ODH | ANÁLISISVENEZUELA
WEEKLY REPORT ON POLITICS, MARKETS AND BUSINESS · ISSUE 1

Week of November 2 to November 8, 2026

Data as of November 8, 2026 · published November 9, 2026

The opposition endorses Washington's roadmap to a presidential election

Inflation slows to 6.2% in October, its lowest in two years

The opposition's backing means every party has now signed on to the roadmap, but only the new Supreme Court has a date. On the economy, a calm official rate is bringing inflation down while making business costs more expensive in dollar terms.

OUR VIEW

The 11% drop in Brent in a single week [M] adds uncertainty to the supply of foreign currency and to exchange-rate stability. Year-end liquidity needs could also add pressure on the bolívar [E].

- **Roadmap.** For now, the only clear milestone is the possible appointment of the new Supreme Court in mid-December [D]. How that goes will determine whether the overhaul of the electoral council and an election timetable are credible.
- **Prices and competitiveness.** At October's pace, the official rate would end the year near Bs. 950 per dollar, close to our low scenario of 959 [E]. The official rate has appreciated 11% in real terms against its 2025 average [E], which pushes up domestic costs in dollar terms and erodes the competitiveness of exporters and of firms competing with imports.
- **Debt.** For creditors, oil determines how much income can back a restructuring. Every $10 per barrel on the Merey price moves roughly $4.2 billion of annual exports [E].
- **Non-oil exports.** The decree will only matter if it is published in the Gazette and customs actually stops asking for the permits. Less red tape does not on its own offset the real appreciation. The outcome for each firm will depend on its cost structure and pricing.

KEY POINTS

1. **The opposition endorsed Washington's roadmap.** On November 5, María Corina Machado and Edmundo González backed the State Department plan, which calls for a new Supreme Court (TSJ), a new electoral council (CNE), a declared vacancy of the presidency and elections within six months [D]. They proposed a vote on July 24, 2027 [D].
2. **Republic bonds fell about 14% on the week.** The 2027 closed at 44.1 cents on the dollar on November 6, 6.9 points below its October 30 level [M]. PDVSA's 2027 lost 3.6 points, to 34.0 [M].
3. **Citgo stays shielded from PDVSA 2020 bondholders until December 18.** OFAC General License 5AA, issued November 4, extends the ban on enforcing the collateral [O]. A week earlier, the Second Circuit upheld the validity of the bonds [P].
4. **Non-oil exporters will no longer need domestic permits.** Vice President Anabel Pereira announced a decree scrapping domestic permits, registrations and certificates for exports of food, manufactures, fish, coffee and cocoa [D]. It has not yet been published in the Official Gazette.

NUMBERS OF THE WEEK

Official rate, Bs/USD Nov 6 · +0.8% vs. Oct	893.88 ↑
Binance rate, Bs/USD Nov 8 · +5.2% vs. Oct	1,033.67 ↑
Gap, % Nov 6 · 10.8 at end-Oct	14.4 ↑
Monthly inflation, % Oct 2026 · 8.4 prior month	6.2 ↓
Merey, $/bbl Sep 2026 · +16.93 on the month	93.75 ↑
Oil output, kb/d Sep 2026 · +17 on the month	1,150 ↑

WHAT CHANGED THIS WEEK

- **Roadmap.** Now publicly endorsed by Machado and González [D].
- **Inflation.** 6.2% in October, down from 8.4% in September [O]. Twelve-month inflation fell from 466% to 377% [E].
- **Bonds.** The Republic 2027 lost 6.9 points, to 44.1 [M].
- **Our numbers.** Oil exports revised up 4.6% for 2026, to $30.7 billion, and 15.5% for 2027, to $32.0 billion [Py].
- **No change.** Still no list of Supreme Court nominees, and Citgo remains protected until December 18.

GLOBAL CONTEXT

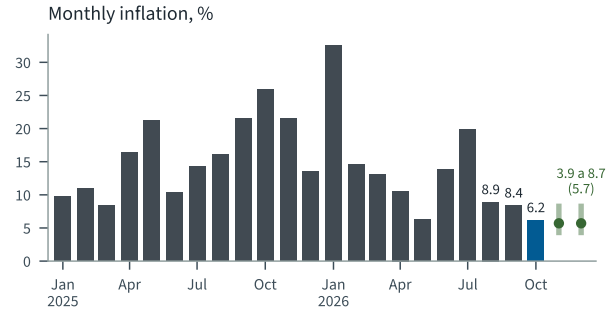
Brent $107.03 on Nov 3, -10.9% since Oct 30. WTI $99.64 on Nov 3, -7.4% since Oct 30, latest EIA data. Fed funds target range 3.75-4.00%. 10-year Treasury yield 4.86% [M]

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BRIEFING NOTE

Monthly inflation falls to its lowest in two years



Grey, published CPI. Blue, latest month. Green, monthly pace consistent with the full-year range, with the base case marked by the dot.

The BCV reported October inflation of 6.2% [O], the lowest since October 2024 and the third straight decline, after 8.9% in August and 8.4% in September. Prices are up 245% so far this year [O] and 377% over twelve months, compared with 466% in September [E]. Education rose 10.3%, food 5.7% and housing rents 4.4%, the smallest increase [O].

With October at 6.2%, our 2026 base scenario of 286% assumes 5.7% a month in November and December. The low scenario, 273%, assumes 3.9% if the slowdown continues, and the high, 308%, assumes 8.7% if August and September rates return [E]. The three-month average, 7.8%, sits between the base and the high. For anyone setting prices or negotiating wages, 2026 ends with lower monthly inflation than 2025, but still with increases of 4% to 9% a month.

DIALOGUE ROADMAP

Milestone	Status as of November 8	Change this week	Date and source
Dialogue table	Decided. Three rounds since August 12	On November 3 it set up a council to vet Supreme Court candidates	No date for a fourth round
Supreme Court nominations	Decided. Under way, with more than 100 candidates as of October 30	No change	Close November 11. Judicial Nominations Committee
New Supreme Court, 32 justices	Announced. The National Assembly approves the names	No change	Mid-December. State Department, October 26
New electoral council	Announced. Its reform is being discussed in parallel	No change	After the Supreme Court, no date. State Department
Vacancy of the presidency	Announced. To be declared by Delcy Rodríguez once the court and council are renewed	No change	No date. State Department
Presidential election	Announced. Date proposed by the opposition	**The opposition endorsed the plan and proposed July 24, 2027**	Six months after the vacancy. State Department. Machado and González proposal, November 5

Decided means a formal act by an institution. Announced means one of the parties stated it, with no formal act. Proposed means one party put it forward without the others agreeing. Sources. EFE, AFP, La Estrella de Panamá and the Judicial Nominations Committee.

AGENDA FOR THE COMING MONTHS

Milestones that could change the picture

- **Mid-December.** List of justices for the new Supreme Court. It either unlocks or stalls the rest of the roadmap.
- **December 18.** OFAC General License 5AA expires. Without a renewal, PDVSA 2020 holders could enforce their claim on Citgo.
- **November 17.** PDVSA's Commercial Creditors Committee presents its Capital Nacional initiative, the first public proposal from a creditor group.

Calendar

- **November 11.** Supreme Court nominations close.
- **November 11.** OPEC Monthly Oil Market Report, with October output.
- **November 29.** OPEC+ ministerial meeting.
- **December 9.** Federal Reserve rate decision.
- **December 14.** OPEC Monthly Oil Market Report, with November output.

Announced, no date

- **Electricity law.** Final passage of the reform, expected the week of November 9.
- **Bare block.** GeoPark takes over operations within 60 days.
- **2027 Annual Economic Policy Agreement.** Publication of the text.
- **2027 wages.** Formula for the scheme tied to real GDP.
- **Citgo.** Third Circuit ruling on the sale.

DEBT AND SANCTIONS

On May 13 the government announced it would begin restructuring the debt of the Republic and PDVSA, with Centerview Partners as financial adviser, and Economy Vice President Calixto Ortega reaffirmed the plan to Reuters on October 16 [D]. No proposal to creditors has been made public.

Front	Status as of November 8	Next milestone
Restructuring	Announced, with Centerview Partners as adviser. No known proposal to creditors	November 17, PDVSA's commercial creditors present Capital Nacional
Citgo and PDVSA 2020 bond	The Second Circuit upheld the bond's validity [P]. License 5AA bars enforcement of the collateral [O]. Enforcement is not possible before December 18	License expires December 18. Third Circuit ruling on the Citgo sale, no date
External debt	$176.2 billion as of September 2025, according to HudsonBay Project, of which $93.7 billion are Republic, PDVSA and Elecar bonds including interest [P]	No official figure

BOND PRICES, CENTS ON THE DOLLAR [M]

Bond	Close	Previous week	Change, points	Date	Note
Republic 2027, 9.25%	**44.1**	51.0	-6.9	Nov 6	
Republic 2034, 9.375%	**44.5**	50.4	-5.9	Nov 6	
PDVSA 2027, 5.375%	**34.0**	37.6	-3.6	Nov 6	
PDVSA 2020, 8.5%	**114.0**	114.0	+0.0	Nov 6	unchanged since Oct 22

Börse Frankfurt, specialist daily close. These are thinly traded quotes, a market reference rather than a transaction price.

PUBLIC FINANCES

Front	Status as of November 8	What we still need to know
Oil revenue	The custody account in the United States received $12.3 billion between January and September and paid out 98.7%, according to KPMG's October 29 report for the State Department [O]	Deposits from October onward
Tax collection	Seniat collected Bs. 1.119 trillion in October, $1.27 billion, according to its superintendent [D]	On-site tax audits suspended until December
Financing	Delcy Rodríguez announced $17 billion over five years from an unnamed European country, for industry [D]	No document, named lender, terms or timetable
2027 economic policy	The finance ministry and the BCV signed the 2027 Annual Economic Policy Agreement [D]	Publication of the text

REFORMS AND OPERATING CONDITIONS

Issue	Status as of November 8	Potential economic impact
Tax reform	Announced on October 8, under consultation with business groups. No bill or date [D]	**High.** Sets the total tax burden, including income tax, VAT, municipal harmonization and payroll levies
Wages and labor costs	2027 increases to be tied to real GDP growth, no formula yet [D]	**High.** The main bolívar cost for local firms
Labor reform	No bill announced	**High.** Severance and dismissal rules drive the cost of hiring
Electricity law	Second reading, 31 of 42 articles approved on November 3 [P]	**High.** Opens up self-generation and changes tariffs
Power supply	Karpowership, 200 MW in Zulia. IMPSA, 672 MW within 24 months [D]	**High in the west.** Outages constrain operations
Non-oil exports	Simplification decree announced on November 3 [D]	**Medium.** Cuts time and paperwork in a small sector
Credit and reserve requirements	Differentiated reserve requirement since September 15. New loans in UVC units [O]	**Medium.** Shapes access to bolívar credit

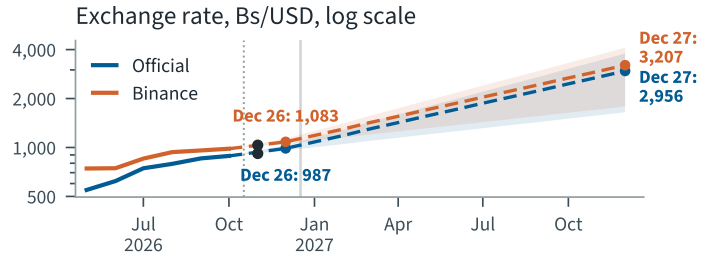
Potential economic impact measures the effect on firms' costs, sales or investment if the measure is implemented, without judging how likely it is to be implemented. Sources. Reuters, Banca y Negocios, Finanzas Digital, El Cooperante, Mundo UR, Tal Cual, BCV and the Official Gazette.

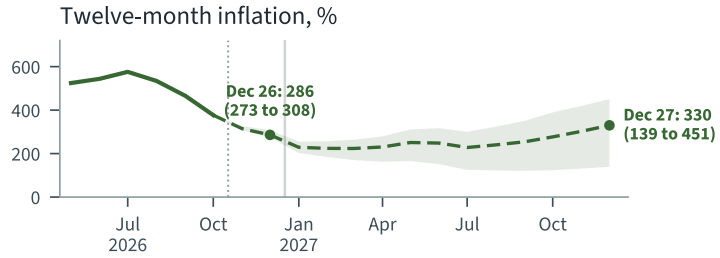
ODH ESTIMATES AND PROJECTIONS

CHANGES TO OUR NUMBERS THIS WEEK

- **Oil exports.** 2026 revised from $29.3 billion to $30.7 billion and 2027 from $27.8 billion to $32.0 billion, on a higher WTI path in the EIA forecast [Py].

The official rate is running below our projection for a second week

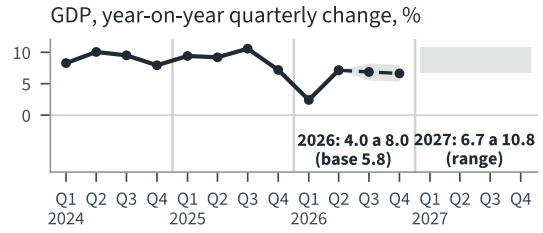


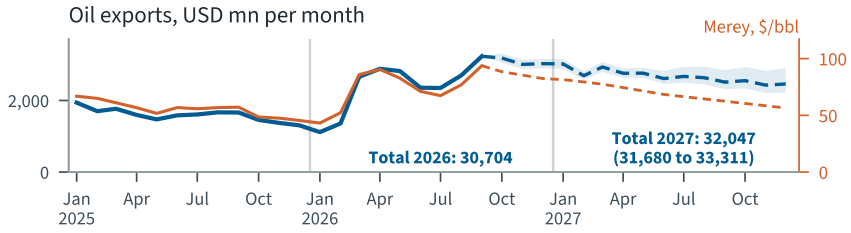


Solid line, published data. Dotted line, base scenario. Shading, range between the low and high scenarios. Labels, December 2026 and 2027 closes. Grey vertical line, change of year. Dotted line, current month, with the black dot showing its estimated close.

For 2027, the base scenario assumes money supply grows 12.7% a month, taking inflation to 12.9% a month from January and the official rate to Bs. 2,956 per dollar in December [Py].

Oil exports would end 2026 near $30.7 billion





Solid line, published data. Dotted line, base scenario. Shading, range between the low and high scenarios. Grey vertical line, change of year. Merey, right axis, published OPEC price and the assumption in our current run, EIA STEO WTI minus $11.5, the average twelve-month WTI-Merey spread.

This assumes Merey at $82 to $88 in the fourth quarter. The Merey row in the table uses the latest EIA STEO, which is slightly lower. The government's announced third-quarter growth of 6.6% [D] is consistent with our 5.8% for the year.

PROJECTIONS AND TRACKING

			ODH ESTIMATES AND PROJECTIONS									
			Next periods, base scenario			2026 close			2027 close			
Indicator	Latest	Period	+1	+2	+3	Low	Base	High	Low	Base	High	Vs. base scenario
Monthly inflation, % December	6.2	Oct 2026	Nov 5.7	Dec 5.7	Jan 27 12.9	3.9	**5.7**	8.7	7.5	**12.9**	15.3	
Inflation, % Dec. over Dec.	245.5	Jan-Oct	Nov 265	Dec 286	Jan 27 13	273	**286**	308	139	**330**	451	
Official rate, Bs/USD December	893.88	Nov 6	Nov 936	Dec 987	Jan 27 1,081	959	**987**	1,035	1,646	**2,956**	3,788	**below**
Binance rate, Bs/USD December	1,033.67	Nov 8	Nov 1,032	Dec 1,083	Jan 27 1,186	1,052	**1,083**	1,135	1,786	**3,207**	4,110	**in line**
GDP, % year	7.1	Q2 2026	Q3 26 6.9	Q4 26 6.6		4.0	**5.8**	8.0	6.7		10.8	**in line**
Oil output, kb/d December	1,150	Sep 2026	Oct 1,162	Nov 1,173	Dec 1,185		**1,185**		1,355	**1,406**	1,559	
Merey, $/bbl December	93.75	Sep 2026	Oct 91.4	Nov 85.5	Dec 80.5	80.5	**80.5**	84.1	58.5	**58.5**	62.1	
Oil exports, USD mn year	3,234	Sep 2026	Oct 3,185	Nov 3,008	Dec 3,029		**30,704**		31,680	**32,047**	33,311	**below**
Non-oil exports, USD mn year	2,268	Q1 2026	Q2 26 2,342	Q3 26 2,171	Q4 26 2,177	8,149	**8,959**	9,066	8,149	**9,660**	10,614	

Next periods, base scenario for the three months or quarters after the latest data point. Vs. base scenario, for the exchange rate, the current month against its projected path. For GDP and exports, the recent pace against the pace the full-year figure requires.

WHAT SETS THE SCENARIOS APART

Prices and exchange rate. Monthly inflation of 3.9%, 5.7% or 8.7% in November and December 2026 (low, base, high), and money supply growing 4.0%, 12.7% or 16.5% a month in 2027. **GDP and exports.** December 2027 output of 1.355, 1.406 or 1.559 million b/d depending on the path, with Merey priced at the EIA's WTI forecast minus the twelve-month differential.

THE WEEK BY SECTOR

ECONOMY AND FINANCE

International reserves ended October at $12.67 billion [O], $139 million less than in September. Over the past three months they fell by an average of $369 million a month [O]. One possible explanation is that reserves are being used to support FX sales, but reserve movements also reflect payments, asset valuation and accounting entries, and the BCV does not publish a breakdown.

M2 reached Bs. 3.67 trillion in the week to October 30 [O], 17.1% above its end-September level. If that pace holds, it will put pressure on the exchange rate in the coming weeks [E].

OIL, MINING AND POWER

GeoPark's contract for the Bare block in the Orinoco Belt is now in force. It runs for 25 years from November 2, and the company will take over operations within 60 days [D]. It is the first sign that these contracts are being executed, and it opens up procurement for oil service providers.

NABEP announced investments of close to $100 billion to lift its output above one million barrels a day [D]. No timetable, funding sources or signed commitments have been disclosed. For now it is a statement of intent.

Ecopetrol will rehabilitate the Antonio Ricaurte gas pipeline to import Venezuelan gas [D]. No amount, volume or counterparty was disclosed.

INVESTMENT AND TRADE

The International Finance Corporation and Bank of America visited the country for initial meetings with companies seeking financing [P]. If this turns into credit lines, it would open a source of dollar funding that the private sector currently barely has [E].

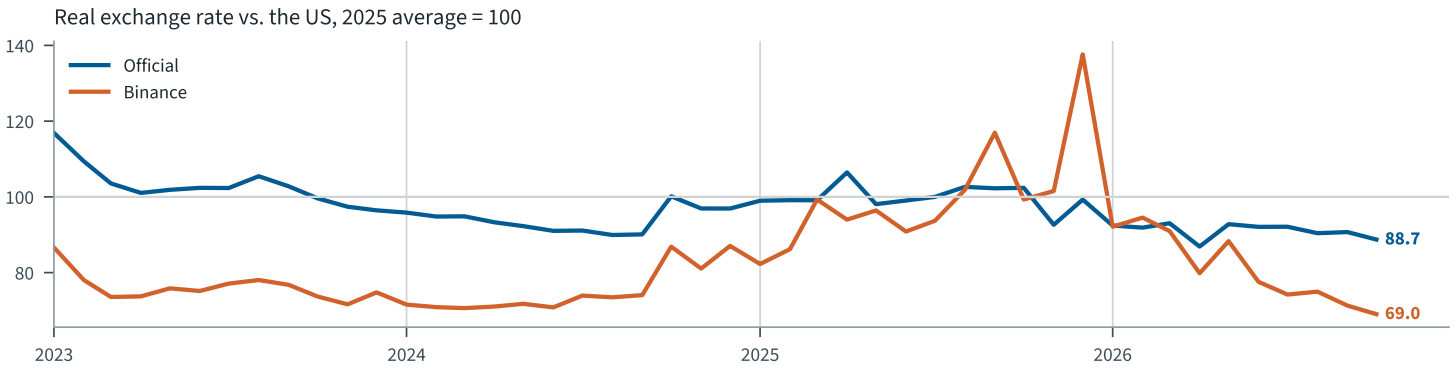
Nutresa, part of Grupo Gilinski, bought ice cream maker Tío Rico on October 29 [P]. Together with its stake in GeoPark, the Colombian group is building positions in both consumer goods and oil.

Conindustria called for some 902 expropriated companies to be returned to their owners [D], 75% of them farms and food producers.

GOVERNMENT, POLITICS AND REGULATION

The National Assembly approved on first reading a reform of the Law against Hatred on November 3 and opened a public consultation [P]. The full text has not been published.

DOLLAR COSTS AND THE REAL EXCHANGE RATE



In October 2026, the official rate was 11% stronger in real terms than its 2025 average, and the Binance rate 31% stronger [E]. The exchange rate is rising more slowly than domestic prices, so bolívar costs are going up in dollar terms. For exporters, that means lost competitiveness.

Bilateral index, end-of-month exchange rate times US CPI (BLS, via FRED) divided by the BCV consumer price index. It rises when the bolívar gets cheaper in real terms and falls when it gets more expensive.

ANNEX. INDICATOR DASHBOARD

Indicator	Latest	Period	Change		Status	Vs. its averages	18 months
Prices							
Monthly inflation, %	**6.2**	Oct 2026	8.4 prior month	O	new	below all three	
Year-to-date inflation, %	**245.5**	Jan-Oct		O	new		
Annual inflation, %	**376.9**	Oct 2026	465.6 prior month	E	new		
Exchange rate							
Official rate, Bs/USD	**893.88**	Nov 6	+0.8% vs. Oct	O	new	below all three	
Binance rate, Bs/USD	**1,033.67**	Nov 8	+5.2% vs. Oct	M	new	below all three	
Gap, %	**14.4**	Nov 6	10.8 at end-Oct	E	new		
Money							
M2, monthly change, %	**9.5**	Sep 2026	15.7 prior month	O	current	below all three	
Weekly M2, Bs. trillion	**3.67**	wk. Oct 30	+17.1% vs. Sep	O	new		
Monetary base, Bs. trillion	**2.00**	wk. Oct 23	+1.4% on the week	O	new	below all three	
External sector							
International reserves, USD mn	**12,665**	Oct 2026	-139 on the month	O	new	mixed	
FX supply (SMC), USD mn	**1,998**	Aug 2026	-524 on the month	P	overdue		
Oil exports, USD mn, quarterly	**5,491**	Q1 2026	+21.5% y/y	O	overdue		
Non-oil exports, USD mn, quarterly	**2,268**	Q1 2026	+15.6% y/y	O	overdue		
Activity							
GDP, annual change, %	**7.1**	Q2 2026	2.4 prior quarter	O	current		
Oil GDP, %	**9.1**	Q2 2026	-2.1 prior quarter	O	current		
Non-oil GDP, %	**5.8**	Q2 2026	3.5 prior quarter	O	current		
Oil							
Output, secondary sources, kb/d	**1,150**	Sep 2026	+17 on the month	O	current	mixed	
Output, direct communication, kb/d	**1,206**	Sep 2026	+5 on the month	O	current		
Merey, $/bbl	**93.75**	Sep 2026	+16.93 on the month	O	current	above all three	
WTI, monthly average, $/bbl	**97.31**	Sep 2026	Merey 3.7% lower	M	overdue		
Shipments, kb/d	**1,170**	Aug 2026, Sep 1 note		P	overdue		
Export value, USD mn	**3,234**	Sep 2026	+19.9% on the month	E	current		
Active rigs	**2**	Aug 2026		M	overdue		

O official data · M market data · D statement by officials or companies · P press report, with source · E ODH estimate · Py ODH projection. Vs. its averages compares the latest month of the monthly change (or of the level, for Merey) with the average of the previous 3, 6 and 12 months (above all three, below all three or mixed). Status is new if it changed since the previous issue, and overdue if the next period should already have been published. Projection assumptions are on page 4.

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