

Shopping Around the Christmas Tree: US Consumer Services and Goods

December 2022

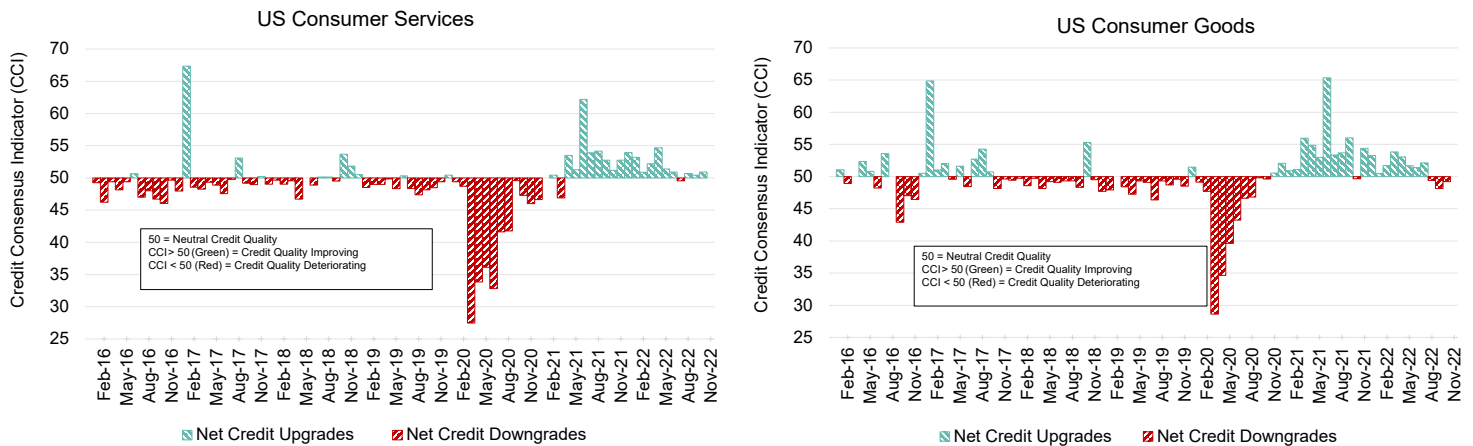


High inflation and rate hikes were expected to hit the annual Black Friday sales, but early reports show mostly good news: [online sales hit a record \\$9 billion](#), and [Adobe Analytics](#) figures show ebbing pandemic health concerns with shoppers returning to in-store purchases.

But the improvement could be short-lived, reflecting relief at a lockdown-free holiday period and the lure of short-term promotions.

Figure 1 shows the Credit Consensus Indicators¹ (CCIs) for US Consumer Services and US Consumer Goods.

Figure 1: Credit Consensus Indicators (CCIs), US Consumer Services and US Consumer Goods: Jan-16 to Oct-22



More CCI industry graphs can be found within [Credit Benchmark's monthly CCI Monitors](#).

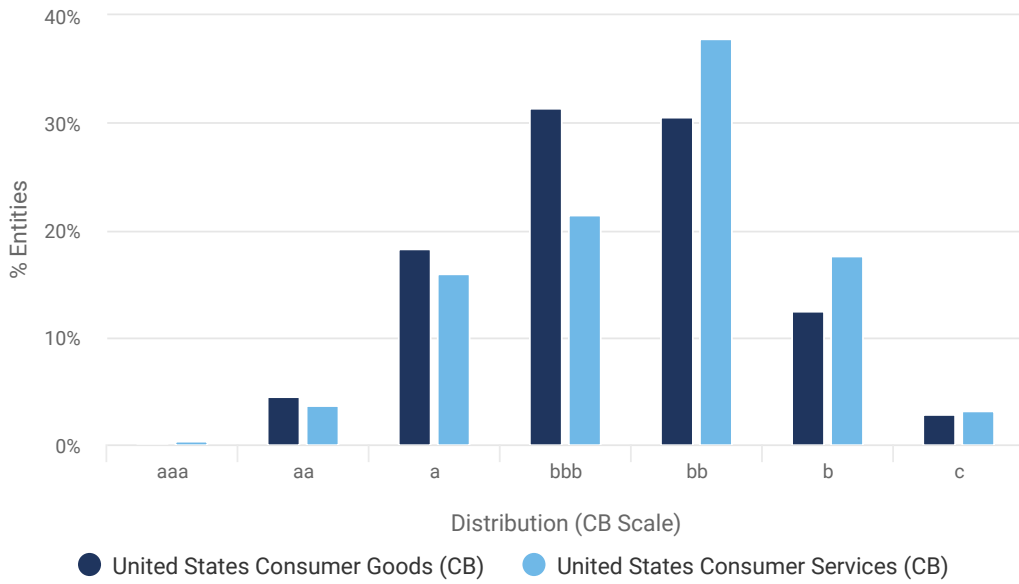
Both US Consumer Services and Goods are currently hovering around neutral. US Consumer Services remains slightly positive but has not risen above 51 in the past 3 months. US Consumer Goods has been mildly negative for the past 3 months, hovering in the 48-50 range.

The CCIs show that US Consumer sectors are at a crossroads. Figure 2 shows that a significant proportion are in the distressed categories (**b** and **c**) with more than half of US Consumer Services below investment grade.

¹ The CCI is an index of [forward-looking credit opinions](#) based on the consensus views of over 20,000 credit analysts at 40+ of the world's leading financial institutions.

Drawn from more than [950,000 contributed credit observations](#), 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. A monthly CCI score of 50 indicates neutral credit quality, with an equal number of upgrades and downgrades made over the course of a month. Scores above 50 indicate that credit quality is improving. Scores below 50 indicate that credit quality is deteriorating.

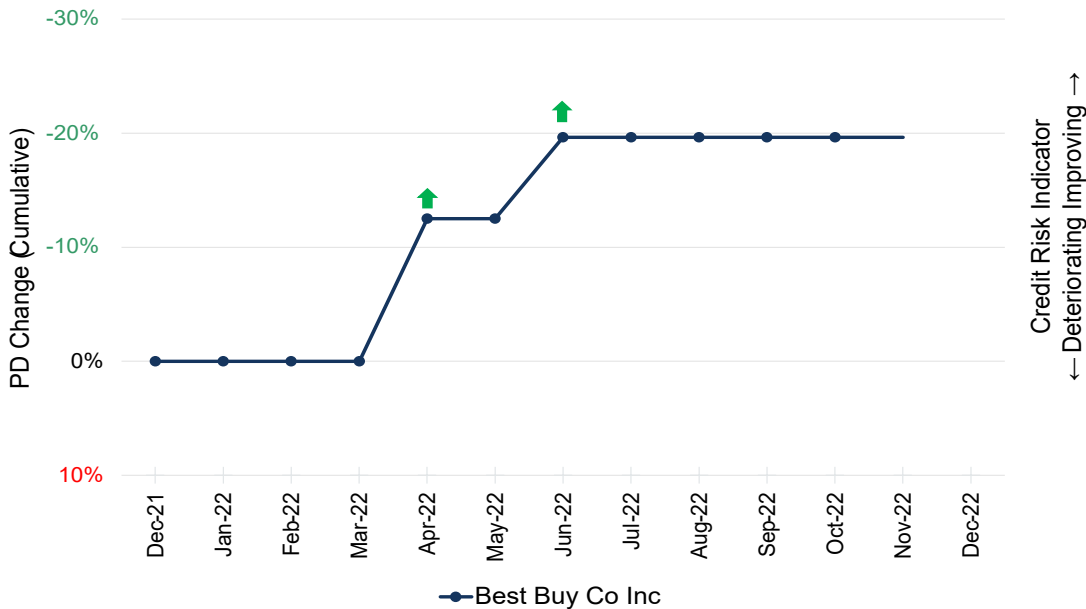
Figure 2: Credit Distribution, US Consumer Services and US Consumer Goods; Oct-22



But the Black Friday stats so far suggest a good December, at least for consumer goods; if that momentum can be maintained we could see more positive CCIs across the Consumer sector. A possible bellwether is electronics retail giant Best Buy – its stock price is up 24% in the past month, and its Credit Consensus Rating (CCR) has steadily improved over the past year.

Figure 3 shows the detailed CCR credit trend for Best Buy Co Inc.

Figure 3: Credit Trend - [Best Buy Co Inc](#)



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10 Million

Contributed Credit Risk Estimates Per Year
44 Million+ Estimates Collected Since Launch



65,000+

Entities Covered



2x

Twice Monthly Frequency



80%

Unrated by Major Credit Rating Agencies



1,200+

Aggregates



160+

Countries



90+

Months of Data



50+

Data Metrics



40+

Contributing Financial Institutions Representing a Pool of 20,000+ Credit Analysts

Real-world risk views with unparalleled consensus coverage



The screenshot displays the Credit Benchmark Web App interface. The top navigation bar includes Home, Coverage, Aggregates, Single Name Lookup, My Portfolios, a new Screener (highlighted with a red 'NEW' badge), and Reports. A 'Contact Support' button is in the top right.

The main content area is titled 'Build screener with criteria below:'. It features a list of qualitative criteria on the left, such as 'Credit Strength Dampens Wildfire Risk' and 'Focus on Australia'. The central configuration area shows three criteria: 'S&P Rating is Unrated', 'Fitch Rating is Unrated', and 'CCR is' with a dropdown menu showing ratings from 'aaa' to 'bbb-'. A callout box points to these criteria, stating: 'Combine qualitative and quantitative fields to screen for entities that meet your criteria'. Below the criteria, a '+ Add Criteria (3/15)' button is visible. A '44,628 Entities found' badge is prominently displayed. A callout box below the badge states: 'Screen for public and non-publicly rated entities within specific geographies, industries, sectors and within your defined rating thresholds'. At the bottom of the configuration area are 'Save', 'Run', and 'Clear All Criteria' buttons.

On the left side, there is a 'My Screeners' section with a 'Start' button and the text 'Start creating your first screener'. A callout box points to the 'View All' button in the 'CB Screeners' list, stating: 'Quickly filter the database of 60,000+ legal entities'.

The results table below shows the following data:

CBID	Entity Name	Credit Consensus Rating	S&P Rating	Fitch Rating
CB0000000009	IHS GLOBAL CANADA LTD	bbb-	Unrated	Unrated
CB0000000025	GYP HOLDINGS III CORP	bb	Unrated	Unrated
CB0000000080	GESTIELLE CEDOLA DUAL BRAND	a-	Unrated	Unrated
CB0000000067	TRANE TECHNOLOGIES LUXEMBOURG FINANCE SA	bbb+	Unrated	Unrated
CB0000000088	TECK HIGHLAND VALLEY COPPER PARTNERSHIP	bbb	Unrated	Unrated

Credit Benchmark Web App: Data Screen Sample

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[Contact us to learn more and request a demo of our data.](#)

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