

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
20 March 2024

Israel insists on a Rafah Offensive despite Biden's claims. Famine crisis mounts in Gaza. UAE supports Egypt

Israel Offensive on Rafah: Israeli Prime Minister Benjamin Netanyahu spurned a claim from Joe Biden to suspend a planned ground assault of Rafah, the last refugee in Gaza for more than a million displaced people. Netanyahu commented that he had made it "supremely clear" to the US president "that we are determined to complete the elimination of these battalions in Rafah, and there's no way to do that except by going on the ground".

Humanitarian Crisis in Gaza: Food shortages in parts of the Gaza Strip have already far exceeded famine levels, and mass death is now imminent without an immediate ceasefire and surge of food into areas cut off by fighting, says the UN-backed IPC, the global hunger monitor that formally declares famines.

Regional Implications: The United Arab Emirates has made a significant \$35 billion investment in Egypt, offering crucial support during a period of geopolitical and economic challenges faced by the country. This investment is seen as a lifeline for Egypt amidst its current crises.

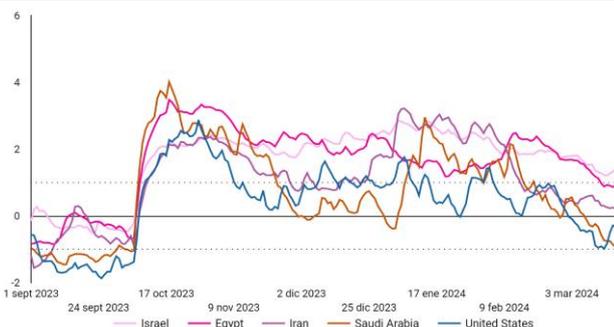
US Presidential Election: Trump potential economic and geopolitical strategies continue to be scrutinized as his probability to become the next US President increases. During the week, he commented a "bloodbath" for the US auto industry imposing a "100% tariff" on cars made outside the US ([link](#)), while he downplays his initial remarks, commenting that "US won't quit NATO, if Europe pays its way" ([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 decreased in most of the countries, coming to the neutral area. Geopolitical Risk indicators for Latam eased too and they are in the neutral area, closed to the high risk area in the case of Argentina:

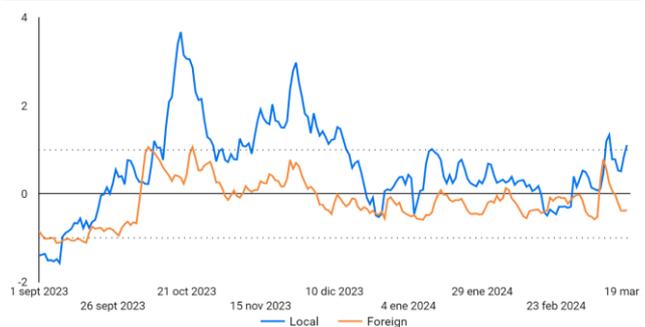
- The **levels of Geopolitical & Conflict sentiment remained at high levels in the Middle East, but contained** in most countries. Geopolitical risk increased in the US last week, but still remains in the neutral area (Fig 1).
- **Political tensions in Spain** increased during the last week in local media, while the indicator kept in the neutral area according to the foreign media (Fig 2).
- **Geopolitical indicators in Latam decreased in most countries, coming back to the neutral area**, but show signs of rising during the coming weeks, especially in Brazil, where it has been revealed that Jair Bolsonaro falsified his vaccination card, amid other pending probes into the ex-president (Fig 3 & Fig 4).
- **Tensions given the Ukraine-Russia conflict remain alive**, while the **conflict index in Germany** is still in the neutral area it shows signs of increasing, **France continues to be in the high-risk area**, especially after Russia reported the presence of French mercenaries in Ukraine and after Macron's comments on a televised speech about the possibility of sending troops to participate in the conflict (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. **POLITICAL TENSIONS: SPAIN**
(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 11th, 2024)
(News Sentiment Map, Sentiment relative to average sentiment in each country)

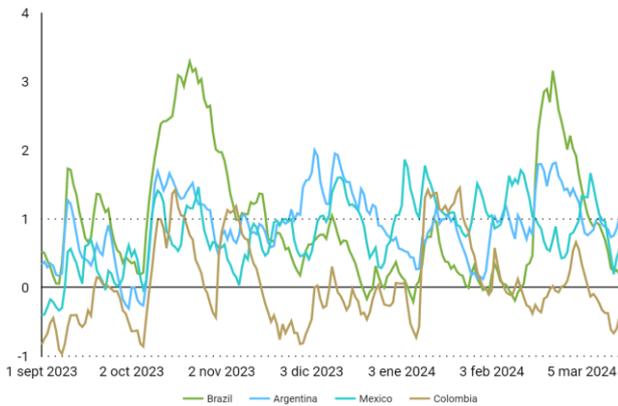


Summary of Signals After Hamas-Israel Conflict (March 19th, 2024)
(News Sentiment Map, Sentiment relative to average sentiment in each country)



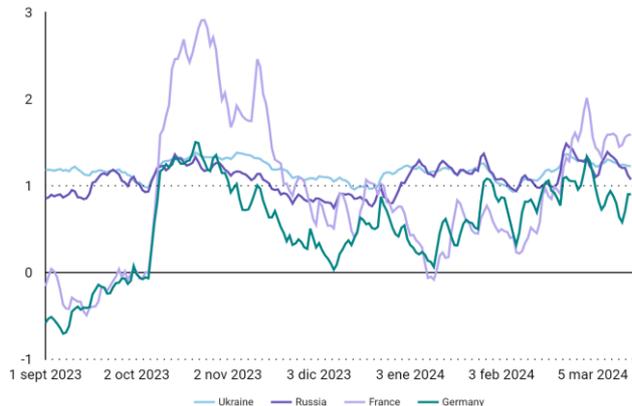
Source: BBVA Research and www.qdelt.org

Fig4. GEOPOLITICAL SENTIMENT: LATAM
(28-day weighted moving avg, normalized by its own history)



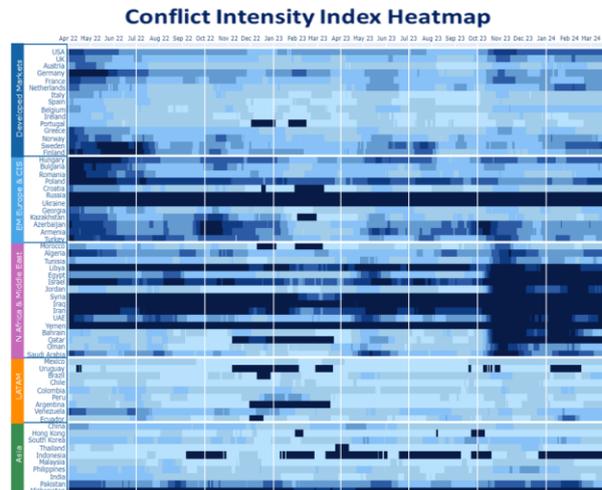
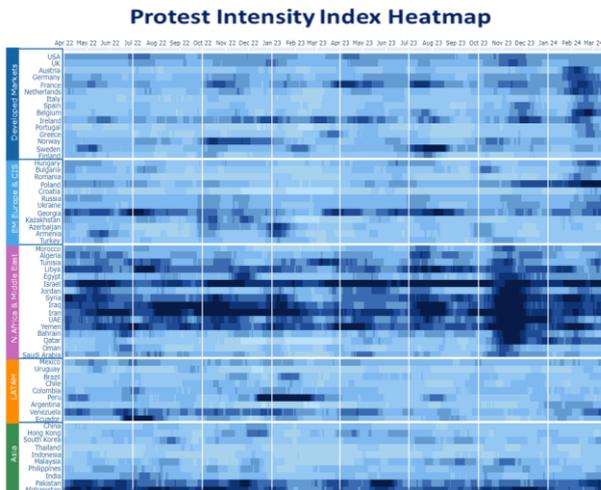
Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

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)



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 (GDELTE), created by Leetaru and Schrodte (2013). GDELTE 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 GDELTE 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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