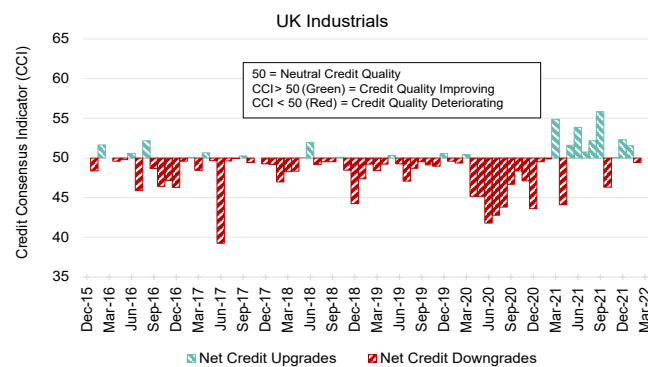


Credit Consensus Indicator (CCI) UK, EU & US Industrials

April 2022

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.

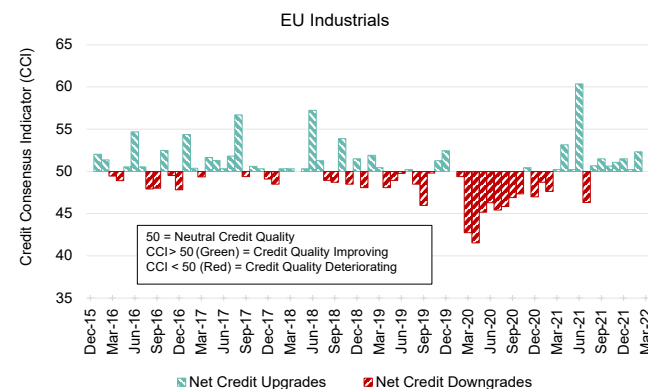


UK Industrials: Recurrent Setbacks

UK Industrial firms are struggling to remain in positive territory, with a return to net deterioration this month.

The **UK CCI score** is sitting just under neutral at 49.4, the first instance of a negative score since October 2021, and the third negative score in the last 12 months.

Manufacturing dropped by more than a third in the UK in March due to a shortage of semiconductors and other components, representing the worst March since 2009. With cost pressures remaining intense, these challenges are likely to be reflected in the coming months' credit quality.

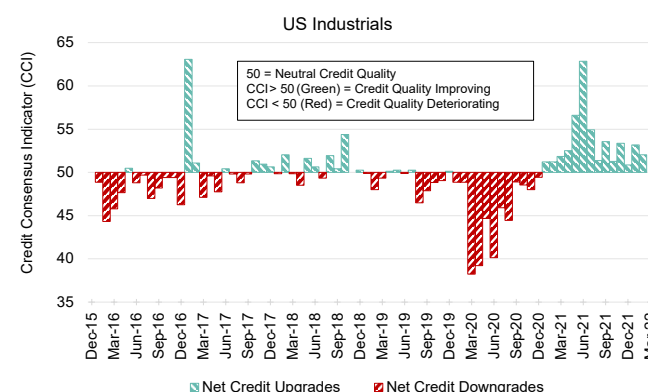


EU Industrials: Modest Growth

EU Industrial firms continue their run of improvements, registering the highest CCI score since June 2020 – though the net balance of improvements remains modest.

The **EU CCI score sits at 52.3** this month, an increase from last month's score of 50.2. The last instance of deterioration for the group was in July 2021; also the only instance within the past 12 months.

The region may see a boost in manufacturing fortunes as a result of efforts to cut reliance on Russian gas and rebuild Europe's industry manufacturing of solar parts. The Union plans to reduce Russian gas use by two thirds this year and end it by 2027.



US Industrials: Trend of Net Improvement Persists

US Industrial firms have gone from strength to strength, boasting CCI scores above 50 for 14 consecutive months and maintaining long-term net positive credit quality.

The **US CCI score this month is 52**, a small drop from last month's CCI of 53.2. While the long-term trend is positive, the CCI has not scored above 55 for eight months, indicating some macro pressures on the industry.

Though a consumer spending shift from services to goods during the pandemic was beneficial to US manufacturers, labor markets have been tight and supply chain pressures have persisted due to China lockdowns and the war in Ukraine. Autos were hit particularly hard, but recent production figures are encouraging.

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.

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