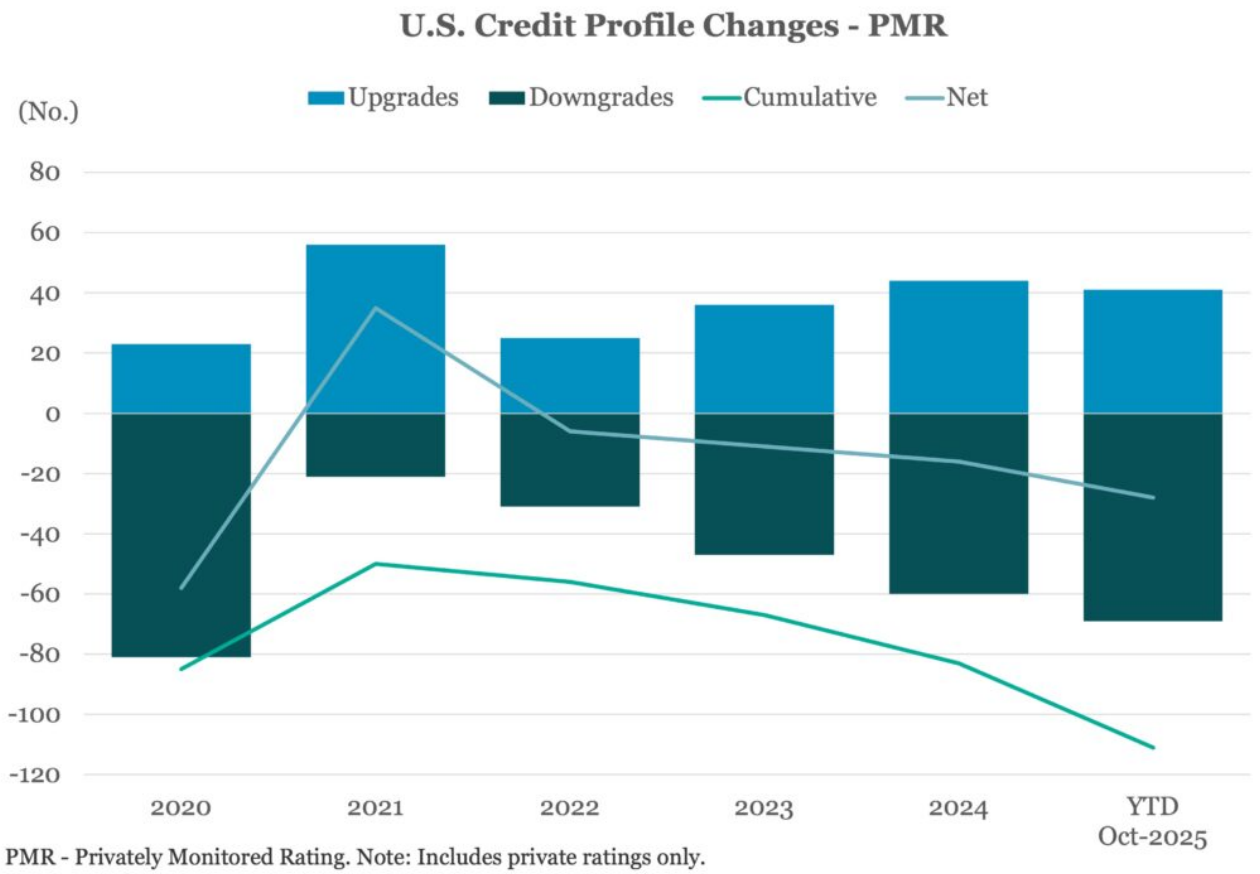
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North American Leveraged Finance Outlook 2026

Fitch Ratings | December 18, 2025



PMR - Privately Monitored Rating. Note: Includes private ratings only.
Source: Fitch Ratings

Click here to download report.

Fitch Ratings' 2026 sector outlook for North American Leveraged Finance is neutral, reflecting broadly steady credit conditions across liquid markets and private debt. Most sectors carry neutral outlooks. Aerospace & Defense is the sole corporate sector with an improving outlook, while a handful are deteriorating. The largest segments of the leveraged loan and high-yield universes—Technology, Business Services, Healthcare and Energy—are neutral.

In the private debt market, downgrades are expected to continue to outpace upgrades in 2026, given smaller issuer scale and limited diversification. However, Fitch anticipates the downgrade-to-upgrade ratio to retreat from post-pandemic highs seen in 2025, as declining rates provide cash-flow relief and an anticipated pickup in M&A supports debt paydown.