What's Hot: After Maduro – the new risk land-scape

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Key Takeaways

- Venezuela's regime change has stirred energy markets more than macro forecasts, adding long-term bearish potential to oil amid already well-supplied conditions.
- Gold has gained incremental support from the Venezuela shock, reinforcing its role as portfolio insurance amid rising geopolitical risk and easing rate expectations.
- US refiners and integrated energy majors could benefit from discounted Venezuelan crude, while high-cost producers face new competitive pressures.
- Investors can navigate this geopolitical shift with DHS for energy-linked US income, WDEF for rising European defence exposure, and WRNW for long-term renewable upside.

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What the Maduro shock means for markets

The US-led removal of the Maduro regime in Venezuela is a major geopolitical moment, but a modest macro one. Venezuela accounts for roughly 0.1% of global GDP1, yet it sits on the world's largest proven oil reserves and produces about 1 million barrels per day (mb/d), around 1% of global supply. The country therefore matters far more for energy markets and risk premia than for global growth itself.

Against that backdrop, the key transmission channels into financial markets are:

- Oil and broader commodity prices
- Inflation and interest-rate expectations
- Sector and style leadership within equities

Oil & Gold in focus

The immediate impact on oil has been muted to slightly negative for prices. On current information, it is unlikely that prices will rise because of a disruption in Venezuelan supply: production continues around 1 mb/d under existing embargoes, with roughly half exported. Markets instead see the situation as potentially bearish in the long run, as more heavy crude could come online over time.

Oil markets are already trading on a narrative of being well supplied amid soft demand. The International Energy Agency projects a surplus of around 3.7 mb/d in 20262. Even if Venezuela's entire current production were to go offline, headline balances would still look comfortable.

Over the longer term, there is a plausible bearish scenario for oil. Venezuela holds around 300 billion barrels of reserves (EIA, as of 2023, reported by the FT on 3 January 2026). If US companies are eventually allowed to invest and output rises meaningfully while demand remains subdued, prices could face structural downward pressure. That said, any material increase in production will require large capex and long lead times, and markets are not pricing this in yet.

Venezuelan crude is also predominantly heavy and sour, limiting its relevance to a subset of refiners, notably on the US Gulf Coast, that are equipped with sufficient coking capacity. This specificity, plus the time needed to restore and scale production, helps explain why the initial price reaction has been relatively contained, even as short-term volatility has picked up.

Gold's reaction has been slightly positive. Geopolitics has been a key driver of gold's sharp ascent over the past year. The situation in Venezuela, while difficult to isolate in terms of its direct price impact, has arguably been one of several forces supporting gold. Recent developments seem to have offered additional support for the safe-haven asset.

More broadly, gold remains supported by a range of factors, including economic policy uncertainty, trade uncertainty, rate cuts and downward pressure on Treasury yields and the dollar, strong central bank and exchange-traded product demand, and geopolitics. The situation in Venezuela and geopolitics more generally may continue to be a key driver in the near future.

Global equities: energy consumers over high-cost producers

For global equities, the Venezuelan shock is more about energy and inflation than about Venezuelan earnings.

On the "knowns" side, Venezuela's heavy crude is like Canadian oil sands. The US Gulf Coast is already configured to process large volumes of such crude, with substantial coking capacity in place. As Venezuelan barrels are gradually rehabilitated and redirected toward US refiners, feedstock availability should improve and refining margins should widen. The immediate winners are refiners and large integrated oil companies that can run more discounted heavy crude and monetise stronger downstream spreads.

Over the medium term, assuming production and exports can be scaled up, increased Venezuelan supply should act as a cap on crude and gasoline prices, even if the path is bumpy. Effectively, that looks like a small, persistent “tax cut” for US and global consumers: lower headline inflation, more stable energy bills and slightly easier conditions for central banks. Likely losers include Canadian heavy crude producers, who face more competition at the Gulf Coast, and Chinese “teapot” refiners, which had been key buyers of discounted Venezuelan barrels and will now lose privileged access.

This mix typically supports energy consumers and cyclicals over pure-play, high-cost producers. Industrials and chemicals benefit from lower input costs and firmer end demand, while consumer-facing businesses gain from stronger real incomes. By contrast, non-integrated exploration and production (E&P) companies with high marginal costs look more vulnerable if the market comes to believe heavy-crude supply will be structurally better supplied.

Equity angles within the WisdomTree UCITS range

Within WisdomTree’s equity UCITS range, three strategies stand out as natural beneficiaries of this evolving backdrop:

1) WisdomTree US Equity Income UCITS ETF (DHS)

DHS is a high-dividend strategy with 100% US exposure and a meaningful allocation 14.11% to the energy and industrials sectors3. The emphasis is on the transmission channels, not direct Venezuelan risk:

- via oil prices,
- via US large-cap integrated energy, and
- via the broader value / high-dividend factor

The current uncertainty around the timing and scale of Venezuelan barrels returning to market keeps a risk premium in oil and raises the possibility of firmer crude prices and wider energy spreads while the new regime and investment path are clarified. Historically, that backdrop tends to support earnings expectations for US integrated oil majors. For DHS, this higher energy sensitivity can be a relative tailwind versus low-energy or growth-heavy equity-income peers, even if overall risk-off pressures weigh on equities.

2) WisdomTree Europe Defence UCITS ETF (WDEF)

In the current “new world order”, the case for WDEF is less about Venezuela itself and more about the rise in geopolitical risk and defence spending. WDEF provides targeted exposure to European companies whose primary business is in the defence industry. Episodes like the US move in Venezuela, renewed tensions in Eastern Europe or the South China Sea all reinforce the same message to governments: defence and deterrence are long-term priorities, not discretionary spending lines.

WDEF is designed to capture that secular, policy-driven spending trend in a single, liquid UCITS vehicle, while keeping the focus on European issuers whilst maintaining clear index rules.

3) WisdomTree Renewable Energy UCITS ETF (WRNW)

WRNW gives broad, listed-equity exposure to the renewable-energy and decarbonisation value chain, including pure-play renewables, equipment manufacturers, grid and storage names and selected upstream enablers. The fund has no direct Venezuela exposure; the link to recent events is through global energy pricing, policy and risk appetite.

In the near term, a Venezuela-driven shock that keeps oil and gas prices elevated can be a headwind for beta- and rate-sensitive renewables, particularly if it coincides with a wobble in broader risk assets. However, structurally higher or more volatile fossil-fuel prices improve the relative economics of renewables and electrification over time, strengthening the long-term demand case for the underlying businesses in WRNW's universe. From an allocation standpoint, WRNW is very much a real-economy hardware play, with industrials (49%) and utilities (21%) making up the bulk of the portfolio and exposure spread globally across the US, China, Asia and Europe4.

Conclusion: one country, many market channels

Venezuela's regime change is unlikely to move the global growth needle by itself, but it can reshape the energy landscape at the margin, with knock-on effects for commodities and equities. For commodities, the story is one of well-supplied oil markets with a potential extra buffer down the line, plus another incremental support for gold as geopolitical insurance. For equities, the implications span better economics for refiners and integrated majors, a modest disinflationary impulse that supports consumers and cyclicals, and a world where defence and energy security remain central themes.

For investors looking to position portfolios for these shifting dynamics, DHS offers a high-dividend way to lean into stronger US integrated energy, WDEF provides focused exposure to a structurally rising European defence spend, and WRNW captures the long-term beneficiaries of an accelerated energy transition. Together with carefully chosen commodity exposures in oil and gold, they offer complementary ways to navigate a world where geopolitics, energy security and the cost of carbon remain key market drivers.

1 Reuters as of 5 January 2026

2 International Energy Agency December 2025 Oil Market Report

3 FactSet, WisdomTree as of 5 January 2026

4 FactSet, WisdomTree as of 5 January 2026

Important Risks Related to this Article

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