

Venezuela after Maduro

Oil, global power, and the ripple effects for markets

While the near-term market effect of the US capture of Venezuelan President Nicolas Maduro is minimal—beyond select US oil refiners, Venezuelan sovereign bonds, etc.—Maduro’s capture is a major geopolitical event with profound implications for the future.

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Elliot Hentov, Ph.D.
Head of Macro Policy Research

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In an echo of history, Nicolas Maduro looks likely to follow in the footsteps of Francisco de Miranda, the first independence leader of Venezuela in 1811, who ultimately was handed over to the colonial power at the time (Spain) and died a few years later, forgotten in a Spanish prison.

Was it just for the oil?

In our [2026 Global Market Outlook](#), we had flagged Venezuela as the third most relevant geopolitical hotspot, but one with limited market transmission potential. This has proven prescient with little discernible market movement thus far.

Notably, following the build-up of US forces in the Caribbean, oil prices have softened despite increased US sanctions on Russian oil exports as well as the removal of a portion of Venezuela’s exports on shadow fleet tankers. Intraday oil prices (and oil volatility) remain largely where they were pre-capture. But what about the coming months?

Why lower prices are unlikely

We would caution against expecting extra Venezuelan oil supply to lower oil prices. The market is still dominated by global oil demand drivers that had softened a lot in 2025, due to policy-induced slowdown. This is likely to revert with increased US and Chinese oil demand firming up prices over the course of 2026.

Realistic estimates put marginal extra Venezuelan production at 250–300k barrels/day versus an expected global oil demand growth of 750k–1.25mbd this year. Some of these developments are material for select US oil operators and refiners, but this is not a macro story.

Why, then, do you keep hearing about Trump and grabbing Venezuelan oil? This is where the geopolitical story begins.

Energy, influence, and the “Donroe Doctrine”

First, Venezuelan (VEN) oil accounts for only about 4% of China’s imports. But most of Venezuela’s flows go to China, creating a deep dependency with Beijing. Bringing that under US oversight is quintessential “Donroe Doctrine”—reasserting Latin America as an American region of influence.

VEN oil has also been a lifeline for the Cuban regime. Roughly two-thirds of Cuban imports come from Venezuela—often at near-zero cost, in exchange for governmental services that range from intelligence to protection of the Venezuelan presidency.

Finally, there’s the geoeconomic rationale: harmonizing the Western hemisphere’s energy network is in itself a power—i.e., amplifying US energy competitiveness. And it’s not just about the oil—this region is rich in non-oil resources too, including rare earths.

Fiesta Latinamericana

Maduro’s capture doesn’t just reshape Venezuela—it has the potential to ripple across the region. From Colombia’s growth prospects to Brazil’s electoral dynamics and Cuba’s looming vulnerability, the geopolitical recalibration under a revived “Monroe Doctrine” could redefine alliances, markets, and power structures across the hemisphere:

Colombia: The biggest winner?

Colombia stands to gain the most from Venezuela's recovery. A full political transition and a surge of foreign investment into Venezuela's oil sector could lift Colombia's average exports by an estimated 0.5% of GDP annually. Add in normalization and return of refugee flows, etc., and overall growth pickup could double that. Politically, Colombia's April elections could be a key barometer for gauging how the public views the "Donroe Doctrine" and its regional impact.

Brazil: Watching the pendulum swing

Brazil also has elections coming in the second half of the year. As the other major left-wing government that faces voters in 2026, its trajectory will shape regional politics. US-aligned governments in the region have been rewarded with US support—think swap lines for Argentina and presidential pardons for Honduras—strengthening their grip on power. While FX markets show no clear reaction yet, we expect right-wing opposition candidates to rise in the polls as the year progresses.

Cuba: The vulnerable domino

Cuba now looks like the most fragile piece on the board. Over the next one-to-two years, it's hard to imagine the regime resisting some arrangement with the Trump administration. Why? The US presumably will throttle or veto cost-free Venezuelan oil, and Havana has no obvious alternative patron.

What happens in Caracas doesn't stay in Caracas

All of the above seems negligible compared to the great game of geopolitics. Here are the variables to watch:

Iran: A regime under pressure

The current protest wave takes place under very different circumstances. Political science tells us authoritarian regimes are weakest after losing an external war—and the humiliation of June's 12-day conflict fits the pattern of regime instability.

Short-term, Venezuela distracts global media, but regime cohesion is a growing problem. How do you crack down on protests when you failed to prepare for the war with Israel, mistakenly called Trump's bluff, and now face his threat to intervene after delivering on Venezuela? The reality is, it makes it harder to conventionally repress protests as it delays decision-making and conviction and only emboldens protestors. Regime change remains unlikely, but regime evolution with new leadership to replace Khamenei is a real possibility.

Russia: Partnerships losing credibility

If Moscow were an insurer, would its string of failures make its policyholders panic? In the past year Assad's regime collapsed despite over 20,000 Russian troops, a naval base, and other support; Iran received no material help during the 12-day war, just months after signing the Iran-Russia Comprehensive Strategic Partnership; and Maduro was captured just weeks after signing the Venezuela-Russia Strategic Partnership.

At what point do Russian alliances look like bearish signals for regimes? How long before other Russian allies—mainly sub-Saharan African military leaders but even Belarus perhaps—reconsider their options and seek a deal with the Western bloc?

Ukraine: Cease-fire momentum

Russia could continue to drag out negotiations and seek to maximize concessions in an endless dance, but its hemorrhaging geopolitical clout will erode its military advantage over time. Is the Donbass really worth more than Russia's global assets? A cease-fire feels more likely today than it did on the last day of December 2025.

US-China: A regional reality check

Hours before Maduro's capture, China's Latin America envoy Qiu Xiaoqi paid a visit—the last dignitary to do so. Chinese support to Maduro personally ultimately did not matter, and this will be seen as Beijing's weakness in the region.

Venezuela was Beijing's deepest Belt & Road partner, its largest debtor, and China's most loyal political ally in the Americas. Yet US trade priorities trump China's regional interests, and Beijing seems inclined to accept the new status quo. Expect Latin American countries to be more skeptical of Chinese cooperation, given the rising geopolitical costs. It's noteworthy that Mexico has acceded to most US 'no China' clauses as part of its trade negotiations, despite its left-wing leadership.

Greenland: Strategic reset

Similar to the US-EU Trade Deal, the US seeks a reset of its Greenland usage and will leverage its geopolitical power to get Denmark/EU to agree to even greater economic privileges, military freedom of operation, and political veto rights. This need not express itself as a unilateral initiative or in military terms.

Taiwan: Lessons in precision

Recent events should not be interpreted as a tacit green light to other great powers to do what they wish in their rimlands. The real lesson here? With operational excellence, surgical interventions are possible without full-scale wars or wholesale military interventions—a lesson that will shape future strategic calculations.

Keep your eyes on 2028!

If Venezuela proves to be a strategic success—and even more so if Cuba folds before 2028—Marco Rubio's status as the flagbearer of Trump foreign policy would support his claims to be the heir to Trumpism. One notable detail: US Vice President JD Vance was entirely absent from the Venezuela narrative throughout this recent media cycle, in sharp contrast to his visibility on other foreign policy issues.