

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
12 March 2024

No sign of ceasefire in Gaza at the beginning of Ramadan. The US presidential race about to start

Israel-Hamas conflict: Israel is investigating whether an airstrike in Gaza resulted in the death of Hamas's deputy military leader, Marwan Issa. This comes as the conflict sees no sign of a ceasefire, especially with the upcoming Muslim holy month of Ramadan.

- **UN and EU aid plans:** The UN Secretary-General has called for a truce and substantial lifesaving aid deliveries to Gaza. The EU's engagement is primarily highlighted by its efforts to establish a maritime aid corridor to assist in alleviating the humanitarian crisis in Gaza.
- **Biden marks "Red Lines" to Israel on Gaza:** Israeli Prime Minister Benjamin Netanyahu says he intends to press ahead with an invasion of the city of Rafah on the southern border of the Gaza Strip in defiance of United States President Joe Biden, who has warned such an offensive would be a "red line."

US presidential race: The presidential race is about to start after the resignation of Nikki Haley from the republican race and the departure of Dean Phillips from the Democrat camp. Further on the candidates:

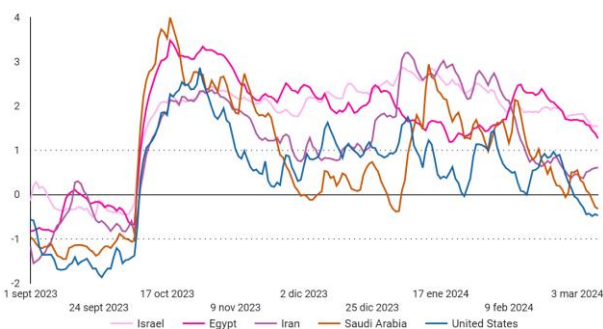
- **President Biden's Fiscal Plan:** President Biden has proposed a 7.3 US\$ bn budget for the next fiscal year including the new spending on social programs offset by higher taxes on wealthy individuals and corporations.
- **Trump & Orban meeting at Mar-a-Lago:** Donald Trump will totally stop funding Ukraine if he wins the US election in November, Hungarian Prime Minister Viktor Orbán said following a meeting between them at Mar-a-Lago in Florida "He will not give a penny in the Ukraine-Russia war," Orbán told Hungarian state media Sunday ([link](#)).

The BBVA Monitor: Geopolitical risk indicators remain in high-risk area in Latam

The Middle East continues to be in the high-risk area. Geopolitical and protest indicators in Europe are now showing signs of a possible comeback to high risk area for some countries, with Turkey and France being the only countries to still show signs of a downward trend. Geopolitical Risk indicators for Latam countries remained in the high risk area, except Mexico, that is still in the neutral area:

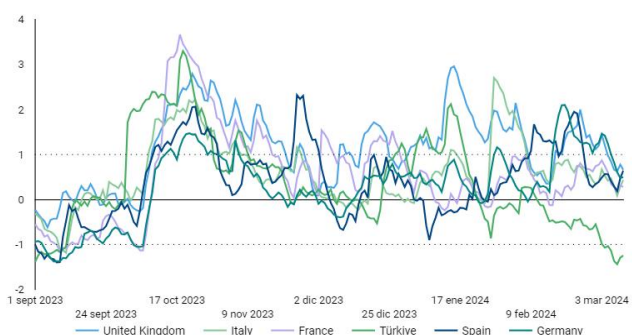
- The levels of **Geopolitical & Conflict sentiment remained at high levels in the Middle East, but are still showing signs of moderating their trend** in some countries (Fig 1).
- **Geopolitical indicators in Latam remained high** in most countries, Mexico is still in the neutral area (Fig 5).
- **Geopolitical sentiment in Europe remained contained in the neutral area** in all countries, despite the observed tensions during the last weeks in some of them (Fig 3 and Fig 4).
- **The Conflict index in Germany** slowed down after the leak of a secret conversation between high-ranking military officers last week, while **France continues to be in the high-risk area** after Macron says there are "no limits" to its support of Ukraine and after France becomes the second largest arms exporter (Fig 5).

Fig1. **GEOPOLITICAL SENTIMENT: M EAST & US**
(28-day weighted moving average, 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

Fig2. **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

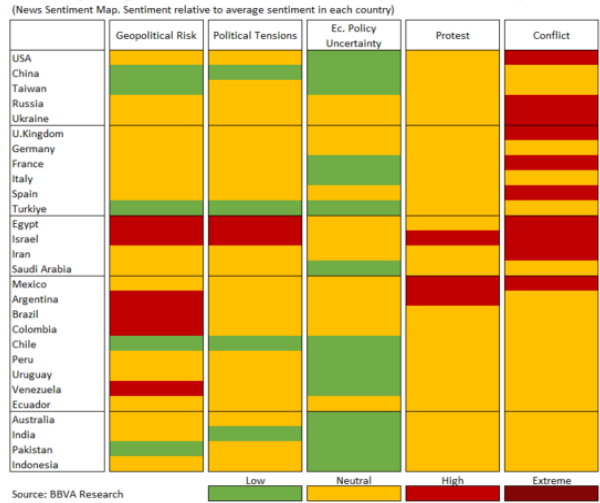
*The selection of news has been enriched by the BBVA Research Geo Assistant developed with Chat-GPT.

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

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

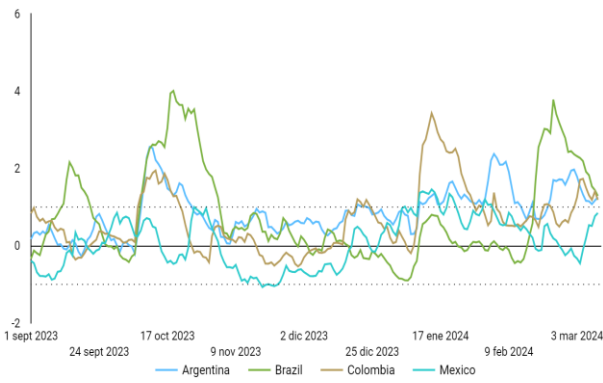


Summary of Signals After Hamas-Israel Conflict (March 11th, 2024)



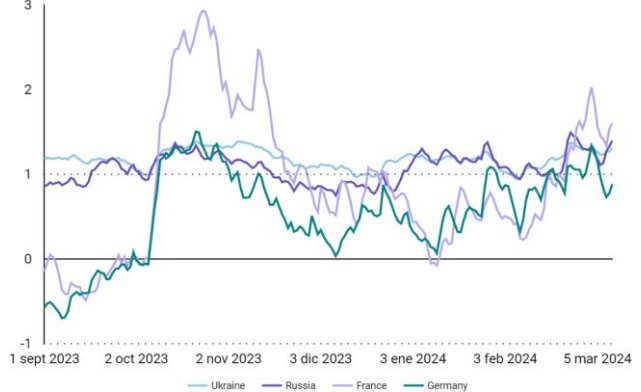
Source: BBVA Research and www.qdelt.org

Fig4. GEOPOLITICAL SENTIMENT: LATAM
(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. CONFLICT INDEX: GER, FRA, RUS & UKR
(28-day weighted moving avg, normalized by its own history)

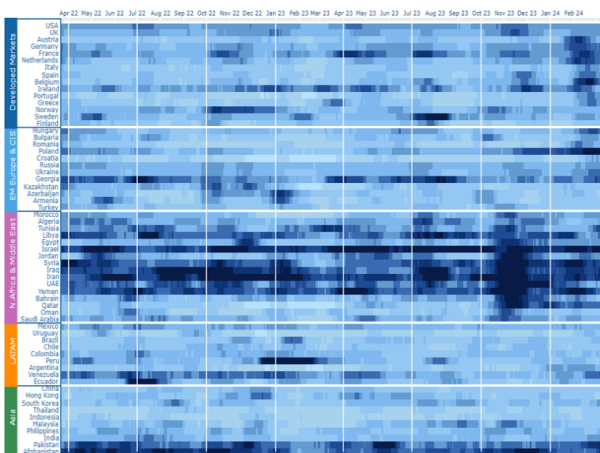


Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

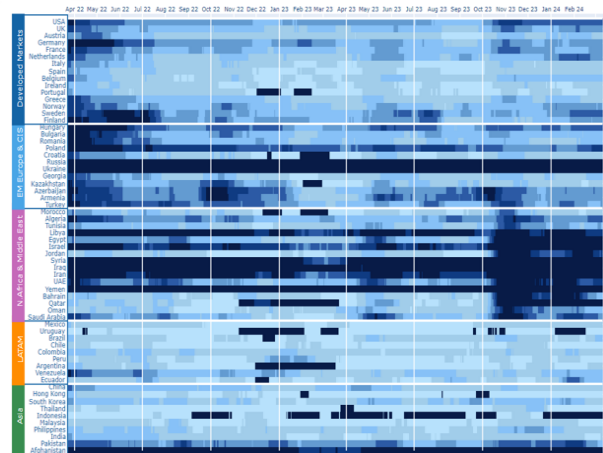
Fig6. BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS

(Evolution of Protest and Conflict over time by regions)

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 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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