Private Credit, Tech Issuance fuelled by AI, and Increasing Leverage Among Key Driving Factors Impacting Credit Market Liquidity in 2026 according to S&P Global Ratings

New analysis shows:

- *Private Credit surging as a vital funding source, particularly for lower-rated borrowers facing significant refinancing needs through 2028.*
- *Primary bond markets' capacity to absorb Tech issuance will be tested even though hyperscalers' cash flows*
- *Limited transparency and reliance on short-term funding make highly leveraged NBFIs, particularly hedge funds, a significant source of financial fragility.*

LONDON, Feb. 17, 2026 /PRNewswire/ -- S&P Global Ratings recently launched its Liquidity Outlook for 2026 addressing six key questions across several core themes including private credit, the AI boom and its impact on technology sector issuance, increasing leverage at nonbank financial institutions, evolution of U.S. Fed leadership, and global impact of Japanese yields.

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In the report, "**Liquidity Outlook 2026: Six Questions, Six Answers**," the analysts also note that the U.S. Federal Reserve is likely to pursue measured rate cuts in 2026, while its strong institutional foundation will continue to bolster confidence in its independence.

"We identified six key issues that could affect credit market liquidity over the coming year and provide our views," said S&P Global Ratings analyst Nicolas Charnay. "In addition to leverage at nonbank financial institutions, risks related to AI valuations, and events at the Fed, we will also be watching for clarification of U.S. bank capital and stablecoin regulations, which could gradually impact systemwide liquidity; analyze the extent to which leveraged borrowers' massive refinancing needs until 2028 will leave them reliant on both private and broadly syndicated markets; and explain why we consider rising Japanese bond yields are unlikely to have a major, sustained impact on global bond markets."

Additional findings in the report include:

- Tech sector debt issuance reached record highs in 2025, representing about 16.7% of global non-financial corporate bond issuance, up from 11.6% just 12 months prior.
- The top five U.S. hyperscalers are projected to spend approximately $600 billion in capital expenditures in 2026, representing a 38% increase over 2025's already stellar 68% growth, driven by continued AI infrastructure buildout.
- Private credit lending has exceeded broadly syndicated loan issuance for 'B-' and below-rated borrowers for four consecutive years, with private credit reaching nearly $146 billion in 2025 compared to approximately $85 billion in broadly syndicated lending.
- U.S. maturities of 'B-' and below-rated debt will surge to a peak of $215 billion in 2028, up from $56.6 billion in 2026,

creating significant refinancing pressure for leveraged borrowers.
- Global data center securitization volumes topped$30 billion in 2025, nearly tripling from just over$10 billion in 2024, with demand currently exceeding supply and sharp growth expected to continue.

The S&P Global Ratings report offers detailed analysis addressing the following questions:

1.Will increasing leverage at nonbank financial institutions (NBFIs) lead to market volatility?

2.How could the evolution of Fed leadership impact Fed policy and market liquidity?

3.Will U.S financial deregulation unlock liquidity?

4.Can primary bond markets absorb tech/AI capital expenditure plans in 2026?

5.Will Private Credit be a competitor, or a complement, to broadly syndicated lending?

6.Could rising Japanese yields have a ripple effect on global liquidity?

For more credit insights, including on Private Markets, and thought leadership on the trends and emerging risks impacting credit markets, go to www.spglobal.com/ratings.

This report does not constitute a rating action.

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At S&P Global Ratings, our analyst-driven credit ratings, research, and sustainable finance opinions provide critical insights that are essential to translating complexity into clarity so market participants can uncover opportunities and make decisions with conviction. By bringing transparency to the market through high-quality independent opinions on creditworthiness, we enable growth across a wide variety of organizations, including businesses, governments, and institutions.

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