

“Heading for a Crash”: Corporate Defaults Soar, Mainly in U.S.

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Here are the 12 September 2023 numbers from S&P Global, for: U.S., Europe, Other developed, Emerging markets, and Global (total):

[“Corporate Defaults Record Highest August Total Since 2009”](#)

12 September 2023



Regional default insights

(No. of defaults)	Monthly tally	2023 tally*	2022 tally*	Leading sector*
 U.S.	9 ▲	69	25	Media and entertainment
 Europe	5 ▲	19	7	Consumer products
 Emerging markets	2 ▲	14	20	Utilities
 Other developed	0 —	5	2	Health care; metals, mining, and steel

Data as of Aug. 31, 2023. *Captures year-to-date default tally. Direction of arrow indicates month over month change. Energy includes midstream, IPP and utilities subsectors. Other developed region includes Australia, Canada, Japan, and New Zealand. Default counts may include confidentially-rated issuers. Sources: S&P Global Ratings Research and S&P Global Market Intelligence's CreditPro®.

The 10-year average global August figure is 8.6 defaults; so, 16 August defaults is +86% (86% higher than average).

Under “Emerging markets” Year To Date in 2023, that standout low number of 14 is almost entirely (13 out of the 14) in Latin America. In other words: emerging markets outside of Latin America are doing fabulously well (far better than the “developed” countries are).

[Emerging markets](#) are: India, Vietnam, Indonesia, Malaysia, Thailand, Philippines, Turkiye, South Africa, Saudi Arabia, Hungary, Poland, Brazil, Mexico, Argentina, Peru, Chile, and Colombia; and [sometimes](#) include also China, and Taiwan..

[Other developed](#) are: Australia, Canada, Japan, and New Zealand.

(South Korea and Singapore aren't included in any category, by S&P Global.)

Explanation

On 3 August 2023, Erin Connors of intelligize.com headlined [“Corporate Bankruptcies Continue Soaring to Near-Record Highs”](#), and reviewed, from many sources, the data during the first half of 2023, and concluded that

Taken as a whole, that is a staggering number of red flags for corporate America. Companies would be wise to heed Larsen's warnings that “the era of easy money that prevailed throughout much of the previous decade amidst an environment of ultra-low interest rates is now little more than a distant memory, and that the ‘unlimited credit party’ that was enjoyed for so long is now well and truly over.”

Massive levels of debt rose while interest rates were at all-time lows for such a long time (“Quantitative Easing”); but, now, that’s ended. Therefore, rolling over the resultant mountain of debt (from “QE”), at these far higher interest rates, is what’s behind the soaring corporate defaults and bankruptcies.

On 6 July 2023, I headlined [“Economist Who Predicted 2008 Crash Says Another Will Soon Happen”](#), and reported that the great economist Stephanie Pomboy, who had predicted the 2008 crash nearly 10 months before it occurred, was again predicting it (she was predicting what these new default and bankruptcy numbers are now confirming). If her lead-time turns out to be the same, then the crash this time will occur in or around April or May of 2024.

In short: we do appear now to be heading for a crash.

However, since (outside of Latin America) the “Emerging markets” (which are approximately all of the countries that **aren’t** allied with the United States) seem to be having far **fewer** defaults and bankruptcies than the U.S.-and-allied countries do, and since those failures aren’t soaring like in the U.S.-&-allied countries, the end-result from such a crash — if it *does* come — will probably be the decline of The West, and the rise of The Rest. So, it might be the end of the American empire — the end of the era that had begun on 25 July 1945, when Harry S. Truman decided that the U.S. Government must take over the entire world. Only time will tell whether that’s where we are headed.

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Investigative historian Eric Zuesse’s new book, [AMERICA’S EMPIRE OF EVIL: Hitler’s Posthumous Victory, and Why the Social Sciences Need to Change](#), is about how America took over the world after World War II in order to enslave it to U.S.-and-allied billionaires. Their cartels extract the world’s wealth by control of not only their ‘news’ media but the social ‘sciences’ — duping the public. He is a regular contributor to Global Research.

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