

Press Release
(May 29, 2026)

Market indicators corroborate CareEdge Global Ratings' sovereign credit risk assessment

A new analysis by CareEdge Global IFSC Limited (CGIL) shows that trends in market indicators such as credit default swap (CDS) spreads strongly back the credit rating agency's (CRA) forward-looking risk assessment. CGIL's evaluation of shifts in key economic indicators such as domestic confidence indices also closely aligns with and confirms its internal credit assessment.

These findings are published in CareEdge Global's report "**Breaking convention: How CareEdge Global Ratings is redefining global credit risk assessment**" in partnership with the Observer Research Foundation, launched at the BRICS Academic Mid-Term Conference in Dehradun on May 29.

Mehul Pandya, MD and Group CEO at CareEdge, said: "Within just 18 months of launch (October 2024), we have expanded our coverage to 45 countries, positioning CGIL as the world's fourth-largest global credit rating agency by coverage of sovereigns. We have observed 22 cases of convergence in rating actions by other global CRAs with our credit risk assessments, corroborating the strength and credibility of our analytical framework. This report details how market behaviour has validated our work."

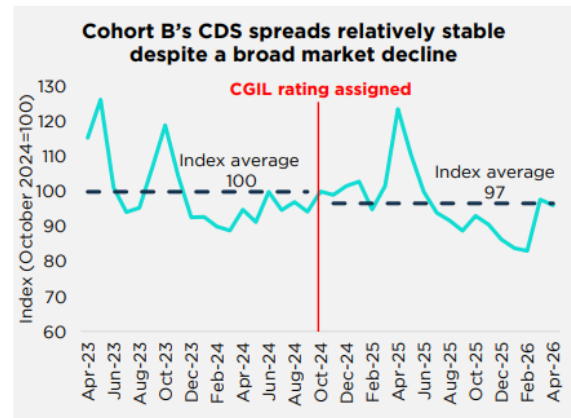
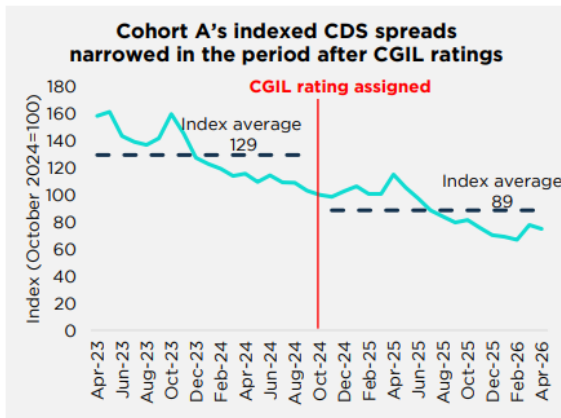
CGIL's analysis spans cases where it assigned higher ratings ahead of peers (Cohort A; e.g., Portugal, India, Morocco) as well as where it assigned lower ratings ahead of peers (Cohort B; e.g., the US, France, China). In line with CGIL's analysis, CDS spreads declined for Cohort A in the post-CGIL rating assignment period, indicating easing market risk perception, while spreads for Cohort B remained broadly stable despite broader market compression.

Nitesh Jain, Chief Rating Officer at CGIL, added: "Other indicators are also consistent with CGIL's assessments, with the share of external debt in total government debt increasing, signalling improved market access for Cohort A, while remaining broadly unchanged for Cohort B. Similarly, domestic confidence indicators strengthened for Cohort A in the post-rating period but were muted for Cohort B."

The report highlights the need for a more nuanced and differentiated approach—one that complements traditional frameworks—as international markets grow complex. CGIL addresses this need through a forward-looking, back-tested, and credible methodology. As the first Indian CRA to offer global-scale sovereign ratings, it provides institutional investors a data-driven framework that places greater emphasis on objective and measurable parameters.

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CDS market corroborates CGIL's forward-looking assessments



Source: LSEG Workspace, CGIL

Note: The underlying data consists of monthly average of 5-year CDS spreads for countries in the cohort where data are available. For each sovereign, the CDS level in October 2024 (when CGIL assigned its rating) is normalised to an index value of 100. All other monthly values are scaled relative to this base and then averaged across countries to derive a composite index.

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