



ISRAEL UPDATE



Update from Israel

January 8, 2026 - October 7 War, Day 825, 1 hostage body remains in captivity.

Major Developments in Venezuela and Iran May Impact Israel

- The January 3, 2026, operation by US forces that saw Venezuelan President Nicolás Maduro and his wife captured has **significant implications for the local Jewish community, as well as for Israel.**
- Following the attack, community members in Caracas are optimistic yet deliberately restrained, mindful of a history of politicized antisemitism and fears of scapegoating. Initial reports emphasize a **"watch and wait" posture**, while keeping a low profile. Reactions across the Jewish world balance relief at Maduro's ouster with concern for those who remain in Venezuela.
- Maduro, long considered one of the **most anti-Israel leaders in the world**, headed a regime that consistently aligned itself with Iran and its proxies. He provided a safe haven for Islamic operatives, helped Tehran evade sanctions, and served as a hub for "narcoterror" activities. In 2018, the DEA warned that Hezbollah's operations in Venezuela rivaled major Latin American cartels in scale and sophistication, particularly in the cocaine trade.
- Venezuela became a **critical node for laundering money**, trafficking weapons, and generating cash through the drug trade. This arrangement strengthened Iran's global network and funded its proxies.
- In contrast, **opposition leader** María Corina Machado, who recently won the Nobel Peace Prize, has expressed strong support for Israel. She has pledged to restore diplomatic relations with the Jewish state, open an embassy in Jerusalem, and even declared that post-Maduro Venezuela would become "Israel's closest ally in Latin America." While she is unlikely to assume power at this stage, there is potential for dramatically improved Venezuela-Israel relations in the future.
- These moves also represent a **symbolic blow to Iran's influence in the region**. For decades, Tehran invested billions of dollars to build its international network; the collapse of its foothold in Venezuela underscores the growing fragility of the Iranian regime. The shift sends an important message to the Islamic Republic at a time when it faces mounting internal unrest and external pressure. It also offers encouragement to protesters of the Iranian government.
- The significance of this development extends beyond Latin America. Venezuela's alignment with Iran was so deep that its vice president (and now acting president) claimed that the recent US strikes had **"Zionist undertones."** Now, with Maduro gone, that alliance is unraveling. For Israel, this is yet another strategic win against Iran's global reach and Hezbollah's criminal empire.
- Israel's Prime Minister Benjamin Netanyahu was among the **few world leaders to openly welcome the U.S. action**, praising it as "bold and historic" and using the opportunity to strengthen ties with Washington.

Iran

- Mass protests in Iran have now **escalated into the most serious challenge** to the Islamic regime in years. What began as anger over a collapsing economy and a plummeting currency has turned into an outright anti-regime movement.
- Iran's weakened position since October 7, 2023, including the decimation of most of its global allies, has significantly contributed to the situation. Demonstrators have **denounced the billions spent by Iran** on Hezbollah, Syria and the country's nuclear and missile programs.
- Israel is **treading carefully**, avoiding overt involvement as Tehran accuses both Israel and the US of fueling the unrest. In one video, an Iranian woman has been seen shouting, "Israel — help us bring down Khamenei." Nonetheless, earlier in the week, Netanyahu said, "We identify with the struggle of the Iranian people and their aspirations for freedom, liberty and justice. It is very possible that we are standing at the moment when the Iranian people are taking their fate into their own hands."
- Amid fears that Iran may seek to divert attention from the protests, Netanyahu also **issued a warning to Iran** of "very severe consequences" if it attacks Israel, while simultaneously asking Moscow to reassure Tehran that Israel is not planning a strike. The careful messaging reflects growing fears of miscalculation in the region, where even minor signals have triggered panic. Netanyahu's public threat signals concern that Iran might resort to a desperate move: launching an attack to rally domestic support if the regime feels close to collapse. His outreach to Russia underscores Israel's effort to prevent escalation while signaling deterrence.
- Exiled **Crown Prince Reza Pahlavi**, who maintains close ties with the Persian Jewish community abroad, has emerged as a rallying figure for many protesters.

Gaza Hostage

- One final hostage body remains in Gaza, that of **St.-Sgt.-Maj. Ran Gvili**.
- Yesterday, Israel and Hamas agreed to **restart the search** in northern Gaza's Zeitoun neighborhood for Gvili's remains, with Hamas operating on both sides of the "Yellow Line" that divides the territory amid coordination from Israel. Hamas agreed to provide information on locations related to Gvili's case. Israel has tied progress on opening the Rafah border crossing and moving forward with the US-brokered Gaza plan to the return of Gvili's remains, insisting no political or security advancement will occur until they are recovered.
- According to many accounts, **Gvili saved the lives of close to 100 people** at the Nova Festival before being killed. His body was taken by Hamas and has been held in Gaza ever since.

Somaliland

- A Somaliland official today confirmed that Israel will likely establish its **first-ever overseas military base** in the country. Somaliland was officially recognized by the Jewish state last week. There are reports that construction of the significant IDF outpost has already begun at Somaliland's Berbera Airport.
- Somaliland, a breakaway region of Somalia that has operated as a stable, democratic and relatively prosperous entity for decades, has also enjoyed peaceful transfers of power following elections. **Israel remains the first and only country to recognize Somaliland**, although there is speculation that other countries, including the United States, could follow Israel's lead.

- Israel's decision to formally recognize Somaliland **sparked celebrations in the capital** Hargeisa and sharp condemnation from Somalia and the African Union.
- Earlier this week, in a landmark event, **Israel's Foreign Minister Gideon Sa'ar** visited Somaliland and met with its leaders.
- The move gives Israel a **foothold opposite Yemen**, sending a clear message to the Iran-backed Houthis and strengthening its position along a strategic maritime corridor.
- Somaliland has signaled interest in **joining the Abraham Accords**, which could lead to formal diplomatic ties and even an embassy in Jerusalem. Its stability makes it an attractive partner in the Horn of Africa, a region where global powers are competing for influence.
- Rumors of Gazan refugee resettlement have been denied by both sides.
- Recognition of Somaliland underscores Israel's intent to expand its diplomatic and security reach in a volatile but strategically vital area. Some Israeli media commentators have highlighted the moves as **confirmation of Israel's regional super-power status**.

Fighting

- Earlier today, a **projectile was fired from the area of Gaza City** toward Israel. The rocket fell short of its target and landed inside the Gaza Strip near a hospital. Shortly afterwards, the IDF struck the launch site.
- Israel's Ministry of Defense and the IDF have completed distributing thousands of advanced Arad **rifles to civilian rapid response teams** nationwide. A \$31 million deal with Israel Weapon Industries includes a decade of maintenance support and Meprolight M5 optical sights from IDF stocks. This initiative standardizes equipment for local defense teams, reflects lessons learned from the October 7 war, and expands Israel's domestic defense production base.
- The **Lebanese army announced that it has gained full operational control** south of the Litani River (outside areas held by the IDF) and is in an "advanced stage" of consolidating weapons there, emphasizing that it intends to be the sole force responsible for security in Lebanon and that it seeks to prevent armed groups from using the area as a staging ground for attacks. The announcement did not specifically mention Hezbollah; despite claims of control, Israeli intelligence has previously said the army struggles to exert power over the group.
- Israel **continues to strike Hezbollah targets in the region**, claiming that the terror group is in violation of the ceasefire agreements reached.
- The **US appears to be backing the Israeli strikes**, and according to numerous commentators, is even encouraging Israel to launch additional and more aggressive strikes.

Other News

- Israel **raised \$9 billion** this week in a new bond issue at the lowest spread since before the war, with demand far outstripping supply. Orders totaled about \$36 billion from roughly 300 investors across more than 30 countries. Analysts attribute the surge to perceptions that Israeli bonds were undervalued and renewed confidence in fiscal stability despite higher defense spending. The strong showing contrasts sharply with 2024, when Fitch and Moody's downgraded Israel's credit rating and S&P shifted its outlook to negative; S&P has since upgraded to neutral, while the others have yet to follow. Meanwhile, the TA-125 index has climbed more than 140 percent since October 2023, underscoring investor optimism even after two years of war.
- **Crime in Israel's Arab sector** continues to mount. Three men were shot dead early Wednesday at a construction site in Shfaram, in what police suspect was a criminal hit tied to an ongoing feud between local Arab crime groups. The victims — two from Bir al-Maksur and one from Shfaram — were pronounced dead at the scene. The killings bring the Arab sector's murder toll to eight since the start of 2026, compared to just one in the same period last year. Police believe the attack is part of a cycle of

retaliatory violence between rival organizations, as criticism mounts over law enforcement's inability to stem the bloodshed.

- An anti-draft protest by Haredim in Jerusalem ended in tragedy on Tuesday, when a bus **struck and killed a young demonstrator** after being surrounded by rioters. This marks the second fatal incident linked to protests against the proposed Haredi draft law, which has become one of Israel's most divisive issues ahead of elections. The protest saw thousands of demonstrators block major intersections in the capital and clash with police.
- On Tuesday, Israel and Syria completed two days of US-mediated talks in Paris, marking the most significant progress since negotiations resumed after Assad's fall. The sides **agreed to accelerate discussions** and establish a "joint fusion mechanism" — a dedicated communication cell for intelligence sharing, military de-escalation, and diplomatic coordination under US supervision. Both countries reaffirmed commitments to security and stability, with Israel emphasizing protection for the Druze minority and Syria insisting on sovereignty.
- According to Israeli media reports, Israel, Syria and the US are also **discussing an economic cooperation plan** alongside the security talks. The proposal envisions a significant joint economic zone in the demilitarized strip, featuring energy projects, pharmaceutical plants, data centers, and even a ski resort. According to reports, the plan could boost Syria's GDP by 20%, add 15,000 jobs, and expand power capacity by 800 megawatts, while offering Israel reduced defense costs and a new economic corridor. Though peace isn't a formal condition, the initiative—if it goes through—would signal a dramatic shift from military confrontation to economic integration.

Further Reading

- [What's New About This Wave of Protests in Iran](#)
- [JPPI Podcast: Israel's Unresolved Wars and Uncertain Future](#)
- [Two Years into the War: Israel's Strategic Reckoning](#)
- [On Dreams, Awakenings, and Israel's Next Chapter](#)
- [A Security Arrangement with Syria in a Space of Uncertainty and Perceptual Gap](#)

For more information, please contact: Jewish Federations of North America's Dani Wassner dani.wassner@jewishfederations.org. Subscribe to this weekly update [here](#)