



ASSOLOMBARDA

BOOKLET ECONOMIA
**Sentiment and raw
materials**

*Lombardy in comparison with
Italian and European benchmarks*

Edited by
Research department

N° 5/May 2026



BOOKLET ECONOMIA

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Lombardy in comparison with Italian and European benchmarks

Executive Summary

US–IRAN TRUCE FAILS TO REOPEN HORMUZ AND PRESSURES ON COMMODITIES PERSIST, WITH GREATER IMPACTS EXPECTED ON INFLATION AND CONSUMPTION. NORTH-WESTERN ITALIAN FIRMS MAINTAIN A WAIT-AND-SEE SENTIMENT, WHILE HOUSEHOLD CONFIDENCE COLLAPSES.

The (fragile) truce between Iran and the United States has not led to the reopening of the Strait of Hormuz. The stalemate in maritime transit and the damage to energy goods production therefore continue to exert a strong upward pressure on commodity prices, with effects already visible in April inflation (+2.7% in Italy) and set to intensify with the prolongation of hostilities. This increase in costs risks translating into renewed pressure on consumption, which has long represented a point of concern for firms: at the beginning of 2026, insufficient demand remains the main obstacle to production for a quarter of manufacturing firms in the North-West. The impact of the conflict on household sentiment is, moreover, already significant. In April, consumer confidence fell sharply to its lowest level since October 2023, with a deterioration mainly in assessments of the country's overall economic situation and, for the time being, a more limited decline regarding individuals' own personal conditions.

In this scenario of uncertain announcements and unproductive negotiations, firms are adopting a wait-and-see approach. According to the latest April indications, manufacturing confidence in the North-West is holding up, supported by still-positive production expectations for the coming months, partly anchored to the final phase of the PNRR, while in the current situation growing obstacles on the export front and a lengthening of delivery times are already being felt. Confidence in services declines slightly but remains in positive territory. There is therefore no collapse in any sector: firms, in a widespread climate of wait and see, are monitoring the evolution of the conflict, which at this stage is having a more immediate and direct impact on selling prices—strongly expected to rise—than on production levels. It should also be considered that, as the war has arrived at a time of positive momentum for local manufacturing, some firms may have brought forward production and built up inventories of materials to reduce the risk of future disruptions in supply chains.

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Business confidence in the North-West

The April survey of manufacturing confidence in the North-West shows that firms are still adopting a wait-and-see attitude regarding the repercussions of tensions in the Middle East on their activity. In the area, industrial sentiment increases compared to March but remains below its historical average and reflects a current situation with still rather weak orders and production expectations that are still positive for the next 3–4 months, partly supported by the final phase of PNRR investments. The resilience in the North-West stands out compared to other territories. In April, confidence in Italian manufacturing weakens and declines slightly in Spain and France; Germany shows substantial stability, while still maintaining the lowest confidence level among the benchmarks considered.

The repercussions of the war in the Middle East, including the increase in producer prices and subsequently in consumer prices, are taking place in a manufacturing context already grappling with persistent insufficient demand, reported as an obstacle to production by a quarter (25.3%) of manufacturing firms in the North-West in the early months of 2026. Moreover, the share of respondents reporting difficulties on the export front in terms of prices and costs has increased (17.1%, the highest level since early 2023), as has the percentage of those experiencing a lengthening of delivery times (from 3.5% in Q4 2025 to 5.9% in Q1 2026).

Geopolitical tensions are also affecting confidence in the service sector, which in April experiences a widespread decline across the territories considered. Despite the decrease, sentiment in services in the North-West remains positive, and the downturn falls within the already fluctuating trend of previous months: no deviation from the average levels recorded at the end of 2025 and the beginning of 2026 is therefore observed. Assessments of business performance and current orders remain positive, though slightly scaled back, and demand expectations for the next 3–4 months are broadly stable, also reflecting in this case a wait-and-see stance regarding the short-term evolution of consumption. Confidence in services at the national level, by contrast, declines more markedly, while still remaining in positive territory. Among European peers, France records a further decline, and the German service sector falls into negative territory.

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Against an overall resilient level of sentiment among firms in the North-West, in April consumer confidence drops sharply to its lowest level since October 2023, with a marked decline also at the national level. In the area, all components of the index decrease, albeit with different intensities.

Breaking down confidence into personal climate and economic climate, the former records a moderate decline, still consistent with the magnitude of fluctuations seen in previous months, while the latter experiences a sharp and sudden drop. Sentiment regarding one's own household situation therefore shows a limited deterioration compared to the previous month, whereas perceptions of Italy's overall economic situation are considerably more negative: at present, households in the North-West display a more pessimistic outlook on the effects of the conflict at the macro level than at the micro level.

Looking at the time dimension, the assessment of the current situation declines but remains at non-alarming levels, whereas expectations for the future register a steep drop, indicating that the consequences of the conflict are perceived as only partially visible at present, with greater repercussions expected going forward.

Business loans

Before the outbreak of the conflict in the Middle East, Lombardy was showing a stronger recovery in lending to firms compared to the rest of Italy, consistent with the prospects for a relaunch of the regional economy. At the end of 2025, loans were 2.2% higher than a year earlier (vs +1.5% nationally), and preliminary data for February also suggested a still positive trend (+1.4% year-on-year). However, these positive signals are now undermined by the widespread climate of uncertainty generated by the geopolitical context: according to the Bank of Italy's Bank Lending Survey, conducted in April at the national level, loan demand had already registered a decline at the end of the first quarter, due to lower financing needs for fixed investment.

From a sectoral perspective, the recovery in lending in Lombardy at the end of 2025 was driven by services, with an y-o-y increase of 4.9%, the highest since mid-2022

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in a favorable environment for the sector also supported by the then-approaching Winter Olympics. By contrast, after two positive quarters, lending to industry returned to declining at the end of 2025, signaling a degree of fragility in the manufacturing recovery, which should be closely monitored as the repercussions of the conflict in the Middle East are expected to be more severe for this sector.

Prices and raw materials

In April, inflation returned to rising significantly, mainly due to energy price increases resulting from the closure of the Strait of Hormuz. Looking in detail at the provinces of Assolombarda, in Pavia price dynamics were in line with the Italian average (+2.6% compared to April 2025), while more moderate increases were recorded in Lodi (+2.0%) and Milan (+1.7%), the latter showing a clear easing compared to the February surge linked to the Winter Olympics.

Alongside the rise in consumer prices, financial quotations of commodities point to widespread and pronounced increases, which in the coming months could feed through and further push inflation upwards. Considering price changes in the first half of May compared to the February average (before the outbreak of the conflict between the US and Iran), strong increases emerge in energy goods, fertilizers, plastics and aluminum, as well as in maritime transport; moreover, indirect effects are also affecting food products.

More specifically, the price of oil has risen by over 50% between February and May, with recent increases adding to the March surge and with prices fluctuating between \$100 and \$110 per barrel, levels comparable to those reached following the invasion of Ukraine in 2022. In addition to the disruption of transport, the US–Iran conflict is causing the largest loss of oil production in the last fifty years, estimated by the World Bank at around 10 million barrels per day in March.

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The cost of European natural gas has also increased significantly (+45%), with prices standing at around €50/MWh in mid-May as a result of the closure of Hormuz and damage to production facilities in Qatar, which have intensified competition in the LNG market. However, the current situation remains far from the levels seen in 2022, when gas prices exceeded €300/MWh.

At the same time, in May the price of electricity in Italy rose by 8% compared to February, averaging €123/MWh. Although this increase appears relatively contained, the gap with other European countries remains substantial, particularly France and Spain, where electricity prices in May are around €50/MWh.

Among non-ferrous metals, aluminum recorded the largest increases, rising by 20% between February and May: the conflict has reduced the production capacity of several smelters in the Gulf, creating a supply shortfall that could persist throughout 2026. The nickel market is also under pressure (+12% since February), as the closure of Hormuz complicates the supply chain of sulfur, a key input for processing and use in electric vehicle batteries.

The conflict has also driven a sharp acceleration in plastic prices: in the first half of May, polypropylene is up 47% compared to February and polyethylene by 29%. The closure of Hormuz has both a direct impact—by disrupting polymer exports from Gulf countries—and an indirect one, through the increase in oil, gas and methanol prices (the latter +43%), which are key inputs in plastics and chemicals production and whose shortage therefore has repercussions along the entire supply chain.

Food commodities, which had not experienced immediate effects, have recently begun to feel the impact of the sharp increase in fertilizer costs, especially urea (+25% between February and May, although slightly declining more recently): gas is in fact a key production input, and a significant share of global supply originated from the Gulf region. Significant increases have also affected vegetable oils (soybean oil +33% and palm oil +11%), supported by stronger demand for biofuels.

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Finally, the average cost of maritime freight rates (Drewry) has recorded a particularly sharp increase over the past month, reaching +27% compared to February and exceeding €2,000 per 40-ft container in May. This level remains well below the peaks observed in 2021–2022 and only slightly above the level recorded a year earlier (+6%). The average index, however, masks significant heterogeneity across routes, depending on their reliance on transit through Hormuz: for example, freight rates from Shanghai to the Gulf and the Red Sea have already exceeded the peaks reached during the pandemic.

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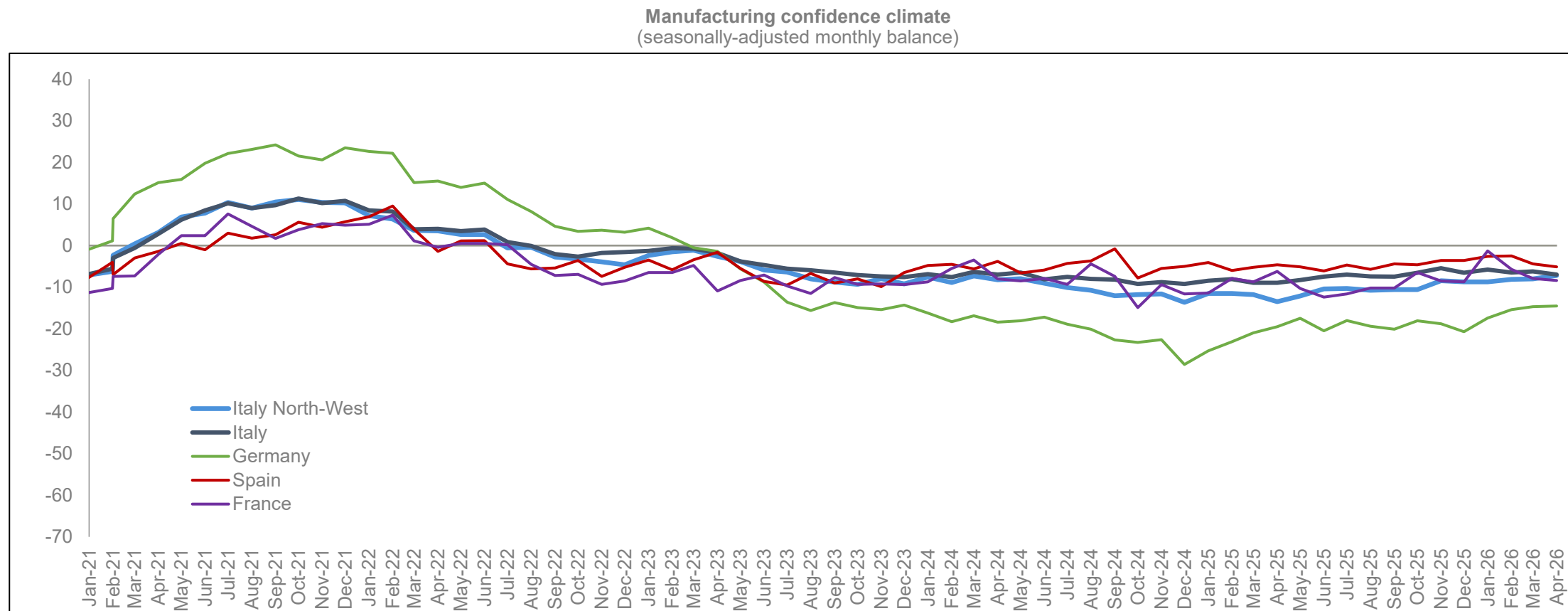
Sentiment and raw materials

*Lombardy in comparison with Italian and
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Manufacturing Confidence Climate

Manufacturing Confidence Climate

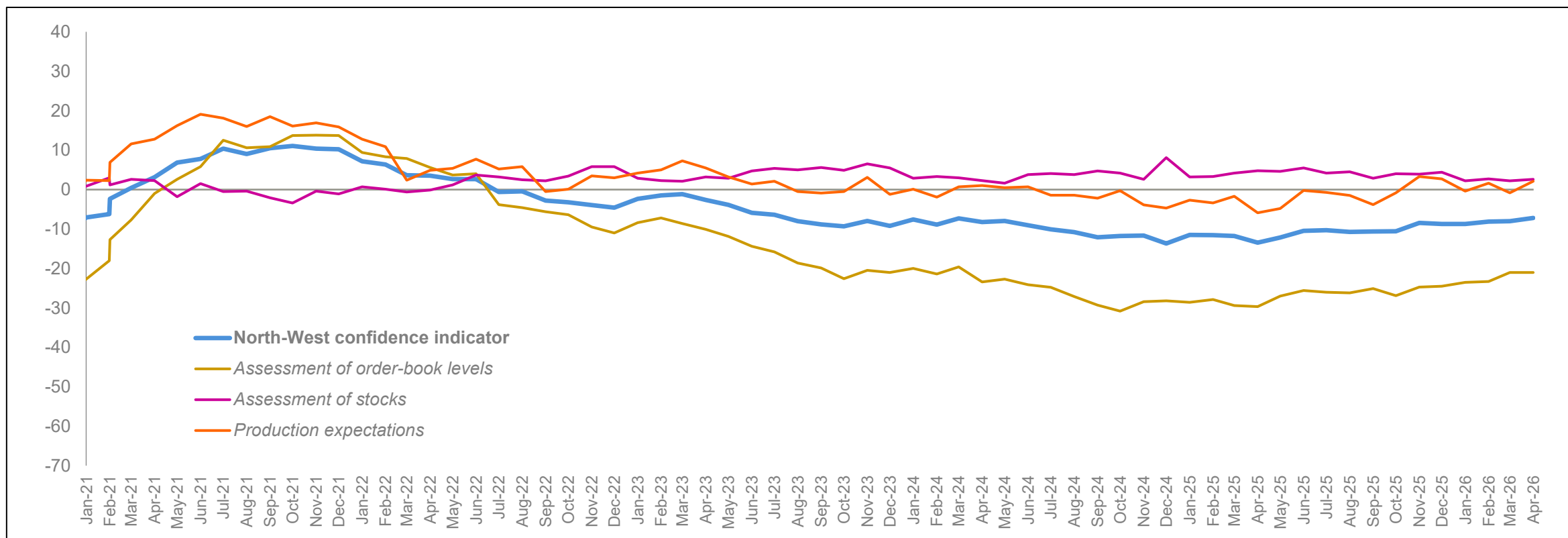
MANUFACTURING CONFIDENCE CLIMATE IN THE EUROPEAN COMPARISON / April 2026



Manufacturing Confidence Climate

MANUFACTURING CONFIDENCE CLIMATE – ASSESSMENTS AND EXPECTATIONS / April 2026

Manufacturing confidence climate in the North-West – components
(seasonally-adjusted monthly balance)

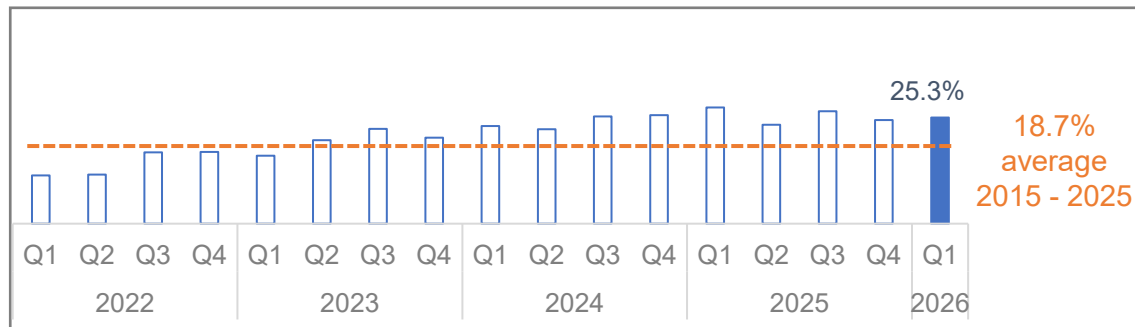


Manufacturing Confidence Climate

OBSTACLES TO MANUFACTURING PRODUCTION / Q1 2026

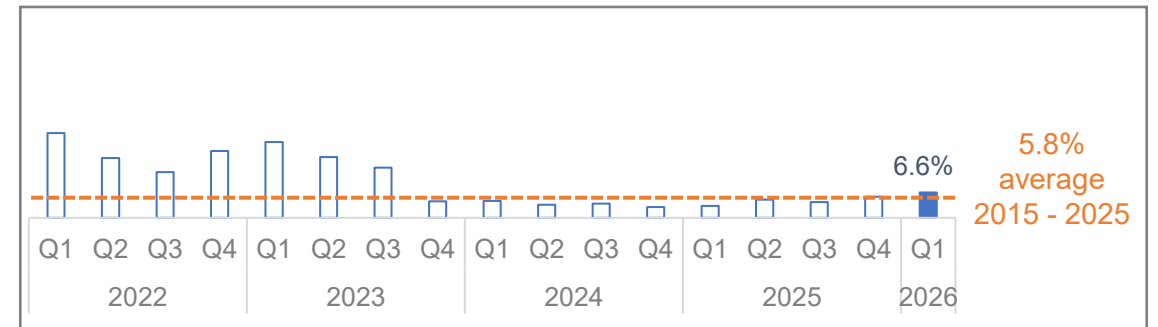
Insufficient demand

(% of northwestern manufacturing firms)



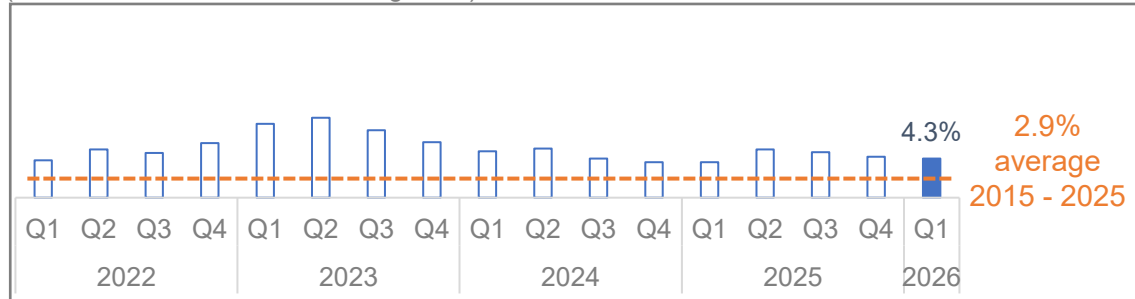
Insufficient equipment and/or materials

(% of northwestern manufacturing firms)



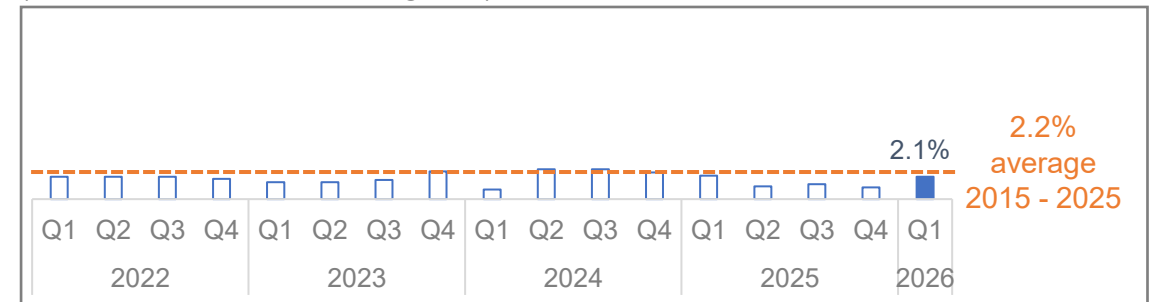
Labor shortage

(% of northwestern manufacturing firms)



Financial constraints

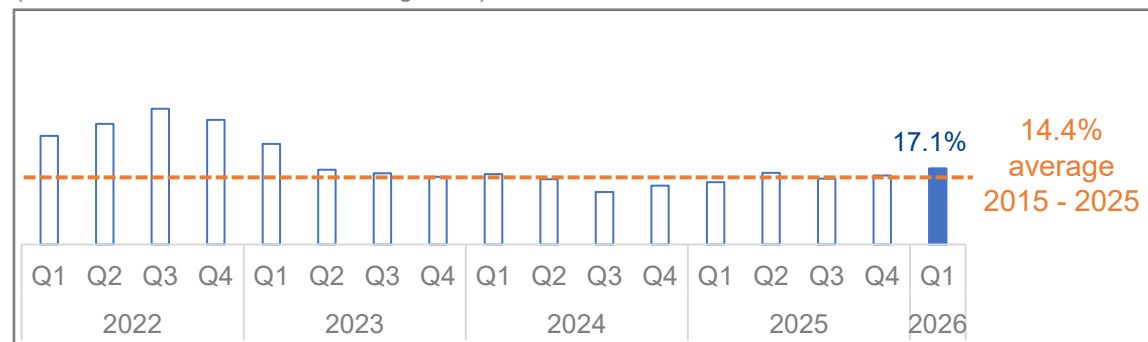
(% of northwestern manufacturing firms)



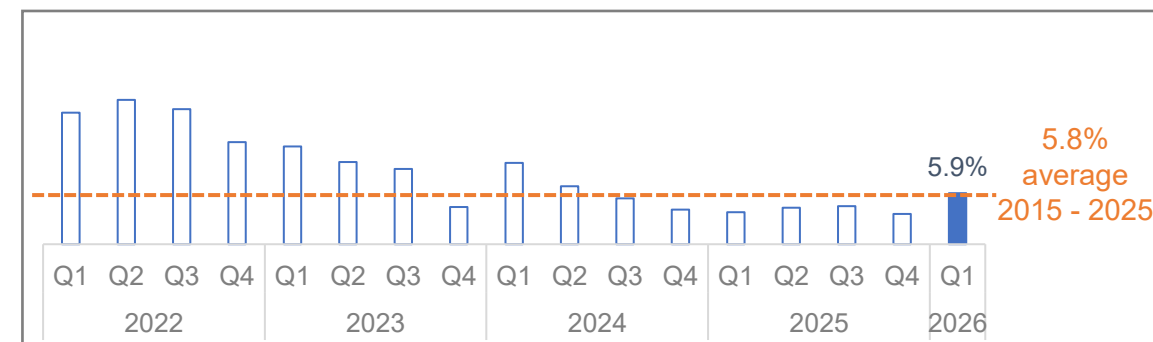
Manufacturing Confidence Climate

OBSTACLES TO MANUFACTURING EXPORTS / Q1 2026

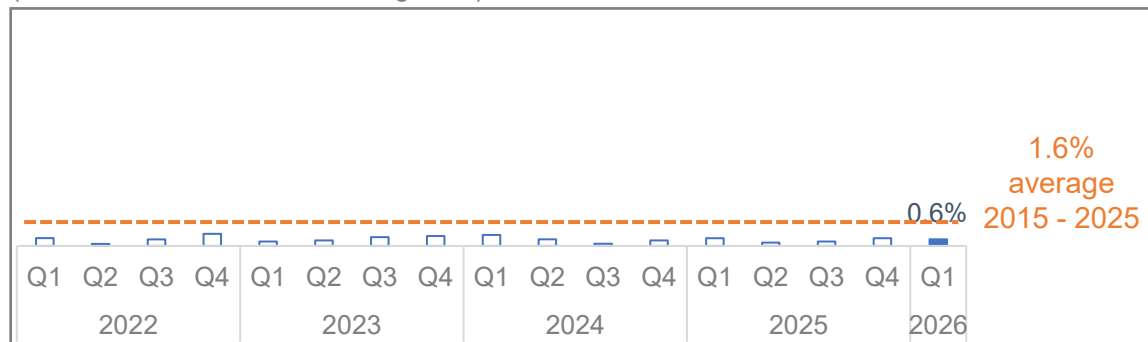
Prices and costs
 (% of northwestern manufacturing firms)



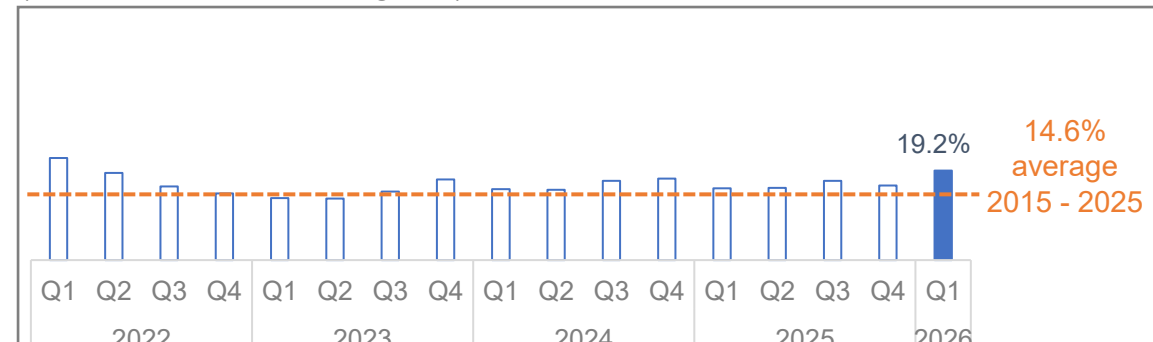
Delivery times extension
 (% of northwestern manufacturing firms)



Financing
 (% of northwestern manufacturing firms)



Other factors
 (% northwestern manufacturing firms)



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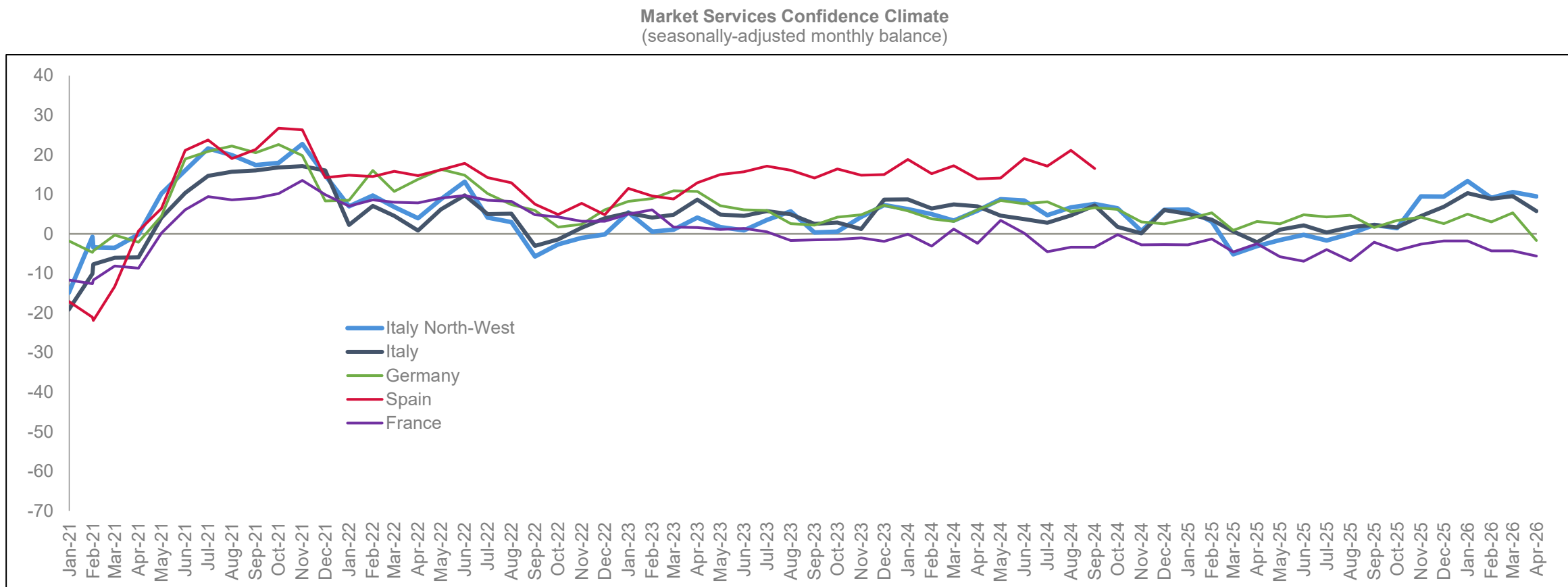
Sentiment and raw materials

*Lombardy in comparison with Italian and
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Market Services Confidence Climate

Market Services Confidence Climate

MARKET SERVICES CONFIDENCE CLIMATE IN THE EUROPEAN COMPARISON / April 2026

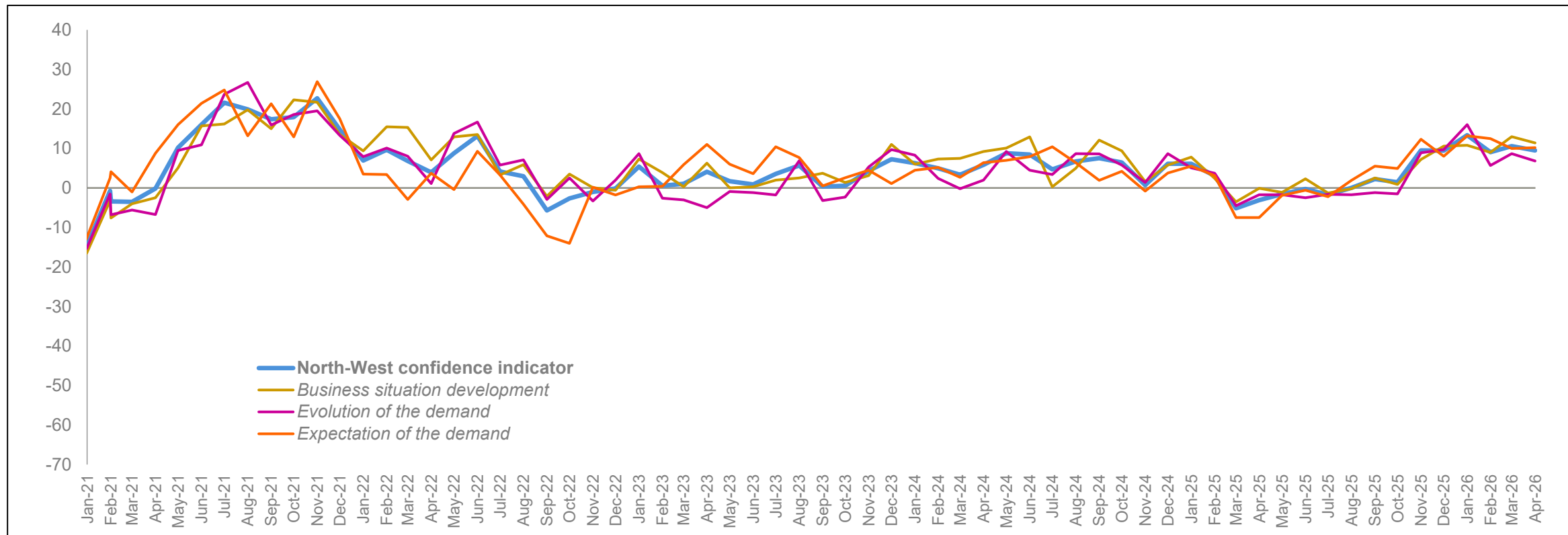


Note: the indicator does not consider companies operating in the retail sector. The survey of confidence in Spanish service companies has not been updated since October 2024.
Source: Assolombarda Research Department on European Commission and Istat data

Market Services Confidence Climate

MARKET SERVICES CONFIDENCE CLIMATE – ASSESSMENTS AND EXPECTATIONS / April 2026

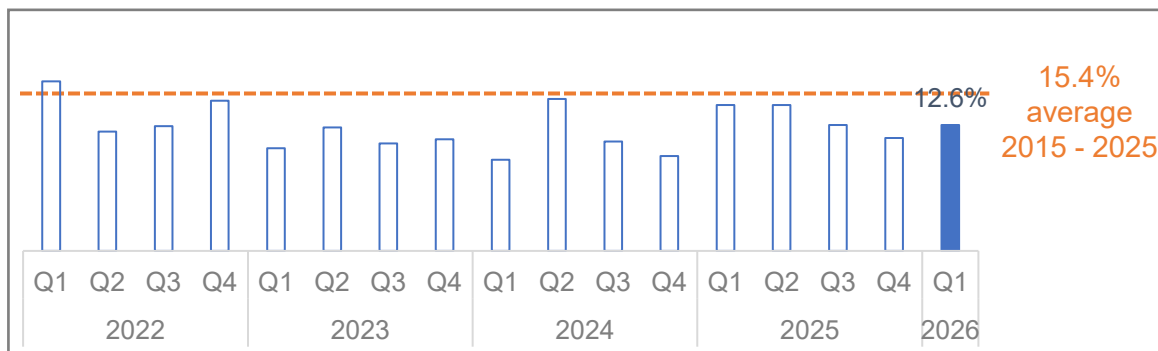
Market Services Confidence Climate in the Northwest – components
(seasonally-adjusted monthly balance)



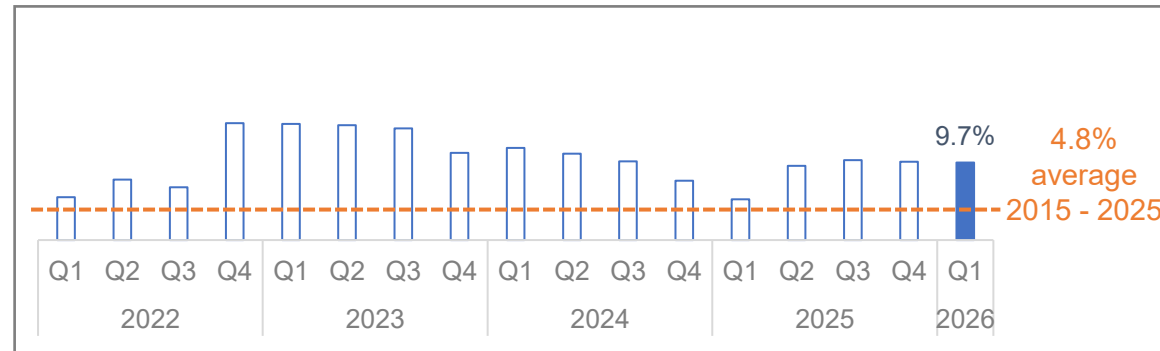
Market Services Confidence Climate

OBSTACLES TO MARKET SERVICES PRODUCTION / Q1 2026

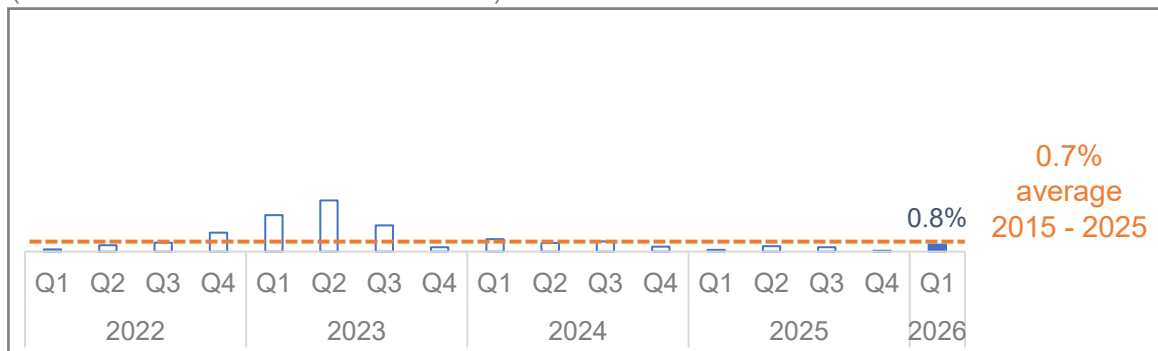
Insufficient demand
(% of northwestern market services firms)



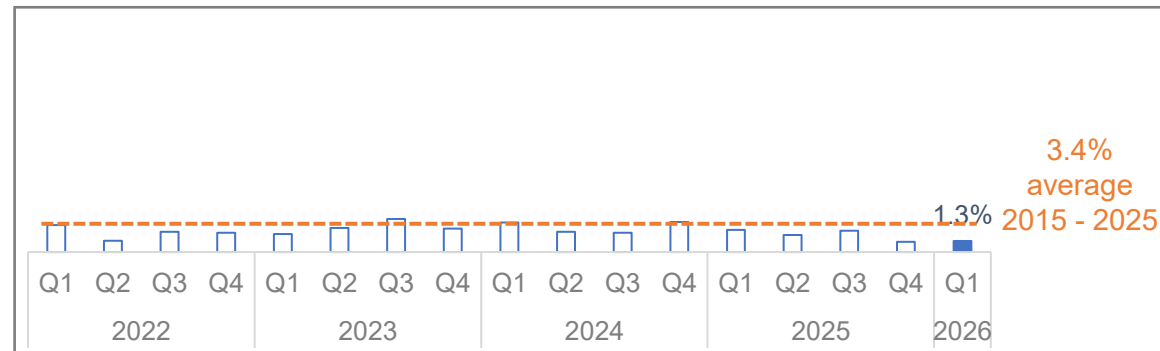
Labor shortage
(% of northwestern market services firms)



Insufficient space and/or equipment
(% of northwestern market services firms)



Financial constraints
(% of northwestern market services firms)



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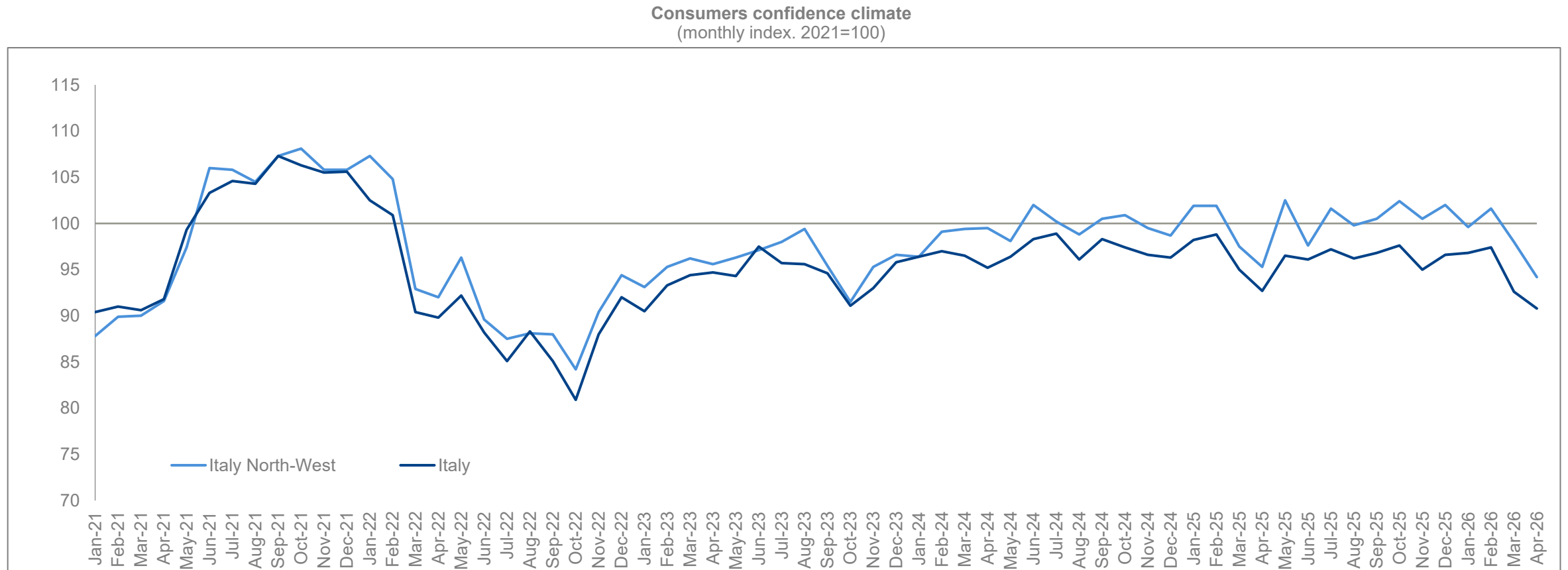
Sentiment and raw materials

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Consumers Confidence Climate

Consumers Confidence Climate

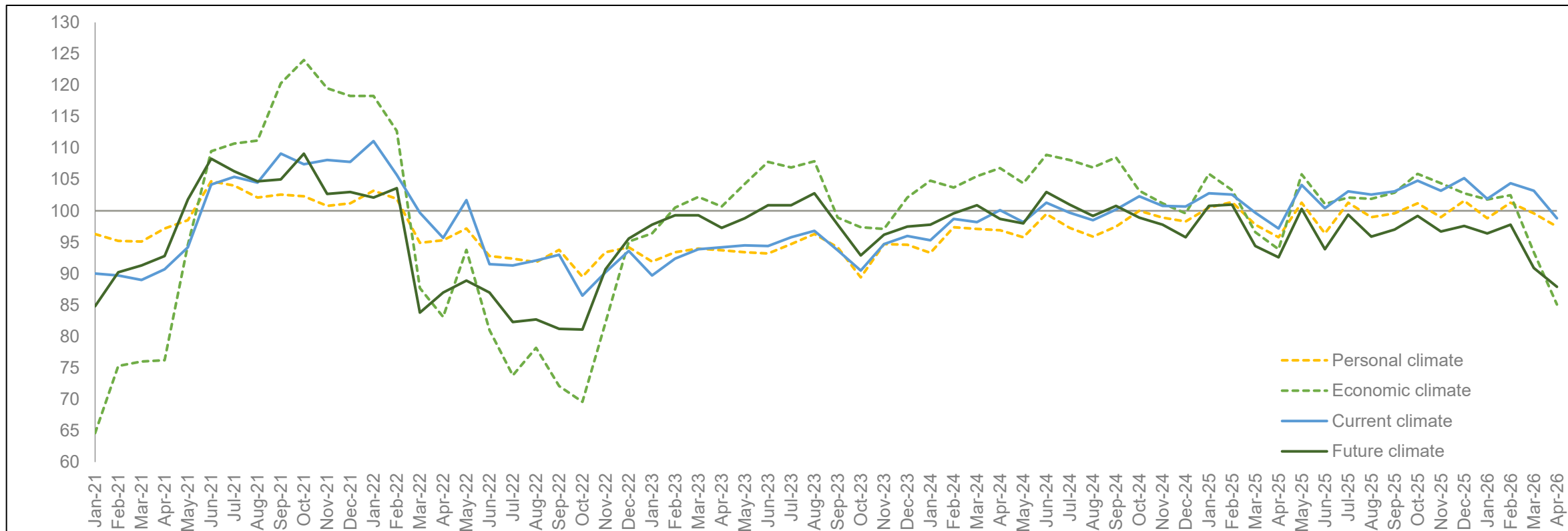
CONSUMERS CONFIDENCE CLIMATE / April 2026



Consumers Confidence Climate

CONSUMERS CONFIDENCE CLIMATE – COMPONENTS / April 2026

Consumers confidence climate in the North-West – components
(monthly index. 2021=100)



BOOKLET ECONOMIA

Sentiment and raw materials

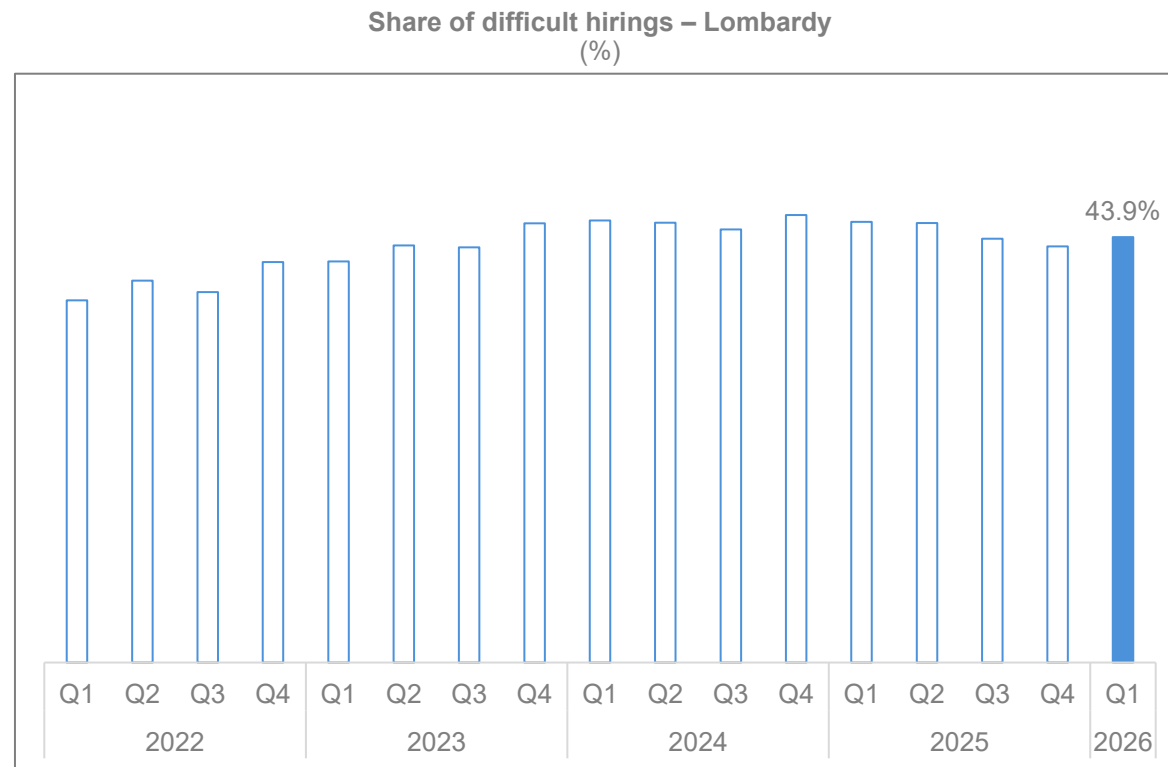
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FOCUS

Recruitment Difficulties

Recruitment Difficulties

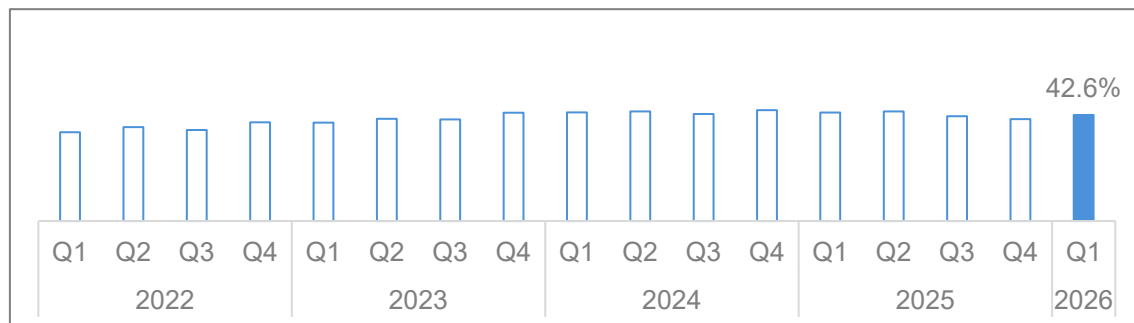
SHARE OF DIFFICULT HIRINGS / Q1 2026



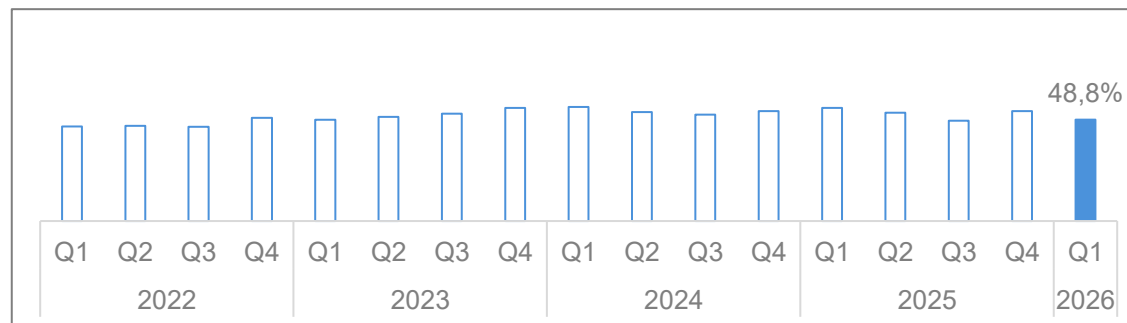
Recruitment Difficulties

SHARE OF DIFFICULT HIRINGS / Q1 2026

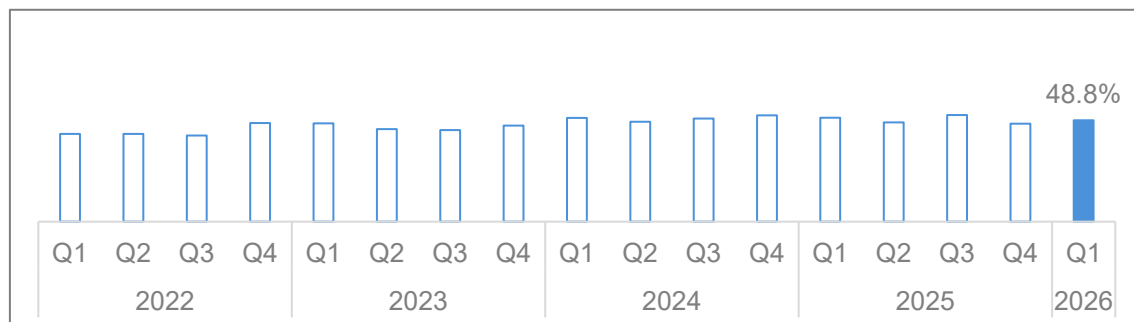
Share of difficult hirings - Milan (%)



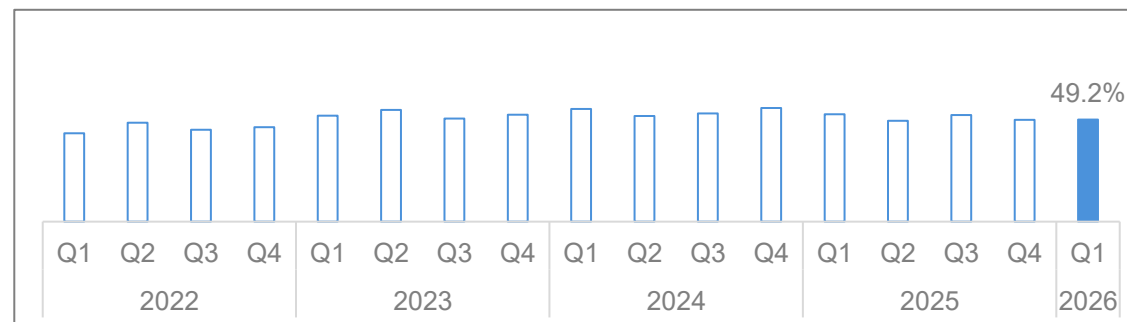
Share of difficult hirings - Monza e Brianza (%)



Share of difficult hirings - Lodi (%)



Share of difficult hirings - Pavia (%)



BOOKLET ECONOMIA

Sentiment and raw materials

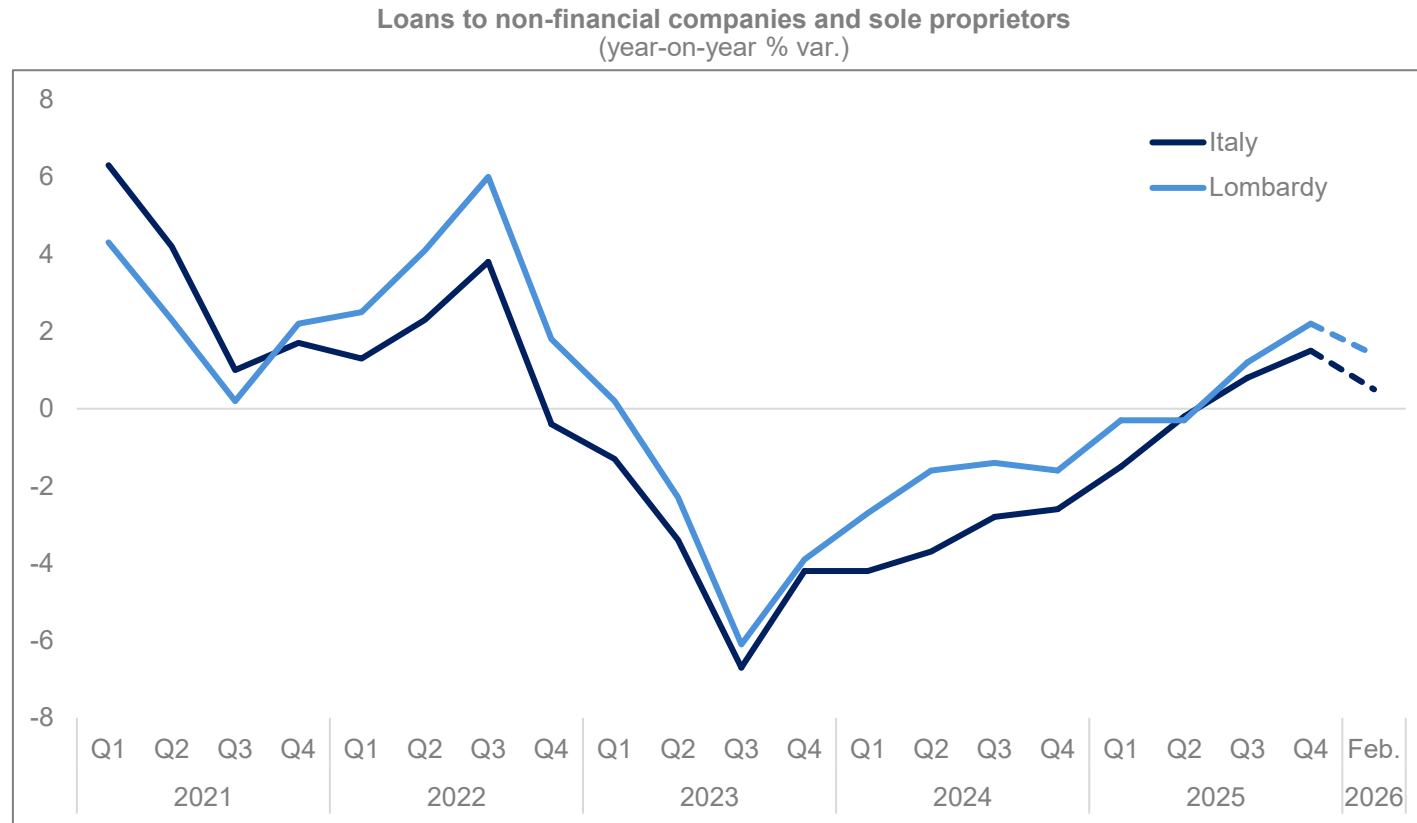
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FOCUS

Business Loans

Business Loans

BUSINESS LOANS / Q4 2025 – Q1 2026



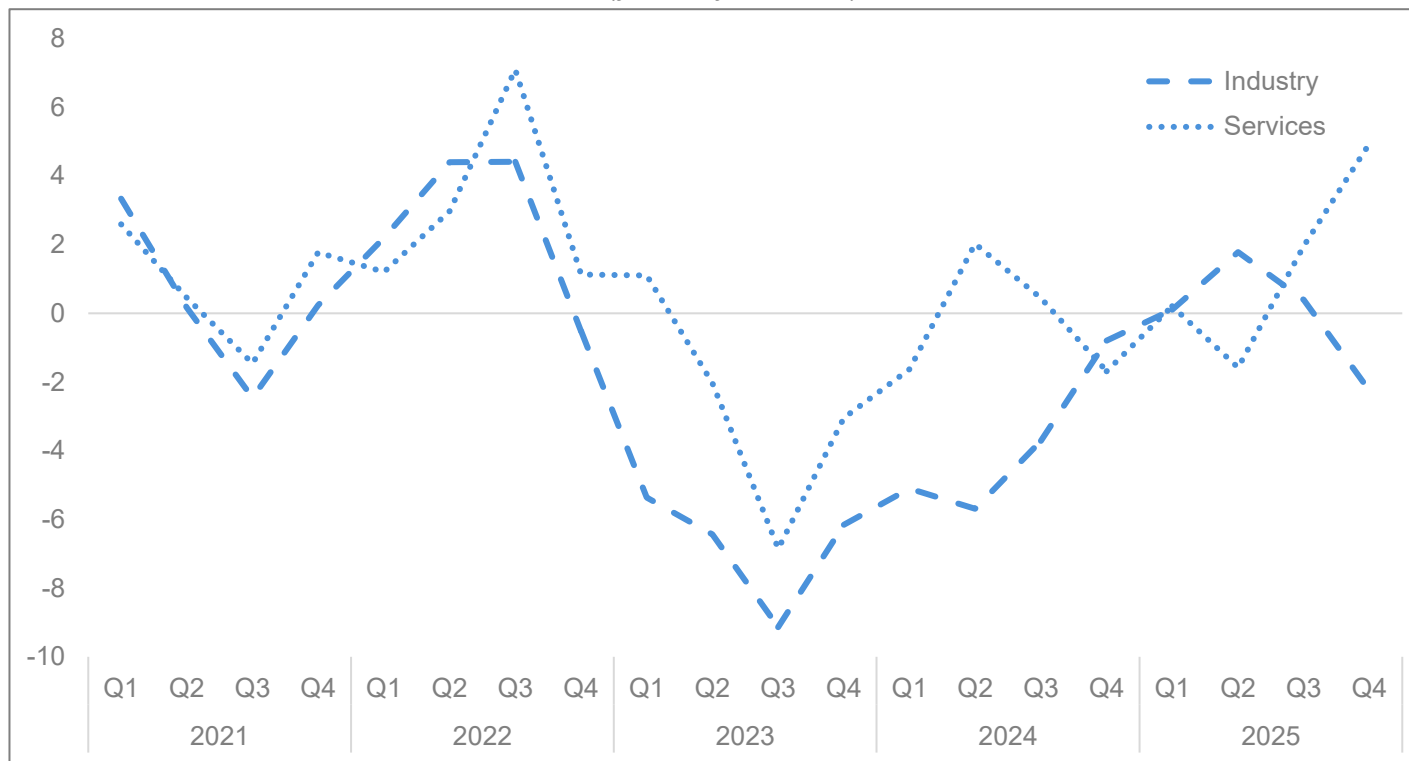
Nota: The variation in loans in the first quarter of 2025 is calculated based solely on the months of January and February and is not adjusted to account for the effects of securitizations, reclassifications, other transfers apart from securitizations, exchange rate fluctuations, devaluations, and revaluations.

Source: Assolombarda Research Department on Bank of Italy data

Business Loans

BUSINESS LOANS / Q4 2025

Loans to non-financial companies and sole proprietors by sector in Lombardy
(year-on-year % var.)



BOOKLET ECONOMIA

Sentiment and raw materials

*Lombardy in comparison with Italian and
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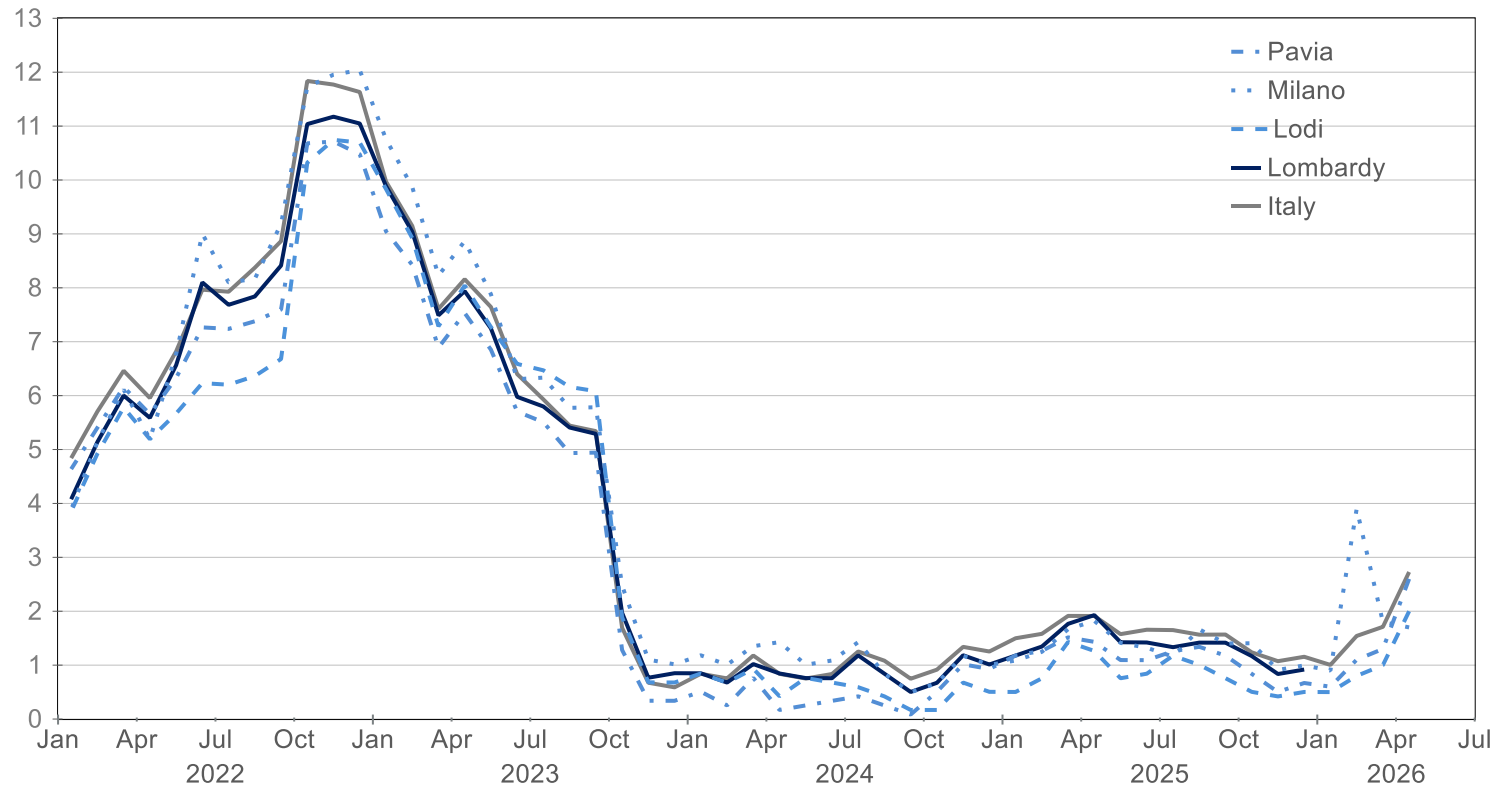
FOCUS

Prices and Raw Materials

Prices and Raw Materials

INFLATION / April 2026

Inflation
(NIC index y-o-y monthly % variation)



Consumer prices (year-on-year % var.)	April 2026
ITALY	+2.7
LOMBARDY	n.a.
Milan	+1.7
Lodi	+2.0
Pavia	+2.6

Prices and Raw Materials

INFLATION / April 2026

Inflation, April 2026 (year-on-year % var. by item of expenditure)	Milano	Lodi	Pavia
[00] General index	1.7	2.6	2.0
[01] Food and non-alcoholic beverage	2.1	1.6	2.2
[02] Alcoholic beverages, tobacco and narcotics	1.6	1.8	1.8
[03] Clothing and footwear	-0.3	1.1	-2.6
[04] Housing, water, electricity, gas and other fuels	3.8	3.8	5.1
[05] Furnishings, household equipment and routine household maintenance	1.1	2.1	-0.8
[06] Health	1.5	2	1.3
[07] Transport	3.1	4.0	3.8
[08] Information and communication	-2.2	-2.3	-2.2
[09] Recreation, sport and culture	0.9	1.3	0.8
[10] Education services	2.3	2.1	0.4
[11] Restaurants and accommodation services	-1.7	4.0	1.7
[12] Insurance and financial services	4.6	4	4
[13] Personal care, social protection and miscellaneous goods and services	4.2	2.6	3.5

Prices and Raw Materials

RAW MATERIALS / May 2026

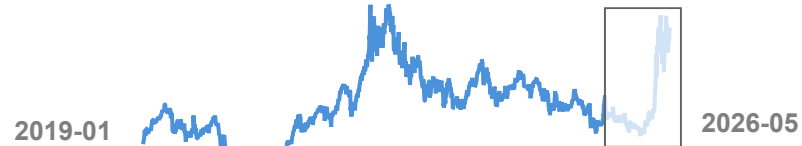
	Average price May 2026	1-month % var.	3-month % var.	1-year % var.
Oil (Brent), \$/bbl	107.0	4.4	54.3	61.0
Natural Gas (EU), €/MWh	47.1	4.7	45.2	33.7
Electricity (Italy), €/MWh	122.8	5.1	7.8	25.3
Methanol, €/Ton	387.3	-2.7	43.3	30.8
Urea, \$/Ton	571.5	-18.1	25.3	n.d.
Wheat, €/Bushel	5.42	5.5	16.8	13.7
Corn, €/Bushel	3.96	2.3	8.9	-6.2
Palm oil, €/Ton	987	-0.7	10.8	17.4
Soy oil, €/lb	0.65	8.2	32.7	53.1
Polyethylene (LLDPE), €/Ton	1,042	-1.3	28.5	15.2
Polypropylene, €/Ton	1,176	4.6	47.0	33.7
Iron ore, €/Ton	94.2	2.9	11.0	5.1
Steel scrap, €/Ton	352.9	1.3	11.2	9.5
Nickel, €/Ton	16,154	5.0	11.5	19.1
Aluminum, €/Ton	3,104	0.9	19.7	46.1
Copper, €/Ton	11,492	4.4	4.8	40.2
Zinc, €/Ton	2,951	2.8	5.1	26.0
Silver, €/Troy Ounce	67.8	4.5	-1.8	136.7
Gold, €/Troy Ounce	3,955	-2.0	-6.7	38.3
Cotton, €/lb	0.71	11.6	35.5	21.2
Lumber, €/Th. Board Feet	497	0.1	1.7	-4.7
World Container Index, €/40-ft Container	2,063	7.0	26.5	6.0

Note: Data as of May 19, 2026.

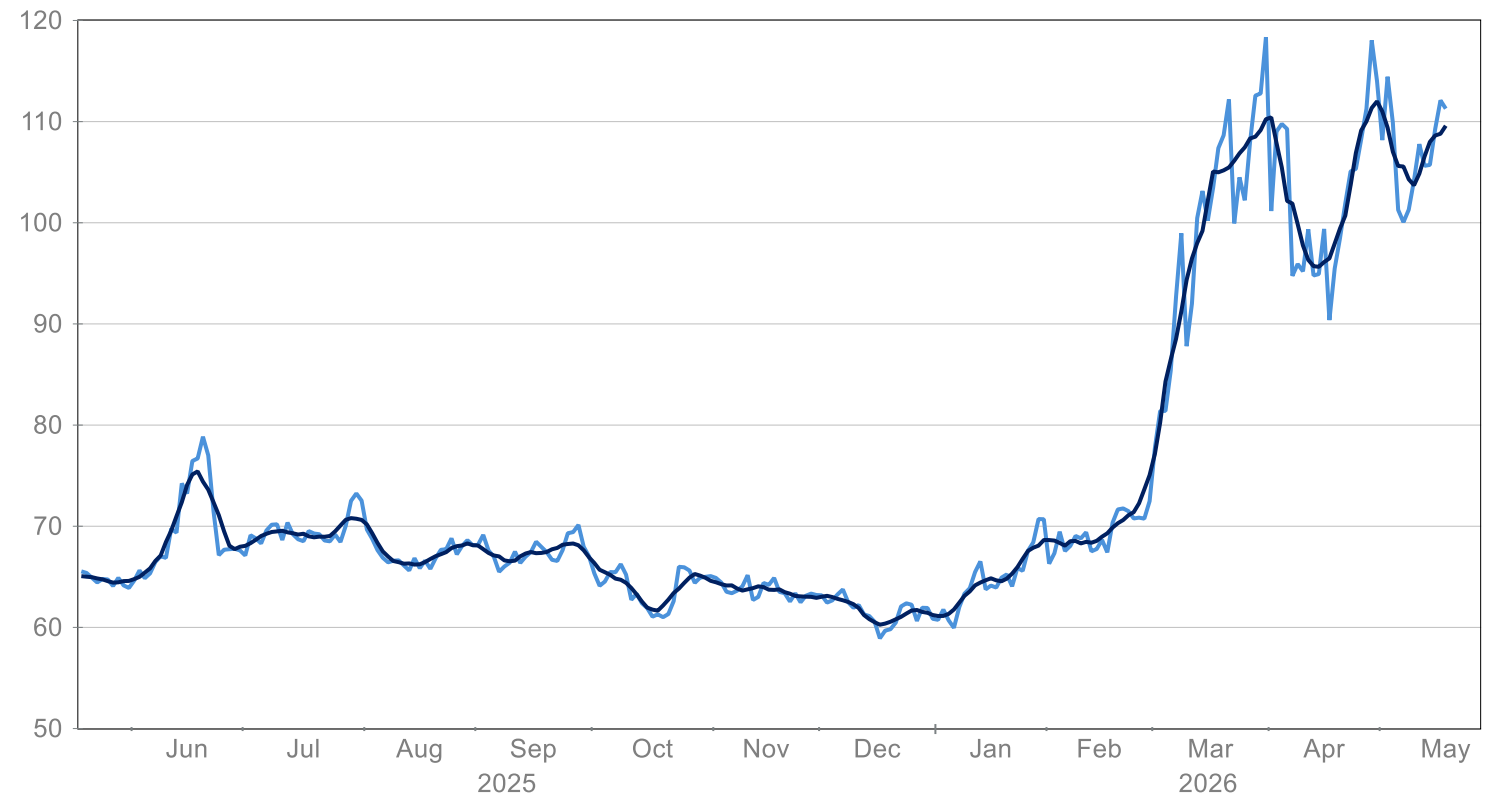
Source: Assolombarda Research Department on PricePedia and Trading Economics data.

Prices and Raw Materials

RAW MATERIALS / Oil



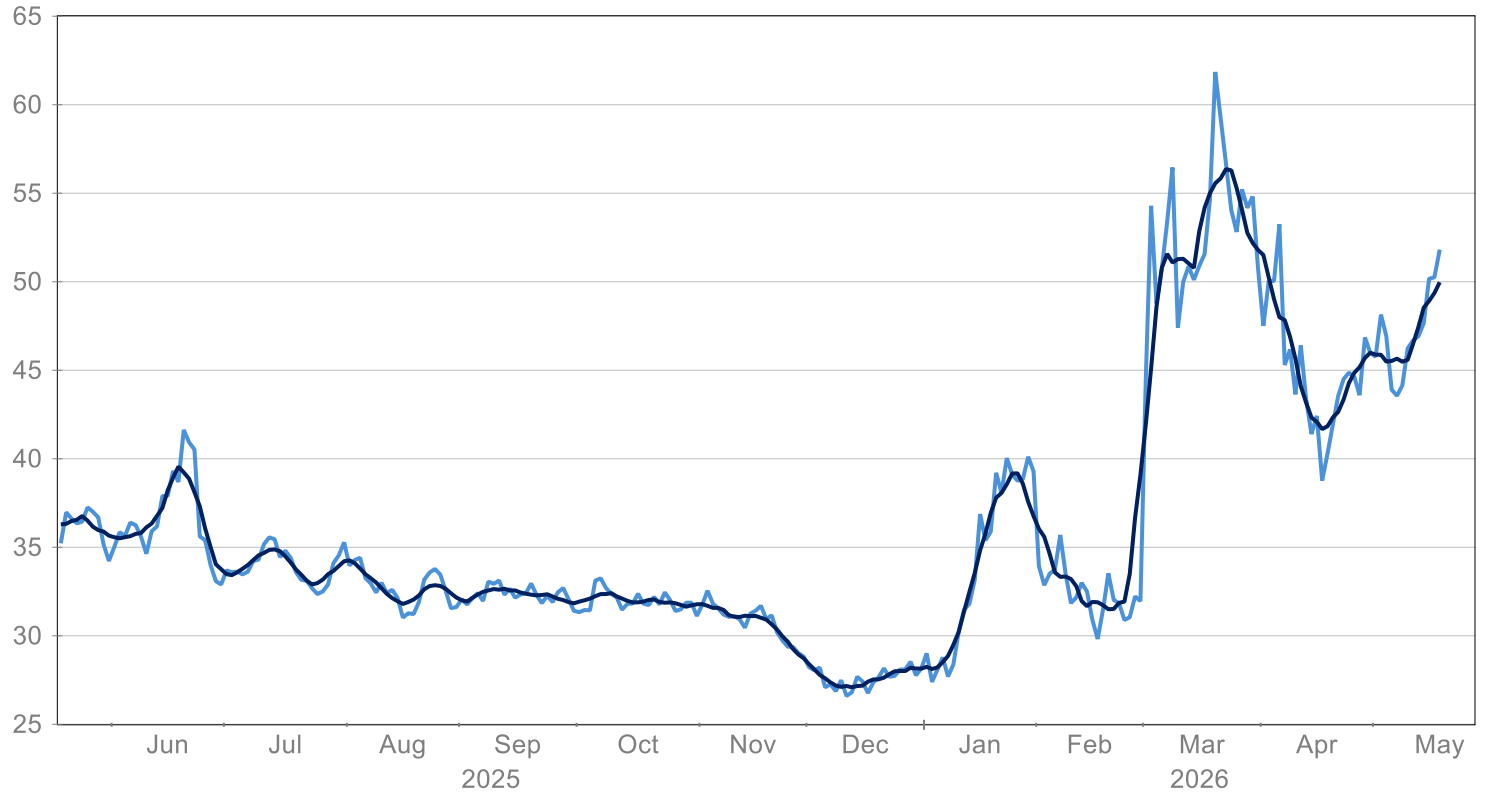
Crude oil price
\$/barrel, daily data and MA



Prices and Raw Materials

RAW MATERIALS / Gas

EU natural gas price
€/MWh, daily data and MA

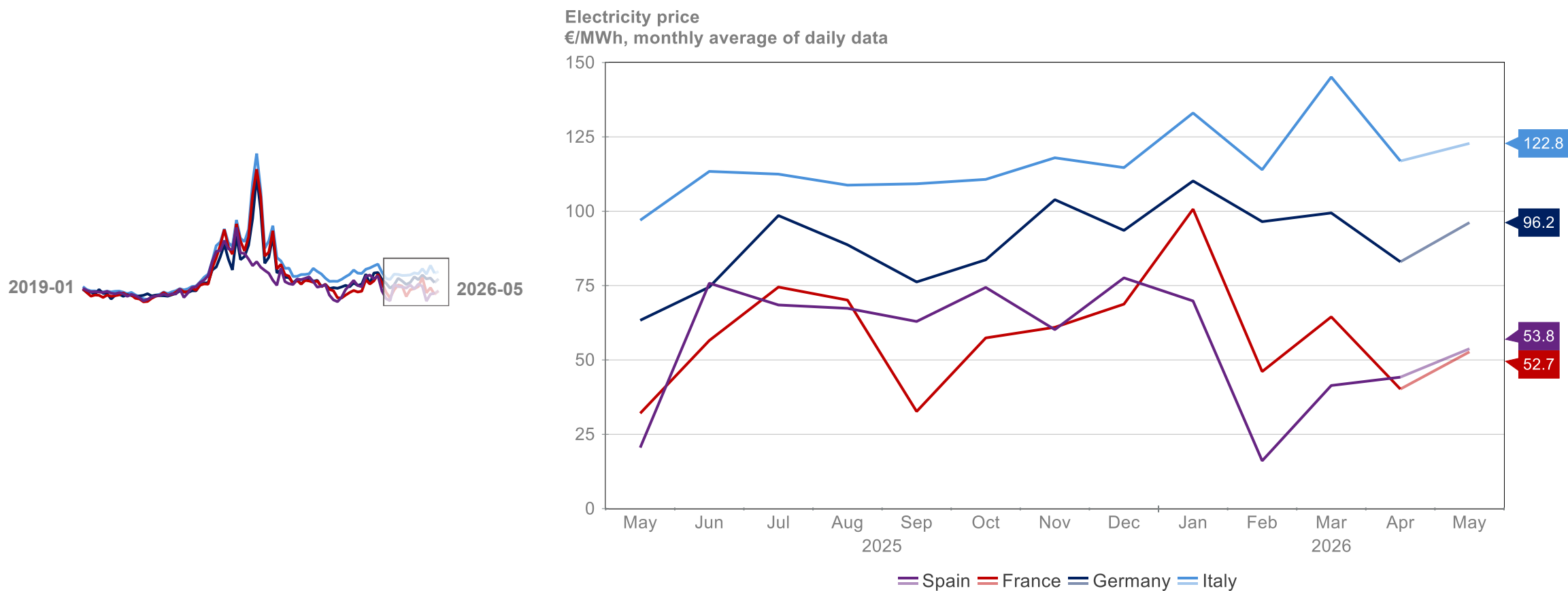


2019-01

2026-05

Prices and Raw Materials

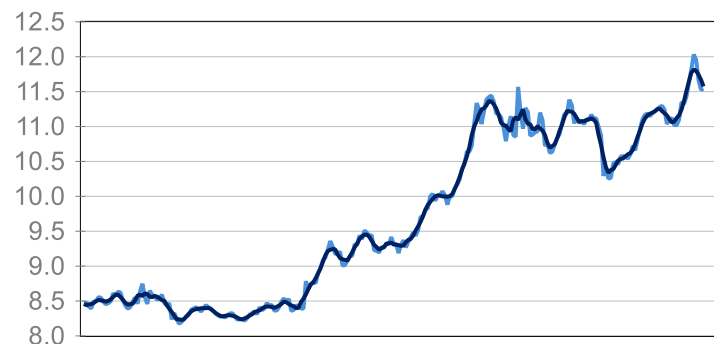
RAW MATERIALS / Electricity



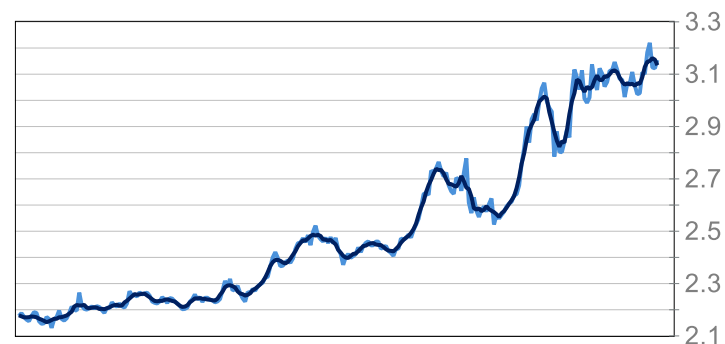
Prices and Raw Materials

RAW MATERIALS / Non-ferrous metals

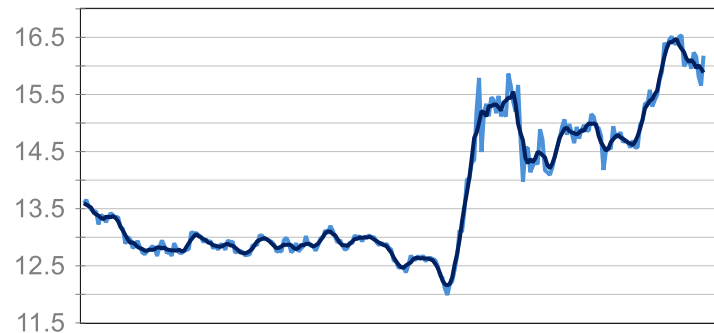
Copper price (last 12 months)
€'000/Ton, daily data and MA



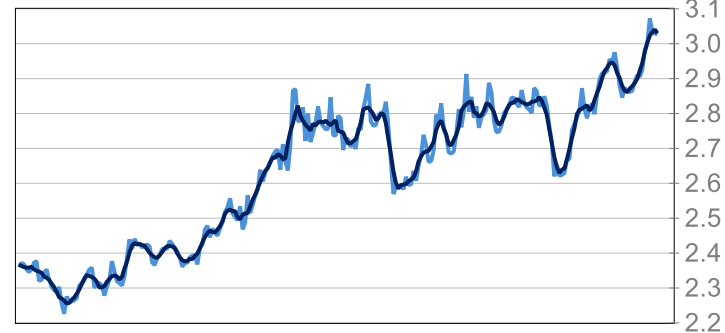
Aluminum price (last 12 months)
€'000/Ton, daily data and MA



Nickel price (last 12 months)
€'000/Ton, daily data and MA



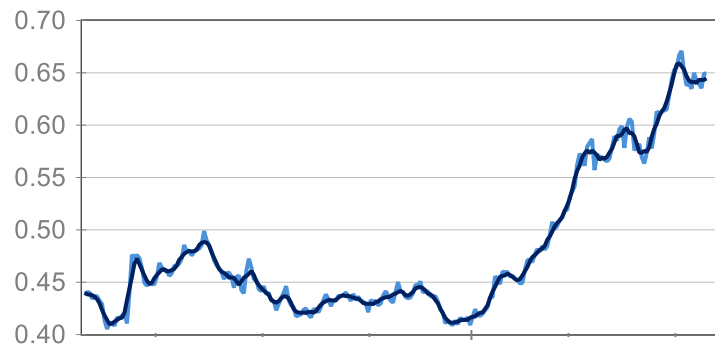
Zinc price (last 12 months)
€'000/Ton, daily data and MA



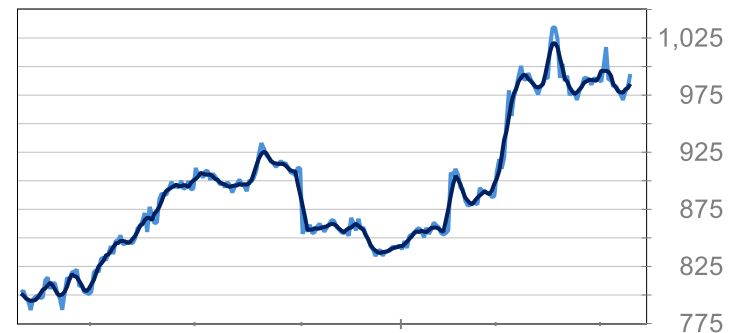
Prices and Raw Materials

RAW MATERIALS / Food and Agricultural Commodities

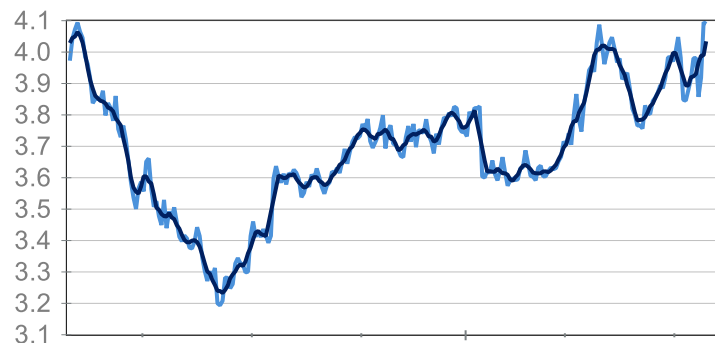
Soy oil price (last 12 months)
€/lb, daily data and MA



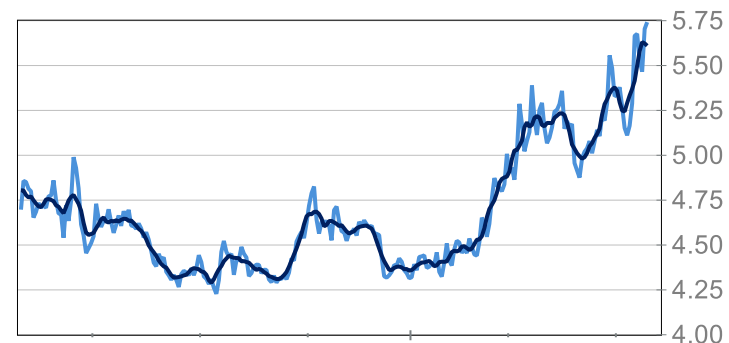
Palm oil price (last 12 months)
€/Ton, daily data and MA



Corn price (last 12 months)
€/Bushel, daily data and MA

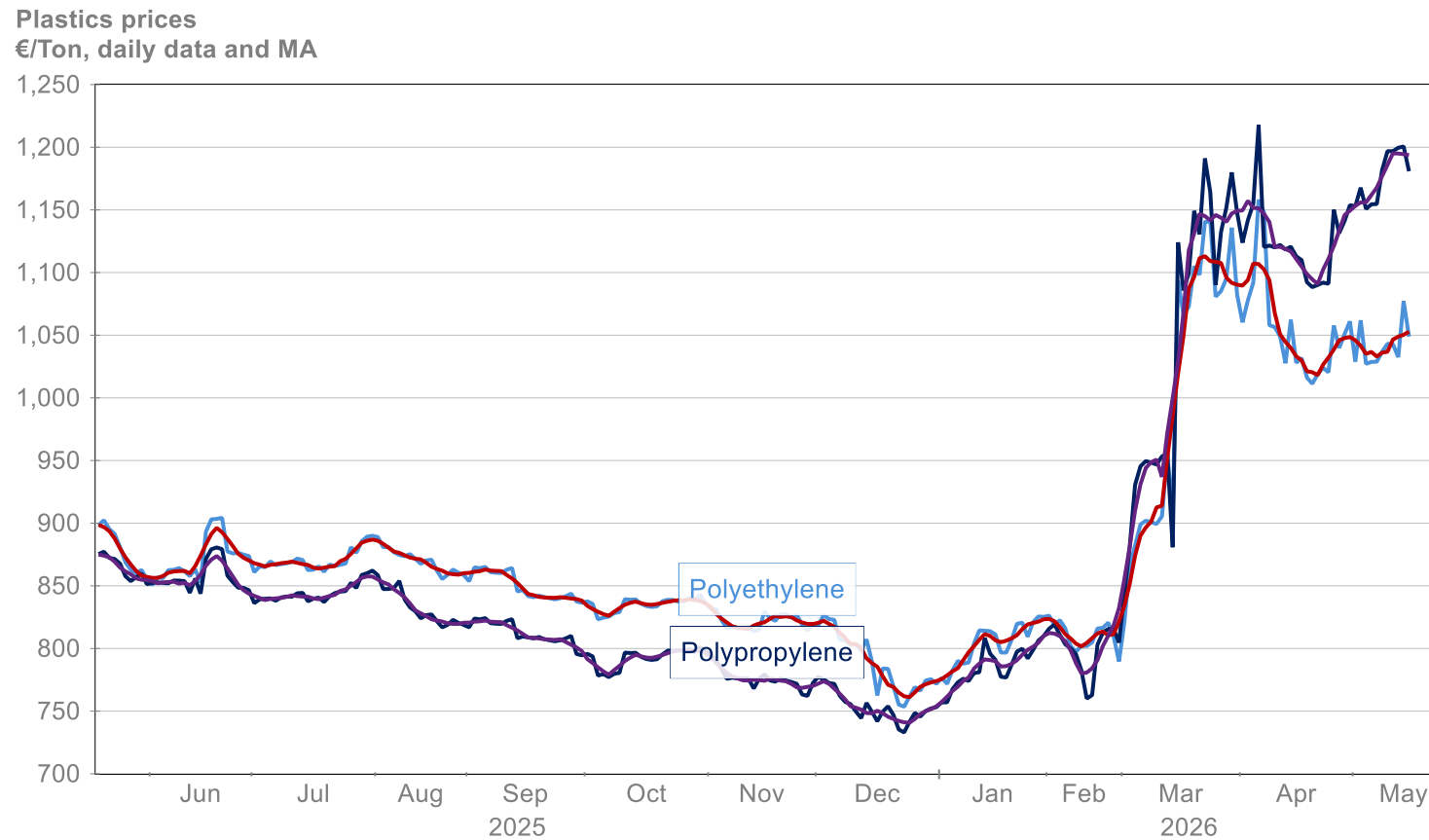


Wheat price (last 12 months)
€/Bushel, daily data and MA



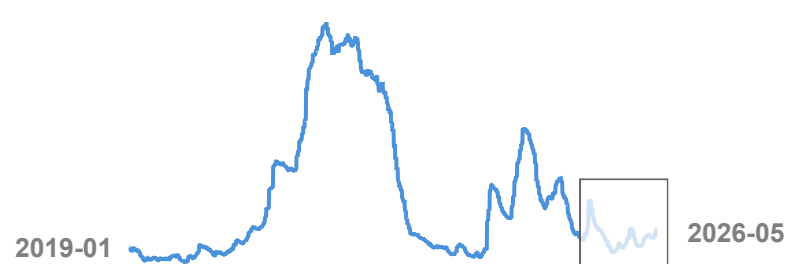
Prices and Raw Materials

RAW MATERIALS / Plastics

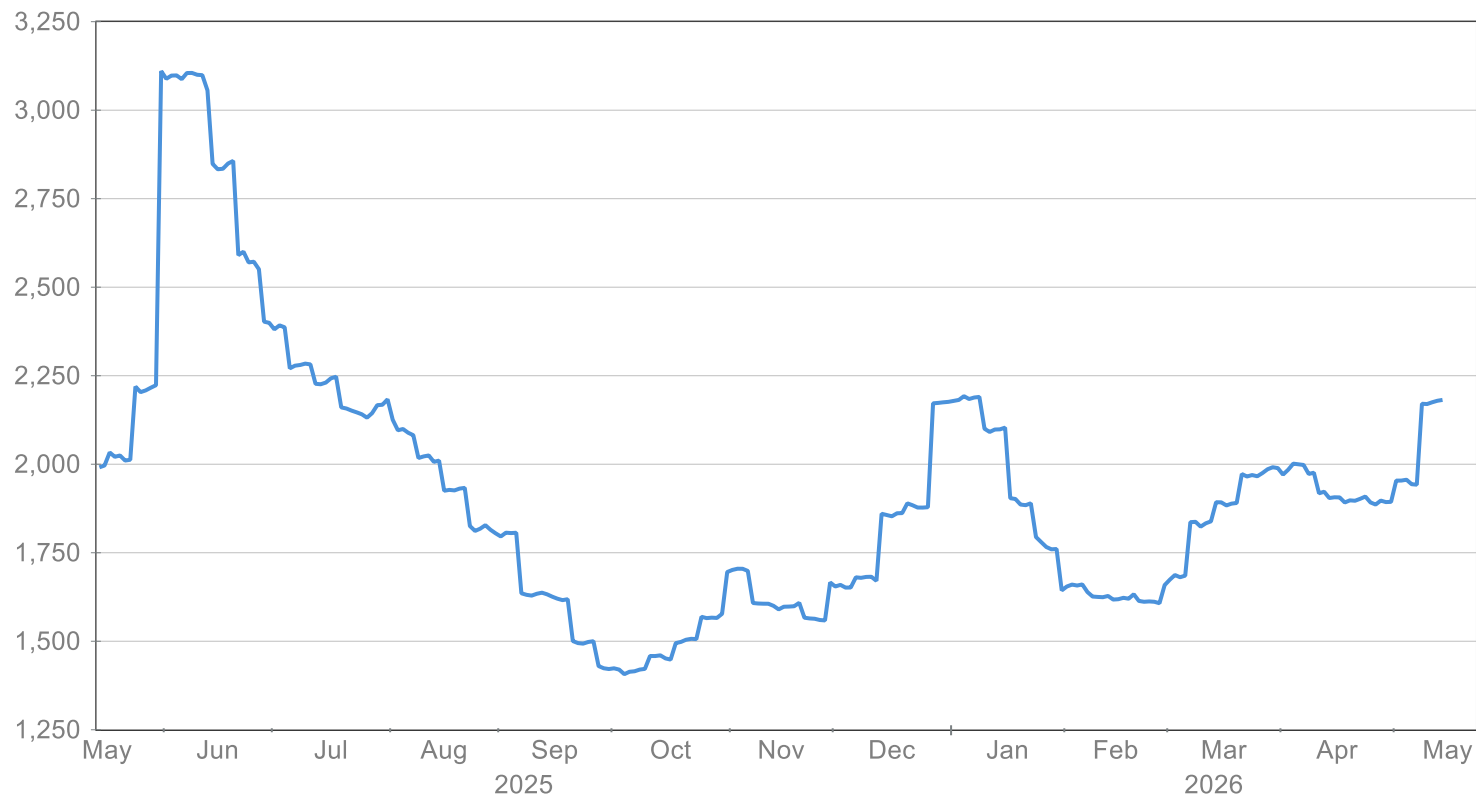


Prices and Raw Materials

RAW MATERIALS / Shipping costs



Drewry world container index
€/40-ft Container, daily data



BOOKLET ECONOMIA

SENTIMENT AND RAW MATERIALS

Lombardy in comparison with Italian and European benchmarks

Methodology Note

Raw Materials

Raw materials price indicators in detail

Oil	Brent Future (Intercontinental Exchange). price/Barrel
Natural gas (EU)	Dutch Title Transfer Facility (TTF) Natural Gas Future (Intercontinental Exchange). price/MWh
Electricity (Italy)	Energy Day-Ahead Price Italy PUN (Prezzo Unico Nazionale) (Gestore Mercati Energetici). price/MWh
Methanol	Methanol Future (Zhengzhou Commodity Exchange)
Urea	Urea futures (Chicago Board of Trade) [Trading Economics prices based on OTC and CFD financial instruments]
Wheat	Chicago Soft Red Winter Wheat Future (Chicago Mercantile Exchange). price/Bushel
Corn	Corn Future (Chicago Mercantile Exchange). price/Bushel
Palm oil	Crude Palm Oil Future (Chicago Mercantile Exchange)
Soy oil	Soybean Oil Future (Chicago Mercantile Exchange) (BO1)
Polyethylene (LLDPE)	Future Polietilene lineare Cina (Dalian Commodity Exchange)
Polypropylene	China Polypropylene Future (Dalian Commodity Exchange)
Iron	Iron Ore 62% Fe CFR China (TSI) Future (Chicago Mercantile Exchange)
Steel	Steel Scrap CFR Turkey (Platts) (London Metal Exchange)
Nickel	Nickel Future (London Metal Exchange)
Aluminum	Aluminium ingots Future (London Metal Exchange)
Copper	Copper Cathodes Grade A Future (London Metal Exchange)
Zinc	Zinc Future (London Metal Exchange)
Silver	Silver Future (Chicago Mercantile Exchange). price/Troy Ounce
Gold	Gold Future (Chicago Mercantile Exchange). price/Troy Ounce
Cotton	Cotton No. 2 Future (Intercontinental Exchange)
Lumber	Lumber Future (Chicago Mercantile Exchange). price/Thousand Board Feet
World Container Index	Drewry 40ft (FEU) World container index. price/FEU



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