

CERA

S&P Global
Energy

FUELS AND REFINING / SCHEDULED UPDATE

Fuel crisis over, challenges continue

Eurasia Refined Products Short-Term Outlook, March 2026

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February 2026



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1. Key messages: March 2025

Russia's gasoline crisis is over, but larger problems continue to lurk

- **Russia's gasoline crisis is over.** Last month, the Russian government lifted its ban on gasoline exports for refiners early, citing concerns of overstocking as the domestic market has become fully saturated. Wholesale gasoline prices ticked up in February in response to the ban's lifting, but remain well below last year's crisis levels.
- **Winter weather cools demand.** Unusually cold weather and historic snowfall have likely muted transport fuel demand so far this year, contributing to the softening in the gasoline market. Record power generation and natural gas deliveries for space heating could support RFO demand, but the upside is limited, as non-bunker consumption in Russia is low.
- **Ukrainian drone strikes pick up, breaking January's lull.** After a period of lower activity in January, drone strikes on Russian fuel and refining assets picked up again in February. As of writing, we estimate about 12% of Russia's refining capacity to be offline due to drone strikes – higher than our 7% estimate last month, but still much lower than in late 2025. We maintain that drone strikes, rather than sanctions, remain the largest downside threat to Russian refinery operations this year.
- **Nevertheless, Russian refined product exports declined in February.** Despite the lifting of the gasoline export ban, softer demand and reasonably low refining outages, Russia's main refined product exports declined in February, falling 3% vs January. Although sanctions may be playing a role, poor ice conditions at Baltic ports – where the decline is concentrated – is likely the key culprit.
- **Russian exporters continue to face challenges due to sanctions.** Although the volume of Russian crude oil on the water has come down in February, it remains unusually elevated, particularly East of Suez. Discounts on Urals and ESPO blends have continued to widen, implying difficulties in finding buyers for Russian barrels. Although we have yet to observe a similar build in on-water inventories for Russian refined products, Russian diesel exports to both key markets, Brazil and Turkey, declined this month.
- **Economic outlook remains bearish, weighing on diesel demand.** We estimate that the Russian economy grew by only 1.0% y/y in 2025 and expect slightly weaker growth this year. The manufacturing sector has been underperforming, particularly in the second half of 2025, pulling diesel demand down by about 100,000 b/d. We project Russian diesel demand to continue declining throughout 2026-27, albeit at a slower pace than in 2025.

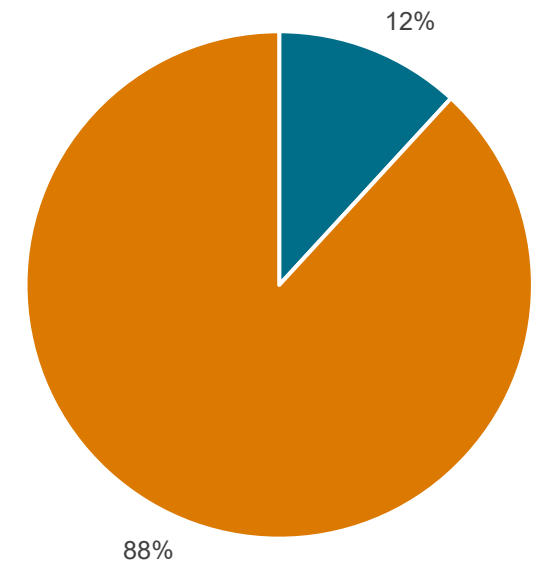
12% of Russia's refining capacity is estimated to be offline as of late February, as new strikes this month break January's lull.

Russian refineries affected by drone strikes (August 2025-February 2026)

Refinery	Company	Refinery capacity (b/d)	Offline capacity (b/d)	Date of strike(s)	Notes
Krasnodar	Safmar Group	60,000	0	Aug. 30	
Afipsky	Safmar Group	125,000	0	Aug. 7, Aug. 28, Sep. 25, Nov. 29, Dec. 14, Jan. 21	
Ust-Luga condensate splitter	Novatek	148,000	0	Aug. 24	
Novoshakhtinsk	Peton	108,000	108,000	Aug. 21, Dec. 25	Full restart expected in Q2
Volgograd	Lukoil	315,000	315,000	Aug. 14, Aug. 19, Sep. 18, Oct. 15, Nov. 7, Dec. 26; Feb. 11	Gradually restarting units not damaged by drone strike as of Feb. 25; full restart expected in March
Syzran	Rosneft	171,000	0	Aug.15, Aug. 24, Aug. 30, Dec. 5, Dec. 28	
Samara-Kuibyshev	Rosneft	142,000	0	28-Aug	
Novokuibyshev	Rosneft	191,000	0	Aug. 2, Sep. 20, Oct. 19, Nov. 16	
Ryazan	Rosneft	344,000	0	Aug. 2, Sep. 5, Oct. 23, Nov. 15, Nov. 20, Dec. 6	
Novo-Ufa	Rosneft	150,000	0	Sep. 13	
Slavyansk-na-Kubani	Slavyansk ECO	104,000	0	Sep. 1, Nov. 30, Dec. 16, Jan. 26	
Saratov	Rosneft	140,000	0	Aug. 10; Sep. 20; Oct. 16; Nov. 3, 11, 14, 28; Dec. 13	
Ilskiy	KNGK	132,000	0	Sep.7, Jan. 1, Feb. 17	
Kirishi	Surgutneftegas	404,000	0	Sep. 14, Oct. 4	
Salavat	Gazprom	201,000	0	Sep.18, Sep. 24	
Orsk	Forte Invest	120,000	0	Oct. 3, Nov. 11	
Tuapse	Rosneft	240,000	240,000	Oct. 6, Dec. 31	Restart expected early March
Ufaneftekhim	Rosneft	190,800	0	Oct. 15	
Astrakhan GPP	Gazprom	80,000	80,000	Sep. 24, Dec. 15	Offline since September, restart repeatedly delayed
Ukhta	Lukoil	80,000	80,000	Feb. 12	Ceased sales to SPIMEX on Feb. 13, expected online in March
Nizhny Novgorod	Lukoil	340,000	0	Oct. 16	
TOTAL		3,785,800	823,000		

Offline capacity due to drone strikes

■ Offline capacity ■ Available capacity

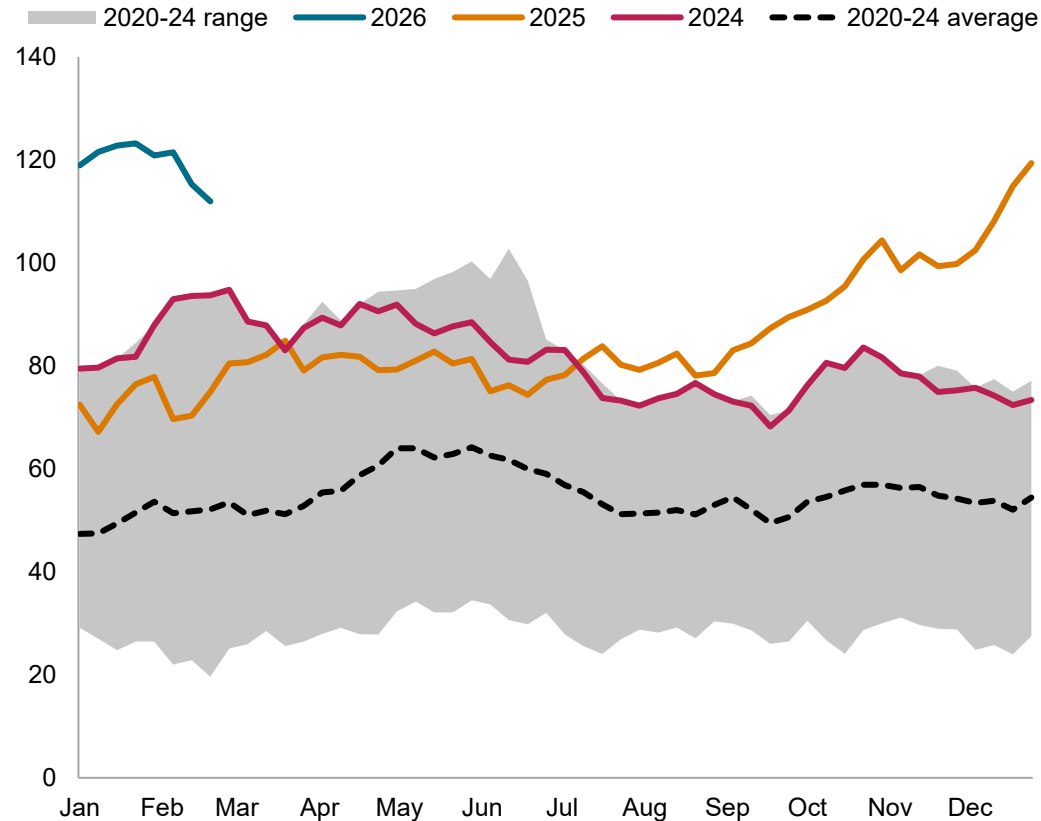


Data compiled Feb. 25, 2026.

Source: S&P Global Energy

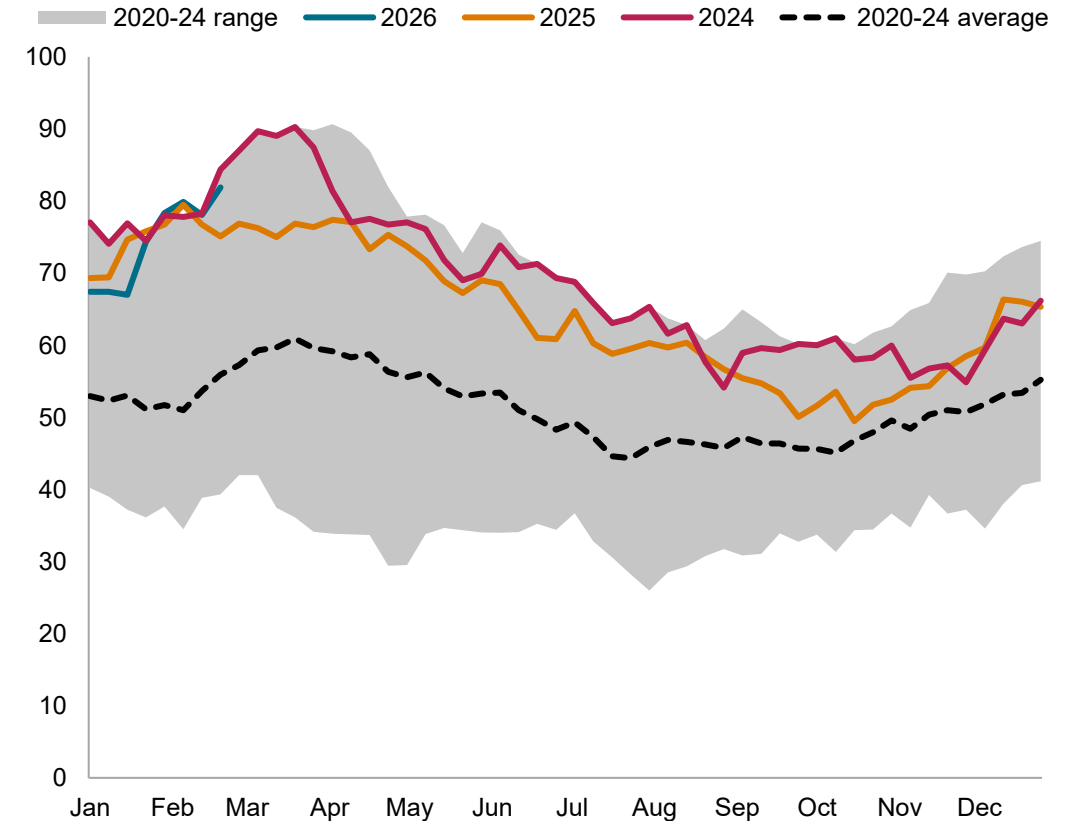
Russian-origin crude oil on the water begins to dip in February, but are still elevated vs 1H25 levels. Refined product volumes on the water remain typical.

Russian-origin crude oil on the water (million bbls)



Excludes Kazakh-origin CPC and Kebco crude.

Russian-origin refined products on the water (million bbls)



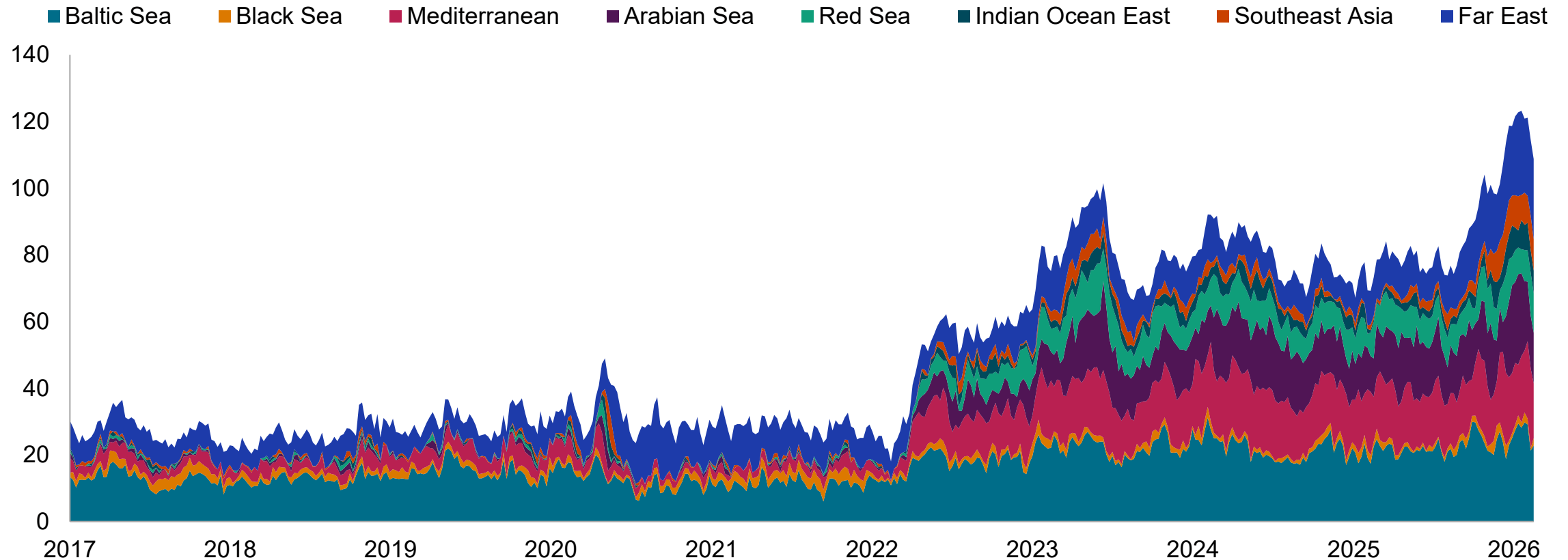
Includes clean products, fuel oil, gasoil, gasoline, jet/kero, naphtha and residues.

Data compiled February 24, 2026.

Source: S&P Global Energy, Commodities at Sea.

80% of Russia's 33-million-barrel build in crude on the water since August is located East of Suez, mostly in Asia.

Russian crude oil on the water, by location (million bbls)

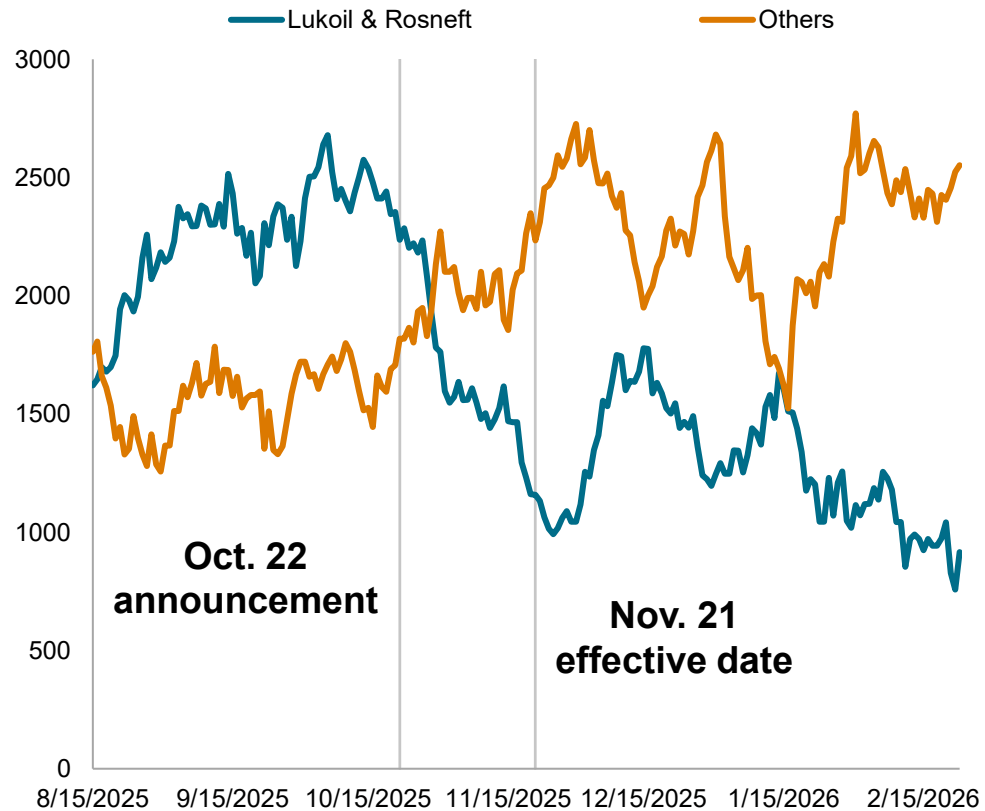


Excludes Kazakh-origin CPC and KEBCO crude.
 Data compiled February 24, 2026.
 Source: S&P Global Energy, Commodities at Sea.

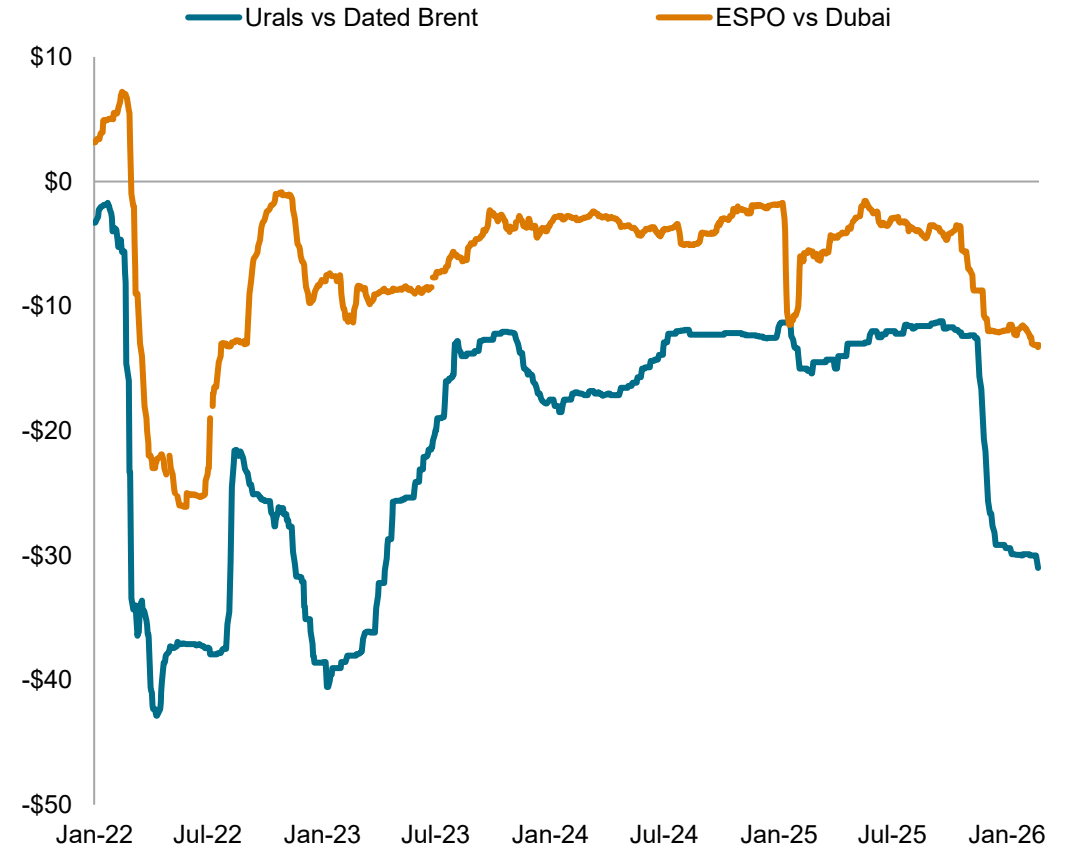
Russian barrels move under different companies and bigger discounts.

Russian crude and condensate exports, by company (thousand b/d)

15-day moving average



Russian benchmark crude differentials (\$/bbl)



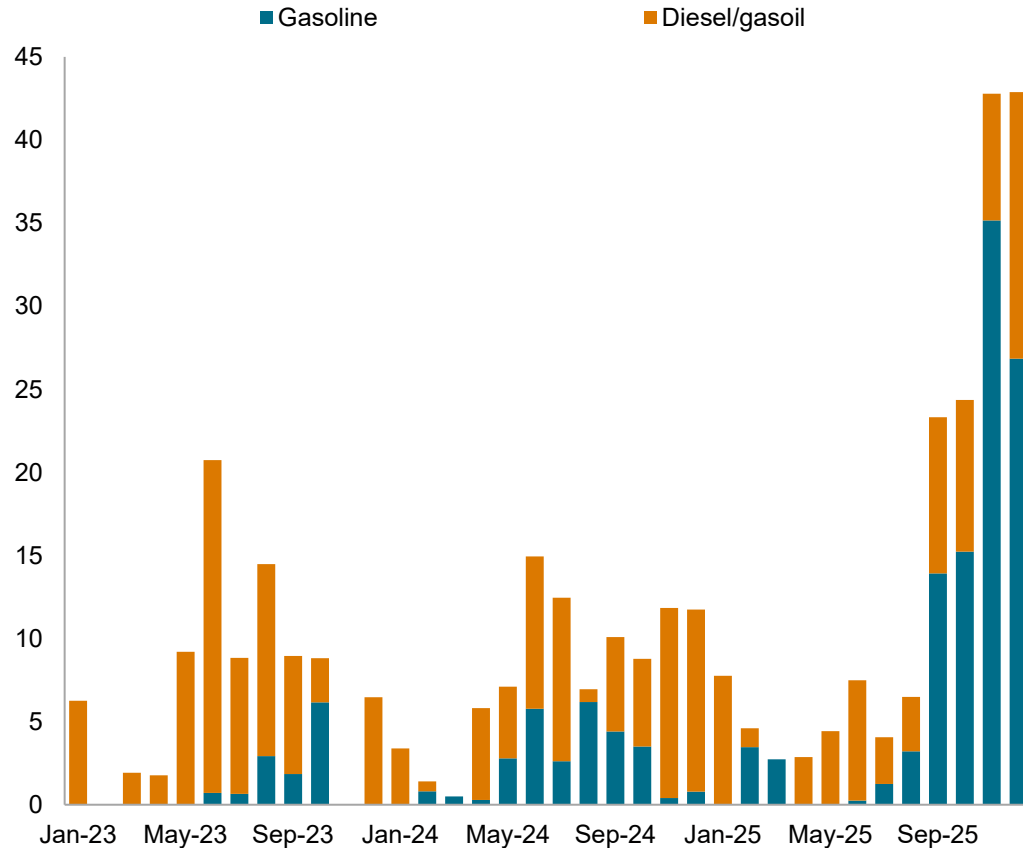
Data compiled Feb. 24, 2026.

Urals differential based on Brent crude. ESPO differential based on Dubai crude.

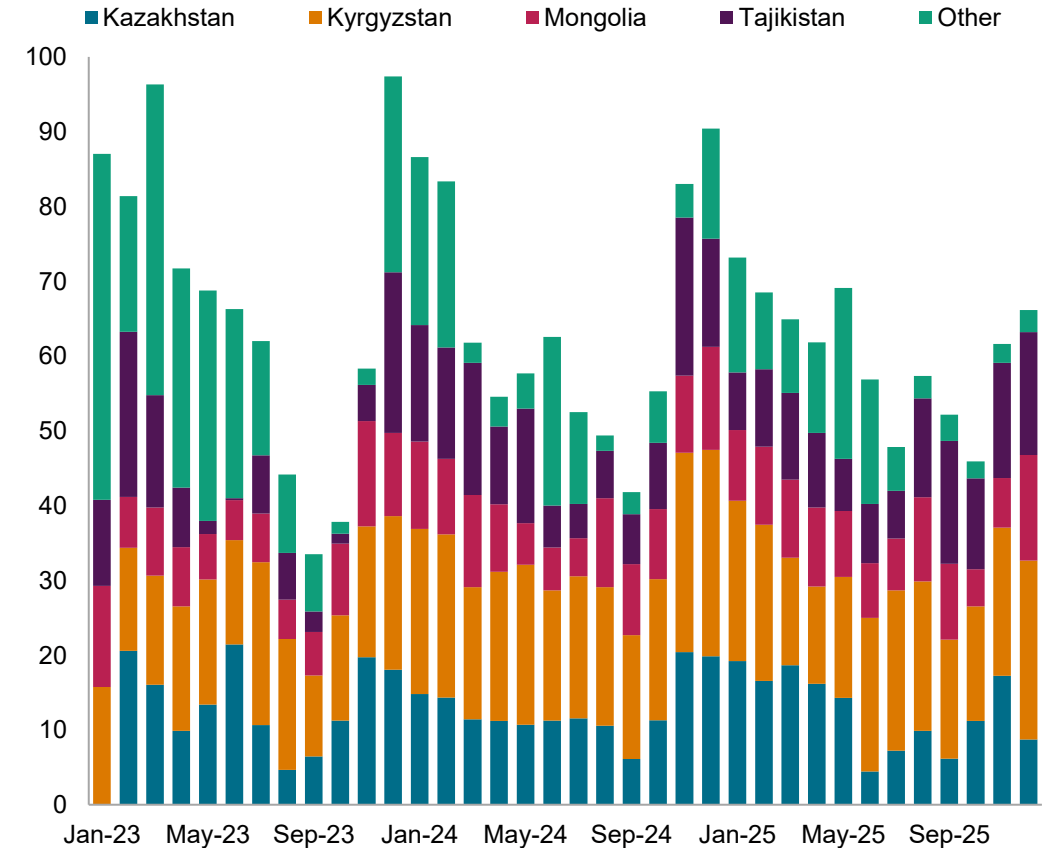
Source: S&P Global Energy.

Russian gasoline imports from Belarus spike in Q4, while rail-bound exports to Central Asia decline nearly 25% year-on-year.

Russia road fuel imports from Belarus by rail (thousand b/d)



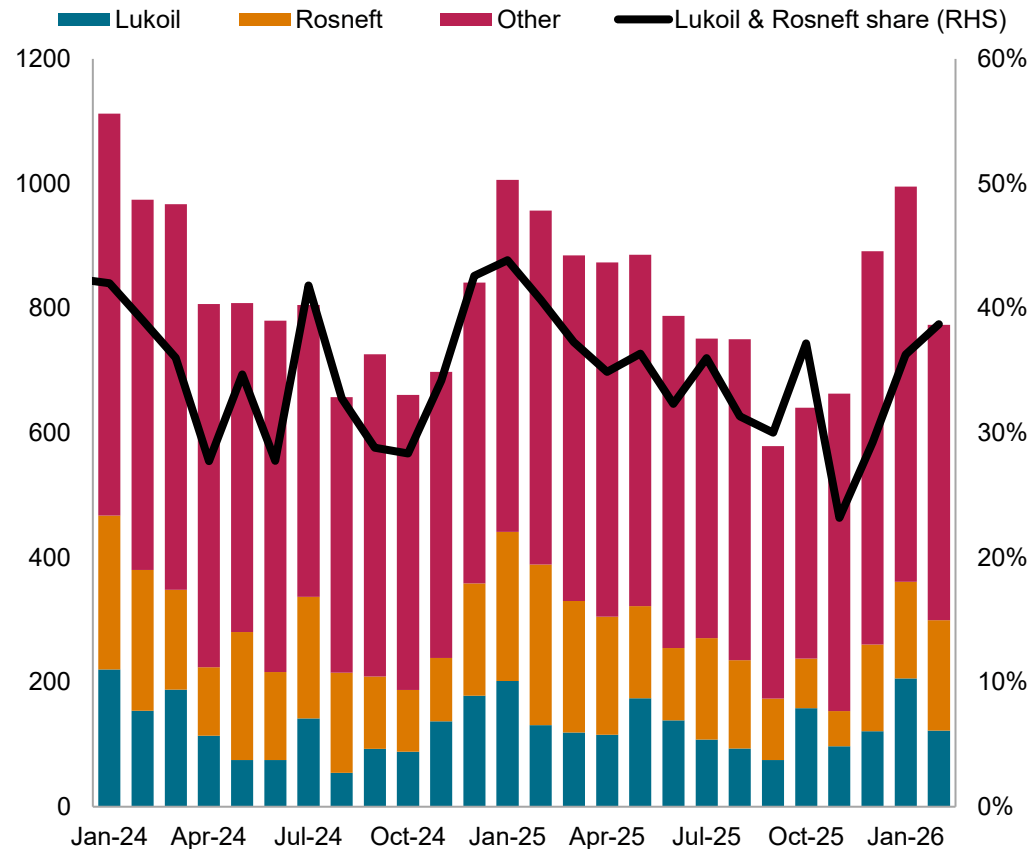
Russia rail gasoline exports, by destination (thousand b/d)



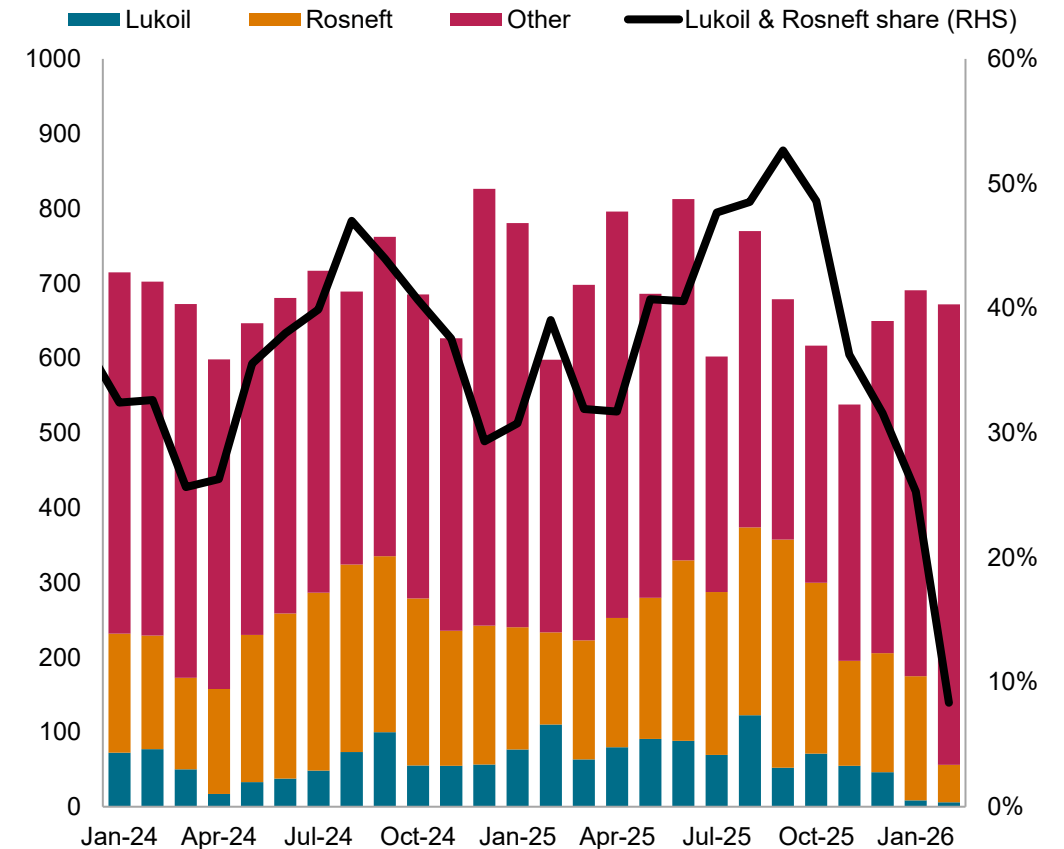
Data compiled January 2026.
Source: S&P Global Energy, Argus.

US sanctions: Rosneft and Lukoil share of Russian gasoil exports remains around pre-sanctions levels in February, but continues to plummet for fuel oil.

Russia gasoil/diesel exports, by company shipper (thousand b/d)



Russia fuel oil exports, by company shipper (thousand b/d)



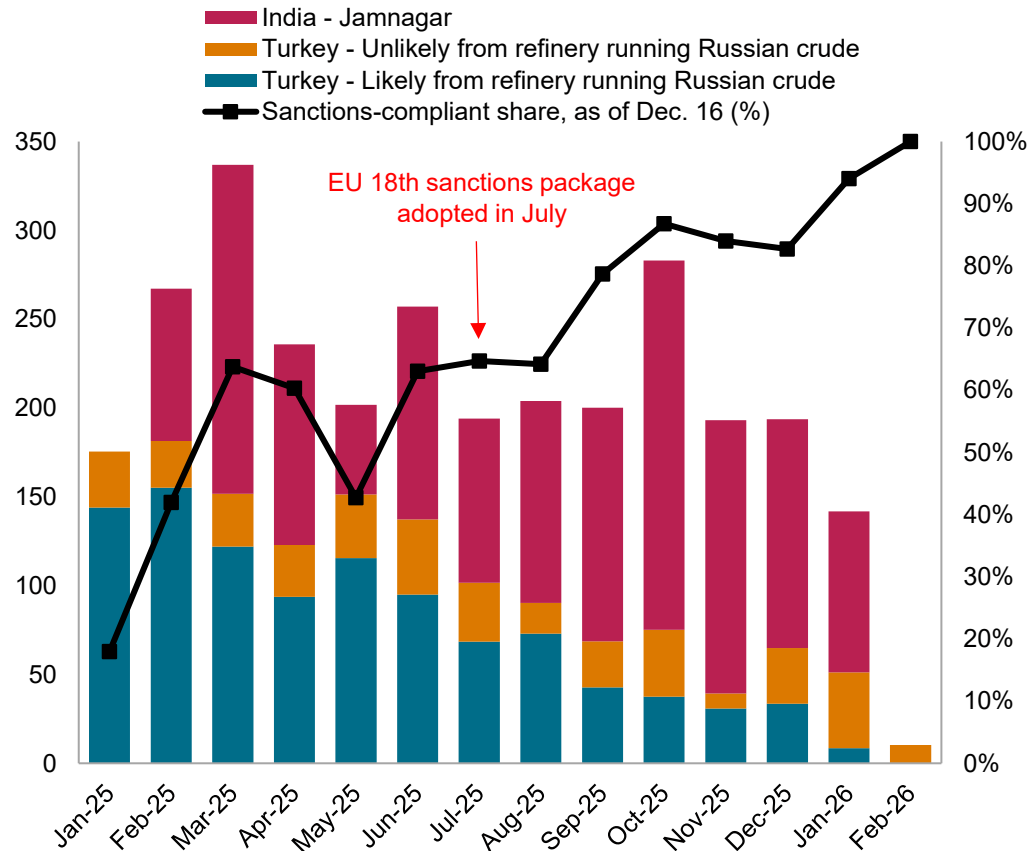
For more information, see [US sanctions Lukoil and Rosneft: Impacts to Russian refining and refined product exports](#) (Oct. 24, 2025).

Data compiled Feb. 24, 2026.

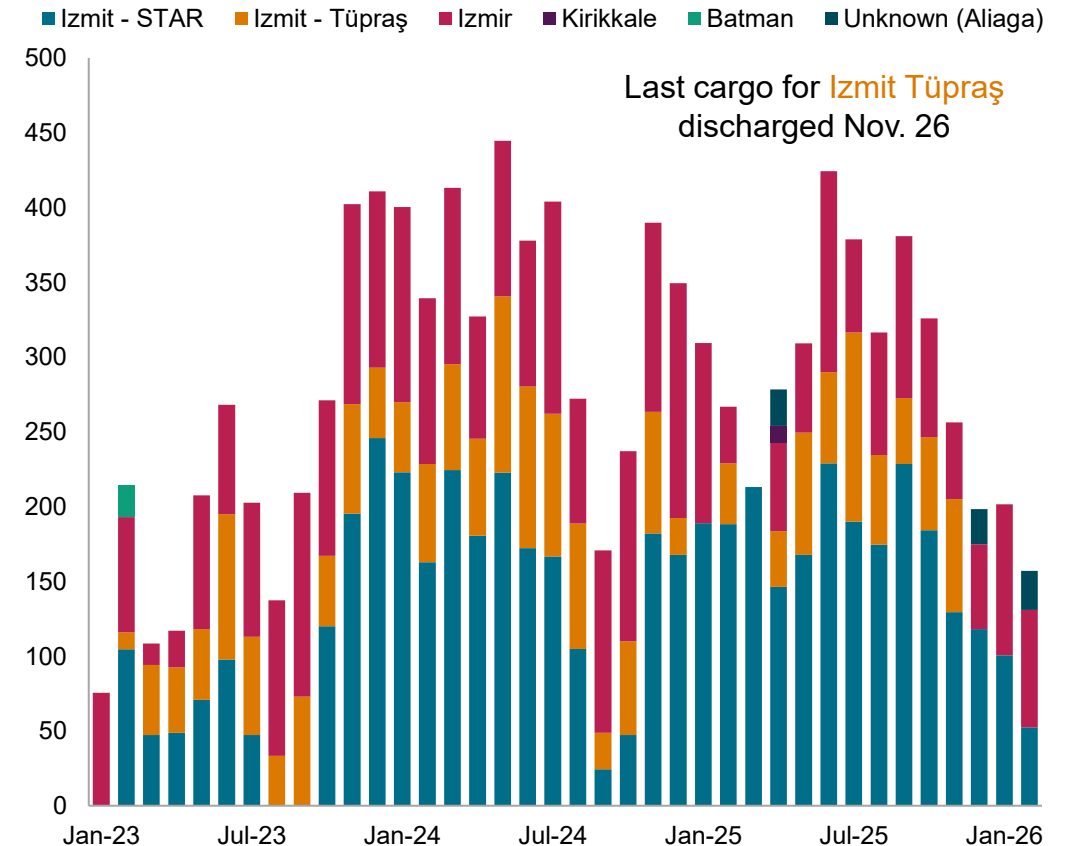
Source: S&P Global Energy, Commodities at Sea.

EU diesel imports from Turkey and India plummet in February, reaching 100% compliance with EU sanctions, which took force in January.

EU27 diesel/gasoil imports from Turkey and India (thousand b/d)



Turkey imports of Russian crude, by refinery (thousand b/d)



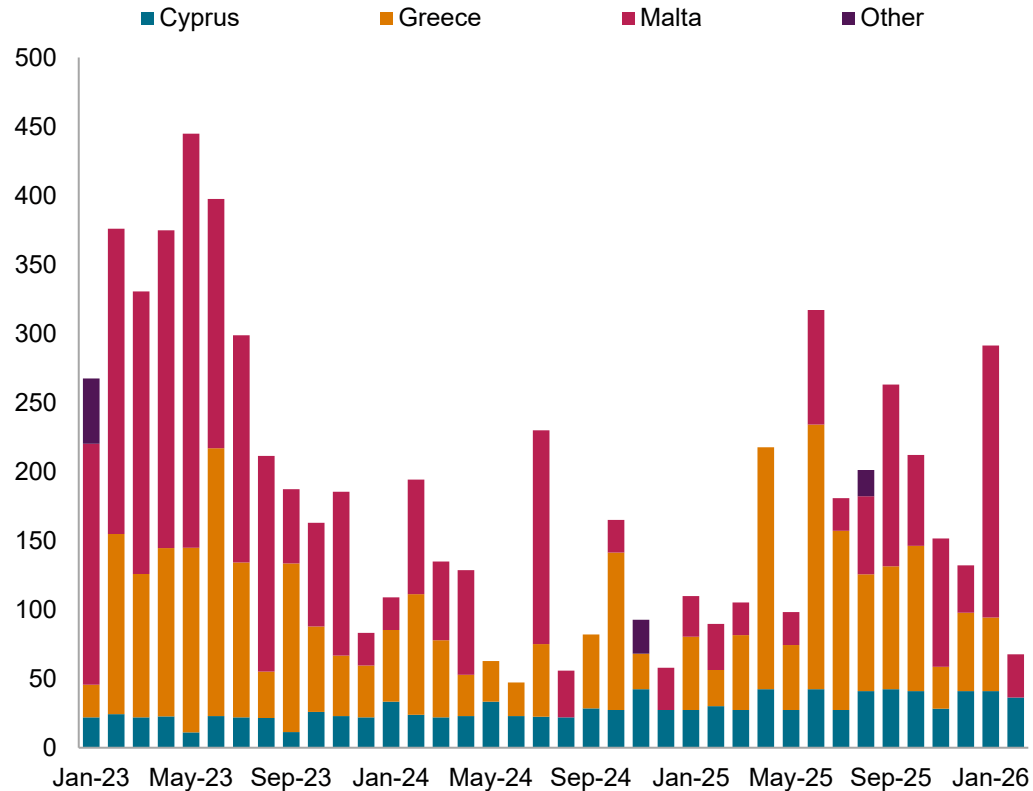
Data compiled February 2026.

"Sanctions-compliant" imports are defined here as diesel/gasoil produced at Jamnagar, as well as those assessed to have been produced by Turkish refineries unlikely running Russian crude.

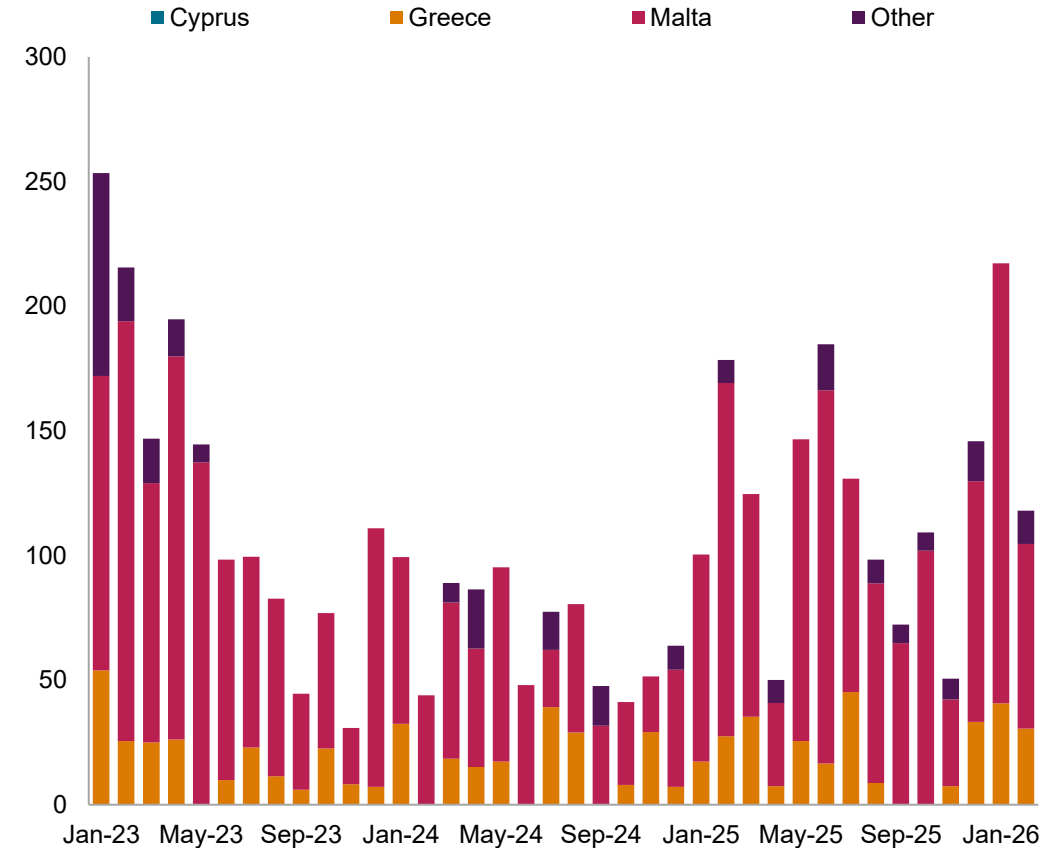
Source: S&P Global Energy, Commodities at Sea.

Potential EU full ban on maritime services could impact 175,000 b/d of Russian crude and 125,000 b/d of diesel exports loaded on EU-flagged tankers.

Russian exports of crude - condensate by EU-flagged tankers (thousand b/d)



Russian exports of gasoil by EU-flagged tankers (thousand b/d)

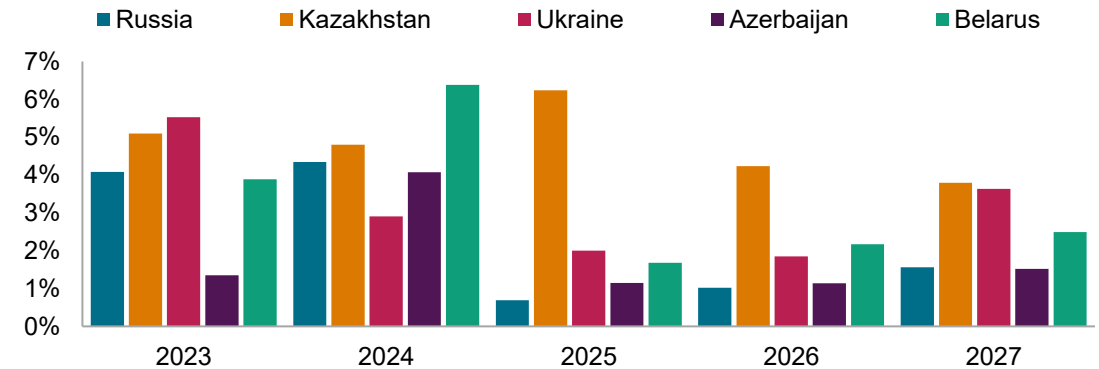


Data compiled Feb. 24, 2026.
Source: S&P Global Commodities at Sea.

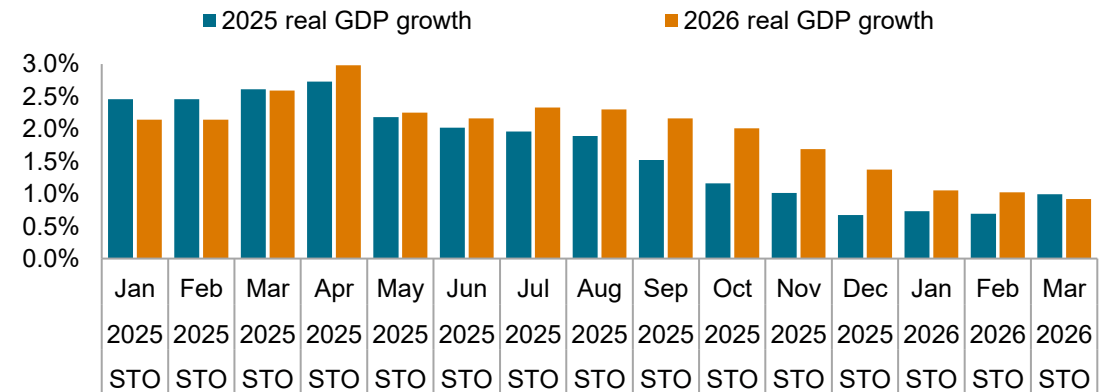
Russia's real GDP growth continues to decelerate as Manufacturing PMI contracts for entire second half of 2025.

- Russia's seasonally adjusted S&P Global Manufacturing PMI was assessed at 49.4 in January, the eighth consecutive month of contraction (<50). Output, new orders, and manufacturing employment remained in contraction.
- S&P Global projects that the Russian economy grew by 1.0% y/y in 2025. Our forecast of Russian GDP growth for 2026 (1.6%) has been downgraded eight months in a row, as increasingly poor economic data is released.
 - The Central Bank of Russia expects GDP growth of 0.5-1.5% in 2026.
- Recent economic data suggests an intensified weakening in activity – particularly in manufacturing – in the second half of 2025.
 - Russian steel demand declined by 14% in 2025.
 - Rail freight movements on Russia's RZD network fell by over 5% in 2025.
 - While inflation has softened slightly from its peak, interest rates remain significantly elevated. The Central Bank's persistently high key rate is frequently cited as a main barrier to growth in manufacturing, construction, and business investment.
- Last month, the Central Bank of Russia reiterated its stance that it will "act carefully" in cutting interest rates this year, suggesting that a key rate cuts may come more slowly than previously anticipated.

Real GDP growth (%), selected Eurasia countries



Evolution of Russia's forecast 2025/26 real GDP growth (%)

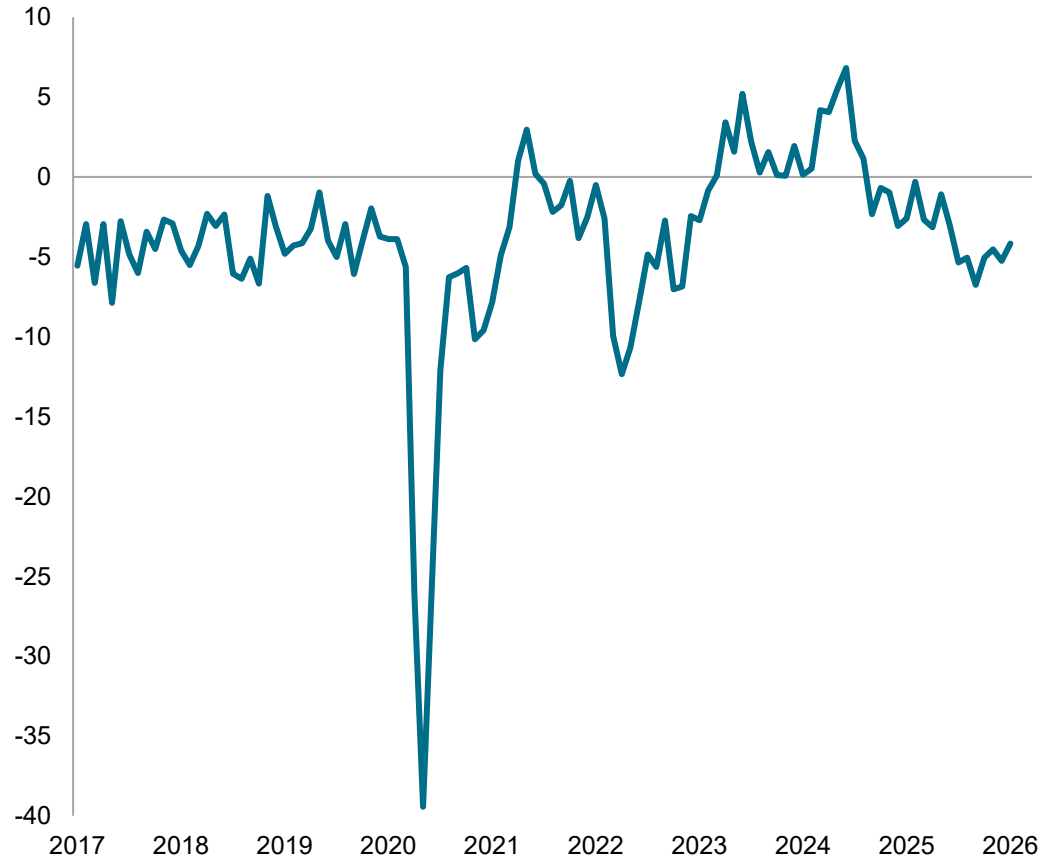


Data compiled February 2026.

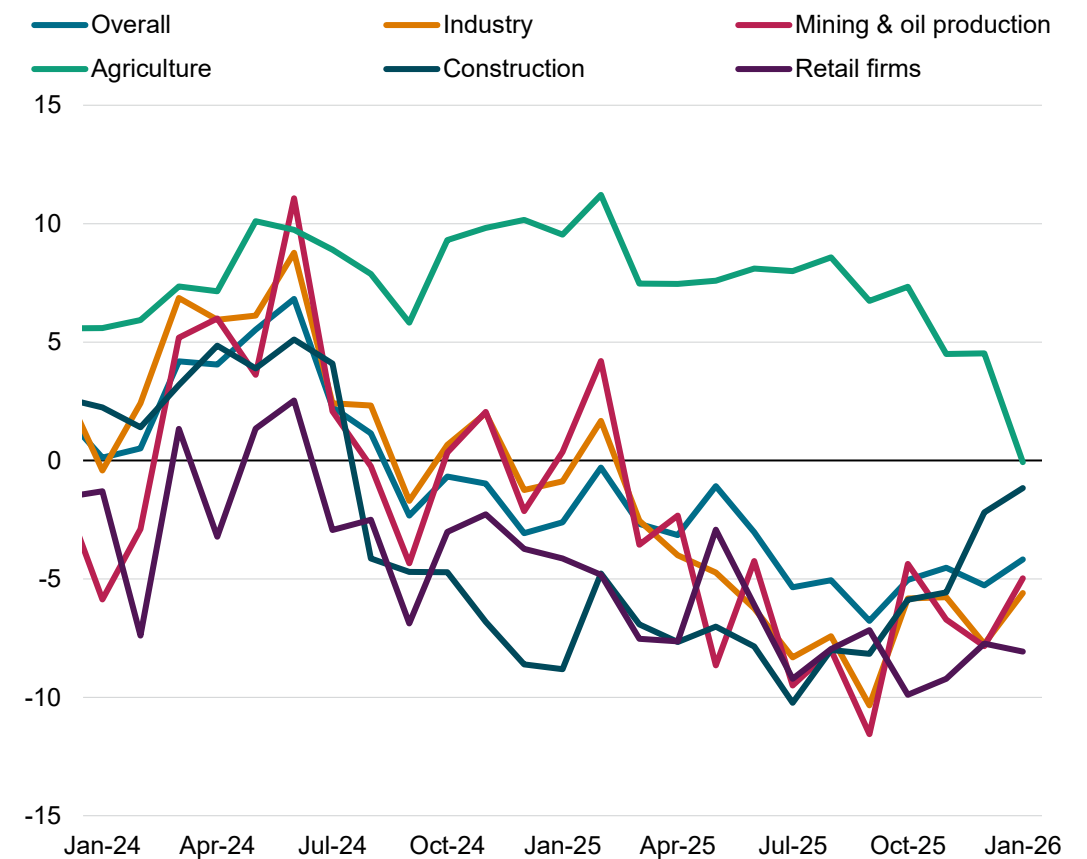
Source: S&P Global Energy.

Business sentiment in every major sector of the Russian economy fell in 2025.

Central Bank of Russia's business climate index



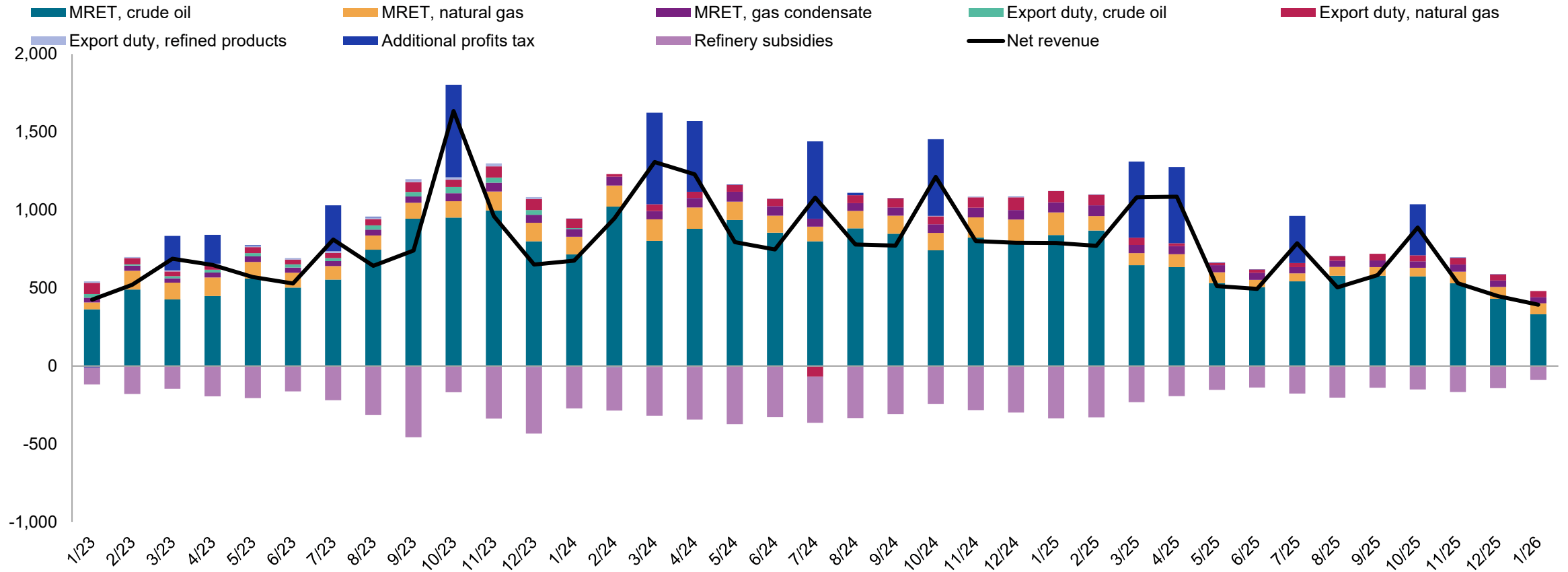
Central Bank of Russia's business climate index, selected sectors



Data compiled December 2025.
Source: S&P Global Energy, Central Bank of Russia.

Russia's oil and gas tax revenues fall by 50% y/y in January, hitting a five-year low.

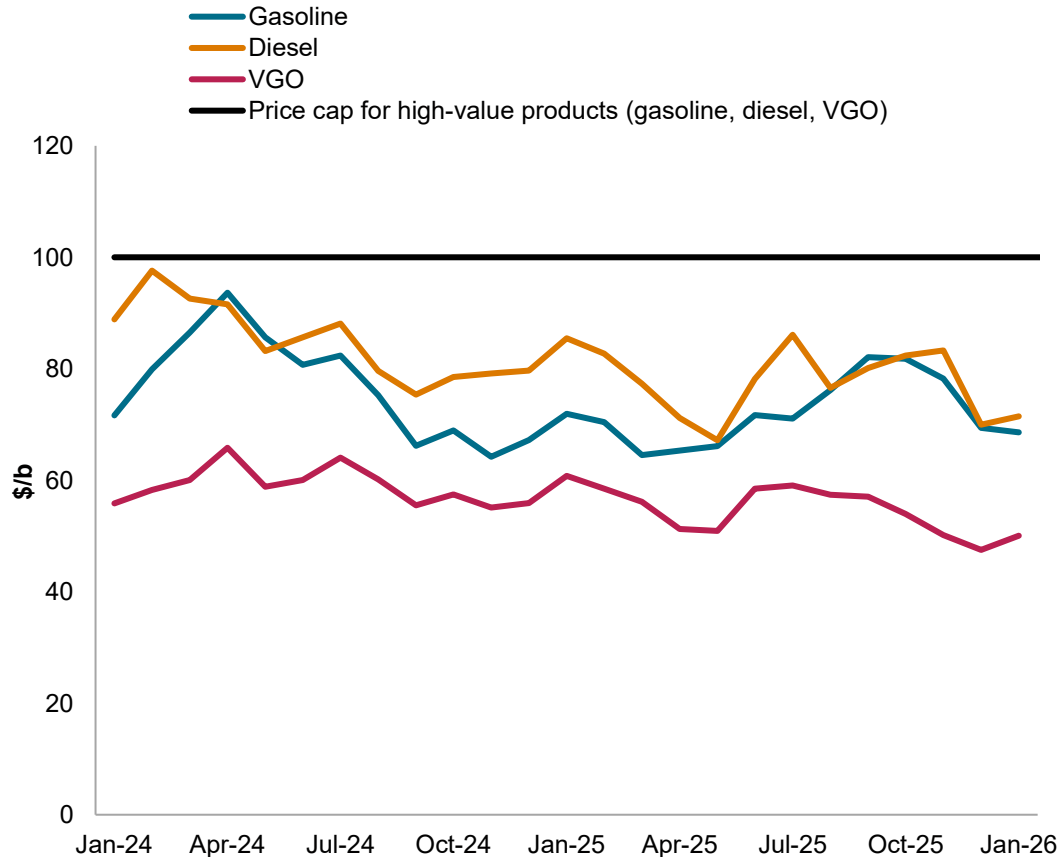
Russia's federal budget revenues (billion rubles)



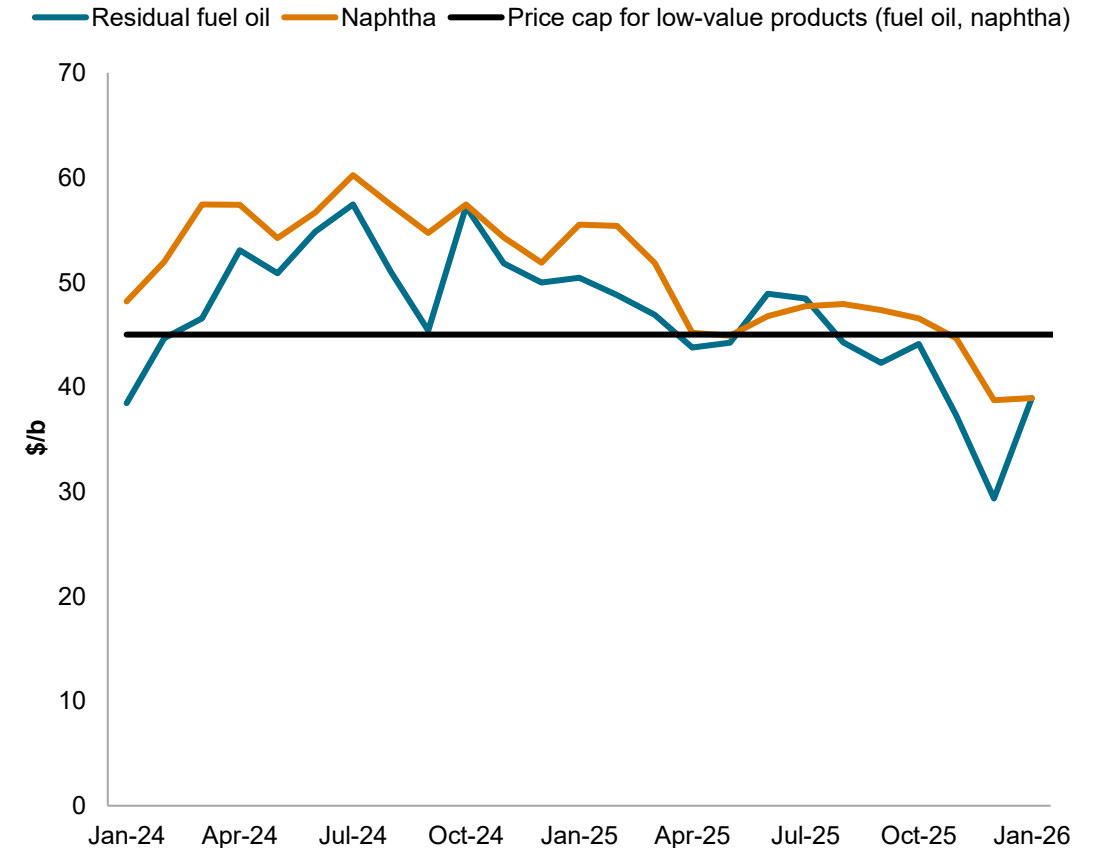
Data compiled February 2026.
MRET = Mineral Resource Extraction Tax.
Source: S&P Global Energy, Ministry of Finance of the Russian Federation.

Prices for all Russian major product exports remain below price cap in January.

Weighted average prices (FOB basis) from Baltic and Black Sea ports



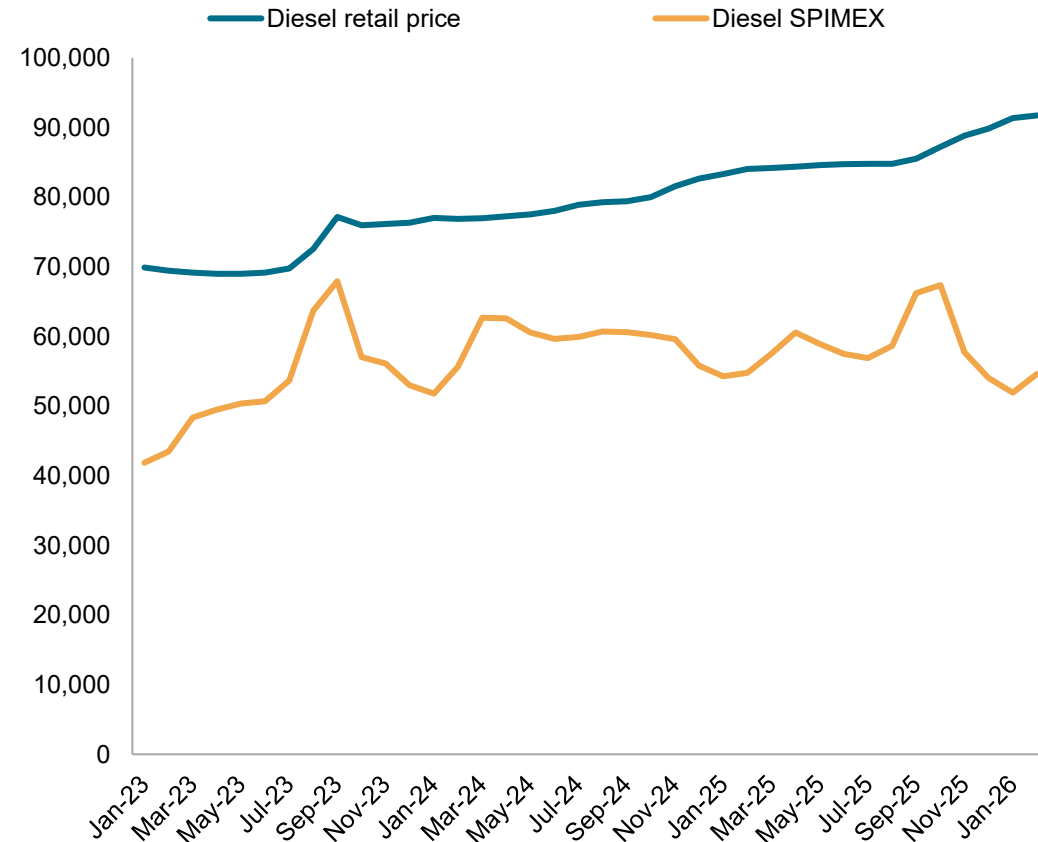
Weighted average prices (FOB basis) from Baltic and Black Sea ports



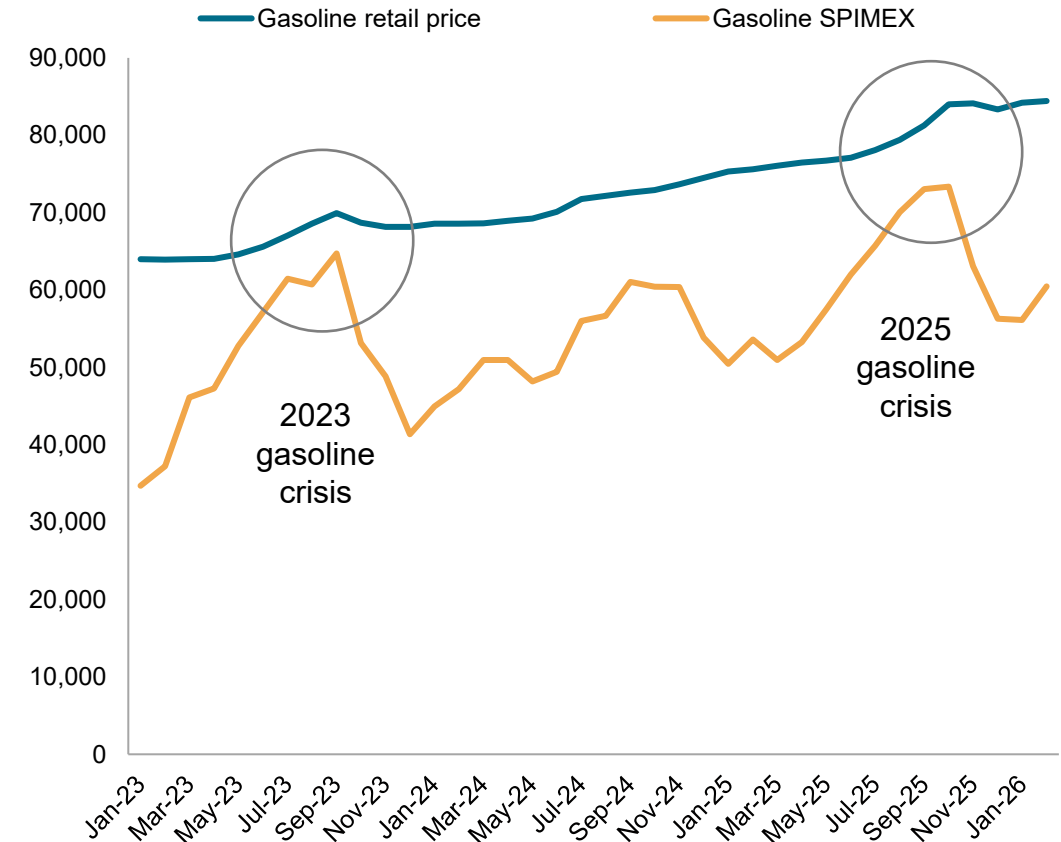
Data compiled February 2026.
Source: IEA Oil Market Report

Russian wholesale gasoline prices tick upward in February, while retail prices stabilize vs January.

Retail vs wholesale price, diesel (RUB/ton)



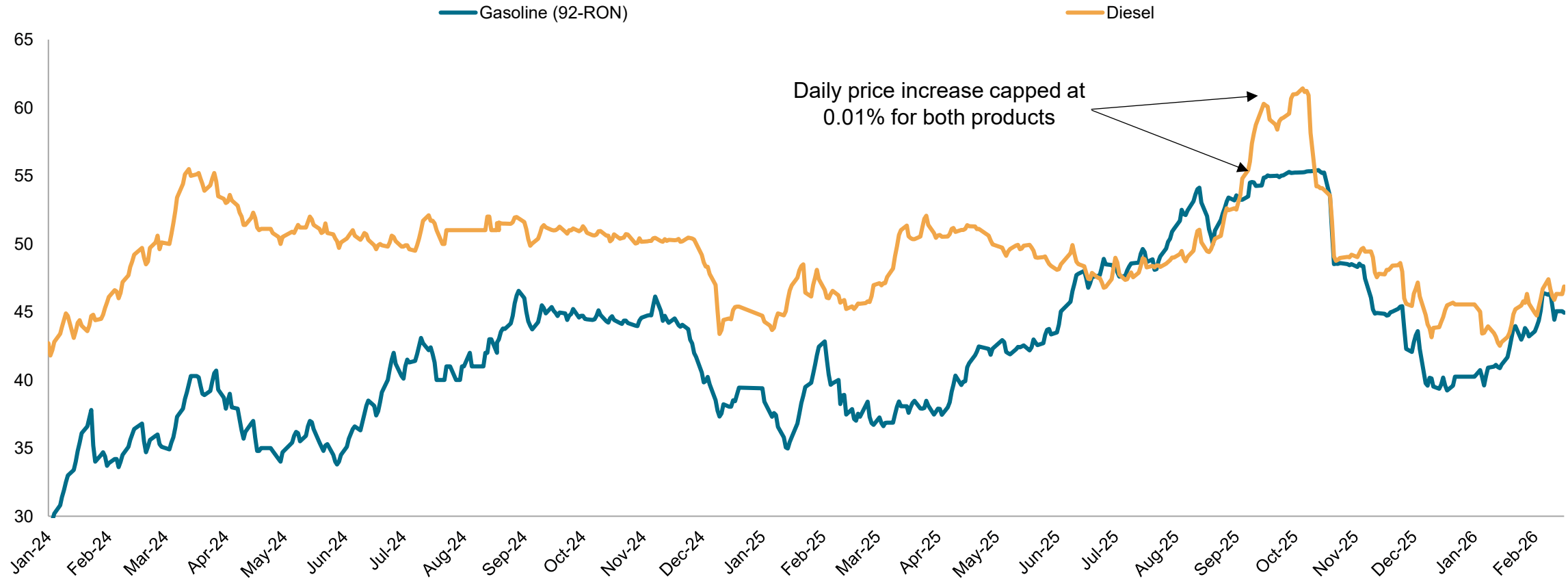
Retail vs wholesale price, RON 92 gasoline (RUB/ton)



Data compiled February 2026.
 SPIMEX=St. Petersburg International Mercantile Exchange.
 Source: S&P Global Energy, Rosstat, SPIMEX

Russian wholesale gasoline and diesel prices rise modestly in February, supported by early lifting of gasoline export ban for producers in late January.

Daily SPIMEX wholesale prices (RUB/liter)



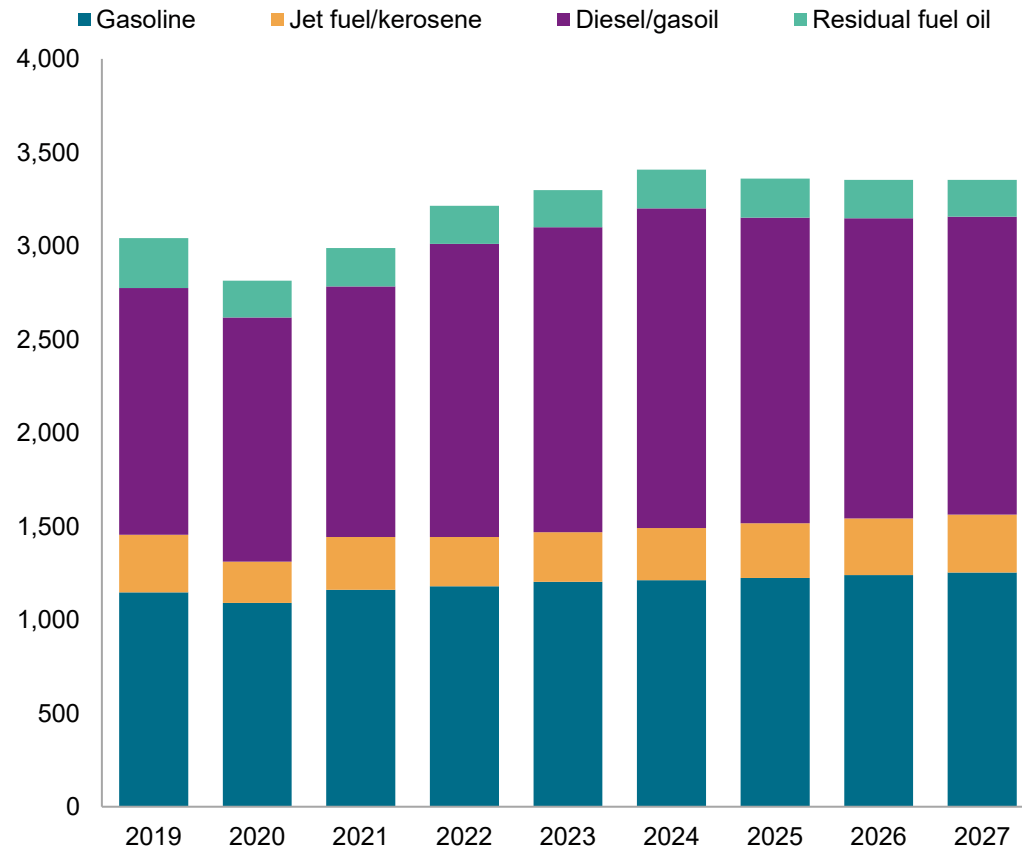
Data compiled February 24, 2026.

SPIMEX=St. Petersburg International Mercantile Exchange. Daily prices assessed for the European territory of Russia.

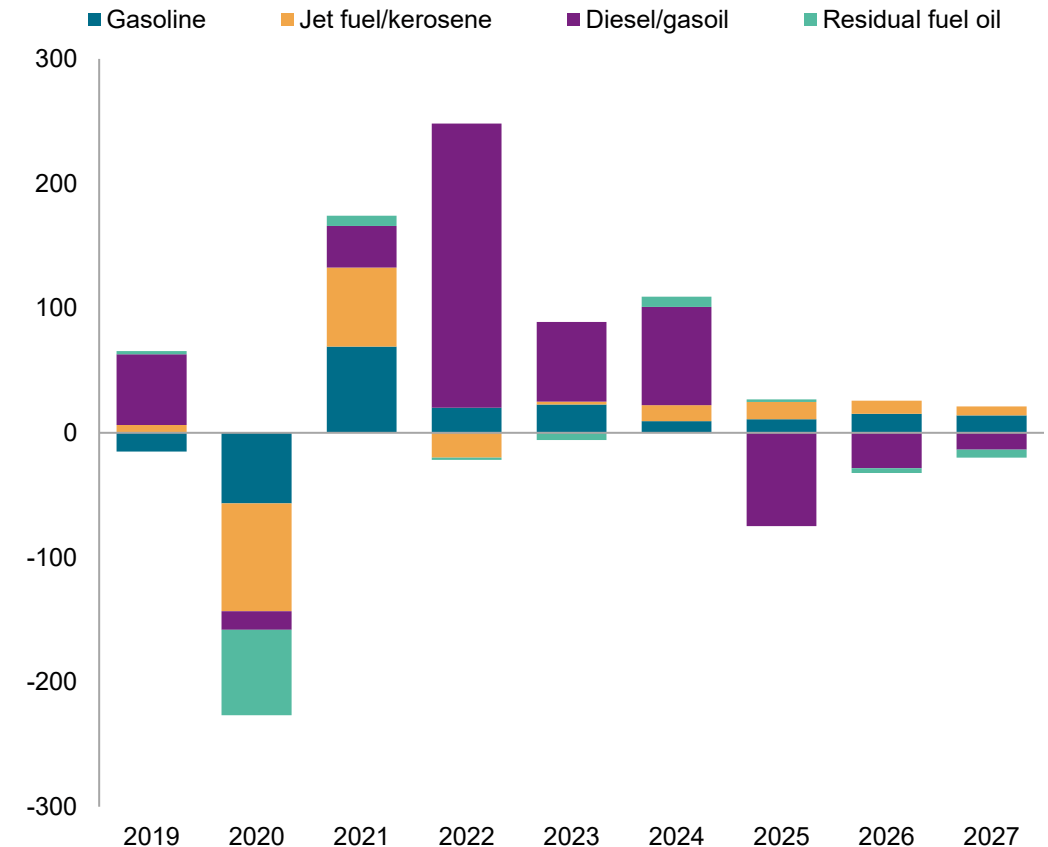
Source: S&P Global Energy, SPIMEX

Eurasia oil product demand forecast to remain flat in 2026 but rise by 25,000 b/d in 2027, as growth in gasoline offsets receding gasoil consumption.

Main product demand -- Eurasia (thousand b/d)



Main product demand y/y change -- Eurasia (thousand b/d)



Data compiled February 2026.

Our definition of Eurasia includes Russia, Kazakhstan, Ukraine, Turkmenistan, Belarus, Azerbaijan, Uzbekistan, Kyrgyzstan, Georgia, Moldova, Tajikistan, and Armenia.

Source: S&P Global Energy.

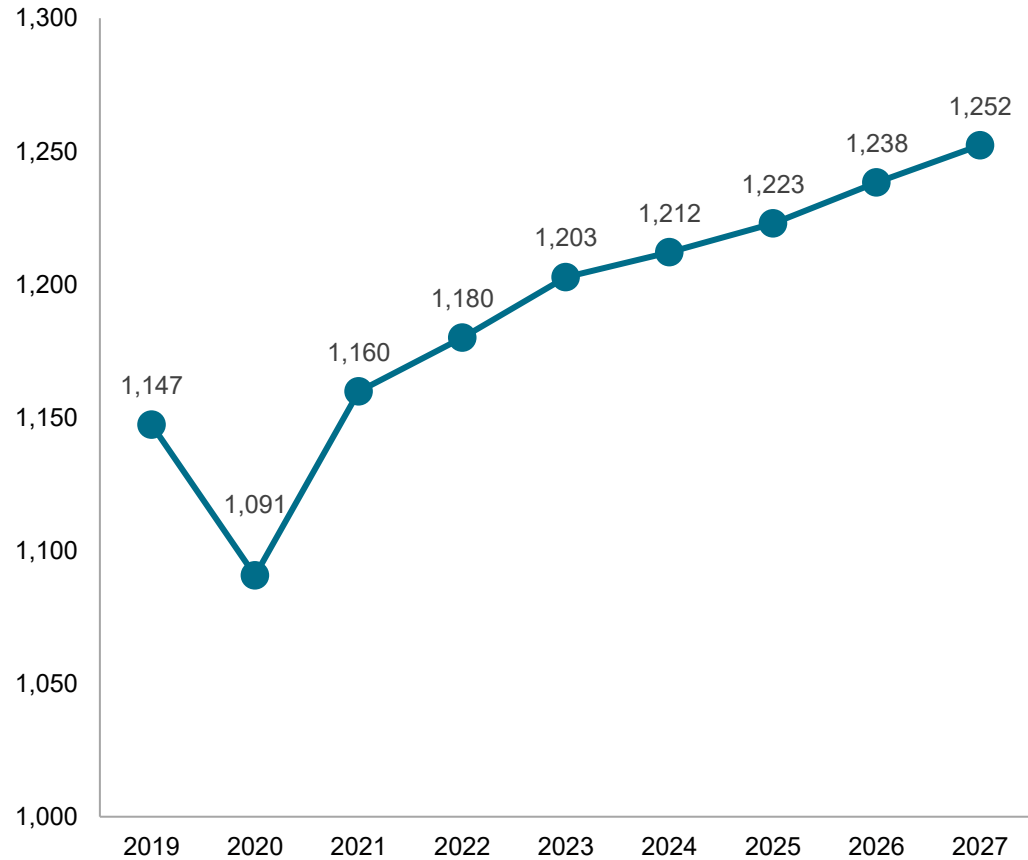
2. Motor gasoline fundamentals

Weak demand and a recovery in production allows for early lifting of export ban

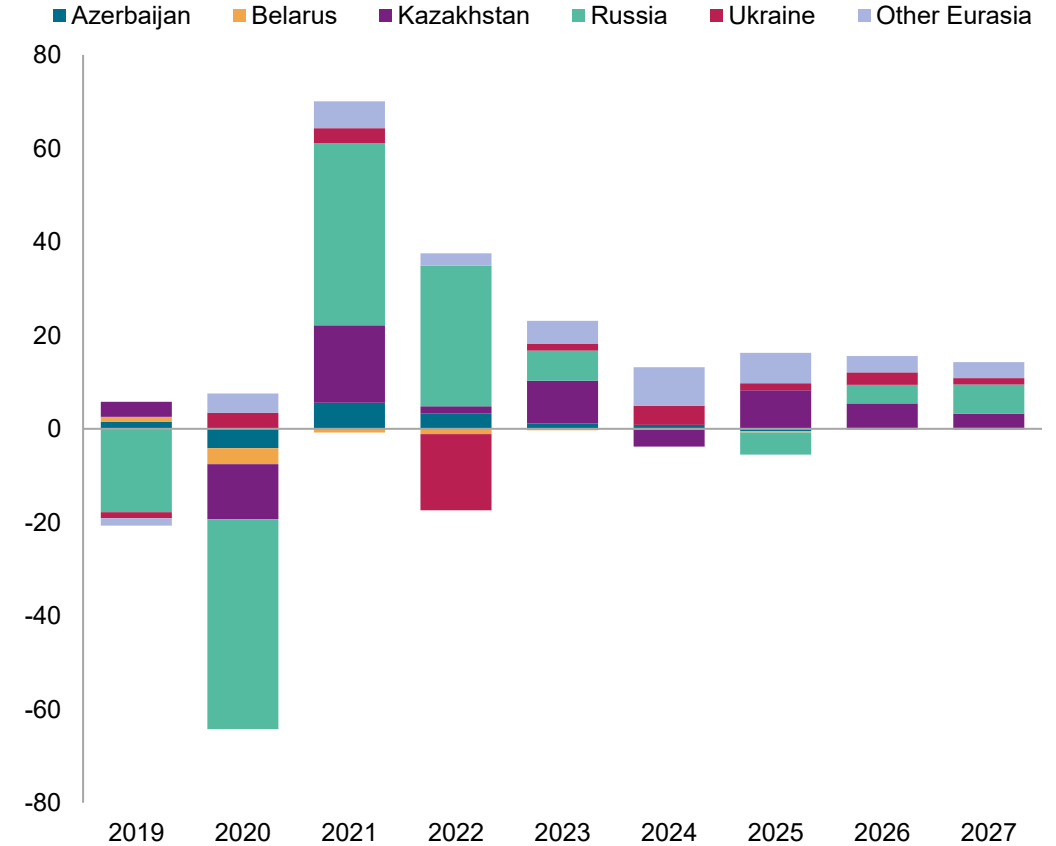
- **Demand:** Russian gasoline demand fell to just over 800,000 b/d in January, 50,000 b/d lower than December and 30,000 b/d weaker than January 2025. Although demand is typically soft in the winter months, unusually cold and snowy winter weather has caused a more pronounced decline in gasoline consumption.
 - Moscow experienced a 200-year high snowfall in January.
 - We expect Russian gasoline demand to pick up by Q2, coinciding with the beginning of Russia’s summer driving season.
 - Russian gasoline demand is forecast to increase by 4,000 b/d in 2026, following a slight decline in 2025.
 - Last year, demand was on track for strong growth, driven by relatively low retail price inflation for most of the summer, as well as an uptick in flight cancellations, which supported a shift from jet fuel to gasoline for domestic vacation travel. However, this was derailed by Russia’s domestic gasoline crisis, which began to physically constrain demand in Q3.
 - Russia’s used car sales hit an all-time high in 2025, whereas new passenger vehicle sales fell by 16%.
- **Supply:** Russia’s motor gasoline production rose to 1.05 million b/d in January, on par with December, as a temporary lapse in Ukrainian drone strikes allowed Russian crude runs to recover.
 - In combination with the softening in domestic demand, the recovery in gasoline production allowed the Russian gasoline market to quickly saturate last month.
- The wholesale gasoline market had already softened dramatically since November, allowing prices to ease from their October peaks.
- **Trade:** At the end of January, the Russian government lifted its gasoline export ban for producers. In their decision, government officials cited the “stable” gasoline market as well as the potential risk of overstocking production capacity – which could have forced refiners to cut runs – if the ban was not lifted.
 - Despite the early lifting of the export ban, seaborne gasoline exports have shown little sign of increasing this month. Preliminary data from Commodities at Sea suggest that exports have averaged 35,000 b/d in February, down from 40,000 b/d in January.
 - For non-refiners, the export ban was extended through the end of July.
- **Prices:** Wholesale 92-RON gasoline prices on the SPIMEX exchange rose by 8% in February, supported by the lifting of the export ban. Retail prices, however, were flat versus January.
- Russian-origin gasoline prices on a FOB basis (weighted average from Baltic and Black Sea ports) fell by 1% m/m in January, dropping to \$69/b, remaining well below the \$100/b price cap.

Eurasia gasoline demand forecast to grow by 15,000 b/d this year and in 2027.

Gasoline demand — Eurasia (thousand b/d)



Gasoline demand y/y growth — Eurasia (thousand b/d)



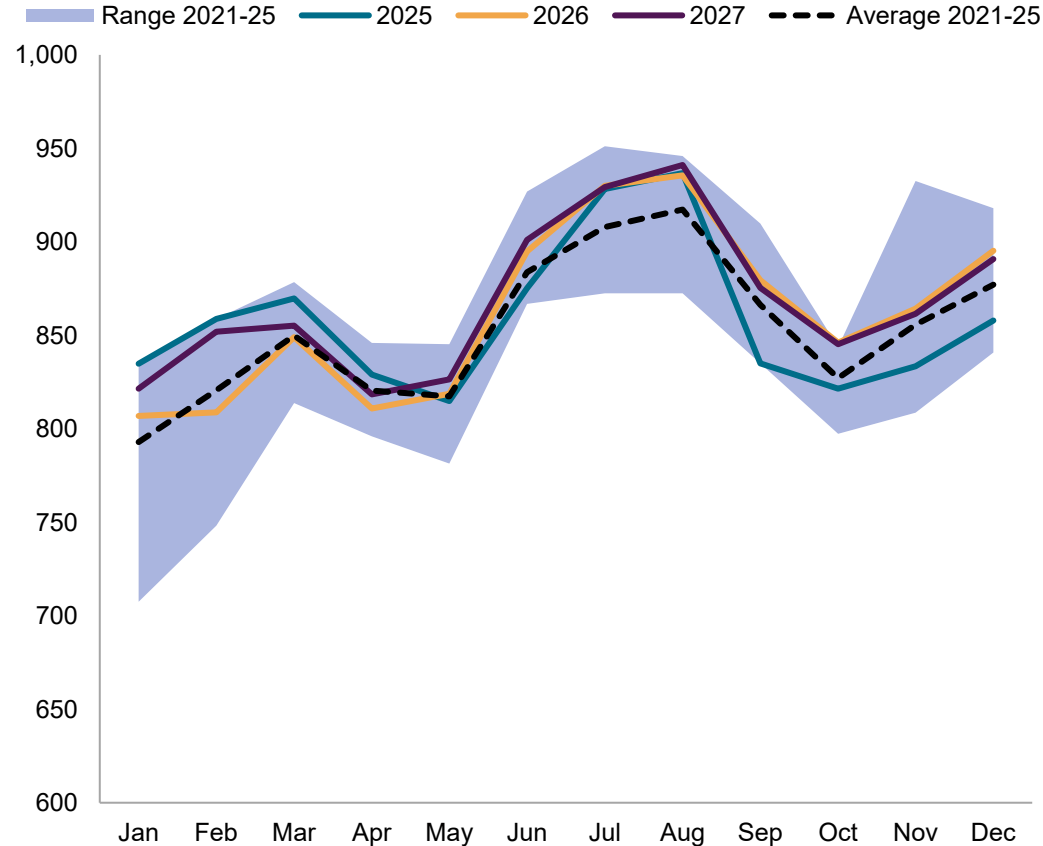
Data compiled February 2026.

Our definition of Eurasia includes Russia, Kazakhstan, Ukraine, Turkmenistan, Belarus, Azerbaijan, Uzbekistan, Kyrgyzstan, Georgia, Moldova, Tajikistan, and Armenia.

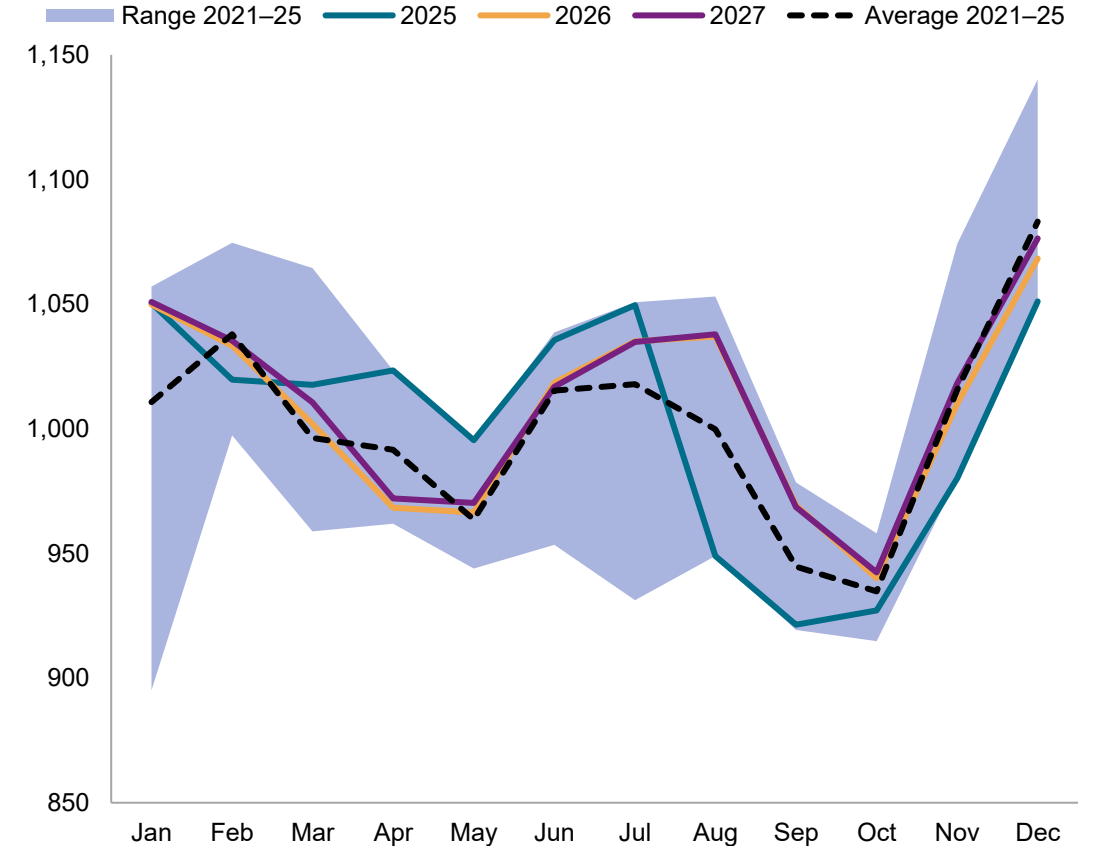
Source: S&P Global Energy, Rosstat, Kazakhstan Statistics Office.

Russia's gasoline production recovers in January, pushing the Russian government to relax the export ban early.

Gasoline demand — Russia (thousand b/d)



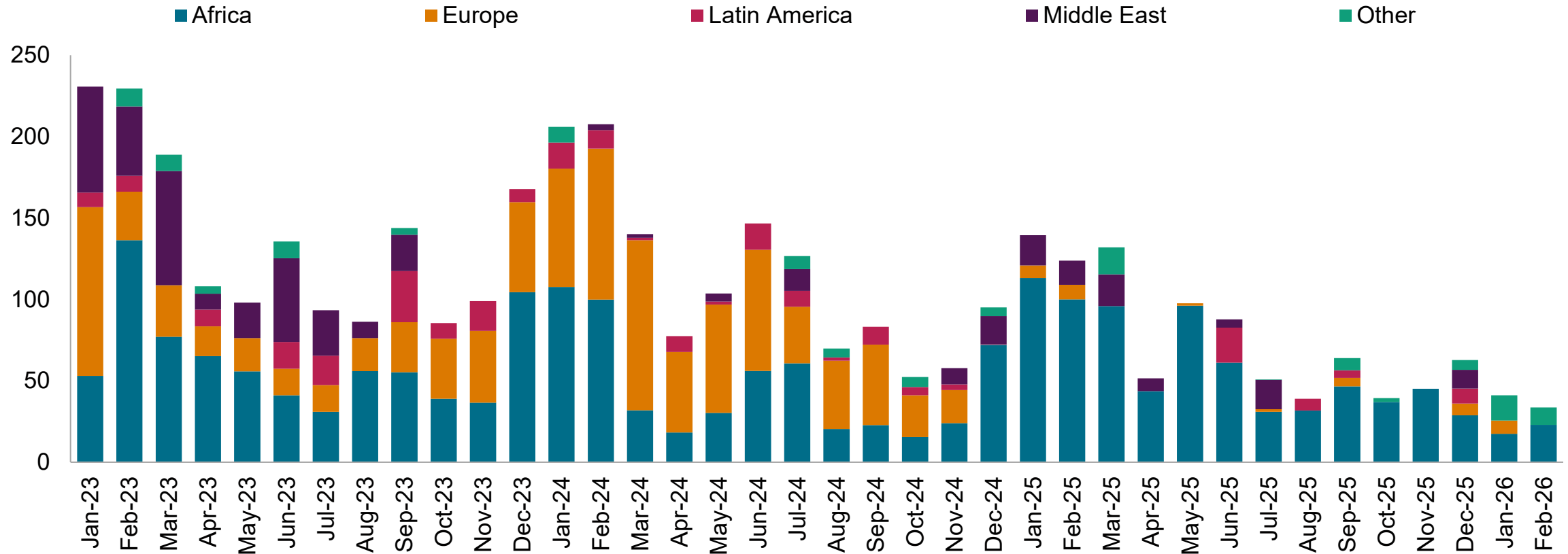
Motor gasoline production — Russia (thousand b/d)



Data compiled February 2026.
Source: S&P Global Energy, Rosstat, Argus Media.

Russian gasoline exports slow to respond to lifting of export ban in late January, falling to 35,000 b/d in February.

Gasoline exports from Russian ports, by destination (thousand b/d)



Data compiled February 2026.

Europe includes Turkey.

Source: S&P Global Energy, Commodities at Sea

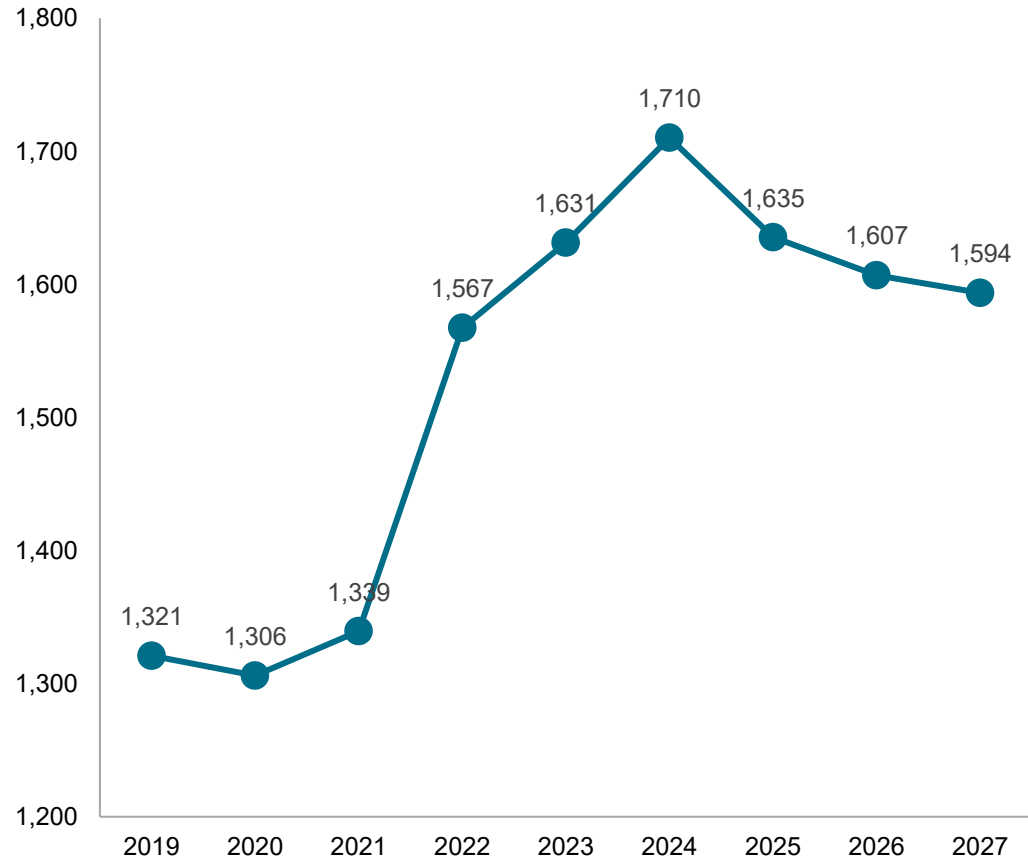
3. Middle distillate fundamentals

Russian diesel exports fall to 775,000 b/d in February

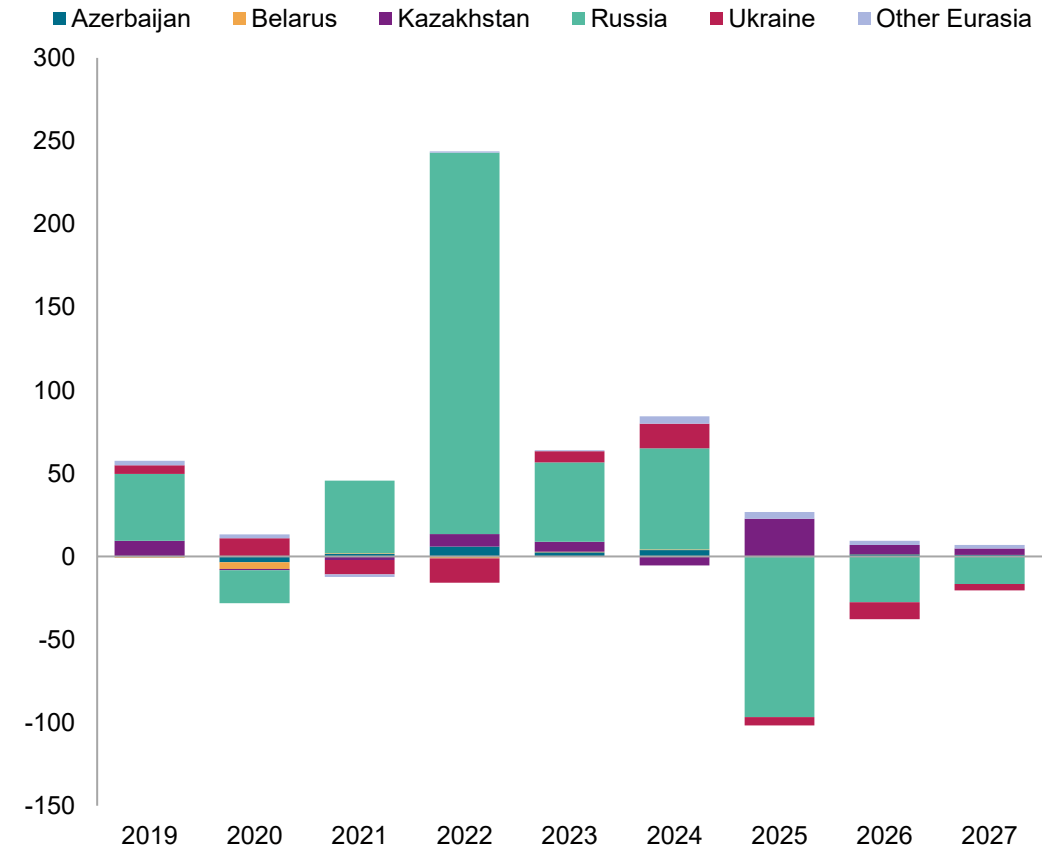
- **Demand:** Domestic diesel deliveries in Russia fell to 1.03 million b/d in January, 45,000 b/d lower than January 2025. Russian diesel demand is typically soft in the winter months, but the decline was exacerbated by inclement winter weather, which limited on-road trucking.
- Although Russian diesel demand growth since 2022 has been largely driven by military and war-related consumption, persistently high interest rates and a rapidly slowing economy caused demand to decline by nearly 100,000 b/d in 2025.
 - An additional 25,000 b/d decline is expected this year. A lasting ceasefire in Ukraine would weigh heavily on war-related demand, but is not assumed in our current forecast.
- Over the past several months, data from key diesel-intensive sectors of Russia's economy suggest a strong decline in activity:
 - Steel consumption in the construction industry declined by 10% in 2025, and steel giant Severstal forecasts an additional 5% decline in 2026.
 - Rail freight carried by national carrier RZD fell by 5.6% in 2025, largely driven by construction and industrial goods.
 - Sales of agricultural machinery and road construction equipment fell by 21% and 28%, respectively, last year.
- After a strong start to the year, Russian jet fuel demand faltered in 2H25, as Ukrainian drone strikes and cyberattacks resulted in an uptick in flight cancellations and delays since July.
 - Passenger traffic on Russian airlines declined by 2.5% y/y in 2025.
 - Domestic air travel in Russia decreased by 3.8% in 2025, falling to 81.5 million passengers.
 - At Moscow's Domodedovo Airport, one of the country's largest international hubs, passenger traffic fell by 11% vs 2024.
 - Daily flight restrictions applied at Russian airports have been elevated since July, but nearly doubled in October-November. Inclement winter weather conditions have caused additional delays and cancellations so far this year.
- **Supply:** Russian refinery diesel/gasoil production rebounded to 2.00 million b/d in January, 105,000 b/d higher than December.
 - Russian gasoil and diesel production averaged 1.88 million b/d in 2025, 95,000 b/d lower than in 2024. Production should rebound to 1.97 million b/d this year, driven by higher crude runs.
- **Trade:** Exports from Russian ports fell to 775,000 b/d in February, 220,000 b/d lower than January's 12-month high. Exports to Turkey and Brazil each declined vs January, reaching 215,000 b/d and 135,000 b/d, respectively.
- **Prices:** Wholesale diesel prices on the SPIMEX exchange rose by 5% m/m in February. Retail prices ticked up by 0.4%.
 - Russian-origin diesel prices on a FOB basis (weighted average from Baltic and Black Sea ports) rose by 2% in January, rising to \$71/b, but remained well below the \$100/b price cap.

War and industrial demand drove growth in diesel consumption in 2024, but Russian demand weakens through 2027 on a slowing economic outlook.

Diesel/gasoil demand — Eurasia (thousand b/d)



Diesel/gasoil demand y/y growth — Eurasia (thousand b/d)



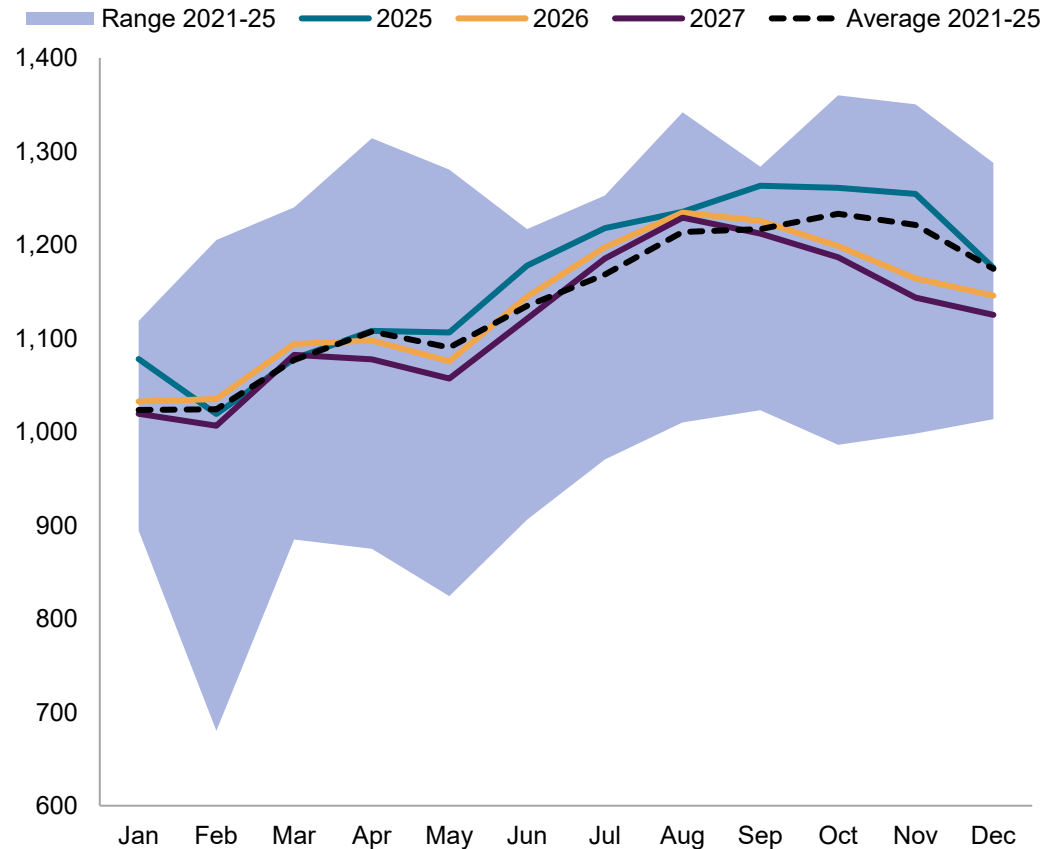
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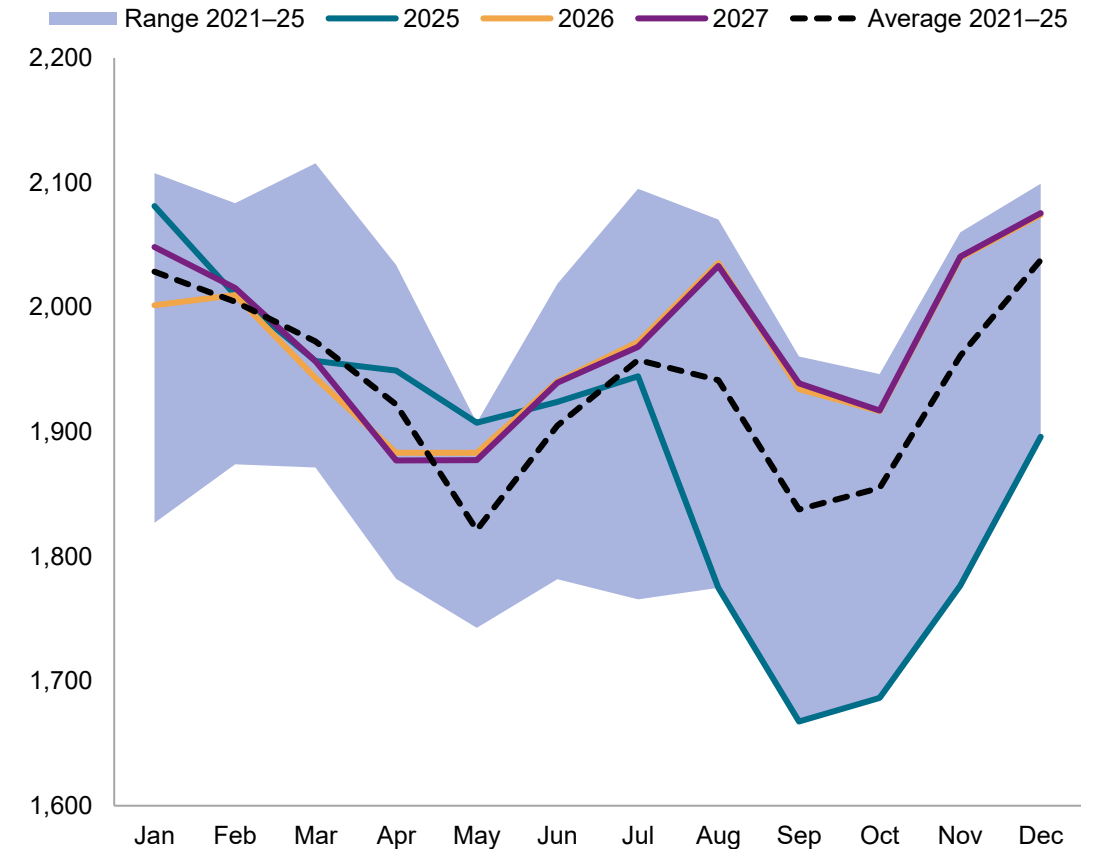
Source: S&P Global Energy.

Russia's gasoil and diesel production rises to 2.00 million b/d in January, as temporary reprieve from drone strikes allow crude runs to recover.

Diesel/gasoil demand — Russia (thousand b/d)



Gasoil and diesel production — Russia (thousand b/d)

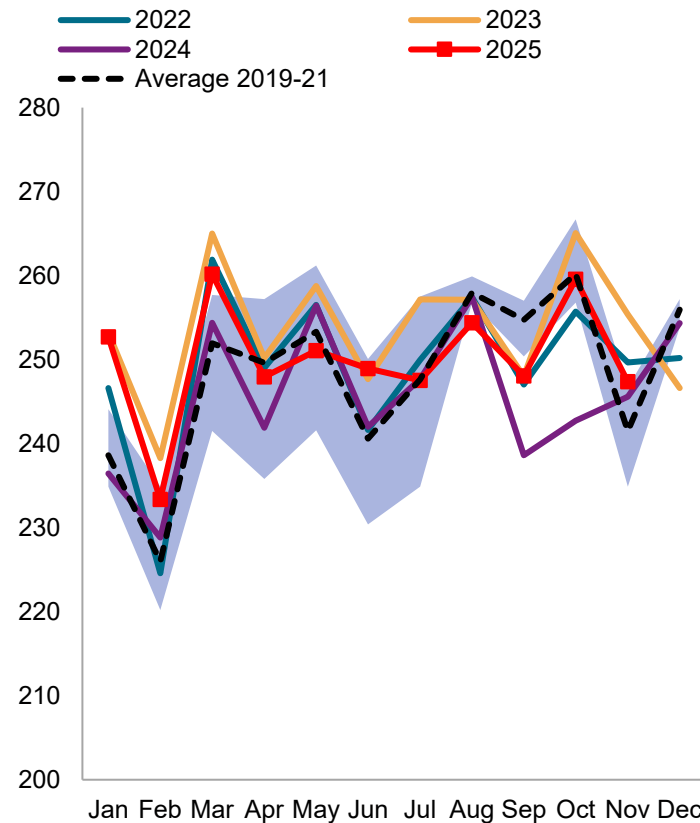


Data compiled February 2026.
Source: S&P Global Energy, Rosstat, Argus Media.

Russian trucking freight shipments weaken by 7% m/m in November, falling below 2024 levels for the first time in 2025.

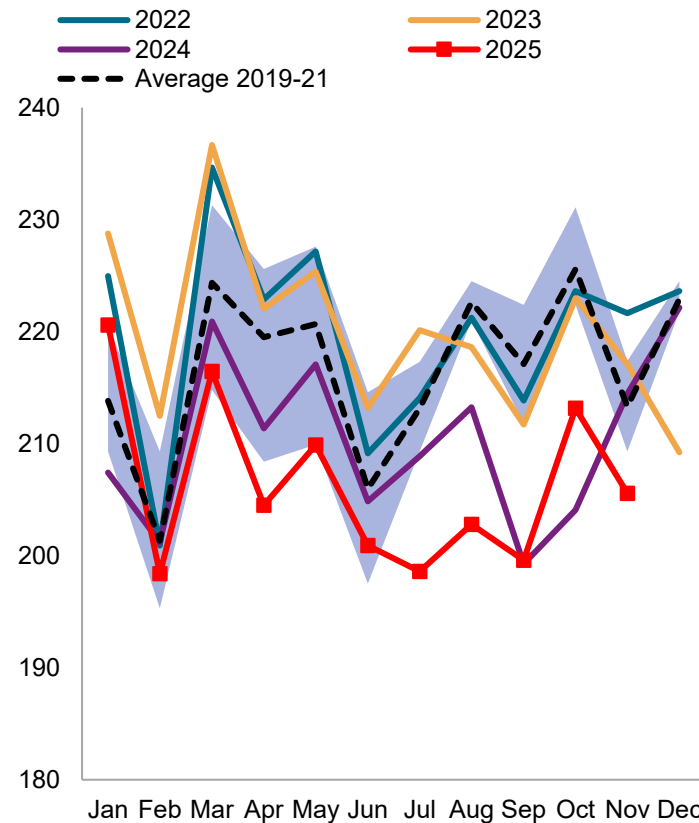
Total freight shipments in Russia

Billion tonne-kilometers



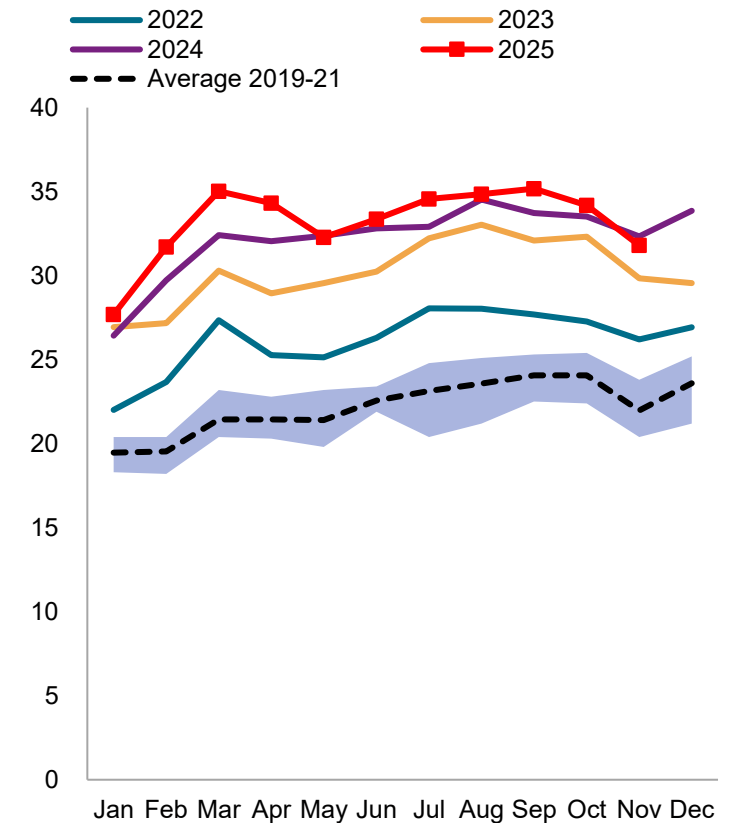
Rail freight shipments in Russia

Billion tonne-kilometers



Trucking freight shipments in Russia

Billion tonne-kilometers



Data compiled January 2026.

Total freight includes rail, trucking, waterborne (sea and inland river) and air shipments; excludes pipeline flows.

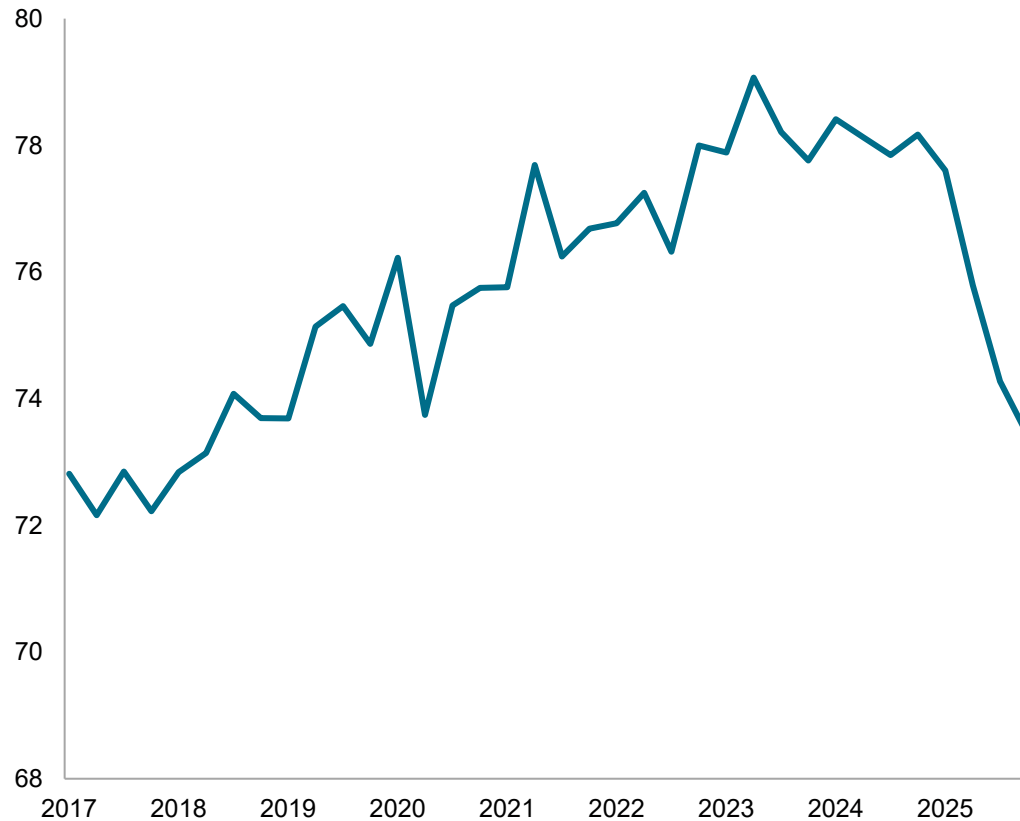
Source: S&P Global Energy, Rosstat.

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Capacity utilization among Russian industry sector plummeted last year, while Manufacturing PMI remains in contraction since June 2025.

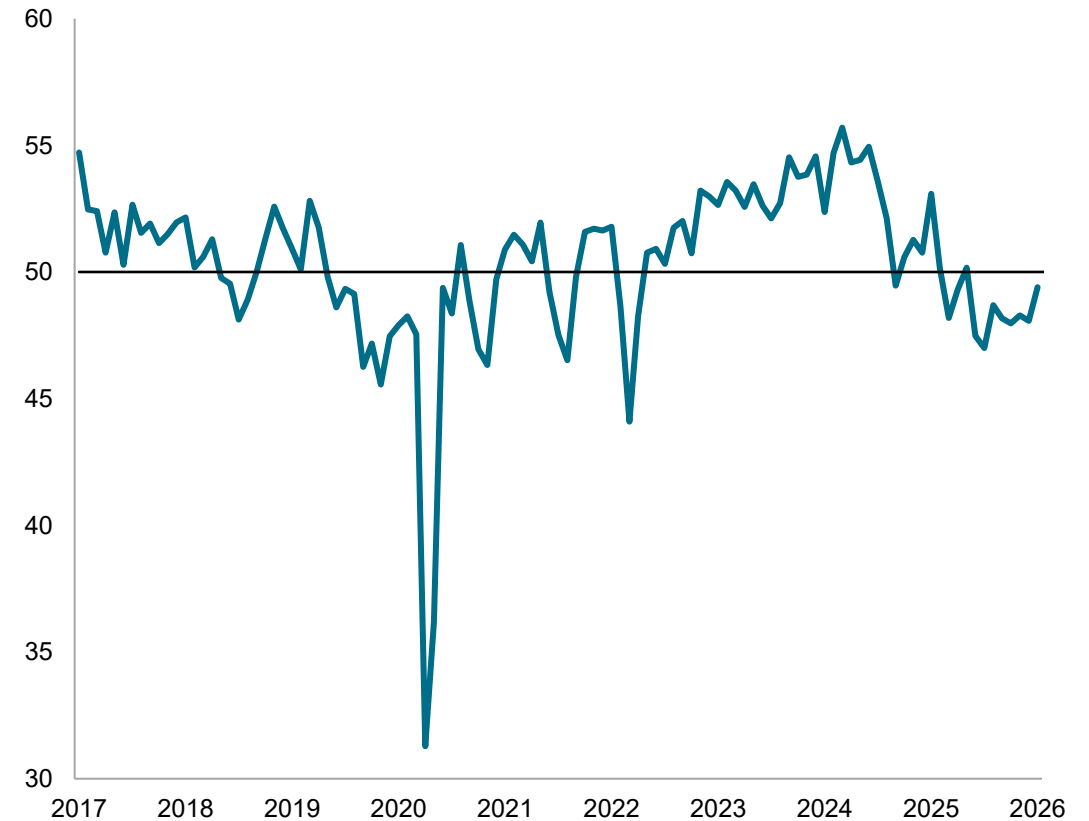
Capacity utilization among Russian industry (%)

Seasonally adjusted



Russia Manufacturing PMI

Seasonally adjusted

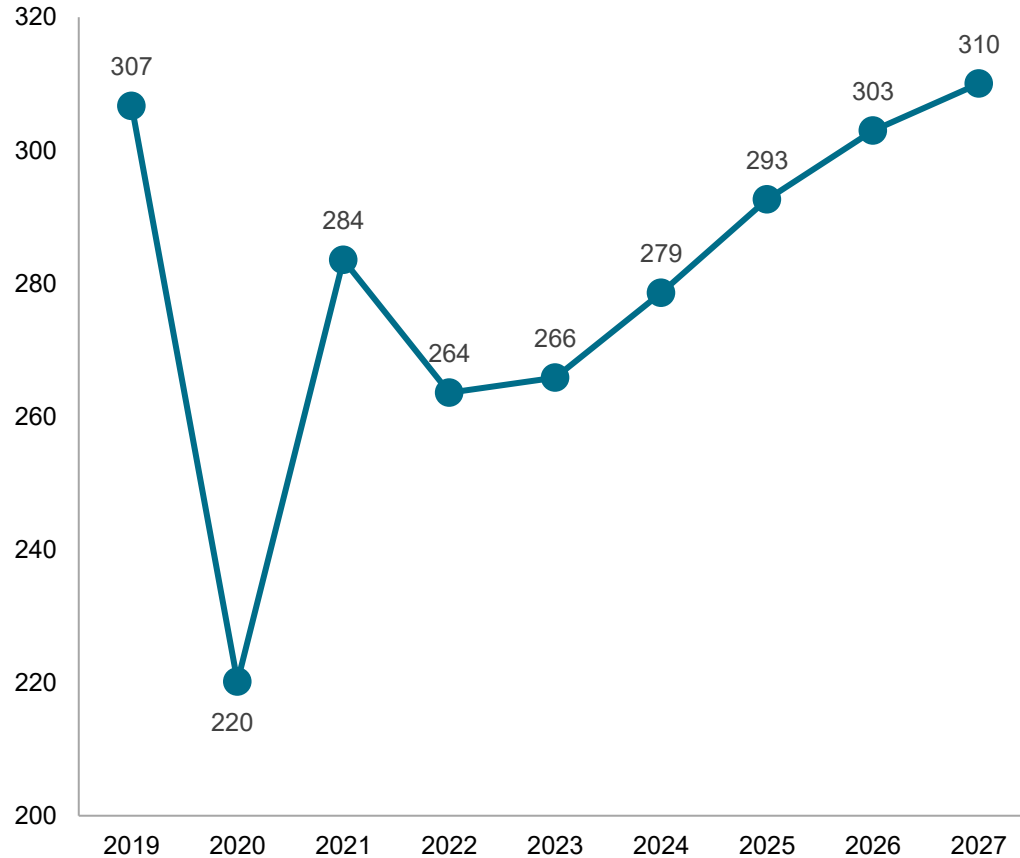


Data compiled February 2026.

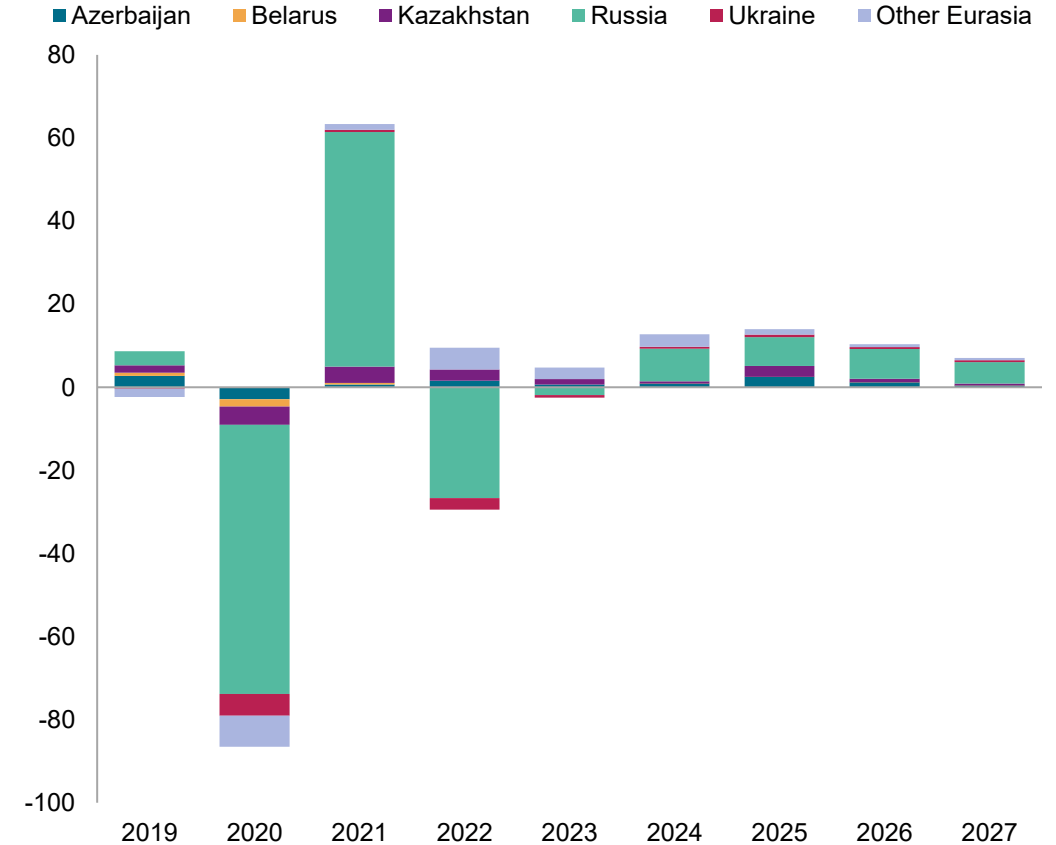
Source: S&P Global Energy, Central Bank of Russia.

Eurasia's jet fuel demand continues to grow, but at an increasingly slower pace, reaching pre-pandemic levels in 2027.

Jet fuel/kerosene demand — Eurasia (thousand b/d)



Jet fuel/kerosene demand y/y growth — Eurasia (thousand b/d)



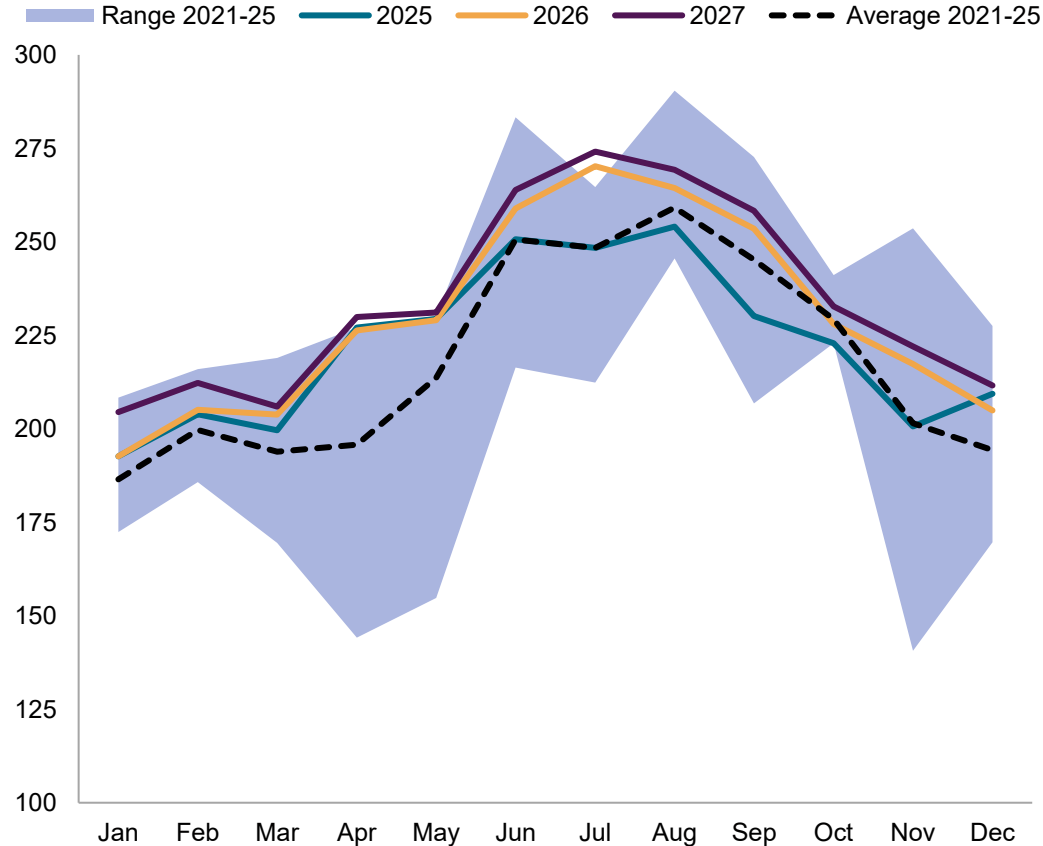
Data compiled February 2026.

Our definition of Eurasia includes Russia, Kazakhstan, Ukraine, Turkmenistan, Belarus, Azerbaijan, Uzbekistan, Kyrgyzstan, Georgia, Moldova, Tajikistan, and Armenia.

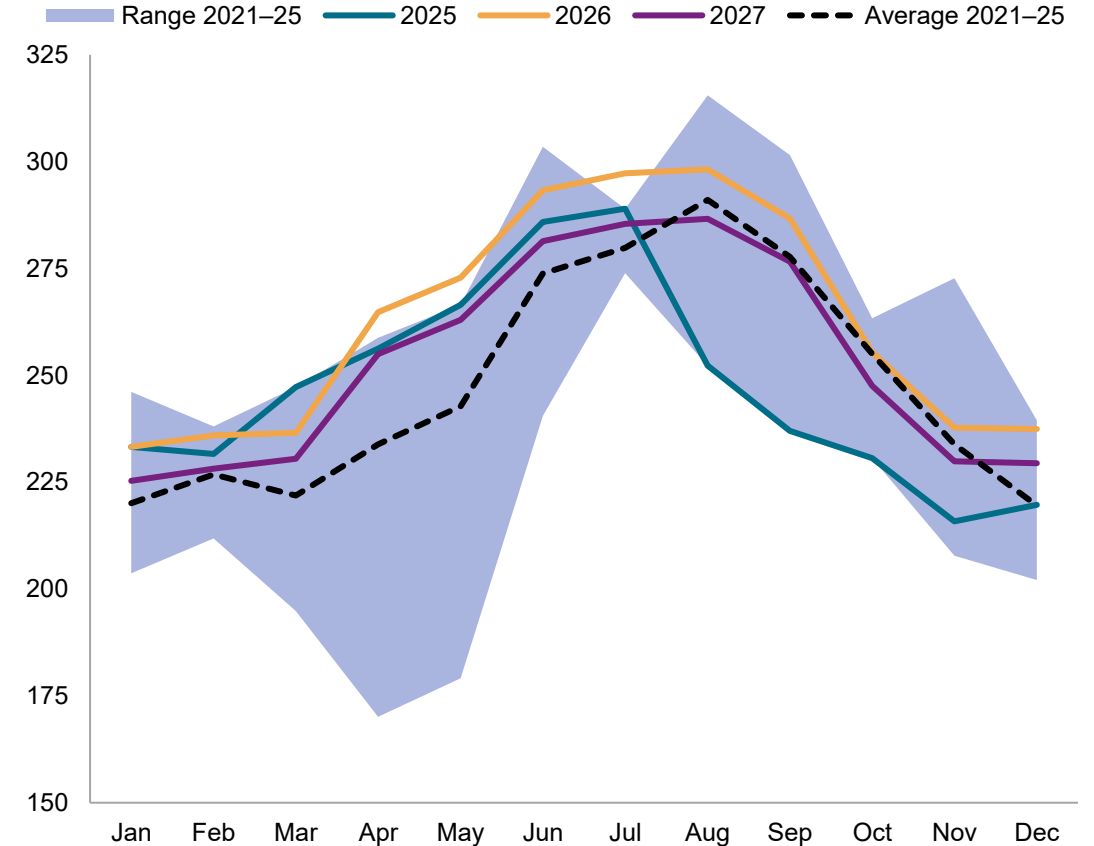
Source: S&P Global Energy.

Russia's jet fuel demand growth stagnates in 2H25 as Ukrainian attacks lead to an uptick in flight restrictions at major airports.

Jet fuel/kerosene demand — Russia (thousand b/d)



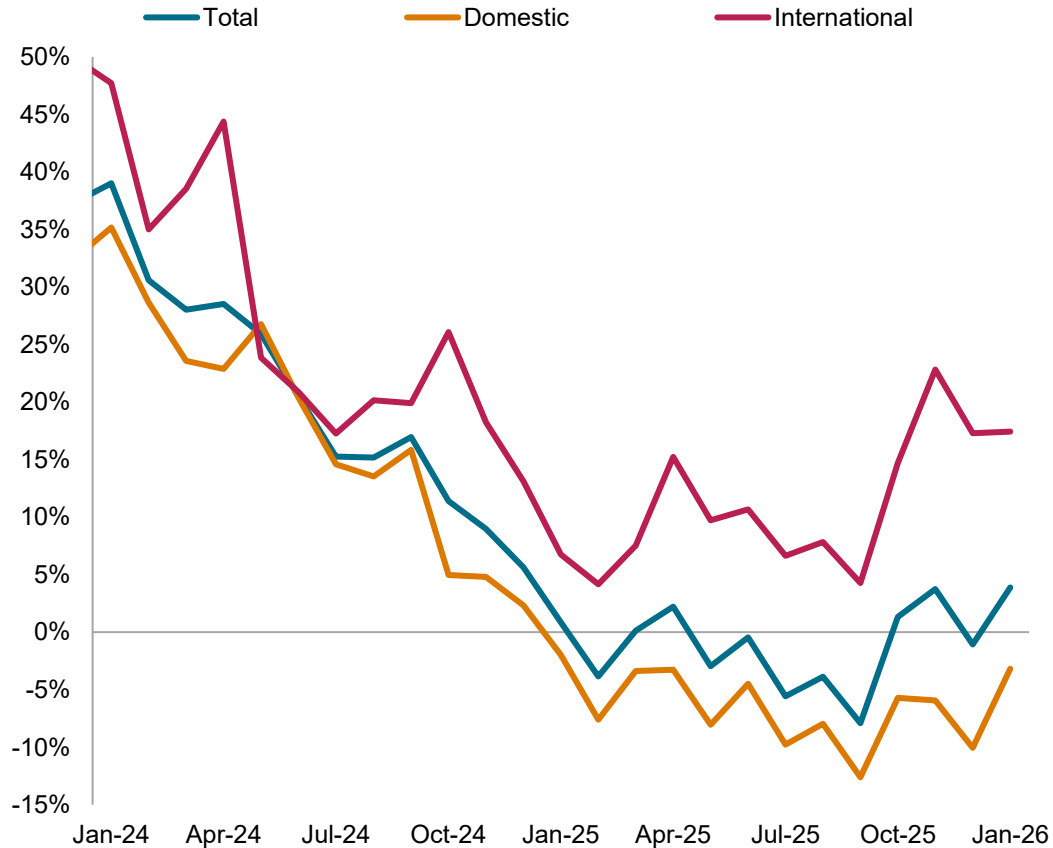
Jet fuel and kerosene production — Russia (thousand b/d)



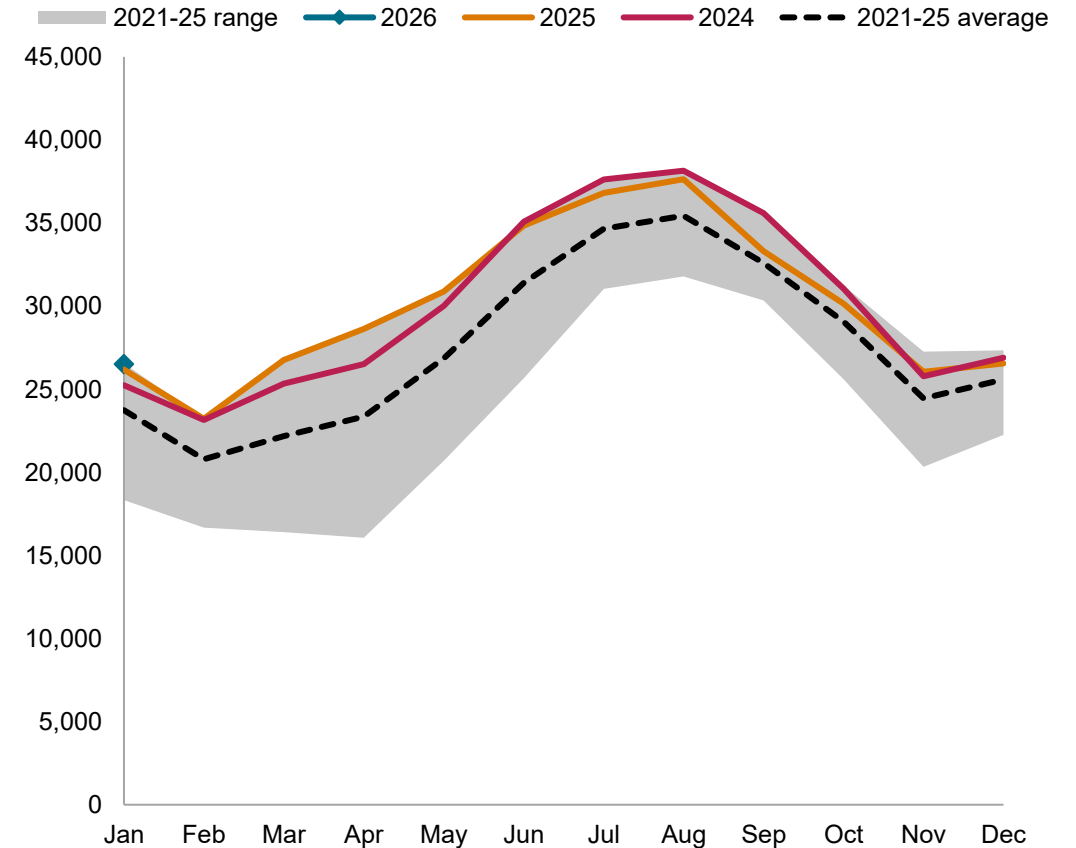
Data compiled February 2026.
Source: S&P Global Energy, Argus Media.

Russian flight and passenger traffic starts 2026 flat vs January 2025.

Passenger totals on Aeroflot Airline (% y/y change)



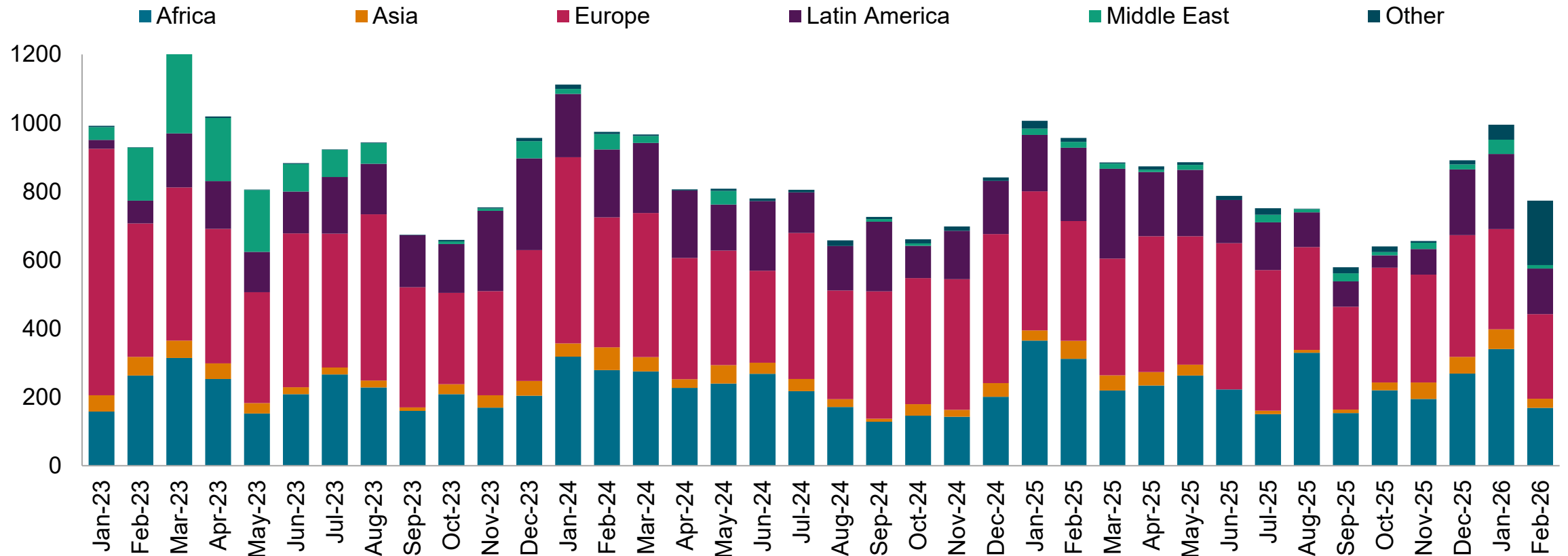
Flights operated by Aeroflot, Rossiya and Pobeda airlines



Data compiled February 2026.
 Source: S&P Global Energy, Aeroflot.
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Russian seaborne diesel loadings fall to 775,000 b/d in February, 220,000 b/d lower than January's 12-month high.

Seaborne gasoil/diesel exports from Russian ports, by destination (thousand b/d)



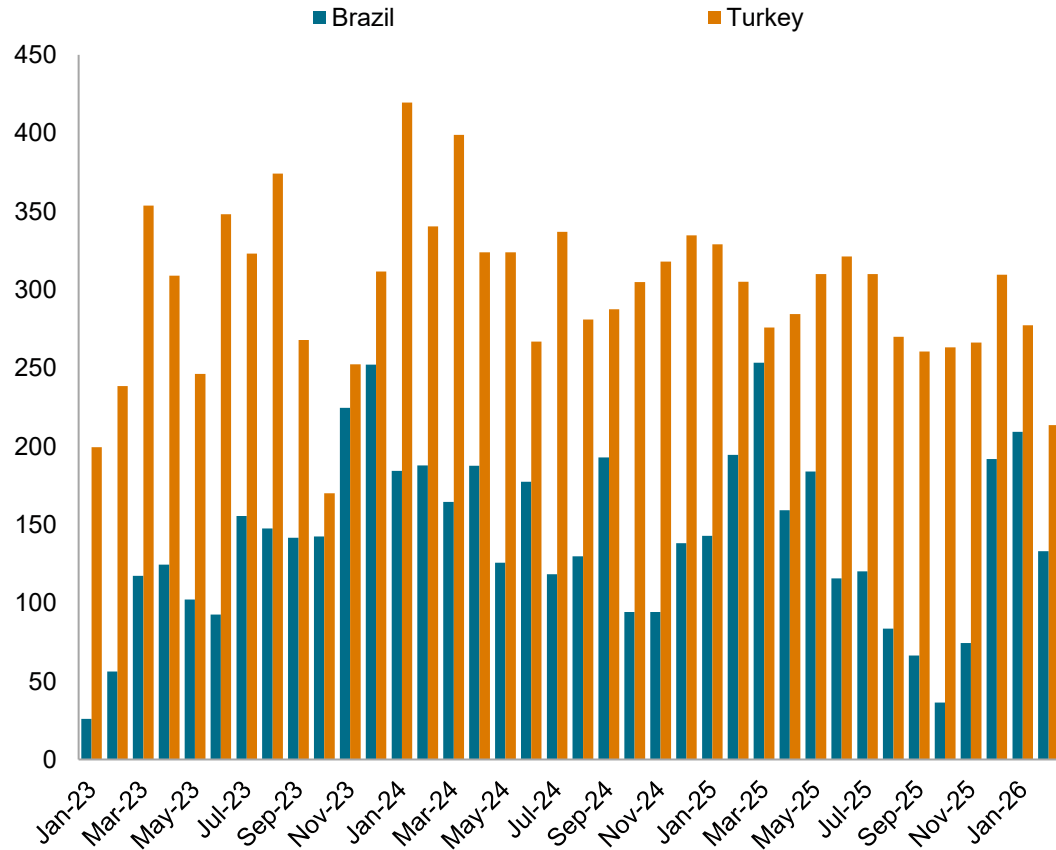
Data compiled Feb. 24, 2026.

Europe includes Turkey.

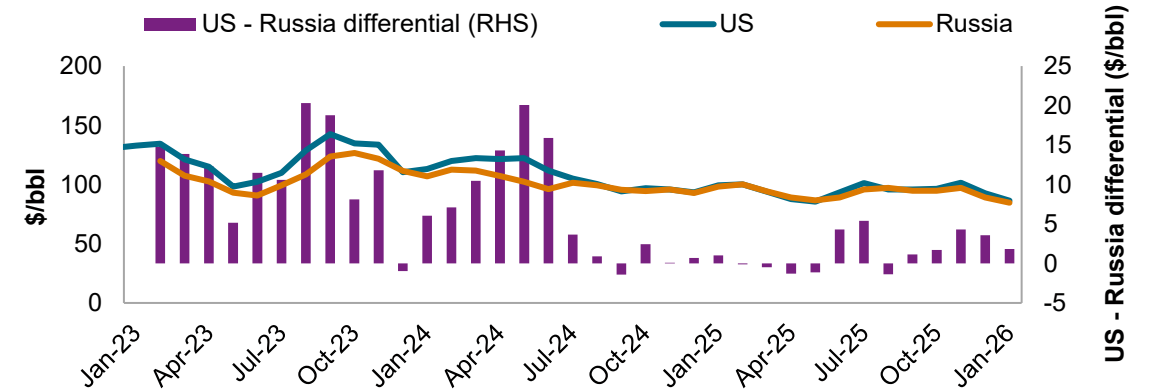
Source: S&P Global Energy, Commodities at Sea

Russian diesel exports to Turkey fall to a 28-month low in February.

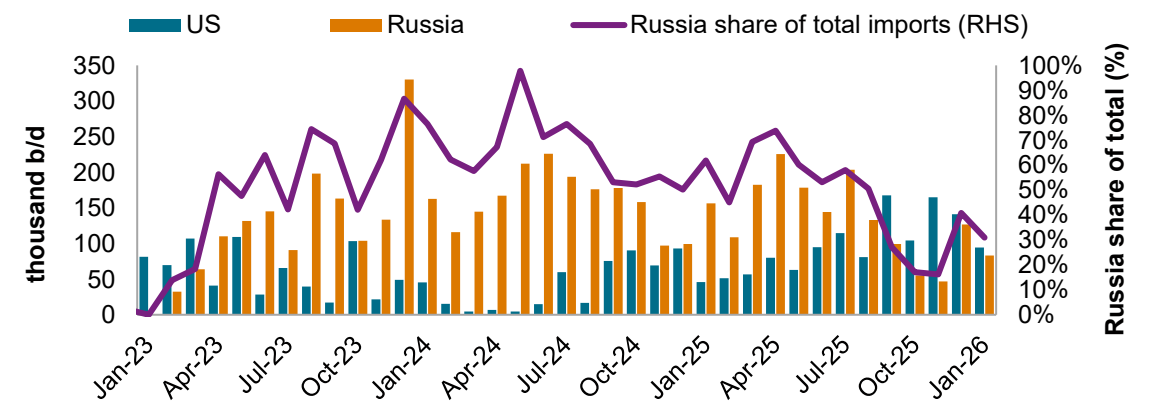
Russian gasoil/diesel exports to Brazil and Turkey (thousand b/d)



Brazilian import price of diesel, by country of origin (\$/b)



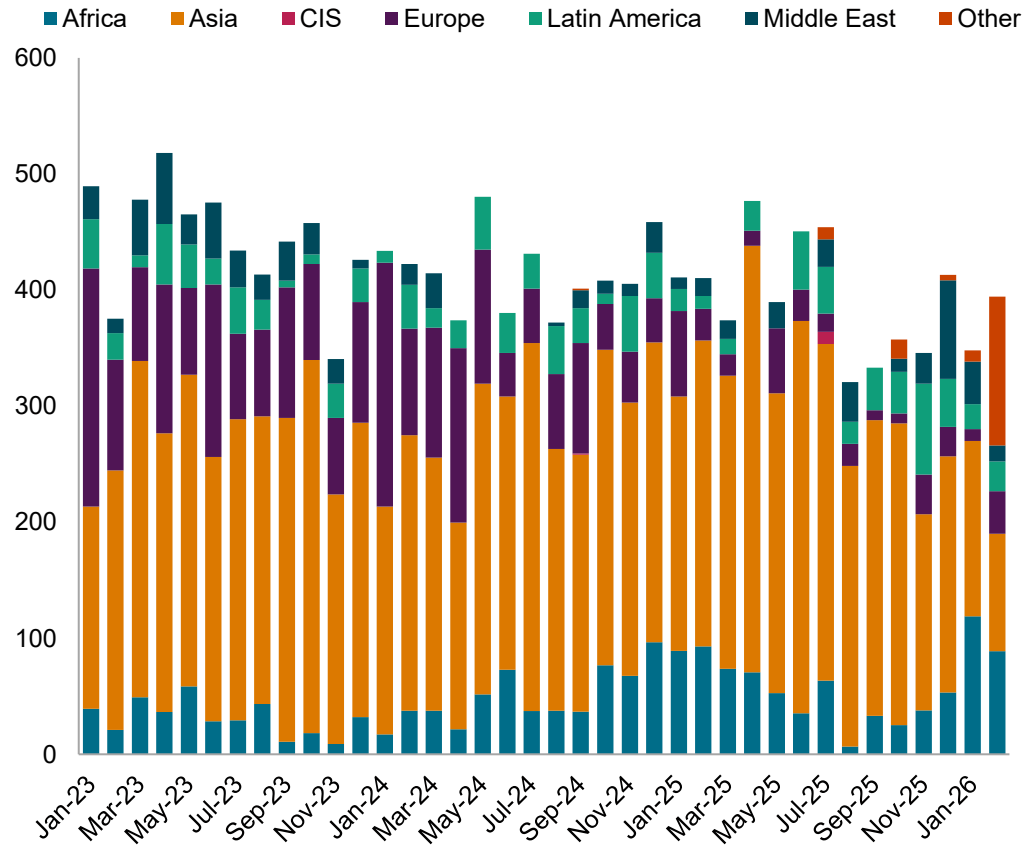
Brazilian diesel imports, by country of origin (thousand b/d)



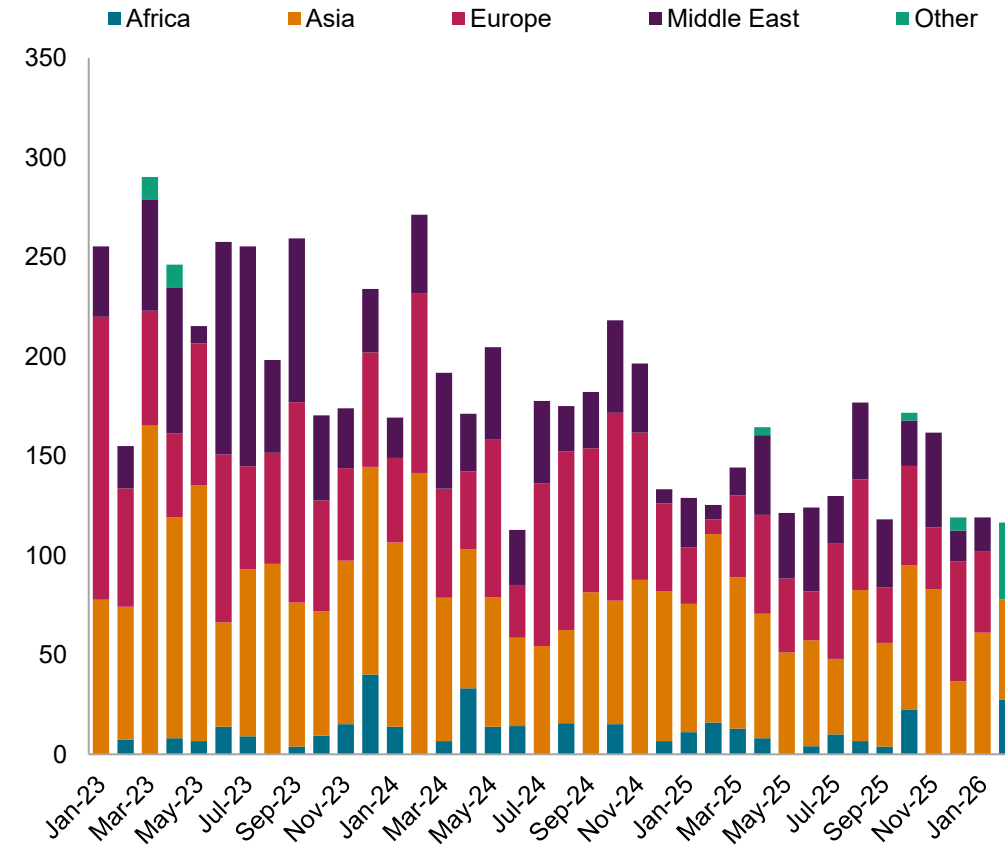
Data compiled February 2026.
Source: S&P Global Energy, Commodities at Sea, Comex Stat.

Russian naphtha exports rise to nearly 400,000 b/d in February; VGO exports stable at to 115,000 b/d.

Naphtha exports from Russian ports, by destination (thousand b/d)



VGO exports from Russian ports, by destination (thousand b/d)



Data compiled Feb. 24, 2026.

Source: S&P Global Energy, Commodities at Sea.

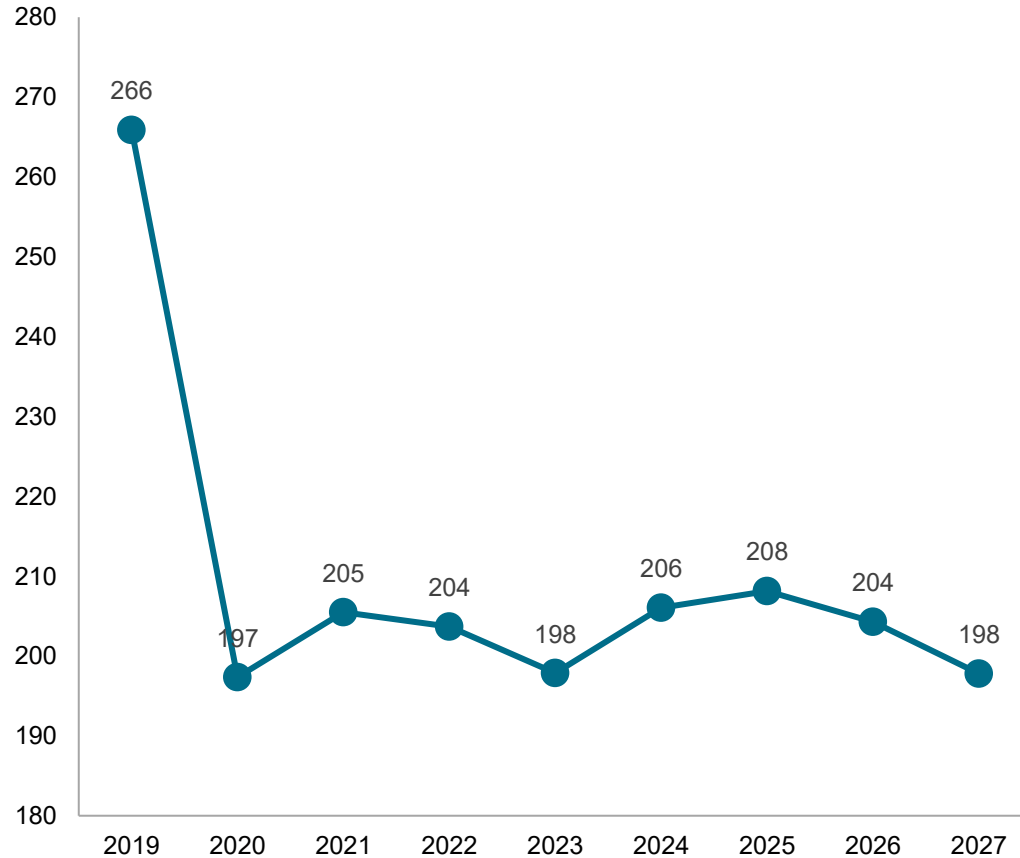
4. Residual fuel oil fundamentals

Fuel oil exports from Russian ports settle at 670,000 b/d in February

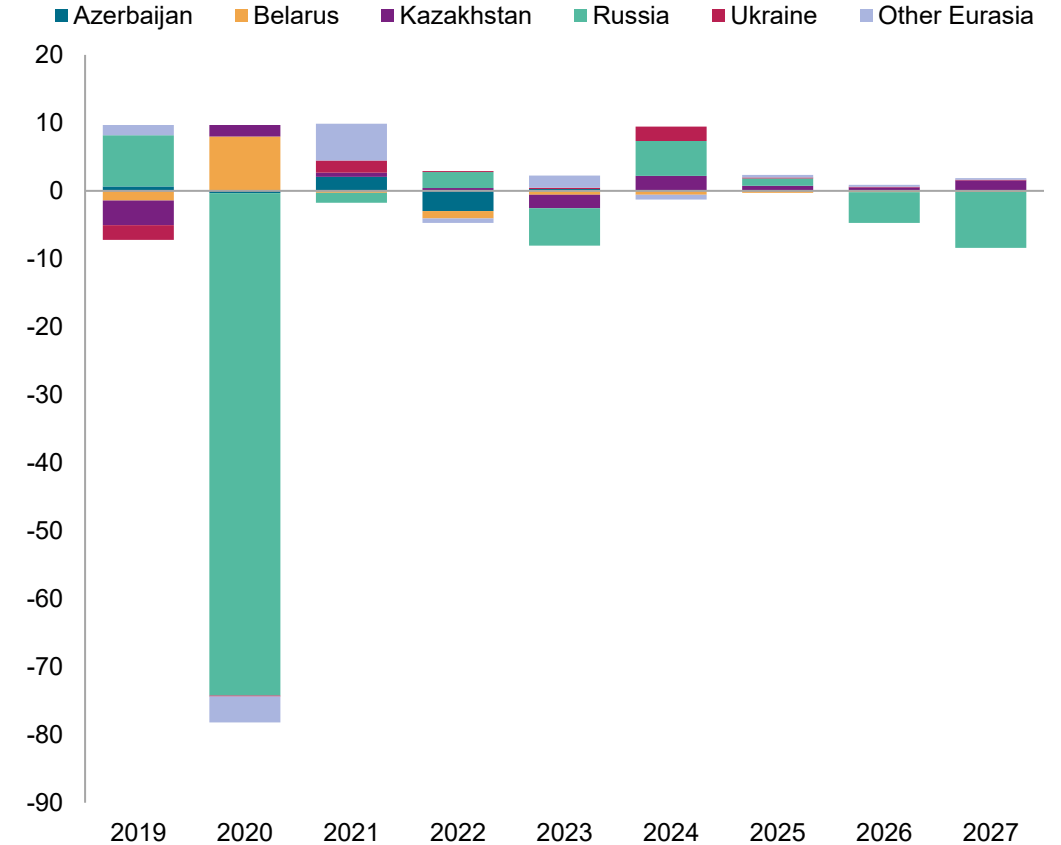
- **Demand:** Russia's domestic deliveries of fuel oil rose to 185,000 b/d in January, slightly higher than in December.
 - Cargo freight at Russian seaports declined by 7% y/y in January – largely due to logistical difficulties at northern seaports (i.e., ice buildup), which have slowed freight movements.
 - Although the Russian government has been actively enhancing access to natural gas across the country over the past several years, above-average cold weather, which has led to record power generation and natural gas deliveries in January and February, could modestly support RFO consumption in power generation.
- Consumption averaged 147,000 b/d in 2025, flat vs 2024.
 - Cargo turnover at Russian seaports declined by 0.4% in 2025, primarily due to a decline in grain and liquid bulk (mostly oil and oil products). However, the year-on-year decline narrowed on strong cargo movement in the fourth quarter, boosting bunkering demand.
 - Domestic river freight declined by 14% in 2025, to 90 million tonnes.
- Residual fuel oil demand in Russia has been in long-term decline, which we expect to continue this year and in 2027.
 - Russian RFO demand is forecast to drop by 4,000 b/d in 2026.
 - Demand for residual fuel oil in the inland market (non-bunkering) is likely to stagnate, primarily due to the transition to natural gas, particularly in district heating and power generation.
- **Supply:** In January, Russian fuel oil production ticked up to 775,000 b/d, 35,000 b/d higher than in December. Output averaged 720,000 b/d in Q4.
- Fuel oil production averaged 725,000 b/d in 2024, 10% (73,000 b/d) lower than in 2023. Some of the Russian refineries most affected by Ukrainian drones specialize in exporting fuel oil and intermediate products like VGO.
- Russian fuel oil output rebounded slightly in 2025, averaging 730,000 b/d. We expect production to remain flat this year, before declining slightly in 2027, as higher crude runs are offset by elevated utilization among secondary processing units.
- **Trade:** Seaborne fuel oil exports from Russian ports in February declined to 670,000 b/d, 20,000 b/d lower than in January.
 - In January, exports to Asia remained strong at 400,000 b/d, slightly lower than in December, with most of the volume discharging in Singapore. Volumes to the Middle East fell to 110,000 b/d.
 - Russian fuel oil exports to China ticked lower to 100,000 b/d in January, vs 160,000 b/d in December. Exports to the Shandong region, which houses most of China's independent teapot refining capacity, were at least 60,000 b/d.
- **Prices:** In January, the weighted average fuel oil price of the Baltic and Black Sea on a FOB basis rebounded to \$39/b, 33% higher than December's dip.

Following slight growth in 2025, Eurasia RFO demand is expected to continue to shrink in 2026 and 2027, driven by Russia.

Residual fuel oil demand — Eurasia (thousand b/d)



Residual fuel oil demand y/y growth — Eurasia (thousand b/d)



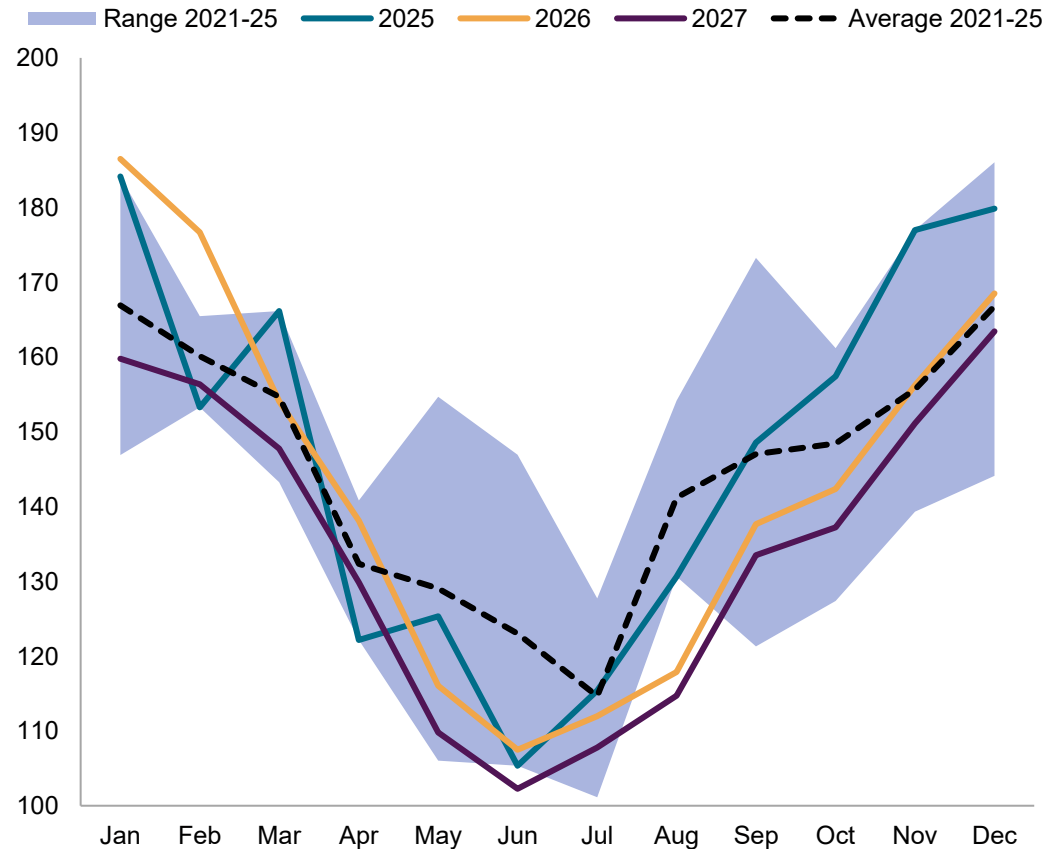
Data compiled February 2026.

Our definition of Eurasia includes Russia, Kazakhstan, Ukraine, Turkmenistan, Belarus, Azerbaijan, Uzbekistan, Kyrgyzstan, Georgia, Moldova, Tajikistan, and Armenia.

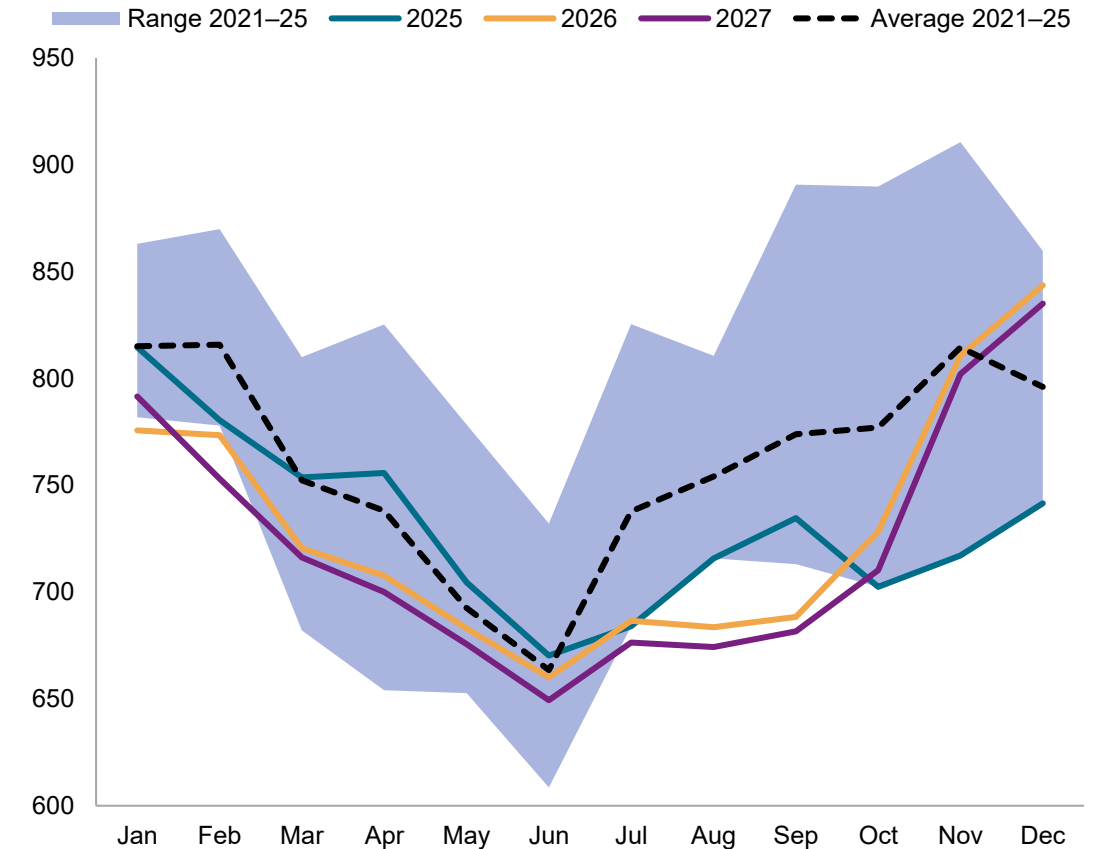
Source: S&P Global Energy.

Russian residual fuel oil production forecast average 730,000 b/d in 2026, roughly flat vs 2025.

Residual fuel oil demand — Russia (thousand b/d)



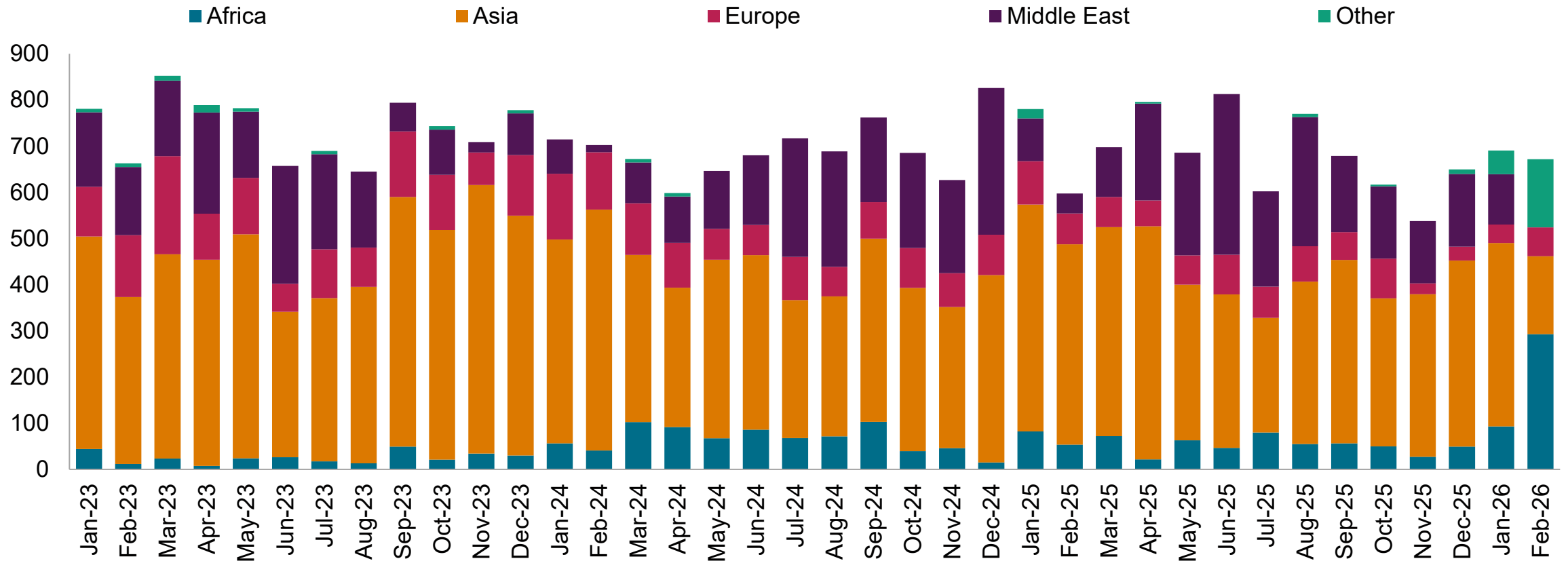
Residual fuel oil production — Russia (thousand b/d)



Data compiled February 2026.
Source: S&P Global Energy.

Russian RFO exports edge slightly lower in February, falling to 670,000 b/d.

Fuel oil exports from Russian ports, thousand b/d (thousand b/d)



Data compiled February 2026.

Source: S&P Global Energy, Commodities at Sea.

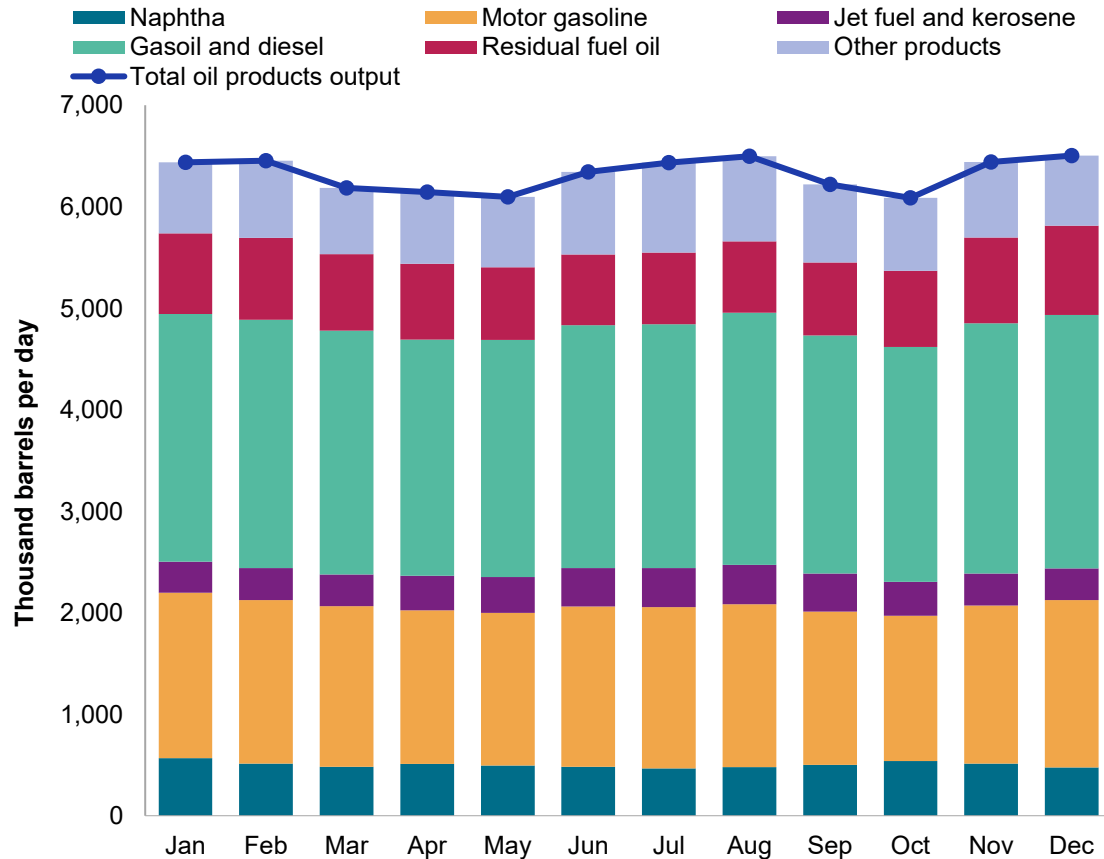
5. Refining

Slowing of drone strikes on Russian refineries allows recovery in runs in Q1 2026

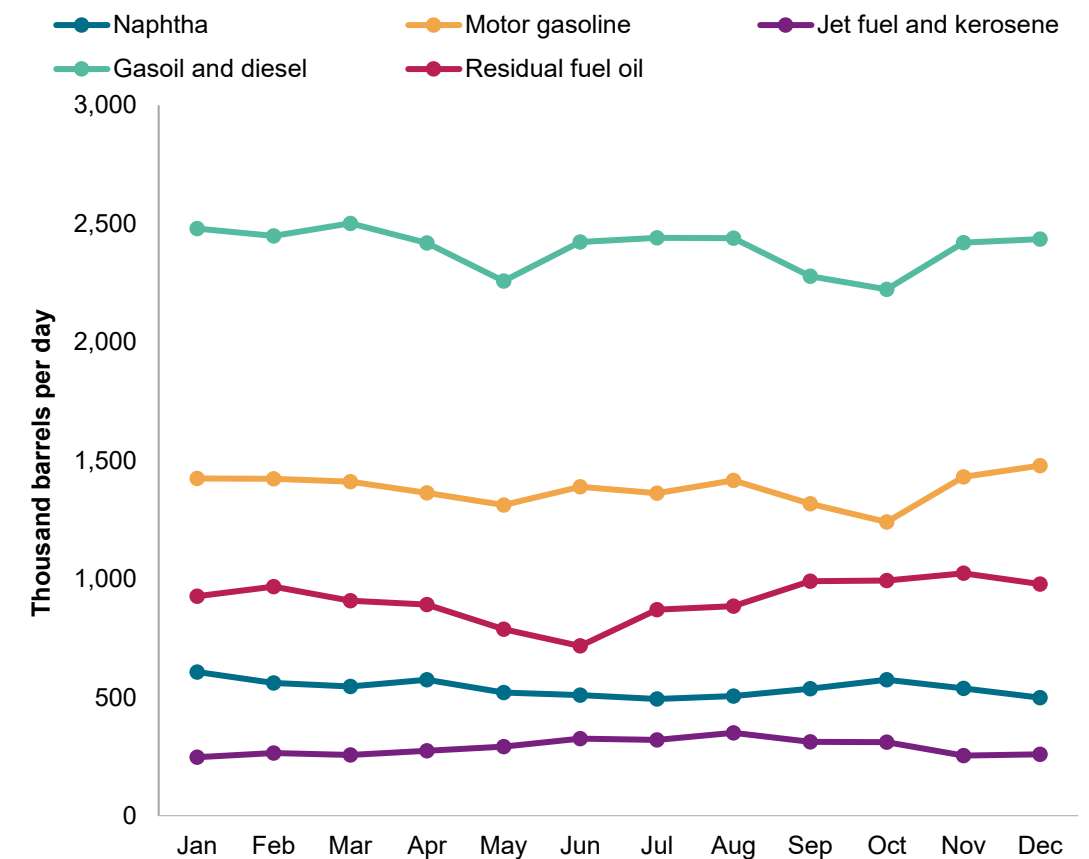
- After a surge in Ukrainian drone strikes from August to December, the frequency of strikes against Russian refineries slowed in January, resulting in a decline in unscheduled maintenance and allowing runs to rise to 5.4 million b/d in January – the highest level since January 2025.
- In February, the frequency of drone strikes on Russian refineries picked up but has yet to cause a significant reduction in runs.
 - Since last August, Ukrainian drone strikes have affected operations of at least 20 Russian refineries.
 - We estimate only 820,000 b/d of refinery capacity to be offline from drone strikes – up from 460,000 b/d in late January, but significantly lower than in Q4 2025.
- However, we maintain that some of the lost capacity from unplanned outages in 2H25 was offset by higher utilization rates among unaffected refineries:
 - The Russian government strongly encouraged refiners to backfill lost supply to ensure road fuel supply during peak demand season.
 - Record-high domestic wholesale prices (through October), strong export margins for diesel, and government plans to grant “damper” subsidy payments have supported refining margins.
- Unplanned maintenance caused Russian crude runs to decline to 4.86 million b/d in October, the lowest level since the initial post-invasion collapse in April 2022. October runs were also pressured by planned turnarounds at several refineries, including some that had been deferred from September.
- Although we expect runs to continue to normalize in the coming months, the threat of Ukrainian drone strikes continues to loom as a significant downward risk factor in the near term. As more refineries are struck repeatedly, recovery periods could get longer due to more severe damage.
- We estimate that Russian crude runs averaged 5.13 million b/d for 2025. Runs should rebound in 2026 – largely due to a low base year in 2025 – increasing by 110,000 b/d to reach 5.24 million b/d.
- Although the US sanctions against Rosneft and Lukoil, as well as the EU’s 18th sanctions package, will likely result in a reshuffling of refined product trade and a reduction in netbacks for Russian exporters, we do not expect the new sanctions to materially affect Russian crude runs in the near term.
- The largest downside threat to Russian refinery operations remains Ukrainian drone strikes.

Eurasia refinery runs declined by 155,000 b/d in 2025, but are forecast to recover by 75,000 b/d this year.

Refinery processing and main product output — Eurasia — 2026



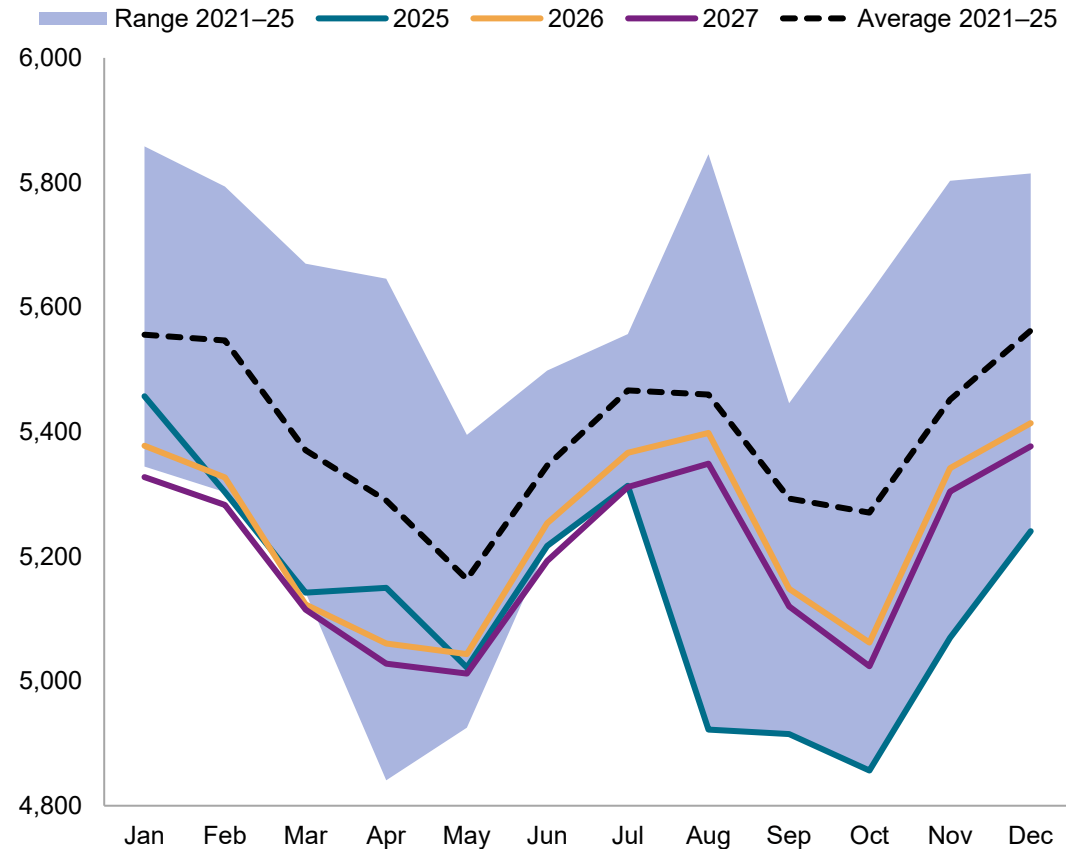
Refinery processing and main product output — Eurasia — 2026



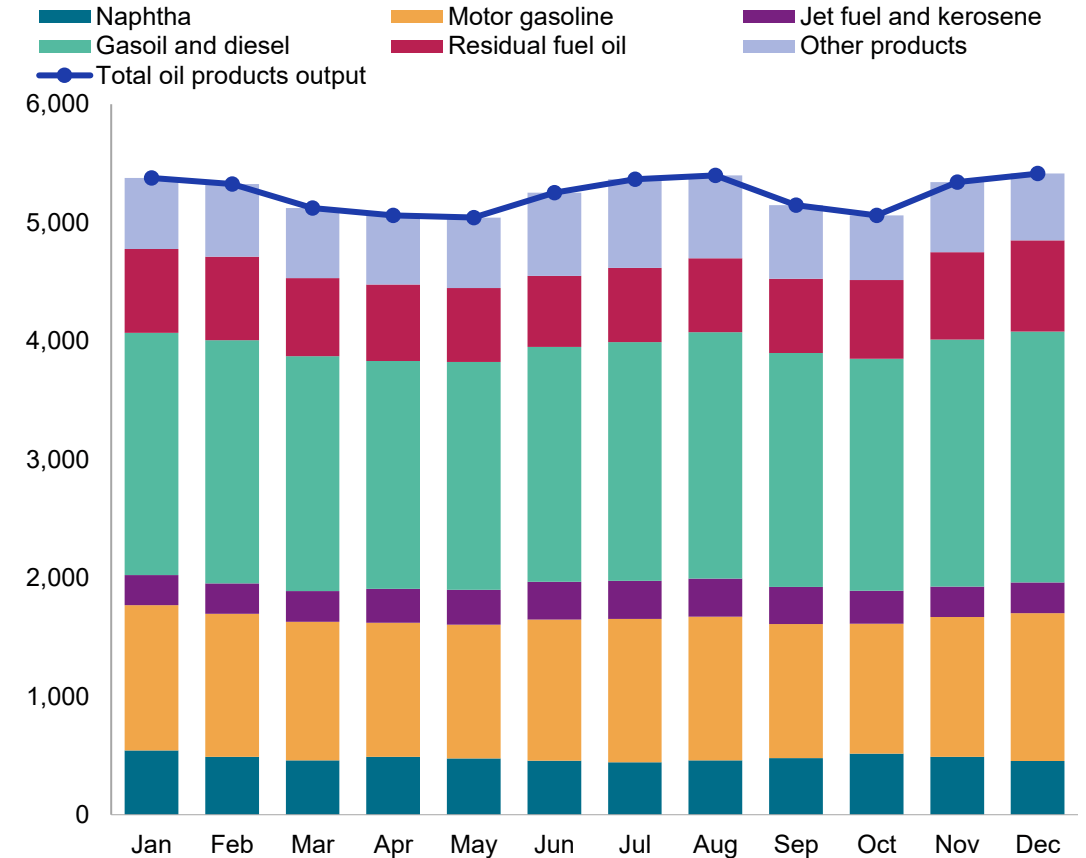
Data compiled February 2026.
Source: S&P Global Energy.

Surge in drone strikes cause Russian crude runs to fall to 5.13 million b/d in 2025, but runs should partially recover in 2026.

Crude and condensate refinery processing — Russia (thousand b/d)



Refinery processing and main product output — Russia — 2026



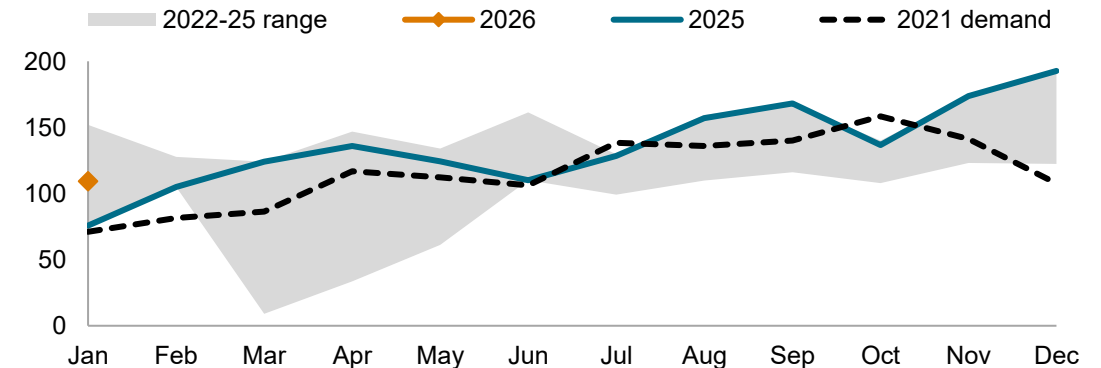
Data compiled February 2026.
Source: S&P Global Energy, Argus Media.

Ukraine snapshot

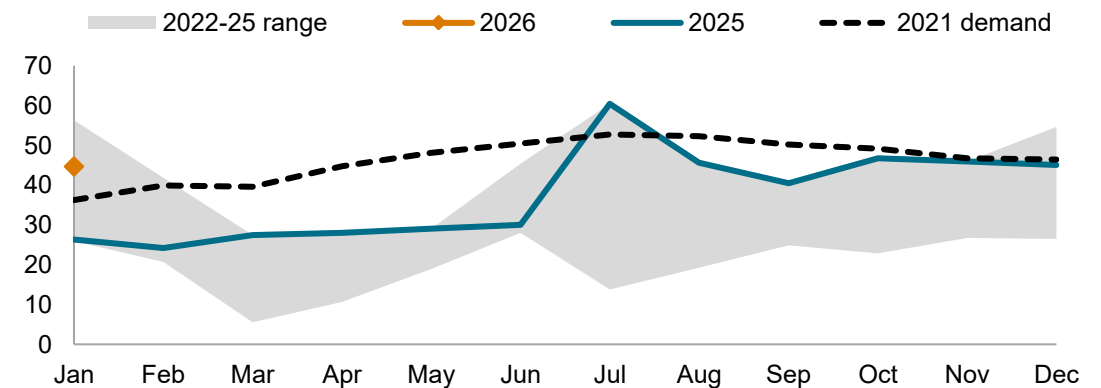
Following December's record high, diesel imports fall to 110,000 b/d in January

- Ukrainian diesel imports fell to 110,000 b/d in January, 34,000 b/d higher than January 2025 but significantly lower than December's record monthly high of 193,000 b/d.
 - December's record volume was primarily driven by the stocking of diesel ahead of the January excise tax increase, but cold weather has supported consumption of winter-grade diesel as well as increased demand in power generation, as Russian attacks on Ukrainian energy infrastructure have intensified.
- Following disruptions to Russian pipeline crude exports that flow through Ukraine to supply Hungary and Slovakia, the two countries announced that they had suspended diesel exports to Ukraine. Roughly 10% of Ukraine's diesel imports last year (13,000 b/d) were sourced from Hungary, including transit volumes produced by MOL's Bratislava refinery.
- Ukraine's gasoline imports held steady in January, reaching 47,000 b/d, just above December. Ukrainian gasoline imports in 2025 were buoyed by a strong second half of the year: imports in 2H25 averaged 47,000 b/d, versus only 28,000 b/d in 1H25.
 - Gasoline consumption (and therefore imports) was supported by the government's reversal of an ethanol blending mandate earlier in the year, allowing the import of unblended gasoline as Russian attacks on Ukrainian energy infrastructure tightened supply.

Ukraine diesel imports (thousand b/d)



Ukraine gasoline imports (thousand b/d)



Data compiled February 2026.

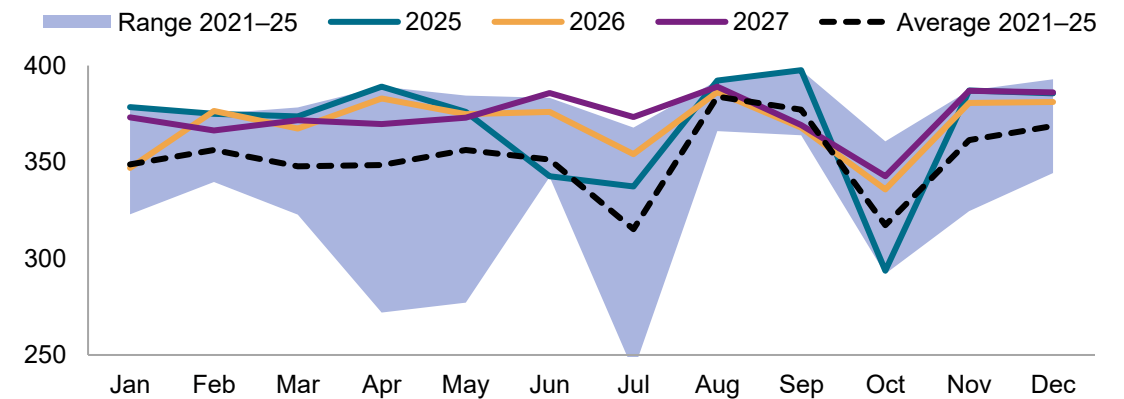
Source: S&P Global Energy, Argus Media.

Kazakhstan snapshot

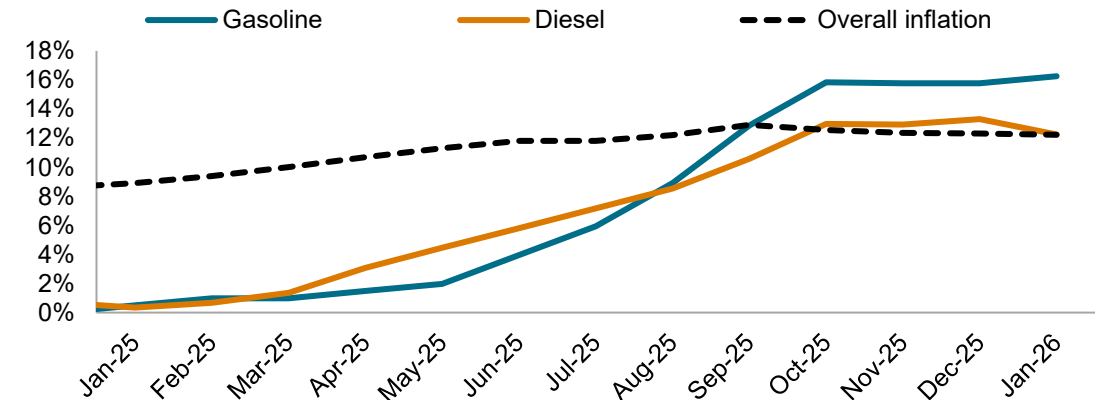
Retail fuel inflation has exceeded overall inflation since 4Q 2025, but policy has stabilized

- Kazakh refineries processed 386,000 b/d of crude in December, flat vs November. Preliminary data suggest that runs declined to 347,000 b/d in January, roughly 30,000 b/d lower than January 2025.
 - Kazakh sources reported that the issues faced by the Tengiz field and CPC export terminal led to an uptick in processing crude from the Kashagan field, which Kazakh refineries do not typically process.
- Crude runs averaged 370,000 b/d in 2025, over 20,000 b/d higher than in 2024. This growth in runs was driven by healthy refined product demand, as well as fuel smuggling in southern Kazakhstan.
- Refinery throughput is expected to stabilize this year before ticking up slightly in 2027. Near-term run growth is constrained by Kazakhstan's refining capacity.
 - Unplanned maintenance at any of Kazakhstan's major refineries could also limit crude runs this year.
- Since October 2025, annualized inflation of retail gasoline and diesel prices have exceeded Kazakhstan's overall inflation rate.
 - Inflation has rapidly accelerated over the past six months since wholesale price deregulation began last January, potentially impacting gasoline consumption among price-sensitive consumers.
 - In October, the Kazakh government issued a moratorium on additional price hikes on 92-RON gasoline and diesel fuel, effectively capping the inflation rate for each fuel.

Crude and condensate refinery processing — Kazakhstan (thousand b/d)



Inflation rate in Kazakhstan (y/y % change)



Data compiled February 2026.
Source: S&P Global Energy, Kazstat

Thank you

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