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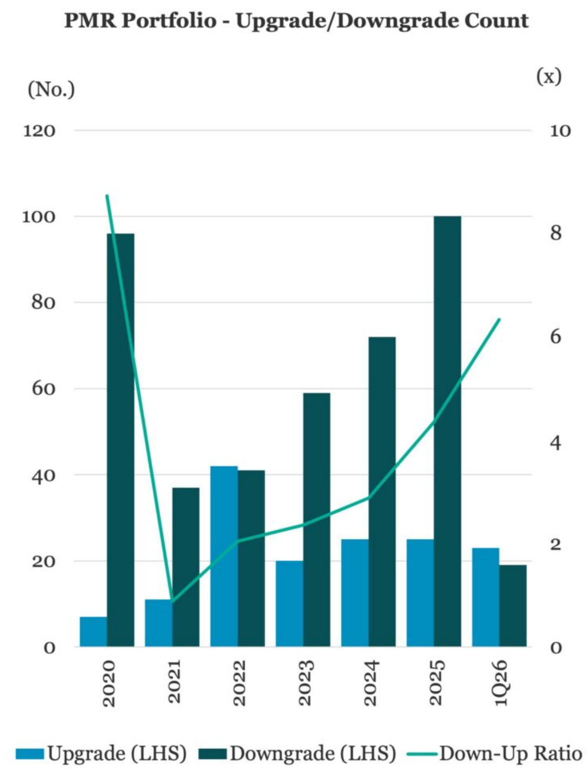
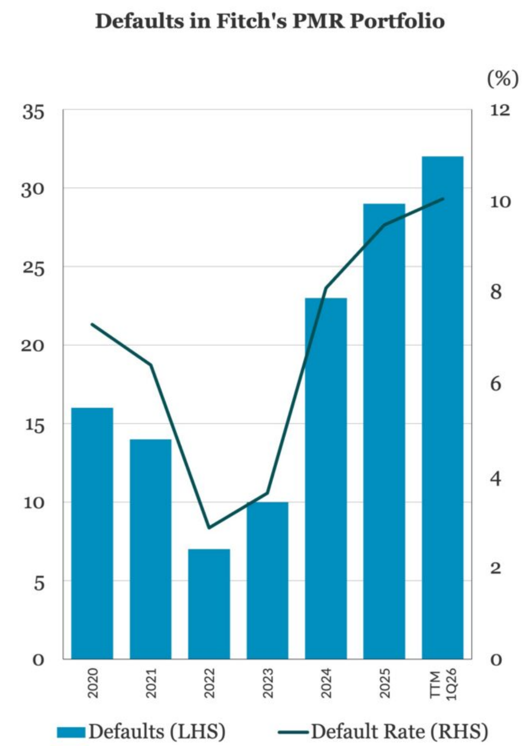
U.S. Private Credit and Middle Market Performance Monitor: 1Q26

Fitch Ratings | May 26, 2026





Source: Fitch Ratings

Fitch's Privately Monitored Ratings Portfolio – 1Q26

- Fitch recorded 19 downgrades and three upgrades in 1Q26, continuing the trend of downgrades outpacing upgrades.
- The downgrade-to-upgrade ratio increased to 6.3x in 1Q26 from 5.0x in 4Q25, the highest since the ratio reached 8.0x in 2Q23. Negative outlooks also climbed from 13 in 4Q25 to 20 in 1Q26.
- The TTM PMR default rate jumped to a record 10.0% in 1Q26 from 9.2% in 4Q25. Fitch recorded 32 unique defaulters over the TTM period ending 1Q26, up from 28 over the TTM period ending 4Q25.
- Including repeat defaults by the same issuer, Fitch recorded 42 default events in the TTM period ending 1Q26. Of these, 38% of the default events included interest deferrals or introduction of PIK, 38% involved maturity extensions under financial stress, 7% stemmed from uncured payment defaults, and 17% involved Chapter 11 bankruptcy, liquidations, or out-of-court restructurings.