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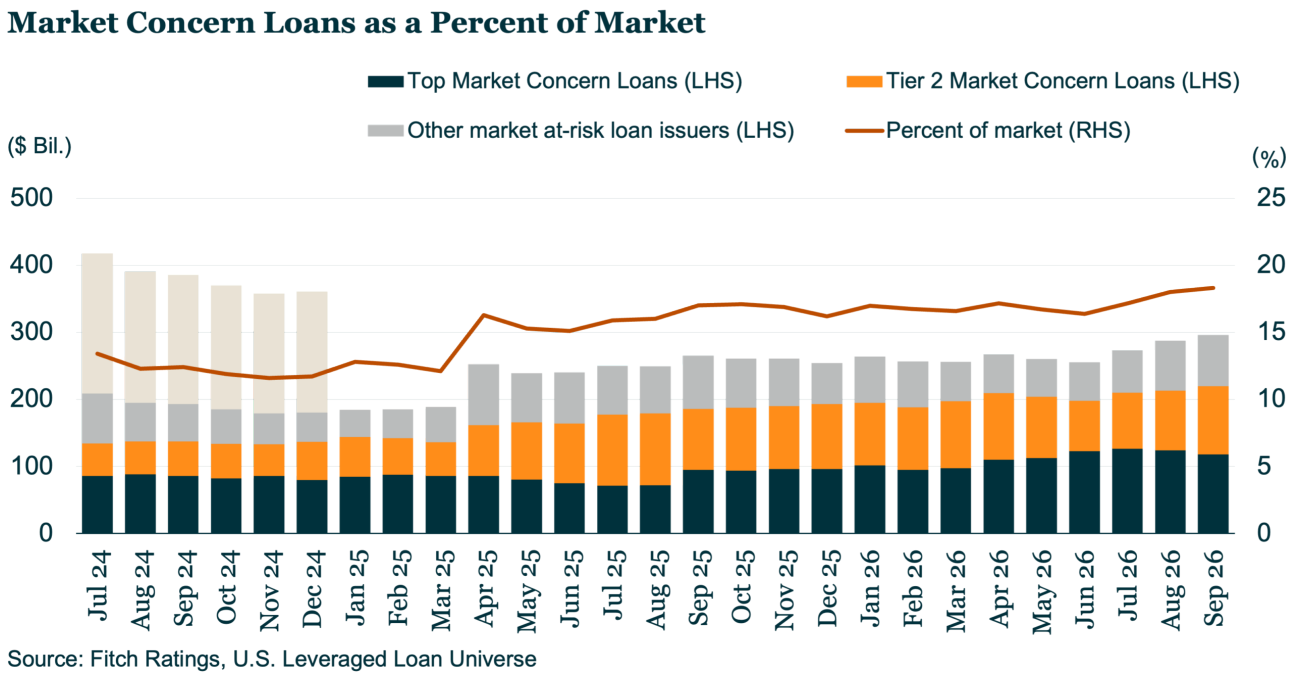
Low August U.S. defaults reflects seasonal slowdown as market concern loans build

Fitch Ratings | September 29, 2026



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U.S. leveraged loan and high-yield default rates were unchanged in August 2026 at 3.9% and 2.8%, respectively, as seasonal conditions limited default activity, Fitch Ratings says. Fitch expects leveraged loan defaults to rise to the 4.5%–5.0% year-end forecast range, supported by historically elevated Market Concern Loan outstandings.

Combined Market Concern Loan outstandings reached a record $296.2 billion, or 18.3% of the market. The technology sector drove the increase and faces an approaching 2028 maturity wall. Meanwhile, Market Concern Bond outstandings remained at about $147.5 billion, or 10.0% of the high-yield market. Fitch added paper manufacturer Pixelle to its Top Market Concern Loan list and passenger rail operator Brightline East to its Top Market Concern Bond list.