

Geopolitics

BBVA Research Big Data Geopolitics Monitor

Big Data Unit

16 April 2025

Trade Uncertainty on EU-US meetings remains. US & Iran nuclear talks continues

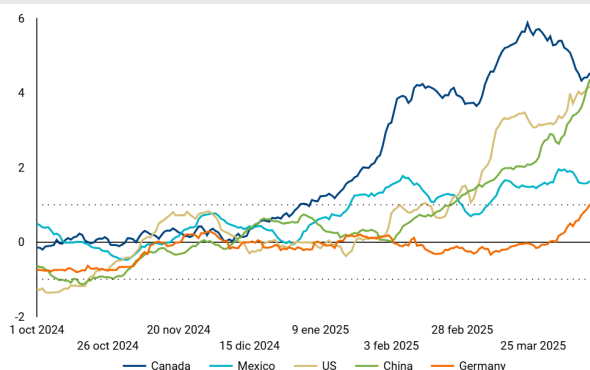
Trade Uncertainty on EU-US meetings remains: EU trade officials expressed disappointment that the US had not clearly outlined its demands to lift reciprocal tariffs that were imposed by the Trump administration. EU and US top trade representatives discussed tariff removal in Washington DC this week, but the US side did not provide specifics on its desired outcomes. The EU reiterated its readiness to mutually drop industrial tariffs if the US offered a clearer position. Meanwhile, the Trump administration has listed various grievances based on trade imbalances and non-tariff barriers. Although the US temporarily reduced tariffs to 10% for 90 days, it is also preparing new measures targeting semiconductor and pharmaceutical sectors. The EU remains committed to addressing these issues constructively and has paused its retaliatory tariffs on steel and aluminum until July 14.

“Nuclear” Negotiations between US & Iran continues: US envoy Steve Witkoff has stated that Iran must “stop and eliminate” its nuclear enrichment program in order to secure a deal with President Trump, even though he previously suggested that limited enrichment (up to a low 3.67% purity level) might be acceptable. This hardline stance comes as the US pushes for the complete dismantling of Iran’s nuclear activities—a requirement that contrasts with Tehran’s current practice of enriching uranium up to 60% purity, which is close to weapons grade. Iran’s Supreme Leader Ayatollah Ali Khamenei acknowledged that negotiations had started off positively but cautioned against over-optimism, emphasizing clear red lines. Tehran insists that its nuclear program is for civilian purposes and maintains that while it has the capacity to produce weapon-grade material rapidly, actual weaponization would take much longer.

The BBVA Monitor: Trade War Escalation Remains in the Spotlight

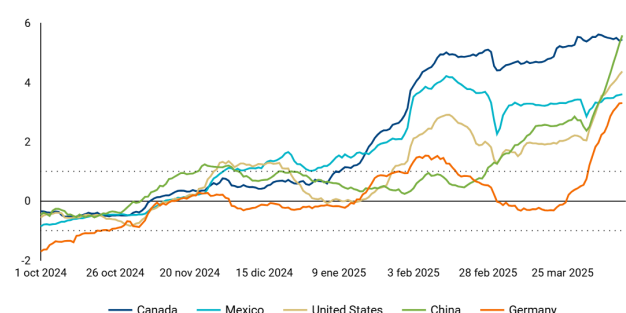
- While the temporary tariff pause has provided short-term relief, uncertainty surrounding economic and trade policies remains high. As a result, both the **Trade Policy Uncertainty (TPU) and Economic Policy Uncertainty (EPU) indicators** continue to register at extreme or high risk levels. These indicators are skyrocketing in **China**, while the EPU index has begun to correct in some countries, such as **Canada**, following the announcement of the 90-day moratorium on most of the newly imposed tariffs, excluding those on Chinese goods. TPU indices continue to rise in most countries, particularly in **China, Germany, and Venezuela** (see Fig. 1, Fig. 2, Fig. 3, and Fig. 4).
- The **economic policy uncertainty indicator** saw a slight uptick this week in **Iran**, remaining in the extreme zone as markets keep a close watch on the ongoing nuclear negotiations between Iran and the US (see Fig. 3 and Fig. 5).

Fig1. **ECONOMIC POLICY UNCERTAINTY INDEX**
(Local media. 28-day weighted mov 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. **TRADE POLICY UNCERTAINTY INDEX**
(Local media. 28-day weighted mov avg, normalized by its own history)

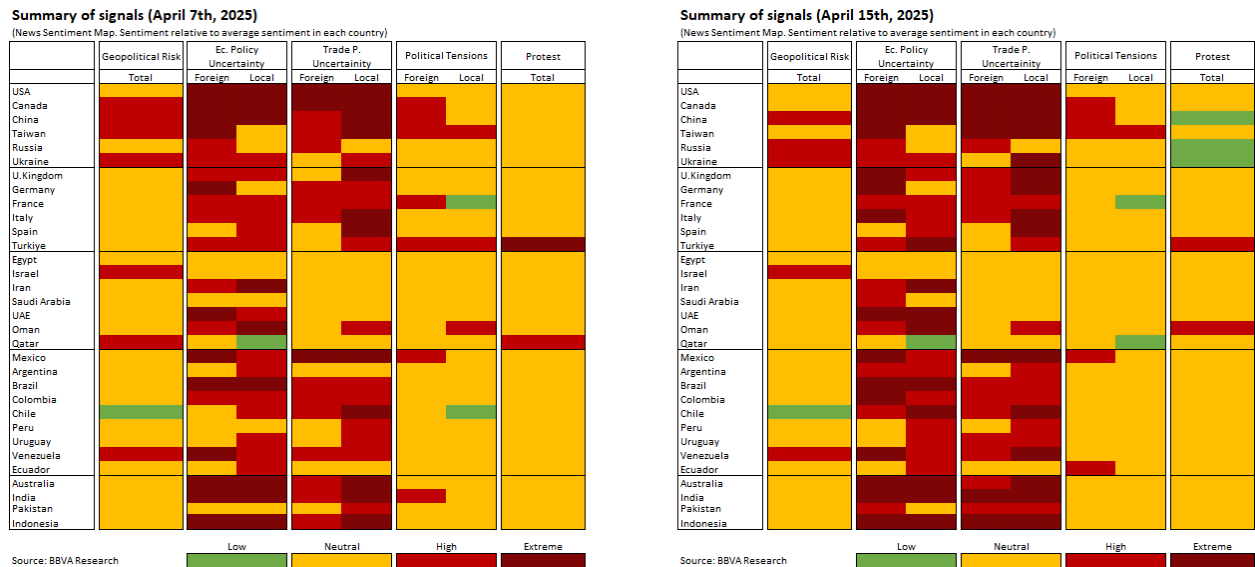


Source: BBVA Research & www.gdelt.org. Positive (negative) values indicate greater (lower) interest relative to the mean of period 2021-nowadays)

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

Fig3. BBVA RESEARCH GEOPOLITICS MONITOR "SIGNAL" CHANGES

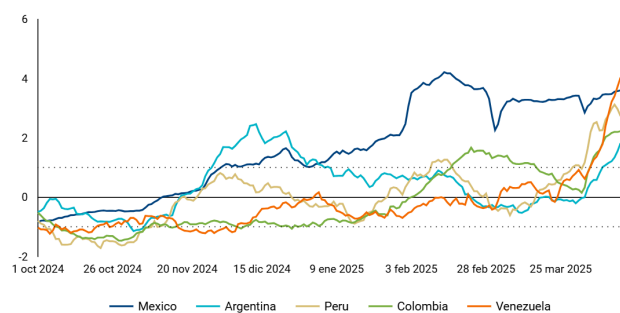
(Signals in Geopolitical Risk, Political Tensions, Economic Policy Uncertainties, Protest and Conflict according to Standard Dev)



Source: BBVA Research and www.qdelt.org.

Fig4. TRADE POLICY UNCERTAINTY INDEX

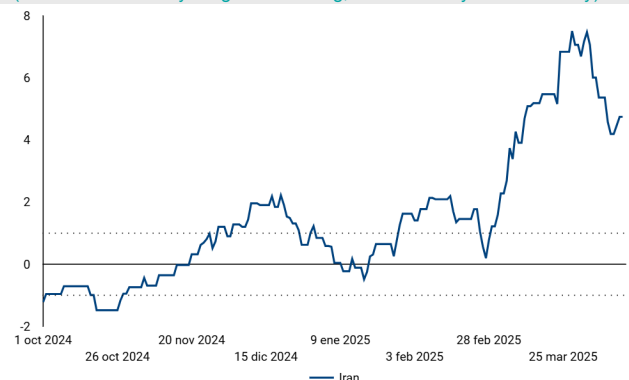
(Local media. 28-day weighted mov avg, normalized by its own history)



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

Fig5. ECONOMIC POLICY UNCERTAINTY INDEX

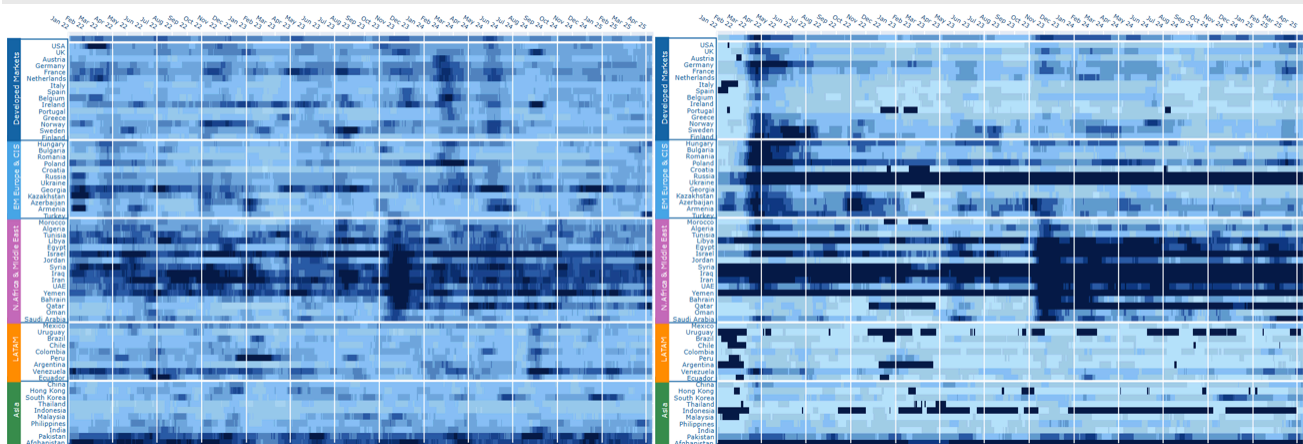
(Local media. 28-day weighted mov avg, normalized by its own history)



Source: BBVA Research and 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 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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