NEW YORK--(BUSINESS WIRE)--Ongoing news over Puerto Rico's debt woes are leading to wider credit default swap (CDS) spreads for two of the largest monoline insurers, according to the latest CDS case study from Fitch Solutions.

Five-year CDS on Assured Guaranty Municipal Corporation (66%) and MBIA, Inc. (73%) have widened notably in recent weeks. Additionally, CDS liquidity for both Assured and MBIA remains high, currently in the third and fifth global percentile, respectively.

'Souring market sentiment for Assured and MBIA is likely attributed to concerns over Puerto Rico's debt, to which both insurers have considerable exposure,' said Director Diana Allmendinger. 'A new law enacted by the Puerto Rican government essentially removes government support for the commonwealth's public corporations and allows them to restructure debt, which may at least partially explain the CDS widening for both monolines.'

Fitch Solutions case studies build on data from its CDS Pricing Service and proprietary quantitative models, including CDS Implied Ratings. These credit risk indicators are designed to provide real-time, market-based views of creditworthiness. As such, they can and often do reflect more short term market views on factors such as currencies, seasonal market effects and short-term technical influences. This is in contrast to Fitch Ratings' Issuer Default Ratings (IDRs), which are based on forward-looking fundamental credit analysis over an extended period of time.

Additional information about Fitch Solutions' products is available in the link below:

https://www.fitchratings.com/jsp/creditdesk/ProductsAndServices.faces?context=2&detail=130

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