

Macro Roundup Article

Headline: [Can Corporate America Cope With Its Vast Debt Pile?](#)

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Tweet: \$1.3T of speculative-grade corporate borrowing is facing refinancing over the next three years, at rates more than double their 2021 lows. Moody's predicts the US default rate will peak at 5.4% in January but could soar as high as 14%.

Summary: Average funding costs for the \$8.6tn market in the highest quality corporate bonds, known as investment grade, are now above 6%, according to Ice BofA data. Although that is three times their lows of below 2% in late 2020, market participants are relatively sanguine about the health of these high-quality companies. There is more concern about less creditworthy borrowers in the \$1.3tn non-investment grade market, often called junk or high-yield. Coupons now average 9.4%, more than double their lows in late 2021. Moody's predicts the US default rate will peak at 5.4% in January, but if conditions worsen it could soar as high as 14%.

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Primary Topic: Business Cycle

Topics: Business Cycle, Database, Financial Markets, GDP, News article

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