

SECTOR IN-DEPTH

30 July 2019



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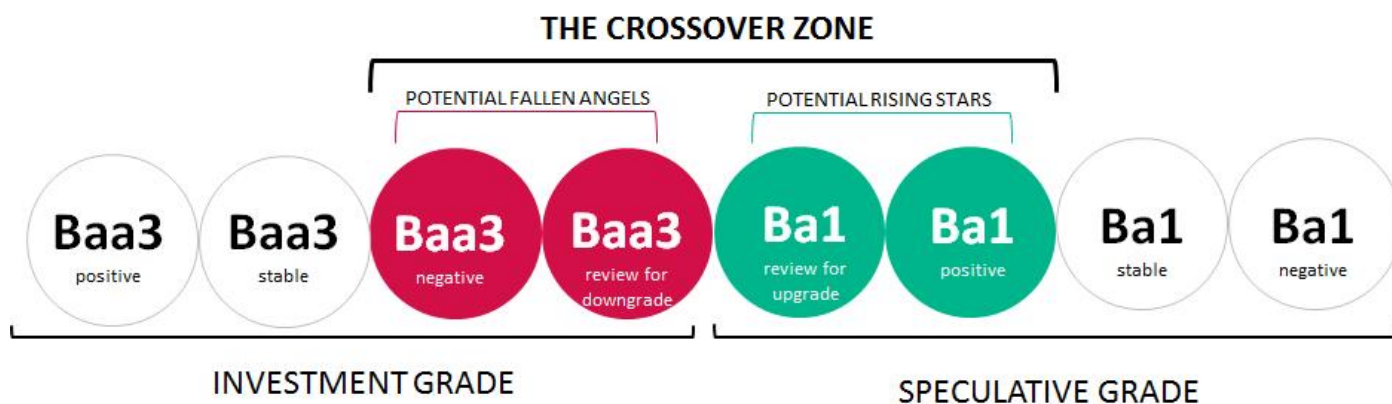
EMEA 44-20-7772-5454

Crossover Zone

Improved credit fundamentals lead to fewer companies in the zone

- » **There were 50 non-financial companies (including utilities) in the Crossover Zone as of 30 June.** That is 13 fewer than the prior quarter and below the average of about 68 companies over the past three years. Potential rising stars fell to 18 from 28 as nine companies left the zone as rising stars due to positive credit developments. Potential fallen angels fell to 32 from 35.
- » **Potential fallen angels down to 32, as five companies crossed over to speculative grade.** Five more companies had their outlooks changed to stable and seven new potential fallen angels entered the zone. Five of the seven entrants were due to fundamental credit developments, which was a similar number to last quarter when six of the seven new potential fallen angels entered the zone for fundamental reasons.
- » **Potential fallen angels held \$348 billion in debt as of 30 June.** That figure is up significantly from the \$160 billion of debt held at 31 March, and is well above the four-year average of about \$235 billion. The increase was primarily attributable to [Petroleos Mexicanos](#) (PEMEX, Baa3 negative) and its \$164 billion in debt entering the zone. Debt among US companies in the zone increased slightly to \$82 billion, from \$79 billion, but remains well below the record of about \$117 billion in Q3 2018. Debt among non-US companies rose to \$267 billion, which is the highest level since we began tracking this data in 2008.
- » **Only two companies entered the zone as potential rising stars in the second quarter.** [Votorantim S.A.](#) (Ba1 positive) entered due to improved credit fundamentals, while [Expedia Group, Inc.](#) (Ba1 under review) was placed under review for upgrade due to M&A activity and corporate governance changes. Expedia subsequently left the zone as a rising star when it was upgraded to Baa3 with a positive outlook in July 2019. Nine companies left the zone as rising stars in the second quarter, with eight due to positive credit developments and one related to M&A activity. Three former potential rising stars left the zone due to a change in outlook.

Getting in the zone



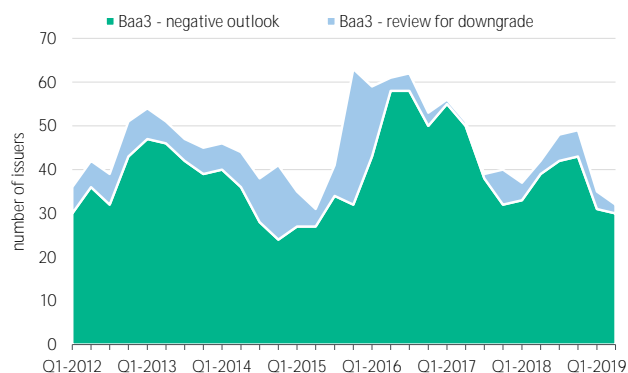
The Crossover Zone refers to the ratings closest to the line between speculative grade and investment grade. Companies in the zone are rated Baa3 or Ba1. To be considered in the zone, companies rated Baa3 must be on review for downgrade or have a negative outlook, while companies rated Ba1 must be on review for upgrade or have a positive outlook.

Number of companies in the Crossover Zone down significantly

There were 50 non-financial companies, including utilities, in the Crossover Zone as of 30 June, which is 13 fewer than last quarter. Potential rising stars decreased to 18 from 28, which was the highest level since we began tracking this data in 2008. Potential fallen angels decreased to 32 from 35 in Q1 2019. Most companies in the zone have either positive or negative outlooks, rather than ratings under review (see Exhibits 1 and 2).

Exhibit 1

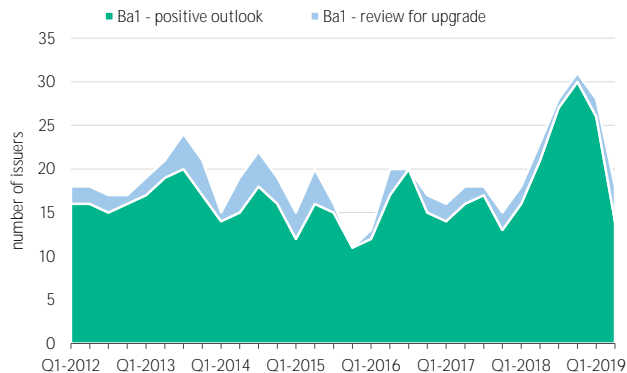
Potential fallen angels decrease to 32



Source: Moody's Investors Service

Exhibit 2

Potential rising stars decrease to 18



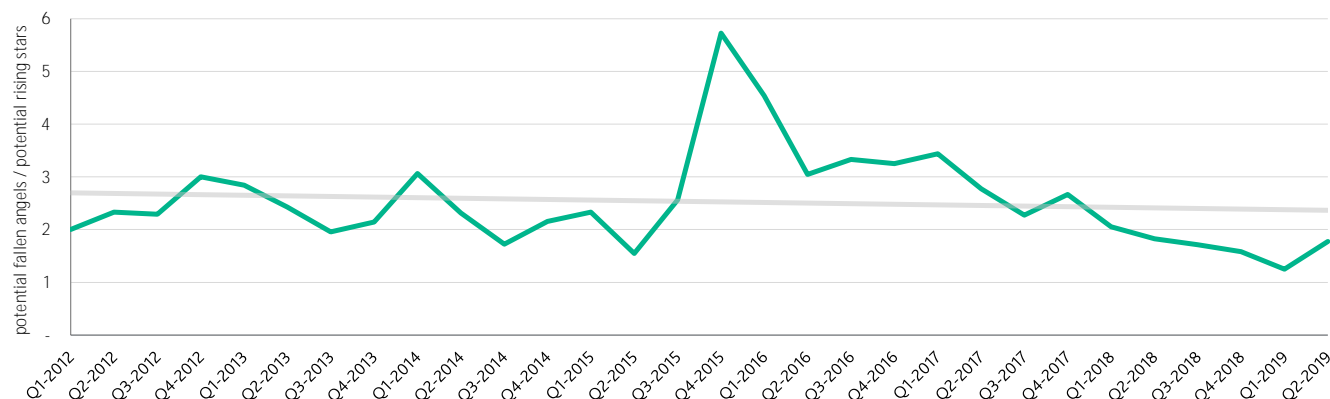
Source: Moody's Investors Service

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

The ratio of potential fallen angels to potential rising stars rose for the first time since Q2 2018, climbing to 1.78x as of 30 June, its highest level since June 2018, versus around 1.25x in the previous quarter and 1.83x a year prior (see Exhibit 3). The metric hit a post-recession peak of 5.7x at the end of 2015, due to falling commodity prices that hurt oil & gas and metals & mining companies, and a record high of 10.0x in March 2009. While this ratio remains historically low, it could reverse materially considering the high proportion of investment-grade issuers with Baa ratings. Baa-rated companies accounted for 36% of the total rated debt of US nonfinancial companies as of December 2018, up from 25% in December 2007. That increases the potential pool of fallen angel candidates.

Exhibit 3

Ratio of potential fallen angels to potential rising stars rises to 1.78x



Note: Green line represents actual ratio, gray line represents linear trend

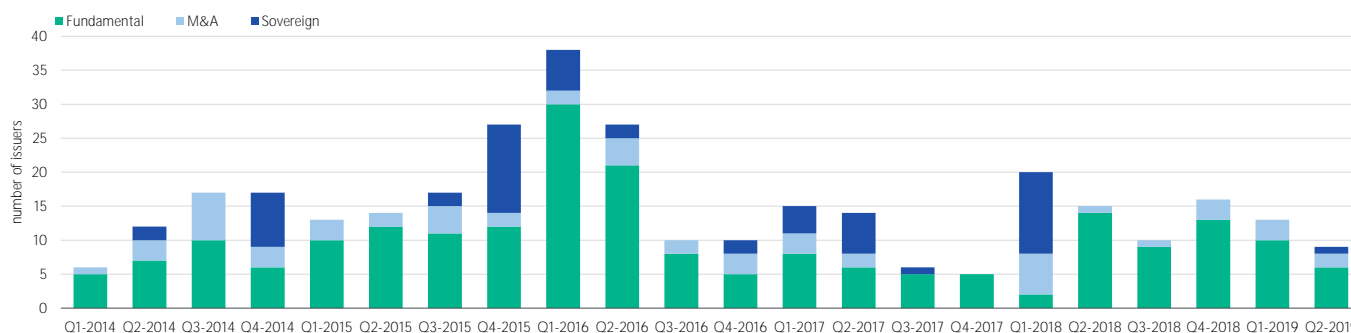
Source: Moody's Investors Service

Fundamental credit developments drive new entrants to the Crossover Zone

Nine companies moved into the Crossover Zone in the second quarter, with six due to improved credit fundamentals (see Exhibit 4). That is moderately lower than last quarter when 13 new companies entered the zone, 10 of which were due to fundamental credit developments. An average of 15 companies have entered the zone each quarter since the beginning of 2014.

Exhibit 4

Fundamental credit developments drive new entrants to the zone in Q2



Source: Moody's Investors Service

Debt load of potential fallen angels spikes to \$348 billion

The 32 potential fallen angels carried a debt load of \$348 billion, more than double the debt load from last quarter, and around 48% above the average of about \$235 billion over the past four years. The 35 potential fallen angels in Q1 2019 held \$160 billion of debt. The debt level rose sharply when [Petroleos Mexicanos](#) (Baa3 negative) and its \$164 billion of debt entered the zone in June when its outlook was changed to negative. PEMEX first entered the zone in March 2016 when its rating was downgraded to Baa3 with a negative outlook, and exited the zone in April 2018 when its outlook was changed to stable. Specialty chemical and energy company [Sasol Limited](#) (Baa3 negative) was the second-largest new entrant with \$10.7 billion of debt.

The debt load of potential fallen angels in the US rose slightly to \$82 billion from \$79 billion last quarter. [Buckeye Partners, L.P.](#) (Baa3 under review) and its \$3.9 billion of debt was the only US based company to enter the zone in the second quarter. Meanwhile, [Senior Housing Properties Trust](#) (Ba1 stable) with its \$3.7 billion of debt and [Martin Marietta Materials, Inc.](#) (Baa3 stable) and its \$3.8 billion of debt, both exited the zone.

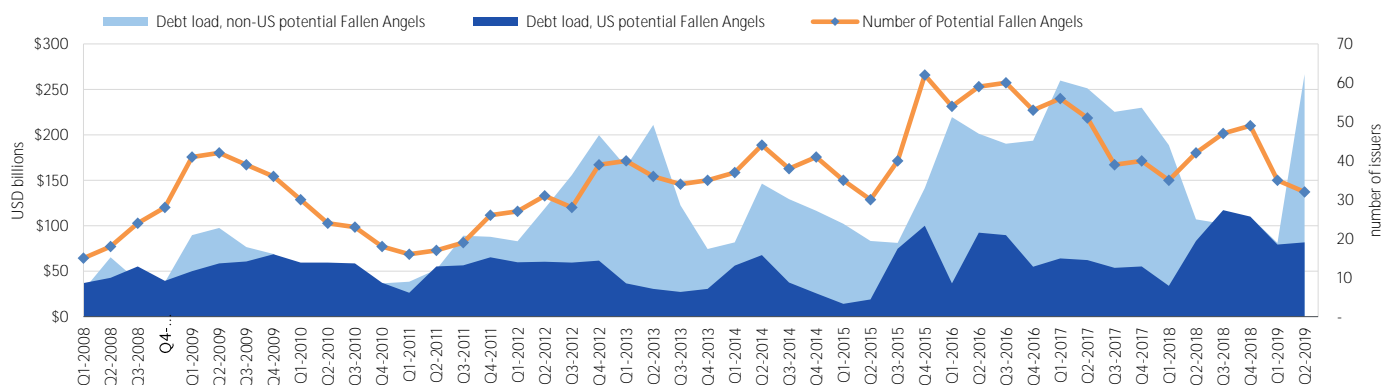
Fallen angel debt levels have the potential to move materially higher in the future considering the debt outstanding for US Baa-rated nonfinancial companies almost tripled to just over \$2 trillion at the end of 2018, up from \$743 billion in 2007. However, predicting the timing of fallen angels is difficult since it is typically not highly correlated with macroeconomic cycles, and is usually driven by industry-specific or other idiosyncratic considerations. For example, fallen angel debt remained very low through 2008-09 despite the magnitude of that economic downturn. Additionally, the 2015-16 spike in fallen angel debt occurred in the absence of a recession and resulted from downgrades to energy and mining companies following a large drop in commodity prices.

Debt held by non-US potential fallen angels more than tripled from last quarter to \$267 billion, which is a record high and well above the three-year historical average of about \$186 billion (see Exhibit 5). The increase in debt was largely driven by the entrance of PEMEX and its \$164 billion of debt. Sasol was the second-largest new entrant with \$10.7 billion of debt. [Emera Inc.](#) (Baa3 stable) with its \$11.9 billion of debt and [Holding d'Infrastructures de Transport](#) (Baa3 stable) with its \$6.6 billion of debt were the largest potential fallen angels to exit the zone.

Exhibit 5

Debt levels surge

Potential fallen angels, total debt load and number



Note: Debt totals in the report are based on company's most recent financial reports and may not in all cases be as of June 30

Source: Moody's Investors Service; Moody's Financial Metrics™

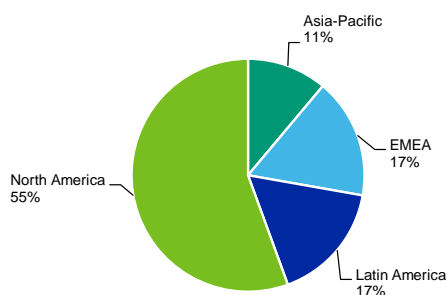
North America continues to dominate share of rising stars

The proportion of potential rising stars was highest in North America, but only down slightly to 55% of the total from 57% last quarter, even as the total number fell to 10 from 16. EMEA's share continued to drop, falling to 17% from 21% as the total number of potential rising stars fell to three from six (see Exhibit 6). Latin America maintained three potential rising stars and Asia-Pacific lost one potential rising star.

Exhibit 6

North America continues to lead on potential rising stars

Number of potential rising stars by region

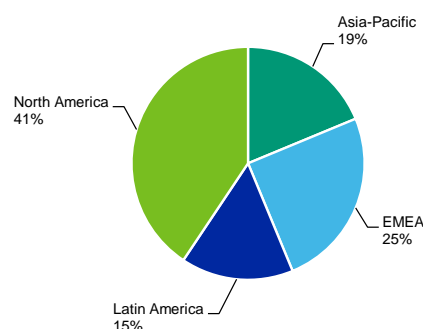


Source: Moody's Investors Service

Exhibit 7

North America also has the most potential fallen angels

Number of potential fallen angels by region



Source: Moody's Investors Service

Pace of actual crossovers slows in the second quarter

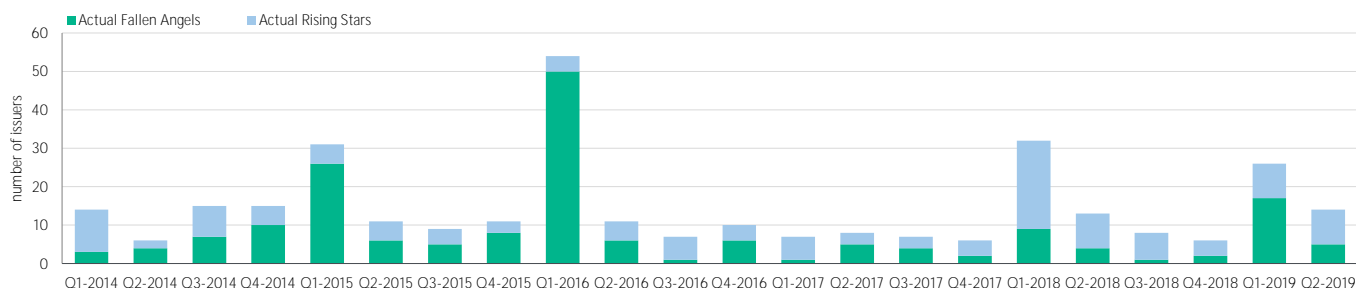
There were nine actual rising stars and five actual fallen angels in the second quarter (see Exhibit 8), for 14 total crossovers, which was much lower than the 26 actual crossovers the prior quarter. However, it represented the second-most crossovers since Q1 2018 and was above the quarterly average of about 12 crossovers over the past three years.

The five actual fallen angels in Q2 2019 were significantly less than the 17 actual fallen angels the prior quarter, which was driven by the downgrade of the [Government of Oman](#) (Ba1 negative) and the bankruptcy of [PG&E Corporation](#). Four of the five were driven by fundamental credit reasons, while the fifth was driven by M&A activity.

Exhibit 8

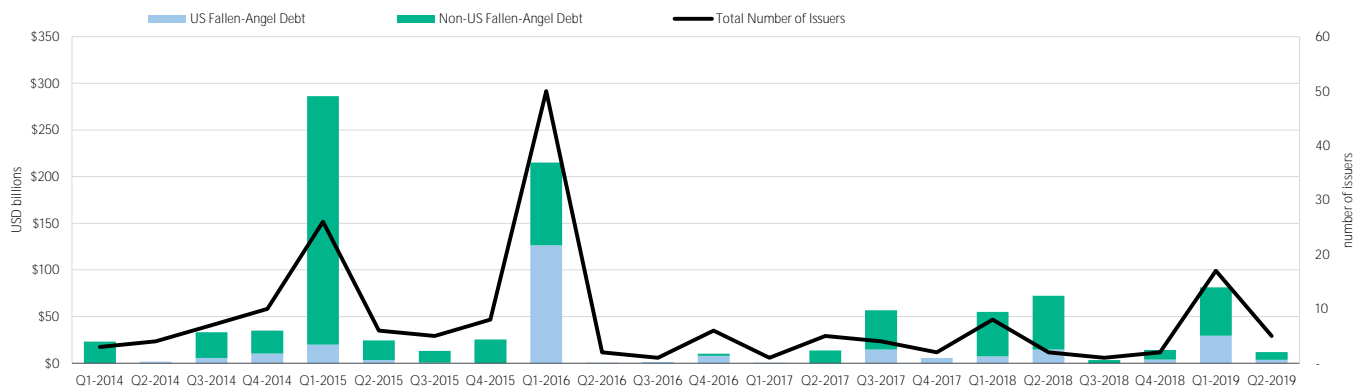
Pace of actual crossovers decelerates

Number of actual fallen angels and rising stars



Source: Moody's Investors Service

Exhibit 9

Fallen angel debt falls in Q2**Actual fallen angels, total debt and number**

Source: Moody's Investors Service

Exhibit 10

New Entrants to the Crossover Zone

Companies into the Zone	To	From	Potential Fallen Angel (FA) or Rising Star (RS)	Reason	Rationale
Azzurra Aeroporti S.p.A.	Baa3 NEG	Baa3 STA	FA	Fundamental	The change in outlook to negative recognises the increased risks to the financial profile of the Azzurra Aeroporti group that stem from a proposed reduction in aeronautical tariffs applicable to ACA, announced by the Independent Supervisory Authority (ISA) on 5 April 2019
Expedia Group, Inc.	Ba1 RUR-UPG	Ba1 STA	RS	M&A	The acquisition of Liberty Expedia is credit positive for Expedia Group as it would eliminate the overhang associated with John Malone's possible control while reducing Barry Diller's effective voting control to 29% at the time of the close from about 55%.
Votorantim S.A.	Ba1 POS	Ba2 STA	RS	Fundamental	The ratings upgrade to Ba1/Aaa.br is a result of the improvements in VSA's operating performance, credit metrics and capital structure.
Buckeye Partners, L.P.	Baa3 RUR-DNG	Baa3 STA	FA	Fundamental	The review for possible downgrade will focus on financing plans for the acquisition and Buckeye's capital structure, financial policy, and strategic direction under new ownership.
KCC Corporation	Baa3 NEG	Baa2 RUR-DNG	FA	M&A	On 14 May 2019, KCC announced that it would acquire a 45.5% stake in MOM Holding Company for KRW636 billion. The KCC-led consortium, formed with SJL Partners and Wonik QnC Corporation, will invest a total \$1.3 billion in equity and raise \$1.7 billion in debt at Momenite to finance the acquisition of 100% of Momenite and refinance Momenite's existing debt.
Sasol Limited	Baa3 NEG	Baa3 STA	FA	Fundamental	Moody's decision to change the outlook on Sasol to negative from stable reflects the significant cost overruns at the Lake Charles Chemicals Project (LCCP).
Petroleos Mexicanos	Baa3 NEG	Baa3 STA	FA	Sovereign	The change in PEMEX's outlook to negative coincides with the change in Mexico's outlook to negative, given the importance of the sovereign's credit strength and ongoing support to PEMEX's Baa3 ratings
Zhuji State-owned Assets Management Co., Ltd.	Baa3 NEG	Baa3 STA	FA	Fundamental	The negative outlook reflects the material year-on-year increase in Zhuji SAMC's adjusted net debt of around RMB9.4 billion in 2018 from 2017, resulting from a large increase in its other receivables, namely amounts due from other government related entities, as well as the lower than expected cash payments from the Zhuji government
Fideicomiso P.A. Concesion Ruta al Mar	Baa3 NEG	Baa3 STA	FA	Fundamental	Today's action reflects the slower traffic ramp-up relative to Moody's original expectations. As of May 2019, traffic is 8% below the Moody's base case.

Source: Moody's Investors Service

Exhibit 11

Companies Exiting the Zone

Companies Out of the Zone	To	From	Actual Fallen Angel/Rising Star	Reason	Rationale
Fortress REIT Limited	Ba1 NEG	Baa3 RUR-DNG	Fallen Angel	Fundamental	The downgrade reflects our view that Fortress has reduced access to capital and a weakening liquidity profile based on our liquidity assessment
Tianqi Lithium Corporation	Ba2 NEG	Baa3 RUR-DNG	Fallen Angel	M&A	The downgrade reflects Tianqi Lithium's slower than expected deleveraging following its acquisition of a 23.8% stake in Sociedad Quimica y Minera de Chile S.A. (SQM, Baa1 stable), with its high leverage exacerbated by a weakened operating performance amid volatility in lithium chemical prices
Shanghai Huayi (Group) Company	Baa3 STA	Ba1 POS	Rising Star	Fundamental	The upgrade reflects Huayi's improving credit profile, including a strengthened market position in the basic chemical industry, improved cost structure, and solid credit metrics
Fenix Power Peru S.A.	Ba1 STA	Baa3 RUR-DNG	Fallen Angel	Fundamental	The downgrade reflects the deterioration of the project's standalone credit profile, largely a reflection of lower energy demand and depressed spot prices in Government of Peru (A3 stable).
Geely Automobile Holdings Limited	Baa3 STA	Ba1 POS	Rising Star	Fundamental	The upgrade to Baa3 from Ba1 reflects Geely's strengthening business profile and growing market share, as a result of its improving product breadth and strength
Senior Housing Properties Trust	Ba1 STA	Baa3 RUR-DNG	Fallen Angel	Fundamental	The ratings downgrade reflects the increased business risk SNH is assuming in order to stabilize the financial position of its largest tenant, Five Star.
PVH Corp.	Baa3 STA	Ba1 POS	Rising Star	Fundamental	The upgrade to Baa3 reflects PVH's improved credit profile, as reflected in its consistent operating performance, strong free cash flow generation, debt reduction and improved credit metrics
Jabil Inc.	Baa3 STA	Ba1 POS	Rising Star	Fundamental	The Baa3 rating reflects Jabil's significant scale as a leading Tier-1 Electronic Manufacturing Services (EMS) provider in North America, improved revenue diversification, and consistent cash flow generation with debt to EBITDA of less than 2.5x (Moody's adjusted).
Marathon Oil Corporation	Baa3 STA	Ba1 POS	Rising Star	Fundamental	The upgrade acknowledges Marathon Oil's commitment to maintain credit metrics and financial policies appropriate for an investment grade rating as it continues to focus on developing its US shale assets
Andeavor Logistics LP	Baa3 RUR - UPG	Ba1 RUR-UPG	Rising Star	M&A	The combination of MPLX and ANDX under a common general partner enhances MPLX's already considerable scale, cash flow stability and earnings diversification

Source: Moody's Investors Service

Exhibit 12

Companies Exiting the Zone, continued

Companies Out of the Zone	To	From	Actual Fallen Angel/Rising Star	Reason	Rationale
Tesco Plc	Baa3 STA	Ba1 POS	Rising Star	Fundamental	Today's upgrade reflects the improvement in Tesco's operating profit over the last few years and our expectations of continued profit growth, cash generation and debt reduction amidst a challenging competitive environment
Kungsleden AB	Baa3 STA	Ba1 POS	Rising Star	Fundamental	The upgrade to Baa3 reflects Kungsleden's continued focus on improving asset quality through acquisitions and redevelopment of properties, increasing exposure towards its four focus cities that are benefitting from a currently positive economic environment and strong property fundamentals
Immobiliare Grande Distribuzione SiiQ S.p.A.	Ba1 STA	Baa3 NEG	Fallen Angel	Fundamental	The downgrade of IGD's ratings is driven by the overall challenging operating environment for the retail property sector and the weak growth prospects for the Italian economy, factors we expect to weigh more heavily on IGD's credit metrics over the next 12 to 18 months
Adani Transmission Limited	Baa3 STA	Baa3 NEG	Outlook stabilized	Fundamental	The change in ATL's outlook to stable reflects the expected improvement in the company's financial position over the next 12-18 months, underpinned by incremental earnings contributions from the Mumbai integrated utility business acquired last year and recently completed greenfield projects
Holding d'Infrastructures de Transport	Baa3 STA	Baa3 NEG	Outlook stabilized	Fundamental	The affirmation of the Sanef and HIT ratings and the change of the outlook to stable reflect Moody's expectation that the capital structure and overall leverage of the Sanef / HIT group will not be fundamentally altered following the increase in leverage in HIT's 100% shareholder, Abertis Infraestructuras S.A. (Abertis)
Emera Inc.	Baa3 STA	Baa3 NEG	Outlook stabilized	Fundamental	The ratings affirmation and change in outlook to stable from negative reflects Emera's actions over the last two years to pay down holding company debt, strengthen the company's business risk profile, selling assets, and continue to improve financial metrics going forward
FlowsERVE Corporation	Baa3 STA	Baa3 NEG	Outlook stabilized	Fundamental	The stable outlook reflects Moody's expectations for steady improvement in operating results even with stable-to-declining end market conditions, and to use the favorable market conditions to build cushion for the next downcycle
Martin Marietta Materials, Inc.	Baa3 STA	Baa3 NEG	Outlook stabilized	Fundamental	The outlook revision to stable from negative considers the improvement in MLM's leverage following the Bluegrass acquisition in 2018.
Globalworth Real Estate Investments Limited	Baa3 STA	Ba1 POS	Rising Star	Fundamental	The upgrade to Baa3 with a stable outlook reflects an improved business profile supported by Globalworth's successful expansion of its real estate operations into Poland (A2, Stable), a market benefitting from a positive economic environment and strong property market fundamentals.
DPL Inc.	Ba1 STA	Ba1 POS	Outlook stabilized	Fundamental	Heightened uncertainty regarding DP&L's ability to collect its Distribution Modernization Rider (DMR) until the end of its third Electric Security Plan (ESP-III) no longer justifies the maintenance of a positive outlook
TransAlta Corporation	Ba1 STA	Ba1 POS	Outlook stabilized	M&A	Brookfield Renewable Partners's (BREP) announced strategic investment will result in a higher debt burden for TransAlta. Accordingly, we have revised TransAlta's ratings outlook back to stable, to reflect the lower expected cash flow from operations to debt ratio going forward
Newfield Exploration Company	Ba1 NOO	Ba1 POS	Outlook changed	M&A	Flowing the close Encana's acquisition of Newfield, Encana full y and unconditionally guaranteed the bonds of Newfield therefore the outlook was changed to No Outlook

Source: Moody's Investors Service

Appendix 1: Potential Fallen Angels

Exhibit 13

Issuers	Country	Region	Sector	Outlook/Review	Outlook/Review Date (on 30-June-2019)	Days since outlook change (on 30-Jun-2019)
AES Gener S.A.	Chile	LatAm	Unreg Utilities and Unreg Power Companies	Baa3 Neg	11-May-18	415
Block Financial LLC	United States	N. America	Business and Consumer Service	Baa3 Neg	14-Jun-19	16
Buckeye Partners, L.P.	United States	N. America	Energy, Oil & Gas - Midstream [MLP]	Baa3 RUR-DNG	13-May-19	48
Cencosud S.A.	Chile	LatAm	Retail	Baa3 Neg	4-Apr-18	452
Clipper Acquisitions Corp	United States	N. America	-	Baa3 Neg	1-Dec-17	576
Edison International	United States	N. America	Regulated Electric and Gas Utilities	Baa3 Neg	5-Mar-19	117
Empresas Publicas de Medellin E.S.P	Colombia	LatAm	Unreg Utilities and Unreg Power Companies	Baa3 Neg	23-Aug-18	311
Fideicomiso P.A. Concesion Ruta al Mar	Colombia	LatAm	Privately Managed Toll Roads	Baa3 Neg	26-Jun-19	4
FLIR Systems, Inc.	United States	N. America	Manufacturing	Baa3 Neg	19-Feb-19	131
Ford Motor Company	United States	N. America	Auto Manufacturer	Baa3 Neg	29-Aug-18	305
Newell Brands	United States	N. America	Consumer Durables	Baa3 Neg	29-Aug-18	305
Office Properties Income Trust	United States	N. America	REITs and Other Commercial Property Firms	Baa3 Neg	18-Sep-18	285
Petroleos Mexicanos	Mexico	LatAm	Energy, Oil & Gas - Integrated	Baa3 Neg	6-Jun-19	24
Select Income REIT	United States	N. America	REITs and Other Commercial Property Firms	Baa3 Neg	25-Sep-18	278
Under Armour, Inc.	United States	N. America	Apparel	Baa3 Neg	20-Dec-18	192
Western Digital Corporation	United States	N. America	Diversified Technology	Baa3 Neg	8-Nov-18	234
WETT Holdings, LLC	United States	N. America	Regulated Electric and Gas Utilities	Baa3 Neg	31-Jan-19	150
Yamana Gold, Inc.	Canada	N. America	Mining	Baa3 Neg	9-Nov-17	598
Indosat Tbk. (P.T.)	Indonesia	APAC	Telecommunications	Baa3 Neg	21-Mar-19	101
KCC Corporation	Korea	APAC	Building Materials	Baa3 Neg	15-May-19	46
Lendlease Group	Australia	APAC	Construction	Baa3 Neg	9-Nov-18	233
Thai Beverage Public Company Limited	Thailand	APAC	Alcoholic Beverage	Baa3 Neg	2-Feb-18	513
Xinjiang Goldwind Science & Technology Co Ltd	China	APAC	Unreg Utilities and Unreg Power Companies	Baa3 Neg	20-Jul-18	345
Zhuji State-owned Assets Management Co., Ltd.	China	APAC	Business and Consumer Service	Baa3 Neg	11-Jun-19	19
Atlantia S.p.A.	Italy	EMEA	Privately Managed Toll Roads	Baa3 Neg	28-Jan-19	153
Azzurra Aeroporti S.p.A.	Italy	EMEA	Privately Managed Airports and Related Issuers	Baa3 Neg	11-Apr-19	80
CECONOMY AG	Germany	EMEA	Retail	Baa3 Neg	17-Oct-18	256
Redexis Gas, S.A.	Spain	EMEA	Regulated Electric and Gas Networks	Baa3 Neg	23-Apr-18	433
RPC Group PLC	United Kingdom	EMEA	Packaging	Baa3 RUR-DNG	25-Jan-19	156
Sasol Limited	South Africa	EMEA	Chemical	Baa3 Neg	31-May-19	30
Suedzucker AG	Germany	EMEA	Protein and Agriculture	Baa3 Neg	12-Dec-18	200
ZF Friedrichshafen AG	Germany	EMEA	Automotive Supplier	Baa3 Neg	28-Mar-19	94

Source: Moody's Investors Service

Appendix 2: Potential Rising Stars

Exhibit 14

Issuers	Country	Region	Sector	Outlook/Review	Outlook/Review Date (on 30-June-2019)	Days since outlook change (on 30-June-2019)
DBCT Finance Pty. Ltd.	Australia	APAC	Generic Project Finance	Ba1 Pos	20-Sep-18	283
IRPC Public Company Limited	Thailand	APAC	Energy, Oil & Gas - Refining & Marketing	Ba1 Pos	25-Jul-18	340
Clariant AG	Switzerland	EMEA	Chemical	Ba1 Pos	17-Dec-18	195
Mobile TeleSystems PJSC	Russia	EMEA	Telecommunications	Ba1 Pos	29-Jan-18	517
Transelectrica S.A.	Romania	EMEA	Regulated Electric and Gas Networks	Ba1 Pos	3-Jul-18	362
Embraer S.A.	Brazil	LatAm	Aerospace / Defense	Ba1 RUR-UPG	1-Feb-19	149
Gerdau S.A.	Brazil	LatAm	Steel	Ba1 Pos	12-Dec-18	200
Votorantim S.A.	Brazil	LatAm	Mining	Ba1 Pos	30-Apr-19	61
Anadarko Petroleum Corporation	United States	N. America	Energy, Oil & Gas - Independent E & P	Ba1 RUR-UPG	12-Apr-19	79
Devon Energy Corporation	United States	N. America	Energy, Oil & Gas - Independent E & P	Ba1 Pos	22-Jan-19	159
Elwood Energy LLC	United States	N. America	Power Project	Ba1 Pos	29-Jun-18	366
Encana Corporation	Canada	N. America	Energy, Oil & Gas - Independent E & P	Ba1 Pos	1-Nov-18	241
Expedia Group, Inc.	United States	N. America	Business and Consumer Service	Ba1 RUR-UPG	17-Apr-19	74
Las Vegas Sands Corp.	United States	N. America	Gaming	Ba1 Pos	26-Jul-18	339
Oshkosh Corporation	United States	N. America	Manufacturing	Ba1 Pos	11-Feb-19	139
SCANA Corporation	United States	N. America	Regulated Electric and Gas Utilities	Ba1 Pos	20-Dec-18	192
Steel Dynamics, Inc.	United States	N. America	Steel	Ba1 Pos	15-Aug-18	319
Western Midstream Operating, LP	United States	N. America	Energy, Oil & Gas - Midstream [MLP]	Ba1 RUR-UPG	12-Apr-19	79

Source: Moody's Investors Service

Appendix 3: Fallen Angels, YTD

Exhibit 15

Issuers	Country	Region	Sector	To	From	Date
Tianqi Lithium Corporation	China	APAC	Chemical	Ba2 Neg	Baa3 RUR-[DNG]	18-Jun-19
Senior Housing Properties Trust	United States	N. America	REITs and Other Commercial Property	Ba1 Sta	Baa3 RUR-[DNG]	16-May-19
Fenix Power Peru S.A.	Peru	LatAm	Power Project	Ba1 Sta	Baa3 RUR-[DNG]	26-Apr-19
Fortress REIT Limited	South Africa	EMEA	REITs and Other Commercial Property	Ba1 Neg	Baa3 RUR-[DNG]	24-Apr-19
Immobiliare Grande Distribuzione SiiQ S.p.A.	Italy	EMEA	REITs and Other Commercial Property	Ba1 Sta	Baa3 Neg	9-Apr-19
Oman Electricity Transmission Company SAOC	Oman	EMEA	Regulated Electric and Gas Networks	Ba1 Neg	Baa3 Neg	12-Mar-19
Muscat Electricity Distribution Company SAOC	Oman	EMEA	Regulated Electric and Gas Utilities	Ba1 Neg	Baa3 Neg	12-Mar-19
Majan Electricity Company SAOC	Oman	EMEA	Regulated Electric and Gas Utilities	Ba1 Neg	Baa3 Neg	12-Mar-19
Mazoon Electricity Company SAOC	Oman	EMEA	Regulated Electric and Gas Utilities	Ba1 Neg	Baa3 Neg	12-Mar-19
Dhofar Power Company SAOC	Oman	EMEA	Regulated Electric and Gas Utilities	Ba1 Neg	Baa3 Neg	12-Mar-19
Oman Power and Water Procurement Company SAOC	Oman	EMEA	Regulated Electric and Gas Utilities	Ba1 Neg	Baa3 Neg	12-Mar-19
Oman Telecommunications Company S.A.O.G.	Oman	EMEA	Telecommunications	Ba1 Neg	Baa3 Neg	12-Mar-19
Rural Areas Electricity Company SAOC	Oman	EMEA	Regulated Electric and Gas Utilities	Ba1 Neg	Baa3 Neg	12-Mar-19
Hyprop Investments Limited	South Africa	EMEA	REITs and Other Commercial Property	Ba1 Neg	Baa3 Neg	13-Feb-19
Vale S.A.	Brazil	LatAm	Mining	Ba1 Neg	Baa3 RUR-[DNG]	27-Feb-19
Washington Prime Group, L.P.	United States	N. America	REITs and Other Commercial Property	Ba2 Sta	Baa3 Neg	15-Feb-19
Westinghouse Air Brake Technologies Corp.	United States	N. America	Manufacturing	Ba1 Sta	Baa3 Neg	12-Feb-19
Bharti Airtel Ltd.	India	APAC	Telecommunications	Ba1 Neg	Baa3 RUR-[DNG]	5-Feb-19
PG&E Corporation	United States	N. America	Regulated Electric and Gas Utilities	Withdrawn	Baa3 RUR-[DNG]	5-Feb-19
Ruby Pipeline, LLC	United States	N. America	Energy, Natural Gas Pipelines	Ba2 Neg	Baa3 RUR-[DNG]	15-Jan-19
Panoche Energy Center, LLC	United States	N. America	Power Project	Caa2 Neg	Baa3 RUR-[DNG]	15-Jan-19
Topaz Solar Farms LLC	United States	N. America	Power Project	Caa2 Neg	Baa2 RUR-[DNG]	15-Jan-19

Source: Moody's Investors Service

Appendix 4: Rising Stars, YTD

Exhibit 16

Issuers	Country	Region	Sector	To	From	Date
Tesco Plc	United Kingdom	EMEA	Retail	Baa3 Sta	Ba1 Pos	25-Jun-19
Kungsleden AB	Sweden	EMEA	REITs and Other Commercial Property Firms	Baa3 Sta	Ba1 Pos	20-Jun-19
Geely Automobile Holdings Limited	Cayman Islands	AMERICAS	Auto Manufacturer	Baa3 Sta	Ba1 Pos	5-Jun-19
Shanghai Huayi (Group) Company	China	APAC	Chemical	Baa3 Sta	Ba1 Pos	27-May-19
Globalworth Real Estate Investments Limited	Romania	APAC	REITs and Other Commercial Property Firms	Baa3 Sta	Ba1 Pos	12-Apr-19
PVH Corp.	United States	N. America	Apparel	Baa3 Sta	Ba1 Pos	29-Apr-19
Jabil Inc.	United States	N. America	Global Distribution and Supply Chain Services	Baa3 Sta	Ba1 Pos	1-May-19
Marathon Oil Corporation	United States	N. America	Energy, Oil & Gas - Independent E & P	Baa3 Sta	Ba1 Pos	24-Apr-19
Andeavor Logistics LP	United States	N. America	Energy, Oil & Gas - Midstream [MLP]	Baa3 RUR-UPG	Ba1 RUR-UPG	8-May-19
Peugeot S.A.	France	EMEA	Auto Manufacturer	Baa3 Sta	Ba1 Pos	28-Mar-19
Metsa Board Corporation	Finland	EMEA	Paper and Forest Products	Baa3 Sta	Baa3 Pos	13-Mar-19
Federal Grid Finance D.A.C.	Ireland	EMEA	Regulated Electric and Gas Networks	(P)Baa3 Sta	Baa3 Pos	13-Mar-19
Silversea Cruise Finance Ltd.	Bahamas	LatAm	Business and Consumer Service	Baa2 NOO	B2 Sta	26-Feb-19
Huntsman International LLC	United States	N. America	Chemical	Baa3 Sta	Ba1 Pos	25-Feb-19
Atomenergoprom, JSC	Russia	EMEA	Unreg Utilities and Unreg Power Companies	Baa3 Sta	Ba1 Pos	12-Feb-19
ROSSETI, PJSC	Russia	EMEA	Regulated Electric and Gas Networks	Baa3 Sta	Ba1 Pos	12-Feb-19
RusHydro, PJSC	Russia	EMEA	Unreg Utilities and Unreg Power Companies	Baa3 Sta	Ba1 Pos	12-Feb-19
Teck Resources Limited	Canada	N. America	Mining	Baa3 Sta	Ba1 Pos	16-Jan-19

Source: Moody's Investors Service

Moody's related publications

Sector In-Depth

[Crossover Zone: Sovereign rating actions lead to fewer potential fallen angels, rising stars](#), April 2019

[Crossover Zone: Potential rising stars hit another record high](#), February 2019

[Crossover Zone: Potential rising stars hits 5-year high, potential fallen angels debt load rises](#), October 2018

[Crossover Zone: Improved credit fundamentals drive crossover activity](#), August 2018

[Crossover Zone: Sovereign rating actions drive crossover activity, potential fallen angels decrease](#), April 2018

[Crossover Zone: Potential fallen angels remain at multiyear low; debt burden still high](#), January 2018

[Crossover Zone: Potential Fallen Angels drop significantly](#), October 2017

[Crossover Zone: Potential Fallen Angels continue to decline, along with their debt balances](#), July 2017

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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