

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit

20 November 2024

Ukraine fires a US made long run missile against Russia for the first time since the beginning of the war. Lutnick appointed Secretary of Commerce

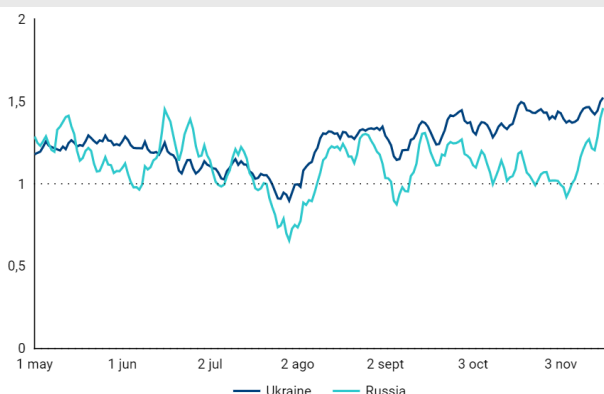
Ukraine fires US long run missile against Russia: Ukraine fired U.S.-supplied Army Tactical Missile Systems (ATACMS) to strike a military weapons depot in Russia's Bryansk region, marking the first use of these long-range missiles within Russian territory since the conflict began 1,000 days ago. This action followed the U.S. administration's decision to lift restrictions on Ukraine's use of ATACMS, signaling a significant escalation in the conflict. The Russian Ministry of Defense reported intercepting five out of six missiles, with fragments causing a fire at a military facility but no casualties. In response, Russian President Vladimir Putin signed a decree lowering the threshold for Russia's potential use of nuclear weapons, particularly in reaction to attacks involving advanced Western weaponry like ATACMS. This development has heightened international concerns regarding the potential for further escalation in the ongoing conflict. Ukrainian President Volodymyr Zelenskyy emphasized Ukraine's intent to utilize its diverse arsenal of long-range weapons, including domestically produced drones and ATACMS, to defend against Russian aggression. ([AP](#))

Trump appoints Lutnick as Commerce Secretary: President-elect Donald Trump has selected Howard Lutnick, CEO of Cantor Fitzgerald, as his nominee for Commerce Secretary. Lutnick has been a key transition adviser to Trump and was a top contender to lead the Treasury Department.

The BBVA Monitor: The conflict escalated between Russia and Ukraine, while geopolitical risk eased in Spain

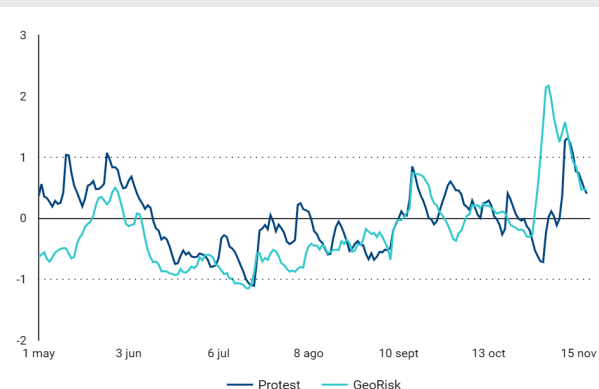
- In **Ukraine and Russia**, **conflict indicators** increased during the week due to the long-range missile fired by Ukraine against Russia (Fig. 1), which also raised the **US** conflict indicator (Fig. 3). In the Middle East, conflict indicators remain high in **Israel** and **Iran**, with high uncertainties persisting about the resolution of the conflict (Fig. 3 and Fig. 5).
- **Geopolitical risk index**, along with the protest indicator, eased rapidly in **Spain**, returning to neutral levels following the DANA phenomenon (Fig. 2 and Fig. 3).
- In **Venezuela**, the **political tensions indicator** continues to rise, approaching extreme-risk level (Fig. 3 and Fig. 4).

Fig1. **CONFLICT INDEX: UKRAINE, 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

Fig2. **GEOPOLITICAL RISK & UNREST: 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)

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

Summary of Signals After Hamas-Israel Conflict November 12th, 2024
(News Sentiment Map. Sentiment relative to average sentiment in each country)



Source: BBVA Research

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

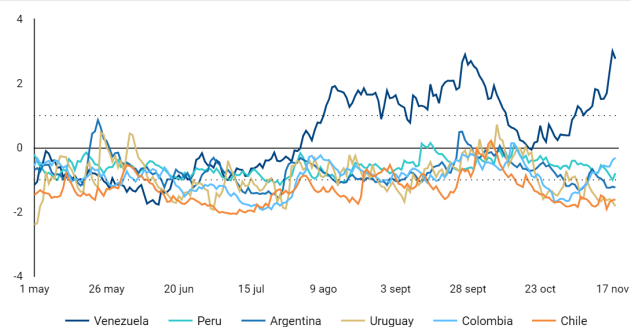


Source: BBVA Research

Source: BBVA Research and www.gdelt.org.

Fig4. **POLITICAL TENSIONS INDEX: LATIN AMERICA**

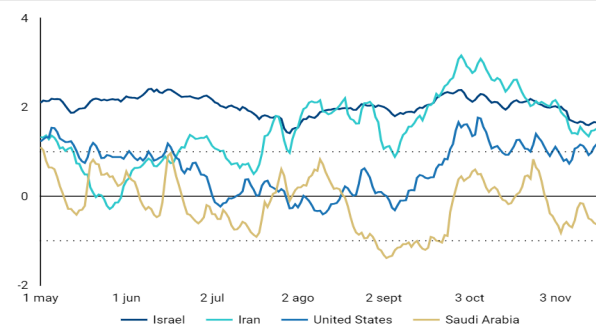
(28-day weighted moving avg, normalized by its own history)



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

Fig5. **CONFLICT INDEX: ISRAEL, IRAN, US, SA**

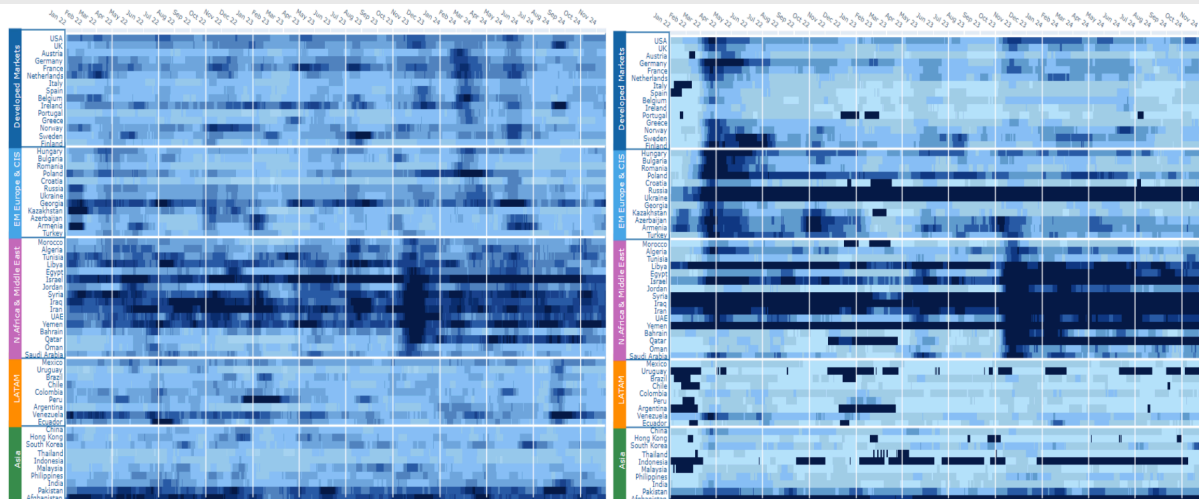
(28-day weighted moving avg, normalized by its own history)



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

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 Schrodt (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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