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A banana republic, without the bananas?

Presidential phone calls and the political risks investors seldom price into America.

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Nvidia hired a headhunter. It might have saved itself the expense by telephoning the White House.

On a Tuesday, the board of one of the world's most valuable companies told investors it had no intention of reinstating its former chief executive. By Sunday, Jensen Huang had his job back.

“The board decided to do what we wanted them to do,” President Trump told CNBC.

On Monday, Nvidia's shares rose more than 31%, adding approximately $950bn to the company's market value.

To put that into perspective, investors across the six Gulf states collectively held almost $900bn in American shares in June 2025.

Quite a Monday.

Incidentally, according to ABC News's analysis of presidential financial disclosures, Trump himself held at least $12m in Nvidia shares at the end of 2025.

Perhaps it was a masterstroke. America's technological leadership may have been protected, Wall Street was celebrating and millions of Americans could examine their retirement savings with considerably less trepidation.

There was just one slightly inconvenient detail.

The investigations had not finished.

One hopes they were comparing notes

President Trump had recently met his Chinese counterpart, Xi Jinping. America wants to maintain its advantage in artificial intelligence, although Washington appears rather less united on how to achieve it.

Should America deny China access to its technology, or keep China dependent upon it?

Treasury Secretary Scott Bessent had publicly pointed the finger at Howard Lutnick's Commerce Department over its handling of a company suspected of diverting American chips to China.

Trump, meanwhile, argued that Huang was too valuable a technological talent for America to risk losing. He also acknowledged that the stock-market decline had probably influenced his intervention.

On the very day Nvidia announced Huang's reinstatement, the Commerce Department filed a rule blacklisting Megaspeed, the company at the centre of the chip-diversion controversy.

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The Nasdaq rose 6.5%.

One hopes the various departments were comparing notes.

Trump offered another interesting observation during his CNBC interview.

“I run the country. I don't run Nvidia.”

Quite.

The interesting question is neither what Huang gets up to in his private life nor whether he is the best man to run Nvidia.

It is who decides.

Most corporate-governance textbooks devote considerable attention to the independence of directors. Few contain a chapter on telephone etiquette with the White House.

And this is not simply a matter for wealthy technology investors. Nvidia's shares sit in the retirement accounts of millions of ordinary Americans and in investment portfolios around the world. Many investors may not even realise they own them.

An American invention

Imagine assessing the Nvidia episode as part of an investment in an emerging market.

Political intervention in corporate governance? Unfinished investigations? Disagreements between government departments? A dramatic change in share prices following presidential involvement?

An investment committee would probably have a few questions.

In fact, an economist once discovered a rather ingenious way of valuing political connections in Indonesia.

Raymond Fisman examined how the shares of politically connected companies reacted to news about President Suharto's health.

His research suggested that nearly a quarter of the value of the most politically connected businesses could be attributable to those relationships.

Imagine explaining that to an auditor.

There is a further historical irony. The expression banana republic was coined in 1904 by an American writer, O. Henry, whose fictional country was inspired by Honduras, where American fruit companies would exercise extraordinary political and commercial influence.

The banana republic was, in part, an American export.

Friends in oily places

Venezuela's shift from a government broadly opposed to American interests towards one considerably more accommodating to Washington represents a significant geopolitical achievement for the Trump administration.

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Extracting oil, however, may prove somewhat more complicated than extracting political concessions.

Reuters has reported on the political relationships surrounding the allocation of early Venezuelan oil-trading opportunities, including connections to Vice-President JD Vance. Washington cited urgency and commercial capacity in selecting the traders.

Were we assessing a similar commercial opportunity in an emerging market, the selection process and the political relationships would ordinarily feature in our due diligence.

Why should the questions be different here?

Guess who's coming to dinner

Political fundraising dinners are hardly an American invention. Cryptocurrency has introduced a curious variation.

Successful applicants for dinner with President Trump in 2025 reportedly spent $148m acquiring his privately issued meme coin. His subsequent financial disclosure recorded more than $635m in royalties attributable to his company, CIC Digital.

Unlike conventional political fundraising, the commercial beneficiary was a private business rather than an election campaign.

Financial innovation in America remains alive and well.

The investment manual

When assessing investments in Brazil, Mexico, Peru, India or Uganda, international investors routinely examine political risk.

The countries are very different. The questions are remarkably familiar.

How predictable is government policy? How independently can companies operate? Will commercial agreements survive a change of administration? Can a political decision transform the fortunes of a business overnight?

Investors generally expect to be compensated for accepting such uncertainties.

America has traditionally offered something particularly valuable: confidence in the durability of its institutions, the independence of its markets and the enforceability of its commercial arrangements.

There is a reason international capital has been prepared to pay for that reassurance.

And America's institutional safeguards remain formidable. In February 2026, the Supreme Court ruled against the administration's use of emergency economic powers to impose certain tariffs.

An important feature of American exceptionalism is that the president can lose a court case.

For investors, however, eventually winning in court is not quite the same as avoiding commercial damage in the meantime.

The difficulty is not simply that governments intervene. Governments have always intervened.

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It is the uncertainty surrounding the next intervention.

A business may be strategically indispensable on Monday, commercially inconvenient on Tuesday and the subject of an entirely different government policy by Friday.

Try putting that into a five-year business plan.

Which brings us back to the bananas

Political risk is traditionally something Western investors pack for trips abroad. It seldom appears on the packing list for Washington.

Perhaps it should.

The constitutional arrangements of America and countries such as Turkmenistan are profoundly different. But the investment discipline applied to both need not be.

Political proximity, regulatory discretion and the concentration of decision-making deserve examination wherever they occur.

For a republic founded in rebellion against a king, the contemporary debate about the concentration of presidential power carries a certain historical irony.

For investors, however, the issue is less philosophical than financial.

Should a business be worth more because it enjoys the goodwill of the current president? And what happens to that value when the goodwill disappears?

America remains the world's deepest capital market. Its opportunities are extraordinary. The question is not whether to invest in America, but whether the assumptions underlying those investments need revisiting.

Political uncertainty does not become less expensive merely because it speaks English and has an address in Washington.

A presidential telephone call that sends share prices soaring may be wonderfully reassuring.

A portfolio that depends upon the next one should be rather less so.

À bientôt, Basil

2016–2026 | Ten years of independent perspective.

About Pyrénées Capital

Pyrénées Capital is an independent Bahrain-based consultancy focused on cross-border investment origination, strategic introductions and relationships between businesses and investors. Founded in 2016, the firm works with family offices, institutions and international investment managers across markets.

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For the curious reader

Selected primary records and contemporary reporting.
Source titles are clickable where a direct public link is available.

01 Nvidia / SEC
Reinstatement filing, effective 22 November 2026

02 Nvidia
Board announcement, 23 November 2026

03 CNBC
Presidential interview, 23 November 2026

04 US Department of Commerce
Entity List rule, November 2026

05 Reuters
Venezuelan oil-trading opportunities, 11 November 2026

06 US Office of Government Ethics
Presidential financial disclosure, June 2026

07 Raymond Fisman
Estimating the Value of Political Connections, 2001

08 US Supreme Court
Learning Resources, Inc. v. Trump, February 2026

09 US Treasury
Foreign Portfolio Holdings of US Securities, June 2025

10 Contemporary reporting
ABC News: presidential holdings; Reuters: token dinners; market reporting, 23 November 2026

EDITORIAL NOTE

Research cut-off: 24 November 2026. Historical comparisons and questions are editorial commentary. This is independent market commentary, not personalised investment advice or a securities recommendation.