

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
9 April 2024

International Pressure shifts Israel's strategy to more surgical operations in the North. Mexico will file a case against Ecuador

Israel Strategic Shift in Gaza: The international pressure, particularly from the United States, has triggered a strategic shift of Israeli Troops in Gaza. Israel will shift to more surgical military operations in Gaza, aimed at reducing civilian casualties and enabling displaced populations, especially in the north, to return home. This strategic pivot reflects a shift from earlier, more intense conflict in the South. The US Defense Secretary Lloyd Austin has highlighted the critical importance of protecting civilians, suggesting that failure to do so could transform what might be seen as tactical victories into strategic defeats, emphasizing the delicate balance between achieving military objectives and maintaining moral and strategic integrity ([Politico](#)).

The EU tries to “unlock” aid for Ukraine: The UK and France have warned the US that "the world is watching" when it comes to aid for Ukraine. In a joint daily telegraph on [link](#) Monday with his French counterpart Stéphane Séjourné, Cameron warned that if Russian President Vladimir Putin triumphs in Ukraine, “we all lose”.

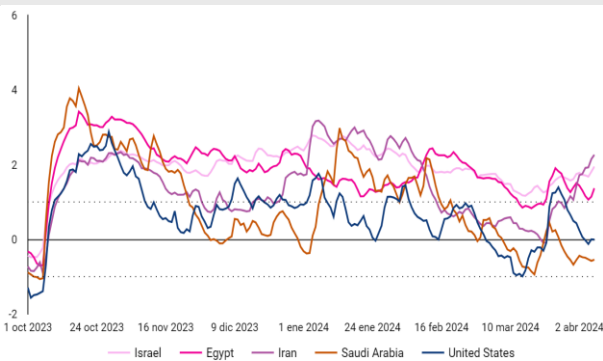
Mexico & Ecuador: Mexico said it will file a case against Ecuador at the International Court of Justice on Monday after the late Friday night arrest of Glas prompted Mexican President Andrés Manuel López Obrador to order the immediate suspension of diplomatic ties with Quito. President Lopez Obrador called the act a “flagrant violation of international law and the sovereignty of Mexico”.

The BBVA Monitor: Geopolitical risk indicators increased in most of the countries in Latam

Geopolitical risks increased in Latin America during the last week, especially in Mexico and Ecuador after Mexico announced that it is breaking diplomatic ties with Ecuador given the Embassy incident. The situation in the Middle East continues tense with the conflict, geopolitical risk and political indicators in the high-risk area. The main changes during the week were:

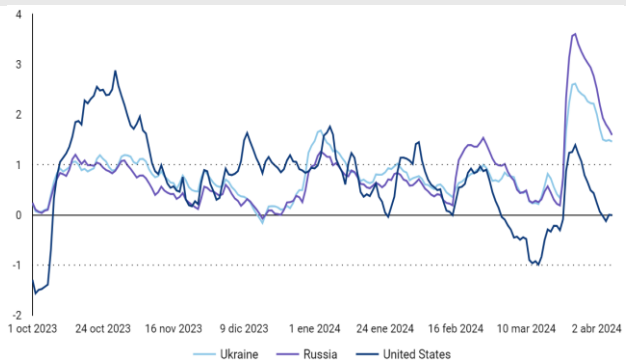
- The levels of **Geopolitical & Conflict kept increasing in the Middle East, in Iran, Israel and Egypt** in the high-risk area. Saudi Arabia and the US which are in the neutral area (Fig 1).
- **Geopolitical risk, as well as the conflict sentiment indices, decreased in Ukraine and Russia** easing tensions and concerns in the region (Fig 2 & Fig 3).
- **Geopolitical and political indicators increased in Latam** during the last week, especially in Ecuador and Mexico after Mexico’s embassy in the country was raided by Ecuadorian police in an effort to arrest ex-vice president Jorge Glas, a move condemned by opposition parties in the country (Fig 4 & 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. **GEOPOLITICAL SENTIMENT: UKR, RUS & USA**
(28-day weighted moving avg, normalized by its own history)

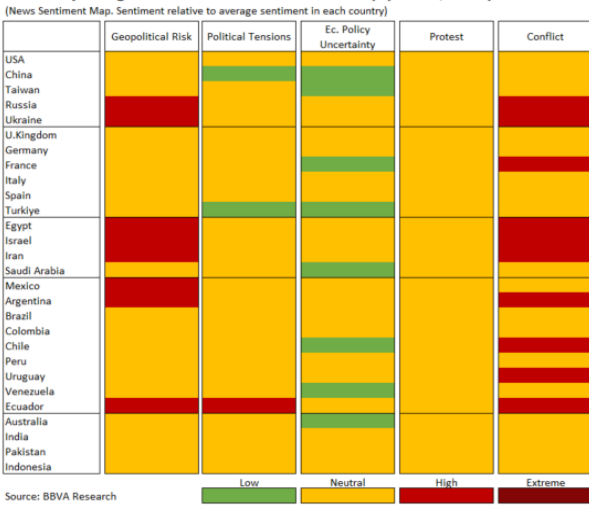


Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

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

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

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



Summary of Signals After Hamas-Israel Conflict (April 8th, 2024)



Source: BBVA Research and www.qdelt.org

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

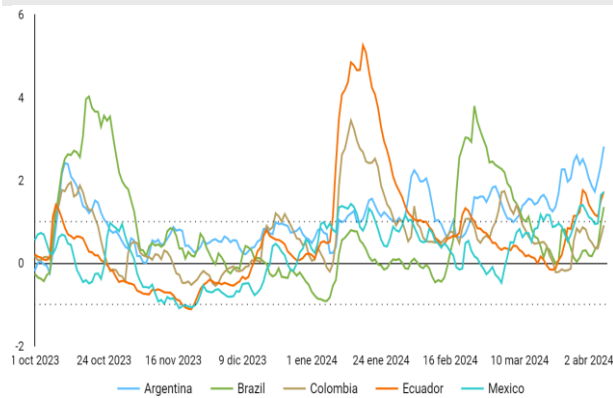


Fig5. POLITICAL TENSIONS INDEX: MEX & ECU
(28-day weighted moving avg, normalized by its own history)

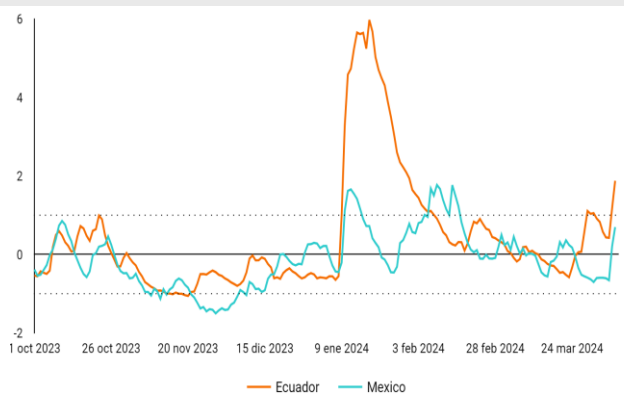
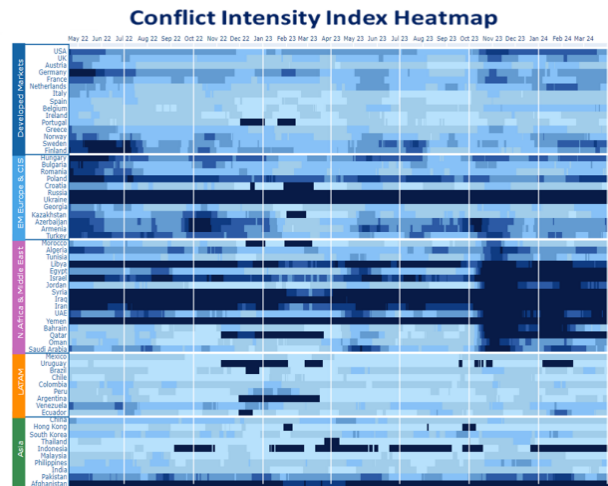
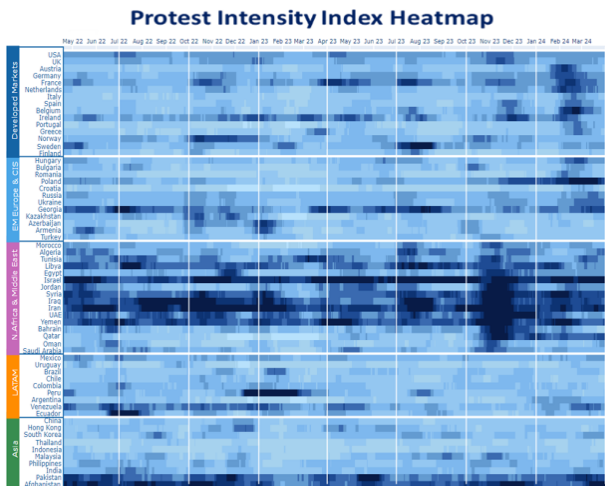


Fig6. BBVA RESEARCH PROTEST AND CONFLICT HEAT MAPS
(Evolution of Protest and Conflict over time by regions)



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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