GoldSquawk

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Russian strikes squeeze fuels faster than they disrupt crude exports

GoldSquawk Research

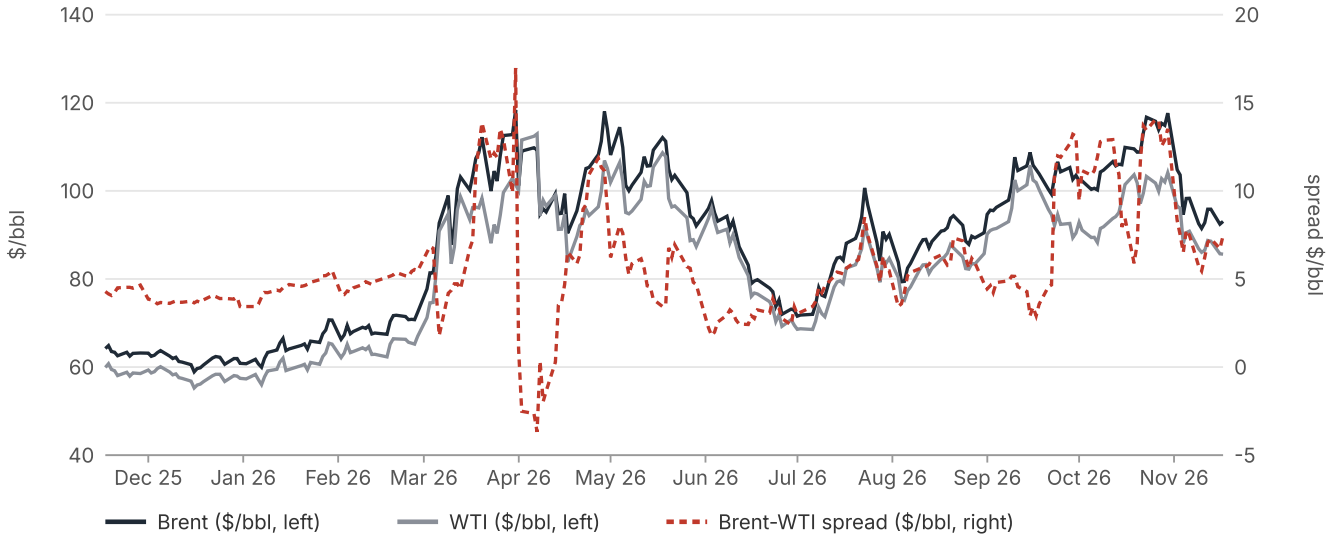
Key takeaways

- Russia's refining system has taken a material hit: the IEA says installed capacity is about 6.5 mb/d across 32 major refineries, while June 2026 throughput fell to 3.8 mb/d, the lowest in more than 20 years and around 30% below a year earlier; gasoline output was down 20% versus 2025 and diesel down nearly 30%.[1]
- Domestic fuel stress is the clearest effect. Lower output prompted export restrictions, while Russia also turned to imports: seaborne oil-product imports reached 234,000 tonnes in September 2026 versus an average of just 9,000 tonnes per month between January 2022 and June 2026.[1,2]
- Crude exports have been more resilient because lower refinery runs reduce domestic crude demand. The IEA said repeated refinery attacks cut domestic use and lifted crude shipments, while S&P Global reported July 2026 seaborne crude exports at 4.321 mb/d, the second-highest monthly reading of 2026.[3,4]
- Product exports are the nuance. S&P Global said July 2026 product exports fell to 1.18 mb/d from 1.51 mb/d in June, the lowest in its series since 2016, but CREA later recorded a 24% m/m recovery in October port loadings, albeit still 38% below October 2025.[5,3]
- For the wider oil market, the transmission runs more through products than crude. EIA says Russia's refinery disruptions worsened already-tight diesel balances, while the IEA said disruptions and a near-halt to product exports compounded global product tightness.[6,7]

Refinery damage has translated directly into fuel-market stress

- The strike campaign has become broad and deep. The IEA says a Russian refinery was hit on average once every three days in the first eight months of 2026, and by late August only five major refineries remained untouched; all were in eastern Siberia or the far east.[1]
- The operational damage is visible in runs and output. June 2026 refinery throughput fell to 3.8 mb/d, the lowest in more than two decades, while EIA estimates refinery crude inputs fell by 0.6 mb/d in 2Q26 and a further 0.8 mb/d in 3Q26 because of increased attacks.[1,6]
- Fuel balances tightened sharply. The IEA says gasoline output was down 20% versus 2025 and diesel down nearly 30%, prompting the government to restrict fuel exports to protect domestic supplies.[1]
- Russia has had to defend the domestic market with exceptional measures. S&P says a diesel export ban ran from 8-31 July 2026 and was later extended until January 2027 with some exemptions, while CREA recorded seaborne oil-product imports of 234,000 tonnes in September 2026, the second-highest monthly volume since January 2022 versus a pre-disruption average of 9,000 tonnes per month.[2,3]

Figure 1: Brent retains a premium as product and logistics risks stay in focus

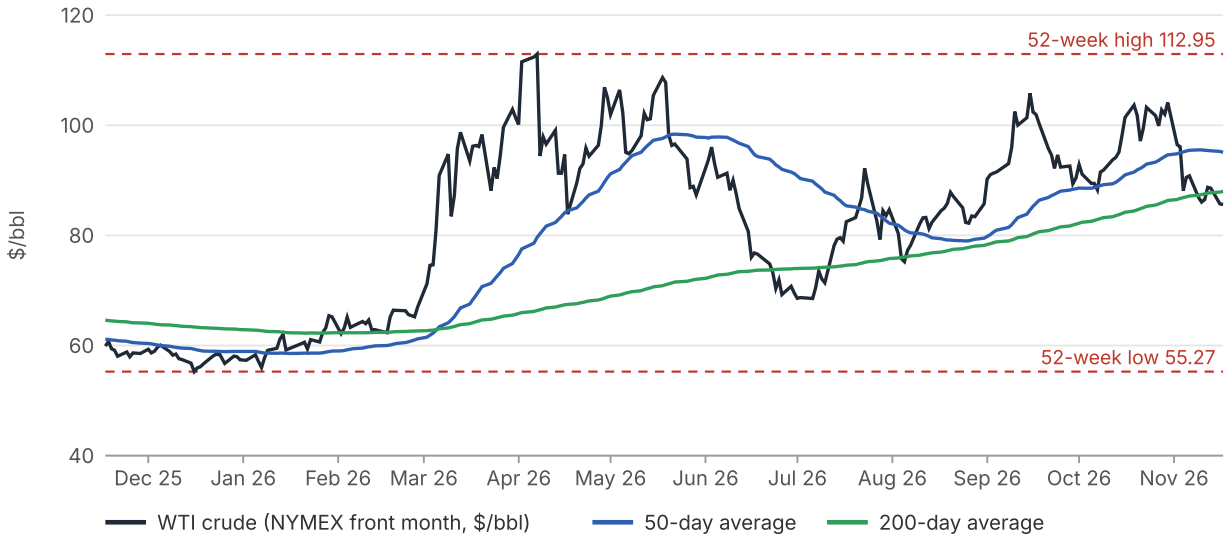


Source: ICE Brent and NYMEX WTI front-month futures via Yahoo Finance; GoldSquawk calculations, as of 17 November 2026.

Why crude exports held up better than products

- The core mechanism is simple: less refining means less domestic crude demand and more crude available for export. The IEA stated in May 2026 that repeated attacks on refineries cut domestic use and led to higher crude shipments.[4]
- That mechanism showed up in flows. S&P Global said July 2026 seaborne crude exports were 4.321 mb/d, down m/m but still up 26% y/y and the second-highest monthly reading in 2026.[3]
- Export resilience has been supported by redirected trade and shipping capacity. EIA says Russian crude and condensate exports averaged 5.0 mb/d in 2020-2024 and were still 4.3 mb/d in 1H25, with China taking 2.0 mb/d and India 1.6 mb/d in 1H25.[8]
- Revenue held up as well. CREA says October 2026 crude export revenues rose 19% m/m to EUR 449 mn/day, the highest since June 2022, while seaborne crude export revenues rose 23% m/m to EUR 352 mn/day.[5]

Figure 2: WTI remains below its 50-day and 200-day averages after a sharp one-month fall



Source: NYMEX WTI crude futures daily closes via Yahoo Finance; GoldSquawk calculations, as of 17 November 2026.

Product exports are not resilient outright, but selective and policy-managed

- The product side is weaker than the crude side. S&P says July 2026 product exports fell to 1.18 mb/d from 1.51 mb/d in June, the lowest since its series began in 2016.[3]
- CREA's port data show the same broad message. September 2026 oil-product loadings fell 12% m/m and were around half their September 2025 level; October then saw a 24% m/m rebound, but loadings were still 38% below October 2025.[2,5]
- This means the export story is best described as volatile rather than uniformly resilient. CREA also reported diesel loaded at Russian ports rose fourfold m/m in October 2026 despite the continued export ban with exemptions, suggesting selective flows were preserved even amid tight domestic balances.[5]
- The paradox therefore holds most strongly when attacks hit refining harder than export chokepoints. The IEA said strikes were increasingly targeting export infrastructure as well as refineries, while CREA noted Tuapse had loaded no oil products since August after sustained attacks, showing how the picture could change if export nodes are hit more persistently.[5,9]

Scenarios

- **Supportive case:** Refinery repairs lag new attacks, domestic fuel protection remains the priority, and Russia continues to divert unprocessed crude into export channels. In this setup, crude availability stays comparatively resilient while product balances, especially diesel, remain tighter.[1,6,4,7]
- **Pressure case:** Ukraine sustains attacks on export terminals, storage and loading infrastructure rather than mainly refining units. That would weaken the current asymmetry by disrupting Russia's crude evacuation system as well as its refining complex.[5,9,10]
- **Stabilisation case:** Partial refinery restarts, import inflows and policy exemptions improve domestic fuel availability, while product exports recover selectively from depressed levels. That would reduce the most acute domestic stress without fully restoring pre-strike refining performance.[2,5,3]

Levels to watch

- WTI last close: $85.61/bbl
- WTI 200-day moving average: $88.00/bbl
- WTI 50-day moving average: $95.10/bbl
- Brent-WTI spread: +$7.46/bbl
- WTI 52-week range: $55.27-$112.95/bbl

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Glossary

Damper mechanism: A Russian subsidy system that compensates refiners when export product prices exceed domestic fuel prices, used to help preserve local fuel supply.[2]

Middle distillates: Refined oil products such as diesel and gasoil, which are important for transport, industry and heating.[5][11]

Seaborne loadings: Volumes of crude or products loaded onto tankers at ports for export or domestic shipment.[3][4]

Shadow fleet: Tankers used to move Russian-origin oil outside mainstream shipping channels; S&P says these vessels represented about 22% of the global fleet in its estimate.[4][6]

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