



## Energy shock: Dashboard 2026 vs. 2022



Will the same causes produce the same effects? In other words, will the outbreak of the war in Iran and the resulting surge in oil and gas prices lead to a comparable inflationary shock to the one seen in 2022? Will their negative effects on growth be the same as those for the war in Ukraine and the subsequent energy shock? Although there are similarities, there are many uncertainties.

Today, inflationary pressure should be less strong, as demand is less dynamic and supply is less constrained. Therefore, the conditions are seemingly not met for a significant propagation of the rise in energy prices. However, this will need to be closely monitored as transmission lags matter, and the return to normal will take time.

In addition, central banks have learned from the inflationary shock of 2021–2023. They are ready to react more quickly to counter any spillovers, any second-round effects and any spiral between price increases, inflation expectations and wages.

We have selected a set of indicators to track the impact of this new energy shock, caused by the war in the Middle East, on activity and prices in the Eurozone, the United States, oil and gas markets and emerging countries, and to see how much the current situation resembles the situation in 2022 at the outbreak of the conflict in Ukraine.

This dashboard featuring graphs and comments will be updated on a monthly basis for as long as necessary.

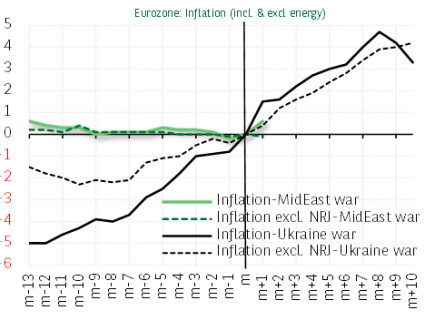
We have selected two inflation measures (with and without energy) and six survey data:

- Business confidence, as measured by the PMIs in the manufacturing and services sectors;
- The “input prices” and “output prices” components of the composite PMI (in order to identify direct inflationary pressures);
- The “supplier delivery times” component of the manufacturing PMI (a direct indicator of possible supply difficulties and supply-demand imbalance, and therefore, indirectly, of potential inflationary pressures in the making);
- Household confidence, as reflected in its “assessment of financial situation in the next 12 months” component (in order to capture the impact on purchasing power).

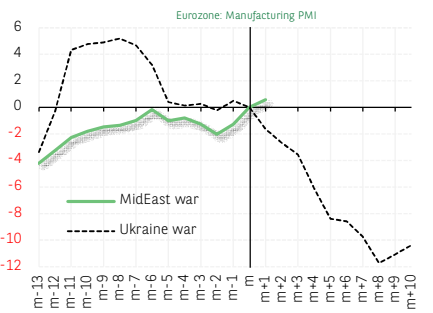
The trends in each of these indicators are observed relative to month  $m=0$ , when the conflict began, more or less during the year that follows and the year that precedes it. We are interested in the variations in each of them, as well as the broader trends within which they fit.

The assessment of the available data to date is relatively positive, as the immediate reaction of confidence surveys and inflation was limited and the overall developments were less unfavourable in March 2026 than in March 2022. This is good news, but it does not prejudice what will happen next at all. It is likely that the deterioration observed will continue: the question is by how much.

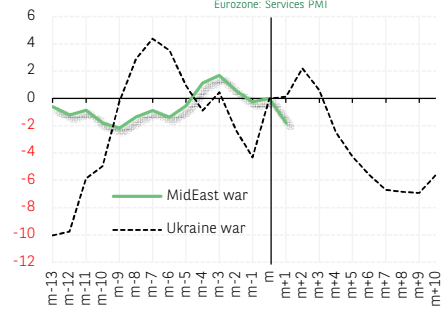
**March 2026:**  
A more limited inflation rebound



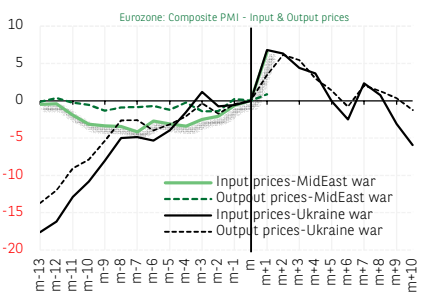
**March 2026:** Business confidence in the manufacturing sector remains well oriented



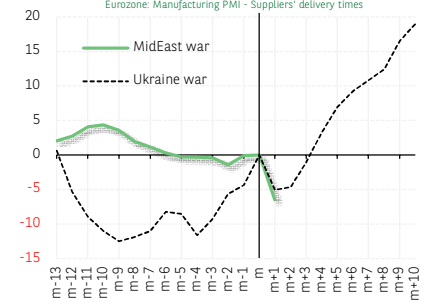
**March 2026:** Business confidence in services on a downtrend



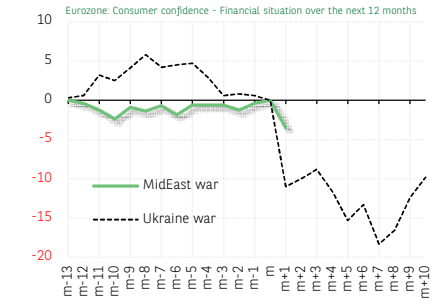
**March 2026:** Input prices rose but not output prices



**March 2026:** Delivery times eased



**March 2026:** Consumer confidence less affected



Change since  $m = 0 =$  February 2026 / February 2022

Sources: S&P Global, Eurostat, European Commission, Macrobond, BNP Paribas

The Iran war delivered a quick, though relatively contained, negative impact to US activity data and surveys.

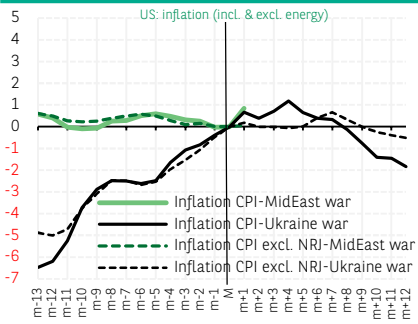
By March, CPI inflation recorded its largest monthly increase since 2022 and reached +3.3% y/y (+0.9 pp) – almost entirely on the back of gasoline prices, with the non-energy index remaining virtually stable.

Business sentiment, which was on an upward trajectory before the shock, stayed resilient but signalled a faster input-price growth (a leading indicator of inflation) and longer delivery times, both directly linked to Middle East turmoil and coming on top of the issue of tariffs.

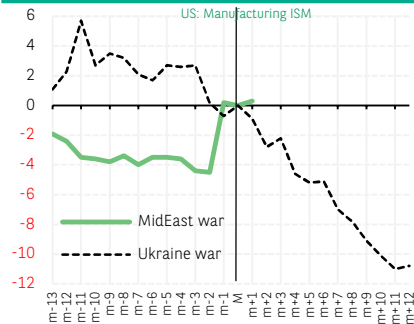
Meanwhile, the outlook of households, which were already low on optimism, has further deteriorated, while inflation expectations were rising.

However, macro conditions are significantly less inflationary than in 2022, and small businesses have not yet raised their price plans.

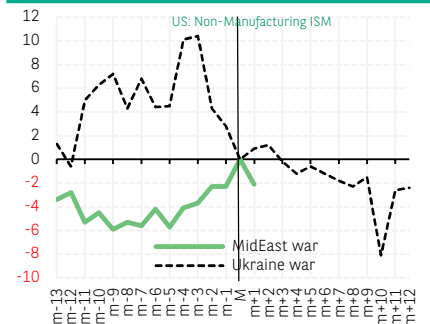
**March 2026:**  
Energy-related inflation bounce



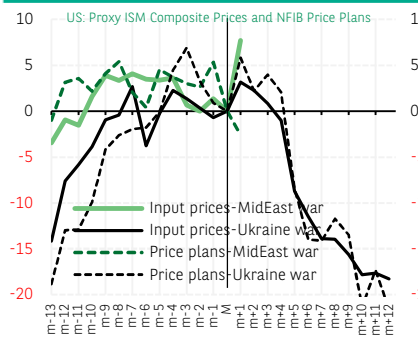
**March 2026:** Positive trend for manufacturing business sentiment



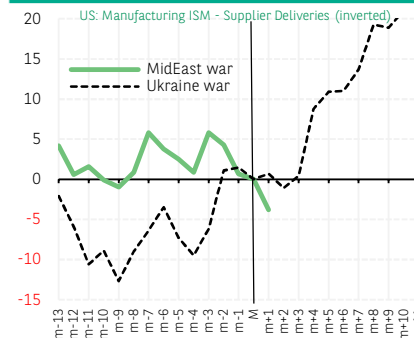
**March 2026:** Services business sentiment down but still buoyant



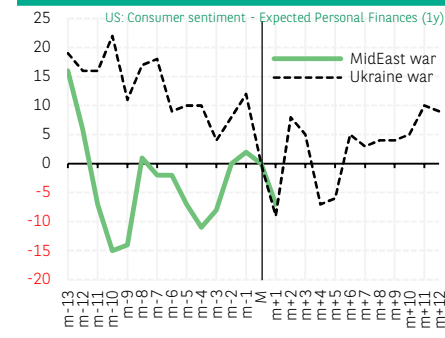
**March 2026:** Sharp rise in input prices and price plans scaled back



**March 2026:** Longer delivery times



**April 2026:** Growing concerns among households



Change since m = 0 = February 2026 / February 2022

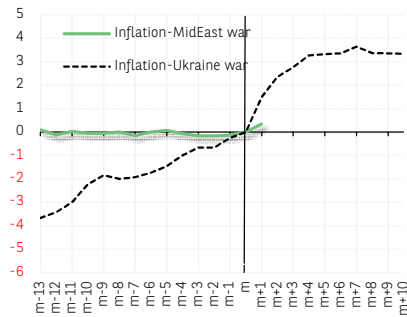
Source: BLS, ISM, NFIB, University of Michigan, BNP Paribas

In March 2026, the inflationary impact of the surge in oil and gas prices remained moderate, both in absolute terms with an average inflation rate for the main emerging countries of 4.3% compared to 3.9% in February, and relative to 2022. The absence of contagion to agricultural and food prices is the main explanation. Manufacturers' opinion on input prices is, moreover, less degraded than in 2022. However, a catch-up should occur with the expected release of the rise in fertilizer and petroleum-derived input prices to all prices.

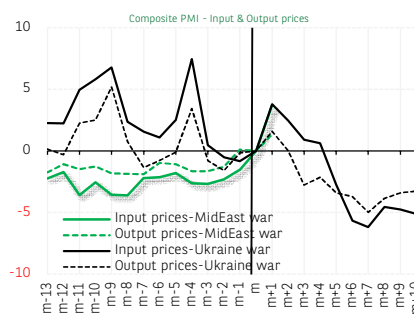
The business climate has significantly deteriorated both in absolute and relative terms. This deterioration, however, follows a significant recovery in February 2026. On the contrary, before the 2022 shock, the business climate was deteriorating. The impact on activity may be less severe this time.

According to estimates by the Institute of International Finance (IIF), portfolio investment outflows by non-residents in major emerging markets reached USD 70 bn in March 2026, a record. However, South Korea and Taiwan, which should rather be considered as developed countries, account for three-quarters of this. Overall, the financial stress triggered by the energy shock on emerging countries was, by the end of March 2026, slightly less significant than in 2022.

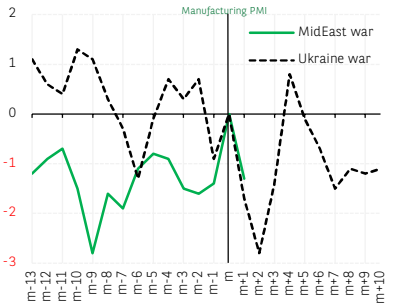
**March 2026 :**  
A much less severe inflation rebound



**March 2026 :** More muted anticipations of higher input prices

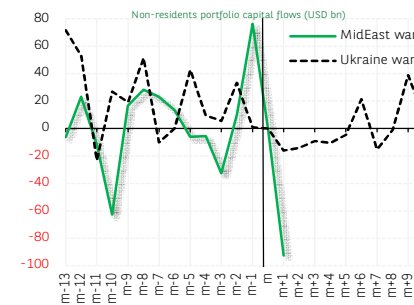


**March 2026 :** Same decline in business climate in the manufacturing sector



Change since m = 0 = February 2026 / February 2022

**March 2026 :** A much larger sell-off



Sources : National Statistical Offices, IIF, S&P Global, BNP Paribas

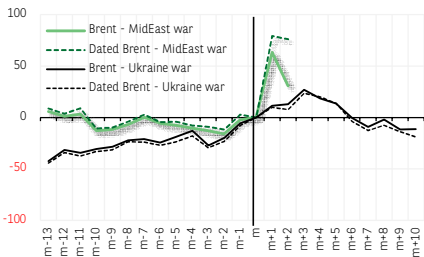
The energy shock implied by the war in the Middle East has, for now, induced stronger reaction in oil and European gas spot prices than those observed following Russia's invasion of Ukraine.

**Oil:** The loss of barrels available on the market due to the remaining closure of the Strait of Hormuz, repeated attacks on production capacities in the Gulf and constraints on traffic in the Strait increase the risk of a short-term physical oil shortage and resulted in a spike of the physical barrel price (Dated Brent). For as long as this situation remains and increases tensions on the market, one must look at the evolution of the physical barrel price, more than that of futures price, to estimate the effect of the energy shock on inflation.

**Gas:** The European gas spot price (TTF) has reacted moderately when compared to that of oil. European countries benefit from limited direct exposure to Gulf gas and the end of winter structurally reduce their demand, easing tensions on the gas market. The Asian market (main importer of LNG from the Gulf) could put pressure on prices but those are reduced for the time being due to the decline in LNG demand in this region (switch to coal).

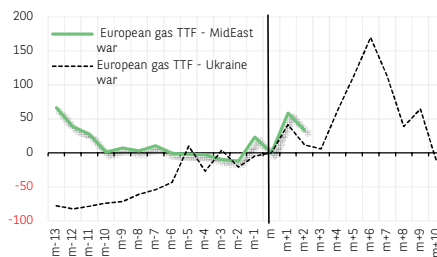
**Electricity:** Unlike 2022, wholesale electricity prices in Europe have been falling since the start of the conflict. Gas prices remain an important determinant of wholesale electricity prices, but progress in decarbonization of the electricity mix since 2022 and favorable weather conditions explain this recent development.

Mars 2026 : Spread between the physical barrel price and futures price



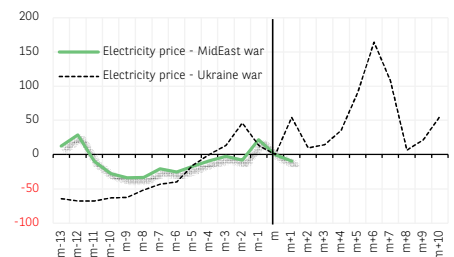
Note : change % since 02/27/2026 - 02/23/2022; last price 04/14/2026

Mars 2026 : Fall in LNG prices in Europe



Note : change % since 02/27/2026 - 02/23/2022; last price 04/14/2026

Mars 2026 : Wholesale electricity prices in Europe have not reacted yet



Note : change % since 02/2026 - 02/2022

Sources : Bloomberg, Ember, BNP Paribas

<b>Isabelle Mateos y Lago</b> Group Chief Economist	+33 1 87 74 01 97	isabelle.mateosylago@bnpparibas.com
<b>Hélène Baudchon</b> Deputy Chief Economist, Head of Global Macroeconomic Research	+33 1 58 16 03 63	helene.baudchon@bnpparibas.com
<b>Stéphane Alby</b> Maghreb, Middle East	+33 1 42 98 02 04	stephane.alby@bnpparibas.com
<b>Lucie Barette</b> Europe, Germany, Italy, Spain	+33 1 87 74 02 08	lucie.barette@bnpparibas.com
<b>Anis Bensaidani</b> United States, Japan	+33 1 87 74 01 51	anis.bensaidani@bnpparibas.com
<b>Céline Choulet</b> Banking Economics	+33 1 43 16 95 54	celine.choulet@bnpparibas.com
<b>Stéphane Colliac</b> Head of Advanced Economies – France	+33 1 42 98 26 77	stephane.colliac@bnpparibas.com
<b>Guillaume Derrien</b> Europe, Eurozone – World Trade	+33 1 55 77 71 89	guillaume.a.derrien@bnpparibas.com
<b>Pascal Devaux</b> Middle East, Western Balkans – Energy	+33 1 43 16 95 51	pascal.devaux@bnpparibas.com
<b>Hélène Drouot</b> Latin America	+33 1 42 98 33 00	helene.drouot@bnpparibas.com
<b>François Faure</b> Head of Country Risk – Türkiye – Argentina	+33 1 42 98 79 82	francois.faure@bnpparibas.com
<b>Salim Hammad</b> Head of Data & Analytics – Brazil	+33 1 42 98 74 26	salim.hammad@bnpparibas.com
<b>Thomas Humblot</b> Banking Economics	+33 1 40 14 30 77	thomas.humblot@bnpparibas.com
<b>Cynthia Kalasopatan Antoine</b> Central Europe, Ukraine	+33 1 53 31 59 32	cynthia.kalasopatanantoine@bnpparibas.com
<b>Johanna Melka</b> Asia	+33 1 58 16 05 84	johanna.melka@bnpparibas.com
<b>Marianne Mueller</b> Europe, United Kingdom, Portugal, Greece	+33 1 40 14 48 11	marianne.mueller@bnpparibas.com
<b>Christine Peltier</b> Head of Emerging economies – Asia	+33 1 42 98 56 27	christine.peltier@bnpparibas.com
<b>Lucas Plé</b> Sub-saharan Africa, Colombia, Central America	+33 1 40 14 50 18	lucas.ple@bnpparibas.com
<b>Jean-Luc Proutat</b> Head of Economic Projections	+33 1 58 16 73 32	jean-luc.proutat@bnpparibas.com
<b>Laurent Quignon</b> Head of Banking Economics	+33 1 42 98 56 54	laurent.quignon@bnpparibas.com
<b>Tarik Rharrab</b> Data scientist	+33 1 43 16 95 56	tarik.rharrab@bnpparibas.com
<b>Mickaëlle Fils Marie-Luce</b> Media contact	+33 1 42 98 48 59	mickaelle.filsmarie-luce@bnpparibas.com



The information and opinions contained in this document have been obtained from, or are based on, public sources believed to be reliable, but there is no guarantee of the accuracy, completeness or fitness for any particular purpose of such information and such information may not have been independently verified by BNPP or by any person. None of BNPP, any of its subsidiary undertakings or affiliates or its members, directors, officers, agents or employees accepts any responsibility or liability whatsoever or makes any representation or warranty, express or implied, as to the accuracy and completeness of the information or any opinions based thereon and contained in this document and it should not be relied upon as such. This document does not constitute research, as defined under MIFID II, or form any part of any offer to sell or issue and is not a solicitation of any offer to purchase any financial instrument, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on, in connection with any contract or investment decision. Information and opinions contained in this document are published for the information of recipients, but are not to be relied upon as authoritative or taken in substitution for the exercise of judgment by any recipient, are subject to change without notice. In providing this document, BNPP does not offer investment, financial, legal, tax or any other type of advice to, nor has any fiduciary duties towards, recipients. Any reference to past performance is not indicative of future performance, which may be better or worse than prior results. Any hypothetical, past performance simulations are the result of estimates made by BNPP, as of a given moment, on the basis of parameters, market conditions, and historical data selected by BNPP, and should not be used as guidance, in any way, of future performance. To the fullest extent permitted by law, no BNPP group company accepts any liability whatsoever (including in negligence) for any direct or consequential loss arising from any use of or reliance on material contained in this document even when advised of the possibility of such losses. All estimates and opinions included in this document are made as of the date of this document. Unless otherwise indicated in this document there is no intention to update this document. BNPP may make a market in, or may, as principal or agent, buy or sell securities of any issuer or person mentioned in this document or derivatives thereon. Prices, yields and other similar information included in this document are included for information purposes however numerous factors will affect market pricing at any particular time, such information may be subject to rapid change and there is no certainty that transactions could be executed at any specified price. BNPP may have a financial interest in any issuer or person mentioned in this document, including a long or short position in their securities and/or options, futures or other derivative instruments based thereon, or vice versa. BNPP, including its officers and employees may serve or have served as an officer, director or in an advisory capacity for any person mentioned in this document. BNPP may, from time to time, solicit, perform or have performed investment banking, underwriting or other services (including acting as adviser, manager, underwriter or lender) within the last 12 months for any person referred to in this document. BNPP may be a party to an agreement with any person relating to the production of this document. BNPP may to the extent permitted by law, have acted upon or used the information contained herein or in the document, or the analysis on which it was based, before the document was published. BNPP may receive or intend to seek compensation for investment banking services in the next three months from or in relation to any person mentioned in this document. Any person mentioned in this document may have been provided with relevant sections of this document prior to its publication in order to verify its factual accuracy.

This document was produced by a BNPP group company. This document is for the use of intended recipients and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of BNPP. By accepting or accessing this document you agree to this.

BNP Paribas is a société anonyme incorporated in France, licensed and supervised as a credit institution by the European Central Bank (ECB) and as an investment services provider by the Autorité de contrôle prudentiel et de résolution (ACPR) and Autorité des marchés financiers (AMF), and having its registered office at 16, boulevard des Italiens, 75009 Paris, France. Some or all of the information contained in this document may already have been published on <https://globalmarkets.bnpparibas.com>.

For country-specific disclaimers (United States, Canada, United Kingdom, Germany, Belgium, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland, Brazil, Turkey, Israel, Bahrain, South Africa, Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan, Thailand, Vietnam) please type the following URL to access the applicable legal notices: [https://globalmarkets.bnpparibas.com/gm/home/Markets\\_360\\_Country\\_Specific\\_Notices.pdf](https://globalmarkets.bnpparibas.com/gm/home/Markets_360_Country_Specific_Notices.pdf)

Subscribe to our publications:

**ECONOMIC RESEARCH**

