


Rabobank

The end of NATO?

Global Daily
RaboResearch

Global Economics &
Markets
knowledge.rabobank.com

[Molly Schwartz](#)

Cross-Asset Macro
Strategist

The Monroe Doctrine, proclaimed by U.S. President James Monroe in 1823, asserted American influence in the Western Hemisphere at a time when newly independent South American nations were emerging from European colonial rule. **While the Doctrine, as a tool of policy, warns Europe to keep its hands off, it stopped short of declaring that the United States would act as nanny for these fledgling states.**

Don's interpretation of the Doctrine, however, seems a bit different—though not entirely unique. Indeed, digging a massive trench to split a country in two is a rather explicit form of U.S. intervention, though the recent operation in Venezuela marks the first time we've seen something like this from Washington since the Bush Administration ('H', not 'W'). and the current Administration's rhetoric surrounding the operation certainly sets it apart.

Secretary of State [Marco Rubio](#) clarified: **"There's not a war. [There is a] war against drug trafficking organizations—not a war against Venezuela."** Some might argue that a war is still a war regardless of how the opposition is defined, but Rubio would disagree. He has also made the core intentions of the U.S. clear: "This is the Western Hemisphere. This is where we live—and we're not going to allow the Western Hemisphere to be a base of operation for adversaries, competitors, and rivals of the United States."

As for Maduro, the situation appears straightforward. He is expected to be convicted by the Southern District of New York on at least one of the four charges levied against him and will likely spend the rest of his life in prison. Maduro, however, has asserted that he is "[not guilty of narco-terrorism charges](#)," proclaiming **"I am innocent. I am not guilty. I am a decent man."**

On Monday, Vice President Delcy Rodriguez was sworn in as acting president, following Trump's weekend comments to [The Atlantic](#): **"If [Rodriguez] doesn't do what's right, she is going to pay a very big price—probably bigger than Maduro."**

Rodriguez's [tone](#) has shifted dramatically since the weekend. Initially condemning Maduro's arrest as "barbaric," she now extends an olive branch to Washington, stating: "We invite the U.S. government to work together on a cooperative agenda focused on shared development, within the framework of international law, and to strengthen lasting community coexistence."

But Venezuela's future is still uncertain. There has been a whirlwind of headlines questioning how much control the U.S. will take over Venezuela's energy infrastructure or if they will ultimately end up taking control at all. Trump has thus made his position clear that he wants to be "very strongly involved" in the Venezuelan oil industry.

As noted by Senior Energy Strategist, [Joe DeLaura](#), **"a vast amount of capital investment would be needed to get Venezuela back up to its previous production levels...the minimum timeframe for getting output back to where it once was would be five to ten years and billions of dollars."**

Venezuela's government is in flux as well. Will Maduro's government, headed by Rodriguez, stay in place, or is she on borrowed time? Rodriguez' recent mollification may have bought her a few more months (or perhaps that cushy apartment in Qatar that Maduro turned down), but the question remains: will we see true regime change in Venezuela after all?

Historically, the Monroe Doctrine applied to Central and South America, but its geographic boundaries were never explicitly defined. The Trump Administration, however, may be getting

creative with borders, suggesting **the Doctrine could soon extend to Greenland** (which is still technically in the Western hemisphere).

Greenland first surfaced as a talking point during Trump's campaign. This has re-emerged over the weekend with Trump announcing that the U.S. "need[s] Greenland from a national security situation," and that "we will deal with Greenland in about two months. **Let's talk about Greenland in 20 days.**" What exactly we'll be talking about when it comes to Greenland is not yet clear, but Denmark—and the EU—is taking this as a threat.

Danish Prime Minister [Mette Frederiksen](#) has said that "if the U.S. chooses to attack another NATO country militarily, then **everything stops, including NATO** and thus the security that has been established since the end of the Second World War."

Greenland's Prime Minister had some [strong words](#) for the Trump Administration, but seemed open to negotiations. "No more pressure," he said, "No more fantasies of annexation. We are open to dialogue. We are open to discussions. **But this must happen through the proper channels and with respect for international law.**"

While an outright U.S. military takeover seems unlikely, diplomatic maneuvering is another matter. Trump's approach to Statecraft has often been described as "too much stick, not enough carrot." In the case of Greenland, we may see a bit more carrot. Still, with a population of only around 50,000, one might imagine a thought experiment where, **for the low, low price of \$50 billion, the U.S. offers every Greenlander \$1 million in exchange for their country.** That might prove more attractive.

Day ahead

Starting in Australia, November CPI inflation data will be released.

Later in the day, preliminary estimates for December CPI inflation in Germany and France are due. German CPI is expected to rise by 0.3% m/m, bringing the annual rate to 2.1%, while French CPI is forecast to increase by 0.2% m/m, pushing the annual rate to 0.9%. We will also hear remarks from the ECB's Villeroy and Cipollone in Paris.

In the U.S., data will be light, with only S&P Global PMI figures scheduled. The Fed's Barkin will speak on the economic outlook.

[For an overview of our macro-economic and financial markets forecasts please click here.](#)

RaboResearch

Global Economics & Markets
mr.rabobank.com

Global Head

Jan Lambregts

+44 20 7664 9669
Jan.Lambregts@Rabobank.com

Macro Strategy

Global

Michael Every

Senior Macro Strategist
Michael.Every@Rabobank.com

Europe

Elwin de Groot

Head Macro Strategy
Eurozone, ECB
+31 30 712 1322
Elwin.de.Groot@Rabobank.com

Bas van Geffen

Senior Macro Strategist
ECB, Eurozone
+31 30 712 1046
Bas.van.Geffen@Rabobank.com

Stefan Koopman

Senior Macro Strategist
UK, Eurozone
+31 30 712 1328
Stefan.Koopman@Rabobank.com

Maartje Wijffelaars

Senior Economist
Italy, Spain, Eurozone
+31 88 721 8329
Maartje.Wijffelaars@Rabobank.nl

Leander Kalff

Macro Strategist
+31 88 723 8742
Leander.Kalff@Rabobank.nl

Americas

Philip Marey

Senior Macro Strategist
United States, Fed
+31 30 712 1437
Philip.Marey@Rabobank.com

Christian Lawrence

Head of Cross-Asset Strategy
Canada, Mexico
+1 212 808 6923
Christian.Lawrence@Rabobank.com

Mauricio Une

Senior Macro Strategist
Brazil, Chile, Peru
+55 11 5503 7347
Mauricio.Une@Rabobank.com

Renan Alves

Macro Strategist
Brazil
+55 11 5503 7288
Renan.Alves@Rabobank.com

Molly Schwartz

Cross-Asset Strategist
+1 516 640 7372
Molly.Schwartz@Rabobank.com

Asia, Australia & New Zealand

Teeuwe Mevissen

Senior Macro Strategist
China
+31 30 712 1509
Teeuwe.Mevissen@Rabobank.com

Benjamin Picton

Senior Macro Strategist
Australia, New Zealand
+61 2 8115 3123
Benjamin.Picton@Rabobank.com

FX Strategy

Jane Foley

Head FX Strategy

G10 FX

+44 20 7809 4776

Jane.Foley@Rabobank.com

Credit Strategy & Regulation

Matt Cairns

Head Credit Strategy & Regulation

Covered Bonds, SSAs

+44 20 7664 9502

Matt.Cairns@Rabobank.com

Bas van Zanden

Senior Analyst

Pension funds, Regulation

+31 30 712 1869

Bas.van.Zanden@Rabobank.com

Cas Bonsema

Senior Analyst

Financials

+31 6 127 66 642

Cas.Bonsema@Rabobank.com

Maartje Schriever

Analyst

ABS

+31 6 251 43 873

Maartje.Schriever@Rabobank.com

Lyn Graham-Taylor

Senior Rates Strategist

+44 20 7664 9732

Lyn.Graham-Taylor@Rabobank.com

Agri Commodity Markets

Carlos Mera

Head of ACMR

+44 20 7664 9512

Carlos.Mera@Rabobank.com

Charles Hart

Senior Commodity Analyst

+44 20 7809 4245

Charles.Hart@Rabobank.com

Oran van Dort

Commodity Analyst

+31 6 423 80 964

Oran.van.Dort@Rabobank.com

Andrick Payen

RaboResearch Analyst

+1 212 808 6808

Andrick.Payen@Rabobank.com

Energy Markets

Joe DeLaura

Senior Energy Strategist

+1 929 697 5584

Joe.DeLaura@Rabobank.com

Florence Schmit

Senior Energy Strategist

+44 20 7809 3832

Florence.Schmit@Rabobank.com

Client coverage

Wholesale Corporate Clients

Martijn Sorber	Global Head	+31 30 712 3578	Martijn.Sorber@Rabobank.com
Hans Deusing	Europe	+31 30 216 9045	Hans.Deusing@Rabobank.com
Neil Williamson	North America	+1 212 808 6966	Neil.Williamson@Rabobank.com
Adam Vanderstelt	Australia, New Zealand	+61 2 8115 3102	Adam.Vanderstelt@rabobank.com
Ethan Sheng	Asia	+852 2103 2688	Ethan.Sheng@Rabobank.com
Ricardo Rosa	Brazil	+55 11 5503 7150	Ricardo.Rosa@Rabobank.com

Financial Institutions

Short-term Interest Rates

Marcel de Bever	Global Head	+31 30 216 9740	Marcel.de.Bever@Rabobank.com
-----------------	-------------	-----------------	------------------------------

Bonds & Interest Rate Derivatives

Henk Rozendaal	Global Head Fixed Income	+31 30 216 9423	Henk.Rozendaal@Rabobank.com
----------------	--------------------------	-----------------	-----------------------------

Solutions

Sjoerd van Peer	Global Head	+31 30 216 9072	Sjoerd.van.Peer@Rabobank.com
-----------------	-------------	-----------------	------------------------------

Relationship Management

Rogier Everwijn	Global Head	+31 30 712 2440	Rogier.Everwijn@Rabobank.com
Rob Eilering	Banks	+31 30 712 2162	Rob.Eilering@Rabobank.com
Petra Schuchard	Insurers		Petra.Schuchard@Rabobank.com
Frank Dekkers	Asset Managers		Frank.Dekkers@Rabobank.com
Javier Alvarez de Eerens	MDB	+31 30 712 1015	Javier.Alvarez@Rabobank.com
Christel Kleinhaarhuis	Fintech		Christel.Klein.Haarhuis@Rabobank.com

Capital Markets

Laura Bijl	Global Head	+31 88 726 3254	Laura.Bijl@Rabobank.com
Christopher Hartofilis	Capital Markets USA	+1 212 808 6890	Christopher.Hartofilis@Rabobank.com
Joicy Dinh	Capital Markets Asia	+852 2103 2613	Joicy.Dinh@Rabobank.com
Adriana Gouveia	Capital Markets Brazil	+55 11 5503 7305	Adriana.Gouveia@rabobank.com
Willem Kröner	Global Head ECM	+31 30 712 4783	Willem.Kroner@Rabobank.com
Harman Dhami	DCM Syndicate	+44 20 7664 9738	Harman.Dhami@Rabobank.com
Crispijn Kooijmans	DCM FIs & SSAs	+31 30 216 9028	Crispijn.Kooijmans@Rabobank.com
Bjorn Alink	DCM Securitisation & Covered Bonds	+31 30 216 9393	Bjorn.Alink@Rabobank.com
Othmar ter Waarbeek	DCM Corporate Bonds	+31 30 216 9022	Othmar.ter.Waarbeek@Rabobank.com
Joris Reijnders	DCM Corporate Loans	+31 30 216 9510	Joris.Reijnders@Rabobank.com
Brian Percival	DCM Leveraged Finance	+44 20 7809 3156	Brian.Percival@Rabobank.com

Disclaimer

Marketing communication

This publication is issued by Coöperatieve Rabobank U.A., registered in Amsterdam, and/or any one or more of its affiliates and related bodies corporate (jointly and individually; "**Rabobank**"). Coöperatieve Rabobank U.A. is authorised and regulated by De Nederlandsche Bank and the Netherlands Authority for the Financial Markets. Rabobank London Branch is authorised by the Prudential Regulation Authority ("**PRA**") and subject to regulation by the Financial Conduct Authority and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request. Registered in England and Wales No. BR002630. An overview of all locations from where Rabobank issues research publications and the (other) relevant local regulators can be found here: <https://www.rabobank.com/knowledge/raboresearch-locations>.

This document is directed exclusively to eligible counterparties and professional clients, and not at retail clients (howsoever defined), as defined under the Markets in Financial Instruments Directive II (MiFID II) in the European Union and under local law in other relevant jurisdictions.

This document does not purport to be impartial research and has not been prepared in accordance with legal requirements designed to promote the independence of Investment Research as defined in Article 36 of the Commission Delegated Regulation (EU) 2017/565 and is not subject to any prohibition on dealing ahead of the dissemination of Investment Research. This document does NOT purport to be an impartial assessment of the value or prospects of its subject matter and it must not be relied upon by any recipient as an impartial assessment of the value or prospects of its subject matter. No reliance may be placed by a recipient on any representations or statements made outside this document (oral or written) by any person which state or imply (or may be reasonably viewed as stating or implying) any such impartiality.

This document is for information purposes only and is not, and should not be construed as, an offer, invitation or recommendation. This document shall not form the basis of, or cannot be relied upon in connection with, any contract or commitment by Rabobank to enter into an agreement or transaction. This document does not constitute investment advice nor is any information provided intended to offer sufficient information such that it should be relied upon for the purposes of making a decision in relation to whether to acquire any financial products. You should consider the appropriateness of the information and statements having regard to your specific circumstances, and obtain financial, legal and/or tax advice as appropriate. The information and opinions contained in this document have been compiled or arrived at from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness.

The information and statements herein are made in good faith and are only valid as at the date of publication of this document or marketing communication. Any opinions, forecasts or estimates herein constitute a judgement of Rabobank as at the date of this document, and there can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. All opinions expressed in this document are subject to change without notice. To the extent permitted by law, Rabobank does not accept any liability whatsoever for any loss or damage howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

Insofar as permitted by applicable laws and regulations, Rabobank, its directors, officers and/or employees may have had or have a long or short position or act as a market maker and may have traded or acted as principal in any securities described within this document (or related investments) or may otherwise have conflicting interests. This may include hedging transactions carried out by Rabobank, and such hedging transactions may affect the value and/or liquidity of any securities described in this document. Further it may have or have had a relationship with or may provide or have provided corporate finance or other services to companies whose securities (or related investments) are described in this document. Further, internal and external publications may have been issued prior to this publication where strategies may conflict according to market conditions at the time of each publication. An overview of all relevant disclosures in this respect, as required under different rules and regulations and/or by different regulators can be found here: <https://www.rabobank.com/knowledge/raboresearch-disclosure>.

This document may not be reproduced, distributed or published, in whole or in part, for any purpose, except with the prior written consent of Rabobank. The distribution of this document may be restricted by law in certain jurisdictions and recipients of this document should inform themselves about, and observe any such restrictions.

A summary of the methodologies used by Rabobank can be found on our [website](#).

Coöperatieve Rabobank U.A., Croeselaan 18, 3521 CB Utrecht, The Netherlands. All rights reserved.