

Credit Benchmark's Industry Reports provide unique insights into the credit quality and trends of geographies and industries that matter to you. Every month, Credit Benchmark publishes 5,000+ Industry Reports on various sectors.

To learn more about the Industry Reports and analyses Credit Benchmark can offer, please email info@creditbenchmark.com.

Credit Benchmark's US Corporates Index tracks 6,500+ Credit Consensus Ratings (CCRs). These CCRs can be further divided by Industry into the following segments: Basic Materials, Consumer Goods, Consumer Services, Health Care, Industrials, Oil & Gas, Technology, Telecommunications, and Utilities.

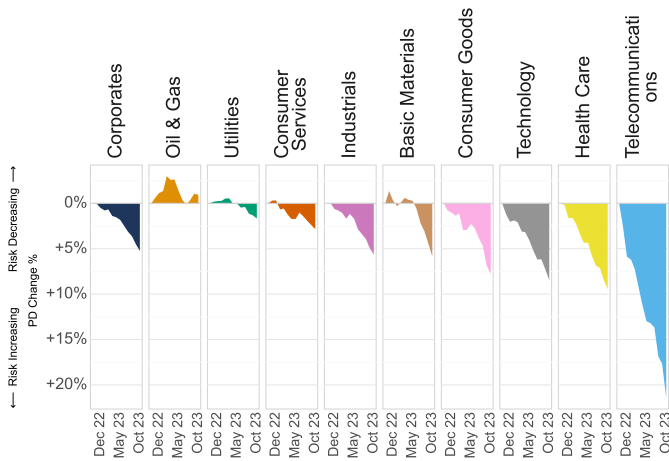
This Industry Report explores our US Corporates Index through different analyses which you can find on pages 1 and 2. Please refer to page 3 for a breakdown of the entities which make up the index.

Analysis

Credit Indices: Trends

Within US Corporates, **Telecommunications** showed the biggest 6-month change. Credit risk rose by 11% over the 6 months leading up to April 2023.

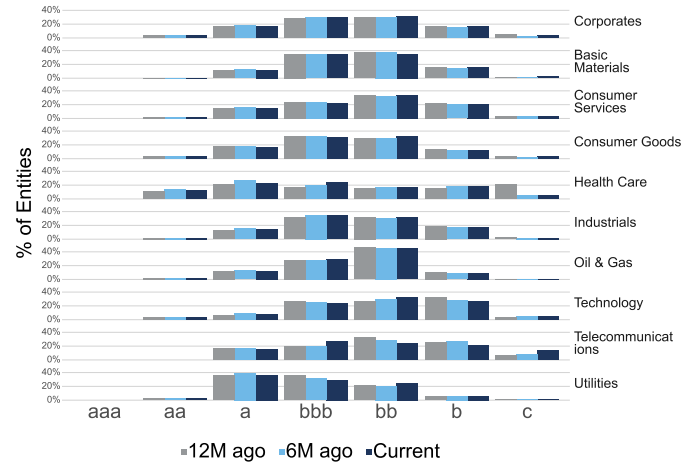
Over the same period, credit risk in **Utilities** saw the smallest change.



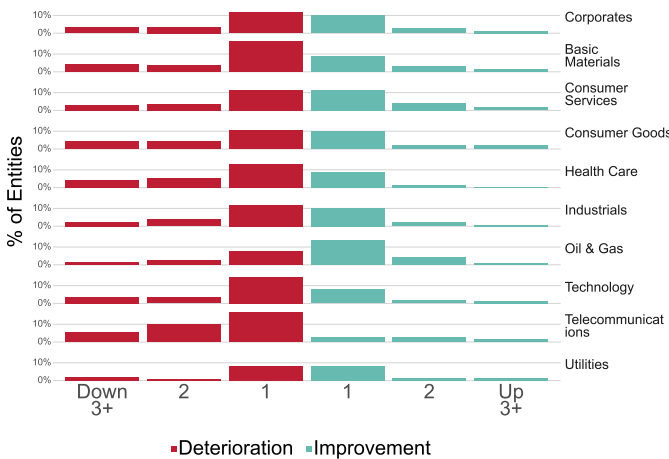
Credit Distribution

Within US Corporates, a majority of ratings lies in the **bb** credit category. 46% of ratings within **Oil & Gas** lie in the **bb** credit category.

On average, within each segment, 51% of ratings are considered non-investment grade.



Notch Movements



32% of US Corporates experienced a rating transition over the last 12 months. Of these entities, 18% were downgraded and 14% were upgraded.

Particularly, 12% of entities experienced a 1-notch downgrade and 10% underwent a 1-notch upgrade.

Analysis (continued)

Transition Matrix

This transition matrix shows the movement of entities between 4 rating categories **over the last year**.

For example, over this period, 9.8% of **IGb** entities transitioned to **HYb**.

	IGa	IGb	HYb	HYc	No. of entities
IGa	92.1%	7.6%	0.3%	0%	975
IGb	4.9%	85.3%	9.8%	0.1%	1,323
HYb	0%	5%	91.3%	3.7%	1,927
HYc	0%	0%	25%	75%	68

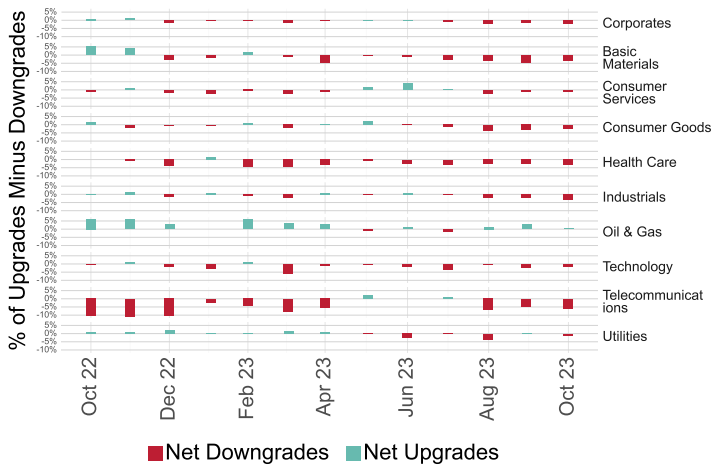
Correlation Matrix

This matrix shows the correlations, based on 1-month PD changes, between **US Corporates** and a number of subsegments from **October 2022 to October 2023**.

Consumer Services and **Technology** exhibit the lowest correlation, with a value of **-0.44**.

	Corporates	Basic Materials	Consumer Services	Consumer Goods	Health Care	Industrials	Oil & Gas	Technology	Telecommunications	Utilities
Corporates		0.67	0.24	0.72	0.57	0.75	0.43	0.48	-0.02	0.29
Basic Materials	0.67		0.25	0.19	0.40	0.49	0.20	-0.01	-0.13	0.39
Consumer Services	0.24	0.25		0.34	-0.22	-0.25	-0.08	-0.44	0.01	0.10
Consumer Goods	0.72	0.19	0.34		0.42	0.42	-0.05	0.39	-0.03	0.06
Health Care	0.57	0.40	-0.22	0.42		0.46	0.06	0.44	-0.04	0.09
Industrials	0.75	0.49	-0.25	0.42	0.46		0.31	0.52	-0.14	0.05
Oil & Gas	0.43	0.20	-0.08	-0.05	0.06	0.31		0.41	-0.15	0.21
Technology	0.48	-0.01	-0.44	0.39	0.44	0.52	0.41		0.16	-0.27
Telecommunications	-0.02	-0.13	0.01	-0.03	-0.04	-0.14	-0.15	0.16		0.18
Utilities	0.29	0.39	0.10	0.06	0.09	0.05	0.21	-0.27	0.18	

Credit Indices: Upgrades vs. Downgrades



Telecommunications had a big net move in December 2022, November 2022 and October 2022, with 11% more entities **downgraded** than upgraded.

There were 6% more entities **downgraded** in March 2023 in Technology.

US Corporates

Industry Analysis - December 2023

Credit Benchmark has a **Credit Consensus Rating (CCR)** and accompanying detailed analytics for **100,000+** legal entities globally. CCRs are based on the contributed credit risk estimates from **40+** of the world's leading financial institutions.

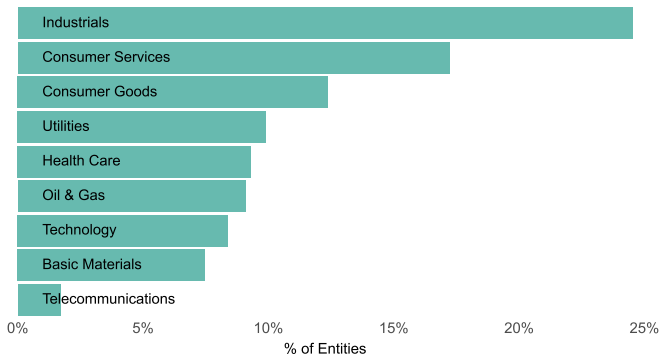
To understand the creditworthiness of the geographies, industries, and entities that matter to you and to be alerted to their changing CCRs, please email info@creditbenchmark.com.

Credit Benchmark's **US Corporates Index** tracks **6,500+** CCRs. These CCRs can be broken down by **Industry, Super Sector, Rated/Unrated, and Private/Public**.

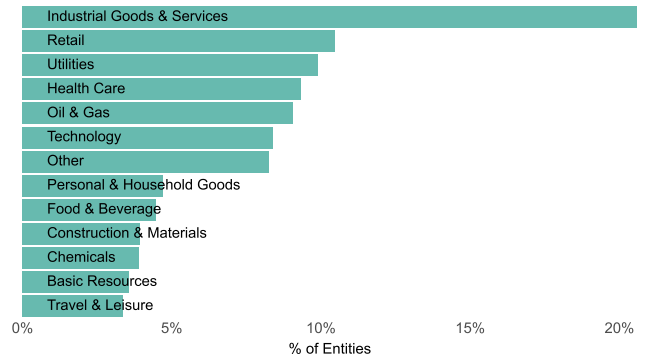
Credit Benchmark can provide additional types of CCR breakdown and levels of granularity.

Breakdown

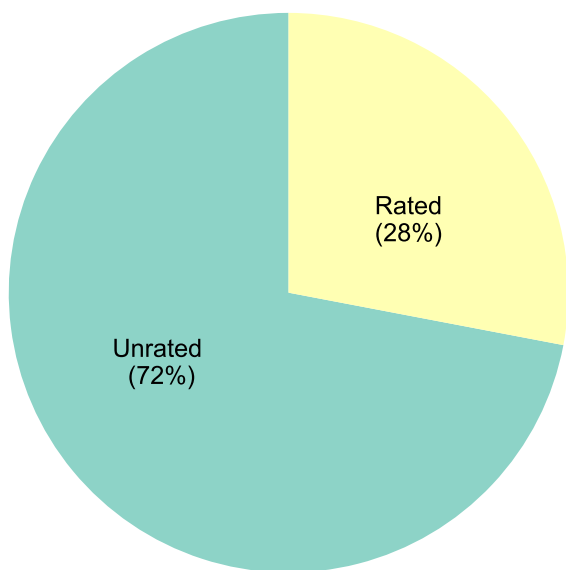
Industry



Super Sector



Rated/Unrated



Private/Public

