

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
17 July 2024

Israel strikes a major blow against Hamas military leaders. Trump survives assassination attempt, wins Republican nomination and selects Vance as running mate.

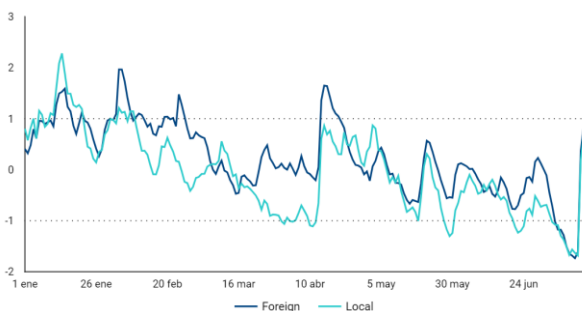
Israel claims to have killed top Hamas military leaders: Israel dropped eight tonnes of bombs to kill top Hamas commanders, including the commander of Hamas's Khan Younis brigade, Rafa Salama, the Israeli military said. Officials are still assessing whether top military leader Mohammed Deif died in the strike, but say they are almost certain ([WSJ](#)). Meanwhile, the CIA has assessed that Hamas's leader in Gaza, Yahya Sinwar, is coming under pressure from his own military commanders to accept a ceasefire deal and end the war with Israel. ([CNN](#))

Trump increases lead after attack and selects JD Vance as runmate: The rift between former President Trump and President Biden is gradually widening following the failed attack on Trump and his nomination as the Republican candidate at the Republican National Convention in Milwaukee. There, Trump chose JD Vance as his running mate in the presidential election, which is increasing nervousness in the EU on security issues (see "Europe fears weaker ties with US if Trump-Vance wins the Presidential Elections" ([FT](#)) as observed in graph 1. The echoes of the debate continue as some of Biden's colleagues recommend him to drop out of the presidential race. The poll of polls continues to show a slow but steady rise in favour of Trump (Trump at 42.4% versus Biden at 40.4%).

The BBVA Monitor:

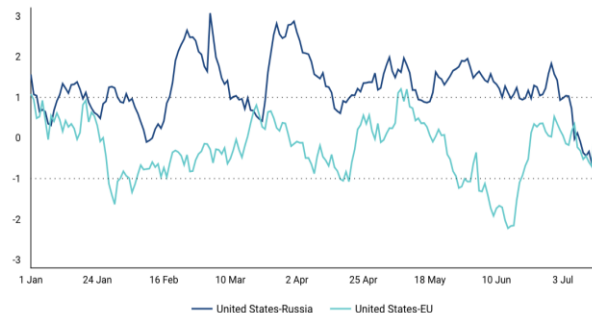
- **Political tensions** have drastically increased in the **United States** after Trump's assassination attempt. Furthermore, **bilateral tensions** index weakened with the EU and Improved with Russia ([FT](#)). (Fig 1 and Fig 2).
- **Protest indicators in Israel** have fallen after the massive protests of the past week calling for new elections on the tenth anniversary of the war were over. (Fig 3 and Fig 5).
- **Economic policy indicators** have increased in **Turkey** after a corporate tax overhaul announcement. President Recep Erdoğan proposed a minimum 10% levy on companies in order to cool the economy ([FT](#)) (Fig 4).

Fig1. **POLITICAL TENSIONS INDEX: UNITED STATES**
(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

Fig2. **BILATERAL TENSIONS: USA-EU & USA-RUSSIA**
(28-day weighted moving avg, normalized by its own history)

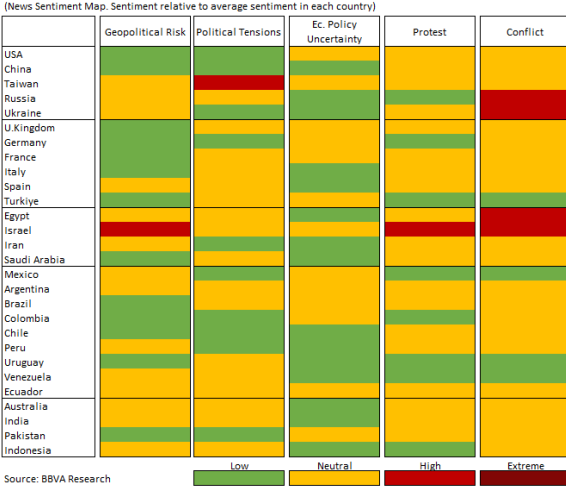


Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

*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 (July 9nd, 2024)

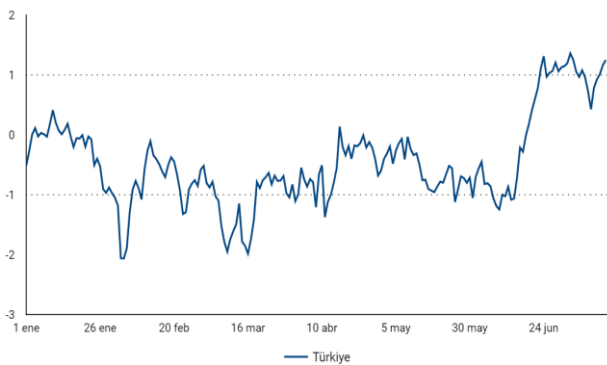


Summary of Signals After Hamas-Israel Conflict July 16th, 2024)



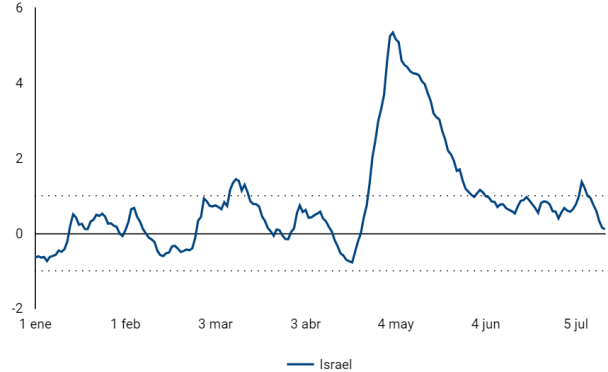
Source: BBVA Research and www.qdelt.org

Fig4. ECONOMIC POLICY UNCERTAINTY: TURKEY
(28-day weighted moving avg, normalized by its own history)



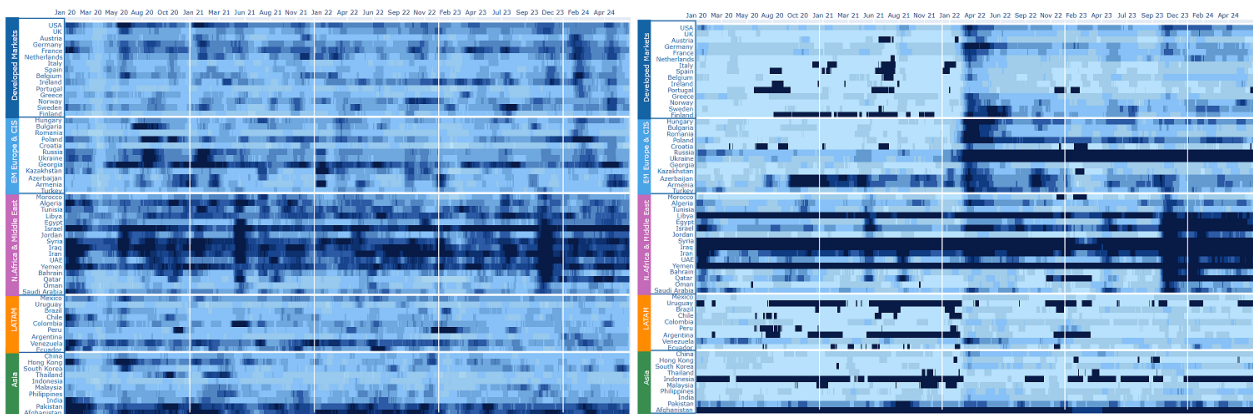
Source: BBVA Research & www.qdelt.org. Positive (negative) values indicate greater (lower) risk relative to the mean of period 2021-nowadays

Fig5. PROTEST INTENSITY INDEX: ISRAEL
(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 (GDELТ), created by Leetaru and Schrodт (2013). GDELТ 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 GDELТ 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 normalized 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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