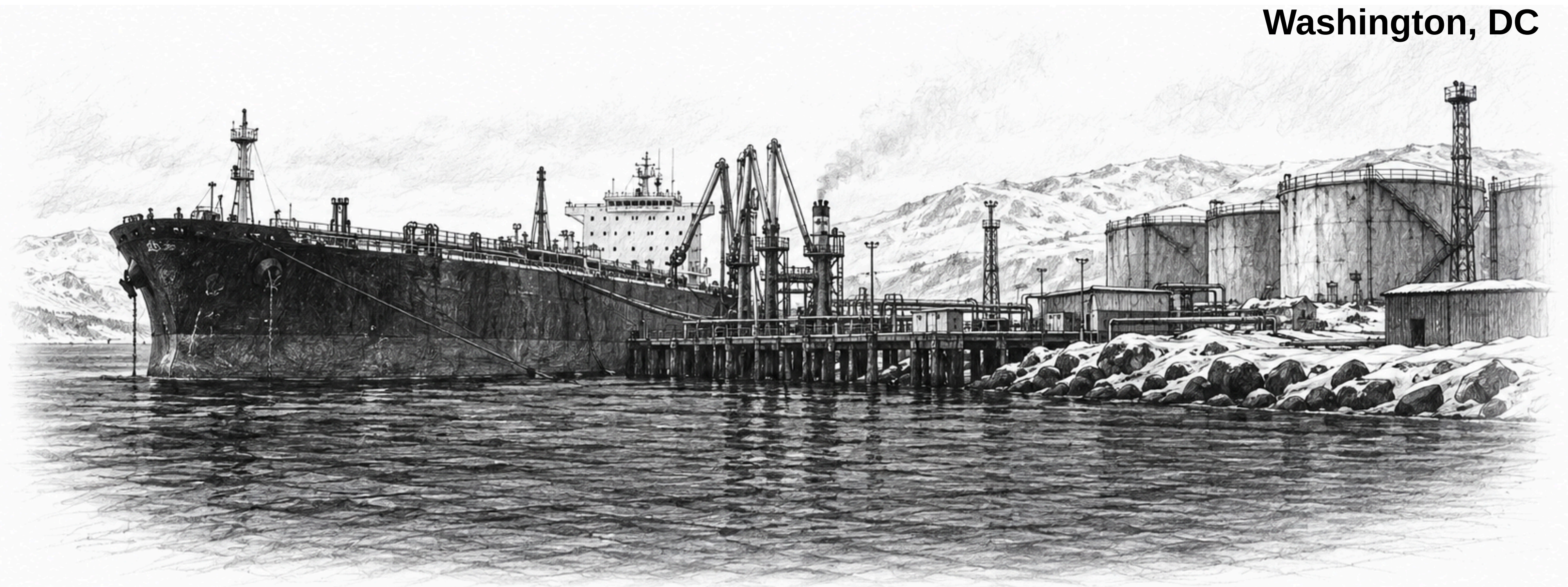


Chart of the Week #2026-36

Russian Diesel for America: A Deal on Paper



Matthew Sawoski
October 20, 2026
Washington, DC



Russia promised diesel it doesn't have

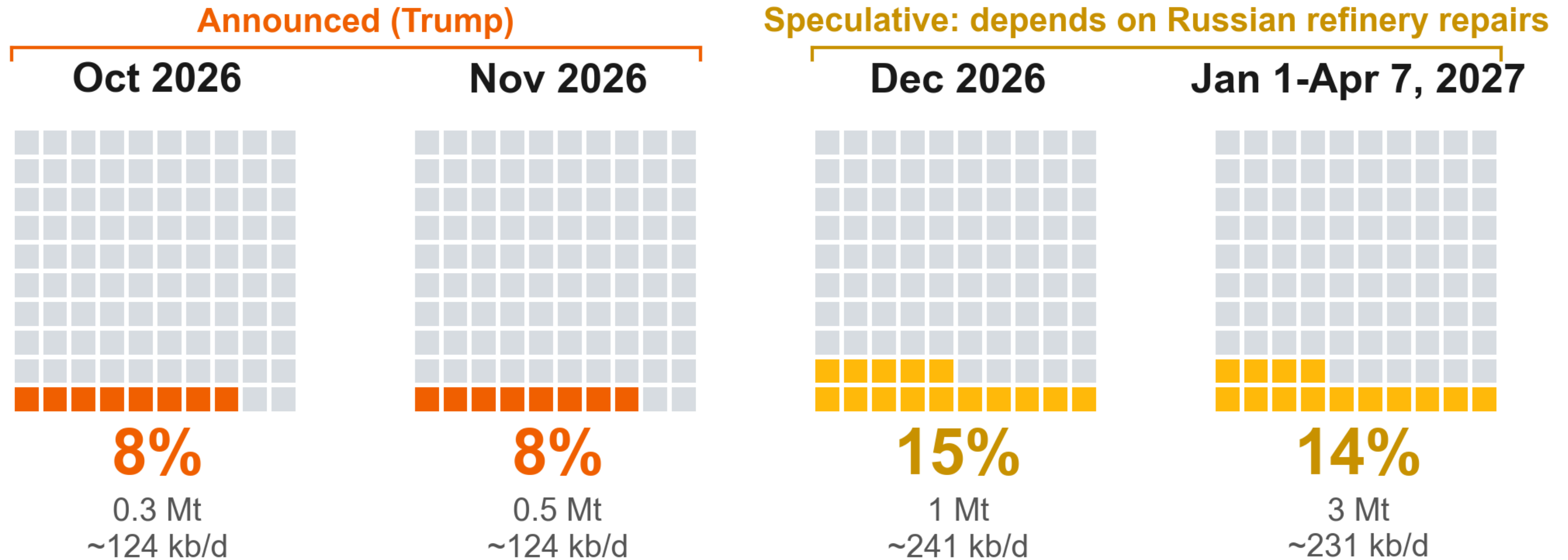
Diesel available to export = refinery diesel output minus Russian domestic demand



Source: Kpler data (via M. Brouhard, Kpler, Oct 11, 2026); EPRINC calculations. Exports = seaborne diesel exports (~260 kb/d in Oct); share exported = median of monthly exports / diesel available to export, Jan 2024-Oct 2026. Needed = Oct exports held flat plus announced volumes (~124 kb/d Oct-Nov, ~249 kb/d at 1 Mt/month). Shortfall measured from Oct diesel available to export.

Even if Russia delivered every promised barrel, it fills at most ~15% of the gap

Grey is the rest of the ~1.6 mb/d global diesel deficit



Deficit: IEA (Sep 2026), held constant. Oct-Nov volumes as announced (Trump, Oct 9); Dec 1 Mt per Deputy PM Novak, depending on refinery repairs; the additional 3 Mt "within a short period" assumed spread evenly Jan 1 to Apr 7, 2027, when the U.S. sanctions waiver (OFAC GL 135) expires. Oct counts 18 days (from Oct 13). Best case: every barrel delivered as new supply, not diverted from existing buyers. 7.46 bbl/t. EPRINC calculations.

At best, Russia's diesel takes back ~34 cents of a \$2.72 run-up



Prices: EIA weekly U.S. retail diesel, through Oct 12, 2026. Price effect assumes a demand elasticity of 0.1 (shaded: 0.05-0.2) against ~28 mb/d of global diesel demand. 100% = all 4.8 Mt announced, delivered Oct 13-Apr 7 (~203 kb/d); the Oct-Nov volumes arrive at ~124 kb/d. Relief lasts only while barrels flow. Best case: new supply, no refinery response. Shaded segment not to time scale. EPRINC calculations.

Russia's military would get ~\$0.5 billion: about one day of its war

Value of the diesel sales



All announced volumes at market price

Russia's tax take



About 18% of sales

Reaches Russia's military



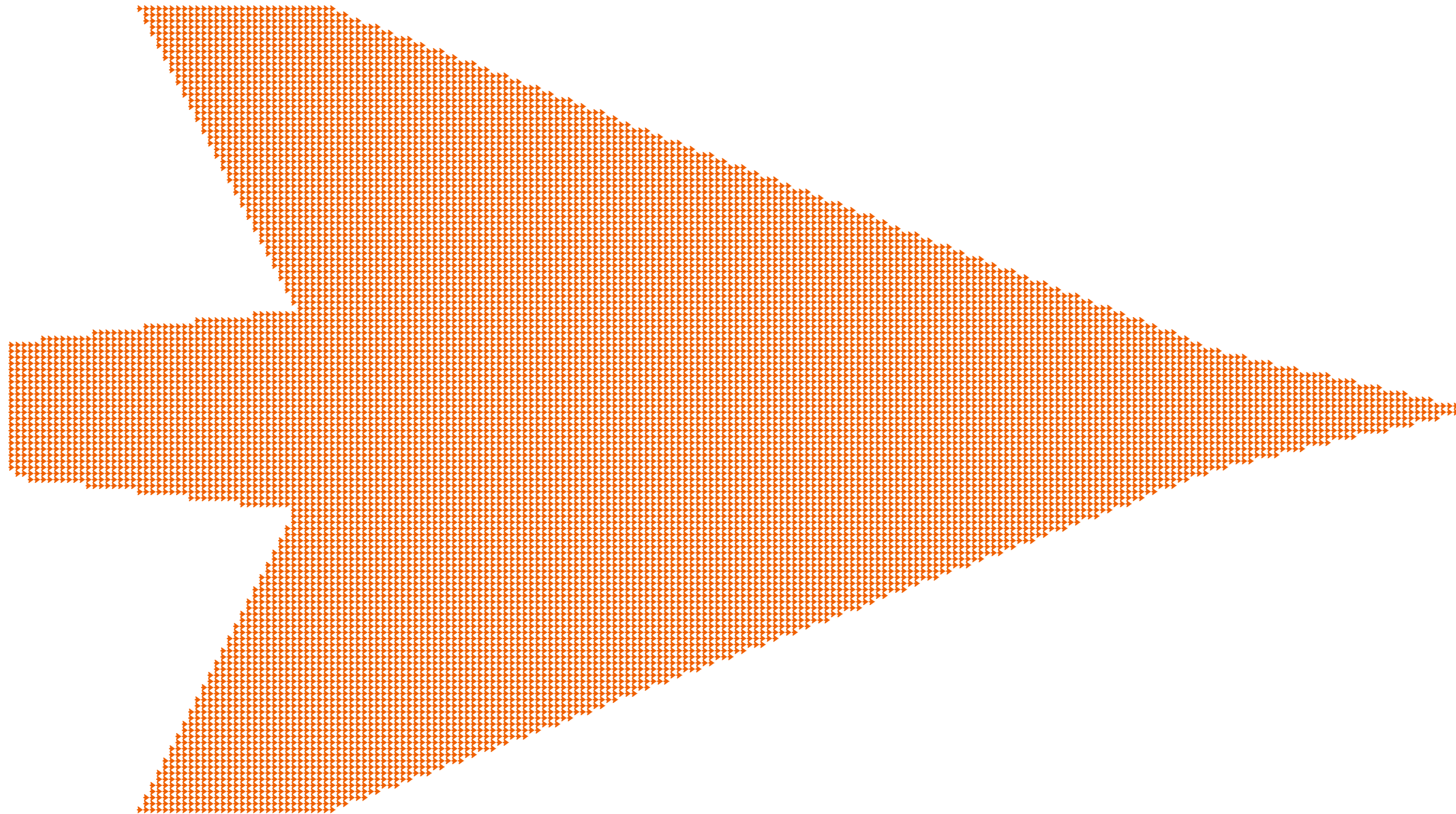
About 39% of the tax take

~1 day
of Russia's
war spending

Sales: 4.8 Mt at ~\$193/bbl (ICE gasoil). Tax take: EPRINC estimate from Russian Ministry of Finance data (range \$0.9-1.7B). Military share: 35%-43% of 2026 federal spending (SIPRI; J. Kluge, SWP). \$0.50B is ~0.9 days of Russia's 2026 military spending (~17 trillion rubles, ~\$582M/day; Bloomberg). Range \$0.3-0.7B. EPRINC calculations.

~\$0.5 billion for Russia's military buys ~14,000 Shahed attack drones

Each ➤ symbol is one of the 14,000 drones



Each symbol = one Shahed-type attack drone. ~\$0.5B = EPRINC central estimate of the deal's value reaching Russia's military (range \$0.3-0.7B, or ~9,000-20,000 drones). Drone cost ~\$35,000 each (CSIS). A purchasing-power comparison, not actual procurement.