

## Macro Roundup Article

**Headline:** [Mid-Year Credit Outlook: Divergence to Persist through 2024](#)

**Article Link:** <https://www.apolloacademy.com/mid-year-credit-outlook-divergence-to-persist-through-2024/>

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**Summary:** This divergence across credit markets has resulted in significant dispersion in performance across the quality spectrum. Investment grade and BB-rated debt are trading near their tights of the past decade, while CCC-rated spreads are near their 10-year average. In fact, the CCC/BB spread ratio is hovering near its post-Covid peak. The dispersion is evident in the makeup of the US high yield benchmark, where about 60% of the index trades inside 250 basis points and 7% trades above 750 basis points—a more extreme distribution than in prior periods when HY spreads were at similar levels. We expect this theme of divergence to persist through 2024 as demand for high-quality credit keeps index spreads near record tights while a subset of lower-quality corporates remain under pressure with generationally high interest rates.

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**Primary Topic:** Business Cycle

**Topics:** Business Cycle, Financial Markets, GDP, Op-Ed/Blog Post

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