

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
5 March 2024

Gaza situation remains critical but attention turn to Russia-Ukraine conflict, including news on German Leakage by Russians

Israel-Hamas conflict: Israeli forces and Palestinian fighters continued engaged in gun battles with Israel conducting airstrikes, including destroying a building housing the Palestinian Islamic National Bank. **The United States, United Nations and regional countries like Egypt, Saudi Arabia and Jordan, are actively seeking ways to mediate and bring about a ceasefire.** The US Vice President Kamala Harris has pushed for an immediate ceasefire and emphasized the need for humanitarian aid to Gaza.

Meanwhile the attention turned to the Russian-Ukraine conflict on several fronts:

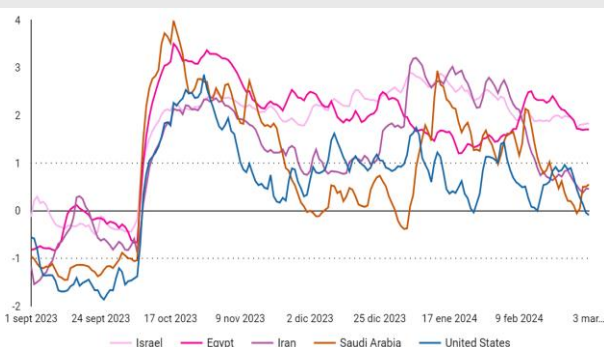
- **EU Commissioner Von der Lyen launched a “whatever it takes” warning to European Countries ([speech](#)) to raise their contribution to NATO.** The speech came after the EU Commissioner said she will run for a second EU commissioner mandate and last week's comments of Donal Trump (favorite to be the Republican candidate for the US presidential election in polls) on lack of support of EU countries to the alliance.
- **Leaked conversation of top military officers by Russians:** Russian outlet RT, leaked Germany's military top brass discussing possible supplies of Taurus missiles to Ukraine. Germans consider the leakage as part of the disinformation war of Russians (Fig 2).
- **Germany and France continue to differ on Support to Ukraine.** Berlin has accused Paris of not pulling its weight on helping Ukraine ([link](#)).

The BBVA Monitor: Geopolitical risk indicators increased in Latam during the last week

Middle East continued to be the main hot spot. Protest indicators in Europe were showing signs of a deceleration, with Italy being the only country remaining at a high-risk level. The conflict index for Germany experienced a steep increase following the leak of a secret conversation between high-ranking German military officers about sending Taurus cruise-missiles to Ukraine. Geopolitical Risk indicators for Latam countries remained in the high risk area:

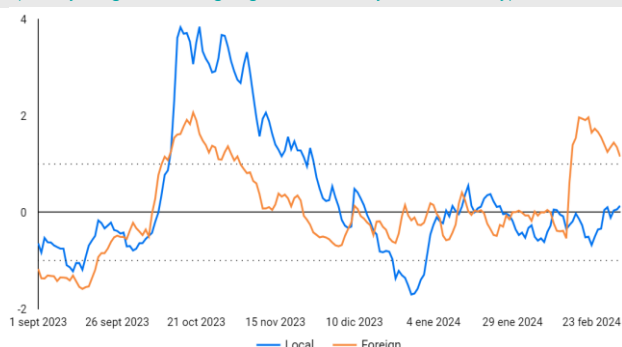
- **The levels of Geopolitical & Conflict sentiment remained high in the Middle East, but were moderating their trend** in some countries, while **they increased in Latam** this week (Fig 1 and Fig 3).
- **The Political Tensions index decelerated in Russia in foreign media** during the last two weeks, but it is **still in the high risk area**, given Alexei Navalny's funeral and **leaked conversation between military officials in Germany discussing possible military aid for Ukraine** in the form of long-range cruise-missiles. In **local media**, the indicator increased, but remained in the **neutral area** (Fig 2 and Fig 5).
- **Protest sentiment in Europe showed signs of slowing** in most of the countries, Italy remained the only European country in the high-risk area (Fig 3 and Fig 4).
- **The Conflict index in Germany** rose after a secret conversation between high-ranking military officers was leaked, discussing potentially supplying Ukraine with Taurus missiles (Fig 5)

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. **POLITICAL TENSIONS INDEX: RUSSIA**
(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)

Summary of Signals After Hamas-Israel Conflict (February 26th, 2024)



Summary of Signals After Hamas-Israel Conflict (March 4th, 2024)



Source: BBVA Research and www.qdelt.org

Fig4. PROTEST INDEX: EUROPE
(28-day weighted moving avg, normalized by its own history)

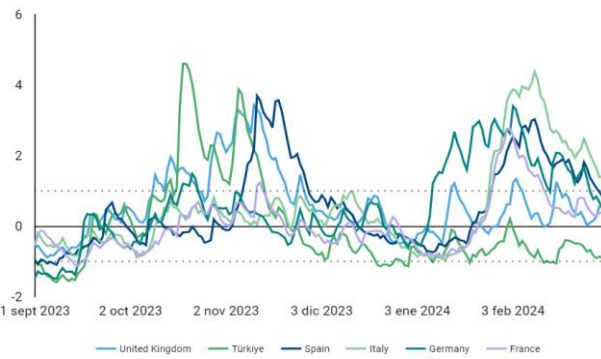


Fig5. CONFLICT INDEX: GER, RUS & UKRAINE
(28-day weighted moving avg, normalized by its own history)

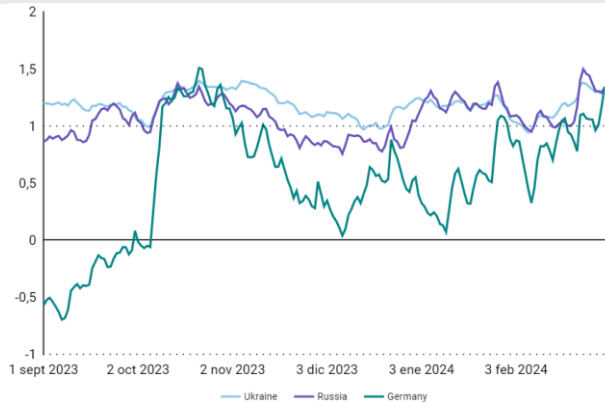
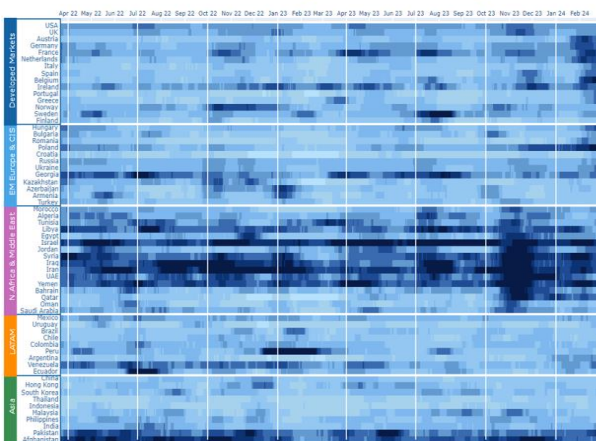
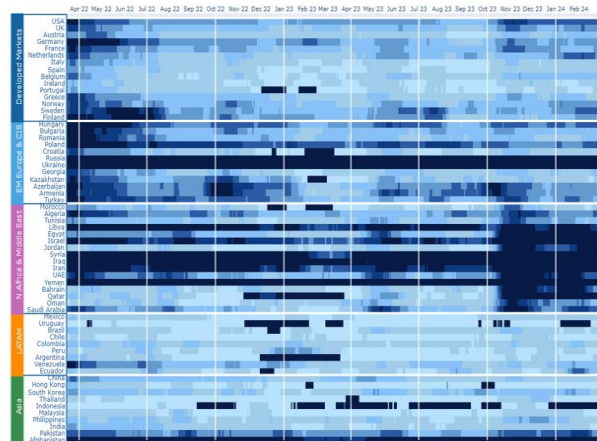


Fig6. BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS
(Evolution of Protest and Conflict over time by regions)

Protest Intensity Index Heatmap



Conflict Intensity Index Heatmap



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 Schrodt (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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