



What the 2026 fuel-price shock revealed about the used BEV market:

An impact assessment of how a real-world fuel-price shock temporarily reshaped demand, supply and residual values in Europe's used BEV market.

A real-world stress test of used BEV demand

This briefing examines how the 2026 fuel-price shock, triggered by the Iran conflict, affected demand, supply and residual values for used Battery Electric Vehicles (BEVs) across Europe.

Drawing on Indicata's daily analysis of over 14 million used vehicle adverts, it finds that a genuine, demand-led recovery in BEV residual values emerged in several markets for the first time in over two years.

Crucially, the episode functions as a contained, real-world stress test. As fuel prices rose sharply, BEVs gained a clear and immediate running-cost advantage, and consumer demand responded accordingly. Sales share increased, stock tightened, and prices stabilised or rose in under-supplied markets.

As energy markets have become increasingly volatile in recent weeks, the episode provides an unusually clear view of what drives BEV market dynamics. The evidence points consistently to demand pull, rather than supply expansion, as the key determinant of residual value performance.

However, the recovery remains modest relative to the scale of the prior decline, fragile in nature, and absent in markets where policy-driven oversupply continues to dominate.

A genuine demand shock

On 28 February 2026, US and Israeli strikes against Iran triggered the most serious disruption to Gulf energy flows in a generation. Iranian threats against shipping in the Strait of Hormuz, a route for roughly a fifth of the world's oil and a large share of global LNG, sent Brent crude from the high \$60s to over \$100 a barrel within days, briefly touching multi-year highs as markets priced in the risk of a prolonged closure. European pump prices followed: several markets saw diesel and petrol prices rise by between 17% and over 30% within weeks, with German diesel briefly trading above €2 a litre.

Stock tightens, prices turn

As the running-cost gap between petrol and electric widened sharply, used BEV sales share rose from around 9% in February to over 14% by April, while stock available for sale fell even as sales rose, a clear sign that demand was, for the first time in years, outpacing supply. Indicata's Market Days Supply (MDS) measure for European BEVs nearly halved between February

and May, and the multi-year decline in BEV residual values broke, ticking upward in several major markets, most notably Germany.

Not every market is responding the same way

The recovery is not universal. In Belgium and the UK, oversupply driven respectively by fleet incentive rules and the ZEV Mandate continued to outweigh the conflict-driven demand boost, and BEV residual values kept falling even as the rest of Europe turned a corner.

Conclusion

The data provides a rare real-world test of what actually drives used BEV residual values: genuine consumer demand, pulled by a real running-cost advantage, not supply-side mandates. It also reinforces the central finding of Indicata's March 2026 paper on the Clean Corporate Vehicles initiative: forced supply growth continues to work against residual values even when underlying demand conditions improve.



Background: a fuel-price shock as a natural experiment

Europe's used BEV market entered 2026 in a well-documented slump, with residual values under sustained pressure following several years of supply-driven growth.

That backdrop changed abruptly at the end of February 2026, when a sharp rise in oil prices created a sudden and significant increase in the running-cost advantage of electric vehicles. While the geopolitical trigger was the escalation of conflict in the Gulf, the resulting price shock provides a useful analytical lens: a real-world test of how consumers respond when the economic case for BEVs shifts materially in their favour.

Although oil prices have retreated from their highest levels, energy markets remain highly sensitive to geopolitical developments. The episode can therefore be assessed as a distinct market event that provides valuable insight into how consumers respond when the economic case for BEVs changes materially.

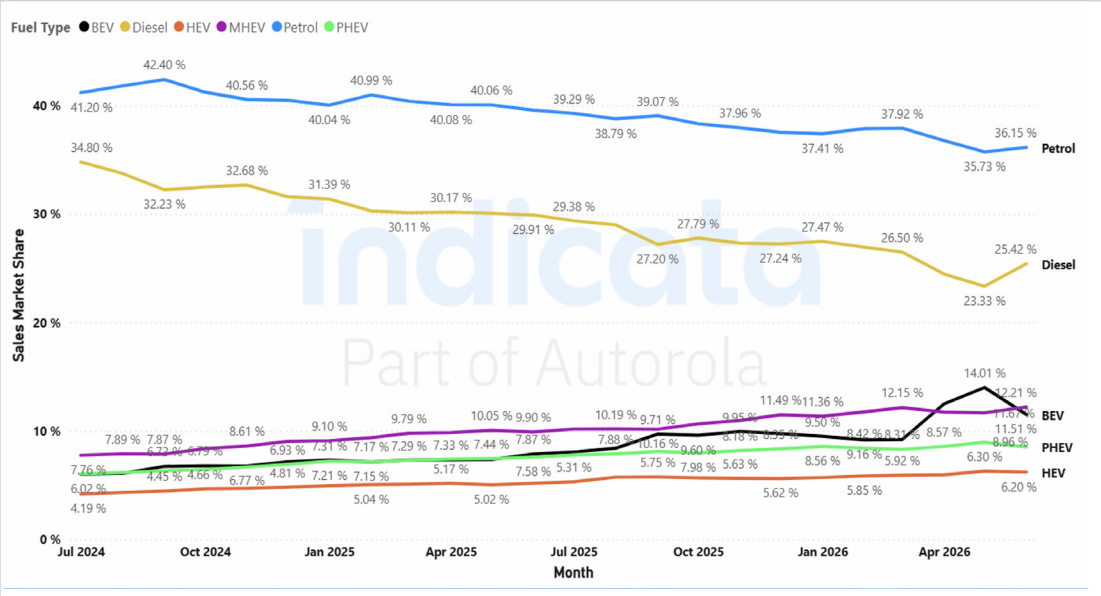


Did used BEV demand actually respond?

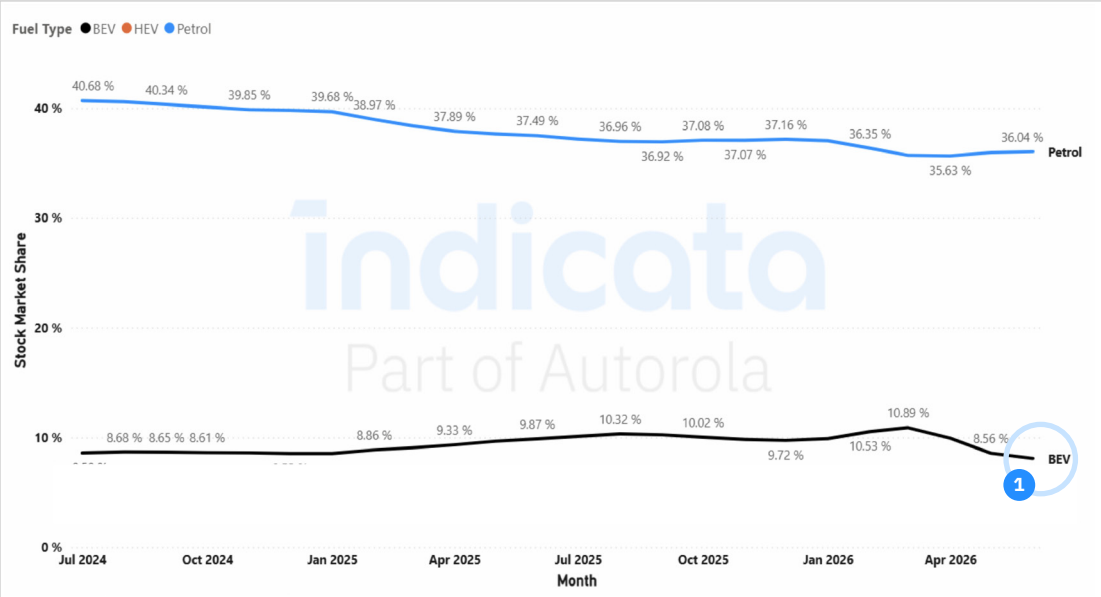
The clearest signal is in sales share. Across Europe excluding the UK, used BEVs accounted for around 9.2% of used passenger car sales in February 2026. By April, that figure had jumped to 14.01%, the sharpest month-on-month gain Indicata has recorded for the fuel type, before easing back to 11.51% in May as the April ceasefire briefly took some of the heat out of fuel prices.

Stock told an even more telling story. Normally, a sales surge of this size would be met by sellers bringing more stock to market and prices softening as a result. Instead, BEV stock share fell from a peak of around 10.9% in January 2026 to just 8.1% by May, even as sales accelerated. Demand was absorbing supply faster than the market could replace it, the textbook signature of a genuine demand-led tightening rather than a supply-driven one.

Used vehicle SALES share by fuel type (ex-UK)



Used vehicle STOCK share by fuel type (ex-UK)

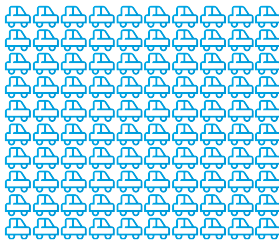


1

By May, BEV stock had fallen to 8.1% despite sales reaching 11.5%

Measuring the squeeze: Market Days Supply

To translate stock and sales movements into something comparable across markets, Indicata uses a measure called Market Days Supply (MDS): the number of days it would take to clear current dealer stock at the prevailing sales rate. A low MDS signals a tight, fast-moving market; a high MDS signals oversupply and downward pressure on price.



150 cars in dealer stock
in the market

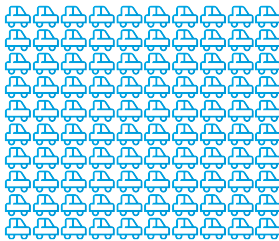
VS



=

50
MDS

Sales rate
of 3 per day



150 cars in dealer stock
in the market

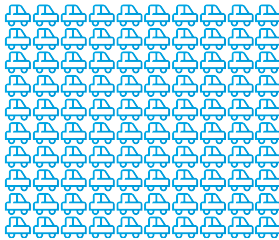
VS



=

75
MDS

Sales rate
of 2 per day



150 cars in dealer stock
in the market

VS



=

150
MDS

Sales rate
of 1 per day

From persistent oversupply to the tightest market in two years

For most of 2024 and 2025, BEV MDS in Europe ran well above petrol, oscillating between roughly 80 and 110 days against a comparatively steady 65 to 80 days for petrol, a gap consistent with the structural oversupply Indicata identified in March. That gap closed sharply once the conflict began: European BEV MDS, which had peaked at 106 days in early 2026, collapsed to 47 days by May, a fall of more than half in just a few months. Petrol MDS barely moved.

Germany shows the same pattern in sharper relief. German BEV MDS peaked at 112 days in February 2026 and crashed to 36 days by April, before recovering slightly to 49 days in May as some of the squeeze eased, an even more dramatic swing than the European average, and a strong early indicator of where the price reversal would be most visible.

MDS by fuel type Europe (ex-UK)

1

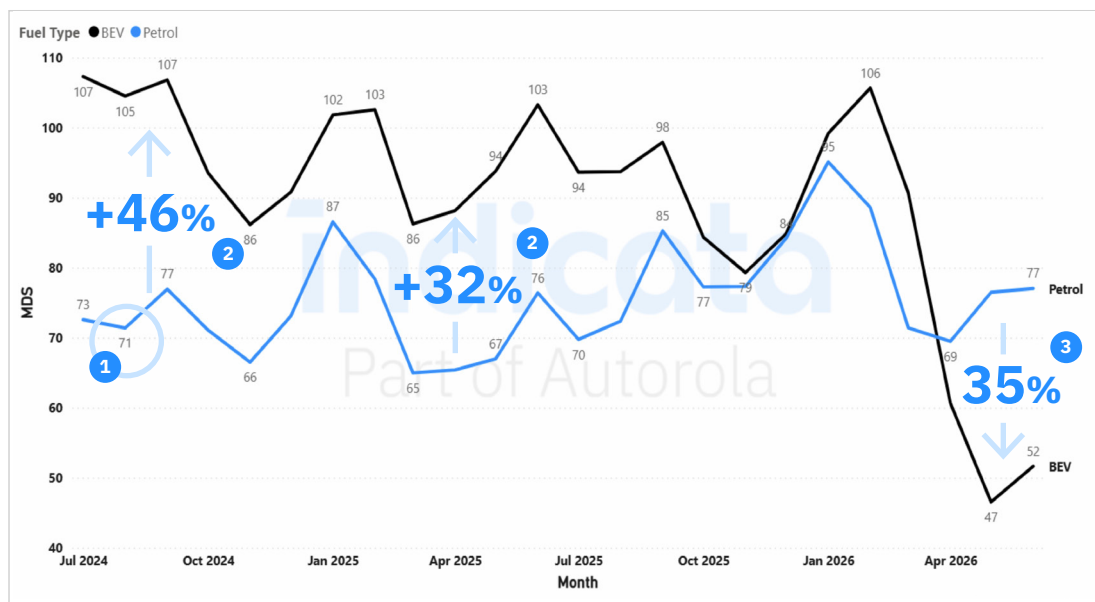
Petrol stock and demand has been in balance

2

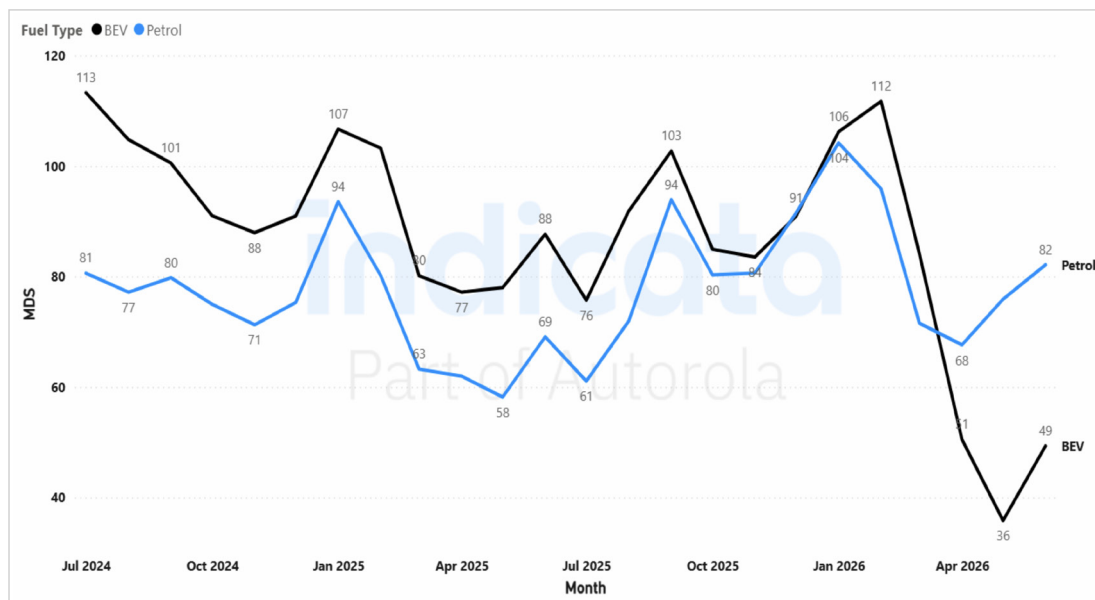
BEV Stock has been over supplied ($86/65-1 = 32\%$ over supply) hence price drops

3

But Iran has reversed



MDS by fuel type Germany



The first reversal in BEV residual values since the crash began

Tighter supply showed up in price within weeks. Across Europe, the average retail price index for used BEVs (rebased to 100 in December 2024) had fallen steadily to a trough of 92.56% by April 2026; by June it had recovered to 93.42%, the first sustained uptick Indicata has recorded since the index began its multi-year decline. Diesel and petrol, by contrast, carried on their slower, steadier slide over the same period, exactly as would be expected if a genuine BEV-specific demand shift, rather than a general used-car market move, was at work.

Germany shows the clearest turn of all: the BEV index there bottomed at 95.89% in April and rebounded to 98.36% by June, a swing large enough to put BEVs back ahead of diesel and roughly level with petrol for the first time in years.

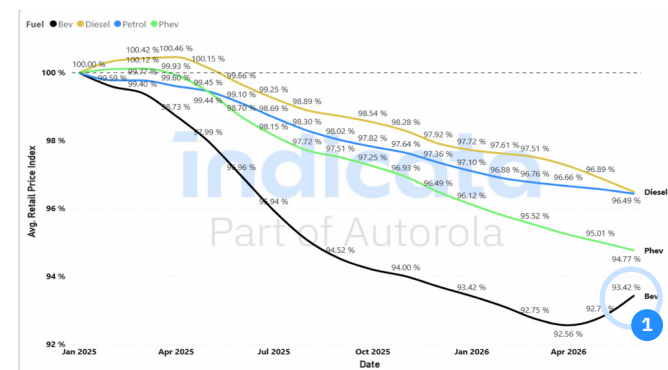
Belgium is the exception that proves the rule. Despite the same conflict-driven demand pressure, the Belgian BEV index kept falling through to 89.12% in June, with no sign of a turn. The reason, on Indicata's reading, is structural: Belgium's fleet-related legislation and tax incentives continue to push a large volume of company-registered BEVs into the used market regardless of consumer demand, and that policy-driven oversupply is large enough to absorb the entire conflict-driven demand bump without it reaching price.

Europe

Average retail price index by fuel type
(Dec 2024 = 100)
(ex-UK)

1

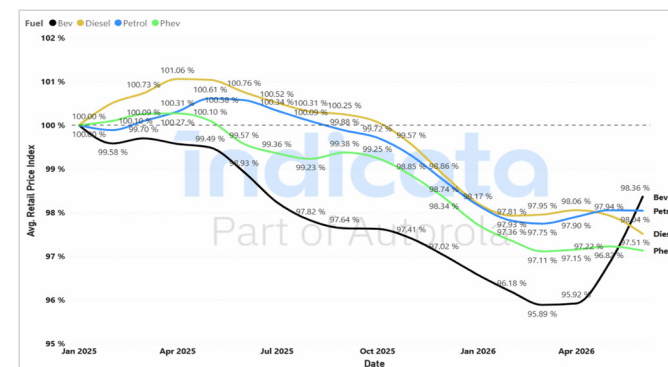
This has led to a reversal in the price decay of BEV



Germany

Average retail price index by fuel type
(Dec 2024 = 100)

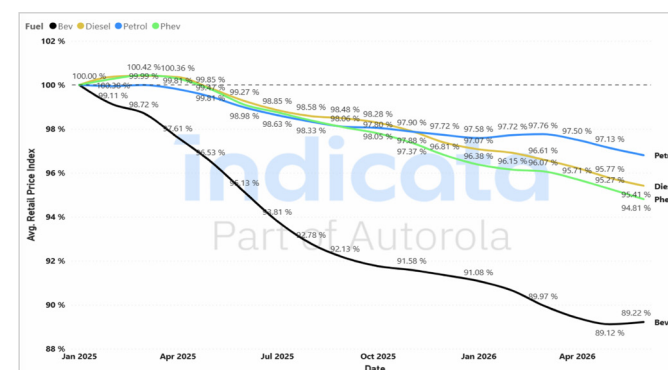
This can be seen in certain countries more than others



Belgium

Average retail price index by fuel type
(Dec 2024 = 100)

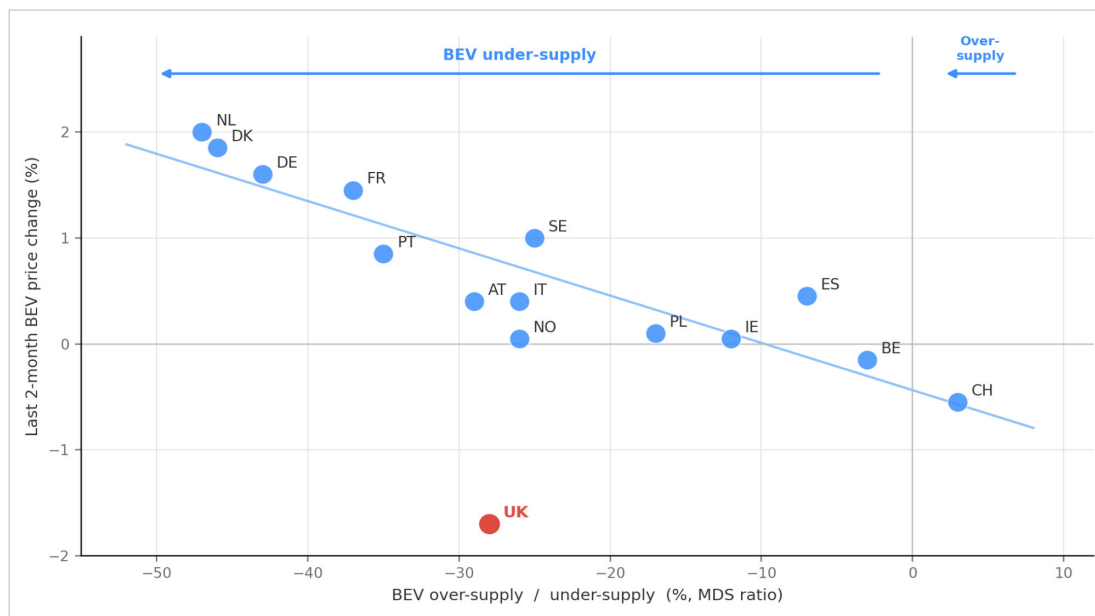
But excessive push of volume into fleet means that this trend is not as evident in Belgium



Is this a genuine pattern, or just one or two markets?

To test whether the link between supply tightness and price was real across the continent rather than a quirk of one or two large markets, Indicata plotted each country's BEV over-supply or under-supply position (measured via the MDS ratio against pre-conflict norms) against its BEV price movement over the most recent two months.

The relationship is strong and consistent with the demand-led story. The Netherlands, Denmark, Germany and France, the most under-supplied markets, recorded the largest two-month price gains, of between 1.5% and 2%. Markets closer to balance, such as Belgium and Switzerland, saw flat or slightly negative price movement. The pattern holds across fourteen countries with only one significant outlier.



MDS Ratio
Correlation of BEV
price movement
vs BEV supply
tightness
(ex-UK)

Source: Indicata / USD Consulting analysis. Data to 1 June 2026.

That outlier is the UK. Despite running a similar degree of under-supply to markets like Italy and Austria, UK BEV prices fell by roughly 1.7% over the same period rather than rising. The most likely explanation is the UK's ZEV Mandate, which obliges manufacturers to hit rising annual BEV sales quotas or pay

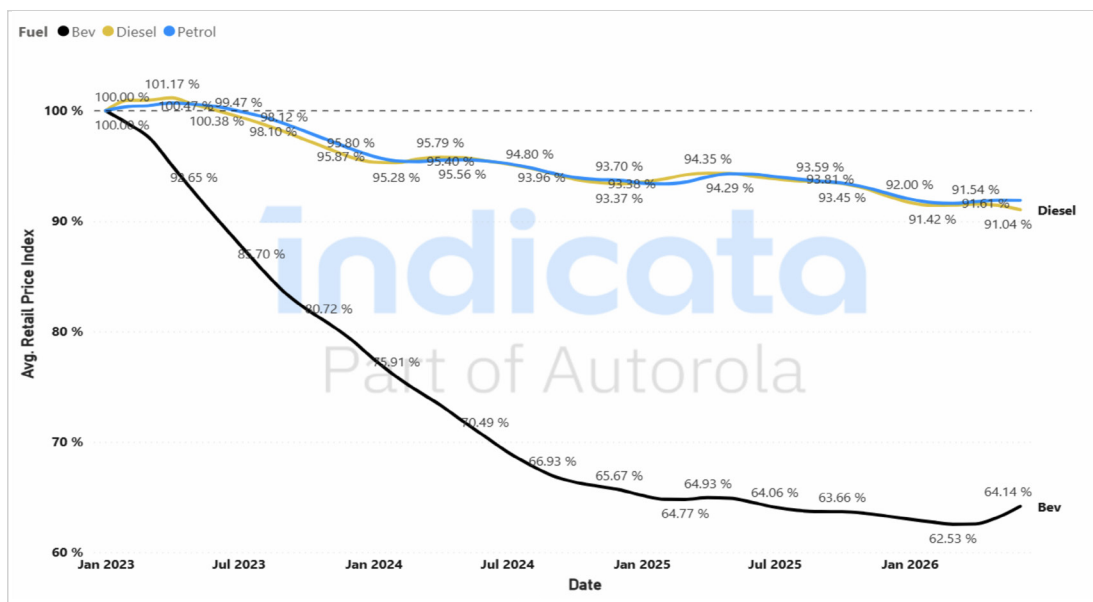
penalties, encouraging exactly the kind of subsidised, demand-insensitive registration volume that the original Clean Corporate Vehicles paper warned about for the EU. Continued OEM discounting and intensifying price competition from Chinese imports appear to be reinforcing the effect.

Keeping the recovery in perspective

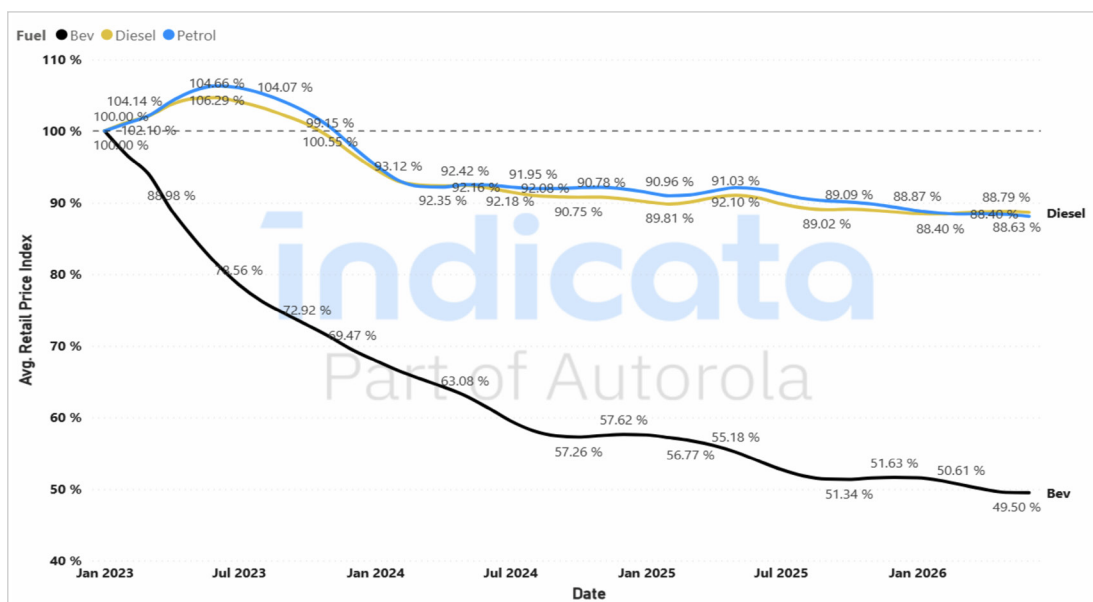
None of this should be mistaken for a full recovery. Viewed against the last three years rather than the last three months, the European BEV price index remains down by roughly 36 points from its January 2023 starting point of 100, having fallen as low as 62.53% before this year's modest rebound to 64.14%. A one-to-two point recovery after a thirty-five point crash is a meaningful change in direction, but it leaves residual values far below where a healthy, demand-balanced market would put them.

A one-to-two point rebound after a thirty-five point crash is not a recovery. It is a stress test the market has only partially passed.

The UK panel makes the contrast explicit. Even as the rest of Europe found a floor, the UK BEV index continued its uninterrupted slide, down to 49.50% by June 2026, a fall of essentially half its value since January 2023, while UK petrol and diesel held broadly stable in the high 80s. Where a supply mandate is large enough, it appears able to override even a genuine, geopolitically-driven demand shock.



Europe
Avg. Retail
Price Index
(Jan 2023=100)
(ex-UK)



UK
Avg. Retail
Price Index
(Jan 2023=100)

Interpreting the rebound in a changing context

Energy markets have become increasingly volatile in recent months, with fuel prices responding rapidly to developments in the Middle East. While prices have eased from their highest levels, they remain sensitive to geopolitical events, leaving uncertainty over whether the recent improvement in BEV economics will persist.

This changing backdrop is important for interpretation. The observed rebound in BEV demand and residual values should not be viewed as the beginning of a structural market recovery, but rather as the response to a meaningful shift in relative running costs that temporarily strengthened the economic case for electric vehicles.

Whether that improvement proves durable will depend largely on how those underlying economics evolve. If fuel prices remain elevated, the running-cost advantage of BEVs could continue to support demand. Conversely, if energy markets stabilise and fuel prices return closer to historical norms, that advantage may diminish, testing the resilience of the recent recovery.

The key question is therefore no longer whether consumers respond to stronger BEV economics—the data demonstrates clearly that they do—but whether that demand is sufficient to sustain healthier residual values once market conditions normalise and the underlying supply-demand balance reasserts itself.



Will it last?

There are strong reasons to treat the recent recovery as conditional rather than durable. The improvement observed in used BEV residual values reflects a specific set of economic conditions that may not persist, particularly as energy markets remain highly volatile.

The geopolitical backdrop remains uncertain. While periods of de-escalation have temporarily eased pressure on global energy markets, subsequent developments have demonstrated how quickly conditions can change. Fuel prices remain sensitive to events in the Gulf and other geopolitical risks, making it too early to conclude whether the recent improvement in BEV demand represents the beginning of a sustained recovery or a temporary response to exceptional market conditions.

Taken together, these factors suggest that the current recovery is best understood as a response to changing market conditions rather than a structural turning point.

A|

Price parity in reverse.

Before the shock, BEV residual values were still declining, but were beginning to stabilise as prices approached parity with equivalent ICE vehicles. If the recent run-up pushes BEVs back above that parity point, the affordability advantage underpinning the surge in demand could erode, with a corresponding reduction in demand.

B|

A lag in electricity prices.

Much of the BEV running-cost advantage rests on electricity prices that have not yet adjusted as far as petrol and diesel. In several countries, domestic electricity pricing is linked to wholesale gas markets. If energy prices remain elevated, electricity costs are likely to follow, narrowing the running-cost gap that has supported BEV demand.

C|

Policy and subsidy risk.

The European Commission continues to pursue policies that increase BEV supply into fleet and used-vehicle markets, while Member States face growing pressure to reduce purchase incentives and subsidies. If supply continues to expand faster than underlying consumer demand, structural oversupply could once again place downward pressure on residual values regardless of future fuel-price movements.

Conclusion

This episode provides a rare real-world test of what actually rebuilds used BEV residual values. For the first time in more than two years, Indicata's data shows a sustained, broad-based improvement in BEV pricing that coincided with a period in which consumers faced a clear and immediate financial incentive to switch away from petrol and diesel.

Where market forces have been allowed to respond freely—in Germany, France, the Netherlands and several other European markets—residual values have strengthened alongside tighter supply and rising demand. By contrast, where policy continues to introduce additional BEV supply regardless of market demand, such as Belgium through fleet incentives and the UK through the ZEV Mandate, the same improvement in running-cost economics has produced little or no recovery in residual values.

The recent rebound should not be interpreted as evidence that the structural challenges facing the used BEV market have been resolved. Rather, it demonstrates that genuine consumer demand can respond quickly when the economic case for electric vehicles strengthens. Whether that response proves temporary or develops into a more sustained recovery will depend largely on future energy prices, broader economic conditions and the balance between supply growth and underlying consumer demand.

The implications for the wider Clean Corporate Vehicles debate remain unchanged—and are arguably strengthened. Indicata's data suggests that genuine demand pull, rather than supply-side mandates alone, is the primary driver of healthy residual values. Policymakers should therefore be cautious about interpreting a fuel-driven improvement in BEV prices as evidence that supply-led policies are succeeding.



If anything, the markets with the most aggressive supply interventions remain those where the recovery has been weakest or absent.

The months ahead will provide an important test. Whether energy markets stabilise or remain volatile, the key question is no longer whether consumers will respond to stronger BEV economics — the evidence suggests that they will — but whether that demand is sufficient to offset the structural oversupply that has defined the market in recent years. The answer will determine whether this episode marks the beginning of a more balanced used BEV market or simply a temporary interruption in a longer-term trend.

ABOUT THE AUTHOR

Andy Shields previously worked with Indicata/Autorola Group, where he spent six years leading data and market-insight development. He has extensive experience across automotive retail, leasing, rental and OEM projects, and is a recognised contributor in industry discussions. He is currently Director at USD Consulting.

This briefing was written by Andy using Indicata's market data and insights.

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