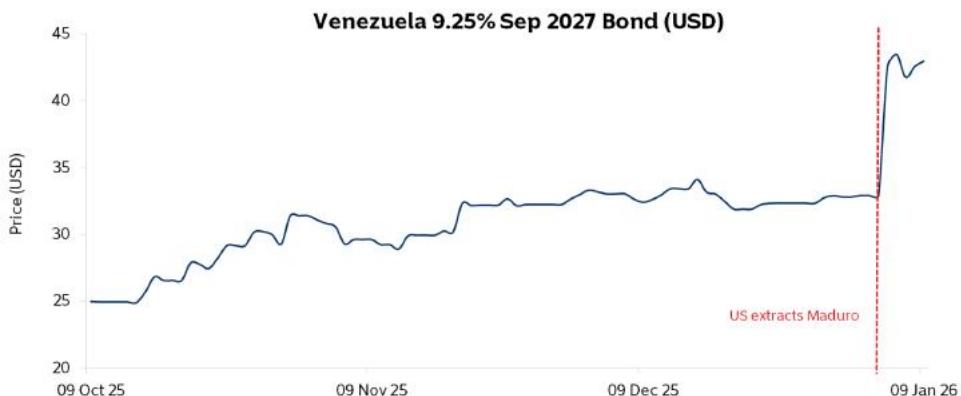


# Chart of the Week

12 January 2026



Source: Momentum Global Investment Management, Bloomberg Finance L.P. Data to 9 January 2026.



You must be Caracas

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## What this chart shows

The chart shows the price of the US dollar denominated Venezuela 9.25% Sep 2027 bond over the last three months. This bond, along with Venezuela's other international sovereign bonds and those issued by proxy sovereign issuers such as Petróleos de Venezuela (PDVSA) - the state owned oil and gas company - has been in default since late 2017 when the state failed to pay coupons payable under its debt obligations. The chart shows the marked uplift in price when trading in its already defaulted debt resumed last Monday following the dramatic capture and extraction of President Nicolas Maduro and his wife by US forces. The bonds rose ~35% on the day. Just a few years ago these bonds were trading at just a few cents on the dollar. For the brave folk that picked them up at those levels returns will have been considerable.

## Why this is important

The sharp change in price is a reflection of better expectations for the eventual settlement terms on the defaulted debt. These bonds - or the claims on them - are traded only amongst a small handful of specialist funds that have deep pockets and a lot of patience. They are often prepared to wait many years and fund lengthy and expensive legal processes in order to extract a return. For that reason, and the risk that they may not see any return on their capital, the return expectations need to be high to justify the investment.

More broadly it could be argued this is a reflection on eventual regime change in Venezuela. At this stage no one really knows how the local politics will evolve, and who the eventual key players will be. For now, Vice President Delcy Rodriguez walks a fine line as she looks to balance the interests of the US, local military chiefs and various guerrilla groups. A smooth transition to a new government and petrodollars flowing into government coffers raises the prospect of further bond returns. But previous US incursions into oil rich countries might bode less well.