Bank of Russia

No. 5

TALKING TRENDS
Economy and markets

Research and Forecasting Department Bulletin

JULY 2026

CONTENTS

Executive summary 3

1. Inflation 4

1.1. Temporary factors drive a pick-up in price growth 4

2. Economic activity 9

2.1. Q2 growth is uneven 9

2.2. Credit impulse exits negative territory 12

3. Financial markets 14

3.1. Market-implied path of the key rate moved upwards 14

3.2. Commodity prices ease after Middle East de-escalation 17

The Research and Forecasting Department prepared this bulletin based on data as of 10.07.2026.
The views and recommendations expressed in the bulletin do not necessarily reflect the official position of the Bank of Russia.
Please send your comments and suggestions to dip1@cbr.ru

Bldg. V, 12 Neglinnaya Street, Moscow, 107016
Bank of Russia website: www.cbr.ru
© Central Bank of the Russian Federation 2025

Executive summary

Monthly summary

- In June, CPI inflation rose at a markedly accelerated rate, following muted dynamics seen in April–May. *On the one hand*, given the clear emergence, in the course of the second quarter, of disinflationary drivers, which thereafter gave way to temporary inflation drivers, we can conclude that core inflationary pressures in the economy are lower than last year. *On the other hand*, for the trend towards a further decline in core inflation to hold, private demand must be kept restrained, taking into account that the risks around medium-term inflation projections are skewed to the upside, which the May to June period showed. Considering the budget projections due to be revised, the public sector is likely to make a greater contribution to aggregate demand over the timespan of monetary policy than previously expected. The invariably strong growth of consumer activity, combined with still elevated inflationary expectations and only a gradual drop in labour market rigidity, has been recently complicated by increased supply constraints in the fuel market. For inflation to sustainably trend back to 4% and stay close to the target in the future, a calibrated monetary policy path is needed, which takes into account both current conditions and changes in the risk balance for future inflation.
    - In June, the overall CPI grew at a significantly accelerated pace, primarily driven by fuel market developments. The direct impact of rising fuel prices combines with influence on the prices of other goods and services – through costs and a squeeze on production opportunities in other sectors. These trends are likely being reflected in July's flash data, showing, in addition to an acceleration in weekly price growth, more CPI components that are now rising in an accelerated way. Additionally, the current monetary policy stance must consider second-round effects, that is how much this uptick in prices can slow the decline of inflation expectations of households and business.
    - Growth resumed in the second quarter after a decline in business activity at the beginning of the year. At the same time, as the economy is still undergoing a structural transformation, given a temporary reduction in capacity utilisation due to ongoing repairs in a number of industries, and considering fluctuations in global commodity markets, growth across sectors significantly diverged, with this divergence slightly up compared to 2025.

1. Inflation

In the second quarter, prices grew under the influence of divergent one-off and temporary factors. June saw a marked acceleration in overall price growth, following low monthly values seen in April–May. This was driven by rising fuel prices on the back of decreased output, combined with seasonal growth in demand. Inflation gained a further boost from a trend reversal in fruit and vegetable prices, which in the spring months had declined more than expected consistent with seasonal patterns. As the ruble weakened, growth in prices for goods that are highly sensitive to the exchange rate picked up, following muted dynamics between April and May.

June's underlying inflation measures were up relative to April–May, but not as much as the overall price increase. Significant fluctuations in the headline CPI, under the influence of temporary factors that may surface in individual periods, make a certain impact on most metrics of underlying inflationary pressures. Therefore, it is imperative that monetary policy decisions consider not only flash estimates for underlying price dynamics but also the overall trend of recent months and/or quarters. Based on our estimates, taking into account current monetary policy, underlying inflationary pressures in the second quarter were markedly lower than the average of the second half of 2025. This suggests that disinflationary trends are overall making headway, allowing for lags in monetary policy transmission, driven by the tight monetary policy of the past two years.

At the same time, inflation risks for price stability were much more skewed to the upside over May–June, considering the expected scale of medium-term fiscal stimulus, recurrent negative supply shocks in a number of industries, and increased consumer demand in some market segments. Consumption growth is still underpinned by the high paces of wage and income increases as well as a gradually increasing consumption rate. All other things being equal, this supports an intense increase in demand and higher rates of price growth in the consumer sector compared to others.

1.1. Temporary factors drive a pick-up in price growth

- In June, consumer price growth accelerated significantly, following a slowdown in April–May. The disinflationary factors at play early in the second quarter dwindled significantly, while the contribution of temporary pro-inflation factors increased.
- The largest contribution to the accelerating price growth in June was made by fuel, which, beyond the direct effect, can have a strong pro-inflation impact through second-round effects. Higher-than-seasonal increases in fruit and vegetable prices offset their subdued dynamics in the spring months.
- The measures of underlying price growth were up in June, but less than headline inflation. At the same time, the balance of risks remains skewed to the upside, particularly with regard to aggregate demand dynamics.

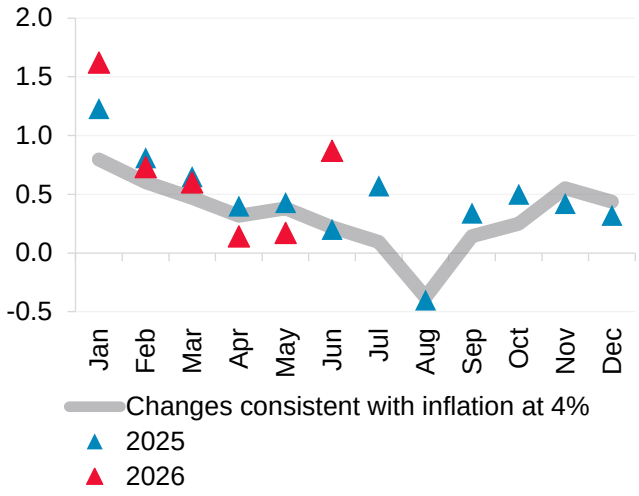
In June, consumer price inflation accelerated to 10.6% from 2.0% MoM SAAR in May (Table 1, Figure 1), with the pick-up particularly pronounced in goods, on the back of temporary pro-inflation factors (Figure 1). Annual inflation rose to 6.0%, from 5.3% in May. Weekly data suggest that elevated price growth persisted into July.

Table 1. Inflation and its components

	June 2024	June 2025	Apr 2026	May 2026	June 2026
% YoY					
All goods and services	**8.6**	**9.4**	**5.6**	**5.3**	**6.0**
Core inflation	**8.7**	**8.7**	**5.0**	**4.9**	**5.0**
Food	9.8	11.9	4.0	2.9	3.4
Non-food goods	7.0	4.5	3.9	4.2	5.3
Services	8.8	12.0	9.9	10.1	10.6
% MoM SAAR					
All goods and services	**8.1**	**2.9**	**2.5**	**2.0**	**10.6**
Core inflation	**6.4**	**3.5**	**4.0**	**4.3**	**4.3**
Food	11.4	4.1	-2.3	-5.1	10.9
– excluding fruit and vegetables	**7.6**	**7.2**	**2.9**	**1.3**	**4.1**
Non-food goods	4.5	0.6	4.4	3.7	13.6
excluding petroleum products	**3.7**	**0.1**	**3.0**	**2.1**	**1.3**
Services	7.9	3.8	7.2	10.1	6.8
excluding housing and utility services	**8.3**	**3.4**	**8.1**	**13.1**	**7.8**

Sources: Rosstat, R&F Department calculations.

Figure 1. Price growth consistent with 4% path, % MoM



Note. Seasonal adjustment is based on 2025.

Sources: Rosstat, R&F Department calculations.

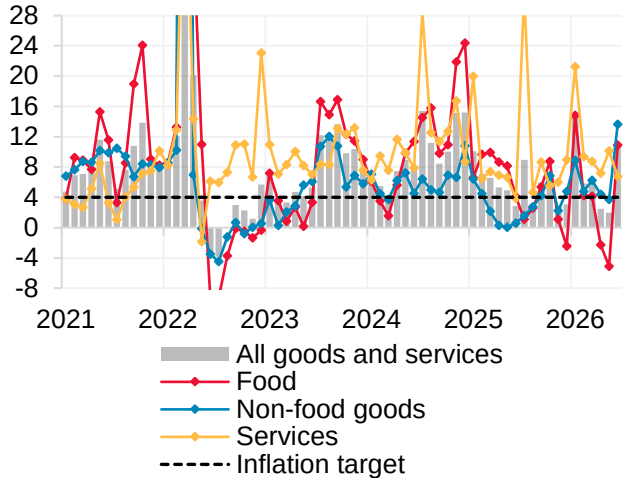
The main factor behind June's acceleration was a rise in fuel prices. Reduced output of refined products combined with a seasonal rise in demand pushed prices higher. This led to motor fuel prices adding 6.5% over the month, directly contributing around 0.3pp to inflation. The situation in the fuel market is essentially a supply shock. Monetary policy should only respond to its potential spillover effects on price growth, primarily on inflation expectations. The scale of any second-round effects depends to a great extent on the duration of the shock. Measures being taken by the Government of Russia will help expand supply in the domestic fuel market.

Non-food prices excluding fuel grew moderately. The ruble's appreciation played a notable role in the subdued price dynamics of April–May. At the same time, the disinflationary effect of this factor appears to have run its course as the ruble weakened modestly in the second half of the month: in June, median growth in prices for strongly and weakly exchange-rate sensitive goods converged considerably (Figure 2). Prices for individual goods and services that are traditionally strongly sensitive to exchange rates (tourism services, electronics, and medicines) continued to pick up into early July.

The June acceleration in food price growth was largely explained by higher than usual increases in fruit and vegetable prices. That acceleration in June offset the below-seasonal declines of the spring months. July's weekly data suggest that growth in fruit and vegetable prices was back to the seasonal norm (Figure 3). The yield of greenhouse vegetables is running

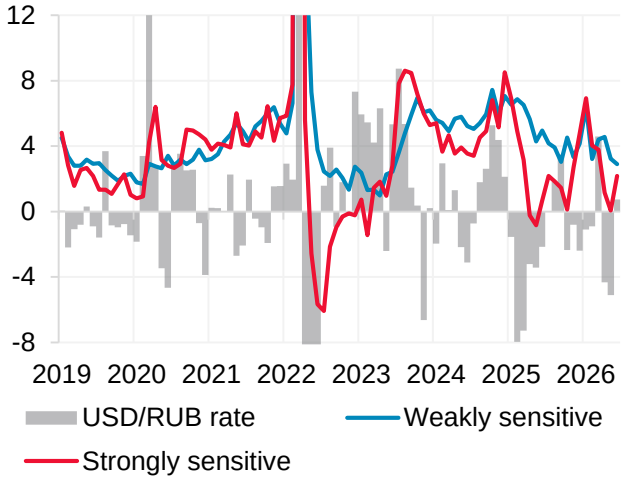
ahead of last year's levels, which is expected to help moderate price dynamics in the coming months. Price growth for CPI food items (excluding fruit and vegetables) remains subdued.

Figure 1. Seasonally adjusted price growth, % MoM SAAR



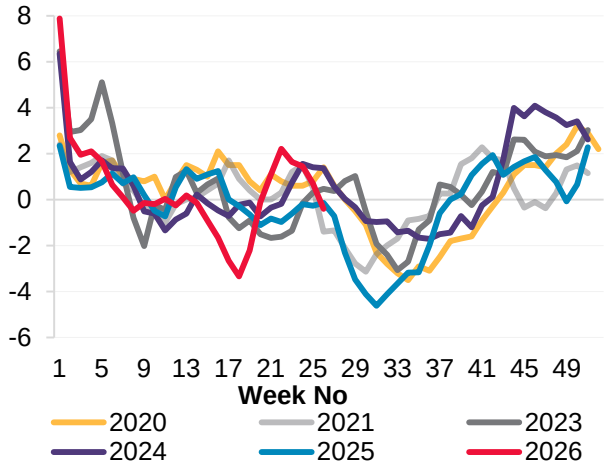
Sources: Rosstat, R&F Department calculations.

Figure 2. Median CPI values depending on sensitivity to exchange rate (% MoM SAAR) and change in the USD exchange rate (%)



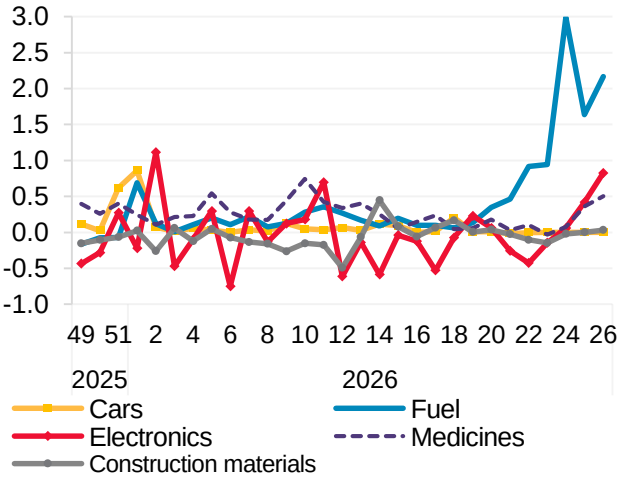
Sources: Rosstat, R&F Department calculations.

Figure 3. Growth rate of fruit and vegetable prices, % WoW



Sources: Rosstat, R&F Department calculations.

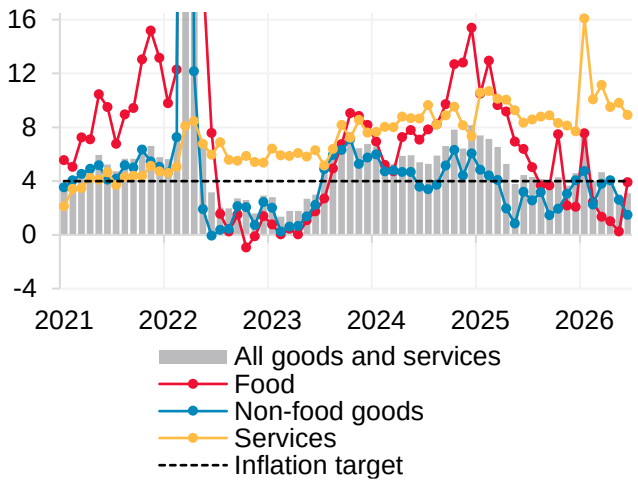
Figure 4. Growth rate of individual non-food product prices, % WoW



Sources: Rosstat, R&F Department calculations.

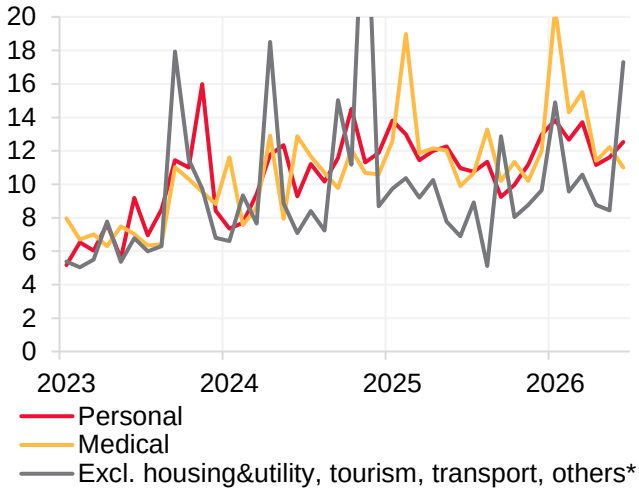
The growth rate of prices for services decreased markedly to 6.8% from 10.1% MoM SAAR in May. However, that slowdown does not yet appear sustainable. To a large extent, it reflects an unprecedented decline in domestic tourism services prices as difficulties in planning trips to seaside resorts pushed the demand lower. The median increase in services prices stabilised at an elevated level (well above the average of the second half of 2025, Figure 5). Growth in prices for unregulated services (personal and medical services) remains very high (Figure 6), indirectly signalling that underlying price pressures remain persistently high.

Figure 5. Median price growth (558 items in 2026), % in annual terms



Sources: Rosstat, R&F Department calculations.

Figure 6. Increase in price of individual services, % MoM SAAR

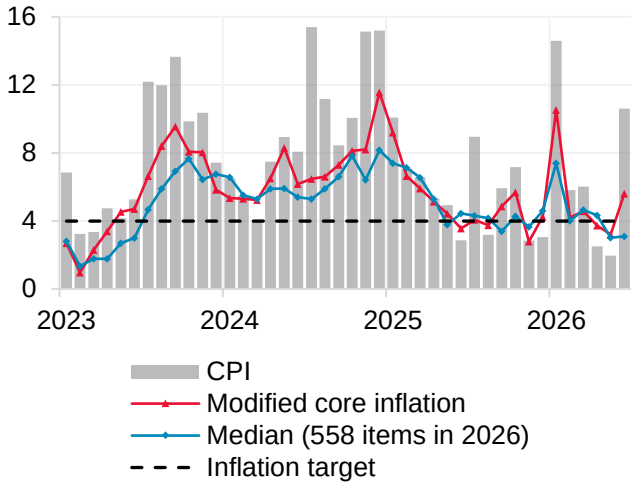


** 'Other services' are veterinary, legal, banking, insurance, physical culture and sports and intermediary services.*

Sources: Rosstat, R&F Department calculations.

Underlying inflation was up in June, albeit growing less than headline inflation (Figure 7). The average of modified core inflation measures was 5.6% in annualised terms; median price growth (unadjusted for weights of individual CPI basket components) was 3.1% in annualised terms[1]. Underlying inflation estimates are less affected by temporary and one-off factors than headline inflation, but fully eliminating the impact of these factors is technically challenging. Consequently, the significant volatility in headline inflation in the second quarter, driven by divergent factors, also fed through to underlying inflation measures.

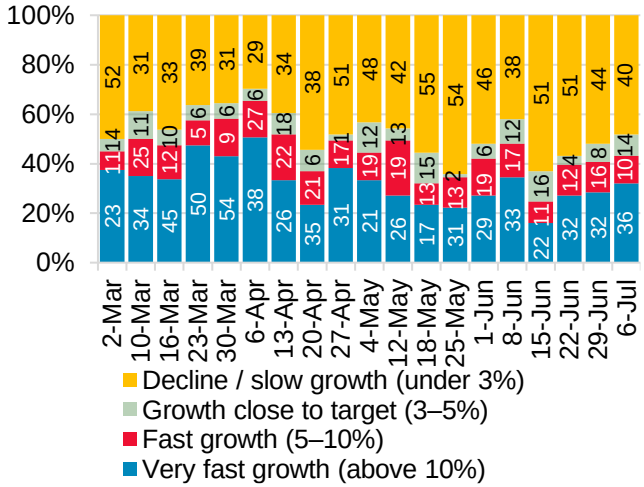
Figure 7. Core and median inflation*, % in annual terms



** The indicators are calculated based on the method of excluding the most volatile components and by the truncation method.*

Sources: Rosstat, R&F Department calculations.

Figure 8. Distribution of price indices observed on a weekly basis, % in annual terms



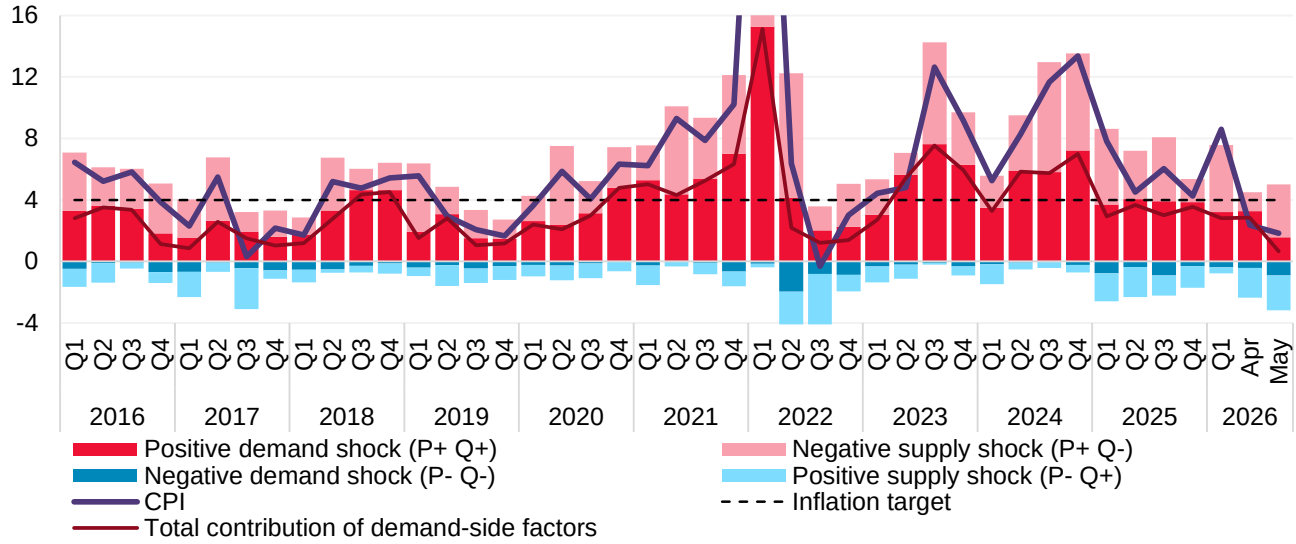
Note. The columns are shares of items, and the numbers are weights; excluding fruit and vegetables, regulated services and air tickets.

Sources: Rosstat, R&F Department calculations.

[1] The increase in the gap between core inflation and the median is due to the fact that the indicator, which strips out the most volatile components, included the dynamics of motor fuel prices, since historically their mean-square deviation was relatively low.

Our estimates show that the cumulative contribution of demand-side factors to price growth declined sharply in May (Figure 9). As with underlying inflation metrics, we attribute this to stronger volatility in the headline CPI triggered by temporary factors, as well as to the technical methods of decomposing price growth into shocks.[2] Thus, positive and negative demand shocks in the model are identified on the basis of co-movement between CPI growth and sales volumes (a shift in the aggregate demand curve along the aggregate supply curve). The decline in the contribution of demand therefore reflects the exit from that category of a solid number of food items, which continued to register a rise in demand with a decline in prices (meat products, oils, dairy products, cheese) and of services: their prices continued to grow but demand plummeted (personal, tourism and sports services). Whether this shift in the balance of demand and supply contributions to the CPI is temporary or of a more sustainable nature can only be judged once additional data are received. With only one May observation, it is premature to draw firm conclusions.

Figure 9. Decomposition* of price growth into supply and demand shocks, % on previous period SAAR



** Based on CPI and retail sales volumes in 45 categories (about 80% of the basket**), with no trend adjustment.*

*** The total contribution differs from the total CPI, since sales do not make up the entire basket.*

Sources: Rosstat, R&F Department calculations.

Overall, the influence of temporary disinflationary factors diminished markedly in June, while temporary pro-inflation factors grew sharply in importance. Given the influence of tight monetary conditions, underlying inflationary pressures fell relative to the 2025 average. That said, they likely remain above 4%, and given the persistent and notable upside skew in the balance of risks, do not exhibit a clearly downward trend. Consumer demand grew at a significantly accelerated pace in the second quarter, and public demand over the medium term may turn out higher than previously anticipated. The current state of the fuel market and its

[2] The decomposition is based on the methodology outlined in A. Shapiro (2022). Decomposing Supply and Demand Driven Inflation, Working Paper Series 2022-18, Federal Reserve Bank of San Francisco. The estimates are based on Rosstat's retail sales data, which are released with a monthly lag.

associated second-round price effects will also be important for future monetary policy decisions.

Weekly statistics, including flash data for early July, show a consistent increase in the share and weight of items showing accelerating price growth, beginning from mid-June (Figure 8). We believe that this largely reflects the gradual pass-through of higher fuel costs to end prices. For inflation to steadily decelerate to 4% and subsequently remain close to the target, monetary conditions need to remain sufficiently tight, taking into account the effect of observed price dynamics on inflation expectations.

2. Economic activity

The second quarter was marked by higher economic activity than in the first, suggesting that GDP growth in annualised terms may return. At the same time, sectoral divergence became still more pronounced, and the economy was hit by an adverse supply shock.

Expanding consumer demand continues to support output in the consumer-facing sector. Industries receiving government contracts are still growing. By contrast, dynamism is weak in investment-sector industries. Their activity is constrained by suspended refinery operations owing to unscheduled maintenance, which indirectly feeds through to oil extraction (given that it is impossible to rapidly redirect crude to export) and to traffic volumes.

In the context of significant supply shocks, actual GDP growth rates should be interpreted with utmost caution going forward. Specifically, given supply-side restrictions, potentially moderate trends in business activity in the months ahead should not be directly put down to a disinflationary impulse. It will be important to assess the impact of second-round effects on activity in other industries.

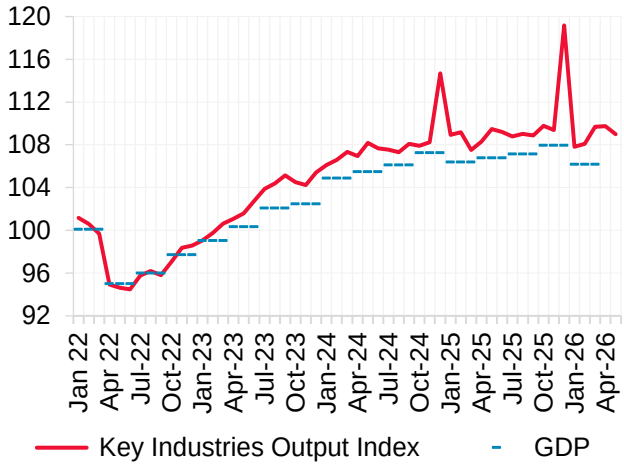
The cumulative effect of lower lending rates is supporting economic activity via faster credit growth. The Ministry of Finance's announced revision of fiscal parameters postponing the return to a structural primary deficit until 2029 implies that the expansion in credit required to bring the economy back to a balanced growth path may prove smaller than previously thought. More so, the sensitivity of credit growth to interest rate changes may have diminished, given the increased share of subsidised lending. All else being equal, the greater the distorting effect of this factor on monetary transmission, the higher level of market interest rates is needed to deliver on the inflation target.

2.1. Q2 growth is uneven

- Rosstat's flash data and surveys suggest that the level of economic activity in Q2 was above that in Q1. Sectoral divergence remains wide and even widened further, in part on the back of negative supply shocks.

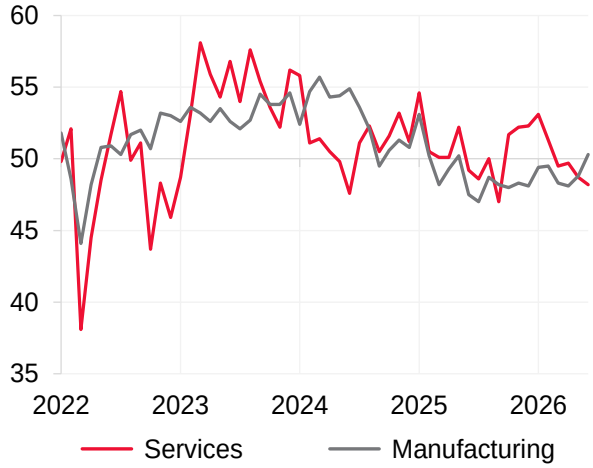
- In May, output of key sectors edged down relative to April (Figure 10). More optimistic assessments of current conditions in business surveys together with flash data suggest that economic growth continued into June (Figure 11).
- Consumer and public demand remain its key drivers. Specifically, front-loading of government procurement continued in May. A steady upward trend is in place in output of consumer-facing industries, led by pharmaceuticals. Output growth is supported by an acceleration in consumer spending after a brief pause in early 2026 (Figure 15).
- In May, the exemption was a modest slide in the consumption of paid services. This primarily reflects lower accessibility of several traditional tourist destinations, and is likely a temporary factor. Some unmet demand for tourism services may have moved to other sectors (a considerable rise in sales of non-food goods was registered). Business surveys for June and flash data suggest that strong consumption is likely to hold at the end of Q2.
- Investment demand paints a totally different picture. Fixed capital investment in Q1 continued a downward adjustment from a multiyear high (Figure 12). In investment industries, Q2 output dynamics remained mixed (Figure 14).
- A significant drag on output in key sectors in May was the rising number of unscheduled refinery outages (Figure 10, Figure 13). This reduced output of refined products, weighing on oil extraction (it is impossible to rapidly redirect crude oil to export), wholesale trade and freight turnover. In April–May, output of key sectors, excluding oil extraction, refining, wholesale trade and freight, was on average 0.6% SA above Q1.
- The labour market gave a mixed signal. In April, for the first time in a long while, real wages recorded a slight monthly decline (-0.2% MoM SA, Figure 15) in most sectors. However, the persistence of this trend is far from certain: in surveys firms have for some time reported easing labour shortages and hiring intentions. At the same time, there are no signs of abating pressure on labour utilisation; demand for labour exceeds the labour force (Figure 17). Household incomes are sustaining consumption at a high level, with the savings rate gradually edging lower.

Figure 10. Output in key industries and GDP, 2021 Q4 = 100



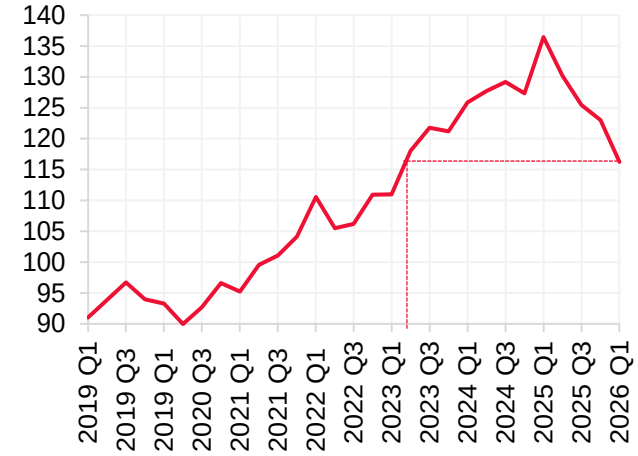
Sources: Rosstat, R&F Department calculations.

Figure 11. PMI, manufacturing and services, p



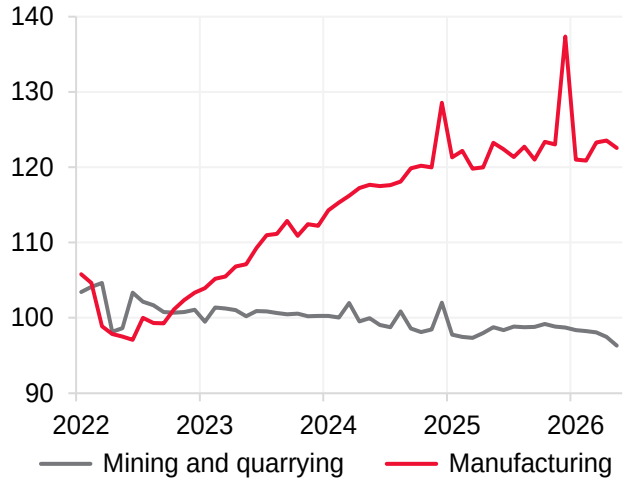
Source: S&P Global.

Figure 12. Fixed capital investment for the full range of entities, 2021 average = 100, SA



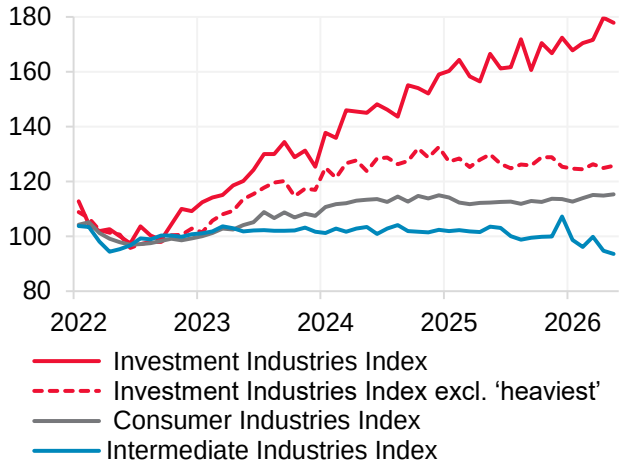
Sources: Rosstat, R&F Department calculations.

Figure 13. Output, 2021 = 100,%, SA



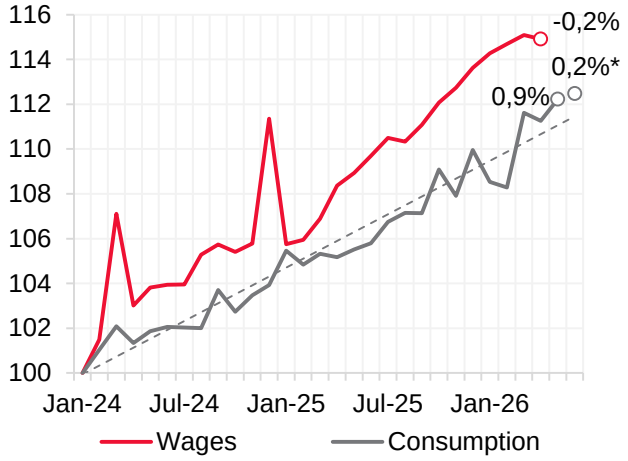
Sources: Rosstat, R&F Department calculations.

Figure 14. Manufacturing output[3], 2021 = 100,%, SA



Sources: Rosstat, R&F Department calculations.

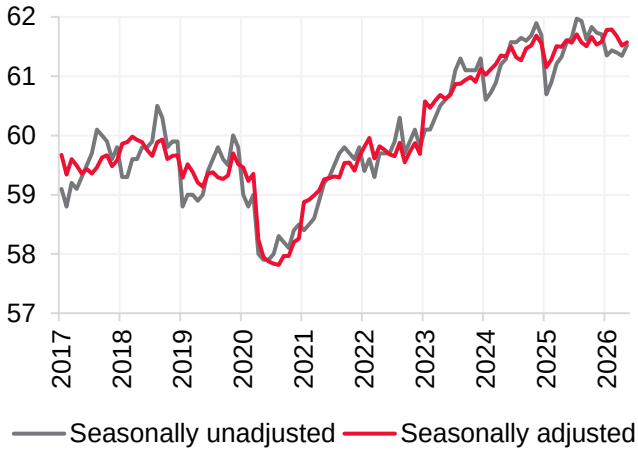
Figure 15. Real wages and household consumption, 01.2024 = 100, p, SA



** June 2026 data are Sber's MoM SA estimates.*

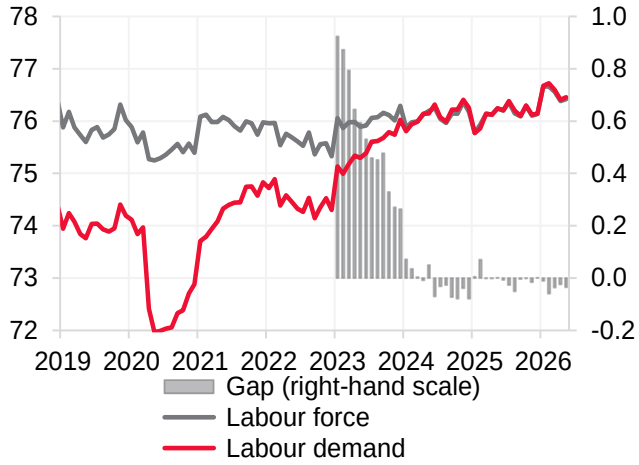
Sources: Rosstat, Sber, R&F Department calculations.

Figure 16. Employment rate, %



Sources: Rosstat, R&F Department calculations.

Figure 17. Labour supply and demand, million people SA



Sources: Rosstat, R&F Department calculations.

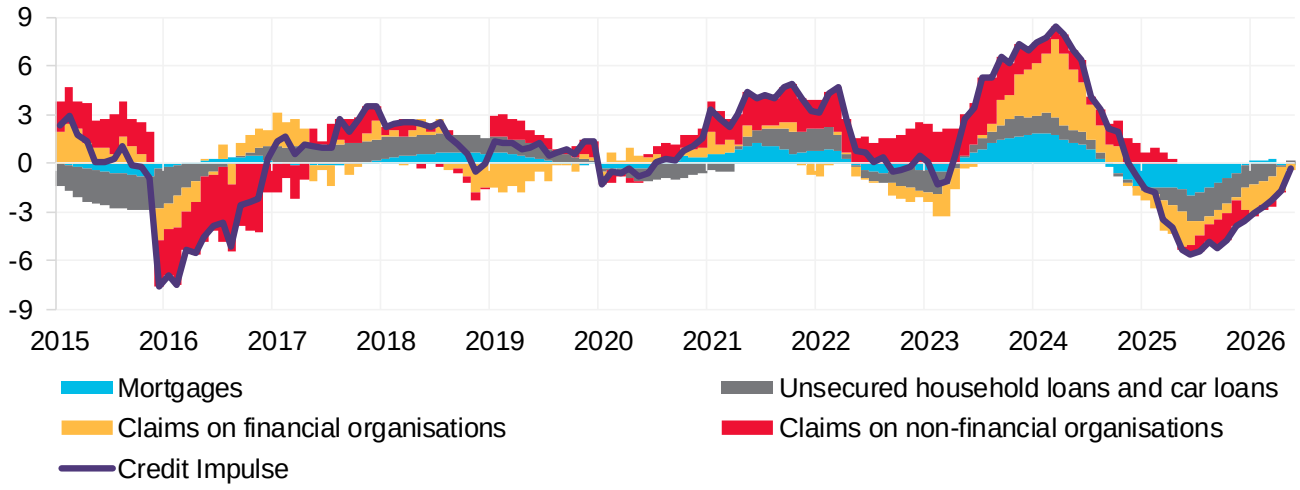
[3] The 'heaviest' investment industries are the production of finished metal products, except for that of machinery and equipment and other vehicles and equipment.

2.2. Credit impulse exits negative territory

- The cumulative increase in claims on the economy[4] year-to-date is slightly above the 2025 trajectory: it was 2.8% as of 1 June, adjusted for foreign currency revaluation (Figure 19).
- The main driver of the acceleration in claims was stronger growth in ruble-denominated corporate claims (Figure 20). In May, this growth remained well above the 2025 average (1.5% vs 0.9% MoM SA), supported by loans to state-owned companies and property developers. At the same time, a number of sectors reported slower growing loan portfolios, likely reflecting more moderate investment plans and expectations as regards output and demand.
- Retail loans in May continued to grow at a rate close to the 2025 average (0.3% vs 0.2% MoM SA), but substantially below average growth in 2016–2019, when inflation hovered around the 4% target (1.1% MoM SA). The average monthly growth of the mortgage portfolio[5] year-to-date is at an all-time low[6] of 0.6% MoM SA[7] (Figure 22). Mortgages are showing a gradual shift towards market rates (a rise in the share of unsubsidised lending: + 2pp in May, +25pp year-to-date) as rates decrease. Consumer lending grew mainly on the back of cash loans.
- According to May estimates, the credit impulse[8] exited negative territory and reached zero (Figure 18). The upward trajectory reflects the effect of the gradual reduction in the key rate. On the one hand, bringing inflation back to the 4% target is aligned with a positive credit impulse, which is consistent with sustained non-zero consumption growth matching economic potential. On the other, given the lags in transmission from recent monetary policy decisions and the recently established upside skew in the balance of price stability risks, the room for further monetary easing appears limited.
- Monetary aggregate dynamics in 2026 outpace their 2025 trajectory and remain close to the upper bound of the 2016–2019 range (Figure 21). Preliminary estimates show that money supply growth accelerated to 13.4% YoY in June from 13.0% in May, with broad money growth holding steady at 13.1% YoY (adjusted for foreign currency revaluation). The main driver of money growth in the early months was faster federal budget spending; in April–May, faster corporate credit growth came to the fore.

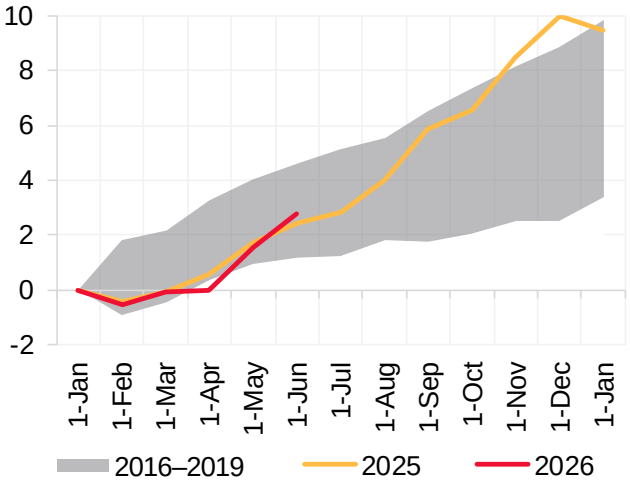
[4] This includes all the claims of the banking system (loans, bonds, bills and others) to Russian companies (financial and non-financial) and households (individuals and individual entrepreneurs).
[5] Adjusted for securitisation.
[6] Close to the lower bound of the 2016–2019 range.
[7] Net of January 2026, when the dynamics were set by increased demand for subsidised loans.
[8] A credit impulse is the ratio of growth in lending to GDP.

Figure 18. Credit impulse, % of GDP



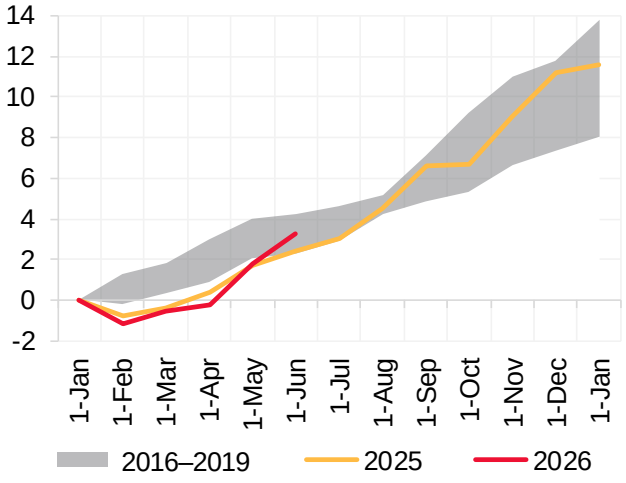
Sources: Bank of Russia, R&F Department calculations.

Figure 19. Claims on the economy, % YTD, adjusted for foreign currency revaluation



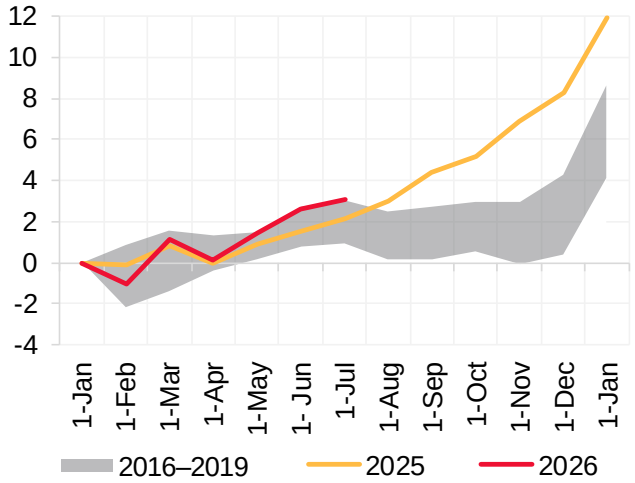
Sources: Bank of Russia, R&F Department calculations.

Figure 20. Ruble-denominated corporate claims, % YTD



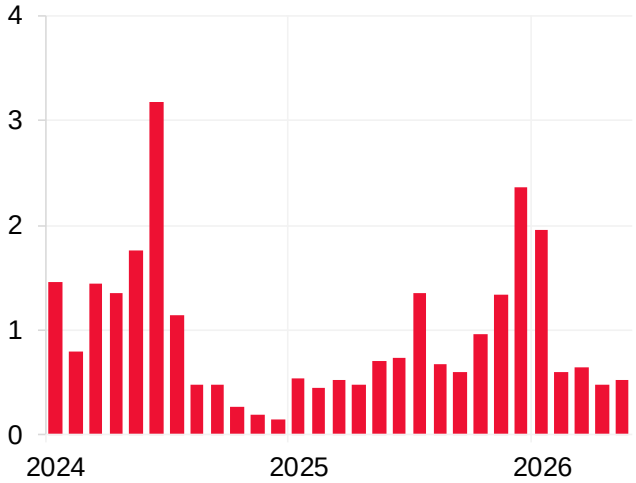
Sources: Bank of Russia, R&F Department calculations.

Figure 21. Broad money (M2X) growth adjusted for foreign currency revaluation, % YTD



Note. The estimate as of 1 July 2026 is preliminary.
Sources: Bank of Russia, R&F Department calculations.

Figure 22. Outstanding ruble-denominated housing mortgages including acquired rights of claims,[9] % MoM SA



Sources: Bank of Russia, R&F Department calculations.

3. Financial markets

Russian financial markets were marked by increased volatility between June and early July. OFZ yields rose as market expectations with regard to monetary policy were revised towards a less accommodative path. At the same time, activity of high-quality corporate borrowers remained strong. A de-escalation of the Middle East conflict in June triggered a correction in oil prices, which are nonetheless above last year's levels, together with a certain weakening of the ruble. Overall, uncertainty over the future path of external conditions remains high.

3.1. Market-implied path of the key rate moved upwards

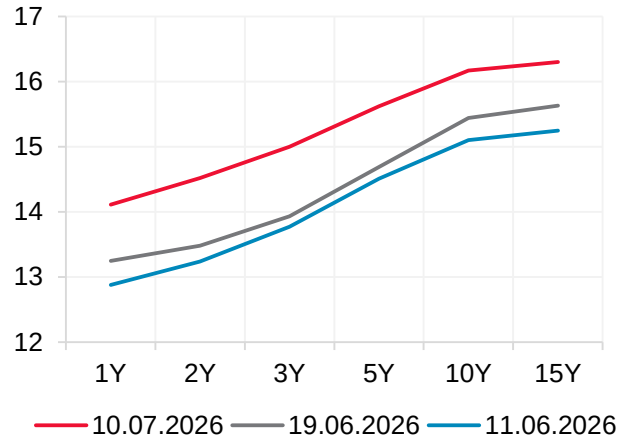
- The Bank of Russia's June decision did not fully align with investor expectations: a larger rate cut and a more dovish tone had been expected. Following the June decision, the OFZ yield curve shifted upwards by 67–107bps. (Figure 23). The most pronounced increases were in short- and medium-term OFZs of up to 5 years, while yields on long-term (10–15 years) OFZs exceeded 16% per annum.
- Investors continue to price in a gradual reduction in the key rate, expecting a rate around 13.5% or slightly higher by the end of 2026 (Figure 24). The sharp widening of the spread between 10-year OFZ yields and the key rate reflects high uncertainty over future domestic and external conditions and associated upside risks to inflation.

[9] Adjusted for securitisation.

- Companies were still active in raising funds in the public debt market, despite higher yields and widening credit spreads. In June, the volume of corporate bond and digital financial asset placements rose to ₽1.5 trillion[10] (compared with ₽1.2 trillion in May), with net placements of ₽0.8 trillion (Figure 26). Ruble-denominated floaters accounted for half of the volume, compared with no more than one-third in preceding months. Among the floaters placed, several large securitisation issues of subsidised mortgages and project financing stood out. Large non-financial companies with high credit ratings also placed floaters at moderate spreads between the key rate (around 140bps).
- In June, the average US dollar exchange rate rose to ₽73.5, and the yuan rate to ₽10.8 (compared with ₽73.0 and ₽10.7 respectively in May). Increased foreign exchange market volatility between late June and early July was linked to broader financial market pessimism as sales of foreign currency declined only modestly relative to April–May. Currencies of other friendly nations and advanced economies also depreciated against the US dollar over this period (Figure 28).
- In the US, prices grew at an accelerated rate, with annual inflation rising to 4.2% in May (the highest mark since April 2023). Investors expect the Federal Reserve to raise rates from the current 3.50–3.75% to 3.75–4.00% by end-2026 (CME FedWatch). US 10-year Treasury yields held around 4.6% between 5 June and 10 July, and the US dollar continued to strengthen.
- In June, against the backdrop of accelerating price growth, the ECB raised rates by 25bps (the policy rate totalled 2.25% per annum), with markets pricing in a further tightening by year-end. Euro area inflation totalled 2.8%, slightly below its April–May levels. German 10-year yields remained near 3.0% between 5 June and 10 July, while French yields rose to 3.8% from 3.7%.
- Sentiment across financial markets in emerging economies was mixed. Reduced tensions in the Middle East helped lower 10-year government bond yields in China and India, which have relatively closed financial markets, as well as in Mexico. In Brazil, by contrast, government bond yields rose to 14.3% from 14.2% as of 5 June as a wide fiscal deficit persisted.

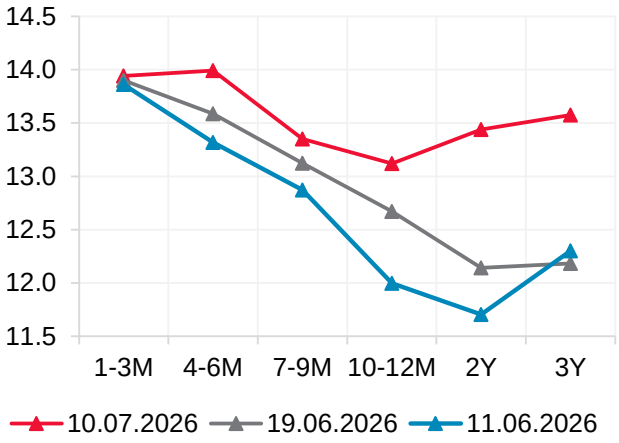
[10] The calculations are based on Cbonds data excluding replacement bonds and issues with maturity of less than 1 month. Foreign currency issues were converted using the official exchange rate of the Bank of Russia as of the date of placement and redemption.

Figure 23. OFZ zero coupon yield curve, % per annum



Source: Moscow Exchange.

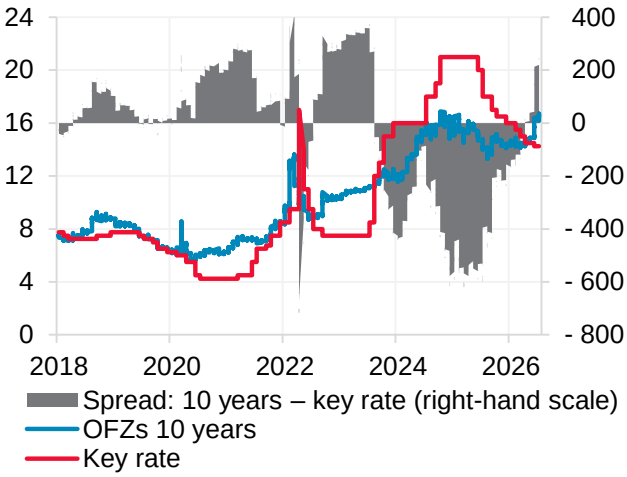
Figure 24. Expectations for Bank of Russia key rate based on interest rate swaps, % per annum



Note. Calculated at fixed interest rate swaps IRS RUB vs RUB KEYRATE adjusted for interest capitalisation and unadjusted for term premium.

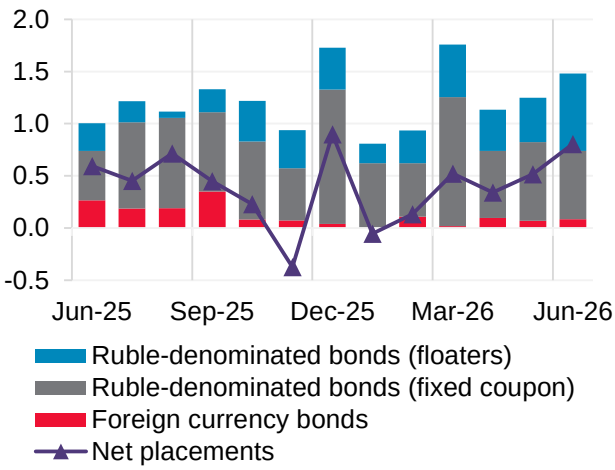
Sources: Bank of Russia, Cbonds.

Figure 25. OFZ yields (% per annum) and spread between key rate (bps)



Sources: Bank of Russia, Moscow Exchange.

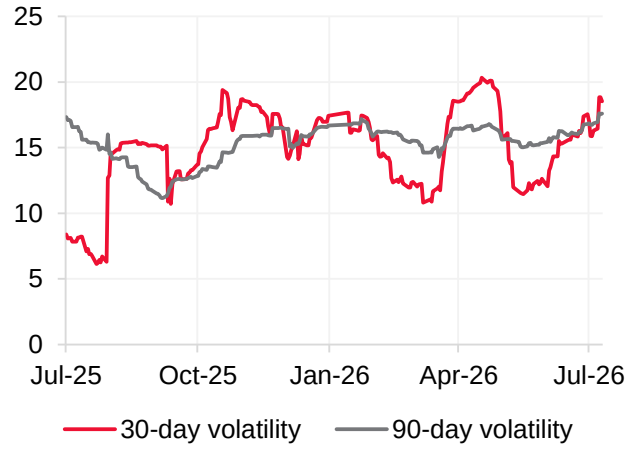
Figure 26. Primary corporate bond offerings, trillions of rubles



Note. Securities with a maturity/offer of more than 1 month were considered.

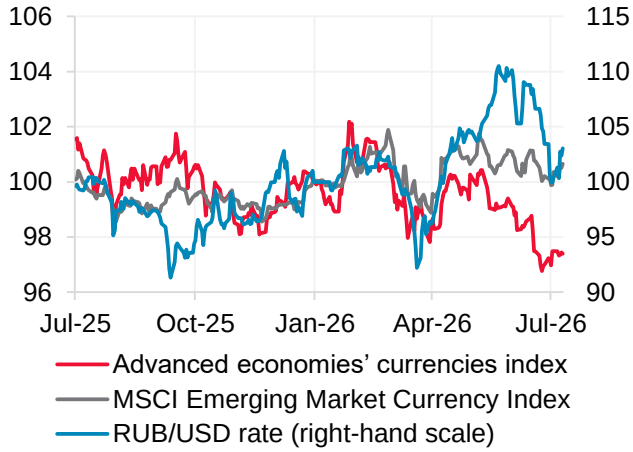
Sources: Cbonds, R&F Department calculations.

Figure 27. Volatility of USD exchange rate, %



Source: Bank of Russia.

Figure 28. Exchange rate dynamics, index (31.12.2025 = 100)



Note. The index of currencies of advanced economies is calculated as the inverse of the DXY dollar index (1/DXY); its growth suggests a strengthening of the currency, which a decline indicates depreciation.

Sources: Investing.com, R&F Department calculations.

3.2. Commodity prices ease after Middle East de-escalation

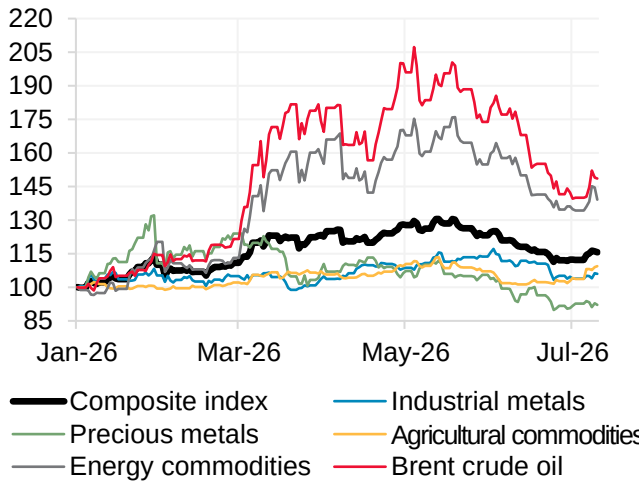
- Between 8 June and 10 July, prices for most commodities declined following the signing of a memorandum of understanding between the United States and Iran[11], though they remained above pre-conflict February levels. The Bloomberg Commodity Price Index declined 4%: energy, precious and industrial metal prices were down 12%, 7% and 5% respectively, while agricultural commodities added 7% (Figure 29).
- The composite price index for Russian commodity exports, calculated by the Gazprombank Price Index Centre[12], declined at a faster pace than global benchmarks. This reflected wider discounts on Russian crude oil and refined products relative to benchmarks following the end of the US sanctions relaxation period[13], as well as a broad-based downward correction in non-oil-and-gas export commodity prices: coal, fertilisers, wheat, precious[14] and non-ferrous metals[15]. Urals[16] fell 39% to $54 per barrel (Figure 30).
- Gulf countries significantly increased exports of oil and refined products as shipping through the Strait of Hormuz partially recovered. However, recovery has been unsteady. Brent fell 19% to $76 per barrel as rapidly rebounding supply met demand. The OPEC+

[11] The countries committed to resolving all differences by mid-August, ensuring the safe passage of ships through the Strait of Hormuz, and fully lifting the blockade of Iranian ports.
[12] Weighted by the value of exports.
[13] The US did not extend the licence for purchases of seaborne Russian oil and refined products.
[14] Gold lost 5%, and platinum and silver 7% and 12% respectively.
[15] Copper and lead were down 1% and 5%, nickel and aluminium 9% and 12% respectively.
[16] On CIF Augusta basis.

decision to raise August quotas by 0.2 million bpd may also accelerate the oil market's shift from deficit to surplus.

- Leading energy agencies revised their 2026 oil balance projections and assume a smaller deficit (0.9 million bpd), expecting OECD countries to switch to accumulation of commercial stock beginning from Q4 (Figure 31, Figure 32). The US Energy Information Administration (EIA) lowered its forecast for Brent by $13 in 2026 and by $15 in 2027, to $82 and $65 per barrel respectively.
- Natural gas prices in the key European hub (-3%) and LNG prices in Asia (-13%) came under downward pressure from Qatar's plans to accelerate LNG production recovery (Figure 33). Qatar looks to restore up to 50% of its LNG production within a month of the Strait of Hormuz returning to normal, and up to 80% within two months. European gas price declines were tempered by higher consumption owing to hot weather as storage levels were relatively low (Figure 34). To refill subsurface reservoirs, European countries may continue to import more Russian gas than last year.
- Of non-ferrous metals, aluminium and nickel prices showed the strongest decline. Aluminium prices fell on resumption of supply from Middle Eastern countries, while nickel prices came under pressure from Indonesia's decision to raise production quotas in the second half of the year.
- Demand for Russian wheat was up in June, as buyers from the Middle East, Latin America and Africa ramped up purchases. Russia is potentially poised to consolidate its position as the largest grain exporter thanks to improved crop forecasts and favourable weather.

Figure 29. Bloomberg commodity and metal price indices (01.01.2026 = 100)

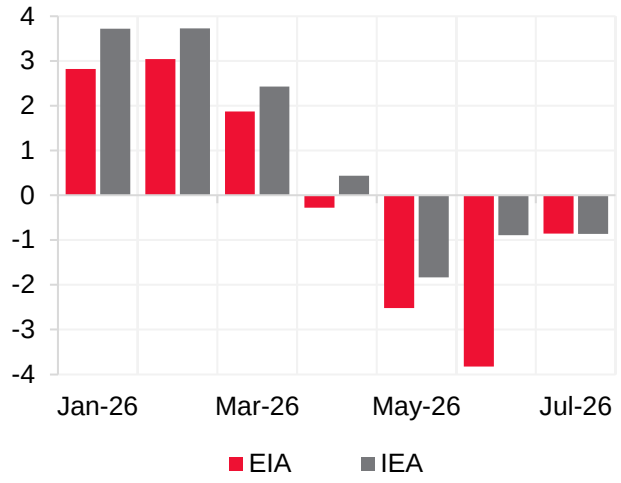


Sources: Investing.com, Bloomberg, R&F Department calculations.

Figure 30. Urals, USD per barrel

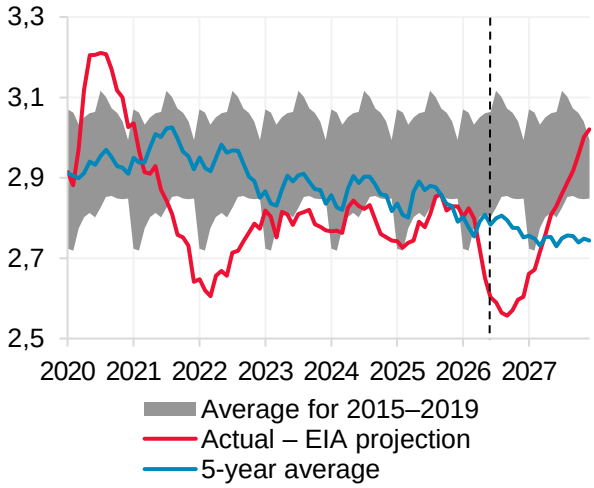
Sources: Investing.com, R&F Department calculations.

Figure 31. Estimated liquid hydrocarbon balance as of 2026, million bpd



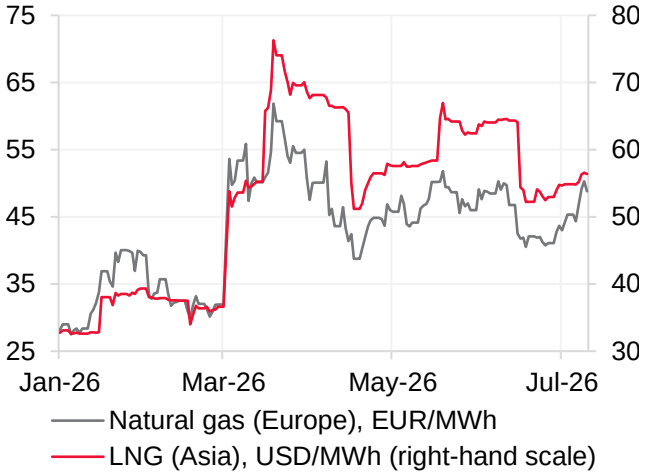
Sources: EIA, IEA, R&F Department calculations.

Figure 32. Commercial oil inventories and petroleum product inventories in OECD, billion barrels



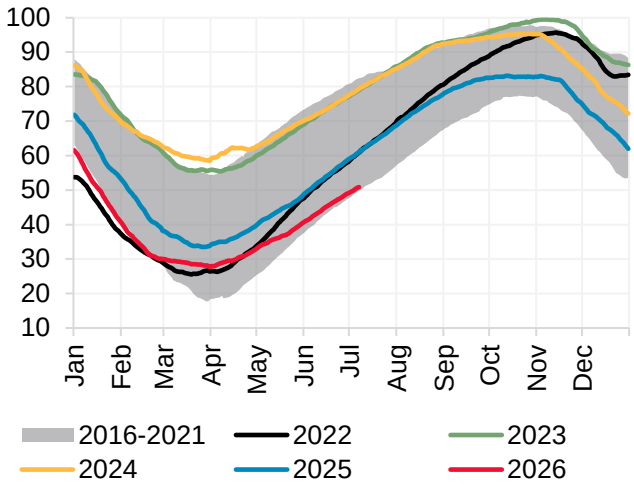
Sources: EIA, R&F Department calculations.

Figure 33. Price for natural gas in Europe and for LNG in Asia



Sources: Investing.com, R&F Department calculations.

Figure 34. Natural gas reserves in Europe's subsurface reservoirs, bcm



Sources: Bruegel, R&F Department calculations.

Alexander Morozov, Director

Artur Akhmetov

Dmitry Chernyadyev

Maria Kharlamova

Anastasia Khazhgerieva

Yana Kovalenko

Tatyana Kuzmina

Aleksandra Moskaleva

Oskar Mukhametov

Sofia Myakisheva

Maksim Nevalenni

Yekaterina Petreneva

Aleksey Porshakov

Bella Rabinovich

Arina Sapova

Marina Starodubtseva

Alexandra Sterkhova

Yulia Ushakova

Kristina Virovets

Sergey Vlasov