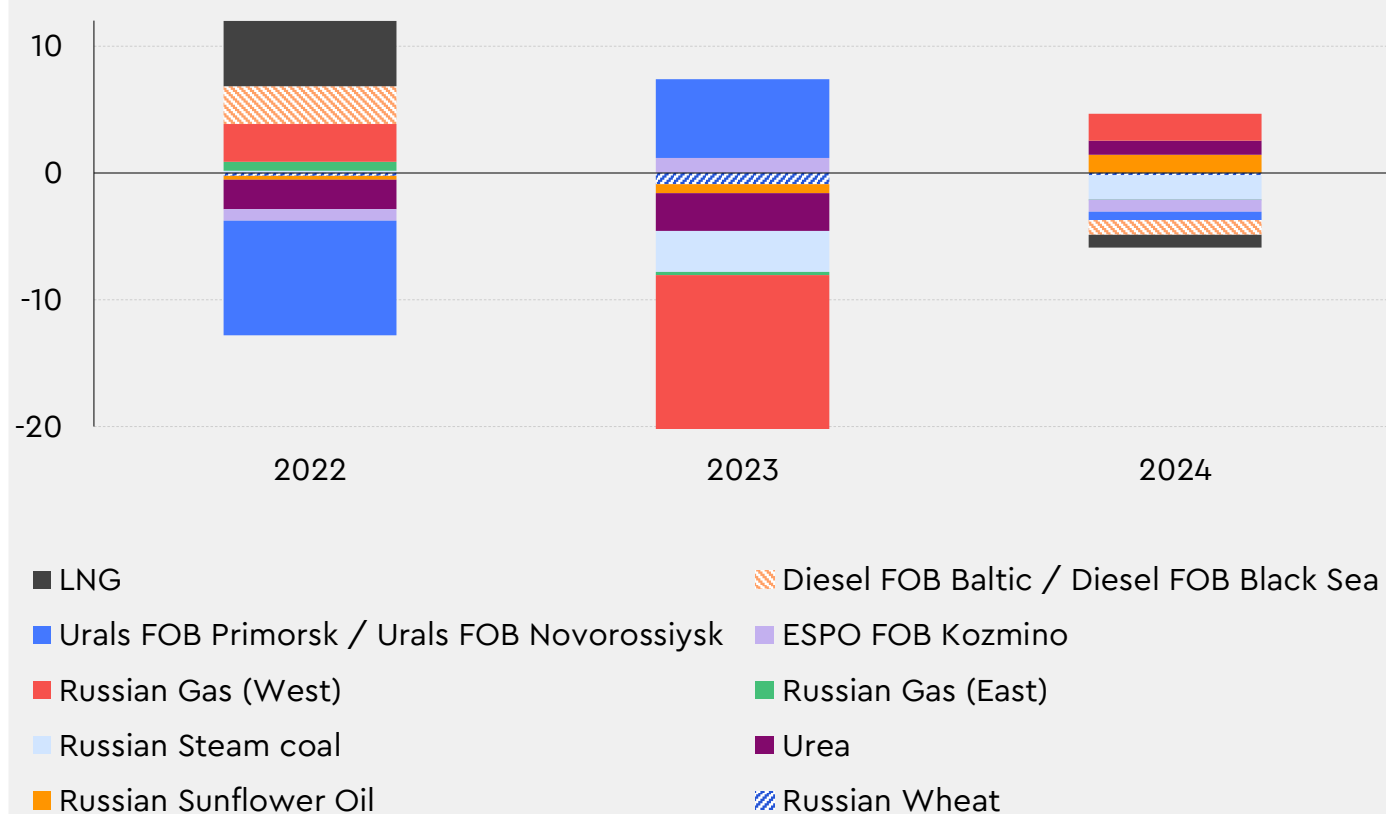


Sunflower oil — the only oil driving export prices in 2024

- In 2024 PBC Commodity Price Index decreased by 2%.
- In 2024 commodity prices were falling due to weak demand in the global economy. The export price of Russian oil in 2024 decreased by 3%, but has shown better dynamics than global benchmarks. Urals and ESPO discounts in 2024 had narrowed by 2 USD/bbl. For the first time since 2022 ESPO was traded at a premium to Dubai.
- In 2024 coal prices increased at Russia's western ports and decreased at Russia's eastern ports. A decline in transportation costs led to alignment of prices on eastern and western directions of export. In 2024 the price of Russian coal (CFR China) decreased by 19%. China coal stocks remain record high, leaving no chance to price recovery in 2025.
- Over 2024 Russia had seen a significant increase in the price of sunflower oil (+42%) due to the increased demand in India.
- The continued shortage of LNG on the global market and uncertainty regarding gas supplies to Europe supported prices for Russian gas (+6%).
- Urea prices increased by 20% in 2024 due to the rise in gas prices, the lack of exports from China and production interruptions of other major exporters.

Graph. 1 Contributions to PBC Commodity Price Index, %

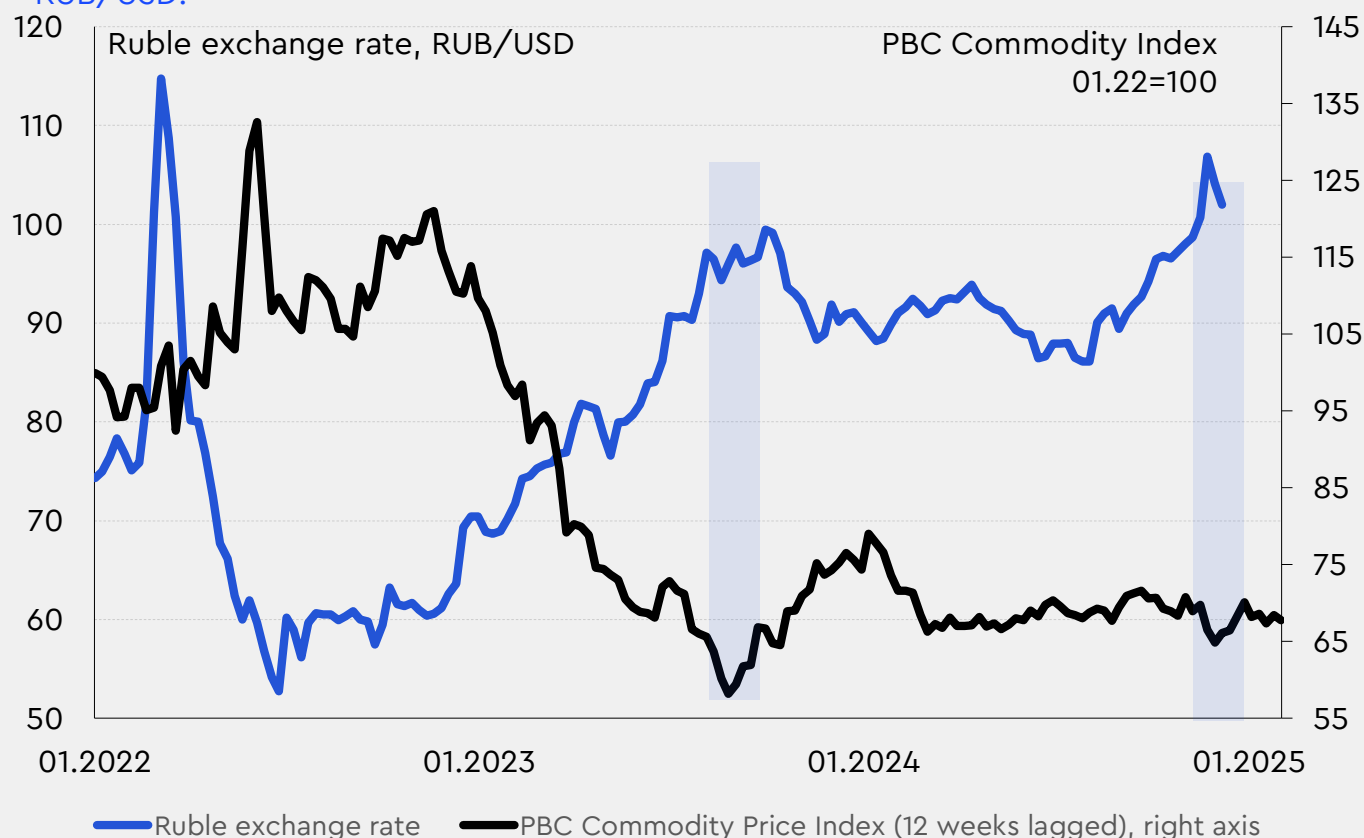


Source: PBC

Russian currency market is searching for equilibrium

- Daria Tarasenko, Senior Analyst, Gazprombank: «The ruble exchange rate weakened by 12% in 2024.
- Commodity prices remain a significant indicator for Russian ruble exchange rate. Periods when PBC Commodity Price Index significantly decreased translated to Russian ruble depreciation with a lag of 2-3 months. For example, in September 2024 the Index reached minimum levels since the beginning of 2024. The decline of export prices during this period caused the weakening of the Russian currency in November-December 2024.
- From the point of view of fundamental factors, in the first quarter of 2025 the ruble exchange rate should have strengthened to 95-97 RUB/USD due to the recovery of commodity prices at the end of 2024.
- However, due to new restrictions from «unfriendly states», the availability of foreign exchange liquidity in the domestic foreign exchange market remains subdued. With no robust financial infrastructure, the ruble will remain extremely volatile, and the fragmentation of the currency market will remain at a high level».

Graph. 2 PBC Commodity Price Index correspond to exchange rate levels of 95 RUB/USD.



Source: PBC



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