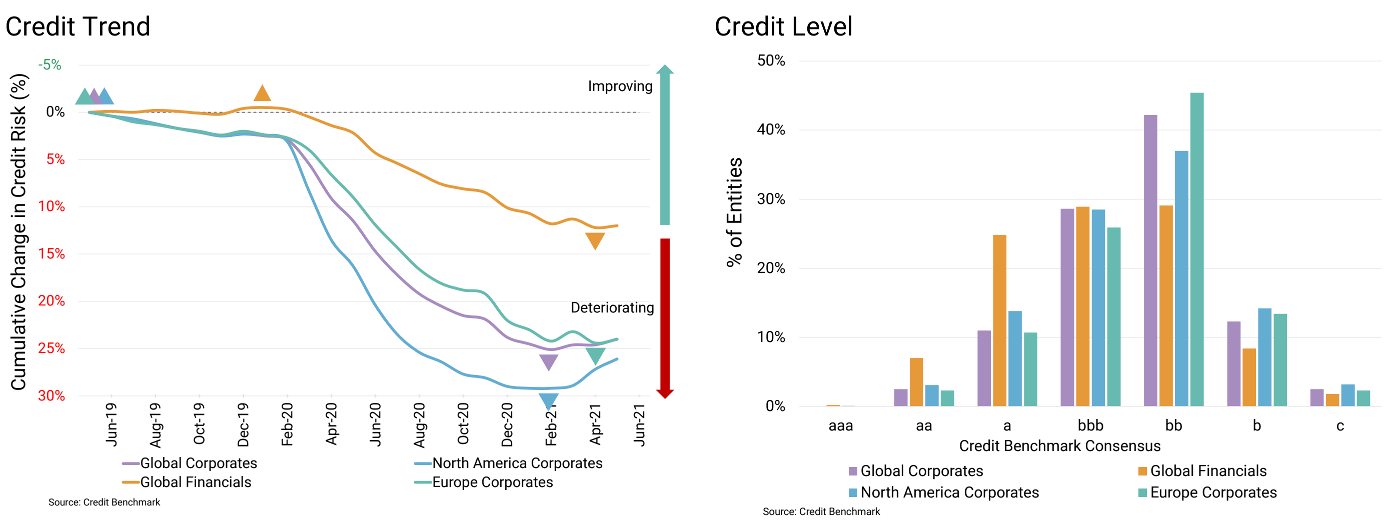
Compared with corporate or financial credit risk, the distribution of Sovereign consensus ratings is less bell-shaped, more uniform; slightly more than half are Investment Grade. (NB some of the lower rated countries have very patchy agency rating coverage[2].)

[2] When countries are recovering from periods of serious instability, such as civil wars, it is usually banks and commodity firms that are first to return for business. Consensus credit data will reflect the views of those banks months or even years before the country applies for an NRSRO rating.

3. Global Trends: Credit Recovery Underway in Corporates; Financials Stabilizing

COVID has been immensely damaging for industries that rely on large gatherings of people in confined spaces – hospitality, the arts, spectator sports, tourism, leisure travel and their suppliers, including airlines and fuel. It has also sparked a "race for space" with rural property price increases outpacing urban areas. The construction boom is good news for housebuilders and their suppliers, but shortages of materials and components have started to bite; compounded by the widespread labour shortages that also have hit many of the public-facing sectors.

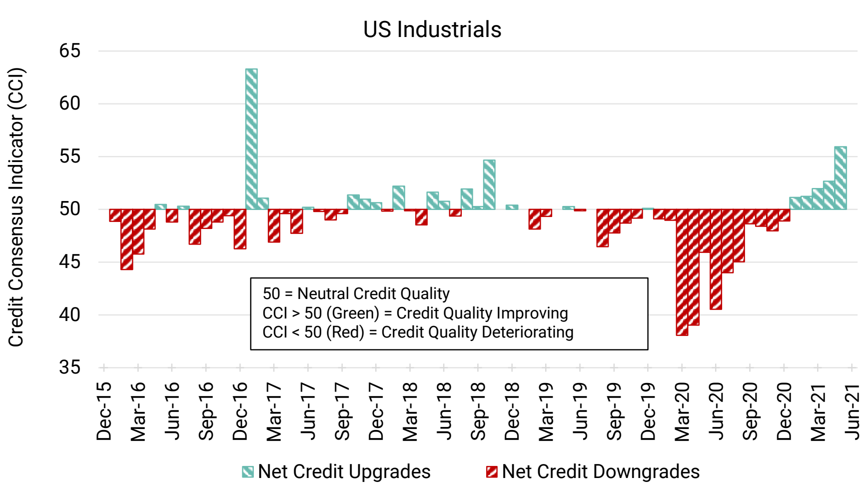
Figure 3.1 Global Credit Trends



Global corporates deteriorated by about 20% during the pandemic. North America corporates declined more rapidly but reached a turning point at the beginning of this year; the aggregate has been recovering at a slightly faster rate than the Global and Europe aggregates. The decline in Global Financials was much more modest and is now close to stabilising, but not yet recovering.

Figure 3.2 shows trends in the net balance of credit improvements vs. deteriorations for Industrial corporates in the UK, EU and US.

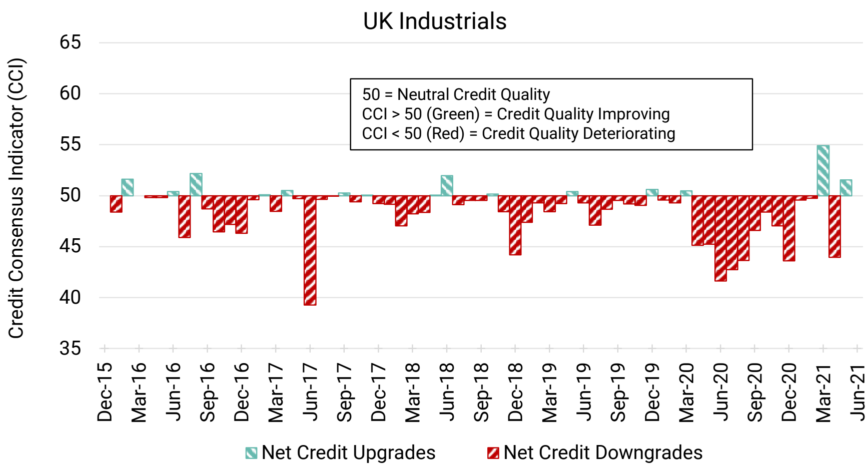
Figure 3.2 Credit Consensus Indicators (CCI)

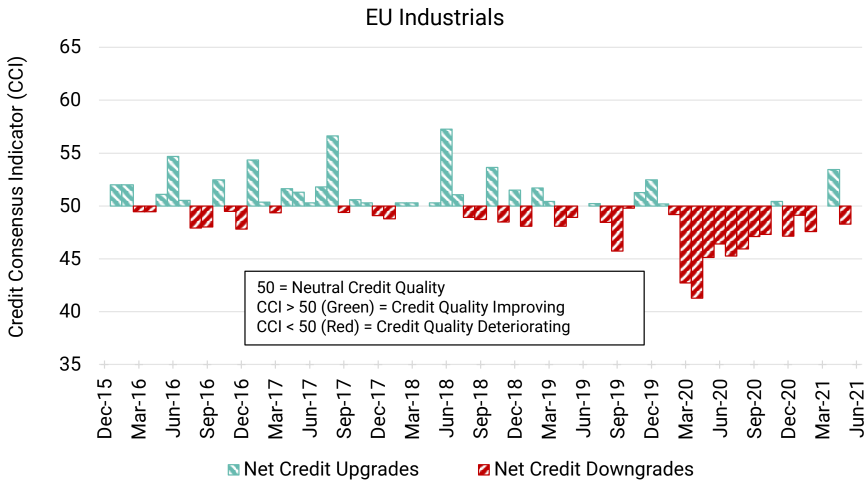


The CCI show the balance between deterioration and improvement across large samples of individual borrowers in the Industrials sectors, across the US, UK and EU.

All regions show a clear and mainly consistent recovery from the lows of Q1/Q2 2020.

The US showed the largest negative balance in Q1 2020, but it also made the earliest sustained recovery into positive territory earlier this year.





The UK is intermittently moving above the neutral line: the recovery is sharp but volatile.

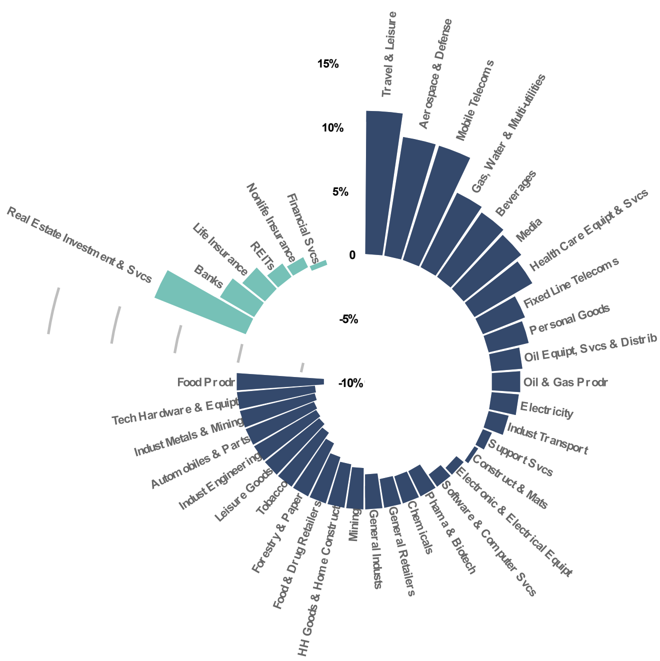
The EU negative balance trough was slightly deeper than the UK; it has also had two positive balances in the past 6 months although the May 2021 reading is negative.

These patterns may have some link with the relative speed of vaccine rollouts in the three regions.

Figure 3.3 shows the balance between downgrades and upgrades (using the 21-category credit scale) for large number of global industries and sectors.

Figure 3.3 Global Sector Snapshots: % Balance Downgrades Net of Upgrades

Past 6 Months

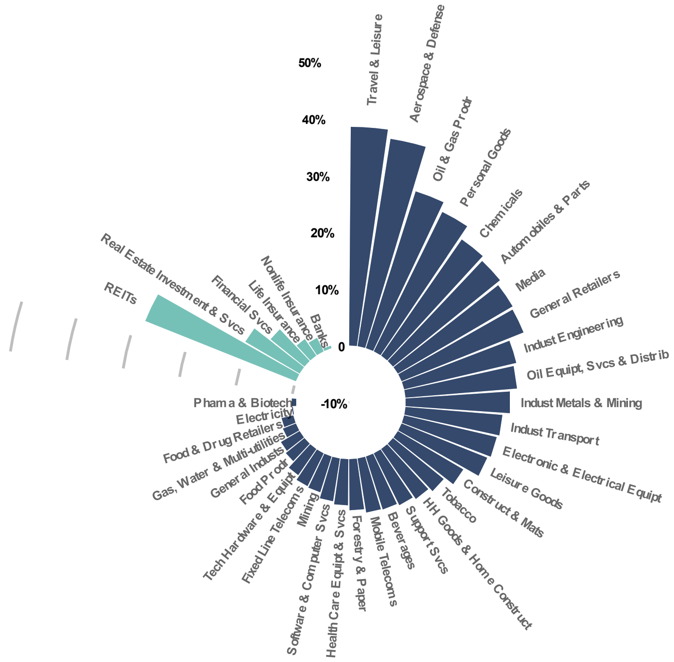


While many sectors still show a bias to downgrades, there are a growing number with a positive bias.

The most positive include Food Producers, Hardware, Autos, Metals, Leisure Goods and Forestry.

Still in (much reduced) negative territory: Travel & Leisure, Aerospace, Mobile Telecoms, Utilities, Beverages, Media and Real Estate Investment & Services.

2020



In 2020, Travel & Leisure, Aerospace, Oil & Gas, Personal Goods, Chemicals, Autos, Media, Retailers and REITs were amongst the most negative.

Least negative were Pharma, Electricity, Food Retailers, Utilities, Industrials and Food Producers.

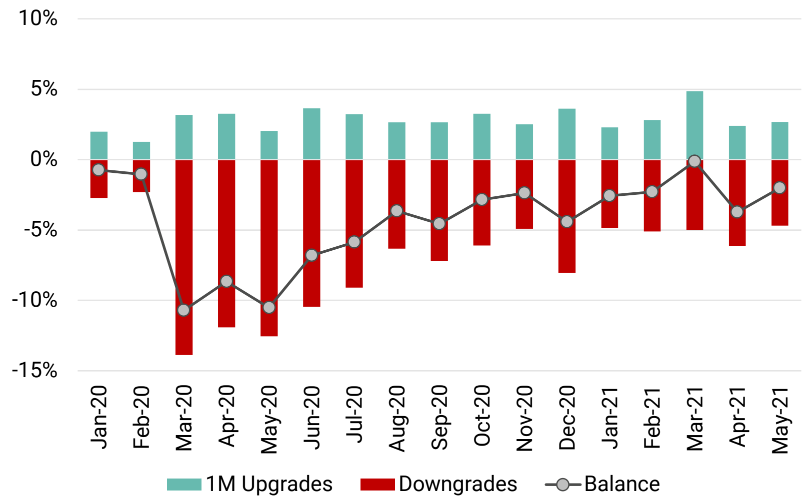
The very different scales are only partly due to the different comparison periods (12M vs 6M) – they also show the extent of the recovery across a broad range of sectors. The relative decline of Healthcare and Utilities are notable; the relative improvement in Autos, Oil Production and Fixed Line Telecoms also stand out.

The following charts show some key industry and sector trends – a small selection from a very large set of credit tracking aggregates derived from consensus credit data.

4. Travel & Leisure: Not Quite a Recovery, but Upgrade / Downgrade Balance Stabilizing

The Travel & Leisure sector was one of the worst affected sectors; tourism collapsed and leisure became restricted to back gardens and local parks. Figure 4.1 shows the balance of upgrades vs. downgrades since January 2020.

Figure 4.1 Travel & Leisure, 1M Upgrades vs Downgrades, Jan 2020 – May 2021



The balance remains negative although it has moved fairly consistently closer towards zero, despite protracted second lockdowns in various countries and global travel still far from normal. Government support schemes have helped, but the coming months will be critical, and this metric is one of the key indicators for how this long-suffering industry is emerging from the pandemic.

5. Oil & Gas: Already in Trouble Before the Pandemic, now in a Slow and Patchy Recovery

Figure 5.1 shows the balance between upgrades and downgrades for Oil & Gas Producers in the Developed Economies; Figure 5.2 shows the balance for the Oil Equipment, Services and Distribution Sub-sector; both from January 2020.

Figure 5.1 Oil & Gas Producers, Developed Economies, Jan 2020 – May 2021

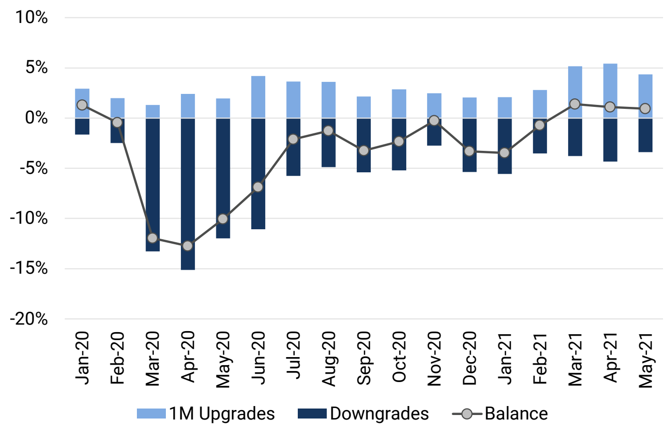
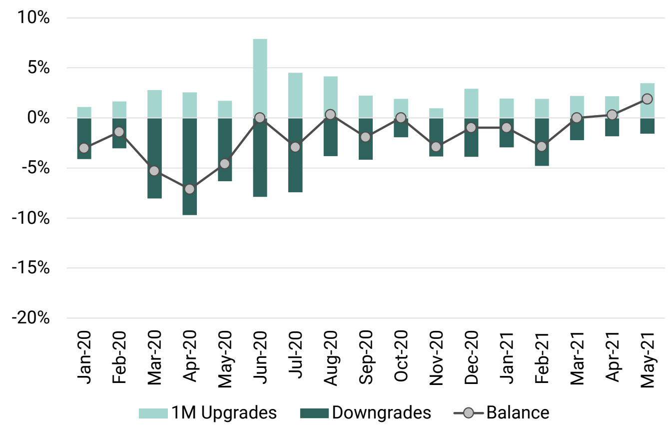


Figure 5.2 Oil Equipment, Services and Distribution, Developed Economies, Jan 2020 – May 2021



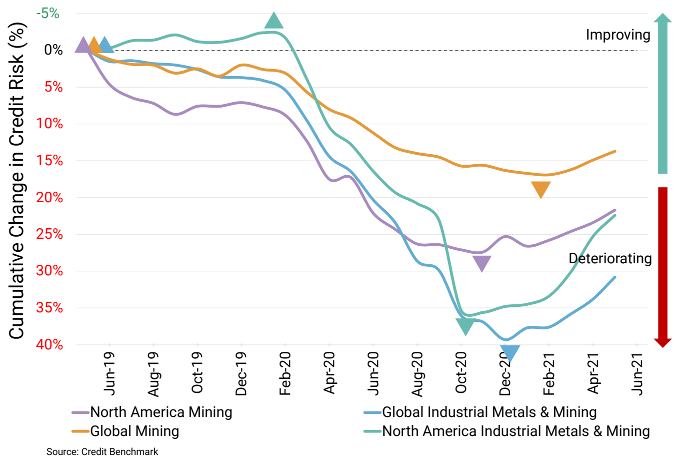
With all forms of passenger transport initially on hold, the Oil & Gas industry struggled in the wake of the Travel & Leisure collapse; but in recent months both Producers and Equipment / Services have managed to crawl into positive territory, helped by the oil price recovering after the 18-year low that it hit in 2020. Equipment and Services has been more resilient than Production over the period.

6. Metals and Mining: Broad Recovery

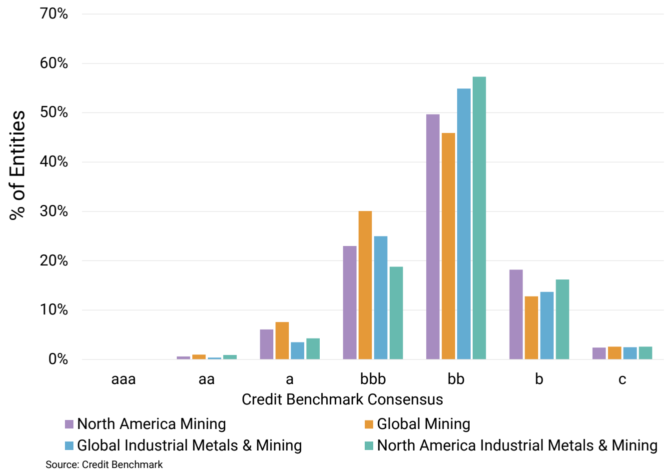
The pandemic brought swathes of industrial production grinding to a halt, forcing Metals & Mining to mothball extraction and shut down processing. As with other heavy industries, these firms have to finesse the scale and timing of the production restart; halting exploration during COVID will leave some lasting shortages[3].

Figure 6.1 Metals & Mining, Global and North America 2019-2021

Credit Trend



Credit Level



Metals & Mining showed a deeper deterioration (and sharper recovery) than Mining alone. North America tracked the Global trend closely, downgrading on average by close to a full notch on the 21-category scale. Recovery began at the turn of this year. Global Mining showed limited deterioration throughout the pandemic.

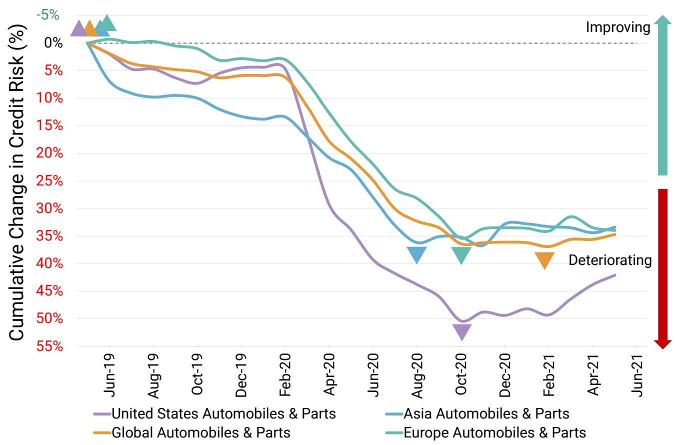
[3] Impact of Covid-19 on the Mining Sector and Raw Materials Security in Selected European Countries Andrzej Gała´s 1,Alicja Kot-Niewiadomska, Hubert Czerw, Vladimir Simi´c, Michael Tost ,Linda Wårell, Slávka Gała´s; April 2021

7. Autos: A Perfect Storm; Stabilizing but Recovery is Slow

The pandemic has caused a spike in demand for cars (in preference to public transport) while environmental regulations are accelerating the move to electric vehicles. But supply shortages – especially steel and semiconductors – are throttling production and pushing the price of used cars to unprecedented levels.

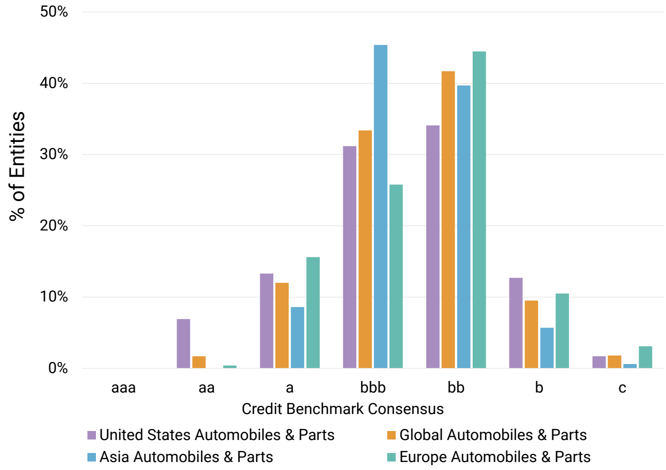
Figure 7.1 Automobiles & Parts: Global, US, Europe and Asia 2019-2021

Credit Trend



Source: Credit Benchmark

Credit Level



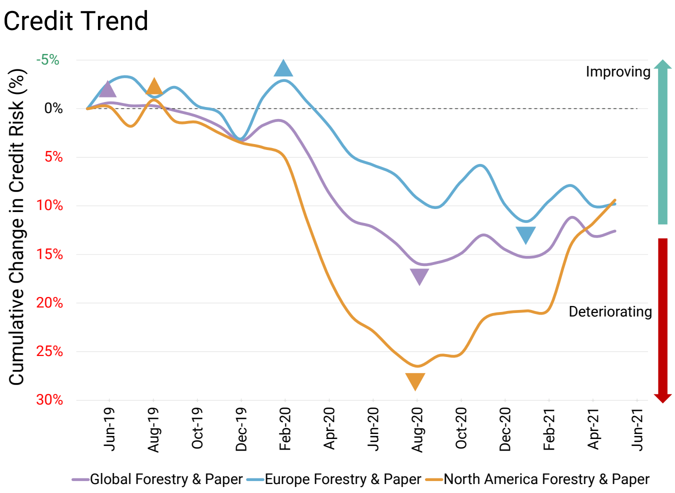
Source: Credit Benchmark

Apart from Asia, the majority of auto manufacturers and parts suppliers are in the **bb** category and more than 10% are in the **b** or **c** category. During the early phase of the pandemic the deterioration was rapid with default risk for US Automobiles & Parts rising by 50%. There has been some stabilization and the US shows a modest recovery, but the sector is vulnerable to further supply shocks and regulatory changes.

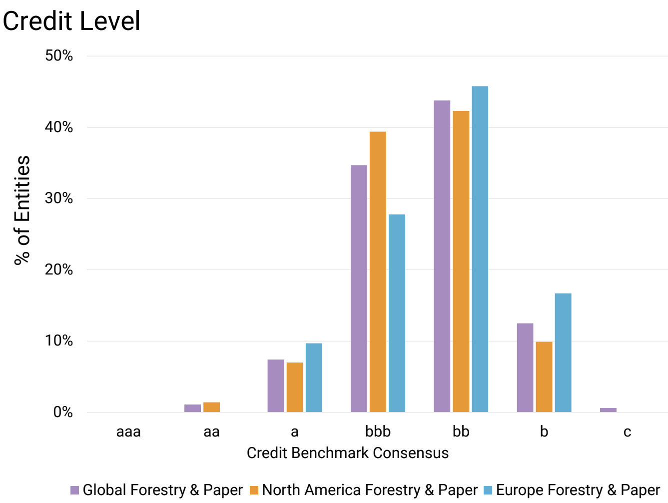
8. Forestry: Skyrocketing Prices Push Up Newbuild Costs and Restrict Production

With offices closed, demand for paper collapsed although the boom in home deliveries has meant an enormous increase in demand for cardboard. Timber harvesting ground to a halt as house building stalled. Figure 8.1 shows default risk trends and credit distributions for the sector since 2019.

Figure 8.1 Forestry & Paper: Global, North America and Europe, 2019-2021



Source: Credit Benchmark



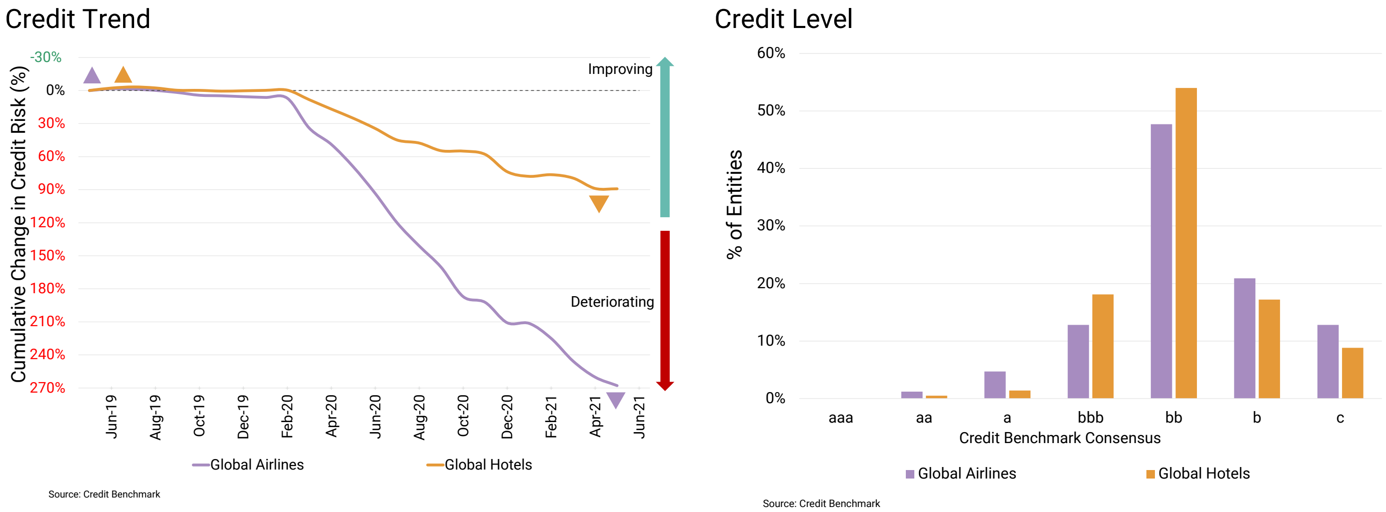
Source: Credit Benchmark

North America suffered most, with risk increasing by about 20% from the start of the pandemic. This region has also seen the fastest recovery. But while cardboard demand remains very strong, recycling has lagged leading to some shortages; and although housebuilding has restarted, there are severe timber shortages due to previous mothballing of sawmills resulting in a lack of inventory build in winter 2020-21. These problems should ease as normality returns.

9. Airlines & Hotels: Unhappy Vacations, Booming Staycations

These sectors are at the sharp end of the pandemic. There are daily rumours of pending takeovers, mergers and sector shakeouts; some of the largest firms have seen major balance sheet damage. Travel is rebounding but staff shortages and maintenance backlogs are hampering the return to normal, compounded by inconsistencies in travel rules across countries. Figure 9.1 shows the trends and credit position over the past two years.

Figure 9.1 Airlines and Hotels, Global 2019-2021



Global Airline credit risk almost *quadrupled* during the pandemic; Global Hotels sector risk almost doubled. There are tentative signs that credit risk in these two sectors is finally stabilizing, but both sectors are now predominantly non-investment grade so there will be a long road to recovery.

Figures 9.2 to 9.5 show the balance of upgrades vs downgrades for Airlines, Hotels, Recreational Products and Recreation Services.

Figure 9.2 Airlines

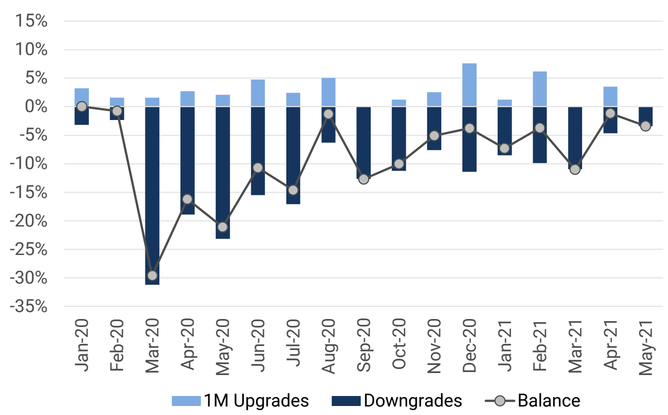


Figure 9.3 Hotels

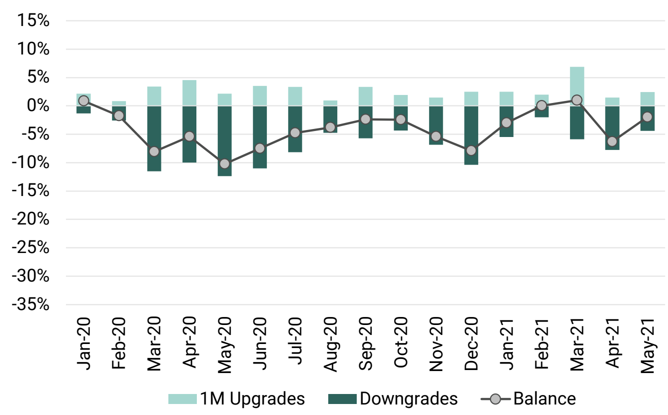


Figure 9.4 Recreational Products

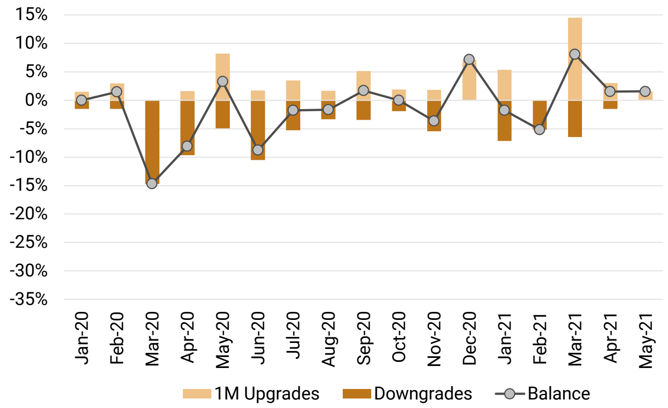
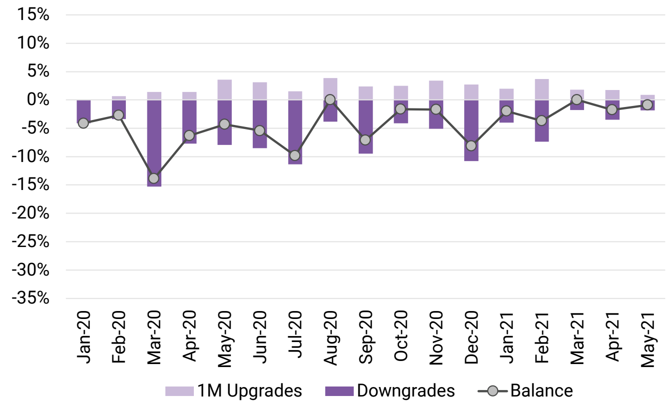


Figure 9.5 Recreational Services

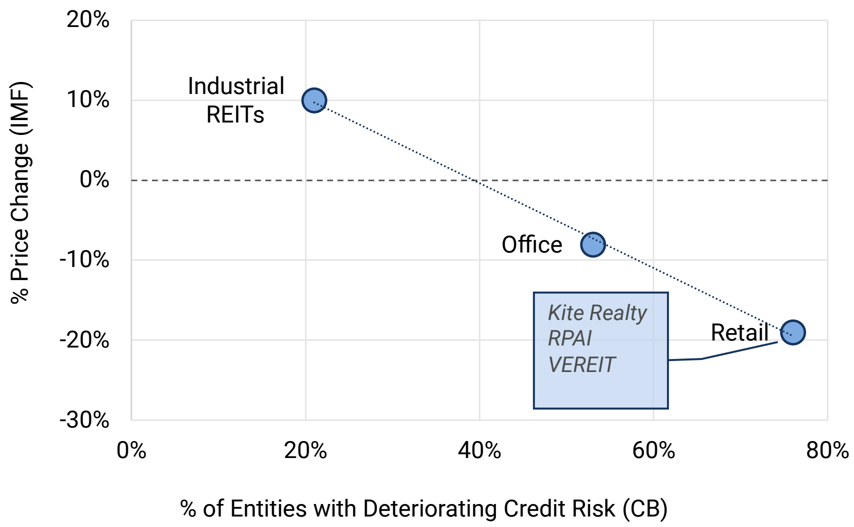


These charts suggest that the staycation boom has been positive for the Recreational Products sub-sector – it is the only one showing a recent significant positive balance.

10. REITs: Weathering the Pandemic, But Major Sub-Sector Differences

Many retail and hospitality companies have delayed or curtailed their rent payments in an attempt to survive the pandemic, while central office property values have at best stalled. Figure 10.1 plots the relationship between valuation changes and the proportion of deteriorating Real Estate Investment Trusts (REITs) in the three main sub-sectors over the first year of the pandemic.

Figure 10.1: US REIT Valuation Changes and Credit Risk February 2020 – February 2021



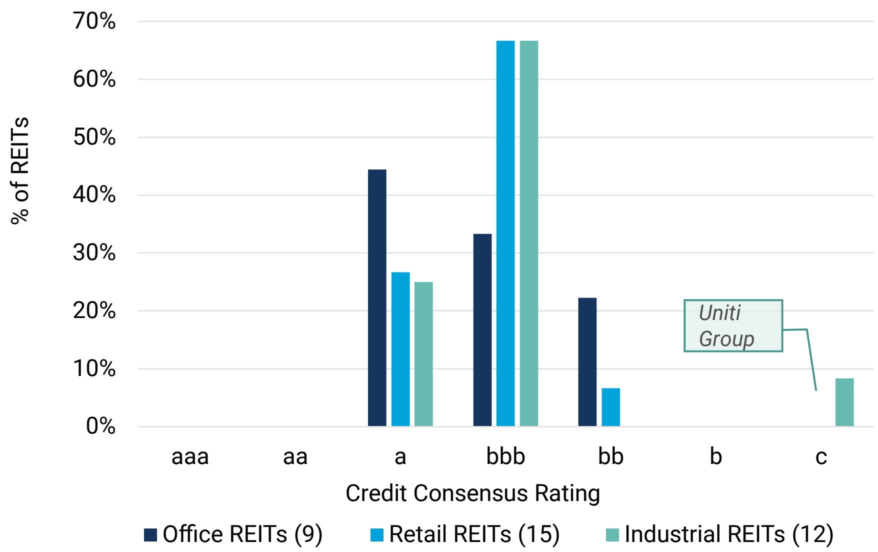
Source: IMF Global Financial Stability Report, Credit Benchmark

The US Retail sector was struggling under a heavy debt load well before the pandemic; closure of non-essential shops accelerated the trend. The IMF estimate that Retail REIT valuations dropped by about 20% in 12 months from the onset of the pandemic. Despite widespread working from home, Office REIT valuations only dropped by about 10%. Industrial REIT values increased about 10% as local production ramped up to replace vanishing imports.

Credit deterioration mirrors the valuation changes: 20% of the Industrial REITs deteriorated over this period; for Office REITs the figure is 50%; and over 70% for Retail.

Figure 10.2 shows the credit distribution for the same three REIT categories.

Figure 10.2 Credit Distribution for Office, Retail and Industrial REITs



Source: Credit Benchmark, Nareit. Number of REITs with consensus ratings in each sub-sector shown in brackets.

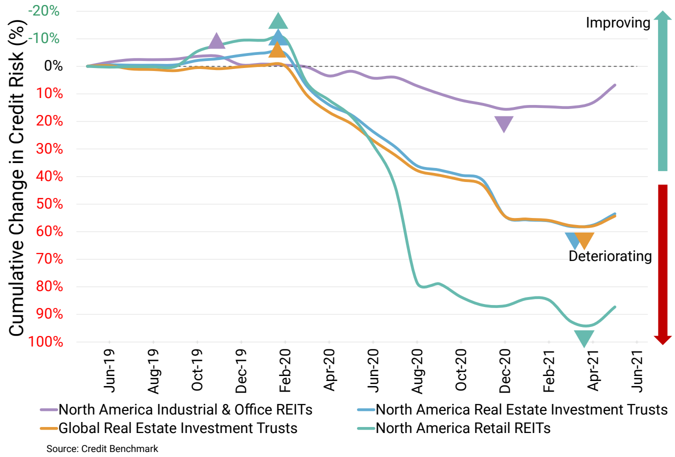
Consensus credit data covers 67 of the 180 constituents of the US Nareit index. 36 of these specialise in the three sectors analysed here.

Despite some dramatic downgrades for individual REITs, the majority of the Nareits index members (where a consensus rating is available) are classed as Investment Grade; there are a few notable exceptions including an Industrial REIT in the **c** category.

Figure 10.3 shows the recent trends and credit distributions for Global and North American REITs.

Figure 10.3 REITs: Retail, Office & Industrial, North America

Credit Trend



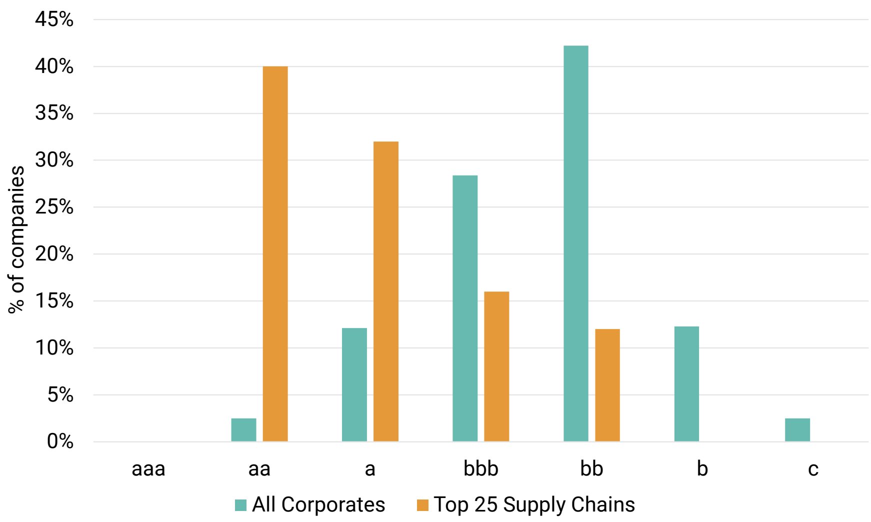
Credit Level

The Global trend is dominated by North American REITs; after a deterioration of more than 50% during the height of the pandemic, there are signs of stabilization and even recovery. The bulk of the damage is in retail; North American Industrial and Office showed limited decline (but see Figure 10.1 above for more detail) and are now close to positive territory.

11. OEMs: Linking Supply Chain Management and Credit Risk

The Gartner annual supply chain assessment scores hundreds of firms on a range of criteria[4] and reports on the top 25. Figure 11.1 shows the list of Original Equipment Manufacturers (OEMs) and compares the credit distribution for these firms with the global corporate universe.

Figure 11.1 Top 25 Companies by Supply Chain Quality



Source: Credit Benchmark

Cisco Systems	HP Inc.
Colgate-Palmolive	Lenovo
Johnson & Johnson	Diageo
Schneider Electric	Coca-Cola Company
Nestlé	British American Tobacco
Intel	BMW
PepsiCo	Pfizer
Walmart	Starbucks
L'Oréal	General Mills
Alibaba	Bristol Myers Squibb
AbbVie	3M
Nike	
Inditex	
Dell Technologies	

Source: Gartner

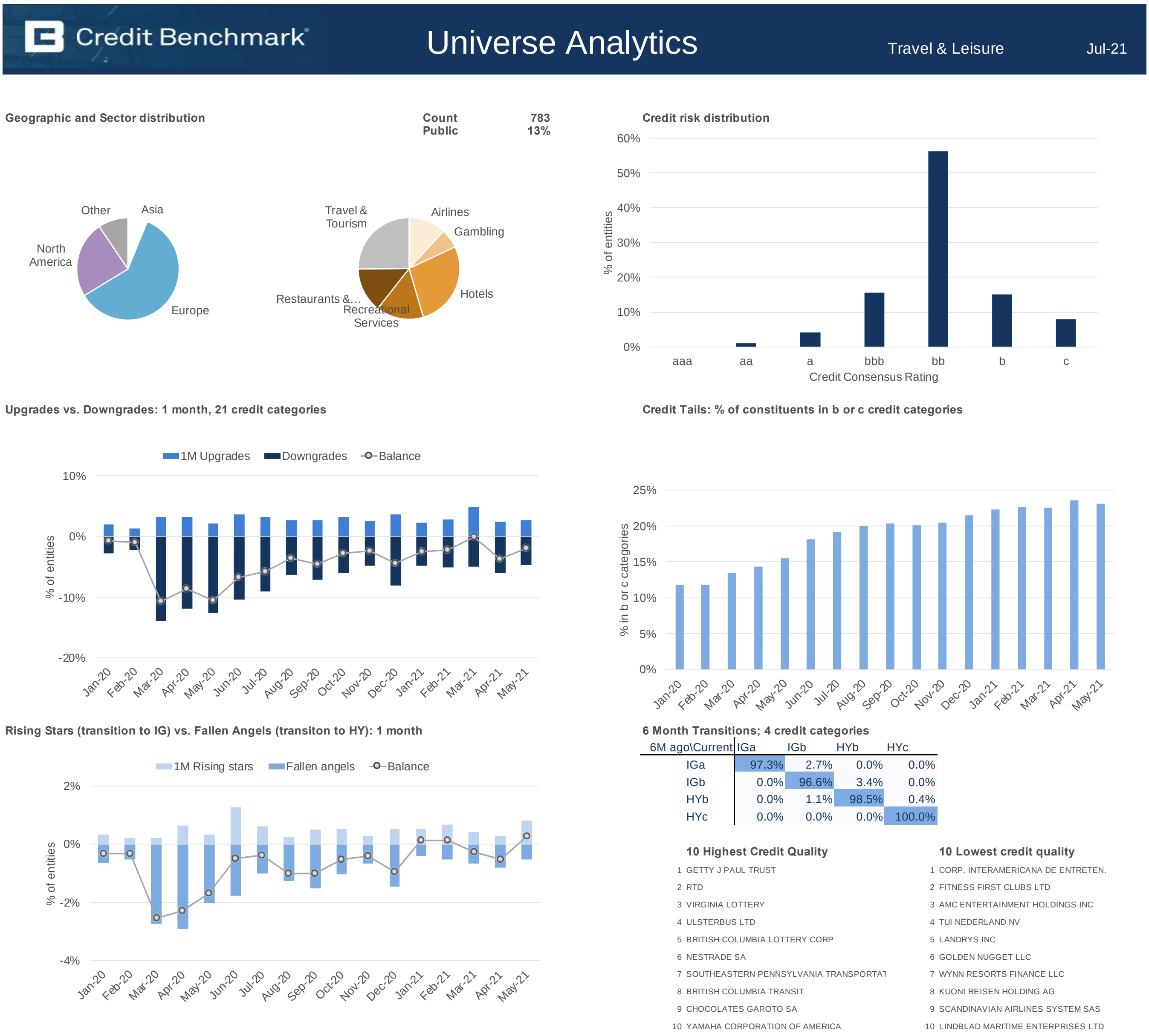
The Gartner top 25 corporations are generally of very good credit quality, but 3 of them (all hardware manufacturers) are in the **bb** category. The Gartner criteria favour successful companies (usually with strong balance sheets) but the significant credit differences between these firms and the global universe suggest that – in addition to size and general business success – supply chain excellence can be a major contributing factor in a strong credit rating.

[4] https://www.gartner.com/smarterwithgartner/the-gartner-supply-chain-top-25-for-2021/. The Gartner Composite Score is a weighted combination of Peer Opinion, Gartner Research Opinion, ROPA, Inventory Turns, Revenue Growth and ESG Component Score.

12. Counterparts Analysis: Sample Reports

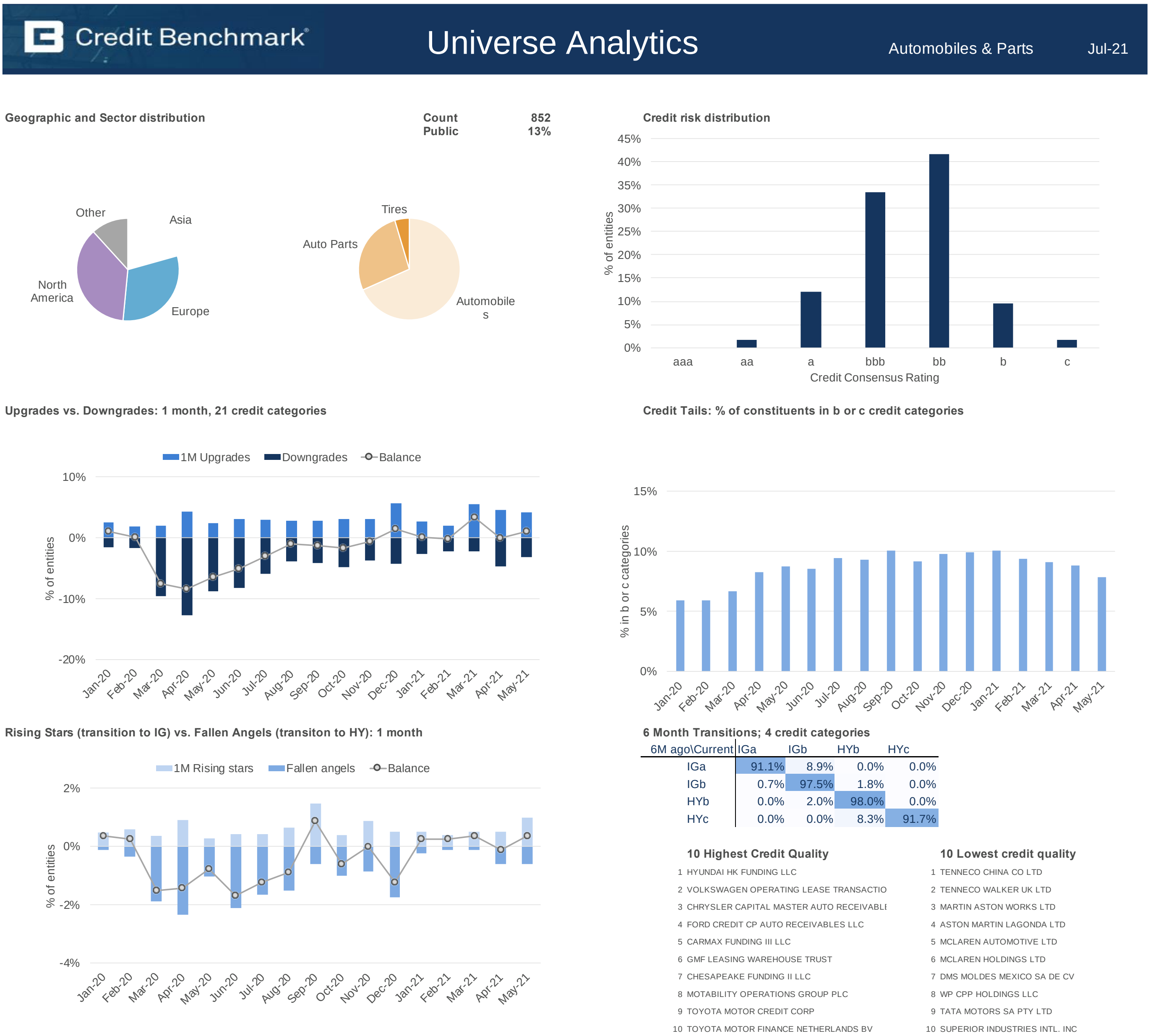
The main use case for consensus credit data is monitoring lists of counterparts: trading partners, buyers, sellers, banks, non-bank intermediaries, and various subsidiaries of these. Credit Benchmark derives consensus analytics to provide trade finance and supply chain professionals with an overview of counterparty credit risks. Figures 12.1 and 12.2 show sample reports for Travel & Leisure and Automobiles & Parts sectors respectively. This report format can be used for any universe of names of interest.

Figure 12.1 Sample Universe Analytics: Travel and Leisure



The majority of the Travel & Leisure sector is classed as non-Investment Grade, although most of these are in the **bb** (upper high yield) category. The proportion in the **b** or **c** category steadily increased until April 2021, dropping slightly in the past month. The balance of upgrades vs. downgrades remains negative but the proportion of Fallen Angels (transitions to non-investment grade) has dropped in the most recent month. The main transition activity over the past 6 months has been downgrades from the lower investment grade to the upper non-investment grade category, with no significant upgrades. The highest credit quality names are mainly in the land transport sub-sector; the lowest is concentrated in holiday resorts and airlines. It is worth noting that the Virginia Lottery is in the top 10; the Golden Nugget casino is in the bottom 10.

Figure 12.2 Sample Universe Analytics: Automobiles & Parts



6M ago\Current	IGa	IGb	HYb	HYc
IGa	91.1%	8.9%	0.0%	0.0%
IGb	0.7%	97.5%	1.8%	0.0%
HYb	0.0%	2.0%	98.0%	0.0%
HYc	0.0%	0.0%	8.3%	91.7%

	10 Highest Credit Quality		10 Lowest credit quality
1	HYUNDAI HK FUNDING LLC	1	TENNECO CHINA CO LTD
2	VOLKSWAGEN OPERATING LEASE TRANSACTIO	2	TENNECO WALKER UK LTD
3	CHRYSLER CAPITAL MASTER AUTO RECEIVABLI	3	MARTIN ASTON WORKS LTD
4	FORD CREDIT CP AUTO RECEIVABLES LLC	4	ASTON MARTIN LAGONDA LTD
5	CARMAX FUNDING III LLC	5	MCLAREN AUTOMOTIVE LTD
6	GMF LEASING WAREHOUSE TRUST	6	MCLAREN HOLDINGS LTD
7	CHESAPEAKE FUNDING II LLC	7	DMS MOLDES MEXICO SA DE CV
8	MOTABILITY OPERATIONS GROUP PLC	8	WP CPP HOLDINGS LLC
9	TOYOTA MOTOR CREDIT CORP	9	TATA MOTORS SA PTY LTD
10	TOYOTA MOTOR FINANCE NETHERLANDS BV	10	SUPERIOR INDUSTRIES INTL. INC

The majority of the Automobiles & Parts sector is classed as non-Investment Grade, although most of these are in the **bb** (upper high yield) category. The proportion in the **b** or **c** category increased until Q3 2020 and has been in decline since then. The balance of upgrades vs. downgrades is slightly positive and the proportion of Fallen Angels (transitions to non-investment grade) has dropped in recent months. The main transition activity over the past 6 months has been downgrades from the upper investment grade to the lower investment grade category, but there has also been a significant proportion upgrading from lower high yield to upper high yield. The highest credit quality names are mainly in the auto finance sub-sector; the lowest includes high performance car manufacturers.

13. Conclusion

The pandemic continues to damage some industries and countries, but even some of the hardest hit sectors are now recovering, especially in the developed economies with the US showing some of the strongest rebounds.

Supply chains are changing and reforming; pandemic aftershocks will take time to work through so sudden bottlenecks and local corporate default spikes are still likely.

Consensus credit data is updated regularly and covers tens of thousands of unrated firms. The dataset includes derived aggregate statistics to track trends in countries, industries, sectors and bespoke universes of names (e.g., suppliers, customers, counterparts, competitors, etc.)

More from Credit Benchmark

Credit Benchmark brings together internal credit risk views from 40+ of the world's leading financial institutions to provide credit consensus ratings and analytics on 60,000 corporates, financials, funds, and sovereigns, 90% of which are unrated. The contributions are anonymized, aggregated, and published twice monthly to provide an independent, real-world measure of risk.

The data is available via the Credit Benchmark Web App, Excel add-in, flat file download, and **third-party platforms including Bloomberg.** High level credit assessments on the single name constituents of the sectors mentioned in this report can be accessed on CRPR <GO> or via CRDT <GO>.

Get in touch with us to request your free trial for Credit Benchmark Premium Data and Analytics on Bloomberg.

More of our original research and regular credit risk surveillance reports can be found on our website, including the following monthly reports:

- The Financial Counterpart Monitor provides a unique analysis of the changing creditworthiness of financial institutions. The report, which covers banks, intermediaries, buy-side managers, and buy-side owners, summarizes the changes in credit consensus of each group as well as their current credit distribution and count of entities that have migrated from Investment Grade to High Yield.

- The Industry Monitor shows the changing creditworthiness of a selection of industries and sectors. The report shows the number of entities per category with a Credit Consensus Rating, their month-on-month changes in credit distribution, and their transitioning credit quality.

- Credit Consensus Indicators (CCIs). The CCI is an index of forward-looking credit opinions for US, UK and EU Industrials. The CCI tracks the total number of upgrades and downgrades made each month by credit analysts to chart the long-term trend in analyst sentiment for Industrials.

David Carruthers
Head of Research
david.carruthers@creditbenchmark.com

Barbora Stepankova
Research Director
barbora.stepankova@creditbenchmark.com

Phoebe Farrer
Research Analyst
phoebe.farrer@creditbenchmark.com

Laura Saville
Marketing Manager
laura.saville@creditbenchmark.com

www.creditbenchmark.com
info@creditbenchmark.com
twitter: @CreditBenchmark

UK Office (London):
131 Finsbury Pavement
London, EC2A 1NT
+44 (0)20 7099 4322

US Office (New York):
12 East 49th Street, 11th Floor
New York, NY 10017
+1 646 661 3383