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U.S. Public Finance Rating Momentum: Fitch Special Report

Fitch Ratings' study on U.S. Public Finance (USPF) credit ratings reveals significant momentum in rating changes, particularly negative momentum. Downgrades are more likely to follow a previous downgrade, with a rate 6.2 times higher than after an affirmation or no-action review. Speculative-grade ratings show the highest negative momentum, with a downgrade rate nearly 10 times higher post-downgrade. Positive momentum exists but is weaker, with upgrades following upgrades at a rate of 143% of the overall portfolio. Negative Outlooks remain strong indicators of future downgrades, with a downgrade rate of 13 times higher than Stable Outlooks. The study underscores the predictive value of prior rating actions and Outlooks in signaling future credit quality changes.

[Access Report](#)

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