

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
2 April 2024

The UN Security Council passed a resolution for ceasefire during Ramadan while the situation in the Middle East remains tense.

UN passed a resolution demanding immediate ceasefire, the US abstained: The UN Security Council finally passed a resolution demanding an immediate ceasefire in Gaza during the Muslim fasting month of Ramadan and the release of all hostages, with the United States abstaining from the vote. This resolution was applauded by 14 council members and is seen as a crucial step towards alleviating the ongoing conflict and humanitarian crisis in the region. The move has prompted mixed reactions, with Palestinian representatives welcoming the resolution as a pivotal moment for peace and Israeli officials criticizing the US abstention as detrimental to their efforts against Hamas.

Palestinians ask for UN Membership vote: The Palestinian Authority wants the United Nations Security Council to vote this month to make it a full member of the world body, the Palestinian UN envoy told Reuters on Monday, a move that can be blocked by Israel's ally the United States.

The Middle East remains tense: Suspected Israeli warplanes bombed Iran's embassy in Syria on Monday in an escalation of Israel's war against Iran's regional proxies, flattening a building in a strike Tehran said killed a top Revolutionary Guards commander and several diplomats.

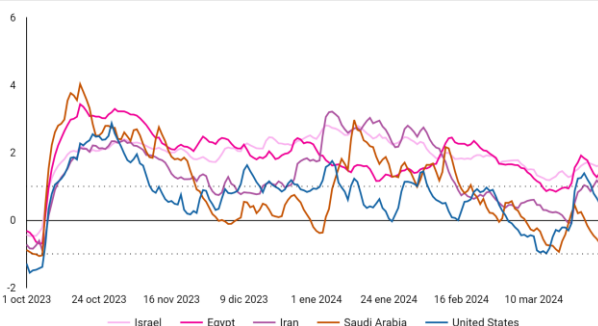
The Opposition wings the Elections in Turkey: Local elections in Turkey have marked a shift in the country's political landscape. The opposition Republican People's Party (CHP) emerged victorious in key cities, including Istanbul, Ankara, Izmir, and Antalya, securing the highest number of mayoral seats across 81 cities.

The BBVA Monitor: Geopolitical risk indicators increased in Latam, while slightly eased in the Middle East

Geopolitical risks eased in the Middle East and US during the last week, as well as in Russia and Ukraine after the terrorist attack in Moscow. In Latam, there has been a rise of the geopolitical risk indicators too in some countries like Mexico, Brazil and Colombia:

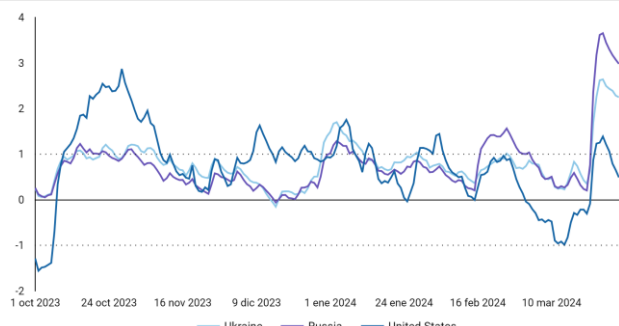
- The levels of **Geopolitical & Conflict started to ease in the Middle East, but with most of the countries still in the high-risk area**, except Saudi Arabia and the US which are in the neutral area once again (Fig 1).
- **Geopolitical risk, as well as the conflict sentiment indices, decreased in Ukraine and Russia** after the terrorist attack in Moscow, easing tensions and concerns in the region (Fig 2). As a consequence, the conflict index decreased in France and Germany during the week (Fig 5).
- **Geopolitical indicators in Latam increased too in some countries**, especially in Ecuador given the country's ongoing internal security struggles, where 80 violent crimes took place during the weekend, including a shooting incident in Guayaquil that left 10 people dead and 20 more injured (Fig 3 & Fig 4).

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: UKR, RUS & USA**
(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

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

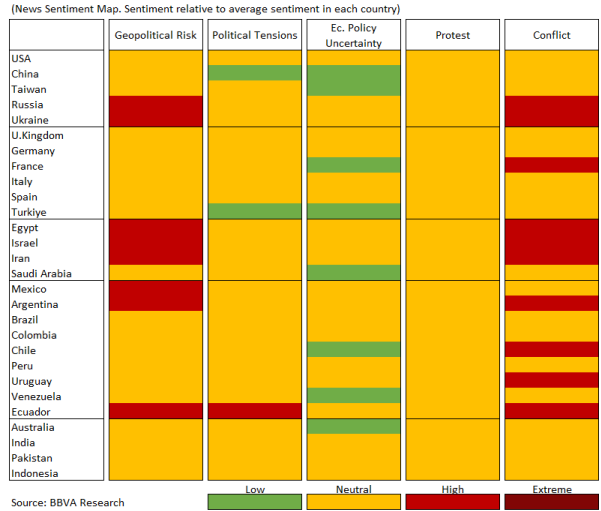
Fig3. BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES
(Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Dev)

Summary of Signals After Hamas-Israel Conflict (March 25th, 2024)



Source: BBVA Research

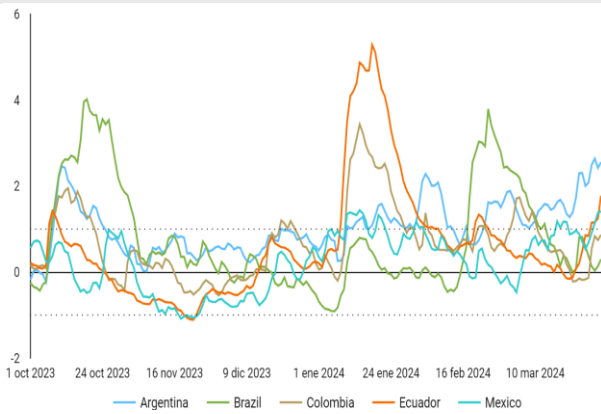
Summary of Signals After Hamas-Israel Conflict (April 1st, 2024)



Source: BBVA Research

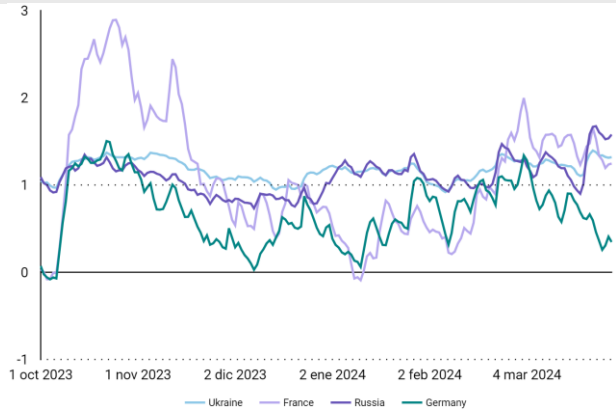
Source: BBVA Research and www.gdelt.org

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



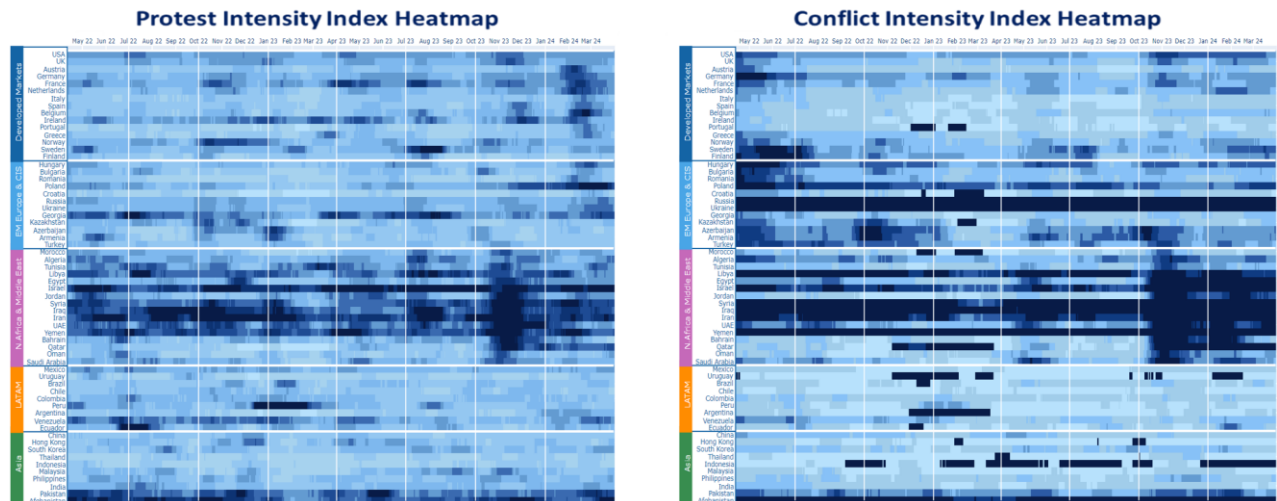
Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig5. CONFLICT INDEX: GER, FRA, RUS & UKR
(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

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



Source: BBVA Research and www.gdelt.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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