

Assessing the U.S. policy shift in Venezuela



Executive summary

- **Maduro captured:** On January 3, 2026, U.S. forces executed airstrikes in Venezuela following the largest Caribbean naval build-up since 1962, capturing President Maduro and his wife. Maduro now faces charges of narco-terrorism and drug trafficking in the U.S.
- **Strategic motives:** The Trump administration views a regime change in Venezuela as pivotal to securing U.S. access to oil and limiting international adversaries' reach in the Western Hemisphere.
- **Uncertain transition:** Venezuela's Supreme Court appointed Vice President Delcy Rodríguez as interim leader. Trump signaled a prolonged U.S. role, raising questions about further military involvement and timing of a "safe, proper and judicious" transition.
- **Market impact:** Short-term volatility is possible, but Venezuela's relatively small GDP (0.4% of global) and limited oil exports (~1% of global supply) suggest minimal lasting impact on global financial markets.
- **Broader implications:** The apparent shift in the U.S. foreign policy doctrine may have more significant ramifications, including on voting intentions ahead of the U.S. midterm elections. While developments in Venezuela alone do not warrant a significant rethinking of asset allocation strategies at this point, they reinforce our view that a return of geopolitical tensions may contribute to more frequent bouts of elevated market volatility in 2026.

What happened in Venezuela?

The gradual U.S. build-up of the largest naval force in the Caribbean region since the 1962 Cuban missile crisis culminated with several airstrikes on Venezuela, and the capture of Venezuelan President Maduro and his wife on January 3, 2026. Maduro has since been indicted in the U.S. on charges of narco-terrorism, cocaine importation and possession of destructive devices. These charges are in line with the Trump administration's repeated accusations that Maduro led a drug cartel and that Venezuela has been stealing U.S. oil.

What could be behind this move by the Trump administration?

While Venezuela arguably does not represent as big a strategic threat to the U.S. as China, Russia, and Iran, its geopolitical role is augmented by the influence these countries have been exerting indirectly on Latin America through the Maduro regime. The Trump administration has spent a great deal of foreign policy effort trying to reduce Chinese influence on the region (and therefore the Western Hemisphere) since January 2025. The focus on the Panama Canal immediately following President Trump's inauguration was motivated by this policy, and a regime change in Venezuela would deal a significant blow to the ability of China, Russia, and Iran to access South America and its resources, including bauxite, gold, iron, nickel and oil.¹ To this effect, President Trump said that the U.S. plans to be "strongly involved" in Venezuela's oil industry.

¹ Chevron is the only U.S. oil company still operating in Venezuela, through joint ventures with Petroleos de Venezuela (PDVSA).

What might be next?

The removal of Maduro is unlikely to lead to a smooth transition of government powers to opposition leaders Maria Corina Machado or Edmundo Gonzalez (who is internationally recognized as the legitimate winner of the July 2024 election), or to immediate elections. With Maduro now gone, the Venezuelan Supreme Court appointed Vice-President Delcy Rodriguez to run the government, and the regime maintains a material level of support both within the country's armed forces and parts of its population.

The lack of internal solutions—at least in the near-term—was confirmed in the press conference that followed the military operation, as President Trump stated that “we are going to run the country until such time as we can do a safe, proper and judicious transition” and that opposition leaders “don’t have the support or respect to lead the country.” Against this backdrop, it remains unclear if further military intervention will be required to secure the necessary conditions to install a U.S.-run administration, how long the transition would take, or what U.S. agencies would be involved. Much will depend on how the Maduro-less regime will respond to U.S. demands on issues including oil access, immigration, and drug trafficking. With midterm elections in November, the Trump administration (and the GOP more broadly) might be reticent to put troops in harm’s way or become mired in a prolonged conflict, especially since the MAGA platform has often run on the desire for less, not more, foreign intervention.

International reactions have been mixed, but even key U.S. allies like the European Union have emphasized the need for stability and respect of international laws.

We therefore expect ongoing uncertainty surrounding next steps in Venezuela over the next several weeks.

Market implications

A sudden spike in geopolitical uncertainty could inject some short-term volatility across global equity markets, but we maintain our view that any geopolitically driven pullback in stock prices would likely prove short-lived, especially given that Venezuela’s Gross Domestic Product (GDP) represents a mere 0.4% of global GDP.

Oil prices, as always, could be the swing factor. But Venezuelan oil exports (~900,000 barrels/day) are already rather small (~1% of daily global oil production) due to existing U.S. sanctions. Even significant disruptions to these exports (e.g., if oil infrastructure was targeted by airstrikes, which would not be a palatable solution for oil-price-sensitive President Trump) could have only limited implications for global oil prices beyond short-term volatility. In fact, OPEC’s spare capacity is estimated at ~4 million barrels/day and is therefore more than enough to offset any loss of Venezuelan supply. Counterintuitively, over the medium-term, if a regime change in Venezuela resulted in a more stable political environment and U.S. sanctions were lifted, Venezuela could ramp up production to ~2 million barrels per day² and tap into the largest proven oil reserves in the world (303 billion barrels), leading to rising—rather than falling—global oil supply and therefore adding to an already oversupplied oil market.³

² Estimate for Venezuela’s idled capacity.

³ The International Energy Agency (IEA) projects that oil supply could outpace oil demand by as much as 8 million barrels per day by 2030.

Market volatility may react more significantly to a scenario in which U.S. oil assets in the region are targeted by the regime as retaliation. At this point in time, we ascribe a relatively low probability to this happening, as there are indications that the Trump administration is in open communication with members of the Venezuelan government. That said, we expect the situation to remain fluid.

The Trump administration's apparent shift to a more interventionist foreign policy may be the spark that rekindles geopolitical uncertainty in 2026. At a New Year's Eve event with Israeli Prime Minister Benjamin Netanyahu, President Trump renewed threats that the U.S. might intervene militarily should the Iran regime violently suppress popular demonstrations that are spreading throughout the country. At different times, President Trump has also made comments about Cuba, Colombia, and Greenland. In addition, these events may have far-reaching implications for how Chinese and Russian territorial claims over Taiwan and Ukraine, respectively, evolve going forward.

Importantly, the Trump administration's handling of these geopolitical fronts may have direct repercussions on voting intentions ahead of the U.S. midterms, which in turn could carry more lasting market ramifications.

As we mentioned in our [2026 Outlook](#), we expect geopolitical shifts to be one of the predominant themes impacting markets this year. While developments in Venezuela alone don't warrant a significant rethinking of asset allocation strategies at this point, they reinforce our view that a return of geopolitical tensions may contribute to more frequent bouts of elevated market volatility in 2026.



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