

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit
8 October 2024

Tensions in Gaza and Lebanon are well alive after one year in conflict

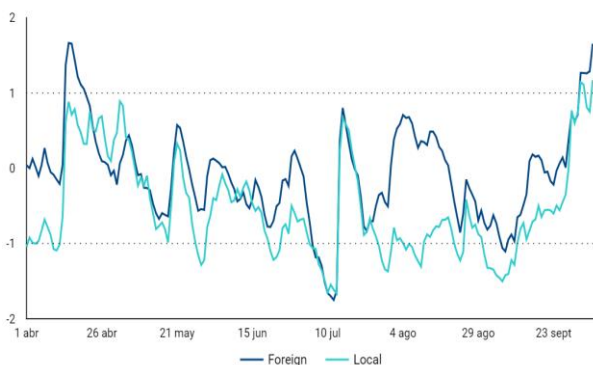
Tensions in Gaza and Lebanon during one year anniversary of Israel-Hamas Conflict: On the anniversary of the militant group Hamas's attacks on Israel, rockets were fired at Tel Aviv, forcing residents into bomb shelters. Five projectiles landed in central Israel, leaving two people with minor injuries. In response, the Israeli military launched airstrikes on southern Gaza, targeting Hamas launch sites. Israel also intercepted a missile fired from Yemen toward its territory. The rocket fire came amidst memorial ceremonies for the deadly October 7 attacks last year. Israel's military is not only engaged in fighting Hamas in Gaza but also conducting ground operations in Lebanon against Hezbollah, which has supported Hamas through rocket fire. Additionally, Israel has been dealing with missile threats from Yemen's Houthi rebels and is evaluating its response to recent Iranian ballistic missile attacks ([WSJ](#)).

US Presidential Elections Update: Kamala Harris continues leading the polls (48.4% to 45.9%), but the margin is shrinking according to the ABC poll of polls ([ABC](#)). Still, the polls on the potential Swing States remain uncertain. According to newspapers some states will be key, particularly the East Coast ones (Pennsylvania, North Carolina and Georgia, [Politico](#)) where the polls are highly uncertain.

The BBVA Monitor: high geopolitical risk in the Middle East and increasing political tensions in the US

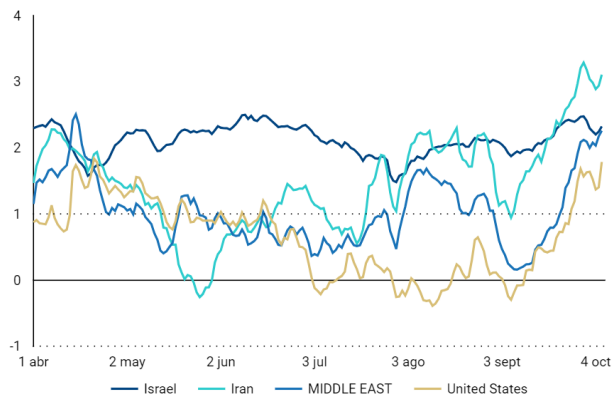
- **Geopolitical risk and conflict** indicators kept rising in **Israel and Iran**. **Conflict** indices are in the **extreme risk area**, signaling the risk of escalation into a broader regional conflict involving world players such as the role of the **US** and **Europe** (Fig. 2, Fig. 3 and Fig. 5).
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- **Political tensions** increased in the **US** as uncertainty about the Presidency rose. The indicator went to the high risk area. In the case of **Venezuela**, political tensions index started to correct, but it is still in the high risk area (Fig. 3 and Fig. 4).

Fig1. **POLITICAL TENSION: UNITED STATES**
(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

Fig2. **CONFLICT INDEX: MIDDLE EAST & 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)

BBVA Research Geopolitics Monitor main "Signal" changes after the Hamas-Israel Conflict

Summary of Signals After Hamas-Israel Conflict (October 2nd, 2024)



Source: BBVA Research

Summary of Signals After Hamas-Israel Conflict (October 7th, 2024)

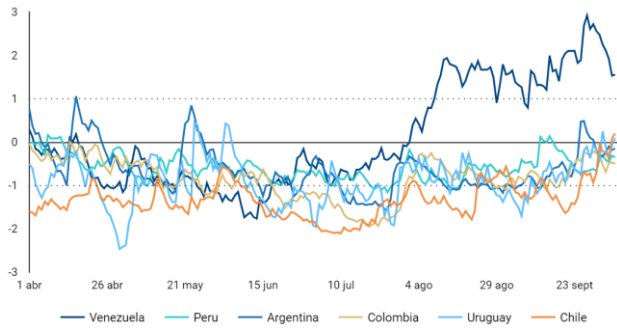


Source: BBVA Research

Source: BBVA Research and www.qdelt.org.

Fig4. **POLITICAL TENSIONS: LATIN AMERICA**

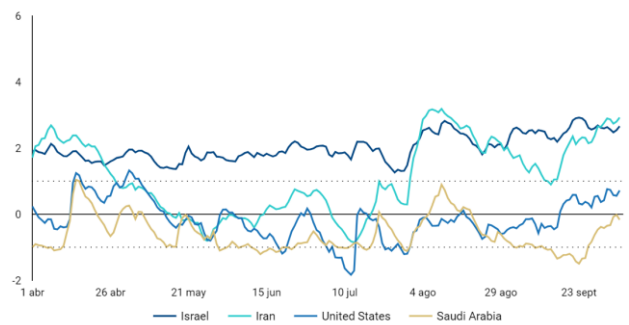
(28-day weighted moving avg, normalized by its own history)



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

Fig5. **GEOPOLITICAL RISK: ISRAEL, IRAN, US, SA**

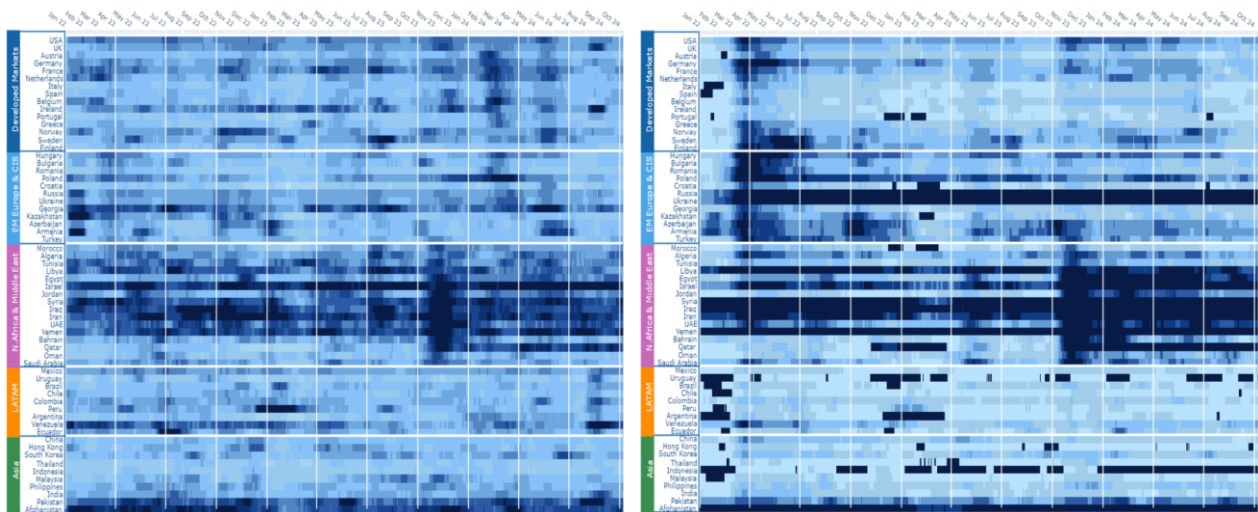
(28-day weighted moving avg, normalized by its own history)



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 (GDELT), created by Leetaru and Schrodtt (2013). GDELT is an open-source database that 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 normalized by their country's 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 the 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 has been happening in the last few days.

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