

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
6 November 2023

After a Massive Attack Israeli forces will focus on the Gaza city

After last week's massive attack in Gaza strip, Israeli forces will concentrate now in Gaza city according to official sources. The death toll surpasses 10000 after four weeks of war according to the Gaza Health Ministry ([link](#)). Efforts by the international community to mitigate Israeli offensives persist. Israeli Prime Minister Netanyahu has stated that operations will continue unabated until the hostages are released. The situation remains polarized:

- The United Nations Secretary-General Guterres maintains a firm stance against the conflict. However, the UN Security Council (the powerful 15-member body) has yet to pass any resolution concerning the Israel-Hamas situation, reflecting a divergence within members.
- Officials within the US Administration have criticized Israel's counteroffensive against Hamas as excessively harsh, resulting in significant civilian casualties and lacking a clear endgame. Despite this, they acknowledge a limited capacity to influence their key Middle Eastern ally ([link](#)). Polls indicate that the Israel-Hamas conflict is beginning to adversely affect Biden's prospects in the 2024 Presidential Elections.
- The EU Commissioner Von der Leyen has announced increased aid to Gaza, while EU Foreign Representative Borrell has asserted that there is no military solution to the conflict.

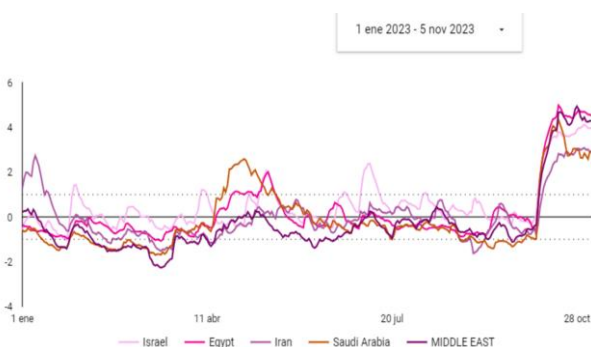
Support from Iran and Hezbollah to Hamas remains symbolic and low-profile. In his first public address since the onset of the war, Hezbollah leader Hassan Nasrallah's remarks were perceived as a letdown by Hamas, though he did not close the door on potential escalation ([link](#)).

The BBVA Monitor: High Tension in Middle East and a need to monitor Protest in the West

While risk levels in the Middle East continue to be extreme, there are signs of stabilization and moderation in the geopolitical indices of the EU and the USA, though they remain at elevated risk levels. Economic Policy Indices have so far remained neutral or safe. Key developments over the past week include (Fig3):

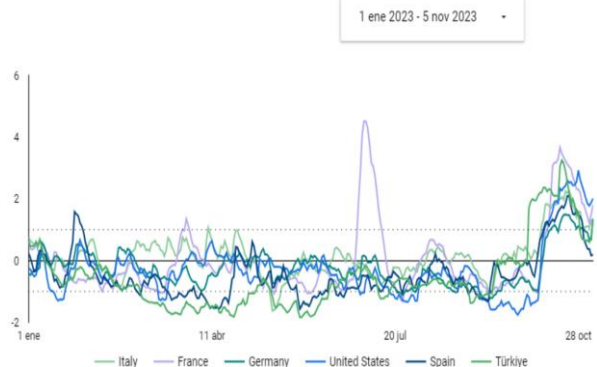
- The **levels of Geopolitical & Conflict sentiment remain at "Extreme Risk" in the Middle East with sentiment in the Western Countries Indexes curbing** (Russia, Spain & Brazil to neutral) (Fig1 & Fig2).
- The **Political Indexes sentiment remains at high risk levels in the Middle East, but also in some of the European countries (UK)** (Fig2 & Fig3).
- The **Protest Indexes need to be monitored in the Middle East (Egypt, Israel and S. Arabia) and some Western countries (UK, Germany and Türkiye).**
- **The Economic Political Uncertainty remains resilient** since the beginning of the Conflict. Western Central Bank decisions and displacement of economic terms in the News supporting.

Fig1. **GEOPOLITICAL SENTIMENT INDEX: M EAST**
(28-day weighted moving average, normalized by its own history)



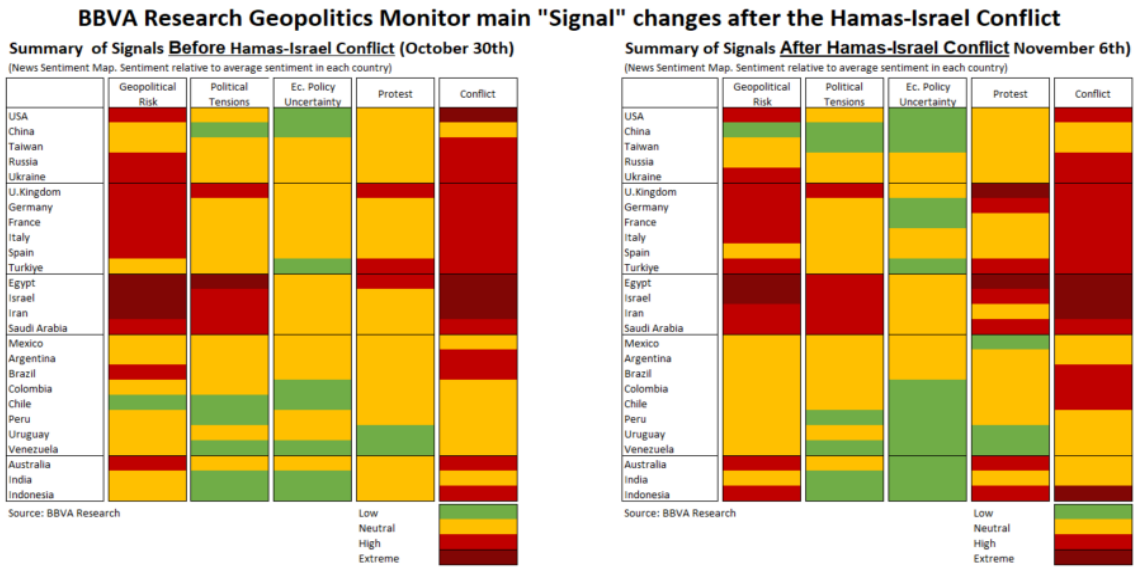
Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig2. **GEOPOLITICAL SENTIMENT INDEX: EUROPE**
(28-day weighted moving avg, normalized by its own history)



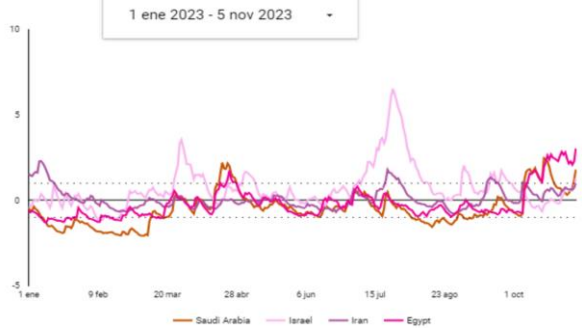
Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig3. **BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES AFTER HAMAS-ISRAEL CONFLICT** (Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Dev.)



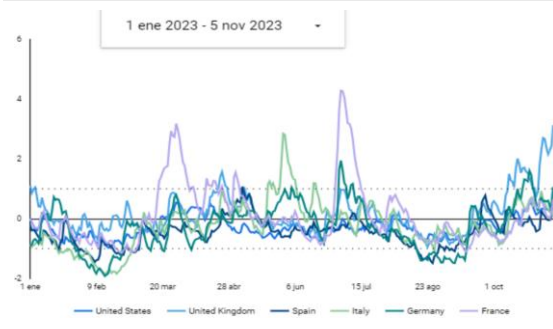
Source: BBVA Research and www.qdelt.org

Fig4. **PROTEST SENTIMENT INDEX: M.EAST** (28-day weighted moving avg, normalized by its own history)



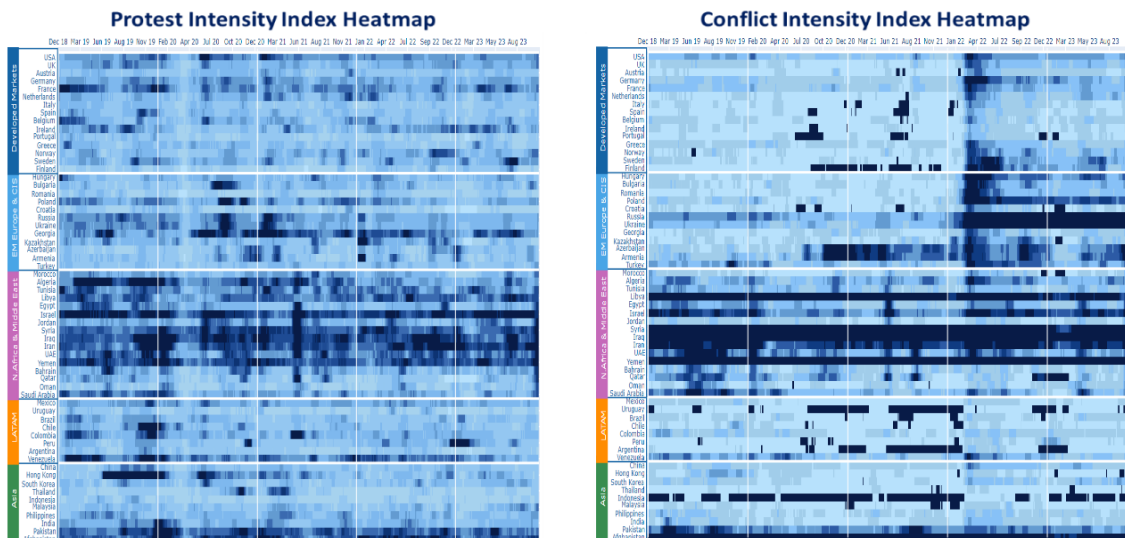
Source: BBVA Research & www.qdelt.org.

Fig4. **PROTEST SENTIMENT: EUROPE & US** (28-day weighted moving avg, normalized by its own history)



Source: BBVA Research & www.qdelt.org.

Fig6. **BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS** (Evolution of Protest and Conflict over time by regions)



Source: BBVA Research and www.qdelt.org

Methodological annex: indicators' construction

We have developed a daily tracker with weekly updates to monitor protest and conflict indicators for every country in the world from 2019 to present day. To construct this, we use a rich 'big database' of international events (GDELT), created by Leetaru and Schrodtt (2013). GDELT is an open-source database which extracts and parses digital news monitoring world events covered by news media from nearly every corner of the world, whether broadcast, printed or published on the web, in over 100 languages, every moment of every day, updated every 15 minutes. Thus, it contains a comprehensive and high resolution catalog of geo-referenced events and themes.

Using different dictionaries, several thousands of taxonomies and themes are identified in the news pieces to classify the information. The algorithms used by GDELT also identify emotions, organizations, locations, news sources and events across the world as well as their average sentiment using Natural Language Processing (NLP) techniques and the lexicon approach.

The included indicators are:

- Geopolitical Risk: or sentiment (weighted by coverage) of the country's geopolitical risk perception.
- Political Tensions: or sentiment (weighted by coverage) of the country's political tensions.
- Economic Policy Uncertainty or sentiment (weighted by coverage) about the country's economic policy uncertainty, also disaggregated by media origin.
- Protests or coverage regarding social protests or unrest in the country.
- Conflict or coverage of armed conflicts, which go beyond verbal protests.
- Bilateral Tensions or the sentiment (weighted by coverage) between a specific pair of countries that appear together in the news article (plus NATO and EU).

The indicators track the evolution of tensions and are normalised by its own country history since 2019, thus they are all expressed in terms of standard deviations from their historical patterns. Indicators usually lie within the range [-1,1]. Therefore, when the values exceed one (the upper boundary of the range), this means escalating tensions. While it's possible to observe simultaneous tensions arising in multiple countries (for example, due to geopolitical events affecting several nations, as seen in some of our heatmaps), using these indicators for direct quantitative comparisons of risk levels between countries is not recommended.

We apply a weighted moving average of 28 days (to include four complete weeks with the same number of days of the weeks) to reduce noise of daily information and identify signals more clearly. The weights have been calculated using a discrete geometric distribution such that it puts more weight on recent data and less on past data (see Graph 1). Aggregating by weeks, the weight of the most recent week has a weight of 68%, the past week 22%, the previous 7% and the fourth 3%. The weight of the 28 days can be seen in the following image. In such a way, the indicators reflect what is happening in the last days.

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