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## **Fitch's US Credit Downgrade Sparks Criticism Along With Unease.**

- **Decision reflects expected fiscal deterioration, Fitch says**
- **Bond market shrugs off downgrade, eyes Wednesday US refunding**

Fitch Ratings' downgrade of US government debt sparked criticism from Washington and Wall Street even amid unease that swollen fiscal deficits risk eventual turbulence in markets, the economy and next year's presidential election.

Fitch cut the US's sovereign credit grade one level from AAA to AA+. The move comes just two months after it warned the rating was under threat as lawmakers flirted with default by battling over raising the nation's debt limit.

The credit grader justified the shift by arguing the country's finances will likely deteriorate over the next three years given tax cuts, new spending initiatives, economic shocks and repeated political gridlock.

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### **Bloomberg Markets**

By Benjamin Purvis and Simon Kennedy

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