



IHS Markit™

iBoxx Rating Methodology

August 2019

1 iBoxx Average Rating Methodology	3
2 Further information	5

1 iBoxx Average Rating Methodology

Ratings from the following three credit rating agencies are considered for the calculation of the iBoxx Rating:

- Fitch Ratings
- Moody's Investor Service
- S&P Global Ratings

The iBoxx average rating is determined as by taking the average of the three credit ratings agencies ratings.

If a bond is rated by several agencies, then the average rating is attached to the bond. If a tranche is not rated, the rating of its parent is applied. The rating is consolidated to the nearest rating grade.

Investment grade is defined as BBB- or higher from Fitch Ratings and S&P Global Ratings, and Baa3 or higher from Moody's Investor Services. If at least one of the above credit rating agencies provides "D" ("default") or "SD" ("selective default") rating, all available ratings from the agencies are consolidated to "D" iBoxx rating.

The following table provides the numerical translation for the three agencies currently considered:

Fitch	Moody's	S&P	Score
AAA	Aaa	AAA	1
AA+	Aa1	AA+	2
AA	Aa2	AA	3
AA-	Aa3	AA-	4
A+	A1	A+	5
A	A2	A	6
A-	A3	A-	7
BBB+	Baa1	BBB+	8
BBB	Baa2	BBB	9
BBB-	Baa3	BBB-	10
BB+	Ba1	BB+	11
BB	Ba2	BB	12
BB-	Ba3	BB-	13
B+	B1	B+	14
B	B2	B	15
B-	B3	B-	16
CCC+	Caa1	CCC+	17
CCC	Caa2	CCC	18

Fitch	Moody's	S&P	Score
CCC-	Caa3	CCC-	19
CC	Ca	CC	20
C	C	C	21
D/RD		D	22

Where more than one rating is available, the numerical average of all scores will be calculated and rounded to the nearest integer (e.g. 4.33 is rounded down to 4, while 4.5 is rounded up to 5). The resulting score is converted back to the iBoxx index rating (iBoxx only publishes rating grades without notches):

Score	iBoxx Rating
1	AAA
2	AA
3	
4	
5	A
6	
7	
8	BBB
9	
10	
11	BB
12	
13	
14	B
15	
16	
17	CCC
18	
19	
20	CC
21	C
22	D

2 Further information

Glossary of key terms

The Markit iBoxx Glossary document of key terms is available in the *Methodology* section of the iBoxx *Documentation* page on www.ihsmarkit.com.

Contractual and content issues

For contractual or content issues please contact:

Markit Indices GmbH
Friedrich-Ebert-Anlage 35-37
60327 Frankfurt am Main
Germany
email: indices@ihsmarkit.com
web: www.ihsmarkit.com

Technical issues and client support

For technical issues and client support please contact:

E-mail:	indices@ihsmarkit.com		
Phone:	Asia Pacific	Japan:	+81 3 6402 0127
		Singapore:	+65 6922 4210
	Europe	General:	+800 6275 4800
		UK:	+44 20 7260 2111
	USA	General:	+1 877 762 7548

Formal complaints

Formal complaints can be sent electronically to our dedicated e-mail address complaints_indices@ihsmarkit.com.

For any general index enquiries, please contact iBoxx indices support group at indices@ihsmarkit.com.

Licences and data

iBoxx is a registered trademark of Markit Indices GmbH. Markit Indices GmbH owns all iBoxx data, database rights, indices and all intellectual property rights therein. A licence is required from Markit Indices GmbH to create and/or distribute any product that uses, is based upon or refers to any iBoxx index or iBoxx data.

Ownership

Markit Indices GmbH is a wholly-owned subsidiary of IHS Markit Limited.

Content modified: 2019-08-05T16:53:28.000+02:00

The information in this document is provided "as is." IHS Markit and its affiliates make no warranty, expressed or implied, including, without limitation, any warranties as of merchantability, fitness for a particular purpose, accuracy, completeness or timeliness, or as to the results to be obtained by recipients of the products and services described herein, and shall not in any way be liable for any inaccuracies, errors or omissions herein. IHS Markit products are governed by the terms and conditions of the agreements under which they are provided. Copyright © 2019, IHS Markit. All rights reserved. Any unauthorised use, disclosure, reproduction or dissemination, in full or in part, in any media or by any means, without the prior written permission of IHS Markit is strictly prohibited.