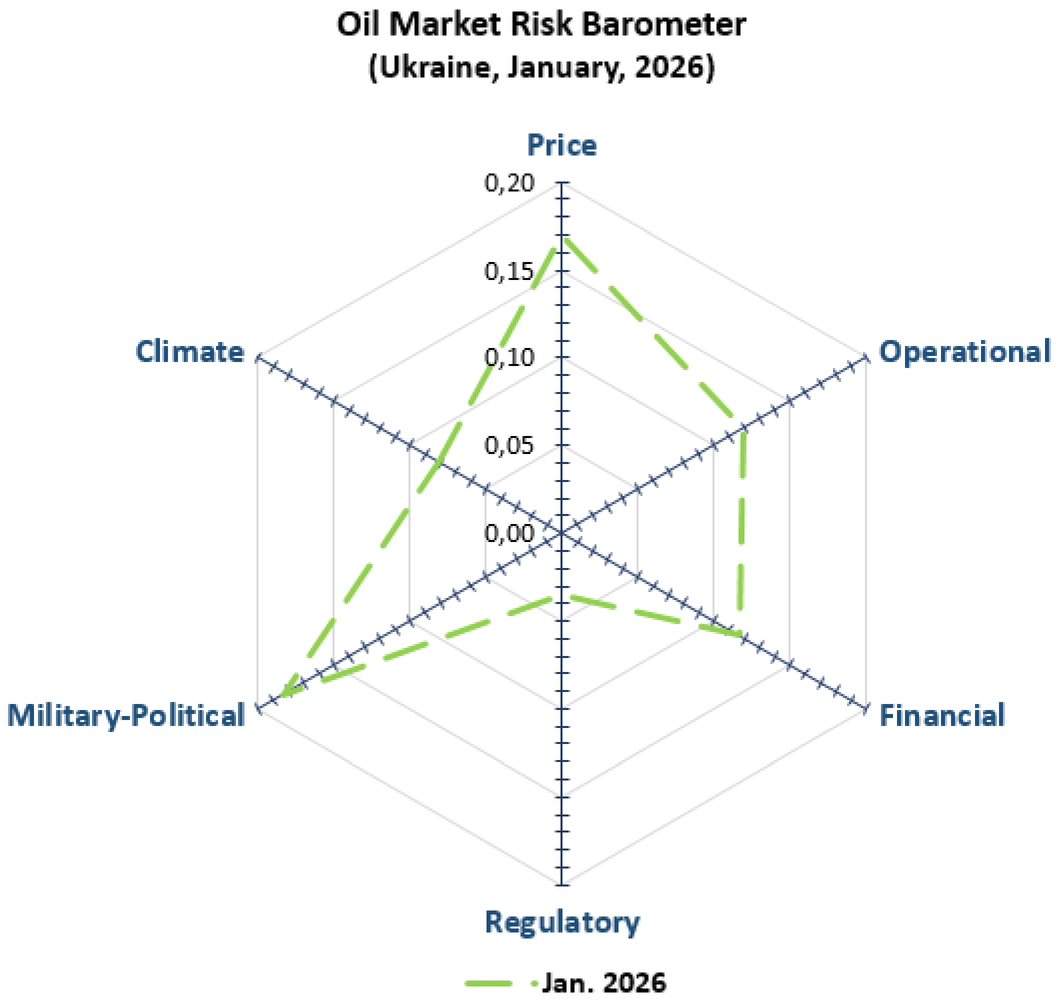
Oil Market Risk Navigator for Ukraine

Operational, Geopolitical & Margin Exposure Index

- *Assessing not just risks but values and margin management*
- *Assessment as of 01/30/2026*



Risks Summary

1. Military-political risks

- **Forecast: critically high**
- **Time horizon: short- and medium-term**

The market is no longer in a “shock” mode, but in a chronic risk mode. Regular military strikes on energy, ports and transport infrastructure no longer stop the market, but constantly factor a risk premium into the price.

Special attention

- high risks persist at least until the end of winter
- situational easing in March is possible, but not risk removal
- the market works through adaptation, not stability

Production planning should take into account possible additional operating costs in the event of military strikes. If a decision is made to suspend operation, the costs of resuming production and returning to the market will be higher than the temporary operating costs of repairing the damage.

2. Operational risks

- **Forecast: increasing**
- **Time horizon: short-term**

Operational risks today is not about personnel or raw materials.
It is about access to energy, fuel, high logistics throughput capacity

Special attention

- electricity imports from the EU are operating at the limit
- fuel price increase is without alternatives
- the launch of stalled enterprises depends not on the market, but on technical conditions

Margins are lost not so much on oil price fluctuations, but on production cycle failures.

3. Climate risks

- **Forecast: High**
- **Time horizon: Current time**

Winter 2026 is not an agricultural risk, but an industrial one.
Temperature fluctuations create problems with technological regimes, storage and production resumption.

Special attention

- the average air temperature in February is expected to range from -20 to -3 C∘ at night and from 0 to +3 C∘ during the day
- risks for plant start-up and stable operation
- delays = loss of contract pace

The weather affects now exports not less than logistics.

4. Market risks of domestic demand

- **Forecast: medium–high**
- **Time horizon: short-medium terms**

Rising oil prices for both exports and domestic market. This may cause a partial decrease in domestic consumption

Special attention

- risk of retail sales falling
- reduced consumption as price increases
- pressure on processors from the domestic market

The market may gain from exports and lose from domestic sales. On a national scale, the share of domestic consumption is insignificant (up to 5%), so for a large producer the reduction in domestic demand is almost imperceptible. The impact of this factor can be significant for a regional small producer focused on satisfying local retail consumption.

5. Price Uncertainty

- **Forecast: Systemic**
- **Time Horizon: Permanent**

Oil prices are driven primarily by global fundamentals, but volatility is increasing from threats from various forms of regulation, expectations and rumors. Seed prices mainly depend on internal factors and regional characteristics (stable operation and competition among processing enterprises, logistics, currency factor, etc.).

Special attention

- high volatility
- poor predictability
- the decision to “wait” is often more expensive than the decision to “fix”

The biggest risk is the lack of timing of oil sales and oilseed purchases, a greater impact on margins than the absolute price level

General conclusion at the beginning of 2026

- risks will not disappear
- there will be no stability
- those will win, who calculate and manage, not react