

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
12 December 2023

The Hamas-Israel conflict reignited with divergent postures of Western Countries on the conflict*

Battles are raging across Gaza, with Israel indicating readiness to fight for months or longer to defeat Hamas. Intense fighting is concentrated in southern Gaza and Israeli Prime Minister Benjamin Netanyahu stated that the military must maintain open-ended security control over Gaza even after the war ends ([link](#)). Hamas warned that the remaining 137 hostages won't survive the ongoing conflict, raising alarm over a spiraling humanitarian crisis. The reaction of the different players to events over the past week has been the following:

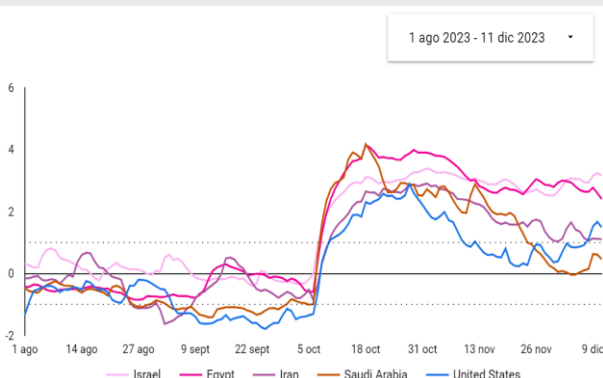
- **United Nations:** UN Secretary-General Guterres continued to express a strong stance against the war, demanding Security Council action on the Gaza war. The UN warned that aid in Gaza is on the verge of collapse.
- **United States.** The US vetoed a UN resolution calling for a ceasefire and approved sending more weapons to Israel. Some US senate members have started to claim for a higher conditionality in the weapons support.
- **European Union:** The EU continues to maintain heterogeneous responses. Four EU countries, including Spain, have urged a summit to demand a long lasting Gaza ceasefire and support the right of Israel to self-defense; but in accordance with international humanitarian law and countries like France, Germany, and Italy have called for the EU to set up a special sanctions scheme targeting Hamas.
- **Regional security concerns:** Iranian President Ebrahim Raisi condemned Israel's assault on Gaza, describing it as genocide and a crime against humanity. Meanwhile Gulf Countries, including Saudi Arabia and UAE, are said to be responsible for footing the bill for Gaza's reconstruction.

The BBVA Monitor: Neutral Levels dominate despite the end of the truce

Most of the indexes except those from countries directly involved in the conflict have returned to more neutral levels. Only the Geopolitical sentiment index in Israel and Egypt increased to extreme levels:

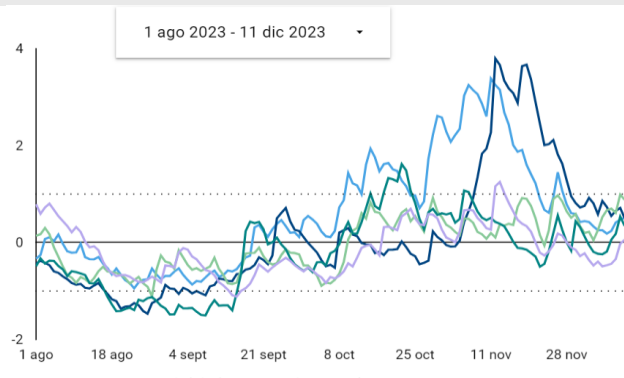
- The levels of Geopolitical & Conflict sentiment maintained high to extreme levels in the Middle East. Some Latam countries start to reflect a high risk sentiment on the conflict of the war (Fig 1 & Fig 2).
- The Political indexes remain neutral in most of the countries with the exceptions of Israel (with a renewed pressure on Netanyahu) and Egypt (Fig 2 & Fig 3).
- The Protest indexes continued to recede and returned to neutral.
- The Economic Policy Uncertainty index remained resilient since the beginning of the conflict helped by recent Central Bank decisions and the displacement of economic news to conflict ones.

Fig1. **GEOPOLITICAL SENTIMENT: M EAST & US**
(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. **PROTEST 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

*The selection of news has been enriched by the BBVA Research Geo Assistant developed with Chat-GPT.

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)

Summary of Signals After Hamas-Israel Conflict (December 4th)
(News Sentiment Map. Sentiment relative to average sentiment in each country)

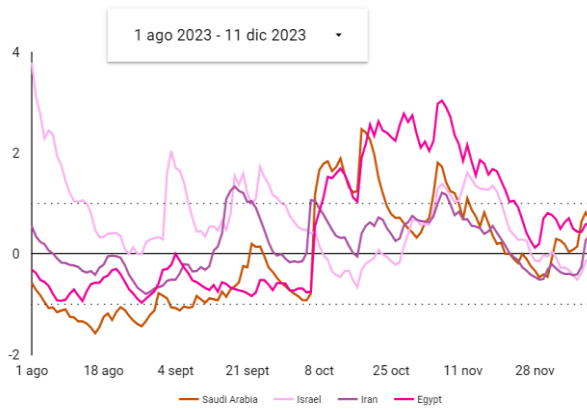


Summary of Signals After Hamas-Israel Conflict (December 12th)
(News Sentiment Map. Sentiment relative to average sentiment in each country)



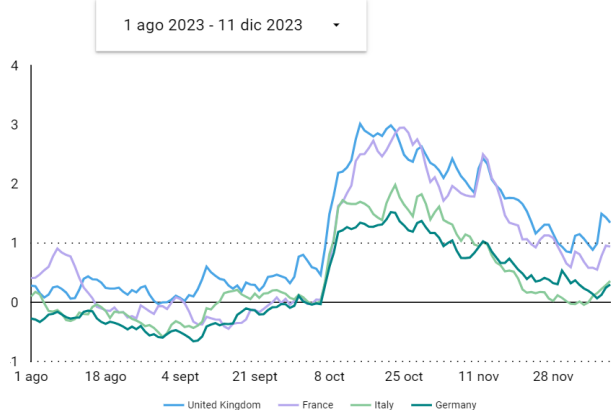
Source: BBVA Research and www.qdelt.org

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



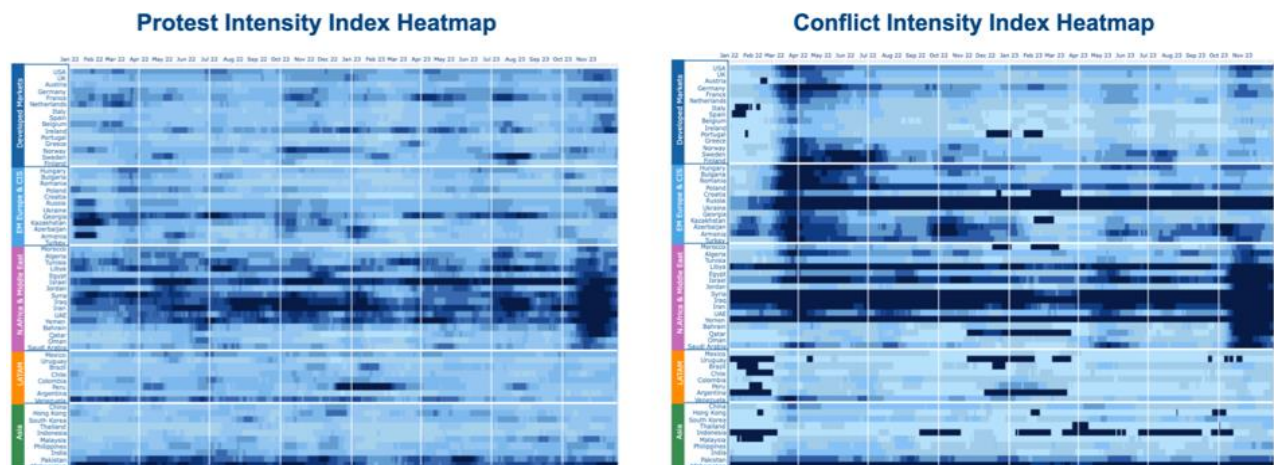
Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig5. **GEOPOLITICAL SENTIMENT: EUROPE**
(28-day weighted moving avg, normalized by its own history)



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

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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