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## **Fitch: U.S. Public Finance Upgrades Outpaced Downgrades for 13th Consecutive Quarter.**

Fitch Ratings-New York-01 August 2017: The second quarter of 2017 marked the 13th consecutive quarter in which U.S. public finance upgrades outnumbered downgrades, according to a new Fitch Ratings report.

Affirmations accounted for 77% of total rating actions in 2Q17, an increase from 74% in 1Q17.

“There were 94 upgrades and 37 downgrades across all U.S. public finance sectors; in the prior quarter, there were 124 and 74, respectively,” said Jessalynn Moro, Managing Director of Fitch’s U.S. Public Finance group. “Upgrades were driven by the tax-supported sector, accounting for roughly 74% of all upgraded securities in 2Q17.”

The upgrades represented 11% of all U.S. public finance rating actions and \$40.05 billion in par value. Approximately \$21 billion of the Metropolitan Transportation Authority’s outstanding transportation revenue bond par value was upgraded in 2Q17, representing 52% of all upgraded par this quarter.

The downgrades represented 4.5% of all rating actions and \$34.55 billion in par value.

Healthcare saw an uptick in upgrades and downgrades. Eleven credits were upgraded, an increase of seven from the prior quarter and above the sector’s four-quarter rolling average of 6.75. Nine credits were downgraded in 2Q17, an increase of three and slightly above the four-quarter rolling average of 8.5.

Positive Rating Watches increased to 21 from zero in 1Q17. Positive and Negative Outlooks remain unchanged.

For more information, a special report titled “U.S. Public Finance Rating Actions Second-Quarter 2017” is available on the Fitch Ratings web site at [www.fitchratings.com](http://www.fitchratings.com) or by clicking on the link.

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