**Team member:** Ruilong Li; Kaiyang Deng

**Topic of interest:** Credit rating is a useful measurement of the risk that the corresponding company has, and it reveals the possibility that the company would default in its financial obligations. Therefore, predicting the credit ranking comes to the limelight in the view of both investors for decision making and governors for regulation and intervention purpose.

Objective: Using commonly used financial indicator from SEC 10K fillings could improve the accuracy to predict the credit rating for the company in comparison with the prediction by financial report.

**Data Source**:

* For financial data: Wharton Research Data Service(WRDS) is a globally accessed service that provides researchers access to 600+data. Here we will use Compustat annual data and S&P rating data. They are mainly used to find the numeric variables.

<https://wrds-www.wharton.upenn.edu/pages/about/data-vendors/sp-global-market-intelligence/>

* the SEC 10-K filing. The U.S. Securities and Exchange Commission (SEC) mandates that all publicly traded companies submit an annual report, known as the 10-K, providing a comprehensive overview of their financial performance, business operations, and potential risks. They are publicly available and accessible in: <https://www.sec.gov/edgar>

**Audience**: The main audience could be investors and governors. For audience, they could use the findings in this essay for making better decision in investment to avoid potential loss. For governors, they could use this to detect potential liquidity problem (like silicon bank before) and take proper intervention to avoid further escalation.