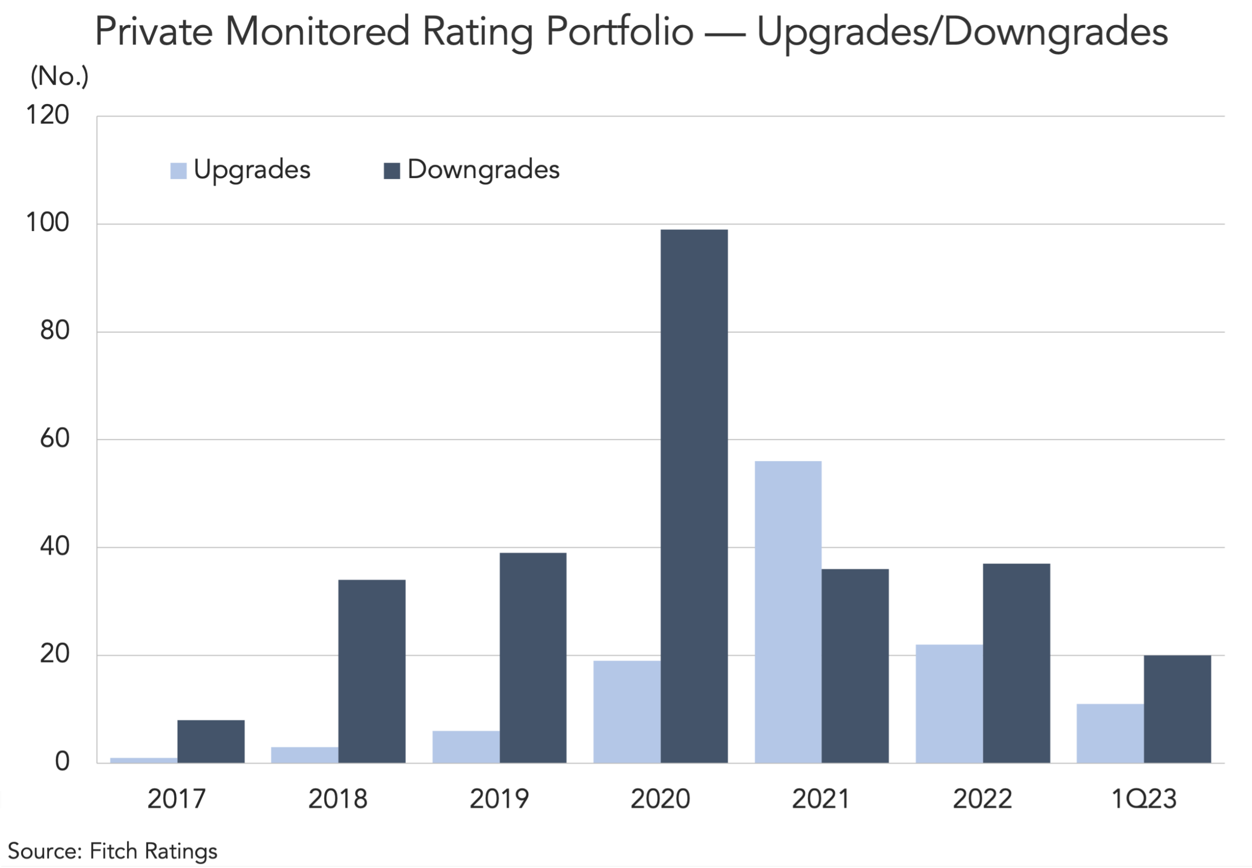
THE LEAD
https://theleadpc.com/middle-market-private-credit-7-10-2023/

Rating Trend for Middle Market Issuers

Fitch Ratings | July 12, 2023



Following a modestly positive 2021 in which upgrades in Fitch's Private Monitored Rating portfolio outpaced downgrades at a rate of around 1.2x, downgrades outpaced upgrades in 2022 at a 1.8x rate as inflation crimped earnings. Downgrades continued to outpace upgrades in 1Q23, with around two downgrades for every upgrade as rising interest rates weighed on cash flow, pressuring liquidity.

Although the trend reversed somewhat in 2Q23, with upgrades outpacing downgrades at 2.0x, the overall pace slowed with just six upgrades quarter-to-date.

CTA button: [Download Report]

(Past performance is no guarantee of future results.)