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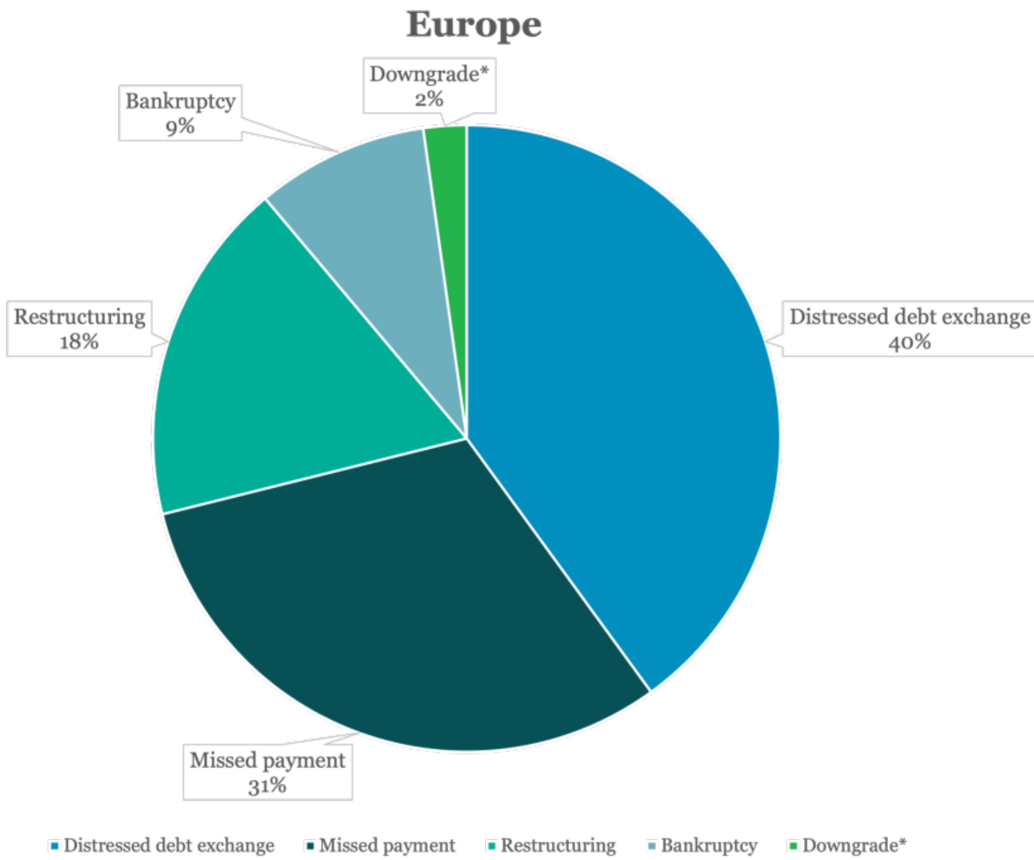
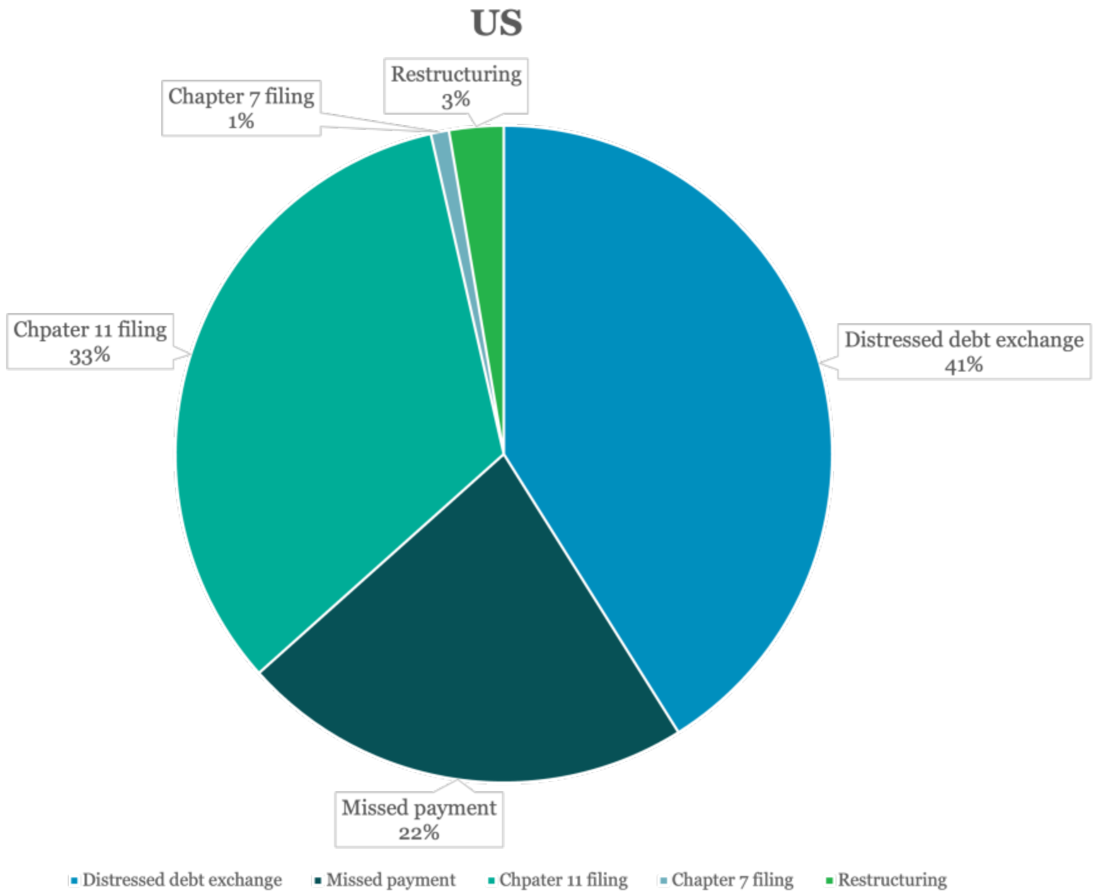
European and US LevFin Default Rates Will Continue to Rise in 2024

Fitch Ratings | January 24, 2024





Leveraged finance default rates increased in 2023 in Europe and the US and will continue to rise in 2024 due to high interest cost burdens and macroeconomic pressure. Both the European and US leveraged finance sector outlooks remain deteriorating.

Fitch forecasts 2024 default rates of 3.5%–4.0% for US leveraged loans, and 5.0%–5.5% for US high-yield bonds. Fitch forecasts default rates for European high-yield bonds and leveraged loans to rise to 4% in 2024 and 2025 from 2.5% and 3% respectively in 2023.

[Learn more]

(Past performance is no guarantee of future results.)

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