

Trump's Western Hemisphere Pivot and the Implications for Latin America

January 2026 | Valerie Ho, CFA, Portfolio Manager, Global Sovereign Debt
Nicholas Engler, Analyst, Global Sovereign Debt

U.S. law enforcement and special forces on Jan. 3, 2026, captured Venezuelan President Nicolás Maduro and Venezuelan first lady Cilia Flores in Caracas and transferred them to the United States to face federal charges. The Maduro capture marked a dramatic escalation in U.S. engagement in the Western Hemisphere. Operation Absolute Resolve, as the Maduro operation was code-named, serves as a defining illustration of a renewed willingness of President Donald Trump to deploy economic and military coercion to achieve “America First” objectives close to home. This paper builds on themes introduced in our research last year on Latin America’s changing political and governance landscape.¹ Here, we examine how U.S. interventionism, ideological alignment and misalignment, and upcoming elections in 2026 intersect in Trump’s expanded America First world.

Trump’s Foreign Policy in the Western Hemisphere

2025

- JANUARY** • Trump reiterates **intentions to take back the Panama Canal** and refuses to rule out the use of military force.
- FEBRUARY** • Trump floats the **possibility of renegotiation of or withdrawal from USMCA** if trade deficits and security concerns go unaddressed by Mexico and Canada.
- FEBRUARY** • **Secretary of State Rubio’s first official country visits to Central America** are Panama, El Salvador, Costa Rica, Guatemala and the Dominican Republic.
- APRIL** • **Trump elevates El Salvador President Najib Bukele** via high-profile White House visit celebrating coordination on migration and security issues.
- JULY** • **OFAC sanctions Brazil Supreme Court Justice Alexandre de Moraes** over his “oppressive campaign of censorship and arbitrary detentions.” Moraes presided over the conviction of former Brazil President and Trump ally Jair Bolsonaro’s role in an attempted coup following Bolsonaro’s 2022 electoral defeat.
- SEPTEMBER** • **Trump decertifies Colombia as a U.S. counternarcotics partner.**
- SEPTEMBER** • **U.S. starts the airstrike campaign known as Operation Southern Spear**, targeting alleged drug trafficking boats in the Caribbean.
- OCTOBER** • **U.S. Treasury finalizes a \$20 billion swap line with Argentina**, a key measure to stabilize the Argentine peso ahead mid-term congressional elections in that country.
- NOVEMBER** • **Trump endorses Honduran presidential candidate Nasry “Tito” Asfura** days before Honduras’ Nov. 30 general election and links U.S. aid to the election outcome.
- DECEMBER** • **Trump pardons former Honduran President Juan Orlando Hernández**, who had been convicted on drug-trafficking charges, indicating his prosecution had been set up by the Biden administration.

2026

- JANUARY** • **U.S. law enforcement and special forces capture Venezuela President Nicolas Maduro.**
- FEBRUARY** • **Trump puts Mexico, Colombia and Cuba on watch after the Venezuela operation**, linking possible future military actions to issues such as drug trafficking.

Regional Impact

Over 12 years of steep economic decline under the Maduro regime and crushing U.S. sanctions, Venezuela trade and economic linkages to its neighboring countries contracted drastically, making the economic spillover to Latin America from Maduro's capture appear relatively contained in the near term. However, over the medium term, this intervention by the U.S. holds large geopolitical implications for the region. It underscores a broader strategic shift: The Western Hemisphere has re-emerged as a core theater for U.S. national security, economic and political priorities. It materially raises the credibility of U.S. threats and reinforces the importance of elections that could realign governing ideologies and, thus, bilateral risks and opportunities across Latin America.

Venezuela as a Strategic Inflection Point

Why Venezuela, and Why Now

To understand the broader implications for Central and South American countries, it's important to understand the motivations that drove the U.S. decision to intervene in Venezuela. Considered individually, concerns over immigration, narcotics trafficking, oil, Florida's electoral base or even the re-establishment of democratic norms do not, in themselves, adequately explain U.S. action. A more coherent explanation emerges when viewed through the lens of the White House National Security Strategy (NSS) released late last year. The NSS introduces the "Trump Corollary" to the Monroe Doctrine, which reasserts an expansion of U.S. presence in the Western Hemisphere, including deployment of the U.S. military, as essential for national security.² Strategic goals include the protection of borders, commerce, supply chains and shipping lines, and denying "non-Hemispheric competitors" access to strategic assets.

In the context of Venezuela, the U.S. viewed Maduro as an adversary, allowing his country to become a haven for drug trafficking and operating base for Russia, China, Iran and adversarial proxies. Controlling Venezuela's oil remains a priority for the administration, though boosting production poses numerous challenges, ranging from enormous capital needs amid dilapidated infrastructure, physical security concerns and the looming question of political stability under interim Venezuela leader Delcy Rodríguez. While the outlook for the oil sector remains fluid, Washington's demands remain steadfast on providing the U.S. exclusive access to Venezuela crude and severing oil exports to China and Russia along with cutting Caracas' broader ties to Moscow, Beijing and Tehran. Venezuela had become a critical node for Chinese economic influence, Russian security cooperation and Iranian logistics networks in the Americas. Maduro's arrest reinforces the administration's broader objective of limiting adversarial footholds near U.S. borders.

Latin America on Watch

America restoring "preeminence in the Western Hemisphere" places a number of countries immediately within the Trump foreign policy focus. The president has threatened both Mexico and Colombia, implying a link between potential military action with progress on dealing with drug cartels. Unpredictability is a pillar of Trump's negotiating strategy, but Absolute Resolve raises the possibility in Latin American leaders' minds of the U.S. acting on those threats. Politically, all sides are incentivized to continue dialogue and cooperation. The upcoming negotiations over the U.S.-Mexico-Canada Agreement (USMCA) is a strong incentive for Mexican President Claudia Sheinbaum to continue cooperating on issues of security, migration and trade realignment away from China. From the White House's perspective, leaving the question of unilateral military action on the table gives the U.S. negotiating team a maximum amount of leverage ahead of trade talks. Trump might also be looking ahead to U.S. midterm elections in November. Domestic affordability issues are a top U.S. voter concern. Any action that could disrupt trade with the U.S.' largest trading partner could further pressure U.S. goods prices.

Colombia's leftist leader, President Gustavo Petro, has taken a more combative approach compared to Sheinbaum, amplifying bilateral tensions. The U.S., however, has shown restraint in economic and trade sanctions targeted at Colombia. Behind the rhetoric, Colombia and the U.S. remain close security partners. Colombian presidential elections are scheduled to be held on May 31. This could defer escalating U.S. actions, as any U.S. intervention could embolden anti-U.S. rhetoric and benefit the candidate of Petro's ruling party in the election. (In Colombia, the incumbent president is constitutionally limited to one four-year term.)

Panama came into sharp focus after Trump declared his intention to reclaim the Panama Canal in his January 2025 inauguration speech. The country is likely to face renewed U.S. pressure, given that a deal to sell Chinese-linked ports along the canal to a U.S.-led consortium has stalled. For more than a century, the canal has served as a shortcut between the Pacific and Atlantic oceans for the U.S. Navy and global trade, particularly between Asia and the U.S. East Coast. Chinese operational control over two ports at either end of the canal by a subsidiary of Hong Kong-based CK Hutchison has become a target of the Trump administration. In the case that a deal to sell the ports to U.S.-based BlackRock falls through, the Panamanian government is reportedly taking steps to nullify the existing concession to CK Hutchison, including via a request already submitted to the courts to declare the port concessions unconstitutional. The effort to nullify the contracts could expose Panama to costly international arbitration as it tries to manage pressure from the U.S.

Cuba is widely seen as a possible target for the U.S. Both Trump and Secretary of State Marco Rubio have publicly suggested that the island nation's communist government could be next to fall. Cuba has received aid and support from extra-hemispheric U.S. adversaries China and Russia and enjoyed strong ties with Iran. More recently, Cuba has become highly dependent on support from Venezuela, largely in the form of cheap crude oil imports. Cuba's severe economic crisis – marked by inflation, electricity blackouts, a contraction in GDP and mass emigration – is set to significantly worsen without Venezuelan oil imports. Trump, noting Cuba's weakened position in the wake of Maduro's capture, has told Cuba to "make a deal" or face unspecified consequences.

Nicaragua, which has had poor relations with the U.S. for over a decade, is also likely to remain in the Trump administration's crosshairs given its ties to Russia and China. Relations became increasingly strained as President Daniel Ortega and his wife, Vice President Rosario Murillo, weakened the country's democratic institutions and extended their authoritarian rule. Trump imposed economic sanctions on individuals in Nicaragua in his first term, which were expanded by the Biden administration. Russian and Chinese influence in Nicaragua is likely to be a focus for the Trump administration, opening the door to more sanctions and possible intervention. Ortega's administration has invited Russian troops and military equipment to be stationed in Nicaragua and has supported Russia's war in Ukraine. Nicaragua has also pivoted toward China diplomatically, deepening cooperation in areas including infrastructure while also ending its recognition of Taiwan in 2021.

Ideology, Alignment, and Uneven Outcomes Across the Region

Ideological ties and divides have become a defining feature of U.S. and Latin American relations under Trump. Ideologically aligned leaders have benefited from tangible policy support from Washington. Left-leaning governments have faced heightened bilateral tensions driven by differences over trade; state intervention; environmental policy; and adversarial relations, particularly with China.

Policy support from Washington has expanded to measures used to publicly back conservative candidates in election cycles. In November, Javier Milei, Argentina's libertarian president and close Trump ally, was facing a midterm election in which he hoped to increase his party's representation in Congress. Approaching the elections, the U.S. Treasury extended to Argentina a \$20 billion exchange rate swap, providing the country with access to U.S. dollars to calm peso volatility ahead of the crucial election. The gambit worked, and Milei's party significantly outperformed expectations, strengthening his legislative position and delivering a crucial boost to the political viability of his reform program.

Honduras is set to benefit as a new ally of the U.S. administration when Trump-endorsed presidential candidate Nasry "Tito" Asfura is expected to take office on Jan. 27. Asfura, of the conservative National Party, was declared the winner of the November general election in late December after delays in the ballot count. In addition to alleging fraud in the vote counting process, the losing candidates accused the U.S. of foreign interference after Trump endorsed Asfura days before the vote. Asfura has signaled that he intends to closely align government policy with the U.S. This includes a pledge to reverse the outgoing left-wing administration's 2023 decision to cut ties with Taiwan. Honduras' adoption of a pro-U.S. stance could help it win preferential treatment regarding U.S. trade, aid, drug and immigration policies.

Under the leadership of right-wing authoritarian President Nayib Bukele, El Salvador has benefited from a favored relationship with the U.S. since the start of Trump's second term. Most materially, El Salvador enjoys U.S.-backed multilateral financial support and appears to have won leniency regarding its Bitcoin policies under the terms of a \$1.4 billion deal with the International Monetary Fund finalized in February after years of contentious negotiations. Bukele, whose aggressive tough-on-crime policies have endeared him to the right wing in the U.S., stepped up El Salvador's cooperation with Trump by accepting transfers of immigrant deportees from the U.S. of any nationality and housing them in a Salvadoran megaprison. Meanwhile, the U.S. State Department has softened criticism of El Salvador's alleged human rights abuses and upgraded its security assessment of the country in support of the local tourism industry. The Trump administration also issued strong backing for a constitutional reform passed by El Salvador's legislature to remove presidential term limits. This allows Bukele, who remains highly popular in his second five-year term, to run for re-election indefinitely.

On the other side of the political aisle, Colombia has faced heightened trade tariff threats, a pullback from U.S. security aid and President Petro being sanctioned by the U.S. Office of Foreign Asset Control (OFAC). Brazil was hit with a sharp increase in tariffs related to the trial of former President Jair Bolsonaro, a strong ally of Trump, who was convicted of an attempted coup.

Elections as the Next Catalyst for Realignment

As highlighted in our previous paper, "The Elections Factor," Latin America has entered a dense election cycle with the potential to reshape U.S. relations. In Chile's runoff presidential election in December, ultraconservative José Antonio Kast won with more than 58% of the vote over Communist Party candidate Jeannette Jara. Scheduled to assume office March 11, Kast has a policy platform that aligns closely with the Trump agenda on immigration, social issues and a hardline approach to security. Trump praised Kast's victory, and Rubio spoke about expanding economic ties with Chile and ending illegal immigration. The

policy alignment lowers the geopolitical risk premium and lays a favorable backdrop for Chile to capitalize on the increasing positive terms of trade shock with copper prices reaching new highs. Kast's election, along with right-wing victories across Argentina to Honduras, has marked a trend of voters ousting left-wing incumbents in favor of right-wing leadership.

Over the next nine months, Costa Rica, Colombia, Peru and Brazil will hold presidential elections. Colombia and Brazil both have leftist ruling parties fighting for re-election.

In Colombia, President Petro's past backing of Venezuela's Maduro might not play well to his base following Maduro's successful removal. However, the current opposition remains highly fragmented and could pave a way for a repeat of a polarizing second-round election. The Colombian election results could greatly change the directory of domestic policy in fiscal consolidation, re-engagement in oil exploration and the country's growth trajectory. It also could have a ripple impact on Colombia's partnership with the U.S. and alignment with its biggest trading partner, China.

Peru is now under the caretaker government of President José Jerí after its legislature voted overwhelmingly to remove the highly unpopular President Dina Boluarte in October. The country is fast approaching its general elections this April, yet the outcome could not be more uncertain. Over 30 presidential candidates have registered, and nearly 70% of Peruvians remain undecided. High fragmentation increases the odds for highly polarizing figures from the left and right to move forward in a runoff election. Peru has largely remained off the radar of the Trump administration, but if the election results in a Trump-antagonizing leftist figure, Peru's extensive links to China could come under scrutiny.

Brazil's October presidential race is still defining its candidates. Former President Jair Bolsonaro endorsed his son, Flavio Bolsonaro, to run on the conservative ticket. If Flavio can prove electoral viability, he will likely face incumbent President Luiz Inácio Lula de Silva (Lula) in what could be a highly competitive election. Similar to Colombia, the domestic policy implications loom large, particularly as they relate to Brazil's fiscal health. Surprisingly, however, Lula seems to have turned a new page in improving his relationship with Trump. Sanctions against Supreme Court Justice Alexandre de Moraes were lifted, and while Brazil tariff levels remain elevated, both sides have reported a productive and friendly working relationship, raising the possibility of a future tariff resolution. If Lula is re-elected to a fourth term, the rapport might become strained under sharp ideological differences.

In Costa Rica, good relations and cooperation with the U.S. are expected to be maintained as the upcoming election is likely to deliver policy continuity. Under center-right populist leader Rodrigo Chavez, Costa Rica has already won high praise from the Trump administration for its pushback against Chinese influence,

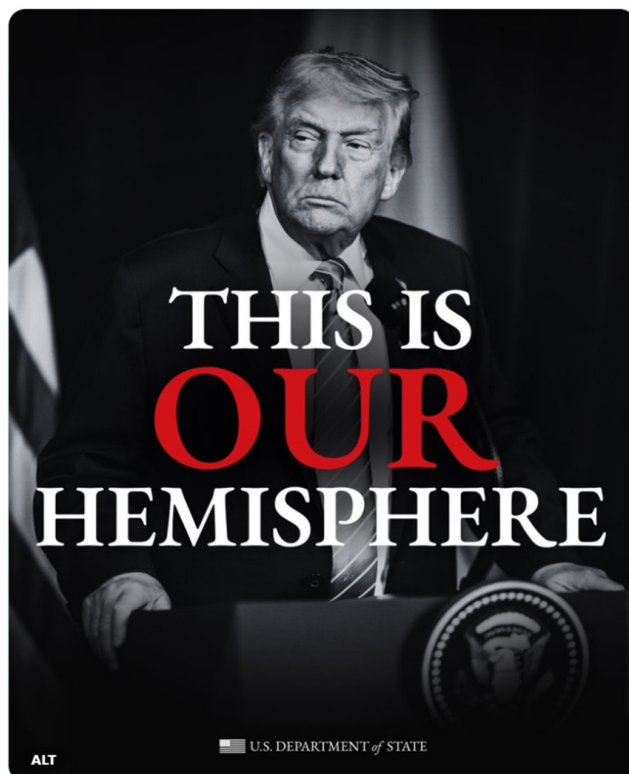
including a decision to ban Chinese telecommunications company Huawei from Costa Rica's 5G rollout. Chavez's former chief of staff and chosen successor, Laura Fernández, is leading in the polls ahead of the Feb. 1. election. Her likely victory appears set to reinforce the already close alignment between Costa Rica and the U.S. on issues from security to diplomacy.

Continental Shifts and Political Shakeups

As Absolute Resolve demonstrates, the Western Hemisphere is no longer peripheral to U.S. national security strategy. Countries with Chinese and Russian ties, or those which are otherwise considered unfriendly to the U.S., have been put on watch by the Trump administration, which has proved it is willing to back up its America First rhetoric with action. Latin American nations that align themselves with U.S. strategic goals are likely to be rewarded. As the busy election cycle continues to unfold across Latin America, political shifts across governments will require monitoring given that ideological affinity with the U.S., or its absence, might have implications for capital flows, trade access and U.S. policy support. ■



This is OUR Hemisphere, and President Trump will not allow our security to be threatened.



Source: X, @StateDept, January 5, 2026

Image shown for illustrative purposes only. DoubleLine does not endorse or express political views.

Endnotes

- ¹ "The Elections Factor: A Continental Crossroads for U.S.-Latin America Relations," September 2025. https://doubleline.com/wp-content/uploads/Elections-Factor-A-Continental-Crossroads-for-US-Latin-America-Relations_Sept2025.pdf
- ² The term Trump Corollary makes an obvious historical reference to the Roosevelt Corollary under which President Theodore Roosevelt in 1904 affirmed the U.S. determination to intervene in Latin American nations to enforce the Monroe Doctrine of preventing foreign (at the time, European) interference in the Western Hemisphere.



Valerie Ho, CFA
Portfolio Manager, Global Sovereign Debt

Ms. Ho joined DoubleLine in 2009 as an Emerging Markets Sovereign Analyst. She is now a Portfolio Manager for the DoubleLine Global Bond strategy covering Latin America and emerging Asia excluding China. Prior to DoubleLine, Ms. Ho was an Assistant Vice President at TCW, where her responsibilities included analyzing Multi-Asset Fixed Income and CDO investments. Prior to TCW, she worked as a Paraplanner for Ameriprise Financial. Ms. Ho holds a B.S. in Mathematics/Economics and a Specialization in Computer Programming from the University of California at Los Angeles. She is a CFA® charterholder.



Nicholas Engler
Analyst, Sovereign Credit
Global Sovereign Debt

Mr. Engler joined DoubleLine in 2020 as an Analyst, Sovereign Credit, on the Global Sovereign Debt team. Prior to DoubleLine, he worked at J.P. Morgan in London, where his responsibilities included country risk management for the Middle East and North Africa. Prior to J.P. Morgan, Mr. Engler worked as a Research Assistant at S&P Global Ratings in New York. He holds a B.A. in International Relations from the University of Southern California and MIA in International Finance and Economic Policy from Columbia University.

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